

# BUSINESS IN CAMEROON

**MAJOR PROJECTS**  
**AGRICULTURE**  
**ENERGY**  
**MINING**  
**INDUSTRY**  
**SERVICES**  
**FINANCE**



**Sending money to Cameroon**  
**Possibilities abound !**

**Interview with the**  
**economist, Babissakana:**  
**Where is the Cameroonian**  
**economy heading to?**



**StopBlaBlaCam**  
**9 rumours and popular**  
**beliefs: What is true? What**  
**is false?**



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from Cameroon**



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## Pros of financial messaging

**T**he money transfer market is currently experiencing a major boom which no financial operator wishes to miss as it brings about many opportunities and benefits. These operators mostly want to win market shares from traditional money transfer companies.

Looking at the size of money transfers, Cameroon leads the ranking with more than CFA150 billion, according to the World Bank, sent by its Diaspora. The dynamism in transfers is both in-and-out the country as mobile operators and start-ups, inside Cameroon and in the rest of the world, are transforming the money transfer sector by consistently innovating and developing new mobile money services. Let us highlight that the sector's growth mainly lies in that of mobile phones' penetration rate.

Besides the advantages it provides the local market, the growth of the money transfer market through digital solutions also paves the way for a better business environment and will help close the social gap, regardless of local governance or economic challenges. To reduce poverty in the country, it instead relies on the solidarity and family values of Africans, but also on the desire of Diaspora to insure the wellbeing of their relatives at home. These factors are the main keys to the growth of the sector.

With its competitive tariffs, the money transfer sector is quite profitable for its customers. However, there is still room for improvement in regards to the flexibility of transfers and innovation. Only these would spur the market's rapid growth in Cameroon.

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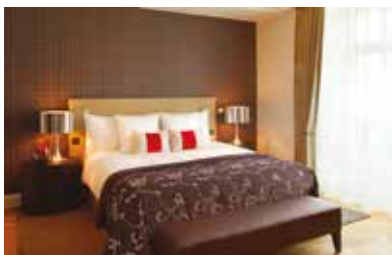
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Rumours, preconceived notions, clichés,  
superstitions, urban legend:  
What is real? What is fake?



# THE CAST



**LAURENT  
SERGE  
ETOUNDI NGOA**

The Cameroonian government, via the Ministry of SME, Social Economy and Arts, officially launched on 20 October 2016, a virtual gallery. This initiative is meant to capitalise on the opportunities offered by internet, to promote Cameroonian arts and crafts throughout the world. According to Minister Laurent Serge Etoundi Ngoa, the products on exhibition in this digital gallery will have to be exhibited beforehand in the art centres spread out in the 10 regions of the country.

Then it will be up to the experts in said centres to select the most deserving products and make them available to potential buyers on the web. In a first stage, we learned, only arts centres located in Yaoundé and Limbe will have access to this gallery. Other centres will be gradually connected.



**LOUIS PAUL  
MOTAZÉ**

The tractor assembly line of Indian brand Sonalika, set up in the town of Ebolowa, South Cameroon regional capital, is already in operation. It produces five tractors per day, we learned during a recent site visit by the Cameroonian Minister of Economy, Louis Paul Motazé.

This government member even recommended that the tractors manufactured in this factory be quickly tested in experimental fields, for eventual faults to be corrected before their sale on the local and sub-regional market. This assembly unit is financed by the Cameroonian government, who thus plans to promote a more mechanised local agriculture.



**LUC MAGLOIRE  
MBARGA  
ATANGANA**

The Cameroonian Minister of Commerce organised, from 19 to 23 October 2016 in Moscow, the very first edition of the Cameroonian Economic Days in Russia. This initiative, as highlighted by this Ministry, is to enable local economic operators to win new markets.

During the Muscovite stay of the Cameroonian delegation, Minister Mbarga Atangana, who addressed a group gathering about a hundred Russian economic operators and other foreign diplomats, seized the moment to present the opportunities available in Cameroon. On this subject, he recalled the strategic position of the country, located at the crossroads of a 300 million consumers market (10 CEEAC countries and Nigeria).



**HENRI EYÉBÉ  
AYISSI**

A delegation of four Cameroonian government members, headed by the Minister of Agriculture and Rural Development, Henri Eyebé Ayissi, just visited the town of Maroua, the capital of the Extreme-North region, to rally the youth in this area of Cameroon around agricultural and livestock activities.

During this meeting, the government once again presented the range of public projects set up to promote the development of agricultural and breeding activities in Cameroon. *"Instead of waiting for the youth to come and seek information from our units, we have decided to take the first step towards them and spread the good news on all existing support mechanisms"*, indicated Minister Eyebé Ayissi.



**ERNEST  
GBWABOUBOU**

The Cameroonian Minister of Mining, Industry and Technological Development, Ernest Gbwaboubou, just signed with eight local companies, agreements granting them access to the advantages provided in the 2013 Act on promoting private investment in Cameroon, with various exemptions of 5 to 10 years for beneficiaries.

Sponsoring projects in sectors as different as chemicals manufacture, cosmetic industry, food industry, household soap or drink production, etc., these companies will officially create 1,220 jobs, for global investments of FCfa 32 billion, we officially learned.



**WILLIAM  
AURÉLIEN ETÉKI  
MBOUMOUA**

The Cameroonian diplomat William Aurélien Etéki Mboumoua, who passed away on 26 October 2016 in Yaoundé, the country's capital, followed an illness at the age of 83 years, was buried on Saturday 26 November 2016 in his village located in the Littoral region of Cameroon.

The wake for this senior civil servant, who was once Minister of Foreign Affairs of his country and General Secretary of the Organisation of African Unity (OAU), which later became African Union (AU), was held on 24 November 2016 in Yaoundé, with several members of the government in attendance. Since his retirement from the Civil Service, Mr Etéki Mboumoua had been until his demise in October, President of the Cameroonian Red Cross.

# Money transfer: it pays in cash!



For some years now, the money transfer market in Cameroon has had a complete overhaul. To the point where the leadership of well-known multinationals in this activity sector could be toppled at any moment, if these operators do not get themselves acquainted with the new deal. This mutation has been imposed by the increasing number of start-ups entering the market with myriads of innovations, competitive pricing and more flexibility in their operations; and even by local operators who discovered fertile ground for their business.

But, how could it not be, in a country where the volume of money transfers from the diaspora in 2015 doubled compared to that of 2010, where

domestic money transfer flows skirt on a daily basis in the hundreds of million FCfa?

In other words, which money transfer company in the world would not be interested in a country described by the 2013 United Nations Conference on Trade and Development (UNCTAD) Report as 3<sup>rd</sup> in Africa (after Senegal and Morocco), in terms of destination countries for funds transferred by migrants living in France. Well, the dynamism of the Cameroonian diaspora in terms of money transfer, as well as the increase in domestic transfers, proven by the record crowds observed every day in branches; are the main factors explaining the rush of operators to

this activity.

Upon closer observation, this rush is unfortunately coupled with rather reprehensible practices. This is the case of illicit operators, more inclined to profit from this growing activity than to respect the dedicated legal framework; or this accumulation of wealth by operators, who over-invoice their services without consideration for the rules issued on the subject by COBAC.

This meant going completely off track for some operators, who fortunately have not yet succeeded in leaving their mark on the Cameroonian money transfer market which has been thriving for some years now.

**BRM**



# Over FCfa 1 50 billion transferred in Cameroon by the diaspora in 2015

More and more throughout the years, the money sent back to their country by Cameroonians living abroad has played an important role in the economy of the country.

Funds transferred by the members of the Cameroonian diaspora to their country of origin peaked at USD 244 million in 2015, about slightly over FCfa 150 billion, as revealed by the World Bank's statistics.

Quick calculation reveals that this figure represents 10% of the public investment budget (BIP) of the country for 2016 (FCfa 1,500 billion), close to 20% of the funding necessary to implement the three-year emergency plan of the Cameroonian government (FCfa 900 billion), or more than 40% of the financing requested for the construction of the Natchigal dam (FCfa 400 billion), with a capacity of 400 MW, under development in Cameroon.

Per the National Technical Payment Balance Committee, a body working under the supervision of the Ministry of Finance, the CEMAC zone was up until 2013, the main point of origin for these transfers from the Cameroon diaspora with 38% of transfers registered that year, against 27% for France, 15% for the United States and 20% for the rest of the world. These funds, we learned, were mainly used to meet the basic needs of the families who stayed back in the country.

According to the international NGO PlaNet Finance, the volumes of



According to the international NGO PlaNet Finance, the volumes of money transfers made by the entire African diaspora could be higher than the current level, provided that the costs of transactions decrease.

money transfers made by the entire African diaspora could be higher than the current level, provided that the costs of transactions decrease. This NGO thus decided to launch in October 2013, the Initiative to improve money transfers from migrants to Africa with the support of the Universal Postal Union (UPU), with financing from the European Union.

This 36-month long initiative, we learned, is meant to reduce the price of money transfers for the African diaspora, when they are made via the public postal service network. The ultimate goal of this project, in which the Cameroon Postal Services (Campost) is taking part, is to cut these costs by 30% and, consequently, multiply the volume of transfers.

## AN INCREASE OF FCFA 100 BILLION IN 4 YEARS

A global envelope of FCfa 150 billion transferred by the members of the diaspora to their country of origin in only a year, this is extremely important. Especially for a developing country like Cameroon. But further analysis of the different statistics rather reveals that the volume of funds transferred by Cameroonians living abroad in 2015 is actually on a downward trend, compared to the previous years. Probably because of

the multiplication of less expensive informal transfer channels.

Indeed, per the statistics of the National Technical Balance Payment Committee, in 2013, the Cameroonian diaspora sent a total of FCfa 218.7 billion in cash transfers to Cameroon, against FCfa 181 billion in 2009. Which represents a substantial increase of more than FCfa 100 billion over a 4-year period.

# With Squares Union, “transfer money to Cameroon at a single fee of USD 5.99”

Interview with Isabelle Quintard, one of the managers of this company based in Canada, but whose target market is Cameroon.



Isabelle Quintard: “Squares Union is a start-up specialised in financial transactions, remote invoice payment and electronic top-up.”

## Business in Cameroon: What is Squares Union?

*Isabelle Quintard:* Squares Union is a start-up specialised in financial transactions, remote invoice payment (hospitals, groceries, pharmacy, etc.) and electronic top-up. We have authorisations from the financial market to carry out our activities. We have thus developed an internet platform accessible from a laptop, smartphone and tablet.

We are present in Canada and in Cameroon, in several cities such as Douala, Yaoundé, Bafoussam, Bamenda, Bagangté, Dschang and Kribi. To withdraw funds in Cameroon, we have several withdrawal points. We have many microfinance structures and other partner cooperatives.

These are for example FODEC, FIGEC, and soon CCA. We then want to open new withdrawal points in Cameroon, to cover the entire country. We will also open a branch in Côte d'Ivoire soon and later on we would like to move to Senegal and Togo. We thus plan to cover Africa as a whole and in the near future, Europe.

## BC: You are based in Canada. What reasons pushed Squares Union to move its activities to Cameroon?

*IQ:* This is because the three co-founders of the start-up are originally from Cameroon. They therefore had to face the problem of the high cost of money transfer operations.

## BC: In practical terms, what services are you offering to your partners in Cameroon?

*IQ:* We have some agreements with our partners, to enable them open withdrawal points. This is therefore

a financial service, a payment for our activity.

## BC: What do you especially offer compared to the big names in the money transfer market who are already operating on the Cameroonian market?

*IQ:* We distinguish ourselves from our competitors through pricing. First, the cost of a transfer is of 5.99 dollars (approximately FCfa 3,500) for all amounts from 0 to 1,000 dollars. We therefore have a single fee, whereas our competitors have variable prices, depending on the amount of the transfer.

Then, our platform is simple to use, fast and secured. So, you transfer money 24/7 everywhere from your laptop, tablet or smartphone. You do not need to go anywhere.

## BC: What is, today, the weight of your activities in Cameroon in the global portfolio of your start-up?

*IQ:* The weight of our activities in Cameroon in our portfolio is important. Because, as I previously told you, we are for the moment only operating in Canada and Cameroon. To date, our activity is growing. But, we would like to further develop our visibility in Cameroon, to better meet the needs of households. Also in Canada, we are trying to work as much as possible with Cameroon associations.

Interview by BRM

## For national operators, the competition is harder than ever

Express Union is the undisputed leader in the domestic Cameroonian money transfer market. After completely covering the country, with 600 selling points registered to date, this operator, who tackled the sub-regional and European diaspora markets, recently had a Yaoundé court annul the decision of the National Competition Council (CNC) to impose a fine of more than FCfa 600 million on them.

Express Union was brought before the National Competition Council of the Ministry of Trade, by Express Exchange, a competitor, who accused its rival of “*abuse of domi-*

*nant position and antitrust with Emi Money*”, another money transfer operator who recently entered the market. But, the ruling on this trade dispute given by CNC, in favour of Express Exchange, was challenged before the Higher Court of Yaoundé administrative centre, we learned in an official communiqué.

However, on the ground, we can still observe that if there is no confusion between the Express Union shops, it is difficult for clients who are not watchful not to mistake the Express Exchange shops with those of Emi Money. Not only do they have the same logo and the same colours, but

the operator Emi Money has decided to only establish its selling points next to an Express Exchange agency. Enough for Express Exchange, who at the same time denounces a partnership between Emi Money and Express Union, to see the hand of its rival Express Money behind this blind imitation by Emi Money. Some authorised sources do not hesitate to present Emi Money as a creation of Express Union, simply meant to put a stop to rapid rise of Express Exchange on the money transfer market in Cameroon, with its pricing just slightly lower than those of the market leader.

## Afrimarket innovates with its “Cash to Goods” transfers

Since April 2015, the French start-up Afrimarket, who subtly moved into the international money transfer market, owned by giants such as Western Union or MoneyGram (over 700 selling points in the country in 2015), opened a subsidiary in Cameroon, we learned in a legal notice.

Indeed, beyond the simple money transfer, Afrimarket has the particularity of allowing “Cash to Goods” transfers to Africa. This means that this start-up enables members of the African diaspora living in the West, to pay directly for the basic needs (food, school supplies, ...) of their near and dear back in Africa.

Through its Cameroonian subsidiary, Afrimarket is now moving into the Central African market, after some rather positive experiences in West Africa, particularly in Côte d'Ivoire, Togo, Senegal and Benin.





# COBAC denounces over-invoicing in money transfer commissions in the microfinance sector

In a report published on 30 June 2015 and following an investigation in Cameroon by COBAC, the regulatory body in the banking sector in the CEMAC zone notes that microfinance establishments (EMF) in Cameroon do not respect the rule on harmonising the currency exchange regulation in the member States of the CEMAC. Rule which sets the commission rate applicable for money transfers inside and outside the CEMAC zone at respectively 0.25% and 0.50% of the amount sent, with eventually the addition of a tax on the profit and any other specific tax. In Cameroon, COBAC observes, *“the different pricing lists produced by EMF reveal that, for domestic transfers, the average rate is between 0.10% and*

*5%, while for international transfers (...), the average rate varies between 3.18% and 12.5%, with variations from one establishment to the other”*. *“All these practices, which take place to the detriment of the populations, must end”*, demands Boubakary Halilou, SG of COBAC, in a letter addressed to the managers of the EMF.

operations, COBAC acknowledges that this activity in the Cameroonian microfinance sector shows promising development perspectives. *“The related statistics, particularly the number of establishments taking part in the activity, the wide range of products and services on offer, as well as the volume and amount of trans-*

*“All these practices, which take place to the detriment of the populations, must end”*, demands Boubakary Halilou, SG of COBAC, in a letter addressed to the managers of the EMF.

