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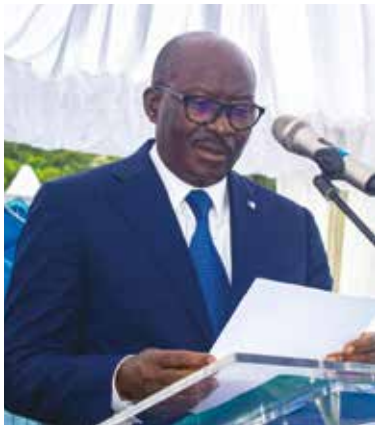
BUSINESS IN CAMEROON

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

Dossier

Where does Cameroon stand in international trade?



Henri-Claude Oyima : "BGFIBank Cameroon is truly one of our success stories."

Prometal 4, pioneer of African metallurgy.

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Yasmine Bahri-Domon,

France flirts with a nervous breakdown

There have been some tensions between France and French-speaking Africa for a few weeks now. Algeria, for example, disliked being told that it was nothing or very little before General Bugeaud arrived in 1836. Mali's Head of State also found it quite distasteful to be referred to as the Prime Minister of a government of convenience. Another example concerns the ruling class of Africa's three Maghreb countries who learned and didn't take well, that a restriction on the issuance of Schengen visas had been specially designed to make things tough for them.

French leaders are a bit on edge these days and shouldn't be toyed with too much. First, it was African youth who rebelled against the CFA, failing to grasp the currency was their best friend. Next, Russia came trampling on France's turf in the Central African Republic, a country that the French supported substantially in the past. Then, its old friendship with Chad went down the drain. As if all these were not enough, UK's Prime Minister Boris Johnson keeps wooing some Francophone Africa leaders, who do not seem to dislike it. Result: An Africa-France Summit with missing African Heads of State (Covid is to be blamed)

Let's not forget the Australia-US melodrama. Recently, Australia let down France, preferring Uncle Sam's embrace, regarding a €60 billion deal. Putin, on his side, keeps raising gas prices. Taking all these into consideration, it's quite understandable that the French can't take it anymore! The same as France's late president, Jacques Chirac, used to say about "the noise and smells" of African emigrants.

In this context, it wouldn't come as a surprise if about half of the French people decided to elect as leader a certain person who's already been condemned for incitement to racial hatred and whose only concrete proposal announced to date, would consist in changing all the Mohameds of France into Maurice and all the Yasmines into Jeanine.

Maybe the 54 African countries should put some money together to buy two or three Dassault Rafale jets. That would lighten the mood...

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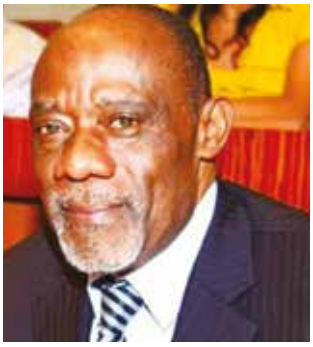
LEADER OF THE MONTH



INTERVIEW

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NEWS IN BRIEF











XAF151.2 billion

Between January and July 2021, Cameroon disbursed XAF728 billion to service public debts, according to the national sinking fund CAA. That envelope includes XAF151.2 billion as interest and XAF577.6 billion as principal.

External debts captured 87.3% of the funds and the remaining 12.7% covered domestic debts.

80 000 m3

Railway transporter Camrail claims a record volume of 80,000 m3 diesel, unleaded, and jet fuel transported in July 2021. Those oil products were supplied to the main oil depots in Cameroon, thus guaranteeing the availability of fuels at various filling stations all over the country.
According to the concessionaire of the local railway network, this performance was facilitated by the program "ExOp Afrique", launched by Bolloré Transport & Logistics, as well as the acquisition of 38 new tank wagons between 2020 and 2021, thanks to the support of "private Cameroonian operators."

8 MW

On September 20, 2021, in Yaoundé, the United Nations Industrial Development Organization (UNIDO) presented the preliminary design studies for a project aimed at installing two mini-hydropower plants in the Litoral and the West.
Once the studies are submitted to the government, the plants will be built in Manjo (4.6 MW) and Bafang (3.4 MW) to boost the contribution of renewable energy sources in the country's energy mix.

34.7%

Cameroon exported 14,925 tons of aluminium in H1-2021, according to figures published by the national institute of statistics INS. Compared with the 22,869 tons it exported over the same period in 2020, this represents a 34.7% decline year-on-year.
The decline is due to the woes of ALUCAM, the only steel producer in the CEMAC region. The production decline recorded by the aluminium giant was more pronounced in H1-2021 than in H1-2020 when the coronavirus pandemic was raging at full force with unprecedented deregulation of foreign trades and important impacts on companies' operations.

THE MOST MODERN STEEL PROCESSING PLANT IN SUB-SAHARAN AFRICA WILL START OPERATIONS IN DOUALA IN OCTOBER 2021

German mechanical engineering firm SMS group GmbH recently launched the testing phase of Prometal 4, the most modern iron processing plant in the Central African region. The testing phase will be completed within four weeks, we learn.

«Everything will be set within four weeks and the plant will be ready for production. We are already planning the inauguration. However, we also have to complete the development of the access roads whose construction works will start shortly under the patronage of MAGZI,» an internal Prometal source explains.

So, by October 2021, Prometal 4 will be ready. It is the result of about XAF40 billion investment made by Prometal, leader of the Cameroonian metal market. Its construction works were launched in late 2018 and lasted three years. Once commissioned, it will boost the country's production capacity from 200,000 tons to 300,000 tons yearly, official sources claim.

Economic impacts

The plant will also make products like beams, angle irons, smooth bars, and screws as well as flat bars and wire rods, which are intermediate products used to manufacture nails.

Currently, except for two Maghreb countries, all the African countries import these products. Hence, with Prometal, Cameroon will be able to reduce its trade deficit on iron-based construction materials by close to 50%, we learn.

Prometal 4 will indirectly boost the revenues of its promoters' strategic suppliers. Those suppliers are notably electric utility ENEO that supplies close to XAF4 billion energy to Prometal yearly, and GDC that supplies about XAF1.6 billion worth of gas for the steel producer's operations.

At the same time, thanks to the new plant's operations, Prometal's tax contributions will rise and new jobs will be added. According to the general tax directorate, between 2010 and 2019, Prometal's tax contributions rose from a little over XAF500 million to XAF8 billion. For the company that regularly benefited from the government's support over the past ten years, these contributions exceed XAF10 billion yearly nowadays.

Brice R. Mbodiam

CAMEROON'S WEIGHT IN THE GLOBAL TRADE IN 2020-21

The African Continental Free Trade Area (AfCFTA) agreement officially came into force in January this year. The deal aims to make Africa a vast market that first benefits Africans, offering businesses on the continent a potential customer base of 1.3 billion.

The AfCFTA is touted as an endless opportunity for the development of intra-African trade. While other countries may be striving to tap into this potential, in Cameroon, the political discourse has not yet translated into concrete action.

In this edition, Business in Cameroon reviews the place of Cameroon in the international trade landscape. The analysis is based on the reports issued by the National Institute of Statistics (INS) on the country's foreign trade in 2020 and 2021. In addition to breaking the bias about Cameroon's trade partners, the INS data analysis reveals the challenges that still need to be overcome to build a truly robust Cameroonian economy.

Although Cameroon's economy is said to be «diversified», the largest share of the export earnings comes from a handful of products. Also, most of the country's exports are sold raw without any added value; more than 60 years after independence. INS data show that the Cameroonian economy is excessively oriented toward European and Asian markets, while opportunities are available closer to home, sometimes with fewer regulatory constraints. Another problem is that Cameroon has about 25% cultivable land but still imports huge quantities of rice to meet domestic demand. The country buys cargoes of fish every year to feed the population whereas it has more than 400 km of coastline, on which foreign fishermen operate. Ironically, Cameroon spends more than CFA100 billion every year to buy fisheries resources that are available in its waters. This weighs significantly on forex buffers, the deterioration of which has recently raised the spectrum of a new adjustment in the value of the CFA franc in the CEMAC region.

