



Kingdom of the Netherlands

MASOLO

Nr 56 / November 2017



ECONOMIC NEWSLETTER EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN KINSHASA



How to achieve self-sufficiency in the egg production sector of the DRC?

To answer this question, the Dutch embassy is organizing a seminar taking place on the 30th of November in Kinshasa. The goal of this seminar is to offer a platform to different actors, such as the Congolese government, food producers, educational institutions, consumers, etc. to work together and provide recommendations in order to improve the current situation of the poultry sector in the DRC. They will take into account the production, importation and consumptions of eggs and poultry, while analyzing social, economic and hygienic advantages of self-sufficiency.

In the DRC, imported frozen produce remains the norm. The cost of chicken and eggs are approximately twice that of what one would pay in a country like South Africa or Kenya. Moreover, compared to locally produced food, imports are often of lower quality and can pose health risks. In order to convince the different actors of the advantages of producing locally, an analytical study concerning the social, economic and health benefits of self-sufficiency has been conducted for a few months in the Netherlands. This study has been realized by the University of Wageningen, an internationally-renowned Dutch university, specialized in the fields of agriculture and the environment. (Photo: Foodnutritionscience.com)

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World's first 3D printed bridge opened in The Netherlands



The Technical University of Eindhoven (TU Eindhoven), in cooperation with BAM Infra, built the world's first 3D-printed bicycle bridge in Gemert, the Netherlands. The bridge is 8 by 3.5 meters and can withstand a weight of at least 5 tons. It is expected there will be a couple of hundred cyclists every day that will use it.

The bridge consists of 800 printed layers of concrete, which all came out of a 3D printer at the Technical University. Although all the materials were printed, the bridge still had to be assembled on location. In the future, it might become possible to assemble it during the production process.

3D printing is gaining ground in multiple industries, construction being one of them. One of the advantages is the fact that 3D printing is better for the environment, as fewer materials have to be thrown away. Oftentimes, it is also quicker and cheaper than traditional ways of building. In the US and China developers have taken 3D printing even further with the first 3D printed houses being produced, taking just under 24 hours to complete. (Sources: TUE.nl and NOS.nl. Photo: Bam.com)

United Nations Centre for Artificial Intelligence and Robotics opened in The Hague

Earlier this year an agreement was sealed between the UN and the Dutch government to open a UN center for artificial intelligence and robotics. The center, which will be part of the United Nations Interregional Crime and Justice Research Institute, will host a small, permanent office in The Hague. The aim of the center is to monitor developments in artificial intelligence and to monitor and prevent the risks associated with artificial intelligence (AI), such as mass unemployment or the deployment of autonomous robotics by criminal organizations.

In August, over 100 leaders in the field of Artificial Intelligence and robotics urged the UN to take action against the dangers of the use of AI in weaponry. Moreover, only last year Stephen Hawking warned that powerful robotics and AI could either be "the best or the worst thing to ever happen to humanity." Besides monitoring and preventing the use of AI and robotics for crime, the center also aims to come up with ideas as to how new technological advances can be exploited to help achieve the UN's targets. (Source: Unicri.it)

New Coalition Agreement: "Confidence in the Future"



On October 10th, after more than 200 days of formation talks, the new government presented its coalition agreement. The government, currently made up of the VVD (liberal), CDA (Christian Democrats), D66 (progressives) and CU (Christian Union) has named the new coalition agreement 'Confidence in the Future'.

The new agreement has a few focal points, such as investing in our collective services (education, healthcare, etc.), striking a better balance between flexible and permanent work contracts, striving to become more sustainable and promoting Dutch values at home and abroad.

Another big change is the simplification and lowering of income tax. The new agreement introduces just two tax scales (of approximately 37% up to 68k and 49.5% from 68k). This means higher incomes for the majority of the working population. To compensate, the government proposes to raise the low tariff of VAT (food and certain services) from 6% to 9%. Regarding education, teachers in primary schools will receive a salary raise and the tuition fees at universities will be halved for the first year. (Source: Government.nl. Photo: Rtvnoord.nl)

Amsterdam 6th safest city in the world



According to the Safe Cities Index, published annually by The Economist, Amsterdam is the 6th safest city in the world. The index ranked 60 global cities across 49 indicators covering digital security, health security, infrastructure security and personal security. The top of the index remains dominated by Asian and European cities. Of the top ten, four are Asian (Tokyo, Singapore, Osaka and Hong Kong) while three are European (Amsterdam, Stockholm and Zurich). Asia (except for the South-East), the Middle East and Africa remain at the bottom of the list with Manila, Dhaka, Karachi, Cairo and Tehran appearing in the bottom 10.

