CONGO MATRIX

COMMERCE FACT SHEET

2022/February/Issue 1

DRC - US COMMERCIAL EXCHANGES

What is the share of economic growth in the US-DRC Privileged Partnership for Peace and Prosperity (2019-2022)?

In November 2019, the governments of the US and DRC signed an agreement to advance education, economic growth, health, anti-corruption and good governance, and environmental protection for a value of 600 million USD (*). The agreement - known as Privileged Partnership for Peace and Prosperity (PPPP), and the preservation of the environment - is set to come to completion in 2022 in the agreement.

In this issue, Congo Matrix will explore the "economic growth" part of the PPPP within the two years tenure of this agreement. Economic growth can simply be understood as the value of goods and services produced by a nation, Gross Domestic Product (GDP). Hence a salient question is: what is the value of goods and services produced by the DRC in furtherance of the PPPP? The stated economic growth objective of the PPPP is to increase U.S. trade and investment, in other words, the PPPP is geared towards introducing more U.S. private sector companies and products into the DRC market. (**)

In December 2020, the DRC was reinstated into the African Growth and Opportunity Act (AGOA). (***)

Source: (*) U.S. to provide up to $600 million over 3 years in development assistance to advance key sectors in the DRC - US Embassy in DRC website
(**) U.S. Relations With Democratic Republic of the Congo - State Department (15 April 2020)
(***)

TRADE AGREEMENTS

- US-DRC Bilateral Investment Treaty (BIT): signed in 1984 and entered into force in 1989
- African Growth and Opportunity Act (2021)

TRADE FACTS

EXPORT (2019) - US TO DRC

- **Goods:** machinery ($22 million); vehicles ($16 million; meat (poultry) ($15 million); cereals (wheat) ($12 million); electrical machinery ($10 million); prepared food ($4 million); pulses ($1 million); dairy products ($225 thousand)
- **Total Value:** $132 million
- **Ranking:** DRC is 139th largest goods export market

IMPORT (2019) - DRC TO US

- **Goods:** cocoa ($6 million); art and antiques ($5 million); precious metal and stone (diamonds) ($4 million); coffee, tea & spice (coffee) ($4 million); wood and wood products ($696 thousand)
- **Total Value:** $19,696 Million
- **Ranking :** DRC is 156th largest supplier of goods imports

FOREIGN DIRECT INVESTMENT

- **Value:** $86 million in 2019
- Distribution: Not available

(Source: Office of the United States Trade Representative - https://ustr.gov/ - accessed 20 October 2021)

DRCONGO TRADE DATA (OVERALL)

MAIN EXPORTS: Refined Copper ($4.06B), Cobalt ($1.91B), Copper Ore ($544M), Crude Petroleum ($467M), and Raw Copper ($249M)
MAIN EXPORTS DESTINATIONS: China ($4.33B), United Arab Emirates ($877M), Saudi Arabia ($525M), South Korea ($405M), and Italy ($287M).
MAIN IMPORTS: Packaged Medicaments ($363M), Refined Petroleum ($287M), Sulfuric Acid ($180M), Stone Processing Machines ($153M), and Delivery Trucks ($152M)
MAIN IMPORTS COUNTRIES: China ($2.08B), South Africa ($1.05B), Zambia ($901M), Rwanda ($371M) , and Belgium ($362M).
(*Source: Observatory of Economic Complexity*)