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BUSINESS IN CAMEROON

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Focus on 2016 & 2019 AfCON sports infrastructure

Bocom group announces steel production complex in Fifinda

300 MW of solar power in the near future, thanks to Arborescence Capital and Générale du Solaire


BUSINESS IN CAMEROON

Yasmine Bahri-Domon

2016, year of growth and hope

While the economic indicators of several countries are in the red, Cameroon can boast of continuing to ensure and assume its good economic performance through controlled inflation at 3% and growth which moved from 4.8% in 2015 to 6% scheduled for 2016. This represents an increase of 1.2% in only 12 months... Let us be honest, few countries have achieved such good economic results, as certified by Christine Lagarde, Managing Director of the IMF (International Monetary Fund) whose recent work visit in Yaoundé and Douala, from 7 to 9 January 2016, is an acknowledgment of the economic effort made by Cameroon. Is it utopian to think that Cameroon is doing well and will do even better in 2016?

The answer to this question is in the effective implementation of developmental projects. We can list some of them: the deep water port of Kribi with 92% of the structural work completed. 82% of the works on the hydro-electric dams at Lom Pangar have been completed. Starting from March 2016, this reservoir-dam will start stocking a volume of 3 billion cubic metres of water to enable, in the end, control of 40% of the flow of the Sanaga river bed in order to increase electrical power production by an average of 80 to 100 MW. 70% of the works on the Mekin dam have been completed and the project should be delivered in May 2016. At the beginning of February 2016, 70% of the work on the Menve'ele dam have been completed, with a delivery scheduled for 2017. Other dams have been planned, with the most pressing one on the Nachtigal falls, which should generate 420 megawatts of electricity and provide an additional 300,000 m^3 of potable water/day to meet the city of Yaoundé's water requirement. This dam valued at FCfa 656 billion has already interested EDF (Electricité de France), in addition to the International Finance Corporation (IFC) and Rio Tinto Alcan (RTA).

This first edition of the magazine *Business in Cameroon* in 2016 has several columns on the sports infrastructure dedicated to the Africa Cup of Nations being organised this year and in the coming three years by Cameroon. French, Italian and Chinese investors are grabbing the contracts, together with Cameroonian economic operators. In the meantime, Moroccan companies are warming up, getting ready to move into the tactical game of infrastructure....

Overall, these developmental projects are part of the DSCE plan, considered as the framework guiding the economic choices of Cameroon in Major Achievements, of which youth employment remains a critical issue. Starting from 2016, the national action plan for youth employment which is equivalent to FCfa 135 billion in investments, should generate 380,000 jobs by 2020... As can be seen, the CEMAC engine is on the path to emergence. The country owes its salvation to the multiple reforms which led to the diversification of the sources of its tax and customs revenues. The current challenge is to increase agricultural production, mechanise it, increase growth, improve the business environment, diversify partnerships and provide a better welcome to foreign investors.
This new year is an essential turning point toward economic growth and the emergence of Cameroon by 2035.

Happy New Year 2016!

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BUSINESS IN CAMEROON

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THE CAST

KATE FOTSO

Telcar Cocoa, a local trading company, subsidiary of the international firm Cargill, increased its capital, from FCfa 300 million to FCfa 1.4 billion, we learned in a legal notice published on 22 December 2015. Though the mechanism used for this capital increase was not revealed, the operation would enable Telcar Cocoa to solidify its leadership in terms of export of Cameroonian cocoa and promotion of certified cocoa production in the country.
Telcar Cocoa is managed by Kate Fotso, who was the star of the last International Festival of Cameroonian Cocoa (Festicacao), organised from 3 to 5 December 2015 in Yaoundé, and which theme was "*the Cameroonian woman in the cocoa sector*", a way of honouring women who excel in this sector dominated by men.

PAULE AVOMO ASSOUMOU

On 30 December 2015, a brief Board meeting of about 15 minutes, put an end to the tenure of more than 5 years of Pierre Tankam as Head of the Cameroon Civil Aviation Authority (CCAA). He was immediately replaced by Paule Avomo Assoumou, a general Civil Aviation engineer of 49 years, who was until then Director of Aviation Security within the same authority.
From converging and reliable sources, Pierre Tankam's dismissal follows his continued refusal to issue certificates for two Chinese MA 60 aircraft purchased by the State of Cameroon for Camair Co, the public airline. These planes were officially received by the Cameroonian State on 1 April 2015.

CHUKS UGHA

Since 1 December 2015, the new Managing Director of Standard Chartered Bank Cameroun is Chuks Ugha, whose choice was validated by the regulatory authorities of the banking sector of the CEMAC area, we learned in an official communiqué published on 24 December 2015 by this credit establishment.

Chuks Ugha, who has over 24 years of experience in the banking industry replaces Cameroonian Mathieu Mandeng, transferred to the Head Office of the Mauritian subsidiary of Standard Chartered Bank. The new MD knows well the institution he now leads. Indeed, before his promotion as MD, Chuks Ugha was Corporate and Institutional Clients Manager at Standard Chartered Bank Cameroun.

EDWIN FONGOD NUVAGA

Since 21 December 2015, the managing director of the Cameroonian Customs is Edwin Fongod Nuvaga. Following a presidential decree signed on the same day, he replaces at this strategic position Mrs Linette Libom Li Likeng, promoted Minister of Posts and Telecoms on 2 October 2015. Edwin Fongod knows this structure well. Before his promotion, this customs inspector was already Head of the IT Division at the Customs Head Office.

Well into his fifties, Edwin Fongod is presented as a first cousin of the current Cameroonian Prime Minister, Philémon Yang. The newly promoted MD will have to meet the challenge of keeping the trend of constantly increasing customs revenues as noted since the appointment to this office of his predecessor.

DIEUDONNÉ MASSI GAMS

The National Anti-Corruption Commission of Cameroon (Conac in French) just released its activities report for 2013. According to Dieudonné Massi Gams, the man chairing this institution in charge of battling corruption in the country, "*2013 saw the evolution and sophistication of corruption techniques*", he declared.

No sector was spared, the President of Conac stressed. Before listing in no particular order corruption acts which have plagued the economic activity in the country this year: the production of fake payslips, paying for the issuance of payslips, government workers overstating salaries and pensions, the issuance of fake driving licences, overbilling services, etc.

ALPHONSE NAFACK

Alphonse Nafack, Managing Director of Afriland First Bank, is the new President of the Professional Association of Credit Establishments of Cameroon (Apeccam), we learned in an official communiqué signed by the General Secretary of this association, Benedict Belibi.

He officially assumed office on 1 December 2015, the communiqué specified. The Afriland MD thus succeeds to Mathieu Mandeng, ex-MD of Standard Chartered Bank Cameroun, recently appointed to Mauritius, who had been elected as head of Apeccam for the first time in June 2012. During his term, Alphonse Nafack will be assisted by Jean Paul Missi, MD of Crédit Foncier du Cameroun, the housing bank; and Eric Leclerc, MD of Alios Finances, respectively 1st and 2nd Vice-President of Apeccam.

Christine Lagarde urges Cameroon to multiply its investments in infrastructure

Visiting Cameroon from 7 to 9 January 2016, the Managing Director of the IMF, Christine Lagarde, urged the Cameroonian government to multiply investments in infrastructure. "*It is extremely important to put in place policies to better resist shocks and favour infrastructure spending, whose implementation will contribute most to economic growth and job creation, while avoiding debt increasing too quickly*", she advised.

However, if the MD of the IMF acknowledges that the country "*is posting very good results, with an economic growth of almost 6% over the past 2 years*", thanks in part to "*a good resilience against this double shock (oil prices and Boko Haram, Ed.), also under the effect of an important increase in oil production and a new increase in public investment*"; Christine Lagarde denounced "*structural*

competitiveness problems" noted in the country.

These include, she specified, "*a business environment not conducive to private investment and the absence of progress in terms of regional integration*", which "*could continue to hinder the development of the private sector, leading to a middle term growth rate of about 5% only*".

After the meeting and the State dinner organised in her honour by the Cameroonian presidential couple on 7 January, the MD of the IMF continued her Cameroon visit the following day with a roundtable with the Ministers of Finance and Economy of the CEMAC area, a meeting with the BEAC governor, and a press conference. On 9 January, before leaving Cameroon, Christine Lagarde met with economic operators and members of the Cameroonian civil society in Douala, the economic capital of the country.

Christine Lagarde advised CEMAC to strengthen its sub-regional integration and improve the business climate.

"CEMAC must stop discretionary tax exemptions"

For the Managing Director of the International Monetary Fund, discretionary tax exemptions applied within the area (CEMAC) affect the global revenues of the States and weaken governance. Internal fundraising must also take into account important questions on international tax laws which have an effect on tax revenues linked to mining industries.

"*These considerations could be particularly relevant for countries rich in natural resources, as is the case for some countries of the CEMAC zone, in order to avoid the erosion of the tax base and transfer of profits*", she recalled, clarifying that the sub-region must continue to raise non-oil funds and bring them to the level of community criteria of 17% as against 13% currently.

