

# BUSINESS IN CAMEROON

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



Mines in Cameroon  
These mega-projects  
could insure economic  
emergence



Promote 2022 :  
Pierre Zumbach  
goes over the  
recently-held  
international trade  
fair



Palm oil: 237  
billion CFA will  
go into a project  
aimed at  
cutting output  
deficit

# BUSINESS IN CAMEROON .COM

*Daily business news  
from Cameroon*



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Yasmine Bahri-Domon,



# An opportunity for Cameroonian youth and women

Several international partners and collaborators have regrouped to support young Cameroonians' entrepreneurial projects, career, and education under the #BetterCameroon program which will facilitate access to scholarships and funding opportunities.

The program, which goes from now to May 6, 2022, includes four challenges on the following themes: women's empowerment, career and education, environment and entrepreneurship.

To participate, all you have to do is share your answer to a challenge in a video of less than 3 minutes, a picture or a written article.

The program is open to students, young

professionals, but also to young people who are out of school or looking for a job. #BetterCameroon is free and anyone can enroll by downloading the Goodwall app (iOS and Android), or by visiting <https://bettercameroon.goodwall.io>

Each challenge offers a unique prize, which can be money to finance a business idea or access to online courses.

Led by Goodwall, a social enterprise, the initiative is under the high patronage of the First Lady, Mrs. Chantal Biya, UNESCO's Goodwill Ambassador.

Good luck to all



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## MONTHLY STATISTICS

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### 18,394 tons

Banana operators active in Cameroon exported 18,394 tons of banana in January 2022, according to figures compiled by the country's Banana Association Assobacam. The figure is down by 10.25% year-on-year. It was due to the poor performance of all three operators (PHP, CDC, and Boh Plantations Plc) active in the market.

However, market leader Plantations du Haut Penja (PHP), the local subsidiary of French group Compagnie fruitière de Marseille, contributed the most with only 15,639 tons of banana exported during the period against 17,495 tons in January 2021. This represents a 1,856 tons drop in performance year-on-year.

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### CFA41.4 billion

Cameroon's 2022 road maintenance budget has been set to CFA41.479 billion, the Ministry of Public Works (Mintp) reveals. This budget will be used to maintain 5,496.36 km of national and regional roads, we learn.

According to the ministry, the budget includes CFA1.659 billion not committed in 2021. For Mintp, the road maintenance budget is significantly lower than actual needs estimated at some CFA800 billion.

It represents only 5.1% of actual needs. As a result, just 13.81% of the 23,424.85 kilometers of Cameroon's national and regional roads will be maintained this year.

### 20%

The 29 coffee roasters identified in Cameroon processed 1,014 tons of coffee during the 2020-2021 coffee season. According to data revealed on February 16, 2022, by the National Cocoa and Coffee Board (NCCB), at the launch of the 2021-2022 season in Mélong, Littoral region, the volumes roasted are up by 206.2 tons (+20%) season-to-season.

«The Littoral region remained the main coffee processing area by accounting for 90% of the overall volume of Robusta and 68% of the overall arabica roasted in the country. As far as individual roasters are concerned, Uccao, Brulerie Moderne, and Terrefic were the leading arabica roasters with 49.1 tons, 43.3 tons and 43.1 tons processed respectively,» the ONCC informed.

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### 2 000

In Cameroon, 2,000 illegal tax receipts are currently circulating in the tax system, according to a release signed by Finance Minister Louis Paul Motaze on February 14, 2022. This batch is part of the 5,000 receipts the Ministry of Finance warned taxpayers and agents about in November 2021.

«As investigations are ongoing, the Minister of Finance warns users (...) that the use of receipts belonging to the above-mentioned batch number [ed. note: 68 632 001 to 68 633 000 and 68 633 001 to 68 634 000] (...) constitutes tax evasion, complicity in the embezzlement of public funds, and forgery ...,» wrote Minister Motazé.

## COMPANY OF THE MONTH

# CAMVERT GETS INCENTIVES FOR ITS CFA237 BLN CAMPO AGRO-INDUSTRIAL COMPLEX



Camvert SA, an agricultural production company controlled by Cameroonian business mogul Aboubakar al Fatih, recently signed an investment agreement with the API, Cameroon's agency in charge of the promotion of private investments.

This agreement offers Camvert SA the benefits of the 2013 law (revised in 2017) on private investment incentives in Cameroon. The incentives concerned include five to 10 years of tax and customs exemptions, both during the installation and development phases.

The project involved in this agreement is the construction of an agro-industrial complex in Campo, Southern Cameroon. It includes the creation of over 50,000 hectares of oil palm plantations in Campo and Niete as well as the construction of palm oil (180,000 tons per year) and palm kernel (18,000 tons per year) production plants.

According to the initiators of the project, about CFA237 billion investment is required for about 4,000 jobs to be created.

The project entered its implementa-

tion phase on September 12, 2020, with Camvert planting 236,000 oil palm seedlings in Campo. Its target was to create 5,000 hectares of oil palm plantation in 2021. However, its actions triggered mass protests from environmental NGOs, led by Greenpeace.

### Pressures from NGOs

In a press release published on September 28, 2020, Greenpeace described the oil palm plantation being created as «illegal». «Camvert's project violates Cameroonian law and international standards,» accused the international NGO. It denounced the Cameroonian government for withdrawing, a few months earlier, the area housing Camvert's plantations from the permanent forest estate just to facilitate the project.

« (...) Neither of the two legal conditions required for this change of status was met,» affirmed Greenpeace while denouncing the decision signed by the Prime Minister to remove the said forest estate from the list of protected forests.

The environmental NGO also pointed out that the project launched by Camvert is close to the Campo Ma'an National Park, a crucial biodiversity area that is home to rare species such as chimpanzees and giant pangolins. Despite the protests, the project seems to have been gradually unfolding. This suggests that it would not go the way Herakles Farms ended in the South-West after throwing the towel under pressure from NGOs fighting for the environment and the rights of people living near agro-industrial units.

The promoters of Camvert's oil palm plantation project have always publicized the measures taken to mitigate the environmental and social impact of their project.

Every year, Cameroon records a nominal deficit of 130,000 tons of palm oil. This forces operators to resort to massive imports to meet the ever-growing demand.

Brice R. Mbodiam



# OVERVIEW OF CAMEROON'S LARGE MINING PROJECTS

One of the key goals of Cameroon's 2020-2030 National Development Strategy (NDS30) is «the structural transformation of the economy.» This goal inevitably requires the development of the country's mining potential because, with less than 1% contributed to GDP, the sector still has large unexploited potential. Artisanal mining is flourishing in the country, but it is disorganized. The mining sector is in poor shape despite an enviable potential likely to propel the country to the forefront of the global mining industry (when it comes to some minerals like iron, diamond, cobalt, rutile, etc...). The current sad reality is the

consequence of a lack of local industrialists who can handle the daunting task of developing mining projects. Yet, years in and years out, mining projects are created. In the last twenty years, Cameroon has been distributing research permits to mining firms for projects that can make Cameroon a mining country. The government's enthusiasm to take advantage of the country's mining potential led to the issuance, in the early 2000s, of the first mining permit to US firm Geovic, for the exploitation of the Nkamouna cobalt, nickel and manganese deposit, in Lomié, in the East. With 8 years to go before 2030, the

deadline Cameroon set to become a middle-income country, what is the state of that inaugural mining project? What about the major projects with outstanding economic opportunities announced over the past 10-20 years? Those are the questions to be answered in this dossier. It will also reveal the tricks of some speculators disguised as mining operators, who have cluttered the country's mining sector (the oil and gas segment is not concerned) instead of developing it.

Brice R. Mbodiam

# Mbalam-Nabeba project: the five Chinese firms eyeing the exploitation component revealed



In the framework of the Mbalam-Nabeba iron ore development project, Cameroon's National Mining Company (Sonamines) will be in charge of the mining component. This is one of the information contained in a letter dated February 25, 2022, sent by State Minister Ferdinand Ngoh Ngoh to Minister of Mines, Gabriel Dodo Ndoké, clarifying the role Sonamines is to play in the exploitation of the Mbalam-Nabeba iron ore straddling Cameroon and Congo.