Brice R. Mbodiam

Cameroon's trade gap widened by 7.5% YoY in H1 2021

Cameroon posted a trade deficit of CFA744 billion over the first six months of 2021, according to the National Institute of Statistics (INS). This makes an increase by 7.5% compared to the same period a year before. "The widened trade deficit is due to a 15.4% increase in import expenditures over the period. Although export revenues grew by 21.5%, it was not enough to achieve a balance,» explains the INS. Export revenues over the period were CFA1,080 billion, while imports cost CFA1,824 billion for 5.07 million tons of goods purchased. This equates to a 15.4% increase in import value and a 17.8% increase in import quantity, compared to H1 2020.

Over the period reviewed, Cameroon mainly purchased fuels and lubricants (16%), chemical industry products (13%) including pharmaceuticals (5%), machinery and mechanical or electrical equipment (12%), rice (5%), wheat and meslin (5%). The country exports less but imports more, putting a strain on its foreign exchange reserves.

Export revenues grew by 21.5% YoY in H1 2021, despite Covid-19

Cameroon's export revenues jumped by 21.5% (CFA191 billion) YoY in the first half of 2021. The country collected CFA1,080 billion for 3.8 million tons of goods shipped to the international market, according to the National Institute of Statistics (INS).

«The increase in export earnings is attributable to improved sales of certain key export products. These are mainly crude petroleum oils - which increased by 30.7%, raw cocoa beans (34.2%), raw cotton (59.3%), sawn timber (6.6%), and logs (13.8%),» INS revealed. This good performance reflected the effectiveness of the measures deployed by the government to limit the impact of the Covid-19 pandemic on the economy.

Cameroon draws its export revenues from a handful of products. At the end of June 2021, only six items provided 80% of the overall export earnings. These include crude petroleum oils (39%), raw cocoa beans (13%), liquefied natural gas (9%), sawn timber (7%), raw cotton (7%), and logs (4%).

Cotton exports up 62% YoY in H1 2021

Cameroon exported a total of 76,202 tons of cotton over the first half of 2021. This makes an increase of 61.8% compared to the 47,099 tons sold in H1 2020, according to data from the National Institute of Statistics (INS). The higher volume of raw cotton sold on the international market was favored by the gradual return to normalcy in the global supply chain, after the disruptions caused by the coronavirus pandemic.

Internal documents of the Cotton Development Corporation (Sodecoton) revealed that at the end of May 2020, the company «experienced a delay in shipment of about 23,000 tons of cotton fiber» that led to a «drop of about CFA22 billion in turnover YoY and the increase in the cost of storage."

The post-pandemic period saw the sector begin a gradual recovery. Cotton exports in the first half of 2021 generated CFA70.8 billion in revenue, compared to only CFA44.4 billion in H1 2020. Over the period, cotton was the country's fifth-largest source of export earnings (7%), at par with sawn timber.

Pharmaceuticals and transport equipment weighed on import spending as of June 30

Between January and June 2021, Cameroon spent CFA1,824 billion to buy a little more than 5 million tons of products. According to the National Institute of Statistics (INS), this import expenditure, which is up in relative value by 15.4% year on year, mainly went into transport equipment and pharmaceutical products.

The two product categories, INS revealed, saw their spending grow by 94% during the period under review. Transport equipment alone saw its spending increase by 60% YoY over the period.

No specific reasons were given to explain the explosion of imports of transport equipment and pharmaceutical products. But, Cameroon has acquired and continues to acquire pharmaceutical products, including shots of Covid-19 vaccines and other medical products to fight the pandemic. At the same time, on January 1, 2021, the 5th phase of tariff dismantling under the Cameroon-European Union Economic Partnership Agreement (EPA) came into effect.

The deal provides for a 10% reduction in customs duties on vehicle imports. Since August 4, 2021, this tariff reduction has reached 20%.

The products Cameroon used to import remained relatively the same in the first half of 2021. Fuels and lubricants, equipment, and other food products constitute the largest imports. «The import bill consists mainly of fuels and lubricants (16%), products of the chemical industry (13%) including pharmaceuticals (5%), machinery and mechanical or electrical equipment (12%), rice (5%), wheat and meslin (5%),» INS reports.

Cameroon's top 5 foreign trade partners in 2020

Last year, Cameroon shipped its local products to more than 126 markets worldwide and collected total revenue of CFA1,813 billion. This result is down CFA579 billion, 24.2% year-on-year, according to data from the National Institute of Statistics (INS). However, despite the diverse nature of Cameroon's trading partners, INS says over half (52%) of its products were shipped to just five countries that year.

With 21.5% of the market share, China remains Cameroon's main trade partner. Better, the Asian country reinforced this position by gaining three percentage points in 2020. «The products exported to China are mainly crude oil (70.5%), liquefied natural gas (12.6%), raw wood (9%), and sawn timber (5.8%). These four products account for 98% of exports to China in 2020,» INS stated in its 2020 report on Cameroon's foreign trade.

In addition to China, the top 5 trade partners of Cameroon in 2020 were made of Italy, which took 10% of the country's exports, followed by the Netherlands (9.3%), Spain (6.8%), and Malaysia (4.2%). According to the INS, «three products account for nearly 91% of exports to Italy: petroleum oils (60.6%), crude aluminum (22.9%), and sawn wood (7.3%),» while exports to the Netherlands were mostly constituted of unprocessed cocoa beans (93%) and sawn wood (4%). Most of the exports to Malaysia were constituted of liquefied natural gas while the exports to Spain were relatively diversified.

In the same year, Cameroon spent CFA3,222 billion to buy products from the international market, down 16.5% from 2019. China came first receiving 17.5% of Cameroon's import spending. France followed capturing 8.7%, Belgium (5.6%), and India (5%). The U.S. completed the top 5 suppliers of Cameroon in 2020, with 4.4% of the market share.

«From China, Cameroon mainly imported machinery and electrical appliances (12%), machines and mechanical appliances (10%), iron and steel (8%), miscellaneous chemical products (7.8%), and cereals (7.4%). From France, Cameroon imported cereals, including wheat and meslin (16.8%), pharmaceuticals (13.2%), machines and mechanical equipment (8.4%), and machinery and electrical equipment (6.3%),» said the INS.

BRM

Though in surplus, Cameroon's trade balance with CEMAC neighbors fell by 9% YoY in 2020

In 2020, Cameroon recorded a surplus in its trade balance with neighboring CEMAC countries [Gabon, Congo, Chad, the Central African Republic, and Equatorial Guinea]. According to foreign trade data released by the National Institute of Statistics INS, the surplus was CFA95.7 billion, down by CFA9.5 billion (-9%) year on year.

«This change in foreign trades during 2020 was one of the consequences of the measures, like border closures and partial or complete lockdown, taken around the world to curb the coronavirus pandemic,» the INS explains.

Over the said period, the drop in trade surplus was driven by export earnings which fell by CFA23.2 billion (-14.7%) year on year, we learn. Specifically, those earnings dropped from CFA158.3 billion at the end of 2019 to CFA135.1 billion on December 31, 2020.

Overall, the CFA135.1 billion generated by Cameroon by exporting goods and services to its CEMAC neighbors in 2020 represented just 7.4% of its export revenues during the period. In the CEMAC region, Chad accounted for 3.8% of Cameroon's overall export revenues during the period. Next came Gabon (1.2%) and the Central African Republic (1.2%).

During the period, Cameroon's exports to CEMAC countries «was mostly constituted of soap and detergents (11.7%), iron or steel bars (10.5%), hydraulic cement (5.9%), Soups and broths and preparations (5.8%), etc.,» INS experts list, citing customs data.

