

DRC: Intra-Africa trade and tariff profile 2020

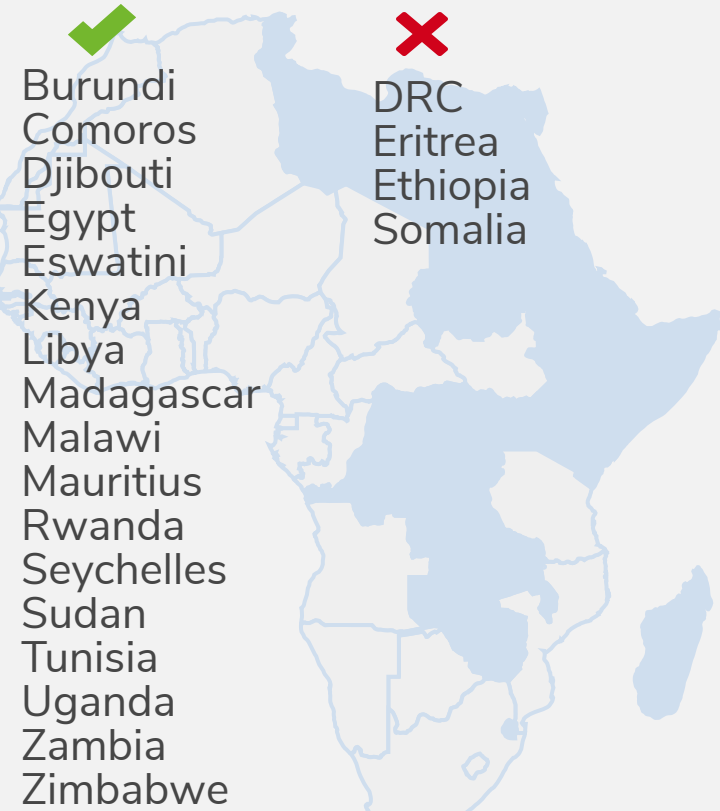


Regional Economic Communities

The Democratic Republic of Congo (DRC) is a member of three African Regional Economic Communities – the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS) and the Southern African Development Community (SADC). The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. DRC has not yet ratified the AfCFTA.

COMESA

Members of the COMESA FTA:



COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area. DRC, Eritrea, Ethiopia and Somalia are all in the process of accession

ECCAS

No FTA in place yet:



ECCAS has 11 member states. Although the legal instruments of the ECCAS FTA were signed in 2004, the FTA is not yet in force; only three of the member states (Cameroon, Congo and Gabon) have adopted the ECCAS Preferential Tariff for intra-ECCAS trade

