October 2014 - N° 20

BUSINESS IN CAMEROON

MAJOR PROJECTS
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ENERGY
MINING
INDUSTRY
SERVICES
FINANCE

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Yasmine Bahri-Domon

We said we would meet again in 1 year

The day after the 9th EMA Invest which was held on Octobr 3-4, 2014, during which Cameroon was the guest of honour, a committee was put in place with the approval of his Excellency, President Paul Biya, aiming to evaluate the progress made in developing the partnership contacts made at the previous meeting in Geneva and also see to encouraging the relationship between Swiss entrepreneurs and local businessmen and government authorities.

From September 24 to 27, Swiss private investors visited Cameroon. They discovered or reacquainted themselves with this country that has so much economic potential, but has been lying fallow. They had productive meetings with Cameroonian partners in B to B dialogues that were direct, frank and forward-thinking. During this business trip, the private investors from Switzerland were able to speak with Cameroonian authorities and express their interest in developing specific sectors such as construction, banking, finance, port equipment, lighting and legal security. A stable country with strong government institutions, Cameroon is an investment risk worth taking as its economy demonstrates: a low debt rate, quality labour and social and political stability, not to mention the wealth of raw materials it possesses in agriculture, mining and energy. The Swiss investors realised this and many were proven right to have bet on Cameroon. MOUs are now on the way and a bright common future is emerging in Swiss-Cameroonian relations. Swiss expertise truly matched Cameroonian dynamism.

In early September, a Turkish delegation was received with much pomp and fanfare and we can hardly keep up with the number of delegations this country has sent to Cameroon.

The word is out! Many are now betting on Cameroon. It is now up to the Cameroonian authorities to promote projects that need financing and fine-tune the procedural environment. These advancements were promised by the Cameroonian government and the heads of the investment promotion agency to ensure further investments in the future.

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CASTING

JEAN-DAVID BILÉ

Former Managing Director of AES Sonel (now called Eneo Cameroon), Cameroon's electricity provider, Jean David Bilé has accepted the British investment firm, Actis' proposal to head the Cameroonian holding company (which will be called Cameroon Power Holding and not Actis Holding Cameroon as initially planned). Currently being developed, the company will manage the British private equity firm's interests in the country.
From his offices in the business centre of Bonanjo in Douala, Cameroon's economic capital, the engineer, graduate of the Ecole centrale, who spent 36 years at AES Sonel and steered the electricity company for ten years will now be officially heading Actis in Cameroon.
The main company concerned is AES Sonel, who has announced a 170 billion FCFA investment plan for the 2014-2018 period. KPDC and DPDC are also two companies that respectively manage the Kribi natural has plant and the Dibamba oil plant.

PAUL KAMMOGNE FOKAM

Founded by Paul Kammogne Fokam, the Cameroonian bank, Afriland First Bank, issued a release announcing the launch of an architectural competition for the construction (an R+6 building with two basements) of the expansion of its headquarters in Yaoundé, the Cameroonian capital. The competition is open only to Cameroonian architects who are currently registered in 2014.
The winners will receive 7.5 million FCFA, of which 4.5 million will be for first place, followed by two million and one million FCFA respectively for second and third place. Competition forms can be found at the bank up to August 22, 2014, while the deadline for architectural project submissions has been set for September 23, 2014.

KARL TORIOLA

MTN Cameroon's Managing Director, Karl Toriola, announced at a press luncheon on August 21, 2014 in Douala that the daily activities of his company, the national mobile phone leader, "*employ 200,000 youth*" and "*its impact confirms each day that MTN is an essential player in the national economy, supporting the development of local SMEs and promoting Cameroonian skills.*"

Indeed, in addition to its own employees, the telecommunications company employs a network of several hundreds of thousands of young Cameroonians, generally provided by SME underwriters and other commercial partners, for the distribution or long term or short term promotion of its products.

In order to continue supporting Cameroonian youth, prone to challenges such as unemployment, MTN Cameroon announced the launch of a permanent programme to identify and promote young Cameroonian talent in the areas of music, education and football. The programme is called MTN YEP.

PHILÉMON YANG

It's finally happened! After years of complaints, notaries, lawyers and other liberal professions can now receive social security benefits in Cameroon. The informal sector which officially makes up over 51% of the Cameroonian economy, can also receive benefits from the Caisse nationale de prévoyance sociale (CNPS), the State entity for these services.

This is the revolution resulting from a decree signed on August 13, 2014 by the Cameroonian Prime Minister, Philémon Yang, which sets out "*the conditions and modalities for covering independent workers in the insurance scheme for old age, for disability or for death.*"

The Prime Minister's text specifies that the new measure includes "*persons with beneficial skills, but who are not subjected to mandatory coverage against the risks old age, disability and death; workers who do not satisfy the enrolment requirements for general insurance, State employee insurance or any special social security coverage; former low-income insured who no longer meet the eligibility criteria for general insurance.*"

CHARLES BOTO'O À NGON

In 2015, domestic gas distributors who continue to disregard standards governing their sector will be hit with monitoring teams who will be on their heels at the start of the year. This was revealed on September 1 in Yaoundé during an information and awareness session between the Director General of the Standards and Quality Agency, Charles Boto'o à Ngon and gas distributors.

In the last meeting which had hints of being a warning, ANOR heads insisted on the strict observance of the authorised quantities to be sold which have been declining due to the new pastime of profit-greedy domestic gas distributors by cheating on the age and technical make-up of the cylinders which should normally keep consumers out of harm's way.

GERÉMI SOREL NJITAP

The real estate civil society organisation, GNF, owned by former Cameroonian football giant, Geremi Sorel Njitap Fotso, is among the first 13 local and international companies to sign investment agreements with the Cameroonian government on September 9, 2014 within the framework of implementation of the April 18, 2013 law on private investment incentives.

The law allows for substantial 5-10 year exemptions for companies which the former national Cameroonian football team goalie describes as being "*a great opportunity to facilitate investment here in Cameroon,*" but also *"but also a great opportunity for "his" conversion*" after a brilliant career in football.

"*I've gotten into the real estate sector where I believe the need is real. My collaborators and I will be building affordable housing. This will be good for the Cameroonian people by not only creating jobs, but also providing housing for my fellow countrymen,*" stated the former Réal de Madrid player.

Financing: Lender and capital market confidence

Since its rise to independence in January 1960, Cameroon has almost never escaped economic struggles. Indeed, the country had barely begun to secure its sovereignty in a context of political violence in some parts of the country when a severe economic crisis emerged in the late 1980s, exhausting the government's development efforts. The economic crisis obliged Cameroon to turn to financing from international lenders with virtually no restraint. The result was colossal debt – 5 trillion FCFA. All of Cameroon's economic efforts went solely to paying off the debt until the start of the HIPC initiative. Put in place by the IMF in order to loosen the noose of debt that was strangling developing countries, a condition that razed any redress efforts to the ground, the HIPC initiative involves the remission of the debt owed by these countries.

Since its rise to independence in January 1960, Cameroon has almost never escaped economic struggles.

After its admission to this rigorous IMF programme in 2000, Cameroon stumbled for the first time in 2004 before finally being admitted to the economic performance evaluation in April 2006.

The frosting on the cake? In addition to significant debt remission totalling 1.5 trillion FCFA, the country received its largest disbursement from the Anti-Debt Development Contract (C2D), a bilateral initiative of the French government attached to the HIPC initiative which aims to cancel the debt owed to the participating developing country. Since then, freed from the stranglehold of multilateral debt and nurtured by an ambitious development programme within the framework of the Growth and Employment Strategy Document (DSCE) the Cameroonian economy is breathing again and hopeful. This is apparent in the rating it received from Standard & Poor's, its performance on the capitals market, its increasingly strong relationship with international financial institutions, its performance indicators relative to the standards of the Central African Monetary and Economic Community for which it is a driving force, not to mention its stability. These are the central themes explored in this edition.

Brice R. Mbodiam

Cameroon eligible for IBRD financing

According to the Cameroonian Minister of Economy, Emmanuel Nganou Djoumessi, the State's eligibility for IBRD financing "*confirms the solidity of its macro-economic foundation.*"

In a press release published last april, the Cameroonian Minister of Economy, Emmanuel Nganou Djoumessi, announced that "*following a meeting of the loan committee of the International Bank for Reconstruction and Development (IBRD), Cameroon has just been declared eligible for these resources*" from this World Bank agency. According to the Cameroonian government member, the State's eligibility for IBRD financing "*confirms the solidity of its macro-economic foundation.*"

This will be the second WB financing bureau to open its doors to Cameroon, following the IAD (the International Association for Development). The only difference is that IAD loans are granted at concessional rates (usually lower than 1%) while IBRD loans are non-concessional, but are also reimbursable over long periods.

In all its last reports on Cameroon's economy, the International Monetary Fund (IMF) has chastised the numerous non-concessional rate loans in the State's debt portfolio, with capital markets being used since late 2010. This debt at non-concessional rates will certainly become more burdensome with IBRD financing.

When reacting to the IMF's remarks, the Cameroonian government has always explained its use of this type of financing over concessional loans from international financial institutions as an effort to gain control of its indebtedness and, especially, to have the flexible conditions that capital markets provide. In addition, Cameroon currently has a debt-GDP ratio of 18% while the CEMAC zone's threshold is set at 70%. This demonstrates that Cameroon's debt can be supported and gives the country a lot of room to take on additional debt.

