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BUSINESS IN CAMEROON

MAJOR PROJECTS
AGRICULTURE
ENERGY
MINING
INDUSTRY
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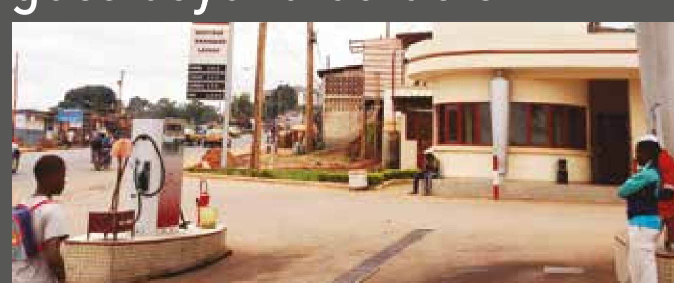
FINANCE

Cocoa: The transformation industry is thriving

Interview with Louis-Paul Motaze, minister of finances

Tradex, an expertise that goes beyond borders

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Arthur Zang, creator of the Cardiopad, will launch a medical equipment assembly unit
TRAVEL THE WORLD IN STYLE
Compatible with
iPads, smartphones
or tablets
APP AVAILABLE ON IOS AND ANDROID

Yasmine Bahri-Domon

Reasons to believe

Cameroon's potential for growth is now a sure thing and must be doubted no more. There are multiple efforts undertaken to improve infrastructures, ensure political stability and security and while there is more to be done, indicators show a gradual evolution yielded by tangible achievements. A rapid development of projects needed by the emerging economy and local industry are strong factors to attract investors and industrials in the country.

So, is Cameroon a good place to invest in? Well, my answer is simple: Yes, it sure is and this is the right time to! Investors should take advantage of economic transformations now happening in the country and be a part of the process. Cameroon keeps improving its business environment. It has put in place various reforms to support and regulate investments, created an agency solely dedicated to investors, and established an appropriate legal and regulatory framework to ensure fair competition. Moreover, often, the justice arrests frauds, corrupt officials, individuals who embezzle public funds and shady businessmen. All these attest of the government's will to build a strong emerging economy harnessing a healthy business climate.

Beside structural transformations, efforts have to be made to ensure economic transparency, especially in regards to public spending as one of the barriers hampering the growth of the Cameroonian economy is the inability of the government to rapidly pay service providers. Added to this are the multiple conflicts (Boko Haram, Secessionists) faced by the government, in a context where it has established a rich and loaded investment program. These truly affects, negatively, economic dynamism and private service providers are suffering the most from the situation. However, efforts are made to improve debt payment to the providers; for example, a legal framework was established to reduce delays incurred for debt payment between public and private actors. But regardless of these efforts, some still try to tarnish the government's reputation making it appear as a bad partner, pushing investors to question its capacity to help businesses thrive, and to foster public-private partnerships which are key to growth and job creation.

In sight of all these, it is crucial, for Cameroon's economic ambitions and plans, that relations between public and private actors are sound. This will lay foundations for the country's emergence, economic diversity, dynamism and prosperity.

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LEADER OF THE MONTH

BUSINESS IN CAMEROON

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NEWS IN BRIEF










COMPANY OF THE MONTH

Cameroonian oil company Tradex plans first gas stations in Equatorial Guinea this year

With a network of 91 station-services in Cameroon, Chad and in the republic of Central Africa, Tradex wants to consolidate its position with new investments in Equatorial Guinea.

Cameroonian company Tradex, subsidiary of the National Oil corporation (SNH) specializing in trading, bunkering and distribution of finished oil products, is planning to open first service stations in Equatorial Guinea, reliable sources said.

The leader on the Cameroonian oil market got a permit to operate in E Guinea last December 17. With a network of 91 stations, the company is also present in Chad and Central African Republic. New investments in E Guinea will strengthen its footprint in the country where it launched operations on Nov 3, 2015 upon a partnership with Luba Oil Terminal Equatorial Guinea (LOTEG).

Under this agreement, "*Tradex stores its products in LOTEG's premises within the Luba Free Port and exclusively supplies buildings refueling with oil products in Luba Free Port*".

As a reminder, still in view of expanding in the Cemac region, Tradex announced, during the "Business in Chad" Forum held September 6-8, 2017 in Paris, its ambition to improve its oil product storage capacities and popularize the use of domestic gas by Chadian households, through the upcoming construction of a gas cylinder filling plant in the Sahelian country.

MONTHLY STATISTICS

XAF30 billion

Cameroonian Treasury gained a total of XAF30 billion last year in transit rights for Chadian oil via the Chad-Cameroon pipeline, the Pipeline Steering and Monitoring Committee (PSMC) said.
Since 2014, revenues collected from these transit rights have been constantly increasing, particularly as a result of the re-evaluation carried out October 29, 2013.
Following a renegotiation between Cotco, the Chad-Cameroon pipeline manager, and Cameroon's government, the transit right grew from XAF195 ($0.41) to XAF618 ($1.30) per barrel. Better still, in accordance with the provisions of amendment 2 of Cotco establishment agreement, the duty was updated September 30, officially increasing from $1.30 to $1.32 per barrel; same rate remains in force until 30 September 2023, the date of next re-evaluation.

3.2%

GDP growth within the Cemac region is forecasted to reach 3.2% this year, up 1.5% compared to the 1.7% in 2018. This is a conclusion of the first 2019 session of the Monetary Policy Committee (MPC) of the Bank of Central African States (BEAC), held March 21 in N'djamena, Chad.
In addition, the MPC "*took note of the official entry into production of the CEMAC central balance sheet office, which will contribute to improving the availability and quality of financial information on non-financial companies, thus ensuring better access to bank financing*," according to an official Beac statement.

XAF1,000

Since the week of March 11 started, the cocoa farm gate price in Cameroon's production basins peaked at XAF1,100 per kg. Minimum price is XAF1,030.
Figures were provided by the Sector Information System (FIS), a project that provides real-time information and communication on average prices in production basins, in order to boost producers' negotiating capacity with buyers.
This increase in beans prices, the highest since the year started, can be explained by the need for buyers to early obtain supplies before access to production areas becomes more difficult due to poor road conditions, as wet season is there.

5,000 tons

As part of a project to recycle electronic and electrical waste, named Weecam, a first treatment center for these types of wastes has just been open in the locality of Ewonkang, in Yaoundé suburb.
Financed up to XAF4 billion, mainly by the French Global Environment Facility (Ffem), the project, which will be implemented over a period of 5 years, also covers the city of Douala, the country's economic capital. It aims at establishing a collection system for electrical and electronic waste in the two main Cameroonian cities, and setting up a recycling and recovery unit capable of handling 5,000 tons of waste a year, including 3,900 tons locally.

