

Chamber of Commerce
LUXEMBOURG – DR CONGO

# Democratic Republic of Congo

## COUNTRY INVESTMENT PROFILE 2026

FRONTIER MARKET · SUB-SAHARAN AFRICA · PUBLIC EDITION

## 01 Country overview

The Democratic Republic of Congo is Sub-Saharan Africa's second-largest country by area and one of its fastest-growing economies, averaging 6.1% real GDP growth over the past decade. It sits at the intersection of two of the most consequential global macro themes of this decade: the energy transition and great-power competition over critical supply chains. Its mineral endowment — estimated at $24 trillion — positions it as a structurally indispensable node in global technology and clean energy infrastructure. The investment thesis is compelling; the execution risk is commensurately elevated.

| NOMINAL GDP (2023) | GDP GROWTH (2024) | GDP FORECAST (2025) |
|---|---|---|
| $66.4B | 6.2% | 5.5% |

| INFLATION (2025) | PUBLIC DEBT / GDP | FDI INFLOWS (2023) |
|---|---|---|
| 7.5% | ~18% | $1.67B |

| | |
|---|---|
| CAPITAL | Kinshasa |
| OFFICIAL LANGUAGE | French |
| AREA | 2.34 million km² — 2nd largest in Africa |
| POPULATION | ~107 million (2024 est.) |
| HEAD OF STATE | Félix Tshisekedi (re-elected Dec 2023, 73%+) |
| CURRENCY | Congolese Franc (CDF) |
| IMF PROGRAMME | $2.77 billion — approved 2025 |
| KEY MEMBERSHIPS | AU, SADC, CEPGL, AfCFTA signatory |

## 02 GDP structure and growth drivers

The extractive sector dominates the economy, accounting for 39% of GDP, 95% of export earnings, and 42% of government revenues. Real GDP grew 6.2% in 2024 (down from 8.6% in 2023), driven by an 11.6% expansion in mining output. The World Bank projects average growth of 5.1% through 2026–2028 as major mining projects reach maturity, with services and construction expected to play increasing roles. Inflation decelerated sharply to 7.5% in 2025 from 17.7% in 2024, supported by tight monetary policy and a stable exchange rate. Public debt remains remarkably low at approximately 18% of GDP — a structural strength seldom observed in frontier markets.

| SECTOR | GDP SHARE | NOTES | 2025 GROWTH |
|---|---|---|---|
| **Extractive industries** | **39%** | 95% of exports; dominant FDI magnet | **10.1%** |
| **Services** | **33%** | Transport, telecom, finance | **Steady** |
| **Manufacturing** | **18%** | Largely informal; agro-processing nascent | **Moderate** |
| **Agriculture** | **17%** | 80M ha arable; minimal commercial use | **Stable** |

## 03 Critical minerals and natural resource endowment

The DRC's mineral endowment is structurally irreplaceable in the context of global decarbonisation. No viable pathway to net-zero targets bypasses Congolese cobalt and copper. Total resource value is estimated at $24 trillion. The DRC holds 57% of Africa's known cobalt reserves and accounts for 70–80% of global cobalt supply, alongside world-class copper deposits with ore grades exceeding 2.5%. China controls equity stakes in 15 of the DRC's largest mines and approximately 80% of cobalt output — a concentration driving urgent Western re-engagement.

| MINERAL / RESOURCE | GLOBAL POSITION | KEY DETAIL |
|---|---|---|
| **Cobalt** | **70–80% of global supply** | World's largest producer; 254,000 MT mined (2024); 13× Indonesia |
| **Copper** | **~11% of global output** | 2nd largest globally; 3.3M MT (2024); Kamoa-Kakula driving growth |
| **Coltan** | **Top producer** | Essential for capacitors, semiconductors and defence electronics |
| **Lithium** | **Emerging** | Battery-grade deposits being mapped; declared strategic priority |
| **Gold** | **Significant** | Artisanal production dominant; formalisation and traceability ongoing |
| **Hydropower** | **40% of African potential** | Congo River capacity 100,000+ MW; Inga 3 = 10,000 MW targeted |

**Key 2025 regulatory event.** The DRC implemented a temporary cobalt export ban (February–October 2025) to stabilise global prices, demonstrating supply-side market power. Bloomberg Intelligence estimated the fiscal cost at up to $400M if extended. This episode confirms both the DRC's market leverage and its regulatory unpredictability — a dual reality investors must quantify and price.

