

République Démocratique du Congo
PROVINCE DU LUALABA



**INVESTMENT OPPORTUNITIES IN THE LUALABA
PROVINCE, THE DEMOCRATIC REPUBLIC OF CONGO**



I. BIRTH OF LUALABA PROVINCE

Lualaba Province was created in 2015 from parts of the Katanga Province, formerly Lualaba District, Kolwezi District and the independently administered city of Kolwezi.

Lualaba shares borders with the provinces of Lomami and Kasai-Central to the north; the provinces of the Haut Lomami and Haut-Katanga to the east; the Republic of Angola and the Republic of Zambia to the south; and the Republic of Angola to the west.

At the birth of the province, the triennial strategic development plan for 2016-2018 and the current 5 year plan [2018-2023] stressed the **urgent need to focus on tourism and agriculture as economic drivers**. These, along with cobalt and copper, will help diversify the economy to create the basis for sustainable development of the province. The importance of minerals [copper and cobalt] in the current economy makes this essential, while leaders recognize that it is a non-renewable resource.

II. WHY SHOULD YOU INVEST IN THE PROVINCE OF LUALABA?

The province of Lualaba is regarded as one of the world's richest and inspiring cities. The province is considered as pilot province of the Democratic Republic of Congo, because of its huge mining resource.

The province of Lualaba offer an attractive investment proposition for companies willing to expand their operations into both the province of Lualaba and the rest of the country market. Many global mining operators have chosen the province of Lualaba as their destination of choice.

The province of Lualaba is an inspired place to do business, and would like to invite you to join our growing global economy by investing on our shores.

III. INFRASTRUCTURE RIPE FOR INVESTMENT

Roads including the main access to Kolwezi, along with other highways and the railway to Zambia and Angola, are due for major improvements. This will require significant investment in the form of public-private partnerships. Kolwezi's airport (KWZ) offers flights to the business capital of Lubumbashi, with connections to national and international air routes. The prosperity of the mining industry in



recent years has brought population growth to Lualaba. The effects of this population explosion are being felt throughout the province.

Rehabilitation of roads and transportation infrastructure, both urban and provincial, will boost Lualaba's economy. Of greatest importance are three main axes that serve as mineral import and export routes. Upgrades are underway to these axes: **the Kolwezi-Dilolo thoroughway; the Kolwezi-Solwezi road;** and the **Kolwezi-Dilolo-Lobito railway**. Work is also planned by Congolese officials to erect ports and dry facilities to allow the former Katanga provinces to streamline, optimize and secure supply chains and export capabilities.

3.0. Opportunity in the Kolwezi (DRC) to Solwezi (Zambia) Transportation Corridor

The Project starts from Kolwezi, main town of Lualaba Province in D.R.Congo at RN39 junction and ends in Solwezi main town of Northwestern Province of Zambia at T5 junction. The project extends east to Chingola of Copperbelt Province of Zambia then freights and passengers can continue south to Port of Durban in South Africa, continue north to Port of Dar es Salaam in Tanzania.

As the mineral production is significantly increasing year to year in Kolwezi region, the completion of the project will serve as part of the Congo-Zambia-Namibia trunk to sea, shortening the mileage of Kolwezi via Zambia to the Walvis Bay of Namibia.

The total annual output of copper and cobalt mines reached 1 million tons several years ago, and it is expected to reach 1.5 million tons by 2022. 70% of this production comes from Lualaba Province, mainly from Kolwezi region. By the two ways, out as in, the traffic increases as well as the fee rate during the time being of the project.

Currently the efficiency of clearance at Kasumbalesa (*D.R.Congo – Zambia border Post*) is low. The freight trucks have to stand quite a long week of waiting in line for the clearance. The construction of the Kolwezi – Solwezi project transportation corridor will improve much more the transportation conditions in DRC and Zambia and promote the international economical trading development for both countries.



Many options of the axis of the road have been studied. The latest or the optimum, shows that the mileage of the road is about 237 Km. The DRC section is 116 Km and the Zambia section is 121 Km. The road is dual carriageway with two lanes asphalted, designed for 20 years of life period.

The type of the Project is PPP (Public Private Partnership), funding by BOT (Built operate and transfer) system. The project investment amount is estimated around 450 million US Dollars, which 370 million for the road and traffics facilities. The payback period is about 5 to 8 years.

The financial income of the Project is derived from the collection of tolls fees as well as from customs and parking lots for passing vehicles. The main expenses of the project are maintenance and operation management expenses.

Through sensitivity analysis, all the indexes have good data reflection. It indicates that the investment of this project has outstanding anti-risk ability and safe investment income.

IV. AGRICULTURE AND TOURISM ADD ECONOMIC PROSPECTS

There is a need to participate in the diversification of the economic activities of the province. **Agriculture and tourism** within the province's five territories offer the greatest prospects for development.

4.1. Agriculture

The Lualaba Province offers several investment opportunities in the agricultural sector from production to marketing, in order to create a competitive value chain in the sub-region.

With its exceptional agronomic potential and an area of agricultural land unequalled in Africa, the DRC is able to feed 2 billion people.

With its 3,639,240 hectares of arable land and vast waterways for irrigation and fish farming, Lualaba has the potential to serve local markets as well as to export agricultural products.

The 2018-2023 strategic plan includes goals for rehabilitating farm service roads to ensure transport of crops to market. New agricultural parks are being created in the territories.



Faced with the many challenges, among others, the increase in domestic agricultural production and the reduction of the increasing rate of importation of essential products; the Province offers opportunity for external funding via a win-win partnership.