Porous borders

According to INS data, revenues from export to CEMAC fell more than import expenditures did in 2020. Import spending stood at CFA39.4 billion in 2020, compared to CFA53.2 billion a year earlier, down CFA13.8 billion. At the same time, export revenues fell by CFA23.2 billion between the two periods.

In 2020, Gabon was the first supplier of Cameroon with 0.5% of the market share, followed by Equatorial Guinea (0.4%) and the Republic of Congo (0.3%). «The products imported by Cameroon from other CEMAC countries in 2020 are mainly made up of liquefied butane (48.2%) and animal and vegetable fats and oils (36.1%),» INS revealed.

The institute nevertheless remains cautious about the trade figures. As it reminds, with the porosity of the borders between CEMAC countries, some trade exchanges could go unnoticed by customs. Also, most of the products Cameroon exported to neighboring countries were food products and since such products are not taxed by importing countries, customs authorities could have failed to record some trades, INS believed.

BRM

Henri-Claude Oyima

"WE WILL SHOW THE DETERMINATION AND COMMITMENT OF THE BGFIBANK GROUP TO MAKE BGFIBANK CAMEROON THE SPEARHEAD OF THE NATIONAL ECONOMY"

Around a decade after starting operations in Cameroon, BGFIBank began, last month, building its social headquarters in the country. The 8-floor building will cost CFA10 billion and span about 2,572 m2. It is set to be completed before 2023. Besides this investment, the Central African leading banking group said it would increase its equity in the country. What motivates this commitment? Find the answer in this interview with BGFIBank's CEO.

Interview by Aboudi Ottou

Business in Cameroon: On September 21, 2021, you laid the first stone of BGFIBank Cameroon's headquarters, a project that costs CFA10 billion. How can this investment be understood, Knowing that you have been operating in the country for over 10yrs now?

Henri-Claude Oyima: Building a headquarters is based on ambition and a certain vision. First, it means we have confidence in the country, in economic actors, and above all in our commitment to establish sustainably. BGFIBank Cameroon is truly one of our success stories. Because after 10 years of existence, this bank is performing well and our objective in Cameroon is to be among the top two banks in the country, not only in terms of total assets but especially in terms of support for structuring financing, both private and public. This is why we had to send the

market a strong message and there could have been no stronger message than building a headquarters. The new headquarters reaffirms that we believe in BGFIBank Cameroon, in the employees and the general management team of this bank, as well as in all the other stakeholders.

BC: Regarding investments, you also plan to increase the bank's equity in Cameroon in the medium term. According to our information, in January 2021, you already increased it by 10 billion CFA francs and plan to add the same amount in 2023. What are your goals in this area by 2025?
HCO: We launched the bank's activities with an equity of 10 billion, which is the regulatory minimum. Now, we have increased it to 20 billion. And you are well aware that the more equity a bank has, the more it can support economic actors. Having already doubled our equity, we indeed plan to add about 10 billion more in 2023, bringing it to 30 billion. With 30 billion of equity in 2023, and a big headquarters that will be inaugurated, I hope before that date, we will show the determination and commitment of the BGFIBank group and the Board of Directors to make BGFIBank Cameroon the spearhead of the national economy.

BC: As part of the new business plan called «Dynamique 2025», launched in January 2021, you decided to make Cameroon your growth-driving unit in the CEMAC zone, alongside Gabon, which is your largest market (41% contribution to net banking income). Why Cameroon?
HCO: The group is currently present in 12 countries, organized into three regions. The first region is Gabon, which is the main growth driver given its history and contribution to the group's net banking income. The second region is Central Africa, where we have chosen two growth centers, Cameroon inclusive. The third region is West Africa, the Indian Ocean, and Europe. And there, the growth pole is Ivory Coast. You can see that we have chosen one or two growth centers in each region to drive the group's overall growth and guarantee its competitiveness.
Why Cameroon in the CEMAC? Because the Cameroonian economy is quite dynamic. There are well-established businesses that believe in the country and our pan-Africanist vision. That is to say that, today, more than ever, Africa can only develop with its resources.
Moreover, Cameroon has a population, including a market. There is an important depth, and the rate of banking is still low (around 12%). Nowadays, banks have the capacities, ours, in particular, to support every key project that Cameroonian authorities launch to improve populations' well-being. So, we want to support this move strongly.

BC: In Gabon where you already control more than 50% of the market, your growth margins reduced significantly. Isn't that also one of the reasons you want to develop your activity in Cameroon?
HCO: Given its size and dynamism, Cameroon is the natural market for expansion in the CEMAC zone. The BGFIBank group cannot ignore such a market that is full of opportunities.

BC: The main goal of the "Dynamique 2025" project is to raise the group's total assets from CFA3,500 billion in 2020 to CFA5,000 billion in 2025. What does this translate into in terms of net banking income, net profit, credit to the economy, deposits..?
HCO: Dynamique 2025 is an ambition, with objectives of performance and profitability. It has 5 pillars and 25 priorities. Dynamique 2025 is about expectations and obligations, and it integrates 4 business lines (corporate banking, commercial banking, private banking and asset management, and specialized financial services and insurance). I can confirm that the target is, indeed, to reach a total balance sheet of 5,000 billion by 2025, with a return on equity of at least 15%, a net operating ratio of no more than 55%, and a solvency ratio of at least 15%. These figures attest to the group's determination to be more resilient.

BC: In what ways do you expect Cameroon to contribute to the achievement of Dynamique 2025's goals?
HCO: As one of the group's subsidiaries, BGFIBank Cameroon is bound to meet, as much as possible, the same criteria of performance and profitability. As such, we expect this subsidiary to be more flexible and committed in the way it serves its customers. Finally, as a corporate citizen, BGFIBank Cameroon must collaborate more with all partners in materializing the group's CSR strategy.

BC: Another objective you clearly stated earlier is to become one of the top two banks in the country. To this end, you count on acquisitions. Is there already any ongoing acquisition move in Cameroon?
HCO: Until recently, the group's

"Our objective in Cameroon is to be among the top two banks in the country...This is why we had to send the market a strong message and there could have been no stronger message than building a headquarters."

policy was focused on setting up our various branches. Now, after 50 years of existence, we believe that we can seize any opportunity that comes our way, including acquisitions if necessary. We are attentive to any opportunity that the Cameroonian market has to offer, as well as in other countries where the group operates.

BC: To date, you claim 300 billion of investments. What are your objectives for financing the economy over the next five years?

HCO: Over the next five years, as we said, our goal is to support structuring projects. We are interested in basic sectors such as water, electricity, telecommunications, infrastructure and, in general, the processing of the raw materials. We are in a developing country with many opportunities.

BC: You often finance Société nationale de raffinage du Cameroun (Sonara). Since May 2019, this company has been on its knees and the government is looking for around CFA250 billion to bring it back on its feet. On what terms would you possibly support this revival?

HCO: We remain a strategic partner

"There are well-established businesses that believe in the country and our pan-Africanist vision. That is to say that, today, more than ever, Africa can only develop with its resources."

of Sonara, which is a vital tool for the Cameroonian economy. Obviously, as partners, we remain attentive to any request that we will examine with all the usual benevolence.

BC: Commercial Bank Centrafrique (CBCA) was acquired by the BGFIBank Group in September 2021. How much did you spend on this acquisition and what is your stake?

HCO: I can confirm that CBCA took the name of BGFIBank Central African Republic after BGFI Holding Corporation acquired a significant portion of the bank's shares. As such, BGFIBank Central African Republic is now subject to the same governance mechanisms as the other entities of the group.nent will surge rapidly with its adoption.

BC: You are now present in five Cemac countries. Only Chad is missing. Do you have any plans to go there?

As I said earlier, we are always on the lookout for opportunities that may arise.

