BUSINESS IN CAMEROON

September 2017 - N° 55

MAJOR PROJECTS
AGRICULTURE
ENERGY
MINING
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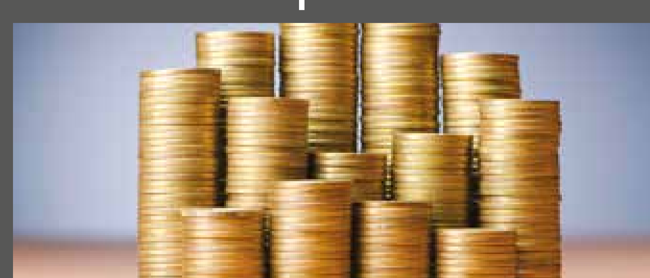
SERVICES
FINANCE

The rise of "Made in Cameroon"

Patrice Melom: Kribi, here we go!

Cameroonian State provides relief to companies' accounts



FREE - CANNOT BE SOLD

Yasmine Bahri-Domon

Industrializing local SMEs: A bet to take

Some investors understood it quite rapidly. Focusing on snatching significant market shares is not the only way to compete with major multinationals. Indeed, looking at how small and medium enterprises (SME), which are true value-added creators, are expanding all around the globe, it is obvious that the industrialization of emerging economies will pass through these. This is especially as they need very little investments to flourish but yield relatively high profits. In Cameroon, with the adoption of the industrialization master plan (PDI) which will be launched soon, President Paul Biya aims at making his country the laboratory of the "Africa's upcoming industrial factory by 2050". The leader's wish is taking shape now. Simple, yet highly beneficial in the medium term, the plan lies on three key sectors in which the government intends to invest massively and toward which it hopes to attract both local and external financing. These are: agribusiness, power and digital. Already, local investors are showing a lot of interest in the scheme which is yet to be effectively launched and foreign investors should follow soon. The PDI, it should not be doubted will help Cameroon's economy grow by stimulating industrial growth and is expected to enable the country build for itself a quality industrial portfolio by 2025. In this framework, public authorities plan to develop a legal framework for the master plan. This, for example, would enable any interested firm to establish itself near Kribi's deep-water port (PAK).

Concerning the port, given that the concession agreement for its container terminal was signed last July 25, Kribi can now launch its port services and carry on with its industrial complex project that has caught the eye of many local investors. In fact, in the present edition of this magazine, PAK's managing director and coordinator of the operational unit of the industrial-port complex, Patrice Melom, provides some details regarding operational aspects of the infrastructure.

Another sector that is quite promising and attracts local investors is that of spices. Truly, spices and related flavoring products are well exported, to Asia especially which has a high demand for these. This contributes to the revolution that is currently being led by local SMEs. Spices are everywhere, from minor markets to supermarkets, and attract even agro-food giants. For example, Swiss firm Nestlé generates each month up to FCFA5 billion of revenues from its famous "Maggi cube", in the CEMAC region. In this edition of *Business in Cameroon*, you will get to know more about these businesses that require little investments but yield high returns.

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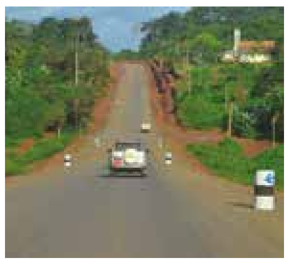

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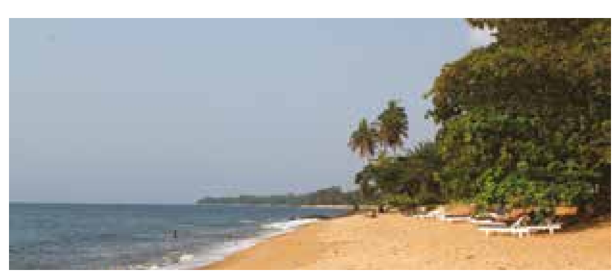


THE CAST

ALHADJI BABA DANPULLO

Oummoul Koulsoumi, a young 39-year old Cameroonian, succeeded in extorting an amount of FCfa 300 million from the billionaire Baba Dapullo, presented by Forbes magazine as being the number one fortune in Francophone sub-Saharan Africa. To achieve her goal, the young woman pretended to be the daughter of Alhadji Mohamadou Abbo Ousmanou (she is in fact his niece), the very wealthy businessman from Ngaoundéré, in the northern part of Cameroon.

Thanks to the services of an excellent imitator, who passed himself off as Alhadji Abbo during telephone conversations with Baba Danpullo, the latter was reassured enough to sign 4 cheques of FCfa 50 million each, and gave them to the young woman with an amount of 160,000 Euros (about FCfa 105 million) in cash. After having cashed FCfa 300 million out of the FCfa 400 million demanded for the property transaction, the usurper ended up being caught by the gendarmes after the deception was uncovered.

MONIQUE NTUMNGIA

Young Cameroonian lawyer aged 27 years, Monique Ntumngia has just won, in Kigali, the Rwandan capital, the first prize in the "Green Girls Monafrick Energy" competition, held on 17 August 2017. Received after her prize by the Minister of SMEs, Laurent Serge Etoundi Ngoa, the renewable energies enthusiast expressed the wish to see the Cameroonian government set up an incubator in the renewable energy sector.

Monique Ntumngia was rewarded for her "Green Girls Project", which, through a NGO with the same name, enables the training of young girls in the production of biogas from bio-digesters and vegetable or animal organic matter. "Green Girls Project" was launched in August 2016, and benefited from financial support of the American State Department, through its African Women's Entrepreneurship Program, which is used to promote female entrepreneurship.

ABBAS MAHAMAT TOLLI

Out of an estimated amount of FCfa 7000 billion in 2014, expenditures made by the six CEMAC States, which are Cameroon, Congo, Gabon, Equatorial Guinea, Chad and the Central African Republic, totalled nearly FCfa 3000 billion in 2017, the Chadian Governor of the Bank of Central African States (BEAC), Abbas Mahamat Tolli, disclosed.

This drastic reduction in public expenditure in the CEMAC zone (up to FCfa 4000 in total), the Governor of the Central Bank assesses, is the consequence of budgetary adjustment measures implemented within the States, or imposed by the BEAC, since the triggering of the decline in world prices for raw materials (notably oil, of which five out of the six countries are producers); economic downturn which has deprived CEMAC States of substantial budget revenues.

FREDERIK KLINKE

Appointed following a board meeting held on 21 April 2017, the Dane Frederik Klinke has officially taken up duty on 24 August 2017 in Douala, as the Managing Director of Douala International Terminal (DIT), the concession operator of the container terminal at the port of Douala. Finance and Projects Director at APM Terminals before his appointment, Frederik Klinke replaces his compatriot Jakob Sidenius, who managed DIT between May 2014 and April 2017.

Possessing 15 years experience in the maritime domain, the new MD of DIT has in turn been Finance Director of Suez Canal Container Terminal, in Egypt, and APM Terminals Tanger Med, in Morocco; then Head of Regional Management Control at Damco Logistics Asia Pacific. According to the management of DIT, he demonstrates "*a remarkable knowledge of the maritime domain, and a specific experience in the management of port terminals*", which allow him to bring *"to DIT a new impetus, right in line with the commitments made by the leading shareholders in DIT to the Cameroonian authorities"*.

CYRILLE NKONTCHOU

The investment fund Enko Capital, co-founded by the Cameroonian financiers Alain and Cyrille Nkontchou, has taken a minority shareholding in the equity capital of the logistics company AMI Logistics, based in Dubai, we learn from reliable sources. *"We have the conviction that the synergy created through the merger between the two actors will give birth to one major player in logistics in Africa, and we are already delighted to support the growth of their activities across the continent"*, commented Cyrille Nkontchou.

