



Fédération des Entreprises
du Congo
Chambre des Mines

PRESS RELEASE

Effects of lower metal prices in the DRC reinforce the need to stabilize tax policies

Lubumbashi, October 1, 2015 - In light of the current challenging market conditions facing the mining industry and operators in the Democratic Republic of Congo, many companies have revised their operating and investment plans and cost structures to adjust to the lower prices of their products. To maintain and encourage long-term investors, the Chamber of Mines of the Federation of Enterprises of Congo (FEC) calls for the stabilization of tax policies in order to avoid further impacts to mining companies, which could in turn result in additional cutbacks.

Revenues from mining worldwide have been severely affected by the falling prices of metals, including copper, which is currently trading at its lowest level in six years. This is due to a decline in demand from major consumer countries, including China, the largest consumer of copper, which is currently in the midst of an economic slowdown. China's reported growth figures are at their lowest level in 25 years.

As a result, certain companies have been forced to either suspend production or to significantly reduce production costs for the time being. This is likely to result in direct and indirect job losses among suppliers and subcontractors, as well as reduced tax revenue for the state. While such conditions are cyclical, this is a global phenomenon, with little visibility as to when commodity prices are likely to rebound.

Despite these challenges, the mining industry remains committed to operating in the DRC and will continue to ensure the highest level of safety across all of its operations. The Chamber of Mines looks forward to working with the Government of the DRC in a stable business environment that supports the long-term health of the mining industry.

For further information:

John Nkono

Secretary General

Fédération des Entreprises du Congo

Mail : j.nkono@fec-rdc.com