

IOA — 2019 — ACBR



AFRICA COUNTRY BENCHMARK REPORT

The Republic of Congo Profile



Kintele Stadium in Brazzaville has been the national stadium of the Republic of Congo since its opening in 2015, attracting football matches and athletic events and symbolising the country's forward-looking aspirations.



Image courtesy of Wikimedia Commons

REPUBLIC OF CONGO

#38

REPUBLIC OF CONGO

OVERVIEW ANALYSIS

As one of Africa's largest oil producers, the Republic of Congo requires new reserves, with a possibility that these might be discovered offshore, to sustain their oil-based economy. About half of the population lives in poverty, and while oil revenues have done nothing to raise their standard of living, oil has sustained the power of President Denis Sassou-Nguesso. Now in his third decade of power, Sassou-Nguesso has ensured he will rule as President-for-Life by having the constitution rewritten to eliminate presidential term limits. Excluded from their nation's oil wealth, a majority of the people of Congo Brazzaville make their living through subsistence farming and handicrafts. The country's overall ACBR 2019 score of 42.26 was an improvement over the previous score of 38.96, resulting in a one position rise in country rank.

KEY OPPORTUNITIES

- A drive to find offshore oil fields is keeping the energy sector busy
- Economic diversification can be found in the country's fertile lands
- The underdeveloped tourism sector could be focused on the Francophone market

KEY CONCERNS

- The president is ruling like an autocrat, by changing the constitution
- The entrenched ruling party has allowed corruption to characterise government
- Social services are poor and reflect the neglect of the Congolese people

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION



Christianity

PREDOMINANT LANGUAGE



French

POPULATION WITHOUT ELECTRICITY



43.4%
(#21) ▲⁶

LITERACY RATE



79.3%
(#16) ▬

PRIMARY ELECTRICITY SOURCE



Hydroelectric

IMPORT/EXPORT



Ships/
Petroleum

EXTERNAL DEBT



US\$ 5.197
billion
(#25) ▬⁰

ACTIVE CONFLICT



No

LAND SIZE



342,000 km²
(#26)

INTERNET PENETRATION



7.6%
(#44) ▼⁶

8.9%



AGRICULTURE

50.8%



INDUSTRY

40.3%



SERVICES

41.7%



0-14

17.1%



15-24

33.9%



22-54

7.3%



55+



Term:

25/10/1997 - present
5 years (3 term limit)



Political Party:

Congolese Party of Labour



Recent Electoral Information:

