



Kingdom of the Netherlands

# MASOLO

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## ECONOMIC NEWSLETTER EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN KINSHASA



### Workshop on the role of labelling and packaging in the value chain of agricultural produce

On 22 September the Dutch Embassy organized a workshop on the labelling and packaging of agricultural products. In DRC, most packaged goods are imported, while the local packaging industry remains underdeveloped. The labeling and packaging sector in the Netherlands is well-developed and provides opportunities for collaboration. Private and public parties were invited to exchange ideas and take practical steps towards encouraging a budding sector of industry with high potential for the Congolese economy.

Two parallel sessions were held, one on the “the emergence of a labelling & packaging industry in DRC”, and the second on “the lack of competitiveness of Congolese enterprises”. During the plenary part, the Dutch Ambassador pointed towards the relevance of local production. The Congolese minister of Industry was also present. The Dutch private sector, represented by ITH Complast and Upturn Generations, suggested the use of local waste plastic as a raw material for the Congolese packaging industry.

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## Lubumbashi: A sanitation company in the making



Soon a tax on garbage and other plastic waste will be created by the mayor of Lubumbashi, Jean-Oscar Sanguza, based on an urban decree. He informed the Provincial Minister of Environment about his contract with the company Centurion. He also said that a plot of 100 hectares on the Kasenga road and the TP garage of the industrial area were put at the company's disposal to serve as landfill and place for vehicle repair.

The mayor urged the people in his jurisdiction to properly manage waste before this decree will become operational. He also reported that awareness campaigns will be organized in all municipalities to explain to the population the validity of this tax and management of its income. (Source: PCA/photo: [www.lecalame.info](http://www.lecalame.info))

## \$ 1 million for the construction of a solar power station in Mbuji-Mayi



The acting CEO of the Bakwanga Mine (MIBA), Dieu-donné Mbaya Tshiakanyi Tshia Bantu, announced to the Deputy Governor of Kasai Oriental, Bruno Bukasa Kazadi, the construction of a solar plant for the electrification of the city of Mbuji-Mayi. The project, whose execution cost was estimated at \$ 1 million, will start in the coming months, and will be funded by the Czech Republic.

This solar energy will allow to cope with the lack of electrical power, which jeopardizes the development of investment and industries in this province. The provincial authority has expressed the wish to see this project move forward quickly to solve the electricity problem in his capital. (Source: ACP/photo: [acpcongo.com](http://acpcongo.com))

## Goma: Easing controls at Rwandese border by constructing a station



Local authorities in Goma and Howard Buffet, president of the Howard Buffet Foundation (FHB), started to construct a border crossing juxtaposed with the Great Barrier between Gisenyi in Rwanda and Goma in DRC. This post will streamline the mobility of people and their properties, and facilitate tourism by reducing the formalities at customs.

"Approximately 15,000 people use the position of the Great Barrier in both directions. We want to be confident that these numbers may increase. This way more people can come to Congo and visit the beautiful things Congo can offer the world," Mr. Buffett said. The construction of this post, funded by the FHB, will last 18 months on each side, with a total cost of about \$ 20 million. (Source: Radio Okapi/photo: [bukavuonline.com](http://bukavuonline.com))

## COSME: European program for small and medium enterprises

The COSME programme seeks to enable SMEs to have easier access to funding in all phases of their life cycle, from creation through development to transmission. The Executive Agency for Small and Medium Enterprises (EASME) which has just launched a call for expressions of interest in establishing business cooperation centers will be responsible for the execution of COSME.

This call is particularly aimed at advisory and supporting organizations for innovation in non-EU countries, such as chambers of commerce, universities, technology transfer centers etc. Organizations responding to the call should be able to ensure 'partnership services' for local and foreign companies. The ideal form in the context of the DRC is a partnership between several organizations that could apply together as a consortium. For more information, please visit the website <https://ec.europa.eu/easme/node/22> (Source: EASME)

## Africa Rise announces the launch of a new forum entitled KINFOR16



For its first edition, the "KINSHASA INTERNATIONAL FORUM - KINFOR16" will be held in the Pullman Grand Hotel in Kinshasa on 26 & 27 January 2016. Several hundreds of Congolese and international business leaders as well as officials will be present. The theme of the forum will be "Emergence of DRC by Entrepreneurship and corporate social responsibility."