As it happens, despite these reprimands on the commissions taken by the EMF on money transfer

*actions carried out, are sufficient to prove this reality”*, highlights COBAC in its report.

## Over 220 illegal operators in the courier and money transfer sector

Based on the estimates of the Cameroonian Ministry of Posts and Telecoms, over 220 operators in the courier and money transfer sector in Cameroon are operating outside the law. *“This is detrimental to the quality of service for the consumer and harms the interests of the State”*, indicated the Minister of Posts and Telecoms, Minette Libom Li Likeng, during a conciliation meeting organised on 13 January in Yaoundé, to clean up the sector.

In truth, we learned, apart from Campost, the public postal operator, almost all the courier and money transfer companies spreading throughout the Cameroonian towns have not yet met the current



regulatory requirements. Even if many operators effectively submitted their applications to the relevant services at the Ministry of Posts and Telecoms, we learned, only 13 have received *“temporary*

*authorisations”*, while many others have already been formally notified for non-payment of the required collateral. In the meantime, they have opened their offices and are operating in total peace.



# Catherine Wines:

## *“the Cameroonian diaspora makes thousands of money transfers every month through WorldRemit”*

While in Cameroon, the co-founder of the world leader in digital money transfer, which is progressively expanding its network of partners in the country, gave her vision of the local market.

**Business in Cameroon: You are the co-founder and Executive Director of WorldRemit. Could you briefly present this company?**

*Catherine Wines:* WorldRemit is an online money transfer service, which enables expatriates to financially support their families back in their country of origin. Our clients are mainly of African origin. The Cameroonian diaspora established in Northern America or Europe can safely send money to Cameroon, through the WorldRemit application or its website.

**BC: Within a month, you have signed partnership agreements with three companies operating in Cameroon (Banque Atlantique, Express Union and MTN Cameroun). What is the gist of these different partnerships?**

*CW:* We are happy to announce the signature of partnerships with three well-known names in Cameroon.



Catherine Wines: “We believe that access to financial services must be a human right available to all.”



Our strategic agreement with MTN Mobile Money allows the general public to immediately and securely receive funds, directly on a mobile telephone. With 2.6 million Mobile Money accounts registered in Cameroon, MTN is already bringing a revolution in the access to financial services. Our partnership enables Cameroonians to use their mobile phones to receive money

sent from abroad.

Express Union is one of the most acclaimed financial institutions in Cameroon. Through our partnership, the public can withdraw money sent via WorldRemit from any of the 600 branches in the country. We have also been able to partner up with Banque Atlantique, one of the main banks in West Africa. WorldRemit clients thus have the

possibility of retrieving cash in one of the branches of Banque Atlantique.

**BC: Are these your first contact with the Cameroonian money transfer market? If yes, how can this sudden and obviously very aggressive interest for this market be explained?**

*CW:* The Cameroonian diaspora already made thousands of money



Catherine Wines: "Our service is 100% online, which helps in sending money much faster than through traditional services. And it is far more practical!"

moreover enable people living in Cameroon to withdraw money from collection points located throughout the country, from establishments in which they trust.

**BC: Beyond the three above-mentioned agreements, do you have other projects in Cameroon?**

CW: We believe that access to financial services must be a human right available to all. In a context where 85% of sub-Saharan African adults do not have a bank account, the mobile telephone and particularly Mobile Money play an essential role in this mission to access financial services. We hope to continue to create partnerships throughout the world with Mobile Money services, banks and cash withdrawal networks, to make our service truly universal.

**BC: In Cameroon, even more so than in developed countries and other advanced African countries where you operate, cybercriminality is a major problem for your type of activity. Which guarantees can you offer regarding the security of the transactions carried out via your different platforms?**

CW: WorldRemit is fully digital. This position enables the company to reinforce its verification and documentation standards on financial movements, compared to traditional and well-known money transfer companies.

Before accepting a transaction, our system analyses an important number of data in order to potentially identify the behaviours of shady users, and thereby verify from the Know-Your-Customer databases (KYC). Our operations leave a digital verification trail to monitor unusual behaviours, recognise potential frauds and efficiently ensure the

transfers every month to Cameroon via WorldRemit. In detail for example, we registered over 11,000 transfers in December 2015. The main countries of origin for the transfers are Canada, USA, UK and France. These new partnerships offer our clients a wide range of choices regarding the options to receive the money, which allows us to hope for a significant increase in the volumes of

transfers in the coming months. We are pleased to have signed a partnership with MTN Mobile Money. As a comparison, since the launch of our offer with MTN Mobile Money in Uganda at the beginning of the year (2016, Ed.), we have already carried out close to 20,000 transfers for our clients on a monthly basis. Our partnerships with Express Union and Banque Atlantique will



*"The Cameroonian diaspora already made thousands of money transfers every month to Cameroon via WorldRemit. In detail for example, we registered over 11,000 transfers in December 2015."*

sourcing of data to meet the regulatory requirements.

We do not accept cash from senders. Cash has this weakness of being anonymous and vulnerable to money laundering. We make sure that the transactions come from a bank account and the users go through legal networks.

**BC: Could the quality of the telecoms infrastructure in Cameroon and the low rate of penetration of internet (barely 10%), despite the progress observed since the arrival of the mobile, not be challenges to an optimum roll-out of your activities in the country?**

**CW:** We are convinced that the future of financial services will be through mobile telephones for most of the Cameroonian population. Money transfers to Mobile Money in the country represent a huge potential. Today, only 12% of adults in Cameroon have a bank account (Source: World Bank), a figure below the average noted in sub-Saharan countries. However, the country has 19.5 million mobile connections for a population of slightly less than 23 million people (source: GSMA). Mobile Money accounts enable the public to gain access for the first time to secure financial services, to help them on a daily basis and actively take part in the economic dynamism of the country.

Mobile Money accounts are a secure and ultra-fast method of receiving vital funds sent by expatriate families members.

WorldRemit is committed through partnerships with leading providers of Mobile Money accounts through-

out the world. We are the leader in the transfer of money to Mobile Money accounts, with a network of 34 different services in 26 countries. Over a third of the 500,000 transfers we carry out every month are going to Mobile Money accounts, and more than half of the transfers are geared toward the African continent.

**BC: You enter a money transfer market where other giants in the sector such as Western Union or MoneyGram are already operating. In what are you special compared to them?**

**CW:** Our service is 100% online, which helps in sending money much faster than through traditional ser-

With WorldRemit, Cameroonians can send money to their family in seconds from their smartphones or in a few clicks on our website. The operation is totally secure, very practical and can be carried out 24/7. The beneficiary has options to withdraw the money: bank transfer, cash collection or transfer to an electronic Mobile Money purse. Everyone can choose the method which works best for them.

**BC: Partners of money transfer operator Western Union in the country have been objecting to making transfer operations from Cameroon to abroad for some weeks now, due to the incompatibility between the deductions imposed by the Tax administration since this year 2016 (33.33%) and the commissions received by the operators (15 to 20%) perceived as low. Have you taken account of this issue as part of the conventions you have just signed in Cameroon?**

**CW:** WorldRemit is an online money transfer service, which enables expa-

*"Today, only 12% of adults in Cameroon have a bank account, a figure below the average noted in sub-Saharan countries. However, the country has 19.5 million mobile connections for a population of slightly less than 23 million people."*

vices. And it is far more practical! Most of the money transfers are made through dedicated agencies located in city centres. Many expatriates are juggling with several jobs, which makes their lives complicated because they have to find time during the day to go to these agencies, while having to pay exorbitant commissions.

triate to send money to Cameroon, and only that. We are aware of this situation regarding Western Union, but we prefer not to comment on issues which concern competitors, because it does not concern us at all.

**Interview by  
Brice R. Mbodiam**



# From Cameroon, Attijariwafa want to conquer the Central African money transfer market

The Moroccan banking group Attijariwafa Bank created on 14 September in Douala, the Cameroonian economic capital, a subsidiary of its money transfer company Wafacash, which will cover all Central Africa, we learned in a legal notice.

A limited company with a capital of FCfa 2 billion, Wafacash Central Africa has as Managing Director Mehdi Khandid, who is assisted by a deputy Managing Director of Cameroonian origin, Solange Dorothée Yana Ntamack, née Kotock Mpote. Among the administrators of this new entrant on the money transfer market in Cameroon, are Jamal Ahizoune, former MD of SCB Cameroun, the local subsidiary of Attijariwafa Bank, recently called back to the headquarters of the banking group in Casablanca. Created in 1991, Wafacash, which manages the Western Union and



MoneyGram brands, is the current leader in international money transfers in Morocco. Since November 2012, Wafacash took the strategic decision of marketing Inwi products, from the 3<sup>rd</sup> telecoms operator in Morocco, whose subscribers can directly top up their mobile credit through Wafacash agencies.

This company arrives on a Cameroonian money transfer market where the world leaders Western Union and MoneyGram are now facing competition from the leader in domestic transfers, the Cameroonian company Express Union, who also moved into the international transfer segment (particularly in Central and

Western African countries) with very competitive prices.

However, to cover its back in this increasingly competitive market, Wafacash Central Africa chose a much larger scope of action. This goes from simple money transfer operations to *“the implementation and maintenance of automatic teller machines”*, including *“manual foreign exchange activity; the management, administration, direction, implementation and monitoring of its personal account or on behalf of third parties, of all IT and electronic means to authorise and facilitate financial transactions, etc.”*.

## Banque Atlantique makes money transfer international through its automatic teller machines

The Cameroonian subsidiary of the Ivorian banking group Banque Atlantique now offers to its clients Automatic Teller Machines (ATM) which can offer more services such as transfers or magnetic card PIN code changes.

However, the novelty with these ATM is, we officially learned, is that

this equipment now enables a client holding an account in Cameroon, to make money transfers to other accounts, *“throughout the 8 countries in the Banque Atlantique network”* in Africa. Which are: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Mali, Niger, Senegal and Togo. Having entered the Cameroonian

market in 2010, after buying Amity Bank, a local institution facing difficulties, Banque Atlantique thus becomes the very first bank in the country to enable international money transfers operations through its ATM.

# Babissakana: *“Cameroon immediately needs to achieve a minimal capacity of 4000 to 5000 MW by 2020”*

Reviewing Cameroon's economic activity in 2016 with finance expert, founder and CEO of consulting firm Prescriptor.



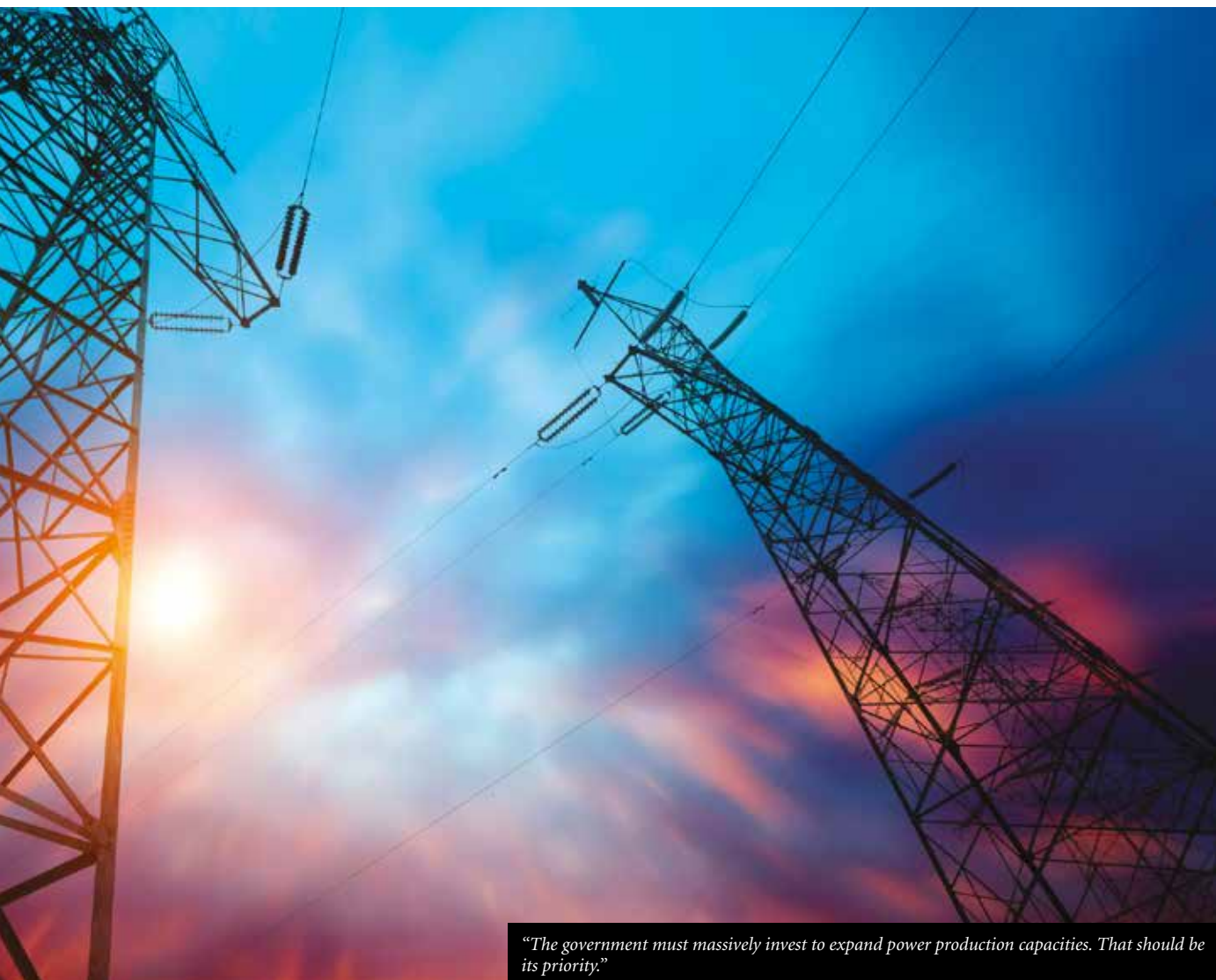
*“The EPA in its actual form, signed and ratified by Cameroon alone, is a threat to regional integration in Central Africa.”*

**Business in Cameroon: One of the major highlights of the 2016 year for Cameroon's economy is the introduction of interim economic partnership agreements (EPA) with the European Union (EU). What do you think of these agreements and what opportunities do**

**they offer Cameroon in the short, mid and long term?**

*Babissakana* : First, an EPA or interim partnership agreement is a free-trade agreement between Central Africa and the European Union, which was signed and ratified by Cameroon. It's a legal instrument for long-term commercial cooperation, which brings about opportunities, but negative impacts as well, for Cameroon. The purpose of such an agreement or instrument should be normally, as part of the national economic strategy, to boost Cameroon's net exports (*exports minus imports*) to the European Union, in order to support the growth of the economy and generate jobs in the country. Studies on the impact and viability of APEs, taking in consideration the

two parties' productive structures, suggest that Cameroon's imports from the European Union should increase more rapidly and significantly than exports in the years to come. This would translate into a negative growth of net exports from Cameroon to the European Union, and many other issues for our economy. Any other related aspect of the agreement brings about opportunities, but threats also, for the Cameroonian economy. I would also like to mention that the negative trend which I talked about earlier can hardly be reversed. The EPA in its actual form, signed and ratified by Cameroon alone, is a threat to regional integration



*"The government must massively invest to expand power production capacities. That should be its priority."*

in Central Africa. Moreover, the CEMAC customs union is the main contributor of positive net exports in Cameroon's external trade.