20/03/2016
838 922 Votes
60.4%
Voter turnout: 68.92%



President
Denis Sassou-
Nguesso

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

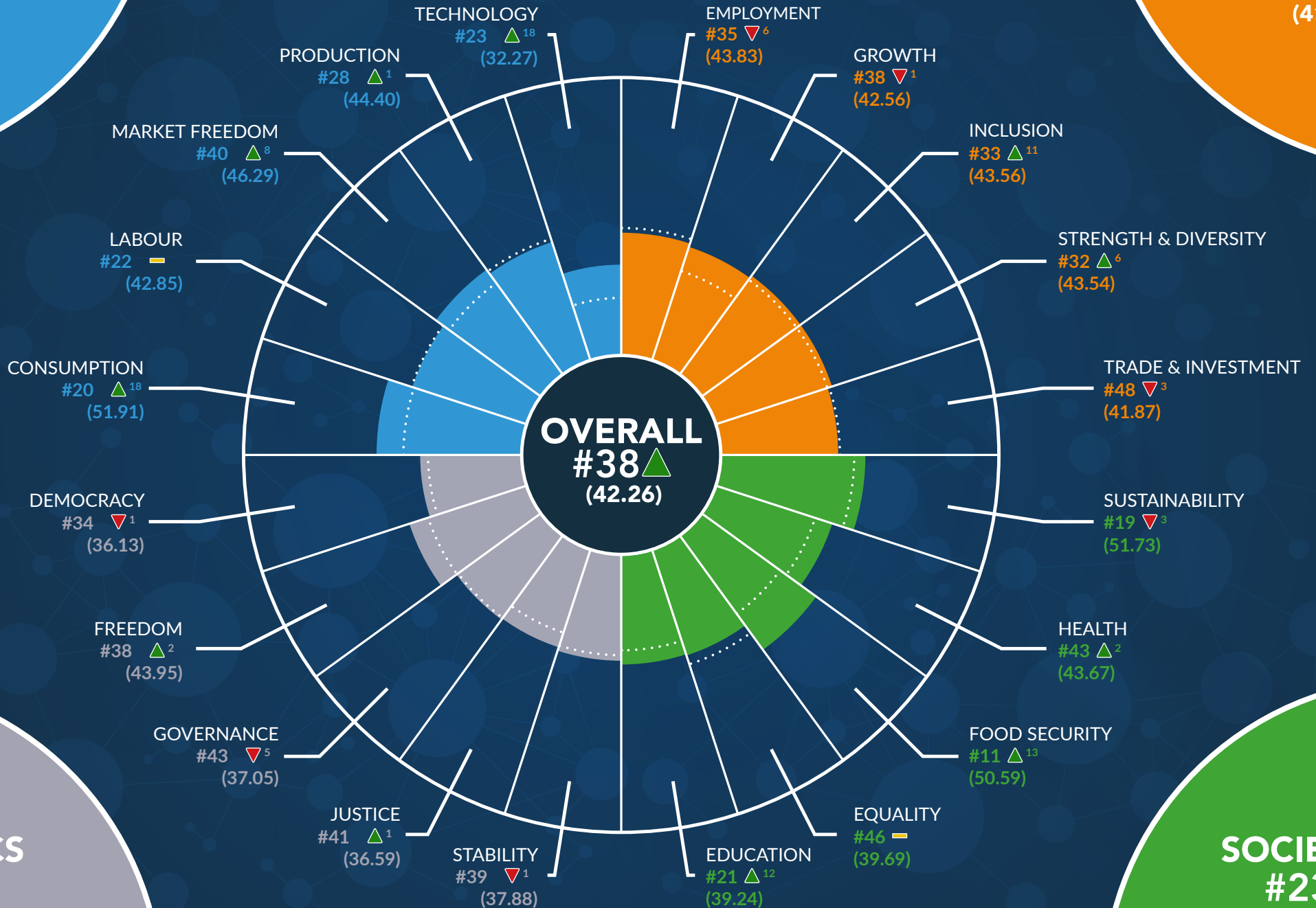
BUSINESS

#23
(43.54)

CONGO, REPUBLIC PERFORMANCE OVERVIEW

ECONOMICS

#40
(41.64)



▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

POLITICS

#39
(38.32)

SOCIETY

#23
(45.53)

CONGOLESE BUSINESS ANALYSIS



BUSINESS OVERVIEW

There is a great future in export-driven agriculture, should government policy ever favour economic diversification. However, the energy industry remains the Republic of Congo's main business engine. Government is disinterested in reforms to improve the business climate, and the country is one of the hardest to do business with in Africa, the World Bank reports. Export-driven economic diversity is required, but businesses find cross-border trade dangerous due to conflicts raging in two neighbouring countries: the Central African Republic and the Democratic Republic of Congo.

Before the discovery of oil, forestry was the country's leading industry. With investment, this sector could thrive again.

