

# BUSINESS IN CAMEROON

MAJOR PROJECTS  
AGRICULTURE  
ENERGY  
MINING  
INDUSTRY  
SERVICES  
FINANCE



## Mining projects: Situation review

**Gabin babgnak: “*Today, a Cameroonian pours in average 50% of his earnings in rent*”**

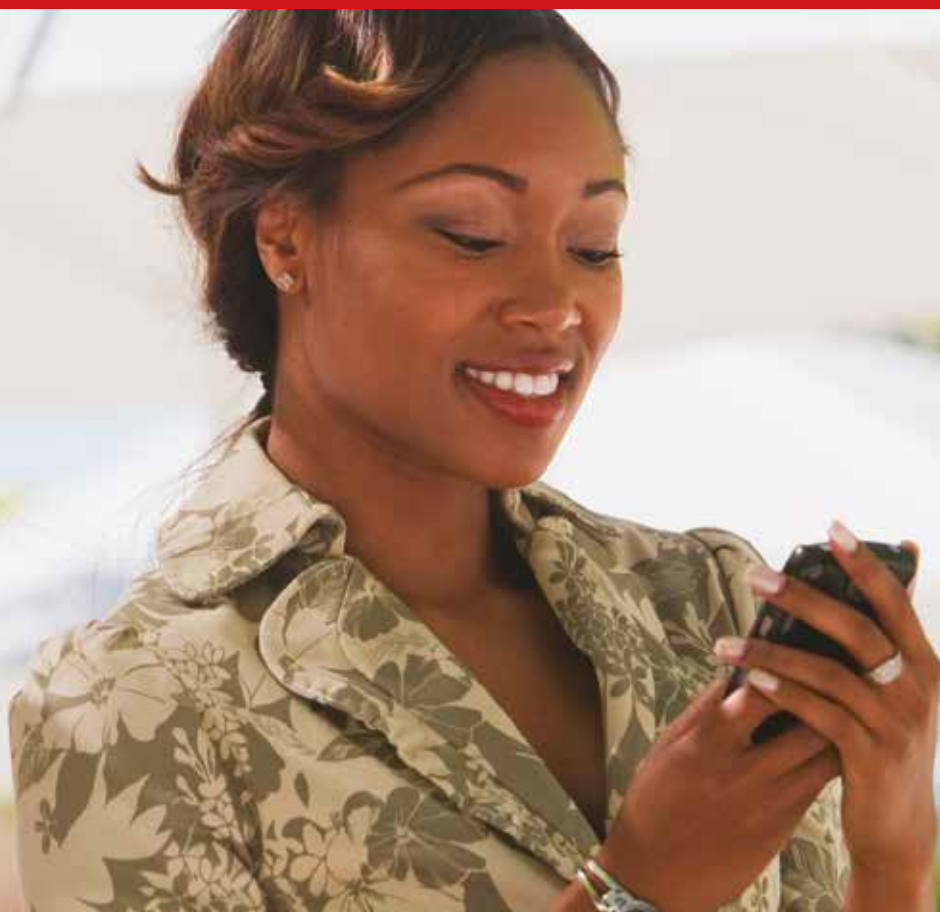
**Atlantic Group  
to build a cocoa  
beans processing  
unit in Kribi**

# BUSINESS IN CAMEROON .COM

**Daily  
business  
news from  
Cameroon**



**IPHONE, IPAD, AMAZON, AND ANDROID APPLICATIONS**



Yasmine Bahri-Domon



## Focus on mines and ores

**I**n a saturated world where demography is increasing exponentially, just as the industrial revolution accelerates, raw materials are getting scarce. Some countries have almost completely depleted their mining wealth and their subsoil. Logical consequence: the tax income and GDP of countries with no remaining mining resources have dropped astronomically.

Cameroon is among the nations who were able to keep their subsoil intact. It is undeveloped. It is rich. Rich in ores among the most precious and most sought after on the world market. Rich in the abundance and diversity of existing ores. Rich in the small number of deposits which have so far been in operation...

The only drawback in the mining economy taking off in Cameroon is in the over-abundance of explored ores, which are hardly exploited. Bétaré Oya gold and Mobilong diamond are still under-exploited and mostly through traditional mining; the vast Mbalam iron deposit is taking too long to be operated, just like the Nkout iron still awaits an operator; the Minim Martap bauxite remains underground; the Nkamouna nickel and cobalt still await a beneficial partnership with a credible foreign investor; the rutile which abounds in the green Akonolinga forest is only looking for an opportunity to attract the interest of international investors. Such is the state of the Cameroonian mining sector which remains untouched. A great number of European and American financiers came to investigate this subsoil. But, very few investors have come to Yaoundé and Douala with solid expertise and strong projects.

Cameroon is looking for potential investors in the mining sector, but the country is wea-

ry of adventurers and this probably explains why Cameroon has still not built its first industrial mine. This is because dubious projects sponsors are more inclined to increase the value of their shares on financial markets, thanks to the exploration permits granted by the Cameroonian authorities, rather than develop the multiple and innumerable riches of a subsoil which presents reliable guarantees of long-term operation, and with a major factor in business, being the security and protection of foreign investments. With its unexploited and under-exploited mining potential, the country is still waiting for credible investors who can push Cameroon up to the level of the great mining countries on the planet. Everything is there. Everything has been set up. The ores are there, the electricity is under way. The country which has the second hydraulic potential in Africa has 350 km unbounded coastline on the Atlantic Ocean. This is a major asset for exports. Is the deep water Kribi port not, in reality, an industrial mining port? In addition to the ports, Cameroon has the infrastructure and a political willingness strongly based on the economic New Deal which represents the policy of great achievements.

To achieve the millennium development goals in the shortest time, Cameroon is obviously betting on the bonanza which is its subsoil. Your magazine, *Invest in Cameroon*, has reserved the profile in the present edition to the varied and envied Cameroonian mining sector. The mining sector in Cameroon is one of the best business opportunities for investors, on a scale comparable to the agricultural, financial, trading, new communication technologies and digital economy sectors.

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# THE CAST



## JANVIER MONGUI SOSSOMBA



The President of the Chamber of Agriculture of Cameroon, Janvier Mongui Sossomba, officially launched, on 24 February 2016 in Douala, the economic capital of the country, the fundraising operation for the creation of a microfinance company specially dedicated to agricultural financing. *"The agricultural micro-finance establishment we want to set up is not meant to replace the Cameroon Rural Financial Corporation (Carfic) (...)"*, the President of the Chamber of Agriculture stressed. And he added: *"After the Head of State who created the agricultural bank, we thought that a structure which could ensure the transition, which could complete the action of the agricultural bank on the ground, a structure which could directly support the farmers would be welcome"*. Announced during the Ebolowa agricultural fair in January 2011, Carfic was created at the end of a general meeting organised in June 2011 in Yaoundé. This agricultural bank already has a capital of FCfa 10 billion available.

## CYRILLE NKONTCHOU



Co-founder of Enko Capital Management with his brother Alain Nkontchou, an asset management company based in London and Johannesburg, Cyrille Nkontchou Kamdem joined the Board of the Cameroonian subsidiary of the Gabonese banking group BGFI, a legal notice revealed. This had been decided by the banking group's Senior management since November 2015, we learned. Until 2021, the announcement stressed, this Cameroonian financier will sit on the Board of BGFI Cameroun as *"independent administrator"*. Which suggests that the arrival of Cyrille Nkontchou on the board is more due to the expertise he could bring as financier, rather than representing one of Enko Capital's clients in this body. The new administrator of BGFI Cameroun is a former analyst of Andersen Consulting in France, who later worked for Merrill Lynch in London.

## JEAN MARCEL DAYAS MOUNOUMÉ



This is probably the first instance of this type in Cameroon: an ex-General Manager of a State company summoned through the press to the Budgetary and Financial Disciplinary Committee by the Supreme Audit Office of the State, an institution whose reports have sent several dishonest public fund managers.

But beyond the method, the summoning Jean Marcel Dayas Mounoumé by the Minister delegated to the Presidency in charge of the Supreme Audit Office of the State, Mrs Mbah Acha; brings back to the fore information stating the departure from Cameroon of this ex-MD of the autonomous Port of Douala.

According to authorised sources, suspicions of misappropriation of public funds have been levelled against Mr. Mounoumé since his dismissal as Head of the autonomous Port of Douala (PAD). As a reminder, Mr. Mounoumé has already, since 3 July 2015 (he did not attend the TCS hearing on that day) been sentenced to 15 years in prison, in a case of embezzlement of FCfa 458 million.

## ALAIN NOËL OLIVIER MEKULU MVONDO



This is it! Awaited by the National Provident Fund (CNPS) for decades, the increase in the upper limit of social contributions is now effective, as is the increase in the rate of monthly contributions to be deducted from salaries.

According to the presidential decree establishing the new scales, the upper limit for social contributions moves from FCfa 300,000 to 750,000 (an increase of 150%), while the contribution rate for employees moves from 2.8% to 4.2%.

Explaining these new rates, the Managing Director of CNPS, Alain Noël Olivier Mekulu Mvondo, indicates that this decision by the Cameroonian government will lead to an increase in CNPS income as well as the pensions of retired workers. *"When you have a salary of FCfa 1 million per month for example, you will contribute for your pension not 4.2% of one million, or FCfa 300,000 as was the case previously; but FCfa 750,000 now. The second change follows from the first, because pensions will be higher"*, he specified.

