BUSINESS IN CAMEROON

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MAJOR PROJECTS
AGRICULTURE
ENERGY
MINING
INDUSTRY
SERVICES
FINANCE

FOOD, FUEL, PHONES, CARS, SECOND-HAND CLOTHING, LIQUORS...

A heavy import bill

An expert review of Cameroon's agricultural sector

Ebolowa-Akom II-Kribi to soon be tarred

Yasmine Bahri-Domon

Killing the virus of dependency

Cameroon's consumption market has such a great potential, yet it is untapped and only barely starts interesting leaders of the local industry. Regardless, this market does exist, even if it is currently limited to the middle class only. However, a fact remains: Cameroonian consumers are still hesitant to proudly adopt "made in Cameroon" products.

In his 2018's end-of-year address to the nation, President Paul Biya denounced this dependency of Cameroonians on foreign goods, declaring: *"I often say that we have the capacity to produce ourselves what we import, be it agricultural or industrial goods and this is a goal that we must focus on achieving"*. The time has come to valorize Cameroon's economic and entrepreneurial potential. Our emergence will only take place if this is done. It is also crucial that competent authorities rethink the national economic model, and push Cameroonian consumers to like local products and economic initiatives; this however requires a lot of sensitization, reviewing certain prejudices and breaking long-acquired habits.

Among sectors that are most concerned by the transformation of the consumption market, the Cameroonian agro-food industry is one of the first. This sector, a true growth driver and job provider, is indeed starting to mark its presence in the country; a trend spurred by changes in consumption habits. Still, it needs greater support to fully bloom.

The time has come for the nation as a whole to awake, in order to end trade deficit. This calls for the capitalization of resources, studies to better process local products, the acquisition of appropriate equipment, agricultural mechanization and improving technological research.

As the Head of State said in one of his speeches to the Cameroonian people, "consume what we produce and produce what we consume" is one of the major objectives that Cameroon must achieve to stop wasting resources on imports, and use these resources to meet more essential needs, knowingly: education, health, housing, access to power, connecting and building infrastructures needed for Cameroon's economic take-off.

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LEADER OF THE MONTH

INTERVIEW

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NEWS IN BRIEF










COMPANY OF THE MONTH

In Cameroon, the local subsidiary of Attijariwafa Bank pays more dividends to the State than the National Hydrocarbon Corporation

SCB Cameroon paid XAF15.9 billion of dividends to the government in 2014-2016 up by about XAF2 billion the amount paid by the state-owned oil company.

SCB Cameroon, local subsidiary of Moroccan group Attijariwafa Bank (51% of assets), paid a total of XAF15.9 billion in dividend to the government over the period 2014-16, data provided by the finance ministry showed.
This amount exceeds by nearly XAF2 billion the XAF14 billion paid over the same period, by the National Hydrocarbon Corporation (SNH), Cameroon's state oil and gas company. A situation that can be explained by the rather generous dividend distribution policy of SCB Cameroon's reference shareholder (Attijariwafa Bank) or by the optimal management of this banking institution, which also allowed SCB Cameroon to achieve fairly solid margins.
Still according to the finance ministry, the local subsidiary of the French banking group Société Générale was the third largest contributor to the dividends received by the State of Cameroon during the period reviewed with a total of XAF2.48 billion paid.
Overall, between 2014 and 2016, Cameroon received a total of XAF36.3 billion in dividends from 12 companies in which it holds assets. Let's note that a total of 84 companies were registered in the country over the period.

BRM

Over the 2014-2016 period, Cameroon received XAF36.3 billion of dividends from twelves firms where it had equities.

MONTHLY STATISTICS

3%

Independent power producer Globeleq, which manages the Dibamba fuel and Kribi gas-fired power plants in Cameroon, has just signed a collective agreement with its employees, under the supervision of the Cameroonian Ministry of Labour and Social Security, official sources reported.
This agreement introduces benefits in terms of housing and transportation allowances, and increases employees' wages by 3%. According to Globeleq's executives, this collective agreement aims to share the added value generated in Cameroon. The company also said it produces a quarter of Cameroon's electricity production.

14 hectares

Famine threatens the people of Guissia, Doufaya, Telgoua and Karmaye, in the department of Mayo-Danay, Far North region. This situation arose after a herd of about 200 elephants destroyed, late Jan. 2019, 14 hectares of off-season millet fields, a cereal widely consumed in this part of Cameroon, during lean season.
"These elephants have destroyed a little over 14 hectares. If the production per hectare is estimated at 1.5 tons, the loss then totals about 21 tons," explains Mr. Marana, the delegate of the agriculture district of Wina, which covers the villages of Doufaya, Telgoua and Karmaye.

21 497 tons

In January this year, banana exporters in Cameroon shipped a total of 21,497 tons, the fruit association -Assobacam- reports. Figures showed shipments were more than 2,000 tons down the 23,536 tons exported over the same period, last year.
The lower volume is linked to the non-activity of CDC in recent years due to tensions in the Anglophone regions, southwest and northwest.

900

The 7th edition of the Promote 2019 Business Fair was officially launched on February 16, 2019, at the congress center in Yaoundé, Cameroon's capital.
According to the Inter-progress Foundation, which organized this exhibition on behalf of the Cameroonian government, more than 900 companies and organizations as well as more than a million visitors attended the event.
Themed *"business climate and sustainable development of the economy, energy and society,"* Promote 2019 is presented as one of the largest business events in sub-Saharan Africa. It included a major exhibition, B2B meetings, conferences-debates, thematic meetings and various cultural activities, etc. It ended February 24.

Origins of Cameroon's trade deficit

In Cameroon , which claims 25% arable land as well as more than 1500 km of coastline and countless fish and pastoral resources, people almost boast of eating Thai rice, Mauritanian or Senegalese fish, imported meat, or drinking liquors produced 6,000 km away.

It appears to be a matter of culture. In Cameroon, wearing internationally renowned brands, including copies from Asia is symbolism of prestige. Those who dislike copies, which sometimes are quickly recognizable, prefer purchasing in second-hand clothing stores where they often find good outfits.

Also, in this Central African country, which claims 25% arable land as well as more than 1500 km of coastline and countless fish and pastoral resources, people almost boast of eating Thai rice, Mauritanian or Senegalese fish, imported meat, or drinking liquors produced 6,000 km away.

These imports heavily weigh on the economy. While they can be justifiable in certain cases, they do not match the country's industrialization ambition, especially since some of these products can be produced locally, at a cheap cost. With its highly outward-oriented consumption habits, Cameroon works and contributes more to the development of foreign economies than to its own.