360 BILLION FCFA LINE OF CREDIT IN CAMEROON

In light of its recently granted access to financing by the International Bank for Reconstruction and Development (IBRD), Cameroon will have a non-concessional line of credit opened amounting to 180 million dollars (close to 90 billion FCFA) per year for the 2017-2017 period. This was announced during the July 22, 2014 visit to Cameroon by the Vice-President for the Africa region of the World Bank, Makhtar Diop.

In total, for a period of four years, the World Bank agency will provide Cameroon with a total of 360 billion FCFA. "*This will enable to increase the volume of resources available through the World Bank institutions, but also to start to see how some trade projects could be financed with IBRD resources and to use more and more donated resources for social investments that have a lower commercial yield than other types of projects*," stated Mr Diop.

The World Bank has a portfolio of 23 active projects in Cameroon for a total amount estimated by the Bretton Woods institution at over 500 billion FCFA. The financing is provided by the International Development Association, the concessional branch of the World Bank.

Standard & Poor's confirms Cameroon's B/B rating with a stable outlook

On May 2, 2014, the Standard and Poor's (S&P) rating agency announced that it has determined Cameroon's long-term and short-term rating in foreign exchange and local currency to be B/B, with a stable outlook for the future. "*The scores reflect our view of the weakness of Cameroon's governance and institutions, a low per capita income and significant need for external financing*," stated S&P in a press release.

On the positive side, the agency noted Cameroon's low level of public debt since the country received debt relief within the framework of the HIPC initiative, as well as Cameroon's new membership in Central African Economic and Monetary Community (CEMAC).

S&P also noted that Cameroon's deficit reached 3.9% of GDP in 2013 and expects the deficit to rise to 4% in 2014 before gradually declining to 3.5% in 2017.

The agency has projected approximately for 3% growth in GDP on average per annum for the 2014-2017 period, particularly via public investment, a rebound in oil production and an increase in gas production which, according to Société Nationale des Hydrocarbures (SNH), was 4,343 million cubic feet in the first four months of the year compared to 93.4 million cubic feet for the same period in 2013.

Cameroon receives mixed financing nation status from ADB

The Minister of Economy, Emmanuel Nganou Djoumessi, revealed that Cameroon has been admitted to the status of a mixed financing nation by the African Development Bank (ADB). This status allows the country to continue to receive loans at concessional rates from the African Development Fund (ADF), a subsidiary of the ADB, and the country can also have direct access to the national branch of this regional institution.

"*The designation of this status by the ADB group shows that it recognises the efforts made by the country,*"states Racine Kane, the ADB resident representative to Cameroon. "*The ADB has allowed us to access the mixed financing regime. This was not done at our request. It was done in light of the strong assessment the ADB evaluators have done on our economy. This assessment established the soundness of our macro-economic criteria. It demonstrated that we have a low level of indebtedness and we are harnessing our resources. Consequently, we are a country with an emerging economy,*" Minister Nganou Djoumessi was pleased to state.

Since 1972, the ADB has disbursed the sum of 99 billion FCfa to Cameroon to finance 91 projects. For the month of July 2014 alone, the Minister of Economy revealed that that the ADB has disbursed 255 billion FCfa to the Cameroonian government. "*The resources are available. We are asking the private sector to also take advantage of them,*" Emmanuel Nganou Djoumessi went on to say.

Indeed, out of the 21 projects currently being financed in Cameroon by the ADB, only 23% are within the private sector though the latter is unanimously considered to be the engine of economic growth.

IMF satisfied with Cameroon's debt management

In its report entitled Regional Economic Outlook: Sub-Saharan Africa in 2013, the IMF indicates that the State's indebtedness went from 51.6% of GDP in 2006, Cameroon's completion date for the HIPC initiative, falling to only 14.9% of GDP in 2012 and 18% in 2013. This performance handed Cameroon its 3.7 rating for public debt management out of the 12 African countries rated. The IMF explains that "*a score of 1 is low while a score of 6 is very high.*"
In addition, the IMF concluded that, in light of its sound debt management with international lenders, Cameroon does not risk, for the time being, becoming overly indebted as was the case in 2000, the date when the country entered the HIPC programme, the multilateral debt remission programme successfully concluded in April 2006 after failing in 2004.

Debt will grow by 6% in 2014, reaching 38% of GDP by 2019

In a release issued after its last mission on May 8, 2014, the International Monetary Fund (IMF) announced that the debt-GDP ratio will reach 24% by the end of 2014 compared to only 18% in 2013. This indicator's increase explains why the international financial institution "*focuses mostly on recent non-concessional loans.*"
The same source suggests that, by 2019, the Cameroon government's predilection for non-concessional debt will bring the debt-GDP to 38% which would be a 14% increase in five years. The Bretton Woods institution suggests that the Cameroonian government authorities "*create an overall debt strategy and ensure that its implementation is monitored, including consequences that public investment expansion plans could have on the servicing of the debt and the repercussions in terms of financial responsibility resulting from new public-private partnerships.*"
These IMF forecasts seem rather promising considering the convergence criteria of the Central African Economic and Monetary Community (CEMAC) – a group of six Central African countries, among which Cameroon leads in every aspect. Indeed, in this community of nations, a country may not have a debt-GDP ratio greater than 70%. Based on the IMF's analysis, in 2019, Cameroon will reach only a half of that threshold.

570 billion FCFA in securities subscribed by investors in the space of three years

Since completing the HIPC initiative in April 2006, the State of Cameroon has restored its good name. After successfully financing projects using securities issuance on the capitals market, the Cameroonian government is now planning a bond loan for the international market.

On December 23, 2013, the State of Cameroon completed its second bond loan issuance on the Douala Stock Exchange (DSX), the country's stock exchange, raking in 80 billion FCFA. This amounts to 30 billion FCFA more than the target amount (50 billion FCFA). So as not to lessen investor enthusiasm surrounding this public fundraising effort, the Minister of Finance, Alamine Ousmane Mey and the operation's arranger, Société Commerciale de Banque Cameroun (SCB Cameroon), the local subsidiary of Attijariwafa out of Morocco, requested and received from the Financial Markets Commission (CMF) "*authorisation to exercise the over allocation option contained in the information note for the issuance.*" This means that Cameroon's financial markets regulator gave the go-ahead for the State of Cameroon to bank the additional 30 billion offered by investors. Mathematically, this new bond loan, which has a subscription rate of 50%, will do better than the 200 billion FCFA effort back in 2010 which enabled 203 billion FCFA to be raised.

MAKING IT BIG ON THE BEAC SECURITIES MARKET

But before returning to the Douala Stock Exchange in December 2013, the State of Cameroon issued 130 billion FCFA in Treasury bonds and bills throughout the year on the securities market of the Central African States Bank (BEAC). Ten other ventures were also successful except for the Treasury bill issuance on December 18, 2013 (only 85% subscribed) and two Treasury bond issuances in September 2013 (only 75% subscribed).

Since the launch on the BEAC inaugurated by the Cameroon government in late 2011, the State Treasury Department, which is the main entity on the BEAC along with Gabon, raised 290 billion up to December 2013.

In addition to the 280 billion FCFA raised in December 2010 and in December 2013 on the DSX, securities issuance on capitals markets have brought in 570 billion FCFA to the State's coffers in three years.

UNDENIABLE ASSETS

This performance was made possible thanks to the State's good name being restored since the completion of the HIPC initiative in 2006 with its debts being cancelled. Indeed, as a result of its success in this rigorous programme to which the IMF subjects some heavily indebted African countries, Cameroon is able to receive a BB rating "*with a stable outlook for the next 12 months*" as Standard & Poors has indicated. In addition to receiving this financial rating which is rather encouraging to capital-endowed investors, both the BEAC and the Ministry of Finance affirm that Cameroon currently has the best debt-GDP ratio.

In addition to receiving this financial rating from Standard & Poors which is rather encouraging to capital-endowed investors, both the BEAC and the Ministry of Finance affirm that Cameroon currently has the best debt-GDP ratio.

Can Cameroon's Treasury Department make the leap to issuing bonds on the international market?

THE ROAD TO INTERNATIONAL BOND ISSUANCE

It is on the basis of these indicators and particularly its sound performance on the capitals market in less than four years that the Cameroonian government now plans to issue securities beyond local and sub-regional borders. The Delegate Minister to the Minister of Finance, Pierre Titi, announced in October 2013 at an EMA Invest Forum being held in Geneva that the Cameroonian government planned to experiment with bond issuance on the international stage with the support of the Genevese financial community.

This operation would enable the Cameroonian government to make a leap forward towards achieving its goal to diversify the financing sources for the national budget. However, according to experts, bond issuance on the international market is more complex than mobilising funds on the DSX or issuing Treasury bills on the BEAC. Nevertheless, these experts maintain that an operation of this nature, for a country like Cameroon, is, in principle, feasible.

From this point of view, Eurobonds worth 400 million dollars (around 200 billion FCFA) issued by Ruanda in 2013 had a subscription of 400%. Encouraged by this example, increasing financing needs and especially the experience gained on the capitals market over the last four years, can Cameroon's Treasury Department make the leap to issuing bonds on the international market?

60 BILLION RAISED BY CAMEROON AT AN AVERAGE SUBSCRIPTION RATE OF 307% UP TO 1ST SEPTEMBER 2014

Between January and June 2014, the State of Cameroon raised 60 billion FCfa on the public securities market of the Central African States Bank (BEAC), according to figures revealed by the Directorate General of the Treasury to the Ministry of Finance. Meanwhile, 437 million FCFA in interest has been paid-out to investors.