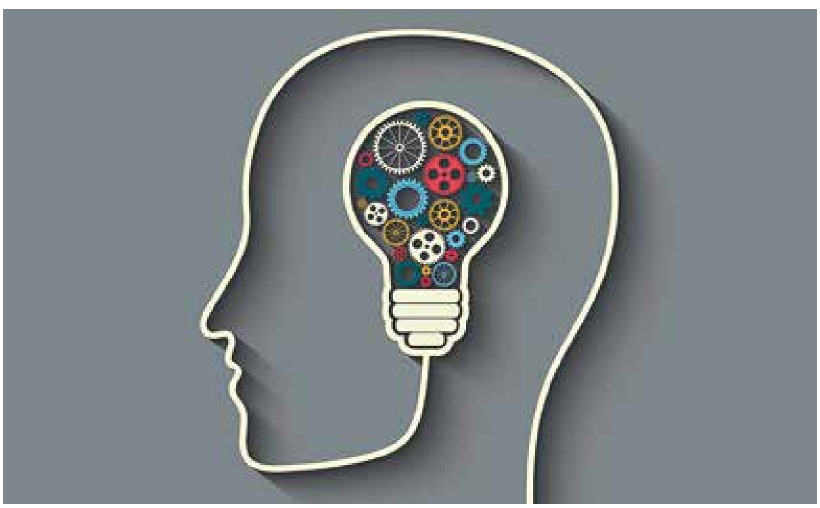
In the month of March 2015, Enko Capital had already announced taking a minority shareholding in the Zambian financial services group Madison Financial Services PLC. All these acquisitions are being made through Enko Africa Private Equity Fund (EAPEF), a fund dedicated to investment in Africa, whose closing amounted to $64 million (about FCfa 35.7 billion).

AUDU OGBEH

On 26 July 2017, in Calabar, Cross River State, officials of the Nigerian Customs intercepted three cargoes of animals imported from Cameroon, with Nigeria as their destination, revealed the Nigerian press. The three cargoes, we learned, had been loaded onto a ship called MV Flesh, and were made up of 140 snakes of different species and 660 various other animals.

In order to establish the facts about the perpetrators of these imports, the same source advises, the Nigerian Minister of Agriculture and Rural Development, Audu Ogbeh, announced having instantly initiated an investigation led by the Nigerian Agricultural Quarantine Service (NAQS). According to Mr. Audu, the Nigerian authorities fear that this type of import can act as a canal to launch "a biological war" on Nigerian agriculture. *"Our ambition is to become a major agricultural nation. If the quality of what we import and that of the materials that enter our territory is unknown, anything can happen to us"*, declared the member of the Nigerian government.

Cameroon, the little fingers of industrialisation



Earlier this year in 2017, the Cameroonian government announced the adoption of the Industrialisation Master Plan (Plan directeur d'industrialisation, PDI), whose objective is to turn the engine of the Economic Community of Central Africa (CEMAC), *"the factory of the new industrial Africa by 2050"*, highlights the Minister of Industry and Technological Development, Ernest Gbwaboubou. The PDI, we learn, is based on three main sectors, where the government is planning to massively. These are the agro-industrial, energy and the digital sector.
But, while awaiting the implementation of this plan, which will certainly not avoid the many constraints related to this type of project, some adventurous and resourceful Cameroonians have already started working. Often with modest means, makeshift production units, or only their inventiveness and their tenacity as their only resource, they are slowly shaping up the industrial Cameroon of the future.
These entrepreneurs, who we will happily call *"the little fingers of industrialisation in Cameroon"*, may perhaps have nothing to do with the giants in the automotive, food industry, etc. But, they at least have the specificity of showing to decision-makers and other financiers, who do not often seem to be looking in their direction, that there is indeed a local resource, capable of developing the local industrial fabric, with creativity on top.
But, for to achieve this, they will need support. Firstly from the public authorities, who must show real political commitment, which puts up increasingly less with simple speeches. Then, from financiers, whom some experts criticise for preferring to finance consumption in the tropics, instead of accelerating development. Finally from consumers, who tend to be more at ease with Ferrero Rocher rather than a bar of local chocolate, whose packaging is not as shiny, but which has four times more pure coca inside.

Brice R. Mbodiam

Often with modest means, makeshift production units, or only their inventiveness and their tenacity as their only resource, they are slowly shaping up the industrial Cameroon of the future.

Sotrabus, pioneer in the assembly of vehicles in Central Africa

Since 2015, Cameroon, in particular, and Central Africa, in general, has had its very first vehicle assembly unit. This is the Société de transformation de bus (Sotrabus – Bus Transformation Company), specialised in the assembly of transport coaches of 45, 50 and 70 seats.
Located in the Douala port area, in the Cameroonian economic capital, this company has about 150 employees, who work hard to put together two buses every month.
According to Albert Mbafe Konkou, the Cameroonian polytechnic engineer who owns Sotrabus, the buses manufactured in the port area of Douala are tropicalised, as they are adapted to African roads; a continent Sotrabus is planning to conquer midterm, starting with Central Africa.
According to the management of Sotrabus, the company has already assembled over 20 buses since its created, vehicles which Ade today the pride of some local long distance transport companies (Finex, Trésor Voyages, or Princesse Voyages, etc.), operating on the road triangle joining Yaoundé-Douala-Bafoussam, the three main cities in the country.
Considering the interest transporters have shown for these first buses mande in Cameroon, the management of Sotrabus is planning to increase the production from two buses to approximately 15 buses per month, reveals Albert Mbafe Konkou, a mechanical engineer and former owner of a transport company who was the first to take the step in the production of vehicles in Cameroon. Before the Chinese and

Americans who, since mid-2000's, have announced the construction of plants to manufacture vehicles in the country

Students design first ecological vehicle "made in Cameroon"

A group of students in the mechanical engineering school at the Ecole nationale supérieure polytechnique in Maroua, located in Cameroon's Far North, recently presented to the Minister for Youth, Mounouna Foutsou, the first ecological vehicle "made in Cameroon" designed and manufactured by them.
Manufactured using recycled material and an imported engine, this vehicle, which does have a body, is powered by a system of batteries providing an operational autonomy covering a distance of 90 km, at an average speed of 80 km/hour.
With five seats, one being occupied by Minister for Youth while carrying out a rather successful trial, this non-polluting vehicle can, according to its creators, bear weights of up to 250 kilograms.
The creation of this vehicle lasted 5 years, while the actual manufacturing took only five months for the project sponsors, who now hope to receive financial support, from the State, banks and economic operators, to fine-tune their invention and therefore contribute to the fight against pollution.

SME Gariland International launches Nextcoffee, an organic and dietary coffee

An improved coffee, enriched with local spices and labelled Nextcoffee. This is the latest finding of Gariland International, a Cameroonian SME specialised in the processing of agricultural products, and who was recently rewarded in Gaborone, Botswana for the innovation in processing cassava.

Indeed, after tapioca juice (Garilight), Gariland International created Gari plus, a wholefoods kit, made with fortified organic Gari (local name for tapioca), pre-sweetened with stevia, then enriched with no less than 15 dried fruits and vegetables.

Gariland International had already made headlines at the Ebolowa agricultural and livestock show in 2011, where the Cameroonian Head of State was himself pleasantly surprised by the doughs produced by this local SME. Called *"miondoninini"*, these doughs are made from cassava flour, potato flour, macabo flour, etc.

On 11 December 2015, during a mini-fair organised on cocoa, Gariland's exhibition stand was again very popular. One could taste there was *"date-covered cocoa beans"* (sold under the brand Perles Noires -Black Pearls) in which date pits have been cleverly replaced by cocoa beans; or *"cocoa beans stuffing"* (sold as Pralines), where dried cocoa beans are added to a type of cake made with potato flour.

All these products come out of a small factory using semi-rudimentary processes, located for years now in Mbalmayo, a town in the central region of Cameroon.

Aschenti Cocoa, the artisan chocolatier promoting Cameroonian cocoa in Canada

A Cameroonian couple, Christelle and Christian Mekoh, officially opened on 17 December 2016 on Corydon Avenue in Winnipeg, the capital of the Manitoba province in Canada, a chocolate plant called Aschenti Cocoa.

This traditional production unit speciality is to produce chocolate from Cameroonian cocoa beans, particularly from a farm bought some years ago and operated by the co-owners of Aschenti Cocoa.