PUBLIC MANAGEMENT

Douala-Bangui-Ndjamena corridor: Cameroon introduces single transit permit to save time and reduce hassles

Cameroon recently introduced the single transit permit for trips along the Douala-Bangui and Douala-Ndjamena corridors. This digital permit issued by customs authorities aims to certify that goods being transported through roads and railways are being conveyed to Chad or the Central African Republic. Ultimately, it helps economic operators save money and time since they will not pay clearance fees twice (in the origin and destination countries). Also, they will no longer have to declare their goods at the transloading points (Edea, Belabo, Ngaoundéré, etc...)

To oversee the permit, the memorandum N°334/MINFI/DGD of September 16, 2021, was issued; creating a mixed team constituted of customs and railway operator CAMRAIL's agents. Housed at the general directorate of customs, the mixed team will develop a data-sharing system between Camrail and the general customs directorate and oversee the development of a shared digital platform.

According to customs authorities, the team will monitor the development of the digital platform, and ensure the data shared complies with enforceable regulations. It will also carry out test runs to detect possible failures and suggest corrective measures, and then launch the platform to secure public revenues and facilitate transit operations on the corridors covered.

For the Ministry of Finance, which came up with the single transit permit idea, the collaboration between customs authorities and CAMRAIL will help reduce transit time with the transport of goods through railway lasting three days and transportation by road to borders lasting just two days. The Ministry explains that Cameroon chose such a traceable transit permit because it was noted that the existing transit regulations are not equitably applied, thus causing administrative problems that create extra financial charges for economic operators. These extra charges facilitate the introduction of huge quantities of uncleared goods to the local market. Such a situation causes a huge revenue shortfall for the public treasury and fosters unfair competition.

According to transporters unions, 78,000 trucks operate along the Douala-Ndjamena-Bangui corridor. These trucks transport close to XAF340 billion worth of goods to Chad and XAF55 billion worth of goods to the Central African Republic every year.

Cameroon: messy cash for jobs case hits telecom regulator ART

In a letter sent on September 20, 2021, state minister Ferdinand Ngoh Ngoh instructed Philemon Zo'o Zame, Director General of the Telecommunications Regulatory Agency (ART), to «release all the necessary data and useful information» that could help the national anti-corruption commission CONAC access the integrity of the recruitment the ART carried out in 2020.

This instruction of the state minister, who claims to be following orders from the President of the Republic, suggests that there are internal obstacles to the investigations being carried out by the CONAC within the ART. In February 2021, CONAC took action following accusations of corruption that marred the agency's recruitment. According to our sources, on February 24, 2021, Philemon Zo'o Zame first responded to a request for information from Dieudonné Massi Gams, president of the CONAC.

At the time, ART's internal sources inform, recruits reputedly close to senior officials were quietly integrated into the telecom regulatory agency's personnel. To recruit those new employees, the board of directors adjusted a list of 40 recruits invalidated in July 2020 by the Minister of Posts and Telecommunications (Minpostel), Minette Libom Li Likeng, because the names on the list were selected without test or respecting the organizational plan and the human resource need.

The genesis

This illegal recruitment case started in mid-2020 with a series of emails leaked on social media. In the emails, Simon Kaldjob, an ART board member, accused Justine Diffo Tchuinkam, Chairperson of the ART board, of receiving XAF5 to 6 million from some candidates to recruit them into the state institution.

The accused immediately responded with a correspondence to the Minister of Posts and Telecommunications. In the correspondence, Justine Diffo Tchuinkam requested a replacement for Mr. Kaldjob whom she accused of offering huge amounts of money to facilitate the recruitment of some candidates. While the two board members were passing the blame of who tried to facilitate the recruitment of some protégés into the institution, a new correspondence surfaced on social media. This correspondence sent to the secretary-general of the Senate was attributed to Philemon Zo'o Zame, director-general of the ART. In this letter that Philemon Zo'o Zame is denying (although some sources believe that he is the author), it is revealed that Justine Diffo Tchuinkam discreetly filled over 20 of the 40 open positions in the recruitment canceled by the Minister of Posts and Telecommunications.

The note adds that it is an open secret that Justine Diffo Tchuinkam collects between XAF5 and 6 million to recruit candidates to fill open vacancies in the ART. The information in the note reportedly sent by Philemon Zo'o Zame confirms the accusations of Simon Kaldjob, who was no longer convened to ART meetings after his denunciations (according to a letter from the Minister of Posts and Telecommunications).

Schools, roads, hospitals…: Sub-contracted public services also affect state firms' finances (official)

In Cameroon, apart from the huge debt and expenditures as well as lack of innovation and competitiveness, state firms' performance is also affected by the public service tasks they handle. This is the explanation provided by a document attached to the 2021 finance bill.

«As part of their operations, some state companies are required to bear the cost of public services, which should have been budgeted in the public investment budget. This situation affects the companies' finances,» the document reads.

The companies facing such a requirement are cotton development corporation SODECOTON, oil palm producer PAMOL PLANTATIONS, farming products' exporter CDC, rice producer SEMRY and the Upper Nun Valley Development Authority (UNVDA).

The public services they cover include road maintenance to facilitate access to their production zones, the construction and management of schools, clinics, and health centers, training and supervising researchers and farmers, building houses for some officials, as well as management of security forces.

SODECOTON, a notable case

For instance, SODECOTON claims to have built 26,000 kilometers of roads from its creation in May 1974 to date. Also, according to internal sources, it renovates close to 7,000 kilometers of rural roads every year in the country. SODECOTON obtained the government's promise to refund the expenses related to those public services but these refunds barely happen. The company is obliged to renovate the rural roads because the budgets dedicated to rural roads maintenance are significantly lower than the needs in Cameroon. «The budget allocated to the maintenance of rural roads and runways is about XAF10 billion, for a road network estimated by inventories to be over 100,000 km,» revealed former Minister of Public Works Patrice Amba Salla before the national assembly in June 2015.

This was the equivalent of XAF60,000 budget for every one kilometer of rural roads and runways at the time, in a country where the real costs of dirt road maintenance are estimated at XAF2 million per kilometer.

Cameroon to boost water access in the West with a US-backed project

On September 21, 2021, Minister of Economy Alamine Ousmane Mey signed a XAF3 billion loan agreement with Humaya Harati, Director-general of Export Finance-Deutsche Bank, for the feasibility studies of a water supply project to be carried out in Buea, Tiko, and Mutengene, Western Cameroon.
According to state media Cameroon Tribune, for the project, water utility CAMWATER has already obtained funding agreements from US investors.
«It is important for the US to support its firms that plan to invest in Cameroon to promote development and help provide basic needs to the population,» Humaya Harati praises.
The project consists of the extension of the water transport and distribution system, as well as increasing the storage capacity to boost drinking water access rates, which is currently 45% in rural areas and 77% in urban zones, according to the National Institute of Statistics.

Port of Kribi: South II customs sector collected close to 100% of its 2020 revenues in H1-2021

The South II customs sector covering the Kribi deep seaport collected XAF73.56 billion of customs revenues in the first semester of 2021, according to a review presented on September 8, 2021, by the advisory committee of the Port Authority of Kribi (PAK).
For the committee, those revenues collected within just six months almost equal the XAF78 billion the sector collected in the whole of 2020 and are over thrice the XAF19 billion the customs region collected in 2019.
«With such exponential rise in its customs' revenues, the South II customs sector becomes the second-largest customs earning provider in Cameroon, behind the Littoral I sector [ed. note: Littoral I covers Douala where the Port of Douala is located],» the PAK wrote in the newsletter it published on September 10, 2021.
This situation is proof of dynamic

foreign trade operations at the Kribi deep seaport, notably at the container terminal operated by the Kribi Conteneurs Terminal (KCT).
According to official figures, during the first six months of 2021, the operations of this French-Chinese consortium almost doubled from 10,999 (20-feet containers) handled in H1-2020 to 26,023 (20-feet containers) handled in H1-2021.

