



Kingdom of the Netherlands

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Growth in Africa is on the rise again

Growth in Sub-Saharan Africa has grown from 4,7% last year to 5,2% in 2016. The region profits from investments in primary resources and infrastructure and a growth in family consumption. These findings were reported in Africa's Pulse: the World Bank's biannual report on economic prospects in Africa. The report notes that several African countries are among the fastest growing economies in the world. This growth is propelled by good macroeconomic policies and increased attention from the rest of the world: foreign investors are triggered by the potential opportunities in trade, investment, tourism, science and technology. The continent attracts a growing amount of capital: these money flows, together with low food prices, account for a rise in purchasing power. Yet Makhtar Diop, the WB's vice-president, also points to the weak infrastructure, the volatile market for raw materials, unstable food prices and, mostly, political instability as threats to future growth in Africa. (Source: Emerging Africa. Photo: www.economist.com)

From the Netherlands

PAGE 2

- Shell places bid for massive offshore wind energy farm
- Only sustainable and future-oriented farmers to be subsidized
- Dutch export more focused on countries outside the EU
- Dutch relax rules for salaries in start-up sector
- Dutch Small and Medium Enterprises thrive in Africa

Headlines from the DRC

PAGE 3

- Government lowers state budget
- DRC and Rwanda agree on the exploitation of methane gas
- American Freeport-McMoran sells copper mine for \$2.6 billion
- DRC seeks \$250 million to \$500 million in budgetary support
- Bharti Airtel sells 750 telecom towers to Helios Towers Africa
- Raw Bank claims over \$1 billion total assets in 2015
- Phase-1 constructor for Inga Dam to be announced by August

Headlines from Congo-Brazzaville

PAGE 4

- Drop in oil prices results in a financial crisis
- Fight against poverty pays off: rates drop from 51% to 36%
- World Bank willing to continue its support to Congolese government
- New electric buses in Brazzaville
- Fibre cable improves internet access in Brazzaville

PAGE 5

Post Scriptum

- Dutch Good Growth Fund (DGGF)
- Practical Information & Contact

2 From the Netherlands

Shell places bid for massive offshore wind energy farm



Oil and gas company Shell has placed a bid for a contract to build two massive offshore wind farms in the North Sea. Shell placed the bid in a consortium with energy company Eneco and dredging company Van Oord, broadcaster NOS reports. According to the broadcaster, the bid involves several billion euros: the exact amount was not revealed due to the competitively sensitive nature of the information. The two wind farms, Borssele I and II, will each produce up to 350 megawatts of power – enough to supply 825.000 households with electricity.

The wind parks are planned to be located 22 kilometres off the coast of Zeeland. “We are very pleased with this consortium”, Eneco said in a statement. “Everyone brings their own expertise.” The government is expected to make a decision on who will get the contract in about 3 months. (Source: NL Times. Photo: nationalgeographic.com)

Dutch relax rules for salaries in start-up sector



The Dutch government is to relax the employment regulations for start-ups and scale-ups, dropping the requirement that owners pay themselves a salary of at least €44.000 a year. Economic Affairs Minister Henk Kamp said on Tuesday that it is crucial the Netherlands remain a “breeding ground for new products, services and business models.” As part of this, founders will now be allowed to pay themselves the minimum wage – around €19.500 a year – for the first three years of operation, Kamp said.

This, he said, will free up cash to invest in the company itself. Additionally, the government has set aside €23 million to invest in start-ups and small firms, in tandem with private investors, Kamp said. The minister made the announcement at the start of this week’s Startup Fest – a week-long series of events across the country promoting the Netherlands as a hotbed of innovation. (Source: Dutch News. Photo: www.huffingtonpost.com)

Only sustainable and future-oriented farmers to be subsidized



According to the Dutch cabinet, European farmers will no longer receive direct income subsidy in the future. Instead of current regulations, efforts to farm sustainably and innovatively will also determine the level of subsidy. The cabinet plans to employ the Dutch EU-presidency to give European agricultural policy a new impulse.

