

May 2016 - N° 39

# BUSINESS IN CAMEROON

MAJOR PROJECTS  
AGRICULTURE  
ENERGY  
MINING  
INDUSTRY  
SERVICES  
FINANCE



RAIL, ROADS, ENERGY, CONSTRUCTION, MINES  
**Major ongoing projects**

**Rendezvous in Yaoundé  
on 17 & 18 May to “*Invest  
in Cameroon, a land  
filled with opportunities*”**

**Michel Ndoumbe  
Nkeng: coffee,  
cocoa and  
climate change**

# BUSINESS IN CAMEROON .COM

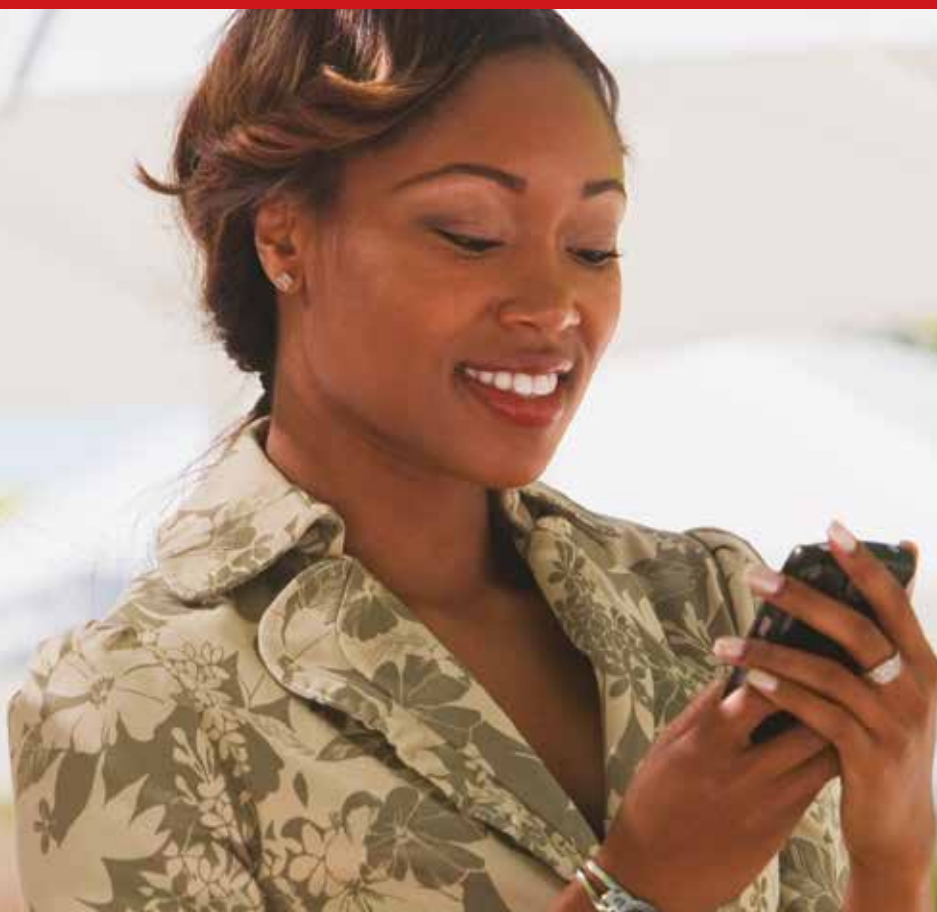
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Yasmine Bahri-Domon



## Meeting in a Renowned Land

**F**or over three years now, our magazine has been encouraging international firms and investors throughout the world to focus on Cameroon. Every month, we offer to our readership a broad range of topics on income-generating sectors in Cameroon which are just waiting to be explored. Over the course of forty issues, in addition to an active online presence, we have been working at revealing the advantages on offer, to investors who would put their assets on stake in the country.

In the same perspective, an international conference with the theme: “Invest in Cameroon, a land of opportunities” will take place in Yaoundé on 17 and 18 May 2016. Organised on the initiative of the President of the Republic of Cameroon and placed under his high patronage, the conference is meant to present to multinationals, decision makers and financiers from Africa and the whole world the investment opportunities available in Cameroon. Is it necessary anymore to present this beautiful country with a vast diversity in climate geography, history and anthropology? Is there still a need to reveal Cameroon, this “miniature Africa” remarkable for its stability and multiple unexplored natural resources? No, because everyone knows about it! But we might as well acknowledge that it is indeed important to recall these numerous structuring projects left dormant while awaiting investments in the different sectors of agro-industry, road, port and airport infrastructure, energy, real estate and urban planning, in the mining industries and new technologies.

It is also crucial to remember that though the Cameroonian government put everything in place to improve the legal setting for investments, it also cleared the business environment through the creation of an Investments Promotion Agency and the promulgation of

the April 2013 Act on incentives for the private sector. The above-mentioned law grants industrial economic operators various tax and customs exemptions over a period covering five to ten years, to facilitate the installation phase of new investors and safeguard their productions. This propitious environment has led to a real flow of investors and the signing of several conventions; but Cameroon needs to move faster in the completion of major economic projects. Everything is set up to boost the performance of companies and multinationals. Everything is available to warrant the success of financial investments, just like the immense natural and human potential offered by Cameroon who is planning to improve its economic growth rate which has been averaging 5.2% since 2013. To achieve its goals, the State has built a steady stream of partnerships with the private sector. All that remains is to create a forum for B2B partnerships to develop the ore deposits of the country, as well as the various industrial opportunities coming from its energy and agricultural development.

The main asset of Cameroon being presented as a *Land of Opportunities* for investments across many sectors is justified by its location and strategic position in Africa. In addition to being the economic leader in the CEMAC (Economic and Monetary Community of Central Africa), the country has access to a potential market of 300 million consumers, if one also takes account of Nigeria, DR Congo and Sudan. During two days of beneficial workshops, experts from around the world will interact with investors... Your free magazine, *Business in Cameroon* lists, in the following pages, the panel of economic experts and urgent projects waiting for financing, to support Cameroon in the completion of its 2035 Vision.



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00 237 77 75 13 98

### **Printing**

Rotimpres, Aiguaviva, Espagne

### **Circulation**

Albert MASSIMB  
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00 237 77 75 13 98

Free – cannot be sold

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# THE CAST



## LUCAS ABAGA NCHAMA



The 2015 final accounts of the Central African States Bank (BEAC) posted a net income of FCfa 160.7 billion, we learned at the end of a meeting of the Ministerial Committee of the Central African Monetary Union (UMAC), which took place on 25 March 2016 in

Yaoundé, the Cameroonian capital. According to the governor of BEAC, Lucas Abaga Nchama, *"this income is the result of a foreign exchange reserves strategy implemented in 2010"*.

In addition to multiplying by six the FCfa 25.1 billion in profit taken in by the BEAC at the end of 2014, the "exceptional" result achieved in 2015 by the issuing bank of the six member-States of the CEMAC is a record, specified Célestin Yanindji, Minister of Finance and Budget of the CAR and current President of the ministerial committee of UMAC. The latter even congratulated the governor of the BEAC and his team, on achieving this level of performance never before reached since the creation of this central bank in 1972.

## CHRISTOPHE EKEN



Christophe Eken officially started on 28 March 2016 his third consecutive term of 3 years at the head of the Chamber of Commerce, Industry, Mines and Crafts (CCIMA) of Cameroon. He was indeed installed on that day by the Minister of Mines, Industry and Technological Development, Ernest Gwaboubou.

A businessman sponsoring projects in the cassava processing sector, Christophe Eken was reelected at the end of the election organised by the executive and regional committees of this consular chamber. For his third term as head of CCIMA, several projects await Christophe Eken, of which chiefly the actual implementation of the Arbitration, Conciliation and Mediation Centre created by this consular chamber last year, to facilitate dispute resolution between economic operators.



## UPHIE CHINJE MELO



The Mission for the Promotion of Local Materials (Mipromalo) in Cameroon tried to establish a partnership with two Italian companies, to set up brick production factories in the country, Uphie Chinje Melo, the Managing Director of Mipromalo, revealed in an

interview given to the public daily newspaper. But, she highlighted, this attempted partnership with the Italian companies Modena Impianti Laterizi and Marchelluzzo Impianti was undermined by *"the very long procedures (in force, Ed.) in establishing industrial units for the development of national resources"*.

However, the MD of Mipromalo explains, the Italian expertise could have extended over the production of bricks, to the production of ceramic objects such as tiles or sanitary facilities. Nevertheless, despite this unsuccessful attempt at establishing links, Mrs Chinje Melo is not losing hope that other European companies will get interested in the material production sector in Cameroon to, according to her, *"tackle the myth according to which Cameroon must remain dependent on imported building materials"*.

## ELISABETH MEDOU BADANG



The Cameroonian subsidiary of the French telecoms group Orange officially presented on 29 march 2016 in Douala, the economic capital of the country, its customer-testing centre. According to Elisabeth Medou Badang, MD of Orange Cameroun, this

system is the concretisation of the *"new corporate identity"* of this telecom operator, whose leitmotif is now, we learned, *"to always be there to connect you to the essential"...*

To achieve this, the company who claims the 3G leadership in Cameroon has installed since September 2015 in the economic capital, a customer-testing centre to, we learned, to better *"structure the systematic process which involves listening to and expressing the opinions of the customers within the decision-making processes and in the monitoring of the activities"*. In short, as Elisabeth Medou stressed, *"the customer-testing centre is (now, Ed.) at the heart of the process when creating offers, products and services at Orange and enables us to have an overall view of the customer experience"*.

## EDGAR ALAIN MEBE NGO'O



On 27 March 2016, while the maiden flight of Fly CamInter had been scheduled at the Yaoundé-Nsimalen International Airport, the airline just launched in Cameroon by a local businessman in partnership with the French group Regourd Aviation, decided to cancel

this first flight due to, we officially learned, *"an administrative problem to be solved"*.