"We want people to live an experience, for them to discover chocolate, pure chocolate. What surprised me during my visits to farms, is that there are farmers who have never tasted chocolate. They inherited farms from their grand-parents, their parents. This is insane. You work all your life with something, but you have never tasted chocolate!", explains Christelle Mekoh.

As a reminder, based on ICCO statistics, the largest producers of cocoa worldwide, being African countries, are also the smallest consumers of chocolate. These are in particular Côte d'Ivoire, first producer of cocoa, where only 48 grams of chocolate per capita and per year is consumed, against 55 grams im Ghana, 12 grams in Nigeria and 20 grams in Cameroon.

The biggest consumers are Switzerland and Belgium, with consumption ratios respectively reaching 6 and 5.7 kg off chocolate per capita and per year. Followed by Germany (4.03 kg per capita and per year), France (3.43 kg) and the USA (2.45 kg).

Keuni Foods wants to win over the cooking stocks market, with local spices

Housewives who have trouble finding the different mixes of African spices to improve the taste of their meats, fish and chicken, should fear no more. One simply has to enter a supermarket, and purchase a sachet of *"Secret"*, a brand created by the Cameroonian SME Keuni Foods. This is a concentrate pf pre-mixed local spices, available in several flavours (chicken and other white meats, fish and shellfish, and meats) and directly usable for different seasonings.
This SME is this taking on a market where food industry giants are already in force, such as Swiss Nestlé, who has a monthly turnover of FCfa 5 billion in the CEMAC zone, thanks to its famous Maggi cube.
A situation which does not seem to bother the owner of Keuni Foods, who counting on a major advantage. *"Our products are 100% natural with a pinch of salt as preserver. In an environment where many elements added to our dishes are of chemical origin, or even harmful for our health,* "Secret" *is the innovation which enables us to season our dishes with risks to our health"*, explains Aïcha Noucti Kadji.
According to this entrepreneur, granddaughter of billionaire Joseph Kadji Defosso, one of the biggest industrialists in Cameroon, her project is the result of a simple observation: *"Cameroonian consumers*

in particular and Africans in general, are increasingly more aware and informed on nutritional issues".

With a production of 300 tons per year, "Logone rice" is trying to break through in the local and Chadian markets

Aside from Ndop rice, grown in the town of the same name in the North-West region, Tonga rice, in the western region, and above all the Semry brands (Société d'expansion et de modernisation de la riziculture de Yagoua), whose production often reaches 100,000 tons per year; one must now also take into account "Logone rice" among Cameroonian brands.
Launched by the cooperative TPA, who set up a fresh paddy threshing unit in the town of Yagoua, in the Far North region, "Logone rice" is now available on markets in the three northern regions of Cameroon, and in the Chadian towns of Bongor and Fianga, says Ahmadou Wadiri, CEO of the co-op TPA.
According to him, the enthusiasm shown by customers for this local rice, who is particular for being directly dehusked after harvesting (the paddy does not go through storage), is such that the cooperative is considering increasing its yearly production from 300 tons to 1,200 tons from 2018.
As a reminder, the rice demand in Cameroon is around 300,000 tons per year. To meet this deficit in local production, the operators in the sector have, for example, raised FCfa 212 billion for imports (819,800 tons) in 2013, based on the statistics of the national technical committee on balance of payments.

Patrice Melom : "Kribi's port could win significant market shares in West Africa"

Subsequent to the signing of concession agreement for the Kribi deep-water port container terminal (July 25th), the Managing Director of the Kribi autonomous port provides enlightenment on the status of the container terminal which is expected by the end of the year.

Business in Cameroon: Regarding the Kribi project, initially, an industrial port complex was announced but now it is a deep-water port?
Patrice Melom: I am currently the managing director of the autonomous port of Kribi and the coordinator of the Operational Unit of the industrial-port complex. Besides the port, we are establishing the other components of the complex and until it is decided otherwise, we do not see things differently.

BC: The Kribi deep water port is located along the continental median as it should ideally. However, there are other significant ports around such as the ports of Lomé and Lagos. What does therefore the Kribi has to offer, and why would operators choose it over another?
PM: When we initiated the process to select an operator for the container terminal, one of the conditions imposed stated that the bidder must prove that it is bounded to a ship-owner. We got an operator that did better than that. It made sure the ship-owner became a stakeholder in the project. The latter (CMA CGM), let me emphasize, is the third largest worldwide. We thus have the traffic issue dealt with this operator. Next,

we set defined competitiveness criteria because a port's performance depends on various factors including cost, transit time and of course quality of services.

We wish to win over some of the market shares from our rivals. That is exactly the reason that drove the government to, regarding the Kribi port, think of a complex. This is because the port feeds off the traffic generated by the complex's industrial activities. It is also for the same reason that we have a port component which allows for import and export of goods, an industrial component and an infrastructural component as well. From this angle, Kribi has nothing to envy its rivals.

BC: Kribi's dock barely exceeds 600m in length. That surely impairs its competitiveness, this is in comparison with other ports…
PM: The port's other components will gradually be put in place. As concerning the length you refer to, 615m to be exact, it is just the one corresponding to the first phase of the project. We are launching the second phase which will add another 700m to the previous figure. After 25 years, the projected linear is 6,500km. You have to agree with me that it cannot all be done at once as this would be extremely costly.

BC: What will your priorities be? Bring new ships to the Kribi port or win some over from rivals?
PM: In truth, when constructing an infrastructure such as the autonomous port, the main objective is to win over market shares, as long as it is possible. This is exactly why it is vital to be performant and competitive. Contrarily to the Douala port, Kribi's port could win significant market shares in West Africa. We are actually putting in place all necessary measures to insure that ships coming from Asia and elsewhere no more stop at Cotonou or Lomé, but at Kribi rather. I am confident that by leveraging on cost and delay, we will be able to win significant market shares with the Kribi deep-water port.

Patrice Melom, Managing Director of the Kribi autonomous port: *"In truth, when constructing an infrastructure such as the autonomous port, the main objective is to win over market shares, as long as it is possible."*

BC: What are, in your most optimistic projections, your targeted rate of frequentation in the long term?
PM: Actual measurements for the container terminal and polyvalent terminal are respectively set at 350,000 EVP containers and 1,500 tons. According to our projections, within four years of operation, the container terminal should reach its saturation level, 350,000. This is why we decided to launch the second phase of the project, despite knowing that building a second terminal would take four years.

BC: You mentioned earlier transit delays which remain a major challenge for African ports. What are the advantages you intend to leverage on to attract investors?
PM: First, we will run the Kribi port using dematerialized processes. A few weeks ago, I signed a memorandum of understanding with the Managing Director of the Single Desk in this framework. The test ship we received (the Medi Lisbo which arrived on June 22, 2017) was handled using these processes.

BC: Many operators talked about infrastructures connected to the port, saying they would insure that the infrastructure functions optimally. These include the Mbalam-Kribi railway and the Olama-Kribi road. What do you have to say about that ?
PM: We have an infrastructure component. And under the industrial-port complex project, we have planned for a 350m-wide backbone where we will build both the motorway and the railway. Related studies have already been completed. Construction works for the motorway's segment linking the port to Kribi are 60% done. Also, studies for the Kribi-Edea segment of the motorway have been carried out and we are presently seeking for funding. As for the Olama-Kribi segment, I believe talks for contract signing are underway. The segment is divided into three distinct parts and talks to ink the contracts related to these are ongoing. Therefore,

"We are launching the second phase which will add another 700m to the previous figure. After 25 years, the projected linear is 6,500km."

funds needed should soon be obtained.

For the Ebolowa-Akom II-Kribi road, we are a little behind schedule. At some point in time, we secured a Chinese funding that yielded no results. However, I think the government is looking for a partner for the project. In the framework of the development of the port city, after the dual three-lane motorway, we plan to build a dual two-lane road that goes from the port to Campo, which opens up on to Equatorial Guinea. We have tarred the road linking Kribi to the port. The Minister of public works has confirmed that consolidation works will be carried out on the Kribi-Edea axis…

BC: What are the reasons behind the selection of Bolloré as partner for the container terminal project?