Yaounde commissions a fecal sludge treatment plant, a first step in its sectoral reorganization process

Yaoundé recently commissioned its first fecal sludge treatment plant, according to a release signed by its mayor Luc Atangana Messi. The €4.3 million (over XAF2.8 billion) plant was installed thanks to the support of the International Association of Francophone Mayors (AIMF).
According to the project's technical specifications, in Yaoundé, residents (over 3 million) mostly handle their sanitation tasks themselves. But, drainage services offered by the private sector are not at par because of the dilapidated state of the trucks used and the lack of treatment sites. As a result, fecal sludges are dumped outside the city, in slums, which are flood-prone areas, therefore exposing residents to significant health risks.
With the new treatment plant whose capacity is 200 m3 daily, those risks are mitigated. The Yaounde City Council, through its technical teams, will manage the plant with the assistance of Delvic-Era Cameroun, an engineering firm. At the same time, the city council will introduce innovations to improve the management and profitability of waste disposal. The aim is to regulate the industry, facilitate the entrance of companies interested in the industry by introducing a licensing system and developing monitoring and planning tools.
In that regard, Mr. Messi Atangana invited waste management companies to comply with the rules governing non-collective sanitation facilities' sludge removal, transport and dumping. So, each of the operators must obtain approvals, acquire a GPS-equipped emptying truck and a license. «The mayor is counting on each of the operators concerned for the successful reorganization of the sludge management industry in the capital city,» he said.

ECONOMY

Foreign trade: Togo became Cameroon's leading African supplier of petroleum products in 2020 (INS)

In 2020, Togo became Cameroon's leading African supplier and the 7th worldwide, according to figures published by the National Institute for Statistics (INS). During the said period, Togo accounted for 3.6% of Cameroon's overall imports, we learn.
However, «the figures need to be taken with utmost caution because the only products imported from Togo are fuel and lubricants», the INS comments. For the statistics institution, as Togo is neither a fuel and lubricants producer nor supplier, it could not have supplied 300,000 tons of products in this category to Cameroon in 2020. The fuels from Togo are not produced in the country. They are rather imported through the Port of Lome which is attractive to economic operators that use the port platform to receive diverse products from abroad and export them to various countries. Since the May 2019 fire outbreak that destroyed part of the plants of SONARA, Cameroon's only refinery, the country has been importing finished petroleum products for local needs. For instance, for the current Q3-2021, the government recruited traders who would supply 390,000 metric tons of petroleum products for the domestic market.

US hospitality giant Hilton announces a new hotel in Douala

American multinational hospitality brand Hilton announced, on September 20, its upcoming establishment in Douala, after its first hotel already built in Yaoundé. In that regard, the multinational signed an agreement with Société locale Nouvelle des Cocotiers (SNC) for the launch of its luxurious commercial brand DoubleTree by Hilton in Douala. According to the official schedule, the hotel would open in 2023, after several millions of US dollars are invested to renovate Douala Rabingha formerly owned by SNC.
«Hilton has a strong tradition of hospitality in Cameroon with over 30 years of operations in the country. I am delighted by this portfolio expansion and the launch of a second brand in this market. Through DoubleTree by Hilton Douala, we can be present in the country's economic capital in a well-established location that is well known to international visitors,» commented Andrew McLachlan, Managing Director for Development in Sub-Saharan Africa.
«Hilton is a well-established name in the hospitality industry in Cameroon. We are therefore proud to partner with them to redevelop this hotel and introduce DoubleTree by Hilton in Cameroon. After the completion of our exciting renovation plan, we are confident that the property will set a new modern and luxurious accommodation standard in the city of Douala,» added Mamoudou Fadil, SNC vice president.
Located in Bonanjo, Douala's business district, the new 141-room Hilton hotel is near several businesses and administrative buildings at some 6-km from the Douala International Airport. It will have five restaurants, including a specialty restaurant, an all-day restaurant, a panoramic bar, a lobby bar, and a café. The hotel will also have four individual meeting rooms and a ballroom, a spa and fitness facilities, as well as a playground.
The DoubleTree by Hilton brand has more than 18 properties in operation or under development in Africa but the global portfolio includes more than 600 hotels in 48 countries with destinations like Addis Ababa, Cape Town, and Nairobi.

Nachtigal Hydro Power Company commits to supporting vocational training in Cameroon

Minister of Employment and Vocational Training Issa Tchiroma Bakary recently signed a partnership agreement with Nachtigal Hydro Power Company (NHPC), the project company in charge of the 420MW Nachtigal dam, to support vocational training institutions under the Ministry of Vocational Training.
The agreement includes the promotion of the local labor force, youth employment, and micro-project financing in the project area. It occurs just weeks after Cameroon, through Minister of Water and Energy Gaston Eloundou Essomba issued a call for expression of interest for the elaboration of a human resources development strategy in the hydroelectricity sector.
The selected firm will elaborate a curriculum of courses covering the whole hydroelectricity value chain, identify the current training gap and future needs in the local electricity sector. It will also lay out a 20-year human resources development plan for the sub-sector.
For human resources experts, the human resource development strategy and similar initiatives like the partnership between the NHPC and the Ministry of Employment would help reduce the importation of hydroelectricity skills, reduce maintenance costs (because such expensive contracts are usually outsourced to foreign contractors), and guarantee the infrastructures are effectively maintained.

Penja Pepper: OAPI suggests actions to revitalize the sector affected by frauds, insecurity, and diseases

Several problems are affecting the smooth operations of the Protected Geographical Indication (PGI) label awarded to the Penja Pepper in Cameroon, the African Intellectual Property Organization (OAPI) reveals in a 2021 report assessing the project PPOV - aimed at Strengthening and Promoting the Plant Variety Protection System.
Despite the development potentials the Penja Pepper offers the local economy, several factors contributed to the decline the industry fell into since 2016. According to the report, those factors include repeated frauds, the continuous drop in the price of Penja Pepper in local markets [less than XAF10,000 per kilogrm], the tax pressure, insecurity in the areas covered by the geographical indication label, producers' disregard for the conditions of the PGI, farmers' credit access problems, climate change, and pepper diseases.
Consumers are scammed by sellers who sell other varieties of pepper as Penja pepper since there are noticeably no signs to distinguish fake Penja Peppers from real ones, the source adds. «Hence the interest of a logo to be stamped on the original products. Pepper can be grown everywhere but, because of its particular quality, Penja pepper has a higher value and must therefore be sold at a higher price, « the OAPI writes.
For the property organization, the main challenges for the group in charge of the Penja Pepper label are to revitalize the sector, boost producers' access to profitable markets and fight frauds and counterfeiting both inside and outside Cameroon.
«To meet those challenges, Denis Bohoussou, Director-General of OAPI, and Rene Claude Metomo, President of the Group of Protected Geographical Indication (PGI) Penja Pepper producers, signed a performance contract for the implementation of the geographical indication's plan on January 28, 2020,» the OAPI informs.
The performance contract has two main goals: strengthening the technical and financial autonomy of the GR-IGPP and the Penja Pepper Sorting and Packaging Center (CAC), as well as ensuring the development of the Penja Pepper Protected geographical indication by attracting small farmers into the sector.
The Penja Pepper Protected Geographical Indication label was awarded by the OAPI in 2013. The GR-IGPP ensures the geographical indication conditions are met to guarantee the quality of the Penja pepper. According to the Bangui agreement creating the OAPI, «Geographical Indication («GI») is a sign which identifies goods as originating from a specific locality or region in a country, given that the quality, reputation, or other characteristics are essentially attributable to the specific locality or region.»

