September 2016 - N° 43

BUSINESS IN CAMEROON

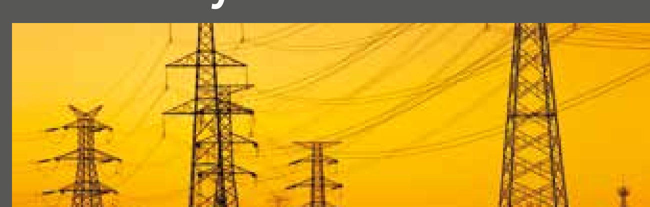
MAJOR PROJECTS
AGRICULTURE
ENERGY
MINING
INDUSTRY
SERVICES
FINANCE

NIGERIA, MOROCCO, CHAD, TUNISIA, EGYPT...

Cameroon is attracting African companies

Refinery of oil products: ASROC spills the beans

Battle between British and French on the Cameroonian electricity market



FREE - CANNOT BE SOLD

Yasmine Bahri-Domon

South-South

Everyone is attracted by Cameroon! The country does not only appeal to investors from the Old Continent and Asia, it also seduces big money-makers in Africa. The civil engineering, telecoms, digital economy, finance, energy, real estate and many more sectors are witnessing a real invasion by African multinationals. We note with satisfaction, the new potential investors likely to support Cameroon in its development come from Nigeria, Egypt, Morocco, Chad and Tunisia… Upon closer observation, other African nationalities are jostling to grab major opportunities represented by the mining industry and infrastructure. We are wrong to think that only the best investors in Africa come exclusively from Europe, Asia or America.

Investments from the African continent are riding high in the country of the Indomitable Lions. It is a tribute to the government who has been able to establish, in time, a legal platform favouring the blossoming and protection of foreign investments. It is also thanks to a private sector increasingly more efficient and open to new markets and new African partnerships that Cameroon has become a destination of choice for financiers and investors from the Dark Continent. We might as well say it, Cameroon knows how to sell its structuring projects, to the point of not lacking for funding irrespective of the magnitude of the needs, development projects made in Cameroon find takers with multilateral and bilateral investors.

Apart from the major development sites such as the almost completed hydroelectric dams of Memve'ele, Lom-Pangar, Mekin, and the deep water Port of Kribi, Cameroon is moving to the sounds of the hammers in the construction workshops of the stadia meant to host the African Cups of Nations (the women's competition in November-December 2016 and the 2019 men's edition). Whoever talks about major worksites, also talks about cement factories, iron, wood. The three-year Emergency Plan launched by President Biya in 2015 is yielding results. But there is still the need to sign more than FCfa 1,000 billion in contracts by 2018.

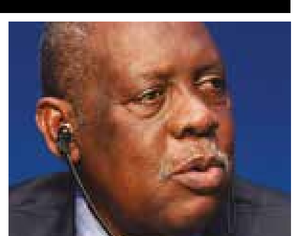
If we can congratulate ourselves on the boom of African companies who are succeeding in Cameroon, it is just as important to note that financiers from Europe and China are still popular. It is in this regard that we are witnessing a real battle of interests between French and British firms who are fighting over the profitable electricity sector. The dream of the Lom-Pangar reservoir dam having become tangible proof of this, transporting the electricity and improving the power grid represent huge opportunities for classic large scale profitable investments. The oil sector is also taking off. Kindly read with great care the interview, featured in this edition, of the General Secretary of ASROC (Association des Raffineurs des Oléagineux du Cameroun – Cameroon Fats Refinery Association) which lets you discover a sector doing exceedingly well, with no less than FCfa 320 billion in investments and 6,000 direct jobs.

As you will observe yourself in this 53rd edition, your FREE magazine *Business in Cameroon* has just gone through a remodelling. Where the content is richer, more packed and more diversified, the presentation is clearer, with more space and scriptural clarity than before. However, as you are a better judge of our economic odyssey, we would welcome your views on this new format of *Business in Cameroon*, through your reactions, via post and emails.

CONTENTS

FOCUS

LEADER OF THE MONTH



INTERVIEW

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THE CAST

ANDRÉ FOTSO

The Groupement inter-patronal du Cameroun (GICAM), the oldest and most important employers' organisation in the country, lost its president on 2 August 2016. Indeed, André Fotso, 59 years old, who has been leading Gicam since 2012, after about twenty years under André Siaka, passed away after an illness on that day in Paris, the French capital. André Fotso was the founder of Taf Investment Group, a prosperous holding gathering the companies 3T (transport and transit), Fme Gaz (production of industrial gas) and Cometal (metal construction).

Former manager at Batoula, a company producing plastic shoes formerly famous in Cameroon; then at Rhône Poulenc, a French pharmaceutical and chemical group, André Fotso joined Gicam in 2002. He led among others the Economic and Enterprise Commission, before accessing to the highest function in this employers' association 10 years later.

LYDIENNE YEN EYOUM

In jail since 2010, then sentenced in September 2014 to 25 years in prison by the Special Criminal Court (TCS), the French- Cameroonian lawyer Lydienne Yen Eyoum, who has been found guilty of misappropriation of public funds, has just been pardoned following a presidential decree signed on 4 July 2016.

The Cameroonian State was suspecting Lawyer Eyoum of having withheld, as payment of her fees, a sum of slightly over one billion francs Cfa out of a global amount of FCfa 2.1 billion recovered on behalf of the State from the local subsidiary of Société Générale. In this case linked to the liquidation of the National Basic Products Marketing Office (ONCPB), the lawyer was the co-accused of the former Deputy Minister of Finance in charge of the Budget, Henri Engoulou (who died in prison).

JEAN CLAUDE NGBWA

A presidential decree signed on 29 June 2016 appointed Jean Claude Ngbwa as President of the Financial Market Commission (CMF), the regulatory authority in the Douala Stock Exchange (DSX), the stock market in Cameroon. He replaces Théodore Edjangué, who occupied this function for over 10 years. The new appointed president has just returned to Cameroon, after spending about ten years at the Inter-African Insurance Markets Conference (CIMA), the regulatory organisation in the insurance sector in Central and Western Africa, whose headquarters are in Libreville.

Jean Claude Ngbwa was General Secretary of this regulatory body until 2015. Mr Ngbwa gets the leadership of CMF at a moment when the debate on the competition seen as inconvenient between the two stock markets established in the CEMAC area (Bvmac and DSX) comes back to the fore. For years, pleas have been made to merge the two markets and their respective regulatory authorities (Cosumaf and CMF).

JUSTINE DIFFO TCHUNKAM

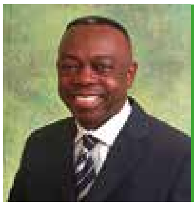
A lecturer in law at the University Yaoundé II, as well as the International Forces and Security School (EIFORCES), the Higher Regional School of Magistracy (ESURMA) in Porto Novo, Benin, and the International Relations Institute of Cameroon (IRIC), Justine Diffo hopes to join the African Union Commission. Indeed, this Cameroonian academic will soon vie for the position of Social Affairs Commissary in this Pan African institution.

Even more than her courses, Justine Diffo Tchunkam is better known in Cameroon for her activities in terms of promotion of the role of women in politics. Through the NGO "More Women In Politics", of which she is the National Coordinator, the one who is also Coordinator of the Francophone Network for Gender Equality for Central Africa since 2014, has become for some years the advocate for Cameroonian women entering politics.

HOPE SONA EBAI

This coming month of September, Cameroonian Hope Sona Ebai will be among the three candidates to the position of Executive Director of the International Cocoa Organisation (ICCO). He revealed his bid himself during a meeting he had with the Minister of External Relations, Lejeune Mbella Mbella, from whom he requested the support of the Cameroonian public authorities and to discuss his future election campaign strategy.

Former General Manager of the National Cocoa and Coffee Office (ONCC), Hope Sona Ebai has close to 30 years of experience in the cocoa economy in Cameroon, Africa and the world. After ONCC, which he led for 7 years, this cocoa farmer's grandchild was, during 11 years, General Secretary of the Alliance of Cocoa Producing countries (Copal), which represents 75% of the cocoa production worldwide.



CÉLESTIN MONGA

The African Development Bank (AfDB) announced on 10 July 2016, the appointment of the Cameroonian economist Célestin Monga, as Vice-President, in charge of Economic Governance and Knowledge Management in this Pan African financial institution. Mr Monga was until then, and this since end 2014, Deputy General Manager of the United Nations Industrial Development Organisation (UNIDO). But, it was at the World Bank, where he spent about twenty years, that this economist of Cameroonian origin started his career within international financial institutions.

Prior to this, Célestin Monga worked in the Cameroonian banking sector, and was revealed to the public at large through an open letter addressed to the public authorities, which brought him legal troubles in 1990. Exiled to the USA, Célestin Monga, who had previously studied in France, furthered his curriculum at the Massachussets Institute of Technology and Harvard.

