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Republic of the Congo

Sectoral Scenarios for Republic of the Congo

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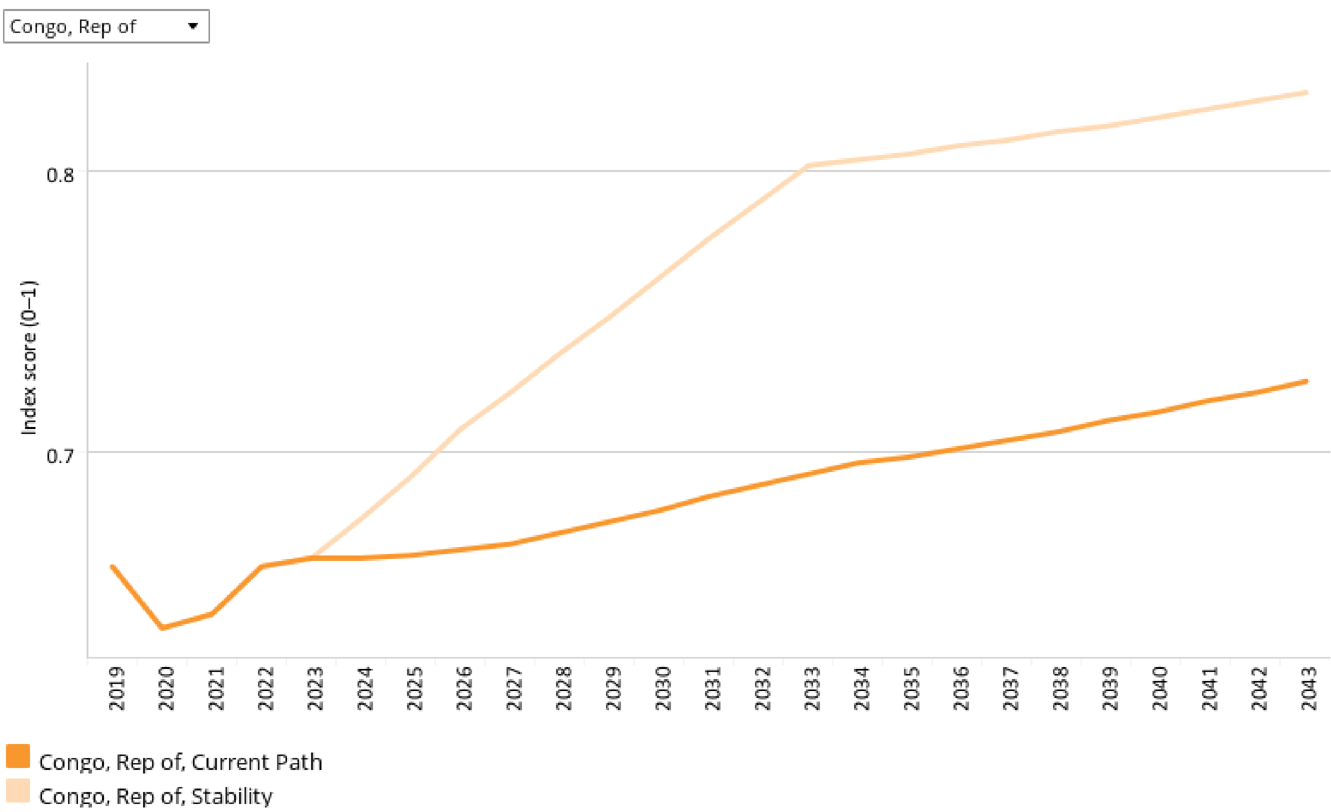
Stability scenario

Chart 13: Governance security in CP and Stability scenario, 2019–2043

IFs index 0–1



Source: IFs 7.63 goverance security index using internal war and government risk

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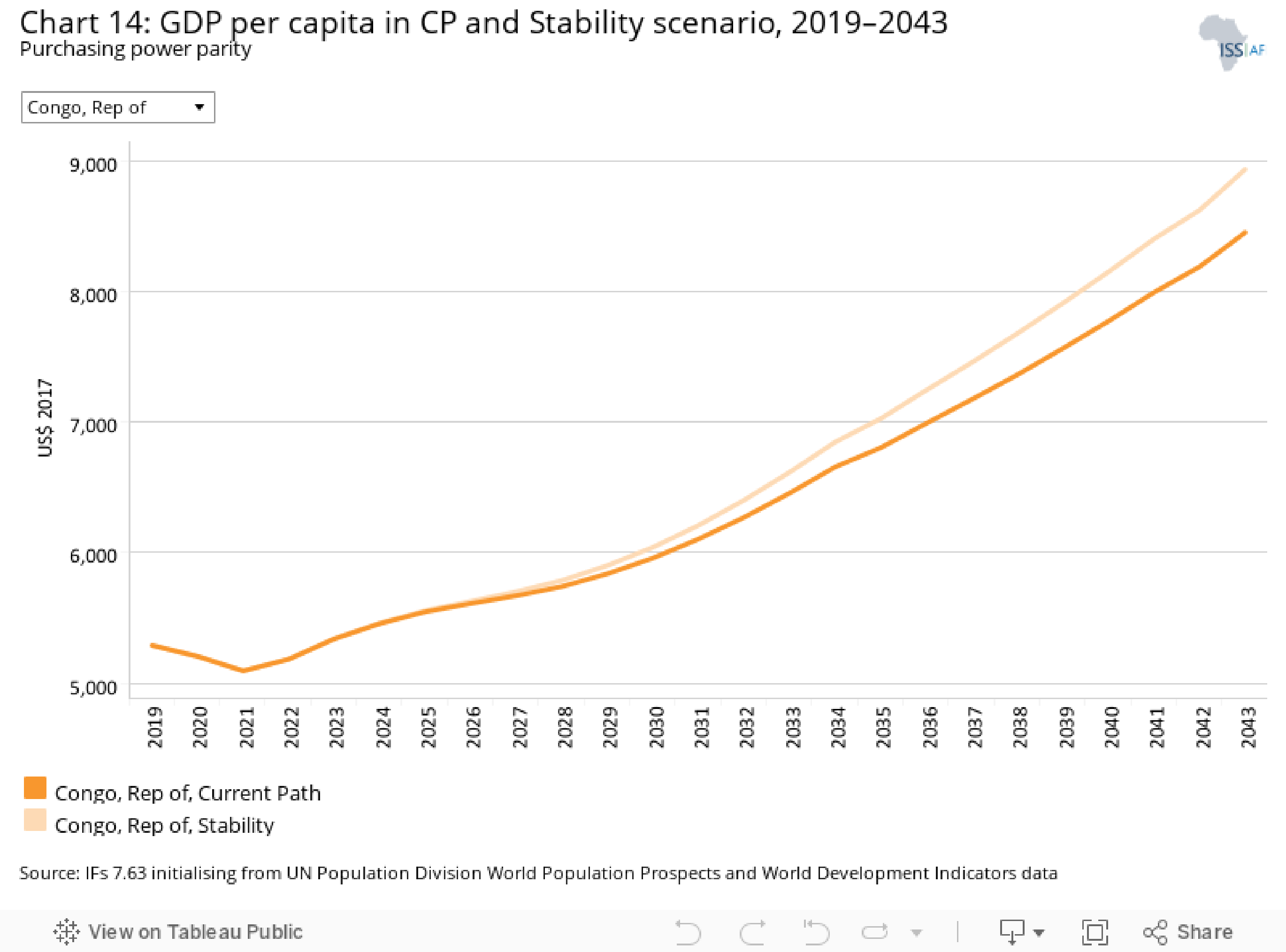
The Stability scenario represents reasonable but ambitious reductions in the risk of regime instability and lower levels of internal conflict. Stability is generally a prerequisite for other aspects of development and this would encourage inflows of foreign direct investment (FDI) and improve business confidence. Better governance through the accountability that follows substantive democracy is modelled separately.

The intervention is explained here in the thematic part of the website.

The Republic of the Congo's score of 0.66 out of 1 on the governance security index was below both Africa and lower middle-income Africa's average in 2019. The country experienced unrest and violence in the late 1990s during a civil war and continued upheaval persisted through the early part of the 21st century as the country battled to instil an electoral democracy. Although this goal was realised, subsequent elections have been tainted with suspicion of the integrity of the results.[1] Coupled with weak economic performance due to the pandemic and other external shocks, renewed unrest remains a possibility.

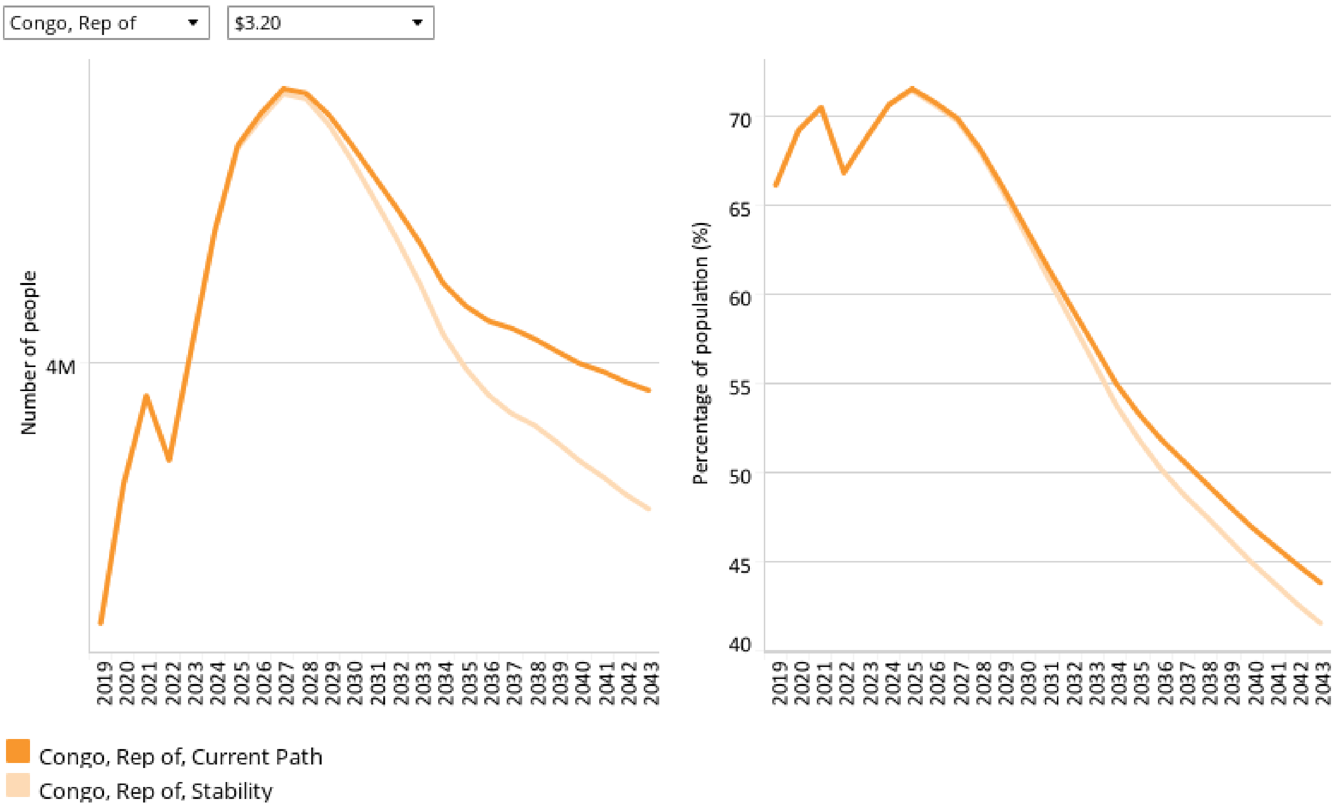
The Stability scenario improves the Congo's governance security index score to 0.83 by 2043, 0.1 points above the Current Path forecast, in the process surpassing Africa and lower middle-income Africa's Current Path forecast score of 0.74 and 0.76, respectively. The added stability should lead to increasing FDI inflows and economic growth.



The projected increase in stability produced by the Stability scenario results in the Congo's GDP per capita rising to US$8 931 by 2043, an increase of US$482, or 5.7%, compared to the Current Path forecast in the same year. The country will close the gap to lower middle-income Africa's Current Path forecast level of US$9 142 by 2043.

Chart 15: Poverty in CP and Stability scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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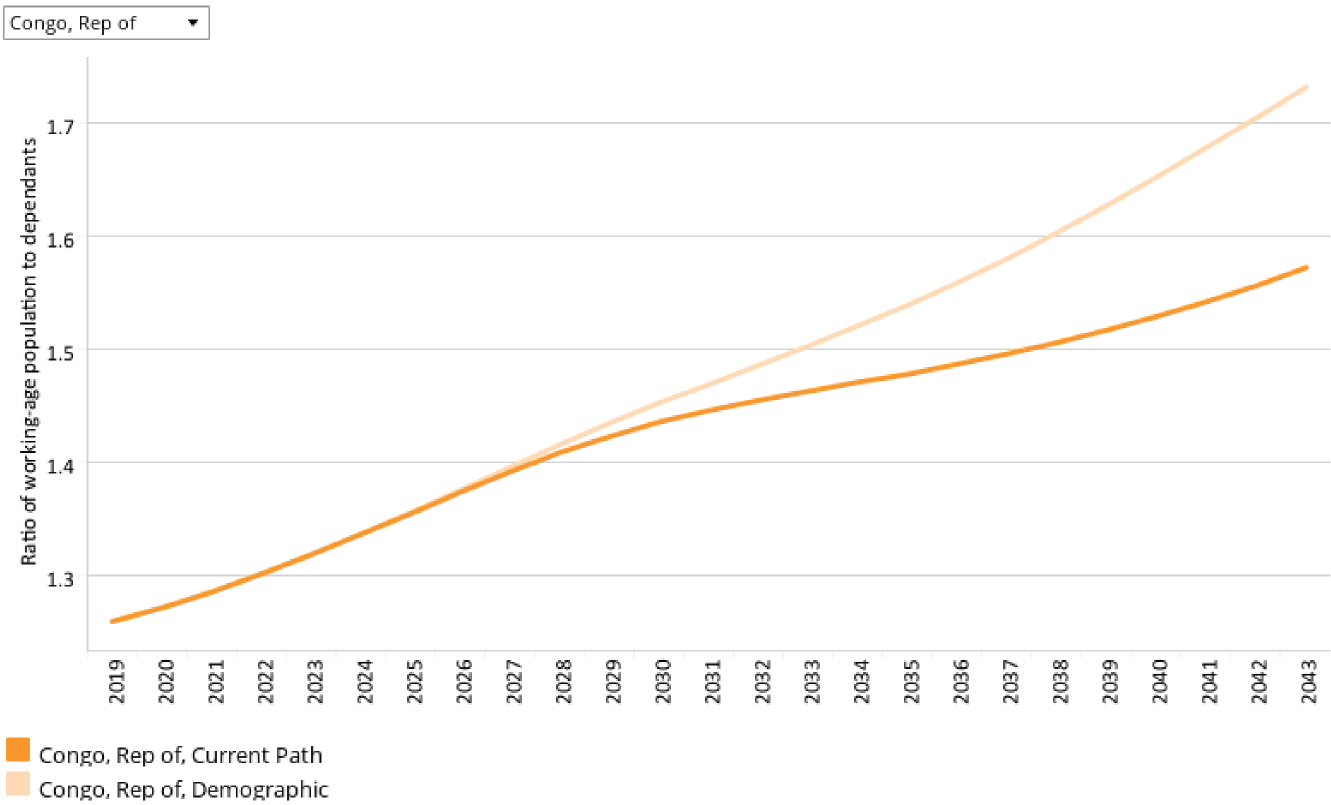
The Stability scenario will be effective in accelerating the Congo's projected decrease in poverty in the Current Path forecast: by 2043, the poverty will have dropped to 41.5% in the scenario, 2.3 percentage points below the Current Path forecast. Compared to 2019, this is robust progress, as the poverty rate then stood at 66.2%. The scenario will also lift an additional 210 000 people out of poverty in 2043 compared to the Current Path forecast.

Demographic scenario

Chart 16: Demographic dividend in CP and Demog scenario, 2019–2043

Ratio of working-age population to dependants



Source: IFs 7.63 initialising from UN Population Division Population Prospects

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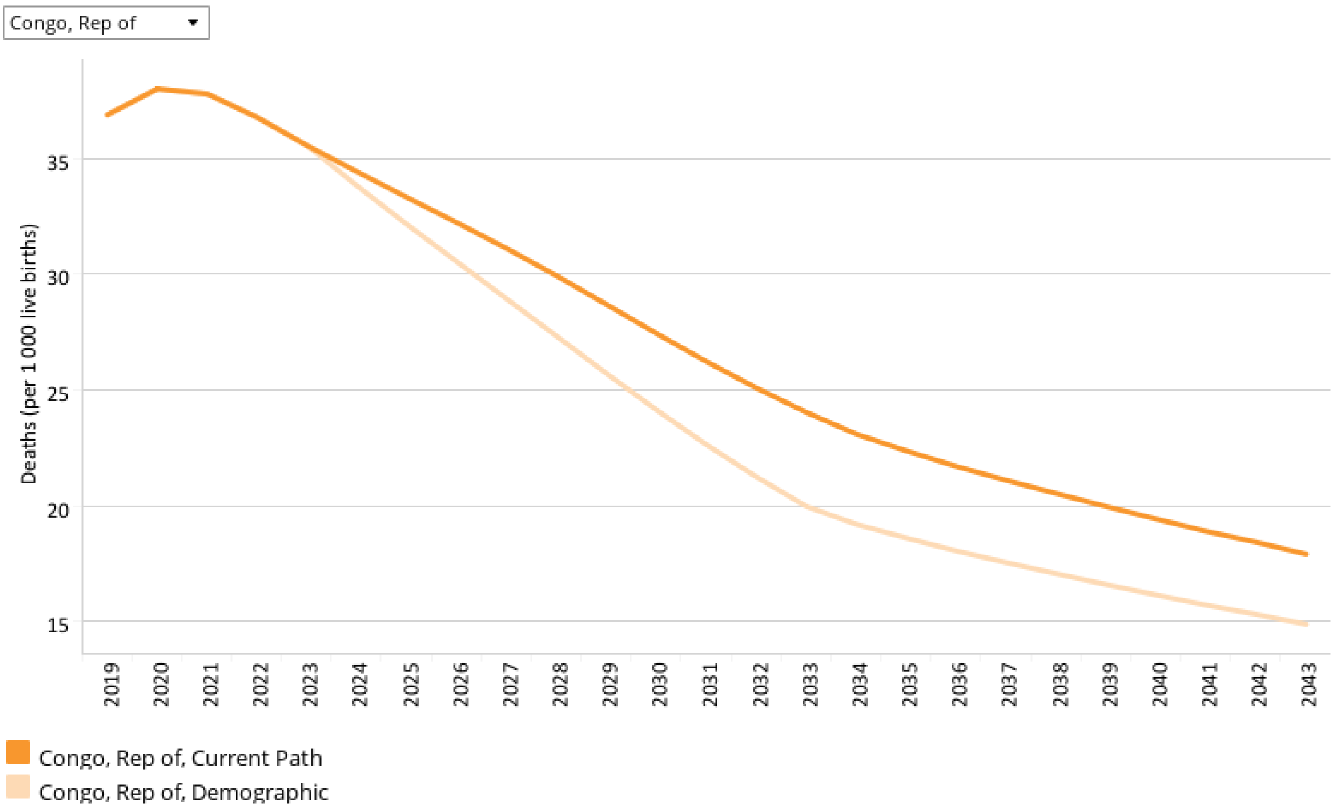
This section presents the impact of a Demographic scenario that aims to hasten and increase the demographic dividend through reasonable but ambitious reductions in the communicable-disease burden for children under five, the maternal mortality ratio and increased access to modern contraception.

The intervention is explained here in the thematic part of the website.

Demographers typically differentiate between a first, second and even a third demographic dividend. We focus here on the contribution of the size of the labour force (between 15 and 64 years of age) relative to dependants (children and the elderly) as part of the first dividend. A window of opportunity opens when the ratio of the working-age population to dependants is equal to or surpasses 1.7.

The Republic of the Congo will gradually see its ratio of working-age population to dependants move towards the 1.7 to 1 mark in the Current Path forecast, but fail to enter a period of demographic dividend before the end of the forecast horizon. The progress, albeit slow, is a consequence of the total fertility rate dropping from a high of 6.3 births per woman in 1975 to 4.5 by 2019. The rate will continue falling over the forecast horizon and reach 3 births per woman by 2043. The Demographic scenario accelerates this decrease and by 2043 the total fertility rate will have fallen to 2.5 births per woman. As a result, the country will enter its demographic sweet spot earlier, reaching the required minimum ratio of working-age population to dependants of 1.7 by 2042.

