



Kingdom of the Netherlands

# MASOLO

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

Nr 67 / November 2018



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

# Doing Business 2018

## Reforming to Create Jobs



### Doing Business 2018: reforms to create jobs

Doing Business is a flagship publication of the World Bank Group. Doing Business presents quantitative indicators on the regulation of business, as well as on the protection of ownership rights of 190 economies over the course of time. In all regions, economies implement reforms to facilitate the business process.

However, Europe and Central Asia continue to be the region with the highest number of economies which implement at least one reform. In the ranking, the Netherlands were positioned 32nd with a score of 76.03; the Republic of Congo is on the 179th place with a total score of 39.57 and the Democratic Republic of Congo is ranked 182nd with a score of 37.65.  
(Source : Doingbusiness.org. Photo: lpe.org.pe)

#### From the Netherlands

##### PAGE 2

- The Netherlands has the best pension system in the world
- Philips prepared to move production due to US-China conflict
- KVK publishes its research 'Entrepreneurs about Brexit'
- Former prime minister Wim Kok dies: 'a man of total integrity'

#### DRC Headlines

##### PAGE 3

- The DRC entrusts the exclusive development of the Inga III dam to a Sino-Spanish consortium
- Learning platform Schoolap will represent the DRC at the Seedstars Summit
- 2019 budget proposal : almost 6 billion US dollars
- Launch of operation burning non-biodegradable plastic bags in Kinshasa
- Improvement of female participation could generate a revenue increase for companies in Kinshasa

#### Congo-Brazzaville & Africa

##### PAGE 4

- Moody's changes outlook on Republic of the Congo's rating to stable from negative, affirms Caa2 rating
- 4 billion USD to store renewable energy
- Some governments see in mobile money a new source of tax revenues
- Congo : Brazzaville and Pointe-Noire are experiencing electrical load shedding

##### PAGE 5

#### Post Scriptum

- Ambassador's testimonial about his visit to Matadi and Boma
- Practical information & Contact

### KVK publishes its research 'Entrepreneurs about Brexit'



From a research conducted among members of the Entrepreneurs' Panel KVK, it appears that 81% of the entrepreneurs who do business with the United Kingdom, expect an impact of Brexit on their business. Almost 50% of these entrepreneurs, however, finds it unclear what the impact will be.

There are less than 150 days to go until the "Brexit date", but 39% of the entrepreneurs that do business with the UK are not well prepared for it. 46% is more or less prepared and only 15% is well-prepared. There is a significant relation between the impact that entrepreneurs expect of Brexit and their level of preparation. Those who expect a big impact, are usually well-prepared. However, entrepreneurs that indicated that the impact is unclear to them, are usually not prepared.

The research 'Entrepreneurs about Brexit' has been carried out by the Entrepreneurs' Panel KVK, which consists of more than 4,000 self-employed without personnel and SME entrepreneurs. (Source: Brexitloket.nl. Photo: Baaz.nl)

---

### Former prime minister Wim Kok dies: 'a man of total integrity'

Former Dutch prime minister and Labor party leader Wim Kok has died in hospital at the age of 80 after a short illness. Kok was prime minister between 1994 and 2002 when he led the two 'purple' cabinets – so called because of the combination of the colors of the Labor party, the VVD and Liberal democratic party D66. They were the first Dutch cabinets without the Christian Democrats in over 75 years.

Kok first came to prominence in 1982 when as leader of the FNV trade union federation, he signed a historic pact with the VNO employers' organization which became known as the 'Wassenaar agreement'. The Wassenaar agreement involved the unions agreeing to wage moderation in return for shorter working hours and is still seen as an important contributor to economic recovery after years of crisis. Since leaving politics in 2002, Kok had a number of supervisory board roles, including at ING and Shell. (Source: Dutchnews.nl)

### The Netherlands has the best pension system in the world



According to the Melbourne Mercer Global Pension Index (MMGPI), the Netherlands is back on top! The last time the Netherlands was ranked with the best pension system in the world was seven years ago. MMGPI examined the pension systems in 34 countries according to the sub-indices of adequacy, sustainability and integrity, which are informed by more than 40 indicators.