Business: the breakthrough of African companies in Cameroon

Since the beginning of 2012, Cameroon projects the image of a large worksite due to the major infrastructure projects which are currently underway. Particularly as part of the vast main achievements programme on which stood the 2011 Presidential election campaign; the three-year emergency plan launched by the government in 2015; and the preparations for the Africa Women Cup of Nations which Cameroon will host between November and December 2016, or the Africa Cup of Nations (AfCON), which the country will host at the beginning of 2019.
This reality has attracted companies from all sectors towards this Central African country. However, to European multinational companies, for whom contracts in the civil engineering sector seemed to be a private turf until recently, we must now add Chinese companies, who have won most of the contracts to carry out the major ongoing projects in Cameroon since 2012; but more importantly African companies, who are decidedly resolute not to play anymore the part of sidekicks in sectors as diverse as civil engineering, energy, finance, telecoms, real estate, etc.
It is to the latter category of company that we devote this issue. Firstly to show that there really is African expertise, oftentimes capable of rivalling with that seen as more advanced; secondly to promote this African entrepreneurship, which contributes to the construction of the continent; and finally to commend South-South and especially intra-African cooperation, whose merits have been illustrated many times over.
In short, in addition to being a shortcut to Africa as a whole, Cameroon has also become the showcase, par excellence, of African companies. The country is supported in this task by close to FCfa 1,000 billion worth of contracts to be won as part of the three-year emergency plan implemented by the State, and as much on offer within the framework of the major works programme and the preparation of the continental football competitions which the country will organise in 2016 and 2019.

Above all, Cameroon owes this wave of African companies on its soil to its very strategic geographic location in Africa.

But, above all, Cameroon owes this wave of African companies on its soil to its very strategic geographic location in Africa, which makes it a real threshold to a market of more than 300 million inhabitants, located at the crossroads of Central and Western Africa.

Brice R. Mbodiam

Arab Contractor: an Egyptian bulldozer on Cameroonian roads

After several years of absence from the Cameroonian civil engineering market, Arab Contractor recovered its foothold in this sector a few years ago, is now winning important infrastructure contracts in the country by the dozen. Sometimes, at the expense of western multinationals, who controlled this segment of the economy for decades; or Chinese companies, whose investments in Cameroonian worksites have been gradually increasing for some time.
The least of the contracts awarded to Arab Contractor is certainly not the one for the construction of the Yaoundé-Nsimalen motorway, infrastructure meant to lead to the capital's airport; and on which this Egyptian civil engineering company will build 2 out of the 10 km in the urban section, alongside two Chinese companies: Sinohydro (5.8 km) and China Road and Bridge Corporation (1.9 km).
In July 2016, the Cameroonian government decided to give to this Egyptian civil engineering company, a contract worth a total of FCfa 28.5 billion, for the construction of a section of the Sangmélima-Ouesso cross-border road, to connect Cameroon to the Republic of Congo.
The works to be carried out, over a period of 20 months, relate to the construction of 32 kilometres of road between Bikoula and Djoum, in order to complete the 65 km of road between Sangmélima and Djoum, whose construction works awarded to the Iranian company Kayson Inc., only reached 25% of completion, a little over 3 years after their launch.
Before that, in February 2016, Arab Contractor, was called by the Cameroonian government, to limit the damage on the site for the rehabilitation of the Ahmadou Ahidjo stadium and its annexes, in Yaoundé, in the run-up to the Africa Women Cup of Nations which the country is hosting between November and December 2016. This contract awarded in first instance to the Chinese company Sinohydro was cancelled a few days ago for insufficient results (three months after the start of the works meant to last 8 months, Sinohydro was able to achieve only 5% completion), we learned officially.

Nigerian Atidolf is showing up on road works

It was the three-year emergency plan to stimulate the growth and the improvement of living conditions of Cameroonian populations, implemented by the government since early 2015, which enabled the discovery of the Nigerian civil engineering company Atidolf. Unknown until now among the contingent of rare African companies which are building Cameroon, Atidolf Nigeria arrived on the Cameroonian market this year courtesy of a FCfa 34.3 billion contract.
This was the amount agreed with the Cameroonian government to carry out the construction works, over a 24-month period, on the Soa-Esse-Awae road. This road, according to the government, will help facilitate the mobility of the populations and neighbouring communities of these three towns located in the Central region of the country.

Moroccans in the water, energy, cement, finance and telecoms sector

Economic operators from Morocco have the most diversified presence in Cameroon.

In an official correspondence dated 3 August 2016, the Cameroonian Minister of Energy and Water, Basile Atangana Kouna, announced to the Moroccan consortium, led by the company Onep, that the government would not renew its concession contract for the drinking water service in Cameroon. This contract will reach its term in 2018.

This government decision announces the end of 10 years of Moroccan domination in the drinking water sector in Cameroon. Indeed, it was on 2 May 2008 that the Moroccan consortium launched Camerounaise des Eaux (CDE), a company incorporated in Cameroon through which it distributed drinking water to 105 towns. The creation of CDE itself followed the analysis, a year before, of an international call for tenders in which large European firms took part.

Nevertheless, while Onep and its partners are getting ready to leave Cameroon, it is the turn of the Moroccan firm Platinum Power to establish itself in this Central African country. An independent producer of electrical energy, Platinum Power has just, indeed, created a subsidiary in Cameroon, to lead the project for the construction of a hydroelectric plant with a production capacity of 400 MW in the town of Makay, located in the Central region of the country.

CONQUER CENTRAL AFRICA FROM CAMEROON

At the same time, the Moroccan group Intelcia recently bought the Cameroonian company Clientos.

It is from Cameroon that the Moroccan financial group, Attijariwafa, is planning to build its presence in Central Africa.

According to a legal notice published in June, this entity will now be rebranded as Intelcia Cameroon. The brand new subsidiary of this Moroccan group specialised in customer relations, we officially learned, will set up in Douala, the Cameroonian economic capital, a platform with 500 customer service representatives on the request of a mobile operator in the country.

But, one of the main achievements of Moroccan economic operators in Cameroon certainly remains the construction of a cement production unit in Douala. Through this plant which has been operating since 2014, the Moroccan Addhoha, which has made its presence known in the real estate sector in Cameroon, succeeded in putting an end to close to a half-century of monopoly by the French group Lafarge in the cement sector.

The other Moroccan success in Cameroon is the takeover of SCB Crédit Agricole (which has since become SCB Cameroun) by Moroccan banking group Attijariwafa. In addition to its network of branches, which it is constantly expanding throughout the country, Attijariwafa received, in April 2016, all the necessary approvals to launch the Cameroonian branch of Wafa Assurances, subsidiary of the group specialised in insurance.

However, upon closer observation, it is from Cameroon that this Moroccan financial group is planning to build its presence in Central Africa. Indeed, in 2015 and 2016, Attijariwafa created in Cameroon two new companies with a regional focus. These are Attijari Securities Central Africa, specialised in financial assets management; and Wafacash, its subsidiary dedicated to money transfer, which manages among others the Western Union and Money Gram brands.

Brice R. Mbodiam

Geyser, Socogog, Sner and Encobat represent Chad in the civil engineering sector

FCfa 62.1billion. This is the price of the contract which the Cameroonian government has just awarded to the group of Chadian civil engineering companies gathering Geyser SA-Sotcogog SA and SRGM-ETRA. This contract signed as part of the Flood Fighting Emergency Program (PULCI) in northern Cameroon, will enable the rehabilitation of irrigated areas and the Maga & Logone and Mayo Vrick dykes.
At the same time, the Chadian company Sner, created after the withdrawal of the Chadian State from the Société Nationale d'Entretien Routier (National Road Maintenance Company), is getting ready to execute a contract of FCfa 19.4 billion in total, for the construction of the Maroua-Bogo road, in the Extreme-North region of Cameroon.
In addition to the above-mentioned Chadian civil engineering companies, comes the company Encobat. This Chadian company, until now unknown in Cameroon just like the ones previously mentioned, has just been awarded two contracts worth a total of FCfa 8.2 billion. This is to carry out the development works for the hydro-agricultural areas in the Extreme-North region of Cameroon.

Pharmaceutical industry: Tunisia positions itself, Algerian competition on the horizon

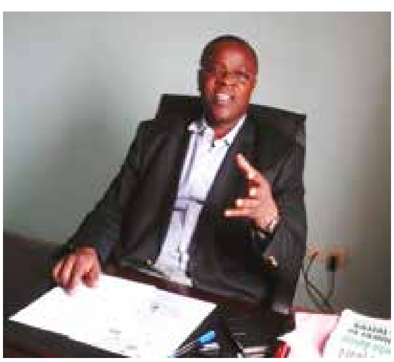
Closed for several months due to financial difficulties which resulted in a shutdown of its production, the Compagnie Industrielle Pharmaceutique (Cinpharm, Industrial Pharmaceutical company), launched with Indian partners by Cameroonian Célestin Tawamba, will be reborn from its ashes. This, through the entry in its capital of Laboratoires Teriak, subsidiary of the Tunisian group Kilani.
However, this company producing pharmaceutical products, which has been trying for months now to raise FCfa 1.2 billion through a capital increase operation, could soon face Algerian competition, in a Cameroonian medicine market which represents roughly FCfa 200 billion.
Indeed, the Algerian pharmaceutical group Saidal recently announced having signed, with a yet-to-be-known partner, an agreement for the distribution of its products in 13 African countries, including Cameroon.

Tunisians Scet and Studi International score points in feasibility studies and project monitoring

Louis Berger and other Egis International now have African competition in the civil engineering market in Cameroon. Throughout the years, these western technical consultancy firms (BET in French) have seen their market share eaten into by African competitors, and mainly by the Tunisian companies Scet Tunisie and Studi International. These two BET, already recipients of many road project contracts in particular, now give an opportunity to African companies to play an increasing role in the feasibility studies and project monitoring sector; previously the exclusive domain of western multinationals.

Jacquis Kemleu Tchabgou: "*ASROC, FCFA320 billion of investments, 6,000 direct jobs...*"

A review of Cameroon's oilseed sector and its challenges with the secretary general of its corporatist union.



