

September 2015 - N° 31

# **BUSINESS IN CAMEROON**

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## **Fiber Optic: Cameroon on the right track**

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announces the  
construction of a  
2<sup>nd</sup> cement factory**

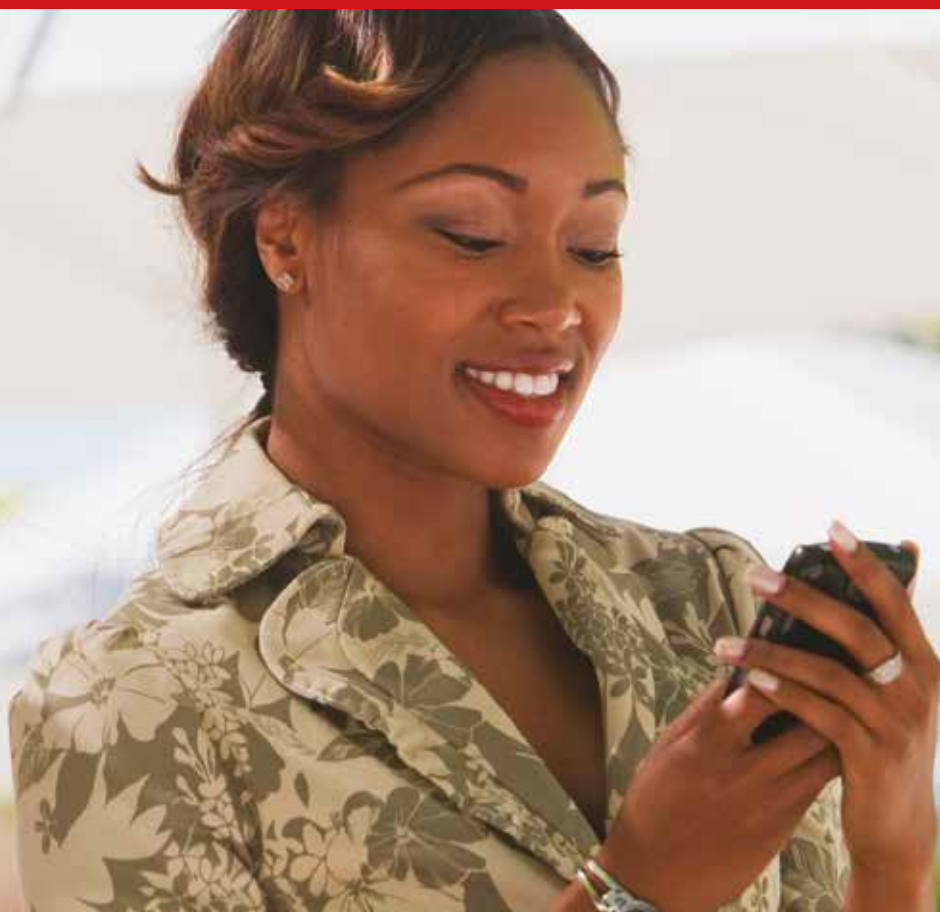
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power plant**

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Yasmine Bahri-Domon



## First time in a long time

In July this year, Cameroon hosted two highly anticipated visits. The first was that of French President Francois Hollande, and the second that of Nigeria's president Muhammadu Buhari. Coincidentally, it happened to be their first official visit to Cameroon.

Indeed, it has been 14 years since a French president – the last being Jacques Chirac in 2001 – had visited Cameroon. During this short visit, both presidents were keen on projecting the friendly relationship between their respective countries, clearing up all misunderstandings about the France-Cameroon relationship and most of all, mitigating the growing anti-France sentiment which is settling in the country. This was derived from signs such as, the arrival of both heads of state to Etoudi palace in the same car, or the joint press conference held in Yaoundé. Francois Hollande used this opportunity to mark his country's solidarity and support in the fierce fight against Islamic terrorist group Boko Haram. Moreover, during the visit, four funding agreements amounting to about FCFA 76 billion were signed. Also, France's head of state emphasized on the fact that French companies should thrive in the Cameroonian market, to gain shares instead of losing them.

The purpose of the second visit by Nigerian's president was to consolidate talks about setting up a coalition force, of which Cameroon is part, to fight Boko Haram. In regard to this, President Paul Biya, during the state dinner or-

ganized for President Buhari's visit, applauded his Nigerian counterpart's initiative concerning the matter. Besides this, the meeting was an opportunity to strengthen and build new areas for economic cooperation, enhance exchanges between economic actors from both countries, and finally to boost bilateral cooperation between them. After all, it was in that framework that both countries established the diplomatic statutory body named Cameroon-Nigeria Mixed Commission which aim is to optimize the coordination of relations in areas such as security, economy, trade, consular affairs, justice, scientific research and culture. As a matter of fact, the 7<sup>th</sup> edition of this commission is to be held next year in Abuja, and surely security issues related to Boko Haram will be discussed during the meeting. It should be reminded that Muhammadu Buhari's visit to Cameroon is the sixth of its kind as Cameroon and Nigeria maintain tight economic, geographic and historic relationships.

Beyond the diplomatic aspect however, Cameroon is developing in various sectors as many opportunities are being laid down for its emergence. For example, the constant growth of the Telecommunications sector, with its 6000 km of fiber optic and its booming ICT, will undoubtedly play a major role in the development of the country's economy. Additionally, the recent opening of the SME bank promised by president Biya on June 7<sup>th</sup>, 2011, during the agro-pastoral show in Ebolowa, will provide significant support for local SMEs.



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# THE CAST



## THÉOPHILE GÉRARD MOULONG



The era of Protais Ayangma as head of Saham Assurances Cameroun has definitively come to an end. After thirty years in management, the founder of Citoyenne Assurances, a 100% Cameroonian company, later handed over to the Colina Group and then Saham

Assurance, officially passed the baton to Théophile Gérard Mouloung, one of his young insurance talents.

In 1986, Théophile Gérard Mouloung, the new Managing Director of Saham Assurances in Cameroon joined the company founded by Protais Ayangma. He later became Sales Manager and Technical Director. After this, he held the positions of Managing Director of Colina Ré, Managing Director of Colina Bénin and Managing Director of Colina Guinée équatoriale, before rising to the position of Reinsurance Manager to the Saham group in Casablanca, Morocco.

Among the new managing director's first projects is the opening of twenty points of sale in Cameroon by 2016 as a part of the company's on-going expansion.

## LUC MAGLOIRE MBARGA ATANGANA



The Farmer Development Centre was just inaugurated by the Cameroonian Minister of Trade, Luc Magloire Mbarga Atangana, in Emana, situated in the Lékié department, the largest cocoa farming area in Cameroon.

In addition to training farmers in this part of the country with the best cultural techniques in order to boost cocoa production, the Emana Farmer Development Centre will provide training over a ten month period on cocoa farming.

The implementation of this structure is the fruit of a partnership between the Cameroonian government and Agro-produce Management Services (AMS), an organisation which works towards cocoa certification alongside the Dutch cocoa trader, Theobroma.



## ANDRÉ SOHAING



Businessman and reputed politician in Cameroon, André Sohaing, over 80 years old, died on the night of 22nd July 2015 in Bayangam, a city located in West Cameroon, where he was mayor from 1997. A stalwart of the RDPC,

the ruling party in Cameroon, the billionaire is more known for building Akwa Palace, a 4-star hotel located in the heart of the Cameroonian economic capital, which operated for a few years under the Pullman brand.

The author of several investments mainly in real estate, André Sphaing has abruptly departed without inaugurating the Bayangam mayor's office which he built. In 2011, he lost one of his sons who fell from the 12th floor of the Akwa Palace hotel in Douala.

## ELISABETH HUYBENS



Since 1<sup>st</sup> July 2015, the agricultural engineer from Belgium, Elisabeth Huybens, was appointed as Operations Manager for the Bretton Woods institution for Cameroon, Angola, Equatorial Guinea, Gabon and Sao Tome and Principe. She

replaces Gregor Blinkert who has completed his term.

Before her appointment, Elisabeth Huybens, who joined the World Bank in 2000, headed the "social, urban and rural development" division for Europe and Central Asia at the World Bank headquarters in Washington D.C. The former Country Economist for Gabon, then Chad, holds a PhD in Economics and was a Resident Representative for the World Bank in Timor-Leste from 2002 to 2006.

Fluent in Dutch, English, French, Spanish and competent in Portuguese, Elisabeth Huybens has also worked on Eastern European countries before becoming a Social Development Sector Manager at the World Bank from 2009 to 2012.

## THÉODORE LEJUSTE ABOBDA



Imagine an artificial heart that weighs the same as its biological equivalent in adults – just 280 grams for women and 300 grams for men. Imagine an artificial heart that adjusted with human emotions. It would beat faster when the person is afraid or doing exercise. When

sleeping, it would become slow and regular.

This is essentially the artificial organ that a young Cameroonian researcher plans to develop. This was the subject of the doctoral thesis that 29 year-old Theodore Lejuste Abobda defended on April 24, 2015 at Yaoundé I University. The jury's response speaks volumes about his research: *"first class honours with the congratulations of the jury"*, which comprised eminent Cameroonian physicians, certainly have something to say at this time of knowledge globalisation.

## PATRICE AMBA SALLA



In Cameroon, agricultural product prices have been rising for years. Businessmen agree that that this trend is due to supply challenges in major towns and cities due to the poor condition of the roads in farming areas. The impracticable state of the roads is so

worrying that a member of parliament has just questioned the Minister of Public Works about the reasons for this virtually permanent situation.

