



# INVEST IN DR CONGO



ANAPI - National Agency for the Promotion of Investment

## ABOUT DR CONGO

Home to the large Congo River, several volcanoes and lakes, as well as various rainforests with gorillas, pygmy chimpanzees, and okapis, the Democratic Republic of Congo is an immense country located at the heart of Africa on the Equator. With a land area of 2,345,410 km<sup>2</sup>, DR Congo shares 9,165 km of borders with neighbouring countries including Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, Sudan, Tanzania, Uganda, and Zambia.

Possessing 37% of the total hydropower potential of Africa and almost 6% of the worldwide potential, 44% of the African rainforest, and offering a possibility to tap a quasi-full range of minerals existing on the planet and important hydrocarbon quantities, the importance of DR Congo's natural resources cannot be understated.

DR Congo has been a Unitary Republic since 2006 as a result of the new constitution which was approved by referendum in 2005, and has achieved a remarkable economic recovery in the last few years. With a new government democratically elected in 2011 and 2012, a stable macroeconomic environment characterized by declining inflation rates and average GDP growth rates of close to 6% for the past five years, a ready pool of available labour including a significant number of high school and university graduates, and improvements in and restructuring of the central bank have already witnessed an increase in the confidence of investors and customers.

Within the framework of the new government economic policy, the country was provided since 2002, with a new Investment Code ((law n°004/2002) intended to favour business development and secure investments. The Investment Code sets equal treatment between domestic and foreign investors, simplifies approval procedures, and grants investors of customs and tax benefits.



### Country in figures:

**Land Area:** 2,345,410 km<sup>2</sup> including 50 km on the Atlantic Ocean Coast

**Population:** 72.57 million

**GDP 2011:** USD 15.7 billion

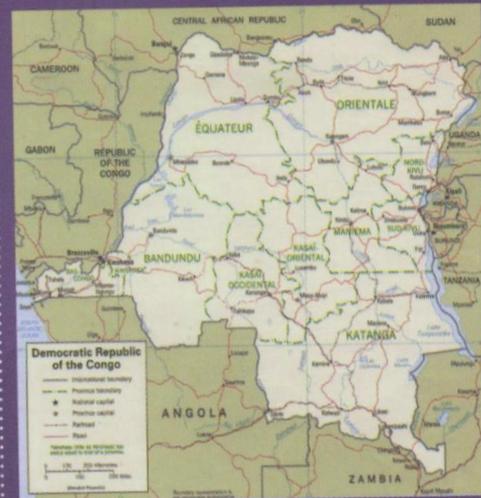
**Ave. GDP growth rate 2007-2011 (incl.):** 5.73%

**Capital:** Kinshasa

**Languages:** French (official and business), Lingala, Tshiluba, Swahili and Kikongo

**Currency:** Congolese franc (FC)

**Currency for Business:** USD and EUR (free circulation)



## 8 REASONS TO INVEST IN DR CONGO

1. Huge market of almost 73 million inhabitants at the heart of Africa
2. An extraordinarily blessed country in terms of natural resources, land of opportunities
3. Abundant, skilled and cheap labour
4. A promising economic situation: a booming economy
5. A safe and promising business and investment climate
6. Attractive customs, fiscal, and para-fiscal incentives for investors
7. An Investment Promotion Agency, ANAPI, as a committed partner for investors' service
8. Political stability with the second free, democratic and transparent elections having taken place in 2011