On 30 March 2016, a communiqué from the Cameroonian Minister of Transport, Edgar Alain Mebe Ngo'o, announced the *"suspension"* starting from 24 March 2016 of the activities of the airline *"Equa2C, who intends to operate under the trade name Fly CamInter, for non-compliance with the current regulations"*. Even though no detail has been given so far on the exact reasons for this suspension, it works by postponing the entry of a competitor to Camair Co, the national public airline, who has been facing financial difficulties since the launch of its activities in March 2011.

## ABBA SADOU



The Cameroonian government has just launched an international open restricted call for tenders, to recruit a company who will be in charge of transporting crude oil on behalf of the Société Nationale de Raffinage (Sonara - National Oil Refinery), whose plant is located in the town Limbe, South-West Cameroon.

This contract provisionally of FCfa 37.5 billion, the official communiqué from the Minister of Public Procurement highlighted, Abba Sadou, will be undertaken over a 3-year period starting from the current year of 2016. The companies interested by this service are invited to submit their offers to the Ministry of Public Procurement in Yaoundé, latest by 1 June 2016. The applications, we learned, should be supported by a surety of FCfa 715 million.

# Cameroon, a land full of attractiveness and opportunities



Since last year, not a month goes by without the offices of the Ministry of Mines, Industry and Technological Development hosting a ceremony for the signing of an agreement between the Cameroonian government and local or foreign investors in a hurry to benefit from the key offered to them by the Parliament during its March 2013 session.

This particular key is the legislation relating to private investment in the Republic of Cameroon, promulgated in April 2013. Roughly speaking, this act gives economic operators sponsoring industrial projects various tax and duty exemptions for a period of 5 to 10 years, during the installation phase as well as the production phase of their companies.

However, if one can rejoice about the attraction this law is exerting on sponsors of projects mainly in the food industry and energy sector to a lesser extent, it must be noted that this legal provision does not yet impact the defining projects currently undertaken in the country.

However, if one can rejoice about the attraction this law is exerting on sponsors of projects mainly in the food industry and energy sector to a lesser extent, it must be noted that this legal provision does not yet impact the defining projects currently undertaken in the country. In other words, investors do not seem in a hurry to seize the opportunities offered by this legislation to bring about the implementation of big projects for which the government is still seeking funding.

It is at this stage that one can see the relevance of strategic events such as the International Economic Forum which Cameroon is organising on 17 and 18 May 2015 with the theme: “*Invest in Cameroon, land of opportunities*”. This major rendezvous in which will take part international

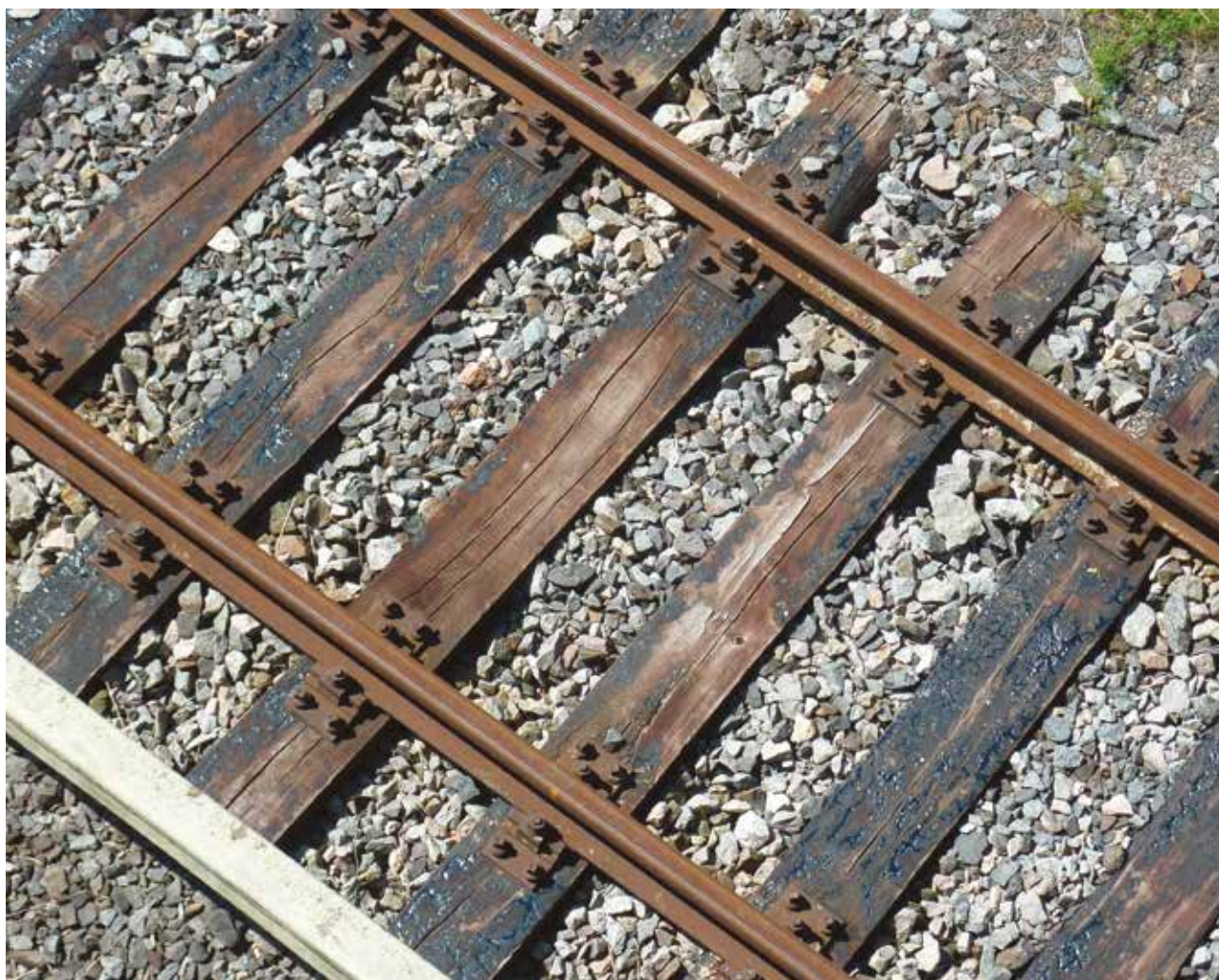
experts, investors from all over the world and big names in the African financial sector, will certainly be a perfect opportunity for the local public authorities to “sell” not only this country with enormous potential, but first and foremost the government’s measures to enable Cameroon take off on the economic level.

In this regard, *Investir au Cameroun*, magazine of the Cameroonian economy, takes the opportunity presented by this primordial investment event to shed some light on current projects in the country, which are still awaiting sponsors from all parts of the world. All for the rise of Cameroon, a country conveniently presented as a perfect fusion of Africa in its whole.

**Brice R. Mbodiam**



# A national railroad master plan of FCfa 15,000 billion to finance



**Scheduled to be launched in 2012, this ambitious program for the construction of railroad infrastructure in the country is stumbling on financial difficulties.**

On 28 April 2011 in Yaoundé, the then-Minister in charge of the Economy, Louis Paul Motazé (he returned to this function in October 2015 after a spell as General Secretary of the Prime Minister's services), officially presented the first version of the national railroad

master plan in Cameroon. This plan, meant to increase the density of the network of currently only 1,000km-long, will primarily, according to the government, help interconnect the country with neighbouring States while opening up the main agricultural and mining production areas.

According to the estimates from the General Directorate of Economy and Public Investments Programming at the above-mentioned

The national railroad master plan which has many other important projects, should lead to a 4.75% increase per year in the gross domestic product (GDP) until 2040.

Ministry, this plan requires a global financing of FCfa 14,976.5 billion. Scheduled to be launched starting from 2012, and this until 2020, the national railroad master plan of Cameroon is facing considerable delays in its implementation, due to lack of financing. Discussions are however ongoing with some partners interested by the projects listed in the plan, and calls for tenders for feasibility studies on some stretches have already been undertaken or launched.

Among the major projects in this plan, is the extension of the Cameroonian railroad to Chad, thanks to the construction of the Ngaoundéré-Ndjamena stretch. This project for which the French logistic group Bolloré has already explicitly shown interest, will cost between FCfa 1,160 and 1,400 billion, according to official estimates.

#### **A PLAN FOR 348,300 JOBS**

Besides this integration project, there is also the one which should catalyse the operation of the mining fields in East-Cameroon, by linking this area of the country to the deep water port of Kribi, built

in the South. This is about the construction of the railroad which will stretch between the Mbalam iron deposit to the city of Kribi, covering a distance superior to 500 km. Discussions between the Cameroonian government and the Chinese company China Ghezouba, on the financing and implementation of this project have recently stalled due to the gloomy international environment on raw materials, particularly iron.

The stretch of railroad between Edéa, Kribi and Lolabé, at the same time strategic and vital to access the deep water port of Kribi from the

economic capital Douala, is still at the feasibility study stage. Funding, to carry out this project is still being sought, even though, once more, the Bolloré group says it is ready to finance it.

Generally speaking, according to the estimates of the Cameroonian government, the national railroad master plan which has many other important projects, should lead to a 4.75% increase per year in the gross domestic product (GDP) until 2040. The project would generate in the short term 348,300 jobs and in the medium term 256,000 jobs.

