

September 2021 / N° 103

BUSINESS IN CAMEROON

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Cameroon: The other cocoa land



The rise of private equity



Port of Douala: The eye of the
storm

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Yasmine Bahri-Domon,



Reducing food imports in Africa: A way out?

Food imports in Africa are often criticized. To the point that some believe that Africans can't feed themselves.

In truth, however, things are totally different because Africans mostly feed on African agricultural products. A visit to any market in any city across the continent will prove that: millet, sorghum, sweet potatoes, cassava, palm oil, yams, fruits, vegetables, meats...are all food produced by African farmers, quality food produced using little pesticide and chemical fertilizers. In rich countries, such food products can often only be found in stores' organic food departments - and they are very costly.

And while it is true that Africa, to meet the demand of its cities, imports too much food like rice, wheat, sugar, or dairies - it would be best to reduce these

imports by producing locally - it is also true that the continent is a major food exporter: cocoa, peanuts, bananas, pineapples...

It is true also some parts of Africa, the more arid regions, face food insecurity, and global warming keeps making things worse.

Financing intensive farming to substitute imports may not be the answer to these challenges. The answer, rather, could be to provide technical and financial support to African farmers, to build roads that will enable them to send their produce to cities or places with a food deficit. The answer could also be to develop a food industry based on local products. Some are already making sorghum beers, macabo pastes, and yam chips...



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BUSINESS IN CAMEROON

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Stratline Limited

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Rotimpres, Aiguaviva, Espagne

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MONTHLY STATISTICS

292 471 tons

Over the 2020-2021 cocoa season (August 1, 2020-July 15, 2021), Cameroon produced 292,471 tons of cocoa. This volume revealed on August 10, 2021, at the launch of the 2021-2022 season in Kekem, is up by 35,319 tons or 12% compared with the 2019-2020 production. It is also the best performance recorded by the country over the past six production seasons, bringing the country closer to the 300,000-tons mark.

During the season under review, local grinders processed 62,341 tons of cocoa. The volume was slightly up by 3.3% compared with the volume of cocoa processed during the 2019-2020 season. For the National Cocoa and Coffee Board, this upward performance was facilitated by the commissioning of a fifth processing plant (Atlantic Cocoa), which launched operations alongside local grinders like Sic Cacaos, Neo Industry, Chococam, and Ferrero.

56.6%

Cameroon-based investors are the most active on the BEAC's government securities market created in 2011, according to the Securities Settlement and Depository Unit CRTD. As of March 31, 2021, they were owning 56.6% of the government securities issued in the said market.

This performance is facilitated by the network of primary dealers (the network is currently made up of 21 banks, including nine based in Cameroon) licensed by the government of Cameroon. The feat is also due to the country's banking network, which is the most important in the CEMAC region. Also, several countries under the central bank's jurisdiction have licensed Cameroon-based banks as their primary dealers, boosting Cameroon's influence in the market.

261

On August 18, 2021, Philippe Camille Akoa, director-general of the Special Council Support Fund for Mutual Assistance (FEICOM), chaired a workshop in Kribi. This workshop was aimed at finalizing the elaboration of documents required for the acquisition of civil engineering equipment to be supplied to the 374 municipal and city councils in Cameroon.

Initiated by the United Councils and Cities of Cameroon (UCCC), «the project was presented by the government to US investors (...),» the FEICOM informs.

«It consists of the acquisition of 261 heavy equipment, five mobile drilling equipment, and five crushing equipment (...) Thanks to this equipment, councils and city councils can implement the transferred responsibilities in the field of road maintenance and water supply,» the support fund adds.

30 MW

To mitigate the energy deficit affecting households and businesses in the three northern regions for months now, electric utility ENEO is planning to inject 30MW of solar energy into the North Interconnected Grid (NIG) as of January 2022. The information was disclosed on July 22, 2021, in Douala, during a meeting between ENEO and various industry participants.

The project will be carried out by Norwegian firm SCATEC, which submitted a project aimed at installing 30MW of mobile and modular emergency solar power plants in Maroua, Guider, and Kousséri. This project, which will help bridge the energy gap caused by a drastic drop in water levels at the Lagdo dam (ed. note: the main energy infrastructure supply in the northern regions), was approved by the Minister of Water and Energy Gaston Eloundou Essomba in January 2021.

COMPANY OF THE MONTH

CNPS ESTIMATES SOCIAL CONTRIBUTION ARREARS OWED BY CAMEROONIAN EMPLOYERS AT XAF217 BLN AS OF H1-2021



In H1-2021, the volume of social contribution arrears owed by Cameroonian employers was XAF217 billion, according to figures published by the National Social Insurance Fund (CNPS).

Those arrears include over XAF60 billion owed by decentralized local authorities, public project managers, and institutions as well as XAF44 billion owed by suspended and deregistered public employers. As for the remaining social contribution arrears, which amount to some XAF113 billion, they are owed by private employers.

The figure published by the CNPS represents an increase by XAF15.4 billion within ten months if to

compare with the volume of that debt as at end-August 2020. At the time, the CNPS estimated the debt to be XAF201.6 billion. This means that on average, the volume of social contribution arrears rises by XAF1.54 billion monthly. Commenting on that state of affairs, the CNPS stated that the situation is so worsening to such an extent that only a fourth of the companies in its database have no social contribution arrears. According to the CNPS, because of those debts, about 16,000 socially ensured workers registered under the debtors are not covered.

Yet, for years now the CNPS has been multiplying measures to recover those arrears. The latest of those measures is the threat voiced

through a release issued on August 3, 2021, by the social security fund to get the passport of employers owing the CNPS declined or withdrawn per article 7 of the Presidential decree of June 17, 2021, laying conditions for the issuance of passports in Cameroon.

The said article specifies that: «a passport shall be denied (...) for whoever owes the Treasury, where they are under the requisition of the ministers in charge of finance, labor and social security» while article 8 reminds that *«the passport may be withdrawn from any holder who is involved in any of the cases referred to in Article 7.»*

Sylvain Andzongo



CAMEROON IMPROVES THE QUALITY OF ITS COCOA

In January 2013, the national association of coffee and cocoa producers ANPCC reveals that 2,000 tons of cocoa from Cameroon were rejected by European buyers because of strong smoke smells coming from those beans. Because of the adverse publicity of this episode on the perception of Cameroonian cocoa on international markets, local authorities initiated various measures to improve the quality of local production.

The first measure was implemented in 2013 with an awareness-raising operation organized by the National Cocoa and Coffee Board (NCCB) along the various road axis in production areas where farmers were used to drying their cocoa on bare grounds. That awareness campaign

aimed to distribute tarpaulins and dissuade farmers from drying on bare grounds or on the bitumen, which according to stakeholders pollutes the cocoa with polycyclic aromatic hydrocarbons, a toxin prohibited in the European Union since January 1, 2013.

Several initiatives followed without noticeably changing the perception of international buyers about cocoa produced in Cameroon. In a note compiled by the NCCB in preparation for a meeting with the Minister of Agriculture and Commerce, it was revealed that in international markets, cocoa beans from Cameroon were purchased at an average of XAF100 discounted from the normal price while premiums of XAF180 and XAF50 were offered for beans from

Ghana and Côte d'Ivoire respectively. The board adds that the losers in this situation are all of the operators in the sector, including the state and producers.

However, the 2020-2021 cocoa season that ended on July 15, 2021, brought hopes concerning the capacity of Cameroonian farmers to produce quality cocoa. This month's issue of Business in Cameroon takes this opportunity of a record-breaking cocoa season to present an overview of the various initiatives stakeholders almost gave up on but which are now showing convincing results almost a decade after the start of the crusade for quality Cameroonian cocoa.

Brice R. Mbodiam

Cameroon produced its 20-year highest volume of quality cocoa in the 2020-2021 season

In Cameroon, the initiatives being implemented by the government and the National Cocoa and Coffee Board (NCCB), for over ten years now, to improve the quality of the cocoa produced seem to be gradually yielding the stellar results intended.

Indeed, over the 2020-2021 cocoa season that ended on July 15, 2021, the country produced close to 90,520 tons of Grade I (Good fermented according to the Federation of Cocoa Commerce's ISO norms) cocoa. This volume represents 40% of the volume of national production whose quality was checked for exports purposes.

Commenting on the performance recorded during the said season, the NCCB informs that qualitatively, 2020-2021 has been a record-breaking season. First, it indicates, 226,300 tons (out of national production of 292,471 tons) were submitted

for quality checks, marking the highest volume of cocoa beans the country has ever submitted for quality checks in any given season.