**BC:** During the *"Investing in Cameroon, a land of opportunities"* economic conference held in May 2016 in Yaoundé, the Cameroonian businessman Paul Kammogne Fokam asked for an EPA to be signed with Nigeria instead of the EU. Why did he, according to you, go for this option?

**B:** In regards to the national economic strategy, a free-trade agreement with Nigeria would have more positive impacts, and produce results opposite to those of the EPA with the European

Union. The main principle of an economic strategy is to specialize instruments according to their comparative advantages. For example, a trade policy should mainly focus on achieving a commercial goal. In this regard, a free-trade agreement to boost net exports (exports minus imports) to Nigeria is much likely to profit Cameroon. Looking at the two countries' productive structures, Cameroon's net exports could very well increase, thus support economic growth and create employment. All these justify the position of Paul Kammogne Fokam.

**BC:** In 2016, the IMF kept criticizing Cameroon's debt policy,

**while the National Public Debt Committee said that the country's debt in July was 27.3% of its GDP, for an allowed standard of 70% in the CEMAC. Considering this, is Cameroon really exposed to overindebtedness as the World Bank says?**

**B:** From a financial aspect, the risk for Cameroon to get over-indebted is very low. As for the recommendations of the IMF and World Bank, I believe them not be value-added creative for the government. I also firmly believe that the IMF, especially, can hardly provide viable solutions for the transformation of the Cameroonian and other African economies. So, little thought



should be given to the institution's recommendations on loans taken to transform economic structures in African countries.

The responsibility of the Cameroonian government is to provide the nation adequate infrastructures for a rapid industrial growth. Taking loans to do so is not so bad. For optimal financial engineering, loans will certainly have a lever effect on the funds invested by the State itself. However, for investment projects to be well-managed, modern technologies have to be integrated into project management.

I would say the real challenge here is the ability of the State and the private sector to master these technologies. A proper management would result in shorter delays and investment cycles, controlling the content, features and quality of projects, as well as considerably reduce construction costs and optimize the profits and impact of the infrastructures once they are operational.

**BC: In its assessment report on public debt in March 2016, the CAA said more than 70% of Cameroon's external public debt comes with an interest rate that ranges between 2% and 3%. It added that from March 2015 to March 2016 for example, Cameroon paid FCFA81 billion in interests on its debt. According to you, why did Cameroon over the past few years has opted for concessional loans instead of the non-concessional ones?**

*B:* As the State's needs for financing keep growing, the government can obviously not rely only on concessional loans or financing, which are anyway too limited in terms of available offer. It must consider non-concessional or commercial loans in both the local and international capital markets, which are more opened. This option taken by Cameroon was even recognized by multilateral lenders, as its status was improved and it was declared eligible by the commercial branches of the World Bank and the AfDB.

**BC: Do you consider this strategic choice more beneficial for Cameroon ?**

*B:* This is the only viable strategic choice in the long term. International funding to modern, and developing nations especially, should be directed to access to private capital markets. Statistically, more than 95% of international financing to developing economies comes from the private capital market, against 5% only from the public capital market (bilateral and multilateral financing, concessional and non-concessional). For Cameroon to gradually and successfully access the private capital markets, accelerate its

*"Our recommendation is to strengthen cooperation with China, by resorting to various legal instruments that involve trade, investment, technology and financing."*

economic and social development, it must establish and adopt a growth model that is based on industry, science and technology. This means ignoring the approach of the IMF and World Bank that focuses on reducing poverty, and includes no real industrial policy.

To get a treasury that is attractive and which has a credible financial reputation that will insure a lasting access to local and international capital markets, the Cameroonian government must focus on appropriately using credit rating. Progress in the State's management and the results of its public policies must be reflected in this rating.

The government made the good choice since 2003 when it decided to be rated by Standard & Poor's, Fitch Ratings and more recently, by Moody's Investors Service. Now it seems vital to switch to the globalization of financial rating in the State's financial management process and the economy's financing policies also.

**BC: The 2013 law to promote private investment in Cameroon already gave rise to more than 70 signed conventions between the State and firms, representing close to one trillion CFA francs of announced investments. What do you think of this law which IMF's chief, Christine Lagarde, seems to have criticized when she was in Cameroon last January ?**

*B:* Given that it boosts the access to various sectors of activities to investors, this law brings about a real issue, in regards to industrial policy. Signing many investment agreements to boost the country's performances might seem very good

but the issue is that the assessment of actual achievements and more importantly, the implementation of adequate measures when expectations, in terms of performances, are not met, seem not to be guaranteed. This gives way to manipulations and waste of public resources granted to private operators.

**BC: Among the beneficiaries of the law, there are so far not only small enterprises but also multinational companies that already generate significant revenues and who do not really need such State support to reinvest. Wouldn't it be preferable to better target beneficiaries?**

*B:* The specific incentives system defined in the 2002-004 law of April 2002 on investment in the Cameroon Republic uses sectoral differentiation as base for strategic and instrumental targeting which is necessary to have a credible industrial policy. The investment incentives law does not respect this criterion. Since the law entered into force, opportunistic



economic actors have used it to get advantages, even in sectors or for companies which do not really need the State's incentives.

**BC: Power deficit has always been presented as one of the major barriers to the development of businesses in Cameroon. However, this year, the Lom Pangar dam was filled and in June 2017, that of Memvé'élé, which has a capacity of 200 MW, should start producing. There is also the 400 MW Natchigal dam for whose construction will begin in 2017. Could we, in sight of all these, say that Cameroon is getting out of the dark?**

*B:* Cameroon's power deficit is significant and it grows year after year. It is true that, considering the hydropower projects you mentioned, Cameroon is on the right path to reducing its deficit, but it is still far



*"From a financial aspect, the risk for Cameroon to get over-indebted is very low."*

from erasing it. The government must massively invest to expand power production capacities. That should be its priority. In order to accelerate its industrialization, Cameroon immediately needs to achieve a minimal capacity of 4000 to 5000 MW, by 2020

**BC: At a press conference held in Yaoundé during the Festicacao 2015, the Minister of Trade, Luc Magloire Mbarga Atanga, said: "cocoa is Cameroon's best bet". Considering the recent fall in the price of oil, which is Cameroon's main export product, do you share his opinion?**

*B:* The comparative economic advantage of Cameroon's cocoa was impelled by the colonizers who forcefully introduced the crop's

farming. Cocoa farming since then has become a key contributor in the creation of added value each year in the country. The issue, however, is that while the sector remains under-industrialized, it is controlled and shared by foreign industrials.

**BC: This year, Cameroon has launched a national plan to revive its coffee-cocoa sector. In this framework, it eyes a cocoa output of 600,000 metric tons by 2020. Given that over the past five years, average production was 210,000 Mt, is this goal still achievable, not forgetting that we are three years from the set deadline?**

*B:* In regards to the global economic strategy, I wonder if it is pertinent to set a production target of 600,000 tons by 2020, especially without formally industrializing. What is done with the currently produced 210,000 tons? I think this strategy does not integrate in any manner economic transformation. Before improving the quality of Cameroon's production units, industrialization must be put as top priority and all other strategies must be subordinated.

**BC: Still in the framework of increasing cocoa output by 2020, the government plans to locally process half of the 600,000 tons it targets. With this in mind, would you change your opinion?**

*B:* This target is as unrealistic as the previous one looking at how low Cameroon's actual processing capacity is. This target seems to have been set by default. You would notice that it is not the industrial strategy that determined the structure of the strategy to boost cocoa production. Truth is, the conception and adoption processes for Cameroon's industrialization master plan is still ongoing.

**BC: According to you, which buttons should be pushed to achieve this goal, win this bet, even if the initial deadline has to be passed by a few years?**

*B:* What you call a bet, I do not think it to be one. In an economy, it is not necessary to focus solely on boosting the production of a primary agricultural commodity. The main concern should rather be to control this commodity's value, by having a credible positioning in its entire value chain. This is a question which stands for Cameroon's cocoa sector. What does the country truly control in the cocoa value chain? How much control does it plan to gain by 2020? Answers to these questions are the real founding stones to developing an economic strategy for the cocoa sector.

**BC: Since 2012 when major projects have been launched in Cameroon, the country has been experiencing a kind of Chinese spring. What do think of the cooperation between Cameroon and China, which has become our country's first lender?**

*B:* In terms of bilateral cooperation, China is Cameroon's first supplier, with 18% of imports in 2014, and its second customer behind Spain, with 15% of exports in the same year. Given its status of economic power and its financing media which are more flexible and less interventionist than that of other major economies, China and its lenders, are a good option for Cameroon.

However, the main issue is the government's ability to negotiate terms related to the acquisition of technology for its projects. This ability is closely related to the quality of management of public investment projects. A good management would help better structure bilateral financing, control the content and features of projects, and reduce construction delays while boosting projects' profitability and their impact once operational. Our recommendation is to strengthen cooperation with China, by resorting to various legal instruments that involve trade, investment, technology and financing.

Interview by  
Brice R. Mbodiam

# PUBLIC MANAGEMENT

## Cameroon to invest FCfa 6.8 billion in 2017 to improve land tenure system

The reform programme of management of the Cameroonian land tenure system will be speeded up during the year 2017. Indeed, while defending the budget of her ministerial department before the Finance Commission of the National Assembly on 26 November 2016, the Minister of Lands, Cadastre Registry and Land Affairs, Jacqueline Koung à Bessiké, announced that an envelope FCfa 6.8 billion (a little more than 25% of the overall budget envelope of the ministry) will be devoted to ongoing reforms.

These investments, she stated, will mainly be used to establish technical digital infrastructure that should lead to the densification of the national geodesic network; modernisation of searches and capacity building of agents in charge of managing land issues in the country.

As a reminder, in Cameroon, land management still grapples with lots of thorns, of which the least is not corruption of agents in charge of these issues. Indeed, it is not unusual that by widespread trick tactics, land



titles reputed to be still unassailable, are delivered to several individuals for the same parcel of land.

The reforms initiated by the Cameroonian authorities some years ago aim not only to facilitate

the issuance of land titles, for which applicants often wait several years; but also and above all put an end to duplication of land titles, thanks to an effective and efficient cadastral system.

## New Cameroonian diplomatic representations announced in Sudan, Tanzania, Uganda, Kuwait and Lebanon

During 2017, the Cameroonian State plans to open new embassies in Sudan, Tanzania and Uganda, as well as consular representations in Kuwait and Lebanon, we learned when the Minister of External Relations defended the 2017 budget in Parliament.

This diplomatic deployment, we learned, is in line with the Cameroonian government's ambition to intensify the cooperation with the new partners throughout the coming year, whether in Africa, Asia or Europe. To achieve this, the govern-

ment submitted for approval by the Cameroonian members of Parliament a budget of FCfa 38.116 billion in 2017 for the Minister of External Relations; against FCfa 30.017 billion in 2016, an increase of approximately 28%.

# Cameroon ranked 11<sup>th</sup> in Africa in terms of promotion of financial inclusion



While the rate of access to banking services in the country went barely beyond 10% 5 years ago, it is skirting the 20% nowadays, mainly thanks to the introduction of mobile money, a service offered by the two main mobile operators which are Orange and MTN.

**Entitled “The Global Microscope 2016: The enabling environment for financial inclusion”, the report by the British analysis and research group The Economist Intelligent Unit, published earlier this month, ranks Cameroon 11<sup>th</sup> in Africa, in terms of promotion of financial inclusion.**

Upon analysis, this study based on 12 indicators evaluating the legal framework favourable for financial inclusion in 55 countries in Africa, Asia, Latin America, the Caribbean and Eastern Europe, thus gives tribute to the Cameroonian legal system which enabled the launch of mobile banking services in the country. Indeed, while the rate of access to

banking services in the country went barely beyond 10% 5 years ago, it is skirting the 20% nowadays, mainly thanks to the introduction of mobile money, a service offered by the two main mobile operators which are Orange and MTN; who have also enabled transactions from banking accounts to mobile money accounts.

## **260,000 civil servants**

According to official figures, the two leaders in the mobile communication market in Cameroon now have close to 5 million users of mobile money services between both of them, out of a population of over 20 million inhabitants; which contributed to boosting the financial inclusion in the country.

At the same time, we can recall that in 2013, the Cameroonian government imposed the use of banking services to all civil servants, whose salaries were superior or equal to FCfa 100,000, thus contributing to making a sizeable share of the 260,000 civil servants access banking services.

We can also list among these financial inclusion ingredients in Cameroon, the promotion of the microfinance sector, with about 500 organisations approved throughout the country in 2016.

According to the ranking of The Economist Intelligent Unit, Tanzania, Kenya and Rwanda are the three African leaders of financial inclusion.



## France grants logistics assistance to Cameroonian army in the fight against Boko Haram

Ten tactical vehicles and five transport trucks, including a medical truck. This is the content of the military equipment bundle given by the new French Ambassador in Cameroon, Gilles Thibault, to the Cameroonian government. This donation, received by the deputy Minister of Defence, Joseph Beti Assomo, valued at 656,000 Euros, equivalent to roughly FCfa 500 million, we officially learned. According to the French government, *"this material support is a concrete illustration of the strengthened"* cooperation between Cameroon and France, as part of the fight against the Nigerian Islamist sect Boko Haram.



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## Cameroon: towards the establishment in 2017, of a 2% export tax on medicinal plants

Starting from 2017, the Cameroonian government could establish a 2% export tax on medicinal plants, as informed by the 2017 Finance bill developed by the State and currently under review in Parliament.

This tax, and many other submitted for approval to the members of Parliament during the last sessions at the Parliament and Senate for the year 2016, should enable the State to somewhat replenish its coffers in a situation of drop in oil revenues for producing countries such as Cameroon.

As a reminder, Cameroonian forests are packed with numerous varieties of plants reputed for having positive effects on the treatment of several tropical diseases. Such varieties are increasingly sought by major Western laboratories, who will now have to pay 2% of the value of the exported plants to the Cameroonian public Treasury.





## Commercial exchanges between Cameroon and Morocco reached FCfa 61 billion in 2016



Per the statistics of the Chamber of Commerce, Industrie, Mine and Arts (CCIMA) of Cameroon, commercial exchanges between the economic engine of the CEMAC and the Kingdom of Morocco peaked at FCfa 61 billion this year.

The information was revealed during a meeting between the management of CCIMA and Moroccan economic operators, gathered at the French Chamber of Commerce and Industry of Morocco (CFCIM), undertaking a prospection mission in Cameroon.

*"Moroccans want to establish partnerships with Cameroonian companies and in the long term set up in Cameroon (...). The sectors we are targeting among others are the food industry, civil engineering (BTP in French), electricity, mining, etc."*, assured Amal Belkhemmar, head of the delegation.

For the moment, Cameroonian exports to Morocco mainly comprise products such as wood, cotton, fresh bananas, coffee and cocoa; while Morocco exports to Cameroon carton, electrical equipment or fertilisers.

## In Cameroon, tax pressure on medium enterprises is 57.7% of their turnover, according to PwC



Cameroon is among the 10 African countries where the tax pressure on medium-sized companies is the highest, as revealed by the *"Paying Taxes 2017"* report published on 17 November by the audit and consultancy firm PricewaterhouseCoopers (PwC) and the World Bank. In this report, which lists 53 African countries based on the tax pressure on medium-sized companies, Cameroon is ranked 44th, with a tax pressure rate reaching 57.7% of the turnover of said companies. Against 48.8% in the *"Paying Taxes 2016"* report.

Cameroon shares this status of high tax pressure country with three other countries in the CEMAC zone. These are Chad (63.5%), Equatorial Guinea (79.4%) and the Central African Republic (73.3%).