PM: Bolloré was picked from many applicants following very strict procedures. First, there was a pre-selection stage. Next, there were discussions with the pre-selected candidates. Then, there was another pre-selection. It was only after the new batch of applicants was selected that they were asked to submit bids. These were studied by commissions specifically put in place for this purpose. The commissions, which were presided by collaborators of the Prime Minister, after assessing the bids, decided to select Bolloré as partner. For example, taking into consideration the entry ticket criteria, the group invested a lot. It is one of the reasons why it was selected.

BC: Often, compensation issues arise and they have in the past impaired various projects. Will the Kribi industrial port project suffer the same fate or be spared?
PM: Unfortunately, it is true that compensation issues remain a major challenge. We had commenced payment to those who were expropriated from the project's site and I believe the government will continue where we left off. As for compensation for those affected by the motorway project, it is ongoing. I must congratulate the populations who have shown a great sense of patriotism. Indeed, there were not much protests for compensation in Kribi. As the motorway which is 60% complete, very few protests were recorded. The people are just waiting patiently to be compensated and the government is implementing all the necessary measures to reward their patience.

BC: What is your strategy to rapidly achieve financial balance, and no more rely on the government; also, what are the challenges that, in your opinion, are the most urgent?
PM: To operate on a day-to-day basis, an infrastructure like the port does not always need the State. The State steps in only when investments are required, since such projects need heavy funding. And I would like to inform you that be it for the first or second phase of the port project, the financial structuring developed is so that the port's revenues will clear all loans taken during its development. In fact, for the phase II, we were able to get the operator to pay the 15% which was to be paid by the government. That means that the government will not pay this portion as it should have.

BC: Exploitation of the Mbalam iron deposit plays a key role in Kribi's deep-water port's operations. With delays encountered in launching the project, was the initial business model amended to take these into account, so as to insure financial stability, even without the mining project?
PM: We have integrated in the concession agreement what we call guaranteed traffics. Clearly put, it means our chosen partner commits to pay us, no matter what happens. Every three years, we will assess the situation to determine how to redirect our activities, because financial stability of the contract can record some shocks, sometimes for the good of the project itself.

BC: Some time ago, you launched a call to tender for works at the port. Why didn't your partner take care of these?
PM: There are three bodies involved in the process. There are things that must be done by the partner. The call to tenders you refer to concerns everything needed for the port to operate. The operator will have his own information system while radars are part of tools needed for the port to function. These tools fall under the responsibility of the port authority.

Patrice Melom, Managing Director of the Kribi autonomous port: *"To operate on a day-to-day basis, an infrastructure like the port does not always need the State."*

BC: What could you tell investors to attract them to Kribi, to make them understand that doing business at the Kribi deep-water port would be more beneficial than at Douala's port?
PM: Given that at Kribi, larger ships will be docked, it is more profitable. We are also looking for a way to establish a well-defined shipping route between Kribi and Douala, since the roads cannot bear all the traffic. This system should enable small ships to be loaded from Kribi and dock at the Douala port. While waiting for the motorway and railway to be ready, that is how we will proceed.

BC: Who will be your first clients in the coming months?
PM: We have many potential customers around. We also have investors such as Socapalm (Societe Camerounaise de Palmeraies), who came to us to invest. As for outside the continent, we will soon launch with our partner a campaign in the framework of which we will meet various organizations, in Asia and elsewhere. CMA-CGM will bring in ships. Over the next months, we will double our efforts.

Joint interview with CRTV

PUBLIC MANAGEMENT

Cameroonian State boost treasury of companies, with refund of VAT credits amounting to FCfa 16 billion

The Cameroonian public Treasury initiated, in August 2017, the payment of FCfa 16 billion in VAT credit refunds to local companies, announces Minister Alamine Ousmane Mey in an official press release.
The government is thus implementing a commitment made some days ago to the executive office of the Groupement inter-patronal du Cameroun (Gicam – Employers' association of Cameroon), to whom the Minister of Finance revealed, at the end of a meeting, the instruction from the Head of State to disburse a total of FCfa 180 billion to companies.
Out of this amount, explained Alamine Ousmane Mey, FCfa 80 billion will be made available to banks to revive loans to companies, while FCfa 100 billion would be used to pay suppliers of the State and refunds of VAT credits to local companies.
In Cameroon, VAT credit refunds are a real headache for companies. Indeed, by generally putting forward treasury difficulties as an excuse, the State has taken the habit of withholding these funds, often for years, thereby becoming a burden on the treasury of companies, who are nevertheless perpetually in search of financing to grow their activities.
As an example, at the end of 2013, based on the statistics of Gicam, the Cameroonian State had accumulated roughly FCfa 52 billion in unpaid VAT credits. As at end July 2016, the members of the Association of Refiners of Oleaginous of Cameroon (Asroc), who produce between 90 and 95% of refined vegetable oils and household soaps sold in Cameroon and the CEMAC zone, were still claiming 5 years in unpaid VAT credits from the State.
The situation is so worrying that, on 13 March 2017, during the 8th edition of the Cameroon Business Forum (CBF) in Douala, an exchange platform between the private sector and public authorities; economic operators suggested to the State the creation of an escrow account, to guarantee the refund of VAT credits to companies. This request came after a first one, made in December 2013 by the late president of Gicam, André Fotso, who then wished to see the State launch a specific bond, to settle the VAT credits debts.
As a reminder, based on the tax regulation in force in Cameroon, exporting companies, who find themselves in a situation of structural credits due to the application of the null rate in terms of VAT, must submit a new refund request for this tax after cumulating three months of credits. The corresponding funds must be refunded to them within a regulation period of two months, which is rarely respected by the State.

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Alcohol consumption: Cameroonians rank behind Gabonese and Equatorial Guineans in CEMAC zone

Contrary to widespread belief, Cameroonians are not the largest alcohol consumers in Africa. According to a study that has just been published by the World Health Organisation (WHO), a study that calculates the numbers of litres of pure alcohol consumed by year and by inhabitant over the age of 15 years, Cameroon comes in 12th position in Africa, out of 49 countries concerned by the survey.

In the CEMAC zone, Cameroon ranks behind Gabon, which holds the "palme d'or" of alcohol consumption in Africa, with an average of 9.01 litres of pure alcohol (by year and by inhabitant aged over 15 years); ahead of countries such as Nigeria and Rwanda or even South Africa, but equally Equatorial Guinea, another CEMAC zone country ranked 11th, just ahead of Cameroon (see overall ranking below). This ranking obtained on the basis of averages on the entire population, we learn, is substantiated by another, more precise, which is uniquely focused on alcohol drinkers, excluding all abstaining populations. Here again, it is the performance of Chad, a majority Muslim country, which contrasts in the CEMAC zone, with an average annual consumption which peaks at 33.9 litres per inhabitant.