In response to this, Minister Amba Salla revealed that the problem lies more with the *"under-budgeting for this network that handles the transport of produce from farming areas [...] The budget allotment for the maintenance of rural roads is 10 billion FCFA for a network of roads covering 100,000 km."*

# Paul Biya : « *It is not up to one's will to remain in power, but up to one's aptitude to do so* »

**Summary of press conference held by France and Cameroon's presidents on July 3, 2015, during Francois Hollande's quick visit in Yaoundé**

Surely, this would be one of the most significant highlights of the joint press conference held in Cameroon on the 3<sup>rd</sup> of July 2015 by France's and Cameroon's Presidents. This conference happened during Francois Hollande's short official visit to Cameroon after visiting Benin and Angola. Paul Biya had then been interviewed by a Journalist from France 2 in regards to the duration of his stay in Power. A deafening silence followed just about when the journalist finished his first sentence. *"You have been in power since 1982. That makes you one of the oldest presidents on earth. You have been elected many times; you have had many terms (7-year each). Of course, there is no limit on the maximum number of terms in Cameroon's constitution. And in three years from now, there will be a new election. I would like to know your state of mind, would you welcome a new term or are you considering handing over and going on a well-deserved leave? What is your state of mind today?"*, asked the

French journalist Gérard Grizbec. Calm, Cameroon's president first glances at Hollande, points at the journalist that voiced his concern and thanks him. Breaking the silence, his answer steals a few smiles from surrounding Cameroons' journalists. *"First, let me start by saying that it is not up to one's will to remain in Power, but up to one's aptitude to*

and murmurs in the conference room of Etoudi Palace in Yaoundé, mostly from his close officials seated in the front row. Martin Belinga Eboutou, civilian Chief of Staff, Ferdinand Ngoh Ngoh, secretary general of the president's office, or standing secretary of the National Security Council, Paul Atanga Nji, could be seen there. As the question

**Paul Biya responded whilst smiling regardless of the bemused look from Francois Hollande who, soon, will be facing candidates such as Nicolas Sarkozy or Alain Juppé, Marine le Pen and others.**

*do so"*, says Paul Biya whilst smiling regardless of the bemused look from Francois Hollande who, soon, will be facing candidates such as Nicolas Sarkozy or Alain Juppé, Marine le Pen and others, in order to defend his own position during the presidential elections coming up in 2017.

**«CAMEROON'S NEXT ELECTIONS IN 2018 ARE A SURE THING, BUT STILL FAR AHEAD... »**

Paul Biya's smile followed the statement, gives rise to a rush of smiles

was being asked, their tense expressions slowly relaxed allowing them to listen with attention and interest to the next part of their president's answer.

*"Another point I would like to emphasize on here is that, I did not rely on violence to be in Power. Neither did I acquire it through dictatorship. I have always been elected by my people. And as we are speaking, I am completing a term which was granted to me by my people. Moreover, they were other candidates during this election. I still won, didn't I?"* he





French president was quite receptive to interrogations concerning the French archives in relation to France's repression period in Cameroon following its independence.



explained in the peculiar manner he is well known by. Finishing his answer, he says: "(...) Cameroon's next elections in 2018 are a sure thing, but still far ahead". "We still have much time to think, and when the time comes, people of Cameroon, France and the rest, will find out if I will be a candidate or if I prefer taking my leave." He concludes. During this press conference, French president was quite receptive to interrogations concerning the French archives in relation to France's repression period in Cameroon following its independence. "Truly, they were some extremely tormenting and even tragic events. Since after the independence, they were some repressions in the Sanaga-maritime and the Bamiliké. And as I declared everywhere else, we are ready for the opening of history books as well as our archives." declared Hollande. Truly a first, one must admits.

## 76 BILLION FCFA IN FINANCING SIGNED

Four financing agreements totalling 76 billion FCFA have been signed between the Cameroonian government and the French Development Agency (AFD in French) during the French president's visit to Cameroon. The agreements include one for 42.6 billion FCFA (65 million euros) to finance the regional capitals project to develop three of the country's regional capitals: Bafoussam (West region), Bertoua (East region) and Garoua (North region).

The second agreement concerns financing for the additional development on the second Wouri bridge (the construction already has 87 billion FCFA in financing from the AFD), for a total of 29.5 billion FCFA or 45 million euros. The Embassy of France in Yaoundé specifies that this involved "the construction of a new access route to the industrial port area of the Douala autonomous port and a motorway to the old bridge and various major development projects intended to improve traffic circulation."

The third agreement signed during François Hollande's visit to Cameroon involves the allotment of funds issues by the second C2D (debt-reduction development contract) to the agro-food SME support programme totalling 3.2 billion FCFA or 5 million euros.

Lastly, the fourth agreement is a grant from the French government to the support project for the diaspora's productive investment, totalling 655.9 million FCFA. The project comes out of the development solidarity programme and the collective management of migration flows.

# Cameroun-Nigeria: Presidents Biya and Buhari on the same page in the fight against Boko Haram

The eradication of this obscure sect was the main purpose of the visit to Cameroon paid by the Nigerian Head of State, Muhammadu Buhari from July 29-30, 2015.

As one could expect, the fight against the Islamist sect, Boko Haram, was the main focus of the July 29-30, 2015 visit paid by the Nigerian Head of State, Muhammadu Buhari, to Cameroon. "Mister President, as you welcome us this very moment, a dark cloud hangs over our countries. A common danger threatens us and risks overturning the very foundations of our nations. This danger has a name: Boko Haram," stated President Biya on July 29, 2015 in Yaoundé during his toast at the State dinner held for Cameroon's guest.

According to the Cameroonian Head of State, one cannot "let this gangrene fester", especially since the consequences of Boko Haram's attacks in Cameroon and Nigeria are quite serious. "Its crimes are compromising peace around Lake Chad,

Nigerian Head of State Muhammadu Buhari reiterated his determination to eradicate Boko Haram from Nigeria, the country where the Islamist sect has killed thousands since 2009



particularly in our two countries. The deaths and other victims are increasing. Economic activity is drying up in affected areas and the number of refugees and displaced people continues to rise [...]. We must combine our resources, join our forces and share our experiences. I know you are determined to put an end to Boko Haram's activities and cooperate with other affected countries. I praise

your efforts in this area," indicated Paul Biya when speaking to his Nigerian counterpart.

Responding to the Cameroonian president's toast, Nigerian Head of State Muhammadu Buhari reiterated his determination to eradicate Boko Haram from Nigeria, the country where the Islamist sect has killed thousands since 2009. Like in Ndjamen, Chad, where he had



stressed the need for a concerted strategy to fight Boko Haram, President Buhari again indicated his availability to fully cooperate with countries in which Boko Haram's attacks have been sowing the seeds of desolation.

#### SUICIDE BOMBER ATTACKS IN FOTOKOL AND MAROUA

President Buhari's visit led to resolutions such as the strengthening of cooperation between the Cameroon-

injuring one hundred in five attacks perpetrated by young women in Fotokol and Maroua, located in Extreme-North region.

Rising to power in Nigeria when Boko Haram was shedding blood daily in the North-East region of the country, where the sect was controlling much of that area, Muhammadu Buhari swore to eradicate the terrorist group much like Cameroon's President Biya who first declared war against Boko Haram at

economic engine of the CEMAC zone. Indeed, Cameroon and Nigeria maintain consistent trade relations. However, most of the trade between the two countries, now bound by a formal arrangement in the last few months, is still essentially informal in nature.

#### DANGOTE CEMENT BETS ON CAMEROON

Yet, according to statistics from the Economic Affairs Directorate of the Ministry of Finance (2013 report on Cameroon's economic, social and financial outlook), in 2011 and 2012, Nigeria was Cameroon's top supplier, respectively accounting for 22.6% and 17.8% of imports in these years. This is far ahead of France (12.8% and 11.8%) and China (10.8% and 10.4%).

Besides trade, the Nigerian presence Cameroon's economy has increased in the industrial sector. This is particularly apparent with the recent construction of a 1.5 million tonne production capacity cement factory in the city of Douala, Cameroon's economic capital, by the Dangote group, which is run by the Nigerian billionaire Aliko Dangote. The latter announced that there would soon be the construction of a second cement factory in Yaoundé.

In the banking sector, the Nigerian group United Bank of Africa (UBA) has been operating for several years in Cameroon alongside its compatriot, Oceanic, which, a few years ago, participated in the recapitalisation of Union Bank of Cameroon (UBC), a majority Cameroonian owned banking institution which was then in difficulty.

## The visit provided the two Heads of State with the opportunity to revisit economic cooperation between Cameroon and Nigeria.

nian and Nigerian defence forces along the 1,500 km border shared by the two countries. Muhammadu Buhari arrived in Cameroon a few days after Boko Haram carried out its first suicide bomber attacks in Cameroon, killing fifty persons and

a security summit in Paris, France. In the margins of these security concerns, President Buhari's visit provided the two Heads of State with the opportunity to revisit economic cooperation between the leading African economy and the



The fight against the Islamist sect, Boko Haram, was the main focus of the visit paid by the Nigerian Head of State to Cameroon.



# Fiber Optic: Cameroon on the right track



10 years ago, the term “Fiber optic” in Cameroon was mainly used by telecommunication experts. Nowadays however, this term has become common, with so many projects surrounding it being discussed in the various local media.

It is due to the fact that the Cameroonian government decided to make this revolutionary infrastructure, a keystone in the modernization of its ICT and telecommunication sector, which is both strategic and vital for the country. Indeed, the Minister of Posts and Telecommunications, Jean Pierre Biyiti bi Essam says ICT and Telecommunication have allowed for the creation of 6,000 direct jobs against 500,000 indirect jobs since 1998, which represents about 50% of the total number of jobs created in Cameroon’s tertiary sector.

In the absence of official statistics,

it can be assumed that this sector’s contribution to Cameroon’s GDP also considerably increased. Based on its strengths and most of all the opportunities it offers, Cameroon’s government is committed to modernize its telecommunication sector, with the implementation of the optic-fiber as its culminating point. At present, the country, connected to two submarine cables (Sat3 installed by a consortium which includes the state of Cameroon, and WACS implemented by MTN), has a network of 6,000 km, which, according to plans, will be increased to 10,000 km in the short term. At the same time, Cameroon embarked on a process to boost the fiber optic’s capacities, by connecting to at least two other submarine cables, notably Main ONE and ACE (African Coast to Europe).

Camtel, Cameroon’s public telecom operator holding exclusive

management rights to the fiber optic, revealed its intention to not only democratize the infrastructure through the Broad Band project but also to provide Cameroon with its fifth submarine cable connection, linking the economic driver of the CEMAC to Brazil. Billions of CFA francs are being injected into these projects, with the Cameroonian government readily mobilizing funds from its financial partners, China’s Eximbank being the most prominent.

The funding is essential since the fiber optic appears today as a springboard for Cameroon leaping into the modern world. A truly digital world where the 3, 4, or 5G technologies (which strongly depend on the fiber optic) will give rise to e-commerce, e-learning, e-government, etc.



# Connection: Two submarine cables already running, three more to come



**In the medium term, besides the Sat3 and the WACS which are already operational, the country will soon have landing stations for Main One, ACE and another cable linking it to Brazil.**

Orange Cameroon signed with the government of Cameroon on 9th June 2015, in Yaoundé, an agreement to construct and operate ACE (African Coast to Europe) fiber optic submarine cable. 14,000 km long, ACE, extending from Europe to the West-African Coast, was deployed by a consortium of investors including Orange.