Adequacy is informed by factors such as benefits, system design, growth assets, tax support, savings and home ownership, whereas sustainability is based on indicators like total assets, contributions, demography, government debt, economic growth and pension coverage. The integrity index looks at indicators such as governance, regulation, costs, communication and protection.

This year, the Netherlands has come out on top, beating Denmark to first place. In particular, the Netherlands scores higher on the integrity sub-index with 88.8/100, giving the country an overall score of 80.3. (Source: iamexpat.nl. Photo: Expatica)

---

### Philips prepared to move production due to US-China conflict



Philips is "deadly serious" about the possibility to move its production, following the trade measures which the US and China impose against one another. That is what top executive Frans van Houten stated in his presentation of the third quarter figures.

"If tariffs go up to 25 percent, you have to. Otherwise your business stops. We cannot always reduce the price easily." Philips has its plans ready to bring the production of its products which are sold in the US, to the US, and, vice versa, to increase the production in China of devices which are sold there.

The company considers moving the production of consumer articles such as tooth brushes and shavers, as well as of big medical systems such as MRI- or CT-scanners. That will not happen overnight, but it is possible in a few quarters (Source: Nrc.nl. Photo: Eindhovens Dagblad)

---



## Launch of operation burning non-biodegradable plastic bags in Kinshasa

In the commune of Maluku, the Minister of Industry, Marcel Ilunga Leu, launched the operation to burn non-biodegradable plastic bags which were seized by legal inspectors during inspection missions organized by the Ministry of Industry in order to ensure compliance with the decree-law of 30 December holding the prohibition to produce, use and commercialize plastic bags on the whole territory of Congo.

The Democratic Republic of Congo, on its turn, attempts to prohibit disposable plastic bags which are detrimental to the environment. Historically, the Congolese authorities had already taken similar types of measures, which were, however, not followed in practice.

In Africa, Rwanda also introduced the prohibition of plastic bags, as is the case in Morocco. Deadly floods hit Kinshasa during the night of 3 on 4 January this year. Among the causes of this, was waste of plastic bags which block canalizations and water flows. (Source: Digital Congo & La Libre Afrique)

## Improvement of female participation could generate a revenue increase for companies in Kinshasa

According to a study realized by ELAN RDC with the objective to assess the potential economic benefit resulting in the under representation of women in key sectors of the city of Kinshasa's economy, female participation could generate a revenue increase up to 1 billion USD, for Kinshasa companies.

These results were presented during the first edition of "Women Drive Growth", organized by Global Compact DRC, UN Women and ELAN RDC. The Ambassador of the Netherlands, Robert Schuddeboom, participated in this meeting and in his speech encouraged companies to reunite their efforts, knowledge and competences, to realize and promote the principles of corporate social responsibility, especially by including women in private sector initiatives.

The study shows that companies based in Kinshasa could realize major commercial gains by targeting scarcely reached consumers. Also, Kinshasa companies show a certain success when it comes to hiring women in the formal sector.



## 2019 budget proposal : almost 6 billion US dollars

The Congolese Prime Minister, Bruno Tshibala, filed the financial bill for 2019 at the office of the National Assembly. This budget which has been presented, is estimated at 10,352.2 billion Congolese francs, equivalent to almost 6 billion USD, in both revenues and expenditures.

Instead of 60 days which are normally granted to the Parliament by law to examine the budget, the National Assembly and the Senate now only got 40 days to assess the two budget proposals, before the electoral campaign starts.

Amongst the indicators which supported the state's budgetary bill for 2019, are the increase of the GDP (5.6%), the deflator of the GDP (7.2%), the average inflation rate (12.4%) and the nominal GDP (96,678 billion FC). (Source : Radio Okapi & Le Potentiel. Photo: Acprcongo.com)

## The DRC entrusts the exclusive development of the Inga III dam to a Sino-Spanish consortium



The exclusive development of the Inga hydroelectric central, has been entrusted to a consortium consisting of China Inga 3 groups and ProInga. These two entities were the only ones left in the race in June 2017, for the construction of the dam.