With a tax rate at only 13.6% of the turnover of the company, Lesotho is the first country in this ranking, followed by Zambia, with an average tax rate of 18.6%. Then come Namibia (20.7%), Mauritius (21.8%), Botswana (25.1%), South Africa (28.8%), South Sudan (29.1%), Seychelles (30.1%) and Sierra Leone (31%).

This ranking by PricewaterhouseCoopers and the World Bank takes into account annual taxes and mandatory contributions paid by medium-sized companies. In practical terms these are the corporate income tax, contributions and social security charges borne by the employer, land property tax, property transfer tax, dividend tax, etc.

## Cameroon wants to increase lumber export tax from 2017



If the Cameroonian Parliament adopts the proposal made by the government in the 2017 Finance bill currently under review without any changes, the lumber export tax would increase to 20% starting from early 2017, we officially learned. This new rate would then have increased by 2.5%, while it currently peaks at 17.5%.

This projected increase can be explained in two ways. Primo. With the continuous drop in oil revenues, the Cameroonian government is planning to create new income sources or increase the contribution of existing sources, to replenish a treasury increasingly called upon due to the major ongoing projects in the country and additional expenditure incurred by the fight against Boko Haram.

From this point of view, wood, which is the 2nd export product in Cameroon behind oil, appears as the adequate product to boost customs revenues. According to statistics from the National Port Authority (APN), a

global volume of 938,455 tons of wood logs were exported in 2015.

Secondo. The desired increase on the lumber export tax can be viewed as a government strategy meant to encourage logging operators to

move into local processing. Which is not only a source of employment in a country where unemployment is high levels, but could also help create added value for the entire national economy.

## Cameroon registers drop of 32% in its commercial deficit as at end September 2016

Statistics from the Cameroonian Customs on the first 9 months of 2016 reveal a drop in the commercial deficit of the country with its external commercial partners of about 32%, revealed the Payment Balance National Technical Committee at the Ministry of Finance.

Over the same period, we learned, export revenues decreased by 20%, while import expenditure was lowered by 24%. This last piece

of statistics should be confirmed throughout the full year 2016, due to, we learned, a drop in the rice and cement exports.

As a reminder, over the 2013-2015 period, the commercial deficit of Cameroon increased by FCfa 137 billion, moving from FCfa 557 to 693.9 billion. This was mainly due to massive imports le products such as rice and frozen fish.



# Cameroonian government wants to establish import tax to finance African Union

As part of the 2017 Finance bill of the Republic of Cameroon, which will be submitted for voting to the members of the Parliament during the ongoing November 2016 session, the Cameroonian government proposes to establish “an African integration contribution (CIA in French)”, we learned from authorised sources. To be paid by importers, this tax whose rate is of “0.2% of the tax-

ble value of goods originating from countries outside the African Union”, is “meant to fund the African Union institutions”, the government’s proposal specifies.

This proposal comes in an environment marked by public Treasury difficulties, due to the drop in the revenues coming from the sale of crude oil, which in general represent up to 25% of the State’s total revenues.

In this situation, the Cameroonian government will have even more difficulties paying its traditional contributions to the Pan African or regional institutions to which the country belongs than previously, and consequently more difficulties in contributing to funding operational charges.

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## Cameroon: government proposes cancelling VAT (19.25%) on rice from 2017

After reinstating in 2016 the customs duty of 5% on rice imports, which had been cancelled after the February 2008 hunger riots, the Cameroonian government is once again considering eliciting a drop in the prices of this mass consumption product, much sought after by local populations.

Indeed, in the 2017 Finance bill, which will be reviewed by Parliament in the coming days, the government proposes that rice be exempted from the payment of added value tax (VAT). If this proposal is approved by parliamentarians, the price per kilogram of rice on the Cameroonian market (FCfa 300) could drop by 19.25%, which is the equivalent of the VAT rate applicable in the country.

A small rice producer with about 100,000 tons on average per year, Cameroon is a big consumer of imported rice. For example, for 2015 only, the statistics of the National Payment Balance Technical Committee reveal that 707,200 tons of rice were imported in Cameroon, for a financial value of FCfa 181 billion.





## Cameroon attracted FCfa 377 billion in foreign direct investments in 2015

According to the statistics just revealed by the National Technical Committee of the Payment Balance, in 2015, Cameroon attracted FCfa 377 billion in foreign direct investments (FDI). Gilbert Didier Edoa, General Secretary of the Ministry of Finance, was pleased with the increase noted in this indicator, which peaked at FCfa 348.2 billion in 2013, for example. As a reminder, over the 2000-2014 period, representing 15 years in total, the FDI volume received by the Republic of Cameroon is estimated at US\$ 5 billion, thus approximately FCfa 2,750 billion, according to the United Nations Conference on Trade and Development (UNCTAD).

These FDI essentially come from countries such as France, USA, Nigeria and of course, China, who became the first investor in Cameroon according to the General Management of the Cooperation at the Ministry of Economy.

Indeed, if we take into account the official volume of the portfolio of projects undertaken by Chinese companies in Cameroon, which is estimated at FCfa 1,850 billion as at end 2014, China represents about 67% of FDI in Cameroon.



## After several months of closure due to the fight against Boko Haram, Cameroon reopens borders with Nigeria

The Cameroonian government decided to officially reopen its 1,500-km long border with Nigeria, closed for several months now, due to the deadly raids of Nigerian Islamist sect Boko Haram in Cameroon.

The decision taken by the Cameroonian authorities comes at a time when the activities of Boko Haram, whose members have been hunted down for months by the national army and mixed Multinational Force in Nigeria as well as Cameroon,

have slowed down.

This military offensive succeeded in virtually putting an end to the multiple armed attacks previously carried out by the Nigerian sect, thus giving again to the local populations the possibility of resuming their commercial exchanges with Nigeria. As a reminder, in several towns of the Extreme-North region of Cameroon, the survival of the population is closely related to the trade with Nigeria, which is one of the main

exporters of manufactured products to Cameroon.

The customs checkpoints spread along the border with this country therefore represent an important source of public revenue for Cameroon. But for 2 years now, many have been either destroyed, or deserted by customs officers due to the insecurity generated by Boko Haram.

## Cameroon among best 20 countries in Africa for entrepreneurship in 2017

According to the “*Global Entrepreneurship Index 2017*”, published on 13 November 2016 by the Global Entrepreneurship and Development Institute (GEDI), based in London, Cameroon is the 20<sup>th</sup> top country in Africa (out of 37 ranked) for entrepreneurship in 2017. At the global level, the economic engine of the CEMAC grabbed the 116<sup>th</sup> spot out of 137 surveyed countries.

In the CEMAC zone, Cameroon is largely outranked by Gabon, who is ranked 7<sup>th</sup> in Africa and 75<sup>th</sup> globally. With Tunisia (+20) and Ghana (+13), Gabon (+11) is one of the States with

the strongest progression compared to the 2016 ranking, as noted by the Global Entrepreneurship Development Institute.

At the continental level, the five top African countries for entrepreneurship in 2017 are Tunisia (42<sup>nd</sup> worldwide), Botswana (52<sup>nd</sup>), South Africa (55<sup>th</sup>), Namibia and Morocco. At the international level, the United States of America take first place on the podium, before Switzerland, Canada, Sweden, Denmark, Iceland, Australia, the UK, Ireland and the Netherlands.

The Global Entrepreneurship Index

is based on several criteria among which can be listed the way society perceives entrepreneurship, the risk level, the quality of education, competences in terms of start-up creation, level of internet use, level of corruption, economic freedom and depth of capital market.

*“Our index gives decision-makers a tool to understand the strengths and weaknesses of entrepreneurship in their country, thus enabling them to implement policies which will promote productive company policy”,* explains GEDI.

## In Cameroon, the trade balance deficit increased by FCfa 137 billion over the 2013-2015 period



As has been the case for several years now, the trade balance of Cameroon was again in deficit in 2015, as revealed by the figures of the Comité Technique National de la Balance des Paiements (CTNBP - National Technical Balance Payment Committee), which met in Yaoundé on 15 November 2016.

According to this body, the deficit actually increased last year, reaching FCfa 693.9 billion, against FCfa 692 in 2014, thus an increase of close to FCfa 2 billion.

A compilation of the statistics from the Comité Technique National de la Balance des Paiements at the Ministry of Finance moreover reveals

that this deficit has been gradually increasing throughout the years. For example, between 2013 and 2015, it expanded by FCfa 137 billion, from FCfa 557 to 693.9 billion. This means that as time passes, Cameroon is importing much more than it exports.

## Setting up a company in 72 hours, it is now possible in Eastern Cameroon

Laurent Serge Etoundi Ngoa, Cameroonian Minister of SME, Social Economy and Arts (Minpmeesa), just commissioned in the town of Bertoua, the Eastern regional capital, the very first Formality Centre for the Creation of Companies (CFCE) in this part of the country.

This is a single window gathering

all the administrative services taking part in the company creation process. Through these structures, the periods for the creation of companies have been reduced to 72 hours, instead of several months in the past.

According to official statistics, since their launch in 2010, these structures have already helped create

33,000 companies as at end 2014.

In addition to the reduction in set up period, CFCEs have contributed, we learned, are reducing the costs of these operations. These costs, as specified at the Ministry of SME, decreased from FCfa 250,000 to roughly 50,000 only nowadays.

## Cameroonian Customs officers trained on application of origin rules as part of the EPA with the European Union

Firstly, being well informed on origin rules. Secondly, being able to carry out checks, to detect goods whose owners could attempt fraud, by declaring as originating from the European Union zone, to unduly benefit from the 25% reduction on custom tariffs in force since 4 August 2016 as part of the EPA. This is the goal of a one-week meeting, which has been gathering Cameroonian Customs officers for some days now in Douala, the economic capital of the country. Centred around the theme: “*Cameroon-European Union interim agreement and its customs implications*”, this training session is meant to prevent potential frauds within the application of the EPA between Cameroon and the EU. As a reminder, this interim EPA, signed between the two parties while awaiting the finalisation of a global agreement at the regional level, allows, since 4 August this year, 1,760 European products to enter the Cameroonian market with a custom tariff reduction of 25% every year. These EU products will be duty free by 2020. In 2018, another category of European products will be added to the exemption list, then a third starting from 2021.





# FINANCE

## Société Générale to introduce American Express payment cards in Cameroon

The French banking group Société Générale (SG) announced on 30 November 2016, having signed a merchant acquiring partnership with American Express, an American financial company specialised in payment options. This partnership covers eight countries where the bank operates, including Cameroon. Through this partnership, *"involves online retail as well as point of sale payment through electronic payment terminals (EPT)"*, we learned in an official communiqué, *"any retailer wishing to accept payments from American Express Card members can now sign a contract with Société Générale"*.

According to the management of SG, this partnership is *"an opportunity for the group"* and its Cameroonian branch, *"to be more competitive, acquire new customers, and increase its revenues by offering a new payment tool to its clientele"*.

*"This new partnership will give us the*



*opportunity to grow our merchant network in Sub-Saharan Africa, and enable us to increase the number of American Express Card members in Africa as well as those visiting the continent. Sub-Saharan Africa has high potential for economic growth,*

*and this new partnership represents an unique and exciting growth opportunity",* commented Andrew Stewart, Vice-President and General Manager, Bank Partnerships at American Express.

## Compulsory debt collection and reduction in expenses to save microfinance company COMECI

The executive management of Compagnie Équatoriale pour le Commerce et le Crédit d'Investissement (COMECI) has summoned the borrowers of this microfinance institution, to repay all debts that are due, at the risk of legal prosecution and seizure of their assets. The managers of COMECI are moreover threatening to reveal the list of these recalcitrant

debtors to the press. Incidentally, apart from this operation of enforced collection, the executive management of this microfinance institution on the verge of bankruptcy since August 2016, outline measures aimed at putting this business back on track. Notably it is envisaged, we learn from reliable sources, to reduce staff, salaries

and the number of branches, within the framework of an overall plan to reduce expenses. According to our sources, the shareholders of this microfinance institution have furthermore agreed to recapitalise it, through an injection of fresh capital of around FCfa 1 billion before the end of this year 2016.

# Embezzlement at BICEC: Cameroonian justice interested in role of French MD of this branch of BPCE group

**Pascal Rebillard, Jean-Pierre Schiano and Pierre Mahé, all former managing directors of the Banque Internationale du Cameroun pour l'Épargne et le Crédit (BICEC), and Alain Pierre Louis Ripert, current MD of this Cameroonian subsidiary of French group BPCE have appeared at the Wouri regional Court in Douala on 22 November and 23 November 2016.**

According to our sources, the interested parties have provided explanations to the examining judge on the misappropriation case of over FCfa 50 billion at BICEC over a 12-year period. This scandal was revealed earlier this year by an internal audit, then confirmed by the COBAC auditors, the regulatory body in the banking sector in the CEMAC zone. Since 8 August 2016, Cameroonian Innocent Ondo Nkou, former deputy MD of BICEC, who occupied this function for close to 20 years, has been locked up at the central prison of Douala as part of this affair. He was jailed with his compatriots Samuel Ngando Mbongue, former Accounts and Treasury Director at BICEC, and Martin Nyamsi, service provider through the company Interface.



## **Over-invoicing and fictitious invoices**

Until now, none of the French managers, who were all managing directors of BICEC during the period over which the misappropriation acts took place, had been called, let alone threatened. Upon observation, their recent summoning by the Cameroonian justice could lead this case in a completely

different direction.

This especially as, since the start of this affair, many observers were surprised that such a network could have existed within a banking institution for such a long time (12 years), without the multiple internal and external audits imposed to banks revealing the deeds.

As a reminder, based on doubts following an internal audit, an investigation undertaken in March 2016 within this bank by COBAC helped in exposing a network *"implicating external service providers with internal complicity"*. This network, according to the conclusions of the investigation, caused BICEC a financial loss estimated at over FCfa 50 billion over a 12-year period; through several instances of over-invoicing and fictitious invoices, regularly paid to suppliers *"via an off-the-record system"*.

Many observers were surprised that such a network could have existed within a banking institution for such a long time (12 years), without the multiple internal and external audits imposed to banks revealing the deeds.

# Cameroon-Côte d'Ivoire: Cooperation through financial markets



**Jean Claude Ngbwa, President of the Financial Markets Commission (CMF) of Cameroon, the regulatory body of the Douala Stock Exchange (DSX), the stock market of the country; had a work visit on 8 November 2016 in Abidjan, Côte d'Ivoire, at the headquarters of the Bourse régionale des valeurs mobilières (BRVM), the West African States stock market.**

*"I came to draw inspiration from the BRVM experience", declared the President of CMF at the end of the work session with the management*

visit is part of the tour undertaken by the President of CMF to international and African financial places since his appointment, in order to draw inspiration from the best practices for the development of the Cameroonian financial market; which Jean Claude Ngbwa dreams will finally reflect the true economic potential of the country, real economic lifeline of Central Africa.

## **The difficulty in accessing funding**

As a reminder, after a long period working at CIMA, the regulatory body in the insurance sector in

of activity, against five bonds. Its market capitalisation as at 17 June 2016 was only slightly higher than FCfa 405 billion.

Though more comparable to the Bourse des Valeurs Mobilières d'Afrique Centrale (BVMAC), which is even less dynamic than the Cameroonian financial market, BRVM has reached a market capitalisation of FCfa 6,887.47 billion as at 27 October 2016. About forty companies are listed on this market. A certainly attractive performance for the management of the Cameroonian financial market, visibly shunned by the private sector. Indeed, these operators, who are constantly criticising the difficulty in accessing funding in the country, are content with only taking part in the bond issuances organised by the Cematic States on this financial market located in the economic capital, a city where 79 of the 100 top companies in Cameroon in terms of revenues are however located, according to a list created by the National Statistics Institute (INS). Even the tax incentive measures taken by the Cameroonian State, in particular a substantial reduction in the corporate tax for listed companies, have not yet succeeded in attracting companies to the Douala Stock Exchange.

