

March 2014 - N° 14

BUSINESS IN CAMEROON

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Reviving Cameroon's coffee industry

**AES-Actis deal:
keeping all jobs and
guaranteeing quality**

**The “product months”
initiative will kick-off
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L'étoile du Cameroun

Yasmine Bahri-Domon



Rice, coffee and festivities

For this month of March, christened “Rice Month” (page 22), we decided to do a special report on coffee (pages 14-19).

Perhaps you do not see the connection, but there definitely is one: the government’s commitment to diversifying and rebuilding agriculture.

Coffee, which has long had the “Made in Cameroon” label associated with quality on the international market has been hardly dripping from the coffeemaker over the last two decades. Faced with the current drought in this sector which formerly made the fortunes of agricultural towns such as Bafoussam, Bafang, Ioum, Nkongsamba and Kekem, the State decided to act to restore the industry with the support of multilateral partners. Coffee has only recently begun to make a comeback with an appealing asset: the 2nd international festival, Festicoffee, to be held in May 2014 in four Cameroonian towns.

Beyond coffee, which will soon make a full recovery, the implementation of modern agricultural practices, with the government’s support, has led to a virtual revolution in a sector that was

previously thought unappealing. New blood in an industry that once depended solely on small scale farmers is accelerating the industry’s metamorphosis. This has encouraged the recent explosion of agricultural diversity: rice, cocoa, cassava, soya, palm oil and more. Plots of land that previously lay uncultivated have now become veritable goldmines for agriculture, as is the case on the Bakassi Peninsula which has just prepared approximately 1,236 acres for palm tree planting.

The economic, social and agricultural prosperity of a nation depends on its ability to marshal its forces. The 50th Anniversary of Reunification celebrated last month in Buea reminded us that the strength of Cameroon lies in its unity, peace and its capacity to transcend cultural and linguistic diversity and overcome political divides. The dynamic celebrations of the 50th Anniversary of Reunification are the manifestation of this positive energy for which Cameroon holds the secret – the ability to transform differences, assets, wealth, and human resources into a powerful force for development while remaining a peaceful haven for foreign investment.

BUSINESS IN CAMEROON

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CASTING



DR TAÏGA



According to the Cameroonian Minister of Fisheries, Dr. Taïga, Cameroon plans to produce around 100,000 tonnes of fish per annum by developing aquaculture. This is the goal for the intensive production centres the Cameroonian government has just begun building in

several regions across the country.

The first of these plants has just been inaugurated in Méyomessala in the South, and will produce 17 tonnes of fish thanks to the construction of modern ponds and the training of young fish farmers by the Ministry of Fisheries.

Out of 176,000 tonnes of fish produced in Cameroon annually, only 1,000 originate from aquaculture. This is only 0.1% of national production. Yet, according to official figures, Cameroon spends close to 100 billion FCfa each year in imports to address the production deficit which is estimated to be 230,000 tonnes.

ESSIMI MENYÉ



It was on a tractor tour of a farm in Lélem, not far from Mélong, on the very fertile volcanic earth in the seaside area of Mounjo that Cameroonian Minister of Agriculture, Essimi Menyé, just launched the 2014 agricultural year.

He stressed that this year would be devoted to increasing national production.

To do this, Minister Essimi Menyéake urged better structuring of producers through the creation of cooperatives.

As if to demonstrate the benefits of being in a cooperative, the Minister donated two tractors, two bikes and two SUVs to a local cooperative as well as tonnes of agricultural materials. Beyond the official 2014 agricultural launch, the event was also an opportunity for the government to announce the creation of centres of excellence for coffee, cocoa and palm oil in some farming areas.



MODESTE MOPA



According to the Director General of Income Taxes (DGI) within the Ministry of Finance, Modeste Mopa Fatoing, the fiscal pressure rate in Cameroon “is weak” at its current 13%. Following the last conference of the heads of central and external services of this ministerial

department, the DGI recommended that the rate be raised to 18% for the medium term. This is 5% higher than the current level.

The DGI’s position is contrary to that of the Cameroon business community which has constantly complained about the pressure rate, or even fiscal harassment that they have suffered. They recommended a broadening of the country’s fiscal net as revenue to this date has come from a very small segment of businesses while the vast majority remain underground.

MICHEL WORMSER



Vice-President of the Multilateral Investment Guarantee Agency (MIGA), a member organisation of the World Bank, Michel Wormser recently presented his institution’s various products to the Cameroonian government. *“With Cameroonian government heads, particularly the Minister of Economy, we discussed the ways in which Cameroon could benefit from our guarantee, especially in electrical energy. The goal was to talk with them about our various products to see how they could contribute to supporting the country’s emergence project,”* stated Wormser.

MIGA celebrated its 25th anniversary in 2013. Since its creation, it has issued close to 30 billion dollars in guarantees (political risk insurance) to support over 700 investment projects in 100 developing countries. Today, its portfolio is over 10 billion dollars.

BASILE ATANGANA KOUNA



Cameroonian Minister of Energy and Water, Basile Atangana Kouna, opened the Mefou water treatment plant on January 27, 2014. The new facility will supply Cameroon’s capital with an additional 50,000 m³ of drinking water. The total supply of water to Yaoundé

will rise to 150,000 m³ per day against an official estimated demand of 300,000 m³ of water per day.

However, at first, only 25,000 m³ of water per day was pumped into the network. The plant attain its true production capacity of 50,000 m³ per day in February 2014. Costing a total of 72 billion FCfa, the water treatment station was co-financed by the French Development Agency (AFD), the European Investment Bank (EIB) and the Cameroonian government.

THIERRY TÉNÉ



Directed by Cameroonian native, Thierry Téné, Institut RSE Afrique has just released the results of a study on the perception and application of corporate social responsibility (CSR) in Cameroonian businesses. This survey was conducted in collaboration with the

Cameroon Association of Human Resource Managers and Syndicat des industriels du Cameroun (Syndustricam).

According the results of the study involving a sample group of 16 companies with cumulative sales amounting to 710 billion FCfa and a combined labour force of 20,000, “Human Resource Managers (in the companies that participated in the study) are not adequately cognisant of the notion of corporate social responsibility.” The study also reveals that, “73% of companies surveyed have no sustainable development or corporate social responsibility division” while 57% of them are completely unaware of the ISO 26000 standard.

According to Paul Biya, “the Cameroonian people proved all the pessimistic predictions false”

Excerpt of the Cameroonian Head of State’s address on the occasion of the 50th anniversary of the Reunification on February 20, 2014 in Buéa, the centre of one of the two English-speaking regions of the country.

(...) October 1, 1961 is a historic day. It is a day of great joy for all Cameroonians. After 42 years of uncertainty and struggling, brothers, long separated, who have never stopped seeking each other were reunited forever.

October 1, 1961, the day Cameroon was reborn, is a day of immense glory for our country.

*My Countrymen,
Ladies and Gentlemen,*

What have we done over the last fifty years? We have worked little by little on restoring the desired unity of our Cameroonian nation. But we must not forget that the day after our independence and reunification, ominous birds were predicting our failure. Some went as far as to say that Cameroon would slip into chaos. Certainly, in our first 50 years, our life was not an easy one. A painful civil war was followed by a severe economic crisis. Throughout these challenges, the Cameroonian people demonstrated exceptional courage and proved all the pessimistic predictions false. The Cameroonian people have worked to rebuild patiently, in unity and peace, this nation of which we are so proud. We pushed ourselves to catch up and repair the injustices of colonialism. If it is evident that we have a duty



to remember, we also have the obligation to the truth. The duty of memory would not have value or exist without our obligation to the truth.

Building the nation of Cameroon meant enabling each of us to have an education that ensured equal right to opportunity. At the time of independence and reunification, that is to say, after 70 years of foreign occupation, 3% of Cameroonians had been to school and there was not a single university.

Today, our education rate, according to Unicef, is 90%. We have built 15,123 primary schools and 2,413 secondary schools. And today, we have built eight universities throughout the nation.