According to Elisabeth Medou Bandang, Orange Cameroon's CEO,

the cable would help *"manage the growth in data use and improve connectivity in the country"*. Let's not forget that, prior to this convention, the Cameroonian government had launched, on 21st April 2015, a call for expressions of interest to recruit a firm to conduct a technical study on the construction of ACE's landing point in Kribi (Southern Cameroon).

Alongside the construction which is expected to be completed by 2015 ending, the government announced the completion of *"the undersea junction between the sea exit and the cable's connection point in the sea located at about 650 km"*. After completion of this stage, Cameroon

**PHILISIWÉ SIBIYA,  
MANAGING DIRECTOR  
MTN: "CAMEROON  
IS EMERGING AS A  
HUB FOR TELECOM  
INFRASTRUCTURE IN  
CENTRAL AFRICA"**



According to official sources, on July 22, 2015, in Batoké (South-West Cameroon), the Minister of Posts and Telecoms, Jean Pierre Biyiti bi Essam, proceeded with the official inauguration of the WACS landing station which has been operational since July 1<sup>st</sup>, 2015.

During the ceremony, Philisiwé Sibiyá, Managing Director of MTN Cameroon, said: *"Cameroon is emerging as a hub for telecommunication infrastructure in Central Africa"*. *"We had the hard task of picking one among the 10 countries in which we operate along the Atlantic Ocean where WACS is deployed, and Cameroon was chosen"*, she adds.

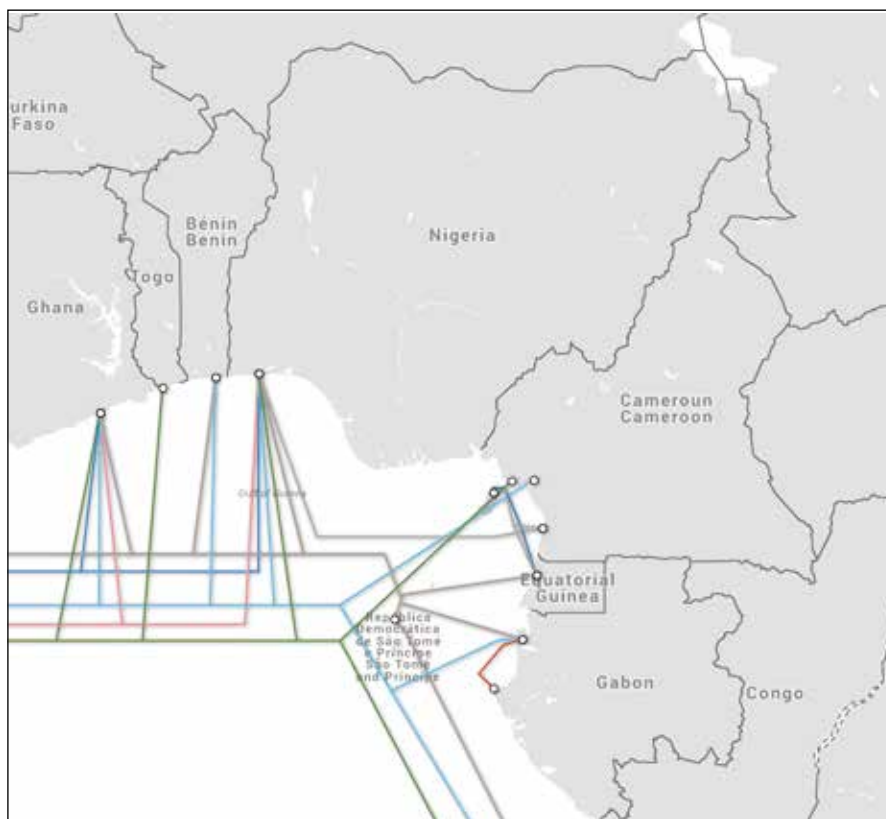
will be ready to be connected to a third submarine cable after SAT3, which is saturated according to Minister of Posts and Telecommunications, and WACS, deployed by a consortium to which MTN International belongs.

#### **IMPROVING SERVICE AND LOWERING COSTS**

The 14,500 km long West African Cable System (WACS) has a capacity of 5.2 Tbps. Its FCFA 2 billion landing station is located in Batoké, near Limbé, in the Southern-West part of Cameroon. Built by MTN Cameroon, the infrastructure was

***“The government was well advanced in negotiations for Cameroon to become the first African country to be linked to South America”.***

later transferred to the State, for about FCFA 12 billion. The government then handed over the WACS to Camtel, with the exclusive management rights over the fiber optic. The WACS has been operational in Cameroon since July 2015. Jean Pierre Biyiti bi Essam, Minister of Posts and Telecoms, hopes that the infrastructure will help in improving telephone and internet services, but also in reducing costs and boosting activities such as e-commerce, e-medicine and e-learning. So many opportunities which will



After completion of this stage, Cameroon will be ready to be connected to a third submarine cable.

also become available thanks to the very first fiber optic submarine cable to link an African country – Cameroon – to the South American continent.

#### **NIGERIA-CAMEROON**

##### **SUBMARINE CABLE SYSTEM**

Indeed, Camtel's General Manager, David Nkotto Emane, recently said *“the government was well advanced in negotiations for Cameroon to become the first African country to be linked to South America”*. He adds

the country would already be benefiting from Main One, which links it to Nigeria, as part of a project named Nigeria-Cameroon Submarine Cable System (NCSCS). The project which, in the short term, will provide Cameroon with its 4th submarine cable was officially launched on August 4<sup>th</sup>, 2015.

The NCSCS will extend from Lagos to Kribi, the coastal town in Cameroon about to become a true hub for the fiber optic in the country. Deployed by the Chinese firm

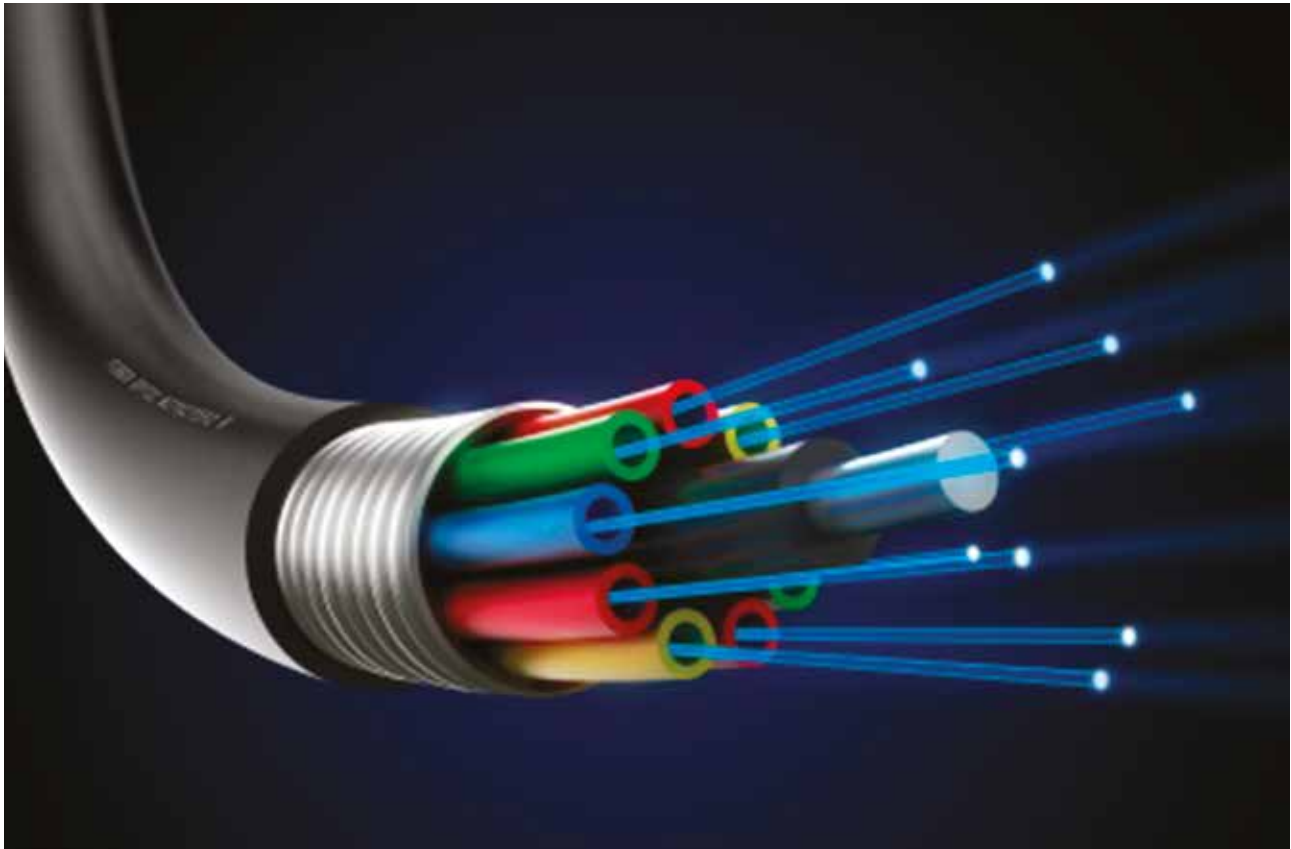
**According to Elisabeth Medou Bandang, Orange Cameroon's CEO, the cable would help *“manage the growth in data use and improve connectivity in the country”*.**

that the 5,900 km-long cable will link Kribi in Cameroon to Fortaleza in Brazil.

However, before the arrival of this 5th submarine cable to Cameroon,

Huawei Marine, NCSCS, *“will also be used to strengthen the position of Cameroon as the main hub for bandwidth in the region and abroad”*, said Camtel's Managing Director.

# More than 210 km of fiber optic loops being built in Cameroon



**They are nine towns involved in the projects funded by Telecommunications Special Fund and China's Eximbank, Cameroon's main investor in the sector.**

In September 2015, Cameroon will launch its third fiber optic loop after Douala and Yaoundé. Maroua, regional capital of Cameroon's Extreme North, will benefit from the infrastructure. Construction works for the 39.4 km network were officially launched on 15 July 2015 by the Minister of Posts and Telecoms, Jean Pierre Biyiti bi Essam.

