



Cobalt at a Crossroads: Balancing Market Stability and National Strategy in the DRC

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To counter the collapse in cobalt prices, the DRC is suspending its exports until June 2025, hoping to rebalance the global market and protect its economy. What are the implications and prospects of this decision?

1. The Facts

On February 22, 2025, the Board of the Regulatory and Control Authority for Strategic Mineral Substances Markets (ARECOMS) announced, in its Press Release No. 2025/001, the decision to temporarily suspend the export of cobalt from the Democratic Republic of Congo (DRC). This measure, initially set for four months, aims—according to the press release—to stabilize the cobalt market in response to the oversupply on the international market. But what are the implications and prospects of this decision? Is it a step forward or three steps back?

2. Legal Context:

The DRC, accounting for 70% of global cobalt production, lies at the heart of strategic concerns surrounding this vital resource for batteries, alloys, and modern industries. The revised 2018 Mining Code provided a regulatory framework with Decree No. 18/042 declaring cobalt as a strategic mineral and Decree No. 19/15 addressing artisanal mining activities. The creation of the *Entreprise Générale du Cobalt (EGC)* in 2019 aimed to centralize the purchase, processing, and marketing of artisanal cobalt. However, despite this, recent years have seen the international market overwhelmed by an oversupply, leading to a drastic price drop - from \$90,000 per ton in 2018 to roughly \$20,000 per ton in recent weeks on the London Metal Exchange.

Faced with this crisis, ARECOMS enacted a temporary suspension of cobalt exports in all forms - industrial, semi-industrial, small-scale, or artisanal. This measure is intended to curb the surplus, stabilize prices, and ensure fair remuneration for producers. Nonetheless, this decision risks unintended consequences, such as incentivizing end users to develop alternative materials, or reducing tax revenue and foreign exchange income, further straining the country's economic balance. With cobalt being integral to public finances and development initiatives, any disruption in exports could critically affect the nation's stability, especially as it contends with sovereignty and territorial challenges.

3. Challenges and alternatives.

To mitigate the suspension's impact, economic diversification - through sectors like agriculture, tourism, and services - has been proposed but remains unattainable in the short term. A more flexible measure could involve the introduction of export quotas. Still, questions persist: Does the DRC have the capacity to effectively manage its cobalt mines and wield significant influence over the global market? While bold measures have been taken, they must be accompanied by decisive follow-through. Furthermore, the management of these resources is crucial as rare metals, especially cobalt, are central to the energy transition and the geopolitical contest between Washington and Beijing over Congolese mineral wealth.

In this intricate dance, is the DRC making progress with “one step forward” or falling behind with “three steps back”? As with any tango, the key lies in coordination and balance—the DRC must adopt a more strategic approach to ensure sustainable progress.

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