SADC

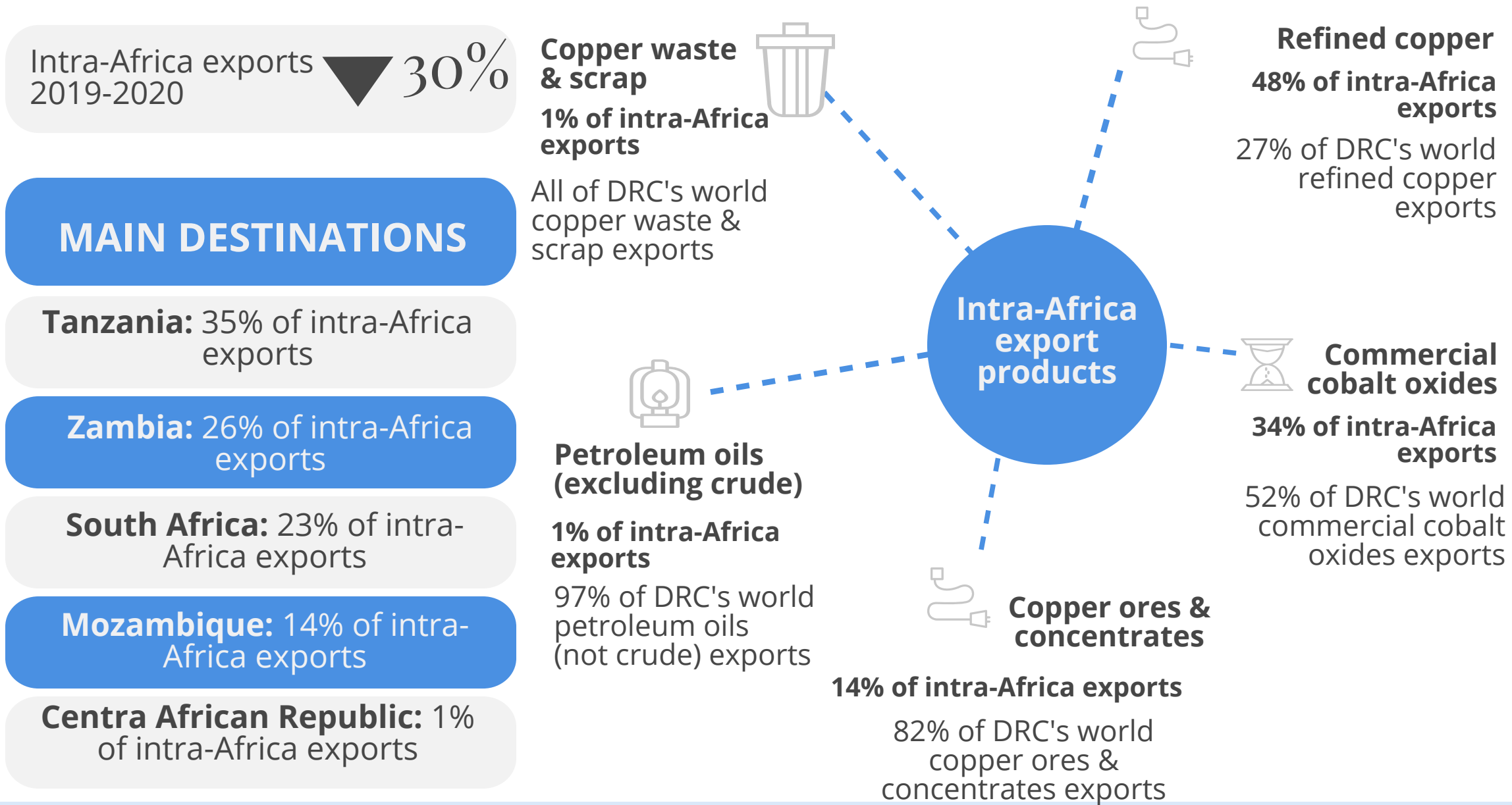
Members of the SADC FTA:



SADC has 16 member states, 13 of which are part of the SADC FTA. Comoros and DRC are yet to join the FTA. Angola has submitted its tariff offer to join the FTA.