## MINETTE LIBOM LI LIKENG



*"Youths, ICT and entrepreneurship in Cameroon: Which activities for which roll out?"*. This is the theme of the discussion that the Cameroonian Minister of Posts and Telecoms, Minette Libom Li Likeng, had with young startup sponsors through videoconference, on 19

February 2016. While presenting their various projects, the young sponsors all listed, among the challenges to developing their activities, the lack of financing, the quality and cost of the internet connection in the country.

*"We plan to analyse this information and elaborate a strategy for the development of the digital economy, in order to have a master plan"*, Minister Libom Li Likeng announced. As a reminder, this videoconference to which 700 start-up developers registered was organised following the address of the Head of State, Paul Biya, to the Cameroonian youth on 10 February 2016, during which he invited the youth of the "Android Generation", to seize the many opportunities present in the digital economy.

## ISSA TCHIROMA BAKARY



After the operation by the Cameroonian army on 14 February, which resulted in severe losses for Boko Haram in the town of Ngoshe, where a commanding post of the Nigerian Islamist sect was located, the Cameroonian defence forces made an incursion in the city of

Kumtse, *"until now one of the main logistical bases and an important decision-making and action centre for the criminal actions planned and carried out by the Boko Haram terrorists in Cameroon"*.

During this mission, 850 hostages of Boko Haram were freed, the Cameroonian Minister of Communication, Issa Tchiroma Bakary, announced. In addition to freeing hostages, we learned, an important military arsenal was seized and traditional landmines manufacturing centres destroyed. About 100 terrorists were neutralised. Two Cameroon soldiers died, blown up by IEDs.



# Italian President Sergio Mattarella visited Cameroon from 17 to 20 March 2016



Coming from Ethiopia, the President of the Italian Republic, Sergio Mattarella, arrived in Yaoundé, the Cameroonian capital, on 17 March 2016 in early afternoon. Sergio Mattarella only left Cameroon in the morning of 20 March, after going through a full schedule. A schedule which included, among other things, a face-to-face with the Cameroonian Head of State, Paul Biya, on 17 March in the afternoon; and a State dinner in the evening offered by the Cameroonian presidential couple to its guest.



In addition to visiting the projects of some Italian charitable organisations in Cameroon, Sergio Mattarella was received at the Yaoundé I University, both countries having a long term partnership in the education sector. On this subject, we learned officially, the 4,000-strong Cameroonian student community in Italy *"is the first African community and the fifth worldwide"*.



Apart from the political issues which were discussed between Presidents Biya and Mattarella, such as the Boko Haram crimes in Cameroon's Extreme-North; this State visit by

the Italian Republic President in Cameroon had a strong economic tone.

## STRENGTHENING THE ITALIAN PRESENCE

Indeed, a meeting between Cameroonian and Italian businessmen took place on 17 March 2016 in a Yaoundé hotel, at the fringes of Sergio Mattarella's stay. 9th supplier of Cameroon with a market share equivalent to 3.3%, Italy wants to strengthen its economic presence in this Central African country. In this regard, the Italian companies Italferr, active in the construction of railways, and Iveco, a vehicle manufacturer based in Turin; have just notified the Cameroonian government of their interest in the transport sector. But, above all, the arrival of Sergio Mattarella in Cameroon could be a sign of the upcoming acceleration in some projects under negotiations between Italian economic operators and Cameroonian authorities. These are mainly the construction of a 60,000 seats stadium in the city of Yaoundé by Piccini, or a real estate project by Pizzarotti, who plans to build 10,000 accommodations in Cameroon.



# Paul Biya: *“on the economic front, I have often said it, this solidarity leads to a need for a shared global prosperity”*

Excerpts from the toast given by the Cameroonian Head of State during the dinner offered to his Italian counterpart on the occasion of his visit to Yaoundé.

*“(...) We are firmly facing the crimes of the terrorists. We go after these assassins and inflict ever heavier losses upon them, with the support of the mixed multinational Force, but also with the support of several allied countries, among which Italy.*

*Les terroristes de Boko Haram provoquent un afflux massif de réfugiés sur notre territoire. Devant tant de personnes en détresse, notre devoir de solidarité humaine nous commande de ne jamais repousser ceux qui cherchent refuge, de les accueillir et de partager avec eux le peu dont nous disposons.*

*The Boko Haram terrorists are causing a massive inflow of refugees in our country. Facing so many people in distress, our duty of human solidarity requires from us that we never spurn away those seeking refuge, to welcome them and share with them what little we have.*

*Europe and, particularly, Italy, is going through, mutatis mutandis, a similar situation right now and is facing*



*an unprecedented migrant crisis.*

*I have always thought that any sustainable solution to this difficult issue should be based on social conscience and humanist values, which I know to be dear to Italy.*

*In fact, more than ever, our world needs more solidarity.*

*On the economic front, I have often said, this solidarity leads to a need for a shared global prosperity. This is not about some having to beg and others giving it out sparingly.*

*This is, in the framework of a solidarity contract, about moving forward together, as good partners, anxious to reach, at all times, mutually profitable agreements.*

*Mr President,*

*Cameroon has diverse natural resources in important numbers. Its agriculture benefits from favorable ecological conditions and vast areas of fertile land. Its subsoil is rich in various mining resources.*

*This important potential must be better exploited, with more local processing. The development of several economic and social infrastructure will also speed up.*

*I therefore invite Italian companies whose competence and reliability are recognised, to show interest in these different programs. In this way, they will help, side by side with us, as part of this solidarity contract I just mentioned a few minutes ago, in creating in our country and offering to our youth, far better living conditions. Thus, we will deter them from risking their lives to seek an illusory Eldorado.*

*I know, Mr President, that many of your companies have already created partnerships in the raw material processing sector as well as civil engineering. I also know that other partnership are under negotiations in the infrastructure development and housing sector (...)”*

# A difficult to develop mining potential



For 60 years now, successive generations of Cameroonians students have studied the mining potential of Cameroon, starting from primary school. Every single one of them, since their youngest age, have thus heard about the Minim Martap, Ngaoundal or Fongo Tongo bauxite; the overflowing gold in the Eastern region, the Akonolinga rutile, etc.

Then, with the agitation observed in the promotion of mining activity in Cameroon around the end of the 90's, important deposits of iron, diamond, nickel, cobalt were added to this...discovered by foreign junior mining companies. The results obtained during the exploration phase are unanimous: all these deposits, whether of iron or diamond, are of world class and their development

would inevitably help Cameroon to take off on the economic level.

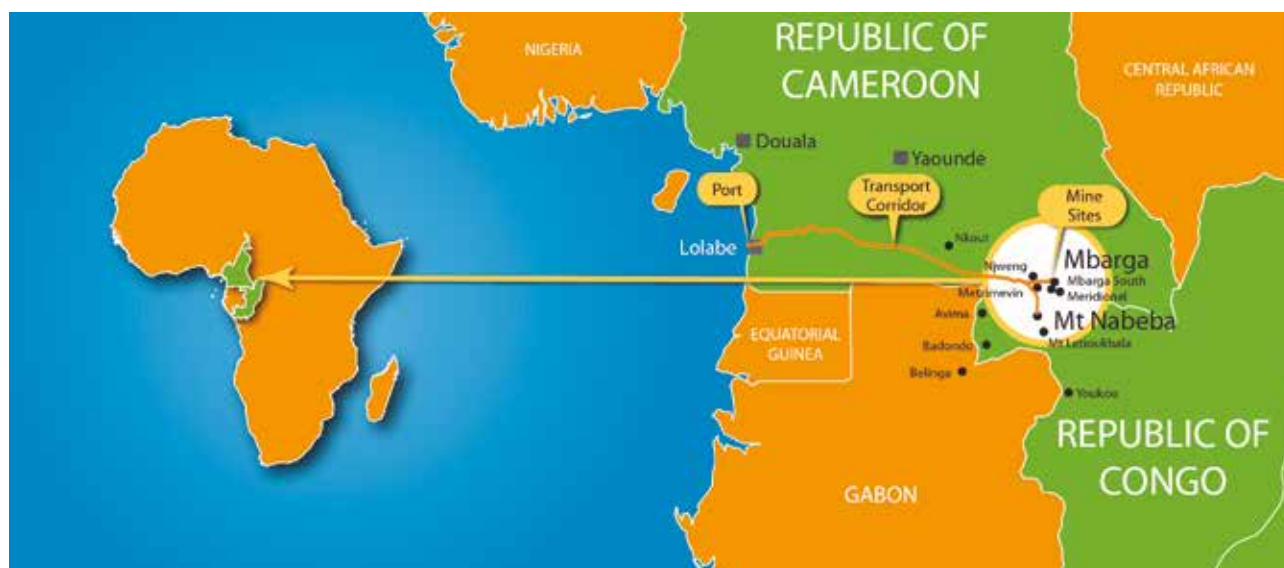
But now, almost 60 years after the wave of independence which swept Africa and despite a potential comparable to "a geological scandal", Cameroon still awaits the construction of its first industrial mine. However, projects abound. Some of these projects, having advanced to a mature level, keep on stumbling due to financial constraints, which are sometimes made insurmountable by the constant fluctuation in international raw material prices. This is even without mentioning some junior mining companies whose real agenda -generally hidden- is more focused on increasing their share price on the financial markets thanks to the exploration permits awarded by the authorities,

than to push projects forward on the ground.

