

CONGO CHALLENGE  
THE MONTHLY BULLETIN



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

Issue 78 | October 2023

*Two months ahead of an uncertain election with a controversial electoral process, continuing deterioration in the population's quality of life, persistent insecurity in the east of the country: what is the outlook for the DRC?*

Kinshasa, DRC

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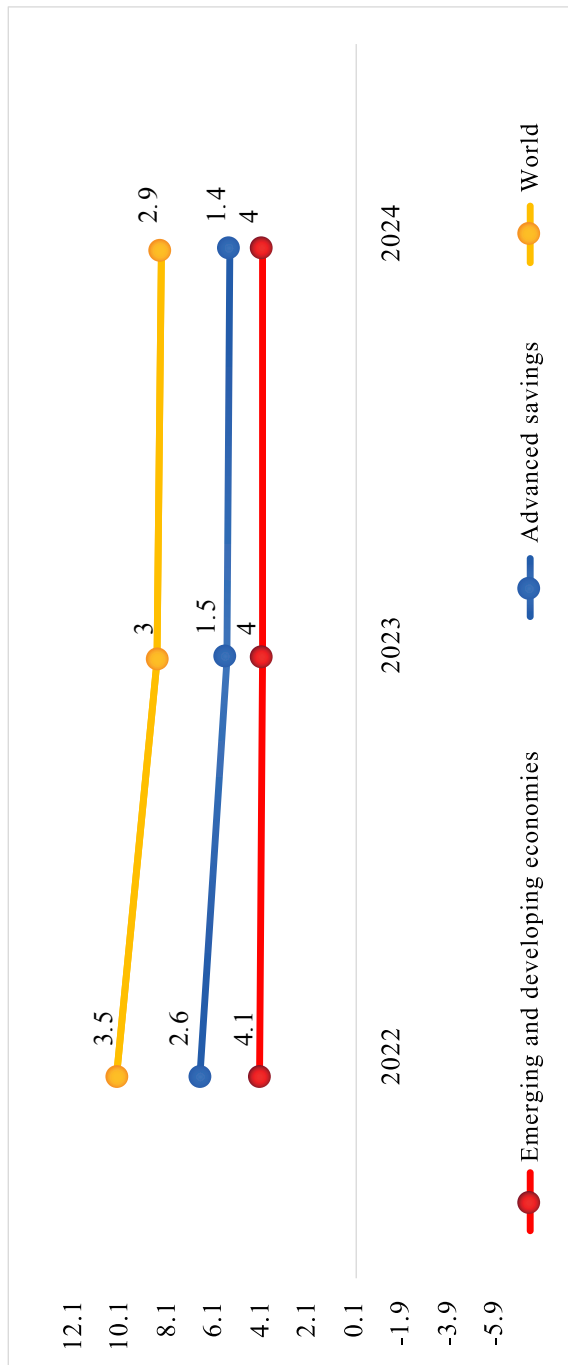
# **EVOLUTION OF THE ECONOMIC AND POLITICAL SITUATION IN THE DEMOCRATIC REPUBLIC OF CONGO**

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*Two months ahead of an uncertain election with a controversial electoral process, continuing deterioration in the population's quality of life, persistent insecurity in the east of the country: what is the outlook for the DRC?*

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.

**Figure 1 » WORLD ECONOMIC GROWTH PROJECTIONS**



Source: International Monetary Fund.

# Summary

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Matata Ponyo Mapon

## What I think

### Elections to destabilise the country?

- **What I think** is that the outcome of the forthcoming elections risks destabilising the country. People who were not elected could be overwhelmingly proclaimed winners. Much to the regret of tens of millions of voters. Some will say that in 2018, the situation was the same, and yet there was no unrest. The transfer of power between the outgoing and incoming presidents was peaceful. And the current presidential term is coming to an end in two months' time without any major disruption. The biggest difference between the two situations is that in the previous elections, the process resulted in a change to the political regime that had been in place for 18 years. This was the will of the majority of the population. Even if the people proclaimed in office were not in part those elected by the people. The situation could be different at the end of the current electoral process. Indeed, the governance of the country since the advent of the current government in January 2019 has been catastrophic: insufficient economic growth, rising unemployment and domestic prices, continued depreciation of the national currency, salaries of certain civil servants and provincial deputies not paid regularly, etc... Faced with this gloomy picture, the majority of the population is already calling for the departure of the current political regime, which has only lasted five years. The desire for change seems to be stronger than it was in 2018. Could the socio-economic damage caused by the governance of the last five years be more devastating than that of the previous eighteen? Is the despair created by this bad governance so strong? Whatever the case, there is every reason to believe that the political regime is organising itself, through the Independent Electoral Commission (CENI) and the Constitutional Court, to remain in power at all costs for another five-year term. The battle between the people

and the government looks set to be a bitter one, and the outcome after the vote is likely to be fatal.

-**What I think** is that the electoral process, as it is unfolding, does not augur well for the holding of good elections. Numerous and flagrant irregularities have accumulated deliberately from the outset. The CENI Bureau was set up in violation of the spirit and the letter of the texts on which its credibility is based. The chairman of CENI was appointed without the agreement of the Catholic and Protestant churches, which were stakeholders in the process. These churches, whose members represent more than seventy per cent of the population, have withdrawn from the structure for good. Several other members of the institution's Bureau were appointed by the government by poaching, in other words, without the prior agreement of their respective leaders. In short, the CENI is not an inclusive institution; nor does it inspire the confidence that the population would have wished for. What then will be the level of credibility of the results it proclaims? Furthermore, the electoral law that was amended and promulgated by the President of the Republic did not take into account the main recommendations of the opposition to guarantee the transparency and fairness of the process. On the contrary, amendments designed to facilitate cheating and the fraud of results for the benefit of those in power were subtly incorporated. What's more, the voter registration process was so chaotic and opaque that it is difficult to believe the figures published by CENI. Indeed, contrary to the requirements in this area, CENI categorically refuses to have the electoral roll audited by a competent international audit firm, with the participation of members of the opposition,



as was the case during previous elections. Instead, the audit was carried out by Congolese non-professionals hastily recruited locally for the needs of the cause. Finally, CENI is also refusing to publish the voters' list as recommended by the electoral law. Instead, it is asking voters to consult the lists at its offices across the country. To finalise the electoral fraud mechanism, CENI has just carried out a general deployment of its officials throughout the country. In addition, the President of the Constitutional Court and some of its judges have been appointed in flagrant violation of the Constitution and the laws of the land; the main objective being to ensure that the results are confirmed as they will be published by CENI, a structure already under the total control of the authorities.

**-What I think** is that you cannot seek one thing and its opposite at the same time. Organising elections to enable the people to choose better leaders for themselves, and at the same time spending a huge amount of resources to finance the running of an institution and the implementation of an electoral process whose primary objective is to proclaim mediocre people in particular. Secondly, to seek to preserve national unity and cohesion, while at the same time amplifying the tension between the people and those in power, which could lead to violent protests and demonstrations once the results have been announced. Ultimately, it is up to those in power to remember the main objective of these elections: to provide the country with leaders capable of guaranteeing internal peace and security, consolidating the unity of the national territory, which is under serious threat, and ensuring the harmonious and sustainable development of the country. And not to hold a sham vote to allow the appointment of certain unelected and

incompetent individuals. To do so would be, perhaps unconsciously, to execute a plan for the destruction of one's own country.

Kinshasa, 31 October 2023.





# Executive summary

## Economic situation

- **At international level**, the latest forecasts from the International Monetary Fund (IMF) indicate a decline in global economic growth, with a projection of 3% for the current year, rising to 3.5% in 2022 and falling to 2.9% in 2024. This momentum is being maintained despite the major disruptions to the energy and food markets caused by the Russo-Ukrainian conflict. This context is accompanied by an unprecedented significant tightening of global monetary conditions to counter inflation, which remains at high levels compared with recent decades.
- As far as inflation is concerned, the IMF forecasts a gradual decline from 8.7% in 2022 to 6.9% in 2023, reaching 5.8% in 2024. This trend is partly explained by the tightening of monetary policy induced by the fall in commodity prices. Nonetheless, inflation excluding energy and food is set to fall gradually, while headline inflation is not expected to return to its norm before 2025 in most countries.
- Financial markets remained generally bearish during October 2023, mainly due to the continued restrictive monetary policies of central banks, a direct reaction to the price rises caused by the conflict in Ukraine.
- As for the international currency markets, the US dollar strengthened against the euro, the pound sterling and the Japanese yen, while the Chinese yuan appreciated slightly against the US dollar.
- With regard to international trade, the World Trade Organisation (WTO) notes a 0.5% fall in the volume of world merchandise trade in the first half of 2023, but anticipates a moderate recovery in the second half.
- With regard to raw materials, copper prices showed an upward trend during October 2023, closing at \$4 per pound. This increase is explained by signs of recovery in global economic activity, despite the many shocks it has faced. Gold prices also rose during the month. Crude oil prices, on the other hand, fell slightly on both the American (WTI) and European (Brent) markets, mainly due to the fall in Chinese demand, China being one of the world's leading oil consumers.
- **At national level**, Congo Challenge's projections show that the macroeconomic framework will have deteriorated overall. The national currency would have depreciated by 1.52% on the interbank market and by 0.13% on the parallel market. During October 2023, the national economy is expected to have recorded positive variations in inflation rates overall. Weekly inflation is estimated to have fallen by 1.90% compared with the previous month. Cumulative inflation would have risen by 14.58% and year-on-year inflation would have accelerated by 8.64%. The trend is similar for annualised inflation, which is estimated to have risen by 10.67%.
- In terms of public finances, the Treasury would have recorded a deficit of CDF 79,819.00 million at the end of October 2023. This deficit would result from a level of expenditure of CDF 1,501,326.00 million (of which 17.62% capital expenditure) against revenue of CDF 1,421,507.00 million (of which 83.72% tax revenue). It should be noted that the figures presented above relate to Congo Challenge projections and may be updated as soon as official data becomes available.
- Finally, the economic news of October 2023 was marked by several notable events. These included (i) the ODEP's denunciation of budget overruns as a characteristic of President Félix Tshisekedi's governance; (ii) the inauguration of the artisanal mineral trading centre in Lualaba, (iii) the Cami's announcement of the cancellation of mining rights held by individuals ; (iv) the signing of the decree fixing the increase in fuel prices throughout the DRC; (v) the signing by the EU of strategic partnerships with the DRC and Zambia.



## The political situation

- The month of October 2023 was marked by a number of political events in the Democratic Republic of Congo: (i) the ongoing electoral process; (ii) the persistent conflicts in the east of the country; (iii) the repercussions of General John Numbi's statements; and (iv) the death of honorary national deputy Ne Muanda Nsemi.

- The Independent National Electoral Commission (CENI) has been calling voters since 1 September for the presidential election scheduled for 20 December. The period for submitting candidatures ran from 9 September to 8 October 2023. Several candidates submitted their files. After evaluation, CENI declared 24 candidatures admissible for the presidential election of 20 December 2023. However, this list remains subject to review by the Constitutional Court for final validation.

- The UN Secretary-General's Special Representative in the DRC, Bintou Keita, highlighted the continuing instability in the east of the country, pointing to the ongoing need to protect civilians. She stressed that the conflicts in this region require concerted political and regional solutions, recalling the various peace processes underway.

- General John Numbi, currently in exile, strongly criticised the quality of the current electoral process, suggesting that a dialogue excluding Tshisekedi would be more conducive to a democratic overhaul.

- Finally, the death of Ne Muanda Nsemi, leader of the Bundu Dia Mayala movement, is to be mourned. His death sparked a wide range of reactions across the country and the region following the departure of this former Congolese parliamentarian.

# 1. Contexte international

## 1.1. Economic growth

Following the exogenous shock of the COVID-19 pandemic and Russia's invasion of Ukraine, which led to a global cost-of-living crisis, the global economic recovery remains slow and uneven.

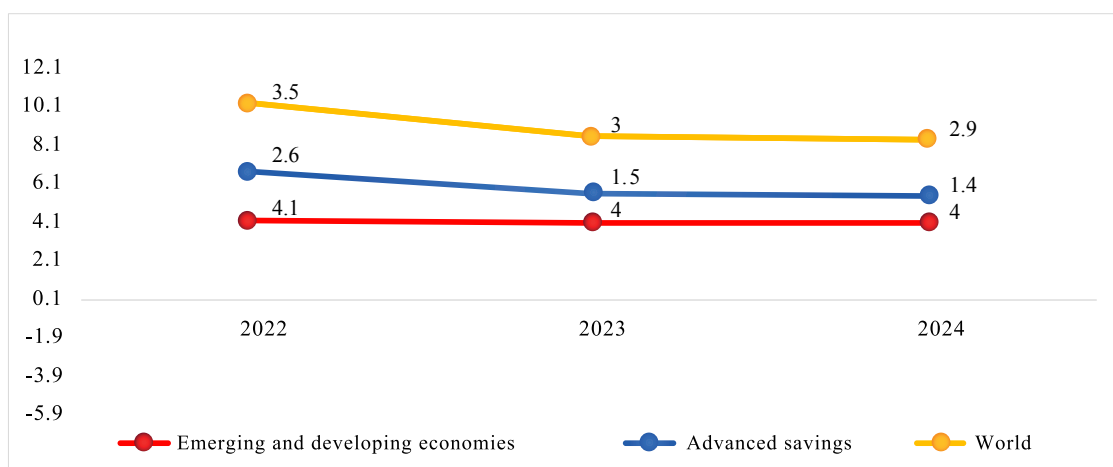
According to the latest projections from the International Monetary Fund (IMF), global economic growth is set to slow from 3.5% in 2022 to 3% this year and 2.9% in 2024. The global economy has shown remarkable resilience, despite the disruption to energy and food markets caused by the Russo-Ukrainian conflict, combined with an unprecedented tightening of global monetary conditions to counter the highest inflation seen in decades.

