

## Sub-Saharan Report

Sub-Saharan Africa is one of the focal regions of Global Challenge 2015.

These reports are by Mr. Kenshi Tsunemine, an expatriate employee working in Johannesburg with a view across the region.

### Vol. 17: Republic of the Congo

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I think most of you have heard something related to the acronym SAPE. This acronym is derived from the French expression, "société des ambassadeurs et des personnes élégantes", or "the society of fashionable (ambience-makers) and



Picture 1: Making a film introducing SAPE  
photo Wikipedia

elegant gentlemen" in English. In the Republic of the Congo it refers to the phenomenon of dressing in highly fashionable and

luxury brand attire despite living in a country where the average income should not allow for the purchase of such high brand items, and has come to be known as the "Congo fashion style" (note 1).



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In order for the Marubeni Research Institute to acquire live information from the field and contribute to the Company's strategy, young Marubeni staff well-versed in economic and industry analysis have been posted to the region.

So this time, it is the Republic of the Congo (Congo), a country that has gained attention for its fashionably dressed gentlemen (dandies) that I would like to introduce to you.

Table 1: Congo Country Information

Basic Data (2014)	
Population	4.27 million
Land Area	342 thousand km <sup>2</sup>
Nominal GDP	\$13.5 billion
Per Capital GDP	\$3,159
Official Language	French

Source: IMF

The Republic of the Congo is located in the central part of the African continent with the Democratic Republic of the Congo on its southern and eastern borders, Cameroon in the north and Gabon bordering it in the west (note 2). To distinguish the Republic of the Congo from the neighboring Democratic Republic of the Congo, the Republic of the Congo is often referred to as Congo-Brazzaville, while the Democratic Republic of the Congo (DRC) is called by its former name of "Zaire". The Republic of the Congo's (hereafter called the Congo) capital is Brazzaville and as mentioned in my last report is located right across the Congo River from the DRC's capital of Kinshasa and you can cross the river one way to the other side for less than 5,000 yen (picture 2).



**Picture 2:** Picture taken from the Brazzaville side of the Congo River of Kinshasa on the far side

The north part of the Congo has a hot and rainy climate typical of a tropical rain forest, while the central and southern regions of the country have a savannah-like climate alternating between dry and rainy seasons

Previous to the Berlin Conference of 1884, the region had been under the control of Portugal, however, following the conference, sovereignty of the Congo was given to France. As such, the current official language of the Congo is French, with such local languages as Lingala and Kituba also widely spoken. English is not broadly used or understood in the country and this should be taken into consideration when traveling there.

In terms of staple foods, there is a thick starch paste/porridge made from cassava called fufu (or fufou), also kwanga, which is breaded cassava wrapped in banana leaves and steamed, and fried rice and fried bananas. There are also such famous side dishes as “moambe”, a type of peanut/palm oil-based sauce used in many dishes and “saka-saka”, or boiled, ground cassava leaves also used in other dishes. What I tried this time was the saka-saka style of boiled cassava leaves served with fish, which is a very healthy meal consisting of lots of protein and dietary fiber that the body needs.

Also, as the Congo was a French colony, French cuisine and bistros are widespread. Many bistros also celebrate the day Beaujolais Nouveau (special French wine) is released, so it seems that French culture has well-penetrated the country.



**Picture 3:** Fish mixed with boiled cassava leaves saka-saka style, with rice and fried bananas



**Pictures 4 and 5:** French-style beef liver and chicken stew and French wine (Beaujolais Nouveau) at a bistro

As mentioned, the Congo became a French colony following the Berlin Conference of 1884 and was first called French Congo and then had the name changed to Middle Congo as part of French Equatorial Africa until gaining independence

from France in 1960. Mr. Fulbert Youlou, founder and leader of the Union for the Defense of African Interests (UDDIA) (English translation from French), became the country's first president.

However, following the French, President Youlou began to snub the northern region of the Congo politically while favoring his southern constituency, creating strong dissatisfaction among the people in the north and then tried to introduce a one-party system under the UDDIA by banning all other political parties which eventually led to an uprising in the country and his forced resignation. With the military's initial backing Mr. Massamba-Debat, under the National Movement of the Revolution (MNR) Party (leftist), emerged as president. However, confrontation between the military and factions of the MNR deepened resulting in the takeover of the government by the military with one of its officers Mr. Marien Ngouabi named as president (1968) and the MNR's name changed to the Congolese Labour Party (PCT) (a socialist one-party dictatorship). President Ngouabi adopted a new name for the country, the People's Republic of the Congo, with government policy to be based on Marxist-Leninist principles. Mr. Ngouabi served as president for 10 years before being assassinated in 1977 with another military officer, General Yhombi-Opango, being named his successor. However, two years later, in 1979, President Yhombi-Opango lost a power struggle with yet another soldier, the leftist Mr. Sassou Nguesso, who took control of the government as the new president.