Building the nation of Cameroon meant providing everyone with access to health services. At the time of independence and reunification, there were 555 health training institutions. Today, we have 2,260 public training facilities for health, including 4 general hospitals, 3 central hospitals, 14 regional hospitals, 164 district hospitals, 155 medical clinics and 1,920 integrated health centres. I should also add that life expectancy has risen from 40 in 1960 to 52 years of age today.

Building the nation of Cameroon meant taking our country out of isolation and opening it up to the outside world. At the time of independence and reunification, our road infrastructure comprised 621 km of paved roads. Today, the Cameroonian people enjoy 250,000 km of roads, including 5,200 km of paved roads, 21 airports, of which four are international, a river port



and three sea ports. The port of Douala is the largest in the CEMAC zone.

Building the nation of Cameroon meant creating wealth and employment. The State of Cameroon is our nation's largest employer. It has encouraged the development of a dynamic private sector. Talented men and women have created businesses, creating jobs and producing wealth. The standard of living for our fellow citizens has ostensibly improved.

Building the nation of Cameroon meant industrialising our country. We have now commenced our second phase of industrialisation. With the ongoing development of our energy capacity, we will be able to process our agricultural and mining commodities and, with our hydrocarbon deposits, we have the basis for a chemical industry. Simultaneously, we will continue to develop our aluminium industry and continue our usage of gas as an energy source for our factories.

We have proven that we are able to get out of the trade-based economy in which we had long been captive.

Building the nation of Cameroon also meant creating a sovereign state. Out of a fledgling State, we

have made a modern democracy with functioning institutions and an Assembly, a Senate and a Constitutional Council that will soon be in place. We implemented justice and administrative systems across the nation and built up strong armed forces that can be deployed to guarantee our territorial integrity.

My Countrymen,
Ladies and Gentlemen,

Our national unity has been the basis of this exceptional success. It is the skeletal frame on which the organs of our society function. It is a part of our very existence as a people. I therefore call on all citizens, particularly our young people, to guard her fiercely so that she shall not be altered.

I ask them to avoid the trap set by certain regional, tribal and religious forces that may compromise our national cohesion.

My Countrymen,
Ladies and Gentlemen,

When we speak of national unity, we do not neglect our cultural and linguistic pluralism. Our diversity is

a part of our identity. It is this that enables Cameroon to adapt easily to changes in globalisation, especially because of our bilingualism.

[Original in English, ed.] Ladies and Gentlemen,

Three years ago, we launched the jubilee period with celebrations marking the fiftieth anniversary of our Independence. With the celebration of the fiftieth anniversary of Reunification here in Buea where it took place, we will be closing this cycle which has helped us to revisit our history.

We have every reason to be proud of our Reunification and the best way of being worthy of it is to spare no effort to preserve our national unity.

Long live Independence!
Long live Reunification!
Long live Cameroon!

The AES-Actis deal: Cameroon wants to keep all jobs and guarantee service quality

The Cameroonian government is taking multiple steps to ensure that the transfer of shares in the electricity deal will not have a negative impact.

After officially giving the go-ahead for all of American company, AES Corp's assets to be sold to the investment fund, Actis in Cameroon's electricity sector in December 2013, the Cameroonian government has been engaging the acquirer of the electricity company in talks. Authorised sources state that this has been done to ensure the transition "goes smoothly".

This is what led a delegation from Actis to be received on January 24, 2014 in Yaoundé by the Cameroonian Minister of Energy and Water, Basile Atangana Kouona. The government minister seized the opportunity to indicate to the new owner of AES Sonel, KPDC and DPDC the Cameroonian government's expectations after the departure of the American company, AES Corp. A reliable source has alleged that this was done to ensure the protection of all jobs, improve service quality, expand the network to increase Cameroonians' access to electricity and review the dealership contract. Only a few days after this interview between the Cameroonian government and the heads of Actis, a Cameroonian delegation comprising officials from the Ministries of Energy, Finance and Economy visited Kampala, the Ugandan capital. According to our sources, the

In the month of March 2013, Agence France Presse (AFP) estimated Actis' electricity capacity to be 9,000 MW worldwide for a total of 2 million direct clients.



delegation went to Uganda to see, first hand, the performance of the British investment fund, Actis, in the electricity sector as the latter controls the Ugandan electricity company: UMEME.

LEARNING FROM THE UGANDAN EXPERIENCE

This is why the Cameroonian delegation, during its visit to Kampala, visited UMEME plants and interviewed the company's heads

at length as well as the Ugandan authorities, "in order to discuss the experience of having Actis in that country and the best practices to adopt in the distribution of electricity," stated an internal source to AES Sonel.

Parallel to these talks between the Cameroonian authorities and Actis aiming to ensure a successful transition to the electricity sector, states an AES Sonel source, "the various stakeholders, who have been wait-



A delegation from Actis was received on January 24, 2014 in Yaoundé by the Cameroonian Minister of Energy and Water, Basile Atangana Kouna

room once the government has authorised it.

The December 2013 notification of the government's agreement to allow AES to sell its assets in its three Cameroonian subsidiaries has not affected the employees of these companies in the slightest – particularly those of AES Sonel, the electricity sector's leader in Cameroon. According to sources contacted, "everyone is quietly working on his or her tasks".

Union members claimed of the electricity sector who protested the day after the AES-Actis deal, have also been quiet. Yet, in November 2013, these union members the retro-active sale of their 5% share in the company's capital before

The delegation went to Uganda to see, first hand, the performance of the British investment fund, Actis, in the electricity sector as the latter controls the Ugandan electricity company: UMEME.

the conclusion of the deal. If this request is met, it will mean 51 and not 56% of AES Sonel's capital will be sold to Actis as a part of closing the expected deal.

In the month of March 2013, Agence France Presse (AFP) estimated Actis' electricity capacity to be 9,000 MW worldwide for a total of 2 million direct clients. The arrival of the British investment fund in the Cameroonian electricity sector will raise this capacity to 10,000 MW since AES Corp currently has 1,000 MW in Cameroon.

Brice R. Mbodiam

ing on the non-objection of the lenders to "close the deal", would have to intervene incessantly.

On November 7, 2013, AES Corp and Actis announced that they had come to an agreement about the sale of 100% of AES's 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 or approximately 110 billion FCfa.

But according to the sale contract for the public electricity company, signed in 2001 between the State of Cameroon and AES, any sale of assets by AES was supposed to get the go-ahead from the Cameroonian government through the issuance of a non-objection. Basically, the concession contract gives the Cameroonian government the possibility of opposing any deal between AES and Actis and, in this case, to buy the assets and or sell them to another company of its choosing.

SIX MONTHS OF SUSPENSE AND SPECULATION

The Cameroonian party, which had a contractual deadline of 90 days by which to state its decision on the deal after being officially notified on July 26, 2013, had to wait almost 6 months before giving its approval. At the time when some information appeared to lead to a likely disapproval of the AES-Actis deal to the benefit of Electricité de France (EDF), which had, while awaiting the Cameroonian government's blessing, its eye on AES's assets in Cameroon.

While speculation was floating around the sale of AES assets, Actis had announced on December 9, 2013, that it had closed its third fund intended for energy sector investments, Actis Energy 3, after raising the sum of 1.15 billion dollars (around 575 billion FCfa), surpassing by 50% the target amount. A part of the fund was supposed to be used to finance the acquisition of AES Corporation's assets in Came-

Cameroon-Central Africa: over 55 billion commercial transactions on the line



Since the security decline in Bangui, commercial transactions between the Central African Republic and Cameroon have slumped. Border towns and Cameroon businesses have paid a high price.

450. That is the number of Douala-Bangui transporters who have parked their vehicles for over two months now due to the declining security in Cameroon's neighbour, the Central African Republic. El Hadj Oumarou, head of the Land Freight Management Bureau (BGFT), finds that the losses transporters have sustained in Douala and Central Africa in Garoua-Bou-

This lack of security also incited the Central African subsidiary of the Cameroonian company Tradex to close temporarily.

lai, are estimated to be around 4 billion FCfa each month.

Despite the recent opening of a secure pathway by the Cameroonian army from Garoua-Boulaï to supply Central Africa again under a transition government after the resignation of Michel Djotodia, these losses are stacking up as the days go by. They accentuate the losses that Cameroonian and Central African transporters are facing on the Douala-Bangui route.