Jacquis Kemleu Tchabgou : "*At the root of the flooding of Cameroon's markets with the oils which do not conform to regulation and unfair competition is poor governance, and corruption that cripple administrations in charge of imports, production and marketing of refined vegetable oils.*"

Business in Cameroon : What is ASROC and who are its members?
Jacquis Kemleu Tchabgou: First, I would like to thank you for your interest in issues related to secondary transformation segment of the oilseeds sector in general, and especially to Cameroon's Oilseeds Refiners Association (ASROC), its secular arm. ASROC regroups the best of the refining industry and has seven (7) palm nut, cotton, soya and groundnuts industrial refining units. These are the Société camerounaise de raffinage MAYA et Cie (SCR MAYA & Cie) ; AZUR SA, formerly known as Complexe chimique et industriel du Cameroun SA (CCIC SA) ; Complexe cosmétique de l'Ouest SA (CCO SA) ; Société de développement du coton SA (SODECOTON SA) ; Société des palmeraies de la ferme suisse (SPFS), Société camerounaise de savonnerie/raffinerie du Cameroun (SCS/RAFCA) ; and Société agroalimentaire du groupe Youssa (SAAGRY).

The association's main goal is to preserve its members' economic, commercial, material and moral interests in respect to laws and regulations in place as well as general interests; the promotion and development of oilseed refining industries; and to conduct all strategic studies susceptible of developing oilseed refining industries and deliver them to the Republic of Cameroon.

BC: Statistically-speaking, what is the association's contribution to Cameroon's economy (jobs, investments and output, turnovers, taxes and duties paid to State, etc.)?
JKT: ASROC has invested so far more than FCFA320 billion in the country and employs nearly 6,000 people directly, it thus strongly contributes to job creation, and GDP and plays a major role in the supply of local and sub-regional markets in refined vegetable oils, laundry soaps, and in the development of the oilseeds sector.

ASROC alone can refine 26,374 tons per month and produce 20,095 tons of soap per month also. With a total refining capacity at the 1st processing level of 32,622 tons and soap production capacity of 33,331 tons, it can be easily deduced that ASROC produces 80.94% out of 95% of refined vegetable oils and 60.28% out of 90% of soaps used by homes, produced by the oilseeds sector for consumers. The association thus brings the State up to FCFA126 billion.

Let's recall that in Cameroon, each month, 15,000 tons of refined vegetable oil is consumed while around 18,000 tons of soap is.

BC: For almost 10 years now, you have been denouncing the unfair competition you face from import-

ers in the local market. What is the situation concretely and why, according to you, does it continue despite your complaints?
JKT: A clear indication of unfair competition is a tendency to bring sales prices of imported vegetable oils below the reference price associated with tax on vegetable oils imported in Cameroon. This tendency to lower prices is due to the presence in the market of oils for which taxes have not been paid, oils that are not enriched with vitamin A, and expired oils which violate the country's regulatory norms.

These standards include the Ministry of Finance's decision to, on 27 March 2009, fix the reference price for tax on all vegetable oils imported to Cameroon at FCFA1500 per kg; the NC 77 2002-03 Rev.1 (2011) Norm related to vegetable oils with a specific name, and enriched with vitamin A, put into application by the joint decree dated 24 August 2011; the NC 04 Norm : 2000-20 related to the labeling of prepackaged food products in Cameroon.
At the root of the flooding of Cameroon's markets with the oils which do not conform to regulation and unfair competition is poor governance, and corruption that cripple administrations in charge of imports, production and marketing of refined vegetable oils. Corruption dominates because of shady oper-

"Vegetable oils sold in Cameroon are mostly of good quality."

"ASROC's companies, as I said earlier, are all part of this quality approach. As a matter of fact, they were present at the SENAQ 2016 where only system and/or product certified companies could take part to the event."

ators and civil servants who act in their personal interest instead of acting for the general interest.

BC: What do you think of the quality of vegetable oils sold in Cameroon, and what is their impact on populations' health?
JKT: Vegetable oils sold in Cameroon are mostly of good quality. ASROC's companies that produce as I said earlier 80.84% of 95% of refined vegetable oils consumed in Cameroon are all part of the quality approach led by the Standards and Quality Agency (ANOR), though some are certified ISO 9001 version 2008 and 2015.

These companies were as a matter of fact present at the 2016 National Quality Week (SENAQ 2016) organized by the ANOR in Douala. Besides companies that are part of ANOR's quality approach, only system and/or product certified companies took part to the event. You can therefore deduce that this is a group of refined vegetable oils composed mainly of the Jadida, Broli and Oilio soya oils brands, the Girasole and Lesieur sunflower-made brands which do not conform with the regulation and endanger consumers as they can cause cancer, diabetes and make men sterile, talking of soya made oils alone when used for another purpose than seasoning like frying or cooking. Jadida for example tried to make people believe that its products were safe by broadcasting a misleading advert which was fortunately stopped by a note from ANOR's executive director.

Jacquis Kemleu Tchabgou, SG of Cameroon's Oilseeds Refiners Association (ASROC): "*ASROC produces 80.94% out of 95% of refined vegetable oils and 60.28% out of 90% of soaps used by homes, produced by the oilseeds sector for consumers*".

BC: So according ASROC, the torn in the Cameroonian vegetable oil market's feet are importers. Yet, some also blame local refiners of not being examples in regards to the respect of standards and quality of products available in the market...
JKT: Let me recall as I always do that both local producers and importers are subjected to regulation in force. And each time I discuss the oilseeds sector, I like emphasizing on economic operators who are divided into the two above-mentioned groups.

Let me also say that I cannot speak for everyone. All of ASROC's industrial units, as I told you, are part of the quality approach. I also recall that all of them were present at the SENAQ 2016 to which could take part only system and/or product certified companies, or those that are part of the quality approach.

BC: You recently reminded the consumer movement about the role that its actors can play in restoring the market and protecting consumers. Do they have the means and most importantly are they credible enough to do this role in the current Cameroonian environment?
JKT: A tree is known its fruits and a man by his deeds, and it is vital to always remind him of his role and how important it is that he plays it. It is to this end that we, ASROC, decided to remind consumer associations of what is expected from them in order to overcome the threat that looms over our health, we the consumers.

Regarding means, they are often yielded after long brainstorming and most importantly actions. About the credibility of concerned associations, we noticed that some of them really are while tackling other issues related to the protection of consumers.

BC: On August 31, 2016, the Program for Conformity Assessment Prior to Loading of Imported Goods in the Republic of Cameroon (PECAE) will officially enter into force. What is it exactly?
JKT: Established by a decree dated July 1, 2015, the PECAE is the product of Cameroon's government to protect consumers. Its purpose is to prevent the entry into Cameroon's market of products that do not conform to regulatory standards and quality, and purge the market of such products if already present.

Every importer who therefore enters this market which is regulated by 106 norms must have his products reviewed at their place of embarkation by SGS or Intertek, which have been accredited by the government; prior to loading, a conformity certificate will then be issued or not by the Cameroon's National Shippers Council (CNCC). A customs declaration statement will then be issued for goods that received a certificate of conformity and have been loaded. A delivery note then follows after ANOR has issued another certificate of conformity. That is what PECAE is about.

BC: Do you think PECAE could definitely restore the vegetable oils sector and the Cameroonian commercial space in whole?
JKT: PECAE is essential to preserve consumer's health, our economic zone, and our economy, because we will be covered by customs declaration joined with a delivery note, import declaration statement issued by the SGS; a certificate of conformity issued by SGS or Intertek, indicating the country of provenance of the imported refined vegetable oils, and finally another certificate of conformity issued by ANOR.

Also, in sight of the upcoming usage of new scanners which will systematically identify containers' content, we firmly believe that it will be difficult for shady importers and subsequently purging operations will be easier to conduct and more efficient.

BC: Regarding the production of palm oil and its derivatives, which are used by ASROC's members as raw commodities, Cameroon currently records a "structural" deficit (around 100,000 tons per year). What does this mean concretely?
JKT: Regarding the shortage of raw palm oil which you mentioned and which is determined in function of local production and demand, it results from the insufficient production of the commodity in the country. To overcome this, the government, on request of the President of the regulatory committee for the oilseed sector, addressed to the Ministry of Finance via the Trade Ministry, approved the import of part of structural deficit at the beginning of each season. This in order to prevent inflation which could arise as a result of palm oil shortage in markets.

"You should be aware that the peculiar production factors that are land and financial resources in our sector of activity are not available and this makes things relatively difficult."

BC: But Cameroon has vast non-exploited arable lands. Couldn't refiners and palm oil producers develop joint-ventures to definitely close this gap, especially looking at the way demand grows and at possible opportunities for export?
JKT: You should be aware that the peculiar production factors that are land and financial resources in our sector of activity are not available and this makes things relatively difficult. In spite of this, refiners have started establishing plantations to reduce the structural deficit and to rely less on producers. Nevertheless, they keep depending on village farmers to boost their production.

BC: As an operator of the agro-food sector, what do you think of the Economic Partnership Agreement (EPA) between Cameroon and the European Union, which entered into force last August 4?
JKT: Economic partnership agreements which are trade agreements that aim for free-trade between countries from the European Union and those from Africa, the Pacific and Caribbean (ACP), bring up opportunities in that they contribute to globalization and give access to a market of more than 500 million people. Given that we are competitive and offer consumers products that respect standards and are of good quality. Winning these markets could be done through marketing, but most importantly by promoting emerging quality products.

