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BUSINESS IN CAMEROON

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Cameroon in global rankings

Louis Paul Motazé: *"The best should be to ask what we can gain from EPAs"*


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Yasmine Bahri-Domon

Cameroon behind the rankings

While statisticians usually rely on data released by consulting firms, which often are based on wrong and subjective criteria, investors on the other hand evaluate economic data produced by credible international organizations such as World Bank, IMF or UNDP that go the field, to explore sectors which can be exploited. The second option is undoubtedly the best way for one to evaluate an economy such as Cameroon's, "Africa in miniature" as it is described, its performances and its risks to investment. Our article is therefore not centered on statistics found in rankings but on advising investors not to blindly trust numbers, statistics or rankings but rather means that take into account field realities. However, even while considering statistics only, these indicate that Cameroon, who is our concern here, keeps improving its results in the various studies carried out by international institutions. In 1998 and 1999, Cameroon was identified by a certain NGO as Africa's most crippled economy. However, the nation instead of succumbing to critics used them as a standing ground to overcome corruption and stagnation knowingly by improving business environment, and creating investment-promoting entities ; by launching big infrastructure projects ; by dealing with unemployment through the exploitation of its resources (agriculture, fishery, husbandry, iron, cobalt, nickel, diamond…); and by introducing its youth to the advantages of digital economy thus erasing of its system the myth of public administration which still lingers in many other African nations. As a result, Cameroon's performances, almost comparable to that recorded by the Asian dragons, soared drastically. The country now has a stable growth rate exceeding 6.4%, a diversified economy supported by good customs and taxes revenues. All these suggest that Cameroon is on the right track toward achieving irreversible growth. Cameroon's incredible economic performance which is envied by many, allowed the nation to secure the interest of foreign investors. However, it is most of all the constant improvement of its economic and human position in global rankings that allowed the nation to achieve this result. In its global human development ranking, the United Nations Development Program (UNDP) put Cameroon at the 23rd place in Africa and 153rd worldwide. What the ranking did not factor however is the 10,000 social housing which are about to be established across the country, the 55% increase in allocation paid families decreed by Paul Biya in January 2016, control of inflation at 33%, or even social contribution passing from 15 to 20 years as pensions to retirees were raised, reduction in oil's pump price, etc… The above cited information leads us to one conclusion which is: By the end of 2016, Cameroon will surely rise in UNDP's ranking. The Doing Business, another ranking by World Bank which studies business environment and relationship between private and public sectors, in 2016 has ranked Cameroon 172nd over 189 countries while it was 158th the year before. In regards to corruption, as corruption index shows, Cameroon is putting much effort in dealing with the issue. Truly, the Central African nation, out of 167 countries listed, has been ranked 34th in Africa and 130th worldwide by Transparency International. A disastrous situation 15 years ago. In addition to these, Cameroon is among the 13 countries to have been honored by FAO for achieving the Millennial Development Goal (MDG) before 2015. It also jumped two positions in the WEF (World Economic Forum) ranking for 2015's most competitive economies. As many readers will surely conclude, Cameroon's efforts are fruit-bearing. In fact, IMF's Director General, Christine Lagarde, recently said Cameroon has a healthy economy and suggested that other CEMAC members learn from it, its diversity and its strict management of revenue-generating sectors. Cameroon with all these indicators is one of the countries with the best chances to reach 2035's MDG.

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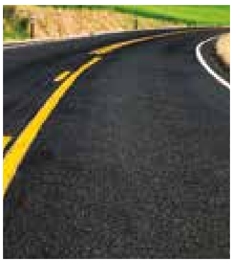


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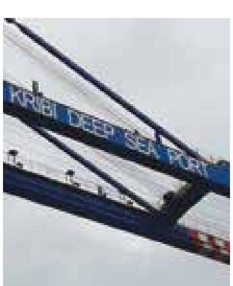

KRIBI DEEP SEA PORT

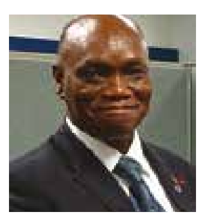
THE CAST

EDGAR ALAIN MEBE NGO'O

On 23 January 2016, Camair Co, the Cameroonian public airline flew between the cities of Douala and Yaoundé, two Chinese MA 60 aircraft purchased by the State from the company Avic International. On board of one of these planes, the Cameroonian Minister of Transport, Edgard Alain Mebe Ngo'o, and the Chinese ambassador in Cameroon, Wei Wenhua, who thus wanted to reassure future passengers on the reliability of these aircraft.

Indeed, following the announcement of their purchase, then their receipt in April 2015, some had questioned the reliability of these aircraft, leading to some reluctance from the National Aviation Authority in delivering certificates conditioning the commissioning of the MA 60. In the end, the Managing Director of the Aviation Authority was dismissed in December 2015, only a few days the cancellation of the MA 60 maiden flights, which finally took place on 23 January.

HENRI EYÉBÉ AYISSI



The towns of Nobolen and Balamba, both located in the Central region of Cameroon, will soon be home to two incubation centres for agriculture entrepreneurs with the support of the Agricultural International Development Fund (FIDA in French), we learned recently during the visit in Cameroon by the Managing Director of this entity, Ides De Willebois.

These centres to be set up as part of the Programme for the Promotion of Young Entrepreneurs in Agriculture (PEA-JEUNE), will enable the youth to be informed about plant and animal farming and processing activities, the Cameroonian Minister of Agriculture, Henri Eyebe Ayissi said. According to our sources, no less than 4,000 hectares are already available for the implementation of these projects, which falls in straight line with the ambitions of the Cameroonian government to move toward a second generation agriculture.

THÉODORE NSANGOU

Electricity Development Corporation (EDC), the public company in charge of the electricity in Cameroon, got a budget of FCfa 65.6 billion for investments and project monitoring for the year 2016, we learned in an official communiqué issued after the Board meeting of the company held on 21 January.

Among the projects led by EDC, managed by Théodore Nsangou, are the completion of the construction work on the Lom Pangar dam, the largest ever built in the country, which delivery is scheduled for July 2016; as well as the construction of a plant with a 30 MW production capacity. Also scheduled for this year: the launch of the construction work for a 120-km long electricity transport line, to supply the villages of the Eastern region in electricity.

MINETTE LIBOM LI LIKENG

According to estimates from the Cameroonian Ministry of Posts and Telecoms, over 220 operators working in the courier and money transfer services are illegal. "*This compromises the quality if service for the consumer and undermines the interests of the State*", added the Minister of Posts and Telecoms, Minette Liboim Li Likeng, during a meeting organised on 13 January in Yaoundé, with the view of cleaning out this sector.

In truth, we learned, apart from Campost, the public post service, almost all courier and money transfer companies spread throughout the Cameroonian cities have not yet met the specifications of the law in force. Even if many operators have indeed submitted their application to the appropriate services, only 13 have been granted "*temporary approvals*" to start operations.

LUCAS ABAGA NCHAMA

The Governor of the Bank of Central African States (BEAC), Lucas Abaga Nchama, and President of Development Bank of Central African States (BDEAC), Abbas Mahamat Toli, signed on January 19, 2015, in Yaoundé, Cameroon's capital city, a group of "*acts related to BEAC's support to BDEAC, to finance development projects*" in CEMAC's member states (Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic and Chad).

Totalling FCfa 400 billion, the resources made available to BDEAC from BEAC come in threw forms: a partner's current account of FCfa 240 billion disbursable over 3 years, in order to strengthen the equity base of BDEAC; the disbursement of FCfa 13 billion as "*anticipated disbursement of the called-up capital*"; and the increase of the refinancing limits for the loans granted by BDEAC to its clients from FCfa 50 to 150 billion.

PERRIAL JEAN NYODOG

Tradex, the subsidiary of Société Nationale des Hydrocarbures (SNH) managed by Perrial Jean Nyodog, is currently refurbishing 25 shops (25 other shops will follow soon in a second phase) located at its service stations in the cities of Yaoundé, Edéa and Douala, we officially learned. These fixtures, we learned, will help equip the shops with internet connection (WiFi) and a coffee area called Trad'café.

Tradex will thus become the first marketing company to provide its clients with internet connection in its service stations, the coffee areas already available for some now at competitors stations such as Total Oilybia. Tradex has a global network of 78 service stations in the CEMAC area, including 56 in Cameroon, 20 in the Central African Republic and two in Chad.

International rankings : a mirror to better assist adjustments

1998. A shock wave goes through Cameroon. And for good reason, an international NGO, unknown in the country at the time, classes this modest Central African state with the gloomy position of the most corrupt country in the world. The same thing in 1999. Once again there is a general outcry. Public authorities claim a Transparency International conspiracy, but take steps right away to shake off this very grim label from the country.

Months later, a national campaign is launched against corruption. As well as a general public awareness campaign against the wrongdoings of this scourge, centres to fight against corruption are set up in public and parapublic services. As part of that effort, the National Anti-Corruption Commission is created, an organisation specially dedicated to the fight against this trend.

