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Department of Commerce

U.S. Country Commercial Guides

2017

Democratic Republic of the Congo

U.S. Department of Commerce | International Trade Administration

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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.

Following decades of economic instability due to fiscal mismanagement, corruption and conflict, the government of the DRC (GDRC) implemented economic reforms aimed at creating sustainable growth, controlling inflation, maintaining the stability of the macroeconomic framework, reducing the weight of external debt and rehabilitating infrastructure. The GDRC's efforts from 2001 to 2014 yielded some improvement, but following a drop in mineral prices and the subsequent economic downturn in 2016-2017, significant challenges remain.

Between June 2016 and April 2017, the DRC's economic situation deteriorated significantly. The estimated growth rate for 2016 was 2.4 percent, against 6.9 percent in 2015, and inflation was estimated at 12 percent in 2016, against 1 percent in 2015. Despite this, GDP remained close to level at $38.5 billion in 2016 versus $37 billion in 2015.

The deterioration in the economy is in large part due to a fall in the global price of minerals and petroleum, as the latter constitute an estimated 95 percent of the DRC's export revenues, and by ongoing political instability. The GDRC has made little progress in diversifying the economy which remains overly reliant on volatile global commodity markets.
A tense political climate continues to discourage investment and divert attention from economic issues – as of early June the government is still operating under the equivalent of a continuing resolution, without a formal budget. Although his final constitutionally mandated term ended in December 2016, President Kabila remains in office. The international community considers a power-sharing agreement concluded on December 31, 2016 to be the most viable path to elections and a peaceful transition of power, but both the government and the main opposition bloc have failed to inclusively implement the agreement.

Fiscal reforms implemented in 2015 helped stabilize inflation and the Congolese Franc (CDF), keeping inflation below 2 percent despite drops in commodity prices. Between 2011 and 2015, the CDF held steady against the dollar, trading at roughly $1 to CDF930. However, beginning in April 2016 the CDF began to lose ground against the dollar and in April 2017 was trading at approximately CDF 1400 per $1.

Despite economic improvements between 2005 and 2013, chronic corruption, poor or nonexistent infrastructure, and political violence continue to plague the DRC. The majority of the DRC's population lives in poverty and is not active in the formal economy. According to a 2012 study by the National Institute of Statistics, the DRC's informal sector represents 88.6 percent of total economic activity.

A weak manufacturing sector, porous borders, and weak links between the capital, 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 country has three main economic hubs focused around large population centers with large 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. Kinshasa is home to both the seat of government and the headquarters of the vast majority of agencies and institutions. It is a vibrant economic hub; most foreign companies operating in the DRC maintain a presence in Kinshasa; 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 10 million in its urban agglomeration. Kongo Central borders Kinshasa province's western flank; to the south, Kongo Central shares a border with Angola and to the North, with the Republic of Congo. 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 only seaport in the country. A meter gauge portage railway that recently underwent substantial overhaul as well as a paved two-lane road connects 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. And occupy the southern half of the former Katanga province bordering Angola and Zambia. Lubumbashi, Congo'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, the by-product of continuing low-intensity conflict between various armed factions fighting the GDRC 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 an agricultural sector that is increasingly exporting its products

The DRC seeks to promote and participate in regional integration and trade. The GDRC 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.

Key economic indicators:

Economic growth Rate:

2008	2009	2010	2011	2012	2013	2014	2015	2016
6.2%	2.9%	7.1%	6.9%	7.1%	8.5%	8.9%	7.7%	2.4%

Official Inflation Rate:

2010	2011	2012	2013	2014	2015	2016
9.8%	15.4%	2.7%	1.07%	1.04%	1.4%	12%

- Official Exchange rate (Central Bank of Congo): CDF 1430 : USD 1 (from May 2017)
- Income per capita: $410 (2015)

Real GDP based on 2013 (in billions USD):

2009	2010	2011	2012	2013	2014	2015	2016
18.26	21.56	25.84	29.31	32.69	33.12	37	38.5

Exports (in millions USD):

2010	2011	2012	2013	2014
8,042.5	9,471.9	8,743.4	10,904.9	12,982

Imports (in millions USD):

2010	2011	2012	2013	2014
8,042.5	8,915.6	8,677.2	10,005.9	11,980

Main export markets 2015:

- China: 43.1 percent
- Zambia: 24.9 percent
- European Union: 21.3percent (Belgium: 8.3percent)
- South Africa: 7.7percent

Main import markets in 2015

- European Union: 23.1 percent (Belgium 6.9 percent)
- China: 17.7 percent
- South Africa: 20.9 percent
- Zambia: 12.3 percent
- United States: 3.3 percent

Major Competitors in the DRC market by sector:

- India and Pakistan - Banking, pharmaceutical products, consumer products, and general trade
- France - Petroleum
- China - Civil engineering and infrastructure development, mining
- United States - Mining
- South Africa - Telecommunications, mining, pharmaceutical research
- Japan - Export of vehicles
- Lebanon- General trade, restaurant business, housing

Top five reasons to export to the DRC:

1. The DRC's GDP recorded steady growth of above 6 percent on an annual basis for three years, from 2013-2015, and remained close to level in 2016, despite a significant economic downturn, helping to engender a growing consumer class;
2. The Congolese hold a high opinion of U.S. products and services, particularly in terms of the quality to price ratio;
3. The DRC is undertaking multibillion dollar programs to rehabilitate various sectors, including agriculture, energy, construction, basic infrastructure, and transportation;
4. The DRC Government is working to improve the business climate and is looking to facilitate foreign trade and investment;
5. The DRC possesses one of the largest natural resource deposits on earth.

Market Challenges

- Chronic unemployment, particularly among youth
- Poverty
- Low literacy rate
- Inadequate and underdeveloped transportation and utilities infrastructure
- Dollarized economy
- Endemic corruption across all echelons of government
- Poor or inadequate contract enforcement
- Limited access to credit
- Continuing insecurity in eastern DRC
- National political instability
- Large and inefficient bureaucratic institutions
- Lack of an adequate or effective judicial system
- Inconsistent application of commercial laws
- Lack of transparency in the political decision-making process
- Inefficient and burdensome tax and customs administrations
- Inadequate protection of property rights
- Expensive and unreliable utilities and public infrastructure (water, electricity, transportation)
- Low domestic purchasing power
- Limited spoken and written English proficiency
- Dominance of the informal sector

Market Opportunities

- Consumer market
- Liberalization of insurance industry
- Oil and gas
- Forest industry
- Relative growth of middle class
- Growth in banking and telecom sectors
- Infrastructure rehabilitation and reconstruction
- Hydroelectric power
- Mining (copper, cobalt, diamonds, gold, coltan, etc.)
- Textiles (e.g. used clothing)
- Plastics
- Pharmaceuticals
- Electrical Machinery
- Automobiles (especially off-road vehicles and heavy trucks)

- Food (rice, wheat, dried milk products, canned and frozen meat (particularly poultry), fish, tree crops, agricultural processing)
- Food processing equipment and parts
- Forestry
- Bilaterally or multilaterally funded infrastructure projects (e.g. World Bank-funded projects)
- Microfinance (e.g. financing of Small and Medium Enterprises (SMEs))
- Agricultural equipment

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 operation in the DRC.

Political and Economic Environment

Political Environment

View political and economic environment information under the Background Notes for the DRC found at: State Department.

Selling US Products & Services

Using an Agent to Sell US Products and Services

Using a local agent is the most effective way to deploy a sales force in DRC. Local sales agents bring experience, customer portfolios and knowledge of the local market. By way of example, Microsoft has several agents throughout the country. 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.

Seeking out an attorney with local and commercial legal experience is critical. Additionally, joining a local business or commercial association may ease the burden of remaining in compliance with national and local regulations and provide valuable connections.

To reduce the burden of opening a business, the GDRC signed a decree on November 1, 2012 creating a "*Guichet Unique*," a single point ("one-stop shop") for business creation. The *Guichet Unique* launched in April 2013, becoming the only authority to perform 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, the ANAPI has 30 days to decide on an investment project.

Steps to establish a business in the DRC:

- Complete the application form at the *Guichet Unique* or online Guichet Unique
- Submit the application with other required documentation at the *Guichet Unique* or register online;
- Seek a receipt from the *Guichet Unique* and pay required fees at a designated bank;
- Request a registration certificate from the Trade and Personal Property Credit Register.

Required application information:

- For corporations: Completed application form, four copies of the company's charter, a Statement of Subscription (document showing shareholding structure), proof of available capital, the signature of the manager, and copies of identity documents of the business manager and shareholders;
- For sole proprietors: A copy of the applicant's identity document, criminal record, proof of residence, and signature.

Note: Corporations pay the *Guichet Unique* fee of $110 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 $ 40 to receive a National Identification Number, business registration, and authorization to open business. There is no minimum capital requirement for corporations. Limited liability companies must provide capital of at least $20,000.

In addition to the aforementioned application requirements, some sectors have additional requirements for starting and conducting commercial activities.

Mining

A. To open a mining trading post, one must concurrently apply at the Ministry of Mines and the Mining Service Department. The application should have the following elements:

For sole proprietorships:

- A copy of the applicant's identity card or the resident card
- Three copies of the applicant's passport biographic data page
- Certified copy of the Trade and Personal Credit Register (RCCM)
- A valid fiscal attestation showing tax records
- Banking references
- $ 50,000 deposit for diamond trading, $ 25,000 for gold trading
- Evidence of the ability to pay the DRC Treasury an annual royalty of $ 200,000 for diamond trading and $ 50,000 for gold
- Criminal record from country of residence

Corporations:

- RCCM certification
- Notarized statutes with proof of deposit
- National identification number
- Fiscal attestation
- Banking references
- Evidence of a deposit of $ 50,000 for diamond trading post and $ 25,000 for gold one
- Evidence of the ability to pay the DRC Treasury an annual royalty of $ 200,000 for diamond trading and $ 50,000 for gold

Conditions for Diamond and Gold trading:

- Trading post may only operate in Kinshasa or the immediate zone of the mine
- The agreement is valid for one year and is renewable
- All buyers must have official ID cards issued by the Ministry of Mines
- Diamond and gold exporters must pay taxes at 1.25 percent of the export value
- The minimum purchase for a gold trading post is 25 kilograms per month

- The minimum purchase for a diamond trading post is:
  - First quarter: $ 10,500,000
  - Second quarter: $ 12,000,000
  - Third quarter: $ 15,000,000
  - Fourth quarter: $ 10,500,000

Forestry & Logging

A. Forest operations:
   - Obtain operational authorization from the Ministry of Environment's Direction of Forest Management
   - Official fees:
     - For royalty on forest concession: $ 0.50 per hectare for industrial logging
     - For cutting down timber: 1.25 percent ex-works value per cubic meter of rough timber
     - For license of traditional cutting down of timber: $50 per hectare.

B. Lumber exportation:
   - Obtain a purchasing contract from the Ministry of Environment's Forest Management Department. Official Fee:
     - $2,500 per contract for artisanal lumber with official permit from the Ministry of Environment
     - $3,000 per contract for concessionaires with official forest title from the Ministry of Environment
     - $10,000 per contract for other business people/non-official loggers.

