



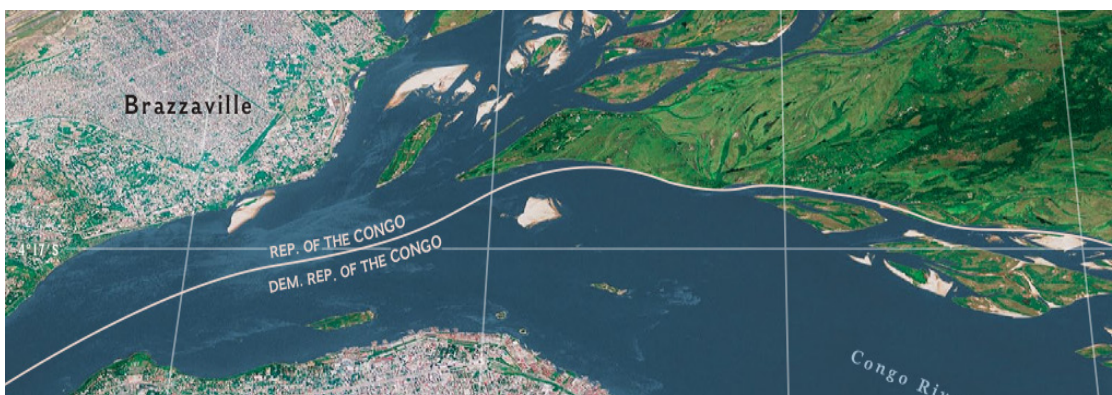
Kingdom of the Netherlands

MASOLO

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ECONOMIC NEWSLETTER EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN KINSHASA



Brazzaville and Kinshasa soon to be connected by a bridge

Kinshasa and Brazzaville, the two closest capitals in the world, are divided by the Congo river. The African Development Bank (ADB) will disburse 250 million euros to finance the construction of a rail/road bridge between the two capitals. This is more than half of the 400 million euros estimate for the project. The two Congos are collectively contributing 110 million Euros.

To disburse this funding, the Congos will have to seek 40 million euros from external donors. The Economic Community of Central African States (CEEAC), estimates that the construction works of the bridge will begin at the end of 2017 or beginning of 2018. Hyacinthe Dzogolo, director of the railroad department Matadi-Kinshasa, said that perhaps it will commence in two years: "The study has reached the stage of a detailed preliminary draft. We have defined the outline, we have wedged the points of where the works will start at the two shores. What is left is to make the international tendering specifications and to find funding." (Source: Les Echos du Congo Brazzaville. Photo: momentumtravelblog.wordpress.com)

From the Netherlands

PAGE 2

- Dutch unemployment lowest in 10 years, consumer spending highest in 6
- Three Dutch firms in top 10 of world's most sustainable companies
- Dutch farm product exports reach a new record
- Results for development projects 2015 available
- Coal-fired power stations are next cabinet's affair

Headlines from the DRC

PAGE 3

- Airport tax for travelers revised upwards
- The DRC wants to participate in a Ugandan pipeline construction project
- Sale of common consumer goods: merchants defy the state
- "Cuca" jeopardizes the Congolese brewing industry
- Giant copper mine Tenke brought under the Chinese flag
- Difficult for DRC to stifle value loss of the Congolese franc
- DRC authorities intend to control ores coming from artisanal exploitations

Headlines from Congo-Brazzaville

PAGE 4

- China finances a special economic zone
- The Republic of Congo could request IMF aid in 2017
- World's biggest tropical carbon sink found in Congo
- Platinum Power associated with hydroelectric dam development
- Republic of Congo receives \$ 250 million from Afreximbank

PAGE 5

Post Scriptum

- New 2016 ranking of corruption perception
- Useful links
- Practical Information & Contact

2 From the Netherlands

Dutch unemployment lowest in 10 years, consumer spending highest in 6



The Dutch unemployment rate fell to 5.4% in the final quarter of 2016, the lowest level in 10 years, national statistics agency CBS has said. The end of the year jobless total fell to 482,000 as 39,000 more people found work in the final quarter. Dutch consumer spending also increased by 2.8% in November, the highest rate in 6 years. A major reason for the increase is that temperatures were on average 4.5 degrees Celsius lower than in the year-earlier period. The households turned on their heating earlier.