COCOA PROCESSING

Cameroon: The taste of success

In Cameroon, there are 10,000 families living off cocoa processing and 500,000 producers, according to the coffee-cocoa board.

With a production expected to reach 245,000 tons during the current cocoa campaign that should end in mid-July 2019, Cameroon will surely not reach its 600,000 tons target for 2020. A target which falls under a plan to revive the cocoa sector adopted by the government in September 2014. It is also very likely that the goal to process almost 50% of the national production by 2020 will not be met.

These failures are due to unfavorable global cocoa prices, social tensions in some production basins in Cameroon. According to some experts, it is also due to an overvaluation of the country's capacities. However, despite these failures, things have changed considerably in the Cameroonian cocoa sector, in the local transformation segment notably.

Indeed, since at least three years, the transformation segment has experienced major changes. Apart from traditional grinders who have substantially increased their production capacities thanks to various investments, at least four new operators have either entered into the segment or were announced to.

The arrival of the new operators, who often take advantage of government's incentives, are bearers of good news for the 10,000 Cameroonian families living off cocoa transformation and to the 500,000 producers identified by the coffee-cocoa board.

Subsequently cocoa exports, which usually provide 15% of the country's exports revenues, reduced.

Meanwhile, the added-value created by local grinders boosted the government's domestic revenues thanks to the various taxes paid by the new grinders. This eased pressure arising from fluctuating global prices and helped create new jobs, in a context where unemployment and underemployment rates are on the rise and also where chocolate consumption, which stood at 20 g per inhabitant some years ago, was slipping.

Brice R. Mbodiam

Tiger Brands subsidiary's turnover grew by 3% in 2018, spurred a strong local demand

The Cameroonian subsidiary of South African food giant Tiger Brands - Chocolateries confiseries du Cameroun (Chococam)- saw its revenues grow by 3% in 2018, despite a 9% overall drop in the group's turnover.

According to a memo on Cameroon's cocoa sector issued March 18th 2019 by Fitch Solutions, subsidiary of Fitch Group, "*Small volume processing for the domestic market, mainly by Chococam* [...] *should grow driven by higher local demand, for chocolate and other cocoa products. Demand is expected to gradually increase, reaching 63,000 tons in 2023, up from 53,000 tons in 2019*." Higher consumption was also observed in neighboring countries supplied by Chococam. Increase in turnover can also be explained by the recent product diversification. In a statement dated November 10, 2014, the food company officially extended its corporate purpose, adding the activities of "*manufacturing, importing, exporting and trading of personal and household care products and their derivatives*." The move aligns with Tiger Brands' expansion strategy in Africa, thanks to a partnership with Haco Industries, a Kenya-based manufacturing company. This partnership allowed Chococam to distribute "Miadi" cosmetics and a rice brand called "Tastic".

Chococam, whose performance had been described as "exceptional" by Tiger Brands at the end of 2014, is the group's top performing unit in Central Africa.

Sic Cacaos, subsidiary of Barry Callebaut, has recorded a 60% increase in volumes of processed cocoa in 2017-2018

Sic Cacaos, Cameroonian subsidiary of agribusiness group Barry Callebaut, grinded 53,000 tons of cocoa beans during the campaign 2017-2018. This represents about 60% rise according to figures published by Fitch Solutions.

The substantial rise in the grinding capacities of Sic Cacaos follows the commissioning of new equipment on May 28, 2015 in Douala acquired for about XAF5 billion (official sources).

With this capacity increase and the announced arrival of new operators (Neo Industry and Atlantic Cocoa) in Cameroon, the country's cocoa grinding capabilities should rise significantly till 2023, Fitch Solutions forecasts.

Cameroon's cocoa grinding capabilities should rise significantly till 2023.

Atlantic Cocoa inks XAF7.2 billion deal with BDEAC for the finalization of Kribi's cocoa processing plant

Atlantic Cocoa's plant will cost more than XAF30 billion and help create 160 direct jobs.

This year, a cocoa processing plant should be commissioned in the industrial zone of Kribi Deepwater port, Southern Cameroon.
In that regard, an XAF7.2 billion financing agreement was signed by Atlantic Group's president, Koné Dossongui, and the Central African Development Bank (BDEAC) on September 17, 2018 in Douala. Negotiated by JMJ Africa, Cameroonian cabinet specialized in investors' support, this investment was an additional funding for the finalization of this plant, which will help process cocoa into semi-finished products.
Atlantic Cocoa's plant will cost more than XAF30 billion. It will help create 160 direct jobs during its operational phase. It will have a yearly processing capacity of 48,000 tons that could be extended to 64,000 tons. This plant is part of a XAF50 billion agribusiness project developed by Ivorian businessman Koné Dossongui.
This project also includes "*the development of 25,000 hectares of industrial plantations with agricultural excellence centers, across the country's various cocoa production basins*", explains Georges Wilson, managing director of Atlantic Cocoa.

SCB Cameroon pumps XAF13bln in Neo Industry's cocoa grinding unit

Société Commerciale de Banque -SCB- Cameroon, local arm of Moroccan Attijariwafa Bank, inked April 20, 2018, in Douala, a partnership agreement with the African Guarantee Fund (AGF) to facilitate financing for a cocoa processing project in Kékem, west region. Agreement will see AGF guarantee XAF6 billion of the XAF13 billion granted by SCB to Neo Industry, the company which owns the project. The latter consists of the construction of a beans processing plant (32,000 tons) for the production of cocoa butter and powder.
In addition to the tax and customs facilities offered by the government, the project also benefited, in June 2016, from a direct public financing of XAF1.2 billion, as part of the Agropoles project, implemented by the Ministry of the Economy. Furniture for the plant, set to be commissioned this year, will be assured by German firm Buhler, presented as the world's top manufacturer of chocolate industry equipment.

Food company Fapam Industry switches to beans processing into cocoa powder and butter

The Ma'an Menyi Agro-Pastoral Farm (Fapam Industry) located in Mbalmayo, Central region of Cameroon, received in early 2017, specialized equipment for the secondary and tertiary processing of cocoa (cocoa butter and powder, respectively). Equipment acquisition was backed up to XAF600 million by the government, through the Ministry of Economy. This direct support aims to boost the farm's processing capacity from 500 kg/h to 6000 kg/h, according to the economy department. With this new government investment, Fapam Industry's processing capacity building plan, valued at XAF4.6 billion, will once completed enable the farm to handle 16,000 tons of beans per annum. Back in 2014, Fapam Industry had already received a government financing of XAF1.4 billion, under the Agropole Project piloted by the ministry of economy.

