DEMOCRATIC REP. OF CONGO

Population[1] million **109.3**	Poverty[2] millions living on less than $2.15/day **75.8**
Life expectancy at birth[3] years **59.7**	School enrollment[4] primary (% gross) **119.9**
GDP[5] current US$, billion **77.7**	GDP per capita[6] current US$ **710.9**

Sources: WDI, MFMod, and official data. 1/ 2024. 2/ 2020 (2017 PPPs). 3/ 2022. 4/ 2023. 5/ 2024. 6/ 2024.

The DRC's economy slowed down in 2024 but remained resilient. Positive terms-of-trade, strong export earnings, and FDI inflows contributed to building up foreign reserves, stabilizing the Congolese franc, and lowering inflation rates. However, escalating conflict in the East has increased security costs and strained the fiscal situation. While growth prospects are favorable, economic growth has yet to translate into significant poverty reduction.

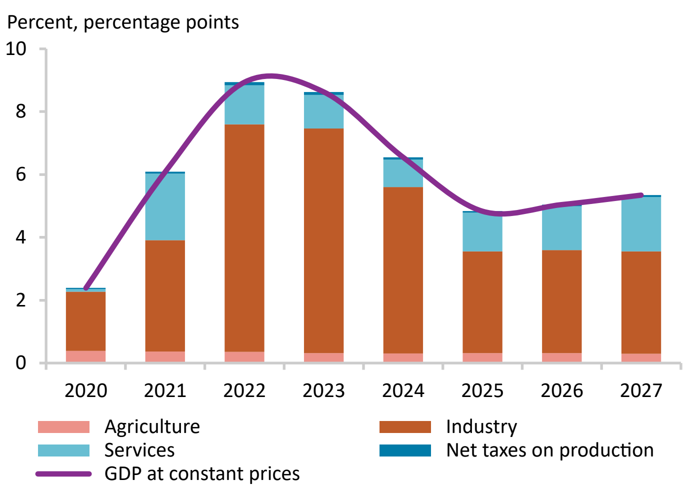
Key conditions and challenges

The Democratic Republic of Congo (DRC) has faced decades of insecurity in its eastern region. Mineral-rich areas have become battlegrounds for armed groups, creating an illicit economy of natural resource exploitation. The situation worsened with the loss of control over North Kivu and South Kivu, causing an estimated US$900 million decline in government revenue. This turmoil affects 14 percent of DRC's population, leading to significant human rights violations and a surge in internally displaced persons (IDPs), with over 400,000 new IDPs in January 2025 alone, adding to the existing 4.6 million in the Kivu. The conflict exacerbates challenges like widespread extreme poverty and poor service delivery. Weak governance, resource exploitation by armed factions, and high socioeconomic vulnerability contribute to ongoing violence and economic difficulties, hindering sustainable development and poverty reduction. The current escalation, mainly in North Kivu and South Kivu, increases the fiscal impact of the government's response and could undermine the administration's reform agenda and economic stability. The economy was set to benefit from structural reforms supported by the IMF Extended Credit Facility, Resilience and Sustainability Facility, and the World Bank's Development Policy Financing. These programs aim to enhance macroeconomic stability, financial management, public administration, business climate, governance, and transparency. However, volatile security and high dependence on extractive industries expose the DRC to fluctuating global commodity prices and demand, impacting growth and fiscal revenue. Addressing challenges in DRC requires significant national and international engagement to strengthen governance, bolster conflict resolution, and restore security and state authority.

Recent developments

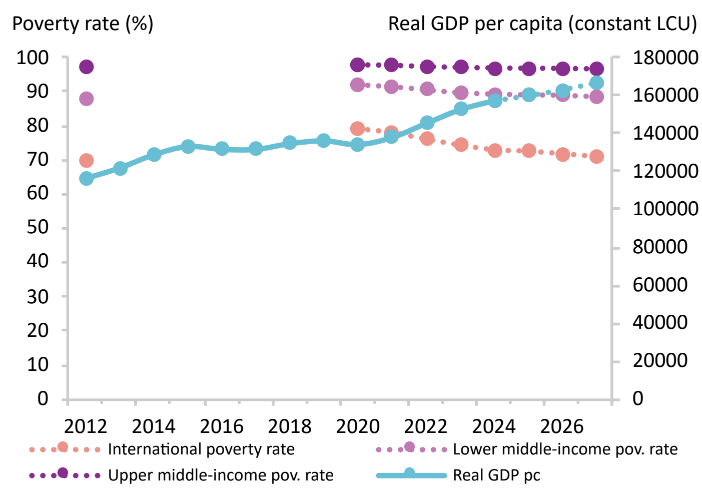
The economy showed resilience, growing by 6.5 percent in 2024, moderating from 8.6 percent in 2023. Growth was driven by the extractive industry, which increased by 12.8 percent. Copper and cobalt production, key exports, rose by 12.1 percent and 30.1 percent in 2024, respectively, due to increased domestic production from the Kamoa-Kakula mining project. Non-mining sectors grew

FIGURE 1 / Real GDP growth and sectoral contributions to real GDP growth



Sources: Democratic Republic of Congo Statistical Authorities and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

by 3.2 percent, supported by construction and services. Poverty remained high at 72.9 percent in 2024, highlighting the difficulty of converting resource-driven growth into broad-based improvements in living standards.