## 04 ESG framework — environmental, social and governance

ESG considerations are increasingly material to investment decisions in the DRC. The country's extractive-led growth model creates structured exposure across all three ESG dimensions. For institutional investors operating under SFDR, the EU Taxonomy, or equivalent sustainability mandates, a rigorous ESG assessment is a prerequisite — not a supplement — to country-level due diligence.

### E · ENVIRONMENTAL

The DRC is home to the world's second-largest tropical rainforest — the Congo Basin — covering approximately 2 million km² and sequestering an estimated 1.1–1.5 billion tonnes of $CO_2$ equivalent annually, making it a critical global carbon sink. This ecological asset coexists with severe environmental liabilities: deforestation driven by artisanal agriculture and charcoal production is accelerating, while large-scale mining in Katanga and Lualaba presents risks including habitat destruction, acid mine drainage, water contamination, and inadequate tailings management. Climate vulnerability is pronounced, with flooding and drought events intensifying.

| REF | FACTOR | RATING | DETAIL |
|---|---|---|---|
| E1 | **Deforestation** | HIGH | Congo Basin: 60M+ ha under threat. Agricultural and charcoal encroachment accelerating. |
| E2 | **Mining environmental impact** | HIGH | Acid drainage, tailings risk, water contamination in Katanga belt. Enforcement inconsistent. |
| E3 | **Carbon sequestration** | POSITIVE | Congo Basin absorbs ~1.1–1.5Bn t $CO_2$e/yr. REDD+ and carbon credit monetisation potential. |
| E4 | **Hydropower transition** | POSITIVE | Inga 3 and run-of-river projects could decarbonise regional grids at continental scale. |
| E5 | **Climate vulnerability** | HIGH | Kinshasa flooding (2024); eastern drought. Climate adaptation capacity critically underfunded. |
| E6 | **ASM environmental footprint** | HIGH | ~2M artisanal miners with minimal environmental controls. Riverine mercury contamination documented. |

### S · SOCIAL

The DRC's social risk profile is among the most complex in frontier markets globally. A population of over 107 million — majority under 18 — is served by severely underfunded public services. The eastern conflict has produced one of the world's largest internal displacement crises, with 5.2+ million IDPs as of 2025. Child labour in artisanal cobalt mining remains a documented and material reputational risk for downstream investors and manufacturers. Positively, urbanisation and mobile penetration are creating new economic pathways, and a growing diaspora maintains meaningful remittance flows.

| REF | FACTOR | RATING | DETAIL |
|---|---|---|---|
| S1 | **Child labour in ASM** | HIGH | Documented in cobalt ASM. Lawsuits filed against tech/auto companies. Supply chain traceability critical. |
| S2 | **Conflict and displacement** | HIGH | 5.2M+ IDPs in eastern DRC. M23 conflict ongoing despite Washington and Doha peace frameworks. |
| S3 | **Community relations (LSM)** | MEDIUM-HIGH | Large-scale miners face community opposition in Lualaba/Kasai. Revenue-sharing disputes common. |
| S4 | **Labour rights and safety** | HIGH | Elevated mining fatality rates. Union recognition patchy. Informal workforce dominates ASM. |
| S5 | **Financial inclusion** | MEDIUM | ~70%+ adults unbanked. Mobile money growth rapid. Significant fintech opportunity emerging. |
| S6 | **Gender inequality** | HIGH | UNDP GII among lowest globally. Conflict-related sexual violence systemic in eastern provinces. |
| S7 | **Human capital** | MEDIUM | Young, large population. Tertiary enrollment low but growing. Diaspora knowledge transfer increasing. |