The risks to the global outlook are more balanced, due in particular to the resolution of tensions around the US debt ceiling and the determined actions of the Swiss

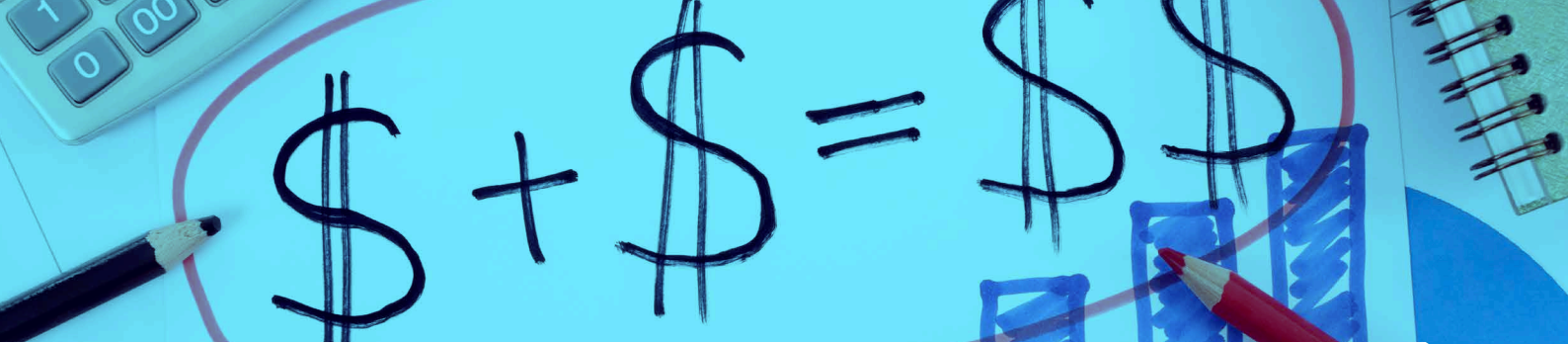
and US authorities to control the financial turbulence. Although the risk of a hard landing for the global economy has diminished, the downward influence on global growth remains predominant. In addition, the crisis in the Chinese property sector could worsen and have global repercussions, particularly for commodity-exporting countries.

The sustainable recovery of the global economy relies heavily on effective coordination of cyclical macroeconomic policies, where fiscal policy must support monetary strategy to facilitate the disinflation process. In addition, multilateral cooperation can promote better results in terms of economic growth.

Figure 1 » WORLD ECONOMIC GROWTH PROJECTIONS



Source: International Monetary Fund.



According to Figure 1, growth in advanced economies is expected to fall to 1.5% in 2023, while growth in emerging and developing market economies will stagnate at 4% in the same year. This deceleration is partly due to the long-term repercussions of the pandemic, the war in Ukraine and geo-economic fragmentation. It is also the result of cyclical factors, such as the tightening of monetary policy to counter high inflation, the reduction in budgetary aid in a context of high indebtedness, and extreme weather events.

In this particular global economic context, faster and more effective multilateral coordination is needed to resolve the debt issue and avoid over-indebtedness. Similarly, a coordinated approach between economic players is imperative to meet the challenges facing the global economy.

## 1.2. Inflation

According to the basic forecasts of the International Monetary Fund (IMF), world inflation should continue to fall, from 8.7% in 2022 to 6.9% in 2023, reaching 5.8% in 2024. This decline is attributed to the tightening of monetary policy, helped by a fall in international commodity prices. However, inflation excluding

energy and food is expected to fall gradually, and in most countries headline inflation is not expected to return to its target before 2025.

It should be stressed that the high inflation of the last two years is likely to raise expectations of persistently high inflation, complicating central banks' actions to bring inflation back to target levels. In addition, new climatic and geopolitical shocks could lead to further spikes in food and energy prices. If geo-economic fragmentation intensifies, it could restrict the movement of commodities between markets, increase price volatility, and complicate the transition to a more environmentally friendly economy.

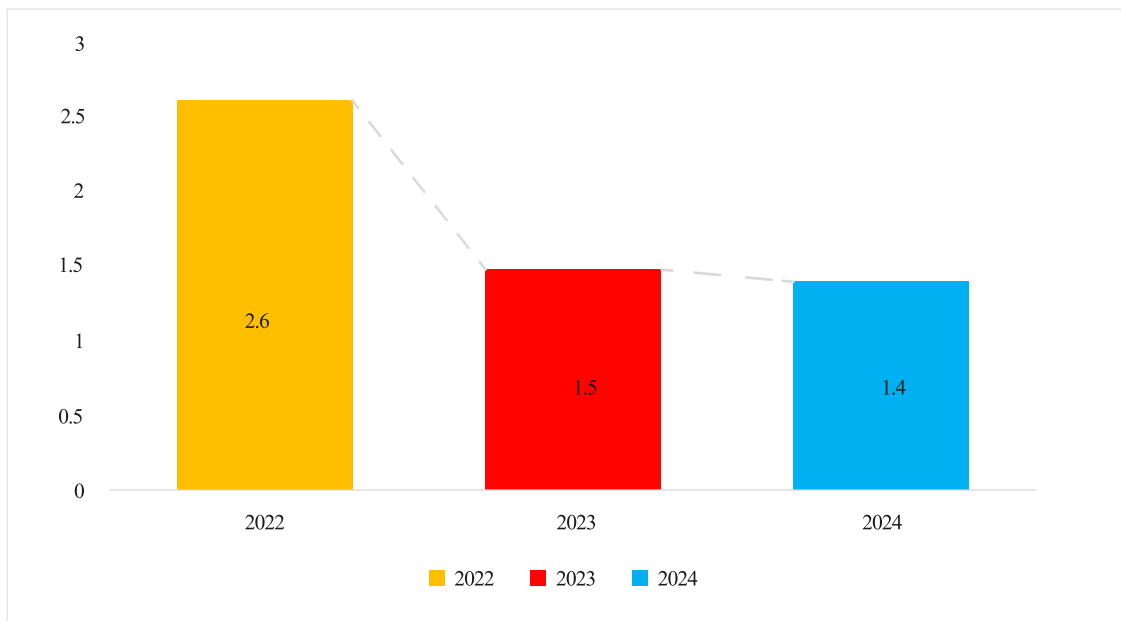
It is therefore crucial that central banks put in place effective monetary policy frameworks and communication strategies to anchor expectations and minimise the costs of disinflation in terms of output. Building up fiscal reserves to support the most vulnerable populations in the face of widespread price rises for goods and services is equally imperative.



source: #Freepik royalty-free image.



Figure 2 >> GLOBAL INFLATION FORECAST.



Source: International Monetary Fund

Compared to the upward trend in 2022, Figure 2 shows a slowdown in global inflation from 2023 onwards, although it remains above the targets set by central banks. Against this backdrop, monetary policy should

continue to aim for price stability, while fiscal policy should focus on easing the financial pressure on the most disadvantaged populations.

## Box 1 : Community awareness of cervical and breast cancer<sup>1</sup>.

### Introduction

Cervical cancer is the 2nd most common cancer in women worldwide, and 7th in the general population. In Africa, cervical cancer ranks 2nd in terms of incidence, with a high mortality rate. In 2020, the WHO counted 117,316 new cases and 76,745 deaths.

Breast cancer, on the other hand, is by far the most common cancer in women worldwide, accounting for 23% of all cancers in women and 11% of all cancers in the general population. According to the WHO, by 2020, it had caused 685,000 deaths worldwide. One woman in nine will develop breast cancer during her lifetime, and one woman in twenty-seven will die from it. Unlike cervical cancer, women are not the only ones affected by breast cancer; in around 0.5 to 1% of cases, breast cancer also affects men. In the Democratic Republic of Congo (DRC), several studies carried out on gynaecological cancers have shown that, contrary to data from Western countries, cervical cancer is the leading gynaecological cancer, with breast cancer in 2nd place.

Given the absence of a well-defined and well-codified national cancer control policy, the general aim of this awareness campaign is to help reduce the morbidity and mortality associated with cervical and breast cancer, and specifically to improve the community's knowledge, attitudes and practices regarding these two types of cancer.

### 1. Cervical cancer

The cervix is the lower, narrow part of the uterus. Cervical cancer is a disease that develops in the mucous membrane of the cervix, i.e. the tissue that covers it. More precisely, it originates in the first layer of the mucosa, known as the epithelium.

#### Causal agent and risk factors

The causal agent is the **Human Papillomavirus (HPV)**.

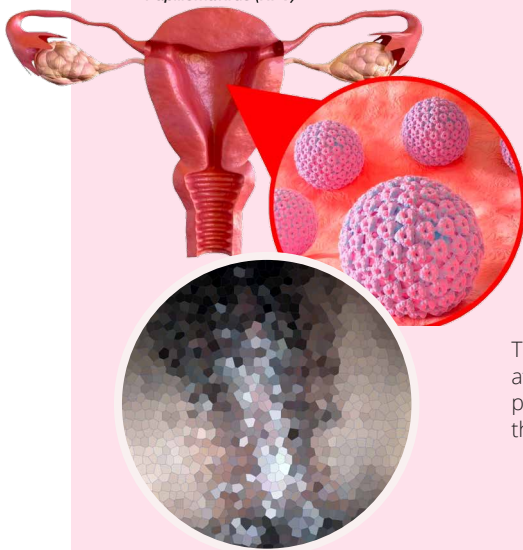
The determining factors for contracting this virus are directly linked to high-risk sexual behaviors such as: early sexual debut (before the age of 15), multiple sexual partners and sexual relations with a partner who has multiple sexual partners. The most frequent oncogenic HPV types are 16 and 18, which are found in 70% of all cervical cancers.

Genotypes 6 and 11 are low-risk types that are not associated with the development of cervical cancer, but do cause Condylomata. Most infected women do not develop the disease. When the virus settles in the cervix over a long period of time, it can cause changes in the epithelium, known as precancerous lesions.

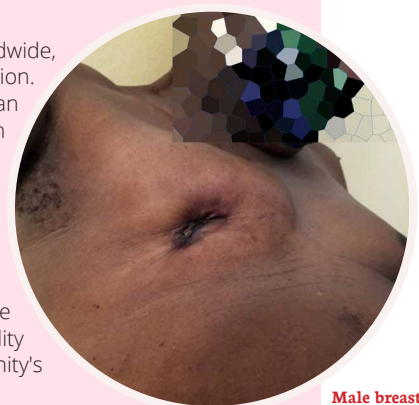
In rare cases (around 10%), these lesions may develop into cancer. This is a slow process, since cancer generally appears 10 to 15 years after persistent infection with the virus. Not all the factors associated with persistent HPV infection leading to invasive cancer are known. However, the following factors have been identified:

- **HPV-related factors** : viral type, high viral load, simultaneous infection with several oncogenic types, etc.

Human  
Papillomavirus (HPV)



Vulvo-anal condyloma



Male breast  
cancer

1. **Dr Anselme MBUNGU MULAILA**, Gynaecologist-Obstetrician and Medical Director at Centre Hospitalier Lumbulumbu, Diploma in Vaginal Surgery and Pelvipereineology.  
**Dr olive Ambambula umesumbu**, Gynaecologist-Obstetrician and Head of Staff at Lumbulumbu Hospital..

- **Host factors** : immune status, multiparity, early sexual debut,....
- **Exogenous factors** : smoking, co-infection with HIV or other sexually transmitted germs such as herpes simplex, chlamydia trachomatis and Neisseria gonorrhoeae.

### How is cervical cancer detected and diagnosed?

The patient may complain of :

- Contact bleeding during sexual intercourse or intimate bathing; this bleeding can also be spontaneous (bleeding in the form of drops, or in large quantities, sometimes more than during menstruation);
- Loss of foul-smelling, dodgy fluids from the vagina.
- Pain in the lower abdomen and hip area.

### Clinict

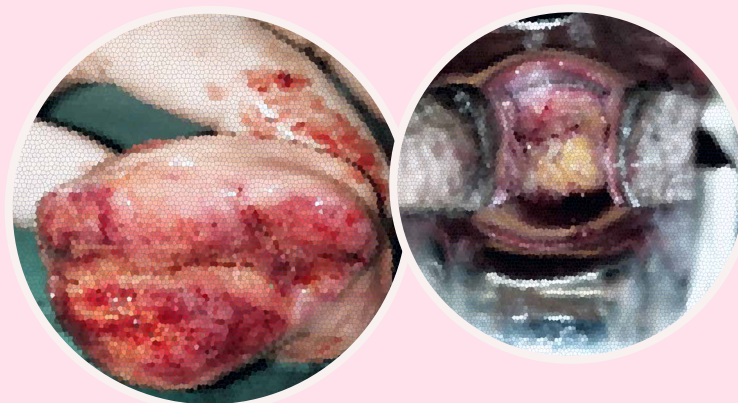
It's these symptoms that may prompt the patient to consult a doctor, who may find crater-shaped (endophytic) or cauliflower-shaped (exophytic) lesions, cervical ulcerations, etc., during a speculum examination. These will enable him to take a biopsy sample for anatomopathological examination, which will confirm the diagnosis of cervical cancer! If you wait for these symptoms to appear, the pathology will progress at a snail's pace. Hence the importance of early detection, with a view to early and appropriate treatment.

### Cervical cancer prevention :

- Avoid risky sexual behavior, such as having sex early, having multiple sexual partners, or having sex with a partner who has multiple sexual partners;
- Consult a hospital for cervical cancer screening through examinations such as colposcopy, visual inspection with acetic acid (VIA) and Lugol's iodine (VILI), and oncological smear tests, which are recommended from the age of 25 to 65 and over. These examinations can detect suspicious lesions and even precancerous cervical cells or the presence of the HPV virus, and can also benefit from vaccination if vaccines are available in the community. Vaccination is recommended for all girls and boys between the ages of 11 and 14, with catch-up at 15 and 19.

### Management of cervical cancer :

Depending on the stage of the disease, surgery, chemotherapy or radiotherapy may be used. These different treatment options can be complementary.



Cervical cancer (Image CHLL)



## 2. Breast cancer.

### Etiology of breast cancer

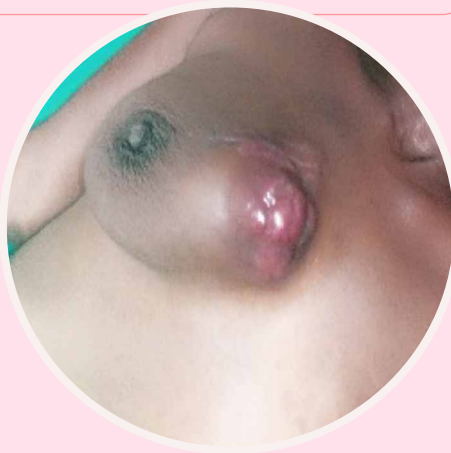
Unlike cervical cancer, there is no single causative agent for breast cancer, but rather several risk factors. In most cases, however, it is impossible to explain why breast cancer occurs in one person rather than another. It should also be noted that breast cancer can occur in a person with no risk factors at all, the main ones being :

#### Non-modifiable factors :

- Female sex: however, it should be noted that 0.5% to 1% of breast cancers affect men, generally over 60.
- Age: breast cancer very rarely affects women under the age of 30. Around 85% of cases occur at age 50 or over.
- Family history: having a mother, sister or daughter with breast cancer increases the risk of developing the disease. 5 to 10% of breast cancers are caused by a hereditary abnormality. The main predisposing genes are BRCA1 and BRCA2.
- Personal history: having already had cancer in one breast increases the risk of a second cancer forming. Note that a breast cyst is not a high-risk lesion. It does not increase the risk of breast cancer.
- Increased exposure to natural estrogens in certain situations, such as the early onset of menstruation (before the age of 12) or the late onset of menopause (after the age of 55). Etc

#### Modifiable factors

- Radiotherapy treatment: we know that women who have received high doses of radiation to the chest (high-intensity X-rays) have a greater risk of developing breast cancer, especially if the radiotherapy took place before the age of 30.
- A sedentary lifestyle
- Being overweight or obese after the menopause
- Alcohol consumption
- Etc.