In the course of speaking about a mid-point assessment of these government securities issuances, Léonard Kobou, the head of the Treasury division of this ministerial department, noted that, following these operations, the Cameroonian Treasury "*had an average subscription rate of 307%.*" He went on to explain that this means that "[they] *received three subscriptions amounting to three times the demand.*"

This development in Cameroonian government securities enabled the reduction in the investors' remuneration rate, for which the rate had climbed from 1.38% in the first quarter compared to 2.3% in the second quarter. In total, the Cameroonian government intends to raise 280 billion FCFA on the capitals market for the 2014 fiscal year.

"We have to speak to the Swiss and tell them that Cameroon is a risk worth taking"

Accompanied by EMA Invest President, Yasmine Bahri-Dohmon, Cameroonian Ambassador to Switzerland, Leonard H. Se Bindzi, who was also chairman of the 9th EMA Invest Monitoring Committee in Switzerland in 2013, travelled with 12 Swiss companies to Cameroon from 24th-27th September 2014. He talks about his visit and reveals the actions taken by his embassy to promote Cameroon as a destination.

Business in Cameroon: What are your thoughts on the visit Swiss companies paid to Cameroon from 24th-27th September, a year after the EMA Invest Forum?
Léonard H. Bindzi: The visit was quite positive. The meetings requested with Cameroonian government officials, particularly with ministry department heads, were arranged and, for the most part, took place. There were also several B2B meetings between Swiss entrepreneurs and Cameroonian business leaders. This allowed our partners to learn more about the reality on the ground in Cameroon. We're now awaiting the outcome of these efforts before we say whether or not the future of business relations between Cameroon and Switzerland looks promising.
Getting Swiss companies to come to Cameroon is already a good thing. For me, it's good to know the Swiss. They aren't usually inclined to come south of the Sahara for business. The total volume of business activity between Switzerland and the African continent is 2%. Out of that 2%, South Africa represents 1.9%. So, interest in setting-up business in our country is a strong point.

BC: How did the 9th EMA Invest Forum Monitoring Committee you chair go about making this trip to Cameroon?
LHB: After the EMA Invest Forum held in October 2013 in Geneva, we were instructed to follow-up with the contacts we had made at that event. We first contacted everyone who had participated and then those who responded favourably. We explained to them that we planned to organise a business trip to Cameroon. Those who first showed interest came to Yaoundé. This visit was preceded by a briefing held on September 7 at Les Berges Hotel in Geneva. At this briefing, we explained to these investors that Cameroon wished to welcome Swiss companies.

BC: How many Swiss companies came to Cameroon seeking business opportunities?
LHB: Twelve Swiss companies came to Cameroon. You know, the Beti have a saying – "*At the start of a dance, you don't sweat.*" Therefore, this first step will be followed by others. The government need only, through its embassy, raise awareness so that other companies will be interested in investing in Cameroon. You know, Switzerland has a lot of things that we do not yet have in Cameroon. So we have to seek out these things. We have to speak to the Swiss and tell them that Cameroon is a risk worth taking.
The quality of Swiss chocolate, for

"*It's up to Cameroonian entrepreneurs to approach Swiss companies in the chocolate sector to propose joint ventures*", according to the Cameroonian Ambassador to Switzerland.

example, is recognised worldwide, but the Swiss don't grow cocoa. It's grown in Cameroon in farming areas devoted to that purpose. Do you often explain to Swiss chocolate producers the importance of building their chocolate factories in Cameroon – to combine Swiss quality with Cameroonian dynamism, if you will?

The Swiss buy most of their cocoa on the international market in either Rotterdam or Amsterdam. I think very few buy their cocoa directly from African farmers. I visited a few chocolate factories in Switzerland and that's what they told me. It's up to Cameroonian entrepreneurs to approach Swiss companies in the chocolate sector to propose joint ventures. As an ambassador and not a businessman, I can't say more about it than that.

BC: You are currently head of mission in Switzerland. What have you done to encourage the Swiss to come invest in Cameroon?

LHB: The embassy participates in economic forums being held by consulting firms and other businesses of that nature. At the embassy, we also have an Investment Promotion Agency which explains the ins and outs of the Cameroonian economy and the advantages we offer. The embassy also has a website with links to a number of State entities and institutions.

BC: How many Cameroonians currently reside in Switzerland?

LHB: The figures vary between 4,200 and 4,500. Of course, among that number, there are illegal immigrants.

"Getting Swiss companies to come to Cameroon is already a good thing."

BC: How many Cameroonian nationals are unlawfully present in Switzerland?

LHB: Officially, there are around 100 to 150. You know, when one is in that situation, one does not report it to the embassy. So we do not have an official count, but the federal office of movement has informed us that there are people without proper documentation living illegally.

BC: In which sectors do most Cameroonian residents in Switzerland work?

LHB: Most Cameroonians are doctors, engineers, labourers in various sectors, handling specialists and health carers. Many are carers who work in private residences such as being an assistant to the elderly.

Interview by Beaugas-Orain Djoyum

"Ultra-modern exhibition equipment to debut at Promote 2014"

Ahead of the international business fair, Promote 2014, to be held on 6th-10th December at Palais des Congrès in Yaoundé, President of the Interprogress Foundation and the event's organiser, Pierre Zumbach, discusses final preparations.

Business in Cameroon: Promote 2011 had 1,205 exhibitors, of which 840 were from Cameroon and 365 from thirty other countries. The registration deadline for Promote 2014 was on August 31. How was registration relative to the previous event?

Pierre Zumbach: We should have a number of Cameroonian and foreign exhibitors similar to 2011, or larger. When registration closed on August 31, we created a stand-by list which continues to register more and more requests. With our partner, Palais des Congrès, we are currently looking at the possibility of expanding the site to accommodate more companies. But everything will be in place to have the next one in two years instead of three, which has been widely requested.

Our official collaborators have asked that half of the spaces available be reserved for Cameroonian exhibitors followed by those from abroad.

This requirement is well founded as Promote is presenting, with all sectors, a sample of the domestic economy, open to investment, open to many types of partnership, firstly with Central Africa then the continent and then around countries

"When registration closed on August 31, we created a stand-by list which continues to register more and more requests." (photo Promote 2011)

with multiple national economic platforms – Turkey, France, the USA, Belgium, Italy, Congo Brazzaville and Tunisia and so on.

BC: How many intermediary Central African sub-regional organisations do you expect at Promote 2014?
PZ: We expect around thirty: chambers of commerce and industry, professional associations and business leader groups. Promote supports regional integration. We are seeing more and more that boosting inter- and intra-regional trade in Africa enables African businesses to more successfully penetrate international markets. This is why Promote signed a memorandum of understanding with CEEAC, which attends every Promote event.

BC: How do foreign exhibitors sign-up?
PZ: They can sign-up directly online either through a national intermediary organisation which groups interested companies and accompanies them. The Promote organiser really likes this system and we also thank organisations such as: UBIFRANCE, DTI-WESGRO in South Africa, TURKEL in Turkey, CEPEX en Tunisia, AWEX in Belgium and so on.

BC: Members of parliament have already blocked their section at the Palais des Congrès where the event is to be held. What guarantee is there that Senate meetings won't disturb Promotes meetings?
PZ: Your question deserves a detailed response to avoid wrong interpretation. It's important to remember that that Promote is prepared over the course of two years. Yet, it was only in July 2013 that we were told that the Senate at the Palais des Congrès would be the venue. We conducted detailed studies to determine how to reconcile our official commitment to hold the event on the pre-established dates while staying at Palais des Congrès which has been our lead partner since 2002. We also enquired into how we could do this without disturbing senate meetings. Since October 2013, corporate studies have been approved and, with the extra-ordinary support of the Office of the President, Promote will be held at Palais des Congrès which will be joining Foire de Tsinga. There is something new: the two sites will become one thanks to the pedestrian bridge above Boulevard Jean Paul II. Furthermore, ultra-modern exhibition equipment will debut at the event. The preparations are expected to be made in areas equivalent to those used in Promote 2011.

BC: In your opinion, what is Promote's main mission?
PZ: Since 2002, the International Business, SME and Partnership Fair has addressed the needs that those responsible for its creation, namely the President, the Minister of Trade, rightly identified: a promotional platform for the private sector with the word of the day being know-how. Companies are understanding this more and more. Whatever the context, whether dependent on the degree of liberalism in a national economy or not, the company itself possesses, within its own area of expertise or sector, all the ingredients and talents that will or will not allow a national or regional economy to achieve international trade.
One must also note that Promote has become a meeting point or private-public sector laboratory. We are pleased to see numerous public sector entities – ministries, regulatory agencies and regional international organisations – all come to Promote. It is very important that the business leadership know the new roles of these institutions.

BC: What will be new for 2014?
PZ: Promote will be useful at each stage. At each event, we are able to identify changing needs and address them, confirming the usefulness of this forum which has become a trade platform in which more and more business entities wish to par-

"Since 2002, the International Business, SME and Partnership Fair has addressed the needs that those responsible for its creation, namely the President, the Minister of Trade, rightly identified: a promotional platform for the private sector with the word of the day being know-how."