«By order of the President of the Republic, I have the honor to inform you that in the framework of the development of the Mbalam iron ore project, Sonamines will take charge of the mining component of the project. It will make due diligence to set up a consortium, possibly with Chinese firms Yiantian Port, China Railways Corporation Co (CRCC), Metallurgical Construction Corporation (MCC), China Baowu Steel Group, Shanghai Tsingshan Mineral Co Ltd, and the partner of

the Nabeba project, for the joint development of the Mbalam-Nabeba iron project...», the State Minister wrote.

In addition to positioning Sonamines at the heart of the Mbalam iron ore exploitation project, this letter reveals the names of five other firms that are eyeing the project. In late 2020, when speaking before the Finance Committee of the National Assembly to defend the budget allocated to the ministry he is overseeing, Mines Minister Gabriel Dodo Ndoké, announced that the Mbalam mining project would be exploited with a "consortium of five Chinese state firms." He did not name those firms.

The February 25, 2022, letter also reveals that having obtained the concession of the mineral terminal of the deep seaport of Kribi, as well as the contract for the construction of the 510-km Mbalam-Kribi railroad, Chinese duo AutSino-Bestway Finance could join the consortium to contribute to the exploitation of the

Mbalam iron deposit.

Indeed, «the partner in the Nabeba project», which, under the terms of discussions with Sonamines, could join the consortium formed by the five Chinese state-owned companies mentioned above, is none other than Sangha Mining. This Congolese state firm, fully controlled by Bestway Finance (AutSino's partner in Cameroon), took over Australian firm Sundance's assets in the Congolese part of the project.

At this stage, there is no indication that an extended consortium will come into play. Discussions to form a large consortium with AutSino and Bestway may not be successful. However, if successful, the AutSino-Bestway Finance duo could regain control over the mining component of the Mbalam (by effectively taking over Sundance's assets on the Cameroonian side) after obtaining contracts for the construction of all the related infrastructures.

BRM

# Cobalt: Stakeholders seek a financial partner for the stalling Nkamouna project



Cameroon has continued to support Geovic in the search for a technical and financial partner for the development of the Nkamouna cobalt-nickel-manganese project, Minister of Mines Gabriel Dodo Ndocké said on November 30, 2021. The official was speaking before the national assembly to present the 2022 budget of the Ministry he is heading. The government is assisting “Geovic in the search for a reliable technical and financial partner with proven technical and financial capabilities to push the Nkamouna, Lomié’s cobalt-nickel-manganese deposit, into production phase in the short term,”

he said.

This statement from the Minister of Mines indirectly reveals that the government has not agreed to the suggestion introduced in late 2017 by then Minister of Mines Ernest Gwaboubou to withdraw the mining license held by Geovic for the project. Indeed, Geovic obtained a mining license covering the deposit in 2003. This license was the first of its kind to be issued by Cameroon. However, in 2013, the mining firm abandoned the project and, because of Geovic’s inability to push the project into the exploitation phase, former Mines Minister Ernest Gwaboubou suggested the

permit should be withdrawn.

Although it was not accepted, that suggestion seems to have sprung Geovic into action. On February 21, 2018, its founder William Alan Buckovic was mandated to Cameroon. He met State Minister Ferdinand Ngoh Ngoh to assure Cameroonian authorities of his firm’s will to relaunch the project, which had been in hibernation for five years then.

## CFA250 billion

The meeting was followed by another on July 25, 2019. This time around, it was Geovic’s CEO Michael Mason who was granted an audience by President Paul Biya. During the audience, the CEO thanked the Head of State, whose “support and patience” have been crucial for the successful relaunch of the project.

He then presented the project as being “one of the best in the world” and listed the opportunities presented by the Nkamouna mining project: close to 700 direct jobs to be created, technology transfer, training to young Cameroonians, and taxes.

Two years after that audience, there is still no new development. Geovic and the Cameroonian government are still hunting for some CFA250 billion investment necessary for the development of the mining project that Lomié (and even the whole of Cameroon) residents have been eagerly expecting for decades now. Meanwhile, for a while now, Geovic has been trying to cede its assets in the project.

# Minim Martap Project: Canyon Resources concludes mining convention talks with Cameroon

Australian mining junior Canyon Resources Ltd, which controls Camalco, the company that holds the license for the Minim Martap bauxite deposit, announced it has completed mining convention negotiations with Cameroon last January 28. The document has already been sent to the Prime Minister's office and is awaiting the approval of the President of the Republic. It covers the details (taxation, employment, state participation, environmental protection, etc.) of the collaboration between the two parties on the project.

"The commencement and finalization of negotiations for the Mining Convention is an important

pre-construction milestone for the Minim Martap Project. This is the culmination of the last 3 years of work since being granted the Project," said Phillip Gallagher, CEO of Canyon Resources.

The company recently unveiled a strategic partnership on the project with MCC-CIE of China, the mining engineering division of Metallurgical Corporation of China (MCC), which is itself a 100%-owned subsidiary of Chinese Minmetals Corporation. This combination, Canyon Resources claims, will accelerate the financing of this project, which could not only trigger industrial-scale mining in Cameroon but also make the country the world's largest bauxite reserve.

According to the latest analyses carried out by Canyon Resources on this bauxite deposit, which is scheduled to come online in 2022, the potential of 16 of the 79 bauxite plateaus identified now stands at 892 million tons, including 250 million tons of «very high grade.» This is ideal for aluminum production. According to James Durrant, the project manager at Canyon Resources, analysis of the remaining 63 plateaus should bring the deposit's potential to about 2 billion tons of bauxite. This would make it «probably the largest deposit in the world, in quantity and quality,» he says.

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## The Akonolinga rutile deposit is expected to come on stream in 2025

The Akonolinga rutile mine, in Central Cameroon, will enter its exploitation phase in 2025. This was revealed after a meeting between Cameroon's Mines Minister Gabriel Dodo Ndoké and executives of Eramet, the French group in charge of the development of the mining project.

«Eramet is one of the most successful mining companies in Cameroon. They have abided by

their contractual obligation duties. (...) The next step for them is to obtain the mining agreement,» said Fuh Calistus Gentry, Secretary of State to the Minister of Mines. State Minister Gentry added that the negotiations for that mining agreement would start once the results of the last rutile deposit potential's estimate are available. The new estimate will make Cameroon the world's largest rutile deposit,

he said.

For the time being, Cameroon's rutile potential is close to 3 million tons, making the country the world's second-largest deposit, behind Sierra Leone. In that regard, the exploitation of Akonolinga rutile deposit will push Cameroon into the rank of the major players in the international market for alloy metals and metallurgy, where rutile is used as the raw material.

# Ngaoundal-Makan bauxite: Canyon Resources obtains a 2-year extension of its research permits



The Société nationale des mines du Cameroun (Sonamines) no longer has a chance on the bauxite deposits of Ngaoundal and Makan in the Adamaoua region. At least for the moment. While it had hoped to obtain a license on these projects, Canyon Resources has announced the renewal of its license on the projects for a further «non-renewable» 2-year period. The Australian mining junior announced this on February 28.

“We are delighted that the granting of the extensions of the Makan and Ngaoundal exploration permits removes the uncertainty created by the actions of Sonamines and CREC 5. We would like to publicly acknowledge the swift action of the Minister in addressing the issue,” said Phillip Gallagher, MD of Canyon Resources which operates in Cameroon through its subsidiary Camalco.

Canyon Resources first obtained the Ngaoundal-Makan bauxite permits in 2018. At that time, the company was granted non-renewable 3-year research permits on the deposits. When they expired in July 2021, and because they were non-renewable,

Cameroon’s National Mining Company (Sonamines) submitted a request thinking it could get them. But apparently, the Australian mining company was still eyeing the projects and also submitted a request to get another permit.

