

# U.S. Country Commercial Guides



## Democratic Republic of the Congo 2020

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# Doing Business in the Democratic Republic of the Congo

## Market Overview

The Democratic Republic of the Congo's (DRC) rich endowment of natural resources, large population, and strategic location in Central Africa make it a potentially rewarding market for U.S. companies. However, the DRC's commercial and investment climate remains extremely challenging.

The DRC economy is largely reliant on commodity prices, particularly prices for copper, cobalt, tin, tungsten, and tantalum. Favorable commodity prices facilitated robust economic growth from 2001 to 2014, but the absence of political will, weak institutions, and persistent conflict in the regions continued to undermine resilience. A drop in mineral prices caused an economic downturn in 2016-2017. Growth rebounded to 5.9% in 2018, but fell to 4.5% in 2019 and fell further to -2.2%, as the COVID-19 pandemic caused a worldwide slowdown in demand for Congolese raw materials.

Inflation, which averaged 1.4% from 2012 to 2015, soared to 54.7% in 2016 and fluctuated around 10% before increasing to 20% in 2020 due to COVID-19-induced limitations on imports. The Congolese Franc (CDF) depreciated sharply by 25% in 2020 due to the high price of imports, bringing the exchange rate to 2000 CDF to the US dollar.

A weak manufacturing sector, porous borders, and weak links between the capital and the periphery, and between the regions, have rendered the DRC an import-based economy. Low-cost consumer goods and foodstuffs smuggled into DRC from Angola and Zambia have undercut local production and resulted in large-scale capital flight.

The accession of Felix Tshisekedi as President in 2019 represented the first peaceful transition of power in the country's history. The political situation remains fluid, as President Tshisekedi is re-working the governing coalition to reduce the influence of former President Joseph Kabila.

The DRC is a member of the African Union, Southern African Development Community, Common Market for Eastern and Southern Africa, Economic Community of Central African States, Organization for the Harmonization of African Business Law, and the Economic Community of the Great Lakes Countries. The DRC has signed but not yet ratified the African Continental Free Trade Agreement.

Key economic indicators:

Economic growth Rate:

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
7.1%	6.9%	7.1%	8.5%	8.9%	7.7%	2.4%	3.7%	5.8%	4.4%

Official Inflation Rate:

2012	2013	2014	2015	2016	2017	2018	2019
2.7%	1.07%	1.04%	1.4%	12%	23.6%	29.3%	4.7%

Official Exchange rate (Central Bank of Congo): CDF 1966 : USD 1 (from November 2020)

Income per capita: \$500 (2019)

Real GDP based on 2013 (in billions USD):

2011	2012	2013	2014	2015	2016	2017	2018	2019
25.84	29.31	32.69	33.12	37	38.5	40	47.23	47.32

Top 5 export markets in 2018:

China: \$5.51 billion

Zambia: \$1.36 billion

United Arab Emirates: \$838 million

South Korea: \$612 million

Saudi Arabia: \$518 million

United States: \$49 million

Top 5 import markets in 2018

China: \$1.76 billion

South Africa: \$1.41 billion

Zambia: \$819 million

Belgium + Luxembourg: \$412 million

Tanzania: \$310 million

United States \$78 million

U.S. Companies find five primary advantages in exporting to the DRC. These include the fact the DRC is the fourth most populous country in Africa with a small but growing middle class. Congolese hold a high opinion of U.S. products and services, particularly in terms of the quality to price ratio. The DRC is undertaking multimillion dollar programs to rehabilitate various sectors including agriculture, energy, construction, basic infrastructure, and transportation. The DRC's turn to the United States and away from China has resulted in more international development finance being available and more contracting opportunities. The DRC Government has created a working group to improve the business climate and is actively seeking to increase foreign trade and investment. Exporting to the DRC can offer high profit margins as the market is not yet saturated with competition.

The country has three main economic hubs centered on large population centers with significant commercial or industrial bases. These are:

**Kinshasa and Kongo Central provinces:** Kinshasa is the DRC's most populous city and its political and economic capital. It is a vibrant economic hub; most foreign companies operating in the DRC maintain a presence in Kinshasa, and Congolese businesses tend to have their corporate headquarters in the city. Kinshasa is the third largest city on the African continent, with an estimated population of over 5.5 million inhabitants in the city and 12 million in its urban agglomeration. Kongo Central is the only province in the DRC with direct access to the sea. Matadi, approximately 170 miles (273km) southeast of Kinshasa, is the capital and largest city in the province, and is home to the principal seaport. A meter gauge portage railway and a paved two-lane road connect Kinshasa and Matadi. Though the Congo River flows between Kinshasa and Matadi, the stretch connecting the two is unnavigable.

**Haut-Katanga and Lualaba provinces:** These two provinces form the southern economic hub comprising the southern half of the former Katanga province bordering Angola and Zambia. Lubumbashi, the DRC's

second largest city, is located near one of the world's largest copper deposits. Today, the region is home to numerous domestic and internationally owned mines. Unlike Kinshasa, Lubumbashi and a number of other key cities in the Lualaba and Haut-Katanga provinces are connected to the southern African rail network.

**North Kivu, South Kivu, Ituri, Bas-Uele, Haut-Uele, and Tshopo provinces:** This area of economic activity, from the cities of Bukavu and Goma on the Rwandan border, to the river port city of Kisangani to the west, and the gold mines in Bas-Uele and Ituri, forms the third economic hub of the country. The area faces chronic instability due to the continuing low-intensity conflict between various armed factions fighting the DRC government and each other. Despite difficult conditions, the region is home to a number of industrial and artisanal mines extracting cobalt, gold, and diamonds, as well as a rich agricultural sector with export potential.

## **Market Challenges**

U.S. firms entering the market in the DRC will face multiple challenges. The lack of reliable electricity and water often means companies have to provide their own supplies. The high costs of transportation can make inputs more expensive and eat into profit margins. A difficult customs clearance process can result in a long wait for imported products to become available. Companies will often arrange for a local agent who can facilitate the process. Further, the taxation system is complicated and its application often arbitrary. Companies often work with a local counterpart who can handle this process. Corruption and bureaucracy are a constant brake on business activity. Laws are applied inconsistently, and the judicial process is slow. Companies as a result often find a local legal advisor necessary.

## **Market Opportunities**

There are opportunities large and small in the DRC. The DRC's enormous mining wealth attracts top mining companies from around the world. The boom in demand for electric car batteries and electronics has multiplied the demand for cobalt and coltan. Energy is another sector with tremendous potential for hydroelectricity and renewable solar and biomass energy. Telecommunications is a largely privatized and still growing industry. Agriculture is an explored sector as the DRC has large tracts of underexploited land. The need for roads and buildings means numerous contracting opportunities. The need for transport creates an enormous market for vehicles, boats, and engines.

## **Market Entry Strategy**

There are four possible market entry strategies:

- Exporting to Congolese retailers: Because of a limited industrial base in the DRC, few finished goods are produced in the DRC. The vast majority of consumer and finished goods are imported.
- Joint-venture: Many sectors require in-depth knowledge or expertise, capital, and analysis of the market, which only a local partner can provide; entering the Congolese market through a joint-venture can be beneficial. Businesses should be sure to conduct thorough due-diligence prior to entering into a joint-venture with a Congolese business partner.
- Green field: opening a new office in the DRC.
- Franchising: opening a franchise of a recognized brand in the DRC.

The nature of business in the DRC strongly discourages passive investment. Traveling to meet partners is vital to ensure proper fulfillment of a project. Companies with significant interests need to consider opening a representative office.

# Leading Sectors for U.S. Exports and Investment

## Mining and Minerals

### Overview

The DRC has substantial untapped gold, cobalt and high-grade copper reserves, but equally significant security risks accentuated by a lack of robust infrastructure. In 2019, mine production of cobalt in the DRC totaled 100,000 metric tons, accounting for 70 percent of global production. The DRC was the third largest producer of industrial diamonds in 2019, contributing about 21 percent of global production.

