THE WAVERLEY SERIES

REPUBLIC OF THE CONGO

(Congo-Brazzaville)

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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REPUBLIC OF THE CONGO — AT A GLANCE

Capital	Brazzaville
Population	≈ 5.9–6 million
Real GDP growth	3.1% (2025, World Bank); projected to accelerate toward 5.5% in 2026 as oil and gas output rise
GDP per capita	≈ USD 2,550 (nominal, 2026 est.)
Inflation	Expected to remain close to the 3% ceiling set by the Bank of Central African States (BEAC) in 2026
Fiscal position	Budget surplus narrowed to 0.9% of GDP in 2025 on declining oil revenue; non-oil fiscal deficit narrowed to 6.8% of GDP from 7.4% in 2024
Public debt	The IMF formally classified Congo as in debt distress in February 2026; debt is projected to ease gradually toward the mid-90s% of GDP in 2026, still well above the 70% CEMAC regional ceiling
Currency	Central African CFA franc (XAF), pegged to the euro, CEMAC/BEAC
Key exports	Crude oil (≈90% of exports), liquefied natural gas, timber
Principal partners	China (leading oil export destination), United Arab Emirates, France; IMF, World Bank, CEMAC
Governing framework	National Development Plan 2022–2026 focused on economic diversification; IMF Extended Credit Facility programme completed; new 2026 Gas Code

The Republic of the Congo returned to international bond markets after nearly two decades this year and marked the launch of the second phase of its flagship LNG project, even as the IMF formally classified the country's debt as being in distress and President Denis Sassou Nguesso, one of Africa's longest-serving heads of state, secured a fifth consecutive term in a March 2026 election boycotted by major opposition parties. Investors weighing Congo today are weighing genuine gas-sector monetisation and renewed capital-markets credibility against declining oil production, debt levels still well above regional ceilings, and a political system with no announced succession plan.

1. INVESTMENT & FDI

A landmark return to international bond markets signals renewed investor confidence, even as the IMF has formally classified Congo's debt as being in distress.

The Republic of the Congo issued its first Eurobond since 2007 this year, a $670 million placement on the main market of the London Stock Exchange, raising funds to cover maturing debt and easing pressure on public finances. The placement is widely read as a signal that the country's economic policy is regaining international credibility after a prolonged period of reform. Set against this: the IMF formally classified Congo as being in debt distress in February 2026, and in September the Fund sent missions to Congo, Gabon and Cameroon specifically over concerns about debt levels and the risk they pose to monetary stability across the shared CFA franc zone.

- **Return to international capital markets:** the $670 million London Stock Exchange Eurobond, Congo's first since 2007, represents a genuine, concrete signal of renewed international investor confidence after two decades on the sidelines of global bond markets.
- **Formal debt-distress classification:** the IMF's February 2026 classification of Congo's debt as being in distress, alongside a September mission examining regional CEMAC stability risk, tempers the bond issuance's positive signal and should be weighed directly alongside it.
- **Improving investment metrics:** foreign direct investment reached 4.1% of GDP in 2023, a marked improvement over earlier years, while gross capital formation rose to 25.2% of GDP from 21% the prior year, both genuine indicators of strengthening investment activity.
- **IMF's consistent recommendations:** the Fund continues to recommend Congo strengthen debt management, halt new arrears accumulation, publish more borrowing information, and rely more on concessional financing rather than expensive market debt — recommendations investors should track for signs of implementation.

2. TRADE & BUSINESS

Oil remains overwhelmingly dominant and production is trending down, though new gas exports and mining projects offer a genuine, if narrow, diversification path.

Crude oil accounts for roughly 90% of Congo's exports, and the country remains Sub-Saharan Africa's third-largest oil producer after Nigeria and Angola, with China as its leading export destination. Production has nonetheless been trending downward through 2026, from 286,000 barrels per day in June to 274,000 in July, underscoring the maturity of the country's established oil fields even as new gas exports begin to offset the decline.

- **Declining oil output:** the month-on-month production decline through mid-2026 reinforces why final investment decisions on Congo's three pending deep-water developments are widely regarded as the single most important upstream catalyst to watch this year.
- **China as principal trade partner:** China's position as Congo's leading oil export destination and a major source of imports and financing continues to anchor the bilateral economic relationship, alongside longstanding Russian involvement in infrastructure and the energy sector.
- **Gas exports now contributing:** the Congo LNG project's Phase 2 launch has added a second, genuine export revenue stream to the country's overwhelmingly oil-dependent trade base, detailed further in Section 4.
- **Mining sector diversification:** the Mbalam-Nabeba iron ore deposit, which extends into neighbouring Cameroon, began production in 2024 and is expected eventually to become one of the world's largest iron ore mining centres, while Kore Potash continues developing its Kola potash project in the Sintoukola basin.