Chart 17: Infant mortality in CP and Demog scenario, 2019–2043
Deaths per 1 000 live births



Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

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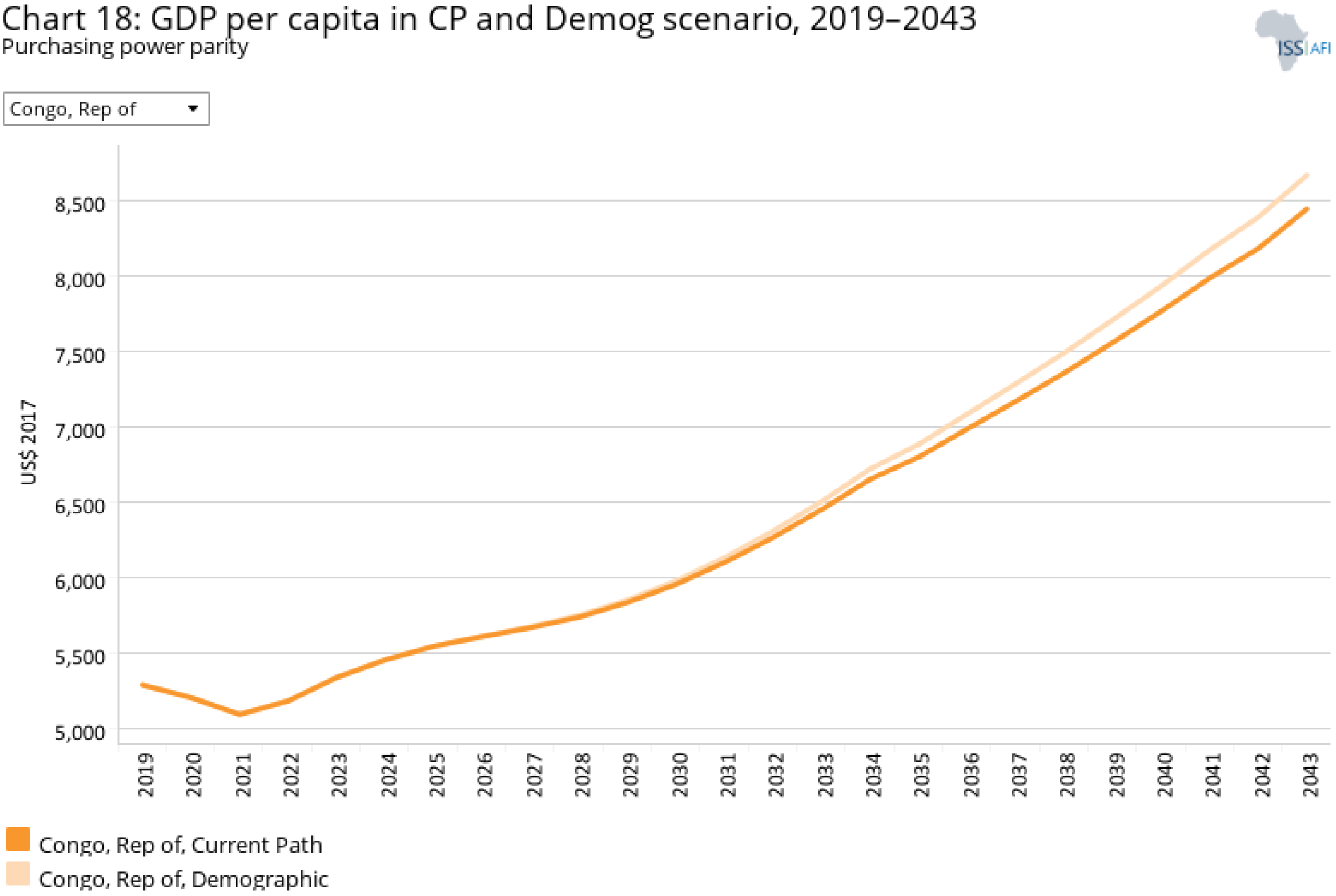
The infant mortality rate is the number of infant deaths per 1 000 live births and is an important marker of the overall quality of the health system in a country.

The Congo has seen a rapid fall in its infant mortality rate since gaining independence in 1960, when the rate of infant deaths per 1 000 live births stood at 125.9. By the turn of the century, as the country was starting the process of recovering from a civil war, the rate had dropped to 61.7 deaths per 1 000 live births. The subsequent years of relative peace and shift towards rebuilding the economy resulted in the infant mortality decreasing to 36.9 by 2019.

The Congo outperformed both Africa and lower middle-income Africa's averages and will continue to do so in the Current Path forecast. The Demographic scenario will enable the Congo to widen this gap, reaching an infant mortality rate of 14.9 deaths per 1 000 live births by 2043, 3 deaths lower than in the Current Path forecast.

Chart 18: GDP per capita in CP and Demog scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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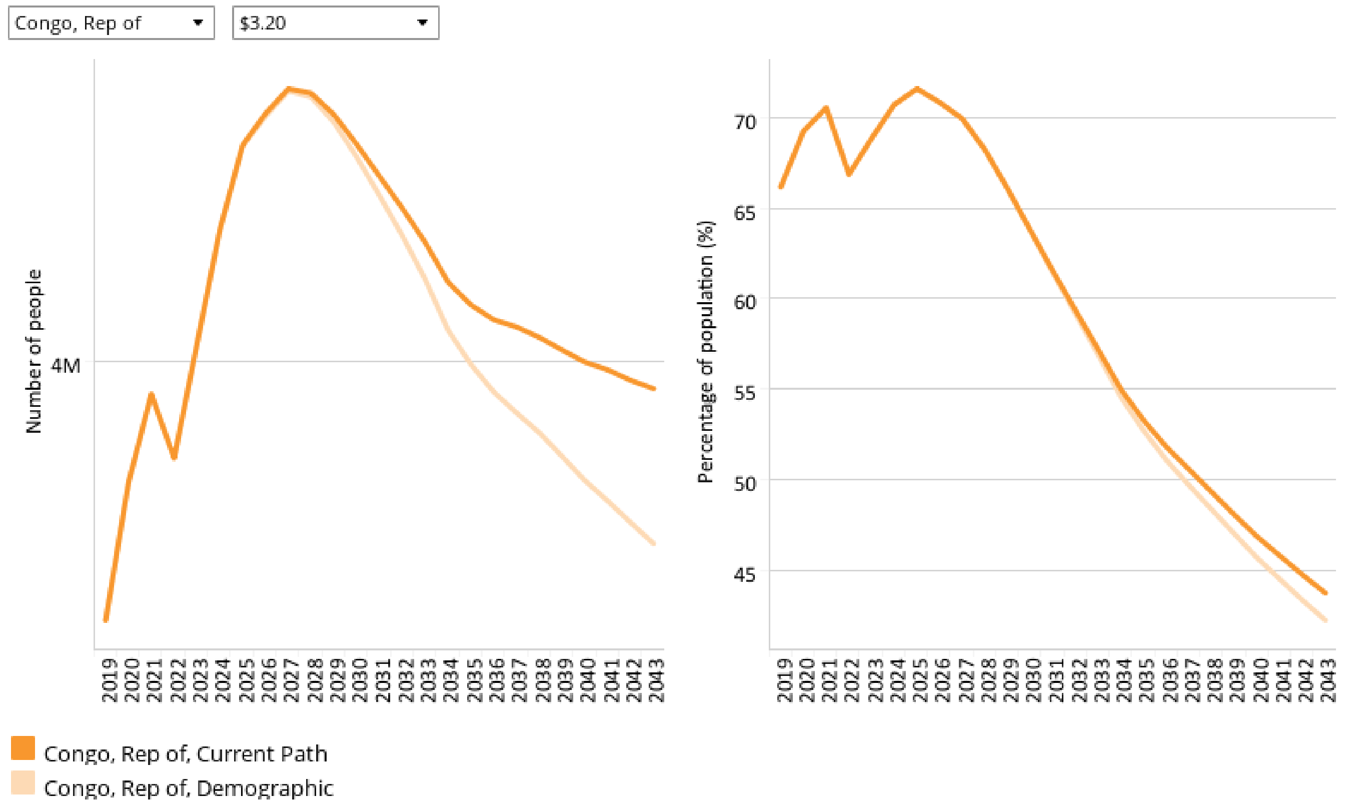
The Demographic scenario will speed up the Congo's transition into a period of demographic dividend sooner than in the Current Path forecast. The benefit for growth plays out in the increase in GDP per capita: by 2043, the Congo's average income will rise to US$8 672, US$223 higher than in the Current Path forecast.

Chart 19: Poverty in CP and Demog scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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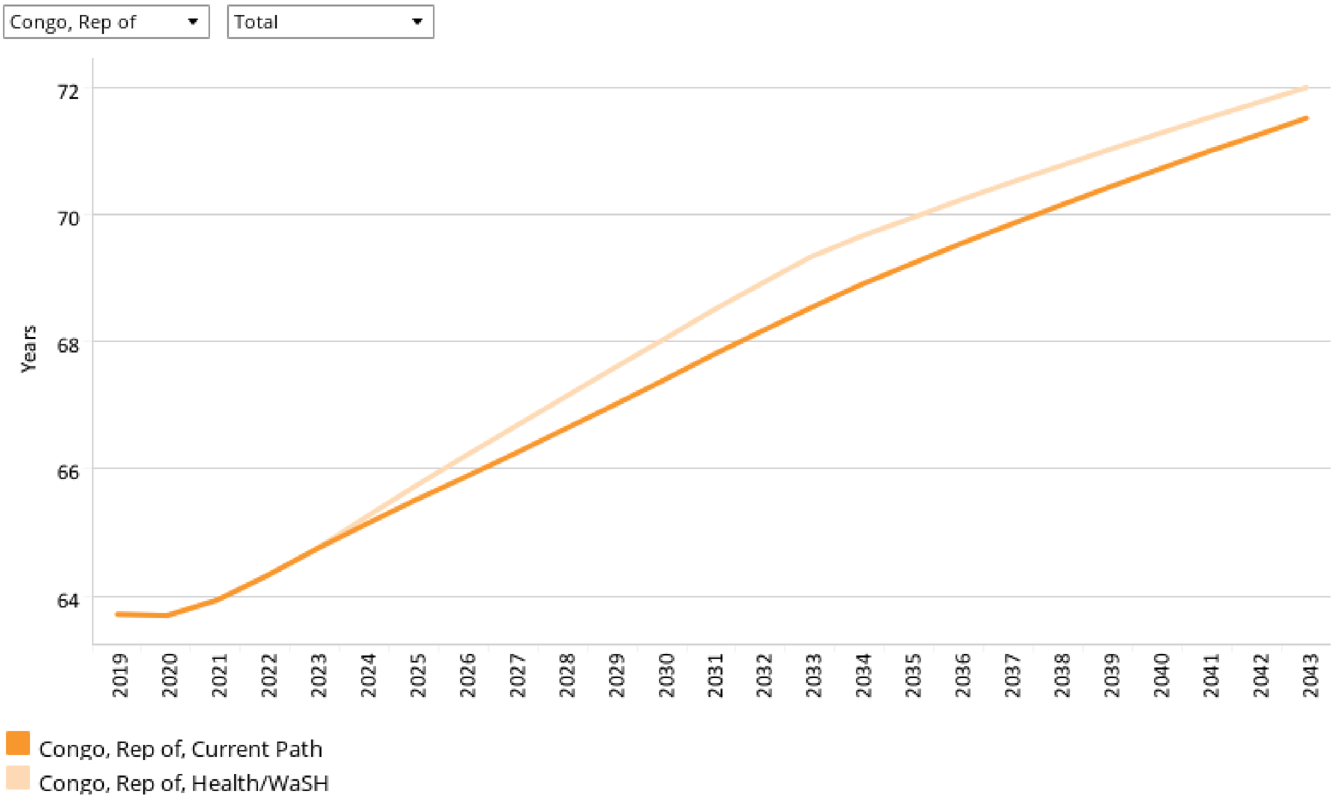
The Congo will see its poverty rate fall from 66.2% in 2019 to 43.8% by 2043 in the Current Path forecast, a reduction of 22.4 percentage points. The Demographic scenario adds to this positive trend, lowering the poverty rate by an additional 1.6 percentage points by 2043. As the scenario decreases the total fertility rate, a smaller population in the scenario translates to an additional 280 000 people moving above the poverty line of US$3.20 by 2043.

Health/WaSH scenario

Chart 20: Life expectancy in CP and Health/WaSH scenario, 2019–2043



Source: IFs 7.63 initialising from Institute for Health Metrics Evaluation GBD Foresight Tool data

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This section presents reasonable but ambitious improvements in the Health/WaSH scenario, which include reductions in the mortality rate associated with both communicable diseases (e.g. AIDS, diarrhoea, malaria and respiratory infections) and non-communicable diseases (NCDs) (e.g. diabetes), as well as improvements in access to safe water and better sanitation. The acronym WaSH stands for water, sanitation and hygiene.

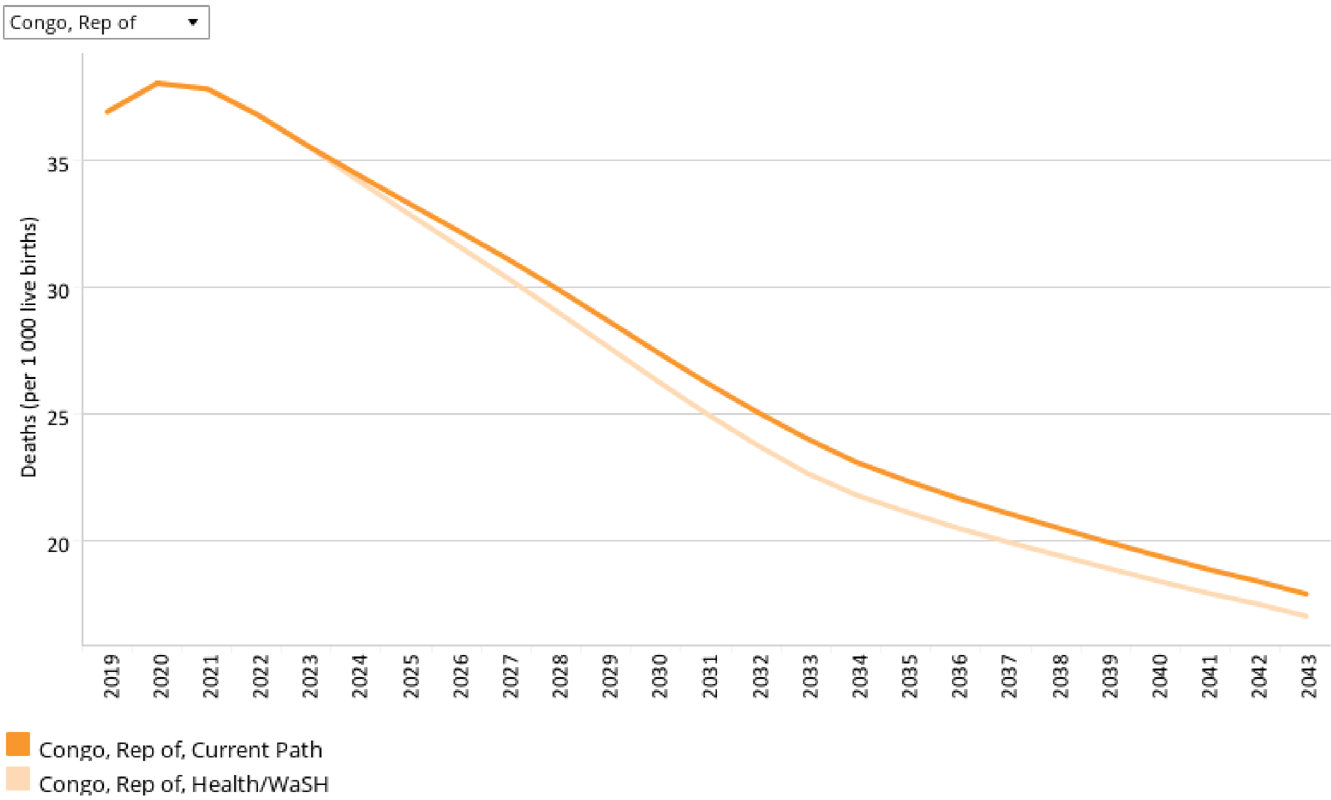
The intervention is explained here in the thematic part of the website.

A key intervention for improving the health of a country's population is increasing access to WaSH infrastructure. The resulting improvement in cleanliness and safe drinking water helps to reduce the spread of communicable diseases such as diarrhoea and respiratory infections. The Republic of the Congo has done well in providing its population with access to the safe drinking water: in 2019, 83.2% of the population had access to an improved form of water sources, and the rate will reach 100% in both the Current Path forecast and the Health/WaSH scenario by 2034. Access to improved sanitation has however lagged far behind, with an access rate of 23.2% in 2019.

The country does however have space to improve in its investment in the healthcare sector. In fact, the country ranked the third lowest for health expenditure (percentage of GDP) in the world and lowest in Africa in 2019, at 2.1% of GDP. The level of investment has remained low since 2000, when health expenditure equated to 1.5% of GDP.[2] As the country transitions to a higher non-communicable disease burden relative to communicable diseases, increased investment will be needed to care for a population faced with longer-term illnesses and conditions, such as cancer and obesity.

Chart 21: Infant mortality in CP and Health/WaSH scenario, 2019–2043

Deaths per 1 000 live births



Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

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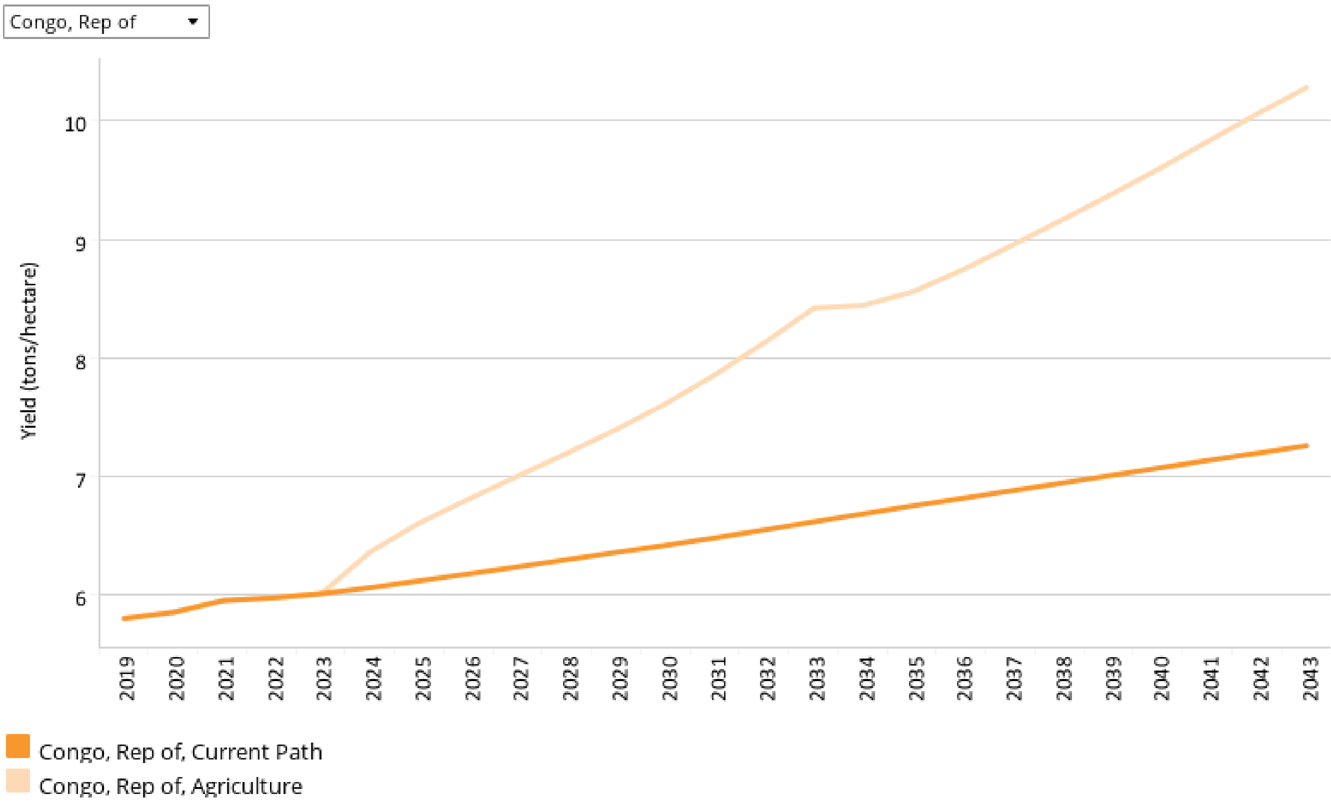
As discussed in Chart 17, the Congo has seen sustained progress in reducing its infant mortality rate since independence and performed better than Africa and lower middle-income Africa in 2019. Although still high, the rate will continue to decline over the forecast horizon, reaching a rate of 17 deaths per 1 000 live births by 2043 in the Health/WaSH scenario, marginally below the 17.9 deaths per 1 000 live births in the Current Path forecast.

The Congo also performs better than the two groupings in terms of maternal mortality: in 2019, the country had a rate of 349.9 deaths per 100 000 live births, 94.6 deaths below Africa's average, and will see its rate drop to 121.8 deaths in the Health/WaSH scenario, 53 deaths below Africa's Current Path forecast average.

Agriculture scenario

Chart 22: Yield/hectare in CP and Agric scenario, 2019–2043

Pre-loss levels



Source: IFs 7.63 initialising from FAOSTAT on-line statistical service data

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The Agriculture scenario represents reasonable but ambitious increases in yields per hectare (reflecting better management and seed and fertiliser technology), increased land under irrigation and reduced loss and waste. Where appropriate, it includes an increase in calorie consumption, reflecting the prioritisation of food self-sufficiency above food exports as a desirable policy objective.

The intervention is explained here in the thematic part of the website.

The data on yield per hectare (in metric tons) is for crops but does not distinguish between different categories of crops.

