February 2014 · N° 13

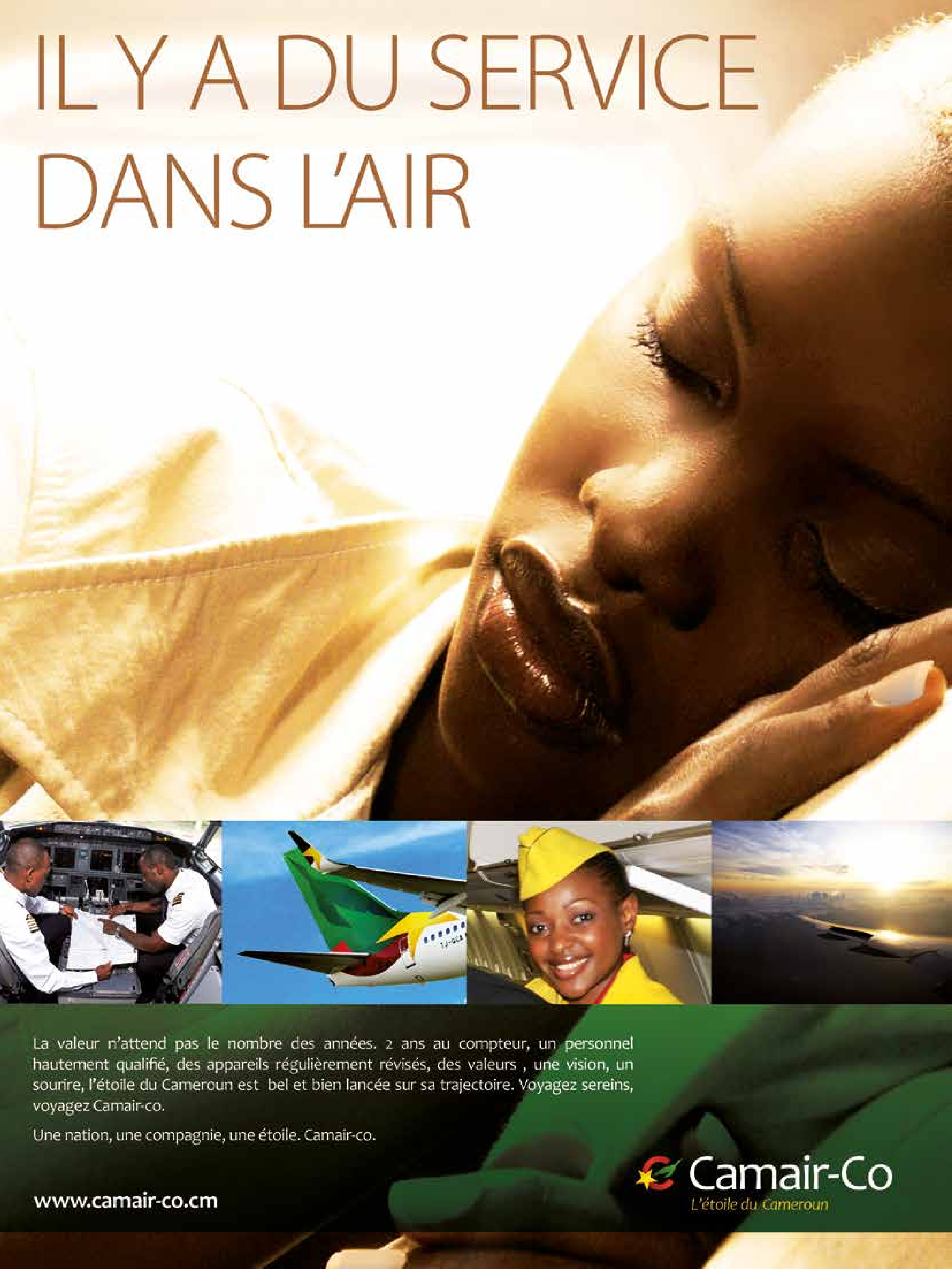
BUSINESS IN CAMEROON

MAJOR PROJECTS
AGRICULTURE
ENERGY
MINING
INDUSTRY
SERVICES
FINANCE

Mapping out Cameroon's mining potential

A unit to process 16,000 tonnes of cocoa per annum

Cameroon gives go-ahead to AES to sell its assets to Actis


IL Y A DU SERVICE DANS L'AIR
La valeur n'attend pas le nombre des années. 2 ans au compteur, un personnel hautement qualifié, des appareils régulièrement révisés, des valeurs , une vision, un sourire, l'étoile du Cameroun est bel et bien lancée sur sa trajectoire. Voyagez sereins, voyagez Camair-co.
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Beaugas-Orain Djoyum

Transforming tomorrow

Around four years ago, in 2010, upon returning from Tunis, I was packing cans from Triki confectionary, including Tunisian-made sesame pasta as treats for my friends and parents who often ask me to bring back things when I travel. Most people who tasted the sesame pasta asked for another can, because (no advertising intended) it is delicious. But in actual fact, I never chose it because it was good. I chose it because it was made in Tunisia.

At the supermarket, I was pleasantly surprised by the quality and quantity of agricultural products I found that had been processed and packaged in Tunisia. And so, very soon, I started to ask myself which locally processed and packaged Cameroonian agricultural product I could present abroad. But, there were very few. This led me to wonder why in my country, Cameroon, products like this are nowhere to be found. This is how I ended up packing several cans of various foods that had been processed and packaged in Tunisia.

But how did Tunisia get to this point? The national agricultural bank there, Banque nationale agricole (BNA), granted loans to SMEs involved in agricultural and fish processing and packaging. The Tunisian government also granted financial and fiscal incentives to investors such as corporate tax exemption and income tax payable by natural persons for the first ten years of business. It also provided 50% in tax relief for income and profits for the next ten years after that. The SMEs of the region also enjoy an investment allowance of 7% of investment cost and the State covers a portion (100% the 1st year) of the of the employer's contribution to the country's National Social Security Fund for the first five years after the effective start of activity. Doesn't all this sound good?

In Cameroon, we have legislation in place to encourage investment; initiatives like those of the Ministry of Agriculture and the Chamber of Commerce, Industry, Mining and Craft's Sangmélima Industrial Cassava-Processing Company (Sotramas, see page 21) – a joint venture with the Sandmélima commune. These efforts are praiseworthy, but still inadequate. We are still awaiting the agricultural bank… In short, the government needs to do more. The market is there, both regionally and nationally, and Cameroon's advantageous position within the sub-region should be a major asset.

Cameroon is a major mango producer. Cameroonian mangoes are the best in the world. Cameroon is also a major producer of plums, cassava, potatoes, vegetables, honey and more, but these products are still missing from our grocery stores. This is an area that should be appealing top local and foreign investors, as there is enough for everyone to eat and drink in the processing of our farmers' local produce.

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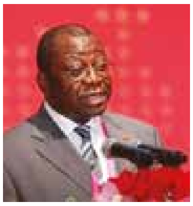
CASTING

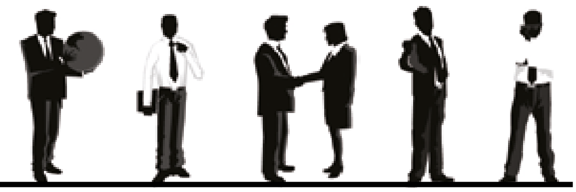
DAVID NKOTTO EMANE

Managing Director of Cameroon Telecommunications (Camtel), David Nkotto Emane, announced that the public telecom company will replace MTN in football sponsorship after the latter, fed up with investing in Cameroonian football without seeing any results, announced the end of its contract with the Cameroon Professional Football League (CPFL) in October 2013. The news sent shockwaves throughout the Cameroonian football community. Sports officials were already foreseeing a number of challenges for the upcoming sports seasons. The decision taken by Camtel's Board of Directors to sponsor Cameroonian football could not have come at a better time. So far, no detailed information has been released about the contract's clauses.

LUC MAGLOIRE MBARGA ATANGANA



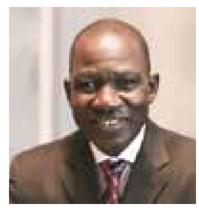
Led by Luc Magloire Mbarga Atangana, the Ministry of Trade has slapped five domestic gas distributing companies with fines amounting to 150 million FCfa. The companies are Société Camerounaise de Transformation Métallique (SCTM), the country's domestic gas leader, Camgaz, the second in line, MRS, the Nigerian company that bought Shell Cameroun's distribution network, Oillibya which took-over Mobil's assets in the oil distribution sector and Kosan Krisplan and more commonly known as Glocal Gaz. Following inspections conducted by the Ministry of Trade representatives, the companies were fined for using substandard packaging materials and cheating on the quantity of domestic gas being distributed.



HERVÉ BÉRIL

Managing Director of Cameroon Postal Services (Campost), Cameroon's public postal service, Hervé Béril has signed a partnership agreement with Allianz Cameroun to provide insurance services. The insurance to be provided includes standard car insurance provided by Campost-Auto, Campost-Retraite an insurance service which enables the subscriber to access capital during his or her pre-retirement years and Campost-individuelle Accidents which enables the coverage of personal or work-related injury. The partnership is a central part of Campost's restructuring plan. The company itself rose from the ashes of Sonaposte which, in turn, was the result of Poste camerounaise's merger with its financial agency, Caisse d'Epargne Postale (CEP), which went bankrupt in 2003.