This brief sheds light on the situation with emphasis on products that contribute most to Cameroon's trade deficit, and for which importers spend huge amounts each year while development opportunities for local sectors exist; opportunities that could foster the creation of thousands of jobs and at the same time increase consumers' purchasing power.

Here, we are looking to raise awareness of the necessity to promote local production and consumption, and above all to put an end to the stereotype according to which foreign goods are better. Did you know for example that the very prestigious and expensive and Lindt chocolate contains twice less cocoa than the one (maybe not so well packaged) produced by the Regional Agricultural Center (CRA) in Ebolowa, Southern region? Plus, that one is cheaper and keeps currencies at home.

Brice R. Mbodiam

Import spending peaked at nearly XAF10,000bln in a 3-year period, double 2019 State budget

Cameroon mainly imported oil products, cars and tractors, consumer products (rice and fish mainly) and pharmaceuticals.

Cameroon spent XAF9,634 billion on imports over the 3-year period from 2015 to 2017, according to figures provided by the trade minister, Luc Magloire Mbarga Atangana, during a cabinet meeting held January 31, 2019 in Yaoundé.

The money, the official said, was mainly steered towards hydrocarbons (XAF1,652.1 billion over the period reviewed), motor vehicles and tractors (XAF653.6 billion), consumer products such as rice (XAF508.5 billion), fish and shellfish (XAF448 billion), and pharmaceutical products (XAF372 billion). Overall, these imports captured 35% of the total import spending from 2015 to 2017 which in turn is twice the State budget for 2019 (XAF4,850 billion) balanced in revenues and expenditures.

"Our country imports foodstuffs as well as manufactured products that can actually be produced locally to meet not only local demand but also the regional market's. These imports, we can well imagine, significantly weigh on our economy," Mr. Atangana said while presenting *"the strategy to boost made-in-Cameroon products to cut import"*.

"Even if it may not be 100% self-sufficient, our country can keep import volumes down by only purchasing products that will boost our economy and make it more competitive," he added.

Mobile phones become key import product in Cameroon

Mobile phones are now the 8th most imported products in Cameroon with XAF228 worth of products imported over the 2015-2017 period.

Mobile phones are now in top 10 most imported items in Cameroon, at the eighth position, the trade department said, revealing Cameroon used XAF228 billion to purchase these devices between 2015 to 2017.

Massive importation of mobile phones over the period was spurred by a strong growth of the mobile penetration rate, since their advent in the country in 2000. Statistics from the ministry of posts and telecoms showed that this rate jumped to nearly 83% in 2016 from about 12% in 2005. In 2015 particularly, the surge was more pronounced with the deployment of 3G and 4G networks by mobile operators; a move that eased access to internet via smartphones.

In 2016, the imports peaked at XAF146.2 billion against XAF81.3 billion and XAF60.4 billion in 2015 and 2017, respectively.

Mobile penetration rate Jumped to nearly 83% in 2016 from about 12% in 2005.

Heavy bill for imports of rice, fish and shellfish


Over the 2015-17 period, Cameroon spent a total XAF956.5 billion to buy rice, fish and shellfish; nearly 20% of its 2019 budget.

In 2018, rice imports fell 22%, the National Balance of Payments Technical Committee informed. Despite this drop, the crop is seen as a major import in Cameroon. Over the 2015-17 period, the country spent a total XAF956.5 billion to buy rice, fish and shellfish. Rice alone absorbed more than half of this sum (XAF508.5 billion) split as follows: XAF181 billion in 2015, XAF143.6 billion in 2016 and XAF183.7 billion in 2017.

This means importation of rice, fish and shellfish, over the period reviewed, cost Cameroon nearly 20% of its 2019 budget. Also, the average XAF160 billion pumped in rice imports per annum far exceeds the annual XAF300 million granted by the government to the rice development corporation (SEMRY) of Yagoua. This subsidy aims at helping the company survive and continue to ensure rice production which hardly stands at 100,000 tons, for a local demand that sometimes exceeds 300,000 tons per year.

Meanwhile, the Central African country, despite having a fishery industry with great potential, according to various studies, has spent an average of XAF140 billion per annum in 2015-2017 to import fish and shellfish (XAF166 billion in 2015, XAF166.8 billion in 2016 and 114.2 billion in 2017). Actually, its fish resources, along Cameroonian coasts, are mainly exploited by foreign companies and trawlers usually boarded by the national navy for illegal fishing. Besides, in the eastern region, more than 5,000 fishermen (more than 80% of whom are foreigners supplying their respective countries) settled around Lom Pangar dam's reservoir after its impoundment.

The same phenomenon has been observed for years around the Lagdo Dam in the northern region, where Nigeria absorbs between 70 and 80% of fish production, according to estimates by the Regional Delegation of Fisheries, Livestock and Animal Industries.

Imports of second-hand clothes cost XAF126.4 billion between 2015 and 2017

Cameroonian traders spent XAF126.4 billion over the period 2015-17 to import second-hand clothes from Europe, estimates by the trade department showed.

In detail, the amount reached XAF43.8 billion in 2015, then fell to XAF42 billion in 2016 and further to XAF40.5 billion in 2017. As a reminder, Cameroon's apparel sector is largely dominated by second-hand clothing and products from China while local operators in the cotton-textile-clothing sector control only 1% of the market, according to official statistics.

Cameroon spent XAF114 billion on beauty products and perfumes imports in 2015-2017

In 2015-2017, XAF114 billion worth of perfumes and beauty products have been imported in Cameroon, according to official figures. In 2015, these imports amounted to XAF41.8 billion against XAF38.4 billion and XAF33.8 billion for 2016 and 2017 respectively.

These imports are actually more important than official figures suggest, considering massive smuggling of these products at borders with neighboring countries like Equatorial Guinea and Nigeria.

These products compete with a local production which is rather dynamic (beauty products notably) thanks to operators such as les Parfumeries Gandour (which stopped operations following a fire outbreak that destroyed its Douala plant) and Biopharma, the firm that controls 20% of the local beauty product market.

By the way, Biopharma plans to export its products to some CEMA countries and open plants in Nigeria, the Democratic Republic of Congo and Côte d'Ivoire.

Cameroon spent about XAF30 billion yearly for liquor imports in 2015-2017

Between 2015 and 2017, drinks and liquors' imports amounted to XAF94.3 billion. This is about XAF30 billion yearly with a peak of XAF33.9 billion in 2017.

According to figures from the trade ministry, in 2017, these imports rose by XAF4.5 billion from XAF29.4 billion recorded in 2016. In 2015, the imports were XAF30.9 billion.

Most of these imports consist of luxury drinks like champagne for which Cameroon was the 6th importer in Africa in 2016 with 155,431 bottle imported that year, according to figures published by The Comité Champagne. On the other hand, in 2015, the country imported 187,404 bottles, the largest number of bottles imported since 2013.