These two consortiums accepted the Congolese government's request to group together in a joint group to present one single tender. Furthermore, the DRC re-evaluated the infrastructure's power to set up, from 4,800 MW to 11,000 MW.

It has also been agreed that the two entities will take into account the funding of feasibility studies of the infrastructure, of which the global cost is estimated at 14 billion USD. (Source : Agence Ecofin. Photo: Desc-wondo.org)

## Learning platform Schoolap will represent the DRC at the Seedstars Summit

The Congolese Schoolap is a start-up which makes web applications for schools, educators, students and students' parents. It allows actors of the education system, to have access to pedagogical manuals and educational books.

The start-up won the Congolese stage of Seedstars World in Kinshasa recently and will thus represent the DRC at the Seedstars Summit which will be held in Lausanne (Swiss) in 2019. The Schoolap platform makes manuals and pedagogical books available for consultation online for students and educators. It now holds only 4% of the digital school supplies market in the DRC.

In two years from now, in 2020, this Congolese start-up which generates revenues of 4,000 USD per month, hopes to realize a business figure of at least 300,000 USD per month and targets around 7,500 new schools.

## Some governments see in mobile money a new source of tax revenues

Following pioneers such as Kenya, Tanzania, Zimbabwe, Uganda and Ivory Coast, taxing mobile money, which was done rarely only a few years ago, could increase.

Today, mobile money is the center of several activities. Settling invoices, payment of goods and services, micro credit, micro saving etc., in the city as well as in rural areas.

This has filled the void which the traditional banking system has a hard time to realize. Taxing could negatively impact all this progress. (Source : Agence Ecofin)

## Congo : Brazzaville and Pointe-Noire are experiencing electrical load shedding



Since last 21 October, the two main cities of Congo are experiencing huge blackouts because technicians carrying out maintenance works at a turbine of the electric central of Congo, installed in the economic capital, which provides by itself 60% of the energy provided by the national company to its clients.

The repeated and extended blackouts complicated the situation of citizens of Brazzaville, who, even in normal times, do not have permanent access to electricity. Also its quality is sometimes suboptimal. During the last twenty years, the installed capacity passed from 89 to more than 600 megawatt for the whole national territory, but the supply is still lower than the demand.

In their homes, small traders, industries, machines, freezers, A/Cs and refrigerators were working at a reduced level for 45 days, due to a mistake in the electricity transfer. The national electricity company distributed power on a rotation basis. (Source : RFI. Photo : La Tribune Afrique)

## Moody's changes outlook on Republic of the Congo's rating to stable from negative, affirms Caa2 rating



The key driver behind the change in the outlook to stable is Moody's expectation that negotiations to restructure the government's very high debt are unlikely to involve market debt owed to private creditors, thereby avoiding a default event in the near term under the agency's definition.

Nevertheless, over time, material default risks to private creditors remain due to persistent significant credit challenges, including a very tight liquidity position and deep institutional weaknesses comprising deficiencies in debt management, which are reflected in the Caa2 rating. The local currency and foreign currency long-term bond and deposit ceilings remain unchanged at B2.

The oil price shock has had significant negative impact on Republic of Congo's sovereign credit profile, given its strong reliance on oil. Negative outlook reflects heightened risk private sector creditors could incur greater losses than Moody's rating expects. (Source: Moodys.com. Photo: International Investment Bank)

## 4 billion USD to store renewable energy



The World Bank Group has launched a pioneer program of one billion USD to accelerate investments to store electricity in batteries. The objective is to support expansion of this technology at an affordable cost in middle-income and developing countries, and, as such, to accompany the growth of certain more dynamic economies in the world.