Consequently, despite an enviable and envied potential, Cameroon remains a wasteland in terms of mining exploration. Indeed, the only exploited subsoil riches so far are gold and diamond, from which traditional miners concentrated in the Eastern region scrape a living; or the marble, limestone, pozzolan, exploited on an industrial scale. All things which are unfortunately more like a drop in the ocean of opportunities available in the mining sector in Cameroon, a country still waiting for investors -real ones- capable of definitively thrusting it to the level of leading mining countries. For the benefit of all.

**Brice R. Mbodiam**

# Mbalam-Nabeba: hope still slipping away



**By postponing sine die the signing of the infrastructure contract associated to this project, the company China Ghezouba returned it to a new phase of uncertainty.**

The Australian junior mining company Sundance Resources, who is developing the project for the exploitation of the Mbalam-Nabeba iron deposit, spread between Cameroon and Congo, announced on 13 January 2016 that it had been informed of the postponement sine die of the signing of the contract for the construction of infrastructure (500 km of railway and ore terminal at the deep waters 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 take back the lead on this aspect of the project after Sundance's failure to raise funds as at end June 2015, and China Ghezouba Group. According to Sundance, even though it continues to show interest in the project, the Chinese counterpart re-

quested that the signing of the contract be postponed, while awaiting "an improvement in market conditions and further progress in the fund-raising process".

The Mbalam-Nabeba iron project thus enters a new period of uncertainty. Indeed, in the current environment of a widespread drop in world raw materials prices, including iron, it is difficult to know when the price for this ore will break the downward trend and rise again. However, this hypothetical upturn seems to be the precondition given by the Chinese company with which the State is negotiating the financing of the Mbalam project infrastructure, prior to any contract signing.

## A PRODUCTION POTENTIAL UPGRADED IN 2015

On the ground, immediately after the postponement of the contract between China Ghezouba and the State of Cameroon, Cam Iron, local subsidiary of Sundance Resources, implemented a decision taken by its parent company, by announcing

It is 40 million tons of iron which could be produced annually from the first phase of operation of the Mbalam-Nabeba deposit.

an 80% reduction of its expenditure on this project. This is how its workforce on the site of the project moved from approximately 80 employees to six employees. Activities on the site are now limited to monitoring and maintaining the equipment and collected iron samples.

As a reminder, according to the last estimates from Sundance Resources, it is rather 40 million tons of iron which could be produced annually from the first phase of operation of the Mbalam-Nabeba deposit, and not 35 million tons as initially expected, we learned from the company's activity report as at end March 2015.

With this yearly tonnage increase in the iron mine, we learned, "the turnover per annum (of the operator) will increase by USD 295 million (approximately FCfa 147.5 billion) per year" based on iron ore price of USD 80/DMT CFR China and a freight cost of USD 21/DMT.

BRM



## Nkout iron deposit: the revaluation of the potential still does not attract investors

The British company International Mining & Infrastructure Corporation (IMIC), who bought Affero Mining's assets in the Nkout iron project in South Cameroon, decided during a general meeting held on 15 December 2015, to sell 4903 shares of its Cameroonian subsidiary, Caminex, we learned in an official communiqué.

These actions worth FCfa 10,000 each represent 49.5% of the assets of Caminex. The subscription period is from 5 June 2017 to 5 November 2019, we learned. This fundraising exposes the difficulties IMIC has in carrying out the Nkout iron project, in an international environment marked by the continuous drop in the prices of this metal.

To raise the financing required to carry out the Nkout iron project and many others in Africa, IMIC announced on 12 January 2015 having appointed CITIC Securities Co. Ltd, an investment bank, to lead and coordinate the access to new sources of financing on the Asian market, including Hong Kong and continental China. CITIC Securities will help



in identifying new strategic partners and potential investors for the mining company.

The Nkout iron deposit is presented as the most important in Cameroon, ahead of the one in Mbalam-Nabeba (in the East), of which 2/3 of the de-

posit is located in Congo. In December 2014, IMIC announced a revaluation of the Nkout deposit potential to 2.7 billion tons of iron resources, with a growth of 68% on the DSO, against only 43.2% during the first estimates.

## Mamelles de Kribi: towards the signing of a mining operation permit for Sinosteel

Against all odds, the first iron deposit to start operation in Cameroon could be the "*Mamelles de Kribi*", for which the Chinese company Sinosteel will soon make an application to the Cameroonian government for a mining permit.

Whether according to government sources or internal sources at Sinosteel, this project, located in South Cameroon, is currently the most

advanced and has the easiest challenges to tackle to start a mining operation soon. The "*Mamelles de Kribi*" deposit, for which an exploitation pre-feasibility study was presented on 11 December 2012 to the Cameroonian government, has a production capacity of 4 million tons of iron over a period of 25 years.

The Chinese company Sinosteel has

been interested since 2008 in this iron deposit located close the town of Kribi, where a deep water port has just been built and which, starting from its commissioning in the second quarter 2016, will become the biggest port infrastructure of the country, and one of the most strategic on the West African coast.

# Status quo on the Mobilong diamond since the sale of assets by C&K Mining to a Chinese-American investor



The revelation by C&K Mining, who claimed having discovered the biggest diamond deposit in the world in East Cameroon, had sped up the procedure to acquire an exploitation permit in 2010, the 2<sup>nd</sup> delivered in the country after Geovic's. Then, unfortunately, a scandal came out which slowed down this mining project finally bought by a new investor, who seems in no hurry to move to the operational phase.

The company C&K Mining, owner since December 2010 of the permit

for the operation of the Mobilong diamond deposit, in East Cameroon, sold the majority of its assets on this mining project to a Mr. Yang, a billionaire of Chinese origin living in Hong Kong, but who some authorized sources say holds an American passport.

According to our sources, who reveal that a General Assembly of C&K Mining was held on 19 November 2014 in Yaoundé, after a Board meeting which took place on 2 November in Seoul, Mr. Yang

Though the potential of the Mobilong diamond deposit is controversial, no reliable contradiction has been made so far on the last assessment made by C&K Mining.

is the “new majority shareholder” of this mining company from a joint-venture between Korean and Cameroonian operators. The Korean partners, who until now were majority shareholders “with over 50%” in C&K Mining’s capital, now own “less than 10%”, we learned. The transaction, whose amount was not revealed, has discretely taken place since “end 2013”.

This asset sale comes after the scandal created by the Mobilong diamond deposit in South Korea, from

December 2010. Indeed, that year, C&K Mining, who had explored said deposit since 2006, was accused on over-evaluating its potential (736 million carats at first, which is 5 times the world production, then an adjustment which brought back the final potential to 420 million carats), in order to speculate on the Seoul stock market.

In effect, after obtaining the permit in December 2010, and with a potential finally declared as unreal, the C&K Mining stock jumped on the Seoul stock market, multiplying its share price "by 4.6 in only 16 days", Frédéric Ojardias, Radio France correspondent in Korea indicated. An upturn which benefited high Korean personalities and the management of C&K International, the parent company of C&K Mining, who had sold their shares at the highest price, before the price of the stock dropped later.

#### **A POTENTIAL FRAUGHT WITH CONTROVERSY, BUT NEVER DENIED**

A court action was then raised against the management of the junior Korean mining company, in-

cluding the Chairman who was arrested then jailed in Korea in February 2013. Deuk Gyun Oh was only freed at the end of September 2014. This, we learned from sources close to the case, after a lengthy hearing (from 9:00 to 19:00) at the Seoul Court of Justice, on 15 September 2014, of Cameroonian Paul Ntep Gwet, former Coordinator of the Cadre d'Appui à l'Artisanat Minier

Eastern Cameroon. CAPAM moreover holds 10% in C&K Mining, a company he helped create with Korean partners and other national operators.

Though the potential of the Mobilong diamond deposit is controversial, no reliable contradiction has been made so far on the last assessment made by C&K Mining

### **C&K Mining, who had explored said deposit since 2006, was accused on over-evaluating its potential in order to speculate on the Seoul stock market.**

(CAPAM), a government program meant to manage traditional miners in the production areas.

According to our sources, this Cameroonian mining expert, who had worked on almost all mining projects in the country, was invited to testify by the firm C&K Mining, in order to reassure the Korean Justice on the real existence of a world class diamond deposit in Mobilong, in

(420 million carats). But all parties agree that it is a world class deposit. Especially thanks to its conglomerate area which has not yet been appraised, but which is considered more important than the alluvial deposit (its immediate exploitation was authorized after the issuance of the permit), whose total potential is estimated at only 230,000 diamond carats.

**BRM**

## **The Bocom group wants to 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 undertaken by the Minister of Mines in Fifinda, the CEO of Bocom revealed that he would soon build a steel production complex in this town of Southern Cameroon. This complex, we learned, will in-

clude a mine, an iron enrichment unit as well as a community for employees. The Bocom group, who could thus become the very first Cameroonian investor to develop an industrial mine in the country, says it wants to develop the iron deposit potential located in the town of Akom II, close to Fifinda, where Cameroon Steel Manufacturing Company is planning to locate its headquarters. If he did not reveal the amount of the investment he intends to make in Fifinda, as well as his partners,

the CEO of the Bocom group however indicates that the profits gained after the implementation of this project will help finance other projects that his group is currently putting finishing touches to. The Akom II iron deposit (Southern Cameroon) is nevertheless smaller than the ones in Mbalam (East), Nkout (South) or the Mamelles de Kribi (South), which Cameroon is depending on to become an important producer of iron in Africa.