According to Cameroon's customs, 43.69% of the wines and liquors used in Cameroon are imported from France, 9.64% from Spain, 9.59% from the UK, 8.34% from Brazil and 7.34% from South Africa.

Cameroon was the sixth champagne importer in Africa in 2016.

XAF64.4 billion spent on sugar imports to meet the local demand

Cameroon's sugar imports was aimed at complementing local production which barely reaches 150,000 tons yearly.

Cameroonian importers officially spent XAF64.4 billion on sugar imports in 2015-2017. In details, in 2017, monies spent on imports was twice that spent in 2016 and thrice that spent the year before that, the ministry of trade revealed.

These imports mainly made by breweries, sugar processors and local traders following the special authorization granted by the government are aimed at bridging the gap between local production (barely 150,000 tons yearly) and demand.

For instance, for a demand officially estimated at 300,000 tons per year, Société sucrière du Cameroun (Sosucam), local subsidiary of French group Somdiaa and leader of the local sugar market, forecast an output of 130,000 tons in 2018-2019.

Cameroon's trade deficit with China rose by 115% in 2018 to reach XAF345 billion

Between January and December 2018, trade between Cameroon and China amounted to $2.7 billion (XAF1,612.4 billion) according to data compiled by the China customs authority.
In detail, Cameroon imports from the Middle Empire stood at about $1.7 billion (a little more than XAF978 billion), up 115% compared to 2017. Meanwhile, Cameroonian exports to China exceeded a little more than $1 billion (XAF633 billion), thus translating into a trade deficit of $598.8 million (more than XAF345 billion) for the central African economy.
This trade deficit is less important than that recorded by at least 20 other African countries such as Nigeria, Egypt (which are the countries with the highest trade deficit with China) with $11.5 billion and $10.1 billion of deficit respectively in 2018.

François Colin Nkoa: *"A significant portion of informally traded goods between Cameroon and other CEMAC states, or with Nigeria even, are Cameroonian agricultural products"*

The second technical advisor to the Cameroonian ministry of agriculture and rural development (Minader) talked about Cameroon's agricultural industry. This was during a forum organized on February 12-14, 2019, in Brazzaville, (Congo) by the African Development Bank (AfDB) and the International Labour Office (ILO).

"Substantial investment must be made in communication, education and health infrastructures; a move that would push more of them to want to live and invest in rural areas."

Business in Cameroon: What would you say were the main highlights of the Agriculture Forum in Central Africa, hosted in Brazzaville last February?
François Colin Nkoa: The forum's theme was *"Unlocking the potential of rural economies by investing in skills development and creating agricultural jobs for youth in Central Africa"*. Cameroonian authorities have always been concerned with this issue, even more so in the few past years. In this framework, multiple initiatives were carried out, knowingly within the ministry of agriculture and rural development. These include projects focused solely on training and employment in agriculture and rural areas, often backed by bilateral and multilateral partners like AfDB and the ILO who organized the forum. Actually, from February 28 to March 3, 2019, Yaoundé hosted a global summit on agricultural entrepreneurship for youth. The event was co-organized by the government and the International Fund for Agricultural Development (IFAD). What we learnt from the Brazzaville forum is that there are many job opportunities for youth in rural areas in particular, but not only related to agriculture. To encourage these young people to take advantage of these opportunities, substantial investment must be made in communication, education and health infrastructures; a move that would push more of them to want to live and invest in rural areas.

BC: What are your recommendations to get Cameroon's youth more interested in agriculture?
FCN: As I said earlier, the government should invest more in rural areas, notably in areas dedicated to farming, and also in equipment that will open up production areas, improve transportation and access to basic social services. Beside, youths in rural zones should have a better access to land, financing, ICTs and leisure. Also, a proximity training system should be put in place to improve cultivation techniques and productivity.
The ministry of agriculture launched some initiatives to tackle these issues. For example, proximity training is being reactivated with about 1800 agricultural jobs created to date.

"Palm oil regulation inCameroon calls for a thorough analysis of price, since the latter is regulated".

Concerning financing, the goal is to get private sector, namely commercial banks and micro-finance institutions, more engaged. Ongoing initiatives such as PEA Jeunes and PDCVA, launched by the IFAD and AfDB respectively, are quite promising.

BC: What blocks the creation of the Agricultural Bank while it is expected since 2011?
FCN: Creating a bank in Central Africa is not a decision that can be taken by the government or the ministry of agriculture alone. Such a decision is up to the competent national monetary regulator, in Cameroon's case the ministry of finance, or multilateral regulatory organs like the Central African Banking Commission (COBAC). Unfortunately, I do not know why this project stagnates, but just like every Cameroonian farmer, I hope it is completed as soon as possible.

BC: What should be done to improve Cameroonian agriculture, and reduce massive food imports?
FCN: We must boost production of some products such as rice, maize, fish, etc., that can be produced locally. This could be done by expanding cultivated areas, adopting improved high-yield seeds, and enhancing the capacities of producers. Above all, we must focus on cutting post-harvest losses by opening up production zones and building many storage infrastructures.
Another solution consists in improving farmers' access to local markets by connecting them to our country's transforming distribution sector. Often indeed, local output is exported to neighboring countries while internal needs are met with imports. This is the case for example in rice-production basins. As you may know, a significant portion of informally traded goods between Cameroon and other CEMAC states, or with Nigeria even, are Cameroonian agricultural products.

"With support from foreign partners, the government established a tractor assembly plant in Ebolowa to boost productivity and make cultivating less stressful"

BC: Yet, every year Cameroon keeps spending billions on rice imports…
FCN: Rice imports keep increasing and participate greatly to the widening of Cameroon's trade balance deficit. This issue is partly due to the country's rapid urbanization. The government has committed to raising national output by valorizing existing basins, in the Far North, North West, but also new ones. Another challenge to reverse massive rice imports consists in efficiently regulating the market. In fact, given that sellers often make more profits on imported than with locally produced rice, this may keep imports high even if local production rises. A better regulation would overcome this issue.

BC: We also import palm oil, from Gabon namely, a country to which Cameroon used to supply this product…
FCN: We should not confuse a conjectural situation to a structural one. I believe that your example belongs to the first category since it partly results from security issues in some of our country's production regions. However, no situation is immutable, especially because we are part of the same economic community, a space where, in principle, economic complementarities should correlate, in a structural or conjectural manner. Besides, palm oil regulation in

"To boost agriculture, Cameroon needs to scale up the production of some locally produced items like rice, corn and fish."

Cameroon calls for a thorough analysis of price, since the latter is regulated. In this regard, ongoing brainstorming at the government's level should help set a fair price that will both be appealing for producers and does not hurt consumption of households or existing and potential industries.