**Nipple retraction (CHL image)**





### How is breast cancer detected?

The symptoms that prompt a woman to consult us about a breast problem are :

- Pain in the breasts;
- The sensation of a lump or mass in the breasts;
- Abnormal discharge (blood, serous fluid, chocolate liquid, etc.);
- Changes in the appearance of the breast skin, giving it an "orange peel" appearance, unusual redness, peeling of the nipple, etc. Unusual changes in breast size or shape.
- Etc.

Several factors can influence breast tissue and change breast appearance. These include pregnancy, the menstrual cycle, breast cysts, breast infection, etc.

### Breast cancer prevention

Breast cancer prevention focuses on screening, which aims to detect cancer as early as possible in order to halt its progression and, if possible, cure it. Screening is based on :

**1. Observation of any abnormality:** be on the lookout for any change in the breast, such as a lump, abnormal discharge, retraction of the nipple, pain, etc. To this end, all women and girls from puberty onwards are advised to regularly observe and perform breast self-examination.

**2. Consult a health professional for** a thorough clinical examination, as this can help detect a lump that a woman may not perceive or see on mammography. This examination is recommended every 2 years, from the age of 40.

**3. Mammography:** screening mammography is recommended at least every 2 years for women aged 50 to 69. Outside this age group, the need for screening varies from woman to woman, depending on personal risk factors. Mammography in women aged 40-49 who are not at risk is not recommended, given the lack of benefit and possible harm (radiation exposure, unnecessary biopsies).

**4. Breast ultrasound:** doctors sometimes suggest this examination as a complement to mammography, for example in women with very dense breasts or when mammography has been inconclusive. Breast ultrasound can also be undertaken as a first-line treatment for women under 40 who are at very high risk of breast cancer, due to genetic predisposition. No radiation is involved. If lesions suspicious of breast cancer are found, a biopsy is recommended for anatomopathological examination to confirm the diagnosis.

**Biopsy:** involves taking a sample of the tumour for examination. The tests performed on the sample :

- Influence the choice of treatment, as they reveal whether the tumour is cancerous and the type of cancer;
- Tell the doctor the stage of the cancer and whether its growth can be stimulated by sex hormones (if the tumour is "hormone-dependent").

### Pink October : breast self-examination

**1** Look at both breasts in the mirror the mirror and check that there's nothing unusual: discharge, cracks, folds, peeling skin...

**2** Using 3 fingers, palpate the opposite breast opposite breast: move over the breast making small circles with fingertips

**3** Also check the area between the and armpit. Look for any lump or abnormal hardening under the skin

**4** Gently squeeze the nipple and check that no discharge occurs. If there is, tell your doctor immediately.

**5** Repeat on other side

**6** This examination does not the annual visit to your gynaecologist with your gynaecologist or

Source: #Google royalty-free image.

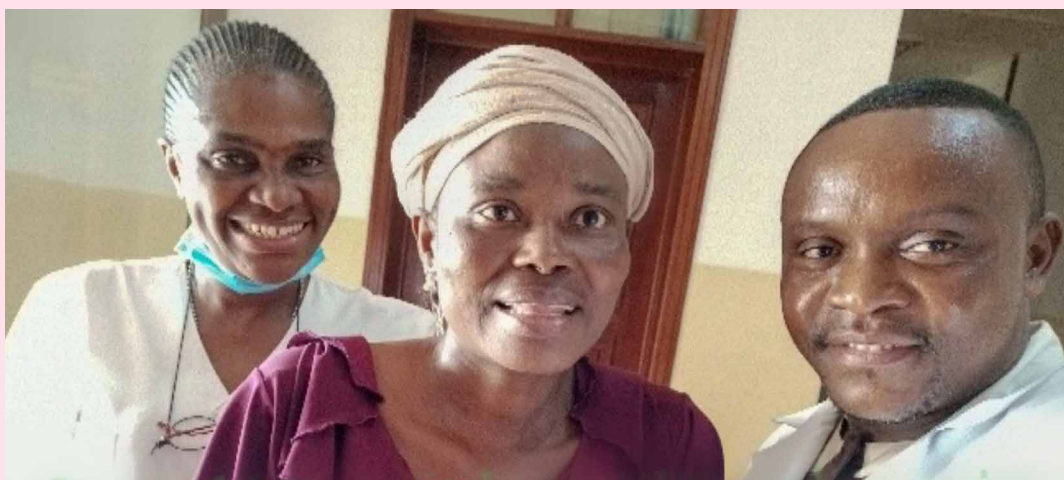


### Treatment

Treatment depends on the type of cancer and its stage of progression. Surgery is an integral part of treatment for the vast majority of breast cancers.

- There are 5 categories of treatment:
- Surgery, radiotherapy, chemotherapy, hormonal therapy and targeted therapy.

**Complications:** pain, ulcerations, functional impotence. If left untreated, the pathology can be fatal, with metastases invading many body systems (lungs, brain, etc.).



It feels good to put a smile back on a desperate patient's face. Even if there's only a 1% chance of survival, let's give it to our patients and God will do the rest.

## 1.3. International trade

According to data from the World Trade Organisation, the volume of world merchandise trade fell by 0.5% year-on-year in the first half of 2023. Nevertheless, a modest recovery is forecast for the second half of the year. According to the "World Trade Outlook and WTO Statistics" report published in October 2023, import growth has been most dynamic in regions that are major fuel exporters, having benefited from significant export revenues since the start of the conflict in Ukraine. These regions include the CIS (33.7%), the Middle East (12.2%) and Africa (4.6%). On

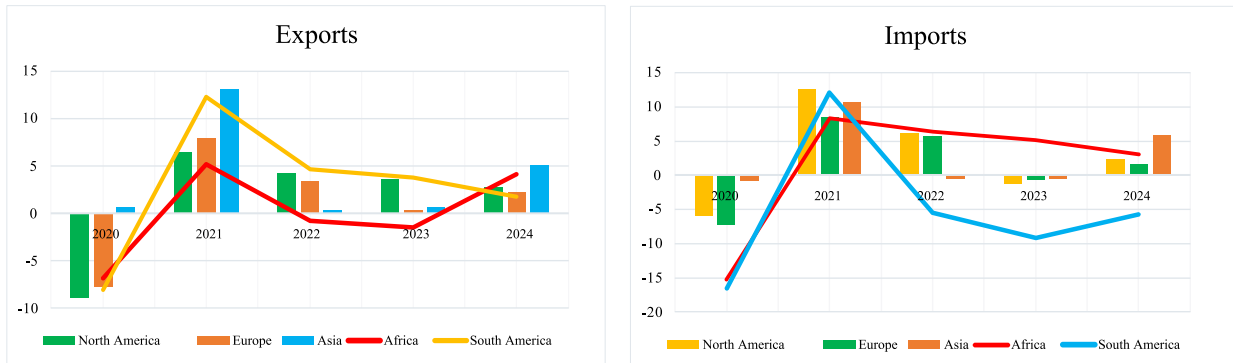
the other hand, other regions suffered declines, such as Europe (-1.9%), Asia (-2.0%), North America (-2.8%) and South America (-4.2%).

The report points out that import growth is expected to pick up in Asia and North America in the second half of 2023, while European imports are expected to remain weak.

This situation shows that the sustainable recovery of world trade will depend on future developments in the global economic context, and in particular on the resolution of geopolitical tensions around the world.



**Figure 3 » GROWTH IN MERCHANDISE TRADE**



Source: OMC

An analysis of Figure 3 reveals that demand for imports is at a low ebb due to the continuing uncertainty surrounding the global economy, despite tentative signs of recovery in economic activity worldwide. In Europe, for example, energy inflation continues to weigh on household purchasing power and is pushing up production costs. In North America, tight monetary policy is holding back spending on property, investment and the automotive sector. In Asia, China is striving to revive its economy, which faces persistent

challenges, particularly in the property sector. In Africa and Latin America, rising food costs are threatening food security and increasing indebtedness.

To deal effectively with this situation, it is imperative to improve trade infrastructures and strengthen international cooperation with a view to a sustainable recovery in international trade.



source: #Freepik royalty-free image.



## 1.4 Financial markets

During October 2023, the financial markets maintained their generally downward trend, a continuation of the trend observed the previous month. The main stock market indices, notably the Dow Jones, the S&P 500 and the Nasdaq, closed the month at 33,052 points, 4,194 points and 13,243 points respectively. This downward trend was also evident on the European financial markets.

On the Paris stock exchange, the CAC-40 fell slightly from 7,068 points to 6,885 at the close of October 2023. In Germany, the DAX-40 index was also down, reaching 14,716 points at the end of the month.

Similarly, the Tokyo Stock Exchange fell slightly from 31,857 points in August 2023 to 30,858 points at the end of October 2023.

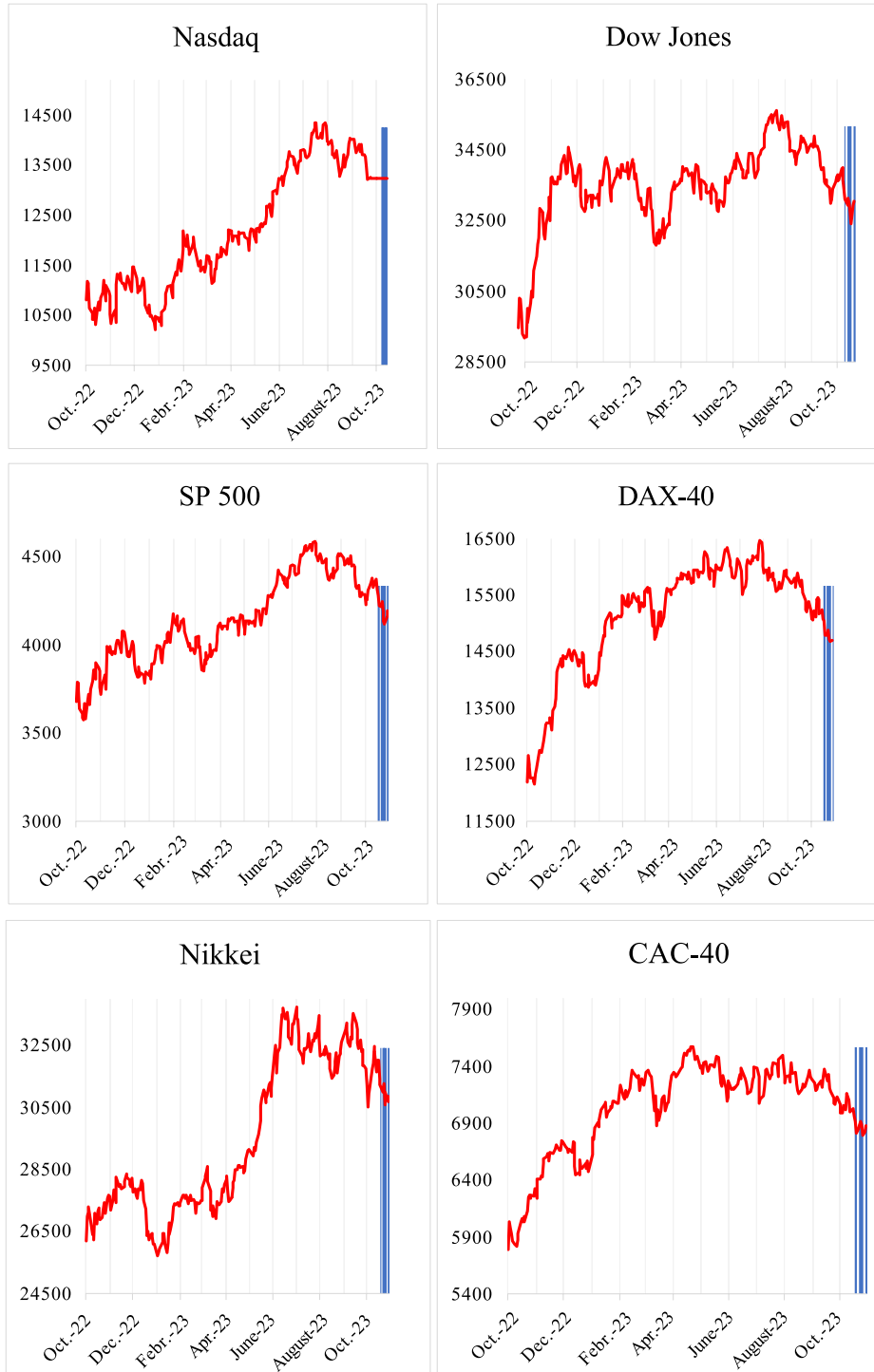
These reductions in stock market indices could largely be attributed to the continued restrictive monetary policies pursued by central banks to counter the price rises resulting from the war in Ukraine. The subsequent appreciation of the US dollar has reduced demand for equity assets, leading to a fall in their value.



