

2012 – 2016: Setting Economic Direction for coming years

CONGO'S National Development Plan (NDP) was first reviewed in September 2006, in conjunction with preparations for reaching the completion point of the World Bank and the IMF Heavily Indebted Poor Countries (HIPC) Initiative. It was aimed at consolidating peace and promoting economic and social development of Congo.

An in-depth evaluation of the strategies and mechanisms of economic activities implemented was carried out after the socio-political conflicts the country experienced between 1997 and 1999

This first review was implemented under the National Development Plan of 2008-2011. Series of structural reforms were undertaken to improve political, commercial, economic, judicial and administrative governance, and the business environment.

Satisfactory implementation of these reforms enabled Congo to make commendable strides in economic terms, as seen in the sustained growth of 7.0 percent between 2008 and 2012, making the World Bank to rate it amongst the fastest growing economies in Sub-Saharan Africa. Inflation was kept within the international standard of 3 percent. Globally, there are impressive projections for Congo's economic and social situation.

Government was encouraged by these results to carry out various reforms in order to put the Congolese economy on the path of sustainable economic growth. The fundamental objective is, of course, to improve the living conditions of the population and thus reduce poverty.

To achieve this objective, trade would play a major role because of its cross-cutting nature. Indeed, it is a catalyst in the modernization and industrialization of the country, as indicated by the President in his programme, "The Future Path".

Towards this end, government has designed a new trade policy contained in the National

Programme for Trade Development to address: (i) balance of trade issues from oil revenue, and (ii) low investment mobilization.

In recent years, Congo has remained committed to trade liberalization and globalization. Government plans to address the country's balance of trade issues while promoting investments through: (i) the elimination of non-tariff barriers to trade, (ii) simplification of procedures for foreign and domestic trade and (iii) the creation of a conducive environment to boost investors' interest.

This second trade policy review provided the country an opportunity to highlight the potential in the national economy and the reforms undertaken, as well enhance trade growth and development.

MAIN CHARACTERISTICS OF THE NATIONAL ECONOMY

ECONOMIC GROWTH AND DEVELOPMENT

Over the period 2008-2012, the Congolese economy has recorded a 7% annual growth rate. The oil sector grew by 9.6% against the non-oil sector's 4.0% in 2009. The figures were 6.4% in 2010 and 8.0% in 2011. However, the oil sector contributes 70 percent to GDP hence the need to support the diversification of the economy.

The non-oil sector has evolved through growths in telecommunications (10%), agriculture (3.9%), manufacturing (5.4%), transport and trade (7%). All this is the result of on-going structural reforms, combined with efforts to build infrastructure, particularly in the areas of transport and energy.

The GDP per capita reached US\$3,484.7 in 2011, drawing applause from the international financial community. It enabled the Congo to reach the completion point under the HIPC Initiative in January 2010, among other benefits which included a substantial cancellation of its external debt (over three thousand billion CFA francs, or about 32.4% of Gross Domestic Product).

The encouraging performances of the oil sector, as well as recovery in oil prices internationally, portend a steady growth in the coming years. This growth is expected to address the major challenge of diversifying the economy to create sustainable jobs and strengthen the productive and social sectors.

INFLATION

Inflation has been kept well under control and trends in structural components are promising. After the high tension caused by soaring international food and oil prices in 2008 (6.3%), inflationary pressures eased considerably in 2009 to 4.7% before stabilizing around 4% between 2010 and 2011. This positive development is attributable to the combined effects of

three factors: (i) the “imported” component of inflation declined in 2010 and 2011, with a smaller increase in prices of food and petroleum products, (ii) “structural” component of inflation (cost and transactions factors) also declined due to combined structural reforms and infrastructure development, and finally, (iii) the “monetary” inflation component was controlled through tighter monetary policy and prudent fiscal policy by the authorities. Notwithstanding this decline, inflationary pressures remain above the EU standard (3%).

EMPLOYMENT

The economy’s steady growth over the period 2008-2012 has had a positive impact on the level of unemployment. Although the unemployment situation has improved markedly, youth unemployment under 29 years remains a major concern for the Government. The challenges in this area include the provision of more training opportunities for the youth. Another concern for government is many jobs are tenuous or in low-productivity, low-income sectors, thus, there is less activities in those sectors. Even in jobs that are more stable and relatively more profitable, there are fewer workers such as the civil service which accounts for 11.4% of the Congolese workforce, SMEs (7.7%) and large private companies (4, 8%). The petroleum, mines and quarries, which offer the most lucrative private jobs, are relatively low and constitute about (0.9%) of the Congolese workers.

