CONGO CHALLENGE

THE MONTHLY BULLETIN

EVOLUTION OF THE ECONOMIC AND POLITICAL SITUATION

IN THE DEMOCRATIC REPUBLIC OF CONGO

Issue

82

February 2024

An unstable macroeconomic framework, a rise in the cost of living, persistent insecurity in the east of the country: what prospects for the DRC?

Kinshasa, DRC

CONGOCHALLENGE

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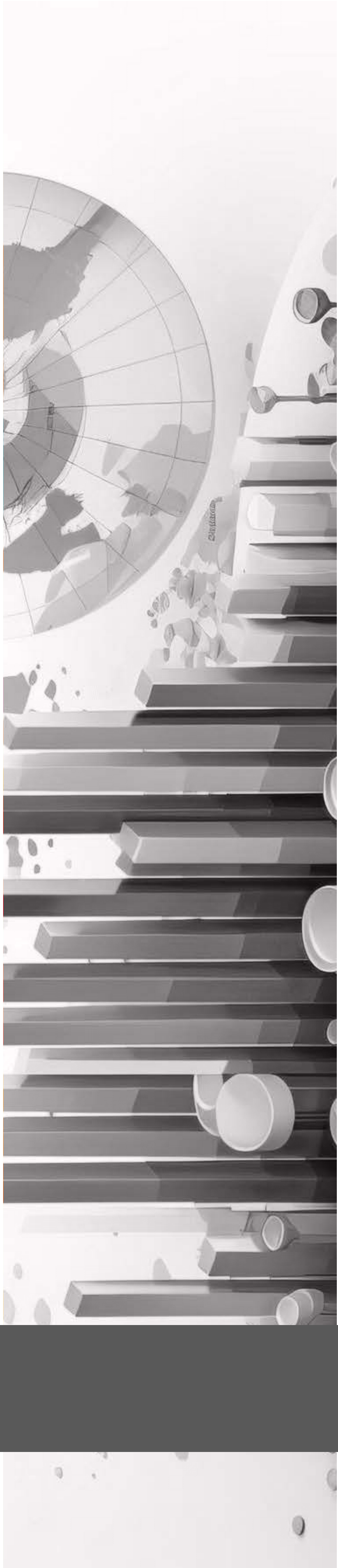

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This monthly bulletin was translated by Congo Challenge staff. The original version is in French. Thus, the translated version may contain some shortcomings without altering the content of the original one.

CONGOCHALLENGE

Mensuel n°81

Une période électorale tendue avec issue incertaine, des conflits tribaux accentués, une dégradation continue de la qualité de vie de la population, une insécurité persistante à l'Est du pays : quelles perspectives pour la RDC ?

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Foreword

During the month of February 2024, the global economy moderated. The favorable effects on consumer spending resulting from labor market tensions are starting to dissipate, while the tightening of monetary policy continues to transmit to the economy. Core inflation continued to decline, but this trend could slow down in the face of persistent and above-average wage growth. Overall, the risks to economic growth and inflation remain tilted to the downside. Growth could be weaker if the effects of monetary policy and the prolongation of wars in Ukraine and the Middle East prove to be more pronounced than anticipated.

Regarding the commodity market, we observed a decrease in the price of copper, reflecting the slowdown in the Chinese economy. In fact, the Chinese manufacturing PMI remained stagnant at around 49 points at the end of February 2024. Values below 50 points indicate a contraction in industrial and manufacturing activity in China. Additionally, cobalt prices experienced a slight downward trend in February 2024. However, crude oil prices increased, primarily due to tensions in the Red Sea maritime route. On the other hand, gold prices exhibited a downward trend.

In the financial sector, stock markets generally showed an upward trend. These gains in stock indices were largely driven by investor expectations of future monetary policy easing by central banks, rapid decline in inflation, and the assumption that long-term inflation expectations will remain anchored.

On the domestic front, the risks to economic prospects are generally less balanced due to shocks in terms of trade, the security and humanitarian crisis associated with the armed conflict in the East. Available data on the economy continues to indicate short-term sluggishness. In fact, the macroeconomic framework was reported to be unstable in February 2024.

Concerning the national economy, inflation moderately slowed to 18.75%, on an annualized basis, in the fourth week of February, compared to January 2024. However, the rebound in inflation was less significant than expected. Regarding the external sector, the Congolese franc depreciated in February 2024 compared to January 2024. This depreciation contributed to the accumulation of inflationary pressures with serious consequences for the budget and external position of the Congolese economy. On the interbank market, the exchange rate stood at 2733.26 in the fourth week of the month, while on the parallel market, the exchange rate was at 2722.50 in the fourth week of February 2024. Furthermore, foreign exchange reserves did not increase in February, remaining at $5.022 billion, leaving the Congolese economy's resilience to external shocks unchanged. In terms of months of import coverage, the import coverage ratio by foreign exchange reserves would stand at 2.71 months of imports. Regarding public finances, the budget balance was in surplus in February 2024, reflecting a positive financial situation for the state, where public revenues exceeded public expenditures.

On the political front in 2024, the month of February 2024 was marked by the validation of mandates of national deputies by the National Assembly, the identification of the parliamentary majority, as well as insecurity in the East of the DRC.

In terms of the outlook for the national economy, inflation remains significantly high and is expected to stay above target for an extended period, including the coming months of 2024. The budget deficit is expected to widen compared to the fourth week of February 2024 due to lower-than-expected revenues. It is crucial to continue reforms such as stabilizing the macroeconomic framework, ongoing revenue mobilization, expenditure control, and improving the efficiency of the expenditure chain to create fiscal space for priority spending.

Michel Ange Lokota Ilondo

Executive Summary

Economic Situation

- **Internationally,** according to the International Monetary Fund (IMF), global growth prospects are supported by a balanced global risk environment, offering the possibility of a smooth landing. Global economic growth is expected to reach 3.1% in 2024, followed by a slight increase to 3.2% in 2025, thanks to stronger-than-expected resilience in the US economy and several major emerging and developing countries, as well as the fiscal support measures implemented in China.
- According to IMF projections, global inflation is expected to experience a gradual deceleration. It is projected to decline from 6.9% in 2023 to 5.8% in 2024, and further to 4.4% in 2025. This slowdown is mainly attributed to the outcomes of monetary policy tightening measures implemented by monetary authorities, as well as the resolution of supply constraints.
- Financial markets experienced a general upward trend in February 2024, similar to the previous month. The positive performances of stock indices can be attributed to investor optimism regarding the ongoing global economic recovery and their expectations of potential monetary policy easing by central banks. Investors may anticipate future adjustments to monetary policy in response to favorable economic conditions, which suggests a global economic recovery. These expectations can boost investor confidence and stimulate the rise of financial markets.
- In terms of international foreign exchange markets, the US dollar has gained ground against the euro, Chinese yuan, Japanese yen, and British pound.
- Regarding international trade, according to UNCTAD, the current disruptions in global trade have significant repercussions on the world economy. Attacks on ships in the Red Sea, the unstable geopolitical situation in the Black Sea, and the effects of climate change on the Panama Canal have created a complex crisis that hinders major trade routes.
- As for commodities, copper prices showed a downward trend in February 2024. At the end of the month, the price of the red metal stood at $3.8432 per pound. This significant downward dynamic may be attributed to several factors, including the slowdown in the Chinese economy, which is one of the largest global consumers of copper. Cobalt prices experienced a slight decline, with the price of the blue-green metal closing at $28,288 per tonne. On the other hand, gold prices declined during the same month. However, crude oil prices have experienced upward trends, mainly due to tensions in the Red Sea maritime route that disrupted navigation in the Suez Canal, which is the fastest maritime route between Asia and Europe.
- Regarding the Purchasing Managers' Index (PMI), the US services sector PMI declined in February 2024 compared to the end of January 2024, reaching a value of 50.8 points. Similarly, the European manufacturing PMI remained stagnant during the same period, closing at a value of 46.2 points, reflecting a decline in industrial activity in Europe.
- **Nationally,** projections from Congo Challenge indicate that inflation dynamics moderately slowed down in February 2024 but are expected to remain very high for a long period compared to January 2024. In this regard, the weekly inflation rate was 0.35% in the fourth week of February 2024, a decrease of 74.69% compared to the rate recorded at the end of January 2024 when it stood at 1.375%. Year-on-year inflation would reach 22.35% in the fourth week of February 2024, compared to 22.34% a month earlier, representing an increase of 0.06%. At this rate, our projections estimate an inflation level of 18.75% by the end of 2024, compared to 19.44% recorded in January 2024.

- Regarding the exchange rate, it should be noted that the Congolese franc depreciated in February 2024 compared to January 2024. This depreciation contributed to the aforementioned inflationary pressures. On the interbank market, the exchange rate stood at 2733.26 in the fourth week of the month, compared to 2727.48 at the end of January 2024, representing a depreciation of 0.21%. On the parallel market, the exchange rate was 2722.50 in the fourth week of February 2024, compared to 2703.44 in January 2024, a depreciation of 0.71%.
- In February 2024, total government revenue mobilized was 1,425.2 billion CDF, while expenditures amounted to 1,482.2 billion CDF. The operations account showed a surplus of 57 million CDF. A significant portion of the state's resources was allocated to the operating expenses of public institutions and the remuneration of state officials, while the remainder was devoted to capital investments.
- Finally, the economic news of February 2024 was marked by several notable events. These were (i) the signing of a memorandum of understanding between the United States and General quarries and mines (GECAMINES) as part of the Partnership for Safe Minerals (PSM); (ii) the syndication of a loan by four Congolese banks to finance the State's arrears to oil companies; (iii) the renewal of the suspension of Value Added Tax (VAT) in the cement sector.

Situation politique

- The political news of February 2024 was dominated by the following highlights: the validation of mandates of national deputies by the National Assembly, the identification of the parliamentary majority, and the insecurity in the eastern part of the DRC.
- During a plenary session held on Friday, February 2nd, dedicated to the validation of the powers of national deputies, 26 committees were established. According to Christophe Mboso, the president of the provisional bureau, these committees aim to verify the compliance of each elected representative's files, as well as the eligibility conditions for national deputy positions, the preparation of respective reports, and their submission to the age bureau before the plenary discussion. They had five days, from Monday, February 5th, to Friday, February 9th, 2024, to submit their various reports. These 26 committees were allocated based on the 26 provinces of the DRC.
- Additionally, to identify the parliamentary majority, President Félix Tshisekedi Tshilombo appointed Augustin Kabuya, the secretary-general of UDPS, as the informant on Wednesday, February 7th, 2024. He was entrusted with the task of formally identifying a majority coalition in the National Assembly for the formation of the government, in accordance with the provisions of Article 78 of the Constitution.

- Finally, the security situation in the eastern part of the DRC remains very concerning as clashes between the FARDC (Armed Forces of the Democratic Republic of Congo) and M23 rebels continue and intensify around the town of Sake, near the city of Goma. Speaking about the security situation in the DRC, the Special Representative of the Secretary-General of the UN in the DRC and head of MONUSCO, Bintou Keita, reaffirmed on Tuesday, January 30th, 2024, the commitment of the United Nations to support the Democratic Republic of Congo, particularly in its efforts to restore peace and stability in the eastern part of the country, where armed groups have been operating for thirty years. In the DRC, the strategic priorities of MONUSCO are to contribute to the protection of civilian populations in the deployed area, support the stabilization and strengthening of state institutions, as well as the key governance and security reforms.

I. International Context

I.1. Economic Growth

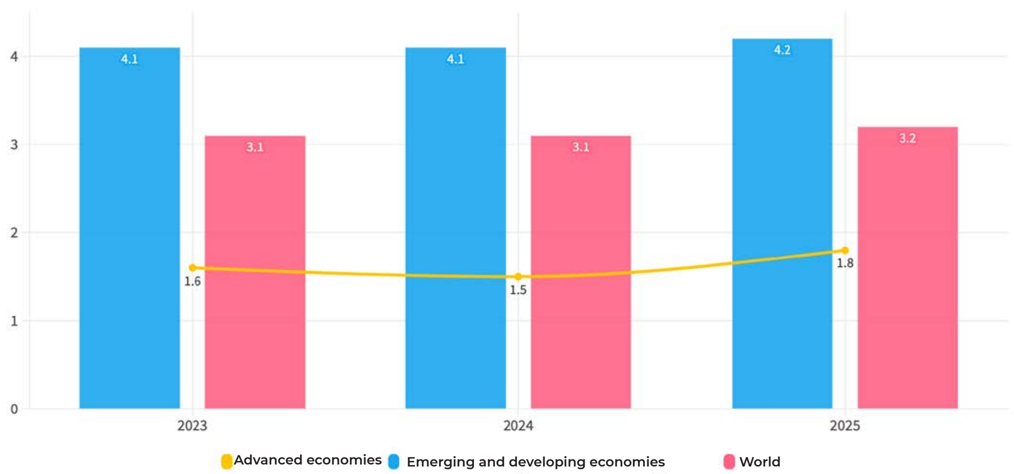
According to the International Monetary Fund, global growth prospects are supported by a balanced set of risks, thus offering the possibility of a smooth landing. Indeed, global economic growth is expected to reach 3.1% in 2024, followed by a slight increase to 3.2% in 2025, thanks to stronger-than-expected resilience in the US economy and several major emerging and developing countries, as well as the fiscal support measures implemented in China.

Furthermore, faster-than-expected disinflation could lead to a further easing of financial conditions. Additionally, more accommodative fiscal policy could result in temporarily higher growth, but it could also risk a subsequent costlier adjustment. A more dynamic structural reform momentum could boost productivity and generate spillover effects among countries.

However, if underlying inflation persists or new commodity price spikes occur due to geopolitical shocks, including ongoing attacks in the Red Sea, as well as supply disruptions, it could prolong restrictive monetary conditions. Moreover, worsening difficulties in the real estate sector in China or, in other countries, a destabilizing transition to tax hikes and spending cuts could also lead to disappointing economic growth rates.

In light of these circumstances, it is important to remain vigilant regarding geopolitical developments that could generate new shocks to commodity prices and disrupt global supply. In this regard, risk management measures should be put in place to mitigate the effects of such disruptions and preserve favorable monetary conditions.

Figure 1 ›› World economic growth projections



Source: World Bank

According to the data presented in Figure 1, forecasts indicate a modest decline in the growth rate of advanced economies to 1.5% in 2024, while that of emerging and developing economies is expected to remain at 4.1% in 2024 before accelerating to a pace of 4.2% in 2025. This global economic growth recovery stems from several interdependent factors.

Firstly, there is a gradual improvement in global economic conditions, supported by a rebound in domestic demand and targeted fiscal stimulus measures. These measures foster consumer and investor confidence, thus promoting economic recovery.

Moreover, it is important to note that despite this growth recovery, risks persist. Geopolitical tensions worldwide, fluctuations in commodity prices, and financial imbalances can all have an impact on global economic prospects. Therefore, prudent risk management and continued vigilance are necessary to maintain a positive growth trajectory.

In the face of these circumstances, close international coordination is essential to address these global economic challenges. Cooperation among nations, international organizations, and economic actors can help develop common strategies, exchange best practices, and collectively solve problems.

I.2. Inflation

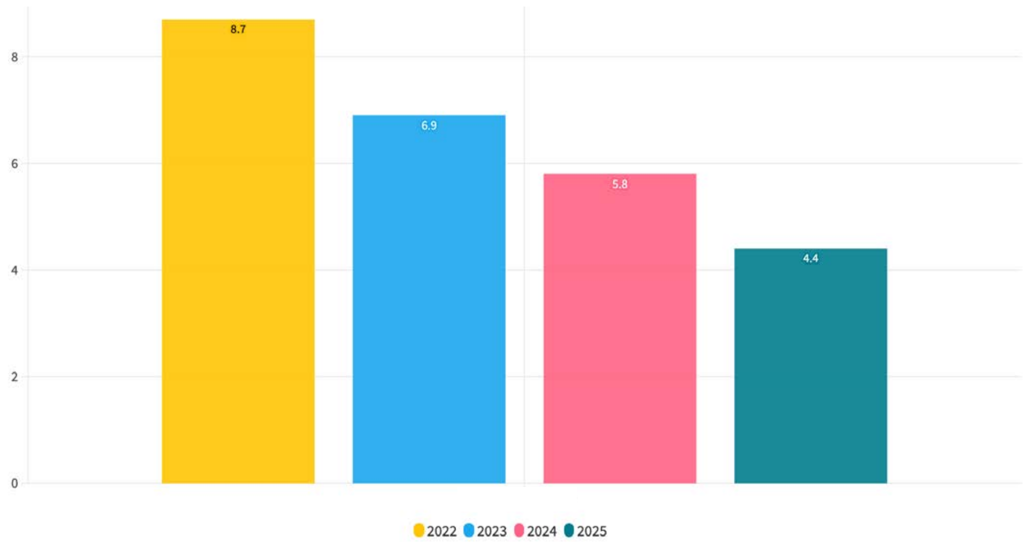
As inflation approaches the targets set in all regions, monetary authorities have an immediate priority of ensuring a smooth landing, avoiding both premature and delayed interest rate cuts. Given that the drivers and dynamics of inflation vary from one economy to another, it is increasingly necessary to implement differentiated measures to maintain stability in the general price level.

At the same time, given the increase in public debt and limited budgetary constraints, as well as lower inflation and increased capacity of countries to absorb the effects of fiscal adjustment, it is opportune, in many cases, to reaffirm the importance of budget discipline. By intensifying reforms aimed at stimulating supply, it would be possible to reduce inflation rates and debt while promoting sustainable improvement in the standard of living.

Furthermore, it is essential to implement targeted economic policies to support growth and reduce inflationary pressures. This may include measures to enhance competitiveness, promote productive investment, and improve market efficiency. Emphasis should be placed on structural reforms that foster flexibility and innovation, thereby enabling robust and sustainable economic growth.

Moreover, maintaining clear and transparent communication with economic and financial actors is crucial to enhance confidence and facilitate anticipation of future policies. As such, central banks must continue to closely monitor inflation developments and adjust their monetary policy accordingly, taking into account national specificities.

Figure 2 ›› Global inflation forecast



Source: International Monetary Fund (2024)

According to projections from the International Monetary Fund (IMF) and the data presented in Figure 2, global inflation is expected to experience a gradual deceleration. It is projected to decrease from 6.9% in 2023 to 5.8% in 2024, and further decline to 4.4% in 2025. This slowdown is primarily attributed to the tightening measures implemented by monetary authorities and the resolution of supply constraints.

Monetary authorities have adopted tightening policies to control demand and manage inflation. These measures include interest rate hikes and adjustments to monetary policies. By doing so, monetary authorities aim to curb excessive demand and alleviate inflationary pressures.

At the same time, supply bottlenecks that have hindered the production and availability of goods and services are gradually being resolved. This allows for an increase in supply and a reduction in price pressures.

It is important to emphasize that despite the slowdown in inflation, it is necessary to remain vigilant and closely monitor economic developments. Additional adjustments to monetary policy may be required to maintain price stability, depending on the evolution of economic conditions and inflationary pressures.