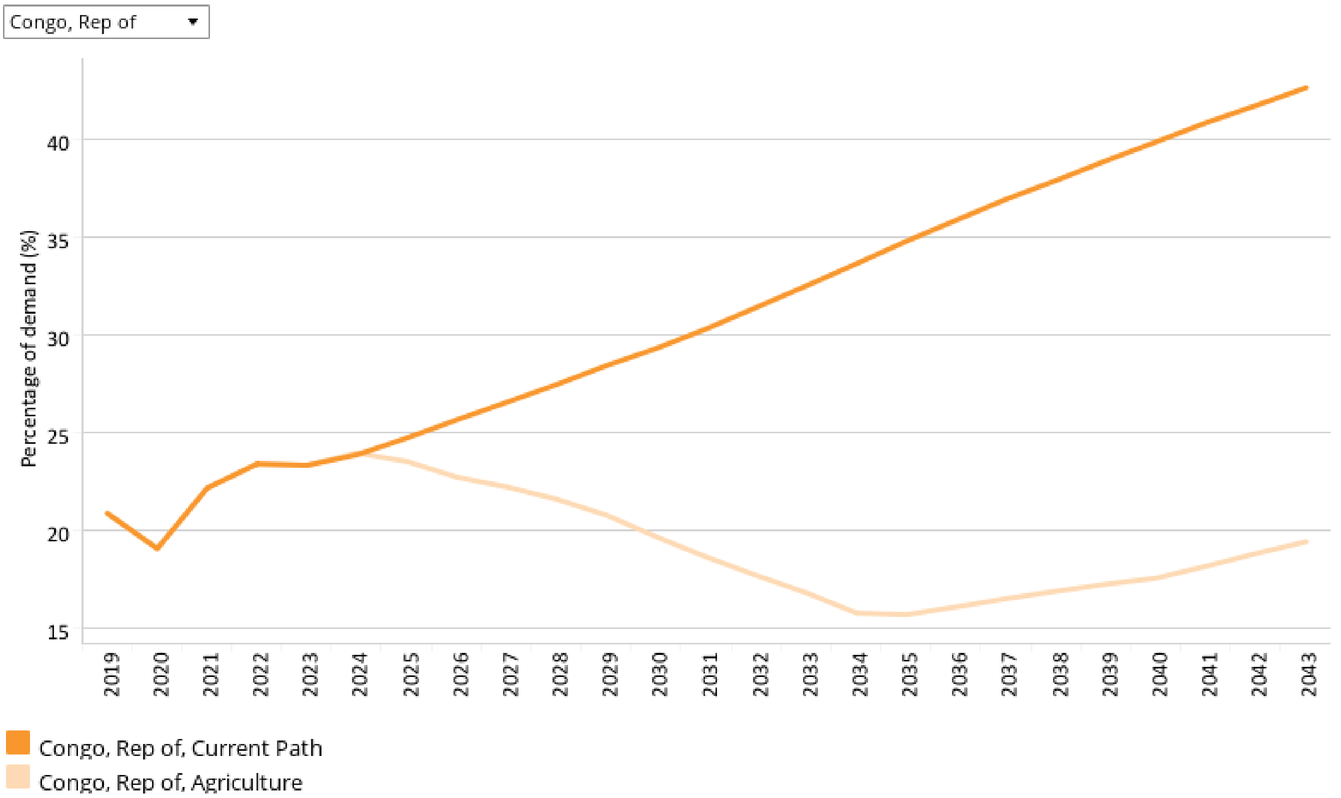
The agriculture sector in the Republic of the Congo is characterised by small-scale subsistence farming which limits commercial farming practices and delivers low yields due to poor soil quality and the insufficient use of fertiliser.[3] More than a third of the labour force is employed in the agriculture sector, meaning increased levels of investment in agriculture would help significantly in alleviating poverty in the Congo. As discussed in Chart 1 , the land area not covered by forest is mainly used for pastures and grazing, limiting the space available for crops and the food needed to feed the population. Indeed, in 2018, the FAO estimated that only 1.84% of the country's total land area was either arable or already under permanent crops.[4] This combination of a large labour force employed in the sector, available land and high demand means the sector lends itself to investment opportunities.[5]

The Congo recorded a yield of 5.8 ton per hectare in 2019, and will reach 7.3 tons per hectare by 2043 in the Current Path forecast. The Agriculture scenario will boost output to 10.3 tons per hectare by 2043, an increase of 3 tons per hectare compared to the Current Path forecast. The rise in output will alleviate the Congo's food shortage and need for food imports.

The Congo performs better than both lower middle-income Africa and Africa as a whole, and will widen its gap over the forecast horizon. This positive gap does not mean however that the Congo is realising its potential, rather that given the limited arable land area available, the country is producing higher levels of output. Higher crop production could be achieved if more of the ample available land were converted into cropland, and larger scale farming practices were employed.

Chart 23: Agriculture imports in CP and Agric scenario, 2019–2043

Net imports for meat, crops and fish, % of demand



Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets data

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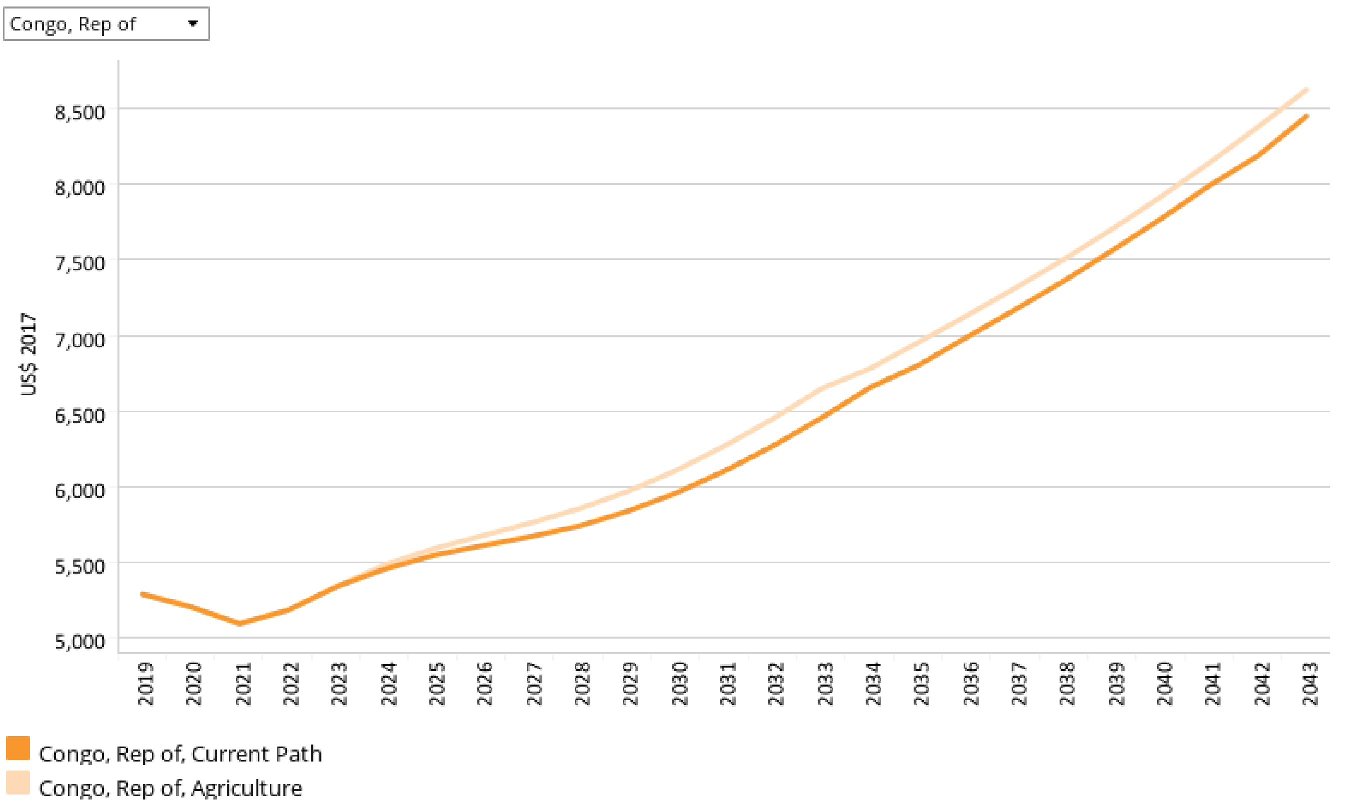
The unfulfilled potential in the Congo's agriculture sector and the inadequate amount of food produced by agricultural activities, as discussed in Chart 22, are highlighted when considering agricultural imports as a percentage of agricultural demand. Although the country outperforms both lower middle-income Africa and Africa for yields per hectare, the Congo's dependency on food imports is much higher.

The lack of overall production is thus the problem for the Congo's agriculture sector: in 2019, 20.9% of agricultural demand was met through imports, 7.6 percentage points higher than lower middle-income Africa. The rate will rise sharply over the forecast horizon in the Current Path forecast, but in the Agriculture scenario, import dependency will fall to 15.7% by 2035, before increasing again to 19.4% by 2043.

Chart 24: GDP per capita in the CP and Agric scenario, 2019–2043

Purchasing power parity

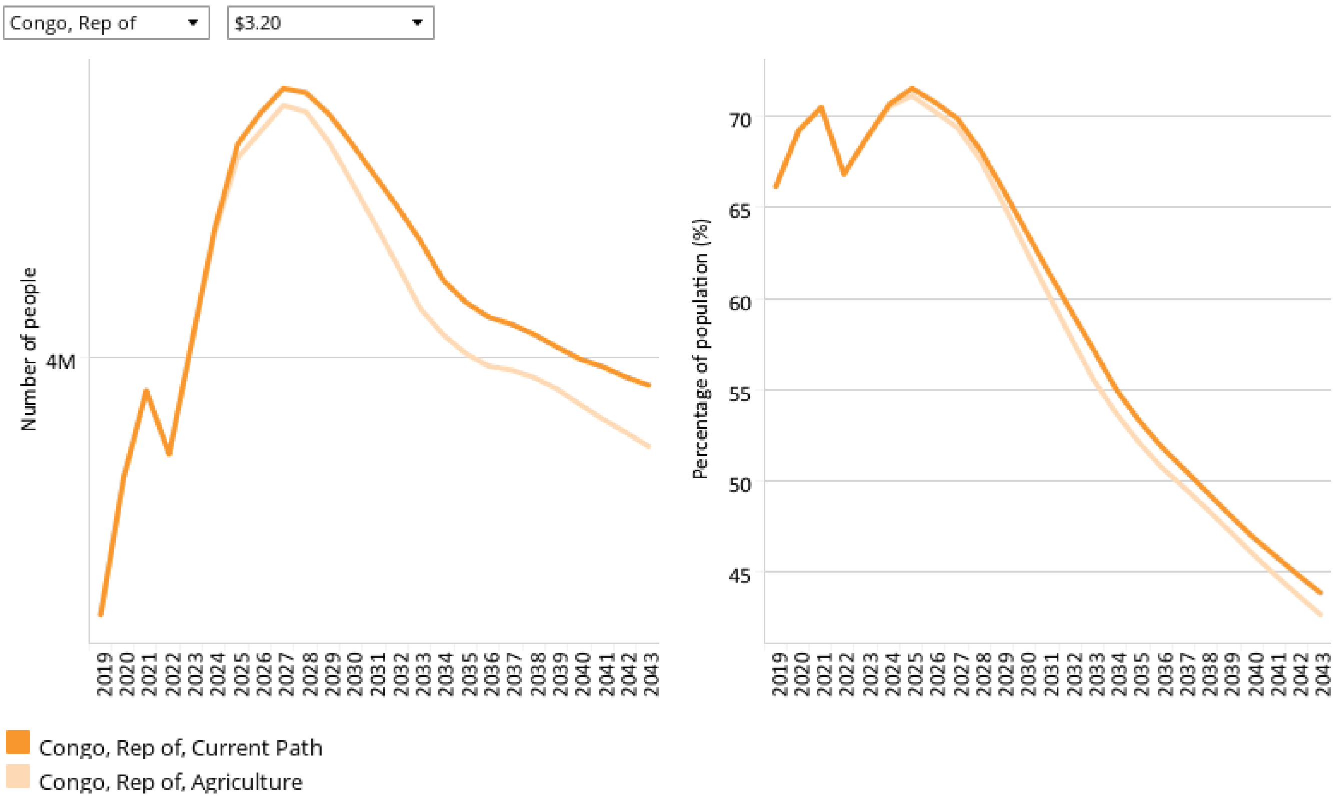


Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

The Congo will not see a large improvement in GDP per capita in the Agriculture scenario: by 2043, the country's average income per person will have increased to US$8 623, US$174 more than in the Current Path forecast. The Congo will continue to close the gap to the Current Path forecast average for lower middle-income Africa and increase its margin over Africa's average GDP per capita.

Chart 25: Poverty in CP and Agric scenario, 2019–2043

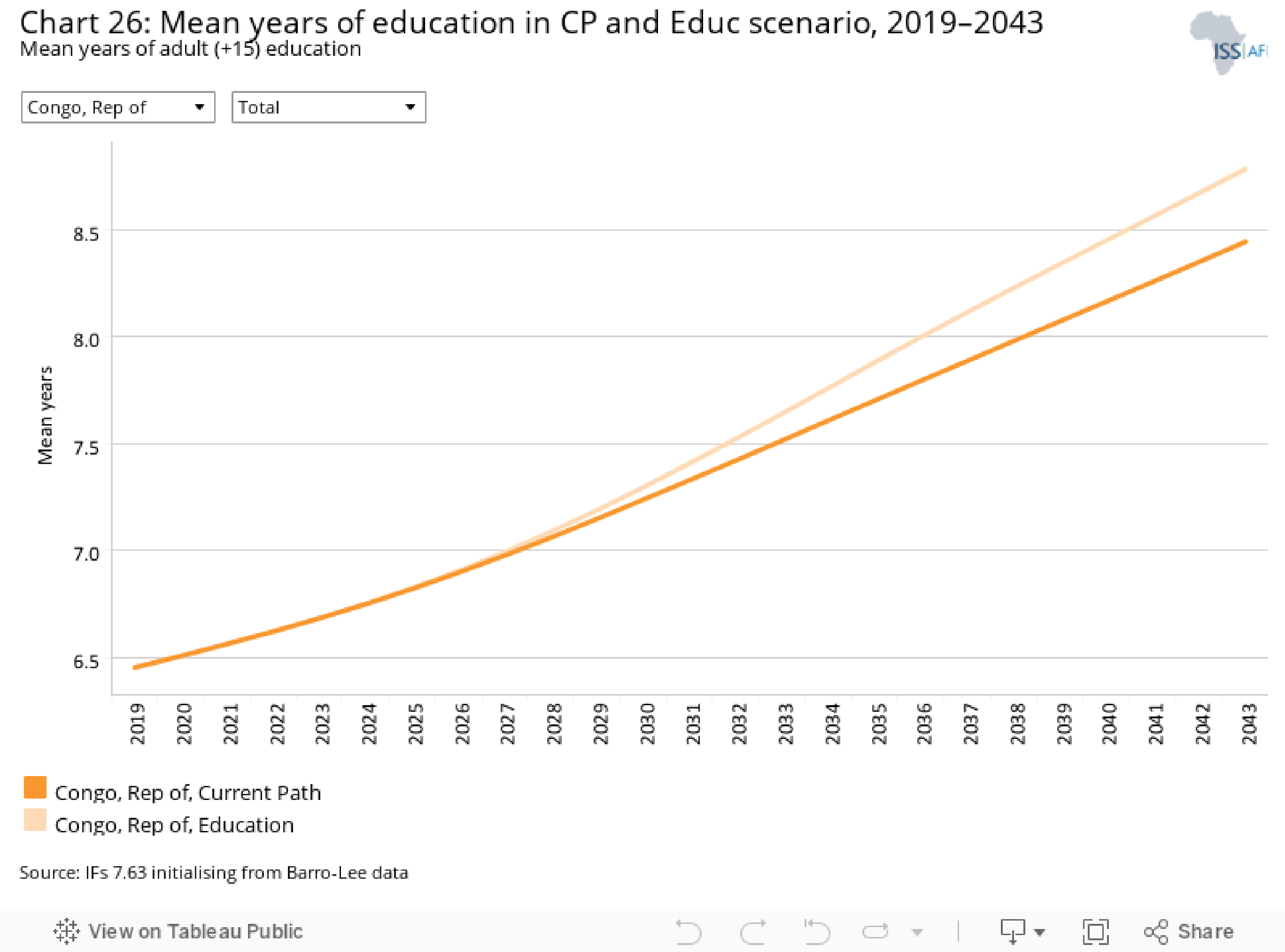
Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

The poverty rate for Congo is not significantly reduced in the Agriculture scenario, decreasing from 43.8% to 42.6% by 2043. The country will continue to trail behind lower middle-income Africa Current Path forecast rate, which will stand at 38.3% by 2043.

Education scenario



The Education scenario represents reasonable but ambitious improved intake, transition and graduation rates from primary to tertiary levels and better quality of education. It also models substantive progress towards gender parity at all levels, additional vocational training at secondary school level and increases in the share of science and engineering graduates.

The intervention is explained here in the thematic part of the website.

Government expenditure on education in the Republic of the Congo (percentage of total expenditure) ranks among the highest in Africa, but educational quality remains an issue as educational outcomes fail to align with labour market demands. In 2019, 22% of total government expenditure was spent on education and is expected to rise slightly to 24.4% by 2043. The country performs relatively well in terms of literacy rates, ranking 16th in Africa in 2019 with a rate of 81.6%. The Congo will, however, lose ground going forward, slipping to 29th place on the continent with a rate of 91%.

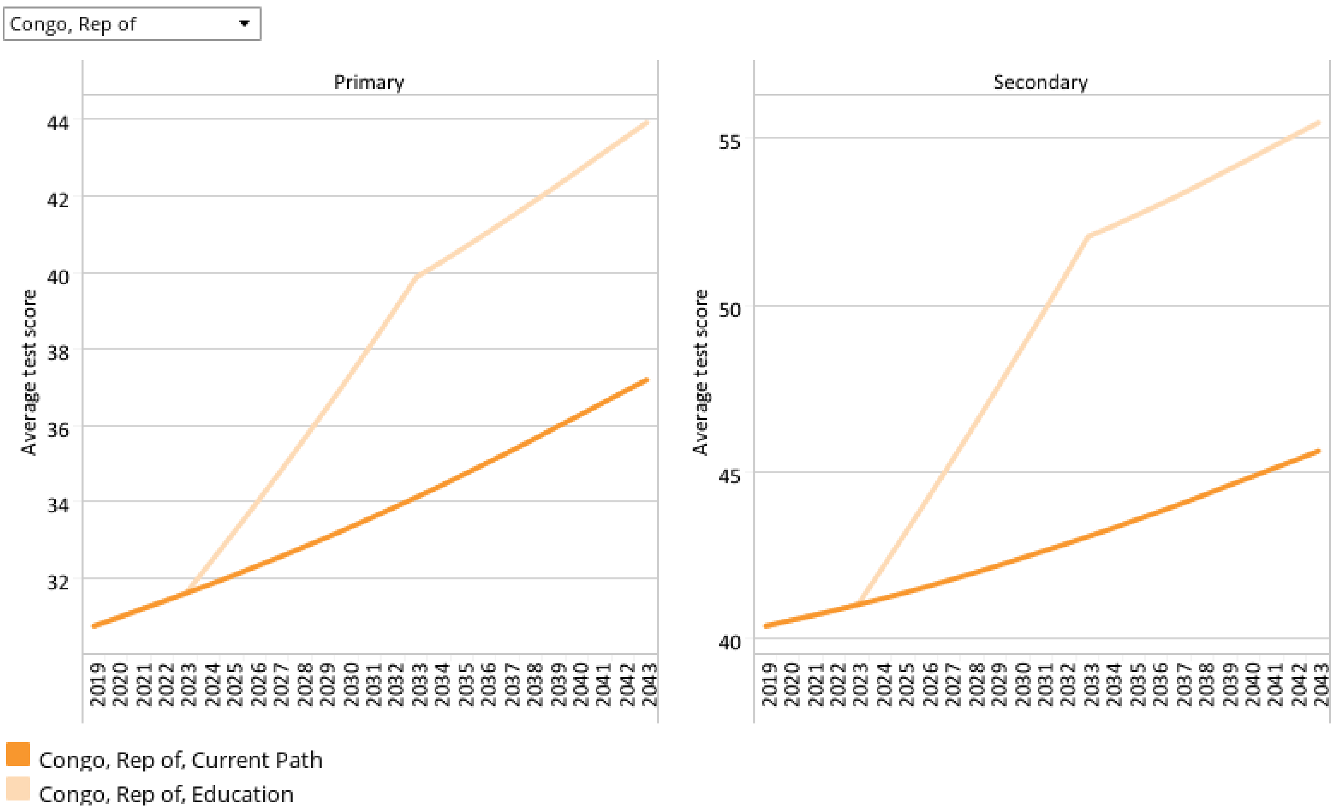
Despite the levels of spending, the Congo's score on the human capital index is 0.42, meaning the country has made little progress in the areas of health and education. The education system faces challenges, such as a lack of pre-primary education, high levels of repetition and overcrowding of classrooms. In addition, dropout rates after primary school are high, while educational attainment varies widely between regions and ethnicity.[6] High levels of corruption in the public sector dilutes the impact of government expenditure on education and leads to inefficient outcomes.

The Congo's mean years of education in 2019 stood at 6.5 years, which was slightly better than Africa's average of 6.2 years, but below the average of 7.2 years for lower middle-income Africa. In the Education scenario, the Congo will erase that gap by 2043 and reach 8.8 mean years of education.

When broken down by gender however, a wide gap in education attainment appears in 2019, mean years of male education was 1.1 years higher than female mean years of education in the Congo. The gap will shrink to 0.5 years by 2043 in the Education scenario, a positive trend which must be reinforced and accelerated to reach parity as soon as possible.