**BRM**

## **Investment needs in the power sector are FCfa 3,700 billion over 10 years**

**Revelation made by the Managing Director of Eneo, the public service company in charge of electricity in the country while addressing the Cameroonian Association of Employers.**

Since 2012, at least 10 dams and other electric plants are in construction or at the planning stage throughout Cameroon. The most important dam ever built in the country, the Lom Pangar dam in the Eastern region, will be delivered in June, according to forecasts of the Electricity Development Corporation (EDC), the public company operating in the electricity sector. With a holding capacity of 6 billion cubic metres of water, the Lom Pangar dam will have the particularity of ensuring the adjustment of the upstream flows of the Sanaga, the

river on which is, according to the World Bank, "half of the unexploited potential" of the country, slightly over 5,000 MW. In short, Lom Pangar is mainly meant to make possi-

electricity service in Cameroon owned by the British Investment Fund Actis, these investments (production, transport, etc.) to be made in the electricity sector in Came-

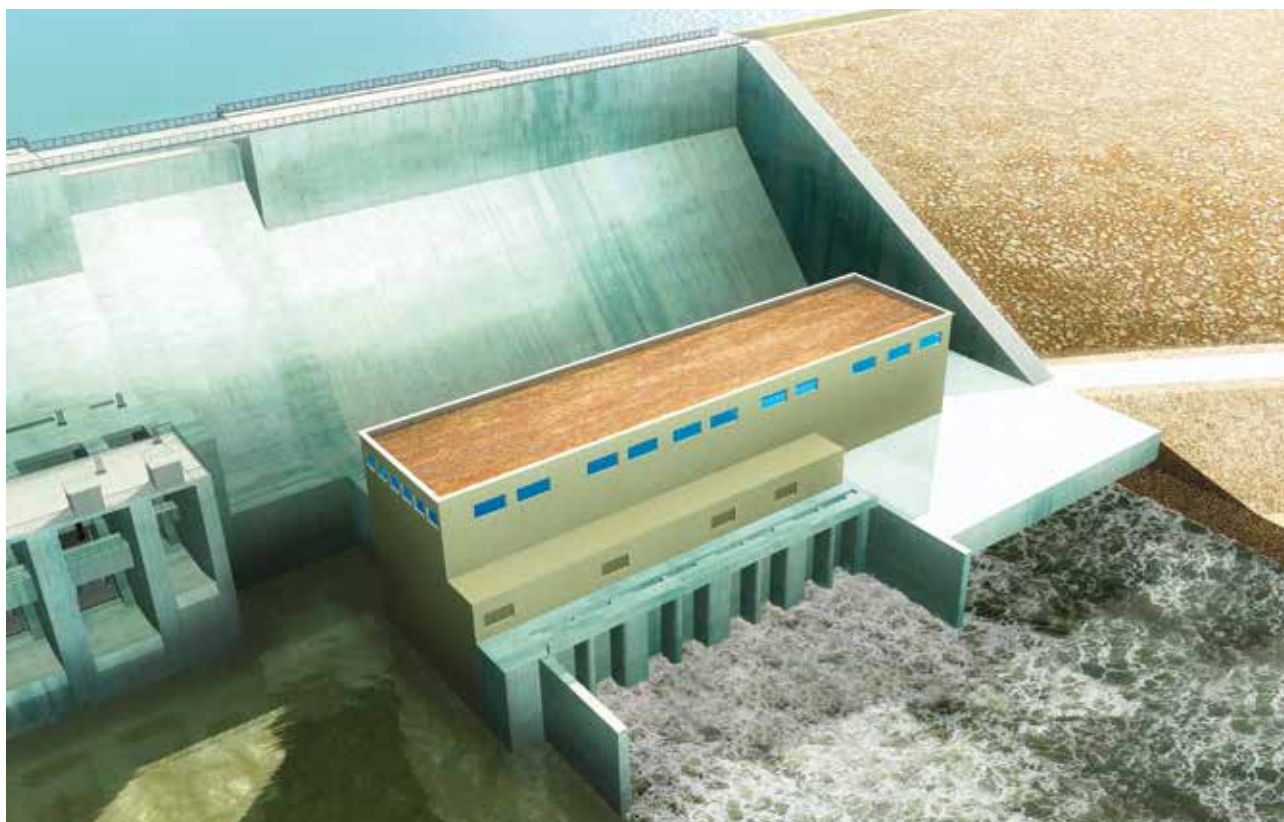
### **Cameroon also remains a wasteland in terms of development of energy projects in the solar, wind and biomass sectors.**

ble the construction of other energy infrastructure on this river which stretches over 918 km.

According to Joël Nana Kontchou, Managing Director of Eneo, concessionary company of the public

room are estimated at FCfa 3,700 billion over 10 years. Out of this global amount, the MD of Eneo specified, while addressing the Association of Employers of Cameroon on 26 June 2015 in Douala, about FCfa 2,500 billion will have





to be invested in the construction of production infrastructure, “for a targeted 3,000 MW of installed power by 2025”, against a little over 1,200 MW currently.

#### **SOLAR POWER, WIND POWER AND BIOMASS: THE LEAST FAVOURED SOURCES OF ENERGY**

FCfa 2,500 billion, this is also the amount necessary to finance the biggest energy infrastructure under planning in Cameroon. It is the Noun-Wouri hydroelectric dam, which will be built at the junction of the Noun (located in the catch-

ment area of the Sanaga) and the Wouri. According to experts, this project which consists in a “transfer of water from the Sanaga basin to the Wouri, will enable the construction of a series of hydroelectric plants with a total installed capacity of 3,000 MW in the final phase”, thus more than double the current installed capacity of the country (1,200 MW).

But while waiting for investors to make up their minds on this gigantic project and many other under consideration in the country, one must take note of the fact that

Lom Pangar is mainly meant to make possible the construction of other energy infrastructure on this river which stretches over 918 km.

Cameroon also remains a wasteland in terms of development of energy projects in the solar, wind and biomass sectors. Officially, these sources of energy barely represent 1% of the energy mix in the country. Indeed despite an insolation of 5.8 kWh/m<sup>2</sup>/day, against only 4 kWh/m<sup>2</sup>/day for Southern Cameroon, Northern Cameroon has no solar power fields. Nevertheless, just like in the South, the Northern populations and companies are intensely affected by power cuts, due to a deficit in the production of electricity.

BRM

#### **LIST OF DAMS AND PLANTS UNDER CONSIDERATION IN THE COUNTRY**

Dams: Chollet (400-500 MW) on the Dja, Grand Eweng (386 MW) and Petit Eweng (230 MW) on the Sanaga, Noun-Wouri (3000 MW) at the confluence of the Noun and Wouri, Mandourou (76 MW) and Mbinjal (66 MW) on the Faro, Lancre-

non (34 MW) on the Ngou, Vogzom (33 MW) on the Vina, Munaya (200 MW) on the Cross-River, Kpaf (300 MW) on the Katsina, Mentchum (15-35MW) on the Menchum. Electric plants: Natchigal (400 MW), Song Mbengué (930 MW), Kikot

(350-550 MW), Njock (270 MW), Ngodi (475 MW), Song Ndong (250-300 MW), Nyanzom (375 MW), Bayomen (470 MW), Mouila-Mogué (350 MW), Bagangté (90 MW).

Source: DSCE



# Yaoundé-Douala-Bafoussam-Yaoundé motorway dream

**The biggest road project of the country started a few months ago. But, the available funds are sufficient for only the first 80 kilometres, out of a global stretch of about 850 km.**

Since the first quarter of 2015, China First Highway Engineering launched the general levelling works on the Douala-Yaoundé motorway layout. This project is meant to build a modern road network of about 215 km between the two main cities of Cameroon.

Funding has been made available by Eximbank of China, through a financing agreement signed with the Cameroonian government on 28 June 2012 in Yaoundé. However, the funds provided by the Chinese public bank are only for the first 80 km out of a layout of 215 km. There is still a need to raise substantial funds to continue the project, after the end of the first phase.

But in truth, according to the Strategy Document on Growth and Employment (DSCE), the compass for the development of the country by 2035, the construction of a highway between Yaoundé and Douala is only a section of the gigantic project which should lead to the connection of the three main cities of the country, Yaoundé, Douala and Bafoussam, through a road loop.

According to the Strategy Document on Growth and Employment (DSCE), the compass for the development of the country by 2035, the construction of a highway between Yaoundé and Douala is only a section of the gigantic project which should lead to the connection of the three main cities of the country, Yaoundé, Douala and Bafoussam, through a road loop.



## DOUALA-LIMBÉ, EDÉA-KRIBI-LOLABÉ HIGHWAYS, ETC.

According to our sources, the layout of the Yaoundé-Douala-Bafoussam-Yaoundé road loop is of approximately 850 km. Considering the current cost per kilometre of highway used by China First Highway Engineering for the first 80 kilometres of the Yaoundé-Douala highway, Cameroon will need about FCfa 2,000 billion in financing to achieve the dream of the road loop. Apart from this huge project, the Cameroonian government has also been working for some months now at building the Yaoundé-Nsimalen highway, which will help provide some relief to transportation between the biggest airport of the country and the capital. But aside from this motorway of only about 20 km, the construction of the Edéa-Kribi (120 km) motorway

is also planned, with the objective of facilitating transportation between the economic capital, Douala and Kribi, a seaside town in the Southern region where the very first deep water port of Cameroon will be operational in the coming months.

The call for tenders to carry out the feasibility studies on this project was launched in January 2015, concurrent with the one on the 100 km-long Douala-Limbé highway, which will link the economic capital to the tourist town of Limbé, in South-West Cameroon. This city will also welcome a cement factory to be built by the Cameroonian-Korean consortium AFKO, as well as a deep water port whose multi-purpose terminal construction works are *"in the start-up phase"*, according to Cameroonian officials.

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# A deficit of 1.2 million low-cost housing to deal with

Since its creation in 1977, the Crédit Foncier du Cameroun (CFC), Cameroon's Building Society, granted loans worth a total of FCfa 261 billion, which helped build 69,500 accommodations and develop over 15,700 zoned plots, this public institution revealed during the inauguration, on 24 May 2014, of the building housing its Ebolowa branch, in Southern Cameroon.