The country boasts some of the highest quality copper reserves globally, with some of the mines estimated to contain grades above 3 percent, significantly higher than the global average of 0.6 - 0.8 percent. International mining companies attracted by high grade and low cost mines are increasingly attracted to the DRC's copper wealth situated on the copper belt in the southern part of the country. In 2019, the DRC produced 1.43 million tons of copper, up 19 percent over 2018. With operating costs that are lower than traditional gold producing countries like South Africa, DRC's gold mining sector is also witnessing renewed interest from mining companies.

### Leading Sub-Sectors

- Copper ore and nickel ore mining
- Gold ore mining
- Cobalt ore mining
- Mining equipment leasing and financing
- Power generation & transmission

### Opportunities

With total mineral wealth estimated in the tens of trillions of dollars, the DRC offers opportunities for American firms with a high tolerance for risk and familiarity operating in complex or fragile environments. Despite ongoing low intensity conflict in the east of the country, the potential for political instability, and unstable commodity prices, mine operators continue to invest in their operations in anticipation of improved market conditions and to maintain operational footholds in this lucrative environment.

### Web Resources

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

National Agency for Investment Promotion (ANAPI): [www.investindrc.cd](http://www.investindrc.cd)

Regulatory Authority for Public Procurement (ARMP): <http://www.armp-rdc.org/index.php/en/>

Single-window for business creation: [www.guichetunique.cd](http://www.guichetunique.cd)

USAID: <https://www.usaid.gov/democratic-republic-congo>

UNDP: [www.cd.undp.org](http://www.cd.undp.org)

IMF: [www.imf.org/en/Countries/ResRep/COD](http://www.imf.org/en/Countries/ResRep/COD)

## **Energy**

### **Power Africa**

Power Africa is a market-driven, U.S. Government-led public-private partnership aiming to double access to electricity in Africa. It offers private sector entities tools and resources to facilitate doing business in Africa's power sector.

In 2016, the Electrify Africa Act institutionalized Power Africa. Learn more about the full [Power Africa toolbox](#) or other [opportunities offered by Power Africa](#).

### **Overview**

The DRC has immense and varied energy potential, consisting of non-renewable resources, including oil, natural gas, and uranium, as well as renewable energy sources, including hydroelectric, biomass, solar, and geothermal power. Hydroelectric power accounts for 96 percent of domestic power generation, the bulk of which is generated by the Inga I and Inga II dams located in Kongo Central province. While Inga I and II have an installed capacity of 1,775 megawatts, the facility generates a fraction of that due to decades of deferred maintenance and neglect.

Despite millions of dollars of donor funding, today only 9 percent of the DRC's 84 million people have access to electricity – about 30 percent in urban areas and an alarming one percent in rural areas. Lack of access to modern electricity services impairs the health, education, and income-generating potential of millions of Congolese people. Most power generation development is directed and funded by mining companies seeking to power their facilities.

The Tshisekedi government is seeking to increase power connections by appealing for development funding and mandating that electricity companies provide power to the population in addition to mining companies. In addition, many universities and academic institutions in the DRC have founded centers for the research and development of renewable energy such as solar and biodiesel.

### **Leading Sub-Sectors**

- Electrical power generation
- Transmission line construction
- Off-grid network development
- Mobile power generators
- Hydroelectric turbine construction, maintenance
- Solar energy

### **Opportunities**

The GDRC has launched a program to develop the energy sector, with the aim of developing the hydroelectric sector and exploiting the power of the numerous rivers in the Congo Basin. The GDRC welcomes developers to supply power, build the transmission lines, or sell the necessary equipment. There is also a tremendous need for off-grid electric solutions. Along with hydroelectric power, the GDRC seeks to build and rehabilitate several geothermal stations across the country. Several solar investors have explored the DRC market and are in the process of signing MOUs with the government. The GDRC seeks firms with financing and experience to partner with local and parastatal firms to build these power generating facilities.

A high priority is rehabilitating Inga I and II's turbines and building the third phase of the Inga Dam. The third phase of the dam would generate an estimated 4,400 megawatts, with the bulk of the power supporting copper mining and smelting operations in Haut-Katanga province, and exports to South Africa. Approximately one third of the expected power would be designated for parastatal utility Société National d'électricité (SNEL) to power Kinshasa. The GDRC envisions Inga III as a step towards the construction of



“Grand Inga,” an eight-dam project that could generate as much as 40,000 megawatts, which could meet most of the African continent’s current energy needs.

### **Web Resources**

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

Regulatory Authority for Public Procurement (ARMP): <http://www.armp-rdc.org/index.php/en/>

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

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Single-window for business creation: [www.guichetunique.cd](http://www.guichetunique.cd)

USAID: <https://www.usaid.gov/democratic-republic-congo>

Power Africa: <https://www.usaid.gov/powerafrica>

UNDP: [www.cd.undp.org](http://www.cd.undp.org)

IMF: [www.imf.org/en/Countries/ResRep/COD](http://www.imf.org/en/Countries/ResRep/COD)

## **Agriculture**

### **Overview**

With 80 million hectares of arable land, 4 million hectares of irrigated land, and many rivers with important fishery resources, the DRC has the potential to become a global agricultural power. Although the agricultural sector contributes 18 percent of GDP and accounts for over 60 percent of jobs, it fails to ensure food security and generate sufficient revenues and sustainable employment. The main cash crops include coffee, palm oil, rubber, cotton, sugar, tea and cocoa. There has been some success developing cocoa and coffee for export. Food crops also include cassava, plantains, maize, groundnuts and rice. Commercial agricultural production remains limited, with most producers engaged in subsistence food agriculture. To cope with the food shortage, the GDRC is supporting the creation of agro-industrial parks in different areas of the DRC.

### **Leading Sub-Sectors**

- Crop planting
- Cultivation
- Fishery, land and wildlife conservation
- Fertilizer, herbicides, pesticides, and fungicides
- Farm equipment leasing and financing
- Agricultural industrial park

### **Opportunities**

In order to develop the agricultural sector the GDRC launched a program with the following objectives:

- Strengthen its contribution to economic growth;
- Restore the country's food security;
- Reduce poverty and insecurity in rural areas;
- Increase the production of food and durable goods.

To achieve these objectives, the program seeks to develop agricultural and rural strategies and policies that affect awareness, production, collection, storage, processing and marketing.

Additionally, the GDRC intends to build new, and expand existing, agro-industrial projects. These projects will benefit from the participation of foreign agricultural firms with tolerance for risk, experience operating in complex or fragile environments, and with access to capital to finance their participation.

### **Web Resources**

Single-window for business creation: [www.fr.guichetunique.cd](http://www.fr.guichetunique.cd)

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

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IMF: [www.imf.org/en/Countries/ResRep/COD](http://www.imf.org/en/Countries/ResRep/COD)

## **Construction**

### **Overview**

The Tshisekedi administration declared 100 days of infrastructure in 2020, launching a \$497 million program on construction. The international development banks are major funders for infrastructure in the DRC, as the country has needs in nearly every facet of public and private life.

Foreign firms dominate the construction sector in the DRC. Chinese firms account for over half of all public works projects in the DRC, and a significant portion of private construction projects. European construction firms are also major players in the DRC construction industry.

### **Leading Sub-Sectors**

- Health care infrastructure
- Road infrastructure
- Electrical generation and transmission infrastructure
- Water and sewage infrastructure
- Lodging
- Educational infrastructure

### **Opportunities**

There are numerous infrastructure construction opportunities for American firms with capital and an appetite for risk. These infrastructure projects are frequently structured as public-private partnerships; American and European firms face stiff competition from their Chinese counterparts, as they often bring their own financing. Projects are listed on the Ministry of Infrastructure and Public Works webpages.