**Jean Claude Ngnwa was appointed to the presidency of CMF on 29 June 2016. He thus became the regulatory authority of a financial market which only lists three stocks, after 10 years of activity, against five bonds.**

of this financial market, though not without specifying that *"coming to the BRVM was a must, considering the performances of the UEMOA financial place these past years"*. Indeed, we officially learned, this

Western and Central Africa, Jean Claude Ngnwa was appointed to the presidency of CMF on 29 June 2016. He thus became the regulatory authority of a financial market which only lists three stocks, after 10 years



## CEMAC zone: 16 out of 52 banks posted losses at 30 June 2016

Based on the accounts declared by the 52 banking establishments operating in the CEMAC zone as at 30 June 2016, sixteen of them posted losses, we learned at the end of a recent meeting gathering the managers of the banks in this community and the Central African Banking Commission (COBAC), the watchdog in the sector. According to Lucas Abaga Nchama, Governor of the central bank of CEMAC member States and President of COBAC, two

banks joined the group of institutions making losses this year, as they were only fourteen over the same period in 2015.

This underperformance however, as Lucas Abaga Nchama highlighted during the last meeting of the BEAC monetary policy committee, does not prevent the CEMAC zone from having a "solid" banking sector. With a net banking result at FCfa 444 billion over the period under review, thus approximately the same level as in 2015.



## BEAC and the Moroccan Central Bank strengthen their cooperation in terms of banking supervision



Abdellatif Jouahri and Lucas Abaga Nchama, respectively governors of Bank Al Maghrib (central bank of the Kingdom of Morocco) and the Bank of Central African States (BEAC), recently signed a revised agreement

on cooperation in terms of banking supervision, we learned from good sources.

This agreement, according to our sources, strengthens the cooperation between the two central banks, mainly concerning on-site inspection of transnational banking establishments.

This consolidation of the cooperation between BEAC and Bank Al Maghrib comes at a time when Moroccan banks are expanding to the Central African region. Expansion which, according to some experts, could carry some systemic risks.

## In 10 months of activity Banque Camerounaise des PME has already granted loans of more than FCfa 2.5 billion



Open since 20 July 2015 in Yaoundé, the capital of the country, Banque Camerounaise des PME (BC-PME - Cameroonian Bank of SMEs) has already granted an overall envelope of loans estimated at more than FCfa 2.5 billion, reveals Agnès Ndoumbe Mandeng, the

Manager of this 100% publicly owned banking institution. This report is deemed satisfactory by the management of this financial institution, especially as in only 10 months of activity, it officially has almost 2000 clients to date in its two agencies of Yaoundé and Douala (open on 3 August 2015), the two main cities in Cameroon.

As a reminder, the BC-PME, was created by the Cameroonian government with a view to reducing difficulties in accessing bank financing for SMEs (who make up 90% of the national industrial base).

## Germany temporarily suspend funding for the development of micro-projects in Cameroon

Until further notice, NGOs, boroughs, villages, individuals or organised groups often submitting to the German Embassy in Cameroon funding application requests to carry out development micro-projects, will no more receive anything.

*"The embassy has suspended financing of development micro-projects for 2016 and 2017. Requests will only be accepted after the financing of development*

*micro-projects restarts"*, specified an announce posted on the website of this diplomatic representation.

According to a senior official at the Ministry of Economy cited by the pro-government daily, this decision is the *"result of the lack of personnel dedicated to monitoring the physical and financial execution of micro-projects"* generally financed with own funds by this diplomatic post, with

FCfa 6.5 million maximum.

On the other hand, as highlighted at the Ministry of Economy, funding provided by Germany as part of the bilateral cooperation with the State of Cameroon is still on the agenda. For this year 2016, it is estimated at over FCfa 65 billion, against FCfa 50 billion in 2010.

## Crédit Mutuel joins the list of bankrupted microfinance companies in Cameroon

Since almost a month now, clients of the Cameroonian microfinance establishment called Crédit Mutuel are in distress. And for a good reason, as for close to four weeks now they have been meeting the closed banking halls of this financial institution, which had among its customers scores of traders operating in the Yaoundé markets.

A note signed by the office of the managing director informs clients that the financial institution is facing *"intense treasury tensions"*, following huge withdrawals themselves subsequent to what senior management calls *"malicious rumours"* on the bankruptcy Crédit Mutuel.

According to sources close to this organisation, the situation is consecutive to the death of the sponsor of this financial establishment, Joseph Njeunou. A demise which led to disagreements between the members of the family of the deceased and his financial partners in the business, each party wanting to take control of Crédit Mutuel.

Made aware of these disputes which do not bid well for the future of this



financial institution, some important clients of this microfinance establishment immediately withdrew massive amounts of money, leaving the coffers of the company empty. The situation at Crédit Mutuel highlights the fragility of microfinance institutions in Cameroon, a country where about 500 of these structures

operate, according to the statistics of the Ministry of Finance. Just like Cofinest, Crédit du Golfe or Fiffa, who went bankrupt these past years, these structures often managed like common shops sometimes end up closing after a few years of operation, leaving their clients in distress.

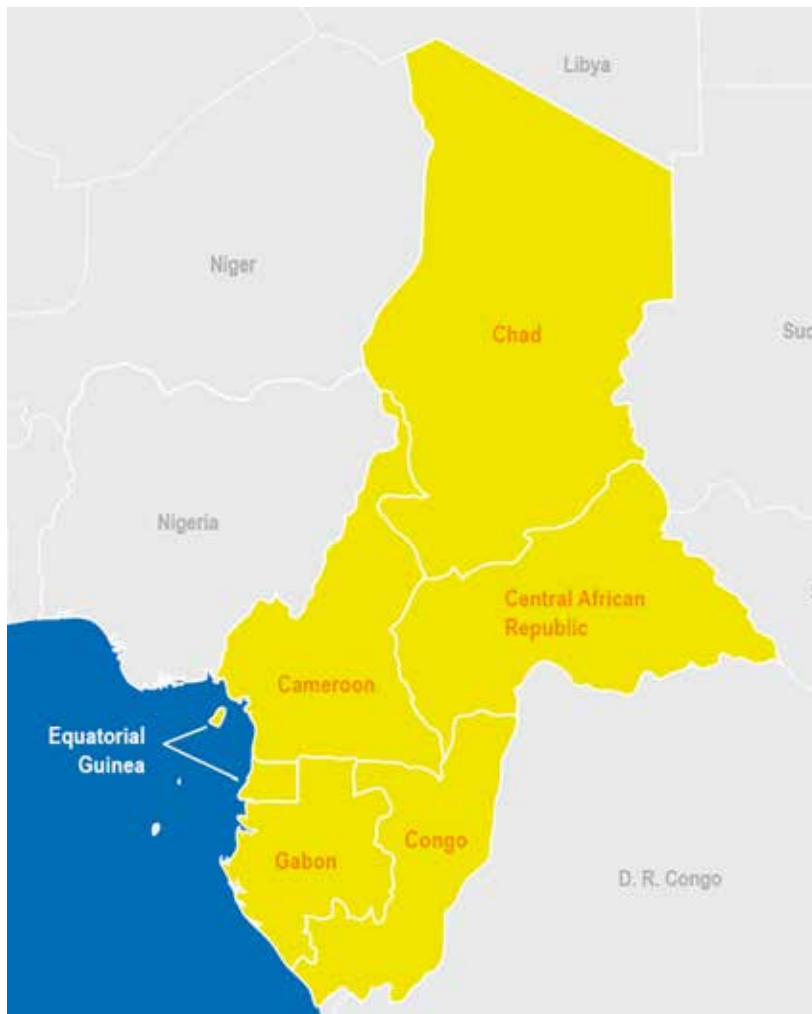
## CEMAC zone: Despite a difficult situation, the “risks and weaknesses on the financial system are under control”

The 3<sup>rd</sup> session of the Central Africa Financial Stability Committee (CSF-AC) was closed on 29 November 2016 in Yaoundé, the Cameroonian capital, on an optimistic note on the state of the financial sector in the six CEMAC countries, which are Cameroon, Congo, Gabon, Equatorial Guinea, Chad and the Central African Republic.

Indeed, even though the persistence of a “difficult economic environment which is negatively affecting the macro-economic performances of the

COBAC among other things revealed that outstanding receivables for CEMAC banks had increased by 41.6% as at end July.

CEMAC States and the players in the sub-regional financial sector” was highlighted, CSF-AC reassured that “the risks and weaknesses affecting the financial sector” in this community are “on the whole under control”. These conclusions, combined with a call for “constant vigilance” to the players in the CEMAC financial community, restore confidence on the limited consequences which could be induced by some indicators recently revealed in Douala, during a meeting between the management of COBAC, the regulatory body in the banking



sector, and the management of banks operating in the CEMAC zone.

### Prudential standards

During this meeting held on 21 October 2016 in the Cameroonian capital, COBAC among other things revealed that outstanding receivables for CEMAC banks had increased by 41.6% as at end July; only 19 out of 52 banks had enough equity to enable them to meet prudential standards; while 16 out of 52 banks

had registered losses during the first half of 2016.

All rather mediocre statistics, which could have pushed towards a certain pessimism on the state of the sub-regional financial sector. But, for the moment, these indicators have no repercussions on the stability of the financial sector of CEMAC, according to the Central Africa Financial Stability Committee, headed by the Governor of the Central Bank, Lucas Abaga Nchama.



# AGRIBUSINESS

## FCfa 3.5 billion investment to produce and process 10,900 tons of maize in Noun

The maize production, processing and marketing Agropole of Noun, a district in the Western region of Cameroon, is now operational. It was officially launched on 26 November, and plans to bring the maize production in this area of the country from 2,800 to 10,900 tons, we officially learned.

This investment of FCfa 3.5 billion in total, including FCfa 1.3 billion provided by the State of Cameroon as part of its Agropoles project, is carried out by Maïs du Noun and the company Hollygreen, who produces feed grain and announces the production of vegetable oils made from maize in the near future.

In practical terms, the funds made available to the project sponsors by the Cameroonian State will contribute to the purchase of 25 tractors, the installation of a feed mill and maize oil extraction unit.



## Creation of a processed agro-industrial products analysis centre, with the support from ONUDI and EU

Centre Technique de l'agro-alimentaire du Cameroun (CTA-CAM; Technical Food Industry Centre of Cameroon). This will be the name of the future food industry processed products analysis centre, which has just been created in Cameroon. This was at the end of a General Founding Meeting in which took part industrials, representatives of the government, the European Union

and the United Nations Industrial Development Organisation (UNIDO), all partners in this project. According to our sources, this structure, whose operationalisation process was immediately kickstarted, will mainly enforce the implementation and respect of standards issued in terms of food industry in the country, before the different products hit the market.

A structure managed by the private sector, whose Steering Committee will be presided over by the General Secretary of the Oleaginous Refiners Association of Cameroon, Jacques Kemleu Tchabgou. CTA-CAM is planning, we learned, to improve the competitiveness of Cameroonian companies and guarantee food safety in the country.

# World Bank reviews agricultural portfolio in Cameroon



The World Bank appears as one of the main investors in Cameroon as part of the development of the farming and breeding sectors.

**Dina Umali-Deininger, Technical Director at the World Bank Agriculture department for Central and Eastern Africa, has been visiting Cameroon to review the agricultural portfolio of this international financial institution in the country.**

In practical terms, it is for this World Bank senior officer about assessing with the Cameroonian authorities the state of progress of the Agricultural Competitiveness Improvement Project (PACA) and the Agricultural Markets Investment and Development Project (PIDMA); which are the two main projects in the World Bank agricultural portfolio in the country.

## **To boost the agricultural productivity**

Launched in 2010 with about FCfa 50 billion over a 7-year period, the objective of PACA, which consists in bringing direct financial support to producers, is to boost the agricultural productivity in the country, through investments in booming sectors such as rice or maize farming, or the production of broiler chicken and pork.

## **Maize, sorghum and cassava fields**

PIDMA will be implemented over the 2014-2019 period, with FCfa 50 billion in financing granted by the World Bank. The funding will be essentially invested in the maize, sorghum and cassava fields, to supply

local agro-industries such as Nestlé or Guinness, who have committed to programmes for the reduction of raw materials imports.

On 27 October 2016, the Board of directors of the World Bank approved a US\$ 100 million funding (FCfa 59.6 billion) to help Cameroon improve the productivity, competitiveness and resilience to climate change in the breeding sector during the coming six years.

With these three projects whose global cost is around FCfa 150 billion, the World Bank appears as one of the main investors in Cameroon as part of the development of the farming and breeding sectors.



## FCfa 1.3 billion investment to boost pork production in Central region

A group of 28 breeders from the Nyong-Ekellé district in the Central region of Cameroon will invest no less than FCfa 1.3 billion in production of pig meat, we officially learnt. In this regard, they have just received FCfa 400 million in support from the State as part of the Agropoles

programme, spearheaded by the Ministry of Economy. In practical terms, with this funding, we learned, these breeders plan to bring their suckling pig production currently estimated at 1,600 heads to slightly over 4,700 heads. Which will enable them to therefore

produce 377 tons of pork instead of 60 tons currently. As a reminder, the Agropoles programme is officially meant to promote the creation of income-generating activities in the rural areas of the country and limit massive imports of foodstuffs in Cameroon.

## Cameroon is now importing palm oil from Gabon



The Gabonese palm oil refinery Awala made, on 27 October 2016, its first exports of palm oil and palm kernel oil to Cameroon and Spain, the Gabonese press announced. The packaging of the cargo of approximately 300 tons of palm oil and 180 tons of palm kernel oil, we learned, was done in the presence of the Minister of Agriculture and Livestock in charge of the "Graine" programme, Yves Fernand Mamfoumbi.

These first Gabonese exports of palm oil are the results of a programme to diversify the economy of this country launched a few years ago by President Ali Bongo, in order to make Gabon less dependent on oil production. The Awala thus finds in Cameroon an excellent market, since this country presented as the economic engine of the CEMAC zone has been facing, for years, a deficit in terms of palm

oil production, a deficit which is officially estimated at about 100,000 tons per year. This year, for example, the Cameroonian government had to, once again, grants authorisations for preferential imports of close to 60,000 tons to oil refiners, in order to make available the raw material for the production of vegetable oils, soap, etc.



# INFRASTRUCTURE

## Cameroon government announces asphaltting of almost 1000 Km of roads in 2017



The Cameroonian Prime Minister, Philémon Yang, revealed on 22 November 2016 before parliamentarians, the government's ambitions in the area of road infrastructure construction during the year 2017. Presenting the economic, social

and cultural programme of his government for next year to elected representatives, Philémon Yang, announced a programme of asphaltting almost 1000 Km of roads.

In detail, we learn, the government will proceed, within the framework of its budget of public investment (BIP), supported by funding from external partners, to pave a stretch of 250 Km of new road, the PM highlighted. To this, additional 677 Km of road will be asphalted under the three-year Emergency Plan, stated Philémon Yang.

This announcement by the PM reveals that the Cameroonian government will fulfill its promise once again in

2017 to asphalt an average of 300 Km of road each year, but also that the public authorities are nearing their aim of having a paved road network of 8500 Km by 2020, against a little more than 6000 Km presently.

However, this remains insufficient in the country. Because, 8500 Km of tarmac roads only corresponds to 17% of the national road network. The reason for the delay in road construction, several experts maintain, is the high cost of asphaltting in the country, which is double the average price in Africa. A trend which the government wishes to reverse, by setting up units of production entrants, such as crushing plants.