Wind and solar energy could be exploited at a larger scale thanks to the possibility to store electricity and then to reconstitute it when needed. The program which would have to mobilize an additional 4 billion USD, will contribute to drive countries towards a new technological era and to improve their energy security and the stability of their electric networks, all while supporting the international community's effort to favor transition towards clean energy. (Source : Info-afrique.com. Photo: Cosmos Magazine)



# POST SCRIPTUM

## Ambassador's testimonial about his visit to Matadi and Boma

*"Dutch Ambassadors, especially if they are from Rotterdam or Amsterdam (like me) love harbors. On 18th and 19th October, I was in Matadi and Boma, two port cities on the Congo river, connected with the Atlantic Ocean.*

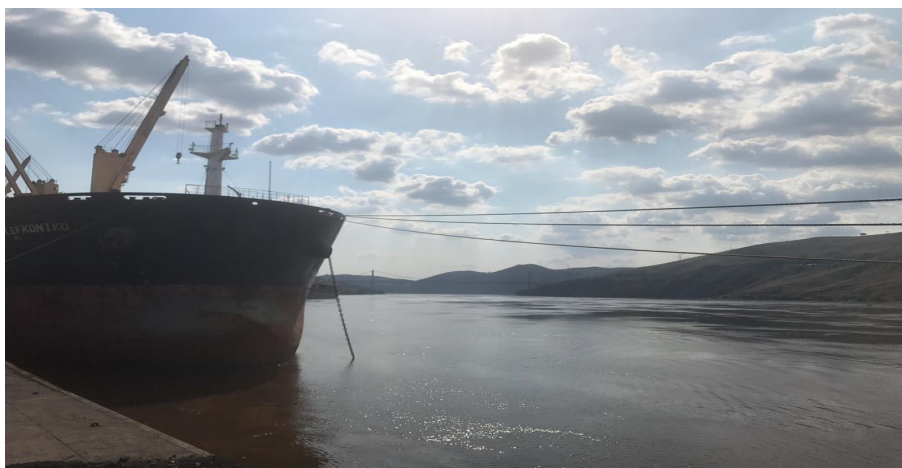
*World trade grows two times as fast as the world economy. In the longer run, we are bound to have a shortage of harbors. This is definitely true for the DRC. When the economy takes off (and this will happen) the port of Matadi will be essential for the DRC as it is the furthest inland port for ocean going vessels, connected with the capital by a road and a train.*

*A series of renovations and modernizations are being considered: new cranes, improved quays and a new surface. The port in its glory period had 10-15 ships per day, with others waiting in the river. In the economic crisis year 2016 only 99 ships came to Matadi. In 2018 so far 212, half of the cargo are containers. An improvement, but it is clear that only a small part of the potential is being used.*

*Modernization is only one element, but so are the resolution of certain outstanding labor issues and the process time of customs. To be really prepared, the whole infrastructure of Matadi and Congo Central needs to be adapted: railroads, access roads, good connections with the hinterland, many investments are needed.*

*When I was in Matadi, there were three ships, one very big, all coming straight from the ocean. At the quay of the deep river port of Matadi, a sight that made me very happy indeed."*

- Robert Schuddeboom



## PRACTICAL INFORMATION

### Embassy in Kinshasa

133, Boulevard du 30 juin (croisement de l'avenue des Jacarandas & Blvd 30 juin) | Gombe, Kinshasa

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)

#### Disclaimer

You have received this Newsletter because you have had previous contact with the Embassy of the Kingdom of the Netherlands in Kinshasa, DRC. Please send an email to [kss-hb@minbuza.nl](mailto:kss-hb@minbuza.nl) with "remove from mail list" in the subject line if you no longer wish to receive this newsletter.

The content of this newsletter does not reflect the views of the Embassy of the Netherlands in Kinshasa. It is merely a resume of news articles, from both national and international newspapers and news agencies.

Credit photos: internet

Join our network at  & 

**Mr Robert Schuddeboom** (Ambassador) @rschuddeboom

**Mrs Marion van Schaik** (Head Ec./Dev. Aff)

**Ms Hilly-Anne Fumey** (Honorary consul)

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

**Ms Sandy Makola** (Economic policy officer) @Sandytalo