I.3. International Trade

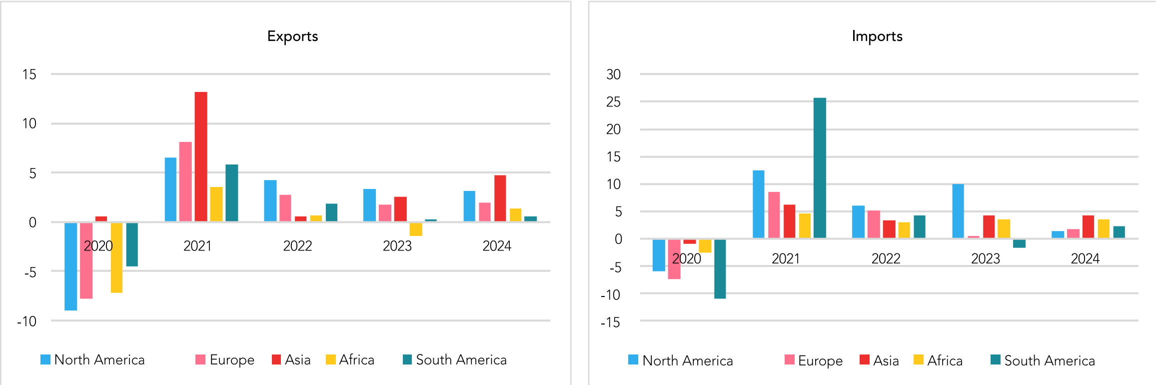
According to UNCTAD, the current disruptions in global trade are having significant repercussions on the world economy. Indeed, attacks on ships in the Red Sea, the unstable geopolitical situation in the Black Sea, and the effects of climate change on the Panama Canal have created a complex crisis that hinders major trade routes. These disruptions affect all aspects of international trade, from the transportation of goods to global supply chains. Attacks on ships in the Red Sea have led to increased insurance and security costs, as well as a decrease in the confidence of commercial actors in the safety of maritime routes.

Furthermore, the effects of climate change on the Panama Canal have resulted in a reduction in its operational capacity, thereby limiting ship passage and increasing transportation costs. This directly impacts trade between regions of the world.

Moreover, it is important to note that global supply chains are increasingly interconnected, and any disruption in one region can have repercussions throughout the system. Higher transportation costs, delays in delivery, and increased uncertainty can lead to a decline in business and consumer confidence, thereby hindering economic growth.

In this context, it is crucial for countries and international trade actors to collaborate in finding solutions to these challenges. This may include strengthening maritime security, resolving geopolitical tensions through dialogue and regional cooperation, as well as adapting to the effects of climate change through mitigation and adaptation measures.

Figure 3 ›› Growth in trade in goods



Source : OMC

The graph presented in Figure 3 highlights a moderate growth in global import demand during the year 2024. However, this growth is hindered by persistent economic uncertainty, which has a negative impact on business confidence.

In this economic context, it is imperative to implement measures aimed at improving trade infrastructure and strengthening international cooperation. These measures would contribute to creating a more conducive environment for the positive evolution of international trade, by promoting investments in transportation infrastructure, information and communication technologies, as well as trade facilitation mechanisms. Increased international cooperation would also help address common challenges and develop coordinated policies aimed at stimulating economic growth and reducing trade barriers.

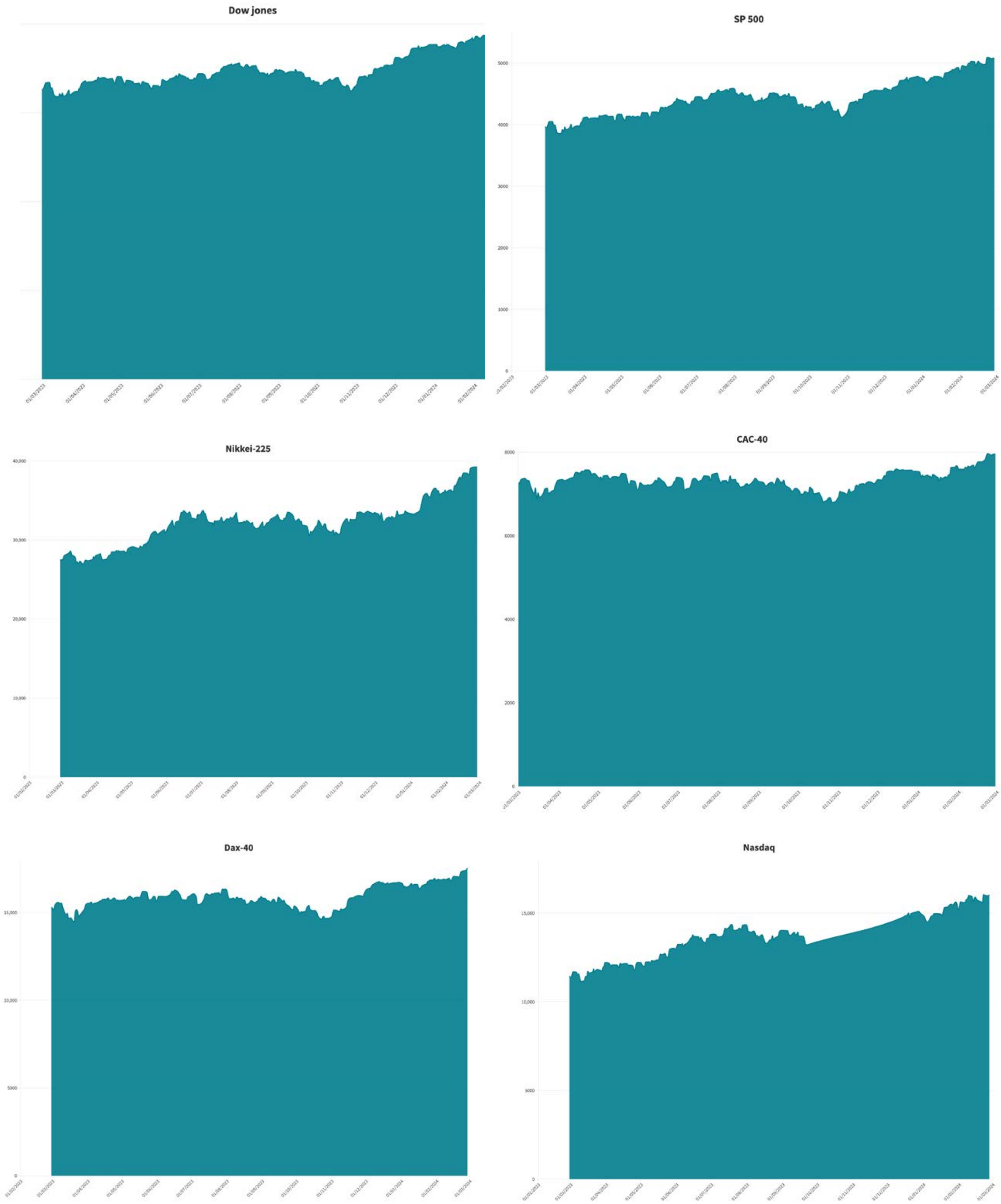
I.4. Financial Market

During the month of February 2024, financial markets experienced a general upward trend. Major stock indices, such as the Dow Jones Industrial Average (DJIA), the S&P 500, and the Nasdaq, closed the month at respective levels of 38,949 points, 5,069 points, and 16,035 points. This positive momentum was also reflected in European financial markets.

On the Paris stock market, the CAC-40 index recorded a slight increase, rising from 7,656 points in January 2024 to 7,955 points at the end of February 2024. In Germany, the DAX 40 index also experienced a slight rise, reaching 17,552 points at the end of the month. Similarly, the Tokyo stock market saw a slight increase, rising from 36,286 points at the end of January 2024 to 39,208 points at the end of February 2024.

The positive performances of the stock indices can be attributed to investors' optimism regarding the ongoing global economic recovery and their expectations of potential monetary policy easing by central banks. Investors may anticipate future adjustments to monetary policy in response to favorable economic conditions, which suggests a global economic recovery. These anticipations can boost investor confidence and drive the rise in financial markets.

Figure 4 ›› **Daily Evolutions of Major Stock Indices.**



Source : Macrotrends et boursorama.

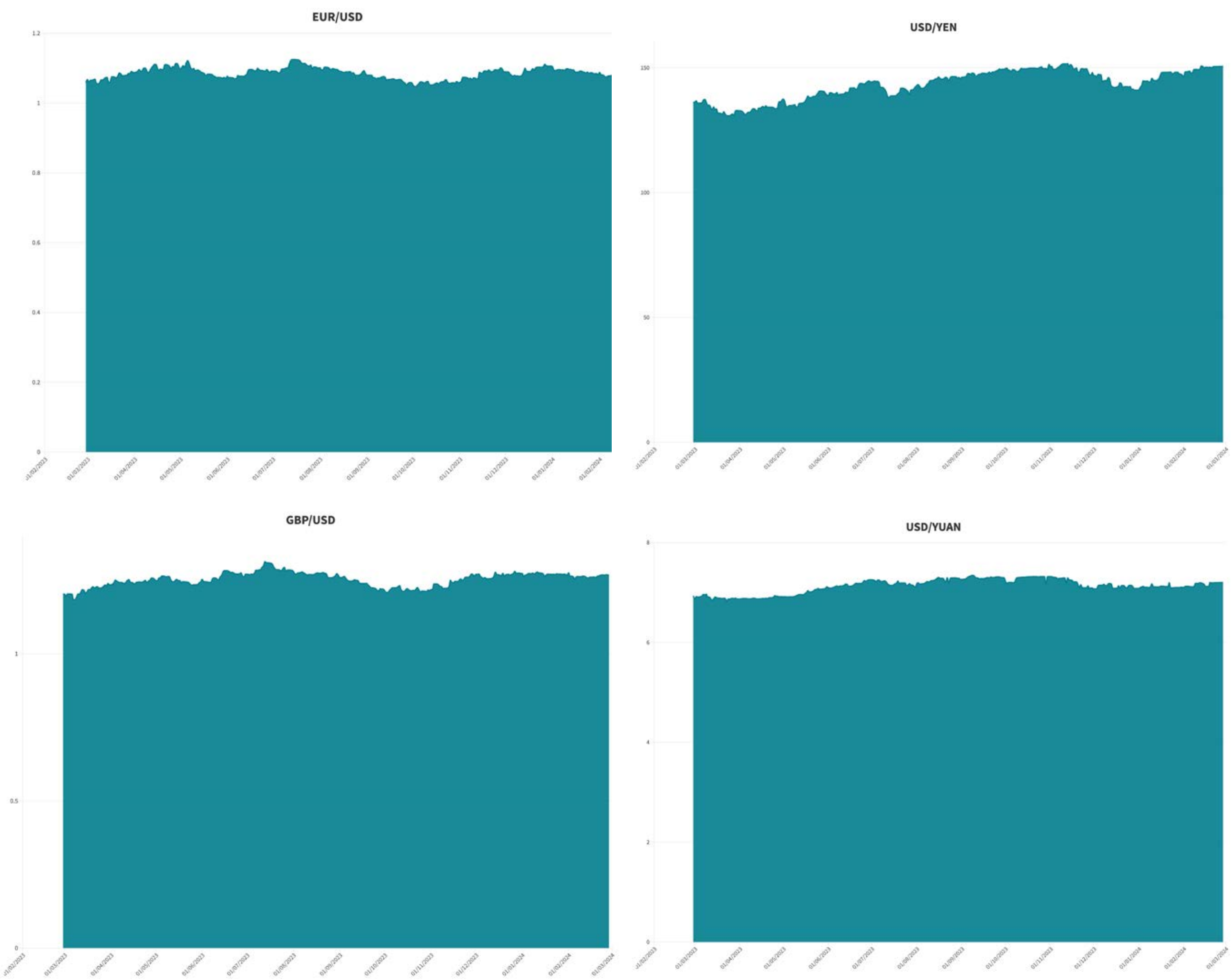
I.5. Foreign Exchange Market

During the month of February 2024, major central banks around the world, including the Fed, kept their high-interest rates unchanged, resulting in a strengthening of the US dollar at the end of February 2024 against the euro and the British pound. At the monthly close, the euro depreciated to 1.0838 EUR/USD, while the British pound reached approximately 1.2665 GBP/USD.

The appreciation of the dollar can be attributed to the persistence of the monetary policy conducted by the Federal Reserve (Fed). Indeed, this policy has enhanced the attractiveness of US bond yields for foreign investors, leading to an increase in demand for dollars and, consequently, an appreciation of the value of the US currency.

The Japanese yen also experienced a downward trend during this period, indicating its depreciation against the US dollar. Similarly, the Chinese currency, the yuan, faced pressure from the US dollar, resulting in a decline in its value against the American currency.

Figure 5 ›› Daily trends in the main exchange rates



Source : Boursorama.

I.6. Strategic Commodity Market

Gold

Gold prices followed a downward trajectory during the month of February 2024, closing at $2,030 per ounce, representing a slight decrease of 0.44% compared to January 2024. The decline in gold prices can primarily be attributed to the appreciation of the US dollar in the international foreign exchange market. When the dollar strengthens, it makes gold more expensive for holders of other currencies, which can reduce the demand for gold as an alternative store of value. Since gold is often considered a safe-haven asset, when investors perceive an increase in the value of the dollar, they may be less inclined to invest in gold.

However, gold prices are also influenced by other economic and monetary factors, particularly the monetary policy decisions of the Federal Reserve (Fed). Monetary policy measures, such as changes in interest rates or the use of quantitative easing, can impact the demand for gold. For example, higher interest rates can increase the opportunity cost of holding gold, as investors may prefer assets that generate higher returns.

Furthermore, it is worth noting that the movement of gold prices can be influenced by other factors such as inflation, exchange rates, investor confidence, geopolitical tensions, and global economic conditions. Short-term trends can be volatile and reflect temporary fluctuations, while long-term trends can be influenced by structural factors and economic fundamentals. For example, an increase in inflation can stimulate demand for gold as a hedge against currency depreciation and loss of purchasing power.

Figure 6 ›› **Daily Evolution of Gold Prices (in USD per ounce)**

Source : Macrotrends.

- **Copper**

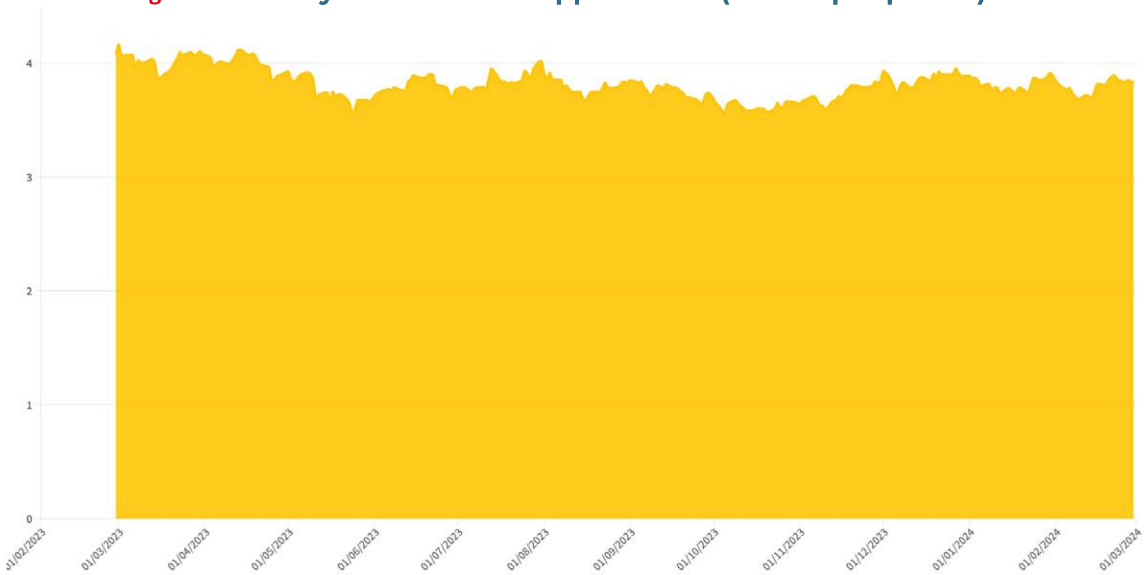
Unlike the previous month, copper prices experienced a slightly downward trend during the month of February 2024, closing at $3.8432 per pound, representing a decrease of 1.15% compared to the end of January 2024.

The decline in copper prices can be attributed to several factors, including the slowdown in the Chinese economy, which is one of the largest global markets for copper. Due to its widespread use in various sectors such as construction and manufacturing, copper is often seen as an early indicator of global economic health.

Thus, when the Chinese economy slows down, the demand for copper decreases, putting downward pressure on prices. Fluctuations in copper demand can also be influenced by other factors such as government policies, technological developments, and global supply and demand trends.

Therefore, it is essential to closely monitor the evolution of economic, geopolitical, and monetary factors to assess the future prospects of the copper market. Price fluctuations in copper can have significant implications for businesses, producing countries, and investors. Hence, it is important for market participants to consider these factors and conduct in-depth analysis of global economic trends, policy decisions, and technological developments to make informed decisions and manage the risks associated with the copper market. This may involve assessing global supply and demand, macroeconomic conditions, trade policies, and economic growth prospects for key players in the copper market.

Figure 7 ›› Daily Evolution of Copper Prices (in USD per pound)



Source : Macrotrends.

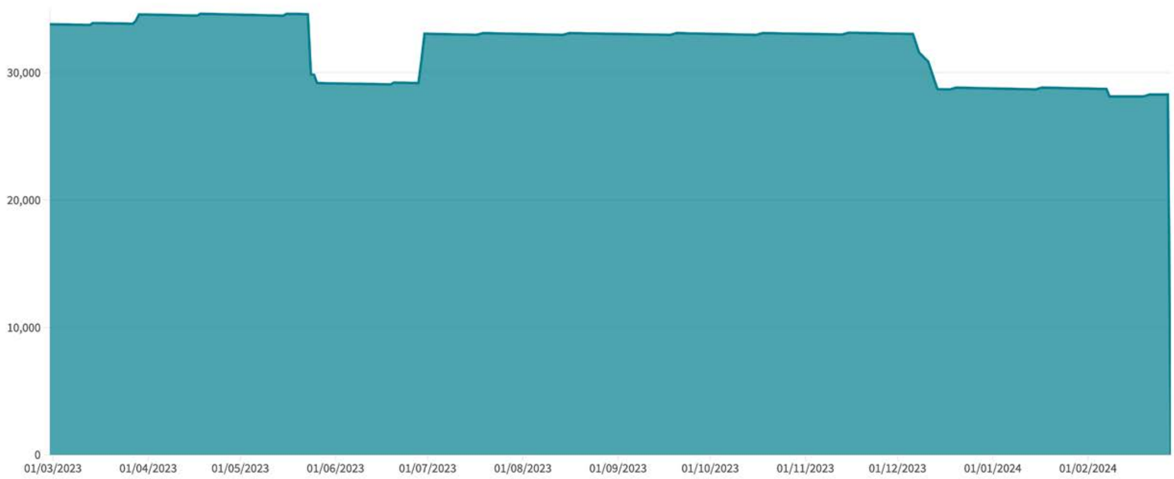
- ## Cobalt

In February 2024, cobalt prices experienced a slight downward trend. At the end of the month, the price of the blue-green metal stood at $28,288 per tonne, representing a minimal decrease of 1.6% compared to the end of January 2024, where it was $28,764 per tonne. The decline in cobalt prices can have significant implications for the industry and market players. Cobalt is a critical component in batteries used in electric vehicles, electronic devices, and energy storage systems. Thus, fluctuations in the price of this metal can directly impact the competitiveness and profitability of companies operating in these sectors.

