Palm oil
Cameroon Pushes Towards Self-sufficiency

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Against all odds, despite facing the pandemic, terrorist movements and other rebellions, being harassed by selfish European groups, even supremacists, denigrated by foreign media often ignorant, sometimes malicious, Cameroon has handled the African Football Cup of Nations (AFCON) amazingly. The game was beautiful and the national team honored its people. Those who had a part in this success, from the highest officials of the organization to the most modest supporter of the Indomitable Lions, well deserve congratulations.

However, the greatest achievement of this AFCON came in the form of top-level sports infrastructure built in Cameroon, infrastructure that is worthy of a great nation.

So now more than ever, it is time for Cameroonian to get serious with sports. Now more than ever is the time for Cameroon's soccer federation, the FECAFOOT, and its new president, Samuel Eto'o, to boost clubs and national competitions, to open more training centers, and to give Cameroonian soccer a strong media visibility throughout the year.

So, from now on, let the whole Cameroonian nation get behind its Indomitable Lions in the perspective of the Cameroon-Algeria match next month. The winner will win his ticket to the World Cup Qatar 2022.

Don't put away the jerseys, the green-red-yellow make-up, and the vuvuzelas. This is just the start of the great story of Cameroonian soccer!
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Publisher
Stratline Limited
Publication Director
Yasmine BAHRI-DOMON
Editor
Aboudi OTTOU
Contributors
Brice R. Mbodiam, Sylvain Andzongo, Idriss Linge, Muriel EDJO.
Operator
Médiamania Sàrl
Maquette : Jérémie FLAUX,
Corrections : Souha TOURE
Advertisement
regiepub@investiraucameroun.com
In Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59
Printing
Rotimpres, Aiguaviva, Espagne
Office - Distribution Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59

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www.businessincameroon.com - info@businessincameroon.com
MONTHLY STATISTICS

**436,239 tons**

Cameroon produced 140,170 tons of rice in 2020, according to figures published by the Technical Commission for the Rehabilitation of Public and Paras public Enterprises (CTR). According to this specialized agency of the Ministry of Finance, the country was left with a deficit of 436,239 tons, all filled thanks to imports, the CTR explains.

Meanwhile, per the data compiled in its 2020 report on Cameroon’s commercial exchanges, the National Institute of Statistics (INS) reveals that the country imported 591,597 tons of rice, spending XAF159.8 billion overall. A massive portion of the rice imported is fraudulently exported to neighboring countries, INS data show.

**1,688**

Between 2018 and 2020, the number of jobs offered by state-owned company Pamol Plantations Plc decreased by 1,688. In its 2020 report on the performance of state and parastatal firms, the Technical Commission for the Rehabilitation of Public and Parastatal Enterprises (CTR) reveals that in 2020, only 380 people were still working for Pamol, way down from 2,068 in 2018.

The main cause for this huge job shedding is the security crisis in the South-West where the company is facing growing challenges at its oil palm plantations, the CTR report explains. It adds that Pamol was able to operate at 35% of its capacity in 2020 thanks to measures taken by the government to secure company facilities.

**114%**

The deep seaport of Kribi handled a total of 81,771 twenty-foot equivalent unit containers in 2021. According to a newsletter from the Autonomous Port of Kribi (PAK), the public company in charge of the management of this port platform, this volume is up by 114% year-on-year.

According to the PAK, this performance is mainly due to the dynamism of the French shipping group CMA CGM. Indeed, on April 11, 2021, the shipping group decided to suppress its Douala stopovers and make the deep seaport of Kribi its exclusive port of call in Cameroon.

**XAF90 billion**

Société Anonyme des brasseries du Cameroun (SABC), leader of the Cameroonian brewing market, plans to launch the second phase of its XAF90 billion investment project this year. Most of the envelope is allocated to the construction of two new plants: a second corn processing plant in the Noun and a brewery in the Eastern region.

The successful implementation of this investment plan will depend on the support provided by the Cameroonian government, we learn. “After all the investments made during the first phase (Ed.note: about XAF45 billion) of our investment plan, for the second phase, the state can be supportive by recognizing us as the national agribusiness champion we are,” a source close to the case explains.
On January 13, 2022, in Kribi, Minister of Mines Gabriel Dodo Ndoké presided over a workshop organized to present the feasibility and key actors’ mobilization studies of a bitumen plant construction project. Carried out by SAIPEM, a subsidiary of Italian oil giant ENI, the feasibility study was ordered by Cameroonian firm All Bitumen Cameroon Plc, initiator of the plant construction project.

The planned production capacity is 250,000 tons of bitumen annually. To obtain the raw material needed for production, the project provides for the construction of a mini oil refinery plant able to refine 10,000 barrels of oil daily. According to Ahmadou Oumarou, Managing Director of All Bitumen Cameroon Plc, by producing 250,000 tons of bitumen yearly, the plant will help end the importation of this product into Cameroon (the country officially imports 50,000 tons of bitumen yearly) therefore bridging the trade deficit by about XAF300 billion.

According to construction experts, locally produced bitumen will also reduce road construction costs by 30% (Ed.note: Cameroon is currently one of the African countries with the highest per kilometer road construction cost). In the study, it is also explained that the plant would facilitate the conquest of growth markets like Nigeria, Chad, Gabon, and the DRC.

The bitumen plant will be built on a 60-hectare site, which is being allocated in the industrial zone of the Kribi deep seaport. The initiator of the project explains that 300 to 400 direct jobs and about 1500 indirect jobs will be created with the various components of the projects (oil refinery, the production of bitumen, and by-products like diesel and kerosene, which will all be sold in the local and regional market).

Overall, the project will require about XAF100 billion investment. Close to 30% of the funds will be provided by All Bitumen shareholders. To raise the remaining envelope from local banks and international backers, the firm contracted French investment banker AM Capital as its financial advisor.

According to credible sources, discussions are ongoing with pan-African financial institutions like the African Development Bank (AfDB) and African Export-Import Bank (Afreximbank).

«If all the involved parties comply with the commitments taken, we will lay the foundation stone by December 2022. The construction works will last between 24 and 36 months,» says Ahmadou Oumarou. The CEO of All Bitumen Cameroon Plc also praised the support provided by the Cameroonian government adding that the promoters of the projects are willing to transfer part of the stakes to the state, given the "strategic nature" of the plant being planned.

Brice R. Mbodiam
The Media personnel was surprised in 2016 when the Association of Oilseed Refiners of Cameroon (Asroc) revealed during a press conference that Cameroon had imported palm oil from Gabon. The population was all the same astonished when the information later appeared in the media. Many Cameroonians consider it a failure of agricultural policy, for their country to import palm oil from a neighboring country that it has for ages sold the same product to. But the reality is more obvious than ever. Since 2016, refiners operating in Cameroon have been importing an average of 50,000 tons of palm oil from Gabon each year, to fill the gap in local production. Worse, according to operators in the sector, this deficit is becoming more and more important over time, due to the accelerating investments in the field of processing. Also, to guarantee the availability of the raw material for oil refiners, the government is forced to authorize imports at reduced customs charges. Annually, operators are authorized to import between 80 and 120,000 tons of palm oil, therefore eating up part of the foreign reserve. As large local palm oil producers have shown their inability to meet the growing demand, the State of Cameroon, with the support of development partners, has launched initiatives to support small-scale oil palm farmers to increase their production tenfold. At the same time, local economic operators have also taken the lead, either by launching industrial-scale palm oil production projects or by increasing the capacity of existing plantations. Those initiatives are yet to curb imports (120,000 tons of palm oil were to be imported, according to the Ascroc). However, the dynamism currently observed on the supply side nurtures hopes of palm oil self-sufficiency in the years to come. The present dossier lists some of the major projects nurturing that hope.