ALAMINE OUSMANE MEY

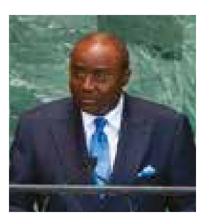


Cameroonian Minister of Finance, Alamine Ousmane Mey, unblocked 4 billion FCfa in December 2013 for the payment of the second tranche reconversion payments to be paid to the 14,000 former employees of State companies that have been privatised or liquidated in the last twenty years. Payments were made to Treasury and financial revenue offices scattered throughout the six regions of Cameroon instead of the centralised general Treasury in Yaoundé as was formerly the practice. Indeed, the Cameroonian government had released 1.5 billion FCfa in September 2013 to pay the first tranche of the same payout which, in the end, was only paid in December 2013.

MAÏGARI BELLO BOUBA

According to statistics provided by the Ministry of Tourism, directed by Magari Bello Bouba, Cameroon welcomed, in late November 2013, a total of 912,000 tourists, compared to 817,000 at the end of 2012. This represents an increase of 10% or 100,000 over last yar. Ministry of Tourism officials are pleased about this trend, particularly in light of the blows Cameroon's reputation has sustained on the international stage following the kidnapping of a French family of tourists in the Extreme North region and a more recent abduction of European priest. Following these kidnappings, several diplomatic missions based in Yaoundé recommended that their citizens avoid visiting this area of the country which is one of the most popular tourist destinations in Cameroon.

PIERRE MOUKOKO MBONJO



The Ministers of Foreign Affairs for Cameroon and Equatorial Guinea, Pierre Moukoko Mbonjo and Agapito Mba Mekoui, announced on January 17, 2014, the re-opening of the border between the two countries, which was closed on December 31, 2013 at midnight. The announcement was made at the close of the 5th session of the cross-border security ad hoc commit which brought together the heads of both countries in Mongomo, Equatorial Guinea. The Malabo authorities had decided on December 31, 2013, at midnight, to close its borders with Cameroon and Gabon at the precise moment when the CEMAC biometric passport was scheduled to come into effect. Upon implementation, the biometric passport allows the free circulation of persons and goods throughout the six member countries of the CEMAC zone. Equatorial Guinea had made an about-face in November 2013, fearing the "massive immigration" of other CEMAC nationals.

President Biya promises "mutually beneficial partnerships" with foreign investors

"I would like to state before you all that Cameroon will always be pleased to welcome public and private foreign investors. We are offering them mutually beneficial partnerships," stated the Cameroonian Head of State, Paul Biya, on January 10, 2014 in Yaoundé while receiving greetings from the new diplomatic corps assigned to the Cameroonian capital.
Paul Biya also noted that, in its search for partners for Cameroon's journey to emergence by 2035, the government *"has had the opportunity to speak with various major international industrial groups who are interested in investing"* in Cameroon.

"In the effort to achieve its goal of becoming an emerging country by 2035, Cameroon has undertaken an immense investment programme for three years now which will equip the country with additional infrastructure in virtually all economic sectors."

One can recall that in January and March 2013, the Cameroonian Head of State respectively went on two economic missions to Turkey and France where investors from these western countries were informed about various opportunities that Cameroon has for them.
Both in Paris and Ankara, the Cameroonian Head of State announced the upcoming implementation of a pro private investment law in Cameroon. This legislation, which provides tax and customs exemptions for a 5 to 10-year period for companies that do business in Cameroon, with a contract document, was finally promulgated on April 13, 2013 after its adoption by the National Assembly.

A RANGE OF PROJECTS TO FINANCE

In the effort to achieve its goal of becoming an emerging country by 2035, Cameroon has undertaken an immense investment programme for three years now which will equip the country with additional infrastructure in virtually all economic sectors. Most of this investment still requires considerable financing, as is the case for a number of dams (Menchum, Nounwouri) and hydro-electric plants (Natchigal) whose construction is a part of the government's vast energy development programme. There is also the construction of the aluminium refinery in Kribi, the building of the Limbe deep water port, which is a large touristic complex in Yoyo.
One can also highlight the completion of roadwork between Yaoundé, Douala and Bafoussam; the building of a pipeline between major towns and cities for the distribution of oil products; real estate projects to reduce the affordable housing deficit which is estimated to be as high as one million; mining and the putting into place of the national railway which, itself, will cost 15,000 billion FCfa in investments.

The world according to Paul Biya

An excerpt of the Head of State's speech to the diplomatic corps at the presentation of their 2014 greetings

(…) It is comforting to see that, despite these trying times, the international community has not lost sight of the challenging conditions affecting most human beings (…) I will first speak about Syria, which has been ravaged for months by a cruel civil war that has left countless victims in its wake. Mediation efforts have failed. Negotiations between the super powers of the Security Council have led to an impasse. (…) Furthermore, the conflict that is instigating the exodus of hundreds of thousands of refugees to Lebanon, Jordan and Turkey runs the risk of destabilising these countries and the region.

In Iraq, the situation seems far from stable. The attacks that occur, one after the other, daily have already led to thousands of casualties. Everything must be done to avoid Afghanistan falling into the same trap when American troops withdraw. The arrival of new leaders in Iran gives some hope that relations between that country and the international community will normalise.

(…) The Israeli-Palestinian conflict has persisted for decades. Yet, hope remains that a two-State solution will be found in which each acknowledges the right of the other to exist. It is, however, difficult to foresee the outcome of the unending negotiation taking place between both parties, under the watchful eye of the world's super powers.

(…) The situation in Africa is hardly better. In the north of the continent where "the Arab spring" raised so much hope, things are barely back to normal. In Tunisia, in Egypt and especially in Libya, the transition towards democratic forms of government remains difficult. (…) Closer to home, our brothers in Mali have had to face the attacks of armed factions that threaten their territorial integrity and the foundations of their society. (…) The threat spreads far beyond the borders of the Sahel, as one can see in northern Nigeria, in the CAR and even in Somalia and Kenya. Cameroon has not been spared either. The recent hostage-taking in the north of the country demonstrates this. We certainly always used all the means at our disposal to secure their freedom. We were fortunate to achieve this. We would like to take this opportunity to thank the French and Nigerian authorities for the support they provided.

Paul Biya: "*The painful events that have been taking place in CAR have accelerated the realisation that Africa must ensure its own security.*"

(…) The painful events that have been taking place in CAR have accelerated the realisation that Africa must ensure its own security. During the emergency, France, under United Nations' mandate, intervened to put an end to the fighting and strengthen the MISCA which includes a Cameroonian contingency.

In light of the situation's deterioration, we had to have some 4,000 of our citizens' return home. We would like to thank MISCA for its efforts as well as the SANGARIS operation for protecting civilians and disarming militants.

Cameroon raises 570 billion FCfa in three years on national and sub-regional capital market

Unknown until 2010, this financing method is being used more and more by the State, not only to reabsorb its immediate financial challenges, but also to acquire resources for long term investment.

On December 23, 2013, Cameroon completed its second bond offering on the Douala Stock Exchange (DSX), bringing in 80 billion FCfa, which was 30 billion more than its initial target. So as not to curb investor enthusiasm towards the bond offer, the Minister of Finance, Alamine Ousmane Mey, and the organiser, Société Commerciale de Banque Cameroun (SCB Cameroun), a local subsidiary of the Moroccan company, Attijariwafa, requested and received from the Financial Markets Commission (FMC) "*authorisation to use the over-allotment option included in the information about the issuance*." This means that Cameroon's financial markets regulator gave the go-ahead for the State to collect an additional 30 billion FCfa from investors. Mathematically speaking, this new bond loan with oversubscription levels reaching 50%, did better than the last run in 2010 when 200 billion was collected, leading to total fundraising amounting to 203 billion FCfa.

Pierre Titi, announced in October 2013 during the EMA Invest Forum in Geneva that the State of Cameroon could try bond issuance to the international market through the Geneva financial sector.

BEAC IS BOOMING

But before returning to the DSX in December 2013, Cameroon issued Treasury bills and bonds all year long for 130 billion FCfa on the Central African States Bank (BEAC) government securities market. Each of the ten fundraising efforts was a resounding success, except Treasury bill issuance on December 18, 2013 (85% subscription) and two Treasury bonds in September 2013 (75% subscription). If one were to tally the numbers, since the launch of government securities on the BEAC started in late 2011, the Cameroonian Treasury, which is the main agent on this market with Gabon, has already raised a total of 290 billion FCfa. In addition to the 280 billion raised in December 2010 and in December 2013 on the DSX, the government-issued securities on the capital market have already provided the State with financing amounting to 570 billion FCfa in three years.

UNDENIABLE ASSETS

This performance was possible thanks to the State's support, which regained credibility after fulfilling the HIPC initiative requirements in April 2006. Indeed, thanks to the success of this rigorous programme to which the IMF subjects some heavily indebted African countries, Cameroon received a "BB" rating at the end of 2013, with "a stable outlook for 12 months" as was stated by the Standard & Poor's rating agency in a press release on December 13, 2013.
But, in addition to this financial rating which is rather encouraging for capital investors, Cameroonn has one of the best debt-GDP ratios. While the CEMAC convergence criteria allow debt levels up to 70% of GDP, Cameroon's is currently only 20%, which gives the country more wiggle room for the upcoming years.