G · GOVERNANCE

Governance remains the most persistent structural constraint on investment quality in the DRC. Transparency International ranks the DRC in the bottom quartile globally on the Corruption Perceptions Index. Weak judicial independence, under-resourced enforcement, and a history of retroactive contract renegotiation create material rule-of-law risk. The 2018 Mining Code revision — which raised royalties, reduced stability clauses, and mandated Congolese ownership stakes — demonstrates regulatory reach. The Tshisekedi administration's active IMF programme ($2.77B, 2025) creates structural conditionality for reform continuity.

| REF | FACTOR | RATING | DETAIL |
|---|---|---|---|
| G1 | **Corruption and transparency** | HIGH | TI CPI bottom quartile. EITI participation lapsed; reinstatement in progress. |
| G2 | **Contract stability** | MEDIUM-HIGH | 2018 Mining Code reduced stability clause from 10 years. Retroactive renegotiation precedents exist. |
| G3 | **Regulatory predictability** | MEDIUM-HIGH | Feb 2025 cobalt export ban issued without market consultation. Policy risk remains elevated. |
| G4 | **IMF programme discipline** | POSITIVE | $2.77B programme (2025) provides governance conditionality and macroeconomic anchoring. |
| G5 | **Anti-corruption reform** | MEDIUM | Tshisekedi administration has initiated judicial and PFM reforms. Enforcement record is mixed. |
| G6 | **EITI / beneficial ownership** | MEDIUM | DRC working toward EITI reinstatement. Beneficial ownership registry under development. |

## 05 Investment risk matrix

| RISK FACTOR | RATING | DETAIL |
|---|---|---|
| **Security — eastern conflict** | HIGH | M23/Rwanda-backed conflict in North/South Kivu. Washington (June 2025) and Doha (Nov 2025) frameworks signed. Ground situation remains unstable; civilian casualties rising. |
| **Regulatory and policy risk** | MEDIUM-HIGH | 2018 Mining Code raised royalties and mandated ownership stakes. Cobalt export ban (Feb–Oct 2025) issued without market consultation. |
| **Governance and corruption** | HIGH | Weak institutional capacity, inconsistent contract enforcement. Anti-corruption reform in progress under IMF programme but execution record mixed. |
| **Infrastructure deficit** | HIGH | 152,400 km roads for 2.34M km² territory — 40% below Sub-Saharan average. Under 10% passable year-round. Energy access a structural constraint. |
| **China concentration risk** | MEDIUM | China controls equity in 15 of DRC's largest mines and ~80% of cobalt output. Western re-engagement accelerating but unwinding is a multi-year process. |
| **Macroeconomic volatility** | MEDIUM | Currency stabilised in 2025 (+5% annual appreciation). Inflation fell to 7.5% from 17.7%. Fiscal deficit ~3% of GDP driven by security spending. |
| **ESG / reputational risk** | MEDIUM-HIGH | Downstream exposure to child labour in cobalt ASM supply chains. EU Battery Regulation and US due diligence laws create compliance obligations. |
| **Commodity price risk** | MEDIUM | DRC revenues highly correlated with copper/cobalt price cycles. Sustained commodity correction would significantly compress fiscal headroom. |

## 06 Opportunity landscape

Despite an elevated risk profile, the DRC is attracting serious institutional attention across multiple sectors. The following themes represent the most compelling medium-to-long-term investment theses for appropriately risk-toleranced capital.

01
### Critical minerals — energy transition

The DRC's cobalt and copper are structurally indispensable to EV batteries, grid storage, and clean energy infrastructure. No credible net-zero pathway bypasses the Congolese supply chain. Global cobalt demand is projected to grow 3–4× by 2040 under IEA Sustainable Development scenarios.

02
### US and Western re-engagement

A US–DRC minerals deal is under active negotiation. KoBold Metals (backed by Gates and Bezos), Glencore, and Ivanhoe Mines are building Western positions in competition with Chinese SOEs. The geopolitical tailwind for non-Chinese sourcing is the strongest it has been in a decade.

03

### Hydropower — Inga 3 project

The Congo River holds 40% of Africa's total hydroelectric potential. Inga 3 (10,000+ MW) would rank among the world's largest hydropower facilities. South Africa, Egypt, and Gulf sovereign wealth funds are prospective offtake partners. The project would structurally transform DRC's energy access and export capacity.