Chart 27: Education quality in CP and Educ scenario, 2019–2043

Average test scores for primary and secondary learners



Source: IFs 7.63 initialising from World Bank EDSTATS

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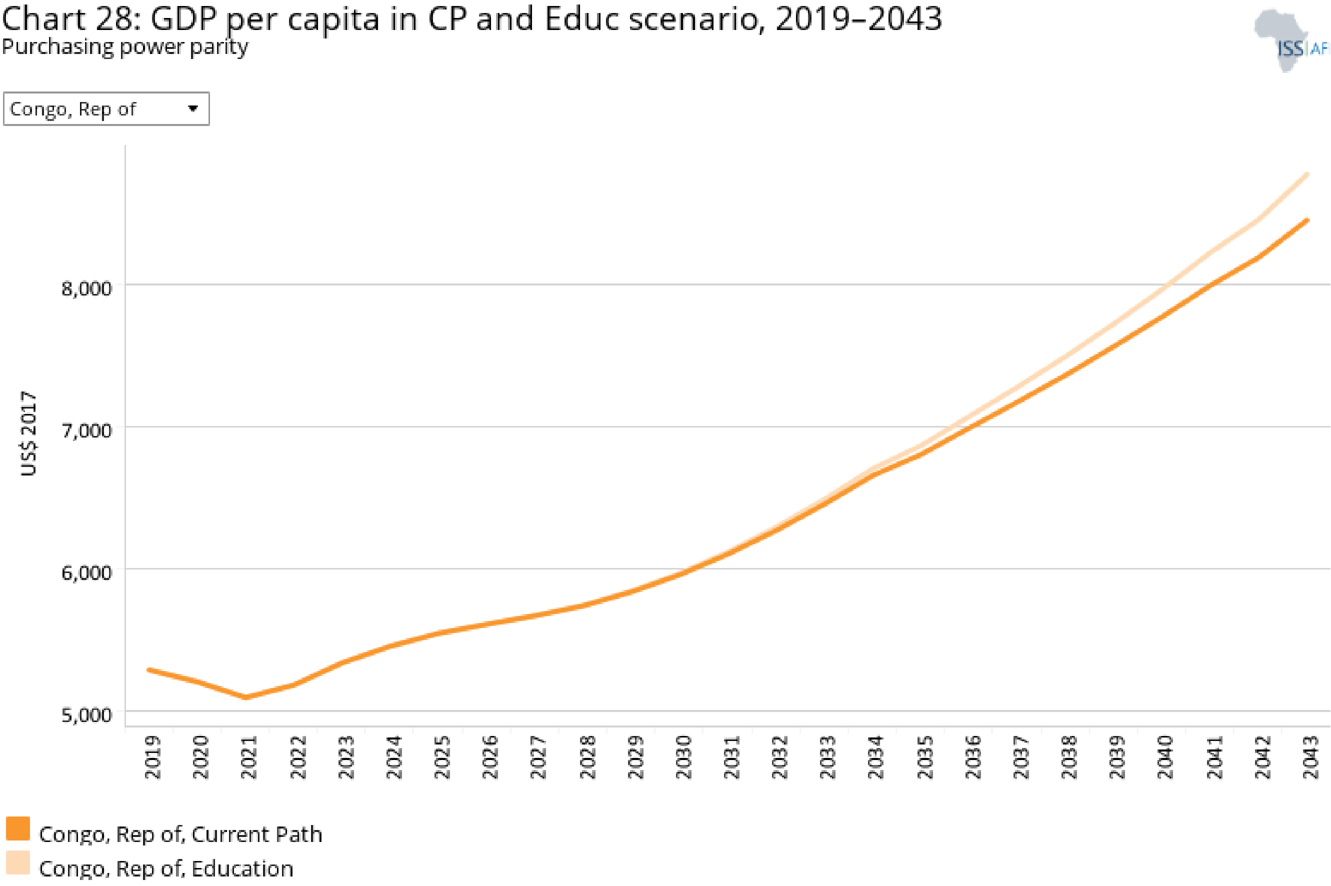
As discussed in Chart 26, the quality of education in the Congo remains inadequate for labour market demands, despite relatively high levels of government spending and education being free to all citizens. The average primary school learner in the Congo achieved a test score of 30.8 in 2019, marginally lower than Africa's average of 31.4 and a distance behind lower middle-income Africa's score of 33.6. At a secondary level, the Congo's average score was 40.4 in 2019, higher than Africa's average score of 39.1 but below lower middle-income Africa's of 41.7.

In the Education scenario, the Congo will see its primary score rise to 43.9 by 2043, erasing the gap to lower middle-income Africa, whose score will equate to 41.1. The same holds for the secondary school level, where the Congo's score will reach 55.5 by 2043, compared to 49.4 for lower middle-income Africa.

Chart 28: GDP per capita in CP and Educ scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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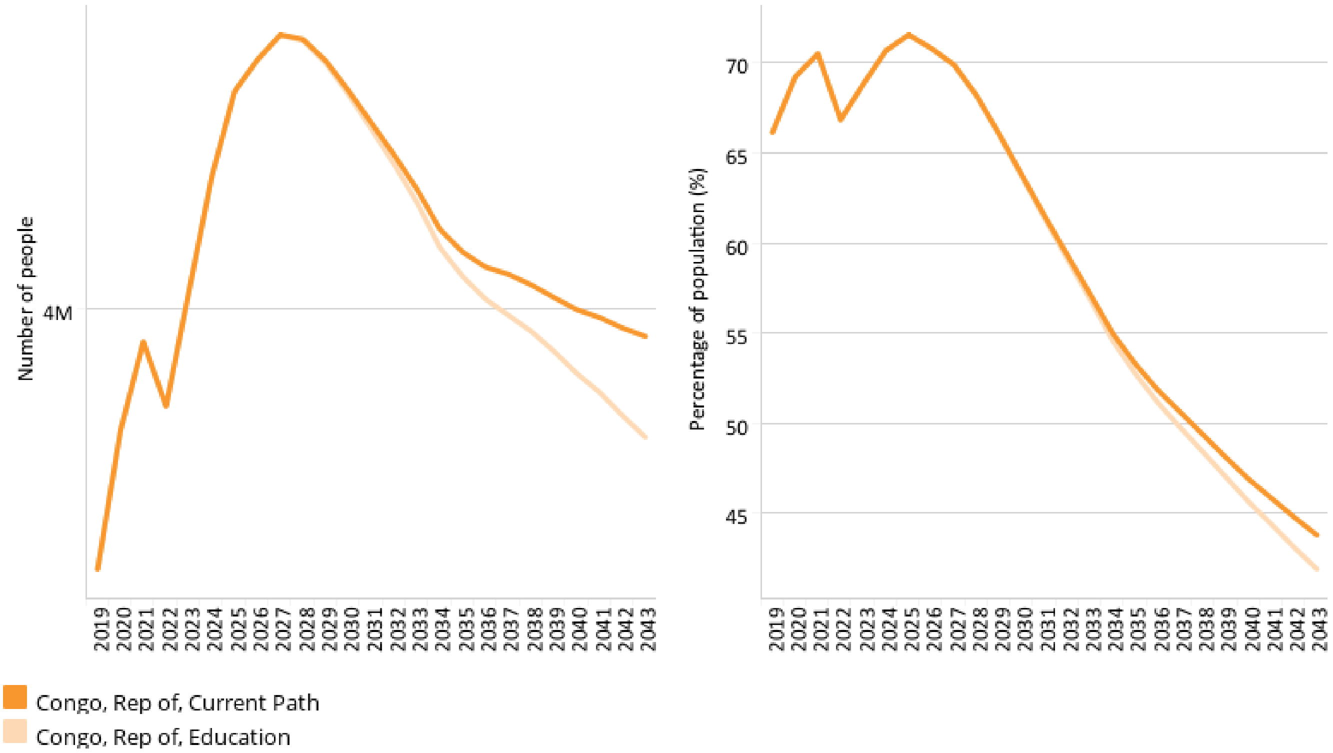
The Education scenario improves the country's GDP per capita by US$321 by 2043 compared to the Current Path forecast. Average income will reach US$8 770 by 2043, closing the gap to Africa's lower middle-income countries and their Current Path forecast GDP per capita.

Chart 29: Poverty in CP and Educ scenario, 2019–2043

Millions of people and % of total population

Congo, Rep of | $3.20

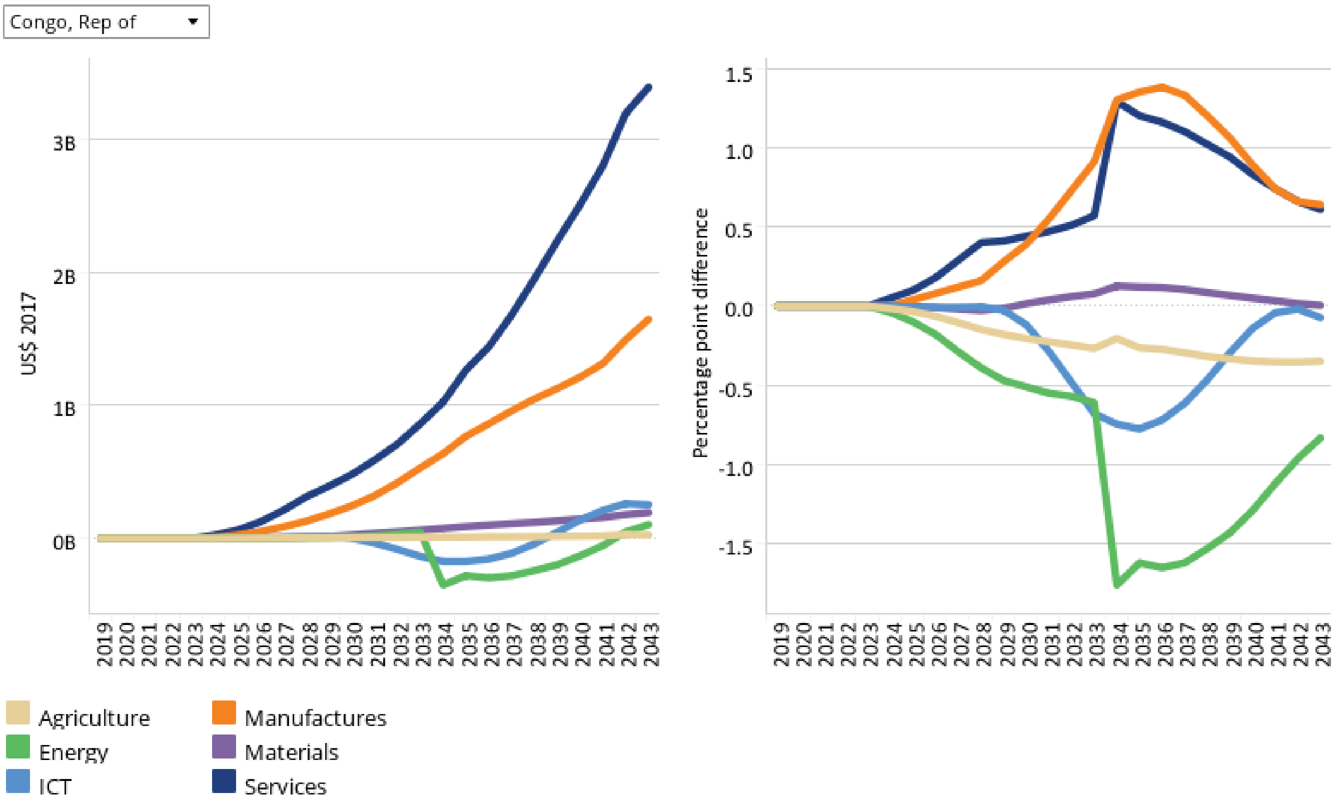


Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

The Congo's poverty rate at the US$3.20 line will fall significantly over the forecast horizon, and the Education scenario will accelerate this progress. By 2043, the poverty rate will be 1.9 percentage points lower than in the Current Path forecast at 41.9%, while the country will close the gap to lower middle-income Africa's Current Path forecast poverty rate to 3.1 percentage points.

Manufacturing scenario

Chart 30: Value added by sector in CP and Manufac/Transfers scenario, 2019–2043



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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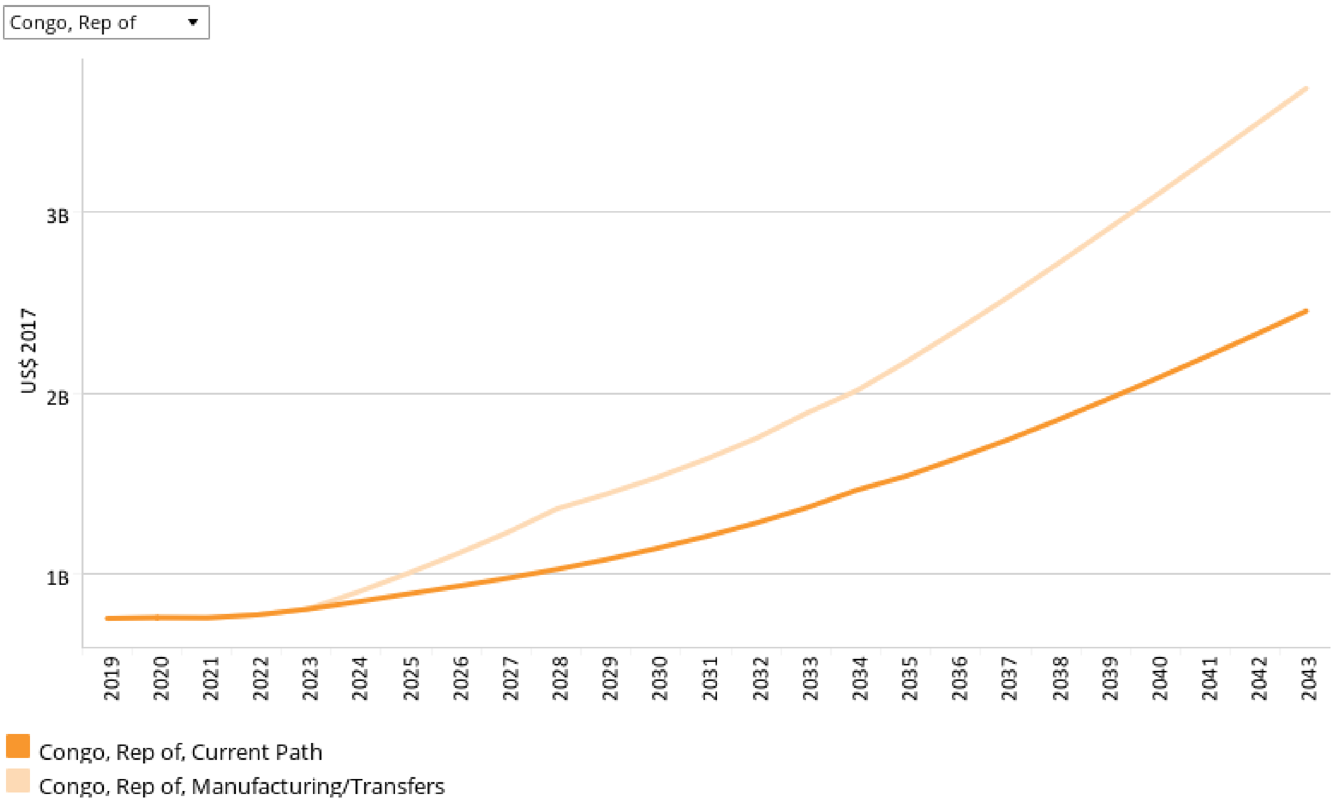
The Manufacturing/Transfers scenario represents reasonable but ambitious manufacturing growth through greater investment in the economy, investments in research and development, and promotion of the export of manufactured goods. It is accompanied by an increase in welfare transfers (social grants) to moderate the initial increases in inequality that are typically associated with a manufacturing transition. To this end, the scenario improves tax administration and increases government revenues.

The intervention is explained here in the thematic part of the website.

Chart 30 should be read with Chart 8 that presents a stacked area graph on the contribution to GDP and size, in billion US$, of the Current Path economy for each of the sectors.

The Republic of the Congo is heavily dependent on its oil sector for GDP growth and foreign currency earnings, and the most recent national development plan has emphasised the growth of alternative sectors to decrease the exposure of the country to international oil price shocks. The Manufacturing/Transfers scenario will accelerate the growth of the services and manufacturing sectors, moving the economy away from the energy sector. By 2043, manufacturing will add an additional US$1.6 billion to the economy, while the service sector will be US$3.4 billion larger. As a percentage of GDP, the manufacturing and service sectors will see an increase of 0.6 percentage points, while the energy sector will see its contribution decline by 0.8 percentage points. The agriculture sector will remain a small part of the economy, as will the ICT sector.

Chart 31: Gov welfare transfers in CP and Manufac/Transfers scenario, 2019–2043



Source: IFs 7.63 initialising from World Development Indicators data

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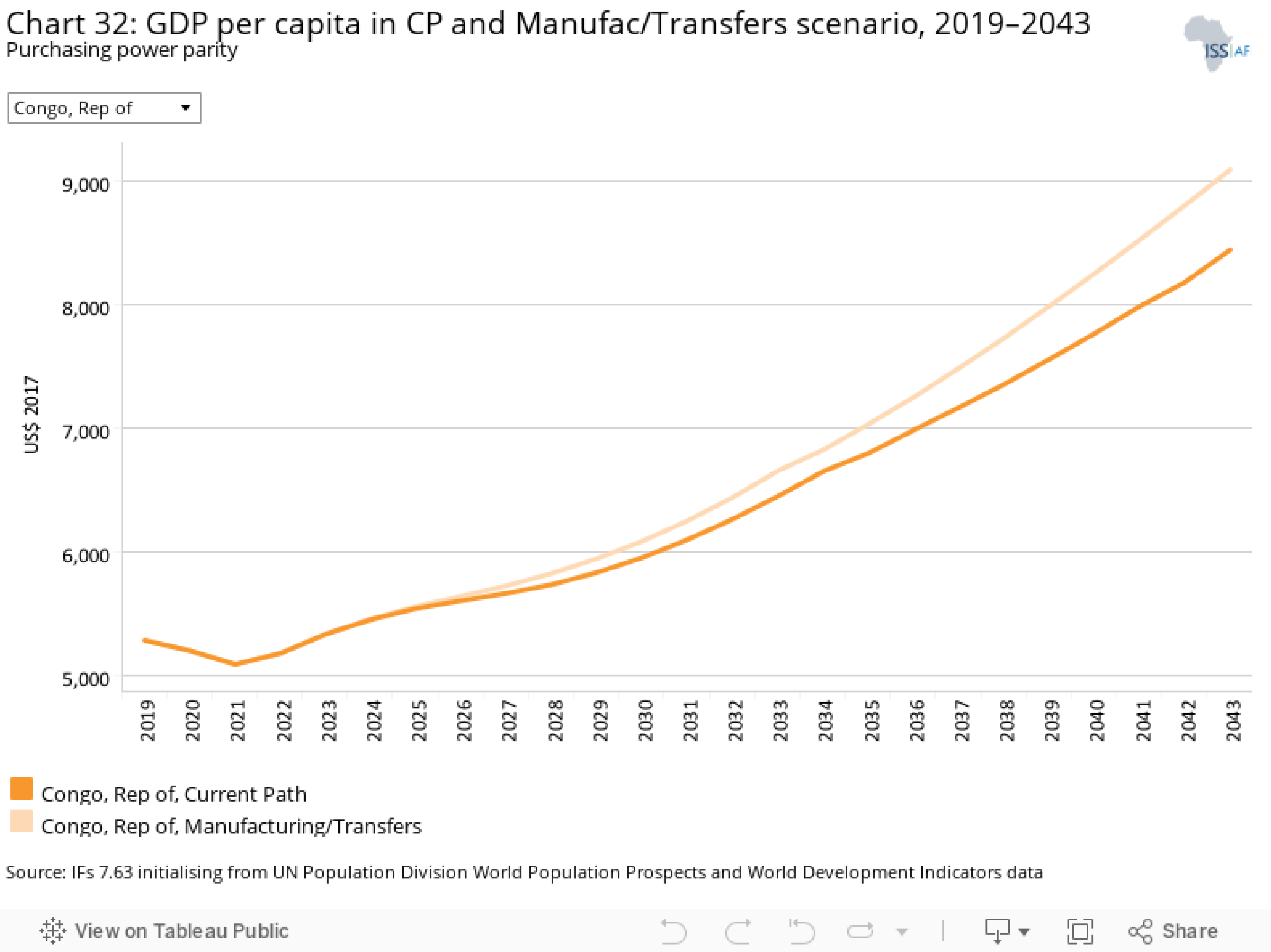
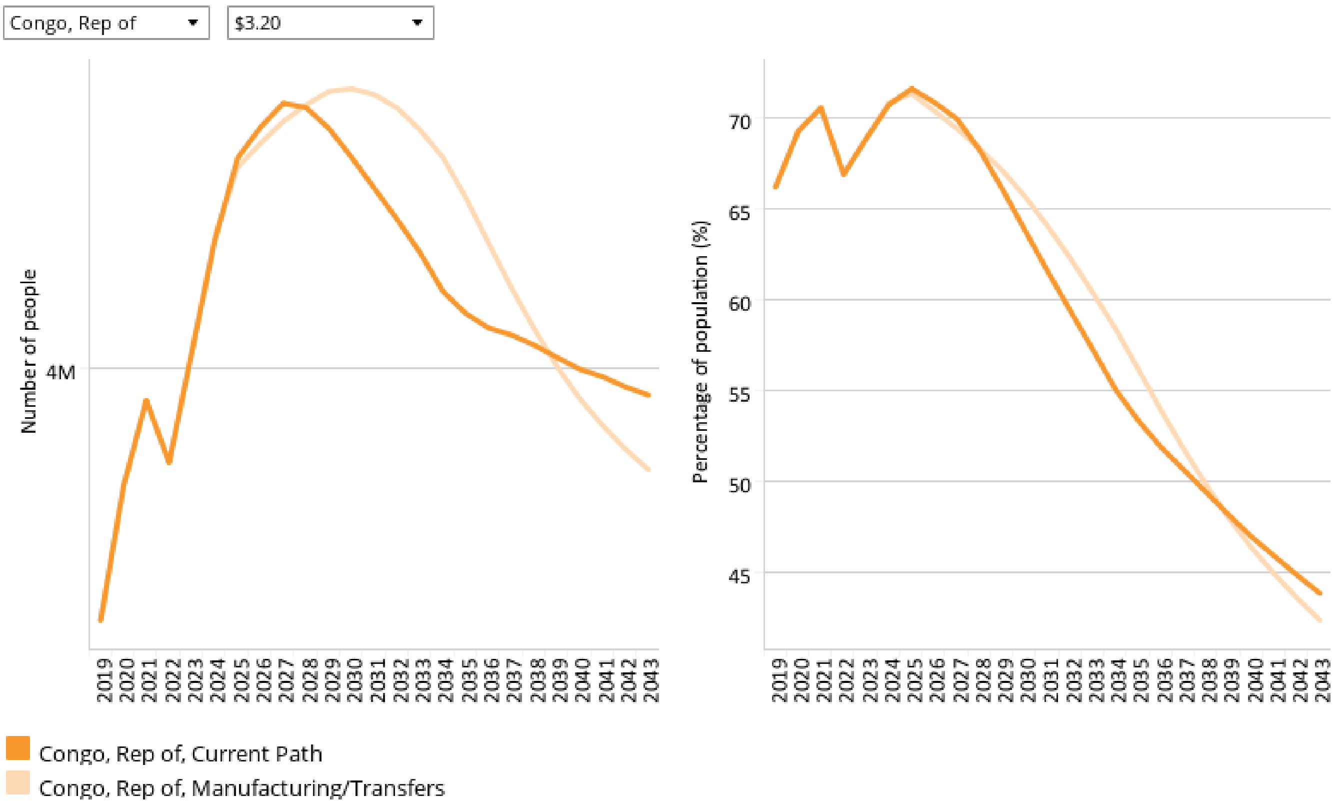
The Manufacturing/Transfers scenario increases the amount of welfare transfers by 48% compared to the Current Path forecast by 2043 to US$3.7 billion. This represents an increase of over 300% compared to the US$0.8 billion in welfare transfers in 2019. These welfare transfers will be needed to address the initial increase in poverty often associated with investment in the manufacturing sector. Industrialisation is often funded by an initial decrease in consumption, increasing poverty in the short term. However, these efforts stimulate inclusive growth with a greater impact on poverty alleviation in the long term.