## Pushing luck

«(...)I have the honor to inform you that, after a careful review of your files, I am unable to respond favorably to your requests. However, an extension may be exceptionally granted if your company provides proof of its technical and financial capacity to develop the Minim Martap project for which you submitted an exploitation permit,” Cameroon’s Mining Minister Dodo Ndoké replied on August 24, 2021. To benefit from this exceptional measure pointed out by the Minister of Mines, Canyon Resources accelerated works on the Minim Martap project by notably elaborating a feasibility study and by completing, in January 2022, negotiations for the signing of a mining convention with the government. On its side, seeing an opportunity in the Minister of Mines’ response to Canyon

Resources, Sonamines tried to push its luck. On February 18, 2022, the state firm signed a Memorandum of Understanding with China Railways No. 5 Engineering Group Co (CREC 5) for the development of the Ngaoundal and Makan bauxite deposit even though it was yet to receive the mining titles it requested. On February 21, 2022, Minister Dodo Ndoké voided the memorandum of understanding. “«The act thus incriminated is voided for violation of the Cameroonian mining legislation that governs the attribution of mining titles, the conclusion and signature of contracts, pre-contracts, conventions, and other agreements relating to the administration and management of the mineral resources of the Cameroonian subsoil, that are exclusive state prerogatives,” the government official wrote. By extending Canyon Resources’ research permits on the two deposits, the official likely ended the head-to-head for research permits on the Ngaoundal and Makan bauxite deposits.

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# Mobilong diamond mining forgotten after the C&K Mining scandal, Nkout iron too



The Mobilong diamond deposit, located in the logging township of Yokadouma, in the eastern region of Cameroon, still seems to be under revaluation, to determine the exact contents,” as revealed in 2016 by the former Cameroonian Minister of Mines, Ernest Ngwaboubou. That year was the last time an official statement was issued about this mining project, which has been a hot topic in Cameroon and South Korea. This revaluation, announced more than five years ago, should primarily help in reaching a final agreement on the actual potential of this deposit which has been the subject of controversy since 2010, after the revelations of the Korean firm C&K Mining which started exploring it in 2006. C&K Mining, which has since end-2014 sold its assets on the Mobilong project to a Chinese-American investor, has been accused of having overestimated the potential of this diamond deposit (736 million carats at first, representing 5 times the world production), then presented as the most important in the world. But, it finally transpired that this overestimation had been done solely

for market speculation purposes (after the announcement, the C&K Mining stock jumped on the Seoul stock market, multiplying its trading price by 4.6 in only 16 days), since a second valuation by the same operator brought the potential of the Mobilong diamond deposit back down to 420 million carats, though the sedimentary unit has not yet been submitted to a proper assessment.

The Mobilong scandal had generated a mini-political crisis in South Korea, which saw the arrests of senior managers in the public administration and the army, as well as the Chairman of C&K Mining, Deuk Gyun Oh, who was released in September 2014.

## **Nkout also seems to be forgotten**

The Nkout iron deposit mining project in the southern part of Cameroon also seems to be forgotten. As a reminder, in 2015, the British International Mining and Infrastructure Corporation (IMIC) had announced it has successfully conducted a convertible bond offering worth \$22 million (about CFA13

billion). Before the operation is done, IMIC acquired the assets previously held by British junior mining company Affero Mining in Caminex, the public company that is developing the Nkout iron project. The operation had a maturity of 4 years with an interest rate of 15%.

When it reached maturity in 2019, the subscribers were to have the choice between being reimbursed in full or in part and taking shares in Caminex, at CFA10,000 per share. For the second option, IMIC would make an indirect transfer of assets equivalent to about 49.5% of the capital of its subsidiary Caminex. But no further details on the project have been given since then.

The Nkout iron deposit is presented as the largest in Cameroon, ahead of the Mbalam deposit (in the east of the country), whose deposit is split between Cameroon and Congo. In December 2014, IMIC announced a reassessment of the potential of the Nkout deposit at 2.7 billion tons of iron resources, with a 68% growth on DSO (directly exportable ore).

BRM

# Pierre Zumbach

## ***“THE NEXT EDITION OF THE PROMOTE WILL BE HELD IN 2024”***

**On behalf of the government, he has been organizing the International Trade Fair for Businesses, SMEs, and Partnerships (PROMOTE in French) for the past 20 years. He is also the President of the Inter-Progress Foundation and in this interview, he reviews the 2022 PROMOTE recently held, amidst the health crisis, and tells us a little about the next edition.**

Interview with Brice R. Mbodiam

**Business in Cameroon: The 8th edition of Promote, the International Trade Fair for Businesses, SMEs, and Partnerships, finally took place from 19 to 27 February 2022 in Yaoundé. What were the main innovations of this great business fair?**

Pierre Zumbach: Indeed! The Prime Minister postponed the PROMOTE twice due to the Coronavirus pandemic. However, he was also the one who decided we should hold the event at the end of February and we believed this was favorable given that we were slowly exiting the pandemic. Taking all these into consideration,

we can agree that the whole event was an innovation as it never took place in such a context.

**BC: For this edition, the fair gathered 800 companies and less than the 1000 exhibitors recorded at the last two editions. What explains this drop in participation?**

PZ: The figures speak for themselves. In November 2021, less than three months before Promote 2022, we had 150 companies that had formally signed up. At the beginning of December, we had several businesses rushing to register. Never before seen, never before experienced! As we

were preparing for this Promote, we decided, also taking into account the difficulties encountered on the site of the Palais des Congrès, which was not built to host such events, to take a maximum of 800 companies. And we had a waiting list. As for the reasons for this rush, everyone can draw their conclusion.

**BC: With the Covid-19 pandemic still going on and affecting a lot of businesses, one might have expected an even more timid turnout. How did you manage to attract this significant number of participants?**

PZ: The Covid-19 pandemic shook



*"In November 2021, less than three months before Promote 2022, we had 150 companies that had formally signed up"*

the world and reminded us that we are fragile and that public health is an important and permanent part of our lives. How did we manage to hold the event with success? Well, we can attribute it to the rigor of our leaders, despite some opposition and headwinds. They are gradually containing the virus, making it less dangerous. Also, Africa has been the least affected of all other continents. It is therefore logical for us to show the way through our efforts. That is what the PROMOTE aimed to do.

**BC: Regarding foreign participation, numbers were not as satisfactory as in the previous years. What do you have to say about that?**

PZ: In October 2021, all the foreign communities that attend the PRO-

MOTE informed us they could not come due to the sanitary measures and restrictions on traveling, from one continent to the other. Regardless, we laud those who were able to come, despite these issues.

Most of them, in order, came from Italy, Belgium, Great Britain, France, Austria, Germany, Canada, and Switzerland. We also received businesses from Turkey, Iran, Ivory Coast, Senegal, Pakistan, and Ghana. Instead of having a third of our participants being foreigners, we had a quarter, which is still very encouraging.

**BC: With the Covid-19 pandemic, what has fundamentally changed in the operational organization of the PROMOTE this year?**

PZ: Let's just say that world leaders,

at all levels, have not yet realized that the world has changed and that the economic equations will be different in the next world. Thus, all actions, even the modest ones such as the PROMOTE in a corner of the world like Yaoundé, will have a different impact than they did in the past. The balance sheet of the 8th edition, which will give rise to organizational and financial analysis, will certainly bring out the new trends that are emerging.

**BC: From this recent edition, what are the main lessons you can draw regarding Cameroon's economic health and development?**

PZ: Going back to the previous question, the lessons that can be drawn are already quite clear: African business



*"Instead of having a third of our participants being foreigners, we had a quarter, which is still very encouraging"*

and commercial banks are venturing into a new area of activity and are also becoming development banks, particularly with a new approach to support the world of SMEs, which is the pumping heart of African economies.

Moreover, African banks are becoming partners in public interest events such as Promote, innovating in their role as citizen banks. This is encouraging in efforts to reduce poverty and slowly improve living standards. We extend our warm thanks to Afriland First Bank, the first Cameroonian bank, which has set an example of this citizenship at Promote 2022.