Chosen intentionally, this example shows that international rankings, on whatever matter are never disregarded in countries, even if the authorities criticise them when they are unfavorable to them. Moreover, these same authorities - and this is true for Cameroon - do not hesitate to brandish them as proof, when in their favour.

In truth, far from being used as tools of blackmail or image destruction, as some would think, many international rankings provide a sort of mirror that allow governments to better appreciate the scope of decisions taken within the framework of management of the city. And to adjust them, if necessary, for the well-being of all.

Generally published in a scattered way, by different renown or hardly known entities, it is often difficult to find in a same sum, these different classifications on one country and at the same time. It is this challenge that we attempt to address in this present dossier, focussing on the case of Cameroon. We applaud the progress achieved by the country through its efforts, and denounce the regression observed following constraints that are more or less difficult to overcome.

Brice R. Mbodiam

Resilience to external shocks : Cameroon thrives in spite of the oil crisis

The American firm Frontier Strategy Group published, during the month of February, its ranking of the resilience of countries to external shocks. According to the American firm, Cameroon occupies the 21st position in Sub Saharan Africa. The country is above all number one in the CEMAC zone (a six member community comprising Cameroon, Congo, Gabon, Equatorial Guinea, Chad and Central Africa) in this ranking ahead of Gabon (24th).
Once again Mauritius and Cape Verde, who are decidedly the African superstars in the different international rankings since last year, lead this chart and confirm the statements made by the Managing Director of the IMF, Christine Lagarde, during her first visit to Cameroon from 7 to 9 January 2016.
Indeed, we recall that Mrs. Lagarde welcomed the "*very good results*" displayed by the Cameroonian economy, thanks notably to "*good resilience to the double shock*" of the fight against the Islamic, Nigerian sect Boko Haram, which has been operating in the Extreme-North of Cameroon with armed and suicide attacks for several months; and the fall in world crude oil prices which constitutes 25% of national budget revenues.
As proof, according to the IMF, while the CEMAC zone records a growth rate of 2% in 2015 (in 2016, it should reach 3.5%, according to current forecasts, editor's note), this rate in Cameroon is accumulated "*at almost 6% during the past two years*", indicated the Managing Director of the IMF when she visited Cameroon.

Human development : 23rd African and 153rd in the world, according to the UNDP

According to the 2015 World Human Development Report, which was recently published by the United Nations Development Programme (UNDP), Cameroon ranks of 153rd out of 188 countries in the world, and comes 23rd in Africa out of the 53 countries on the continent.
Significant fact, Cameroon, which is presented as the economic engine in the CEMAC zone, comes behind two other member countries in this community of six countries. Firstly, there is Gabon, positioned 8th in Africa and 110th in the world. Furthermore, this country is among the 14 African countries (the only country in the CEMAC zone) that appears in the group of moderately developed countries, according to the UNDP.
Then, Cameroon comes behind Equatorial Guinea, the new petroleum El Dorado in the CEMAC zone. Classed 14th on the continent and 138th in the world Equatorial Guinea is however the country presenting the most significant difference between gross income per inhabitant and the indicator of Human Development ; thus revealing a glaring inequality in the distribution of the country's wealth.
The first three places in the African ranking are taken by Mauritius, the

Seychelles and Algeria. South Africa and Nigeria, respectively the second and first economies on the continent, place 9th and 22nd in Africa.

Cameroon among 13 countries honoured by the FAO for having attained the first MDG before 2015

On 8 June 2015 in Rome, Italy, the then Minister of Agriculture, Essimi Menyé (he was replaced on 2 October 2015), received a certificate from the Director General of FAO, Brazilian Graziano da Silva, in recognition of Cameroon's performance in achieving the first Millenium Development Goal (MDG) before the 2015 deadline. This MDG consists in reducing the proportion of people affected by hunger, FAO underlined.

In all, there were 13 countries honoured. It concerned Cameroon, Ethiopia, Gabon, Gambia, Mauritius, Mauritania, Brazil, Iran, Kiribati, Malaysia, Mexico, Philippines and Uruguay. "*You have overcome great challenges in difficult world economic and political environmental conditions*", indicated the DG of FAO at the end of 2014, in disclosing the list of the countries concerned by this recognition.

Among the 13 above-mentioned countries, highlighted the FAO, three of them, including Cameroon, have pushed the performance even further in achieving the most difficult objective of the World Food Summit of 1996, that is : "*Reducing by half the absolute number of undernourished by 2015*".

While congratulating these countries for their achievement in the fight against hunger, Mr. Da Silva reiterated that although "*the progress towards the eradication of hunger in the world will increase during the next 10 years, there is still a lot more to do. For, 805 million people still continue to suffer from chronic under nourishment*". As it can be recalled, to this day, only 63 countries have attained the first MDG, while only 25 states have met the challenge of the World Food Summit of 1996.

Economic freedom : CEMAC engine concedes lead to Gabon

The American think-tank Heritage Foundation and the Wall Street Journal have recently published the 2016 ranking of the economic freedom index in the world, which measures economic freedom in countries since 1995, using criteria such as protection of property rights, the size of the state, budgetary and monetary policy and the fight against corruption.

Out of a ranking of 178, Cameroon is positioned 29th in Africa and 130th in the world. In the CEMAC zone, Cameroon is behind Gabon, classed 15th in Africa and 105th freest economy in the world.

Still in terms of CEMAC, Chad, Central Africa, Equatorial Guinea and the Republic of Congo appear among the six least free economies on the continent, just behind are Eritrea and Zimbabwe, the very last two in this ranking across Africa.

According to Heritage Foundation and Wall Street, the freest economies in Africa for 2016 are those of Mauritius, Botswana and Cape Verde. Outstanding fact : Mauritius is even ahead of some industrialised countries such as Germany and Japan.

Corruption : Agreed upon efforts delay in producing tangible results

According to the index of perceived corruption in the world in 2015, by which the NGO Transparency International has classified 167 countries, Cameroon is ranked 34th on the African continent, and 130th at the world level. Thus mathematically, the country appears in the top 40 of the most corrupt countries in the world.

Compared to the end of the 1990's, Cameroon has made a lot of progress in this ranking, which twice, in 1998 and 1999, classed the country as the champion of corruption in the world. This very grim distinction led to an accentuation in the fight against this scourge in the country with the set up of specialised organisations.

Thus came into being the National Anti-Corruption Commission (CONAC), the National Agency for Financial Investigation (ANIF), the Office of Comptroller, etc. At the same time, the revitalisation of the services of the Supreme State Body for Financial Control led to Operation Hawk, resulting in the imprisonment of dozens of former ministers and managing directors for embezzlement of public funds.

Incidentally, although the trend in corruption is in sharp decline compared to the 90's, this social ill remains one of the biggest obstacles to socio-economic development in the country. For example, in its 2013 activity report, disclosed at the end of 2015, CONAC recognised that "*2013 has experienced a development and sophistication in corruption techniques*" in the country.

According to numerous politicians and national civil society actors, the fight against corruption in Cameroon can only take a new decisive turn with the entry into force of article 66 of the constitution on the declaration of assets, whose application is pending since 1996.

Doing Business : advances, but also relapses

In the ranking Doing Business 2016 published by the World Bank, Cameroon comes in at the 172nd place out of 189 countries, while the country ranked 158th a year earlier. The country has tumbled in this world ranking for Doing Business.

Overall, the Doing Business 2016 Report indicates that in Cameroon, administrative procedures imposed on economic operators are still too long, property transfer and execution of contracts are fraught with red tape, the country is not yet a giant for cross border commerce and, above all it is still not easy for companies to connect to the national grid.

On this last criterion, Cameroon is really lagging behind, since, we learn, it is on this last indicator that African countries have made most progress these past years. Indeed, the Doing Business 2016 report highlights, out of the 32 reforms across the world on this indicator, 14 have been put in place in Sub Saharan Africa, with a special mention for Kenya and Uganda.

Cameroon gains two places in the 2015 ranking of the most competitive economies of the WEF

Cameroon is the 114th most competitive economy in the world, out of 140 countries assessed by the

World Economic Forum (WEF). The country moves up two places compared to last year, but still comes behind Gabon (103rd), first Central African nation in this ranking 2015-2016.
However, the WEF emphasizes, that Cameroon is 10 places ahead of Nigeria (124th), the leading economy on the continent. Across Africa, as it was already in the previous year, the most competitive economy remains that of Mauritius, followed by South Africa, the second economic power on the continent.
For 3 years, Cameroon has stagnated in this ranking which has become the principal measure of competitiveness of economies in the world, making do with small advances or relapses of two or three places in the general classification.
The origin of this stagnation, we learn, is due to obstacles linked to the institutional environment governing business, the lack of infrastructure, inadequate training for jobs, as well as the energy deficit, that the country is close to reducing thanks to the launch of several dam construction projects started around 5 years ago.

