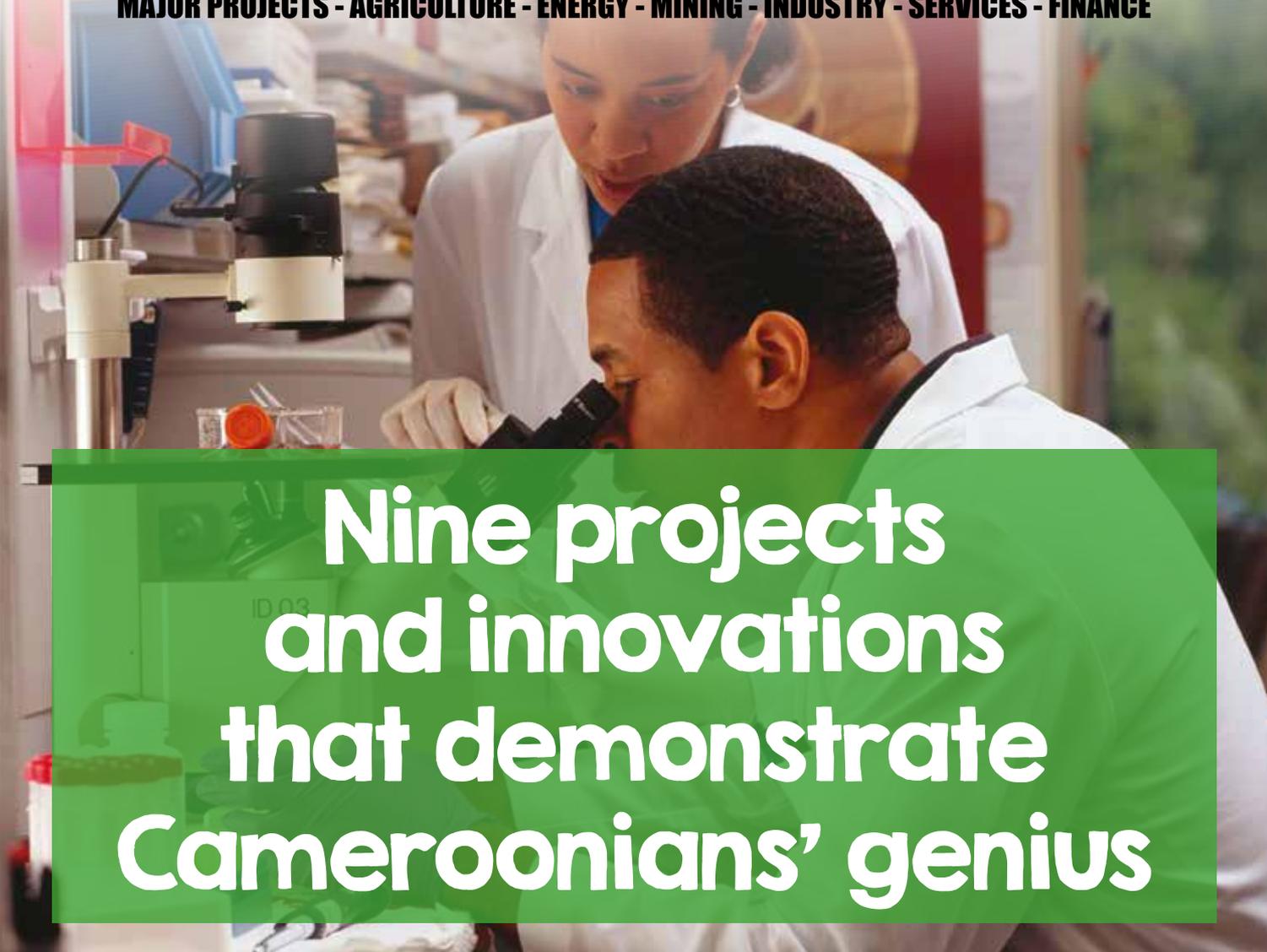


# BUSINESS IN CAMEROON

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



Nine projects  
and innovations  
that demonstrate  
Cameroonians' genius



This is how  
Gozem plans to  
revolutionize  
the transport  
sector in  
Cameroon



Cloud: ST Digital eyes  
African market

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Yasmine Bahri-Domon,



## Cameroon goes digital

This is our last issue for the year and we have assessed Cameroon's achievements in terms of digitalization, which the country owes primarily to innovative entrepreneurs who dare and move mountains.

One of these innovators is Serge Armel Njidjou who operates in the health sector. During the AfriCom forum in Cape Town, the Cameroonian entrepreneur distinguished himself with his interactive neonatal incubators that will save the lives of many babies. This puts him in the same league as two of his fellow countrymen; Théodore Lejuste Abobda, who is developing a unique artificial heart, and Arthur Zang, whose Cardiopad will equip all hospitals in the country.

In Agritech, Erik Gyslain Tiam Dzembouon is helping farmers irrigate their lands remotely, via SMS. In the energy sector, Wolf Njitia created a smart power meter. In urban transport, Lionel Mubi, a Cameroonian, explains how Gozem, a company he works for

and which operates in several African countries, plans to expand in Cameroon. And this month, in Fintech, Acam Vie launched its savings offer via cell phone.

Advanced services are also developing. Anthony Same, with his company ST Digital and its datacenter, based in Douala, now offers cloud computing services, not only in Cameroon, but also in Côte d'Ivoire, Congo, Benin, and Togo.

The government is busy as well: with Korea's support, three digital campuses will be built in 2022 and they will help build the skills needed for the digitalization of public management, justice or post sectors.

The various digitalization projects led the World Bank to announce a few weeks ago a \$100 million credit «to support Cameroon's efforts» and stimulate the economic transformation of CEMAC's top economy. Digitalization, the Bretton Woods institution said, should increase the growth rate by 2% each year and reduce the poverty rate by 1%.



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## BUSINESS IN CAMEROON

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Printing  
Rotimpres, Aiguaviva, Espagne

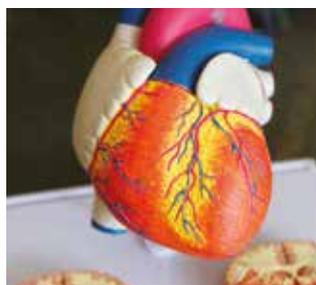
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## MONTHLY STATISTICS

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# 44%

During an oral questioning session, the Minister of Public Works Emmanuel Nganou Djoumessi detailed the impacts of the Anglophone crisis, raging since late 2016, on contracted road projects in the North-west region.

*«To date, 44% of the [North-western] road network is covered by active but not executed contracts. The reasons are known. Several companies have abandoned construction sites or stopped the various studies while others have not even taken measures to start works,»* Minister Nganou Djoumessi said.

With his statement “the reasons are known,” the official was referring to the separatist militia-fueled insecurity faced by companies in the North-West and South-West.

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# 36 000

Cameroon plans to open the electricity metering equipment-supply market to new operators. These operators will mainly supply smart meters and offer technical assistance for the management of the equipment, therefore, creating up to 36,000 new direct jobs in segments like meter manufacturing, installation, maintenance, and control.

This is the revelation made in a feasibility study presented on November 11, 2021, by the electricity sector regulator Arsel in Yaoundé. Baptized ‘filialisation des services de comptage de l’électricité au Cameroun’ (spinning electricity metering services off in Cameroon), the project aims to bring the private sector into the electricity sector’s management segment to boost the metering sub-segment through innovative methods.

# CFA1 800

On October 27, 2021, under the aegis of Trade Minister Luc Magloire Mbarga

Atangana, Cocoa Valley and Cameroon Golden Cocoa signed a framework agreement

setting the price of Golden Cocoa-labeled beans at CFA1800.

This price could reach CFA2000 should the quality of the «Golden Cocoa» beans improve further. Nevertheless, the current price is the highest ever charged for quality cocoa beans in Cameroon. It exceeds the CFA1600 per kilogram offered by French chocolate makers to local producers who operate in the excellence cocoa centers installed in some producing areas in Cameroon.

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# CFA239.6 billion

During the 2022 budget year, Cameroon will dedicate more financial revenues to the payments of interest on debt service than it did in 2021. According to the draft budget, the budget dedicated to those interests is CFA239.6 billion, which is up by CFA49.4 billion compared with the sum budgeted in 2021.

This rise in interest expenses is due to the planned resumption of the debt service suspended in 2020 and 2021 under the G20 Debt Service Suspension Initiative (DSSI), Finance Minister Louis Paul Motazé explained while presenting the 2022 draft project during a special ministerial council.



## COMPANY OF THE MONTH

# SONARA: TOWARDS A 10-YEAR REPAYMENT DEAL FOR A CFA371 BLN DEBT OWED TO OIL TRADERS



On October 15, 2021, Cameroon signed a repayment agreement for the CFA261.4 billion debt owed by the national refinery SONARA to nine local banks. Currently, the country is also preparing for a similar agreement with seven oil traders claiming CFA272.8 billion debt from the refining company.

According to sources close to the matter, even though the repayment agreement has not been signed yet, to reassure the traders of the government's honesty, since December 2020, the Ministry of Finance has been implementing a provisional debt amortization plan.

According to an authorized source, a final amortization plan will soon be agreed upon. The source reveals that a plan for the restructuring of CFA15.8 billion debt owed to Swiss trade Vitol is ready but the plan still needs to be validated by the national public debt committee CNDP. The Swiss firm's executive board's approval will also be needed and the comfort letter to be issued by the government written instead of a sovereign guarantee.

*"Once the draft agreement is approved by the CNDP, it will be the basis for agreements with the remaining traders [ed. note: six of them],"* a source at

the Ministry of Finance reveals. According to the source, apart from Vitol, the oil traders Sonara owes include Gunvor (CFA39.1 billion), Mercuria ( CFA36.2 billion), Addax ( CFA15.8 billion), Trafigura (a little over CFA12 billion), PSTV ( CFA7.8 billion), and Glencore ( CFA6.8 billion).

Per the terms of the draft repayment plan, SONARA's debt to traders will be amortized over 10 years and backed by a 5.5% yearly pre-tax interest. The debt will be repaid thanks to the funds collected and deposited in the special account 'Soutien à la raffinerie' (support to the refinery) domi-



## COMPANY OF THE MONTH



ciled at the Bank of Central African States-BEAC. To guarantee the continuous provision of the account over the amortization period, the government commits to keeping the 'Soutien à la raffinerie' line in the oil products' price structure till the debt is fully repaid.

This was the same agreement approved with the nine local banks in October.

### **Threat to domestic supply**

According to credible sources, these same conditions and commitments will be applied to two other creditors of Sonara with whom Cameroon is yet to conclude debt restructuring negotiations. The creditors are namely The Sahara Energy and Petra. The debt Sonara owes them has not been fully reconciled yet but estimates have them at CFA98.3 billion,

of which CFA75.3 billion is owed to Sahara Energy.

Overall, subject to the validation of the draft repayment plan with the first seven traders and the conclusion of negotiations with the last two traders, Cameroon will restructure CFA371.1 billion of Sonara's debt to nine oil traders. The debt restructured with local banks included, the government would have rescheduled CFA632.5 billion of debt for its most indebted state company whose financial problems worsened with the fire outbreak that destroyed part of its equipment on May 31, 2019.

In addition to relieving the pressure on its majority shareholder's finances, the restructuring of Sonara's debt to oil traders is an opportunity for Cameroon. Indeed, according to

a source close to the case, Sonara's debt to oil traders is the largest and most exigible (compared with the debt to banks). It is also *"likely to threaten the country's petroleum products' supplies."*

Since the May 2019 fire, Cameroon has been importing all of its clean petroleum products (super, diesel, kerosene) marketed on the national territory. To support the struggling national refinery, the government authorized Sonara to import 80% of the petroleum products through oil traders to supply the domestic market. Therefore, if a repayment plan is not agreed upon, the oil traders can refuse to supply Soanara given its abysmal debt ( CFA717.8 billion as at end of December 2019).

Brice R. Mbodiam



# INNOVATION: DISCOVERING CAMEROON'S GENIUSES

In the last couple of years, hardly any innovation challenge has ended on the African continent without celebrating the creative genius of Cameroonian entrepreneurs and their youth with multiple awards. The latest continental recognition of Cameroonians' dynamic innovativeness is the Future African Champions' Women Award Central Africa awarded to startupper Nkenen Brendaline on November 20, 2021, on the sidelines of the Durban Trade Fair (South Africa). Selected among 150 candidates, five Cameroonians included, the young Algiers Pan-African University of Water Sciences and Energy

(PAUWES-Algeria) graduate seduced the jury with an organic food project, whose aim is to protect consumers' health. With that award, she joined the ranks of the many Cameroonians who have lifted the birth country's flag higher with their innovations and creativeness. Some of those Cameroonians were brought to the limelight thanks to top international competitions while others, more discreet, are patiently and anonymously carving their niches with, sometimes, projects likely to change the established order in several aspects of human life. Their creative genius leaves no sector untouched, from ICT to industry,

agribusiness, and tech. Their ideas are gradually becoming the subject of mainstream or even scientific journals. However, although the popularity and the fate of their innovations differ, there is one common challenge: lack of financing options. This single factor often sunk sometimes groundbreaking projects into anonymity as it did for some of the projects listed in this dossier. This issue of Business in Cameroon is dedicated to them as a contribution to their popularization.

Brice R. Mbodiam

# Wheat-free pasta Miondonini makes its way alongside imported brands



Miondonini, the pasta created by Cameroonian firm Gariland International, has found a local alternative to wheat by using tubers like cassava, cocoyam, and yam. The brand's name is derived from 'Miondo,' which means cassava stick (a local food made from cassava) in Duala, a local dialect. At its Mbalmayo-based plant, in the Centre, Gariland International produces close to 200 300-gram packs of pasta. Each of those packs is retailed at CFA500. Dorothy Selamo, promoter of Gariland International, got the idea to create Miondonini to replace

imported wheat with local products in pasta around 2007 and 2008. It was particularly difficult for her to materialize her idea. She toiled for three years before finding the perfect texture allowing her pasta to retain the same aspect once cooked. It was only in 2010 that her project was approved by the Cameroonian government and a patent issued. In Cameroon, there are enough pasta offers. There are several imported brands in the market; Pasta, Netto, Panzani, and Barilla to name a few. Their affordable prices make them important components of many residents' food baskets. However,

with the introduction of local tubers into the pasta production process, Miondonini set itself apart from the competition. Just years after its launch, Miondonini sparked considerable interest from households, top chefs, and athletes. The first most important Miondonini order came from the national football team in 2015, therefore, helping it gain broader recognition. Nevertheless, Dorothy Selamo is facing challenges in her operations. The challenges are notably related to power outages and voltage sags that decrease the company's production capacity.

# Nextcoffee and Gari Plus celebrated for agrifood innovation

Nextcoffee: an enhanced coffee flavored with local spices. This is one of the ideas of Gariland International, a Cameroonian SME specializing in agricultural processing. In 2016, the SME won an award in Gaborone, Botswana, for its innovative cassava byproducts. Indeed, after the success of its tapioca juice Garilight, Gariland

International created “Gari Plus,” a food product kit composed of organic and enhanced Gari (local name for tapioca). The organic Gari is sweetened and enhanced with fifteen dried fruits and vegetables. The kit, whose nutritional values are inestimable, can be consumed just by adding water. On December 11, 2015, during a mini

cocoa crafts fair, Gariland’s kiosk was highly popular. It was offering samples of its “date-coated cocoa beans” (sold under the Perles noires brand) - in which date pits were craftily replaced with cocoa beans- and “filled cocoa beans” (sold under the brand Pralines), in which the dried beans are inserted in a type of cake made from potato flour.

# Serge Armel Njidjou contributes to the fight against infantile mortality with his connected incubator



On November 12, 2019, during the AfricaCom held in Cape Town, South Africa, telecom group Orange announced the winners of the 9th edition of the Orange Social Venture Prize for Entrepreneurs in Africa and the Middle East. The grand prize went to Cameroonian start-up “Tout soufflé compte.”

Founded by Serge Armel Njidjou, this start-up manufactures interactive neonatal incubators, remotely controlled by the doctor’s smartphone, that help combat premature babies’ mortality in Cameroon and Africa.

This award comes with a €25,000 (about CFA16.5 million) grant and personalized support from Orange Group’s experts.

# A young mechanic makes headlines in Bafoussam with a car built almost entirely from scrap and recycled materials



In Bafoussam, the regional capital of West Cameroon, young mechanic Cédric Simen's creation is an attraction. As a child, he used to build toy cars from bamboo. He has now gone a step higher by building a fully operational 2-seater car using scrap metal and recycled materials. On the car he usually cruises in around the city of Bafoussam, he painted the map of his native country Cameroon with the phrase "it's possible" written in French.

*"It's a 2-seater with all the accessories installed. I was comfortably seated and I was surprised to see that even the dashboard was working as in any other car,"* commented Léopold Kamdem, a taxi driver who tested this "made in Cameroon" vehicle. "He [Cédric Simen] is a genius," the taxi driver added. In a Voice of America (VOA) video, Cedric Simen, who left school at 11 to learn mechanics in one of his uncles' workshops, explained that to

build his car, he bought "old materials like dampers, tires, engine and many other spare parts." But, he says, the bodywork and the axles were all his creation. The young Cameroonian mechanic's car is already popular beyond his native country's borders. As he revealed himself, he has received several orders from various countries like Côte d'Ivoire and Benin.

