

# BUSINESS IN CAMEROON

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



**Forget cash,  
Cameroonians are  
in on e-money!**



**Erwan Garnier:**  
"Clearly, the  
Cameronian  
hospitality  
sector will  
develop"



**State pays back CFA100 billion of  
loans**

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Yasmine Bahri-Domon,



# To those who have, more will be given...

The IMF recently announced it would be sharing the equivalent of \$650 billion to help some of Member States cope with the lingering Covid pandemic and repair the economic damage it caused.

Logically, one would think that this help would be given primarily to countries that lack the means to vaccinate their people. One would naturally expect that these providential billions would first be allocated to countries that suffer from limited and costly access to international financing.

But no, that is not the case.

The (very) large part of these monies will go to countries that have already vaccinated a large part of their population and which can readily access capital, almost at no cost.

Indeed, the IMF aid will be distributed proportionally to the quotas contributed by Member States - this corresponds roughly to the economic weight that

each of these States had in 1944, at the end of the Second World War.

Africa, thus, will get only 5% of the facility, or about \$25 per capita. On the other hand, giants like the US, France, and the UK will respectively get \$342 per capita, \$407 per capita, and \$409 dollars per capita. Surprisingly, however, Africa is not the worst off in this deal. It is India, which will have to make do with barely \$13 per capita.

Fortunately for poor countries, there are still some good samaritans who realize that something is not quite right with this deal. These include notably Canada, France and the UK which are proposing to give up 20% of what they will get to the least favored nations. There is also Japan, which, though less generous, is considering giving up 10% of what it'll receive. Will they be heard?

Meanwhile, most other rich countries appear to still be considering if they should show the same "kindness" or not...





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## BUSINESS IN CAMEROON

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## MONTHLY STATISTICS

### XAF215.4 billion

Currently, the Federal Republic of Germany's project portfolio in Cameroon is about €329.1 million or XAF215.4 billion. The figure was revealed by the Minister of Economy Alamine Ousmane Mey on October 18, in Yaoundé, when the two parties (Cameroon and Germany) were signing the report of consultations held in June 2021.

This signing is a prelude to the intergovernmental negotiations to be held from November 23 to 24, 2021 in Yaoundé between the two countries, we learn. During the negotiations that usually lead to more funds for new programs and projects to be financed by the German cooperation in Cameroon, new resources will surely enter the partner's project portfolio in Cameroon.

### 9 000 tons

Bolloré Transport & Logistics Cameroun (BTL) recently unveiled an impressive logistics plan in the framework of special cotton transporting operation. The said operation aims at transporting 9,000 tons of cotton from the production site to the shipping site at the deep seaport of Kribi (Cameroon) on behalf of Coton Tchad and Sodecoton, respectively Chad and Cameroonian state cotton development corporations.

Specifically, 164 lorries will transport the cotton from Moundou (Chad) to Kribi (1516 km) and from Garoua (Cameroon) to Kribi (1399 km). The logistics company also prepared 348 containers to load the cotton whose final destinations are Bangladesh, India, and Indonesia.

According to Bolloré Transport & Logistics Cameroun, the special operation was organized thanks to its new logistics base established in Kribi.

### 3.4%

Cameroon exported 140,731 tons of bananas between January and September 2021, according to figures compiled by the Banana Association of Cameroon (ASSOBACAM). Year on year, the performance is up by 4,683 tons (+3.4%) compared with the 136,048 tons it exported over the same period in 2020. The slight improvement in volume exported is due to the resumption of state agribusiness CDC's operations.

Indeed, CDC returned to the market in June 2020, after an 18-month interruption. From that point to end-September 2020, it only exported 3,491 tons of bananas. However, from January to September 2021, it exported 12,774 tons, up by 9,283 tons year over year.

### 5 000

On September 29, 2021, in Yaoundé, during a workshop organized to revive the banana sector that is one of the main export earning providers in Cameroon, Franklin Ngoni Njie, director-general of state firm Cameroon Development Corporation (CDC), presented his company's financial health.

"Because of CDC's business disruption, close to 5,000 workers have been made redundant. For the state, their absence in the banana sector means a close to XAF35 billion drop in foreign earnings yearly," Franklin Ngoni Njie said, revealing CDC's inability to recover from the sociopolitical crisis rocking the Cameroonian anglophone regions since 2016.



## COMPANY OF THE MONTH

# ALUCAM ADDS 8-15% TO ITS SELLING PRICES DESPITE MAIN SHAREHOLDERS' OPPOSITION TO PRICE INCREASES IN CAMEROON



On October 1, 2021, aluminum producer ALUCAM issued a new price grid effective October 4.

According to the note, a kilogram of 0.35 mm metal panels is now XAF2,224 all tax included against XAF2,355 all tax included for 0.5-0.7mm panels.

From April 2021 to the new prices effective date, the kilogram of 0.35 mm panel was XAF2,045 all tax included while a kilogram of 0.5-0.7 mm panels was sold at XAF2,051 all tax included. This reveals respective price increases of XAF173 (+8.4%) and 310 (+15.1%) per kilogram of 0.35 mm and 0.5-0.7 mm panels.

Through this new price list, ALUCAM is implementing a decision that was supposed to be effective since July 12, 2021, before its suspension for "administrative reasons" related to its 'internal operations'. This time, instead of the 8% price increase announced

on all of its products, ALUCAM hiked the price per kilogram of 0.5-0.7mm metal panels by 15%.

This price increase occurs in a context marked by a global rise in the prices of raw materials (+60.87% within a year) and freight costs (+166% between 2019 and 2021). This greatly affected the prices of alumina (+52% between July 2020 and July 2021), ALUCAM's raw material.

### **Decline in exports**

Above all, the price decision taken by ALUCAM occurs at a time when the government is going all out to prevent price increases in sectors affected by global inflationary pressures. For instance, for months now, cement and rebar producers have been requesting authorizations to change prices. But, the government is still opposed up to now.

For some operators in the construction materials sector, the decision

issued by ALUCAM will expose the whole sheet metal marketing chain to speculation with rising retail prices as a consequence.

The price change nevertheless appears critical for the survival of ALUCAM which has been ailing since 2015 when its strategic partner Rio Tinto Alcan divested. According to figures published by the Bank of Central African States (BEAC), ALUCAM's exports dropped by half in 2017. Also, the state firm is unable to regularly pay its energy bills.

In 2021, despite the economic recovery in Cameroon after the havoc wreaked by Covid-19, the outlook is not promising for ALUCAM. In the first half of 2021, its exports dropped by 34.7% year on year, according to the report on Cameroon's foreign trade published by the National Institute For Statistics (INS).

Brice R. Mbodiam



# THE RISE OF ELECTRONIC MONEY

Digital economy. For over a decade now, this phrase has been present in almost every official speech in Cameroon when it comes to the telecom sector or the challenges facing socio-economic development in the country. Even though a real digital ecosystem is yet to be created in Cameroon to truly drive the much-hoped-for digital transformation, some segments are more advanced than others. Electronic money use is a perfect example of those advanced segments.

Indeed, thanks to negotiations between mobile telephony operators and bankers and the inventiveness of startups that develop digital apps and platforms, electronic money has made a resounding entrance into Cameroonians' daily lives.

Now, we are in the era of mobile money both in towns and in remote

areas. Thanks to the magic of digital and mobile telephony, everyone, be they old or young, can send or receive money right from mobile phones, whose penetration rate is officially over 80%. They can also pay for TV subscriptions, electricity and water bills, school fees, tax duties, order drugs from chemists, buy insurance premiums, etc...

The adoption of electronic money transactions is so high in Cameroon that between 2016 and 2017, the value of funds transacted through that means rose 10 folds according to a report from the International Monetary Fund (IMF).

Consequently, access to financial services is boosted in the country. Mobile telephony operators are now multiplying offers with the blessings of the government, which is now promoting the use of electronic money.

For instance, it authorized the payment of taxes through mobile money and it is currently fine-tuning fiscal measures aimed at discouraging recourse to cash transactions in public service.

According to the presidential circular signed on August 30, 2021, to lay guidelines for the 2022 general budget, the Head of State prescribed the adoption of «fiscal measures aimed at streamlining cash transactions (...)» to enhance the fight against tax evasion and fraud. Beyond the stated aims, such measures could contribute to the rise in volumes of mobile money transactions.

The present dossier details current transaction volumes, operating methods, and involved actors.

