

## AFRICA RISK CONSULTING

### DRC Monthly Briefing October 2024

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#### DRC Summary 15 October 2024

*Mines minister Kizito Pakabomba, says on 9 October that the DRC is looking for new investors for its critical mineral deposits as it seeks to diversify ownership in its mineral sector, currently dominated by China. The United Nations (UN) under-secretary for peacekeeping operations, Jean-Pierre Lacroix confirms on 22 September that the UN peacekeeping mission in the DRC will not withdraw on 31 December. President Felix Tshisekedi (2018-present) arrives in Hungary on 29 September to meet with prime minister Viktor Orbán (2010-present) and launch a comprehensive cooperation programme.*

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#### DRC seeks to weaken Chinese dominance over its mining...

Mines minister **Kizito Pakabomba** said on 9 October that the DRC is seeking new investors for its critical minerals deposits as the country seeks to diversify its mineral sector's ownership, currently dominated by **China**.<sup>1</sup> While noting that the DRC wants to “*attract better investors, more investors and diversified investors*”, Pakabomba said that the government's plan includes streamlining processes to pay taxes and customs, as well as a partnership with the **United Arab Emirates (UAE)**.<sup>2</sup>

Pakabomba also highlighted the government's decision earlier this year to block the sale of copper and cobalt miner **Chemaf Resources**, which is backed by **Singaporean** commodity trader **Trafigura**, to China's **Norin Mining**.<sup>3</sup> He stressed that if Chemaf is still seeking an ownership change, the government will “*consider with them the different options that could be taken*”.<sup>4</sup>

Pakabomba also said that the DRC plans to refurbish a key railway line to facilitate mineral exports that will make it more efficient to export minerals across the **Atlantic Ocean** to the **United States (US)** and **European** markets.<sup>5</sup> Pakabomba was referring to the US and EU-backed **Lobito Corridor** railway project which runs from **Zambia** and DRC to **Angola**.<sup>6</sup> The Lobito Corridor connects DRC's mining regions in **Katanga Province** and Zambia's **Copperbelt Province** to Angola, presenting a strategic alternative route to export markets for both countries and offering the shortest route linking their key mining regions to the sea. The US and **European Union (EU)** have invested more than \$500m in developing the 1,300km Lobito Corridor and the DRC is currently considering a tender process to rebuild the Congolese side of the railway for \$245m over the first two years of construction.<sup>7</sup>

Pakabomba's proposals also come as China's **Zijin Mining Group** is considering expanding its massive **Kamoa-Kakula** copper mine in the DRC, which it co-owns with **Canada**-headquartered **Ivanhoe Mines**.<sup>8</sup> Zijin Mining plans to produce one million tonnes of copper a year, which would make it one of the world's biggest single sources of the metal.<sup>9</sup> The Kamoa-Kakula copper mine currently produces 600,000 tons of copper annually. The **Escondida** mine in **Chile** and the **Grasberg**

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<sup>1</sup> Bloomberg, 9 Oct 2024; Mining, 9 Oct 2024

<sup>2</sup> Bloomberg, 9 Oct 2024; Mining, 9 Oct 2024

<sup>3</sup> Mining, 9 Oct 2024; Bloomberg, 9 Oct 2024

<sup>4</sup> Business Insider, 9 Oct 2024; Mining, 9 Oct 2024

<sup>5</sup> Business Insider, 9 Oct 2024

<sup>6</sup> Source, mining expert, DRC

<sup>7</sup> Mining, 9 Oct 2024; Bloomberg, 9 Oct 2024

<sup>8</sup> Bloomberg, 27 Sep 2024

<sup>9</sup> Bloomberg, 27 Sep 2024

project in **Indonesia** are currently the largest global operations, producing 1.07 million tonnes and 750,000 tonnes respectively in 2023.<sup>10</sup>