According to the government, the project will improve telecommunication quality in this part of the country. Funded by the Tele-

communications Special Fund, to which local operators contribute, the project is part of a plan which aims to provide Cameroon with 104 km of additional fiber optic including Maroua's and two other loops in Limbé (35.2 km) and Buéa (29.1 km).

Meanwhile, the government is reviewing proposals from economic operators submitted for another project of 110 km fiber optic to be built in six towns including Ngaoundéré (25 km), Bamenda (26 km), Ebolowa and Bafoussam (28 km each), Bertoua and Garoua (30 km each).

Total funding for this second project is estimated at FCFA 5.5 billion, of which FCFA 440 million assigned to monitoring works, according to

calls for tenders issued by the Ministry of Public Markets. According to Minister Biyiti bi Essam, *"the governmental roadmap plans that all the loops would be operational in the first quarter of 2016"*.

Put simply, at that date, Cameroon will increase its fiber optic network by 214 km, adding to the actual 6,000 km laid. The network has been forecast to reach 10,000 km over the next five years.

To achieve this goal, Cameroon's president already authorized the Minister of Economy, Emmanuel Nganou Djoumessi, to sign a FCFA 41 billion loan agreement with China's export-import bank, Eximbank China, to finance national backbone extension project for a greater nationwide coverage.



# Cameroonian's experience emulated by Chad and Burkina Faso

**State-owned telecom operators from both countries reach to Camtel's expertise in terms of fiber optic implementation.**

A delegation of telecommunications leaders from Burkina Faso visited Cameroon to learn from Cameroon's experience in fiber optic. *"Cameroon is ahead of us in the area of fiber optic as it already has this infrastructure in place. South-South cooperation will help us to draw from their experience when putting our own infrastructure in*

*place,"* stated Lamoussa Oualbeogo, the delegation chief.

In the advice he gave, the Managing Director of Camtel - Cameroon's public telecommunications company, David Nkotto Emame, recommended that the Burkinabe delegation not entrust the management of the fiber optic infrastructure to a private sector entity. *"If you want to develop Burkina Faso's telecom infrastructure, the fiber optic backbone should be handled by a State-run organisation. This will be more beneficial for the country as*

*opposed to it being done by a private company,"* he stated.

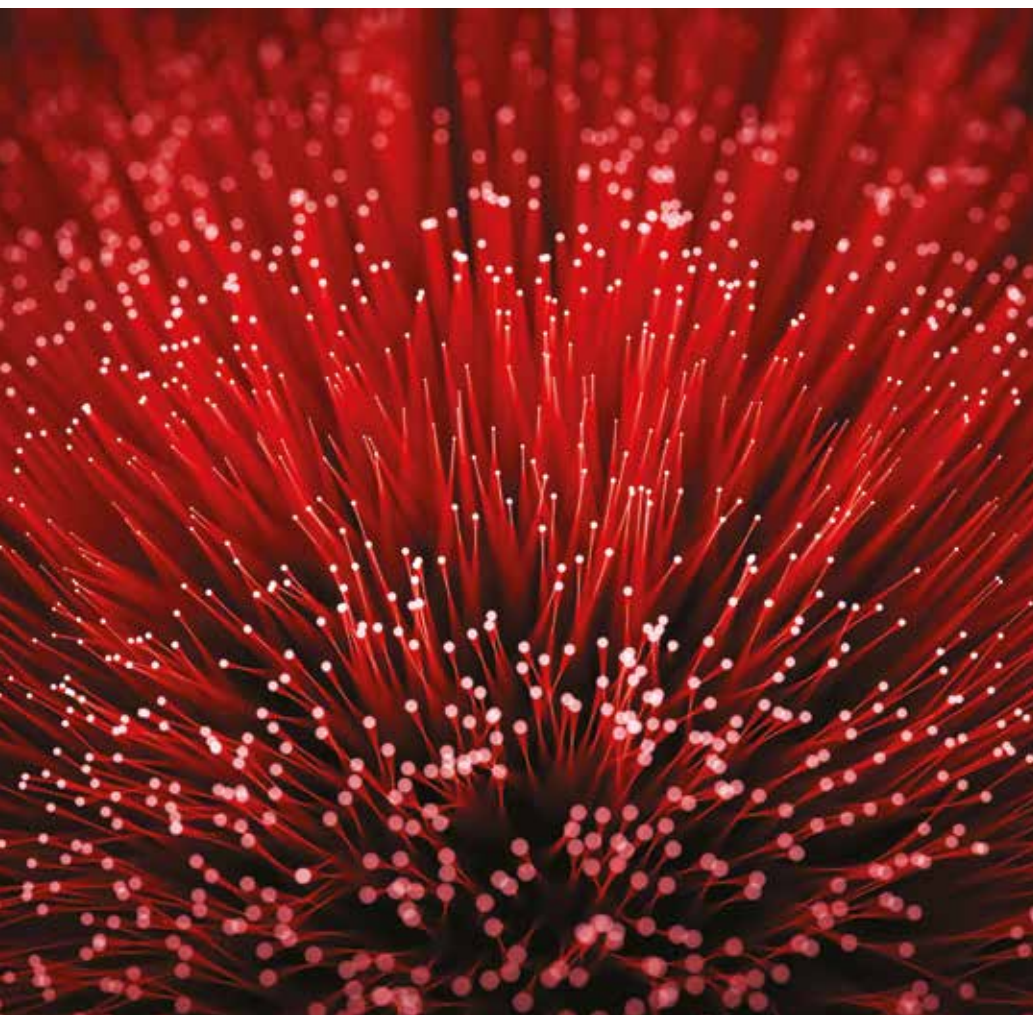
Burkina Faso has just signed a contract with the Chinese firm Huawei to lay over 5,444 km of fiber optic cables in that country. Cameroon already has a network of over 6,000 km which, according to government plans, will be increased to 10,000 km in the medium term.

## CAMEROON AT THE CENTER OF THE CENTRAL AFRICA BACKBONE

In fact, on February 19, 2015 in Yaoundé, the Société des Télécommunications du Tchad (Sotel-Tchad) and Camtel, represented by their respective managing directors, Adam Abdramane and David Nkotto Emame, signed a technical-commercial cooperation agreement. In respect to the agreement, Cameroon will support Chad in expanding its own fiber network.

This partnership is a new step in the Central Africa Backbone project, which is supported by many investors such as the World Bank, and whose aim is to install the fiber optic all over Central Africa. Cameroon however, having a transitional position, gives Camtel a comparative advantage on the project.

Indeed, whilst countries such as Gabon or Equatorial Guinea opted for local operators, the Central African Republic and Congo Brazzaville could soon be targeted by Camtel. With regards to this, it was discovered that negotiations with the Central African Republic have been put on hold due to the political crisis in the country, and that the construction of the road linking Cameroon to Congo (Sangmélima-Ouessou) will bring new fiber optic partnership opportunities for both countries.





# Camtel to increase MTN Cameroon fiber optic capacity

Camtel, Cameroon's state-owned telecom and landline provider, has announced the signing, with MTN

Cameroon, leading mobile telephone operator in the country, of "an agreement to resume partner-

ship between both companies".

In the agreement, Camtel highlights that the agreement "on the one hand, enables a review of debts between Camtel and MTN Cameroon, and more importantly on the other hand, allows Camtel to provide MTN Cameroon with fiber optic capacity to improve the quality of service for its customers".

"Let us not forget that the terms provided for in this agreement allow Camtel to be restored as Cameroon's centralizing telecommunication operator. It has assumed its major role as a State entity in the development of infrastructure and telecommunications services in Cameroon," specifies the Camtel release, reviving the memory of a conflict that has been sustained over the last few years by Orange and MTN in relation to the fiber optic monopoly granted to Camtel.

Indeed, the two operators accused the state-owned firm not only of using prohibitive pricing to limit competitor access to its infrastructure, but also of having technology of questionable quality and limited capacity.



## Exploitation of submarine cables in progress

Cameroon's Posts and Telecommunications Minister, Jean-Pierre Biyiti bi Essam, recently launched a call for expressions of interest, to recruit an expert to draft a document containing the procedures for the exploitation of submarine cables in Cameroon.

With regards to the provision of

these services, the expert will have to "indicate the WACS (West Africa Cable System, implemented by MTN) and other landing stations governance and exploitation mechanisms, prepare a commercial strategy, and define the regulatory framework which guarantees open access".

The deadline for submission of

proposals was on 23 July, at the office in charge of coordinating the Central Africa Backbone (CAB) project, funded by the World Bank and which aims to implement the fiber optic in the six member countries of the Economic and Monetary Community of Central Africa (CEMAC).

# PUBLIC MANAGEMENT

## Cameroon and OECD train senior tax staff in multinationals' tax fraud techniques

*"The exchange of information as an effective means to fight against fraud and international tax evasion: the role of inspectors-auditors".* Cameroonian tax inspectors gathered for a seminar on this theme on 22 July in Yaoundé, the capital-city, under the aegis of the ministry of Finance, technically assisted by the OECD.

The meeting's first aim is to reveal to the tax inspectors-auditors the techniques commonly used by multinationals to evade the tax authorities. Secondly, it is about giving senior staff of the Cameroonian tax administration the tools to

enable them to get the necessary information from the appropriate partners, in order to have a better knowledge of the activities of these malicious taxpayers.

This training course takes place after the adoption by the Cameroonian parliament and the promulgation, between March and April 2015, of a bill authorising the Head of State to have Cameroon adhere to the convention of the Organisation for Economic Co-operation and Development (OECD), on the mutual administrative assistance in tax matters. Defending this bill before the Financial

Commission of Parliament, the Minister of Finance, Alamine Ousmane Mey, explained that *"the requested ratification will enable the enactment of this convention which offers our tax administration the opportunity to improve its skills in collecting tax information, especially when it concerns the Cameroonian subsidiaries of multinationals whose parent company are, for the most part, located in tax jurisdictions already signatories to this convention. This should allow for better tax returns and therefore, significantly more resources for our country"*.

## Cameroonian Prime Minister's visit to China lands two financing agreements worth 94.5 billion FCFA

Invited to China from June 17-21, 2015 by his Chinese counterpart, Li Keqiang, the Cameroonian Prime Minister, Philémon Yang, who also received the Chinese Head of State, Xi Jinping, returned to Cameroon with two financing deals totalling 94.5 billion FCFA for the Cameroonian government.