Brice R. Mbodiam



# CEMAC: With 64.8% of accounts and 73.1% of transactions, Cameroon confirms leadership in the mobile money market



In 2020, 30.1 million mobile money accounts were active in the CEMAC zone, according to the Bank of Central African States (BEAC). In its recent report titled “Les services de Paiement en Monnaie électronique dans la Cemac en 2020” (electronic money payment services in 2020), the BEAC reveals that the figure represents a 21% year to year increase in the number of active mobile money accounts.

Considered as the economic powerhouse of the CEMAC, Cameroon accounted for 64.8% (19.5 million) of the overall accounts active during the period, thus the leader in that market. Cameroon accounts for almost three times the number of mobile money accounts held by the Congolese (7.1 million) and almost ten times the number of accounts held by the Gabonese (2.7 million). According to BEAC data, during the period under review, Cameroon confirmed its leadership over the CEMAC electronic payment market by recording the highest number of transactions. “As far as the number

of transactions is concerned, payment service providers operating in Cameroon accounted for 73.13% of the numbers recorded in the community [CEMAC],” the report explains. Even though it accounted for fewer active mobile money accounts than Congo, Gabon came second behind Cameroon in terms of the number of transactions, with 16.7% of overall mobile money transactions recorded in the region in 2020 while Congo accounted for 9.25%. Overall, Cameroon, Gabon, and Congo accounted for 99% of the number of mobile money accounts active in the CEMAC region in 2020 and 98.8% of the transaction value.

## Financial Inclusion

According to data compiled by the BEAC, since 2016 when mobile money services penetrated the CEMAC region, the number of operators has not changed much. From 11 in 2016 and 2017, it rose to 13 in 2018 then to 16 in 2019. However, the number of accounts opened shot up fast. From 12.6 million in 2016, it rose by 21.8% within 5 years to reach 30.1 million

by December 30, 2020.

At the same time, the value of transactions rose from CFA1,631.7 billion in 2016 to over CFA14,822 billion as of end-December 2020. Meaning that on average, CFA40.6 billion of mobile money was transacted daily in 2020 against CFA31 billion in 2019, representing a 30.96% year-to-year growth. “Up to late 2018, electronic money issuance and management could only be performed thanks to a partnership between commercial banks and mobile operators. However, from January 1, 2019, the regulation now allows the emergence of new actors that are no more required to partner with commercial banks. Such actors are now classified as payment institutions,” the BEAC indicates. The central bank thus forecasts a good prospect for the mobile money, presented as “a real catalyst for financial inclusion and the development of the digital or digitalization of payments and ultimately contributing to the development of African economies.”

BRM

# Mobile money transactions in Cameroon reached CFA3.5 bln in 2017, against CFA300bln in 2016 (IMF)

An IMF report on Cameroon's economy revealed that mobile money transactions in the country surged to CFA3,500 billion in 2017 (17.5% of GDP), up from the CFA300 billion a year before. The number of adult subscribers grew from 9% in 2012 to around 28% in 2016. Mobile money services were launched in Cameroon in 2011 and

were touted as a game-changer in the money transfer segment. However, only 5 (Afriland, Bicec, UBA, Société Générale, and Ecobank) of the 15 banks operating in the country currently offer mobile money services, and microfinance institutions are not yet allowed to do so. The number of people with access to formal financial services in

Cameroon is one of the lowest in sub-Saharan Africa, although 38% of total banking assets and more than half of licensed microfinance institutions in the CEMAC area are located in the country. The 2014 Findex survey showed that only 12.2% of Cameroonians have an account with a financial institution.

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## 15% of youth aged 15+ own a Mobile Money account, against 6% in Nigeria

The Global Microscope 2018, a report of the Economist Intelligence Unit, found that 15% of young Cameroonians aged 15 and above own a Mobile Money account. In Nigeria, the figure is 6%, well below Cameroon's and 19% in South Africa.

Mobile money services have grown rapidly in Cameroon since their launch in 2011. Currently, thousands of MoMo outlets are spread throughout the country and the service is adopted in both private and public corporations. The Cameroonian tax

authorities planned a few years ago to use the MoMo service for property tax payment. In 2018, the Ministry of Secondary Education also used the service for the payment of fees related to official examinations.

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## Tax payment now possible online in Cameroon

The declaration and payment of taxes are now possible online in Cameroon. The information was reported on February 2 this year by the Directorate General of Taxes (DGI). «The declaration and payment of taxes by electronic means (mobile phone) are now operational for

Orange subscribers,» the DGI said. Orange Cameroon thus becomes the first telecom operator to position itself on the online tax collection market in 2021, but other operators (MTN, Camtel) are also in the running, a source within the DGI revealed. The 2021 Finance Act has provi-

ded for online tax collection. Cash payments are now prohibited as part of measures to fight corruption. In addition to MoMo transactions, taxpayers can also pay their taxes by bank transfer.

# Mobile virtual operator YooMee partners with UBA to enter the mobile money market



The Cameroonian internet access provider (ISP) and virtual mobile telephone operator Yoommee has just launched into the mobile money market with the support of the bank UBA Cameroon, which received from the Bank of African States central (Beac) an authorization to issue

electronic money.

To position its product, the ISP relies on security. “Yoommee Money comes to overcome (sic) multiple problems encountered in the mobile money market in Cameroon. With great emphasis on security by QR code and fingerprint. Even with your pin code,

it is not possible to withdraw money from your Yoommee Money account”. The company is also betting on the cost. The operator indicates that its new product offers a whole range of value-added mobile services such as merchant payment with discount, money transfer whose withdrawal or sending fees would be up to 50% cheaper than competitors. Yoommee also surfs on the patriotic fiber by arguing that his product is “the currency of 237 [Cameroun, ed]”. Yoommee is entering a very competitive market. Mobile operator Orange, one of the biggest on the market, claims more than 70% of the market share. This makes 7 million payment accounts and more than 60,000 merchant and distribution partners. Another big player, MTN, claims 5.6 million active customers for its MoMo service at the end of July 2021, with some 108,000 sale points and 60,000 distribution points.

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## State-owned Campost opened street outlets to offer e-payment services

The Cameroonian public postal company has opened street outlets in Yaoundé to offer e-payment services. Campost's kioks bear the words «Pay with Campost Money», or «Proximity Finance» to showcase the company's services.

Reliable sources say thanks to Campost's e-wallet called “Campost

Money”, it will now be possible to send and withdraw electronic money orders. Even merchant payments and other money deposit and withdrawal operations will also soon be possible. Under its strategy, Campost seeks to further popularize its electronic payment service, which has been little known to the general public

until now. The state-owned company thus entered a market well known to MTN and Orange, whose Mobile Money services have been developed through a network of partner outlets that are scattered throughout the streets of Cameroonian cities.



# Afriland First Bank integrates Campost's mobile payment platform



The Cameroonian telecom minister (Minpostel), Minette Libom Li Likeng, chaired last October 22 in Yaoundé the signing ceremony of a trade partnership between Cameroon Postal Services (Campost) and Afriland First Bank. "The deal marks the official commercial launch of the USSD code #237\*001# that allows for mobile payments via the national electronic communications platform," the telecom department explained.

According to Afriland, to benefit from this service, «the user dials a code that connects them in real-time to the platform (SARA By Afriland) that will enable them to manage and

carry out transactions. Unlike an SMS, the data is not stored, they are only available when the session is opened and disappear right after it is closed. The protocol does not require an Internet connection."

With this USSD code, it is now possible for the user - regardless of the type of mobile phone they have or their home telephone operator - even without internet access, to carry out certain operations. They can transfer funds, pay bills and school fees and even buy call credits. Users can also access microcredit services with this process. One of the objectives, according to the bank, is to enable people to have access to financial services

wherever they are, at any time, and no cost.

Before Afriland, the Ecobank group had reached a similar deal with the Cameroonian postal company in June 2021.

As a reminder, Campost's platform was inaugurated on March 21, 2020. It was designed to guarantee fair interconnection conditions, reduce the costs of mobile financial transactions and promote financial inclusion. In addition, it allows access to mobile financial services through a unique code: #237#.