Free movement of Africans : the barrier of the visa denounced by the AfDB

Central Africa is, with North Africa, among the the regions of the continent most closed to free movement of Africans. This is revealed in a study prepared jointly by the African Development Bank (AfDB) and American firm McKinsey.

According to this study published in February 2016, all of the six countries in the CEMAC zone are at the tail of the ranking, Cameroon (44th out of 52 countries),which appears in the Top 10 of the most closed countries, is even behind Congo (37th), the Central African Republic (38th) and Chad (40th). Last in the ranking, tied with Sao Tomé and Egypt is Equatorial Guinea (52nd) just two places behind Gabon (50th).

According to the authors of this study, the analysis of the degree of free circulation is based on the obligation to obtain a visa or not before reaching a country on the continent and the possibility of obtaining the visa on arrival in a given country. As a result, the study highlights, an African needs a visa to go to 55% of African countries, whereas a North American only requires a visa in 45% of these same countries. And Africans can obtain their visa at arrival in 25% of African countries against 35% for North Americans.

This closure of African borders to African nationals, with the exception of West African and East African countries, who deliver other Africans with a fine lesson of free circulation aligning more than 70% of the countries in the top 20 of open nations; is a serious obstacle to the development of tourism and, above all, intra-African commerce, the study emphasizes.

Louis Paul Motazé: *"If we want to boost our resilience, we must produce more and in quality, and also, make an effort of transformation"*

Cameroon's Minister of Economy gives here the reasons why his country resists more than other CEMAC member states to the actual oil crisis; talks about EPAs, the promotion of private investment; and discusses various means through which Cameroon is to achieve actual industrialization.

Business in Cameroon: In his end-of-year speech, Cameroon's President once again stigmatized administrative delays, which are among breaks to Cameroon's economic development. Why do you think it is so difficult to overcome these delays, which among other things, slow down the country's industrialization?

Louis Paul Motazé: Let me tell you this little, surprising, anecdote. It was in March last year; I was at a Forum in Geneva with Ministers of Economy. There I met Bulgaria's Prime Minister, who if I recall came to make a presentation on the Doing Business. Among other things, he discussed the various efforts his country made to get 40 points in this ranking. We went over the various decisions that Bulgaria then took and during the process, we realized that we, Cam-

Louis Paul Motazé, Cameroon's Minister of Economy: *"In 1990, our President took futuristic decisions, namely the freedom laws, including freedom to do business, entrepreneurial freedom."*

eroon, had walked the same steps back in 1990.
In 1990, our President took futuristic decisions, namely the freedom laws, including freedom to do business, entrepreneurial freedom. For example, when an economic operator requested an authorization, instead of waiting indefinitely to get it, the administration was the one to take the decision under a given deadline. Passed this deadline, the agreement was tacit. But what did the administration do? It did not respect the new amendments, under the pretext that they were a threat to its authority.
So, we really do have a heavy administration, but this is not without advantages. For example, it allows the respect of protocol. You know, when there is no protocol, anarchy quickly settles in. However, with long and arduous protocols, a certain number of issues can arise.

BIC: In 2013, a law promoting private investment in Cameroon was voted by the National Assembly. Looking back today, we notice that those who supposedly benefit from the law have not been able to implement any of their projects so far…
LPM: Do you know this law is criticized? During her recent visit to Cameroon, Mrs. Lagarde, IMF's Director General, said there was more to do! It's been long since Cameroon's government understood that it should implement a number of policies that attract investors to Cameroon, and this is why it drafted the 2013 law. However, there is a school of thought according to which the law gave too many advantages to investors. And that is exactly what is criticized in the 2013 law!
Anyhow, Cameroon's government is putting a lot of efforts into attracting investments. And thank God, it is now bearing fruits considering the various conventions which have been signed in the framework of the law. Companies are settling in and gaining from this is what matters now.
As for the law, we thought it would be best that instead of collecting revenues from the start -customs taxation- to let the business be properly established and collect

Louis Paul Motazé, Cameroon's Minister of Economy: *"The first products which will be liberalized are not products that will compete with locally-manufactured products."*

the revenues afterward. It is a model which has worked in countries like Dubai and Mauritius.
The other model consists in, given the actual global market hit by tumbling prices of commodities (oil included), mobilizing non-oil revenues, these include taxes and duties. A few people also defend this model, IMF's Director General being one of them given that she defended it during her last visit to Cameroon.
Both models have advantages and disadvantages. The most important still is that Cameroon needs to attract investors. Now, maybe it is necessary to improve the targeting of the law's beneficiaries, because what is troubling with having a general policy is that anybody can benefit from it, and this includes those that might not necessarily need it.

"The answer is our diversified economy. Indeed, Cameroon is not only an oil producer-exporter. Our more diversified economic fabric helped us resist to the impact."

BIC: You always seem so optimistic regarding EPAs between Cameron and European Union. What is the upside of these agreements while Cameroon is about to open 80% of its borders to products that come from much more industrialized countries?
LPM: You know, we must always look at the bright side in life. Instead of crying or complaining, the best should be to ask what we can gain from EPAs. We have said on countless occasions that the 80% you are talking about are progressive. There is a dismantling schedule. And I believe the first stage of this dismantling involves products which are important to us, knowingly, equipment which is to help us modernize our economy.
For example, if you were to learn today that you can buy a car that cost FCFA30 million for FCFA12 million due to the removal of custom dues, tell me if that would be a good or bad thing! The first products which will be liberalized are not products that will compete with locally-manufactured products. Rather, there are products that will help us better manufacture our own.
So, it is better to consider EPAs as a medal, they all have a flip side, but what is most important is the good side. The more we exploit EPAs, because we are going to import

at lower prices equipment which so far are too costly to import, the more competitive we will get.
The second advantage of EPAs is markets' opening. We have stuff to sell and the European Union is offering us to open its market with no quota imposed. Considering this, our problem now is our production which might be insufficient despite markets being opened to us. Just as AGOA with Americans, EPAs give us a chance to export.
I strongly believe that there is no country in the world which has developed while hiding behind custom barriers. If you know any, please let me know! I almost feel like saying that in other countries, customs are not directly seen as a source of revenues. It is more of an instrument of industrial strategy.

Louis Paul Motazé, Cameroon's Minister of Economy: *"I strongly believe that there is no country in the world which has developed while hiding behind custom barriers."*

BIC: Up till now, Cameroon's economy has fared quite well with the global oil price fall and Boko Haram, to which public treasury lost some feathers. Which measures has the government implemented to achieve this resilience?
LPM: First, you must understand why Cameroon has resisted that well so far. The answer is our diversified economy. Indeed, Cameroon is not only an oil producer-exporter. Our more diversified economic fabric helped us resist to the impact. But what this means is that we must further diversify if we want to boost resilience for sadly, it remains weak.
It remains weak indeed, for though we may not be an oil-producer, we are still categorized as a commodity-producer while other nations are wealth-producers, if I may say so. Not that those commodities are not wealth, but it is more like our commodities produce wealth elsewhere.
Wouldn't it be better to, first, increase our production at the primary level and next industrialize? And industrialization means transformation. In short, if we want to boost resilience, we must produce more and in quality, and also, make an effort of transformation locally. We have to process all or part of our output. And this can be done. It will create wealth. This means that, in the case whereby the global price of a ton of cocoa slips, as a substantial portion of output is processed locally, wealth will be created.
We believe it is a necessary step and I guess that is the reason why the President mentioned industrialization in his end-of-year speech to the nation. In regard to this, work is currently being done at the Ministry of Industry, and it consists in establishing a blueprint for industrialization in Cameroon.
Moreover, starting this year, the Ministry of Economy must return to being the one in charge of economic operators, not only public companies but private ones as well. We must try to understand the various challenges they face and provide them support.

BIC: During her recent visit to Cameroon, IMF's Director General, Christine Lagarde, told Oil producers to scale down their most ambitious development projects, in order to face oil price crisis. Does Cameroon, which faces the same issue and which for a few years now has been carrying out a vast programme involving the construction of infrastructures, plan to scale down its ambitions in the sector?
LPM: This is a matter of common sense. If for example, salaries were to be reduced overnight, the next logical step would be to reduce expenditures. This is what Mrs. Lagarde is talking about. But before her, we had said it. When I came into office at the Ministry of Economy, I gathered my collaborators and told them my goal was not to have a hundred projects out of which just three or four would be effective but rather know I have ten that would be fully operational.
Truly, today we notice that many projects have been abandoned or failed. The question which should be asked here is to know if it is best to seek after other projects at the risk of seeing them end up the same way as those before. Wouldn't it be better to pause and mobilize financing to concretize already launched projects?
I would be more incline to see all ongoing projects finalized, even if it means there wouldn't be any new one, rather than launch others which will face the same challenges. As for Mrs. Lagarde's statement, I partly agree with her but I still have two reservations. First is that I think she does not have an exhaustive list of ongoing projects in Cameroon, since she mentioned only Kribi's deep water port and the Lom Pangar dam. Secondly, it is not only a matter of pausing projects, but most of all, it is about focusing on getting the resources necessary to complete already launched projects.