If the expansion is realised, it will greatly increase Zijin Mining's influence over the production and global price of the key mineral as Chinese mining giant **CMOC Group Limited** has done with cobalt. This year CMOC solidified its status as the world's top cobalt producer, primarily driven by the rapid expansion of its operations in the DRC. In the first six months of 2024, CMOC produced more than three times as much cobalt as **Switzerland**-headquartered commodity trading and mining company **Glencore** after a significant surge in output that saw the battery metal's price plummet further (See *ARC Briefing DRC August 2024*).<sup>11</sup>

CMOC's increase in output is largely attributed to surging production at its massive \$1.8 billion **Kisanfu** mine, which came online in 2023 and helped the company to officially surpass Glencore (see *ARC Briefing DRC Jan 2024*).<sup>12</sup> CMOC's cobalt increase is also a result of the expansion of its other Congolese mine, the **Tenke Fungurume Mine (TFM)**, one of the world's largest battery-metal mines. CMOC's control of two of the world's largest mines that produce cobalt, and copper, also gives it massive leverage in controlling global supply and prices. This has led to major concerns among US officials who are seeking to weaken China's dominance of global supply chains by introducing new legislation to counter Chinese dominance.

Breaking China's dominance over the sector will be difficult, particularly given the influence of companies such as Zijin Mining and CMOC in the country and globally on prices. It will require careful strategy and international collaboration but without this, the DRC may continue to struggle to gain greater control over its valuable cobalt resources. For the foreseeable future, DRC will remain at the centre of geopolitical competition between the US and China for access to critical minerals.

### UN says that peacekeepers won't leave DRC in December...

The **United Nations (UN)** under-secretary for peacekeeping operations, **Jean-Pierre Lacroix**, confirmed on 22 September that the UN peacekeeping mission in the DRC, **Mission de l'Organisation des Nations Unies pour la Stabilisation en République démocratique du Congo (MONUSCO)**, will not withdraw on 31 December.<sup>13</sup> Lacroix, who was on an official visit to the country, emphasised that the 31 December date had never formally been agreed on by all the parties,

*"I dispel this rumour, especially as it has never been confirmed by the authorities, ourselves or the [UN] Security Council."*<sup>14</sup>

He also revealed that UN officials are currently in a "*consultation phase*" and have met with members of civil society in **Ituri Province**, who have reportedly asked peacekeepers to remain in the region as the humanitarian situation "*remains very worrying*".<sup>15</sup> Local media has also reported that Congolese authorities have also asked MONUSCO to reconsider its withdrawal plans. MONUSCO began its exit in June, officially leaving **South Kivu Province** and handing over to the **Forces Armées de la République Démocratique du Congo (FARDC)** (Congolese armed forces).<sup>16</sup> However, in July, withdrawal plans from **North Kivu Province** were also paused as conditions for the withdrawal had not been met. Nevertheless, the overarching plan has always been for MONUSCO to withdraw and if local media reports are true, it is a significant development that indicates how dire the situation is - anti-UN protests initially erupted in South Kivu and North Kivu last year, with the residents demanding the departure of MONUSCO.

It is likely that the withdrawal of UN forces has left a security vacuum in some regions, such as Ituri, and allowed **Coopérative pour le développement du Congo (CODECO)** and other armed groups to

<sup>10</sup> Bloomberg, 27 Sep 2024

<sup>11</sup> Bloomberg, 1 Aug 2024; Engineering News, 2 Aug 2024

<sup>12</sup> Mining News, 2 Aug 2024; Engineering News, 2 Aug 2024

<sup>13</sup> The East African, 22 Sep 2024

<sup>14</sup> United Nations, 22 Sep 2024

<sup>15</sup> United Nations, 22 Sep 2024

<sup>16</sup> The East African, 22 Sep 2024

continue destabilising the region.<sup>17</sup> The Ituri member of parliament (MP) **Gracien Iracan** revealed in September that at least 60% of the province “*is in the hands of armed groups and beyond the control of the Congolese army*”.<sup>18</sup> Going forward, Lacroix said that MONUSCO has committed to reinforcing its positions in Ituri and continue supporting the **Southern African Development Community (SADC) Mission in DRC (SAMIDRC)**.