Spending on consumer durables such as clothing, furniture and household appliances rose by 4.5% in the final quarter. The consumer confidence index rose one point to +13 in January, its highest level in 9.5 years, the CBS said. The slight increase is due to more positive views about the economy in general and consumers' willingness to buy fell slightly. (Source: Dutchnews.nl. Photo: ocregister.com)

Coal-fired power stations are next cabinet's affair



The Dutch cabinet has left the decision about the future of Dutch coal-fired power stations for the next government. The stations have for long been a bone of contention between the government parties PvdA and VVD. Last year, the tribunal of The Hague decided in a case initiated by the environmental organization Urgenda, that the Netherlands was at that time doing too little to reduce greenhouse emissions. It was decided that in 2020, this emission will have to be reduced by 25% as compared to 1990.

VVD-minister Kamp believes these goals will be reached without closure of more power stations, whereas the PvdA wants the stations to close sooner. At the end of 2017, an Energy Study will evaluate whether the Netherlands is still moving towards the Urgenda decision goals. Minister Kamp is confident about the outcome: "I don't believe it'll be a question of whether we will achieve the 25%, rather how much we'll go over it." (Source: De Telegraaf. Photo: nu.nl)

Three Dutch firms in top 10 of world's most sustainable companies



Three Dutch companies feature in a new ranking of the world's top 10 most sustainable companies. The list, put together by 'clean capitalism' business magazine Corporate Knights, puts financial services group ING in fifth place, behind Siemens, Storebrands, Cisco and Danske Bank. Electronics giant Philips comes in seventh place and chemicals group DSM is ninth.

Corporate Knights produces a list of the top 100 sustainable firms annually to coincide with the World Economic Forum meeting in Davos. The ranking looks at environmental issues as well as the wage gap between executives and average staff members. In total, there are five Dutch firms in the full ranking. Publishing group Wolters Kluwer is in 77th place and computer chip manufacturer ASML is at 95. (Source: Dutchnews.nl. Photo: imparte.ro)

Dutch farm product exports reach a new record

Exports by the Dutch agriculture sector reached a record of € 85 billion last year, making it the second-largest exporter of farm products in the world, the Ministry of Economic Affairs has said. The export of technology and equipment also rose to € 9 billion. The Netherlands has overcome the effect of the Russian boycott by entering new markets.

Secretary of State for Economic Affairs Martijn van Dam said "exports are not simply growing, they are growing strongly. The economy in general is performing better, but an increase of 4.4% really is substantial. The Netherlands is not only profiting from international economic improvements, but also showing that it's good at creating opportunities." Pears are going to Vietnam, onions to Indonesia and peppers to China; good replacements of the Russian market. Germany is the most important customer, accounting for a quarter of the exports. Tomatoes, peppers, cucumbers, meat and dairy products are sold mainly within Europe. Flowers, plants, followed by meat and dairy products, are exported mainly to the rest of the world. (Source: Dutchnews.nl)

Results for development projects 2015 available



The International Aid Transparency Initiative (IATI) has published results obtained in 2015 of the development projects of the Netherlands Enterprise Agency (RVO) on its website. IATA is an initiative by several organizations that pursue transparency in their development cooperation expenses.

Since 2015, RVO reports on its development projects according to the IATI guidelines on Official Development Assistance (ODA) projects. The purpose of the website is to provide information about projects in a transparent, accessible, consumer friendly way. One can find information about countries, sectors, executives and expenses.