## Maroua: Mechanical engineering students build the first ‘made in Cameroon’ environmentally friendly car

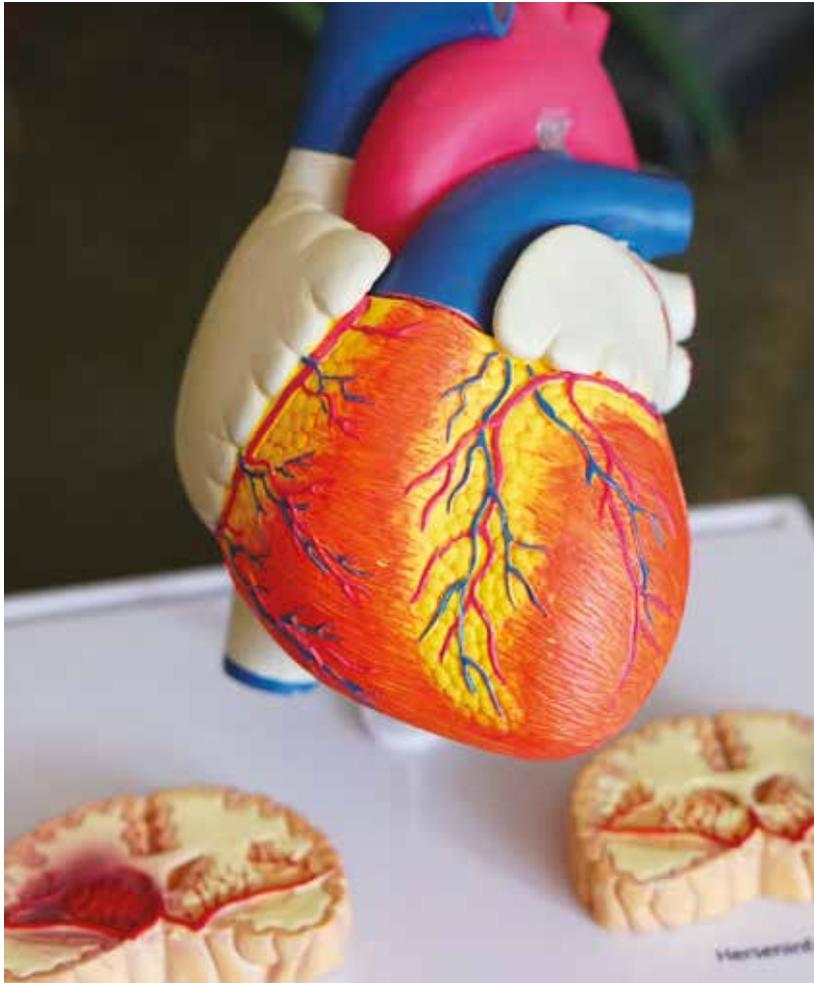


In 2017, a group of mechanical engineering students of the University of Maroua's National Advanced School of Engineering (ENSPM) presented an environment-friendly car to the Minister of Youth Affairs Mounouna Foutsou. The car, which was the first “made in Cameroon” environmentally friendly car, was designed and built by the said students. It was built with recycled materials

and an imported engine but had no bodywork. The car was powered by a battery pack allowing it to be autonomous over 90 kilometers at an average speed of 80 km/h. During a conclusive trial run of the five-seater (one of the seats was occupied by Minister Mounouna Foutsou), the students who built the car explained that the car's maximum load capacity is 250 kilograms.

The students spent five (05) years on the design phase and just five (05) months on the assembly stage. At the time, they indicated that they were expecting financial support from the state, banks, and economic operators to improve their prototype and contribute to the fight against pollution on national roads.

# Cameroonian researcher Théodore Lejuste Abobda creates an artificial heart



Young Cameroonian researcher Théodore Lejuste Abobda is creating an artificial heart. He says the organ will look and work just like a real human heart. It will even adapt to human emotions of all kinds. During a workout, the artificial heart will beat faster and at a steady rate during sleep. Creating such an artificial organ was the subject of the doctoral thesis that Theodore Lejuste Abobda, then 29

years old, defended on April 24, 2015, at the Department of Physics of the University of Yaoundé I. The thesis obtained a very honorable mention with committee praise. The positive feedback on his work has motivated him to pursue and complete his creation. The researcher said it could be unique in the world, as it would be the most efficient ever made. «I have taken into account all the international specifications and

I have reviewed the artificial heart models developed so far. Most of them have a common flaw, which is their inability to manage emotions. But mine will be able to incorporate this aspect. Some prototypes are too big to be implanted in the human body and others have limited autonomy batteries. My own will solve all these problems. The existing model that looks like mine still depends on an external power supply. Cables need to be integrated into the human body to connect the artificial heart to the external battery that the patient wears. In addition, the patient must be equipped with a device for recharging the energy generator. The device can be a belt or a kind of backpack,» he said.

Dr. Abobda wants to equip his device with the most sustainable power supply possible. It will consume 4 watts of energy, less than a quarter of the consumption of an energy-saving light bulb. This will allow the built-in battery to last longer. Tests are well advanced. For his doctoral thesis, Dr. Abobda developed an external heart model that is much larger than a normal human heart and it worked very well.

This heart «*made in Cameroon*» was manufactured in the Laboratory of Modelling and Simulation in Engineering, Biomimetics, and Prototypes of the University of Yaoundé I. Due to the lack of equipment, the researcher managed to find salvaged material. For three years, the artificial heart was assembled, step by step; it was readjusted several times, without its manufacturer complaining about starting over. The final result has conquered the jury.

# Sales of Arthur Zang’s medical tablet Cardiopad is rising at an exponential rate in Cameroon



Since 2016 when it launched the commercialization of Cardiopad - the first African medical tablet, Himore Medical has already equipped 267 health facilities in Cameroon. The inventor is Cameroonian engineer and Arthur Zang. According to him, for 2021 alone, the

Cameroonian Ministry of Defense has ordered 30 units of the device to equip the army hospitals. Himore Medical runs on an on-demand manufacturing system, meaning that the device is only produced when ordered. For the time being, 60 hospitals in

Cameroon acquire this equipment each year “to perform medical examinations (Cardiovascular Examination, ed).” With Cardiopad, doctors can transfer their patients’ results remotely.

As a reminder, Himore Medical was forced to stop the first phase of production in 2015 due to a lack of funding. The company was short of CFA20 million. «The Ministry of Public Health was supposed to award us contracts for the equipment of some hospitals. We were counting on the money from this transaction to finance the final adjustments,» Arthur Zang said at the time.

The device was sold at CFA2 million and seemed to be better approved outside Cameroon than inside. In April 2016, the promoter of the Cardiopad reported he had only sold 43 kits out of a total of 300, 50% of which were sold in Gabon, and the rest distributed between Cameroon, India, and Nepal. But, as of January 2017, the Cameroonian health ministry ordered 20 Cardiopads. Since then, the sale of this device, which has received various international awards, has been on the rise in Cameroon. Sales were also boosted with the Covid-19 pandemic, which has highlighted the need for remote services.

Reliable sources reported that, after the Cardiopad, Himore Medical is preparing the launch of two new medical devices, including a blood pressure monitor and a glucometer. According to the company, this is a way not only to support the health system in Cameroon but also to promote the local production of certain medical equipment.

# Cameroonian startup Ndotto Sarl develops a smart meter to fight fraud

Douala-based startup Ndotto Sarl announces that it has just completed the development of a smart electricity meter, after 5 years of research. According to the promoters of this start-up, this smart meter is adapted «to the challenges of energy distribution management in Cameroon.» «Our solution allows users to both optimize the operating costs related to the management of energy distribution and to monitor their electricity

consumption, through our mobile application,» says Wolf Njitia, co-founder of Ndotto Sarl.

The solution developed by this start-up digitalizes billing, geolocates the electricity consumers, and thus helps reduce fraud. Thanks to these smart meters, we learn, energy consumers will be able to access their consumption in real-time. They will also be able to remotely turn their meters on and off and instantly pay their bills

via mobile payment platforms. They will also receive alerts on their mobiles before any service interruption. The innovation of this start-up comes at a time when Eneo, Cameroon's power utility, is testing the first smart meters on its grid. This is intended to limit frauds responsible for the loss of 20% of the energy distributed in the country in 2018, i.e. around 200 megawatts.

# Agropad, a smart agricultural irrigation system made in Cameroon



Cameroonian inventor Erik Gyslain Tiam Dzembouong was one of 12 startups in the world, and the only one from Central Africa, to present inventions at Viva Tech. The latter was a global meeting of startups and innovation leaders held in France from May 16 to 18, 2019. The electrical engineer, and expert in renewable energy, has set up a company called «Global Initiative» within

which he developed the «Agropad» application.

It is a technological device that allows farmers to irrigate their farms remotely via a simple SMS. This service does not depend on a telephone operator or network coverage and allows an intelligent distribution of water in terms of needs, quantity, and time.

«Agropad also provides a real-time

weather report, offering users information on temperature, solar radiation, wind speed, and rainfall. In 2018, Erik Gyslain Tiam Dzembouong won the 2nd prize in the RFI Challenge App Africa competition, organized in partnership with Société Générale banking group.

# Anthony Same

***“FOR BUSINESSES, THE CLOUD HAS BECOME AS ESSENTIAL AS ELECTRICITY.”***

**After working for big firms like Oracle, SAP, Microsoft, IBM, this Cameroonian computer scientist started ST Digital in April 2017. Based in Douala, the tech company is present in four other countries in Central and West Africa (Togo, Benin, Ivory Coast, and Congo). The cloud computing company also inaugurated its first data center in January 2021, to make African companies less dependent on foreign companies. A timely investment, given the rise in local demand for cloud services driven by the Covid-19 pandemic. In this interview with Business in Cameroon, the CEO of ST Digital gives us his opinion about the state of the cloud computing market in Cameroon, its domination by the GAFAM, digital sovereignty, and more.**

Interview with Aboudi Ottou

**Business in Cameroon: What is the state of the cloud computing market in Cameroon?**

Anthony Same: Cameroon, like most countries in west and central Africa, first discovered cloud computing services through the major international players such as Microsoft, Amazon, and Google. For a few years

now, 100% Cameroonian cloud computing firms like ST Digital have been emerging and are starting to offer cloud computing services both in the IAAS (Infrastructure as a Service) and SAAS (software-as-a-service) segments.

**BC: What is your market share and**

**what are your short and mid-term goals?**

AS: Since this is still a budding market, it is hard to measure our market share. To us, what is presently important is that major players of the banking and industrial sectors trust us and let us host their services and data. Our short-term objective



*“Major players of the banking and industrial sectors trust us and let us host their services and data”*

is to get our first facility in Bonanjo (located in Douala, Ed. note) full. And in the medium term, we want to become a regional player by building other infrastructure, notably in Côte d’Ivoire and Togo.

**BC: Many experts claim that demand for cloud computing services in Africa rose amid the Covid-19 pandemic. Do you think this applies to Cameroon? Did your market share rise as a result of this situation?**

AS: For businesses, the cloud has become as essential as electricity. The Covid-19 pandemic demonstra-

ted this with demand for outsourced hosting services exploding, as more businesses sought to cope with health restrictions.

It’s important to understand that the cloud is, by design, more resilient than traditional IT and therefore allows for an easier response to emergencies. We have worked on several projects in Cameroon, such as providing servers for a portal that manages Covid test results, or setting up tools for business continuity (teleworking, electronic signatures, etc.). These helped our business grow in 2020 and 2021.

**BC: You claim to be the only “independent” company with a data center that meets international standards in Central Africa. Who or what are you independent from and how are your competitors (MTN, Orange, Camtel...) less so?**

AS: We are what you might call a pure player and cloud specialist, with no other activities that could clash with our clients’ businesses. Nowadays, a telecom operator could potentially be a bank’s competitor, so how could the former guarantee the latter’s independence? That is not an issue we have to deal with at ST Digital.

Also, we are a Cameroonian company, owned by Cameroonian shareholders, with no obligation to any parent company. Our decisions are made locally without depending on a foreign entity or a state shareholder.

**BC: This does not necessarily guarantee a better quality of service... From this perspective, what makes hosting data with an “independent” player better?**

AS: Taking, for example, Liquid Telecom in South Africa, which has outsourced its data center business to Africa Data Centres, there is a consensus in the industry that it is more effective, internally and externally, to adopt the “neutral/independent” organizational model. Being independent allows one to better face SLA (Service Level Agreement) issues because of the unconstrained access to external service providers. For example, ST Digital collaborates with more than six internet providers. This allows us to switch from one to the other in the event of a network failure.

**BC: What do you think is the market share of local cloud providers?**

AS: At the moment, the market share of local providers is insignificant compared to the ultra-domination of GAFAM (Google, Amazon, Facebook, Apple, Microsoft). This is because the offering is very new. We believe that in the future, a hybrid offer will emerge, whereby local players will be using both international public cloud and national private cloud solutions like ours.

**BC: Given the relatively obsolete legislation in terms of data protec-**

**tion and a lack of local standards in terms of the data center, do players based in Cameroon offer the same guarantees of security, quality of service, and data protection as GAFAM?**

AS: We believe at ST Digital that the ability to exercise our digital sovereignty is the key to guaranteeing the freedom of our service users. A sovereign cloud offer is first and foremost a cloud offer supplied by a provider committed to never using their customers’ data. This commitment is an intrinsic part of ST Digital’s value proposition.

Regarding standards, we operate a Tier 3 infrastructure that meets international standards relative to its security, redundancy, and high availability aspects. Similarly, our contractual and normative clauses are built around the requirements of the RGPD regulations (regulations on personal data management) of the most advanced countries, and they are currently being studied by the Cameroonian legislature.

**BC: Still in the same vein, you often state that “it is important to preserve the sovereignty of our strategic data.” Most of the country’s big companies host their data and computing services on foreign servers. How is that dangerous?**

AS: Cloud data sovereignty is a global issue, not only a European one. Digital sovereignty can be defined as the ability of a state to control all digital resources, from an economic, social, and political point of view, free from third parties or external influences. Simply put, it means to have freedom of choice and to be less dependent

on non-African infrastructure, platforms, or internet access points. And data sovereignty extends this notion to organizations. It determines their ability to protect their data from possible interference, especially foreign interference, and therefore to act independently, particularly in areas that are key to their development. Today, we are witnessing globalized competition and exponential growth in the volume of sensitive and strategic data used in the cloud. The risks of economic espionage and interference via uncontrolled dependencies with some cloud providers are now recognized. This poses a risk to both data protection and the emergence of major African players.

**BC: Isn’t that the reason why many companies are reluctant to outsource the management and storage of their data?**

AS: There are still many people who are attached to ownership and like to own their infrastructure, but trusting experts is important. By outsourcing the management of your IS (Information System, Ed. note), you entrust your IT to an IT expert. Day-to-day tech issues are pushed into the background because there is always a third party who makes sure that everything works well (thanks to monitoring especially) and who is reactive when an incident occurs. As a result, you have more freedom to focus on your core business! You don’t have to worry unnecessarily. All you have to do is focus on growing your business.

**BC: Don’t you think it’s somehow contradictory to talk about sovereignty and hybridity (national**



*“We believe that the ability to exercise our digital sovereignty is the key to guaranteeing the freedom of our service users”*

**and international services) at the same time? Isn't that a way to deny your path and avoid speaking against some of your partners like Microsoft?**

AS: Going hybrid is a consensual approach that allows getting the best out of two worlds. Technically, it allows keeping data locally while exploiting the cutting-edge cloud services of global giants like Microsoft. This is what the South African government opted for by providing public online services whose data

is stored in a local data center and on Microsoft's Azure platform at the same time. We are very complementary and proud to be both one of the main partners of the Gold Partner Microsoft program and a 100% African cloud computing company.

**BC: Isn't it risky for one to out-source the management and storage of their data in a country with internet connectivity issues and where the internet can be shut down as it happened in the past?**

AS: ST Digital provides a single offer with multi-operator connectivity to guarantee permanent access to the data stored at our data center. Regarding the issue of submarine cable breakages and internet outages, we are setting up a local internet exchange point that will enable Cameroonian internet users to access data hosted in Cameroon thereby making the services of our locally hosted clients fully accessible.

# Lionel Mobi

## ***“OUR GOAL IS TO REVOLUTIONIZE AND MODERNIZE URBAN TRANSPORT IN AFRICA”***

**He was previously director of operations at Jumia in Cameroon and Ghana. He holds a Master’s degree in Supply Chain Management from the Catholic University of St. Jerome in Douala and since June 2021 he has been the country manager of Gozem in Benin. In this interview, Lionel Mobi tells us about the ambitions, pitfalls, and hopes of Gozem, a startup specialized in financial services, transport, and e-commerce, that will soon officially start operating in Cameroon.**

Entretien avec Idriss Linge

**Business in Cameroon: Could you tell us more about Gozem and in which segment of e-commerce it operates?**

Lionel Mobi: Gozem is a multi-functional application (Super App) featuring a series of different but related services—including urban transportation of people and goods and e-commerce services—based on an on-demand delivery model. Concretely, our application connects three essential stakeholders, knowingly: drivers who we refer to as

“champions” (motorcycles, tuk tuks, and cars), merchants (notably restaurants, grocery stores, and supermarkets), and end customers, who can move around or move goods with the help of the first stakeholder (champions), order a meal or a product from any of our merchant partners and have it delivered by one of our valiant champions.

As you can see, champions are really at the heart of our business. And using statistics of their activities and our in-app e-wallet, we were able

to develop a third service, which is fintech. It allows us to provide these champions products and equipment they need to work (phones, insurance, helmets, vehicles, etc.), which they can get on a “Work and Pay” model.

**BC: You are already present in Togo, Gabon, Benin, and very soon in Cameroon. What services do you concretely offer and that contributes to the development of transport in these countries?**

LM: As I said earlier, our services primarily aim to tackle mobility issues in urban areas. We currently have nearly 4,000 vehicles (bikes, tuk tuks, and cars) in the three countries you have listed (Cameroon isn't included). With us, moving around has never been easier. All you need is a phone, place your order and one of our champions will be there within the next five minutes. Our rates are low and known in advance (thus hassle free), and every champion (driver) has been trained and gone through our Know Your Customer verification process. So Gozem checks everything and can easily trace its drivers, which is a guarantee for security.