Since the start of the Central African crisis in March 2013, trade has been at a standstill between the two countries. This development is endangering the 55 billion FCfa

(according to Cameroonian Customs) annual flow of merchandise between the two countries.

With the arrival of the Seleka rebellion at the door of Bangui, the Cameroon-CAR borders in the East region have been regularly closed. This was the case, for example, on August 14, 2013, following a call to strike made by Central African transporters who have been victimised by the retaliation of the Seleka rebels in power in Bangui. In solidarity with their colleagues, Cameroonian transporters had also parked their trucks, paralyzing business activity from Douala to Bangui.



REPEATED BORDER CLOSURES

Transportation along this route only resumed on September 3, 2013 after an emergency meeting held the day before at the offices of the sub-prefecture in Garoua-Boulai a border town with Central Africa in the East. This meeting led to resolutions such as escort and convoy travel to avoid acts of theft being perpetuated by the Seleka rebels.

But, just as clouds hovering over trade between the two countries began to clear with the establishment

cality. The crime was committed by Seleka rebels.

Despite the re-opening of the border, activities have plunged since that time. Things have worsened since the recent decline in security in CAR which led to Michel Djotodia's resignation. This lack of security also incited the Central African subsidiary of the Cameroon company Tradex to close temporarily.

TRADEX HIT HARD

After trade between Central Africa and Cameroon, the hardest to be

While these Cameroonians who were more or less supporting the Central African Republic's economy are now safe from the bullets of the Seleka and the anti-Balakas, their return has increased the number of unemployed or underemployed Cameroonians.

Apart from the economic impact of the Central African crisis on Cameroon, there is the risk of social implosion as Central African refugees gathered in the East-Cameroon region are weighing on the country.

of the "Garoua-Boulai Agreements", Cameroon decided to close its borders in Toktoyo. This occurred the day after the murder of Cameroonian police officer, Ndallé Ngando, head of the border station in that lo-

hit by the precarious situation in Bangui, Tradex, a subsidiary of the National Hydrocarbon Company (SNH), is certainly the Cameroonian entity that has been most affected by the Central African crisis.

After the acts of vandalism carried out on its network of 20 service stations in Central Africa from the start of the political crises which had led to the rise of the Seleka in Bangui in March 2013, Tradex had re-opened its service stations in the Central African Republic in August 2013. The announcement of this resumption of services in the CAR was made during an inaugural ceremony for a new service station in Yaoundé. But the euphoria was short-lived... Cameroonians escaped the Central African hell using the airlift provided by the Cameroonian government. Since December 2013, over 6,000 Cameroonians have been transported from Bangui by Cameroon Airlines Corporation (Camair Co.), the national airline of Cameroon, as instructed by the Head of State.

CONCERN ABOUT SOCIAL PEACE

While these Cameroonians who were more or less supporting the Central African Republic's economy are now safe from the bullets of the Seleka and the anti-Balakas, their return has increased the number of unemployed (around 5% as an ILO) or underemployed Cameroonians (70% according to the Employment and Growth Strategy Document) as their professional insertion will not escape the harsh realities of the Cameroonian job market.

But, apart from the economic impact of the Central African crisis on Cameroon, there is the risk of social implosion as Central African refugees gathered in the East-Cameroon region are weighing on the country. Very demanding, these 3,000 refugees from all walks of life now stuck at the Cameroonian border have already been a challenge for the local officials of the HCR. They are demanding more than hospitality from the Cameroonian authorities and do not hesitate to commit reprehensible acts. This makes cohabitation with the Cameroonian populations in the affected areas quite difficult.

BRM

Cameroon: rescue effort for coffee



In its coffee re-launch plan in the early 2000s, Cameroon's Ministry of Agriculture planned to raise production from 40,000 to 125,000 tonnes by 2015. Now, in 2014, as production slumped by 56%, falling to a mere 16,142 tonnes last year, this beautiful dream of the government and coffee farmers will definitely be difficult to make a reality.

The production decline, due in part to climate that is becoming more and more merciless with the coffee plant, has also been affected by the current international pricing. Both fac-

tors have been discouraging for the farmers who have remained above the general Cameroonian tide of disinterest in coffee following the liberalisation of profitable sectors in the late 1990s. But despite the coffee sector's slow descent into darkness which has accelerated in the last four years, the government, industry professional associations and financial partners have not lost faith.

The reason for this tenacity is simple: although coffee production has been on a downward trend for several years, the product remains a major source of revenue for the

Cameroonian economy, representing 6% of the nation's agricultural GDP. In addition, coffee cultivation in Cameroon is the livelihood of 400,000 farmers with approximately 346,000 acres of coffee plants, according to the National Cocoa and Coffee Board (ONCC).

Following the publication of the low numbers from the last coffee season, renewed efforts are now underway based on the need to save an industry that is now in intensive care. It is directly linked to the survival of hundreds of thousands Cameroonians and their families.

BRM

Cameroonian coffee having a cup

Production fell by 56.78% in 2013. In terms of processing, the trend is downward for both Arabica and Robusta coffees.

According to official statistics from the National Cocoa and Coffee Board, Cameroonian coffee production has fallen by 56.78% during the 2012-2013 season. Indeed, it was announced at the launch of the 2013-2014 season held on January 24, 2014 in Melong, in the coastal region, Cameroonian farmers harvested only 16,142 tonnes of coffee, compared to 38,127 tonnes the year before.

This decline in coffee production last year followed the same trend as that of exports, processing and purchase pricing for producers. The ONCC explains that Robusta coffee exports, the variety that represents 95% of Cameroonian production, amounted to 34,072 tonnes for the 2011-2012, but only achieved 14,724 tonnes last year. Meanwhile, Arabica exports have increased by 5.5%, rising from 2,392 to 2,523 tonnes, up by 131 tonnes.

In processing, the trend has been a downward one, both for Arabica and Robusta coffees. The ONCC announced that 186 tonnes of Robusta were processed locally in 2012-2013 compared to 200 tonnes the previous year which represents a decline of 14 tonnes. Arabica processing fell from 220 tonnes in 2011-2012 to 208 tonnes during the last season which is a reduction of 12 tonnes.

At the same time, while the official price per kilo of Arabica was 2,043 FCfa (3.11 euros) in 2011-2012, it went down by 638 FCfa during the last season since the ONCC estimates that it was only 1,405 FCfa (around 2.14 euros) last year. The ONCC also revealed that *“pricing was downward throughout the season.”*



EU and CICC to restart coffee sector with 16 billion FCfa

The coffee sector emergency restart plan of 900 million FCfa was announced by the Inter-professional Council for Coffee and Cocoa (CICC) in collaboration with the Cameroonian government and the European Union through the 11th DEF added 15 billion FCfa to this six years plan.

According the Cameroonian Minister of Trade, Luc Magloire Mbaraga 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

Behind this sudden avalanche in the coffee sector, experts suspect not only climate change and less interest among farmers but also 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 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.

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). For six 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 900 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 22nd producer, affirms the CICC.

BUDGET BITERS COOPERATIVES

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.

Brice R. Mbodiam

Creating and developing 8,896 acres of coffee plants in 6 years



On January 29, 2014 in Nguélé-mendouka, the International Organisation for Cocoa and Coffee (CICC) launched the first phase of the Emergency Programme for the Targeted Re-launch of Coffee Cultivation (Purc-café), with the training of 120 coffee farmers to set-up a nursery. Through annual investment representing 10% of the CICC's budget, Purc-café will be able to create and develop the coffee production basins in Cameroon – around 8,896 acres of coffee plants in 6 years.

Purc-café involves a significant reduction of the financing that coffee producers, through the provision of free “inputs necessary to create plantations; from setting up the nursery to post-harvest processing.” In short, stresses CICC executive secretary, Omer Gatien Malédy, “we’re going to give producers everything they need, except the labour.”

This programme that aims to increase production also focuses on

production quality. This is why “a sectoral self-assessment guide” has been developed and will be implemented at the end of the first quarter of 2014.

The first phase of the emergency programme will last three years and

will focus on three production areas: Haut-Nyong in the east, Moun-go in the coastal area and Noun in the west. Over the next three years, 4,448 acres of coffee will be planted in these areas with 1,482 per production area.