"Promote has become a meeting point or private-public sector laboratory. We are pleased to see numerous public sector entities – ministries, regulatory agencies and regional international organisations – all come to Promote. It is very important that the business leadership know the new roles of these institutions."

ticipate. For December 2014, we are developing a meeting service that will be primarily for exhibitors, but also economic missions and visitors. We are arranging meetings in advance. This process of making contact started on September 1. Themed cocktails are another type of B2B launched by Promote. For six days, from 12:00 PM to 1:30 PM in a designated room, 200 business heads and directors will discuss a specific theme related to a profitable sector. This theme will be presented by an expert, followed by a discussion with that individual and then a B2B cocktail.

The Investment Promotion Agency (Agence de promotion des investissements - API) is a partner. At Promote, it will provide investors seeking business opportunities with training on the administrative and financial mechanisms involved in a wide range of projects. A number of debates are also held with the support of the organiser. For example, there will be a debate on "Regional Integration" which will be led by the CEEAC. There will be another on energy with a focus on "hydro" – electricity generated by EDC (Electricity Development Corporation) – a Cameroonian public institution. This debate will be held under the distinguished patronage of the Minister of Water and Energy.

BC: Why is Promote being held in Yaoundé and not in Douala, the economic capital of Cameroon?

PZ: With a fair, the goal is to reach manufacturers as well as retailers. The fair allows a company to present and explain its know-how and to look for new opportunities, new partners, near and far, with a self-view that impacts clients and attracts the attention of the relevant authorities and institutions. This is why we chose to have Promote at the capital of Cameroon. We do hope that, one day, Douala will hold a large business fair which we know will be very successful, starting regionally.

"*The fair allows a company to present and explain its know-how and to look for new opportunities, new partners, near and far*", has assured Pierre Zumbach (Photo Promote 2011).

BC: An event like Promote 2014 costs how much in terms of organisation and preparation?

PZ: The official organiser, the International Inter-progress Foundation has provided a team of distinguished professionals, but makes no profit. The organiser must balance expenditure and revenue - some 2.5 billion FCFA on each side. Fifteen percent of expenditure is covered by the Cameroonian government which is then supplemented with corporate and institutional sponsorship.

Balance is achieved by having leasing agreements at the best rates for participants as they receive subsidies. The Foundation takes care of the preparatory cash-flow for the first two years. Special attention is paid to SMEs where the Foundation's support division manages a solidarity effort with large local corporations which assist the SMEs with growth so that they can fully benefit from Promote. Any financial surplus is put towards another uncommercial event of general interest.

BC: Will it be possible to put mechanisms in place to evaluate Promote's impact on the Central African economy and on Cameroon's in particular?

PZ: Thanks for this question which is often asked. Astute observation leads me to answer it as follows: we have understood that the usual evaluation questionnaire is no longer satisfactory as what is most essential is never delivered after a questionnaire in the current competitive environment. The best deals, partnerships and the like are found at Promote discreetly. That the results are known, matters little. All that matters is that participants can benefit from them. Of course, we strive to engage participants in deep discussion while maintaining discretion and trust. We integrate the information we collect to improve Promote which has, as a guiding principle, promotional value for participants in the real context of each entity. Today, exchanges have lost their value due to the use of modern techniques which are found to be vital. These exchanges receive the essential support needed, the strength of one's word in interpersonal relations (B2B) and groups.

Interview conducted by B-O.D.

PUBLIC MANAGEMENT

In Cameroon, "*2014 could turn out better than expected*"

According to Cameroon's National Financial and Monetary Committee, following its midpoint assessment, "*outlook for the Cameroonian economy remains encouraging in light of the country's immense potential.*" This was expressed in a release that endorsed the last meeting of this organisation which, with the support of the central bank and the banking regulator of the CEMAC zone (Cobac), assessing the economic performance of the six member states, "*2014 (for Cameroon) could turn out better than initially expected in light of improvement in the implementation of the investment budget and growth in the export of oil.*"

Encouraged by this review, the committee believes that Cameroon's growth rate could reach 6% as hoped by the government which recently announced an emergency plan to meet this target by year's end. This would be 1.2% relative to the 4.8% stated in Cameroon's Finance Act adopted in November 2013 by the parliament.

The committee notes that this performance should be possible thanks to "*a grasp on inflation*" in the country where, for the next few months, there will be "*limited increases in basic food pricing, despite the recent increase in fuel prices.*"

Encouraging investment: 13 companies wager 180 billion FCFA on Cameroon

On September 9, 2014, Cameroon Minister of Mining, Industry and Technological Development, Emmanuel Bondé, signed investment agreements with 13 local and international companies for a total of 180 billion FCFA.

These companies from sectors ranging from agro-foods to metallurgy, affordable housing and mining, with investments projected to create around 3,000 new jobs, are the first to benefit from the April 18, 2013 law on the promotion of private investment in Cameroon.

Intended to encourage private sector investment, this legislation uses a single approval system through which it grants tax, customs, financial and administrative advantages to companies in start-up or operational phases in order to help the country meet its priority targets. From start-up phase, these incentives remain for a period of 5 to 10 years, depending on the case.

Generally speaking, companies that meet specific criteria are eligible to benefit from the incentives outlined in the April 18, 2013 law, in which article 4 indicates "*permanent job creation for Cameroonians at a rate of one per category ranging from five million FCFA to twenty-five million FCFA in programmed investments according to the case; an annual export rate of 10 to 25% of gross sales, the use of natural national resources at a rate of 10 to 25% of the value of inputs; and the contribution of added value at a rate of 10 to 30% of gross sales.*"

IDB finances 16.9 billion FCFA electrification project in rural Cameroon

On September 9, Cameroonian Head of State, Paul Biya, released a decree empowering the Minister of Economy, Emmanuel Nganou Djoumessi, to sign two financing agreements with the Islamic Development Bank (IDB) for a total of 16.9 billion FCFA.

The two financings allotments, respectively 12.2 billion FCFA (the Istisn'a agreement) and 4.788 trillion FCFA (loan), will be used to implement the 2nd phase of the government's rural electrification programme.

With Eximbank, the Chinese foreign investment entity, the Islamic Development Bank has become one of the Cameroonian government's largest lenders in recent years, providing financial support in sectors ranging from health, road infrastructure, and education to rural development.

Trade between India and Cameroon estimated at 250 billion FCFA

According to the Indian High Commissioner, A R Ghanashyam, trade between his country and Cameroon is currently estimated at 250 billion FCFA per annum. He revealed this in an interview in the Cameroon government's daily publication.

He goes on to note that, although Cameroon is "*the country with which trade with India has grown the most in the Central African region over the last few years, this trade relationship's potential is immense*" and still hardly harnessed.

To reverse this trend, the Indian diplomat wishes "*to bring the SME development model implemented in India to Cameroon, which made these structures the backbone of the Indian economy*" and created "*a bridge between Indian and Cameroonian SMEs*".

A R Ghanashyam, whose diplomatic mission also covers Nigeria, Benin and Chad, has announced an increase in lines of credit to be opened by India for the financing of development projects in Cameroon.

Trade between Cameroon and Turkey reaches 86.5 billion FCFA

Estimated to be 75 billion FCFA in 2013, trade between Cameroon and Turkey, in 2014, is already estimated to be 86.5 billion FCFA, increasing by 11 billion FCFA in less than a year. This was revealed at a B to B meeting between Turkish and Cameroonian businessmen in Douala on September 9, 2014.

However, the trade balance currently presents a significant deficit for Cameroon which has so far exported only 25.4 billion FCFA to Turkey while the latter, the 15th largest economy in Europe, exported 61 billion FCFA to Cameroon.

As a result of the recent economic cooperation between the two countries, particularly with the economic mission led by Cameroon's Head of State, Paul Biya, to Ankara in March 2013, Turkey and Cameroon hope to achieve 250 billion FCFA in trade by 2015.

Close to 150 employment and job placement companies in breach of Cameroonian law

The Cameroonian Minister of Employment and Professional Training, Zacharie Pérevet, has just released a list of close to 150 employment and job placement, is in breach of applicable laws in country.

These organisations, which have been with penalties ranging from formal notices to the temporary suspension of business activity, have been criticised by Minister Pérevet for failing to renew their approvals and also refusing to communicate statistical data on their integrated job seekers.

According to the Minister of Employment, "*these lacks are not only in violation of applicable regulations and intolerable, but also hinder the achievement of government objectives in the evaluation and transparency of the job market.*"

AGRIBUSINESS

2013-2014 Cameroonian cocoa production down by 9%

At the close of the 2013-2014 cocoa season, which officially ended on July 15, Cameroon had sold 209,905 tonnes, according to the National Cocoa and Coffee Board (ONCC). Subtracting the 3,355 tonnes from the previous season's stock, Cameroonian cocoa farms technically only produced 206,550 tonnes in the last season, compared to 1.4 million tonnes from Côte d'Ivoire, the world leader.

According to these figures, national cocoa production has therefore declined by around 9% compared to the 228,910 tonnes officially produced in the 2012-2013 season. For at least the last four seasons, despite various actions undertaken by the CICC and the Cameroonian government authorities (the relaunch plan for the sector), to increase production to 600,000 tonnes by 2020.

Producers assert that, behind this stagnation in cocoa production, despite more and more attractive purchasing prices (between 900 and 1,275 FCFA in the last season, according to the ONCC) one will find climate change, which has been adding to the structural problems such as aging farms and farmers, difficult access to quality plants, the absence of mechanisation and an inadequate grasp of modern farming techniques.