C. Reforestation: Obtain a concession contract from the Ministry of Environment. Official Fee for the reforestation tax:

   - 4 percent ex-works value per cubic meter of rough timber
   - 2 percent ex-works value per cubic meter of exported rough timber
   - Official fee for the wood-cutting tax: $2 per hectare

Banking

Starting September 2017, the Central Bank of Congo (BCC) requires shareholders to have minimum capital of $30 million to start a commercial bank. Those seeking to launch commercial banks in the DRC must also obtain a Presidential authorization through the BCC.

Official Fees:

- Initial Agreement Fee (Governor of BCC acceptance of the project): $2,195

- Obtain final agreement from BCC: $300,000 (which represents 1 percent of minimum capital required prior to opening a bank

Transportation

A. Air transport:

- Import aircraft: Authorization from the Ministry of Transport's Civil Aviation Division
- Evaluation: $10,600 to $12,600
- Official Fee: From $2,000 to $6,000
- Aircraft registration: Authorization from the Ministry of Transport's Civil Aviation Division
- Official fee: From $300 to $6,000
- Operating License: Authorization from Ministry of Transport's Civil
- Aviation Division
- Evaluation: $5,000
- Official Fee: $ 5,000
- Additional fees: $30,000 to $3,000,000 (based on the number of passengers and weight of the aircraft).
- The civil aviation authority is planning to issue Air Operator Certificates (AOC) to all DRC airlines in 2017. Those without an AOC will not be allowed to operate.

B. Road Transport:

- Authorization to transport passengers: Obtain from the Ministry of Transport's Office for Road Transport (ORT)
- Official Fee: Ranges from $20 to 50 annually
- Authorization to transport goods: Obtain from the ORT
- Official Fee: Ranges from $35 to 100 annually
- Authorization for international transport: Obtain from the ORT
- Official Fee: Up to $100 annually
- Travel warrant of international transport: Obtain from the ORT
- Official Fee: $10 annually
- Toll for foreign vehicles at border crossings
- Official Fee paid per turnpike:
    - Car: $20
    - Small Truck: $30
    - Truck: $30
    - Tractor: $50
- Technical control certificate: Obtain from the ORT

- Official Fee: Ranges from $7 to 15 annually
- Driving license for roadways and railways: Obtain from the ORT
- Official Fee: Ranges from $20 to 75 annually

Telecommunication

The Authority of Regulation of Posts and Telecommunications (ARPTC) prepares the license and specifications, which are then approved and signed by the Ministry of Post, Telephone and Telecommunication and published in the official journal.

The main procedures to operate in the telecommunication industry under the public service concession are as follows:

- Obtain a license specifying frequency
- Create business as a limited liability company

Internet Service Providers

The following steps are required to operate an Internet network:

- Submit an application to the ARTC
- Meet the ARTC licensing requirements

Franchising

There is no specific regulation on franchising. Businesses opening franchises in the DRC are subject to the same rules as other businesses establishing offices in the country.

Direct Marketing

Businesses in DRC use advertising agencies with local offices for direct engagement with their targeted customers. Smaller businesses use a combination of television and radio campaigns, as well as more targeted online campaigns. Large enterprises also use direct sales force agents.

Joint Ventures/Licensing

There are opportunities for foreign businesses to enter into joint ventures with foreign and domestic firms operating in the DRC. Congolese private businesses and parastatals seek foreign partners when undertaking resource and innovation intensive undertakings such as infrastructure, IT, power generation, mining, and other extractives projects. While joint ventures present real opportunities for companies seeking to work in the DRC, companies should conduct proper due diligence before entering into agreements with foreign or local partners in the DRC.

Licensing is required in some industries such as telecommunications, mining, banking, and insurance.

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 a large private sector to purchase directly from traditional external vendors.

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. Businesses therefore often pursue deals via specific ministries, parastatals, or the office of the President. Patience and personal connections appear to be businesses' most valuable assets in such dealings. The Parliament passed a new public procurement law in April 2010 and has begun implementing the law, which aims to greatly increase transparency in government procurement, however corruption continues to be a major problem and few improvements are evident as a result of the change in law.

The *Autorité de Régulations des Marchés Publics* (ARMP), the regulatory authority for public procurement, is one of the institutions set up under the new public procurement law. ARMP is a public institution 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 Central Office for Infrastructure Contracts (BCMI).

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders.

Web Resources

Commercial Liaison Office to the African Development Bank

[Commercial Liaison Office to the World Bank]

Distribution & Sales Channels

Most products enter through the maritime ports of Matadi and Boma in Kongo Central province, N'djili International Airport in Kinshasa, Kasumbalesa customs post on the Zambian border, or through several entry points on the Rwandan and Ugandan borders.

After customs clearance, the importers move the products to their warehouses by truck, although some limited rail service is available in Matadi and Katanga province. Importers sell their products either directly from the warehouse or move them to wholesale shops.

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, but the 2008-09 economic crisis and the shift of economic activity into the informal sector blurred these distinctions. Many firms, particularly Congolese, Lebanese, Indian and Pakistani, 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 can be 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.

Selling Factors/Techniques

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 wholesaler distributors, because of the multiplicity of such 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 because American products are well-regarded in the DRC.

The DRC is a French-speaking country with four additional officially recognized languages, Lingala, Swahili, Kikongo and Tsiluba, 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 Tshibula is spoken in the Kasaï provinces of south-central Congo.

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

E-Commerce

Overview

E-commerce is limited due to low Internet penetration rates, poor telecommunications infrastructure, and the high cost of Internet services. In addition, there is limited postal and delivery infrastructure.

Current Market Trends

Kinshasa is the capital of Congolese e-Commerce with 43percent of purchases, followed by Lubumbashi (20percent), Bukavu, Matadi and Mbuji-Mayi. These cities also correspond to the main corridors for sending money to the DRC from abroad according to the study "Mobile Money in the Democratic Republic of the Congo" published in July 2013. The majority of users of mobile payments are also found in these cities.

Domestic eCommerce (B2C)

A few eCommerce platforms, in collaboration with business entities in the retail sector, offer eCommerce service to consumers, but there is no accurate data about how many businesses buy products or services through eCommerce.

Cross-Border eCommerce

While not common for the average Congolese citizen, particularly due to a lack of infrastructure and underdeveloped postal systems, some elite Congolese and many foreign nationals use such eCommerce platforms to buy goods and services from overseas.

B2B eCommerce

B2B eCommerce is virtually non-existent in DRC, but several IT designers and software developers are negotiating with business entities to launch this activity.

eCommerce Services

There are a few existing ecommerce services that mainly focus on the retail industry.

eCommerce Intellectual Property Rights

DRC Law No. 86-033 of 5 April 1986 on the protection of authors' rights, provides the basis for protection of eCommerce Intellectual Property Rights (IPR) in DRC, but the law has been sporadically and inconsistently enforced such that IPR is for all intents and purposes unprotected.

Popular eCommerce Sites

The most popular websites for ecommerce are: lezando.com, youdee.cd, zephone.com and coolprix.com

Online Payment

Despite a banking penetration rate considered to be one of the weakest in the world, several banks and businesses in DRC offer online payment options for clients, both retail and corporate.

Mobile eCommerce

Mobile eCommerce is well implemented in the country, with all telecom operators offering a mobile payment platform to their clients. However only four (4) percent of Congolese consumers use mobile banking according to a study conducted by Elan

DRC, a private sector development program funded in cooperation with the British government.

Digital Marketing

Digital marketing is used regularly by both Congolese and international businesses in the DRC, primarily via social media, mobile phones and electronic billboards. Television and radio marketing is secondary to digital marketing.

Major Buying Holidays

There are no "traditional" buying holidays in the DRC, though closer to Christmas, when many employees receive a bonus, there is an uptick in spending.

Social Media

More and more businesses do advertise their products and services through social media such as Facebook.

Trade Promotion & Advertising

Only a few firms in the DRC use mass advertising because it is comparatively expensive for local businesses. For example, in *Le Potentiel*, a major Congolese daily, a quarter-page advertisement costs $250 and half-page is $500 for a one day 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.

Since the liberalization of the DRC's media in 1990, there has been a press boom, with most outlets linked to one or more of the DRC's numerous political factions. 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 may be receptive to external advertising.

Kinshasa also has a month-long annual trade fair, usually held in July, called FIKIN (*Foire Internationale de Kinshasa)*. Participants benefit from the receipt of promotional prices when buying services and products during the FIKIN trade fair.

Fikin e-mail address: fikin@yahoo.fr

Newspaper websites:-

L'Avenir:

- Le Potential
- Le Phare
- Forum Des As
- La Reference Plus
- La Prosperite

Television and radio station websites:

- Digital Congo
- Congo Web TV
- Radio Okapi

Online news sites:

- Media Congo
- Syfia Grand Lacs

Pricing

Transportation costs and government regulations affect the determination of 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, can have significant impact because nearly all manufactured goods and many food items sold in the DRC are imported.

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 relies 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 the DRC.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property] and also [Corruption].

Due Diligence

Due diligence is essential in the DRC given high levels of corruption and lack of transparency, as well as numerous bureaucratic procedures. Checking business credentials can be accomplished in-country. Bankers and lawyers tend to have the best contacts and possess the experience to obtain and interpret public records.

Local Professional Services

The U.S. Embassy Kinshasa maintains a list of physicians and attorneys working in the in Kinshasa and its environs: U.S. Embassy Kinshasa. In addition, all four of the major international accounting firms have local offices in Kinshasa.

Principle Business Associations

Becoming a member of the American Chamber of Commerce of Kinshasa (AmCham) or Le Federation des Entreprises du Congo (FEC), the Congolese national business association, can be helpful for networking as well as providing several advantages, as these business associations can often assist with various issues with governmental entities.

Limitations on Selling US Products and Services

There is no restriction on selling US products and services as long the products comply with Congolese law.

Web Resources:

Government of the Democratic Republic of the Congo

Bureau Central de Coordination (BECECO)

Central Bank of Congo

Government Development Program "Cinq Chantiers": No current link available

National Agency for Investment Promotion (ANAPI)

Regulatory Authority for Public Procurement (ARMP)

Steering Committee for the Climate and Investment improvement: No current link available.

Guichet Unique

International Donors:

Embassy of Belgium in DRC

Embassy of Canada in DRC

Embassy of Germany in DRC

Embassy of South Africa in DRC

Embassy of United Kingdom in DRC

European Union Delegation

IMF (DRC Page)

U.S. Embassy of Kinshasa

U.N. Mission in DRC

UNDP

World Bank DRC Page

Business Associations:

DRC Chamber of Commerce

International Associations:

CBL-ACP— the Chamber of Commerce, Industry and Agriculture for Belgium, Luxembourg, and the African, Caribbean and Pacific group of states

WIPO

Consultants:

Deloitte & Touch DRC

Price Waterhouse Coopers

Other Sources:

Encyclopdie de l'Industrie et du Commerce

Leading Sectors for US Exports & Investments

Best Prospect Overview

Energy

Overview

The DRC has an 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, wind, 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 Congo's 70 million people have access to electricity – about 30 percent in urban areas and an alarming one (1) 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, including the construction of new, and the rehabilitation of existing, power generating facilities is directed and funded by mining companies seeking to power their facilities.