Next, we are committed to facilitating digital commercial transactions. It's no secret that in the coming years e-commerce's will be taking more place in the trade industry. To be part of this expansion, Gozem leverages three fundamental points (logistics capacity, technology, and marketing). Our partnership with merchants is the fourth point that completes this foundational square and it enables us to be a key actor in this sector. We want to give new business opportunities to our merchant partners and offer our customers a new purchasing experience, one that is easier and efficient.

Lastly, we value our champions. As soon as they are recruited, all our champions receive training on modules like the traffic code, digital tools (how to use our app and the GPS), customer service, and more. This helps them have real added value compared to drivers in the traditional transportation system. Adding to this basic equipment

like helmets (2), smartphones, and insurance which are all compulsory for Gozem champions, their added value increases even more. Therefore, we contribute to the formalization of a sector whose players have been abandoned to their devices for a long time. With the data we collect, we can even produce credit scoring that allows us to finance our champions' equipment. In Benin and Togo, that's how we were able to help over 1,500 champions change vehicles, using our Work and Pay financing model.

**BC: Despite the penetration rate of the internet and telecom rising, these countries still struggle regarding access to digital technologies. How do you overcome this challenge?**

LM: Indeed, developing the digital economy requires high access to quality internet, as well as the democratization of digital tools (smartphones notably). In the countries where we are, the penetration rate for the internet has been growing steadily from year to year. While we expect this growth to further accelerate, we are currently working on sealing zero-rating partnerships with telecom operators. Simply put, using our services does not require data. We are also working on other techniques, more advanced, to go around this challenge which is internet access.

**BC: Another issue is road condition and street address. E-transport depends mainly on these factors. So how do you cope in countries like Cameroon where road networks are hampered by the size of cities?**

LM: Bad Road conditions make movement difficult and increase operational costs. We can't control road condition and while this is a challenge, we see things differently. We believe that our services are even more relevant since we lower operational costs for our champions, by focusing on other factors like improving access to our customers without having to roam around the town, or leveraging financing solutions for buying equipment. We also make it less stressful for our customers to move around by picking them on their doorstep, providing them comfort, and charging low transparent rates.

Now, regarding the issue of the street address, we mostly use GPS coordinates. Also, we have developed features like the Landmark functionality which draws a digital map with thousands of well-known places per city. These two tools allow us to avoid most of the addressing issues we face.

**BC: You are personally involved in this project, even though there are no schools that provide such training in Cameroon. For young people such as yourself, what skills are needed to be part of similar projects?**

LM: Besides technical (web development, etc.) and marketing (digital marketing) courses, digital professions are not completely different from the more traditional professions. A salesman that works in the mass retail industry for example can become a salesman at Gozem. There are some soft skills they will need. So, I don't believe they should take a specific course but rather training



*"We contribute to the formalization of a sector whose players have been abandoned to their devices for a long time"*

modules that focus on this new expanding economy, that will help new graduates get more skills and have access to more opportunities. I have been working in this sector for seven years. I had the chance to occupy relatively important positions at major companies all over the continent, and I think that passion and a desire to learn are the most important factors that determine failure or success in this sector. Every

challenge is an opportunity to learn. Passionate people, obsessed doers that can use their technical know-how to solve issues arising are needed here. Those who do not like this job and are not ready to always go the extra mile will ultimately give up when challenges arise. And there are many challenges.

**BC: In Cameroon, many people fear modernity. In the mobility**

**sector, there are many drivers of traditional moto-taxis, taxi cars, and even some clandestine drivers. Is it possible to take their jobs away in the long run?**

LM: No, not at all! We are not their competitors. Quite the opposite. We support these actors. They are at the heart of the project, not excluded. If you take a look at Gozem's 10 values, you will notice that three of them revolve around the importance of



*“Our goal is to revolutionize and modernize urban transport in Africa, and we intend to do so with those already in the sector now”*

champions to Gozem. And while it’s true that people are afraid of novelty, things will be different with us. We are working to cut operational costs and valorize urban drivers. Our goal is to revolutionize and modernize urban transport in Africa, and we intend to do so with those already in the sector now.

**BC: What do you consider as the most important roadblock to your success?**

LM: The greatest enemy of any innovative business like ours is the lack of usage. The biggest risk is to develop a product that is not massively adopted by the market. There is no

single challenge or a challenge that is more important than that. Several challenges can impact usage. However, we are confident, thousands of people already use our app and we set new records every month. Regardless, we are humble enough to admit that everything isn’t perfect. And that is why we work, every day, to improve our products and services, to constantly boost our experience and consequently our number of users.

**BC: Very often, the business climate is referred to as a major challenge in African countries. Given that you have several successful**

**projects, what is your opinion about that perception?**

LM: Administrative formalities and corruption are the main breaks to investment. I believe that digitalization is a significant answer to these. I have worked in many African countries and what I’ve noticed is that when administrative services are digitized, businesses often find it easier and more transparent to invest. Many African countries are currently digitizing their administrative procedures and while I believe that there is still a lot to be done, we are on the right track.



# PUBLIC MANAGEMENT

## Cameroon introduces draft provisions excluding chartered accountants and business lawyers from the tax consulting market



In the draft 2022 finance bill currently being reviewed by the parliament, Cameroon has introduced amendments to the Tax Procedures Book of the General Tax Code. If approved, accountants and business lawyers will no more be able to assist taxpayers during audits and tax litigation in the country.

According to the proposed amendments, the articles L13 and L120 of the procedure book, taxpayers are now only authorized to choose CEMAC-approved and registered tax consultants or chartered management centres for assistance in those crucial tax procedures. Should they decide to get assistance from chartered accountants and business lawyers, they must refer to administrative courts for authorizations, the amendments stress.

Concerned by those amendments,

the National Order of Chartered Accountants of Cameroon (ONECCA) is on the move. For several days now, its chairman Léonard Ambassa has been discreetly lobbying Cameroonian authorities and the Organization for the Harmonization of African Business Law (OHADA)'s institutions. In addition to those lobbies, a collective of 27 young accountants will soon request an audience from the Cameroonian Ministers of Justice and Finance, credible sources reveal.

### **Preferential Treatment**

*«If it is voted [as is], the draft 2022 finance bill will constitute a sudden deterioration of citizens' rights and freedom against the huge tax pressure, which is a daily challenge for Cameroonian entrepreneurs. As it stands, the bill has not been elaborated*

*by taking the nation's best interest at heart. Its undisclosed purpose is to allow former officials who have become tax consultants monopoly over the tax assistance market, «reads a memo published by the ONECCA. This accusation is dismissed by a senior tax inspector contacted by Business in Cameroon. According to the latter, very few of the tax consultants currently operating in Cameroon are former tax officials. The bulk of those advisors are instead students trained in public and private schools in the country, he says.*

*«In the CEMAC region, every profession is regulated and specific credentials are required. The reason why we authorized chartered accountants to operate as tax consultants up to now is that there were not enough [trained] tax consultants. Now that there is*

enough, it is normal to make them the exclusive professionals authorized to offer such services,» he adds.

### Against supranational and CEMAC laws

Meanwhile, in its memo, the ONECCA believes that the exclusion of actors that prepare financial statements and have key information while forcefully introducing approved tax consultants (at firms' expenses) in the tax auditing procedure will affect the efficiency of the procedure.

*“It will reduce confidence in the signature of chartered accountants who are the guarantor of the credibility of financial statements as mandated by the revised Ohada Accounting System that became effective on January 1, 2018. Cameroon is thus defecting from supranational provisions on the transparency of financial statements (...)”* the memo claims.

For Brice Meilo, one of the signatories of the said memo, not only are the proposed amendments against OHADA's supranational texts, but they are also against CEMAC rules.

*«Article 16, paragraph 2 of the CEMAC Regulation (...) revising the status of liberal accounting professionals, and Article 31, paragraph 2 of the Law of May 6, 2011, regulating the activities of independent accounting professionals and the operations of the National Order of Chartered Accountants of Cameroon, provide that chartered accountants may assist their clients in legal and administrative matters, in accordance with their professional assignments, and formulate opinions before authorities or public institutions. Therefore, as an extension of their main accounting missions, chartered accountants are authorized to provide assistance and advice to their clients, in legal and tax matters particularly,»* he said.

In reply to Brice Meilo, the tax inspector mentioned above indicates that the proposed amendments are not against CEMAC texts. The articles mentioned stress that Chartered accounts may offer their services, ‘in accordance with their chartered accounting professional missions,’ he reminds. Therefore, he says, every

professional should keep doing just what their professional certifications allow. *“Accountants are assigned to accounting activities and account certifications. As for tax consultants, they offer assistance and advice in tax matters,»* the tax inspector concludes.

### Weakened taxpayers' protection?

Tax audits are aimed at reviewing firms' accounting operations validated by chartered accountants. Chartered accountants are thus presumably more equipped to defend taxpayers before public authorities. Hence the ONECCA's statements that prohibiting chartered accountants and business lawyers from assisting taxpayers will be a sudden deterioration of the latter's rights.

However, there is no provision forbidding tax consultants from calling in the expertise of chartered accountants to successfully carry out their missions.

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## Non-tax revenues, growth rate...: Cameroon revises 2022 draft budget

In the 2022 draft budget finally submitted to the parliament, Cameroon has revised its budget to XAF5,752.4 billion (+5 % compared to the XAF5,480.4 billion 2021 state budget). This new budget forecast is down by XAF10 billion compared with the draft budget presented by Finance Minister Louis Paul Motazé during a special ministerial council organized in early November to present the 2022 draft budget.

To elaborate the new budget forecast, the government reduced its projected borrowings by XAF20 billion while increasing its non-tax revenue forecasts by XAF10 billion. Specifically, the country reduced

its projected borrowings from XAF1,774.5 to 1,754.5 billion due to a projected drop in budget supports. As for the non-tax revenues projection, it rises from XAF206 to 216.2 billion.

Apart from the revision of budget forecasts, the draft bill submitted to the parliament also includes slightly less optimistic economic growth prospects. Indeed, in the initial 2022 draft budget presented by Minister Louis Paul Motazé, the growth forecast was 4.4%. However, the forecast contained in the draft submitted for parliament's review is 4.2%. On the other hand, for 2021, the GDP growth is revised upwards to 3.6% in the

2022 draft budget, compared to 3.4% initially planned.

Despite those slight adjustments, the government confirms that the economy will grow in 2022 notwithstanding the persistence of the coronavirus pandemic whose magnitude is gradually declining in the country. *“This growth will be notably spurred by several factors like a controlled Covid-19 pandemic, the windfall of the organization of the African Cup of Nations (AfCON), less pronounced contraction in the oil and gas sector as well as mitigation of security problems,»* reads the 2022 draft budget submitted for the parliament's review.

# Cameroon: SABC group contributes XAF1 bln for the implementation of NoSo reconstruction plan



In its capacity of executing agency for the reconstruction of the Northwest and Southwest, the UNDP resident representative signed a XAF1 billion agreement with brewing group SABC on November 26, 2021, in Yaoundé. The agreement was signed under the watchful eyes of Prime Minister Joseph Dion Ngute. Commenting on the signing, Emmanuel de Tailly, CEO of SABC group, explained that the agreement was the materialization of his group's commitment to its promises.

*"Last May 18 [2021], we promised to materialize our support to the NoSo*

*[ed. note: Northwest and Southwest] reconstruction plan with a XAF1 billion contribution despite the difficult and impactful environment (...). We will continue to work towards a return to normalcy in these two regions because political and military solutions are not enough. We think that an economic and social solution is needed as well,"* he added.

In the two regions concerned, a separatist crisis has been raging since late October 2016. It started with corporatist demands but quickly turned to a sociopolitical crisis. Since then, have been spreading death and

terror causing the destruction of the economic fabric and several basic infrastructures in those regions.

This is the reason why the government elaborate a reconstruction plan estimated at XAF89 billion. The government, international financial partners, and some companies (like the SABC) have decided to contribute to its execution. Meanwhile, for transparency and efficiency, Cameroon chose the UNDP as the reconstruction plan's executing agent.

# Cameroon approves four private incubators



On November 24, 2021, Cameroon issued the first official approvals in its history to private incubators. The approvals were handed by Achille Bassilekin III, Minister of Small and Medium Enterprises, Social Economy and Handicrafts (Minpmeesa), to four incubators specializing in support for business creation or development.

The recipients are notably Jacky Felly Nafack Institute of Technology (JFN-IT: a university), the association Groupement des femmes d'affaires du Cameroun (GFAC), the Digital Transformation Alliance (an incubator whose aim is to produce cars designed and assembled in Cameroon), and the N'lonako Valley Authority.

*«These approvals demonstrate the quality as well as managerial, technical, and technological excellence promoted by those respective incuba-*

*tors. Only legally established institutions will continue to operate in our country and be eligible for state funds and subsidies,»* explained Achille Bassilekin III.

The government reminded the recipients that their mission is to provide actors in the national entrepreneurial ecosystem an incentive framework for the creation and development of innovative companies as well as wealth and job creation. Once admitted into incubators, project carriers can finetune their business idea, evaluate the relevance of their project, and ways to find the resources necessary for the creation and development of their companies. As the spokesperson of the recipients, Alphonse Nafack, CEO of Afriland First Bank and promoter of JFN-IT, indicated that the approvals were an additional sign of institutional support. *«Actors are henceforth*

*aware of their terms of reference. They know what they are committing to and will abide by those specifications for the benefit of actors, startups, and companies,»* he said.

Let's note that on January 22, 2020, Prime Minister Joseph Dion Ngute signed a decree setting the guidelines of incubators supporting SMEs in Cameroon. According to the text, approved incubators must support the creators of small and medium enterprises by identifying their entrepreneurial potential. Also, they must develop the talents of SME promoters and assist them in the development of a useful network.

To obtain the Cameroonian government's approval as an incubator, an application must be submitted to the Ministry of SMEs that review it and issue the approval if possible.

## 2022 draft budget: Cameroon plans to reduce public expenditures by XAF79.6 bln YoY through rationalization

Cameroon plans to further tighten public expenditures in 2022. According to Finance Minister Louis Paul Motaze, with its eyes set on a 2% budget deficit, the government plans to reduce public expenditures (excluding debt service) to 15.3% of GDP in 2022, compared to 15.6% in 2021. This corresponds to a “*budgetary savings of 0.3% of GDP achieved*

*in 2022 compared to 2021,”* the official detailed adding that that savings amounted to about XAF79.6 billion. For Louis Paul Motaze, the target will be met thanks to the continuous application of the zero-based budget approach strategy, which entails preventing the growth of operating expenditures (salaries excluded) and dedicating the available budget to

priority challenges.

On closer analysis, it appears that the strategy mentioned by the Finance Minister is not applied to personnel expenses (the wage bill particularly) whose continuous rise is a concern for the government. According to the 2022 draft bill, the wage bill will increase once again reaching XAF1,064 billion (up by 5.5% year-on-year).

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## 2022 draft budget: Cameroon projects 12.6% YoY rise in tax and customs revenues



For the 2022 budget year, Cameroon has set a tax and customs revenue target of XAF3,088.7 billion. The figure is disclosed in the 2022 draft budget the government submitted to the parliament for review. If validated, the target will be up by 12.6% or XAF345.6 billion year-on-year. For the government, that optimistic projection will be achieved thanks to the dynamism of economic activi-

ties, with a projected 6.1% growth of nominal non-oil GDP. It will also be achieved by optimizing the collection of those revenues through administrative measures and tax-base broadening measures. While presenting the draft budget before his peers during the November 8, 2021, special ministerial council, Finance Minister Louis Paul Motazé explained that the country

was planning to boost the contribution of non-oil tax revenues to GDP from 11.3% 2021 to 12.1% in 2022. This represents a tax effort of 0.8% of GDP achievable thanks to «some new tax base measures, more administrative measures and the suppression of some temporary exemptions issued in the 2020 budget year to mitigate the impacts of the [Covid-19] pandemic,» the official added.

# Foreign exchange regulation: Extractive firms to alas apply the new CEMAC regulation, albeit an extremely flexible version



In the CEMAC region, the foreign currency regulation will become effective for extractive firms on January 1, 2022. This is the main outcome of a meeting between Abbas Mahamat Tolli (photo), governor of the Central Bank BEAC, and the extractive firms, on November 17, 2021, in Douala. The regulation has been effective since March 1, 2019, for every sector except the extractive industry. Firms in that category were opposing it purportedly because of sectoral specificities and special contracts signed with governments (they claim those contracts authorize them not to repatriate foreign currencies generated from their operations). To obtain their agreement to abide by the regulation, the BEAC granted two moratoriums over three years. It also made major concessions. «During more than a hundred meetings organized between 2018 and 2021, extractive firms have had the opportunity to present specificities related to their activities to the BEAC, their constraints as well as several miscellaneous factors the exchange regulation did not take into account. The central bank then

considered a set of measures that are both compatible with their economic model and allow effective implementation of the regulation without disrupting operations,» in the extractive industry, Abbas Mahamat Tolli explained at the launch of the November 17, 2021, meeting.

### **Extremely flexible measures...**

This means that, unlike other economic operators who have been strictly abiding by the terms of that regulation since March 1, 2019 (several of them, including banks, have already been sanctioned for various shortcomings including failure to repatriate their foreign earnings), extractive firms will apply more flexible rules. For instance, they will be allowed to keep foreign currency accounts both inside and outside the CEMAC region. The accounts will be governed by specific provisions that allow extractive companies to continue their operations while allowing the central bank to carry out the checks required by enforceable regulations. In addition, a rule providing for the unsuitability of those accounts is under review, we learn.