# Erwan Garnier

## *“THE HOSPITALITY SECTOR IN CAMEROON IS FULL OF OPPORTUNITIES”*

**In this interview, the Senior Director of Development of the Radisson Hotel Group in West and Central Africa gives details about the group's expansion strategy in Cameroon. The hospitality expert also appraises and gives projections for the sector in Cameroon.**

An interview with Brice R. Mbodiam

**Business in Cameroon: On August 21, 2019, as the Investment Promotion Agency (API) and Sky Towers Hospitality signed their convention, Rémi Delattre, project director, Radisson Blu Hotel Douala, announced that the hotel group would open its first brand in Cameroon in Q1 2021. We are in Q4 2021 and there is still no brand to be seen. What is the issue with the project?**

Erwan Garnier: There are many reasons behind this delay. First of all, this project includes converting a building owned by the national social

security fund (CNPS in French). Upon starting work, the developer realized that the building had to be reinforced, especially since the project involved turning a residential building into a hotel. Therefore, the whole building had to be fully redesigned and several floors had to be added, a bar and a pool also. For this to be done, the building's structures needed reinforcing. These works helped create 180 rooms and apartments. Briefly put, the project was delayed due to technical reasons.

Next, there was the Covid-19 pandemic which impacted the whole chain

involved in this hotel project. Now, the Radisson Blu Douala hotel is scheduled to open in Q1 2023. That is about a year and a half from now.

**BC: What attracted Radisson Group to Cameroon, knowing that the business climate here is known to be challenging?**

EG: There are many reasons. The first is that since opening our first hotel in Cape Town, South Africa, in 2000, the Radisson Group has been carrying out a real expansion strategy in Africa. Today, we have around 100 hotels opened or under development on the

African continent, which is a priority for the group. In this framework, we have set up a strategy for Central and West Africa, where we have 25 hotels. Our goal is to double this number by 2025.

To do so, we have a very clear strategy: We have identified eight strategic cities for our expansion, where we plan to deploy our brands. Douala and Yaoundé are part of these cities because Cameroon is a very strategic country in Central Africa. Douala, especially, because it is the economic hub of the region, and Yaoundé because it is the capital. Moreover, when looking at the hotel industry in these two cities, it appears that there are very few international brands. In Yaoundé, there is one that has been present for a long time but there is no new offer in this market. This is a real opportunity and it is what we want to take advantage of because the Radisson Group can enter this market with multiple brands.

In Douala, there was a brand hotel present for some years, but it changed brands many times and today there are no more brands. Besides, there are several local brands. However, there are no top-class brands (4-star, 5-star) in Douala. That is why we are very confident that Radisson Blu Hotel & Apartments Douala will position itself as the leader of the 5-star market. And this is just our first step into Douala's hotel market because we plan on adding more of our group's brands. In short, both in Yaoundé and Douala, we think that it is possible to have several brands, several positions. We work with brands that operate 3-star to 5-star hotels. The 3-star brand is Park Inn by Radisson, the 4-star is Radisson, the 4-star plus lifestyle is Radisson Red, the 5-star is Radisson Blu, and the 5-star plus

is Radisson Collection. All these brands can come to Yaoundé and Douala. Also, we have launched a new brand amid the Covid-19, that is Radisson Individuals. This brand targets existing hotels that want to benefit from Radisson's distribution potential, while maintaining their independence and identity. Our first Radisson Individuals property is in West Africa, in Accra, Ghana. We believe we could launch this brand in Cameroon, soon.

**BC: You talk a lot about Yaoundé and Douala. However, according to some studies carried out by mass retail companies, Cameroon has at least 10 cities with at least 100,000 residents, as well as coastal and touristic cities like Limbé (which is very safe despite the separatist crisis) in the South West, and Kribi, in the South. Don't you think these are also worth looking into?**

EG: We are indeed looking at Limbé, Bafoussam, and Kribi. These are important secondary cities. But the truth is that our strategic priority is Yaoundé, for a simple reason: We want to be present in the capital. Radisson, you should know, currently develops across many market segments. We already mentioned our 3-star to 5-star hotels. Each brand has hotel rooms and apartments, with some rooms having internal kitchens for long-term stays.

**BC: According to your new agenda, Radisson Blu's first hotel in Cameroon will open in Q1 2023, in Douala. When do you plan to start works for Yaoundé's?**

EG: As soon as possible. Unfortunately, I can't be more precise than that as long as nothing has been signed. But, we are actively working to make

it happen in Yaoundé. That is actually why we are in Cameroon now (ed. note: October 2021).

**BC: Radisson Blu Hotel & Apartments Douala is the fruit of a private-public partnership (PPP) with the national social security fund (CNPS), which is Cameroon's pension fund. What are the terms of this deal?**

EG: The terms of this partnership are simple. On one side you have the promoter, Financia Capital, and on the other, there is the CNPS, and they have effectively signed a PPP. As for Radisson, it has signed with Financia Capital. So, this is somehow a tripartite partnership. In effect, Radisson has the full responsibility to manage the hotel when it opens. Usually, Radisson takes over nine months before the opening, handles the recruiting, pre-sales, and anything related to the hotel's pre-opening. At the moment, we are at the construction phase and the role of Radisson Hotel Group is to provide its technical support to the promoter, which means meeting all safety norms and standards as they are very important nowadays. Of course, as soon as the hotel is ready, we will start training and make sure that hygiene standards are met. This is a priority for customers.

**BC: You said you are not an investor but an operator. What is the difference?**

EG: The difference is simply this: the investor has the financial responsibility. They raise or provide the money needed for the project. The operator manages it. So, there is a real difference regarding the competence of the promoter, who is experienced at raising funds, and the Radisson Group, which specializes in mana-





*"Now, the Radisson Blu Douala hotel is scheduled to open in Q1 2023"*

ging hotels. We presently manage, all over the world, 1,500 hotels in 130 countries.

**BC: Based on what you said, regarding your expansion plans in Cameroon, for example, it seems that if you don't find any partner, your upcoming projects may not come through. Are you negotiating with partners in Yaoundé, Bafoussam, Kribi...?**

EG: We are discussing this with several partners. And this is where the true challenge lies because this is similar to marriage. Our ambitions must align, our competencies must match and we need to share the same long-term vision. For each of our projects, we take time to identify the right partner.

**BC: The scarcity of partners is quite surprising, given that many local**

**economic operators have invested in hospitality over the past few years, and just need professionals like Radisson to support them...**

EG: We are effectively looking at existing hotels. But, you know, we have international standards that require extremely high safety norms, which, unfortunately, many of these existing hotels lack. And meeting these norms will demand a lot of money. Since we work with international firms and



*"Most of the hotels in Cameroon do not meet international standards. And committing ourselves to ensure that they meet these standards wouldn't be profitable."*

attract an international clientele, we must - via our insurance policy - have world-class safety standards. Most of the hotels in Cameroon do not meet international standards. And committing ourselves to ensure that they meet these standards wouldn't be profitable.

**BC: As an expert in hotel management, how would you describe, briefly, the hospitality sector in Cameroon?**

EG: The hospitality sector in Came-

roon is full of opportunities. Looking at demand and supply, both the high-standing and medium-standing segments, luxury or leisure, there are many opportunities to take advantage of. This explains our presence here. We want to be part of this adventure, and grow with Cameroon.

**BC: How do you see hospitality developing in Cameroon over the next decade?**

EG: Clearly, the sector will develop. It can only develop. However, it'd be

hard to have a clear view on such a long term. At Radisson, we hope to grow our presence in the country four-fold in the next 10 years. And in Cameroon, we hope to be present in every important city because Cameroon is the most strategic country in Central Africa. Many companies that operate in this region are based in Cameroon. So, Cameroon's place in our expansion plan for the region is very important.

# PUBLIC MANAGEMENT

## Douala: Provisional administrator seeks a consultant to audit the management of collapsed SMID



François Maurice Njoh, the provisional administrator of the SMID (Société métropolitaine d'investissement de Douala) recently launched the recruitment of an auditor to shed light on the reasons this limited liability company created barely three years ago is collapsing.

According to the provisional administrator, the recruited auditor will carry out a "detailed audit" *"to express a professional opinion on the financial situation of the SMID at the end of each of the two fiscal years [2019-2020]"* and *"ensure that the resources raised for the company have been used exclusively to try to achieve the activity development goals of its statutory aim."*

The recruitment is open to mem-

bers of the Chartered Accountants of Cameroon (Onecca). Interested members are invited to submit their applications by November 5, 2021, for a mission that will last two months starting from the contract signing date.

Created on August 18, 2018, SMID started its operations with a capital of XAF3.49 billion. After a dispute with its main shareholder, the municipality of Douala, formerly known as the Urban Community of Douala (CUD), the Douala-Bonanjo lower court was called in to settle the leadership battle around the SMID. On February 12, 2021, the lower court appointed a provisional administrator in the person of François Maurice Njoh. One of the missions

of the provisional administrator was to organize a detailed audit of the SMID management over the period between August 17, 2018, and December 31, 2020.