Interview by Beaugas-Orain Djoyum and Brice R. Mbodiam

PUBLIC MANAGEMENT

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 build 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, we officially learned.

As a reminder, the stretch of road concerned by the funding is part of a global project to pave 598 km of road between the Central region of Cameroon (Batschenga-Yoko-Ntui-Lena) and Adamaoua, in the northern part of 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. According to AfDB, this road project is "*one of the Cameroonian links necessary to facilitate inter-States transport in Central Africa, by offering a transit alternative to Chad, a landlocked country which gets its supplies mainly through the Douala Port*", in the Cameroonian Littoral.

The government concerned with the increasing indebtedness of the State companies

The Cameroonian government is more and more concerned with the indebtedness of the companies in its portfolio. Indeed, called to expand on "*the performance in the management*" of State companies during a cabinet meeting held on 25 February 2016 in Yaoundé, the Deputy Minister of Finance, Paul Elung Ché, revealed that "*the increased indebtedness*" of these companies "*could, in the middle term, become a risk for the State budget*".

Though he did not the volume of the public companies debts, as specified in the communiqué issued after the above-mentioned meeting, the Deputy Minister of Finance proposed some solutions to prevent a catastrophe in the State budget. These are, we learned, "*the respect of the budgetary discipline, the control of the operational charges, the implementation of various monitoring tools as well as improving the governance and the use of modern tools to appraise performance such as financial ratings*".

Moreover, he advised, "*to have a better efficiency, the companies should gradually reduce their dependency on subsidies from the State budget and broaden their financing tools by turning to new solutions such as non sovereign loans from development partners private banks*".

Despite this increased indebtedness, the Cameroonian government signed and financed contracts with some companies in its portfolio, in order to better perform. In total, we learned from credible sources, 34 contracts have been signed to date, but, as the Deputy Minister of Economy noted during the same meeting, "*the rate of financial completion of these contracts barely reaches 50%*".

As a reminder, there are officially 127 companies and other administrative public establishments in the portfolio of the Cameroonian State. According to a report from the International Monetary Fund (IMF) on the Cameroonian economy, published in September 2013, the majority of these companies have "*mediocre results*".

Cameroon: Call for tender for the Emergency Programme road project contracts worth FCfa 192 billion

The Cameroonian Ministry of Public Procurement recently launched the first restricted international calls for tenders, to award contracts to carry out road construction projects planned in the 2015-2017 three-year Emergency Plan, run by the Cameroonian government since last year.
According to texts from the Ministry of Public Procurement, these contracts represent a global amount of FCfa 192.2 billion, including FCfa 178 billion for the construction works, against FCfa 14.2 billion for monitoring operations to be undertaken by technical control firms.
In total, these works will consist in paving 356 km of roads in five regions of Cameroon. These are the Central, South-Western, Extreme-North, Littoral and Eastern regions. The latter 2 regions will benefit from the longest stretch with respectively 95 and 90 km.
With a total envelope of FCfa 925 billion, the three-year Emergency Programme of the Cameroonian government aims at accelerating the economic growth in the country and improving living conditions for the population. This emergency plan is centered around projects in agriculture, animal farming, real estate, health, road infrastructure, potable water conveyance and public lighting.

Moroccan investors propose projects worth FCfa 130 billion to Cameroon

A delegation of Moroccan investors lead by Mohammed Agoumi, Managing Director of international activities at the Banque Marocaine pour le Commerce Extérieur (BMCE - Moroccan Bank for External Trade), was received on 21 January 2016 by the General Secretary of the Office of the President, Ferdinand Ngoh Ngoh, we learned from reliable sources.
These Moroccan investors were promoting projects worth FCfa 130 billion, in order to support the Cameroonian government in the implementation of its three-year emergency plan (2015-2017) to revive growth and the improvement of living conditions for the population; and additionally the organisation of the 2016 Africa Women Cup of Nations and the 2019 edition of the tournament for men.
To help Cameroon organise these sports competitions, the Moroccans investors who recently met with the General Secretary of the Office of the President, according to our sources, are planning to equip the country with modern accommodation centres, so that these structures will continue to be used after both tournaments and will contribute to the increase in accommodation capacities in the country.

Cameroon: the Managing Directors of Camwater and Sodepa, two State-owned companies, have been dismissed

At the end of an extraordinary Board meeting held on 8 February 2016 in Douala, the economic capital of Cameroon, Jean William Sollo, Managing Director of Cameroon Water Utilities (Camwater), the national company in charge of potable water in the country, was dismissed. He was immediately replaced by Alphonse Roger Ondoa Akoa, who until then was General Secretary of the Communauté Urbaine de Douala.

This change at Camwater comes at a moment when entire areas of Yaoundé, the Cameroonian capital, have been regularly deprived of running water for at least a month. However, since 2013, Camwater has been continuously announcing the end of the water ordeal in the capital, because of rehabilitation works on the Mefou and Akomnyada stations, which seem to never come to an end.

Before Jean William Sollo's dismissal, the Cameroonian Head of State had, by presidential decree signed on 4 February 2016, ended the service of Bouba Ndengué as Managing Director of the Société de Développement et d'Exploitation des Productions Animales (Sodepa – Animal Production Development Company). He has been replaced by Denis Koulagna Koutou, until then General Secretary at the Ministry of Forests.

A few weeks ago, Sodepa was blacklisted during a butchers' strike which deprived the economic capital of meat for two days. The butchers were accusing the heads of this public company managing the slaughterhouses of the country, of having unilaterally and without reason increased slaughter fees from FCfa 6,300 to 8,300.

The Cameroonian army neutralised 162 Boko Haram terrorists and dismantled 4 explosive factories

On authorization from the Nigerian authorities, the Cameroonian Special Forces crossed over to the Nigerian border town of Ngoshe between 11 and 16 February 2016. This operation referred to as "Arrow Five" resulted in severe losses for the Islamic Nigerian sect Boko Haram, who had set up a command post in the town of Ngoshe, the Cameroonian Minister of Communication, Issa Tchiroma Bakary announced.

According to the assessment made by the government, the Cameroonian special forces neutralised 162 Boko Haram terrorists; dismantled four improvised explosive device factories; seized war weapons, kamikaze vests, explosive devicesready for use, hundreds of explosives, military uniforms, ammunition boxes, thousands of ammunition, generators, hundreds of motorbikes, etc.

The success of this operation, who the Cameroonian government presents as a critical moment in the fight against Boko Haram, was however dampened by the deaths of 2 officers from the Cameroonian army. They are Lieutenant-Colonel KweneEkweleBeltus Honoré, 39 years and CaptainPipwohYari Emmanuel, 31 years. "*The Nation honours the memory of these brave soldiers*", Minister Tchiroma declared.

AGRIBUSINESS

Cameroon: Garyland, the cooperative fighting malnourishment in schools through cocoa

On 11 December 2015, during a mini-fair on cocoa organised by the manager of the German cooperation in Cameroon, the Garyland stand was again very popular. And this for its Cocoa Cakes; its "*date covered cocoa beans*" (sold under the Perles Noires brand) in which the date pits are generally replaced by cocoa beans; or its "*cocoa bean filled*" products (sold under the Pralines brand) in which dried beans are added to a type of cake made from potato flour.

It is with all these products that Mrs Selamo, Chairwoman of the Board of Garyland International wants to start a crusade against malnourishment in schools in Cameroon, with the support of the Ministry of Scientific Research. "*Malnourishment is one of the causes for the drop in academic level in our country, but nobody talks about it. As an anti-oxidant, cocoa regenerate the capacities of the brain. Therefore instead of giving biscuits to the kids, we would suggest our Pralines, which are made from cocoa beans covered with sweet potato flour. Instead of chocolate, which has a very small small amount of cocoa, it is better to give kids date covered cocoa beans. These products are low in fat and sugar*", the Chairwoman of Garyland explains.

In order to popularise these products in schools, the Chairwoman and her husband the Managing Director of Garyland International want to launch mobile school canteens. The pilot experience, she specified, will be in the Nyong and So'o département, close to the Cameroonian capital, where the headmasters were taken with her project. To do this, Garyland who is benefitting from the technical support of the Ministry of Scientific Research, has come up with a "*mobile solar-powered isothermal display*".

This device, which is capable of keeping products dry and fresh at constant temperature, will be going across the Nyong and So'o schools (and later the rest of the country) to introduce students to the treasures of the local processing of agricultural products, including cocoa which can be eaten under many forms, Mrs Selamo stressed.

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.