Brice R. Mbohiam
Crisis-stricken agribusiness group CDC to rehabilitate 1,550 hectares of oil palm plantations in 2022

In 2021, the BEAC (central bank of CEMAC states) announced that state agribusiness firm Cameroon Development Corporation (CDC) would renovate over 500 hectares of banana plantations that year. This year, the firm could sign a XAF3 billion performance contract all in a bid to boost production, the CTR -Technical Commission for the Rehabilitation of Public and Para-public Sector Enterprises- informs in its 2020 report on state and parastatal firms’ performance. According to the CTR, the performance agreement concerns the renovation of 1,550 hectares of oil palm plantations as well as the acquisition of equipment for the maintenance and operations of oil mills.

The announced project should help CDC, the country’s second-largest employer after the public administration, to reposition itself on the local palm oil market. Indeed, the socio-political crisis raging in the Anglophone regions since late 2016 affected both the company’s banana and palm oil segments. According to figures revealed by CDC officials during a field trip by the Minister of Agriculture (on July 5, 2019), the agribusiness firm was only able to produce 2,100 tons of palm oil during the first six months of 2019, out of an initial 17,400 tons production target. The reason for that poor performance was that only three out of the seven oil palm plantations had been operational because workers abandoned some plantations fearing attacks by armed separatist groups.

The plans to rehabilitate more than 1,550 hectares of palm oil plantations and to build a new oil mill are good news for this state-owned agro-industrial unit and the entire palm oil sector. Indeed, according to official data, every year, Cameroon records a 130,000 tons supply deficit due to the acceleration of investments in the processing segment while the production of raw material is not following the same trend. This deficit could be higher if the real processing capacities are taken into account. «The structural deficit of 130,000 tons that we often talk about is a nominal deficit. It is different from the real deficit. This nominal deficit is calculated by taking into account 50% of the processing companies’ stated capacities. If we were to take the processing companies' real capacities into account, the deficit will be much larger,» explained Emmanuel Koulou Ada, the president of the Oilseed Industry Regulatory Commission.

Brice R. Mbodiam
Chinese companies to build three palm oil extraction units in Cameroon

The Minister of Agriculture, Gabriel Mbairobe, published on January 17, 2022, the list of companies awarded the project for the design, supply, and installation of three modern palm oil extraction plants in Cameroon. The plants will have a nominal capacity of 6 tons per hour, with a mini power station. China’s Huatai won lots 1 and 3, which involve building factories in the localities of Sikoum and Ngwei, in the country’s Littoral region. Each of these infrastructures will take 15 months to be completed, at a cost of nearly CFA2.4 billion per plant. Lot 2 has been awarded to the Chinese-Cameroonian consortium Henan/Wall/Agrotech. This consortium is to build a plant in the locality of Djoumbe, in the East region, within 15 months. The contract is worth CFA1.7 billion. As a reminder, three other palm nut processing units are being established in the Dibamba, Njombe-Penja, and Mbanga production basins, all located in the Littoral region of Cameroon. The project is part of the implementation of the Agricultural Value Chain Development Project, piloted by the Ministry of Agriculture and Rural Development and financed by the African Development Bank (AfDB).

Cameroon plans to increase its production by 71,000 tons in 2022

The Cameroonian government intends to increase the national production of palm oil by 71,000 tons (+20%) in 2022. The government is betting on the Oil Palm and Rubber Development Project, whose first session of the steering committee took place on August 8, 2021, in Yaoundé, the capital of the country. «You have yields of about seven tons per hectare, while we can go up to 15 tons for the same area. Our role as a state entity is to organize these small producers, strengthen their capacities, and as far as possible find ways to increase production (...), especially since we have sufficient processing capacity,» explains the Minister of Agriculture, Gabriel Mbairobe. To do this, we learn, in addition to multi-faceted support to small producers, the government program proposes to rehabilitate and regenerate all or part of the 25,000 hectares of village palm groves currently abandoned, according to data from the Ministry of Agriculture.
The Ministry in charge of the Economy and the President of the Union of Oil Palm Farmers of Cameroon (Unexpalm), Leonard Mpouma, signed on February 14, 2018, in Yaoundé, an agreement for the implementation of the support program for the fertilization of the village palm grove (PAFPV). With a total amount of CFA3.6 billion, this program, which is set to last eight years, is a government support in the form of subsidized fertilizers. According to the Ministry of the Economy, the PAFPV will reduce the cost of fertilizer by 25% and build up a sustainability fund over several years.

«The program provides for the State to acquire 9,000 tons of fertilizer over three years. That is 2,000 tons in the first year, 3,000 tons in the second year, and 4,000 tons in the third. This acquisition costs CFA400,000 per ton of fertilizer. The overall state subsidy over the three years is CFA3.6 billion,» the ministry said.

As for the program’s sustainability fund, it is made up of revenues from the sale of fertilizer to beneficiaries at reduced prices. At the end of the third year, this fund will be endowed with CFA2.3 billion, which will enable Unexpalm to continue subsidizing producers after the State’s support has ended.

Camvert launched on September 12, 2020, an initiative to plant the first batch of 236,000 seedlings in Campo, southern region. This first batch will cover 1,500 hectares. The project will then be expanded to over 5,000 hectares in 2021. In the long run, Camvert wants to set up 50,000 hectares of oil palm plantations. This program also includes the construction of processing units with an overall capacity of 180,000 tons of palm oil per year and 18,000 tons of palm kernel oil; 8,000 direct jobs are expected to be created.

Camvert’s project comes timely as Cameroon is experiencing a production deficit that forces it to import to meet the ever-increasing demand for production units of refined oil, soaps, and other by-products.
The Nana Bouba Group, founded by the eponymous billionaire, launched in 2016 in the Littoral region of Cameroon (particularly in Yabassi in the Nkam district) a gigantic project for the creation of oil palm plantations. The first 500 hectares were planted in 2016, under the banner of a new company labeled Greenfield SA.

In 2017, this company, coached as part of this agro-industrial project by international experts in the palm oil sector ambition, planted additional 1,000 hectares of oil palm trees. The same number will be planted each year, to reach 30,000 hectares in the long term, according to sources close to the project. The project requires a total investment of CFA70 billion. In its mission statement, Greenfield SA plans to build a base for about 3,500 workers who will operate the farms, as well as to support the local populations in the establishment of village oil palm plantations on about 1,500 hectares, and build oil processing plants (production capacity of 10 to 15 tons per hour).

The cargoes of palm oil from these oil processing plants will help the Nana Bouba group in ensuring its autonomy in terms of supply to its Azur SA refinery, specialized in the refinery of palm oil and the production of laundry soap. After building his fortune and reputation in the distribution of consumer products (Soacam), food industry (Sagri), oil processing (Azur), civil engineering (Berni SA), and the production of health drinks and mineral water under the brand Opur (Nabco), Nana Bouba is about to become one of the biggest farmers in Cameroon.

In May 2016, the minister of agriculture Henri Eyebe Ayissi noted during a tour in the northern region that Nana Bouba owned 300 hectares of corn plantations in the towns of Wassandé and Djertou, located in his native Adamaoua.
INTERVIEW

Alex-Ariel Tchetgnia

«CAMEROON IS NOT THE ONLY COUNTRY THAT WANTS TO REFINANCE ITSELF THROUGH TELECOMMUNICATIONS»

This Cameroonian telecom engineer is the Vice President, Professional Services, of N-Soft, an IT company he joined in 2007. Founded in 1986, the company, using innovative technological solutions, helps governments get extra tax revenues, especially from the telecom, financial services, water, electricity, entertainment, and gambling sectors. In this interview, the Télécom Paris graduate gives his take on the money transfer tax that was introduced in Cameroon in January 2022. Also, he proposes ways to optimize tax revenue collection in telecoms. A move that seems to be gaining attention these days.

