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Kingdom of the Netherlands

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ECONOMIC NEWSLETTER EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN KINSHASA



Macroeconomic indicators have been adjusted downwards in the DRC

During the first trimester of 2016, economic growth in the DRC has continued its slowdown. The ongoing decline in activities in the extractive sector negatively impacts outlooks for growth in the DRC. Recently, the IMF revised its growth prediction for 2016 from 7,3% to 4,9%. Budgetary and fiscal provisions are most severely impacted: the government has submitted an amended budget for 2016, which comprises a 22 reduction in balance, from \$9 billion to \$7 billion, which implies a 30% reduction of general administrative operations. The deficit in budget will be enacted in 2016 and is likely to be between \$3 and \$3,6 billion. The economic deterioration obviously influences the political climate. Despite the sharp decline in tax revenues, the government resists a temptation to resort to a deficit by the Central Bank of Congo (BCC) and continues prudent fiscal and monetary policy. Non-payment of domestic debt (VAT, tax on corporate earnings, invoices) is used as a stabilizing element for macroeconomic well being, but does little to improve the business climate. (Source: Note économique DUE. Photo: newint.org)

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Holland Agro-Food Innovation Tours



On 12 October 2016, Food Valley NL organizes seven Holland Innovation Tours. Each tour is based on a theme in which the Dutch Agro-Food sector excels internationally and is organized for foreign companies with an interest for doing business in this sector in the Netherlands. During the innovation tours the foreign companies will visit Dutch companies and knowledge institutions, where they will receive an update regarding the latest development in this sector and will take part in an innovation experience tour.

Topics include the biobased economy, food safety and health and dairy and water technology. This event is an excellent opportunity to position the Netherlands within the rest of the world and showcase its innovative agro-food sector. The target audience of the Holland Agro-Food Innovation Tours is foreign food and food-related companies with an interest in doing business with Dutch companies and knowledge institutions. For more information please contact Frank Aanstoot: +31 6 1175 30 86 or frank.aanstoot@rvo.nl (Source: RVO news. Photo: foodvalleyexpo.com. Photo: foodvalleyexpo.com)

Partners for Water opens new tender



As part of the Partners for Water 2016-2021 programme, in mid July 2016, the Netherlands Enterprise Agency RVO.nl will open a new tender within the subsidy scheme. The tender is expected to close on 31 August 2016. The scheme encourages the use of innovative, water-related Dutch solutions to urban deltas, and their supply systems, in other countries. In this way, the scheme will increase water security and water safety, as well as boosting the added value of the Dutch water sector.

The subsidy scheme covers the following topics: drinking water and sanitation; water governance; sustainable development of waterways and harbours (not on-shore); climate; security (and water security); food and ecosystems; water and energy. The size of the subsidy ranges from 40% to 60% of the eligible costs (depending on the type of organisation involved). For more information please contact Hugo de Vries: +31 88 602 13 87 or hugo.devries@rvo.nl (Source: RVO news. Photo: partnersvoorwater.nl)

Brexit: What are the economic consequences for the Netherlands?



The exact consequences of Brexit for the Netherlands remain unknown. The coming time will be used to configure the departure of the United Kingdom from the European Union. During the process the Netherlands will discern the consequences for Dutch business, which is closely connected to enterprises in the UK. A recent study shows, as a consequence of Brexit, NL-UK trade might be negatively affected. The goal of the Dutch government is to minimize these negative impacts and identify opportunities a British leave could entail for our companies.

Minister Lilianne Ploumen (Foreign Trade and Development) will consult with the Dutch businesses shortly in order to consider what a UK departure from the EU could mean and how we can, together, anticipate on its outcomes. (Source: Rijksportaal. Photo: elle.nl)

Air France-KLM has "no plans" to relocate flights to Paris

There were never any plans to shift KLM flights from Amsterdam's Schiphol airport to Paris, the airline's departing chief executive says in an interview with the *Financieele Dagblad* (FD). "We have no intention of taking steps [to boost] Air France at the expense of KLM. Never", Alexandre de Juniac says. "We want both airlines to grow and profit from each other. It is crucial that the Dutch public and KLM workers understand that we are not going to damage KLM".

The FD reported the airlines' parent company wanted to move the flights to offset pilots' complaints that the company's growth is focused on the Dutch airline. KLM sources told the FD that management were inclined to give way on this issue in a move to head off the strike planned by Air France pilots.