In the past few months, RVO has published the results of the development programs CBI, ORIO, DGGF, PSI, FDOV, FDW and 2g@there-OS according to the following three indicators: the amount of supported jobs, the amount of supported organizations and the amount of generated co-financing in EUR. Consult all the results at aiddata.rvo.nl. (Source: rvo.nl)

Giant copper mine Tenke brought under the Chinese flag

It took eight months for the resale of the giant copper mine Tenke-Fungurume in the province of Katanga in the south of the Democratic Republic of Congo (DRC), to a Chinese group of participation in the American Freeport-McMoRan Inc., to be approved by Kinshasa. It has gone a long way. On 9 May 2016, the American Freeport-McMoRan announcement of the resale of its mega-project Tenke Fungurume Mining (TFM) to China Molybdenum through a holding registered in Bermuda (FT Holdings) for 2,65 billion dollars, caught everyone off guard.

Martin Kabwelulu Labilo, Congolese minister of mining, stated that there are no objections from the Congolese side anymore to the change of ownership. He pointed to Bloomberg having given its approval to all parties. This approval seems formal as on 16 November 2016, Freeport-McMoRan announced the closure of the resale. (Source: Jeune Afrique)

Difficult for DRC to stifle value loss of the Congolese franc



It is now one year that the Congolese national currency has been falling against the dollar. Since 2016, the Congolese franc has lost close to 30% against the US dollar. Recently, the Central Bank of Congo (BCC) decided to double its prime rate, from 7 to 14%, in order to curb the inflation related to the value loss of the national currency.

However, these measures appear insufficient. As the DRC imports almost all basic necessity goods it consumes, the consequences are felt quickly in the pockets of the Congolese. The DRC suffers from the fall in prices of primary materials (notably copper and oil) whose exports represent 95% of the country's revenues. Resultantly, dollars don't return while they continue to go out to finance imports. To reduce the bleeding, the Central Bank has asked commercial banks to mitigate the outflow of dollars. (Source: RFI. Photo: marketplace.org)

Sale of common consumer goods: merchants defy the state

Although they benefited from government waivers, merchants have refused to lower the prices of common consumer goods to the rate of 18%, as was agreed. Instead, several raised prices. The national vendor's union of Congo (SNVC) denounced the lack of franchise from the side of business men who are members of the Congolese Enterprise Federation (FEC).

The Minister of Economy had announced price decreases of basic necessity goods throughout the Democratic Republic of Congo, as part of the preparations for the end of the year festivities. According to the minister of economy, Bahati Lukwebo, these decisions were taken for the purpose of assuring a regular supply of basic necessity goods. The products are rice, chicken, mackerel and imported meat. (Source: Mediacongo)

Airport tax for travelers revised upwards



In early January 2017, the development tax for the airport infrastructure (IDEF), also known as "Go Pass", has been revised upwards. For domestic flights, the tax has increased from 10 USD to 41 USD. For international flights, the "Go Pass" now costs 58 USD instead of 45 USD. According to sources close to the Congolese Airways Management Company RVA, the increase of this tax is the result of improvements made to the airport infrastructure of the DRC.

The tax covers maintenance costs for airports in the DRC. The tax has been instrumental in funding the renovations of the runway of N'Djili airport in Kinshasa as well as the runways of Goma and Lubumbashi airports. Additionally, shuttle buses and the equipment in the control towers of the respective airports have been revamped. However, the new charge will first have to be harmonized with the local airline companies before it is implemented, the same sources specified. (Source: Radio Okapi. Photo: rva.cd)

The DRC wants to participate in a Ugandan pipeline construction project

According to the Ugandan Minister of energy and Mineral Development, Irene Muloni, the Democratic Republic of Congo (DRC) has expressed its interest in a Ugandan pipeline construction project. The pipeline will transport crude oil from the Albertine graben to the international market, via the Tanga port of Tanzania. According to Mrs. Muloni, "it is a potential way for the DRC to access the international market".