A key factor contributing to this decline is the reduced demand for electric vehicle batteries. While the demand for electric cars continues to grow, factors such as subsidy policies and fiscal incentives can influence the adoption of these vehicles. Additionally, environmental concerns and technological advancements in the battery field can also play a role in the demand for cobalt.

It is important to highlight that the cobalt industry is subject to rapid changes and uncertainties. Economic, political, and technological developments can have a considerable impact on the demand, supply, and prices of this metal. Therefore, market participants need to remain vigilant in the face of these factors and conduct ongoing analysis to assess the future prospects of this market. This vigilance is essential for making informed decisions, managing risks, and seizing opportunities in this constantly evolving sector.

Figure 8 ›› **Daily Evolution of Cobalt Prices (in thousands of USD per tonne)**



Source : Investing.com

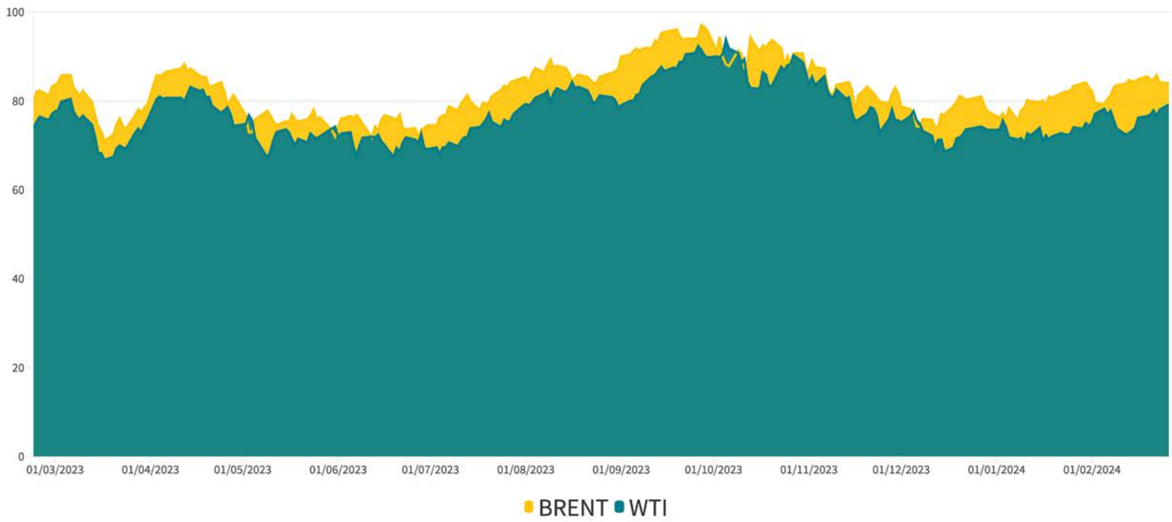
Oil

In February 2024, crude oil prices in the US and European markets showed an upward trend, settling at $79.22 per barrel for WTI and $84.01 per barrel for Brent at the end of the month, compared to $74.37 for WTI and $82.98 for Brent a month earlier. The increase in crude oil prices can be attributed to ongoing tensions in the Red Sea shipping route, which have disrupted navigation in the Suez Canal, considered the fastest route between Asia and Europe.

However, it is important to note that the long-term direction of the oil market will largely depend on the decisions made at the upcoming OPEC+ meeting regarding its oil production regulation policy. The strategic choices made by OPEC+ will have a significant impact on global oil supply and, consequently, on prices.

Furthermore, the oil market faces global geopolitical and economic uncertainties, which can lead to significant price volatility. Political developments, regional tensions, and economic crises play a crucial role in the balance between oil supply and demand, and therefore in price determination.

Figure 9 ›› **Daily oil price trend (in USD per barrel)**



Source : Macrotrends.

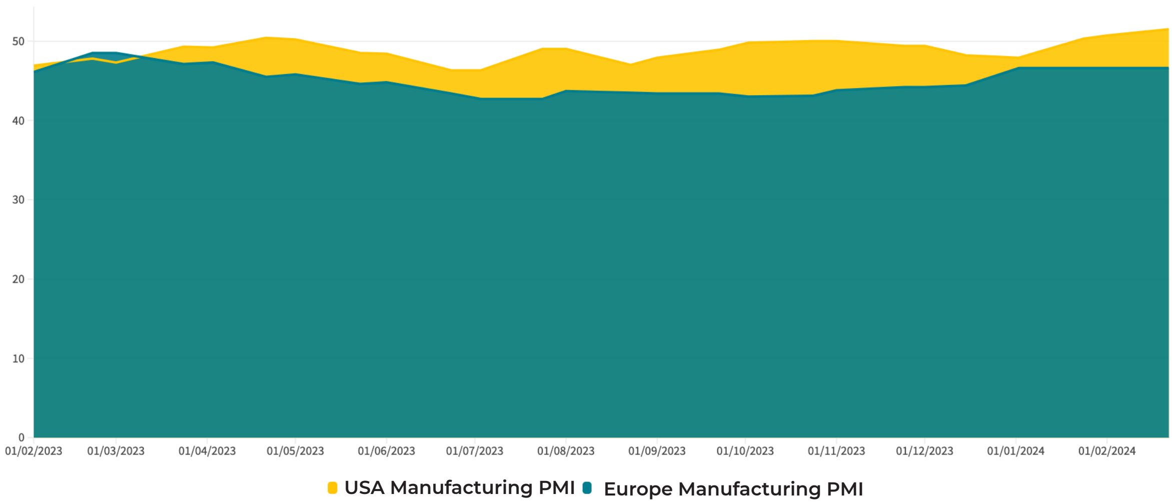
- ### PMI (Purchasing Managers' Index)

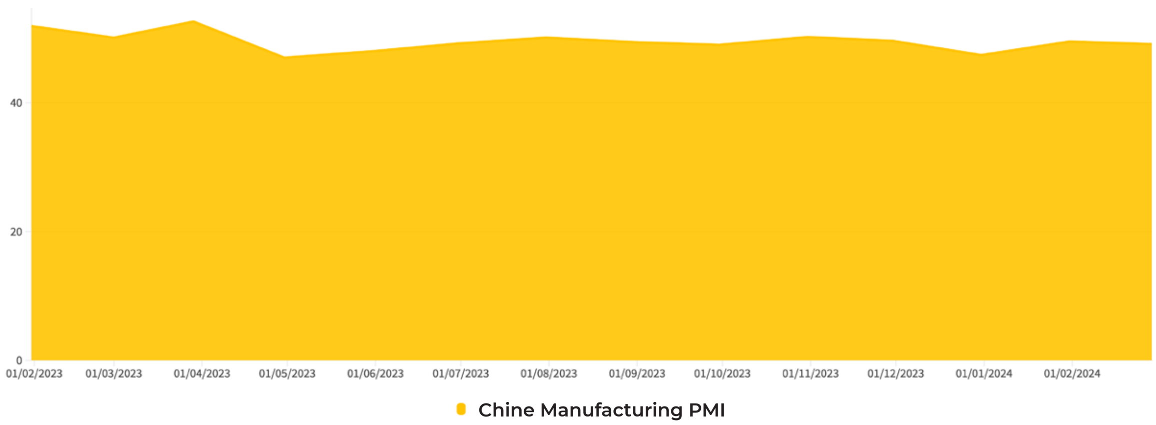
During the month of February 2024, the Purchasing Managers' Index (PMI) for services in the United States, Europe, and China recorded a decline compared to the end of January 2024. The PMI for services in the United States stood at 50.8, while the Eurozone PMI reached 49.6, compared to a value of 50 at the end of January 2024. The PMI for China also deteriorated to a value of 41.4, down from 54.5 at the end of January 2024.

As for the manufacturing PMI, the US index saw an increase in February 2024, reaching a value of 51.5 compared to 50 at the end of January 2024. This increase indicates an expansion in manufacturing activities in the United States, reflecting the strength of the US economy. However, the manufacturing PMI for Europe and China remained stagnant at approximately 46.6 and 49.1 respectively at the end of February 2024. These values below 50 indicate a contraction in industrial and manufacturing activity in Europe and China.

It is important to note that the Purchasing Managers' Index (PMI) is a widely used economic indicator to assess economic activity in a specific sector of a country. It provides valuable insights into activity conditions, production, new orders, employment, and prices within that sector. A PMI level of 50 indicates no change compared to the previous month, a level above 50 indicates improvement, while a level below 50 signifies deterioration.

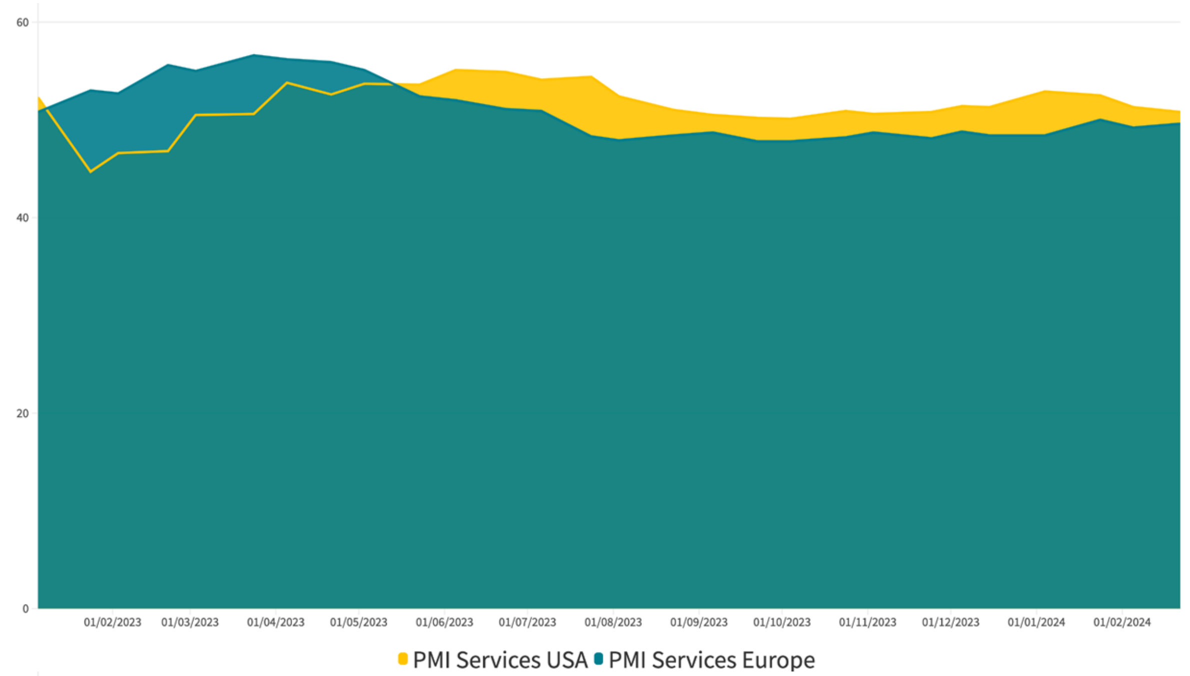
Figure 10 ›› Daily Evolution of Manufacturing PMI (in index level)

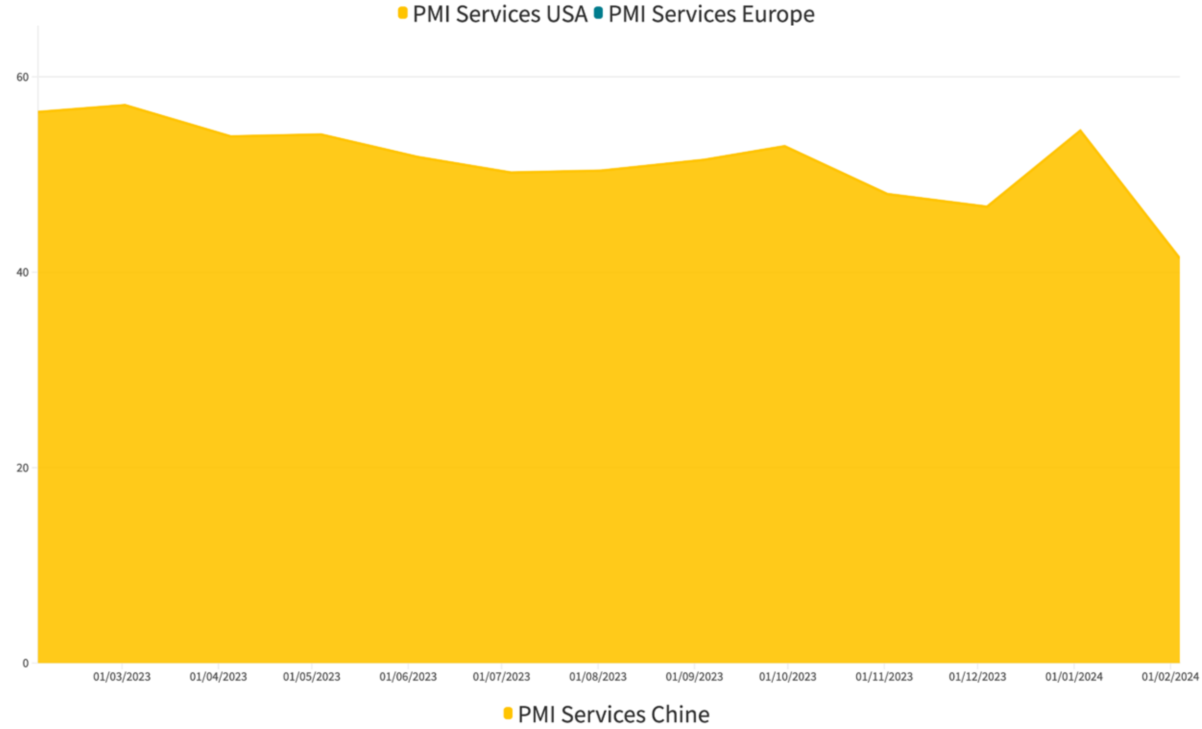




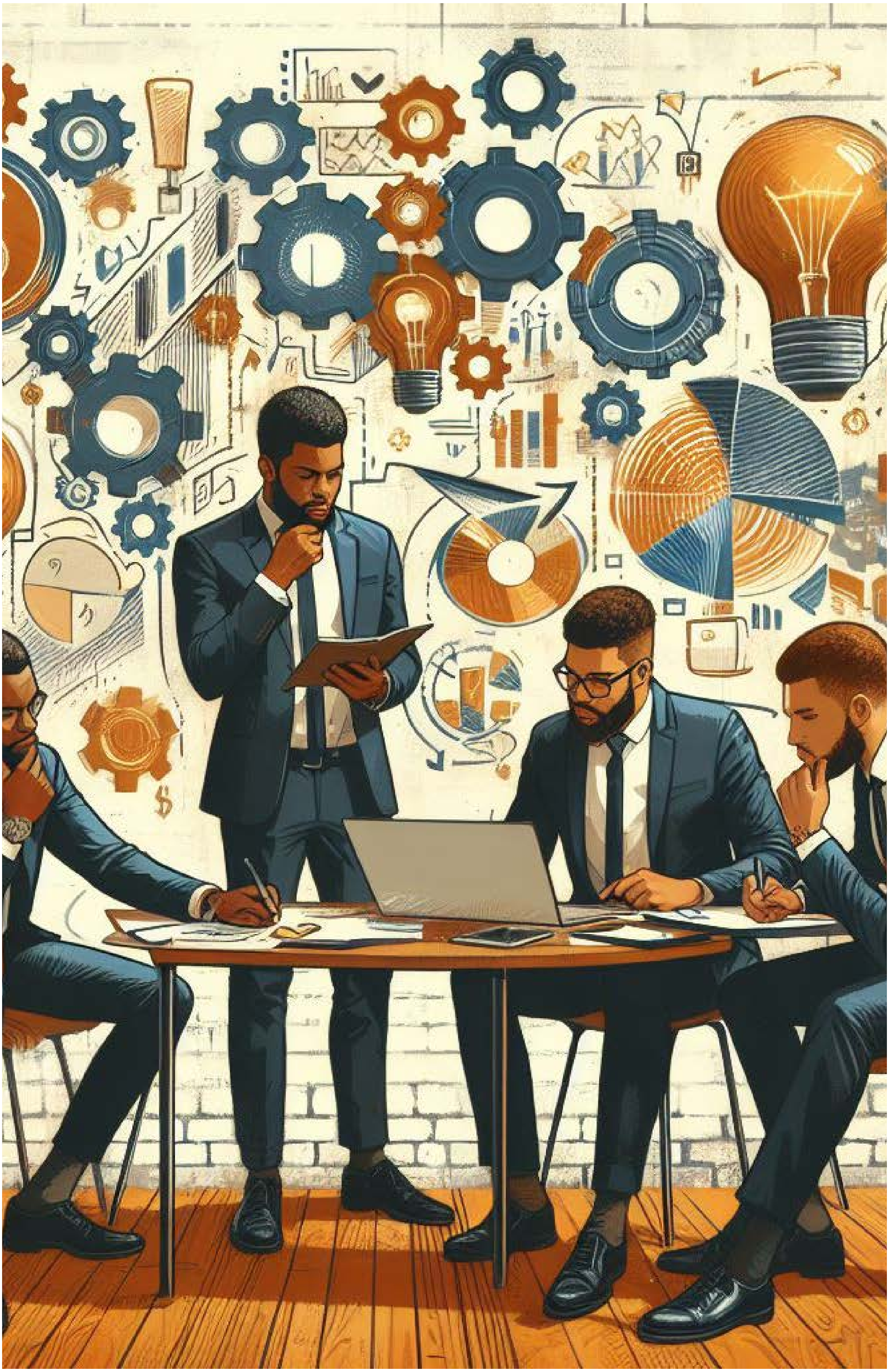
Source : Investing.com

Figure 11 ›› **Daily Evolution of Services PMI (in index level)**





Source : Investing.com



II. National Context

II.1. Evolution of the National Economy

The economic news in February 2024 was marked by several notable events. These include: (i) the signing of a memorandum of understanding between the United States and Générale des Carrières et des Mines (GECAMINES) under the Minerals Security Partnership (MSP); (ii) loan syndication by four Congolese banks to finance the government's arrears to oil companies; (iii) the extension of the suspension of the Value Added Tax (VAT) in the cement sector.

More specifically, these events are presented as follows :

1. The signing of a memorandum of understanding between the United States and Quarries and Mines General (GECAMINES) as part of the Partnership for Safe Minerals (PSM).

The United States, as the lead of the Minerals Security Partnership (MSP), officially announced on Monday, February 5, 2024, the signing of a memorandum of understanding between Quarries and Mines General (GECAMINES) of the Democratic Republic of Congo (DRC) and the Japan Oil, Gas and Metals National Corporation (JOGMEC) of Japan. This agreement focuses on the exploration, production, and processing of critical minerals.

Critical minerals play a vital role in the global economy and in technologies that support the transition to clean energy. According to the U.S. Department of State, this memorandum of understanding will establish a framework for cooperation in the areas of mining and mineral resources to expand business opportunities for the parties involved. Washington announced in a statement that this significant collaboration, forged through dialogue among MSP partners, creates a coordination framework for mineral exploration, production, and processing, in line with our shared commitment to the development of the Lobito Corridor through the Partnership for Infrastructure and Investment (PIIM). This coordination among MSP partners is a demonstration aimed at securing and diversifying supply chains for critical minerals, which bring economic benefits to local communities and source countries such as the DRC.