# Nkamouna nickel and cobalt: Geovic Mininga uses stalling tactics during 11 years, before leaving



For over a decade, this company was more preoccupied with increasing its share price on the Toronto stock exchange through announcements on the importance of the Nkamouna deposit, while on the ground nothing evolved.

Eleven years after being issued the very first mining permit in Cameroon on 11 April 2003, Geovic Cameroon, subsidiary of the American-Canadian junior mining company Geovic Mining Corp, finally abandoned in 2014 its project for the development of the bauxite, cobalt and manganese deposits in Nkamouna, in the Lomié arrondissement, Eastern Cameroon.

For several months now, the Head Office of the company in the Bastos area in Yaoundé has been emptied and the furniture sold. On site, in Nkamouna, a Geovic Cameroon employee indicates that “Geovic has been in standby for about a year now. They have even started selling the machinery parked at the Kongo headquarters (where the mine was meant to be built, Ed.)”.

The information is confirmed by the ex-Mayor of Lomié, Célestin Assama Mbongo, with more details: “Everything has been at a standstill for a year. Apart from the security service of the company still present onsite. The remainder of the work-

force (about 200 employees) is on leave. This is a real disappointment, because we had placed a lot of hope in this project. We were given assurances several times that the project would be launched. Now, we are just watching the machinery go away”.

## “THE POPULATION HAS STOPPED BELIEVING”

According to this former town executive of the Lomié borough, Geovic Cameroon had nonetheless found an agreement with Chinese investors, to whom it was meant to sell its assets on this project of which it owns 60.5%. “Between February and April 2014, these Chinese came here several times. Supported by teams from Geovic, they went to the site and took samples, and then nothing. In any case, nobody listens to them anymore. The population has stopped believing”.

We can recall, in effect, that on 23 July 2013, Geovic Mining Corp had announced having signed “a final agreement” with the Chinese group Jiangxi Rare Metals Tungsten Group Holdings Company Ltd (JXTC), to whom the American-Canadian junior mining company had decided to sell the entirety of its assets on the development project of the cobalt, nickel and manganese deposits in Nkamouna in Cameroon.

“This final agreement represents a significant development on the road to making the Nkamouna project

The Nkamouna mining project was valued at USD 615 million, approximately FCfa 306 billion.

*operational. The development of the project would start as soon as financing is made available and enable the creation of jobs and the diversification of the Cameroonian economy”, Michael Mason, CEO of Geovic Mining Corp, declared.*

**“GEOVIC, A MULTI-LAYERED STRUCTURE”**

According to our sources, what had been presented as a “final agreement” in July 2013 was finally not fulfilled by the parties, the Société Nationale des Investissements (SNI - National Investments Company), the Cameroonian State branch holding the shares of the national operators in this mining project (39.5%), not having seen its conditions respected by the Chinese partner.

Actually, this last episode is just another in the long series of unkept

promises and juicy announcements, which during eleven years, kept the dream of seeing the Nkamouna project finally come alive further away. Doubts which did not prevent the stock of this company from rising on the Toronto stock exchange, because of repeated announcements on the continually appraised potential of the Nkamouna deposit.

*tive, or newly created. Most of the assets of the group are thus made up of its Cameroonian concessions”.*

As a reminder, the Nkamouna mining project was valued at USD 615 million, approximately FCfa 306 billion. The reserves, we learned, indicate about 121 million tons of ore resources with average composition

## **Geovic Cameroon finally abandoned in 2014 its project for the development of the bauxite, cobalt and manganese deposits in Nkamouna.**

But, these uncertainties generated suspicion on the true motivations of Geovic Mining, then presented by the newspaper *Les Afriques* as “a multi-layered structure”, whose “other subsidiaries are either inac-

of 0.23% for cobalt, 0.65% for nickel and 1.35% for manganese. According to the feasibility study concluded in 2011, this project should generate 800 direct jobs and close to 400 indirect jobs.

## **Minim Martap and Ngaoundal Bauxite: Hydromine's big bluff**

It is since 11 March 2015 that Peter Lionel Briger created a subsidiary of the American company Hydromine in Cameroon. The registered office of Hydromine Cameroon Ltd, endowed with a modest share capital of FCfa 1 million, is in Douala, the economic capital of the country, we learn in a legal notice published on 3 November 2015.

The purpose of this company indicates that it is dedicated to the development of energy projects and “any other activity that the company could undertake in accordance with the laws of the Republic of Cameroon”. This vagueness which is reflected in the company purpose of Hydromine Cameroon Ltd is matched by the reputation of this company in the country.

Indeed, mentioning the name of this company recalls its big bluff about the Minim Martap and Ngaoundal bauxite mining project, in the northern part of the country. A project in which Hydromine, which has proved to only be an American start-up (created in 2004 in Delaware, but already holding a mining exploration permit in Cameroon in 2005) without an office, without financial standing and without any expertise in the mining sector, however announced investments of around FCfa 5,000 billion.

Finally, in spite of striking announcements without tangible results, the project is taken over from 2009 by the company Cameroon Alumina (CAL), 45% owned by the Emirate company Dubal and

45% by the Indian company Hindalco. Hydromine now only holds 10% of the assets of this mining project, which moreover has no longer been talked about much in the country for several months.

As a reminder, according to the results of exploration work, Minim Martap and Ngaoundal bauxite reserves are estimated at 554 million tons. Exploitable reserves are assessed at 458 million tons of ore, while CAL estimates that additional reserves of 100 to 200 million tons could also be determined. Based on this prospect, CAL considers an operation of 1.5 million tons of bauxite per year, making Cameroon the leading African producer ahead of Guinea Conakry, which produces 700,000 tons.

# Gabin Babagnak : *“Social housing is a commercial product whose boom inevitably depends on the State”*

Trained as an Industrial Engineer, this expert in rural-urban and housing development strategies is the author of many reflections on the issue of social housing in Cameroon. In this interview, he states the reasons for the failures of the public system in charge of promoting social housing, the interest of foreign investors for this sector, the “D system” implemented to overcome the current deficit and the role to be played by decentralized local collectivities and Diaspora in the development of social housing. Interview by Brice R. Mbodiam.

*Business in Cameroon:* In Cameroon, the deficit in social housing has been estimated to more than a million. What caused this?

*Gabin Babagnak:* To be more precise, at December 31, 2014, the deficit in social housing in Cameroon reached one million two hundreds units. This mainly as a result of the economic crisis the country recorded, the lack of planning in the sector which should have taken into account demographic expansion,

depreciatory quality of Cameroonian entrepreneurship, added to the deconstruction which Cameroon is currently experiencing at the structural level. All these did not allow the State to efficiently carry out its social housing strategy.

BC: Société Immobilière du Cameroun (SIC), the State’s secular arm in terms of social housing, with the support of the Mission for Developing Urban and Rural Spaces (MAETUR), Crédit Foncier, and Housing Bank was able to build

*“Because the government could not build housing units in 40 years, some high officials of State did what it could not by building impressive real estate and land properties”*

As a result, Cameroonian citizens organized to do what the Government was supposed to do, by developing what I call self-construction or self-production, which unfortunately, did not do as much good as they intended. Since each and every one had to build with the means they had, Cameroonian towns do not look like much.

11,000 social housing units since Independence. Yet, this same facility in Tunisia, for example, allowed for the construction of up to 10,000 units per year. So, what went wrong in Cameroon?

GB : The institution which Cameroon’s government established after independence to promote social housing could not do much indeed.





The inertia characterizing these structures paired with government not demanding results drove them to become almost inactive. Moreover, the economic crisis that hit Cameroon made it worse. With their salaries then cut down, twice, public sector workers could no more benefit from the services of these structures.

However, in 2009, we developed for the government a program that aimed to construct 10,000 housing units and developing 50,000 building plots. We thought the scheme quite ambitious given that it ad-

*"To be more precise, at December 31, 2014, the deficit in social housing in Cameroon reached one million two hundreds units"*

dressed not only the social housing deficit issue, but also allowed for the promotion of the middle class which almost vanished due to economic crisis.

Hence, on December 10, 2010, Crédit Foncier granted the project manager, that was the Ministry for Urban and Housing development, FCFA25 billion to launch the pilot stage of the governmental project, which should have led to the construction of 1,676 housing units in Yaoundé and Douala. Unfortunately, five years later, only 240 units were built and funds had been ex-

hausted. Clearly put, as custom in Cameroon, some took the program as an opportunity to plunder State's coffers.

**BC:** Now, SIC turned from social housing towards high-standing housing which is more profitable. Why this change of course, despite the significant deficit in social housing?

**GB:** Truth is, these institutions work more for the rich than the poor. They changed course on purpose. Yet, State institutions are supposed to prioritize the most vulnerable.

From our personal experience in the sector, we were able to conclude that the situation is proof that some Cameroonians refuse to see the middle class emerge.

Indeed, because the government could not build housing units in 40 years, some high officials of State did what it could not by building impressive real estate and land properties. For short, officials became the main investor in Cameroon, and they, are the one to which social housing projects, which compete with their personal properties, happened to be trusted.