In 2014, a new electricity law was adopted in the DRC, enabling the energy sector to be opened up to more independent producers of traditional and renewable energy. In addition, many universities and academic institutions in the DRC have founded centers for the research and development of renewable energies such as solar energy and biodiesel.

Leading Sub-Sectors

- Electrical power generation
- Transmission line construction
- Last mile power transmission infrastructure
- Mobile power generators
- Hydroelectric turbine construction, maintenance
- Solar energy

Opportunities

The GDRC launched a program of reform to develop the energy sector with the aim or 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 Societe National d'electricite (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 energy needs.

Along with hydroelectric power, the GDRC seeks to build and rehabilitate several geothermal stations across the country. The GDRC seeks firms with financing and experience to partner with local and parastatal firms to build these power generating facilities.

Web Resources

Global Trade Atlas

Regulatory Authority of Public Procurement (ARMP)

DRC Chamber of Commerce

Congo Business

National Agency for Investment Promotion (ANAPI)

Single-Window for Business Creation

USAID

Power Africa

UNDP

IMF

Agricultural Sector

Overview

With 80 million hectares of extensive arable land, 4 million hectares of irrigated land, and many rivers with important fishery resources, the DRC has the bulk of the major assets needed to become a global agricultural power. Today, although the agricultural sector contributes 18 percent of GDP and accounts for over 60 percent of new jobs, it still fails to ensure food independence and to generate sufficient revenues and sustainable employment. The main cash crops include coffee, palm oil, rubber, cotton, sugar, tea and cocoa. Food crops also include cassava, plantains, maize, groundnuts and rice. However, commercial agricultural production remains limited, with many producers engaged in subsistence food agriculture. To cope with food shortage, the implementation of agro-industrial parks is underway 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 must meet the agricultural and rural strategies and policies that affect awareness, production, collection, storage, processing and marketing.

Added to that the GDRC intends to build new and expand existing agro-industrial projects in other provinces. These projects will require participation of foreign agricultural firms with a 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

DRC Chamber of Commerce

Congo Business

Global Trade Atlas

National Agnecy for Investment Promotion (ANAPI)

Regulatory Authority for Public Procurement (ARMP)

USAID

UNDP

IMF

Construction

Overview

The construction industry's contribution to economic growth has been reduced significantly in recent years due to the influx of Chinese companies which, by many estimates, now manage more than 90 percent of the public and private construction projects in the DRC. In addition, low commodity prices in 2015 and 2016 also slowed demand for construction services. Despite this slowdown, in March 2016, Ministry of Infrastructure and Public Works identified over $6 billion in shovel ready transportation and utilities related infrastructure construction and rehabilitation projects over six years.

The construction sector in the DRC is dominated by foreign firms. Chinese firms alone account over half of all public works projects in the DRC, and a significant portion of private construction projects; European construction firms also work extensively in the DRC.

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 website of the ARMP and Ministry of Infrastructure and Public Works webpages.

Web Resources

Ministry of Infrastructure and Public Works

DRC Chamber of Commerce

Congo Business

Global Trade Atlas

National Agency for Investment Promotion (ANAPI)

Regulatory Authority for Public Procurement (ARMP)

Single-Window for Business Creation

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 contains three sedimentary basins; the Coastal Basin located in Kongo Central, extending offshore past the Congo River estuary, the Central Basin, and the Grabens Albertine and Tanganyika, extending from the Ugandan-DRC border to the southern tip of Lake Tanganyika on the Zambian-DRC border. 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 Coast Basin, yielding 25,000 barrels per day of offshore production, all of which are 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 the 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 biogas 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's only oil refinery, owned by parastatal Société Congo-Italienne de Raffinage (SOCIR) located in Muanda in Kongo Central province, has not produced refined petroleum products since 1998, when Italian oil firm Eni's withdrew from its partnership with SOCIR. In 2014, SOCIR committed to restarting the refinery to produce bitumen for domestic road construction projects. Today, 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 is conducting exploratory and preliminary extractive operations in the Eastern DRC. With estimates of total petroleum reserves as high 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

Primature

DRC Chamber of Commerce

Congo Business

Global Trade Atlas

National Agency for Investment Promotion (ANAPI)

Regulatory Authority for Public Procurement (ARMP)

Mining and Minerals

Overview

The DRC's mining sector presents a high-return opportunity. The country has a unique position with substantial untapped gold, cobalt and high-grade copper reserves, but equally significant security risks accentuated by a lack of robust infrastructure. The DRC is the largest producer of cobalt globally, accounting for 51 percent of global production in 2015 according to the US Geological Survey (USGS) Mineral Commodity Summaries 2016 report. It was the second largest producer of industrial diamonds in 2015, contributing about 24 percent of global production behind only Russia, which accounted for about 30 percent of global industrial diamond output.

Furthermore, 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, may be increasingly attracted to the DRC's copper wealth situated on the copper belt in the southern part of the country. In 2016, the DRC produced 1,021,634 tons of copper, which exceeded forecasts and was 2.6 percent more than in 2015. 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 a total mineral wealth measured 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 low 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

Congo Business

Global Trade Atlas

National Agency for Investment Promotion (ANAPI)

Regulatory Authority for Public Procurement (ARMP)

Single-Window for Business Creation

USAID

UNDP

KPMG

IMF

Telecommunications

Overview

The DRC is an untapped market with great potential for mobile telephony; Internet services providers, and other Internet Communication Technology (ICT) firms. Mobile telephony has a 44 percent penetration rate; Internet penetration is approximately 3 percent of the total population. Hampered by poor physical infrastructure, particularly last mile infrastructure, mobile telephony has grown to fill the role traditionally filled by land based 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.

Progress made in the ICT sector is constrained by the GDRC's poor grasp of ICT issues at high echelons of government. In January 2015, the GDRC ordered a shutdown of the Internet in response to anti-government protests. In May 2016, the GDRC raised taxes on mobile communications companies from two (2) percent of revenues to three (3) percent. This, combined with other regulatory costs, prompted telecommunications companies to raise Internet prices, putting connectivity further out of reach for many Congolese.

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 American 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]

[Congo Business]

[Global Trade Atlas]

[ANAPI]

[ARMP]

[Single-Window for Business Creation]

[USAID]

[UNDP]

[IMF]

Medical Equipment

Overview

The GDRC is making an effort to improve service delivery in the health sector. Most hospitals and clinics, particularly in remote areas, lack the necessary medical equipment. State investment in the health sector is limited, meaning that facilities must seek their own funding and patients often pay a high price for treatment. Additionally, medical equipment from China and India is often a source of complaints due to due poor quality and frequent defects.

Leading Sub-Sectors

X-Ray Equipment, Oscilloscopes, Spectrum Analyzers, Medical, Surgical, Dental and Veterinary Instruments.

Opportunities

Consumers in the DRC face high costs and low quality for medical care largely due to limited numbers of medical facilities and aging or defective equipment. There are opportunities for American companies with access to financing or donors to sell and maintain medical equipment.

Web Resources

[DRC Chamber of Commerce]

[Congo Business]

[Global Trade Atlas]

[ANAPI]

[ARMP]

[Single-Window for Business Creation]

[USAID]

[UNDP]

[IMF]

Pharmaceuticals

Overview

The pharmaceutical sector in the DRC is highly fragmented, with limited governmental oversight. There are multiple parallel pharmaceutical supply systems for public sector health facilities. The supply system for any particular public health facility depends largely on the donor supporting the Health zone within which the health facility is located. In the event the donor supporting the Health zone changes, then the pharmaceutical supply system for health facilities in that zone would likely also change.

Leading Sub-Sectors

Vaccines and medicines

Opportunities

The DRC continues to be affected by outbreaks of diseases, including malaria, yellow fever, Ebola, polio, cholera, measles, and TB. The health sector receives little budgetary support from the GDRC. Pharmaceutical products attract a large demand among the DRC population of approximately 77 million. U.S. pharmaceutical products also enjoy wide popularity among the Congolese because of their quality. Counterfeit pharmaceutical products are common in the DRC, and thus, Congolese eagerly seek genuine American brands.

Travel and Tourism

Overview

The DRC has a number of unique tourist opportunities, including wildlife reserves, indigenous cultures, and geological wonders not found easily or anywhere else in Africa. Twelve percent of the country is made up of protected areas including 7 national parks and 57 reserves areas, with great ecotourism potential. However, many existing tourist facilities are in poor condition because of a lack of proper maintenance. The DRC has four endemic species including Mountain Gorillas, Okapi, Bonobos, and the Congolese peacock. Moreover, the country has a unique variety of species in its ecosystem covering almost 145 million hectares.

Leading Sub-sectors

- Accommodations
- Adventure Tourism and Recreation Attractions Events and Conferences
- Food and Beverage
- Tourism Services
- Transportation
- Travel Trade

Opportunities

In the sector of tourism and travel, the opportunities for US firms are myriad including in the rehabilitation and construction of hotels, restaurants, protected areas and other tourism infrastructure. Furthermore, the creation of seaside resorts with beaches, and shorelines access camping, as well as river-side tourism development are opportunities available to investors and businesses.

Web Resources

DRC Chamber of Commerce

Congo Business

Global Trade Atlas

ANAPI

ARMP

Single-Window for Business Creation

USAID

UNDP

Customs, Regulations, & Standards

Trade Barriers

As is the case in much of the Congolese business environment, 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. As a result, many local traders have their own private networks to expedite the movement of goods.

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. The GDRC previously installed a *Guichet Unique* in Kinshasa, at the port of Matadi, at the Kasumbalesa border crossing on the DRC-Zambian border, and in Beni. In April 2011, the GDRC established a steering committee to set up a "*Guichet Unique Integral*." The *Guichet Unique Integral* streamlines administrative procedures for import, export, transit and transshipment operations, and process data more easily and more quickly than the original *Guichet Unique* that was launched in 1990. The *Guichet Unique Integral is* intended to act as a facility enabling parties involved in foreign trade and transportation of goods to file standardized information and documents at a single point of entry in order to fulfill all formalities related to the import, export, transit and transshipment of goods.

It is hoped that the *Guichet Unique Integral* will reduce fraud, increase the tax base, unify different customs expenses, and improve the DRC's business climate. Thus far, it appears that businesses are utilizing the *Guichet Unique Integral*, but the long-term effects, particularly on fraud and corruption, are as yet unknown.

The *Guichet Unique Integral* for Foreign Trade is used to select, sort, and filter information provide 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.

In September 2013, the GDRC launched SydoniaWorld software at the DGDA's Guichet Unique at the N'djili International Airport in Kinshasa. Today the DGDA has 27 customs offices representing more than 95 percent of the volume of transactions, all of which are equipped with the Sydoniaworld software. SydoniaWorld is interconnected with the *Guichet Unique Integral of Foreign Trade that* simplifies customs procedures and facilitates international trade. It allows the mobilization and collection of customs revenue, which reduce fraud and increases state revenue. In the future, it will be extended to all customs posts of the DRC.

