

AFRICA RISK CONSULTING DRC Monthly Briefing May 2016

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Moise Katumbi formally announces his intention to stand in the November 2016 presidential election. The government accuses Katumbi of plotting to assassinate President Joseph Kabila (2001-present) and issues a warrant for his arrest. Katumbi leaves DRC for treatment in South Africa of injuries sustained when police hit him with a riot gas canister as he left the prosecutors' office. The Constitutional Court rules that the constitution mandates that Kabila will remain president if the government does not hold elections in November. Opposition parties across the country protest the ruling and Katumbi's arrest warrant. Protests lead to the death of at least one protestor and one police officer. Prime minister Augustin Matata Ponyo announces a 22% cut to the 2016 budget and warns of potential hyperinflation if the government does not decrease spending.

Katumbi declares candidacy, Kabila strikes back

Moise Katumbi, the former governor of **Katanga Province**, formally announced his candidacy for president of **Democratic Republic of the Congo (DRC)** on 4 May, taking on incumbent **Joseph Kabila** (2001-present).¹

*"If anyone could take on Kabila, it is Katumbi; there is an aura of success around him."*²

Three opposition coalitions, the **G7, Collectif des Nationalistes** (Nationalists' collective) and the **Alternance pour la République 2016** (2016 Alternative for the republic) have all endorsed Katumbi as their official candidate.³ He released a statement on his **Twitter** account saying that he had listened to the people and accepted the "heavy responsibility" of running against Kabila or his chosen successor.⁴ Katumbi has yet to persuade the **Union pour la Démocratie et le Progrès Social (UDPS)** (Union for democracy and social progress) of veteran opposition heavyweight **Etienne Tshisekedi** to back him.⁵ Katumbi has announced a national tour to build support prior to the election.⁶

The same day Katumbi announced his candidacy, justice minister **Alexis Thambwe Mwamba** announced that Katumbi was under investigation for hiring mercenaries to overthrow the government.⁷ The charges appear to stem from the arrest of **Darryl Lewis**, a **United States (US)** national who worked as a bodyguard for Katumbi, at a rally in April (see *ARC Briefing DRC April 2016*).⁸ When police arrested Katumbi's four bodyguards on 25 April, the government alleged they were working in DRC without a proper work permit.⁹ However, Mwamba alleged on 4 May that

¹ Jeune Afrique, 4 May 2016.

² Source, journalist, Lubumbashi

³ Moise Katumbi press release, 4 May 2016.

⁴ Moise Katumbi press release, 4 May 2016.

⁵ Jeune Afrique, 4 May 2016.

⁶ Jeune Afrique, 4 May 2016.

⁷ US Embassy press release, 5 May 2016.

⁸ Reuters, 19 May 2016.

⁹ Reuters, 19 May 2016.

Katumbi brought Lewis into the country to assassinate President Kabila.¹⁰ Only Lewis remains in custody.¹¹

Katumbi released a statement on 4 May through his Twitter account:

*"The low blows of the government do not hinder my peaceful combat. I will be the candidate of the rule of law."*¹²

The day after Mwamba's announcement, Katumbi tweeted pictures of police surrounding his house in **Lubumbashi** and preventing him from leaving.¹³ The prosecutor general requested that Katumbi come in for questioning on 8 May.¹⁴ He arrived at the prosecutor general's office in Lubumbashi on 9 May accompanied by leaders of an opposition coalition that has backed his presidential bid.¹⁵ Katumbi's chief adviser, **Salomon Idi Kalonda Della**, told the media the arrest was false as *"tricks continue in this trial of shame"*.¹⁶

Police dispersed Katumbi's supporters at the prosecutor's office by firing tear gas into the crowd of thousands of people who came to support the candidate.¹⁷ It was the third time in five days police used tear gas to disperse Katumbi's supporters during ostensibly peaceful rallies.¹⁸ One of the canisters hit Katumbi directly as he left the prosecutors' office and his supporters took him directly to hospital.¹⁹ He remained under observation until 19 May when the prosecutor general issued a warrant for his arrest.²⁰ Katumbi left the country for **South Africa** on 20 May for medical treatment of the injuries he sustained on 9 May²¹ and he was still there at time of writing. He has not updated social media channels since then.²²

Katumbi's advisers are concerned that the government will not allow him back into the country.²³

*"This departure looks like a forced exile, they will never let Katumbi back into the country...or if they do, they will arrest him on the tarmac."*²⁴

According to DRC analysts, the government has moved so decisively against Katumbi because Kabila believes he is a genuine threat:

*"Katumbi owns **TP Mazembe**, the most famous football team in Africa; he once handed out \$100 bills in the street; he has influence and popularity well beyond Katanga Province [where Katumbi was governor]...worst of all he was Kabila's friend, so this is personal."*²⁵

Court ruling and Katumbi warrant lead to nationwide protests

The arrest warrant for Moise Katumbi added to opposition anger following a ruling on 11 May by the **Constitutional Court** in **Kinshasa** that Kabila would remain in power if the government delayed the elections scheduled for November.²⁶ The court ruled on the case that the government filed on 1 April

¹⁰ Jeune Afrique, 4 May 2016.