Cameroon: Rice imports rose 23% YoY in H1-2021

During the first six months of 2021, Cameroon imported 319,330 tons of rice, according to recent figures published by the national institute of statistics INS. This is up by 59,038 tons (23%) compared with the 260,292 tons of rice imported during the same period in 2020.
To import such volume of rice in H1-2021, the country spent XAF86 billion, up by over XAF15 billion (21%) compared with the XAF70.9 billion it spent on rice imports in H1-2020. These imports that affect the country's trade balance usually benefit neighboring countries.
According to the INS, a significant share of the rice imported by Cameroon is fraudulently reexported to neighboring countries. «The local production is estimated at 217,280 tons and demand at 757,000 tons. Supposing that households' consumption habits have not changed significantly between 2018 and 2019, there is a close to 332,300 tons gap between supply and demand. This gap valued at about XAF87 billion can be explained by the fraudulent re-exportations to neighboring countries,» the INS previously explained in its 2019 report on Cameroon's foreign trade.
In its recent report on the strategic positioning of cereals and by-products processing, the Enterprises Upgrading Office BMN revealed that 70% of Cameroon's rice production is exported to Nigeria because of logistics issues as well as the quality of the rice produced (there is a high percentage of impurity and broken sediment in Cameroon's rice).

CIMENCAM calls for measures to help cope with additional production costs generated by the health and economic crisis

Yesterday September 14, 2021, in Yaoundé, Minister of Commerce Luc Magloire Mbarga Atangana granted an audience to a delegation of LafargeHolcim Maroc Afrique (LHMA), the majority shareholder in CIMENCAM, one of the main cement producers in Cameroon. During the audience, the delegation, led by LHMA's President and CEO Xavier Saint-Martin Tillet, informed that because of the rise in international clinker prices, cement prices should normally go up by XAF1200.
Due to the rising clinker prices, CIMENCAM is currently facing between XAF2 to 3 billion additional expenses monthly. If we were to pass those expenses, the price of a cement bag would exceed XAF6,000. We have come to exchange with the Minister of Commerce on how we can reduce part of those additional expenses via tax incentives or even by passing part of the expenses onto cement prices. (…) The issue here is how we will manage the additional production cost of XAF1200 per bag of cement,» declared Xavier Saint-Martin Tillet.
«Cement production costs are fluctuating due to health and economic constraints. We are here to discuss how the government can help the company continue to produce cement at acceptable prices,» added Yves Mbele Ndoe, Chairman of CIMENCAM's administrative board.
On September 2, 2021, the Minister had contacted the World Trade Organization, through correspondence sent to its director-general Ngozi Okonjo-Iweala. In his correspondence, the official reported the unprecedented deregulation of international trade. *«For instance, between January and June 2021, the prices of clinker, rebar, and gypsum rose by 100%, 95.54%, and 60% respectively, compared with their rates during that same period in 2020. At the same time, the prices of wheat, soybean, and corn rose by 31.6%, 6%, 73%, and 98.4% respectively and maritime freight rates rose three folds,»* Luc Magloire Mbarga Atangana wrote.
So, *«in the future, price adjustments could come into play, notably in the construction material industry where the last price controlling measure was issued over ten years ago in a much different context,»* he added.
For the time being, the government is maintaining the official price of XAF4,900 per 50-kg bag in Yaoundé and XAF4300 in Douala where CIMENCAM has its main plant.

FINANCE

BEAC: Cameroon to raise XAF275 bln in the debt market in Q4-2021

Cameroon plans to issue XAF275 billion of public securities in the Bank of Central African States (BEAC) market in the fourth quarter of this year. According to credible sources, the securities issued will include both short-term bills (up to 52-weeks maturation period) and long-term bands (between two and ten years maturation period). The amount raised will fund investment projects and help deal with the country's cash flow needs.

Specifically, with six issuance operations, Cameroon plans to raise XAF120 billion of short-term financing and XAF155 billion of long-term financing. It should not be that hard for the country to raise the funds it is expecting from the said market.

Recently, Sylvester Moh, Director-General of the Treasury, revealed that the bid-to-cover ratio for Cameroon's securities in the BEAC market usually averages 120%; meaning, for every XAF100 sourced in the market, the country usually receives a XAF120 offer.

Central Africa: Afreximbank opens its regional office in Yaounde, Cameroon

On September 22, 2021, the African Export-Import Bank (Afreximbank) opened the doors of its new Yaounde office to the media as a prelude to the official inauguration coming up on September 24.

The office, which will serve the Central Africa region, is temporarily located at the headquarters of the national social security fund CNPS. «The new office covers Cameroon, the Central African Republic, Chad, Congo, the Democratic Republic of Congo, Equatorial Guinea, and Gabon. The creation of an Afreximbank regional office for Central Africa is in line with the Bank's growing geographical coverage. The new office brings to five the number of Afreximbank regional offices across Africa,» the Bank indicates.

The headquarters agreement of this new office was signed in Yaounde, on December 13, 2019, by Lejeune Mbella, Cameroonian Minister of External Relations, and Okey Oramah, CEO of Afreximbank.

In the medium term, the Central Africa Regional Office is expected to strengthen the financial services sector by improving and expanding the region's access to affordable and competitive financing and advisory services for a range of local banks, exporters, importers, and domestic investors.

« Afreximbank intends to open over $500 million of consumer and refinancing lines to banks over the next five years. With the new office, we plan to quintuple the bank's interventions in the Central African sub-region to $5 billion [XAF2,799.8 billion] in the next three years. The bank will increase the number of institutions that will benefit from credit facilities in the region. Currently, four banks have benefited from our credit facilities. We plan to increase it to 15 banks in the next two years,» said René Awambeng, head of client relations for Afreximbank.

The new office's permanent headquarters will be located in Etoudi, on a 5,000 m2 site. The dimensions of the building have not been disclosed yet but information has it that it will include a world-class hotel, a business information center, a conference center, and a trade center.

CEMAC: BEAC launches another liquidity withdrawing operation to combat inflation

Today September 21, 2021, in the CEMAC region, the Central bank BEAC launched an operation aimed at withdrawing liquidity from the regional financial system.
According to the central bank, the credit institutions concerned by this operation are those qualified as capital providers on the money market and those that have not requested refinancing from the BEAC in the twelve months before the operations.
Through this operation, the BEAC intends to withdraw XAF100 billion of liquidity from commercial banks with excess liquidity, an official release informs. According to experts, when a bank has excess liquidity it could inject more money than it should into the economic circuit, therefore, facilitating inflationary pressures.
The liquidity absorption operations were suspended in March 2020 and replaced by liquidity injections to support the CEMAC banking system and boost financing to economies amid the coronavirus pandemic.
This resumption of liquidity absorption operations indicates that the coronavirus pandemic's impacts on CEMAC economies are easing. Even an economic recovery is forecasted for 2021 after the recession recorded in 2020.

Cameroon: BGFIBank announces 2-fold plan to overrun competition

BGFIBank will build its national headquarters in Douala, Henri-Claude Oyima, CEO of BGFIBank group indicated yesterday September 15, 2021, during an interview with local media EcoMatin. «Next week [ed. note: the week of September 20-26, 2021] we will lay the foundation stone of our Cameroonian headquarters in Douala,» the executive declared.
According to Henri-Claude Oyima, the construction of that headquarters is part of the third pillar of Dynamique 2025, the group's project aimed at achieving a total net worth of XAF5,000 billion by 2025 against XAF3,500 billion at end-December 2020.
In the framework of the project, apart from the projected headquarters, BGFIBank will invest in information technologies and boost its equity in Cameroon. In January 2021, the group increased its capital from XAF10 to 20 billion. In 2023, the group is expected to increase it again to XAF40 billion.
«Cameroon is a pole of growth and as such, we will develop our strategy to overrun the competition. Our aim is not to stay static but to be the top 3 in the Cameroonian market. To fulfill that ambition, we have a two-fold plan: performance improvement and acquisitions,» Henri-Claude Oyima explained.
BGFIBank entered the Cameroonian market in 2011 but currently, it is officially the fifth leading bank behind Afriland First Bank, Société Générale, Bicec and Société commerciale de banque du Cameroun.
«Within 10 years in Cameroon, BGFIBank illustrated itself with major achievements in social, energy, and industrial infrastructure with a cumulated investment now in the XAF200 billion mark,» declared Abakal Mahamat, MD of BGFIBank Cameroon when signing a XAF100 billion funding agreement with electric utility ENEO and eight local banks.