Also, although oil and mining companies are also subject to the obligation to repatriate foreign currencies generated by their activities in accounts opened in the CEMAC zone, firms still in the exploration phase of their operations and those benefiting from RBL (Reserve base lending) financing are exempt from this measure.

Extractive firms will also benefit from a flexible declaration and domiciliation system for goods and services imported or exported. Similarly, they are allowed up to three years to repatriate all the funds dedicated to the renovation of exploited sites into escrow accounts opened at the BEAC.

Among the concessions made by the central bank to oil and mining companies in connection with the application of the new foreign exchange regulations, there is also the possibility of transferring the income of expatriate workers abroad from onshore accounts (opened in the CEMAC zone) in foreign currency, on the one hand, and on the other hand, the possibility of paying subcontractors operating in the CEMAC zone in foreign currency.

Concessions made to that industry also include the possibility to transfer expatriates' revenues in foreign currency through onshore accounts opened within the CEMAC region and pay subcontractors operating in the region in foreign currency as well. Due to all those concessions, a finance expert recalls that one of the major objectives of the new foreign regulation was to ensure traceability and consolidate CEMAC countries' foreign reserves. With the measures considered for extractive firms, the BEAC will ultimately fail to achieve the desired result, the expert believes.

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# Cameroon: PAD scores big win in multi-billion asset management dispute



Yesterday, November, 17, 2021, The Port Authority of Douala (PAD) announced on its official website that the *“Two decrees issued by the Minister of State Property, Survey, and Land Tenure on November 16, 2021, transfer the residual assets of former state firm Office national des ports du Cameroun (ONPC) to the Port Authority of Douala (PAD). The first decree transfers a plot of land located in Douala 5, Bepanda (Cité du Port) to the PAD. The second decree transfers ONPC’s residual assets located on the port area to the PAD. This second decree covers 23 land deeds. The decrees are the materialization of the January 24, 2019, decision on the reorganization of the Port Authority of Douala.”*

The two decisions mentioned by the PAD represent an important victory in the months-long power struggles opposing the port authority and consulting firm Atou that has been managing the residual assets of several former state firms (the ONPC included) since 2006.

Despite instructions from the President of the Republic to transfer the ONPC’s residual assets to the PAD, Atou is going to lengths to ensure that the decision fails.

The latest attempt to hinder that outcome is the petition it sent on November 8, 2021, to the Littoral administrative court, in order to obtain the cancellation of a decision issued

by Mbah Acha Rose Fomundam, the Minister Delegate at the Presidency, in charge of Supreme State Audit (Consupe). The decision the consulting firm (Atou) was opposing specifically prohibited it from *“signing or taking any action relating to the management of the residual assets of ex-ONCPB, ONPC, and Regifercam till further notice.”*

This petition did not stop Finance Minister Louis Paul Motazé from mandating Debt Recovery Agency SRC to manage those assets estimated to be over XAF100 billion.

# Forest management: Cameroon to start using 2nd generation system SIGIF2 in 2022 despite technical partners' reluctance



Cameroon to commence using the 2nd generation Forest Information Management System (SIGIF2) despite the refusal of the European Union and the German Cooperation (the two main partners that funded the development of the system) backers) to acknowledge it. *“In accordance with the provisions of the Voluntary Partnership Agreement between the European Union and the*

*Republic of Cameroon on forest law enforcement, governance and trade in timber and derived products to the European Union (FLEGT) and as part of the progressive implementation of SIGIF2, the following forest documents will have to be issued by SIGIF2 in the future, starting in 2022,»* reads a decision issued on November 17, 2021, by Minister of Forestry and Wildlife, Jules Doret Ndongo (photo).

The concerned documents are notably the final survey certificate and timber specifications (for exports). According to the Minister of Forestry and Wildlife, Cameroon will boost its forest revenues by making the issuance of those forest information and management documents obtainable only through the SIGIF2. Also, the MINOF explains, thanks to the platform, new revenue niches will be created (apart from traditional forest taxes) through the issuance of timber legality certificates, Flegt authorizations, and the computer fee. According to the Directorate General of Taxation, over the 2018-2019 period, Cameroon generated XAF100.3 billion tax revenues from forest companies operating in the national territory (XAF50.9 billion in 2018 and 49.4 billion in 2019). Meanwhile, for the Ministry of Finance, over the said period, XAF9.9 billion of forest tax revenues (XAF5.1 billion in 2018 and XAF4.8 billion in 2019) were not paid to the state treasury. Therefore, with SIGIF2, the MINOF plans to help the public treasury effectively collect those revenues.

However, the EU and the German Cooperation are less enthusiastic about SIGIF2. *“The certificates issued by Sigif 2 cannot be recognized or validated under the European Union Timber Regulation (EUTR), let alone under future Flegt permits, which would allow for cost savings and direct and priority access to the European market. These authorizations cannot be issued until another instrument is put in place, or until a complete overhaul of the tool is carried out, based on a benchmark study conducted with the Ministry of the Economy...»* the two technical partners commented on April 1, 2021, in Yaoundé, when the 2nd generation system was presented.

# 2020-2030 development strategy: Cameroon bets on private investors for successful implementation of over XAF37000 bln plan

On November 12, 2021, while presenting Cameroon's 2020-2030 national development strategy (SND30) to the national assembly, Minister of Economy Alamine Ousmane Mey (photo) expanded on the funding sources for the over XAF35000 billion strategy.

*"The cost estimate is not absolute. It can be corrected with time (...) The major reforms and initiatives contained in the SND30 are expected to be financed from several sources including the state budget, local authorities, technical and financial partners as well as private operators, the diaspora*

*included,"* Minister Alamine Mey explained.

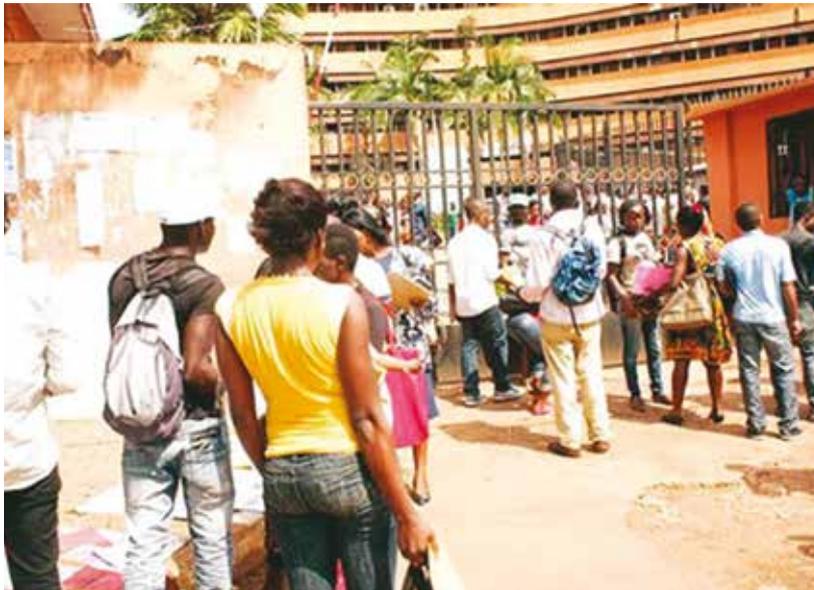
Public resources «must be adequately and extensively supplemented by resources from the private sector to create the leverage effect requested by the government to seek resources other than public debt and sovereign debts, which has its advantages but also has its fundraising limitations (...) Public debt will be controlled and innovative financing techniques will be prioritized," he added.

In the SND30, the Cameroonian government notably explains that most of the projects will be financed

*"by private funds through notably public-private partnerships and the project finance mechanisms."*

Expanding on that part, Minister Alamine Mey revealed that in the framework of the SND30, the State of Cameroon will mostly carry out feasibility, cost-effectiveness, and maturation studies to make them attractive for private investors. Let's note that of all the infrastructures and development projects contained in the development strategy, the most expensive in the universal health coverage plan estimated at over XAF12000 billion.

## Cameroon projects 5.5% rise in personnel expenditures in 2022



The Cameroonian government plans to increase personnel expenses by 5.1% next year. The figure should stand at XAF1124.8 billion, according to Louis Paul Motaze, minister of finance. He disclosed the figure

on November 8, during a council of ministers.

Motaze explained that the rise would be mainly due to higher salary expenditures. The latter are projected at XAF1064.6 billion in 2022, up from

XAF1009.3 billion in 2021 (+5.5%) because of new recruitment into the civil service and the army. However, the official stressed that bonuses, allowances and various gratuities the government will pay its employees would stay at their 2021 level—XAF59.2 billion (XAF60.2 billion, according to our calculations); a decision that reflects a rationalization effort from various administrations to account for new needs. Despite the government announcing it would increase personnel expenses in 2022, Cameroon remains one of the countries that do not meet the 35% maximum wage bill sustainability ratio (the ratio of tax and customs revenues dedicated to personnel expenditures) fixed under CEMAC's convergence criteria. Indeed, personnel expenses set for the coming year represents 36.4% of the forecast tax and customs revenues, XAF3088.7 billion. This is about the same level as in 2019 (36.5%).

# Cameroon adds provisions increasing export taxes on raw timber in 2022 draft budget



In the 2022 draft budget to be reviewed by parliament during the budget session opened on November 11, Cameroon plans to tighten conditions required to export raw timber from the country. According to the presentation made on November 8, by Finance Minister Louis Paul Motazé, the document plans for an increase, from 35% to 50%, of export taxes “to encourage local wood transformation and reduce deforestation. This means that if the provision is validated, starting from January 2022, wood exporters would pay an additional 15% customs duties to send raw timber abroad. On the other hand, wood actors who want to acquire equipment to start transforming or even boost their processing capacities locally will be fully exonerated from tax and duties on the importations of equipment and tools that can not be found on the national territory, the text indicates. Through the two provisions mentioned above, the Cameroonian government is paving the way for an

outright prohibition of the exportation of raw timber. This raw timber export prohibition was initially planned for 2022 in the CEMAC zone but it was later postponed to 2023. Officially, CEMAC countries intend to capitalize on the transitory period going from January to December 2022 to launch preliminary studies for the maturation of investment projects retained in the first phase of the raw timber export prohibition procedure.

### Hidden transactions

As it appears, pending the saturation of community projects, Cameroon seems to be anticipating the prohibition by establishing incentive measures for economic operators eyeing the wood processing sector. The measure will boost the local wood industry, create new jobs, and increase locally added value. That measure can also help reduce the revenue shortfall recorded when some forest operators hid some of their financial transactions.

Indeed, in a report titled: *“TAINTED TIMBER, TARNISHED TEMPLES: How the Cameroon-Vietnam Timber Trade Hurts the Cameroonian People and Forests,”* two NGOs revealed that Vietnamese forest operators active in Cameroon illegally exported over XAF170 billion worth of raw timber (the bulk of their timber exports from Cameroon, according to the report). By hiding those commercial transactions, the operators manipulate their turnover and therefore the value of the taxes to be paid to the Cameroonian administration. According to the national institute for statistics INS, in the first half of 2021, Cameroon generated 4% of its exports earning from raw timber. During the period, raw timber was the sixth main export earning provider for Cameroon after crude petroleum oils (39%), raw cocoa beans (13%), natural liquefied gas (9%), sawn wood (7%), and raw cotton (7%).

# Cameroon: Deconcentrated and decentralized public investment budget implementation rate rose by 20% YoY in Sep 2021

This year, the public budget execution rate improved greatly. According to the Public investment budget's implementation monitoring commission overseen by MP Rosette Ayayi, this is all thanks to the acceleration of decentralization procedures. Indeed, on November 10, 2021, in Yaoundé, during its first session counting for the 2021 budget year, the commission revealed that the physical execution rate of the decentralized and deconcentrated public investment budget was 54.16% as of the end

of September 2021, way higher than the 33.65% recorded in that period in 2020. This represents a 20.5% rise year on year.

This performance was achieved because the various institutions in charge of the management of assigned funds now have a better understanding of the procedures and deadlines, we learn.

According to the commission, Adamaoua and the North recorded the best performance with respective execution rates of 76.39 and 72.06%.

«*The Centre and North-West regions recorded the lowest physical execution rates, i.e. 47.92% and 44.99% respectively,*» it adds.

On the national level, the public investment budget implementation rate is 50.9%, slightly down from the 51.06% recorded at the end of September 2020.

In the 2021 finance law, the envelope dedicated to the public investment budget is XAF 1,352 billion, representing 28.95% of the overall budget.

# Cameroon identifies Equatorial Guinea as the origin of some frozen chicken and pork smuggled into the national territory



The Ministry of Livestock, Fisheries, and Animal Industries (MINEPIA) recently destroyed 5 tons of frozen poultry and pork products in Mvog Betsi, Yaoundé. According to the Ministry, the products were seized

from dishonest traders who fraudulently introduced them into local markets. «*This action aims to restore the soundness of the poultry and pork sectors while protecting local production,*» the ministry explained.

Asked about the origin of the said products, the ministry said they came from Equatorial Guinea. «*The rate at which these products are entering Cameroon, from Equatorial Guinea is incredible. It is the handiwork of traders and unsuspecting people [uniformed men/women sometimes] who use various tricks to smuggle those illicit goods. Sometimes, border inspectors are bribed to allow frozen chicken and pork from Equatorial Guinea into Cameroon,*» the MINEPIA explains.

According to the institution, the illegal practices are facilitated by the proximity with the neighboring country. In Cameroon, the importation of frozen chicken and pork was prohibited in 2006. Since then, veterinary services have been checking local markets to ensure the effectiveness of that measure.

# Edea National Pilot Business Incubator (PNPE): 12 projects selected for a combined XAF100 mln grant



The Minister of small and medium enterprises (Minpmeesa) Achille Bassilekin III recently published a list of 12 projects eligible for the state's XAF100 million grant.

The said projects were submitted by companies incubated by the Edea National Pilot Business Incubator (PNPE), a state institution created to offer training and assistance to entrepreneurs.

The grants to be obtained by the projects range between XAF5 and 12 million and the sectors covered are agribusiness, agricultural machinery, and leather industry. To get the grants released to them, the selected initiators of the selected projects must first sign contracts detailing how the funds will be used and the

monitoring schemes in place to oversee the management.

Selected among 25 applications, the 12 projects are being funded based on a feasible and bankable business plan, according to the selection committee. The requirements for participation were namely to be an SME or startup in its early stage (less than five years old) operating in the ICT (E-commerce, industrial production processes, business intelligence, data mining, community management, prototyping ...), agribusiness (fruit juice, flavor and fragrance oils, vegetables, spices, roots and tubers, cosmetics, bakery, pastry) or textiles and leather sectors.

According to Minpmeesa, the PNPE is a government initiative launched

in 2019 as a platform facilitating innovation and creativity while offering assistance for business development. Its assistance missions are geared towards both business creation and the development of existing companies.

The center has four sections. The first is a training division in charge of the training offered to project holders or companies wishing to expand their activities. The second section is a business incubator that supports the maturation of startup creation projects while the third is a business incubator dedicated to companies about to launch their activities. The fourth section is the formalities section for company creation procedures.



# ECONOMY

## Tourism: Cameroon and the Netherlands discuss the rehabilitation of the Waza Park

On November 26, 2021, Cameroon's Minister of Forestry Jules Doret Ndongo and Catharina Geertuida, the Dutch ambassador to Cameroon with residence in Cotonou (Benin), met in Yaoundé, Cameroon.

According to state media Cameroon Tribune, the aim of the meeting was the rehabilitation of the Waza National Park in the Far North. At the end of the meeting, Minister

Jules Doret Ndongo explained that in the coming days, Cameroon and the Netherlands would discuss a project relating to the fauna and lions. *"We share the same passion for the sustainable management of natural resources, parks, and all this ecological diversity,"* added Catharina Geertuida.

The Waza National Park is the most important wildlife reserve in

Cameroon. However, since 2013, it has been in distress because of attacks perpetrated by Islamist sect Boko Haram in the Far North. Because of the insecurity, tourists are no longer coming to the park. In addition, illegal tree cuttings have become a threat to its survival. Meanwhile, poachers have transformed the park into their go-to site to hunt for protected species.

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## Camwater initiates "aggressive" campaign to recover XAF50 bln out of XAF61.3 bln unpaid bills



On November 25, 2021, water utility Camwater launched a *"permanent and aggressive campaign for the recovery of unpaid water bills."*

According to the briefing note announcing the campaign, the operation is aimed at recovering XAF50 billion in unpaid bills. *"Starting from tomorrow morning, clients with unpaid bills will be systematically disconnected [all over the country] except for users in some identified sensitive and sovereign areas, which are well known by our teams,"* the briefing note reads. The water utility adds that it is nevertheless open to dialogue for possible

moratoriums.

As of September 30, 2021, the overall unpaid bill in Camwater's portfolio was XAF61.306 billion. More than half (XAF31.265 billion) of that portfolio was accounted for by public institutions. XAF18.877 billion was owed by individual households still connected to the water supply while XAF4.442 billion was owed by individuals who have already been disconnected over unpaid bills. Decentralized territorial units were owing over XAF3 billion against XAF2.363 billion for large clients and XAF836.114 million for electric utility ENEO.

## Fishing: Cameroon exported 102.5 tons of shrimps to Malaysia in Jan-Oct 2021



Between January and October 2021, Cameroon issued two certificates of conformity for the exportation of 102.48 tons of shrimps to Malaysia. The figure was revealed by Cameroon's Minister of Livestock Dr Taïga while defending his ministry's 2022 budget before the parliament on November 30, 2021.

