



Grand Travaux Headquarters



Maya Maya Airport

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The industrialization of a developing nation

Sectors across the board are given funding and incentives to add value to their products

As part of his "Path of the Future" program President Denis Sassou N'Guesso has expressed the will to focus strongly on the industrialization of some key sectors to build a solid economy and to provide better living environment for the populace.

Priority has been given to three strategic domains:

- The food industry, to counteract food shortages;
- Living conditions and housing related industries;
- Any initiatives that will participate in the creation of other industries, thereby creating jobs and wealth.

The program, launched in 2011, and which is expected to be fully operational by 2016, gives priority to the so-called "structuring industries"; those industries that will both serve the immediate needs of the populations and the development of related industries.

The state allocated a budget of \$51.7 million for last year to directly contribute financially to some of these industries, as well as putting in place the legal and administrative framework that will support and supervise the creation of industries related to these.

Thus, \$36.2 million will be used to develop directly these industries, \$10.2 million will be dedicated to encourage the private sector to develop production activities and \$5.2 million will be used to reorganize and reinforce the capacities of the Ministry of Industrialization.

The PNRI (Programme National de Redeploiement Industriel - National Program of Industrial Redeployment) will, therefore, reinforce the institutional and legal framework, to develop the industrial infrastructure and to improve the business climate.

The financial and technical partners involved as part of a parallel development program called the

PADE (Programme d'Appui à la Diversification de l'Economie - Project to support the Diversification of the Congolese Economy) include international institutions such as the World Bank, the European Union and the African Bank for Development. In order to get this financial and technical contribution, Congo factored \$2.5 million in its 2011 budget.

Improving business climate

The PNRI is aimed principally at improving the business climate, which is a hindrance to investment, and so very welcome for the country's development.

Foreign investment remains low compared to other countries in the area, but the government is determined to change this.

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organized to share the expertise and recommendations, and simpler fiscal measures are being modified to support the industrial sector's growth.

Investment agency

An Investment Agency will be created, not only to convey the opportunities and efforts made regarding the industrial sector, but also to assist and inform investors

coming to Congo.

It will be the first Congolese agency to analyze international trends in terms of investments, identify the profitable projects for investors and to constitute and manage a portfolio of unitholders and shareholders.

This year, the development plan of industrial zones should accelerate the process and the creation of other agencies will be also under study to further help some specific industries, such as the ones exporting.

A training center that will stimulate the entrepreneurship spirit and a specific agency that will help the small and medium-sized enterprises and industries to understand the needs and work closer with the big industries should also be created.

The government will also help the development of the industrialization sector by providing financial help to existing industries to help them increase production.

More than \$2.6 million out of the 2011 budget has been allocated for this purpose.

Helping industries grow

In another exciting move, the government has pledged financial support for existing industries to get the technical support needed to improve production.

Some \$30 million has been earmarked by the government in shares within structuring industries that will participate to the creation of other industries adding value to the economy.

When it comes to Chinese partners, two companies operating in clay construction materials and palm oil will receive just under \$4,000 from the state.

A total of six industries will receive the financial support to develop their activities including \$20,000 to develop the clincker industry in partnership with a Spanish company.

The government also intends to

develop other key industries related to wood treatment, papaya industries and biodegradable packaging.

Some big private investors from Singapore are expected to participate to this program particularly within the agro-business and the construction materials.

To carry the development of the industrial sector and reduce the production costs, an effective energy network is crucial.

Development is not a matter of charity, but an understanding of both parties's interests. The opportunities to do good business in everyone's interests are unlimited."

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MINISTER OF INDUSTRIAL DEVELOPMENT AND THE PROMOTION OF THE PRIVATE SECTOR

Year of health and electricity

Africa still has one of the lowest electricity rates of the developing regions despite its tremendous natural resources. The continent has to rely on a 35 percent electrification rate while South America competes with 89.2 percent rate and Eastern Asia 88.1 percent.

For this reason, all sectors, including the industrial sector, will be expected to contribute to the Year of Health and Electricity, which aims to raise access to energy by up to 90 percent in urban zones and up to 50 percent in rural zones by 2015.

All the elements should combine to make Congo a more competitive country in the region and to rapidly be able to activate and increase the production in order to export further other goods and lessen its dependence on fossil energies.

Win-win investments

The other major concern of the government is to quickly improve the living standards and to lower the prices of the basic products such as food, while creating more wealth for the country. Investments now will result in a win-win situation for all.

As Congo's Minister of Industrial Development and the Promotion of the Private Sector, Rodolphe Adada said: "Development is not a matter of charity, but a good understanding of both parties' interests.

"The opportunities to do good business in everyone's interest are unlimited."

For each sector, the need for investment, and therefore the potential on returns, is tremendous. The agro business and agro-industries are, however, the most pressing.

Only two percent of the country's exploitable lands are used for agricultural development, despite the

key market places. Dolisie, in Brazzaville, opened by the Congo's First Lady Antoinette Sassou N'Guesso, is a prime example: the biggest market in Congo, it spans a surface area of 7961 cubic meters.

With more than 1,000 tables and 82 boutiques, the modern market, set against a stunning backdrop of neo-classic architecture, adds an exciting buzz to the city. The market, which costs around \$9 million

provides all the convenience of a first-world mall: it is safe and clean, with an administrative desk and a police station.

Growing local commerce

Local production is done by small-scale farmers who can't provide enough food for a population that is now considered "urban".

The country's food needs are covered by imported foodstuffs at an estimated cost of \$260 million. Imports comprise 60 percent of cereal and meat needs, and 50 percent of the fish and seafood consumed.

Cassava production has remained steady in recent years at 1.27 million tons, while plantain volumes increased by 13.6 percent to 96,800 tons. The production of ground nuts rose by 4 percent.

With widescale investment in farming practices and technology, the sector could take off on an enormous scale.

The government is also committed to raising commercial standards. As one would expect in a developing country, farmers sell their products on the ground in a haphazard, and often unhygienic way.

While acknowledging their significant contribution to the economy, the government is encouraging a safe, clean and organized retail sector and is beginning to rebuild

provides all the convenience of a first-world mall: it is safe and clean, with an administrative desk and a police station.

Next to fishing and farming, there are also important possibilities for local agro-industries, from the initial product to its commercialization: including the processing and the refrigerated transportation of food.

The manufacturing industry has registered high growth thanks to the production of wheat-based foods, engineering and woodworking.

Wood also provides important opportunities. Measures have been taken to follow the examples of northern countries, such as Sweden, in terms of the sustainable exploitation of the resources.

This in turn represents many opportunities for responsible companies willing to develop manufactured wood products in the country.

Thanks to its unique climatic conditions, Congo offers some of the strongest and most durable types of wood in the world.

Sanitation and waste management are sectors with a very high potential as much has to be done still. On top of that, many jobs linked to the president's strategy in terms of green energies are likely to prosper rapidly.

InFocus provided the story



Mambili Bridge



Sports Stadium at Pointe Noire