



MASTERING YOUR MARKET UNDER AFCFTA - CONGO DRC



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OVERVIEW OF CONGO DRC

Democratic Republic of Congo or Congo DRC is a country located in central Africa with a coast line of about 37km. It is the second-largest country in Africa and the 11th-largest in the world with a population of around 108 million. It is a nation surrounded by Congo Republic, Central African Republic, Angola and Tanzania towards the West, North, South and East respectively. The capital and largest city is Kinshasa. It is the third largest African city in metropolitan area after Lagos and Cairo. Its official language is French although they have some other native dialects. DR Congo's level of human development was ranked 175th out of 189 countries.

ECONOMIC SNAPSHOTS

Congo DRC is a Central African Republic nation with very little access to water. Despite its extremely rich in natural resources and huge population, Congo DRC is ranked 88 economy in the world and 85 in total export in 2018. Congo DRC is a low income country with an average of less a \$1000 in a year. The Central African nation has suffered from political instability, a lack of infrastructure, corruption, and centuries of both commercial and colonial extraction and exploitation with little widespread development. In the ease of doing business ranking, Congo DRC scored 36% in 2020 and has a GDP value of over \$48 billion USD and per capita



ECONOMIC SNAPSHOTS

income value of \$520 USD. Agricultural products produced in Congo DRC include; coffee, cassava, sugar, palm oil, rubber, tea, cotton, cocoa, peanuts and so on. Also, Congo DRC has minerals such as; copper, cobalt, gold, diamond zinc, tin to say a few. The DRC's largest export is raw minerals, with China accepting over 50% of its exports in 2019.



MARKET CHALLENGES

As a business looking at the prospect of Congo DRC has a preferred market choice, there are some challenges that a business need to overcome. There is the issue of corruption, poor infrastructure, weak judicial system and inadequate trained workforce. Transportation of goods can be a challenge. The transportation network are substandard. The rail and road linkages between the

commercial capital center, do not connect to the capital Kinshasa. There is also the issue of insecurities especially between Pointe-Noire and Brazzaville. Also, the challenge of corruption which is somewhat prevalent among most African countries.

Congo DRC is ranked 177 out of 190 in the ease of doing business.



IMPORT PRODUCTS

In 2020, the total import volume of the Democratic Republic of Congo amounts to about \$8.78 billion. Some of the items imported and the amount include the following:

1. Machine — \$1.65B
2. Paper Goods— \$1.27B
3. Chemical— \$1.02B
4. Mineral Product— \$916M
5. Metals— \$685M
6. Foodstuff— \$650M
7. Transportation— \$535M
8. Animal Product— \$428M
9. Veg. Products— \$398M
10. Plastic & Rubber- \$392M
11. Textile— \$317M
12. Stone & Glass— \$117M
13. Miscellaneous— \$116M
14. Instruments— \$109M
15. Foot & Headwear - \$105M
16. Animal Bi-product— \$85M
17. Animal Hides— \$20.6M
18. Wood Products— \$12M
19. Weapons— \$5.68M
20. Precious Metals- \$5.13M

The total service import volume of Congo DRC in 2019 is about \$2.26 billion and some of the services imported include the following:

1. Transportation- \$1.05B
2. Insurance— \$417M
3. Other Business - \$380M
4. Govt. services— \$128M
5. Travel— \$95.6M
6. Construction— \$71.1M
7. Fin. Services - \$101M
8. Personal - \$10.6M
9. Computer Service \$5.15M

SELLING FACTORS

Businesses prefer to advertise independently of wholesalers distributor because of their multiplicity.

Congo DRC is a French speaking nation hence, products names and slogan can be in English, but detailed information has to be in French or local language.

Selling in Congo DRC still function both in the modern and traditional level.

The distribution of goods are done by truck and some are done by rails. Importers sell their products directly to wholesalers.. Wholesalers then sell their product to retailers.

Many firm particular Congolese, Indian and Pakistan businesses conduct their business via the informal business channel, while large trading firm dominate most sectors and cater for the formal sector and the Congolese elites.