Compagnie Fruitière de Marseille starts production of chocolate in Cameroon, with its “Ateliers des cinq volcans” brand

Plantations du haut Penja (Php), local subsidiary of French food group Compagnie fruitière de Marseille, has recently set up cocoa plantations over a total of 150 hectares, we learn.

This company, better known for its production of dessert bananas, has also set up a cocoa beans processing unit in the town of Njombé, coastal region. This factory, sources said, makes it possible to locally produce chocolate under the brand “ateliers des cinq volcans”. Production is mainly sold on the European market.

Volumes of cocoa processed in 2017-18 exceed that processed in the previous campaign by more than 20,000 tons

During the 2017-2018 cocoa campaign, 53,494 tons were processed locally. Out of these, 53,403 tons were processed by industrials and 91 tons by local artisans.

This represents a 20,000 tons rise compared with the 33,023 tons processed during the 2016-2017 campaign. However, during the period under review, Cameroon processed only 25% of its production while it plans to process 50% by 2020. In the recovery plan, the country also stated its ambition to produce more than 600,000 tons of cocoa by 2020. These goals, according to various actors of the sector, cannot be achieved.

For instance, during the launch of the sixth edition of the international festival of Cameroonian cocoa on August 8, 2018 in Douala, the trade minister Luc Magloire Mbarga Atangana, was expecting 130,000-150,000 tons installed cocoa processing capacity in the coming three years; far below the 300,000 tons expected in the coffee-cocoa recovery plan.

Louis Paul Motazé: “We did not wait for the special economic zones project to provide investment incentives”

During the sixth Global Forum for African Development held in Casablanca, Morocco, on March 14-15, 2019, the Cameroonian minister of finances who attended, had the chance to showcase investment opportunities available in his country, in addition to the various incentives in place to attract investors.

"We have a study underway to create these zones which aim at fostering Cameroon's development."

Business in Cameroon: You mentioned establishing special economic zones. Concretely, what is that about?

Louis Paul Motazé: We think of establishing special economic zones because we believe our region has some potentialities enabling it. Let's take for example Eastern Cameroon with its rich forest resources. A special economic zone could be established in this region with wood exploitation as base activity given that so far this sector does not produce enough added value for the country since it exports wood in logs.

Still in regard to special economic zones, is there any specific project that Cameroon wishes to share with the potential investors who attended the forum in March?
I am Chief Director of the Kribi port authority, which manages Kribi's deep-water port that is being built at the moment. We want to make this infrastructure a true development hub but it will serves as terminal for the exploitation of the iron ore from the Mbalam-Nabeba project. We will run this project with Congo Brazzaville since the deposit spreads across our joint border.
Leveraging a railway of about 500 km, the project will originate in Congo and come to Cameroon, to the port of Kribi to be exact. It will also require the construction of a mineral port. Hence, Kribi could become one of the special economic zones we referred to. But for now, we have a study underway to create these zones which aim at fostering Cameroon's development.

What investment incentives does the government plan on putting in place relating to these special economic zones?
We did not wait for the special economic zones project to provide investment incentives. We have a liberal investment code and a law voted by deputies in 2013 (ed note : revised in 2017) which provides investors many tax-customs incentives. The latter are granted either during installation or exploitation.

How are relations between Cameroon's government and investors?
I believe they are good but could be better. We understand that investors always seek better conditions. If we were investors ourselves, we would always be asking for taxes to be cut further, etc. But the fact is Cameroon needs tax earnings to finance its service sector and public investments. We could say that we are therefore on a balance on one side of which we have the incentives implemented to attract investors while on the other side we have a need to not dry up the public treasury. This is a balance we try to maintain in the short, medium and long terms.

In the short term, we need tax revenues while in the medium and long terms, we must provide more incentives to investors since they will later help augment our tax earnings.

Would you say that Cameroon's business climate is improving? If yes, are measures being implemented to improve it further?
Improving our business climate is a tedious process. For example, on March 18th 2019, the Prime Minister

"We are therefore on a balance on one side of which we have the incentives implemented to attract investors while on the other side we have a need to not dry up the public treasury"

was to chair the Cameroon Business Forum (CFB) in Douala, a meeting regrouping actors of both the public and private sectors. The PM and some other ministers, including the minister of finances, on this occasion met with actors of the private sector, to know challenges preventing them from thriving and help them overcome them.

However, so far, to be honest, we were told we don't go quickly enough. Looking at the Doing Business which assesses countries' business climate, we still have a lot of room for improvement. But we often say the Doing Business is not a test but a competition. The difference between the two is that while the first can be passed with a given score the second is not passed based on individual scores but on how good others did. And that's the issue. We think we are doing well, but we can do better, but for now we may not be going fast enough or far enough compared to others.

"Cameroon have a liberal investment code... which provides investors, either during installation or exploitation, many tax-customs incentives"

Any last comment?

Personally, I believe in Cameroon and we think many investors still do as well. Beyond challenges which we are trying to suppress, we must consider potential and in this regard, Cameroon exceeds others.

Interview by Idriss Linge, Casablanca

PUBLIC MANAGEMENT

Cameroonian government consults private sector to list prohibited imports

In a letter dated March 28 sent to the country's employers group (Gicam), Cameroonian Minister of Trade, Luc Magloire Mbarga Atangana (photo), asked the private sector to list products banned from entering the national territory.
The official explains that, in order to protect national production and industry, the Prime Minister asked to submit to the private sector "*as soon as possible, the list of products likely to be banned on import*" into Cameroon. And a confirmed list, based on the existing domestic production data, is requested from Gicam to speed up the implementation of the measure.
Producers of sheet metal, nails, concrete reinforcement... have requested arbitration from the government, with regard to massive imports of these products into the country, since local supply is largely sufficient.
The government announces the implementation of appropriate fiscal instruments to promote local production and reduce "*non-essential*" imports, as these imports deteriorate the country's balance of payments.
In 2018 alone, Cameroon spent XAF4,630 billion on imports.

Switzerland offers Cameroon its expertise in resolving the Anglophone crisis

Switzerland's Ambassador to Cameroon, Pietro Lazzeri, was granted an audience April 4 at the Palais de l'Unitéby President Paul Biya; a meeting during which both authorities reviewed the sociopolitical situation in Cameroon's northwest and southwest regions. "*The diplomat submitted an offer that aims to help Cameroon find responses to the crisis*," according to the Presidency of the Republic.
Pietro Lazzeri says given his country's reputation for linguistic and cultural diversity and its international partiality, it is willing to offer Cameroon its expertise. In this wake, the diplomat indicated that contacts previously initiated between the Swiss authorities and the officials of the National Commission for the Promotion of Bilingualism and Multiculturalism in Cameroon will be strengthened.
As a reminder, the Anglophone crisis in Cameroon sparked with simple claims for better conditions of employment by lawyers and teachers but gradually turned into deadly violent separatist claims motivated by armed gangs. Violence caused 21,921 people to flee to neighboring Nigeria, according to the United Nations High Commissioner for Refugees.

