



Director of  
Central  
Intelligence

~~Secret~~

25X1

**MASTER FILE COPY**

**DO NOT GIVE OUT  
OR MARK ON**

**Zaire: Prospects for the  
Mobutu Regime**

STAT

National Intelligence Estimate  
Volume II—Annexes

~~Secret~~

*NIE 65-86/II  
November 1986*

Copy 506

**THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.**

**THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.**

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the intelligence organizations of the Department of State, and the Treasury.

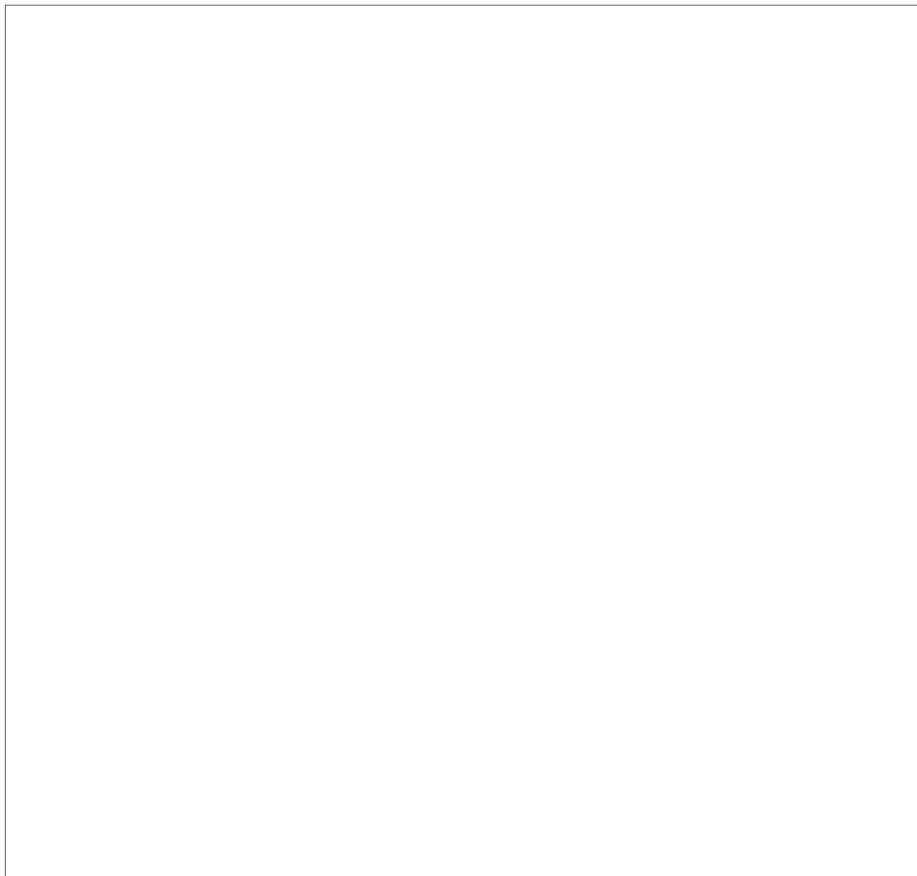
*Also Participating:*

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

25X1



~~SECRET~~

25X1

NIE 65-86/II

ZAIRE: PROSPECTS FOR THE  
MOBUTU REGIME

STAT

Volume II—Annexes

Information available as of 7 November 1986 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on that date.

~~SECRET~~



**Page Denied**

SECRET



25X1

### CONTENTS

	<i>Page</i>	
Annex A: Obstacles to Economic Growth.....	A-1	
Annex B: The UDPS: A Continuing Irritant .....	B-1	
		25X1
Annex D: Status of the FLNC .....	D-1	
		25X1

**Page Denied**

SECRET

25X1

## ANNEX A

## OBSTACLES TO ECONOMIC GROWTH

Zaire's hopes for more rapid growth rest on its ability to boost exports and remove the foreign exchange constraint on essential imports. We foresee, however, only modest export growth through the end of the decade that, when combined with growing debt service obligations and little new external capital, will constrain real import growth to a rate far below the level needed for sustained economic recovery. [redacted]

