

CONGO CHALLENGE
THE MONTHLY BULLETIN

EVOLUTION OF THE ECONOMIC AND POLITICAL SITUATION IN THE DEMOCRATIC REPUBLIC OF CONGO

Issue 74 | June 2023

*Political tensions during the election year, insecurity in several parts of the country,
a worsening socio-economic situation: what is the outlook for the DRC ?*

Kinshasa, DRC



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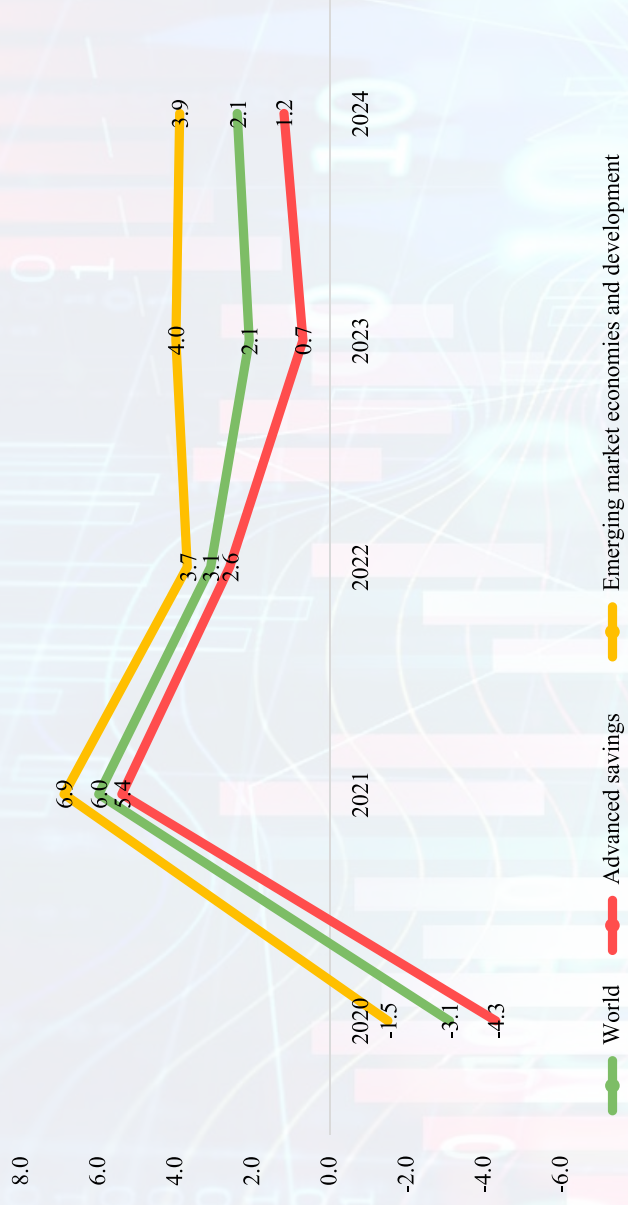
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This monthly bulletin was translated by Congo Challenge staff. The original version is in French. Thus, the translated version may contain some shortcomings without altering the content of the original one.

World Economic Growth Projections



Summary

What i think	6
Executive summary	9
International context	11
Economic growth	11
Inflation	17
International trade	19
Foreign exchange market	20
Financial market	22
Market for strategic products	24
National context	29
Development of the national economy	29
Economic activity	33
Price dynamics	38
Public finance	39
Political developments	41
Perspectives politiques et économiques	49





Matata Ponyo Mapon

What I think

When the President of the Senate and the Attorney General of the Constitutional Court cheat !

What I think is that there are jobs in professional life for which cheating is **neither tolerable nor acceptable**. Jobs that require you to go the extra mile. Jobs that require a high level of integrity. Such is the role of a Member of Parliament. Elected, they enjoy the confidence of the people who have chosen them. The latter delegates them to one of the country's prestigious political institutions, namely Parliament. This may be the National Assembly or the Senate. It is within these institutions that the country's laws and budget are debated and approved before being promulgated. One of the deputies is chosen by his peers and becomes President of the National Assembly. One of the senators is elected by his or her peers and becomes President of the Senate. The latter heads the upper chamber, known as the Chamber of Wise Men. The place where you should find people with a wealth of experience in private and professional life. People who have understood the essence and meaning of life on earth. One of the duties of the President of this House is to protect his fellow Senators in accordance with the Rules of Procedure of this House. **To do otherwise would be to fail in his duties**. The same applies to the Attorney General of the Constitutional Court. He is the highest magistrate in the country's judicial hierarchy. In accordance with the Constitution, he is responsible for initiating legal proceedings against the President of the Republic and the Prime Minister in office. In principle, he is a career magistrate, that is to say someone who has risen through the ranks of the judicial administration. As a result, he or she must have proven competence, having dealt with a multitude of cases over twenty years. Because of his training as a lawyer and his long experience as a magistrate, he is not expected to make any mistakes in interpreting the law or in understanding the facts, however complex. Nor can we imagine him concocting

legal cases against an accused person, which would negate the essence of the law he applies. **The public has complete confidence in him.**

What I think is that the President of the Senate and the Prosecutor General of the Constitutional Court of the DRC have seriously breached the ethical and professional requirements of their office. The President of the Senate, instead of protecting his colleague Senator Matata, has made a point of handing him over to the courts. The aim is to convict him and disqualify him from standing in the next presidential election. In May 2021, he worked hard to ensure that the Prosecutor General's indictment requesting legal proceedings against his colleague was accepted by the Senate, even though the procedure followed did not comply with the Constitution. He personally fought for the Senate plenary to accept the indictment and refer it to an ad hoc committee for examination. He directed the ad hoc committee to recommend that his colleague's immunities be lifted. When the committee's report was presented in plenary, he urged the senators to approve the committee's proposal. But the majority of senators, faced with the evidence and the truth, objected. After the plenary's refusal, the Senate President did not tire. A fictitious case of misappropriation of public funds for the compensation of Zairianised property was hastily put together against the senator. The aim was to bypass the plenary session of the Senate and to obtain in a cavalier manner the lifting of his colleague's immunity by the Senate bureau, which was totally subject to his authority. Even though there was no emergency requiring it. In flagrant violation of the Constitution and the Chamber's Standing Orders, the immunities of the colleague in question were lifted in a bizarre manner. Despite this unparalleled relentlessness, he



defended himself well with the Public Prosecutor's Office at the Constitutional Court, and the Public Prosecutor was forced to close the case administratively by means of a Procès-Verbal duly signed by the senator and the investigating magistrate. The senior magistrate asked for forgiveness and apologised to the accused for having initiated proceedings against him on an empty file. But the President of the Senate did not give up. Determined to eliminate his fellow senator from the presidential race, whatever the cost, he teamed up, as always, with the same Prosecutor General to relaunch, in total illegality, the Bukangalonzo case for which the Senate had voted definitively against in plenary two years ago: "no prosecution can be authorised on this case". From a strategic point of view, he asked his partner and accomplice, the Attorney General, not to send the request until the day after the close of the parliamentary session, on 16 June, which was done. Following this, the President of the Senate authorised the prosecution as a matter of urgency, arguing that the waiver of his colleague's immunity in the "Zairianised assets" case could be extended to the Bukangalonzo case, even though it had been closed. Extending the waiver of parliamentary immunity from one case to another is not in accordance with legal theory or doctrine, nor with the country's Constitution.

What I think is that the behaviour of the President of the Senate and the Attorney General of the Constitutional Court is sufficient proof of the importance of the ethical and moral dimension in the exercise of high public office. How can a President of the Senate, described as "Honourable", allow himself to wilfully violate the Constitution and the Senate's Rules of Procedure without being questioned and stripped of his office? How can a President of the Senate allow himself to actively and crudely plot against his fellow senator and expect the latter to accept and implement

his decisions? How can the credibility or effectiveness of such a prestigious institution as the Senate be preserved when, as President of that institution, he is engaged in obvious acts of deceit and trickery? The situation becomes dramatic when the plot by the President of the Senate is carried out in complicity with a high-ranking magistrate, in this case the Attorney General of the Constitutional Court. How can the latter ask the Bureau of the Senate to lift the immunities of a senator which the plenary of this institution had already ruled against? This is cheating! How can the same Attorney General want to reinitialise a judicial case for which the Constitutional Court has already handed down a ruling that is not subject to appeal and that can be enforced immediately? This is unimaginable! How can a public prosecutor persist for more than two years against a single defendant for whom no evidence of embezzlement has been established? How can the Attorney General refrain, during this time, from initiating legal proceedings against people for whom the proven facts of embezzlement have been publicly established and some of whom do not even have immunity? Finally, how can the Attorney General allow himself to join forces with the President of the Senate against a person liable to prosecution, in flagrant violation of the sacrosanct principle of the separation of powers between different institutions? The answer is clear: the two senior officials have put the law aside. Other practices that do not comply with the law, such as cheating and trickery, are being used to politically destroy an opposition presidential candidate in favour of the incumbent whom they strongly support. Will they succeed? Wait and see.

Kinshasa, 29 June 2023.

Executive summary

Economic situation

- **At international level**, the World Bank's international economic forecasts point to a contraction in global economic activity of 2.1% in 2023, compared with growth of 3.1% in 2022. This slowdown in the global economy is taking place against a backdrop of rising interest rates, resulting from the adoption of tighter monetary policies by central banks to control the global economic situation and mitigate high inflationary pressures. In this situation, the recovery of the global economy will depend on the resilience and preservation of financial systems, as well as the effective coordination of economic policies.
- As far as inflation is concerned, the Organisation for Economic Cooperation and Development (OECD) forecasts a moderation to 6.6% in 2023, although this is still above the inflation targets set by central banks. As a result, monetary policy should continue to aim for price stability, while fiscal policy should seek to alleviate pressures on the cost of living.
- In June 2023, the stock markets showed a generally upward trend. This rise in stock market indices can be explained by the Federal Reserve's (Fed) accommodative monetary policy, aimed at countering the price rises resulting from the Russian- Ukrainian conflict, and by the appreciation of the US dollar.
- On the international foreign exchange market, the US dollar appreciated sharply against the Japanese yen and the Chinese currency on the Fed's intention to continue its accommodative monetary policy in June 2023. On the other hand, the euro and the pound sterling in Europe strengthened slightly against the US dollar.
- As far as international trade is concerned, the outlook for world trade growth remains pessimistic, according to the United Nations Conference on Trade and Development (UNCTAD), particularly for the second half of 2023, due to the persistent global economic slowdown, high inflation, financial vulnerabilities, the continuing conflict in Ukraine and geopolitical tensions. What's more, the resurgence of the pandemic and trade tensions between the major economies could further dampen the prospects for global economic recovery. It is therefore essential that nations continue to work together to ensure global economic stability and growth.
- In terms of raw materials, copper prices confirmed their downward trend of the previous month, stabilising around an average of \$36,784 per metric tonne on concerns about the global economic slowdown. Similarly, gold prices trended downwards in response to the appreciation of the US dollar. On the crude oil market, prices also fell as a result of the tightening of financial conditions, accentuated by the continuing restrictive monetary policies pursued by the monetary authorities.
- **At national level**, the macroeconomic environment deteriorated further. The national currency depreciated by 2.08% on the interbank market and by 3.43% on the parallel market. During June 2023, the national economy recorded positive variations in inflation rates compared with the previous month. Cumulative inflation rose by 23.85% to 9.45% in the fourth week of June 2023, compared with 7.63% in the previous month. Year-on-year inflation and annualised inflation fell by 4.42% and 3.21% respectively between May and June 2023.
- In terms of public finances, the Treasury recorded a deficit of CDF 267,857.00 million in the fourth week of June 2023. This deficit is the result of expenditure of CDF 1,290,098.00 million (of which 26.25% was wages and salaries and 18.93% capital expenditure) and revenue of CDF 1,022,241.00 million (of which 84.24% tax revenue).
- E- Finally, the economic news of June 2023 was marked by several notable events. These were (i) the upward revision of the key interest rate by the BCC; (ii) the government's adoption of 6 draft decrees to combat money laundering; (iii) discontent at the DGI, DGRAD and DGDA following the abolition of the bonus for added value; and (iv) the government's increase in the price of fuel.



Political situation

The month of June 2023 will have been particularly marked by the following political events: (i) the persistence of the crisis in the east of the DRC; (ii) the crossfire between the ruling party and the Catholic Church; and (iii) the electoral process with six months to go before the elections.

During the second half of June, the crisis in the East was once again the subject of discussions and exchanges within the UN Security Council, where the DRC was given the opportunity to refute Rwanda's spurious allegations, particularly those relating to the destabilisation of its territory by the FDLR.

Internally, we have witnessed a crossfire between the ruling party and the Catholic Church. It was the statement by the CENCO bishops on the country's socio-political and economic situation that caused such controversy that the President of the Republic, Felix Tshisekedi, lashed out at the princes of the Catholic Church, some of whose excesses he had noted.