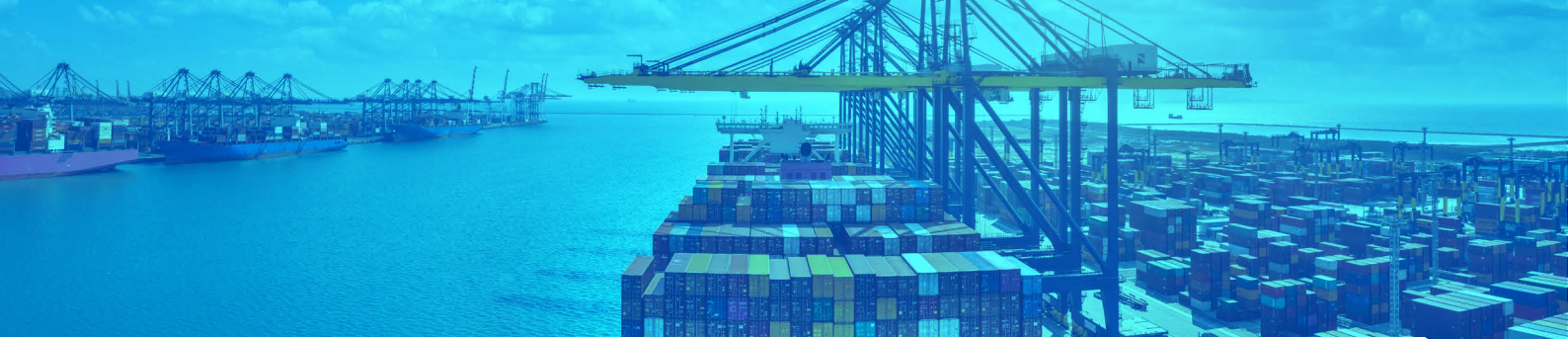
source: #Free pik royalty-free image.



**Figure 4 » DAILY TRENDS IN THE MAIN STOCK MARKET INDICES**



Source: Macrotrends.



## 1.5. Foreign exchange market

As in the previous month, during October 2023, stock market indices showed a general downward trend, mainly attributable to the persistence of the restrictive monetary policies pursued by central banks. This situation led to a demand for liquidity as a safe haven, resulting in an almost general appreciation of the US dollar on the international foreign exchange market, particularly against the euro and sterling during the month.

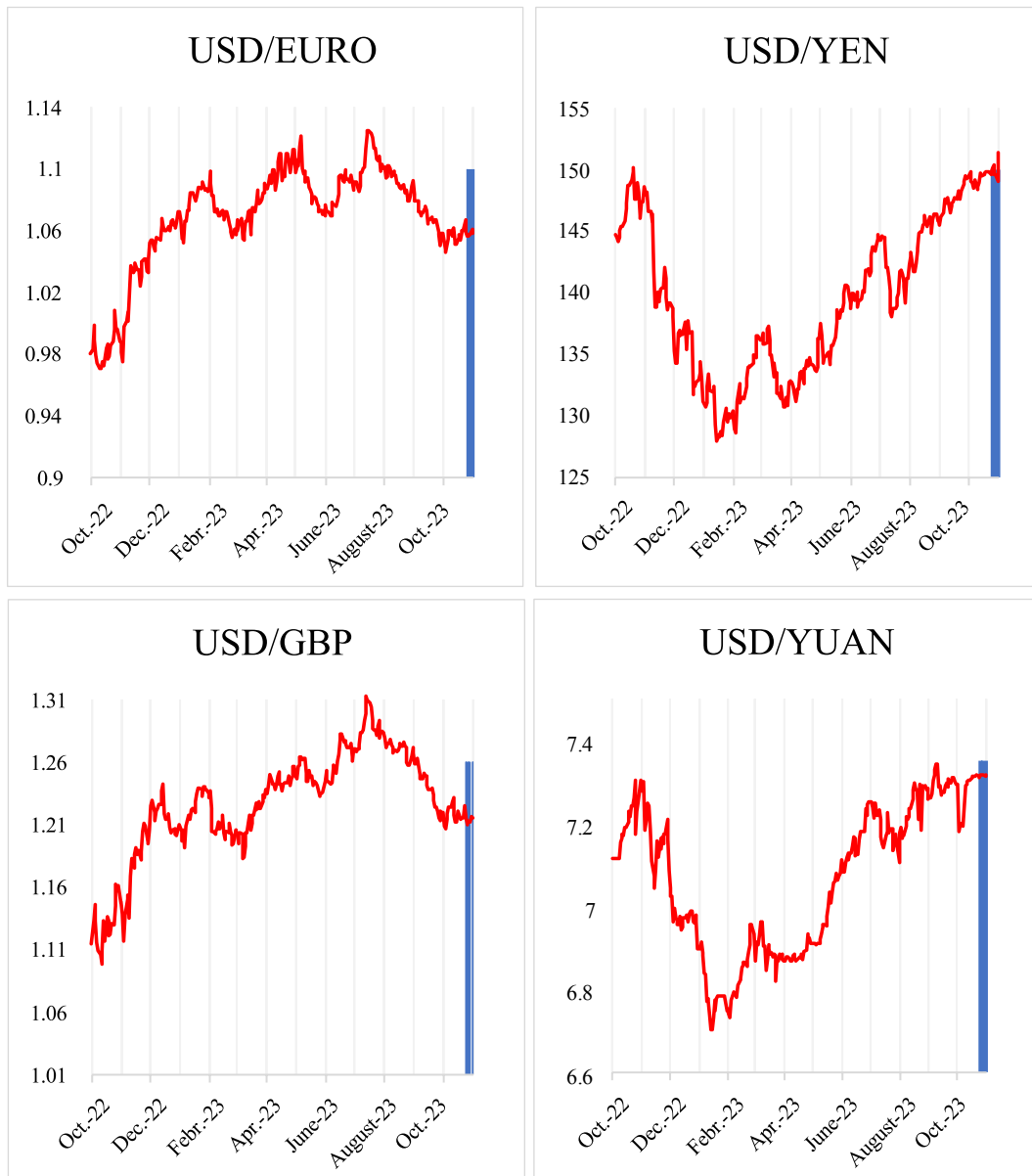
At the end of the month, the European currency stood at USD/EUR 1.058, while the British pound was close to USD/GBP 1.2152. On Asian markets, the Japanese yen was on an upward trajectory throughout the month, mainly due to the depreciation of the Japanese currency against the greenback in reaction to the effects of the central banks' continued restrictive monetary policies. On the other hand, the Chinese currency in Beijing appreciated slightly against the US dollar on the foreign exchange markets, setting itself apart from other currencies.



source: #Google royalty-free image.



**Figure 5 » DAILY TRENDS IN THE MAIN EXCHANGE RATES**



Source: Macrotrends.



## 1.6. Market for strategic products

### • Gold

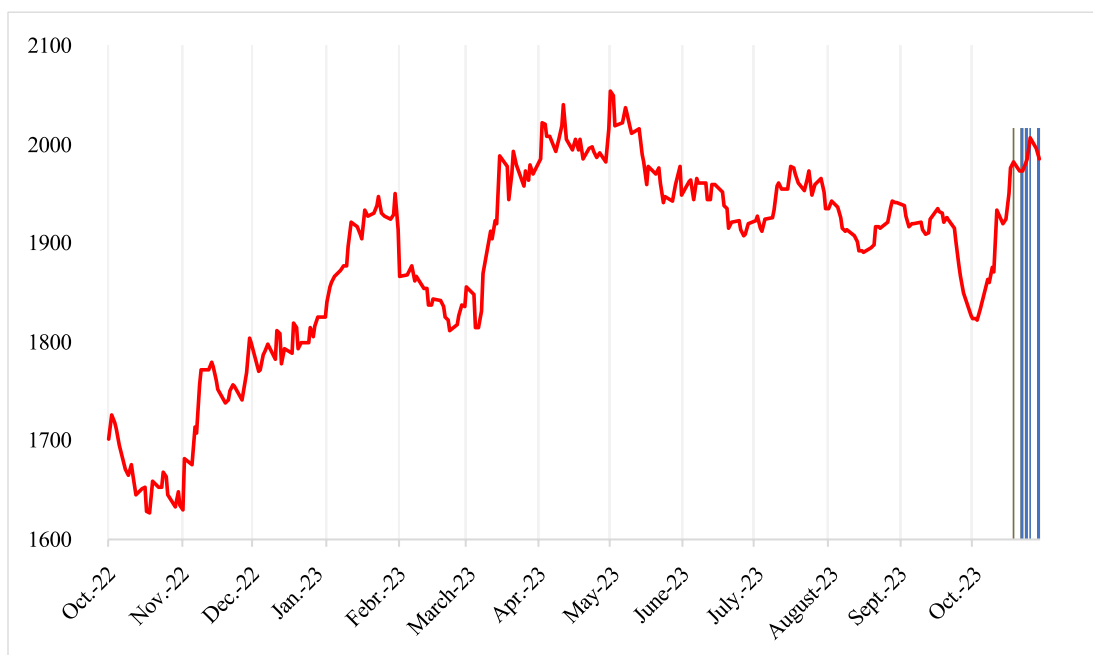
In contrast to the previous month, gold prices rose during October 2023, closing at around USD 1,984 an ounce, compared with USD 1,848 in September 2023 (an increase of 7.36%).

This rise in gold prices can be attributed to the continuing conflict in Ukraine. The Russian-Ukrainian dispute has instilled a great deal of uncertainty in the financial markets. Investors, worried about a prolongation of the conflict with potentially devastating consequences for the global economy, have turned to gold as a safe haven.

Rising interest rates, linked to the continuation of restrictive monetary policies, could also influence the rise in the gold price. Higher interest rates make fixed-income assets more attractive. This makes gold, which does not pay dividends, a more attractive alternative for investors.

It should also be stressed that this rise in gold prices is more of a short-term trend. In the long term, the price of gold could be influenced by a number of factors, including inflation, interest rates and geopolitical risks.

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



Source: Macrotrends.



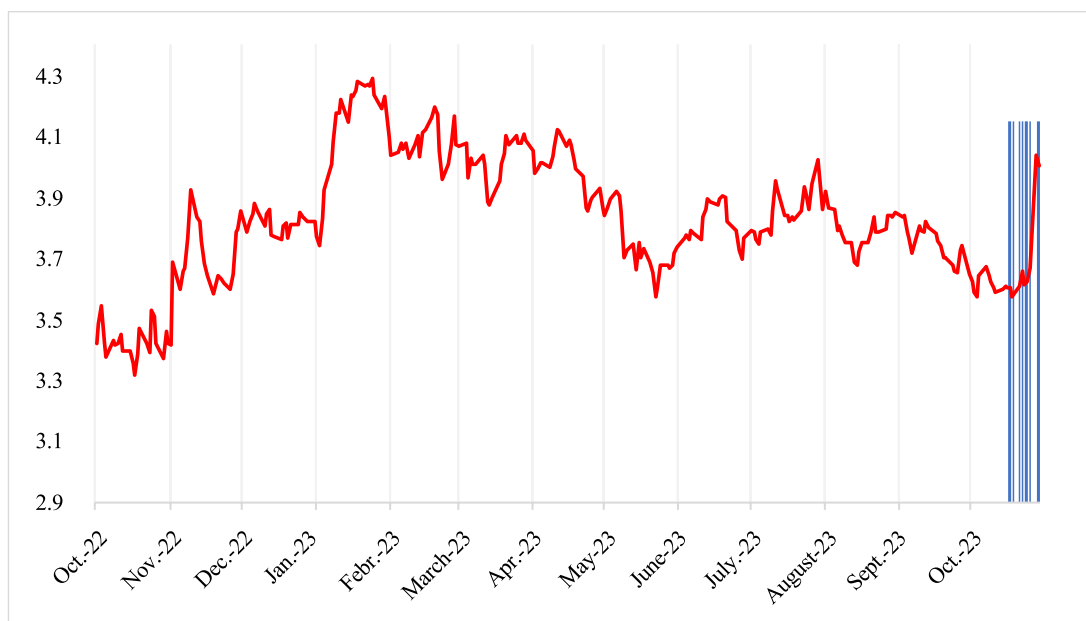


## • Copper

In contrast to the previous month, copper prices showed an overall upward trend during October 2023. At the end of the month, the price of the red metal stood at 4 dollars a pound, compared with 3.74 dollars at the end of September 2023, an increase of 6.9%. This momentum can be attributed to signs of recovery in global economic activity, despite the multiple shocks it has faced. Copper prices are widely recognised as a reliable indicator of global economic health.

It is essential to stress the importance of closely monitoring economic, geopolitical and monetary developments in order to assess the future outlook for the copper market. Fluctuations in copper prices can have a significant impact on companies, producing countries and investors, especially as copper is a crucial element in many economic sectors.

Figure 7 » DAILY GOLD PRICE TREND (IN USD PER OUNCE)



Source : Macrotrends.



source: #Freepik royalty-free image.

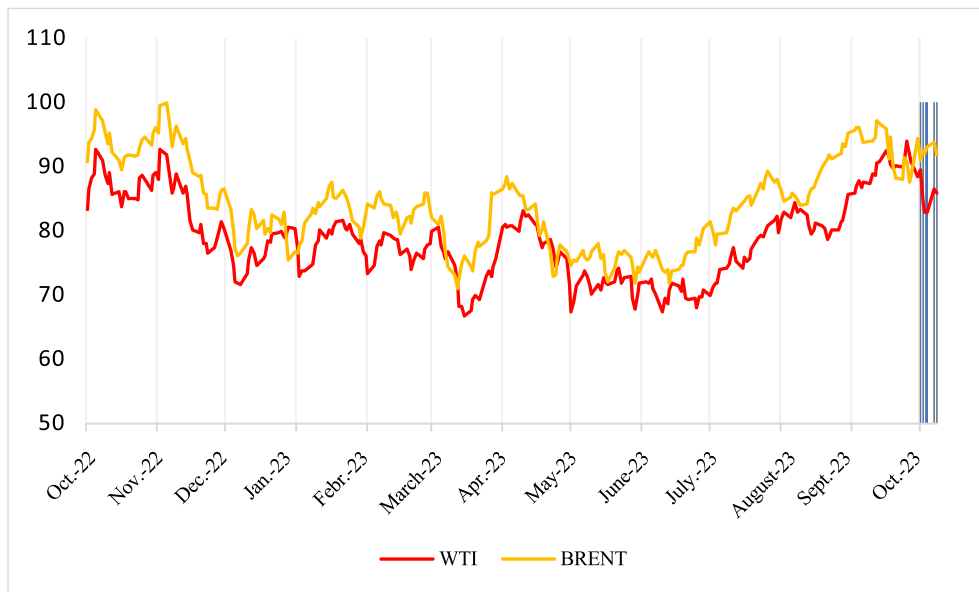
## • Oil prices

In October 2023, crude oil prices fell slightly on both the US (WTI) and European (Brent) markets, ending the month at \$85.92 a barrel for WTI and \$91.88 a barrel for Brent, compared with \$90.79 for WTI and \$88.4 for Brent a month earlier. This fall can be attributed to a reduction in demand from China, the world's main oil consumer.