**BC: Since this 8th edition was postponed to 2022, instead of 2021 as initially planned, when will the next edition of this business fair be held and how do you foresee it?**

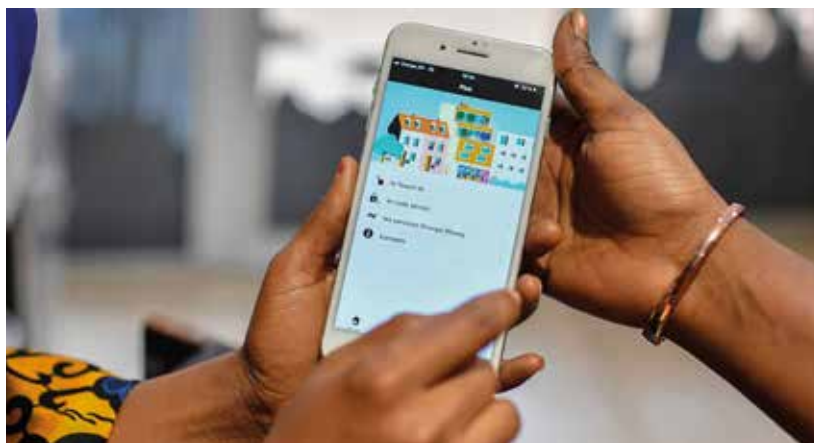
PZ: In theory, the next edition of the PROMOTE will be held in 2024, based on consultation with the government's representative, the Minister of Trade, and other top officials of Cameroon. It should be a continuation of the very rich exchanges that took place during this last edition, whose theme was «Industrialization, a key to the emergence of the African continent.» When validating this theme, Cameroon's top authorities told us to make sure that the International

Trade Fair of Businesses, SMEs, and partnerships focus more on the African continent in the future.

Let's recall that the PROMOTE was born in Cameroon in 2002, on the high instructions of the President of the Republic. For 20 years, the Head of State has given his patronage to this major economic event. The media will be invited to the event's 20th-anniversary ceremony, probably next October. This will be an opportunity to thank all companies and sponsors that made the PROMOTE, which itself is at the service of businesses, the root of wealth creation.

# PUBLIC MANAGEMENT

## Tax reforms: Close to XAF10 bln was paid through mobile money in Cameroon in 2021



In Cameroon, close to XAF10 billion of taxes were paid to the Directorate General of Taxation through mobile money in 2021. The figure was revealed by Finance Minister Louis Paul Motaze, on February 25, 2022, in Yaoundé, during the annual conference of central, decentralized, and

external services of the Ministry of Finance.

The volume of taxes paid via mobile money that year is almost half of the XAF25 billion of the amount paid by taxpayers through bank transfers during the same period, according to data from the Ministry of Finance.

In light of the figures published by the ministry, the volume of taxes paid via mobile money is still low. It is just 0.47% of the XAF2,109.3 billion tax revenues collected by the Directorate General of Taxes in 2021. The process of allowing tax payment through mobile money services started in Cameroon in the 2014 finance law. Indeed, to simplify tax procedures and secure revenues, the law authorized the payment of taxes through mobile money.

At first, the reform was limited to the payment of property taxes on real estate properties in Yaoundé and Douala. It was then generalized in 2021, with the prohibition of cash in tax transactions and the authorization for small taxpayers to pay all their taxes through the mobile money services offered by MTN and ORANGE.

## Cameroon: E-procurement adoption still comparatively low, 3 years after launch

Cameroon's On-Line E-procurement System (Coleps) is still much shunned by most public administrations in their procurement procedures. In 2021, just 48% of the overall public orders that year were processed through the system launched in 2019, revealed Ibrahim Talba Malla, Minister Delegate at the Presidency of the Republic in charge of Public Contracts, during the February 24, 2022, Ministerial council held in Yaoundé.

*«It appears that the low rate of contracts processed by electronic*

*means (...) is due to various technical constraints as well as actors' resistance to change because they think electronic procedures are complex,»* he said.

He then made suggestions to encourage the adoption of that digital system. For the government official, the focus must be placed on sensitizing and training administrative officials and economic operators. In addition, he indicated, relevant administrative units must be equipped with the necessary logistics for the use of the Coleps system.

The development of that E-procurement platform was funded by South Korea, to the tune of XAF3 billion. The platform was developed to help reduce corruption in Cameroon's public sector procurement by ending physical contacts that usually facilitate corruption. In its report presented in late 2018, the National Anti-corruption Commission (CONAC) ranked the Ministry of Public Works as one of the most corrupt administrations in the country.

## Cameroon: the Road Fund to digitize its unreleased paper bank guarantees

Aubin Moussa Essaie, director of Cameroon's Road Fund, recently launched the recruitment of a firm for the audit and digitization of the paper bank guarantees the fund has not returned to depositors since its inception in 1998.

According to the director, the recruitment was launched because the Road Fund currently has a large stock of paper bonds. Due to the large number, it appears necessary to review them, count the number of bonds submitted per operating year as well

as classify them by type and by issuer. Apart from those tasks, the selected consultant will enter the details of all the bonds audited on Tomportail, the digital platform created. Interested parties are expected to submit their applications by March 11, 2022, for the 6-month contract.

To explain the reason the Road Fund came to be left with a huge stock of paper bonds, Aubin Moussa Essaie indicates that the projects his institution funds are implemented thanks to bank guarantees.

Those guarantees are constituted of various sureties (advance payments, holdbacks, performance guarantees, etc) presented as letters from banks or insurance companies.

The Road Fund then checks the authenticity of those letters and then stores them. Normally, once the partial or total deliveries are carried out, it hands them back to the owners. However, M. Moussa Essaie explains, the procedure is not systematically followed. Hence the accumulation of paper bank guarantees.

## Cameroon vulgarizes state-municipality planning contracts



Cameroon's Ministry of Economy, on February 18, 2022, organized an inter-regional workshop to explain the government's planning contract with communes. This is the third of such workshops being organized after the ones in Ebolowa (South) and Garoua (North). This time, the meeting brought together leaders of municipalities in the West and Northwest regions.

According to a note from the Ministry of Economy's communica-

tion department, the workshop is aimed at vulgarizing the planning contract, which is a *"state-municipalities collaborative framework for objectives targetted solely based on communal development plans."* The workshop also aims at *"presenting contractualization processes in the framework of those contracts, laying the groundwork for identifying projects likely to be included in the contract and sharing the experience of the pilot phase carried out in Lagdo."*

For the Ministry of Economy's officials, a planning contract is a tool that will help accelerate the decentralization process underway in Cameroon.

Beyond the transfer of competencies and resources that decentralization advocates, the State-municipality planning contracts offer decentralized territorial authorities (CTD) the possibility of having an additional window for financing investment projects likely to create wealth and jobs locally.

The pilot phase of this process took place in Lagdo, in the North. In its framework, in March 2020, Cameroon committed to releasing a total of XAF4.8 billion, over three years, to fund projects aimed at extending the electricity network to 16 neighborhoods in the region and developing urban roads. The results recorded during that phase prompted the government to encourage the remaining communes to capitalize on this opportunity.

# Cameroon: IMF approves XAF67 bln budget support disbursement despite “mixed” ACF-EFF performance

The International Monetary Fund (IMF), on February 23, 2022, published a note informing that Cameroon has passed the first review of the three-year arrangement (July 2021-July 2024) under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF). The completion of that review entitles Cameroon to the disbursement of US\$116 million (a little over XAF67 billion), bringing the overall disbursements in the framework of those facilities to US\$293.2 million (XAF170.3 billion).

Although the review was passed, Cameroon's performance during the program was “mixed”, according to the IMF.

*“Cameroon's performance under the program remains on track and structural reforms are advancing, albeit with delays in some key areas,”* commented Kenji Okamura, IMF deputy managing director, and acting chair. The key areas where the country needs

further progress are transparency, good governance, and the anti-corruption framework. These indicators are essential, according to the IMF, to help catalyze additional donor funding.

*“Cameroon's economy has proved resilient and is gradually recovering from the COVID-19 pandemic, with broadly balanced risks,”* the Bretton Woods institution adds.

Three-year arrangements under the Extended Fund Facility and the Extended Credit Facility were approved for Cameroon on July 29, 2021, in Washington. Amounting to US\$689.5 million (nearly XAF375 billion), they were aimed at supporting the country's economic and financial reform program over three years (2021-2024). Specifically, the ECF and EFF agreements are intended to support the authorities' efforts to achieve a rapid post-pandemic recovery, strengthen medium-term external

and fiscal sustainability, and implement their structural reform program towards sustained, more inclusive, and diversified growth.

To achieve those targets, Cameroon committed to mitigating the health, economic and social consequences of the pandemic while ensuring domestic and external sustainability. The country also promised to strengthen good governance, enhance transparency, improve the anti-corruption framework and accelerate fiscal reforms to modernize tax and customs administrations. The other commitments include mobilizing revenues, improving public financial management, increasing the efficiency of public investments, reducing the budgetary risks posed by public enterprises, strengthening debt management, and reducing debt-related vulnerabilities.