The programme of this edition will be organized around thematic workshops and B2B meetings. KINFOR16 is co-organized by Africa Rise and DRC's Economic and Social Council, in partnership with, among others, the Walloon Export Agency, the Province of Kinshasa, the National Chamber of Commerce of and the Belgo-Congolese-Luxembourg trade house. (Source: [www.africarise.be](http://www.africarise.be) /photo: [www.agenceecofin.com](http://www.agenceecofin.com))

## Britain releases \$ 50 million to improve the business climate

The British cooperation and the Congolese Ministry of Planning signed a technical assistance agreement, stipulating DRC's role in the implementation of reforms to improve the business climate. This agreement should help stimulate job creation and reduce poverty, and is estimated at \$ 50 million.

It is the actual startup of the Rise programme, implemented by PricewaterhouseCoopers, and funded by the British Government to the extent of £ 35 million over 5 years. In addition to comprehensive reforms, one of the main focuses of this programme is to support the OHADA National Commission for the effective implementation of the OHADA law, and to strengthen the legal and judicial security on the commercial level throughout the country. (Source: L'observateur)

## Devaluation of the yuan takes down the price of Congolese metals



The slowdown in the Chinese economy has made Congolese metals prices swing. According to the economic analyst Lems Kamuanya, a tonne of copper is currently estimated at \$ 5,000 whereas just a few months ago figures were between \$ 6000 and 6500. Mr Kamuanya foresees that a recession in China will have its impact on the revenues of the Congolese state. "We will export less or cheap base metals," he predicts.

The analyst noted, however, that with the devaluation of the yuan traders importing Chinese products will drop the prices of their products. This may lead to the drop in local production and thus to a slowdown of the economy. According to the IMF China's growth rate decreased from 10.6% in 2010 to 7.4% in 2014. (Source: Radio Okapi/photo : www.tradingbanks.com)

## Brussels Airlines dropped its subsidiary and woos Congo Airways

Launched in 2012 to serve DRC's domestic routes, the local subsidiary of Brussels Airlines, Korongo Airlines, has ceased its operations. One of the main reasons cited is the creation by the government of the national airline Congo Airways. Indeed, this announcement had led to the withdrawal of investors from around the subsidiary's table.

Having only one device in operation, Korongo Airlines has "unfortunately not been able to achieve the profitability threshold, given a lack of critical mass" commented the Belgian company. Brussels Airlines was quick to engage in negotiations in order to "offer its experience to the Congolese government in starting Congo Airways." (Financial Afrik)

## Glencore will retain 80% of the workforce in the Katanga mine



Swiss giant Glencore announced that it will maintain its investments planned for Katanga Mining, a DRC subsidiary, as well as 80% of the workforce. Hit by falling commodity prices, the group unveiled a series of drastic measures to reduce its debt. During the period of suspension of its activity, Katanga Mining will invest in a skills development programme.

Moreover, it will maintain its hospitals for employees and their families, as well as projects such as water supply. Katanga Mining plans to retain its investments in a project of \$ 880 million to improve the production infrastructure and to increase its profitability. (Source: AFP/ photo: reutersimages)

## The government is lowering its growth forecast for 2015 to 8.4%

At a time when copper prices are at their lowest level in six years, the Congolese government has lowered its growth forecast for 2015 to 8.4%, against a previous forecast of 9.2%.

"The raw materials market, dominated by copper in DRC's case, is marked by the falling price of this metal," said a statement released by the office of Prime Minister Matata Ponyo. Copper prices fell due to the fear of a slowing Chinese economy. The Chinese manufacturing indicator is at its lowest level in more than six years, signaling a violent contraction in Chinese manufacturing activity in August.

Although being very rich in natural resources, DRC is listed as the penultimate in the Human Development Index established by the UN. (Source: Agence Ecofin)

## A Chinese group may participate in largest copper mining project in the world

The Congolese authorities have raised their objections to the takeover of almost half of the assets of Kamo Holding Limited (KHL). KHL was initially owned for 95% by the Canadian Ivanhoe, and for 5% by the Congolese government.

The DRC Ministry of Mines finally allowed the Chinese Zijin Mining Group to buy 49.5% of the shares, announced the Canadian group. The transaction involved a sum of \$ 412 million. KHL's project, located in south-western DRC, in the mining region of Katanga, would have the largest untapped copper reserves in the world.