The Manufacturing/Transfers scenario will significantly increase the Congo's GDP per capita and propel the country towards the average income for Africa's other lower middle-income countries. Indeed, by 2043 the Congo's GDP per capita will be US$9 042, only US$146 behind lower middle-income Africa's Current Path forecast. In 2019, the gap was much larger at US$1 699.

Chart 33: Poverty in CP and Manufac/Transfers scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

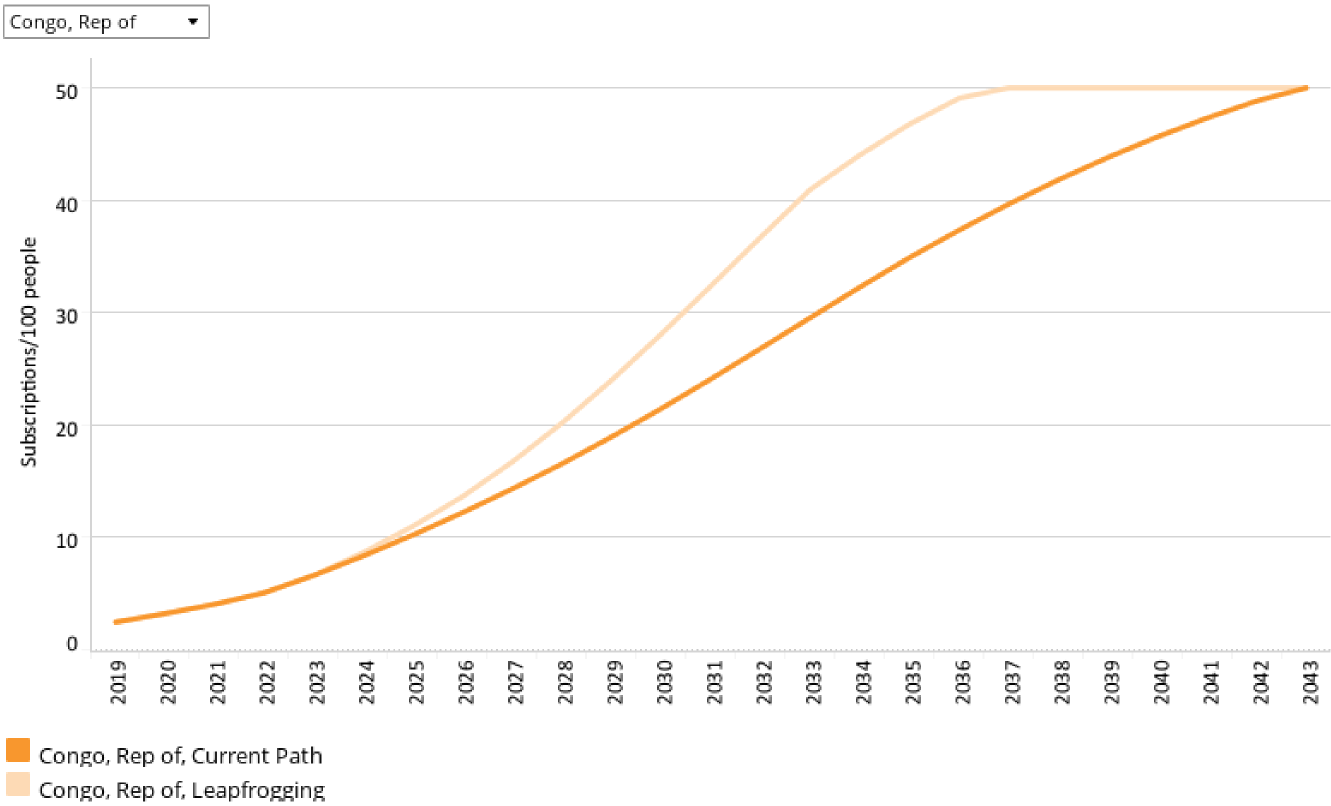
View on Tableau Public Share

In the short term, the Congo's poverty rate is expected to rise above the Current Path forecast, before falling below the Current Path by 2038. The scenario shows how a transition towards an industrialised economy may often cause short term increases in poverty as massive investment in industrialisation leads to initial reductions in consumption and consumer spending. By 2043, the poverty rate will however be 1.5 percentage points below the Current Path forecast at 42.3%.

Leapfrogging scenario

Chart 34: Fixed broadband access in CP and Leapfrogging scenario, 2019–2043

Subscriptions per 100 people



Source: IFs 7.63 initialising from International Telecommunication Union data

View on Tableau Public Share

The Leapfrogging scenario represents a reasonable but ambitious adoption of and investment in renewable energy technologies, resulting in better access to electricity in urban and rural areas. The scenario includes accelerated access to mobile and fixed broadband and the adoption of modern technology that improves government efficiency and allows for the more rapid formalisation of the informal sector.

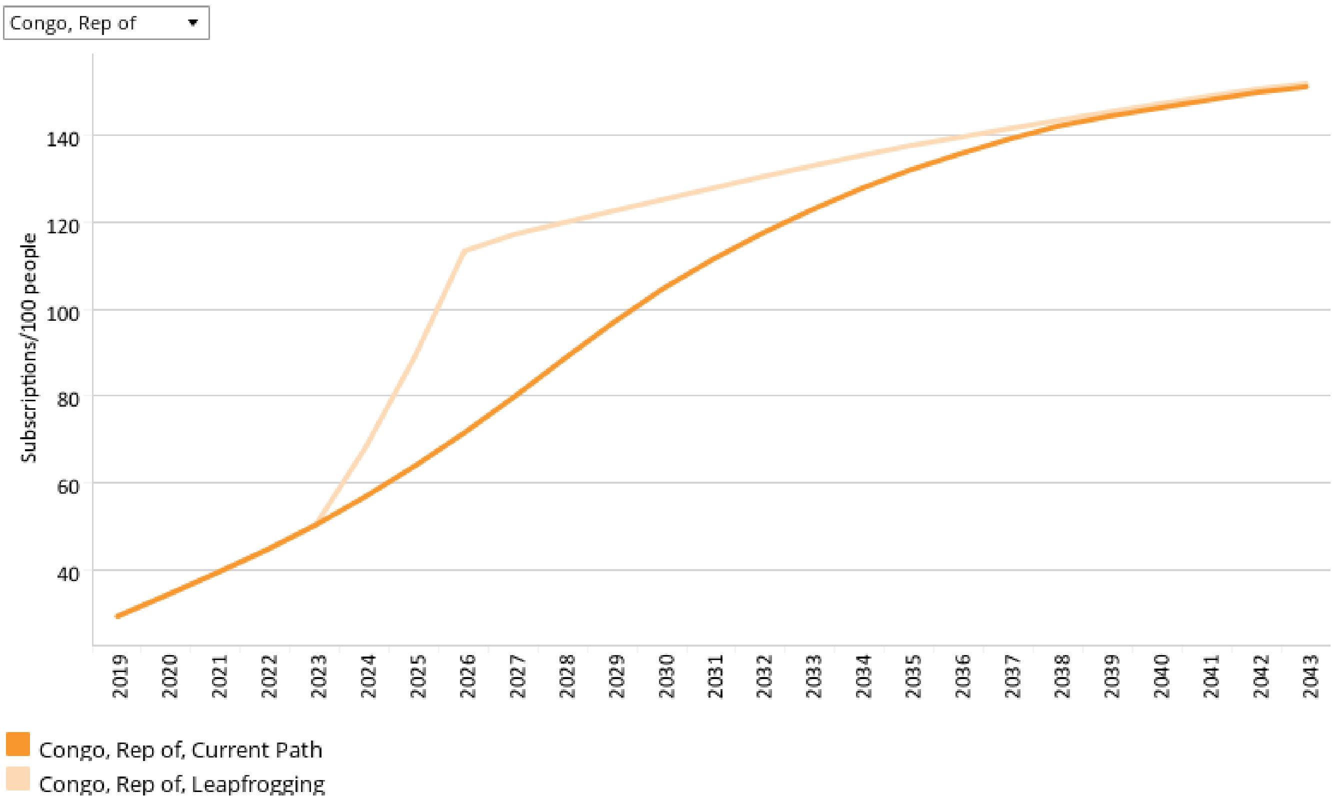
The intervention is explained here in the thematic part of the website.

Fixed broadband includes cable modem Internet connections, DSL Internet connections of at least 256 KB/s, fibre and other fixed broadband technology connections (such as satellite broadband Internet, ethernet local area networks, fixed-wireless access, wireless local area networks, WiMAX, etc.).

The telecommunication systems in the Republic of the Congo face a number of challenges: the use of microwave radio relay and coaxial cables are not suitable even for government use, intercity telephone lines are out of order constantly, and large inequalities exist in Internet access between rich and poor people, with most teenagers accessing the Internet at Internet cafes.[7] Low levels of electricity access in rural areas also negatively affect those populations in accessing the Internet.

Fixed broadband access is thus low in the country, with a rate of 2.5 subscriptions per 100 people in 2019. Significant progress will occur over the forecast horizon in the Leapfrogging scenario, with access rates rising to 50 subscriptions per 100 people by 2037, before plateauing through to 2043. Greater access to the Internet for businesses and individuals holds developmental benefits as it increases knowledge transfer, access to international services and markets, and increases productivity.

Chart 35: Mobile broadband access in CP and Leapfrogging scenario, 2019–2043
Subscriptions per 100 people



Source: IFs 7.63 initialising from International Telecommunication Union data

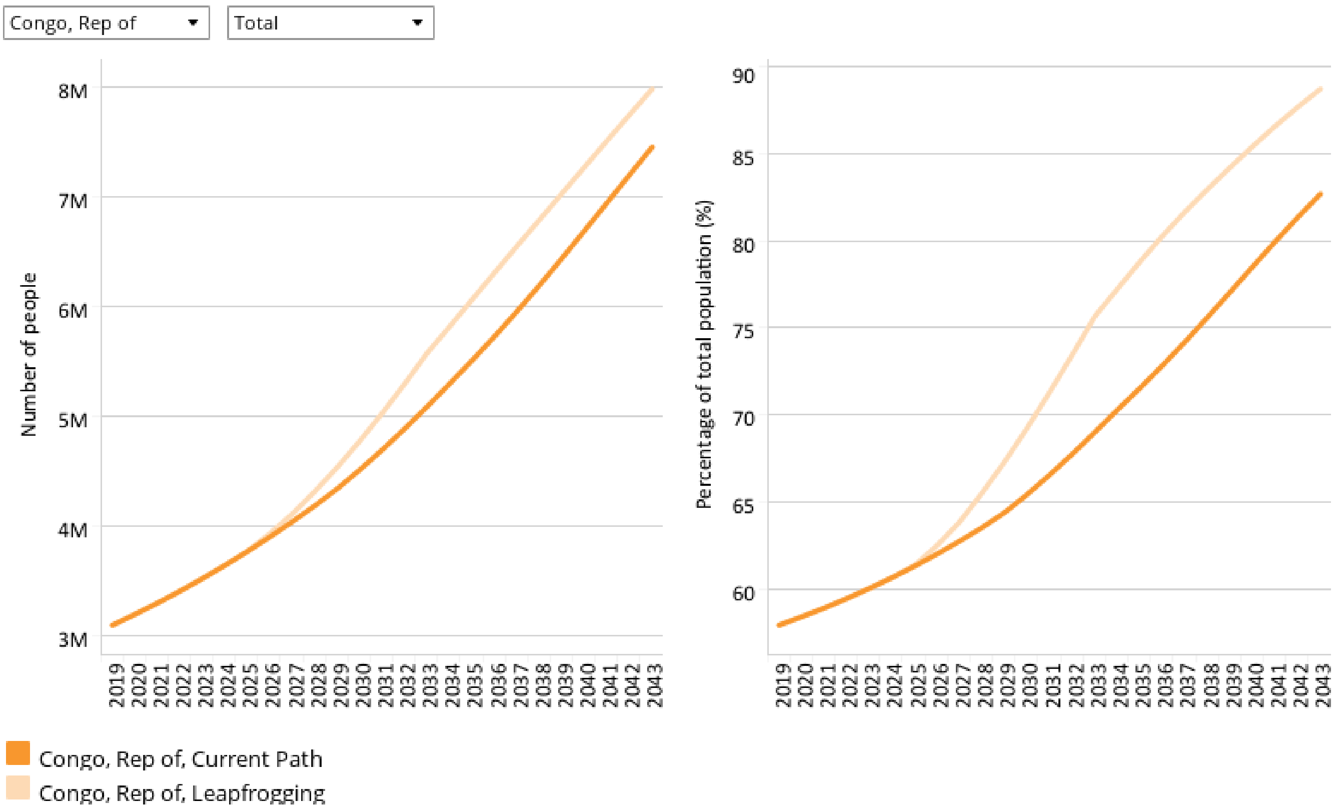
View on Tableau Public Share

Mobile broadband refers to wireless Internet access delivered through cellular towers to computers and other digital devices.

Low and lower middle-income countries have generally benefited from using mobile phones to access the Internet, as it costs much less than fixed-line infrastructure. The Congo's level of mobile subscriptions are however below the average for both Africa and lower middle-income Africa, standing at 29.5 subscriptions per 100 people in 2019 compared to 40.5 for Africa and 49.1 for lower middle-income Africa. Mobile broadband access will increase rapidly both in the Leapfrogging scenario and in the Current Path forecast, surpassing 150 subscriptions per 100 people by 2043.

Chart 36: Electricity access in CP and Leapfrogging scenario, 2019–2043

Millions of people and % of population



Source: IFs 7.63 initialising from World Development Indicators data

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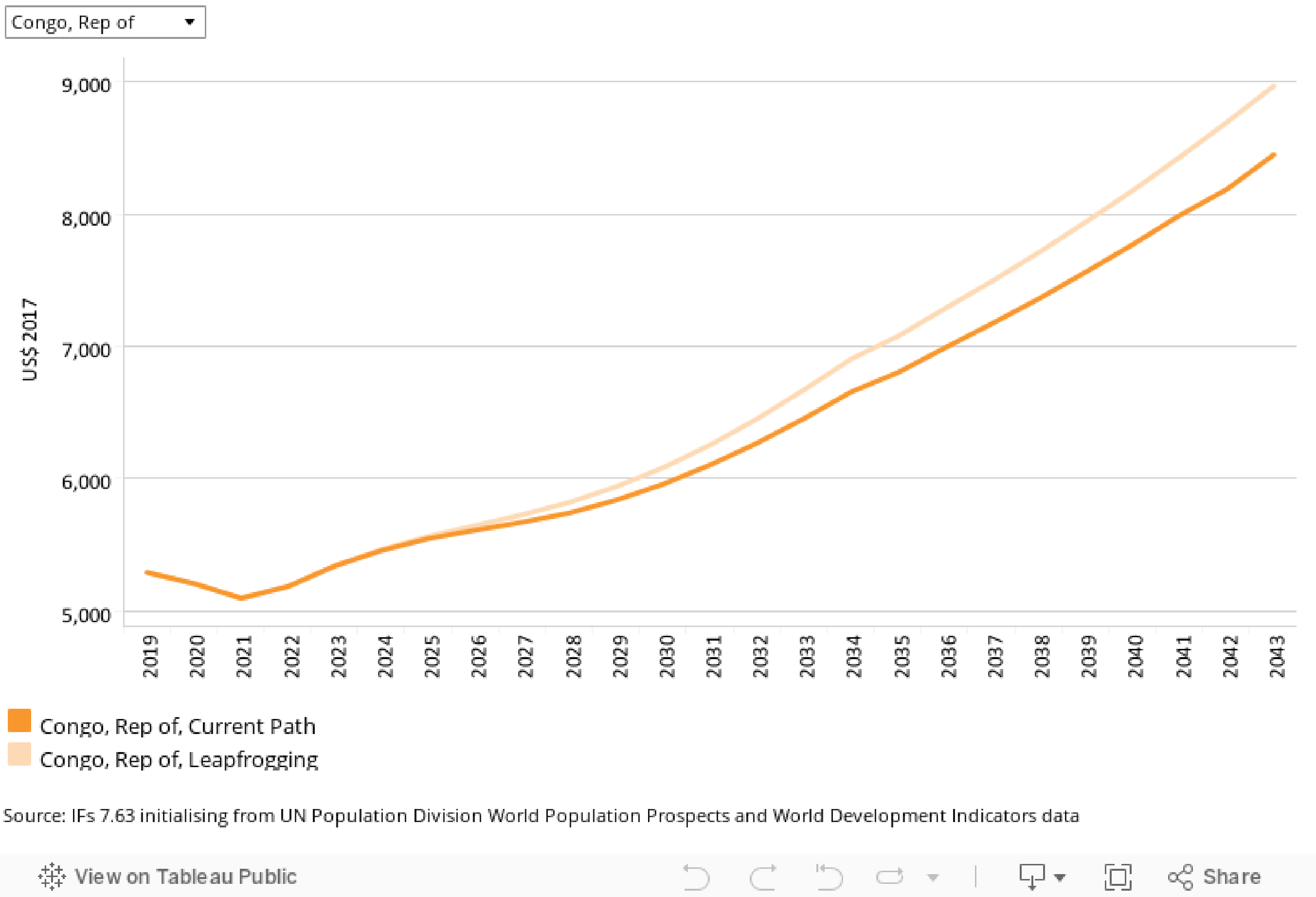
Electricity access in the Congo is constrained by the low quality of the distribution and transmission infrastructure currently in place. Furthermore, the national utility, Société Nationale d'Electricité, suffers from high electricity losses, low tariff rates and low collection rates.[8] Recent investments aimed at increasing generation capacity by 330 MW,[9] in addition to a shift towards converting natural gas into electricity instead of flaring it,[10] will contribute to an increasing level of electricity access over the forecast horizon.

The country also has huge hydropower potential, of which only a small percentage is currently being utilised. The country has three hydropower plants, with a number of new plants planned but unlikely to contribute to electricity generation in the near future. Most of the country's electricity is generated through fossil fuels, 63% of net generation capacity, while the rest is provided by hydroelectric power.[11]

The Congo's poor transmission and distribution facilities disproportionately affect its rural population: in 2019, only 18.3% of the rural population had access to electricity, while urban areas had an access rate of 77.5%. The shortfall is primarily met through the burning of biomass, which holds potential health risks to rural inhabitants. The Leapfrogging scenario will raise rural access rates to 75% by 2043 — a 13.3 percentage point increase compared to the Current Path forecast. Urban rates will see an increase of 3.2 percentage points compared to the Current Path forecast, reaching 93.8% by 2043.

Chart 37: GDP per capita in CP and Leapfrogging scenario, 2019–2043
Purchasing power parity

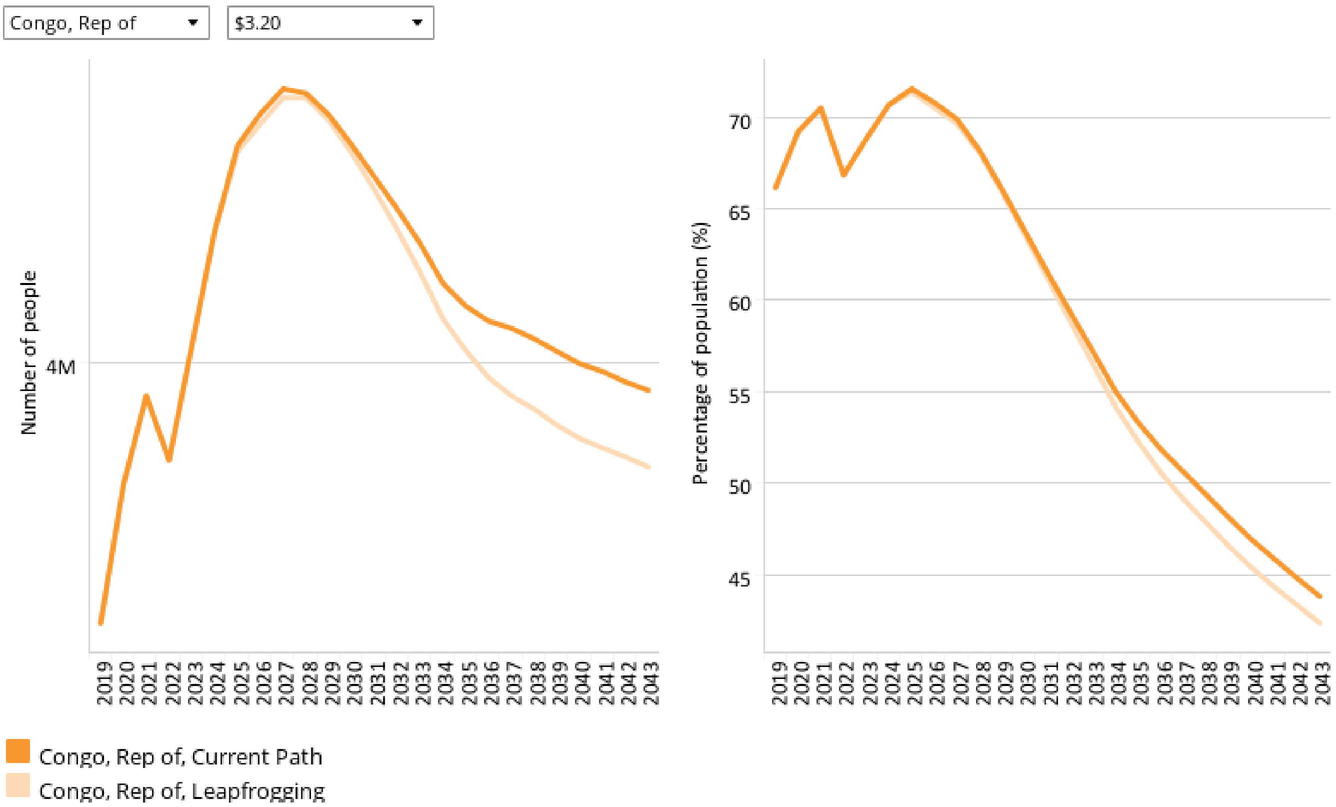


Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

The Congo's GDP per capita will increase significantly in the Leapfrogging scenario, highlighting the value of increased electricity access and greater connectivity. In the scenario, GDP per capita will have risen to US$8 967 by 2043, US$518 above the Current Path forecast. This rise in GDP per capita will bring the country closer to the projected average for lower middle-income Africa and widen the margin to Africa's average income of US$7 157 in the Current Path forecast by 2043.