Import Tariff

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. According to the World Trade Organization (WTO), the DRC's average tariff rate was 12 percent 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, rough 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 (although temporary restrictions have been occasionally applied to cement imports) 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 order to improve the investment climate, in August 2010, President Kabila promulgated a new customs code, which came into effect in February 2011 and provides numerous incentives to entrepreneurs such as simplified customs procedures, intellectual property rights protection, verification of goods before payment, payment facilities, specially established economic zones, and a customs decision appeals process.

In addition to tariffs, there are a multitude of 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 government introduced a value-added tax (VAT) on January 1, 2012. 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. After many years restricting the importation of vehicles to those fewer than 10 years old, in April 2017, a ministerial decree authorized the importation of vehicles manufactured 20 years ago or less.

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), Tax Authority (DGI), General Direction of Administrative Incomes (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 & Documentation

On May 19, 2016, an official statement from the Ministry of Commerce was published informing economic operators of the compulsory application of an October 14, 2015 ministerial decree stating that all pre-customs clearances for imports, exports and transit of goods from pilot sites in Kinshasa, Lubumbashi, Matadi, Goma, Boma, and Kisangani were required to be performed on the Guichet Unique integral's electronic platform.

Since June 2006, BIVAC has been 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.

BIVAC and OCC work together. 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/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

Please see:

ITA

U.S. Bureau of Industry and Security

Treasury Department

USTR

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: Trade.gov

Temporary Entry

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

Prohibited & 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" in which the DGDA occupies a prominent place. 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, though a lack of funding continues to hinder progress and has slowed down implementation. In September 2013, the GDRC launched the SydoniaWorld software at the DGDA's *Guichet Unique* at N'djili International Airport in Kinshasa. The software simplifies customs procedures and facilitates international trade, allowing the mobilization and securing of customs revenue, which reduces fraud and increases state revenues. The software currently covers only two customs posts in Kinshasa, but has yielded results by reducing the lead time for customs clearance completion as well as by strengthening customs control and by 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)

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Standards for Trade

Overview

Regional and international organizations' standards 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).

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.

The Ministry of Commerce is responsible for standards and conformity assessments. The 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 comprised 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 alimentarus*" 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.

Standards

As discussed in the overview, the OCC is the only governmental body in the DRC that is actively developing and enforcing standards and performing conformity assessments on imports and exports, operating under the Ministry of Commerce. It consults with local research institutions and manufacturers, chambers of commerce, and consumer unions, but does not have an annual standards plan.

The OCC executes its technical functions through two branches. The Metrology Lab is responsible for the development, compilation and publication of standards, and liaising with regional and international measurement and standards organizations, while the *Centre de Documentation et d'Information sur Normes* (CEDIN), serves as the testing and certification body. CEDIN performs requisite tests, calibrations and conformity assessments prior to delivering a certificate of conformity, documents the results of its tests and control analyses, and compiles internationally and nationally approved standards. Its database contains 10,000 standards, including 5,000 from the ISO, 500 from the British Standards Institute (BSI), 100 from COMESA, 60 from SADC. As of 2010, the DRC has 217 national standards covering such items as wheat flour, cement, wood, steel, sizes/units, and conformity assessments. The DRC recently adopted a set of 450 additional norms enacted by the COMESA free trade zone to cover fishing, industry, livestock and agricultural and other sectors. However, a ministerial decree and parliamentary authorization are still required to enforce the norms.

Testing, Inspection and Certification

Office Congolais du Controle (OCC)

The Congolese Control Office (OCC), is operated under the supervision of the Ministry of Commerce, and 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 can manage and operate grain elevators, general stores and customs warehouses. It may also carry out any operation whatsoever relating directly or indirectly to its legal activity, except for buying-in operations for resale. The OCC is 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.

Post is aware of no independent U.S. testing laboratories in DRC, and none would be authorized to operate in the Congolese market in order to test U.S. products and confirm compliance with domestic regulatory requirements.

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.

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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)

Licensing Requirements for Professional Services

N/A

Trade Regulations Web Resources

SADC

COMESA

ECCAS

NBI

IATA

ICAO

ISO

ARSO

OCC

DGDA

Investment Climate Statement

Executive Summary

The Democratic Republic of the Congo (DRC) is the second largest country in Africa and potentially one of the richest in the world in terms of natural resources. With 80 million hectares (197 million acres) of arable land and 1,100 minerals and precious metals, the DRC has the resources to achieve prosperity for its people, and serve as a catalyst for African economic growth. Despite its potential, however, the DRC is still striving to provide adequate social security, infrastructure and health care to its estimated 81 million inhabitants, some 75 percent of whom live on less than two dollars a day.

The DRC's political and security situation remains fragile, and the economy experienced several shocks in 2016 which are expected to limit growth in 2017. The downturn in prices of DRC's main commodity exports resulted in a trade balance shift from a $521 million surplus for the first half of 2015, to a $351 million deficit for the corresponding period in 2016. Moreover, the commodity price collapse cut government revenues, forcing a sizeable and growing deficit. Preliminary Government of DRC (GDRC) figures peg the 2016 growth rate at 2.4 percent, compared with 6.9 percent in 2015 and 9.5 percent in 2014. Although commodity prices rebounded slightly in early 2017, the benefits of this uptick are not expected to be felt until 2018. The GDRC is taking steps to mitigate the impact of low commodity prices on the broader economy through a push for diversification, targeting key sectors including agriculture, manufacturing, telecommunications, and energy.

The nation's economy is highly dollarized, which has implications for monetary policy execution, financial development and systemic stability. Approximately 90 percent of bank deposits and loans are denominated in US dollars and the prices of many goods, services and financial activities are indexed to the dollar. This high dollarization weakens monetary policy execution and increases the systemic exposure to liquidity shocks since the minimum regulatory requirements of banks are defined in local currency.

Although the economy is dollarized, the domestic currency, the Congolese Franc (CDF), which had remained relatively stable for several years, depreciated significantly in 2016, falling nearly 40 percent against the dollar. Similarly, inflation, which was stable at roughly 1 percent from 2013 through 2015, reached double digits in 2016.

Although the GDRC has demonstrated a growing commitment to foster sound economic governance and to attract foreign direct investment (FDI), progress remains slow. The GDRC set up a "Competitiveness and Private Sector Development Project" which has reduced business start-up time by half and the number of taxes by three-quarters since 2014. The GDRC also adopted an investment code in 2002 aimed at increasing and promoting foreign investment in the country by granting tax breaks or tax holidays for investors, though many investors and businesses still complain that tax burdens remain heavy, and the system remains overly complex, duplicative, and opaque. Government agencies at all levels also exert significant administrative pressure on businesses with audits and inspections that often result in questionable legal fines.

Although the DRC has been a member of the Organization for the Harmonization of Business Laws in Africa (OHADA) since 2014, and GDRC investment reforms and investor protections make Public-Private Partnerships (PPPs) more secure and attractive for outside investors than they were previously, the GDRC has yet to implement several key OHADA goals. Reform of a non-transparent and often corrupt legal system is also a prerequisite for investors to benefit more fully from the DRC's OHADA membership.

Rehabilitation of basic infrastructure remains a priority for the GDRC, and will be necessary for the country to realize its potential. Only one third of the 1,530 km (950 miles) of road in the east is in good condition, and although the Congo River has the potential to generate up to 100,000 megawatts of power, today less than 10 percent of DRC inhabitants have access to electricity. The country's two largest dams, Inga I and II, generate less than half of their 2,500 megawatt capacity due to poor upkeep. The GDRC is seeking foreign investment partnerships on several hydropower projects, including a massive 40,000 MW Inga III project, as well as the construction of new transmission lines and geothermal power stations. Although the mining and extractive industries contribute more than 95 percent of export revenues, the country still has untapped potential. In February 2017, a revised hydrocarbon code was published in hopes of making the sector more structured and attractive for investors.

Overall, businesses in the DRC face numerous challenges, including fragility of functional infrastructure, endemic corruption at virtually all levels of government, predatory tax agencies, limited access to capital, a shortage of skilled labor, difficulties enforcing contracts, political uncertainty, a weak judicial system, ongoing armed conflict in eastern DRC, and the emergence of sporadic violence in other parts of the country. The Embassy strongly urges all prospective investors to read the latest country-specific information and travel warnings before traveling to the DRC.

Table 1

Measure	**Year**	**Index/Rank**	**Website Address**
TI Corruption Perceptions Index	2016	156 of 175	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Business"	2016	184 of 190	doingbusiness.org/rankings
Global Innovation Index	2016	N/A of 128	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country ($M USD, stock positions)	2015	N/A	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2015	$410	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness To, and Restrictions Upon, Foreign Investment

Policies toward Foreign Direct Investment

The DRC remains a challenging environment in which to conduct business. At the same time, the GDRC is pushing to improve economic governance and its business climate, and the DRC's rich endowment of natural resources, large population and generally open trading system provide significant potential opportunities for U.S. investors. The GDRC's investment agency, the National Agency for Investment Promotion (ANAPI), provides investment facilitation services for initial investments over $200,000 and is mandated to simplify the investment process, make procedures more transparent, assist new foreign investors and improve the image of the DRC as an investment destination. Current investment regulations prohibit foreign investors from engaging in informal small retail commerce, referred to locally as *petit commerce*, and ban foreign majority-ownership of agricultural concerns. Visas for foreign workers are limited to six consecutive months and cost between $300 (single-entry) and $400 (multiple-entry). Following approval of an initial "temporary" work visa, which, normally, is not difficult to procure, a foreign worker may qualify for a more expensive "establishment visa" with at least a one year validity. Salaries paid to expatriates are taxed at a higher rate than those of locals to encourage local employment.

Limits on Foreign Control and Right to Private Ownership and Establishment

The DRC Constitution stipulates entitlement to own and establish a business enterprise, and to engage in all forms of remunerative activity, noting minimal restrictions related to small commerce (as described in Section 1.1) and a prohibition of foreign shareholder ownership of more than 49 percent of an agri-business. The government has drafted foreign ownership legislation, which Parliament is expected to debate soon. Although it may not be based in law, many investors note that in practice the GDRC requires foreign investors to both hire local agents and participate in a joint venture with the government or local partners.

A new law on subcontracting in the private sector, which was enacted in January 2017, restricts foreign investors' participation in subcontracting in almost all sectors and is considered by U.S. companies operating in DRC as discriminatory to their interests. The law restricts subcontracting activity to companies with Congolese capital whose head offices are located in the national territory. The only exception is in the case of unavailability of expertise in a specific subcontracting area. In that case, proof of lack of expertise must be provided to the competent authority and any other company under Congolese or foreign law may be used as a subcontractor, but the activity may not exceed six months.

The law also forbids the subcontracting of more than 40 percent of the overall value of a contract, voids clauses, stipulations and contractual arrangements that violate the provisions of this law, and carries penalties of up to $150,000 and the risk of closure of operations for six months if certain provisions are violated. Currently foreign businesses have a 12 month grace period, through January 2018, to comply with the new law. As of April 2017, the Federations of Enterprises of the Congo (FEC), American Chamber of Commerce DRC, and other business organizations were lobbying to review and revise the law.