Aside from this spotty record from the building society, the Société

Immobilière du Cameroun (SIC – Real Estate Company of Cameroon), extension of the State in the promotion of low-cost housing, was only able to build approximately 12,000 houses since independence, while the Cameroonian population is well over 20 million inhabitants. Overall result: the deficit in low-cost housing in Cameroon is estimated at 1.2 million units, according to expert Gabin Babagnak, who also pointed out that nowadays, “*Cameroonians*

*spend on average 50% of their income on rent*”.

In other words, the deficit is so blatant and the needs so urgent that low-cost housing in Cameroon has become an excellent investment opportunity. This is proven by the recent tax incentive taken by the government, in order to spur investors to get interested in this sector. Indeed, in the 2016 Finance bill, the State took the decision to reduce the tax on mortgages, to improve access to real estate financing.

# Cameroon's mining sector on standby



Gold, diamond, nickel, cobalt, iron, rutile, bauxite, etc. are buried in the Cameroonian subsoil. In great quantities even according to experts, who agree on the fact that the iron, diamond, cobalt or nickel deposits which abound in the country are of world class. But to date, none of these ores have been mined at the industrial scale. Only gold is truly mined in the Eastern region of the country, but at the traditional

or semi-industrial level, thanks to a mechanisation program of small mines launched some years ago by the government.

All the big mining projects of the country are still at the fundraising stage. Despite the signing of partnerships between foreign junior mining companies and the public authorities, nothing tangible is visible yet on the ground. This is the case of the Mbalam iron project

(though one of the most advanced) or the Nkout iron project; the Minim Martap and Ngaoundal bauxite projects; or the project for mining the nickel and cobalt deposits in Lomié for which the first mining agreement of the country was signed over 10 years ago.

Additionally, all the riches of the subsoil identified in Cameroon are the results of inventories made over only 40% of the country. In January 2014, the Cameroonian government, through the capacity building project in the mining sector, co-financed with the World Bank; launched “*airborne geophysical survey*” operations over an area of 160,000 km<sup>2</sup>.

This survey meant to identify new potential mining areas in Cameroon, but which have never yet been part of the inventory, will bring the proportion of the country actually surveyed to 70%, against 40% at the moment.

# Michel Ndoumbe Nkeng :

## *“Researchers at IRAD are working to develop cocoa and coffee varieties which will be more resilient to climate change”*

In response to a request from Cameroon's Inter-professional Council for Cocoa and Coffee, this Senior Researcher of the institute of Agricultural Research for Development (IRAD) is presently conducting a study on the effects of climate change on both cocoa and coffee. In this interview, he provides preliminary results that his team got and solutions to challenges associated.

*Business in Cameroon:* On March 2, 2016, you have officially presented, in a Hotel in Yaoundé, the preliminary results of your study on the impact of climate change on cocoa and coffee production in Cameroon? How did this project come about?

*Michel Ndoumbe Nkeng:* First, I would like to thank you for the interest you show our study. Everything started with concerns of cocoa and coffee farmers, voiced by the Inter-professional Council for Cocoa and Coffee (CICC). The inter-profession wanted to know what measures to take in face of some challenges they encountered in their farms. These include: hotter weather; longer droughts; irregular rains, arriving either too early or too late, and causing them to no more know when seasons start or end; greater parasite-infestation

*“Data collected during this study will be integrated in modeling frameworks, so that a prediction model for epidemics and an information system (IS) are developed, thus allowing phytosanitary treatments to be given based on a logical procedure.”*



in orchards; cocoa and coffee trees flowering earlier than expected and then flowers dropping suddenly; same trees which appear to “die” of heat; significant decrease in yield, etc.

These concerns were relayed by CICC to the Institute of Agricultural Research for Development (IRAD). Afterwards, a public-private partnership agreement was signed by CICC and IRAD, and according to this agreement, IRAD

was to provide technical expertise while CICC provides funding. So what we had to do was conduct a study to evaluate the effects of climate change on cocoa and coffee production in Cameroon.

To be more specific we were tasked with measuring the challenges that farmers across Cameroon's production basins were referring to; study the curve of climate variables (rains and temperatures) in these basins; study the impact that these weather





variations have on the phenology of cocoa and coffee trees in the basins ; study the relation between climate variables and diseases affecting cocoa and coffee trees, in order to make predictions (modeling).

Work is carried out by a pluridisciplinary team of IRAD's researchers, assisted by trained observers recruited on each of the sites of the study, as well as CICC officials who deal mostly with the legal and financial aspects of the project.

**BC:** During your presentation, you said you started the study with a baseline analysis which you called "reference situation". What major findings did you make in general

and at the agro-ecologic level especially?

**MNN:** Globally, farmers' concerns were confirmed after the assessment of the reference situation which includes among others, unfavorable weather conditions (long droughts, irregular rains, ...). Other findings include the aging of plantations and farmers; archaic cultivation practices for many farmers; inappropriate technical itineraries; insufficient training for farmers.

**BC:** In terms of methodology, how did the study go on field ?

**MNN :** First, we proceeded to the meshing of all cocoa and coffee

*"Globally, farmers' concerns were confirmed after the assessment of the reference situation which includes among others, unfavorable weather conditions."*

production basins in Cameroon. The two-stage stratified sampling method was then applied, the main strata being the agro-ecological zone and the secondary strata the region. Thirty (30) plots were identified across ten (10) sites where were observed various variables, biologic (yield components, diseases and pests) and climate (rain, minimal and maximal temperatures ...).

**BC:** Your study confirms that weather variations have an impact on Cameroon's cocoa and coffee production. How exactly does this happen?

**MNN:** So, what happens is that the trees are water-stressed (a phenomenon which occurs when volume of water evaporating from a plant in any given environment exceeds that which it absorbs), flowers drop abnormally, a great pressure by diseases and pests, all resulting in a significant decrease in yield.

**BC:** Were you able to find solutions to this phenomenon ? If so, which are they ?

***"Pressing measures to be taken include better agricultural practices, such as using improved existing varieties, a better monitoring of technical itinerary, sanitary harvest, direct phytosanitary treatments to plots."***



**MNN :** Works are still ongoing. However, we were able to draw out a few answers. Researchers at IRAD are working to develop cocoa and coffee varieties which will be more resilient to climate change. Data collected during this study will be integrated in modeling frameworks, so that a prediction model for epidemics and an information system (IS) are developed, thus allowing phytosanitary treatments to be given based on a logical procedure. Thing is, we are not there yet.

**BC:** Cameroon has committed to restart its cocoa-coffee industry by raising cocoa and coffee production to 600,000 tons and 185,000 tons respectively, by 2020. Given your findings, regarding the effects of climate change on productivity, what measures should be implemented to insure that these targets are met?

*“So what we had to do was conduct a study to evaluate the effects of climate change on cocoa and coffee production in Cameroon.”*

**MNN:** Pressing measures to be taken include better agricultural practices, such as using improved existing varieties, a better monitoring of technical itinerary, sanitary harvest, direct phytosanitary treatments to plots. For this, farmers must be supported, both financially and through training also.

**BC:** Considering the size of your sampling, can your findings be transposed to the whole of Cameroon's cocoa and coffee production basins, given that weather conditions often vary from one basin to another ?

**MNN:** It is quite pertinent of you to ask this as it is true that for a better representation of our target zones, the sample size should be way larger. But we must make do with what we have. This research is quite expensive. The more the number of sites, the more it will cost. We must thank the CICC for getting the pro-

cess started, but also for providing what it promised when it promised to. Steps are being undertaken to establish new partnerships, which should allow us to increase the size of our sample and subsequently, get more precise results.

**BC:** Finally, referring to your findings, can we conclude that with climate change, cultural practices in agriculture, and in the cocoa and coffee segments especially, will completely change ?

**MNN:** Let me recall once again that works are ongoing. What we presented are just preliminary results. By the end of the coming year, more precise results of this study will be published and then we will know exactly what we are dealing with. For now however, implementing the above-mentioned solutions should help stop the sharp plunge in yields.

**Interview by Brice R. Mbodiam**

# Cameroon to hold International Economic Conference in Yaoundé on May 17 and May 18

Industrials, entrepreneurs, institutional investors and companies, and financiers all over the world interested in Cameroon are invited to take part in the “Invest in Cameroon, Land of opportunities” conference which will take place on May 17 and 18, 2016.

Among the invitees are important personalities like Manuel Barroso, President of the European Commission (2004-2014), Chung Un-Chan, Doctor in Economy and Prime Minister of Korea (2009-2010), Donald Karebuka, President of African Development Bank (2005-2015), Pascal Lamy, Director General of World Trade Organization (2005-2013).

Over the past years, Cameroon has launched many structuring projects in its key sectors which are agro-industry, transport infrastructures, energy, housing and urban construction, extractive industries and new technologies.

Some of these projects such as the Kribi deep water port or various hydro-power plants will be completed soon and provide Cameroon with new perspectives which the government intends to support.

On May 17 will take place meetings and exchanges. Important participants from Cameroon and the world will present Cameroon and share their experiences and recommendations. They will discuss of private sector's role in the country's economic development and give their opinions regarding the opportunities it present, financial mainly.

On the next day, May 18, investors and operational actors will be at the center of the event, and projects will be presented. Closed committee sessions will help discover and discuss top-priority projects that have been selected. This session will be a key moment of the Conference.



## PUBLIC MANAGEMENT

## UEMOA and CEMAC announce the upcoming interchangeability of their FCfa



The Cfa Franc currently in use in the eight countries of the UEMOA zone (Mali, Burkina Faso, Senegal, Guinea Bissau, Côte d'Ivoire, Benin, Togo and Niger) should soon become a de facto currency in the six countries of the CEMAC (Cameroon, Gabon, Congo, Equatorial Guinea, CAR and Chad). The governors of the BCEAO, Tiémoko Koné and BEAC, Lucas Abaga Nchama, assured this on 9 April 2016 in Yaoundé, the Camerooni-

an capital, during the concluding press conference of the biannual meeting of Finance Ministers of the Franc zone.