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## Yaoundé to get master markets and commercial centers plan

Minister of Urban Development Celestine Ketcha Courtes recently published a call for tenders to recruit a firm for the elaboration of a master plan of markets and commercial centers in Yaoundé.

The aim, she explains, is to make a situational analysis of planned and unplanned markets in the city and create a comprehensive database with the characteristics of each of those markets. That way, Yaoundé will have a compass helping assess the economic weight of traditional markets,

modern businesses, convenience stores, and large stores (supermarkets and hypermarkets).

The end goal is to identify priority areas where intervention, renovation, or extension is needed and areas that have a high potential for hosting new markets and commercial centers. Keeping that goal in mind, the master plan will take into account the presence of relevant infrastructure and services that will facilitate the operations of new markets and stores. According to the tender published,

applications are expected by March 12, 2022. The call comes in a context marked by urban disorder and the multiplication of unplanned markets in Yaoundé. Sometimes, traders go as far as occupying public roads to sell their products. They, therefore, cause jams and insalubrity. Most of the time, such situations are the reasons for clashes between policemen and agents commissioned by the Urban Community of Douala to restore order when some traders stray on public roads close to markets.

# Wheat flour substitution: Importers' lobby blamed for delaying the project



In Cameroon, some wheat importers are accused of delaying the process aimed at substituting wheat flour with flour made from local crops. Indeed, according to Louis Marie Kakdeu, president of the Coalition for promotion of local production in the country, years ago, Louis Paul Motaze, then Minister of Economy, created a working group to make suggestions for the government to promote the substitution of wheat flour by flour produced from local crops and tubers. The working group submitted its conclusions in 2017, informs the man who claimed to have participated in the elaboration of the final report as mission leader in the North.

«The reports have been submitted. A project was even suggested to coordinate local producers. Some obstacles need to be removed but, technically, everything is set,” he said in an interview published on February 17, 2022, by the government daily Cameroon Tribune (CT).

Interviewed by Business in Cameroon, Louis Marie Kakdeu explained that the obstacles mainly come from the lobbying of importers who fear they could lose market share.

«In fact, it is caused by members of the local millers' association GIMC. According to our information, they blocked the process at the Ministry of Economy while we on our side had only two months to make suggestions to help the Minister issue a decision,” he said.

«The second obstacle has been the appointment of Minister Motaze as head of the Ministry of Finance. His successor did not process the case with the same interest,” Louis Marie Kakdeu added.

## Concerns

GIMC members are concerned by the prospect of having to substitute wheat with other local crops because their plants have been set up to specifically grind wheat, not any other

type of crop. «So, if we have to make flour from cassava tubers, yams, potatoes, or other crops, we will have to upgrade or renew the plants to adapt to the new situation,» said GIMC secretary Alfred Momo Ebongue to CT on 17 February 2022.

Another cause for concern, according to Alfred Momo Ebongue, is whether the local crops will be available in enough quantity to avoid a disruption in the supply chain. Some bakers also share that concern. «For wheat, the annual need is 600,000 to 800,000 tons. But with cassava flour, these figures should be multiplied by at least ten,» says the production manager of Calafatas bakery in Yaoundé. For Christophe Essouga, wheat flour is more competitive even with a 50 kg bag at XAF25,000 while per his estimate, 20 kilograms of cassava flour will cost about XAF45,000. Meanwhile, for some experts, once there is industrial-scale production of cassava flour in the country, the price of that product will drop significantly. Also, as Louis Marie Kakdeu points out, by substituting wheat flour with local flour, Cameroon will save XAF18 billion of foreign currency annually. This option also has nutritional benefits and helps fight malnutrition, which affects up to 36% of children in Cameroon. In 2020, Cameroon imported 860,000 tons of wheat, according to a study recently published by the enterprises upgrading office BMN on the strategic positioning of the cereal processing and by-products sector. In the study published in Douala, on August 25, 2021, the country spent close to XAF150 billion to import such a quantity.

# ECONOMY

## Cameroon: large firms captured 86% of EPA tax gains in 5 years

The Economic Partnership Agreement (EPA) between Cameroon and the European Union benefited large enterprises the most, according to customs authorities. Those enterprises are mostly multinationals operating in the brewing, cement, chemical, and agribusiness industries.

The said partnership agreement consecrates the progressive opening of the Cameroonian market to 80% of products imported from the European Union. Between August 2016 and August 2021, thanks to the agreement, XAF32.4 billion of tax gains were generated. Large enterprises benefited from 86% of those tax gains, against 13% for medium-

sized companies and just 1% for the remaining beneficiaries.

Specifically, the tariff dismantling introduced by the agreement allowed large enterprises to capture XAF27.9 billion of tax gains, against XAF4.2 billion for medium-sized firms and just XAF331 million for small Cameroonian operators.

Over the said period, 80% of the 14,580 imports that benefited from the provisions of that partnership agreement were carried out by large enterprises. Medium-sized companies accounted for 18% of those imports against 2% for small operators.

According to the customs authorities, 48% of the 707 importers

that benefited from the Economic Partnership Facility were medium-sized companies while 28% were large enterprises. Small importers represent less than a quarter of the overall number.

The figures published by customs authorities are not surprising. They confirm a trend noted by the employers' grouping GICAM two years earlier. "The least we can say is that for the time being, large enterprises and the subsidiaries of multinationals are the main beneficiaries of the EPA. Conversely, SMEs, end consumers, and job seekers are not yet reaping the rewards of that agreement," the GICAM wrote in its newsletter in October 2019.

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## Cameroon: 1000 scholarships offered to firms for certificate programs

The Inter-Patronal Grouping of Cameroon (GICAM) and the European Center for Leadership and Entrepreneurship Education (ECLEE) signed on February 21, 2022, a partnership agreement providing 1,000 scholarships to Cameroonian firms for certificate programs. The agreement was signed, in Douala, by Célestin Tawamba, President of the GICAM, and Mahamoudou Salouhou, director of the ECLEE. «This agreement focuses on building the capacities of business leaders in

*GICAM portfolio and their employees in high-impact economic and social entrepreneurship following an environment-friendly approach.*» we learn.

Therefore, thanks to the agreement, business leaders and their employees will be trained to use innovative, strategic management and operational tools.

Through those scholarships, GICAM members can network with foreign entrepreneurs in the ECLEE network and also be guided in the acquisition of adequate production equipment

and the identification of project funding opportunities.

The European Center for Leadership and Entrepreneurship Education is an independent training institute that promotes educational innovation for employability and non-discrimination. It started operations in the United States in 2004 and France in 2006. It develops tools and methodologies to support actors and territories in the promotion of economic development and equality policies.

## Cameroon: Price levels rose by 9.25% but disposable wages stagnated in 2016-2021 (INS)

In Cameroon, inflation is rising while disposable income is stagnating. This is the conclusion of the National Institute of Statistics (INS) that studied the pace of inflation in the country between 2016 and 2021. In a note published on February 23, 2021, the public institute informs that *«price levels have increased by 9.2% in five years,»* while wages have stagnated. So, households' purchasing power has been dropping, but the rate of that drop was not quantified by the INS.

This said inflation was driven by rising prices of food (+12.5%), clothing and footwear (+10.6%), housing, water, gas, electricity, and other fuels (+8.4%), restaurants, and hotels (+12.8%), and transport (+6.4%). Food prices contributed the most to

that inflation with 4% contributing to the 9.2% price rise while ahead of clothing and footwear, housing, water, gas, electricity, and other fuels as well as restaurants and hotels contributed only 1% each.

Food prices rose so much over the last five years because mainly of bread and cereals (+17.4%), vegetables (+17.4%), fish and seafood (+12.7%), and meat (+7.8%), which are mainly imported.

Incidentally, the price levels of imported food products rose by 20.9% over the period but, overall, the cumulative inflation was supported by an increase in the price of local products. Indeed, over the past five years, the price of local products rose by 9% adding 6.7 percentage points to the overall inflation. Inflation of

local products in 5 years amounts to 9% and contributes 6.7 percentage points to the total inflation (9.2%). At the same time, the price of imported products rose by 10.4% but contributed just 2.5% percentage points to total inflation.