Indeed, the central African country holds petrol reserves in the Virunga national park and in the Albert graben which it shares with Uganda. According to a source close to the records, negotiations will start very soon. Furthermore, the Ugandan minister indicated that if an agreement will be found between the two parties, the DRC would pay approximately 12 dollars per transported barrel of petrol. (Source: Agence Ecofin)

DRC authorities intend to control ores coming from artisanal exploitations

The authorities of the Democratic Republic of Congo (DRC) have launched a "tracking initiative" of gold ore extracted by artisanal enterprises throughout the country. This initiative for the trackability of artisanal ores (ITOA), will satisfy the measures established by the International Conference of the Great Lakes Region (CIRGL) to combat mine fraud.

Pascal Nyembo, deputy CEO of the evaluation and expertise center of mineral ores, pointed this out. He argued that the mechanisms of the ITOA are feasible and viable, facilitating the identification of diggers, exploitation sites and the supply chain of ores throughout the country.

"With this initiative, the artisanal ore exploitation sites will quickly be certified by inspectors of the ministry of mining. This will lift doubts of potential buyers as regards the origin of the ores produced in the DRC", M. Nyembo indicated. (Source : Xinhua)

"Cuca" jeopardizes the Congolese brewing industry



For several months, the Congolese market has been grappling with a surge in imported alcoholic drinks. This threatens the operations and existence of the domestic brewing industry within the DRC. Experts have stated that the negative impacts of the trend include economic, sanitary and environmental ones among others.

"The import of beer in itself is not bad. However, it has to occur within the fixed legal limitations. If not, it is the economic system which is affected and the consequences thereof can be very unfortunate. By consuming the imported beer at the expense of beer which is produced on a local level, one pushes the local enterprises towards bankruptcy. Thereby, there are hundreds of jobs which will vanish", explained an expert of the Ministry of Economy. (Source: Mediacongo. Photo: hiveminer.com)

Platinum Power associated with hydroelectric dam development



The Moroccan energy company Platinum Power signed a contract with the Congolese government for the construction of multiple hydroelectric plants of a 500 MW capacity, in the Louessé valley. Under the contract, Platinum Power is responsible for the development of plants and financing feasibility studies of associated infrastructure projects. For implementation of the project, Platinum Power has merged with Congo Capital Enterprises.

Upon completion, 70% of the hydro-electric plants will be owned by the Moroccan company while 30% will belong to the Congolese government. The project will benefit from the assistance of Sarine Engineering, a Swiss engineering company. "Our different exchanges with the stakeholders in the energy and electricity sector in Congo-Brazzaville has enabled us appreciate to the potential of the country to produce hydro-electricity", Omar Belmamoun, director of Platinum Power, said. The Moroccan firm currently operates a portfolio of 1.000 MW that encompasses hydro-electric, solar and wind energy projects. (Source: Les Echos du Congo-Brazzaville. Photo: africanreview.com)

Republic of Congo receives \$ 250 million from Afreximbank



The African Export Import Bank (Afreximbank) and the government of the Republic of Congo signed a loan agreement for the grant of future cash flows of approximately 250 million USD. Dr. Benedict Oramah, president of Afreximbank, signatory on behalf of the bank, stated that the credit facility has been granted in the context of a syndicated loan of one billion US dollars.

The government had mandated Afreximbank to raise funds for the purpose of overcoming its financial needs in order to guarantee increased oil production and financing of other investments in the oil and gas sector. Dr. Oramah declared that the bank intervened by setting up innovative programs to allow its member countries to mitigate the negative effects of economic shocks. (Source: Financial Afrik. Photo: Afreximbank.com)

China finances a special economic zone



Congo-Brazzaville is one of the African countries set to benefit from a 60 billion dollars pilot funding scheme announced by China for the purpose of supporting industrialization projects. In this context, the Special Economic Zone (ZES) of Pointe-Noire will be set up. The works will commence in the near future. The ZES of Pointe-Noire, a development and economic diversification project, of which the feasibility studies have been tested and proven by Singapore, is equally a true employment niche.