## Development Capital Partners and DP Rail ready to finance railway development in Cameroon

Development Capital Partners, a company specialised in financial consultancy, and DP Rail, British company working in financing, design, construction, operation and maintenance of rail networks have just notified the Cameroonian government of their interest in contributing to the funding of railway development projects currently undertaken or in the pipeline in the country.

*"During the recent visit of the CEO and other members of the Development Capital Partners team in Cameroon, the delegation met*

*the minister in charge of this sector (Transport, Ed.) and key conclusions were drawn. The team is waiting for the list of projects to be reviewed to continue the discussions",* confided a source familiar with the case.

As a reminder, due to a lack of appropriate funding, Cameroon is slow to implement its national railway development plan, which global cost is estimated at about FCfa 15,000 billion. This national plan incorporates strategic projects such the expansion of the Cameroonian railway to Chad, or the construction of the Edéa-Kribi-Lolabé line to serve the

deep water port of Kribi. These two projects have already roused the Bolloré group, who offered to finance and carry them out.

But, the main important railway project expected in the country remains the construction of the Mbalam-Kribi railroad, which is a component of the project for the iron ore mining project in Mbalam, which lies between Cameroon and Congo. Over 500 km-long, this railroad should trigger the mining activity of the subsoil in the mining region of Eastern Cameroon.

# ENERGY

## Théodore Nsangou, MD of EDC: *“apart from Natchigal, we should open another one or two dams over the Sanaga in 2017”*

2017 promises to be an auspicious year in terms of energy projects in Cameroon. Indeed, according to Théodore Nsangou, MD of Electricity Development Corporation (EDC), the national company in the electricity sector, *“we should start working on another one or two dams over the Sanaga in 2017”*. This, he highlighted, separately from the Natchigal dam, with a production capacity of 400 MW, whose works will start next year for a commissioning scheduled for 2021.

*“I am using should because money is the key factor here. This is why the Cameroonian government is supporting the public-private partnership”*, he explains, while specifying that *“dams are projects which require large financial commitments and we cannot start the work before closing on the financial aspect”*. However, Théodore Nsangou is particularly optimistic on the outcome of the financial negotiations started by the government with potential investors as, he points out, *“after the construction of Lom Pangar, private institutions may be interested in investing in the Sanaga. They will have competitive cost prices per kwh. They would thus be able to make profits here and export energy to neighbouring countries such as Nigeria, who has a huge energy deficit”*.

Upon analysis, in addition to Natchigal, one of the energy projects which could start on the Sanaga River (75% of the hydroelectric potential of Cameroon) in 2017 is the construction of the Song Dong dam,



with a capacity of 270 MW. Earlier in this month of November 2016, Wu Shouhua, Vice-President of Bank of China, one of the most important

financial institutions in the Middle Kingdom, came to Cameroon to offer to finance this project undertaken by Hydrochina.

## Cameroon is moving towards the production of electricity from cocoa pods

Set up in Cameroon a thermal plant producing electrical energy through the combustion of cocoa pods. This is the ambition of the company Energy Biomass Sourcing (EBS), who thus plans to contribute to the diversification of the energy mix in the country, particularly by developing projects in the biomass sector.

To achieve it, this French company specialised in “*studies, project development and implementation of biomass supply solutions for thermal, electrical plants as well as the logging industry*”, contacted with the Conseil Interprofessionnel du Cacao et du Café (Cocoa and Coffee Board). “*Experts from this firm recently visited Cameroon to prospect, to ensure that there was a critical mass of cocoa pods available on the ground to effectively produce electrical energy*”, explains a source within the Cocoa-Coffee Council.

After ground visits, in particular in the Lékié district, the most important cocoa production area in the country, and in the South-Western region; experts from the company Energy Biomass Sourcing reached sufficient conclusions. “*They were convinced that in theory it is pos-*



*sible to carry out such a project in Cameroon. We are now waiting for the next steps*”, confided an authorised source.

This project should transform the entire ecosystem of the cocoa production in Cameroon, which is still limited to the production and marketing of cocoa beans, the latter

representing only about 40% of the pod. Indeed, with the installation of thermal plants working cocoa pods, producers would be able to substantially increase their revenues by not only selling the beans as per usual, but also the pods which are generally left unused.

## Société de Transport de l'Électricité gets FCfa 190 billion financing from World Bank

The Managing Director of Société de Transport de l'Électricité (Sonatrel) in Cameroon, Mbemi Nyaknga, revealed on 14 November 2016 in Yaoundé, that the Cameroonian government and the World Bank signed a financing agreement for FCfa 190 billion, to renovate and build transport lines in the Central, Littoral, Eastern and Western regions of the country.

After the production deficit from

which the country suffers, transport is the other thorn in the side of the electricity sector in Cameroon. According to a study by the regulatory agency in the electricity sector (Arsel), about 6.5% of the electricity produced in Cameroon is lost during the transport process, due to the bad quality of the grid.

Using the opportunity of the recent creation of Sonatrel, this is about renovating some lines and build

new ones throughout the country, to be able to supply households with electricity, in good quality as well as quantity.

To achieve this, the Cameroonian government will have to invest in total about FCfa 940 billion, according to the estimates of the Minister of Energy and Water, Basile Atangana Kouna.



## “Wind power production is very poor”, according to Théodore Nsangou, Managing Director of EDC



In an interview granted to *Le Monde Afrique*, Théodore Nsangou, the Managing Director of Electricity Development Corporation (EDC), the state-owned company in the electricity sector in Cameroon, shines light on the reasons why energy projects in wind power are practically non-existent in the country. “We have many projects in the pipeline, whether in solar or biomass. No wind power project, because the production is very poor”, he states.

Indeed, to date, a sole project producing electricity from a wind powered plant has been in development in Cameroon for years, and moreover is experiencing delays in being launched. It is a plant to be set up on Monts Bamboutos, with a capacity of 42 MW up to 80 MW. The energy mix of the country remains largely dominated by hydro-electric power, while glimmers seem to be in the offing for solar power, whose most advantageous area is in the northern part of Cameroon, where it is sunniest according to experts. However, once again, specifies Théodore Nsangou,

“the projects (...) have been dragging on a lot. Because, their price was still too high ten years ago. In addition, with Boko Haram, the insecurity in the

North of the country, there where we have favorable areas thanks to a high level of sunshine...”, has not allowed the implementation of these projects.

## Cameroonian marketing company Green Oil moves into domestic gas distribution

The Cameroonian company Green Oil just moved into the distribution of domestic gas, we learned from credible sources. The company has already hooked some depot recognizable through posters pasted on walls, and on which can be read: “Green Oil Gas already available here”.

A small distributor of oil products in Cameroon, who launched its activities in 2011, Green Oil comes on a very competitive domestic gas market, but which still has opportunities. Particularly with the financial diffi-

culties that SCTM, the leader with 33% market share in 2015 against 38% in 2013, is currently facing. Moreover, in Cameroon, the household demand in domestic gas increases by an average of 8% every year, according to the Caisse de Statibilisation des Prix des Hydrocarbures (CSPH – organisation in charge of stabilising prices); thus revealing the possibility for new players entering the market to win some shares.

## Bowleven and partners target additional 2 billion cubic feet of gas on Etindé permit

Kevin Hart, CEO of Bowleven, a British oil and gas company which, with its partners Lukoil, SNH and New Age operates the Etindé permit covering 2,316 km<sup>2</sup> on Cameroonian offshore, claims having made “*constant progress*” toward the “*objective of converting the reserve resources in Cameroon, despite the difficult macroeconomic environment*”. This declaration is in the activity report as at end June 2016 of this oil and gas firm, made public on 8 November. Bowleven's CEO appears particularly optimistic on the exploration activities on the Etindé permit as, he reveals, his partners and himself are targeting additional volumes which could reach 2 billion cubic feet of gas on this permit.

It is the reason for which, as Kevin Hart says, Bowleven “*wants to drill two wells as soon as possible*”, as part of the continuation of this exploration project. These “*appraisal wells*”, initially announced for 2016, but finally postponed to 2017, target “*the important upward potential identified in the intra Isongo interval reservoir*”, highlighted Bowleven in its activity report as at 30 June 2015.




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## Bank of China is interested in financing the Song Dong dam, with a capacity of 270 MW

Wu Shouhua, Vice-President of Bank of China, one of the most important financial institutions in the Middle Kingdom, has notified the Cameroonian government of the interest of the organisation he leads in funding the works for the construction of the Song Dong dam, in

the Central region of Cameroon. This energy infrastructure still in the project phase should help in adding 270 MW to the electricity offer in the country. This project is developed by Hydrochina International, a company with whom the Cameroonian government signed a contract on 19

January 2015.

With a projected cost of FCfa 375 billion, the Song Dong dam will come with an electricity transport line of 225 KV, which will stretch over a distance of 75 km.

## “By 2022, balance in the production of electricity” will be restored in Cameroon, according to MD of EDC



*“Today, the production deficit is not huge. It is roughly 300 MW. The problem is that the demand grows by 8 to 10% per year. Therefore, in five years from now, the demand will have doubled and we will be able to meet it.”*

### Cameroonian citizens and companies will continue living in the dark until 2022. At least.

Indeed, despite the increase in the number of projects for the construction of energy structures in the country, Théodore Nsangou, MD of Electricity Development Corporation (EDC), the public company in the electricity sector, estimates that a real balance between offer and demand in terms of electricity in the country will be achieved at that date. *“Today, the production deficit is not huge. It is roughly 300 MW. The problem is that the demand grows by 8 to 10% per year. Therefore, in five years from now, the demand will have doubled and we will be able to meet it. With the dam projects over the Sanaga, we will recover a production balance by 2022, after the commissioning of Natchigal (dam with a capacity of 400 MW, Ed.). Another challenge is the transport of energy on which the government is putting an emphasis today”,* he explained in an interview granted to Le Monde.

### “Irreversible” needs

With a current installed capacity of about 1,200 MW, Cameroon will in principle add close to 1,000 MW in capacity to its electricity offer by 2022. In part through the announced commissioning of the Memvé'élé (200 MW from June 2017), Lom Pangar (30 MW after the completion of the adjoining plant), Natchigal (400 MW from 2021) and probably Song Dong dams (270 MW).

Incidentally, the forecasts of the MD of EDC are more optimistic those of the Cameroonian financial expert, Babissanaka, who projects “irreversible” needs of 4,000 to 5,000 MW of electricity for Cameroon from 2020. This, he specifies, “in accordance” with the country's industrialisation ambition declared by the government.

### AN ELECTRIFICATION RATE OF 50% BY 2022

*“Today, we have an electrification rate of about 40%. This is too low when compared to other Northern African countries such as Tunisia, where the rural electrification rate is over 90%. We believe that we will reach the milestone of 50% by 2022”,* confided Théodore Nsangou to Le Monde Afrique.

To reach this electrification rate by the given date, the MD of Electricity Development Corporation (EDC), the public company in the electricity sector in Cameroon, is mainly count-

ing on the commissioning of the Natchigal dam scheduled for 2021. This energy infrastructure will add some 400 MW to the energy offer in the country.

The projections of Théodore Nsangou also lie on the Memvé'élé dam, under construction in the Southern region of Cameroon. This dam built by Sinohydro will help, starting from June 2017, to bring an additional 200 MW to the Southern interconnected grid.



# MINING

## New mining code submitted for approval to Cameroonian parliamentarians

Expected for some years now, the new Cameroonian mining code finally came out of the government's drawers. It has just been proposed for review to the Senate, the High Chamber of the Parliament, we learned from reliable sources. Developed in 2001, then revised in 2010, the Cameroonian mining code certainly boosted the interest of some investors in the local subsoil resources, but has not really enabled the country to benefit from the potential in its mining sector, which still represents barely 1% of the country's GDP.

Additionally, these past years, the Cameroonian mining sector has been characterised by a disorganisation in the mining industry, the absence of industrial mining, scavenging of natural resources and the inefficient monitoring of mining activities by the competent authorities, etc.



In addition to fine-tuning transparency in the mining sector in the country, the *“mining code will ensure the judicial security of potential mining investors in Cameroon, start the transition from traditional mining to the formal sector and also lead to a*

*semi-mechanised traditional mining activity”*, claimed Ms Olomo, Head of the Judicial Affairs Unit at the Ministry of Mines, on 23 August. This was during an international mining conference organised in Yaoundé.

## Two Cameroonian town halls looking for partnerships with the Association of Mining Communes in France

The mayors of Cameroonian communes of Fongo Tongo and Poli are participating, this week, in the conference of the Association of Mining Communes (ACOM - Association des communes minières) of France, taking place in Nancy, the site of the regional French daily *La Voix du Nord* revealed. Prior to this meeting, the two Cameroonian representatives visited the commune of Barlin,

which used to be a coal mining area in France.

According to our sources, these two mayors have not lost hope in establishing partnerships, perhaps *“finding investors”* during this National Assembly of ACOM France. Moreover, stressed Sadou Yaouba, the mayor of Poli, *“we wish to share with our French colleagues their experience of reconversion, to plan for the issues we will face*

*once the mines are closed (as in the commune of Barlin, Ed.)”*.

As a reminder, the commune of Fongo Tongo, located in the West Region of Cameroon, has a significant bauxite deposit whose operation has been awaited for years. In Poli, commune in the North Region of the country, there is an uranium deposit identified by mining developers several years ago.

## Cameroon is a hub for Central African war diamonds, according to Partnership Africa Canada



On the eve of a Kimberly Process assessment mission in Cameroon, a report made public on 2 December 2016 revealed “the inability” of the country “to implement the Kimberly Process”, the international diamond certification process meant to put an end to the conflict diamonds trade. Indeed, in a report entitled “*From conflict to illicit: Mapping the diamond trade from Central African Republic to Cameroon*”, Partnership Africa Canada (PAC), a funding mechanism supported by Canadian and African NGOs, as well as the Canadian International Development Agency; reveals that “*Cameroon allows conflict diamond from the Central African Republic to cross its borders and enter the legal supply chain, due to*

*weak law enforcement, smuggling and corruption*”.

According to Joanne Lebert, General Director of PAC, “*even though the international outcry raised by war funding through ‘blood diamond’ in the Central African Republic led to the adoption of measures to stop the trade, we have not given the same attention to CAR’s neighbours. Our assessment shows the reality on the ground and the way conflict diamonds originating from CAR still have entry points on international markets through Cameroon*”.

PAC highlights that the report was developed based on testimonies of miners, traders and exporters, who “*described in detail the smuggling of diamonds from the Central*

*African Republic which cross the 900 km border this country shares with Cameroon; corruption among State officials in charge of verifying the origin of the diamonds; and important shipments of conflict diamonds under embargo*”, which are generally “self-declared” as coming from Cameroon.

From these conclusions, which are rather inauspicious on the results of the assessment Cameroon must go through, the author of the report, Offah Obale, proposes that “*when visiting Cameroon, the Kimberley Process should act without delay and show companies, retailers – and above all consumers – that it is capable of putting an end to the flow of conflict diamonds*”.

# INDUSTRY

## Eight industrial projects on the horizon for FCfa 32 billion in investments



The Cameroonian government just signed with eight local companies, agreements which gives them access to the advantages provided in the 2013 Act on promoting private investment in Cameroon, granting the beneficiaries different exemptions over a period of 5 to 10 years.

Sponsoring projects in sectors as diverse as chemical product manufacture, cosmetic industry, food industry, production of detergents or drinks, etc., these companies will officially 1,220 jobs, for global investments reaching FCfa 32 billion. Per statistics from the Ministry of

Industry, prior to signing this new batch of agreements, more than 80 companies had already been declared eligible to benefit from the advantages provided in the 2013 Act, for a projected investment of about FCfa 1,000 billion.