Chart 38: Poverty in CP and Leapfrogging scenario, 2019–2043

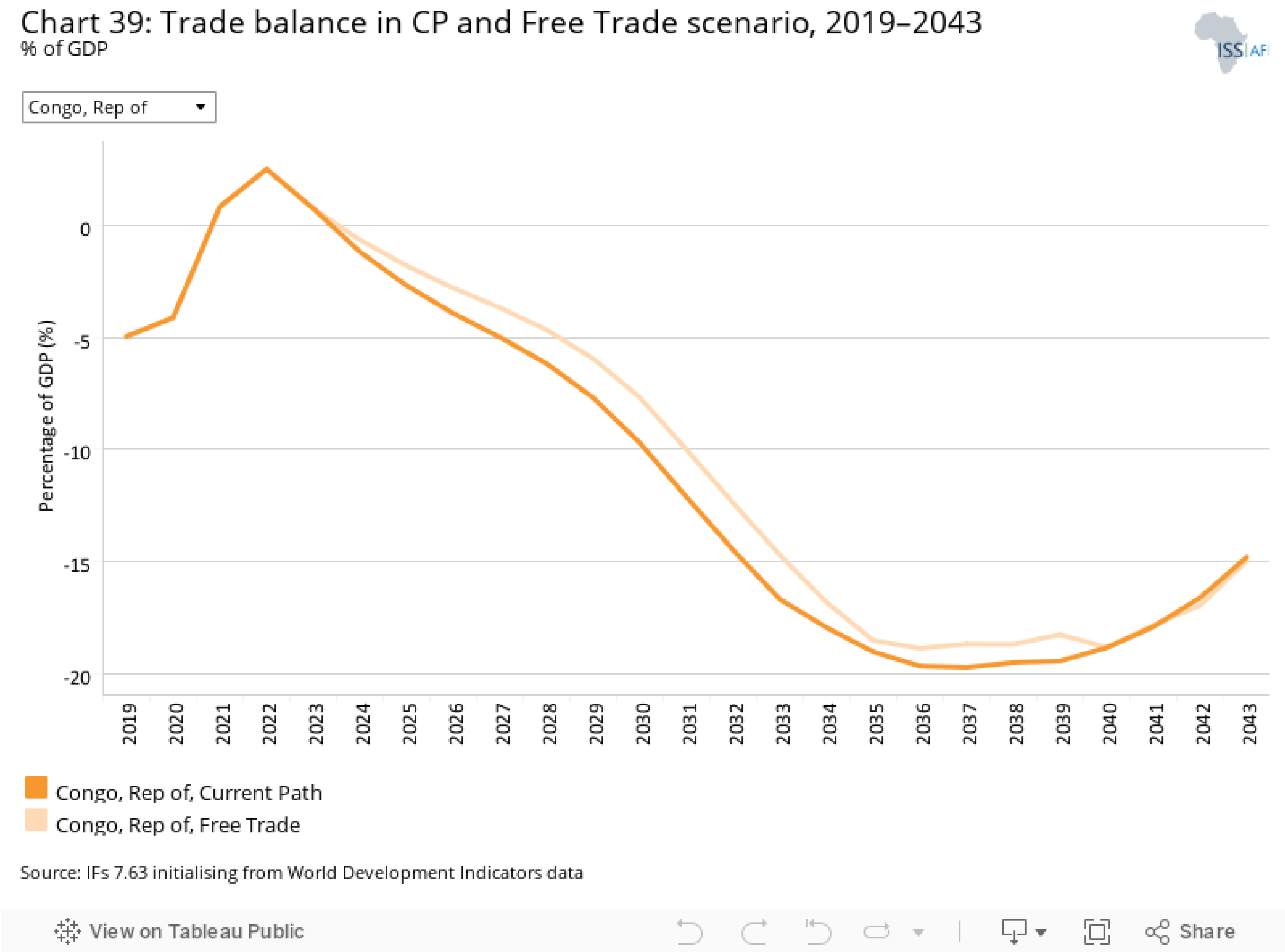
Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

The Leapfrogging scenario will accelerate the progress Congo will make in the Current Path forecast, decreasing the poverty to 42.3% by 2043. The decrease will translate to an additional 140 000 people moving out of poverty at the US$3.20 per day poverty level compared to the Current Path forecast for 2043.

Free Trade scenario



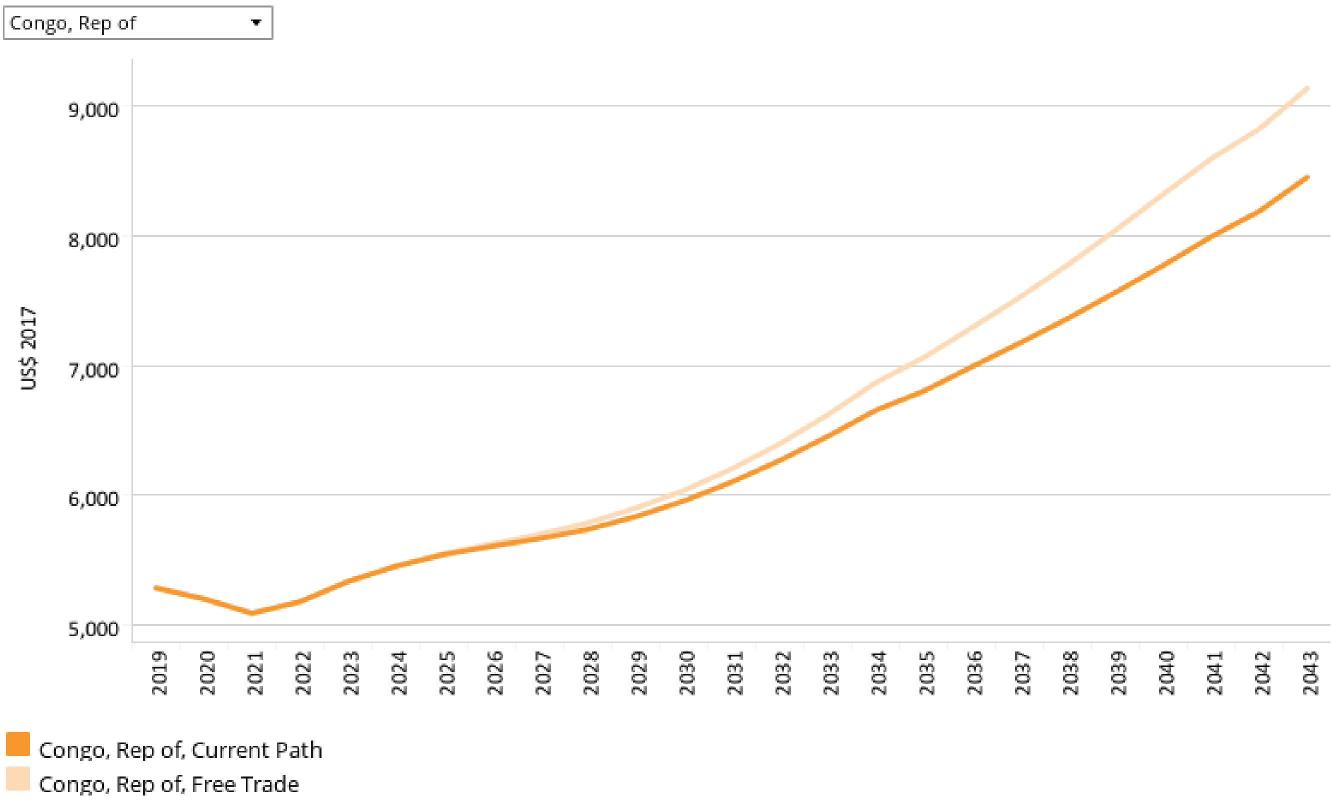
The Free Trade scenario represents the impact of the full implementation of the African Continental Free Trade Area (AfCFTA) by 2034 through increases in exports, improved productivity and increased trade and economic freedom.

The intervention is explained here in the thematic part of the website.

The trade balance is the difference between the value of a country's exports and its imports. A country that imports more goods and services than it exports in terms of value has a trade deficit, while a country that exports more goods and services than it imports has a trade surplus.

The Free Trade scenario's focus on regional integration and increased exports due to the AfCFTA results in the Congolese economy running a trade deficit from 2024 until it reaches a low point of 18.7% in 2040 as its economy, based mainly on oil extraction and its support services, will be forced to compete with other countries and the products they produce at comparatively cheaper rates. The Republic of the Congo's trade deficit will gradually improve to 2043 as the country readjusts and produces goods in which it holds a cost advantage over its regional partners. By 2043, the trade deficit will reach 14.8% of GDP both in the Current Path forecast and in the Free Trade scenario, 10.9 percentage points below Africa's trade deficit of 3.9% of GDP.

Chart 40: GDP per capita in CP and Free Trade scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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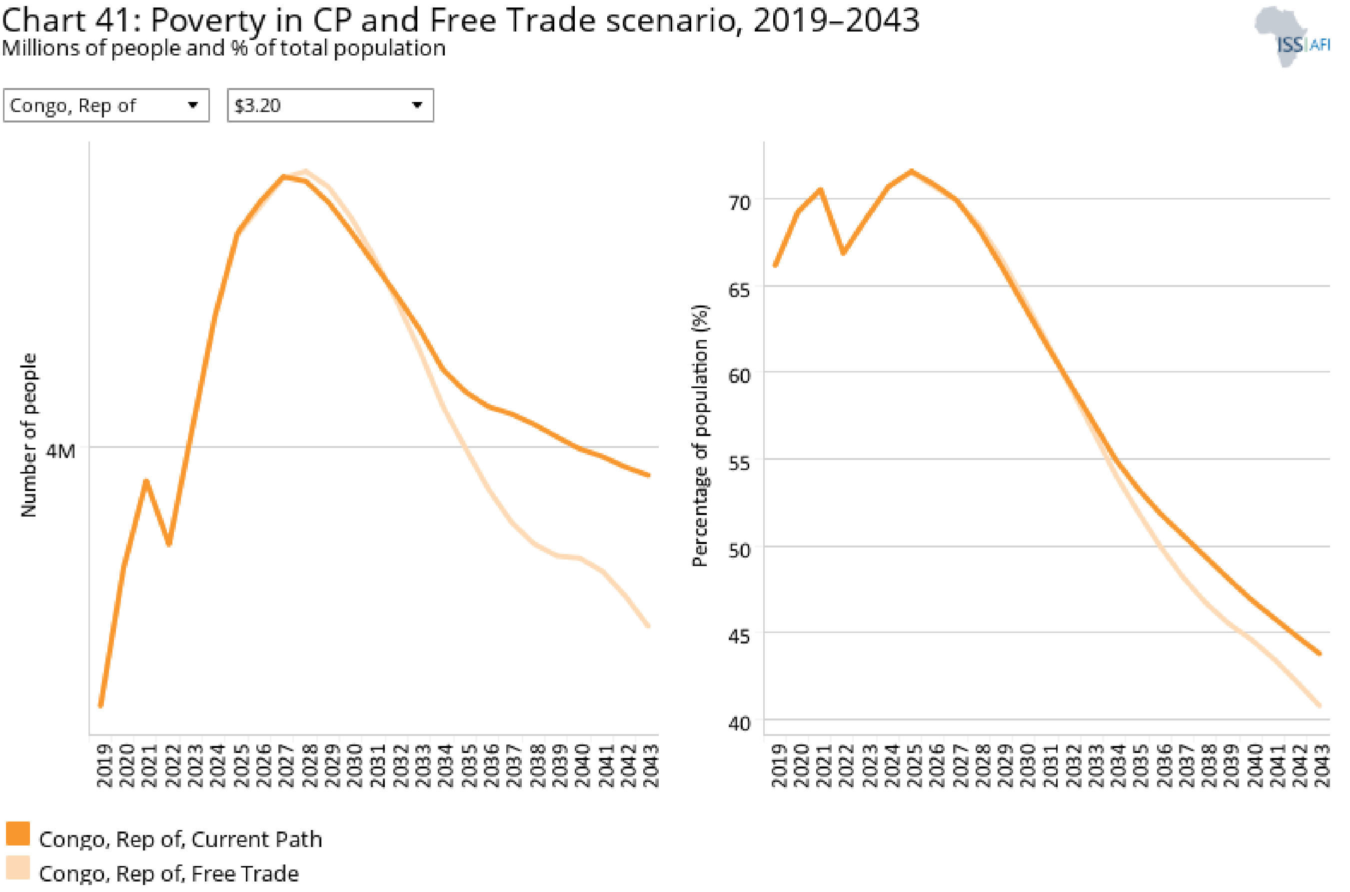
The Free Trade scenario will be very effective in raising the Congo's GDP per capita, performing the best out of all 11 scenarios. The country will see its average income rise from US$8 449 by 2043 in the Current Path forecast to US$9 131 in the scenario, an increase which will put it nearly level with the projected average for lower middle-income Africa in the Current Path forecast.

Chart 41: Poverty in CP and Free Trade scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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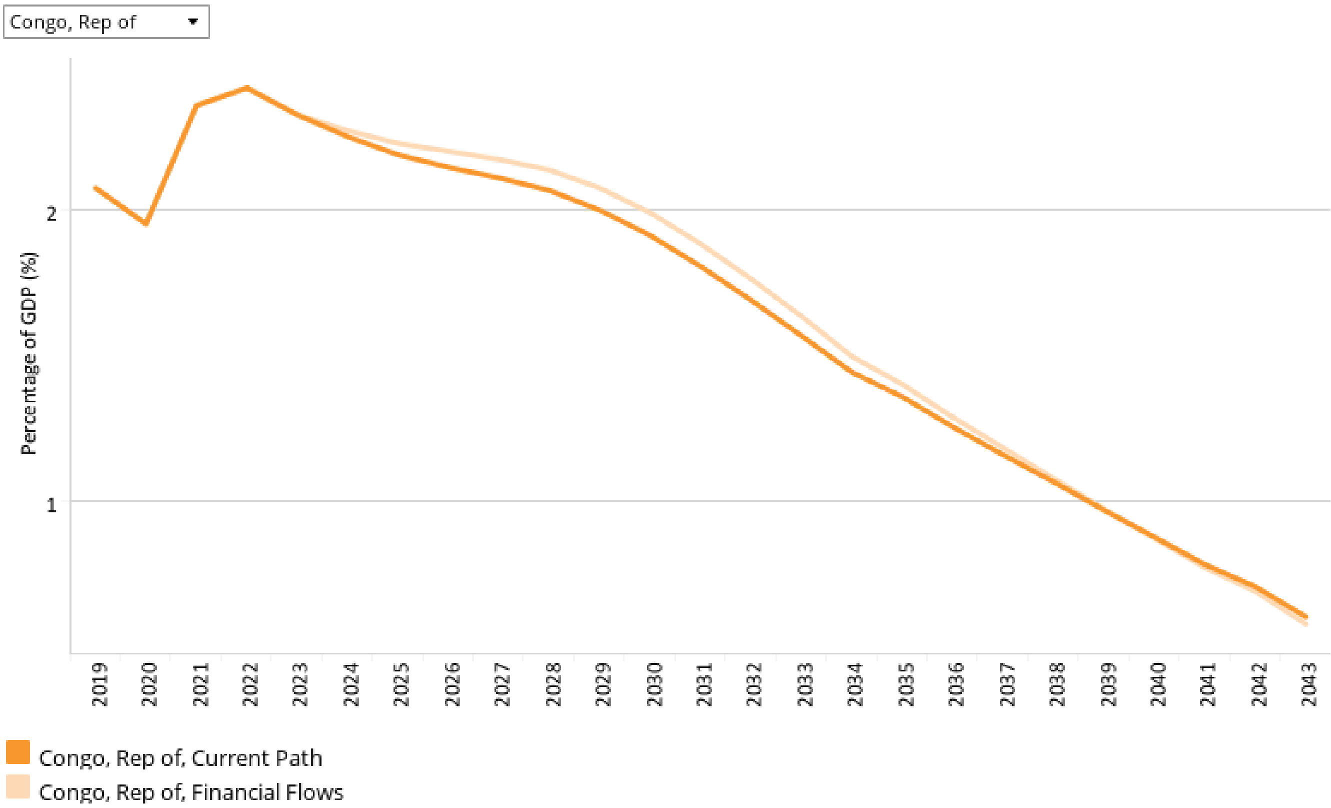
Trade openness will reduce poverty in the long term after initially increasing it due to the redistributive effects of trade. Most African countries export primary commodities and low-tech manufacturing products, and therefore a continental free trade agreement (AfCFTA) that reduces tariffs and non-tariff barriers across Africa will increase competition among countries in primary commodities and low-tech manufacturing exports. Countries with inefficient, high-cost manufacturing sectors might be displaced as the AfCFTA is implemented, thereby pushing up poverty rates. In the long term, as the economy adjusts and produces and exports its comparatively advantaged (lower relative cost) goods and services, poverty rates will decline.

The Congo will not immediately benefit from the Free Trade scenario in terms of poverty reduction, but once the full effect of the AfCFTA is felt on the economy, the scenario will effectively reduce the poverty rate and by 2043 translate to a decrease of 3 percentage points compared to the Current Path forecast. The decrease in the Free Trade scenario is the largest out of all 11 scenarios and will close the gap to lower middle-income Africa's Current Path forecast poverty rate to 2.5 percentage points.

Financial Flows scenario

Chart 42: Foreign aid in CP and Financial Flows scenario, 2019–2043

% of GDP



Source: IFs 7.63 initialising from Development Assistance Committee of the OECD data, and World Bank and OECD GNI estimates.

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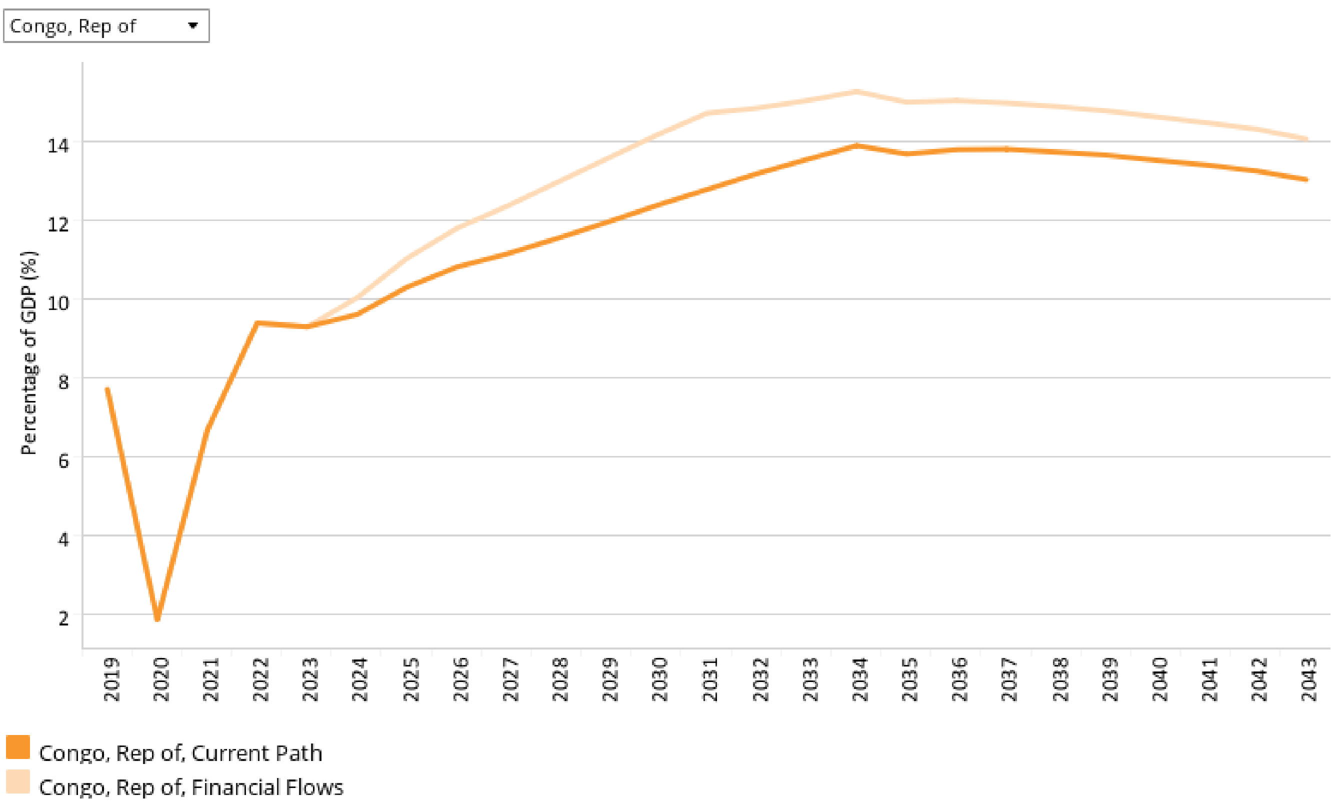
The Financial Flows scenario represents a reasonable but ambitious increase in worker remittances and aid flows to poor countries, and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows to middle-income countries. We also reduced outward financial flows to emulate a reduction in illicit financial outflows.

The intervention is explained here in the thematic part of the website.

The Republic of the Congo is not heavily dependent on foreign aid, and it ranked 38th on the continent for foreign aid as a percentage of GDP in 2019 at 2.1%. The average for Africa was 2.4% and lower middle-income Africa's average was 1.7% in 2019. As the Congolese economy continues to grow strongly in the Current Path forecast, foreign aid as a percentage of GDP will decline, reaching 0.6% by 2043, compared to 0.5% for lower middle-income Africa and 1.3% for Africa. In absolute terms, foreign aid will increase until 2031 in the Financial Flows scenario, reaching US$0.48 billion, before declining to US$0.3 billion by 2043.

Chart 43: Inflow of FDI in CP and Financial Flows scenario, 2019–2043

% of GDP



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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The flow of inward FDI to the Congo has increased in recent years, as international companies aim to benefit from the country's natural resources, especially oil and timber. The concentration of investment in oil specifically hinders progress towards diversifying the economy and becoming less dependent on oil exports and less vulnerable to international price shocks.

