



Kingdom of the Netherlands

MASOLO

* Masolo (word in Lingala) means "short news"

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ECONOMIC NEWSLETTER EMBASSY OF THE KINGDOM OF THE NETHERLANDS IN KINSHASA

Doing Business 2018

Reforming to Create Jobs



Doing Business 2018: Reforming to create jobs

Between June 2016 and June 2017, the Doing Business report, which measures 190 global economies, documented 264 professional reforms. The most common reforms were those reducing the complexity and the costs of regulatory procedures for establishing companies and getting access to credit. The most popular reform is on cross-border trade.

The Netherlands was positioned nicely at 32nd place. They are the number one in the category of cross-border trade. In the domains of 'ease of doing business' and 'insolvency regulation', they scored very well too. After five consecutive years of stagnation, the DRC climbed from the 184th place to the 182nd. The national agency for the promotion of investments (ANAPI) was rejoiced about this and underlined the relentless communication work done since 2016 to raise awareness on the progress realized by the country. Congo-Brazzaville occupies the 179th place (against the 177th last year).

According to the report, Sub-Saharan Africa made progress in terms of realizing reforms towards an improved business climate. The report stipulates that last year, about 83 reforms were introduced in 36 of the 48 countries in the region, for the purpose of facilitating business practices. In addition to that, Africa displays unheard performances with 31% of its reforms implemented in 2017. Furthermore, the report reveals negative results in the region in regard to connecting electricity, cross-border trade and property transfer. (Photo: DoingBusiness.org)

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2 From the Netherlands

The Netherlands switches to renewable energy more quickly than expected



In the years to come, Dutch households and companies are expected to be using more and more renewable energy. In 2023, renewable energy will have tripled to 17,3% of all energy consumption, according to the NEV 2017 ("Nationale Energieverkenning", the National Energy Exploration).

The NEV, which was set up by different Dutch governmental organizations, including the RVO (the Dutch office for Entrepreneurship), says the government will surpass its goal of 16% that was set in 2013. All in all, the energy transition is catching steam. When looking at electricity specifically, by 2023 it is expected 44% will be renewable.

In large part this can be attributed to the expansion of "wind farms" on the North Sea. However, wind-farming on land has run into some delays, this can be explained by the difficulty of placing wind turbines in people's view point. Since the Netherlands is densely populated, building windfarms on land has proven to be difficult. (Source: Rvo.nl. Photo: Windenergie-nieuws.nl)

Start-Up visa rules should be relaxed

Bringing in staff from outside the European Union remains a time-consuming, costly endeavor. The Netherlands should aim to make it easier for companies, and especially start-ups, to bring in non-EU staff, as the current rules are too expensive for new companies. These remarks were made by Prince Constantijn, who works for StartupDelta, an organization that promotes entrepreneurship in the Netherlands.

At the moment, companies need to pay new non-EU staff at least €4,240 a month if they are older than 30, in order for them to get a visa. For small start-ups this is generally not feasible. One of the suggestions Prince Constantijn has offered is to pay new employees partly in stock options, which can be cashed in at a later time if the company is successful. According to the Erasmus University's center for entrepreneurship, the number of Dutch start-ups evolving into scale-ups is rising extremely fast.

A scale up is a fast-growing company with a minimum of 10 employees and a revenue of €5m, which has grown by 20% annually for at least three years. These companies, in order to sustain their growth, need new employees, from within and outside the EU. (Source: Dutchnews.nl)