*"I will not give an exact date, but i will come soon, in order to consolidate the integration" of both our regions, Lucas Abaga Nchama highlighted. "We have worked hard on the subject. Unfortunately, the development of the situation is leading us to take more stringent measures", Tiémoko Koné added.*

Indeed, the governor of the Central Bank of Western African States indicated, while much progress has been made on the path to interchangeability of Cfa Francs from the CEMAC and UEMOA zones, *"the risks have now become more important"*, due to the rise of terrorism in these two areas of Africa and the risks of money laundering.

Thus, we learned, the two central banks are currently working on *"the inter-connection of the payment systems"* of the two regions, in order to avoid the interchangeability of Cfa issued by the central banks of UEMOA and CEMAC countries opening the way to the financing of terrorism and money laundering. *"Soon, we will set up the system", Tiémoko Koné assured.*

## In Cameroon, the logging tax generated FCfa 42.5 billion between 2010 and 2014

The annual logging tax (redevance forestière annuelle, RFA in French), a kind of compensation given by the logging companies to the municipalities and communities living close to the forests, generated a global amount of FCfa 42.5 billion over the 2010-2014 period. According to the distribution of this license fee over the period under consideration, 50% of the amount went to the State, against 20% for Feicom (the bank of municipalities), 20% to the logging municipality and 10% to the populations living close to the logged forests.

According to the 2014 statistical yearbook of the Ministry of Forestry and Wildlife, who revealed these figures, a total of FCfa 4.2 billion was given to

the communities living close to the logging areas. But since 2015, these direct funds which in principle should be used to establish local development projects have been suspended.

Originally, the objection of the neighbouring populations to this new RFA distribution grid proposed since 2015 by the Ministry of Finance. This distribution cuts by half the share of the communities who now end up with 5% of the total amount collected, while the other half is now allocated to the bonuses of the Inland Revenue Authority collection agents.

To support their claims in favour of the restoration of the entirety of the RFA share paid to the neighbouring communities until 2014, the popula-

tions of the logging areas insist that these funds are their main source of income, in that they allow them to undertake local development projects and motivate them to see to the protection of the forests.

But, after careful analysis, the management of this manna appears questionable in many logging areas in Cameroon. The most striking example is that of Yokadouma, in Eastern Cameroon. For years, this logging community, the most important in the country, received between FCfa 700 million and 1.3 billion from the RFA. But, it still remains a big village without water or electricity. To top it all, the communal agents can sometimes go for months without pay.

# Issuance of bonds in the CEMAC zone doubled in 2015, to FCfa 635.8 billion

With the sluggish economic environment strongly impacting in the economies of the Economic and Monetary Community of Central Africa (Cameroon, Congo, Gabon, Equatorial Guinea, Chad and Central African Republic), the public stock market of the common Central Bank of the six above-mentioned countries has become more dynamic. According to statistics revealed at the end of the first meeting in 2016 of the Monitoring Committee of the Regulation and Conservation Unit (CRCT), which took place on 14 April 2016 at the headquarters of the Central African States Bank (BEAC) in Yaoundé, the issuance of bonds by the States doubled in 2015 compared to 2014.

These operations by the Treasuries of the CEMAC member States peaked at FCfa 635.8 billion as at February 2016, against FCfa 312.4 billion for the same period last year. *“This sharp increase in the States resorting to the public stock market fits within an economic context characterised by the tightening of banking liquidity observed since the first half of 2015, in relation with the weak international oil prices in most of the CEMAC economies”*, the BEAC explains in an official communiqué.

Indeed, faced with the drop in world prices for oil, which reduced by 20% (Cameroon) to more than 70% (Equatorial Guinea) the budgets of the CEMAC countries, the States scaled up their operations on the public stock market of the Central Bank, in order to raise the resources necessary to finance the budget deficit. Thus, Cameroon, main player on this market since its creation in 2011, had announced, from January 2015, issuance of bonds to the tune of FCfa 375 billion, against FCfa 160 billion for Chad and FCfa 135 billion for Gabon.

2015 on the public stock market of the BEAC was also characterised by the entry of a new country on the market, being Equatorial Guinea, whose oil revenues represent 85% of the national budget.



Indeed, faced with the drop in world prices for oil, the States scaled up their operations on the public stock market of the Central Bank.

The introduction of this African oil kingdom thus brought to five the number of CEMAC countries operating on the public stock market of the central bank. To date, the only operation expected remains that of the Republic of Congo.

In this economic situation, the public stocks operations on the BEAC market should again grow in volume in 2016.

Indeed, according to the provisional schedules of operations, as communicated by the States to the central bank, according to regulations, the two main players of the market, Cameroon and Gabon, are planning to issue bonds respectively worth FCfa 370 and 195 billion. Thus a total envelope of FCfa 565 billion.

BRM

## Cameroon: Fcfa 90 billion to maintain over 16,000 km of roads in 2016

The Cameroonian Ministry of Public Works has officially launched the 2016 road maintenance campaign. According to the senior officers of this ministry, this year, a budget of FCfa 90 billion has been allocated to the road maintenance works in the country.

Thanks to this funding, of which about half (FCfa 42 billion) comes from unused resources carried over from 2014

and 2015, the Cameroonian government plans to maintain over 16,000 km of roads throughout the country this year, we officially learned.

As a reminder, less than 10% the Cameroonian road network is maintained, due to insufficient resources allocated to the works, Jean Claude Atanga Bikoé, Administrator of the Road Fund, recently confided. Indeed, we learned,

the main source of resources for these works come from part of the special tax on oil products paid by oil products distributors. This licence fee is currently, the Road Fund Administrator said, of FCfa 55 billion per year, while the maintenance cost of a single kilometre of unpaved road, with the network estimated to have 100,000 km (excluding tarred roads), is on average of FCfa 2 billion.

## Cameroon incinerates 3,510 kg of ivory to demonstrate its commitment to fighting poaching

Senior officials at the Cameroonian Ministry of Forestry and Livestock incinerated, on 19 April 2016 in Yaoundé, the capital of the country, a cargo of 2,000 elephant tusks seized by the Land and Forestry officers during different operations fighting against the illegal sale of protected species. According to official estimates, these tusks represent 3,510 kg of ivory, a material whose prices are more and more attractive on the market.

Through this act, we learned, the Cameroonian government is looking not only to demonstrate its commitment to fighting against poaching activities in the country, but also to respecting the different international agreements which it ratified, in terms of fight against the illegal marketing of protected species under threat of extinction.

Among the main endangered species are elephants, with their Cameroonian population reaching 21,000 heads in 2010. This population has considerably diminished nowadays, due in part to the massacres committed by poachers in the Bouba Ndjida national park, in the north of the country, in 2013.

Indeed, between January and February that year, over 250 pachyderms were officially killed in this park by poach-



ers sometimes coming from neighbouring countries. The mobilisation of a special unit from the Camerooni-

an army was needed to put an end to these massive killings of elephants on this protected land.



# Italian Piccini gets a contract of FCfa 163 billion for the construction of a 60,000 seats stadium in Yaoundé

According to the Ministry of Sports, Bidoung Npwatt, the government also made strides on the choice of the contractor of the new Douala stadium, in the suburbs of the economic capital.

The Olembe football stadium, in the suburbs of the Cameroonian capital, will be built by Italian Piccini, for a total amount of FCfa 163 billion, the Cameroonian Minister of Public Procurement, Abba Sadou, revealed on 15

**The Italian group Puccini however claims the global leadership “in the construction of civil engineering works”.**

December 2015. It was during the 5th session of the National Committee for the preparation of the 2016 and 2019 African Cup of Nations, which Cameroon will organise. To the general surprise, the biggest contract of the 2016 and 2019 AfCON did not go to a Chinese company. Though the Cameroonian government did not reveal the origin of the funding which will be used for the construction of the biggest sports infrastructure ever built in the country since 1972, year of the construction of the Yaoundé and Douala stadiums for the organisation of the AfCON that year, we can assume that the funding is not provided by China.

The recipient of the contract for the construction of this open stadium of a capacity of 60,000 seats, and which will



To the general surprise, the biggest contract of the 2016 and 2019 AfCON did not go to a Chinese company.

certainly be inaugurated on the eve of the 2019 AfCON; is a company totally unknown in the country. The Italian group Puccini however claims the global leadership “in the construction of civil engineering works”.

## DOUALA

In the corridors of the National Committee for the preparation to the Africa Cups of Nations, the contract for the construction of a new stadium in Japoma, in the suburb of the economic capital, is also announced as sealed. If it is for the moment difficult to know to which company has been awarded the contract for the construction of this infrastructure which will host the matches of the 2019 AfCON, one can however remember that during a site visit in

October 2015, leaders of the committee and from the Ministry of Land Affairs were accompanied by Chinese entrepreneurs.

## BAFOUSSAM

In Bafoussam, in the Western region, a brand new stadium has already been built in Kouékong, a city bordering the Mifi and Noun departments. According to initial forecasts, this infrastructure should have been delivered in October 2015, but will be finally received in early 2016, we learned from reliable sources. With a capacity of 20,000 seats, the Kouékong open stadium was built by a Chinese company, thanks to a loan from the Chinese government of over FCfa 9 billion.

BRM

# Cameroonian government bans 122 local companies from public procurement

The Cameroonian government, through the Ministry of Public Procurement, has banned 122 local companies, for a 2-year period, from entering into public contract due to their failure noted while carrying out State commissioned contracts, for some since 2013.

Among the failures observed, the Ministry of Public Procurement listed

abandoning work sites, delivering un-completed works and late submission penalties of over 10% of the amount of the contract.

Apart from these exclusions, no other sanction taken against these companies was revealed. As usual, with such bans, the management of the affected companies simply change the name of their

companies or the seniors managements, to re-enter the public procurement process.