Cameroon produced 5,446 tonnes of certified cocoa last season

With its 20,000 producers, UTZ and Rainforest certified as of the 2011-2012 season, Cameroon produced 5,446 tonnes of certified cocoa in 2013-2014. This production more than doubled the previous season's which was only 2,000 tonnes according to figures provided by the Inter-professional Cocoa and Coffee Council (CICC).

The main exporter of this type of cocoa is Telcar Cocoa (3,000 tonnes), a trader of the global firm Cargill, which currently is steering the certified cocoa production promotional campaign. To this end, last September, the exporter paid 500 producers of certified cocoa from the South-West region a bonus of over 104 million FCFA or 50 FCFA per kilogramme of certified product.

In order to make the production of this type of cocoa more lucrative on the international market, the CICC plans to launch *"a major awareness campaign with the support of international partners and certifying organisations starting in the fourth quarter of 2014. In the first quarter of 2015, the certification's support programme will be implemented in where the CICC has projects with producer organisations."*

Bag and drum whisky banned in Cameroon

After several months of hesitation, the Cameroonian government has finally banned the production of whisky in bags and drums. The beverage is certainly very cheap (100 FCFA per bag), but is known to have an excessively high alcohol content, can contain ingredients that are unsafe for human consumption (methanol) and is therefore very harmful to the Cameroonian people.

The ban took the form of an order signed on September 12, 2014 by the Ministers of Health, Trade and Industry, making it *"mandatory"* to adhere to the production norms and standards in place for liquor and other spirits in Cameroon. This norm requires that liquor and spirits must be sold in bottles with packaging that can be stamped. This requirement therefore excludes bag and drum whiskies. Local producers of the latter have 24 months to finish their stock, according to the governmental order.

Producers are concerned. At Fermencam, one of Cameroon's leading distilleries, which had the idea of democratising liquor consumption using bags in small units, the Managing Director, Maurice Djeutchoua, is wondering what the company will do with its equipment once out of use.

Despite 12 billion FCFA in sales by this company in 2013 (compared to 9 billion FCF in 2012), the Managing Director anticipates challenges accessing financing to procure new equipment to make the transition to bottling. He would like the government to put incentives in place to help distilleries make this transition.

With its thousands of jobs and substantial sales due to the appeal of its product line, the bag whisky industry is certainly a major sector of the Cameroonian economy, but government found that it constitutes a real danger for public health.

500 Tons of Fish produced yearly thanks to the Mekin Dam

Hydro Mekin, the company managing the Mekin Dam, and the Ministry of Fisheries and Animal Industries, signed a MoU for the establishment of a development project of industrial fishing around the energy infrastructure.

This mega hydroelectric project is expected to designate an area of extensive fishing on approximately 8000 hectares, where 11 varieties of edible fish were identified by experts from the Ministry of Fisheries.

Cameroon, a big consumer of seafood unfortunately produces only about 176,000 tonnes of fish every year, but imports about 200,000 tonnes per year to cover the shortfall. These imports according to official figures stand at FCFA 120 billion per year.

TELECOM

Nexttel starts its operations, with rates slightly more expensive than Orange or MTN

The tariffs of Nexttel, the third mobile operator in Cameroon that launched its operation on September 18, 2014, were made public with its share of surprises. According to information provided by the company, its rates are more expensive than those of Orange and MTN.

Thus, calls will be charged at 0.9F/s on the network (54 FCFA/min), and 1.1 F/S (66 FCFA/min) for calls to other networks, prices that are contrary to the statements made by the business to give a reduction of 15% to 20% on the prices offered by the competition.

MTN Cameroon, for example, MTN Elite and MTN Best, two tariff plans offered by the telecom company to its prepaid subscribers, are cheaper than the rates charged by Nexttel.

With MTN Elite, subscriber receives calls at 90 FCFA for the first minute of the day and 75F/s (45 FCFA/mn) the rest of the day on the network. Off-grid, calls cost FCFA 90 the first minute and the same price the rest of the day, or Orange 1.5F/s.

Also, the prices for Orange are lower than those charged by Nexttel. With Orange Plenty, in its classic packages, Fun (250 FCFA), Smart (500 CFA FRANCS) or Relax (1,000 FCFA), the Orange subscriber benefits from reduced communication rates. The subscriber can call at 0,5F/s (30 FCFA/min) to all networks and at 0.55F/s (33 FCFA/min) for international calls. With the offer Family numbers Nexttel will offer calls to five favourite numbers at 0.65F/s (39 FCFA/min) between Nexttel subscribers, and 0.75F/s (45 FCFA/min) for favorite numbers from other networks. These calls are free on the competition's network.

MTN Cameroon signs partnership with Manchester City FC

The Cameroonian subsidiary of the South African mobile phone provider recently signed a partnership agreement with the Manchester City Football Club (Manchester City FC), the English champion.

The agreement which is a part of the new Yep programme will enable the mobile phone operator to use the image of the English club for its promotional campaigns.

With this partnership, "*we can use Manchester City players in our campaigns or promotional activities that we wish to conduct; we can have our clients experience being in Manchester City in England. Lastly, we will have mobile content. Once subscribed, MTN customers will be able to receive alerts on goals, and both audio and video content on the club,*" explains Bouba Kaélé, Sponsorship and Event Manager at MTN Cameroon.

Tom Glick, Chief Business Officer at Manchester City, indicated that, in return, the partnership provides the British Club with "*a wonderful opportunity to develop strong ties to the Cameroonian people who are knowledgeable and passionate about football. We are delighted to be collaborating with MTN Cameroon, a strategic partner in Africa that is known for its innovative, simple and accessible communication solutions which have made it a telecommunications leader in Africa.*"

Orange Cameroon awards 3 proposals for ICT project solutions using its API

Part of a contest called "API Challenge", the mobile operator, Orange Cameroon, just awarded three young Cameroonian project leaders in the field of ICT for projects on "*Applications Programming Interface (API)*," solutions developed by the telecom company.

The contest winners pocketed, respectively, 1 million CFA francs for the first prize and 500,000 CFA francs for the 2nd and 3rd prize.

The best project called "Echelon Fast Travel", was presented by Franklin Fofé, and consisted of the development of an application to purchase travel tickets via Mobile Money or internet, using the interface of API Orange Cameroon.

The other two projects, are respectively, a tutoring service online called "Smart's Cool" and an application for securing and managing vehicles created by a startup called Kiama Electronics.

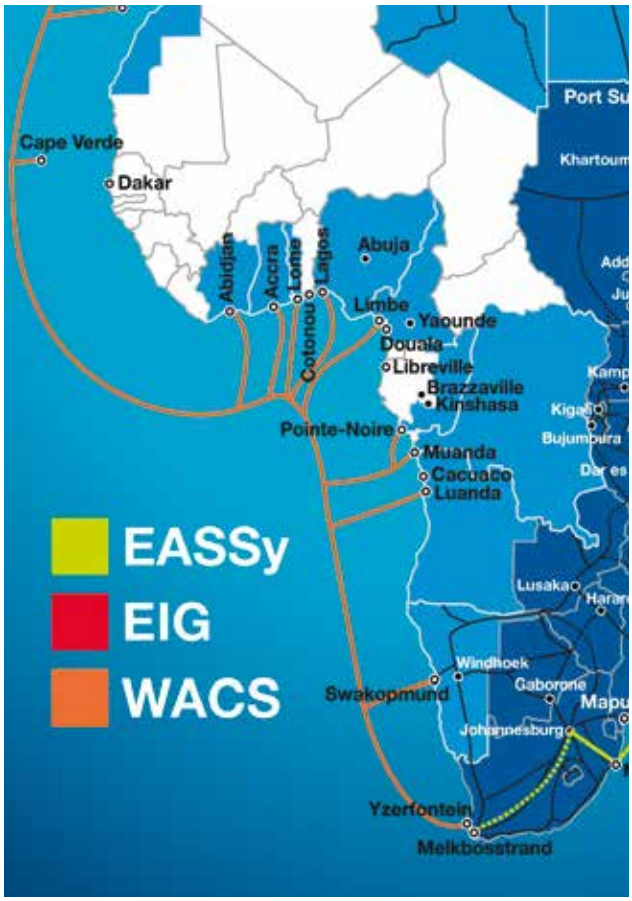
The new telephone numbering system in Cameroon to go to nine digits in November 2014

Originally scheduled to occur in 2013 then postponed to the first quarter of 2014, the switchover to the new 9-digit system in Cameroon should take place in November 2014 according to the Telecommunications Regulations Agency (TRA).

According to our sources, as a part of this change, all three mobile telephone service providers (the third largest provider is slated to launch this 18th September) will now start their numbers with 6 while the public provider will use 2 and 3.

Now Cameroon will undergo its third numbering system in 13 years after moving from 7 digits in 2001 to 8 in 2007. This demonstrates the dynamism of the nation's mobile service sector which has over 16 million mobile subscribers and 220,000 landline users.

The Cameroonian government hands over WACS submarine cable to Camtel



The public telecommunications company, Camtel, has officially acquired the land entry point for the WACS fibre-optic cable built by MTN and later given to the State of Cameroon. This took place at a September 4, 2014 ceremony in Batoke, near Limbe, in the South-West, chaired by the Minister of Postal Services and Telecommunications, Jean Pierre Biyiti bib Essam.