Winners of Oranje Handelsmissiefonds 2017 are known

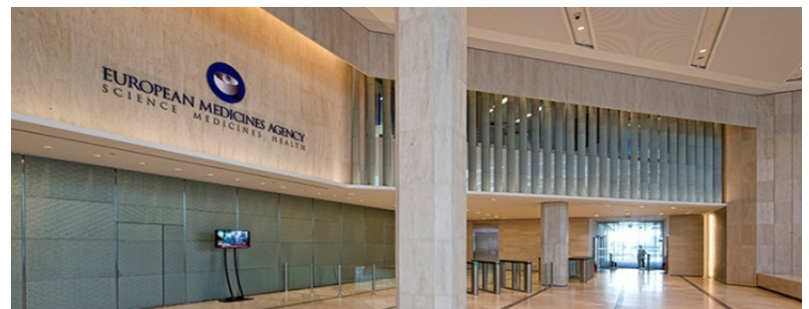


Ten Dutch companies were named the winners of the Oranje Handelsmissiefonds 2017 during the BusinessBoost Live in Rotterdam. The partners of the fund, ING, KLM, MKB-Nederland and the Ministry of Foreign Affairs, revealed the winners. Every year, ten companies win a year-long guidance and support of the five partners of the Oranje Handelsmissiefonds to place the Netherlands on the map as an export country and to help entrepreneurs with their export ambition.

The winners were selected out of more than five hundred applications. These companies were selected on the basis of the quality of their product or service, their ambitions and their motivation and choice to work in a different sector. The Oranje Handelsmissiefonds looks for exceptional Dutch entrepreneurs in small and medium-sized companies with international ambitions and an export dream.

It does not matter if they already are active abroad or just want to enter a new market. The 10 winners gain support for one year to successfully make the step abroad. (Source: RVO.nl. Photo: mkb.nl)

EU selects Amsterdam as new location for EMA



On the 20th of November the General Affairs Council of the European Union decided that the European Medicines Agency (EMA) will relocate to Amsterdam when it leaves London in 2019. The vote was decided by three different rounds of voting in which the 27 member states had to give points to their destination of choice. In the last round, only Milan and Amsterdam remained, both receiving 13 votes (there was one abstention).

The final decision was made by a coin toss, which saw Amsterdam come out as the winner. The EMA has many different tasks such as monitoring the safety of medicines entering the European market, giving marketing authorisation, facilitating development and giving access to medicines across the EU.

As the agency has 900 permanent staff and around 30.000 visitors per year, its arrival in Amsterdam will be accompanied with strong economic benefits. It is the result of year-long lobbying by Dutch politicians such as Wouter Bos, across the EU, that has led to this fantastic outcome. (Source: Government.nl. Photo: Fiercebiotech.com)

CENI received only approximately 10% of the electoral budget for 2017

The state budget for 2017 allocated 764.9 million USD for the elections initially foreseen for December. However, according to the Independent National Electoral Commission (CENI), only 80 million USD has been disbursed until last October. This represents slightly over 10% of the “electoral budget” foreseen in the Public Finance Law. This repetitive situation since 2014 generates many doubts on the capacity of the government to tackle the challenge in 2018.

The proposed state budget foresees an envelope of 503 million USD, of which 463 million USD is allocated for its own resources for direct ballots in one sole sequence. The government has the obligation to meet the challenge of financing the elections, which it has proven to be weak at since the initial process. The government and its financial partners have until the 30th of November 2017 to publish a plan of how to disburse the funds, according to the electoral calendar. (Source: Zoom Eco)

Apple leads way in tracing cobalt from Congo



Apple is leading the way in tracing cobalt used in its electronics to ensure the metal has not been mined by children in the Democratic Republic of Congo while Microsoft lags behind, Amnesty International said. Congo is by far the world's biggest producer of cobalt.

“Companies have a responsibility to prove they are not profiting from the misery of miners, who often work in terrible conditions,” Amnesty official Seema Joshi said in a statement. The group ranked 29 companies on how well they were tracking their sources of cobalt since Amnesty released a report in January 2016 warning about human rights abuses linked to cobalt mining in Congo.

“Apple became the first company to publish the names of its cobalt suppliers ... but other electronics brands have made alarmingly little progress,” the statement said. (Source: Reuters. Photo: Newsweek.com)

Pretoria and Kinshasa agree to drop commercial barriers



South Africa and the Democratic Republic of Congo (DRC) have agreed to remove obstacles which hinder business between the two countries. The South African consul general in Lubumbashi, Andrew Maswanganye, stated it was important for Pretoria and Kinshasa to work on the harmonization of the business climate.