BOND ISSUANCE FOR THE INTERNATIONAL MARKET

It is certainly strong according to these indicators, but it especially allows for a more masterful management of the capital market on which the Cameroonian Treasury has only been operational for three years, Cameroon plans to attempt to issue government-issued securities beyond national and sub-regional borders. The delegate Minister to the Minister of Finance, Pierre Titi, announced in October 2013 during the EMA Invest Forum in Geneva, that the State of Cameroon could try bond issuance to the international market through the Geneva financial sector. This operation

Will Cameroon's pull off issuing bonds on the international market?

would enable the Cameroonian government to go one step closer to reaching its objective to diversify national budget's financing sources. However, according to experts, a bond issuance on the international market is still more complex than a call for tenders launched on the DSX or a Treasury bill issuance on the BEAC market. However, these same experts maintain that an operation of this type for a country like Cameroon, in theory, does not seem impossible to do.

From this angle, Eurobonds amounting to 400 million dollars (around 200 billion FCfa), issued by Rwanda in 2013, have been subscribed up to 400%. Gabon, for its part, is preparing to do a second issuance of Eurobonds. Bolstered by these precedents as well as the application of the 2014 Finance Act which authorises the issuance of securities up to 280 billion FCfa, but especially acquiring experience on the capital market for three years now, will Cameroon's Treasury pull off issuing bonds on the international market?

On December 23, 2013, Cameroon completed its second bond offering on the Douala Stock Exchange (DSX), bringing in 80 billion FCfa, which was 30 billion more than its initial target.

Brice R. Mbodiam

Energy: Cameroonian companies gradually switching to natural gas

Rodeo Development has announced the expansion of its pipeline beyond the Wouri River in order to supply companies in the Bonabéri industrial zone. Meanwhile, the verdict in its court case against its Logbaba natural gas project clears the way for substantial financing.

This expansion of Rodeo Development's pipeline to the Bonabéri industrial zone will enable companies there to have a more reliable energy source.

After the Bassa industrial zone in the Douala suburbs, the pipeline built by the Rodeo Development Company to transport natural gas processed at the Logbaba-Ndog-Passi factory will soon cross the Wouri River to supply companies located in the Bonabéri industrial zone. The good news was announced to economic operators during the 116th general assembly of Groupement interpatronal du Cameroun (GICAM), held in Douala, the economic capital of Cameroon.

This expansion of Rodeo Development Ltd's pipeline to the Bonabéri industrial zone will enable companies there to have a more reliable energy source. These businesses will also be spared the numerous power outages that a recent BIT study identified as the main hindrance to the development of Cameroonian companies. Among those set to receive natural gas is the cement factory of the Nigerian billionaire, Aliko Dangoté, which will be operational in the first quarter of 2014 on the banks of the Wouri. Starting in the second quarter of the year, the new cement factory will need 0.4 to 0.5 MMscf of thermal gas per day.

AES-SONEL, which will transition from heavy fuel to natural gas for electricity, as well as Société Camerounaise de Verrerie (SOCAVER), whose gas consumption will reach 0.4 MMScf per day will also soon enjoy the advantages of this fuel. These businesses will be joining

Among those set to receive natural gas is the cement factory of the Nigerian billionaire, Aliko Dangoté, which will be operational in the first quarter of 2014 on the banks of the Wouri.

the 18 industrial companies of the Cameroonian capital already being supplied with natural gas since January 2012 by way of a 16 km-long pipeline built by Rodeo Development, a Cameroonian subsidiary of Victoria Oil & Gas, the British company that runs the Logbaba-Ndog-Passi natural gas processing factory.

HEADING TOWARDS GROWTH

Worth 50 billion FCfa and responsible for creating 100 direct jobs, the plant has a daily production capacity of around 1.4 million cubic metres. Rodeo Development Ltd heads plan to drill new wells in 2014 to increase production from deposits that are estimated to have 11 billion cubic metres of natural gas. The investments needed to ensure this increased production should be easily raised in light of the verdict that has just been handed down by International Chamber of Commerce (ICC) Court of Arbitration regarding the lawsuit which has brought head-to-head for years, Victoria Oil & Gas, parent company of Rodeo Development and the American company that was its initial partner in the Logbaba Gas Field Development project. Indeed, although it confirms RSM's ownership rights to 40% of the Logbaba field, the court of arbitration's obliges the company headed by businessman Jack Grynberg to pay 65 million dollars (around 32.5 billion FCfa) to Rodeo Development Ltd for its participation in shouldering the costs of some drilling exercises

A SIZABLE FINANCING PARTNER

"*Within the framework of agreements with RSM, RDL expects to get back most of its expenses out of the 65 million dollars for wells 105 and 106 before any discussion about moneys owed RSM*," commented Kevin Foo, Victoria Oil & Gas president and the RDL: "*We had certain differences with RSM, but that has now been resolved. The company now has a partner for 40% of all future costs and will pay an exceptional call 4 million dollars (around 2 billion FCfa). Additional calls for funds for around 20 million dollars (around 10 billion FCfa) will also soon be due as well.*"

Rodeo Development Ltd has had the exploration licence for the Logbaba gas field since 2001. The company started drilling on the site in collaboration with RSM Production (40%) and its Cameroon partner, the National Hydrocarbon Conmpany (5%) in 2009. In 2011, Victoria took over the assets held by RSM because the American oil company failed to pay its share of the costs for developing the gas field. Jack Grynberg's company brought the matter before the ICC Court of Arbitration to defend its right to 40% of the ore. The court agreed, provided that RSM reimburses Victoria Oil & Gas for the expenses incurred during the drilling of some wells. This was a financial gold mine, but it is with a new collaboration with a former partner that should enable Rodeo Development to continue its activities in the Logbaba gas field in peace – much to the delight of Cameroonian industrial companies.

Rodeo Development Ltd heads plan to drill new wells in 2014 to increase production from deposits that are estimated to reach 11 billion cubic metres of natural gas.

BRM

Exploration: new drilling in Cameroon's sub-soil

All mining experts agree: although it is not comparable to the Democratic Republic of Congo or South Africa, Cameroon is a hidden treasure in terms of the substantial mining resources it possesses. This already promising potential could become more concrete upon the completion of a new geological and mining survey the government has just initiated.

Indeed, it is possible that the operation slated to run until June 2015 could reveal new geological treasures that are likely to attract Cameroon's top mining companies as around 30% of the country will now be explored for the first time in addition to the 40% that was already explored back in the 1980s.

Yet, one cannot overlook the fact that, at a time when Cameroon is re-evaluating its mining potential, the country is barely using the deposits it already possesses – resources that are commonly discussed and known around the world. Indeed, official sources assert that Cameroon's mining industry makes up less than 1% of the country's GDP.

The blame apparently lies with these young mining companies springing up across Cameroon, promising all manner of wonders and marvels to the government and local populations, but spending more time in stock market speculation than in the mines.

Despite the wealth of natural resources contained in its sub-soil, based on its mining sector, Cameroon remains a vast territory that is still undeveloped by the major mining companies who are concerned about development in some regions of the world.

BRM

Assessing where we are: “world class” deposits have already been identified

Certains experts estiment que le gisement de Minim Martap, qui va produire un peu plus de 7 millions de tonnes par an en phase d’exploitation, pourrait faire du Cameroun l’un des plus grands producteurs africains après la Guinée Conakry.

Although 60% of Cameroon is still unexplored, several “world class” mines have already been identified, indicated the Cameroonian Minister of Mining, Industry and Technological Development during a press conference held in Yaoundé. To elaborate on these remarks, Minister Bondé clearly made reference to the rutile form ore in Akonolinga, bauxite in Minim Martap and iron in Mballam, to name a few.

Indeed, three million tonnes of rutile reserves have been found in Akonolinga in the Centre region of Cameroon. According to the Support Framework for Small-Scale Mining (CAPAM), the Free Mining Company explored this deposit in collaboration with the American company, Gilla, but lost its licence in June 2013 to the English company, Sicamines.

Minim Martap’s bauxite potential is estimated at 554 million tonnes by Cameroun Alumina (CAL), a company that emerged out of a joint venture between the Emirate company, Dubal (45% of shares), the Indian company, Hindalco (45%) and the American company, Hydromine (10%). Some experts estimate that the Minim Martap deposit, which will produce 7 million tonnes per year, could make Cameroon one of the top African producers, right behind Guinea Conakry.

Developed by Cam Iron, the Cameroonian subsidiary of the Australian mining newcomer, Sundance Resources, the Mballam iron deposit, isolated between Cameroon and Congo Brazzaville, has an official estimated potential of 3 million tonnes.

But according to some sources, Mballam is actually second and has been overtaken by the Nkout deposit, located 26 kilometres from Djoum in the south. Its potential is estimated at 2 to 4 billion tonnes (all of which are within Cameroon’s borders). This deposit was explored by the British company, Affero Mining, which recently sold 100% of its assets in this project to its compatriot company, International Mining and Infrastructures Corporation (IMIC), the mining group of companies headed by Mauritanian businessman, Ousmane Kane.

DIAMONDS: CONTROVERSY ON MOBILONG’S POTENTIAL

The Cameroonian deposits which have created the most buzz in the mining world over the last few years is the Mobilong diamond deposit in eastern Cameroon. Indeed, in 2011, the South Korean company, C&K Mining which held the 2007 mining exploration contract, announced that it had discovered the largest diamond ore in the world in Cameroon.

At that time, the South Korean company estimated Mobilong’s potential yield to be 736 million carats which was five times global production that year. Some experts have argued that Cameroon’s diamond potential has been overestimated purely for speculative purposes. Since then, neither C&K Mining nor the Cameroonian government have ventured to suggest a figure about the deposit’s potential, but they both agree that it is “considerable”.