The international coffee festival, Festicoffee, to be held on May 29-31, 2014

According to the Inter-professional Coffee and Cocoa Council (CICC), the second international festival for Cameroonian coffee, Festicoffee, will be held on May 29-31 of this year in four cities across the country – Yaoundé, the capital, Akonolinga, Belo and Santchou, three main production areas in Cameroon.

These three production zones will host discussions among coffee sector operators while the Cameroonian capital will be the backdrop for an exhibitory fair, talks with Robusta coffee researchers, a production forum and a gala soirée for the presentation of awards to industry operators.

The Festicoffee launch will be on May 29 – a national day of Cameroon coffee-tasting to be coordinated simultaneously in 17 towns and cities. Along with these activities, there will be the General Assembly

of the Agency for Robusta coffee from Africa and Madagascar (ACRAM).

Considered as a platform for the trade and promotion of Cameroonian coffee, Festicoffee aims “to promote the local consumption of African coffee in its many varieties and forms; highlight the know-how of local producers who have garnered national and international prizes; raise awareness about the cultivation, processing and consumption of coffee and its by-products; and promote activities taking place in the Cameroonian coffee sector.”

This year's Cameroonian coffee festival is being held in a climate of drastic declines in production, some figures being as high as 56%. According to the CICC, this bleak performance brought the country down 22nd on the global rankings of coffee producing countries.

Omer Gatien Malédy: All eyes are now on Cameroonian coffee

The CICC Executive Secretary goes in depth about the sector and explains the measures taken to get out of the rut.

Business in Cameroon: Over the last season, coffee production in Cameroon declined by over 56%. What's going on?

Omer Gatien Malédy: The current situation is the result of several factors. Mainly, these are: the recurring weather fluctuations, aging farmers and plantations, a lack of financing, the high cost of the phytosanitary products, the isolation of various production zones and some farmers losing interest. However, one must recognise that the decline in our production is a structural one and part of a general trend. Starting a few years before liberalisation, it continued unwaveringly up to the crisis we are now experiencing. Fortunately, measures have been taken and will soon bear fruit.

BC: What do you say to those who think that the Cameroonian coffee industry has been marginalised in comparison to cocoa in terms of support on the part of the government and industry organisations?

OGM: Considering that we are evolving in a completely liberalised environment, we should say, to structure our context better, that Cameroonians currently have a slight preference for cocoa cultivation over that of coffee. The reason for this is simple: cocoa seems slightly more profitable at present and producers, who are econom-



Omer Gatien Malédy: "Cameroonians currently have a slight preference for cocoa cultivation over that of coffee. The reason for this is simple: cocoa seems slightly more profitable"

ically aware, choose to invest accordingly. One mustn't forget that all eyes are now on Cameroonian coffee, including sector entities, the government and development partners.

This is due, not only because coffee is a beverage consumed worldwide and therefore an undeniable source of revenue for our country, but also and especially because the industry itself has not been doing well. When you have a sick child, he gets more of your attention than his healthy brother.

BC: The CICC's financial partners visibly prefer projects that have to do with the development of cocoa and not coffee. What can explain this?

OGM: If I may say so, I don't share this opinion. I would like to reiterate that the growth that cocoa has experienced is the result of individuals and private operators investing voluntarily in this sector. As far as the interest financial partners have in these sectors, when one audits the present and future interventions for the months and years to

come, I can assure you that coffee comes out way ahead of cocoa. Even though we don't talk about it much, a lot of financing has and will be

"Even though we don't talk about it much, a lot of financing has and will be mobilised in the short term, both by the CICC and its development partners, starting with the European Union."

mobilised in the short term, both by the CICC and its development partners, starting with the European Union.

BC: Coffee processors aren't rushing to Cameroon while we're seeing a virtual renewal of interest in cocoa...

OGM: I suppose that you are referring to the multinational corporations. On this point, I'd like to

invite you to look carefully at the announcements that will be made in the next Festicoffee scheduled for May 29-31, 2014. Even if we were to assume that the multinationals are not coming to process locally, I'd like to point out to you that coffee roasting is a sector in which local companies excel.

With the exception of soluble coffee, the national demand is over 90% covered by local coffee roasters. Is it really necessary to look elsewhere? If you take a quick stroll in any supermarket, you'll see over twenty local brands. Just off the top of my head, I can think of Cristal Coffee, Café Aroma, Café le Lion, Café Vital, Le Bon café, Kaffeza, Kola Coffee, Café Ghotam, Regard d'Afrique & Terre Noire and, of course, UCCAO coffee which are the most popular, both locally and abroad.

Furthermore, local processors have nothing to be ashamed of when compared to established international brands. Did you know that some of these brands are processed locally in the form of Espresso machine capsules? Or that Cameroonian coffee wins numerous international competitions?

BC: CICC has announced a 900 million FCfa re-launch project to cover 6 years. This would seem like an insufficient and unambitious effort for a sector with so many serious problems.

OGM: The CICC's intervention must be considered to be a starting point for a major programme for which financing is in the process of being determined.

BC: Robusta coffee makes up 95% of Cameroonian production. Is Arabica suitable for Cameroonian soil?

OGM: The particularity of Arabica coffee is that it can only be cultivated at higher elevations. This is why, in Cameroon, it is usually found on the major plateaus of the west. Arabica especially loves the volcanic earth which is rich in minerals,



"Coffee roasting is a sector in which local companies excel. With the exception of soluble coffee, the national demand is over 90% covered by local coffee roasters."

very fertile and well drained. Arabica coffee's potential production in Cameroon is higher than 30,000 tonnes. We could therefore be producing more.

BC: Large coffee producer cooperatives have been accused by some experts of getting large financing deals that have been gobbled up by operational expenditure while little has gone to investment. Do you share this opinion and do you think these entities are really playing their part?

OGM: It's very easy to judge others harshly from the outside. We have to acknowledge that a large portion of our coffee comes from these cooperatives that are often unfairly chastised. I would like us to also note that Cameroonian coffee is in crisis and that, in the framework of efforts focused on sustainability, all our efforts should converge to support the organisations that contin-

ue, despite difficulties, to produce coffee.

BC: As an expert, where do you see the future of Cameroonian coffee?

OGM: All the data and analysis confirm that the future of the global coffee industry is rather promising. Many actions are ongoing to revive this sector. These include the development and adoption of a strategy document, the creation of centres of excellence to promote special coffees and the setting up of a partnership with Brazil, energising the network of African and Madagascan Robusta coffee producers, the launch of the Purc-café programme, the upcoming intervention of the EU and the project to bring new blood into the sector. These are many reasons to be optimistic about Cameroonian coffee.

**Interviewed by
Brice R. Mbodiam**

PUBLIC MANAGEMENT

China, India and Korea invest 1.2 trillion FCfa in Cameroon

According to the Cooperation Directorate of the Ministry of Economy, which just completed its annual review of emerging country investment in Cameroon, China, India and South Korea currently have a collective investment of 1.2 trillion FCfa in the country by way of 15 of the largest projects currently underway in Cameroon.

China, on its own, is financing 12 of the 15 projects, including the construction of the Memvé'élé and Mékin Dams, the national fibre-optic network, the Kribi deep water port, the Yaoundé-Douala highway and more. India has been investing in agriculture through a rice and corn cultivation development project in Ebolowa which followed the opening of the

tractor assemblage factory there. Korea is involved in education and health particularly through a project to build four training centres of excellence, an initiative led by the Ministry of Employment and Professional Training. Korea is also investing in the construction of an emergency health facility in Yaoundé.

Cameroon to create support fund for innovative companies



The Cameroonian Minister of Mining, Industry and Technological Development, Emmanuel Bondé (photo), just made a call for expressions of interest for the recruitment of a firm or a consultant to conduct “a study pertaining to the creation of an Innovative Companies’ Fund in Cameroon.” Interested parties had until March 14, 2014 to submit their applications to the Min-

istry of Mining, Industry and Technological Development in Yaoundé. The call for expressions of interest consists of “assessing the investment and financing system currently in place in Cameroon, researching how similar funds function around the world, identifying financing sources, proposing a legal status for the fund as well as its financing mechanisms...”.