As for the electoral process, the operations of which are scheduled for December 2023, it was on 25 June 2023 that the Electoral Management Body convened the electoral body, the first operation of which, from 26 June to 15 July 2023, will consist of the submission of candidatures for the national deputation. In the meantime, the political parties are busy during this period, with the Congolese political opposition holding a meeting at Place Sainte-Thérèse in Kinshasa, following the incidents that occurred earlier in May during the march of 20 May and the sit-in in front of the CENI a few days later.

1. International context

I.1. Economic growth

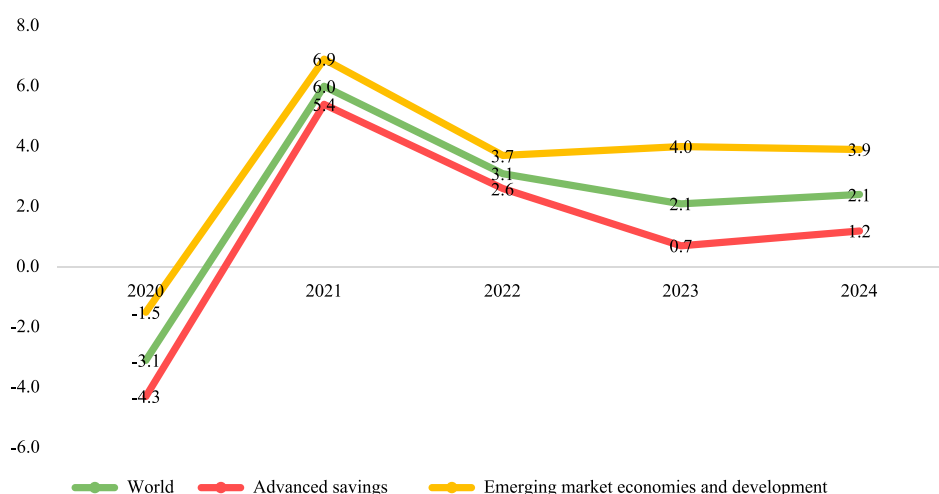
According to the World Bank's baseline projections, global economic growth is set to slow from 3.1% in 2022 to 2.1% in 2023, reflecting the financial risks to the global economic outlook. This slowdown is taking place against a backdrop of high interest rates, the result of tighter monetary policies adopted by central banks to manage the global economic situation and mitigate inflationary pressures.

It should be noted, however, that until now, most emerging and developing economies have been little affected by the recent turbulence in the advanced economies, but they are now in a delicate situation. With global credit conditions tightening, 25% of these economies can no longer access international bond markets. This is particularly worrying for those with underlying vulnerabilities such as low creditworthiness, making them highly exposed to further shocks.

In this context, the simultaneous shocks caused by the Covid-19 pandemic, Russia's invasion of Ukraine and the severe economic slowdown are having a serious impact on development, which is likely to persist for the foreseeable future. Indeed, by the end of 2024, economic activity in emerging and developing countries is expected to be around 5% lower than the World Bank's pre-pandemic projections. Low-income countries, particularly the poorest, will suffer considerable damage.

Faced with this situation, the recovery of the global economy will depend on the ability of financial systems to preserve themselves and demonstrate resilience, as well as on the effective coordination of economic policies.

Figure 1 » WORLD ECONOMIC GROWTH PROJECTIONS



Source : World Bank.



Figure 1 shows that growth in the advanced economies is forecast to fall to 0.7% in 2023, while emerging and developing economies are expected to grow by 4% in the same year. This is because these economies have been less affected by the recent turbulence in the advanced economies, although they are still in a difficult situation.

Against this precarious backdrop for the world economy, the recovery of global economic activity will depend on effective coordination of economic policies at international level, aimed at reversing the trend and fostering a sustainable economic recovery. It is essential that countries work together to put in place coordinated measures to stimulate growth and overcome the current challenges..

Box 1. The rebellion of the Wagner group¹: Is this a new challenge for the Kremlin?

1. Presentation of the Wagner Group and Prigojine

Yevgeny Prigozhin is a Russian businessman who is the founder and head of the Wagner Group. The Wagner Group was founded in 2014 by Yevgeny Prigozhin, a Russian businessman also known as 'Putin's chef'. Yevgeny Prigozhin has a long history of links with the Russian government and has been sanctioned by the US and EU for his role in the Wagner Group.

Formerly the owner of a hot dog stand, Prigojine made a name for himself through his catering business. He won lucrative government contracts during Putin's presidency and became known as 'Putin's chef'.

Prigojine est un personnage controversé. Il a été accusé de corruption, de blanchiment d'argent et d'ingérence électorale. Il fait également l'objet d'un certain nombre d'enquêtes criminelles.

Prigozhin is a controversial figure. He has been accused of corruption, money laundering and electoral interference. He is also the subject of a number of criminal investigations.

The Wagner group is a major source of income for Yevgeny Prigozhin. The group is valued at several billion dollars and Yevgeny Prigozhin is said to receive a significant share of the profits.

Prigozhin is a powerful figure in Russia. He has close links with the Kremlin and is believed to have Putin's ear. The Wagner Group is a major tool enabling Prigozhin to promote his interests and extend Russia's influence in the world. The Wagner Group has been involved in a number of conflicts on behalf of the Kremlin, including the Syrian civil war and the war in Ukraine.

The Wagner group is made up of Russian army veterans and others willing to fight for money. The group is known for its use of heavy weapons and its willingness to engage in close combat.

The Wagner group has been accused of committing war crimes in several countries, including Syria, Libya and the Central African Republic. The group has also been accused of recruiting child soldiers and using them in combat.

The Wagner group is a major player in the Russian military-industrial complex. It enables the Kremlin to project its power without having to commit Russian troops. It also enables the Kremlin to test new weapons and tactics.

The Wagner group is a major threat to stability in the Middle East and Africa. Its activities have destabilised countries and contributed to the rise of extremism. The group also poses a threat to Russia itself. The group's activities could lead to a backlash against the Kremlin and undermine Putin's authority.

1. The thoughts in this box are taken from a number of reliable sources who covered the events of 24 June 2023 concerning the Wagner Group and the Kremlin. For example, *Le Monde* published an article entitled "Russie : le chef du Groupe Wagner, Evgueni Prigojine, annonce une rébellion armée" ([lemonde.fr](https://www.lemonde.fr)); *France 24* also covered the events in their section "Groupe Wagner : info, vidéos, reportages et analyses" ([france24.com](https://www.france24.com)); *Le Dauphine* published: "Russie. Wagner renonce à la rébellion, Prigozhin s'en va vers le Bélarus et ne sera pas poursuivi: les principales nouvelles de ce samedi" ([ledauphine.com](https://www.ledauphine.com)).



2. Events leading up to the Wagner rebellion and the course of events on 24 June 2023

Here is an overview of the facts that led the Wagner group to rebel against Putin and the sequence of events on 24 June 2023 with regard to the capture of Rostov and the advance towards Moscow before Lukashenko intervened to get the group to turn back.

i. Facts that led the Wagner group to rebel against Putin :

The factors that led the Wagner group to rebel against Putin are complex and not fully understood. However, some of them are as follows :

- ***The Wagner Group's disillusionment with the war in Ukraine :*** The Wagner Group is made up of Russian army veterans who have seen the horrors of war up close. Many members of the group are disillusioned with the war in Ukraine and believe it is no longer worth fighting ;
- ***The anger of the Wagner group at the Russian government's treatment of its veterans :*** The Russian government has refused to provide adequate medical care and compensation to Wagner veterans. This has led to anger and calls for revenge ;
- ***The Wagner Group's desire to assert its independence from the Russian government :*** The Wagner Group is a powerful and well-organised group. It may be seeking to assert its independence from the Russian government and become a more independent player on the international stage.

Prigozhin's demands are not publicly known. However, it is possible that he will ask Putin to put an end to the war in Ukraine, to offer better treatment to the veterans of the Wagner group or to grant the group greater independence.

It is important to note that the situation is fluid and it is difficult to predict what will happen. However, the rebellion of the Wagner group is a major event which could have a significant impact on the course of the Russian invasion of Ukraine and on the future of Russia itself.

ii. Events on 24 June 2023 :

This is a description of the events of 24 June 2023 in Russia, from Prigozhin's seizure of Rostov, Vladimir Putin's speech, the march to Moscow, Alexander Lukashenko's appeal, Prigozhin's U- turn and the promise of new negotiations in Belarus :

- ***Early morning :*** Yevgeny Prigozhin, leader of the Wagner group, leads his forces towards Rostov, a large city in southern Russia.
- ***Noon :*** Putin gives a speech in which he denounces the rebellion of the Wagner group and asks them to lay down their arms.
- ***Afternoon :*** The Wagner group marches towards Moscow, vowing to overthrow Putin.
- ***Evening :*** Alexander Lukashenko, President of Belarus, asks Prigozhin to turn back and negotiate with the Russian government.
- ***Late evening :*** Prigozhin agrees to turn back and promises to continue negotiations in Belarus.

The events of 24 June 2023 were a major turning point in the Wagner group's rebellion against Putin. The group's seizure of Rostov and its march towards Moscow represented a serious challenge to Putin's authority. However, Putin's speech and Lukashenko's appeal seem to have defused the situation for the time being. It remains to be seen whether the Wagner group will be able to continue its rebellion or whether it will be forced to negotiate with the Russian government.

iii. Compromise between Lukashenko and Prigozhin

Belarusian President Alexander Lukashenko has called on Prigozhin, the leader of the Wagner group, to back down and negotiate with the Russian government. Lukashenko argued that the Wagner rebellion was a threat to Russia's stability and would only lead to more violence. He also said that the Wagner group's demands were reasonable and should be met.

Lukashenko's appeal seems to have been successful. Prigozhin agreed to turn back and promised to continue negotiations in Belarus. It is not clear what arguments Lukashenko used to persuade Prigozhin, but it is likely that he appealed to Prigozhin's sense of patriotism and his desire to avoid further bloodshed.

It is also possible that Lukashenko made promises to Prigozhin, such as guaranteeing the safety of the members of the Wagner group or granting them financial compensation. Whatever arguments Lukashenko used, it is clear that he succeeded in persuading Prigozhin to back down.

Prigozhin's release is an important development towards resolving the rebellion of the Wagner group. It suggests that Putin is ready to negotiate with the group and does not want to risk civil war.

Furthermore, it is difficult to say with any certainty what demands Prigozhin may have made of Lukashenko before agreeing to back down and abandon his advance towards Moscow. However, there are a few possibilities :

- **Guarantees for the safety of members of the Wagner group** : Prigozhin was able to demand guarantees that members of the Wagner group would not be harmed if they turned back. This was a major concern for Prigozhin, who did not want his men to be killed or imprisoned.
- **Financial compensation** : Prigozhin may have demanded financial compensation for the members of the Wagner group. This would have been a way of compensating the group for the time and resources they had invested in the rebellion.
- **Political concessions** : Prigozhin may have demanded political concessions from the Russian government. This could have involved, for example, removing certain officials from power or implementing certain policies.

Ultimately, the only way to know for sure what requests Prigozhin has made of Lukashenko is to make them public. However, the possibilities listed above are among the most likely scenarios.

3. Consequences of Prigozhin's march to Moscow

The rebellion of the Wagner group is a major event in Russian politics. It reflects growing Russian dissatisfaction with the war in Ukraine and Putin's leadership. Importantly, the situation is fluid, it is also a challenge to Putin's authority and could have a significant impact on Russia's future.

The Wagner Group is a private military contractor known for its brutality. On Saturday 24 June 2023, the Wagner Group took control of Rostov, a major city in southern Russia. The group then announced plans to enter Moscow militarily.

This development represents a major escalation in the Wagner Group's activities. The group has already been involved in conflicts in Ukraine, Syria and Libya. However, this is the first time the group has taken control of a major Russian city.

The rebellion of the Wagner group could have major consequences for the Russian invasion of Ukraine. The group is known for its expertise in urban warfare. If the group succeeds in taking control of Moscow, it will be a major blow to the Russian government. It would be forced to divert resources intended for the invasion of Ukraine to deal with the rebellion. This could lead to a change in the course of the war, as the Russian government could be forced to withdraw from Ukraine in order to concentrate on suppressing the rebellion.

This point is also valid. The Wagner group is known to be close to Putin and its rebellion could be seen as a sign that Putin's power is weakening. This could have a significant impact on the course of the Russian invasion of Ukraine, as it could lead to a loss of morale among Russian troops and a decrease in support for the war among the Russian people.

Moreover, the rebellion of the Wagner group could also lead to civil war in Russia. This would be a major distraction for the Russian government and could weaken its ability to pursue the invasion of Ukraine.