Shrimp is thus officially one of the main products exported by Cameroon to Malaysia, whose population is already in love with

Cameroonian cocoa. According to figures published by the National Cocoa and Coffee Board (NCCB) during the 2020-2021 cocoa campaign that ended in July 2021, Malaysia has been the third main destination of cocoa exported from Cameroon. The commercial partner accounts for 7.2% of the overall cocoa exports by Cameroon during the period against 65% for the Netherlands, 8.7% for Indonesia, and 6.1% for China. Per the National Institute of Statistic

(INS)'s data, the bulk of Malaysia's imports from Cameroon is constituted of hydrocarbons, notably the natural gas extracted and processed by Hilli Episseyo, the floating LNG plant installed offshore Kribi. Let's note that in 2020, Malaysia was the fifth leading destination for Cameroon's overall exports. Overall, it accounted for 4.2% of those exports against 6.8% for Spain, 9.3% for the Netherlands, 10% for Italy, and 21.5% for China.

## Delayed by the Covid-19 and technical constraints, Radisson Blu Douala will open in Q3-2023

Radisson Blu Douala initially planned to be opened in the first quarter of 2021, will finally be launched in Q1-2023.

«*The Covid-19 pandemic has impacted the entire chain of this hotel [construction] project,*» said Erwan Garnier, development manager for Radisson international Central and West Africa, in an interview published in this month's issue of the Business in Cameroon magazine. Apart from the impacts of the coronavirus, the project was also delayed by some technical constraints. «(..) 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,» explained M. Garnier  
Radisson Blu Douala is the outcome of a public-private partnership between Financia Capital and Cameroon's National Social Security Fund (CNPS). It will cost XAF25 billion, according to estimates

contained in the agreement with the Investment Promotion Agency (API). Thanks to that agreement, the project will benefit from tax and customs incentives provided by the 2013 law (revised in 2017) on private investments in Cameroon. It will be the first 5-star hotel to be built in Douala and boost Cameroon's offer in the high-standing hotel segment.  
«(..)*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...*,» Erwan Garnier adds.

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## Industry: Factory gate price index drops in the agribusiness segment in a generalized soaring price context

In the second quarter of 2021, the factory price index rose by 3.8% year on year in the industrial sector in Cameroon. The information was disclosed by the National Institute of Statistics (INS) in the Industrial price index it published on November 12, 2021.

This rise was caused by the impacts of soaring raw materials prices

and freight costs in international markets. Nevertheless, during the period, the inflationary pressures had no impact on factory gate prices in the agribusiness segment. On the contrary, that index dropped by 1.6% year on year in the segment, according to the INS.

The institute of statistics states no reason to explain such a drop in the

general soaring price context but, it is worth noting that for years now, operators in that segment have been gradually shifting their preference towards local raw materials to add more local added value to their products. This allowed them to avert the consequences of imported inflation.

## Cameroon: Chococam announces record XAF36.9 bln turnover for the 12-month period ending Sep 30, 2021



South African group Tiger Brands recently published its financial statements for the 12 months ending September 30, 2021. According to the document, Chococam, the Cameroonian subsidiary set a record by crossing the symbolic ZAR1 billion (XAF36.9 billion) turnover mark during the period. The performance is up by XAF2.2 billion compared to the XAF34.7 billion (ZAR942.3 million) turnover recorded as of the end of September 2020.

For Tiger Brands, through innovation, optimal pricing, and improved distribution in neighbouring countries, every segment of Chococam's activities contributed to the overall performance. The report adds that during the period under review, Chococam's operating profit peaked at ZAR172 million (XAF6.3 billion), representing a 16% increase year-on-year (the year-on-year rise in operating profit in 10% when calculated in XAF).

Chococam is recovering from the ravages of the coronavirus pandemic in 2020. This upturn was particularly supported by strong demand for chocolate (the company produces the Mambo brand) and similar products. According to a note on the Cameroonian cocoa sector published by Fitch Solutions, a branch of US rating agency Fitch Group, on March 18, 2019, this demand will rise continually until 2023. For Fitch Solutions, the demand will rise from 53,000 tons in 2019 to 63,000 in 2023. The Tiger Brands' operating report also announces a rise in demand for confectionery products and numerous products produced by Chococam. It is worth mentioning that on November 10, 2014, Chococam published a legal announcement expanding its corporate purposes to the manufacture, importation, exportation, and commercialization of body care and household care products and by-products. By expanding its corporate purposes, Chococam was thus lining up with Tiger Brands' African expansion plan in the aftermath of the partnership agreement the parent company signed with Kenya-based manufacturing company Haco Industries. Thanks to that partnership, Chococam distribute the «Miadi» cosmetics products. It can also distribute the "Tastic" branded rice, reinforcing its image as the most performing subsidiary in Tiger Brands' Central African cluster.

## Oilseeds industry: Cameroonian market will be continuously supplied during the holiday season and even beyond, assures refiners association ASROC



The Cameroonian oilseeds industry has taken measures to remain operational even beyond January 1, 2022, the Oilseeds Refiners Association (ASROC) assured in a release issued on November 23, 2021. «Despite the difficult international environment affected by the coronavirus pandemic, with constraints such as a corollary rise in the prices of raw materials and freight costs, the oilseeds industry wishes to reassure consumers that thanks to the dialogue with government, measures have been taken to ensure the continuous supply of refined vegetable oils, laundry, and toilet soaps during the holiday season and even beyond (...) ASROC is committed to continually working

to meet the desire of the government and the President of the Republic, His Excellency Paul Biya, who have always supported the 1st and 2nd transformation segments of the oilseeds industry to curb rises in the cost of living,” reads the release signed by Jacquis Kemleu Tchabgou, secretary-general of the ASROC.

Through this release, the association -which includes operators that produce almost 80% of the refined vegetable oils, laundry, and toilet soaps consumed in Cameroon- is taking an opposite stance to the warning issued by the employers’ grouping GICAM earlier this month. In a release issued on November 9, 2021, Celestin Tawamba, chairman

of the GICAM, warned that should firms could stop production and importation activities on January 1, 2022, should it become hard for them to adjust to soaring raw material prices and freight costs.

GICAM explained that the possibility to stop production and importation was being considered because the measures taken by the government to mitigate the impacts of the soaring raw material prices and freight costs on production costs (the GICAM estimates the rise in production costs to be between 15 and 50%, depending on the sectors) were ineffective. Worse, it explains, in some sectors, measures were not taken at all.

For the GICAM, the rise in production costs is a serious threat to companies’ profitability and survival. As it stands, the ASROC seems to be of a different opinion, even though some of its members belong to the GICAM, which is the largest employers’ organization in Cameroon. It is worth mentioning that after the warning issued by the GICAM, on November 16, 2021, the government issued a customs duty measure reducing companies’ expenses. “The freight rate to be used for the calculation of the customs value of goods imported by sea must be decided by reducing the total amount paid or to be paid for the shipment of such goods by 80% in the context marked by an unprecedented rise in the cost of international transportation services,” the release signed by Finance Minister Louis Paul Motazé informed. The measure mitigated the impacts of rising freight costs on imported goods but employers are yet to publicly comment on it.



# FINANCE

## Cameroon: Government to raise XAF184 bln from the local banking sector in 2022



Cameroon plans to raise XAF184 billion from the local banking sector in 2022, the 2022 draft bill currently being reviewed by the parliament reveals. According to the government, the funds raised will partially cover the 2022 budget deficit and cash-flow requirements estimated at XAF1,754.5 billion.

Apart from the funds directly raised from the local banking sector, the government will indirectly source funds from banks by issuing XAF350 billion worth of public securities. As public finance experts explain, based on the hypothesis that Cameroon will not go into the international capital market for its funding needs after its recent Eurobond refinancing

operation, the government has two avenues to source that fund.

The first is the regional stock exchange BVMAC where several local banks operate as brokerage firms through their subsidiaries. Indeed, even if the country has stopped its fundraising operations in that exchange in 2019d, the Ministry of Finance and BVMAC officials have recently discussed the measures to implement to attract Cameroon to the regional exchange again and dynamize the market.

The second avenue is the central bank BEAC's capital market where some local banks are acting as primary dealers. Since the launch of that market in 2011, Cameroon has

been very active there and in 2019, the country focused exclusively on it for its public security issuances, both short and long-term securities.

In addition to bank loans, both direct or indirect, in 2022, the Cameroonian government will use other financial instruments to finance its budget deficit and cash-flow requirements. These include, for instance, the estimated XAF369 billion budget support from development partners and tranches of project loans (XAF746.5 billion expected from the various funding windows). According to the 2022 draft bill, XAF105 billion are also expected to come from the IMF (through the special drawing rights) and the World Bank support funds.

# Banque Atlantique Cameroun on the move to get controversial COBAC sanctions overturned



In 2008, Atlantic Financial Group took over the almost bankrupt Amity Bank. Thirteen years later, the credit institution, renamed Banque Atlantique Cameroun, is one of the country's five most performing banks. This momentum may soon be broken by a decision issued on August 27, 2021, by the

Central African Banking Commission (COBAC). It could also affect the expansion plans of the banking group created by Ivorian business mogul Bernard Koné Dossongui. Since the August 27 decision, the bank has been on the move to circumvent the dramatic situation. What is its strategy? Who are its allies and oppo-

nents in that endeavor? What exactly are the accusations waged against it? What are its answers to those accusations? Business in Cameroon investigated the matter. For several weeks now, Banque Atlantique Cameroun (BACM) has been trying to get its case reviewed by the Central African Banking

Commission (COBAC), according to information obtained from sources close to the case. After the publication on October 5, 2021, of the sanctions issued by the COBAC, the bank sent teams to meet the national monetary authorities of every Central African Economic and Monetary Community (CEMAC) member country. In Libreville, Gabon, the team led by Ivorian Leon Koffi Konan, Chairman of the Board of Directors (PCA) of the bank, was received on October 20, 2021, by Halilou Yerima Boubakary, Secretary-General (SG) of COBAC. The team also met in Paris with the President of the COBAC, Abbas Mahamat Tolli, who is also Governor of the regional central bank BEAC.

At every meeting, BACM's envoys presented «all the information likely to clear suspicions on the lawfulness of some of its operations,» as the bank promised in a release it issued on October 7, 2021. The aim was to provide enough proof to make the COBAC overturn its sanctions and avert the need for the bank to file a litigation procedure against the regulator, a possibility dreaded by every financial institution's management. The Cameroonian subsidiary of Atlantic Financial Group (AFG) expects that the actions taken will prompt a review of the case and lead to a reduced or even a lifting of the sanctions against the bank's executives, therefore, putting a stop to the negative impacts the decision is already having on operations.

### **Cascading effects**

To justify its sanctions, the COBAC claimed BACM violated anti-money laundering regulations. This claim has already affected the bank's relations with its foreign partners. Indeed, frightened by their regulators' possible actions, those partners have threatened to close BACM's correspondent accounts should it fail to address the accusations.

The claim is affecting commercial activities. In a letter sent on October 8, 2021, to his chairman of the board, Serigne Touré, financial controller for the African Intellectual Property Organization (OAPI), asked the inter-governmental organization to end its contract and withdraw its CFA2 billion time deposit.

The impacts of what appears to be an earthquake in the banking world are being felt as far away as the African and Indian Ocean countries in which Atlantic Financial Group has expansion plans. On October 17, 2021, the group's founding president, Bernard Koné Dossongui, even traveled to convince Mauritian partners who withdrew from the expansion projects after learning about the COBAC's decision.

Moreover, should the regulator's decision become effective, the consequences will be felt beyond the banking group. Indeed, in addition to dismissing the BACM board members from their positions in the bank, the COBAC also prohibited them from assuming responsibilities in credit institutions in the CEMAC region over the next

five years. Meanwhile, some of the sanctioned board members still hold executive positions in their banking institutions.

### **Support from bankers and monetary authorities**

In that case, Cameroonian businessman Albert Kouinche will have to resign from his CEO positions at Express Union (EU) and Société Camerounaise d'Équipement (SCE), as well as from his position as a member of the EU's boards in Chad, Gabon, Congo, and Equatorial Guinea. His compatriot Jean Victor Ngué will also have to resign from his position as CEO of Pro-PME Financement.

To keep his functions, one of the Cameroonian board members informs that he is ready to refer the matter to CEMAC courts should the BACM's conciliatory approach fail. For the time being, sources close to the regulator indicate that the bank is going to great lengths to get Halilou Yerima Boubakary to change his stance. «*Halilou Yerima Boubakary's mandate ended since May 2020, so he certainly wants to exit with a resounding action,*» a banker comments.

According to the said banker, if that was not the case, the president of the regulatory body would have reconsidered the decision when the sanctioned bank provided documents to avert the suspicions about the non-transfer of 70% of its foreign earnings to the BEAC, as required by the exchange regulations. Let's note that

the text, whose application Abbas Mahamat Tolli is strictly committed to, was elaborated to help replenish the subregional foreign currency reserve since the CEMAC special summit in Yaoundé in December 2016.

The greatest support for BACM is currently from national monetary authorities. During a recent meeting between CEMAC finance Ministers regarding the subregion's relations with the IMF, the issue of COBAC's sanction against BACM was discussed under the category 'miscellaneous'. However, no resolution was taken, the BEAC reveals.

Nevertheless, it is an open secret that some financial experts have been questioning the appropriateness of the sanction and the publicity surrounding it in a context where the banking system is already weakened by the Covid-19 pandemic as the COBAC itself reckons.

#### **Business provider contract**

In Cameroon, the Ministry of Finance fears that, in a context of scarce resources, it will have to deal with a crisis resulting from the destabilization of BACM, which became the fifth-largest bank in the country and a systemic bank (a bank whose activities are so crucial that its bankruptcy will have important negative impacts on the region's finances) in 2020. The problems experienced by BACM are also a concern for Congolese authorities who are still in negotiations for the bank to buy back

part of its domestic debt. Reportedly, they have informed the governor of the BEAC about those concerns. Besides their timeliness, the decisions are also being questioned, given the accusations. It all started in 2018 with a 'business provider' contract BACM signed with PConsulting Sarl because of difficulties in "collecting revenues." As per the terms of the contract, PConsulting Sarl was to prospect for wealthy clients while the bank remunerates the works according to the size of the clients brought, by paying through two accounts housed at the National Financial Credit (NFC) Bank whose provisional administrator was also sanctioned by the COBAC. Between 2018 and 2020, BACM's deposits rose by over 214%, going from CFA175 billion to 375 billion. Over the three years, PConsulting was paid CFA6 billion for its services (2.5 billion in 2020, 1.6 billion in 2019, and 1.9 billion in 2018) and paid CFA1.5 billion in taxes (corporate tax and VAT).

#### **Internal accounting rules**

After an audit mission at the BACM between March and April 2021, a fact-finding mission at NFC Bank, and a hearing on August 23, 2021, COBAC concluded that «BACM's corporate officers have following proposals from the chairman of its board of directors and approved by the board members- seriously violated AML/ CFT (anti-money laundering rules) for three years, by commissioning the ser-

*vices of a 'business provider,' resulting in the plundering of the resources of the public and parastatal companies concerned.*

*"Consequently, all the members of the board of directors have been dismissed and prohibited from operating in the CEMAC region over the next five years,"* the banking watchdog ruled.

In the banking world, this case which highlights the conflict between regulatory compliance requirements and financial stakes is at the center of debates.

*«The regulator talks about the business provider activity like an illegal act,"* a financier working in Douala says. The latter points out that in the banking sector, it is a well-known practice but also a regulated activity in the community. Indeed, like financial institutions, insurance companies, currency exchanges, or sports agents, business providers are also subjected to the law of April 11, 2016, on the prevention and repression of money laundering and terrorist financing. *«In addition, the COBAC is acting as if it only found out about the contract between BACM and PConsulting during its audit mission. Yet, according to Article 69 of the regulation on credit institutions and financial holdings' internal accounting system, any service outsourcing plan must be validated by the Secretary-General of the COBAC. The authority is required to do so within 90 days following the submission of the outsourcing contract. The most important thing here is to know whether the bank submitted that*

*contract or not,”* says another expert met in Douala.

In any case, the COBAC’s decision does not accuse BACM of not submitting the outsourcing contract.

#### “Mailboxes”

Curiously, COBAC accuses the BACM Board of having «approved» the contract between the bank and PConsulting. Meanwhile, Article 67 of the internal accounting regulations habitates the board to make such decisions.

*«The chairman of the board of directors acknowledges they resorted to a business provider,”* the COBAC wrote in its decision. On October 19, 2021, Business in Cameroon contacted BACM about this alleged admission but we received no answer.

In the decision, two main points were raised to justify the accusations of violation of the AML/CFT regulations and plundering of public and parastatal companies’ resources. The first point is that most of the resources drained by PConsulting to BACM books are public funds. The second point is that the two accounts opened by PConsulting at NFC Bank functioned like ‘mail boxes’ from which every deposit is systematically withdrawn a few days or even hours after the reception, through cash transfers ( CFA3.68 billion) and transfers to third parties ( CFA2.336 billion).

In addition, CFA1.2 billion was withdrawn in cash in Yaoundé, even though PConsulting’s headquarters

and operating zone is Douala. In local financial circles, those withdrawals are no big deal. They are considered usual business practices. The regulator on the other hand suspects they could be kickbacks to the managers of the depositary companies. When contacted, PConsulting explained that the withdrawals were made to pay the network of marketers. It also insisted that the deposits of public and parastatal companies and the interest generated are not affected by the withdrawals. To justify its claim, it asserted that neither the company nor the State of Cameroon has made such complaints. During the August 23, 2021, hearing, BACM directors told the COBAC that the payments received by PConsulting were for actual services provided.

