A LAND OF OPPORTUNITY

20 pages of advice and information on investing in Cameroon

First Ship to Dock in Kribi Port Next Year

“Grand Sanaga” Project Searches for Funding

Farmers: 30,000 Tons of Corn and 10,000 Tons of Soybeans Per Year by 2018
IL Y A DU SERVICE
DANS L'AIR

La valeur n'attend pas le nombre des années. 2 ans au compteur, un personnel hautement qualifié, des appareils régulièrement révisés, des valeurs, une vision, un sourire, l'étoile du Cameroun est bel et bien lancée sur sa trajectoire. Voyagez sereins, voyagez Camair-Co.

Une nation, une compagnie, une étoile. Camair-co.

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In Cameroon, it is the time of year when the weather alternates between hot and cool. This is the natural conflict between the longer dry season and the shorter rainy season. Few are the workers who vacation in the months of July and August. Only students rest then. School holidays allow some to return to their villages to visit their families and participate in the harvests and other agrarian chores.

Meanwhile, for most workers who live in Europe, this monthly interval often corresponds to the break awaited all year – holidays, rest, family, children, celebration, marriages and, sometimes, travel.

July and August are also a time to reflect; a mid-term evaluation before the major assessment in December which comes with the usual resolutions and return to work or school.

But for some, work does not stop in July and August. The major construction sites continue to toil. Dear workers, this edition is dedicated to you.

July and August run together. It is the opportune time to imagine new possibilities. The investment guide you will find on page 27 will provide you with new ideas that will lead you to do business in Cameroon.

So, to some we wish good work, to others a good vacation, and to everyone, pleasant reading. At the end of the holidays, a land of opportunity awaits you.

Yasmine Bahri-Domon
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BIYA APPOINTS NEW BUDGET AND TAXATION DGS

In a presidential decree signed on June 14, 2013, Paul Biya appointed new Director Generals for Budget and Taxation, and renewed the positions of the DGs for Customs and Treasury in the Ministry of Finance.

Samba Antoine Félix became the DG of Budget. The senior public administrator was formerly Director of General Affairs in the Ministry of Mines, Industries and Technological Development.

Mopa F. Modeste was appointed DG of Taxes. He was previously with the International Monetary Fund.

Minette Libom Li Likeng, the DG of Customs since January 17, 2008, kept her post. Sylvester Moh Tangongho was upgraded from interim to full DG of Treasury and Monetary Cooperation, a position he has held since October 25, 2011 following the death of Hamadou Sambo.

TRANSPORT MINISTER HITS HARD AT CAMAIR-CO’S NEW DEPUTY GM

Not mincing his words, the Transport Minister, Robert Nkili, stated that Camair-Co’s new Deputy General Manager faces a difficult task ahead. Frédéric Mbotto Edimo was instated on June 16, 2013 in Douala.

“Present a real plan to the Head of State to end the financial crisis.” Like many others, this phrase in the Minister’s speech illustrates the many challenges that await the national carrier’s new Deputy GM.

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The 58 year-old Mbotto Edimo has ten years of experience in managing various telecommunications projects, mainly in Africa. These include the build-up of a WiMAX operator in the DRC and a large satellite project in Morocco, his company said.

In May 2013, Lex Guez became the new General Manager of YooMee. He replaces Stéphane Abrahams, the founding General Manager of YooMee Cameroon, who is leaving for personal reasons.

Guez has ten years of experience in managing various telecommunications projects, mainly in Africa. These include the build-up of a WiMAX operator in the DRC and a large satellite project in Morocco, his company said.

In a statement on its website, Mr Dov Bar-Gera, YooMee Cameroon’s Chairman, said: “I regret that Stéphane decided to leave us, but I fully respect his family motivations. Stéphane has contributed significantly to the development of YooMee Cameroon, and was a driving force in making YooMee the leading broadband operator in Cameroon.

We are very fortunate that Lex is joining the YooMee family and will lead this great team here in Cameroon. We are confident that under the leadership of Lex, YooMee Cameroon will continue to develop its top market position, expand further, and continue its major contribution to the people and businesses of Cameroon.”

YooMee Cameroon is a subsidiary of YooMee Africa, a privately-held broadband operator based in Zurich, Switzerland. It is also a wireless Internet provider in Cameroon.
Palm Oil: Socapalm Calls for Price Increase

A leader in the sector, Socapalm plans to increase the price of palm oil from 500 to 525 francs CFA per kg. This was revealed during the company’s ordinary general assembly on June 6, 2013, indicated Le Quotidien de l’Economie.

Socapalm wants the government to increase the price of a kg of palm oil. Its General Manager, Jean Pierre Charbon, and its Chairman of the Board, Michel Noulowe, told shareholders that they would meet the Minister of Commerce on June 7, 2013, although the meeting was not confirmed at press time.

According to Socapalm, an increase in the price of palm oil would permit the company to reduce its debt. Indeed, between January and December 2012, the company’s debt jumped from 3.27 to 8 million francs CFA, reported Le Quotidien de l’Economie based on data in Socapalm’s financial reports.

In addition, company executives argue that the price increase would promote social and agricultural investments.

According to its financial reports, investments by Socapalm dropped 45%, from 21 billion francs CFA in 2011 to 12 billion in 2012.

The government’s reluctance to increase the price of palm oil is linked to the high cost of living. During the extraordinary session of the palm oil sector regulatory commission (CRFHP) in March 2013, producers of this rare commodity pushed the government to increase the price from 450 to 550 francs CFA for a kg. Yet in its role as referee, the state of Cameroon refused to give in.

After the street demonstrations against the high cost of living in February 2008, the government surprised observers by approving a price increase from 300 to 450 francs CFA per kg, to the advantage of producers. Make no mistake: the price of palm oil continuously increases. It now stands between 600 and 700 francs CFA in some markets, up from 500 a few months ago.

Japan Supports Small-Scale Rice Farming in Cameroon

On June 24, 2013, the Cameroon Tribune reported that Japan will invest over 100 million francs CFA on rice. The announcement came a week after a workshop on this topic was held in Yaoundé.

According to the newspaper, the money aims to support the Cameroonian government’s efforts through the production of rice seeds and the use of machines in small rice farms and other production segments. The funds are part of the Emergency Rice Initiative in Cameroon, which aims to support rice production until 2014 by helping farmers to reduce post-harvest losses and allowing them to acquire improved seeds.

Rice is a staple in Cameroonian households, but the country produces only a fraction of what it needs to cover demand, which is estimated at 650,000 tons per year. In 2012, Cameroon spent 96.7 billion francs CFA to import rice.

Farmer Estimates 30,000 Tons of Corn and 10,000 Tons of Soybeans Produced in 5 Years

Agribio, a corn and soybean project, was recently launched in the localities of Bantoum I and II, situated in the Bangangté council area of Cameroon’s West Region.

According to the project’s owner, François Djonou, at least 3,000 hectares of cultivable land will be farmed for an expected total yield per year of 30,000 tons of maize and 10,000 tons of soybeans by 2018.

Despite the government’s efforts, the demand for corn remains higher than supply: current production is around 1.6 million tons per year, while demand is over two million tons.

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Through the Ministry of Economy, the government has promised a grant of 500 million francs CFA to support the project, which will cost a little over 8 billion francs CFA. Mr Djonou has confirmed that 250 million francs CFA have already been disbursed, reported the state-owned daily Cameroon Tribune of July 12, 2013.
Cocoa Authority: Cameroon Has Exported 2,000 Tons of Certified Cocoa

Cameroon has already exported 2,000 tons of certified cocoa on a total annual production that is projected at 230,000 tons, announced Michael Ndoping, the General Manager of the National Cocoa and Coffee Board (NCCB) during the opening of an international workshop on cocoa certification held in Douala on June 24, 2013.

“Certification is a major challenge throughout the cocoa industry, from production and processing to marketing,” Le Quotidien de l’Économie reported on June 25, quoting Mr Ndoping.

The government of Cameroon has adopted several measures to promote the growing of quality cocoa in the country.

According to the NCCB, the government has offered tax incentives to those manufacturers who commit to producing fertilisers for the agricultural sector, which are greatly needed by cocoa farmers.

Other organisations are also promoting good farming practices in the cocoa sector. For example, the German agency for international cooperation (GIZ) has trained more than 32,000 cocoa farmers on how to work as business persons and make their farms profitable by measuring farm size and their inputs and outputs.

UCCAO Seeks CFAF 46.3 Billion to Increase its Output

On June 27, 2013, UCCAO, an agricultural cooperative in the West Region of Cameroon, launched the first phase of its new development plan in the Kound-Khi Division. The five-year project (2013-2018) will cost 62.5 billion francs CFA, the Cameroon Tribune reported on June 28.

According to the state-run daily, UCCAO aims to increase its coffee and cocoa production, and branch out into other areas. Coffee production would increase from 8,000 to 11,500 tons per year for the Arabica variety and from 20,000 to 33,000 per year for Robusta, while cocoa production would grow thanks to the opening of a new 2,000 hectare plantation.

UCCAO also seeks to encourage its members to produce crops (like corn) and to get into other forms of farming (like poultry). According to the cooperative, such measures would increase the income of the farmers who constitute its membership.

Of the 62.5 billion CFA that are needed to support the project, 74% (CFAF 46.3 Billion) will come from a third party and UCCAO will provide the rest.

Created on October 17, 1958, the Union of Arabica Coffee Farmers was renamed UCCAO in 1978. Among other things, it processes and packages coffee and markets the grain for its members.

Cocoa: More Than 32,000 Farmers Trained in Entrepreneurship

The German International Cooperation (GIZ) is training farmers on how to make their farm profitable by measuring its size and determining its inputs and outputs. This project has been running since August 2009. A mid-term review (2009-2012) of GIZ’s Sustainable Cocoa Business project was presented Monday June 17 2013, in Yaoundé during a workshop with stakeholders, indicated the bilingual daily Cameroon Tribune.

32,562 cocoa farmers – 25% of whom are women – now farm as agricultural businesspersons. This outcome exceeds expectations, since only 25,000 farmers were supposed to be trained.

For Annette Coly, the head of cooperation at the German embassy in Yaoundé and chairperson of the workshop, the aim of the program was to “change the habits of cocoa beans growers.” At the end of the training, between 37% and 69% of farmers opened bank accounts, planned production, and began to record their expenses, revenues, work done, and the inputs used.

70% to 99% of them have adopted good farming techniques and begun to renew their aging cocoa plantations. Moreover, 15% to 51% have organised themselves into cooperatives or associations.

Project activities were carried out in the Centre, South, and Southwest regions, and cocoa production in these zones has increased by an average of 39%.

To strengthen and support the trained farmers, five business service centres were opened. New centres are being created in the South West region.

Also implemented in Nigeria, the Ivory Coast, Ghana, and Liberia, the Sustainable Cocoa Business program aims to double the income of cocoa farmers within 10 years.
Cameroon’s Sugar Market

At present, Cameroon’s sugar market is mostly supplied by SOSUCAM, a subsidiary of the French group SOMDIAA that is also present in Gabon, Congo, Ivory Coast, Chad, and the Central African Republic. Established in 1964, SOSUCAM is owned at 72.72% by SOMDIAA, and the rest is held by the government of Cameroon and private shareholders. At two sites situated 100 km north of Yaoundé (Nkoteng and Mbandjock), 18,700 hectares of plantations produce approximately 130,000 tons of sugar per year. Of this, 105,000 tons are reserved for the local market and the rest is exported to Chad.

In order to supplement SOSUCAM’s production, the Cameroonian government routinely allows sugar to be imported tax and duty free. In 2012, it imported 25,000 tons of sugar.

New Sugar Factory under Construction in Cameroon

An agro-industrial sugar factory, Justin Sugar Mills (JSM), is being built in Bertoua-Batouri, in the East Region of Cameroon. The factory is expected to produce 440 to 660 tons of sugar per day and cost approximately 60 billion francs CFA (about $120 million). It will improve SOSUCAM’s ability to meet national demand, which is estimated at over 200,000 tons per year.

The JSM factory, which was started by Cameroonian businessman Dieudonné Dong Dong Thry, will cover over 35,000 hectares. It will farm sugar cane (the main raw material), and have a 16 MW electricity production unit (expandable to 80 MW) and a distillery to produce 13.5 million litres of ethanol per year, reported the Chinese news agency Xinhua on July 2, 2013.

Last April, JSM signed a contract for the plant with an Indian company called Hi-Tech at a cost of 40 million dollars (about 20 billion francs CFA). Hi-Tech will handle the processing of the sugar cane that will grow on more than 20,000 hectares. Basic infrastructure such as housing, schools, training centres, hospitals, and a shopping mall will also be built, the agency said.

In the meantime, sugar cane is already being cultivated. “We have [...] four hectares of industrial cane, which are reaching maturity,” a worker at the site told the government-run daily Cameroon Tribune.