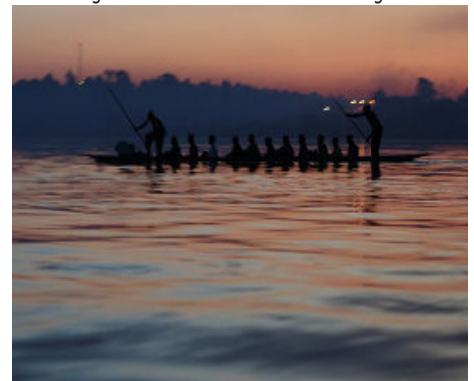
The initial contract stipulates that DRC could buy an additional 15% stake in KHL, but the financial conditions are still to be defined. (Source: Jeune Afrique)

## Congo River: Difficulties in mobilizing funds for dredging

The Congolese Government started dredging the maritime reach of the Congo River, a job carried out by the Belgian company Dredging International NV. The aim was to restore the draught of 24 feet which was lost during the small decline of the Congo River in the months from January to March.

According to reliable sources the state had pre-financed half of the operation which costs € 5 million in total. It was agreed that the remaining amount would come from the additional quota of the shipowners. Unfortunately, the recovery rate of these quota's is only 14%.

In the meantime the financial resources are lacking for the launch of the second phase of dredging, scheduled for the month of December. (Source: Forum des As/photo: vigilancerdc.afrikblog.com)





## Fitch revises Congo's Outlook to Negative and affirms at 'B+'



Fitch Ratings has revised the Outlook on Congo's Long-term foreign and local currency Issuer Default Ratings (IDR) to Negative from Stable and affirmed the IDRs at 'B+'. Lower oil prices have highlighted Congo's vulnerability to oil price shocks, and will result in a heavier deterioration in the fiscal and external accounts and weaker economic growth than previously expected.

Fitch has significantly revised its fiscal projections for 2015, with the general government deficit set to widen to around 8% of GDP due to lower oil income - which in 2010-14 accounted for 75% of total revenue. Congo's limited financing options mean that the country will remain reliant on statutory advances from the regional central bank and repatriation of deposits held in China. (Source: Reuters/photo : www.rff.org)

## Bolloré presents its Bluecongo in Brazzaville



The French group Bolloré has presented its Bluecongo electric vehicles on the occasion of the Africa Games in Brazzaville. Designed as part of a joint venture with Qatar, Bluecongo had made 50 cars and 14 electric buses available to the official and sports delegations to rally all the sites of the competition. Vincent Bolloré said these prototypes are to demonstrate the viability of solar technology developed at Blue Solutions, a specialized subsidiary of the multinational.

Equipped with LMP batteries (Lithium-Metal-Polymer), a vintage Bolloré technology, the Bluecongo vehicles enjoy a comfortable autonomy. Four stations with a total of 80 electric charging terminals, powered by photovoltaic panels, have been installed to ensure the supply of equipment. (Financial Afrik/photo: icibrazza.com)

## Oil price in decline: Congo reduces the 2015 budget of its road fund



The budget for road infrastructure investments for the year 2015 has been cut. Initially planned and adopted at 63 billion FCFA, it was reduced to 50 billion FCFA. A situation that, according to its leaders, will cause the freezing of new projects: "We don't undertake new projects, because we can't pay", said Elanga Ombat Ndengué, the organization's director.

Congolese leaders justify this budget cut by the negative impact exerted on government revenues due to lower crude oil prices. The actual shortfall is estimated at FCFA 50 billion. "To perform the works undertaken throughout the country and especially to meet the debts, we'd wished to have a budget of at least 100 billion FCFA," added Mr. Ndengué. (Source: Agence Ecofin/photo: www.lepatriote.net)

## Abolition of visas between Kinshasa and Brazzaville

DRC inhabitants will no longer need a visa to travel from Kinshasa to Brazzaville, and vice versa. It was during the 5th session of the Special Defence and Security Commission of the two countries, that the review of arrangements for the implementation of the Convention on the movement and settlement of people and goods has been debated.