For its launch, SMID successfully raised XAF5.4 billion out of the XAF10 it was sourcing to constitute its social capital. Its end goal was to raise XAF1400 billion for various infrastructure projects. Those projects include the Douala international conference center (XAF12.4 billion), the Bonaberi multimodal bus terminal (XAF1.9 billion), the Besseke Urban forest (XAF2.29 billion), and the Douala exhibition center (XAF8.5 billion).



# OAPI: Dismissed director-general Denis L. Bohoussou contests his suspension



Denis L. Bohoussou recently issued a release contesting his suspension as Director-General of the Yaounde-based African Intellectual Property Organization (OAPI).

*«In addition to the issues concerning the legal nature and the timeliness of such decision, it is apparent that the reasons justifying it has glaring limitations,»* the executive wrote in his statement.

He added that he learned of the decision with “great surprise” through social media, on the evening of October 14, 2021. *«My astonishment was even greater, as the decision suspending me came to my notice on social media, without any official notification till now,»* he continued.

In his release, Denis L. Bohoussou rejected the claims that he had refused to enforce “a decision calling for the audit of OAPI’s management after the mismanagement and financial malpractices suspicions were raised.»

*«I have never opposed the audit of my management. On the contrary, in September 2021, when I received the draft of the international call for expression of interest relating to the recruitment of an international audit firm, I gave suggestions to improve it and help the organization get the best out of it (...) For transparency, I suggested the years to be audited should start from 2017, when I assumed office as the general director, to 2020. Thus, the whole period I spent as head of the management will be audited. All those suggestions were sent through mails to the chairwoman of the executive board. The last of those mails is dated October 5, 2021, and I have receipt confirmations.*

*Later on, I noticed the call was published in its initial state without integrating the amendments I believed were relevant for the credibility of the audit. This was done in violation of the enforceable procedures,»* he explained

indicating that additional information would be provided at a press briefing to be organized “in the coming days.” Before publishing his release, on October 18, 2021, Denis L. Bohoussou had sent a letter to the chairwoman of the executive board who signed his suspension. In his letter, he complained of several things including the deactivation of his access to the OAPI premises in Yaounde, the steps taken to revoke his bank signatures as well as the deployment of police officers to prevent him from accessing his offices. For the now-former director-general, all those actions were taken by the former deputy director-general now appointed interim director-general.

In conclusion, Denis L. Bohoussou requests an extraordinary board meeting as provided by the OAPI laws given the seriousness of the situation.

# Cameroon announces public accounting and budgeting reform to improve management transparency and prevent accumulation of payment arrears

In January 2022, Cameroon will begin to experiment with a new accounting reform called accruals-based accounting and budgeting in the framework of Phase 2 of the Financial Governance Support Project (PAGFI2) backed by the French Development Agency (AFD).

According to the General Budget Directorate (DGB), which provided this information, the said accounting and budgeting system aims to improve the predictive management of expenditure as well as the state budget and accounting information.

*«Its objective is, among other things, to support the elaboration of actions that will help boost the liquidity of the single treasury account [housed at the Central*

*Bank] by improving its operation. The reform is also aimed at elaborating an accounting system based on accruals accounting while taking into account the financial situation,»* the DGB explains.

According to the same source, this «major» reform, introduced by the 2007 State financial regime was reinforced by the 2018 regime. It will improve the public management information provided to citizens by enhancing transparency requirements in the management of public accounts and the accountability of managers of those accounts.

It will lead to *“more accurate information on the state’s solvency, its assets and the costs of public services. That way,*

*public decision-makers will base their decisions on reliable and detailed information, therefore, guaranteeing effective control over their choices.”*

The PAGFI implementation agreement was signed on May 29, 2019, in Yaoundé, by Minister of Economy Alamine Ousmane Mey and former French ambassador to Cameroon Gilles Thibaut. Estimated at XAF2.6 billion, the PAGFI was signed by public authorities to gain control and master budget execution, which is sometimes inconsistent under the current accounting system. Their ultimate goal through the project is to optimize and streamline budget regulation and cash management to prevent the accumulation of payment arrears.

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## SONARA: Cameroon expects restructuring plan with oil traders after recent agreement with local banks

After the restructuring of the debt owed by state refinery SONARA to nine local banks last October 15, the Cameroonian government hopes it can reach a similar deal with traders. According to a note published on October 8, 2021, by rating agency Standard & Poors (S&P) Global Ratings, Cameroonian authorities have reported significant progress in the negotiations with oil traders, which are SONARA’s main foreign creditors.

For local banks, the repayment plan is to amortize the XAF261.4 billion (principal plus the 5.5% interest) within ten years. The government expects similar terms for the debt owed to oil traders (XAF312 billion as at end-April 2021).

The debt owed to traders and local banks is not the only financial liability SONARA will have to address. Currently, Cameroon is facing a litigation claim before UK courts. The case was brought by a subsidiary of commodity trader Glencore over a XAF75.6 billion debt. Also, there are fiscal debts (XAF172.9 billion as of end-July 2021) and debts owed to local contractors. However, the repayment mechanism for those debts has not been publicly discussed.

Currently, SONARA is the state company with the highest debt (close to XAF695 billion). It is also the most important contingent liability for the government besides the banking sector. To help it repay its debts, the refinery has a guaranteed 80% market

share. In addition, a XAF47.88 subsidy is deposited in an escrow account opened at the BEAC for every liter of petroleum product imported. Two and a half years after part of its plants were destroyed by a fire outbreak, SONARA is still importing fuel for the domestic market. Recently, the company decided to rebuild its partially destroyed plant and equip it with a hydrocracker, a technology more advanced than the one destroyed by the fire outbreak. With the said technology, it can refine heavy oils but the engineering studies that will help determine the technical options and costs are still ongoing.

# World Bank and Cameroon ink 3 loan agreements totaling XAF236.5 bln for development projects



Yesterday October 12, in Yaounde, the World Bank Group and the government of Cameroon signed three loan agreements totaling close to XAF236.5 billion, the Ministry of Economy, Planning and Regional Development (MINEPAT) reveals. According to the Bretton Woods institution, the funds will finance three projects aimed at respectively boosting food security in the three northern regions, promoting equitable access to quality secondary education and vocational training as well as empowering women and teen girls.

The three projects concerned are namely the VIVA Benoué initiated to develop and enhance investments in the Benue Valley, the Cameroonian component of SWEDD2 (Sahel Women's Empowerment and Demographic Dividend), and PADESCE, a support project for the development of the secondary sector and skills for growth and employment. For VIVA Benue, the parties signed a XAF117.9 billion agreement against XAF45 billion for SWEDD2 and a little over XAF73.7 billion for PADESCE.

*"The progress achieved by Cameroon in recent years is threatened by the Covid-19 pandemic. Through these projects, we are committing to strengthening our partnership to improve the living condition of millions of Cameroonians and support the country in its path towards a green, sustainable and inclusive recovery,"* said Abdoulaye Seck, the World Bank's country director in Cameroon.

Credible sources reveal that the three agreements should have been signed on September 13, 2021, during the working of Ousmane Diagana, World Bank Vice President for West and Central Africa, in Cameroon. However, for reasons still not disclosed, the signing ceremony was postponed. A fourth agreement related to the project for electrical interconnection between Cameroon and Chad (RIS-RIN) is still expected.

The three new agreements included, the World Bank group's project portfolio in Cameroon now includes 18 national and three regional projects. Its overall commitment in the framework of all those projects is US\$2.9 billion (XAF1649.8 billion). The financial commitments are backed by an extensive technical support program. According to the Bretton Woods institution, *"Those projects and programs promote economic growth in the country with the implementation of economic reforms, trade diversification initiatives, as well as the development of agriculture livestock, energy, transport, health, education, and social protection for the most vulnerable."*



# ECONOMY

## Cameroon: BEAC forecasts revival of sales and production in the logging sector

After a challenging environment in 2020, due to the coronavirus pandemic, the recovery observed in Cameroon's economic landscape since the beginning of 2021 is expected to gain more momentum in the final three months of the current year, in the forestry and logging sector particularly.

*«The mild weather (...) is conducive to forestry activities with easy access to the resource. This favors the resump-*

*tion of the activities of wood processing plants and consequently the supply of local and external markets. The acceleration of the Covid-19 vaccination campaigns in the main wood-buying countries could also contribute to the revival of sales,»* announced the Bank of Central African States (BEAC) in its recent quarterly business survey titled *“test prévisionnel de conjoncture.”*

The forecasts bode well for loggers

operating in Cameroon. Indeed, in 2020, they were hit hard by the economic fallout of the coronavirus pandemic. The impacts were so harsh that the association of Cameroonian loggers asked the government to reduce felling taxes from 4 to 2.5% to help them cope with the health crisis. However, the government refused to agree to their request.