Yet the plant may not become operational in May 2014 as planned because the time table has not been respected. For example, the State of Cameroon, which acquired a 15% share of JSM’s capital, is slow to release funds. According to estimates, the sugar plant will create more than 5,000 direct jobs and 2,500 indirect jobs.
In 2012, banana exports decreased by 23,000 tons, according to figures from the Association of Banana Producers in Cameroon (ASSOBECAM). Similarly, exports from other major agro-industries fell from 249,021 tons in 2011 to 226,157 tons in 2012, an almost 10% decline.

Plantations du Haut Penja (PHP) remains the leader in the sector. It exported 81,226 tons in 2012 against 79,483 tons in 2011, an almost 3% reduction. With 51,374 tons exported last year, the Cameroon Development Corporation (CDC) was the second biggest exporter of the crop, even though its production fell by 18,000 tons.

According to ASSOBECAM’s Secretary, Owona Nkono, the decline is due to the many problems producers face. He cites climate change and competition from Latin American countries like Costa Rica and Ecuador as the most important.

Access to funds is another major problem. According to Mr Nkono, the European Union’s 27.29 billion francs CFA grant to assist banana producers in Cameroon will help, although the problem will not disappear. The banana sector represents 6% of the country’s gross domestic product (GDP).

On June 11, 2013 Yaouba Abdoulaye, Minister Delegate in Cameroon’s Ministry of Economy, Planning and Regional Development (MINEPAT) signed a financing agreement with Raul Mateus Paula, the European Union’s Head of Delegation in Cameroon. The agreement, which was signed in Yaoundé, aims to improve the situation of Cameroonian bananas on the European market.

According to the Cameroun Tribune of Wednesday June 17 2013, the CFAF 27.29 billion boost is intended to finance special support measures for African, Caribbean and Pacific (ACP) countries that supply bananas to the EU. Specifically, the newspaper reported that the money will be used to increase productivity and to improve farmers’ working and living conditions.

According to Yaouba Abdoulaye, banana production in Cameroon remains insufficient, at less than 250,000 tons per year.

This project is one of the 21 public-private projects that the government of Cameroon called for tender on January 7, 2013. Two national companies have been pre-selected to do the job. Commerçants Associés du Cameroun will build the food reserve stores in Yaoundé (Centre Region) and Mvangan (South Region), while Aster Dependable Services will be in charge of those in Foumbot and Mbouda in the West Region.

According to a June 2013 statement by the Ministry of Economy, Planning and Regional Development (MINEPAT), food reserve stores will be built in Yaoundé, Foumbot, Mbouda, and Mvangan.

In another statement, Minister Emmanuel Nganou Djoumessi asked the companies to contact CARPA, the MINEPAT department that is in charge of partnership contracts, to discuss the terms of the memorandum of understanding (MOU).

“The MOU launches a pre-selection dialogue for signing the public-private partnership contract,” the statement said. These four projects in the agro-industrial sector join six others in the transport infrastructure sector, whose potential contractors were selected during the week of June 17, 2013. Eleven projects have yet to be decided upon.

Cameroon lacks storage facilities. Food is abundant just after a harvest, but it quickly rots and the subsequent supply shortage leads to price increases.
Bafoussam to Produce 7,000 Pigs per Year

There are new opportunities for pig farmers in the West region of Cameroon. As of this year, pig production should increase significantly to meet the population's growing demand and significantly reduce the need to import food, which causes major losses of foreign exchange.

This increase will be made possible thanks to another Agropoles project for the production and processing of pigs in the West region, which was launched on Friday 14, 2013 in the conference room of the Bafoussam I Council.

The program is expected to produce 7,300 pigs per year, i.e., 3,650 pigs per semester. It began in January 2013 and has already identified the Littoral region for poultry, the South for pork, Adamawa for fisheries and aquaculture, and the Centre for corn.

Agropoles will support a group of young pig farmers in the West who want to strengthen their capacity and increase production from 3,100 pigs to 7,300 pigs per year in the near future.

The program rests on a total investment of over 853 million francs CFA, of which 567 million comes from producers and 285 million from the government.

Among other things, the state will offer 310 sows, 2,100 piglets, 3,100 bags of food for sows, and 10,500 bags of feed to fatten pigs. It will also buy 850 automatic watering cans, 550 feeders, 100 boots and work clothes, 10 wheelbarrows, freezers, automatic syringes, a well-equipped building, and a grid.

Bernard Nguetchouessi Souop, who is the president and representative of pig breeders in the West, guaranteed that breeders would keep their promise to contribute financially to the program.

Cameroon: Meat Tracked with Special Tags

Following a decision by Cameroon’s Minister of Livestock, Dr Taiga, meat that is prepared in the country’s slaughterhouses is now certified with a tag, as is the current practice around the world.

On June 1, 2013 at the SODEPA slaughterhouse in Yaoundé, 280 animals were butchered and tagged with about six labels, its Director, Dr Nfor Mohamadou Bawe, told the state-owned daily Cameroon Tribune.

Made out of steel, the tags are non-poisonous and unalterable, and each has a different meaning. “Green stands for acceptable, red for rejected, and the oval blue tag shows that the meat has been certified by veterinary inspectors,” Dr Bawe told CT.

Specific markings are also engraved on the tags. For example, CMR means Cameroon, ISV indicates that the meat was inspected by a veterinarian inspection team, and CE means that the beef was slaughtered in the Centre region.

Also, if “7” appears on the beef, it means that it was killed in the Mfoun-di Division, while “1” indicates that it was slaughtered at Yaoundé’s first abattoir, SODEPA.

With these measures, Cameroon seeks to conform to the current practice around the world. “Meat leaving any slaughterhouse must be certified by a veterinary inspector to guarantee what we call safe and wholesome beef for the consumer,” Dr Bawe noted. “In case of any disease, we should be able to know where the beef came from,” he added.

However, there is currently no mechanism to control beef that is illegally slaughtered.
11 French Companies Eye Water and Sanitation Sectors in Cameroon

CAMWATER, a water utility company entrusted with the development, rehabilitation, and management of drinking water infrastructure, is currently carrying out urban water schemes in Cameroon. The activities of 11 French companies suggest that there is a strong French interest in this sector. Cameroonians lack access to drinkable water. According to figures from the water distribution corporation (CDE), only 334,607 subscribers (of which 95% are individuals and 5% companies) are supplied with water. These figures were communicated during a symposium on water and sanitation held on June 17 in Douala by the trade mission of UBIFRANCE, the French agency for international business development. The symposium was an occasion for CAMWATER, the CDE, and the Ministry of Water and Energy to promote investment opportunities in the water sector. Officials from the French Development Agency and the African Development Bank were also present. Franco-Cameroonian partnerships and joint ventures are expected to result from this meeting.

From an estimated population of 20 million or more, only 9 million Cameroonians are covered by the public water system. Some 20,000 new connections should be established in 2013 by the CDE. Last year, only 18,600 were established. The UBIFRANCE trade mission noted that increasing the capacity of the 89 treatment stations and 29 other stations seems to be a fitting solution, along with constructing new pipelines to more neighbourhoods.

Water Scarcity in Yaoundé: Status Quo till Next December

After a field trip to the Mefou and Akomnyada water stations (which are currently being renovated), Jean William Sollo, the General Manager of the Cameroonian Water Utilities Company (CAMWATER), confirmed to the Cameroon Tribune that the daily supply of water to Yaoundé will increase from 100,000 to 190,000 m³ by next December.

Valued at 1.5 billion francs CFA, the renovations at the Akomnyada station are jointly funded by Cameroon and Belgium. The work, which is being done by the Belgian company Aspac Cemac, consists of installing two new pumps: one to enhance the uptake of water, the other to release the water into the distribution system.

"With the new electric pump, we will go from 100,000 to 130,000 cubic meters of water […] per day," said Stéphanie Ngo Ntamack, an engineer with Aspac Cemac.

To deal with frequent power outages, the Akomnyada station, which is situated 4 km from Mabalmayo (the headquarters of the Nyong and Só'o divisions in the Centre region), has a single generator that can only provide 50% of the water supply, which is then distributed to priority areas.

As for Mefou, the project by the French development agency will pump 50,000 m³ by December 2013. Yet the water problems in Yaoundé will not be resolved until 2018, when CAMWATER will tap 300,000 cubic meters of water per day from the Sanaga River. The city will then receive a supply of about 500,000 m³ per day, indicated Mr Sollo.
Ten Water Wells Drilled in Bertoua

The ten wells, which cost 98 million francs CFA, were financed by the municipality of Bertoua II, the Support Fund for Councils, and Feicom. Their water was analysed by the Centre Pasteur, a reputed French laboratory, which declared that it was fit for drinking. “The water that comes out of these wells is clear and clean, and it was analysed by the Centre Pasteur,” Messing Balla, a hydraulic engineer, confirmed at the site.

Inhabitants see the wells as a blessing. “We are relieved that clean water is now available. I don’t have the words to express my joy!,” the district head, Ngaikada I Mambéré Emmanuel, told the state-run Cameroon Tribune on June 25, 2013 at a ceremony in Bertoua. Committees exist in each neighbourhood to ensure that the wells are properly maintained.

An Extra 100,000 m³ of Water/Day to Douala by the End of 2014

The water plan called Phase II Yato is expected to pump an additional 100,000 m³ of drinking water per day to Douala by 2014, said the management of Camwater, the country’s water utility company, in a statement after a site visit on July 6, 2013.

That day, the project was visited by Camwater’s Chairman of the Board (Jerome Obi Eta) and its General Manager (Jean Williams Sollo), as well as other Board members.

Efforts to improve the quantity and quality of water in the economic capital started in 2009. Phase I cost about 18 billion francs CFA, of which 11 billion were financed with a loan from the Exim Bank of China and the rest by Camwater.

The second phase, which is currently underway, is funded with a 44.605 billion francs CFA loan from the same contributor.

Douala’s water needs total 250,000 m³/day. The supply gap should be bridged with new urban drillings in Massoumbou and Japoma, two towns that are close to Douala.

Water Minister: “Grand Sanaga” Searching for Funding

“The government is currently searching for funding to extract water from the 890-km Sanaga River and transport it to the capital, Yaoundé,” Basile Atananga Kouna, the Minister of Energy and Water, said in an interview granted to the Cameroon Tribune on Monday July 1st 2013.

The Grand Sanaga Project is expected to provide 300,000 m³ of water per day, a quantity that could be increased to 400,000 m³ per day. The studies are also almost complete, the Minister reported.

Last month, Jean Williams Solo, the General Manager of Camwater, the country’s water utility company, said that Yaoundé’s water problems would not be solved until 2018, when water would be tapped from the Sanaga and transported back to Yaoundé. Detailed preliminary studies and environmental impact assessments are currently available. In addition, the contractor (the Chinese company CMEC) is tracing the itinerary of the pipeline that will carry water from Batschenga (a village on the banks of the Sanaga) to Yaoundé.

According to the Minister, the terms of reference for hiring a consulting engineer will be available soon.
Tradex Sells 25,000 Canisters of Cooking Gas in Two Months

Since launching its cooking gas in April this year, Tradex, a petroleum products distribution company, has sold “more than 25,000 of the first 30,000 canister consignment,” the news Agency Ecofin said on May 30th 2013.

The best sales were recorded in the company’s headquarters in Yaoundé, the political capital of Cameroon.

In order to attract customers, the company, which is a subsidiary of the state-owned National Hydrocarbons Corporation (NHC), offered a discount on the first 5,000 canisters of cooking gas (selling them at 23,500 francs CFA instead of 30,000) and sold empty canisters for only 17,000 francs CFA each.

The cooking gas market in Cameroon has grown dramatically in less than six months. Several competitors, such as OiLibya and MRS, are fighting for a place on the market. They join veterans like Glocalgaz, SCTM, Total, Camgaz, and Aza-Afrigaz, among others.

Fuel Subsidies: Cameroon Owes its Refinery

Subsidies on gas prices are paid by the government through the National Refining Company (Sonara), but the former rarely pays its dues to the latter.

“The accumulation of arrears that are due to Sonara undermines the reputation of and trust in the state,” claimed Jean van Houtte and Samah Mazraani, economists at the International Monetary Fund (IMF) on May 13, 2013 during a seminar in Yaoundé on energy subsidies, reported Jeune Afrique.

Arrears amounted to over 220 billion francs CFA in late 2012. This amount adds to the “financial difficulties” of Cameroon’s refinery, whose accounts are systematically examined by each IMF mission.

World prices for black gold increased at an annual rate of 16% in the past decade. Since 2008, the government has frozen fuel prices at the pump and supported the surplus in the form of grants to Sonara, which obtains its raw material from Nigeria and Equatorial Guinea.

“But the government does not regularly pay the subsidy due to a serious liquidity problem, which could cause the closure of the refinery because of a lack of raw material,” Jeune Afrique reported quoting an internal source at Sonara.