Interview with Aboudi Ottou

Business in Cameroon: Cameroon has started levying a 0.2% tax on money transfers, including mobile money, since January 1, 2022. What do you think of this tax, as an expert in domestic revenue generation in countries with low levels of banking?

Alex-Ariel Tchetgnia: Look, the whole world is struggling to deal with the Covid-19 crisis which shook everything we used to take for granted. It has slowed economies and subsequently hampered the capacity of States to finance themselves. If you had been in the State’s position, to which sectors would you have turned to refill your gold chests? Obviously, it would be a sector that gained from the Covid-19 crisis.

Look around the world. Telecom is booming. Due to social distancing measures, the main response to the Covid-19 pandemic, more people now prefer calling over in-person meetings, conducting mobile money transactions over hand-to-hand. This is why telecom as a whole, and mobile money especially, have experienced very strong growth since the Covid-19
pandemic broke out. Plus, Cameroon is not the only country that wants to refinance itself by taxing telecoms. Ghana has also introduced a tax on mobile money transfers, which came into effect in 2022. Burundi has instituted a tax on mobile Internet, which also came into effect in 2022. In its 2022 Finance Act, Zimbabwe gives the Minister of Finance the power to impose a tax on imported phones, etc. And these are only the measures that will come into effect in 2022. There are many more going back further in time.

In Cameroon, the only exception is the rate of the tax. Only 0.2%, against 1.75% in Ghana. Even in Côte d'Ivoire, where this measure was tried in the past, the government proposed a rate of 1.5%. Compared to Cameroon which is very frugal, those are very high rates.

**BC:** What do you have to tell people who complain over excessive taxation or those who claim that taxing payment methods is counterproductive?

**AAT:** I hear those arguments. However, looking at global trends, I don’t think the government had much of a choice. The mobilization of domestic resources is a major issue. To thrive, the State must be able to finance itself. Once again, let me emphasize that compared to other countries that adopted similar taxes, Cameroon’s 0.2% is the lowest. All we hope for is that the mechanisms put in place to collect this tax are reliable and that the money collected will serve the purpose for which the tax was introduced.

**BC:** Mobile phone operators seem to have silently approved this tax, compared to the proposed collection of customs duties on imported phones in 2020. Why is that so in your opinion?

**AAT:** This only makes sense since it was the operators who, in the first place, reached out to the BEAC (Central Bank of Central African States, ed), asking the institution if airtime could be used as a tax payment tool; a request that ultimately led the apex bank to oppose the government’s plans. Regarding the tax on mobile money transactions, these are provisions taken by the State so operators must comply, just as they are to comply with any law imposed on economic operators.

**BC:** According to our sources at the Ministry of Posts and Telecommunications, besides increasing customs revenues, the digital collection of customs duties on cell phones and tablets allowed the State to monitor operators’ income. Wasn’t that the actual issue?

**ATT:** Since I don’t interact enough with the mobile operators present in Cameroon, I can’t have an exact answer to that. I would have to talk to them to understand their motivations. But let’s look at the project itself. To me, it seems that the mechanism set up to collect customs duties, in its initial form, provided that mobile operators themselves would deduct a lump sum daily from the airtime of users subject to the deduction. That form would have allowed the State to know who has airtime and who doesn’t, at least among those whose phones are subject to the customs duty collection mechanism. This is far from enough to monitor an operator’s prepaid business revenue.

In my opinion, the issue lies somewhere else. Since it’s never refunded, airtime is like profit. So by seeking to collect duties on imported phones, the State was somehow asking operators to share that profit with them. Not so appealing.

**BC:** With the tax on money transfers, the DGI plans to mobilize about CFA20 billion per year. Do you think that’s realistic, given the size of the money transfer market in Cameroon?

**AAT:** That is another hard question to answer. Many things come into play here: the tax base, the negative impact of the new tax on mobile money, etc. I don’t have enough information to answer.

**BC:** How can the State effectively collect all the revenues generated by this tax?

**AAT:** That is the main question. In July 2021, Orange reported that the revenue generated by its mobile money segment stood at CFA800 billion per month. MTN generates twice that amount. These are staggering figures. Keeping this in mind, should the State just wait for the operators’ declarations on collected tax revenues?

In my humble opinion, the answer is no! The stakes are very high and transparency is the key to ensuring that the State’s revenues are effectively collected. There are simple and inexpensive financial monitoring solutions that would allow the State to have full visibility of all mobile money transactions. This is how the State can make sure to collect all the revenues generated by this tax.
BC: Raising domestic resources by taxing telecommunications is becoming a thing. Do you think this trend will take root?
AAT: "Yes, absolutely!" is my answer to that. Telecommunications in Africa aren’t at their peak yet. Many countries still have penetration rates below 100%, unlike in Europe. This means there’s still room for growth in the telecom sector, over the next 5 to 10 years, and that is an opportunity that governments would try to take advantage of.

BC: Under what conditions can this become an important source of revenue for States?
States have two options. They can introduce new taxes in the sector. However, that is a very uncertain approach, which can put actors of the sector under tax pressure and eventually disrupt its growth. Not to mention how the civil society and populations would react to a new tax. In short, taking this path requires a lot of tact. Another approach is for States to have the expertise needed to ensure that revenues are effectively being collected from existing taxes. Before introducing new taxes, it is necessary to make sure that existing taxes imposed on telecommunications are effectively collected by the State.

In the past, a “human” auditor was enough to collect and analyze a few invoices from an economic operator to check if tax obligations were met. This is not possible anymore, at least not for companies like mobile phone operators. These are companies that produce millions of billing receipts.

“Compared to other countries that adopted similar taxes, Cameroon’s 0.2% is the lowest”
acts per day (with each call, each SMS, each Internet connection, etc.). The volume of billing transactions is so large that it cannot be analyzed by a person or even a corporation. An accounting auditor would be useless in this case. What is needed instead are bots that can absorb and automatically process the metadata on the invoicing acts produced by these operators, to estimate their turnover. Without this, the State will never know whether or not telecommunications fairly contribute to its revenues.

BC: In Cameroon, the tax burden is already over 50% in the telecom sector, according to its players. Could taxing telecom choke this sector?
AAT: I have already answered this question earlier. All over Africa, mobile phone operators are complaining about tax pressure. And it’s true, telecommunications are generally more taxed than other sectors of the economy. Surely, that is not good news for the sector.
However, a quick assessment shows that this “tax pressure” does not have the same effect everywhere, and that’s what makes me wonder. Are you aware that since 2007, at least, telecom’s contribution to Cameroon’s GDP has been less than 3%? As compared to 7% in Mali and 10% in Côte d’Ivoire (countries where the tax burden is higher). In neighboring Nigeria, telecommunications contribute between 9% and 11% of the GDP. These are some shocking examples. Yet the ARPU (the average monthly budget spent on telephony by a subscriber) is more or less the same from one country to another; since telephone operators in these countries are subsidiaries of the same multinationals. So what explains telecom contributing so little to the GDP in Cameroon?
The truth is that as much as operators complain about the tax burden, consumers complain about the poor performance of telecommunications in the Cameroonian economy. Who is right? Who is wrong? Surely, everyone is a bit of both. But as long as the State does not have a control system that gives it full visibility and autonomy over the financial contours of telecommunications, it will always fail to grasp the answers to these questions. However, that is necessary for securing its revenues and for a fairer fiscal and technical regulation of telecommunications.

BC: In 2006, N-SOFT agreed with Camtel to help the incumbent telecom operator in Cameroon validate the accuracy of its billable transit, ensure the accuracy of invoices it receives, and secure payments from some international operators. How is this going?
AAT: Overall, I would say that... N-SOFT was initially a supplier of billing solutions to telephone operators. But that was a long time ago. Over the last 10 years or so, N-SOFT has been reorienting itself towards the tech governance sector. We now work with governments, helping them implement effective solutions to generate extra tax revenue.

