

# Congo demands \$17bn more in infrastructure investments from China deal

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Congo's state auditor has demanded an additional \$17bn of investments from a 2008 infrastructure-for-minerals deal with Chinese investors that is currently being renegotiated, documents seen by Reuters on Thursday, 16 February, showed.



A copper and cobalt mine run by Sicominex is seen in Kolwezi, DRC. Source: Reuters/Aaron Ross

President Felix Tshisekedi's government has been revisiting the deal struck by his predecessor Joseph Kabila under which SinoHydro Corp and China Railway Group Limited agreed to build roads and hospitals in exchange for a 68% stake in Sicominex, a cobalt and copper joint venture with Congo's state mining company Gecominex.

Under the Sicominex deal, the Chinese investors committed to spending \$3bn on infrastructure projects, but the state auditor - Inspection Generale des Finances (IGF) - demanded that commitment be increased to \$20bn, to reflect the value of the mining concessions that Gecominex contributed to the deal.



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## \$822m spent on infrastructure so far

A Sicominex official did not immediately reply to a request for comment. He has previously defended the deal, saying it had driven development for Congo's people and that Sicominex would invest more as production increased.

So far, Sicominex has only spent \$822m on infrastructure investments, according to the IGF report seen by Reuters. The auditor also called for an "immediate" \$1bn investment from Sicominex, and a commitment to 50% of the workforce on

infrastructure projects being Congolese.

## **Renegotiation of the convention**

Among a list of 16 demands, the IGF called for the "renegotiation of the Convention to adjust and balance the duties and benefits of both parties and bring them into line with the value of their respective contributions".

The auditor also demanded that Gecamines be given a bigger stake in Sicomines. It currently has a 32% holding.

Congo's finance minister Nicolas Kazadi told Reuters last month that the government expects to reach an agreement on the Sicomines deal this year.

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