It is important to point out that the Wagner group's rebellion is a complex and evolving situation. It is therefore important to continue to monitor it closely and to consider all its potential consequences.

4. Potential nature of future relations between the Kremlin and Wagner

The nature of future relations between Putin and Prigozhin is difficult to predict. If the Wagner group succeeds in taking control of Moscow, Putin could be forced to resign. This would be a major blow for Prigozhin, who would lose his main protector. On the other hand, if the rebellion is put down, Putin might be able to retain his power. In that case, Prigozhin could keep his job, but he would probably be closely watched by the Russian government.

The future of Wagner's troops is also uncertain. If the rebellion succeeds, the Wagner group could emerge as a powerful force in Russian politics. On the other hand, if the rebellion is put down, the Wagner group could be disbanded or seriously weakened.

It is also possible that the Wagner group could split into smaller groups, each with its own objectives.

For its part, the Kremlin could take a number of military measures to prevent such a situation recurring in the future. These measures could include :

- Increasing the size and power of the Russian army.
- Investment in new military technologies.
- Improving the training of Russian troops.
- Strengthening the loyalty of the Russian military to the government.

The Kremlin could also take a number of political measures to avoid a similar situation in the future. These could include :

- Improving economic conditions in Russia ;
- Raising the standard of living of the Russian people ;
- The expansion of political freedoms in Russia ;
- A favourable response to the grievances of the Russian peoples.

It is important to note that there is no guarantee that any of these measures will prevent a similar situation from occurring in the future. The Wagner group is a powerful and well-organised group, and it would be difficult to suppress it completely. However, the Kremlin could take steps to make it more difficult for the Wagner group to succeed in the future.

5. Alternative ways out of the crisis proposed by Putinne

After the Wagner group backed down, Vladimir Putin offered Prigozhin three alternative ways out of the crisis.

- i. Agree to sign a contract with the Russian government.* This would mean that the Wagner Group would become an official part of the Russian army. This would give the Wagner Group more resources and legitimacy, but would also make it more accountable to the Russian government.



Consequences :

- The Wagner group would become more powerful and influential ;
 - Le gouvernement russe exercerait un plus grand contrôle sur le groupe Wagner ;
 - Le groupe Wagner serait plus susceptible d'être utilisé dans le cadre d'opérations militaires russes officielles.
- ii. End of cooperation between the Kremlin and the Wagner Group.** This would mean that the Wagner Group could no longer operate with the support of the Russian government. This would make it more difficult for the Wagner Group to obtain funds and resources, and would also make it more vulnerable to attack.

Consequences :

- The Wagner group would become weaker and less influential ;
 - The Russian government would lose part of its control over the Wagner group ;
 - The Wagner group would be less likely to be used in official Russian military operations.
- iii. Dissolution of the militia.** This would mean that the Wagner group would cease to exist. This is the most radical option and is likely to anger Prigozhin and his supporters. However, it is also the safest option for Putin, as it would eliminate the Wagner group as a potential threat.

Consequences :

- The Wagner group would be completely dissolved ;
- Prigozhin and his supporters would be irritated ;
- The Russian government would lose some control over the Wagner group.

It is difficult to know which option Putin will ultimately choose. However, the fact that he has proposed all three options to Prigozhin suggests that he faces a difficult decision.

In addition to these three options, it is also possible that Putin will choose to do nothing. This would mean that the Wagner group would continue to operate as it does now, without any official support from the Russian government. However, it would also mean Putin tacitly approving the Wagner Group's activities, which could have negative consequences for Russia's reputation.

Ultimately, the decision as to what to do with the Wagner group is a complex one with no easy answers. Putin will have to weigh up the risks and benefits of each option carefully before making a decision.

6. Possible complicity between the Kremlin and Wagner

Despite the facts as presented, there are a few reasons why some believe that Prigozhin's rebellion against Putin was merely a well thought-out strategy between Putin and Prigozhin to detect traitors in Putin's army and government. The main reasons for this hypothesis are set out below :

- **Timing of the rebellion :** The rebellion took place on 24 June 2023, Russia's national unity day. This is an important day in Russia, and it is unlikely that Prigozhin would have chosen this day to rebel if he wasn't sure of having Putin's support.
- **Absence of violence :** The rebellion was bloodless. This suggests that Putin may have given Prigozhin the green light to rebel, but that he also gave him instructions to ensure that there was no violence. This would have allowed Putin to identify potential traitors within his army and government without having to resort to violence.
- **The outcome of the rebellion :** The rebellion finally failed. Prigozhin was forced to turn back and negotiate with the Russian government. This suggests that Putin may have been planning all along to use the rebellion to test the loyalty of his army and government.



Of course, it is impossible to know for sure whether or not the rebellion was a carefully considered strategy on the part of Putin and Prigozhin. However, the timing of the rebellion, the absence of violence and the outcome of the rebellion suggest that it is a possibility.

It should also be noted that Putin has a habit of using deception and trickery to achieve his objectives. This hypothesis could be supported by the fact that Putin has used a similar strategy in the past under the Magnitsky Act. The Magnitsky Act was a US law passed in 2012 in response to the death of Sergei Magnitsky, a Russian lawyer investigating corruption in the Russian government. This law imposed sanctions on Russian officials implicated in Magnitsky's death.

Putin was reportedly furious about the Magnitsky Act and retaliated by expelling US diplomats from Russia. He also ordered the closure of US-funded NGOs in Russia. However, Putin also took a more subtle approach. Analysts believe he used the Magnitsky Act as a means of identifying and punishing potential traitors within the Russian government.

In 2013, a number of senior Russian officials were arrested on corruption charges. These arrests were widely seen as a way for Putin to send a message to other officials that they would be punished if they were involved in corruption.

Of course, this is all speculation. It is impossible to know for sure whether Putin used the Wagner rebellion to flush out traitors. However, the Magnitsky Act case provides an example of how Putin has used similar strategies in the past.

In addition to the Magnitsky Act case, there are a number of other examples where Putin has been accused of using deception and trickery to achieve his goals. For example, in 2014 Putin took Crimea from Ukraine, which was widely condemned by the international community. However, Putin was able to get away with this annexation because he had carefully planned and executed his plan.

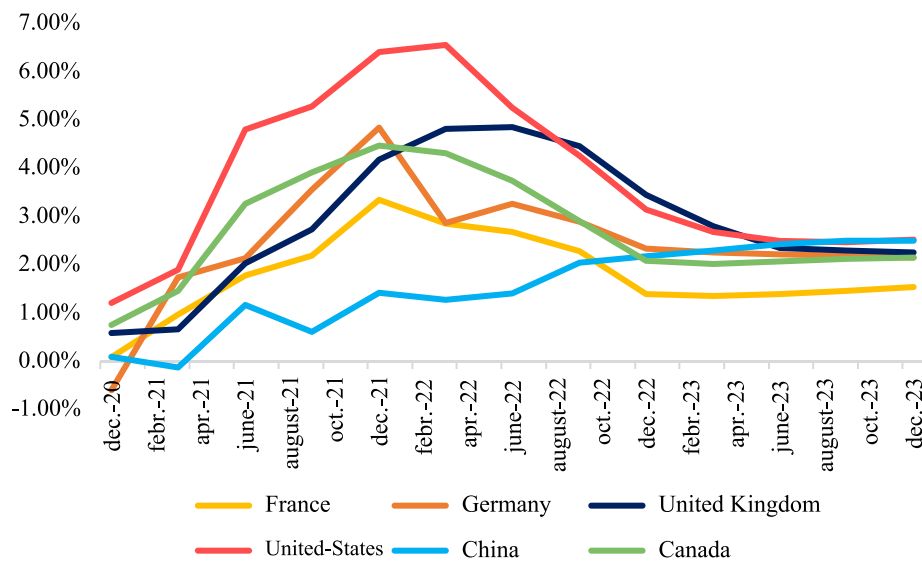
Of course, this is only one possible explanation for the Wagner group's rebellion. It is also possible that Prigozhin acted alone and did not have Putin's support. However, the timing of the rebellion, the absence of violence and the outcome of the rebellion all suggest that Putin may have played a role in the rebellion.

I.2. Inflation

After reaching record levels in 2022, global inflation is projected to follow a downward trajectory, with a forecast of 6.6% in 2023 and 4.3% in 2024, though still well above pre-pandemic levels. This expectation of disinflation can be attributed to rigorous macroeconomic policies, in particular the adoption of increasingly strict monetary policies by central banks. These measures are aimed at re-establishing a macroeconomic framework conducive to growth and fostering a solid and sustainable economic recovery, by influencing the inflation rates that accompany economic activity. In addition, the expected decline in demand for manufactured goods and efforts to improve global supply chains may also help to explain this global disinflation process.

To deal effectively with this situation, it is crucial to stress that the implementation of structural reforms could play a significant role in the fight against inflation in the medium and long term, by improving productivity and reducing the constraints weighing on aggregate supply. This would help to mitigate the adverse effects of inflation on households, particularly the most vulnerable, and reduce economic and social inequalities.

Figure 2 >> GLOBAL INFLATION FORECASTS.



Source: OECD.

Compared with the upward trends observed between 2021 and 2022, Figure 2 shows that these price pressures should ease from 2023 onwards, while remaining well above the central banks' target objectives. Nevertheless, monetary tightening policies will continue to increase the cost of borrowing for businesses and will have an impact on household purchasing power. With this in mind, monetary policy must aim to maintain stability in the general price level, while fiscal policy must seek to relieve the pressure on the cost of living that is weighing on the most vulnerable populations, who are experiencing an erosion in their purchasing power.

It is therefore important to strike a balance between the need to control inflation and its impact on businesses and households. Appropriate measures must be put in place to mitigate the negative effects of inflation on the population, by promoting access to essential goods and services at reasonable prices, while preserving overall financial stability. This requires the implementation of major structural reforms aimed at improving the efficiency and competitiveness of the economy as a whole.

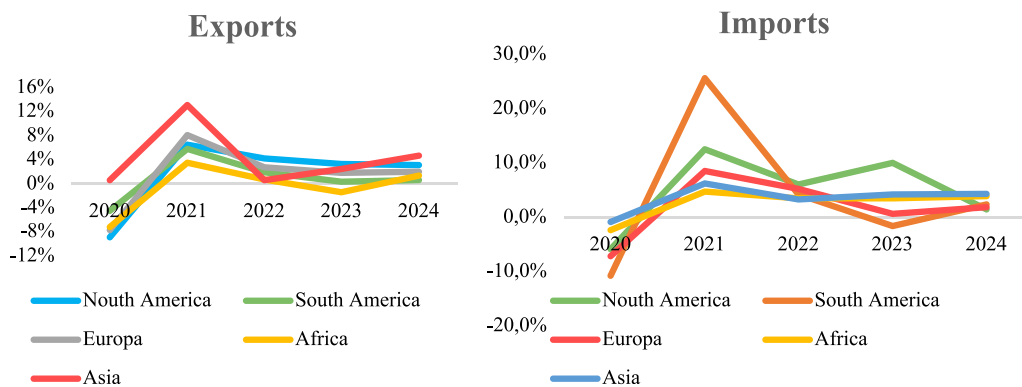


I.3. International trade

According to the latest WTO reports, the outlook for world trade growth remains bleak, particularly for the second half of 2023, due to a number of negative factors. These include the persistent slowdown in the global economy, stubborn inflation, financial vulnerabilities, the continuing conflict in Ukraine

and geopolitical tensions. However, in the first three months of 2023, trade in goods grew by 1.9% compared to the last quarter of 2022, an increase of around \$100 billion. World trade in services was also up by around \$50 billion in the first half of this year, an increase of around 2.8% on the previous quarter.

Figure 3 » GROWTH IN MERCHANDISE TRADE



Source : WTO.



The analysis in Figure 3 highlights a reduction in demand for imports due to the slowdown in the major economies. In Europe, higher energy prices linked to the Russian-Ukrainian conflict will put pressure on household spending and lead to higher costs in the manufacturing sector. In North America, the tightening of monetary policy will have an impact on interest rate-related spending, particularly in the housing, automotive and fixed capital investment sectors. In Asia, the easing of measures linked to the COVID-19 pandemic, particularly in China, should stimulate consumer demand built up in the country and thus support international trade. Finally, rising food import bills in Africa and Latin America could lead to food insecurity and excessive indebtedness in these developing economies.

However, if these inhibiting factors persist throughout 2023, the WTO's pessimistic forecasts could be revised downwards along the way, due to the uncertainty surrounding the evolution of monetary policy in the advanced economies, as well as Russia's unpredictable actions in the conflict with Ukraine.

Given the major challenges facing global trade in goods and services, it is essential to implement measures to stimulate growth in international trade. In this context, it is necessary to foster economic and financial stability, promote open markets, improve trade infrastructures and strengthen international cooperation. Governments and economic players must work together to reduce trade barriers, facilitate trade and promote a favourable business environment.