BC: N-SOFT claims it has solutions to help States increase their tax revenues in sectors such as telecom, financial services, water and electricity, entertainment, and gambling. Why then isn’t your presence much felt in Cameroon where tax mobilization remains a challenge?
AAT: I disagree with you. There is a growing interest in governance solutions in Cameroon. As with any innovation, it is necessary to give some time for adaptation and allow States to understand the benefits and challenges of these solutions, and we are recording more and more interest. This interview even proves that.

BC: What do you think should be done for Cameroon to secure more tax revenues from these sectors?
AAT: This is a broad topic to which I will try to bring my engineering perspective. For the telecommunications sector, I have already answered it. You just have to transpose what I said for telecom to sectors that, like telecom, have large numbers of billing transactions, generated by payments in small denominations. In short, the State needs to automate as much as possible the financial supervision of the sectors of its digitalized economy.
State-owned firm Pamol Plantations Plc has been expecting a new oil mill, since 2021, to boost its operations strongly disrupted by the security crisis in the North-West and South-West. According to the CTR -Technical Commission for the Rehabilitation of Public and Para public Enterprises- this state company is still negotiating for funds for the acquisition of the XAF8 billion equipment. As of December 30, 2020, XAF5.25 billion had been released by the government to Pamol. The company is therefore expecting the sum of XAF2.75 billion to fully fund the infrastructure. The oil mill was supposed to be delivered in 2021, but because of fund mobilization challenges, it was not delivered as initially planned. The CTR explains that the plant will substantially improve the company’s financial and economic situation as it will help improve annual palm oil production capacity by 13,000 tons, from 15,000 to 28,000 tons. There is, however, an issue about the sustainability of this investment. The security crisis is ongoing in the South-West where Pamol exploits oil palm plantations. Over the 2013-2017 period, Pamol renovated and extended its plantations and plants. However, due to the security crisis, the investments were abandoned and targets set under the performance contract through which the investments were made were not met. Over several years, Pamol accumulated debts, the CTR indicates. Its fiscal debt rose by 88.80% while its social debt is up by 24.3% and the supplier debt, up by 34.01% against a huge 59,288.8% rise in financial debts in 2020. Talking specifically of the social debt, Pamol’s activity report for the 2021 fiscal year estimates the salary arrears to be over XAF4.9 billion between February 2019 and December 2020 while the social debt is nearly XAF3.8 billion, covering the period between January 2004 and December 2020.
In Cameroon, the International Customs Day (ICD) was celebrated on January 26, 2022, under the theme: «Scaling up Customs Digital Transformation by Embracing a Data Culture and Building a Data Ecosystem.» This theme was decided by the World Customs Organization (WCO). To bring out the appropriateness of the theme, Cameroon’s Directorate General of Customs (DGD) highlighted how digitalization improved revenue collection in the country.

For instance, the directorate explains, the volume of revenues generated from vehicle imports rose by 53% year-on-year in 2021. From XAF132.1 billion in 2020, it rose to XAF201.5 billion in 2021.

For the DGD, this performance was due to the use of the digital platform “Cosmos” starting from the 2020 fiscal year. Officially, during its first year of usage, the digital platform increased customs revenues generated by imported vehicles by 47%.

According to the Cameroonian customs administration, thanks to Cosmos, the customs status of imported vehicles can be checked in real-time just by entering the vehicle identification number in the customs database Camcis.

«This application, effective in the fight against fraud and illegal trade, has led to a significant increase in customs revenue in the various customs offices,» says the DGD.

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The National Civil Engineering Equipment Pool (Matgenie) is currently planning to build a civil engineering machinery assembly plant. In that regard, it signed a convention and a framework agreement with Chinese heavy machinery manufacturer XCMG, the Technical Commission for the rehabilitation of public and para-public sector companies (CTR) reveals in its 2020 report on state and parastatal firms’ performance.

There are no specific details about the project yet. However, we know for a fact that XCMG is based in Xuzhou where it was established in 1943. It is, since then, the leader of construction machinery manufacturers in China and the fifth worldwide.

According to the CTR, the project aims at restoring Matgenie’s operations, allowing the Cameroonian personnel to master the usage of technology and reduce production costs. In 2020, Matgenie recorded an increase in its supplier debts (11%), financial debts (171%), social debts (11%), and a slight decrease in its tax debts (-11%) compared to the 2019 fiscal year, data published by the CTR reveal. For the commission, those debts increased because of operating expenses and cash flow problems. As for the social debt, it rose due to outstanding salary arrears and retirement entitlements.
Public Management

Cameroon: Crisis-stricken CDC and Pamol targeted by a Special court in misappropriation investigation

Pamol Plantations PLC and CDC, the main victims of the anglophone crisis ongoing since late 2016, are the target of misappropriation investigations. This is at least what the summonses sent to the general managers of those two state firms and some of their collaborators hint at.

According to the summonses, which was leaked on social media, Ngoni Njie Franklin Ikome (general manager of CDC since December 2012) and Solomon Mbile Tapea (general manager of Pamol since October 2020) are respectively expected to appear on February 15 and 17, 2022 before investigators of the Special Criminal Court in Cameroon, over a public fund misappropriation case.

The summons state that those two executives are considered ‘suspects’ in the embezzlement investigation ongoing since May 2021.

For the time being, there are no further details about the investigation. However, in recent years, CDC and Pamol have received significant financial support from the State of Cameroon. These financial supports were provided after the restructuring process initiated by Pamol Plantations PLC. The funds were provided to help those two agro-industries deal with the difficulties that ensued from the ongoing separatist crisis in the Anglophone regions, especially in the South-West where they have a banana, rubber, and oil palm plantations (Ed. note: Pamol exploits only oil palm plantations).

Performance contract

In 2019 for instance, a Presidential decree allocated XAF9.5 billion to Pamol Plantations in the framework of a performance contract the company signed in 2015 with its majority shareholder, the state. According to the CTR - Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises- as of end-2020, some XAF5.2 billion had effectively been released to the company’s accounts. In its 2020 report on state and parastatal firms’ performance, the CTR informs that Pamol failed to achieve the performance target set in the contract and that the performance will soon be audited.

As far as CDC is concerned, in January 2019, its general manager estimated that the company needed XAF29 billion to recover from the impacts of the anglophone crisis that had claimed the lives of at least 16 company employees. After this plea to the government, CDC received some XAF3.5 billion subsidy from the state to pay salary arrears, the CTR indicates in the 2020 report.

This investigation is revealed just weeks after the Head of State’s end-of-year address to the nation implicitly announcing the forthcoming resumption in the hunt launched in 2016 against crooked public managers. In the framework of that anti-corruption operation dubbed «Epervier», several ministers and general managers were arrested, tried, and jailed.
OAPI: newly reinstated director general’s decision challenged by some professionals

The Association of Authorized OAPI (African Intellectual Property Organization) representatives sent a letter to Cameroon’s President, Paul Biya, last January 13, to challenge a decision taken earlier by Denis Bohoussou Loukou (photo), the Director-General of the said intellectual property organization.

Indeed, seven days after his reinstatement (December 10, 2021), Denis Bohoussou Loukou signed an act revoking all the text decisions taken during his suspension. The concerned decisions are notably related to trademark registration and renewals, registration in the special trademark record, and agreement to use OAPI-issued trademarks in international trademark procedures.

On December 30, 2021, days before sending the letter to President Paul Biya, the association (AMOAPI) sent a letter to the director-general appealing the act. However, their plea fell on deaf ears. Hence, the letter was sent to Paul Biya, President of the country which hosts OAPI’s headquarters.