Also, the percentage of Grade I cocoa produced has been the highest ever recorded in the last 20 years. Comparatively, according to data from the Ministry of Commerce, in the 2016-2017 and 2017-2018 seasons, the country exported respectively 1,099 and 8,933 tons of good fermented cocoa.

As for grade II (Fair Fermented) cocoa, which usually represents 80% of the country's cocoa exports, it represented only 54% of the exports during the season under review. Meanwhile, only 6% of the cocoa checked were found to be sub-standard grade; meaning, of unexportable quality.

This considerable improvement in the volume of quality cocoa produced in Cameroon is the result of several measures taken over the years by the government and sectoral operators to improve the perception of the Made-in-Cameroon cocoa in international markets. Those measures include the distribution of tarpaulins that producers now use during the cocoa drying process instead of drying the beans on bare grounds as was previously the case in several production areas.

Also, in regions where the beans are usually harvested during the rainy season, drying ovens were renovated. In addition, the government and some operators instaurated quality and certified cocoa production bonuses, and certified excellence cocoa centers where special equipment is used in the post-harvest process to produce high-quality cocoa.

Three additional cocoa Post-Harvest Treatment Centres of Excellence to be built in 2021

On October 22, 2020, Cameroon's sixth cocoa Post-Harvest Treatment Centre of Excellence was inaugurated in Ntui (a cocoa-producing area in the Central region).

According to the national coffee and cocoa board (which is building the centers in the framework of the project «cocoa of excellence» implemented in collaboration with French master chocolatiers), three additional centers of excellence will be built in the country in 2021.

They will all be located in the central region (Ngoro, Nkondjock, and

Minkama namely), which has become the most important cocoa-producing region in Cameroon because of the separatist crisis that started in the anglophone regions in October 2016.

The excellence centers are post-harvest centers equipped with specific fermentation, drying, and storage equipment as well as a strict cocoa quality controlling system, which helps produce cocoa with virtually zero defects.

The cocoa produced in these centers is bought at a substantially higher price. For instance, during the 2019-

2020 cocoa season, the first 150 tons of cocoa produced by those centers were sold to French master chocolatiers at XAF1,650 per kilogram while the ordinary cocoa beans were sold at about XAF1,300.

For the 2020-2021 campaign, «Club des chocolatiers engagés» (an association of master chocolatiers, which was initially constituted of French masters but now counts Belgian and soon Swiss members) has already promised that the price per kilogram of cocoa from the centers would be XAF1,640 at least.

Cameroon to open a cocoa academy in collaboration with French chocolate makers



On May 27, a delegation of the French Chocolate makers' union was scheduled to meet the Cameroonian Minister of Agriculture and Rural

Development (MINADER). According to credible sources, during the audience, MINADER Gabriel Mbairrobe and the delegation were

to sign the framework agreement for the creation of a 12-hectare cocoa academy baptized "*Ecole d'excellence cacaoyère*."

The training programs offered by this academy will focus on the crop management technique and the cocoa processing route, official documents reveal. Thanks to the academy, cocoa farmers can now strive for quality and highlight the special features of Cameroonian cocoa, and position the country as a special producer, we learn.

"*Ecole d'excellence cacaoyère*" will complement the cocoa processing excellence centers already created in the cocoa-producing regions in the country, thanks to support from those same French chocolate makers. With special equipment, the centers help Cameroonian farmers produce higher-quality cocoa.

Telcar Cocoa distributes XAF6 billion in certified cocoa premiums

On September 24, 2018, in Yaoundé, Telcar Cocoa, a local trader of U.S. Cargill, distributed XAF2.2 billion to Cameroonian cocoa farmers who produced 43,000 tons of certified cocoa for its operations in the 2017-2018 season. For the 2016-2017 season, the trader had previously distributed a similar volume of certified cocoa premiums. This brings the amount of

certified cocoa premiums distributed by Telcar Cocoa in Cameroon to XAF6 billion.

Thanks to the initiative «Cargill Cocoa Promise», Telcar Cocoa is the main promoter of cocoa certification in Cameroon. Between 2011 and 2015, it certified over 8,000 producers. With the certification program offered by the trader in production areas, the volume of

certified cocoa produced by the farmers has been on a constant rise. For instance, from 5,446 tons in the 2013-2014 season, the volume of certified cocoa supplied to Telcar Cocoa rose to 43,000 tons in each of the 2016-2017 and 2017-2018 seasons. Another operator, Theobroma, is also encouraging the production of certified cocoa in Cameroon.

Cameroon distributes XAF774 million of quality cocoa premiums to farmers



On March 23, 2021, in Mbam et Kim, in the Centre, Minister of Commerce Luc Magloire Mbarga Atangana, launched the distribution of premiums to encourage the production of Grade 1 cocoa highly prized by chocolate makers and cocoa transformers.

The distribution, which was comple-

ted on April 27, 2021, was organized to encourage farmers' performance over the 2017-2018 campaign. A little over XAF774 million have been distributed for 10,301 tons of grade 1 cocoa produced. Specifically, 5,239 farmers received between XAF11,000 and 1.8 million at the rate of XAF70 per kilogram of grade 1 cocoa, the Ministry of Commerce informs.

In Mbam et Kim, 90 farmers received XAF13 million. According to Michael Ndoping, director-general of the National Cocoa and Coffee Board (NCCB), this premium distribution initiative was launched by the government to improve farmers' revenues amid dropping prices in international markets as well as encourage block sales and combat transaction facilitators.

As Minister Mbarga Atangana explains, this initiative was decided by the President of the Republic to mitigate the impact of the decline in cocoa prices in international markets during the 2016-2017 season. The other measures taken at the same time include an acceleration of the construction of excellence treatment centers and the 50% reduction of cocoa export taxes.

10,000 ovens renovated to improve drying and quality of Cameroonian cocoa

In 2014, in Kumba, South-West Cameroon, the National Cocoa and Coffee Board (NCCB) launched the first phase of a program aimed at renovating ovens and cocoa drying machines in production areas where cocoa is harvested during the rainy season. According to the NCCB, XAF1.7 billion was invested to renovate 2,500 ovens in 400 villages within 12 months.

The oven rehabilitation operation should help improve the quality of Cameroonian cocoa and increase producers' earnings, revealed Michael Ndoping, Director General of the NCCB. Indeed, cocoa beans dried in defective ovens or dried using artisanal means during the rainy season have strong smoke smells which affect the quality and, consequently, the price of those beans in interna-

tional markets.

The NCCB adds that 10,000 ovens have been identified in the South-West and Coastal regions for this operation. Joël Martin Atangana, National Project Coordinator of this project explains that all of the equipment was built in the late 1990s and was in a dilapidated state since its standard lifespan is 12 years.

Vivian Tchatchueng

“IN ADDITION TO FINANCING, PRIVATE EQUITY HELPS SMES IMPROVE THEIR GOVERNANCE”

Trained as an engineer in industrial maintenance and production engineering, he has been supporting African small and medium enterprises (SMEs) for about a decade. He is the deputy director of Investisseurs & Partenaires (I&P) Cameroon and in this interview, he tells us about the advantages of private equity investment for SMEs and recommends ways to develop this form of financing in the country. He also reveals I&P's strategy and offers to boost its portfolio in Cameroon, in a context where the firm currently covers about 10 finance companies.

Interviewed by Aboudi Ottou

Business in Cameroon: At Investisseurs & Partenaires, you believe that private equity investment is the form of financing that is most adapted to SMEs in Cameroon. Why do you think that?

Vivian Tchatchueng: In Cameroon, more than 90% of local businesses are SMEs. They create the most jobs and actively contribute to economic growth. They are, however, less financed than other businesses. An SME, individually, needs investment

funds (patient capital) and financing for operations. Also, every SME needs to consolidate its structure and needs support for better management.

Unfortunately, the conventional



"The conventional financing system provides more solutions to finance operations than to support SMEs' organizational and managerial transformation."

financing system provides more solutions to finance operations than to support SMEs' organizational and managerial transformation. What private equity does is offer SMEs the possibility to finance their investments in the medium and long term, in addition to helping them improve their governance, structure, and operations. And that is why this form of financing is vital and fit for Cameroonian SMEs.

BC: What is your estimation of the size of the private equity market in Cameroon?