The **United Nations Security Council (UNSC)** also agreed on 6 August to offer logistical and technical support to SAMIDRC, a move which will undoubtedly strengthen Tshisekedi’s hand in dealing with armed rebel groups.<sup>19</sup> But all indications are that MONUSCO will remain in the DRC beyond December with its withdrawal on pause and no timeline set for its next exit phase.

### Tshisekedi travels to Hungary

Tshisekedi and Hungary’s prime minister **Viktor Orbán** (2010-present) met on 29 and 30 September to sign several cooperation agreements and launch a comprehensive cooperation programme that has three pillars – economy, infrastructure development and education.<sup>20</sup> Orbán stressed that Hungary “*will not wait*” for the EU but will begin its own programme for the DRC and Africa.<sup>21</sup>

The flagship investment of the economic pillar of the programme will be a \$600m funding deal for the construction of a road and bridge linking the DRC and Zambia.<sup>22</sup> Orbán also said that as the world’s fourth-largest manufacturer of batteries, Hungary could cooperate with the DRC to supply it with raw materials for batteries, especially cobalt.<sup>23</sup> In addition, Orbán pledged to support the DRC in the modernisation of its agriculture, food production and water management.<sup>24</sup> Orbán also expressed appreciation for the DRC’s cooperation with Hungary in international organisations and pledged to support its nomination into the UNSC.

Tshisekedi said that he and Orbán are “*determined and dedicated to cement exchange relations*” and that there is still much potential for growth in the relationship between the two countries.<sup>25</sup> Tshisekedi’s visit to Hungary not only strengthened diplomatic relations between the two countries but also laid the groundwork for promising economic partnerships that could benefit them both.

Hungary has become the latest country seeking to boost its influence in Africa through economic, political, and diplomatic means.<sup>26</sup> Other countries that have made recent big pushes on the continent include **Turkey**, the **United Arab Emirates (UAE)**, **Saudi Arabia**, **Indonesia**, **Italy** and **Spain**. Other than its latest agreements with the DRC, Hungary announced in September that it would deploy approximately 200 troops to **Chad**, reportedly to fight terrorism and curb illegal migration to Europe, as well as providing between \$150 and \$200m to support the country’s food and agriculture sectors.<sup>27</sup>

African countries like the DRC and Chad must ensure that they also benefit from the geopolitical competition for the continent’s resources. By strategically managing geopolitical competition and promoting long-term sustainable collaborations, African countries can turn external interests into tangible benefits that drive economic growth, stability, and development across the continent. An African expert echoed this sentiment to **Africa Risk Consulting Briefing (ARC Briefing)**:

*“The geopolitical competition could be beneficial for the continent, but Orbán’s autocratic tendencies and right-wing leaning views are concerning”.*<sup>28</sup>

<sup>17</sup> The East African, 22 Sep 2024

<sup>18</sup> The East African, 22 Sep 2024

<sup>19</sup> News24, 7 Aug 2024

<sup>20</sup> Jeune Afrique, 29 Sep 2024

<sup>21</sup> About Hungary, 1 Oct 2024

<sup>22</sup> Magyar Nemzet, 1 Oct 2024; About Hungary, 1 Oct 2024

<sup>23</sup> About Hungary, 1 Oct 2024; Magyar Nemzet, 1 Oct 2024

<sup>24</sup> Magyar Nemzet, 1 Oct 2024

<sup>25</sup> About Hungary, 1 Oct 2024; Magyar Nemzet, 1 Oct 2024

<sup>26</sup> African Report, 18 Sep 2024

<sup>27</sup> African Report, 18 Sep 2024

<sup>28</sup> ARC Source, Africa Expert

## Planner

Mar 2025 **Kinshasa (DRC)** End date of the **Southern African Development Community (SADC) Mission in the Democratic Republic of Congo (SAMIDRC)** peacekeeping mission;

