

Zuma calls for increased trade between SA, DRC

President Jacob Zuma says South Africa and the Democratic Republic of Congo (DRC) must explore ways to stimulate trade and investment between the two countries.



President Jacob Zuma. Image: GCIS

Speaking at the South Africa-DRC Business Forum during his two-day state visit to Kinshasa, Zuma said the prevailing state of the global economy dictated that regional integration should be at the top of the economic agenda.

"There is no stronger case for intra-African trade than the recent global financial crises, which decreased African export revenues generated from the traditional western markets.

"Africa has a potential market of US\$2.6trn. The DRC and the countries surrounding it have a potential market comprising 200m consumers. Yet, only 10% of global trade takes place between African countries," said Zuma.

He emphasised the current view that the time was right for investors to turn to Africa as the next growth frontier.

"African growth rates will average 6% in 2014. In comparison, growth in the developed world will average 3.6%. The DRC is estimated to grow at 8.2% in this year alone. Against this backdrop, any investor would be hard pressed to find higher rates of return elsewhere in the world," Zuma said.

DRC investment growing

In line with creating conditions conducive to intra-African trade and building stronger trade links, South African companies are investing in the DRC in the mining, telecommunications, financial services, road infrastructure, construction and hospitality sectors, among others.

Total South African investment in the DRC between 2006 and 2012 was estimated at R12.5bn. Over 4,000 jobs were created from the investment projects.

South Africa and the DRC have 32 bilateral agreements. The Economic Cluster's Joint Bilateral Working Committee (JBWC) - under the leadership of SA's Trade and Industry Minister Dr Rob Davies and the DRC Industry and Small and Medium Enterprises Minister, Remy Musungayi - has played a pivotal role in the practical implementation of the agreements.



Kinshasa - where President Jacob Zuma is on a state visit. Image: Wiki Images

North, South Corridor project

Various African governments have signed the Tripartite Free Trade Area (T-FTA) to create fertile ground for more meaningful intra-African trade. Zuma said one notable initiative already launched under the arrangement is the Tripartite North-South Corridor Investment Programme.

With initial funding of US\$1.2bn (a large proportion of that being funded from the African Development Bank and the Development Bank of Southern Africa), and strong support from the South African government, actions are being taken to fast track this project.

The programme supports some of Africa's busiest trade routes: linking Dar es Salaam in Tanzania to the copper belt in

Zambia and into Lubumbashi in the DRC. The corridor continues through Zimbabwe and Botswana to Durban, in South Africa.

In effect, the North-South Corridor will service eight countries, Tanzania, the DRC, Zambia, Malawi, Botswana, Zimbabwe, Mozambique and South Africa.

President Zuma's visit to the DRC saw the signing of the treaty on the Grand Inga Hydropower Project - which is expected to be the world's biggest hydroelectric project, with the potential to provide electricity to half of the continent.

The treaty outlines the development of the Grand Inga complex, which is estimated to cost about US\$100bn. It will generate 40 000 MW of electricity when fully operational.

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