It is therefore easy to understand where their bad faith comes from. Some of them even, through various ways, do not hesitate to use public funds to increase their own real estate and land assets. This is what happens in Cameroon! Elsewhere, public policies in the social housing sector are more effective since those implementing them respect the set targets.

**BC:** How could a law like the joint-ownership law adopted by parliamentary in 2012 participate to the development of the housing industry?

**GB:** This law is extremely important given that Cameroon's demography keeps expanding whereas lands are not. This is why it is crucial to popularize and promote high rise buildings, so as to get multiple house owners in the same building. However, for this to happen, the co-habitation issue should be first dealt with. And it is because of this that this law, to which we participated, took time before being adopted.

**BC:** You said that some people replaced the State regarding its contribution to social housing in Cameroon. Yet, we do not really see the private sector investing in social housing in the country. Could it be that this segment is not profitable for investors?

**GB:** Social housing is a commercial product whose boom inevitably depends on the State. Since there had not yet been any boom in the sector, private sector remained passive because the sector needs various changes to be implemented (taxes, land organization, etc.). Without these changes which would attract more investors toward social housing, private investors prefer commercial housing. This is why we currently see high-standing housing being developed, while Cameroon desperately needs social housing given the actual deficit and populations' earnings.

**BC:** Regarding the lack of interest of local private investors for social

## ***“The Diaspora can operate through decentralized collectivities so that these ones, instead of Central government, build housing units”***

housing in Cameroon, could it be possible that, in a near future, the sector depends on foreign investors, such as Turkish and Moroccans who are now manifesting more and more interest in Cameroon's real estate industry?

**GB:** It cannot be denied that these foreign investors have a strong experience in the sector. Also, Cameroon is an operating environment given its demographic expansion and potential. Housing is a major consumption segment. Today, a Cameroonian pours in average 50% of his earnings in rent. This is why the government should impact on the housing industry, social housing especially. So, foreign investors who are interested in the sector come in the framework of cooperation and business. However, government should supervise all this.

**BC:** From what you are saying, these investments are presently not being supervised. What is missing?

**GB:** Political willingness, and most importantly, the willingness to implement these policies. Cameroon's major issue concerns the implementation of these public concepts and policies. Here, there is like a conspiracy by those in charge of implementing these policies. Of course there is a political speech but within the operational segment, there are people who decided to do nothing.

**BC:** Back to foreign investors interested in Cameroon's social housing sector, we notice that China, which

is developing most of the country's major projects, is barely interested in housing. Could this change over the coming years?

**GB:** I disagree with you. China is one of the countries to make Cameroon's government the most significant offers in terms of housing. Proof of this is that China is currently developing the pilot stage of a project to construct 540 housing units in Olembe which is in no way related to the governmental scheme I mentioned earlier. With a loan of about 6 billion CFA Francs, they committed to build 540 housing units and I believe these are even about to be completed.

So, China is very much interested in Cameroon's social housing industry. The advantage is that China always offers the lowest cost, though architectural quality sometimes has shortcomings.



**BC:** China is presently electrifying Cameroon we should say since most of its companies are building dams across the country at the moment. Could we expect, in a near future, China to also dominate Cameroon's social housing sector?

**GB:** Yes, it is most likely.

**BC:** In Tunisia, Morocco, the Diaspora played a key role in the development of housing. In Cameroon, this contribution remains informal. How should we proceed to drive this part of the Cameroonian population help close the current gap?

**GB:** From all we have said so far, what could drive a member of the Diaspora to investing in such a context? I told you a program to build 10,000 housing units was launched and five years later only 240 units were built; when you

are aware of the poor governing issues, challenges encountered by entrepreneurs in the country; you understand that you cannot invest in your country as easily as Senegalese or Burkinabe do in their respective countries.

Cameroonian Diaspora dwells in pessimism and this can be understood. But what we would like to tell them is that it is important to relativize because, a country is more than its heads. And through cooperation and individual initiatives, it is possible to stimulate development from the private sector.

The Diaspora can operate through decentralized collectivities so that these ones, instead of Central government, build housing units. From where we stand, the time for pessimism has passed, it is now time to change our understanding of development and gather the necessary

*China is one the countries to make Cameroon's government the most significant offers in terms of housing.*

efforts to achieve it. It is true that decentralization still has various issues in Cameroon, but with time we will get there.

**BC:** You seem to be putting more faith into local decentralized collectivities than in the Central government...

**GB:** Decentralization is the right way, the best way for Cameroon to achieve development. The government has proven unable to provide answers to some operational issues. So, local collectivities are in the right position to achieve development. For the simple fact that they are closer to populations and thus know, more than anyone else, the challenges that they are facing. Hence, if introduced in the production chain, we believe they will provide better results will.



## PUBLIC MANAGEMENT

## Aéroports du Cameroun wins first non-sovereign loan in the country from AFD

€46 million, approximately FCfa 30 billion. This is the amount of the finance agreement signed on 19 February 2016 in Yaoundé, the Cameroonian capital, between AFD and Aéroports du Cameroun (ADC), the public company managing the airports of the country. These funds were used to rehabilitate the runway pavements of the Douala International Airport, we learned.

But more importantly, this funding is the very first non sovereign loan signed by a Cameroonian public company. In other words, contrary to what has been the practice so far, this loan granted to ADC is not backed by the State of Cam-

eroon. Which in a certain way, demonstrates the solvency of the company.

This first non-sovereign loan from AFD to a public Cameroonian company is obviously an effect of the workshop organised in Yaoundé on 16 June 2015, during which seven companies owned by the Cameroonian State, including ADC, were informed on the criteria to access non sovereign financing from AFD.

*"In a global world where competition is fierce, it is not anymore possible for us to limit ourselves to traditional sources of financing"*, the Minister of Finance, Alamine Ousmane Mey, declared to justify

the organisation of this training session. But in truth, the subsidies and guarantees given by the Cameroonian State to its companies are seen as increasingly inefficient by experts, who see it as a sort of government bond which takes away from public companies any ambition or obligation to be competitive. In a report on the Cameroonian economy, the IMF, who took the opportunity to point out the *"mediocre results"* of these companies despite being subsidised by the State, recommended to the government to condition said subsidies and other guarantees on increasingly rigorous statements of work.

## 2016 AfCON: Sinohydro loses a contract in Cameroon due to insufficient results



The machinery of the Chinese company Sinohydro are no more visible around the Ahmadou Ahidjo Stadium of Yaoundé, which the company was

meant to rehabilitate, in addition to the two adjoining stadia and the military stadium of the capital; in preparation of the African Women Cup of Nations

which Cameroon will host between November and December 2016.

According to official sources within the Ministry of Sports and Physical Education, Sinohydro's contract for the rehabilitation of the Ahmadou Ahidjo stadium and its adjoining stadia was cancelled by the State of Cameroon, due to insufficient results. Indeed, we learned, three months after the start of the works which were scheduled to last 8 months, Sinohydro has been able to complete only 5% of the project. After Sinohydro left the site, the project was immediately handed over to the Egyptian company Arab Contractors.

As a reminder, this cooling in the relationship between the Cameroonian government and Sinohydro comes only a few days after the visit in Cameroon of a CAF team who came to check on the progress of the infrastructure for the 2016 Africa Women Cup of Nations.

## **The government concerned with the increasing indebtedness of the State companies**

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 improve their performance. In total, we learned from credible sources, 34 contracts have been signed to date. But, according to an authorised source, “the rate of financial execution 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.

## **In 2 years, over 100 Belgian investors have prospected for business opportunities in Cameroon**



A delegation of 60 Belgian economic operators landed in Cameroon on 29 February 2016, seeking business opportunities in the country. Before leaving Cameroon on 4 March 2016, these investors exchanged with the government and had B2B meetings with Cameroonian economic operators in Douala. Led by a senior manager of the Antwerp Port, one of the most important in Europe, the delegation of Belgian investors from the infrastructure, agriculture, renewable energy, import-export, rail, road and sea transport, etc. sectors; visited the Douala and especially Kribi ports, with the latter normally scheduled to start activities during the second quarter of 2016.

Since December 2014, we note a great interest of Belgian investors in Cameroon. Indeed, after the twenty odd companies which participated in the Promotion Trade Fair in Yaoundé in December 2014, then the 25 entrepreneurs who visited Cameroon in May 2015, the delegation of Belgian economic operators who are leaving Cameroon on 4 March 2016 after a week of prospection, is the third to visit Cameroon within 2 years. In total, over 100 investors from this European country will have visited Cameroon in the period under consideration.

# AGRIBUSINESS

## Toussaint Nguessang : *“Cameroon’s example in the organisation of its cocoa sector inspires us”*

**Interview with the President of the World Organisation of Cocoa producers, who considers the Cameroonian cocoa sector, speaks about the objectives of the OMCC-WCPO and the need for producer countries to develop processing industries**

**BC :** What has the President of the World Organisation of Cocoa farmers (OMCC-WCPO) come to do in Cameroon?

**TN :** Firstly, we have come to set up the national bureau of our organisation. The constituent general meeting of the World Organisation of Cocoa Producers (OMCC-WCPO) was held a year ago and a delegation from Cameroon took part. We are here to support the team who attended the general meeting and who we charged with promoting the organisation in Cameroon. Above all in view of the OMCC-WCPO starting a strong partnership with the National Cocoa and Coffee Board.