The Head of the Cameroonian State announces the creation of 250,000 jobs in 2014



In his address to Cameroonian youth on February 10, 2014, preceding the 48th Youth Day on February 11, the Cameroonian Head of State, Paul Biya, announced the creation of “250,000 new jobs” in 2014. According to President Biya, “this outlook is derived from reliable analysis of our economy. This should progress in the next months in at a rate of around 5%.” In comparison to 2013,

about 24,000 additional jobs will be created this year, based on the Cameroonian government’s statistics. He went on to specify that “for 2013, job creation forecasts were approximately 200,000. Real job creation was above 12%, reaching 225,000. The private companies of various sectors, on their own, have created 165,000 jobs. For its part, the administration, through various property divisions, created 60,000.”

Cameroon pays special attention to Swiss investors



Cameroon has set-up a monitoring committee for the business contacts made during the 9th EMA Invest forum held in October 2013 in Geneva. Chaired by Léonard Henri Bindzi, Cameroon's ambassador to Switzerland, the committee will assist investors in moving the applications along, obtaining useful information and organising their movements in Cameroon.

During the 9th EMA Invest, held in partnership with the Financial Times began with a very convincing presentation by Julius Bär, a leading private banking company in Switzerland, while discussing Africa's economic outlook.

Among the plans tabled, that of Addax & Oryx Group has been retained, about

which President Jean-Claude Gandur publicly announced his desire to bring investment to Cameroon the way he has done in Sierra Leone, a place that has been distinguished by the UN. The biofuel company aims to attain 10,000 tonnes of ethanol and has been implemented based on the demanding criteria of sustainability and social responsibility. It represents 267 million euros and covers 35,336 acres.

Arborescence Capital is also involved in the development of a 50 MW solar project and 50 MW in wind power. Other contacts were taken to connect the Cameroonian micro-financial sector to specialised Swiss investment fund, such as Symbiotics or Swiss Mining

Resources to develop the Cameroonian mining sector.

There are also two hi-tech projects that are currently being implemented in Cameroon: a project conducted by the prestigious American university, UCLA, which involves the construction of a campus and research institution named "Center for Integrative Development", which will work in permanent contact with California on new technologies. The Institut Polytechnique de Lausanne (EPFL) plans to create, in Yaoundé, a start-up specialised in energy that has been working in health. Contact the monitoring committee at comitedesuivi@emainvest.com

Cameroon sets the price for national economy's EPA adaptations at 2.5 trillion FCfa

According to a study by the Ministry of Economy, the adaptation and modernisation plan for the Cameroonian economy, facing globalisation and also the imminent application of economic partnership agreements that were

signed with the EU in 2009, will need financing amounting to 2.5 trillion FCfa. Up to 80% of this sum will be raised by the Cameroonian Treasury Department while the remaining 20% from development partners will enable the updating

of companies by increasing their production and export capacities. Cameroonian product standards will also be improved in order to meet international requirements. In addition, fiscal and customs reforms will be made to adapt to the EPAs.

AGRICULTURE

Cameroon launches the promotion of local rice to stimulate consumption



As of 2014, Cameroonian Ministry of Trade will institute a concept called “product months”, which consists of promoting a local production sector each month of the year. The new initiative will kick-off with “Rice Month” in March 2014.

In preparation for “Rice Month”, the Ministry of Trade just organised a

promotional sales campaign for rice cultivated in Maga by the Yagoua Association for the Expansion and Modernisation of Rice Cultivation (Semry), held in Maroua (Extreme-North region) and Yaoundé (Centre region). In March 2014, in addition to Semry rice, consumers will be able to purchase rice from Ndop in the North-West region of

Cameroon.

Although approximately 100,000 tonnes of rice are produced per annum in Cameroon, locally produced rice is seldom visible in markets and supermarkets. The Ministry of Trade explains that this situation arose due to the distance of production zones from urban areas which makes local rice less competitive compared to imported rice.

But above all, the main cause for the absence of local rice in Cameroon markets is the nationwide lack of shelling plants. This is why Semry, which accounts for 70%-80% of local production, is forced to export virtually all its produce as rice paddies to Nigeria.

The Managing Director of Semry, Marc Samatana, confessed that the ten tonnes of rice produced in Maga and recently sold in the Cameroonian capital come from “small shellers that process 800 kg of rice per hour.” National rice demand is officially estimated to be 300,000 tonnes for a local supply of barely 100,000 tonnes.

Semry to process 20 tonnes of rice paddies per hour with two new factories

Managing Director of Yagoua Association for the Expansion and Modernisation of Rice Cultivation (Semry), Marc Samatana, has announced that the company will soon acquire two rice paddy manufacturing plants with a 10-tonne capacity per hour for each.

The Semry Managing Director explains that the acquisition will increase the agro-industri-

al plant’s processing capacities. The factory already produces between 70,000 and 80,000 which is 70%-80% of Cameroon’s total rice production. Due to the lack of processing plants, almost 90% of Semry’s production is exported as rice paddies to neighbouring Nigeria which makes rice a scarce commodity in Cameroonian markets and supermarkets.



Cotton: Cameroon's exports to China decreased by 7.3% in 2013

In 2013, CommodityAfrica's statistics revealed that Cameroon exported 66,000 tonnes of coffee, which is 7.3% downturn relative to 2012. Exports however represent 32% of Cameroon's GDP as Société de développement du Coton (Sodecoton) announced 210,000 tonnes as its overall production for the last cot-

ton season.

But despite this dip in cotton exports to China, Cameroon is still the Asian country's number two cotton supplier after Burkina-Faso which also experienced a 2.4% decline in exports to China in 2013, amounting to 95,000 tonnes. Nevertheless, Burkina-Faso and Came-

eroon are still poised to soar among China's cotton suppliers as other countries such as Mali (-50%), Benin (-25%), Zambia (-37%) and Egypt (-26%) saw their cotton exports plummet in 2013. One should note that China represents 60% of the global cotton market.

Cameroonian cocoa exports to China went up by 113% in 2013



According to CommodityAfrica, Cameroon exported 2,605 tonnes of cocoa to China in 2013. This marks a 113% increase relative to cocoa exports to the same country in 2012. Cameroon therefore provided 5.3% of China's cocoa imports which is estimated to be 48,943 tonnes which is 45% more than the previous cocoa season.

These imports are mainly from Ghana (22,000 tonnes, +89% compared to 2012), Indonesia (8,953 tonnes, +32%), Côte d'Ivoire (7,331 tonnes, +89%) and Cameroon.

Based on these statistics, China is a small customer for Cameroon, far behind the Netherlands – the destination for more than 70% of Cameroonian cocoa production. In the 2012-2013 cocoa season, 230,000 tonnes of cocoa were produced in Cameroon.

1,235 acres already prepped for PAMOL palm tree plantations in the Bakassi Peninsula



In a press release, the PAMOL Company, a palm oil enterprise, announced that it has already prepped 1,235 acres for the expansion of its plantations in the Bakassi Peninsula in the South-East region of Cameroon.

This expansion programme, whose implementation in the Bakassi Peninsula has been contested by Nigeria for years, is an essential component of the "contract plan" signed between Cameroon and PAMOL to improve the agro-industrial company.

This "contract plan", which is worth a total of 14.3 billion FCfa, stated a source at PAMOL, will include the construction of a soap factory, the purchase of fertiliser, the restoration of current plantations and the creation of new ones.

FINANCE

Cameroon seeks to create first commodities exchange in French-speaking Africa

Cameroonian Minister of Trade, Luc Magloire Mbarga Atangana and the Executive Director of the International Cocoa Organisation (ICCO), Jean Marc Anga, signed an agreement on February 17, 2014 to finance the feasibility study on the creation of an agricultural commodities exchange in Cameroon.

According to the agreement between the ICCO and the Cameroonian government, the project which is “a major first in French-speaking Africa,” in the words of Minister Mbarga Atangana, will cost 50 million FCfa for 6 months. The study is to be conducted by the Eleni LLC which already put in place Addis Abeba’s commodities exchange in Ethiopia, has been referred to as “a leader in this field” by the Cameroonian Minister of Trade who added that the entity “has had transactions involving 608,000 tonnes in 2011-2012 and deals that went from 12 billion in 2008 to 750 billion FCfa in 2011.”