Other Investment Policy Reviews

The DRC has not undergone an OECD or UNCTAD Investment Policy Review in the last 10 years, though, in collaboration with the World Bank and the European Union, in 2010, the GDRC published a Diagnostic Study on Commercial Integration, a trade survey that identifies commercial hurdles and provides recommendations. The report highlighted four key points:

- The GDRC's customs procedures are outdated and fail to comply with international standards as recommended by the World Customs Organization (WCO) in the Revised Kyoto Agenda;
- Trade information and management systems are inadequately computerized; where they are computerized, computerization is often ignored in favor of manual records;
- Exporters face indiscriminate fees imposed by government agencies along with informal facilitation costs for record handling;
- Onerous regulations and administrative hurdles lead to average administrative wait times of four to five days at port, costing on average more than $1,020.

Business Facilitation

Since 2013, the GDRC has operated a "one-stop shop" (Guichet Unique) that brings together all the government entities involved in the registration of a company in the DRC. In essence, all administrative formalities related to registration of a new company have been brought together. The registration process officially takes three days, but practically it can take much more. However, businesses have reported that the *Guichet Unique* has considerably shortened and simplified the process of overall business registration. On the other hand, the new subcontracting law (discussed in Section 1.2) imposes local content/sourcing requirements on foreign investors and appears to have a discriminatory effect on U.S. businesses.

Outward Investment

The GDRC does not prohibit outward investment, but nor does it particularly promote it. There are no current government restrictions preventing domestic investors from investing abroad, and there are no current blacklisted countries with which domestic investors are precluded from doing business.

Bilateral Investment Agreements and Taxation Treaties

The U.S.-DRC Bilateral Investment Treaty (BIT) was signed in 1984 and entered into force in 1989. The BIT guarantees reciprocal rights and privileges to each country's investors and provides that, should a claim arise under the treaty, it can be submitted to a dispute resolution mechanism through international arbitration.

Germany, France, Belgium, Italy, South Korea, and China have also signed bilateral investment treaties with the DRC. South Africa and Kenya are negotiating bilateral investment treaties with the DRC. Lebanon, Ivory Coast, and Burkina Faso have negotiated, but not yet signed, bilateral investment treaties with the DRC.

In October 2016, the DRC and Rwanda signed an agreement on a simplified trade regime covering only small commerce between the countries.

There is no bilateral taxation treaty between the United States and the DRC.

In August 2015, Zambia and the DRC signed a bilateral taxation treaty that abolished customs taxes across their common border.

Legal Regime

Transparency of the Regulatory System

The DRC does not yet have a complete legal and regulatory framework for the orderly conduct of business and the protection of investments. The GDRC authority on business standards, the Congolese Office of Control (OCC), oversees foreign businesses engaged in the DRC.

There are no formal or informal provisions systematically employed by the GDRC to impede foreign investment, but nor are there provisions that are universally employed to aid foreign investment. Problems encountered within the GDRC tend largely to be administrative and/or bureaucratic in nature, as reforms and improved laws and regulations are often poorly or unevenly applied. Proposed laws and regulations are rarely published in draft format for public discussion and comments; discussion is typically limited to the governmental entity that proposes the draft law and Parliament prior to enactment.

By implementing the OHADA, the GDRC strengthened its legal framework in the areas of contract, company, and bankruptcy law and set up an accounting system better aligned to international standards. For this purpose, a Coordination Committee was established internally in the DRC to monitor OHADA implementation.

The Extractive Industries Transparency Initiative (EITI), a multi-stakeholder initiative to increase transparency in transactions between governments and companies in the extractive industries, declared in 2014 that DRC's payment and receipt procedures conform to EITI requirements. In 2016, EITI awarded the DRC the first Initiative Award for Transparency in Extractive Industries.

International Regulatory Considerations

The DRC is a member of several regional economic blocks, such as the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of Central African States (ECCAS).

According to the Congolese National Standardization Committee, the DRC has adopted 370 harmonized COMESA standards, almost achieving the objective set by the country in 2008.

In order to formalize the DRC's integration into the COMESA Free Trade Area and in order to comply with its commitments within COMESA, the DRC President promulgated in December 2015, after its adoption by both chambers of Parliament, an Act establishing a new tariff of import duties and taxes pursuant to the COMESA Treaty. The Act establishes a zero rate for goods originating in COMESA member countries following a three-year tariff dismantling of 40 percent, 30 percent and 30 percent respectively for the first, second and third years. However, the DRC is not on track to meet this goal.

The DRC is a World Trade Organization (WTO) member and, as such, maintains measures consistent with Trade Related Investment Measures (TRIM) requirements. In October 2016, the WTO noted that there had been positive developments on various fronts in the DRC, including streamlining of the country's tax system, introduction of a VAT, and enactment of a new customs act, a new excise act, and a new procurement code. The WTO also noted that the business environment has improved as a result of the progressive establishment of single windows for conducting international trade and setting up enterprises. The WTO further commended the adoption of new sectoral policies that have opened several economic sectors, including insurance services and hydrocarbon trade, to competition. In 2015, the DRC also adopted a new law aimed at aligning its national tariff with the common external tariff of COMESA. The GRDC has proposed a new Strategic

National Development Plan which sets the goal of modernizing and industrializing the country by 2035.

Legal System and Judicial Independence

The DRC is a civil law country, and the main provisions of its private law can be traced to the Napoleonic Civil Code. The general characteristics of the Congolese legal system are similar to those of the Belgian legal system, as the DRC largely received its law from its Belgian colonialists. Customary or tribal law is another aspect of DRC's legal system. Various local customary laws regulate both personal status laws and property rights, especially the inheritance and land tenure systems in traditional communities throughout the country. The Congolese legal system is divided into three branches: public law, private law and economic law. Public law regulates legal relationships involving the state or state authority; private law regulates relationships between private persons; and economic law regulates interactions in areas such as labor, trade, mining and investment.

Since 2008, the DRC has established ten commercial courts located in DRC's main business cities, including Kinshasa, Lubumbashi, Matadi, Kisangani, and Mbuji-Mayi. These courts are led by professional judges specializing in commercial matters and exist in parallel to an otherwise inadequate judicial system. With European Union support, buildings are under construction and/or rehabilitation to establish additional commercial courts.

The current judicial process is not procedurally reliable: at times it is respected, at times it is not. The national court system provides a mechanism for appealing, and the OHADA provides regulations and a legal framework to appeal verdicts. Legal documents in the DRC can be found at: Legal Text in the DRC.

Laws and Regulations on Foreign Direct Investment

Most FDI is governed by the 2002 Investment Code. Mining, hydrocarbons, finance, and other sectors are also governed by sector-specific investment laws. The GDRC deregulated the electricity and insurance sectors in 2015 and in 2016 Parliament passed a bill to reform the hydrocarbon sector and the labor law was revised. The 2002 mining code has been under review since 2012, with a draft bill in place since 2014. There continues to be legislation pending in Parliament to address consumer protection, e-commerce, liberalization of prices, competition regulation, account auditing, agriculture regulation, trade courts, entrepreneurship, and free trade areas. Passage of these bills should improve the DRC's investment environment, though there was little progress in 2016.

ANAPI is the DRC agency whose mandate is to simplify the investment process, make procedures more transparent, assist new foreign investors, and improve the image of the country as an investment destination (*investindrc.cd*). There is also a Steering Committee for the Improvement of the Business and Investment Climate (CPCAI), which has the overall goal of improving the DRC's ranking in the World Bank's "Doing Business" indicators by reducing administrative delays, red tape, and the overall cost of establishing a business. Since its inception, CPCAI has eliminated 46 of 117 taxes applied to cross-border trade. The GDRC also instituted a "*Guichet Unique*," in 2013, which is a one-stop shop to simplify business creation, cutting processing time from five months to three days, and reducing incorporation fees from $3,000 to $120. A "one stop shop" also exists for import-export business, covering, among other things, the collection of taxes and transshipment operations.

The GDRC's efforts to improve its investment framework have had some impact: the World Bank's 2015 Doing Business Report cited the DRC among the world's top ten most improved countries. The DRC gained three spots in the overall ease of doing business ranking in 2016, but still ranked near the bottom (184 out of 189). Despite the progress, and the fact that the OHADA's jurisdiction also offers a mechanism for transparency in financial and accounting systems, there has not been an obvious impact and firms continue to complain about widespread corruption and difficulties in doing business.

Competition and Anti-Trust Laws

There is no existing national agency that reviews transactions for competition or antitrust related concerns; however, as a member COMESA, the DRC falls under the Competition regime adopted by COMESA which is made up of the COMESA Competition Regulations and the COMESA Competition Rules. Under the COMESA Treaty, the Regulations are binding on all member states. Since the DRC does not have a dedicated domestic competition law regime, the regional competition law regime is effectively the only competition law available.

Expropriation and Compensation

Technically, the GDRC may only proceed with an expropriation when it benefits the public interest, and the person or entity subject to an expropriation should receive fair compensation. The U.S. Embassy is unaware of any new expropriation activities by the GDRC against U.S. citizens in 2016 or 2017, thus far, but there are a number of existing (some long standing) claims of expropriation made against the GDRC, including by Americans. Some claims have been taken to arbitration, though many arbitral judgments against the GDRC are not paid in a timely manner, if at all.

Dispute Settlement

ICSID Convention and New York Convention

The DRC is a member of the International Center for Settlement of Investment Disputes (ICSID) Convention and has been a Contracting State to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) since February 2015. Although the DRC has not made any notifications or reservations in accordance with the New York Convention, the internal legislation facilitating the DRC's accession to the New York Convention contains reservations regarding reciprocity (the DRC will only enforce awards made in the territory of other Contracting States); commerciality (only awards on matters which are considered commercial under DRC law will be recognized and enforced under the New York Convention); non-retroactivity (the New York Convention will only apply to awards made after February 3, 2015); and finally, that the New York Convention will not apply to disputes related to immovable property (i.e. real estate, industrial plants, etc) or to rights related to immovable property.

In the case of an investment dispute, the U.S.-DRC BIT provides for reconciliation or national or international arbitration. In the case of a dispute between a U.S. investor and the GDRC, the U.S. investor is subject to the Congolese civil code and legal system. If the parties cannot reach agreement, under the terms of the U.S.-DRC BIT, the dispute is taken to ICSID or the Paris-based International Chamber of Commerce (ICC). Commercial parties may also seek redress under the Organization for the Harmonization of African Business Law (OHADA).

The DRC's accession is important to international investors seeking to develop activities in the DRC because it facilitates the enforcement of international arbitral awards. However, the reservation related to immovable property effectively excludes disputes relating to mining rights which, under Congolese law, are considered immovable property.

Although there are instances of ongoing corruption at almost every level of the DRC judicial system, several disputes between foreign investors and State Owned Enterprises (SOE) have been resolved in favor of the foreign investor.

International Commercial Arbitration and Foreign Courts

As a signatory to the OHADA, the DRC also adopted the OHADA Uniform Act on Arbitration (the UAA). The UAA sets out the basic rules applicable to any arbitration where the seat of arbitration is located in an OHADA member state. Because DRC is a member of the New York Convention, the requirements set out under Article 5 of the New York Convention for the recognition and enforcement of foreign awards will apply where the seat of any arbitration is outside an OHADA member state, or where the parties chose arbitral rules outside the UAA.