The first financing arrangement, worth one billion FCFA, is actually a donation that will help to finance feasibility studies on the construction projects for the new National Assembly building as well as hospital renovations. The second financing, totalling 93.5 billion FCFA, will enable Cameroon to build an IT network for Higher Education. In late 2014, China, Cameroon's top lender, which is handling virtually all major infrastructural projects in that country, officially has an investment portfolio estimated at 1.85 trillion FCFA.



## Gemalto to implement new identification security system in Cameroon



Gemalto, French firm specialized in the establishment of security systems and also the leading manufacturer of SIM cards across the globe, signed on 31 of July 2015 a deal with General Delegate for National Security, Martin Mbarga Nguélé, to install a new identification security system in Cameroon.

The new system entails the production of more secured and non-falsifiable documents in the form of national ID cards, resident permits, refugee ID cards, professional cards of General Delegation for National Security staff and cards for retired personnel of the same institution

with the possibility of extending to other administrations.

From this, it is deduced that scope of activities undertaken by the newly appointed French company is broader than that of the previous contracted firm, Thales Security. Indeed, Thales, for 10 years had been in charge of producing secure ID cards and resident permits.

The termination of contract with Thales and the signing of the agreement with Gemalto follow multiple complaints addressed to previous ID cards manufacturer, mainly in relation to corruption and fraud practices, it has been blamed for.

## Despite oil and security crisis, Treasury rakes in 1.2 trillion in earnings in the 1<sup>st</sup> half of 2015



The downturn in global oil prices on the international market and the security challenges at the borders with the Central African Republic and Nigeria, which are slowing the performance of the tax and customs administrations, did not seem to affect the Treasury Department. Indeed, in the first six months of 2015, the government was able to raise 1.2 trillion FCFA in revenue, surpassing initial forecasts by 100 billion FCFA, according to Ministry of Finance statistics. *"Cameroon has the advantage of being a country with a diversified economy. Although oil is a part of our budget, it represents around 20% of our revenue. This allows us to say that, with 80% of revenue from domestic taxes, Cameroon is able to face external issues,"* explained the Cameroonian Finance Minister, Alamine Ousmane Mey, in the margins of the last board meeting of Banque des Etats de l'Afrique centrale (BEAC).

According to government forecasts, Cameroonian oil revenue will decrease this year by around 300 billion FCFA. In order to fill the gap in the State budget, the Finance Ministry announced, at the start of the year, the implementation of a plan to maximise the recovery of tax and customs revenue. This plan is based on the widening of the tax base.

According to recent announcements by the Director General of Taxes, 2,500 taxpayers in 2014, while Cameroon has around 98,000 companies, according to a recent census by the National Institute of Statistics (INS in French).

## Fagace helps to reinforce the competitiveness of Cameroonian SMEs in anticipation of the EPAs

In order to help reduce financing access challenges, which are the main obstacles to the development of SMEs in Cameroon, according to experts, the BMN has established partnerships with the Fagace and the lending company, African Leasing Company.

The government also the Bureau de mise à niveau (BMN) or Upgrading Office, with the EU's support, to reinforce the competitiveness of Cameroonian SMEs in anticipation of the EPAs taking effect between the member States of the

ACP and those of the EU.

In addition, Cameroon now has the Agence de promotion des PME or Agency for the Promotion of SMEs, which aims to transition SMEs from an informal to a formal economy. The Centres de gestion agréés des impôts or Tax Management Centres put in place by the Finance Ministry, where SMEs receive tax advice to better play their part in the development of the Cameroonian economy.



## Cameroon wants to construct three markets at borders with Nigeria and Central Africa Republic



The Cameroonian government has invited bids for the inspection and monitoring of construction works of some markets at its borders. These are the markets of Fotokol, in the extreme North bordering Nigeria, Ekok, in the South-West also bordering Nigeria and Garoua Boulai, located in the Eastern region and sharing a border with the Central Africa Republic.

The three markets come in addition to those of Abang-Minko and Kyé-Ossi, both located in the South region of Cameroon, and which are the main places of commercial transactions with Gabonese and Equatorial Guineans traders.

Other similar projects should follow in the coming years, we learn from a source close to the project. The government wants to capitalise on the geographic location of Cameroon relative to Nigeria, leading economy in Africa, and the member countries of CEMAC and CEEAC, which together represent a market of 300 million consumers.

## BEI to open an office in the Cameroon by end 2015



The European Bank of Investment (BEI) is considering opening branches in four new African countries in order to increase its exposure on a continent where the financial needs of the infrastructure are great, reports the Bloomberg agency on 15 July 2015, quoting a manager of the institution.

*"We will open an office in the Cameroonian capital Yaoundé by end 2015, before getting branches in Côte d'Ivoire, Mozambique and in Zambia in 2016",* declared the vice-president of BEI, Pim van Ballekom. *"Africa is showing a fast growth",* he argued.

Mr Ballekom who was talking in Addis-Abeba, where BEI opened an office on 15<sup>th</sup> July, also indicated that *"the con-*

*tinents has a lot of investment opportunities in the sectors of energy, water, sanitation and agriculture".*

BEI is currently only investing €2.5 billion per year in Africa every year out of a global portfolio of €80 billion. *"We could invest €10 billion per year on this continent, but this will depend on the shareholders",* said Mr Ballekom.

BEI already has offices in South Africa, Egypt, Kenya, Morocco, Tunisia and Senegal.

According to the forecasts of the African Bank of Development (AfBD), Africa should register an economic growth of 5% in 2016, while direct foreign investments would reach US\$ 73.5 billion

## Algerian companies set their sights on Cameroon

Algeria wants to revitalise its economic cooperation with Cameroon, by organising between March and April 2016 in Douala, Algeria Days, we learned on 10 July 2015 during the audience given by the governor of the Region du Littoral to Merzak Bedjaoui, Algerian ambassador in Cameroon.

According to the Algerian diplomat, Cameroon has *"a lot to win from the Algerian expertise in the water, energy,*

*transport, low cost housing, supply in butane gas or public works sectors";* which are all sectors in which the Algerian economic operators want to make proposals to their counterparts and the Cameroonian public authorities.

These Algeria days in Douala should coincide with the opening of air routes linking Alger to Douala and Yaoundé, the two principal cities of Cameroon, announced by Air Algérie.



# AGRIBUSINESS

## Cameroonian cocoa production increases by 9.8% in 2014-2015 to 232,530 tonnes

The 2015-2016 cocoa season opened on 7th July 2015 in Ayos, the breadbasket of the country's Centre region. This launch officially ends the 2014-2015 season, which technically ended on 15th July and appears to have been rather satisfactory.

Indeed, according to the National Cocoa and Coffee Board (ONCC), the production sold in the last cocoa season amounted to 232,530 tonnes, up by 9.8% relative to the 209,905 tonnes produced in 2013-2014.

Out of this total production, 198,129 tonnes of cocoa beans were exported, which is 23,500 tonnes more (+11.8%) than the previous season. As has been the custom, the Netherlands remained the top importer of Cameroon's cocoa, taking in 73.21% against 8.23% and 7.82% respectively for Belgium and Indonesia.

In terms of processing, barely 20% of

local production was ground, which is 32, 143 tonnes in total. Although this activity is primarily dominated by large companies, which processed 32,112 tonnes, the volume of beans ground by smallscale producers has been increasing gradually over the years. En 2014-2015, it reached 31 tonnes, compared to only 11 tonnes in 2013-2014.

Prices for producers also rose. The highest price was around 1,515 FCFA per kilogramme, against 1,275 FCFA the season before. The lowest price was 800 FCFA, which is 50 FCFA higher than in the 2013-2014 season.

Besides processing, which has been stagnant for a number of years, despite the promising start to the season which officially started on 7th August 2015, the quality of Cameroonian cocoa remains troubling. Indeed, once again, over 97% of the cocoa exported in the 2014-2015 season was of second grade quality.

## A digital portal to compare market food prices

The cameroonian Minister of Trade and telecom company Camtel have just signed a partnership agreement to develop the Cameroonian agrofoods portal launched a few months ago by Camtel. Thanks to Camagro, consumers and business will be able to compare food prices on the market in order to make better sales and purchasing decisions.

All of these prices will be made available to the Camtel team in charge of developing the platform by the Ministry of Trade which has a database that is regularly updated thanks to samples made regularly by its service teams across the country.

According to Camtel heads, in areas where there is no internet connection to access the platform, SMS messaging will help to disseminate information on the prices and products available in various Cameroonian markets.

## The volume of loans granted by Cameroonian banks grew by 15% in the first quarter of 2015

In Cameroon, banks are financing more and more businesses. This was revealed in an official release by the National Finance and Monetary Committee which met on 6<sup>th</sup> July 2015, which reveals that *"domestic loans have increased by 15.1%, climbing from 2.017 trillion FCFA in March 2014 to 2.3221 trillion FCFA in March 2015 due to a rise in credits to the economy."*

This investment-friendly context is the result of the repeated lowering of rates

by the Central African States Bank (BEAC in French) to help CEMAC zone banks to refinance and, by extension, to finance the economy at affordable interest rates. Indeed, revealed the BEAC governor, Lucas Abaga Nchama, recently launching construction work to build the Ebébéyén BEAC branch in Equatorial Guinea, noted that *"since January 2010, the rate has gone from 5% to 2.45%, making credit cheaper in the sub-region."*

In addition, the issuing institution is

encouraging more and more banks to choose classification agreements – a mechanism which enables the central bank to limit and control interest rates on some loans granted to businesses. From this point of view, the National Financial and Monetary Committee has announced *"classification agreements issued by the governor and the national director following its April 2, 2015 meeting."*

## Banana stalks soon to be made into products for wall covering and decoration



The consortium of Cameroon-based Eto's Farm and France-based Five & Co plans to build, starting in 2016, a banana stalk processing plant for wall coverings

and interior and exterior decoration as well as motor vehicle dashboards. Representatives of these companies, specifically Vladimir Hayot, Fibe & Co

Co-President and Roger Samuel Eto, Eto's Farm Managing Director, just met the Delegate Minister to the Ministry of Agriculture, Clémentine Ananga Messina, to inform her about the project. The goal of the meeting, Roger Samuel Eto stated, was to ensure *"the lasting production of this useful raw material for our future factories."*

With this factory, the heads of the two companies intend to replicate, in Cameroon, existing models in Europe and Asia. According to Roger Samuel Eto, the future plant should produce *"100,000 m<sup>2</sup> of covering per annum"* for local and African markets, of which a portion will be exclusively delivered to Fibe & Co, which holds a banana stalk processing patent and already has a solid contract within the framework of this project.