**BC :** What is your overall view of the cocoa sector in Cameroon?

**TN :** I note that a national board has existed for several years, which is a significant achievement. In this respect, we are learning from Cameroon, since we in Côte d’Ivoire are yet to create a Board. We will return to Cameroon soon to learn more about this successful experience in setting up a Board, organising the sector and above all training cocoa producers.

**BC :** And what can you say about Cameroonian cocoa production and its quality?

During this trip in Cameroon, we have attended a ceremony presenting completion of training certificates to a first



batch of quality inspectors of cocoa at the farm-gate. But, we believe that it is quality with a capital “Q” that we should salute.

**BC :** As well as being world leader in cocoa production for years, Côte d’Ivoire has recently become the leading processor of beans, according to ICCO. Cameroon hardly processes 25% of its production. What advice can an actor in the Ivorian cocoa sector give to Cameroon in developing the processing of its cocoa?

**TN :** Ideally we should add value to the cocoa we produce. But I think we are trying to implement schemes where processors agree to work with structured producer organisations, to initiate at least the first level of processing, to enable the producers to increase their revenues. This is all the more important as each time we export our unprocessed raw materials, we are also exporting jobs.

**BC :** With the surge of cocoa processing industries in Côte d’Ivoire, don’t you have the impression that the industrialists are now following cocoa where it is plentiful?

**TN :** It is not so obvious to back this point of view. The industrialists go where their interests are, notably where they have tax advantages and where production conditions, such as power, are available. It is not because there is a lot of cocoa that they come to Côte d’Ivoire or they go to Ghana.

**BC :** What can cocoa producers expect from an organisation such as the one which you manage?

**TN :** The foremost goal of our organisation is to ensure better representation of cocoa producers in meetings and other consultations at the world level. Then, it is a matter of unifying the voice of producers so that it is heard where needs be, from a qualitative standpoint. And then, OMCC-WCPO aims to improve relations between the various actors being the governments of producer and consumer countries, industries and civil society organisations.

At OMCC-WCPO, we believe that it is necessary to have an inclusive dialogue, which takes into account the opinions of the producers themselves, governments, civil society and industrialists, in order to guarantee sustainable cocoa production.



## **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 Decem-

ber. 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.

## **Germany bets on FCfa 3.3 billion to boost poultry farming and agriculture**

Set up green innovation centres to improve the poultry, cocoa and potato production; this in order to increase small producers' income. This is the goal targeted by a funding of FCfa 3.3 billion granted by the Federal Republic of Germany to the Cameroonian government. The corresponding agreement was signed on 15 February 2016 in Yaoundé, the Cameroonian capital. According to

the parties, the choice of products targeted by the financing was made based on their large presence in the consumption patterns (particularly in the case of potatoes) or their importance within the agricultural activity of the country. This is the case for cocoa, which is produced in seven of the ten regions of Cameroon and covers roughly 600,000 family farms.

## **CICC announces a record of 2 million coffee seedlings in 2017**



Confronted with the continued decrease in coffee production in Cameroon, the Conseil Interprofessionnel du Cacao et du Café (CICC - Cocoa and Coffee Board) decided to revitalise, starting from 2016, to its Emergency Stimulus Programme targeting the coffee production (Purc-café). This new boost for Purc-café will help in providing the producers with a record cargo of 2 million coffee seedlings in 2017, Omer Gattien Malédy, the Executive Secretary of CICC, revealed.

Officially launched in January 2014 in three production areas of Cameroon (West, East and Littoral), after a disastrous 2012-2013 coffee season (16,000 tons produced), Purc-café was meant to create every year 600 hectares of new farms, thus 1,800 hectares over 3 years in the three selected production areas.

But, we learned, this goal was not reached starting from the first year of implementation of the programme, due to the unavailability of seedlings for producers.

## FINANCE

## Attijariwafa opens an asset management company in Cameroon, to oversee Central Africa

Attijari Securities Central Africa, in short Asca. This is the name of the new entity created in Cameroon on 10 February 2016 by the Moroccan group Attijariwafa. This new company, we learned in a legal notice published on 11 March 2016, has an initial capital of FCfa 1.3 billion.

Its scope of activities ranges from “the supply of financial services, including receiving and transmitting orders, in-

vestment, negotiation, subscription, purchase, management, retention, administration and sale of securities and all other financial products, consultancy and assistance services in terms of assets or financial management, financial engineering”; to “interest acquisition by way of contribution, subscription, purchase of shares or through any other means in all companies”.

Headed by Bensalah Naoufal, this com-

pany whose board is chaired by Rouissi Youssef, has within its board members representatives of all the banking subsidiaries of Attijariwafa Bank in Central Africa. This includes Société Commerciale de Banque au Cameroun (SCB Cameroun), Union Gabonaise des Banques (UGB) and Crédit du Congo (CDC).

## Sodecoton raises FCfa 35 billion from five banks to finance 2016 season



The Société de Développement du Coton (Sodecoton), a para-public company and flagship of the agro-industry in Northern Cameroon, has just raised FCfa 35 billion from five local banks, to manage its 2016 season. This loan, we learned, is upgradable to FCfa 40 billion, depending on the needs of the company.

Once again spearheaded by Commercial Bank of Cameroun (CBC), who contributed FCfa 8 billion to the total, this operation also saw the contribution of Afriland First Bank, the biggest contributor with FCfa 15 billion; Bicec (FCfa 6 billion), UBA (FCfa 5 billion) and Société Générale (FCfa 1 billion).

The funds thus raised, we learned, will be used to buy cotton from small producers. As a reminder, Sodecoton officially manages over 250,000 small producers in Northern Cameroon.

## Banque camerounaise des PME approves FCfa 500 million for its first corporate credits



In total, about 50 SMEs who applied for credit at Banque camerounaise des PME (BC-PME / Cameroonian SMEs bank), received funding worth FCfa 500 million.

These loans were granted with an interest rate of 10% excluding taxes, our sources specified, while also mentioning that all the financial support provided for the first time to the SMEs by BC-PME, are short term loans. These are loans less suited to business development than middle and long term loans.

## The investment fund I&P strengthens its presence in Central Africa, with a subsidiary in Cameroon

Instead of the subsidiary it has just closed in Cameroon, the investment firm I&P (Investisseurs et Partenaires) will rather open a branch “*which aim is to operate throughout the sub-region (Cameroon, Gabon, DRC) where we have financed over 10 companies since 2002*”, specified Emilie Debled, Director of External Relations and Development at I&P.

*“The Investment Manager in charge of this branch has been selected and will take office from next month (April 2016, Ed.)”*,

revealed Emilie Debled, who stated that this repositioning of the investment firm I&P is part of a strategy meant to intensify its activities in Central Africa, with Cameroon as its base.

Focusing mainly on Africa, I&P claims to support about sixty small and medium enterprises (SME) in 15 African countries. In Cameroon, these companies are ACEP, Genemark, Carrières du Mounjo, Biotropicale, Kawtal or Cameroun Breuvage.

## Ecobank Cameroun made a net profit of FCfa 6.3 billion in 2015



Slight improvement for the 2015 net income of the Cameroonian subsidiary of the Pan African banking group Ecobank. Instead of the FCfa 6.05 billion in profit taken in at the end of 2014, the net income of Ecobank Cameroon in 2015 peaked at FCfa 6.383 billion, we learned from an official communiqué issued at the end of the General Meeting of the bank held on 19 February 2016 in Douala.

Over the period under consideration,

we also learned, Ecobank's subsidiary in Cameroon strengthened its ranking as 4th bank in the country, with a total fiscal record of FCfa 522.4 billion as at end 2015, an increase of 19% compared to 2014.

According to the management of this bank, this increase in the total balance follows the increase in deposits from clients, which went up 24% last year, now being at FCfa 439.7 billion.

## The leasing portfolio has moved from FCfa 45 to 115 billion between 2009 and 2015



Six years after the creation of the Cameroonian Leasing Association (Camlease), whose main target was to develop financing for companies through leasing (financing of equipment) in Cameroon, with the support of the public Cameroonian authorities, the results are slightly mixed.

Indeed, we learned at the end of a recent magistrates' evaluation seminar on the appropriation of the 2010 bill on leasing in Cameroon, the portfolio of lenders moved from FCfa 45 to 115 billion over the 2009-2015 period. This significant increase in the activities of lenders is however still very far from the FCfa 250 billion potential available for this activity in Cameroon, according to an estimate from the World Bank.

Moreover as stressed by Pierre Kam, President of Camlease, the leasing activity in Cameroon is not exempt from the non-repayment habit noticed in the country. “*A loss ratio of over 12% has been noted. Ad this trend is getting stronger year after year*”, he revealed, before specifying that this loss ratio is above 20% for SME.



## TELECOM

## Cyber-criminality wreaking havoc in Cameroon, according to Antic

Fcfa 3 billion. According to the National Agency for Information and Communication Technologies (Antic), this is the amount lost by banks in 2015, because of cyber-criminality. These losses, the MD of Antic, Ebot Ebot Enaw explained during a recent forum on cyber-security, are the consequence of "Skimming", a cybercrime which consists in *"hacking magnetic cards with special devices inserted in automatic bank teller machines"*. But, the consequences of "Skimming" on banks are a lesser evil compared to

the havoc wreaked by the use of sim-boxes in the telecommunication sector. Indeed, this device which enables people abroad to place calls at local tariffs, causes huge financial losses to companies as well as the Treasury. In October 2015 during a forum on challenges and perspectives on the fight against fraud through simbox in Cameroon, the four telecom operators working in the country had already lost over FCfa 18 billion since the beginning of the year, against slightly over FCfa 4

billion for the State, due to the simbox fraud.