The claim led finance minister Jeroen Dijsselbloem to say he wanted to hold urgent talks with his French counterpart to discuss the future of Air France-KLM. The Dutch government has a 5,9% stake in KLM and the French state holds 17,6% of the Air France-KLM group. (Source: www.dutchnews.nl)

Nestlé makes multi-million investment in the Netherlands



The world's largest food producer, Nestlé, is to invest € 80 million in its baby food production facility in Nunspeet, the Netherlands. The move underlines Nestlé's long-term relationship with the Netherlands, where it has had a presence since 1869. Through this investment, the Nunspeet plant will undergo extensive expansion, including an innovative technical installation for the production of special infant nutrition. This formula has been developed for Nestlé Health Science in the Nestlé Product Technology Center for infants with protein intolerance.

The Nunspeet expansion will be operational in 2017. During construction, additional employment will be created for around twenty people. For the 300-plus current employees, the expansion and modernization investment confirms the importance of the Dutch facility and, with that, job certainty for the future. Nestlé currently employs around 1000 people in the Netherlands and Nestlé Nederland had a turnover, in 2015, of around € 600 million. (Source: www.investinholland.com. Photo: lowik.nl)

Controversial rise in rates for mobile Internet data

Internet data rates have increased from 35% to 500%, according to the operators and suppliers. As a result, the Internet connection rate has decreased, yet has not returned to its original price. The Regulatory Authority for Post and Telecommunications of Congo (ARPTC) has however order the carriers to return to rates charged before the recent increase. Before the raise, \$100 bought 50 gigabytes.

After, it would only buy 5 to 6 gigabytes of Internet data. After the ARPTC's decision, price differences have emerged between operators who have not yet made an official statement about the situation. The association of Congolese journalists (UNPC): on the 20th of June, a press-free day was held as a protest against the rise in prices. (Sources: Radio Okapi and RFI)

BIAC case: Court lifts the Blatner family asset freeze



A new twist in the "BIAC affair", the name of the third bank in the DRC (International Bank for Africa in Congo): the Advocate General has asked the Congolese banks to continue to unfreeze assets and bank accounts of ten companies related to the Group Blatner Elwyn, the majority shareholder of BIAC. The same Advocate General of the Republic had not only requested the freezing of assets of Blatner companies, but also those of 13 other businesses and 7 individuals.

The Advocate General's requisition was itself a follow-up of a complaint to the BCC against BIAC directors and officers for violation of the law on the activity and supervision of credit institutions, addressed to the Attorney General by the Governor of the BCC, Deogratias Mutombo Mwana Nyembo, on the 30th of May. (Source : Jeune Afrique. Photo: jeuneafrique.com)

Kinshasa: Second most expensive city in Africa, and sixth in the world

According to a ranking of the most expensive cities in the world, published by auditing-firm Mercer, Kinshasa ranks sixth behind Hong Kong, Luanda, Zurich, Singapore and Tokyo. The Congolese capital has raised seven places compared to the last publication, now being the second most expensive city in Africa. Three African cities (Luanda, Kinshasa and N'Djamena) are amongst the ten most expensive cities in the world.

Mercer, specializing in human resources consultancy, compiles a survey on the quality of life in cities throughout the world every year in order to help multinationals remunerate expatriate employees. The 22nd edition includes 209 cities from five continents and compares the costs of over 200 expenses, such as housing, transport, food, clothing, household goods and entertainment. (Source: Radio Okapi)

The depreciation of the Congolese franc increasingly worrying



Currently \$1 is traded against 1.000 Congolese francs (CDF) in parts of Kinshasa. Six months ago, the dollar still traded for 920 CDF. Donat Lengo, President of forex-traders in Kinshasa, indicates the depreciation of the franc will affect the prices of goods and services on the market. In turn, this affects the purchasing power of the population, according to Lengo. State against and officials have begun to demand an increase in wages.

Chairman of the Monetary Policy Committee and Governor of the BCC is confident: as far as he goes, the monetary institute is doing everything to stabilize the exchange rate. BCC foresees to increase the market supply of currency, to raise the compulsory reserve rate and sell BCC bonds on the market. Yet, in practice, facts indicate otherwise. (Sources: various media. Photo: onewovision.com)

DRC still opposes the sale of mega-mining project TFM

For the Congolese authorities, it is out of the question the US Freeport-McMoran will resell the copper project Tenke Fungurume (TFM) to the Chinese Molybdenum. Martin Kabwelulu, the Congolese Minister of Mines, is outraged not to have been informed about the intentions of the Arizona-based group to sell TFM for \$2,62 billion.