## SNV brings cocoa processing to Ayos farmers

SNV, the Dutch development organisation, is currently completing the construction of a building that will house a cocoa processing plant in Ayos, located in the Centre region of Cameroon. The plant will be completed *"in two to three months"*, revealed Maguy Belobo Belibi, Project Manager of Cameroon Cocoa Eco Project at SNV.

Thanks to this project launched in January 2014, Ayos cocoa farmers, who have an association called Cacao+, have been receiving, since last year, support from the SNV with the structuring of their organisation, market access and more.

*"We encourage farmers to engage in processing, not only to access more revenue, but also to consume more cocoa bi-products,"* explains Maguy Belobo Belibi. She explains that the processing plant will only be a part of the Cocoa Business Services Center, that the SNV is currently building in Ayos, which will also have a warehouse and a sola-based drying shed.

A similar structure is currently being completed in Konyé, in the South-East

region of Cameroon where a cocoa processing plant was handed to farmers in

April 2015 for the SNV's Cameroon Cocoa Eco Project.



## FINANCE

## Banking pool conducted by Ecobank lends 25 billion FCFA to Camair



On June 16, 2015, the Cameroonian government and managing directors of Ecobank, Afriland First Bank, United Bank of Africa and Commercial Bank of Cameroon signed a loan agreement totalling 25 billion FCFA to finance Camair Co's relaunch.

Finance Minister Alamine Ousmane Mey stated that the sum represents a part of the national airline's financing needs which are estimated to be 30 billion FCFA.

According to reliable sources, the battle promises to be a fierce one between China's Avic International, which recently delivered aircrafts to Camair Co and Brazilian manufacturer Embraer, which recently sent a delegation to provide assistance to Cameroonian Transportation Minister, Robert Nkili, who was pleased with the Brazilian company's offer.

## Ecobank Cameroon joins MasterCard network



Clients of the Cameroonian subsidiary of the pan-African banking group, Ecobank, will soon enjoy the services of Mastercard, the electronic payment giant, after the signing of an agreement between the credit card company and Ecobank group on June 15, 2015.

The agreement between the two partners provides for the issuance of thousands of credit card machines to major distributors such as supermarkets.

In Cameroon, the Ecobank subsidiary joins other companies such as Afriland First Bank and Banque Atlantique on the Mastercard network. However, these banks also use Visa, Mastercard's competitor.

Ranked the fifth bank in Cameroon, Ecobank Cameroon's 2014 net results reached 6 billion FCFA, which is an increase of 51% relative to 2013 when the bank's net result grew by 154%.

## Afriland First Bank to take equity stake in Afreximbank

Afriland First Bank, bank group with predominantly Cameroonian-held shares, will soon buy into the capital of the African Export-Import Bank (Afreximbank), headquartered in Cairo, Egypt. The information was disclosed by Paul Kammogne Fokam, the founder of the 2nd banking group in Central Africa, behind BGFI. *"For this purpose, one of the African branches of the group will be appointed to act as representative"*, specified Afreximbank in a press release.

Afriland First Bank will thus become the second banking institution of the CEMAC to join the shareholding of Afreximbank, after the Gabonese Bank of Development. The Cameroonian banking group will also join the Togolese, Ghanaian, Beninese and Nigerian branches of Ecobank, as well as the Nigerian Import-Export Bank or First Bank of Nigeria...

Afreximbank is a Pan African financial institution dedicated to financing and promoting trade within and outside

Africa. Founded in October 1993 by African governments, private and African corporate investors, as well as non African investors; Afreximbank now claims about US\$ 35 billion loan facilities granted to companies, of which about US\$4.5 billion for 2014 only.

In order to multiply its interventions in African companies, the General Meeting of this Pan African financial institution approved, in September 2014, a capital increase of US\$500 million.



## Afriland First Bank lands 8.2 billion FCfa from SFI

On 30<sup>th</sup> July 2015 in Douala, Afriland First Bank, the Cameroonian banking sector market leader, signed a financing agreement totalling 15 million dollars, which is around 8.2 billion FCFA, with the World Bank subsidiary specialised in private sector financing.

The Cameroonian banking institution announced in an official release that, essentially, with this financing, *“IFC will provide Afriland First Bank with guarantees for operations associated with commercial trade for improved coverage of the flow of import and export companies by corresponding banks, strengthening their competitiveness internationally.”*

*“I would like to assure you that, with IFC’s support, Afriland First Bank is providing you with new financial instruments to help you face the harsh competitiveness of the international sphere so that you can be on an even playing field with other countries and continents,”* stated Afriland First Bank’s Director and CEO, Alphonse Nafack, speaking to business-  
es and customers of the bank who were invited to the 30th July 2015 ceremony in Douala.

### 538 BILLION FCFA IN LOANS

#### GRANTED UP TO 31<sup>ST</sup> MAY 2015

According to Allen Forlemu, head of the Financial Institutions Department



West and Central Africa within the International Finance Corporation, this financing is being granted within the framework of the Globe Trade Finance Programme implemented by the IFC, which enables *“issuing banks to provide guarantees that will allow more flexibility to import-export companies.”*

This financing agreement with the IFC follows the 17th June 2015 signing in Beijing, China, of a financing agreement between Afriland First Bank and China Development Bank Corporation, worth 26.2 billion FCFA. This financing is in-

tended to assist small and medium enterprises.

On 31<sup>st</sup> May 2015, Afriland First Bank had a network of 38 branches in Cameroon and two in France and China. For the period in question, this banking institution, which has predominantly Cameroonian capital and is present in ten African countries, officially injected 538 billion FCFA in loans into the local economy while its deposits amount to 586 billion FCFA for a total of 758 billion FCFA.

## Banque camerounaise des PME: the first loans will be granted in three months, according to Managing Director

Banque camerounaise des PME (BCPME – The Cameroonian SME Bank), which opened a branch in Yaoundé on July 20, 2015 (the other in Douala will open on August 3) will be taking three months to grant the first loans to customers who will be recruited in the interval, announced Agnès Ndoumbe Mandeng, the Managing Director of Cameroon’s 14<sup>th</sup>

banking in Cameroon.

The opening of BCPME on July 20 incited the interest of SME managers, who came in from the first day to gather information. This interest is the proof of the hope placed in the new bank by SME supporters which currently, *“bear the highest interest rates on the loans granted by the banks in comparison to the*

*rates applied to corporations,”* as reveals a recent report by Cameroon’s loan committee.

Created with a mission to resuscitate SMEs which generally have difficulty accessing financing from traditional banks, BCPME has 10 billion FCFA capital and is fully owned by the Cameroonian government.



## The volume of loans granted by Cameroonian banks grew by 15% in the first quarter of 2015

In Cameroon, banks are financing more and more businesses. This was revealed in an official release by the National Finance and Monetary Committee which met on 6th July 2015, which reveals that *“domestic loans have increased by 15.1%, climbing from 2.017 trillion FCFA in March 2014 to 2.3221 trillion FCFA in March 2015 due to a rise in credits to the economy.”*

This investment-friendly context is the result of the repeated lowering of rates

by the Central African States Bank (BEAC in French) to help CEMAC zone banks to refinance and, by extension, to finance the economy at affordable interest rates. Indeed, revealed the BEAC governor, Lucas Abaga Nchama, recently launching construction work to build the Ebébéyin BEAC branch in Equatorial Guinea, noted that *“since January 2010, the rate has gone from 5% to 2.45%, making credit cheaper in the sub-region.”*

In addition, the issuing institution is

encouraging more and more banks to choose classification agreements – a mechanism which enables the central bank to limit and control interest rates on some loans granted to businesses. From this point of view, the National Financial and Monetary Committee has announced *“classification agreements issued by the governor and the national director following its April 2, 2015 meeting.”*

## Wafa Assurance Vie Cameroun gets approval



Wafa Assurance Vie Cameroun S.A., Cameroonian subsidiary of the Moroccan Wafa Assurance, officially received their approval on 8th July by the Cameroonian ministry of Finance.

The new company which target is to develop the life insurance market in Cameroon by relying on the SCB dis-

tribution network, banking subsidiary of the Attijariwafa Bank group, has already been given the green light by the insurance control regional commission of CIMA (Inter-African Conference of insurance markets).

In addition to Cameroon, Wafa Assurance already has offices in Senegal,

Tunisia, where branches of the parent company Attijariwafa Bank also served as launching pads.

The insurer also introduced in May approval requests to launch two subsidiaries in Côte d'Ivoire: Wafa Assurance Côte d'Ivoire (Non-Life company) and Wafa Assurance Vie Côte d'Ivoire.

## TELECOM

## “Aggressive competition” lowers MTN’s earnings in the first two quarters

South African telecoms group MTN International has just announced its subsidiaries’ results for the first quarter of

2015. They show that its subsidiary in Cameroon did not live up to expectation. Indeed, although Cameroon’s mobile

phone leader expanded its client base, which is now 10.4 million strong, up by 7.3%, the company’s “total income [...] decreased by 0.4%, largely due to the 7.7% reduction in voice call earnings because of a 15.7% downturn in price.”

Among the reasons for this slight loss in earnings, the MTN International group cites “aggressive competition on the market, which is lowering prices”, Nexttel’s 3G exclusivity (which ended on March 31, 2015) and investments made to be accommodate 3G technology.

Although the company’s overall revenue declined due to lower call rates, the group notes that its data earnings in Cameroon have substantially increased. In this area, there has been 45.7% growth, which enabled data service to make up 11.5% of MTN Cameroon’s earnings in the first quarter of 2015.

This increase in data revenue, highlights MTN, is due to various 3G promotions launched, particularly online, digital services and MTN Mobile Money, which has 1.7 million users in late June 2015.



## More than 200 billion FCFA invested by Nexttel in Cameroon to build its network

Vietnamese telecoms company Viettel, now operating under the brand Nexttel, has invested more than 200 billion CFA francs in expanding its network throughout Cameroon. This network presently comprises 1,200 BTS and 1,600 sites. It also covers all the country’s regions and has 95% of its population as subscribers.

This was disclosed through an official release by the Vietnamese giant that equally announced the appointment of Joel Awono-Ndjodo as new head of

sales and marketing. With 16 years of experience, of which 11 passed in the telecom industry, the 39 year Cameroonian will be in charge of “the sales and marketing strategy, promoting the brand, the production of viable income, the development of market units and communication’s reform.”

It is quite a daunting task for the newly appointed manager. Much more since the company, despite its status as first holder of 3G licence in Cameroon, struggles against rivals MTN and Or-

ange, who have also recently adopted 3G but preceded Vietnam’s Kong by 14 years.