BC: What progress has been made with the modernization of agriculture which authorities have talking about for some years now? A tractor assembly plant was set up in Ebolowa, in the South…

FCN: Truly, with support from foreign partners, the government established a tractor assembly plant in Ebolowa to boost productivity and make cultivating less stressful. Tractors assembled at this plant are made available to farmers in the country's various regions. Though part of the process, this is not the sole aspect of mechanization. It concerns as well more equipment that can be obtained easily and can improve farmers' productivity. I would like to emphasize that in our specialized schools (The polytechnic school of Yaoundé; Douala's industrial engineering faculty, etc.) various innovations that could spur mechanization on a small scale, but with a potentially great impact of productivity, are being developed. However, they are still insufficiently valorized and vulgarized. Parties concerned should give a particular attention to this development.

Modernization also means putting in place an efficient framework for training, advising, and vulgarization. Such a framework would help improve farming techniques and boost access to quality seeds. This is also being done with national actors like the ministry of scientific research and innovation, the Institute of Agricultural Research for Development (IRAD), and various international partners. Last, training programs for young farmers have been launched in the recent to rejuvenate workforce. All these government initiatives lay foundations of agricultural modernization in Cameroon, which our president so wishes for.

Interview by Sylvain Andzongo, Brazzaville

PUBLIC MANAGEMENT

Government quintupled overall decentralization allocation for communities from XAF10 to 50bln

Cameroon's Prime Minister, Joseph Dion Ngute, issued on February, 22 2019, a decree on the distribution of the overall decentralization allocation, which for the first time far exceeds the usual XAF10 billion, reaching a peak of XAF50 billion.
Of this amount, XAF36 billion (compared to XAF5 billion previously) is allocated to investment projects in municipalities, with XAF100 million for each of Cameroon's 360 municipalities.
The remaining amount will be used to pay municipal magistrates (XAF3 billion), to start the activities of the regional councils announced for 2019 (XAF5 billion), and to pay the president and members of the regional councils (XAF2 billion) as well as to finance many other activities and structures related to decentralization.
Although more important, this allocation is still considered insufficient by municipal magistrates, given the major challenges facing Cameroonian municipalities.

World Bank to loan Cameroon XAF93.6bln to improve living standards in urban area

President Paul Biya issued on February 22 a decree enabling the economy ministry to sign with the International Development Association (IDA), World Bank's arm, a loan agreement for €142.7 million, about XAF93.6 billion.
The government intends to use the money for the Inclusive and Resilient Cities Development Project (Pdvir), which follows the Urban Sector Development and Water Supply Project (Pdue). Through the project, the World Bank aims to support government efforts to improve living conditions in urban area, in response to natural hazards. Seven cities are targeted, particularly poor and vulnerable neighborhoods. These include the communes of Yaoundé 5 and 7, Douala 3 and Douala 5, the cities of Ngaoundéré, Batouri and Kumba.
Let's note that Pdvir also plans to carry out road works and provide structural facilities in the cities of Kumba, Batouri and Ngaoundéré.

Consular activities resume at Cameroonian Embassy in Paris

Consular activities within the Cameroonian Embassy in Paris, France, resumed today February 25, 2019, according to an official statement published February 22, 2019 by Antoine Ahmadou, chargé d'affaire of the Cameroonian Embassy in Paris.

Let's note that the activities were suspended on 27 January 2019, following acts of looting and vandalism perpetrated the day before in the embassy by pro-opposition protestors.

During the ransacking of the Cameroonian Embassy in Paris, authorized sources said, nearly 20,000 Cameroonian passports had been stolen, while 900 files of passports on their way to Paris had also been stolen or destroyed. Several hundred foreign passports awaiting visas had also been stolen.

Total imports up 11% despite 22% drop in rice imports in 2018

In 2018, Cameroon's total imports were up 11% against an increase by only 4% in exports, the national balance of payment's technical committee said.

This increase in imports, it's reported, is the result of higher imports of fuels and lubricants (+88%), frozen fish (+35%), aluminum oxide (+93%), bitumen coke (+137%), or chemicals (+17%), etc. However, the committee noted that rice imports over the period dwindled by 22% compared to 2017.

Let's note Cameroon is a major rice importer. The country also serves as a rice transit hub to neighboring countries such as Gabon, Nigeria and Equatorial Guinea.

Government to cancel land deeds at airport areas

Cameroon's civil aviation authority (CAA) is currently conducting an awareness campaign among residents of the Yaoundé-Nsimalen International Airport about the challenges of preserving the airport estate.
The measure is based on a recent report from the International Civil Aviation Organization (ICAO) which reveals that Cameroon's international airports, and more specifically Yaoundé-Nsimalen, are *"at high risk because of the populations living on the airstrip's zone where they grow corn and build habitats. These populations are exposed to harmful risks and have no chance to survive in the event of an accident."*
To limit risks, the government has considered canceling land titles on airport properties. Following this campaign backed by the Ministry of Transport, CAA hopes the targeted population as well as local and administrative authorities will become aware of the risks they expose themselves to.
Such an initiative, let's note, has been launched in Douala where CAA intends to save the 400 hectares belonging to the city's international airport and illegally occupied by many families.

Infringements and irregularities cost the industrial corporate world XAF1.4bln in 2018

The national inspection campaign of the industrial sector companies for the year 2019, started February 25 at the cotton development corporation (Sodecoton) in Garoua, in the northern part of Cameroon.
The ministry of mines, industry and technological development used the occasion to present a balance sheet of the campaign from last year. According to the related document, inspections were 30% higher in 2018 compared to the number a year earlier and a total of 198 infringement reports were issued making a total fine of XAF1.4 billion to be paid by the companies.

USAID forecasts 1.4 million food insecure people in Anglophone and West regions, between March and May 2019

Between March and May this year, 1.4 million people are expected to be food insecure in the Anglophone and West regions of Cameroon, the US Agency for International Development -USAID- reported in a recent memo.
In addition, 7% of the regions' population, or about 486,000 persons, will suffer food crisis over the same period, the agency said. In response to this situation, USAID's food for peace (FFP) office joins the UN World Food Program to distribute food rations in kind purchased locally and internationally to 50,000 displaced people in the Southwest region.
Let's recall that since June 2018, the Cameroonian government has been implementing a humanitarian emergency which assists victims of abuse by secessionist groups in the northwest and southwest.