Cameroon plans higher exports to Nigeria and DRC

Cameroon's main technical and financial partners listed a number of recommendations which the country has adopted, following the 10th Session of the Cameroon Business Forum (CBF) recently held in Douala. Cameroon was encouraged to boost exports to countries in the sub-region, notably Nigeria and the Democratic Republic of Congo (DRC). To this end, CBF recommended an aggressive policy of promoting made in Cameroon by developing a national production channel and directing it towards sub-regional and global value chains. Also, Cameroon will have to select 4 key products to be promoted.

This is not the first time the private sector made such suggestions. Back on August 24, 2017, a delegation of the Executive Council of the employers' association (Gicam) led by its president, Célestin Tawamba, was granted an audience in Yaoundé by the trade minister, Luc Magloire Mbarga Atangana. Talks mainly focused on "*the need for an Economic Partnership Agreement (EPA) with Nigeria*."

Gicam had advocated that trade between both countries be more formal saying Cameroon would benefit from trading with the most populous country in Africa (more than 150 million inhabitants) with which it shares about 1,500 km of border. DRC (81 million inhabitants) is also included in this register of economic preference.

Government announces free Rapid HIV Tests from January 2020

Malachie Manaouda (photo), Cameroonian health minister, inked April 4 a decision setting terms for accessing & monitoring HIV testing services and population care in public health facilities.

According to the document, the rapid HIV screenings will be free of charge as of January 1st, 2020. Other free services are also planned for people living with the virus. These are medical and prenatal consultations including booklets, medical records, biological follow-up examinations (CD4 and viral load), early HIV testing for children, antiretroviral (ARV) drugs and drugs to prevent opportunistic infections and others.

The official points out that reagents and medicines for all the above-mentioned examinations and services, in accordance with the national guidelines in force, are provided free of charge to health facilities and laboratories selected under the program. "*Failure to comply with this decision or the application of informal costs to the services mentioned above will be subject to sanctions*," warns the department.

Inflation rate in Cameroon foreseen at 2% in 2019, against 1.1% in 2018

Prices will continue to rise in Cameroon in 2019, according to projections by the National Statistics Institute (INS). Inflation rate could be around 2% in 2019 compared to 1.1% in 2018.

This more expensive life, explains the INS, is closely linked to the 2019 finance law, which provides for an increase in prices on imports of: tires, electronic or digital tablets, telephones and software, passenger cars and other commercial vehicles, public transport cars, etc.

INS points out increased value-added tax (VAT) and excise duties on soft drinks, wines, spirits, whiskies and champagnes, cigarettes, perfumes and cosmetics. Unrest in the northwest and southwest, particularly during this election period could also lead to worsened decline in agricultural production and disruptions in market supply.

In the northern and eastern markets, projected prices for 2019 will follow the usual downward trend at harvest time and gradually increase from April to peak in August during the lean season. Postponement of the African Cup of Nations (CAN) to 2021 will probably eliminate the risk of increased domestic demand driven by the event.

As regard water and electricity consumption, since February this year, VAT is off for monthly consumption that do not exceed 220 KWH for electricity and 20 m^3 for water.

Fourth Review of IMF Program scheduled for April 23-May 3, 2019

Cameroon will go through the fourth review of its Extended Credit Facility with the International Monetary Fund (IMF) next April 23 to May 3. The country's capital will thus welcome an IMF mission over the period and the review report will be presented to the international body's Board in June 2019, subject to the successful performance of the program. So far, Cameroon has successfully passed the first three reviews conducted by Corinne Delechat (photo), Division Chief in the IMF's African Department.
During the last mission held November 5-12, 2018, in Yaoundé, the Division Chief said the 3rd review was 'satisfactory' since Cameroon gradually returned to growth set at 3.8% in 2018 against 3.2% in 2017. The 3rd review enabled an additional disbursement of XAF46 billion for a total of XAF85 billion for 2018 alone. Since this IMF program was launched in June 2017, the country has benefited from a cumulative amount of XAF245 billion approved by the Fund. Let's note that for the 3-year period from 2017 to 2019, Cameroon is seeking $680.7 million (about XAF396 billion) under the program.

Cameroonian Customs Warn of Importation of Fake Meningitis Vaccines

In a message dated April 1, 2019, the Managing Director of Customs at the Cameroonian finance department, Fongod Edwin Nuvaga (photo), called for "maximum vigilance" by customs officials at the country's borders, particularly with regard to shipments of imported medicines and pharmaceutical products.
This "red alert" is reportedly linked to information from the World Health Organization on the circulation of fake meningitis vaccines in some West African countries.
Also, in addition to trade and customs documents, the MD instructs its border officials to systematically check the import authorizations of all importers of medicines and pharmaceutical products entering Cameroonian territory.

CNPS will cover 50% of health care bills for retirees

The Board of CNPS, the National Social Security Fund, gave the top management green light to set up mechanism to cover 50% of medical expenses (consultations, hospitalizations, medical examinations, etc.) for its pensioners.

In the coming weeks, the Managing Director, Alain Olivier noël Mekulu Mvondo Akam (photo), will sign partnership agreements with public hospitals and other health centers to accelerate the implementation of this measure.

The coverage includes "*pensioners, but also recipients of old-age benefits and pension credits, i.e. those who benefit from credits for work-related accidents*," said the public fund.

Cameroon to strengthen craft products' international competitiveness

The Cameroonian government is planning, in partnership with the Agency for Standards and Quality (Anor) and associations of craftsmen, the development of standards for handicraft products. Measures will boost the products' competitiveness on the international market.

"We have commenced this process, which is only the first step towards providing our craftsmen with standards that will define production guidelines and meet international requirements for crafts," explains Achille Bassilekin (photo), Cameroon's Minister for SMEs, the Social Economy and Crafts.

Cameroon has about 70,000 craftsmen in various sectors (wood, textiles, construction, leather, agribusiness, steel, etc.), 80% of whom work in the informal sector, according to the crafts department.

FINANCE

Cemac: Ten banks alone provided over 75% of credit on Beac securities market, at end June 2018

The outstanding debt of the six CEMAC member states on the Bank of Central African States (BEAC) securities market as at 30 June 2018 was XAF1,020 billion, according to the Supervisory Board of the Central Bank's securities settlement and custody unit (CRCT).