Cybercriminality in Cameroon can also be "web defacement", which consists in fraudulently changing the interface of a website; fake profiles on social networks and hacking into emails to con citizens; and using hacked software. From this point of view, the MD of Antic stressed, *"close to 90% of the software and operating systems used in our country are hacked"*.

## Footballer Samuel Eto'o becomes the face of MTN in Cameroon

The Cameroonian subsidiary of the South African telecommunications company MTN International, an-

nounced on 21 march 2016 during a press conference in the Cameroonian capital, that it has entered into a part-

nership with footballer Samuel Eto'o, who thus became MTN Cameroun's ambassador.

This partnership between Eto'o and MTN proves that the Antalyaspor, Turkey player is still very much in demand with some advertisers, despite the ongoing issues involving him. Indeed, the ex-captain of the national football team of Cameroon, fallen from grace after the last world cup in Brazil, is the main character of a tell-all book just published by his former mistress, Nathalie Koa, who revealed some unsavoury exploits by the four-times winner of the Ballon d'Or outside of football stadiums.

Samuel Eto'o, who is at the centre of legal proceedings in France as well as Cameroon following his breakup with Nathalie Koa, thus joins the MTN brand after having been for some years the face of its main competitor, telecommunications operator Orange Cameroun.



# ENERGY

## Bojongo field boosted oil production in Cameroon in 2015, in increase by 26%



The upward trend noted on the oil production in Cameroon for at least 5 years was confirmed by the end of 2015. Indeed, according to the figures of the Société nationale des hydrocarbures (SNH - National Hydrocarbons Company), in 2015 Cameroon produced 34.4 million barrels of crude oil, an increase of 26%

compared to the 27 million barrels produced as at end 2014.

*"This increase is mainly, where oil is concerned, the result of the commissioning and operation of the Bojongo field and of the increase in production"* of three other oil fields where production started in 2014, the Inter Inoua-Barombi, Barombi Nord-Est and Padouk fields, explained SNH, the arm of the Cameroonian State in the oil industry.

The public oil company moreover specified that on 21 April 2015, the oil production in Cameroon peaked at 102,586 barrels, a level never again reached since 2002.

## 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 from 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"*.

## Already FCfa 500 billion in commitments to finance the Natchigal dam



Various public and private lenders contacted by the different partners on the Natchigal dam construction project, in the Central region of Cameroon, have already made financing commitments worth FCfa 500 billion out of the FCfa 656 billion necessary for undertaking the project. The information was revealed by the Cameroonian Minister of Energy and Water, Basile Atangana Kouona, during a cabinet meeting held on 28 January 2016 in Yaoundé.

Based on these financing commitments, the completion of the project's feasibility studies and the state of progress of the tendering process leading to the selection of the contractor, we learned, the actual launch of the construction works for the Natchigal dam is scheduled for the 4th quarter 2016.

Spearheaded by the State of Cameroon, Electricité de France (EDF), the International Finance Corporation (IFC) and Rio Tinto Alcan, the construction project for the Natchigal dam, with a production capacity of 420 MW, is a condition for the expansion of plant of the company Aluminium du Cameroun (Alucam) located in Edéa, which is planning to augment its production from 90,000 to 300,000 tons.

## China Camc Engineering wins contract for the construction of the Lom Pangar dam plant

Fcfa 30.427 billion. This is the value of the contract just awarded to China Camc Engineering, for the construction of the adjoining plant to the Lom Pangar dam, under construction in Eastern Cameroon. According to the official communiqué announcing the results of the call for tenders on this contract, this company was favoured against Spanish Elecnor, whose offer was judged as “mostly not being in compliance on the technical level”, and whose bid was much higher (over FCfa 55 billion).

With a production capacity of 30 MW, the adjoining plant to the Lom Pangar dam will be built in a year, and will enable to supply villages in the East-

ern region of Cameroon in electricity, thanks to a 120 km-long transport line. Début février 2016, Electricity Development Corporation (EDC), l'entreprise de patrimoine dans le secteur de l'électricité au Cameroun, a invité les 13 entreprises pré-qualifiées pour cette prestation à faire parvenir leurs offres. Ces entreprises ont jusqu'au 6 mai 2016 pour déposer lesdites offres, assorties d'une garantie de 340 millions de francs Cfa.

Early in February 2016, Electricity Development Corporation (EDC), the State company in charge of electricity in Cameroon invited the 13 pre-qualified companies for this service to submit their proposals. The companies

have until 6 May 2016 to submit their bids, with a guarantee of FCfa 340 million.

Built by the Chinese company CWE, the Lom Pangar dam, with a reservoir capacity of 6 billion cubic meters, is the biggest ever built in Cameroon. It will be delivered in July 2016. Its partial flooding in September 2015, when it had already held over 3 billion cubic meters of water, enabled the regulation of the upstream flow in the Sanaga basin; allowing the country to manage the 2016 low flow (which lasted throughout the first quarter), during which electricity cuts were sparse.

## The Memvélé dam, in Southern Cameroon, will produce its first megawatts in September 2016

The Memvélé hydroelectric dam, under construction in the southern region of Cameroon, will produce its first megawatts in September 2016, the project monitoring team announced while specifying that 80% of the construction works for this energy infrastructure have been completed. The steering committee of the Memvélé project also revealed that this dam will be officially commissioned in June 2017.

The Memvélé hydroelectric dam, which the Chinese company has been building since 2012, will supply an additional 200 MW during peak hours (between 6 PM and 10 PM), and will thus contribute to reducing the energy deficit from which Cameroon suffers.

This energy infrastructure of

FCfa 420 billion in total, is for the most part financed by a loan from Eximbank China, with approximately FCfa 243

billion, against FCfa 112 billion from AfDB and FCfa 65 billion from the State of Cameroon.





# TRANSPORTATION

## Italian firm Iveco interested in the Cameroonian urban transport sector

After Italferr, an Italian company eyeing the on-going railroad projects in Cameroon, it is now the turn of Industrial Vehicles Corporation (Iveco) to show interest in the transport sector in Cameroon. This is at least what was revealed by the Italian ambassador in Cameroon, Samuela Isopi, who on 11 March supported a senior manager of Iveco during a meeting with the Cameroonian Minister of Transport, Edgar Alain Mebe Ngo'o. *"Today, we talked in particular about the urban transport sector. But, I think Iveco could also be a valuable partner in other sectors, for example agricultural machinery"*, the Italian diplomat confided at the end of her second meeting of the week at the Ministry of Transport.

A manufacturer of light, medium and heavy motor vehicles, engines, buses for urban and inter-city transport, Iveco is headquartered in the Italian city of Turin. This automobile firm is owned by the American-Italian consortium CNH Industrial, who has just delivered FCfa 1 billion worth of equipment to Société Sucrière du Cameroun (Sosucum).



## Cameroon: Brazilian Marcopolo wants to move speed up its urban transport project for 2016 AfCON

Supported by the Brazilian ambassador in Cameroon, Nei Futuro Bitencourt, a delegation of the management of the Brazilian company Marcopolo has just handed over to the new Cameroonian Minister of Transport, Edgar Alain Mebe Ngo'o, its proposal for setting up an urban mass transport system in Cameroon, particularly in the cities of Yaoundé and Douala, the two capitals of the country.

Marcopolo, who has been working on this project with the Cameroonian government for three years now, we learned,

plans to take advantage of the impending Africa Women Cup of Nations which Cameroon will host in November-December 2016, to speed up its investment in the country. Indeed, the ambassador of Brazil stressed, if the project is approved by the Cameroonian government, *"the buses will be in Cameroon by end September, to effectively contribute to the 2016 tournament"*.

The BRT (Bus Rapid Transit) urban transportation system, which Marcopolo wants to implement in Cameroon, in partner-

ship with Queiroz-Galvao and Logit; has the particularity of adapting to the structure of the city where it is set up, whatever the existing configuration may be, the Brazilians explain.

Experimented for the first time in the Brazilian city of Curitiba in 1974, this urban transport system is today used, we learned from reliable sources, in about a hundred cities throughout the world. Gabon will try it out during the 2016 AfCON, we learned.

# Camrail increases by 30% the price for weeding services from local residents on the Cameroonian railway



The meeting organised on 4 March 2016 in Douala between the management of Cameroon Railways (Camrail), the company in charge of the Cameroonian railroad, and 163 representatives from the communities living close to the railroad, led to an increase of 30% on the

price for weeding the railway, a service handed over for years to the population living close to the railroad.

Thus, for every weeded meter of railroad, the communities will now get FCfa 70,056 against FCfa 53,500 previously, we learned in an official com-

muniqué issued at the end of the consultation. Moreover, the rail transporter took the commitment of providing the teams in charge of weeding the railroad with the appropriate equipment, just as both parties committed to strengthening their partnership in the fight against the illegal transport of prohibited forest and animal products.

As a reminder, as part of its local policy with the communities living close to the railroad, Camrail allocates a budget of FCfa 400 million per annum to finance the weeding and monitoring activities on the railway outsourced to the local residents living in proximity of the railroad, as well as local development projects (well drillings, donation of school and medical material, etc.)