### **Web Resources**

Ministry of Infrastructure and Public Works: <http://www.celluleinfra.org/>

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

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Single-window for business creation: [fr.guichetunique.cd](http://fr.guichetunique.cd)

## **Oil and Gas**

### **Overview**

Oil and gas discoveries in the east of the country give the DRC the second largest crude oil reserves in Central and Southern Africa after Angola. These reserves are primarily located in the four major lakes bordering Tanzania, Burundi, Rwanda, and Uganda. The DRC has proven reserves of 180 million barrels, though estimates of total petroleum reserves exceed 5 billion barrels. Currently, Congolese oil production is limited to the Coastal Basin, yielding 25,000 barrels per day of offshore production, all of which is exported.

Along with large recently identified oil fields, the DRC may hold as many as 30 billion cubic meters of methane and natural gas in three major petroleum deposits. Lake Kivu, bordering Rwanda and Burundi, has nearly 60 billion cubic meters of dissolved methane in its waters. While the methane gas poses a threat to populations along its shores, this gas can be trapped and converted to electricity. Methane is already being extracted on the Rwandan side of the Lake, through a Rwandan built power plant that is generating 30-40 megawatts of electricity. Beyond the estimated 60 billion cubic meters of methane in Lake Kivu, the lake generates as much as 250,000 cubic meters of methane annually. The DRC imports all of its refined petroleum fuels and lubricants.

### **Leading Sub-Sectors**

Refined petroleum products, including gasoline, aviation fuel, kerosene; petroleum based lubricants; oil refining operations, biofuels production.

### **Opportunities**

There are currently three major oil companies conducting extractive operations in the DRC; Anglo-French firm Perenco conducting offshore oil extraction in the Atlantic Ocean off the coast of Muanda in Kongo Central; French oil company Total, and DRC parastatal Cohydro, which are conducting exploratory and preliminary extractive operations in the Eastern DRC. With estimates of total petroleum reserves as high as three billion barrels, natural gas and methane reserves exceeding 10 billion cubic meters, and a comparatively low production rate ranging between 20,000 and 25,000 barrels per day, there is room for American firms with onshore and offshore engineering and operational experience in complex and fragile environments to establish a foothold in the DRC.

### **Web Resources**

Ministry of Hydrocarbons: [www.hydrocarbures.gouv.cd](http://www.hydrocarbures.gouv.cd)

Primature: <https://www.primature.cd>

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

National Agency for Investment Promotion (ANAPI): <http://www.investindrc.cd>

Regulatory Authority for Public Procurement (ARMP): <http://www.armp-rdc.org/index.php/en/>

# Telecommunications

## Overview

The telecommunications industry has not yet reached all potential consumers and has room to grow. Mobile telephony has a 44 percent penetration rate; Internet penetration is approximately 3 percent of the total population. The DRC has not yet reached 5G and is still developing its 3G/4G network. The low penetration rate leaves plenty of potential for development of higher-speed networks and linking the DRC to submarine cables linked to Europe. Hampered by poor physical infrastructure, particularly last mile infrastructure, mobile telephony has grown to fill the role traditionally filled by land line telecommunications firms. Less than one (1) percent of Internet connections in the country are land line connections, making the country's mobile telephone operators de facto Internet service providers for private and commercial uses. Cybersecurity is a key field barely explored in the DRC.

## Leading Sub-Sectors

- Internet distribution
- Mobile applications
- Telecom equipment supply
- Telecom software and new technology
- Cybersecurity
- Data centers & data management

## Opportunities

The DRC presents opportunities for U.S. ICT firms to develop and market applications for mobile telephone users, to partner with local telecommunications ventures to expand their networks, and to offer cybersecurity services to businesses operating in the DRC. Due to poor institutional knowledge, the GDRC has relied heavily on international ICT firms to implement records digitalization and management projects. In 2015, Régie de distribution d'eau (REGIDESO), the parastatal water distribution completed a data center designed to improve billing and payment for water services, relying heavily on American firms to execute the undertaking.

## Web Resources

DRC Chamber of Commerce: [www.fec.cd](http://www.fec.cd)

Congo Business: [www.congobusinessrdc.org](http://www.congobusinessrdc.org)

Global Trade Atlas: <https://www.ihs.com/products/maritime-global-trade-atlas.html>

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IMF: [www.imf.org/en/Countries/ResRep/COD](http://www.imf.org/en/Countries/ResRep/COD)

# Customs, Regulations and Standards

## Trade Barriers

As is the case in much of the Congolese economy, most of the country's trade barriers result from complex regulations, a multiplicity of overlapping administrative agencies and a frequent lack of capacity and control by officials responsible for regulatory enforcement. The DRC has numerous agencies with legal authority in trade matters. Required signatures are often difficult to obtain, and regulations are complex and poorly codified. Application of regulations varies widely across the country. Corruption is endemic, and it is common for commercial matters to require protracted negotiations with numerous officials. Many laws are not fully or consistently implemented, particularly at the provincial level. Some are contradictory. As a result, many local traders have their own private networks to expedite the movement of goods.

One significant trade barrier is the slow and confusing customs clearance process. With international assistance, the GDRC continues to work to implement various technical and legislative reforms to facilitate the movement of goods. The *Guichet Unique Integral* streamlines administrative procedures for import, export, transit and trans-shipment operations, and process data. The *Guichet Unique Integral* is intended to facilitate transactions between parties involved in foreign trade and transportation of goods by standardizing information and consolidating documents at a single point of entry in order to fulfill all formalities related to the import, export, transit and trans-shipment of goods. The goal of the *Guichet Unique Integral* is to reduce fraud, increase the tax base, unify customs expenses, and improve the DRC's business climate.

The *Guichet Unique Integral* for Foreign Trade is used to select, sort, and filter information provides by users related to the importation, exportation and transit of goods. Once the information is gathered and compiled, the system sends it to the intended recipients (public and private operators) in a precise order and it is processed, returning a single invoice to the user detailing the taxes owed. The *Guichet Unique Integral* has offices in Kisangani, Kinshasa, Lubumbashi, Boma, Goma, and Matadi.

The *Direction Générale des Douanes et Accises (DGDA)* has 27 customs offices representing more than 95 percent of the volume of transactions. Using SydoniaWorld software allows the direct collection of customs revenue, thus reducing fraud and increasing state revenue.

## Import Tariffs

The DRC's external tariff is based on a 1949 decree that was implemented by law in 1950 (Note: The DRC gained independence from Belgium in 1960). It has not been substantially amended since that time. The DRC adopted a harmonized system of tariff classification in 1998.

With the decree n°DGDA/DG/DGA.T/dg/2011/005 of December 28th, 2011 relating to the value added tax on imports and a new sanitation tax to be administered by the DGDA, the customs tariff in the DRC has increased considerably beyond the 12 percent estimated by the World Trade Organization in 2008, All of DRC's tariffs are *ad valorem* and charged on a Cost, Insurance and Freight (CIF) basis.

The DRC's tariff customs structure (import duties) includes three rates as follows: 5 percent for equipment goods, raw materials, agricultural and veterinary supplies, and unassembled equipment; 10 percent for large consumed food items, industrial inputs, spare parts, items for social services such as for hospitals and disabled persons; and 20 percent for clothing, furniture, cigarettes and other finished products. However, postage stamps, fiscal stamps, stamped papers (which have a face value), central bank notes, and titles are exempt from import duties in the DRC. Exemptions are given to the following categories: imported goods for official usage of embassies, consulates, and international organizations; imported goods for personal usage of diplomatic agents, consular and international civil servants; and imported goods given as a donation or non-reimbursable subsidiary in the framework of bilateral and multilateral cooperation projects. Imports of cement are also exempted from import duties as well as some agricultural sector equipment. Importers of pharmaceutical equipment and inputs, and medical materials are charged a preferential rate of 2 percent on the CIF value of these products.