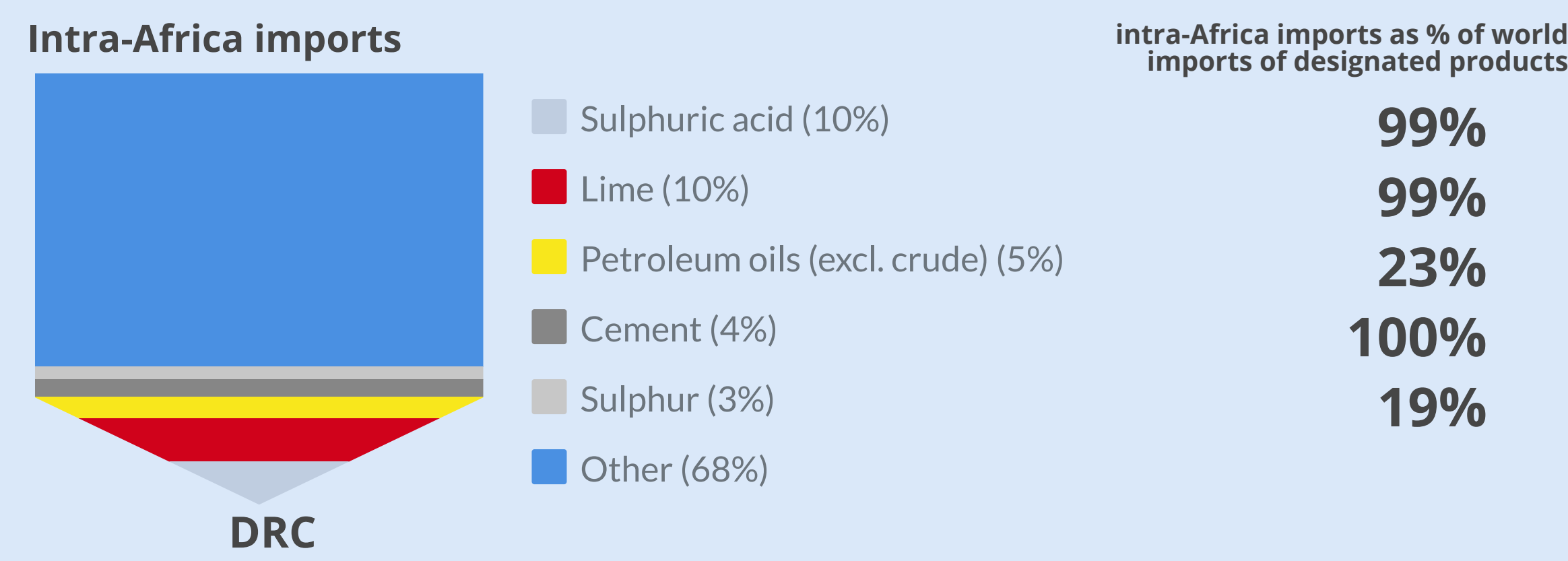
Intra-Africa exports

For 2020, 34% of DRC's world exports were to the rest of Africa. DRC's main African destination markets are SADC member states. The value of 2020 intra-Africa exports is US\$4.8 billion. The main export products are copper products and commercial cobalt oxides.