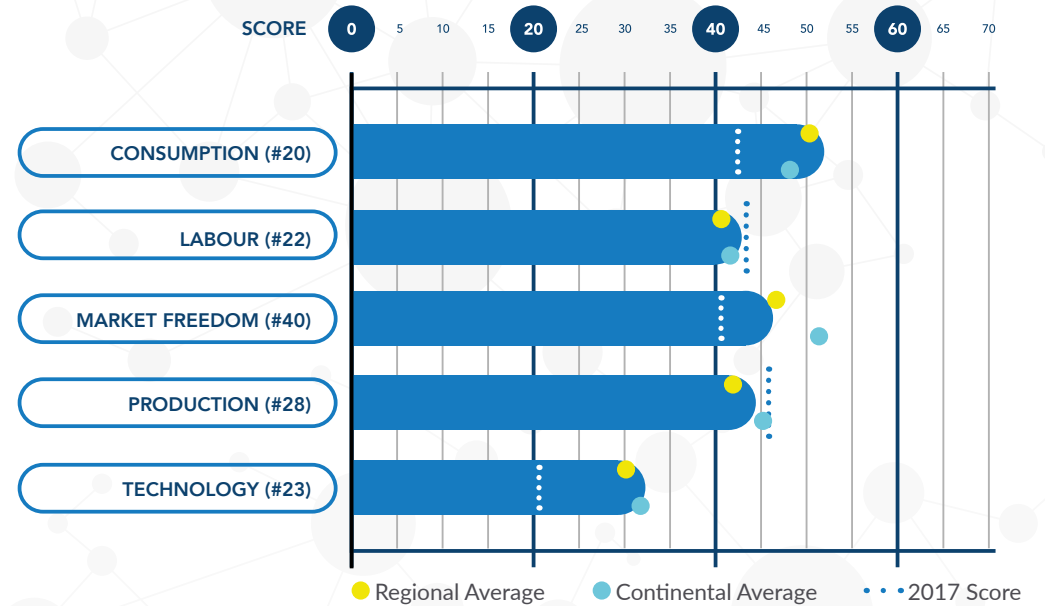
In addition to land-based agriculture, the Congolese coast offers opportunities for an expanded fishing industry. In the mining sector, the excavation of iron ore began in 2013 as a harbinger of the potential of this industry. The country's other sectors, from communications to tourism, are vastly underdeveloped but show potential. The Congolese people are among Africa's most avid mobile phone users.

Because of rising oil prices that fuel the economy, the Republic of Congo saw a remarkable 18-position rise in the Business quadrant of ACBR 2019, from a low placing of 41st to a mid-range 23rd, predicated on a five-point rise in their Business score. However, business fundamentals did not change as drastically during the year under review.

BUSINESS DATA COMMENTARY

<p>Congolese data availability 51.65%</p>	<p>REGIONAL AVERAGE 62.64%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #45</p>
	<p>At present, the score for business data availability in the Republic of Congo is 51.65%, thus ranking 45th continentally. This falls far short of both the regional average for Central Africa, which currently stands at 62.64%, as well as the continental average of 77.78%. The reasons for this are many, chief among which are overreliance on oil exports, along with a severely underdeveloped commercial archiving system. Currently, business data is available from the World Bank.</p>		

BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS

<p>% POPULATION IN URBAN CENTRES</p> <p>66.9% (#9)</p>	<p>LABOUR FORCE IN MILLIONS</p> <p>2.06 million (#37)</p>	<p>INDUSTRIAL PRODUCTION GROWTH</p> <p>2% (#38)</p>	<p>PRIME LENDING RATE</p> <p>14% (#24)</p>
<p>% ADULTS WITH A BANK ACCOUNT</p> <p>26.09% (#33)</p>	<p>ANNUAL AIR PASSENGERS</p> <p>0.33 million (#23)</p>	<p>MOBILE SUBSCRIPTIONS</p> <p>105.82 per 100 (#16)</p>	<p>NATIONAL 3G COVERAGE</p> <p>64.5% (#20)</p>

CONGOLESE ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

The oil curse in host countries is that this commodity enriches the elite while doing nothing to raise the standard of living for the country's inhabitants. This is evident in the Republic of Congo's GDP per capita, which is the highest in Sub-Saharan Africa at US\$ 8,500. Yet nearly half of the Congolese people (46.5%) live in poverty. The poorest 10% of the country holds a mere 2% of national wealth. With iron ore leading the way, mining will likely play a larger role in the economy, followed by a revived timber industry. Currently, agriculture only contributes 8.9% to the overall economy. The dominating oil industry accounts for half of the country's economic output. Congo Brazzaville's economy still contains remnants of a command economy that was originally put in place by the nation's