These agreements can help improve the production media thus productivity and competitiveness, and delocalize the production of goods and services. They can also create jobs in terms of positions and finance new jobs as new investors arrive.

However, the real concern regarding these agreements is about the subsidies to agriculture from the European Union nations to their leading companies. The subsidies could in fact lead to unfair competition which could in turn negatively affect our fragile industrial environment.

Interview by
Brice R. Mbodiam

PUBLIC MANAGEMENT

Cameroon: President Biya launches progressive customs dismantling, following EPA with EU coming into force

There it goes! The last hurdle to the launch of the customs dismantling process in Cameroon, as part of the implementation of the interim Economic Partnership Agreement (EPA) signed between Cameroon and the European Union, was removed on 3 August.

Indeed, on the eve of the effective date of application of this agreement meant to create a duty-free zone between the two parties, the Cameroonian Head of State, Paul Biya, signed a decree on the rules of origin applicable to products originating from the European Union.

The launch of the customs dismantling on the Cameroonian side was conditioned by the signature of this text, according to Jean Tchoffo, President of the Committee in charge of monitoring the application of the Cameroon-European Union bilateral Economic Partnership Agreement.

Through this presidential decree, products from the first group (industrial and high technology machines, such as turbines, cranes, sewing machines, sawmills, computers; but also basic products such as medicines, medical devices, basic chemical products) imported from the EU will enter Cameroon with a customs tariffs reduction of 25%. This reduction will progressively increase by 25% every year, to be completely cancelled after 4 years.

A 2nd group of products from the EU will be liberalised after 9 years, according to the agreement. Among these products, the local representation of the EU lists "*vehicles for goods transport, lorries, tractors, other machines and industrials and electrical devices, iron or steel and other raw or semi-finished metals products, certain papers and cartons, rubber semi-finished products, etc.*" After 15 years, starting from the date of effect of the interim EPA, a 3rd group of European products will enter the country duty-free. These are this time, we learn, "*machines and vehicles for personal use, food products not produced or processed in Cameroon, and various consumer goods*".

As a reminder, this interim EPA signed on 15 January 2009 between Cameroon and the European Union provides for an exclusion list, on which are present products which will mot be liberalised as part of this agreement. These are among others agricultural and breeding products, as well as products from strategic industrial sectors for the country such as aluminium, drinks, tobacco, mineral water, dairy products, wooden furniture, paintings, soaps, cosmetic products, clothes, etc.

Cameroonian public debt is estimated at FCfa 4754 billion at July 2016 end, being 27.3% of GDP

On 30 August 2016 in Yaoundé, during a ceremony to table and adopt texts governing the operation of the National Public Debt Committee, the Minister of Finance, Alamine Ousmane Mey, disclosed that the Cameroonian public debt is at FCfa 4754 billion at the end of July 2016. This represents only 27.3% of the country's GDP and is thus well below the accepted norm of 70% in the CEMAC area.
In spite of these figures which seem to comfort local public authorities, Cameroon has been facing criticism for several months from Bretton Woods institutions. If in its different reports the IMF denounces a rapid indebtedness of the country (after the 2006 HIPC initiative), especially at non concessional interest rates; the World Bank has, in a report dated April 2016, already classed Cameroon among the Sub-Saharan African countries considered a high risk of debt distress.
Last August 30, the Minister Ousmane Mey pleaded for greater caution in the matter of public indebtedness and efficient and effective management of borrowed funds, taking into account the numerous infrastructure projects currently in progress or planned in the country, which always require significant funding.
As a reminder, the National Public Debt Committee was created by Prime Ministerial decree of 4 August 2008. Chaired by the Minister of Finance, the mission of this body is to co-ordinate, monitor the implementation of the national policy of public indebtedness and management of the public debt, ensure its coherence with development objectives and the capacity of the State.

As of 31 August 2016, no goods to Cameroon will be shipped without prior compliance inspection

In Cameroon, 31 August 2016 is the official start date of the Compliance Inspection before Shipment Programme (PECAE) for goods imported to the Republic of Cameroon. In other words, as of this date, all goods to the country will no longer be shipped without prior inspection of their compliance with the standards in force in Cameroon.
To implement this programme, which aims to clean up the Cameroonian market, often rife with questionable products, the government has set its sights on a consortium of companies composed of the Swiss outfit SGS and the British Intertek International.
Practically, it will henceforth be up to these structures to carry out, at the exporters' expense, prior compliance inspection before shipment of goods to Cameroon, a country still lacking in state-of-the-art laboratories for verification of conformity of merchandise.

However, if this new measure will contribute to cleaning up the Cameroonian market in ensuring a certain security for consumers, it is feared that it will lead to a price increase of certain imported products in the local market, due to the cost of compliance monitoring before shipment being passed on to the final consumer.

Bolloré and the Cameroonian Customs partner to secure and make transit flow better on the Douala-Ndjamena and Douala-Bangui corridors

An integrated logistics operator present in Cameroon in the railway (Camrail), port (DIT and SEPBC), shipping (SOCOPAO) sectors... the Bolloré group has just entered with the Cameroonian Customs Administration, into a partnership to secure the transit, on Cameroonian soil, of goods going to Chad and the Central African Republic.
According to the terms of this partnership, as highlighted in the official communiqué issued by the French logistics company, for the Bolloré group this will be about contributing to "*the improvement of the transit platform at the Port of Douala, setting up warehouses and customs clearance areas in Ngaoundéré, Bélabo, Kribi, and the construction within these areas of Customs-dedicated infrastructure*".
For its past, we learned, the Cameroonian Customs Administration will have to work towards "*establishing a single rail-road (transport) document*", to cut down the procedures and consequently reduce transport voyage times for goods on the Douala-Ndjamena and Douala-Bangui corridors. This is also about, according to the agreement protocol, speeding up the digital transfer process for all transit procedures up to the borders, and implement the general guarantee and efficiency improvement for Customs procedures throughout the corridors.
As a reminder, according to the Cameroonian Customs Statistics, the volume of Central African and Chadian goods transiting through the Port of Douala, located in the economic capital of Cameroon, is estimated at approximately FCfa 395 billion, with FCfa 340 billion for goods going to Chad.

Buea, most expensive Cameroonian city during the first half of 2016

The National Institute of Statistics (INS) indicates that the final consumer prices for households increased by 1.3% during this first half of 2016 compared to the same period in 2015. The increase was of 3.4% a year ago.
Geographically speaking, consumer prices increased in every city during the past twelve months. The city of Buéa registered the highest price increase (3.1%) followed by Bamenda (2.7%), Bafoussam (2.0%), Ngaoundéré (1.9%) and Ebolowa (1.7%). The towns of Maroua (0.3%) and Bertoua (0.1%) had the lowest rates.
The increase in the general price level during the past twelve months is due in major part to the hike in the prices of alcoholic beverages and tobacco (7.4%), restaurant and hotel services (4.9%) and foodstuff and non-alcoholic beverages (2.1%). Beer prices increased by FCfa 50 to 100, breweries thus passing on the excise tax on alcoholic beverages introduced in the 2015 Finance Bill. The increase in service prices for restaurants and hotels worsened with these increases in industrial beer prices.

FINANCE

Cameroon formalises entry of UCITS on local financial market

After its adoption by Parliament during its ordinary session of June 2016, the Cameroonian Head of State, Paul Biya, promulgated on 12 July the law on undertakings for collective investment in transferable securities (UCITS). This presidential act officially opens the way for these stock brokers on the Douala Stock Exchange (DSX), the local financial market.

The 12 July 2016 law acknowledges as UCITS open-ended investment trusts (Sicav in French), whose "*minimum capital will be determined by a decree from the Minister in charge of Finance*"; and collective investment undertakings (FCP in French), whose management regulations should have been validated beforehand by the Financial Markets Commission (CMF), the watchdog of the Cameroonian financial market.

According to experts, UCITS have at least two advantages for investors. In addition to being managed by professionals, we learn, their portfolio has the particularity of holding various financial securities (both obligations and shares), which offers more flexibility. Moreover, the investment risk is shared in UCITS, as the investor only owns part of a portfolio common to many investors.

With the financial products diversification they provide, the flexibility and the level of risk sharing they offer, UCITS could help in further boosting the Cameroonian financial market. For over 10 years, this market has listed only three companies and seems to be essentially based on the bonds which are regularly launched by States (Cameroon and Chad) and financial institutions such as IFC or BDEAC.

UBA and BGFI give loan of FCfa 48.4 billion to Cameroon, for two football stadia construction projects

The Cameroonian counterparts in the projects for the construction of two football stadia of 50 and 60,000 seats in Douala (FCfa 166 billion) and Yaoundé (FCfa 163 billion), in anticipation of the 2019 AfCON, will be financed by the local subsidiaries of the Gabonese and Nigerian banking groups BGFI and UBA.

This is what revealed a decree from the Cameroonian Head of State signed on 4 August, presidential text which authorises the Minister of Finance to sign said loan agreements on behalf of the government, for a total amount of FCfa 24.4 billion for the stadium in Yaoundé.

As a reminder, the Yaoundé stadium will be built in Olembe by the Italian company Piccini, while the one in Douala, which will be located in Japoma, will be built by the Turkish company Yenigün Construction Industry.