1.4. Foreign exchange market

During the month of June 2023, stock markets recorded an increase in asset yields, mainly due to the accommodative monetary policy stance of the Federal Reserve (Fed). This outlook has led to increased demand

for liquidity, reinforcing the US dollar's position as a safe haven. As a result, the US currency appreciated sharply against sterling, but fell slightly against the euro. At the monthly close, the euro appreciated slightly against the US dollar, reaching 1.0911 USD/EUR, while sterling fell to 1.269 USD/GBP.



In Asia, the Japanese yen showed a downward trend against the US dollar throughout the month, reflecting the depreciation of the Japanese currency, due in particular to the rise in US bond yields. Similarly, the Chinese currency depreciated against the US dollar. This depreciation of the Chinese yuan could be exacerbated by the slowdown in the global economy, posing a threat to Chinese exports and possibly leading to a contraction in manufacturing activity in China.

It should be noted that the Fed's monetary policy has a significant impact on the value of the US dollar, which has repercussions for emerging and developing economies. Countries that rely heavily on exports

of raw materials or manufactured goods to the US can be particularly vulnerable to fluctuations in the dollar. These fluctuations can affect the economic performance, export revenues and competitiveness of the countries concerned.

Currency movements have implications for various aspects of the economy, such as import and export costs, capital flows and foreign investment, and can also affect inflation, economic growth and the balance of trade. Governments and companies keep a close eye on currency fluctuations in order to adjust their commercial and financial strategies accordingly.

Figure 4 » DAILY TRENDS IN THE MAIN EXCHANGE RATES



Source : Macrotrends.



I.5. Financial market

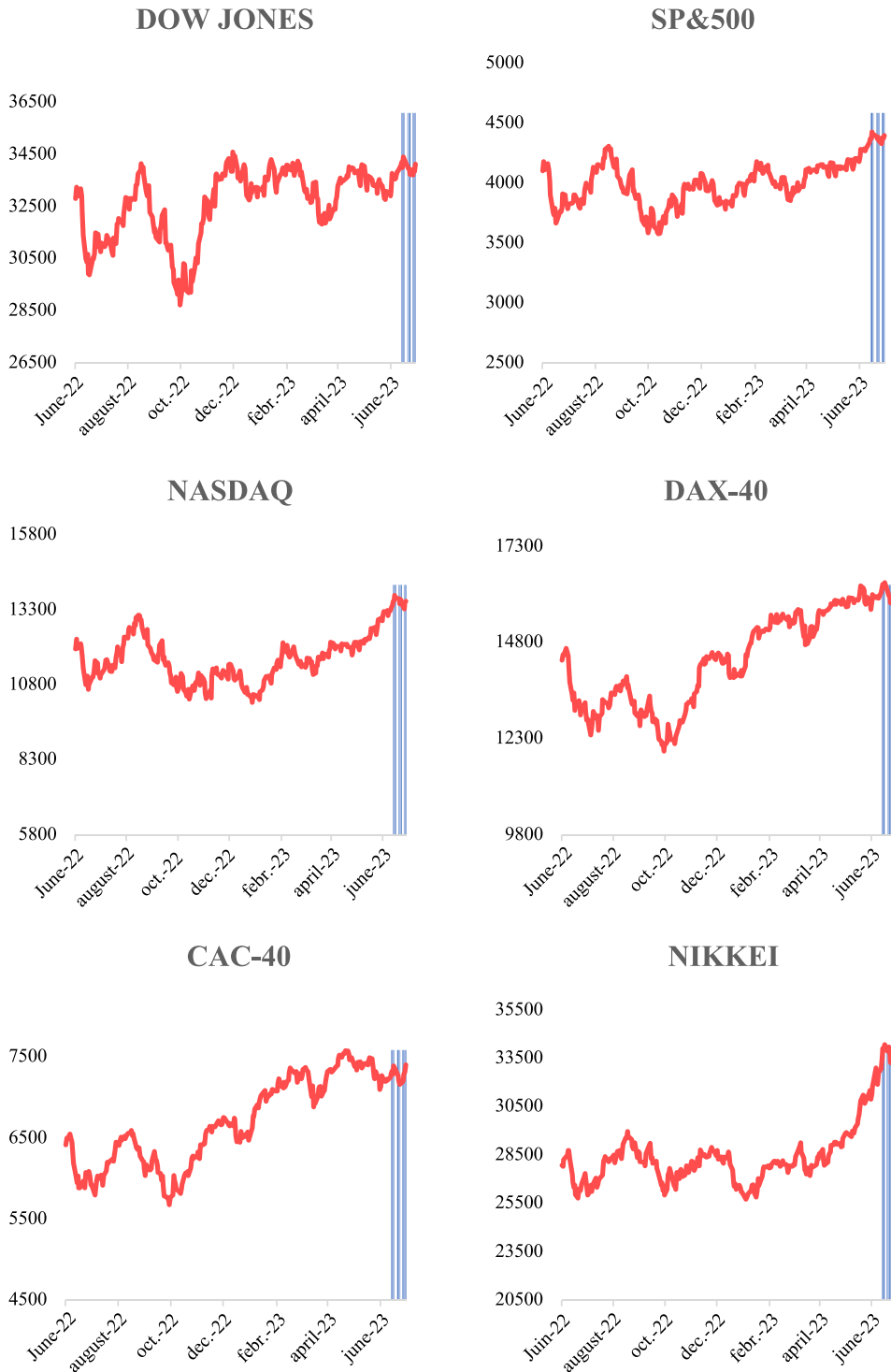
Stock markets trended upwards during June 2023, recovering from a period of decline in the previous month. On Wall Street, the main indices such as the Dow Jones, the S&P-500 and the Nasdaq reached levels of 34,122 points, 4,396 points and 13,591 points respectively in the last week of the month. On the Paris stock market, the CAC-40 rose by 3% from 7,098 points in May 2023 to 7,400 points at the end of June 2023. In Germany, the DAX-40 index also rose sharply, reaching 15,946 points at the end of June. Similarly, the Tokyo Stock Exchange showed an upward trend, rising from 30,887 points in May 2023 to 33,234 points at the end of June 2023.

This rise in stock market indices can be attributed to the implementation of an accommodating monetary policy by the Federal Reserve (Fed), aimed at stimulating investment in equities and bonds, despite the appreciation of the dollar on the international foreign exchange market.

It should be noted that stock markets are influenced by a multitude of factors, such as monetary policies, geopolitical tensions, economic performance and investor expectations. Fluctuations in stock market indices can have repercussions on the real economy, particularly by influencing business investment decisions and consumer confidence. Investors and analysts watch these movements closely to assess financial health and economic prospects.



Figure 5 » EVOLUTIONS JOURNALIÈRES DES PRINCIPAUX INDICES BOURSIERS



Source : Macrotrends.



I.6. Market for strategic products

- Gold

During June 2023, gold prices continued their downward trend, confirming the fall recorded the previous month. At the close of the month, the price of gold stood at around USD 1,920 per ounce. This decline can be attributed to upward pressure on the US bond markets, which reduced gold's appeal as a safe-haven asset. Indeed, the appreciation of the US dollar has made gold less attractive due to the negative correlation between the US currency and the precious metal. This situation is likely to continue as long as the Federal Reserve (Fed) maintains its determination to fight inflation caused by rising food and energy prices.

It is crucial to stress that the Fed's monetary policy decisions have a significant impact on gold prices. Expansionary measures, such as lower interest rates, can increase the value of gold by reducing the

opportunity cost of holding it relative to other financial assets. On the other hand, a restrictive monetary policy, characterised by a rise in interest rates, can lead to a fall in gold prices as a result of reduced demand for assets considered to be safe havens.

Gold is often seen as a safe asset in times of economic and financial uncertainty. Investors turn to gold to protect their capital and diversify their portfolios. However, the price of gold depends on many factors, such as interest rates, inflation, currency fluctuations, investor confidence and overall macroeconomic conditions. Investors and market experts carefully monitor these factors to assess the outlook for gold and make informed investment decisions.



Figure 6 » DAILY GOLD PRICE TREND (IN USD PER OUNCE)



Source : Macrotrends.

- Copper

Copper prices continued their downward trend during June 2023, following a slight fall in the previous month. In the last week of the month, prices for the red metal reached a low of USD 36,784 per metric tonne.

Copper is considered a reliable indicator of global economic health because of its essential use in many sectors such as construction, transport and the manufacture of electric batteries. As an industrial raw material, demand for copper is closely linked to global economic activity. As such, a fall in copper prices may indicate more general economic weakness.

However, it should be stressed that copper prices are also influenced by geopolitical factors and central bank monetary policy decisions. For example, trade disputes between countries can disrupt trade flows and have an impact on copper demand.

It is therefore essential to keep a close eye on economic, geopolitical and monetary developments in order to assess the outlook for the copper market. Changes in copper prices can have a significant impact on companies, producing countries and investors, and are an important indicator of global economic activity. Fluctuations in copper prices can also be influenced by factors such as supply and demand on the world market, government policies, environmental regulations and technological advances.

Figure 7 » DAILY CHANGE IN COPPER PRICES (IN THOUSANDS OF USD PER TONNE)



Source : Macrotrends.

Oil

During June 2023, crude oil prices continued to fall, following the trend of the previous month, on both the US (WTI) and European (Brent) markets. At the close of the month, Brent stood at USD 73.86 a barrel, while WTI reached USD 70.64 a barrel. This fall in prices can be attributed to a number of economic and geopolitical factors.

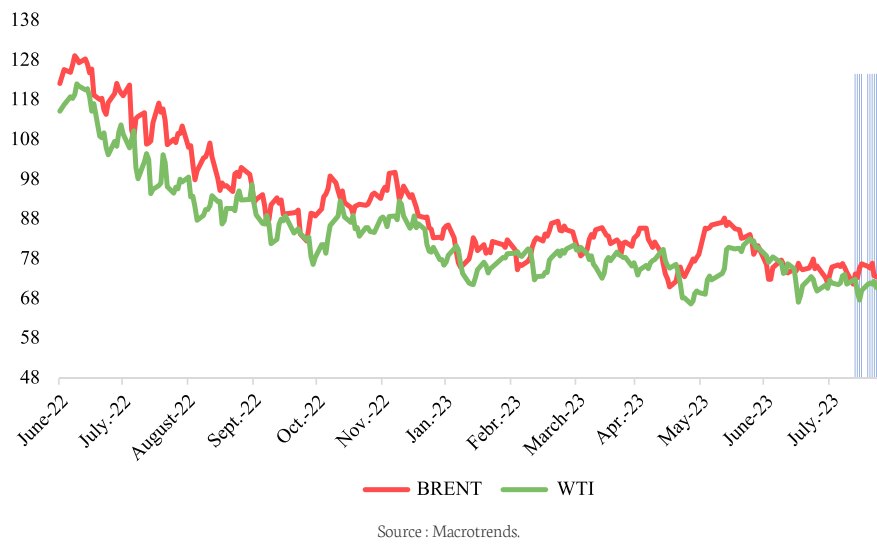
Firstly, the tightening of financial conditions, characterised by restrictive monetary policies on the part of the US and European central banks, fuelled concerns about a possible economic recession. These concerns have weighed on the outlook for fuel demand, particularly in advanced economies. When economic growth is uncertain, demand for crude oil tends to fall, putting downward pressure on prices.

At the same time, the global geopolitical situation also plays an important role in oil price fluctuations. Geopolitical tensions, whether regional conflicts or economic sanctions, can disrupt oil supplies and lead to price fluctuations. Investors are therefore keeping a close eye on geopolitical developments to assess the potential risks to oil supply.

In summary, the fall in crude oil prices in June 2023 is the result of tighter financial conditions and fears of an economic recession, as well as geopolitical uncertainties. Economic stimulus measures implemented by governments could play a decisive role in the future evolution of the oil market. It should be noted that fluctuations in crude oil prices have important implications for global economies, energy companies and investment decisions.



Figure 8 » DAILY OIL PRICE TREND (IN USD PER BARREL)



2. National context

II.1. Development of the national economy

The economic news of June 2023 was marked by several notable events. These included (i) the upward revision of the BCC's key rate; (ii) the government's adoption of 6 draft decrees to combat money laundering; (iii) discontent at the DGI, DGRAD and DGDA following the abolition of the capital gains bonus; and (iv) the government's increase in the price of fuel.

More explicitly, these facts are presented as follows :

1. BCC revises key rate upwards

At the ordinary meeting of the Monetary Policy Committee of the Central Bank of Congo (BCC) held on Monday 19 June 2023, it was emphasised that the national economy has continued to face the adverse effects of shocks, particularly those linked to the war in Ukraine and the eastern part of the country. These shocks have put additional pressure on the state budget as well as on the foreign exchange and goods and services markets. This critical analysis will highlight some important additional elements.