In other words, import restrictions, soaring shipping costs, and the international energy crisis are having less impact on the overall price level than the security crisis in the Northwest and Southwest regions, climate change, and disruptions caused to the local supply chain by the coronavirus pandemic.

According to the INS, those problems reduced the supply of local products, causing their price level to rise by 6.7 percentage points.

## Cameroon: Decline in household incomes was more pronounced in Yaoundé and Douala in 2021 (INS)

In 2021, the decline in household incomes was more pronounced in Yaoundé and Douala than it was in other cities nationwide. According to the socio-economic impact assessment report recently published by the National Institute of Statistics (INS), 53% of Cameroon's households reported a decline in revenues from their family businesses in the 30 days before the survey, carried out in July 2021, in the framework of the report. In Yaoundé, that percentage was 67%

against 60% in Douala and about 47% in other parts of the country.

The results of the survey confirm the findings reported during the first survey the institute carried out in the second quarter of 2020, just after the first coronavirus cases were confirmed in Cameroon. Even at that time, the findings were proving that the decline in household incomes was more pronounced in the two metropolises.

The coronavirus outbreak, which

emerged in Wuhan (China) in December 2019, quickly spread outside China and was declared a global pandemic on March 11, 2020. The first case was reported in Cameroon on March 6 of the same year, and from then on the disease spread throughout the country, leading to a gradual increase in the number of infected people and deaths.

# Covid-19: Most firms reported sales decline in Cameroon in 2021 (Survey)

Throughout 2021, the coronavirus pandemic has continued to have significant impacts on sales in Cameroon. This is one of the conclusions in the National Institute of Statistics (INS)'s report on the impacts of the coronavirus pandemic on businesses in the country that year. «About eight out of ten firms reported a decline in sales in the thirty days that preceded the survey [ed. note: the survey was carried out in July 2021] (...) compared to the same period in 2020,» the aforementioned report reads.

In other words, over the May-June

2021 period at least, sales were less dynamic year-on-year. According to the INS report, all company sizes were affected. Specifically, 72% of the informal production units (IPU) surveyed, 75% of the large companies, and 78% of SMEs reported the same fact. This hints at the generalized nature of the problem.

The most affected industries are forestry and logging (85.7% of the surveyed firms), the food industry (87.5%), and other manufacturing industries (80.6%).

The INS does not provide reasons to explain the year-to-year sales decline.

However, on closer observation, it appears the strong sales recorded by businesses in 2020 may be due to the massive purchases made by households when they were fearing total confinement at the peak of the health crisis.

At the same time, the comparative decline in those sales in 2021 can be explained by the overall rise in prices in markets as a result of the explosion of shipping costs, increase in the price of raw materials in international markets and supply chain disruptions during the pandemic.

## Cameroon: 35.1% of firms recorded canceled orders in 2021 due to supply chain disruptions



In Cameroon, 35.1% of companies recorded cases of clients canceling their orders last year. This is revealed by the National Institute of Statistics (INS) in the report it recently published detail-

ling the results of a survey it carried out to shed light on the socioeconomic impacts of the coronavirus pandemic in the country in 2021.

According to the report, the orders

were canceled because the companies were unable to deliver the order due to insufficient production inputs. The situation mainly affected SMEs (38.1% of the surveyed) and industrial producers (38.9% of the surveyed), the institute explains. On average, the canceled orders represented 47.1% of the affected firms' monthly sales while in March 2021, it was 35.1%.

The INS survey points at a novelty in some companies' responses to the disruptions of the supply chain. For instance, 16.3% of the surveyed reveal they increased the number of local suppliers to face the problem. Based on that finding, the INS suggests the development of a local industry capable of filling companies' needs to make the domestic market less vulnerable to external shocks.

# FINANCE

## CEMAC: money market strained by Cameroon's asset repatriation plan



The bid-to-cover ratios recorded by Cameroon for the public securities it issued since January 2022 are far below the usual 200-300% posted a few years ago. «(...) *The January and February issues had extremely low bid-to-cover ratios, which are even less than 50% for some issues. I hope this is a cyclical situation,*» said Finance Minister Louis Paul Motaze on February 17, 2022, in Douala. The government official made this assertion during a meeting with investors in the central bank BEAC's public securities market to present the Cameroonian government's 2022 fund mobilization program. Indeed, in that market, the government plans to raise part of the XAF350 billion authorized by the 2022 finance act. Minister Louis Paul Motaze is

convinced Cameroon will succeed in its fundraising ambitions on the public securities market and even expressed his skepticism concerning the reasons provided to justify the declining attractiveness of Cameroon's securities on the CEMAC money market.

*«My aids (...) gave me some answers [explaining why the attractiveness of Cameroon's securities is declining]. I think however that those reasons are not relevant. For instance, [they told me it is due to] the imminent repatriation of government's deposits from commercial banks into the single treasury account as promised in the framework of the new economic and financial program concluded with the IMF. I can assure you that this repatriation will be done gradually without*

*undermining the financial system,*» he said.

Despite that assurance from the government official, it is difficult to deny the impact of the single treasury account on commercial banks' cash flow and their investments in the regional money market. Indeed, in March 2022, public institutions and decentralized local authorities will accelerate the repatriation of their assets from local banks into the single treasury account lodged at the central bank BEAC.

In late August 2020, the Ministry of Finance estimated those assets to be some XAF976 billion (compared to XAF1129 billion in 2017). According to IMF data, XAF150 billion were to be repatriated that year. Also, with the repatriations carried out in 2021 and the acceleration announced for 2022, commercial banks will probably be deprived of a large portion of their client deposits. This will ultimately reduce their operational capabilities in the various markets where they are active.

Cameroon will not be the only country to be impacted. The effects will be felt all through the CEMAC region that has Cameroon as its economic powerhouse. Officially, banks and institutional investors operating from Cameroon provide CEMAC countries with close to 70% of the funds they raise on the central bank's public securities market.

## Cameroon: London-based Finafrik enters Maviance's shareholding

Cameroonian fintech Maviance, the owner of the digital payment platform Smobilpay, recently increased its capital by XAF140 million, to XAF1.15 billion. According to a legal announcement published on February 18, 2022, the additional capital was contributed by Finafrik Ltd, a London-based IT company. This means that Finafrik Ltd now controls 12.2% of Maviance. In May 2021, Maviance PLC successfully closed a \$3 million (about

XAF1.6 billion) fundraising round with MFS Africa, a pan-African fintech operating the largest digital payments hub on the African continent. MFS Africa has become a «strategic investor» in Maviance, enabling the Cameroonian fintech to finance its expansion into other CEMAC countries and increase its footprint in Cameroon. According to its promoters, Maviance serves over 500,000 unique customers monthly and connects

key service providers, payment providers, financial institutions, and mobile money operators to its digital financial services platform. Since January 2021, Nkwenti Leslie Azong-Wara has served as CEO, a mechanical engineer with a background in Siemens A.G. He replaced Njinyam Setven Ngwa for a three-year term.

## CEMAC: Chad and Cameroon woo investors in Douala, after Gabon

On February 17, 2022, in Douala, Cameroon's Minister of Finance, Louis Paul Motazé, presented the country's 2022 financing plan on the region's money and capital markets (BEAC public securities market and the BVMAC). During this meeting with bankers, insurers, and other stock exchange companies, Minister Motazé thanked the partners for their constant contributions to financing the state budget. He also asked them to contribute XAF200 billion this year (Ed. note: the 2022 Finance law set the volume of funds to be raised by the

country on the BEAC public securities and BVMAC market at XAF350 billion) by participating in the bond issue operation (on the BVMAC) and the treasury bill issues (on the BEAC public securities market) Cameroon will organize this year. The day before, a delegation sent by Gabon was in the Douala to invite Cameroonian investors to take part in the neighboring country's 2022 budget financing plan. Indeed, during this fiscal year, Gabon intends to raise XAF736 billion on the BEAC public securities market. To successfully raise that volume of funds,

Gabon is betting on investors based in Cameroon because officially, they usually account for up to 70% of the funds raised by CEMAC countries on the regional public securities market. This is also why on February 4, 2022, Chad's Minister of Finance and Budget Tahir Hamid Nguilin was in Douala. He invited bankers, insurers, and stock exchange companies based in the Cameroonian economic capital to subscribe to the securities issues that Chad is planning to organize on the regional public securities market this year.