Consumption of African countries in litres of pure alcohol, by year and inhabitant aged over 15 years

(NB: Figures for Mauritania, Libya, Somalia and Namibia are not available)

1	Gabon	9.01
2	Nigeria	8.90
3	Uganda	8.33
4	South Africa	7.77
5	Rwanda	7.12
6	Sierra Leone	6.74
7	Burundi	6.32
8	Angola	6.20
9	Tanzania	6.20
10	Botswana	5.98
11	Equatorial Guinea	5.73
12	Cameroon	5.64
13	Swaziland	5.05
14	Sao Tome and Principe	4.42
15	Seychelles	4.33
16	Burkina Faso	4.29
17	Côte d'Ivoire	3.99
18	Zimbabwe	3.85
19	Cap Vert	3.25
20	Liberia	3.07
21	Lesotho	2.92
22	Zambia	2.75
23	Mauritius	2.65
24	Gambia	2.44
25	Republic of the Congo	2.41
26	Guinea-Bissau	2.28
27	Ghana	1.84
28	Democratic Republic of Congo	1.75
29	Centrafrique	1.73
30	Kenya	1.73
31	Sudan	1.73
32	Malawi	1.44
33	Tunisia	1.26
34	Benin	1.18
35	Djibouti	1.13
36	Togo	1.13
37	Mozambique	1.10
38	Madagascar	0.92
39	Ethiopia	0.69
40	Mali	0.62
41	Eritrea	0.58
42	Chad	0.46
43	Morocco	0.45
44	Senegal	0.23
45	Egypt	0.20
46	Guinea	0.20
47	Comoros	0.14
48	Algeria	0.11
49	Niger	0.10

Over a hundred deaths on Cameroonian roads in two months

Since July 2017, practically not a day goes by without the notification of a deadly road accident in Cameroon. From East to West, North to South, road accidents, im the past two months, have claimed over one hundred lives and several injured, based on the figures from the Ministry of Transport.
Reacting to this phenomenon which has become a concern in the prelude to the start of the new academic year in the country, this Ministry recently organised a crisis meeting in Yaoundé, the Cameroonian capital, with operators in the road transport sector.
After announcing the suspension of the activities of some travel agencies involved in these road accidents, as well as seven drivers having their driving licence cancelled; the Ministry of Transport promised to double its checks on the activities of transport companies, to prevent all vehicles in bad state and bad drivers working in companies from operating.
As a reminder, based on official statistics, 80% of road accidents in Cameroon are caused by human errors, particularly over-speeding; against only 20% for causes related to the state of the road network.

Niger learns from Feicom, the Cameroonian bank of municipalities

A delegation from the Agence nationale de financement des collectivités territoriales du Niger (Anfict – National Local Government Funding Agency in Niger) recently visited he Cameroonian capital, to draw inspiration from the management model implemented for the past 43 years by the Fonds spécial d'intervention intercommunal (Feicom – Special Inter-municipal Intervention Fund), the Cameroonian bank of municipalities.
The management in charge of this Niger institution are thus looking to follow in the steps of Feicom, after their counterparts in Gabon, Senegal and Côte d'Ivoire, who have all come to learn from the Cameroonian bank of municipalities.
As a reminder, this State structure allocated a global amount of FCfa 36.7 billion in 2016 to finance projects in 266 municipalities in Cameroon, against FCfa 21.13 billion in 2015.

FINANCE

Despite a gloomy economic environment, loans granted by Cameroonian banks have increased by 28.9% during the 1st quarter of 2017

According to the National Monetary and Financial Committee (Comité monétaire et financier national - CMFN) of Cameroon, the volume of loans granted to economic actors by local banks, during the first quarter of 2017, has increased by 28.9% compared to the same period in 2016.

In detail, these financial supports for the economy went from FCfa 2,440.9 billion in March 2016 to FCfa 3,145.8 billion as at end March 2017; representing an increase of over FCfa 700 billion, we learn.

This upturn, as acknowledged by CMFN, in its report, is partly the result of the strong demand from banks by the State and its divisions, who are still the main clients of the Cameroonian banking institutions. Indeed, against the treasury difficulties imposed by the expenditure linked to the fight against Boko Haram in the Far North region, and the fall in public revenues generated by commodities, the Cameroonian State is increasingly soliciting banks to finance its operations and investments.

As an example, since the beginning of 2017, the Cameroonian public Treasury has been very active on the public securities market of the BEAC (where banks are the main actors), with a rate of mobilisation of funds of almost FCfa 7 billion every 10 days.

After meeting with Macky Sall and José Mario Vaz, Cameroonian billionaire Baba Danpullo promises to invest in Senegal and Guinea Bissau

According to the Senegalese press, no businessman has ever received such a welcome under Macky Sall's turn as head of Senegal. Indeed, at the invitation of the Senegalese Head of State, Cameroonian billionaire Alhadji Baba Danpullo, presented by Forbes magazine as the richest man in francophone sub-Saharan Africa, was received in Dakar at the end of July 2017.
Within 48 hours, we learn from the Senegalese press as well as from the close entourage of the businessman hailing from Ndawara, in North-West Cameroon; Alhadji Baba Danpullo received a welcome fit for a prince: meeting at the presidential palace; awarding of the Golden Lion medal, the highest Senegalese honour; prayer at the Dakar mosque, with President Macky Sall...
But, beyond these etiquette disguises, the key moment during the visit of the richest businessman in francophone sub-Saharan Africa in Senegal, was certainly the meeting between the large delegation accompanying the "King of tea" (among them was Mohamoudou Ahidjo, son of the first Cameroonian president, Ahmadou Ahidjo, buried in Dakar, Ed.), the public authorities and Senegalese investors.
This meeting was the chance for some, fo present the different opportunities offered by Senegal in terms of investments; and for others, to explore the most profitable ones. According to our sources, investments in real estate and the food industry particularly interested the Cameroonian billionaire, who then set off for Guinea Bissau. There again, the red carpet was rolled out: welcome party headed by the Prime Minister, Oumarou Sissoko Ambalo, at the airport with a banner in Portuguese, then reception at the presidential palace with the Bissau Guinean Head of State. On this occasion, President José Mário Vaz did not hide from Baba Danpullo the reason for his invitation to his country: see the Cameroonian billionaire take an active role in the economic development of Guinea Bissau, by massively investing in the country.
After reassuring the Bissau Guinean Head of State on his intention to seize all investment opportunities offered by his country, as he had done days prior with Macky Sall in Senegal; Alhadji Baba Danpullo then invited the Bissau Guinean political class, in a country often prey to political instability, to work towards fostering peace in the country, the best guarantee to attract investors.
Impressed by the quality of the welcome offered to him in Senegal as well as Guinea Bissau, as advised by the entourage of the Ndawara billionaire, Alhadji Baba Danpullo is planning to further invest in these two countries, where he already owns assets. In the coming years, we learned, the Cameroonian billionaire is looking to invest several billions of FCfa, as is already the case in Nigeria and South Africa, the two African countries where the richest man in francophone sub-Saharan Africa is best implanted.
At the head of a fortune valued at about FCfa 550 billion by Forbes magazine, Alhadji Baba Danpullo is a former trucker who became wealthy through investing in real estate, telecoms and agro-industry; in Cameroon as well as Africa and Europe.

Cameroonian billionaire, Baba Danpullo, invests more than FCfa 300 million in a fake real estate transaction

Oummoul Koulsoumi, a young 39-year old Cameroonian, succeeded in extorting a sum of more than FCfa 300 million from the billionaire Baba Dapullo, presented by Forbes magazine as being the number one fortune in Francophone Sub Saharan Africa, revealed the regional triweekly Oeil du Sahel.

To achieve her goal, the young woman passed herself off as the daughter of Alhadji Mohamadou Abbo Ousmanou (she is in fact his niece), the very wealthy businessman from Ngaoundéré, in the northern part of Cameroon. Pretending her alleged genitor had a serious illness, requiring significant financial resources, Oummoul Koulsoumi, who claimed to have been sent by Alhadji Abbo himself, proposed to Baba Danpullo the purchase of two properties belonging to her "father" in the town of Yaoundé. Amount of the transaction: FCfa 400 million.

Thanks to the services of an excellent imitator, who passed himself off as Alhadji Abbo during telephone conversations with Baba Danpullo, the latter was reassured and signed, on 24 May and 18 June 2017, four

cheques of FCfa 50 million each. These cheques, accompanied by a cash envelope of €160,000 (about FCfa 105 million) were handed over to the young business provider.

To seal the property transaction, we learn, Baba Danpullo however demanded to be given the title deeds of the two properties he purchased. It was then after having already cashed an amount of more than FCfa 300 million, that Oummoul Koulsoumi, who meant to fleece the billionaire right to the end, provided him with a certificate attesting to the ownership of Alhadji Abbo of the two properties in the posh Golf neighbourhood in Yaoundé. Based on verifications made from the references on the title certificate, it turned out that it was a false document. Since, supposedly belonging to Alhadji Abbo, the references they, rather made mention the name of a certain Houreiratou. The deception had been uncovered and a complaint filed against the supposed daughter of Alhadji Abbo. Arrested by the gendarmerie on 21 August 2017 in the Cameroonian capital, we learned, the usurper has already given back part of the money extorted from the billionaire Baba Danpullo. According to the gendarmes, the remaining balance to be recovered is about FCfa 188 million.