Cameroonian Express Union Group and its affiliates subject henceforth to COBAC oversigh

Within the framework of implementation of regulation n°01/15/Cemac/Umac/Cobac, relating to the supervision of financial holding companies and cross-border monitoring, the Deputy Secretary General of the Central African Banking Commission (COBAC) Christian Ouanzin, recently organised a workshop in Libreville, bringing together Express Union Group and its affiliates. He stated that it is a question of including Cameroonian microfinance, financial holding companies in the Economic and Monetary Union of Central Africa (CEMAC), and holders of five microfinance affiliates in the area (Cameroon, Central Africa Republic, Congo, Gabon and in Chad), in the scope of establishments subject to monitoring on COBAC's consolidated basis.

Christian Ouanzin also specified that apart from affiliates of CEMAC, those of electronic money located in Côte d'Ivoire (Qash services) and in the Democratic Republic of Congo are being placed under an organ of banking supervision. He invited the representatives of the holding company to a genuine collaboration with COBAC, in order to have a better understanding of the Express Union Group in its entirety and a better assessment of its risk profile. Express Union is a Cameroonian financial company created in 1997 with its headquarters in Yaoundé. Initially, it specialised in rapid money transfers and its scope of activity is within Cameroon where it is market leader. Since 2006, the company obtained authorisation from COBAC and the Cameroonian Ministry of Finance to create a second category microfinance structure.

Mrs I. D. Kondo replaces Innocent Ondoa Nkou as Deputy Managing Director of BICEC

The new Deputy General Manager (Dept. GM) of the International Bank of Cameroon for savings and loans (BICEC), subsidiary of the French group BCPE, is I. D. Kondo, we learned from a legal notice published on 2 August 2016. She takes over from Innocent Ondoa Nkou, who spent about twenty years at this function.

As a reminder, the former Dept. GM of BICEC was forced to resign after the discovery, in February 2016, of a funds misappropriation network within this bank. Using several over-billed and fictitious invoices, regularly paid to service providers "*via a system outside of the procedure*", approximately FCfa 50 billion were thus embezzled over a 12-year period.

At the centre of this network, reveals a report from Cobac, the watchdog of the banking sector in the CEMAC zone, were two managers of BICEC: Innocent Ondoa Nkou, Dept. GM, and Samuel Ngando Mbongue, Director of Accounts and Treasury, who was dismissed with four other employees.

AGRIBUSINESS

Cameroon: the New Generation program of CICC enabled the creation of 2,651 hectares of cocoa farms in 4 years

The New Generation program, launched in 2012 by the Interprofessional Cocoa and Coffee Council (CICC), to rejuvenate the cocoa farms and lower the average age for cocoa farmers in Cameroon, led to the establishment of new farms covering a total area of 2,651hectares, we learned from official sources. This result largely exceed the initial target of the program, which only sought the creation of 900 hectares over a period of 3 years.

A large section of these new cocoa farms started producing during the 2014-2015 season. They moreover helped meet the deficit of approximately 20,000 tons of beans expected during the 2015-2016 season, due to the dormant period which occurs every 5 years.

But, above all, these cocoa farms set up as part of the New Generation programme should be of a key support to reach the production target of 60,000 of beans that Cameroon has set for 2020; as scheduled in the stimulus plan for the cocoa-coffee sectors which the Cameroonian government and the actors in said sectors are currently implementing.

Enthralled by the success of this program implemented by the Cocoa-Coffee Council of Cameroon, which already led to the integration of 1,248 young Cameroonians in the cocoa production, the World Cocoa Foundation (WCF) is planning to extend to other cocoa producing countries in Africa. According to Omer Gatien Malédy, Executive Secretary of CICC, the European Union is also interested in this program, which according to CICC, could put a stop to the emigration of young people to Europe, and motivate young people already living in the West to return to their country of origin.

New Generation consists in recruiting and supervising young people who are interested in the production of cocoa, on the condition that each one of them commits to creating a hectare of cocoa farm every year during 3 years. This is the period of supervision from CICC, which throughout this period, offers to the young recruits all they need to become cocoa farmers free of charge.

As a reminder, cocoa is among the five main export products in Cameroon, with oil, wood and banana. Cameroonian producers of cocoa beans are among the best paid in the world, with farm gate prices which generally reach FCfa 1,500 per kilogram.

Agricultural Research Institute for Development approves FCfa 9 billion budget for 2015

The 35th ordinary session of the Board of the Agricultural Research Institute for Development (IRAD) was held a few days ago in Nkolbisson, Yaoundé and chaired by René Ze Nguele. Regarding the 2015 financial statements, the Board followed the presentation and necessary clarifications on some points given by the Managing Director, Noe Woin, and his team, through the summary of the accounts (Administrative, expenditure and management). Thus, the 2015 accounts of the Institute are balanced between revenues and expenditure at nine billion four hundred and forty million thirty-three thousand and seven hundred and eighty-two FCfa.
Additionally, the Board appreciated and congratulated the Senior Management for its participation in the 44th International Inventions Fair in Geneva, Switzerland in April 2016 where IRAD distinguished itself through the quality of its results, and won four gold medals with the four research products presented, thus bringing honours to the efforts of Cameroon at the international level.

Almost 97% of cocoa production exported by Cameroon during the 2015-2016 campaign was grade II

The quality of Cameroonian cocoa continues to concern operators in the sector and local public authorities. In spite of efforts over years to improve it, the quality of Cameroonian cocoa "*remains almost the same as before*", states a coffee-cocoa inter-profession report. Indeed, we learn, that during the last cocoa campaign which officially ended last 15 July, almost 97% of the beans exported were grade II, while "*only 81% of the beans were reported as inspected*", out of the 239,700 tons marketed.
In other words, in spite of measures taken by public authorities as well as by management in the sector, numerous exporters do not have their beans inspected before export. According to our sources, it is evident from analysis of the inspection reports from the last campaign, that a volume of 195,818.152 tons were subjected to quality inspection, against 220,595 tons inspected during the prior campaign.

International Sugar Company SA creates competition for Sosucam, Cameroonian subsidiary of French Somdiaa

Consumers will soon see on supermarkets' shelves the new sugar boxes marketed by the Cameroonian incorporated company International Sugar Company SA (Insuco).
The company indeed received the approval from the Cameroonian government to produce sugar cubes and sticks since January 2016. It had a refined sugar cane processing and marketing plant, located in the city of Douala since December 2015. This production tool should start with a production capacity of 25 tons per day for sugar cubes which is hoped to be increased to 75 tons by January 2017 and 20 tons per day for the sugar sticks. Insuco SA claims to have worldwide partnerships such as the international French group Louis Dreyfus.
The new sugar operator even plans in a short term future to expand its activities to the entire Central African Economic and Monetary sub-regional community. Which will bring some competition to the Société sucrière du Cameroun (Sosucam), local subsidiary of French Somdiaa who, nevertheless remains a giant compared to the newcomer thanks to a grinding capacity of 1.5 million tons sugar canes per year for an installed production of 150,000 tons. Leader in the sugar sector in Cameroon, Sosucam has on the Mbandjock site a modern unit with a capacity of 100 tons sugar canes (Tc)/hour. In Nkoteng, the production is of 220 Tc/hour.

In Cameroon, Compagnie Fruitière de Marseille aims for a production of 230,000 tons of bananas by 2020

The Société des Plantations du Haut Penja (PHP), Cameroonian subsidiary of Compagnie Fruitière de Marseille, who operates banana farms in the Littoral region of the country, plans to produce 230,000 tons of bananas by 2020 (against 168,000 tons in 2015), we learned during a recent visit by the Minister of Agriculture to this agro-industrial unit.
To achieve this ambition, which will thus enable the leader in the banana production in Cameroon to add its contribution in reaching the target of 500,000 tons projected by the government by 2035 (a forecast mentioned in the Strategy Document for growth and employment), PHP has already launched a program to expand its farms.
Indeed, in addition to the 3,000 hectares which it already operates in the Moungo District, in the Littoral region, this agro-industrial company announces the creation of new banana farms covering a total area of 800 hectares in town of Dehane, located in the Océan District, in the Southern region of Cameroon. The first phase of this program, whose implementation is underway, will consist in, we officially learned, "irrigating 52 hectares".
Leader in the banana industry in Cameroon with close to 50% of the national production, PHP is the result of the merger-acquisition of Société des Bananeraies de la Mbome (SBM), Société des Plantations Nouvelles de Penja (SPNP) and Plantations du Haut Penja (PHP). During 2016, its production is expected at 185,000 tons, in increase by 17,000 tons compared to 2015.

Refineries import 16,000 tons of palm oil to alleviate the deficit in the local production

Agro-industries producing vegetable oils and soap in Cameroon decided to import 16,000 tons of palm oil, to absorb the production deficit in this raw material in the country, we learned during a recent press conference of the Cameroon Oleaginous Refiners Association (Asroc).
According to Jacques Tchabgou, General Secretary of Asroc, 9,000 tons of imported palm oil and other derivatives were offloaded at the Douala Port during the first half of 2016, while 7,000 additional tons "*are currently in the vessels*" en route to Cameroon.
These imports are VAT-exempted and benefit from a preferential customs duty of 5%, different from the reference value of FCfa 1,500 per litre applicable as per the regulation, as specified by a text signed on 28 December 2015 by the Minister of Finance, Alamine Ousmane Mey.
Through this decision, the government was authorising, based on a request from the Regulatory Committee of the oleaginous sector, global imports od 60,000 tons of palm oil and derivatives on the Cameroonian market throughout 2016.