#### Internal diverging views

The justifications notwithstanding, Halilou Yerima Boubakary, who has experience in public funds misappropriation cases, still believes that the frequency and volume of the withdrawals are suspicious. He believes that the justifications provided are not enough to say public funds were not plundered, while also acknowledging that nothing can indicate connivance between PConsulting and BACM. Nevertheless, if it turns out that the money paid to PConsulting was used for illicit activities, even without the bank’s knowledge, BACM will be partly responsible. Indeed, com-

munity regulations require credit institutions to ensure the conformity of the operations carried out by their partners. For that reason, BACM promised the regulator it would ask PConsulting to send all the information likely to ensure the traceability of its operations. To date, we can’t tell whether this promise has been fulfilled or not.

It is worth mentioning that even within the regulatory body, there are disagreements over the case. According to sources at the BEAC, some members who took part in the virtual disciplinary session of August 27, 2021, claim they did not agree with the decision published. This revelation echoes a widespread opinion in financial circles in the subregion.

According to the said opinion, the torment AFG is going through is due to its expansion in the CEMAC zone [in 2020, it acquired the much-coveted subsidiary of Banque internationale pour le commerce et l’industrie (BICEC) in Gabon] and the results recorded in recent years by its subsidiary in Cameroon. From the almost bankrupt Amity Bank in 2008, BACM is now one of the first most performing banks in Cameroon and among the top 8 banks in the CEMAC region, the bank has been reiterating in its recent press releases.

Aboudi Ottou

## Gwendoline Abunaw, MD of Ecobank Cameroon, becomes Head of the CEMAC cluster

Gwendoline Abunaw, Managing Director of Ecobank Cameroon, has recently been appointed Managing director of the cluster ECOBANK CEMAC, an official release informs. According to the release, as the managing director of that cluster, she will *«oversee business activities within the CEMAC cluster and continue to report to the regional leadership (Central, Eastern, and Southern Africa).»* She now combines her duties of MD of the Cameroonian subsidiary with those of head of the cluster that

includes seven countries (Cameroon, the Central African Republic, Chad, Congo, Gabon, Equatorial Guinea, and São Tomé).

Ms Abunaw started her career in 1998 as an analyst at Standard Chartered Bank Cameroon. In 2004, she joined Ecobank Cameroon as a customer relationship manager in the wholesale banking department. In 2005, she joined the corporate banking team of Citibank Cameroon before returning to Ecobank Cameroon in 2011. In 2015, she was appointed Deputy

Managing Director of Ecobank Cameroon and then Managing Director in June 2017. Over her years in the financial and banking sector, she occupied various positions ranging from senior manager to regulatory and labour risk manager. Gwendoline Abunaw obtained her Bachelor's degree in Banking and Finance at the University of Buea, Cameroon. She later headed to London, England for graduate studies at the Metropolitan University where she obtained her MBA.

## Wood processing: Cameroon identifies the African Finance Corporation as a technical and financial partner for the Edea and Bertoua economic zones

Cameroon has progressed in its project for the creation of special economic zones in the country to boost wood processing, the Ministry of Mines reveals. According to the Ministry, two sites have already been confirmed and a financial and technical partner has been identified for the project. The two sites are notably Edea in the Littoral and Bertoua in the Eastern region while the technical and financial partner is the African Finance Corporation (AFC). *“The actions fall within the framework of commitments made by CEMAC countries to approve the ban of raw timber exports by January 2023,”* the ministry explains.

AFC, the partner selected by the Cameroonian government, is a regional development finance institution created in 2007. With the African Development Bank (AfDB) as one of its major shareholders, the institution's goal is to address the financing gap in the infrastructure and industrial sectors that are considered underfunded on the African continent.

Should the involved parties agree on various mechanisms, Edea and Bertoua's special economic zones will be the first in Cameroon. According to the presidential decree signed on April 17, 2019, a special economic zone is one or more geographic areas

developed and equipped with infrastructures to allow firms installed in that zone to operate under optimal conditions. The zones concerned are agricultural, craft, and commercial areas as well as free trade zones, agri-food science parks, high-technology clusters, and tourist complexes. To create a special economic zone in Cameroon, the project carrier must first collaborate with concerned administrations to identify free lands able to host the firms. Then, the applicant will have to prove its financial capabilities and thereafter demonstrate that at least five firms are interested in settling in the economic zone.

# Cameroon officially takes over 54% stake in Union Bank of Cameroon

On November 23, 2021, the Union Bank of Cameroon (UBC) issued a release announcing the finalization of a stake acquisition process started by the Cameroonian government earlier this year.

*«An extraordinary General Shareholders' Meeting was held on Monday, November 22, 2021, in Douala. The agenda was focused mainly on updating the restructuring plan enacted with the ratification of the exit of Ecobank Transnational Incorporated (ETI) and the entry of the State of Cameroon into 54% shareholding.»* the release reads.

Indeed, towards preventing the liquidation of UBC and NFC Bank, (two private Cameroonian banks facing difficulties since 2009), the State of Cameroon decided to contribute to their restructuring plans through recapitalization. COBAC, the regional banking watchdog, allowed Cameroon up to February 28, 2021, to find a solution to the two banks' problems to avoid the liquidation threats.

Some ten days before the end of that deadline, the government, through State Minister Ferdinand Ngoh Ngoh revealed its intent to recapitalize the two ailing banks.

In a letter dated February 18, 2021, Ferdinand Ngoh Ngoh, informed Magloire Seraphin Fouda, Secretary-general at the Prime Minister's Office, about the decision to recapitalize the two banks to the tune of XAF47 billion.

*«I have the honour to inform that the President of the Republic has authorized the state to bear the costs of the restructuring of National Financial Credit (NFC Bank) and Union Bank of Cameroon (UBC). The costs should not exceed XAF29.1 billion for NFC*



*Bank and XAF17.8 billion for UBC,»* Ferdinand Ngoh Ngoh wrote. For authorized sources, by buying back the assets and liabilities of UBC, the country intends to apply the same solution used for the Commercial Bank of Cameroon (CBC), the bank founded in 1997 by late business mogul Victor Fotsos. Indeed, after a rather successful restructuring program, plans are underway to transfer majority shares to private investors again. After years of tumultuous provisional administration, the government took control of the bank by acquiring 98% of its stakes (in 2014).

While the CBC recovery plan took about seven years (from 2014 to date), the UBC restructuring plan is expected to be completed within five years. According to credible sources, the government intends to restore the soundness of UBC and privatize it again within that period. Sound financial position...

This comparatively short restructuring period (compared to the time it took to launch privatization plans for CBC) can be explained by the soundness of UBC at the time the state joined its shareholding.

Indeed, despite the impacts of the coronavirus pandemic in 2020, on March 9, 2021, the bank's board of directors issued a statement informing that UBC's 2020 accounts confirm overall growth in operations. For instance, we earn, the bank's turnover grew by 9% compared to the 2019 operation year. At the same time, deposits rose by a «record» 18% compared to 2019 while the net profits generated was XAF1.5 billion. For Njong Eric Njong, Chairman of the UBC Board of Directors, 2020 was the fourth consecutive positive year for the bank.

UBC owes those performances to various management measures and market share recovery measures implemented over the past few years by its former majority shareholder, Ecobank Transnational Incorporated. This pan-African group took control of UBC in 2010 by acquiring shares of a Nigerian group formerly known as Oceanic Bank. At first, Ecobank tried to get rid of UBC's shares but its bids prove unsuccessful so, it initiated a series of measures to make UBC attractive.

## CEMAC: Central bank BEAC plans digital platform to improve insurance firms' risk profile

The Bank of Central African States (BEAC) recently launched the recruitment of a consultant for the development of a digital platform that will facilitate the collection of data (audit and scoring reports notably) on insurance companies operating in the CEMAC region. In that regard, the central bank issued a call for expression of interest calling for offers until December 15, 2021. The selected consultant will specifically map the various insurance firms operating in the region. The modules of that map include a ranking of those firms, summary information (that can be accessed by just hovering over the map). The map will also list control indicators, provide information on changes in firms'

scores over two periods, and alert on special developments like when a firm's score dips below an indicator threshold or goes above it.

According to the BEAC, the platform is crucial because changes in insurance firms' data must be monitored to sustainably improve their risk profile. It will also help reduce pre-liquidation periods to prevent insolvent insurance firms from lingering in the local market and affecting the compensation mechanism between insurers and auto insurance claimants for instance.

For the BEAC, the platform will reinforce the existing arsenal. Indeed, in 2015, the Inter-African Conference of the Insurance Markets (CIMA)'s assessment framework was reviewed.

At the end of the review, actions were suggested to urgently line up the framework with international standards, the International Association of Insurance Supervisors (IAIS)'s 2.5 standards notably. This standard stipulates that regulatory requirements and control procedures must be transparent, clear, and publicly available.

Following the suggestions, in December 2018, the Regional Commission of Insurance Control (CRCA) adopted a procedural guideline that governs the risk-based supervision approach whose focal point is the development of an insurance firms' ranking according to its risk profile.

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## Cameroon: Average interest rates on treasury bills rise to 2.61% in Oct 2021

In its recent report on the state of the CEMAC government securities market in October 2021, it appears that the cost of the treasury bills issued by Cameroon slightly rose during the period.

Indeed, after dropping from a 3.11% peak in June 2020 to 1.98% in June 2021, the average interest rate on the bills issued by the country rose by 0.63

points to 2.61% in October 2021.

This rate is not far from the 3.11% peak reached when the coronavirus was raging. The BEAC provides no reason explaining this rise but on closer observation, it seems it was due to declining liquidity in the coffers of investors who invested heavily in bonds and also to the poor dynamism of the secondary market.

According to figures published by the BEAC, as of the end of October 2021, 71.7% of the yet-to-be-called government securities in the CEMAC market were bonds while 28.3% were treasury bills. In comparison, as of the end of June 2018, it was the other way round with treasury bills accounting for 73.8% of the yet to be called government securities.

## Another Cameroonian assumes the role of chairman of the board of Standard Chartered Bank Côte d'Ivoire

The positions of Chief Executive Officer (CEO) and Chairman of the Board of Directors of Standard Chartered Bank Côte d'Ivoire, the first fully digital bank in the WAEMU region, are now held by Cameroonian bankers. After the recent appointment of John Mokom as CEO, the British banking group appointed Mathieu Mandeng as chairman of the board of directors. A former Citigroup staff, Mathieu

Mandeng, who has more than 20 years of experience in the banking sector, was since December 2015 the CEO of Standard Chartered Bank Mauritania. He was heading the Cameroonian subsidiary before he became appointed the head of the Mauritanian subsidiary. Mathieu Mandeng holds a Master's Degree in Finance and Management Control from the University of Orleans in France. He also has an

MBA from Montesquieu University in Bordeaux IV. Besides his position as chairman of the board of Standard Chartered Bank Côte d'Ivoire, he was also a director at Standard Chartered Bank Cameroon. It is now up to the two Cameroonians who have a combined 40 years of experience in the banking sector to contribute their expertise for the success of Standard Chartered Bank Côte d'Ivoire.

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## Cameroon spent over XAF172 bln of interest and commission expenses on public debt in Jan-Sep

Between January and September 2021, Cameroon disbursed XAF835.9 billion to service its domestic and foreign debt, according to the national sinking fund CAA; 20.6% of that envelope was devoted to interest and commissions, the sinking fund stresses. This means the country disbursed XAF172.2 billion as interest and commission on its debt over the period, which is the equivalent of the funding needed to build a 75MW hydroelectric dam like the Bini à Warak dam, whose construction works have been on standby for two years now due to pro-

blems in the disbursement of credit secured from the World Bank. The interests and commissions paid by the country would have been much higher if the country had stood by the servicing targets set in the 2021 amended finance bill. Per the CAA's estimates, as at end of September 2021, 67.4% of the XAF1,240 billion target set in the 2021 amended finance law, which takes into account the debt suspension initiative, was effectively serviced. The interest and commissions would have also been much higher if the

amended 2021 target did not account for the debt suspension initiative through which Cameroon benefited from the deferment of XAF115.3 billion debt during the period under review. Over the said period, Cameroon accumulated XAF299 billion of payment arrears. Let's note that 82.9% of the overall debt service was for foreign debt while 17.1% was for domestic debt.

## Cameroon: Life insurance firm Acam Vie launches micro-savings plan through mobile money services



Life insurance firm Acam Vie recently launched an offer baptized Open Life in the Cameroonian market. This offer allows cellphone or tablets users to subscribe by contributing between XAF200 and 1 million monthly through their mobile money accounts. On their savings, subscribers receive a 2% interest yearly and can withdraw their savings whenever they want after six months of contribution.

*“Open Life is a savings or micro-savings plan facilitated by a mobile app (...) that helps save money daily or even occasionally through mobile money accounts (Orange Money or MTN Mobile Money),”* Acam Vie explains.

Besides contributing to financial inclusion in the country, Open Life will promote mobile money use but also help capture the population's idle savings while boosting the initiator's response capabilities in case of disasters.

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## Alain Malong exits ALUCAM for a senior executive position in Societe Generale Cameroon

Alain Malong, who was till recently the managing director of state-owned steel producer ALUCAM, has been discreetly appointed chairman of the administrative board of Societe Generale Cameroon. The man who was appointed the head of ALUCAM in 2009 is replacing his compatriot Mathurin Doumbe Epee in his new post.

The information was confirmed by an authorized source at Societe Generale Cameroon. *“As the chairman of Societe Generale Cameroon's administrative board, M. Malong was part of the delegation of Societe Generale's senior executives who met*

*with Cameroonian authorities last October 19,”* the source said.

Officially, the said meeting aimed to present the banking group's ambitions for the development of the Cameroonian economy and introduce new executives of its Cameroonian subsidiary. Indeed, besides the chairman of the board, the Cameroonian subsidiary also has a new CEO in the person of Nicolas Pichou, a French native who was till recently one of the deputy CEOs of Societe Generale Cameroon. The new CEO is just switching positions in a company and a sector he is accustomed to but the same can

not be said for Alain Malong, who is coming straight from the heavy industry sector. Nevertheless, given his academic background, it would not be hard for that accounting graduate to adapt to the sector.

By joining Societe Generale Cameroon, which has been in the top 3 of the most performing Cameroonian banks for years now, Alain Malong leaves behind ALUCAM, a state firm affected by huge financial woes. Some people claim that he has resigned while others believe he just retired

# Chinese state group New Silk road Energy Holding discloses plans to build a Chinatown in Cameroon

Dong Kaiming, vice-president of Chinese state firm New Silk Road Energy Holding Group Co. Ltd was granted an audience, on November 17, 2021, by Cameroon's Minister of Trade Luc Magloire Mbarga Atangana in Yaoundé. During the audience, the Chinese executive presented his group's project for the construction of a Chinatown in Cameroon. According to information garnered at the Ministry of Trade, the Chinatown will serve as a hotspot for the commercialization of agrifoods (like rice, sugar, veterinary and medical products, inputs, and cotton) as

well as fishery and livestock products produced in Cameroon.

Despite the import-substitution policy being promoted by the Cameroonian government, the Minister of Trade Luc Magloire Mbarga Atangana encouraged the Chinese firm to come to invest in Cameroon. Per his statements, Cameroon is a good bet in terms of investment with an appropriate regulatory framework focused on entrepreneurial freedom. *«You are welcome to invest in Cameroon, the investment hub in Central African*

*and soon to become one for the whole African continent thanks to ongoing infrastructure projects, the dynamism of its business community, and its youthful population.»* said Luc Magloire Mbarga Atangana.

New Silk Road Energy Holding Group Co. Ltd. is a wholly state-owned enterprise group under the China Federation of Supply and Marketing Cooperatives. The company was founded on April 28, 2014, and set up in Qingdao on January 8, 2018, with a registered capital of 200 million yuan (about XAF18 billion).

# Cameroon projects a 2% inflation rate for 2022, unrealistic according to some analysts

For 2022, Cameroon projects a 2% inflation rate, down from 2.4% in 2021. The forecast is contained in the 2022 draft budget presented by Finance Minister Louis Paul Motaze during the special November 8, 2021, ministerial council. The 2% inflation rate projected is *“below the 3% threshold in the CEMAC region,”* Minister Motaze commented.

According to the official, this result will be achieved thanks to the continued application of measures taken by the government to control prices, the improvement of the local supply of consumer products, and the reorganization of the domestic market.

Some observers of the Cameroonian economic sphere think this projection is unrealistic for at least two reasons. The first reason listed is that despite its relative diversification compared to its CEMAC neighbors, Cameroon's economy still depends on imports. The local supply of consumer goods such as rice, fish, sugar, milk, palm oil, etc. is insufficient, forcing the country to disburse hundreds of billion of XAF to export those products to meet the demand. Therefore, the local supply mentioned by the government will possibly have no impact on inflation.

Secondly, they believe, the lower inflation projected by the govern-

ment comes in a context marked by unprecedented inflationary pressures on the international market where the country sources almost everything to fill the gap between its local supply and demand.

In some sectors, in addition to soaring raw material prices, freight costs have shot up substantially, up by 400% in some cases. That context significantly impacted production costs (the factor gat price index rose by 3.8% in the second quarter of 2021 according to the National Institute of Statistics) paving the way for speculation in local markets.



# AGRIBUSINESS

## Cameroon: Local market will be sufficiently supplied with sugar despite adverse conditions, SOSUCAM assures

SOSUCAM, the largest sugar producer in Cameroon, recently published a communique assuring consumers that sugar will be available in the market despite hikes in input costs. *“The world economy is weakened by the strong rise in the prices of farm and industrial inputs. That rise has already had significant impacts on our sugar production costs. Given the upcoming events in the country and the [celebrations] of its consumers, SOSUCAM has taken measures to meet the sugar availability requirements with the State of Cameroon’s dynamic support,”* the sugar producer informed.