Finally she advised CEMAC to strengthen its sub-regional integration and improve the business climate. In the Doing Business ranking issued by the World Bank which assesses reforms on in-country business environment, it appears that, within the Community, companies must spend on average 572 hours to take care of their tax obligations, against 304 hours in other African countries. Also, it takes 40 days for customs clearance on exports and 50 days for imports.

After this roundtable, Mrs Lagarde had a meeting with the governor of the BEAC. Her visit ended on 9 January 2016 with a press conference.

As a reminder, the IMF boss was in Nigeria on 4 January, a country where she also started her official visit on the continent. The Nigerian stopover provided Christine Lagarde with the opportunity to strengthen the partnership linking her institution to the largest African economy. In Abuja, like in Cameroon, she met the Head of State, Muhammadu Buhari, but also parliamentarians, business heads, women leaders and representatives of the civil society.

Within the CEMAC, companies must spend on average 572 hours to take care of their tax obligations, against 304 hours in other African countries.

AfCON 2016 and 2019: the roundup of sports infrastructure

Since 1972, the year when Cameroon organised the Africa Cup of Nations (AfCON) for the first and last time, a football competition that the country has already won four times, no major stadium has been constructed in the country.

The stadiums Ahmadou Ahidjo of Yaoundé and Reunification of Douala have only survived since that period with repairs often following threats of suspension from the highest football body FIFA, whose experts have several times criticised the poor condition of the above-mentioned sports infrastructure.

One had to wait till the beginning of 2010 to see the Cameroonian government tackle the question of sports infrastructure, with the establishment of the Programme to develop sports infrastructure (PNDIS). This programme aims to construct football stadiums in the 10 regions of the country.

It is certainly to fulfil this ambition that Cameroon bid for the organisation of the 2016 Africa Women Cup of Nations and 2019 AfCON. Nine months away from the women's competition that the country will host from November 2016 in the cities of Yaoundé and Limbé, the map of sports infrastructure is looking rather good.

If in Yaoundé, rehabilitation of existing stadiums has been favoured, in Limbé, a brand new stadium has already been built. At the same time, the town of Buéa, regional capital of the South-West located at a stone's throw from Limbé, benefits from a complete makeover of certain accommodation facilities, for the 2016 Africa Women Cup of Nations which should have a tourist impact.

But, the biggest investment is reserved for the organisation of the AfCON competition that the country will host in 2019. Three years from the date, there is already a fuss about the sites chosen for the construction of two major stadiums in Yaoundé and Douala, the country's two capitals. At Bafoussam, in the Western region the new stadium is already completed.

The only unknown at this time is the state of progress of the Garoua stadium construction project, in the Northern part of Cameroon, so that the greatest football competition on the African continent has a truly national aspect.

Brice R. Mbodiam

2016 Africa Women Cup of Nations: victory of national bias on associated infrastructure

The Cameroonian government awarded, in October 2015, contracts totalling a little more than FCfa 24 billion to rehabilitate and develop sports infrastructure. This is in the run-up to the organisation, from the month of November 2016, of the Africa Women Cup of Nations, which will be played in the towns of Yaoundé, in the Central region and Limbé, in the South-West region.

Analysing the official government communiqué awarding these contracts, the Cameroonian civil engineering companies won the lion's share in the first procurement, with more than FCfa 17 billion under their umbrella, being about 70% of the total envelope of contracts awarded by the government.

In detail, Cameroonian companies MAG Sarl, Buns and the Group Croisière BTP-Roud'Af, will build the access and bypass roads of the Limbé multi-purpose sports stadium (South-West region), respectively for FCfa 3.8 billion, a little more than 7.6 billion and 5.4 billion, the Ministry of Public Procurement announced in an official communiqué.

Equipment: more than FCfa 10 billion picked up by French, Italian and above all Chinese companies

Aside from the construction of access and bypass roads, the Cameroonian government has also awarded contracts for a little over FCfa 10 billion, to provide equipment and rehabilitate the football pitches in the stadiums which will host the Africa Women Cup of Nations in 2016.
In the multi-purpose Ahmadou Ahidjo stadium of Yaoundé, the capital, the French company Alcor Equipements, specialists in modular and movable stands, will equip for example the terraces with seating, for a total amount of FCfa 3.07 billion.
At the same time, together with the Cameroonian service company with which it has formed a consortium, the Italian company by name of Impressa Sartori, won a contract of more than FCfa 548 million for the work to equip the multi-purpose Limbé stadium.
The rest of the contracts for equipment have been picked up by Chinese companies for more than FCfa 7 billion. For example, China Shanxi Construction Engineering, the company to which the Cameroonian government awarded a contract of FCfa 1.2 billion to rehabilitate the pitch and the athletics track at the Omnisports stadium Ahmadou Ahidjo of Yaoundé.
The training grounds which adjoin the famous stadium of the Cameroonian capital will also be rehabilitated for a total sum of FCfa 3.2 billion. This contract has been awarded to the Chinese company Sinohydro.
The contract for the fittings of the stands in the stadium adjoining Limbé in the South-West, was attributed to the Chinese company Tianyuan Construction, we learn officially. The delivery will total a sum of FCfa 1.7 billion. All these contracts should be carried out within a period of 8 months, according to a government timeline.

Louis Berger to monitor works at the military stadium and adjoining Omnisport stadium

French company Louis Berger announced in a communiqué published on 26 October 2015 that it "*would monitor the modernisation project of several stadiums in Yaoundé, the Cameroonian capital*", which will host the Africa Women Cup of Nations and the Africa Cup of Nations, respectively in 2016 and 2019. "*We are honoured to contribute in providing the infrastructure needs of two of the most prestigious sports events in Africa*", Jacques Blanc, Deputy Managing Director of Louis Berger in Africa, declared.
Two football stadiums of the capital are concerned by this project. These are one of the adjoining stadiums of the Omnisports stadium of Yaoundé, which will be fitted out as training grounds of 1,000 seats, as well as the military stadium of the capital, which will be fitted with 2,000 seats. According to Louis Berger, the modernisation of these two sports structures which "*will comply with the norms of African Football Federation (CAF in French) and the International Federation of Football Association (FIFA), will also include fitting out pitches as well new grandstands and new locker rooms and bathroom stalls*".

"*As part of the first phase of the contract, Louis Berger prepared architectural and technical studies for this modernisation. The Cameroonian Ministry of Sports and Physical Education has already approved the results of these studies for six of the eight specific aims of the project. Calls for interest for the works have been launched based on consultation records drafted by Louis Berger; the works will start (they have actually started some weeks ago, Ed.) in the coming days, and Louis Berger will ensure the control and monitoring*".

Specialists in engineering, architecture, environmental studies, project management, etc., Louis Berger has been present in Africa for over 50 years and has over 25 years of experience in Cameroon. This company is currently working on ten projects in the country, and has successfully managed more than 25 other projects.

Over FCfa 8 billion in contracts to rehabilitate two hotels as part of the 2016 AfCON

Over FCfa 8 billion. This is the total cost of the three contracts that the Cameroonian government has just awarded, for the rehabilitation of Mountain Hotel and Parliamentarian Flats Hotel. These two hotels, we learned, will accommodate the teams taking part in the 2016 Africa Women Cop of Nations organised by Cameroon from 19 November to 3 December 2016.
The main recipient of these contracts is Cameroonian Gresceram International, who won two contracts of a total amount of FCfa 5.6 billion for the rehabilitation of the Buéa Mountain Hotel, in a group with two other local companies. The works should last 7 months. The Cameroonian group Somaf, for its part, won a contract of FCfa 2.5 billion, for the rehabilitation and expansion of the Parliamentarian Flats Hotel in the same city. Duration of work: 8 months.

Italian Piccini gets a contract of FCfa 163 billion for the construction of a 60,000 seats stadium in Yaoundé

According to the Ministry of Sports, Bidoung Npwatt, the government also made strides on the choice of the contractor of the new Douala stadium, in the suburbs of the economic capital.

The Olembe football stadium, in the suburbs of the Cameroonian capital, will be built by Italian Piccini, for a total amount of FCfa 163 billion, the Cameroonian Minister of Public Procurement, Abba Sadou, revealed on 15 December 2015. It was during the 5th session of the National Committee for the preparation of the 2016 and 2019 African Cup of Nations, which Cameroon will organise.
To the general surprise, the biggest contract of the 2016 and 2019 AfCON did not go to a Chinese company. Though the Cameroonian government did not reveal the origin of the funding which will be used for the construction of the biggest sports infrastructure ever built in the country since 1972, year of the construction of the Yaoundé and Douala stadiums for the organisation of the AfCON that year, we can assume that the funding is not provided by China.
The recipient of the contract for the construction of this open stadium of a capacity of 60,000 seats, and which will certainly be inaugurated on the eve of the 2019 AfCON; is a company totally unknown in the country. The Italian group Puccini however claims the global leadership "*in the construction of civil engineering works*".
In the corridors of the National Committee for the preparation to the Africa Cups of Nations, the contract for the construction of a new stadium in Japoma, in the suburb of the economic capital, is also announced as sealed. If it is for the moment difficult to know to which company has been awarded the contract for the construction of this infrastructure which will host the matches of the 2019 AfCON, one can however remember that during a site visit in October 2015, leaders of the committee and from the Ministry of Land Affairs were accompanied by Chinese entrepreneurs.
In Bafoussam, in the Western region, a brand new stadium has already been built in Kouékong, a city bordering the Mifi and Noun departments. According to initial forecasts, this infrastructure should have been delivered in October 2015, but will be finally received in early 2016, we learned from reliable sources. With a capacity of 20,000 seats, the Kouékong open stadium was built by a Chinese company, thanks to a loan from the Chinese government of over FCfa 9 billion.