In the meantime, the company uses the banks to survive. Furthermore, the amount of the grant is greatly underestimated by the government. This year for instance, only 220 billion francs CFA were budgeted, but the real value is estimated at 400 billion francs CFA, according to the Finance Minister, Alamine Ousmane Mey.

In 2012, gas imports for the domestic market jumped by 7%, according to a statement issued on June 21, 2013 by the Hydrocarbons Prices Stabilisation Fund (CSPH) following a board meeting to approve last year’s accounts.

According to the CSPH’s statement, these imports cost 33,156 billion francs CFA. Worse still, on a 12.5 kg gas canister that was sold to consumers for 6,000 francs CFA, CSPH paid 5,674 francs CFA in counterpart financing.

Although the CSPH’s board approved the 2012 accounts, the statement did not provide specific numbers. In Cameroon, the domestic gas market has been transformed in the last six months, although Cameroonian still have a minimum of choice between different brands.

To reduce this scarcity, the CSPH is currently building a domestic gas filling plant in the town of Bertoua, which is located in the East Region. According to its Chairman of the Board, Luc Magloire Mbarga Atangana, the plant is 70% completed.
Cameroon: AES Sonel Wins the 2012 Edison International Prize

AES-Sonel was awarded the 2012 Edison Prize on June 11, 2013 in San Francisco. The award recognises the Group’s significant investments in Cameroon, which have improved electricity distribution in the country. Awarded by the Edison Electric Institute (EEI), the prize is the most prestigious award in the electricity sector in the United States.

For Tom Kuhn, EEI’s President, AES-Sonel was honoured for its outstanding leadership, dedication, and contribution to the advancement of the power industry for the benefit of all.

On behalf of his staff, Jean David Bile, the CEO of AES Africa and of AES-Sonel, said that the company was very happy to receive the prize. “It recognises the permanent state of mind that is shared by all people in our business. This state of mind is, among other things, the pursuit of excellence and the fulfillment of commitments as priorities in all relations between AES-Sonel and its employees, customers, suppliers, shareholders, and institutions, and of course the environment in general,” said the Cameroon-born Mr Bile. For him, this award will give visibility to the successful public-private partnership that exists between AES and the government of Cameroon, which could serve as a model for Sub-Saharan Africa.

AES-Sonel, Creolink Communications Pinned for Fraudulent Installation of Fibre Optic Cables

In a statement published in the Cameroon Tribune of May 30, 2013, Cameroon’s Telecommunications Regulatory Agency (ART) claimed that AES-Sonel and Creolink Communications do not have operating licenses. According to ART, these companies have begun to lay optical fibre networks on certain roads in Cameroon without the proper authorisations.

ART claims that the operators plan to sell transmission without prior authorisation, which is a violation of the December 2010 law governing electronic communications in Cameroon. It recalled that the establishment and operation of telecommunication networks that are open to public or private use require permission by the Ministry of Telecommunications after an initial clearance by ART.

A similar case dates back to September 2012, when a fibre optic network was fraudulently laid along the Douala-Yaoundé highway. After a government-initiated investigation, employees from Creolink Communications wearing jump suits from Cameroon Telecommunications (CAMTEL) were apprehended. CAMTEL is the only company that is authorised to lay fibre optic cables in Cameroon. As of last month, Cameroon’s fibre optic network covers 6,000 km.
Cameroon Contracts for Six Transportation Infrastructure Projects

Eight companies that are potential contractors for six projects in the transportation sector have been selected, according to a statement by the Ministry of Economy, Planning and Regional Development (MINEPAT) issued on June 10, 2013.

Out of the 21 projects calling for private-public partnerships, these six projects would improve the country’s transportation infrastructure. Two projects are on port infrastructure, three on railways, and one on roads. Foreign companies from France, South Korea, and South Africa were selected, but local companies could win sub-contracts. These foreign companies would build, own, operate, and then transfer the infrastructure to the state of Cameroon.

**Bolloré Africa Logistics: Kribi deep seaport multi-purpose terminal**

The building of a multi-purpose terminal is the second phase of the on-going Kribi deep sea port, which is to be built by Bolloré Africa Logistics. Located in a growing industrial zone, the terminal would facilitate the transportation of goods from the numerous mining ventures in the South and East regions of Cameroon. It could consist of a seaport, a ferry terminal for cargo and passengers, and a cruise terminal.

**Flasworx Capital Management: Douala-Limbe railway**

Linking by rail Douala (the country’s economic hub) to Limbe (a seaside resort town) would facilitate the movement of goods and persons to and from both cities. Although Douala has Cameroon’s sole port, heavy cargo ships could in the future dock at the Limbe deep seaport, which is said to be natural. Consequently, goods would enter the country in Limbe, and then be moved to Douala by rail. The 70-km railway line would be constructed by a South African company, Flasworx Capital Management.

**Bouygues and DTP Terrassement: Edea-Kribi railway**

The 100-km railway line would link the energy town of Edea to the seaside city of Kribi, a growing metropolis. Goods would be ferried on this line to the Kribi deep seaport, which is under construction. According to the MINEPAT statement, Bouygues and DTP Terrassement, a French consortium, would construct this railway.

**Guemgang/LPDC Consortium: G-power cement plant**

There is also the Guemgang/LPDC Consortium that will build the specialised port for cement in Limbe. The G-power cement plant, a Korean company that produces 800,000 metric tons of cement per year, is located there.

However, these companies have a long way to go before work starts on the sites.

“The Ministry of Transport will examine in detail the technical offers by these pre-selected companies, examine adjustments that they could make to their projects (…), and negotiate the contract terms,” Pauline Irene Nguene, President of the Support Council for the Realisation of Partnership Projects (CARPA) at the MINEPAT told the Cameroon Tribune Tuesday June 11, 2013.

The government has given the contractors six months to gather the necessary funds after the memoranda of understanding are signed.

The president of CARPA further indicated that some projects could start earlier, except for the tramway project by Alstom Transport S.A, which has yet to conduct environmental impact studies.

**Alstom Transport S.A: Yaoundé-Douala tramways**

Alstom Transport S.A would build the Yaoundé-Douala tramways, a small train system that is designed to transport people and materials in a local region.
First Ship to Dock in Kribi Port Next Year

In June 2014, the first vessel will drop anchor at the Kribi deep seaport, one of the components of the city’s industrial port complex. The news was confirmed by Patrice Melom, the project’s coordinator, in an interview published in the Cameroon Tribune of June 17, 2013. The Kribi port is located about 200 kilometres from Douala, the economic capital of Cameroon.

The China Habour Engineering Company (CHEC), the developer that works as an Engineering, Procurement and Construction Contractor (EPCC), agreed to deliver the keys of the commissioned project to Cameroon, Patrice Melom added.

85% of the project is funded by the Export-Import Bank of China (China Exim Bank), while the remainder is covered by Cameroon.

The Kribi port has two specialised terminals: a multipurpose terminal and a container terminal.

Initiated in the 1980s, the project was actively pursued only in 2008. Construction began on December 27, 2010 after Cameroon completed the Heavily-Indebted Poor Country Initiative (HIPC) and subsequently allowed to resume large-scale investments after two decades of structural adjustments.

Cameroon Plunged into Debt to Finance its Economic Transformation

Cameroon’s debt is estimated at 2,449.6 billion francs CFA (18.5% of GDP) at the end of December 2012, according to a recent report by the country’s management debt fund, the CAA. This represents an increase of 217.6 billion francs CFA compared to the 2011 estimate of 2,232 billion francs CFA.

The external debt is mainly constituted of loans from commercial banks, multilateral partners (such as the IMF and the ADB), and countries (such as China, France, Spain, and Japan). Among others, government bonds make up the internal debt.

The CAA report claimed that Cameroon is in a borrowing spiral to “begin work in various sectors.”

Roads alone represent 45% of these commitments, which includes the much talked about 215 km highway between Yaoundé and Douala. To finance its construction, Cameroon borrowed 241.4 billion francs CFA from Eximbank China on March 8, 2013.

CAA is a public company that was created on August 28, 1985. Its main objective is to render Cameroon’s financial market safe and reliable.
Three Foreign Companies to Build Nsimalen Superhighway for CFAF 154 Billion

“The cost of the two phases is 154 billion francs CFA, or 67 billion for the first phase and 87 billion for the second,” the Minister of Housing and Urban Development (MINHDU), Jean Claude Mbwentchou, said in May 2013 in Yaoundé. The Minister was speaking on the occasion of a visit to the urban phase of the 10-km Nsimalen highway project. He was accompanied by the ministers of Lands (Jacqueline Kung a Bessiké), Public Works (Patrice Amba Salla), and Public Contracts (Abba Sadou), as well as by Yaoundé’s Delegate (Gilbert Tsimi Evouna).

This road runs from the Ahala MRS filling station to the Jean Paul II Boulevard junction, below the conference centre. Three companies will build the road, which will be divided into three sections: Synohydro will build the Ahala-Carrefour Nsam-Trois Statues stretch (5.8 km); the China Road and Bridge Corporation (CRBC) will build the OilLibya-Mess des Officiers-Poste centrale stretch (1.9 km); and, Arab contractors will build the Warda-École de police-Carrefour Sous-Préfecture Tsinga stretch (2.1 km).

The road will have a cross section of $2 \times 3$ lanes, medians, and sidewalks. Speed will be limited to 60 km/h. Feasibility studies for the first phase will begin next week, Mbwentchou indicated. “We gave them a timeline of two months to complete these studies. These must therefore be completed by late July or early August. We expect to finalise the technical documents for approval and provide the appropriate service order to start work in September,” he added.

According to MINHDU, construction work on the road will start in September as well.

A study completed in October 2012 revealed that 14% of Cameroon’s road network is in good condition, while 32% is in fair condition and 54% in poor condition, Patrice Amba Salla, the Minister of Public Works, told L’Action.

Cameroon’s road network is about 50,000 km long, of which 21,450 km are primary roads and 28,550 km are rural ones. According to the Minister, the country needs 100 billion francs CFA for road maintenance.

Yet road maintenance is not optimal, mainly because of the pitfalls of privatisation, the limits of small and medium-sized businesses, and the inefficiency of management instruments, noted the Minister. “In 2013, road maintenance will cost 56 billion francs CFA for 191 contracts. This will allow us to maintain a total length of 11,072 km of road, of which 1,432 are paved roads, 7,977 earth roads, and 1,662 rural roads,” he added. After 15 years of privatisation, road maintenance in Cameroon leaves much to be desired.

In February 2012, President Paul Biya ordered the disbursement of 100 billion francs CFA to finance emergency road maintenance work, but the project took off at an extremely slow pace. A year later, the completion rate is around 35% to 40%. However, Minister Amba Salla remains optimistic that the work will be completed as planned by December 31, 2014.

Synohydro Wins Mora-Dabanga Road Rehabilitation Contract

The Chinese company Synohydro has won the bid to rehabilitate the 131.52 km road between Mora and Dabanga in Cameroon’s Far North Region.

According to the Cameroon Tribune of June 21, 2013, this old road is in an advanced state of degradation due to its use by heavy trucks that bring goods from Nigeria and traffic from Cameroon to Chad. The road’s rehabilitation should begin by the end of this year, indicated newspaper sources at the Ministry of Public Works in Yaoundé.

Synohydro, which is currently building the Memve’le hydroelectric dam in the south of the country, won the bid that was launched in November 2012. According to a June 21 statement by the Ministry of Procurement, work on the road will last 29 months. The road’s rehabilitation will be accompanied by other measures that include the construction of 28 classrooms and 24 boreholes, as well as benches and mats to dry farm products.

The project, which will cost 46,384,860,579 francs CFA, is financed by the World Bank.
Controversy Surrounds New Seat for Ministry of Public Works

Situated in Etoundi, the building that will host the main offices of the Ministry of Public Works was expected to be ready by the first quarter of this year, but construction has yet to begin, according to the June 3, 2013 edition of the French daily Mutations.

Awarded to Foma, a local construction company based in the economic capital (Douala), the contract is still pending the adjudication of the Prime Minister. The latter must decide on the final winner of the CFAF 16 billion contract following a complaint about the selection formula submitted by the rival bidder, the Chinese company Sinohydro.

The anti-corruption body (Conac) has jumped on this case to assess the circumstances surrounding the award, and most importantly, to ascribe guilt, indicated Mutations.

**Abba Sadou indicated that Sinohydro’s bid was the best but that Foma was chosen because it is a national company.**

Yet on December 14, 2012, Sinohydro, which was shortlisted along with five other companies, petitioned the Minister of Public Contracts, Abba Sadou.

Citing members of the Commission, who are employees of the Public Contracts Regulatory Agency for the examination of tenders, Mutations said that Sinohydro quoted 16.037 billion francs CFA to construct the building with a single air conditioning system. When adding the refrigerant volume system (Vrv, a mini central air conditioning system), the Chinese quoted 16.077 billion francs CFA, an increase of 40 million francs CFA.