OHADA's UAA offers an alternative dispute resolution mechanism for settling disputes between two parties. The two main consequences of the DRC's accession to OHADA in September 2012, with respect to dispute resolution are:

- The mandatory application of the UAA, which sets out arbitration procedures applicable to any arbitration arising in a Member State of OHADA where the place of arbitration is situated in a Member State.
- Disputes must be submitted to the Common Court of the Justice and Arbitration (CCJA) (based in Abidjan, Cote d'Ivoire) in accordance with the provisions of the OHADA Treaty and the OHADA Arbitration Rules.

The UAA, while not directly based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law, is similar in that it provides for the recognition and enforcement of arbitration agreements and arbitral awards and supersedes the national laws on arbitration to the extent that any conflict arises. Arbitral awards with a connection to an OHADA member state are given final and binding status in all OHADA member states, on a par with a judgment of a national court. Support is provided by the CCJA which can rule on the application and interpretation of the UAA. Arbitral awards rendered in any OHADA Member State are enforceable in any other OHADA member state, subject to obtaining an exequatur (a legal document issued by a sovereign authority allowing a right to be enforced in the authority's domain of competence) of the competent court of the State in which the award is to be made. Exequaturs shall, in principle, be granted unless the award clearly affects public order in that State. Decisions granting or refusing the granting of an exequatur may be appealed to the CCJA.

Bankruptcy Regulations

The OHADA Uniform Act on Insolvency Proceedings provides a comprehensive framework not only for companies encountering financial difficulties and seeking relief from the pressing demands of creditors, but also for creditors to file their claims. The GDRC judiciary system has agreed to enforce the OHADA Insolvency Act.

Industrial Policies

Investment Incentives

Investment incentives for companies entering the DRC are generally negotiated during a streamlined period of approximately 30 days. Negotiated incentives can range from tax breaks to duty exemptions, and are dependent upon the location and type of enterprise, the number of jobs created, the degree of training and promotion of local staff, and the export-producing potential of the operation. Investors who wish to take advantage of customs and tax incentives in the extant 2002 Investment Code must apply to the National Agency for Investment Promotion (ANAPI), which, in turn, submits applications to the Ministries of Finance and Planning for final approval.

Foreign Trade Zones/Free Ports/Trade Facilitation

The DRC does not have designated free trade areas or free port zones; however legislation is pending to create such zones. The DRC is a member of SADC and the Common Market of Eastern and Southern Africa (COMESA), but has not yet joined either the COMESA or the SADC Free Trade Areas. In 2015, the GDRC confirmed its commitment to work to enter the tripartite COMESA-SADC-EAC (Eastern African Community) Free Trade Area and the African Free Trade Area, however, currently the implementation process is on hold and there is no indication of when it will resume.

Performance and Data Localization Requirements

Although there are no specific performance requirements for foreign investors, invariably, they must negotiate many of the conditions of their investments with ANAPI. Performance requirements agreed upon with ANAPI typically include a timeframe for the investment, use of OHADA accounting procedures and periodic authorized GDRC audits, protection of the environment, periodic progress reports to ANAPI, and the maintenance of international and local norms for the provision of goods and services. The investor must also agree that all imported equipment and capital will remain in country for at least five years.

The Ministry of Labor controls expatriate residence and work permits. For U.S. companies, the BIT assures the right to hire staff of their choice to fill some management positions, but companies agree to pay a special tax on expatriate salaries. Visa, residence or work permit requirements are not discriminatory or excessively onerous, and are not designed to prevent or discourage foreigners from investing in the DRC, though corruption and bureaucratic hurdles can create serious delays in obtaining the necessary permits and visas.

A new law on subcontracting was enacted in January 2017, which requires foreign companies to use local subcontractors for subsidiary services (see section 2).

The DRC does not have specific legislation on data storage. However, it recognizes the need for appropriate regulation. As there is no obligatory legislation, in practice, few companies report on data storage.

Protection of Property Rights

Real Property

The DRC's Constitution (Chapter 2, Articles 34-40) protects private ownership without discrimination between foreign and domestic investors. Despite this, the GDRC has acknowledged the lack of enforcement in the protection of property rights and relevant draft bills have been pending before Parliament since 2015, however there is little progress, if any, and the draft bills are not included on the agenda of the current (March 2017) parliamentary session. Congolese law related to real property rights enumerates provisions for mortgages and liens, and real property (buildings and land) is protected and registered through the Ministry of Land's Office of the Mortgage Registrar, however land registration can be risky, as records are often incomplete and legal disputes over land deals are common. Additionally, there is no specific regulation of real property lease or acquisition. Ownership interest in personal property (e.g. equipment, vehicles, etc.) is protected and registered through the Ministry of the Interior's Office of the Notary.

Intellectual Property Rights

In principle, intellectual property rights (IPR) are legally protected in the DRC, but enforcement of IPR regulations is virtually non-existent. Prior to independence in 1960, IPR was regulated by multiple Belgian instruments. In 1963, the DRC became a party to the Berne Convention of 1886 for the Protection of Literary and Artistic Works, and in 1975 it joined the 1883 Paris Convention for the Protection of Industrial Property. The DRC introduced Law No. 82-001 on Industrial Property in 1982, and Law No. 86-022 on the Protection of Copyright and Neighboring Rights in 1986. Both instruments remain in force, but legislative action in the area of IPR and enforcement of the existing laws has been virtually non-existent since their passage.

The country is also a signatory to a number of relevant agreements with international organizations such as the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO), and is thus ostensibly subject to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), an international legal agreement between all the member nations of the WTO which sets down minimum standards for the regulation by national governments of many forms of IPR. Specifically, TRIPS requires WTO members to provide copyright rights, covering content producers including performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs; integrated circuit layout-designs; patents; new plant varieties; trademarks; trade dress; and undisclosed or confidential information. TRIPS also specifies enforcement procedures, remedies, and dispute resolution procedures. As a least-developed country member, DRC was given a longer transition period, through 2006, to comply with TRIPS, but to this day it continues to be out of compliance with its international IPR obligations.

The pertinent conventions provide maximum protection of 20 years for patents, and 20 years, renewable, for trademarks, starting from the date of registration. If not used within three years, a trademark can be cancelled. By contrast, the current Congolese laws provide only 15 years of protection on a number of patents, and do not include all the means mentioned in TRIPS for enforcement of IPR rights. In July 2011, the Ministry of Culture and Art established the *Société des Droits d'Auteur et des Droits Voisins* (SOCODA) to address IPR issues faced by authors, and presented a law to the government that seeks to rectify shortcomings of the existing 1982 IPR law, however, the reform law is still pending Parliamentary approval and it is unclear when that will be forthcoming.

Financial Sector

Capital Market and Portfolio Investment

The DRC's capital market remains underdeveloped and consists mainly of the issuance of treasury bonds. There are no stock exchanges operating in the country, but a small number of private equity firms are actively investing in the mining industry. The institutional investor base is poorly developed, with only an insurance company and a state pension fund as participants. The Central Bank of Congo (BCC), developed a market for short-term bonds, but most of these bonds are bought and held by local Congolese banks. In the absence of a domestic debt market, the fixed-rate market is limited to government-issued treasury bonds with maturities of up to 28 days traded through commercial banks.

Access to the primary market is limited to commercial banks holding securities accounts at the BCC and all investors, including institutional and individual investors, must submit bids through banks. Commercial banks, which dominate the investor base, may trade in treasury bills in the secondary market, but in order to do so bids and prices for which they agree to trade must be transparent and publicized. There is no market for derivatives in the country.

The DRC suffers from a weak and fragile financial infrastructure. National payment systems are not governed by central legislation, although the DRC's National Payments and Settlement Committee is in the process of proposing legal reform through a draft bill that was proposed in 2016, has been adopted by the DRC Senate, and, as of the date of this report, is before the National Assembly for a second reading. The DRC has a credit bureau supervised by the BCC, but it is generally considered inefficient and obsolete, with relatively few clients. It serves mainly institutional clients that are eligible for large loans.

Borrowing options for small and medium enterprises (SME) are limited. Maturities for loans are usually limited to 3-6 months, and interest rates typically hover around 16-18 percent. The weakness of the legal system, the often cumbersome business climate and the difficulty in obtaining inter-bank financing discourages banks from providing long term loans. There are limited possibilities to finance major projects in the domestic currency, the Congolese franc (CDF). Local banks' have limited holdings in the CDF. Prior to 2016, the average was roughly $12 million per bank, though the economic downturn prompted the Central Bank to mandate an increase in CDF holdings to $30 million per bank by October 2017. Foreign currency deposits account for almost 90 percent of bank holdings.

Portfolio investment has not yet developed in the DRC. Cross-shareholding and stable shareholding arrangements are also not common. There are occasional complaints about unfair privileges extended to certain investors in profitable sectors such as mining and telecommunications.

Money and Banking system

The Congolese financial system is growing but remains fragile and operates primarily through the BCC. The financial sector is comprised of 19 licensed banks, a national insurance company (SONAS) and the National Social Security Institute (INSS), one development bank, SOFIDE (*Société Financière de Development*), 120 micro finance institutions and cooperatives, 78 money transfer institutions which are concentrated in Kinshasa and the former Katanga provinces, three electronic money institutions and more than 16 foreign exchanges offices. There is no equity market or debt market.

The bulk of the banking system is based on banks and the aggregate holdings of banks, estimated at $5.1 billion, accounts for about 95 percent of the overall holdings of the financial system. Bank deposits account for the majority of total deposits, around 90 percent of the deposits in the financial system, with the balance held by microfinance institutions. Among the largest banks, four are local and another is controlled by foreign holdings. The five largest banks hold almost 65 percent of bank deposits and more than 60 percent of total bank assets.

Bank financing is dominated by the collection of deposits, nearly 90 percent of which are denominated in U.S. dollars and deposited into demand accounts. Bank operations are highly dollarized and their financing is highly dependent on demand deposits. While nearly 95 percent of loans are in dollars, clients are mainly companies that deposit working capital and then take loans primarily for daily operations and import/exports activities. The national and local DRC governments have significant balances in some banks (deposits in dollars used for investments) and also borrow funds from a few banks to finance administrative expenses. Statistics on non-performing loans do not seem reliable. According to the BCC's regulatory framework many banks only record the balance due rather than the total amount of the non-performing loan.

Transactions involving correspondence with associated foreign banks represent a significant part of the activities of DRC banks. Correspondent accounts represent more than 30 percent of bank assets and more than 95 percent of interbank market activity. They allow banks to settle transactions denominated in dollars, reflecting efforts to limit risks. The profitability and profits of the banks are fragile and have deteriorated over the last year, reflecting high operating and exchange rates. Fees charged by banks are a major source of their revenues.

The DRC has roughly $3.6 billion of deposits in the banking system, up slightly from 2015. An estimated $10 billion of savings exist outside of banks. Most deposits in the formal system are U.S. dollar-denominated. A slight increase in bank penetration occurred after 2011 as the GDRC switched public employee payments from cash to bank transfers. Bank penetration is roughly 6 percent, which places the country among the most under-banked nations in the world. According to the BCC strategic plan, the aim is to reach more than 20 million bank accounts by 2030. Banks are increasingly offering savings accounts that pay approximately 3 percent interest, but few Congolese hold savings in banks. Of an estimated 65 percent of the population that saves, only 4.7 percent do so through a bank, according to the Banking Association of Congo (ACB). Most account holders withdraw their balance in full shortly after their salary is deposited.