Through the retrocession of this infrastructure, which signals the imminent start of service, the Minister of Postal Services and Telecommunications announced that he was hoping for not only an improvement in internet and phone services, but also cost reduction as well as the development of activities such as e-commerce, telemedicine and e-learning.

The WACS is the second submarine fibre-optic cable that Camtel manages after the SAT 3. It is 14,500 km and has a capacity of 5.2 TBPS for a wave length of 40 GBPS. The cable's land entry point has been estimated by the Axxis firm to be over 2 billion FCFA.

FINANCE

SCB Cameroon prepares a bond loan of 150 billion FCFA for the government

Société commerciale de banque (SCB Cameroun) is currently arranging a 150 billion FCFA bond loan for the Cameroonian government. According to reliable sources, the fundraising operation will be launched in October 2014.

Following a call for tenders made in July, the Moroccan banking group, Attijariwafa, was selected to conduct this new fundraising effort, beating-out an Ecobank Cameroon consortium.

This is the second such undertaking by the Cameroonian government with the SCB in a year, after the 50 billion FCFA bond loan last year which was quite successful, bringing in 80 billion FCFA in total subscriptions.

Last year, SCB Cameroon also arranged an 85 billion FCFA bond loan fpr the government of Chad in order to raise the financing required to build the Ndjamena business district in Ndjamena, Chad's political capital.

The new fundraising effort being arranged by SCB Cameroon is a direct outcome of the recommendations made in the 2014 State budget which provided for the raising of 180 billion FCFA by way of Treasury bonds.

After the 10 billion FCFA raised on the BEAC securities market in August and the 150 billion FCFA that the Treasury Department is preparing to raise on the Douala Stock Exchange (DSX), the Cameroonian government has a 20 billion FCFA margin left.

Cameroun seeks another 10 billion FCfa on BEAC

On September 3, 2014, Cameroonian Treasury Department will issue Treasury bills amounting to 10 billion FCFA on the Central African States Bank securities market (BEAC). This was announced in a press release by Delegate Minister to the Minister of Finance, Pierre Titti.

These short term debt securities will have a maturity of 26 weeks. Subscriptions can be done at the 13 State-approved primary dealers in the CEMAC zone.

In theory, this is Cameroon's last operation on the securities market for the third quarter of 2014. In total, the State has raised some 50 billion FCFA in the last three months, including 10 billion FCFA using Treasury bonds with a 2-year maturity.

Since the start of 2014, the State of Cameroon has had a perfect track-record on the BEAC and has been moving towards its budgetary target of 100 billion FCFA this year using successive issuances of Treasury bills. After the 10 billion raised last august by bond issuance, a bond loan of 170 billion FCFA remains before the end of the current budgetary period.

Moroccan Wafa insurance creates Cameroonian subsidiary

The Wafa insurance company out of Morocco, a branch of the Attijariwafa banking group, with one billion FCFA of social capital, called Wafa assurance Vie Cameroun. This was announced by the Cameroonian government daily paper on September 9, 2014.

This Moroccan insurance company is now the 22nd insurance company in Cameroon, 2nd of the 14 markets of the CIMA (the Inter-African Conference on Insurance Markets) behind Cote d'Ivoire, after withdrawing the approvals previously granted to Samiris and Alpha insurances.

In March 2014, the Moroccan group had announced its plans to enter the Sub-Saharan African market (Cote d'Ivoire, Cameroon, Gabon, Congo), creating Greenfield, without buying or participating in the existing companies.

Wafa is planning to duplicate what it has done in Tunisia in West Africa and Centre, where, using Attijariwafa Bank's network in Tunisia, it successfully made 89.6 million Moroccan dirhams and was able to claim 7% of the market.

In Cameroon, Attijariwafa Bank took over the SCB Crédit agricole banking network for three years and has been making a name for itself by opening a lot of new agencies to ensure more national coverage. As in Tunisia, this network should be an excellent springboard for Wafa assurance Vie Cameroun.

"*Sonara shouldn't worry the Cameroonian banking community*"

BEAC governor, Lucas Abaga Nchama, has suggested that "*the Cameroonian banking sector's situation*" up to July "*was satisfactory overall. Most banks have been maintaining the reserve ratio. Sonara shouldn't worry the Cameroonian banking sector.*"

The governor of the central bank of the six member states of the Central African Economic and Monetary Community (CEMAC), which comprises Gabon, Congo, Chad, Cameroon, Equatorial Guinea and the Central African Republic, gave this assurance on September 3, 2014 in Yaoundé during a press conference organised in the margins of the Central African Financial Stability Committee's inaugural meeting. .

Lucas Abaga Nchama was responding to a question about the risks associated with Société nationale de raffinage (Sonara), the Cameroonian public company which is almost unable to pay its bills due to low revenue as a result of the caps placed on oil product prices at the pump from 2008 to 2014 which made local banks scramble as the energy company is one of the largest borrowers.

ENERGY

Cameroonian electrical company, AES Sonel, renamed Eneo after going to Actis

The electricity company, AES Sonel, was officially renamed as Eneo Cameroun SA (Energy of Cameroon) on September 12, 2014 at a ceremony held in Yaoundé, the Cameroonian capital. The name-change follows the British private equity investment firm, Actis, taking over all assets of the American company, AES, in Cameroon's electricity sector by way of AES Sonel.

When announcing the new name, the Minister of Energy and Water pointed out that this was the first time since 1974 that the abbreviation SONEL (for National Electricity Company) has been completely removed from the company's name (AES had added its name to the pre-existing SONEL name when it acquired it). According to the Minister, this indicates "*a total separation*" from the national electricity company which should mean a complete change in the quality of service as well – a lack frequently lamented by Eneo customers.

"*We have to be a part of the solution to the Cameroonian people's problems instead of adding to them,*" stated the company's Managing Director, Joël Nana Kontchou, explaining the new name. "*The E means energy – available, quality energy. Neo means new – new in how customers are treated and also in our operational approach,*" he went on to explain, adding that the company plans to give Cameroonians "*a new, positive experience.*"

On May 27, 2014, AES Sonel invited suggestions for a new name for the

company. The managing director stated that 12,300 suggestions were submitted, of which 8,896 were found to meet the criteria (relating to the country's national heritage and also shore and easy to read). Three finalists were selected, taking home 2 million FCFA – one million FCFA for the winner and 500,000 FCFA for each runner-up.

Bowleven Plc extends farm-out agreement for late October in Etinde to Lukoil and NewAge

The natural gas and oil exploration group, Bowleven Plc has extended to October 31, 2014 its farm-out agreement, to Lukoil and NewAge, by 50% in the Etinde permit, a collective of three offshore blocks covering 2,316 km2 in Cameroon.

The farm-out agreement, concluded in June at 35.7% for Lukoil and 12.5% for NewAge, has been extended to meet the transaction's residual conditions, as the London stock exchange oil group explained on August 26, 2014.

What now remains is the Cameroonian government's approval for the transfer of the shares and the operator's status following the farm-out transaction involving around 250 million dollars.

"*We have made remarkable progress towards completing this farm-out agreement,*" stated Kevin Hart, Managing Director of Bowleven, hoping to have the the Cameroonian government's approval to seal the deal which, he adds, "*will facilitate our plans to promote Etinde.*"

Bowleven Plc will go from 75% interest to 25% while NewAge will reach 37.5% which will make it an Etinde operator through its subsidiary Camop.

Domestic gas in Cameroon gobbles up 106 billion FCFA in subsidies over 5 years

According to the Hydrocarbon Fuel Price Stabilisation Fund (CSPH), in the last five years, Cameroon has imported 259,000 metric tonnes of domestic gas for local consumption.
The shipments brought in to fill the production deficit of Société nationale de raffinage (Sonara), which only produces between 10,000 and 15,000 metric tonnes (subsidised by the State and not by CSPH) for a demand estimated at 80,000 metric tonnes, cost the CSPH 106 billion FCFA in subsidies for the imported domestic gas.
Indeed, based on the real price for this product, a 12 kg cylinder would cost the consumer 11,200 FCFA compared to the official price of 6,000 FCFA adopted in 2006, which was raised on July 1 to 6,500 FCFA.
According to the CSPH, domestic gas is subsidised by the government because it is a tool against desertification in the northern region (where the use of wood for heating is harmful to the environment) and deforestation in the southern region of Cameroon.

Globeleq creates subsidiary in Cameroon to manage the Kribi and Dibamba electrical plants

During the last board meetings of Kribi Power Development Corporation (KPDC) and Dibamba Power Devlopment Corporation (DPDC) held on September 5, 2014 in Paris, Globeleq, which took over the assets of the two parent companies of the Kribi gas plant (216 MW) and the Dibamba oil plant (86 MW) in Cameroon announced the creation of Globeleq Cameroon Management Services (GCMS), a company registered in Cameroon that will "*supervise the management*" of KPDC and DPDC.
Fully owned by Actis, the British private equity firm, which itself bought all of AES Corp's assets in the Cameroonian electricity sector in 2013, the new managing firm for KPDC and DPDC announced the appointment of Frédéric Didier Mvondo, former Managing Director of the DPDC, as Managing Director of the new Cameroonian subsidiary.
Present in 26 countries in Africa and in the Americas, Globeleq, with 500 billion FCFA in assets (1.3 billion dollars), participated in the production of close to 14,000 MW of electricity around the world since 2002. In Cameroon, the energy company will produce a little over 300 MW (over 20% of national production) which will continue to be sold to the public electricity company, AES Sonel, whose name-change after being acquired by Actis was made official on September 12, 2014.