TelcarCocoa and Olam control cocoa exports in Cameroon since the start of the season

With 47,851 tons of cocoa exported between October 2015 and January 2016, of which over 16,000 tons for the month of December alone, TelcarCocoa, the trader for the American firm Cargill in Cameroon, leads exporters of beans in the country, according to the National Office of Cocoa and Coffee (ONCC) statistics.
Telcar is followed by the Singaporean Olam, which has exported 25,431 tons of cocoa since October 2015, with a peak of 7,341 tons exported last December. With 14,445 tons exported to date, the company NdongoEssomba, a Cameroonian operator, completes the trio of the largest exporters of beans since the start of the 2015-2016 cocoa season in Cameroon.
The national production during this campaign is estimated at 210,000 tons, a decrease of around 20,000 tons compared to the 232,000 tons of the previous season. This decrease, we learn, is due to the so-called dormant period of cocoa farms, that occurs every 5 years.

Sud Cameroun Hévéa will create a professional training centre dedicated to the rubber trade

The Cameroonian government through the Ministry of Employment and Professional Training has just signed with the agro-industrial company Sud Cameroun Hévéa, a partnership agreement to boost employment in the rubber tree sector in the country. This agreement plans for, among other components, the creation by Sud Cameroun Hévéa of a Professional Training Centre for the rubber trade.
For its part, in addition to supporting the above mentioned agro-industrial company in the recruitment and promotion of self-employment in the rubber sector, the Ministry of Employment committed itself to establishing in the training centres throughout the country, training modules on farming rubber trees. Thanks to this partnership, both parties are hoping, in the middle term, to create over 30,000 jobs in this sector, with approximately 13,000 direct jobs.
Owned by the Singaporean group Sinochem International, through the company GMG International, Sud Cameroun Hévéa is committed to expanding its farms, through leases in the Southern region, particularly in the areas of Meyomessala, Meyomessi and Djoum. At least half of the 45,000 hectares of lands available to the company in these areas are concerned by this expansion project.

Rougier and WWF want to structure the marketing of wild mangoes in East-Cameroon

As part of a new partnership aimed at increasing the revenues of populations living close to forests exploited in the Mbang region, in East Cameroon, the Rougier group and the international NGO WWF are currently working at structuring the trade of some non-ligneous forest products, we learned in an official communiqué published on 22 January 2016.
For the moment, the same source clarifies, two products are in the scope of this local development support project. These are, the wild mango and Djansang, a condiment in the form of seeds highly sought by Cameroonian homemakers.

FINANCE

SG Cameroun still leader for banking credit as at end 2015, with outstandings of FCfa 599.3 billion

As at 31 December 2016, the outstanding loans granted by the Cameroonian subsidiary of the French banking group Société Générale (SG) reached € 915 million, approximately FCfa 599.3 billion. This figure was revealed in an official report which has just been published by the group, which moreover specified that with this performance, SG Cameroun remains the leader on the banking loan market in the country, with a market share which was already "*between 22 and 23%*" in 2013, according to Jean Philippe Guillaume, then Managing Director of the company.

But generally, for several months now, the banks established in Cameroon have been granted more and more loans to businesses and individuals. From this point of view, one can recall that at the end of one of its meetings on 6 July 2015, the Monetary and Financial Committee of Cameroon revealed an increase in "*the interior credit of 15.1%, from FCfa 2,017.1 billion to FCfa 2,322.1 billion in March 2015, due to the increase in domestic lending*".

This increase in the level of contribution from the banks to the economy is because, as Lucas Abaga Nchama, Governor of the BEAC revealed in August 2015 in Ebebeyin, Equatorial Guinea, "*since January 2010, the lending rate went from 5% to 2.45%, to make loans more affordable in the CEMAC sub-region*", which includes Cameroon.

Moreover, despite the trend observed on the baking loan market for some months now, the banks' coffers remain full, as proven by the figures from SG Cameroun (who had a net profit of FCfa 4.8 billion in 2014), whose credit-deposit ratio was at 97% as at end 2015. Indeed, at that time, the outstanding deposits peaked at € 943 million, or FCfa 617.6 billion. This with a net banking income of € 81 million, slightly over FCfa 53 billion.

Ecobank goes into Islamic finance in Cameroon

The Cameroonian subsidiary of the Pan African banking group Ecobank now offers to its clients the "*Mudaraba saving account*", which follows the rules of Islamic finance, the banking establishment announced in an advert.

Ecobank Cameroun thus joins on this segment Afriland First Bank, a credit institution with Cameroonian majority shareholding, which went into Islamic finance some years ago, with the Islamic current account (compte de dépôt islamique - CDI).

On 20 February 2015, this Cameroonian bank officially opened a branch focused on Islamic finance, with the support of the International Company for the Development of the Private Sector (Société internationale de développement du secteur privé - SID), subsidiary of the Islamic Development Bank (IDB).

During the first year of operation of this specialised branch, Afriland First Bank was planning to collect around FCfa 3 billion, based on the 20% of the Cameroonian population of Muslim faith.

As a reminder, over 500 banking institutions operate within the Islamic financing system throughout the world. This specialised form of financial services boasts of cumulated assets of over USD 1,000 billion, equivalent to more than FCfa 550,000 billion.

AfricInvest will buy into the capital of the microfinance structure CCA in Cameroon

The investment fund AfricInvest will take part in the capital increase of the Cameroonian microfinance structure Crédit Communautaire d'Afrique (CCA). The operation confirmed by internal sources at CCA, and whose details have not yet been specified, should enable this microfinance establishment to change status to become a bank.

After the Camccul network (which enabled the creation of Union Bank of Cameroon), whose volume of assets is equal to that of the Cameroonian subsidiary of BGFI Bank, Crédit Communautaire d'Afrique has become, over the past few years, one of the most important microfinance institutions in Cameroon. In 2014, this establishment claimed to have 359,000 clients, more than doublee the customer base of the local subsidiary of Société Générale.

Covering the Maghreb and sub-Saharan Africa, AfricInvest has among its shareholders FMO, the Dutch development bank; the Belgian development agency; Proparco, the subsidiary of AFD dedicated to the private sector; the European bank of investments, etc.

Since its creation in 1994 in Tunisia, this Pan African capital investor managing a global envelope of more than FCfa 550 illion (USD 1 billion) spread over 14 funds, has already bought shares in 125 companies in 24 African countries.

Cameroon recruits three other banks like SVT for its bond issuance at BEAC

Since the beginning of 2016, there are now 16 banking institutions operating in the CEMAC zone working with the Cameroonian Public Treasury, to enable the government reach its targets in terms of fundraising on the public stock market of the Central African States Bank.

According to the communiqué announcing the first operation by the Cameroonian State in this market on 13 January 2016, Commercial Bank Centrafrique, Commercial Bank Tchad and CCEI Bank Guinée Equatoriale, have joined the 13 other banks approved as Treasury bond dealers (Spécialistes en valeur du Trésor -SVT in French) by the Cameroonian government, since the launch of the BEAC stock market at the end of 2011.

This increase in SVT is proof of the desire of the Cameroonian government to increase its fundraising capacities on this market which has become very popular with four other CEMAC countries (Gabon, Chad, CAR and Equatorial Guinea), except for Congo which remains the only State in the community to have not yet issued either bonds or Treasury bills on the BEAC stock market.

Main actor of the BEAC stock market since its launch in 2011, Cameroon is hoping to raise this year a total of FCfa 270 billion, against FCfa 195.5 billion for Gabon, and between FCfa 180 and 210 billion for Chad. Even the very fragile Central African Republic is looking to raise FCfa 8 billion on this market during the first half of 2016.

TELECOM

Cameroon: The Minister of Telecoms denounces the mammoth structuring of Camtel

Camtel, the public telecoms operator in Cameroon recently undertook a restructuring of the organisation, and appointed new management. From internal sources, we learned that the new organisational chart enabled the merger of or simply the removal of some departments, particularly within divisions and departments.

This restructuring, we learned from authorised sources, was made following a request from the new minister of Posts and Telecoms, Minette Libom Li Likeng, who, immediately after taking office, expressed her surprise on the extent of the expenditure of the national telecoms operator. Indeed, according to our sources, the organisational chart found by the minister showed approximately 120 directors and division heads.

After the organisational cleanup, this mammoth organisational chart now displays about 90 director and division head positions. Which still does not work out for the minister of Posts and Telecoms, who demands for more cuts, considering the expenditure imposed by the structure on this company which, due to its recurring financial difficulties, receives important financial support from the State.

Indeed, matching sources within Camtel indicate that, any employee appointed to the position of division head or director is automatically "weighted". This expression commonly used within the company means that the salary of the promoted, whatever it may be, is automatically doubled.

Additionally, the person promoted is entitled to huge allowances for his accommodation, the fuel for the company car maintained by the company; an increase of his assignment allowances; a quota for telephone communications on all networks and sometimes for foreign calls, and for which the company is paying interconnection fees between operators...

In Cameroon, con artists are impersonating Ministers and managing directors on Facebook to steal from citizens

The regional section of the Criminal Investigations Department for the Central region, in Yaoundé, has just dismantled a network of conmen who were using the social networking tool Facebook for their criminal activities. These are 5 young people (one of them a prisoner operating from the Kondengui penitentiary in the capital), out of which two are still on the run.