BALANCE OF TRADE

Trade is undoubtedly one of the main engines of growth in Congo. Congolese trade constitutes 138.6% of GDP over the last five years, reflecting the high degree of openness in the economy. This confirms the significant increase in the share of exports of goods and services in the nominal GDP which is currently about 80%.

Congo’s trade balance in recent years has been surplus. Congo’s average trade surplus reflects the country’s export of oil (especially crude oil). This has provided the country with import cover for the economy. The accrued foreign exchange earnings have enabled the country to overcome the global economic crisis and boost public investment, especially in infrastructure development.

FISCAL POLICY

The thrust of fiscal policy is to balance public finances, by improving the recovery of non-oil revenues and reducing the rate of growth of current expenditure. This judicious policy enabled the government to increase investment expenditure, while at the same time continuing to save a large portion of oil revenues, both for “financial stabilization” needs and to provide security for future generations, on the assumption that oil revenues would decrease in the long term.

The public finance data for the period 2008-2011 show a significant improvement in key fiscal indicators. The share of non-oil revenue increased from 22.5% to 27.4% of GDP. This helped to stabilize, and even improved, the overall balance (cash basis), which went from a deficit of 4.1% of GDP in 2008 to a surplus of 15.9% in 2011.

Congo’s debt dropped significantly after getting debt relief following the attainment of the HIPC completion point in January 2010. The debt burden reduced from 65.5% of GDP in 2008 to 23% of GDP in 2011 and debt service dropped from 5.2% in 2008 to 3.4% of exports in 2010. With good fiscal performance and the resulting positive fiscal balance, the prospects for further government debt reduction are favorable.

Development of Economic and Social Infrastructures

In recent years, the government has made major efforts to develop basic infrastructure to leverage the national economy. There has been significant increase in public investment rates, reaching a high of 16.5% in 2011 against an average of 11% over the previous five years.

Transport infrastructure

The Government has undertaken an extensive programme of development of road, rail, air and sea infrastructure.

Road transport

The Congolese Government has intensified roads rehabilitation since the last review of its trade policies and programmes. It has increased road rehabilitation and network expansion projects in the past three years with promising results.

Despite these efforts, significant challenges remain in the context of the modernization of the entire road network, particularly with regard to: (i) the extent of degradation of the existing network, (ii) the ineffectiveness of road maintenance services, and (iii) weak structures of vehicle inspection,

Shipping

The deep water port of Pointe-Noire (16.7 m stretch) is an extensive investment programme. The objective is to build capacity in terms of structures including storage, loading and unloading of vessels and other port facilities. Major rehabilitation work, which is underway, will improve the functionality and competitiveness of the port and make it a regional hub.

Rail

The government has made significant effort to improve the country's railway infrastructure. The on-going CFCO Rehabilitation and Equipment Programme launched in 2007 is producing tangible results. However, the irregularity of traffic and the level of services provided are not yet sufficient to ensure optimal operating conditions.

Air transport

The Congo has made a significant leap in the construction and modernization of airports across the country. With significant investments in modernization and expansion, international airports in Brazzaville and Pointe-Noire became effective regional hubs. New airports have been commissioned including the Ollombo International Airport, as well as secondary airports of Ouesso, Dolisie Impfondo, Owando and Ewo.

Strengthening of airport infrastructure is accompanied by significant changes in management, with the concession of international airports in Brazzaville, Pointe-Noire and Ollombo. However, significant challenges remain in respect of optimizing installed capacity. The next phase in the implementation of Special Economic Zones and industrial areas and tourist attraction spots should maximize the economic and social impact of these infrastructures.

Inland waterway transport

Efforts have been made by the Government in the construction of the Port of Lekety and rehabilitation of other ports, as well as the improvement of the navigability of the internal network of waterways to improve access to riverine communities.

Government has now shifted efforts to tackling the high traffic, especially at the Brazzaville port where the processing time of the arrival of travellers remains relatively high (average 45 minutes instead of 10 minutes, according to international standards). Government is reforming the processes to meet that ideal. Moreover, problems in navigating certain tributaries of the Congo River have led to the diversion of transportation of certain goods. To remedy this, dredging is being intensified across the country.