BEAC, central bank of the six CEMAC countries, to construct new building to house national office in Cameroon

The bank of Central African states (Banque des Etats de l'Afrique Centrale - BEAC), central bank of the six CEMAC states (Cameroon, Congo, Gabon, Equatorial Guinea, Chad, Central Africa), intends to construct a new building in Yaoundé, to house the national office in Cameroon, which presently shares the same premises as the local representation of the IMF.

This is indicated in an advisory just published by this central bank, with a view to hiring a firm to conduct the architectural and technical studies, and to build a model for this project.

Firms interested by this invitation to express interest in the bid are requested to submit their dossiers at the latest by 27 September 2017, at 12h, at the BEAC headquarters in Yaoundé.

AGRIBUSINESS

Heavy rains and exports raise tomato prices on Cameroonian market

In this month of August, an abundance of rain has led to rapid rotting of substantial quantities of tomatoes in the production areas in Cameroon, an agronomist notes. This situation concerning tomatoes for around one month, has created a reduction in supply, whose consequence is an increase in prices on the market.
Also, we observe, in certain markets in the country, a crate of tomatoes has practically doubled in price, if not more. According to households in the Cameroonian capital, for example, one needs to spend between FCfa 11 and 12,000 to buy a crate of tomatoes, which cost only FCfa 6,000 two months ago. The actual inadequacy of supply in the local market is accentuated by massive exports of this fruit to neighbouring countries such as Gabon or even Equatorial Guinea, where the prices are more lucrative than those charged locally, a trader in the capital points out.

Premium for producers starting from 2017-2018 season, to improve quality of Cameroonian cocoa

While launching the 2017-2018 cocoa season on 25 August in Ntui, in the Central region of Cameroon, the Minister of Commerce, Luc Magloire Mbarga Atangana, announced the establishment of a quality premium, to encourage cocoa farmers to better produce.
Paid at the end of the season to those who would have stood out during the season thanks to the quality of their cocoa production, this premium will be taken from the share of the licence fee meant for the Fonds de développement des filières cacao-café (Fodecc – Development Fund fof the Cocoa-Coffee Sector). The amount and payment terms for this premium will be specified by the Ministry of Commerce, we learned.
This government incentive comes in addition to the initiatives already undertaken by some exporters, who for years, have taken up the battle for the improvement of the quality of the Cameroonian cocoa, by encouraging the production of certified cocoa. This is the case of Telcar Cocoa, local trading arm of Cargill, who

in the past four cocoa seasons in Cameroon, distributed approximately FCfa 1.5 billion in premiums to producers of certified cocoa. As a reminder, during the 2015-2016 season, approximately 96% of beans exported by Cameroon were of grade II. According to the Minister of Commerce, due to the quality, which has not much improved, despite the efforts exerted for tears by the professional association and the public authorities, Cameroonian cocoa is currently discounted by FCfa 200 per kilogram on the international market.

Between start and end of 2016-2017 cocoa season, Kg of cocoa beans experiences discount of FCfa 500

Contrary to previous years, cocoa farm gate prices in Cameroon have not been the most attractive. *"The 2016/2017 season started, as with prior cocoa years, with lots of hope. In certain areas, the farm gate price posted FCfa 1400 in September and October 2016. The bad news of the market being confirmed during the months that followed, the price decrease was continuous, reaching an average level of FCfa 900 the Kg by the end of the season"*, the cocoa and coffee board (Conseil Interprofessionnel du Cacao et du Café - CICC) indicated.

According to the cocoa and coffee board, *"this situation is attributable to over-production in the sector, and results from policies to increase production in all the producing countries, in view of a constant increase in price during the last 5 seasons. With stocks at the highest level and production that increased faster than grinding, the collapse in prices was inevitable"*.

Indeed, according to ICCO statistics, the key organization of the cocoa world, the last cocoa season in the world was characterised by excess production of about 380,000 tons. Coupled with the decline in demand from bean grinders, this situation led to a drop in world prices, with a notable impact in farm gate prices in producer countries.

In Cameroon, in order to maintain the purchasing power of producers, used to selling the Kg of cocoa at between FCfa 1000 and 1600 for the past five seasons, the government decided, for the new season, officially launched on 25 August 2017, to reduce the export charge by 50%. This measure, we learned, aims at offering a bigger margin to exporters, who in turn, should pay a fair price to the producers.

Cameroon is the 6th supplier of cotton to China, with 4,920 tons during first semester 2017

According to the statistics from the Chinese customs, revealed by Commodafrica, China imported 4,920 tons of cotton from Cameroon, between January and June 2017, including 648 tons in June only.

This African country thus ranks 6th in the list of raw cotton suppliers to China, far behind countries such as the USA, Australia or India.

At the African level, Cameroon is the 3rd supplier of China, behind Benin (16,837 tons during the first semester) and Sudan (13,030 tons), but ahead of Burkina Faso (4,755 tons).

As a reminder, based on the conclusions of a forum with the theme *"Development, challenges and perspectives in the cotton sector in Cameroon and support from partners"*, a meeting organised in May 2017, alongside the celebrations for the European Week, over 80% of the African cotton is processed in China at lower costs.

ENERGY

Cameroonian engineers trained in hydro-electricity at the initiative of UNIDO

50 promising engineers from the Ecole Nationale Supérieure Polytechnique of Yaoundé, and other experts on energy issues were trained over ten days on assembling hydroelectric mini-plants. This was at the initiative of the United Nations Industrial Development Organization (UNIDO).
After a week of theory lectures, these learners went on the ground, to put in application the knowledge acquired, through the assembly of mini-plants in the Littoral and Western regions.
According to experts, with the high costs of large hydroelectric infrastructure, such as dams, mini-hydroelectricity is a good alternative for private investors and States, in their quest to make electricity available for all.

Cameroonian Monique Ntumngia wins prize for promoting renewable energy organised in Rwanda

Young Cameroonian lawyer aged 27, Monique Ntumngia has just won the first prize in the competition "Green Girls Monafrick Energy", organised on 17 August 2017 in Kigali, the Rwandan capital. Received after her prize by the Minister of SMEs, Laurent Serge Etoundi Ngoa, the enthusiast of renewable energies expressed the wish to see the Cameroonian government set up an incubator in the renewable energy sector.
Monique Ntumngia has been rewarded for her "Green Girls Project", which, through a NGO with the same name, enables the training of young girls in the production of biogas from bio-digesters and vegetable or animal organic matter. "Green Girls Project" launched in August 2016, benefited from financial support from the American State Department, through its African Women's Entrepreneurship Program, which is used to promote female entrepreneurship.

TRANSPORTATION

After evicting Necotrans, and despite Bolloré's interests, ICTSI and Olam have views on the multipurpose terminal at the port of Kribi

On 25 and 28 July 2017, the Singaporean group Olam and Philippine ICTSI respectively contacted the Cameroonian government, to express their interest in taking over from French Necotrans in the consortium declared winner (in 2015) of the contract for the concession of the multipurpose terminal at the deep water port of Kribi, awaiting commissioning in the Southern region of Cameroon.
This information was revealed by the newspaper Integration, at the time when the newspaper Les Echos was rather announcing a consortium led by the Bolloré group taking over the assets of Necotrans at the port of Kribi, following the legal liquidation of the assets of the group Necotrans as per a ruling in France.
For the moment, sources within the Cameroonian subsidiary of Bolloré Transport Logistics are denying this information on the takeover of the assets of Necotrans at the multipurpose terminal in the deep water port of Kribi.
But, if it was confirmed, this positioning by French logistics company Bolloré on the multipurpose terminal in the largest port in Cameroon, after winning the contract for the container terminal in association with CHEC and CMA CGM, could lead to legal issues, according to experts.
Experts invoke the fact that, prior to its eviction from the consortium formed with KPMO to operate the multipurpose terminal of Kribi, Necotrans has not yet signed a formal concession contract with the Cameroonian authorities.
Consequently, this operator may not claim any right on this terminal where he was not able to fulfil its first commitments, due to insolvency.