AGRIBUSINESS

Cameroon: Prodel injected XAF10 bln in 88 projects in Jan-Sep 2021

The World Bank-backed Livestock Development Project (Prodel) recently published its activity report covering the first nine months of 2021. From the report, it appears the project funded business plans to the tune of XAF10.12 billion. The World Bank contributed XAF6.06 billion, against XAF2.62 billion by partner financial institutions and XAF1.44 billion by beneficiary producer organizations.

Overall, 88 business plans out of the 131 validated were financed, representing a 67% achievement rate, Prodel explains.

According to the World Bank, thanks to Prodel, producers were able to improve and increase their milk production capacities, access veterinary services, and obtain quality inputs. Also, some cattle owners now produce close to 100 liters of milk daily.

Out of the US$134.15 million (close to XAF78.4 billion) approved on October 27, 2016, by the World Bank's administrative board for the project, over US$100 million (XAF58.5 billion) have already been committed. Meanwhile, the project is scheduled to end on January 31, 2023.

CEMAC: Coffee and cocoa boosted agricultural products' export price index in Q2-2021 (BEAC)

The prices of agricultural products exported by CEMAC countries in the second quarter of 2021 rose by 1.8%, down from 2.2% in Q1-2021, according to the Bank of Central African States (BEAC).

This improvement in the prices of agricultural products was mainly due to four products. They are namely coffee, sugar, palm oil, and cotton.

«Coffee prices rose by 10.0% to $2.89/kg in the second quarter of 2021, compared with $2.62/kg in the previous quarter, owing to the drop in production because of poor weather conditions in Brazil (the world's leading producer) and the social protest in Colombia (the world's third-largest producer),» BEAC explained.

At the same time, sugar prices rose by 8.3% quarter-on-quarter, compared with 6.7% for palm oil and only 1.7% for cotton whose prices rose by 16.2% in Q1-2021.

Kribi to soon host two plantain production and fish-farming clusters

In the framework of its far belt project in Kribi, the host town of a deep seaport, agroforestry cooperative Coop CA AIO is currently planning to create two plantain production and fish-farming clusters in the town.
For that purpose, Samuel Tony Obam Bikoue, chairman of the cooperative's board, recently issued a call for expression of interest for people who want to invest in the farm belt. Specifically, Coop CA AIO will sell lands to the investors with a 10-year amortization plan.
«This offer is valid only if the buyer commits to producing only plantain and farm fish on the land during the [10-year] amortization period,» indicates Samuel Tony Obam Bikoue. The cooperative will also sell high-yield seeds, quality fish fries, and fertilizers to the investors. Also, it will offer services like business plan development as well as business incubation.is November 2018, while presenting the farm belt project, the then Minister of Agriculture Henri Eyebe Ayissi indicated that it aimed to feed the growing population in Kribi, which has become the «new eldorado for port activities, industries, and tourism, with the possibility to create thousands of jobs.»
The project is also aimed at ensuring that enough quality Cameroonian farm produce are exported through the deep seaport, as well as establishing processing units in the port's industrial area to process the products from the belt.
At the time, Henri Eyebe Ayissi estimated the funds needed for the project at XAF5 billion. Overall, the project is expected to create 7,500 jobs within five years, at the rate of 1,500 rural jobs yearly.

Cameroon: The western region brings its African swine fever outbreak under control

On September 14, 2021, Awa Fonka Augustine, governor of the Western region, signed a decision terminating restrictions on the transportation and commercialization of pigs and by-products in the region. According to the governor, the decision was issued because of the respite in the African Swine Fever outbreak in the West, which is one of the largest pig farming regions in Cameroon.

«All of the analysis of Laboratoire national vétérinaire (Lanavet) were negative in Yaounde,» Bernard Souop Ngeutchouessi, chairman of the western region pig farmers association, told Cameroon Tribune. In short, the African Swine Fever outbreak seems to be under control in that region.

The decision just issued by the governor, after three months of suspension, will immediately revive the regional pig farming industry, therefore, guaranteeing supply for the coming end-of-year celebrations.

The African Swine Fever was officially declared in the region in June 2021. Within four months, it caused the death and the slaughter of 90,000 pigs out of the 400,000 in the West.

Cameroon fine-tunes a draft law on organic agriculture

From September 9 to 10, 2021, in Yaoundé, a workshop was organized to pre-validate the draft bill governing organic agriculture in Cameroon. Presided by Minister of Agriculture Clémentine Ananga Messina, this workshop was aimed at collecting the proposals of some actors to advance the draft project.

Once finalized, the project being carried out by the Cameroonian government, in collaboration with the German Cooperation Agency GIZ, will formalize organic agriculture in Cameroon but it will also open new avenues given the growing demand for those types of products in Africa.

«In Africa, a small number organic agriculture data is recorded in official statistics. Yet it is increasingly present in local and export markets. African consumers' demand for those types of products is rising, providing a dynamic economic opportunity,» CIRAD explained in a paper titled *«l'agriculture biologique en Afrique : un levier d'innovations pour le développement agricole»* (Organic agriculture in Africa : A source of innovation for agricultural development).

According to the CIRAD, organic farming reduces the negative impacts of agriculture on the environment and health since there is no chemical input in the production process. Organic farming *«improves the sustainability of the agricultural system. In some circumstances, its specific techniques can improve farm productivity even though yields are lower than the average recorded for mainstream agriculture.»*

Despite its advantages and the growing demand, organic farming is still not promoted in Africa. According to the International Federation of Organic agriculture IFOAM and Research Institute FIBL, organic farms cover just 1.2 million hectares in the continent, representing just 0.2% of its cultivated areas.

ENERGY

Cameroon: ENEO's cashflow problems force energy rationing in the Northern regions again

On September 26, electric utility ENEO resumed with energy rationing in the three northern regions of Cameroon, an official release informs. According to the utility company, the rationings were resumed because of the worsened hydrological drought that substantially reduced production at the Lagdo dam. The situation got worse because of ENEO's inability to supply diesel to thermal plants in the three regions. «The cash flow problems facing the electricity sector are the result of unpaid bills accumulated by some large state companies and the non-payment by the government, of the weekly XAF1 billion that usually covers the current expenditures,» ENEO explains.

According to documents seen by Business in Cameroon, as of May 31, 2021, the debt owed by the government to ENEO was XAF163.073 billion. As at the same period, ENEO was still claiming XAF44.524 billion from state companies making it a total of XAF207 billion owed to ENEO by state companies and institutions.

Due to that important debt, the electric utility explains it is currently unable to supply fuel to thermal power plants in the northern regions where the «significant and regular cash flow needs" are constantly growing and logistics is complex.

In late 2020, a correspondence between the Minister of Water and Energy and ENEO estimated the cost required to apply fuel in thermal power plants in the northern regions in 2021 at XAF30 billion, XF18 billion more than initial projections.

Solar plants

With the transfer of 20MW of thermal energy generation capacity from Ahala to Garoua (12MW) and Ngaoundéré (8 MW) in January 2021, the fuel costs needed for the northern region rose by XAF3 billion monthly, authorized sources explain.

To mitigate the energy deficit that is affecting households and businesses in the three northern regions, ENEO plans to inject 30MW of solar energy into the North Interconnected Network (NIN) as of January 2022.

To achieve such ambition, the electric utility hopes it will quickly finalize energy production contracts with Norwegian company Scatec, with the support of the government.

Officially, Scatec will install modular solar power plants leased by the government for four years. The cost of the lease has not been disclosed but it is expected to reduce power outages by 98% in the Northern regions.

Minister of Water and Energy Gaston Eloundou Essomba says the modular power plants will reduce fuel expenditures needed to run thermal power plants in this part of Cameron by XAF5 billion over the first nine months of operations.

CEMAC: China's economic recovery boosts the price of energy products exported by member countries

In the second quarter of 2021, the prices of energy products exported by CEMAC countries (oil and gas namely) rose by 12.2%. According to a report published by the Bank of Central African States (BEAC) on September 21, 2021, this price acceleration is a little below the +35.5% recorded during the previous quarter.