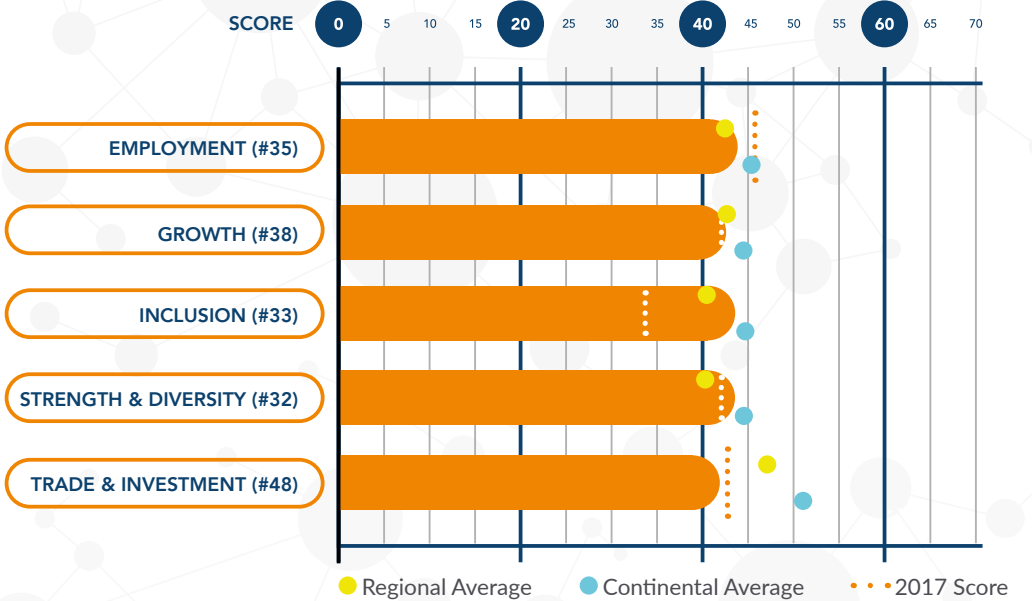
leaders when they were overtly Marxist. This has limited economic freedoms and has made economic reforms hard to institute. Such reforms are needed to encourage investment in the non-oil side of the energy sector, such as electricity distribution to connect Congolese businesses and residents to the national grid. The country has good rivers for hydroelectric generation and is a net electricity exporter.

In the Economics quadrant, the Republic of Congo rose three rankings, from 43rd to 40th, but is still among Africa's worst performing economies. Within the Economics quadrant, the country performs worst in the segments of Employment and Trade & Investment.

ECONOMIC DATA COMMENTARY

<p>Congolese data availability 57.26%</p>	<p>REGIONAL AVERAGE 62.29%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #42</p>
	<p>Along with the previous quadrant, economic data availability is also quite low in the Republic of Congo. With a present score of 57.26% and a corresponding continental rank of 42nd, the Republic of Congo lags far behind the respective regional and continental averages of 62.29% and 77.78%. In addition to its overreliance on oil exports, the Republic of Congo also lacks robust transnational linkages, thus resulting in high trade volatility reflected in sparse economic data.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 6,700 (#16)</p>	<p>UNEMPLOYMENT RATE</p> <p>10.9% (#40)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>CEMAC, ECCAS</p>	<p>INFLATION RATE</p> <p>-0.4% (#1)</p>
<p>GDP AT PPP</p> <p>US\$ 28.9 billion (#28)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 0.81 billion (#25)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 2,006 million (#8)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-10.5% (#49)</p>

CONGOLESE POLITICAL ANALYSIS



POLITICAL OVERVIEW

President-for-Life Sassou-Nguesso has long ruled the Republic of Congo: during a 13-year stint before his 1992 election loss and since his return to the presidency during the 1997 civil war. A manipulation of the constitution by his ruling Parti Congolais du Travail to eliminate term and age limits, ensured that Sassou-Nguesso will remain in power as long as he likes. Such monopolisation of power is deleterious to democracy and national development. Unfortunately, there is little that the Congolese people have to show by way of improvements in their daily lives, to justify Sassou-Nguesso's perpetual rule.