To the general surprise, the biggest contract of the 2016 and 2019 AfCON did not go to a Chinese company.

BRM

PUBLIC MANAGEMENT

400,000 new jobs announced in Cameroon during 2016

According to forecasts from the Ministry of Employment and Professional Training, 400,000 new jobs will be created throughout Cameroon during 2016, roughly 70,000 more than the previous year, we officially learned.
Indeed, in its address to the Nation on 31 December 2015, the Cameroonian Head of State, Paul Biya, announced that 337,660 jobs have been created in the country, according to the data compiled as at end November 2015. One can however note that the figure given by President Biya is lower than the 350,000 jobs announced at the beginning of the year by the Ministry of Employment and Professional Training.
According to this Ministry, this target was not reached, partly, because of the late implementation of the 2015-2017 government's 3-year emergency plan, based on which the Ministry of Employment has forecast the creation of 35,000 jobs.
Nevertheless, the managers in this Ministry themselves confess that the employment figures in Cameroon are somewhat skewed, we learn, because of factors such as "*the insufficiency of financial resources for the collection of information on employment, the reluctance of some companies in providing regular information on employed or recruited labour and to preparing workforce planning and management programmes*".

Hike in airfares departing from Cameroon since 1st January 2016

Since the beginning of 2016, prices for domestic as well as international flights have been increasing. This follows a decree from the Prime Minister signed in October 2015, which institutes "*some aviation licence fees in Cameroon*" to be collected starting from 1st January 2016.
This government text increases the "*passenger fee*" for air transport collected by airlines, from FCfa 35,500 to 50,320, an increase of approximately FCfa 15,000 for passengers travelling outside the CEMAC area.
For journeys from Cameroon to other countries in the CEMAC area, the increase of this fee, and therefore in air ticket prices, is FCfa 8,220, against FCfa 685 for domestic routes.
This licence fee increase on passengers, which impacts on airfares, comes with a new distribution list for the revenues thus collected, with the focal point being the increase in operational revenues for the Cameroon Airports (Aéroports du Cameroun - ADC in French), so that this public company would have more means to modernise the airport infrastructure in the country.

WB to support launch of Sonatrel, with FCfa 660 billion

The World Bank will support Cameroon in the establishment of the Société Nationale de Transport d'Electricité (Sonatrel – National Electricity Transport Company) created on 8 October 2015 by a presidential decree, Louis Paul Motazé (photo), Minister of Economy, revealed. It was on 18 January 2016 in Yaoundé, during a press lunch organised by the Association of Economic Journalists of Cameroon (Presse Eco).

According to Minister Motazé, during a recent meeting with the World Bank's Operations Director for Cameroon, Angola, Equatorial Guinea, Gabon and São Tomé and Príncipe, Belgian Elisabeth Huybens reassured the government on the availability of USD 1.2 billion (FCfa 660 billion at the exchange rate of FCfa 550 for USD 1), in order to finance the establishment and roll out of the activities of Sonatrel.

Within the electricity sector in Cameroon, Sonatrel, a company wholly-owned by the State, will be in charge of "*transporting the electricity and managing the electricity transport network, on behalf of the State*". In detail, we learned in the decree creating this company, Sonatrel will be responsible for "*the operation, maintenance and development of the public electric energy transport network and its interconnections with other networks; the management of the electric energy flows transiting through the public transport network; planning, undertaking studies and managing projects on infrastructure and electricity transport facilities, as well as sourcing and managing the corresponding funding; etc.*"

The establishment of this new entity is in compliance with Article 23 of the 14 December 2011 Act, governing the electricity sector in Cameroon; with the article establishing "*a public capital company, managing the electricity transport network*". This activity could however be delegated "*in a specified area*" to a private operator, according to Article 21 of the same act.

The end of the first phase in the Sonara expansion works announced for 2016

The Cameroonian government is planning to complete the first phase of the expansion and modernisation works of the Société Nationale de Raffinage (Sonara – National Refinery Company) in 2016, thereby leading to the increase in production of the only refinery of the country, we learned from reliable sources.

Though the volume of this 2016 production increase has not been revealed, our sources however indicate that after the completion of both phases of the expansion and modernisation works for Sonara, the yearly production of this refinery should increase by 1.4 million tons, thus moving from 2.1 to 3.5 million tons.

We can recall that to finance these works of which a main component is the purchase of a hydrocracker (which will be used to refine the oil produced locally, Ed.), especially in the second phase, the Cameroonian government had requested the support of local banks, including Afriland First Bank, who took part in the financing of phase 1.

Then, the local subsidiary of BGFI was recruited by the Cameroonian State in 2013 as financial consultant to help Sonara get out of a very bad financial situation at a time when it rather needed funding. The leader of a consortium of four local banks, BGFI Cameroon got

for example, in February 2015, a bridge financing of FCfa 143.5 billion for Sonara.

The government and importers agree not to increase the price of rice on the Cameroonian market

During a consultation meeting organised on 13 January 2016 in Yaoundé, the Cameroonian capital, the Minister of Trade and operators of the rice sector agreed not to pass on the rice import tax reinstated in Cameroon, on the final selling price of this foodstuff in the Cameroonian market.

An agreement which reassures consumers, who feared an increase in the price per kilogram of rice on the local market, from the moment the 2016 Finance bill comes into effect, in which the 5% tax on imported rice is reinstated, 8 years after its removal following the riots of end February 2008.

Rice is one of the food staples in Cameroon. But the country barely produces 100,000 tons, for a national demand of sometimes 300,000 tons per year. The gap is therefore filled in by massive imports, which officially cost about a hundred billion of FCfa per year.

AFD will give FCfa 45.8 billion for Batschenga-Ntui road and bridge over Sanaga

The French Development Agency (AFD in French) will finance, with FCfa 45.8 billion, the project to construct the road linking Batschenga and Ntui, located in the Central region of Cameroon. This funding will also be used to build a bridge over the Sanaga River which crosses both towns.

This is what a presidential decree published on 12 January 2016 revealed, authorising the Cameroonian Minister of Economy, Louis Paul Motazé, to sign the corresponding credit convention with AFD, on behalf of the Cameroonian State.

As a reminder, the stretch of road concerned by the funding is part of a global paving project to pave 598 km of road between the central region of Cameroon (Batschenga-Yoko-Ntui-Lena) and Adamaoua, in the northern part if the country (Tibati-Ngaoundéré). This project will cost FCfa 258 billion. It is financed not only by AFD, but also by JICA, AfDB, BDEAC and the State of Cameroon.

The Cameroonian army frees approximately 900 Boko Haram hostages with the help of the multinational Force

According to the government of Cameroon, the army has just rescued 900 people taken hostage by the Nigerian Islamist sect Boko Haram. Many firearms and ammunitions were also seized from the members of this sect, of whom about one hundred were neutralised, we learnt.

This is the summary of this vast search and sweep operation in the Extrême-Nord region and along the Cameroon-Nigeria border, which was undertaken between 26 and 28 November 2015 by the troops of the Cameroonian army and those of the multinational Force, gathering soldiers, gendarmes and policemen from the countries of the Lake Chad basin.

AGRIBUSINESS

Cameroon: new drop in coffee production during 2014-2015 season, at 23,865 tons

The production target of 40,000 tons of coffee planned by the Cameroonian Minister of Trade during the launch of the 2014-2015 coffee season on 5 February 2015 in Bafoussam, was not reached. According to the Cocoa and Coffee Inter-professional Council (CICC in French), the national coffee production sold in 2014-2015 peaked at 23,865 tons, a drop of more than 27% compared to the 32,800 tons produced during the previous season.
In detail, the production of the Robusta variety reached 21,846 tons, with a little over 2,000 tons additionally for Arabica. Though it is again decreasing, as has been the case for at least 5 years, the 2014-2015 production is however larger than the 16,142 tons produced in 2012-2013, which was the worst season "*out of the last 50 years*" for the country, according to CICC, who noted in its synoptic report of the 2014-2015 coffee season that "*coffee is dying in Cameroon*".
The reasons for this programmed death of the coffee culture in Cameroon are numerous. The Cocoa-Coffee Council lists scarcity of inputs (fertiliser and plant material), ageing of the farms, "*pronounced loss of interest*" from producers, dilapidated pulping plants or lack of processing plants in the productions areas, lack of financing, etc.
The only silver lining in the coffee sector in Cameroon, CICC points out, is the local processing, whose local operators have roasted 447 tons during the 2014-2015 season. Even more, CICC stresses, these coffee roasters are "*more and more dynamic and performing*". Proof: in June 2015, three Cameroonian coffee merchants were awarded prizes in Paris, during a competition on origin coffees.