The establishment in each territory of the Province of agricultural parks as set out in the five-year development plan of Lualaba (2019-2023) in order to increase Maize Production on the one hand, and on the other hand, contribute to the reduction strong dependence on the countries of Southern Africa, requires substantial funding to achieve this, hence the development of the projects below :

1. Establishment of Agricultural Parks of 5,000 hectares of Maize in each territory of the Province plus the two towns;
2. Establishment of a flour mill with a capacity of 250 tons per day;
3. Establishment of a semi-industrial fish farm on the Congo River;
4. Establishment of a mechanized rice cultivation.

4.2. Tourism

The province has an array of natural and man-made features including caves, waterfalls, waterfalls, lakes and dams. A pilot program to increase tourism in Lubudi will later expand to other jurisdictions.

These potentials remain undeveloped, however, and present a sizable business opportunity. To make these sectors more attractive and sustainable, the provincial government **steers investment toward road improvement, hospitality and tourism promotion.**

The Lualaba touristical potential contains 74 sites lakes water falls, cascades, beaches caves and other majestic places.

I. <u>LAKES</u>	DISTANCE (from K'ZI/Km)	TERRITORIES	CHARACTERISTIC FEATURES
- NZILO	31	Mutshatsha	- Nice beach (free) - Electricity Dam infront
- KANDO	40	Mutshatsha	- Hippo
II. <u>WATERFALLS</u>			
- KAYO	300	Lubudi	- 88m/height, nice area to invest
- DIKOLONGO	300	Lubudi	- Makes a lake with an ancient



- KAMWANGA - MUKWIZA	300 208	Lubudi Mutshatsha	Dam - A majestic noise of people and a rainbow
III. CASCADE - TSHATUTA	75	Mutshatsha	- Beautiful landscape - Typical sorts of fish - 27.000 hectares (area)
IV. BEACHES - KATEBI - WANSELA - MWAMFWE	40 18 18	Lubudi Lubudi Lubudi	- Bungalows and restaurants - Free (.....)
V. CAVES - KABOYA BOYA	280	Lubudi	- Not yet exploited

In summary, the challenge of the sector is to get nice and large welcome infrastructures, fitting out roads to different sites (128 Km), building a great zoological garden in Kolwezi and 4 amusement parks in Lualaba.

V. ENERGY NEEDS SPUR DEVELOPMENT

The energy sector in the DRC is regulated by Law No. 14/011 of 17 June 2014, which aims in particular at:

- The effective **liberalization of the sector**;
- The promotion and harmonious development of the supply in urban, peri urban and rural areas;
- The coverage of electricity needs of all categories by quality supplies;
- The guarantee of fair competition between operators and users' rights.

This law applies to the activities of production, transmission, distribution, import, export and marketing of electrical energy carried out by any operator.

The energy situation of the Province is as follows:

- Solar potential: 6.5 kWh/m²/d
- Wind potential: average wind speed of more than 5m/sec;

Energy is the engine of development in that it enables economic, agricultural and industrial take-off. The province's energy production is insufficient



compared to the needs of increased mining production and domestic consumption.

To alleviate this problem, the province encourages investors to participate in joint ventures to upgrade existing infrastructure and construct new hydropower plants. Examples are the Busanga Hydropower Station on the Lualaba River in Katanga, and the proposed 500-megawatt coal-fired power station Luena Katanga in neighbouring upper Lomami Province.

As we embark on an ambitious electrification agenda to provide power to our industries and population, diversifying our energy mix and developing our potential will be key to ensure reliable and affordable energy supplies.

While hydropower represents the biggest proven potential for electricity generation in the country, solar, and wind should become a priority to ensure a diversified energy mix that primarily benefits households and industries.

Lualaba Province remains open to any proposal to increase the production of energy in rural and mining areas. with high hydropower potential, Lualaba Province is a very attractive frontier for energy investors. However, the development of large hydroelectric stations should not be done at the detriment of smaller and high-value generating projects. Investors and local players are offered unique opportunities to participate and support the province's ambitious growth plans and fight energy poverty.

VI. MINING OPPORTUNITIES

The DRC and especially the Lualaba Province have opportunities to serve the global market with smart mining and management of cobalt and copper. The city of Kolwezi is the engine of the Lualaba's economy and is home to most of the province's heavy mining industries. example – *TFM, KCC, MUMI, SICOMINES, GECAMINES, KAMOA, COMMUS*, etc. The city is also quickly gain recognition as the world capital of cobalt. This only adds to the city's reputation as a hub for business opportunities.

Past production of all mined products in all of Katanga reached a peak of 470,000 tons. Today, the goal is to reach one million tons in the province of Lualaba. This is an indicator of the vitality and prosperity of the mining industry in general.



As the state-owned mining company Gécamines has been supplanted by private operators after the 2002 Mining Code, ***the challenges of mining in Lualaba Province present real business opportunities for investors including the subcontracting sector of services and goods delivery.***

Apart from industrial mining that is controlled by the National Government, about 20 percent of the production of cobalt and copper is made by artisanal miners on artisanal and small-scale copper miners in Lualaba, therefore an opportunity in investing in projects and outsource all the minerals.

There are also widow of opportunities for smelter and other facilities in order to add value to the minerals locally.

VII. A CLEAR VISION FORWARD; LUALABA WELCOMES RESPONSIBLE INVESTORS

The socioeconomic development of Lualaba through diversification of economic activities and the creation of a middle class is the focus of the Lualaba Province. ***In alignment with the vision of President Felix-Antoine TSHISEKEDI, the provincial government is working to create a social and political climate conducive to the revival of its economy.*** The implementation of this vision is funded by DRC's central government, revenue agencies and contributions from mining companies.

"We invite those who hesitate, for one reason or another, to come and invest in Lualaba ... The province presents win-win investment opportunities."

MUYEJ MANGEZE Richard, Governor