Energy and water sector

Congo has a hydropower potential (about 14,000 MW), but this potential has not been sufficiently tapped. The country only produces about 700MW. The Government has put in a lot of resources in the last few years to close the energy production gap by implementing several programmes to boost capacity for the generation, transmission and distribution of electric power. These actions include the construction of hydropower Imboulou plant (120 MW), building of the natural gas-fired plants of Ndjeno (50 MW) and Côte Matève (300 MW), the rehabilitation of the transmission lines and associated substations and the rehabilitation of electricity distribution networks in Brazzaville and Pointe-Noire, and the intensification of rural electrification from the central Imboulou plant.

Telecommunications and new technologies

The telecommunications sector is recording sustained activities. Foreign operators' interest in the Congolese telecommunications market, which has gone up, is the result of Government's adoption of a liberal policy in this sector. Currently, five operators share the Congolese telecommunications market under the control of the Regulatory Authority for Postal and Electronic Communications (ARPCE).

With the mobile phone operators, the Government has earmarked huge investment in the sector by providing heavy infrastructure. As a result, capacities have been increased, with mobile telephony hitting a national coverage of 90% (100% in urban areas and 72% in rural areas) while the number of subscribers has exploded and communications costs now among the lowest in sub-Saharan Africa.

Government will focus in the future on Information and Communications Technology (ICT) as access to ICTs is still limited to a small segment of the population due to the excessively high cost of the related equipment and services, unlike the mobile telephony. The introduction of fibre optic line will further benefit the economy and consumers.

ELEMENTS OF COMMERCIAL POLICY

The Government of Congo's trade policy is based on the following pillars of action:

- promotion of internal trade;
- compliance with competition rules and other provisions of trade regulations;
- promotion of Congo exports;
- ensuring regular supply to the domestic market;
- Supporting economic operators in the commercial sector;
- increasing the volume of trade.

The current regulatory framework has the following elements:

ACCESS TO THE CONGOLESE MARKET

Commercial activity in the Congo is open to any Congolese or foreigner who fulfils the conditions set by the OHADA law and national regulations.

There is a one-stop shop dedicated to the processing of commercial procedures for all authorities.

RULES OF COMPETITION AND PRICES

Consumer prices of goods and services of all types are subject to the general regime of free prices. However, some basic needs are subject to emergency laws and taxation to enable government to address the high cost of living and poverty.

To ensure compliance with national legislation on the principles of transparency and non-discrimination under the WTO, a draft competition law and a bill on the protection of consumer rights are pending review by the Cabinet for transmission to parliament.

REGULATION OF IMPORTS AND EXPORTS

Imports and exports are regulated by Number 03-2007 Act of 24 January 2007. It jettisons the import licence for the system of import and export declaration and the current regime of special import or export authorization subject to specific regulations. Imports and exports are subject to the fiscal and customs control.

SPECIAL ARRANGEMENTS APPLICABLE TO CERTAIN PRODUCTS AND SERVICES

Certain sectors and / or products are subject to specific trade measures and these include oil, mining, forest products, drugs, sugar, flour, and environment.

In addition, investors in tourism, mobile and fixed telephony, transportation, insurance, banking, and e-commerce are obliged to obtain approval from the respective government departments in charge of these services.

REGIONAL TRADE AGREEMENTS

Trade Policy in Congo takes into account the country's commitments under the regional and sub-regional integration agreements. As such, drafts and other guidelines of the Central African Economic and Monetary Community (CEMAC) and institutions to which the Congo is a party are complementary elements of the national legislative and regulatory corpus.

ONGOING REFORMS

Since the last review of its trade policy, Congo is fully committed to a policy of reforms to improve the investment environment and secure business relationships required to build the country into a genuine regional platform for investment and export. These reforms focus on:

LEGAL AND JUDICIAL GOVERNANCE

The main objective is for the Government, in the case of the legal and judicial governance, to ensure an efficient and diligent service to the people and deliver impartial justice. In this regard, the Government has launched a series of actions to achieve (i) the modernization of justice, (ii) the protection of human rights, (iii) the fight against corruption and impunity and (iv) effective implementation of the Organisation for the Harmonisation of Business Law in Africa (OHADA).

These actions have resulted in (i) strengthened capacity in judicial administration, (ii) more use of information and communication technology, (iii) the training of judges, officials and other officers of the court, and (iv) the revision of legal texts.