As for Foma, its construction price with single air conditioning was 16.734 billion francs CFA, and 25 billion francs CFA with the Vrv system – respective differences of 635 million and 9.6 billion francs CFA with the two Chinese quotations.

In a reply to Sinohydro, which is currently building the Memve’le hydro-electric dam in South Cameroon, Abba Sadou indicated that the company’s bid was the best but that Foma was chosen because it is a national company.

“Your company had the most qualified technical offer and offered the best price (...) The contract could not be awarded to you because of the principle of national preference in the Procurement Code,” he argued in the correspondence.

Yet Sinohydro claims that “national preference applies to a local business if the bids and proposals are equivalent.” Further, it notes that the national preference clause under the same law “applies to any natural or legal person carrying on business in Cameroon for two years.” Sinohydro has been working at Memve’le since October 2010.
There are two laws on civil aviation in Cameroon, and the government wants to put an end to this source of confusion. On July 1, 2013, a compendium of the 1963 and 1998 laws was submitted to the National Assembly.

Robert Nkili, the Minister of Transport, said that if passed, the bill would facilitate the management of airports and enhance the possibility of penalising those in default in Cameroon’s airspace, and thereby make the country’s skies safer.

The bill also proposes the creation of a Civil Aviation Fund, which would be used to finance civil aviation development projects and to pay Cameroon’s fees for its participation in international civil aviation bodies.

All these measures aim to organise the exercise of civil aviation activities, to promote competition and the participation of private initiatives, and to ensure the sensible and efficient use of aeronautic infrastructure and the airspace.

According to the bill, the Civil Aviation Authority (which already exists) would be funded with service fees, state subsidies, gifts, and fleet registration fees (an aircraft can operate only if it has been registered). After receiving the bill, a plenary should be convened by the President of the National Assembly to debate its content and suggest amendments. If adopted, the bill would then be forwarded to the Senate for a second reading before being sent to the President of the Republic for promulgation or rejection.

Turkish Airlines, which began operating in Cameroon on January 5, 2013, has already carved out its share of the national market. After just six months, the airline is taking about 50% of the business on the Paris route, reported the French language daily Le Quotidien de l’économie on Monday July 9th, 2013.

The company is also forcing other airlines, including the national carrier Camair-Co, to rethink their strategies and services.

“Our main competitor, Turkish Airlines, beats us not only with its aggressive offers but also with the quality of its services and its selection of on-board entertainment,” Christian Perchat, a Camair-co Sales Manager, said on July 5, 2013.

Douala Airport: GICAM Deplores “Unfriendliness” of Airport Police, Customs Officers

In his address to the General Assembly on May 30, 2013, André Fotso, the President of Cameroon’s cartel of enterprises (GICAM), criticised the “poor treatment” passengers receive at the country’s busiest airport, Douala.

Police and customs officers rudely and unduly demand money from passengers, but the fees are reduced when a receipt is requested. This gives Cameroon a bad image, and it is unfavourable to the business sector, he noted.

“The airport’s general manager needs to organise a crash course on hospitality for these officers,” André Fotso recommended.

GICAM also complained about the publicity tax and the high import duties on roof sheets, but it supported the new investment incentives law that was decreed last April.
Petroleum Pipeline: Gov’t Launches Tender

Cameroon’s Ministry of Water and Energy has launched a tender for the construction of a pipeline to transport petroleum products from the city of Limbe to the rest of the country.

In a statement dated June 20, 2013, Minister Basile Atangana Kouna said that the tender aims to pre-select qualified companies to do the job.

The pipeline will be constructed in two phases in a Build Operate Transfer scheme. Lot 1 will leave Limbe via Douala and Edea to Yaoundé, the political capital. Lot 2 will reach Bamenda from Limbe through Bafoussam. Furthermore, new depots will be built in Limbe, Douala, Bafoussam, Bamenda, and Yaoundé.

A few companies have shown interest. Petroleum Products Pipeline SA (3PL), a Nigerian and South African consortium, has signed a memorandum of understanding with Cameroon to construct the 248 km-long Lot 2. Govind Development LLC, an American company, has signed the same document to carry out feasibility studies on the 377 km-long Lot 2. The Belgian company Denys has also shown interest.

The pipeline will create jobs, increase access to petroleum products, reduce state subsidies, and maintain the price of petroleum products at the pumps, the minister noted in the statement.

New Tax Office for Small Businesses in Yaoundé

Two years after the pilot office was opened in Douala, Cameroon’s economic capital, the government has brought the project to the political capital.

On July 5, 2013, Alamine Ousmane Mey, the Minister of Finance, inaugurated the office that is specially designed for small businesses i.e. with a turnover of less than CFA 100 million in the city.

“The inauguration of this office is part of the reform process on the management of taxpayers that began in 2004 and involved grouping them into categories,” Minister Mey explained.

According to the Doing Business 2012 report, companies need nearly 120 days to prepare their tax returns. For small businesses that are not assisted by consulting firms, this process represents a huge cost.

“Improving the quality of services for taxpayers will usher change and help them,” the Minister noted.

For some financial experts however, this is just one part of the solution to the problems that small businesses face.

“The real problem with the taxation of small businesses is beyond the scope of revenue collection – it is about inter-company loans. In the chain, payment deadlines are not always respected, and as a result these businesses cannot meet the tax deadline because they do not have any cash,” noted Mr Babissakana, a financial expert, during a televised debate on the issue.

The new tax office is located in Yaoundé’s Etoa Meki neighbourhood in a building that was previously occupied by the Hydrocarbons Prices Stabilisation Fund (CSPH).

US Ambassador: Trade between Cameroon and US Hit CFAF 250 Billion Last Year

Trade between Cameroon and the United States amounted to 250 billion francs CFA in 2012, according to the US Ambassador to Cameroon, Robert P. Jackson.

On July 2, 2013, the American diplomat reviewed bilateral cooperation between his country and Cameroon during a ceremony in Douala to celebrate the 237th anniversary of American Independence, which is commemorated every July 4, Mutations reported in its July 5 issue.

For Ambassador Jackson, relations between the two countries have been strengthened since 2000 thanks to the Act on Growth and Opportunity in Africa (AGOA) initiative.
A study conducted by the African Network for Financial Justice (REJ-A), a non-governmental organisation, suggests that Cameroon lost 6,000 billion francs CFA between 2000 and 2009 because of revenue collection problems. The study was presented on July 3, 2013 in Yaoundé, the country’s political capital.

According to the report, the losses are due to incorrect tax brackets, the poor interpretation of the tax code, and other errors in tax calculations, although custom and tax revenues have been constantly rising.

Incentives for investors, which range from exonerations on custom duties and other tax privileges to the various investment codes that have been adopted since the country’s independence in 1960, are also amongst the problems that were raised by the report.

Although Cameroon is implementing a good governance programme, corruption and a lack of transparency continue to undermine revenue collection.

For the third consecutive year and to the government’s surprise, the World Bank’s annual review of policies and institutions has awarded Cameroon a score of 3.2. The management of the domestic economy was rated 3.8, the highest score in the review.

Countries are rated on a scale of 1 (low) to 6 (high) for each indicator. In this report, 16 indicators were measured.

A government official who attended a presentation on the findings was astonished. “Cameroon recently adopted and implemented equality and fairness measures, in addition to numerous measures in other fields. For example, we created a ministry that handles procurement issues. I’m embarrassed,” said Jean Tchoffo, Secretary General of the Ministry of Procurement and responsible for the monitoring of economic programs.

For CPIA evaluators, the question is not so much if a decision has been taken to adopt measures, but rather if these are implemented and with what effect. “Taking action is not enough to improve the rating,” said Punam Chuhan-Pole, Acting Chief Economist for the Africa Region at the World Bank and the report’s lead author.

On June 17, 2013, twelve families met with Roger Moses Eyene Nlom, the Governor of the Central region, to receive their compensations. Their land was expropriated to house the ceremony for the laying of the foundation stone of the Yaoundé-Douala highway, reported the French language daily Mutations.

The compensation package is valued at 213 million francs CFA, which was divided based on each parcel’s size, value, and level of development. The cheques that were distributed ranged between 53,000 and 114.19 million francs CFA.

To support these people, account-opening facilities were available at a local bank. According to Marcel Ndzengue Bibi, the bank’s manager, beneficiaries would receive their money on June 18, 2013.
Bakassi Will be Fully Cameroonian as of August 14, 2013

The Bakassi peninsula will soon be completely run by Cameroon, just like the country’s other regions. This marks the end of the special transitional regime that has regulated Bakassi since August 14, 2008, as per the Green Tree Agreement.

We will soon witness the peaceful resolution of an affair that had almost ended in armed conflict between Cameroon and Nigeria. The people living in Bakassi will now have to freely decide between being Cameroonian or Nigerian before August 14, 2013.

In the special transitional regime, Cameroon committed to facilitating Nigerian nationals living in the area with regards to the exercise of their rights, all the while granting Nigerian civil authorities full access to their populations in the area. It also agreed not to enforce its customs or immigration legislation against Nigerian nationals living in the area who travel directly from Nigeria to Bakassi so that they may attend to their affairs.

NIGERIAN OR CAMEROONIAN
As of August 14, 2013, those people who chose to be Nigerian and to remain in Cameroon will be considered foreigners, and they will have to obtain a residency permit. In 2008, the Cameroonian President had reassured Nigerians in the area: “I would like to take this opportunity to reiterate that Cameroon will fulfill all the commitments it has undertaken in favour of our Nigerian brothers and sisters who have chosen to live in Cameroon, whether they live in Bakassi or are among those who have been living in large numbers within Cameroon’s borders for many years. I would like to assure them that their security and their rights will continue to be guaranteed. As in the past, they will be able to conduct their activities without the slightest worry as long, of course, as they abide by the laws and regulations of Cameroon,” declared Paul Biya.

AN EXAMPLE FOR AFRICA
All this has been done in accordance with the Green Tree Agreement, which was signed in August 2006. According to this document, “After Nigeria transfers authority to Cameroon, the latter guarantees that all Nigerians living on the Bakassi peninsula will be able to exercise the freedoms and fundamental rights established by the rights of Man and all other relevant regulations of international law.”

The peaceful resolution of this conflict is an example for Africa, where conflicts are too often settled with weapons. “To arrive where we are today, we engaged in long and difficult negotiations during which our people demonstrated not only moderation and patience, but also constancy and determination,” indicated Paul Biya.

CEMAC States Announce End of Visa Requirements for their Citizens

The six member states of the Economic and Monetary Community of Central Africa (CEMAC) have announced the end of visa requirements for this region’s citizens as of January 1, 2014, according to a CEMAC statement quoted by APS.

CEMAC leaders met in June in an extraordinary summit in Libreville (Gabon) on the margins of the New York Forum Africa, which included more than 1,500 international investors and economic and political policy-makers.

CEMAC has also decided to establish a common policy framework for the protection of trade within the region. “This will include the harmonisation of policies on drugs, the fight against counterfeiting, and the facilitation of pharmaceutical companies’ access to the regional market,” reported the same source.

CEMAC has six member states: Cameroon, Gabon, Equatorial Guinea, the Central African Republic, Congo, and Chad. They share the franc CFA currency.
On July 1, 2013, more than 40 delegates from five government departments – mainly persons in charge of ensuring the security of information and communication networks – began a two-week training course on cyber security in Yaoundé.

The seminar’s objective was to build capacity with scalable and sustainable solutions, as well as to strengthen trust by developing partnerships among various stakeholders at the national level.

“It is about capacity building, which is vital in our fight against cybercrime because it enables participants to master the available tools and solutions,” Dr Ebot Ebot Enaw, the General Manager of the National Agency for Information and Communication Technologies (ANTIC), said in his opening speech.

The seminar also showcased best practices and case studies, and shared the successful experiences of other countries in combating cybercrime.

It is important to address cyber security issues because both businesses and the government are increasingly providing services online. The event was organised by ANTIC, and participants were from the Presidency of the Republic, National Security, Presidential Security, the anti-graft commission (CONAC), and the Ministry of Post and Telecommunications.

Manu Zacharia, an expert in cyber security, flew in to train the participants thanks to ITU-IMPACT, an international multilateral partnership that offers high-level training programmes to help countries fight and prevent cyber threats. ANTIC became a member in 2011.

To reflect what happens in a real life situation, a computer laboratory was set up at the conference centre to test the lessons learned. “During the training, we use examples, we try to demonstrate how these criminals operate, and we provide tools for our trainees to be able to fight insecurity,” the trainer said.

Ardent cyber criminals are always searching for technological loop holes to exploit them, and it is important to proactively work out ways of securing online transactions, Mr Zacharia claimed.

Each year, the world loses millions of dollars to cybercrime, which is commonly known as “419”. Cameroon is now ranked among the top 10 countries where the crime is most prevalent.