Cameroon starts inventory of mining potential in 160,000 km² area

Starting in January 2014, the Project to Strengthen Mining Sector Capacity (PRECASEM), overseen by the Cameroonian Ministry of Mining and co-financed by the State of Cameroon and the World Bank, is starting "airborne geophysical survey" operations in six of Cameroon's ten regions (North, Adamaoua, West, East, Coast and Centre).

Geotech Airbone Ltd. has already conducted airborne geotechnical surveys in countries such as Canada, Mozambique, Tanzania and Niger.

Revealing this information during a press conference held on January 21, 2014 in Yaoundé, the Cameroonian Minister of Mining, Emmanuel Bondé, stressed that this campaign aims to identify new areas with mining potential that "*have never been inventoried before.*"

This "new drilling into Cameroonian soil", which will cover and area of 160,000 km^2, will enable the country to have 13 new geological maps instead of one, as is the case now. This will raise the area of explored terrain from 40% to 70%, highlighted PRECASEM coordinator, Guillaume Sosthène Mananga.

GEOTECH AIRBONE TO INVENTORY CAMEROON'S MINING POTENTIAL

This new inventory of Cameroon's mining potential will consist of low-altitude fly-overs (at an elevation of 80 m) above areas targeted by aircraft equipped with detectors that register data from below ground.

This inventory process, which will be conducted until June 2015, is "*the first since the exercise carried out in the 1980s when they could not use all the geophysical survey technologies we now have today*," explained the PRECASEM coordinator.

The Cameroonian government has signed a 2.1 billion FCfa contract with South African company, Geotech Airbone Ltd., to map out Cameroon's mining potential. According to Emmanuel Bondé, Minister of Mining, the government's decision to use this company "*took into account its experience in this field*".

Indeed, Geotech Airbone Ltd. has already conducted airborne geotechnical surveys (which use modern techniques to identify the mining potential of a given region) in countries such as Canada, Mozambique, Tanzania and Niger.

BRM

Mining: two licences already granted, but nothing solid…

Geovic Cameroun Plc (Geocam) is the name of the company alleged to have enabled Cameroon to enter the exclusive club of mining countries over the last ten years. This is the Cameroonian subsidiary of the American-Canadian company, Geovic Mining Corporation, that the Cameroonian State issued the first mining licence in 2003.

Eleven years later, the construction of the first mine in Nkamouna, the eastern locality that has reserves estimated to be 100 million tonnes of mineral-rich soil containing 0.2% cobalt, 0.72% nickel and 3.71% manganese, is despairingly absent. The same goes for Société nationale des investissements (SNI)'s Geovic (60.5) which has a 39.5%-share in the project, but inadequate financing.

In its aim to start mining as soon as possible, the State of Cameroon granted a diamond mining licence on December 16, 2010 to the Korean company, C&K Mining.

On July 23, 2013, Geovic Mining Corp announced the signing of a definitive agreement with the Chinese company, Jiangxi Rare Metals Tungsten Group Holdings Company Ltd (JXTC), for the development and mining of the Nkamouna deposit. This is yet another announcement made without concrete results on the ground.

In its aim to start mining as soon as possible, the State of Cameroon granted a diamond mining licence on December 16, 2010 to the Korean company, C&K Mining. This award was conferred on Oh Deuk-Gyun, Board Chariman, on January 25, 2011 by then Minister of Mining, Badel Ndanga Ndinga.

The Minister had then given the Korean company a deadline of a year to commence activity. Two years later, the Mobilong diamond ore identified by C&K Mining has yet to be officially mined.

TRAFFICKING WORTH ITS WEIGHT IN GOLD

Of all the precious metals in Cameroon's subsoil, gold has certainly been mined the most and the longest. With small-scale techniques, gold panners in eastern Cameroon, where the metal is most commonly found, were successfully mining approximately 60 tonnes of gold per year.

With machinery being introduced in the gold-rich localities of eastern Cameroon by the small-scale mining support framework (CAPAM), a government project financed out of HIPC funds, national production quickly climbed to 100 tonnes per annum.

But, the government acknowledges that 90% of this gold disappeared on the black market. Even the mining brigades put in place in the CAPAM production areas with the support of the Cameroonian military was unable to drive the gold smugglers out of the region. As a result of this, the Gold project launched by CAPAM which aimed to channel gold production from Cameroon to formal trade to build the central bank's reserves is now in peril.

PUBLIC MANAGEMENT

Cameroon: upgrading agro-food, metal and steel companies… in preparation for EPAs

The Office for Company Upgrading (BMN in French), which falls under the auspices of the Cameroonian Ministry of Economy, has just restricted company eligibility to the Cameroonian economic and competitiveness improvement support programme (PACOM in French). PACOM is financed by the European Union to the tune of 6.5 billion FCfa with the aim to ratify stepping-stone EPAs signed by the Cameroonian government on January 15, 2009.

According to the press release that sanctioned the last session of the BMN steering committee, companies eligible for this programme must operate in "steel, metal, textiles, clothing and textiles, agro-foods, tourism, construction, electronics and electrical engineering, mechanical engineering, and leather and shoe manufacturing."

In addition, they must also "have total sales ranging from 50 million to 6 billion FCfa, industrial processing that represents more than 70% of their sales for the last fiscal year, be in business for at least two years, and have the technical and organisational capacities needed to conduct the upgrading process…".

6,658 public contracts were signed in Cameroon in 2013, says Abba Sadou

The Cameroonian Minister of Public Contracts, Abba Sadou, stated that 6,658 public contracts were signed in 2013, which represents 90% of planned procurement for that budgetary period.

Interviewed on Cameroon public radio about the reasons behind the limited use of the public investment budget (PIB) for the previous year (which was lower than 50% according to President Biya), Minister Abba Sadou attempted to explain that his ministerial department was in no way an obstacle to efficient PIB usage.

For a number of years, funds allotted for public investment in Cameroon have been paradoxically under-utilised while the country struggles under the burden of significant infrastructural problems. In 2013, the rate was even lower due to the coming into effect of the Budget Programme whose mechanism had not been fully assimilated by many public credit managers.

Experts have always blamed the lengthy procedures in place for the under-utilisation of the PIB, a problem which persists despite various reforms that have been implemented. In 2014, 1,000 billion FCfa will be allotted for the PIB, in accordance with the Finance Act.

Cameroon in discussions on 50% forest tax increase for 2014

The Cameroonian Ministry of Forestry and Wildlife has intimated that the annual forest tax paid by lumber companies to the State and to local communities where forests are logged is to be raised to 20 billion FCfa in 2014 compared to 14 billion FCfa in 2013. This makes it a 50% increase.
The tax hike is due to the issuance in 2014 of 51 new licences for medium-sized sale of standing plots which should generate over 5 billion FCfa as well as the revaluation of the cost per hectare which rose from 2,000 to 8,000 FCfa.
Furthermore, with increased awareness on the part of lumber companies based on the number of infractions and fines, they are gradually abandoning their reprehensible, underground activities that previously cost the State a fortune.

58 billion FCfa budgets for fuel and electricity expenditure in 2014

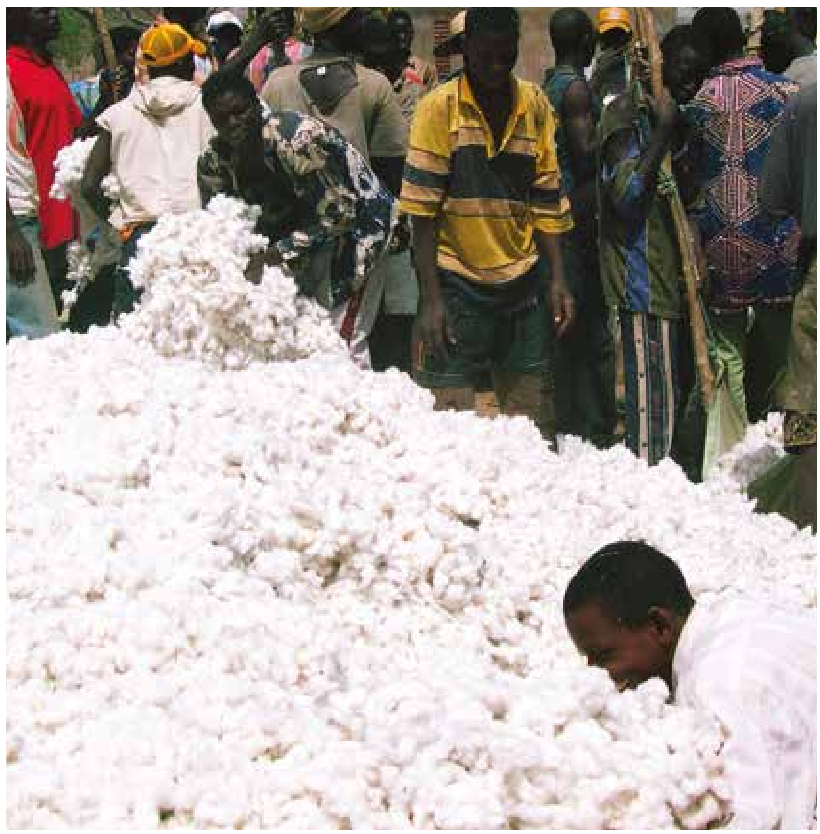
In a study of Cameroon's 2014 budget, the weekly publication, Repères, identified 58 billion FCfa forecast for the government's fuel and electricity expenditure.
According to the paper, in the 12 months of this calendar year, 33 billion FCfa will go up in smoke through fuel consumption while another 25.2 billion FCfa will be reserved for paying electricity bills for all government services nationwide.
The 2014 budget was officially finalised at 3.312 trillion FCfa. This budget provides 2.009 trillion FCfa for operational costs (62%), an increase of 44 billion FCfa over the 1 trillion FCfa for investment (30.9%) which amounts to 43 billion FCfa more than the previous year.