For this subsidiary of the French group, SOMDIA, the measures initiated will ensure a sufficient supply of sugar in the national market for the

holiday period, the upcoming African Cup of Nations, and even till the end of 2022.

It adds that the measures taken include the fight against frauds and contraband to protect the local sugar industry. However, it failed to disclose the real impacts of the rise in input costs on production and the nature of the support provided by the government to stabilize the market. Let’s note that currently, housewives are complaining about the shortage of consumer products (sugar included) and the generalized rally in the prices of those products. A 1 kg box of sugar cubes previously sold at XAF750 is now XAF900 due to the claimed shortage.

On November 9, 2021, GICAM, Cameroon’s largest employers’ group-

ping, issued a release explaining that firms were exposed to the unprecedented rise in shipping costs and raw material prices on international markets. For the grouping, the shipping costs rose by 20 to 400% depending on the sector. At the same time, the price of inputs has risen by 15 to 50%, therefore *“seriously becoming a threat to companies’ profitability and survival.”*

SOSUCAM was created in 1965 and currently, it has a capital of XAF27.5 billion. The leader of the Cameroonian sugar market (70% of market share) is 74% owned by French company Somdiaa and 26% by the State of Cameroon. On average, the company produces 130,000 tons of sugar annually by exploiting 25,000 hectares of agricultural lands.

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## Cameroon launches 3rd phase of national goat plague vaccination campaign

On November 18, 2021, in Sangmelina, the Cameroonian government, through the Ministry of Livestock, launched the third phase of the national campaign aimed at vaccinating small ruminants against goat plague. The vaccination campaign launched in 2019 is aimed at vaccinating six million small ruminants all over the country.

At the launch of the third phase, Minister of Livestock Dr Taïga indicated that the operation is supported by the World Bank (which is notably funding the Livestock Development Program PRODEL) and the United Nations Food and Agriculture Organisation (FAO). He added that the operation was aimed at preserving *«a capital of XAF110 billion»* and

the revenues of livestock farmers who could help guarantee food security in the country.

Dr Taïga also reminded the audience that the vaccines used in the framework of that national vaccination campaign are absolutely reliable and produced by the state company National Veterinary Laboratory (LANAVET).

# Sustainable cocoa: Cameroon advocates for more income for local farmers

On November 18, 2021, in Yaoundé, Cameroon organized a 'Cocoa Talks' with the European Union, the world's largest cocoa importer, on the production of sustainable cocoa. According to Philippe Van Damme, Head of the European Union delegation to Cameroon, the talks are aimed at fighting child labor and exploitation in the cocoa value chain, enhancing forest protection and restoration in cocoa-producing regions, and ensuring a minimum subsistence income for cocoa farmers.

The new law, being debated by the European Union's parliament, on rules to cocoa importers have to abide by to obtain the status of 'sustainable firms' was presented.

«These ongoing legislative initiatives will help minimize the EU's contribution to global deforestation, and promote the consumption of products from deforestation-free supply chains. The second proposal is related to corporate governance.

This legislative proposal will entail due diligence by the European Union to ensure the traceability of its forest products' supply chain. It is time for Cameroonian actors to reflect on these new export criteria.» Philippe Van Damme said.

Under that law, economic operators will have to abide by a set of rules and exclude products that cause deforestation and forest degradation from their supply chain. Only so-called sustainable producers will continue to import their cocoa to the EU.

In response to that presentation, Cameroon's Minister of Trade Luc Magloire Mbarga Atangana responded that the European party seems not to be intent on increasing farmers' income.

«Sustainability means protecting the environment. But sustainability also implies the survival of producers. This brings us to the fundamental question of the remuneration of

those producers. Sustainability necessarily means the survival of producers. Sustainability rhymes with the protection of the environment, the prohibition of child labor, and ultimately, the prosperity of producers. We want those three issues to be taken into account in the discussions,» the official said.

He stressed that although the farm-gate price has improved from XAF700 per kilogram in the 1990s to a peak of XAF1700 at times, it is still insufficient. Referring to data from the International Cocoa Organization (ICCO), Mbarga Atangana painted a bleak picture of the situation of African producers. According to him, out of the annual US\$100 billion generated by the sector, only US\$2 billion or 2% go to farmers while chocolate makers take the lion's share with 35% of the turnover. The rest goes to the grinding industry and transporters, we learn.

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## Cameroon imported XAF120 bln worth of corn and by-products in 2020 (PM)

On November 5, 2021, while inaugurating the corn processing plant of Compagnie fermière du Cameroun (CFC) in Mbankomo, not far from Yaoundé, Prime Minister Joseph Dion Ngute regretted the impact the importation of corn and by-products (like grits used by breweries) have on Cameroon's trade balance.

«(...) The annual national production is estimated at 2.3 million tons while the needs are estimated at 2.8 million tons. That is a 500,000-ton deficit. This gap forces recourse to imports of corn and its by-products. In 2020 alone, over XAF150 billion was spent to import those products, negatively affecting the country's

trade balance,» the Prime Minister said. The official revealed the figures while praising the investment undertaken by SABC group to develop the corn value chain in Cameroon.

Indeed, brewers and breeders are forced to import the corn and by-products they need for their operations because the local production is insufficient to meet the demand. So, to address this situation and end its corn grits imports, SABC, the main brewing group in Cameroon, decided to establish CFC, a subsidiary dedicated to corn processing. Through its processing plant, CFC will produce 30,000 tons of grits every year by processing 60,000 tons of raw corn

purchased from local producers under its supervision. It will complement this production with the 10,000 tons of grits it buys from Maiscam annually, therefore effectively ending its corn grits imports.

Most of Cameroon's corn production is destined for household consumption. According to a study by the Enterprise Upgrading Office (BMN) presented in Douala last August 25, 58% of the local corn production is self-consumed while 16% and 2% respectively are used for animal feed and agro-industries (agroindustry operators are the largest corn importers in the country).



# ENERGY

## Subcontracting: The Cameroonian electricity sector provides XAF40 bln annual revenue to 700 local SMEs/SMIs

The 700 local firms offering subcontracting services in the Cameroonian electricity sector generate XAF40 billion turnover annually. The figure was revealed on November 26, 2021, in Douala, during an official visit to ENEO's premises. In the coming year, this turnover could rise further with the coming development of a local electric equipment and materials production segment. Indeed, up to now, most of those equipment

and materials are imported. But, in May 2021, ENEO issued a call for expression of interest to "prequalify one or several groups of local distributors and/or foreign manufacturers able to build and exploit local plants for the production of electric equipment meeting Eneo Cameroon's technical specifications and standards. Interested parties were allowed up to May 23 to submit their offers. Also, the country's electricity regulator

agency ARSEL recently announced that it would open the electricity metering supply segment to private operators. Those operators will mainly supply smart metering equipment and technical assistance for the management of those equipment. This will help bridge the smart meter need gap but also create up to 36,000 direct jobs in segments like meter manufacturing, installation, maintenance, and control.

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## Lom Pangar dam: 150 localities to be connected to the foot plant in the East, by the end of H1-2022

*«Before the end of the first half of 2022, the 150 localities we are planning to electrify and connect to the plant at the foot of the Lom Pangar dam will all be connected.»* Those are the revelations made by Théodore Nsangou, Director General of Electricity Development Corporation (EDC), the state company in charge of the management of public electricity assets in Cameroon, during an interview with state media Cameroon Tribune.

During the interview, the official announced that the first turbine (7.5MW) of the said plant will be commissioned between March and April 2022. The three remaining turbines will follow, allowing the plant whose construction works were officially launched in September 2018, to generate 30MW of electricity yearly for Eastern communities that are still facing huge electricity access difficulties. According to sources close to the

case, Mr Nsangou's optimism about the completion of that plant is comforted by the fact that in late 2021, French company Cegelec is expected to deliver 105 kilometres of transmission line in the framework of the project. Those transmission lines will be used to connect the 150 localities to the electricity network.

## Thali block: Tower Resources-Beluga farm-out deal delayed by Cameroonian authorities



Yesterday, November 22, 2021, Tower Resources announced that Cameroonian authorities were yet to approve the farmout deal signed with energy commodity trader Beluga Energy on the Thali Block. According to the deal, Tower resources, which is currently the owner or farmer, will cede 49% of stakes to the commodity trader.

The deal was signed in August 2021. About a month later (September 2021), the parties officially requested Cameroonian authorities' approval

in compliance with a provision of the applicable petroleum code. That provision requires the Ministry of Mines to approve the deal or not within sixty days following submission of the official request.

However, Tower Resources claims that up to Saturday, November 20, 2021, it had not received any formal notification or additional information request from the Ministry even though it has fulfilled the required conditions.

As for BelugaEnergy, motivated by

hopes to enter the Cameroonian oil exploration market, it is working «on its financing process (...)» and «with the intended rig provider and service companies on the schedule and terms for the NJOM-3 well,» Tower Resources reports.

The lack of a decision from Cameroonian authorities about the deal could penalize Tower Resources' multi-year efforts to attract investors to the project.

## Cameroon initiates procedures for adhesion to the Helsinki Water Convention



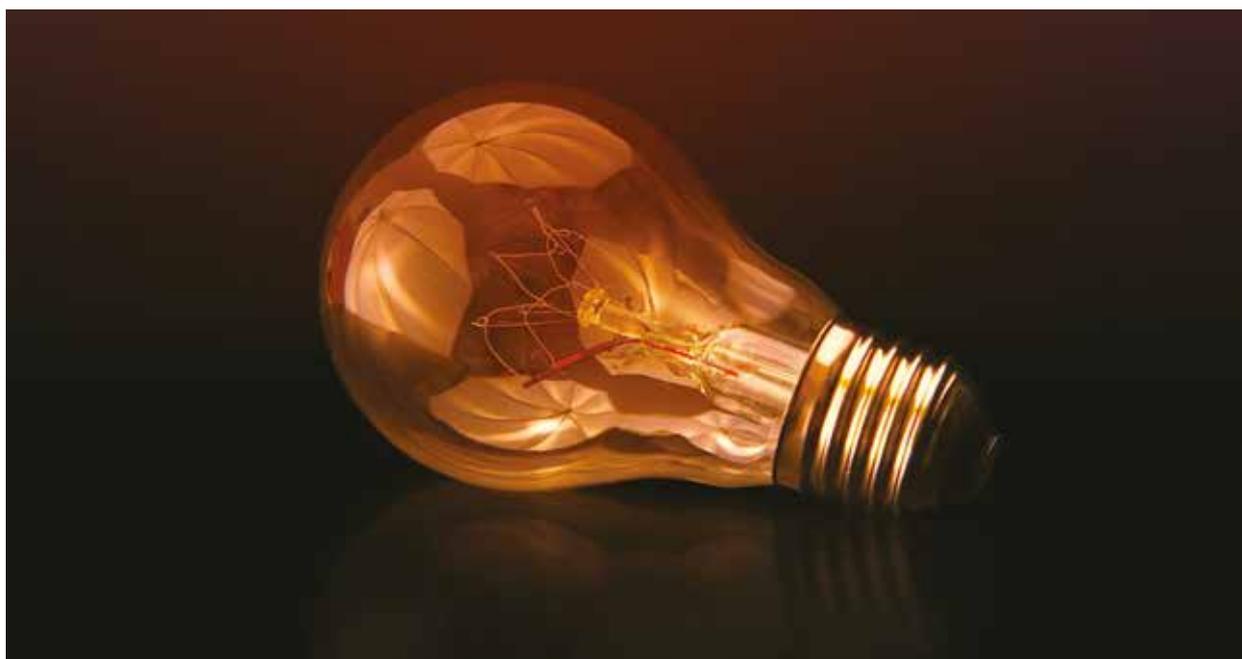
Cameroon has initiated legislative procedures to sign the 1992 Helsinki Water Convention on the Protection and Use of Transboundary Watercourses and International Lakes. The information was disclosed to the parliament on November 15, 2021, by Minister of Water and Energy, Gaston Eloundou Essomba. During his address, the official defended the project by presenting its advantages, which include experience sharing for the transborder management of issues like «*flood, drought, dam safety, joint management of hydraulic infrastructures,*

*water allocation for irrigation and energy production.*»

Cameroon expects that the convention will help it better manage its infrastructure and the water of its five main river basins (four of them are transboundary), namely the Lake Chad, the Niger river, the Sanaga river, the Congo River, and coastal rivers (Atlantic). The country also hopes the convention will help improve national water management through the prevention, control, and mitigation of transboundary impacts, and allow access to the trust fund. According to Minister Gaston

Eloundou Essomba, by joining this convention, Cameroon will consolidate its status as a major player in the promotion of sustainable international water resources management and significantly increase its leadership and influence in various water issues' monitoring bodies. In Africa, countries such as Senegal and Chad have already ratified the Helsinki Water Convention while countries like the Democratic Republic of Congo and Côte d'Ivoire have officially launched national information and exchange workshops for a possible adhesion.

## Electricity: Cameroon to open the metering sub-segment to new operators, paving way for 36k direct jobs and huge financial gains



Cameroon plans to open the electricity metering equipment supplying market to new operators. These operators will mainly supply smart meters and offer technical assistance for the management of the equipment, therefore, creating up to 36,000 new direct jobs in segments like meter manufacturing, installation, maintenance, and control.

This is the revelation made in the feasibility study of a call presented on November 11, 2021, by the electricity sector regulator Arsel in Yaoundé. Funding for the project baptized 'filialisation des services de comptage de l'électricité au Cameroun' (spinning electricity metering services off in Cameroon) was approved by the African Development Bank (AfDB) through the African Private Sector

Assistance fund FAPA. It aims to bring the private sector into the electricity sector's management segment to boost the metering sub-segment through innovative methods.

The AfDB's fund will also support the elaboration of draft laws regulating prepaid and smart meter uses in the country. According to the Arsel, the project has several benefits for the electricity sector in general and users in particular. First, by opening the metering segment to new operators, a solution will be found to users' numerous electricity metering complaints (inaccurate or disputed bills). For the regulator, metering complaints account for 60% of the mediation cases it receives from users.

First, it indicates, the project will boost the electricity access rate by

accelerating the pace of new connections. According to data from the Ministry of Water and Energy (Minee), over the past ten years, an average of 80,000 new electricity connections was made yearly. At that rate, *«it will take another ten years for the public sector to double the number of customers billed and to make up for the meter deficit, estimated at 1.8 million units,»* the Minee estimates. Meanwhile, within ten years, 3.4 million smart meters can be installed once the segment is open. The Cameroonian authorities' plan to open the sector will also improve revenue collection while reducing technical and commercial losses. Estimates put financial gain over ten years to XAF350 billion officially.



# ITC & TELECOM

## South Korea to invest XAF4 bln for the construction of 3 digital campuses in Cameroon in 2022

South Korea will invest XAF4 billion for the construction of three digital campuses in Cameroon in 2022, according to Jonghan Kim, South Korean ambassador to Cameroon. The diplomat announced the investment on November 26, in Yaoundé, during a forum on E-governance and administrative reform. According to Minister of Administrative Reforms Joseph Lé, the project is a key step that

ensures transition towards the digital government.

Funded by the Korea International Cooperation Agency (KOICA), the digital infrastructures will be installed at the National School of Administration and Magistracy (Enam), the National College of Post, Telecommunications and Information Technology and Communication (Sup'Ptic), and

the Higher Institute of Public Management (ISMP).

The three campuses will mark the special celebration of South Korea's 60-year-presence in Cameroon. Thanks to the digital infrastructures, the ambition is to train close to 4,000 young people yearly, official sources explain.

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## Cameroon to soon create a postal service regulator

Cameroon currently plans to create a postal services regulatory authority. The project was disclosed by Pierre Kaldadak, Director-General of Cameroon Postal Service (Campost), during the reception of new electronic equipment and vehicles for Campost on November 12, 2021, in Yaoundé.

According to the official the law 2020/004 regulating postal services in Cameroon was enacted on April 23, 2020. The ratification of the act creating and organizing the management of a postal service regulatory authority is now expected.

Pierre Kaldadak reveals that the proposed regulatory authority will oversee the services offered by state firm Campost (the services include letter posting, parcel transportation and distribution, money transfers, e-commerce, etc....).

Once the postal services regulator is created, Campost will be free from the tutelage of telecom regulator ART, which is currently the regulatory authority overseeing the postal sector by default. Officially, the new regulator will oversee at least 25 approved private operators competing with Campost (according to a December 2020

count by the Ministry of Posts and Telecommunications).

Some years back, the Ministry of Posts and Telecommunications carried out a field diagnostic which revealed that in Cameroon, most of the private operators in the postal sector have been operating illegally, disregarding the country's rules and regulations. This situation paved way for disorder in the market with notably unfair competition, prohibitive costs, and poor service quality.

## Nexttel announces resumption of dialogue between its shareholders



On November 19, 2021, Viettel Cameroun SA, popularly known under its trade name Nexttel, published a release announcing the resumption of talks between its shareholders to improve its deteriorating services.

*“The process for the reorganization of the partnership between Cameroonian and Vietnamese parties was initiated weeks ago. In that regard, the resolutions are focused on the improvement of the network and the launch of innovative solutions: this is a new chapter [in our history],”* the release reads.

Nexttel provides no further details but the release is a sign of the de-escalation of the dispute between its two shareholders namely Viettel Global (70%) and Bestcam (30%), which is owned by Cameroonian businessman Baba Danpullo

The dispute between the two parties was so intense that on May 6, 2019,

Nguyen Quoc Cuong, Vietnam’s Deputy Minister of Foreign Affairs and envoy of the partner country’s Prime Minister Nguyen Xuan Phuc, travelled to Cameroon to discuss the matter with Cameroon’s Prime Minister Joseph Dion Ngute.