Copyright: Culture Minister Backs Socam

On May 30, 2013, Ama Tutu Muna, the Minister of Arts and Culture, told entrepreneurs that they should pay their dues to the Musical Art Guild (Socam), not to its rival, the Cameroon Music Corporation (CMC).

She was speaking in Douala to members of the Cameroonian cartel of entrepreneurs (GICAM) during its 115th general assembly. She was invited as a guest of GICAM’s President, André Fotso.

Basing her argument on the 2000 law on copyright, the Minister said that only a guild with a license issued by a competent authority (in this case the Ministry of Arts and Culture) is authorised to collect copyright fees.

“Guilds are private organisations. Yet in order to function, they need a license. If you look at the 2000 law on copyright, therein you will find the clause,” she explained. She also did not hesitate to warn entrepreneurs that those who paid the CMC will have to pay again.

On December 27, 2012, a decision by the Supreme Court decided that the Ministry had the right to revoke CMC’s license.

But Sam Mbendé, the head of CMC, argues that this was just one of the many decisions expected on the case between the Ministry and the CMC.

Mr Mbendé believes that CMC is entitled to collect fees given an earlier decision from the same court that gave CMC the right to exist, against a ministerial decision to dissolve it.

In this judicial brawl between CMC and the government-backed Socam, some companies have taken advantage of the situation, the Minister noted.
Express Union, a money transfer company, has sued the National Competition Commission (CNC) over the latter’s decision to rule in favour of the group’s competitor, Express Exchange. Magloire Désolice Piendjio, Express Union’s head lawyer, confirmed the information to the Cameroon Tribune on June 13, 2013.

A verdict in February ordered Express Union to pay a fine of 594,602,594 francs CFA, or 20% of the revenues it earned in 2010. Furthermore, Express Union, which dominates Cameroon’s money transfer market, was ordered to pay 25 million francs CFA in damages to Express Exchange.

The fine is a response to an agreement between Express Union and Emi Money Transfer that was considered by the CNC as an attempt to eliminate Express Exchange from the market using anti-competitive methods.

According to this agreement, money sent from Emi Money Transfer counters could be received at Express Union counters for a lower price.

Dja Reserve: Eight Poaching Camps Destroyed, Weapons Seized

Alfred Voumia, a guard working in Cameroon. Long before the patrol team’s crackdown, two ivory tusks weighing 10 kg each were seized at the Cameroon border.

The poaching of elephants in the Congo Basin concerns Cameroon and Congo. Both countries have mounted a joint anti-poaching team of eco-guards to patrol the Dja River, which separates the protected national parks of Nki in Cameroon and Messok-Dja in Congo-Brazzaville.

Launched on May 10, 2013, the operation lasted ten days. It came at a time when elephant poaching is on the rise in Cameroon and neighbouring Congo. Forest guards patrolled the Dja River for eight days, ransacked and destroyed eight poaching camps, and stopped and searched seven canoes. “We seized a weapon and four chainsaws,” said Alfred Voumia, a guard working in Cameroon. Long before the patrol team’s crackdown, two ivory tusks weighing 10 kg each were seized at the Cameroon border.

Financed by the WWF’s African Elephant Program, the project was conducted as part of the conservation initiative of the Dja-Odzala-Minkebe tri-national border, which is known by its French acronym Tridom. It includes protected areas in Cameroon, Congo, and Gabon.

“We will put more pressure on poachers that continue to kill elephants in large numbers in protected areas,” warned Pascal Dongmo, a curator at the Nki National Park.

The Messok-Dja Reserve on the Congolese border houses rich forests and minerals. Cameramen have captured images of magnificent herds of elephants, gorillas, and chimpanzees there.

Road users in Cameroon’s urban centres have paid 113 million francs CFA in fines in two months following a concerted effort to weed out bad drivers from the country’s cities, indicated the French daily Le Quotidien de l’Economie of June 7, 2013.

However, the Minister of Transport, Robert Nkili, indicated that officials are still waiting for statistics from two regions, the Centre and the Far North. He spoke after an impromptu field trip to three neighbourhoods in Yaoundé (Nkol-Meseng, Mvog-Mbi Roundabout, and Mokolo Market), where he was accompanied by his colleague from the Ministry of Youth Affairs and Civic Education, Bidoung Mkpatt, as well as by senior police officials and gendarmerie staff.

Launched on April 1st, 2013, the on-going action by law enforcement officers has pinched over 19,000 vehicles and 2,000 commercial motorbikes, the Minister revealed. In Yaoundé for example, mixed brigades often lie in wait at blind corners to trap drivers.

He confirmed that the operation will continue. In his view, it is necessary to consolidate achievements, restore discipline, fight corruption, remove clandestine drivers from the streets, and educate drivers on their civic responsibility.

Meanwhile, Minister Bidoung Mpkatt used the field visit to announce a national forum on the informal sector, which was held on July 9 and 10, 2013 in Yaoundé. The forum focused on how the motor taxi sector can be better managed.

Indeed, a 2004 prime ministerial decision that organised this sector is not fully being implemented. Riders still do not use helmets and fail to provide one for their passengers, yet they still drive pass police officers without being stopped, in a clear violation of the decision.
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Investor’s Guide
Starting a company in 72 hours?
It’s possible in Cameroon!

Business start-up procedures, a virtual roadblock to entrepreneurship development in Cameroon over the last few years, have been significantly reduced thanks to the Centre de formalités de création des entreprises* (CFCE), which enabled the creation of 5,000 businesses between 2010 and 2012.

Only a few years ago, the World Bank’s Doing Business reports which measure the state of business environments was far from gentle with Cameroon. Between 2007 and 2008, for example, the report showed that business creation in Cameroon was subject to a 13-step process with 15 different procedures, a 37-day period before starting business and a total of 426 days to obtain the necessary authorisations for building a commercial venue.

The government’s project led to the 2010 launching of the Centre de formalités de création des entreprises (CFCE). The two first pilot centres were established in Yaoundé and Douala. By 2011, this initiative had produced over 3,000 new businesses claims Marie-Louise Secke Pouka, Secretary General of the Ministry of Small and Medium Enterprises, the governmental entity that covers CFCE.

According, to the ministry’s latest figures, to date, some 5,000 businesses have been created in CFCE agencies, including three new branches opened in 2011 in Garoua, Bafoussam and Bamenda, bringing the total number of CFCE offices in Cameroon to five. According to the Minister of Small and Medium Enterprises, Mr. Laurent Serge Etoundi Ngoa, the government’s goal is to establish similar bureaus in the ten chief-led areas of the country.

BUSINESSES WILL SOON BE CREATED ON-LINE

But what is CFCE? The Minister of SMEs explains that they are a processing point that comprises all the administrative entities that entrepreneurs were obliged to go through, sometimes taking weeks to satisfy certain bureaucratic requirements.

Once at the CFCE, the entrepreneur now finds everything in one location – registrars, the National Fund for Social Welfare as well as Treasury and Tax services. After choosing the legal form his or her business will assume (Inc., a limited trading company, a cooperative and so on.), the applicant fills out a form. Upon providing the required documents, he receives a business creation certificate in 72 hours, enabling him to start doing business.

THE AMAZING EXPERIENCE

An employee of a Douala-based company, Godeffroy Elanga had the amazing experience first-hand. “A friend in London called me to ask if I could help him fill out some forms ASAP to start a business, because he had a deal with some business par-
ners who were going to leave Came-
oron the following week. He himself
was surprised 72 hours later when I
sent him a scanned copy of the busi-
ness creation certificate. Since then, I
have to admit that I’ve earned money
simply by helping people start their
businesses because CFCE agencies
aren’t that known as yet. So, with
all the torture that people used to go
through before, they just can’t believe
that it’s possible to start a business so
quickly in Cameroon,” he explained.
Indeed, CFCE provides entrepre-
neurs with the following services:
“business venture advising; estab-
lishing the trade register and in-
vestment capital; setting-up the tax
card; establishing patent exemp-
tion; the establishment of a certifi-
cate of non-filing (APS abbreviated
in French) or a certificate of non-use
of paid staff (ANUPS abbreviated
in French)’’ They offer all of this
while saving time and money. Ac-
cording to CFCE heads, it will soon
be unnecessary to visit any of the
five CFCE branches nation-wide
as steps are currently underway
to enable customers to do the ap-
plication on-line via the agency’s
website.

Brice R. Mbadiam

*CFCE – Business Formalities Centre
In Cameroon, it seems to be easier for a company to get land for some investments than for an individual to get a land title.

The latest example: the American company, Heracles Farms, which is currently putting in place an oil palm plantation on 73,000 hectares in the South-West region of Cameroon, received all the required authorisations from the Cameroon government in relatively little time in 2010. It was granted an emphyteotic lease for a 99-year period. The same was done for Sosucam, the Cameroonian subsidiary of the Vilgrain Group to which the State of Cameroon granted 20,000 hectares for sugar cane plantations in Mbandjock et Nkoteng. Hevecam and Sud Hévéa, the CDC, the banana production companies of Moungo, Justin Sugar Mills in the east; Socapalm and Fermeres Suisse in the coastal region and Chinese rice farmers in the town of Nanga Eboko in the middle of the country can also attest to the speed with which the Cameroonian government ceded State-owned land for the purposes of investment. Environmental ONGs disapprove of this practice, but it appears to be a deliberate choice in favour of the country’s economic development.

“I will concede recipients of State property pay rent to the Treasury calculated at a rate of one (1) franc (CFA) per square metre.”

HOW CAN SOMEONE OBTAIN A LAND TITLE IN SIX MONTHS?

• Submit the complete and accurate application to the sub-prefecture or to the district chief. Wait a maximum of three days to receive your receipt. Keep your receipt as the authority will send your application file to our departmental land tenure service within 8 days.

• The head of the departmental land tenure service will publish, in the 15 days afterwards, an excerpt of your application. In concert with the sub-prefect or the district chief, he will set the date for the advisory commission to evaluate how efficiently the land is being used. Once the boundaries have been established, you will be required to pay fees to the departmental receiver of State property against a receipt.

• 30 days after this, the representative of the Ministry of State Property and Land Tenure (MINDAF in abbreviated French) sends your complete application to the provincial representative to the attention of the head of the land tenure service who will register it in the provincial registry for the evaluation of registration requests, assign a number, assess its compliance and, where applicable, close the file with an advisory regarding the boundaries of the property. This advisory is published in the provincial land and property bulletin. Your application is then sent to the Commissioner of Lands and Surveys in the area where your land is located.

• Thirty days after the land border advisory’s publication, and in the absence of any opposition or litigation, the Commissioner of Lands and Surveys will then proceed with the registration of your land in the land tenure registry and will give you a copy (duplicatum) of the land title once you have paid the land tenure fees to the receiver as well as the attendant stamps.

Source: the MINDAF user guide
PROVISIONAL APPROVAL

FIRST

Indeed, Cameroonian land tenure will have two land ownership access provisions for investors—concessions and emphyteotic leasing. Firstly, the concession is legally defined as "the procedure through which the State authorises any person who wishes and has a development project to be conducted over a five-year period on any 2nd class (unoccupied before 1974) public land of State property." According to Cameroonian land tenure policy, it is first provisional (5 years) before being renewed and then made final in keeping with the scale and the project presented and implemented by the concession recipient.

Any investor wishing to obtain a land concession in Cameroon must present an application that contains "three copies of the application on special forms to which must be attached a photocopy of the national ID card or a residence permit, the status of the company where applicable and its terms of reference, 4 copies of the map of the land; the development programme with steps clearly indicated; and a descriptive estimate of the work to be done. This application is then submitted to the competent district land service office, upon which the applicant receives a receipt," explained the guide assigned by the Ministry of State Property and Land Tenure. The official noted that the concession could not be made to a foreign entity or person in a border area.

EMPHYTEOTIC LEASES

Concessions on fewer than 50 hectares are granted by the Minister of State Property while those involving plots of land greater than 50 hectares are authorised by the President. According to Cameroonian State policy on land ownership, which dates back to 1974, land concession recipients of State property pay rent to the Treasury calculated at a rate of one (1) franc (CFA) per square metre. Aside from a land concession, the investor may opt for an emphyteotic lease which has the characteristic of covering areas that are more extensive than those designated through concession.

Generally sought by agro-industrial companies, emphyteotic leases are for a duration that may vary from 18 to 99 years in accordance with Cameroonian land tenure policy. In reading the Ministry of State Property’s guide, one can read that their characteristics are the following: the rent is payable in advance and has a reducing balance; the mandatory payment of all property taxes and other taxes; the possibility for Ministry agents to inspect sites; the prohibition of ceding the right to the lease or to sublet without authorisation; the possibility for the Ministry to reclaim the property upon the conclusion of the lease with the pre-emptive right to investments." According to Greenpeace, Heracles Farm was able to negotiate its lease on 73,000 hectares in South-West Cameroon at a cost of "between 0.5 and 1 dollar per hectare per annum."