PAYMENT & EXCHANGE

For International companies interested in the market, wire transfer and Letter of credit are the most secured payment method for risk mitigation. For a Congolese exporter must choose a confirming bank that has its network of correspon-

dence the Congolese bank proposed by the importer. This would minimize the risk of default of payment.

BUSINESS CULTURE

Congolese are generally open and accommodating in both personal and business dealings. However, protocols are still very much important for business dealings. Common sense, courtesy and social etiquettes apply. Hands are shaken with men and women on encounter of departure. All business meetings are usually conducted using the French language, while government officials are addressed

with the appropriate title. The use of first names is not required until you are invited to do so. Monsieur, Madame and mademoiselle are the usual forms of address. Requesting for meetings particularly with government officials should be done formally by a written request. In scheduling appointments, allow time and resources to establish a date and time, also prepare for impromptu cancellation.



Exporting firms seeking to work in Congo DRC are encouraged to develop promotional materials in French, Lingala, Swahili

MARKET OPPORTUNITIES

Congo DRC is a nation open with numerous market opportunities. The best prospect sectors include; oil and gas, forestry, consumer markets, hydro electric power, textile, plastic, pharmaceuticals food, food processing and automobiles to mention as few.

Congo DRC has recorded a steady growth in its GDP on an annual basis for three years from 2013-2015. Congo hold a high opinion of western products and services, particularly in terms of the quality to price ratio.

The nation possesses one of the largest deposit of natural resources on earth.

The Government of the DRC is also undertaking a multi-million dollar project to rehabilitate major sectors in the economy which include; agriculture, energy, construction and basic infrastructure and transportation. Also, there are moves by the government to improve the business climate and they are looking for foreign trade and investment.

MARKET ENTRY

Marketing of product as a foreign entities has no restrictions as long as such products conform to the Congolese law. There are numerous ways in which a business can enter into the Congolese market.

Because of a limited industrial base in the DRC, few finished goods are produced in the country. A lot of products are being imported,

hence there is a need to export to Congolese retailers.

A business looking to enter this market can also consider a joint venture approach. Many sectors require in-depth knowledge, expertise and capital which only a local partner can provide. Business should ensure to conduct thorough due diligence.

Franchising the business operations in the DRC is also an option a prospective business can explore.

Also, opening a office in the DRC is also beneficial.

To reduce the burden of opening a business, the National Agency for Investment Promotion (ANAPI) provide assistance to investors who is interested.

IMPORT DOCUMENTATIONS

Most products enter through the maritime port and the N'djili international airport or through several entry port through the Rwandan or Ugandan border. The Congolese Control Office (OCC), is the only governmental body in the DRC that is actively developing and enforcing standards and performing conformity assessment on import and

exports. DRC primarily relies on the Codes alimentarius for food items. The Codex is applied to imports, but not to exports. Most imports are admitted into the country without the need to meet specific standards., shipper need to follow international regulations. Importers must be licensed and authorized to make imports. The import docu-

ments required in Democratic Congo (DRC) depends on the regular trade policy. The documents required for import to Congo DRC is based on the product importing, multilateral, bilateral or unilateral trade agreements, and other trade polices. Generally, the bill of laden, invoice, certificate of origin packing list are import documents required.





IN CONCLUSION

Despite its extremely rich in natural resources and huge population, Congo DRC is a low income country with an average of less a \$1000 in a year. The Central African Nation is blessed with Agricultural products produced in Congo DRC include; coffee, cassava, sugar, palm oil, rubber, tea, cotton, cocoa, peanuts and so on. The DRC's largest export is raw minerals, with China accepting

over 50% of its exports in 2019. Congolese are generally open and accommodating in both personal and business dealings. Congo DRC is a nation open with numerous market opportunities. The best prospect sectors include; oil and gas, forestry, consumer markets, hydro electric power, textile, plastic, pharmaceuticals etc. In Congo DRC marketing of product as a for-

ign entities has no restrictions as long as such products conform to the Congolese law. The import documents required in Democratic Congo (DRC) depends on the regular trade policy. Companies interested in the market, wire transfer and Letter of credit are the most secured method of payment for risk mitigation.

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