The collaboration with JOGMEC, under the MSP, will contribute to diversifying the DRC's supply chains for critical minerals. This will reduce its dependence on a single market or trading partner, increasing the country's economic resilience. Diversifying trading partners and outlets for minerals will enable the DRC to benefit from more favorable trade conditions and maximize the value of its mineral resources.

The United States also specified that GECAMINES will play a key role in the Lobito Corridor project through its extensive portfolio of joint venture projects in production, representing over 1.5 million tons of copper cathodes and 100,000 tons of cobalt hydroxide, with other projects under construction.

The MSP is a collaboration between thirteen countries and the European Union, aiming to accelerate public and private investments in responsible supply chains for critical minerals globally. MSP partners include Germany, Australia, Canada, Finland, France, India, Italy, Japan, Norway, the Republic of Korea, Sweden, the United Kingdom, the United States, and the European Union (represented by the European Commission).

The objective of the Minerals Security Partnership is to accelerate the development of diversified and sustainable supply chains for critical energy minerals by collaborating with host governments and the industry to facilitate targeted financial and diplomatic support for strategic projects throughout the value chain. This initiative aims to strengthen the security and stability of essential mineral supplies while promoting sustainable economic growth in the countries involved.

The DRC will also benefit from the development of infrastructure related to the Lobito Corridor project. The corridor aims to improve transportation routes and logistical connections between the DRC and international markets. This will facilitate the export of minerals and enhance the integration of the DRC into global supply chains, which will have a positive impact on the national economy. Furthermore, this collaboration with JOGMEC paves the way for increased investments in the DRC's mining sector. The joint projects between GECAMINES and JOGMEC, involving the production of copper cathodes and cobalt hydroxide, represent significant volumes. These investments will help stimulate economic activity in the country, creating jobs and generating revenue.

2. Loan syndication by four Congolese banks to finance the government's arrears to oil companies

In order to boost the reforms undertaken in the oil sector in recent years, the government of the Democratic Republic of Congo (DRC) has successfully secured a financing of $123.5 million from four local banks, namely EquityBCDC, FirstBank DRC, Ecobank RDC, and Standard Bank. This financing is intended to refinance a significant portion of the subsidy arrears, thereby strengthening the stability of public finances.

The government of the DRC is pleased with the recent progress made in the context of structural reforms in the downstream oil sector. These measures are part of a comprehensive approach to streamline and rationalize oil subsidies to ensure more efficient and transparent management of public financial resources.

Initially, the Ministries of Finance and National Economy jointly launched a comprehensive audit of the Structure of Petroleum Product Prices (SPPP) in 2022, entrusted to the Mazars firm. The findings of this audit, released in May 2023, highlighted several reform options aimed at improving governance and efficiency in the sector. Based on these recommendations, an action plan is currently being developed.

Furthermore, in an effort to control public spending and align with international standards, the government took proactive measures as early as April 2022. This included the exclusion of the international aviation sector from the subsidy scheme, as well as the revision of financial loss calculations. In October 2023, this rationalization was extended to the oil sector, which alone accounted for nearly 20% of financial losses.

These measures are part of a broader perspective of gradually narrowing the gap between market prices and retail prices. The ultimate goal is to achieve a situation where petroleum products no longer require structural subsidies, ensuring greater economic and financial stability for the country.

It is in this context of restoring confidence in the sector that the government has decided to create a new parafiscal system and has successfully mobilized substantial funds from local banks to refinance a portion of the subsidy arrears accumulated in 2022 and 2023. This loan syndication, the first of its kind in which the consortium of banks comprising EquityBCDC, FirstBank DRC, Ecobank RDC, and Standard Bank

participated, serves a dual purpose: supporting the national oil sector to avoid any disruptions in fuel supply and enabling the Congolese financial system to innovate through a large-scale syndication that is essential for the country's economic growth.

Loan syndication offers several advantages for borrowers and lenders, including access to significant financing amounts, diversification of funding sources, specialized expertise, risk sharing, flexibility in loan terms, and simplified loan management. These advantages make it an attractive option for borrowers seeking to mobilize substantial funds and optimize their financing structure.

3. Renewal of the Value Added Tax (VAT) suspension measure in the cement sector

Vital Kamerhe, the Vice Prime Minister and Minister of National Economy, has recommended the renewal of the Value Added Tax (VAT) suspension measure in the cement and automobile sectors. This recommendation was proposed during the Council of Ministers meeting held on Friday, February 9, 2024. According to the Vice Prime Minister in charge of the Economy, this measure aims to counter the increase in the price of a bag of cement, which has risen from $9 to $11 in the market. Before presenting the proposal to government members, the Vice Prime Minister engaged in discussions with key stakeholders in the sector to conduct a thorough analysis of the situation and provide prompt responses, given the importance of this sector in economic growth.

It is indicated that the reintroduction of VAT at a rate of 16% and various tax increases are responsible for this situation. This has resulted in a loss of competitiveness compared to other foreign countries, particularly Angola and Congo-Brazzaville.

Here are the measures suggested by the Minister of Economy :

- Renew the suspension measure of Value Added Tax in the cement and automobile sectors.
- Suspend all mentioned taxes and increases.
- Present the issue to the ECOFIN Commission, including relevant ministries and stakeholders in the cement sector.

However, it is important to carefully analyze the implications of these measures. The suspension of VAT in the cement and automobile sectors could have a significant impact on market competitiveness. This could stimulate demand and boost economic activity in the construction sector. Indeed, fiscal incentives such as tax reductions or tax exemption periods can encourage investments in the cement industry by reducing initial costs for businesses. Additionally, by reducing tax burdens, fiscal incentives can improve the competitiveness of local cement companies compared to foreign imports. This can encourage local cement production, reduce dependence on imports, and enhance the country's self-sufficiency in cement. A competitive local cement industry can also foster competition in the market, which generally leads to lower prices for consumers.

However, it is important to ensure that these measures do not disproportionately affect tax revenues and do not have adverse effects on the state budget.

Therefore, it is important to note that fiscal incentives must be designed and implemented in a balanced manner, taking into account budgetary implications and long-term economic sustainability. Effective coordination between the government and industry stakeholders is necessary to ensure that fiscal incentives benefit the entire economy while maintaining a solid tax base to finance public services and necessary investments.

II.2. Economic activity

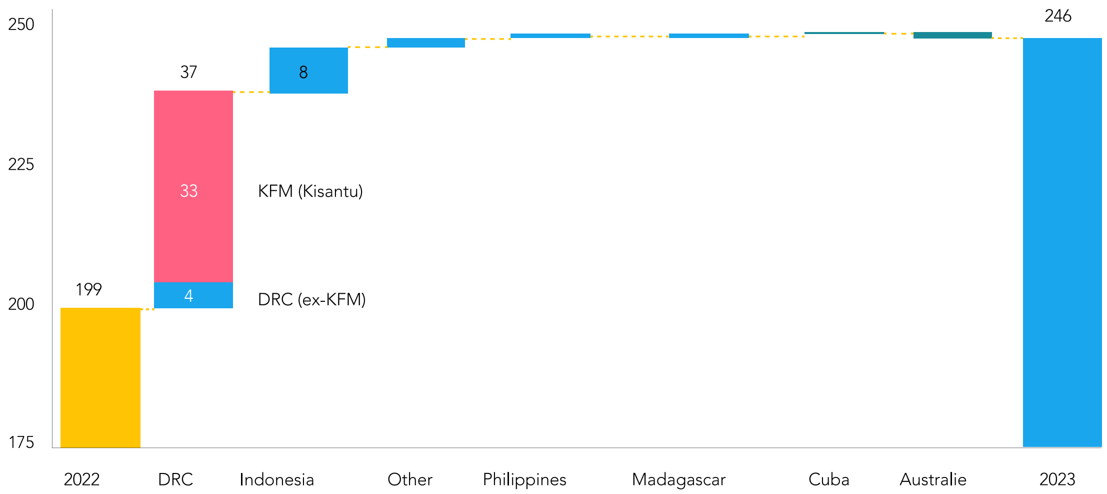
In 2023, CMOC's cobalt production experienced an impressive increase of 170%, reaching approximately 56,000 tonnes. By becoming the world's leading producer of this strategic metal, this Chinese company contributed to the surplus recorded in the market, resulting in a price decline in recent months.

According to an update published on February 13, 2024, by the Cobalt Institute, the cobalt market experienced "its largest surplus in recent years" in 2023. This surplus amounts to 12,500 tonnes, nearly double the amount recorded in 2022 (6,300 tonnes).

While the Cobalt Institute reports a 15% increase in demand compared to the previous year, reaching 213,000 tonnes last year, the surplus can be explained by an even larger increase in supply. Indeed, global mining production increased by 23% compared to the previous year, reaching 246,000 tonnes in 2023.

The Democratic Republic of Congo (DRC) accounted for 80% of this supply, with an increase of approximately 37,000 tonnes of cobalt compared to its production in 2022. It is important to highlight that this increase in Congolese supply is mainly due to CMOC, a Chinese company whose production more than doubled to reach approximately 56,000 tonnes last year, compared to 20,000 tonnes in 2022. With its Tenke Fungurume and Kisanfu mines in the DRC, this mining company succeeded in surpassing Glencore, a Swiss company, to become the world's leading producer of this strategic metal.

Figure 12 ›› **Evolution of cobalt mining supply by major producing country 2023 vs 2022**



Source : Investing.com

Although the market fundamentals remain strong, with global demand expected to continue increasing, the surplus recorded in the market last year has had an impact on cobalt prices, which have dropped by approximately 30%. While the consulting firm Rystad Energy predicts one of the largest surpluses ever recorded for 2024, prices could remain low this year, thus reducing the profits of producers.

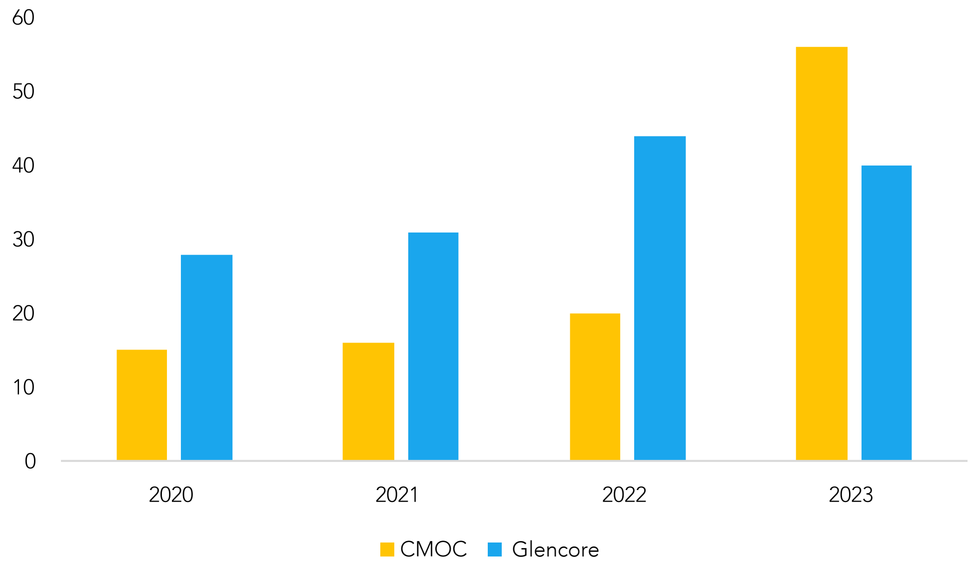
Glencore, a mining company operating in the Democratic Republic of Congo (DRC) with the Katanga and Mutanda mines, is no longer the world's top cobalt producer. While many analysts and industry experts expected Glencore to lose this status to its main Chinese competitor, CMOC, it happened sooner than anticipated.

Indeed, the Chinese group, which inaugurated its copper-cobalt mine in Kisanfu in 2023 with a capacity of 30,000 tonnes, announced on January 4, 2024, a 174% increase in its cobalt production. According to details from the document published by the company on its website and reviewed by our editorial team, CMOC produced a total of 55,526 tonnes of cobalt in 2023, compared to 20,286 tonnes in 2022.

The results from the new mine exceeded expectations for the year, and the company also resolved the dispute it had with Gécamines regarding its other asset, Tenke Fungurume, where it implemented a project to increase cobalt production to 17,000 tonnes.

Although Glencore's production results for the year 2023 have not yet been published, Figure 1 illustrates that the 55,526 tonnes of cobalt produced by CMOC significantly surpass the 42,000 tonnes projected by the Swiss company. The latter produced 20,400 tonnes of cobalt (+7%) in the first half of 2023, with a weak performance from the Mutanda mine supplying only 5,800 tonnes, offset by improved cobalt recoveries at Katanga (14,600 tonnes). By the end of November 2023, the news from Mutanda was still not good, with Reuters reporting that the decrease in ore grade in the mine's deposits could lead to a production decline of up to 15% per year.

Figure 13 ›› **Comparison of CMOC and Glencore production**



Source : Cobalt Institute

According to Bloomberg, the global cobalt market faced one of its largest surpluses at the beginning of 2023, and CMOC's additional production contributed to a 30% price drop throughout the year. Analysts from Macquarie predict that the surplus is expected to reach 17,000 tonnes in 2023 and increase to 18,000 tonnes in 2024.

Beyond the increased supply from the Chinese group CMOC, the surplus situation is also explained by the reduced use of cobalt-containing electric batteries, particularly nickel, cobalt, and manganese cathodes, in favor of more affordable alternatives such as lithium, iron, and phosphate.

However, it should be noted that some long-term forecasts remain strong according to certain analysts and market specialists. In a report published in May 2023, the Cobalt Institute (which predicts a surplus in the market until 2025) stated that global cobalt demand is expected to increase by 108% to nearly 388,000 tonnes by 2030, more than double the demand in 2022 (187,000 tonnes). By 2030, electric vehicles are expected to account for two-thirds of global demand, while the share of portable electronics (30% in 2022) is expected to halve.

This shift in demand is largely driven by the global transition to electric vehicles, which rely heavily on cobalt for their batteries. As countries adopt policies to reduce carbon emissions and promote electric mobility, the demand for cobalt is expected to continue to grow significantly. This presents opportunities for cobalt producers, such as CMOC, to meet this increasing demand.

However, there are challenges and uncertainties to consider. The reduction in the use of cobalt in electric batteries in favor of cheaper alternatives could limit short-term demand growth. Additionally, the geographical concentration of cobalt production in the Democratic Republic of Congo exposes the market to geopolitical risks and concerns about working conditions and environmental impact.

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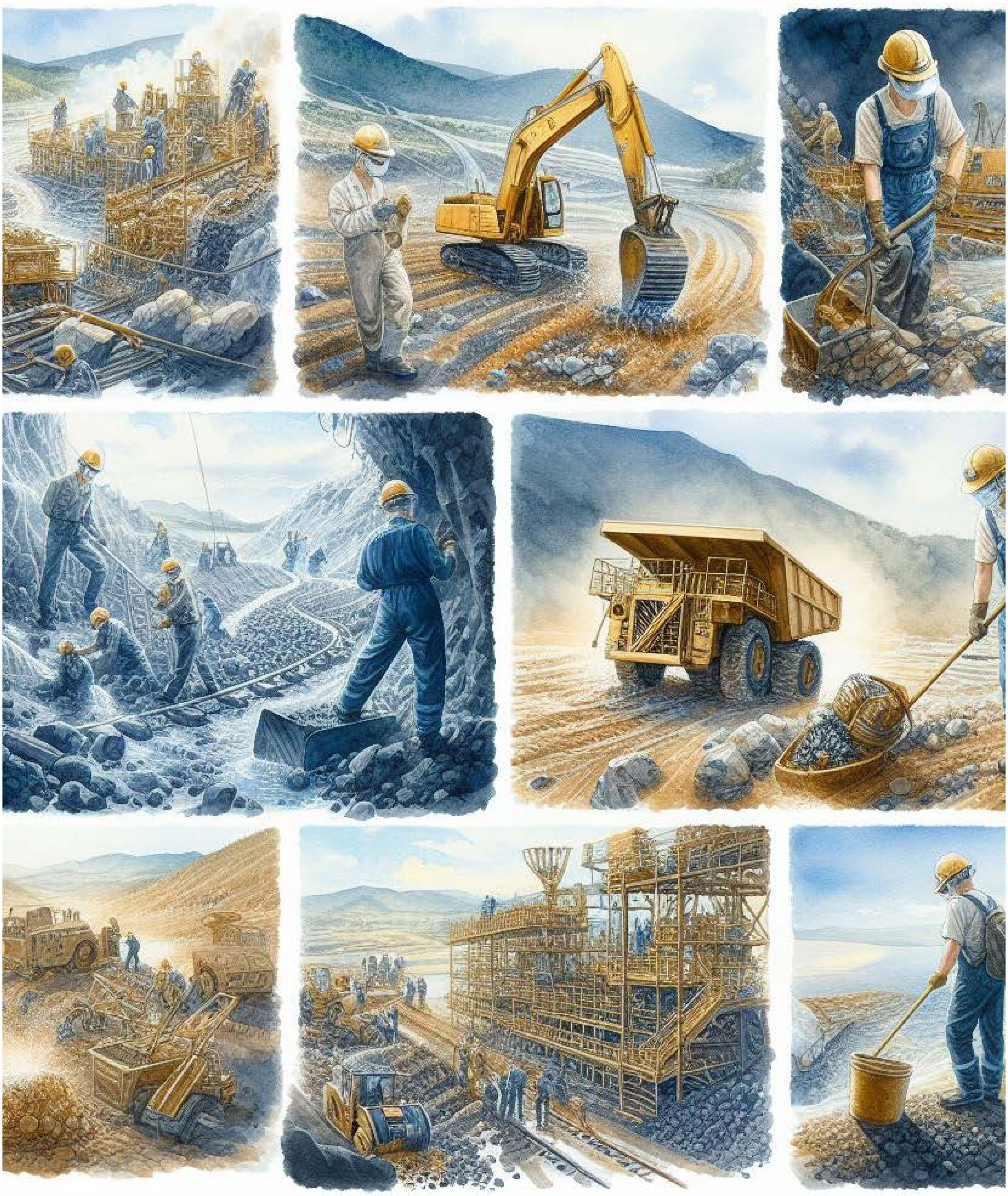
Overall, the global cobalt market is facing significant fluctuations due to the delicate balance between supply and demand, as well as technological advancements and regulatory policies. Industry players will need to closely monitor these trends to adapt to market changes and seize the opportunities that arise.



Box 1 : Corruption Perception Index in the DRC Further Deteriorated in 2023

Africa greatly benefits from low levels of corruption, which translates into improved public services, social stability, economic growth, and international cooperation. In addition to directly benefiting countries, anti-corruption initiatives contribute to stimulating growth and the general well-being of the continent. Some countries on the continent are fully aware of these facts and have done an exceptional job in maintaining their corruption index at a low level, but the Democratic Republic of Congo (DRC) continues to be ranked among the countries with the highest corruption perception indices.

According to Transparency International, a global movement working in over 100 countries to eradicate the injustice of corruption, «authoritarian leaders undermine justice, increasing impunity for corruption and even encouraging it by eliminating consequences for criminals.» The organization highlights that corruption and abuse of power are two other widespread corrupt practices in many courts and other legal institutions around the world.