Multiple factors hindering investment include weak infrastructure, especially inconsistent electricity supply, a poor business environment, high risks of corruption and a lack of transparency. Those notwithstanding, the country's potential for increased agricultural output and related agro-processing, coupled with a highly urbanised population and the possibility of new special economic zones being created in the near future, mean the country could be successful in attracting the investment it needs to diversify the economy.[12] Indeed, if the government focuses on attracting investment to the agriculture sector in a sustainable and inclusive manner, the country could make progress in fighting against food insecurity and lessen its dependence on food imports.[13]

Foreign direct investment statistics differ between the IFs model and recent World Bank data. The latter shows FDI equalling 38.3% of GDP in 2020, despite the effects of the COVID-19 pandemic.[14] The IFs model in contrast predicted these flows to decrease to just 1.9% of GDP, and as such the forecast until 2043 will be adjusted downwards. By 2043, the inward flow of FDI will equate to 14.1% of GDP in the Financial Flows scenario, a rate far above both Africa and lower middle-income Africa.

Chart 44: Remittances in CP and Financial Flows scenario, 2019–2043

Billions US$ 2017 and % of GDP

Congo, Rep of

Congo, Rep of, Current Path

Congo, Rep of, Financial Flows

Source: IFs 7.63 initialising from World Development Indicators data

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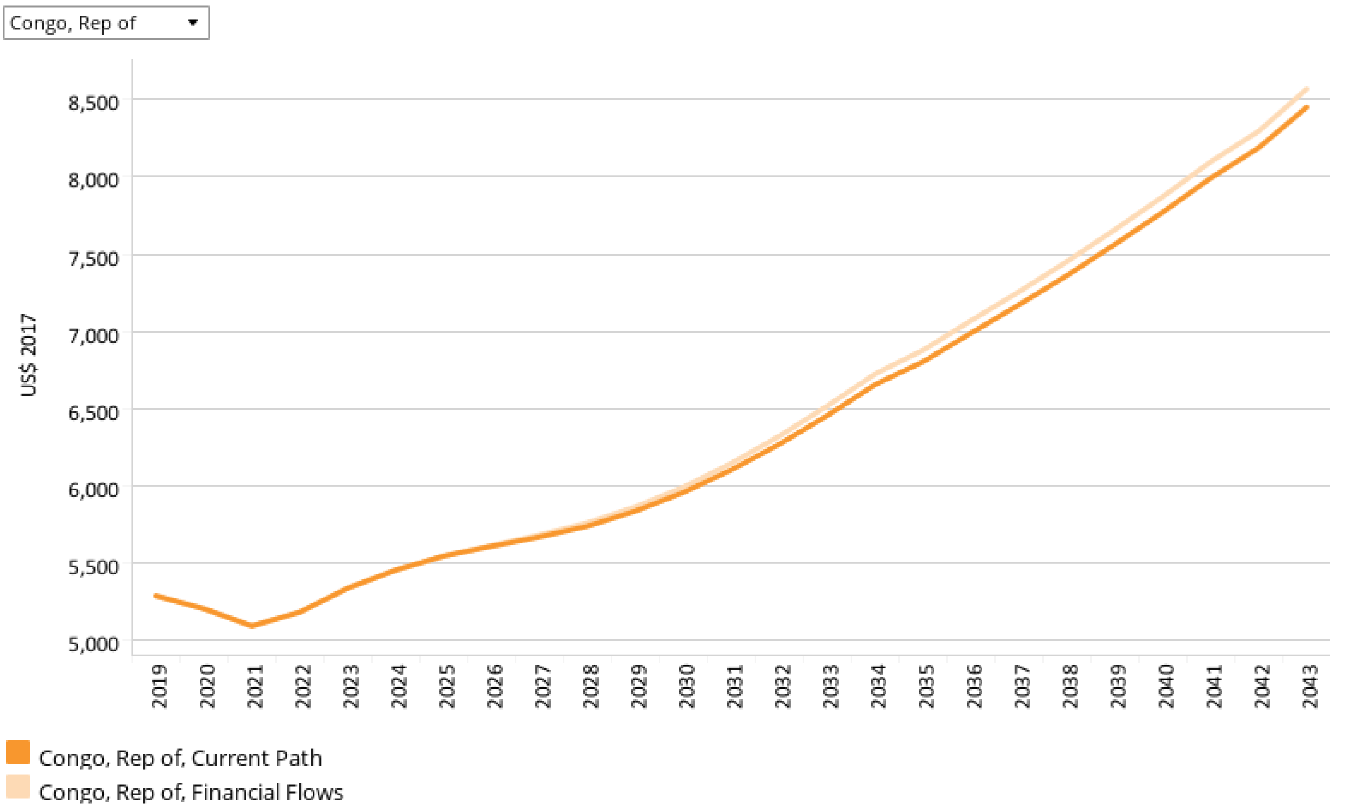
The Congo has seen its net migration rate vary considerably in the past two decades, from 25 800 in 2000 to 5 600 in 2012. The rate has been negative since 2012, indicating a steady outflow of Congolese in the last decade. The previous nine years all saw a positive net migration rate however, possibly due to the Congo's inhabitants returning to the country following the end of the civil war at the end of the 20th century. In total, the country has seen more immigration than emigration since the 1970s, with the total number of emigrants below 300 000.[15]

The Congo thus does not have a large diaspora, which is reflected in the country being a net sender of remittances. In 2019, the country sent US$0.05 billion in remittances to other countries, a figure which will grow to US$0.16 billion by 2043 in the Financial Flows scenario.

Chart 45: GDP per capita in CP and Financial Flows scenario, 2019–2043

Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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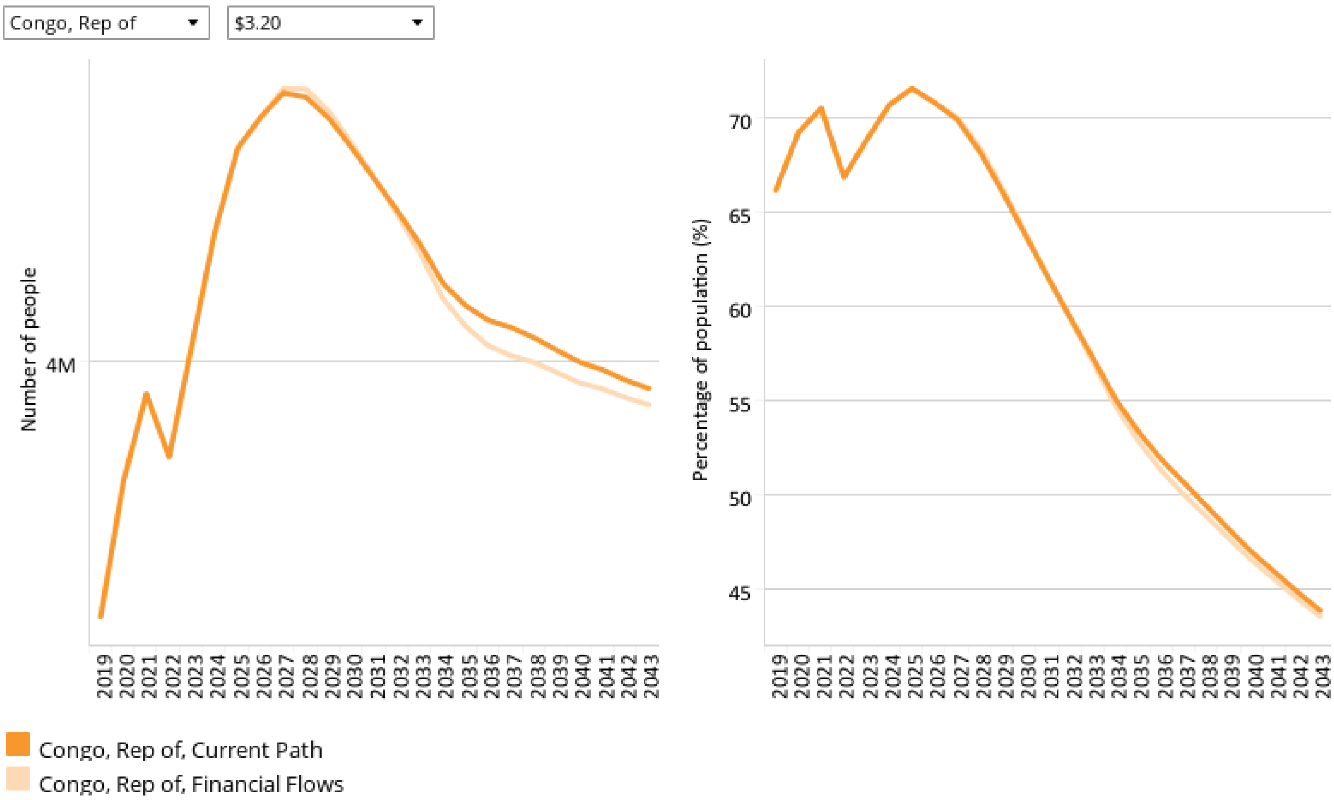
The Financial Flows scenario will have a limited impact on the Congo's average incomes over the forecast horizon: by 2043, GDP per capita will have risen to US$8 566, US$117 above the Current Path forecast. The increase will only marginally close the gap to lower middle-income Africa, whose GDP per capita will equate to US$9 142 by 2043 in the Current Path forecast.

Chart 46: Poverty in CP and Financial Flows scenario, 2019–2043
Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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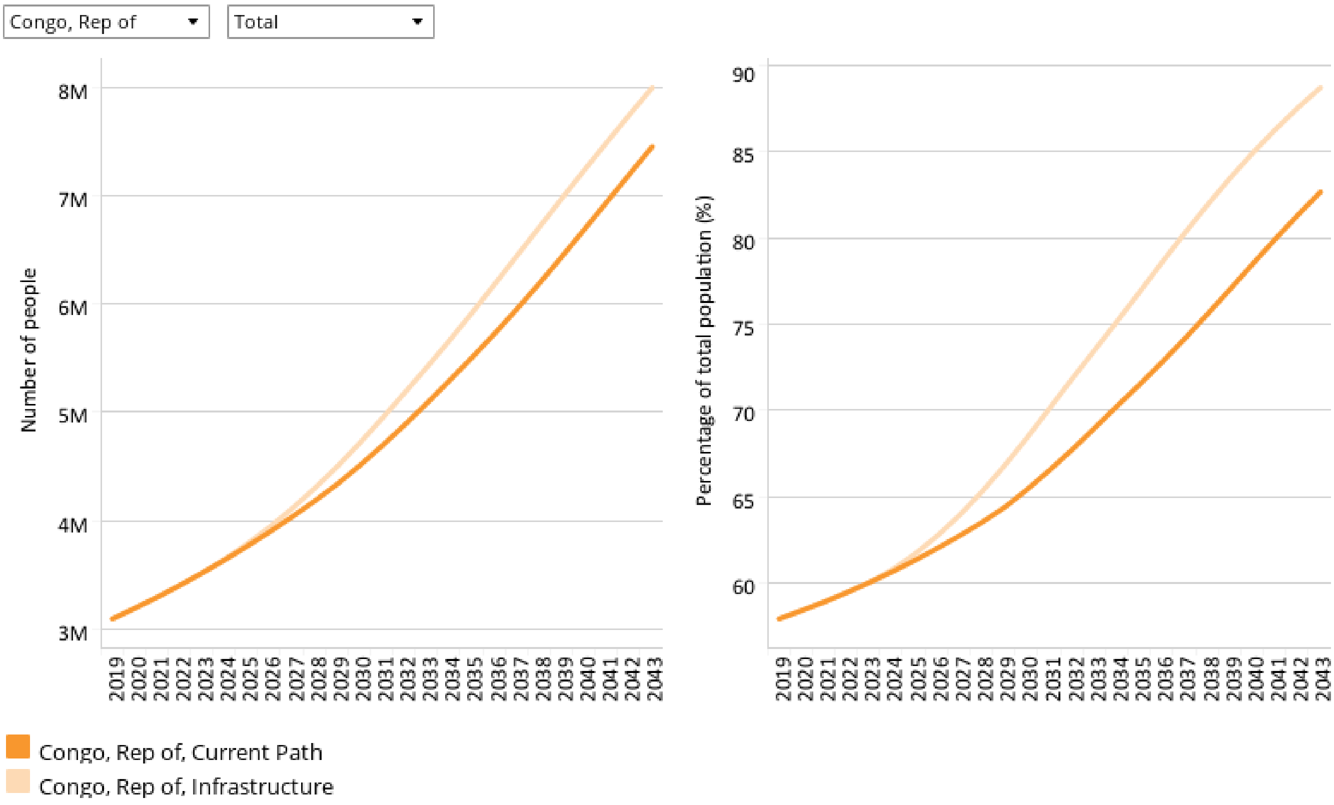
The Financial Flows scenario will marginally decrease the Congo's poverty rate, with the rate dropping by 0.3 percentage points to 43.5% by 2043. This translates to 30 000 fewer poor people compared to the Current Path forecast in 2043.

Infrastructure scenario

Chart 47: Electricity access in CP and Infrastructure scenario, 2019–2043

Millions of people and % of population



Source: IFs 7.63 initialising from World Development Indicators data

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The Infrastructure scenario represents a reasonable but ambitious increase in infrastructure spending across Africa, focusing on basic infrastructure (roads, water, sanitation, electricity access and ICT) in low-income countries and increasing emphasis on advanced infrastructure (such as ports, airports, railway and electricity generation) in higher-income countries.

Note that health and sanitation infrastructure is included as part of the Health/WaSH scenario and that ICT infrastructure and more rapid uptake of renewables are part of the Leapfrogging scenario. The interventions there push directly on outcomes, whereas those modelled in this scenario increase infrastructure spending, indirectly boosting other forms of infrastructure, including those supporting health, sanitation and ICT.

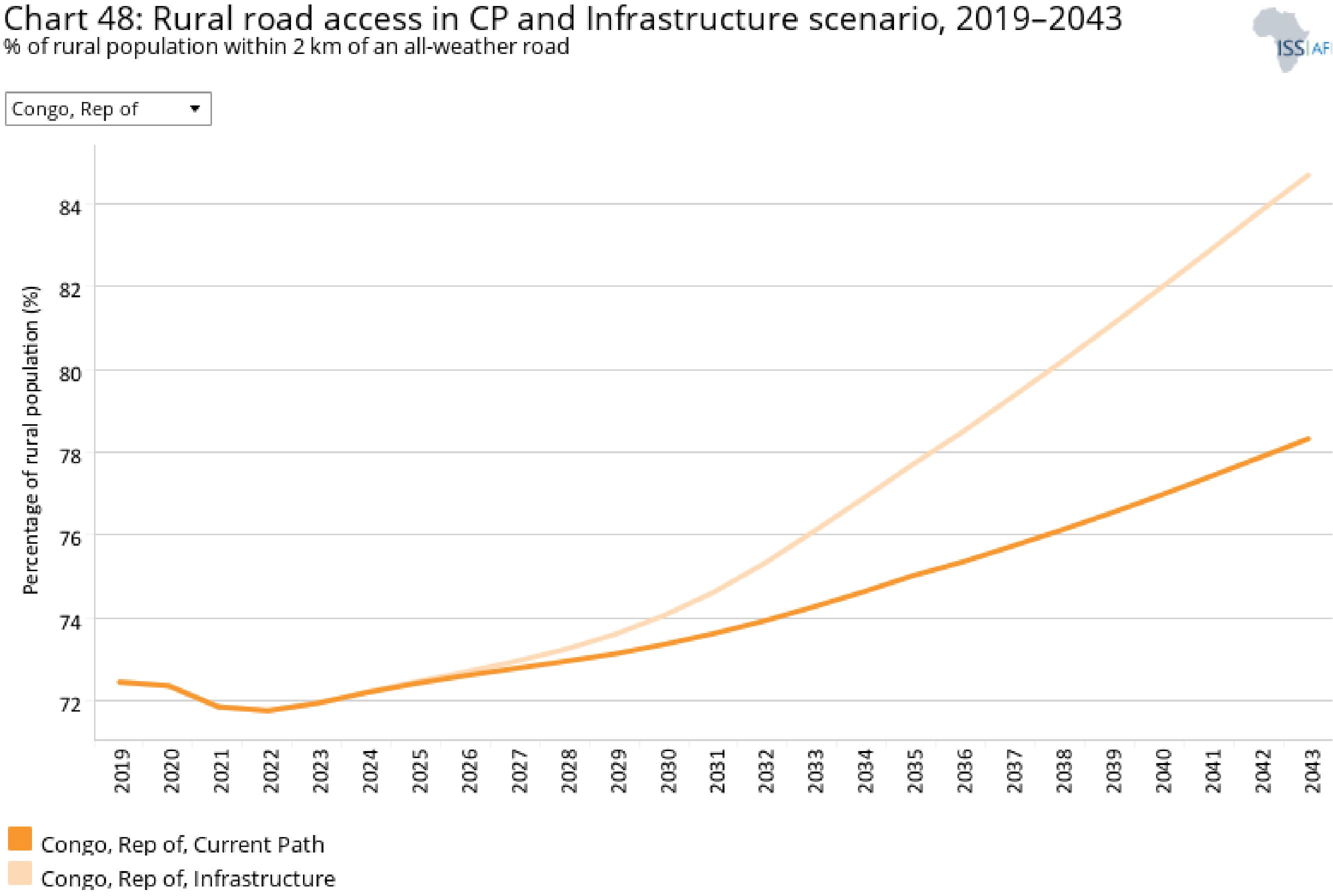
The intervention is explained here in the thematic part of the website.

The Republic of the Congo's problems with electricity distribution and transmission and reasons for low utilisation of hydroelectric potential were explored in Chart 36. The country would benefit greatly from capitalising on its hydroelectric potential, but new projects will not be fully operational for the next few years due to continued deliberation and them being in the early phases of development.[16] The country will however see a sharp rise in rural electricity access rates over the forecast horizon, coming from the low base of 18.3% in 2019 to reach 61.7% by 2043 in the Current Path forecast.

The Infrastructure scenario will boost this progress further and result in an increase of 12.8 percentage points by 2043 as the Congo reaches a rural access rate of 74.5% — above both Africa and lower middle-income Africa's averages. Urban access rates will also surpass these two groupings' averages in the Infrastructure scenario, reaching 94% by 2043 — nearly two percentage points above its lower middle-income peers.

Chart 48: Rural road access in CP and Infrastructure scenario, 2019–2043

% of rural population within 2 km of an all-weather road



Source: IFs 7.63 initialising from World Bank Rural Access Index data

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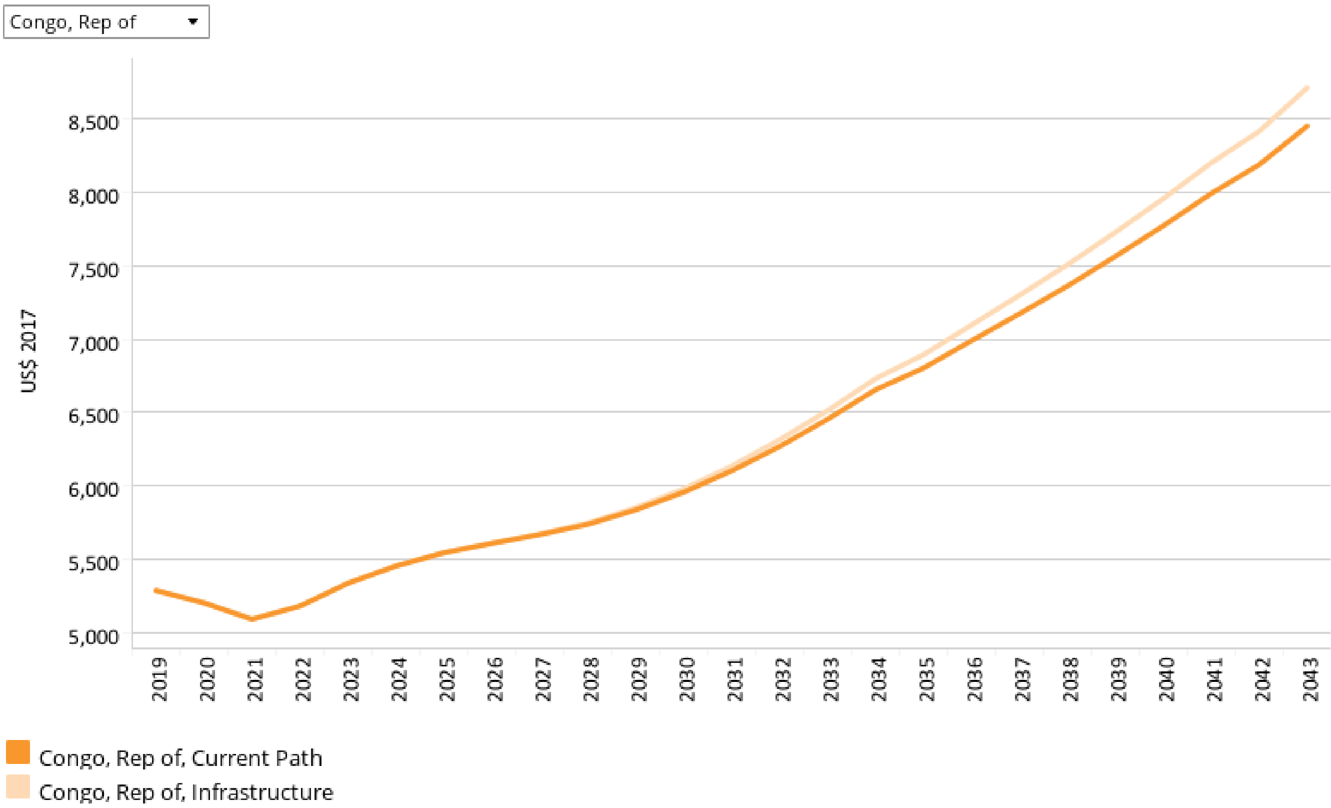
Indicator 9.1.1 in the Sustainable Development Goals refers to the proportion of the rural population who live within 2 km of an all-season road and is captured in the Rural Access Index.