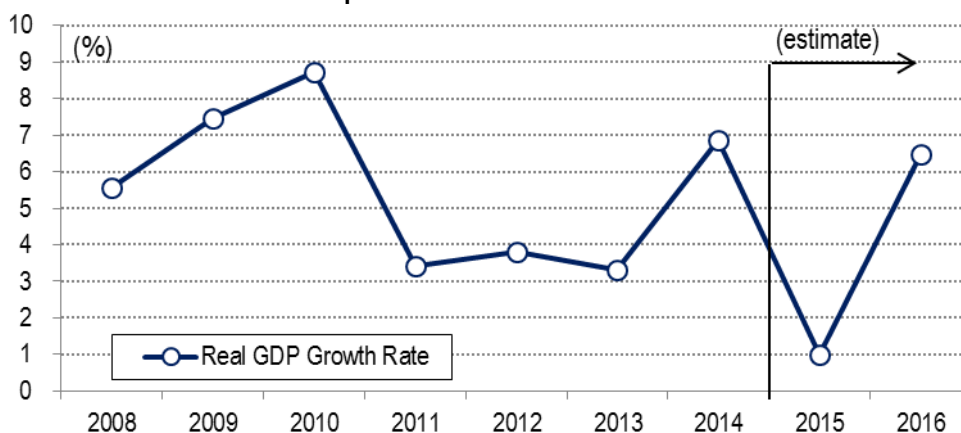
President Sassou Nguesso's initial aim was to move the country even further down the path of communism, however, he would eventually abandon communism in favor of multi-party democracy and changed the name of the country to the current Republic of the Congo. After multi-party politics was introduced in 1991, a presidential election was held in 1992 with Mr. Pascal Lissouba, leader of the left-wing Pan-African Union for Social Democracy Party, emerging victorious in the country's first democratic election. However, disputes between the ruling and opposition parties intensified over allegations of fraud during the National Assembly elections the following year culminating in an armed conflict between the Lissouba faction and the Sassou Nguesso faction (Republic of the Congo civil war). Although a temporary peace accord (truce) was signed between the ruling and opposition factions in 1995, fighting again broke out right before the scheduled June 1997 presidential election. The Sassou Nguesso faction was able to seize control of the country and Mr. Sassou Nguesso was again appointed as president (October 1997).

Following this, fighting continued to break out intermittently between government troops and troops loyal to the previous government before a peace agreement was signed in 2003. At the same time the democratic process in the Congo was also furthered with the agreement to hold presidential and parliamentary elections, the disarmament of the rebel faction in 2005, and the decision to grant amnesty to the long-time government opposition leader Mr. Bernard Kolelas, all of which helped to improve the public order (security) situation in the country

In the meantime, the ruling PCT won the parliamentary elections of 2007 and in the presidential election of 2009 Mr. Sassou Nguesso came out on top and is currently still serving out his term as president.

Now, let's turn an eye to the Congo economy. With the improvement in country's public security situation from 2005, the Congo economy has been growing at more than 5% a year on average over the past 10 years (graph 1).