Many countries around the world are attempting to combat these issues, with Western Europe and the European Union leading the way in this field. In contrast, Africa is faced with this problem, with the lowest average in terms of democracy and pressure on the rule of law.

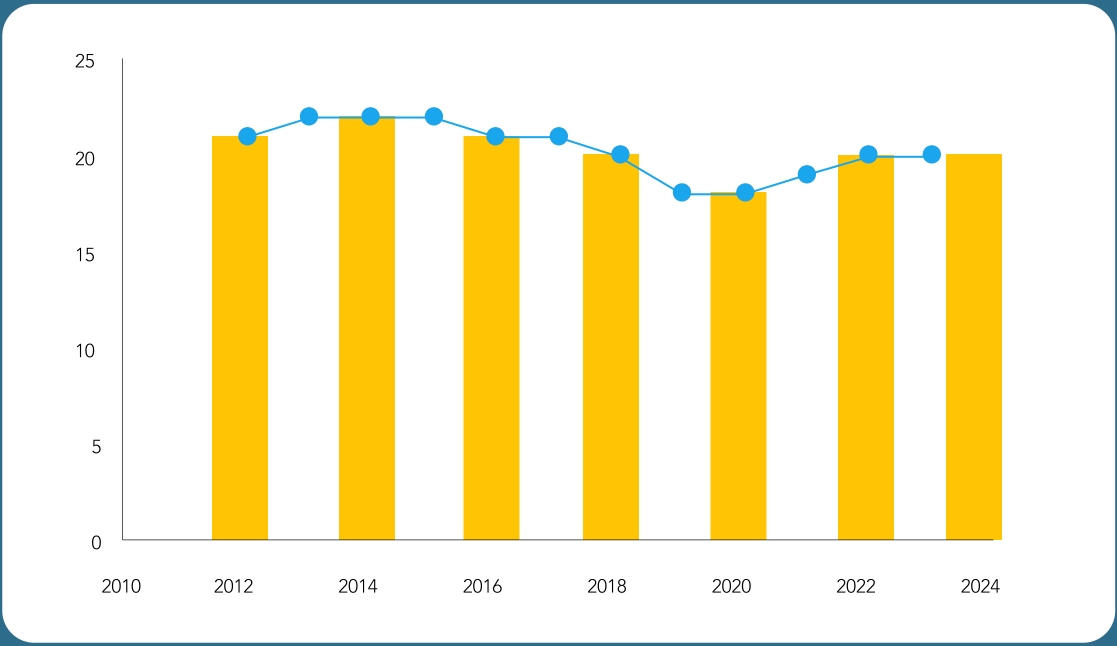
However, some countries on the continent appear as a glimmer of hope. These countries have very low corruption indices and are ranked among the least corrupt countries in the world, according to Transparency International's Corruption Perception Index (CPI). For example, according to Table 1, African countries such as Seychelles, Cape Verde, Botswana, Rwanda, and Namibia show satisfactory results according to the Corruption Perception Index (CPI). Unfortunately, the Democratic Republic of Congo continues to be ranked among the countries with the highest corruption perception indices.

Tableau 1 : Ranking of the best African countries in relation to the DRC

Rank	Country	Corruption Perceptions Index	Rang mondial
1.	The Seychelles	71	20
2.	Cap-Vert	64	30
3.	Botswana	59	39th
4.	Rwanda	53	49th
5.	Maurice	51	55èth
6.	Namibia	49	59th
7.	Sao Tome and Principe	45	67th
8.	Benin	43	70th
9.	Ghana	43	70th
10.	Senegal	43	70th
46	Democratic Republic of Congo	20	162th

The CPI assesses 180 countries and territories based on perceived levels of corruption in the public sector, with scores ranging from 0 (highly corrupt) to 100 (very clean). In the Democratic Republic of Congo (20), the Inspectorate General of Finance (IGF) plays a central role in intensified efforts to combat corruption under the presidency of Félix Tshisekedi. Over the past five years, the IGF has uncovered numerous cases of mismanagement of public funds and corruption within several institutions, including the office of the president. However, the justice system has been slow, particularly in cases involving politically exposed individuals. In an interview in July 2023, President Tshisekedi expressed dissatisfaction with the performance of the judicial system during his tenure. Indeed, according to the data illustrated in Figure 1, the corruption perception index in the DRC has significantly deteriorated between 2014 and 2023, resulting in a loss of two points.

Figure 14 ›› Evolution de l'indice de perception de la corruption en RDC



Source : Transparency International

The Democratic Republic of Congo (DRC) can benefit from several recommendations to combat corruption and improve governance. Here are some key recommendations:

Strengthen anti-corruption institutions: It is crucial to strengthen institutions tasked with fighting corruption, such as the Inspectorate General of Finance (IGF), the Court of Auditors, and others, by providing them with the necessary resources to conduct thorough investigations, prosecute perpetrators of corruption, and ensure their independence in functioning.

Enhance the rule of law: It is important to strengthen the judicial system so that it can effectively handle corruption cases. This involves ensuring the independence of judges, ensuring transparent and fair judicial procedures, and combating impunity by prosecuting those involved in acts of corruption, including politically exposed individuals.

Promote transparency and accountability: The DRC should establish mechanisms for transparency and accountability in the management of public funds. This includes regular publication of budgetary information, independent public audits, and the participation of civil society in monitoring public expenditures.

Strengthen corruption prevention: It is important to implement preventive measures to reduce opportunities for corruption. This can include adopting robust anti-corruption laws, promoting the declaration of assets and conflicts of interest by officials, as well as raising awareness and providing training to the population about the harmful consequences of corruption.

Enhance international cooperation: The DRC should cooperate with other countries and international organizations in the fight against corruption. This can include the exchange of information, technical assistance, and the ratification and implementation of international anti-corruption conventions, such as the United Nations Convention against Corruption.

It is important to note that combating corruption is an ongoing and complex process that requires long-term commitment and a multidimensional approach. These recommendations can serve as a starting point for the DRC to strengthen its efforts against corruption and promote more transparent and accountable governance.

II.3. Price Dynamics

Projections from Congo Challenge indicate that the inflation dynamics moderately slowed down in February 2024 but are expected to remain very high for an extended period compared to January 2023. As shown in the table below, prices would continue to increase in February 2024.

In terms of the weekly inflation rate, it is projected to be 0.35% in the fourth week of February 2024, representing a decrease of 74.69% compared to the rate recorded at the end of January 2024, which stood at 1.375%.

Regarding the cumulative inflation rate, it would reach 2.42% in the fourth week of February 2024, compared to 1.375% a month earlier, indicating a positive variation of 75.64%.

As for the year-on-year inflation, Congo Challenge's projections indicate that the year-on-year inflation would stand at 22.35% in the fourth week of February 2024, compared to 22.34% a month earlier, representing a slight increase of 0.06%. At this rate, our projections anticipate an inflation level of 18.75% by the end of 2024, compared to 19.44% recorded in January 2024.

Several factors could explain the acceleration of prices observed between February 2024 and January 2024. These factors may include:

- Increase in commodity prices : The DRC is a net importer of commodities, particularly food products, fuels, and manufactured goods. The increase in the prices of these commodities has led to higher import costs, contributing to inflation.
- Depreciation of the Congolese franc : The Congolese franc lost nearly 2% of its value against the US dollar between January 2024 and February 2024 : This depreciation has made imports more expensive, further contributing to inflationary pressures.
- Increase in demand : The ongoing economic recovery in the DRC has resulted in increased demand for goods and services, which could also contribute to inflation.
- Poor coordination between the Central Bank of Congo and the government: Monetary financing by the Central Bank (non-compliance with stability pact), lack of control over the expenditure chain, and non-essential spending create an oversupply of Congolese francs in the economy, thereby accelerating the pace of inflation.

Overall, medium-term inflation expectations remain unanchored at the Central Bank's inflation target (7%), and upward risks to inflation could lead to new tensions on energy and food costs.

Tableau 2 : Inflation Trend (February 2024)

	Weekly inflation	Cumulative inflation	Year-on-year inflation	Annualised inflation
Week 1	0.20	1.58	22.31	17.69
Week 2	0.39	1.98	22.57	18.43
Week 3	0.33	2.31	22.24	18.50
Week 4	0.35	2.42	22.35	18.75

Source: Congo Challenge projections, February 2024.

II.4. Exchange Rate and Foreign Reserves

Projections from Congo Challenge indicate that the exchange rate would have depreciated in February 2024. In the interbank market, the exchange rate would stand at 2,733.26 in the fourth week of February, compared to 2,727.48 at the end of January 2024, representing a depreciation of 0.21%.

In the parallel market, the exchange rate would be at 2,722.50 in the fourth week of February 2024, compared to 2,703.44 in January 2024, representing a depreciation of 0.71%.

Tableau 3 : Exchange Rate Evolution

	Closing January 2024	S1	S2	S3	S4	Change January 2024 - February 2024
Interbank market	2 727.48	2 707.74	2 734.48	2 732.13	2 733.26	0.21%
Parallel market	2 703.44	2 736.57	2 724.38	2 721.88	2 722.50	0.71%

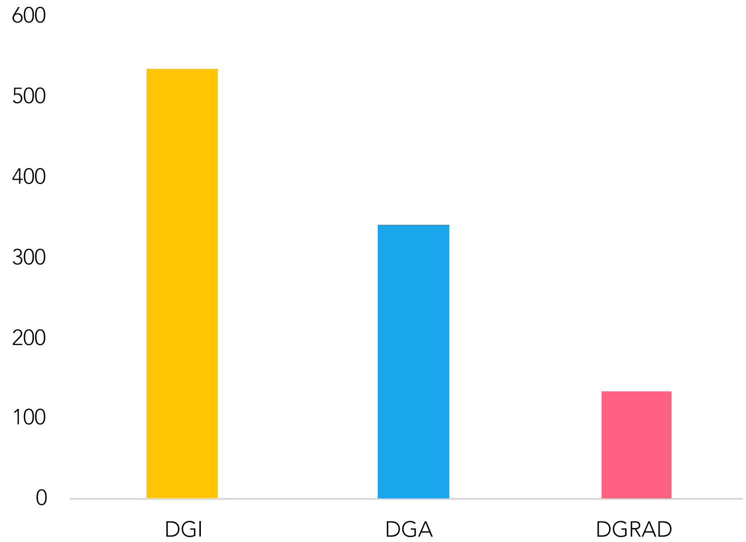
Source: Congo Challenge projections, February 2024.

Regarding foreign reserves, projections from Congo Challenge indicate that they would not have increased between January 2024 and February 2024. Thus, foreign reserves would amount to 5.022 billion USD in February 2024. In terms of import cover, the reserves would provide a coverage of 2.71 months of imports.

II.5. Public Finances

According to the Central Bank of Congo, as of February 23, 2024, the public revenues mobilized by financial authorities amounted to 1,425.2 billion CDF, while expenses reached 1,482.2 billion CDF. The operations account showed a surplus of 57 million CDF. Compared to the February projections, both expenses and revenues realized were significantly higher, amounting to 1,301.8 billion CDF and 1,300.9 billion CDF, respectively.

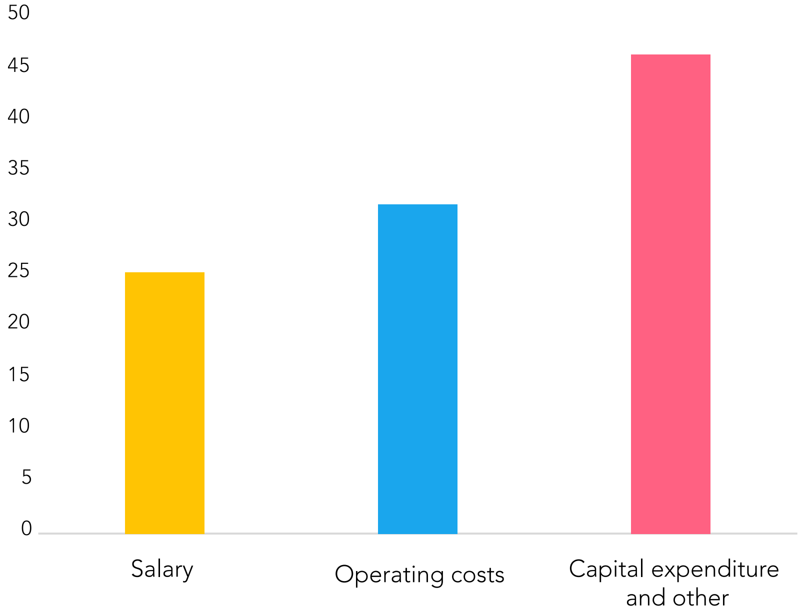
Figure 15 ›› Distribution of public revenues during the month of February 2024 (in millions of CDF)



Source: Central Bank of Congo (BCC)

Regarding public expenditures in December 2023, it is noteworthy that they could be higher than those in November 2023, amounting to 2,135,386 million CDF. A significant portion of the state's resources is allocated to the operating expenses of public institutions, while the remainder is dedicated to the salaries of government officials, with a small portion allocated to capital investments.

Figure 16 ›› Breakdown of public spending (%)



Source: Central Bank of Congo (BCC)

As of February 23, 2024, the portion of expenditures dedicated to the salaries of government officials accounted for 24.43% of total public expenditures. On the other hand, the portion allocated to capital and other expenses stood at 44.76%, while the portion dedicated to the functioning of institutions reached 30.81%.

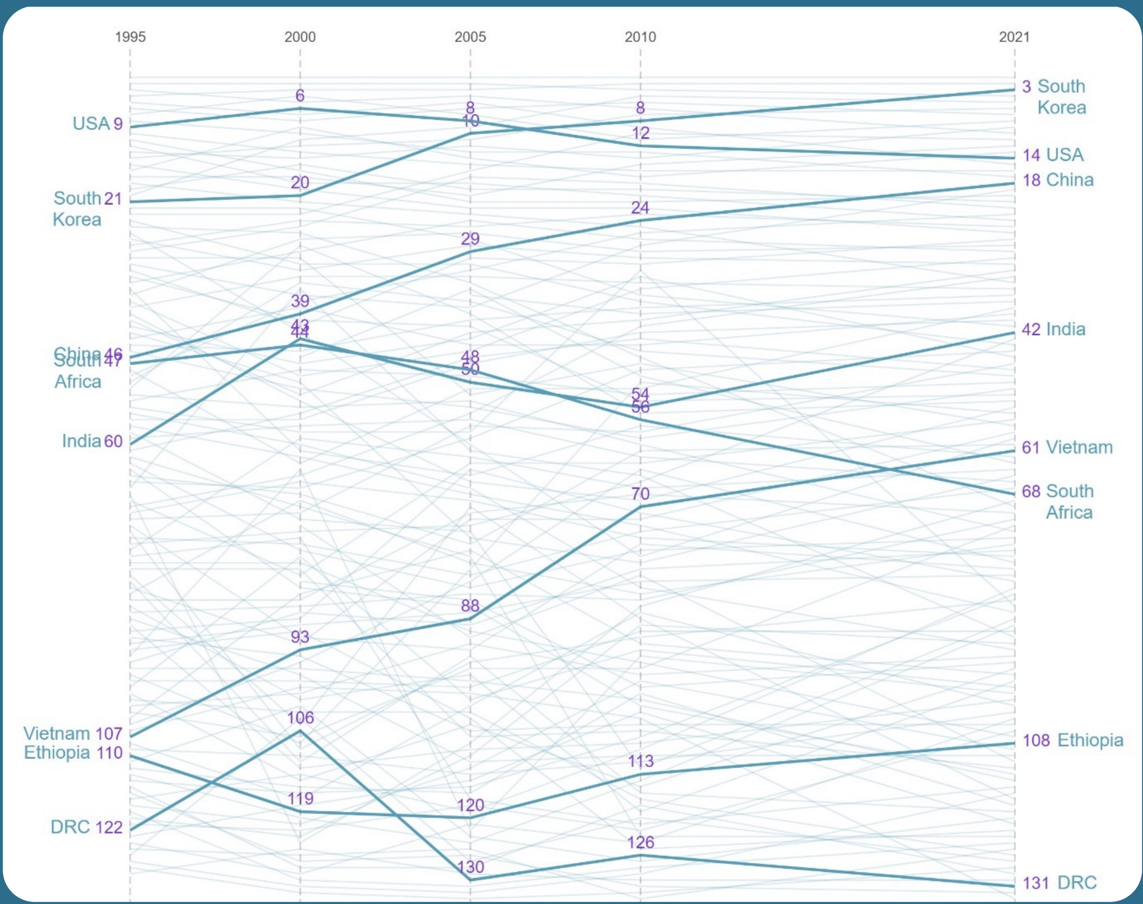
The government plans to raise 50 million USD through Treasury Bonds issued in US dollars with a maturity of 6 months. According to the treasury plan execution of the Ministry of Finance and the given date, 90.7 billion CDF represents the amount of repayments of matured securities.

Box 2: The level of economic transformation has not progressed in the DRC

The Economic Complexity Index (ECI) is a measure developed by researchers Ricardo Hausmann, Cesar A. Hidalgo, and their colleagues at Harvard University. It aims to assess the diversity and sophistication of a country's exports to measure its economic complexity. The ECI evaluates economic complexity based on the structure of a country's exports, taking into account both the diversity of exported products and their sophistication. A country is considered economically complex if it exports a wide variety of sophisticated products. Conversely, a country is considered economically less complex if it mainly exports less diversified and less sophisticated products.

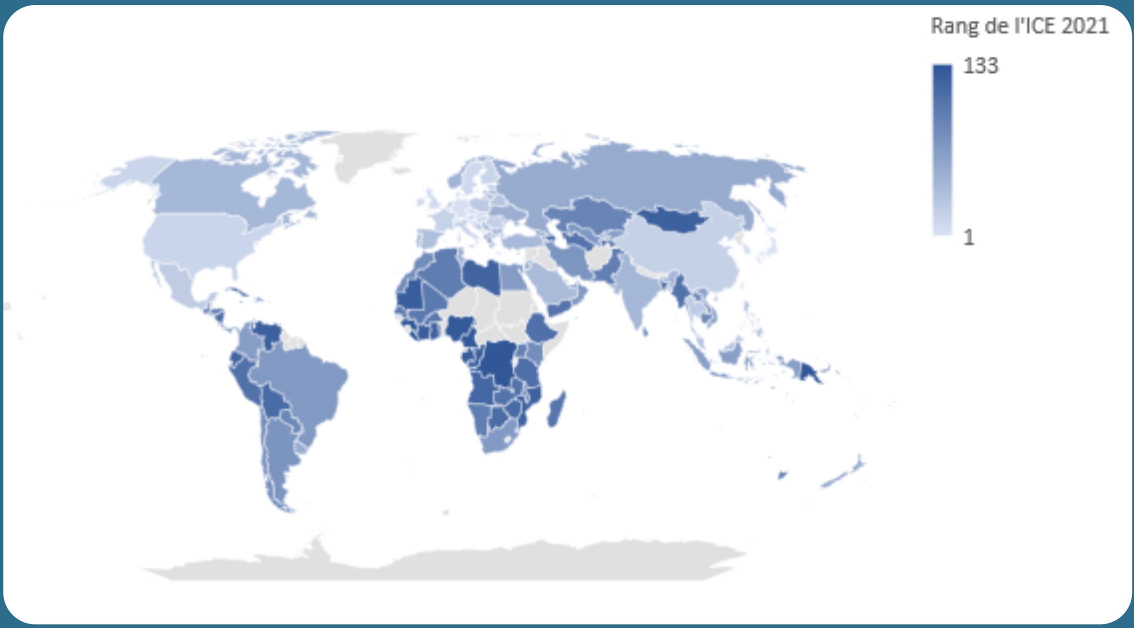
According to the data illustrated in the figure below, the Democratic Republic of Congo (DRC) ranks 131st (out of 133) in terms of economic complexity according to the Economic Complexity Index (ECI). Compared to the previous decade, the DRC's economy has become less complex, dropping 7 places in the ECI ranking. This decrease in complexity in the DRC is due to a lack of export diversification.