The current account deficit (CAD) narrowed to 3.4 percent of GDP in 2024 (from 6.3 percent in 2023) due to increased mining exports, despite high infrastructure costs and income payments to foreign investors. Foreign direct investment (FDI) and external financing boosted foreign reserves to 2.5 months of imports at end-2024, limiting exchange rate fluctuations. The CDF depreciated by 8.7 percent at the end of 2024, leading to a drop in inflation to 11.3 percent. The central bank (BCC) pursued a tight monetary policy, raising its primary rate from 8.25 percent to 25 percent over three years.

Despite increased revenue from mining exports and tax collection, high security costs and wages widened the fiscal deficit to 2.0 percent of GDP in 2024 (from 1.7 percent in 2023). Total expenditures rose slightly to 16.8 percent of GDP. Military spending remained at 2.0 percent of GDP, while capital spending rose to 3.9 percent (from 3.7 percent in 2023). Higher domestic revenue at 14.4 percent of GDP in 2024 (from 13.8 percent in 2023) partially offset the increase in expenditure, with the balance covered by domestic and external concessional borrowing. Public debt remained low at 22.1 percent of GDP, with a moderate risk of distress.

Outlook

GDP growth is expected to slow to 5.1 percent in 2025-27 as mining production expansion decelerates. The government suspended cobalt exports for four months starting February 2025 to address oversupply. With cobalt production closely tied to copper's, this may cause storage challenges and higher costs for mining companies. Non-mining sectors will gradually support growth, reaching 5.9 percent by 2027 (from 3.8 percent in 2025), driven by construction and infrastructure. Growth is fueled by private investment and exports. However, it is difficult to gauge the full impact of recent measures as policy shifts may continue to unfold. The CAD is expected to widen to 4.2 percent of GDP in 2025 due to the cobalt export ban but will narrow to 3.5 percent by 2027 with rising copper export earnings. FDI and external financing will uplift reserves, expected to cover three months of imports by 2027. A strong external position and absence of BCC's financing of the budget deficit will support a stable currency and contain inflation to the medium-term target of 7 percent.

High public-sector wage bills and security costs will keep spending levels high, worsening the fiscal deficit to 3.8 percent of GDP in 2025 before decreasing to 1.9 percent by 2027 due to expenditure control and tax administration measures. Defense spending could rise above 2.5 percent of GDP in 2025 (from 2 percent in 2024), potentially impacting social expenditures and poverty reduction. The government is amending the 2025 budget due to fiscal pressures from the ongoing conflict.

Extreme poverty is projected to decrease to 71.8 percent by 2026 given favorable economic prospects. Stronger poverty reduction will require using natural resource revenues for pro-poor investments. Risks are tilted to the downside, as the impact of commodity price declines may compound the potential effects of trade uncertainty and continued conflict in the east, and persistent health outbreaks (mpox) would further strain public spending.

Recent history and projections	2022	2023	2024e	2025f	2026f	2027f
Real GDP growth, at constant market prices	8.9	8.6	6.5	4.8	5.0	5.3
Private consumption	3.1	3.5	3.7	3.8	3.9	4.0
Government consumption	22.2	-12.9	9.1	9.2	5.0	4.5
Gross fixed capital investment	27.7	98.0	11.3	5.5	5.6	6.0
Exports, goods and services	18.9	15.7	12.9	4.6	5.4	6.0
Imports, goods and services	24.9	85.6	11.6	5.2	5.2	5.6
Real GDP growth, at constant factor prices	8.9	8.6	6.5	4.8	5.0	5.3
Agriculture	2.4	2.2	2.3	2.5	2.5	2.5
Industry	15.7	14.6	10.2	6.0	6.1	6.0
Services	3.3	3.0	2.6	3.8	4.3	5.4
Employment rate (% of working-age population, 15 years+)	62.7	62.8	62.8	62.8	62.8	62.8
Inflation (consumer price index)	9.3	19.9	17.7	8.9	7.5	7.0
Current account balance (% of GDP)	-4.9	-6.3	-3.4	-4.2	-4.0	-3.5
Fiscal balance (% of GDP)	-0.9	-1.7	-2.0	-3.8	-2.4	-1.9
Revenues (% of GDP)	16.6	15.1	15.0	14.5	15.9	16.5
Debt (% of GDP)	21.8	24.3	22.1	26.0	25.3	24.2
Primary balance (% of GDP)	-0.5	-1.3	-1.6	-3.5	-1.8	-1.3
International poverty rate ($2.15 in 2017 PPP)[1,2]	76.0	74.3	72.9	72.5	71.8	70.9
Lower middle-income poverty rate ($3.65 in 2017 PPP)[1,2]	90.6	89.7	89.3	89.1	89.0	88.5
Upper middle-income poverty rate ($6.85 in 2017 PPP)[1,2]	97.2	97.0	96.8	96.8	96.7	96.6
GHG emissions growth (mtCO2e)	0.2	0.2	0.1	0.1	0.1	0.2

Source: World Bank, Poverty and Economic Policy Global Departments. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2020-EGI-ODD. Actual data: 2020. Nowcast: 2021-2024. Forecasts are from 2025 to 2027.
2/ Projection using neutral distribution (2020) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.