Martijn van Dam, assistant Secretary to the Minister of Economic Affairs, states: “We want to subsidize progress. Agriculture is one of the pillars whereon Europe was built: after the second world war it was a priority to produce enough food in order to rule out famine. That has worked; and while hunger no longer afflicts Europe the way it used to, 40% of our contribution to Europe still goes to agricultural subsidies. If that must be the case, it needs to be focused on the future”. (Source: De Volkskrant. Photo: agfundernews.com)

Dutch export more focused on countries outside the EU

Dutch companies are increasingly exporting to countries outside the European Union. The share of goods exported to countries outside the EU grew during the past two decades from 19% to 28%, CBS reported. Germany, Belgium, the United Kingdom, France and Italy are historically the most important export partners for the Netherlands.

In 1996 exports to these countries made up 68% of total goods exported. In 2015 their share had fallen to 55%. Meanwhile, the United States have taken over Italy’s place as fifth most important destination of Dutch exports: the US passed Italy for the first time in 2011.

Italy now holds sixth place. In total, an amount of €425,6 billion in goods were exported in 2015. Most went

Dutch Small and Medium Enterprises thrive in Africa



Some Dutch SME’s have reached the same conclusion as McKinsey and Goldman Sachs: it pays to invest in Africa now, the Dutch Financial Times reported in cooperation with emergingafrica.nl. An increasing amount of SME’s have followed in the footsteps of Heineken, Unilever and Boskalis and found their way to a continent which many still consider to be ‘lost’.

Some examples: an IT-company from Almere has recently opened office in Lagos, the largest city in Nigeria. The Frisian Rotapanel, a manufacturer of ‘dynamic’ billboards, receives large assignments from Kenya and, again, Nigeria. Remco Space Construction from Eindhoven is already present in four African countries, and hopes to open up shop in a fifth this year.

These entrepreneurs look beyond possible corruption, chaos and bureaucracy. Rather, they focus on the strong economic growth in countries such as Uganda and Angola and the emergence of a wealthy middle class throughout the African continent. (Source: Emerging Africa. Photo: Unilever)

Government lowers state budget

"The projected expenses for the Amending Finance Law 2016 amounted to 6.610,9 billion Congolese francs (CF) against 8.476,4 CF" in the initial budget, a decrease of 22%, said the Congolese Prime Minister Matata Ponyo to MPs during a public meeting. "This shock treatment is fundamental", added Mr. Ponyo, in order to avoid "the nightmare of hyperinflation" the country experienced during the 1990's, peaking at 9000% in 1994.

According to the IMF the rise in prices, which exceeded 46% in 2009, was reduced to around 1% in the period from 2013 to 2015. At the same time, DRC's economic growth averaged at 7,7% per year during the period 2010-2015. In April the government revised the growth rate for 2016 from 9 to 6.6%. (Source: AFP)

American Freeport-McMoran sells copper mine for \$2,6 billion



The American company Freeport-McMoran announced it has reached an agreement about the sale of the Congolese Tenke Fungurume mine to the Chinese Group China Molybdenum for more than \$2,6 billion.

Freeport-McMoran owns 56% of the copper and cobalt mine. The amount may be increased with \$120 million depending on the development of copper prices during 2018 and 2019, the American group added. This sale is one of the largest in the copper sector in recent years. Freeport-McMoran's annual turnover reached \$15,87 billion in 2015.

The Chinese Molybdenum is listed on the Hong Kong stock exchange and is one of the world's largest producers of molybdenum, a raw material used in the manufacturing of steel alloys. (Source: Jeune Afrique. Photo: www.telegraph.co.uk)

Raw Bank claims over \$1 billion total assets in 2015

In total, Raw Bank's assets amounted to \$1,086 billion: which makes up 20% of total assets of all banks in the DRC, stated Raw Bank's latest activity report. "The bank's balance sheet passes the symbolic milestone of 1 billion... At the same time, deposits range between \$20 and \$733 million and the net banking income from \$2,3 to \$92,3 million. These three performance indicators developed at a steady pace, respectively multiplying by 33, 37 and 40 in 12 years", said Thierry Teaymans, the bank's Director.

The 2015 report attributes the success to the focus on credit solvency ratio which rose to 26,4%, meaning liquidity is sufficient and loan portfolio are under control. (Source: Radio Okapi)

DRC and Rwanda agree on the exploitation of methane gas



The DRC and its neighbour Rwanda have officially installed a committee of experts whose mission is to protect local residents from danger due to the non-exploitation of methane, and ensure the security of the community in the light of the extraction process.