Amsterdam performed the best among its European peers, mainly thanks to its high scores in Digital Security (no. 4 worldwide) and Infrastructure Security (no. 6 worldwide). Concerning Personal Security, Amsterdam came in at number 10. Many other major European cities (London, Paris, Barcelona) have seen their Personal Security score decline due to the several terrorist attacks that have taken place in the past year. (Source: Safe Cities Index 2017. Photo: Parool.nl)

Bralima is restructuring to adapt to economic context

The executive director of Bralima justifies its restructure by the fact that Bralima has suffered from an increase in duty rates over 50% since 2013, an increase of more than 20% in water and electricity rates and an increase in business costs in general. He underlined that this crisis has led to the closure of the factories in Bomand Mbandaka and the depreciation of its assets of 286 million euros.

All employees of 58 years and older are concerned about this measure. They would benefit from an early retirement, the executive director explained, from a conventional notice payment and from compensation additional to those required by law for all employees leaving the company. Furthermore, the sub-contracting agents affected by this reorganization of Bralima will equally receive the payment of this notice, in accordance with the law. (Source : Mediacongo)

BCC proceeds with the launch of a new national payment system



The Central Bank of Congo (BCC) has started a modernization process of the national payment system (PROMOSYS). This initiative takes place within the framework of the banking system reforms in the DRC and executes decree n°04/083 of 27 September 2004 on the issue of regional economic integration and national economic development. The partners in this process are the World Bank and the Implementation Cell on Funding for Fragile States (CFEF).

With the implementation of this new national payment system, the DRC acquires a software solution in line with the latest technological advances regarding payment systems. The project acquired, amongst others, a real time large value payment system (RTGS). Another advantage is the reduction of the outcome delay of operations as well as their costs. The new system will have to allow the BCC to implement a more efficient monetary policy which, according to experts, will contribute to financial stability and favor the use of non-cash payment instruments. (Source: MCN. Photo: CFEF.cd)

Kinshasa named as worst megacity for Get-Ahead Women in poll



The Thomson Reuters Foundation asked 380 experts on women's issues in 19 megacities several questions, including if women in their city had access to economic resources such as education, land, and financial services such as bank accounts and loans. Regarding economic opportunities, Kinshasa came out as the worst of the 19 cities - all of which have populations of more than 10 million - followed by Cairo and Karachi. By contrast London was named as the best, followed by Shanghai.

Experts said the majority of women in Kinshasa work in small, informal businesses or agriculture - sectors often cut off from banking - and many live on the city's outskirts without electricity and roads, making it hard to travel to banks. Figures from a 2014 World Bank survey found less than a quarter of women in Africa's second largest country use financial services, compared with four in 10 men. (Source: AllAfrica. Photo: News.trust.org)

Mad scramble for lithium mines stretches from Congo to Cornwall



While its rise has been dramatic, Australian AVZ Minerals is not alone in the rush to position for a rechargeable-battery boom, as other companies are hunting for lithium deposits as well. The extraction of lithium, which is dominated by three large producers, has surged as demand increases for lithium-ion batteries used in electric vehicles and energy-storage systems.

While Australia was the largest producer in 2016, its proven resources are dwarfed by Argentina and Bolivia, each with about 9-million tons and Chile, with over 7.5-million tons. In Congo, AVZ must still prove that extracting the lithium is economically viable.

It will also need to rehabilitate an old power station to reach production and build over 600 km of roads to connect the mine to the regional capital of Lubumbashi for exports. Still the project is attracting investors, including China's Zhejiang Huayou Cobalt, one of the world's biggest refiners of cobalt. (Source: Miningweekly. Photo: Miningnews.net)

Sicomines authorized to export its raw minerals

The Mining Minister, Martin Kabwelulu, recently lifted the export ban on mining products which are not processed by the Sino-Congolese mining company (Sicomines) under certain conditions. Sicomines is obliged to mobilize everything for a production of big added value and to regularly transmit reports on its activities.

In a letter dating from 6 October 2017, Sicomines explained the consequences of such a restriction on its exports to the minister. It also indicated that it was time that the two parties found a joint operational mechanism adapted to the reality of the mining production. This mechanism should not seal the activities of Sicomines, nor delay the fast reimbursement opportunities of loans effectuated by the government to the Chinese consortium.

Sicomines also alluded to the energy deficit of 170 MW to be able to turn to full capacity, before affirming that it consented to 660 million for the construction of the Busanga dam. (Source: ACP/MCN)

Who finances infrastructure in Africa?

The latest annual report of the Infrastructure Consortium for Africa (ICA), titled "Infrastructure Financing "Trends in Africa 2016", shows that the engagements to develop infrastructure in Africa have moved back to 62.5 billion USD in 2016, against 78.9 billion USD in 2015.

