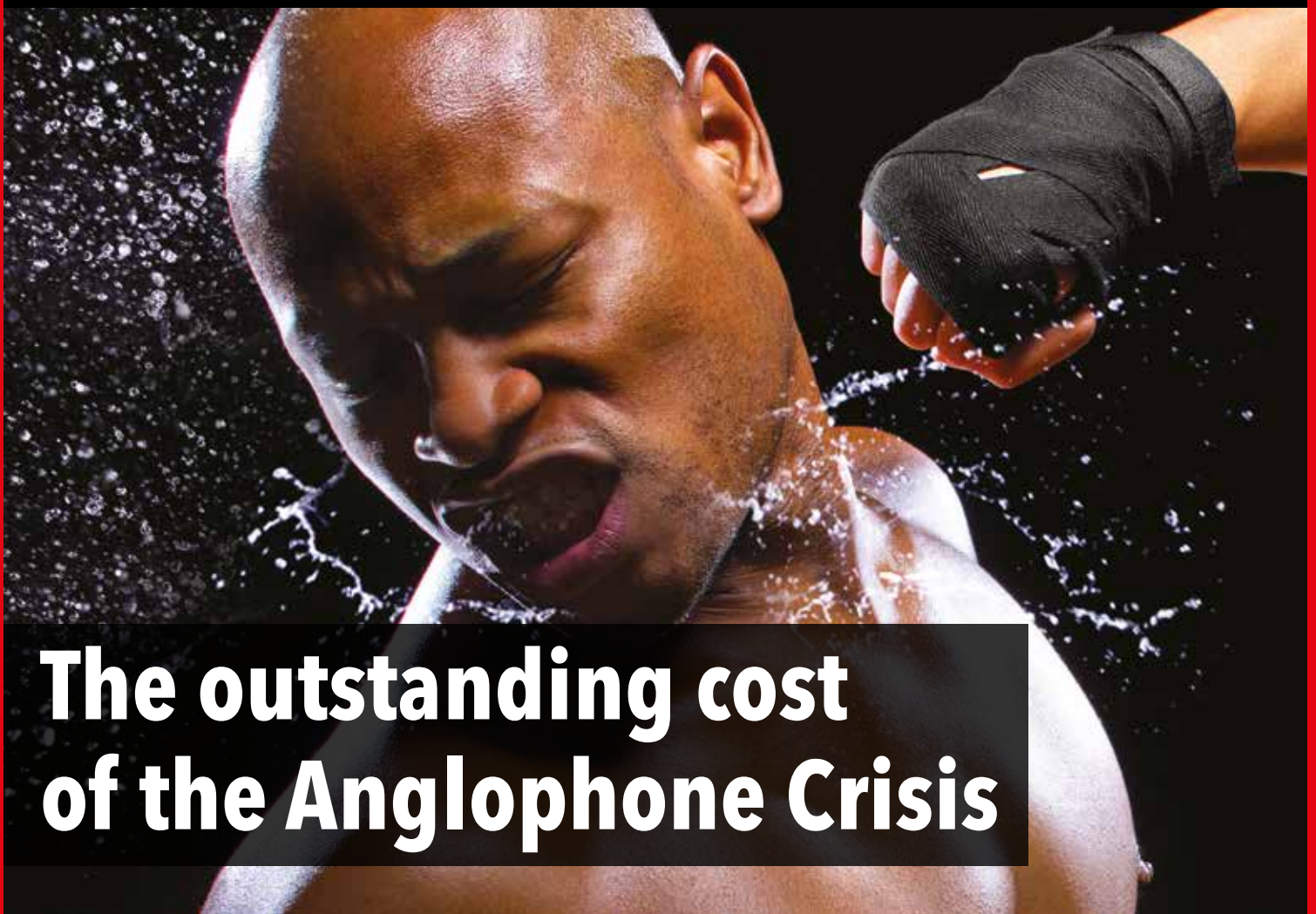


September 2019 / N° 79

# BUSINESS IN CAMEROON

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## The outstanding cost of the Anglophone Crisis

Camair-Co:  
The Trans-Sahelian line  
successfully launched



A "made in Cameroon"  
house appliances factory  
in Kribi



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**Yasmine Bahri-Domon**



# A national dialogue to end Anglophone crisis

Is it possible that Cameroon's Anglophone crisis is, at last, coming to its end? This may very well be the case, considering President Biya's recent address to the nation on September 10. *"I have decided to hold, at the end of this month, a national dialogue which, in line with our constitution, will help us identify and find ways to satisfy the main expectations of the people of the Northwest and Southwest, but also that of all other strata of our nation,"* the leader declared. Much awaited since the beginning of this crisis, this announcement could be the spark that will rekindle Cameroon's dimming patriotic fire and end turmoil which profits no one.