Cameroon: the Kribi and Dibamba plants have brought in 14.2 billion FCFA in 2013

The Kribi Power Development Corporation (KPDC) and Dibamba Power Development Corporation (DPDC), which respectively manage the Kribi gas plant (216 MW) and the Dibamba oil plant (86 MW), made cumulative profits of 14.2 billion FCFA in 2013, announced a release approved by the boards of both companies held in Paris on September 5, 2014.
With its 216 MW capacity, the Kribi gas plant brought in 8.7 billion FCFA while the Dibamba plant brought in 5.5 billion FCFA to DPDC.
The 302 MW of electricity generated by the two plants now run by Globeleq (100% owned by Actis) are mainly provided to Eneo, Cameroon's public electricity provider after being acquired from AES Corp by Actis in late 2013.

TRANSPORT

DIT adds 4 gantry cranes to ease congestion at the port of Douala

On September 12, 2014, concession owner of the container terminal at the port of Douala, added four new gantry cranes built by the Finnish company Konecranes, the global leader in shipping and handling machinery.

Representing *"an investment of 4 billion FCFA, this equipment falls within the measures taken by DIT to ease congestion at the port of Douala,"* explained the company in a release. Indeed, *"these gantry cranes are going to speed-up truck and ship deliveries. They are going to make DIT more competitive, thus enabling the port of Douala to continue playing an essential role in the socio-economic development of Cameroon, Chad and the Central African Republic. With the support of the government, the National Port Authority, the Directorate General of the port of Douala and various players within the port sector, less traffic is on the way,"* stated Hamadou Sali, the Chairman of the Board at DIT.

Indeed, the container terminal operator of Cameroon's largest port has sadly been facing an unprecedented traffic jam for almost a year. *"To date, the export and import occupancy levels at the container terminal are respectively 67% and 89% compared to 147% in May 2014."*

In order to improve its performance, DIT has announced that *"the board meeting in April 2014 approved the purchase of a third gantry crane"* which is currently in the process of being acquired.

Equatorial Guinea suspends national airline's flights to Cameroon

In an August 30, 2014 release, the Managing Director of the Equatoguinean airline, Ceiba International, Siméon Esono Alogo Nchama, announced the suspension of Malabo-Douala-Malabo and Bata-Douala-Bata flights "*until further notice*".

According to Equatoguinean authorities, this additional measure, which comes after the suspension of air travel between their country and most countries of West Africa in an effort to stem the spread of the Ebola epidemic.

Indeed, although no cases have been suspected or declared in Cameroon, its neighbour Nigeria has already confirmed 18 cases of the haemorrhagic disease which has officially killed seven people in that country, five in Lagos and two in Port Harcourt.

From the official confirmation of the first Ebola case in Nigeria, Cameroonian authorities had also announced the closure of the 1,500 km border that separates the two countries.

Five months of auctions to free-up the port of Douala

From August 27, 2014 to December 20, 2014, Cameroonian Customs will be carrying out a vast auction of products abandoned by importers at the port of Douala and which have been cluttering the port, thus contributing to its congestion for several months.

Indeed, in addition to a cement shipment imported by way of financing from Crédit foncier du Cameroun (CFC) and abandoned at the port of Douala since January 2010, the port has also been turned into a storage area for many importers who do not respect the maximum of 11 days for merchandise to remain at the port.

To this effect, a press release dated August 14, 2014, Douala International Terminal (DIT), the container terminal concession holder revealed that "*efforts to improve and get back to normal (at the container terminal) were slowed by the bottleneck created by the high number of containers abandoned by importers for more than 90 days at the terminal (more than 1,800 PVR containers) and the equally high number of local company containers remaining on the premises for more than 30 days.*"

MINING

Turkish company, Eren Holdings, to build cement factory in Cameroon

On September 9, 2014, the Managing Director of the Turkish company, Eren Holdings, Abut Ozsezikli, signed an investment agreement with the Cameroonian government for the construction of a cement factory through its local subsidiary, Medcem Cameroon.
The cement factory, which will have tax exemptions from the April 18, 2013 Private Investment Act during its start-up and operational phases, should be operational in 2015, stated the promoter. Initially, the facility will have a capacity of 600,000 tonnes.
The cement factory, for which the cost has not been revealed, will join the French group, Lafarge on the Cameroonian market - the French company that currently produces 1.6 million tonnes through Cimencam, its local subsidiary. It will also find Moroccan company Addoha, which operates in the country under the CIMAF brand and produces 500,000 tonnes and the Nigerian group Dangoté, which has finally announced the opening of its cement factory in Douala in October 2014 with an initial production capacity of a million tonnes.
The national demand for cement in Cameroon is currently estimated to be 2.8 million tonnes per annum. It has grown quickly in the last five years (it was only 1.6 million tonnes before 2010) due to the start of major infrastructural projects in Cameroon and is officially projected at 8 million tonnes by 2020. This quantity should be easily supplied by all the other cement factories being created in the country.

Cameroon: British IMIC Officially Takes Possession of the Nkout Iron Project

According to a legal notice published on September 15, the Cameroon Mining Exploration Company (Caminex), a subsidiary of the British junior Mining company Affero Mining, which revealed the Nkout iron deposit in the southern region of Cameroon, sold all of its shares in the project to the British company International Mining and Infrastructure Corporation (IMIC), run by by the Mauritanian Ousmane Kane.
The official transfer of assets has led to the appointments of Ousmane Kane and Mouhamedoune El Khalifa Beyah to the positions of Chairman and CEO, respectively, of Caminex, and also to a capital decrease of nearly 50% from 101.5 million CFA francs (USD 198,510) to 51.5 million CFA francs (USD 100,721).
Confirmed by notarial acts on 17 June 2014, the deal is the embodiment of a resolution adopted on September 16, 2013 in Vancouver, Canada. Indeed, during the Affero Mining General Assembly held that day, shareholders voted at 97% for the decision to sell a 100% stake of the mining company IMIC.

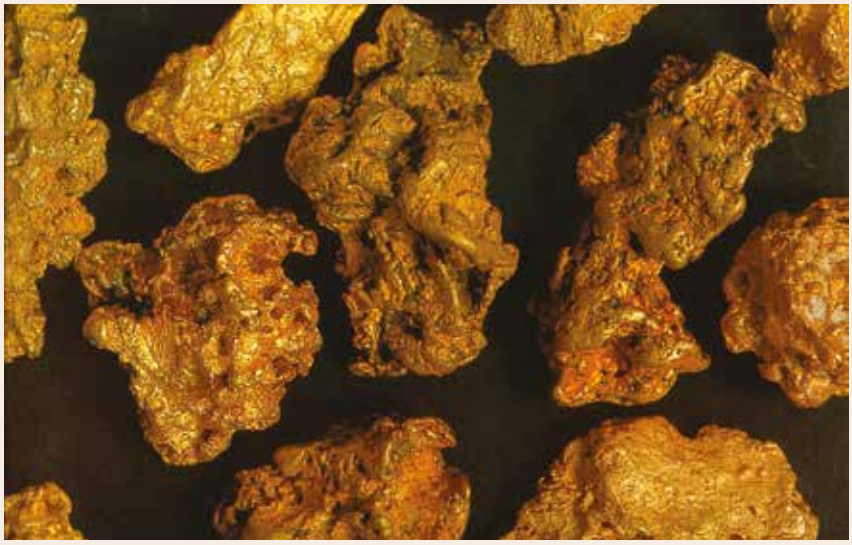
IMIC, which specializes in iron mining in Africa, has officially taken ownership of an iron ore deposit with an estimated 2 billion tons, potentially expandable to 4 billion tons.
Located 27 km from the town of Djoum, in southern Cameroon, the Nkout iron ore deposit is billed as the largest in Cameroon compared to the iron deposit in Mbalam shared by Congo and Cameroon, whose potential is estimated to be 3 billion tons.

Russian billionaire Bogolyubov injected 18 billion CFA francs in the Mbalam iron project

Ukrainian billionaire Gennadiy Bogolyubov is investing 18 billion CFA francs (40 million Australia dollar) in Australia's Sundance Resources Ltd, which is looking to finance its 4.6 billion dollar iron ore project in central Africa.
Bogolyubov is making the investment through his vehicle Wafin Ltd. Portuguese contracting company Mota-Engil Africa in June reached an agreement with Sundance to construct 580 kilometres of rail line and a port at Lolabe in Cameroon to support its Mbalam-Nabeba iron ore project, which straddles Cameroon and Congo-Brazzaville

Financing of the estimated $3.5 billion in infrastructure costs and another $1.1 billion to build the iron ore mine is still pending.

A billion FCFA to fight gold trafficking in Cameroon in 2014



For the 2014 fiscal period, the Cameroonian government has provided the small-scale mining support framework, CAPAM, with one billion FCFA for the purchase of gold mined by small-scale miners, particularly those from the East region of Cameroon. This development was revealed by Jean Marcel Essomba, the CAPAM Coordinator.
A programme financed by the Cameroonian government with HIPC funds, CAPAM was created and placed under the auspices of the Ministry of Mining in order to channel the 100 kg of gold officially produced in that country, of which 90% is lost along the way to the black market due particularly to traffickers invading mines.
To do this, CAPAM's offices in production zones are now to buy the gold from small-scale miners, group them in the GIC and encourage them to help each other by creating community funds. CAPAM is also involved in community development such as building schools. These efforts aim to prevent small-scale miners from being tempted to turn to traffickers to meet their financial needs.
In order to amass gold reserves at the Treasury Department, a few years ago, CAPAM launched an operation called "Gold". This project should get a boost this year thanks to a recent government decree authorising CAPAM to take, on site, 15% of all miners and industrial entities operating in the nation's gold mines.