By creating fake profiles supposedly belonging to Ministers and other managing directors on Facebook, the police explained, the members of this network were sending friend requests to citizens, who obviously accepted them, happy to have a Minister or MD as a "friend" on Facebook.

Having thus established contact, the conmen hiding behind the fake Ministers and MD profiles then offered to put their "friends" in touch with their private secretary to help them get jobs, professional attachments or public contracts.

The private secretary who was available only through his mobile telephone, and who was in reality an inmate of the Kondengui central prison, would then request a bribe that was exclusively handled through money transfers in the name of an accomplice who pretended to be the assistant of the MD or the Minister.

Once the money was received, the members of the criminal network would then share it amongst themselves.

Cameroon: Orange and MTN monopolise 93.8% of the telephone market

According to statistics from the Telecoms Regulatory Agency (ART in French), the telephone sector in Cameroon had 16.8 million subscribers (out of a population of 22 million inhabitants) as at end September 2015, against 16.6 million in 2014. This development is mainly due to the increase in the mobile telephone penetration rate, which now reaches 80% against 71% in 2014, according to the telecoms regulatory authority.

The couple made of the South African operator MTN and the French group Orange continues to lay down the law on the mobile market and telephone market at large, with 93.8% of market shares for both. In detail, MTN grabs 57.04% of the market, against 36.8% for Orange.

The newest arrival on the market, Vietnamese operator Viettel which operates under the Nexttel brand, takes 4.66% of market share, a little over one year after launching its operations. At the tail end of this ranking established by ART is the historical operator, Camtel, sole landline telephone operator of the country, who commands 1.4% of the telephone market in Cameroon.

However, we learned from the telecoms authority's statistics, the number of subscribers to the public operator, who should soon make use of its mobile licence, now reaches 412,000 clients, after stagnating for a long time at 22,000.

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, 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.

ENERGY

Cameroon: 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 an increase in the 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.
But in order to get all the financing necessary for this modernisation of Sonara and boost its production capacities, the Cameroonian government was relying on the Eurobond of FCfa 750 billion arranged by Société Générale and Standard Chartered Bank last year, which did not yield the expected results, the Cameroonian State barely able to raise FCfa 350 billion.
The failure of this operation does not however seem to deter the Cameroonian authorities, who have announced the end of the pahse 1 works for this year. Probably betting on a better treasury for the company, who benefitted as part of the 2016 Finance bill of the removal of the 5% customs tax until then enforceable on crude oil imports.

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*".

Cameroon: Tower Resources to invest 24 billion FCFA to explore Thali block

Recent updates related to the exploration deal which was signed, on 15 September 2015, between the state of Cameroon and AIM-listed Tower Resources, revealed that the London-based company will invest around 24 billion FCFA, over 7 years, to explore the Thali block which covers 119.2 km² offshore Cameroon.

A release by SNH disclosed that Tower Resources already committed $ 13 million (more than 7 billion FCFA) for works which are to be carried out in the initial three years. These works include "conducting geological and geophysical studies; acquiring, processing and interpreting 3D seismic data for a 100 km² area; and drilling exploration well".

SNH added that depending on the results obtained from this initial period, Tower Resources could renew its exclusivity agreement, for two additional periods of two year each which require about 16.5 billion FCFA of investment overall (8.2 billion FCFA per period). This investment is associated with works for the drilling two exploration wells, one during each of the two periods of renewal.

Cameroon: Société Nationale de Raffinage awards three contracts of FCfa 1.4 billion to two insurance brokers

As part of the implementation of control for its insurance programme for 2015, 2016 and 2017, the Société Nationale de Raffinage (Sonara) has just awarded three contracts worth a total of FCfa 1.4 billion to brokers Ascoma and Mount Fako Insurance.

The multinational company Ascoma gets a contract of slightly over FCfa 600 million, while Mount Fako Insurance, a local broker, won two contracts of FCfa 250 million and 640 million.

Though the communiqué from the Ministry of Public Procurement on the publication of the results of the call for tender did not provide specific details on the contracts, we can assume that, considering the amounts involved, these are exclusive health insurance contracts for the workforce.

Gaz du Cameroun has "solid financial results", thanks to a production increase of 126%

In its non-certified financial statement as at end November 2015, published on 29 February 2016, the British firm Victoria Oil & Gas (VOG), sole shareholder of the company Gaz du Cameroun (GDC), which is responsible for the production of gas in the Logbaba field, in the Littoral region, says it has achieved "*solid financial results*" for the period under consideration.

These financial results, the junior British gas firm specified, were made possible due to a substantial increase in production, which grew by 126% between November 2014 (3.91 mmscf per day) and November 2015 (8.85 mmscf per day).

The sale of this production to the roughly 20 companies in Douala already connected to the Gaz du Cameroun distribution network enabled the company to boost the volume of its cashflow, which thus moved form USD 5.1 million (approximately FCfa 2.8 billion) as at 31 May 2015, to USD 6.3 million (approximately FCfa 3.4 billion) as at end November 2015.

Commenting on these results, Kevin Foo, Executive Chairman at GDC, says that these performances confirm "*that our fully integrated gas distribution activity in Cameroon works well and enabled us to resist against the drop in crude oil prices and extremely difficult market conditions. We plan on capitalising on these assets to increase production and cashflow in Cameroon and elsewhere in Africa*".

The Cameroonian company Tradex and Total are at war on a service station in the Central African Republic

Using a message from the Central African Minister of Justice dated 3 February 2016, Total Centrafrique "*hastily returned*" to the "*les Martyrs*" service station in Bangui, the Central African capital, breaking the seals affixed the previous day by Brice Martial Baidou, a bailiff.

Indeed, we officially learned, the subsidiary of the French oil group has been evicted 24 hours before from this oil products distribution space by the above mentioned bailiff who was carrying out a court order issued on 23 December 2015 by the Appeals Court of the Central African Republic, acknowledging the Cameroonian company Tradex as "*operator*" of said station.

While "*resolutely denouncing these outdated methods*", the Central African subsidiary of Tradex, in a communiqué published on 8 February 2016, "*appealed to the national and international public opinion to bear witness to this intrusion which is meant to disturb and prevent a binding, irrevocable judicial decision from being carried out*".

As a reminder, Tradex, the standard bearer of national investors in the distribution of oil products in Cameroon, since its entry on the market a few years ago, currently manages a network of 78 service stations, including 20 in the Central African Republic and two in Chad.

INDUSTRY

Somdiaa group announced in the poultry sector in Cameroon from 2017

Leader on the Cameroonian sugar market through its local subsidiary Sosucam (Société Sucrière du Cameroun), the French group Somdiaa is planning to diversify its activities in the country. In this view, it is considering from 2017 moving into the production of chicks for local animal farmers from 2017.
In Cameroon, we learned, this agro-industrial group is planning in reality to duplicate its Gabonese experience, a country in which its subsidiary, Société Meunière et Avicole du Gabon, who was producing until recently eggs and flour, moved into the production of one-day chicks in 2009.
In the meantime, Somdiaa group continues with its investment plan of FCfa 110 billion launched during the 2013-2014 sugar season in Cameroon, with the aim of reaching a production of 170,000 tons in 2017. According to Sosucam's forecasts, 124,000 tons of sugar will be produced during the 2015-2016 season.

CHN Industrial delivers about FCfa one billion worth of equipment to Société Sucrière du Cameroun

Somdiaa, the French agro-industrial group which owns Société Sucrière du Cameroun (Sosucam), purchased on behalf of the company leader on the Cameroonian sugar market, industrial equipment worth a total of approximately FCfa 1 billion (about € 1.5 million), we learned from credible sources.
According to CNH Industrial (subsidiary of the Italian firm Fiat), which has factories in 26 countries throughout the world, this batch of equipment is made of twelve Puma 225 CVT tractors and an Austoft 8800 sugar cane harvester, which yield is of 28 to 48 tons per hour.
"*These machines are very easy to use and lower the risk of human error to the maximum, and this will result in us preserving our investment and a decrease in downtimes*", Arnaud Marrier d'Unienville, the Technical Director for agricultural machinery of Somdiaa group explained.
The new equipment sent to Cameroon during the July-August 2015 period would contribute in reaching the production targets of Sosucam during this current sugar season, officially launched at the end of October last year.
During this season, the leader on the Cameroonian sugar market, who has two factories in Mbandjock and Nkoteng, in Central Cameroon, is planning to produce 124,000 tons. But, talking to the press on 17 February 2016, the CEO of Sosucam, Louis Yinda complained of an "*unprecedented drought*", which is taking away between "*7 to 8% from the production potential*" of this company.