MAGZI: LEASING LAND TO INVESTORS

In addition to the incentives included in land tenure policy when granting land to investors, the Cameroon government has created the Industrial Zone Development and Management Authority (MAGZI when abbreviated in French), whose mission is to prepare land that could be rented by investors. To date, this State entity oversees six (6) industrial zones in the central, coastal, northern, West Adamaoua and south-west regions. This represents thousands of hectares of land to be developed upon request by economic operators.

Brice R. Mbodiam
THE BUSINESS CLIMATE

ANSELM KEMVA'S PERSPECTIVE

CEO of Poulet du Bonheur and former Vice-President of the Cameroon Entrepreneurs’ Movement (MECAM abbreviated in French).

“It’s the application of measures that is most lacking”

“Though there has been some progress, particularly since Cameroon’s low grade by rating institutions, the business climate still isn’t satisfactory. All this has occurred because of a glaring lack of solid measures. Cameroon is quite advanced in terms of the putting in place of measures. The problem lies with their application. With regards to SMEs which have always been MECAM’s area of most concern, there has been a cohort of measures such as the opening of approved SME management centres through the passing of the 13th April Act that organised SMEs and put in place a business start-up centre where businesses can be created in 72 hours. This could get things moving, but the application of the law hasn’t followed. In addition, the problems that economic entities have been facing remain virtually unchanged: the sluggish bureaucracy, corruption, constant power outages, difficulty accessing financing, the flagrant lack of communications infrastructure and so on.”

Comments gathered by HBE
The text regulating mining activities in Cameroon proposes a litany of incentives and facilities to businesses and is considered to be one of the most attractive in Africa.

The legal aspect of mining in Cameroon essentially lies in Act No. 001 on mining passed on 16th April 2001 (amended Act 2010/011 of 29th July 2010) and its application decree – 2002-648 PM on 26th March 2002. So, Cameroon has a legal arsenal governing mining activity with specific modalities on exploration, mining and even the sale of mined products, whether hand-made or industrial. In the terms outlined in paragraph 2 of Article 8 of the new 2010/011 Act of 29th July 2010, modifying and completing certain provisions in the 16th April 2001 Act on the mining code – “Anyone wishing to engage in mining must first obtain a reconnaissance permit or a mining title.”

On the whole, Cameroon’s Mining Code is a veritable gold mine for investors. Several experts have described it as being one of “most attractive” codes in Africa.

RECONNAISSANCE, MINING AND RESEARCH PERMITS
Industrial mining requires reconnaissance, research and mining permits. The reconnaissance permit is issued and/or renewed by the Minister of Mining following the modalities established through regulatory measures after the president’s approval.

In Cameroon, the issuance of a mining permit takes place only upon the free transfer of 10% of the mining company’s shares to the State. This provision is contained in Article 11 of the 2010 Act. In paragraph 1 of Article 49, the amount of land for which the mining permit is granted depends on the deposits that are to be mined, as defined in the feasibility study. “The mining licensee shall begin the development and use of the deposit within a maximum of two years as of the date of the permit’s issuance.” The text also expresses that any small mining activity must comprise at least 40% of national interest and the small mining permit is granted with the same conditions and stipulations as those of the standard mining permit.

The research permit is issued by order of the Minister of Mining following the approval of the President, with the intent to locate and evaluate mineral deposits and determine commercial viability. According to the said law (Article

RICH, DIVERSE POTENTIAL FOR MINING
Based on data from Cameroon’s Ministry of Mining, Industry and Technological Development, Cameroon’s subsoil is very rich. The country has large mineral reserves including considerable bauxite deposits in Minim-Martap which are estimated to be as high as a billion tonnes, with 43% in alumina content. Ngaoundal has 120 million tonnes of the same quality of bauxite. The third reservoir is found in Fongo-Tongo and possesses 50 million tonnes, with 47% in alumina content. Cameroon also holds the world’s second largest rutile reserve which has been valued at 3 million tonnes. Cameroonian subsoil contains close to a billion tonnes of iron in the Mbalam and Kribi basins. Other areas also hold considerable mineral deposits: cobalt and nickel in Lomié (250 million tonnes); limestone in Figuil (600,000 tonnes); marble in Bidjar and North Biou; gold in the East, in Adamaoua, the North and the South. Betaré Oya’s gold reserves are estimated to be 3 tonnes. In addition, there are 250,000 tonnes of cassiterite, large reserves of pozzolan, silica sand, nepheline syenite, rose granite, molybdenum, manganese…. Cameroon’s subsoil mineral list is pretty long!
38), the research permit shall be issued for a maximum initial period of 3 years and may be renewed only twice for a two-year period for each renewal. It also states that the amount of land for which it may be granted shall not exceed 500 square kilometres. “The research licensee shall begin research activities within the perimeter of the permit within a maximum period of 9 months as of the date of its signing.”

A RANGE OF EXEMPTIONS

The mining legislation provides a litany of incentives to permit holders and entities in the industry. For research licensees, there are four specific advantages (Article 94 of the 2001 Act): a patent tax exemption for the first two years of research, an accelerated capital cost allowance at a rate of 1.25% of the normal rate for specific capital assets and the extension of deferred losses for a period of four to five years. Note also that the corporate tax, trade and industrial tax, the proportional tax on income floating capital (PTIFC), the special tax on remuneration paid abroad and the value added tax are all exempt.

In the mining phase, the range of exemptions is also substantial and diverse (Article 96 of the 2001 Act). There is a customs tax and duties exemption on materials, inputs and capital goods necessary for production; a customs tax and duties exemption on replacement equipment in case of a technical incident and also on equipment intended to be used in exportation; total exemption up to the first day of commercial production; an exemption on customs taxes and duties on the imported materials to be used in construction, and so on.

On the whole, Cameroon’s Mining Code is a veritable gold mine for investors. This is why during the In-
ternational Conference on Mining held in Cameroon in May 2013 in Yaoundé, several experts described it as being one of “most attractive” codes in Africa when one takes into account the diverse range of facilities it proposes.

According to the order implementing the Mining Code, there are two taxes: the tax on the extraction of substances from a quarry and the ad valorem tax which is proportionate to the value of the products extracted. With regards to the ad valorem tax, the order implementing the Mining Code stipulates that this tax shall be calculated based on the taxable value of the raw products directly resulting from mining and those ready to be shipped, based on information gathered and also based on contracts and supporting documents that each taxpayer is required to provide to the competent authority for determination purposes. It shall be paid monthly by entities authorised or licensed to engage in mining.

According to Article 144 of this decree, the tax is applied as follows: precious stones (diamonds, emeralds, rubies and sapphires) at 8%, precious metals (gold, platinum and so on) at 3%, base metals and other mineral substances (iron, nickel, bauxite and so on) at 2.5%, and geothermal deposits, spring water and mineral or thermo-mineral water at 2%. However, the current Cameroonian Minister of Mining, Emmanuel Bonde, in consultation with mining companies, decided to modify the tax that the latter are required to pay to the State. To those who engage in semi-industrial mining, he proposed a new distribution of sales. “Out of what they mine, they will retain 60%. They will pay 30% to the State and the remaining 10% will be redistributed at the local level to municipalities, residents and those involved in social welfare,” he explained in an interview in the 29th October 2012 issue of The Cameroon Tribune.

Hervé B. Endong

22 REGISTERED MINING COMPANIES, BUT ONLY 10 ARE ACTIVE

It was during the International Conference on Mining held in May 2013 in Yaoundé Cameroon that Ministry of Mining sources revealed that out of a total of 22 registered, only around ten mining companies are active in Cameroon, each producing 12 to 13 tonnes of minerals per month, generating 300 million FCFA (600,000 USD).

C&K Mining is one of them. It has had its exploration and mining permit since 2012, working in Mobilong and Limokoali diamond reserves in the Bamba and Ngoko department in East Cameroon. Cameroon also granted prospecting, exploration and mining permits to five mining companies in 2007. In mining circles, they have been christened as the “juniors”. Geovic Mining Corporation (American/Canadian), African Aura Resources Limited (British), Hydromine Inc (American), Sundance Resources Ltd. (Australian) and Mega Uranium Limited (Canadian).

One should also note the Cameroon Mineral Exploration which ceded its Nkout mining deposits a few months ago to its British counterpart, Afferro Mining, or Victoria Oil and Gas (VOG) which extracts and sells gas for companies in Douala or even Sundance Resources which ended up obtaining a mining convention for Mbalam iron.

Others are currently in talks with the government, such as Cameroun Alumina with its bauxite mining plans for Minim-Martap (East Cameroon).
Under the law, small-scale mining in Cameroon is reserved solely for Cameroonian nationals.

This restriction is framed in texts regulating mining in Cameroon, particularly Act No. 001 of 16th April 2001 governing the Mining Code. “Small-scale mining is reserved for persons of Cameroonian nationality subject to obtaining an individual prospector’s card and/or small-scale mining authorisation,” stipulates in fine in Article 9 of the said legislation. The individual prospector’s card is issued “to anyone of Cameroonian nationality”, but is limited to prospecting within the department where he resides.

The issue of small-scale mining authorisation is addressed in the Mining Code in the section regulating specific provisions applicable to mining activities. “When the holder of an individual prospector’s card has demarcated a perimeter for small-scale mining, he must proceed to the customary or administrative observance by way of regulation,” states paragraph 2 of Article 25.

CAPAM’S ROLE
Small-scale mining authorisation is granted by the competent territorial authority in 15 days following the submission of the application. The granting of authorisation is subject to the payment of “all duties or other taxes applicable to the perimeter”. Unlike industrial mining, the size of each plot of land receiving small-scale mining authorisation may not exceed 100 square metres. According to Article 27, small-scale mining authorisation establishes the right to mine to a depth of 30 metres. It is initially valid for two years. The Cameroon Mining Code allows the small-scale mining permit holder to request a research or mining permit at any time.

The 2001 Mining Code is completed with the No. 064/PM order of 25/7/2003 on the creation, organisation and functioning of the Support and Promotional Framework
for Small-Scale Mining (CAPAM when abbreviated in French). This is a programme of the Cameroon government which is financed with PPTE funds. CAPAM plays a role in the coordination, organisation, facilitation, support, promotion and development of small-scale mining. It has some 15 missions. Within the framework of developing the industry, the Mining Code provides for small-scale mining authorisations that are exclusive to the same degree as other mining titles. This is intended to stimulate the entrepreneurial spirit of small-scale business people and increase their income.

1,892 SMALL-SCALE GOLD MINING AUTHORISATIONS

For the time being, gold is the mineral most exploited by small-scale mining. According to the Cameroonian government, 1,892 small-scale gold mining authorisations have been issued, particularly in the region of East Cameroon “where the bulk of gold prospecting occurs”. Meanwhile, there are 48 recognised venues where gold is bought and sold. According to CAPAM, at least 140 locations have been identified in Cameroon where, in most cases, small-scale gold is the main business activity. Small-scale gold’s production potential is estimated to be 500 kg per annum based on the Cameroon Ministry of Mining’s Mining and Geology Management Division (MINIMIDT when abbreviated in French). “Gold produced through small-scale mining does not follow the same formal routes. For every 100 kg produced, 90 go to smugglers,” stated Paul Ntep Gweth, former coordinator of CAPAM. Hence the creation of the Operation Gold campaign launched in 2011 in collaboration with the armed forces to channel this production and reinforce Cameroon’s gold reserves at Banque des États de l’Afrique centrale*. “With national production estimates at 170 kg per month, CAPAM’s Operation Gold project aims to secure at least 100 kg of this monthly production,” adds Paul Ntep Gweth. According to MINIMIDT, this operation has already borne fruit beyond expectation. In an interview in *The Cameroon Tribune* of 11th July 2013, Emmanuel Bonde noted that in the first half of 2013, CAPAM channelled 32,843 grams of gold at a starting value of 549,198,451 FCFA which represents the amount paid to small-scale gold miners. Diamonds also figure in this sum, although its mining is still insignificant. According to CAPAM estimates, through small-scale mining, Cameroon will produce 16,652.3 kg of gold for the 2010-2015 period. CAPAM suggests that small-scale mining in 2012 alone was 224.8 kg.

“Small-scale mining is reserved for persons of Cameroonian nationality subject to obtaining an individual prospector’s card and/or small-scale mining authorisation.”

* Bank of Central African States
Oil mining: the great deal of the production sharing contract

Under the production sharing and concession arrangement, each actor can benefit from the commercially viable oil deposits found, according to the Cameroon Oil Code.

