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Doing Business 2017

Equal Opportunity for All



Doing Business report 2017 has been published

Every year, the World Bank publishes a list where countries are ranked according to their ease of doing business. In this year's list, 190 countries have been included. In the latest 2017 report, the Netherlands has been ranked 28th as compared to 25th in 2016, while the DRC lists 184th (the same position as last year), and Congo ranks 177th compared to 176th in 2016. Different factors are evaluated by the World Bank. The Netherlands remains number 1 as far as Trading Across Borders is concerned, in contrast to the DRC and Congo which score almost the lowest out of all countries in the world (188th and 182th respectively). Both score bad in terms of Paying Taxes as well (177th and 183th respectively, whereas the Netherlands occupies the 20th position).

In the DRC, improvements were noticed on the parameters of Dealing With Construction Permits (raised 15 places as compared to last year, now ranked 114th) and Getting Electricity (raised 5 places, now ranked 175th). Congo's scores on the different parameters of ease of doing business have remained largely the same as last year's. (Source: doingbusiness.com. Photo: bdnews24.com)

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Unilever accused of using Brexit as an excuse to raise prices



The Anglo-Dutch food giant Unilever has been accused of blackmailing retailers and using Brexit as an excuse to raise prices, even on products that are produced in the UK. The British supermarket group Tesco refused to agree to a 10% increase of prices, as a result of which more than 200 Unilever products will be withdrawn from the shelves. Unilever said it had to halt its deliveries to the stores if retailers rejected the price raises, as this increase was necessary to compensate for the falling value of the pound in the wake of the Brexit referendum.

According to The Guardian, Unilever has tried to charge other retailers such as Sainsbury's, Asda and Morrisons more as well. Chief financial officer Graeme Pikhethly has been quoted saying that the price increases to offset rising costs are a normal part of doing business and that he is confident that the dispute with Tesco will be solved quickly. (Source: Dutchnews.nl. Photo: The Sun)

Dutch government funds MAP for a period of 3 years



The Dutch government has announced to finance the UNCDF Making Access Possible (MAP) initiative for the coming 3 years, the total budget amounting to € 3 million. MAP is a multi-country diagnostic and programmatic framework to support expanding access to financial services for individuals and micro- and small businesses. It is currently running in 13 countries, of which the DRC is one.

Working with a broad range of stakeholders from within the government, private sector and the donor community, its goal is to increase financial inclusion. This is pursued not as an objective in and of itself, but is a part of the core public policy objective, namely to enhance household welfare, support livelihoods and contribute to economic growth and employment by understanding the "real economy".

Tailored approaches are made to enhance financial inclusion for the specific countries. For more information, please visit uncdf.org. (Source & Photo: UNCDF)

Ploumen: smart financing is a necessity for the World Bank



Ever since the World Bank (WB) has expanded onto new terrains, the demand for traditional loans has been on the rise. In order to live up to that demand, the bank is looking for ways to strengthen its balance.

The WB's President Jim Yong Kim indicated this seemed impossible without extra capital from its member states. Minister Ploumen (Foreign Trade and Development Cooperation), on the other hand, said the WB first has to start working more efficiently before initiating talks on extra capital contributions: she wants to see what extra saving schemes and another division of existing means can already do.

Coming spring, during a new international deliberation, it will become clear whether the Dutch proposal to arrange more on a local level will find support. The actual decision on the bank's capital is expected to be made next autumn. (Source: nu.nl. Photo: AD)

Fund Sustainable Water open for concept notes

The Fund Sustainable Water has been opened for the third time. Concept notes, which are a mandatory step in the application procedure for a project subsidy, can be submitted until the 8th of December 2016 for the first round.

The opening consists of two rounds: applications for the first can be submitted from 26 September 2016 until 27 February 2017. The total budget for the subsidy is € 30 million. The second round opens in the fall of 2017.