Specifically, in Q2-2021, the price of a barrel of crude oil appreciated by 13.1%, against 9.3% for natural gas.

"This improvement in the prices can be explained by the strong revival of the economy of China (world-leading oil importer) and the decision taken in early June 2021, by the Organization of the Petroleum Exporting Countries (OPEC) and Russia to maintain the strict quat policy implemented last year," the BEAC wrote in its report.

Even though the price increase was lower than the Q1-2021 level, it nevertheless boosted the member countries' foreign reserves and provided much-needed financial resources for the five oil producers in the community. Indeed five out of the six-member countries produce oil and four of them (Congo, Equatorial Guinea, Chad, and Gabon) mostly depend on oil exports for their public revenues.

Energy frauds: ENEO announces nationwide inspection of electrical installations

Electric utility ENEO announces a nationwide operation aimed at inspecting electrical installations. According to the company, this operation is organized as part of its energy fraud combatting efforts.

«The main objective of this operation is to secure the electricity network and to control clients' installations in accordance with Article 13 of the Public Electricity Distribution Service regulation in Cameroon. (...) The fight against the illegal use of electricity preserves the general interest. Eneo Cameroon is eager to have everyone involved. When an inspection team comes to your doorstep, please cooperate to facilitate the operation,» ENEO pleads.

The electric utility also invites users who are knowingly in irregular situations to get in touch with its branches to normalize their situations and avoid inconveniences that can go as far as legal proceedings.

According to the utility company, 30% of the energy distributed in Cameroon is used by fraudulent networks causing about XAF60 billions of losses yearly. Such practices thus deprive the energy sector of much-needed resources, that could have been invested to improve service quality, while at the same time endangers lives and properties.

Chollet dam (600MW): Project launch still delayed by fundraising problems in Congo (official note)

For four years now, the 600MW Chollet hydroelectricity project remain stagnant, according to a joint note published by the Cameroonian Ministry of Energy and its Congolese peer.

This is due to the fundraising problems experienced in Congo, the note explains. *«Since 2017, the Ministry of Energy and Hydraulics of Congo has taken the necessary steps to raise the funds included in the 2017, 2018, 2019, and 2020 state budgets. Unfortunately, all these efforts have remained unsuccessful. The Ministry of Finance and Budget has not, to date, followed up on the many promises made to representatives of the Ministry of Energy and Hydraulics and the project management (...) The problems faced by the Congolese party have therefore blocked the ambitions of the project. This situation does not allow the timely implementation of all the decisions taken by the Inter-State Steering Committee and our two countries' expectations. To honor its dignity, the Congolese party must try to release the financial resources included in the state budget year after year for the project. The proper implementation of the project depends on the Ministry of Finance and Budget's decision to release the funds allocated to this project. It is the sine qua non for the Cameroonian party to transfer the funds to the Project account opened at the Congo Postal Bank in Brazzaville,* « the note reads.

The counterpart fund to be provided by Congo is to fund the stationing of project staff in Brazzaville, Congo. However, since the appointment of officials (director and deputy director) in 2016, the experts and Cameroonian staff can not move to Brazzaville because the Congolese party has not released its counterpart funding. Even the project headquarters built by Société énergie électrique du Congo is still not equipped.

Meanwhile, Cameroon claims to have effectively transferred XAF390 million to the project account opened at UBA Cameroon via its sinking Fund CAA between 2015 and 2018. Later, in May 2019, XAF200 million was transferred to the same account making a total of XAF590 million. When the account was closed on February 28, 2020, the remaining balance was XAF381.86 million. That balance was transferred to a new project account housed at the Bank of Central African States (BEAC). In early September 2021, the balance of the project account housed at the BEAC was a little below XAF100 billion since part of the opening balance was used to fund expert meetings, inter-state committee sessions, and tender procedures.

Nevertheless, on June 24, 2021, China Gezhouba Group Company was selected as the developer of this project whose costs are estimated at XAF354 or 670 billion depending on the development option that will be implemented. The energy produced will supply Cameroon, Congo, and the Central African Republic.

CEMAC: Equatorial Guinea meets with Cameroonian authorities to boost cooperation in the hydrocarbons sector

Equatoguinean Minister of Mines and Hydrocarbons Gabriel Mbaga Obiang Lima was granted an audience on September 13, 2021, by Paul Biya, President of the Republic of Cameroon.
According to the Presidency of the Republic of Cameroon, the ongoing discussions will lead to an enhancement of cooperation between Cameroon and Equatorial Guinea in the hydrocarbons sector. The Equatoguinean emissary explained that he came to present his country's new initiative to boost trade with other African nations and at the same time request President Paul Biya's approval. Without much detail, he informed that the Cameroonian president deemed the initiative beneficial for economic development during these challenging times.
Cameroon and Equatorial Guinea are convinced that in the CEMAC region, economic development requires an enhancement of commercial exchanges between member countries and their African peers, Gabriel Mbaga Obiang Lima explained.»We cannot always depend on trade exchanges with the USA, Europe, and Asia. We need to develop intra-regional trades,» he added.
According to the official, Cameroon is not the only country targeted by Equatorial Guinea for the enhancement of cooperation in the hydrocarbons sector. For instance, he said, his country recently chartered a vessel to send methanol to Gabon and negotiations are ongoing to import oil and gas from Nigeria to Equatorial Guinea.

Cameroon: National Hydrocarbons Corporation SNH announces investment in the renewable energy industry

In its recent periodical, the National Hydrocarbons Corporation SNH announced its ambition to exploit development opportunities in the renewable energy sector. The corporation provided no further details on the investments projected but it stresses that it is in line with its 2020-2024 strategic plan.
Should the project come to fruition, it will mark the start of diversification in this state-owned company, which is currently focused on hydrocarbons management. In Cameroon, the renewable energy industry is nascent. According to UNESCO, the country has an important renewable energy potential with outstanding solar and biomass resources. However, energy access is still low, in rural areas notably. In the North and the Far North, that low energy access is more pronounced with just 22% of electrification rate and over 95% of households using wood fire for cooking purposes.

COCOA KING NDONGO ESSOMBA CEDES HIS ASSETS TO US CARGILL'S LOCAL DEALER TELCAR COCOA

Jean Bernard Ndongo Essomba (photo), one of the first Cameroonians to enter the cocoa industry, discreetly sold his business to Telcar Cocoa, a local dealer representing US firm Cargill, authorized sources reveal.

«The deal was sealed weeks ago after months of negotiation. I think it was concluded before the 2021-2022 cocoa campaign [ed. note: the season was launched in Kekem last August 10],» a source close to the case informs.

«In Yaoundé, you can notice that one of Ndongo Essomba's warehouses is already adorned with Telcar Cocoa's colors,» a cocoa operator points out.

The value of the transaction has not been disclosed but this operation comes as no surprise. About three years ago, there were rumors that Jean Bernard Ndongo Essomba was planning to sell his assets in the cocoa industry. Around that period, there was a slowdown in the operations of the dealer who was, for a long time, part of the top 3 actors in the Cameroonian cocoa industry - behind Telcar Cocoa and Olam. Overall, during the 2010-2021 season, Ets Ndongo Essomba was absent from the top 4 of the leading actors in the market.

A chapter of Cameroon's cocoa dealing history is thus concluded. With the dealer's withdrawal from the market, Telcar Cocoa is now the undisputed leader of the cocoa industry in Cameroon. During the current 2021-2022 cocoa season, the company will surely buy more cocoa than the 67,835 tons (representing 22.1% of the overall production) it bought in the previous season. By acquiring Ndongo Essomba's cocoa assets, Telcar Cocoa will consolidate its competitive position in the Central region. Indeed, that region, which became the leading cocoa producing area after the start of the separatist crisis in the South-west [ed. note: the South-western region was Telcar Cocoa's favorite market], was Ndongo Essomba's main market.

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