The overall balance sheet of the banks amounted to roughly $5 billion; the credit volume is estimated at roughly more than $2.2 billion. Credit volume has risen rapidly, but remains scarce, short-term, and highly concentrated. From 2012 to 2016, credit reached only 13 percent of GDP. Domestic credit granted by banks from 2015 to 2016 increased from $2.2 billion to $2.3 billion, and those granted by microfinance institutions for the same period increased from $162 million to $190 million. The largest depositors in the banking system are private enterprises and households with 46 and 43 percent of deposits, respectively. Public enterprises, central administration and local administration deposits are estimated at seven percent, four percent and one percent respectively.

Foreign Exchange and Remittances

Foreign Exchange

As part of broad economic reforms begun in 2001, the DRC adopted a free-floating exchange rate policy and lifted various restrictions on business transactions, including in the mining sector. The international transfer of funds takes place freely when sent through local commercial banks. On average, bank declaration requirements and payments for international transfers take less than one week to complete.

The BCC is responsible for regulating foreign exchange and trade. The only currency restriction imposed on travelers is a $10,000 limit on the amount an individual can carry when entering or leaving the DRC. The GDRC requires that the BCC license exporters and importers. The DRC's informal foreign exchange market is large and unregulated and has tended to offer exchange rates not widely dissimilar from the official rate. In practice, the nation's economy remains highly dollarized.

On September 25, 2014, new foreign exchange regulations were put into place by the BCC. Among other things, these regulations declared the Congolese franc (CDF) as the main currency in all 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. In the last several years, this requirement has been relaxed and where the parties involved and the appropriate monetary officials agree, exceptions may, and routinely are, made. Any payments exceeding $10,000 must be executed within the banking system, unless there is no presence of banking entities. The largest, albeit rare, banknote in circulation is the CDF 20,000 note (approximately $14.70). Far more common are the CDF 500 and CDF 1,000 notes worth approximately $0.36 and $ 0.73, respectively. U.S. banknotes printed after 2008 are readily accepted in virtually all transactions, with the exception of one-dollar bills. 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 CDF. In March 2016, however, as a result of a dollar shortage the GDRC began requiring mining and oil companies to pay their customs fees and taxes in U.S. dollars.

The CDF depreciated by nearly 40 percent against the U.S. dollar in 2016 and the annualized inflation rate, which was stable at around 1 percent from 2013 through 2015 then increased rapidly to 11 percent The economic forecast calls for continuing inflation and currency depreciation. With March 2017 foreign exchange reserves at $730 million, or 3.3 weeks of import cover (half the level of a year ago) Central Bank officials can no longer support the CDF, which has depreciated over 9 percent this year.

Remittance Policies

Although there is no legal restriction on converting or transferring funds related to investment, new exchange regulations will increase the time for in-country foreigners to repatriate export and re-export income from 30 to 60 days. The BCC is the legal authority controlling and providing the legal framework on foreign exchange in the DRC. Foreign investors may remit through parallel markets when they are legally established and recognized by the BCC.

Sovereign Wealth Funds

The DRC has no reported Sovereign Wealth Funds.

State-Owned Enterprises

Generally speaking, the DRC state owned enterprises (SOEs) are a burden on the nation's economy. SOEs stifle competition and are unable to provide reliable electricity, transportation, and other important services over which they have monopolies. SOEs and other Congolese parastatal organizations are in a poor financial and operational state due primarily to indebtedness, mismanagement of resources and employees, and bad service delivery.

Reporting on the assets of SOEs and other parastatal enterprises is limited, making valuation difficult. According to State law N° 08/007 of July 7, 2008 (related to business transformation), any firm of which the state owns 50 percent plus one share is considered to be an SOE. DRC law does not grant SOEs advantage over private companies in bidding for government contracts, however, in practice, SOEs are favored over private companies, often using questionable practices and arguably unsupportable legal actions.

The List of SOEs

SOE accounts are not audited. While the Supreme Audit Institution (*Cour des Comptes)* is authorized to audit SOEs and to publish findings, a lack of resources devoted to the organization has resulted in no or partial SOE audits. In addition, the *Conseil Superieur du Portefeuille* – an oversight body under the Ministry of Portfolio – is mandated with assessing SOE financial performance in terms of growth, profitability, and solvency. Their reports are for internal use and are not publicly available.

There is no official provision requiring preferential access to land and raw materials for SOEs; in a situation where both an SOE and private enterprise show interest to the same land or material, preferential access shall be granted to the first applicant.

The DRC is not a party to the WTO's procurement agreement (GPA) and does not adhere to the OECD guidelines on Corporate Governance for SOEs.

Privatization Program

The DRC has no official privatization program, though, with support of the World Bank, the GDRC established a Steering Committee in 2010 for the Reform of Public Enterprises (COPIREP), which attempts to address the performance of SOEs. To date, only a handful of SOEs have undergone reform, with mixed results.

Responsible Business Conduct

The GDRC supports responsible business conduct (RBC) by encouraging the development and adherence to a code of ethics, and respect for the environment in which companies in the DRC operate. Specific steps taken to encourage RBC include a 2012 roundtable between the GDRC, economic operators and the *Fond Social de la Republique Democratique du Congo* (FSRDC) in order to evaluate the implementation of socially responsible and environmentally sustainable investments in the DRC.

The GDRC has made clear its expectations that all the companies operating on its soil should be committed to transparency. In addition, the GDRC, in conjunction with the Federations of Enterprises of the Congo (FEC), and civil society organizations interested in the mining sector, have recently launched the Guide on Corporate Social Responsibility (CSR Guide) for the mining sector in Katanga. The project was financed by GiZ, the German development agency, and offers directives and guidance that propose a voluntary approach to be followed in order to achieve two objectives: (i) better enforcement of mining sector laws, and; (ii) identification of international standard practices for companies operating in DRC.

The DRC Labor Code includes provisions intended to protect employees, and there are legal provisions that require businesses to protect the environment or face prosecution, however, these are spottily enforced and not well understood. The DRC does not possess a legal framework to protect the rights of consumers and there are no existing domestic laws intended to protect individuals from adverse business impacts in general. Most legal issues of this nature are resolved, if at all, on a case by case basis.

Although it is not a member of the Organization for Economic Cooperation and Development (OECD), the DRC has also adopted the OECD due diligence guidelines on on responsible mineral supply chains, as defined by the United Nations Group of Experts, as well as various resolutions of the UN Security Council related to business and human rights in the Congolese mining sector. In addition, the mandate of the UN Group of Experts on transparency in the mining industry was renewed and supported by the DRC authorities in June 2016. The GDRC participates actively in the application of the regulations of the EITI in the extractive sector, and in 2016, EITI awarded the DRC the first Initiative Award for Transparency in Extractive Industries. More recently, however, some analysts consider the GDRC's commitment to the EITI to be waning. Each year the EITI DRC publishes a report on companies in the extractive industries.

There are also existing internal measures in place in the DRC requiring supply chain due diligence for companies that source minerals in DRC. The mining code provides domestic transparency measures requiring the disclosure of payments made to governments, though they appear to be infrequently enforced. In addition, Promines, a technical parastatal body financed by the GDRC and the World Bank, aims to improve the transparency of the artisanal mining sector. Amnesty International and Pact Inc., have also published reports related to RBC in the DRC mining sector.

Corruption

The GDRC's constitution includes laws intended to fight corruption and bribery by all citizens, including public officials; however the application of the laws is rare, and when applied, politically motivated. The GDRC also encourages private companies to establish an internal code of conduct and prohibit bribery, and they have historically been more likely to develop and implement anti-corruption controls than their SOE and parastatal counterparts. The DRC hosted the Southern African Commission against Corruption (SAFAC) in November 2015 to discuss strategies to combat corruption.

In 2015, the DRC President authorized the creation of an anti-corruption office to fight corruption in the management of public affairs and appointed a "corruption czar" to decrease governmental malfeasance. The new office is reportedly under-financed and, although it has allegedly prepared reports on several politicians who have been accused of corruption and embezzlement of public funds, the reports have not been publicized, leading many to believe that the office is highly politicized. The ineffectiveness of the new office and "czar" was underscored by the DRC's ranking of 156 out of 177 countries on the 2016 Corruption Perception Index published by Transparency International. The DRC's score of 21 percent, which was nine places lower than its 2015 ranking, highlighted the lack of progress by the GDRC in fighting corruption, and underlined the endemic and deep roots of corruption in the DRC government, and day-to-day life.

While several NGOs contribute to the fight against corruption, their reports on the matter are frequently ignored by the government, particularly when government officials are implicated. American firms see corruption as one of the main hurdles to investment in the DRC.

The DRC is a signatory to the UN Anticorruption Convention, but not to the OECD Convention on Combating Bribery. In September 2007, the DRC ratified a protocol agreement with SADC on Fighting Corruption. In 2015, the government drafted a bill to fight corruption that was scheduled to be discussed in Parliament in 2016, however that did not happen and it is not mentioned in the 2017 parliamentary agenda.

The agency in charge of fighting corruption in the DRC is:

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Political and Security Environment

For more than two decades, the DRC has been subject to marauding armed groups, bouts of civil unrest, and ethnic and political violence. Violence in the eastern part of the country in particular has resulted in the deaths of hundreds of thousands of people, large scale rape and mass displacements. The ongoing armed conflicts in the DRC have their origins in several socio-political and economic events, including the massive refugee crisis and spillover from the 1994 Rwandan genocide, tribalism, the illicit trade of minerals, and the failure of the country's leadership to prepare and proceed with elections in 2016 as required by the Congolese Constitution. At least 70 armed groups are believed to still be operating in the eastern region. These groups range from small criminal enterprises to well organized, armed, and trained military organizations striving to overthrow local and provincial governments.

The lax security environment outside of larger cities in the eastern DRC like Goma and Bukavu has spawned a kidnapping for ransom industry as well as the full spectrum of banditry. US citizens and interests are not being specifically targeted but can easily become targets of opportunity by being in the wrong place at the wrong time.

According to reports by the United Nations and various in-country NGOs, some elements of the DRC's national armed forces also participate in illegal activities.

Militant forces originating in neighboring countries, including Rwanda and Uganda, continue to perpetuate violence in the DRC, often supporting their activities from the proceeds of the illegal exploitation of natural resources. The UN estimates that there are at least 2.2 million internally displaced persons in the DRC and approximately 460,000 refugees from other nations. The United Nations has one of the largest peacekeeping operations in the world in the DRC. Known by its French acronym, MONUSCO, it has roughly 16,000 peacekeepers deployed throughout the country, a majority of them in the east.

In addition to the violence perpetrated by armed groups, the political environment remains tense and unstable. President Joseph Kabila, in office since 2001, refuses to relinquish power even though his second legally mandated term expired in December 2016. At the end of March, the Catholic Church suspended talks it was mediating between the government and the opposition, citing the refusal of both sides to make the compromises needed to implement a power-sharing accord that would lead to elections in December 2017. The international community, including the USG, continues to press both sides to resume meaningful negotiations.