VT: It'd be difficult to accurately estimate this market's size. However, the needs of SMEs for financing and investment are huge. Every day, we receive, from businesses, requests for financing. We could therefore equate the need for private equity investment with the need for investment expressed by SMEs.

BC: You said that many SMEs do not know about this form of financing in Cameroon. Why is that the case?

VT: Private equity has been present in Cameroon since the SNI was established (Ed. note: 1964). But, for many reasons, it is not popular in the entrepreneurs' community. There is a significant lack of private equity actors targeting SMEs, exclusively. It prevents this type of financing from spreading.

There is also the local business climate; it is quite complex and that could discourage funds from settling in. Entrepreneurs in Cameroon can be very «possessive» and reluctant to share equity and share risk with third

parties. The thing, however, is that private equity investors need to have a firm's shares or equity to support it more efficiently.

Other issues include the weak structuring of some sectors, a changing tax system that impairs the medium and long term visibility of taxes and duties that will be paid by businesses the fund backs (and subsequently the fund's profitability), the informal sector's strong impact on our economy, which makes tracing and reading business activity difficult.

BC: You mentioned many barriers to the growth of private equity. Let's start with the tax system. How does its variability affect your operations?

VT: In any country, business activity needs to be regulated. For every business to actively contribute to that country's growth, a tax system is necessary. However, if this system and related interpretations are "variable," it could look unstable. This could make investment funds hesitant to settle in, as they need visibility in the long term and that means a stable and controlled environment.

BC: How can things be improved?

VT: I believe economic actors (entrepreneurs, investors, the government, financial institutions, etc.) need to cooperate more and keep striving to improve Cameroon's business climate. Of course, progress was made regarding taxing and the business environment but there is still room for improvement; and this improvement will benefit every actor, and the Cameroonian economy especially.

BC: Most Cameroonian SMEs are family businesses, and as you said, they are often reluctant to open up their capital. How can this change?

VT: That's what we noticed but we have found that this reluctance is reducing because young generations, who are taking over businesses, are more open to sharing risk and opening up their capital. Regardless, things need to be well regulated and the rights of parties involved need to be well protected.

In parallel, businesses should be informed and trained regarding private equity's benefits (financial solidity, better governance, better structuring, more sustainability) as well as its shortcomings.

In addition, the training provided to students about this form of financing needs to be improved. After all, they are the ones who will manage businesses (family or not) tomorrow. Finally, we need "success stories" that can depict how it is to cooperate with a private equity investor. These are, obviously, not exhaustive solutions.

BC: I&P has been in Cameroon for many years. What are your success stories?

VT: So far, Investisseurs & Partenaires has invested in businesses with good performances and achievements; in education, finance, or IT, among other sectors. We are proud to support businesses that, beyond performing well economically, record great social achievements (create jobs, improve the quality of existing jobs) and are now better structured,



"Investisseurs & Partenaires has invested in businesses with good performances and achievements; in education, finance, or IT, among other sectors."

looking at their internal organization and governance.

BC: In Morocco, a guide was elaborated to inform entrepreneurs about private equity. Did you consider doing something similar in Cameroon?

VT: Morocco did well elaborating such a guide. It was a good initiative and this kind of action can indeed be replicated in Cameroon, with a focus on demonstration, however. One of the things we have noticed is that here, our entrepreneurs are more impressed by what they can see, try, and discuss.

With this in mind, Investisseurs & Partenaires organized on July 21, 2021, an event about the financing and support of SMEs in Cameroon, at the Chamber of Commerce (CCIMA) of Douala-Bonanjou. About a hundred entrepreneurs attended and we presented them with I&P Accélération au Sahel (Ed. note: Acceleration in the Sahel), an innovative seed financing tool that I&P designed for SMEs - it is fully sponsored by the European Union. Under the "I&P Accélération au Sahel" financing program, startups can get up to CFA40 million, interest-free, and without guarantee - repayable within two years, maximum.

Beside this seed financing vehicle, those who took part in the event learned about the strategic support

of an investment fund and how private equity can make a business sustainable. Following the event, around 10 businesses were picked to be examined for financing.

BC: As you said, the highly informal nature of our economy prevents SMEs from accessing financing. At I&P you see this as an opportunity. Why?

VT: Some figures show that the informal sector contributes more than 50% of the Cameroonian economy and its functioning. It is a true gold mine that can bolster and strengthen our economy. Progressively getting businesses out of the informal sector would undoubtedly make it easier, for actors and the government, to better draw reliable strategies to finance and develop the economy. However, let's note that I&P finances only formal businesses and that is why we encourage entrepreneurs to formalize, to easily access our financing.

BC: Some experts believe that private equity could help attract more foreign direct investments (FDIs). You have stayed in many African countries. Do you feel that this is something we are aware of across the continent?

VT: Private equity is well developed in Africa. In West Africa, East or North Africa. Many investment funds that operate in Africa raise funds

near several actors, including foreign institutions. And while part of the funds raised through private equity comes from outside, in this case, I don't believe there are foreign direct investments. However, if African economies can, through private equity, become more competitive, then it is very likely that FDIs across the continent will surge rapidly with its adoption.

BC: Crowdfunding is growing in Cameroon. What do you, as a private equity investor, make of this dynamic?

VT: I am interested in this dynamic. This form of financing (crowdfunding) allows several businesses to secure funds that they may not have had access to in a classic financing system, since the classic system can't meet the whole demand. This form of financing pulls individual efforts together to support a business or project in which the backers believe. That is a great example of risk-sharing.

Nevertheless, there are local regulation issues regarding this type of financing (which is quite popular in other parts of the world), but I am sure that the government is working things out to make sure that crowdfunding efficiently contributes to the growth of our economy.

PUBLIC MANAGEMENT

Douala: CUD boosted advertising revenues by 213.2% YoY in H1-2021 with sectoral reforms



On July 30, 2021, the Urban Community of Douala (CUD) issued invoices worth XAF959.2 million as advertising fees in the name of the 18 advertising networks active in the city. According to internal sources at the CUD's financial department, that amount is up by 207.6% compared with the XAF461.6 million invoice issued over the same period in 2019. It is also up by 213.2% compared with the XAF449.9 million invoice the CUD issued to those advertisers in H1-2020.

For various authorized sources, these upward performances were facilitated by the regulatory changes in the advertising sector in Douala. Indeed, in late Q2-2020, the CUD recruited Quantum A&A, a consulting firm founded by Brice Meilo, a certified accountant who previously worked for PwC.

To restore the soundness of the advertising industry in Douala, the said

consulting firm implemented several strategies including geo-localizing all the advertising panels around the economic capital, dematerializing the control and monitoring of advertising operations. Also, in January 2021, a local advertising law became effective in Douala, which thus became the first Francophone Sub-Saharan African city to take such initiative.

Obstructions

For sources close to the case, with such initiatives, the consulting firm has gradually prevented advertisers from indulging in unlawful practices like not paying various advertising fees to the CUD, hiding the collection of the fees collected from advertising customers, dumping prices, or overstepping the exclusive advertising spaces dedicated to them. For instance, thanks to the transparency and visibility offered by the new measures initiated by Quantum A&A,

the CUD was able to identify and suspend six advertising networks owing over XAF240 million in various fees. The results are so outstanding that Mayor Roger Mbassa Ndiné recently indicated that advertising revenues would contribute to the rise in the CUD's earnings this year. On August 12, 2021, during a meeting organized by the CUD to review its half-year budget execution, the mayor revealed that during the current year, the CUD's revenues could rise by XAF11 billion (+18.8%) to reach XAF70 billion.

Meanwhile, some advertisers are unhappy about the measures, authorized sources claim. Sometimes, those advertisers implement strategies to obstruct the ongoing reforms all with the complicity of some CUD agents.

Port of Douala: PAD and Lazare Atou clash over the multi-billion assets under management



On August 18, 2021, Cyrus Ngo'o, director-general of the Port Authority of Douala (PAD), was summoned before the special criminal court of Yaoundé (TCS). Officially, the senior official was summoned because of the misappropriation of funds during a special procurement contract in 2018. However, this supposed fund misappropriation case is just the apparent side of a power struggle for the management of the assets of three former state-owned companies. The companies are namely Office national des ports du Cameroun (ONPC, replaced by the PAD), the Office national de commercialisation des produits de base (ONCPB), and Régie nationale des chemins de fer du Cameroun (RNCF or Regifercam) whose cumulated assets are estimated by sources close to the case at some XAF100 billion.