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## Cameroon: Dubai-based Naaz Trading DMC revives the Lomié integrated wood processing complex project in hibernation for years now

Till October 16, in Lomié, the Ministry of Environment will preside over public hearings in the framework of the environmental and social impact assessment for the construction of the Lomié integrated industrial wood processing complex (Ciblo). The public hearings aim to collect the population's views and comments for the study.

According to the ministry, this project will be backed by Naaz Trading Cameroon, a subsidiary of Dubai company Naaz Trading DMC that operates worldwide in several sectors like mining, agribusiness, and wood. *«Ultimately, Ciblo will allow local craftsmen and carpenters to get legal and quality dried wood. This will reduce delivery times and reduce the importation of furniture from Asian countries. Ciblo could also be beneficial for countries like Congo and the Central*

*African Republic that can send their raw timber for processing since the raw log export ban will officially become effective in 2023 in the Congo Basin,»* explains Gérard Lomié, Mayor of the host town Lomié.

For the town official, the project will cost XAF50 billion if the plant is developed enough to produce medium Density Fiberboard (building material used in the furniture interior design industry) and Oriented strand board (thin lamellar panels) by processing the residues of all sawmills and logging operators in the area.

*«In 2022, Naaz Trading will invest XAF2.5 billion for the construction of the primary processing line, a large capacity dryer, and a solid wood panel manufacturing unit. The construction of the first processing line is expected to start in January 2022,»* explains Mr. Lomié.

In the meantime, the commune has acquired a 59-hectare area for the creation of Ciblo. Ciblo is planning to federate 152 community forests and two communal forests spanning over 608,000 hectares identified in the eight surrounding communities. These forests guarantee the production of 30,000 metric cubes of raw timber and 120,000 metric cubes of sawn timber yearly. This means that an average of 150,000 metric cubes of wood is available for processing yearly by Ciblo.

The Ciblo project has been in hibernation since 2014. The first financial partner for this project was the Canadian «Synergies Bois». But, according to the mayor, the Canadian partner left because of administrative delays.

## Franco-Cameroonian Bernard Ntchuisseu Njandja launches luxury champagne brand in Paris

Through his Paris-based company “Champagnes Bernard Njandja”, Franco-Cameroonian IT consultant Bernard Ntchuisseu Njandja recently launched his luxury champagne brand. An oenologist by passion, Bernard was born Ntchuisseu Njandja in Yagoua, Northern Cameroon, in 1976. On its website, his company explains that “Champagnes Bernard Njandja is a dream come true.” Currently, the company’s two types of champagne can be ordered online. The first type “Royal,” *“prepared from 25% reserve wine,”* is sold at €98.4 per bottle or about XAF65,000. The

second type is the Brut *“produced from 60% reserve wine.”* It costs €48.7 or about XAF32,000.

*“He offers ultra-luxury champagne affordable to everyone and Cameroonians in particular. For the label of his champagne, he has decided to use his birth year, 1976, and the crown of the Makaini dynasty (ed. note: the dynasty is located in North Cameroon), thus symbolizing his rank as the prince of that dynasty,”* comments an internet user as a call to Cameroonians who are reputed champagne consumers in Africa. According to data published by the Interprofessional Committee for

Champagne Wine (CIVC), in 2018, Cameroon was the sixth-largest champagne importer in Africa with €4.212 million (about XAF2.7 billion) spent to import 156,212 75-cl bottles of champagne.

On the African continent, the country was far behind South Africa (21st largest importer in the world with 1,061,612 bottles imported), Nigeria (27th largest world importer with 582,243 bottles imported), Côte d’Ivoire (40th world largest importer with 303,250 bottles), and DRC (47th world largest importer with 171,349 bottles imported).

## Cameroon: some local and Japanese investors plan to establish a motorcycle assembly plant in the country

On October 11, 2021, Minister of Commerce Luc Magloire Mbarga Atangana granted an audience to a delegation of Cameroonian and Japanese investors who presented their motorcycle assembly plant project.

«They suggested a win-win partnership to set, within a few years, a semi-assembly plant similar to those they established in Nigeria and Kenya. This initiative is in line with the government’s policy to promote import-export defined by the National Development Strategy (SND30) for the industrialization of Cameroon,» we learn.

In response, the Minister of

Commerce informed that although there is a specific policy to fight the proliferation of motorcycles in Cameroon, the sector is much open. Only an approval is needed. This approval is certainly not an obstacle to the creation of the projected assembly plant whose location, cost production volume and even the number of jobs to be created is still unknown.

Minister Luc Magloire Mbarga Atangana also reminded that to support investors, the government of Cameroon has the 2013 law granting investment incentives to companies but has also ratified all the international arbitration conventions. Therefore, Cameroon is a safe bet when it comes

to investments.

This motorcycle assembly plant project is being submitted to the government at a time when the cost of acquiring motorcycles imported from the European Union (EU) is falling. Indeed, under the terms of the Economic Partnership Agreement (EPA) between Cameroon and the EU, on August 4, 2021, customs duties on products in the third category (like fuels, cement, passenger vehicles, motorcycles, etc.) were dismantled further to reach the rate of 20%. The tariffs will be dismantled by 10% every year till they are fully dismantled.

## SABC group reopens its Loum distribution center closed 23 years ago



Société Anonyme des brasseries du Cameroun (SABC), leader of the Cameroonian brewing market, inaugurated its Loum distribution center in the Littoral region on October 5, 2021.

«The distribution center we are inaugurating today was first opened to the public in 1988. Faced with security issues, we had to make the difficult de-

cision to leave Loum in 1998; 23 years later, we are back and we intend to stay there permanently, thanks to your support. Yes, we intend to stay in Loum permanently thanks to the willingness of its population to participate in the socio-economic development of this locality,» said SABC's General Manager, Emmanuel de Tailly. To renovate the Loum center, SABC

invested over XAF500 million. This investment is part of the 3-year strategic plan (XAF65 billion investment overall) adopted in 2017 and is being implemented by the management since then, we learn.

«This investment made in a difficult context marked by the coronavirus health crisis aims to bring us closer to the population, ensure the products distributed are constantly of good quality and are sold at the best price through a distribution network at the service of its customers, in line with an environment-friendly process that has real local added-value,» the brewing company explains.

Built on a 6,000 m<sup>2</sup> area, the Loum distribution center has one warehouse for goods distribution and another for empty crates and bottles storage. It also has offices, sanitary and relaxation facilities for staff and visitors as well as undeveloped storage areas.

## Mineral water producer SEMC posts XAF729 mln net profit for H1-2021 after net losses in 2020

Société des Eaux minérales du Cameroun (SEMC), SABC group's arm in the water segment in Cameroon, posts a XAF729 million net profit for the first half of 2021. The company disclosed the result in its recently published H1-2021 activity report. This profit represents an outstanding performance compared with the XAF65.7 million and XAF90.2 million net losses

it recorded in H1 and H2-2020 respectively.

For SEMC, this performance was due to a 25% rise in its turnover during the semester under review (thanks to a 23% increase in sales volume) coupled with the reduced expenses, notably in the depreciation allowances (the lifecycle of some fixed assets ended on December 3, 2020). In the competitive Cameroonian

mineral water market where SEMC lost its leadership a few years ago, this increase in the company's net profit in the first half of 2021 should logically boost its value on the Central African Stock Exchange (BVMAC), where it is now listed since the merger between this sub-regional market and the Cameroonian market (Douala Stock Exchange).



## Fisheries: a Japan-backed XAF6.5 bln project still just 9% completed since 2017



On October 8, 2021, after an audience with Minister of Livestock, Fisheries, and Animal Husbandry Dr. Taïga, Japan's ambassador to Cameroon Tsutomu Osawa provided an update on an over XAF7 billion investment his country was planning for the local fishing industry.

*«The government of Japan has decided to finance two projects in Douala and Kribi. We hope this support will be beneficial to the population,»* the diplomat said.