## Covid-19: the EIB opens a XAF7.8 bln credit line for Cameroonian SMEs

The European Investment Bank (EIB) announced it has approved a €12 million (XAF7.8 billion) credit line to be opened at the Commercial Bank Cameroon (CBC). The announcement was made during the EU-Africa Business Forum (EABF) organized before the 6th EU-AU summit that was launched on February 17, 2022, in Brussels, Belgium.

According to the EIB, the credit line will help support Cameroonian firms' resilience amid the Covid-19 pandemic. The agreement will be signed the next time the EIB's vice-president visits Cameroon, we learn.

«(...) The €12 million provided by the EIB and the European Union will allow the CBC to grant new loans to the

private sector through its branches throughout the country. Thanks to the strong cooperation between the Commercial Bank and EIB financial experts over the past months, Cameroonian businesses will be able to access longer-term loans, which are essential for their growth in this crisis period,» said Léandre Djummo, CBC's Director-General.

«This financing is essential to stimulate investment, create jobs and accelerate the country's post-pandemic recovery. The new agreement reached today illustrates the alliance between Team Europe and African partners to defeat Covid-19 and help businesses create jobs and prosper,» said Ambroise Fayolle, EIB Vice President.

According to the EIB, this partnership with the CBC is part of the international bank's rapid response to build economic resilience amid the pandemic in Africa. It will mainly support business investments in the manufacturing, agricultural, tourism, and commercial sectors.

This is the second initiative taken by the EIB in Cameroon to help businesses resist or recover from the impacts of the Covid-19 pandemic. Indeed, on November 17, 2020, when the coronavirus pandemic was still at its peak, the EIB and Société Générale Cameroon set a XAF10 billion credit line to provide financial support to SMEs with flexible conditions.

## CEMAC: average interest rates for Cameroon's T-bills was 2.94% in Jan 2022, thrice less than the regional average

In January 2022, the Cameroonian Treasury issued only fungible treasury bills on the central bank BEAC's public securities market. According to data published by the central bank, the average interest rate paid to investors for such types of securities in the market was 6.49% during the period.

However, for Cameroon's treasury bills, investors were contented with just a 2.94% average interest rate in January 2022. This demonstrates that investors have more confidence in

Cameroon's public securities than they have in those issued by other CEMAC countries.

During the same period, the average interest rate for similar securities issued by Equatorial Guinea was 8.63%, the highest in the CEMAC zone. Chad followed suit with 6.86%, Gabon with 6.67%, and the Republic of Congo with 6.52%.

As far as fungible Treasury bonds are concerned, during the period, only Gabon and the Republic of Congo issued them in the CEMAC zone. The

average interest rates demanded by investors for those securities was close to 10%, showing their cautiousness towards those countries. Let's note that treasury bills are short-term securities issued by countries to raise funds for short-term cash needs. Treasury bonds on the other hand are long-term securities issued to raise funds for infrastructure projects. Their maturity period ranges between two and ten years.

# AGRIBUSINESS

## Cameroon to import 143 kilotons of palm oil this year



The Oilseeds Refiners Association (ASROC) requested authorization to import 100,000 tons of palm oil to complement the local supply for 2022. It finally increased that volume to 143,000 tons of palm oil, which will be imported duty-free. The authorization was given on January 31, 2022, by the Minister of Finance Louis Paul Motazé, as announced by the ASROC during a press conference held in Yaoundé on February 23, 2022. This is the highest volume authorized since 2017. Indeed in 2017, the country imported 96,000 tons of palm oil, 100,000 tons in 2018 against 90,000 tons in 2019 and 70,000 tons in 2020. In 2021, the country imported 100,000 tons of the raw material, the ASROC reveals. The increase in the volume of palm oil to be imported by Cameroon this year is due to the rise in sourcing challenges experienced by refiners,

indicates Jacques Kemleu, secretary-general (SG) of ASROC. «The volume projected to be produced this month of February 2022 is 19,650 tons while the demand is 126,065 tons,” he added, pointing at the need to urgently start importing the raw material.

### **An actual deficit exceeding 1 million tons**

According to the ASROC, whose members produce 95% of the vegetable oils and 98% of the soaps supplied in Cameroon, in early 2022, the structural deficit of palm oil reached 160,000 tons in the country, up from 130,000 tons previously. This increase in the deficit is due to the launch of the operations of a new refinery whose production capacity is 500 tons daily and the increase of the capacities of existing ones. “The structural deficit of 130,000 tons

that we always mention is a nominal deficit which is different from the actual deficit. This nominal deficit is calculated based on the 50% drop in the capacity of processing plants. When we consider the real capacities of processing plants, the gap is indeed way wider, since, as the ASROC-SG said, the actual demand exceeds one million tons,” said Emmanuel Koulou Ada, Head of the Oilseed Sector Regulatory Committee, in 2018. As Jacques Kemleu indicates, Cameroon produces some 400,000 tons of palm oil yearly while the industrial demand (that does not include demand from households demand) grew from 1.391 million tons to 1.512 million tons yearly. This shows an actual demand exceeding 1 million tons every year.

## Cameroon: The official palm oil deficit rises to 160 kilotons



Cameroon's structural deficit of crude palm oil is now estimated at 160,000 tons, up from the 130,000 tons presented for years. The figure was announced on February 23, 2022, during a press conference organized in Yaoundé, by the oilseeds refiner's association ASROC.

According to Jacques Kemleu, the Secretary-General of ASROC, the 30,000 tons increase between the old and new estimates will continue to rise if urgent measures are not taken to boost the capacities of existing production units. The rise is the

consequence of the new refineries that entered into production. Those refineries include the plant built by SCS. The production capacity of that plant is 500 tons daily.

This raw palm oil deficit usually compels the Cameroonian government to authorize imports (100,000 tons on average) to ensure supply. « *Those imports (...) are temporary measures applied pending the increase in national production. It is not a violation of the import-substitution policy misinformed specialists would have it,* » says Jacques Kemleu.

Even with the new estimated deficit, the actual deficit is surely much higher. *“The structural deficit of 130,000 tons we are talking about is just a nominal deficit, which is different from the real deficit. The nominal deficit is calculated by taking into account just 50% of processing companies' capacities. If we were to base the deficit on the processors' full capacities, the deficit would surely be significantly higher,”* explained Emmanuel Koulou Ada, president of the Oilseed Sector Regulatory Committee.

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## CEMAC: Rubber prices rose 3% in Q4-2021 (BEAC)

Rubber prices rose by 3% in the fourth quarter of 2021, according to the CEMAC composite commodity price index recently published by the central bank BEAC. From US\$1.85 per kilogram, the prices rose to US\$1.99 per kilogram, the index shows. The price rise comes after a 15.4%

drop in the previous quarter, the BEAC adds. For the central bank, that increase is mainly due to the revival of demand from China and the poor production prospects in Malaysia, the world-leading rubber producer. The CEMAC composite commodity price index (ICCPB) is based on the

prices of the 28 commodities that make up 90% of the goods exported by the countries belonging to the CEMAC community. It is divided into five main categories namely, energy products, metals and minerals, forestry products, agricultural products, and fishery products.

## CEMAC: Dropping production and rising shipping costs boost coffee prices in Q4-2021 (BEAC)



The CEMAC export commodity price index rose by 10.4% in the last quarter of 2021, according to the composite index recently published by central bank BEAC. In the previous quarter, that index rose by 8.7% against 7.8% in the second quarter.

In Q4-2021, the products that spurred the rise in that price index include coffee, the composite index explains. During that period the international prices of coffee grew by 16.5% but it was less robust than the 19.5% rise recorded in the third quarter.

*«This price dynamic is mainly driven by the decline in exports because of the rise in shipping costs and the reduction of production in main producing countries, notably Brazil and Vietnam (1st and 2nd world producer),»* explains the BEAC.