As a reminder, despite the existence of agro-industries providing 60% of the national production of palm oil, against 40% for village farms whose yields have been increasing throughout the years, Cameroon has an annual "*structural*" deficit of 130,000 tons, according to official statistics.

FCfa 128 million funding for agricultural and livestock family farms in the Littoral region in Cameroon

Owners of agricultural and livestock family farms in the Sanaga maritime and Moungo districts, in the Littoral region of Cameroon, have just received a financing worth FCfa 128 million, we learned from credible sources.
The financing is provided as part of the execution of the second phase (2013-2016) of the Program for the Improvement of the Competitiveness of family farms (ACEFA), led by the Cameroonian Ministry of Agriculture and the Ministry of Livestock.
During the 2nd phase of this program, it is officially expected "*to substantially increase the income of the 250,000 farmers who will benefit from it. According to the working hypotheses, the creation of additional farming income could be between FCfa 21 and 48 billion and the job creation between 50,000 and 100,000*".
This program from the Cameroonian government is centred on three components which are: specialised consultancy for the populations who move into family farming, contribution to the funding of these projects through subsidies, and strengthening the institutional capacities of professional platforms.

ENERGY

Updating the electricity network grid in Cameroon will cost FCfa 940 billion

The Société nationale de transport de l'électricité in Cameroon, Sonatrel, is getting ready to launch a programme to strengthen and update the national electricity network grid, the Minister of Energy and Water, Basile Atangana Kouna, revealed in an interview to the pro-government daily.
The Cameroonian government, we learn, is currently seeking financing worth a total FCfa 940 billion, to complete this program. "*Part of the financing is being finalised right now through the IRBD branch of the World Bank, thus a loan of USD 325 million (approximately FCfa 180 billion)*", Minister Atangana Kouna highlighted.
Several other international lenders are lined up for the financing of this program for which Sonatrel will benefit from the expertise of the French company RTE. These are Exim Bank China, Société Générale, Exim Bank India, AfDB and BDEAC, or the Chinese bank ICBC and Deutsch Bank of Spain, Basile Atangana Kouna indicates.

Cameroon initiates its first national survey on access to energy

The Cameroonian Ministry of Energy and Water has just tasked the National Institute of Statistics (INS), with carrying out the first ever national survey on access to energy in the country. This project, which will cost FCfa 232 million, will help, according to its sponsors, to have a better visibility on the composition of the energy mix of the country and assess the impact of public policies in terms of access to energy.
In practical terms, this will about, as specified by the Minister of Energy and Water, Basile Atangana Kouna, evaluating the level of access to different types of energy throughout Cameroon, the different uses of this energy, the supply methods, the quantities used depending on the type of economic activity and the share of renewable energy in the country's energy mix. This survey, we learn, will analyse these various components depending on whether the user is in a rural or urban area, and based on the standard of living of the populations.
With the 2nd hydro-electric potential in Africa after DR Congo, Cameroon unfortunately crumbles under production deficits, the country effectively operating less than 5% of its potential. Since 2012, the government has launched the construction of large infrastructure to reverse this trend. Starting from 2017, according to official estimates, these new dams will increase the installed capacities of the country by approximately 250 MW.

French-British battle brewing in Cameroon electricity market

On 7 June 2016, the government of Cameroon concluded with the International Finance Corporation (IFC) and the French electricity company EDF, a shareholder agreement for the purpose of creating the Nachtigal Hydro Power Company (NHPC), a company to operate the future Natchigal dam, with a capacity production of 420 MW, whose implementation is scheduled for 2021.
With control of 40% of the capital of this new company, against 30% for each of its partners in the project (State of Cameroon and IFC), EDF, the French electricity company, will thus have command of the largest hydro electric plant in Cameroon, for a period of 35 years, during which NHPC will contractually manage the dam.
Thanks to Natchigal, EDF is in the position to be, from 2021, amongst the most important Private Power Producers (PPP) in the Cameroonian electricity market. This French company is thus positioning itself alongside the consortium formed by the British CDC group, and the Norwegian fund Norfund, which has in 2015, taken over the shares of Globeleq Africa (then controlled by British investment fund Actis) in KPDC and DPDC, two companies which manage the Kribi gas plant (216 MW extendable to 330 MW) and Dibamba fuel plant (96 MW).

The leading private producer of electricity in Cameroon

This Anglo-Norwegian consortium, managing a capacity of 426 MW, is the leading private producer of electricity in Cameroon, and consequently an important supplier for Eneo, the operator of the public electricity service, of which 56% (5% in the process of being handed over to staff) of shares are held, since June 2014, by British investment fund Actis. As the concession agreement of Eneo is due to end in 2021 (this is the date when EDF begins management of the Natchigal dam), British shareholders of this electricity producing and distributing company have already started moves towards the Cameroonian authorities, in order to extend the concession contract for a further 10 years.

Extension of concession against financing

We learn from authorised sources that from the year 2015, Actis-Eneo submitted to the Cameroonian government a business plan with an associated investment plan covering 2015 until... 2031. The operator pledges to invest FCfa 900 billion, against "*accompanying measures*" on the side of the Cameroonian state.
Indeed, our sources reveal, for the financing of this investment programme, Actis-Eneo proposes to raise equity, operating revenues and, above all a long-term loan of more than FCfa 200 billion for which the "*lenders have indicated the necessity of having the length of the concession cover the period of reimbursement*", we learn. In other words, highlights our source close to the dossier, required funding can not be raised, including an injection of funds of around FCfa 25 billion proposed by Actis ; as long as "*the principle of the extension of the concession*", of Eneo, which expires in 2021, is "*not agreed*".
While Actis-Eneo is going to great lengths convince the government to extend the concession, and EDF is preparing itself to manage the Natchigal plant, a second French company has come forward in the sector of electricity transmission. Indeed, at the end of last May, the Cameroonian government threw its lot in with the expertise of RTE International, 100% owned by RTE, the operator of the French network of electricity transmission, to support the operationalisation of the national company of electricity transmission (Sonatrel) of Cameroon. It is not excluded that this 17-month technical assistance becomes permanent.

While Actis-Eneo is going to great lengths convince the government to extend the concession, and EDF is preparing itself to manage the Natchigal plant, a second French company has come forward in the sector of electricity transmission.

In Cameroon, the impoundment of the Memvé'élé dam, with a production capacity of 200 MW, has started

The Memvé'élé dam, under construction in the South-Cameroon region for 4 years now, was impounded on 16 August 2016, we learned from official sources. This operation, which characterises the start of the dam filling, will mainly enable the constructor and other managers of the project, to evaluate how the different components of this energy infrastructure function as the reservoir fills up.
To date, we learn from the project management, the construction works for the Memvé'élé dam have been completed at 92%. Starting from June 2017, period scheduled for its commissioning, this energy structure will emit 200 MW, which will be added to the interconnected Southern network, thereby contributing to the reduction of the deficit in electricity production from which Cameroon is afflicted.
An infrastructure built by Sinohydro, for a total of FCfa 420 billion, the-Memvé'élé dam was mainly financed through 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.

Over 1,000 Cameroonians to be recruited on the construction site of the Bini dam in Warak

The Chinese company Sinohydro announces that it will hire about 1,400 workers on the construction site of the Bini dam in Warak, in the northern part of Cameroon. Out of this global workforce, over 1,000 employees will be of Cameroonian origin, against 400 Chinese nationals, the company specifies.
With a production capacity of 75 MW, the future dam will replace the Lagdo dam, which is facing an ever increasing demand in electricity. Indeed, we learn from authorised sources, it has been a long time since the 72 MW production of this energy infrastructure, whose reservoir is regularly suffering from the results of the dry season, was sufficient to meet the needs of the three regions in northern Cameroon.
As a reminder, the construction works of the new dam will be financed through a loan granted to the Cameroonian government by the International and Commercial Bank of China (ICBC). This financial support is for a total of FCfa 182 billion.

In addition to the actual dam, the hydro-electric Bini project in Warak also includes the construction of energy evacuation lines (70 km in 225 kv) and rural electrification lines (30 kv), as well as the rehabilitation and the construction of access roads to the site.

Gaz du Cameroun will connect 12 new companies to its Douala distribution network "before the end of the year"

The oil and gas operator Victoria Oil & Gas (VOG), parent company of Gaz du Cameroun (GDC), the company operating the Logbaba gas field in the suburbs of Douala, the Cameroonian economic capital, announced on 25 July 2016 that it is currently running a pipe-laying programme, to supply twelve new companies in gas.

According to this British operator, "*the works are progressing well*". Ultimately, these works will enable GDC to add twelve new clients to its gas distribution network (which already includes about twenty companies) via pipeline in Douala, "*before the end of the year*", we learn.

Moreover, VOG announces that its subsidiary GDC had a volume of "*solid sales*" during the 2nd quarter of 2016, period during which the gas production of this operator increased again.

Indeed, thanks to an ever-increasing demand from companies, GDC's production is in constant increase, officially reaching 8.85 mmscf per day as at end November 2015, against 3.91 mmscf per day for the same period a year prior.

In order to meet the demand from the increasing number of customers, GDC just offloaded 2,500 tons of equipment at the Douala Port. This equipment, we learn from the company, will enable the drilling of two new gas production wells, starting from the 3rd quarter of 2016.

After the cosmetic and food industry, industrialist François Nana Djomou goes into the distribution of oil products

Tank'Oil Company SA. This is the name of the new company just launched by Cameroonian industrialist François Nana Djomou. With an initial capital of FCfa 100 million, thus oil company will be specialised, according to its purpose, in "*distribution activities for oil, its derivatives and in general, hydrocarbons and chemical products or others*".