The Congolese Minister of Economy, Joseph Kapika, stated that the priority of the Congolese government was to assure that the single window created to ease the registration of companies and the facilitation of investments dispose of the necessary resources to fulfill its role.

He called on South Africa to share its expertise, its technological advancement and skills transfer, to help the DRC exploit the opportunities in the mining and the manufacturing sector. Trade between the two countries reached 985 million USD at the end of 2016. (Source: APA. Photo: Africetime.com)

Several directors of Glencore resign after revelations on the DRC

Three Glencore plc directors have resigned from their positions as directors of the copper and cobalt unit of Katanga Mining Ltd. in the DRC, following an internal review which revealed “important weaknesses” in the financial controls of the procedure. Questions were raised on the “pertinence” of certain accounting practices in Katanga throughout an inquiry led by the securities commission of Ontario.

Following the survey, Aristotelis Mistakidis and the executives Liam Gallagher and Tim Henderson offered their resignation. Glencore named three new candidates for the board of directors of Katanga, among whom Steven Kalmin, who is the financial director of the group.

The mining group will reinforce its inspection across the copper department too, to improve its financial processes and the governance and control of the company. Glencore holds approximately 86% of Katanga Mining. (Source: Politico.cd)

Budget draft of 5,7 billion USD approved for 2018



The Minister of Budget of the Ministry of State, Pierre Kangudia, has presented the new Public Finance Law budget draft, which is based on forecasts underpinned by macroeconomic indicators and aggregates.

This analysis reveals a GDP growth rate of 4,4% against the current rate of 3,2% in 2017, a GDP deflator of 6,7%, an average inflation rate of 30,4% against the current rate of 40,0% in 2017, an exchange rate FC/USD of on average 1,813.4 CDF and a nominal GDP of 79,000,735 billion CDF against the current GDP of 49,000,040 billion CDF in 2017.

This 2018 Public Finance Law is aimed at organizing elections, ending the degradation of the economic situation of the country, improving the living conditions of the population and at restoring the safety of people and property in the whole territory. (Source : Zoom Eco/Radio Okapi. Photo: Congo Actu)

Dangote Cement about to start up its production

The Nigerian billionaire's group, Alliko Dangote, pursues its expansion on the continent with the objective of becoming the leader in the cement industry in Africa. With an annual demand estimated at 2 million tons, the cement factory with a production capacity of 1,500,000 tons per year, which will soon be inaugurated by Dangote Cement, will allow Congo-Brazzaville to set aside its production deficit and to export cement in the sub-region.

Recovery of investment in this sector and commissioning of several factories since 2013 has allowed the price per bag to be reduced to between 4,000 and 5,000 CFA, while ten years ago a bag of cement cost between 10,000 and 13,000 Francs and the price per ton used to fluctuate around 200,000 and 260,000 CFA. (Source: Financial Afrik)

Africa welcomes renewable energy revolution



Africa's ability to provide electricity to its population has traditionally been judged on the capability of its governments to finance or attract private sector investment into new power plants. Little progress on electrification had been made for many decades because power companies were unable to produce electricity at an affordable price.

A total of 600m Africans, most of whom live in rural areas, are still without access to electricity, while those reliant on hydroelectricity suffer from all-too-regular power cuts during periods of low rainfall. Renewables are quickly becoming the solution of choice on grounds of cost alone. Solar PV costs have fallen quickly because higher volume production cuts manufacturing costs.

This means that the proportion of solar energy that is turned into electricity by solar cells is increasing. It is likely that 90% of African homes will have access to electricity within a decade because of this technology. (Source: African Business. Photo: Greenpeace.org)

Tecno Mobile wins Popular Phone of the Year and Smartphone of the Year Awards



Tecno Mobile, Africa's leading smartphone brand and maker of several celebrated flagships has once again been recognized for its stellar innovations and user-friendly products. The awards - Popular Phone Brand of The Year and Smartphone of The Year (CAMON CX) received at the Nigeria Tech Innovation and Telecoms Award will add to the list of awards and recognitions received by the brand this year.