The Cameroon Commodities Exchange, of which the feasibility study has just started, will enable “the modernisation of the sale of agricultural commodities’ through market and pricing transparency as well as the lowering of costs” which will all contribute to improving the producers’ revenue.

INFRASTRUCTURAL

CONSTRAINTS TO BE REMOVED

According to Jean Marc Anga, the sales’ systems in place for commodities in the four top cocoa producing countries in Africa (Côte d’Ivoire, Ghana, Nigeria, Cameroon), for example, are “inefficient and frequently involve individual sales which leave producers to the mercy of unscrupulous, lawless buyers.” The creation of a commodities exchange will



The study is to be conducted by the Eleni LLC which already put in place Addis Abeba’s commodities exchange in Ethiopia, has been referred to as “a leader in this field” by the Cameroonian Minister of Trade Luc Magloire Mbarga Atangana.

be an excellent way to overcome these constraints.

This is why the ICCO’s executive director wants the Cameroon Commodities Exchange, this accomplishment of the strategic vision of the government of Cameroon” to be operational “in a year”. But to do this, numerous institutional and infrastructural constraints will have to be removed.

The head of operations at Eleni LLC indicated on February 14, 2014 in Yaoundé that the creation of a commodities exchange depended heavily on the improvement of roads in production areas, electronic communication systems, payment systems and energy supply, not to mention increasing production and improving product quality.

Brice R. Mbodiam

Gabonese Ogar interested in 35% share in Chanas Assurances' capital



The insurance market leader in Gabon, Ogar has just made a bid to acquire Jacqueline Cassalegno's shares in the Cameroonian insurance company, Chanas which, in 2012, was still the Cameroonian insurance leader with a 25% market share.

The Gabonese insurer is alleged to be willing to spend 1.6 million euros or a little over 1 billion FCfa to acquire 35% of Chanas' capital currently held by the former, all-powerful CEO who fell from grace in September 2013 after a long battle with directors and company shareholders.

However, it will be difficult for Ogar to seal the deal, not only because Ms. Cassalegno's shares have been "sequestered", but also because heavyweight shareholders such as the National Hydrocarbons Company (SNH) are not particularly drawn to the Gabonese bid.

On September 13, 2013, during an emergency board meeting, Ms. Cassalegno lost, despite her efforts, her seat as CEO, with the nomination of Henri Ewélé to the post of Managing Director. The company's directors, after months of discussions, were able to implement a recommendation made by the Inter-African Council for Insurance Markets (CIMA), the insurance sector watchdog in Central and West Africa whose CEO wanted nothing to do with it.

Since being ousted from her position as CEO, Ms. Cassalegno, who did not attend the ceremony for the newly appointed Managing Director who was already suspended by her when he was appointed, has been lying low. But sources fear that she is preparing to make a comeback, either directly or indirectly. Ogar's operation might just be a result of this.

84 "illegal" micro-financial establishments to close



Following inspections conducted in the field, the Cameroonian Minister of Finance, Alamine Ousmane Mey (photo), has just published a list of 84 unlicensed micro-financial establishments identified during this exercise.

"Denying any responsibility for any loss or any consequences experienced by the customers of these entities," Minister Ousmane Mey is urging "the promoters of these various establishments to close as soon as possible. Failure to comply will attract the application of all penalties provided for in current regulations."

Officially, Cameroon has 500 micro-financial establishments that have been licensed by the Ministry of Finance. Their presence in rural areas has improved banking access for rural communities.

Protais Ayangma: Too much “deviant behaviour” in Cameroon’s insurance sector



In an interview with Ecofin Agency, Protais Ayangma, the Managing Director of the Colina insurance company and out-going president of the Federation of Insurance Companies Registered in Africa (Fanaf), revealed that “of the forty licences revoked by the CIMA (the Inter-African Insurance Market Council), around a third are in Cameroon.”

According to the Cameroonian insurer, the avalanche of penalties imposed on insurers in his country out of the total of 14 markets, is primarily due to the fact that “Cameroon companies lack a culture of verification. The absence of any real verification system contributed to the development of “deviant behaviour”. Lastly, the permissive nature of Cameroonian culture, and especially corruption, are not helping.

However, if the authorisation withdrawal, the highest penalty that the Central and West African insurance sector watchdog can impose is well known, other deterrent penalties are usually imposed by the CIMA through its Regional Insurance Supervision Commission (CRCA). Here again, Cameroon usually leads, at least according to CIMA sources.

CHANAS, SAMARITAN, SAMIRIS, ALPHA...

During the CRCA meeting held on April 23-27, 2012 in Lomé, Togo, Cameroonian insurers received over 50% of the penalties issued by the supervisory body. This is how, beyond the authorisation withdrawn from Samiris, the entire Chanas Assurances board, including big wigs such as Adolphe Moudiki (then Managing Director NHC) and

André Siaka (then Managing Director of Brasseries Cameroun) had received a warning “for lacks identified in the administrative, technical, accounting and financial areas of the company.”

At the same time, billionaire Kadji de Fosso’s AGC had been placed “under permanent monitoring by the Insurance Division of the Ministry of Finance” while an Alpha insurance head was blamed for having “unduly received certain company funds”. CRCA also went after Samaritan Insurance shareholders who had also dipped into the company’s coffers to replace the money that had been taken.

According to a CRCA source, in Cameroon, insurance companies have poor governance, excessively high fees, real estate assets of exaggerated value, non-payment of claims and faked, un-notarised documents.

According to a CRCA source, in Cameroon, insurance companies have poor governance, excessively high fees, real estate assets of exaggerated value, non-payment of claims and faked, un-notarised documents. All of this, our source emphasises, goes on under the “helpful supervision” by Ministry of Finance agents.

BRM

TELECOM

MTN Cameroon to invest 600 billion FCfa if...

The MTN Cameroon telephone operator announced on February 13, 2014 that it is planning to invest 600 billion FCfa for the next three years in order to develop its network in order to offer services such as data, the cloud and internet access. On one condition...

With the evolution and emergence of smartphones, these services are overtaking basic telephone calls. MTN Cameroon estimates that this transition needs important financial resources that it is prepared to spend.

But this plan depends on the State granting a 3G licence to the operator. The South African Group's subsidiary has run into obstacles affecting the development and modernisation of its network and services. Among the hindrances encountered is the government's refusal to grant the company a 3G licence. "For several years, we have been requesting



MTN Cameroon has paid 600 billion in taxes in Cameroon in 14 years

3G approval from the government, but we still have not gotten it," stated Karl Toriola, MTN Managing Director to media who were extending their greetings on Thursday, February 13, 2014 in Douala. The government's response has so far been negative. "We are prepared to invest 600 billion FCfa over the next three years, if the government wants us to," affirms the Managing Director.

Karl Toriola has risen up against the government's decision to grant 3G exclusivity to newcomer, Viettel until December 2014. The Vietnamese company had spent 20 billion FCfa in December

2012 to obtain the 3G licence in Cameroon. It also promised to invest close to 200 billion FCfa to cover 81% of the Cameroon with 2G and 3G mobile technologies.

The Managing Director of MTN Cameroon affirms that in several countries, 3G licences have been granted to several operators and does not understand why only one operator should enjoy this privilege in Cameroon. Yet, the benefits for subscribers are likely to be significant.

"Generally speaking, when you revolutionise ICT usage in a country, it increases the growth rate by two to three percent. In addition, it also increases the competitiveness and productivity of local businesses and economic entities in Cameroon. If you go to countries with generalised 3G access, you will see, for example, the striking development of e-commerce services. But let's not talk about South Africa. Instead, we will look

at countries similar to ours. In these countries you can, for example, use an app to find a taxi, call its owner, identify its licence plate number, check its itinerary and more without moving an inch," he explains.

Nevertheless, the company has expressed its respect for the State's institutions and decisions. MTN Cameroon also thinks that 3G access will prove lucrative for the State's coffers.