**Dim Export Picture**

If Zaire is to meet its longer run debt obligations and still have currency to fund development programs, a healthy export performance is critical. Unfortunately, world prices for major exports—copper, petroleum, diamonds, and cobalt—remain very low and most commodity experts see little prospect for a turnaround anytime soon. [redacted]

[redacted] export earnings are likely to be lower in 1986 and 1987 than either of the two preceding years because of unanticipated declines in the world price for copper and cobalt—which together account for about 50 percent of total exports.<sup>1</sup> Coffee earnings, which were expected to increase sharply as a result of high world prices, are likely to be significantly below projections because of ill-advised government policies and marketing problems. Revenues from petroleum exports, which in 1985 accounted for 17 percent of total exports, are expected to fall drastically in 1986 because of the sharp decline in world prices [redacted]

[redacted] Although slow export growth probably will resume in 1988, we believe prospects for a rapid rise in earnings through 1990 are poor because of Zaire's dependence on primary commodities and structural constraints that exist within each major export industry. Moreover, more than 40 percent of Zaire's mineral exports are shipped through South

<sup>1</sup> The world price for copper, which accounts for 37 percent of Zaire's exports, has fallen from 64 cents per pound in January 1986 to 59 cents per pound in August 1986. [redacted]

low demand is likely to keep copper prices around their current level for the remainder of 1986. The world price for cobalt fell sharply from \$11 per pound in January 1986 to \$3.70 in August 1986 because of oversupply and substitution. Cobalt prices, however, increased sharply in September to \$6 per pound, and commodity experts believe the price of cobalt may continue to rise into 1987. A 1-cent-per-pound change in average annual copper prices represents approximately \$5 million in Zairian export earnings, while a \$1-per-pound change in cobalt prices represents approximately \$37 million in revenue. [redacted]

Africa, and any disruption of these routes would have an immediate negative impact on export revenues. [redacted]

**Growing Debt Burden**

Servicing the \$5 billion debt is a key obstacle to growth because it is absorbing an increasing share of the country's scarce foreign exchange. [redacted] debt repayments in 1986 will be 25 percent of export earnings and about 50 percent of government revenues. By contrast, in 1982 the shares were only 16 percent and 10 percent respectively. [redacted]

Given the problems in meeting debt servicing requirements, Zaire has turned to debt rescheduling. While this has reduced the burden in the short term, it has only delayed the problem and increased the overall size of the financial burden. We see little alternative to continued annual reschedulings of principal and interest payments. Without annual reschedulings, debt service ratios would range from 55 to 60 percent compared to 25 to 30 percent with rescheduling. We calculate that annual reschedulings through the end of the decade at similar terms as in 1985 will add at least \$1.5 billion in capitalized interest to total debt by 1990. According to international financial sources, a comprehensive multiyear rescheduling is unlikely, given current lender attitudes. [redacted]

Domestically, we believe the effect of debt service on the budget has been compounded in recent years by Kinshasa's moves to hold down spending and deficit financing in order to reduce inflation and stay in compliance with IMF performance targets. [redacted]

[redacted] debt service, salaries, and nondiscretionary expenditures now represent 80 percent of total government spending, leaving only 20 percent of the budget for public investment and operational expenses. [redacted]

**Limited Outside Capital**

External sources of funds are likely to be limited in the foreseeable future. Although international financial statistics show that the World Bank and bilateral donors have responded to Kinshasa's reform efforts by providing increased aid over the past three years, we judge their own budget constraints make it unlikely

A-1

SECRET

**Page Denied**



SECRET

25X1

that these donors will increase aid sufficiently to fuel a recovery. At a recent World Bank Consultative Group meeting, new aid commitments for 1986-88 were far short of the amounts needed to fund Zaire's five-year (1986-90) investment plan aimed at achieving an annual real GDP growth of 3.5 percent. Even given present aid levels, the net flow of funds is negative. Indeed, according to World Bank statistics, in the past two years Kinshasa paid out roughly \$440 million more to medium- and long-term creditors than it received in new loan funds. Further, reporting from international financial observers holds little hope that commercial banks or private investors will be willing to put much money into Zaire over the next several years. Despite an improved climate for foreign businesses—profits and dividends are being remitted for the first time since the mid-1970s—many foreign investors remain deterred by the country's weak infrastructure and history of corruption and economic mismanagement.