According to the BCC document, the inflation rate reached 9.2% year-to-date at 16 June 2023, mainly due to the rise in food prices, which is partly attributable to the increase in imports. This increase in inflation is raising concerns about price stability, which could lead to a deterioration in the purchasing power of households and businesses.

The Monetary Policy Committee also observed considerable pressure on the foreign exchange market in January and February 2023 due to increased demand for foreign currencies compared with insufficient supply. However, these pressures have eased somewhat since March, contributing to a degree of stability. It is important to note that a stable foreign exchange market is essential to encourage foreign investment and promote international trade.

In response to this situation, the BCC has taken a number of measures, including raising its key rate from 9% to 11%. This increase in the key rate is intended to curb demand for credit and control inflation. The BCC has also increased the reserve requirement on Congolese franc deposits from 0% to 10%. These measures are intended to reinforce financial stability and prevent further pressure on the foreign exchange market.

On the parallel market, the average monthly depreciation of the currency was limited to 0.8% between March and May 2023, compared with 3.6% between January and February. This can be interpreted as a slight improvement in the situation on the informal foreign exchange market. In addition, the spread between the interbank exchange rate and the parallel rate also narrowed, from 5.9% at the end of December 2022 to 1.8% on 16 June 2023. This narrowing of the gap suggests greater convergence between the official and parallel markets.

However, despite these measures taken by the BCC and the encouraging signs, it is essential to note that economic challenges persist in the Democratic Republic of Congo. Dependence on food imports continues to expose the economy to fluctuations in world prices, which can affect price stability on the domestic market.

In addition, the war in Ukraine and the conflicts in the east of the country continue to have a negative impact on the Congolese economy. In addition to the direct effects on the foreign exchange and goods and services markets, these conflicts are also having repercussions on security, production and investment, which may hamper long-term economic growth.

In this context, it is crucial that the Congolese government continues its efforts to diversify the economy and reduce excessive dependence on imports. Promoting the development of the local agricultural sector, encouraging investment in manufacturing industries and promoting intra-African trade can help to strengthen the country's economic resilience and reduce vulnerability to external shocks.

In conclusion, although steps have been taken to address the current economic challenges, the Democratic Republic of Congo must remain vigilant and continue to implement prudent and sustainable economic policies to foster macroeconomic stability and promote solid and inclusive economic growth over the long term. This will require close coordination and collaboration between the Central Bank, the government and other economic players to overcome the challenges and seize the opportunities that lie ahead.

2. Government adopts 6 draft decrees to combat money laundering

At the Council of Ministers meeting on Friday 16 June, the government adopted six draft decrees aimed at strengthening the Democratic Republic of Congo's (DRC) system for combating money laundering and the financing of terrorism. However, a critical analysis reveals a number of points that need to be taken into account.

The first draft decree concerns the creation of a steering and monitoring committee responsible for implementing the Financial Action Task Force (FATF) action plan. While this initiative is commendable, it is essential to ensure that this committee has adequate resources and the necessary independence to carry out its tasks. Effective supervision and coordination are essential to ensure robust implementation of measures to combat money laundering and terrorist financing.

The second text concerns the organisation and operation of the National Financial Intelligence Unit (CENAREF). It is crucial that this unit has the expertise and resources it needs to conduct in-depth investigations and gather relevant information on suspicious financial activities. CENAREF's transparency and independence are key to ensuring the effectiveness of its actions.

The third draft decree concerns the Advisory Committee on Money Laundering, Terrorist Financing and Proliferation (COLUP). This committee is to play an advisory role and provide strategic recommendations in the fight against these crimes. It is important to ensure that this committee is representative by including experts and key players from various sectors, such as the financial sector, law enforcement agencies and civil society.

The fourth draft decree concerns the organisation and operation of the Fund to Combat Organised Crime (FOLUCO). It is crucial that this fund has adequate resources to support actions to prevent, detect and suppress organised crime. However, it is also important to establish control and transparency mechanisms to ensure effective and ethical use of the allocated funds.

The fifth draft decree concerns the organisation and operation of the inter-ministerial committee to combat money laundering, terrorist financing and proliferation. This inter-ministerial committee is intended to promote coordination between the various ministries and government agencies involved in the fight against these crimes. Close collaboration and transparent communication are essential to ensure a holistic and coherent approach in the fight against these threats.

Finally, the last draft decree concerns the designation, organisation and operation of a supervisory authority for designated non-financial businesses and professions. This supervisory authority plays a crucial role in the regulation and supervision of non-financial entities involved in activities likely to be used for money laundering and terrorist financing purposes. It is essential that this authority has sufficient powers to carry out inspections, impose sanctions and ensure compliance by the entities concerned. In addition, independent and transparent supervisory mechanisms should be put in place to ensure the integrity of the regulatory process.

These draft decrees demonstrate the Congolese government's determination to strengthen its framework for combating money laundering and terrorist financing, in line with the FATF recommendations. However, to ensure effective implementation, it is crucial that these measures are supported by adequate resources, specialised training and effective coordination between the various entities involved.

The fight against money laundering and terrorist financing is of paramount importance for economic stability and national security. However, it should be stressed that putting in place sound legal and institutional frameworks is only the first step. It is equally crucial to ensure that these measures are rigorously applied, that there is effective international collaboration and that awareness is raised among all those involved.

In addition, it is important to recognize that the fight against money laundering and terrorist financing is an ongoing process that requires constant adaptation to new trends and techniques used by criminals. It is therefore essential to put in place regular monitoring and evaluation mechanisms to ensure that the measures implemented are effective and efficient.

3. Grumbling at the DGI, DGRAD and DGDA following the abolition of the capital gains bonus

Tensions between the Minister of Finance, Nicolas Kazadi Kadima, and the Intersyndicale of financial registers have reached a critical point, jeopardising relations between the two parties. The main bone of contention is the abolition of the value-added bonus by the Minister, a decision that has provoked the anger of the Intersyndicale. In an ultimatum to the government, the union threatened to launch an indefinite strike if a lasting solution was not found within 72 hours.

The situation is made more complex by the differing interpretations of the concepts of litigation premium and guaranteed minimum litigation premium. Minister Kazadi justifies his decision by citing the existing confusion and proposes that the performance bonus take over the aspects of the value-added bonus. However, the Intersyndicale considers that this measure undermines the acquired rights of employees and managers of the financial authorities, in particular the Directorate General of Taxes (DGI).

The Intersyndicale also points out that the Minister of Finance has not clearly defined the wording of the payments made, which constitutes mismanagement. In their view, the 12 billion Congolese francs paid by the Minister are considered to be a gift rather than the payment due, which reinforces their determination to pursue their demands.

In its letter to the Prime Minister, the Intersyndicale recalls the relevant articles of the decree creating the Direction Générale des Impôts, highlighting the right to a guaranteed minimum litigation premium for DGI employees. It believes that the Finance Minister's decision violates these acquired rights and calls for appropriate responses to their demands.



The current situation is a cause for concern, not least because of its potential impact on the public treasury and the organisation of elections scheduled for later in the year. The DGI, as the main provider of public revenue, plays a crucial role in financing government activities. However, some large taxpayers, particularly in the mining sector, have adopted uncooperative behaviour by refusing to file their balance sheets, exposing the government to potential losses of tax revenue.

Despite these challenges, the DGI has performed satisfactorily, meeting or exceeding the budgetary targets set for the current year. The Director General of Taxes, Barnabé Muakadi Muamba, and his team remain confident in the tax authority's ability to recover the missing revenue and exceed the budget targets set for the year.

It is now up to the government to find a rapid and lasting solution to this dispute in order to preserve financial stability and avoid potential economic and political disruption. A fair and transparent resolution of this situation is essential to maintain the confidence of financial regulators and preserve the integrity of the Congolese tax system. It is crucial that the government enter into in-depth discussions with the Intersyndicale in order to fully understand their concerns and find mutually beneficial solutions.

It is also important to emphasise that financial stability and the government's ability to raise revenue are fundamental to ensuring that the elections scheduled for the end of the year run smoothly. A prolonged strike in the financial authorities could have adverse consequences for public finances and compromise the holding of the elections under optimum conditions.

In this delicate situation, it is essential to give priority to dialogue and consultation. The parties involved must show flexibility and goodwill in order to reach a compromise that safeguards both the interests of

the financial regulators' employees and the country's economic stability.

In addition, it is imperative to strengthen transparency and clarity in communications between the Minister of Finance, the Intersyndicale and the various financial regulators. An exchange of accurate and reliable information will help to dispel misunderstandings and find appropriate solutions.

4. Government increases fuel prices

The announcement of an increase in fuel prices in the Democratic Republic of Congo (DRC) is raising concerns and questions about its impact on the national economy and the population.

The structure of fuel prices was affected in June 2023. Fuel prices were increased in various supply zones. According to the government, this price increase is due to maintaining the balance in the petroleum product supply system and to strengthening the management of petroleum subsidies, which requires control over tax expenditure and budget costs. The table below shows the new price scale by zone :

Table 1 » Fuel prices at the pump (in CDF)

Zone	Petrol	Diesel	Oil
West	2995	2985	2450
North	3540	3590	2900

Source : Ministry of the Economy.

It should be noted that when prices of petroleum products are readjusted, households that do not buy their supplies directly at the pump are indirectly affected by price increases, particularly as public transport fares tend to soar. Unfortunately, as prices are fixed at a lower level, transport operators generally do not readjust them when prices at the pump fall.

In addition, observation of the sub-components of each of the main headings in the price structure for petroleum products shows that the structure is overloaded. Various headings, in particular the operating costs of commercial companies and service providers, have never been properly controlled and are often the subject of suspicion on the part of the government, which from time to time demands an audit before accepting them. As a result, the price structure does not appear to be unifying because of this mistrust.

Faced with this situation, it would be necessary, once and for all, for the issue of these operating costs to be resolved and for the results of the audit carried out in September 2022 to finally restore confidence and lay new foundations for the future. One of the objectives to be pursued would be to reduce the structure to a strict minimum, drawing on a comparative analysis of a sample of price structures in certain CEMAC, UEMOA, SADC and EAC countries.

Reforms to the pricing structure of petroleum products that take social considerations into account are therefore necessary. To achieve this, it will be necessary to:

- Carrying out in-depth studies and consultations with stakeholders to ensure that the interests of each party are taken into account and that they are supported and appropriated ;
- Draw up a timetable and set a date for the launch of the reform ;
- Launch a vast and intense public awareness campaign to explain clearly to the public the rationale and objectives of the reform ;
- Develop measures to mitigate the impact of fuel price rises on the poor in order to encourage their support for the reform ;

- Develop mechanisms to make the reform sustainable..

II.1.2. Economic activity

In June 2023, economic activity in the DRC was characterised mainly by the following factors:

i. GDP growth projections

The latest world economic outlook published by the World Bank indicates that growth in the DRC should reach 7.7% in 2023 and then fall slightly to 7.6% in 2024. Compared with 2022, growth in the DRC will fall by almost a point, but will still be well above the average for sub-Saharan Africa. The report shows that the Congolese economy continues to prove resilient in the face of the effects of the Russian-Ukrainian crisis and inflationary pressures on food prices.

ii. Mercedes Benz bus assembly plant set up in Kinshasa

After the 1991 and 1993 looting raids, most of the country's industries were forced to close. The Congolese industrial sector bore the full brunt of this crisis, which saw the closure of automotive companies such as General Motors and Iveco.

30 years later, the Democratic Republic of Congo inaugurated a new Mercedes Benz bus assembly plant. This plant has a production capacity of 25 buses per month and will assemble 2 models, the Mercedes Benz 1723 with 49 seats and the Mercedes Benz 917 with 39 seats.

The plant was set up under an agreement signed in 2020 between Harish, the owner of Serve Air, and TRANSCO (Société de transports du Congo). The plant is expected to deliver 670 buses to TRANSCO.



In the 2018 Finance Act, the government planned to provide TRANSCO with 500 buses to enable it to connect all the country's urban centres. The aim was to enable TRANSCO to reach every corner of the country, thereby solving the problem of transport in urban areas.

This initiative will have a positive impact on job creation in the country, given that it starts with a capacity of 250 employees and this number could increase over time. A large country like the DRC needs several factories with a high capacity to absorb unemployment if it is to create wealth and lay claim to development.

iii. Presentation of Bloomfield's DRC country risk report

At the Country Risk Conference held in Kinshasa in June 2023, Bloomfield Investment Corporation presented its report on the country's rating. The agency gave the country a positive rating of 5.5 points in 2023, compared with 5.1 points the previous year. The aim of the conference was to review the 2023 country risk report and map the country's investment risks.

This country risk rating report is based on an assessment of the economic environment through the business climate and macroeconomic performance, the financial environment through the management of public finances and the soundness of the monetary and financial system, and the political environment. The rating obtained by the DRC is 5.5, a positive rating that confirms a moderate risk for investments. This implies that it should maximise efforts to improve its business climate.