The 2016 sugar production in Cameroon threatened by "*unheard of drought*"

Louis Yinda, CEO of Société Sucrière du Cameroun (Sosucam), local subsidiary of the Somdiaa group, is concerned. This is because the giant in the sugar production in Cameroon might not reach its production targets for 2016, due to an "*unprecedented drought*", as indicated by its CEO while addressing the press on 17 February 2016.
Indeed, we learned, during November 2015, just a week after the official launch of the 2015-2016 sugar season which occurred on 26 October 2015, not a single drop of rain was seen in Sosucam's Mbandjock and Nkonteng farms, the two towns in the Central region of the country where the factories of the leader in the national sugar production are located.
"*I have never witnessed such natural disaster since I started with Sosucam*", the CEO exclaimed. Louis Yinda even revealed that the harsh drought is taking away "*7 to 8% of the production potential*" of this agro-industry, which we learned, planned to experiment with irrigation in some areas of its farms.

Agro-industrial company CDC, 2nd employer in Cameroon, has to replant "*over 50%*" of its farms

Franklin Ngoni Njié, the Managing Director of the Cameroon Development Corporation (CDC), is categorical. This agro-industrial unit, ranked 2nd employer in the country behind the State, with some 22,000 employees spread through its plants and oil palm, rubber tree and banana farms in the South-Western region, has to replant "*over 50%*" of its farms which are now "*old*", he confided to the Quotidien de l'Economie.

According to the MD of CDC, solving this problem of aging plantations, which "*has a negative impact on production and productivity*",is one of the major projects the company must tackle to overcome its current difficulties on the one hand, and on the other hand, fulfil the performance contract that CDC is getting ready to sign with the Cameroonian government

As a reminder, CDC is now wholly-owned by the Cameroonian State, following a presidential decree published on 20 January 2016. The presidential text also broadens the scope of the company which until now was mainly focused on agro-industrial activities to animal farming, thus opening the door for the diversification of CDC's activities, who could soon take advantage of this to counter the gradual decrease in the international prices of some of its products (including rubber and palm oil).

2016 declared "*year of the milk*" by the Cameroonian Ministry of Livestock and Fisheries

Devote all necessary means to revive the milk production in Cameroon and thus reduce the current production deficit, then catalyse the reduction in imports of this product which cost several billion of francs Cfa per year to the country. This is the main ambition that the Cameroonian Ministry of Livestock, Fisheries and Animal Industries (Minepia) has set for 2016, Minister Taïga announced on 22 January 2016 in Yaoundé.

Indeed, according to previous statistics, Cameroon has a production deficit of over 170,000 tons per year, since the national production peaks at approximately 125,000 tons only, for a demand estimated at 297,000 tons. And the reason for this, the sector's experts explain, is the low yield of the cow species used in the main production areas.

Even though Minister Taïga did not elaborate on the vision of the development plan for the national milk production in 2016, one can assume that one part of this ambition will be to bring into the production areas better performing cow species.

This could also be about working on the revival of a milk project in Ngaoundéré, located in the north which is the main production area in the country. This project was supposed to have been established in the 90's with the support of the Canadian Cooperation, but had to close down in the early 2000's, due to management negligence.

TRANSPORTATION

Cameroon: Eximbank China approves funding for a second container terminal at the Kribi Port

In a correspondence dated 19 January 2016 revealed by the Pan African weekly Jeune Afrique, Eximbank of China, the Chinese government's extension in terms of foreign investments, informed the Minister of Economy, Louis Paul Motazé, that it had approved a prime rate loan to the Cameroonian State, for the funding of the second phase works on the industrial-port complex of Kribi. This phase 2 also includes the construction of a second container terminal.

On 30 March 2016, the Cameroonian government requested from the Chinese investment bank loan agreements for a total of about FCfa 370 billion as part of this project meant to equip Cameroon with its biggest port infrastructure. The Chinese discharge comes at a time when the commissioning of the deep water Kribi port, scheduled for 2nd quarter 2016, is looming closer, according to converging official sources.

At that date, two terminals built by the Chinese company China Harbour Engineering Corporation (CHEC), from Chinese financing, during the first phase of the project will become operational. These include the first container terminal, which will be operated by the French-Chinese consortium made up of Bolloré-CHEC-CMA CGM, and the multipurpose terminal, whose concessionary contract was awarded to the group gathering the French company Necotrans and the Cameroonian operators' consortium KPMO.

Cameroon: 5,800 km of roads in danger because of the failures of civil engineering companies

The Cameroonian Minister of Public Works, Emmanuel Nganou Djoumessi, has just cancelled all the contracts for road maintenance awarded to three civil engineering companies (Njimi Sarl, Africa Global Solution et Groupe Pani) and announced in a communiqué published on 3 February 2016, the cancellation of contracts of the same type awarded to 16 other civil engineering companies, all found to have been in breach of their duties within the execution of the said contracts.

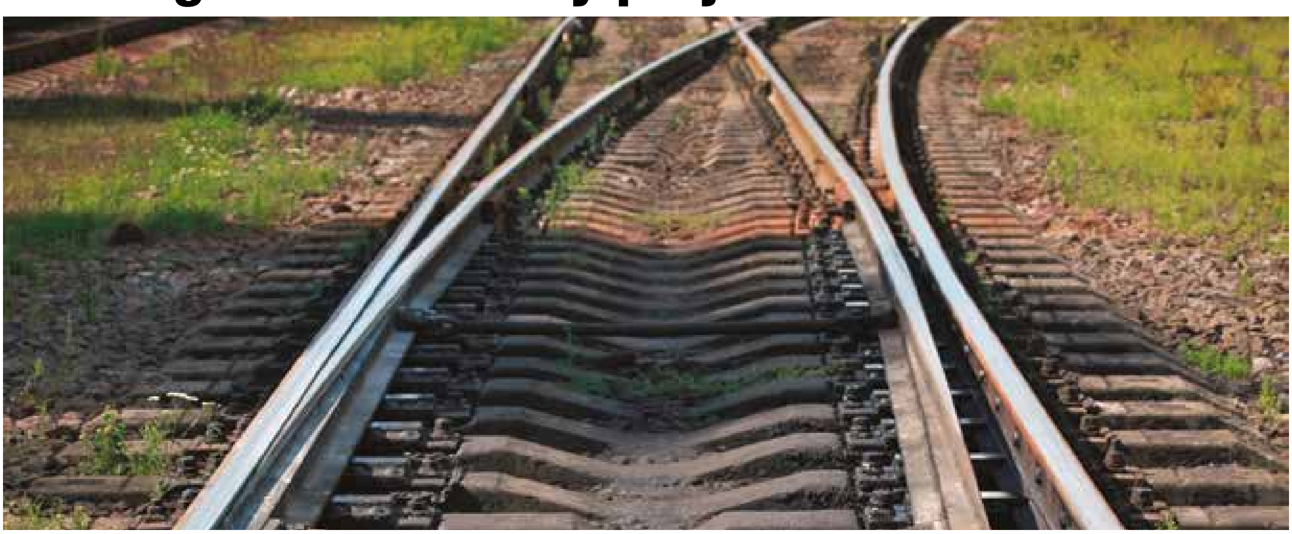
According to our sources, as at end December 2015, out of the ongoing 406 road maintenance contracts, only 300 showed an acceptable level of execution. All the others, which represent 5,800 km of roads to be maintained, showed an alarming level of execution, thus leading to the gradual deterioration of the concerned roads.

This situation, which is not new in the country, not only led to the sanctions ordered or announced by the Minister of Public Works, but also to the signing and publication by the Prime Minister, on 1 February 2016, of a text setting the categories of service providers in the civil engineering sector. This text, according to industry experts, should enable a natural selection of the most performing companies, who would only be able to apply for public civil engineering contracts.

As a reminder, in Cameroon, less than 10% of the Cameroonian road network is maintained, due to insufficient resources dedicated to these works, Jean Claude Atanga Bikoé, Administrator of the Road Fund, confided. Indeed, we learned, the main resource for these works is a fraction of the special tax on oil products paid by oil products distributors.

This licence fee currently stands, as specified by the Road Fund Administrator, at FCfa 55 billion every year, while maintenance for only one kilometre of untarred road, of which the network has 100,000 km, costs on average FCfa 2 million.

The European Union takes an interest in the funding of two railway projects in Cameroon



Antonio Torres, expert in transport and infrastructure at the Directorate General for International Cooperation and Development of the European Commission, has just undertaken a work visit in Cameroon, to identify infrastructure and transport projects which could be funded by the European Union as part of the 11th FED.

Among these projects, are two projects for the update of the railroad, we learned from authorised sources. Firstly, there is the update of the railroad between Yaoundé and Douala, the two main cities of Cameroon, a line of 263 km. Estimated cost of the works: FCfa 57.2 billion.

Then, there is the update of the Pangar-Ngaoundéré stretch, 187 km long, and which cost is estimated at FCfa 43.8 billion. At Camrail, the company in charge of the Cameroonian railway, who confirmed the interest of the European Union in the project, the trust of the European Union is justified by the performances of the national rail transporter over the past 15 years.