Intra-Africa imports

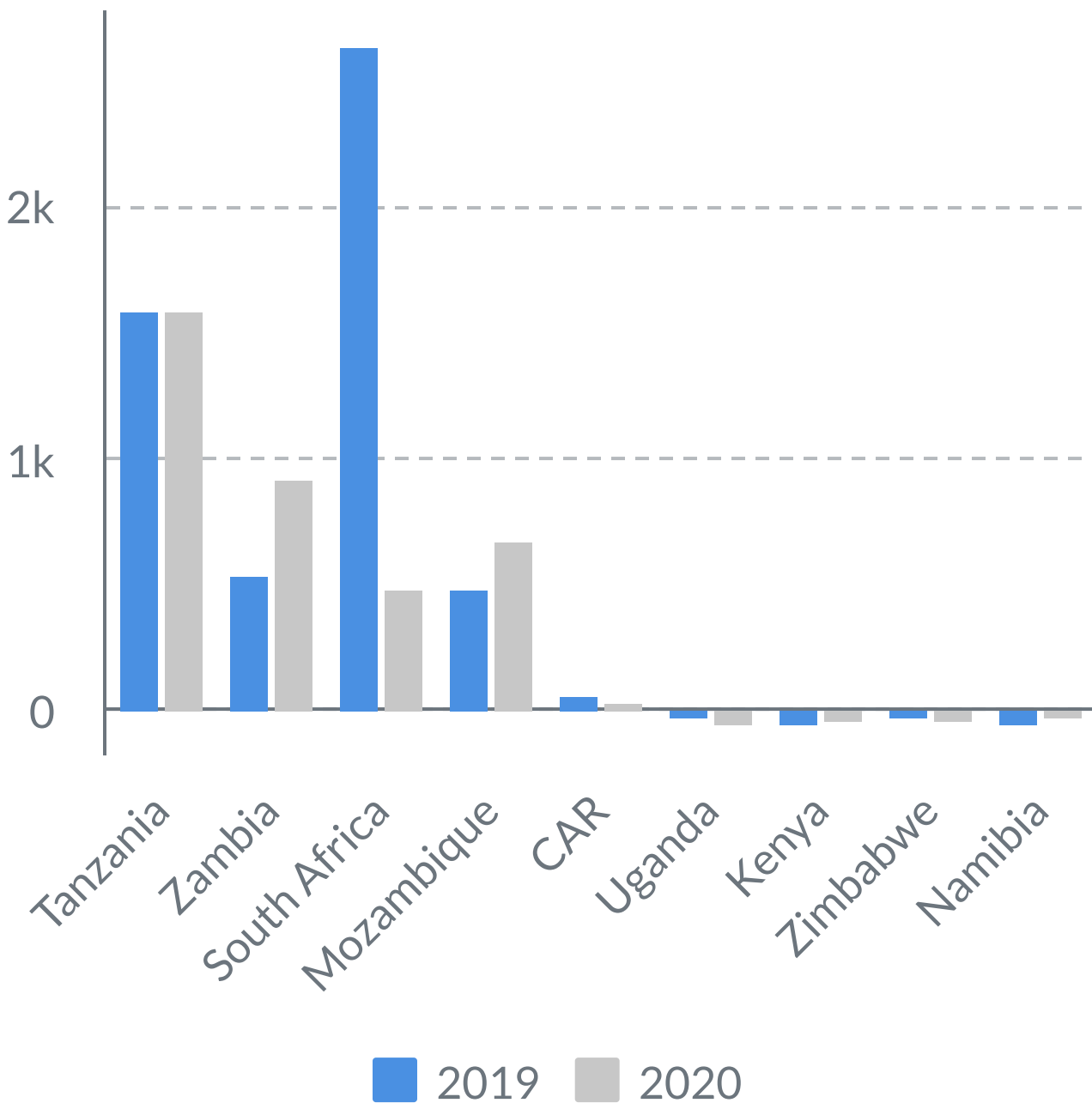
For 2020, 20% of DRC's world imports were intra-Africa imports. 71% of DRC's intra-Africa imports are sourced from South Africa and Zambia. Between 2019 and 2020, DRC's intra-Africa imports declined by 23%. Sulphuric acid and quicklime are the main import products.