"In their fifty years of independence, our people have not seen so many investments have effect as the last years with the Chinese cooperation. The economic zone of Pointe-Noire is today the most iconic project that exists between our country and the People's Republic of China", declared Jean-Claude Gakosso, head of the Congolese diplomacy. This funding will have to finance cooperation programs, in particular in the industry sector. (Source: RFI. Photo: news.xinhuanet.com)

The Republic of Congo could request IMF aid in 2017

Congo could apply for support from the International Monetary Fund (IMF) in 2017. Lucie Villa, vice president and country situation analyst with the American rating agency Moody's, said Congo "faces liquidity pressures and is not yet under an IMF project".

The analyst explains that Congo faces serious challenges. The government has to finance emerging plans, already existing debts and a growing public deficit, in addition to financial management of looming social crises related to the difficult elections the country had in 2016.

Its reserves of tax revenues, which were 34% of the GDP in 2014, represented less than 23% at the end of 2015. Moody's forecasts a further decrease of tax revenue reserves between 2016 and 2017. (Source: Agence Ecofin)

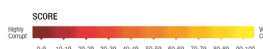
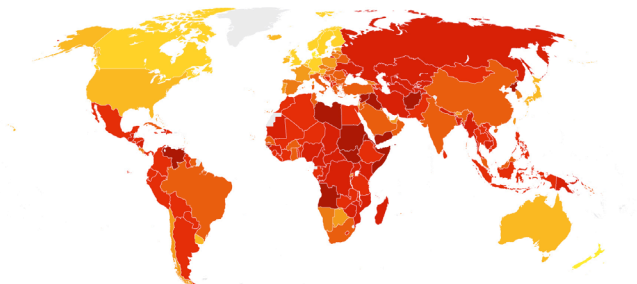
World's biggest tropical carbon sink found in Congo



British scientists recently discovered one of the richest stores of carbon on earth: 145,000 square kilometers of peatland, an area larger than England, in the forests of the central Congo basin. The reservoir of compressed plant material holds at least 30 Gt (billion tons) of carbon. This pristine undisturbed sink of peat is the equivalent of about two decades of fossil fuel combustion in the United States.

The discovery is significant for three reasons. One is that it adds a substantial new component to one of the most complex problems in climate science: the arithmetic of the carbon cycle. Secondly, in a world inhabited by more than 7 billion people, there is still scope for important discovery. Thirdly, if developed, the carbon store will plausibly emit massive volumes of carbon dioxide with ramifications for the global climate. (Source: The Ecologist. Photo: Jeune Afrique)

New 2016 ranking of corruption perception



#cpi2016
www.transparency.org/cpi

Transparency International published the 2016 edition of its well-known report on corruption in the world. The document with a ranking of 176 countries this year concentrates on the relation between corruption and inequalities. They feed each other mutually to create a vicious circle between corruption, unequal distribution of power in society and unequal distribution of wealth.

“In many countries, the population does not manage to satisfy its basic needs and go to sleep on a hungry stomach every night due to corruption. The ones in power and the corrupted ones, on the contrary, live a wealthy life”, José Ugaz, president of Transparency International, states. Denmark holds the first place, while South Korea and Somalia obtained the most negative results with only 8 points each. The Netherlands is ranked 8th with a score of 83/100, the DRC 156th (21/100) and Congo-Brazzaville 159th (20/100).

Useful links

Corruption perceptions Index 2016

http://www.transparency.org/news/feature/corruption_perceptions_index_2016

Open data on development aid projects and programs executed by the Netherlands Enterprise Agency

<https://aiddata.rvo.nl/countries/CD/?tab=summary>

The results for the 2017 Global 100 Most Sustainable Corporations in the World index

<http://www.corporateknights.com/reports/2017-global-100/2017-global-100-results-14846083/>

The road-rail bridge between Kinshasa and Brazzaville

https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Multinational_-_Etude_du_pont_route_-_rail_entre_Kinshasa_et_Brazzaville_et_du_prolongement_du_chemin_de_fer_entre_Kinshasa_et_Ilebo_-_Rapports_d%E2%80%99C3%A9valuation.PDF

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

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