However, it is essential to stress that the long-term direction of the market will largely depend on the decisions taken at the next meeting of OPEC+ member countries regarding their policy of limiting oil production. In addition, the oil market is facing uncertainties linked to the global geopolitical and economic situation, as well as OPEC+'s choices regarding oil production, which could lead to major price fluctuations.



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



Source : Macrotrends.



source: #Freepik royalty-free image.



## 2. National context

### 2.1. Developments in the national economy

The economic news of October 2023 was marked by several notable events. These were (i) ODEP's denunciation of budget overruns as a feature of President Félix Tshisekedi's governance; (ii) the inauguration of the artisanal mineral trading centre in Lualaba, (iii) the announcement by Cami of the cancellation of mining rights held by individuals; (iv) the signing of the decree fixing the increase in fuel prices throughout the DRC; (v) the signing by the EU of strategic partnerships with the DRC and Zambia.

More explicitly, these facts are set out below :

#### 1. ODEP's denunciation of budget overruns as a feature of President Félix Tshisekedi's governance

Budget overruns are a revealing indicator of possible irregularities in the use of public funds and can be associated with cases of corruption, points out the Observatoire de la Dépense Publique (ODEP), a civil society body specialising in the analysis of budget management practices.

In a press release dated 29 September 2023, signed by its Chairman, Florimond Muteba, and entitled "Budget governance in 2022: alarming increase in budget overruns in 22 ministries and 7 public institutions, including the Cour des Comptes", ODEP expresses its concern about budgetary practices since the start of Félix Tshisekedi's presidential term in January 2019. This phenomenon of financial mismanagement has persisted throughout the presidential term.

ODEP notes a significant increase in the number of institutions affected by this trend, rising from 12 in 2021 to 30 in 2022. This increase raises questions about the direction of budgetary policies. In particular,

the Observatory points the finger at the Ministry of Finance, headed by Nicolas Kazadi, designated as a key figure in the regime, with overruns of 182%, rivalling the 180% rate seen at the level of the Presidency of the Republic.

Even budgetary control institutions such as the National Assembly and the Senate were not exempt. The Senate, considered to be the wisest body, had an overrun rate of 184%, while the National Assembly recorded a rate of 145%. ODEP also highlights the critical situation at the Cour des Comptes, the main audit institution, with an overrun rate of 126%. The remark on the consequences for the First President of the Court of Auditors raises questions about the absence of adequate corrective measures.

Revisiting the data on budget overruns beyond the allocated appropriations, ODEP also reveals high rates for various ministries and public institutions, such as CENI (145%), the Secretariat General of Government (257%), the Ministry of Foreign Affairs (401%), the Interior and Security (183%), Defence and Veterans (249%), the Budget (334%), Justice (202%), Relations with Parliament (132%), Public Health (124%), Primary, Secondary and Technical Education (107%), Higher Education (113%), Agriculture (141%), Industry (334%), Foreign Trade (138%), Communication and the Media (130%), Land Affairs (216%), Environment (371%), Sports and Leisure (288%), Regional Integration (155%), Humanitarian Action (627%), Customary Affairs (102%), and Town and Country Planning (365%). Only the Ministry of the Economy appears to be respecting its budgetary limits, with an implementation rate of 100.38%.

The ODEP expresses its concern at the generalisation of budget overruns in the institutional apparatus. According to the organisation, this trend is compromising the efficient operation of government



bodies. The reallocation of the additional revenue mobilised in 2022 to cover operating and remuneration costs, which account for 80% of government expenditure, is highlighted as a problem area. The ODEP also highlights significant disparities in remuneration between the political and education sectors. This highlights the issue of resource allocation and funding priorities within the State.

The situation of budget overruns in the Democratic Republic of Congo raises questions about the credibility of the budget, the lack of budgetary discipline, the failure to respect budget management procedures, and the imbalance between the social and economic sectors. ODEP concludes its press release with a number of recommendations. In particular, the organisation calls on the Head of State to organise a national forum on budget fragility, on the Prime Minister to modernise revenue processes and put an end to emergency procedures for disbursing funds, and on Parliament to strengthen oversight of budget implementation by organising public debates on public expenditure management. For the Government, ODEP recommends strict compliance with the budget voted by Parliament, and for the Cour des Comptes, the organisation calls for an improvement in its financial supervision role in order to preserve its integrity and legitimacy. Finally, for the Inspectorate General of Finance (IGF), ODEP recommends regular controls to anticipate and correct any budgetary deviations.

## **2. Inauguration of a trading centre for artisanal minerals in Lualaba**

On Thursday 05 October, President Félix Tshisekedi of the Democratic Republic of Congo inaugurated a trading centre for artisanally mined minerals near Kolwezi, in the mining province of Lualaba, to ensure better supervision and traceability of tax revenues.

The opening of this commercial centre took place at a ceremony presided over by the Head of State, in the presence of numerous personalities from Kinshasa and Lubumbashi. Rahim Dhrolia, Managing Director of Mining Engineering Services (MES), emphasised that "this infrastructure will certainly help to improve the working conditions and incomes of artisanal miners. The latter have been affected by the many problems affecting this sector, despite its importance to the local economy, influencing the lives of millions of households".

Dhrolia also pointed out that making the centre operational will make it possible to establish traceability of financial flows, including taxes, administrative costs and royalties associated with artisanal mining, from extraction to export. He added that a data digitisation and automated management platform is currently operational.

The Minister of Mines, Antoinette N'samba Kalambay, highlighted the socio-economic benefits resulting from the inauguration of the centre. She highlighted the elimination of dubious intermediaries, the accuracy of information relating to mining products, and the stabilisation of prices by means of a price scale, leading to an improvement in the income of artisanal miners.

She also focused on cleaning up the supply chain, collecting fair tax revenues, and removing piles of minerals from roadsides. The Minister called on the staff of the Ministry of Mines, especially those involved in artisanal mining, to support this initiative in order to have a positive impact on the lives of those working in the sector.

She drew attention to the fact that more than 200,000 artisanal miners work in the copper-cobalt sector, but the vast majority live below the poverty line.



The Musompo trading centre has been designed with checkpoints, security booths, sampling areas, warehouses, weighbridges, laboratories and parking for 100 trucks.

ore comes from industrial mines, 10-20% is mined by artisanal miners. This trading centre is a key part of a government project to regulate the cobalt supply chain in the Lualaba region.

The Democratic Republic of Congo contributes more than 70% of the world's cobalt production, mainly in Lualaba province. While a large proportion of this



source: #Google royalty-free image.

### 3. Announcement by the Cami of the cancellation of mining rights held by individuals

Holders of mining rights have been given a ten-day deadline, starting on 10 October, to comply with the law.

In a press release signed on 10 October 2023 by Popol Mabolia Yenga, Director General of the Mining Cadastre (Cami), it was announced that all mining and quarrying rights held by individuals in the Democratic Republic of Congo (DRC) would be cancelled. Under the terms of the announcement, holders have ten days from the date of signature to comply with the law.

The press release states: "All past or present holders of mining or quarrying rights, despite successive reminders following the review of the 2018 Mining Code and Regulations launched by the Cami, will be removed from the map of mining areas and registers within ten days of the date of this press release. During this period, holders are expected to comply with the law."

This decision, which is in line with article 23 of the revised Mining Code, stipulates that "only Congolese or foreign legal entities, as well as scientific bodies, are authorised to hold mining or quarrying rights in the DRC". This issue has been ongoing since 2020, when a national deputy proposed the revocation of mining titles that did not comply with the legislation. In 2022,



the Deputy Minister of Mines, Godard Motemona, also suggested an individual examination of these mining titles.

#### **4. Signing of the decree setting fuel price increases throughout the DRC**

The Minister for the Economy, Vital Kamerhe, has just signed an order setting fuel prices in various areas of the DRC. Here are the provisions of the decree:

*Article 1: The reference prices for petrol, oil, diesel, FOMI and liquefied petroleum gas (LPG) in the West Zone are set out in the attached tables.*

*Article 2: The West Zone covers the following provinces: Equateur, Kongo-Central, Kwango, Kwilu, Mai-Ndombe, Mongala, Nord-Ubangi, Sud-Ubangi, Tshuapa, the City-Province of Kinshasa, and the Northern Consumption Zone including the Cities of Mbandaka, Kisangani, Aketi, Bumba, as well as the Territory of Akula.*

*Article 3: All previous provisions contrary to this order are cancelled.*

*Article 4: The Secretary General for the National Economy and the Director General of Customs and Excise (DGDA) are authorised, each in their own field, to execute this order, which takes effect on the date of its signature.*

According to the Director of the Office of the Deputy Prime Minister, Vital Kamerhe, the aim of these new prices is to enable fuel distributors to improve their cash flow and protect the purchasing power of citizens. It is an appropriate response to the increase in world prices for crude oil and refined products.

He stressed that this revision is based on negotiations with the oil industry to avoid supply disruptions. This increase is limited, corresponding to around 200 FC (Congolese Francs) per litre in the West Zone, representing an increase of around 12%, although in reality an increase of 53% was necessary.

Similarly, in the East and South zones, the adjustment will be slightly more than 200 FC. This change is also intended to cover a significant proportion of the arrears owed to fuel distributors, linked to losses and revenue shortfalls.

Amsini Dandy Matata, cabinet director, has reported problems with fuel distribution, particularly in the South and East zones, which have led to the closure of some service stations. In towns such as Bukavu, in South Kivu, the price of a litre of petrol reached 10,000 FC, and in Haut-Katanga, the price was 6,000 FC.



source: #Google royalty-free image.



## 5. EU signs strategic partnerships with DRC and Zambia

On Thursday 26 October 2023, at the Global Gateway Forum in Brussels, the European Union (EU) signed strategic agreements with the Democratic Republic of Congo (DRC) and Zambia concerning value chains for critical minerals. The agreements were attended by Antoinette Nsamba, Congolese Minister of Mines, and Situmbeko Musokotwane, Zambian Minister of Finance, representing the two African countries respectively, as well as Jutta Urpilainen, Commissioner for International Partnerships, representing the EU.

These new partnerships, supported by the United States and the African Development Bank, aim to promote the development of the Lobito Corridor, linking the southern part of the DRC and the north-western part of Zambia to regional and global trade markets via the port of Lobito in Angola.

According to Ursula Von Der Leyen, President of the European Commission, these new partnerships with the DRC and Zambia aim to support the development of sustainable and resilient value chains for critical raw materials, while creating high-quality local jobs. She stressed that the Lobito transport corridor would bring about significant changes by stimulating regional and global trade.

The agreements signed in Brussels establish close cooperation in five areas: the integration of sustainable raw materials value chains, the mobilisation of funding for infrastructure development, cooperation on sustainable and responsible production, collaboration on research and innovation, and capacity building to enforce the relevant rules.

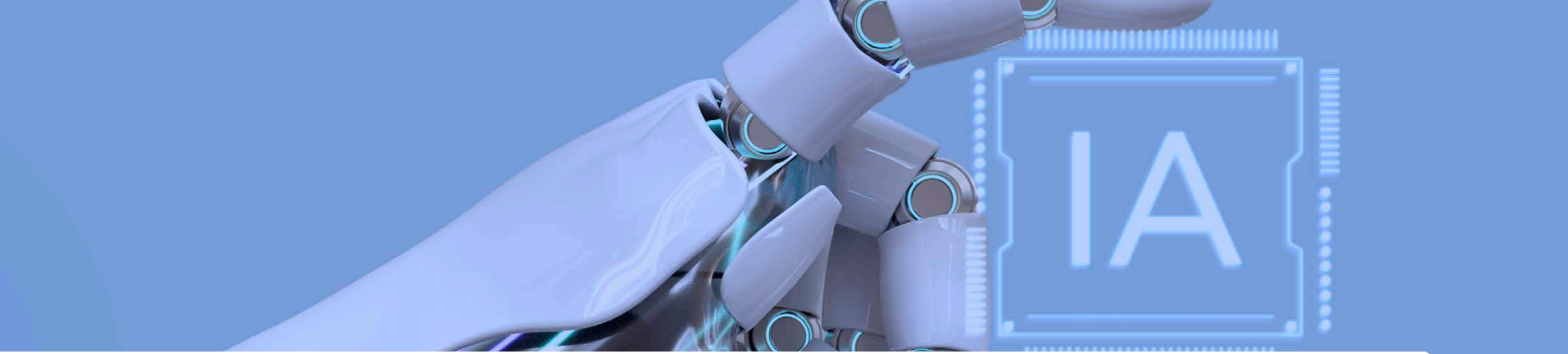
The EU noted that following the signature of these agreements, respective roadmaps will be drawn up, detailing concrete joint actions to be implemented by 2030.

These partnerships offer mutual benefits, ensuring that the resources of the DRC and Zambia support sustainable, equitable, inclusive and peaceful socio-economic development. At the same time, they enable the EU to implement its ambitious Green Deal, strengthening green energy and digital transitions in both regions.





Source: #Google royalty-free image.



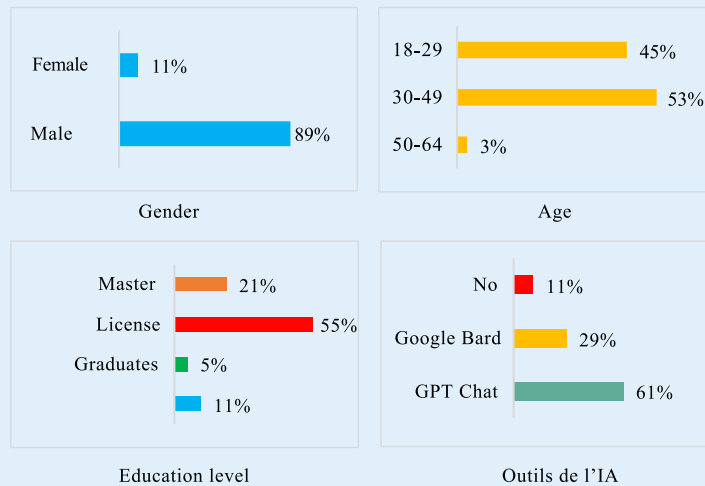
## Box 2. Survey on the use of ChatGPT or Google Bard

With the advent of new technologies and the era of digital transformation in which we find ourselves, artificial intelligence tools are developing in all sectors of activity. Their aim is to make human work easier, to adapt it to the realities of each activity and even to respond to the various questions raised by our society.