The ongoing political instability, coupled with a deepening economic crisis, is fueling civil unrest and political violence in various parts of the country, such as in the Kasai provinces in south central Congo, as well as in the capital of Kinshasa. On September 19, 2016, and again on December 19, 2016, clashes between government forces and opposition supporters in Kinshasa resulted in approximately 100 deaths, the looting of a number of businesses, the destruction of opposition party headquarters, and the effective shut down of the capital city for several days. The unstable political and security situation continues to negatively impact the economy, making the DRC a difficult environment for foreign investors despite the tremendous natural resources the country has to offer.

The Armed Conflict Location and Event Dataset tracks political violence in developing countries, including the DRC. In addition, the Department of State continues to warn travelers to avoid all non-essential travel to the DRC.

Labor Policies and Practices

The DRC is a difficult labor market, with chronically high unemployment, particularly among youth, that also features a labor force frequently lacking in marketable skills. Jobs requiring technical or vocational training are frequently filled by expatriates.

There is no official or formal policy to mandate the make-up of senior management or boards of directors. However, the labor law stipulates that for businesses with over 100 employees, 10 percent of all employees should be local. Further, if the managing director is a foreigner, his deputy or secretary general is generally expected to be a Congolese citizen. These provisions can be waived depending on the sector of activity and available expertise. There are no onerous conditionality, visa, residence or work permit requirements inhibiting mobility of foreign investors and their employees, though during 2016 there were some reports of American companies having difficulties securing DRC entry visas.

While the agricultural sector is expanding, it continues to face challenges related to poor infrastructure; its contribution to employment is largely informal. The DRC faces a deficit in skilled labor across all sectors. There are few formal vocational training programs, though Article 8 of the labor law stipulates that all employers should provide training to their employees. To address the high unemployment rate, the GDRC enacted a preferential policy, giving Congolese preference in hiring over expatriates. Laws prevent firms from firing workers under most conditions without compensation. These restrictions, however, have deterred hiring and encouraged the use of temporary contracts in lieu of permanent hiring. In 2016, a new labor law was enacted that authorizes foreigners, under certain condition, to be appointed to the management of a trade union, and allows women to work the night shift. Despite these changes, the DRC labor code still requires substantial revision, including facilitating foreign employment and providing more protection for employees, foreign and domestic.

Congolese law imposes certain restrictions on the principle of free and voluntary collective bargaining in the public sector. The law bans collective bargaining in certain sectors, including by civil servants and public employees, and the law does not provide adequate protection against anti-union discrimination. While the right to strike is recognized, there are provisions which undermine this right, including requiring unions to obtain permission and adhere to lengthy compulsory arbitration and appeal procedures prior to initiating a strike. In 2016, employees of the GDRC authority on business standards, the Congolese Office of Control (OCC), went on strike in response to four months of unpaid salaries. The three-week long strike, which ended in November 2016, impacted the import-export sector by delaying the customs clearance process for goods entering the country. Despite GDRC ratification of the International Labor Organization's (ILO) eight core conventions, some Congolese laws continue to be inconsistent with the ILO Convention on Forced Labor. There are significant gaps both in law and practice regarding compliance with ILO conventions.

The law prohibits discrimination in employment and occupation based on race, gender, language, or social status. The law does not specifically protect against discrimination based on religion, age, political opinion, national origin, disability, pregnancy, sexual orientation, gender identity, or HIV-positive status. Additionally, no law specifically prohibits discrimination in employment of career public service members. The government does not effectively enforce relevant employment laws.

The government sets regional minimum wages for all workers in private enterprise, with the highest pay scales applied to the cities of Kinshasa and Lubumbashi. The law defines different standard workweeks, ranging from 45 to 72 hours, for various jobs and prescribes rest periods and premium pay for overtime. The law establishes no monitoring or enforcement mechanism, and employers in both the formal and informal sectors often do not respect these provisions. The law does not prohibit compulsory overtime.

The labor code specifies health and safety standards. The Ministry of Labor employs 200 labor inspectors, which is not sufficient to enforce consistent compliance with labor regulations. The government does not effectively enforce such standards in the informal sector, and enforcement is uneven in the formal sector.

The DRC Penal Code does not establish appropriate criminal penalties regarding the imposition of forced labor. In practice, forced labor persists and remains a serious concern. According to a 2105 UNICEF study, nearly a third of Congolese employed in the informal mining sector (40,000 of 150,000) were children. According to the DRC's Ministry of Labor, children continue to be engaged in the mining of gold, cassiterite (tin ore), and wolframite (tungsten ore). Children are also increasingly recruited by political parties for violent electioneering activities. In order to combat this problem, President Kabila signed and promulgated a law on July 15, 2016 fixing the legal working age at 18. Penalties for violations for the worst forms of child labor, which are one to three years of imprisonment and fines as high as 200,000 Congolese francs ($170) have proven to be insufficient to deter violations. While DRC's criminal courts continued to hear child labor complaints, neither the courts, nor other government agencies, effectively enforced these laws.

OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation (OPIC), which provides political risk insurance and project financing to U.S. investors and non-governmental organizations, has granted political risk insurance for projects in the DRC in the past and is open to working on future projects in the DRC.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data

	Host Country Statistical source*		USG or international statistical		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	N/A	N/A	2015	$35,238	http://data.worldbank.org/country/congo-dem-rep

Table 3: Sources and Destination of FDI

Data not available.

Table 4: Sources of Portfolio Investment

Data not available.

Contact for More Information

Points of contact for inquiries from the public:
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Econ Section's email address: KinshasaEcon@state.gov

Trade & Project Financing

Methods of Payment

For international transactions, wire transfers and letters of credit are the most secure payment methods. Cash, checks and local wire transfers are generally used for domestic transactions. Almost all local banks provide Visa and MasterCard programs to better assist commercial transactions. Mobile banking is also beginning to be effective for business transaction. More commercial banks have also begun to set up Automatic Teller Machines (ATMs). Electronic methods of payment are becoming more common in the DRC's banking system.

Banking Systems

The DRC's banking system is comprised of the BCC and 18 commercial banks as well as savings/credit cooperatives, microfinance institutions, financial transfer services, and one development bank, SOFIDE. A postal checking system and several credit cooperatives exist, but most of these institutions do not function well, if at all. Citibank-DRC, a wholly-owned subsidiary of Citigroup, is the only U.S. bank in the DRC.

The vast majority of commercial bank activity in the DRC is focused on short-term credit, which is offered to a restricted number of private enterprises, exchange market operations and export-import services. Three-quarters of disbursed credit is short-term, less than one year. The political context, the weakness of the legal system, and the hostile business climate do not encourage banks to provide long-term loans, despite the dire need for longer-term investment to finance the renovation and rehabilitation of the DRC's derelict industrial and agricultural sectors. Loans are generally denominated in foreign currencies, which further diminish what little confidence economic operators have in the national currency. There are only limited possibilities for banks to finance major projects in Congolese Francs, given the comparison between the level of their own Congolese Franc holdings (on average $12 million per bank) and foreign currency deposits which account for on average 70.3 percent of their commitments.

Most DRC commercial banks do not require the payment of service fees to open bank accounts. Most banks require individuals and companies to have a minimum deposit of up to $100. Some banks, like Citibank and Standard Bank do not have commercial banking operations, working only with corporate and institutional clients.

Though the banking system is gradually expanding, particularly after the GDRC required civil servants to receive their salaries through direct deposit, most bank accounts are used only to receive pay checks and these are usually withdrawn in full shortly after being deposited.

Foreign Exchange Controls

The Central Bank is responsible for regulating foreign trade and payment locally and international in the DRC. Exporters are required to complete a foreign exchange declaration specifying the type of merchandise to be exported, its price, and the currency in which payment is to be received. These declarations are normally validated by the commercial banks. Exports must be completed and the proceeds surrendered to the BCC within the validation period. If this is done, the exporters are typically authorized to retain 90 percent of the proceeds, net of refinancing.

Exporters are permitted to retain 100 percent of refinancing associated with export transactions. For most items, importers are only required to make imports declaration at their commercial bank, though there are exceptions, for example, for certain sensitive items, including arms, explosives, and narcotics. Importantly, the BCC authorizes imports financed from sources other than the local foreign exchange market. The BCC maintains a relatively liberal system of payments for invisible trade which are made through commercial banks. However, there are some limited restrictions on outward remittances of salaries for services performed by nonresidents.

US Banks & Local Correspondent Banks

Most commercial banks in DRC maintain correspondent arrangements with banks operating in the United States.

Project Financing

In general, the DRC's commercial banking system is reluctant to engage in project financing. Several banks, including Rawbank, BIAC, ProCredit, 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, specifically to SMEs. 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.

In FY2011 the U.S. Agency for International Development (USAID) launched a new U.S. Government Development Credit Authority (DCA) loan guarantee agreement to help catalyze the availability of credit in the agricultural and small enterprise sectors (See Chapter 6). The DRC's commercial banking system also provides a limited amount of trade financing. Most foreign business ventures in the DRC are financed privately because continuing political risk generally precludes other sources of financing. 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 remains expensive.

Several bi-lateral and multi-lateral 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 or other opportunities offered by Power Africa.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders.

Web Resources

Commercial Liaison Office to the African Development Bank

Commercial Liaison Office to the World Bank

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team

Export-Import Bank of the United States

Country Limitation Schedule

OPIC

Trade and Development Agency

SBA's Office of International Trade

[USDA Commodity Credit Corporation]

[USAID]

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. Hands are shaken with men and women on encounter and departure. 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. 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:

[State Department Travel Warning]

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 not available at the airport. 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 DRC in Washington, D.C.

1100 Connecticut Avenue NW, Suite 725,

Washington, DC 20036

Phone: (202) 234-2609, 7691; Fax: (202) 223-3377

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

Useful visa information from the consular section of the U.S. Embassy Kinshasa

Currency

The national currency in DRC, the Congolese Franc (CDF), was created in 1997, replacing the Zaïre, the currency used by the country under the rule of Mobutu Sese Seko. The country is highly dollarized, and U.S. dollars are accepted as cash alongside the CDF for virtually all transactions.

The BCC is responsible for regulating foreign exchange and trade. The DRC informal foreign exchange market is large and unregulated and has tended to offer exchange rates not widely dissimilar from the official rate, although the gap widened in 2016. 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 $ 14). Far more common are the 500 and 1000 CDF notes worth approximately $0.34 and 0.70 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)**: CDF1403= $1 (May 2017)
- **Unofficial Exchange rate**: CD1403-1410 (May 2017)

Denominations

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

For more information please visit:

[Banque Centrale Congolaise]

Telecommunications/Electric

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 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, Tigo, 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 ten digit 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 since 2013, 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, however many of those 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. 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 in short supply. Full and immediate cash payment is expected for health services. 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.

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. See U.S. Embassy Kinshasa for hours.

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

For any issue related to temporary Entry of materials and Personal belongings, this is mainly under the discretion of the DGDA, although the OCC and the DGM sometimes get involved in such issues.

Travel Related Web Resources

CDC

U.S. Embassy Economic and Commercial Section