From internal MNEPIA sources, the two projects mentioned by the diplomat are those aimed at upgrading the boat landing platform and the fish market in Youpwè, Douala, as well as the project aimed at provi-

ding equipment to the Kribi artisanal fishing community. For the first project, a XAF6.5 billion agreement was signed in 2017 while the budget for the second project is XAF500 million. Sources close to the case informed that up to now, the first project is just 9% completed because of constraints like compensation to affected populations, relocation of operators previously operating on the site, and the coronavirus pandemic. *«A year ago, nothing was visible on the site. Nowadays at least, the foundations are completed and the works are progressing,»* a source claims, adding that the agreement for the second project is yet to be signed.

According to the project carriers,

the Youpwè project will boost fish production, modernize the marketing system and improve the sanitary conditions of the fish market. The project will also help reduce post-production losses (estimated at 15% in Cameroon by the Gulf of Guinea Regional Fisheries Commission) caused by a shortage of preservation equipment.

According to figures published by the National Institute for Statistics, in the first half of 2021, Cameroon imported 97,203 tons of fish by disbursing over XAF64 billion against 115,708 tons imported in H1-2020 with XAF77.8 billion expenditure.



# FINANCE

## Cryptocurrency : Cameroonian law firm Fousse reports Liyeplimal to special criminal court over fraud suspicion

Global Investment Trading, popularly known as Liyeplimal, was recently accused of funds misappropriation and fraud before the Special Criminal Court, Cameroon's institution habilitated to rule on crimes and fund misappropriation cases involving amounts exceeding XAF50 million. Indeed the first page of a denunciation letter has recently been leaked on social media. Purposely, that letter was sent by Barrister Dominique Fousse (photo), through her law firm Fousse, to the TCS calling for legal proceedings against Liyeplimal and its promoter Emile Parfait Simb.

*"In my capacity as a barrister regularly designated for cases related to the cryptocurrency practices of Global Investment Trading (GIT SA) that has sir Simb Emile Parfait as its legal representative, it came to my attention that the said firm uses that virtual currency prohibited in Central Africa to massively defraud citizens and misappropriate public funds,"* the first page

of the denunciation letter reads.

Contacted by Business in Cameroon, Barrister Dominique Fousse first informed that no part of the said letter is confidential and no part of it was supposed to be leaked on social media. Then, without going into further details, she indicated that the second page of the letter was the most important one detailing the fund misappropriation crimes perpetrated by Liyeplimal.

*"Denunciation is one of the methods used to refer a matter to the special criminal court. [Once referred] The prosecutor will order an investigation if they estimate that the denunciation provided enough reason for that,"* she added.

According to the law firm Fousse, for years now, GIT SA has been raising funds from the public through illegal public offerings. In June 2021, the CEMAC financial watchdog COSUMAF brought similar accusations against Liyeplimal. Specifically,

the watchdog accused GIT SA and several other firms of unlawfully collecting "funds from the public as equity participation, financial, real estate or rolling stock investments with the promise of returns amounting to 100 to 500% of the principals within unreasonable timescales."

The financial watchdog explained that for any activity related to initial public offering or financial instrument marketing, the firm performing those activities must be approved by the COSUMAF and have a duly issued license. Liyeplimal never rejected the accusations. Instead, on social media, it regularly publishes figures supposedly demonstrating its sound financial situation. Recently, it even announced that it would launch an airline company while its henchmen accuse the COSUMAF of keeping to outdated regulations. The institution should update its rules to cater to the new financial instrument they say.

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## CEMAC: Exchange market BVMAC announces the creation of a stock academy in Douala

Douala, the economic capital of Cameroon and host town of the Central African Stock Exchange (BVMAC), could soon host a stock trading academy. This was announced, on October 12, 2021, in Douala, by Jean Claude Nbgwa, Managing director of the BVMAC, during the investors' week, an event dedicated to financial literacy.

*"We are planning to create a stock trading academy at the BVMAC. At the academy, we will teach the public how exchange markets work and how they can protect themselves against manipulations,"* the executive said adding that the academy could help the public monitor evolution of assets they have invested in.

*"The academy will be our priority in the*

*coming months. It will be established in Douala where the public will be invited to get training,"* Jean Claude Nbgwa stressed.

This announcement is made in a context marked by poor stock culture in the CEMAC market. Barely five companies are listed in a subregion that has over 54 million residents.

## CEMAC: Banking watchdog COBAC lowers capital conservation buffer due to negative impacts of Covid-19 on credit and microfinance institutions



On October 21, Halilou Yerima Boubakary, secretary-general of the Central African Banking Commission (COBAC) informed the Managing Directors of credit and microfinance institutions operating in the CEMAC region about the easing of prudential regulations.

*“The capital conservation buffer, provided by article 25 of the Cobac R-2016/03 regulation governing credit institutions is lowered from 2.5% to 2% till Jun 30, 2022,”* COBAC documents inform. This rate lowering, therefore, released the capital conservation pressure on credit institutions, which

can then use the freed resources for other operations.

According to the COBAC, the decision was taken after a study from the secretary-general revealed that the pandemic is having some devastating impacts on banks and the outlooks are not that promising. The banking sector regulator nevertheless failed to mention the real extent of the impacts the pandemic has had on banks and microfinance institutions in the subregion. Similarly, COBAC said, the provisions of decision D-2020/104 of July 30, 2020, on adaptation to prudential

regulation measures are extended to June 30, 2022. These measures prescribe, among other things, that the institutions subject to these measures must send to the general secretariat of COBAC, a weekly report of their cash flow situation and a monthly report of credits impacted by the economic situation related to Covid-19. Also, no credit institution may distribute a dividend based on the results of the financial year concerned without a recommendation from the COBAC.



# CEMAC: Cameroon disburses XAF101.9 bln as installments for 2016-2021 & 2018-2023 bonds



Cameroon recently disbursed the last installment of its «ECMR 5.5% Net 2016-2021.» According to the communiqué published on October 20, 2021, by the Bank of Central African States (BEAC), the central depository of the central African Stock Exchange (BVMAC), the installment amounted to XAF43.5 billion. Since October 19, 2021, investors who bought that security have been redeeming their bonds, we learn. Out of the installments disbursed by the country, XAF2.2 billion represents the interests while XAF41.3 billion is for the remaining principal. Still, on October 20, the BEAC published another communiqué informing that on November 15, 2021, Cameroon will disburse XAF58.4 billion as installment for its bond loan «ECMR 5.6% Net 2018-2023.» The said envelope includes XAF8.4 billion of interests and XAF50 billion as principals. For this operation, investors can start redeeming their securities on November 16, 2021. According to financial market analysts, these repayments will boost

the liquidity of investors in a context marked by economic recovery in the CEMAC zone despite a resurgence of the coronavirus pandemic. Above all, they believe, the operations will improve the credibility of Cameroon's signature on the subregional capital market where Cameroon has never defaulted since its first issuance in late 2010 (according to the Ministry of Finance).

## Competitive interest rates

Apart from boosting investors' confidence, this solvency of the Cameroonian treasury has given the country some control over the interest rates required by investors for its public securities. «Cameroon is currently the only sub-Saharan country which is still getting short-term financing with interest rates below 3% and less than 7% for long-term financing,” Sylvester Moh, Director General of the Treasury, revealed a while back. The 2016-2021 and 2018-2023 bond issue operations were both carried out on the Douala Stock Exchange

(DSX), the national financial market that merged with the BVMAC (previously known as Gabon's stock exchange) to become the subregional stock exchange known today as BVMAC. Overall, the country raised XAF365 billion for infrastructure projects. Specifically, «ECMR 5.5% Net 2016-2021», the fourth bond issue in the country's history, was launched on September 20, 2016. That operation aimed to raise XAF150 billion but was 115.43% oversubscribed. So, Cameroon decided to keep all the subscriptions, amounting to XAF165 billion, after an over-allotment authorization from the financial market regulator. For the «ECMR 5.6% net 2018-2023» bond, the initial aim was to raise XAF150 billion but the subscriptions amounted to XAF207 billion. Then, after an over-allotment authorization from the financial market regulator, the country kept XAF200 billion, 50 billion higher than the initial envelope sought.

# Sonara: Government officializes repayment plan for XAF261.4 bln owed to 9 local banks



Today October 15, in Yaoundé, Minister of Finance Louis Paul Motaze is presiding over the officialization of a repayment plan for a XAF261.4 billion debt (both principals and interests) owed by Société Nationale de Refinage (Sonara) to a group of nine banks. The said banks are UBA Cameroon, BGFI Bank, Afriland First Bank, Ecobank, Société Générale Cameroun, Standard Chartered Bank, CCA-Bank, Bicec and CBC.