In 2015, 146 companies were already banned from accessing any process to bid for public procurement contracts in Cameroon, due to “*fraud, corruption, swindling and misappropriation of public funds*”.

## Moroccan company ONEP could lose its contract for the distribution of drinking water in 2017



The Moroccan consortium led by the Office National de l'Eau Potable (ONEP) and which includes the Moroccan companies MedZ, Delta Holding and the public engineering consultancy firm Ingema, may soon lose its lease contract in Cameroon. This is what the local press revealed on 14 April 2016, supported by a correspondence dated 28 March 2016, in which the General Secretary of the Office of the President reports to the Prime Minister, the instruction from the Cameroonian Head of State, Paul Biya, who does not wish this contract renewed.

Given that the presidential instruction is for a “*non renewal*” and not a cancellation of this 10-year contract, in principle it is in December 2017 that this decision

should come into play. Indeed, though it officially launched its activities in Cameroon on 2 May 2008, it was in December 2007 that the Moroccan consortium led by ONEP signed its contract with the Cameroonian State, and thereby created the Camerounaise des eaux (CDE), local company through which it operates in 105 towns in the country.

The Moroccans had previously been declared winners of this contract in September 2007, as part of the privatisation of the Société nationale des eaux du Cameroun (SNEC). ONEP and its partners were then chosen over other renowned operators such as Veolia.

The desire of the President of the Republic of Cameroon to not have this contract renewed comes in a context of drinking water shortage in Cameroon. The phenomenon became more acute these past months in two main cities of the country, Douala and Yaoundé.

The non-renewal of the contract with CDE, local subsidiary of the above-mentioned Moroccan consortium, should put an end to the cleanup started by the Cameroonian authorities in the drinking water production and distribution sector, after the dismissal on 8 February 2016 of the MD of Camwater, the public company in this sector.

## In June 2016, France will finalise its C2D budget in favour of Cameroon at FCfa 960 billion



Visiting Cameroon during the meeting of Finance Ministers of the franc zone held on 9 April 2016 in Yaoundé, the French Minister of Finance, Michel Sapin, signed, with his Cameroonian counterpart, Alamine Ousmane Mey, a memorandum of understanding on the 3rd Debt Relief Development Contract (C2D). Covering the 2016-2020 period, this ultimate C2D which will be officially signed in June 2016, comes with an envelope of FCfa 394 billion.

This will thus bring to FCfa 960 billion the total amount granted by the French State to Cameroon since 2006, as part of this additional multilateral debt relief initiative coupled with the PPTE initiative from the International Monetary Fund (IMF).

## AGRO

## After the Penja pepper and the Oku honey, are we moving toward the certification of the Ngaoundéré “kilichi”?



“Kilichi”, a dried and spicy meat covered in crushed peanuts, very popular in northern Cameroon, could soon be certified as part of the Support program

for the establishment of geographical indicators (IG in French) of the African Intellectual Property Organisation (OAPI), financed by AFD.

The French ambassador in Cameroon, Christine Robichon, who just attended the signing of the convention for the financing of the 2<sup>nd</sup> phase of this program between AFD and OAPI, for a total amount slightly in excess of FCfa 2 billion, wished for this Cameroonian product, mainly produced in the town of Ngaoundéré, in the Adamaoua region, to be among the beneficiaries of the “IG” certification as part of this second phase of the program.

As a reminder, Cameroon was already the big winner of the first phase of this program. Out of the three certified products, the Cameroonian agricultural sector had featured 2 products: the Oku honey, made in the North-Western region and the Penja pepper, whose price per kilogram has since moved from FCfa 5,000 to 16,000, OAPI specified.

## Agro Ressources will invest FCfa 26 billion in cassava and maize processing in Cameroon

FCfa 26 billion. This is the amount of the investment planned by Agro Ressources Cameroon, to build a cassava and maize processing plant in Batouri, located in East Cameroon. The project will help create over 1,000 jobs.

According to Samuel Diboma, MD of Agro Ressources, field preparations for the installation of maize and cassava farms should start within two months, in order to launch the construction works of the processing unit by the end of 2016. Considering the amount of the

investment, the cassava and maize processing unit in development in Batouri will be one of the most important ever built in this sector in Cameroon, after Maïscam or Société de Transformation de Manioc de Sangmélina (Sotramas), a project facing operating difficulties.

Avec ce nouveau projet, Batouri pourrait devenir le principal pôle agro-industriel de la région forestière de l'Est-Cameroun. En effet, un premier investissement de 50 milliards de francs Cfa est en cours de réalisation dans cette localité, aux fins

de la mise en place d'un complexe sucrier. Le projet porté par la société Justin Sugar Mills, qui a récemment été remis en route au bout de plusieurs mois de tiraillements avec l'ancien ministre camerounais de l'Industrie, Emmanuel Bondé, induira la création de plus de 10 000 emplois.

With this new project, Batouri could become the main agro-industrial hub of the forestry region of East Cameroon.



## Ivorian commodities stock exchange MELX has views on Cameroonian cocoa and coffee



Launched in 2014 in Côte d'Ivoire, Mel Commodities Exchange (MELX) is presented as a raw materials stock exchange for Africa.

The management of the raw materials stock exchange Mel Commodities Exchange (MELX), headquartered in Abidjan, Côte d'Ivoire met local economic operators on 15 April 2016 in Douala, to raise interest in the activities of this structure.

This meeting which took place at the offices of the Groupement Interpatronal du Cameroun (Gicam – Group of Employers of Cameroon) was mainly meant to attract the interest of exporters and other cocoa and coffee traders, to have them enter the MELX network. “We have decided in 2016 to list all the exported raw materials, particularly cocoa and coffee. Hence this tour in Cameroon to tell cocoa exporters and all those who have physical cocoa in warehouses to come and list it on our system. We will do the same in Côte d'Ivoire and Ghana later on to create a seller index on the cocoa contract, which will become a reference”, explained Loïc Mpanjo Essembe, President of MELX, in an interview given on the eve of the meeting to CommodityAfrica.

In practical terms, the president of MELX confided, “we are not going to create a stock exchange for agricultural

products in Cameroon. The stock exchange remains in Abidjan where all the transactions will be centralised. But, we are opening it to Cameroonian companies who would want to list their raw materials and reduce the number of middlemen. We have an office in Douala which will work as a clearing house for the products to be transacted on in Cameroon (...) We will also join a network of forwarding agents to enable tracking of the goods throughout the system to, if need be, convert a risk into a margin call to secure the entire transaction from one end to the other”.

### OBSTRUCTIONS AT THE CAMEROON COMMODITIES EXCHANGE

Launched in 2014 in Côte d'Ivoire, Mel Commodities Exchange (MELX) is presented as a raw materials stock exchange for Africa. According to its management, this stock exchange got its first contracts in 2015, exclusively in the palm oil sector on which its activities were focused at the start. “To date, we have been able to generate a dozen of contracts on palm oil from Malaysian and Indonesian origin, to validate the feasibility study and check

the relevance of the economic model”, Loïc Mpanjo Essembe reveals.

Mel Commodities Exchange should be one step ahead of the Cameroon Commodities Exchange (CCX), the national raw materials stock exchange, which creation process seems to have been stalling since September 2014, at the end of the feasibility study of this project assigned to the firm Eleni LLC, which also created the renowned raw materials stock exchange of Ethiopia.

According to our sources, this firm, which has been waiting for over a year to receive the approval from the Cameroonian government to raise the funds and create, in 12 years, the CCX, is facing opposition from some authorities, who want the local economic operators to be part of this project. At the same time, we learned, in addition to the project led by the firm Eleni LLC, a second project for the creation of a raw material stock exchange in Cameroon was also brought to the government, who finally ends up with two similar projects and is slow in making the necessary choices.

Brice R. Mbodiam

# FISHING

## Extension of tilapia farming to decrease fish imports in Cameroon



About one hundred young people from the Mbalmayo Arrondissement, close to the Cameroonian capital, have just ended a training on tilapia farming. In addition to the knowledge acquired, their training was concluded with the donation of three cages to start their farming activities by the management of the tilapia farming development project in Cameroon, led by the Ministry of Livestock and Fisheries. According to Divine Tombuh, Coordi-

nator of the above mentioned project, which benefits from the technical support of FAO, this initiative will soon be extended to three other production areas. These are Yabassi, a town where an intense fishing activity is developing on the Moungo River, Mbambalangui which has a part of the water retention from the Bamendjin dam and Lagdoqui where a dam of the same name is located. The Cameroonian public authorities

seem to have embraced this type of farming because it is more performing in terms of productivity, we learned, but also because it is carried out in streams. This, according to the project managers, is a real opportunity for the country, since it has *“over four million hectares of fresh water bodies”*. As a reminder, yearly imports of fish in Cameroon sometime go up to 200,000 tons, due to the deficit in the local production.

## 22 foreign vessels boarded and searched in offshore Cameroon for illegal fishing, in 2014 and 2015

Illegal fishing is all the rage in the Cameroonian waters. According to the Technical Committee of the Regional Commission of Fisheries of the Gulf of Guinea (COREP), which met in Yaoundé on 14 April 2016, not less than 12 fishing vessels belonging to foreign nationals have been boarded and

searched in 2015 in the Cameroonian offshore for illegal fishing. A year before, 10 vessels were caught, thanks to the patrols of the Cameroonian army. Most of the arrested ships, a source close to the affair whispers, belong to Chinese operators. Our source also states, faced with the disinterest of local investors, in-

dustrial fishing in Cameroon (and even traditional fishing) is left to foreigners. However, according to official statistics, the national demand in fish in the country reaches 400,000 tons. Half of this demand is taken care of by imports, which take approximately FCfa 100 billion every year.