## Cameroon: Marketed coffee production dropped 50% season-to-season in 2020-2021

In Cameroon's coffee sector, the volume of marketed production fell drastically season-to-season to 12,157 tons during the 2020-2021 season. This was revealed by the National Cocoa and Coffee Board (NCCB) during the ceremony organized to launch the 2021-2022 season in Melong, Littoral, on February 16, 2022. This volume is the lowest level ever reached in the last five seasons. It is also the first time the volume of coffee commercialized in the country is falling under the 20,000 tons mark since

the 2015-2016 season. Compared to the volume sold during the 2019-2020 season, the 2020-2021 volume is down by 12,534 tons or about 50.7%. During that season, the volume of commercialized robusta dropped by half going from 23,239 tons in 2019-2020 to only 11,745 tons in 2020-2021. At the same time, the volume of arabica sold that season was only one-third of the commercialized volume during the previous seasons (412 tons in 2020-2021 against 1,452 tons in 2019-2020).

According to the Cocoa and Coffee Interprofessional Council (CICC), this drastic fall in the volume of commercialized coffee has been lingering for over a decade now. It is caused by a combination of factors including the age and low productivity of coffee plantations, the youth's disinterest in coffee farming (because notably of its low profitability), the exhausting work required, and more lucrative offers in other sectors.

## Cameroon: BEAC forecasts a dynamic livestock sector in Q1-2022



Cameroon's livestock sector is expected to be more dynamic during the current Q1-2022. According to the recent quarterly business survey, this dynamism will lead to a year-on-year improvement in the sector despite *«inflationary pressures and pasture degradation, which hampers operators in their activities.»*

This optimistic outlook is prompted by the *“good livestock sanitary coverage and the mass vaccination campaign underway”* in Cameroon, the central bank BEAC points out in the quarterly business survey. Indeed, on November 18, 2021, in Sangmélima, southern Cameroon,

the Minister of Livestock Dr. Taiga launched the 3rd phase of a mass vaccination campaign to protect small ruminants against plague. The vaccination campaign, which started in 2019, was aimed at vaccinating six million small ruminants in the country. Supported by the World Bank (which finances the Livestock Development Project) and the FAO, this operation aims to «preserve a XAF110 billion capital» and protect the incomes of livestock farmers who can thus be able to guarantee food security in Cameroon. Minister Taiga said at the launch of the cam-

paign in Sangmélima. The government official took that opportunity to remind that the vaccines used in the framework of that vaccination campaign were reliable and produced by the state company National Veterinary Laboratory (LANAVET).

The central bank's optimistic forecasts could be dampened if the bird flu epizootic, which broke out in early February on a poultry farm in the western region, intensifies. According to official figures, this region alone accounts for 80% of Cameroon's poultry production.

## Cameroon: British firm Moore Stephens to conduct viability study for Semry



British auditing firm Moore Stephens has been commissioned to conduct a viability study for the ailing Society for the Expansion and Modernization of Rice Cultivation in Yagoua (Semry). The information was disclosed in a note published, on February 15, 2022, by Martial Valéry Zang, chairman of Cameroon's Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR). The XAF60.11 million contract handed to the British firm includes an audit of the performance contract between the government of Cameroon and Semry, the leading rice producer operating in North Cameroon. The 3-month contract comes after a horrendous 2020 operating year for

Semry. That year, the rice producer processed 1,349.846 tons of paddy and 789.375 tons of milled rice, representing just 1.84% of its production capacity. Worse, it produced 3,304.36 tons of rice while its yearly potential is 120,000 tons. According to the CTR, this poor performance was due mainly to power cuts that significantly reduced the rice mills' operating times. Also, in 2020, 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 struc-

tural 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.

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.



# ENERGY

## Cameroon: Africa Cylinder Company Sarl to build a XAF4 bln gas cylinder plant in Douala



Cameroon's Investment Promotion Agency (API) recently signed an agreement with local company Africa Cylinder Company Sarl, granting it incentives provided by the 2013 law (revised in 2017) on private investments. As a result, the company will benefit from tax and customs incentives (for a period ranging between five and ten years) for its project for the construction of a gas cylinder production plant.

The plant, to be built in Douala, will officially require a XAF4 billion investment and create 206 jobs. In addition to domestic gas cylinders, the planned plant will also produce industrial and medical gas cylinders, cylinders for fire extinguishers, and steel compressors. For the time being, the marketers operating in Cameroon import all of the gas cylinders they use. In 2021, Cameroonian firm Akeno SA, which

launched the construction of a production plant in 2018, announced the arrival of its first gas cylinders on the Cameroonian market. Those are said to be transparent allowing users to visually assess the volume of gas still available. However, since that announcement, there has been no sign of those cylinders at the gas distribution points.

# ITC & TELECOM

## Gaming: Cameroon's Kiro'o Games among founders of Pan-African group PAGG

Ten African gaming studios recently joined forces to create a Pan-African gaming consortium. Baptized Pan African Gaming Group (PAGG), the consortium has Cameroonian Kiro'o Games, founded by Olivier Madiba, as one of its founding members, announces We Are Tech Africa, the economic news website Ecofin Agency's new platform dedicated to Tech news.

A pioneer of the video game industry in Cameroon and the Central African region as a whole, Kiro'o Games is also a crowdfunding enthusiast, which supports less experienced start-ups in raising funds. With the

Pan African Gaming Group, Kiro'o Games is contributing its experience to "building a portfolio of mobile-focused casual games that are fun, non-violent, and gender-neutral."

*"Our games are Made-In-Africa, For Africa, featuring African heroes wrapped in local culture, music, and environments. This allows our players to see themselves reflected in our games, which makes all the difference,"* says Jake Manion, PAGG creative director. According to its founders, PAGG is primarily targeting the over 400 million internet users (according to World Bank data) in Africa. For We Are Tech, such a potential market is

larger than the gaming markets in Canada, the US and Mexico combined. By end-2025, that potential market is expected to reach 680 million, therefore the group will position itself in market segments where it is currently absent.

Through this consortium, Kiro'o Games will capture part of the huge investments in the mobile gaming market worldwide. According to Drake Star Partners, an investment bank specializing in financing the tech sector, this year (2022) US\$150 billion of new investments are expected in the mobile gaming market.

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## Cameroon: 30.4% of local firms upped their social media marketing operations due to Covid-19 (survey)

The coronavirus pandemic compelled 30.4% of Cameroonian firms to increase their social media marketing operations. This is the conclusion of a report recently published by the National Institute of Statistics (INS) detailing the results of a survey it carried out to shed light on the socioeconomic impacts of the coronavirus pandemic in the country in 2021.

According to the report, The companies concerned are mainly large enterprises (35.3% of the surveyed), SMEs (35.4% of the surveyed), and informal actors (19.3% of the surveyed).

E-commerce adoption also followed an upward trend during the pandemic, which reached its peak in 2020. Indeed, according to the INS survey, over three out of ten companies reported they

increased the frequency of their use of digital platforms for e-commerce purposes.

This trend, which boosted the operations of ICT companies in the country, was more pronounced when it comes to large enterprises (38.2%) and medium-sized companies (36.9%), the INS report shows.

## LEADER OF THE MONTH

# BGFIBANK CAMEROON APPOINTS FLORIAN DJOUBISSIE AS HEAD OF RETAIL BANKING

BGFIBank Cameroon announced on February 8, 2022, the “recent” appointment of Cameroonian banker Florian Djoubissie as its Director of retail banking, its new segment. Before his appointment, the new director of retail banking was an executive of Société Générale Cameroun (SGC), where he spent 14 years.

The launch of the retail banking segment is proof that BGFIBank «is constantly expanding, and is for that purpose developing new ways» towards a universal banking model, wrote BGFIBank Cameroon when announcing the appointment. Florian Djoubissie will lead a management team whose task will be to expand the bank’s branch network and enable BGFI to offer the same services as universal banks (institutions authorized to offer every banking service).

Specifically, the bank will also offer credit and investment products to individual clients in addition to its old line of business, which is the “corporate” segment dedicated to companies and institutional investors. BGFIBank is the leading banking group in the Central African region. However, in Cameroon, it is for the time being an average institution with a 7% share of the credit market (estimated at CFA 4,020.7 billion) and 6% of the deposit market (estimated at CFA 5,853.7 billion) at the end of July 2021. The launch of its retail segment is one of its strategies to boost its result in a market where fifteen banks are currently active. In January 2022, the subsidiary was



rated A and A1+ by Pan-African rating agency Bloomfield Investment Corporation. Those ratings mean the bank is of investment grade with “a low likelihood of rating change in the

near to medium term” as well as a “high likelihood of an upward rating revision in the near to medium term.”

Sylvain Andzongo

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