The court procedure started because of a denunciation letter sent by Lazare Atou, founder of the consulting firm Atou that has been managing the assets of the said three former public companies for over ten years now. In

a briefing note published on August 20, 2021, the PAD communication department considers this denunciation as a «punitive response» to Mr. Cyrus Ngo'o's persistence to get the PAD appointed as the authority in charge of the management of those three former public companies while the Atou consulting firm is claiming to be its administrator.

Interviewed after his appearance before the TCS, Lazare Atou was discreet and evasive about the reasons that motivated his actions but he did reckon that he signed the written correspondence that prompted the investigation. For him, Cyrus Ngo'o is just trying to get the former public companies' assets under the PAD to cover up for the over XAF53 billion misappropriated in the framework of the procurement contract for elaboration and implementation of the special procurement market of April 13, 2018, aimed at securing and the Port of Douala-Bonaberi and controlling access to the port premises.

Lazare Atou's mandate under scrutiny

The denunciation letter was sent just days after a crucial decision that could end the power struggles ongoing for decades now over the management of the assets of ONPC, ONCPB, and Regifercam, thus affecting government solidarity. On June 2, 2021, Ferdinand Ngoh Ngoh, secretary-general of the Presidency of the Republic, instructed Cyrus Ngo'o to immediately initiate procedures for the restitution of ONPC's remaining assets to the PAD.

In that regard, on July 2, 2021, Ferdinand Ngoh Ngoh sent a correspondence to Minister of Land Affairs Henri Eyebe Ayissi conveying «high instructions» from the President of the Republic ordering the rescindment of the land certificate N°1023/W established by Atou on port public property on behalf of the ONCPB.

The general secretary of the Presidency of the Republic also asked to collaborate with the Ministry of Finance for relevant measures to return the remaining assets of the ONPC to the Port of Douala and take

back the lands formerly conceded to RNCF and ONCPB into state private property.

«You are also invited to take the various steps allowed by your mandate for the quick implementation of the high instructions given to the Minister of Finance by the Head of the State, prescribing an end, as soon as possible, to the mandate given to Cabinet Atou over the management of the remaining assets of RNCF, ONPC, and ONCPB,» Ferdinand Ngoh Ngoh wrote in his letter to Henri Eyebé Ayissi.

On July 22, 2021, Ferdinand Ngoh Ngoh sent another correspondence to the Minister of Finance Louis Paul Motaze about the end of Cabinet Atou's mandate as the manager of the remaining assets of RNCF, ONPC, and ONCPB. In the correspondence, he asked Louis Paul Motaze to transmit, within seven to eight days, the measures taken for the implementation of the President of the Republic's high instructions for the transfer of those assets to the PAD.

Aggressive response

On July 13, 2021, as a response to the decisions conveyed by Ferdinand Ngoh Ngoh on July 2, 2021, Lazare Atou sent an informal appeal to the secretary-general of the Presidency of the Republic. In half-concealed terms, he accused Ferdinand Ngoh Ngoh of issuing decisions based on lies spread by executives at the Port Authority of Douala. *«I did not expect you to pick those lies (...) which motivated you to make use of the revered formula 'on very high instructions of the President of the Republic' to instruct several officials about matters concerning my firm... »* he wrote.

He also reminded Ferdinand Ngoh Ngoh that on June 24, 2021, he sent a correspondence to Cabinet Atou disputing the authenticity of the very

high instructions of the President of the Republic conveyed on May 26, 2021, by another government official authorized to use that «sacred formula». Also, he pointed out that the secretary-general of the Presidency of the Republic's various decisions ordering the end of Cabinet Atou's mandate over the management of the said assets and the transfer of those assets to the PAD are outright unlawful since they violate provisions of the law of July 12, 2017, on the General Statute on Public Establishments.

Then, he warned Ferdinand Ngoh Ngoh that per the President of the Republic's general instruction of June 4, 1998, on government operations, all the unlawful instructions are null and void even if they are issued on behalf of the President of the Republic. Thus the parties issuing the decision and the parties implementing it will be the only ones to blame should they take those decisions into account.

High-ranking backers

The disrespectful tone used by Lazare Atou in his letter to the secretary-general of the Presidency of the Republic is certainly motivated by the influential supporters he has in the government. He did not mention a name but in his correspondence, he somehow boasted of that support. According to a source who claims to have first-hand information on the case, those supporters could include Samuel Mvondo Ayolo, Deputy Director of the Civil Cabinet of the Presidency of the Republic, or Minister of State Laurent Eso reputed to be a very close friend to Lazare Atou.

In the past, almost all of the officials who questioned Lazare Atou's mandate in the management of the disputed assets were humiliated. For instance, noticing that the state was gaining nothing from the management of those assets, former Finance

Minister Polycarpe Abah Abah rescinded the controversial mandate he gave to Cabinet Atou. He even launched legal proceedings against Cabinet Atou for illegal sales of the three former public companies' assets. All to no avail. His successor Essimi Menye went further by mandating another firm to manage those assets. However, Laurent Eso who was then general secretary of the Presidency of the Republic prevented that choice and returned the mandate to Cabinet Atou, whose promoter narrowly escaped a jail sentence.

Held accountable alas?

Cabinet Atou seems to have been established just for the management of the assets of ONCPB, ONPC, and Regifercam. Even its denomination *«Atou Consulting-Management firm for the protection of the residual assets of former ONCPB, ONPC, and Regifercam»* boldly reveals that fact.

However, recent developments hint that this could be the time for Cabinet Atou to be held accountable. The 15th meeting of the committee in charge of the reconstruction of the port public domain in Cameroon is being held today August 26, 2021. During the meeting, participants will discuss the conditions under which the remaining assets of ONPC will be restituted to the PAD as well as the transfer method.

The presidential decree of January 24, 2019, reorganizing the PAD also provides that the state will transfer the properties and assets of the ONPC located at the port of Douala-Bonaberi to the PAD. The decree also lists those assets like the ONPC's properties built on premises under the PAD jurisdiction.

Domestic debt: Cameroon to settle close to XAF1 bln expenditure arrears

On August 20, 2021, Finance Minister Louis Paul Motaze authorized the payment of government expenditure arrears amounting to some XAF931.1 million owed to 42 SMEs over the 2013 to 2020 fiscal years. According to the release signed by Louis Paul Motaze, this payment was authorized to support companies' cash flow amid post-covid recovery efforts. The release provides no information on the conditions taken into account in the selection of the arrears to be paid. It only informs that the decision was taken by considering «administrative needs.»

To receive their payments, the selected service providers will have to prove that they performed the requested services. To do so, they are invited to get in touch with the administrations they offered the services to and send relevant documents to the directorate general of the budget to proceed further.

The documents must include the original contracts, the order letters, account statements, or the final invoice duly signed by the authorizing officer. As the case may be, they will have to add the provisional or final acceptance reports and/or the

delivery note and if applicable they should attach a certificate signed by the head of the accounting department of the contracting department stating that the payment has not been disbursed as well as the updated tax documents.

The arrears to be cleared represent just a small portion of the public domestic debt. According to the national sinking fund CAA, as of June 30, 2021, the country's domestic debt (excluding over 3-month arrears) was XAF2,646.1 billion, or 11.8% of GDP.

Year on year, this debt rose by 10.7%.

Logging: Cameroon to issue new forest concession licenses in Nkam and Donga-Mantug



Cameroon is currently preparing to issue new forest concession licenses in the Littoral and the North-West. In that regard, Minister of Forestry and Wildlife Jules Doret Ndongho recently signed a call for expression of interest inviting forestry companies operating in the country to submit their offers by September 18, 2021.

According to the call, a total of 57,190 hectares of forest will be conceded,

45,794 hectares in the North-west (Donga-Mantug) and 11,396 hectares in the Littoral (Nkam). Through that initiative, authorities aim to boost logging operations in the country, open up the regions where those forest concessions are located, and help develop them. Let's note that according to Cameroonian laws, forest operators have to pay forest taxes, part of which are sent to communal authorities for

development projects. Nevertheless, there are questions about the management of those financial resources sent to communes because most of the communes with booming forest activities are still so poor despite the forest taxes that sometimes amount to billions.

Cameroon: 82 customs brokers called to justify their 12 months inactivity or risk losing their licences



In a release issued on August 11, 2021, Finance Minister Louis Paul Motaze orders 82 customs brokers to submit documents detailing the reasons they have been inactive for over a year now. Indeed, according to data from CAMCIS, the new customs platform, those brokers duly authorized in Cameroon have not carried out a single customs clearance operation over the past 12 months.