Figure 16 ›› **Economic Complexity Index (ECI)**



Source : Atlas of economic Complexity, Havard University

Figure 17 ›› **Economic Complexity Index (ECI) worldwide**



Source : Atlas of economic Complexity et calculs de Congo Challenge

Research by the Growth Lab shows that countries with more complex (i.e., highly diversified) exports than expected given their income level grow faster. Growth can be stimulated by a process of knowledge diversification to produce a broader and increasingly complex set of goods and services. However, analysis of the DRC's major export products shows that its exported products are less diversified, less complex, and concentrated in metals.

The Democratic Republic of Congo has experienced a static export growth model, with the largest contribution to export growth coming from moderately complex products, particularly copper and other base metals. The DRC has not yet embarked on the traditional process of structural transformation. This transformation is a key source of economic growth as it reallocates economic activity from low-productivity sectors to high-productivity sectors. It typically shifts activities from agriculture to textiles, then to electronics and/or machinery manufacturing. The DRC's share of the global textile export market has remained stagnant over the past decade, and electronics and machinery manufacturing have not yet taken off in the DRC, thus limiting its economic growth.

The DRC's export growth over the past five years has been driven by metals. This growth in metals is in turn driven by an increase in the DRC's share of the global market. In the case of the DRC, excessive dependence on a limited number of export products, such as minerals and natural resources, has contributed to a decrease in economic complexity. This can make the economy more vulnerable to fluctuations in commodity prices and external shocks.

In the future, the DRC should be able to take advantage of some opportunities to diversify its production using existing knowledge. To diversify and make the DRC's economy more complex, here are some recommendations:

Invest in skills and knowledge development: The DRC should focus on education and training to strengthen the skills of its workforce. This will foster the emergence of more complex and technologically advanced sectors.

Encourage research and development: The DRC needs to invest in research and development to stimulate innovation and the creation of new technologies. This will promote the production of higher value-added goods and services.

Promote entrepreneurship and investment: It is important to create an environment conducive to entrepreneurship and encourage investments in diverse sectors. This can be achieved by simplifying administrative procedures, offering tax incentives, and facilitating access to financing.

Facilitate collaboration between the public and private sectors: The DRC can benefit from close collaboration between public and private actors. Public-private partnerships can foster the development of infrastructure projects, training and research programs, and technological innovation.

Diversify exports: The DRC should seek to diversify its exports by developing new products and markets. This can be achieved by identifying sectors where the DRC has a comparative advantage, promoting local processing of raw materials, and seeking new trade partnerships. Additionally, good industrial policies should accompany economic diversification policies to leverage the comparative advantage of different industries in the DRC.

Improve infrastructure and logistics: Investments in infrastructure and logistics are essential to facilitate trade and boost competitiveness. The DRC should invest in roads, ports, airports, and information and communication technologies to improve connectivity and reduce transportation costs.

II.6. Developments in the political situation

The political news of February 2024 was dominated by the following highlights :

(i) Validation of the mandates of national deputies by the National Assembly;
(ii) Identification of the parliamentary majority;
(iii) Insecurity in the east of the DRC.

1. Reactions after the declaration of the presidential results by Ceni

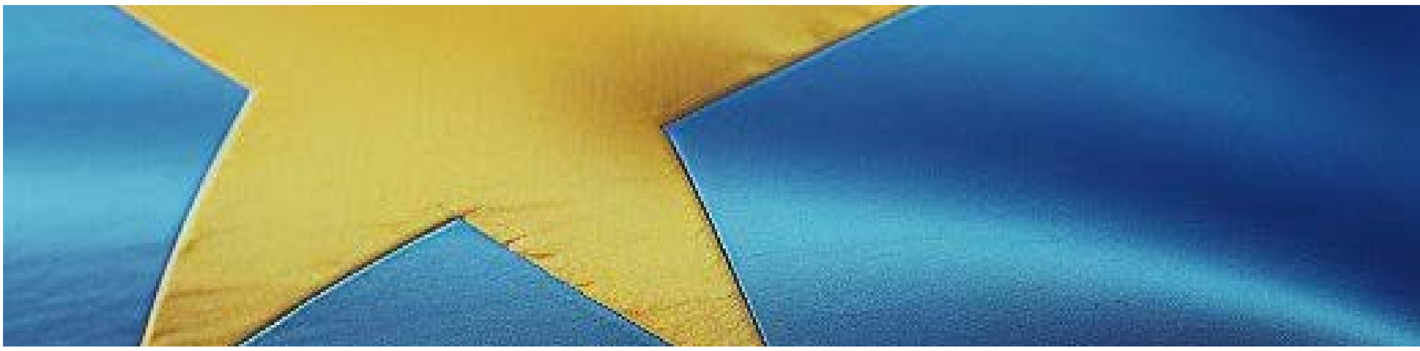
The validation of the mandates of national MPs by the National Assembly has been simplified to save time. At the plenary session on 2 February, 26 committees were set up. According to Christophe Mboso, chairman of the provisional bureau, the task of these committees is to check that the files of each elected member comply with the conditions of eligibility for the national deputation, to draft the respective reports, and to submit them to the bureau d'âge before discussion at the plenary session. They had 5 days, from Monday 05 to Friday 09 February 2024, to submit the various reports. On 12 February, the national deputies adopted the reports of these special committees on the validation of the credentials of provisionally elected representatives, pending the final ruling of the Constitutional Court. The files of those elected to the legislative elections of 20 December 2023 were examined. According to Christophe Mboso, chairman of the provisional bureau, the absence of documents in certain files could not be attributed to the elected representatives. The Ensemble pour la République party, led by Moïse Katumbi, has authorised its deputies to sit in the National Assembly, while opposing any constitutional revision.

1.a. Prohibition on holding more than one office

During the examination of the report on the verification of the credentials of elected representatives, the president of the provisional bureau, Christophe Mboso, applied the ruling of the Constitutional Court prohibiting ministers and other civil servants from holding more than one office. Those concerned have 8 days to choose between the executive and legislative branches. Christophe Mboso N'kodia, President of the National Assembly, stated during the plenary session to validate the powers of national deputies that the Assembly would not validate a minister who remained in office within the central government, stressing that it was not possible to be a deputy and a minister at the same time. He also asked certain members of the government present and elected to withdraw from the list of people to be validated at this plenary.

1.b. The fate of 81 candidates invalidated by Ceni

On Thursday 8 February, the Constitutional Court rejected the petitions of the national deputy candidates whose votes had been cancelled by the Independent National Electoral Commission (CENI) on the grounds of electoral fraud. This decision paves the way for legal proceedings against those concerned. 81



parliamentary candidates, accused in particular of acts of fraud, intimidation, corruption and vandalism during the 20 December elections, had their votes cancelled by CENI. Despite appeals to the Council of State and then to the Constitutional Court, they were unsuccessful. These candidates, now considered electoral fraudsters, risk arrest and imprisonment. A lawyer at the Kinshasa/Gombe bar points out that the governors and ministers concerned should cease to hold office, as the Constitutional Court's decision means that they no longer enjoy the presumption of innocence. In response, the former member of the Front commun pour le Congo (FCC), Evariste Boshab, called for a culture of peace and unity, inviting his constituents in the Mweka territory, the executives and members of the Alliance pour les actions citoyennes (AAC) political party, of which he is the moral authority, and patriots who love peace and justice, to remain calm despite the Constitutional Court's decision. He believes that divine justice intervenes where human justice stops.

1.c. Legislative disputes

The Constitutional Court, which met on Monday 12 February 2024 to deal with challenges to the results of the national legislative elections in the DRC, had planned to hand down its rulings on the 81 petitions filed before 23 March 2024. The President of the High Court, Dieudonné Kamuleta, announced that the debates were closed and that the judgments would be handed down before the said date. The Attorney General recommended that the Court declare itself competent and classify certain applications as admissible but unfounded, and others as inadmissible. Previously, the Court had dismissed 35 out of 68 cases and declared 24 others unfounded at the same hearing. In an earlier decision dated 8 February 2024, the Court ordered government members elected as national deputies to resign within eight days or lose their elective office, thus confirming the incompatibility between the two offices under article 110 of the Constitution. Prime Minister Sama Lukonde submitted his letter of resignation on 20 February, opting for a seat in the National Assembly. President Félix Tshisekedi then asked the resigning government to manage current affairs pending the formation of the new government, in accordance with the ordinance of 7 January 2022 on the organisation and functioning of the government. In response, the Prime Minister indicated that he and the members of his government would suspend their parliamentary mandates to avoid any incompatibility of functions. Shortly after authorising the resigning government to manage current affairs, President Tshisekedi also imposed restrictions on the national executive.

According to a press release signed by his chief of staff, Félix Tshisekedi has imposed the following restrictions: 1. suspension, until further notice, of recruitment, appointments, promotions and staff movements at all levels; 2. suspension, until further notice, of commitments, liquidations and payments of all public expenditure other than those relating to staff costs; 3. Suspension of service missions outside the country for all members of the government and the staff of their cabinets, except for travel on certain specific matters subject to prior authorisation; 4. A ban on the sale, transfer or disposal of State assets other than those already undertaken. Exceptional cases requiring a waiver will be subject to prior authorisation

by the Head of State. This decision has drawn criticism, with some claiming that it violates the constitution following the Constitutional Court's refusal to allow the holding of multiple offices. The spokesman for Ensemble pour la République described Félix Tshisekedi's decision as a legal aberration, calling for it to be reversed to avoid discrediting the country. In response, the President defended his decision, stating that he was acting in the interests of the people and the stability of the country. The Prime Minister, Jean-Michel Sama Lukonde, thanked the President for the renewed confidence, instructing his government to expedite current affairs pending the formation of the new government resulting from the December 2023 elections.

2. Identifying the parliamentary majority

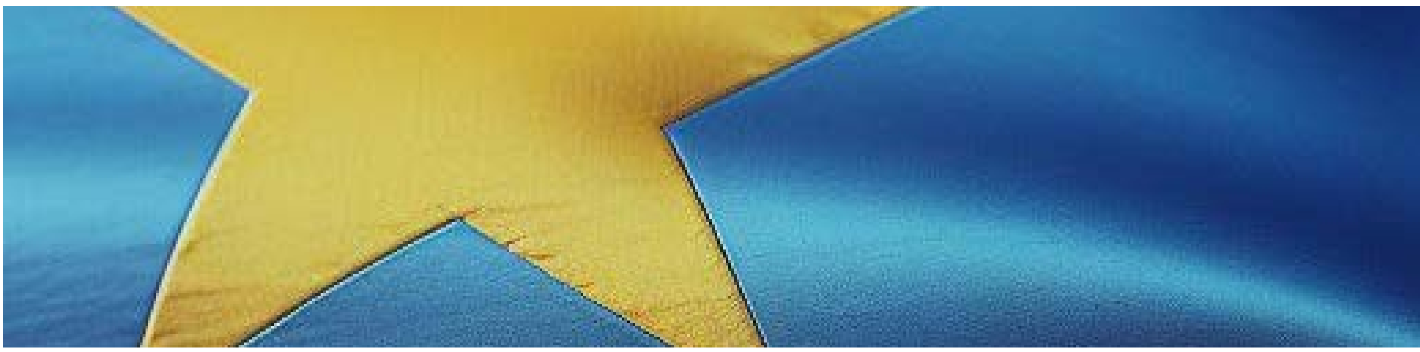
2.a. Appointment of the informant

To identify the parliamentary majority, President Félix Tshisekedi appointed Augustin Kabuya, Secretary General of the Udps, as an informant on Wednesday 7 February 2024, to identify a majority coalition in the National Assembly with a view to forming a government, in accordance with Article 78 of the Constitution. Augustin Kabuya presented his work programme on Thursday 15 February 2024 at a press briefing in Kinshasa. His briefing mission will last one month, renewable once, and will involve contacting the various political forces represented in the National Assembly. He also plans to organise a panel of experts to assist him in his work. Some analysts believe that this appointment shows that Félix Tshisekedi still favours his party, the UDPS, to the detriment of the Sacred Union of the Nation, despite his promises of change in his inaugural speech.

2.b. Consultations proper

On Saturday 17 February, the designated informant, Augustin Kabuya, MP-elect, received delegations from the LGD political parties and groupings, led by former Prime Minister Matata Ponyo Mapon, in his office at the Hilton Hotel; AFDC-A, led by Modeste Bahati Lukwebo; Alliance et l'Action pour l'état de droit (AAU), to which Lambert Mende belongs; UDPS/KIBASA-A, led by Augustin Kibasa; ACP-A, led by Gentiny Ngobila; and AACPG, led by Son Pius Muabilu, among others. After these exchanges with the informant, all the political leaders consulted confirmed their membership of the presidential majority and declared their support for the vision of the Head of State, Félix Tshisekedi, with the exception of the LGD, which did not make a statement to this effect.

The AFDC grouping and its allies have presented a list of 36 national MPs and 76 provincial MPs who are joining the parliamentary majority supporting the President, said Modeste Bahati, the elected national MP. Lambert Mende and Gentiny Ngobila also confirmed their membership of this parliamentary majority and their support for the Head of State's plans.



During the third day of consultations conducted by the informant appointed by the Chairman, several groupings signed a deed of commitment formalising their membership of the parliamentary majority. Germain Kambinga, president of the political grouping "Le Centre", underlined the cordiality of the exchanges with the informant and the signing of the deed of commitment. Abdon Etina, president of the political grouping "Alliance des paysans, des ouvriers et de la classe moyenne pour un développement durable" (APOCM), announced that their grouping of 25 elected representatives would support the President unconditionally. In response to the informant's invitation, Laurent Ngila Moke, MP for Bagata, explained that their participation in the parliamentary majority was normal after the elections, stressing the importance of consultations to determine the majority camp and form a parliamentary majority.

On the same day, other personalities presented themselves to the informant appointed by the Head of State, including national MPs José Mpanda, Geneviève Inagosi and Fifi Masuka, who did not wish to speak to the press. The informant also received groups led by national MPs Chadrack Bayitshura, Carole Agito, She Okitundu, Julien Paluku and Gode Mpoyi.

Sama Lukonde's political group AB was also received by the informant. Sama Lukonde, accompanied by a large delegation from his political grouping Agissons et Bâtissons (AB), reaffirmed his support for President Félix Tshisekedi and for the informer's approach. He expressed their commitment to the Sacred Union and their participation in the parliamentary majority in support of the President's work.

The whistleblower Augustin Kabuya also held talks with the leaders of the Alliance-Bloc 50 (A/B50) and Action des alliés de la convention et Parti lumumbiste unifié (AAC/Palu) political groupings. Following these discussions, the president of the A/B50 grouping, Julien Paluku Kahongya, confirmed his group's participation in the new parliamentary majority, praising the speed of the consultations conducted by the informant. Willy Makiashi of the AAC/PALU grouping said that the whistleblower had undertaken to complete his mission ahead of schedule.

2.c. The preliminary report

On Monday 26 February 2024, the whistleblower Augustin Kabuya submitted the preliminary report of his mission to identify the majority coalition in Parliament to the President of the Republic, Félix Tshisekedi. At the end of the hearing, the national MP for Mont-Amba declared that the objective had been achieved, stressing that it was the first time in the country's history that a regime had achieved this figure. However, the Presidency announced that Félix Tshisekedi had decided to extend the mission of the whistleblower in order to complete the report with certain structural elements facilitating the conclusion of a government agreement between the members of the majority coalition, covering the composition of the government and the programmatic objectives set.

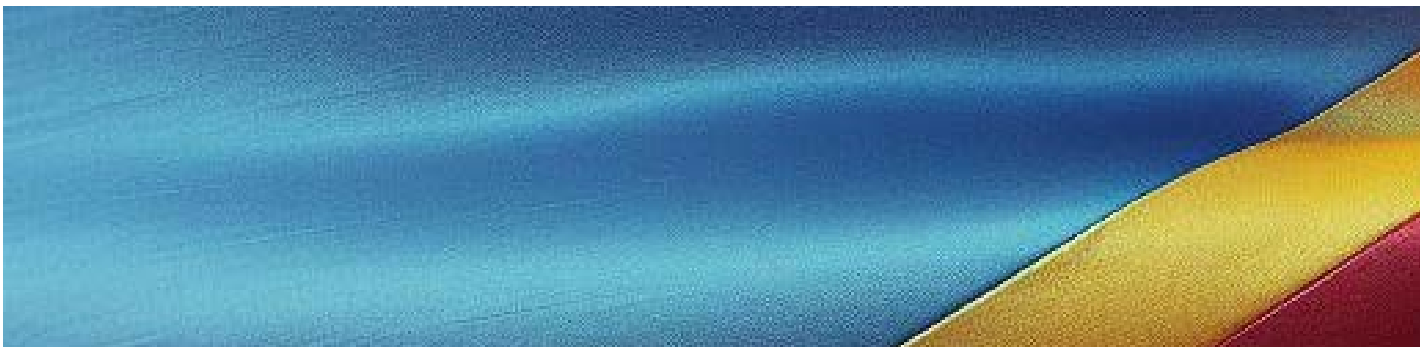
The whistleblower, Augustin Kabuya, had his mandate renewed by the President of the Republic, Félix Tshisekedi, after submitting his preliminary report on Monday 26 February 2024. As a result, A. Kabuya is delighted to have achieved a titanic task, stressing in particular that the majority has been reached. Without revealing the extent of the parliamentary majority, the informant indicated that this is the first time that a regime has reached these figures. “The Head of State has read my report. He has seen what I have achieved. In it, we also talk about the number of MPs we have identified who are available for his cause. That’s what’s important! This is the first time in the history of this country that a regime has been able to achieve this figure”, said Augustin Kabuya. He continued: “The Chief has asked me to continue with my mission. He is the guarantor of the proper functioning of the institutions. He found that what I was doing was correct, especially in terms of timing”. In his mission to identify the parliamentary majority with a view to forming a new government, Augustin Kabuya still has 30 days to consult and identify the various political platforms and groupings.

2.d. When’s the new government !

A new government in the Democratic Republic of Congo is still being put in place, more than a month after the legislative elections in December 2023. At a time when the country is facing a number of challenges, the current government is dealing with current affairs, but there is no rush to speed up the process. President Tshisekedi, determined to fulfil his campaign commitments, should make good use of the time to address the country’s urgent needs, particularly in terms of employment, security and access to basic services. After 20 days as an informant tasked with identifying the parliamentary majority, Augustin Kabuya submitted his report to the Head of State. The Head of State decided to extend the informant’s mission in order to facilitate the conclusion of a government agreement between the members of the majority coalition. In the meantime, current affairs are being managed by the interim government, pending the advent of a new government with full powers to conduct national policy.