Since 2010, the Investment Promotion Agency created 61,000 jobs in Cameroon

Since 2010, when the Investment Promotion Agency (IPA) launched activities in Cameroon, nearly 61,000 jobs have been created, according to a statement recently published by Marthe Angeline Minja, the Managing Director.
Ms. Minja says that IPA has made it easier for investors to obtain visas, fostering the signing of 171 agreements for more than XAF1,000 billion. *"The Investment Promotion Agency has done a lot of things. We have supported the government in improving the business climate; we have created IPA reception offices at international airports. It will be extended to other airports,"* she said.
According to Ms. Minja, despite the insecurity in some regions (Northwest, Southwest and the Far North) of Cameroon, the country remains a relatively popular destination. This is due in part to the natural resources and the bilingualism (English and French) in the country. Also, openings to the sea, and deep-water ports exist. Moreover, the country will soon be energy self-sufficient. "Cameroon is a large market," she concluded.

FINANCE

Financial Markets Commission merges with Central African Market Supervisory Board in February 2019

The Financial Markets Commission (CMF) of Cameroon physically merged with the Libreville-based (Gabon) Central African Financial Market Supervisory Board (Cosumaf) in this month of February 2019, we learnt.

The merger's initial deadline was 30 November 2018, as scheduled by Cemac heads of State regarding the unification of the region's financial markets during a conference in Ndjamena, Chad, October 31, 2017. Chadian Nagoum Yassoum, appointed during the conference, will chair the new institution for a period of five years, at the expense of Cameroonian Jean Claude Ngbwa. The latter was appointed head of the national CMF by presidential decree three years ago and did not complete his 5-year term before the merger decision took effect.

According to reliable information, some Cameroonian managers working at the CMF in Douala have been incorporated into the new Cosumaf in Libreville. The other workers were laid off, including Jean Claude Ngbwa. *"In the target scheme of the new Cosumaf, the idea of a vice-president or CEO position held by a Cameroonian especially the president of the CMF did not prosper. Even less so the idea that the CMF will be a national branch of the new Cosumaf,"* a source said.

In October 2017, CEMAC heads of state decided to unify the financial markets of Central Africa. The related additional act mandated the Central Bank to conduct the merger (regulators, stock exchanges, central depositories, settlement banks) by 30 June 2019 at the latest. The regulators (CMF and Cosumaf) are the first to materialize their physical fusion.

Cemac: export prices of metal and agricultural items forecasted to grow by 5% and 2% respectively, in 2019

The world prices of agricultural products exported by Cemac countries (cocoa, coffee, cotton etc.) are expected to bounce back, growing by 2% this year, compared to late 2018 when they declined 1.9% in the fourth quarter. Statistics provided by the central bank Beac also forecast an increase by 5% in metals' export prices, following flat prices in Q4 2018. According to the bank, the uptick is in line with a *"supply reduction outlook and the control of commercial disputes."*

Cameroon's National Financial Investigation Agency received 670 reports of suspected money laundering in 2018

Parties involved in the fight against money laundering and terrorism financing in Cameroon are putting more efforts to hit their goal. This is shown through the analysis of the national system launched February 25 in Douala, for this purpose.
While they reported only 83 suspected cases to the National Financial Investigation Agency (Anif) in 2008, the number significantly grew reaching 670 in 2018, it is officially reported. Accordingly to its statutes, Anif benefits from the collaboration of banks, microfinance institutions, insurance companies and other regulated institutions. At the regulatory level, these institutions are required to report suspicious transactions to the State's financial intelligence unit, enabling it to commence investigations.
As money laundering is increasingly being carried out through investments in sectors such as real estate, it is reported, Anif has also included hardware stores in the list of its fight partners.

Cameroon: Investment service providers set a trade union

Cameroon's investment service providers (Appsi) have just set up an association to defend their interests within the framework of any consultation on the financial market.
An Executive Board was elected for a 2-year term and includes the Chairman Serge Yanic Nana, (CEO of Financia Capital), the vice-president, Chantal Bounkeu (special advisor at the Commercial Bank of Cameroon), the secretary general Louis Banga-Ntolo (MD of Sogebourse Afrique centrale) and the treasurer Pierre Kammogne (treasury manager of Afriland First Bank). In addition, Priscille Noëlle Kouo Ngamby (Investment Associate at EDC Investment Corp) was appointed Appsi's financial auditor for a two-year term.
With about fifteen members, Appsi brings together all investment service providers (ISPs) accredited by the Cameroon Financial Markets Commission. Its mission is to propose to the competent authorities any measure likely to improve the functioning of the financial market, develop training activities for market professionals, and develop ethical rules applicable to its members.

AGRIBUSINESS

Cocoa processed in centers of excellence fetches over XAF1,600 per Kg against XAF1,000 for average farm gate price

Whilst the overall average farm gate price of cocoa is just above XAF1,000 in Cameroon's production areas as shown by daily data from the Sector Information System -SIF, some growers trade the crop at a bit more than XAF1,600 per kg.

The pricey cocoa, according to the trade minister Luc Magloire Mbarga Atangana, is that sold at centers of excellence for post-harvest processing set up by the cocoa-coffee inter professional council and its partners in certain production areas to improve crop quality.

"Thanks to their highly improved quality, a kilogram of beans processed in these facilities equipped with special drying equipment, is currently being traded at above 2.5 euros, or more than XAF1,600," said Mr. Mbarga Atangana.

Leveraging this advantage, the council is intending to submit the beans of excellence at the 2019 International Cocoa Awards, and also *"introduce all New Generation groups (young people recruited and supervised to rejuvenate the production force in the cocoa and coffee sectors) into the process of promoting cocoa of excellence, through the establishment of post-harvest cocoa processing centers."*

Further, the council will build more centers of excellence across the country, with the long-term aim of setting them in all 36 localities. The new generation program currently monitors more than 1,500 young cocoa growers and enabled the creation of more than 2,500 hectares of new cocoa farms in Cameroon in 7 years.

Cameroon: weak genetic performance of cows stagnates dairy production

In 2017, Cameroon's dairy production was estimated at 239,000 tons and the livestock department -Minepia- said output has increased by an average of 7% per annum since 1994. Despite this very low increase, the ministry said, milk production is stagnating and deficit is a bit higher than 120,000 tons per year. Hurdles to dairy production growth, according to Minepia, include poor genetic performance of cows, prevalence of diseases with a high impact on milk production in certain areas coupled with insufficient appropriation of technological innovations by producers.
As solutions, actions have been undertaken under the livestock development project, backed by development partners. These include the gradual acquisition of dairy cattle and the genetic improvement of local ones, the production of bovine animal germplasms and the structuring of distribution channels for milk collection and distribution.