In May 2015, Nexttel, which got its licence in 2012 and started operations in September 2014, had about 2 million subscribers. Impressive but palling when compared to MTN Cameroon’s incredible 10.1 million subscribers in the late 2014 or Orange Cameroon’s 6.2 million subscribers.

## Cameroon to set-up mobile-based staple food price gathering and broadcast system

The Cameroonian government, through the Ministry of Agriculture and the Ministry of Livestock, Fisheries and Animal Industries, has just launched, with the support of the National Institute of Statistics (INS in French), a project which will be completed by October 2015. It involves the implementation of an electronic system that enables the collection and broadcast of staple food prices via smartphone. In Cameroon, the project aims to reduce price instability on the country's markets, by giving households and farmers real time information that will help them to make better purchasing and sale decisions. This type of information system already exists in the cocoa and coffee sectors in Cameroon, and helps stakeholders to receive, each day, SMS messages with the FOB and CAF prices of these products. According to the cocoa-coffee organisation, the Sector Information System (SIF in French), has strengthened farmers' negotiation capacity with buyers, leading to better remuneration for their hard work.



## Cameroon loses several billion FCFA each year to Sim Box fraud

Andy Gent has made it clear. On August 12 and 13, 2015, the Chairman of Revector, the world leader in gsm fraud protection, made a thousand test calls to Cameroon. *"Seven hundred calls were made with Orange and MTN sim cards. Sixty-five percent of these calls were illegal,"* stated the firm in the private Cameroonian daily paper, Mutations, which was reporting its conclusions on a forum on Sim (Sim Box) fraud, recently held in Yaoundé by Muna Governance and Economics Forum (MUGEf). According to explanations by Akéré Muna, the renowned Cameroonian lawyer, *"the Sim Box contains several Sim cards and can make calls originating from abroad appear to be made in Cameroon."* He goes on to say that the person who fraudulently uses the card

can avoid international billing and relevant taxes which results in losses in the billions of FCFA for companies and the government. Andy Gent revealed an example from 2013 when *"losses amounted to 2.63 billion dollars (over 1 trillion FCFA) worldwide"*.

Apart from these significant financial losses, sim box fraud often contributes to the congestion, poor sound quality, dropped calls and call connection delays experienced on the network. Facing this worrying situation, Postal Services and Telecommunications Minister Jean-Pierre Biyiti bi Essam assured that the government is currently looking at technical solutions to prevent these incidents of fraud.

At MTN and Orange Cameroon telecom companies, representatives at the

anti-sim box fraud forum indicated there is an "all hands on deck" approach to the fight against fraudulent callers.





## ENERGY

## Investment needs in electricity reach 37 trillion FCFA over ten years

In order to get out of the energy deficit, which contributes to the country losing a half-point of economic growth each year, Cameroon will invest 37 trillion FCFA in the electricity sector over the next ten years, revealed Joël Nana Kontchou on 26<sup>th</sup> June 2015 in Douala. The Managing Director of Eneo, Cameroon's public electricity company, was invited to present the challenges accessing electricity in the country at the opening of the GICAM universities.

According to the Eneo Managing Director, out of the total, 25 trillion FCFA will be invested in the construction of production infrastructure, "to have 3,000 MW of power by 2025," compared to the current 1200 MW. The transportation needs approximately 700 billion FCFA in investment. "These sums will be added to Eneo's 477 billion," as forecast in the ten-year investment plan of the British investment fund, Actis, highlighted Joël Nana Kontchou.

He went on to say that, by 2025, Cameroon will be able to "aim for a 75% cov-



erage rate (against barely 50% currently in the urban zones and a lot less in the rural zones) with an over 85% reduction in power outages," and thus go "from loathed debausting to the status of elec-

tricity exporter to Central Africa. Eneo is resolutely committed to playing its part. Other actors must assume their share of the responsibility."

## Platinum Power to build 400 MW hydroelectric power plant in Cameroon

The Cameroonian government and the Moroccan company Platinum Power entered into a framework-agreement on 1<sup>st</sup> July 2015 in Yaoundé for the development, funding, construction and operation of the Makay hydroelectric complex, as well as the associated electricity transfer facilities. The agreement, signed by Omar Belmamoun, Platinum Power's CEO and Basile Atangana Kouina, Cameroonian minister for energy and water.

The Makay hydroelectric power plant, located in the Central region of Cameroon, specifically in the Nyong-Ekellé department, will have a production capacity of 400MW. This power plant, which cost remains undisclosed, will be in operation by end 2020, according to official forecasts.

This new plant, which will help increase the electrical capacity of the country by 30% (1200MW), according to Platinum Power will generate "over 1600GWh/

year, which will translate into access to electricity for an additional 6million individuals".

Incorporated in Morocco and with its shareholding held by the American investment fund Brookstone Partners based in New York, Platinum Power has representations in Morocco, Ivory Coast, Cameroon and Senegal with, we learn, "hydroelectric, wind and solar power of about 1000MW in the pipeline".

## Tower Resources gets 100% shares in the PSC on Thali block

The oil and gas company Tower Resources Plc is getting ready to sign a Production Sharing Agreement (PSC) in which it will hold 100% shares in the Thali block, in the Rio Del Rey basin in the Niger Delta oil sub-basin in the Cameroon Offshore.

The oil company, listed in London, announced on 15th July the imminence of the signing of this agreement which has been approved by the Cameroonian government.

The block is located in shallow waters and comprises oil and gas discoveries, in addition to a number of identified exploration opportunities.

An exploration program is planned for the next three years and includes the acquisition of 3D seismic data in 2016 and exploration well drilling commitments in 2017 and 2018.

Tower Resources will invest about US\$ 5.4 million in the exploration works and has, in this way, proceeded to raise US\$

8 million through the equity offering of 2.904 billion ordinary shares at a price of 0.19 pence, which trade will start on 20<sup>th</sup> July.

The funds raised will also be used to finance the exploration works on blocks 40 and 41 covering 6,000 km<sup>2</sup> in the unexplored basin of Moyen-Zambesi in Zambia and in Namibia.

Tower Resources owns, in Africa, shares in gas and oil assets in Cameroon, Zambia, Madagascar, Namibia and Kenya.

## Bowleven discovers hydrocarbons interval with Zingana well



Bowleven Plc, a British oil and gas company with an exploration drilling permit on Bomo on onshore Cameroon, has drilled a hydrocarbon interval with the Zingana well within the permit area located in the Douala basin in Cameroon.

This first exploration well, drilled in the permit zone 20 km North-West of Douala, reached a total depth of 1720 m. The oil and gas company based in Edinburgh announced on 24 July that hydrocarbons were encountered in the prognosed Paleocene aged reservoir interval.

*"We are encouraged by the well results to date at Zingana"*, said Kevin Hart, chief executive of Bowleven, adding that the evaluation of log and well data at Zingana is continuing.

Based on this success, the oil and gas company listed in London has moved the drilling rig to the site of the second well, Moambe well, located just two kilometres east of Zingana, the first well in a two-well exploration program.

Bowleven Plc has 100% ownership and operation of Bomo permit, incorporating two blocs that cover an area of 2328 km<sup>2</sup>, and obtained in 2014, a one-year extension of this licence which expires on 2 December 2015.

## Victoria Oil & Gas gets 178% boost in its production



Victoria Oil & Gas Plc (VOG), full owner of Gaz du Cameroun, ended its 2Q in 2015 last 30 June with an average daily production of 12.6mmscf/d, which equals to a 178% increase in gas production compared to the Q1.

During Q2 the company received \$9.8m (around FCfa4.9 billion) cash for 1, 120.09 mmscf and 13,445.1 bbls gas and condensate sold respectively, compared to 404.51 mmscf and 6,345.2 bbls for the previous quarter.

The performance revealed in an update dated 23 July 2015, was marked by a maximal production of 16.9mmscf/d, with an average 5 day working week output of 13.1mmscf/d.

VOG chairman, Kevin Foo said: *"Victoria Oil & Gas continues to make excellent operational and financial progress, welcoming not only the 178% trimestral increase in production, but equally the cash received from sales which is four times that of Q2 2014."*

Mr. Foo adds that the company, which is number one in the Oil and Gas industry in Cameroon, now has the financial strength to pursue the next phase of its growth which is to increase gas production to meet the massive customer demands.

## In Cameroun, the domestic gas subsidy cost 28 billion FCFA in 2014



Domestic gas consumption in Cameroon grew by 14% in 2014, according to figures just released by the Hydrocarbon Fuel Price Stabilisation Fund (CSPH in French). The regulatory body highlights that the increase in national consumption which led to “28.3 billion FCFA in financial support”.

The CSPH notes that the sum represents “67.63% of the fees on the organisation’s ordinary activities.” Over 80% of domestic gas consumed in Cameroon is imported as the only refinery, Sonara, focuses more on oil, diesel and kerosene oil production.

To reduce volume without increasing the need for domestic gas subsidies in Cameroon, the government increased the price per 12 kg cylinder in mid-2014, raising it from 6,000 to 6,500 FCFA. This is the first increase since 2006.

## Flatbush Solar wins central solar plant construction project in Cameroon



An independent energy producer and based in the United States, Flatbush Solar has just been selected as the winner of a renewable energy competition held by Access Infra Africa. Flatbush Solar won thanks to its presentation of a construction project of a 20 MW photovoltaic solar plant in Cameroon. The winner will share a sum of 5 million dollars (around 2.5 billion FCFA) with Quaint Solar Energy, the other winner of the renewable energy competition, which presented a construction project for a 50 MW solar plant in Nigeria.

In addition to this financing to develop their projects, the two winners will receive technical support during the implementation of the two projects, which beat out 53 other projects submitted by 18 African countries.

## 164 biodigestors for biogas production in Adamaoua

Between 2013 and 2015, SNV, a Dutch cooperation institution, built 164 biodigestors allowing households in up-country areas in Adamaoua (Northern Cameroon) to produce biogas from cow dung. These investments were made as part of the project “Domestic biogas in Cameroon”, supported by the ministry of Energy and Water, we learn from official sources.

This project completed on 30<sup>th</sup> June

2013 made it possible to train 57 technicians in the use of biodigestors and involved 30,000 people in 200 villages in the Adamaoua region.

The positive fallouts of this project are such that, Fidèle Yobo, representative of SNV Cameroon claims “*the Cameroonian government would gain a lot in seriously taking into consideration the popularization of biogas in its green energies policy*”.