## CHARACTERISTICS OF DR CONGO'S BUSINESS AND INVESTMENT CLIMATE

- Exclusion of nationalization and expropriation;
- Freedom of transferring abroad dividends and other investment-generated income;
- Set-up of a One-Stop-Shop for investments at ANAPI;
- Removal of some formalities in the process of setting up enterprises such as authentication of visa, certificate of non-state employee, criminal record, etc.;
- Noticeable cut of the costs to obtain the New Trade Register;
- Publication of enterprise charters in the Gazette (Journal Officiel) through internet to save time;
- Set-up of many notarial offices throughout the country;
- Guarantees and benefits granted by Mining, Investment Codes and others;
- Set-up of commerce courts and labour courts;
- Mechanisms for the safety of investments such as DR Congo's membership to MIGA (Multilateral Investment Guarantee Agency) and to the African Trade Insurance Agency (ATI) in order to obtain export credit insurance, political risk insurance, investment insurance and other financial products to help reduce the business risks and costs of doing business in Africa;
- Adoption of many bilateral conventions on reciprocal protection and promotion of investments between the DR Congo friend countries;
- Membership to OHADA (Organization for the Harmonization of Corporate Law in Africa);
- Adherence to disputes settlement under CIRDI convention (International Centre of Dispute Settlement), based in Washington City;
- Other reforms are in the process of adoption within the Government.

## ECONOMIC OVERVIEW

The years following the set-up of the transitional government in 2003 have seen real growth rates in GDP average right under 6%, including in 2009, when the world economy as a whole went into recession and real GDP growth the DR Congo was still positive. 2010 and 2011 have seen impressive performance with growth rates of 7 and 6.9% respectively. Overall, GDP growth is expected to reach 6.3% in 2012, rising to 7% in 2013 as new mining production comes on stream.

DR Congo now has 22 commercial banks, up from about 12 in 2005 and the number of accounts soared from 30,000 in 2005 to 1 million in 2012. Improvements in the business environment are also a cornerstone of policy, through the enhancement of property rights protection and the rationalisation of fees and taxes in many areas of business. Furthermore, the exchange system applicable in the country is the floating exchange rate

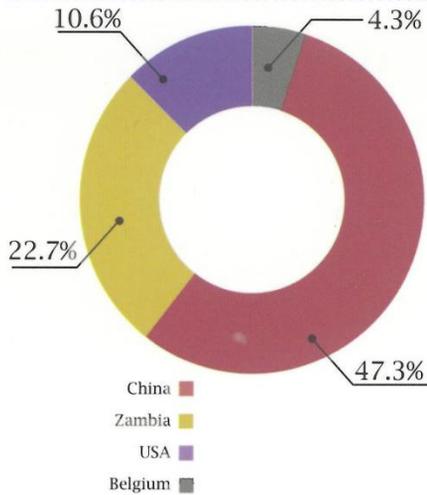
Infrastructure investments are marked by a multibillion dollar loan from China's Export-Import (Exim) Bank, and a USD 1 billion deal which was signed with South Korean companies for water supply infrastructure and a deep-water port. The government has also concluded a loan agreement with the China Development Bank to finance infrastructure development in the mining, oil, road and agricultural sectors.

While agriculture accounts for a declining proportion of Congolese GDP - now about 40%, employs more than 75% of the working population. Agricultural output is expected to increase as producers and traders start to benefit from improvements in national infrastructure. Agriculture will therefore contribute to overall growth; although the main source of growth will be mining, which is expected to expand strongly. Mining output will rise sharply as new mines come into production and existing mines increase capacity. The construction sector is also expected to experience high growth mainly because of public infrastructure projects financed by China's Exim Bank, South Korea's Exim Bank, the World Bank and the EU; private construction will also expand, particularly in the capital, Kinshasa. Investment in the telecommunications sector is also expected to increase owing to the arrival of new entrants, which will stimulate consumer demand.

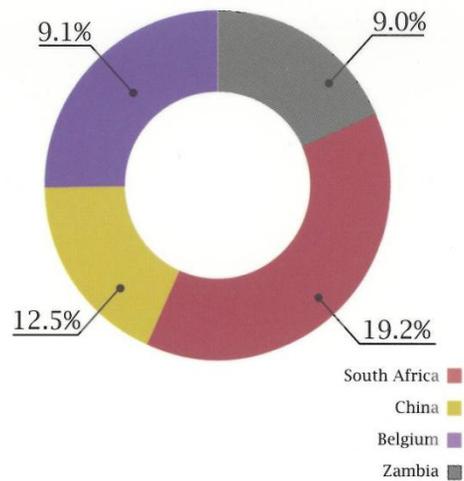
The reforms carried out in economic area, among which those setting up new laws (Investment Code, Mining Code), associated to other measures taken by the Government have significantly facilitated the revival of the domestic productivity observed since 2001, in view particularly of the establishment of new production units in the country