Cameroon plans large-scale aquaculture to reduce fish imports

The Cameroonian minister of fisheries and animal industries (Minepia), Dr Taïga, announced the government's ambition to cut fish imports in the coming years thanks to higher local production. This was during a cabinet meeting chaired by Prime Minister Joseph Dion Ngute February 28 in Yaoundé.
Speaking during the meeting, Minepia revealed fish imports still weigh on expenditures though they were down 55% between 2016 and 2017 as local production grew. In 2017, Cameroon purchased 181,678 tons of fish for XAF114.3 billion.
"This downward trend is expected to continue, given the actions undertaken to promote the development of aquaculture and the diversification of food sources," said Dr Taïga. However, the official stressed, there are many constraints to fish production including the shortage of fish resources due to Cameroon's geographical position and the absence of fertilizer flows, thus leading to a low availability of the resource and consequently, lower investments in the sector.
Also, aquaculture remains artisanal due to the poor quality of inputs, the difficulties of marketing production and the lack of human resources qualification. In need to cut dependency on imported fish, Cameroon intends to speed up large-scale extension of aquaculture techniques and reorganize fishing management structures, including aquaculture stations, fishing centers and fisheries control posts.

Building equipped landing points are also planned, including arrangements for the conservation and marketing of fishery products and the inclusion of nationals into fishing areas.

Corn demand and supply forecasted at 2.8 million tons and 2.2 million, respectively, in 2019

Corn demand in Cameroon is expected to stand at 2.8 million tons this year for a domestic production of 2.2 million tons, the agriculture ministry (Minader) indicated in a sector outlook presented Feb 28 in Yaoundé during a cabinet meeting.
According to the department, demand is on the rise but the sector is facing difficulties which include, among others, the isolation of production areas, issues in accessing land, high cost of fertilizers and pesticides, weak availability of improved seeds and insufficient mechanization.
To increase local corn production, Minader is planning to include the private sector in large-scale production, elaborate new varieties of seed, ease access to agricultural inputs, provide farmers with machinery and build infrastructure for post-harvest processing.
During the cabinet meeting, Prime Minister Joseph Dion Ngute instructed the Minister of Economy to submit urgently proposals on the resources that could be mobilized in 2019 for the acquisition of ploughing equipment and improved maize seeds.

SEMRY plans XAF4.2bln investment in 2019

Cameroon's rice development firm in the northern region SEMRY secured an investment of XAF4.2 billion for 2019, according to the last Board official statement.

While not much is said about the type of investment planned for the year, it seems that part of the related envelope will be allocated to the acquisition of new shelling units, the lack of which makes Cameroon exports paddy rice to Nigeria, where shelling units are widespread.

Let's note that Cameroon's annual rice production is barely 100,000 tons while domestic demand exceeds 300,000 tons.

Sodecoton's refined oil production fell by 1mln liters in 2018

In 2018, Cameroon's cotton development corporation (Sodecoton) produced 18 million liters of refined oil (cotton and soybean oils), down one million liters compared to the 19 million liters a year earlier, we learnt.

Let's recall that over the period reviewed, the agro-industry unit also produced 260,000 tons of cotton.

Sodecoton operates two oil mills with a combined crushing capacity of 120,000 tons of cottonseed per year, with production ranging from 14 to 19 million liters of edible oil, and 60 to 70,000 tons of animal feed (cakes).

228ha of new cocoa farms expected to be created in the Cameroonian central region under the New Generation Project

A group of 76 young Cameroonians from the localities of Bondjonck, Bomabom and Ntui in the central region received agricultural kits, including them in the “New Generation” program ; a scheme launched in 2012 by the cocoa-coffee inter-professional council (CICC) to rejuvenate production workforce in the sector.
In the next 3 years, these young people are required to grow, in their respective localities, 228 ha of new cocoa farms, at least three hectares for each of them. Since it was launched, the program has already trained more than 1520 young people (including 267 females), who have been able to plant more than 2500 hectares of cocoa farms in the country’s production areas.
“It (the program) is seen as a key mainstay for economic growth, through the creation of decent jobs for the next generation, which will lead to a more productive and competitive cocoa production oriented towards more profitable markets,” said Luc Magloire Mbarga Atangana, the trade minister, during the new recruits’ welcoming ceremony in Bondjock.
As a reminder, “New Generation” is the result of a study by the cocoa-coffee inter-professional council, which revealed that the average age of cocoa farmers exceeded 60 years in some production areas. A solution was to train young people interested in cocoa farming on both best farming practices and production marketing techniques. At the end of the 3-year training, the new farmers who vow to produce at least 3 hectares of cocoa farms in their regions receive all needed (except land and workforce) and adequate follow-up, to become agricultural entrepreneurs, specialized in cocoa production

ENERGY

Cameroon to secure a XAF16bln World bank loan for Sanaga dam

The Cameroonian President authorized last February 22 the economy minister, Alamine Ousmane Mey, to sign a loan agreement with World Bank's subsidiary, the International Development Association (IDA), for an amount of €24.5 million, or XAF16.3 billion.
According to the related presidential decree, the money will be used to finance the Technical Assistance Project for the hydroelectric development of the Sanaga River, component 1 of which funds will be provided for the technical assistance required to pick and develop a big hydro site on the river under a public-private partnership model with the private side being selected following a tender.
Component 2 will contribute to strengthening the government's capacity to fulfil its responsibilities during the construction of the Nachtigal hydroelectric project (420 MW) on the Sanaga River, including assisting government entities in monitoring project construction and the implementation of the Environmental and Social Management Plan.
As regards component 3, it will fund a number of analytical works to design a long-term strategy for mitigating hydrological risks and protecting Cameroon from climate risks as well as the volatility of power production costs.
According to the World Bank, Cameroon holds the third largest hydropower potential in sub-Saharan Africa, currently estimated at more than 20,000 MW in equipment capacity, with the Sanaga River watershed which provides nearly half of the untapped potential.
Cameroon's current hydroelectric power generation capacity is 723 MW, covering the Song Loulou dam (384 MW) and Edéa dam (267 MW) located on the Sanaga River, as well as Lagdo dam (72 MW) on the Benue River.

Franco-British Perenco plans $12.5-$36.5mln investment in Bomana oil block

The Managing Director of Cameroon's national oil company (SNH), Adolphe Moudiki, and, Nicolas Serre, that of Perenco's local subsidiary, signed February 21 in Yaoundé a Production Sharing Agreement for oil exploration in the Bomana block. The field covers 22.75 km^2 in the Rio del Rey basin, in a maritime zone.
Under the contract, the oil giant has committed to carry out research activities on the Bomana block for a first firm period of three years.
SNH informed the minimum work program includes conducting geoscientific studies, reprocessing 3D seismic data over the entire block, and drilling an exploration well.
The minimum amount Perenco committed for this research program is $12.5 million (about XAF7.2 billion). Depending on the findings of Phase I of exploration, Perenco will be entitled to two renewals of its exclusive research authorization each time an exploration well drilling is planned.
The financial commitment for the three periods, with a maximum duration of seven years, is $36.5 million (nearly XAF21.1 billion).