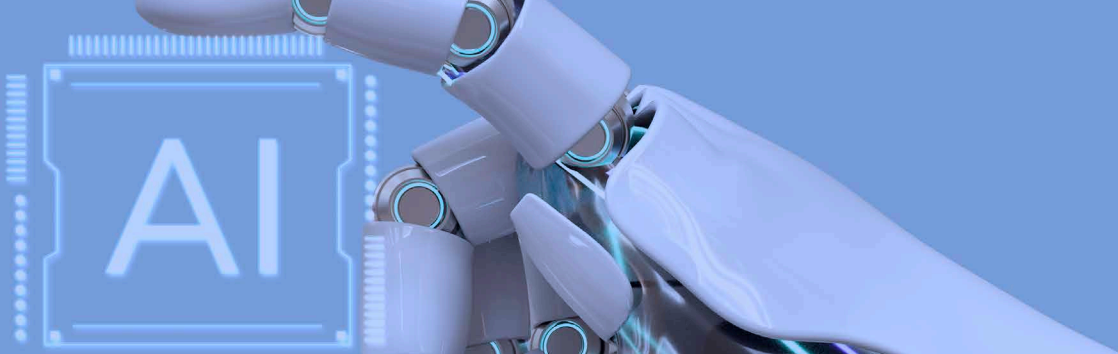
A survey conducted between 10 and 24 October 2023, to which 38 people responded favourably, revealed that 89% of respondents were familiar with the use of artificial intelligence tools. This statistic testifies to the ubiquity of this technology in our daily lives. AI is increasingly used in finance, healthcare, industry and even justice.

There's no denying that AI is revolutionising the way we work and think. The benefits it brings are numerous: it can process huge amounts of data in record time, predict behaviour, make informed decisions and automate repetitive tasks. However, it is important to stress that this technology should not be seen as a panacea. It must be used responsibly and ethically to avoid any risk of drift.

### User identification

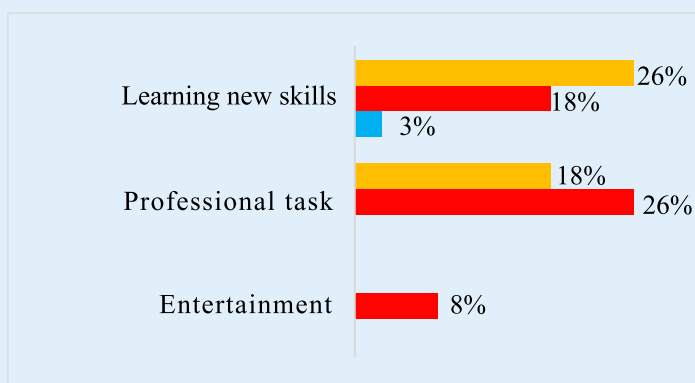


- Of the 89% of individuals who recognised the use of artificial intelligence tools, 11% were women and 89% were men. Unfortunately, it is interesting to note that it is not the youngest people - 45% of them under 30 - who use ChatGPT or Google Bard. Instead, it is the older individuals who are the heavy users, accounting for 53% of this category. Surprisingly, only 3% of people aged between 50 and 64 use these AI tools.
- When it comes to the level of education of people who have heard of ChatGPT or Google Bard, 55% have a bachelor's degree, while 21% have a master's degree. In addition, a small proportion (5%) are graduates.
- Finally, of the 89% of people who have already heard of AI, 61% are ChatGPT users, while 29% use Google Bard.



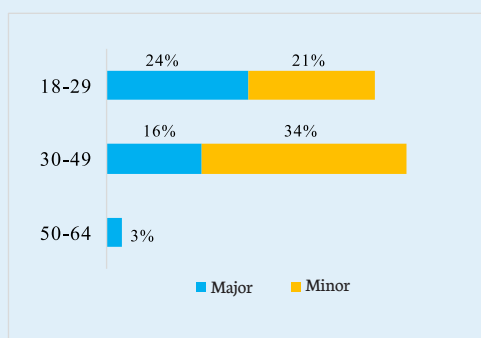
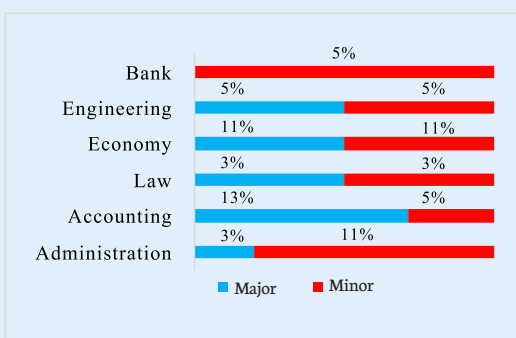
### Reasons for using ChatGPT or Google Bard

ChatGPT and Google Bard have recently come to the attention of many adults with higher levels of education. Curious, they have decided to explore these tools in order to broaden their knowledge and facilitate the performance of their professional tasks. Indeed, these cutting-edge technologies offer fascinating prospects for learning and innovation, attracting the interest of many professionals keen to embrace the latest advances in AI and natural language processing. In short, the enthusiasm for these tools reflects society's growing desire to turn to innovative solutions to solve the complex problems of our time.



- Among adults aged 18 to 29, a significant 26% use ChatGPT or Google Bard to acquire new knowledge. A further 18% of this age group use these tools for professional purposes.
- It is interesting to note that even among older adults, aged between 30 and 49, the use of ChatGPT or Google Bard is also observed. In this age group, 18% of individuals use these tools to increase their knowledge, while 26% use them specifically for professional tasks. However, it is important to note that only 8% of adults in this age group use these tools for entertainment. These results highlight the growing importance of these artificial intelligence tools in the field of learning and work.

### Sectors in which people are using AI

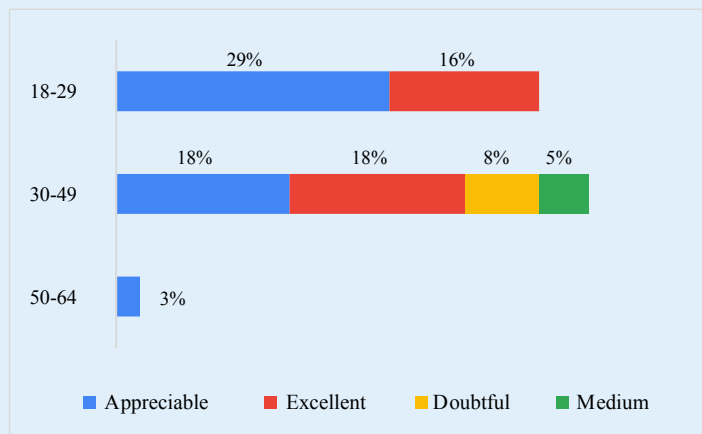


# ChatGPT

# Bard AI

- Artificial intelligence has a significant impact on 13% of people working in accountancy and 11% in economics. However, this impact is considerably weak for 5% of engineering professionals.
- As far as administration and economics are concerned, AI has a minor impact on 11% of individuals. Similarly, this percentage is 5% for people working in the banking, engineering and accountancy sectors.
- Among people aged 18 to 29, 24% believe that AI tools such as ChatGPT or Google Bard have a major impact on their business, while 21% consider this impact to be minor in their work.
- For people aged between 30 and 49, 16% believe that AI has a major impact on their work, while 34% think that this impact is still minor.

### Appreciation of activities



- 29% of individuals aged between 18 and 29 years show particularly favourable to the integration of Artificial Intelligence tools in their respective activities. In addition, a percentage not negligible 16% estimate that these instruments them are a considerable help in their daily work. This trend is also shared by a significant percentage of the age bracket 30 to 49 years, or 18%. However, it should be noted that 8% of people in this age group remain sceptical about the real contribution that tools such as ChatGPT or Google Bard could make to their respective organisations.



Source: #Google royalty-free image.



ChatGPT

Bard AI

## 2.2. Economic activity

In its press release of 31 October 2023, the International Monetary Fund (IMF) indicated that it had reached an agreement with the Congolese government on the fifth review of the three-year programme supported by the Extended Credit Facility (ECF). The IMF team carried out a mission from 18 to 31 October 2023 and discussed reforms and policies with the Congolese authorities as part of the fifth review of the three-year agreement under the Extended Credit Facility (ECF). This agreement will be submitted to IMF management for approval and to the Executive Board for review, scheduled for December 2023. As a result, the DRC will be able to benefit from SDR 152.3 million (around \$200 million) to build up its international reserves.

With regard to the country's macroeconomic situation, the press release states that the Congolese economy has proved resilient in the face of uncertainty. GDP growth is forecast at 6% in 2023. This growth remains underpinned by mining production, despite the fall in cobalt prices and the security crisis in the east. In October 2023, the depreciation of the Congolese franc weighed on inflation, which accelerated to 23.3% year-on-year in July 2023, before falling back slightly below 22% in October 2023. The Central Bank of Congo raised the key rate to 25% in order to curb inflationary pressures.

Domestic revenues were lower than forecast in the programme for the first three quarters of 2023. State spending was more focused on security, elections and current expenditure. The Central Bank of Congo (BCC) has been able to accumulate international reserves, reaching around USD 5 billion at the end of October 2023. Imports have been high, weakening the external position and leading to a very high current account deficit, while tax revenues have been lower than

forecast. Against this backdrop of great uncertainty, the IMF is recommending the implementation of prudent economic policies and the continuity of reforms already underway.

Thus, fiscal policy should be managed prudently to meet the needs of social spending and priority investments. The decision to increase fuel prices at the pump and to reimburse part of the fuel subsidy arrears was welcomed by the mission.

It is important to strengthen fiscal policy by implementing public finance management reforms. These efforts must be stepped up by the Directorate General of the Treasury and Public Accounting (DGTCP) through the introduction of a single treasury account and the strengthening of procedures for controlling emergency expenditure.

With regard to monetary policy, the Banque Centrale du Congo (BCC) should consider tightening its monetary policy to control inflationary pressures, while continuing to build up reserves to cope with external shocks. Its interventions on the foreign exchange market should be limited to mitigating episodes of extreme exchange rate volatility. Reforms to the monetary policy framework are needed to strengthen financial stability and promote financial inclusion.

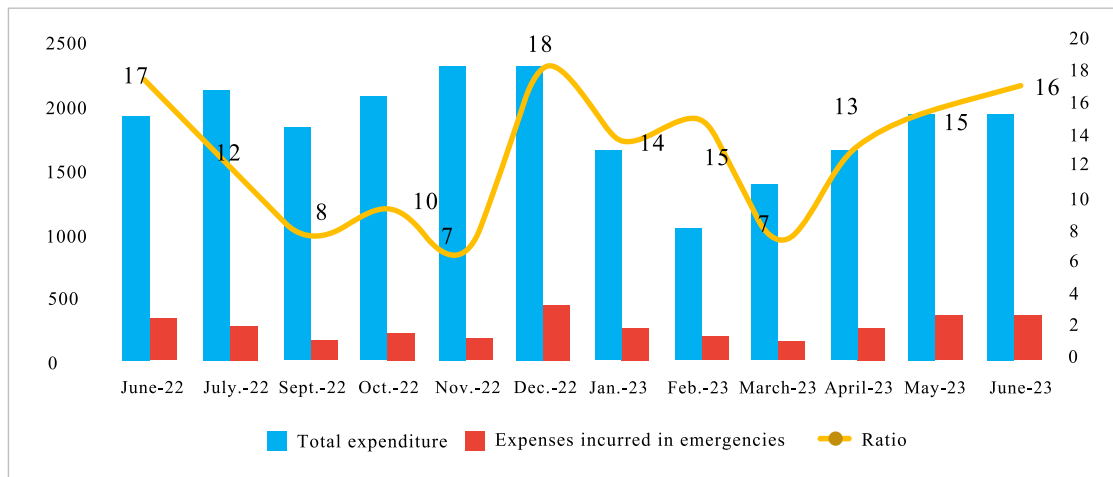
The Congolese authorities should step up their efforts to improve transparency and governance, with a commitment to publish information on mining contracts. Major reforms are needed to implement the law on the fight against money laundering and the financing of terrorism, adopted in December 2022, and to get off the Financial Action Task Force (FATF) grey list.

In October 2023, the Ministry of Finance published a report on public expenditure carried out under the emergency procedure during the second half of this year. This report is a tool for the provisional mid-term assessment in line with the indicative target of 10% set in the memorandum of the fifth review of the three-year programme under the Extended Credit Facility (ECF), which is to be achieved by the end of the year.

The report shows that public expenditure from own resources reached CDF 5,207.89 billion, compared with CDF 4,095.18 billion in the first quarter of 2023 and CDF 5,201.91 billion in the corresponding period of

2022. Within this total, expenditure under emergency procedures amounted to CDF 789.85 billion, compared with CDF 483.5 billion in the first quarter of 2023 and CDF 1,066.36 billion in the second half of 2022. The volume of expenditure under emergency procedures represented a ratio of 15.2% compared with 11.8% and 19.3% in the first quarter of 2023 and the second quarter of 2022 respectively. Cumulative expenditure under emergency procedures at the end of June 2023 showed a ratio of 13.7%, compared with the target of 10% set for the end of 2023.

**Figure 9 » CUMULATIVE EXPENDITURE UNDER EMERGENCY PROCEDURES TO END JUNE 2023**



Source: Ministry of Finance

Public expenditure under the emergency procedure was largely allocated to preparations for the ninth Franconian Games and to security expenditure. In terms of preponderance, capital expenditure from own resources reached 39.9%, followed by the running of ministries and institutions with 18.2%, security with 7.2% and public debt servicing with 5.9%.

On another note, five years after the promulgation of the law on Public-Private Partnership in 2018 and the creation of the Advisory Unit, and two years after the establishment of the Coordination of Public-Private Partnership, abbreviated "UC-PPP" in 2021, the government has promulgated Decree No. 23/38 of 26 October 2023 on the modalities of application of Law No. 18/016 of 09 July 2018 on Public-Private Partnership.

The public-private partnership (PPP) is increasingly positioning itself as an innovative financing mechanism that enables states to benefit from the expertise of the private sector in three key areas: mobilising financing, technological innovation and management. For the Congolese government, this law is part of a drive to improve the business climate and create an environment conducive to private investment.

Some legal experts, such as Strelly Kitege, express the view that the law governing public-private partnerships gives the Autorité de Régulation des Marchés Publics (ARMP) exclusive power to carry out both a priori and a posteriori controls of PPPs. However, the decree, being a lower-ranking standard than the law, gives the Direction Générale de Contrôle des Marchés Publics (DGCMP) the power to carry out a priori control of PPPs. This discrepancy is a flagrant violation of the law. As a result, what would the situation be for an investor refusing to submit to control by the DGCMP, preferring instead to apply to the ARMP for a priori control of PPPs? Rather than creating this delicate situation, where a decree openly contravenes the law it is supposed to implement, it would have been wiser to amend the law to resolve this problem of jurisdiction. Arbitrating such conflicts of jurisdiction should be done in compliance with the established rules, in the interests of legality and procedural clarity.