In the light of this report, it should be noted that the reforms put in place by the government, especially in the economic sector, could be confronted by the security situation, which remains fragile, and the


uncertainty linked to the organisation of the elections scheduled for 2023.

iv. Conclusion of the 4th IMF review of the credit facility agreement with the DRC

In its press release of 28 June 2023, the International Monetary Fund informed the public that its Executive Board had concluded the fourth review of the Extended Credit Facility agreement with the DRC. This decision will enable the Congolese government to receive SDR 152.3 million, or approximately USD 203 million, to meet its balance of payments needs. To date, the DRC has already received SDR 761.5 million, equivalent to approximately USD 1.017 billion.

This disbursement is aimed at strengthening international reserves, given the high downside risks to the economic outlook. The IMF-supported programme continues to support the authorities' reforms to promote macroeconomic stability and sustainable development by accelerating domestic revenue mobilisation, improving governance and strengthening monetary policy.

According to the IMF, the DRC's macroeconomic situation is resilient despite the uncertainty linked to the war in the east of the country and the tensions in the run-up to the elections scheduled for the end of this year. The economic growth rate achieved was 8.9% in 2022. This growth was underpinned by higher-than-expected mining production, which boosted revenues. Inflation reached 13% in 2022, fuelled by spending pressures and the depreciation of the exchange rate, despite lower import prices. Gross international reserves reached around 2 months of imports. The domestic fiscal balance stood at 1.2% of GDP, in line with programme commitments, although the size and composition of expenditure differed, mainly due to the increase in exceptional security-related expenditure, given the fiscal room for manoeuvre created by the



increase in revenues. Despite the context of declining revenues that the country has experienced up to May 2023, exceptional expenditure remains high and other expenditure is under-executed.

The Congolese government has made satisfactory progress under the programme. All the quantitative achievement criteria to end-December 2022 have been met, as well as all the indicative objectives (IOs) with the exception of two: that relating to social spending and that relating to central bank guarantees for government loans, due to shortcomings in monitoring and despite the fact that no new guarantees have been issued. All the structural benchmarks were met, with the exception of the one relating to the publication of mining contracts, due to delays.

IMF analyses reveal that the budget deficit should narrow in 2023, which will help monetary policy to curb inflation. The decline in revenues and the increase in exceptional expenditure justify controlling spending and redefining priorities, while continuing efforts to mobilise revenues. Improved spending efficiency, tighter controls on spending under emergency procedures and better cash management will improve budget execution and free up room for essential social and development spending. Progress on structural fiscal reforms, including those related to the civil service, fuel subsidies, the expenditure chain and

the functioning of the Treasury, public investment management and budget credibility, are needed to improve spending efficiency and governance.

With regard to monetary policy, the IMF is favourable on the readiness to tighten monetary policy, as well as strengthening the monetary policy framework and improving central bank independence and safeguards will promote price stability. Further accumulation of reserves, while strengthening the role of the exchange rate as a shock absorber, is essential for external resilience. The promulgation of regulations relating to the new banking law will strengthen financial supervision and resilience.

It should be noted that the government is called upon to implement reforms aimed at strengthening the rule of law and the judicial system, fighting corruption, and improving transparency in the mining sector and public finances are essential to improving the business climate with a view to encouraging private investment and economic diversification. It is also essential to take action to exit the FATF grey list and implement the new framework for combating money laundering and the financing of terrorism. Implementing the country's ambitious climate change programme would also be important, given the country's vulnerability to climate change.

Tableau 2 » Democratic Republic of Congo: main economic and financial indicators, 2022-25

	2022	2023		2024		2025
	East.	Raport n°22/390	Proj.	Raport n°22/390	Proj.	Proj
	(annual percentage change, unless otherwise indicated)					
GDP and prices						
Real GDP	8.9	6.3	6.8	6.5	4.7	5.3
GDP (extractive industries)	22.6	10.9	11.7	9.6	4.3	4.0
GDP (excluding extractive industries)	3.1	4.2	4.4	4.9	4.9	6.1
GDP deflator	6.3	6.1	11.4	6.8	6.6	6.2
Consumer price index (annual average)	9.3	10.8	14.8	7.2	7.1	7.1
Consumer price index (year-end)	13.1	8.3	11.5	6.9	7.1	7.0
	(annual percentage change in broad money at start of period)					
Money and credit						
Net foreign assets	-7.0	11.3	22.9	15.8	8.9	14.1
Net domestic assets	10.4	7.2	-6.0	4.0	4.2	-0.7
Domestic credit	16.8	10.6	12.4	13.3	6.2	7.8
Money in the broad sense (M2)	3.4	18.5	16.9	19.9	13.1	13.4
	(percentage of GDP, unless otherwise indicated)					
Financial situation of the central administration						
Income and donations	16.6	16.8	14.8	16.5	16.5	16.8
Expenses	17.1	18.3	16.1	19.0	17.6	18.2
Domestic budget balance	-1.2	-0.6	-0.5	-0.8	-0.2	-0.2
Investment and savings						
Gross national savings	6.2	10.0	4.6	12.1	7.9	12.0
Gross investment	11.5	14.0	10.1	15.1	11.8	14.8
Non-public sector	8.0	8.0	6.0	8.0	6.0	8.0
Balance of payments						
Exports of goods and services	43.2	37.8	42.8	38.0	41.1	38.9



Imports of goods and services	48.2	41.6	48.2	40.5	45.6	43.2
Current account balance (including official transfers)	-5.3	-3.9	-5.5	-3.0	-3.9	-2.8
Current account balance (excluding official transfers)	-6.2	-5.3	-6.3	-4.1	-5.0	-4.2
Gross official reserves (in weeks of imports)	7.9	9.9	10.0	11.2	10.2	11.2
Public sector debt						
Debt service as a percentage of public revenue	6.9	7.6	7.4	7.4	6.1	6.1

Sources : IMF.



II.1.3. Price dynamics

Overall, prices rose in June 2023 compared with May 2023. As table 1 shows, apart from weekly inflation, the pace of price rises accelerated in June 2023. This is mainly due to the rise in prices of everyday consumer goods and fuel. The continuing Russian invasion of Ukraine and the ineffectiveness of government policies could exacerbate this price slippage.

The weekly inflation rate stood at 0.24% in the fourth week of June 2023, a fall of 68.95% compared with the rate recorded at the end of May 2023, when it was 0.77%.

The cumulative inflation rate stood at 9.45% in the fourth week of June 2023, compared with 7.63% a month earlier, representing a positive change of 23.85%.

Year-on-year inflation stood at 17.30% in the fourth week of June 2023, compared with 16.57 a month earlier, a fall of 4.42%. At this rate, inflation is expected to reach 20.60% by the end of 2023, compared with 13.13% a year earlier (2022).

The table below shows inflation in June 2023.

Tableau 3 » INFLATION TREND (JUNE 2023)

	Weekly inflation	Cumulative inflation	Year-on-year inflation	Annualised inflation
Week 1	0.23	7.88	16.42	16.62
Semaine 2	0.51	8.42	16.73	20.06
Semaine 3	0.70	9.18	7.29	20.97
Semaine 4	0.24	9.45	17.30	20.60

Source : BCC, June 2023.

II.1.4 Exchange rates and foreign exchange reserves

During June 2023, the exchange rate deteriorated on the interbank market, where it stood at 2,351.52 in the fourth week of June 2023, compared with 2,303.55 at the end of May 2023, a depreciation of 2.08%.

The same is true of the parallel market, where the exchange rate stood at 2,435.50 in the fourth week of June 2023, compared with 2,354.75 a month earlier, a depreciation of 3.43%.

Tableau 4 » EXCHANGE RATE TRENDS

	Closing June 2023	June 2023				Variation may-june 2023
		Week 1	Week 2	Week 3	Week 4	
Interbank market	2 303.55	2 345.65	2 358.85	2 365.53	2 351.52	2.08%
Parallel market	2 354.75	2 365.63	2 408.75	2 422.75	2 435.50	3.43%

Source : BCC.

Foreign exchange reserves increased compared with May 2023. In fact, foreign exchange reserves stood at USD 4.30 billion in the fourth week of June 2023, an increase of 4.88% compared with the previous month, when they stood at USD 4.10 billion. In terms of the number of months of imports, the Congolese economy

has seen an increase in its capacity since the end of May 2023. The coverage of imports by foreign exchange reserves rose from 2.25 months to 2.35 months between the end of May 2023 and the fourth week of June 2023, an increase of 4.44%. This increase in foreign exchange reserves could essentially be explained by the support

received by the DRC under the Extended Credit Facility (ECF) in an amount equivalent to USD 203.3 million. According to the IMF, this disbursement to

international reserves is explained by the high risk of a deterioration in the DRC's economic outlook and the need to continue building up reserves.

Tableau 5 » CHANGE IN FOREIGN EXCHANGE RESERVES

	Closing may 2022	June 2023				Variation may - june 2023
		Week 1	Week 2	Week 3	Week 4	
En milliards de USD	4.10	4.10	4.30	4.20	4.30	4.88%
En mois d'importations	2.25	2.25	2.30	2.31	2.35	4.44%

Source : BCC.

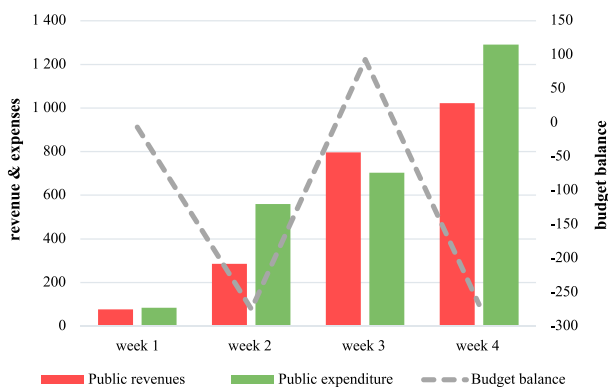


II.1.5 Public finance

In the fourth week of June 2023, the operating account showed a deficit. Public revenues totalled CDF 1,022,241 million, while expenditure was estimated at

CDF 1,290,098 million. The operating account showed a deficit of 267,857 million CDF.

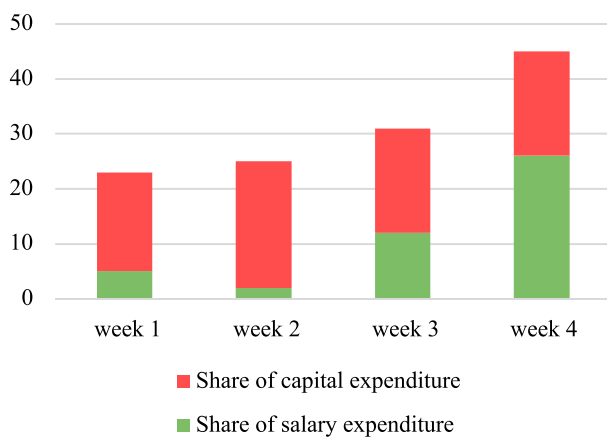
Figure 9 » CHANGE IN PUBLIC REVENUE, PUBLIC EXPENDITURE AND BALANCE DURING THE MONTH OF JUNE 2023 (IN MILLIONS OF CDF)



Source : Ministry of Finance, CTR.

Government spending in the fourth week of June 2023 was relatively low compared with the previous month, at 1,290,098 million CDF compared with 1,306,564 million CDF. Government spending continues to be geared towards operating costs, the payment of civil servants' salaries and the remainder towards capital investment.

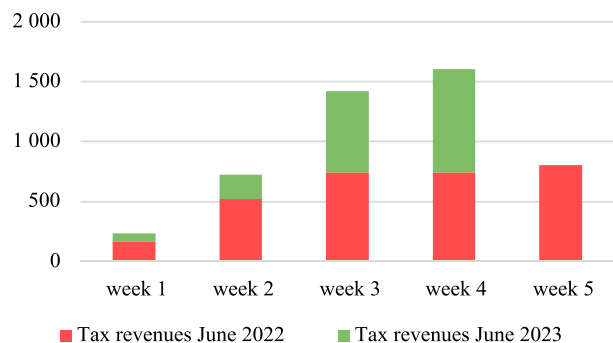
Figure 10 » BREAKDOWN OF PUBLIC SPENDING (%)



Source : Ministry of Finance, CTR.

It should be pointed out that the largest share of public expenditure was devoted to the running costs of the State. This could justify the government's efforts to restore peace at a time of aggression by the M-23 rebels with the support of the Rwandan army. Despite all this, the government is not allocating sufficient resources to improve the living conditions of the population through basic infrastructure. With regard to the payment of civil servants' salaries, the Congolese government should work to improve the efficiency of public spending and increase tax revenues to ensure that civil servants receive regular and sufficient salaries on time.