Cameroon reaffirms the ban against plastic packaging starting April 1, 2014

As of April 1, 2014, the manufacturing, importing and sale of (plastic) non-biodegradable packaging will be forbidden in Cameroon. This was communicated in a press release issued by the Cameroonian Minister of Environment, Protection of Nature and Sustainable Development, Pierre Hélé (photo).
However, until this official date is attained, a member of the Cameroonian government states that, "from the start of 2014 to March 31, environmental inspectors and assessors will be visiting and trying to raise awareness among various manufacturers and importers of this kind of packaging and also their counterparts for biodegradables."
Official figures confirm that plastic makes up 10% of the six million tonnes of waste produced daily in Cameroon.

AGRICULTURE

Cameroon: Sodecoton sets 2014 cotton production target at 240 000 tonnes



Société de développement du coton (Sodecoton) heads have set their production target at 240,000 tonnes of cotton in 2014, compared to 210,000 in 2013.

To accomplish this, the management of the agro-industry's gem in the northern region of Cameroon plans to buy cotton from producers this year to dissuade them from selling their crops to Nigeria. This fraudulent activity is also supported by Sodecton itself. In December 2013, for example, the daily publication, La Nouvelle Expression revealed that the Sodecton factory head in Maroua, as well as the warehouseman have been accused of running a cotton-trafficking network to Nigerian buyers. Managing Director, Abdou Namba, opened an inquiry about this matter which made the company lose "a dozen trucks" worth of cotton grain at Maroua.

In addition to fighting fraudulent cotton exports to Nigeria, Sodecton is offering to make harvest loans and inputs available to producers in order to ensure good harvests.

To roll-out its plan to secure and increase national cotton production, this public company just obtained a syndicated 35.5 billion FCfa loan from 5 Cameroonian banks.

250 million FCfa to promote Cameroon's off-season cultivation in 2014

The promotional programme being conducted by the Ministry of Agriculture will inject 250 million FCfa to develop marshlands and irrigable land to encourage off-season cultivation. This announcement followed the last meeting of the steering committee held in Yaoundé.

In total, 79 acres will be developed in the above-mentioned areas to provide Cameroonians with fruits, vegetables and other staples throughout the year, independently from the agricultural calendar.

Financed out of the Ministry of Agriculture's public investment budget, the low-lands improvement programme will develop 9,884 acres of irrigable and marsh land identified and mapped-out across Cameroon to help increase food production nationally.

Cameroon: 310 hectares of cassava plantations to be created to supply Sotramas

A pilot project of the Cameroonian Ministry of Economy, Agropole, which aims to reduce the import of food staples, via the creation of production units in rural areas, plans to create a "cassava agropole" in the city and surrounding areas of Sangmélima, to supply the town's Cassava Processing Company (Sotramas), which will start activity in the first quarter of 2014.

Sources have informed Ecofin Agency, that this "cassava agropole", for which members will receive improved seeds provided by the Institute for Agricultural Research and Development (IRAD), will enable the putting in place of cassava plantations covering 310 hectares in March 2014 to ensure that Sotramas will receive its daily supply of 120, 000 tonnes of produce.

But over the next five years, more than 4,000 hectares of cassava will have to be cultivated in the Sangmélima area to ensure that Sotamas runs at full capacity without being affected by the production slumps observed in Cameroon.

A 1.2 billion FCfa investment, Sotramas is the fruit of a joint venture between the Sangmélima district, in the region of South Cameroon and the Chamber of Commerce, Industry, Mining and Craft in Cameroon (CCIMA).

Obala imposes local tax on sale of cocoa

"*An agricultural tax on the sale of cocoa has been instituted throughout the commune of Obala. All initiative groups, cooperatives, cocoa buyers, unions and GIC federations are subject to this agricultural tax. The commune shall receive five CFA francs per kilogramme of cocoa purchased by the various tax paying entities stated above.*" Reported in the weekly publication, Repères, this was the statement resulting from the deliberations of the last municipal meeting held by the commune of Obala, situated just a stone's throw from the Cameroonian capital

The newspaper adds that this decision, which "will no doubt set a precedent in terms of Cameroonian tax policy at the local level" was supported by the majority of municipal council members, with only 17 nays on the grounds that it was illegal.

Obala is a part of the Lékié department which is one of the top chocolate production zones in Cameroon, accounting for 15% of national production. The application of this tax on cocoa sales should make a considerable contribution to the commune's 2014 budget which stands at 757.2 million FCfa.

Cameroon: EU to restart coffee sector with 15 billion FCfa

According the Cameroonian Minister of Trade, Luc Magloire Mbarga Atangana, the Robusta Coffee Agency of Africa and Madagascar (ACRAM) has just become eligible for financing in the form "of non-reimbursable grants" provided by the European Union as a part of the 11th DEF. The financing amounts to 19.6 billion FCfa (30 million euros).

A member of ACRAM and presented as the main force behind negotiations with the EU to restart Robusta coffee production in Africa and Madagascar, Cameroon, on its own, will receive 80% of the sum, a portion amounting to 15 billion FCfa, stated the Inter-professional Cocoa and Coffee Council (CICC).

This financing agreement has come about at a time when Cameroonian coffee production has sustained a 56.7% decline, tumbling from 38,127 tonnes to 16,142 tonnes during the last season. Coffee producers blame this freefall on climate change and the loss of interest felt by producers discouraged by prices that are becoming less and less profitable.

Cameroon: CICC announced 750 million FCfa relief plan for coffee sector

For five years, starting in 2014, the Inter-professional Cocoa and Coffee Council (CICC) will encourage coffee production by supporting producers in a variety of ways. This will cost a total of 150 million FCfa per annum or 750 million FCfa by the project's completion. The announcement was made at the launch of the new coffee season.

The operation aims to get the sector out of its misery after its production plummeted by more than 56% in one year. In fact, between the 2011-2012 and 2012-2013 seasons, national coffee production fell from 38,000 to 16,000, reaching a third of what it was in 1986 (140,000 tonnes). Cameroon is now the world's 30th producer, affirms the CICC.

Behind this sudden avalanche in the coffee sector, experts suspect not only climate change, but also less interest among farmers. Coffee sector sources also blame the marginalisation of coffee in terms of support and grants as well as aging plantations and farmers.

The large coffee producer cooperatives spread out in the main farming areas (coastal, western, southern and eastern regions) are also blamed by some experts for taking most of the financing contributions that are not reinvested in production, but spent on the daily operational costs of these structures that are described as budget biters.

ITALY AND GERMANY: THE LARGEST IMPORTERS OF CAMEROONIAN COFFEE

According to the National Cocoa and Coffee Board (NCCB), the largest shipments of Robusta and Arabica coffee, both produced in Cameroon in the 2012-2013 season, were exported to Italy and Germany respectively.

In the case of Robusta coffee, 31.6% (or 4,662 tonnes) of national production was exported to Italy, with Portugal importing 25.4% (or 3,745 tonnes) during the 2012-2013 season.

When it comes to Cameroon's Arabica coffee variety, Germany is its biggest fan. According to the NCCB, the EU giant imports, on its own, more than half of Cameroon's total national production (57.2%). South Africa and Algeria, the only two African importers of Arabica from Cameroon, took in only 2.1% (or 54 tonnes).

ENERGY

Cameroon gives go-ahead to AES to sell its assets to British fund, Actis

Authorised sources have revealed that the Cameroonian government has given the go-ahead for American group, AES to sell all its assets in Cameroon's energy sector to the British investment fund, Actis.

On November 7, 2013, AES and Actis announced that they had come to an agreement for the sale of all of AES' assets in its Cameroonian subsidiaries (AES-Sonel, Kribi Power Development Corporation (KPDC) and Dibamba Power Development Corporation (DPDC), for a total of 220 million dollars (110 billion FCfa).

But, according to the public electrical service concession contract signed in 2001 between Cameroon and AES, any sale of assets by AES must be approved by the Cameroonian government by way of a non-objection opinion. The concession contract gives the State the possibility to oppose the transaction between AES and Actis, in which case, it would purchase the assets itself to sell them to another company of its choosing.

SIX MONTHS OF SUSPENSE AND SPECULATION

The Cameroonian entity, which had a contractual deadline of 90 days to accept or reject the deal that was officially reported to it on July 26, 2013, had to wait almost six months before giving its approval. Certain pieces of information led some to speculate that the deal would be opposed in favour of Electricité de France (Edf), which, pending government approval, already had its eyes on AES assets in Cameroon.

While speculation was brewing about the sale of AES assets, Actis announced on December 9, 2013 that it had closed its third energy investment fund, Actis Energy 3, after raising 1.15 billion dollars (around 575 billion FCfa), surpassing the desired amount by 50%. A part of this fund will be used to finance the acquisition of shares in AES Corporation in Cameroon once government approval has been obtained.

WORKING CALMLY

So far, government notification allowing AES to sell its assets in the three Cameroonian subsidiaries has provoked no response from employees of these companies, especially AES Sonel, the electricity sector leader in Cameroon. According to sources contacted at AES, "everyone is working calmly."