3. MAJOR ECONOMIC DEVELOPMENTS

A symbolic return to global capital markets sits alongside a formal debt-distress classification and a heavily managed presidential election.

Congo's 2025 budget surplus narrowed sharply to 0.9% of GDP as oil revenues declined, though the non-oil fiscal deficit continued to narrow, reaching 6.8% of GDP from 7.4% in 2024, reflecting genuine non-oil revenue mobilisation efforts even as poverty edged up slightly to 51.7% on the $3.00-a-day measure. On 15 March 2026, President Denis Sassou Nguesso, who has led Congo for decades and ranks among Africa's longest-serving heads of state, was re-elected to a fifth consecutive term with 94.9% of the vote on a reported 84.99% turnout; major opposition parties boycotted the election. No formal succession plan has been announced, and political power remains concentrated in the presidency and his inner circle, a dynamic independent analysts describe as itself embedded as a risk premium in Congo's sovereign debt yields and project contracts.

- **Narrowing surplus, improving non-oil balance:** the fiscal surplus compression to 0.9% of GDP reflects declining oil revenue directly, while the non-oil deficit's continued narrowing to 6.8% of GDP demonstrates genuine, if still incomplete, progress on broadening the revenue base.
- **A fifth consecutive presidential term:** the March 2026 election, decided with 94.9% of the vote amid a boycott by major opposition parties, extended a presidency now spanning decades without a formal succession plan in place, a factor independent analysts say both reassures some investors seeking continuity and concerns others assessing long-term political risk.
- **Poverty and human development constraints:** despite the oil and gas sector's scale, more than half the population lives below the $3.00-a-day poverty line, and independent assessment finds recent economic recovery has not been broadly shared across Congolese communities.

4. MAJOR PROJECTS & INFRASTRUCTURE

Gas monetisation and a Russian-backed pipeline anchor Congo's next wave of energy infrastructure.

Eni marked the launch of Phase 2 of the Congo LNG project on 7 February 2026, when President Sassou Nguesso and Eni chief executive Claudio Descalzi attended the first-cargo ceremony for the floating Nguya LNG facility in Pointe-Noire. With Nguya online alongside the earlier Tango facility, Congo LNG's total liquefaction capacity now reaches 3 million tonnes per year, fed by the Nene and Litchendjili fields on the offshore Marine XII licence. Eni's own equity production is set to rise from roughly 70,000 barrels of oil equivalent per day in 2025 to 110,000 in 2026, and the company supplies gas to the Congo Power Plant, which generates approximately 70% of the country's electricity.

- **Congo LNG Phase 2 online:** the Nguya FLNG facility's start-up brings total Congo LNG capacity to 3 million tonnes annually, a concrete, already-operating diversification of the country's gas monetisation beyond domestic flaring and reinjection.
- **Refining capacity expansion:** Pointe-Noire's established CORAF refinery is being joined by a new Chinese-built refining plant targeting a 2026 start, continuing Congo's reliance on Chinese capital to build out downstream capacity.
- **Russian-backed pipeline:** a Pointe-Noire to Brazzaville oil pipeline, approved in 2024 and roughly 90% Russian-owned, could begin construction in 2026 with an expected three-year build timeline, extending Russia's longstanding role in Congolese infrastructure, agriculture, mining and energy.
- **Deep-water development pipeline:** final investment decisions on three deep-water oil developments are expected in 2026, with TotalEnergies operating the Moho Nord and Marine XX assets, Trident Energy and Perenco active across mature fields, and national oil company SNPC advancing permits including the Nzombo block.

5. CONFERENCES, FORUMS & EXHIBITIONS

Brazzaville hosted a major China-Africa investment gathering this month, drawing five African heads of state.

- **Fifth China-Africa Investment Forum:** held 10–12 September at the Kintele International Conference Centre near Brazzaville, the forum brought together the presidents of Angola, the Democratic Republic of Congo, the Central African Republic, Equatorial Guinea and Rwanda alongside host President Sassou Nguesso, with the IMF's Congo mission chief participating as a panelist on the future of work in a digitised Africa.
- **2027 Congo Energy and Investment Forum announced:** the government has announced plans to position Brazzaville as a recurring hub for global energy investment, built around Eni's LNG project, TotalEnergies' deepwater activity and the new Gas Master Plan, though independent commentary notes Congo is competing for the same pool of international energy capital as Nigeria, Angola, Mozambique, Tanzania and Namibia simultaneously.