MINING

Cameroon: Sundance Resources will reduce its expenditure on the Mbalam-Nabeba iron project by 80%

The Australian junior mining company Sundance Resources, which is operating the Mbalam iron project in Cameroon through its subsidiary Cam Iron, announced on 18 January 2016 that it will carry out an 80% cost-cutting plan on this project. This announcement comes only a few days after the postponement of the signing of a contract for the construction of the infrastructure (railway and iron terminal of the Kribi port) linked to this project, between the Cameroonian government and the company China Ghezouba.
The decrease in expenditure announced by Sundance Resources, we learn, immediately led starting from 1st February 2016, to staff cuts on this project, in order to maintain a team of only 10 employees. The new workforce will be thus split: 2 employees at the headquarters of the company in Perth, Australia and 8 employees in Cameroon and Congo, where 2/3 of the Mbalam-Nabeba iron deposit is located.
On the ground in Cameroon, we learned from reliable sources that, the staff number of Cam Iron in the Eastern region has already been downsized from around 80 employees a few months ago to 6 employees currently, thus staff cuts of more than 90%. The activities on-site, according to our sources, are now limited to monitoring and maintaining the equipment and iron samples collected.

Mira Company wants to build a one million ton capacity cement factory in Cameroon

Mira Company has just signed with the Cameroonian government, an agreement to enable it benefit from provisions in the law on incentives for private investment in Cameroon, as part of a project for the construction of a cement plant in Douala. A total investment of over FCfa 32 billion, this new cement production unit willcreatee approximately 1,600 jobs. Its initial production will reach one million tons, according to the project stakeholders' expectations.
With this new cement factory, Cameroon will thus have five factories, with Cimencam from the Lafarge group, Cimaf belonging to the Moroccan group Addoha, Dangote Cement and Medecen Cameroun from the Turkish group Eren Holdings.

Leader of the month

Mbemi Nyankga becomes the first MD of Sonatrel, the public electricity transporter

The management of the Société Nationale de Transport d'Électricité (Sonatrel - National Electricity Transport Company) has now a full line-up, thereby allowing the effective entry of this new operator on the electricity sector in Cameroon.

After being formed by presidential decree on 4 February 2016, the Board of Sonatrel, chaired by the Minister of Energy, Basile Atangana Kouna, held on 9 February 2016 its first meeting. During this session, Mbemi Nyankga, until now Préfet of the Mefou and Afamba département, in the Central region of the country, was appointed as Managing Director.

This Senior public administrator of 55 years, who has been a préfet for over 21 years, will be assisted by Ruben Minla'a Mengue, appointed as Deputy Managing Director. The two new managers officially took office on 12 February 2016.

Created by presidential decree on 8 October 2015, Sonatrel, of which the above-mentioned two public service officers take charge now, is mainly responsible for "*operating, maintaining and developing the public power grid and its interconnections with other grids; managing the power flux transiting through the public grid; planning, carrying out studies and issuing contracts for infrastructure and electricity transport works, as well as looking for and managing the related financing; etc*". Right now, this public company has to meet the challenge of rehabilitating most of the power grid in Cameroon, which has become obsolete and rush jobs of maintenance for some years now. This work will require important investments, to which the World Bank is ready to contribute.

Right now, this public company has to meet the challenge of rehabilitating most of the power grid in Cameroon, which has become obsolete and rush jobs of maintenance for some years now.

Indeed, talking to the press on 18 January 2016, the Minister of Economy, Louis Paul Motazé, revealed that the Cameroonian government has already been granted an agreement in principle from the World Bank, who expressed its readiness to support the establishment of Sonatrel, with approximately FCfa 660 billion.

BRM

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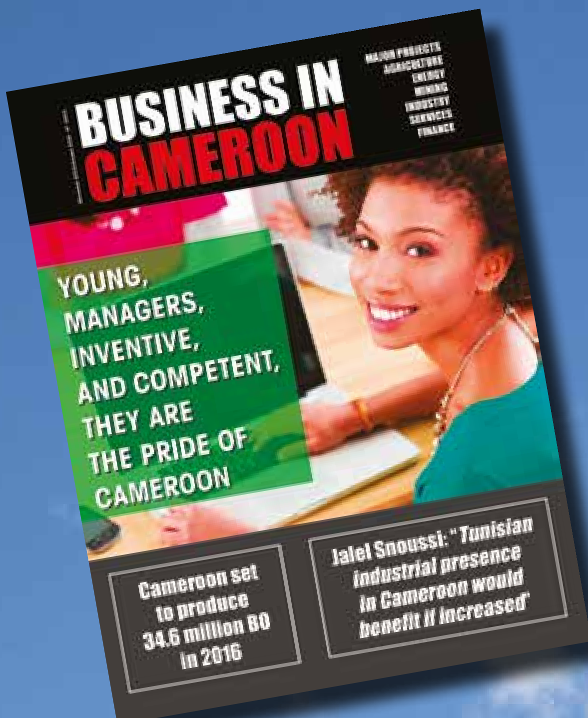

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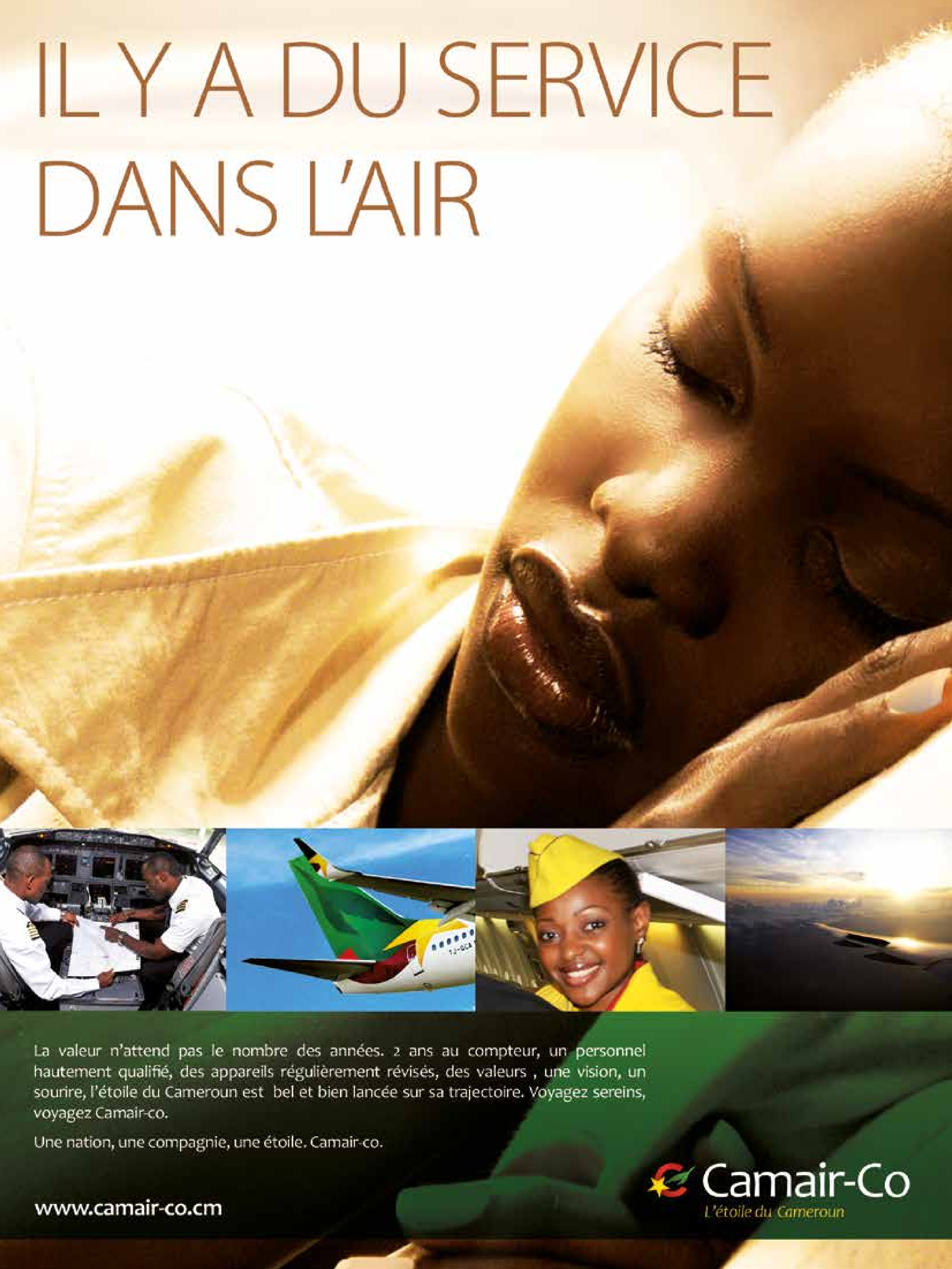
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