Frederik Klinke officially takes over control of DIT, the company holding the concession for the container terminal at the port of Douala

Appointed at the end of a Board meeting held on 21 April 2017, we learned from authorised sources, Frederik Klinke, a Danish national, has officially taken office on 24 August in Douala, as Managing Director of Douala International Terminal (DIT), the company holding the concession for the container terminal at the port of Douala.

Financial and Project Director at APM Terminals before his appointment, Frederik Klinke replaces his compatriot Jakob Sidenius, who led DIT between May 2014 and April 2017. With an experience of 15 years in the shipping sector, the MD of DIT was successively Finance Director of Suez Canal Container Terminal, in Egypt, and APM Terminals Tangier, in Morocco; then Manager of Regional Management Control at Damco Logistics Asia Pacific.

A graduate in strategic finance from IMD Business School in Geneva, Switzerland the newly appointed director also holds an MBA from Esade Business School, in Spain. According to the management of DIT, Frederik Klinke *"has a special knowledge of the shopping environment, and a particular experience in the management of port terminals"*, which will help him to bring a *"new impulse to DIT, directly in line with the commitments made by DIT's reference shareholders to the Cameroonian authorities"*.

In Cameroon, the public administration is the main culprit in port congestion

"Clearing procedures and formalities for imported and exported goods in Cameroonian ports". This is the theme of a capacity building workshop that the National Dockers Council of Cameroon (Conseil national des chargeurs du Cameroun - Cncc), recently organised for the Cameroonian public administrative services.

This meeting was about raising awareness among the management of these administrative services on the necessity of respecting transit times for goods at the port of Douala, to avoid further congestion in the port. Indeed, noted the Managing Director of CNCC, Auguste Mbappé Penda, *"after statistical analysis, it clearly appears that several containers in overdue demurrage belong to various ministries. This is a chaotic situation which adds up to the congestion at the ports and decreases their competitiveness"*.

According to the Deputy Minister of Transport, Mefiro Oumarou, the congestion at the port of Douala with containers belonging to the State and its services, is such that *"very often, when we sign contracts, we indicate Cameroon as the delivery place instead of a particular department or city. The foreign partner therefore delivers to the port of Douala knowing it is in Cameroon. Then, we must go through a whole procedure and even another contract to move the containers from the port to the project sites"*.

INDUSTRY

To detriment of CICAM, Asian and West African countries control 95% of cloth market in Cameroon

In spite of business restructuring for several years, the industrial cotton company of Cameroon (Cotonnière Industrielle du Cameroun - CICAM), the biggest cotton processing company in the country, is having difficulty getting over the bad patch that massive imports of cloth from Asia and West Africa is inflicting on it. According to Paul Eloundou Ondobo, CICAM Financial Director, this state company now hardly holds *"5% share of the cloth market"*, against 80% for products coming from Asia (principally China), 10% from Nigeria and 5% from other countries in West Africa.

Most of the time, CICAM as well as the fraud squad at the Ministry of Commerce claim that, these imported cloths are the result of smuggling. This is the case for 43,000 cloths seized at the beginning of this week by agents of this ministerial department, at the Central Market of Douala, the economic capital of Cameroon.

With the celebration of international days coming up for which special cloths are produced (Women's Day, Teachers' etc.), it has even become frequent that designs transmitted to CICAM for production, are faked through parallel circuits, then resold cheaply in the Cameroonian market.

As a reminder, CICAM was created in 1965, thanks to a partnership between the Cameroonian State, the German Development Bank (DEG) and the French textile company DMC. This industrial unit is specialised in the production of 100% cotton cloths and bath towels, which are consumed less ad less, to the benefit of imported goods.

Having become construction industry service provider, MATGÉNIE tries to impress Cameroonian municipalities

National plant and civil engineering machinery (MATGÉNIE) means to greatly benefit from funds transferred to Cameroonian municipalities, within the framework of the decentralisation, to perform road maintenance works. This is the result of a site visit undertaken by the new directors of this public company in certain municipalities of the Centre region.

Indeed, even though no concrete action has been taken to date, MATGÉNIE and certain Cameroonian municipalities have been linked for over 2 years, in a partnership which allows this public company to help the districts in their urban roads and rural track maintenance work. It is this partnership that the new directors of MATGÉNIE finally wish to activate.

"It is a good thing if the mayors give us the execution of work directly. If they entrust the task to private outfits without machinery, we can also intervene and the job will be done", explained Désiré Abogo Ntang, the new Managing Director of MATGÉNIE.

As a reminder, formerly exclusively dedicated to the acquisition, then the hiring out and maintenance of civil engineering equipment required by construction companies without the means to purchase their own material, MATGÉNIE has seen its mission extended to provider of service in the construction sector in Cameroon. This revision was the subject of a presidential decree signed in 2015.

Italian Bombelli wants to set up shoe-making factory in Cameroonian town of Bafoussam

In partnership with the Competitiveness Committee of Cameroon, the Italian company Bombelli, one of the world leaders in equipment and machinery for the shoe industry, is planning to create a manufacturing plant in the town of Bafoussam, in the Western Cameroon region.

The information was revealed by Adamou Siddiki, a manager in the leather workers' professional association. This was during a meeting between Cameroonian economic operators and Samuela Isopi, Italian Ambassador nearing the end of her stay in Cameroon, who thus wished to review the state of progress in certain business contacts established between Italian and Cameroonian investors.

On this subject, we learned from the same source, the Nouvelles Tanneries du Cameroun (Notacam) will soon benefit from the expertise of the Italian company Copar Srl, as part of a technical assistance scheme.

MINING

With China Ghezouba hesitating, Cameroon and Sundance are looking for alternative investors for Mbalam iron

With a signature announced for December 2015, then postponed to a later date, the partnership agreement with the company China Ghezouba, to carry out the works for the construction of infrastructure (500 km long railway and ore terminal at the deep water of Kribi) linked to the project to operate on the Mbalam iron deposit, straddling Cameroon and Congo, is still awaited over a year and a half later.
The hope of seeing this agreement signed seem to have even disappeared. This is at least what suggests the activity report as at end June 2017 of the junior Australian mining company Sundance Resources, promoter of this project meant to exploit to iron deposit with a potential officially estimated at 40 million tons.
Indeed, with the reluctance of China Ghezouba who, after a pre-agreement with the Cameroonian State, is now citing the weak economic situation for the international iron ore prices to avoid committing to this project, Sundance Resources reveals in the above-mentioned report, that it is now working with the government in the search for alternative investors, including Chinese companies. And that discussions with these potential new partners have been ongoing since the start of the 3rd quarter of 2017.
The approach used by the junior Australian mining company can be explained by the pressure applied on this mining group (who has the responsibility of securing funding for the construction of the mine) from the Cameroonian government.

Indeed, the management of Sundance confessed in the activity report for the first semester of 2017, even though the agreement for the Australian mining group on the Mbalam project has been extended to 26 January 2018, the Cameroonian government has added as condition to an ultimate extension for a period of six months (thus June 2018), that *"Sundance must be able to prove that important progress has been made with regards to the financing of the Mbalam iron ore project, either with their owns funds, or with a credible partner"*.
In other words, after several years of development on this ore project, which so far has not attracted many investors, the State of Cameroon (who itself has difficulties finding investors for the construction of the infrastructure linked to the project) has given until June 2018 to Sundance Resources to fund the required partners to build the mine, or withdraw from the project otherwise. A situation which would certainly please China Ghezouba, who according to sources close to the project, has discreetly hinted to the Cameroonian authorities its desire to be the sole investor on this mining project (eventually with other Chinese partners), but not with the initial sponsor which is the Australian mining group. As a reminder, with the inability of Sundance Resources to raise all the funds necessary for the launch of the operations on the Mbalam iron deposit, the Cameroonian government took the commitment, from June 2015, to find on its own the funding for the construction of the Mbalam-Kirin railroad (between FCfa 1,000 and 1,500 billion) on the one hand, and on the other hand, the ore terminal at the deep water port of Kribi (approximately FCfa 450 billion), which would help to export the iron from the Mbalam deposit. Only funding for the construction of the mine remain in the bill of specifications given to Sundance.