## TRADE IN DR CONGO

Share of exports by destination

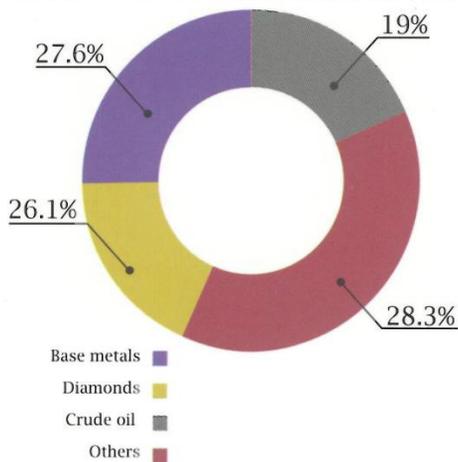


Share of imports by origin

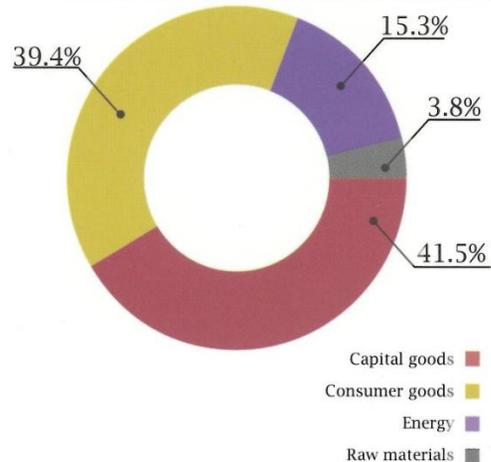


Source: Doing Business in DR Congo, US Commercial Services 2012

Share of exports by sector



Share of imports by sectors



Source: Economist Intelligence Unit 2012 (2007 figures)

## FDI

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
141.1	391.3	409.0	-	256.1	1,808.0	1,726.8	663.8	2,939.3	1,686.9

Source: World Investment Report 2012

## INFRASTRUCTURE

With a main road network composed of 58,129 km of public roads, 86,871 km of local roads, 7,400 km of urban roads, and 2,823 km of asphalted roads, DR Congo has 2 main national highways connecting the most important economic and logistics hubs of the country. It also possesses 5,033 km of railways.

The DR Congo has three major seaports, Matadi, Banana and Boma, with quay lengths reaching 400m, draft length reaching 7.7m and capacity up to 60,000 m<sup>2</sup>. The waterways network is 16,238 km long, more than any other country in Africa, and links with other countries in the region.

In terms of air transport, the DR Congo has 500 landing runways, 101 of which are opened to public traffic and 3 of which to international traffic (Kinshasa, Lubumbashi and Kisangani). As well, there 4 main cargo companies liaising to and from Sharjah, Luxemburg, and Addis Ababa and 13 international airlines flying to and from DR Congo including Brussels Airles, Turkish Airlines, South African Airways, Air France, Ethiopian Airlines, Asky, and Royal Air Maroc.

## ON ANAPI

The National Agency for Investment Promotion (ANAPI) is a public technical institution provided with a legal status and management autonomy. ANAPI works under the supervision of the Planning Ministry.

Under the law n°004/2002 of February 21<sup>st</sup>, 2002 regarding the Investment Code, and Decree n°09/33 of August 8<sup>th</sup>, 2009 from the Prime Minister regarding the status, the organization and the operating of ANAPI, the key missions of the Agency are as stated hereafter :

- Work for the improvement of the business climate through permanent advocacy in order to improve the investment climate, thus playing the role of Government advisor;
- Promote the positive image of DRC as the best destination for investments in Africa;
- Disseminate to domestic and international investors assets and investment opportunities of the country so as to encourage them to invest in DR Congo;
- Provide various services to investors to facilitate their establishment and competitiveness;
- Grant customs and tax incentives to investors whose projects are eligible for the benefits of Investment Code.

## CONTACTS

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