The country's domestic legal system follows a mixture of French and customary laws. The judiciary is not independent

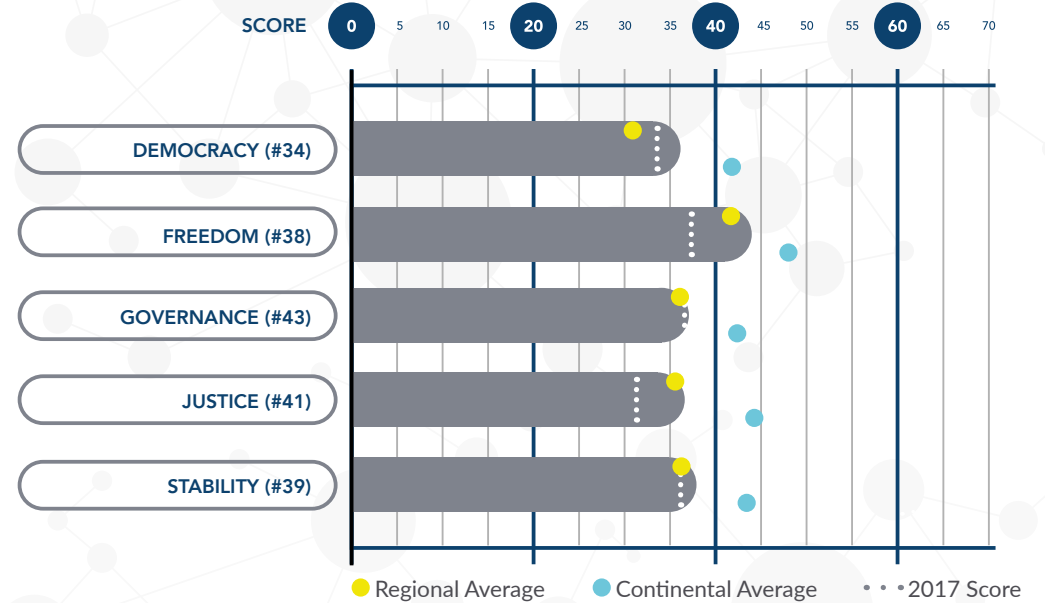
because Supreme Court judges are elected by parliament, which is controlled by Sassou-Nguesso's ruling party. While the head of government is ostensibly the prime minister, Clément Mouamba, his responsibility is to preside over a council of ministers, whose members are personally selected by Sassou-Nguesso.

The Republic of Congo dropped one country position in the Politics quadrant to 39th place from the previous period of review. This is the only quadrant in which Brazzaville saw a drop in rank. Among individual Politics segments, a drop in three of the five was recorded. The worst performance was in Governance, which decreased by five positions, and Stability and Democracy, both of which declined by one place.

POLITICAL DATA COMMENTARY

<p>Congolese data availability 78.72%</p>	<p>REGIONAL AVERAGE 70.75%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #36</p>
	<p>Of all quadrants, the Republic of Congo currently scores highest for political data availability, which currently stands at 78.72% and ranks 36th continentally. Despite comparing quite favourably with the regional average of 70.75%, this still falls somewhat short of the continental average of 82.86%. Given its proximity to the DRC, the Republic of Congo falls under the radar of numerous political watchdogs, human rights organizations and non-governmental organizations, thus rendering highly visible the political terrain.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>15 (#15)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>5.6% (#2)</p>	<p>REFUGEE INFLOW</p> <p>56,367 (#16)</p>	<p>NUMBER OF RIGHTS</p> <p>55 (#21)</p>
<p>DATE OF INDEPENDENCE</p> <p>15/08/1960</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 89 million (#47)</p>	<p>WOMEN IN PARLIAMENT</p> <p>11.3% (#42)</p>	<p>CAPITAL PUNISHMENT</p> <p>Abolished</p>