Of this amount, XAF766.3 billion was made available by only ten credit institutions, which represents more than 75% of the total financing received by the countries during the period under review.

Top fund providers include four banks in Cameroon (including Afriland First Bank, the leader in this market), which granted XAF 352 billion, representing about 30% of the aggregate amount.

Chadian banks provided XAF232.7 billion, compared with XAF115.8 billion for Gabonese banks and XAF65.8 billion for Banco nacional de Guinea ecuatorial.

1. Afriland First Bank (Cameroun) : 150,9 billions FCfa
2. Commercial Bank Tchad : 145 billions FCfa
3. Ecobank Cameroun : 112 billions FCfa
4. Ecobank Tchad : 87,7 billions FCfa
5. Banco national de Guinea ecuatorial : 65,8 billions FCfa
6. UBA Cameroun : 65,4 billions FCfa
7. Bgfi Gabon : 62,5 billions FCfa
8. BICIG (Gabon) : 27,7 billions FCfa
9. Ecobank Gabon : 25,6 billions FCfa
10. Union Bank of Cameroun : 23,7 billions FCfa

Cameroon: Private sector captures only 11% of AfDB investment portfolio

Current investments by the African Development Bank -AfDB- in Cameroon reached XAF177 billion, official sources revealed. Speaking during a meeting with economic operators on March 28 in Douala, the bank's executives said only 11% of this portfolio was directed to the private sector.

"*This is a paradox given that the African Development Bank has mechanisms for private investments. Sadly, these fund vehicles are weakly deployed in Cameroon,*" regretted Solomane Kone, AfDB representative in the central African country.

In need to address the situation, the bank set up a strategy seeking to promote private investment in Cameroon, in order to make the sector more competitive, both nationally and regionally.

AGRIBUSINESS

Food industry expanded from 764 to 2,564 ompanies, over the past decade

Over the past decade, the Cameroonian food industry welcomed about 1,800 new companies since the number grew from 764 to 2,564 in the 10-year period. Figures were unveiled in a presentation by the Minister of Industry (Minmidt), Gabriel Dodo Ndocke, on March 28 in Yaoundé during a Cabinet meeting chaired by Prime Minister Joseph Dion Ngute.

Between 2009 and 2016, the official said, the industrial processing of items such as palm oil, cocoa, tea and sugar strongly developed. Today, the processing of agricultural products represents 28% of the added value of the secondary sector, excluding oil, in Cameroon.

However, Cameroon's industrial fabric remains very unbalanced insofar as 3% of companies produce more than 95% of the added value.

Talking of barriers to the development of the agricultural processing industry, the Minister of Industry mentioned, among other things, the obsolescence of the production machinery, the inadequacy of transport infrastructures, the difficulties in accessing financing and production factors, as well as the unavailability of raw materials in some cases.

Solutions, according to him, lie in the institutional structuring, which requires that government bodies, the private sector and development partners join forces. Are also listed the creation of land reserves, the opening up of production basins, the availability of electricity in quantity and quality, and the development of transport infrastructure.

For Mr. Ndocke, there is also a need for operational structuring, through the development of value chains with Technology and Innovation Support Centers, the establishment of reference technology parks and agro-industrial complexes. In addition, he points out the strengthening of mechanisms to support small and medium-sized industries, through the promotion of economic patriotism and the establishment of an infrastructure to ensure the quality of local products through the standardization of associated specifications.

Cameroon cuts cocoa production forecasts for 2020 from 600,000 to 285,000 tons

Whilst Cameroon aimed for 600,000 tons of cocoa in 2020, indicators now show targets will not be hit as envisaged in the cocoa-coffee stimulus package adopted in 2014 by the government. Production in 2020 is now forecasted to be 285,000 tons, according to Fitch Solutions.
Estimates for 2023 are 330,000 tons, a little more than half of what was forecasted for 2020. Output for 2021 is seen at 300,000 tons followed by gradual increase by 15,000 tons per annum until 2023.
As a reminder, the country is still suffering unrest in the Anglophone regions which are major bean production areas. But new plantations with improved yields are gradually entering production, thanks to the "New Generation" program, aiming to rejuvenate trees and create new plantations, launched in 2012 by the cocoa-coffee inter profession.
The program already created 1,533 hectares of cocoa across the country, plan initiators said. A scheme emerged when a recent study found the average age of producers exceeded 60 years in some production areas. Under the program, young people interested in the field received a 3-year training at the end of which trainees who undertake to create at least 3 hectares of cocoa farm receive support (except land and workforce) and adequate follow-up, to become agricultural entrepreneurs, specialized in cocoa production. Support is provided by the cocoa-coffee inter profession.
However, this program alone is not enough to give the sector a new strong breathe. Already considered doomed to failure by some experts, the plan was not implemented effectively mainly because of the difficulties in mobilizing the required investment of XAF600 billion.
Even the increase by nearly 300% in the beans export tax at the beginning of the 2014-2015 cocoa season, with a view to financing the stimulus package did not make it possible to mobilize the expected monies.
During the 2017-2018 cocoa season the Cameroonian government granted a 50% reduction on this levy, so that exporters could buy the beans from local producers at attractive prices. The measure was to help local growers withstand falling world prices.

Honey production reached nearly 600,000L in Adamaoua, in 2017

The 1,212 beekeepers in Adamaoua, north region of Cameroon, produced nearly 600,000 liters of honey in 2017, according to figures provided by L'œil du Sahel.

This volume which mainly supplied the Cameroonian and Nigerian markets is, pending 2018 statistics, forecasted to decline in 2018. Same downward trend is seen for 2019, due to hostage takings targeting farmers in the region.

"*Herdsmen are major honey producers in the region of Adamaoua. Wherever they go, they search for hives and collect honey. But with the hostage takings, production has drastically dropped*," said an official of the regional delegation of the livestock department.

Disruptions loom over wood market due to Forest Concessions' renewal Process in Cameroon

Loggers operating in Cameroon, whose concession periods have expired, are invited by the government to make new offers for the possible renewal of their concessions, the International Tropical Timber Organization (ITTO) informed in its International Timber Market Outlook issued in March 2019.

Yet, ITTO is concerned that the process may cause disruptions in the international timber market, as the country is a major timber supplier. "*In these circumstances, integrated operators could have difficulty in ensuring a continuous supply of log, and be forced to buy raw material from those who own concessions, if they wish to keep operating,*" ITTO explains.