¹¹ Reuters, 19 May 2016.

¹² @moise_katumbi, 4 May 2016.

¹³ @moise_katumbi, 5 May 2016.

¹⁴ Radio Okapi, 9 May 2016.

¹⁵ Radio Okapi, 9 May 2016.

¹⁶ Radio Okapi, 9 May 2016.

¹⁷ Radio Okapi, 9 May 2016.

¹⁸ Radio Okapi, 9 May 2016.

¹⁹ Radio Okapi, 9 May 2016.

²⁰ Reuters, 19 May 2016.

²¹ Reuters, 20 May 2016.

²² Reuters, 20 May 2016.

²³ OkayAfrica, 26 May 2016.

²⁴ Source, Katumbi's election team, Lubumbashi

²⁵ Source, director of a thinktank, Kinshasa

²⁶ Radio Okapi, 11 May 2016.

to keep Kabila in office (see *ARC Briefing DRC April 2016*).²⁷ Constitutional Court president **Benoit Lwamba Bindu** said the court found that:

*"Article 70, clause two, (of the constitution) permits the president of the republic ... to remain in office until the installation of the new elected president."*²⁸

This means that Kabila will be able to stay in power beyond the end of his constitutionally mandated term limit.²⁹ The **Commission Electorale Nationale Indépendante (CENI)** (independent national electoral commission) revealed in January that updating the voter registry would delay the vote by approximately 16 months (see *ARC Briefing DRC February 2016*). The ruling gives the Kabila regime space to manoeuvre but does not answer the fundamental question of whether or not Kabila will stand. According to DRC analysts:

*"Delaying tactics will work for a certain amount of time and buy him months, maybe several more years in power...but it's not a long-term strategy."*³⁰

Ramazani Shadari, deputy secretary-general of Kabila's **Parti du Peuple pour la Reconstruction et la Démocratie (PPRD)** (People's party for reconstruction and democracy) declared the ruling a "victory for the people".³¹ But the ruling provoked outrage from the opposition. **Eve Bazaiba**, secretary-general of the opposition **Mouvement pour la Libération du Congo (MLC)** (Movement for the liberation of the Congo) told the media that the court was neither independent nor neutral:

*"If the court violates the constitution, we are not going to follow the court...on 19 December the mandate of Kabila is over. On 20 December if he continues, we will consider that there has been a constitutional coup d'état."*³²

Opposition movements organised protests across DRC on 26 May to pressure the government into reversing both the arrest warrant for Moise Katumbi and the constitutional court ruling.³³ Opposition parties organised rallies in Kinshasa, Lubumbashi and **Goma**, the largest city in the eastern province of **North Kivu** on 26 May.³⁴ Only authorities in Kinshasa, which is hostile to the Kabila regime, authorised the rallies that reportedly drew several thousand people.³⁵ In Lubumbashi and Goma protestors gathered without prior consent and clashed with police forces.³⁶ In Goma police used live rounds on protestors that led to the death of at least one protestor according to the **United Nations Joint Human Rights Office (UNJHRO)**.³⁷ Protestors burned tires and threw rocks at police in the city and reportedly led to the death of a police officer.³⁸ In Lubumbashi, the area of strongest support for Katumbi, protestors clashed with riot police but opposition figures kept away.³⁹ The UNJHRO said that police have arrested at least 59 people at opposition rallies in May, and at least 30 in the 26 May demonstrations.⁴⁰

The Constitutional Court ruling, the arrest warrant for Katumbi and the violence have led to international criticism. The US, **United Kingdom**, **France** and **Belgium** all issued statements condemning the actions of the government.⁴¹ The US has said it will introduce sanctions against

²⁷ Radio Okapi, 11 May 2016.

²⁸ Bindu in Reuters, 11 May 2016.

²⁹ Radio Okapi, 11 May 2016.

³⁰ Source, senior DRC analyst, US

³¹ Shadari in Reuters, 11 May 2016.

³² Bazaiba in Reuters, 11 May 2016.

³³ OkayAfrica, 26 May 2016.

³⁴ Jeune Afrique, 26 May 2016.

³⁵ Jeune Afrique, 26 May 2016.

³⁶ Jeune Afrique, 26 May 2016.

³⁷ Reuters, 27 May 2016.

³⁸ Reuters, 27 May 2016.

³⁹ Reuters, 27 May 2016.

⁴⁰ Reuters, 27 May 2016.