% change in exports and imports (2019 to 2020)

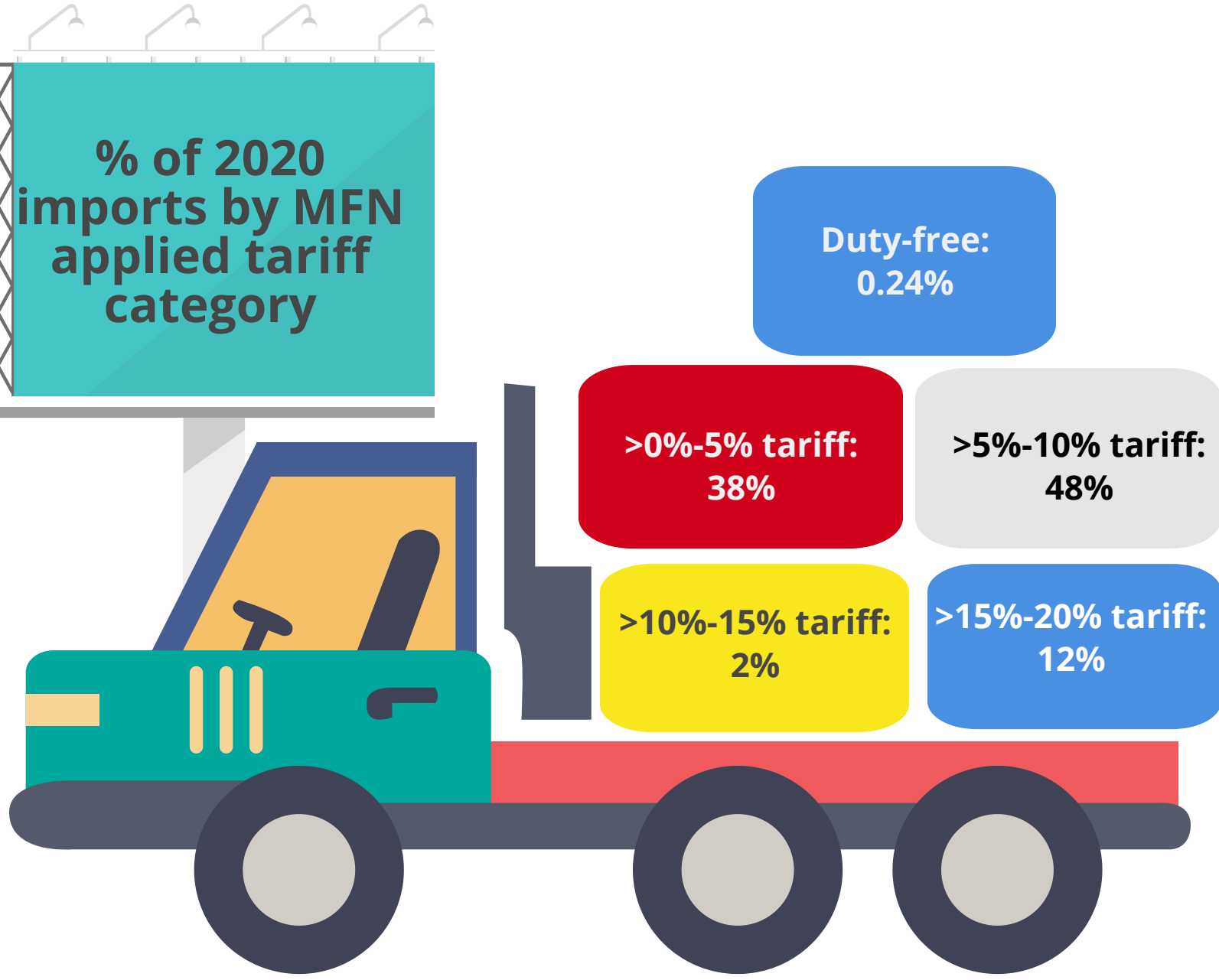
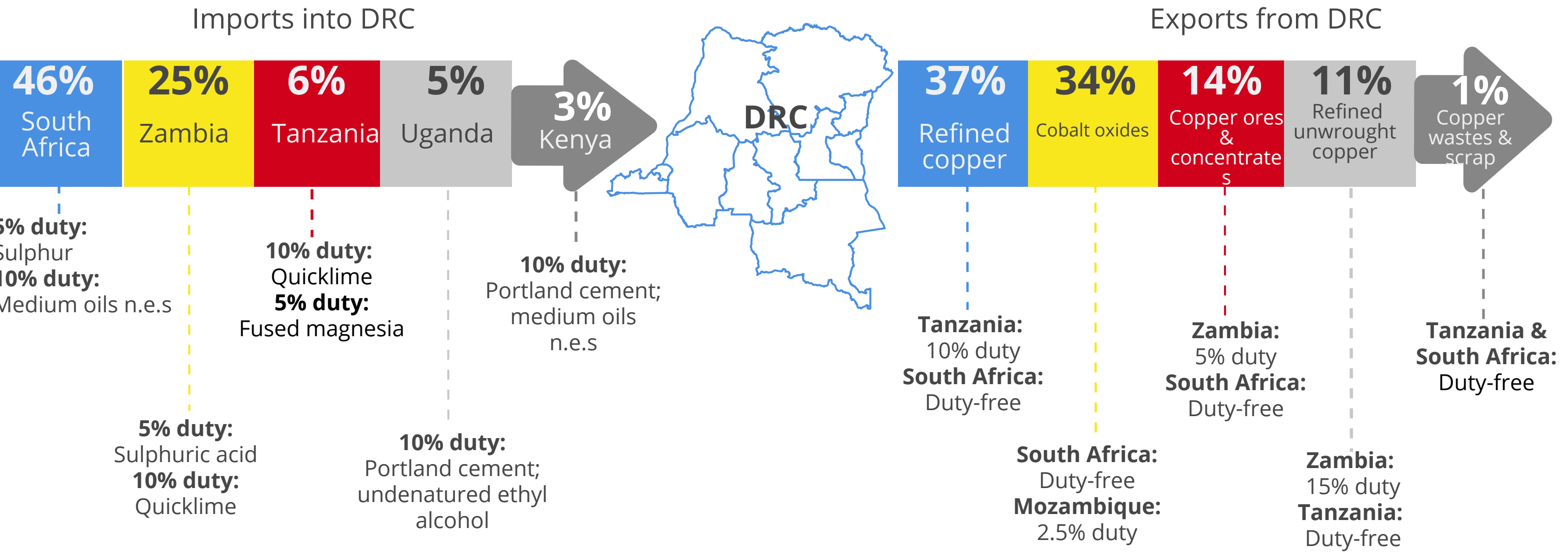
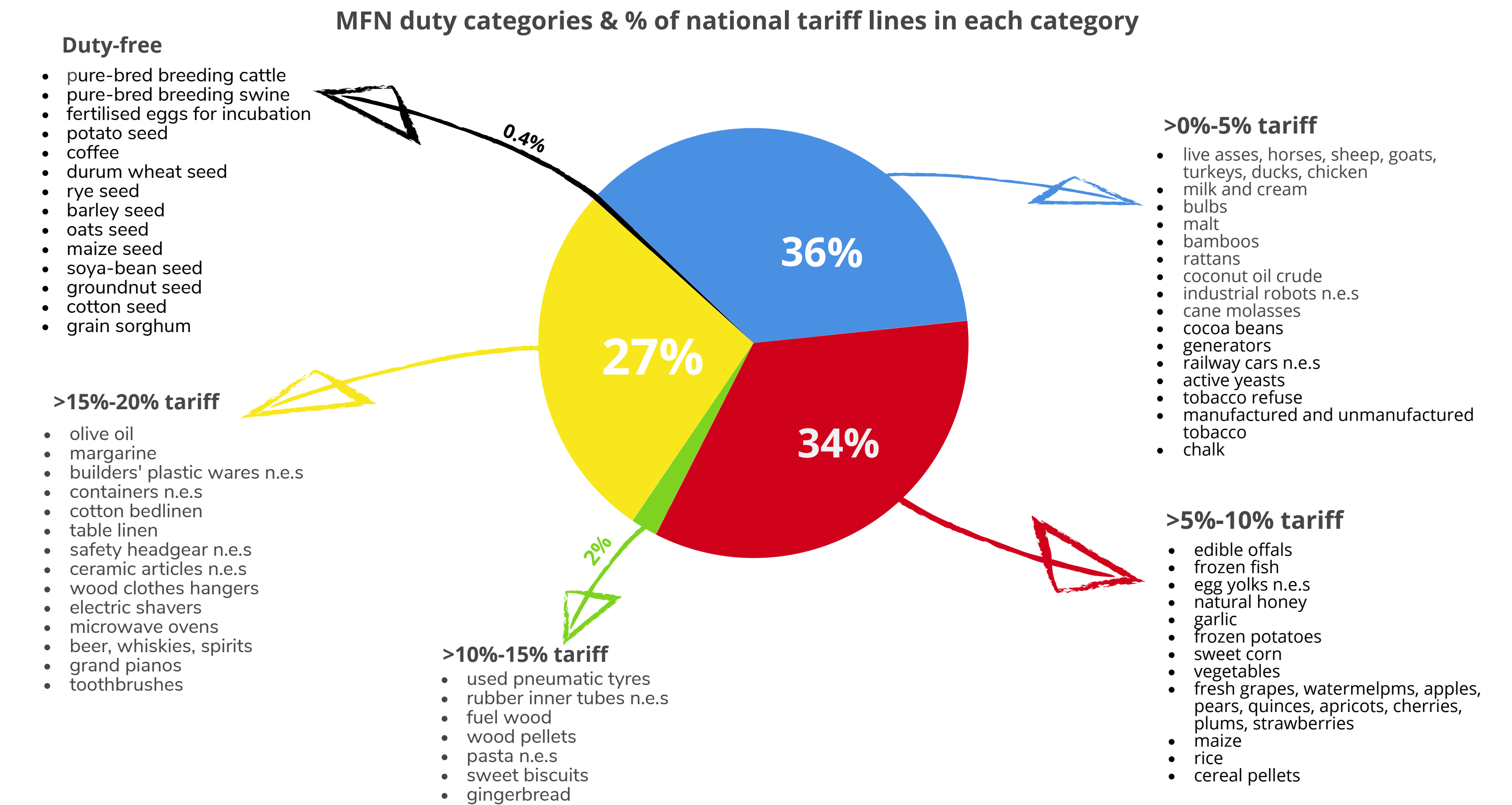
Tanzania	Exports: 1% decline Imports: 23% decline
South Africa	Exports: 70% decline Imports: 36% decline
Zambia	Exports: 38% increase Imports: 9% decline
Mozambique	Exports: 40% increase Imports: 138% increase
Uganda	Exports: 58% decline Imports: 16% increase
Kenya	Exports: 41% decline Imports: 23% decline