Cameroonian coffee finds new outlets in China, Holland and Malaysia

Out of the 23,865 tons of coffee produced in Cameroon during the 2014-2015 season, exports peaked at 23,672 tons, an increase of 8.24%, according to the end of season assessment made by the National Cocoa and Coffee Office (ONCC in French). Upon analysis, this increase in exports, despite the drop in national production (-27%), could be explained by the entry of new consumers of Cameroonian coffee in the portfolio of the local exporters.
Indeed, the Inter-professional Cocoa and Coffee Council notes in its "*synoptic*" report of the 2014-2015 coffee season, China, Hollande (already the destination of 80% Cameroon's coffee) and Malaysia "*are the new destinations for Arabica coffee*" from Cameroon.
However, at the end of the above mentioned season, Germany, Belgium and Russia remained the main Cameroonian coffee destinations (Arabica and Robusta), since these three countries received 81.36% of exported volumes, the official statistics revealed.

Close to 1,000 hectares of cocoa trees to be planted in East-Cameroon

The Haut-Nyong cocoa producers cooperative society plans to plant 910 hectares of cocoa in the Eastern region of Cameroon, with the support of the Agropoles project from the ministry of Economy, whose aim is to create income-generating activities in rural areas and limit the import of foodstuffs..
The farms, which will be spread over 7 districts in this region, will allow the production from members of this cooperative society to move from the current 165 tons of beans, to reach 1,300 to 1,800 tons after 3 years.

In 2016, Cameroon will import 60,000 tons of palm oil and derivatives

On 28 December 2015, the Cameroonian minister of Finance, Alamine Ousmane Mey, gave a positive feedback to a request from the minister of Trade initiated and motivated by the Regulatory Committee of the Oleaginous sector, in order to authorise the import, under preferential conditions, of palm oil and its derivatives in Cameroon in 2016.
In all, the document reveals, 47,000 tons of palm oil will be imported (in addition to the local production) this year in order to meet the demand from oil processors, against 8,000 tons of stearin and 5,000 tons of kernel oil. These raw materials will be imported exempt from VAT and with a preferential customs rate of 5%, different from the applicable statutory price of reference of FCfa 1,500 per litre.
The biggest cargo will be imported by Société Camerounaise de Raffinerie Maya (SCR Maya), to whom the government has granted an import quota of 25,000 tons of palm oil. Azur, who will import 10,000 tons of palm oil, is the only company authorised to import palm oil derivatives. These are 8,000 tons of stearin and 5,000 tons of kernel oil.

FCfa 1.8 billion to boost the plantain production in East Cameroon

The Agropoles project from the ministry of Economy, whose aim is to create income-generating activities in rural areas, and increase agricultural and livestock production in order to limit foodstuffs imports, has just launched the Mpagne plantain Agropole, in the town of the same name located in the Eastern region of Cameroon.
Sponsored by the Société d'Actions Prioritaires Intégrées de Développement Agricole au Cameroun (Sapidacam - Company of Integrated Priority Actions for Agricultural Development of Cameroon), this agropole represents an investment of FCfa 1.8 billion, we learnt from official sources. The goal is, through this project, to develop the production of plantain in Mpagne and the surrounding area, thanks to farms which will cover 2700 hectares in total. There are plans to also build 20 km of roads, to facilitate the removal of products and access to the farms.
According to the developers of the Mpagne plantain agropole and officials at the ministry of Economy, this project will enable the creation of approximately 500 direct jobs and over 3,000 temporary jobs during peak season.

Over 720,000 cassava cuttings distributed to Cameroonian producers

The producers of the Littoral and Sud-Ouest regions in Cameroon have just received a cargo of over 720,000 cassava cuttings. These improved seedlings made available to producers as part of the Agricultural Markets Investments and Development Project (PIDMA) will help create seedling fields.
With a FCfa 50 million funding from the World Bank, PIDMA hopes to boost the production of cassava, maize and sorghum in Cameroon, in order to supply the food industry.
Unfortunately, PIDMA is taking a while to get started on the ground, because of the approximate structuring of the producers' organisations, according to the assessment from a World Bank team visiting Cameroon.

Cameroon: the State withdraws from the Justin Sugar Mills project in Batouri

Flashback on the problems which led to delays in the implementation of this FCfa 60 billion investment.

The Cameroonian government, through a correspondence from the Minister of Industry, Ernest Gbwaboubou, dated 11 December 2015, notified the CEO of the Justin Sugar Mills company, Dieudonné Dong Thry Dong, "*the disengagement of the State from investments in the sugar sector*", including the one initiated by Justin Sugar Mills in Batouri, Eastern Cameroon.

The new Minister of Industry, who acted following instructions from the Prime Minister in a letter dated 10 December 2015 acknowledging this sugar project as "*being an initiative essentially from the private sector*"; thus put an end to the battle started in June 2014 by his predecessor, Emmanuel Bondé, in order to push away Justin Sugar Mills from this food industry project which should create approximately 10,000 jobs in landlocked East Cameroon.

Indeed, on 26 June 2014, the then Minister of Industry, on the grounds of "*dysfunctions*" noted in the implementation of the memorandum of understanding signed on 13 April 2012, which links the State of Cameroon and Justin Sugar Mills to the Batouri sugar industry project; had announced the termination of said memorandum. A complaint for misappropriation of public funds against Mr. Dong Thry Dong was even filed at the Special Criminal Court (the withdrawal of this complaint was initiated by the new minister of Industry on instruction from the PM).

RELUCTANCE FROM COSUMAR

In the aftermath, a call for investors launched by ex-Minister Bondé led to the selection, in February 2015, of the Moroccan company Cosumar to take over this project. But, against the resistance of the management of Justin Sugar Mills, who kept denouncing a conspiracy by Minister Bondé against their project (FCfa 13 billion have been claimed from the State as compensation for the prejudice caused to Justin Sugar Mills), Cosumar will hesitate launching into the project.

LEGISLATION RELATING TO INCENTIVES FOR PRIVATE INVESTMENT

Since 11 December 2015, the Cameroonian government has fully handed the project back to Justin Sugar Mills. In the correspondence notifying the project investor of the withdrawal of the State and the upcoming withdrawal of the complaint against them from the Special Criminal Court, the new minister of Industry asked the CEO of Justin Sugar Mills "to request, if necessary, the Investments Promotion Agency (in French API), in order to profit from facilities and the support of the State, within the limits of the legal and regulatory framework in force".

In other words, if Justin Sugar Mills follows this suggestion from the government, the Batouri sugar industry project could soon profit from exemptions of 5 to 10 years, during the installation and production stages, as provided by the legislation relating to incentives for private investments in the Republic of Cameroon.

An investment of FCfa 60 billion in total, the Batouri industrial sugar complex ought to have started operations from January 2014, if not for the many difficulties faced by the project, which should lead to the creation of the first true challenger to the French group Vilgrain on the sugar market in Cameroon (its local subsidiary, Sosucam, is the only company producing sugar from principally local sugar cane).

Indeed, the project makes provision, in a first stage, for the creation of sugar cane plantations on 15,000 hectares, out of a total area of 155,000 hectares granted to Justin Sugar Mills in Tikondi and Bodongué, in the Batouri area. With a processing plant of an initial production capacity of 60,000 tons per year, the Batouri sugar complex would generate 5,000 direct jobs and 2,500 indirect jobs.

BRM

FINANCE

Over 220 operators are working illegally in the courier and money transfer services in Cameroon

According to estimates from the Cameroonian ministry of Posts and Telecoms, over 220 operators are working illegally in the courier and money transfer sector in the country. "*This negatively affects the service quality for consumers and the interests of the State*", the Minister of Posts and Telecoms, Minette Libom Li Likeng, indicated during a meeting organised on 13 January in Yaoundé, to clean up this sector.

In reality, we learned, apart from Campost, the public postal service company, almost all the courier and money transfer companies that are spreading throughout the cities of Cameroon have not yet met all the requirements of the legislation in force on this subject.

Even though numerous operators have indeed submitted their application to the appropriate departments at the ministry of Posts and Telecoms, only 13 have received their "*temporary approval*", while many more have already been formally notified for not paying the deposit since submitting their application. Meanwhile, they have opened and freely started operations.