## Cameroon and Luxembourg sign an aviation agreement

Flight travels between Cameroon and Luxembourg are now possible, thanks to an agreement signed on 26 January 2016 between the Cameroonian government, represented by Edgar Alain Mebe Ngo'o, Minister of Transport and the Grand Duchy of Luxembourg.

The 62nd aviation agreement signed by Cameroon in its search for cooperation with other countries, according to the tally from the National Aviation Authority, the 26 January agreement signed in Luxembourg should help broaden the trade and economic cooperation between the two countries.

## Resumption of air traffic at the Douala International Airport, after a three-week shutdown for works



Since 21 March 2016, airlines operating in Cameroon can again fly from the Douala International Airport, the main entry point of the country. Indeed, after only three weeks of works, the authorities in charge of managing this airport partially reopened it.

However, we officially learned, some

runways remain closed, due to delays in the rehabilitation works.

According to the company Aéroports du Cameroun (ADC), the most important airport in Cameroon will only return to its normal level of activities from 1 April 2016, new date chosen for the reopening of all landing strips.

# INDUSTRY

## 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.

## Nestlé Cameroun hopes to get a hold on student market with Nescafé

A database of students which whom Nestlé exchanges constantly on social networks; trainings offered to students on entrepreneurship; an inter-university competition on student registration, the sale and consumption of Nescafe on university campuses and sponsorship of activities organised on campus. This is the range of activities offered by "Nescafe Youth Program", which the Cameroonian subsidiary of the Swiss food company Nestlé is rolling out on Cameroonian campuses since the 2013-2014 school year.

In addition to this program between Corporate Social Responsibility (CSR), sales and marketing, Nestlé Cameroun launched this year the 2<sup>nd</sup> edition of its concept "Employer Brand", we learned on 17 February 2016 during a ceremony for the signing of partnership agreement with the University of Yaoundé II. Through this concept, the Swiss company is committing to offering work



placements to the best students, with the possibility of permanent employment depending on the needs of the company. In exchange, according to the terms and conditions of the above-mentioned agreement, the university is committing to offering the space and facilitating the establishment on campus of a Nescafe point of sale, to encourage students to take part in the Nescafe inter-university

competition organised by Nestlé Cameroun, post on campus the internship and employment offers from the company, etc.

As a reminder, according to statistics from the Cameroonian Ministry of Higher Education, in 2014, the State universities in Cameroon had 304,301 students, potential clients for companies.



## Tennisman Yannick Noah gets involved in FCfa 60 billion real estate project in Cameroon



The French firm MG Constructions, of which one of the seniors partners is none other than French-Cameroonian tennisman Yannick Noah (photo), has just launched the marketing operation of the Cité des cinquantenaires according to the Vefa principle (sale of property for future completion).

This is a real estate project which will be set up as a block of over 500 high-standing accommodations, with “roof top

*swimming pool, split level apartments, sprawling patios, underground car packs, shopping centre, fitness centres and banquet halls, a majestic vista over a magnificent park, etc.”*, according to the description given by MG Constructions.

The project, which blueprints were designed by the architecture firm Bisseck, explains Guillaume-Edima Atangana, Public Relations Manager at MG Constructions, is carried out in partnership with the Communauté urbaine de Yaoundé, the office of the Mayor of the Cameroonian capital.

The Cité des cinquantenaires will be built on a land for public purpose in the Djoungolo area of the Cameroonian capital. This is according to sources close to the project a global investment of FCfa 60 billion, which will be financed by the contributions of partners as well as bank loans.

## Cameroonian billionaire Nana Bouba goes into mineral water production

The mineral water market in Cameroon just welcome a new product. This is “Opur”, a mineral water produced by Nana Bouba Company (Nabco), an enterprise owned by Cameroonian billionaire Nana Bouba, up until now known for producing refreshing drinks under the Vigo brand.

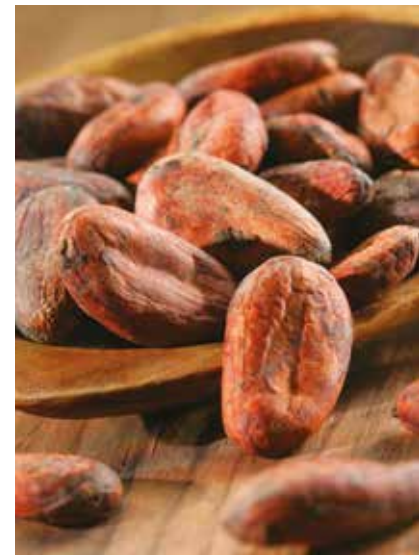
In addition to hinting that the Cameroonian market still has availability for opportunities in Cameroon, the arrival of Nabco on this segment will make the battle for dominance on this market stronger. A battle in which SEMC, subsidiary of Brasseries du Cameroun, which has dominated this market for decades thanks to its famous mineral

water “Source Tangui”, has been paying the highest price until now.

Indeed, as soon as “Supermont”, a mineral water produced by competitor Source du Pays (who first launched the 10 litres packaging option), returned to the market, SEMC finished the year 2012 with a deficit of FCfa 50 million, which increased by end 2013 to about FCfa -319 million.

But in 2014, the mineral water market leader in Cameroon, which is also the least performing on the Douala Stock Exchange (Dsx), was able to generate profits, ending the year with a net income of FCfa 261.9 million.

## Atlantic Group wants to build a cocoa processing plant in Cameroon



The Australian firm Atlantic Group, whose speciality is in restaurant, catering and organising banquets, is considering building in Southern Cameroon, particularly in the “Kribi industrial port area” a cocoa processing plant.

The information was revealed in a call for expressions of interest published on 14 March 2016, which invites companies to submit their application to carry out this project led by the company Atlantic Cocoa Corporation (ACC), local “subsidiary” of Atlantic Group.

According to the promoters, this “project for the establishment of an agro-industrial unit for the primary processing of cocoa beans (...) fits in with the goals of the government to prompt cocoa processing so that it reaches at least 50% of the national production, to keep a significant part of the added value from the strategic agricultural sectors in the country”.

**Leader of the month**

# Poached from Diageo, Patricia Berthelot becomes Deputy General Manager of Brasseries du Cameroun



Back to the beginning for Patricia Berthelot. This Cameroonian, Economics graduate from the Paris II Panthéon Assas University, has just taken residence at the Société Anonyme des Brasseries du Cameroun (SABC - a brewery company), as deputy General Manager. Patricia Berthelot thus comes back to the company she left in 2010, to everyone's surprise, to join competitor Guinness Cameroun, a company owned by the Diageo group.

*"I am happy to be back home. I am very moved to see my ex-colleagues again and to meet new faces"*

This marketing figurehead was then recruited as Marketing Director for Central and Western Africa for the Diageo group (she was already the Sales and Marketing Director at SABC before leaving), before being promoted, in 2013, as Managing Director of Brasseries des Seychelles, also owned by the Diageo group.

*"I am happy to be back home. I am very moved to see my ex-colleagues again and to meet new faces. Brasseries du Cameroun faces today several challenges and I have the conviction that we will be able to tackle them with everyone's contribution",* she commented in the company's internal magazine.

From her position as deputy Managing Director, Patricia Berthelot is already dreaming of a company who will do more than solidify its current leadership on the market, especially when a new brewery company is in the process of being created in the country (Brasseries Samuel Foyou). *"Our goal will be to make the actions initiated sustainable, to grow the company by increasing the volumes, to make it thrive, in order for it to contribute to the staff self-fulfillment and the development of the Cameroonian social and eco-*

*nomic fabric. We will thus go even higher because my motto is: sky is not the limit",* this ex-Shell senior manager announced.

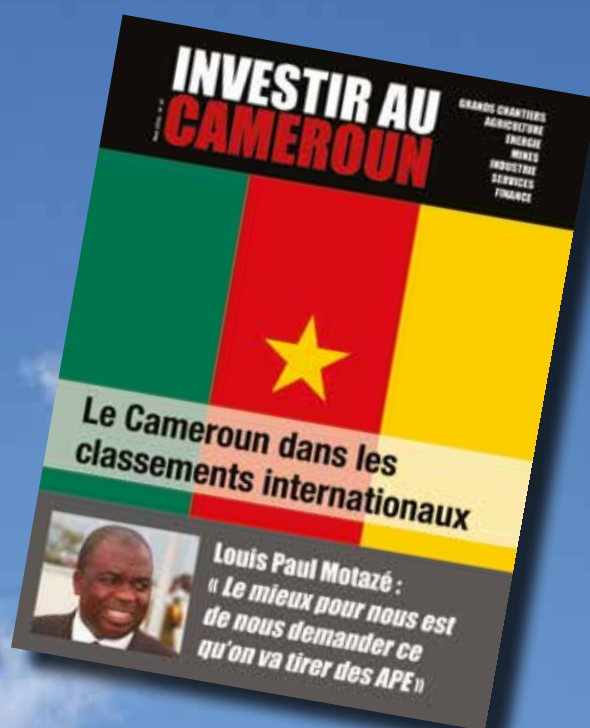
As a reminder, with more than 80% shares of the beer and carbonated drinks market in Cameroon, SABC,

**From her position as deputy Managing Director, Patricia Berthelot is already dreaming of a company who will do more than solidify its current leadership on the market.**

which is owned by the French group Castel, officially had a net income of FCfa 24.7 billion in 2014, with a turnover of FCfa 351.7 billion, an increase of 6.9% compared to the previous year.

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