Electricity sector union members who protested the day after the announcement was made about AES assets being sold to Actis, are also calm. Yet, last November, union members demanded the handing over of their 5% share of AES Sonel before the conclusion of the AES-Actis deal. If this request is met, 51% of AES Sonel's capital will be sold to Actis instead of the previously expected 56%.

Any sale of assets by AES must be approved by the Cameroonian government by way of a non-objection opinion.

Brice R. Mbodiam

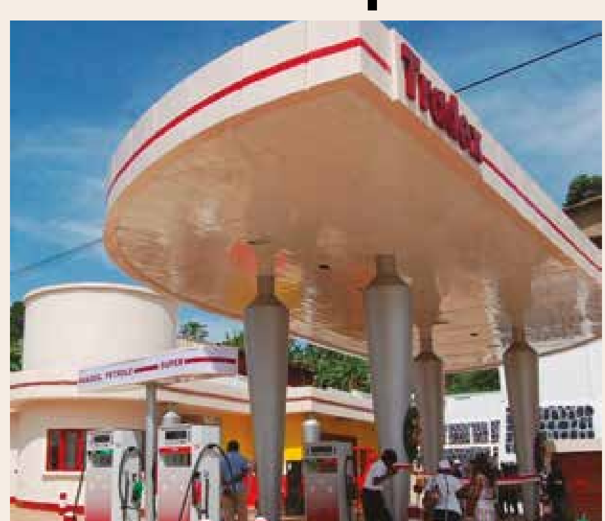
Cameroon: EDC devotes over 60% of its 2014 investment budget to the Lom Pangar Dam

The board of Electricity Development Corporation (EDC), the State's body with oversight in energy infrastructure, adopted a balanced budget for 2014 on December 27, 2013 amounting to 80.8 billion FCfa, of which 70.2 billion FCfa will be devoted to investment.

Its partial launch scheduled for 2014, the Lom Pagar Dam will have a water retention capacity of 6 billion m3. It is being built by China International Water and Electric Corporation (CWE). According to lenders who evaluated the project in June 2013, 35% of the dam has been built.

The dam, at the foot of which an energy production factory will be built, is co-financed by the World Bank (66 billion FCfa), the European Investment Bank (19.7 billion FCfa), the African Development Bank (33 billion FCfa), the Central African States Development Bank (20 billion FCfa) and the French Development Agency (39.3 billion FCfa).

Tradex improves its market share in oil product distribution in Cameroon in 2013



According to a press release issued by Adolphe Moudiki, as Chairman of the Board at Tradex, the Cameroonian company and SNH subsidiary "improved its market share of national distribution" in 2013.

Though the announcement came without any actual figures, we know that the company had a 16.5% market share in Cameroon according to the report submitted by GM, Perrial Nyodog at a board meeting late last year.

Initially specialised in oil product trading and ship refuelling, the Tradex Company entered the oil product distribution sector a few years ago in Cameroon, Central Africa (and Chad in the near future) and started distributing domestic gas in Cameroon in 2013.

Cameroon seeks 65.6 billion FCfa to expand Kribi gas plant

According to reliable sources, the Kribi Power Development Corporation (KPDC), the AES Group subsidiary that will manage the Kribi gas plant, needs to invest 65.6 billion FCfa in order to increase its production from 213 MW to 330 MW.

Seventy-five percent of this financing (49.2 milliards de francs Cfa) has to be raised, compared to 7.2 billion FCfa expected from the Cameroonian government and 9.2 billion FCfa to be made available by KPDC's majority shareholder, the American group, AES. AES obtained government approval to sell 100% of its assets in the Cameroonian electrical sector to the British investment fund, Actis.

The deal to be finalised is the main obstacle to starting expansion activities at Kribi gas plant. Indeed, the AES group, now transitioning in Cameroon, is in no hurry to disburse the first 280 million FCfa it is expected to pay for technical studies of the project though Cameroon has already contributed its 220 million FCfa.

So, neither the project launch date nor its duration is known, and this murky situation could persist for several months until Actis takes full possession of AES shares in Cameroon and commences its search for 49.2 billion FCfa in order to expand the gas plant.

Operational since March 23, 2013, the 173 Billion FCfa Kribi gas plant currently has a 216 MW production capacity. Increasing this capacity to 330 MW will help to reduce Cameroon's energy deficit.

Three billion FCfa to complete over 4,500 electrical connections in the northern Cameroon

The Cameroonian government and the Rural Electrification Agency (REA) have just signed a deal with the Mech Elect-Sct Toutelec group of companies for the installation of electrical connections in close to 4,500 households in the three northern regions of Cameroon, namely Adamoua, Extreme North and North.

In total, the 3 billion FCfa project concerns 35 localities and is expected to last 18 months.

The electrification project is being financed by the Rural Electrification Fund (REF) and is a part of the energy sector development programme being implemented by the Cameroonian government.

FINANCE

Afriland First Bank to create subsidiary in Benin

The Swiss-based bank holding company, The Afriland First Group, which tops the bank network of Paul Kammogne Fokam (photo) and the Dutch development organisation, FMO, will create a subsidiary in Benin (no purchasing of existing banks), after recently finalising the purchase of Acces Bank Côte d'Ivoire. In so doing, Afriland will consolidate its presence on the West African market.

According to authorised sources of this Cameroonian bank group, the Beninese entity, Afriland First Group, will be a subsidiary of CCEI Bank Guinée Equatoriale (the only subsidiary which still keeps the original name of the parent company). The Equato-Guinean bank is ranked first in its country and is considered to be the group's best with net returns amounting to almost 13 billion FCfa in 2012.

Sources suggest that CCEI Bank Guinée Equatoriale was put forward for Afriland's Beninese subsidiary opening because of its ratios which are found to be quite good and likely to win a positive response from the Beninese monetary authorities and the bank sector's regulatory body, UEMOA.

While all the administrative details are being finalised, which appears to be only a matter of time, the building where the subsidiary will be headquartered was already inaugurated in November 2013, with Heads of State, Boni Yayi of Benin and Teodoro Obiangf Nguema Mbasogo of Equatorial Guinea in attendance.

The number two bank group in Central Africa after the Gabonese company, BGFI, based on the 2013 ranking of the 200 largest African banks, Afriland will now open its 11th subsidiary in Africa in addition to its Liaison Bureaus in China and France.

Cameroon: Five banks lend 35.5 billion FCfa to Sodecoton for the 2014 cotton season

Société de développement du coton (Society for the Development of Cotton – Sodecoton), a public Cameroon company, just received a syndicated loan of 35.5 billion FCfa granted by five Cameroonian banks for the launch of the 2014 cotton campaign

This loan was given by Afriland First Bank, the largest fund provider in this operation with 10 billion FCfa in the pot as well as Ecobank, Société générale Cameroun, BICEC and Commercial Bank of Cameroon (CBC) topping the list of the syndicated loan's sources.

Essentially, stated Sodecton Managing Director, Abdou Namba, this money will be manna for the agro-industry in the northern region of Cameroon to quickly start purchasing cotton from producers to prevent them from falling on hard times during this period and selling their produce to Nigeria.

Treasury bills reach 465% in subscriptions on BEAC market for January 22, 2014

On January 22, 2014, the State of Cameroon opened the year on the BEAC securities market with much pomp and fanfare. According to a release issued by the central Bank, the auction session for government securities issued by the Cameroonian Treasury for 5 billion FCfa reached 23.250 trillion FCfa – a demand coverage rate of 465%

This is one of the best performances by the Cameroonian Treasury since its arrival on the BEAC market in 2011. Bidders gathered by 9 out of the 13 Ministry of Finance-approved Primary Dealers (SVTs) who participated in the operation solicited interest rates ranging between 3.9% and 2.5%, or an average rate of 2.59%.

According to the BEAC's operations calendar, for this first quarter of 2014, Cameroon plans to raise a total of 25 billion FCfa. The 2014 Finance Act authorises the Treasury to raise a total of 280 billion FCfa for the year through the issuance of Treasury bills and bonds.

Cameroon hopes to create a medium term loan faciltation fund for farmers

Within the framework of its micro-financing development support project for rural communities (PADMIR), the Cameroonian Ministry of Agriculture and Rural Development (MINADER) is soon to put in place a medium term loan facilitation fund for farmers. This was revealed to Ecofin Agency at the closure of a workshop that was just held in Yaoundé.

According to MINADER heads, this fund will make liquidity available to micro-financing establishments in rural areas so that farmers and others can open medium term lines of credit.

These loans granted at preferential rates will be reimbursed, not on a short term basis, but on periods ranging from 18 months to 5 years, and will enable recipients to finance their needs for inputs, agricultural material, farming and fishing.

Experts are in agreement that difficulty accessing loans has become a virtual roadblock to business development in Cameroon, and agricultural loans are even harder to get. This is why the government's new loan offer will be a breath of fresh air for farmers.