The national budgets' allocation for infrastructure raised to 26.3 billion USD in 2015, which is + 9.6% as compared to 2014. The Chinese contribution varied a lot, after attaining its record level in 2015 (20.9 billion USD). The most extensive Chinese investment, between 2011 and 2016, remained around 12 billion USD on average.

The member states and institutions of ICA were also active. The outflows realized by its members in 2016, reached 13.4 billion USD, representing an increase of 6% as compared to 2015. A decrease of investments by the private sector was noted. (Source: Agence Ecofin)

World Bank: growth of 2.4% in 2017 in Sub-Saharan Africa



The economic growth in Sub-Saharan Africa should reach 2.4% in 2017, against 1.3% in 2016, according to Africa's Pulse's latest report, a biannual report of the World Bank. In the second quarter of this year, the two leading locomotives of the continent, South Africa and Nigeria, witnessed growth again, after respectively two and five months of negative performances. Furthermore, the improvement of the international conjuncture, generating an increase in value by the extractive industries, contributed to this revival.

"In the least dependent economies of raw materials, such as Ethiopia and Senegal, overall growth remained stable. Exporting countries of metals benefit from the recovery of international prices", the report revealed. The World Bank referred to the still elevated public debt and encouraged the countries to double their efforts to address the failure of revenues and to curb expenditures to achieve a budgetary balance. (Source: APA. Photo: Myc4.worldpress.com)

Oil has to become a "back-up product"



The Congolese Prime Minister, Clément Mouamba, has stated that he wishes oil would become a "back-up product". "We have rested on oil, instead of considering that the two udders of our resources are customs and taxes. Congo has enormous needs," he underlined, assuring that in the agreement with the IMF "there will be no measure to destabilize the national economy, which is already weakened. It needs to guarantee social peace and especially the pay of those who work."

Several strikes are currently stirring up in Congo and among its 4.5 million inhabitants. Those take place mainly in universities and public hospitals. In its latest mission at the end of September, the IMF estimated the Congolese debt at "approximately 110%" of the gross domestic product (GDP), or "5,329 billion CFA Francs" (9.14 billion US Dollars).

Mr. Mouamba acknowledged that "there is an indebtedness", refusing to consider Congo as "a bad student" in the Economic Community of Central African States. (Source: AFP. Photo: Jean-marc-henry.com)

Congo risks payment failure for Moody's on its private debts



The rating agency Moody's states in its yearly analysis that the credit profile of the government of the Republic of Congo presents a high risk of shortcomings. The rating agency pointed towards the risks of loss for private creditors, due to an acute liquidity crisis and a weak balance sheet.

"The oil crisis had a significant negative impact on the credit profile of the Republic of Congo. It is caused by the country's heavy dependence on oil, which generates 36% of GDP, 33% of government revenues and 80% of its exports", Lucie Villa, deputy director, leading analyst at Moody's and co-editor of the report, stated.

"Furthermore, the missing payments regarding Eurobond 2029 reflect the institutional weaknesses of the country", she added. The agency noted the country's poor performances regarding the government's efficiency, the rule of law, the fight against corruption and the quality of its regulations. (Source: Jeune Afrique. Photo: Zenga-mambu.com)

POST SCRIPTUM

The Netherlands Commission for Environmental Assessment (NCEA)



(Photo: Eia.nl)

The NCEA has worked since 1987 on environmental assessments in the Netherlands and from 1993 on environmental and social assessment in Dutch partner countries. These assessments are processes that aim to ensure that decision making is inclusive and fully incorporates both environmental and social consequences of proposed actions.

It provides sustainability advice to different institutions – amongst others governments of host countries. In many countries it is legally required to undertake an assessment before major projects and plans are started.

What is the NCEA exactly?

It is a statutory body, functioning as an independent expert commission that:

- specifically addresses social and environmental impact assessment issues through its assessment program;
- supports embassies and other authorities with mainstreaming sustainability at a strategic level.

What does it do?

- It gives both oral and written advice
- It facilitates by offering a neutral chair/facilitator person in meetings and workshops.
- It clarifies legal and regulatory requirements on environmental assessments per country.

The NCEA and the Embassy

Since 2012 the NCEA uses its expertise to assist Dutch embassies and has proven to be a valuable asset in achieving the objectives of the Dutch Aid and Trade policy. It helps governments to pursue economic growth in a sustainable manner.

More information

For more information, visit: www.eia.nl.

Useful links

Coalition agreement "Confidence in the future"

<https://www.government.nl/documents/publications/2017/10/10/coalition-agreement-confidence-in-the-future>

Poll "The most dangerous mega cities for women"

<http://poll2017.trust.org/>

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