The committee is set up to select a large company able to extract the gas and convert it to electricity. The supervisory committee was consecutively set up to the treaty signed between Rwanda and the DRC in November 2015 at Rubavu. It focuses on the monitoring of Lake Kivu during the exploitation of methane gas. According to the experts, Lake Kivu holds enough methane gas reserves to meet the combined energy needs of Rwanda and the DRC for a period of 10 years. (Source: Afrique Actualité. Photo: greatlakesvoice.com)

DRC seeks \$250 million to \$500 million in budgetary support

The government announced that it would scale back the size of a planned international bond issue to finance infrastructure projects to 256 billion CF from the initial 653 billion francs (\$686 million). Support would allow the Central Bank to boost its foreign currency reserves, which have fallen from \$1.48 billion at the end of 2015 to \$1.2 billion now, due to a slowdown in exports, said Vincent Ngonga, a deputy chief of staff to the Prime Minister.

However, the negotiations with the World Bank can only begin if the IMF certifies Congo's conformity with governance and macroeconomic standards during a visit next month, he added. The IMF called off a \$530 million loan programme in 2012 after the government failed to provide sufficient details on the cession of mining assets by state miner Gecamines to a company based in the British Virgin Islands. (Source: Reuters)

Bharti Airtel sells 950 telecom towers to Helios Towers Africa

The leading Indian telecom company Bharti Airtel International realised this sale through a Dutch subsidiary. Neither the terms of the transition or the amount were revealed. The finalisation of the sale of the towers between Bharti Airtel and HTA is now subject to a decision by the Congolese government: the government has yet to decide whether it will accept the deal or not. Bharti Airtel has been willing to sell nearly 15.000 telecom towers throughout Africa since 2014.

Christian De Faria, executive chairman for Bharti Airtel in Africa, said the new contract with HTA will strengthen their collaboration with Africa. He explained, through this agreement, "Airtel remains committed in the DRC and will continue to invest in its operations and serve consumers with internationally acclaimed services." (Source: Agence Ecofin)

Phase-1 constructor for Inga Dam to be announced by August



The Democratic Republic of Congo said the developer for the first phase of the \$100 billion Grand Inga hydropower project will be selected by August, for construction to start by June next year. Two of the three groups that responded to the DRC's 2010 call for bids remain in the running, Bruno Kapandji, head of the Office for the Development and Promotion of the Grand Inga Project, told a conference in Maputo, Mozambique's capital.

The dam will initially produce 4.800 megawatts, almost double Congo's current installed capacity, 2.500 megawatts of which will be sold to South Africa in accordance to a treaty the two countries signed in October 2013. The larger Grand Inga hydropower complex shall span the Congo river in its entirety and produce as much as 50.000 megawatts of power when complete, according to the World Bank. (Source: Bloomberg. Photo: www.dw.com)

Drop in oil prices results in a financial crisis



The financial crisis caused by declining commodity prices has hit the Congolese economy hard. The situation has largely affected businesses operating in the oil sector, but ongoing construction projects of buildings and public works have also pushed inflation. The first companies touched by this crisis are subsidiaries of the SNPC group, such as SFP and SONAREP, and partner enterprises like RENCO and SICIM, who have had to block some installations due to non-payment.

"SONAREP's (SNPC's subsidiary) employees enter their second month without salary, while those in the Mengo-Kundi-Bindi project are in their sixth month without pay", said an anonymous employee. For the first time in years, Congo is likely to enter a lasting financial recession. (Source: French China. Photo: www.pipelineme.com)

New electric buses in Brazzaville



The Bolloré Group has made 100% electric buses available to the Organizing Committee for the African Games and will transport passengers for free for several days. The buses are free from emitting greenhouse gases and smog.

The buses are about 3.5 meters long and 1,8m wide, and can hold 10 seated and 12 standing passengers are equipped with the Bolloré Group's LMP batteries. These new means allow the buses to keep on driving for more than 120 without recharging.