Globeleq to increase employee wages by 3%

Independent power producer, Globeleq, which manages the Dibamba fuel and Kribi gas power plants in Cameroon, has just signed a collective agreement with its employees, under the supervision of the Cameroonian Ministry of Labour and Social Security, official sources reported.
This agreement introduces benefits in terms of housing and transportation allowances, and provides for an increase by 3% of employee salaries. According to Globeleq officials, this collective agreement aims to share the added value generated in Cameroon. The company said it produces a quarter of Cameroon's electricity production.
Formerly controlled by the British investment fund, Actis, which holds a majority stake in the capital of Cameroon's power utility (Eneo), Globeleq Africa has been since 2015 controlled by a consortium held by the Norwegian investment fund, Norfund, and the British financing institution, CDC Group.

INFRASTRUCTURE

Italy's ICM-CMC wins nearly XAF162bln road tarring project

After eight years of suspension, work on the Ebolowa-Akom II-Kribi road project (179.28 km with bypass roads) will finally resume. Indeed, Samuel Mvondo Ayolo, Minister Director of the Civil Cabinet (DCC) of the Presidency of the Republic, referred the matter to the Minister of Public Works (Mintp), Emmanuel Nganou Djoumessi, last February 18, for *"signing the contract for the Ebolowa-Akom II-Kribi road construction project"*.

The contract will be signed with the Italian company ICM-CMC Spa which has already prepared all required fund searching documents, according to authorization granted by President Paul Biya.

Initially valued at XAF162.17 billion, the project cost is likely to be revised downwards because, according to reliable sources, the government asked ICM-CMC to eliminate related works (supply and installation of optical fiber over 179.28 km, construction of a 30 km power line, environmental protection measure and expropriation over a 30 m strip) estimated at XAF14.69 billion, excluding tax.

The financial partners (Standard Chartered Bank and the British export credit agency-Ukef) proposed an overall effective rate of 3.96% per year, which was considered expensive compared to the financing previously obtained in Cameroon. The Ministry of Finance has asked these partners to reduce the weighted overall effective rate, which should not exceed 2.76%.

The construction of the Ebolowa-Akom II-Kribi road by Italian partners is certainly one of the benefits of Paul Biya's state visit to Italy from 20 to 22 March 2017. The Ebolowa-Akom II-Kribi road is a firm commitment by the Head of State to the people of the Southern Region of the country during the Ebolowa Agropastoral Forum on January 17, 2011. "The development of the rural world requires the opening up of agricultural production zones and the implementation of major structural projects. Therefore, I have decided to build the following paved roads: Ebolowa-Kribi by Akom II (...)," the President said, but since then no further step was made.

American-Cameroonian SICC's shops construction project in the Congo market terminated

In the aftermath of the fire that destroyed about 150 shops on the night of 23 to 24 February this year in the Congo market, the Douala urban community announced the termination "for default" of the contract to build a modern commercial space of 1,400 shops on the market site; a project initiated after yet another fire that broke out in this market in July 2012.

Works were launched in 2013 by Southwest International Construction Corporation (SICC), and were scheduled to last 2 years, before being suspended for 2 years. Upon a work resumption, the company announced delivery in 2018 but to date, not much is done.

The investment announced by the joint venture between local economic operators and American partners, was XAF7 billion and was to be carried out under the Build-Operate-Transfer (BOT) model, which requires SICC to build the new market according to international standards, operate it for a fixed period and transfer the site management to the State (the urban community of Douala) at the end of this contractual operating period.

According to the initial plans, the market's new-look was to include 1,400 shops, 200 toilets, a 120-place car park, two guard gates, a police station, 16 garbage bins and a video surveillance system. The project was expected to generate 1,000 direct jobs during the construction phase, and 171 permanent jobs created at the end of the project.

The reconstruction of the Congo market is not the first project on which SICC has failed in Cameroon. For almost 9 years, this company has been slow to deliver the first buildings of a real estate project initiated in the economic capital; a project for which buyers said they have already paid about XAF1 billion while promoters reported continued financial difficulties.

Camwater announces refurbishment of water distribution facilities

Gervais Bolenga, MD of Cameroon Water Utilities (Camwater), the public water utility, announces a "priority investment plan" to rehabilitate the company's distribution infrastructures, now in poor condition.

According to him, the facilities are so deteriorated that some work 25% below their potential. "We need to upgrade the deteriorated production equipment and strengthen their maintenance and upkeep," says Bolenga.

Camwater which formerly only produced water for households, has entered since April 2018 into the distribution segment, initially ensured by the private sector. But since then, consumers have been complaining about the quality distributed by the company. They report it to be yellowish or even blackish color.

In January 2019, the water ministry (Minee) said it still receives complaints regarding public water and sanitation services in particular. *"I therefore invite you* [his collaborators] *to deepen your reflection in order to make proposals for improving the quality of the drinking water supply service, because as the saying goes, water is life,"* Minister Gaston Eloundou Essomba instructed.

ITC & TELECOM

Orange to launch low-cost smartphone -Sanza in 2019

On the sidelines of the Mobile World Congress kicked off today February 25, 2019 in Barcelona, Spain, Orange group announces the launch this year of a low-cost smartphone called Sanza, in 16 African and Middle Eastern countries. The phone is only $20, or XAF11,570.
As of April 2019, this device that runs on KaiOS technologies' operating system will be marketed in Mali, Burkina Faso and Cote d'Ivoire before expanding in 13 other countries on the continent, including Cameroon.
"Sanza is a true proof of Orange's ability to be a key player in digital inclusion in Africa and the Middle East. With its voice Internet access and its attractive price (...), I am convinced that this 3G mobile, and soon 4G, is a powerful mainstay to develop Internet access for all in Africa," said Alioune Ndiaye, MD of Orange Middle East and Africa (MEA).

Jumia to soon start marketing Xiaomi smartphones in Cameroon

China's Xiaomi, the world's 4th largest smartphone supplier and biggest smartphone vendor in 2018, announced Thursday the signing of a partnership agreement with Africa's e-commerce leader Jumia, on the sidelines of the World Mobile Congress in Barcelona.
Thanks to this partnership, Xiaomi's products, known under the "Mi" brand, will be available to millions of Jumia platform users in Africa, including Cameroon where the Chinese company launched activities since 2016. Further, with this partnership that is "supported by an ambitious joint marketing plan for 2019," Jumia has the exclusivity to market, in the 14 African countries where it is present, Xiaomi's "Redmi Go" smartphones.