## FINANCE

## CIMA approves launch of micro-insurance operations by AXA in Cameroon



The Council of Ministers of the Inter-African Conference of Insurance Markets (CIMA) has given a positive reply to an approval extension request submitted by the company AXA Assurances Cameroun SA to the regulatory authority of insurance markets in Central and Western Africa.

According to our sources, this company operating in the damages sector (representing 72.5% of the Cameroonian insurance market) is now authorised to market personal accidents, health

and property damage micro-insurance products in Cameroon. AXA Assurances Cameroun thus plans to go into an activity whose potential *“could represent several times the current turnover of insurance companies”* in the CIMA zone, according to Jean Claude Ngbwa, ex-General Secretary of this organisation which gathers 14 countries in Central and Western Africa.

This means concretely that, thanks to the micro-insurance products it is now authorised to market, AXA Assurances

Cameroun should be able to go further than the FCfa 5 billion in turnover achieved in 2014 on the personal accidents and health segments, according to the statistics of the Association of Insurance Companies of Cameroon (ASAC). As a reminder, in Cameroon, the personal accidents and health segment officially represents approximately 23.5% of the insurance market. It generated a turnover of FCfa 27.6 billion in 2014, a drop of 6.8% compared to the previous year (FCfa 29.6 billion).

## BICEC already financed Cameroonian SME with FCfa 50 billion through factoring

Since the launch of factoring activities in 2009, the International Savings and Credit Bank of Cameroon (BICEC – Banque Internationale du Cameroun pour l’Economie et le Cr dit), local subsidiary of the French group Banque Populaire (BCPE), has already financed SMEs and SMIs to the tune of FCfa 50 billion. The information was revealed

on 7 April 2016 in Douala by Fran ois Mai Sango, Manager of SME-SMI markets at BICEC. This was during a meeting between the bank and SME-SMI managers on the opportunities offered by factoring.

According to Hugues Olivier Bangneki, Director for Central and Western Africa at Coface (Compagnie Fran aise d’As-

surance pour le Commerce Ext rieur – French Insurance Company for External Trade), the technical partner of BICEC on factoring; this financing mechanism consists in transferring the accounts receivable of a company to a bank or any other factoring institution, who would then immediately finance them.



# ENERGY

## Cameroonian electric company Eneo invites staff to subscribe to buyback 5% of the shares of the company

21 April 2016 was the closing day to subscribe to the shareholding capital of GIC Eneo, an entity which will own 5% of the capital of Eneo Cameroon reserved for the employees, we learned in an official communiqué. The persons concerned by these subscriptions, the communiqué highlighted, are the current employees of Eneo, public concessionaire in charge of the electricity in the country, and the former employees of the company put on retirement between 11 July 2001 and 21 April 2016. To support the company in this operation meant to meet a clause of the buy-out, in 2014, of 56% of the shares of this electric company by the British investment fund Actis, GIC Eneo retained the

services of the company Activa.

One can recall that the retrocession of these shares belonging to the workforce was a major source of contention between the management of this company and its employees, at a time when the Cameroonian electric company was still owned by the American firm AES. When the departure of AES was announced, the unions in the electricity sector had even brought back the issue to the table, and invited the Cameroonian authorities to give more attention to the retrocession of 5% of the capital of the company to the workforce, before allowing the remainder to be dealt in the transaction between AES and the British fund Actis.

As a reminder, at the time of the privatisation of the electricity sector in Cameroon in 2001, the distribution of the capital of what used to be AES Sonel (currently Eneo since its takeover by Actis) was as follows: 44% for the State of Cameroon and 56% for the American group AES, including 5% to be given back to the workforce, according to the concession contract. But when officially leaving Cameroon in May 2014, some 13 years after the privatisation of Sonel, (Société Nationale d'Electricité), AES has still not returned the 5% in capital shares to the employees, an operation which Actis has been trying to conclude since its entry on the Cameroonian electricity market.

## Cameroon: two local companies will invest FCfa 4 billion in biomass



Produce fuels in the form of wood chips which can be used in adapted generators. This is the FCfa 2.9 billion investment that the company Biomass-Cameroon is planning to carry out in the next months, we learned at the Ministry of Industry, the ministerial department which has just signed an agreement with this company granting it access to the advantages provided by

the law on private investment incentives in Cameroon.

Compagnie Générale des Granules SA, another company benefitting from the same law, is planning to invest FCfa 1.1 billion in the construction of a processing unit of wood waste into biofuels. The two projects would enable the creation of slightly over 300 jobs, we officially learned.

BiomassCameroon and Compagnie Générale des Granules are thus about to become the first two companies to develop the biomass at the industrial scale in Cameroon, thereby contributing to the promotion of this form of energy production in a situation of deficit in the production of electricity and high price of hydrocarbons.

## **The Bolloré group wants to take a position in the solar energy sector in Cameroon**



Talking about the topics discussed during his meeting with President Biya, Vincent Bolloré revealed the interest of his group in the development of solar energy solutions in Cameroon.

Vincent Bolloré, President of the group of the same name had a meeting with the Cameroonian Head of State, Paul Biya, on 6 April 2016 in Yaoundé. At the end of this meeting which comes in the midst of negotiations for the concession contract of the container terminal at the deep water Kribi port with the Bolloré-CHEC-CMA CGM consortium, Vincent Bolloré indicated having had “the honour of reviewing the situation” of the investments of his group in Cameroon.

Talking about the topics discussed during his meeting with President Biya, Vincent Bolloré revealed the interest of his group in the development of solar

energy solutions in Cameroon. “*You have a wealth here, the sun, which on first thought could be seen as a burden, but in reality is a source of energy (...) We did a first test at the University of Yaoundé I where, with 400 m<sup>2</sup> of solar panels, we can stock enough energy to transport the students and their lecturers for free from one end of the campus to the other (...) Our goal is to do something different from this simple setup. I am thinking particularly about villages where it is very expensive to bring electricity because of the need for electric poles. We could set up decentralised systems which fit in a container that you can put in a village and which will pro-*

*vide electricity*”, Vincent Bolloré indicated at the end of the meeting.

While awaiting the implementation of eventual large scale projects in the solar sector in Cameroon, we learned from reliable sources that the Canal Olympia cinema, under construction on the campus of the Yaoundé I University will be entirely operated using solar power. As part of this project led by Vivendi, a group owned by Vincent Bolloré, a source close to the project indicates that 1,600 m<sup>2</sup> of solar panels will be added to the 400 m<sup>2</sup> currently installed on the campus of the Yaoundé I University, and which enable the functioning of the

three electric buses made available to this university by the Bolloré group.

The manifestation of interest by this French logistics operator for the solar energy sector in Cameroon suggests that this country suffering from a deficit in the production of electricity, could soon benefit from the “blue zone” project implemented by the Bolloré group in some rural areas in Western Africa. *“Thanks to the electricity produced by fields of solar panels and stored in LMP battery containers, hec-*

*tares of land with no access to the power grid are lit up, supplied in drinking water and connected to internet. These new areas foster the development of economic, cultural and sports activities”, the*

Bolloré group explains in a description of this project already implemented in Niger, Guinea, Togo and Benin.

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**The manifestation of interest by this French logistics operator for the solar energy sector in Cameroon suggests that it could soon benefit from the “blue zone” project.**

### **ONE OF THE LARGEST EMPLOYERS AFTER THE STATE**



The Cameroonian Minister of Labour and Social Security, Grégoire Owona, chaired on 1 April 2016 in Douala, the Cameroonian economic capital, an awards ceremony where 521 medals of honour and labour were given to employees of the Bolloré group, including those currently working for Socopao, Havas Média and Bolloré Africa Logistics Cameroun.

This government member seized the opportunity to highlight the importance of this French group specialised in logistics in the Cameroonian economy. *“The public authorities spare no effort to work toward keeping the peace and stability, warrants of the social and economic development and fulfilment*

*of Cameroonians. We are therefore glad to see the Bolloré group working to enact this commitment to the public authorities. With a workforce of close to 7,000 employees in Cameroon, the Bolloré group is one of the biggest employers after the State”, Minister Owona indicated.*

Mohamed Diop, Director of the Bolloré group for the Gulf of Guinea region, for his part praised *“the qualities and competencies”* of the recipients, specificities which were *“put forward by the implementation of the skills and mobility policy within Bolloré Africa Logistics”,* a company where the investment per annum for personnel training as part of the skills development policy reaches FCfa 200 million, we learned.



## ITC &amp; TELECOM

## The Cameroonian Head of State suggests to government members to be present on social networks

The members of the Cameroonian government have been encouraged to use social networks to communicate on the activities of their ministerial departments. This was the instruction recently given by the Cameroonian Head of State, Paul Biya, we learned from official sources.

This presidential directive comes in a situation characterised by the publication, by several members of the Cameroonian government, of press communiqués announcing that they are not the owners of any facebook account, nor are they on any other social networks. These ministers thus wanted to denounce the fraudsters using the accounts to commit fraud.

The imposed presence on social net-



works for members of the Cameroonian government should contribute to boost government communication.

Indeed, though they have dedicated websites, several ministries are still struggling to keep them updated.

## Start-up Kiro'o Games releases Aurion, first video game 100% made in Cameroon

*"Aurion, the legacy of the Kori-Odan"*. This is the title of the first video game made in Cameroon, which is being promoted since 14 April 2016 by the start-up Kiro'o Games, who recently won the 2nd prize of the very first edition of the Challenge Startupper organised by Total Cameroun.

The funding to produce this video game was obtained through crowdfunding. This operation through which subscribers were invited to buy shares in the company to finance its first video game was closed in early 2015 with a total of FCfa 120 million raised, equivalent to €182,504. According to the sta-

tistics compiled by Olivier Guillaume Madiba, the young sponsor of Kiro'o Games, 74% of the subscriptions to this fundraising operation via internet were made by Cameroonians.