Cameroon casts its hopes on banking sector to finance 12.5% of 2016 budget

In 2016, Cameroon's debt will increase by FCfa 1,055 billion. This is what the 2016 Finance bill reveals, according to which 25% of the 2016 budget of the State of Cameroon will be provided by loans, including FCfa 505 billion from different international lenders, FCfa 250 billion to be raised on the local banking market and FCfa 300 billion through the issuance of public bonds. In total, the banks, which are also the only approved Spécialistes en Valeur du Trésor (SVT-Specialists in Treasury Securities) in the country and as a consequence the only institutions allowed to raise funds during issuance of public bonds, will pay approximately FCfa 550 billion to the public Treasury of Cameroon in 2016. This corresponds to 12.5% of the country's global budget.

Though this appeal to the banks by the State will contribute towards making the credit portfolio of banking institutions more substantial in general, it could however according to some analysts, make it a bit more difficult for the private sector to access bank funding; due to banks usually having more confidence in the State than in SMEs.

The common bank card to the six countries of the CEMAC will be launched on 29 January 2016 in Yaoundé

The Electronic Inter-banking Group of Central Africa (Gimac) will officially launch, on 29 January 2016 in Yaoundé, the Cameroonian capital, the "Gimac card", which can be used to withdraw money and make payments through the electronic terminals of the six countries (Cameroon, Congo, Gabon, Chad, Equatorial Guinea and CAR) of the Economic and Monetary Community of Central African States (CEMAC in French).

The information was revealed by Cameroonian Valentin Mbozo'o, MD of Gimac, in an interview given to Quotidien de l'Economie. According to him, this community bank card is "*a reality since the first quarter of 2015*" and "*there was an order for two hundred and fifty thousand (250,000) cards by end December 2015 from the banks that have already been certified*".

According to Mr. Mbozo'o, this new financial integration tool in the CEMAC area "*is marketed by the National Financial Credit (NFC)*", a Cameroonian microfinance institution. "*The Cameroon International Bank for Savings and Credit (BICEC in French), the Commercial Bank Chad (CBT), Ecobank Cameroon, already certified in 2015, are now at the inter-banking pre-production*", the MD of Gimac specified.

With "*about 10 banks already operating on the platform*" at the moment, "*and another 10 or more projects of bank integration starting from January 2016, Gimac is targeting the integration of most of its members by end 2016, to finish setting up the inter-banking infrastructure of the electronic payments ecosystem of the sub-region*", Valentin Mbozo'o indicates.

Proparco loans FCfa 26 billion to BICEC to support Cameroonian companies

Proparco, a subsidiary of the French Development Agency (Agence Française de Développement - AFD) dedicated to financing the private sector, announced on 18 December 2015 having granted a credit line of FCfa 26.2 billion to BICEC, the Cameroonian subsidiary of the French banking group BPCE, in order to support the local economy.

In practical terms, the Proparco communiqué stressed, "*this financing will enable the (credit) establishment to develop its credit activity in the middle and long term in Cameroon*", lending to companies who represent approximately 80% of the global financing granted by BICEC.

Among the top three banks operating in Cameroon, BICEC, with a network of 37 branches covering the whole country, has in its portfolio companies active in sectors such as energy, food industry, telecoms, manufacturing industry, trading and distribution.

Established in the economic capital of Cameroon for over 10 years now, Proparco for its part works with the private sector in a wide variety of sectors such as energy, telecoms, food industry or finances. To date, its financial commitments in the region have totalled approximately FCfa 98.4 billion.

Cameroon will raise between FCfa 52 to 57 billion on the BEAC market during the first quarter of 2016

The Cameroonian Treasury launched on 13 January 2016, its fundraising operations on the BEAC public stock market, for the new budgetary year. For this first issuance of Fungible Treasury Bills for 2016, the government raised FCfa 7 billion, in accordance with the provisional timetable established by the Ministry of Finance.

Five other Fungible Treasury Bills issuances of the same amount are planned to take place on 27 January, 10 and 24 February, 9 and 23 March 2016. This comes up to a total of FCfa 42 billion, to which must be added a Fungible Treasury Bond (FTB) issuance of between fcfa 10 and 15 billion.

In total, the Treasury is planning to raise between between FCfa 52 and 57 billion on the BEAC stock market during the first quarter of 2016, to finance its budget deficit on the one hand, and to finance projects in the 2016 public investments budget on the other hand.

According to our sources, all the operations to be made by the Cameroonian State on the financial market in 2016 will amount to a total of FCfa 370 billion, out of which FCfa 210 billion will be raised through the issuance of Treasury Bills and FCfa 60 billion through the issuance of Treasury Bonds on the public stock market of the Central Bank of the Cemac States, followed by a FCfa 100 billion bond, which will certainly be launched on the Douala Stock Exchange (DSX), the country's stock market.

TELECOM

Cameroonian Tradex wants to create WiFi areas in its service stations

Cameroonian company Tradex, a subsidiary of the Société Nationale des Hydrocarbures (SNH – National Petroleum Company) specialised in bunkering, the trade and distribution of oil products is currently refurbishing 25 shops (25 additional shops to follow in a second phase) located in its service stations in the cities of Yaoundé, Edéa and Douala, we officially learned.

These works will enable these shops to have internet connection (WiFi) and a coffee area called Trad'café. Tradex will thus become the first company to offer an internet connection to its clients in its service stations, its competitors, Total and Oilybia, having already opened coffee areas in their stations.

Tradex claims a global network of 79 service stations in the CEMAC area, including 57 in Cameroon, 20 in the Central African Republic and two in Chad. On 3 November 2015, Tradex officially launched its activities in Equatorial Guinea, a country where this Cameroonian oil company is planning to "*supply fishing trawlers and other vessels deploying in the Guinea Gulf in bunkers*".

Cameroon establishes a 2% tax on mobile telephone calls and internet

Starting from 2016, mobile operators and internet access providers operating in Cameroon will pay to the State the equivalent of 2% of their turnover for telephone calls and internet services. This is one of the main novelties of the 2016 Finance bill, currently on second reading at the Senate, after being passed recently by MPs at Parliament.

In addition to aligning itself to a directive from the CEMAC which advocates for the taxation of telephone calls, the Cameroonian government visibly wants to benefit from the boom in the mobile market in the country to replenish its coffers, as part of the process to increase its tax base.

Indeed, according to the national telecom regulatory body, the mobile penetration rate in Cameroon increased from 9.8% to 71% between 2004 and 2014. With more than 18 million mobile subscribers out of 22 million inhabitants, three operators and an internet penetration rate increased by mobile internet (boosted by the recent introduction of 3G); the Cameroon telecoms sector is booming. And the State, through this tax, has every intention to reap the most benefits. Anyway, to go well beyond the FCfa 617 billion in taxes paid by mobile operators in Cameroon during the period covering 2012-2014.

This tax could even change in the coming years. This, particularly as the Cameroonian government awarded, in November 2015, a FCfa 46 million contract to Resytal, to make "*a comparative study on the tax system and levies to which operators from some African countries with the same level of development in the electronic communications field, particularly Kenya, Côte d'Ivoire, Senegal and Ghana, are subjected*".

Orange, MTN and Camtel contest National Anti-Corruption Commission report

A report of the National Anti-Commission accuses Camtel, MTN and Orange of owing the sum of FCfa 170 billion to the Cameroonian state, the breakdown being a little more than FCfa 76 billion for MTN; FCfa 76.3 for Orange and 18.1 billion for Camtel, the public operator. These amounts according to CONAC represent the cumulative sum of certain taxes (on advertising, gambling activities, etc) not paid to the tax authorities, as well as unpaid royalties to the Regulator ART.

In a "*correction to the record*" made public on 21 January 2016, Orange Cameroon contested the report of the National Anti-Corruption Commission (CONAC) presented in Yaoundé on 19 January, and which blamed this mobile telephone operator of certain irregularities leading to the non-payment of taxes and other royalties, to the tune of FCfa 76.3 billion. "*Orange Cameroon, respectful of the institutions of the Republic, learned through the press that it appears on a list of companies accused by a report of the National Anti-Corrution Commission (CONAC)*", highlights the telephone operator.

Having mentioned "*that it is a corporate citizen, whose actions follow the most demanding ethical standards and known as such throughout the world*", Orange Cameroon "*is delighted to contribute in a significant manner to the socio-economic development of the country, notably in paying in full all the royalties and taxes it is subject to, in accordance with applicable regulations*". Moreover the company announces "*its permanent availability to provide any relevant clarification in case of need*".

With this rejoinder from Orange Cameroon, it is finally the three telecom operators accused of different irregularities by CONAC to the detriment of the Cameroonian Treasury, who contest the report produced by this body in charge of fighting corruption in the country. Camtel and MTN also...

Camtel was the first to challenge the CONAC report on 20 January

Camtel was the first to challenge the CONAC report on 20 January, stating that the data in it "*neither reflected the current debt of the company to the tax authorities, let alone Camtel obligations to national financial institutions*". And the national telecoms operator continued by revealing that on 6 October 2015 "*a netting agreement*" signed with the government of Cameroon turned out to "*be in favour of Camtel, for a total amount of FCfa 15,296,426,414*".

The following day, MTN Cameroon, in an official communiqué, also called the CONAC report into question, stating that "*it was a perfectly responsible investor up-to-date with its fiscal obligations to different competent authorities*", and that this company "*is not and has never been involved in corrupt actions, in the pursuit of its activities*".