SAFACAM witnessed 50% slide in profit in 2018

Société africaine forestière et agricole du Cameroun -SAFACAM-, subsidiary of Luxembourg Socfin, posted a net result of €872,000 (XFA571.16 million) in 2018, against €2,807 million (XAF1.8 billion) in 2017, a drop by nearly 50%.
Such dire situation was foreseen by the company which already announced the second half (H2 2018) would be tougher than the first.
“On the palm oil market [on which Safacam also operates], the decline in production at the end of the year does not allow for such sustained activity as in the first half of the year. Regarding rubber, there is still uncertainty about the evolution of international prices, which continues to decline,” Safacam announced. In other words, performance during the first half was diluted in the second half.
However, the company saw a slight increase in turnover to XAF6.6 billion in 2018, compared to XAF16.3 billion in 2017.

Cocoa’s share in export revenues doubled to 36.5% in 2016 (Fitch Solutions)

Despite a decline by 9.1% in production to 211,000 tons during the 2015-16 campaign, cocoa significantly weighed in export revenues after oil prices slid over the period.
According to Fitch Solutions, a branch of Fitch group, which provides figures, the share of cocoa in export revenues doubled in 2016 reaching 36.5% against 16% previously.
Let’s note that the crop is the 2nd source of export revenues in Cameroon after oil and gas which account for more than 40% of gains. Other sources include wood, banana, cotton and coffee.

Sosucam reports a stock of 52,000t of sugar in Q1 2019

During the first quarter this year, Cameroon Sugar Corporation Sosucam, the Cameroonian arm of French Somdiaa reported a stock of nearly 52,000 tons of sugar.

The volume is distributed as follows: 11,000 tons in Mbandjock, 38,000 tons in Nkoteng, 2,000 tons in Douala and 600 tons in Ngaoundéré, in the northern part of the country. As well, supply of professional networks covers 150 tons of sugar in Yaoundé, 100 tons in Douala and 150 tons in Ngaoundéré.

"*It is a guarantee of market coverage as the deadlines approach i.e. the Ramadan period, the festive period of the Unity Day, the entry into production of brewery companies, cookie manufacturers, yogurt and juice producers, etc.,*" says Jean Ntsama Etoundi, in charge of the commercial and marketing operations at Sosucam.

Almost at the same time in 2018, the company, which leads the market (70% of market share), experienced a difficult time and stock stood at more than 45,000 tons of sugar (more than 3 months of national consumption volume), in Mbandjock and Nkoteng, in the Central Cameroon region.

Sosucam has considered stopping its activities because of massive imports ; a situation that increases stocks. This led the Presidency of the Republic to ban massive imports.

During the 2018-2019 season, Sosucam plans to produce nearly 130,000 tons of sugar. 22,000 hectares of sugar cane will be harvested at the two sites in Mbandjock and Nkoteng. Processing of 1.4 million tons of cane is planned.

ENERGY

Nhpc commences clearing of 310 ha for Nachtigal dam development (420 MW)

Nachtigal Hydro Power Company (Nhpc) announces that the clearing of 310 ha has begun on the 1,792-ha land to house the Nachtigal dam, located 65 km north-east of Yaoundé, the capital of Cameroon.
The company said the area has been studied in order to cover only what is strictly necessary for construction. These include the rights-of-way of future permanent structures (roads, dams, canals, hydroelectric power plants, energy evacuation stations, buildings in the city of operation), and temporary work areas such as workshops, crushing areas, equipment storage areas.
"*Fine woods in the area have been listed, cut and made available. A total of 178 rods (685m³). It is planned that in each village concerned, residues of fine wood cutting as well as the cut wood resulting from deforestation will be made available to the population in removal areas defined with the local authorities*," says Nhpc.
The company is 40% owned by EDF, 20% by the International Finance Corporation (IFC), 15% by the State of Cameroon, 15% by Africa50 and 10% by STOA Infra & Energy. This consortium will operate the hydroelectric facility for a period of 35 years. Dam commissioning is scheduled for 2023 and more than 2,900 GWh is expected each year. A total of XAF786 billion is needed for works.

Cameroon sets a new petroleum code

The Cameroonian government has just submitted a new oil code to the parliament. According to the bill's grounds, it aims to "*revive the exploitation of hydrocarbons, improve production, increase State revenues, and foster the development of the populations living near oil fields*."
Indeed, the new oil code provides for eased procedures as well as loosened tax, customs and exchange regimes for oil companies ; and now allows the joint operation of blocks covered by separate contracts.
If passed by Parliament, this text which will then be promulgated by the Head of State within 15 days, is intended to be more attractive to investors, who will now have obligations of transparency and development for communities bordering oil fields.

Cemac: Oil output forecasted to drop from 370mln barrels this year to 330mln in 2022

Oil output within the Cemac area is forecasted to shrink from about 370 million barrels this year to about 330 million barrels in 2022, the International Monetary Fund IMF said in its latest Cemac report issued March 24.

According to the document, the natural decline in oil production leads the oil revenues-to-GDP ratio to fall from 2019 onwards reaching 4.5% in 2022. Ratio was 7.5% in 2018 spurred by recent price hike. Another consequence of the weak production, IMF notes, is the slide in Beac's foreign reserves from XAF8,865 billion in 2012 to XAF3,128 billion in 2017. This reflects a drop from 5.6 months to 2.3 months of imports.

IMF recommends that CEMAC member states step up efforts to increase non-oil revenues. "*As part of IMF-approved programs, measures and reforms have been initiated (by CEMAC states) in this direction but actions taken so far have been too timid and unsuccessful. They must be strengthened in the coming years to meet the remaining budgetary consolidation needs in a way that promotes accelerated and inclusive growth*," the report suggests.

TRANSPORTATION

Cameroon-CAR traffic resumes, after about a month of suspension due to rebel actions

Freight transport between Cameroon and the Central African Republic via the border city of Garoua-Boulaï, western part of Cameroon, resumed March 28 after about a month of suspension.
The good news is owing to a decision by Central African rebels to break camp at that border they blocked since March 3 to protest against the appointment of the new Prime Minister in their country. Camp was broken after a dialogue was open between parties in Addis Ababa, Ethiopia.
Therefore, the hundreds of trucks loaded with goods, which had been immobilized for several weeks, both in Cameroonian and Central African territory, have now resumed operations.
According to official Cameroonian customs statistics, about XAF55 billion worth of Central African goods transit Cameroon each year.

Camair-Co reports 2.5 million passengers transported since 2011

Camair-co, Cameroon's airlines corporation, celebrated 8 years of establishment on March 28 this year. The company was launched March 28, 2011.
Since it started operations, Camair-Co transported more than 2.5 million passengers; that's about 312,000 passengers a year. And it has operated 37,294 flights "*in accordance with the norms and standards required in the air transport industry*."
Over its lifetime, the airlines did face some difficulties starting with an unstable top management. The current MD Ernest Dikoum is the fifth in 8 years; this makes a term of 1.6 years per MD.
As regards finance, Camair-Co closed 2018 with a turnover of XAF26.6 billion, up more than XAF10 billion. This feat was achieved partly thanks to expansion in many African countries (including CAR, Senegal, Côte d'Ivoire, Gabon, Nigeria and Mali) as well as the intensification in interurban transport. But presently the state-owned airlines has its six aircrafts out of order due to lack of money to fix them all.