Karl Toriola stressed the point that MTN Cameroon is the company that pays the most State taxes with already 600 billion in taxes paid in Cameroon in 14 years. It indicates that it will not falter in its commitments to the State.

The top operator on the Cameroonian mobile telephone market has, to date, had 8 million subscribers including 1.3 million in 2013. It employs 1,000 persons, among whom 40% are female.

B.O.D.

Cameroon to implement internet access points



The Cameroonian Minister of Postal Services and Telecommunications, Jean Pierre Biyiti bi Essam, has 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. Cur-

rently, 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 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.

TRA warns telephone operators against credit transfer limits between consumers

The Telecommunications Regulations Agency, directed by Jean Louis Beh Mengue, published a press release urging mobile telephone operators to stop limiting credit transfers between consumers. “We have noticed for some weeks now that some telephone operators have been imposing credit transfer limits between customers,” stated the Cameroonian telecommunications sector watchdog. The TRA “wishes to inform consumers

that Article 5 of the May 6, 2011 Consumer Protection Act indicates that any contractual arrangements that engender the violation or limitation of rights and liberties guaranteed to consumers are null and void.”

According to information obtained by Ecofin Agency, the phenomenon described by the TRA as an “abusive practice” has been going on for several weeks by Orange Cameroon, whose subscribers can no longer transfer credit

amounts greater than 500 FCfa while at MTN Cameroon, “credit transfers are still unlimited”, states a phone credit vendor in Yaoundé.

At Orange, the decision was made to restrict credit transfers between customers to boost business for credit vendors who have the commercial chips that are more appropriate for these operations. The TRA, however, does not share this point of view.

TRANSPORT

Round 2 of the fight for the container terminal dealership at Kribi's deep water port

Cameroon's Ministry of Economy has just made a new "international call for tenders for a partnership contract for the running and maintenance of the container terminal at the Kribi deep water port." This new effort to recruit a dealer follows the January 2014 cancellation of the 2.1 round of bids from 2008 for the same services.

The cancellation was bad news for the Bolloré Africa Logistics Group which was the sole bidder out of the five companies that expressed interest the first time around. These included Maersk and a group led by the Belgian company, Jan de Nul.

The start of the second match-up for the container dealership at what will be Cameroon's largest port, and perhaps the largest on the West-African coast, announces the next round of fights between Bolloré and its arch rival Necotrans.

While interest has been expressed at Bolloré Africa Logistics to make a second attempt at winning the con-

tract after losing out during the last call for tenders, Necotrans, who was absent from the ring in 2008, clearly voiced its interest in in the terminal dealership following Managing Director, Gregory Querel's meeting at the Office of the President in April 2013.

According to the government's call for tenders, candidates must submit their applications no later than "five weeks after the publication of the call for expressions of interest in the press". The government document was published for the first time on February 7, 2014.

Following the call for expressions of interest, a short list of "no more than 5 candidates" will be created and these semi-finalists will participate in a restricted call for tenders for the final of three who will then participate in pre-negotiation talks. This long process, says a market expert, should last at least 19 months though the first boat is scheduled to dock in Kribi in June 2014 – in four months.

Kribi deep water port to have "the best channel on the West-African coast"

According to a report by the Cameroonian Minister of Finance on the evaluation of construction underway at the Kribi industrial port, "its channel has a depth of 15.5 metres which is the best on the West-African coast, accommodating ships with a 16 metre draught."

In the report dated December 30, 2013, experts who met at the site explained that "due to its geographical position and its technical features, the Kribi deep water port could be the ideal port" in Central and West Africa.

Built by China Harbour Engineering Company (CHEC), and financed primarily by Eximbank of China, the port's construction follows the building of a railway of over 300 km which will enable the removal of mineral material from the eastern region of the country. Based on the evaluation carried out by the project's steering committee in late January 2014, almost 86% of the first phase of construction has been completed. Officially, the first ship is expected in 4 months, despite the pessimism of many about the deadline being met.

Chinese company CHEC claims 18.7 billion FCfa dredging deal for Douala Port

Based on the results of the international call for tenders for the dredging work to be done on the Douala Port channel recently published by the Minister of Public Markets, Abba Sadou, the deal has been handed to China Harbour En-

gineering Corporation (CHEC).

The Chinese company, which is currently building the deep water port in Kribi, beat the competition which included the Belgian company, Jan de Nul, the Dutch company, Boskalis, Dredging Interna-

tional and the Spanish company, Assigna. For at least a year, the dredging work has been suspended by Jan de Nul, the last to receive the job, due to an unpaid bill of 11 billion FCfa requested of the Cameroonian government.

ENERGY

Socaver finally equipped to run on GDC's thermal gas

A subsidiary of Victoria Oil & Gas Company, Gaz du Cameroun (GDC), has successfully completed its thermal gas connection to the Cameroonian glass manufacturer, Socaver. The parent company made this announcement on February 4, 2014.

The Socaver factory, itself a subsidiary of Société anonyme des brasseries

du Cameroun (SABC), which is also switching over to gas, has a potential consumption volume of 400,000 cubic feet of gas per day. According to some sources, its demand can reach 764,000 cubic feet per day.

The newly installed connection, which will supply as many as 6 furnaces "is a great deal and will increase sales for Gaz

du Cameroun," stated Board Chairman, Kevin Foo.

According to the oil and gas specialist, teams from both companies have been working closely for several months to complete Socaver's transition from heavy fuel to thermal gas.

Cameroon produced more than 24 million barrels of oil in 2013



According to the figures recently released by National Hydrocarbon Company (NHC), Cameroon produced 24.2 million barrels of oil in 2013, of which 15.2 million barrels went to the State and 8.9 million barrels for partner companies of Cameroon in oil. Based on NHC figures, production is 2 million barrels more than in 2012 which reached in 22.6 million barrels, of which 14.7 million barrels went to the State.

Oil sales by the Cameroonian State in 2013, reached a little over 832 billion FCfa on an anticipated budget of 708 billion FCfa (up by 124 billion) compared to 785 billion FCfa in 2012, an increase of more than 47 billion FCfa. Out of this amount, NHC has said that it has transferred 553 billion FCfa to the Treasury, compared to 510 billion FCfa in 2012.

In 2014, Cameroon aimed to produce around 30 million barrels, over 6 million barrels more than the previous year. This oil production forecast in 2014 was based on the start of production in the Myia field in the Douala-Kribi-Campo Basin.

The Chinese company, CWE, concludes environmental impact study on Menchum Dam



Internal sources at the Ministry of Environment and the Protection of Nature have revealed that the environmental impact study on the Menchum Dam in north-eastern Cameroon, has finally been completed.

Conducted by China Water and Electric Corporation (CWE) in East-Cameroon, will be presented from February 3-8, 2014 in localities affected by the energy project.

The Menchum Dam will have a production capacity of 450 MW. The energy generating structure will cost 500 billion FCfa. The project's memorandum of understanding (MOU) was signed on November 29, 2012 between the government of Cameroon and Joule Africa out of the UK – the company that will complete the Dam's construction. The project includes the construction of a 72 km outgoing power line between Wum and Bamenda.

Energy: State to transfer three thermal plants to AES Sonel to reduce electricity production deficit



The Cameroonian government has just transferred to the public electricity dealer, AES Sonel, three thermal plants that were previously part of the Emergency Thermal Programme (ETP) put in place and managed by the government. This

is what was indicated in a press release published on February 3, 2014 by AES Sonel's Managing Director, Jean David Bilé.

With this transfer, the Bamenda, Mbal-mayo and Ebolowa plants will provide, as of the evening of February 5, 2014, "a supplement of 40 MW" of electricity to the southern grid, thus contributing to "a return to stability" in electricity distribution in Cameroon, after three weeks of interruptions.

According to AES Sonel's Managing Director, the power outages, which regularly left many of the country's towns in the dark, were due to "the occurrence of a series of incidents that affected the Songloulou, Edéa, Limbé and Kribi plants" resulting in "an imbalance between electrical supply and demand."

Sources have said that the EPT that previously grouped four thermal plants for a total capacity of 100 MW, including the Yaoundé-Ahala facility which has a 60 MW production capacity, had not been transferred to AES Sonel. It will therefore continue to be managed by British company, Aggreko.