The same purpose specifies that Tank'Oil, whose board is chaired by Yvette Tchatchang épouse Djomou, will also be into "*the import, export, aviation bunkering, storage, packaging, processing, transport and other operations in relation to the trade and industry of these products and substances, etc.*"

Already present in the cosmetic industry with Biopharma, a company in expansion in Central and Western Africa, François Nana Djomou is certainly committed to a strategy of diversification of his activities. Indeed, after his entry on the food industry market some years ago with his cooking stock under the Jumbo brand, which is giving competition to the Maggi cube from Nestlé on the Cameroonian market; this industrialist is also planning to launch Elim Beverage and Food SA, a fruit juice production unit.

This project worth a total of FCfa 17 billion, to be undertaken with Spanish partners, was recently declared eligible to benefit from the advantages provided by the 2013 law on private investment incentive in the Republic of Cameroon.

TRANSPORTATION

Paul Nana Sandjo removed as Managing Director of airline Camair Co

Ernest Dikoum, former Regional Director of the company Emirates for Senegal and Guinea, was appointed as the new Managing Director of the national airline Camair Co, on Monday 22 August at the end of a Board meeting in Douala.
Mr Dikoum replaces Paul Nana Sandjo appointed on 20 June 2014. So, barely two years ago. The reasons of this dismissal have not yet been released but we can note that Mr Nana Sandjo, 5th MD in the nine years of operation of Camair Co took over a dying company: FCfa 30 billion in debt, barely three aircraft. Recently, salary arrears of an overstaffed personnel (750 employes) were added to this.
Finally, an audit to restart the company was ordered by the Cameroonian government. The American company Boeing Consulting retained for this operation since 15 December 2015 proposed a plan including the acquisition of 14 aircraft and a financial subsidy of FCfa 327 billion over a five-year period. A recovery plan which will no longer be managed by Paul Nana Sandjo. Who was removed at the same time as the President of the board Edouard Akame Foumou, replaced by the Deputy Minister of Transport, Mefiro Oumarou.

The Portuguese company Irmaos Mota Construçao will be in charge of the urban bus transport in Yaoundé

The Prime Minister, Philémon Yang, informed in a communiqué that the Portuguese group Eximtrans Sarl/ Irmaos Mota has been declared winner of the partnership contract for the financing, supply and operation of a mass urban bus transport system in the city of Yaoundé during the 2016 Africa Women Cup of Nations and beyond. The same communiqué specified that the Minister of Transport, Edgard Alain Mebe Ngo'o, is in charge with the government delegate to the Urban Community of Yaoundé, Gilbert Tsimi, Evouna, of addressing an official letter of notification to the contract winner, indicating the practical modalities on the negotiations of the terms of the partnership contract.
The Portuguese company replaces the American group Parker International Industries selected in 2005, under the "Bus" denomination.

The latter went bankrupt in May 2015 due to numerous difficulties. With 48 vehicles at the launch of its operations on 26 September 2006, its fleet was reduced to almost nothing. Over half of the 600 starting employees were made redundant. Treasury problems abounded. The numerous financial injections made by the State were not able to save the "Bus".

Boeing proposes FCfa 327 billion plan over 5 years, to bring airline Camair Co back to life

To revitalise Cameroon Airlines Corporation (Camair Co), the Cameroonian State who is in fact the sole shareholder should invest no less than approximately FCfa 327 billion over a period of 5 years. This is what came out of the stimulus package just submitted to the government by the American firm Boeing.

According to the report given to the government in June by the American manufacturer, and to which *Business in Cameroon* has access, a global amount of close to FCfa 223 billion should be invested in strengthening the Camair Co fleet (purchase and rental of aircraft), to increase it from five aircraft currently, to 14 over a 5-year period.
Moreover, the coffers of the company having been empty for several months (the Ministry of Finance is taking care of the costs), the State-shareholder is invited to release a subsidy of FCfa 57 billion; to buyback Camair Co's debt, which has already officially of over FCfa 57 billion for some months now; and to make some investments (construction of a hangar for the maintenance of the aircraft, turning the Dja into a cargo craft, etc.) for a total amount of FCfa 10 billion.

Urgent investments
According to the Boeing report, signed by Alexandre Ly, Regional Marketing Director Boeing Commercial Airplanes, the success of this 5-year recovery plan depends on urgent investments, for a total amount of close to FCfa 138 billion. These investments qualified as urgent (including FCfa 78.9 billion for aircraft rental), we learn, will have to be made during the first two years of implementation of the recovery plan.

Overstaffing, mismanagement…
Interviewed by *Business in Cameroon*, an expert on transport, from whom Camair Co very often seeks counsel, finds this plan from Boeing "*very ambitious*". He however regrets that the audit by this American manufacturer overshadowed the organisational and managerial pitfalls which the company is facing.
For example, he continues, the personnel-aircraft ratio at Camair Co exceeds 150 nowadays, when the international standards put this indicator at 70, or 80 at the most.
"*While awaiting the acquisition of new aircraft, we must have the courage to drastically downsize, taking into account the profiles of the employees*", our source specified. This not without reminding that the workforce of this public airline, which he qualifies as "*a humanitarian company*", is full of "*support staff*".
Moreover, he points out, Camair Co, a heavily endetted company and of which some planes have been grounded for months now, generally because of the lack of spare parts such as tyres; still pays a monthly rent of FCfa 16 million to Douala. While the former headquarters of defunct Camair (whose rehabilitation works were suspended), in the economic capital, was made available to the new company several months.
Even worse, internal sources in the company blast Camair Co's top management, in which some managers are standing out due to detrimental conflicts of interest in the recruitment and payment of the service providers who must make available aircraft, engines and other spare parts for the planes.

DIGITAL ECONOMY

Cameroon: The digital economy development plan should cost FCfa 600 billion

Cameroon will need investments worth approximately FCfa 600 billion, to finance its national digital economy development plan, we learned at the end of a meeting organised on 26 August 2016 in Yaoundé, the capital by the Minister of Post and Telecoms, Minette Libom Li Likeng.
Though the details of this plan requested at the beginning of the year from the firms Capgemini Consulting and Interface have not yet been made public, we learned that it will focus in priority on the development of telecommunications infrastructure in the country.
The creation of this digital economy development plan is the result of an order given to the Cameroonian government by the Head of State, during his address to the Nation given at the end of 2015. President Biya then invited his collaborators to work so as to seize all opportunities provided by the digital economy, to speed the development of the country.
As a reminder, in its 2016 report on ICT entitled "*innovation in the digital economy*", the World Economic Forum (WEF) ranks Cameroon at the 124th position out of 139 countries in the world. Cameroon is thus among the 20 investigated nations, who integrate ICT the least in their socials and economic development.
To reverse this trend and be able to take advantage of the changes spurred by the development of the digital economy, the Cameroonian government even selected the digital sector (with the agro-industry and energy) among the "*highest priorities*" of the industrialisation master plan (PDI) of the country, which is currently being finalised.

Unicom Network, the Cameroonian start-up who wants to popularise the ".cm" domain name

The National Information and Communication Technology Agency (ANTIC) has just granted to the Cameroonian start-up Unicom Network, the approval to register the national domain name ".cm", we learned from official sources.
In other words, through this agreement which is in direct line with the government strategy to develop information and communication technologies, Unicom Network gets the official approval from the Cameroonian public authorities, to market the ".cm" name in Cameroon and abroad.
To achieve this, the Cameroonian start-up, whose promoters are currently seeking new investors as part of a capital opening operation, has already entered into partnership with Comepro, a Gabonese entity based in Libreville.

As a reminder, ANTIC recently announced having recorded only 53,500 websites registered with the ".cm" domain name, a statistics which illustrates the low rate of use of this country domain name. Among the main elements of reluctance in using this domain name listed by experts, we learn, is the price to access to this domain name, which finally went from FCfa 35,000 previously to FCfa 7,000 since 26 May 2015.

INFRASTRUCTURE

Italian bank Intesa Sanpaolo finances construction of 60,000 seats stadium in Cameroon

The Cameroonian government was granted by the Italian bank Intesa Sanpaolo, a credit facility of FCfa 139 billion in total, the Ministry of Economy announced in an official communiqué. The two corresponding loan agreements will be signed today 16 August 2016 in the Cameroonian capital.

These financings, the communiqué from the Ministry of Economy specifies, will be used for the construction of a 60,000-seats football stadium in Olembe, in the suburbs of Yaoundé, in anticipation of the organisation of the Africa Football Cup of Nations (AfCON), the highest celebration of African football which Cameroon will organise in 2019.

This sports infrastructure, which will also have two training pitches, shopping areas and accommodation structures with a capacity of 70 rooms, will be built by the Italian company Piccini; for a total amount of FCfa 163 billion.

The remaining FCfa 24 billion will be made available by the State of Cameroon. On 4 August 2016, the Cameroonian Head of State even signed for this purpose, a decree authorising the Minister of Finance to sign, on behalf of the government, a loan agreement, of this amount, with the local subsidiary of the Nigerian banking group UBA.

Chinese company China Road & Bridge Corp wins FCfa 8.6 billion contract for road works in Douala

The Ministry of Public Procurement has just awarded to the Chinese company China Road & Bridge Corporation, a contract worth FCfa 8.6 billion in total, to build the Logpom-Logbesou-PK 14 road in the city of Douala, the economic capital of the country.