However, the almost always loss-making company benefited from a stimulus plan proposed in 2016 by US firm Boeing Consulting. Under this plan, the company will clear a debt of XAF35 billion, invest XAF60 billion in development, reorganize its network to nearly 23 destinations. It is also planned to establish a technical maintenance platform and upgrade fleet with the number of planes to be increased to twelve.

Despite UN escort, nearly 5,000 truckers pay Central African rebels XAF150M for each trip

In need to learn more about time and formalities required to cross borders within the Cemac area, the African Development Bank (AfDB) conducted a mission early 2019 across the corridor from Douala (Cameroon) to Bangui (Central African Republic) and Ndjamena (Chad), among others. This 1,500 km road is the main axis on the Douala - Yaoundé - Bonis - Bertoua - Garoua-Boulaï – Bangui segment. The Douala-Bangui and Douala-Ndjamena corridors are served by a little more than 5,000 trucks and the existing agreement provides for 60% Cameroonian truckers and 40% Central African truckers. But, according to the AfDB, only five Central African carriers operate on this axis. This means, the remaining (4,995) are all Cameroonians.

AfDB has noted that travel can easily reach 5 to 8 days, with many checkpoints and weighing stations. It identified 60 checkpoints between Douala and Garoua-Boulaï and each trucker pays between $6 (about XAF3,500) and $10 (XAF5,500) at each point. This means, the 4,995 Cameroonian truckers pay between XAF17.4 million and XAF27.4 million per trip even though there are no rest areas provided for transporters, thus increasing the risk of accidents.

Insecurity between Garoua-Boulaï and Bangui requires convoy travel under UN or Central African Armed Forces escort three times a week. Escort fee is $50 (nearly XAF30,000) per truck and per trip from both Garoua-Boulaï and Bangui. Cameroonian drivers thus pay about XAF150 million per trip.

Further, AfDB also indicated, there is"*the payment to the Central African rebels of $10 per driver departing Garoua-Boulaï, despite the presence of the UN or Central African escort*." In other words, the Central African rebels receive from 4,995 Cameroonian truckers an amount of XAF27.47 million per trip despite the presence of a UN escort.

At the Beloko border on both the Cameroonian and Central African sides, each driver must pay $32 (about XAF18,600) to cross the border without a receipt. That is nearly XAF93 million for all the Cameroonian drivers on each trip.

In total, Cameroonian truckers pay between XAF287.8 million and 297.87 million per trip on the Douala-Bangui corridor.

Camair-Co says it had its MA-60 aircraft inspected, as recommended by Avic International

Last March 19, Cameroon Civil Aviation Authority CCAA required the public airlines Camair-Co to get its MA-60 plane tested by Chinese manufacturer Avic International to ensure the aircraft is still operable. CCAA required this since the plane's tail struck ground at the Bafoussam-Bamougoum airport March 10.
MD Ernest Dikoum said following the incident, "*inspections of the affected area have been conducted on site according to the procedure recommended in the aircraft maintenance manual and no defects likely to put flights at risk were identified.*"
"*Upon the aircraft's return to Douala, the main base, a second thorough inspection was carried out by the team qualified for such intervention. This second inspection confirmed the absence of structural defects.*"
"*Avic International was informed of the measures taken to keep the aircraft in operation. After analyzing the facts, the manufacturer Avic International recommended an additional inspection with specific instruments. This inspection was carried out immediately and found no anomalies that would compromise the aircraft's airworthiness,*" says Ernest Dikoum.
The manager said the complete technical file relating to this event was transmitted to CCAA as soon as the injunction to stop the operation of this aircraft was issued. "*The suspension requested by the CCAA was lifted within 12 hours after receiving the transmitted file and the aircraft continues to operate normally,*" says Dikoum.

Egyptair, Air Algérie, Air Sénégal, Arik Air and Tropical Air Gabon aims for Cameroonian skies

Cameroonian Civil Aviation Authority CCAA announced airlines such as Egyptair, Air Algérie, Air Sénégal, Arik Air and Tropical Air Gabon are all aiming for Cameroonian sky.
Authorization will be given by the Committee in charge of approving programs of scheduled international air services operated by airlines serving Cameroon.
For the time being, CCAA says, 19 scheduled airlines will provide services to Cameroon during the 2019 summer season, from March 31 to October 19, 2019. These include Air France, Asky, Royal Air Maroc, SN Brussels, Rwandair, Kenya Airways, Turkish Airlines, among others.
Compared to the previous season (winter 2018-2019), two new airlines joined the 17 that were operating scheduled flights to Cameroon. These are Chadia Airlines and Solenta Aviation Gabon.
"*This attractiveness to Cameroon as a destination testifies to the reliability of the aviation safety and security oversight system in place in our country,*" said the Aviation Authority.

MINING

Government plans further extension of Mbalam mining project to June 30 this year

Australian mining company Sundance Resources could benefit from an additional extension of its Mbalam-Nabeba Iron Ore Project Convention. The project has a potential of 40 million tons and straddles the border of Cameroon and the Republic of Congo.

In an update issued April 3, 2019, MD Giulio Casello said a number of meetings have been recently held in Cameroon between senior government officials and representatives from Sundance and AustSino Resources Group as well as potential other stakeholders that are interested in participating in the funding, construction and operation of the project.

"*The meetings were positively received by the Cameroonian Government, which reiterated its strong desire to see the Project developed as quickly as possible. Sundance is currently waiting on a formal written position from the Cameroonian Government regarding the reinstatement of the Mbalam Convention between Sundance's subsidiary Cam Iron and the Cameroonian Government.*"

If Cameroon's official position is favorable to Cam Iron, this will support AustSino's ongoing efforts towards taking control of the project. The government approval will ease transfer of required funds to complete transactions documented in the agreement between Sundance, its shareholders and AustSino dated September 24, 2018.

Sundance Resources announced last December 31 that the end date for its convention with Cameroon has been extended to March 31, 2019. Subsequently, motivated by progress made in the country, the company has reached an agreement with all parties including AustSino to further extend convention to June 30 this year.

To facilitate this new extension, the company has agreed to issue 300 million fully paid ordinary shares to Western Australian Port Rail Construction (Shanghai) Ltd.