Indicator 9.1.1 falls under Goal 9 and Target 9.1 of the Sustainable Development Goals. The goal strives for resilient infrastructure that crosses borders to aid economic development and improve human well-being. Increased access to roads improves access to services for those living in rural areas and reduces transport costs.[17]

The proportion of the population living in rural areas is small and decreasing, meaning the rural population is becoming more dispersed and harder to service. Nevertheless, the Congo had a score of 72.5% in 2019, which will rise to 84.7% by 2043 in the Infrastructure scenario, 6.4 percentage points above the Current Path forecast. These figures could however be inflated and must be treated with caution.[18] The majority of the Congo's roads are not paved, and most routes are either small, local roads or rural roads, which are more susceptible to damage caused by heavy rains during the country's two wet seasons.[19] These factors decrease the usefulness of the road network and negatively affect accessibility.

Chart 49: GDP per capita in CP and Infrastructure scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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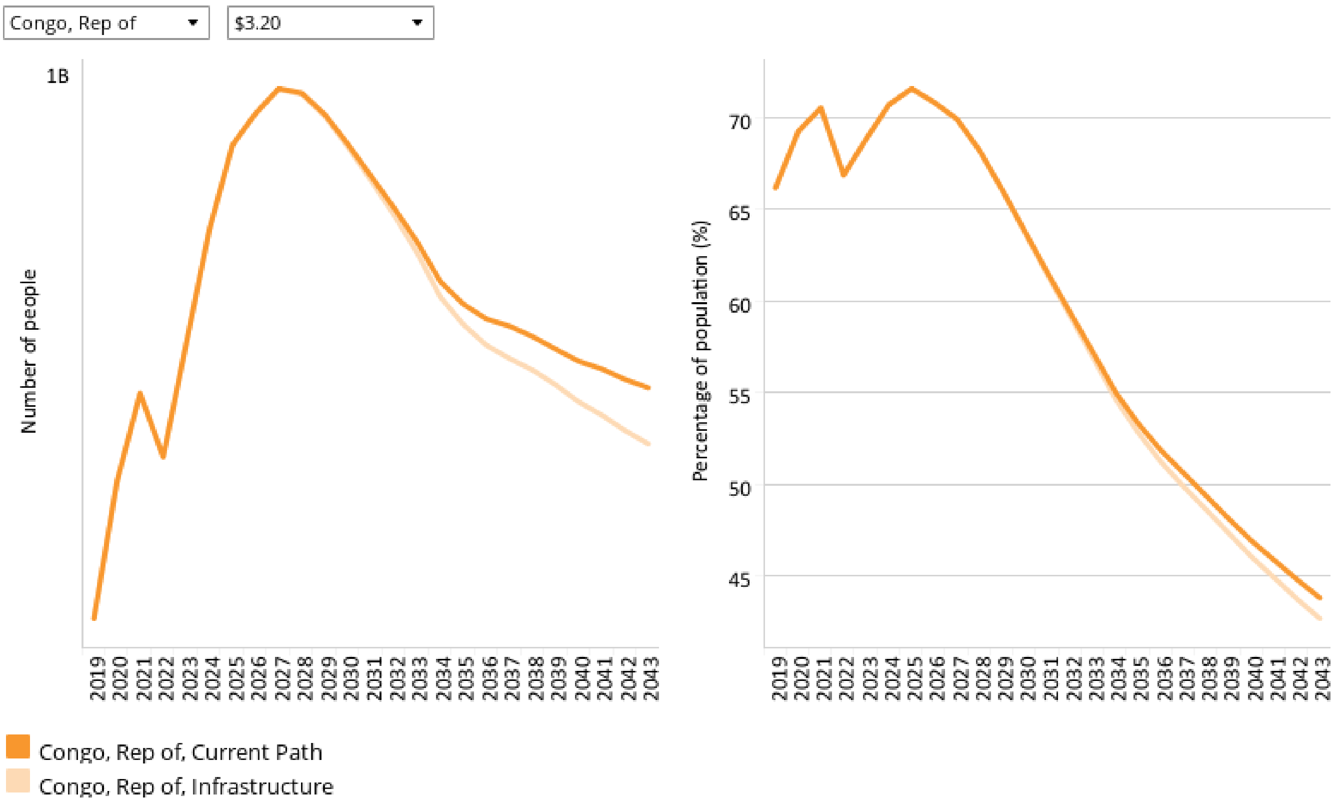
The Infrastructure scenario will lift the Congo's average income from US$8 449 in the Current Path forecast to US$8 709 by 2043, an increase of US$260. The scenario will move the country closer to lower middle-income Africa's Current Path forecast, closing the gap to US$433 by 2043.

Chart 50: Poverty in CP and Infrastructure scenario, 2019–2043

Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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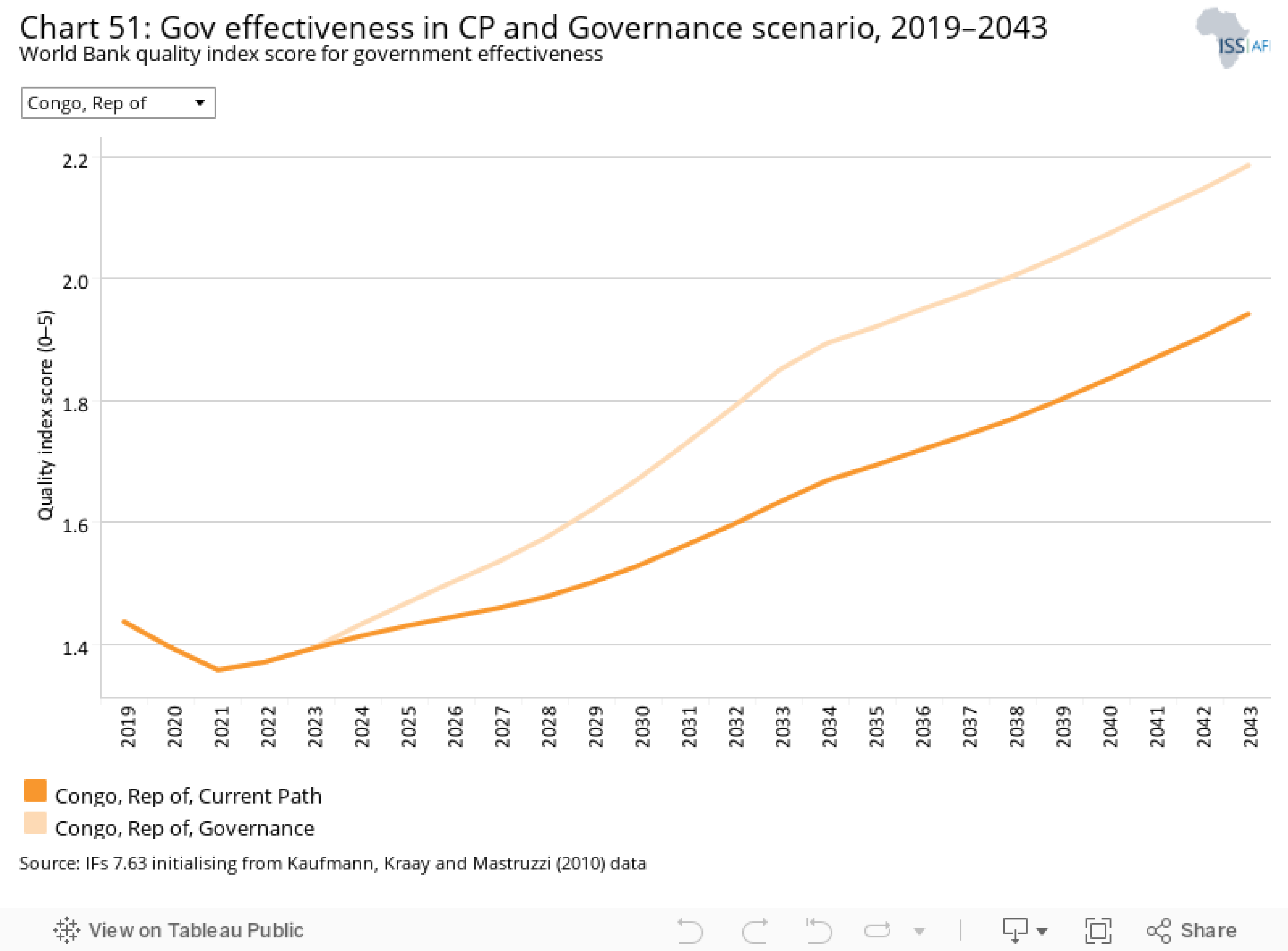
The Congo's poverty rate will drop from 43.8% in the Current Path to 42.7% in the Infrastructure scenario by 2043. The drop translates to an additional 200 000 people not living below the US$3.20 poverty line by 2043.

Governance scenario



The Governance scenario represents a reasonable but ambitious improvement in accountability and reduces corruption, and hence improves the quality of service delivery by government.

The intervention is explained here in the thematic part of the website.

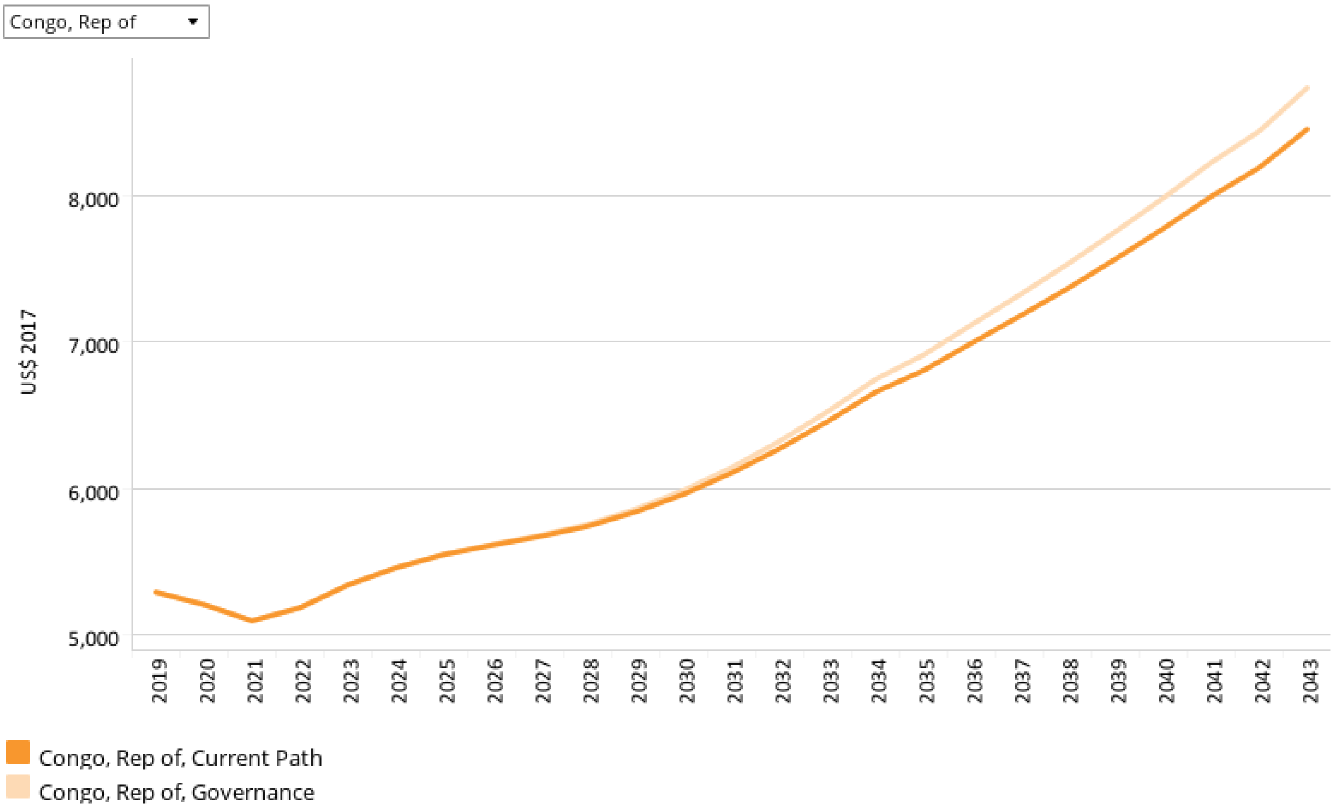
As defined by the World Bank, government effectiveness 'captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies'.

Government effectiveness is one of six indicators that the World Bank uses to measure governance. The bank investigates three dimensions of governance, i.e. political, economic and institutional respect, with two indicators detailed under each dimension. Together these indicators are used to gauge the quality of governance in a country.

The Republic of the Congo's level of government effectiveness is low due to corruption being endemic in the country, affecting all spheres of life. Although a law specifically aimed at combating corruption by public officials exists, the implementation of the law is severely lacking. Prosecution of corrupt officials is usually politically motivated, and entrenched patronage systems in multiple sectors of the economy and government mean efforts to curb corruption will likely prove unsuccessful.[20]

In 2019, the Congo ranked 36th out 54 African countries for government effectiveness, with a score of 1.4 out of 5. The 2021 Transparency International Corruption Perceptions Index ranked the Congo 162nd out 180 countries for public sector corruption, with its score deteriorating from 26 out of 100 in 2012 to 21 out of 100 by 2021.[21] The country will see an increase in governance effectiveness in the Governance scenario, with its score rising to 2.2 out of 5 by 2043, 0.3 points higher than in the Current Path forecast.

Chart 52: GDP per capita in CP and Governance scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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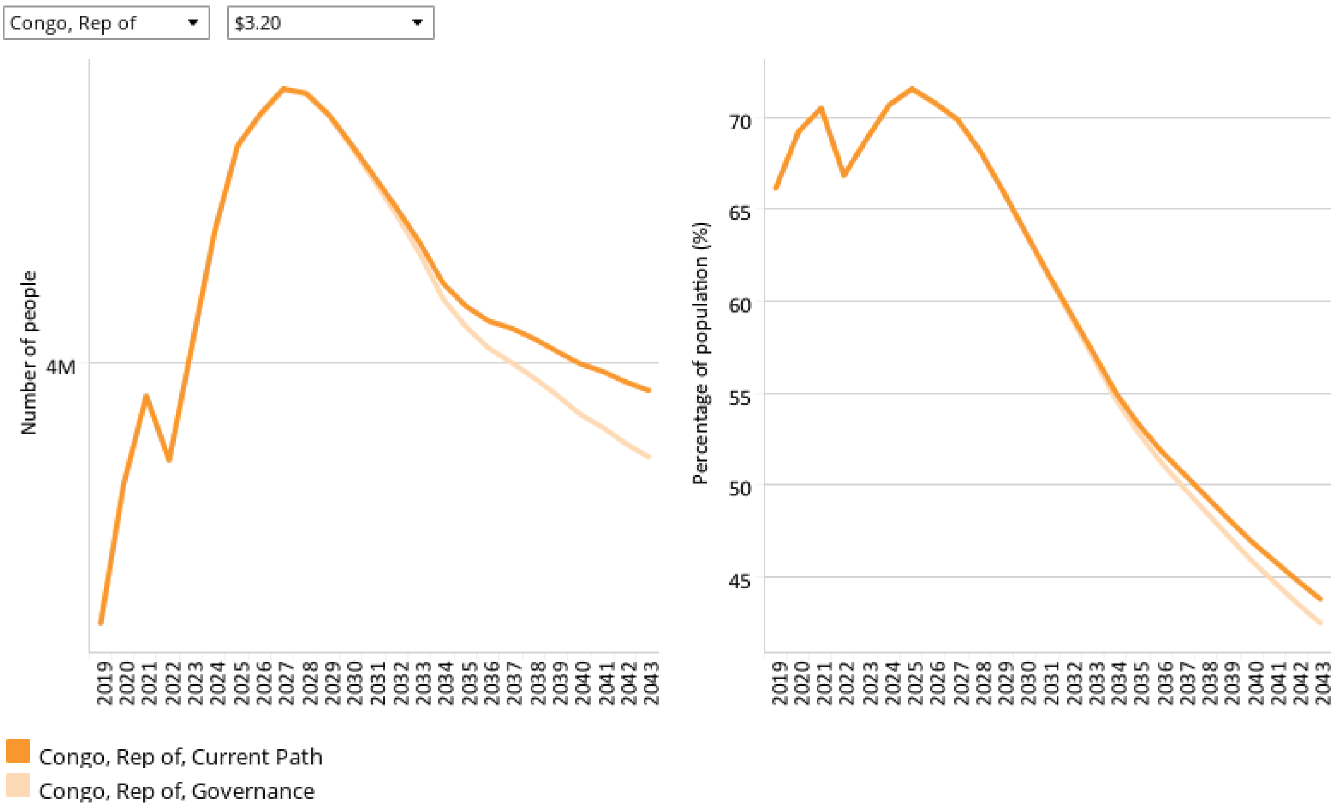
The Congo will see its GDP per capita rise from US$8 449 to US$8 731 by 2043 in the Governance scenario — a rise of 3.3%. Increased accountability and transparency means the Congo will continue to close the gap to lower middle-income Africa's Current Path forecast of US$9 142 for 2043.

Chart 53: Poverty in CP and Governance scenario, 2019–2043
Millions of people and % of total population



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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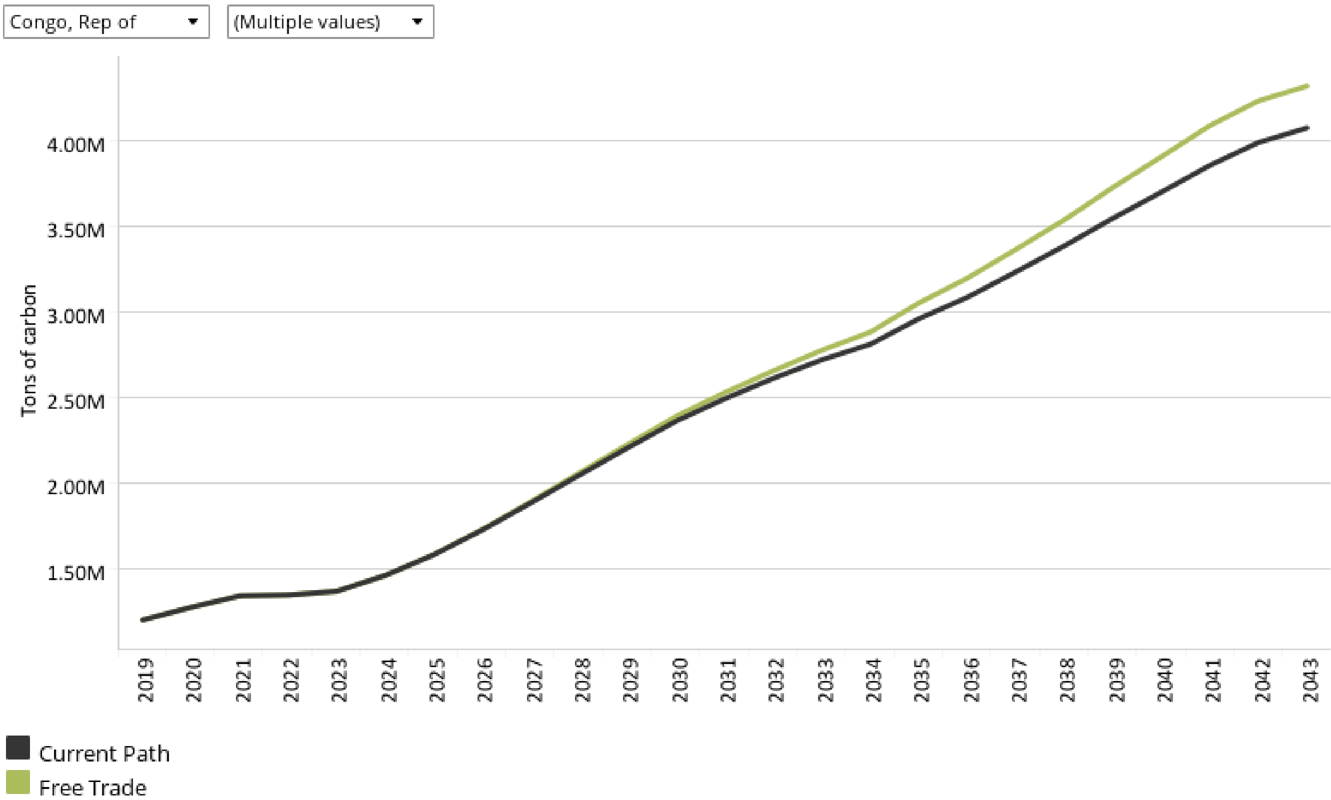
The poverty rate in the Congo will decrease from 43.8% to 42.5% by 2043 in the Governance scenario — a 1.3 percentage point drop which translates to an additional 200 000 people living above the US$3.20 poverty line. The decrease in the rate means Congo continues to close the gap to lower middle-income Africa's Current Path forecast, which will be 38.3% by 2043.

Impact of scenarios on carbon emissions

Chart 54: Carbon emissions in CP and scenarios, 2019–2043

Million tons of carbon (note, not CO_2 equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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This section presents projections for carbon emissions in the Current Path for the Republic of the Congo and the 11 scenarios. Note that IFs uses carbon equivalents rather than CO2 equivalents.

The projected increase in carbon emissions for the Republic of the Congo will see the country emit 4.07 million tons of carbon by 2043 in the Current Path forecast — an increase of 2.87 million tons compared to 2019. The 11 scenarios discussed in this report all have an effect on this forecast, with the increase in average incomes leading to higher emissions. The Leapfrogging scenario is an outlier, however, as the rise in GDP per capita it engenders does not come at the cost of rising emissions but rather sees emissions drop to 4.05 million tons of carbon by 2043. The Free Trade and Manufacturing/Transfers scenarios both increase GDP per capita appreciably, but both cause emissions to rise to 4.3 million tons of carbon by 2043. The Demographic scenario sees emissions fall to 4.01 million tons of carbon by 2043 due to the scenario's effect on slowing down population growth.

Endnotes

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16. U.S. Energy Information Administration, Congo-Brazzaville, 12 May 2021
17. A Iimi et al., New rural access index: Main determinants and correlation to poverty, World Bank, November 2016
18. The manner in which the metric is calculated has changed from its initial conception in 2006 when surveys were used to estimate access. Since 2012, the World Bank has started to move towards spatial data on population distribution and road networks, including their condition, to compile the Rural Access Index. IFs v7.63 still uses the old methodology, and thus some of its estimates are higher than current data.
19. World Food Programme, Republic of the Congo Road Network
20. GAN Integrity, Republic of the Congo Corruption Report, Risk & Compliance Portal, August 2020
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