CONGOLESE SOCIETAL ANALYSIS

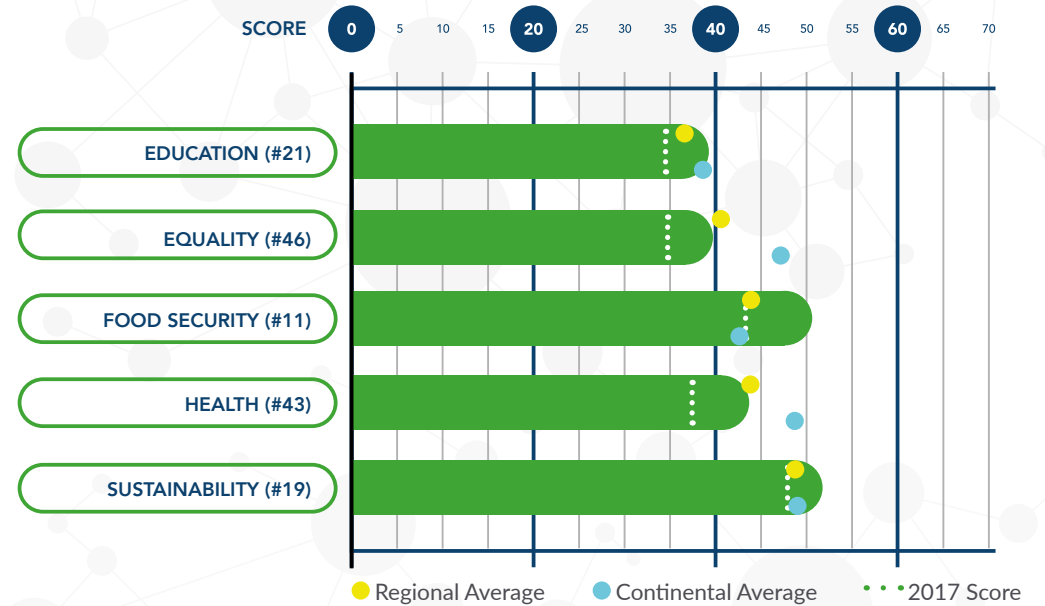


SOCIETAL OVERVIEW

The political powerlessness of the Congolese people, created by their entrenched government, circumscribes ways to seek better social services. Consequently, only 15% of the population has access to improved sanitation facilities, raising public health concerns. A quarter of the population does not have access to clean water. Poverty affects half of the Congolese people and is primarily responsible for a low life expectancy of 59.8 years. An inadequate public healthcare system accounts for high infant and maternal mortality rates in a country where everyone is highly susceptible to disease. Dengue fever and malaria are particular concerns. This is of great concern due to there being only one doctor for every 10,000 citizens.

A high fertility rate - the average Congolese woman has her first baby as a teenager and, on average, has nearly five babies - contributes to the cycle of poverty. Child labour is widespread, where one out of four Congolese children works as a child labourer. Among children under the age of five, 12.3% are underweight. Demonstrable of education, one out of five citizens is illiterate. For the literate, use of communications technologies is hampered by an uneven electricity supply. Because these challenges are similar to other poor African countries reviewed, whose societal scores have deteriorated relative to Congo Brazzaville, the country experienced a rise in its rank by ten positions in the Society quadrant, from 33rd in the previous review, to the current 23rd.

SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY

<p>Congolese data availability 63.27%</p>	<p>REGIONAL AVERAGE 59.31%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #40</p>
	<p>Due to its position in Central Africa, the Republic of Congo is constantly impacted by conflicts in the surrounding CAR and DRC, thus resulting in socially detrimental knock-on effects for refugees and vulnerable populations. This has attracted substantial interest from UN agencies such as UNICEF, thus resulting in a social data availability score of 63.27% and a corresponding rank of 40th. This exceeds the regional average of 59.31%, but not the continental average of 75.28%.</p>		

SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>4,954,674 at 2.11% p.a (#38) (#29)</p>	<p>LIFE EXPECTANCY</p> <p>59.8 (#36)</p>	<p>HIV PREVALENCE</p> <p>3.1% (#17)</p>	<p>SEXUALITY TOLERANCE</p> <p>Legal</p>
<p>ACCESS TO DRINKING WATER</p> <p>76.4% (#28)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>3.43% (#46)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>31% (#34)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>14% (#18)</p>

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