The Special DRC - Congo Brazzaville Committee had concluded to exempt cross-border travelers of all visa formalities. This provision will affect the people living in a radius of 50 km on both sides of the two borders. Before the expulsion of DRC nationals from Congo Brazzaville - the latter having introduced the requirement of visas - this perimeter was 15 km. However, this exemption will only be valid for three day stays. Beyond this period, any traveler will be required to have a visa. (Source: Radio Okapi)

## The Brazzaville port back on its feet



Outdated and limited by its silting, the port of Brazzaville is under construction and expected to resume shortly its role as a regional strategic platform. Its docks, almost a century old, witnessed up to 600,000 tonnes of cargo per year until the mid-20th century. Ever since, due to the lack of investment the port never returned to the dynamism of yore.

"Currently, less than 100 000 tonnes transit every year," admitted Roberto Prota, the Terminals Congo Basin (TBC) CEO. The subsidiary of the French group, Necotrans, became the operator of the port concession in December 2014, for a period of fifteen years, and aims to triple its freight traffic. Quite a challenge for TBC, which nevertheless seems to have the support of the government and the authority of the Autonomous Port of Brazzaville and Secondary Ports (PABPS). (Source + Photo: Jeune Afrique)

# POST SCRIPTUM

## Awards - 11th edition of the iPAD DRC gala evening



On 15 October, during the iPAD DRC gala evening, the mining world will reward leaders and outstanding projects of its industry. This year's edition will benefit from the official support of the Ministry of Mines. Nicole Smith, director of the event, explained some innovations among which ranks the new category of "Mining Woman of the Year", as well as a panel of independent judges to ensure full impartiality.

## International Amsterdam Water Week: Integrated solutions for a circular economy and resilient cities

The AIWW (2-6 November) sets the stage for transition to 'integrated solutions for the circular economy and resilient cities'. The programme covers issues ranging from green roofs to smartphones detection of leaks, and will forge links between water and sanitation, agriculture, finance and governance. The conference will host among the speakers Dutch Minister of Infrastructure & the Environment Melanie Schultz Haegen and Eberhard van der Laan, mayor of Amsterdam. More information: [www.internationalwaterweek.com](http://www.internationalwaterweek.com) - Phone: 00031 70 3043709 - 0031 (06) 45761626.

## Innovative Port of Rotterdam



The port of Rotterdam is introducing yet another innovation. The website Rotterdam Port Connector is the online way to bring potential international clients into contact with Rotterdam's port business community. It is now possible for businesses with a logistics need to post their request online. In addition, the Rotterdam Port Connector offers the companies invited to an RPPC gathering the chance to meet the Rotterdam service providers on the spot. More information: [www.rotterdamportconnector.com](http://www.rotterdamportconnector.com)

## The Global African Investment summit

The two days Global African Investment summit will be held in London on 1 and 2 December 2015. The summit will attract over 750 qualified global investors and will benefit from significant governmental participation with attendance from several African presidents and influential individuals, as DRC's Prime Minister Matata Ponyo. It will give every delegate in attendance access to bankable projects from across the continent. More information: [www.tgais.com](http://www.tgais.com)

## PRACTICAL INFORMATION

Embassy in Kinshasa  
Contact  
11, avenue Nzongotolo  
Immeuble Residence 55, Kin-Gombe

Phone: +243 99 6050 600  
Emergencies: +243 99 818 62 24  
Fax: +243 99 6050 629  
E-mail: [kss@minbuza.nl](mailto:kss@minbuza.nl)

Postal address  
Lokatie 309 / ZMA Kinshasa  
Postbus 12200 - 2500 DD Den Haag

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  
30, Blvd Denis Sassou N'Guessou  
B.P 277 M'Pila - Brazzaville

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

Honorary Consul  
Ms. Hilly-Anne Fumey  
Phone: +242 06 924 14 07  
E-mail: [hamvanbaggum@yahoo.fr](mailto:hamvanbaggum@yahoo.fr)

For comments, suggestions and remarks on this Newsletter, or any others business, please contact the Embassy's economic policy officer:

Phone: +243 99 060 50 627  
E-mail: [kss-hb@minbuza.nl](mailto:kss-hb@minbuza.nl)

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**Mr Gerard Michels** (Ambassador)

**Mrs Corina van der Laan** (Deputy Head of mission)

**Mr Francis Wilanga** (Sr Economic policy officer)

**Mr Christian Senga** (Economic policy officer Est de la RDC)

**Mrs Sandy Makola** (Assistant Economic policy officer)