⁴¹ Jeune Afrique, 23 May 2016.

senior members of Kabila's government. UN secretary general **Ban Ki-Moon** released a statement following the demonstration saying he was profoundly concerned by reports of increasing political tensions in DRC. He called for *"the strict respect of the fundamental freedoms and rights enshrined in the constitution"* and urged all parties to *"exercise restraint and express their views peacefully"*.⁴²

The Kabila administration responded by accusing the international community of trying to restore colonialism. PPRD secretary general **Henri Mova Sakani** told government supporters:

*"You can come up with anything you like – sanctions or whatever. You won't scare us."*⁴³

Sources within embassies in DRC confirm that international pressure will have little impact:

*"The administration has made it very clear that it has no intention of listening to the international community and knows that, in the end, the international community can do very little."*⁴⁴

Government announces austerity and warns of hyperinflation

Prime minister **Augustin Matata Ponyo** announced a 22% cut to the 2016 budget on 6 May, primarily due to the low price of commodities.⁴⁵ The mining and oil sectors account for roughly 98% of DRC's government export earnings, leaving the country heavily exposed to the impact of lows in both sectors.⁴⁶ Ponyo later presented the revised 2016 budget to parliament on 16 May which reduces expenditure to \$7.4 billion from \$8.9 billion.⁴⁷ The detailed budget cuts include an average 30% reduction in spending for all central government departments.⁴⁸ This budget also includes a 90% reduction in funding for healthcare.⁴⁹ It also reduces the size of a planned bond for infrastructure from \$700m to \$280m.⁵⁰ Ponyo warned that if the government does nothing to cut spending, DRC risks a return to hyperinflation which rose as high as 24,000% in 1994:

*"If nothing is done, we run the risk of suffering from the hyperinflation that is hitting other countries, and of reliving the nightmare of the 1990s."*⁵¹

The government's current inflation projections remain at just 1.4%.⁵² According to economic analysts the government is facing the prospect of running out of reserves, as it has spent foreign currency to keep the DRC franc stable.⁵³

*"[The government] is now running out of cash, the commodities prices have not gone up, and they are facing a major bill for an election year...they would only make these cuts if they were truly desperate...or very confident there will be no election this year."*⁵⁴

Local observers point to the closing of local mining interests:

*"Glencore closed its copper mine last year, [Canada-based mining house] Freeport McRoran is selling off the Tenke Copper mine – these assets are not as profitable as they once were... investors are also worried about the elections and the prospect of violence."*⁵⁵

⁴² Ban in Reuters, 27 May 2016.

⁴³ Sakani in Radio Okapi, 19 May 2016.

⁴⁴ Source, western embassy, Kinshasa

⁴⁵ Radio Okapi, 6 May 2016.

⁴⁶ Radio Okapi, 6 May 2016.

⁴⁷ Radio Okapi, 16 May 2016.

⁴⁸ Radio Okapi, 16 May 2016.

⁴⁹ Radio Okapi, 16 May 2016.

⁵⁰ Radio Okapi, 16 May 2016.

⁵¹ Ponyo in Radio Okapi, 16 May 2016.

⁵² Radio Okapi, 16 May 2016.

⁵³ Source, macroeconomist, Nairobi

⁵⁴ Source, macroeconomist, Nairobi

⁵⁵ Source, journalist, Kinshasa

Others argue that government inefficiency has led to all the cuts happening at once:

“Kabila is obsessed with everything looking fine...Ponyo is not an idiot, he is a technocrat who came in 2010 to sort out the economy, but the politicians will not let him announce bad news...the situation must now be so bad that he is able to get Kabila’s sign off on massive budget cuts.”⁵⁶

Implications

Katumbi showed his hand and Kabila responded firmly and decisively. The opposition has spent the last year carefully orchestrating as much support behind Katumbi as possible, perhaps banking on his popularity and support to shield him from Kabila. However, the administration has revealed that it has no qualms about using the legal system to take Katumbi out of the running. There is no information in the public record about how unwell Katumbi actually is – whether his flight to South Africa is exile, or whether he genuinely requires expert medical care. However, if he returns, the government will certainly attempt to arrest him again. It may be that Katumbi will not return – perhaps reasoning the election campaign is not worth the consequences. This will leave the opposition leaderless against Kabila, making a victory for him or his chosen successor almost certain.

The Constitutional Court ruling went, as expected, in favour of the government. It does not change much – the elections are already delayed, and Kabila was unlikely to give up power. However, it gives the regime a veneer of legitimacy to keep him in power. It still falls short of the removal of constitutional term limits that leaders in neighbouring **Republic of Congo** and **Rwanda** have orchestrated.

The government has lost the hesitancy of 2015 in moving against protests; the memory of the January 2015 protests in Kinshasa has faded and the police are now dispersed against any and all opposition activity. They are, for the most part, no longer using live rounds on protestors but this may change as protestors’ frustrations grow. The security risk profile in DRC will continue to deteriorate as the elections approach. Katanga Province already has several separatist movements operating within it. Kabila’s father, former president **Laurent Kabila** (1997-2001), started out as a Katangan separatist rebel leader. Local media outlets report that Katumbi’s supporters are already talking of a separatist campaign. The government’s well-founded wariness of separatist groups, given DRC’s recent history, means it is likely to meet any movements in this direction with overwhelming force.

The government is running out of money and unlike regional neighbours is unable to go to the international community for help. The current answer – to cut spending by 22% – will lead to a decrease in the provision of government services. It will also delay infrastructure projects in the country and slow the pace of development. The current plan may not be enough to balance the books. It is likely that DRC will look to international players such as **China**, which have fewer governance requirements, in order to fund the balance its funding requirements.

⁵⁶ Source, director of a think-tank with ties to Kabila, Kinshasa

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