04

### Agricultural commercialisation

The DRC holds 80 million hectares of arable land — the largest in Africa — with minimal commercial exploitation to date. Agribusiness, agro-processing, and food security investment are at an early stage, offering significant structural upside for patient, long-horizon capital.

05

### Digital finance and fintech

With ~70%+ of adults unbanked and improving mobile penetration, digital finance represents a high-growth frontier. Regional mobile money infrastructure is expanding rapidly. Kinshasa is emerging as a nascent technology hub with growing startup ecosystem activity.

06

### Peace dividend upside

A durable eastern ceasefire could unlock an estimated $900M+ in annual mineral revenues currently diverted by armed groups. Normalised FDI flows and renewed infrastructure investment would likely catalyse GDP growth back toward the 8–9% range achieved in 2022–2023.

## 07 Geopolitical dynamics and peace process

The eastern DRC conflict is the single most significant near-term variable for investment conditions. The armed conflict — centred on Rwanda-backed M23 forces in North and South Kivu — has displaced over 5.2 million people, cost the government an estimated $900M in annual mineral revenues, and created substantial security premiums across the eastern investment corridor. Multiple diplomatic tracks are simultaneously active.

| DATE | MILESTONE | SIGNIFICANCE |
|---|---|---|
| **June 2025** | US–DRC–Rwanda Peace Agreement, Washington D.C. | Trump-brokered de-escalation framework; DRC mineral deal negotiations attached. |
| **July 2025** | Declaration of Principles — DRC Government and M23, Doha | Qatar-facilitated. Formal ceasefire framework and prohibition on military advances. |
| **Nov 2025** | Comprehensive Peace Framework signed, Doha | Most detailed agreement to date. Prisoner exchange mechanism and ceasefire monitoring established. |
| **Ongoing** | Regional Economic Integration Framework (REIF) | Initialled Nov 2025. Economic cooperation normalisation between DRC and Rwanda. |

**Note.** Diplomatic progress has not yet been matched by on-the-ground security improvements. As the UN DPPA stated in August 2025: “the evolution of the security situation on the ground has not matched the progress achieved on the diplomatic front.” Investors should treat peace milestones as optionality — meaningful upside triggers — rather than confirmed de-risking events.

## 08 Outlook — scenarios

| | |
|---|---|
| **BASE CASE** | GDP growth averages 5.1–5.5% through 2028, anchored by extractive sector performance. Partial peace stabilisation in the east. IMF programme provides macroeconomic anchoring. Inflation converges toward 7% medium-term target by 2026. Western capital incrementally displaces Chinese dominance in strategic mineral projects. Cobalt export ban not repeated. FDI inflows stable at $1.5–2.0B annually. |
| **UPSIDE SCENARIO** | Durable ceasefire in North/South Kivu unlocks ~$900M+ in annual mineral revenues. US–DRC minerals deal accelerates Western FDI. Inga 3 gains financial close. Agricultural commercialisation attracts agri-finance institutions. GDP re-accelerates toward 8–9% as peace and investment dividends compound. ESG profile improvement opens SFDR Article 9 capital flows. |
| **DOWNSIDE SCENARIO** | Collapse of Doha/Washington frameworks. M23 advances toward Katanga mineral heartland — creating direct threat to the extractive sector. Commodity price correction compresses fiscal headroom. Export restrictions trigger investor flight. Fiscal deficit widens beyond 4% of GDP. Cobalt ASM litigation creates reputational cascade for downstream investors. |

## 09 Conclusion

The Democratic Republic of Congo presents one of the most asymmetric risk/return profiles available in frontier markets globally. The structural bull case — driven by critical mineral demand, demographic scale, and an accelerating peace process — ranks among the most compelling long-term theses for frontier-oriented institutional capital. The structural bear case — driven by governance fragility, security complexity, and ESG execution risk — is equally well-documented. The central question for investors is not whether the opportunity is real, but whether the institutional architecture exists to access it responsibly, profitably, and in compliance with evolving ESG and due diligence frameworks.

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Sources: World Bank · African Development Bank · IMF · US Department of State · CSIS · Atlantic Council · United Nations. Research as of May 2026.

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