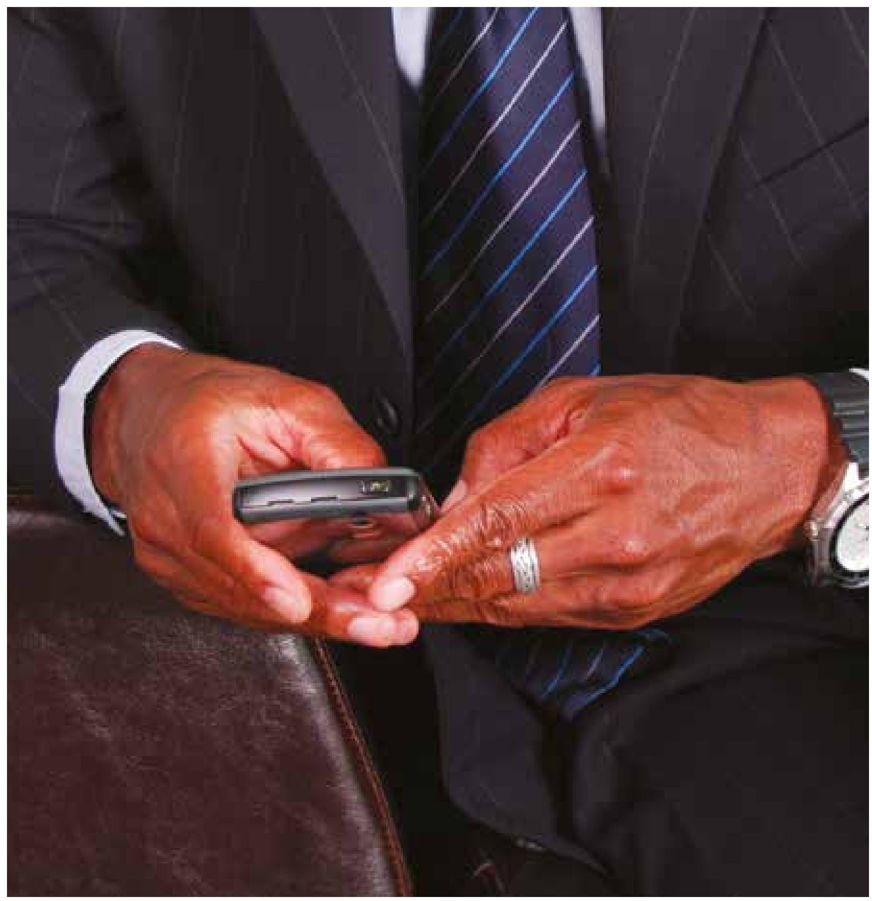
TELECOM

Phone numbers to go to 9 digits in first quarter of 2014

Initially expected in November 2013, the change in dialling procedure will now take place in the first quarter of 2014. This was the announcement made by the Telecommunications Regulation Agency (TRA). The delay was due to technical adjustments being made during the operation's implementation as well as difficulties encountered by phone service providers in meeting the initial deadlines.

The new 9-digit dialling system must be in place in the first quarter of 2014, reiterates the TRA, not only because the current number system has run-out of new numbers that can be issued by phone service providers, but especially because of the addition of a third provider to the market – Viettel – which had delayed its service launch until early 2014.

According to the TRA's figures, Cameroon's 20 million inhabitants will soon have four phone service providers, including MTN Cameroon which has 8 of the 13 million consumers (compared to Orange Cameroon's 5 million) and Camtel, the public landline provider, which has had approximately 220,000 customers for years now.



New cellular phone operator Altylis Seme Telecom coming soon to Cameroon

According to the La Nouvelle Expression publication, Cameroon will soon have a new cellular phone service provider. The newcomer will not be the Vietnamese company Viettel which had nabbed the third private licence. Instead, it will be a national company spearheaded by Cameroonian businessman, Seme Noungon (photo), who is also owner of Seme New Beach Hotel in Limbé and Seme Mineral Water.

The project, which is being carried by Afriland First Bank's 5 billion FCfa in financing, aims "to slash cellular service prices in Cameroon" using VolP technology so that consumers can fully enjoy phone services.

Altylis Seme Telecom expects its first calls to be made "at the start of 2014." For more than three months, the operator conducted technical testing, hired personnel and trained its staff.

Cameroon: The MTN Foundation already bringing ICT to 60,000 students and 4,000 teachers

According to MTN Cameroon, the leading cellular service provider in that country, the MTN Foundation has already brought information and communication technologies (ICT) to 60,000 Cameroonian secondary school students.

The company has announced that 4,000 teachers are also now benefiting from ICT access thanks to the MTN foundation which creates and equips multimedia centres in schools across Cameroon.

These efforts to promote ICT in Cameroonian schools, explains the South African subsidiary, MTN International, aim "to contribute to the emergence of a new school prepared to meet the challenges of tomorrow."

Cameroon to implement internet access points

The Cameroonian Minister of Postal Services and Telecommunications, Jean Pierre Biyiti bi Essam, has just received engineers and internet providers at a workshop on "technical aspects related to the implementation of internet access points in Cameroon".

The implementation of this infrastructure is intended to reduce communication costs via the internet and reduce dependence on foreign networks. Currently, a document sent on the internet between persons residing in Cameroon transits through a foreign network before being delivered.

"*Cameroon needs to have internet access points, because what we're seeing happening in the virtual world is similar to what is occurring in the area of transportation in real life. If you have to fly to Paris in order to travel between Yaoundé and Addis-Abeba, it will be a lot more expensive than a direct flight,*" explained Minister Biyiti bi Essam (photo) to the government daily publication, Cameroon Tribune.

This mandatory transit through foreign networks, reveals the government publication, while citing a study conducted in 2003 by telecom entities, "costs Africa 600 million dollars (around 300 billion FCfa)" each year.

TRANSPORTATION

It will be several months more before ships dock at Kribi deep water port

Everything seems to have coincided to ensure that no ships will be docking at Kribi Port in June 2014 as was initially planned for the building of this infrastructure. Indeed, government sources have said that, although the general port and container terminal are in their final phase of completion by the Chinese company, CHEC, the determination of a franchise holder is expected to take more time.

This situation is due in part to the recent cancellation of the 2.1 batch of 2008 call for tenders, when the Cameroonian government was looking for a partner for services in "financing, building and running the container terminal." This was quickly ended as the financing and building were handed to Chinese partners (Eximbank and CHEC which made no bid for the 2008 call for tenders) while the organisation to run the container terminal is still unknown and should remain thus for many months to come.

A NEW CALL FOR TENDERS

Sources explain that the only bidder, Bolloré Africa Logistics, was unsuccessful as it proposed to have the container terminal ready by June 2014 as long as the concession agreement was signed in September 2013. This meant that, for this offer, nine months would have been necessary to make the terminal functional.
However, virtually five months before the anticipated first boat docking at Kribi Port, the concession contract was not only still unsigned, but the call for tenders itself was declared unfruitful. This opens-up the process for a new recruitment drive for a dealer.

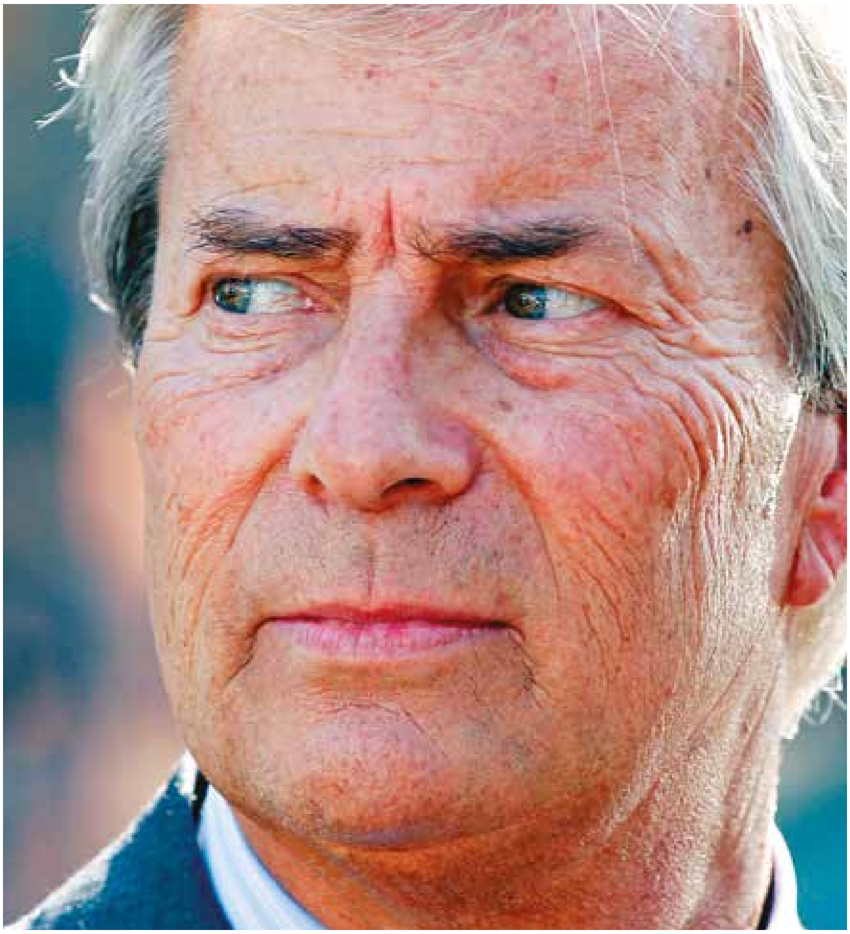
Reliable sources have confided that the recruitment effort to find a dealer under a public-private partnership model (which, according to experts, is better for this kind of project) will take at least 18 months unless the government chooses a PSD (public service delegation) contract that is less restrictive in terms of deadlines. Otherwise, the alternative would be the emergency solution of an open market award of the contract that would not be bogged down by the game of competition, but international lenders would not be pleased.