As Cameroonian laws provide, they will have to state the reasons for their inactivity or risk their approvals being withdrawn. Hence, through the August 11, release, the Finance Minister was allowing them up to one week to produce the documentary proofs or face the required sanctions.

Some customs sources reveal that most of those brokers have simply gone bankrupt causing many workers to lose their jobs because of the fierce competition in the sector.

Revenue stamps: Governor Ivaha Diboua announces the discovery of a large counterfeiting network in the Littoral

A large revenue stamp counterfeiting network has recently been busted in the Littoral region, a circular issued on August 19, 2021, by Samuel Dieudonné Ivaha Diboua (photo), governor of this region informs.

As the governor wrote in his circular, revenue stamps counterfeiting is highly detrimental to public finances but it is becoming a usual occurrence in Cameroon. Indeed, about a decade ago, Cameroon replaced physical stamps with digital revenue stamps to boost tax revenues. However, frauds-

ters quickly adapted to this change by acquiring fake stamping machines sometimes used by accomplices in various administrative bodies (A few years ago, local media revealed the existence of a revenue stamp counterfeiting network at the General Directorate of Taxes).

Those fraudsters usually report the official stamping machines as being out of service and surreptitiously start using the fake ones in administrative bodies that heavily need revenue stamps, diverting all those revenues.

Their targets are usually places like airports (where the revenue stamp is XAF10,000 per passenger) and Ministries of Secondary Education, Civil Service, and Basic Education where the demand is high during official examinations and other administrative competitions.

Therefore in his August 19 circular, Samuel Dieudonné Ivaha Diboua suggested a strict control of the authenticity of revenue stamps before certifying any official document in the Littoral region.

Cameroon: GICAM points at weaknesses in the personal data protection law



In a context marked by a boom in digitalization, accelerated by the coronavirus pandemic in 2020, there is a legal vacuum concerning personal data protection law in Cameroon, a note recently issued by the Inter-Patronal Grouping of Cameroon (GICAM) reveals. Titled «l'urgence d'un cadre juridique spécifique à la protection des données à caractère personnel au Cameroun» (urgent call for a specific personal data protection legal framework), the note points at the lack of specific texts relating to personal data protection in Cameroon as well as the weaknesses in the current legal framework. For instance, the note shows, Cameroon has not signed or ratified any international treaty addressing the protection of personal data. Also, the country has no legal framework specifically addressing the protection of personal data nor has it created an independent authority whose mission is to protect and ensure the respect of the laws relating to the collection, processing, and storage of personal data. The GICAM reckons that some texts address the issue but they do not define what is meant by personal

data, the appropriate framework for the collection, processing, transmission, storage, or any other use of such data, let alone the obligations of those responsible for their processing or the rights of persons whose data are collected and the steps they should take in case of unlawful processing.

Risks

As a result of that vacuum, the digitalization boom exposed residents to many risks, the GICAM believes. To illustrate its assertion, it takes the example of the e-tax registration process, the data processed by insurers, and Covid-19 tests processing. In the case of the e-tax, the GICAM points out that the registration data of all the Cameroonian taxpayers (including their data) are freely accessible on the tax administration's website. For the grouping, the information (names, surnames, unique identification number) freely available on that platform exposes nearly two million Cameroonian taxpayers to identity theft since anyone anywhere in the world can access it. As for the data processed by insurers, GICAM thinks the personal infor-

mation (name, ID, medical records, etc.) clients entrust to insurers are exposed to hackers all over the world given that due to the lack of a legal framework, insurers take minimal safety precaution measures. Talking of the management of Covid-19 PCR tests, GICAM thinks the personal data protection issue is crucial since it is a medical secrecy case. However, the sensitive data required (namely id card or passport details as well as several personal details) are transmitted through Whatsapp or on mere sheets.

Recommendations

Given these weaknesses, for efficient personal data protection, with the help of all relevant actors (including the civil society), the government should map all the data classified in the category of personal data, the GICAM suggests. Also, Cameroon should create an anonymization system for the collection of confidential personal data and expedite the elaboration of a specific data protection law that complies with international standards.

In addition, the Group recommends the creation of an independent body whose mission will be to oversee the application of the said law and the punishments required for those accused of violating personal data protection provisions. This body could be an existing institution whose competence base will be extended to the enforcement of personal data protection laws or even a new agency.

The last suggestion is the establishment of regulatory cooperation frameworks between personal data protection authorities in the sub-region as well as a harmonization of the legal data protection framework with those in the Central African sub-region.

CEMAC: Paul Biya wants all countries to achieve second-generation reforms with the IMF

Cameroon's President Paul Biya, current Chairman of CEMAC, presided last August 18 in Yaoundé over the Extraordinary Virtual Summit of Heads of State of CEMAC.

The official wants all countries within the region to complete and conclude reform programs with the International Monetary Fund by the end of the year. To date, only Cameroon and Gabon have already done so. Chad has, since July 28, 2021, reached a stall-level agreement, and talks with the Central African Republic are «very advanced».

According to the IMF, contacts have been made with Congo and Equatorial Guinea but no conclusions are planned in the short term. The missions of August and September 2021 will give more details, the Fund says.

During phase 1, Congo and Equatorial Guinea were lagging, and only concluded their IMF-led

program in July and December 2019 respectively, more than two years after the other CEMAC countries. In response to criticism, Equatorial Guinea's oil and gas minister Obiang Lima suggested that his country, which has been in continuous recession since 2013, does not need IMF funds and had only acted out of solidarity for the rest of the sub-region.

According to President Paul Biya, beyond the negative fallout of the current health crisis, the economic recession that hit the subregion in 2020 (-1.7% GDP growth) also has roots in the mixed results of the structural reforms undertaken since the extraordinary summit held in Yaoundé in 2016. For many experts, the reforms were neither well thought out nor well implemented.

If well achieved, the reforms will help lower budget and external deficits and diversify economies

(still heavily dependent on unprocessed raw materials).

The so-called second-generation programs should give a new and strong impetus to the region's economy. After a recession in 2020, CEMAC expects growth of 1.3% in 2021, according to the latest official figures. However, sources at the Bank of Central African States (Beac) condition this rebound in growth on the signing of new agreements with the IMF.

To fund its recovery plan, initially valued at about CFA7,284.9 billion (including CFA2,563.4 billion for the financing of twelve integrating projects), CEMAC is betting on international donors (IMF, World Bank, African Development Bank, France...). But these partners say they would only invest in the plan if the region reaches new programs with the IMF.

Nine Congelcam Fish Stores Shut Down

The anti-fraud brigade, attached to the ministry of trade, sealed nine fish shops owned by Congelcam. The related operation, carried out on August 14, aimed to make sure that prices fixed for some products are respected. *"We will go all the way with the offenders. Each illegal price increase will be sanctioned by seizures and the sealing of stores,"* warned Romuald Ombede Nama, regional trade deputy for the Central region.

Congelcam was accused by the ministry of trade of selling its mackerel at a price higher than that imposed. The firm said it was because importing the low-cost fish (consumed by 75% of the population) was more costly due to the Covid-19 pandemic.

This is not the first time the government and Congelcam fight over prices. However, the authorities are working to end the company's monopoly; it controls 80% of the Cameroonian

frozen fish market.

"Regarding the monopoly of the fish trade, the government representative said that a reflection is underway with the Ministry of Commerce," reads a report assessing the economic and budgetary programming document that was submitted to the national assembly on July 4, 2021.



ECONOMY

Yaoundé: Beef prices soar despite government's order



The August 19, 2021, meeting with Minister of Trade Luc Magloire Mbarga Atangana does not seem to have deterred beef sellers from their plan to increase the prices of that food product.

At the «Acacias» market, in Yaoundé VI, the price of a kilogram of boneless beefsteak is being sold at XAF3,000 instead of the official XAF2,800 price tag. Such price increase has also been noticed in markets at Etoudi, Essos, Mvog-Mbi, Nkolndongo, and Mimboman. The testimonies gathered are similar to this statement from a housewife at Acacias: *«We buy a kilogram of boneless beefsteak at XAF3,000. Some sellers even add XAF200 to that price claiming that meat is scarce now. We have no other choice than to buy at the prices they deem fit. On Saturday [August 21], I bought a kilogram of beef at XAF3,500.»*

The sellers interviewed claim the price hike was due to an increase

in the prices of products right from abattoirs, transport costs, and taxes. *«Beef prices have increased even at slaughterhouses. When we add transport costs and taxes we have to pay here, we have no other choice than to sell at those prices,»* a seller said at Acacias.