Moreover, to facilitate diligent alternative commercial dispute resolution and thus meet the need expressed by economic operators, the Government has undertaken the creation of a Centre of Mediation and Arbitration of Congo (CEMACO).

In the same vein, a guide to good practice for judges, and compliance of national legislation with the OHADA law and a draft Commercial Code are being developed.

ECONOMIC GOVERNANCE

During the 2006-2011 period, the Congo undertook a series of actions aimed at improving economic governance, including: (i) a new classification of budget expenditures in line with international norms and standards, (ii) two action plans relating respectively to improve public financial management (PAAGEP) and public investment (PAAGIP), (iii) a new code of public procurement, (iv) a new chain of expenditure, and (v) a set of tools for strategic planning and budgeting, including expenditure framework (MTEF) and the integrated system for tracking revenues and expenditures (SISRD)

The Government has adopted a new fiscal regime. In the context of 'budgeting programmes, the new results-oriented approach conformed to the guidelines of the Economic and Monetary Community of Central Africa States.

Moreover, the government has improved governance in the oil sector by the quarterly certification of oil revenues and their transfer to the Treasury within 45 days after shipments in consonance with the Extractive Industries Transparency Initiative (EITI).

In addition, the Government has liberalized the insurance and reinsurance market

ADMINISTRATIVE GOVERNANCE

The Government is in the process of modernizing public administration and resizing it according to the current requirements. The major programmes include: (i) reform of public legal framework, (ii) human capacity building, (iii) the reorganization of services and the development of result-oriented management, (iv) the establishment of a compensation system that encourages performance and improves the efficiency of public services, and (v) the establishment of the territorial public service.

FISCAL REFORMS

The tax system from the period 2006-2011 was modified principally to attract investors. Various initiatives to simplify and reduce the tax burden, especially those hindering the development of the private sector, were launched. The corporate income tax for instance, was reduced from 38% to 33% over the period and a single tax on wages was introduced in place of four existing ones (flat tax on wages, apprenticeship tax, levies for the National Housing Fund, and employer contributions all domiciled at the Office of Labour and Employment).

Congo grants exemption from duties and taxes for authorized firms in conformity to the National Investment Charter, the Forestry Code, the Mining Code and the Hydrocarbons Code. However, to promote competition and reduce distortions, the Government has committed to overhauling exceptional exemptions from customs duties, and has computerized procedures for granting and managing exemption certificates.

In addition, four special economic zones will soon be launched. The tax incentives associated with these areas are being developed

PROMOTION OF PUBLIC-PRIVATE PARTNERSHIP (PPP)

The Government has undertaken reforms to strengthen Public-Private Partnership for greater private sector participation in the financing of infrastructure, including:

(i) the establishment of service contracts or concession of certain public services to the private sector, such as the Bolloré Group that manages the container terminal of the Port of Pointe-Noire (GCIP) and Cotecna SA that collects import duties and taxes for the Congolese government; (ii) the use of BOT (Build-Operate-Transfer) in infrastructure construction that have public and private shareholders; (iii) the creation of companies; (iv) harnessing of public savings through the promotion of 'public shareholding.

In addition, a high level of Public-Private Dialogue, as a permanent framework for dialogue between the public sector and the private sector, has also been fully established.

LOOKING AHEAD

BUSINESS CLIMATE

The Government did improve on the ranking in the "Doing Business" index as the wider improvement in the business environment is one of its priorities. An important diagnostic work for identifying short, medium and long-term reforms needs was carried out.

In this perspective, the major flagship programmes and activities intended to loosen constraints that hamper the business climate and the development of the private sector include:

- the promotion of a competitive economic environment by deepening liberalization measures and investment since the early 2000s in health, education, transport, etc.

- Stimulation of Public-Private Dialogue;

- The creation of an agency to promote investment and address subcontracting issues

- The creation of institutions to support the private sector including the SME Development and Guarantee Fund (FIGA) and other institutions that contribute to financing the economy such as the Deposits and Consignments Fund.