## Production capacity of Ebolowa tractor assembly unit already at five machines per day

Indian brand Sonalika's tractor assembly unit, built in the town of Ebolowa, regional capital of South-Cameroon, is already operational. It can, to date, produce up to 5 tractors per day, we learned during a recent onsite visit by the Cameroonian Minister of Economy, Louis Paul Motazé.

This government member even recommended that the tractors produced in this plant be quickly put to trial in experimental farms,

for eventual faults to be corrected before their launch on the local and sub-regional market. This assembly unit is financed by the Cameroonian government, who thus plans to promote more mechanisation in the local agriculture.

In 2011, the year for which its delivery was initially scheduled, this unit was at the heart of a scandal. Indeed, that year, about one hundred tractors assembled during the test phase were left in neglect, at the mercy of

the weather, due to the construction works for the shelters meant for them shutting down.

The company Immobiliare then accused the government of not being able to release the necessary funds for the works to continue. A visit by the Minister of Economy on the ground led to FCfa 300 million being made available at first, followed by other releases of funds which finally resulted in the ongoing completion of the works.



## British laboratory GSK launch call for proposals to Cameroonian researchers



In Cameroon, non-transmissible diseases (NTD) were the cause for close to a quarter (31%) of the deaths which occurred in 2014, while in this Central African country, the probability of dying from an NTD at a young age (between 30 to 70 years) is of 20%, according to British laboratory GSK.

It is to fight these diseases which are taking a heavy toll on the whole Dark Continent, that this British pharmaceutical firm just launched for the attention of Cameroonian and African researchers in general, the third call for proposals for its open laboratory fighting against non-transmissible diseases.

This initiative, we learned, is meant to work in partnership with researchers and African university groups, in order to carry out research on non transmissible diseases such as cancer, diabetes, cardiovascular diseases and chronic respiratory illnesses.

According to GSK, selected candidates will receive about FCfa 73

million over a two-year period, as well as scientific support from GSK.

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## Cameroonian company Nathalyon Sarl wins new contract to supply communication tools to BEAC

A company based in Douala, the Cameroonian economic capital, and specialised in graphic art, printing and publishing of high quality documents, Nathalyon Sarl has just been declared the winner of an international call for tenders, for the supply of communications tools to BEAC, for the year 2017.

Nathalyon Sarl shares this contract with the French company

Photoconcept, who got part of the contract. Both companies are well known at BEAC, as they had already won the same contract for 2016. In practical terms, Nathalyon Sarl had won the contract for the production of the Central Bank of CEMAC States diaries, while the production of calendars, envelopes and greeting cards went to Photoconcept. The amount for both contract was not revealed.

# TRANSPORTATION

## Stecy SA is the name of the new mass urban transport company in the Cameroonian capital

Société de transports et équipements collectifs de Yaoundé (Stecy SA). This will be the name of the new company in charge of mass bus transport in the city of Yaoundé, the Cameroonian capital, we learned from official sources. The activities of Stecy, which should have started prior to the ongoing 2016 women's AfCON, were post-

poned after this deadline due to delays in administrative procedures, the general management of this company announced. Result of the public-private partnership between the Portuguese group Eximtrans Sarl/Irmaos Mota and the Urban Community of Yaoundé, the mayor office covering the whole capital; Stecy SA will replace on

the Yaoundé roads the consortium gathering public Cameroonian institutions and the American group Parker International Industries. "Le Bus", the company created through this first partnership signed in 2005, went bankrupt several months ago, and its 600 employees on a redundancy plan.

## Aviation Authority pleads for better quality of service in Cameroon's airports

After reflecting last year on issues such as the promotion and competitiveness of Cameroon as a destination, facilitation measures in airports or the implementation of environmental standards in airports and security infrastructure... The Cameroonian Civil Aviation Authority (CCAA) is focusing on the quality of service in the country's airports, as part of a forum which just gathered players in the air transport sector.

*"In its position as supervisor of the entire civil aviation activity in Cameroon, the Aviation Authority found it useful to evaluate the services offered"* to passengers, explained André Paulin Ndongo, Technical Advisor n°1 to CCAA, to the pro-government daily.

At the end of a diagnostic which revealed for example the numerous *"complaints made by travellers often disappointed or frustrated by the*



*treatment given to their demands"*, the Aviation Authority promised to work with air transportation partners, for

the passengers to become real *"kings"* in Cameroonian airports, promised André Paulin Ndongo.

# ITC & TELECOM

## User rights are infringed by social network operators, according to the Minister of Telecoms of Cameroon

During the opening of a conference on social networks recently organised in the Cameroonian capital, the Minister of Posts and Telecoms, Minette Libom Li Likeng, reminded that *“there are many advantages and benefits brought by social networks, as many as the challenges to overcome to benefit from the various and enormous potential”* inherent to those tools. Minette Libom Li Likeng, who is thus taking the opposite viewpoint to the demonization of social networks carried out by some local public authorities, however lamented the fact that social network operators barely respect user rights. *“The economic model of the main players in social networking, based on collecting information with a commercial purpose, promotes a manipulation of user data*



*in breach with their property rights or with no respect to their private life”*, she pointed out.

Therefore, this Cameroonian government member highlighted the importance today of reinforcing the legal framework ruling the telecoms and ICT sector in Cameroon, to protect the rights of the Cameroonians in the

face of the flood of social networks. To achieve this, we learned, a general review of the different legal texts governing electronic communications, e-commerce, cybercriminality and intellectual property, should be carried out as part of the digital economy development plan being finalised in the country.

## Orange Cameroun wants to set up videoconference equipment in State universities

Talking on 21 November 2016 in Yaoundé, the Cameroonian capital, during the opening ceremony of an international symposium on social networks, Elisabeth Medou Badang, MD of Orange Cameroun, revealed that the company she leads *“recently launched a call for expressions of interest addressed to States Universities, for the supply of videoconference equipment to carry out MOOCS (Massive Open Online*

*Courses) projects or other any other exchange project”*.

*“The operation 500,000 computers offered to Cameroonian students, following a decision taken by the highest authorities in the country, generated a lot of interest at Orange Cameroun. We have already, at this stage, expressed our intention and readiness to support in the realisation of this initiative, particularly with regards to aspects where our expertise can be of service, here the*

*case being connectivity challenges”*, Ms Medou also revealed.

Through these two initiatives, we learned, the Cameroonian subsidiary of Orange is considering not only *“taking advantage of the digitisation of exchanges, as a important leverage of access to knowledge”*, but also supporting the country in its move towards digital economy.



## Huawei delivers batch of 10 young Cameroonian ICT experts, trained at its headquarters in China

Chinese equipment manufacturer Huawei released on 18 November 2016 in the city of Shenzhen, Guangdong Province, South China, a batch of 10 young Cameroonians ICT specialists, trained at the headquarters as part of the 2016 “*Semences pour le futur*” (Seeds for the future) programme, we officially learned.

During a week, through theory and practical training, we learned, these young Cameroonians were not only able to mix with the Huawei engineers, but also to experiment with the latest innovations set up by the Chinese firm, to further boost the ICT sector throughout the world.

According to the management of Huawei, these new ICT experts are now ready to put the acquired knowledge to the service of their country, which is preparing to implement a national digital economy development plan, whose cost is estimated at about FCfa 600 billion.



## MTN Cameroun and Agence de Promotion des PME partner to link 20,000 local SME to ICT

The Agence de promotion des PME (APME - SME Promotion Agency) in Cameroon and the local branch of mobile operator MTN International, signed on 11 November 2016 an agreement to support 20,000 Cameroonian SMEs in getting connected to ICT.

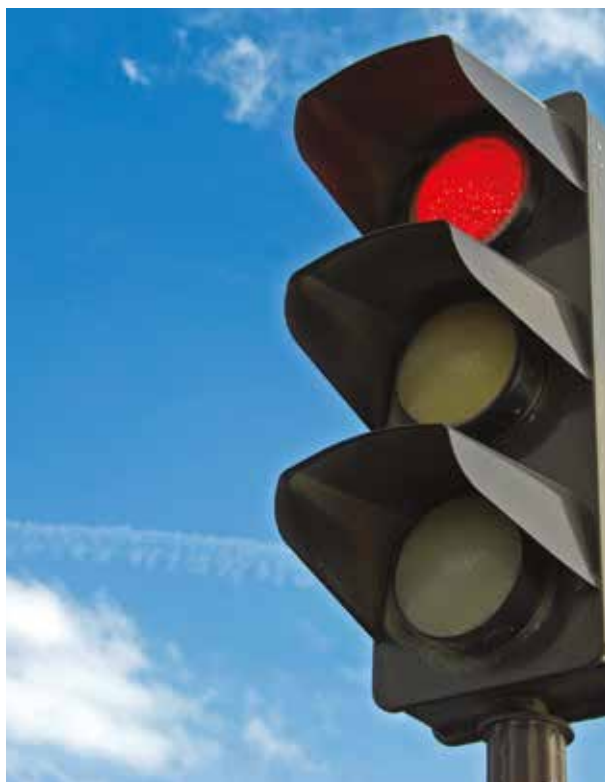
In practical terms, through this agreement, we learned, the leader in the mobile market in Cameroon will make available to the selected

SMEs a package with among other products a website and its hosting, a domain name, a professional message service, monthly communication credit, etc.

In exchange for these services billed only FCfa 11,700 per month and per SME, APME will pay 50% of the global expenditure. The objective being, as highlighted by Jean Marie Louis Badga, MD of APME, that “*all the SMEs taking part in this programme*

*become leaders in their respective sectors of activity, giving value for this productive Cameroon we all foresee*”. According to Philisiwe Sibiya, MD of MTN Cameroun, “*in addition to the pack, the companies will benefit from products enabling a better financial, client or workforce management. They will also have access to a support team from MTN in the APME offices spread throughout the 10 regions of Cameroon*”.

## Cameroonian students create application to track drivers traffic signals



Cameroonian students from the School of industrial engineering at the University of Douala, in the economic capital of the country, have just created an application which can track undisciplined drivers on the road, particularly those who do not respect the traffic lights. Called *"Man no run"*, colloquial expression in the local slang which means *"nobody can escape"*, this application enables its user, through a camera and sensor, to film the licence plates of the vehicles running red lights, we learned. In practical terms, explains Romaric Saounde, one of the sponsors of the project, *"when the traffic light is red, the system lies in wait for an offence. When the first vehicle crosses the first radar, it is filmed. Which means that the offence is registered, even if the system continues to wait. If the vehicle continues without stopping and crosses the second radar, the offence is confirmed and a second photo is taken. It is this second picture which is used to identify the licence number of the offending vehicle and its owner"*.

## Four companies win eight contracts for the supply of IT equipment to BEAC



The Bank of Central African States (BEAC) has just awarded eight contracts for the supply of IT equipment to four French and Cameroonian companies, we learned in an official communiqué.

These are the companies Connect SA and CIS Cameroun, followed by French firms Simstream and CFAO technologies.

They will have to supply BEAC with desktops and laptops; tablets; external devices; IT spare parts; Sygma and Systac servers, which respectively feature high amounts and e-clearing systems commonly used by the banks operating in the Cemac zone.

Among the tools to be provided to the Central Bank of Cemac States by these companies, we can also find networking, WiFi and security equipment, highlights the communiqué, which does however specify none of the amounts of these investments.

# SERVICES

## Moroccan group Intelcia, specialised in client relationship management, will inaugurate Douala branch on 13 December 2016

Intelcia, Moroccan specialist in client relationship management, announced for 13 December 2016 the inauguration ceremony of its Douala branch. In the Cameroonian economic capital, Intelcia will operate a platform of 500 call centre representatives, for a mobile telephone operator present on the local market, whose name has yet to be revealed. We can recall that in January 2016 this Moroccan group, also present in France, had announced its arrival in Cameroon. In June 2016, a legal notice revealed that

through a capital increase and merger operation, Intelcia had bought the Cameroonian company Clientos, to roll out its activities in the country. Through this implantation in Cameroon, Intelcia is thus establishing for the first time its operation in sub-Saharan Africa. This company, presenting itself *"as a major player in subcontracting services and is today among the top francophone out-sourcers in client relationship management"*, already has in its portfolio clients such as Orange, Inwi and SFR.



## Cameroon to launch the International Business and Commerce Fair of Douala, which will alternate with the Promote Show

Defending its 2017 budget in front of the members of the Finance Commission of the Parliament, on 24 November 2016, the Cameroonian Minister of Commerce, Luc Magloire Mbarga Atangana, revealed that the government will launch the International Business and Commerce Fair of Douala, which will take place every 2 years in the economic capital of the country. Though he did not specify the date when the first edition of this new business event would take place,

Minister Mbarga Atangana highlighted that this economic event will now alternate with the enterprise-focused show called Promote, presented as the biggest meeting of economic operators in Central Africa. To make possible the organisation of the first edition of the International Business and Commerce Fair of Douala, we learned, the 2017 budget of the Ministry of Commerce proposed for approval by the MPs, was increased by over FCfa 2 billion.





## New taxes on the horizon in the hospitality and accommodation sector



The 2017 Finance bill of the Republic of Cameroon, currently under review at the Parliament, could lead to the introduction of new taxes in the hospitality and accommodation sector, we learned from reliable sources. Indeed, in the proposals made by the government and submitted for approval to the Parliament, the implementation of a tourist tax of FCfa 500 to 5,000 per hotel night is scheduled, depending on the class

of the accommodation structure in which the tourists will lodge during their stay in Cameroon. Moreover, the government is proposing to subject owners of furnished flats to the payment of corporate tax (IS) and Value Added Tax (VAT). The Cameroonian State is planning through this measure, to benefit from the proliferation throughout the country of these types of accommodations, which, for some

years, give stiff competition to hotels. Without necessarily having the same obligations as hotels where taxation is concerned.

Incidentally, if the creation of these taxes will help the Public Treasury somewhat replenish its coffers, in a situation of general drop in oil revenues in producing countries, it could however result in an increase in the prices of the services offered in these accommodation structures.



**Rumours, preconceived notions,  
clichés, superstitions,  
urban legend:  
What is real? What is fake?**



**[www.stopblablabcam.com](http://www.stopblablabcam.com)**

# Fighting corruption has already helped State to retrieve misappropriated funds

The National Anti-Corruption Committee, the Higher State Council, the Special Criminal Court, etc., are they really useful?



Those who reckon that the fight against corruption in Cameroon is useless were certainly astounded on 22 November 2016, during the presentation of the economic, financial, social and cultural programme for 2017, by the Prime Minister,

Philemon Yang, in front of the Parliament. For 2016, the PM indicated, *“the crackdown on corruption helped register encouraging performances in jurisdictions and recover and pay to the Public Treasury over FCfa 3 billion*

*500 million”*. In plain English: fighting corruption has already helped the State to recover funds previously lost. Before Philemon Yang's appearance, the National Anti-Corruption Commission (CONAC) indicated during the first quarter of 2016 that it prevented the State from losing money in 2013. *“The total of the sums paid to the Public Treasury or whose payment is underway, following CONAC's actions was of FCfa 50.46 billion in 2013”*, Pr. François Anoukaha, Vice-President of CONAC, then explained.

Still in 2013, the Budget and Financial Disciplinary Council (CDBF) of the Higher State Council (Consupe) declared having passed 43 decisions including 33 condemnations of accused civil servants and 10 discontinuations of proceedings or acquittals. The 33 decisions led CDBF to debit the people in question of FCfa 39.3 billion. Additionally, these people were charged with special fines worth a cumulated FCfa 33.9 million.