In order to be eligible for the fund, projects have to adhere to one of the themes included in RVO's and the Ministry of Foreign Affairs' policy. These concern improved management of watershed areas and safe deltas; efficient water use, especially in agriculture and, finally, access to clean drinking water, sanitation and waste processing (WASH). (Source: RVO.nl)

Pilot project: storing solar energy in electric cars



Research institutes, companies and regional governments in Hamburg, Leuven, Leicester, Oslo and Amsterdam will cooperate to experiment with the storage of solar energy in electric cars. The College of Amsterdam will lead the research project on how energy from one electric car could supply energy to an entire street.

The so-called Vehicle2Grid technique will be used to this end: a technique that enables households and companies to store energy from solar panels in their cars. Because the batteries can be used later on, the dependency on "dirty" energy decreases.

The goal of the European SEEV4City is to test this technology on a large scale. Researchers from Amsterdam will collect and analyse 'big data', which allows them, among other things, to predict production and consumption of clean energy in detail. Also, they will outline to what extent the different applications are feasible technically and financially. (Source: RVO.nl. Photo: [Environnement et Energie](http://Environnement-et-Energie))

DRC and Tanzania commit to joint exploration of oil in Lake Tanganyika

The Democratic Republic of Congo and Tanzania signed a memorandum of understanding for the operation and the joint development of hydrocarbons in Lake Tanganyika, which straddles the DRC, Tanzania, Zambia and Burundi. An important step towards the realisation of the joint project, a step supported by both parties, is to jointly explore the water.

"We signed the memorandum of understanding to exchange experience in the exploration and exploitation of oil in Lake Tanganyika (...) We are convinced that there is in fact (more) oil in the Lake," said explained Joseph Kabila, the DRC president after signing the document. The four countries are scheduled to meet soon to start negotiations and rapidly reach an agreement for the exploitation of the lake's resources. (Source: Agence Ecofin)

Ibrahim Index: DRC gains 2 places and occupies the 46th place



For 2016, the Democratic Republic of Congo (DRC) is ranked 46th out of a total of 54 countries on the Ibrahim Index of African Governance (IIAG). The country achieved an overall score of 35,8 on a scale of 100. Compared to 2015, when the DRC occupied the 48th place with a score of 33,9, the DRC supposedly has profited from improved governance. The score increased by 2,7 points over the last decade.

However, in the sub-category "Personal Safety", DRC saw its score decrease with 10,4 points over the same period. Within Africa, the DRC is not the only country with such an alarming situation, meaning nearly two-thirds of the African people live in a state where the security and the rule of law have deteriorated over the past decade. (Source: Mediacongo. Photo: Africanews)

Gecamines seeks arbitration

The DRC has turned to international courts in a bid to force Freeport-McMoRan Inc. and Lundin Mining Corp. to restructure their exit terms from one of the country's biggest mines. Gecamines, a state-owned mining corporate, filed a complaint with the International Court of Arbitration in Paris against TF Holdings Ltd., a Bermuda-based group administrating Freeport and Lundin's ownership of the mine, Secretary-General Deogratias Ngele Masudi said.

Gecamines demands, among other things, that any change to the indirect ownership of the Tenke Fungurume mine (TFM) be blocked unless authorised by the state miner, he said. "Gecamines has launched an international arbitration process to assert its position on changes in its indirect control of TFM, including the question of the right of first refusal," Masudi said. The company remains "willing to explore a more acceptable approach to facilitate the voluntary exit of the current partners," he said. (Source: Bloomberg)

Ivanhoe Mines reports initial resource estimate for the Kakula project



Robert Friedland, Executive Chairman of Ivanhoe Mines, and Lars-Eric Johansson, Chief Executive Officer, announced their company has completed an independently verified Mineral Resource estimate for the extremely high-end Kakula discovery on the Tier One Kamoa Copper Project, near the mining centre of Kolwezi in the Democratic Republic of Congo (DRC). Kakula is the second major discovery on the Kamoa mining licence in the past 8 years.