Graph 1: Real GDP Growth Rate



Source: IMF

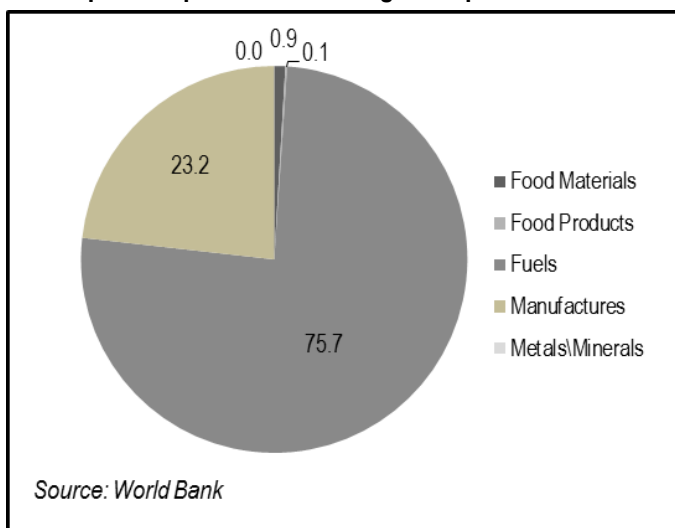
The main industry driving the Congo's growth is oil. The Congo is one of the major oil producing countries in sub-Saharan Africa and depends on oil for up to 60% of its GDP and 70% of its exports as well as 80% of the government's budget (table 2) (graph 2). As a result, the country's per capita GDP is relatively high at more than \$3,000, the 12th largest in sub-Saharan Africa (2014).

Table 2: Sub-Saharan Africa's Main Oil Producing Countries/Production

	(1,000 bbl/d)	
	2013	2014
Nigeria	2,367	2,423
Angola	1,843	1,757
Equatorial Guinea	291	269
Republic of the Congo	274	259
Sudan/South Sudan	247	259
Gabon	239	240
South Africa	169	148
Ghana	98	105
Chad	98	103
Cameroon	63	81
Ivory Coast	37	36
DRC	20	20
Niger	20	20
Mauritania	7	6

Source: EIA

Graph 2: Republic of the Congo's Export Structure



Source: World Bank

However, because the Congo's economic structure is so dependent on oil, the drop in oil prices from the summer of 2014 has greatly affected its economy with the growth rate expected to fall below 1% for 2015. Another negative factor is that its main oil export destinations are China and the EU, which are also suffering slowdowns in their economies.

As such, the government is trying to move the country's economic structure away from its over-dependence on oil by promoting such industries like forestry and agriculture, especially cassava crops, by taking advantage of the country's plentiful rainfall. It is also focusing efforts on developing the food processing industry, in particular seafood processing through the assistance of JICA, but the government's attempts so far have not been able to gain sufficient traction.

In addition to the deteriorating economy, recent political developments have also become a cause for concern.

A very important referendum was held in the Congo this past October 25th. It was a constitutional referendum to vote for amendments to the constitution mainly aimed at changing the number of the president's terms of office and maximum age as well as creating the post of prime minister as head of the government. It is said it was a revision for the current President Sassou Nguesso, to eliminate the current age limit in the constitution for the presidency of 70 years of age (and increase the number of terms from 2 to 3) and allow him to run for president again in 2016 when he will be 72 years old.

The "official" results of the referendum said that voter turnout was 70% and that more than 90% of the voters supported the revision of the constitution, which makes it almost certain that Mr. Sassou Nguesso will run in the next presidential election. However, not only are the results of this referendum being questioned domestically in the Congo, countries like the U.S. and France have raised their voices over the now controversial results of the referendum.

In recent years in Africa, in such countries as Burkina Faso and Burundi, there has been growing dissatisfaction with presidents that serve multiple terms that become long-term dictatorships and have turned into calls for changes of the government leading to coup d'etats. So, we need to pay attention to the future of the Congo's politics, especially the next presidential election

Thus, the Congo is currently facing some economic and political angst, however on the other side of the coin, it is still is an undeveloped country that was involved in civil war just a few years ago and has plenty of room for future growth and industrial development. As the country is home to such plentiful resources as oil and natural gas, if it can avoid political confusion when commodity prices start to recover, the country has the potential for steady economic growth.

Although the harsh environment in the Congo may continue for the time being, the SAPE fashion culture that has taken root in the country makes things seem not so pessimistic. So, we should also take the same positive and can't lose outlook brought about by this fashion consciousness to consider possible business opportunities in the Republic of the Congo.

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**Note 1:** *Sapeurs are Congolese men (group) who completely embody the SAPE culture by spending much of their monthly income on such luxury brand apparel, shoes and accessories as Armani, Prada, and so on, and swagger around the cities on the weekend as dandies. In 2010, the fashion designer Paul Smith used Sapeurs as the theme for his spring and summer collection and fashion show inspired by the photo book about the Sapeurs entitled "Gentlemen of Bacongo" and more recently a Japanese photo book on the immaculately dressed Sapeurs of the Congo was released in Japan.*

**Note 2:** *The disputed Angolan province of Cabinda can also be found on one part of the Republic of the Congo's southern border*

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