The plant transfer should provide a lasting solution to the management of these facilities which were central to scuffles between the Ministry of Energy and Water, AES Sonel and Electricity Development Corporation (EDC) IN January 2013.

The three entities assigned to each other the payment of accumulated fuel bills amounting to 5 billion. In the end, it was the Ministry of Finance that picked up the tab.

The Natchigal hydro-electric plant to open in 2019

According to the Cameroonian Minister of Energy and Water, the Natchigal plant, which is located in the centre region of Cameroon, will be operational in 2019. Minister Basile Atangana Kouona made this announcement on January 31, 2014 in Yaoundé when receiving a delegation of senior personnel from Electricité de France (EDF), Rio Tinto Alcan and Société financière internationale (SFI).

These companies, all stakeholders in the energy plant construction project, went to the Cameroonian government to submit a progress report and also express their concerns about factors that could hinder the project's completion.

One issue to resolve is determining who should manage the plant once it is built and ensure that the energy produced will be transported and distributed. Minister Atangana Kouona dispelled these fears, noting that negotiations are underway for the acquirer of AES' assets



to buy a portion of the energy produced at the plant and confirmed that the facility will be managed by Electricity Development Corporation (EDC), the public sector company that acts as the State's main arm in energy.

To be built on the Sanaga River, the Natchigal plant will have a production

capacity of 400 MW. This 400 billion FCfa investment which is a lays the groundwork for the expansion of the Alucam factory (Aluminium du Cameroun, a Rio Tinto subsidiary) to Edéa, aims to raise its aluminium production from 90,000 to 300,000 per annum.

MINING

Cameroun to open its first diamond-cutting factory



Minister of Mining, Emmanuel Bondé, has just published a call for expressions of interest in “pre-approving research agencies to provide work in relation to the opening of a diamond-cutting factory.” Interested parties have until March 31, 2014 to submit their bids to the Contract Services division of the Ministry of Mining.

At the end of the newly launched process, Cameroon will have a diamond-cutting factory for the first time in history and will be able to start the local processing of the precious stone. This will be in keeping with the Mining Code which requires that 15% of total production be processed locally.

Cameroon joined the Kimberly Process on August 14, 2012. Membership in this global platform governing the sale and trade of diamonds was granted close to two years after the Korean mining company, C&K Mining, discovered the Mobilong diamond deposit in the East region of Cameroon. The deposit is reported to be the largest in the world.

Licensed to conduct diamond mining in Mobilong since December 16, 2010, C&K Mining and small-scale miners currently produce around 5,000 carats in diamonds per annum in Cameroon according to figures provided by the National Permanent Secretariat of the Kimberly Process.

Cameroon: Increased oil production in 2014 will not affect State revenue



“In 2014, the National Hydrocarbon Company (NHC) announced a 23.7% increase in production which will be accompanied by a comparable increase in revenue (...) but, at the same time, the NHC expects higher costs so actual earnings should increase by only 0.5%.” These were the remarks made by the Economic Affairs Directorate (EAD) of the Ministry of Finance at a recent conference of this ministerial department’s central and external services.

The bottom line: the government will not earn more this year from oil despite the projected increase in production due the addition of the Myia oil field in the Douala-Kribi-Campo Basin in November 2013.

The same document cited above also reveals that the NHC (directed by Adolphe Moudiki) has additional “elected” investments that are to be completed this year and these will also raise production costs. The 2014 Finance Act stipulates that oil revenue will be 718 billion FCfa – the same amount as the previous fiscal year.

INDUSTRY

Gicam seeks 24 acres in Côte d'Ivoire for Cameroonian investors

At the 4th Forum Investir in Côte d'Ivoire which came to a close in Abidjan, the president of Groupement interpatronal du Cameroun (Gicam), André Fotso (photo), urged officials of that country to facilitate the entrance of Cameroonian companies wishing to invest in the West African country.

The request extended by the Cameroonian business community leader, based on information published by GICAM after the delegation's departure, was made due to two factors: the country's new economic dynamism with close to 10% in growth and Côte d'Ivoire's po-

sition as the engine driving the regional market of some 300 million consumers. "Following the Côte d'Ivoire Forum, our conviction is even stronger than before. Africans must take charge of their destiny and build their own future. This will require further development in South-South trade. This is one of the reasons why we went to Abidjan. It is undeniable that our micro-States have market sizes that can be roadblocks in many economic sectors," indicated André Fotso when leading a delegation of thirty Cameroonian economic operators to the Abidjan Forum.

Officially, trade between Cameroon and Côte d'Ivoire reached 33 billion FCfa in 2012 compared to 10.7 billion FCfa in 2011. This data was presented during Côte d'Ivoire Week in Cameroon back in October 2013.

Before this promotional event, the ambassador of Côte d'Ivoire revealed that Chocولاتeries du Cameroun plans to open in Côte d'Ivoire. The Cameroonian subsidiary of Tiger Brands could be the first to access the 24 acres of land currently being sought by Gicam from that government.

Moroccan company CIMAF ends Lafarge's cement market monopoly

In Yaoundé, large billboards now encourage Cameroonian consumers to discover "Cimaf's CPJ35 cement", produced by Ciment de l'Afrique (Cimaf), a subsidiary of the Moroccan company, Addoha.

If you stroll through the hardware stores of the Cameroonian capital, you will notice the presence of new cement bags freshly delivered from the Bonabéri industrial zone in Douala where the Addoha Group has headquartered its Cameroonian subsidiary with an initial production capacity of 500,000 tonnes of cement per year.

Hardware stores indicate that Cimaf's CPJ 35, which has been in distribution since February 2014, is priced at 4,500 FCfa. This was a slight let-down for consumers who hoped to see prices fall due to market competition as the price matches that of Cimenteries du Cameroun (Cimencam).

With the arrival of the first Cimaf bags



on the market, the Lafarge subsidiary, Cimencam, has witnessed the end of its monopoly in Cameroon after 48 years of absolute power. It is noteworthy that,

before putting the first bags manufactured in Cameroon, Cimaf was already selling Cimaf cement imported from Morocco.

Leader of the month

Elung Paul Ché is the new Board Chairman at Cameroon SME Bank

Managing Director at the Hydrocarbon Price Stabilisation Fund since May 2013, Elung Paul Ché (photo) has been appointed as Chairman of the Board at Cameroon SME Bank. According to Ecofin Agency's sources, this decision was made on January 31, 2014 at the conclusion of a mixed general assembly for the newly created bank.

Former Managing Director of the Ministry of Finance's Treasury and Administrator at the Douala Stock Exchange (DSX), Elung Paul Ché was announced to be the future Executive Board head at the end of a general assembly held in March 2013.

He chaired the board meeting of this bank which occurred on the same day in the offices of the Ministry of Finance following the above-mentioned general assembly. According to sources close to the Cameroonian SME Bank's creation, Elung Paul Ché has so far been the only person to have received the Central African Banking Commission's (COBAC) approval for the post.

Despite this, his appointment by mixed general assembly on January 31, 2014 will still have to be confirmed by presidential decree in accordance with the standard procedures for the appointment of social organisations' leaders (board and general management) of public and para-public companies.

With 10 billion FCfa in capital, the new bank plans to remove the obstacles that hinder SME access to financing. The main objective is to boost the development of these companies which are unanimously considered to be engines of economic growth.

President Paul Biya, promised the



Elung Paul Ché has so far been the only person to have received the Central African Banking Commission's (COBAC) approval for the post.

bank during the Agro-pastoral Show in Ebolowa in 2011 as a solution for financing small sized enterprises.

"It is with much relief that I would finally like to say that the SME Bank will be operational at the start of the year. The BEAC, through CO-

The new bank plans to remove the obstacles that hinder SME access to financing. The main objective is to boost the development of these companies which are unanimously considered to be engines of economic growth.

BAC, has examined all the technical profiles and authorisation has been granted. The first Board is expected to approve the President's nominations for the company's top positions. Six days ago, we received approval to designate a seat after the Minister's visit. It's only a matter of weeks," stated the Minister of Small and Medium Enterprises, Laurent Serge Etoundi Ngoa to SME promoters on December 30, 2013 in Douala.

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