When asked whether he was aware of the official price tag issued by the Ministry of Trade, his colleague responded: *«they stay inside the Ministry and just set prices without even being aware of the realities on the ground. We won't make a profit if we sell our products at XAF2,800.»* During the August 19 meeting with the Minister of Trade, beef producers had revealed why beef prices were going up. The reasons include a lack of livestock control mechanism, epidemics, transport hassles, rustling middlemen entering the process, the dropping number of livestock farmers and also of the livestock, Boko Haram attacks, the sociopo-

litical crisis in the North-West and the South-West, climate change, the drought as well as the lack of a support mechanism to encourage livestock farming.

In response, Minister Luc Magloire Mbarga Atangana ordered them to keep to the official price tag because there has been no increase in fuel prices or a rise in the costs of any other variable to justify this hike in beef prices. He also reminded that middlemen were prohibited in the beef marketing process. *«We won't condone unlawful practices. From now on, the official price index is mandatorily applicable. So, just abide by it. A kilogram of boneless beefsteak should be XAF2,800 in Yaoundé and in Douala a kilogram of bone-in beef should be XAF2,300,»* the official said.

However, sellers are not complying with that order.

GDC's gas supply suspension forces interruption of CICAM's towel and printed fabric production activities in Douala

Internal sources have revealed that, the two Cotonnière industrielle du Cameroun (CICAM)'s Douala-based plants have been inoperational since July 21, 2021. According to the sources, this is due to the suspension, by Gaz du Cameroun (GDC), of gas supplies used as energy by the two plants specialized in the production of printed fabrics and towels. Fact is, GDC suspended its supplies to CICAM due to unpaid invoices estimated at XAF630 million. Comments and discourse per the suspension suggests that it will now be harder for the company to pay salaries to its staff.

Overall, this new episode demonstrates the gravity of the situation at CICAM. In 2015, despite a XAF13.2 billion performance contract with its sole shareholder (State of Cameroon), CICAM is unable to overcome the difficulties it has been encountering since imported and contraband products broke into the local textile markets. Years ago, it was the flagship of the textile industry in the CEMAC region. Nowadays, its local market share barely reaches 5% while the remaining share is controlled by printed fabrics from China and West Africa, Nigeria notably.

This stiff competition from Chinese and West African fabrics, which are sometimes smuggled into the country, has had a significant impact on CICAM's finances. According to official financial statements, this state-owned company has accumulated losses estimated at XAF13.4 billion over the 2018-2020 period. In 2018 alone, it lost XAF5.3 billion. From XAF13.2 billion in 2018, its turnover fell to XAF9.9 billion in 2019 then to XAF7.3 billion in 2020, almost 50% down from its level in 2018.

Atlantic Group to inject over XAF39bln in the construction of a cement plant in Kribi

Société internationale du ciment (SIC), a division of Atlantic Group, is currently taking the final steps for the construction of its over XAF39 billion cement factory in the Kribi deep seaport's industrial area. In the framework of that project, on August 4, 2021, SIC signed an investment agreement with the private investments promotion agency API. Thanks to that agreement, the firm will benefit from the incentives planned by the 2013 private investment law for the plant whose nominal capacity is one million tons yearly. Those benefits are namely tax and customs exemptions over five to ten years. On August 3, a day before the agreement, SIC had launched development works on the 10-hectare land set aside by the Port Authority of Kribi (PAK) for the project.

As Patrice Yantho, CEO of JMJ Africa (which is managing the project), informs, a date will be decided soon for the foundation stone laying ceremony. *"The construction works will start this year. They will last 24 months max,"* he adds. The plant will help create close to 1600 direct and indirect jobs, we learn. Also, it will boost competition in the Cameroonian cement industry currently disputed by five operators. In addition, the cement factory will consolidate Atlantic Group's position in the Cameroonian economic space. Indeed, in Cameroon, the group owned by Ivorian businessperson Kone Dossongui already has assets in the financial (Banque Atlantique and Atlantique Assurances) and industrial (Atlantic Cocoa) sectors by partnering with local investors. In 2020, the group launched the operations

of a cocoa processing plant in the Kribi deep seaport's industrial area. The plant, whose construction was also planned and managed by JMJ Africa, is the result of a XAF40 billion investment and is above all the first industrial plant to be installed in the said industrial area. Overall, the new investment confirms the Ivorian businessperson's ambition to boost investment in Africa. In late 2020, his group had already finalized the acquisition of BNP Paribas subsidiaries in Comoros, Gabon, and Mali, strengthening its footprint in the African banking industry. Later, on January 28, 2021, in Abidjan, the group inaugurated a cement plant, whose yearly capacity is estimated at 1.5 million tons.

Wine consumption: Cameroon ranks second, ahead of Côte d'Ivoire and Congo in Africa



Pan African market research and intelligence firm Sagaci Research recently published a study on wine consumption across Africa. According to the study, over the June 2020-June 2021 period, the top three African countries with the highest proportion of the adult popula-

tion who consume wine are Togo, Cameroon, and Côte d'Ivoire. "Togo takes first place in terms of wine consumption, followed closely behind by Cameroon and Côte d'Ivoire, each scoring 26%, 25%, and 23% respectively, of the nation's adult population having consumed wine in

the last four weeks," the study reveals. Those countries are followed by Congo, Benin, South Africa, Gabon, Burkina Faso, Nigeria, and Namibia. The study believes that apart from marketing, cultural habits and religious beliefs affect the wine trend in the African countries studied. For instance, as the study explains, *"although the wine-making tradition is present in several regions of the continent (Morocco, Ethiopia, South Africa...), the data seems to show that the French have strongly influenced the consumption habits in other countries, as 8 out of the top 10 wine-consuming nations in Africa have a common history with France."* Few things to note nevertheless are that the study is based purely on the percentage of adults who recently consumed wine instead of the volume of wine consumed in the whole country. Also, 29 out of the 54 African countries were considered in the study. In addition, the daily data were gathered from some 20,000 consumers over the twelve months of the study through the app SagaPoll.

Swiss perfume company Firmenich commits to sharing profit generated from Cameroonian genetic resources

The Swiss perfume and taste company will soon launch research works for the exploitation and commercialization of two plants located in Pimbo, Sanaga Maritime, Cameroon.

For their future collaboration, on July 21, 2021, in Yaoundé, the company signed, (in the presence of the Cameroonian Minister of Environment) mutual agreements with Pimbo communities to share the profits

generated from the sales of the plants with the communities. This profit sharing will take the form of financial and non-financial supports to the population, we learn. *«The said agreements elaborated after a long negotiation process initiated in February 2021 (...) fall within the framework of the Nagoya Protocol on Access and Benefit Sharing, signed in 2010 and ratified by Cameroon in November 2016. (...) The*

agreements are signed just days after the President of the Republic enacted, on July 9, 2021, the law related to that protocol. This law sets conditions under which our rich and formidable genetic resources can be exploited and how the profits generated can be shared. It also details the role of the various actors involved in the process," the Cameroonian government explains.

FINANCE

Finance Minister ends unwarranted charges on auto Insurance subscriptions



On August 11, Finance Minister Louis Paul Motazé (photo) issued a circular ordering insurance companies to stop adding an extra XAF1000 on auto insurance subscriptions.

«During a meeting with chairmen of national public passenger transport unions, it came to my attention that you collect an extra XAF1000 from users on compulsory auto insurance subscriptions as contributions to the operational costs of the tripartite State-Insurers-Unions commission... In that respect, I have the honor to specify that such charge is unwarranted.»

Louis Paul Motazé wrote.

He further reminded that the said operational costs should be exclusively borne by the Association of Insurance Companies of Cameroon (ASAC). He then ordered insurers to immediately stop that unlawful charge. This decision was immediately praised by the consumers' association Fondation camerounaise des consommateurs (FOCACO).

«The Minister of Finance just restored the long scorned rights of insurance products' consumers,» the FOCACO commented.

Cameroon: Alios Finance issues new bonds to raise XAF10 bln on the BVMAC

Financing firm Alios Finance Cameroon recently launched a bond issuance operation on the Central African Stock Exchange (BVMAC). Named "ALIOS 02 5.40% BRUT 2021 – 2025", the operation is aimed at raising XAF10 billion backed by a 5.40% interest rate.