In addition to tariffs, there are multiple taxes collected on imported goods by several government agencies with often limited or no coordination. Added to official tariffs on imported goods, the additional taxes

importers pay on goods and services range between 0.59 and 40 percent. The VAT is fixed at 16 percent. The following goods are exempt from VAT: 1) goods imported by non-profit organizations for social, sport, cultural, religious, educational and philanthropic purposes; 2) official stamped papers; 3) organs, prosthetic devices and human blood imported by medical facilities or accredited organizations; 4) pharmaceutical products and inputs and medical material covered by a ministerial decree; 5) fishing equipment; 6) equipment, material and chemicals imported by mining and oil companies for prospecting, exploration and research; 7) goods imported for official use of diplomatic missions, consulates, and international organizations according to the quota set by the Ministries of Finance and Foreign Affairs; 8) furniture that is imported not for industrial or commercial purposes, but for personal use by people immigrating or coming back to settle in the DRC; 9) goods from an inheritance given by a deceased person to a person living in the DRC; 10) funeral equipment; 11) products used on an experimental basis; 12) donations, bequests or gratuities offered to the state, provinces, decentralized territorial entities and public enterprises; and 13) the baggage of travelers that are exempt from duties and taxes related to the customs code. A ministerial decree authorizes the importation of vehicles no more than 20 years old.

The principal tax collection agencies include: the *Direction Générale des Douanes et Accises* (DGDA), the DRC Customs Authority; Industrial Incentive Fund (FPI); Office of Maritime Freight Management (OGEFREM); National Office of Transportation (ONATRA); the Tax Authority (DGI); General Directorate for Revenue Administration (DGRAD); and, the Congolese office of Standards, *L'Office Congolais du Contrôle* (OCC), the import-export control agency.

The DGDA assesses and collects tariffs and duties based on established rates under the DRC's tariff schedule. The OCC charges a 2 percent tax (*ad valorem*) on the CIF value of all imports exceeding \$2,500 plus an additional charge of \$5 per ton of goods and uses a sliding scale for imports valued less than \$2,500. Importers of duty-free goods must pay a nominal sum for the company's own use and consumption. Importers of duty-free goods must pay an *ad valorem* administrative fee of \$5 (This fee applies only when the importer is partially exempted).

## **Import Requirements and Documentation**

All pre-customs clearances for imports, exports and transit of goods from pilot sites in Kinshasa, Lubumbashi, Matadi, Goma, Boma, and Kisangani is to be performed on the *Guichet Unique integral's* electronic platform at the following website: [www.segucercd.cd](http://www.segucercd.cd).

The BIVAC is the DRC's authorized agent for pre-shipment inspection of imports valued at \$2,500 or greater, pursuant to an agreement with the GDRC's customs agencies, DGDA and the OCC. Exporters must provide BIVAC with an invoice containing a detailed description of the goods to be shipped and a statement accepting inspection. The process is as follows: 1) The importer receives a pro forma invoice from the exporter; 2) the importer presents the invoice to an authorized commercial bank to receive an import license; 3) after the validation of the import license, the importer submits it to BIVAC; 4) BIVAC assigns a code number to the import license; 5) the code number is transferred to a BIVAC office in the exporting country; 6) on behalf of the OCC, BIVAC performs the pre-shipment inspection of the goods; 7) BIVAC verifies that quality, quantity and value declared on the pro forma invoice are the same and comply with international standards; and 8) following verification, the exporting country BIVAC office issues a certification of validation and submits it to the importer through BIVAC in the DRC.

A certification of validation must contain the supplier's invoice number, the bill of lading number, the number of containers, the import license number and the confirmation of the quantity of the product. The certification of validation determines the CIF. The amount of the CIF cannot be changed by DGDA after the certification has been validated. The OCC charges two (2) percent of the Free on Board (FOB) value of the imported goods. In exchange for its services, BIVAC receives 0.75 percent of the FOB value of the imported goods from OCC. Both OCC and DGDA require that all documents be in French. In addition, a commercial invoice, packing lists, bills of lading/air waybill, import license, pro forma invoice, the U.S. shipper's export declaration, an insurance certificate, and often a certificate of origin are also required.

The following goods are exempted from pre-shipment inspections: imports with a FOB value below \$2,500, live animals, fresh eggs, fruits, vegetables, fish and meat, fresh or refrigerated food, newspapers and periodicals, personal property including motor vehicles imported by DRC residents (those that have been

outside the DRC for official purposes or training supported by the DRC state) who are returning to their country of origin, parcels without commercial value, commercial samples, personal gifts, donations offered by foreign governments or international organizations to charities, donations offered by foreign governments, international organizations, or private individuals for disaster relief, supplies and gifts imported for their own use by diplomatic entities, the United Nations, or other NGOs that have customs tax exemptions.

## Labeling and Marking Requirements

There are no specific packing regulations; shippers should follow international norms. Goods should be securely packed to withstand excessive tropical heat, moisture, pests, rough handling, pilferage, and delays. International Air Transport Association (IATA), International Civil Aviation Organization (ICAO), and U.S. regulations should be followed in the labeling, packing, and shipment of any hazardous or restricted materials.

## U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counseling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end-use and end-user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end-users/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry-specific topics. Interested parties can check [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.



The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed. The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## **Temporary Entry**

Goods in transit are not taxed, but are subject to administrative fees, handling costs, and bank charges.

## **Prohibited and Restricted Imports**

Firearms, ammunition, water hyacinths, and pornographic materials are prohibited commercial imports. Coins, commemorative coins, bank notes, and second-hand materials intended for investment are restricted commercial imports and require GDRC authorization before importation.

## **Customs Regulations**

The DRC's General Directorate of Customs and Excise (DGDA) is tasked with the collection of customs duties and taxes, as well as fighting customs fraud, and protecting the commercial interests of the DRC's citizens and national industry. The DGDA acts as technical adviser to the Government of the DRC (GDRC) on customs policies through the intergovernmental Tariff Commission. The Tariff Commission discusses and makes recommendations to the GDRC on matters relating to trade between the DRC and the rest of the world.

The DGDA assesses and collects tariffs and duties based on established rates under the DRC's tariff schedule. With international assistance, the GDRC continues to work to implement the various technical and legislative reforms to facilitate the movement of goods. Significant progress has occurred in the customs sector, including through the development of the *Guichet Unique* ("Single Window") in order to reduce fraud, increase the tax base, unify different customs expenses, and improve the DRC's business climate. The program has been implemented in the capital of Kinshasa, at the port of Matadi, at the Kasumbalesa border crossing on the DRC-Zambian border, in the eastern town of Beni, and is now being implemented in other areas, although a lack of funding continues to hinder progress and has slowed down implementation. The SydoniaWorld software currently covers most custom offices throughout the country, reducing the lead time for customs clearance completion as well as strengthening customs control and increasing revenue collected by customs authorities. In the future, the GDRC plans to extend its use to all customs posts in the DRC.

CONTACT INFORMATION: For more information please contact the DGDA (Direction Générale des Douanes et Assises)

Direction Générale: Place le Royal, Immeuble Sankuru

BP 8248 Kinshasa – Gombe

Tel: 0024810577194

[info@douanes.gov](mailto:info@douanes.gov)

<http://douanes.gouv.cd/>

## **Standards for Trade**

### **Overview**

Regional and international organizations for trade agreements include the Common Market for Eastern and Southern Africa (COMESA), the South African Development Community (SADC), the International Organization for Standardization (ISO) and African Regional Organization for Standardization (ARSO).