*«This restructuring plan is part of a process aimed at reducing the long-term debt by consolidating and rescheduling them for more favorable terms thanks to the guarantees provided by the State of Cameroon,»* the Minister of Finance explains in an attempt to reassure the public, which could be concerned about the impacts of the restructuring plan on the state budget.

According to our information, the new repayment deadline is 10 years while the pre-tax interest rate is 5.5%. During the repayment deadline, the debt will be amortized monthly.

## Escrow account

This restructuring plan is part of the solutions suggested in March 2020, by a public-private workgroup set up by the government. The solution they suggested was to be implemented

for the debts owed by Sonara to both local banks and international traders that supply petroleum products to Cameroon. According to a briefing note published by Cameroon in June 2021, in preparation for its 2015 Eurobond refinancing operation, four key actions were suggested. Specifically, an escrow account was to be opened at the BEAC. A XAF47.88 subsidy per liter of petroleum products sold was to be deposited into that escrow account to support the national refinery company (Sonara). Also, a fixed margin of XAF16 and a guaranteed 80% market share were to be dedicated to Sonara thus allowing it to have sufficient margins to refund its debts.

Close to XAF80 billion is expected to be deposited in the escrow account that will remain open throughout the 10 years amortization period. To replenish the account, the Cameroon Company of Petroleum Depots (SCDP) was tasked to charge a total of XAF6.5 billion to oil marketers nationwide monthly. Those charges were to be transferred into the escrow account but, according to the government, between July 2020 and April 2021, XAF76.3 billion was effectively transferred into the escrow account. The authorities add that between

January and April 2021, XAF59.3 billion was used from the account to make provisional payments to local banks (XAF31.2 billion) and international traders (XAF28.1 billion).

## Trial

The agreement for the restructuring plan was reached in September 2020, and the October 15, 2021, officialization, several problems are solved for the banks involved.

Indeed, with the officialization of that plan, the said banks are relieved from the obligation to allocate part of their equity to cover the huge debt Sonara owes them (at end-2020, the unpaid loans in local banks' portfolio was XAF784 billion, one-third of which was accounted by Sonara).

Since the repayment plan is now officialized with banks, Sonara will focus on a plan for the debts owed to traders (XAF312 billion as of end-April 2021). Recently, authorities told US rating agency S&P Global Ratings that negotiations for that purpose are progressing.

There are other debts and claims to be focused on. The State of Cameroon was sued by a subsidiary of commodity trader Glencore in the UK over its refusal to pay a sum of XAF75.6 billion. A first court hearing was scheduled for end-July 2021. There is no update but Cameroonian authorities have demonstrated their resolution to dispute that claim.

Also, repayment mechanisms of the refining company's tax debt (XAF172.9 billion as of end-July 2021) and the amount it owes local contractors are not publicly discussed.

Another unknown aspect of Sonara's debt management is the contribution of foreign shareholders that control 19.7% of the national refinery's capital.

# Cameroonian-born John Mokom takes over the management of Standard Chartered Côte d'Ivoire

Cameroonian-born John Ngu Mokom was recently appointed Managing director of Standard Chartered Bank Côte d'Ivoire, the only fully digital bank in the WAEMU region. Soon after he assumed office, the latter signed a €159 million (about XAF104 billion) agreement with the government of Côte d'Ivoire, for the renovation of maternity wards in 62 hospitals across the country. A CPA certified by the University of Michigan, John Ngu Mokom joined Standard in 2018 as Chief Financial

Officer of the Cameroonian subsidiary. He is helping promote Cameroon's expertise in the world of finance alongside his compatriot Mathieu Mandeng who is heading, since 2015 Standard Chartered Bank Mauritius, and was named Banker of the Year in 2019 in that country.

The newly promoted executive has extensive knowledge of the banking sector. His professional experience started in the sector in 2007 with Commercial Bank Corporation Cameroon (SCB Cameroon), which

was acquired in April 2011 by the Moroccan group Attijariwafa. However, before entering the banking sector, John Ngu Mokom, with his Bachelor's degree in English private law from the University of Yaoundé, worked for General Motors in the United States and Canada. Years later, he returned to his country where he served at Ernst & Young and Cotco (Cameroon Oil Transportation Company), manager of the Chad-Cameroon pipeline.

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## CEMAC: COSUMAF plans to introduce green, sustainable, and social bonds on the BVMAC

On October 11, in Douala, the Central African Financial Market Oversight Commission (COSUMAF) expressed its ambition to introduce green, sustainable, and social bonds (GSS) on the Central African Stock Exchange (BVMAC). In that regard, the commission published a guide detailing the mechanism of those bonds.

GSS are bonds issued for projects that address the environmental and social problems of Central African countries, explained Nagoum Yamassoum, COSUMAF chairman.

The sectors concerned by those bonds are renewable energy, pollution prevention, terrestrial and aquatic biodiversity conservation, green transport (electric or hybrid cars as well as projects related to sustainable management, and those benefiting vulnerable groups and the illiterate population.

It is worth mentioning that the interest rates on such bonds are usually lower than those offered for conventional bonds, even though GSS

finances sustainable development and protects the planet against pollution and various disasters.

During the presentation of the GSS project, Dieudonné Evou Mekou, vice-governor of the Bank of Central African States (BEAC), wondered whether the CEMAC market was ready for such bonds given that only international investors are mostly interested in those issues. If the GSSs are issued in local currency, the challenge will be to encourage local investors to buy such bonds, he added.

*«Governments can offer incentives to encourage local investors to buy GSS bonds. In Morocco, such bonds are mainly issued by institutional investors. There is a local market and perhaps with the promotion of green finance, people can become more interested in the CEMAC region»,* replied a member of the Moroccan delegation that took part in the presentation.

As for Marcel Onde, vice-president of the Development Bank of Central African States (BDEAC), he indicated

that his institution was interested in such bonds and also issues green bonds for projects related to the conservation of the Congo Basin. The COSUMAF GSS bond project is announced in a context marked by low stock culture in the CEMAC region. In that context, in October 2019, the management board of the Central African Stock Exchange (BVMAC) asked the Managing director to take every possible measure to stimulate the market by notably taking part in state companies' asset disposals organized by members of the CEMAC zone (Cameroon, the Central African Republic, Congo, Gabon, Equatorial Guinea, and Chad). Also, during its videoconference of July 3, 2020, the Ministerial Committee of the Central African Monetary Union (UMAC) invited CEMAC countries that have not sent the list of state companies to be listed on the BVMAC to urgently do so.





# AGRIBUSINESS

## Westend Farms inaugurates its Ndokoa integrated pork production and commercialization center

On October 20, 2021, Minister of Livestock, Dr. Taiga officially inaugurated the integrated pork production and marketing center built by Westend Farms, in Ndokoa, in the Central Region, the government daily Cameroon Tribune revealed. The amount invested is not disclosed

yet but, the said farm houses 11,000 pigs (including 700 sows). The farm spans over 1.5 hectares but 350 hectares are also dedicated to corn farming to produce animal feed. To sell its pork, the promoter has a network of 10 butcher shops in Yaoundé, we learn. According to Minister Taiga, «with its

*large production, Westend Farms has, in the past, contributed to strengthening the national production of quality pork. With its new equipment, it will be able to help meet the growing household demand.”*

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## Exports: PHP to start generating more revenues as early as January 2022 thanks to a Fairtrade decision

In January 2022, the export prices of local banana producer Plantations du Haut Penja (PHP) will increase. This price increase is the result of a decision taken by Fairtrade International's certification body to raise the minimum prices charged by banana exporters, who are members of its fair trade movement. According to Ecofin agency, which reported this information, on the African continent, this decision will mainly benefit Ghana and Cameroon. In Cameroon, PHP is, since January 2013, the only one of the three local banana producers to have a Fairtrade certification

that experts present as «*the most demanding international trade standard.*»

Specifically, as of January 2022, the minimum free onboard price (FOB price when the operator takes charge of products till they are loaded on exporting vessels) for a Fairtrade certified operator will increase from €8.75 to 9.3 per standard boxes of 18.14 kilogram of banana while the EXW price (when the producer just delivers products and the buyer covers transport costs) will rise from €6.45 to 6.8 for the same boxes.

According to Fairtrade

International, this revaluation of export prices is aimed at mitigating the impact of the coronavirus pandemic on transport costs, which peaked in 2020. Ultimately, this decision will help PHP and its 6,000 employees generate more revenues. Indeed, credible sources reveal, the products of Fairtrade certified companies cannot be bought below the minimum prices set by the organization. Also, the buyer pays a social bonus to the certified company's employees through a body representing the said employees.