Speaking at the event, General Manager of Transsion, parent company of TECNO Mobile, Mr. Chidi Okonkwo stated: "We commit our best resources to whatever we do and thus are always pleased when we get recognitions like these because they prove to us that indeed consumers see, use and appreciate our works."

Speaking of the brand's dominance and successes, Mr. Chidi Okonkwo added "TECNO Mobile is on a winning streak, not just in Nigeria but globally. (Source: All Africa. Photo: Guardian Nigeria)

Autonomous port of Brazzaville suffocated by debts



The Minister of Transport and Civil Aviation, Fidèle Dimou, made a situational analysis of this entity that is partly state-owned, on November 8. It is a company burdened with serious problems. Considering its fiscal and social debts of about 8 million euros, the autonomous port of Brazzaville could be forced to stop its activities.

And there are more problems: due to the alleged existence of an alternative port, the autonomous port of Brazzaville and secondary ports (Pabs) realizes only very average revenues. Another issue is the lack of qualified personnel.

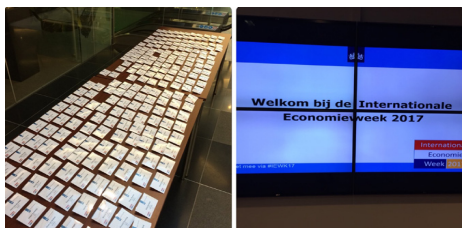
To reconnect with the golden age and to smoothen traffic (currently estimated at 100,000 tons per year), the Congolese government commits itself to renovate the ailing infrastructure built in 1921 by the French. When will these works that started almost one year ago end, though? (Source: Journal de Brazza. Photo: Les Echos du Congo Brazzaville)

POST SCRIPTUM

Review of the 2017 edition of the International Economy Week

Approximately 200 economic attachés, including consuls general, of the Dutch Ministry of Foreign Affairs coming from 93 countries, took part in the annual meeting bringing together Dutch embassy staff from all over the world working on economic and trade questions. This big conference called "The International Economy week" (in Dutch "Internationale Economieweek", abbreviated IEWK) was attended by the Embassy of the Netherlands in the DRC too, represented by Mr. Francis Wilanga.

This year's theme was the Netherlands: facing big societal changes in the world. More specifically, it addressed how the Dutch government can contribute to address these challenges, in collaboration with companies and research centers. Below, you can find a small overview of the week through images.



The International Economy Week was organized by the Dutch Ministry of Foreign Affairs in collaboration with the Ministry of Economy and Climate and of Infrastructure and Water



The new Dutch Minister of Foreign Trade and Development Cooperation (Sigrid Kaag) emphasized participants their role in the promotion of Dutch expertise abroad, during her meeting with the participants



Among the topics dealt with by the participants were food security, climate and agriculture; quality guarantees on the reinforcement of the agro-export sector, NITC, water security etc..



Workshops and presentations were organized on different themes: corruption and CSR, how to help start-ups to internationalize, aid vs. trade, public engagement to support the Dutch private sector in big infrastructure projects



The meeting of economic attachés from the African region allowed to exchange with embassies that already launched the Orange Corners programme (available in the DRC starting from 2018) to support active start-ups in Sub-Saharan Africa



The Internationaal Ondernemen Festival (Doing Business Abroad) was an opportunity for direct contact between the private sector and representatives of Dutch embassies



#IEWK17 was also an opportunity to learn about new concepts and programmes. Here for example a tweet on the importance of circular economy for waste management in the DRC



Company visits where Dutch expertise was demonstrated were organized, for example in water management, innovation and transformation, energy, high tech systems and materials, alimentation and agriculture

PRACTICAL INFORMATION

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Friday 08:00 – 13:30

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Otherwise by appointment only

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