### Stagnant Import Capacity

We estimate that foreign exchange shortages caused by declining exports, growing debt obligations, lack of foreign reserves, and lower-than-expected IMF inflows will force Kinshasa to cut back on essential imports this year, thereby slowing economic activity. Moreover, we estimate that slow export growth, continued high debt service payments, and the large service account deficit will lead to long-term import restraint, with real import growth averaging only about 2 percent per year, not nearly enough to fuel an economic recovery. With foreign exchange reserves covering only two weeks of imports and prospects of little new credit, Zaire has no real means to further expand import capacity. With the population growth at nearly 3 percent annually, the slow pace of economic growth also implies a continuation of the decade-long decline in per capita real GNP.

25X1  
25X1

**Page Denied**

SECRET



25X1

### ANNEX B

### THE UDPS: A CONTINUING IRRITANT

The Union for Democracy and Social Progress (UDPS) has been the only internally based Zairian opposition group in recent years. It was formed in late 1981 by 13 former members of the Zairian parliament who hoped to press Mobutu into allowing an officially sanctioned opposition party. The leaders of the group were members of the Baluba tribe based in southern Zaire, and, although their objectives appeared to enjoy widespread sympathy, their popular support was concentrated in their home regions. Despite their limited support, however, Mobutu feared the UDPS's political potential, and in 1982 arrested the 13 leaders and later that year rusticated them to their home regions.

13 leaders, periodically harassed the remaining four leaders and UDPS followers, and used his security service to penetrate the group at the grassroots level.



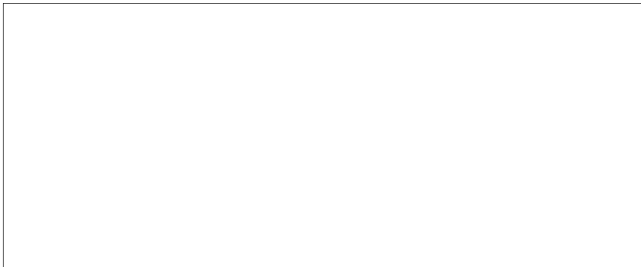
25X1

Over the past five years, although the UDPS has continued low-level activity and probably gained some support, it has been unable to capitalize on widespread discontent with government ineffectiveness and falling living standards to gain a significant following. We believe this largely reflects Mobutu's successful efforts to suppress the UDPS through co-optation and coercion, as well as a hesitancy among Zairians to provide more active support because of a fear of government retribution. Mobutu has co-opted nine of the original

Despite the UDPS's ineffectiveness, however, Mobutu apparently continues to see it as a potential threat. The recent popular uprisings in the Philippines and Haiti, in particular, seemed to shake Mobutu, and he moved quickly to demonstrate his authority by cracking down on the UDPS and small religious groups such as Jehovah's Witnesses. Mobutu reportedly is concerned that some military and security officials, as well as many lower ranking members of the ruling party, increasingly sympathize with UDPS goals.

25X1

25X1



B-1  
SECRET

**Page Denied**

Next 2 Page(s) In Document Denied

SECRET



25X1

ANNEX D

STATUS OF THE FLNC

The Angolan-based Front for the Liberation of Congo (FLNC), at one time Zaire's principal opposition group and dominated by the large, Shaba-based Lunda tribe, has been inactive since it invaded Shaba region in 1978. Nonetheless, the Zairian Government contends that Angola is rearming the group in an effort to press Mobutu to end his support for UNITA—a claim we find unsubstantiated. We estimate there are 2,000 to 3,500 combat-age FLNC males in Angola, only a small portion of whom are readily available for military operations. [redacted]

The FLNC's military capabilities have significantly deteriorated in the past seven years because of inadequate Angolan support, ethnic divisions, leadership struggles, dispersion to numerous camps in the interior, and UNITA's control of much of Angola's border with Zaire. [redacted]