ITC & TELECOM

In Cameroon, national citizens take 100% control of YooMe, former subsidiary of Swiss YooMe Africa AG

The ISP YooMe Cameroon made a major change last 25 August 2017 in Douala, the Cameroonian economic capital, in becoming YooMe Mobile. This new entity will no longer operate as an internet provider as it did in the past, but as a mobile virtual network operator (MVNO), thanks to a partnership with CAMTEL, the Cameroonian national telecoms operator. But, according to Emmanuel Forson, head of the new entity, this technical change was preceded by a structural change, which henceforth made YooMe Mobile, a company whose capital is 100% owned by Cameroonians.

As a reminder, before this asset disposal, whose details have not been disclosed, YooMe Cameroon was a subsidiary of the company YooMe Africa AG, based in Geneva, Switzerland. The new owners in Cameroon have announced investments of around FCfa 10 billion and the creation of more than 2000 direct and indirect jobs.

After Yaoundé and Douala, Vodafone Cameroun moves into internet market in eight other cities

Vodafone Cameroun, internet service provider (ISP) who came to shake up traditions in the local internet market in 2016, recently made its 4G LTE network operational in the cities of Bafoussam (Western region), Bamenda (North-West), Buéa, Kumba, Mutengene, Limbé (South-West), Edéa (Littoral) and Kribi (South), we officially learned.

This deployment in four new regions (Vodafone is already operating in Douala, Littoral) is the result of an network sharing agreement signed in July 2017 with Camtel, the national telecommunications operator.

Initially operational in Douala and Yaoundé, the two main cities in the country, who represent 80% of the telecommunication market; the extension of the Vodafone's network to eight other Cameroonian cities will further toughen up the competition in the local internet market, where ISPs (Creolink, YooMe, Blosat, Gosat, etc.) and telephony operators (MTN, Orange, Nexttel, Camtel) have been battling with the most modern technologies (satellite, optic fibre, 3 and 4G, etc.).

MTN Cameroon lines up poor performances in first 6 months 2017

For the first time since the launch of its 3 and 4G networks in 2015, data revenues of the Cameroonian subsidiary of the South African telecoms group MTN International have plummeted in the first six months 2017. This underperformance can be explained by growing competition in the internet market, with the arrival of the internet service provider Vodafone Cameroon, which aimed directly at the cities of Yaoundé and Douala, both adding up to 80% of the telecoms market in the country.
Indeed, according to the Group's financial statements as at June 2017 ending, data revenues of MTN Cameroon, mobile market leader with a 55.47% share; added up to 455 million rand (one rand equals FCfa 41.78), against 468 million rand during the same period in 2016, indicating a drop of 13 million rand.
This downturn in the data revenues curve at MTN Cameroon, which had nonetheless grown in an exponential manner since 2015 (67.5% in 2015, then 78% in the first quarter 2016), is indicative of the poor performances shown by this operator during the first six months in the year 2017.
Its EBITDA (indicator measuring the profitability of the company's activity) has thus gone from 1218 million rand at 30 June 2016, to only 808 million rand in the first half-year 2017, being a drastic decrease of 410 million rand.
The proportion of the decrease in overall revenues of this mobile operator during the period under review is even more considerable, since it reached 593 million rand, going from 3202 million rand in the first six months 2016, to only 2609 million rand during the same period in 2017.
This free fall is not only attributed to the drop in data revenues, which already represented 19% of MTN Cameroon overall revenues at the end of 2016; but also to the decrease in revenues of outgoing calls (-503 million rand) and incoming calls (-52 million rand). Even the revenues of SMS fell by 15 million rand, while those brought in by digital services have declined by 24 million rand.
However we note in the financial statements of the group that MTN Cameroon has considerably reduced its operating costs in the first half of 2017. These have gone from 1984 million rand to 1801 million rand, between June 2016 and June 2017.
This corresponds to an overall reduction of 183 million rand, of which 46 million rand (about 25% of the total) on marketing costs; the very thing that could explain the lack of aggressiveness of this operator in the Cameroonian market during the first half-year 2017.

SERVICES

Company SICC announces delivery of a market/shopping mall with nearly 1400 shops in 2018, in the city of Douala

Initially planned for September 2016, delivery of a construction project of close to 1400 shops on the former site of Congo market in Douala, the Cameroonian economic capital, will finally take place in 2018, about 2 years behind schedule.
At least this is the new timeline provided by the company SICC (SouthWest International Construction Corporation), the product of a joint venture between American partners and Cameroonian economic operators. *"We have had delays, admittedly, but the obstacles have been overcome. Today, calm has been restored"*, explained Brigitte Soppo Ngallé, director of SICC, after the agreement signature with the American partners.

The cost of this project designed under the model of a public-private partnership, with the Urban Community of Douala, the municipal Town hall of the economic capital, is estimated at around FCfa 7 billion.
The materials used are prefabricated, thanks to technology provided by the American partners.

British investment fund Actis wants to build FCfa 80 billion tourist centre in Cameroon

The British investment fund Actis announces the launch, from November 2016, of construction works for a tourist centre in the city of Douala, the Cameroonian economic capital. This project, which includes a five-star hotel, a cinema and a shopping mall, will cost FCfa 80 billion.
This information was revealed during the signature of an agreement between the local representatives of this investment fund and he management of the Investment Promotion Agency (API) of Cameroon, a State organisation providing tax and customs preferential terms in the implementation of this project.
With this new investment, Actis is thus diversifying its activities in Cameroon, after buying, a few years ago, the assets of American AES in the capital of Eneo, the company holding the concession for the public electricity service in the country.

LEADER OF THE MONTH

Cameroonian Jean Paul Missi reelected to position of Chairman of the Board of Shelter Afrique

Jean Paul Missi, Chairman of the Board of Shelter Afrique.

Officially, this public institution, already had, up until 2014, granted loans for a total amount of FCfa 261 billion to individuals and other real estate developers, which allowed the construction of 69,500 lodgings.

The 36th annual general assembly ended on 9 August 2017 in Zimbabwe, with the reelection of the Cameroonian Jean Paul Missi to the position of Chairman of the Board of this institution specialised in the support of affordable housing construction programmes on the African continent. In this capacity, this professional of the Cameroonian state will once again serve on the Shelter Afrique Board of Directors for a period of 3 years.

Owned by 44 member states, Shelter Afrique was created in 1982 with the support of the African Development Bank (AfDB), with the main objective being to contribute to the financing of the real estate and housing sector on the African continent. In this respect, Shelter Afrique offers to a varying range of stakeholders in the housing sector, products such as credit lines to financial institutions, to on-lend loans for construction, commercial financing, private investment or joint ventures, advisory services and technical assistance.

Senior official of the Cameroonian public administration, the reelected Shelter Afrique Chairman hails from Nitoukou, in the Centre region of Cameroon. He was, for several years, the Secretary General of the Ministry of Urban Development and Habitat (Ministère du Développement Urbain et de l'Habitat - MINDUH). However, Jean Paul Missi is serving on the Shelter Afrique Board of Directors, in his capacity as Managing Director of Crédit Foncier of Cameroon, a position he has occupied since March 2012.

Officially, this public institution which acts as the building society in the country, already had, up until 2014, granted loans for a total amount of FCfa 261 billion to individuals and other real estate developers, which allowed the construction of 69,500 lodgings and development of more than 15,700 building plots in the country.

A performance which nevertheless has not allowed Cameroon to cover the deficit of affordable housing, estimated today at 1.3 million units. This mainly due to the lack of necessary financing to launch large-scale housing projects. Indeed, according to Crédit Foncier experts, funds available for financing housing in Cameroon only represent 10% of existing needs.

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