Gécamines has reacted in the same fashion. According to its president Albert Yuma "you cannot sell TFM via a Bermuda-company without having Gécamines reassess the future of the partnership and the technical and financial strength of the project in this new configuration". In theory, this resale is not legally impossible. Yet, in practice, Freeport-McMoran's goal will be difficult to fulfill without the consent of the state and Gécamines. (Source: Jeune Afrique)

Hydroelectric Busanga plant to accelerate growth in mining sector

The government granted a Chinese consortium the construction of the Busanga hydroelectric plant; a project with a capacity of 240 MW. If the costs of the plant would not have been disclosed, it could have risen to \$660 million; according to figures the Chinese-Congolese cooperation released the end of last year.

Its implementation is expected to take 5 years. The electricity the plant will generate is primarily allocated to the Chinese-Congolese mining company Sicomin, which imports the majority of total energy imported by the DRC. The establishment of this plant is part of a larger contract signed by both countries in 2007. This contract has been recognised as prominent by the World Bank and the International Monetary Fund. (Source: Agence Ecofin)

Kivu Economic Fair: Participants deplored "high taxes"



Participation of the Kivu Economic Forum, held in Bukavu, reported the South Kivu economy is overwhelmed by high taxation, which is undermining development. They also regretted the absence of financing policies for small and medium enterprises and industries. Excessively high taxes in South Kivu, instead, promotes tax evasion and civil disobedience, some participants of the Forum commented.

Research has shown many local traders preferred to trade their goods in Rwanda, where taxation is more "flexible". The Federation of Congolese Enterprises in South Kivu suggested the government to adapt its fiscal policies to adhere to the economic reality of every single province. (Source: Mediacongo.net. Photo: Mediacongo.net)

Just over 50 km of optical fibre left to complete Congo-Gabon connection



Started in June 2015, the goal to install 504 km of infrastructure to connect Congo with Gabon should be completed soon; only 50 km remain in order to fully deploy the broadband connection. According to the project coordinator of the project, Central African Backbone (CAB), Yvon Jean Didier Miehakanda, the placing of the optical fibre from Congo to Gabon has been completed for 90% since its departure from Pointe-Noire.

Engineers from the site manager, Chinese company Hua-wei, have already completed 545 km of optic fibre within 11 months. Miehakanda says certain telecom equipments were not installed during the same period due to financial difficulties. However, this issue was resolved in May thanks to a loan of €52,4 million by the African Development Bank (ADB) to the state of Congo. (Source: Agence Ecofin. Photo: lenouveaugabon.com)

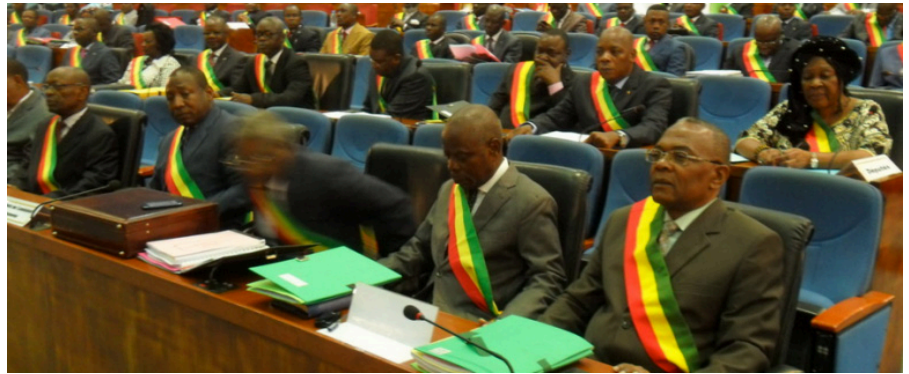
Swiss company engages in biofuel production



The Congolese government has granted a domain concession of 200.000 hectares of savannah to ASJEBA DYB Congo, part of the Swiss ASJEBA Management SA, which is committed to develop plantations of oleaginous species. A long-term lease was signed between the Congolese government and the CEO of the Congolese company, Hisko Baas.

In a statement, the Congolese government said it ASJEBA DYB Congo intends to "achieve the oil crop plantations and produce, among other things, biofuel from seeds" on conceded land which is divided into two blocks, located in the Odziba-Mpoumako area, a little over 100 km north of the Congolese capital Brazzaville, and Ngo-Mpouya, about 200 km north of the capital. (Source: Xinhua. Photo: euractiv.fr)

Falling oil prices: Congo wants to reduce its budgetary expenditures



For the same reason and during the same period last year, Brazzaville was forced to reduce its budgetary expenditures by 12%. Set at 2.333 billion FCFA (\$4 billion) initially, the revised budget will be reduced to 2.122 billion FCFA. In the revised budget, oil-related revenues have spiralled from 754 FCFA to 544 FCFA. The plan will soon be reviewed by parliament for approval. Paradoxically, the country has produced more oil this year (94 million barrels) compared to the same period last year (89 billion).