An international industry research and consulting group, Wood Mackenzie, has independently demonstrated that the Kamoa-Kakula Project is the largest copper discovery in Zambia and the DRC, making it the largest copper discovery ever made in the history of mining on the African continent. Research also shows that Kamoa-Kakula already ranks among the 10 largest copper deposits in the world. Resources indicate a total 192 million tonnes at a copper grade of 3.45%. (Source: Junior Mining. Photo: The Northern Miner)

Central Bank of Congo lowers its reserve requirement ratio

The ratio for reserve requirements rose from 9 to 12% for demand depositions denominated in currency, and from 10 to 13% for term deposits. According to Deogratias Mutombo, the Central Bank's (BCC) governor, his institution has given preference to maintaining the status quo of the coefficient for deposits in national currency.

"With this drain of surplus liquidity, which could reach 80 or 90 million CF (more than \$93 million), the objective is to ensure banks do not exchange their deposits at any given time from foreign currencies into Congolese francs", he said. Still within the aim to halt the depreciation of the Congolese franc against the US dollar, the BCC raised the interest rate to 7% last month and sold its currency to commercial banks. (Source: Radio Okapi)

DRC amongst the countries involved in bribing scandal

According to revelations by the American press agency Bloomberg, more than \$100 million was paid by Och-Ziff – an investment fund from New York - and other partners to Congolese officers over a period 10 years in order to have access to first-hand information on preferential prices and opportunities in the government-controlled mining sector.

Och-Ziff Capital Management Group was ordered to pay \$413 million to the US court for corrupt practices on the African continent. Two years ago, Och-Ziff was under investigation by the Securities and Exchange Commission (SEC, the US financial police authority) and the Department of Justice for the payment of bribes to officials in several African countries including Libya, Zimbabwe, Chad, Guinea, Niger and the Democratic Republic of Congo (DRC). (Source: The Potential)

A government moratorium to facilitate the import of essential goods



The government gave economic operators a three-month moratorium, starting in October, to facilitate the import of essential goods into the country. The measure is one of the recommendations from the meeting with members of the Congolese Enterprise Federation (FEC) and the Ministry of Economic Affairs. This measure's goal is to ensure the supply of the domestic market and hence ensure the DRC does not experience shortage of basic products goods, which are essential, especially when approaching the end-of-year festivities.

The moratorium consists of tax cuts and custom relief and a reduction of economic and fiscal border controls, said Modeste Bahati, the Minister of Economic Affairs. The government also decided to enable importers to pay in foreign currency, as to facilitate the import of products such as rice, sugar, oil, fish and other staples, which will be accessed during times of extreme necessity. (Source: Radio Okapi. Photo: dakaractu.com)

National company's airplanes grounded due to debts



The Agency for Aerial Navigation Safety in Africa and in Madagascar (Asecna) has forbidden airplanes of Equatorial Congo airlines (ECAir) to take off, because of unpaid debts. "Due to debts, the general direction of Asecna has recently instructed the suspension of aerial navigation services of all ECAir flights, on all the Asecna platforms, starting from 10 October 2016", mentions the letter Asecna addressed to the Congolese agency for civil aviation (Anac).

The letter does not give any indication on the amount of the claimed debt. Since then, no ECAir flight has been scheduled at Brazzaville's Maya-Maya airport. This is to big loss of its clients, which have discovered a note on their office doors, reading "For operational reasons, the company is informing you that all our domestic, regional and international flights are suspended". (Source: AFP. Photo: ECAir)

Congo in need of \$2 billion to comprehensively launch land programme



The Republic of Congo is struggling to raise \$2 billion for the implementation of its "vast plan to return to the soil", said the Congolese Minister of State in charge of agriculture, Henri Djombo. The programme aims to reduce rural-urban migration in the country where two-thirds of the population lives in cities, while in 1970, 66% of the population was rural, according to Djombo.

He adds: "Today, together with financial partners we are preparing to move forward to the next step to align with donors and investors during an international conference to support the Congolese programme, which will run for three years."