The decisions were revoked because they were signed by an OAPI executive who has no legal competence to do so. The director-general was referring to Jean-Baptiste Noël Wago, the deputy director-general officially appointed interim director general by Alimatou Shadiya Assouman, chairwoman of the OAPI board of directors.

In the letters AMOAPI sent, of which Business in Cameroon received copies, the association challenged the director general’s claim because the deputy director-general was officially appointed as an interim, hence legally competent to carry out the duties of the director-general.

The act revoking the decision poses “a serious legal and expediency problem” that can be detrimental to AMOAPI clients and members who submit requests for trademarks obtention and renewal. «This decision will lead to legal uncertainty,” the association explains.

During a press conference in Yaoundé, last January 25, Denis Bohoussou Loukou claimed his decision was aimed at protecting the rights of users, who could have faced legal risks.

“If someone infringes on your trademark and you take the matter to court, the infringer can point out that the [trademark] acts were signed when the director-general was suspended. The debate will no longer be focused on the infringement but on the legal competence of the person who signed the acts. Taking those risks into account, I have decided that it is better to cancel those acts and issue new ones so that the owners can be rest assured,” he indicated.

The year 2021 was marked by a management crisis in OAPI. On October 14, 2021, the director-general was suspended by the chairwoman of the board following accusations of financial malpractices and opposition to a commissioned audit. The director-general refuted the accusations and after discussions and meetings, he was reinstated but placed under the supervision of an ad hoc committee of three ministers (administrators).
The UK bets on PROMOTE 2022 to boost economic cooperation with Cameroon

At the end of an audience with the Minister of Finance Louis Paul Motazé on January 25, 2022, Christian Dennys McClure, the British High Commissioner to Cameroon, presented his expectations from Promote, the fair whose 8th edition will be held in Yaoundé on February 19-27, 2022. «We are looking forward to the Promote exhibition next month. It is an opportunity to extend our collaboration with Cameroon,» said the British diplomat after his audience with Louis Paul Motazé. Initially scheduled for April 24-May 2, 2021 at the Yaoundé Conference Center, this economic mega-show was finally postponed due to the Covid-19 pandemic. According to the promoters of the exhibition launched in 2002, Promote exhibition, which is always attended by about 1000 exhibitors seeking business partnerships, has quickly become the largest economic gathering in Central Africa.

Cameroon: XAF48 bln is needed to save state textile firm CICAM from bankruptcy, an audit estimates

XAF48.2 billion is needed to save state textile firm CICAM from bankruptcy, reveals the Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR) in its 2020 report on state and parastatal firms. Indeed, the CTR indicates, the Ministry of Finance and Cameroonian consulting firm CAEAC (Cabinet camerounais d’études et d’audit comptable) carried out a study on the financial supports needed to ensure the sustainability of CICAM. The first support suggested by the study is a cancellation of CICAM’s public debt (notably the tax, social, and shareholder) estimated at XAF9.6 billion. The second support is the settlement of the textile company’s bank and commercial debts estimated at XAF12.6 billion by either outrightly refunding it, pre-funding it, or even proceeding to a partial or full capitalization. In addition, the firm’s financing needs until 2025 which must be provided include XAF19 billion for investment and maintenance of its equipment and XAF7 billion for operating expenses. For the CTR, CICAM (established in 1965 with a XAF1.15 billion share capital) is already bankrupt. Once again, it reached a critical level due to accumulated losses. In 2020, its equity dropped by 72.45%. Since July 21, 2021, the turbines it uses to produce printed fabrics and towels have been off. Let’s note that in 2020, the firm’s net loss was estimated to be over XAF3.552 billion.
Cameroon: Government considers Turkey as an alternative wheat supplier to avoid an increase in bread prices

In Cameroon, the union of bakery owners plans to increase the prices of bread, to pass the additional costs generated by the rising price and scarcity of wheat flour onto consumers. However, according to our sources, the government is opposed to the increase of the prices set at XAF125 per 200-gram loaf of bread. To find alternative solutions, the Ministry of Commerce initiated consultations, we learn. It was then decided that the supplying country of flour will be changed. Indeed, Russia is the main supplier of Cameroon’s wheat, according to the Ministry. Because of the coronavirus pandemic, crop failure, and climate change, the country is, however, unable to be as productive as it used to be. Therefore, Cameroon has decided to turn to Turkey, which is currently among the ten largest wheat exporters worldwide.

According to Cameroonian media EcoMatin, the Ministry of Commerce has already submitted an offer from Turkish company Dhurma to its hierarchy. The company offers to supply 600,000 tons of wheat to the Cameroon market yearly at really competitive prices. The company making that offer is a multinational dedicated to trading with African markets. Since its establishment in 2015, it has carried out numerous import-export projects in Azerbaijan, Benin, Côte d’Ivoire, Sierra Leone, Kazakhstan, Afghanistan, Cameroon, Djibouti, Ghana, and Niger.

Ongoing Negotiations
In a statement issued on January 19, the bakery owners’ union informed that negotiations were ongoing with the government, millers, and consumer associations. Until the end of the negotiation, no one is authorized to increase the prices of wheat flour and bread, it added. It should be noted nevertheless that although the price of bread is still the same, the size of the XAF125 bread has seemingly reduced.
As for millers, they state that from the first quarter of 2021 to date, their production costs have increased by XAF2000 per bag of 50 kg of wheat flour, from XAF4500 to 6500.
In recent years, bakers have been trying to increase the price of bread. In 2021, the Ministry of Commerce had to negotiate with Groupement des industries meunières du Cameroun and the leaders of Syndicat national des boulangers du Cameroun to maintain the price at XAF125 per 200-gram loaf of bread. At the time, unionists justified their attempt with the rise in the prices of wheat on the international market and the soaring shipping costs that both impact the final price of wheat flour, which is about 80% of the inputs used in bread production. The wheat supply problem occurs at a time when authorities are advocating for import substitution, meaning the substitution of wheat flour with local cereals and starches. The Citizen Association for the Defense of Collective Interests (Acdic) demonstrated that it was possible to use those local flours in bread production but, the idea is yet to pick up on an industrial scale.
**SABC Group inaugurates new research and development laboratory**

Société Anonyme des brasseries du Cameroun (SABC), a subsidiary of the French group Castel, inaugurated its new research and development laboratory in Douala on January 18, 2022. «After a year and a half of work, the central laboratory of the SABC Group’s Koumassi-based plant is fully renovated. Thanks to investments estimated at several hundred millions of CFA francs, higher-caliber equipment is now available for professionals of the Process and Quality Directorate,» the company informs. The new laboratory includes a research center. Coupled with the over 70 years of experience of the SABC Group, the latest generation technologies in the research center will help develop new processes and products. SABC is inaugurating this new laboratory in a competitive environment. Even if it is the leader of the local brewing market (with more than 70% of market share), the company must face traditional competitors: Union Camerounaise des Brasseries (UCB) and Guinness Cameroon, a subsidiary of Diageo. Those two competitors have introduced several innovations in recent years, launching new products in the soft drink, mineral water, and beer segments. A new competitor, Ultimate, is also announced in the local market. According to recent information from the Ministry of Environment, the company is planning to establish a soft drinks, bottled water, and cookies production plant in Mbankomo, a locality situated about twenty kilometers from Yaoundé, the Cameroonian capital.