Although a member of all of these regional organizations, the DRC has lagged behind other countries in applying uniform standards. The DRC's standards and conformity assessment regime has been undermined

by a lack of updated standards law, resources to enforce standards, and trained personnel. DRC standards, testing, labeling, and certification requirements have little impact on U.S. exports to the DRC.

## **Standards**

The Ministry of Commerce is responsible for standards and conformity assessments. The Congolese Control Office (OCC), an ISO member agency, is responsible for developing standards and performing conformity assessments on exports and imports, operating under the supervision of the Ministry of Commerce. The Ministry of Mines maintains its own standards and certification organization, the *Centre d'Expertise, d'Evaluation et de Certification* (CEEC), which is charged with the certification of gold and diamonds. The Ministry of Agriculture's Animal and Vegetable Quarantine Service (SQAV) is responsible for the application of sanitary and phytosanitary (SPS) measures on animal and plant products in the DRC. SQAV has a staff composed of veterinary doctors, agronomic engineers, technical engineers and other experts. SQAV is one of several public agencies that conduct inspections at national borders, including the OCC, DGDA and the Directorate General of Migration (DGM).

The DRC primarily relies on the "*Codex alimentarius*" for food items. The Codex is applied to imports, but not to exports because of lack of adequate equipment in the OCC lab. In practice, however, most imports are admitted into the country without the need to meet specific standards. As a result of frequent political interference, the OCC is often unable to fulfill its mission as agricultural watchdog.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO proposed technical regulations and conformity assessment procedures that could affect trade. **Notify U.S.** ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

## **Testing, Inspection and Certification**

The Office Congolais de Controle (OCC) carries out quality, quantity and conformity checks of all goods, analyzes of all samples and products, and technical inspections of all equipment and works. It may carry out any operation whatsoever relating directly or indirectly to its legal activity, except for buying for resale. The OCC is a member of the SADC regional Accreditation Association (SADCAS), which is, in turn, accredited by the International Laboratories Accreditation Cooperation (ILAC). The OCC is also the national metrology, standardization and certification body responsible for protecting consumers by promoting interaction between consumers and producers in accordance with Congolese legislation.

## **Publication of Technical Regulations**

The OCC sets standards, not regulations, for commercial entities. When a business seeks a specific standard to use in its activity, the OCC requires the payment of a set fee for the issuance of that standard. The OCC also has all quotations for the payment of national and international standards. The National Committee of Standardization, reporting to the Ministry of Commerce, has the authority to propose regulations and standards for export and import goods, to follow-up on their enforcement, and to report all discrepancies for improvement. The Ministry of Commerce has the prerogative to pass the draft regulation and standards by a ministerial decree.

### Contact Information

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OCC

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### **Trade Agreements**

The DRC has bilateral trade agreements with over 50 countries and belongs to several international and regional trade organizations, including:

- WTO
- SADC
- COMESA
- Economic Community of Central African States (ECCAS)
- Nile Basin Initiative (NBI)
- Communauté Economique des Pays des Grands Lacs (CPGL)
- Organization for harmonization of the business law in Africa (OHADA)

The DRC has signed but not yet ratified the African Continental Free Trade Agreement.

# Selling US Products and Services

## Distribution and Sales Channels

### Using an Agent to Sell US Products and Services

Using a local agent is the quickest way to deploy a sales force in DRC. Local sales agents bring experience, customer portfolios and knowledge of the local market. The Economic and Commercial Section of the United States Embassy in Kinshasa may provide some assistance identifying and vetting agents.

### Establishing an Office

Establishing an office in the DRC is a complex and time-consuming undertaking. Residency permit requirements, domestic labor regulations, and tax regulations change with little advance notice or without official notification or announcement. Hiring an attorney with local and commercial legal experience is critical. Joining a local business or commercial association may ease the burden of remaining in compliance with national and local regulations and provide valuable connections.

The *Guichet Unique* is a single point (“one-stop shop”) for business creation. The *Guichet Unique* performs essential formalities for business creation with the aim of approving business applications within three business days from receipt. The National Agency for Investment Promotion (ANAPI) provides assistance to investors who are interested in doing business in the DRC. In order to benefit from incentives under the DRC’s Investment Code (which include customs duty and tax exemptions), investors need to submit a business plan and a \$ 1,000 fee to ANAPI to assess eligibility. Businesses investing less than \$ 200,000 pay a \$ 500 fee for the assessment. According to current regulations, ANAPI has 30 days to decide on an investment project.

Corporations pay the *Guichet Unique* fee of \$120 to certify the company’s charter, register at the Trade and Personal Property Credit Register, publish the company’s charter in the Official Journal, and obtain authorization and a business license. Sole proprietorships pay \$30 to receive

Wholesalers sell the products to retailers, whose shops may vary from Western-style buildings to open air markets. Major distribution centers include Kinshasa, Lubumbashi, Matadi, Mbuji-Mayi, Mbandaka, Kananga, Kikwit, Kisangani, Goma and Bukavu. The DRC’s distribution system functions on both modern and traditional levels, and the informal sector tends to grow in proportion with economic decline as was evident with the 2008-09 economic crisis that triggered a shift of economic activity into the informal sector. Many firms, particularly Congolese, Lebanese, Indian and Pakistani enterprises, conduct at least part of their business through informal channels. Smuggling, under-invoicing, and tax evasion are widespread.

Large trading firms that engage in a variety of commercial activities dominate most sectors. The formal sector caters to the Congolese elite, the expatriate community, and small traders engaged in traditional commercial activities who buy wholesale from larger traders. There are a growing number of small and medium-sized businesses that work with traditional merchants or serve DRC’s middle-and lower classes. Often dynamic, but small and frequently inexperienced, these firms are generally unable to obtain credit, are often ignored by chambers of commerce, and increasingly look to cooperative credit associations for assistance. Traditional commercial activities, such as operating small shops, continue to flourish, especially as unemployed former wage-earners turn to agriculture, commerce, and artisanal mining to make ends meet.

Most economic activity centers on the DRC’s major cities. In the country’s interior, transportation is difficult, expensive, and nearly impossible in the rainy season. Hyperinflation and pillaging in the 1990s ruined many small businesses, and activity in rural areas was only slowly returning before the 2009 economic downturn. The 2016 economic crisis has worsened the situation and the concomitant increase in the price of fuel, combined with the lack of appropriate roads and infrastructure in the country, has made the distribution of products beyond the major cities and ports increasingly difficult.

### Franchising

Businessmen in the DRC are keenly interested in franchising known American brands. There have been limited franchises with South African companies, but generally purchasing power is low and companies worry about timely supply chains and maintaining quality. This opportunity is a possible growth sector.

## **Due Diligence**

All companies should thoroughly vet potential partners, suppliers, and buyers. Potential investors may contact the Commerce Department or the Economics section at the U.S. Embassy in Kinshasa for help.

## **eCommerce**

Very limited internet penetration makes online eCommerce an option only in the DRC's largest cities. A few companies have websites, and many independent businesses maintain a Facebook page to maintain contact with customers. Some companies use the application WhatsApp to take orders. The DRC is a cash economy, and it is very rare to be able to purchase a product online and have it delivered. Telephone companies are aggressively promoting mobile money payments to facilitate commerce, its use in the DRC lags behind more active markets such as Kenya, but the rate is increasing rapidly and more merchants are accepting mobile payments. The largest active companies are Vodacom, Airtel, and Orange. Mobile companies regulated by the Ministry of Telecommunications and the payments are regulated by the Ministry of Finance.

## **Selling Factors & Techniques**

### **Overview**

Product names and slogans can be in English, but detailed information and publicity materials are usually in French, Lingala, Swahili, Kikongo, or Tshiluba depending on the region. Products aimed at the average Congolese consumer typically account for low purchasing power: price is often far more important than quality. Businesses prefer to advertise products independently of wholesale distributors. Distinctive packaging helps to better identify products and distinguish them from Asian and West African imitations. Placement of the American flag and highlighting "made in USA" on products is advantageous as U.S. products are well-regarded in the DRC.