Similarly, with regard to customs modernization and trade facilitation, the key actions contained in the Strategic Plan of Customs Administration covering the period 2012-2016 include:

- introduction of the Single Window Clearance (GUD) for the integrated management of border operations, and for further optimization and the simplification of customs procedures. Thus, a Single Window Transboundary Operations (GUOT) was established with the aim to:

- migrate to ASYCUDA ++ computer system and ASYCUA World;
- implement strict employment of electronic manifests;
- establish a genuine system of risk analysis including a laser beam scanner for container control;
- implement a policy relevant training and better management of human resources;
- ratify the Revised Kyoto Convention and;

- establish a real partnership between Customs and economic operators

The Government has taken a series of measures of simplification, harmonization and

computerization of foreign trade procedures aimed at reducing costs and transaction delays.

Computerization of the process of issuing and managing import declarations including customs tariff is underway.

CLUSTER GROWTH

To meet the challenge of industrialization, the Government proposes a strategy of diversification by “clusters” of activities, with cross-cutting support strategies to enhance the competitiveness of the subsectors. The programme involves: (i) agriculture and agri-food chain, (ii) forestry and wood industries, (iii) oil and hydrocarbons (iv) mines (v) buildings and materials construction, (vi) tourism and hospitality, and (vii) financial services.

Government plans to include the establishment of Special Economic Zones (SEZs) approach in its industrial strategy to catalyze investment, ensure the local processing of products, and increase exports. For this purpose, To that end, it is considering developing the following subsectors: (i) the food-producing agricultural subsector around cities; (ii) the agricultural export subsector in the Cuvette and Sangha areas; (iii) the mining subsector, particularly iron ore around Zanaga-Mayoko to the south, Souanké to the north, and the “other ores” subsector (polymetallic ores, potassium, magnesium, etc.); and (iv) the oil and hydrocarbons subsector on the coastal front around Pointe-Noire.

In addition, cross-sectorally, economy diversification also requires a better match between

training and employment, and the inclusion of women as an engine of development. Thus, the Government is pursuing a programme of vocational training which takes “gender” into account in all its policies.

i. Agriculture and agro-food chain

The Congo has more than 10 million hectares of arable land of which more than 90 percent remains untapped. In addition, the country has a favourable agricultural position which allows agricultural production throughout the year. Two major basins (Congo River and Kouilou-Niari basin) offer great potential for fish production.

Government intends to make the most of this potential, including encouraging prospects offered by the international market of agricultural products, fish and derivatives as a major engine of diversification and transformation of the Congolese economy. Congolese agriculture is in a transitional phase focusing primarily on strengthening the competitiveness of the agricultural sector through (i) modernization of family farms, (ii) development of industrial agriculture and aquaculture, (iii) a demonstration center for agricultural techniques, (iv) agriculture support Fund, (v) reorganization of the market inputs (vi) mechanization and (vii) the creation of new agricultural villages. All these measures are likely to attract young people into the sector. The same goes for large-scale cultivation of palm, coffee and rubber. This new policy is expected to boost agriculture and reduce poverty by 2015.

Similarly, the government is overcoming the difficulties that arose, particularly in rural areas, over the coexistence of statutory land tenure and customary tenure, by making it mandatory for farmers to obtain legal title for land. The Government is trying to reduce the time for title issuance.

Environment, forest and wood industries

As the second productive sector of the country, the forest contributes 5.6% to GDP and 10% of foreign trade, providing nearly 11,000 direct jobs and about 30,000 indirect jobs. The priority of government at this time is to improve the performance of this sector as set out in Congo’s “Wood and Forestry” plan. This sectoral policy aims at better governance of forests, sustainable management to all forestry operations, and putting in place a real industrial strategy organized around the forestry cluster. The main programs include:

a) sustainable management and utilization of forest and wildlife resources

- pursuit of sustainable forest concessions: (i) in 2015, all forest concessions will be developed covering an area of about 13 million hectares, (ii) the promotion of forest certification;
- implementation of “Reducing deforestation and forest degradation” process including the sustainable management of forests and increasing carbon stocks (REDD +);
- The establishment of schools of woodworking;
- sustainable use of forest resources (timber and non-timber forest products);
- management of protected areas (4,107,624 ha);
- promotion of eco-tourism on the basis of public - private partnership;

- improvement of existing industries;
- The economic value of the timber industry (processing of second and third degree) with the obligation to turn on the spot 85% of the logs
- The promotion and development of forest plantations based multiservice, an afforestation and reforestation program (PRONAR) for the establishment of a million hectares of plantation over a period of 10 years.

b) Sustainable Development

- The development and dissemination of the sustainable development strategy, and
- The operationalization of the National Commission for Sustainable Development

c) Environmental Protection

- Protection of the environment and conservation of biodiversity;
 - The enactment and extension of the framework law on environmental management;
 - Rational use of chemicals.
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Oil and Gas

The Congo has large reserves of crude oil, which according to recent estimates, would be about two billion barrels, equivalent of 40 years of production at current rates. Besides the fine quality of its crude, Congo is also competitive in terms of exploration and exploitation, which may still improve with efforts to reform and invest more in the sector.