"*The positive reception from the Cameroonian Government to Sundance's proposal to engage with AustSino and other stakeholders with a keen desire to develop the Mbalam Iron Ore Project is most encouraging. Progress is being made to complete this transformational deal with AustSino, which we remain confident is in the best interest of all Sundance shareholders*," said CEO Giulio Casello.

LEADER OF THE MONTH

France awards its first ever Simone Veil prize to Cameroonian Aissa Doumara for her women rights actions

Aissa Doumara has made the support to women victims of the exaction of Nigerian Islamic sect Boko Haram her call.

On March 8, 2019, Emmanuel Macron, France's president, awarded its first ever Simone Veil price to the Cameroonian Aissa Doumara to thank her for her women rights actions in North Cameroon where women are still subjected to some ancestral traditions.
Based in the Far-North where she coordinates the actions of the local branch of Association de lutte contre les violences faites aux femmes (Alvf), which combats violence against women, Aissa Doumara is the mother of three children and has been forcefully married when she was young.
Despite her in-laws' reticence to getting education, she completed secondary school and, for more than twenty years now has been combatting forced marriages and violence against women. Recently, she has decided to comfort women victims of the exaction of Nigerian Islamic sect Boko Haram.

"*For all of us, your now acknowledged engagement and personality are an example of the courage to question burden of inheritances, confront bias and societal reprobation, oppose injustice and break the silence*" president Emmanuel Macron said praising the "*exceptional personality*" of this Cameroonian born in 1972.
In her statement given at the French presidency in front of president Macron and members of Simone Veil's family, Aissa Doumara declared that she is accepting the prize with much emotions. She also dedicated the award to "*all the women who have been the victim of violence and forced marriage as well as to all the Boko Haram survivors*".
The Simone Veil prize that comes with a €100,000 (more than 65 million CFA Francs) grant is awarded for the first time this year to honor the former French minister who left an indelible mark in the combat for women emancipation in France.
In 1975 for instance, Simone Veil, then minister of health, successfully defended the voluntary termination of pregnancy law in front of the French national assembly. She died on June 30, 2017.

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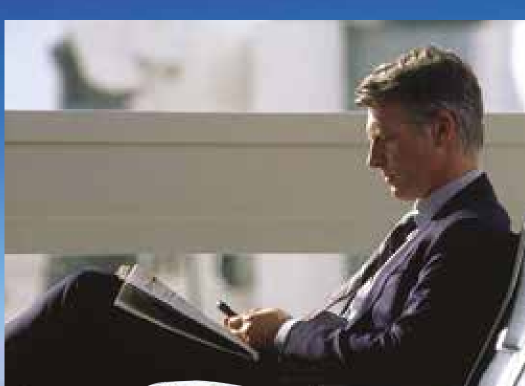

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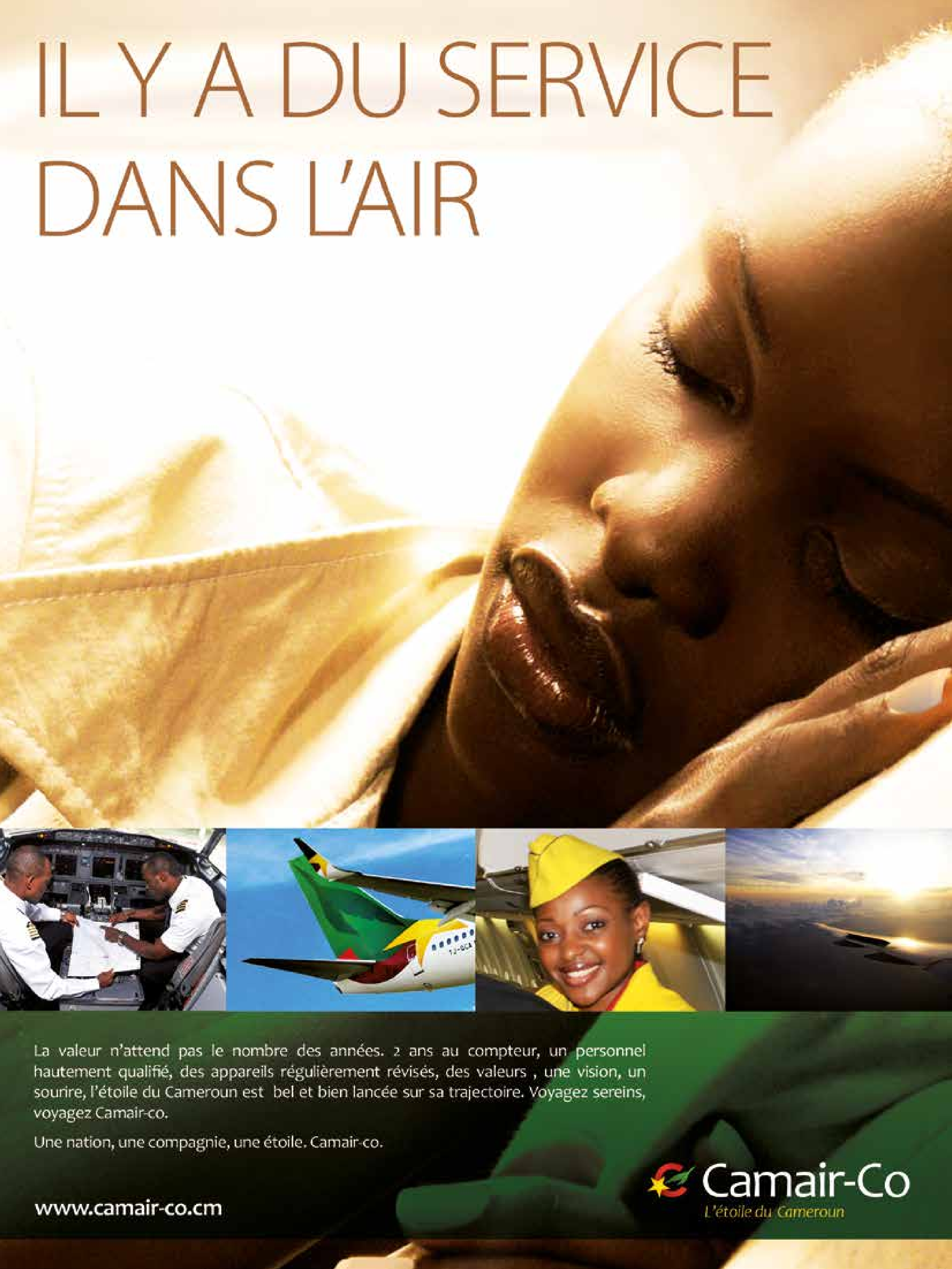
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