The DRC is a French-speaking country with four additional officially recognized languages, Lingala, Swahili, Kikongo and Tshiluba, as well as nearly 200 regional and local languages spoken across the country. French is the language of government, administration, and business, and is spoken by approximately 40 percent of the DRC population. Lingala is spoken as a native language in the north and west of the country, particularly in Kinshasa, and is a lingua franca for a substantial portion of the population. Swahili is spoken across the east of the country, particularly in Lubumbashi, Kisangani, Goma, and Bukavu. Kikongo is spoken in Kongo Central around the port city of Matadi, while Tshiluba is spoken in the Kasai provinces of south-central Congo.

Firms seeking to work in the DRC are encouraged to develop promotional materials in French, Lingala, Kikongo, Tshiluba, or Swahili depending on where they operate. Companies are also encouraged to hire translators for business negotiations.

### **Trade Promotion & Advertising**

Only a few firms in the DRC use mass advertising, as it is comparatively expensive for local businesses. For example, in *Le Potentiel*, a major Congolese daily with a circulation of 4,000, a quarter-page advertisement costs \$250 and half-page is \$500 for a one page print advertisement – more than most Congolese make in a month. Billboards and street banners are a popular medium in the major cities, as are novelty items such as pens, t-shirts, caps, and pocket calendars.

Radio and television are the most effective communication outlets; all broadcasters accept paid advertising. The radio division of the state-owned *Radio-Télévision Nationale Congolaise* (RTNC) has regional stations that offer a mix of local and taped national programming. The national midday news and some special events are carried live on most stations on the network. Broadcasts are in French and major local languages. Privately operated FM radio stations emerged in the 1990s; private businesses and in some cases religious organizations are the primary operators.

RTNC currently broadcasts television programming in Kinshasa, Lubumbashi, and several other cities. Kinshasa also has more than forty private television stations, some of which have branch operations in interior cities. In Kinshasa and Lubumbashi, private firms re-broadcast international programming to subscribers with decoders. Like state radio, government television broadcasts both local and internationally

syndicated programming, though broadcasts are frequently interrupted due to equipment failures. Beginning in June 2015, the GDRC announced plans to transition from analog to digital broadcasting frequencies with the intent of giving viewers access to more channels and reduce subscription costs.

Kinshasa has daily newspapers (published five days a week) and numerous weekly papers. Some regional capitals also have newspapers, but these are usually published sporadically. Because newspapers are relatively expensive and copies are shared among multiple readers, total readership is higher than circulation figures indicate. Radio remains a more accessible medium. According to one survey, 97 percent of Kinshasa residents watch television while only 2 percent read a newspaper. Reliable survey research outside Kinshasa is often not available. However, *Les Experts* collects reliable data for Kinshasa. The only Kinshasa papers with any significant advertising sections are *Le Palmares*, *La Référence Plus*, *Le Phare*, *L'Avenir*, *Le Potentiel*, and *L'Observateur*. DRC's business press is limited. *Numerica* and *La Bourse* are weekly newspapers devoted primarily to economic affairs but carry little advertising. Some companies, NGOs, and chambers of commerce publish informative newsletters and are receptive to external advertising.

### **Newspaper websites:**

L'Avenir:

Le Potentiel: [www.lepotentielonline.com](http://www.lepotentielonline.com)

Le Phare: [www.lephare.com](http://www.lephare.com)

Forum Des As: <http://www.forumdesas.org/>

La Reference Plus: <http://www.lareference.cd/>

La Prosperite: <http://www.laprosperteonline.net/>

### **Television and radio station websites:**

[www.digitalcongo.net\\_](http://www.digitalcongo.net_)

[www.congowebtv.cd\\_](http://www.congowebtv.cd_)

[www.radiookapi.net](http://www.radiookapi.net)

Online news sites:

[www.mediacongo.net](http://www.mediacongo.net)

[www.syfia-grands-lacs.info](http://www.syfia-grands-lacs.info)

### **Pricing**

Transportation costs and government regulations affect prices in the DRC. The lack of usable roads, limited barge and rail traffic, and the high cost of air transport add considerably to retail costs. Prices at a particular location depend largely upon transportation links. Price controls, although inconsistently enforced, have a significant impact. As nearly all manufactured goods and many food items sold in the DRC are imported, price controls limit availability and encourage black market activities.

Pricing falls nominally under the control of the Ministry of Economy and an inter-ministerial consultative price commission. The inter-ministerial consultative price commission is responsible for setting prices for electricity, water, transportation and fuel. The regulations set a schedule of permissible profit margins expressed as a percentage of the selling price, varying according to the product. The selling price of an imported product is calculated by adding the following to the purchase price (often the manufacturer's "list price") in the country of origin: (1) transportation; (2) import duties and fees; (3) breakage, insurance, taxes, and bank fees; and (4) storage (including cold storage when needed). Wholesaler profit may be 10 to 20 percent of the selling price, while retailer profits range from 15 to 25 percent. The Interior Market Police under the Ministry of Economy is in charge of verifying that sellers are complying with price regulations. The DRC introduced a 16 percent Value Added Tax (VAT) on January 1, 2012. The cost of transportation and multiple, often duplicative taxes add a substantial amount to the price of imported goods.

When determining pricing the following points should be considered:

- Taxes and fees paid to government and regional entities;
- High and variable, transportation costs;
- Limited purchasing power of the population;
- Trends in the USD-CDF exchange rate;
- Finished consumer goods and products tend to be imported;

Other than water, power and fuel, whose prices are set by the GDRC, businesses may set their prices on products sold if these do not exceed the ceiling profit margin set by the price regulation.

### **Sales Service/Customer Support**

Local sales agents and distributors tend to be the only entities offering after sale customer service. Independent local firms offering after-sales service and/or spare parts are generally unreliable or unavailable.

Developing a strong customer base depends on the quality of the product but also the after-sale service. Congolese consumers are becoming increasingly demanding about the quality of service and support they receive; a US firm intending to sell consumer goods in the DRC should consider developing or contracting with local after-market sales businesses in the DRC.

### **Principal Business Associations**

Business associations can often assist in working with government entities. The Congolese national business association La Federation des Entreprises du Congo (FEC) is the largest and best known of the Congolese business associations. Major industries such as mining have their own business associations.

### **Due Diligence**

Due diligence is essential in the DRC given the lack of transparency and opaque business environment. Embassy Kinshasa can help perform due diligence through its International Company Profile service. Bankers and lawyers tend to have the best contacts and possess the experience to obtain and **interpret public records**.

### **Trade Financing**

#### **Methods of Payment**

The DRC's commercial banking system provides a limited amount of trade financing. Most foreign business ventures in the DRC are financed privately because continuing political risk renders other sources of financing prohibitively expensive. Local sources of commercial credit remain scarce, but are available to established businesses. However, only a handful of Congolese firms are usually considered good credit risks, and most traders operate on the basis of irrevocable Letters of Credit Insurance, which are expensive. For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

### **Banking Systems**

The banking system contains a mix of locally-owned and African-owned banks. Citi is the only U.S. bank in the DRC. In general, the DRC's commercial banks are reluctant to engage in project financing. Several banks, including Rawbank, Equity, BCDC, and Trust Merchant Bank, among others, offer financing to micro, small, and medium-sized enterprises. Most of these banks get lines of credit from international finance agencies or other outside sources of finance that encourage them to provide funding to small and medium enterprises (SME). For example, in recent years, Rawbank benefited from a \$15 million credit line from the World Bank's International Finance Corporation to allocate credits to reliable SME projects.