This combination of high potential in both capacity and competitiveness of the sector is a real “powerhouse” for the diversification of the economy. Add to this, the gas reserves of about 100 billion cubic meters there is more than enough to meet national needs. The reserves are equivalent of 20 years of production at current rates of exploitation.

The Government will develop an ambitious three-pronged programme for valuation of the hydrocarbons sector. The aim is:

- to increase refining capacity by more than four million tons per year through the building of a new refinery to ensure the regular supply of petroleum products across the country, and promote the petrochemical industry;
 - improve the management and implementation of new legal and fiscal framework of the oil and gas codes to fight pollution caused by oil exploitation;
 - establish a major school for careers in the oil and gas industries, and continue the program of
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modernization and intensification of infrastructure in Pointe-Noire as part of the new strategy of promoting “local content” (human resources, subcontractors etc).

Mines

The Congo has significant mineral reserves that remain under-explored and under-exploited. Production is still mainly artisanal, although mining experienced a short boom period in the past. Several potassium, polymetallic ore, and iron ore operations are in the development stages. This sector is buoyant and is assured to contribute to the GDP. First and foremost, there is need to improve the skills of the local workforce and promoting the creation of value.

The Government intends to: (i) promote artisanal mining by organizing “diamond and gold chains”, (ii) encourage foreign investment and industries in the mining sector to boost research, production and local processing of minerals and (iii) encourage outsourcing by creating a subcontracting exchange.

In terms of infrastructure and other support services, the Government plans to:

- strengthen the basic infrastructure to facilitate access to operating areas (transport, energy and water supply);
- create a mining institute in partnership with operators;
- implement institutional reforms to support the industry, including a review of the Mining Code of 2005;
- protect the environment and take into account the interests of local populations in production areas by ensuring corporate social responsibility in the industry;
- strengthen the protection of mining assets by identifying the national mineral potential and developing a geological and mining map.

Building and construction materials

The implementation of the programme of infrastructure development and the growth of the construction of private homes offer opportunities for the development of the construction industry.

The development of “Buildings and construction materials cluster” will be based on three strategic pillars, namely: (i) improving the performance of the construction industry (supply), (ii) the development of human resources in the construction sector, and (iii) developing the capacity and competitiveness of the private sector in construction (quality, compliance and standards). The key actions include: (i) intensification of long-distance network, (ii) continuation of planning of basic infrastructure in urban areas and the construction of social housing, (iii) making regulations for the real estate subsector and (iv) the promotion of local building materials, including wood.

Tourism and Hospitality

Congo has natural assets to develop its tourism industry, including eco-tourism and the recreation industry.

To increase the contribution of tourism to economic growth, job creation and the fight against

poverty, the Government has undertaken measures to implement a development programme focused on:

- developing a sector strategy;
- expanding hotel infrastructure;
- implementing various development research and diversification for an attractive and competitive tourist sites;
- strengthening human capacity in the sector through training schools;
- improving border access and making the country an attractive destination; and
- implementing a more aggressive and effective policy to ensure tourism promotion to make Congo a visible tourism destination.

This program will: (i) develop and promote tourism, (ii) increase inflow of foreign currency into the country, and (iii) also contribute to developing national ecological framework.

Financial Services

With the restructuring of the financial sector, the banking sector is getting more competitive with relatively high level of deposits (46% of GDP). However, despite recent positive developments, Congolese financial system remains poorly diversified and largely dominated by commercial banks. Thus, the level of funding (15% of GDP) and the interest rate (about 3%) are still too low. The Government has decided to create a special fund pools. These, such as social security deposit funds, will provide long-term funds for financing large projects. These funds will ultimately spread across the country to guarantee access to finance.

TRADE POLICY

To achieve the development goals through improving the business climate, strengthening of basic infrastructure and the development of growth clusters, the Republic of Congo is committed to remodelling the trade policy and its instruments as well as procedures, to leverage on trade as a means to sustainable development.