### **Unfortunate consequence on operations**

At the end of the audience in Yaoundé, Nguyen Quoc Cuong informed that Vietnam’s Prime Minister Nguyen Xuan Phuc was placing a particular emphasis on the peaceful resolution of that conflict given his commitment to the cooperative relationships between Cameroon and Vietnam. *“The Vietnamese government is responsible for the protection of Vietnamese companies operating abroad, including Viettel’s XAF 210 billion investment in Cameroon. As such, it has asked the Cameroonian government to issue measures and actions for the protection of Viettel Global’s foreign investments by*

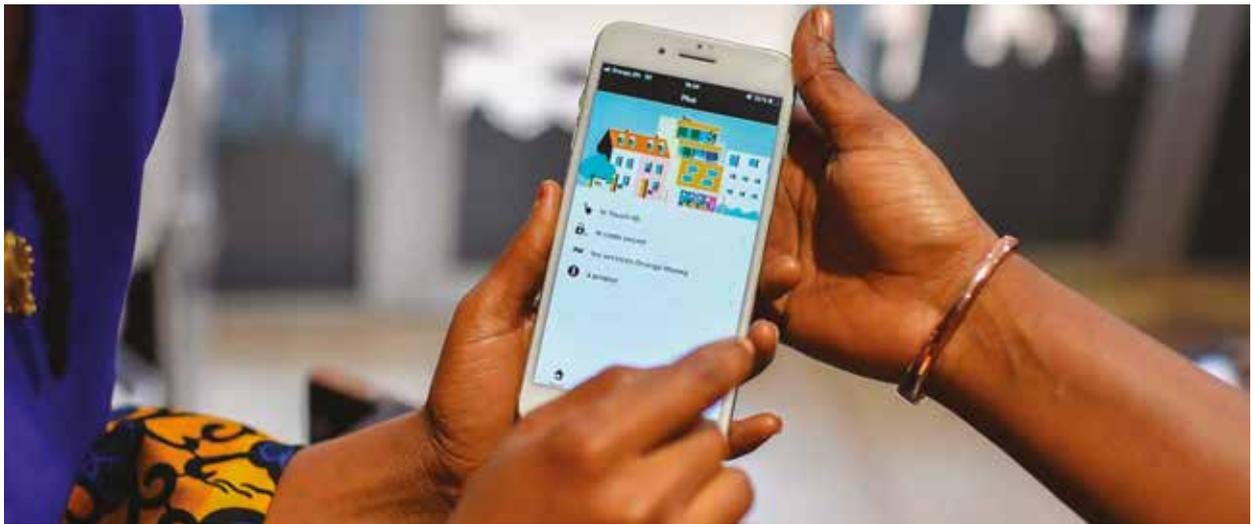
*regulations and bilateral agreements signed by Cameroon and each party’s international commitment,”* Nguyen Quoc Cuong added.

According to Viettel Global, in November 2018, Baba Danpullo took several illegal measures to prevent Vietnamese from working at Nexttel’s headquarters. Therefore, Vietnamese staff was no longer authorized to work for the operator, which fell under the exclusive control of the Cameroonian shareholder. The latter denied the accusations, blaming the Vietnamese party for massively importing its workforce and marginalizing Cameroonians.

Nexttel, which has been operating in Cameroon for seven years, claims it currently has some 800 employees. Recently, it announced its flagship service (internet connection) has deteriorated substantially but assured that measures were immediately taken to quickly address the problem.

Also, the operator will not be able to launch its mobile money service by the end of 2021, as it announced in April 2021. The reason is that in its report on the state of electronic money in the CEMAC region in 2020, the BEAC (central bank of the CEMAC region) revealed that the authorization delivered to Nexttel and UBA Cameroon to launch mobile money services was cancelled because the parties failed to take action within the specified deadlines.

## Tax on money transfers: Cameroonian taxpayers' association ACDC denounces a double taxation



In its 2022 draft budget submitted for the parliament's review, the Cameroonian government has introduced a new tax on electronic money transactions.

The tax is planned to be applied to transactions carried out through all the traceable technical platforms (like internet, mobile phone, wire order, telex, fax) except for bank transfers and electronic transactions carried out to pay tax and customs duties. The tax will also be applied to cash withdrawals from financial institutions or mobile telephony operators.

It represents 0.2% of the amount sent or withdrawn. According to the draft budget, it will be collected by financial companies and mobile telephony operators and transferred into the public treasury by the 25th of the month following its collection.

**Critique by taxpayers**

This project is met with consumer associations' critics. On November

28, 2021, the Association of Cameroonian Taxpayers (ACDC) issued a release to "reject the double taxation introduced in the 2022 draft bill, which is planning the reaction of a tax on money transfers."

*"(...) The tax is levied when the funds are sent but also withdrawn. So, when you send XAF10, 000 to someone, you will incur a 0.2% tax. Also, when withdrawing the fund you were sent, you will also incur the 0.2% tax. This is another way to hinder the development of electric money and discourage electronic money transactions (...) Let's suppose you first received a XA20,000 transfer. Later, you received another transfer f XAF40, 000 and an additional XAF50, 000. Which transaction will bear the tax if you have to withdraw XAF30, 000? Tax principles state that when an operation is already taxed, no additional tax should be applied. Money transfers are already subjected to the VAT and now this tax is introduced. We ask the parliament to reject*

*this draft law. In the article [relating to the tax], there is no specification about when the transaction will be taxed because the 'or' in it is not exclusive"* wrote Mazou Mouliom, chairman of the ACDC.

Government has yet to respond to taxpayers' concerns

The government has not yet spoken about the ACDC's concerns. However, authorized sources at the Ministry of Finance indicate that clarifications will come in the coming days. In addition, experts at the Ministry of Finance believe electronic money transfer is an important tax collection niche.

Orange Cameroon, which controls 70% of the Cameroonian mobile money market, has recorded cumulated monthly transactions estimated at XAF800 billion this year. Yearly then, the estimate will be XAF9, 600 billion, which is about twice the state's 2021 budget.



# MINING

## Cameroon elaborates a security guidebook to tighten controls over illegal precious stone and metal trades

To intensify controls over the circulation of precious metal and stones at airports and border areas in the country, Cameroon has elaborated a security procedure guidebook. According to Minister of Mines Gabriel Dodo Ndoke who recently disclosed the information before the parliament, the guidebook is “undergoing validation.”

He provided no details on when the guidebook will become effective or its content. However, the announcement comes in a context where although it is still a minor diamond producer globally (pending the

launch of exploitation at its various diamond deposits) Cameroon is already present in the international market. According to the Bank of Central African States (BEAC), the main buyers of Cameroonian diamonds are Belgium and the United Arab Emirates. In a recent note on the world diamond market, the central bank of CEMAC countries revealed that in 2018, 55.31% of Cameroon’s diamond exports went to the United Arab Emirates, 40.95% to Belgium, and 3.73% to Switzerland. The Minister of Mines also revealed that this year (2021), the country

issued seven diamond export permits concerning 182.05 karats worth XAF13.36 million. Those certificates generated XAF2.7 million tax revenues for the State. Those revenues could have been improved if controls were tightened at the various borders where the precious stones and metals are illegally exported generating revenue shortfalls for the public treasury, he explained. Hence the project for a security guidebook for the National Permanent Secretariat for the Kimberley Process that controls precious stones in Cameroon.

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## Cameroon: CIMENCAM to soon obtain mining agreements for the exploitation of two marble quarries in the North

CIMENCAM and the State of Cameroon will soon sign two mining agreements for the exploitation of the Bidzar and Biou marble quarries in Figuil, North Cameroon, Minister of Mines Gabriel Dodo Ndoke reveals. “Two mining agreements -the last step before the attribution of exploitation permits- have been negotiated and will be signed in the next few days by the State of Cameroon and Cimecam for the exploitation of two marble quarries in Bidzar and Biou Figuil,

North” Cameroon, the official told the parliament on November 30, 2021. The official did not provide additional information but the Bidzar reserve has an estimated reserve of 2.5 million tons with continuity in Biou. For over forty years, it was exploited by French company Rocaglia, which left in 2010. In 2012, CIMENCAM obtained a research permit covering the deposit to meet its operational needs. CIMENCAM has three shareholders.

The notable ones are Lafargeholcim Maroc Afrique (55% stake), National Investment Corporation SNI (43% stake). The remaining 2% is owned by employees. With a capital of XAF14.5 billion, the cement producer claims a workforce of 320 employees, an integrated cement plant in Figuil, two grinding stations in Bonabéri (Douala) and Nomayos (Yaoundé), and a concrete plant in Olembé (Yaoundé).

# Mbalam iron ore: Sundance takes legal actions against AustSino accused of misusing confidential documents

Australian junior mining company Sundance Resources recently provided an update on the various proceedings it initiated to rescind its withdrawal from the Mbalam iron ore project, that straddle between Cameroon and Congo. Apart from the legal actions initiated against Cameroon and Congo, the junior mining firm announced that it recently launched proceedings against Chinese firm AustSino and its promoter Mr Ding before the Supreme court of Western Australia. For the Australian firm, the action is because of suspicions over the former partner's actions in that case. *"Sundance's concerns regarding the conduct of AustSino and Mr Ding continue to grow. A key area of concern for Sundance relates to the possibility that AustSino and Mr Ding may have misused confidential information relating to Sundance's Project that was disclosed to them during the period in which they were collaborating with Sundance about the Project. Notably, this body of confidential information included a definitive feasibility study (DFS) of the project, covering both the Mbalam-Nabeba mines and the proposed railway to the port of Kribi in Cameroon. The DFS and other technical materials relating to the Project's port and rail components – which were the product of years of work and over \$400 million worth of expenditure by Sundance – were disclosed to AustSino and Mr Ding on the limited basis that they were strictly confidential and not to be used for any purpose other than collaboration with Sundance on the Project,"* the junior mining firm wrote. Sundance notes that in October

2021, in collaboration with a financial partner called Bestway, AustSino submitted a feasibility study to the government of Cameroon for the construction of a railroad linking the Mbalam site to the port of Kribi. The feasibility study was submitted just four months after AustSino announced, on June 26, 2021, that it would *« launch the necessary studies and advance discussions to achieve the objectives outlined in the Memorandum of Understanding»* with Bestway and Cameroon. Doubts and suspicions *"Sundance does not believe AustSino and Bestway could have completed a feasibility study, ready for assessment by the Government of Cameroon, for a project with an estimated capital cost of several billion dollars in just four months without making improper use of Sundance's confidential DFS for the Project (which includes a detailed feasibility study of a railway linking Mbalam to the port of Kribi) and other confidential information, such as later studies which looked at expansion requirements for 100Mtpa,"* the release continued. Through the Court action, Sundance hopes to get more information about the feasibility study AustSino submitted to the Cameroonian government to check whether Sundance's confidential and proprietary information were misused. Meanwhile, *"on 2 November 2021, the Supreme Court issued programming orders for the pre-action discovery process, including deadlines for the filing of responsive affidavits and submissions by AustSino and Mr Ding. Sundance is pleased with these orders, which contemplate a one-day hearing*

*of Sundance's pre-action discovery application at a time after 28 January 2022. Sundance will resist any attempt by AustSino or Mr Ding to unnecessarily delay the pre-action discovery process,"* the release explains. After several extensions of its exploration license on the Mbalam Iron Ore project, in 2015, Sundance finally started negotiations with China Gezhouba for the construction of infrastructures in the framework of the iron ore exploitation project. The proposed infrastructures include over 500-km of railway connecting Mbalam and Kribi, the mine, and a mineral terminal at the deepwater port of Kribi. The negotiations failed, however. Several others followed the same suit. For instance, in 2018, Sundance started negotiations with Tidfore Heavy Equipment Group Ltd. Confronted with the failure of its bids, the junior mining firm started over again with AustSino in 2018. That also was a failure. Finally, Sundance was withdrawn from the project. Later, on June 25, 2021, in Yaoundé, the State of Cameroon, through the Minister of Transport, Jean Ernest Ngallé Bibébé, signed a memorandum of understanding (MoU) with AustSino Resources Group Ltd and Bestway Finance Ltd, for the construction of the 500-km railway. With that memorandum of understanding, AustSino Resources Group Ltd. was making a strong comeback in the project after the failure of negotiations with Sundance. The announcement quickly sprung Sundance into action pushing it to launch various legal proceedings.

## Extractive industries: Firms paid XAF908.28 bln to state and institutions in 2019, up 18.9% YoY



In 2019, extractive companies paid XAF908.28 billion to the State and its institutions. This was revealed by the EITI committee in Cameroon's 2019 Extractive Industries Transparency Initiative report presented on November 19, 2021, in Yaoundé. This envelope is up by 18.9% compared with the XAF763.9 billion paid in 2018.

As usual, 90% of those revenues were contributed by oil exploitation, followed by natural gas and gold, the report stresses. The report adds that in 2019, the revenues contributed to the state budget was XAF703.9 billion, up by XAF135 billion compared to the XAF568.3 billion contributed in 2018.

Apart from the improvement in the amounts contributed, it is worth noting that the report has been published over a month before December 31, 2021, when the report was expected. Based on that fact, EITI experts claim the country lean its lessons from the recent suspension (on April 1, 2021) decided against it after it failed from publishing the 2018 EITI report. The suspension was decided on April 1, 2021. It was lifted on July 23, 2021 (after the country published the report on June 30) reaffirming «Cameroon's place in the prestigious club of countries that wish to improve their business climate by promoting transparency in the oil, gas and

mining industries» (as Minister of Mines Dodo Ndoké, who is also vice president of the local EITI committee, put it).

From 2007 to date, thanks to the EITI, Cameroon has made significant progress in terms of transparency in the management of extractive resources. For example, in the framework of the EITI, National Hydrocarbons Corporation (SNH) has started disclosing the sovereignty and security it covers with oil and gas revenues at the government's request. For the EITI Board, those disclosures boost accountability in the use of oil revenues.



## LEADER OF THE MONTH

# CAMEROONIAN FINANCIER LOUIS BANGA-NTOLO BECOMES NEW CEO OF REGIONAL STOCK MARKET BVMAC

At the end of a Board meeting on October 25, 2021, in Libreville, Cameroonian financier Louis Banga-Ntolo was confirmed CEO of the Central African Stock Exchange (BVMAC). With a Ph.D. in Banking and Finance, the newly appointed executive graduated from Université Lumières Lyon II, France. Until his appointment, he was the CEO of Société Générale Capital Securities Central Africa (SG Capital Cemac), a brokerage firm created by French banking group Société Générale. Louis Banga-Ntolo was recruited following a call for applications issued on March 1, 2021. He replaces his compatriot Jean-Claude Ngbwa, who was presiding over the destinies of the BVMAC since July 4, 2019. In early 2020, the Bank of Central African States (BEAC), which was overseeing the merger and dynamization of the regional securities exchange, tried to get Jean Claude Ngbwa replaced but the bid was interrupted without any explanation on February 29, 2020. This former senior official of the Cameroonian Ministry of Finance and former Secretary-General of the Inter-African Conference of Insurance Markets (Cima), leaves the new CEO with a financial market that has not picked up since its creation 20 years ago. For instance, the market capitalization of its equity segment was only CFA120 billion as of the end of July 2020, representing 0.5% of Cameroon's 2020 GDP. In comparison, the capitalization of the same segment in the Nigerian and Abidjan-based stock exchanges



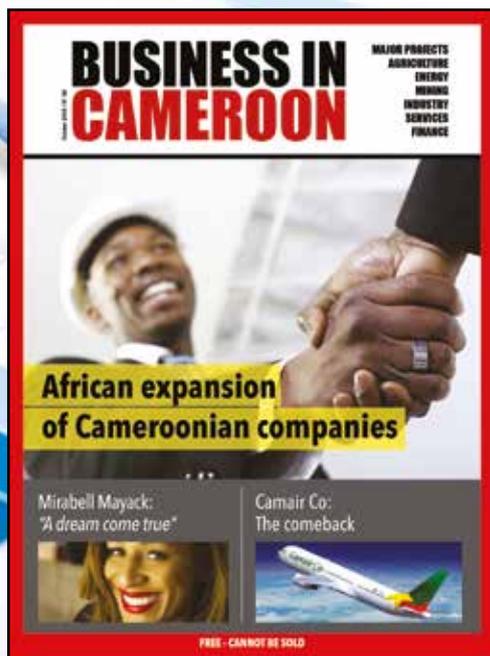
reached 10% and 26% respectively of Nigeria and Côte d'Ivoire's GDPs since 2018, according to Absa Africa Financial Markets Index. Challenges As it stands, Louis Banga-Ntolo will face several challenges in his new functions. One of them is the yet-to-be-implemented decision to get CEMAC state companies listed on the regional exchange. During the investors week organized last October 12-15 in Douala, Nagoum Yamassoum, chairman of the Central African Financial Market Oversight Commission (COSUMAF), indicated that CEMAC member states did agree to get five to six of their state companies listed. However, he added, only three of the six-member states sent a list of the companies they are planning to list. Those three countries are Congo, Equatorial Guinea, and recently Gabon. "We are still expecting the remaining

members," he commented. In other words, two years after they promised to take actions to dynamize the regional financial market, Cameroon, CAR, and Chad are yet to fulfill their promises. Yet, the BVMAC 2020 action plan was relying on this promise to boost the capitalization of its segments to at least CFA1200 billion (for the equity segment) and CFA1000 billion minimum (on the bond segment). Apart from this still unfulfilled commitment, the new CEO will have to take actions to spur stock-exchange culture in the CEMAC region. In this region where companies' financial transparency is still questionable, banks, microfinance institutions and even Rotating Savings and Credit Associations (ROSCAs) remain the preferred capital raising avenues.

Brice R. Mbodiam

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