According to the briefing note published by the issuer of those bonds, subscribers can send in their orders from July 26 to August 6, 2021. The subscription's closing date can be later extended, the note adds.

Arranged by Attijari Securities Central Africa (ASCA), the operation will allow Alios Finance Cameroon to implement its development strategy.

«Alios Finance Cameroon intends to boost the competitiveness of its financing offer, improve its risk cost and the quality

of its portfolio to consolidate its sectoral leadership. This strategy requires the mobilization of diversified, innovative, and appropriate refinancing mechanisms,» the note indicates.

The key actions envisaged by the financing firm are to boost productivity by 5% yearly over 2021 and 2022 then to 10% yearly on average starting from 2023. Also, the firm is planning to stabilize its needs for additional financial resources to XAF15 billion yearly over the 2021-2025 period and improve the cost/income ratio to 54%, maximum, with a controlled risk cost.

Currently, with 35% of the market share, Alios Finance Cameroon is the leader of lease financing in Cameroon. Its main competitors are Société générale Cameroon (25%) and Afriland First Bank (18%).

Its first bond issuance baptized «ALIOS 01 5.75% 2018-2021» was 108% oversubscribed. During the operation arranged by Gabonese banking group BGFI, it raised XAF8 billion to fund its 2018-2022 strategic development plan. In 2020, the financial institution recorded a 7% year-over-year increase in its net banking income due namely to the good performance of its lease financing products that fetched an additional XAF1.31 billion year-over-year turnover. However, at the same time, its profit after tax was XAF714 million, down by 29% year-over-year, due mainly to the risk cost; which rose amid the coronavirus pandemic.

SMEs' financing: I&P steps up efforts to boost private equity mechanism in Cameroon



In its about 20 years of existence, Investisseurs et Partenaires (I&P) has funded 170 SMEs in Africa. However, only a dozen of those SMEs are in Cameroon where 90% of the economic fabric is made up of SMEs. Therefore, the I&P believes that it still has significant works to do in the country.

To get those things done, in February 2021, the firm, which has been operating in Cameroon since 2012, created a Deputy CEO position. The new deputy CEO, in the person of Cameroonian Vivian Tchatchueng, will oversee the firm's national portfolio development strategy in Cameroon.

Before he was appointed the Deputy CEO of I&P Cameroon, Vivian Tchatchueng was an I&P investment manager in Central Africa. The industrial Engineer has over 10 years of experience in the West and Central African private equity scene. He will implement strategies to add new SMEs to I&P Cameroon's portfolio currently constituted of Pigier Cameroun, Carrières du Moundou, Cameroun Breuvage, Kawtal, Genemark, Acep Cameroun, ITG

Store, and Biotropical. Sensitization

For Vivian Tchatchueng, one of the portfolio-boosting strategies is sensitization, to democratize private equity. As he explains, local Cameroonian entrepreneurs are not aware of private equity funding. Yet, it is the most adapted funding mechanism for them.

«The conventional funding system offers many solutions for operating funds but, it does not offer support for the SMEs' organizational and managerial transformation. Private equity offers the possibility to fund medium and long-term investments but it also helps SMEs improve their management, corporate structure, and operations. This is why I believe this funding mechanism is crucial and more suitable for SMEs in Cameroon,» explains the man who has multiplied sensitization actions in recent months.

Numerous roadblocks

The latest of those sensitization actions is the meeting organized in Douala, on July 21, 2021, to meet with entrepreneurs. The issue discussed was the possessiveness of

Cameroonian entrepreneurs who are reluctant to open their capitals to third parties and share business risks with the latter. «The operating principle of private equity firms is to take stakeholding or shares in companies to efficiently implement their funding-support models in those companies,» he explained to the participants. «We are not planning to assume control of the companies we support. We always take minority shareholding and resell them after five years in companies' capital,» he added to reassure the entrepreneurs. Nonetheless, communication will not be enough to suppress the numerous obstacles faced by private equity in Cameroon, I&P thinks. So, it suggests the business environment should be improved while more private equity funds targeting SMEs enter the market. Also, the structuration of some industries needs to be enhanced, the informal sector managed, and the variability of the tax system addressed. Those suggestions are a solicitation for state support for the development of this funding mechanism in Cameroon.

AGRIBUSINESS

Investment corporation SNI to soon launch a corn processing project in Ntui

The National Investment Corporation of Cameroon (SNI) is currently looking for a firm to take care of feasibility studies for a corn processing plant in Ntui, the Central region. In that regard, today August 24, the corporation issued a call for expression of interest asking interested parties to submit their offers. The project consists of the development of cornfields, the production of improved seeds as well as the construction of a processing plant for corn grits and popcorn production. With that project, the SNI will not

only boost its project portfolio but will also contribute to an increase in the local production of corn derivatives including grits, whose current volume is insufficient to meet the demand of local brewing companies. Above all, the SNI's project will facilitate another corn by-product production project carried out by SABC, leader of the local brewing market, that is supposed to inaugurate a corn grits production plant in September 2021. With a 30,000 tons yearly production capacity, the plant is located in Mbankomo, some

twenty kilometers from Yaoundé. It costs XAF18 billion and thanks to it, SABC will end its corn grits imports by complementing its production with the additional 10,000 grits it buys yearly from MAISCAM, based in North Cameroon.

To be able to produce the 30,000 tons of corn grits, the plant will need about 60,000 tons of corn from local farmers (supported by the SABC). Hence the interest of the SNI's project that will provide improved corn seeds.

Cameroon exports 70% of its rice production to Nigeria (BMN)

Cameroon exports 70% of its rice production to Nigeria, according to a study on the strategic position of the cereal processing and by-products sector recently published by the Enterprises Upgrading Office BMN. In its study, the BMN reports that the situation is due to logistics problems and the poor quality of the rice produced locally (high volume of dirty and broken grains namely). Indeed, because of high transport costs, it is usually profitable for local producers to sell their rice in local markets. This realization even prompted the suspension of the promotional rice sales

usually organized by the Ministry of Commerce in the Southern regions. For officials of SEMRY, the government's main partner in the framework of that project, it had become financially unsustainable to transport rice from Yaoundé and supply the market at the promotional prices suggested by the government. Another reason provided by the BMN to explain the high volume of local production exported to Nigeria is the proximity of rice-producing regions to Nigerian borders. For instance, the North and the Far-North, which

account for 84% of Cameroon's rice production fields (44% of those fields are located in the Far North where SEMRY operates), share an extensive border with the West African country.

So, despite the multifaceted support they receive from SEMRY, many local farmers usually export their paddy rice to Nigeria because, as local sources explain, the prices obtained in Nigeria are more competitive. Also, Nigeria has important rice husking equipment that can barely be found in the Cameroonian rice-producing regions.

Cameroon exports 500 kilotons of corn every year to CEMAC countries despite massive imports to meet local demand (BMN)



Every year, Cameroon exports 500,000 tons of corn, representing 23% of the national production to CEMAC countries, according to a study recently published by the enterprises upgrading office BMN on the strategic positioning of the cereal processing and by-products sector. Although it exports a significant portion of its corn to neighboring countries, the country resorts to massive imports to meet its deficit (in 2020 for instance, it produced 2.8 million tons of corn while the national demand was estimated, by the

Ministry of Agriculture, at 3 million tons). In 2019, the country imported 60,000 tons of corn from Ukraine, according to the general directorate of customs. Most of the local production is destined for households. For instance, in 2020, 58% of the production was used for household consumption, 16% for animal feeds, and some 2% were supplied to local agribusinesses, the study published today, August 25, in Douala reveals. For BMN experts, corn is the third most-produced food product in

Cameroon after cassava and plantain. It is also the most consumed cereal, far ahead of rice and sorghum. The leading local corn consumers are located in the North, where cereals are staples. Specifically, in the Far North, the Adamaoua, and the Northern regions, the average yearly corn consumption is 80 kg per resident. In the South, however, it is 6 to 8 kilograms per resident while in the North-west and the West, it is 50 kilograms yearly.

ENERGY

Distributors suggest actions to improve services at the Bipaga gas depot

The National Hydrocarbons Corporation (SNH) recently published the results of a customer satisfaction survey carried out in May 2021, to gauge distributors' satisfaction concerning the domestic gas supply services offered at its Bipaga Liquefied petroleum gas (LPG) plant.