Since 1999, the Cameroon oil sector has been governed by the Oil Code Act. The text assigns a specific definition to the term “mining”. It is defined as “an operation intended to extract hydrocarbon (oil and natural gas) for commercial purposes, particularly production and development operations.” This was the fortunate outcome to the research and exploration phases of the project. Such was the case when hydrocarbon deposits were discovered in June 2012 by Glencore Exploration Cameroon Ltd, after offshore drilling via the Oak-1X oil well on the Bolongo Block situated in the Rio Del Rey Basin which provides 90% of Cameroon’s national production. “This well reached hydrocarbon deposits at a depth of 13.7 metres in the main reservoir, of which 6.2 metres were oil. The sample revealed great oil flow, as well as quality oil and a quality reservoir,” stated the joint communiqué signed by Société nationale des hydrocarbures (SNH) CEO, Adolphe Moudiki and CEO of Glencore Exploration Cameroon Ltd, Alain Johnson. In 2013, the company has been drilling three other wells on the Bolongo Block.

In some cases, there was no exploratory phase as mining was done in areas where deposits had already been discovered and delimited. But, such circumstances were still subject to a contractual agreement. In reality, the Oil Code aims to improve the visibility of oil mining commenced in Cameroon since 1977. The text reaffirms the sovereignty of the State in resources found on its territory. It is and remains the exclusive owner of any natural accumulations or deposits of hydrocarbons in its subsoil, whether discovered or not. The State retains the right to undertake oil mining itself, either directly or through intermediary establishments or public organisations formally mandated for that purpose. But, facing the scale of investment required, the government opted to create partnerships with commercial companies in the form of oil mining contracts. No one, including landowners, may undertake oil mining activities without the prior authorisation of the State. Any oil company that wishes to conduct business in Cameroon, whether Cameroonian or foreign, must demonstrate its technical and financial capacity to fulfil its responsibilities while ensuring the protec-
tion of the environment. Foreign companies must have a stable entity based in Cameroon that is registered with the Trade and Personal Property Credit Register for the duration of the contract's validity.

In contractual arrangements, the SNH is the authorised representative of the State. It is subject to the same obligations and responsibilities as any other oil company. Through the SNH, the Cameroon government may participate directly or indirectly in some legal form in the entirety or a share of oil mining ventures with full observance of the conditions and modalities stipulated in the contract.

**MINING AND PROFITS**

In general, mining is only a part of the oil contract. In concession contracts, concession mining occurs in the event of the discovery of a commercially viable oil deposit. The contract holder who has financed the research, possesses the extracted product for the duration of the contract's validity. The State may garner income within the framework of the concession: royalties on oil production, taxes on oil company
profits, a surface tax (proportionate to the area covered by the exploration permit) and dividends paid by the company.

With regards to the discovery of hydrocarbons in the Oak-1X oil well, the Extractive Industries Transparency Initiative (EITI) committee in Cameroon has assured that, in the event of any minable discovery, Glencore would receive an exclusivity contract to mine oil for 20 years and mine natural gas for 25 years. In addition, the Swiss trader possesses the exclusive authorisations to conduct research in the Bolongo and Matanda field.

In this production-sharing contract, the State contracts only the services of a company to engage in research and mining on its behalf. Should any commercially viable oil deposit be discovered, the production would then be shared between the State and the contract holder who would therefore receive a portion as compensation for expenses incurred and as a payment in kind. Once deducted from this amount, the balance of total production, commonly referred to as “profit oil” or “remuneration for production” is shared between the State and the contract holder in accordance with modalities determined in advance.

The production sharing contract is the model most frequently chosen. It even allows for the possibility that the company may receive compensation in cash and not in crude oil. Hydrocarbon companies must declare their production to the State which would expect to receive its share of the identifiable net assets. In 2010, oil companies paid around 725 billion FCFA according to the conciliation report of the flows and volumes relative to the exploration and mining of hydrocarbons and solid mines. This information was contained in a report released in 2013 by the EITI committee.

The companies mining Cameroonian oil operate mainly in the Rio Del Rey and Douala/Kribi-Campo Basins which, combined, hold most of the main deposits. Oil companies work mainly in associations, each with an operator to which the State has conferred the responsibility of ensuring the proper execution of mining in accordance with regulations currently in effect. There are at least four associations: Total (operator), Pecten and SNH; Pecten (operator) and SNH; Perenco (operator), ExxonMobil and SNH, Perenco (operator) and SNH. In 2010, the French company, Total, ceded its participation in its Total E&P Cameroon upstream subsidiary to Perenco, another French company. Total E&P Cameroun is a Cameroonian company in which Total holds 75.8% of interest alongside SNH (20%) and the Rothschild Group’s Paris Orléans (4.2%). Producing 40,000 barrels per day, Total E&P Cameroun, became Perenco Rio Del Rey, holding around 70% of Cameroon’s oil product. Perenco is now the nation’s leading oil producer with a capacity of 47,000 barrels per day and reserves estimated at 173 million barrels. Its mining activities extend to at least 6,000 km².

Facing the decline in national production, which has never attained the record of 186,000 barrels per day recorded in 1985, the new oil code was adopted in 1999 and recently revised, inciting a rebound in mining investments.

But the return on these investments has been slow in coming. On 20th May 2013, the American company, Kosmos Energy, announced that it has not found commercially viable oil in the first exploration wells drilled on the Ndian River Block in the Rio del Rey Basin. Kosmos Energy, which has a 100% participation in the Ndian River Block, also indicated that the Sipo-1 oil well will be closed and abandoned.
Cameroon’s oil-rich subsoil

Société nationale des hydrocarbures (SNH)* data distinguish between productive basins located along Cameroon’s coastal areas and unproductive basins located in-land.

The productive and unproductive are both sedimentary basins belonging to three active oil systems in Africa: the Niger Delta, West-African Salt Basins and East and Central African Rifts. Since 2006, at the same time that production intensified, exploration efforts increased in productive basins where 90% of national production is concentrated, namely in Rio del Rey and Douala/Kribi-Campo.

THE WEST BAKASSI BLOCK
In 2012, Cameroon launched oil exploration in Bakassi – a territory won before the International Court of Justice after border conflicts with Nigeria. On 14th June, the SNH signed a contract to share production in West Bakassi Block with the Dana Petroleum Cameroon Company, a 100% subsidiary of Dana Petroleum, a 3 billion-dollar Scottish company operating in the United Kingdom, Norway, Holland, Egypt, Morocco, Mauritania and Guinea. The initial project, worth 37 billion francs (CFA) will be spread over eight years.

Like deposit mining, the search for oil is conducted within the framework of investors’ associations with one of them designated as an operator, through joint funding. In 2013, optimism is the order of the day for SNH CEO, Adolphe Moudiki. Last April, he was pleased that the Loboga project had turned Cameroon into a natural gas producing nation. Furthermore, the Dissoni oil field has commenced production. Two of the seven wells drilled in 2012 have produced oil. While awaiting their valuation, Cameroon improved its own annual production by 3.43% or 22.35 million barrels of crude oil compared to 2011.

SIMILARITIES WITH NIGER AND CHAD
The basins that have not yet become productive are those of Logone Birni, Mamfé and Garoua. Yet, the Logone Birni Basin in the extreme north of Cameroon shows some similarity with structures that have had significant discoveries in neighbouring countries, particularly Niger and Chad.

On 21st July 2011, the SNH and the Yang Chan Logone Development Company Ltd jointly announced the success of the Zina-IX exploration well on the Zina-Makary Block, in the Logone Birni sedimentary basin. This exploration is the first in the northern part of the country. The future looks bright.

A.N.

* National Hydrocarbon Company
A law adopted in December 2011 reaffirms the opening-up of the market in terms of production, transportation and electrical energy distribution. The government is announcing the imminent creation of an electricity transportation company, and have designated export competencies of this energy to Hydro Mékin, another public company created in 2010.

Did the Cameroonian authorities’ reaffirmation of the opening-up of the production, transportation and distribution of electricity in Cameroon in the form of a law passed by the National Assembly in December 2011 lead the American company to exit the Cameroonian market? With no means of answering this question with any certainty, one can at least note that in the last few months, more and more information has been circulating about the British investment fund, Actis, buying a 52% of the American company’s (AES) share in the capital of Aes Sonel, its Cameroonian subsidiary. Until now, the latter was sole concessionary of the production, transportation and distribution of electricity in Cameroon since 2001.

**ITS CREATION IS IMMINENT**
In addition to organising and liberalising production, electricity transportation, distribution, importation and exportation of electrical energy as well as the materials used in building electrical networks, the promotion of renewable energies (wind, photovoltaic, ocean currents, biomass and so on) and the sector’s regulation through the Cameroonian regulatory agency for the electrical sector (Arsel), the 2011 Act “institutes a State-owned company that will manage the electricity transportation network. Its mission, organisation and operations will be determined by Presidential decree.” During a media event a few days ago, the Cameroonian Minister of Energy and Water, Basile Atangana Kouna, announced “the imminent creation” of this public company. This statement was a thinly veiled proclamation of the end of Aes Sonel’s electricity transportation monopoly in Cameroon, of which 6% of the energy was usually lost due to the dilapidated state of the equipment, according to a recent study conducted by the European Union delegation to Cameroon. In addition, while the 2011 Act was being drafted in the halls of government, the Cameroonian Head of State announced the form the new competition in the electricity sector would assume by creating the Hydro Mékin Company, The presidential decree outlining its operations stipulates that it will “ensure the production, transportation, distribution, sale, export and import of electrical energy.”

**PROMOTING RENEWABLE ENERGIES**
For electrical export, Hydro Mékin’s first customer might very well be Nigeria, a market of 180 million consumers whose authorities have already approached their Cameroonian counterparts.
in the Prime Minister’s office, Chad and the Central African Republic may also be taking a closer look at Cameroon in case the latter chooses to market the energy it produces. According to Célestin Ndonga, then CEO of Electricity Development Corporation (EDC), the public company building the Lom Pangar Dam, the country’s potential energy for export earnings could rival those of oil. With Hydro Mekin and the first competing local and foreign investors to whom the 2011 Electricity Sector Act opening the export market, Cameroon could soon transform its energy resources into substantial revenue.

Basically, with the electricity sector legislation, numerous opportunities are available to operators wishing to invest in electricity and renewable energies (with tax and customs incentives at the core of the new framework) whose promotion is amplified in the 14th December 2011 Act. “Renewable energies contribute to securing the nation’s energy needs and protecting the environment (...) Any operator of an electrical public service is mandated to bridge any producer of electricity derived from renewable energies upon request. The bridging fees shall be paid by the applicant,” reads Article 66.

SPECIAL PROVISIONS FOR INDUSTRIAL COMPANIES

As major consumers of electricity, industrial companies can produce and transport their own electricity and sell the surplus to consumers, in agreement with the regulatory body. “Any company engaged in industrial production can develop and use electricity production and transportation between production and industrial sites and/or between production sites and network interconnection posts to the transportation network in order to meet its industrial needs,” stipulates Article 47 of the Act.

The facilities for granting such sites for housing these activities are specified in Article 51 of the same law: "When concessions for the production and transportation of electricity for industrial purposes apply, within the conceded perimeter, occupying lands belonging to the State, concessions have the value of authorisation of occupation for their duration and eventual renewal. The concession recipient has a right of ownership on the works, construction and installations that it has effected, except stipulations contrary to the Concession Act, whether in conditions or limits, as defined by the clauses of the concession contract."

It is certainly with these incentives in mind that the Justin Sugar Mills Company, which is currently building a sugar production factory in the East Cameroon region, plans to also produce its own electrical energy. This is planned not only to reduce energy consumption costs, but also to have greater control over its activities as the numerous power outages that Cameroonian companies experience due to electrical deficits is considered to be a main hindrance to the said companies according to a study by Cameroonian representatives of the BIT.

This possibility to be able to harness energy production also explains Alucam’s involvement in the dam construction project at Natchigal. One must not forget the aluminium giant operating in Cameroon, the subsidiary of the Canadian company, Rio Tinto Alcan, which consumes, on its own, almost 40% of the total energy produced by Aes Sonel and plans to triple its production to reach 300,000 tonnes of aluminium per annum. That’s a goal that will certainly need more electricity.

Brice R. Mbodiam
Thirteen years after liberalising the sector, only two operators share the 20 million-consumer market and they are suspected of engaging in price agreement. In 2012, the government issued a 3rd licence and plans to do more.

By acclaming their subscriber share which is estimated at only 10 million customers or half of the Cameroonian population, Orange Cameroun and Mtn Cameroun, who have been sharing the cellular phone market since the sector was launched in 2000, indirectly revealed that the opportunities in the cellular phone sector are still immense. The 10 cellular phone operators, including some of the world’s top providers that responded to the government’s call for tenders in 2011 confirms this. This effort led to the issuance of a third licence. This third licence was issued to Vietnamese company, Viettel (which plans to invest 200 billion francs (CFA), directly creating 6,300 jobs and reducing communication costs by 15 to 25%). Viettel’s victory did not fail to set tongues wagging – proof that Cameroon is still a prime investment destination for cellular industry players. And the government of Cameroon plans to seize this opportunity which “since the liberalisation started in 2000, represents an engine for growth as well as a source of jobs and tax revenue,” declared the Minister of Postal Services and Telecommunications, Jean Pierre Biyiti bi Essam.