This is not the first time that a CONAC report has been contested in Cameroon.

This is not the first time that a CONAC report has been contested in Cameroon. One recalls some years ago, a report on the supervision of the Ayos-Bonis road works, between the Central and Eastern regions, raised protests, as did the report published some months ago on the management of Sodecoton, the flagship in agribusiness in the north of the country.

Brice R. Mbodiam

Cameroon: Arthur Zang's Himore Medical has started marketing the first Cardiopad

The first African medical tablet created by Cameroonian Arthur Zang, is now sold in Cameroon by the start-up Himore Medical. 100 kits will first be available, followed by another 200 in February 2016, the inventor of this tablet announced in an interview given to the Cameroonian pro-government daily.

According to Arthur Zang, 20 purchase orders (they are placed exclusively on Himore Medical's website) from hospitals in Cameroon as well as the Central African sub-region have been received to this date.

Moreover, the Cardiopad kits now available on the market at FCfa 2 million per unit, are an updated version of the device. "*The feedback from the pilot phase launched in 2014 was that the sensor we were using was allowing to receive only 4 electrocardiogram body signals. But the human body has 12 of those signals. We got some training in China and Korea thanks to a funding from Rolex, to create a new sensor and therefore, set up a complete diagnostic*" Arthur Zang said.

The parts used for assembling the first 3,000 Cardiopad come from China. To transport these 700 Kg of electronic components from China to the port of Douala in Cameroon, Arthur Zang indicates, his start-up Himore Medical was granted a customs rights exemption by the Cameroonian government.

As a reminder, the Cardiopad is a device which enables its user to remotely record and transmit the cardiac parameters of a patient. This invention which brought international fame to the young Cameroonian inventor Arthur Zang, helps in compensating for the lack of cardiologists in the hospitals.

Moroccan Intelcia, specialised in client relationship, will establish itself in Douala in March 2016

The Moroccan group Intelcia, which presents itself as "*a major player in the outsourcing business and is today part of the top 10 of French-speaking outsourcers in client relations*", will open, in March 2016 in Douala, the economic capital of Cameroon, a platform of 500 tele-consultants, Jeune Afrique announced citing an official communiqué from the group.

An investment of over FCfa 1 billion, the Intelcia platform in Douala will be set up, we learned, based on the demand of a telecoms operator, whose name was however not revealed by the Moroccan group.

Intelcia, already established in Morocco and France will deploy its operations for the first time in sub-Saharan Africa, and already has in its portfolio clients such as Orange, Inwi and SFR. The Intelcia representation in Douala will be led by Cameroonian Jean-Yves Kotto.

ENERGY

Cameroon: Dana Petroleum to drill two wells in the Bakassi area in April 2016, according to SNH

The Scottish company Dana Petroleum, head of the Dana Petroleum Cameroon Limited / Madison Cameroon Oil & Gas Ltd / Softrock Oil & Gas Limited consortium, which signed in June 2012 the very first oil contract on the Cameroonian peninsula of Bakassi, will drill, in April 2016, two exploratory wells on the Bakassi West block, which covers 387.5 km^2 in the Rio del Rey basin. The information was revealed by the Société Nationale des Hydrocarbures (SNH), the secular arm of the Cameroonian State in the oil sector.

The two drills, we learned, are part of the exploration programme of the consortium led by Dana Petroleum on this block. Indeed, by signing in June 2012 its contract on Bakassi West with the Cameroonian State, the Scottish oil and gas operator and its partners had given themselves a first period of 4 years for the capture, analysis and interpretation of data collected over an area of 250 km2, and to drill 2 exploratory wells, with a firm one and an optional one.

According to the contract signed with SNH, depending on the results obtained during this first period, the programme of activities could be extended over 2 other additional periods of 2 years each, during which the capture and processing of 100 km^2 of seismic 2D data and the drilling of at least one exploratory well per period.

Cameroon: a Chinese loan of FCfa 182 billion to build a 75 MW dam in Warak

The International and Commercial Bank of China (ICBC) has just granted a loan of FCfa 182 billion to the Cameroonian government, in order to finance the project for the construction of an hydroelectric dam of a production capacity of 75 MW on the Bini River in Warak, located in the Adamaoua region, in the north of the country, we learned from official sources.

According to details shared by the ministry of Energy, in addition to the actual dam, the project also includes the construction of energy evacuation lines (70 km in 225 Kv) and of rural electricity lines (30 Kv), as well as the rehabilitation and construction of site access routes.

The work will be undertaken by the Chinese company Sinohydro, with whom the Cameroonian government has signed a memorandum of understanding (MoU). The commissioning of this energy infrastructure, the government specified, is scheduled for the "*fourth quarter of 2018*".

Générale du Solaire and Arborescence Capital shooting for 300 MW of solar power in Cameroon

The Cameroonian Minister of Energy, Basile Atangana Kouna, managers of the French company Générale du solaire and of the investment fund Arborescence Capita, signed on 6 January 2016 in Yaoundé, an agreement on the financing, construction and operation of solar power plants in the Adamaoua, Northern, Extreme-North, Central and South-West regions, for 300 MW globally.

The first solar power plant in this investment plan will be built in the Adamaoua region, in northern Cameroon, an area of the country where the solar exposure level is the highest (5.8 kWh/m^2/day, as against only 4 kWh/m^2/day in the south of the country, according to the regulatory authority of the energy sector). With a production capacity of 20 MW, this energy infrastructure will cost FCfa 18 billion and generate 50 direct jobs.

The expected infrastructure "*will be used to produce 32 GWh of electricity per year without any CO_2 emission, corresponding to the consumption of more than 100,000 Cameroonian households. Its production will be absolutely complementary to that of the Lagdo dam, which currently supplies most of the electricity in the region. The solar production peak indeed coincides exactly with the period of low availability of the hydroelectric resource*", we learned in an official communique.

As a reminder, this project, the very first of this scale in the country in terms of solar power, is one of the concrete effects of the Ema Invest Forum, whose 9th edition was organised in Geneva, Switzerland during October 2013. Cameroon was the guest of honour.

The Cameroonian State reduces pump prices of premium petrol and diesel

In his customary end of year address to the Cameroonian nation on 31 December 2015, the Head of State, Paul Biya, announced the decrease in retail prices for premium gasoline and diesel. Just a few minutes afterwards, a communiqué issued by the Ministry of Trade specified that this reduction is FCfa 20 per litre for premium gasoline and FCfa 25 per litre for diesel.

Thus, since 1st January 2016 throughout the country, one litre of premium petrol is sold at FCfa 630 in service stations, against FCfa 650 previously; while one litre of diesel is sold at FCfa 575, against FCfa 600 since 1st July 2014, at which date the Cameroonian government had increased the pump prices due to "*the continued increase in oil prices on the international market*", according to an official communiqué signed in the evening of 30 June 2014.

The drop in premium and diesel prices effective from 1st January 2016 was even more predictable since, in the 2016 Finance bill, the government had exempted from customs duty cargo imports of crude oil to be refined in Cameroon. Added to the continuous drop in crude oil prices on the international market throughout 2015, this decision from the government which enables Sonara to save 5% on the global value of its crude oil imports and thereby reduces the production costs of refined products, would therefore lead to the decrease in retail prices for some oil products.

Cameroon: AfDB will finance the expansion of the Kribi gas plant with FCfa 15.7 billion

Increase the production of the Kirbi gas plant from the current 216 MW to 330 MW. This is the aim of the expansion project of this energy infrastructure located in Southern Cameroon, for which the African Development Bank (AfDB) approved, in December, a financing of €24 million, slightly more than FCfa 15.7 billion.
This financing from the AfDB is only a fraction of the FCfa 65 billion needed for these expansion works. The corresponding contract has already been awarded to the Finnish company Wartsila, one of the world leaders in energy solutions and builder of said infrastructure, which cost FCfa 173 billion in its first stage.
In order to get the remaining funding, Kribi Power Development Corporation (KPDC), a company owned by Globeleq Africa (bought in 2015 by the British financial institution CDC and the Norwegian fund Norfund) and which manages this thermal power plant, has been negotiating with the IFC for several months. KPDC's aim is to get from this subsidiary of the World Bank specialised in financing for the private sector, a long term loan for the expansion of the largest gas plant of Cameroon.
In parallel, other discussions are ongoing with local banks. According to sources close to the project, the different financing agreements should be concluded during the first quarter of 2016, in order to enable the launch of expansion works during the second quarter of 2016.