This approach is based on the experience of some emerging economies that have managed to boost economic growth, create sustainable jobs and reduce poverty through trade.

The country will leverage on its geographic position and its competitive advantages. Indeed, Congo is a “land corridor,” straddling the equator, and lying between the coastal area (Atlantic) and the Sahel. It is close to the Democratic Republic of Congo (with 65 million inhabitants), and a member of the SADC (200 million inhabitants), which is also home to the largest economy on the continent. Congo is a member of CEMAC and close to the Economic Community of West African States (ECOWAS). This uniqueness position reinforced by the various strategies

undertaken by the Government position will enable it to exploit the huge market for its exports and to increase the size of investors. In addition, the country is endowed with vast resources, including oil, solid minerals, forests, arable land, fish and tourist attractions.

The new trade policy is part of the extensive programme of reforms aimed at boosting the economic and social development of Congo, as set out in the National Development Plan 2012-2016.

It aims to enable the country to benefit fully from the opportunities of national, regional and international trade initiatives, and contribute to the achievement of the MDGs in areas of growth, employment and poverty reduction.

Taking into account the cross-cutting nature of trade, trade policy reform is a complex process. It is intended to complement other sectoral strategies and requires reconciling various conflicting interests. The challenges require the commitment of all stakeholders - public, private and civil society - who must imbibe this spirit of participatory and inclusive commitment of ownership as stakeholders in the coming years.

Congo's trade policy revolves around six main areas of intervention:

- Improving the supply to the domestic market and even distribution for stabilizing consumer prices;
- capacity building and infrastructure improvement to meet the requirements of markets;
- improving institutional, legislative and regulatory frameworks;
- facilitating Congolese products and services access to the international market;
- increasing the volume of trade; and
- strengthening the monitoring instruments of trade policy.

These are all components of the reforms and measures to strengthen market infrastructure. In terms of reforms, the consolidation of the business environment is one of the major sectors of the national strategy to improve the business climate. It is about creating the conditions for institutional plans, legislative and regulatory frameworks, support and protection of productive activities, distribution and consumption of tradables.

In terms of market infrastructure, especially considering: (i) the construction, of warehouses, storage facilities at city gates and strategic depots (Mfilou station, south of Brazzaville River Port, in Brazzaville, Kintélé, north of Brazzaville), (ii) the construction of parks, (iii) the creation of approved quality control laboratories, (iv) the establishment of certification structure in line with the EU policy of CEMAC, standards, (v) boosting cross-border trade especially with the support of development partners.

Trade and Cooperation

Congo is strengthening integration within CEMAC and ECCAS in areas such as: (i) the effective implementation of the instruments of trade cooperation (Common external tariff, transit, customs code, etc.), (ii) the elimination of tariff and non-tariff barriers, (iii) the creation of common markets for products, (iv) the reduction of the double taxation (v) promotion of awareness of

regional markets.

- Strengthening international trade cooperation through the: (i) continuation of the WTO negotiations, (ii) the continuation of Economic Partnership Agreement with the European Union, (iii) the dynamic agreements of bilateral trade with the United States, China, India, Brazil, Russia, South Africa, Namibia, etc. (iv) capacity building of the National Monitoring Committee and Coordination on Multilateral trade Negotiations.
- The publication and dissemination of economic and commercial information as well as taking advantage of provisions in trade agreements (AGOA, EU, etc).

The implementation of foreign trade strategy, which includes: (i) strengthening export promotion services (ii) revitalization of the Congolese Center for Foreign Trade.

For the effective implementation of these reforms, the Government is strengthening human resources through the National School of Administration and Magistracy, adoption of OHADA ideals and quality control with the support of the Government of India through the establishment of a training quality control for food, trade negotiations know-how with the support of the WTO, etc..).

CONCLUSION

Many observers agree that Congolese economy has recorded significant progress over the past five years in terms of improving the governance of the various sectors, fiscal consolidation and stabilization. The positive growth seen in recent years is the foundation on which measures to diversify the economy and improving the business climate are built.

To consolidate the gains and to sustain the transformation of the national economic and social environment, the Congo has to be faithful to the NDP 2012 - 2016 which has set the direction in the coming years.

The emphasis on trade and the creation of a conducive environment for business success will allow Congo to take advantage of international trade and to achieve its development goals. The NDP is an ambitious program, which enjoins Congo to seek the support of the international community to realize its noble “aid for trade” philosophy of development.