On the question how to implement the programme in the Southern region of the Pool-basin, which suffers from regular clashes, the minister points to the insurgents. (Source: La voix de l'Amérique. Photo: viacampesina.org)

Congo opens a digital college to capitalise on its youth



Congo's Prime Minister, Clement Mouamba, on 17 October 2016 inaugurated the Great Digital School of Congo (Genc) in Brazzaville. The institution of higher education, the first of its kind in the country, will be devoted to the training of Congolese youth to become IT-professionals.

Aside from website design, the school will also teach application development, coding, and other specialties that contribute to the diversification of the Congolese economy. During its first year, the school will first train 40 teachers, who will thereafter educate some 1,000 Congolese youngsters each year.

For Clement Mouamba, "...digital technology has become the prerequisite of any development process. In Congo, about 90% of businesses will be affected. The first step is, in my opinion, to rethink the training of those who facilitate this new economy. For digital technology can reshuffle the cards of social and professional success for those who previously had no access to these resources." (Source: Agence Ecofin. Photo: www.journaldebrazza.com)

The Congolese government is called upon to reconsider its lifestyle

The President of the Congolese state, Denis Sassou Nguesso, called on members of his government to moderate their way of life in order to cope with difficult economic times, exacerbated by the financial depression the country has been enduring as a result of the decline in the oil barrel prices; the country's main financial resource.

To this end, President Nguessou reminded them: "The expected adoption of this budget law, the first during a five-year term to implement the March towards Development-programme, is in a context of financial depression".

He took the opportunity to invite the government to reallocate part of the funds saved by this measure to prioritise sectors such as agriculture, skills training, local crafts and SMEs/SMIs, combating erosion and sanitation in Brazzaville and Pointe-Noire, the two main cities of the country. (Source: APA)

Congolese sovereign debt does not attract investors



The international sovereign debt of the Republic of Congo, an amount of \$480 million and reaching optimal maturity in late June 2029 at a rate of 4%, is struggling to rally investor confidence on the international secondary market.

According to data provided by the Initiative for the Financial Markets in Africa (AFMI), the Congolese securities were among the worst of the forty African Eurobonds: their value had diminished to only 70% of what they were at the time of issuance. The current price level of this Eurobond is incompatible with the current surge of investors on international African obligations, which offer attractive returns.

Other bonds are superior in terms of margin compared to those from industrialised nations, which, in some cases, offer no or even a negative rate. The macroeconomic outlook is slightly positive for Congo for the period up to 2021. (Source: Les Echos of Congo Brazzaville. Photo: RFI)

PUBLIC SUPPLY PROCUREMENT NOTICE

Subject	The design, manufacturing, supply and delivery of modular multi-functional boats to the Management of Waterways (RVF)	Provision of a hydrographic high-speed motorboat for the Management of Waterways (RVF)
Place of execution	Kinshasa, DR Congo	Kinshasa, DR Congo
Publication reference	EuropeAid/137950/IH/SUP/CD	EuropeAid/138005/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 objective of the contract is the design, manufacturing, supply and delivery of modular multi-function boats by the contractor to the beneficiary, RVF, as part of Support Project for the navigability of the waterways on lakes and rivers in the DRC.	The objective of the contract is the design, manufacturing, supply, delivery, unloading, assemblage, commissioning, maintenance, and after-sales service by the contractor of a high-speed hydrographic motorboat, equipped with electronic appliances capable of bathymetric surveys to the beneficiary (RVF), as part of the Project to Support Navigability of River and Lake Routes in DRC.
Number and title of lots	Three (2) lots	Two (2) lots
Closing date	14 November 2016	18 November 2016
More information	https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSS-Chck=1473262899566&do=-publi.detPUB&searchtype=AS&Pg-m=7573837&zgeo=35394&deb-pub=01%2F03%2F2016&orderby=upd&orderbyad=Desc&nbPubliList=15&page=1&aoref=137950	https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSS-Chck=1473262899566&do=publi.detPUB&searchtype=AS&Pg-m=7573837&zgeo=35394&deb-pub=01%2F03%2F2016&orderby=upd&orderbyad=Desc&nbPubliList=15&page=1&aoref=138005

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