**Promote 2022: Afriland First Bank commits to sponsoring 20 SMEs**

On January 19, 2022, Inter-progress Foundation, the organizer of the Yaoundé International Exhibition for SMEs and Partnership (PROMOTE), signed a partnership agreement with Cameroonian bank Afriland First Bank as a prelude to the 8th edition of the exhibition scheduled for February 19-27, 2022. The agreement makes Afriland First Bank the main partner of the 8th edition of the exhibition (PROMOTE2022). As such, the bank is committed to sponsoring 20 small and medium enterprises (SMEs). According to explanations provided by Thierry Ndong, the communication manager for Inter-progress Foundation, the bank will sponsor the beneficiary SMEs’ participation in the event. Specifically, Afriland First Bank will help them pay for stands they would not have been able to book for due to a lack of financial resources. The communication manager did not state the real volume of the financial support Afriland First Bank will provide the 20 SMEs but he indicated that the beneficiaries will be selected based on factors like capabilities, innovation, availability to attend the event, etc. According to Thierry Ndong, the status of «major partner» is one of the innovations of this Fair whose theme is: «Industrialization of Africa, a key to the emergence of the Continent.» «We are strongly stimulated by the fact that the first partnership concluded [...] is with Afriland First Bank, the leading Cameroonian bank and a reference on the continent,» said Pierre Zumbach, promoter of the Fair. The promoter further revealed that the 8th edition marks the twentieth anniversary of the creation of the exhibition in Cameroon. According to the organizers, PROMOTE2022 aims to contribute to the acceleration of industrialization in Africa by being a platform for discussions and high-level exchanges around the theme selected. Particularly, participants will discuss the various incentives introduced by African countries. The last edition of this exhibition was held in 2019, it should be noted.
On January 24, 2022, the Cameroonian public Treasury issued new 52-week treasury bills on the public securities market of the Bank of Central African States (BEAC). Officially, the issuance operation was aimed at raising XAF20 billion. According to the calendar of operations on the BEAC public securities market, this operation is aimed at providing Cameroon with the financial resources necessary to pay a XAF15 billion debt today, January 26. The said debt was contracted on the same public securities market in January 2021, the central bank BEAC explains. By paying its debt in this market once again, Cameroon will boost the credibility of its signature. Indeed, Cameroon has repaid XAF2,998 billion of debt incurred on the market without even defaulting on a single deadline, the Ministry of Finance claims.

From December 2011, when the market was launched, to December 2021, Cameroon has repaid XAF2,998 billion of debt incurred on the market without even defaulting on a single deadline, the Ministry of Finance claims.

Orange Cameroon: users can now receive Mobile Money directly from Europe

Telecom operator Orange recently launched «Orange Money Europe», a mobile money service that allows users based in Cameroon to receive money from Europe. Specifically, according to an authorized source at Orange Cameroon, thanks to the service, users based in France and Belgium can send money directly to the mobile money accounts of Orange Cameroon and MTN Cameroon’s users. “It rather allows CEMAC users to receive funds but not to send them. Orange Money Cameroon has received the required authorizations for that service,” the source adds. Indeed, currently, as per the prescriptions of the Central African Banking watchdog COBAC, mobile money users based in CEMAC can not send money directly to international users. They can only receive money. This measure aims to prevent capital flight, money laundering, and terrorism financing. According to the operator, in France, senders can visit one of the hundreds of Orange Money Service boutiques to send their funds with fees starting from €1.99 (XAF1,301.76). By launching such a service, Orange will boost the volume of transactions it facilitates, and consolidate its position as the leader in the Cameroonian mobile money market, where it claims 70% market share. In 2021, Orange Cameroon accounted for cumulated transactions estimated at XAF800 billion monthly. For the whole year, this is about XAF9,600 billion, about twice Cameroon’s 2022 budget.
Cameroon: Hydrocarbons price stabilization fund CSPH sees its net profits shoot up 177% in 2020

The National Hydrocarbons Prices Stabilization Fund (CSPH) recorded a net profit of XAF15.1 billion during the fiscal year ending on December 31, 2020. According to data published by the Technical Commission for the Rehabilitation of Public and Para-public Sector Enterprises (CTR) in its 2020 report on the performance of state and parastatal firms, this profit is up by 177% compared with the XAF4.5 billion recorded in 2019.

According to the CTR, the CSPH whose mission is to regulate the national hydrocarbon market achieved that performance first because of the competitive bidding process that helped select the lowest bidder for the supply of domestic gas. Indeed, by selecting the lowest bidder, the company was able to reduce the support it provides for gas imports by 28.67% year-on-year in 2020.

Secondly, the performance was also due to an increase in the income generated from the company’s investments, namely its assets in some other companies and term deposits. According to the CTR, in 2020, those assets generated XAF12.3 billion.

Let’s note that as of the end of 2020, the company that has over XAF30 billion of liquidity had made a term deposit of XAF18 billion in banks. Those deposits regularly generate interest income.

Cameroon: SME bank BC-PME to become a public investment bank

Cameroonian Commercial Bank for Small and Medium-Size Enterprises, known as Banque camerounaise-PME (BC-PME) could become a public investment bank, according to a 2020 report published by the Technical Commission for the Rehabilitation of Public and Para-public Sector Enterprises (CTR).

The report does not give a specific timeline for this transformation but it informs that the project is in line with the country’s 2020-2030 development strategy. This change will substantially increase the investment and development financing offers and broaden the spectrum of clients BC-PME can attend to since as it is currently, only SMEs benefit from the services offered by the state commercial bank, the report explains. Moreover, with this new status, the institution will be able to offer cash flow loans, lease financing, medium and long-term loans, unsecured loans, export credits, thematic loans, etc.

BC-PME was established in 2011 with a XAF20 billion capital. According to the CTR, it granted a total of XAF8.9 billion credit to SMEs in 2020 against XAF6.8 billion in 2019, representing an increase by 31% in the credits it granted between the two periods. Of the credit it granted in 2020, 77.5% was captured by the construction and ICT sectors. During that fiscal year, the bank generated a positive net result of XAF116,844,299, up 107.6% compared to its performance in 2019 when it posted a XAF1.5 billion loss.
Cameroon turns to a pool of 3 European financial institutions to recapitalize Alucam

Cameroon is currently negotiating with a pool of three European financial institutions to recapitalize Cameroon Aluminium Company (Alucam), the only steel producer in the CEMAC zone. According to information from the Technical Commission for the Rehabilitation of Public and Para-Public Sector Enterprises (CTR), the said European institutions are the International Tropical Conservation Fund (ITCF), the Franco-German financial group BHF and investment bank BPI.

For the time being, there is no information on the funding mechanism chosen by the state of Cameroon, the sole shareholder of Alucam, nor on what is expected from each financial institution. The only additional information provided by the CTR is that a roadshow (series of meetings in different cities) has already been initiated. «In 2020, Alucam’s financial performance plunged the company in bankruptcy, notwithstanding the merger with Socatral. A recapitalization is necessary to avoid an early dissolution,” the CTR justifies. According to the figures published by the commission, Alucam’s equity dropped by 240.8% between 2019 and 2020, going from XAF5.9 billion in 2019 to -XAF8.3 billion in 2020. Since that date, the company’s equity has been below half its XAF21 billion share capital.

Dissolution threats
According to Article 665 of the Ohada Uniform Act on Commercial Companies and Economic Interest Groups, the State of Cameroon has until 2022 to recapitalize Alucam to bring its equity to at least half of its share capital (about XAF10.5 billion). Per Article 667 of the same act, beyond that deadline, «any interested party may take legal action to request the dissolution of the company.” Apart from helping avoid legal issues, recapitalization will allow Alucam to operate at full throttle while at the same time taking into account the environment in the aluminum and alumina markets because it is a price taker obliged to agree to the prevailing prices in international markets.

The company’s operating loss dropped by 32% in 2020 (from XAF16 billion to 10 billion) but its high operating expenses remain a concern, according to the CTR. For instance, its personnel expenses represent 160% of its added value. In addition, in 2020, the company recorded a XAF14.393 billion net loss.
On January 22, 2022, brewing company Guinness Cameroon unveiled the results of its «Orijinal Challenge», a competition aimed at celebrating made-in-Cameroon products. The winner of this challenge is Ernest Claude Ewoty Ndjie, who produces flour (branded ENEC after his initials) from cassava peels, which most housewives consider a waste product.