LEADER OF THE MONTH

Emmanuel De Tailly lauds economic cooperation between France and Cameroon

"French firms established in Cameroon are determined to take part to Cameroon's emergence and full blooming".

"It's been almost a century now that Cameroon and France have been building their friendship. A friendship that lies on a strong political and cultural history, but also a great economic history. The ties bounding these two countries engraved in stone a little tale whose nucleus is none other than Cameroonian, but also French and Franco-Cameroonian entrepreneurs and companies. The latter indeed greatly contributed to the emergence of Cameroon's first republic on October 1, 1961, in Bua".
These words were spoken at the Palais des Congrès of Yaoundé last month, by Emmanuel De Tailly, managing director of brewer SABC and Head of Cameroon's national committee of France's external trade advisors (CNCCEF). This was on the occasion of the Day dedicated to France, on the sidelines of the Promote 2019 Business Fair.
According to De Tailly, cooperation between France and Cameroon *"enabled the development of Cameroon's cocoa sector, but also those of rubber, palm oil, banana, coffee, wood, cotton, spices – of which the renowned Penja pepper. It also helped reveal the country's agro-industrial expertise, an expertise that greatly helped Cameroon become Central Africa's leading economy".*
Based on this and confident in the future, French firms established in Cameroon *"are determined to take part to Cameroon's emergence and full blooming".*
"We have always been by Cameroon's side, in both the good and bad times, and that is exactly why we want this," De Tailly affirmed. He then added: *"but what we want most of all is to ensure the growth of (…) zones from which Cameroonian ground coffee, chocolate instead of cocoa, processed wood, liquefied gas and refined oil can be exported to, for example, Europe, a continent with which Cameroon has economic partnership agreements. This way, we would contribute to fair trade, the only reasonable alternative to the actual liberal model in place"*
In this framework, CNCCEF's Chairman emphasized: *"France (…) is Cameroon's ideal partner. With it, the country will be able to achieve its goals, knowingly producing locally what it consumes, consume locally-produced goods, export goods produced locally, and import goods that are yet to be produced locally, leveraging top-class infrastructures (…) industrial and service partners with demonstrated international expertise with whom Cameroon will build strong, transparent, and most importantly trustworthy relationships."*

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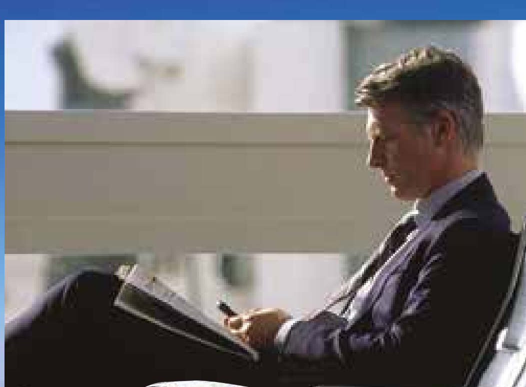

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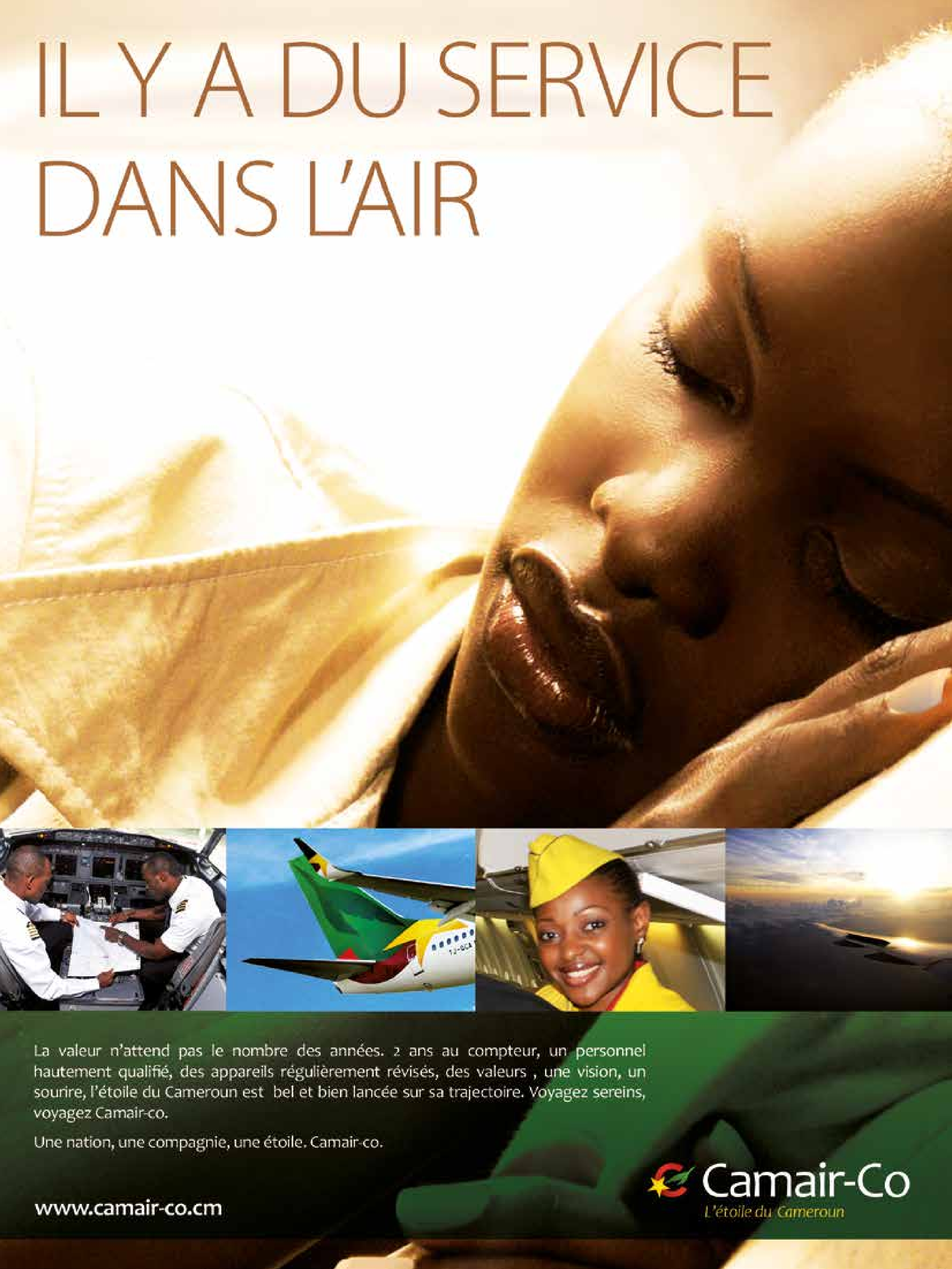
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