Figure 11 » CHANGE IN TAX REVENUE (IN MILLIONS OF CDF)



Source : Ministry of Finance, CTR.

Revenue mobilisation in June 2023 was low compared with May 2023, i.e. CDF 861,183 million in the fourth week compared with CDF 1,550,295 million. It was slightly higher than in the fourth week of June 2022, at CDF 743,552 million. The government's efforts should focus on mobilising public revenue in order to meet the needs of the Congolese population.

II.2 Political developments

June 2023 was a very eventful month with much tension between stakeholders around the following highlights:

I. The continuing crisis in the east of the DRC

In his address to the UN Security Council on Monday 26 June 2023, the DRC's permanent representative, Georges Nzongola Ntalaja, refuted Rwanda's allegations that the Congolese army was collaborating with the Rwandan FDLR rebels to destabilise the Kagame administration.

The Congolese diplomat asserted that the FDLR poses no real military or security threat to Rwanda, which is using this pretext to engage in the "predation of the DRC's natural resources" and to continue its ambitions for territorial expansion, as reiterated in President Paul Kagame's recent speech in Benin. He said that Kagame should stop dreaming in terms of Congolese land, which remains sacred, assuring the audience that Congolese President Félix Tshisekedi and his people will not give up a single inch of national territory.

The ambassador also accused "the M23/RDF tandem" of sabotaging the Nairobi and Luanda processes, and warned that the massacres perpetrated in the east of the DRC demonstrate a desire to extinguish the Congolese civilian population in the east, who are being killed, raped, terrorised, traumatised and driven off their land into unhealthy camps for displaced persons, only to be slowly exterminated.

Faced with this sad and atrocious reality, he demanded a minimum of respect for the civilian population of the DRC and the valiant Congolese security forces (FARDC), who are fighting at the price of sacrifice to free the country from aggression.

Concluding his remarks, Ambassador Nzongola asked the Security Council to reaffirm the inviolability of the DRC's borders, to support the Nairobi-Luanda process,

to sanction "terrorist movements" more vigorously, to demand an acceleration of the withdrawal of M23 troops from the areas they occupy so that "they can return to their true country of origin", to accelerate the funding of the emergency humanitarian aid plan and to take targeted sanctions against the Rwandan authorities concerned, the ADF and CODECO.

Georges Nzongola asked the DRC's partners to stop thinking that what is happening there is merely a Congolese-Congolese problem. Hence the need to act collectively to eradicate the armed groups and address the root causes of the conflict without complacency. To this end, the UN must not forget that the conflict that has been ravaging eastern DRC for more than 25 years, claiming more than 10 million lives, does not have its true source or origin in the DRC. It is a conflict that has been exported and then transposed to Congolese soil", he insisted.

With regard to the withdrawal of Monusco, he assured the Security Council that his government was pursuing a constructive dialogue with the Mission on redefining the transition plan.

However, the M23 rebels in eastern DRC, supported by the Rwandan army, are refusing to take part in the demobilisation, disarmament and reintegration (DDR) process at this stage. These militiamen, who have committed a number of crimes in North Kivu, do not want the cantonment decided by regional leaders. On the contrary, they are demanding direct dialogue with the Congolese government to restore peace.

Sanctioned by the UN Security Council and the USA, the M23 has, according to HRW, committed murder, rape and other clear war crimes in the east of the Democratic Republic of Congo. To restore lasting peace, regional leaders have initiated peace processes that give priority to the Disarmament, Demobilisation, Community Rehabilitation and Stabilisation Programme (P-DDRCS). As part of this process, the last EAC summit decided that the M23 should be pre-cantoned in Rumangabo. But the Kigali-backed militia is demanding, above all, direct talks with the



Tshisekedi administration. This is rejected by Kinshasa. "Unequivocally, the M23 has done everything it was asked to do and is only waiting for direct dialogue with the Kinshasa government in accordance with the spirit and letter of the communiqué of the 20th Summit of Heads of State, held on 4 February 2023 in Bujumbura, Burundi. However, it is not involved in the DDR and cantonment processes at this stage", said Lawrence Kanyuka, spokesman for the militia.

Still on the subject of insecurity in the east, the final report of the UN Group of Experts on the DRC, published and presented to the Security Council on 19 June, revealed a number of crimes committed in North Kivu by the M23, whose spokesman felt that the document contained unverified allegations.

In fact, the UN experts presented evidence (*interviews, photos and aerial images attesting to the presence of soldiers wearing Rwandan uniforms between November 2022 and March 2023*) in the territories of Rutshuru, Masisi and Nyiragongo, Kigali's active support for the M23 armed movement to destabilise the eastern part of the DRC, claiming to have gathered additional evidence of the Rwandan army's involvement in the province of North Kivu, which reinforced the M23 ranks on several occasions to control strategic points. According to the events cited, in the localities of Kisheshe and Bambu, in the Rutshuru territory, their presence can be seen before and after the capture of these areas by the M23.

In Kiwanja, the city taken by the M23 on 29 October 2022, a video from 15 November shows a column of 25 soldiers identified as belonging to the Rwandan army. In Mushaki, in Masisi territory, a laptop containing notes in English and Kinyarwanda was found with information on military equipment and detailing the names and ranks of soldiers and commanders suspected of belonging to the Rwandan army and sent on mission. The experts also revealed the names of several senior Rwandan officers involved, according to their sources, in organising these operations on Congolese soil. These

operations, dubbed "North Kivu", were conceived and coordinated by General James Kabarebe, President Paul Kagame's current Defence and Security Adviser.

The UN experts made it clear in the report that Kigali's objective is to strengthen the M23 to secure mining sites and "decimate" the predominantly Hutu FDLR group.

For its part, the US embassy in the DRC welcomed the report, condemning the violence that has left so many people dead, wounded, displaced and vulnerable. It took the opportunity to call on all the armed groups, including the M23, Codeco, Fdlr, Mapi and others, to cease hostilities and lay down their arms, and to join in the consultations between the DRC government and the armed groups as part of the Nairobi process under the auspices of the East African Community.

The US embassy in the DRC has also called on Rwanda to withdraw its Defence Force (RDF) soldiers from Congolese territory immediately and to stop supporting the M23 armed group, which has been sanctioned by the United Nations and the United States.

France, for its part, called for an end to Rwanda's "ongoing military support" for the M23 rebels in the east of the Democratic Republic of Congo (DRC), and condemned the atrocities perpetrated by the many groups terrorising the region.

It is important to note that in this matter of the war in the east, a leaked CIA document refers to the "complicity" of the EAC in the balkanisation of the DRC. A document from the CIA, the US intelligence service, on the war in Ukraine and the United States also refers to the "complicity" of the Community of East African States (EAC) in the balkanisation of the DRC. Kwalezitome Lilungi, deputy provincial director of the South Kivu branch of the Agence nationale des renseignements (ANR), gave the CIA this information,

pointing to the inaction of the Kenyan contingents of the regional force, who were invited to act as neutrals but instead sympathised with the Rwandan-backed rebellion, to the point of frustrating the Congolese government, in support of the EAC's complicity.

In the same document, Lilungi supports not only the expulsion of Kenyan and Ugandan troops from Congolese territory, but also the use of Mai-Mai self-defence militias and other Congolese armed groups to fight the M23.

For Noël Tshiani, a candidate in the 2018 Congolese presidential elections, the solution will come through war. In his view, this statement by the Biden administration will not change the situation on the ground. Noël Tshiani believes that "an all-out war led by the FARDC against Rwanda is the only solution for restoring the territorial integrity of the DRC".

Tshiani's position is in line with that of the former Prime Minister, Adolphe Muzito, who has called for "war in Rwanda to restore peace in the region".

II. Crossfire between the ruling party and the Catholic Church

In a declaration entitled: *"For credible elections, Congolese people, wake up from your slumber"*, published on Friday 23 June 2023, on the sidelines of the closing of the 60ème conference session of the bishops of the Congo National Episcopal Conference (CENCO), the bishops explain that the stability and well-being of the Congolese people depend in particular on free, inclusive, transparent and peaceful elections.

While acknowledging the efforts of the government and CENI, which published the electoral calendar and the electoral roll within the set deadlines, CENCO expressed its concern about the political situation and particularly the elections that are on the horizon in the Democratic Republic of Congo.

Responding to the question on the requirement for elections within the constitutional deadline, Monsignor Donatien Nshole said that the issue of the recomposition of the members of CENI was not an idea of CENCO but of the Congolese opposition. This is further proof that we are not together with the opposition", he declared.

Continuing his remarks, he maintained that for inclusive, transparent and peaceful elections, the National Episcopal Conference of Congo hopes that the powers that be will allow all candidates who meet the criteria to submit their files. Thus, "speaking of inclusive elections, CENCO insists that candidates and political opponents should not be eliminated simply for political reasons. The people must be allowed the freedom to choose their leaders.

In addition, CENCO expressed its regret at "the deplorable setback characterised by the violent repression of opposition demonstrations, the restriction of opponents' freedom of movement, attempts to introduce discriminatory bills, the manipulation of justice and arbitrary arrests".

Reacting to this statement by the bishops, President of the Republic Félix Tshisekedi reiterated his determination to pacify the Democratic Republic of Congo and preserve its unity to the people gathered to celebrate the silver jubilee of the bishop of the diocese of Mbuji-Mayi. In this quest, Félix Tshisekedi declared that he will not hesitate to attack all those who pose a threat to the country's security and stability. In a very firm tone, the Head of State declared that he would never tolerate certain excesses of the Catholic Church.

The position of the bishops has so angered the Tshisekedi regime that it is seen as a dangerous interference in the remit of the CENI. A senior member of the Union sacrée warned that this drift risked dragging the country into a spiral of violence.



For Patrick Muyaya, the presidential statement is justified because, he says, opponents who have no alternative are counting on violence to halt the electoral process. *"Today, there are people who unfortunately think that, through the ballot box, they won't be able to beat us, or at least today, we can't hear their ideas because they have no contradictions to offer us in substance, they are counting on violence to suddenly stop the electoral process and set us back"*, he denounced. "This is an opportunity to invite these opponents to abandon all these subterfuges and come up with concrete proposals.

In reaction to this statement by the bishops, Parnasse Sharonne Malangu, 1st vice-president of the youth league of the Union for Democracy and Social Progress (UDPS), Gombe section, took a hard line against the comments of CENCO, which described the UDPS progress force as a militia that collaborates with the police to hunt down political opponents. To this end, she questioned CENCO, whose statement was not based on any evidence or serious investigation. For her, "bishops cannot play politics. The church must be in the middle of the village.

In turn, the National Episcopal Conference of Congo, through its General Secretary, reassured that there is no drift on the part of the Catholic Church and that, he stressed, the various messages from the bishops are in line with the social doctrine of the Catholic Church. Donatien N'shole also said he understood that the Head of State in Mbuji-Mayi had reacted with anger.

"I don't think the Head of State read our last message. He was content with what he was told, certainly by people who don't like the church".

For him, the Catholic Church has no candidates. Rather, it stands on the side of the weak. *"The church has always been on the side of the weak. There was a time when the situation was hot, and it was almost every other day that I went to Limete late at night to see the old*

Étienne Tshisekedi to talk, and at the time he was in a weak position in relation to a government that wanted to impose everything. The church remains in this dynamic. What has changed is that those who were in opposition are now in power", said Monsignor Shole.

In addition, the Congolese episcopate, which maintains that it remains on the side of the weak, has promised to use Article 64 of the Constitution to increase pressure on the authorities and the CENI to demand truly transparent and independent elections.

At the close of the third Eucharistic Congress held in Lubumbashi, the Catholic Church called on the population not to leave the polling stations on polling day. This was a clear message to the people: "Don't let your victory be stolen this time".

CENCO has therefore taken a harder line, fearing violence if the current electoral process offers no guarantee of transparency. Suspicions of fraud and cheating are prompting the Catholic bishops to develop citizen monitoring and control mechanisms.

Among the recommendations, the bishops suggested that the population should take charge by monitoring the entire process. Indeed, in view of the unfortunate experiences of past cycles, they are asking people not to leave the polling stations until the results have been posted. Once the results are posted at polling station level, there will already be a clear idea of the winners. CENI will have no choice but to confirm them. *"Otherwise, it would be a high treason, and let's not wait for another body to restore our rights"*, warned Bishop Donatien Nshole.

In his view, the Congolese people have a civic duty to counter cheating, provided that the leaders they vote for are those actually proclaimed by the electoral commission.



Jean-Claude Katende, President of the Association africaine des droits de l'homme (Asadho), believes that the speech by the Head of State, Félix Tshisekedi, in Mbuji-Mayi has once again fanned the flames of tension that were already visible within the political and social class during the electoral period.