«When I collect the cassava peels, I wash them and remove the thin layer [ed. note: periderm] because only the red or white membranes [ed. note: cortex] is important to me. I wash the peels two to three times and then take them to my laboratory to process them and destroy all the toxins they can contain. After the processing, which lasts one month, I take them out of the laboratory to let them dry in the sun. When the peels are dry, after three to four days, they can be taken to the mill to be ground. This is the process that gives us our flour,» he explained to media Défis Actuels.

The winner of the challenge was awarded a check of XAF5 million while the first runner-up goes with a check of XAF3 million against XAF2 million for the third innovation most voted by Facebook users.

This award comes amid fears of an increase in the price of bread that is generally produced from imported wheat. Indeed, due to the increase in the international price of wheat, bakers are planning to increase the price of bread to pass additional expenses onto final consumers. This threat revived the need to promote flours made from local products like cassava, potato, and plantain since they present many advantages.

A major wheat importer «Cassava peel flour will create several jobs. We will slightly reduce unemployment because our business plan provides for the creation of 500 to 1000 direct and indirect jobs. Another economic aspect, as per my targets, is that we will reduce imports and foreign reserve outflow because currently, the price of wheat flour is rising exponentially. We hope that our flour will reduce or stop the outflow of our foreign reserve. Apart from that, we think that it can encourage young farmers to create cassava plantations,» says Ernest Claude Ewoty Ndjie, whose dream is to boost his yearly flour productions estimated at 500 kilograms.

In 2020, Cameroon imported 860,000 tons of wheat, according to the strategic positioning of cereals and by-products processing published on August 25, 2021, in Douala, by the Enterprises Upgrading Office BMN. According to the same source, the value of those imports (up by 30,000 tons year-on-year) was about XAF150 billion. I the BMN study informs. Indeed, since the bankruptcy of the Wheat Development Company (Sodeblé) in 1980, Cameroon has been resorting to importation to meet almost all of its wheat needs. This situation made Cameroon a good business ground for international traders like French group Céréalis. In 2015, Remi Depoix, Cerealis CEO, revealed that every year, his group exports close to 200,000 tons of wheat to Cameroon, generating about 20% of its turnover.
Cameroon: CTR suggests measures to boost Semry’s production

In its 2020 report, the Technical Commission for the Rehabilitation of Public and Para-public Sector Enterprises (CTR) suggested measures to help boost the production of the Society for the Expansion and Modernization of Rice Cultivation in Yagoua (Semry), the leading rice producer in Cameroon. According to the CTR, in 2020, Semry produced 3,304.36 tons of rice while its yearly potential is 120,000 tons. The measures suggested by the CTR include evaluation of the costs of Semry’s public missions to figure out the balancing subsidy it must receive annually from the government. There is also the improvement of field exploitation conditions to increase productivity, the elaboration of a marketing strategy, and the creation of an equalization system for the development of national rice production and the organization of the rice market.

In addition, a special focus must be placed on the urgent rehabilitation works to be carried out in the Yagoua and Maga rice fields in the north of the country. Those works will help repair the damage caused by floods on Semry’s infrastructure. In that regard, the dyke on the Logone River deserves special attention, the CTR indicates.

In 2020, Semry processed 1,349.846 tons of paddy and 789.375 tons of milled rice, representing just 1.84% of its production. According to the CTR, this poor performance was due mainly to power cuts that significantly reduced the rice mills’ operating times. That year, the company’s value-added deteriorated sharply to XAF7.632 million. It was not enough to cover personnel expenses estimated to be a little over XAF912,147 million. As a result, the net income was -XAF865,780 million, representing a drop of 182% year-on-year.

“This result could be due to the structural deficit created by the price policy that sets the ground rent at 50% of the costs incurred in the development of the fields. It does not allow full coverage of operating expenses estimated at XAF6,099,593,802 in 2020, against XAF7,618,367,548 in 2019,” notes the Commission. Hence the suggestion that the State must provide a balancing subsidy to compensate for the cost of public service missions carried out by Semry.

The company’s financial situation is not attractive. Its debt is essentially made up of tax debt (XAF3,382,692,309), social debt (XAF350,402,895), supplier debt (XAF2,490,513,926) and miscellaneous debts (XAF524,697,016). These debts make the company a budgetary risk for its sole shareholder (the state of Cameroon), the CTR adds.
Yaoundé, the capital of Cameroon, will host from January 31 to February 1, 2022, a regional forum aimed at improving support for Central African small businesses involved in cassava production and export, in the framework of the African Continental Free Trade Area (ACFTA).

Organized jointly by the Economic Community of Central African States (ECCAS) and the State of Cameroon, the forum will be an opportunity for stakeholders in the cassava sector (farmers, processors and SMEs, and entrepreneurs) to discuss the challenges and opportunities offered by the ACFTA in terms of processing, added value, and innovation. It will also promote good social and environmental practices as well as the creation of decent jobs, for women and young people particularly.

Currently, although Cameroon is located in what the African Union calls «the cassava belt» (ed. note: countries where cassava has a high potential), this commodity is still cultivated following the old traditional ways. As is the case in DR Congo, most farmers process the crop by doing all the grueling manual work of peeling, grating, kneading, and pounding the tubers, the ECCAS explains. And most of those tasks are carried out by women.

In Cameroon, the labor force is still a major constraint for the improvement of competitiveness in the cassava sector. ECCAS, therefore, estimates that considerable progress is required not only in agricultural productivity but also in the whole production chain.

This is why the Yaoundé Forum is being organized to present opportunities offered by the ACFTA, a priority initiative in the 2063 Agenda of the African Union (AU).

The African Continental Free Trade Area currently has 44 member countries, including Cameroon. It is aimed at accelerating intra-African trade and strengthening the continent’s commercial position on the international market.

**ACFTA: Yaoundé to host a regional forum to improve support in the cassava sector**
Executives of the Cotton Development Corporation (SODECOTON) expect a 3.6% season-over-season increase in seed cotton production during the 2021-2022 cotton season ending in May 2022. Indeed, for the 2021-2022 season, the agribusiness giant anticipates its production to reach 370,000 tons, up by 13,000 tons compared to the 357,000 tons it produced during the 2020-2021 season.

«In terms of cotton production, the company expects a record production of about 370,000 tons of seed cotton, with a yield of about 1600 kg/ha. This is the highest yield in Africa for rainfed crops (...) Several indicators are positive. The 2021 and 2022 fiscal years are expected to be profitable based on the forward fiber sales already achieved. In fact, for those years, the fiber was sold at very good prices in international markets,» says an internal source. This means that in 2021, the national cotton firm performed better than its rather poor performance in 2020 (over XAF5 billion loss) when the coronavirus pandemic hit Sodecoton, which managed to become profitable during the 2017-2018 season (XAF5.1 billion profit) after the cumulated XAF36 billion loss recorded between 2014 and 2016.

The record production announced for 2021-2022 brings this mixed-capital agro-industrial unit closer to its 400,000 tons production target by 2025.