Production of biogas remains indeed in its infancy in Cameroon. Apart from the above mentioned project, only Hygiène et salubrité du Cameroun (Hysacam), a company managing refuse collection contracts in the country, currently invests in biogas production initiatives thanks to the construction, in Douala and Yaoundé, of two catchment plants set near its landfill sites.



## INDUSTRY

## Sodecoton offers one billion FCFA in contracts to three Cameroonian insurance companies

Three insurance companies have just been announced as recipients of a contract for general insurance contract subscription to Société de développement du Coton (Sodecoton), for 2015, 2016 et 2017, announced the government in an official release.

Over 50% of the total value of a one billion FCFA contract (577.5 million FCFA) has

been copped by the Cameroonian subsidiary of the Saham group. Activa assurances landed 262.5 billion FCFA, against 210 millions FCFA for Zenith Assurances.

The former leader of the Cameroonian insurance market but embroiled in internal leadership squabbles, Chanas Assurances failed along with other bidders such as Nsia, Saar, and Area.

## Guinness Cameroon's need in local raw materials to increase fivefold by 2018

Guinness Cameroon, local subsidiary of the British food processing firm Diageo, which used 2,700 metric tons of local raw materials in 2014, for the production of its alcoholic and non-alcoholic beverages (Guinness, Guinness Smooth, Malta Guinness, Satzenbrau, and Harp), will see its needs in local produce increase fivefold to reach 17,000 metric tons in 2018, a jump of over 600% compared to its current needs.

This information revealed by Christian Pouth, Corporate Relations Director at Diageo for Central and West Africa, is great news for the country's producers of sorghum, maize and cassava, the main local raw materials listed by Guinness in Cameroon. In view of this substantial increase in local produce, Mr Pouth continued, *"the installation work for a industrial cooking tank are currently ongoing at our factory, with the goal of promoting a more important use of local materials such as sorghum, maize and cassava"*.

With this in mind, we recall that Guinness Cameroon was the very first food

processing company to sign with the Cameroonian government, on 17<sup>th</sup> December 2013 in Yaoundé, a partnership agreement within the framework of PIDMA (Investment and Development of agricultural markets project). The target of this 5-year project funded to the tune of FCfa50 billion by the World Bank, is to boost local production of cassava, sorghum and maize in order to supply the food processing industries of the country, like the brewing industry.

While waiting for the beneficial effects of PIDMA that was launched this year, Guinness Cameroon which has already invested about FCfa3 billion in a sorghum production project in northern Cameroon has bought about FCfa1.5 billion worth of local raw materials since 2009, stressed Christian Pouth. *"Our ambition is to get supplied principally in local raw materials by 2018. Our global investment, by that time, would be in excess of FCfa2 billion in order to provide ourselves with the human and technological resources necessary to the success of this project"*.

## Camfood enters Cameroon's dairy market



ith an initial capital of 50 million FCFA and led by Elsayehly Nesrallah, Camfood made its dairy market debut in Douala in March 2015.

Apart from the production, sale and distribution of dairy products, Camfood will also be developing its activities in the production and sale of carbonated beverages, natural juices and mineral water.

Cameroon's dairy market seems to be attracting more and more investors. Simco plans to invest one billion FCFA to create a dairy production plant. But, for the time being, the market is largely dominated by Camlait, which has just increased its capital to 3.3 billion FCFA.

## Super U supermarket chain lands in Cameroon



Luc Magloire Mbarga Atangana, the Cameroonian minister of Trade, officially opened the first hypermarket of the French group Super U, launched by the Mercure International group, headed by Adnan Houdrouge, also owner of the Casino supermarkets, in Douala the economic capital on 30 June 2015. This hypermarket, which opened for business in early May and for an undisclosed investment amount, is the successful realization of an ambition dating back to 2006 of Super U's sponsor. Confirming this, Minister Mbarga Atangana revealed that, *"during a previous visit to Cameroon in 2006, Mr Houdrouge requested the support of the public authorities to build a shopping centre more ambitious than the Casino stores in Yaoundé"*. However it was finally in Douala that the project was undertaken, though the Mercure International still retains its wish to open a store in the Cameroonian capital. *"I take note of the Mercure International group wish to open another shopping centre in Yaoundé"*, the minister announced on 30 June.

Recalling a directive from the Cameroon Head of state, who recently urged Cameroonians to consume what they produce and produce what they consume, Minister Mbarga Atangana expressed his wish that *"Ngoulémakong's cassava, plantain from Njombe, Mbe's yam, Ngaoundal's beef, Youpé's fish, Kribi's shrimp"* be found *"at the appropriate place on the shelves (of the Douala Super U hypermarket), just like the imported manufactured products"*.

The minister also suggested to the managers of the new hypermarket *"to increase the number of sales promotions to make them real discount stores, drivers for a democratic consumer society, lifestyle centres, that I like to think of as places full of conviviality, promoting intermingling and fraternization, where all the services consumers may need in their everyday life would be grouped"*.

## Cameroon wants to produce avocado oil in Mbouda



The Cameroonian government has just launched an invitation for tenders to recruit a manager for the avocado oil extraction plant project in the town of Mbouda, in the Western region of the country. This agro-industrial project is implemented as part of the "basic poverty reduction sub-program", established by the ministry of Economy with the support of the PNUD.

The agro-industrial unit in development, according to the ministry of Economy, will enable *"the development of the local economy and to help the populations of the town of Mbouda to make the most of the potential of their town"*. Indeed, Mbouda is the capital of the Bamboutos department, the principal avocado production basin in Cameroon, with about 120,000 metric tons every year, according to the statistics of the ministry of agriculture.

This production, which should considerably increase in the years to come, with the ongoing introduction to the orchard of grafted seedlings with higher yields, is usually sold in the big cities of the country Douala and Yaoundé. A substantial part of this production, we learn from the departmental delegation of agriculture, is even sold to neighbouring countries such as Gabon, Nigeria and Equatorial Guinea.

Due to the perishable nature of this fruit, about 30% of the avocado production in the Bamboutos is sometimes lost after the harvest, the Agriculture departmental delegation notes. The latter unit already dreams of seeing this losses disappear thanks to the implantation of this processing unit, which would thus offer producers a new outlet located not far from the farms.

At the moment in Cameroon, avocado is essentially used for food consumption needs. However, experts have found virtues for the avocado in the manufacture of hair treatment products, even skin treatment products. So many opportunities which could be facilitated by the construction of the avocado oil extraction unit announced in the city of Mbouda.

## MINING

## Sundance extends Mbalam iron agreement to 2017

Sundance Resources Ltd, an Australian mining company listed on ASX, announced the signing of a provisional agreement on 30<sup>th</sup> June with the Cameroonian government relating to the mining of the large Mbalam-Nabeba iron project, located astride Cameroon and Congo.

All conditions precedent are today satisfied and the provisional agreement is therefore unconditional, said the Aus-

tralian company on 7<sup>th</sup> July. Sundance Resources Ltd declared, as a result, the deferment of the long stop date of the agreement on the Mbalam deposit and the extension of its EP92 exploration licence till 24 July 2017.

A week ago, Giulio Casello, CEO for Sundance, explained that the signing of the provisional agreement will allow the company to focus on the financing, construction and development of the

Mbarga and Nabeba mines.

The large project covers a total area of 1740 km<sup>2</sup> and is concerned with the development in two phases of the Mbalam and Nabeba deposits, respectively in Cameroon and Congo. Sundance Resources Ltd expects in the first phase, a yearly production of 35 million metric tons of direct shipping ore over 12 years.

## Nigerian billionaire Aliko Dangote announces the construction of a second cement factory in Cameroon



Before the end of 2015, the Dangote group, owned by the Nigerian billionaire Aliko Dangote, will start building his second cement factory in Cameroon after the one built in Douala (economic capital), with a production capacity of 1.5 million tonnes and launched a few months ago.

Africa's wealthiest man informed Cameroonian Prime Minister Philémon Yang, who met with him on July 2,

2015 in Yaoundé, according to reliable sources. The Dangote group's second cement factory in Cameroon, which will take 20 months to build, will cost 88 billion FCFA and is expected to have the same capacity as the factory in Douala. The fifth cement factory in Cameroon after the Lafarge group's Cimencam, the Addoha group's Cimag, the Dangote cement factory in Douala and the Turkish group, Eren Holdings', respec-

tively based in France, Morocco, Cameroon and Turkey, will be built by the Chinese company Sinoma, in order to "anticipate a new increase in the demand for cement in Cameroon and Central Africa," for major infrastructural projects underway in that part of Africa, stated Aliko Dangote. In addition to cement, the Nigerian magnate also revealed his increasing interest in sugar and rice for Cameroon's hydrocarbon fuel sectors.



**Leader of the month**

# Cameroonian Ferdinand Mouko lands post of Danone Country Manager for Côte d'Ivoire



**For some months now, he has been heading Danone's biggest subsidiary in sub-saharan Africa.**

Mr. Mouko will be directing Danone's largest subsidiary in Sub-Saharan Africa.

The world leader in dairy products has just propelled Cameroonian Ferdinand Mouko to the post of Country Manager for Cote d'Ivoire. A graduate of the Ecole supérieure des sciences économiques et commerciales (Essec) in Douala, Mr. Mouko will be directing Danone's largest subsidiary in Sub-Saharan Africa.

Before this appointment, Ferdinand Mouko was Danone Country Manager for Cameroon, his home country, where he held this post starting in 2010. Before joining the Danone group, the holder of an MBA with concentrations in business, management, marketing and related support services worked for over three years as a Brand Manager for Nescafé for Central and West Africa.

Danone is an agri-food firm operating in over 140 countries with a 21 billion euros (about 14,000 billion FCA) turnover.

Between 2008 and 2010, he was Sales Director and Tropical Cluster Expert with Nestlé Cameroon before rising to the position of Country Manager for the local subsidiary of the global dairy giant.

Back to Abidjan, capital city of Côte-d'Ivoire, Ferdinand Mouko will join his fellow countryman, Freddy Tchala, who has just been appointed Managing Director of MTN, which, by the way, is the country's telecoms leader.

World's number 2 in infant nutrition and waters, Danone is an agri-food firm operating in over 140 countries. With a 21 billion euros (about 14,000 billion FCA) turnover and having around 100,000 employees, the company is connected to about 900,000 million users. This multinational company was born, in December 1972, from a merger between BSN and Gervais Danone.

**BRM**



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