3. Insecurity in the east of the DRC

The security situation in the east of the DRC remains alarming, with persistent clashes between the FARDC and the M23 rebels, particularly on the outskirts of the town of Sake, near the city of Goma. Against this backdrop, the UN Secretary-General’s Special Representative in the DRC and head of Monusco, Bintou Keita, reaffirmed on Tuesday 30 January 2024 the United Nations’ commitment to supporting the Democratic Republic of Congo. The emphasis is on efforts to restore peace and stability in the east of the country, which has been the scene of conflicts involving armed groups for three decades. In this context, Monusco’s strategic priorities in the DRC include protecting civilians in the areas where it is deployed, supporting the stabilisation and strengthening of state institutions, and supporting major governance and security reforms.



3.a. The position of the international community

Monusco, whose mandate has been extended until 20 December 2024 by the Security Council, is authorised to provide assistance to the Congolese government in collaboration with local and international partners. This includes support for the Nairobi process led by the East African Community, the implementation of the Luanda Agreement, and the implementation of the Disarmament, Demobilisation, Community Rehabilitation and Stabilisation Programme. The aim is to disarm, demobilise and reintegrate combatants into civilian life, provided they are not accused of serious crimes. The head of Monusco points to the risk of a regional escalation of the conflict if diplomatic efforts to ease tensions fail.

UN Secretary General António Guterres has called on regional leaders to give priority to dialogue to resolve the security crisis in the east of the DRC. The European Union plans to put in place a logistical mechanism to support the Nairobi process, while the United States has firmly called for an end to Rwandan military operations in the DRC.

Following several UN reports confirming Rwandan aggression against the DRC, the Biden administration finally expressed its position, demanding that Rwanda respect the sovereignty and territorial integrity of the DRC. US Secretary of State Antony Blinken condemned Rwanda's support for the M23 armed group and called for an immediate withdrawal of Rwandan troops and their surface-to-air missile systems from eastern DRC.

In a statement, the M23 rebels declared that they were ready to withdraw from their advanced positions in the east of the DRC, provided that a monitored ceasefire and a credible verification mechanism were put in place, in response to pressure from the United States.

France condemned the M23 offensives supported by Rwanda and called on the rebels to stop fighting immediately. It also urged Rwanda to cease all support for the M23 and to withdraw from Congolese territory. Belgium stressed the importance of security sector reform for lasting peace in the DRC and promised to continue supporting Kinshasa in this process, particularly during its presidency of the European Union. At a meeting of the United Nations Security Council, Russia expressed its concern at the deteriorating security situation in the east of the DRC and called for the reopening of supply routes to the town of Goma and the disarmament of illegal armed groups. The President of Belgium's Labour Party criticised the silence of Belgium and Western governments in the face of the massacres in the east of the DRC, comparing the situation to the inaction in the face of the Russian invasion of Ukraine. The Congolese Foreign Minister called for a sincere diagnosis to restore peace in the east of the country, stressing the importance of dialogue and initiatives such as the Nairobi process and the Luanda roadmap. Rwanda has rejected calls from the United States for its troops to be withdrawn from eastern DRC, saying the US position contradicted previous confidence-building efforts.

3.b. Reactions from political and non-political players and national institutions

Following the attack in Goma by the M23 coalition and the Rwanda Defence Forces (RDF), the Minister of Industry and former Governor of North Kivu, Julien Paluku, expressed the need for the government to improve the security situation. Meanwhile, Congolese journalist Kwebe Kimpele warned of the risks of balkanisation of the DRC, predicting the current events at the time of the December 2023 elections.

PPRD spokesman Aristote Ngarime described Félix Tshisekedi's declaration of war on Rwanda as an empty and populist slogan, stressing that the priority was to ensure peace and internal security.

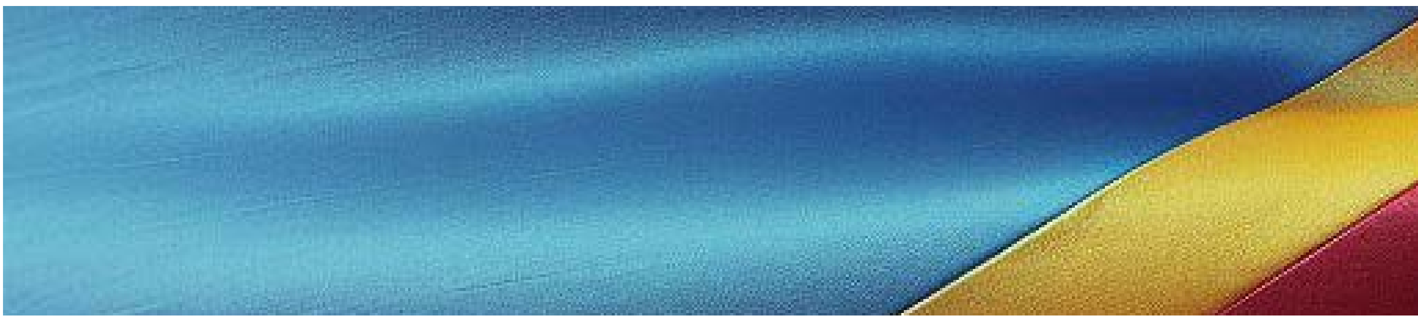
The Congolese government, through its spokesman Patrick Muyaya, has underlined its commitment to the Luanda roadmap for resolving the crisis in the east of the DRC, pointing out that the constitutional conditions for declaring war have not yet been met. Senator Francine Muyumba called for the unity of the Congolese people in the face of the critical security situation in the east of the country. In addition, young people demonstrated outside Western embassies to call for stronger international intervention to put an end to the violence in the east of the DRC. At a conference in Kinshasa, Freddy Mulumba criticised Paul Kagame's role in Africa, describing him as a "modern-day slave trader". Martin Fayulu Madidi called on the African Union to condemn Rwanda and Uganda for their role in destabilising the DRC at the AU summit in Addis Ababa.

Enfin, l'ancien porte-parole du MLC Jean-Jacques Mamba a rejoint l'AFC de Corneille Nangaa, suscitant des désapprobations au sein de son parti, le MLC de Jean-Pierre Bemba. L'Union Sacrée de la nation a appelé à des sanctions sévères contre ceux qui rejoignent la coalition terroriste M23 parrainée par Paul Kagame.

3.c. The outcome of the extraordinary mini-summit convened by the AU mediator

The President of Angola, the African Union's mediator in the crisis between the DRC and Rwanda, convened an extraordinary mini-summit in Addis Ababa, Ethiopia, on the evening of Friday 16 February to discuss the peace and security situation in the east of the DRC. The aim was to obtain a ceasefire between the DRC and the M23 and to attempt a direct dialogue between the Heads of State of Rwanda and the DRC, as the situation is deteriorating.

During the closed session of the mini-summit, President Félix Tshisekedi underlined Rwanda's involvement in the insecurity and plundering of wealth in eastern Congo. He said that before talking about peace, Rwanda's lies and manipulations must be deconstructed in order to re-establish the truth. Félix Tshisekedi also affirmed that this war was a strategy to plunder the country and satisfy Rwanda and its accomplices.



Rwandan President Paul Kagame, who attended the mini-summit, presented himself as the defender of Congolese Rwandophones and Tutsis, calling for dialogue with Kinshasa to establish lasting peace.

Meanwhile, Presidents Cyril Ramaphosa of South Africa, Évariste Ndayishimiye of Burundi and Félix-Antoine Tshisekedi of the DRC held a tripartite meeting in Addis Ababa on Sunday 18 February on the deployment of SADC troops in the east of the DRC, on the sidelines of the ordinary summit of Heads of State and Government. The SADC troop-contributing countries remain determined to carry out their mandate in the east of the DRC.

3.d. Military agreement signed between Rwanda and Poland

Tensions are mounting between the DRC and Rwanda over security in the east of the DRC, as Poland has just signed a military agreement with Rwanda. The Minister of Foreign Affairs, Christophe Lutundula, protested against the agreement, denouncing Poland's alliance with an aggressor country. In addition, the European Union has signed an agreement with Rwanda on strategic minerals, which has also drawn criticism. Nobel Peace Prize winner Denis Mukwege and Cardinal Fridolin Ambongo strongly condemned these agreements, denouncing them as international complicity in the aggression against the DRC. In response to the criticism, the European Union sent four special envoys to Kinshasa to review relations with the DRC. The visit comes in the wake of protests by the people of the Democratic Republic of Congo against the international community's silence in the face of Rwanda's aggression, under the guise of the M23, and is part of a review of DRC-EU relations, a diplomat told the ACP.

Box 3: Survey of average journey times between home and work in Kinshasa.

1. Introduction

The average journey time between home and work is the time it takes to make the return journey each day. The impact of this time on well-being is significant, and depends not only on the duration of the journey, but also on the quality of the experience. Elements such as road congestion, as well as other variables beyond the driver's control such as accidents, poor driver behaviour on the road, unpaved roads and potholes all contribute to defining the quality of the home-work journey.

Allen et al (2022) indicate that a long commute increases the risk of health problems and compromises the ability to maintain a work-life balance. The length of the commute is thus a key factor influencing both job quality and well-being.

In 1994, the Italian physicist Cesare Marchetti, in his article (Marchetti, 1994), identified a rule of human behaviour according to which the average travel time for a person between home and work is approximately one hour for a round trip, or 30 minutes for a one-way trip. This observed rule is known as the Marchetti constant. It should be noted that in 1979, in his article (Zahavi 1979) , the Israeli engineer Y. Zahavi stipulated two hypotheses in his model of representations and forecasts of people's mobility in urban areas. One of these hypotheses was, of course, the stability of the individual daily transport time budget at around one hour.

Recent studies by Turcotte (2010), Heineke et al (2023) and Moriarty and Honnery (2008) show that the USA has an average journey time of 27.6 minutes, Canada 26.2 minutes, the UK 29.5 minutes and France around 32 minutes. Marchetti's constant explains how old and new cities have developed over time and each time modes of transport have evolved (bicycle, bus, train, boat, plane, etc.) with faster speeds to transport people to work, cities have tended to expand outwards without exceeding a one-hour round trip per day.

2. Issues

Kinshasa is a large city with more than 13,916 million inhabitants, according to the DRC 2020 statistical yearbook from the Institut National de la Statistique. It has 4 districts (Lukunga, Funa, Mont-amba and Tshangu) and 24 communes. The problem of the average length (or time) of the journey between home and work poses a major problem in the city, given several aspects linked to infrastructure, types of mobility and other factors. The aim of our study is to assess the extent to which the approximation methods for calculating the average journey time between home and work are applicable to the city of Kinshasa. Is the average commuting time for the city of Kinshasa large, or does it approximate Marchetti's constant? And what are the suggestions in terms of economic policy?

3. Survey

The research and consultancy firm Congo Challenges has launched an online survey on the average travel time between home and work for people in the city of Kinshasa. The questionnaires included 8 key questions relating to gender, age, sector of activity, place of residence (Commune and neighbourhood), place of work (Commune), average travel time between home and work and reasons for an average journey time in excess of 30 minutes.

3.1. Descriptive statistics

• Demographic characteristics

We present the results for the demographic variables and some key graphs from the survey.


N2
Odziba
Nkouo
Mingali
Bombala
N1
Mikala
Kinshasa
N17
Bita
Kasangulu
Kafulu-Lundala
N1
Kikamba
Kivuka
Kisantu
N16
gungu
Boko
Boenge
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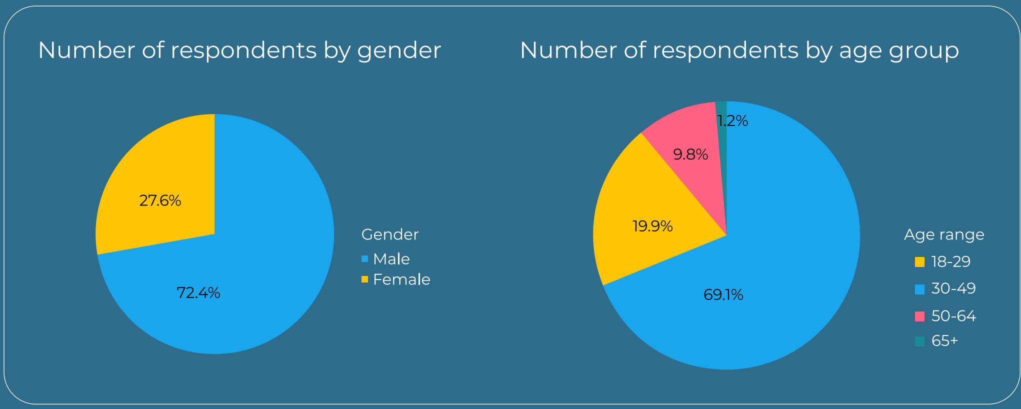
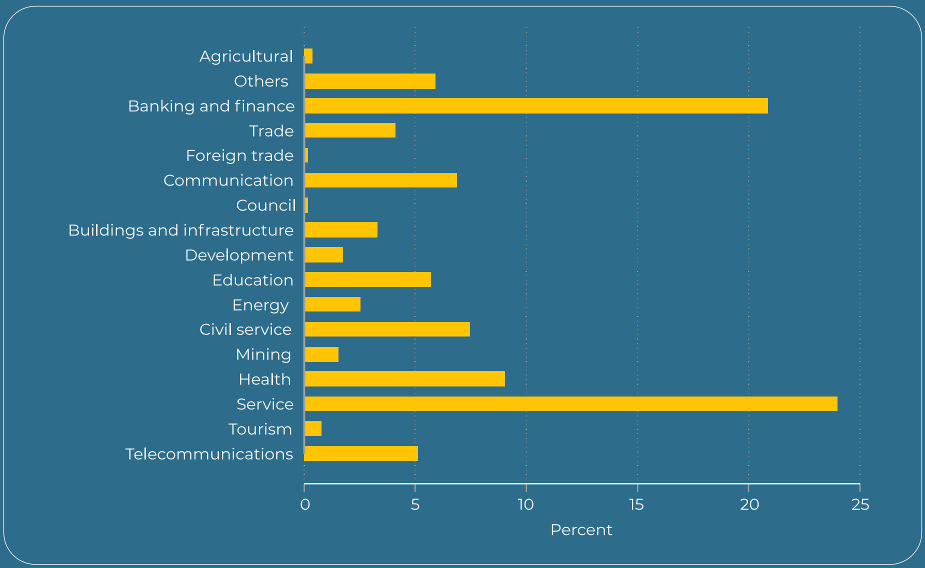
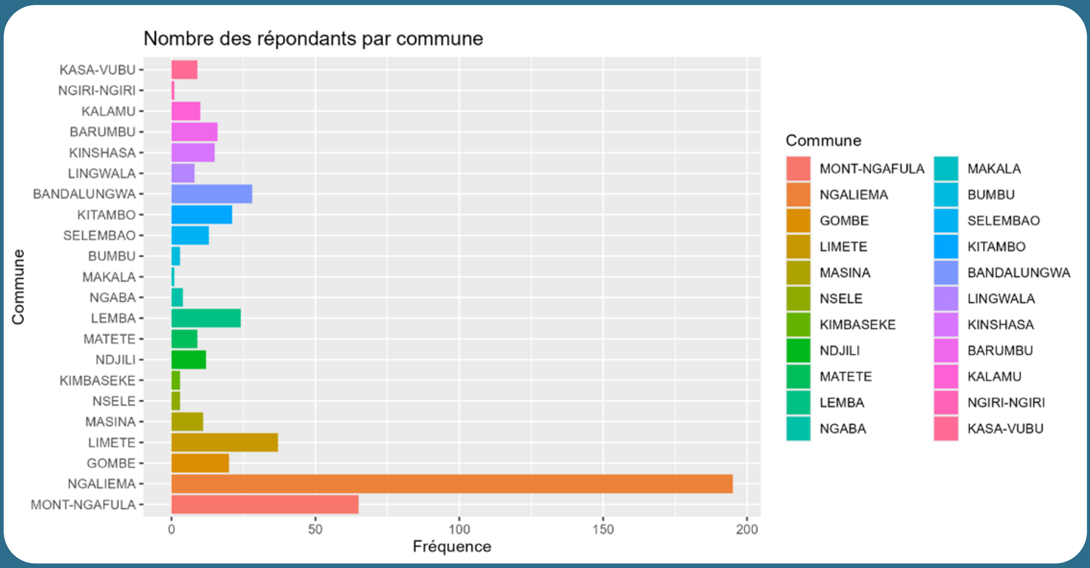
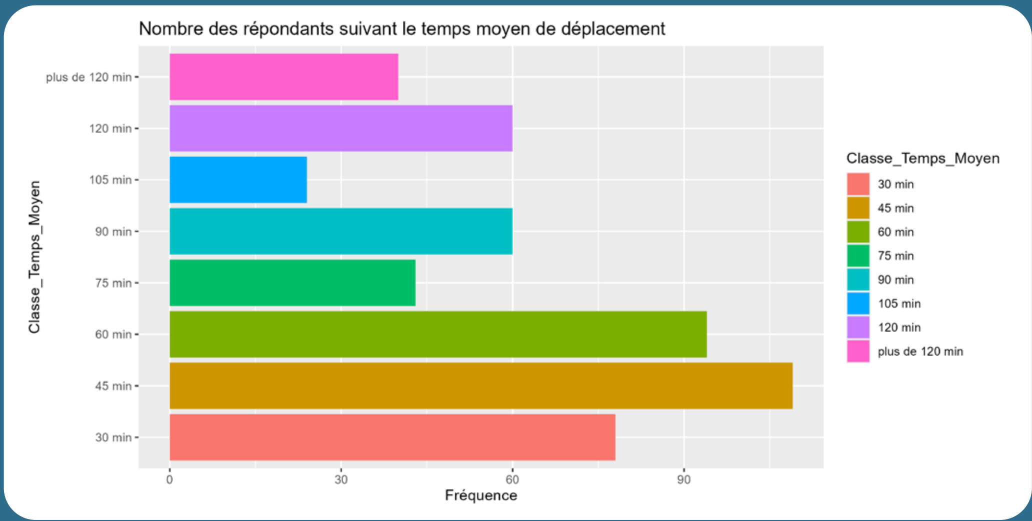
Maquela
do Zombo



• **Sector of activity**







The results of the survey indicate that 72.4% of men completed the questionnaire, compared with 27.6% of women. Of our respondents, 355 were in the [30-49] age bracket, representing 69.1% of the sample, compared with the rest of the age categories. A large proportion of respondents came from the commune of Ngaliema, representing 38.4% of the sample. The majority of respondents work in the commune of Gombe, accounting for 63.6% of the sample.