[redacted] Harsh living conditions in Angola and the return to Zaire of former Prime Minister Nguza—a Shaban who claims substantial support within the FLNC—reportedly has led a number of senior FLNC military commanders and several hundred of their supporters to consider returning to Zaire under Mobutu's amnesty program. FLNC elements in Zambia—numbering several thousand—suffer from

many of the same problems as their Angolan counterparts and, in our view, pose even less of a potential military threat. [redacted]

Nevertheless, the FLNC remains a potential threat to Mobutu, particularly if Luanda decides to provide the group substantial support. We cannot confirm or deny Zairian claims that the Angolan Defense Minister met with FLNC leaders in Angola last December and told them to prepare for operations against Zaire. Even so, a dearth of discernible FLNC activities near the Angola-Zaire border leads us to believe that the Zairians are well off the mark in their recent allegations that Angola has provided small arms, jeeps, and other logistic support to FLNC units in northern Angola in preparation for an attack on western Shaba region. In our judgment, however, Luanda could with little difficulty put together a small unit of FLNC to conduct small-scale, cross-border paramilitary activities that would send a clear signal to Mobutu. Attempts to form a larger force would require substantial funds and would be complicated by ethnic divisions, the dissidents' lack of a charismatic leader, and the need to establish bases in areas where UNITA forces are present. [redacted]

25X1  
25X1

25X1

25X1  
25X1

25X1

D-1  
SECRET

Secret

25X1

**Table 2**  
**Principal Zairian Dissident Groups**

	Leader	Ethnic and Regional Power Base	Primary Base of Operation	Membership <sup>a</sup>
Front for the National Liberation of the Congo (FLNC)	None; numerous factions	Shaba region (former Katangan gendarmes). Main support comes from Lunda tribesmen	Angola and northwestern Zambia	4,000 to 6,000
Congolese National Movement, Lumumba Faction (MNC/L)	Francois Lumumba	Shaba region	Brussels and Congo	150
Coalition of National Unity (CUN)	President Lieutenant General Mbumba (former president of FLNC)	Composed of MNC/L and FLNC cadres	Tanzania	200
Congolese Liberation Party (PLC)	Antoine Kibingu Marundura (former FLNC Central Committee member)	Bovira and Bafulero tribes of eastern Zaire	Eastern Zaire and Tanzania	50 to 100
Popular Revolutionary Party (PRP)	Laurent Kabila	Eastern Zaire	Eastern Zaire and Tanzania	200

<sup>a</sup> No reliable figures are available; numbers are approximate.

25X1

D-2  
Secret

Secret

25X1

Armed Strength	Foreign Support	Origin and Significance
1,000, primarily based in Angola	Angola, USSR, Cuba (no military support since 1981)	FLNC grew out of the Katangan secession movement led by Moshe Tshombe in the early 1960s. Katangan gendarmes formed the FLNC in 1975 and with Angolan and Soviet support invaded the Shaba region in 1977 and 1978. Since 1978, however, the group has been inactive because of inadequate external support, ethnic divisions, leadership struggles, and UNITA's control of much of Angola's border with Zaire. In the past few years, FLNC cadres have been integrated into Angolan military units to fight UNITA.
Unknown	Libya (small amount of funds, arms, and training)	MNC/L was founded by Francois Lumumba, son of Patrice Lumumba, in the mid-1960s. Reportedly responsible for the bombs set off in Kinshasa in early 1984.
100	Libya (small amount of funds, arms, and training)	Formed in mid-1984 when the Tanzanian-based factions of the FLNC and the MNC/L merged. Libyans reportedly forced a merger by threatening to withdraw aid to both groups. Although potentially the most capable Zairian dissident group, it has yet to carry out a military operation. Group suffers from ethnic division, leadership problems, and a shortage of funds. Maintains contact with PRP and PLC.
50	Libya (small amount of funds and arms)	Formed in early 1984 when Antoine Marundura split from the Tanzanian-based faction of the FLNC after disagreements with Mbumba. Maintains contact with PRP and CUN.
50 to 100	Probably Libya (small amount of funds and arms)	Formed in early 1960s and has long been active in antigovernment activity. Only group to operate inside Zaire in recent years. Probably responsible for recent rebel attacks in eastern Zaire. Maintains contact with PLC and CUN.

D-3

Secret

**Page Denied**

Next 4 Page(s) In Document Denied