### **Foreign Exchange Controls**

The DRC is a dollarized economy and most establishments will accept either U.S. dollars or Congolese Francs. The government limits the amount of currency companies can repatriate out of the country. Mining

companies must repatriate 60 percent of their export revenue in a DRC bank while the remaining 40 percent can be in a foreign bank.

## **U.S. Banks and Local Correspondent Banks**

Citi generally banks with businesses and is the only correspondence bank to the U.S. market, acting as an intermediary or agent in facilitating wire transfers, conducting business transactions, accepting deposits, and gathering documents on behalf of other local banks.

## **Protecting Intellectual Property**

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

## **Selling to the Public Sector**

### **Selling to the Government**

Sales to the GDRC have been a major source of revenue for many businesses operating in the DRC given the large contribution of the government and parastatals to the economy, the dominance of large trading houses, and the tendency for large private sector companies to purchase directly from traditional external vendors. There are numerous procurement opportunities in all sectors, but particularly infrastructure, energy, health, education, and transportation.

Project work can be difficult to obtain, because government ministries and parastatals have ill-defined and overlapping responsibilities, procurement procedures are unclear or non-existent, key personalities play pivotal roles, and financing is often difficult to obtain. As a result, businesses often pursue deals via specific ministries, parastatals, or the office of the President. Patience and personal connections are businesses' most valuable assets in such dealings. Past public procurements have favored low-cost bidders at the expense of more dynamic bid evaluations.

The *Autorité de Régulations des Marchés Publique* (ARMP) is the regulatory authority for public procurement. ARMP operates under the authority of the Prime Minister's office. Its principal goal is regulating and auditing public procurement throughout the DRC. The Department of Public Procurement (DGCMP) under the Ministry of Budget, is responsible for reviewing and approving bids on all public procurement programs. The World Bank finances its funded projects through several Congolese agencies, including the Bureau Central de Coordination (BECECO), Unite de Coordination du Project (UCOP) and the Central Office for Infrastructure Contracts (BCMI). The DRC is a party to the WTO Agreement on Government Procurement [https://www.wto.org/english/thewto\\_e/countries\\_e/democratic\\_republique\\_congo\\_e.htm](https://www.wto.org/english/thewto_e/countries_e/democratic_republique_congo_e.htm).

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

### **Financing of Projects**

Several bi-lateral and multilateral organizations fund infrastructure and development projects, including USAID, the World Bank, the United Nations Development Program, the European Commission (EC), China EXIM bank, African Export-Import Bank and the African Development Bank (AfDB). U.S. investors should investigate procurement opportunities through these organizations.



Power Africa: Launched in 2013, Power Africa is a market-driven, U.S. Government-led public-private partnership to double access to electricity in sub-Saharan Africa. It also serves as a one-stop shop for private sector entities seeking tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act unanimously passed both houses of Congress and was signed into law, institutionalizing Power Africa and establishing two goals: to add 20,000 MW of generation capacity and expand electricity access to 50 million people in sub-Saharan Africa by 2020. In bringing together more than 140 of the world's top companies, development institutions, and financial entities, Power Africa employs a transaction-centered approach to directly address key constraints to project development and investment in the power sector. These interventions aim to de-risk investments and accelerate financial close -- from facilitating project bankability with financing and risk mitigation, to providing technical and transaction support, to engaging with host-government counterparts. Learn more about the full Power Africa toolbox at <https://www.usaid.gov/powerafrica/toolbox> or other opportunities offered by Power Africa at <https://www.usaid.gov/powerafrica>.

Multilateral Development Banks and Financing Government Sales. Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). Learn more by contacting the [Advocacy Liaison for World Bank](#) or the [Advocacy Liaison for African Development Bank](#).

### **Web Resources**

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: <http://www.exim.gov/tools-for-exporters/country-limitation-schedule>

Trade and Development Agency: <https://www.ustda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <https://www.fsa.usda.gov/about-fsa/structure-and-organization/commodity-credit-corporation/index>

USAID: <http://www.usaid.gov>

# Business Travel

## Business Customs

Protocol: Congolese are generally open and accommodating in both personal and business dealings. However, protocol remains important in business meetings and transactions, particularly with government officials. Common sense, courtesy, and European traditions of social etiquette apply. Do not use first names until invited to do so. “Monsieur,” “Madame,” and “Mademoiselle” are the usual forms of address. Senior government officials should be addressed with the appropriate formal title (such as Excellency or Mr. Minister). French is the language of business in the DRC; almost all meetings will be conducted in French, though it is acceptable to bring an interpreter. Requests for meetings, particularly with government officials, should be sent by formal written request.

Time: It is the rare business trip to DRC that sticks to its schedule. Most require more time, patience, and meetings than in the United States. In scheduling appointments, allow extra time and resources to establish a date and time. Be prepared for delays or cancellations on short notice, particularly meetings with government officials, with the length of delay increasing proportionally to the official’s position. The private sector tends to be slightly more punctual. Lunches generally run two hours, dinners begin at eight or nine, and nightclubs operate from midnight to dawn. Reconfirm appointments one day in advance.

Attire: Business attire or *tenue de ville* is appropriate for business meetings with private sector or government officials, and is also recommended for most dinner engagements, unless more casual dress *décontractée* is explicitly indicated. Bring casual wear for club or outdoor functions and an umbrella during the rainy season, which is usually October through April. Given the heat and humidity, natural fibers provide the most comfort. Laundry and dry cleaning is available at major hotels and several small outlets.

## Travel Advisory

For the latest DRC travel alerts and warnings, see

[Democratic Republic of Congo Travel Advisory](#)

## Visa Requirements

A valid passport, visa, and vaccination certificate showing a current yellow fever immunization are required for entry into the DRC. American citizens should not travel to the DRC without a valid visa, and should apply for one well in advance of any trip to allow for unanticipated delays. Visas are available at the airport for a seven day period. Travelers should not count on Congolese visas being available in neighboring countries. Visitors planning extended stays must apply for a “*Visa d’Établissement*” after arrival in DRC. These have been difficult to obtain for business purposes if an original entry was made on a tourist visa, but many Congolese embassies will not issue business-entry visas. Current information on Congolese visa requirements is available from the DRC’s Washington D.C. and New York missions. See below for contact information for the Washington mission.

Congolese officials closely scrutinize travel documents at border crossings and while traveling within the country. All airline passengers have their passports and travel documents examined and stamped, even for domestic flights. Do not attempt to bully or bluster your way past officials. Make photocopies of all travel documents; after arrival, make your business rounds with the copies and leave the originals in a secure place. Other papers: Many areas in DRC’s interior (notably in Orientale, Kasai, Katanga, North Kivu and South Kivu provinces) are officially demarcated as mining regions, travel to which requires government permission, regardless of the visitor’s purpose. The Interior Ministry issues the permit, also known as a “*sauf-conduit*” and obtaining one may be a lengthy process.

Photography of public buildings, airports, harbors, military installations, hospitals, and border areas is forbidden, and photography is often frowned upon in other places, particularly in Kinshasa. Offenders risk confiscation of equipment, arrest, and fines. Penalties for possession, use, and trafficking in illegal drugs are strictly enforced.

U.S. companies that require travel of DRC businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

Embassy of the DRC in Washington, DC  
1100 Connecticut Avenue NW, Suite 725,  
Washington, DC 20036  
Phone: (202) 234-2609, 7691; Fax: (202) 223-3377  
<http://www.ambardcusa.org/>  
<https://ambardcusa.org/contact-us/>

Permanent Mission of the DRC in New York  
866 United Nation Plaza- Suite 511-  
New York, NY 10017  
Phone: (212)319-8061; Fax: (212)319-8232  
State Department Visa Website: <https://travel.state.gov/content/travel/en.html>

## Currency

The national currency in DRC is the Congolese Franc (CDF). The country is highly dollarized, and U.S. dollars are accepted alongside the CDF for money transactions.