## Chronology

14 Oct 2024 **Kinshasa (DRC)** *AP*. **International Criminal Court (ICC)** prosecutor **Karim Khan** says he is renewing an investigation into DRC and allegations of crimes committed in **North Kivu Province** by rebel groups since early 2022;

13 Oct 2024 **Kinshasa (DRC)** *Monitor*. President **Felix Tshisekedi** approves the extension of **Operation Shujaa**, the joint military operation between DRC and **Uganda** that is targeting the **Allied Democratic Forces (ADF)** rebels in eastern DRC;

12 Oct 2024 **Villers-Cotterêts (France)** *The East African*. President **Felix Tshisekedi** reportedly leaves the 19th **Summit of the Francophonie** in **Villers-Cotterêts (France)** early after French President **Emmanuel Macron** fails to mention the war in the DRC;

10 Oct 2024 **Kinshasa (DRC)** *Africanews*. DRC is elected to serve a three-year term on the **United Nations (UN) Human Rights Council** from 1 January 2025;

8 Oct 2024 **Kinshasa (DRC)** *UN News*. **United Nations (UN)** high commissioner for human rights **Volker Türk** urges the international community to pay more attention to the plight of Congolese citizens as the number of victims of human rights violations grows;

7 Oct 2024 **Kinshasa (DRC)** *Bloomberg*. Foreign minister **Therese Kayikwamba Wagner** says the DRC plans to clamp down on companies that buy or source minerals from its war-torn eastern region, where smuggling is fuelling one of the world's worst humanitarian crises;

7 Oct 2024 **Kinshasa (DRC)** *Government Accountability Office*. The **Government Accountability Office** says that a **United States** law that requires companies to report on their use of minerals linked to conflict in DRC has not reduced violence in the country;

5 Oct 2024 **Kinshasa (DRC)** *France24*. DRC will launch an mpox vaccination campaign from 7 October, vaccinating hospital staff and opening up vaccines to members of the public who are most at risk;

4 Oct 2024 **Kinshasa (DRC)** *Bloomberg*. The first diagnostic test for mpox has been approved by the **World Health Organisation (WHO)** in a bid to expand its availability and stop the spread of lethal outbreaks of the disease in Africa;

2 Oct 2024 **Kinshasa (DRC)** *Bloomberg*. The **United States** aims to contain the outbreak of a fast-spreading sub-variant of mpox in **Central Africa** by targeting \$500m in aid and the provision of vaccines to the countries most affected;

1 Oct 2024 **Karisimbi (DRC)** *La Croix International*. **Radio Mara Goma** confirms a journalist who worked for the Catholic radio station was assassinated on 27 September by unidentified armed men after leaving work;

27 Sep 2024 **Kinshasa (DRC)** *Bloomberg*. **Swiss** miner **Glencore's Kamoto Copper Co.** copper mine in the DRC is embroiled in a row with local tax authorities over €800m (\$894m) in royalties;

26 Sep 2024 **Goma (DRC)** *Human Rights Watch*. **United States (US)**-headquartered **Human Rights Watch** says the **Rwandan** army and **M23** rebels have indiscriminately shelled displacement camps and other densely populated areas near Goma throughout 2024;

24 Sep 2024 **Kinshasa (DRC)** *SABC News*. **South Kivu Province** governor **Jean-Jacques Purusi Sadiki** approves the resumption of all mining activities in the province which have been suspended since July;

22 Sep 2024 **Kinshasa (DRC)** *The East African*. **United Nations (UN)** under-secretary for peacekeeping operations **Jean-Pierre Lacroix** confirms that the UN peacekeeping mission in the DRC will not withdraw on 31 December, stating that all parties did not formally agree upon this date;

18 Sep 2024 **Kinshasa (DRC)** *Bloomberg*. The **United Nations Children's Fund (UNICEF)** says it's appealing for \$58.8m to battle the mpox outbreak in Africa with an initial focus on the most affected countries, the DRC and **Burundi**;

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