In the Democratic Republic of Congo, the issue of driving licences has been suspended since 2017. Those currently in circulation lost their validity in February 2022. On 28 October, the Minister of Transport, Communication Routes and Opening-up and the Minister of Finance jointly approved an interministerial order setting the prices for the new secure biometric driving licences incorporating a microchip. This initiative entrusts the specialist Congolese company OTOJUST, an expert in security

printing, with the responsibility of producing these documents for all the country's transport operators. The decree specifies the amount of the new driving licences and how the revenue will be shared between the Treasury and OTOJUST, depending on the category of vehicle:

- USD 38.5 for 2- and 3-wheeled vehicles (motorbikes and tricycles),
- USD 71.5 for vehicles weighing 3.5 tonnes,
- 99 USD for vehicles over 3.5 tonnes.

In addition, the Congolese government will make 20 sites available to the partner, to be used for organising juries, checking candidates' skills, combating counterfeit driving licences and dismantling criminal networks.

### Box 3. Analysis of the main issues, challenges and opportunities of the DRC-Brazil Economic Mission held in Brasilia, Goiânia and Sao Paulo

#### 1. Context

The economic mission between the Democratic Republic of Congo (DRC) and Brazil, held from 15 to 27 October 2023, was a landmark event of major importance for both nations. Its main aim was to strengthen economic and trade links and to seek out new opportunities for cooperation between the two countries.

#### 2. The issues at stake

The economic mission between the Democratic Republic of Congo (DRC) and Brazil addressed a number of major issues :

- -Diversification of the Congolese economy: Despite its wealth of natural resources, the DRC's economy remains excessively dependent on the export of raw materials. The economic mission encouraged discussions on ways of diversifying this economy, in particular by stimulating investment in the manufacturing and agricultural sectors.
- Promoting Brazilian investment in the DRC: As an economic powerhouse with a dynamic private sector, Brazil has an opportunity to consolidate its presence in the DRC. The economic mission aimed to promote Brazilian investment in key areas such as infrastructure, agriculture, energy and natural resources.
- Cooperation in the health and education sectors: The DRC and Brazil share a mutual interest in the development of the health and education sectors. This economic mission encouraged discussions on opportunities for collaboration in these crucial sectors.

#### 3. Challenges

The economic mission between the Democratic Republic of Congo (DRC) and Brazil also identified a number of major challenges :

- Governance and corruption: As a developing country, the DRC faces persistent governance and corruption challenges. These problems have the potential to discourage foreign investment, constituting a major obstacle to economic progress.
- Political instability: The DRC's history of conflict and political instability remains a significant obstacle to foreign investment. This instability generates uncertainty that limits foreign investors' confidence in a business-friendly climate.
- Limited infrastructure: Inadequate infrastructure in the DRC hinders access to markets and resources. This lack of adequate infrastructure limits business opportunities and the country's economic development.

#### 4. Opportunities

The economic mission between the Democratic Republic of Congo (DRC) and Brazil revealed some strategic opportunities :



- Growing market: With a population in excess of 90 million, the DRC represents a growing market, offering considerable potential for Brazilian companies looking to expand their business activities.
- Abundant natural resources: Endowed with significant natural resources, including precious minerals, oil and gas, the DRC presents attractive investment opportunities for Brazilian companies, opening doors to solid and lasting partnerships.
- Mutual collaboration: Both countries share a commitment to sustainable development and the fight against climate change, offering avenues for close cooperation in joint initiatives aimed at building a greener, more resilient future.

## 5. Conclusion

The economic mission between the Democratic Republic of Congo (DRC) and Brazil was a great success. The meeting was an essential lever for consolidating economic and trade relations between the two nations, and opened up new prospects for cooperation. It is vital that the agreements reached during the mission are put into practice, so that the investment opportunities identified can become a reality, cementing a promising shared economic future.

## 6. Recommendations

In order to achieve the objectives of the economic mission between the Democratic Republic of Congo (DRC) and Brazil, the following recommendations must be taken into consideration :

- Strengthening governance and fighting corruption are essential pillars in creating a climate conducive to investment.
- Political stability remains a key factor in attracting foreign investors.
- Improving infrastructure is essential to facilitate trade and encourage investment.
- Promoting business opportunities is crucial to making Brazilian companies aware of the opportunities offered by the Congolese market.

By following these recommendations, the DRC and Brazil will be able to fully exploit their economic and trade relations, thereby catalysing the development and prosperity of both nations.





### 2.3. Price dynamics

In October 2023, prices were up overall compared with September 2023. The increase in fuel prices was a major factor in the rise in prices.

The weekly inflation rate was 0.103% at the end of October 2023, a fall of 1.90% compared with 0.105% at the end of September 2023.

The cumulative inflation rate would have stood at 20.75% at the end of October 2023, compared with 18.11% a month earlier, a positive variation of 14.58%. Year-on-year inflation would have been 23.75% at the end of October 2023, compared with 21.86% a month earlier, an increase of 8.64%. At this rate, inflation is expected to be 27.5% at the end of 2023 compared with 13.13% a year earlier (2022).

### 2.4. Exchange rate and foreign exchange reserves

During October 2023, the exchange rate would have depreciated slightly on the interbank market where it would have stood at 2 525 at the end of October 2023 compared to 2 487.16 at the end of September 2023, i.e. a depreciation of 1.52%.

On the parallel market, the exchange rate stood at 2,550 at the end of October 2023, compared with 2,546.67 one month earlier, representing a depreciation of 0.13%.

Foreign exchange reserves would have increased very slightly compared with September 2023. Foreign exchange reserves stood at USD 4.5 billion in October 2023, an increase of 0.28% compared with the previous

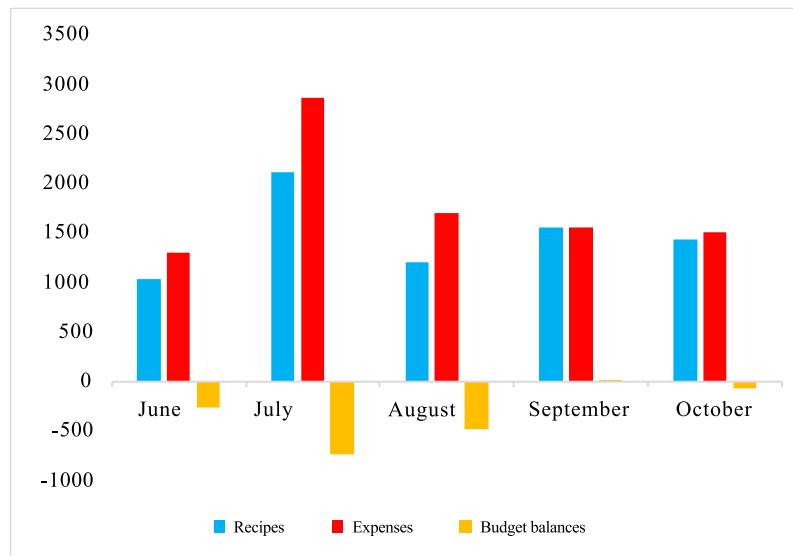
month, when they stood at USD 4.49 billion. In terms of months of imports, the coverage of imports by foreign exchange reserves fell from 2.43 months to 2.40 months between the end of September 2023 and the end of October 2023, a fall of 1.23%.

### 2.5 Public finances

Based on Congo Challenge's forecasts for the end of October 2023, the balance of operations should show a deficit of 78 819 million CDF. Government revenue is estimated at CDF 1,421,507 million, while expenditure is expected to be around CDF 1,501,326 million.

Compared with the previous four months, public revenues in October would show a relatively significant decline compared with those in July 2023 and September 2023, which amounted to CDF 2,110,961 million and CDF 1,553,183 million respectively. However, they would still be higher than in other months, such as June and August 2023, which were estimated at CDF 1,022,241 million and CDF 1,198,464 million respectively.

**Figure 10 » PUBLIC REVENUES AND EXPENDITURE FROM JUNE TO OCTOBER 2023 (IN MILLIONS OF CDF)**

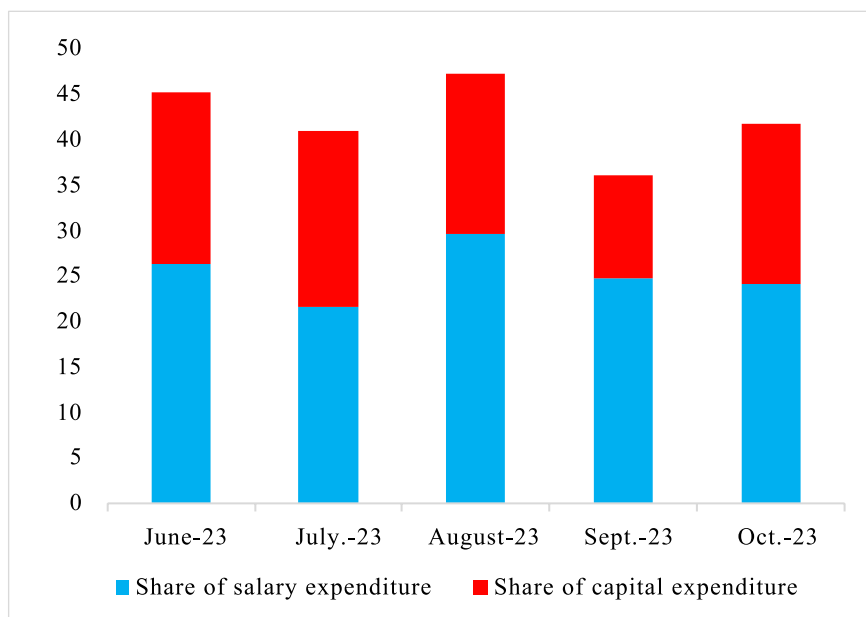


Source: Ministry of Finance (CTR) and Congo Challenge estimates.

Public spending for July to September 2023 exceeded that forecast for October 2023, with CDF 2,858,189 million, CDF 1,690,815 million and CDF 1,549,184

million respectively, compared with the CDF 1,501,326 million expected for October 2023.

**Figure 11 » CHANGE IN THE BREAKDOWN OF PUBLIC SPENDING (IN %)**



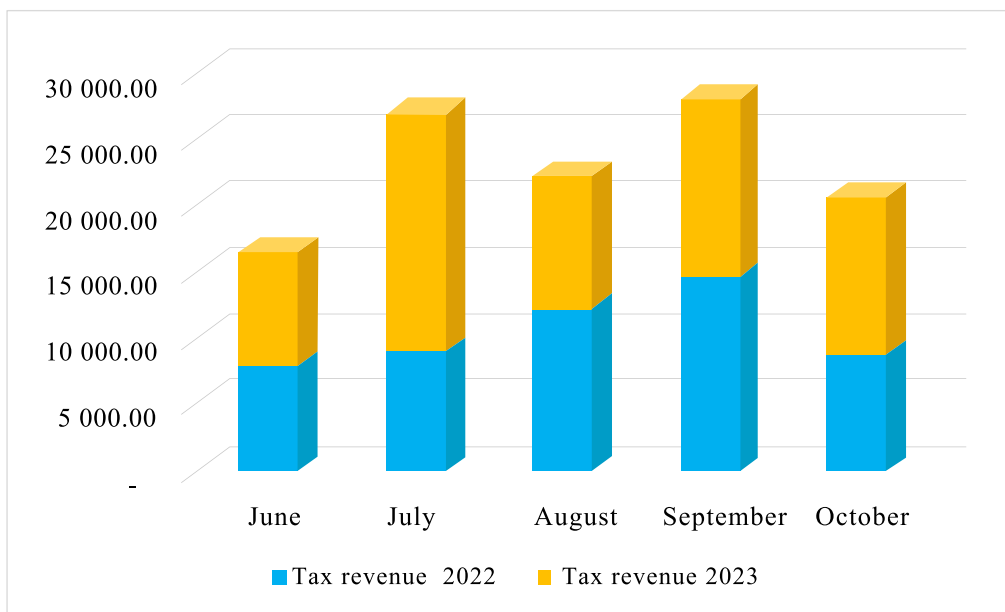
Source: Ministry of Finance (CTR) and Congo Challenge estimates.



At the end of October 2023, the share of expenditure linked to the remuneration of civil servants is expected to represent around 24% of total public spending. Capital expenditure, on the other hand, is expected to account for 18%. It should be emphasised that the bulk of public spending is devoted to the

running costs of public institutions, closely followed by the remuneration of civil servants and spending on emergency procedures. On the other hand, capital investment remains relatively low to cover the social needs of the population.

**Figure 12 » EVOLUTION OF TAX REVENUES (IN MILLIONS OF CDF)**



Source: Ministry of Finance (CTR) and Congo Challenge estimates.

At the end of October 2023, the share of expenditure linked to the remuneration of civil servants is expected to represent around 24% of total public spending. Capital expenditure, on the other hand, is expected to account for 18%. It should be emphasised that the bulk of public spending is devoted to the running

costs of public institutions, closely followed by the remuneration of civil servants and spending on emergency procedures. On the other hand, capital investment remains relatively low to cover the social needs of the population.



## 2.6. Political developments

The month of October 2023 was marked by a number of political events in the Democratic Republic of Congo: (i) the ongoing electoral process; (ii) the persistent conflicts in the east of the country; (iii) the repercussions of General John Numbi's statements; (iv) the death of honorary national deputy Ne Muanda Nsemi.

More explicitly, these facts are as follows:

### 1. The electoral process in the DRC

In October 2023, three months before the presidential elections in the DRC, the Independent National Electoral Commission (CENI) called the electorate to the polls on 20 December. The candidacy office was open from 9 September to 8 October, receiving several applications. After examination, CENI validated 24 candidatures, which must now be confirmed by the Constitutional Court.

Of the 24 candidatures accepted for the presidential election, sixteen are independent, six are submitted by political parties and two by political groupings. This stage constitutes an initial filter, where CENI checks the conformity of the required documents. In 2018, two candidates were rejected by CENI, including current Defence Minister Jean-Pierre Bemba and former Prime Minister Adolphe Muzito.