The BCC is responsible for regulating foreign exchange and trade. The DRC's informal foreign exchange market is large and unregulated and offers exchange rates not widely dissimilar from the official rate. The DRC's economy remains highly dollarized. On September 25, 2014, the BCC enforced new foreign exchange regulations, which, *inter alia*, declared the Congolese Franc as the main currency in all exchange transactions within the DRC. Payment of fees related to education, medical care, water and electricity consumption, residential rents, and federal taxes were mandated to be paid in CDF. This requirement was relaxed, and with agreement of the parties involved and the appropriate monetary officials, exceptions may be applied. Payments exceeding \$10,000 must be executed within the banking system unless there is no presence of banking entities.

The largest banknote in circulation is the 20,000 CDF note (approximately \$ 10). Far more common are the 500 and 1000 CDF notes worth approximately \$0.25 and \$0.50 respectively. U.S. banknotes printed after 2008 are readily accepted in virtually all transactions. Banks provide accounts denominated in either currency. In September 2013, the GDRC embarked on a process of "de-dollarizing" the economy by requiring that tax records be kept in CDF and tax payments from mining companies be paid in local currency. In March 2016, however, the government required mining and oil companies to begin paying their customs fees and taxes in U.S. dollars.

**Official Exchange rate (BCC):** CDF1625,6570= \$1 (November 2020)

**Unofficial Exchange rate:** CD1625,6570–1625,6560(November 2020)

Denominations

**Bills,** 50, 100, 200, 500, 1000, 5000, 10000, 20000 CDF

For more information please visit:

Banque Centrale Congolaise: [www.bcc.cd](http://www.bcc.cd)

## Telecommunications/Electronics

The DRC's communications network epitomizes the country's unpredictable blend of 21st century technology and glaring insufficiencies. Advanced telecommunications and modern courier services are often available, but the landline telephone system and state postal services are unreliable or non-existent. The DRC also has several cellular phone providers and numerous private radio-telephone networks. However, the cellular networks are not fully linked and suffer from overload and occasional service interruption. Many people subscribe to at least two or more different service providers; satellite phones are popular for remote areas in the interior of the country. The DRC's major cellular phone providers are Airtel, Vodacom, Orange and Africell. International links are easier and more efficient than domestic networks. International courier services (e.g. DHL, FedEx, UPS) are available in the major cities. Many large firms have their own radio-

telephone systems, including satellite uplinks. The DRC also has a growing number of private internet service providers (ISPs).

Dialing instructions:

To dial from outside the DRC: (+ or 00) + 243 (country code) + the ten-digit number provided (drop the first zero if included). Dialing within the DRC use only the tendigit number, always starting with zero.

## **Transportation**

The DRC's road, railway, maritime, and airport infrastructure system is dilapidated and requires substantial public and private investment for rehabilitation.

Entering the DRC: Travelers from the United States generally enter the DRC on flights from Paris or Brussels. Flights are also available from Nairobi, Istanbul, Addis Ababa, Casablanca, and Johannesburg.

Domestic Travel: Once in-country, most travelers prefer to hire a vehicle and driver for intra-urban ground transport. Road conditions do not usually permit travel between major cities, but several airlines offer domestic air service. The U.S. Federal Aviation Administration (FAA) has assessed the Government of the DRC's Civil Aviation Authority as not being in compliance with ICAO aviation safety standards for oversight of the DRC's air carrier operations.

Despite a reputation of being a dangerous and unpredictable aviation market, civil aviation in the DRC is experiencing a revival. State-owned Congo Airways received the internationally recognized Air Operator's Certificate (AOC) in mid-2016. After a period of consolidation there are now 14 airlines in the DRC. This number is expected to drop further as AOCs will be awarded this year only to airlines that pass rigorous audits. Recently, the GDRC has taken a number of actions intended to boost Congo Airways. Many of those measures have been arguably anti-competitive and have put other local airlines at a significant competitive disadvantage.

Public ground transportation is generally crowded, unreliable, unsafe, or in many cases non-existent. Many taxis are unlicensed and thus not easily identifiable. Rates vary and the fare should be established before entering the vehicle. Because taxis carry several passengers, travelers wishing to be the vehicle's sole occupant should establish this fact at the outset. The DRC's rail network is composed of several, non-contiguous components that have fallen into disrepair. The DRC has three legacy portage rail lines connecting port cities between non-navigable stretches of the Congo and Ubangi rivers. The south and east of the country has three narrow gauge rail lines connecting major cities, including Illebo, Kindu, Likasa, and Kolwezi with Lubumbashi. The SNCC's eastern operation features an operating link with the Zambian rail network and a dormant connection to the Angolan rail network. Passenger rail service is sporadic and schedules are unpredictable. The SCTP recently completed rehabilitation of the Kinshasa – Matadi portage railway line; a weekly train now runs between the two cities.

## **Language**

French is the business language. Four regional languages have official status: Kikongo (Kongo Central and Bandundu), Kiswahili (Katanga, Kivus and Orientale), Lingala (Kinshasa, Equateur and within the Congo River Valley), and Tshiluba (Kasais). Knowledge of English is limited to expatriates, though a few Congolese businesspersons have some knowledge of English. Congolese who are fluent in English have a significant advantage for job and business opportunities.

## **Health**

Potential health hazards are widespread in tropical Africa and greatly impact the local population. Due to the COVID-19 pandemic, travelers need to check the latest entry requirements on the DRC Embassy's website. Most business travelers will have few difficulties if they secure proper immunizations, take an anti-malarial medication and stick to some basic rules, including drinking only bottled water and seeing a doctor at the first sign of malaria. Traffic accidents are one of the most common causes of death or serious injury, given poor road conditions, bad driving habits and the lack of emergency services. Guidebooks for Africa have good information and there are several health manuals for international travelers. Specific information is available

from the international traveler's hotline, Center for Disease Control, Atlanta (tel: +1-404-332-4559). Medical facilities are limited, and medicine is not always available. Full and immediate cash payment is expected for health services often beforehand. Not all American medical insurance is valid outside the U.S.; supplemental insurance with overseas coverage may be necessary.

For more health information regarding the DRC, please consult the Center for Disease Control (CDC) website: <http://www.cdc.gov>

### **Local Time, Business Hours and Holidays**

The DRC spans two time zones, which are GMT+ 1 in the Western part of the country, including Kinshasa, and GMT +2 in the eastern part including Lubumbashi. Business hours for most firms and government offices are from 8 a.m. to 5 p.m., Monday through Friday, with a two-hour break taken at some point between noon and 3 p.m. It is not unusual, however, for offices to close early in the afternoons. Many offices in the private sector are open on Saturday mornings, and government officials are often at work but usually do not take visitors. Banks are closed to commercial transactions on Saturdays.

Congolese holidays include:

January 1: New Year's Day

January 4: Day of the Martyrs

January 16 and 17: National Heroes' Days

May 1: Labor Day

May 17: Liberation Day

June 30: Independence Day

August 1: Parents' Day

December 25: Christmas Day

Note that Congolese holidays are often subject to government confirmation one day in advance, and international organizations and diplomatic missions have varying holiday schedules.

### **Temporary Entry of Materials or Personal Belongings**

Entry of materials and personal belongings is mainly under the discretion of the DGDA, although the OCC and the DGM sometimes get involved.

### **Travel Related Web Resources**

CDC: <http://www.cdc.gov>

Department of State: <https://travel.state.gov/content/travel.html>

## **Investment Climate Statement (ICS)**

The U.S. Department of State Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State [Investment Climate Statement DRC](#) website.

## Political Environment

View political and economic environment information under the State Department's DRC fact sheet at [U.S. relations with Democratic Republic of Congo](#)