# Rubber production: Revival of economic demand could stimulate local production in Q4-2021, despite CDC's woes (BEAC)



In Cameroon, the activities of rubber producers and transformers could be more dynamic in Q4-2021 than it was in the previous quarter. The forecast was issued by the Bank of Central African States (BEAC) in its recently published quarterly business survey.

*«As far as the rubber sector is concerned, favorable weather can stimulate production in the production areas in the fourth quarter of 2021, in an inter-*

*national context marked by a revival of demands,”* the BEAC explains. So, according to the central bank of CEMAC states, the recovery that started in Q2-2021 for companies like Hévécam, Sud Cameroun Hévéa, and Safacam is likely to continue in the last three quarters of 2021, after the negative impacts of the coronavirus pandemic hit the rubber sector in 2020.

The BEAC nevertheless points out that the dilapidated state of roads and insecurity in the Southwest could tamper with the dynamism. With this caution, the central bank is indirectly referring to the woes of state agribusiness firm CDC that produces bananas, oil palm, and rubber in the Southwest, one of the two anglophone regions rocked by a separatist crisis since late 2016.

## Poor performance

In its Q2-2021 quarterly business survey, the BEAC previously revealed that the state company announced it would start rehabilitating some of its rubber plantations. Despite that fact, CDC is still not fully recovered from the separatist crisis that has had serious impacts on its activities.

In the first half of 2021, CDC was only able to produce 878 tons of rubber out of a projected 4,000 tons, according to Franklin Ngoni Njie, the general manager of this publicly owned company.

Officially, the reason for this poor performance (just 23% of production target) was that seven out of the eleven rubber plantations previously operated by the company stopped operations due to attacks on its employees by armed separatist gangs.

## Cameroon: BEAC forecasts drop in cocoa production in the 2021/2022 season

Cameroon could see its cocoa production drop during the 2021-2022 campaign, the BEAC reports in its recent quarterly business survey.

*"The 12% rise in production [to 292,471 tons] recorded during the 2020/2021 season compared with the 2019/2020 season [257,374 tons produced] is a performance that may not be matched in 2021/2022,"* the BEAC wrote. According to the central bank, this could be first due to plant dormancy, *"a period of rest or metabolic inactivity that most plants*

*go through to conserve resources, survive weather extremes and stress (...) and to prepare for the next season of growth."*

The second reason given by the BEAC to explain the projected drop in cocoa production is the persistence of insecurity in the Southwest, one of the main cocoa-producing regions in Cameroon. In the said region, a security crisis has been raging since late 2016. It is maintained by separatists fighting for the secession of the Anglophone regions (Northwest and Southwest). To achieve

their goals, they initiate "ghost-town" days, kidnap or even murder civilians and economic operators. Such acts affect several businesses including the cocoa sector because farmers are unable to carry out their business as they usually do.

In its sectoral recovery plan, Cameroon was eyeing a yearly national production of 600,000 tons by 2020 but up to now, it is still struggling to produce even 300,000 tons yearly.

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## Cameroon: BEAC expects palm oil production to drop in Q4-2021

In Q4-2021, palm oil production would drop in Cameroon, according to the quarterly business survey "test prévisionnel de conjoncture" recently published by the Bank of Central African States (BEAC). According to the survey, the drop will be caused by *"the [long] oil palm production cycle in an unfavorable environment marked by land problems, legal proceedings against some producers and palm nut thefts (by surrounding communities)."*

The problems listed by the BEAC aside, the main factor that could contribute to the drop in palm oil production in Cameroon is the Anglophone crisis raging since 2016. Indeed, the

Southwest, which is one of the two regions affected by that crisis, hosts the plantations and equipment of the two state-owned agribusiness firms (CDC and Pamol Plantations Plc) that are among the main palm oil producers in the country.

According to a report published by the Commission for the Rehabilitation of Public and Para public companies (CTR), between 2016 and 2018, Pamol Plantations Plc's turnover dropped by 83.6% due to the said crisis. At the same time, CDC's palm oil production branch lost 60.9% of its turnover. On July 5, 2019, during Minister of Agriculture Gabriel Mbairrobe's field

visit, CDC revealed that over the first six months of 2019, it was only able to produce 2,100 tons of palm oil out of an expected 17,400 tons yearly production due to insecurity caused by separatists in the Northwest and Southwest.

The projected drop in palm oil production could worsen the 130 kilotons of structural palm oil deficit recorded in Cameroon every year. This situation will force Cameroon to once again resort to importation. For 2021, the oilseeds sector regulatory commission has authorized the importation of 120 kilotons of palm oil to bridge the deficit.



# ENERGY

## EDF Pulse Africa 2021: Energy Clever to represent Cameroon at the grand final in Paris



Energy Clever, the startup founded by Cameroonian electrical engineer Naomi Dinamona (photo) will represent Cameroon at the grand final of the EDF Pulse Africa 2021 innovation competition, which will take place on December 2, 2021, in Paris. Thanks to its energy efficiency solution, this start-up was selected on October 19, 2021, in Douala, out of eight contestants during the national final.

*«This solution aims to reduce users' energy consumption and consequently their expenses or create a sustainable and responsible energy use,»* said Naomi Dinamona while presenting her solution to telesu.tv, a local web Tv.

The tech solution created by Naomi Dinamona helps users manage their electricity consumption right from their smartphones and various types of mobile terminals. Using the said solution, they can remotely turn off a switch, an air conditioner, or any

other electrical devices they forgot to switch off.

With its selection for the grand final, Energy Clever thus has the opportunity to be among the three winners of this international competition organized by Electricité de France (EDF). In addition to rewards ranging from €5,000 to 15,000, the three grand finalists will join the «EDF Pulse Africa Factory,» *“a 12-month start-up acceleration program bringing together committed partners (public and private investors, mentors, experts, etc.) with the aim of coaching and supporting the growth of African start-ups.”*

Initiated in 2017, the EDF Pulse Africa challenge aims to support the entrepreneurial dynamic in Africa with two main objectives. The first is to identify potential partners by bringing out technological innovations on the continent. The second objective is to support innovation by involving local entrepreneurs in

the development of innovative offers that meet Africa's current energy challenges.

Since 2017, three Cameroonians have won prizes in this innovation competition. In 2017, Yann Nkegne, promoter of the startup EduAir won the third grand prize while in 2018, Fabien Kouatcha won the Coup de Coeur prize with his startup Save Our Agriculture, specialized in aquaponics (a production system that couples fish farming and plant cultivation).

In 2019, engineer Triomphant Tchulang won the «Coup de Coeur» prize thanks to his start-up Clean Energy Services. Through his startup, the engineer sells Off-Grid electricity generation solutions designed to power freezers and refrigerators with solar energy on remote sites.

## LEADER OF THE MONTH

# CAMEROONIAN ALAIN EBOBISSE LANDS A 5-YEAR TERM AS INVESTMENT FUND AFRICA50'S HEAD AGAIN



Africa50, the investment fund launched in 2014 by the African Development Bank (AfDB) recently announced the unanimous reappointment of Cameroonian Alain Ebobisse as its CEO. Through this reappointment for a 5-year term, the administrative board is thus showing its trust in the CEO's ability to lead Africa50 in the next phase

of its strategic development and growth strategy, we learn. "Since his appointment in 2016, and throughout the company's formative years, Alain has been a tremendous asset to Africa50, contributing his extensive experience and expertise in infrastructure development to shape the solid foundation that underpins Africa50's present and

future success. His leadership has helped make Africa50 a fully operational entity with a team of highly skilled executives and professionals, a strong governance structure, a result-oriented culture, and a robust portfolio of investments that are delivering impact and attractive returns," commented Akinwumi Adesina, president of the AfDB and chairman of Africa50 administrative board.

The reappointment of Cameroonian financier Alain Ebobisse is expected to boost Africa50's investments in his home country. Africa50 is already a shareholder in Nachtigal Hydro Power Company (NHPC), the company behind the 420 MW Nachtigal dam project, and is also eyeing the airport and gas sectors in Cameroon.

«We want to make additional investments in several sectors in Cameroon. I have discussed with Cameroonian authorities following instructions from the President of the Republic. We are interested in the country's airport sector," Ebobisse said on the sidelines of the 2nd Africa Investment Forum, organized by the AfDB, on November 11-13, 2019 in Johannesburg. «Cameroon has a lot of gas. I suggested Cameroonian authorities should add more gas projects because gas is a transition fuel. We will invest in Cameroon once we find acceptable projects," he added.

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