ON THE LOOKOUT
Author of an exposé on “the opening-up of the cellular phone industry in Cameroon” presented on 26th May 2011 during a cabinet meeting, Minister bi Essam also revealed that, “being specifically about the critical mass study of the cellular phone market, it provides for the granting of at least two new licences.
(one of which has already been given to Viettel) and the move from GSM to 3rd generation cellular phone capabilities including internet access, in light of the user projections and the availability of frequencies."

Potential operators should therefore be on the lookout. But before the Cameroonian government makes a new call for tenders for a fourth licensee, future investors should know that the sector is regulated by an electronic communications act which was passed on 21st December 2010. It stipulates, in the second paragraph of Article 2, that "the issuance and renewal of a concession agreement or licence are subject to the payment of financial compensation respectively called “entrance fees” and “renewal fees”, of which the amounts and payment modalities are established by presidential decree following a joint proposal of the Minister of Telecommunications and the Minister of Finance.”

**FEES TO BE PAID**

The same law "institutes a Special Telecommunications Fund" to ensure the provision of telecommunications services to the public in rural areas which are generally neglected by providers due to their uncertain profitability. According to Article 34 of the Electronic Telecommunications Act in Cameroon, “the Special Telecommunications Fund’s resources will be derived from: annual contributions by the electronic communications providers, amounting to 3% of their total sales before taxes, State grants, gifts and any bequest.” There is also a Telecommunications Regulations Agency (TRA) which acts as the sector’s police thanks to annual fees paid by “telecommunications network operators and service providers” amounting to “1.5% of their total sales before tax.” The TRA also oversees the strict adherence to Cameroon telecommunica-

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Brice R. Mboadiam

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Mtn Cameroun actually fell into this ditch to build the embankment point for submarine cables in Limbé, in the South-West region. And, according to our sources, Orange Cameroun is preparing to build its own in the resort destination of Kribi, in the South.
Company heads remain troubled by the overall business environment in Cameroon. The main source of the problem lies in the lag in the implementation of reforms, particularly those adopted in the framework of the Cameroon Business Forum (CBF). Out of 40 reforms approved for 2012, the final assessment showed that only 6 had been fully implemented while another 22 were in the process of being implemented. And for 2013, following the first meeting of the CBF assessment committee, it was determined that only four of the 46 adopted reforms had made any significant gains in implementation (the creation of the agency to promote SMEs; the adoption and promulgation of the law establishing private investment incentives; the establishment of processing deadlines in contentious trade treaty disputes at the level of specialised Chambers of Commerce; the extension of performance contracts to other port operators intervening in pre and post customs clearance with the PAD).

On the whole, 14 issues continue to alarm business leaders in Cameroon, including:
- The publication of the investment incentives implementation texts
- The creation of economic zones, industrial zones and agricultural basins
- Respecting deadlines for the completion of current infrastructure projects
- The inclusion of up to at least 40% of national companies in the completion of these major construction projects
- Respecting implementation deadlines for CBF recommendations
- The fight against unfair competition to protect our fledgling industry
- The reduction of communication costs

The execution of reforms is an arduous task. The chain of administrative decisions is quite long, the coordination of actions presents numerous inadequacies and operational capacities that actors need are often lacking. Our priority is now to instil a results-oriented culture.”
Natural gas sector: imports are filling up on natural gas

The arrival of new marketers is giving the distribution market a boost. However, there are still many other opportunities to be had, particularly in the areas of local production, processing, and storage, all of which are structured by legislation amended in April 2012.

In the 2011-2012 period, domestic natural gas consumption in Cameroon rose from 65,789 to 72,019 metric tonnes (MT). This marks an absolute value increase of 6,230 MT and a relative value of 9%. These statistics provided by the Hydrocarbon Price Stabilisation Fund (CSPH when abbreviated in French) complement those of the Cameroonian Ministry of Energy and Water which has found that domestic natural gas consumption has progressed at an average rate of 10% per annum over the course of 10 years.

This household shift to domestic natural gas may be explained by the progressive coverage of the Cameroon market undertaken by marketers who have continued to extend their distribution network by building new service stations and partnerships with approved distributors (MRS, Tradex and Oilibya are currently are in full partner recruitment drive). As if to attest to the array of business opportunities that are still available in Cameroon’s domestic natural gas distribution market, the sector has just welcomed a new operator – Tradex, the public company and subsidiary of Société nationale des hydrocarbures or National Hydrocarbon Company (SNH), the State’s right arm in oil mining.

Tradex Gaz made its market début with 30,000 bottles (Oilibya was receiving just as many at the same moment) equipped with a consumption counter. In so doing, it contributes to the realisation of the Cameroon government’s objectives to raise the domestic natural gas consumption rate to 31% by 2020, a figure above the current 16.8%. But to achieve this goal, there must also be an improvement in the stability of the Société nationale de raffinage or National Refinement Company (Sonara)’s production which has declined from 25,697 MT between 1998 and 1999 to 9,549 MT in 2012. This represents a production slump of 150%. At the same time, according to the CSPH, gas imports have climbed significantly from 3,700 to 62,470 MT for the same period. This brings the import portion of total domestic natural gas market share to 87% in 2012.

ATTRACTIVE CUSTOMS AND TAX ARRANGEMENTS
In order to re-absorb this dependency on imports, the Cameroon government, through SNH, is currently drafting a natural gas mining project proposal that involves the construction of a liquefaction factory to be built in the town of Kribi in the south. This massive project to be completed by GDF Suez and its American partners should enable Cameroon to become a natural gas exporter and ensure the local market’s domestic and industrial natural gas needs.

The GDF Suez-Cameroon project is in full alignment with the 2002 Cameroon Natural Gas Code, which was amended by the National Assembly in April 2012 and proclaims in Article 2 the government’s will “to promote the development of Cameroon’s natural gas sector,” and address the need “to create a favourable environment for foreign and domestic private investors to enter the natural gas sector.” In addition, any natural gas agreements (of a maximum duration of 25 years with the possibility of prorogation up to 35 years) with the Cameroonian government will result in the implementation of a natural gas project with customs and fiscal incentives and land ownership facilities. As an example, the natural gas code stipulates that for the first five years of operations, a natural gas company could receive “guarantees required by lenders, customs duties reduced to 5%, VAT exemption and transfer tax exemption on the acquisition of property and land.” In addition, Article 57 of the new Natural Gas Code states that, “in consideration of the size of invest-
ment required for such projects (...) and the anticipated economic returns (...) particularly for projects related to the construction of natural gas liquefaction factories and similar projects, natural gas companies, for a maximum period not exceeding 10 years, shall receive exemptions on general taxes, duties, income taxes and exemptions on the following charges: corporate taxes; VAT, customs duties; and any other tax, duty or other fee calculated based on the total sales of that entity; as well as exemptions on investment income tax, taxes on property that may or may not be built; and exemptions on any tax on the purchase or sale of foreign exchange or any indirect tax on consumption including the special tax on oil products.”

Société Camerounaise de Transformation Métallique or Cameroon Metal-Processing Company (SCTM). A public limited liability company specialised in the manufacturing of natural gas bottles and metallic equipment, SCTM entered the domestic natural gas market in 1990. Thanks to a distribution network covering the entire country, it has been the market leader in domestic natural gas distribution for several years with a market share of over 50% according to the Ministry of Energy and Water.

Camgaz. Created following the merger of Shell-gaz and Transcogaz companies in 1973, the latest Ministry of Energy figures confirm that Camgaz shares the number 2 spot in domestic natural gas distribution with Total. Each of these operators has a market share of 18%.

Total Cameroun. The market leader in the distribution of “white” oil products, specifically lamp oil, super and diesel (a 45% market share), this multinational represents only 18% of the domestic natural gas distribution market. Established in Cameroon since 1948, Total has been distributing natural gas since 1963.

Aza afrigaz. Established in 2005, this Cameroonian company is pursuing its penetration into the natural gas distribution market. After having only 0.49% of the market in late 2005, Aza Afrigaz now controls 11% of the natural gas distribution market. Its distribution network is made up of a few retailers in Douala and Yaoundé.

Oilibya. This multinational, whose activities span all segments of oil mining, acquired Mobil Oil’s distribution network which was established in Cameroon in 1952. It holds a 6% market share in the natural gas distribution and is continuing to expand its network across the nation.

MRS. This Nigerian multinational acquired Texaco Cameroun’s service station network. With 6% of the market share in domestic natural gas distribution, it is among the top 6 of the natural gas sector in Cameroon.

Glocal Gaz. Known to the Ministry of Energy under the name Kosan Krisplaint, the Glocal natural gas company controls 6% of the natural gas distribution market in Cameroon. This company was created in 2006.

Tradex Gaz. The newcomer to the natural gas market in Cameroon, and an SNH subsidiary, Tradex Gaz innovated by starting domestic natural gas distribution with the marketing of the first natural gas consumption control equipped bottles. With 33 service stations built in fewer than 10 years since its arrival on the oil product distribution market, this public company is laying its competitive hand on the domestic natural gas table.
A STORAGE CAPACITY OF VIRTUALLY ZERO

The code even allows that "due to the scale of a given project, the State may exceptionally extend tax exemptions to shareholders, lenders, promoters and other associates of natural gas operators by way of contractual agreement." These incentives could certainly make other operators in the natural gas sector turn green with envy, even distributors and transporters who are subject to concession arrangements fraught with considerable incentives. In this instance, the operator will however pay 5 million francs (CFA) to receive a concession as opposed to 7.5 million francs (CFA) for renewal. The import, export, processing and storage of natural gas is addressed via a moderately more flexible licensing agreement according to which 2.5 million francs (CFA) shall be paid to the Treasury for a licence and 2.5 million francs (CFA) shall be paid for renewal.

In Cameroon, natural gas field mining, processing and storage are all segments of an industry bubbling with business opportunities. For example, an authorised source at the Ministry of Trade revealed that, due to limited investments, the Société camerounaise des dépôts pétroliers or Cameroon Oil Depots Company (SCDP) has a collective storage capacity of barely 4 days consumption. Furthermore, this parapublic company’s storage tanks are all located in the country’s main metropolitan areas: Douala, Yaoundé, Garoua, and Bafoussam.

This lack of storage infrastructure forced the CSPH to begin the construction of natural gas packers, particularly in Maroua and Bertoua. In 2010, the CSPH, a kind of regulatory body overseeing oil product procurement, had tried in vain to sign a contract with the Algerian company, Sonatrach, to put in place a storage ship to ensure the provision of domestic natural gas to the Cameroonian market in order to put an end to the recurring shortages.

Brice R. Mbodıam
“The time has come for the BEAC to support the CEMAC economy”

Following the second meeting of the Monetary Policy Committee, the governor of Banque des Etats de l’Afrique centrale (BEAC) met with the press.

In your introductory remarks, you said that the BEAC needed to support the economies of its member states to strengthen growth within the sub-region. How do you plan to do that?
Lucas Abaga Nchama: the BEAC is the Central Bank. We must remember that growth is first and foremost a result of private sector business. But, as a central bank, we can, through our monetary policies, adopt certain measures to encourage the granting of loans. This is what we are in the process of doing. In so doing, we hope that banks will lower their credit rates for businesses. That should, we hope, resuscitate economic activity and, thus, growth. But as I said earlier, we are made up of oil-producing countries and the growth outlook for 2014 is promising.

The Libreville seminar focused on the sourcing of alternate financing. Where has your thought process led you in relation to that?
LAN: We think that the prevailing idea that Africa is doing well and that Europe, where our partners are, is doing badly is not true. The financial crisis is a global one and so it affects us as well. Around the world, central banks that can be considered to be modern are using “unconventional” methods to support their economies and respective States. The BEAC, which strives to attain the level of performance of these institutions, without calling into question their statutory roles, can do more to improve financing in these economies. For the time being, I don’t want to betray any of our secrets as far as what we’re considering. But what I can say is that we’re thinking about urgent measures to face circumstances that are deemed to be urgent. You are aware that CEMAC Heads of State have adopted a regional economic programme. Financing is a problem. We are willing to open a line of credit to the BDEAC (Banque de développement des Etats de l’Afrique centrale), so that some of the problems identified will be resolved. Why not? We could provide them with 1 trillion FCFA. I think that the time has come for us to focus on our own job which is to protect our currency and ensure the financing of our economy.

Fifteen West African countries are planning to adopt, by 2020, a currency that would not be the CFA. Within the CEMAC zone, does this sentiment also hold?
LAN: You’re talking about twenty countries, but I am about to attend a meeting in Mauritius during which all of Africa will be considering the creation of a single currency. It’s always a good thing when countries decide to align their paths to the future. It’s possible that Central Africa might consider this option.

Remarks noted by Idriss Linge for Ecofin

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2) Central African States’ Development Bank
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