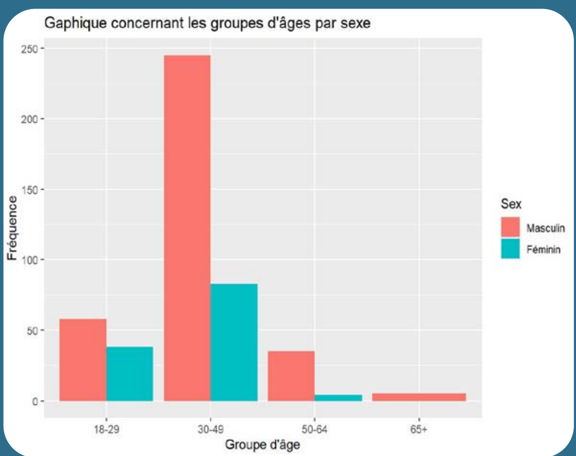
4. Analysis methods and results

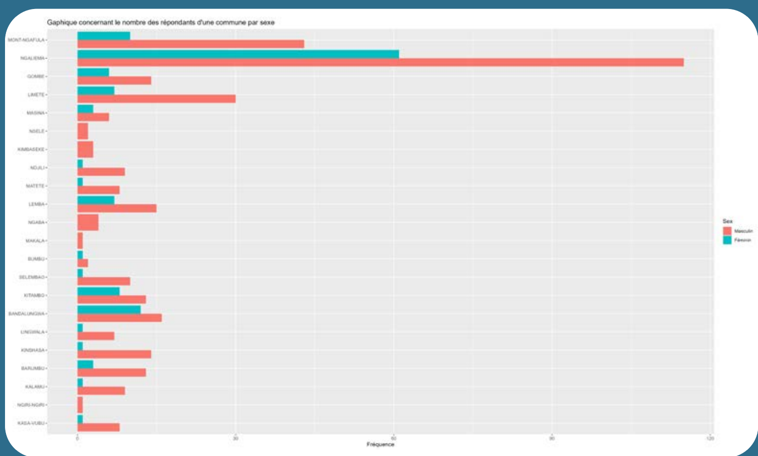
In this section, we present some descriptive statistics for the main trends and general characteristics. We then calculate the travel time between home and work for the city of Kinshasa and compare it with Marchetti's constant. Finally, we evaluate other methods for calculating average travel time.

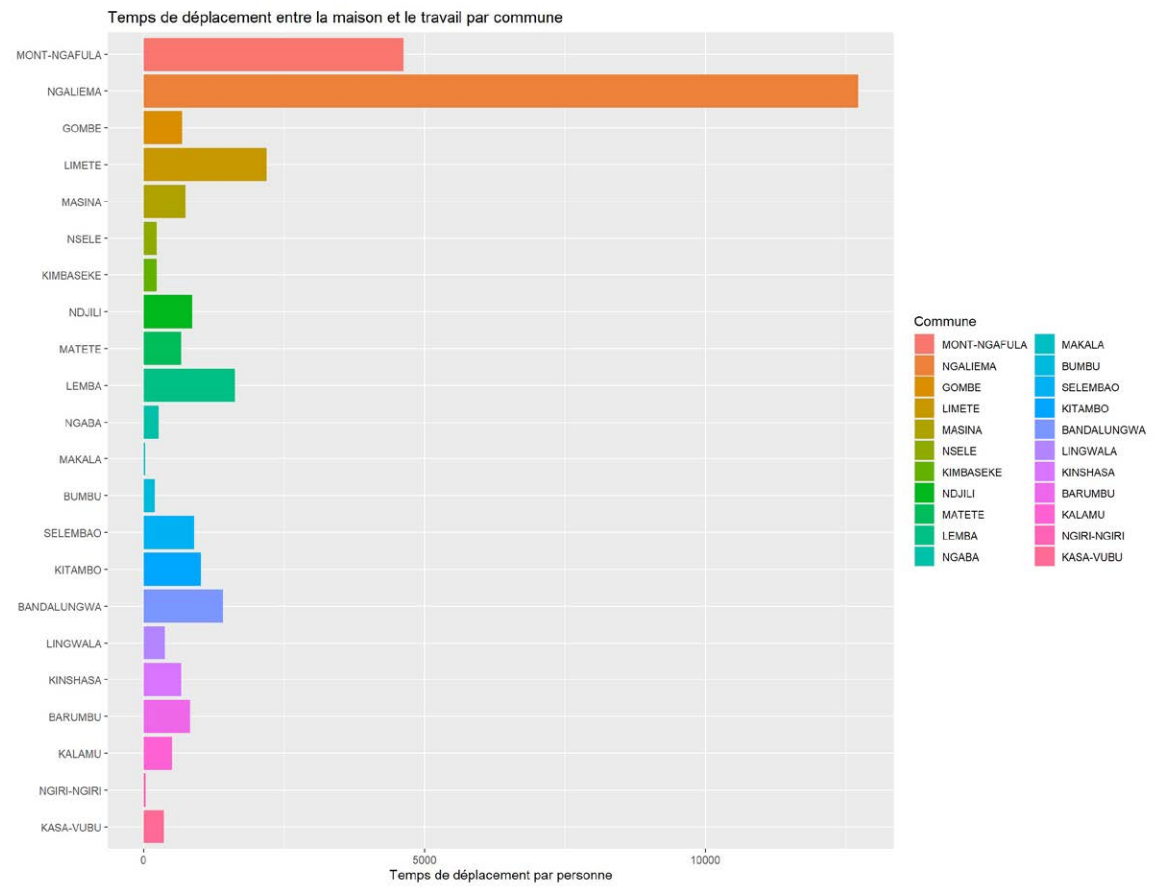
4.1. Résultats préliminaires

The survey results show that most respondents, both men and women, are in the 30-49 age bracket. They also show that the majority of female respondents live in the communes of Ngaliema, Mont-Ngafula, Bandalungwa, Kintambo, Lemba, Limete, Barumbu, Selembao, Ndjili and Gombe, respectively. With regard to the average daily time spent by respondents travelling between home and work, the survey results indicate that residents of Ngaliema, Mont-Ngafula, Limete and Lemba spend on average more time travelling to their respective workplaces.

These elements of analysis suggest that certain communes of Kinshasa, such as Ngaliema, Mont-Ngafula, Limete, Lemba, Masina, Ndjili, Matete, Selembao, Kitambo, Bandalungwa and Bumbu, face problems of longer commuting times for residents. This may be due to various factors, such as the distance between these communes and the main areas of economic activity, road congestion or the lack of efficient transport options.







We will be looking at respondents whose activities are located in the commune of Gombe, since the majority of survey respondents have their activities in this commune.

323 of the 508 respondents have their activities in the commune of Gombe, which represents approximately 64% of the sample. Here are the descriptive statistics concerning the average travel time of respondents whose activities are in the commune of Gombe.

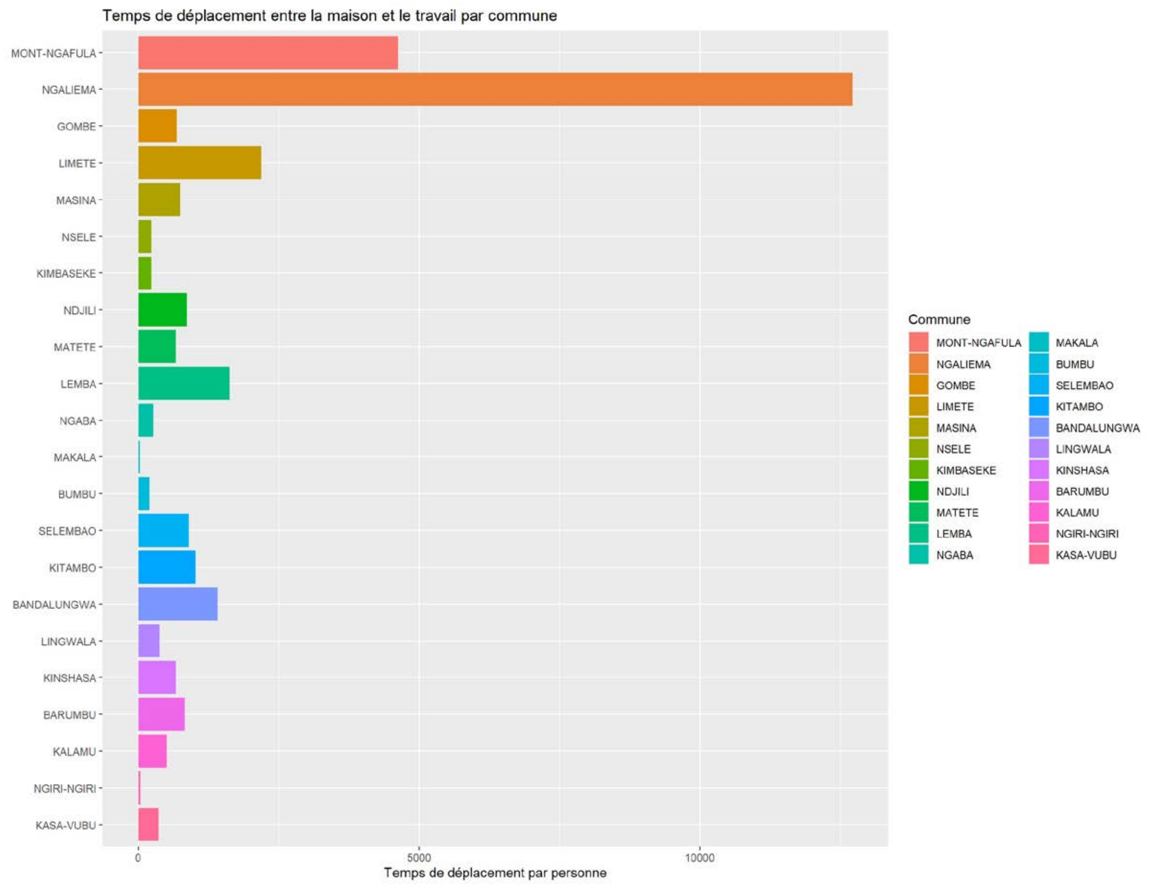
4.2. Descriptive statistics on average time

The statistics below concern the average travel time between home and work for activities located in the commune of the Gombe.

Number of respondents	Average	Median	Standard deviation	Minimum	Maximum
323	68.86824	60	29.48116	30	120

4.3. Graph of average journey times

The figure below shows that residents of the communes of Ngaliema, Mont-Ngafula, Limete and Lemba spend on average more time travelling to their respective places of work in Gombe.



5. Calculating average journey times

Calculating average journey times and other statistics	
	Overall (N=508)
Average_Time	
Mean (SD)	66.7 (29.3)
Median [Min, Max]	60.0 [30.0, 120]
Missing	40 (7.9%)

We find that the average travel time between home and work for the city of Kinshasa is almost double the Marchetti constant. This means that people spend an average of 1.1 hours travelling to work instead of 30 minutes. The median value for travel time is one hour, and the dispersion of the data around the average travel time is 0.43 hours. These results show us that there is still a lot to be done in the field of transport to improve the average journey time between home and work, even if the sample is small and not very representative.

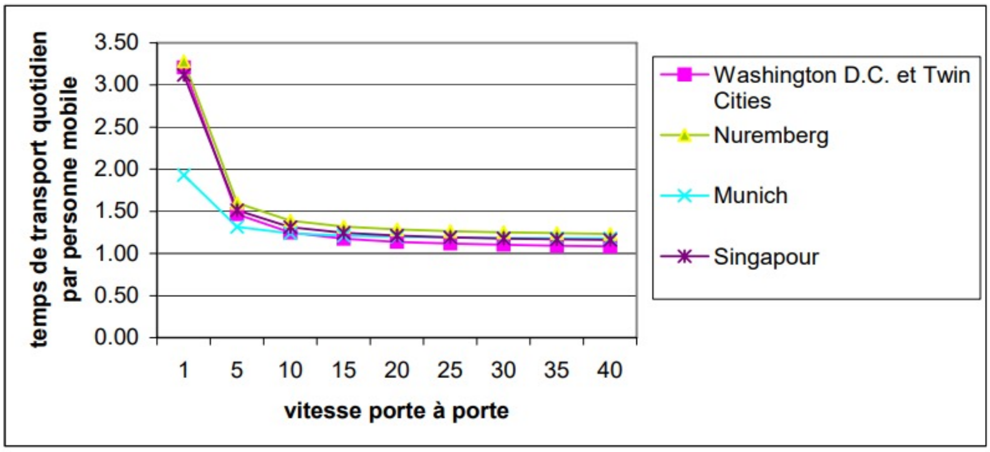
6. Schafer and Victor approximation (Schafer and Victor 2000)

The Schafer and Victor approximation is a method used to estimate the average travel time between home and work. It seeks to model journeys by taking into account the socio-economic characteristics and modal choice variables (Car, Bus, Train, etc.) of individuals.

Referring to Zahavi's hypotheses ((Zahavi and Talvitie 1980), (Zahavi 1979)), Schafer and Victor have shown using historical data for all the main motorised modes of travel (Car, Bus, Train and Plane) from different countries around the world (USA, Canada, Germany, Norway, Switzerland, UK, Japan, etc.) between 1960-1990 that a person spends a constant proportion of their travel time on average and as total mobility increases, the person switches to faster modes to stay within travel time budgets.) between 1960-1990 that a person spends a constant proportion of their travel time on average and as total mobility increases, the person switches to faster modes to stay within the fixed travel time budgets of 1.1 hours per day.

They have also shown that travel behaviour is also influenced by infrastructure dependency, land use constraints and the development of specific markets for high-speed transport.

Figure 18 ›› Transport time per mobile person and door-to-door speed (Zahavi 1979).



7. Recommandations

As we can see, Marchetti's constant is a function of the efficiency (or speed) of the means of transport available and the radius of the city. We can therefore express mathematically (for purely entertaining and illustrative purposes) the principle underlying Marchetti's constant (kM), as a function of (f) the radius of the city, or the distance that people have to travel from their home to the centre of work (r), and the speed of travel that the means of transport available to them allow (v): kM = f (r/v). To increase this travel speed and the efficiency of the city's radius, the following recommendations can be considered:

- ***Improving transport infrastructure:*** Given that the average travel time is considerably higher than the Marchetti constant, it is important to invest in improving transport infrastructure. This can include widening roads, building new lanes, improving public transport, etc., to reduce congestion and optimise travel. Particular attention should be paid to the communes of Ngaliema, Mont-Ngafula Bandalungwa, Kintambo, Lemba, Sélembao, Limete, Ndjili, Masina and Bumbu. Thus, as Marchetti's constant explains the natural way in which urban planning and cities develop, if the efficiency of the transport infrastructure is improved, some people will prefer to stay in the suburbs of the city of Kinshasa thanks to the improved speed of travel from their homes to La Gombe.

• ***Promote public transport :*** Given the high average travel time, it is essential to promote efficient and reliable public transport. This can include extending and improving bus networks, introducing suburban train lines, etc. These measures can encourage people to opt for public transport, which could reduce road congestion and improve overall travel time.

• ***Integrated urban planning :*** Integrated urban planning can play a crucial role in reducing average journey times. Transport needs must be taken into account when designing new neighbourhoods and infrastructure. An integrated approach that promotes proximity between places of residence and work can help to reduce overall travel time.

• ***Develop business parks :*** The distance between home and work can be a factor contributing to high average commuting times. By developing business parks in residential areas or close to residential neighbourhoods, travel distances can be reduced, thereby cutting average commuting times. The communes of Ngaliema and Mont-Ngafula are of particular interest.

8. Conclusion

Our study focused on assessing the average travel time in the city of Kinshasa. We found that the average travel time between home and work was long compared with the Marchetti constant. A specific assessment was presented for people whose activities are in the commune of Gombe. Although we presented other approximations for calculating average commuting time, we did not use them in our survey because of the lack of certain relevant variables in the questionnaire.

9. Challenge and discussion

We had difficulty with the representativeness of the sample; certainly for much more in-depth studies we could increase the sample size and define an appropriate probabilistic method for selecting individuals.

Some variables (types of mobility used, speed, distance, costs, etc.) that are important for calculating average travel time according to the different approximations discussed were not included in the questionnaire, which is why we did not evaluate them. This opens a new door for future research in which we will be able to integrate these relevant variables in order to evaluate the average travel time for the city of Kinshasa.

The work of Zahavi, Schafer and Victor did not evaluate the transport time budget for African cities. We were unable to find any studies in the literature on the specific case of Africa. This proves the immensity of what remains to be done in the future.

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III. Political and economic perspectives

On the political front

The political outlook for February 2024 is as follows:

1. Fragmentation and power struggles:

- The battle for ministerial posts and political influence risks taking precedence over the national agenda.
- The cohesion and effectiveness of government action could be affected.

2. Opportunities for national dialogue :

- The current situation may provide an opportunity to open an inclusive national dialogue on the necessary political and institutional reforms.
- The participation of the opposition and civil society in this dialogue is essential to guarantee its credibility and success.
- A national dialogue can lead to a consensus on national priorities and a political pact for the country's stability and development.

3. The importance of pragmatic, unifying leadership :

- The choice of Prime Minister and the composition of the new government will be key moments for the future of the USN and the DRC.
- The prime minister will have to be someone capable of bringing the coalition together, coordinating government action and responding to the aspirations of the Congolese people.
- Pragmatic, unifying leadership is crucial if we are to meet the country's challenges and ensure the success of President Tshisekedi's second term in office.

4. The need to reorient political debate:

- It is important to overcome personal rivalries and refocus the political debate on the key issues affecting the Congolese people.
- The fight against poverty, the improvement of living conditions, security and justice must be the priorities of the government and the political class as a whole.
- Citizen participation and the mobilisation of civil society are essential if we are to demand concrete action and tangible results from our leaders.

In conclusion, the political situation in the DRC is at a turning point. The prospects for the future will depend on the ability of the political players to overcome their differences and put the national interest first. Pragmatic and unifying leadership, an inclusive national dialogue and a reorientation of the political debate towards the country's real challenges are the key elements for a stable, prosperous and democratic DRC.

On the economic front

The DRC is facing major economic and political challenges, which makes assessing the economic outlook for early 2024 a complex task. Several hypotheses or scenarios are possible, depending on the evolution of the political situation, economic stability and the reforms implemented. Here is an overview of the different prospects that could shape the Congolese economy in early 2024:

Scenario of greater political and economic stability :

In this scenario, the DRC manages to maintain a degree of political stability, which favours an environment conducive to business and investment. The economic reforms undertaken by the government, supported by international partners such as the International Monetary Fund (IMF), are bearing fruit. This is reflected in controlled inflation, a stable exchange rate and improved public finances. Investment in key sectors, such as natural resources, agriculture and infrastructure, is stimulating economic growth. This scenario is highly implausible.

Scenario of persistent political tensions and economic instability :

If political tensions and tribal conflicts continue to escalate, the economic situation in the DRC could deteriorate further. Persistent insecurity in the east of the country could hamper economic activities, particularly mining and agriculture. This could lead to lower government revenues, higher inflation and continued depreciation of the national currency. Foreign investment could be discouraged, which would have a negative impact on economic growth.

Accelerated economic reform scenario :

Faced with economic challenges, the DRC government could step up its reform efforts. Bold measures could be taken to improve governance, strengthen the rule of law, fight corruption and diversify the economy. These reforms could attract private investment, foster private sector development and stimulate economic growth. Increased cooperation with international partners and international financial institutions could also support these reforms.

Scenario of uncertainty linked to external factors :

The DRC's economic outlook could also be influenced by external factors such as fluctuations in commodity prices, the global economic situation and international trade policies. A fall in commodity prices, particularly copper, the DRC's main export, could have a negative impact on the country's export revenues and balance of trade. Similarly, a deterioration in the global economic situation could reduce demand for Congolese products on international markets.

In conclusion, the economic outlook for the DRC is uncertain. It will depend on a number of factors, including inflation, the exchange rate, commodity prices, the security situation and governance.

It is important to stress that this economic outlook is based on assumptions and possible scenarios, and that it may evolve in line with actual political and economic developments. Achieving sustainable economic growth in the DRC will depend on the implementation of structural reforms, political stability and the effective management of the country's natural resources.

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