Last but not least, in October 2015, Laurent Eso, Minister of Justice, reported on the three years of activity of the Special Criminal Court (TCS). FCfa 3.14 billion were recovered by TCS in compensation as evidence, according to the government member.

Sylvain Andzongo



# Cameroon is no more a tourist destination because of Boko Haram

The country, it is said, does not even attract the minimum of 500,000 tourists per year, based on the standard set by the World Tourism Organisation.

**FALSE**

Rumour says that the American State Department, some time ago, published a ranking where Cameroon is the 2<sup>nd</sup> most dangerous country in the world due to the crimes Nigerian sect Boko Haram in the Extreme-North.

Though the American Ambassador, Michael Hoza, denied this allegation by declaring that *"Cameroon is a peaceful country, despite security issues due to Boko Haram"*, the government's projections for 2017 give some reassurance on Cameroon as a destination.

Indeed, on 22 November 2016, during the presentation of the 2017 economic, financial, social and cultural budgetary programme of the government to Parliament, Prime Minister Philemon Yang, highlighted that Cameroon remains a tourist destination. Meaning a country welcoming at least 500,000 tourists every year, per the World Tourism Organisation.

Based on the Prime Minister's statistics, Cameroon is expecting 950,000 international visitors in 2017.

In parallel, he indicated, the government also decided to boost the sector's policy toward the promotion of internal tourism with projections of about 5.7 million tourists. This through leisure activities for children, young people, adults and vulnerable persons, by organising summer and holiday camps and



walking tours.

To support these ambitions, Philemon Yang indicated that the State will develop 15 tourist sites. This, without forgetting to develop

hotels, through the construction of 5 hotels and refurbishment and commissioning of 20 hotels using the public-private partnership model.

SA

# Société Immobilière du Cameroun is threatening to dismiss 301 agents...

It is said that a union is denouncing this downsizing plan meant to be effective by 31 December 2016 and has already submitted a strike notice...

**FALSE**



The Managing Director of Société Immobilière du Cameroun (SIC), Gabriel Bengono, has just issued a disclaimer following information in the press talking about a downsizing plan for 301 employees by 31 December 2016. According to Gabriel Bengono, the SIC staff never reached 1,000 agents since the creation of this company in 1952. He adds that, when the management team he leads was appointed by the Board of Directors in March 2012, SIC had 387 agents.

This staff was brought down to 292 agents, following various departures, due to retirements, disciplinary reasons (frauds, fake education credentials, financial wrongdoing, loss of confidence, absenteeism...). *"It appears that since the claim that 301 SIC agents are under threat of dismissal by 31 December 2016, is a very serious misinformation, as it would be the equivalent of ridding the company of its entire staff, and that is if we add 9 ghosts", hammers the Managing*

Director. He also refutes the rumour according to which a union put in a strike notice to protest against the upcoming redundancy. The purpose of SIC is to implement the housing policy developed by the public authorities. As such it is in charge of undertaking in priority the study and carrying out all projects and operations in relation to social housing.

SA

# Most of Cameroonian households own their homes

Despite modest revenues with a minimum wage of FCfa 36,270, are Cameroonians able to built their own homes?

**TRUE**



The National Institute of Statistics (INS) published, recently, a study which turned upside down common preconceptions on housing in Cameroon. The bias being that Cameroonians do not have the means to buy their own house. The argument being that the guaranteed minimum inter-professional wage (SMIG), for example, is set at FCfa 36,270 while in neighbouring Gabon, it is FCfa 150,000. But, according to the main report

on the results of the first phase of the second national survey on employment and the informal sector (EESI 2) during 2010 (reference period), the reader discovers that most of the Cameroonian households (59.9%) own their homes (including 11.4% with a land title and 48.5% without land title). 32.6% of households are renting (including 32.2% in a simple rent) and 7.2% are housed by someone (6.0% with free accommodation provided by a

family member or a friend). In urban areas, the INS study indicates, over half of households (54.8%) are in a simple rental agreement. Talking about comfort, 5 households out of 10 (48.8%) live in houses made of bricks and mortar. And the use of gas for cooking, access to electricity and drinking water are far from being a reality for most households.



# Hysacam belongs to former French Head of State Jacques Chirac

Mr Chirac certainly visited Cameroon twice in 1999 and 2001, but does that make him the owner of this company in charge of waste collection?

**FALSE**

Jacques Chirac, former French Head of State (from 17 May 1995 to 16 May 2007), currently 83 years old, could be dumbfounded learning that he is the owner of the company Hygiène et salubrité du Cameroun (Hysacam). At least, some Cameroonians are absolutely convinced that this company in charge of waste collection in the country belongs to him. Absolutely not.

Fact is, when this company was created in 1969, it was a subsidiary of the French group GranJouan. Up to this point, it is true that there is a French influence. Only, in the early 90's, Hysacam faces difficulties after heavy financial losses. And the French shareholders have a single goal: finding a buyer. A restructuring is carried out the team led by Michel Ngapanoun, with the assistance of a dozen of engineers, senior officers and specialists. GranJouan ultimately sells its shares (80%) to the Ngapanoun team in 1994.

Currently, Hysacam is in relatively good financial health. It brought its capital from 5 to 6 billion in 2015. A situation which given confidence to the 5,000 employees as well as the 15 million people who benefit on a daily basis from its services in its 13 national branches and its 4 African subsidiaries (Niger, Chad, Benin, Liberia).

Which does not necessarily mean



that everything is running smoothly for this company who, this year, again had employees demonstrating to claim better work conditions. Common ground was finally found

in October 2016 between the top management headed by Michel Ngapanoun, CEO of Hysacam, and the social partners.

# So, Paul Biya owns a castle in Geneva, on the shores of Lake Lemman?

According to a Cameroonian diaspora organisation, Paul Biya is the proud owner of a marvellous castle, located on Lausanne Road, in Geneva.

**FALSE**



According to the news website *Koaci.com*, the Collectif des Organisations Démocratiques et Patriotiques des Camerounais de la Diaspora (CODE – Group of Democratic and Patriotic Organisations of Cameroonians in the Diaspora) inspired such fright in Paul Biya, that the Head of State hastily took shelter in “his castle” located at 232-234 Lausanne Road in Geneva.

And to support this idea, the castle, presented as “*acquired with the Cameroonian taxpayer’s money*” in “*one of the most expensive neighbourhoods in the world*”, has even been photographed...

The only problem is, this castle, at 232-234 Lausanne Road in Geneva-Chambesey, belongs to the Said family, well known in Geneva, not to the Biya...

Fouad Said is a rich Egyptian

investor who made a fortune in oil services and investments in Asia. His wife, Dina Said, an American, is the founder of the financial service company Pex Global, President of Olympus Capital and CEO of Unifund.

And on the picture, even though the bicycle rider has a flaming hairstyle, everyone can agree that it is not Chantou...

# The CFA Franc is stronger than the Naira

Considering the quantity of bank notes Nigerians use for their daily purchases, it is commonly thought in Cameroon that the Naira barely has any value...

**FALSE**



Cameroonians have generally cultivated a superiority complex against many products Made in Nigeria such as... the currency. Indeed, many Cameroonians think that the Naira

has a lower value compared to the CFA Franc. A legend was even created according to which, Nigerians go shopping with wheelbarrows full of bank notes, such is the low value of

the Naira. Consequently, people must carry around wads of cash. Which is however not true.

The fact is that many Cameroonians are not aware that 1 Naira is equivalent to FCfa 1.9. Or that, upon exchanging currencies, 1 Euro is equal to 335.6 Naira while 1 Euro is equivalent to FCfa 655.9570.

In reality, the difference between the two Cameroonian and Nigerian currencies is rather on the number of notes issues. There are 1 Naira notes while the CFA Franc used in Cameroon and even the CEMAC sub-region (Central African Economic and Monetary Community) only has notes from FCfa 500.

From a wider angle, the presumption of low value for anything Made in Nigeria is more generalised. Because, just like China, Nigeria has become a champion in the production of Low Cost manufactured products. Only that this mass production which has been strong point of the country to the point that it became in 2015 the first economic power in Africa, even though it has just been taken over. As a reminder, the 2015 GDP of Nigeria expressed in 2016 US dollar value is of USD 296 billion, while for South Africa (who regained the position of first African economy over Nigeria) it is of USD 301 million, thus USD 5 billion more.

SA



# It is said that Cameroonians do not read

A saying goes that if you want to hide something from a Black person, just put it in a book. And many are convinced that it is even more true when it comes to Cameroonians: it is said they do not read.

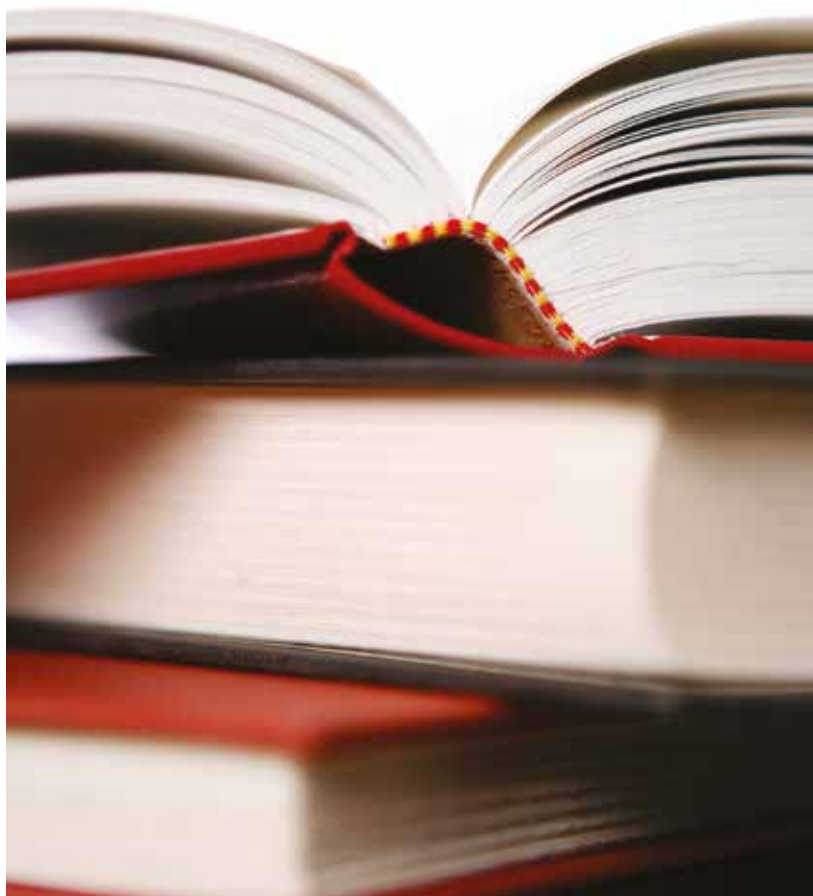
**FALSE**

First of all, book clearance sales in Yaoundé, for example, do not attract a lot of people. Proof of this are the sales organised in July by Librairie des Peuples Noirs and the publishing house L'Harmattan Cameroun in Yaoundé.

On the other hand, the International Book Fair of Yaoundé (Silya) whose 2<sup>nd</sup> edition took place from 2 to 6 June 2016, registered the attendance of 15,000 visitors; according to the Book Division manager at the Ministry of Arts and Culture (Minac). *"Cameroonians read, if we can make books available to them"*, noted Edmond Mballa Elanga, Book Director for Minac. Nevertheless, out of the roughly three million residents of Yaoundé, 15,000 is not exactly a record.

This being said, an avid female reader regrets that yearly book sales for bookstores and the French Institute in Cameroon (in Douala and Yaoundé) mainly interest only men. *"Buyers are mainly found among students in medicine and mathematics"*, a journalist remarks. However, during these annual sales, one kilo of book is sold at FCfa 1,000 only. The communication deficit is obviously one factor.

Another observation, Cameroonians relish community reading: a book will be passed from person to person in a household; to the detriment of booksellers. Cameroonians might



read but buy less books.

The daily written press has one of the lowest circulation numbers in Africa: approximately 5,000 newspapers per day per publication when Walfadjiri in Senegal prints on a daily basis

15,000 copies. However, Cameroon has one of the highest literacy in Africa; over 70%. There is another Cameroonian paradox.

M.N.M.

# There is no English on bank notes in Cameroon

It is said that bank notes from FCfa 10,000 to FCfa 5,000 were created while omitting to take into account the Anglophone component of the country.



Since 11 October 2016 when Cameroonians from the two English-speaking zones in the country (North-West and South-West) started making demands, based on the fact that they see themselves as marginalised by the public and mostly French-speaking administration, comments have been springing on social networks to the point of noticing that even the bank notes used in the country do have any English words on them. And therefore, do not take account of the bilingual nature of the country. Actual desire to marginalise or not, the fact remains that indeed, the

English language is not visible on the notes to translate for example the inscription “*Banque des Etats de l’Afrique Centrale*” (Central African States Bank). Or “*Dix mille francs*” (Ten thousand francs), “*Deux mille francs*” (Two thousand francs) ... Even worse, there is no translation of the notice: “*Les auteurs ou complices de falsification ou de contrefaçon de billets de banque seront punis conformément aux lois et acte en vigueur*” (Those found responsible of falsification or counterfeit of bank notes or their accomplices will be punished in compliance with the current laws and regulation). Everything is in French.

To prepare against the argument that the currency used in Cameroon is meant for use throughout the entire community (Central African Economic and Monetary Community) and does not therefore specifically take into account the bilingual nature of the country, Euro notes or the Canadian currency are cited as evidence. Indeed, on these foreign bank notes, the amounts are written in accordance with the



linguistic diversities (French, Greek, German, Italian, etc.) which form the European Union.

But it is also important to note that the absence of bilingualism on the FCfa, CEMAC zone, could open the way for more demands coming this time from another community who has for the moment kept silent: the Spanish speakers. Indeed, Equatorial Guinea has Spanish as one of its official languages. But this language, just like English, cannot be seen on the currency used in the CEMAC which gathers Cameroon, Chad, Gabon, Equatorial Guinea, Congo and Central African Republic.

SA

## LEADER OF THE MONTH

# Cameroonian Janvier Litse appointed Director General of AfDB's West Africa regional office

Experienced banker, he is, in the past four months, the second Cameroonian to enjoy the trust of the new management of the pan-African financial institution.



A new star has joined the Cameroonian constellation in the international finance sky. On November 24, 2014, the African Development Bank (AfDB) announced the appointment of Cameroonian Janvier Litse as new Director General of its West Africa Regional Development and Business Delivery Office.

With 24 years of experience at the institution, leader with various skills, according to many sources from the institution, Janvier Litse has held various positions of responsibilities at AfDB, including that of Acting Vice-

President, Operations, from 2011 to 2012, and from 2014 to present. This position put Mr. Litse in charge of a team of 700 people and of AfDB's whole portfolio. Commenting the Cameroonian's appointment, AfDB's president, Akinwumi Adesina said: *"Mr. Janvier Litse brings extensive experience in operations across the entire Bank group and has shown remarkable leadership over the years"* *"He is a great asset to the Bank and an excellent manager of people and operations. I am delighted that he will provide astute leadership to drive the New West Africa Development and*



Leader with various skills, Janvier Litse has held various positions of responsibilities at AfDB

*Business Delivery Model. He is very well respected by stakeholders"*, the President added.

Janvier Litse is the second Cameroonian national to whom AfDB's president trusts such an important role, in the past four months. Last July indeed, Célestin Monga, another Cameroonian banker, was appointed AfDB's Chief Economist and Vice-President, Economic Governance and Knowledge Management.



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