6. BUSINESS & INVESTMENT EVENTS

The LNG Phase 2 launch ceremony brought together Congo's president and Eni's leadership as this year's marquee investment milestone.

- **Nguya FLNG first-cargo ceremony:** the February event in Pointe-Noire, attended directly by President Sassou Nguesso and Eni CEO Claudio Descalzi, marked the most significant single investment milestone of the year for Congo's energy sector.
- **China-Africa Investment Forum margin discussions:** extensive side discussions at the September Kintele forum focused specifically on enhancing investment opportunities in the Republic of Congo alongside other African markets represented at the gathering.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Congo is balancing continued reliance on Chinese capital with renewed European bond-market access and long-standing Russian energy ties.

- **China:** beyond its position as Congo's leading oil export market and a major source of both imports and infrastructure financing, China's hosting role at the September Kintele forum reinforces Beijing's continued centrality to Congo's economic diplomacy.
- **Russia:** longstanding ties encompassing infrastructure, agriculture, mining, oil and diplomatic and military support continue through the roughly 90%-Russian-owned Pointe-Noire to Brazzaville pipeline now approaching construction.
- **IMF and international capital markets:** the completed IMF-supported programme, the September debt-focused regional mission, and the successful $670 million London Stock Exchange Eurobond together represent Congo's three primary channels of engagement with Western-oriented multilateral and capital-markets institutions.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Economic diversification claims remain constrained by limited non-oil sector development beyond extractive industries.

Non-oil GDP growth reached 3.8% in 2025, supported primarily by services, and the non-oil fiscal deficit's continued narrowing reflects genuine, if gradual, non-oil revenue mobilisation efforts. Independent assessment nonetheless finds the economy remains overwhelmingly dependent on oil, with no coherent diversification strategy extending meaningfully beyond the expansion of other extractive industries such as gas and mining, and with promised improvements in infrastructure, health and education failing to reach most communities despite the recent economic recovery.

- **New Gas Code:** the 2026 Gas Code is intended to clarify taxation and licensing conditions specifically to attract a broader range of investors, including smaller entrants, to Congo's gas sector beyond the majors already active there.
- **A genuine but incomplete diversification story:** non-oil growth of 3.8% and a narrowing non-oil fiscal deficit both represent real progress, though independent governance assessment continues to find that this growth has not translated into broadly shared improvements in infrastructure, health or education access.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Deep-water oil, gas commercialisation and mining define the newest openings for foreign capital.

- **Three pending deep-water FIDs:** final investment decisions expected in 2026 on Congo's remaining deep-water oil developments represent the clearest near-term opportunity for upstream investors and services providers already active in the sector.
- **Gas Master Plan and national gas company:** the creation of a dedicated national gas company alongside the new Gas Code represents a structural opening for gas-sector investors beyond the LNG majors already established in Congolese waters.
- **Kore Potash's Kola project:** continued development of the Sintoukola basin potash project offers investors exposure to Congo's mining sector beyond its traditional oil and gas base.
- **Mbalam-Nabeba iron ore:** the cross-border iron deposit's path toward becoming one of the world's largest ore mining centres represents a long-horizon but substantial mining-sector opportunity tied directly to regional infrastructure development.

SUMMARY ASSESSMENT

The Republic of the Congo in September 2026 offers investors a genuinely improving, if still fragile, capital-markets and gas-monetisation story. The $670 million return to the Eurobond market after nearly two decades and the Congo LNG project's Phase 2 launch both represent concrete, verifiable progress, and the September China-Africa Investment Forum reinforced Brazzaville's role as a regional gathering point for energy and infrastructure capital.

Set against that: the IMF's formal February 2026 debt-distress classification, declining monthly oil production, and public debt still well above the CEMAC region's 70% ceiling all warrant continued close monitoring. President Sassou Nguesso's fifth consecutive term, secured in a March election boycotted by major opposition parties and with no succession plan announced, leaves a political continuity question that independent analysts say is itself priced into Congo's sovereign risk premium, whatever near-term stability it may also provide.

For investors, the coming months offer concrete signals to watch: whether the three pending deep-water final investment decisions proceed on schedule, whether debt metrics continue improving toward the IMF's own recommended trajectory following its September regional mission, and whether the new Gas Code and national gas company succeed in drawing investment beyond the majors already established in Congolese waters.