

JEUNE AFRIQUE ÉCONOMIE

# DRC Raises Lithium Royalty to 10%, Threatening Sector Competitiveness

Saga deep read · 02 June 2026 · Score 50

The Democratic Republic of Congo has moved to increase the royalty rate on lithium extraction to 10%, a policy shift that meaningfully alters the financial calculus for mining operators active in the country. The Congolese state's decision reflects a broader ambition to capture a larger share of revenues from its critical mineral wealth, but industry observers are questioning whether the new rate risks undermining the competitiveness of Congolese lithium ore on global markets.

The royalty hike places the DRC in a more assertive posture as a resource sovereign, a trend seen across several African mining jurisdictions in recent years as governments seek to monetise strategic minerals tied to the global energy transition. Lithium, as a core input for battery technology and electric vehicle supply chains, has attracted significant international investment interest, and the DRC holds substantial reserves that position it as a potential major supplier. However, higher extraction costs — now compounded by the increased royalty burden — could shift investor preference toward competing jurisdictions with more favourable fiscal terms.

For mining companies currently operating or evaluating lithium assets in the DRC, the 10% royalty represents a material change to project economics. Whether existing operations can absorb this additional cost, or whether marginal projects will be shelved or delayed, remains an open question. The risk, as flagged in industry commentary, is that the fiscal adjustment makes Congolese ore less attractive relative to lithium produced elsewhere, potentially slowing the very investment flows the DRC needs to develop its mining sector infrastructure.

The move also carries broader implications for the investment climate. The DRC has historically struggled to convert its vast mineral endowment into sustained economic

development, partly due to regulatory unpredictability. A royalty increase of this magnitude — if perceived as abrupt or poorly consulted — may reinforce hesitancy among international investors considering long-term capital commitments in the country. Conversely, if the revenue is directed toward improving infrastructure, permitting efficiency, or community development, it could strengthen the sector's social licence over time.

For Norwegian energy and mining service companies tracking the DRC, the situation warrants careful monitoring. Infrastructure requirements around mining — power supply, logistics, water management, and processing facilities — continue to represent real commercial opportunities regardless of fiscal fluctuations. The critical question is whether the royalty revision stabilises at 10% or signals an appetite for further fiscal revision, which would materially affect the risk-reward profile of engaging with DRC-based clients and project developers.

### **Why this matters to partners and clients of Saga**

Norwegian companies with exposure to mining infrastructure, energy supply for remote operations, or project development services should monitor how the royalty change affects investment timelines and operator appetite in the DRC. Near-term, the priority is assessing whether existing client relationships in-country are affected before pursuing new engagements. The broader investment climate signal is important for companies evaluating regional strategy across Central Africa.

#### **PARTNER ANGLES**

- **Service:** Engineering and project management firms should assess how revised project economics affect the pipeline of mining infrastructure mandates in the DRC, and whether clients are delaying or restructuring commitments.
- **Pipeline:** Companies involved in slurry transport, water supply infrastructure, or logistics pipelines for remote mining sites should monitor whether cost pressures prompt operators to defer or re-scope infrastructure build-outs.
- **LNG:** Small-scale LNG and gas-to-power providers targeting off-grid mining operations should factor in tightening operator margins when pricing energy supply proposals for DRC lithium sites.

- **Drilling:** Drilling and exploration service companies should track whether the royalty increase causes junior miners to scale back exploration programmes, reducing near-term demand for drilling services in the DRC.
- **Subsea/FPSO:** Not directly applicable to this mining story, but the DRC's broader fiscal assertiveness is a useful bellwether for how Central African governments may approach offshore revenue-sharing negotiations in future upstream discussions.

[Original source: Jeune Afrique Économie →](#)

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