Chinese mining companies create association to defend interests

The first heads of the Chinese mining association were formally introduced on August 30, 2014 in Yaoundé in the margins of the introductory ceremony for the new members of the China-Cameroon Chamber of Commerce.
This association of Chinese mining companies not only aims to defend Chinese interests in Cameroon, but also to inform its members about mining regulations in effect in the country.
The Cameroonian government has accused foreign mining companies of disregarding applicable laws, particularly by destroying the environment and operating illegal mining fields.
Last March, during a site visit, Margueritte Ndeh, the Departmental Mining Delegate for Lom and Djerem, in the East, found five Chinese mining companies in breach of the law. These were Gipo Mining, Ging Ma SA, D'or de lion, Danshang Ming and Fuhaï Ming, which were immediately compelled to conform to mining laws in place.

INDUSTRY

Cameroon is "*Diageo's 4th largest market worldwide,*" according to the group's president for Africa, Andy Fennel

While visiting Cameroon, the president of UK-based Diageo's Africa division, Andy Fennel, stated that Cameroon is a strategic market for the brewery as it is its "*4th largest market worldwide*".

Cameroon is also Diageo's number 2 market in Africa, right behind Nigeria, which is the continent's economic leader with a market comprising some 120 million consumers.

It is certainly to strengthen Cameroon's position in its portfolio that Diageo is undertaking several projects to develop its activities in that country. These include reducing the importation of raw materials by encouraging the cultivation of cereals such as soy.

Indeed, the local subsidiary of the brewery has just signed a procurement agreement with the Cameroonian government to increase corn, cassava and sorghum production.

Cameroon-Nigeria: a portion of the 382 milliard FCfa in trade now threatened

On August 18, 2014, in order to defend itself from the Ebola epidemic which has been raging in West Africa with some cases diagnosed in Nigeria, the Cameroonian authorities have decided to close its borders with the African continent's top economy. With a market of some 170 million consumers, Nigeria is Cameroon's leading supplier (22% and 17.8% of imports in 2011 and 2012) with trade amounting to 382 billion FCFA per annum, according to the Cameroonian Minister of Trade, without counting contraband trickling across the 1,500 km of shared border between the two countries.

Ten days after this decision to close the borders, complaints are already mounting. "I was supposed to go to Nigeria to renew contracts with my suppliers, but I can't go now because of the government's decision," stated Christopher Lena, Vice-President of the Camp Yabassi Nigerian business men in Douala – a locale where Nigerian car part imports are sold in high volumes. "*I put in orders to Nigeria. Unfortunately, they have not arrived as yet because of the borders being closed,*" states another Nigerian national. Indeed, car part distributors are worried about running out of stock in the coming days. The same goes for dealers in electrical appliances, beauty products, detergents and many popular imports from Nigeria that flood the Cameroonian market. At the same time, the sale of oil products in the northern region of the country, usually supplied primarily by Nigeria, is expected to also be hit.

Cameroonian farmers who trade with Nigeria, and mainly "okok" producers – a vegetable that is highly prized in Nigeria and also has a solid market in Cameroon, have good reason to be worried. Aluminium du Cameroun (Alucam), owned by Rio Tinto Alcan, and its Alubassa and Socatral subsidiaries which are major providers of aluminium utensils and sheets to the Nigerian market also have cause for concern.

Cameroon Development Corporation encouraged to diversify products to regain financial balance

The Cameroon Development Corporation (CDC), the public agro-industrial company that works in banana desserts, hevea and oil palms in the South-West region, is currently in financial difficulty partially due to the decrease in the price of rubber on the international market. This was revealed by the Minister of Agriculture, Essimi Menyé, when announcing the appointment of Mutanga Benjamin Itoé on August 18, 2014 as the company's first board chairman.

In an effort to improve returns from its traditional sectors the Minister of Agriculture encouraged the new board chairman to work on rejuvenating plantations and its aging workforce. The CDC is the second largest employer in Cameroon after the State, with a total of 22,000 employees compared to 200,000 in the government service.

"*18 Cameroonian companies are already in China*," says Chinese Deputy Minister Liu Yuting

On September 10, 2014, following a meeting with the Cameroonian Minister of Trade, Luc Magloire Mbarga Atangana, the Deputy Minister of State Administration, Industry and Trade for the People's Republic of China, Liu Yuting, indicated that 18 Cameroonian companies are already in China. This was reported by the Cameroonian daily paper.

The Chinese member of government reassured the Minister of Trade who expressed his desire to see more *"Cameroonian products on the Chinese market"* when noting China's return to Cameroon where the market has been literally flooded with products from China.

On September 10, before his host, Luc Magloire Mbarga Atangana, who specified that Cameroon exports mainly cotton, wood and sawn timber to China, the Chinese official encouraged greater awareness among Chinese businessmen for them to process Cameroon products locally and export them to China and the Central African sub-region in order to help *"promote brand Cameroon."*

According to the Economic Affaires Directorate (DAE) of the Ministry of Finance (2013 report on Cameroon's economic, social and financial outlook) in 2012, China became Cameroon's first bilateral customer, being the destination for 15% of the country's exports, outdoing Spain and the Netherlands (consumer of close to 70% of Cameroonian cocoa), which were the country's top two customers in 2011.

Leader of the month

Samuel Foyou: the new Cameroonian industry mogul

He creates companies by the dozen. On August 25, 2014, Cameroonian industry mogul, Samuel Foyou, submitted documents to a Douala city notary for the creation of First Industry Cosmetics (Fico Industry), a limited liability company in which he himself is chairman of the board. The company will focus on *"the manufacturing and distribution of cosmetics, import-export, trade and brand representation."*

The new ambassador for the Cameroonian business community is preparing his debut on the highly competitive cosmetics market, particularly with the massive importation of products from Nigeria, the United States and Spain by way of Equatorial Guinea.

Samuel Foyou is being described by some as the new muse of industry and business in Cameroon.

On July 10, it was a brewery "Société brasserie Samuel Foyou", or in short Brasaf, with 100 million FCFA in capital that the very discreet Cameroonian businessman was creating, adding competition for Brasseries du Cameroun, Guinness Cameroon and Union camerounaise des brasseries (UCB) of the cameroonian billionnaire Kadji of Fosso, three companies that have been sharing the country's beer market.

With its 100 million FCFA in capital, the Brasaf, with very limited information known for the moment, is being controlled by a board of directors chaired by Samuel Foyou himself (as it is the case with Fico Industry) who is being described by some as the new muse of industry and business in Cameroon.

The Cameroonian businessman Samuel Foyou is currently building downtown Douala's first 5-star hotel of his newly created Chrystal Palace chain, already in operation in South Africa.

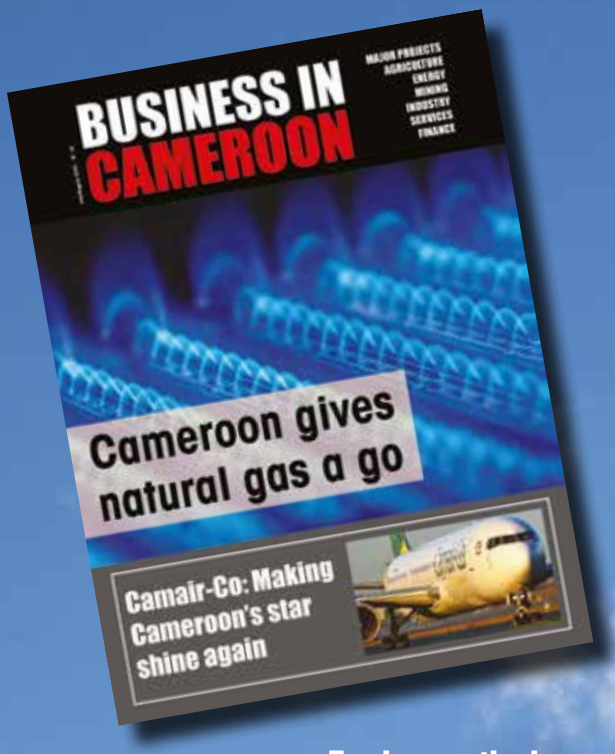
GOOD PAYER

Majority shareholder in Société camerounaise de fermentation (Fermencam), a distillery bought in 2006 from billionaire Victor Fotso, with a 12 billion CFA franc Samuel Foyou recently announced that he requested 2,000 hectares from the State to plant fruit trees to produce natural juice for export.

Samuel Foyou, who made his fortune in trade in Congo and Angola, is also owner of Unalor, a matchstick company also bought from the Fotso group in 2009, Plasticam, Sotrasel (table salt production), Biscuiterie Samuel Foyou (BSF), and the Moore Paragon printery. The Cameroonian businessman is currently building downtown Douala's first 5-star hotel of his newly created Chrystal Palace chain, already in operation in South Africa.

He is presented by some magazine as an economic operator with a tendancy to pay cash outright, even in billion of CFA. His bank accounts in Cameroon, according to Jeune Afrique, have a balance of 30 billion CFA francs these days.

Be a part of building tomorrow's Cameroon



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