A 10-year project, *"Aurion, the legacy of the Kori-Odan"* was inspired by the African culture and cosmogony. This is about, we learned, the story of a prince victim of a coup organised by his brother-in-law on the day of his coronation and wedding. The royal couple is then exiled and decides to travel the world in the quest for support to regain access to the throne.

In 12 to 14 months, a second video game made in Cameroon could hit the



market. Dedicated to the Cameroonian football star, Samuel Eto'o, this game is developed by the company SDK Games Africa, who launched a crowdfunding operation on 13 April, in order to raise the USD 25,000 (FCfa 14 million) needed to produce this video game.

## Chinese company ZTE opens a branch in Cameroon

The Chinese telecoms equipment manufacturer ZTE has created its Cameroonian subsidiary called ZTE Cameroun Sarl. Led by Mrs Ruoyi Qi, this new company registered in December 2015 has a capital of FCfa 480 million, we learned in a legal notice published on 21 April 2016.

The purpose of ZTE Cameroun Sarl covers a very large range in the telecommunications sector. This includes among other the construction and installation of telecoms infrastructure, as well as their repair and maintenance; the supply of training on telecoms networks; the import and export of materials; consultancy services for telecoms companies; the manufacture, exchange, sale and assembly of telecoms infrastructure, etc.

Through this subsidiary, ZTE will be able to directly market its equipment on the Cameroonian market, an activity which was undertaken until now by the company Mitsumi Distribution, presented as one of the main distributors of information and communication technologies on the African continent. ZTE had announced, in early 2015, the signing of a contract relating to this, covering 15 countries in Africa, including Cameroon.



As a reminder, in 2013, Chinese equipment manufacturer ZTE has won in Cameroon the contract for the implementation of a national emergency telecommunications plan linked to Cam-

eroonian administrations in charge of managing natural disasters. This OTC contract led to challenges by other competing companies, who judged the financial offer made by ZTE as too high.

## Jumia expands its operations in Cameroon through the network of public operator Campost

The e-retailer Jumia has announce the signing of a partnership agreement with Cameroon Postal Services (Campost), the Cameroonian public post office, in order to expand its network in Cameroon. *“This is very good news for the populations of remote towns in all the regions of Cameroon, who can now benefit from great offers. They just need to go to their Campost branch and request to talk to the dedicated agent, to see the available goods, and place their orders. Deliveries take between 1 to 10 days, depending on the town and the region; and the tracking, security and transport of the goods are*

*fully guaranteed”*, Jumia explains in its communiqué.

The e-retailer, who celebrated this year its second year of operation in Cameroon with a performance of one million orders, thus expands its network with the 234 post office branches spread throughout the country, and can now rely on the fleet of Campost. But more importantly, Jumia capitalises of the results of the FCfa 32 billion e-post project financed by Eximbank China which enabled the interconnection of all post office branches in Cameroon through the deployment of over 710 km of optic fibre.

One can recall that in October 2014, the Cameroonian government had launched a study to optimise the e-post project, which datacentre is *“predisposed to host the e-retail, e-banking, e-money, e-health, e-education and e-government platforms”*, the Ministry of Posts and Telecoms specifies. First company to take advantage of this opportunity created by the e-post project, Jumia should, thanks to an extended coverage of the country, contribute to improving the e-retail penetration rate in Cameroon, which currently peaks at 2%, according to experts' estimates.

# TRANSPORTATION

## Le Havre Port to provide technical support to deep water Port of Kribi

Visiting Cameroon to exchange with their local partners, about boosting the volume of transactions between Cameroonian and French ports, the management of the Haropa ports (Le Havre, Rouen, Paris) have revealed that they have already established a partnership with the brand new deep water port of Kribi, which commissioning is announced for the end of the second quarter 2016.

*“We have a partnership agreement with the deep water port of Kribi, through the port of Le Havre, which is a deep water port”,* indicated Nicolas Ocis, Managing Director of the port of Rouen. In concrete terms, he specified, as part of this partnership, the French port of Le Havre *“will provide technical support to the port of Kribi in its operational phase”*. According to the same source, the Haropa ports are already in partnership with the Douala port, to which they provide *“engineering solutions”*.



But aside from this partnership on technical and operational issues, the Haropa ports appear as more competitive for Cameroonian exports. Indeed as highlighted by Hervé Cornède, Managing Director of the port of Le Havre, *“on prices, the Haropa ports offer a square metre at €42 (approximately FCfa 45,850), against €70 (about*

*FCfa 45,850) and €200 (about FCfa 131,000) in other European ports”*. This price list could probably explain the importance of the volume of transactions between these French and Cameroonian ports, which is officially estimated to be in excess of 300,000 tons of goods per year.

## Cameroon chooses SGS and Intertek for control of imported goods prior loading

The government has appointed Swiss SGS and British Intertek International Ltd for the operations of verification of compliance prior loading for goods imported to the Republic of Cameroon, both companies being specialised in services of control, verification, analysis and certification of products. The corresponding contract, whose amount was not revealed, was signed on 7 April 2016 in Yaoundé, with the Cameroonian Minister of Industry, Ernest Gbwaboubou. The signing of this contract will speed

up the implementation of the Compliance Evaluation Prior Loading Programme for goods imported to the Republic of Cameroon (Pecae in French), announced by the Cameroonian government in September 2015. This setup, the public authorities claim, will help in decreasing the arrival in Cameroon of imported products which do not comply with the standards in force. Practically, Pecae is planning the issuance of accreditations to specialised structures in the exporting countries. These approved structures will then

have to undertake, at the exporters' costs, compliance checks before the goods are loaded for Cameroon, a country which still does not have state-of-the-art laboratories to check the compliance of these goods.

This new system, which will contribute to clean the Cameroonian market by ensuring a minimum of security to consumers, could potentially lead to an increase in prices of some imported products on the local market, due to the fees of the compliance control being passed on to the final consumer.



## INDUSTRY

## Arthur Zang, creator of the Cardiopad, will launch a medical equipment assembly unit



Since the launch of the sale of the Cardiopad in February, Himore Medical, the startup through which Cameroonian IT specialist Arthur Zang devel-

oped the first African medical tablet, has sold 43 kits out of the 300 already manufactured, he revealed to *Quotidien de l'Economie*. 50% of kits were sold in Gabon, and other orders were delivered to India and Nepal.

Thanks to the income generated by these first sales (the Cardiopad kit costs FCfa 2 million), the creator of the Cardiopad indicates, Himore Medical is planning to launch in two months the company Kimore Medical Equipements, a medical equipment assembly unit. The plant which will be based in the Nsam area in Yaoundé, the Cameroonian capital, is looking to recruit 150 employees in the coming days. .

The equipment of this assembly plant, which necessitate an investment of FCfa 100 million, we learned, will be imported from China. But, if the financing necessary to purchase this equipment could

be covered by the income generated by the first sales, Arthur Zang admits needing to raise between FCfa 50 and 75 million to train his personnel and secure the first salaries of the employees to be recruited.

As a reminder, the Cardiopad is a device which can collect and remotely transmit the cardiac parameters of a patient. This invention which earned international recognition for the young Cameroonian engineer, helps compensate for the deficiency in cardiologists in the hospitals. The founder of Himore Medical announces for the near future the presentation of a simplified version of the device, which enables the patient to collect themselves from their home the most important of these cardiac parameters, without needing a specialist, and to simply remotely send them to a doctor for analysis.

## Turkish group Eren Holding increases the capital of its cement factory in Cameroon and reshuffle its team

The capital of Medcem Cameroun, the cement factory built in the country the Turkish group Eren Holding, has just moved from FCfa 10 million to 400 million through "cash contributions" from the shareholders, we learned in a legal notice published on 18 April 2016. Though the company has kept tight-lipped on the objectives of this recapitalisation, we can presume that it will be used to truly launch the operations of this cement factory in Cameroon. Indeed, after a brief appearance of the

Medcem cement on the Cameroonian market in October 2015, mainly in the Quifeuou chain of hardware stores, the product then disappeared a few weeks later without any real explanation. This short appearance of the bags of Medcem Cameroun cement on the market then suggested that the 4th cement factory (after Cimencam of the Lafarge group, Cimaf and Dangote) of the country was finally in operation, after postponing twice the commissioning of its production plant in Douala in March and June 2015.

In addition to the above-mentioned injection of funds made by the shareholders of Medcem Cameroun, the Turkish cement factory in Douala also made changes to its management team. It is now led by Turkish Taha Abdurrahman Ozbey, who takes over the position of MD from Cameroonian Jacky Bruno Tcheutchoua, downgraded to the position of second Deputy Managing Director. The Board is chaired by Turkish Emre Eren.

**Leader of the month**

# Cameroonian Albert Zeufack appointed Chief Economist for Africa at the World Bank



The World Bank's Vice-President for Africa, Senegalese Makhtar Diop, has appointed Cameroonian Albert G. Zeufack as Chief Economist of this institution for Africa, we learned in an official communiqué. This Cameroonian economist, who was chosen at the end of a highly competitive process, the World Bank specified, should officially take office on 1 May 2016.

Mr. Zeufack joined the World Bank in January 1997. Since then, we learned, he has held various functions, including as an external collaborator. It was in this capacity that, between 2008 and 2012, he was Director of Research and Investment for Khazanah Nasional Berhad, a sovereign fund based in Kuala Lumpur, in Malaysia.

In his new function, the World Bank explains in its communiqué, *"the three main priorities of Mr. Zeufack will be to provide the intellectual and strategic direction for the analysis at the national and sector level in Afri-*



*ca; monitor the production and dissemination of regional leading-edge research; and collaborate with external partners on the regional research program".*

Holding a Doctorate in Economy from the University of Clermont-Ferrand, Albert G. Zeufack then taught economy and applied

econometrics in this French university. Member of the Natural Resources Governance Advisory Board and the United Nations Sustainable Development Network, this Cameroonian economist has authored of several articles in academic journals.

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