The provisional list of candidates includes names such as Moïse Katumbi Chapwe, Martin Fayulu Madidi and Adolphe Muzito Fumutshi. However, some opponents, such as Matata Ponyo and Moïse Katumbi, are facing heavy repression in the run-up to the elections. The US ambassador to the United Nations raised these concerns before the Security Council.

As far as Matata Ponyo is concerned, judicial problems linked to an agro-industrial park project in Bukanga Lonzo have been raised, but allegations without concrete evidence have come to light. Moïse Katumbi is facing difficulties, notably the detention of his close collaborator Salomon Kalonda.

At the same time, Martin Fayulu, who was initially opposed to standing as a candidate due to the lack of an audit of the electoral register by the CENI, has finally made his candidacy official. Corneille Nangaa, former chairman of CENI, has been critical of Félix Tshisekedi, questioning his accession to power.

The opposition is preparing to present a joint candidate to face the outgoing president. Internal tensions and debates are emerging, notably between Martin Fayulu and other members of the opposition.

Challenges have been raised concerning the nationality of certain candidates, such as Moïse Katumbi, which was referred to the Constitutional Court. However, the Court rejected the application to invalidate Moïse Katumbi's candidacy for the December presidential election. Similarly, a similar request to invalidate the candidacy of Félix Tshisekedi was deemed admissible but unfounded by the Constitutional Court.



Source: #Google royalty-free image.

## 2. Conflicts in eastern DRC

In October 2023, three months before the presidential elections in the Democratic Republic of Congo (DRC), the head of the United Nations Stabilisation Mission (Monusco), Bintou Keita, told the Security Council of the continuing instability in the east of the DRC. She referred to the continuing need to protect civilians and stressed that the conflicts in this region require concerted political and regional solutions.

She spoke of the continuation of peace processes, albeit at a reduced pace, and underlined the support given by Monusco to regional initiatives. Bintou Keita was encouraged by the visit of former Kenyan President Uhuru Kenyatta to Goma at the beginning of July, stressing the importance of taking advantage of the truce between the FARDC and the M23 to implement confidence-building measures and follow up the recommendations of the political consultations.

She stressed the importance of Congolese security sector reforms and the need to adopt, finance and implement the Disarmament, Demobilisation, Community Rehabilitation and Stabilisation Programme (P-DDRCS) for stability. Three operational plans have been adopted for Ituri, North Kivu and South Kivu.

Meanwhile, UN Secretary-General Antonio Guterres said he was encouraged by the truce between the M23 and the FARDC, but concerned by the increase in clashes between the M23 and other armed groups. He condemned the M23's illegal occupation of territory in North Kivu and stressed the essential role of Monusco in supporting the Luanda and Nairobi processes.

Former Kenyan President Uhuru Kenyatta condemned the escalation of violence in the Masisi and Rutshuru territories, urging all parties involved to cease hostilities to allow continued humanitarian access.

Congolese Defence Minister Jean-Pierre Bemba denounced the occupation of territories in North Kivu by the Rwandan army, saying it was part of a plan to sabotage the DRC's peace and development efforts.

Meanwhile, the US embassy in Kinshasa has stressed the need for a political rather than a military solution to the crisis, threatening sanctions against those who undermine peace and security in eastern DRC.

President Félix Tshisekedi has announced a gradual easing of the state of siege in the provinces of Ituri and North Kivu, re-establishing civil authority and lifting restrictions on freedom, such as curfews.

The situation remains tense between the young patriots known as "Wazalendo" and the M23 rebels. The Wazalendo oppose Monusco's efforts and reaffirm their right to defend their country against the Rwandan occupation disguised as the M23.

### Understanding the crisis in eastern Democratic Republic of Congo





### 3. Reactions to General John Numbi's media appearance

In October 2023, three months before the presidential elections in the Democratic Republic of Congo (DRC), the former head of the police and of the General Inspectorate of the Armed Forces, General John Numbi, expressed his concerns about the quality of the electoral process from exile. He argues that Félix Tshisekedi's participation in a dialogue is essential if new democratic foundations are to be laid.

In a video, John Numbi criticises Tshisekedi's record, referring to the 2018 elections and efforts to achieve a peaceful transfer of power. He accuses Tshisekedi of undermining the system that brought him to power and deplores the corruption, tribalism and predation of the country's wealth, as well as the socio-economic problems that have arisen under his tenure.

Numbi highlights the use of justice for political ends, assassinations, and the weakening of democratic institutions. He denounced the muzzling of the press, the violation of human rights and the failure to respect political agreements.

He believes that the 2023 elections are subject to cheating organised to favour Tshisekedi's supporters, and questions the CENI, deploring its tribalisation of the electoral process.

John Numbi criticised Tshisekedi's legitimacy, calling into question the agreement that brought him to power. He called for a transition without Tshisekedi's participation to ensure credible elections.

Reactions were swift: political figures, presidential spokespersons and representatives of organisations condemned his statements, calling Numbi a fugitive and casting doubt on his credibility. Some political

leaders supported Félix Tshisekedi, rejecting the accusations made by John Numbi and emphasising the role of the people in Tshisekedi's accession to power.

These verbal exchanges have generated political tension and warnings about the potential impact of Numbi's remarks on the country's political stability.

### 4. The death of honorary National Deputy Ne Muanda Nsemi

On Wednesday October 18, 2023, Zacharie Badiengila, known as Muanda Nsemi and leader of the Bundu Dia Mayala (BDM) religio-political movement, died at the Nganda center at the age of 77, following a long illness. His death has prompted a number of reactions.

This former member of parliament was imprisoned several times under Joseph Kabila's regime, and stood out for his controversial career. After two years on the run following his escape from Makala prison, he reappeared on 6 May 2019.

Ne Muanda Nsemi had adopted positions that were both critical of and supportive of Félix Tshisekedi's regime. He was visited by UDPS secretary general Augustin Kabuya, who presented him with a gift. His death has plunged his supporters, the Makesa, into sadness.

Augustin Kabuya, Secretary General of the Union for Democracy and Social Progress (UDPS), expressed his condolences and paid tribute to Ne Muanda Nsemi, underlining his role in strengthening the partnership between the BDM and the UDPS/Tshisekedi. He offered his sincere condolences to Ne Muanda Nsemi's biological and politico-religious family, and to the Ne-Kongo community.





For his part, national MP Nsingi Pululu called on the family of Zacharie Badiengila not to embalm the body of the deceased, arguing that he was no ordinary man. He referred to earlier discussions in which Ne Muanda Nsemi was said to have talked about his successor and rituals for his passage to the eternal East.

The honorary prime minister, Adolphe Muzito, expressed his regret at the death of Ne Muanda Nsemi, underlining his commitment to preserving Kongo culture, despite controversies linked to his politico-religious movement.

Denis Mukwege, winner of the Nobel Peace Prize, expressed his sadness and described Ne Muanda Nsemi's death as a loss for the Congolese nation, extending his sympathy to his biological, political and spiritual family.

The governor of Kongo-Central, Guy Bandu Ndungidi, and other leading figures from the province also paid tribute to the memory of Zacharie Badiengila, recognising his leadership and calling for unity to preserve the values he bequeathed to the Kongo community.



# 3. Political perspectives and outlook

## On the political front

Political observers regard the run-up to the presidential election on 20 December as tumultuous. The registration phase for candidates, opened on 9 September by the Electoral Commission (CENI) and closed on 8 October 2023, marks the start of the countdown. The election, scheduled for 20 December, will be accompanied by a ballot for national and provincial deputies and local councillors. Félix Tshisekedi, the current President and candidate for re-election, is aiming for a second term in office, as permitted by the Constitution.

However, the road to victory is strewn with obstacles due to the unstable political, social and economic context in a country of nearly 100 million inhabitants. The opposition is represented by such notable figures as Martin Fayulu, Moïse Katumbi, Matata Ponyo, Denis Mukwege and others. The idea of a joint opposition candidacy to challenge Tshisekedi is being floated.

With just a few months to go before the elections, political tensions began to emerge, with demonstrations banned or repressed, judicial harassment, journalists imprisoned and escalating conflicts in the east of the country.

Some political observers and members of civil society believe that these elections, scheduled for December 2023, risk precipitating chaos in the current context. Reasons for frustration include problems with the CENI, contested electoral laws, irregularities in the electoral process and a lack of budget transparency.

Previous demonstrations have been severely repressed, and civil actors are expressing concern about the possibility of holding elections. They wonder whether these elections could mark the end of the DRC, questioning the support of international organisations

despite the numerous irregularities. The political future of the DRC seems uncertain, and what happens next will tell.

## On the economic front

The economic outlook for the Democratic Republic of Congo (DRC) in 2024 is mixed. On the one hand, the country has significant economic potential, particularly in the mining, agricultural and forestry sectors. On the other hand, the DRC faces a number of challenges, including political instability, corruption and poverty.

### Economic growth

Economic growth projections for the DRC in 2024 are 6.8%, according to the World Bank. This growth should be driven by the mining sector, which should continue to benefit from rising commodity prices. The agricultural sector should also benefit from government efforts to improve agricultural production.

### Inflation

Inflation is a major challenge for the DRC. By October 2023, year-on-year inflation would have reached 10.67%, according to Congo Challenge projections. This inflation is mainly due to the rise in prices of food products, petroleum products and services.

### Public finances

The DRC's public finances are also under pressure. In October 2023, the budget deficit would have reached 79.8 billion CDF, according to projections by Congo Challenge. This deficit is mainly due to a fall in tax revenues and an increase in public spending.



In conclusion, the economic outlook for the DRC in 2024 is mixed. Economic growth should be sustained by the mining sector, but inflation and public finances remain major challenges. The government will need to take steps to address these challenges in order to ensure sustainable and inclusive economic growth.

To improve the DRC's economic outlook, the government will need to address the following challenges:

- Political instability: The DRC needs to build stable and inclusive political institutions in order to attract foreign investment.

- Corruption: The DRC must fight corruption in order to ensure good governance and efficient use of public resources.
- Poverty: The DRC must invest in education, health and infrastructure to reduce poverty and improve living standards.

If the government succeeds in meeting these challenges, the DRC has the potential to become a major economic power in Africa.

# DIFFERENT CONGO CHALLENGE PUBLICATIONS

## 1. CONGO CHALLENGE JOURNAL (BIANNUAL)

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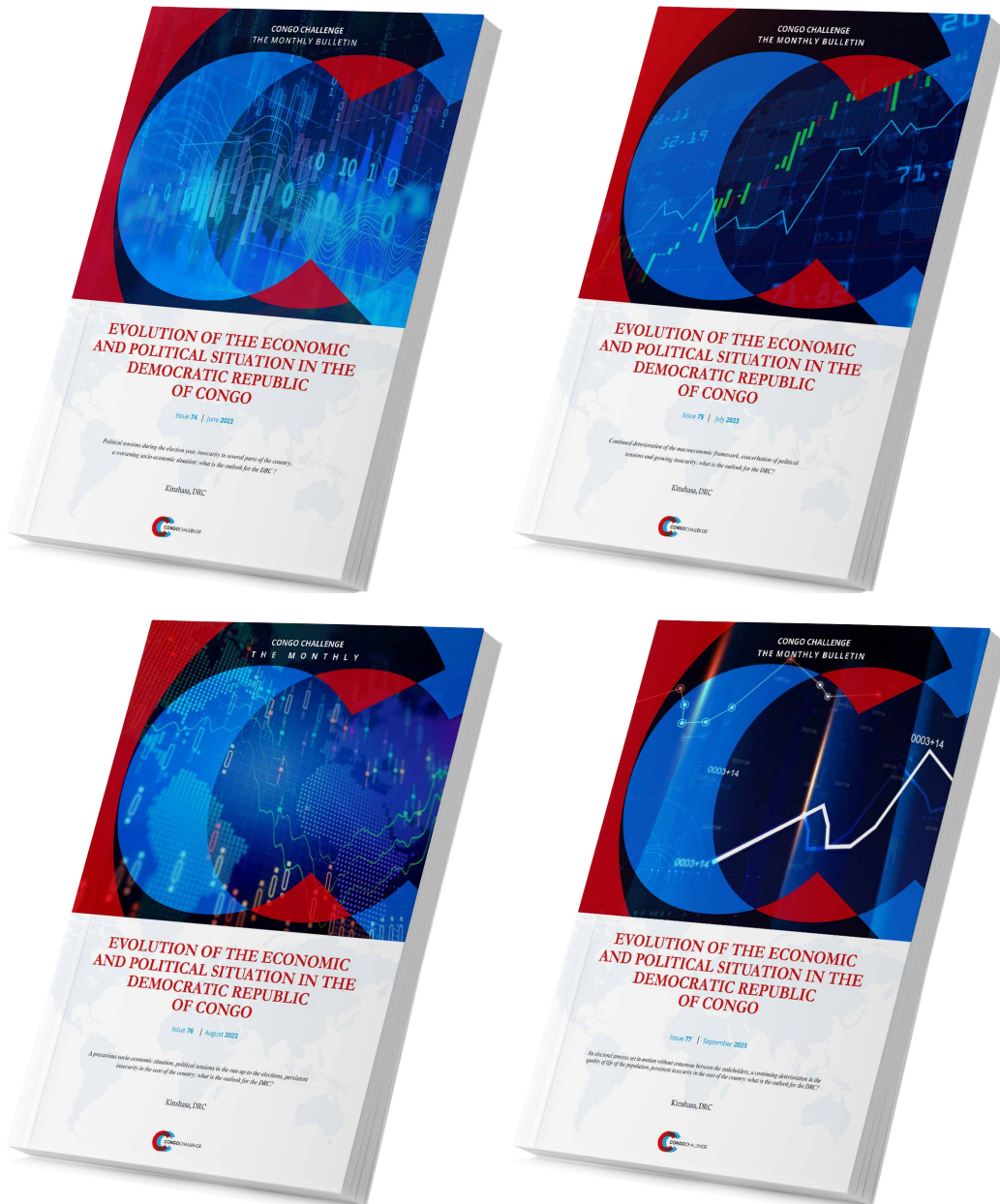
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CONGO CHALLENGE VALUES Congo Challenge believes in the cardinal values of which it is the vehicle. These values are based on :

- Self-sacrifice ;
- Sacrifice;
- Hard work.

The Think Tank's ambitions are also expressed through three virtues: ethics; ethics; ethics; ethics:

- Ethics ;
- Morality;
- Good governance.

## How do you keep a bunch of "niggers" on a leash?

You isolate the most valiant by demonizing them, and 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**



ECONOMIC AND POLITICAL DEVELOPMENTS  
IN THE DEMOCRATIC REPUBLIC  
OF CONGO

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