Cameroon: The Neptune Oil group goes into warehousing and transportation of hydrocarbons

Known until now for the distribution of oil products through a still modest network of gas stations in Cameroon and Senegal, the Neptune Oil group has just created the company Neptune Oil Storage Company (Nosco) in Cameroon, we learned in a legal notice.
The Managing Director of this subsidiary with a capital of FCfa one billion, is Cameroonian Antoine Ndzengué, while the Board is chaired by Patrick Durussel.
According to the business purpose stated on the legal notice, this company is specialised in the "*storage and transport of liquid or liquefied hydrocarbons upstream from the depot*", as well as "*all financial, commercial, legal and social operations which could be directly or indirectly linked to this purpose*".
The new entity could usher a new era for the oil products storage activity in Cameroon, currently operated by Société Camerounaise des Dépôts Pétroliers (SCDP - Cameroonian Company of Oil Depots), public company whose capacities are deemed limited despite currently undertaken projects for the construction of new tanks.

TRANSPORTATION

The commissioning of the deep water Kribi Port scheduled for 2nd quarter 2016

According to the forecasts of the Cameroonian government, the first commercial vessels will berth at the deep water Kribi port, built in the Southern region of the country, during the 2nd quarter 2016. Louis Paul Motazé, Minister of Economy, who commented on the subject on 18 January 2015 during a meeting with the press, talked about the May-June period.
Concurrently, within the Bolloré-CMA CGM-CHEC consortium, who won the concession contract for the container terminal, authorised sources mention April 2016. "*We are working to be ready by 1 April 2016*", our source confirms.
In the meantime, the Cameroonian authorities and the contract-holders for container and multi-purpose terminal, as well as the mooring and towing activities, continue negotiations which should result in the signing of concession contracts.
Moreover, Minister Motazé indicated, the government is fine-tuning the bill on the creation of the public company in charge of managing the port, and the agency responsible for developing an industrial complex around the Kribi Port, based on the model set up in the Tangiers Port in Morocco.

Four firms win a FCfa 1.5 billion contract for the Kribi industrial and port complex

The grouping which gathers the European engineering firms Seamar Engineering and SGI International, the Cameroonian firm ERE Development and the accounting firm PwC has just won a contract of FCfa 1.5 billion, to "*support the project management by the operational unit of the Kribi industrial and port complex*".
Apart from the deep sea Kribi port, of which two terminals (container and multipurpose) have already been built and awaiting their commissioning in 2016, the Kribi industrial and port complex will have a second container terminal, an ore terminal and a hydrocarbons terminal, and many other industrial settings.
The project management support contract thus awarded by the Cameroonian government, opens the way for the construction works of the second phase on the aforementioned complex.

Douala airport, main entry point in Cameroon, will be closed for 2 weeks in 2016

In March 2016, the Douala International Airport, in the economic capital of Cameroon, will be closed during the first two weeks of the month, due to refurbishment works on the aircraft parking area and the landing strip, the Quotidien Gouvernemental announced, citing the management of Société des Aéroports du Cameroun (ADC).
During the shut down period in March, all flights and passengers arriving in or departing from Cameroon will be operated from the Yaoundé-Nsimalen airport, located in the suburbs of the capital.

INDUSTRY

The State takes full control of agro-industrial CDC and opens the way for diversification

Cameroon Development Corporation (CDC), 2nd employer of Cameroon with its 22,000 workers and managers who work in its plants and banana, oil palm and rubber tree farms all located in the South-West region, is now wholly-owned by the Cameroonian State, who thus becomes the sole shareholder. This is what indicates a presidential decree made public on 20 January 2016.

The presidential text also extends the business purpose of the company which was up until now mainly agro-industrial to plant and animal farming activities, thus opening the way to diversification in the CDC's activities, which could soon move into this direction to compensate for the continuous decline in prices for some of its products (including rubber and palm oil) on the international markets. At the same time, thanks to its new status, CDC becomes an investment vehicle for the State, since the company is now authorised to buy shares in other companies operating in sectors relevant to its business purpose, and to create subsidiaries to develop other activities still within the business purpose.

Created in 1947, CDC, 2nd banana producer in the country after the local subsidiary of Compagnie Fruitière (PHP), has been on the list of companies to privatise since 1998. But up until now, only its tea subsidiary found a new owner. From this point of view, is the restructuration sanctioned by the presidential decree of 20 January only a way to make the company more attractive to potential buyers, or truly a means to bring this company back on its feet to take maximum advantage of the opportunities within the local agro-industrial sector?

Castel group invests FCfa 10.7 billion in a new production line in Cameroon

The Société Anonyme des Brasseries du Cameroun (SABC), local subsidiary of French group Castel, commissioned on 28 November 2015 in Yaoundé, the capital of Cameroon, a new conditioning line of FCfa 10.7 billion.

With a bottling capacity of 28,000 bottles per hour, this "HST", as nicknamed by Francis Batista, Managing Director of SABC, is the second line of this range in Africa, after South Africa, the Managing Director of the leading company in the Cameroonian brewing industry stressed.

The new line, which commissioning coincides with the end of year, a period of high consumption, will generate 70 new direct jobs. These will come in addition to the 6,000 people already employed in the country by SABC and its subsidiaries, the Société Camerounaise de Verreries (SOCAVER) and Société des Eaux Minérales du Cameroun (SEMC).

With more than 80% shares of the beer and fizzy drinks market in Cameroon, SABC had a net income of FCfa 24.7 billion in 2014, for a turnover of FCfa 351.7 billion, an increase of 6.9% compared to the previous year.

Cameroon: Socapalm will invest FCfa 38.2 billion for the expansion of its farms

The Société Camerounaise de Palmeraies (Cameroonian Palm Company), a company owned by the Socfin group and listed on the Douala Stock exchange (DSX), the Cameroonian equities market, is considering investing FCfa 38.2 billion for the expansion of its farms in the Littoral region.

The news was recently revealed in Yaoundé, the Cameroonian capital, during a agreement signing ceremony with the government. This agreement thus gives Socapalm the advantages provided for by the law on encouraging private investment in Cameroon, which grants investors 5 to 10 years of exemptions, throughout the installation and production stages.

Leader in the palm oil production in Cameroon, Socapalm operates more than 78,500 hectares of palm grove in the Littoral and Southern regions. Approximately 32,500 hectares are directly exploited. A great part of the farms supplying the raw material to the company are village farms, whose operators are under contract with Socapalm.

The palm grove expansion project, which should enable the creation of an additional 816 jobs according to our sources, aims to increase the production of this food company, in order to lower the national production deficit in palm oil, which only yearly imports of 15,000 to 16,000 tons can compensate for.

In Cameroon, oleaginous refineries are gradually recovering from massive imports

The leaders of the Cameroon Oleaginous Refiners' Association (Asroc in French), who have actively lobbied the public authorities last year in order to fight massive and illegal imports of vegetable oils on the Cameroonian market, are somewhat smiling again.

"*Companies in the sector have restarted operating at more than 50%, though they are not yet working at maximum capacity (...) The important financial investments made upstream as well as downstream through the banks, with the view to increase the offer in crude and refined oils, are almost saved*", Jacquis Kemleu Tchabgou, Asroc's General Secretary, declared during a press conference organised on 29 December 2015 in Yaoundé.

At the origin of this gradual recovery noted in the Cameroonian oleaginous sector, are safeguard measures taken by the government. Indeed, faced with the constant complaints from local refiners denouncing massive imports, moreover outside the current regulations, the then General Secretary in charge of the Prime Minister's services, Louis Paul Motaze, transmitting the instructions of the Prime Minister in a correspondence dated 3 June 2015, had summoned the Minister of Finance, Alamine Ousmane Mey, to cancel all authorisations for the import of refined vegetable oils based on the transaction value issued by his Ministry.

KTM Cameroun will built a motorcycle and tricycle assembly line in Douala

KTM Cameroun Company has just signed with the Cameroonian government, an agreement allowing it to profit from the exemptions provided for by the law on encouraging private investment in Cameroon.

These tax and customs benefits covering periods of 5 to 10 years are granted to this company, as part of its construction project for a motorcycles and tricycles assembly unit in Douala, the economic capital of Cameroon.

This project, we learned during the agreement signing ceremony, should cost approximately FCfa 12.5 billion in total, and enable the creation of roughly 630 new jobs in the country.

A 44-hectare industrial area under development in Bamenda

The Cameroon Industrial Area Development and Management Mission (Magzi in French) is currently developing an industrial area in Bamenda, a city located in the North-West, we learned during a recent site visit by managers of this public company.

This area meant for the installation of companies in Bamenda is spread over 44 hectares, and should be operational in the first half of 2016, Magzi's management announced during a work session with the authorities of North-West regional capital.

According to Christol Georges Manon, Managing Director of Magzi, since 2012 his company has paid FCfa 220 million in compensations to the local communities who own this site. 50% of the works to be undertaken for the site preparation of the future Bamenda industrial area have been completed.

CFAO Equipement sells part of its activities in Cameroon to CAMI

On 5 November 2015, the Cameroonian subsidiary of CFAO Equipement had a notary public formalise in Douala, the economic capital of Cameroon, the sale of its business to Cameroon Motors Industries (CAMI), we learned in a legal notice published on 18 November 2015.

Through this transaction, we learned, CFAO Equipment withdrew from "*the sales field consisting in light vehicles (Peugeot, Citroën Isuzu Greatwall), spare parts and after-sales services*", which have now been transferred to CAMI, a Toyota-partner car dealership. This sale follows the change of name of CFAO Equipement in Cameroon.