Keen to improve the political climate, J.C. Katende believes that Félix Tshisekedi should give priority to the national unity and cohesion of the Congolese people. I would point out that the President of the Republic has the right to appeal to all Congolese so that we can all work towards unity and national cohesion, but at the same time, he knows that the church as an association is subject to certain laws of the country that he and certain citizens are also supposed to respect.

The President of Asadho also suggested that the President of the Republic approach the leaders of the Catholic Church to discuss issues of concern to the country. "It was up to him as President of the Republic to approach the brothers and sisters of the National Episcopal Conference of Congo (Cenco) and the Catholic Church, to discuss with them, because the constitution gives them the right to intervene as citizens on issues that concern everyone", he suggested.

III. Update on the electoral process with six months to go

The Chairman of the Independent National Electoral Commission (CENI), Denis Kadima, officially convened the electorate on Sunday 25 June, outlining a period running from Monday 26 June to 15 July 2023, during which 171 candidacy reception and processing offices (BRTC) will be open throughout the Republic for the submission of candidacies for the national deputation.

On this occasion, Denis Kadima declared that they were aware that, for some people, elections can be frightening. So he reassured them that their votes would be protected.

In addition, the Chairman of CENI plans to meet with political leaders, especially those of the opposition, to exchange views and reassure all stakeholders that the electoral process is proceeding smoothly.

He also announced that for candidates who, for one reason or another, had not been identified and enrolled during the voter identification and enrolment period, arrangements had been made by CENI for them to be enrolled at each BRTC", he explained. As for Congolese living abroad who wish to stand as candidates in the election of national deputies, CENI has decided that "they must submit their candidature files in the electoral constituencies of their choice in the DRC (...)".

On this occasion, the Chairman suggested that CENI had produced a reliable electoral register of nearly 44 million voters, and that from these figures a preliminary draft law on the distribution of seats had been presented, which was not contested by the stakeholders. "This electoral register exists and has already been handed over to the Office National d'Identification de la Population (ONIP) and forms the basis of the general population register.

Denis Kadima also recalled that when the CENI roadmap was published in February 2022 and its timetable in November of the same year, CENI had publicly mentioned the risks that could prevent the organisation of general elections in December 2023. Some of these risks have been resolved, while others of a security and financial nature still persist.

Bernadette Tokwaulu Aena, a declared candidate in the 20 December 2023 presidential election in the Democratic Republic of Congo, warns from abroad that "if we don't organise the elections on time, there will be a transition without Félix Tshisekedi". She stressed that this was not a problem for Western chancelleries, but rather for the Congolese people. "We are tired of trusting the international community, which has moreover been complicit in the destabilisation of the Democratic Republic of Congo for more than 30 years", she lamented, before insisting that the Congolese people



must fend for themselves to protect their national sovereignty and restore peace to their country. "The international community is complicit in Rwanda's aggression against the DRC. This hypocrisy must stop", she concluded.

F. Kambere also pointed out that the opposition is only calling for democratic, transparent and inclusive elections to be held. Kambere believes that the regime's arrests of opponents prove that Félix Tshisekedi has unfortunately chosen repression to silence the opposition, which is only calling for the organisation of proper, consensual, democratic, transparent and inclusive elections. With six months to go to the legislative and presidential elections, there have already been a number of arrests of opposition members by the military intelligence services. These include Franck Diongo and Salomon Kalonda.

Martin Fayulu, for his part, accuses President Félix Tshisekedi of wanting "at all costs to obtain another fraudulent mandate in order to change the Constitution by extending the term of office of the President of the Republic to 7 years". According to Martin Fayulu, Félix Tshisekedi wants to "stay in power as long as possible to complete the project of balkanising our country, dividing the Congolese people through tribalism, perpetuating corruption and selling off the country's resources".

Also in the run-up to the elections, the Congolese political opposition held its announced meeting at Place Sainte-Thérèse in Kinshasa on Sunday 25 June. Martin Fayulu was the only opposition leader to take part in the meeting, as his comrades were prevented from attending. The opposition maintains that it is waging a peaceful struggle to obtain transparent, impartial, inclusive and peaceful elections. To achieve this, Martin Fayulu declared during the meeting that "the rules of the game must be the same for all candidates, including a reliable, up to date file, without fictitious entries and audited by a body specialising in the field".

Dieudonné Bolengetenge, Secretary General of Ensemble pour la République, said: "The regime has failed, not a single promise has been fulfilled. They stole the people's victory, and even stole the people's money through RAM. They have to go. The Congo has nearly 100 million inhabitants. There are those who can work well. Elections or no elections, Tshisekedi must go".

For his part, Franklin Tshiamala, Secretary General of LGD, said: "We have not planned to hold this meeting today. That's because the leaders don't like democracy. They gave young people free tickets to go to the concert. And even those who were at the concert sang: "yebela mandat esili". He deplored the lack of security: "They've created an insecurity brigade to hurt us. We have to put an end to insecurity, the seat of the institutions. Even the war in the east is a form of cooperation. We know who is behind Mobondo, M23 and even the Kulunas. We want peace, and we want them to resolve the problems of insecurity that they have created.

Nicolas Lenga, CEO of Envol, deplores the growing insecurity in the DRC. He appealed to the population to fight against insecurity. "No to the high cost of living, to the instability of the Congolese franc, to youth unemployment...", he said. He added: "We reject electoral fraud. Stay in your centres until the results are published, office by office. We are going to tour the country to denounce electoral fraud, with a view to rebuilding the DRC".

was against this backdrop that they met the Chairman of CENI on 30 June 2023, with whom they had a very heated exchange. On this occasion, the opponents expressed their willingness to move forward with Denis Kadima, **"provided that the audit of the electoral register, which they suspect is designed to promote the re-election of Félix Tshisekedi in the 2023 presidential election, is audited by an external firm, a reputable and independent firm"**.



For Fayulu, if the audit reveals that the file is correct or has weaknesses of 2 or 3% that can be overcome, they will agree. But if the audit tells us that this file is not consumable, they will take their responsibilities".

For his part, the chairman of CENI continues to say that the file is reliable, and that it has been audited with recommendations that he will apply.

3. Political and economic perspectives

On the political front

With six months to go before the elections, the campaign is shaping up to be a very tense one in the Democratic Republic of Congo (DRC), with the opposition claiming that the electoral roll is "fanciful" and railing against a regime determined to stay in power, against a backdrop of conflict in the east and social crisis.

For several weeks now, the groups of four opponents who are declared presidential candidates have been organising demonstrations to demand an overhaul of these bodies, which they believe will lead to fraud and chaos.

Martin Fayulu, Moïse Katumbi, Matata Ponyo and Delly Sesanga - consider that the electoral register is "fanciful", in particular because "enrolment" could not take place in territories plagued by armed violence and the "audit" was carried out in a record time of five days.

The camp of former president Joseph Kabila (2001-2019), meanwhile, has so far called on its supporters to boycott the electoral process.

Several observers believe that there is still "a chance to regain the public's confidence", and that is to organise "a new independent and transparent audit of the electoral register". This "could help to reduce political tensions", without having to postpone the vote.

The opposition continues to demand guarantees of transparency, but at the same time it must start preparing" for the elections.

With the opposition determined to obtain as many guarantees of transparency as possible before the polls are held, and continuing to fight tooth and nail, the government is determined to organise the elections "within the constitutional timeframe" at all costs, with the aim of re-electing its candidate for a second term.

These general elections at the end of the year are already polarising attention in a country where elections have always been a source of tension and sometimes deadly violence. This was the case in 2011, when the opposition denounced fraud following Joseph Kabila's election, and again in 2019, after the results were announced in favour of Félix Tshisekedi. The fierce protests that followed led to acts of vandalism, looting and other violence that helped to deepen the division between the Congolese people. And with the December 2023 elections already on the horizon, the crisis of confidence between the political players is further exacerbated by strong suspicions of fraud.

Félix Tshisekedi's government has not escaped the suspicion of the opposition, which has always pointed the finger at the composition of electoral bodies such as the CENI and the Constitutional Court, which are often accused, more rightly than wrongly in the DRC and elsewhere on the black continent, of rolling over for the ruling power.

Others, however, believe that "good elections" on 20 December are impossible. Instead, they advocate a "transition" that would allow for proper preparation, including "mobilising the necessary resources".

"If we're not careful, the next few months are going to be explosive, with demonstrations, arrests, trials and so on.

Observers are also expecting a high level of abstention, due to a lack of confidence in the electoral process and the political class in general, but also because the main concern of many Congolese, squeezed by unemployment and inflation, is to feed their families.



On the economic front

The tense political situation in the DRC, marked by arbitrary arrests of opponents and concerns about the integrity of the electoral process, is creating a climate of uncertainty that could have a negative impact on the economy. The political instability and controversy surrounding the elections may discourage foreign investment, limit the confidence of economic players and hamper the country's economic development.

The continuing deterioration in the macroeconomic framework, characterised by rising prices for essential goods and fuel, as well as the depreciation of the local currency, are signs of inflationary pressures and economic imbalances. These factors can lead to an increase in the cost of living for the population and a drop in purchasing power, which can exacerbate the already existing situation of poverty.

Embezzlement of public funds is a threat to the country's economic and social stability. It reduces the resources available for public investment, such as infrastructure, education and health services, which are essential for stimulating economic growth and improving people's living conditions. It is crucial to take firm measures to fight corruption and strengthen transparency and accountability in the management of public finances.

Persistent insecurity in the east of the country and in other regions poses a major challenge to the DRC's economic development. Armed conflicts and geopolitical tensions are disrupting economic activities, particularly in the agricultural, energy and transport sectors. These disruptions can lead to supply difficulties, higher production costs and loss of income for farmers and businesses.

The regular payment of salaries to government employees and civil servants is crucial to maintaining the country's social and economic stability. Delays

in payments can lead to social tensions and reduced confidence in government institutions. It is important to put in place measures to guarantee regular payments and improve the management of public finances.

With regard to the Russian invasion of Ukraine, this may have repercussions on the dynamics of agricultural and energy prices due to disruptions in global supply chains. Rising agricultural and energy prices may put additional pressure on inflation and exacerbate the already existing economic challenges for the DRC.

Consequently, it is necessary to implement policies aimed at stabilising the prices of essential goods and fuel. This could include measures such as boosting local production, promoting competition on the markets, prudent management of foreign exchange reserves and implementing appropriate monetary and fiscal policies to combat inflation.

The fight against corruption and misappropriation of public funds should be an absolute priority. This can be achieved by strengthening oversight institutions and applying severe sanctions against those responsible for embezzlement. At the same time, structural reforms aimed at increasing transparency and accountability in the management of public finances must be undertaken.

As far as salary payments are concerned, it is necessary to improve public finance management and increase internal revenue to guarantee a regular source of funding. This can be achieved by strengthening tax collection, combating tax evasion and encouraging private sector development.

DIFFERENT PUBLICATIONS OF CONGO CHALLENGE

1. CONGO CHALLENGE JOURNAL (THE SEMI-ANNUAL)

The Semestriel (Revue Congo Challenge) is a completely disinterested scientific periodical, published every semester, with the main objective of promoting scientific studies aiming at contributing to the advancement of knowledge in economic sciences and to offer to economic operators as well as political decision makers, a set of recipes likely to enlighten their decision making or to justify on a proven scientific basis their decision making.



2. FOUR-MONTHLY BULLETIN

This bulletin is published every four months and offers a general and precise overview of economic and political developments at the national, regional and global levels. It allows the reader to adjust his or her forecasts according to the observed developments or to make anticipations taking into account the available information package.



3. THE MONTHLY BULLETIN

This publication is published monthly and provides a factual overview of the economic indicators and presents the highlights of the monthly political situation in the country.



4. RAPPORTS ANNUELS



INTERVENTION MODULES OF CONGO CHALLENGE

1. Training
2. Assistance
3. Advice
4. Lobbying
5. Conduct of studies
6. Organization of conferences
7. Support for quality management
8. Support for the design of government economic programs
9. Support for public revenue mobilization policies
10. Strategic support to governments in the monitoring and evaluation of economic programs
11. Quality control of infrastructures activities

THE VALUES OF CONGO CHALLENGE

Congo Challenge believes in the cardinal values of which it is the vehicle.
These values are based on :

- Abnegation ;
- Sacrifice ;
- Hard work.

Also, the ambitions of the Think Tank are translated through three virtues
which are :

- Ethics ;
- Morality ;
- Good governance.

How do you keep a bunch of «niggers» on a leash?

You isolate the most valiant by demonising them and you promote the most mediocre by granting them undue privileges. Aware of this swindle, the latter will be even more aggressive towards the former to preserve their privileges.

Dixit Machiavel

**EVOLUTION OF THE ECONOMIC
AND POLITICAL SITUATION IN THE
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The monthly bulletin Issue 74

Published in July 2023

July 2023.2023.Copyright©CongoChallenge2023
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