AT LEAST A ONE-YEAR LAG

But, whatever the solution may be, sources affirm that ships will not be docking at Kribi Port in June 2014 and, at best, will not be arriving for another year. This is the minimum duration needed to source a dealer and address all the logistical and human resources concerns involved. But who would the dealer be?
During the 2008 call for tenders, four companies and corporate groups expressed interest, including Maersk and Jan de Nul. But, in the end, only Bolloré Africa Logistics made an offer.
Sources at the industrial group, who claim that the container terminal dealership has not yet been lost, say that the company will make a second attempt if the Cameroon government issues a new call for tenders. But Bolloré Africa Logistics now knows it will have to face competitors, including Necotrans which has become its main rival for some African ports

BRM

Cameroon: Bolloré loses container terminal deal for the Kribi deep water port



Cameroon Prime Minister, Philémon Yang, published on January 22, 2014 in the daily government publication, Cameroon Tribune, a press release that characterised the deal "to finance the construction and commercial development of the container terminal at the Kribi deep-water port" as "unfruitful". The head of the Cameroonian government invites "the bidder" to "withdraw its bid within 15 days."

According to our sources, the bidder is none other than the Bolloré Africa Logistics Group whose company, Douala International Terminal (DIT) is already a franchise holder of the container terminal at the Douala port. The bidder's identity was revealed at a press conference in Yaoundé in February 2013, during an inaugural ceremony for new locomotives acquired by Camrail when Dominique Laffont (photo), CEO of Bolloré Africa Logistics clearly stated that his group had made a bid for the container terminal franchise under construction.

THE GOVERNMENT'S ABOUT-FACE

On June 18, 2013, the Cameroonian Minister of Economy, Emmanuel Nganou Djoumessi, had put an end to speculation about the identity of the company bidding for the container terminal franchise at the Port of Kribi by publishing a list of shortlisted bidders to do a number of projects in Cameroon under the PPP model (public-private partnership). In this press release, Minister Nganou Djoumessi revealed that the work would be done by Bolloré Africa Logistics.

So, what caused the bid that was clearly chosen to be declared "unfruitful"? According to some sources, the about-face was motivated by the need to avoid a monopoly in the management of the container terminals for the two ports since Bolloré was already operational at the Port of Douala.

Other sources suggest that a better offer was made by one of Bolloré's competitors – the French company, Necotrans. One can recall that during a meeting with the Secretary General to the President's Office, in April 2013, the Managing Director of Necotrans, Gregory Querel, although being caught-up with a project for a "new port infrastructure framework at the Port of Douala" showed his interest in the container terminal at Kribi's deep-water port.

NECOTRANS' REVENGE?

The likely arrival of Necotrans at the future deep-water port in Kribi, which expects its first ship in the first half of 2014, could be revenge after the battle it lost with the French company for the Conakry Port container terminal in Guinea. Indeed, after being declared the franchise holder for the Conakry Port container terminal following a spirited bid among its competitors, Necotrans' contract was cancelled and given to Bolloré with the rise to power of Alpha Condé.

Facing this decision, Necotrans had to drag the Bolloré group before the Commercial Court of Nanterre, France for "unfair competition and parasitism". On October 10, 2013, the Nanterre Commercial Court rendered its verdict, forcing the Bolloré Group to pay two million euros (around 1.3 billion FCfa) to Necotrans for the cost of the work already carried out by its partner, Getma, before the deal was finally handed to Bolloré Africa Logistics.

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INDUSTRY

Crusade against Central African diamonds in cross-border areas of East Cameroon

A team from the Kimberly Process' Permanent Secretariat has just completed an awareness campaign in Gbiti, Kette and Toktoyo, all on the border with the Central African Republic (CAR), to finance those involved in the political crisis simmering in the country since March 2013.

The CAR being provisionally suspended from the Kimberly Process, Cameroon may act as an underground base for diamond smuggling to meet the financing needs of armed gangs stirring in Cameroon.

In addition, the Kimberly Process' permanent secretariat affirms that it is not inconceivable for the Central African rebels, who have already conducted two bloody incursions in Cameroon (Gbiti and Toktoyo), to pillage Cameroon's diamond resources to finance their guerrilla activities.

It is in an effort to avoid these scenarios that the permanent secretariat met with small-scale miners, collectors, purchasers and Kimberly Process focal points in the areas bordering the CAR.

The global diamond trading platform, the Kimberly Process, forbids anyone to be complicit in the sale of "blood" diamonds. Countries found to be in clear violation of its guidelines against the use of diamond trading to finance wars will automatically be excluded from the global diamond trade. Cameroon hopes to avoid this penalty being imposed only a year after joining the Kimberly Process on August 14, 2012.

Cimaf: Addoha Group cement factory to be operational in February 2014

According to authorised sources, the last bagging tests conducted at the factory by the Cameroonian subsidiary of Addoha, were concluded in January 2014 in the Bonabéri industrial zone in Douala.

Bolstered by the successful results which led to even the production of the first bag on November 27, 2013, Cimaf Cameroun heads have no doubt: production will officially start next February.

The confidence shown by the heads of the Moroccan construction company, Addoha's Cameroonian subsidiary, has virtually frozen the product's price in Cameroon.

According to sources, the price will be 4,500 Fcfa per unit – the same price used by Cimenteries du Cameroun (Cimencam), a Lafarge Group subsidiary, which will enjoy its current monopoly for only a few more weeks. During this time, Cimaf will fine-tune its turbines before the official production launch.

Its cornerstone laid on May 19, 2013 by Cameroonian Prime Minister, Philemon Yang, Cimaf Cameroun has a production capacity of 500,000 to 1 million tonnes per annum. With this 20 billion FCfa (30 million euro) investment, Cimaf will create around 200 direct jobs.

Cameroon: 4.6 billion FCfa industrial unit to process 16,000 tonnes of cocoa per annum

As of 2014, Fapam Sarl, an industrial unit based in Mbalmayo in the Centre region of Cameroon, will process 16,000 tonnes of cocoa butter beans and cocoa powder. This was announced by the initiators of the new project which has just started in Cameroon and will provide 300 direct jobs.

The fruit of the Cameroon government's hard labour through its Agropole project led by the Ministry of Economy and a local businessman, Anatole Nkodo Zé, this agro-industrial unit will boost the country's cocoa-processing capacity which currently barely surpasses 25,000 tonnes per annum out of a total production volume of 230,000 tonnes.

A 4.6 billion FCfa investment, Fapam Sarl received 1.4 billion FCfa in financial support from the Cameroon State.

Announced at the last International Cocoa Festival (Festicacao) in November 2013, the Ministry of Trade, Luc Magloire Mbarga Atangana, had revealed that Cameroon was planning to process around 50,000 tonnes of cocoa in 2014 thanks to new unit installations such as Fapam Sarl's which will join cocoa-processing forces with Sic cacaos and Chococam.

Cameroon: Chinese Csr Nanjing Pulszen hands 11.7 billion FCfa deal to Camrail

Cameroon Railways (Camrail), a Bolloré Africa Logistics Group company and owner of the Cameroonian railway service, has just received 30 passenger cars built by the Chinese company Csr Nanjing Pulszen, following a deal signed on June 23, 2011 in Yaoundé.

According to Camrail's communications department, this first delivery of 10 cars to be put into service "in the first quarter of 2014" will be followed by another 10 "in the next few weeks". This will complete the 40-car order made in 2011 for a total of 11.7 billion FCfa.

Camrail points out that these investments are a part of the commitments made by the State and the rail company for "the Second Amendment to Cameroon's Railway Agreement which, for the 2009-2020 period, has provisions for 230 billion FCfa in investments, of which 158 billion are to be made by Camrail."

Standing on the side lines at the delivery, Camrail's staff, led by Board Chairman, Hamadou Sali, and Quentin Gérard, Managing Director, proceeded to the inauguration of the pedestrian bridge at Bessengue station for 227 million FCfa. The new structure will allow pedestrians to cross the train tracks from overhead.

Leader of the month

Francis Batista officially takes the wheel at Société Anonyme des Brasseries du Cameroun

SABC is already performing well with a more than 80% share of the beer and carbonated beverage market.

His skills shone where he was previously employed. He will now have to put them to the test in his new post as head of a company that raked in 36 billion FCfa in 2012.

As the replacement for André Siaka, who directed Société Anonyme des Brasseries du Cameroun (SABC) for 25 years, the Castel Group appointed the French national, Francis Batista. Before being nominated to the post of Managing Director of SABC, Mr. Batista was Deputy Managing Director of Brasseries STAR in Madagascar. Before assuming his new position, the new Managing Director was already making his rounds for three months, visiting some of the brewing company's factories across the country.

Francis Batista is described as an efficient manager. "*In the last four years, Brasseries STAR has experienced an extraordinary level of dynamism under the impetus of Francis Batista. To stimulate a market affected by an economic slow-down and weakening purchasing power, it was able to constantly innovate and implement initiatives,*" states a Madagascan website about SABC's new leader.

AN INCREASINGLY COMPETITIVE MARKET

Madagascan television notes that, "*under Francis Batista's leadership, Brasseries STAR invested greatly in its employees. Security became a foremost priority for the company. The "zero fatal accidents" goal was achieved in 2012. In the last few years, training has also been a powerful weapon to promote and develop staff competence. In 2012, the company completed 30,000 hours of training for 1,500 employees*" which accounted for 85% of the company's workforce.

With three breweries and Source du pays, a very assertive carbonated beverage manufacturer that has made bold strides in recent months, Francis Batista will find an extremely competitive market in Cameroon compared to Madagascar. That said, SABC is already performing well with a more than 80% share of the beer and carbonated beverage market. In addition, instead of the 1,500 employees at Brasseries STAR, Mr. Batista will have a staff of 3,000 along with hundreds of underwriters.

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