Indeed, consecutive to a decision from the board made public in October 2015, CFAO Equipement will now operate under the name of Loxea, following the purchase of the sales business for "*machinery (civil engineering machinery, mining machinery, agricultural machinery), spare parts, elevators (Otis), water (Culligan), and after-sales services*" of this Avis representative.

MINING

Cameroon: Bocom group will build a steel production complex in Fifinda

The reasons for the creation, in December 2014, of the Cameroon Steel Manufacturing Company by Cameroonian industrialist Dieudonné Bougne, CEO of the Bocom group (distribution of oil products, industrial waste treatment ...), are now known. During a site visit by the Minister of Mines in Fifinda, the CEO of Bocom revealed that he would soon build a steel-producing complex in this South Cameroon town.
This complex, we learned, will include a mine, an iron enrichment unit as well as an estate for employees. The Bocom group, which could thus become the first investor to develop industrial mining in Cameroon, says that it wants to exploit the potential of the iron deposit located in Akom II, close to Fifinda, where Cameroon Steel Manufacturing Company intends to establish its base.
Though he did not reveal the amount of the investment to be made in Fifinda nnor the partners involved in this project, the CEO of the Bocom group however indicated that the profits accrued after the implementation of this project will enable his group to finance other projects currently being refined.
The Akom II iron could become the very first to be exploited in the country, while awaiting operation on the Kribi Mamelles deposit (Southern region) by Chinese Sinosteel; the Mbalam iron, in the Eastern region by Australian Sundance Ressources; or the Nkout iron deposit, in the South by British IMIC.

The signing of the contract for the infrastructure of the Mbalam iron project is indefinitely postponed

The Australian mining company Sundance Resources, promoting the project to operate on the Mbalam-Nabela iron deposit, spread between Cameroon and Congo, announced on 13 January 2016 having been informed of the indefinite postponement of the signing of the contract for the construction of infrastructure (railroad of 500km and ore terminal of the deep water Kribi Port) linked to this mining project.
This contract, we learn, should have been signed in December 2015 between the State of Cameroon, who decided to regain control over this aspect of the project after Sundance failed to raise the funding by end June 2015; and a Chinese public company, whose name has not yet been revealed, even though some trusted sources are talking about China Ghezouba Group.
According to Sundance, even though it is still interested in this project, the Chinese counterpart asked for the signing to be deferred, while waiting "*for market conditions to improve and the fundraising process to be more advanced*". The Australian company, which indicated the signing of the contract as a prerequisite for raising funds for the construction of the mine, indicated that "*it is currently assessing the impact of the postponement on the project, and will inform its shareholders once the assessment is concluded*".
The Mbalam-Nabela iron project is entering a new period of uncertainty. Indeed, in the current situation with the general decrease in the prices for raw materials on the international market, including for iron ore, it is difficult to predict when the price of this ore will increase again. But, this hypothetical upturn seems to be the prerequisite condition given by the Chinese company with which the State is negotiating the financing of the infrastructure in the Mbalam project, before any contract signing.

Leader of the month

Billionaire Nana Bouba carries out reshuffling within his empire

Nana Bouba, 6th richest fortune of Cameroon and 19th in sub-Saharan francophone Africa with over FCfa 184 billion (USD 310 million), according to the Forbes Africa ranking, has just carried out a complete reorganisation of his empire, replacing the managing directors leading the main companies in his group.

As a result, the holding Nana Bouba Group, a limited liability company with a capital of FCfa 10.5 billion, is now led by Abbo Amadou, while the positions of Deputy Managing Director go Mohamadou and Hamidou Nana Bouba, members of the billionaire's family.

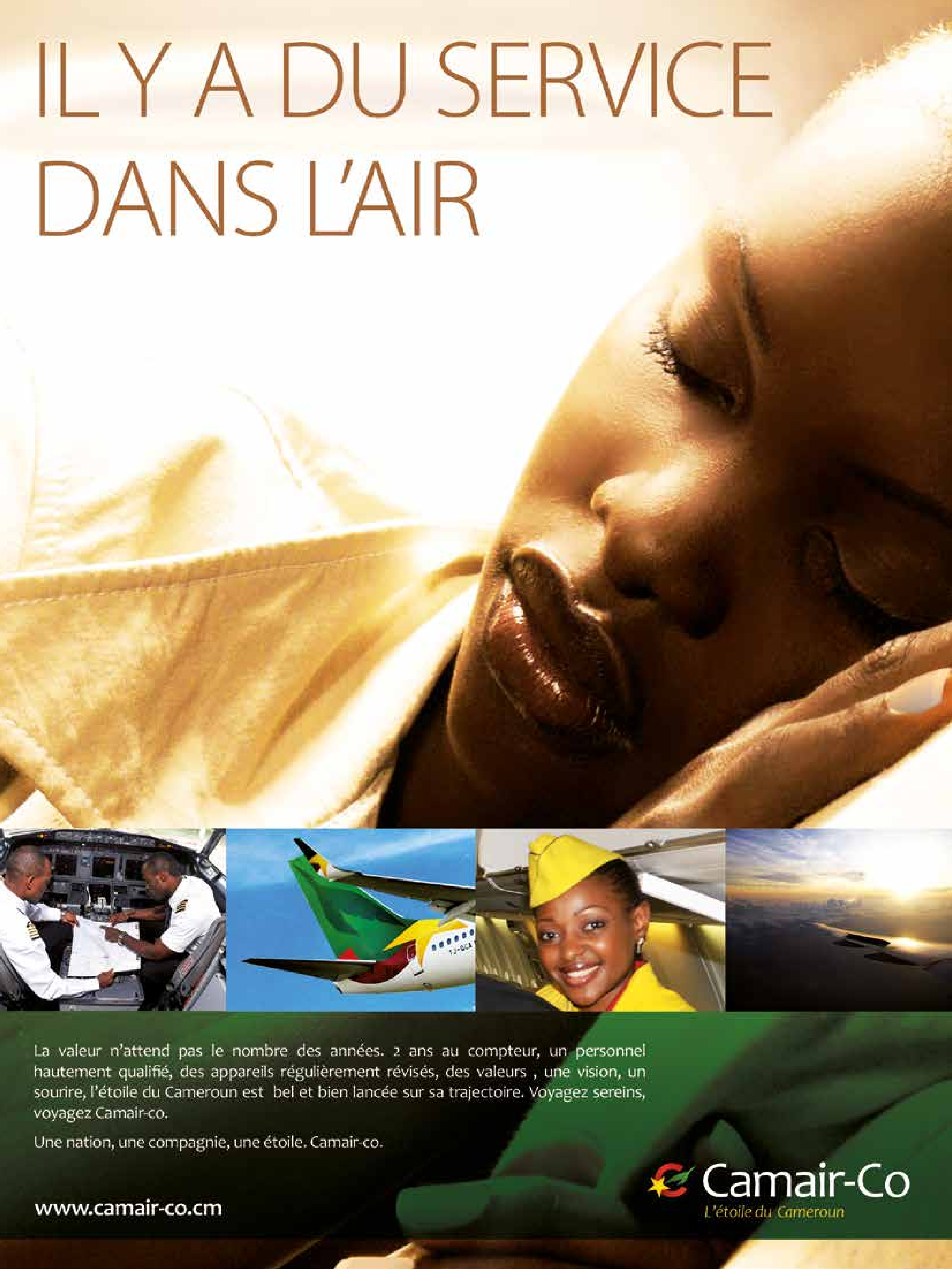
Moreover, the latter two managers respectively become Managing Director of Azur (FCfa 48.5 billion in revenues in 2013), an oleaginous refinery with a capital of FCfa 8.5 billion producing soap, margarine and vegetable oils; and Managing Director of Société Alimentaire du Cameroon (Soacam), with a capital of FCfa 5.6 billion, which controls the biggest distribution chain for fast moving consumer goods in Cameroon. The crown jewel of the Nana Bouba Group, Soacam officially had a revenue of FCfa 73.5 billion in 2013.

For the moment, only Berni SA, created in 2012 and specialised in undertaking infrastructure works, seems to not have been affected by this restructuring within the Nana Bouba empire.

At the same time, Nabo Beverage Company (Nabco), the company with a capital of FCfa 2.5 billion which enabled industrialist Nana Bouba to move into the production of hygienic drinks is now helmed by Hamidou Adamou, seconded by Abdoul Hakim Nana Bouba, another member of the billionaire's family.

Already propelled at the head of Azur, Mohamadou Nana Bouba was also appointed Managing Director of Soacam Agro Industries (Sagri SA), another company owned by Nana Bouba, with a capital of FCfa 500 million. Producing tomato paste sold under the Neima brand, this company had a revenue of FCfa 1 billion in 2013.

For the moment, only Berni SA, created in 2012 and specialised in undertaking infrastructure works, seems to not have been affected by this restructuring within the Nana Bouba empire.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