Trade balance with designated countries (US\$m)



Intra-Africa tariffs

Goods imported into DRC from other African countries are levied the MFN applied duty. DRC's MFN has 5 tariff bands - duty-free, 5%, 10%, 15% and 20% .



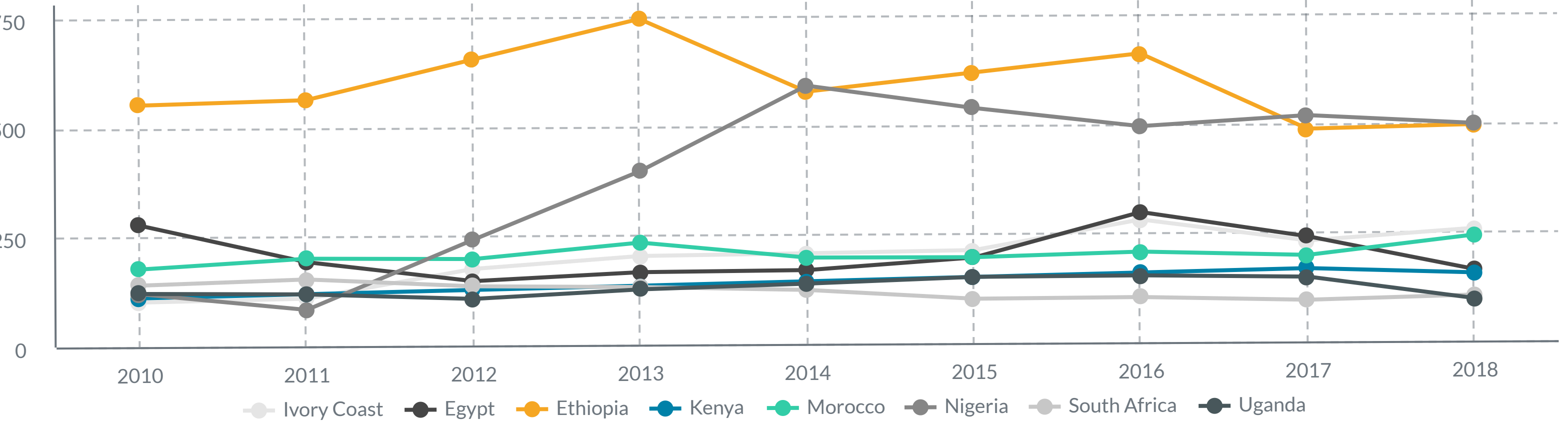
All of DRC's world imports of portlant cement, copper ores & concentrates, nitrogen fertilisers, slag & ash, refined unwrought lead, explosives, tobacco cigarettes, maize seeds, electrical energy, unroasted iron pyrites, rocket launchers, double salts, jack & horse mackerel, frozen sardines, bituminous coal are sourced from African countries.

Of the top 20 import products, the highest tariffs (20% duty) are applied on imports iron/non-alloy steel bars & rods. A 10% duty is applicable to imports of quicklime, portland cement, medium oils, light oils, coke coal, frozen jackerel, iron/steel structures, electric conductors, grinding balls, parts of liquid pumbs n.e.s, and centrifuges. The following products are levied a 5% duty:

- sulphuric acid
- sulphur
- fused magnesia
- coal
- ammonium nitrate
- machinery parts for working mineral substances of heading 8474, n.e.s
- copper ores and concentrates
- phosphoric acid
- nitrogen fertilisers

Non-tariff trade costs
The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. DRC's trade with many African countries (including Burkina Faso, Madagascar, Nigeria, Ethiopia, Benin and Zimbabwe) is more expensive than trade with non-African countries such as Russia, Switzerland, the UK, Brazil, India, France, Germany, Italy and China.

Cost of bilateral trade between DRC and designated countries; 2010-2018



Per unit cost of aluminium article n.e.s:

- South Africa (US\$1.67)
- Angola (US\$0.001)

Per unit cost of iron/steel articles:

- South Africa (US\$3.28)
- Ghana (US\$1.11)
- Angola (US\$0.05)

Ores and concentrates exports:

- Morocco (US\$0.5 per unit)
- South Africa (US\$5.14 per unit)

Per unit cost of detergents:

- Uganda (US\$0.51)
- Angola (US\$0.16)
- Senegal (US\$1.29)

Per unit cost of precious stones articles:

- South Africa (US\$2.56)
- Angola (US\$0.67)

Clays exports:

- Angola (US\$0.21 per unit)
- South Africa (US\$2 per unit)

Road transport costs of refined copper:

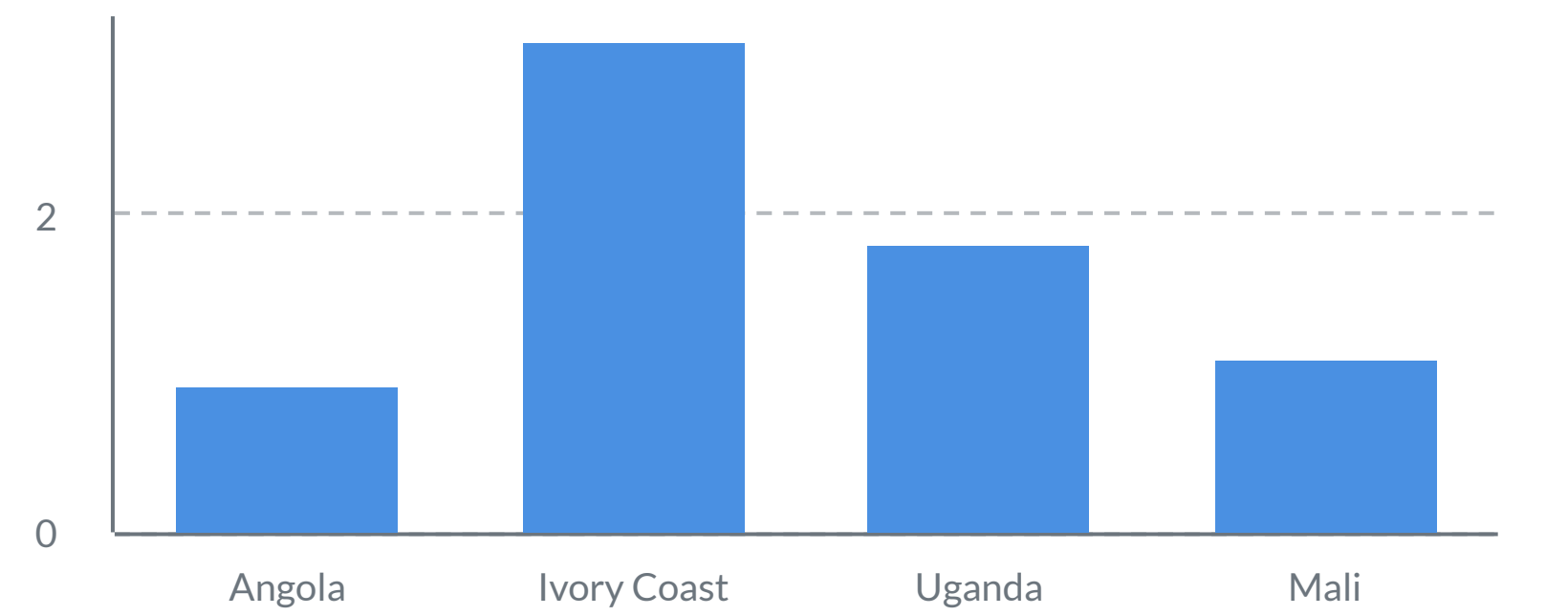
- Namibia (US\$0.04 per unit)
- South Africa (US\$0.03 per unit)

Transportation costs

The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016 but is in the process of being updated.

Road transportation cost per unit of crane lorries is the most expensive. Road transport to Angola is the highest because of the high costs of transporting crane lorries via road transport.

US\$ per unit road transport cost for household articles & parts



Trade in services

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

Transport
Congo: US\$7 million
Angola: US\$3 million
Ghana: US\$1 million
Mozambique: US\$1 million
Nigeria: US\$1 million

Travel
Angola: US\$1 million
Congo: US\$1 million

Commercial services
Congo: US\$8 million
Angola: US\$6 million
Ghana: US\$3 million
Burkina Faso: US\$1 million
Madagascar: US\$1 million

Other commercial services
Angola: US\$2 million
Ghana: US\$2 million
Nigeria: US\$1 million
Uganda: US\$1 million

Services imports 2019

- COMMERCIAL SERVICES**
Congo: US\$20 million
Egypt: US\$18 million
Morocco: US\$17 million
South Africa: US\$12 million
- TRANSPORT**
Congo: US\$20 million
Egypt: US\$18 million
Morocco: US\$17 million
South Africa: US\$12 million
- OTHER BUSINESS SERVICES**
Angola: US\$1 million
Congo: US\$1 million
Liberia: US\$1 million
- OTHER SERVICES**
Congo: US\$19 million
Cameroon: US\$2 million
Ghana: US\$2 million