The batteries are charged through solar energy. Until now, those responsible at Congo Blue have not yet released the fare price or the release date. Lastly, "the buses cater to a special kind of customer: the disabled and handicapped", said one of their drivers. (Source: Agence d'information d'Afrique centrale. Photo: bollore-africa-logistics.com)

Fight against poverty pays off: rates fall from 51% to 36%



Djibrila Issa, resident representative of the World Bank in Congo, praised the efforts made by the Congolese government in its fight against poverty, as the rate has fallen from 51% to 36% between 2005 and 2015.

"During recent years, Congo has experienced strong economic growth that has undeniably contributed to the reduction of poverty," he declared at the opening of the third annual meeting of the community of social monetary transfers in francophone nations of West and Central Africa.

The strategy of social monetary transfers is implemented by the Ministry of Social Affairs and humanitarian action and solidarity organisations – most notably through the "Lisungui Project of Social Safety Nets" and "Food Safety Nets". Poverty and food insecurity affects more than 14% of the Congolese population. (Source: Journal de Brazza. Photo: nuviun.com)

World Bank willing to continue its support to Congolese government

The resident representative of the World Bank in Congo, Djibrilla Issa, mentioned his institution intends to continue its activities within the framework of support to government priorities. "We have already begun discussion to prepare the layout of our next partnership to support the government of Congo. It will happen in agreement with the governments' priorities, so we will naturally come to support these priorities".

The World Bank's portfolio in Congo consists of 12 projects, total \$766 million in worth, financed for 60% by the government and 40% by the World Bank. All projects cover three pillars of the strategic partnership between Congo and the WB: competitive employment, support of basic social sectors, and strengthening the capacity or public institutions in order to improve their effectiveness. (Source: Xinhua)

Fibre cable improves internet access in Brazzaville



Since mid-May, several households, businesses and medical and cybercafés have experienced improved internet access through fibre optic cable. Congo Telecom connects households to the internet through fibre. Minister Leon Juste Ibombo has dubbed it a "revolution".

"Without a basic infrastructure, it is impossible to modernise a country. The Head of State shares the vision that this basic infrastructure is a priority. Today we visited the connected households, private operators, and a clinic. This is an opportunity for the Congolese to surf the web and for young people to create start-ups", he said.

The households' connection to the fibre will be extended to the 12 departments of Congo within due time, said the Minister of Telecom. (Source: Agence Ecofin. Photo: www.agenceecofin.com)

POST SCRIPTUM

Dutch Good Growth Fund (DGGF)

If you require financial assistance to do business in an emerging market or a developing country, or if you represent an investment fund that invests in businesses in such countries, the Dutch Good Growth Fund (DGGF) can help you!

By providing finance and insurance through the DGGF-programme, the Dutch Ministry of Foreign Affairs creates the conditions to development related trade and investment in [68 countries](#) (including DRC).



Dutch SME's

The DGGF provides customised finance to Dutch SMEs doing business in developing countries and emerging markets.

*Investing

Do you want to invest in one of the DGGF countries but cannot get finance from your bank? The DGGF part Investing Dutch SMEs supplements private investments by means of guarantees and direct financing with a repayment obligation, such as loans and equity investments in projects.

*Exporting

Do you want to export capital goods to one or more of the DGGF countries? The DGGF part Exporting Dutch SMEs provides export credit insurance and export financing.

Local SME's

Many small and medium-sized enterprises in developing countries have difficulty securing the financial backing they need to grow. This group of businesses is often referred to as 'the missing middle': they have outgrown micro financing but do not yet have access to regular financial services.

Intermediary investment funds for local SMEs

To increase local SMEs' access to finance, the DGGF part Investment funds local SMEs invests in investment funds that in turn invest in businesses in the DGGF countries. The DGGF enlarges its impact by investing in intermediary funds that are better placed to reach local SMEs.

This part of the DGGF is a 'fund of funds': it is building up a portfolio of intermediary funds that are catalysts for local economic growth. Greater access to finance enables local SMEs to grow and strengthens the financial sector in low- and middle-income countries. The DGGF has set specific targets for intermediary funds that invest in young or female entrepreneurs and entrepreneurs in fragile states.

Questions about DGGF-parts?

Do you have questions about one of the DGGF-parts? Contact the administrator for the implications and expectations for your company. DGGF finance is customization.

Investing Dutch SMEs

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E [contact form](mailto:kss-hb@minbuza.nl)

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Otherwise by appointment only

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