During the survey, the distributors made various suggestions to improve the services offered at the plant. For instance, they suggested the installation of a weighbridge, an increase in the production and storage capacity as well as a multiplication of the

loading bays. They also pointed that clients should be present during meter calibration works. Also, they encouraged the SNH to continue the implementation of projects aimed at boosting LPG production to increase national supply.

Commissioned in 2018, the Bipaga LPG depot supplied 25,092 metric tons (MT) of LPG to the local market in 2020, representing 16.93% of the national supply, according to SNH data.

In 2021, this supply could rise to 34,000 MT due particularly to the

optimization of the natural gas (from Sanaga Sud) treatment process, the SNH adds.

Since 2018 when it became a natural gas producer, Cameroon has been processing part of its production to supply households. However, its production is currently unable to meet local demand. So, the country resorts to imports to fill the gas demand. For instance, to cover the needs this year, the country plans to import 120,000 metric tons of domestic gas.

Cameroon: Golar, Perenco, and SNH to increase LNG production by 200k tons yearly in 2022

GNL Golar and its partners Perenco and the National Hydrocarbons Corporation SNH announce that in 2022, they will increase floating LNG plant Hilli Episeyo's yearly production capacity from 1.2 million to 1.4 million tons on the Sanaga Sud block, upstream Kribi.

"We are pleased to announce increased capacity utilization of our FLNG Hilli, unlocking the embedded value to our shareholders by utilizing more of Hilli's 2.4 million tonnes of liquefaction capacity. The innovative tolling fee arrangement delivers on

our announced strategy to increase our upstream LNG and gas exposure. Today's announcement is further testimony to Hilli's strong track record of 100 percent commercial uptime since delivery in 2018 and will benefit all stakeholders involved in the project, as well as bringing us closer to our target to reach full capacity utilization of Hilli," said Karl Fredrik Staubo, CEO of GNL Golar.

According to the agreement binding the parties, Perenco and SNH have the option to increase the production capacity by an additional

200,000 tons yearly from January 2023 to 2026, which marks the end of the current contract. Should the parties decide to go this route, they will confirm it in Q3-2022.

Perenco and SNH intend to assess the potential of two to three additional gas wells and start drilling them this year in a bid to modernize the upstream installations in 2022 in preparation for the production increase envisaged for 2023.



ITC & TELECOM

ECCAS: The GSMA suggests product bundling and collaboration as a way to boost E-commerce

Firms must collaborate and bundle orders to boost E-commerce in the ECCAS region, the GSMA association suggested in its recently published report on «Enabling E-commerce in Central Africa».

To illustrate its point, the association points at the example of Trade Good Malabo, an association located in Equatorial Guinea. «The association, located in Equatorial Guinea, has 13 members that sell various products, including cosmetics, computer products, lighting products, and airline tickets through online channels... The association helps by bundling orders for imports from China and Dubai

for resale to the local market. A shared logistics partner transfers the products from the Port in Cameroon to Equatorial Guinea. The association also helps find foreign partners and access local services, such as accountants, tax specialists, and real estate,” the report explains. For the GSMA, such collaboration between Equatoguinean firms surely reduces costs and could be emulated by other ECCAS member countries, which still lag in terms of E-commerce development. In its 2019 edition of its B2C E-Commerce index, UNCTAD writes that all 11 ECCAS member states are outside

the top100, with Gabon the highest-ranked at 106.

The same view is shared by the Foundation for the Promotion of e-Commerce in Africa, a non-profit organization. As the GSMA association writes, the non-profit organization «provides support to SMEs... has organized workshops in Cameroon and Equatorial Guinea to explain the benefits of collaborating and has offered advice on the establishment of associations and consortia to firms wishing to set up e-commerce businesses.»

Patrick Benon becomes new Orange Cameroon CEO, amid ethical violation accusations against Frédéric Debord

Yesterday July 27, in Casablanca, Morocco, French telecom operator Orange issued a release appointing CEOs for three of its MENA subsidiaries, including Cameroon. As Orange Cameroon's CEO, the French group appointed Patrick Benon, who is currently CEO of Orange Botswana pending the effectiveness (in September

2021) of those changes. As for current Orange Cameroon's CEO Frédéric Debord, he was appointed the head of Orange Madagascar; replacing Michel Degland, appointed head of Mauritius Telecom. “All of these appointments are part of the Group's international mobility policy and have taken place at

the end of the previous CEO's term,” Orange wrote in its release. However, in the case of Orange Cameroon, this replacement happens in a particular context marked by legal proceedings against the CEO Frédéric Debord, accused of ethical violations.

CONSTRUCTION

Cameroon moves to relaunch the construction of 55 steel bridges in the 10 regions



Minister of Public Works (MINTP) Emmanuel Nganou Djoumessi (photo) presided, on July 21, 2021, a videoconference aimed at reviving the project of building 55 steel bridges in Cameroon.

During the conference, it was revealed that the government's ambition was to relaunch and complete the project on hold for two years now. In that regard, "the financial partner and the contractor Ellipse projects SAS France will carry out a joint mission to review some prerequisites before the relaunch of the project on sites where works are still on hold," the MINTP informed without further details.

He nevertheless indicated that the Ministry of Economy would have to notify the financial partner, Société Générale, of Cameroon's intent to reactivate the credit line related to the project.

Nineteen (19) of the 55 bridges were supposed to be delivered on March 30, 2020. Specifically, in April 2019, Geoffray Terrain, project manager for contractor Ellipse Projects, explained that 14 bridges would be fully built in 2019 and five others would be completed by March 30, 2020, for an about XAF28 billion cost for the 19 infrastructure.

However, during his address before the national assembly on December

1, 2020, the MINTP stated that the construction works on 17 bridges were still 27% completed with the Elogbatindi- Bipindi bridge (in the South) fully completed while construction works on two others would be launched once the ongoing credit line renewal procedures are completed.

The projects consist of the installation of 27 to 150-m bridges (55 in number) to facilitate access to large production areas in Cameroon; 11 bridges are to be built in the Eastern region, nine in the North-West, seven in the West, seven (7) also in the South while five (5) will be built in Adamaoua and the Centre each. In the South-West, four (4) bridges are to be built, three in the Littoral, and two in the North, and two also in the Far North. The modular prefabricated parts were to be fabricated by Acrow Corporation USA.

This project is the result of a cooperation between Eximbank-USA, which stepped in in December 2014, to guarantee XAF25 billion out of the XAF46 billion loan agreement in the framework of the project, and Société Générale-France, which signed the loan agreement with Cameroon. Ellipse France was selected to install the bridges and assist the project owner.

LEADER OF THE MONTH

JOËL EMBIID EXTENDS NBA CONTRACT BY 4 YEARS



Joël Embiid, the Cameroon-born basketball player drafted in 2014 by the Philadelphia Sixers, recently extended his contract by four years. The contract worth US\$196 million (XAF109.7 billion) will start from the 2023-2024 season and end in the 2026-2027 season.

The value of this new deal is up by XAF26.9 billion compared with the value of the 5-year contract extension he signed in 2017 (US\$147.7 million or roughly XAF82 billion). Also, the new contract deemed «supermax» protects the player in case of injuries. As a US media well informed in basketball matters writes, «this contract is fully guaranteed and includes a player option for the final year, sources said but does not include the same

provisions protecting the Sixers in case of catastrophic injury to Embiid's lower back or feet, like the five-year \$147.7 million deal he signed in 2017.»

Indeed, because of various injuries, Joël Embiid's debut in the NBA was difficult leading his club to integrate into his contract some provision protecting it in case of injuries sustained by the All-Star center. However, «since the 2017-18 season, Embiid has avoided the kind of injuries that stalled the beginning of his career. The longest stretch of games that Embiid missed in one season was the 11 games he missed this past spring with a bone bruise in his left knee, « ESPN reports.

Apart from boosting the player's revenues (US\$261 million or

XAF146.2 billion over the contracting period), this contract will allow the Cameroonian to invest additional resources in the foundation he created in his native country.

«Over there [ed. note: in Cameroon], there's a lot of poverty (...) A lot of people don't have a lot of stuff (...) I feel like I need to do a lot of stuff over there,» he said in October 2017 after the 5-year extension of his contract with the Philadelphia Sixers.

In September 2018, he left Adidas to sign a 5-year deal with US sports equipment company Under Armour. According to a US media, the deal was «slated to make him the highest-paid center in the NBA.»

Brice R. Mbodiam

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