For this contract, whose works will be undertaken over a 24-months period, we officially learn, China Road & Bridge Corporation was preferred over other companies such as Sogea-Satom, or Encobat, a Chadian company which is getting more and more vantage in the Cameroonian civil engineering sector.

China Road & Bridge is already present in Cameroon on at least two projects of the Urban and Rural Land Development and Maintenance Mission (Maetur), and on the project for the construction of the Yaoundé-Nsimalenmotorway, on which this company will build two kilometres on the urban stretch.

First phase works for the Yaoundé-Brazzaville corridor to be delivered soon

Located in the Southern region and long of 98.8 km, the Djoum-Mintom road, first phase in the construction of the Yaoundé-Brazzaville on Cameroonian soil, will soon be delivered according to information from the Ministry of Civil Engineering. "*Basic contract works are 100% completed*", Mintp indicates. Which means, according to this Ministry, that there is already a road which pavement structure is made of a foundation of coarse laterite 30 cm deep and a base layer in crushed gravel of 20 cm and the surfacing in asphalt concrete with a depth of 5 cm. But there still works underway on the project site. They are for the related constructions which are the construction of the Djoum roads covering 4.1 km and Mintom roads of 2 km thus a total of 6.1km, the opening of 57.4 km of track roads, the construction of a fence of 1,573 m, the construction of 22 toilets, 15 boreholes, 10 wells, a tollbooth, a weighbridge including the supply of an axle-weighing system.
In order to connect Congo to Cameroon, the African Bank of Development has taken the commitment since 2009 in the achievement of this corridor long of 504.5 km.
This road project has a structuring aspect for the region as it will be one of the main links of an alternative corridor to the Windhoek-Tripoli one to link the Central African Republic to Cameroon, Gabon to the south and ensure the interconnection with the Brazzaville-Pointe-Noire road to Congo.

Mengong-Sangmelima road: work completion estimated at 12%

During the evaluation meeting for the construction of the Mengong-Sangmelima road of 73.658 km, a few days ago in Yaoundé, the Minister of Civil engineering, Emmanuel Nganou Ndjoumessi, declared himself satisfied with the works undertaken on this important road.
From the presentation made by the monitoring mission, we can mention that significant progress were noted in the execution of the works. The global progress for May 2016 is estimated at 12% for 31.93% of the time allocated. The main completed works are the general worksite installation, construction and geotechnical surveys, maintenance of the existing road, clearing and preparing the land, removal of topsoil and earthworks.
However, the monitoring mission noted that the rate of progress of the completed works would be higher if some constraints had not delayed the work developments. There is for example the total release of the Esse-Akak quarry where the equipment of the former dismissed company is still on site and the full release of the expropriated lands in the project areas. Several actions have been carried out to solve these different situations and, currently, the company has started removing its equipment to enable the company Arab Contractors start work. The Mvila prefectoral commission is working hard to finalise the expropriation process on the project.

LEADER OF THE MONTH

Cameroonian Issa Hayatou gets Total to sponsor African football, for next 8 years

The French oil group Total and the Confederation of African Football (Caf), chaired by Cameroonian Issa Hayatou, announced on 21 July 2016 having reached an agreement making Total the "Title Sponsor" of African football for the next eight years. Therefore, we learn, the next AfCON, which will take place in Gabon from 14 January to 5 February 2017, will be labelled "*Total Africa Cup of Nations*".

"*This partnership is a major step in our continuing search for additional resources which will enable African football to speed up its development, to be more modern by improving its governance, its sports infrastructure as well as its performances at the global level. Total, as a multinational among the leaders in its sector of activity, with strong ties to the African continent, will greatly contribute to Caf's desire to always work toward the development of the African youth*", Issa Hayatou declared, whose country will organise the 2019 AfCON.

According to Patrick Pouyanné, CEO of Total, through this sponsoring of African football, Total wishes to strengthen its links and proximity with its stakeholders and clients, through popular and festive competitions which generate real passion, including among the teams of this oil firm. As "Title Sponsor" of the 10 competitions organised by Caf, we learn, Total will be present during over 1,500 matches spread through the different competitions which are: The Africa Cup of Nations (AfCON); the African Nations Championship (CHAN); CAF's clubs competitions (CAF Champions League, Confederation Cup and Super Cup); youth competitions (U-23, U-20, U-17); the Africa Women Cup of Nations; and the African Futsal Cup of Nations.

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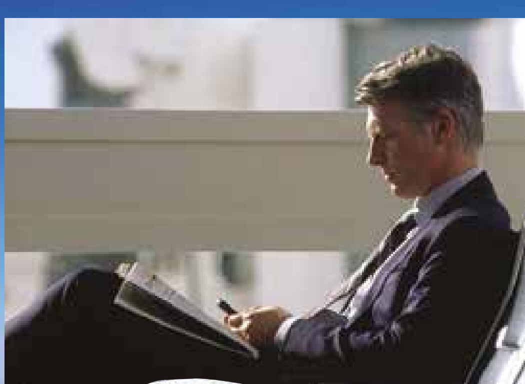

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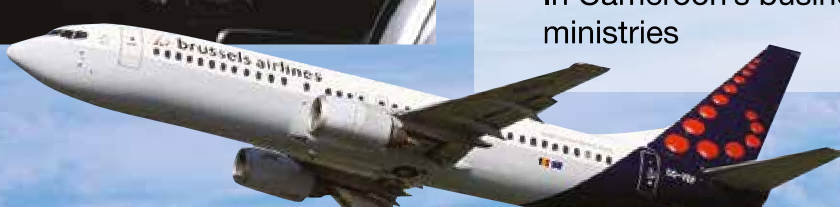

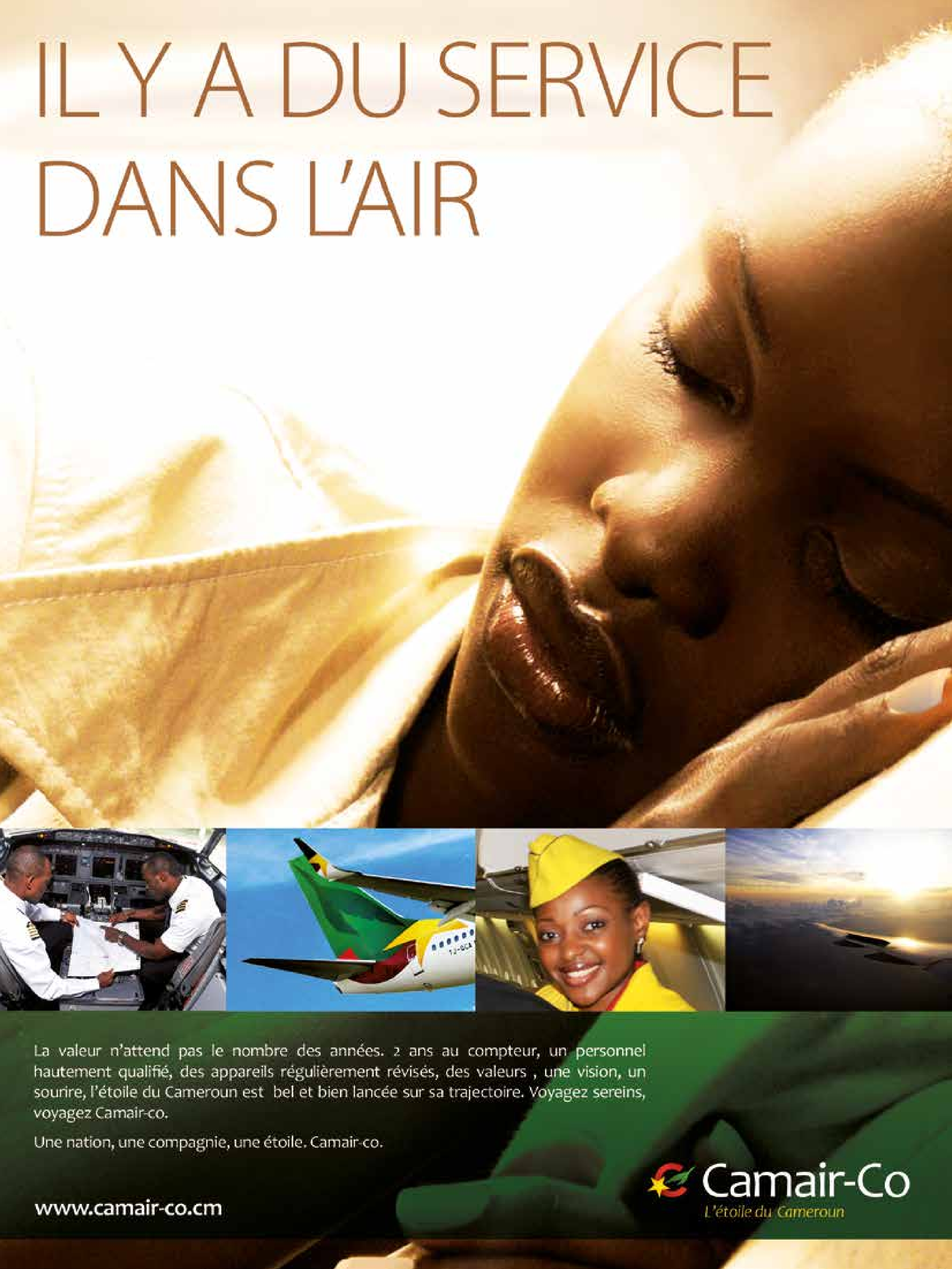
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