To reach its production target, the firm, which supervises over 200,000 farmers in the three northern regions of Cameroon, has accelerated its investments in processing equipment. On March 6, 2021, in Gouna, it laid the foundation stone of its 10th cotton ginning plant. It also crossed a new milestone in its project for the construction of a new oil mill in Ngaoundéré with the organization of public audiences in the framework of the environmental impact studies of that XAF25 billion project from March 22 to 27, 2021.
Cameroon: the WFP trains farmers to reduce their up to 40% post-harvest losses in the Far-North

The World Food Program (WFP) recently organized a training workshop in Maroua, the regional capital of Far-North Cameroon, to help producer groups combat post-harvest losses. «This workshop aims to boost producer groups’ capacity in the management of post-harvest losses, ensure the qualitative and quantitative availability of their products, help improve their yields, boost their income and facilitate market access for them,” said Bassirou Mouhamadou, a food security officer at the WFP sub-office in Maroua, to regional tri-weekly L’oeil du Sahel. The issue of post-harvest losses is a pressing challenge because, in this part of Cameroon, up to 40% of the harvest is usually lost due mainly to poor conservation, the Ministry of Agriculture’s regional delegation in the Far-North estimates. Those losses further jeopardize food security in the region, which is already affected by the harsh climate that reduces yields. Meanwhile, high demand for food products induced by the inflow of refugees in the region, the regular destruction of plantations by elephants and granivorous birds, and the insecurity caused by Boko Haram fighters (which forced many farmers to abandon their plantations) are added pressures on food security in that region.

Cameroon: Sodecoton boosts equity by XAF29 bln in 2021 by shipping 2020 stock leftovers

In the first half of February 2021, cotton development firm SODECOTON, an agribusiness giant operating in the three northern regions, finally shipped its stock of remaining cotton from the 2020 season. The 30,975 tons of cotton estimated at some XAF29 billion was not shipped during the 2020 campaign because of disruption in the international supply chain caused by restrictions issued to combat the spread of the coronavirus pandemic. «The delays have been fully regularized. The situation caused a decline in the company’s 2020 revenues. It is not a loss as some people may have thought. The deferred receipts will be taken into account for the 2021 results. Hence, SODECOTON’s result for the 2021 fiscal year will be higher than usual (over XAF150 billion).» explains an executive of this joint-stock agro-industrial unit. SODECOTON has always sold its cotton under a forward contract, meaning the sold cotton can be shipped later, even after 12 or 14 months. The company is paid once the cotton is loaded on the ships taking it to its final destination. When this deferred shipment is delivered during a new campaign, it does not mean the cotton was not sold during the previous campaign or that the company recorded losses. It is just a delay in shipments and payments,” the same source explains. SODECOTON supervises over 200,000 cotton farmers in the northern part of Cameroon. It is highly important for the region’s economy. Sodecoton, which also produces refined oil and soymeal for farmers, is 59% controlled by the State of Cameroon, against 30% for the French firm Geocoton and 11% by Smic, a local company.
New contracts are needed to save aerial treatment firm Utava from complete cessation of activities (CTR)

South-West based state aerial crop treatment firm UTAVA, which stayed out of business between 2019 and 2020, needs new contracts to avoid complete cessation of activities, explains the CTR (Technical Commission for the Rehabilitation of Public and Para-public sector Enterprises). Indeed, in 2020, the company’s main operating areas (Mafanda Estade, Ndongo Estade, SPHP, and Bob Plantations) generated no revenues. Therefore, in its 2020 report on state and parastatal companies’ performance, the CTR suggests Utava should exploit new promising markets by acquiring a second aircraft. The said promising markets are namely Plantations du Haut Penja (PHP), Société sucrière du Cameroun (Sosucam) and Société d’investissement pour l’agriculture tropicale (SIAT), notable agribusiness firms in Cameroon. The project to acquire a second aircraft for Utava has been in hibernation for years now due to a lack of financial resources. For the time being, the only operating aircraft is the AIR Tractor (AT 602) registered under the number TJ-ABN. During the tumultuous 2019-2020 period, Utava managed to keep its certificate of airworthiness but its insurance, air operator certificate, maintenance unit certificate, the pilot’s license, and its air mechanic’s license have all expired. In 2020, Utava benefited from several supports including an operating subsidy of XAF317 million and debt waivers amounting to XAF295,673,823. Thanks to those supports, it achieved a positive net result (XAF327,659,481) and its equity increased by 236%. However, according to the CTR, the aerial crop treatment firm is burdened by the personnel expense of its staff under a partial unemployment plan. For the CTR, the said employees’ productivity was nil in 2020, yet the personnel expenses made up 852% of the turnover.

Cameroon: Rubber production rose by 15 kilotons in 2020, despite the coronavirus pandemic

Cameroon’s rubber production rose by 15,000 tons in 2020, according to figures published by the Technical Commission for the Rehabilitation of Public and Para-public Enterprises (CTR). From 45,000 tons in 2019, the production rose to 60,000 tons in 2020. This performance was achieved in a context marked by the coronavirus pandemic which greatly slowed companies’ activities down. The disruptions caused by this pandemic seem to have been mitigated in the rubber sector by new plantations (both renovated and extended) created by agroindustrial firms that produce and process rubber in Cameroon (Hevecam, Safacam, Sud Cameroun Hévéa, and CDC notably). The great performance recorded in the sector in 2020 continued in 2021. It is expected to continue this year. Indeed, in the second quarter of 2021, the Bank of Central African States (Central Bank of CEMAC states) announced an increase in rubber production in Cameroon and other CEMAC countries. According to the Minister of Agriculture Gabriel Mbairobe, this year, Cameroon’s rubber production will rise by 6,667 tons thanks to the impacts of an oil palm and hevea development project aimed at providing various supports to small farmers.
The stock of receivables the Electricity Development Corporation (EDC) was claiming from partner companies increased by almost 25% year-on-year in 2020. Compared to the stock in 2018, the 2020 stock was almost up by 82%. According to the 2020 report published by the CTR -Technical Commission for the Rehabilitation of Public and Parastatal Enterprises- on the performance of state and parastatal firms, the rise in debt stock was due to the accumulation of unpaid water rights totaling XAF34.5 billion over 2016-2019.

For CTR analysts, besides affecting the state company’s cash flow, the unpaid water rights also increased the company’s debt, notably its tax debts (+24.40%), social debts (+40.43%), and financial debts (+7.82%) during the year ending December 31, 2020.

This situation represents a budgetary risk for the state because, during the period under review, the government once again supported EDC, through the national sinking fund CAA, by refunding XAF8 billion, representing the matured portion of the EDC’s debt assumed by the government. As a reminder, as a public company, EDC manages various dams and reservoirs in Cameroon. In that regard, it invoices electricity producers for the volumes of water provided to them for their generation needs. Currently, its client ENEO, which is usually cash-strapped due to the debts the government owes it, is generally unable to pay those water rights. Most of the time, it even conditions the payment of that right to the settlement of the debts it should collect from the central government and decentralized territorial administrations. For instance, in December 2021 when the government committed to releasing XAF182 billion for the debts owed to ENEO, the electric utility promised to pay XAF17 billion to EDC as arrears in water rights payments.
Cameroonian journalist Denise Epoté has recently been promoted by French television network TV5Monde, according to exclusive information posted on the official Facebook page of film festival ‘Black Screens.’

“Today [January 10, 2022], TV5Monde's executive board confirmed the appointment of Denise Epote, classmate and 40-year-long friend of our general delegate Bassek Ba Kobhio, to the positions of marketing manager for TV5Monde as well as Chairwoman of the Management Board of TV5Monde USA and TV5Monde Latin America, after about 15 years in the management of the TV network’s Africa division. The prestigious appointment will take effect on February 1, 2022,” the page wrote.

Denise Epoté, 68, worked as a news presenter on Cameroon’s national television (CTV, which later became CRTV) in the mid-1980s and early 1990s. She is being promoted at the time when the Principality of Monaco acquired stakes in TV5Monde (alongside Canada, the Walloon-Brussels Federation, France, Quebec, and Switzerland) and the TV network is becoming a simplified joint-stock company, which cannot be publicly traded. Yves Bigot, who was the general manager is now CEO of TV5Monde.

In July 2017, in Yaoundé, Denise Epoté (then director of TV5Monde Africa) organized the celebration of 25 years of TV5Monde’s presence in Cameroon during the «Black Screens» festival.

Sylvain Andzongo
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