According to the authorities, the Gross Domestic Product (GDP) is to grow 4,4% in 2016. A few weeks ago however, rating agency Moody's downgraded Congo's rating from B1 to B2, due to its dependency on oil, limiting its financing options. (Source: Adiac-Congo.com. Photo: icibrazza.com)

OHADA: New innovative materials adopted in Brazzaville

The 41st session of the Council of Ministers of the Organization for the Harmonization of Business Law in Africa (OHADA) is committed to renewing the chart of accounts and sanitize the OHADA-management account.

In addition to these innovations, the seventeen member states have approved projects to create National OHADA-commissions, Trade and Personal Property Credit Register (RCCM), and a body to oversee the RCCM in every country: an operationalization of an organization of 'legal software' in terms of law reform and accounting systems.

According to the chairman of the National OHADA-commission, Armand Claude Demba, these new provisions will improve the governance of business and help tackle the legal and judicial insecurity in Congo and other member states. (Source: Les Dépêches de Brazzaville)

BDEAC injects 20 billion FCFA into the development of ECAir



Abbas Mahamat Tolli, chairman of the Development Bank of the States of Central Africa (BDEAC) and the Government of the Republic of Congo have signed an agreement to loan 20 billion FCFA to partially finance a plan to develop the Congolese airline company ECAir.

The loan permits the modernization of the fleet through the acquisition of newer airplanes, opening up new lines and the construction of a maintenance hangar at Maya-Maya Brazzaville airport and the promotion of local employment through the domestication of skills.

The high-speed connection to capitals and major cities is not only a business imperative for ECAir, but will contribute to achieving the goals of the Economic and Monetary Community of Central African States (CEMAC), facilitating the mobility of people, goods and services within the Community. (Source: Agence Ecofin. Photo: ch-aviation.com)

PUBLIC SUPPLY PROCUREMENT NOTICE

Subject	Supply of machines, consumables and equipment for workshops on the Management of Waterways – RVF	Supply, installation and implementation of machines, consumables and equipment for the slipway of the shipyard for the Management of Waterways – RVF
Place of performance	Kinshasa, DR Congo	Kinshasa, DR Congo
Publication reference	EuropeAid/137783/IH/SUP/CD	EuropeAid/137784/IH/SUP/CD
Procedure	International opening	International opening
Program title	Project to Support Navigability of River and Lake Routes in DRC	Project to Support Navigability of River and Lake Routes in DRC
Funding	10th European Development Fund	10th European Development Fund
Contracting authority	DRC Minister of Finance	DRC Minister of Finance
Description of the market	The purpose of the contract is the supply, delivery, discharging, installation, commissioning, maintenance, repair and post-sale service by the contractor of the following goods: machines, consumables and equipment for the workshops on Management of Waterways – RVF – as well as ancillary services on the destruction or evacuation some RVF machines.	The purpose of the contract is the supply, delivery, discharging, installation, post-sale service by the contractor of a set of necessary and sufficient machines and systems to the slipway of the shipyard for the Management of Waterways – RVF – to dry-dock the fleet of ships for the purpose of repair and maintenance.
Number and title of lots	One (1) unique lot	One (1) unique lot
Closing date	3 August 2016	3 August 2016
More information	https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSS-Chck=1464940919863&do=publi.det-PUB&searchtype=AS&zgeo=35577&debpub=01%2F01%2F2016&or-derby=upd&orderbyad=-Desc&nbPubliList=15&page=1&aoref=137783	https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSS-Chck=1466681980553&do=publi-detPUB&debpub=01/01/2016&or-derby=upd&searchtype=AS&page=1&nbPubliList=15&orderbyad=-Desc&aoref=137784&z-geo=35577&userlanguage=fr

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Opening hours

Monday - Thursday 08:00 – 16:30
Friday 08:00 – 13:30

Opening hours consular department

Monday & Wednesday 09:00 - 12:00
Otherwise by appointment only

Consulate in Brazzaville

Address

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Opening hours

Monday - Friday 09:00-16:00 (Consulate)
Tuesday & Thursday 09:00-12:00 (Consular affairs)

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The next issue of Masolo will be published in September 2016. In the meantime, the editorial staff wishes you a great holiday.

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