The Anglophone crisis finds its roots in 2016 when a group of teachers and lawyers from Cameroon's English-speaking regions, namely the Northwest and Southwest (whose respective capitals are Bamenda and Buea), started protests. This is when what is so far one of the country's most obscure periods began, under Paul Biya's leadership. Indeed, using the protests as pretext, some leaders of the movement voiced claims for the secession and independence of the Anglophone region. However, the government would not yield under the pressure, remaining inflexible all for the sake of Cameroon's unity.

Since then, multiple conflicts followed, paired with attacks by Nigerian Islamist sect Boko Haram, and these have considerably hampered both the country's social and economic fabrics. According to a report released by Cameroon's employers' association (GICAM) in July 2018, the crisis cost the country a revenue shortfall of XOF269 billion and 6,434 jobs. Various thriving businesses and resources, such as the Cameroon Development Corporation (CDC) and Pamol Plantation, were ravaged amid conflicts. More recently even, the country's single oil refinery, SONARA, was burnt. All these events only devastated an already-weakened local economy and impaired national economy.

Hopefully, the coming dialogue will pave the way towards a new era of peace, stability, and talks that will enable Cameroon to achieve emergence by 2035. This is a challenge that the Cameroonian people, a united people, has to overcome, and show the world once again that "impossible is not Cameroonian."

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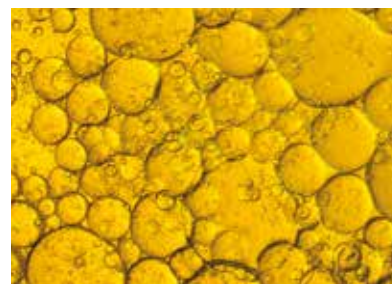
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## COMPANY OF THE MONTH

# Camair-Co transported 2,000 passengers on the Trans-Sahelian line just 2 weeks after launch



More than 2,000 passengers have travelled via Camair-Co's Trans-Sahelian line within the two weeks after the line was launched. This was revealed by the state-owned carrier in a mail sent to the minister of transport Jean Ernest Ngallé Bibéhé. The trans-Sahelian line flies to Maroua and Ngaoundéré from Garoua airport. Its popularity with passengers should boost Camair-Co's performance, which has improved in the past few months. Indeed,

according to the managing director, between May and July 2019, the carrier's turnover rose by more than 150% to XAF937 million (from XAF341 million).

The performances on the Trans-Sahelian line are set to improve further in the coming months as the three North-Cameroonian regions are the largest domestic markets for Camair-Co, according to official figures.

In 2016, the aviation authority

reveals, 38% of the Carrier's domestic flights were operated at the Garoua and Maroua-Salak airports. Yaoundé-Nsimalen (37 %) and Douala (27 %) came next.

In addition, Camair-Co revealed that in 2018, it transported 343,000 passengers. 30% of them (104,000) were transported via lines in the northern regions.

**BRM**

## MONTHLY STATISTICS

### XAF240 billion

To fund its 2019 budget, Cameroon will raise from the BEAC's public securities market XAF240 billion.

According to the apex bank, this should be done by issuing mainly fungible treasury bills.

In detail, the country should have raised XAF190 billion through various issuances, between July and September 2019. While maturity period for these bills is 13-52 weeks, the remaining monies, XAF50 billion, will be raised in a single issuance. For the latter, the bills will mature over five years.

### 9 tons

Plantations du Haut Penja (PHP) expects an output of nine tons this year, according to official sources.

According to one of its top executives, the subsidiary of Compagnie fruitière de Marseille, the French fruit company, this is three tons less than it produced in 2018.

The drop is attributable to a fungi infestation that drove the firm to abandon some of its plantations. In effect, the plague halved PHP's cultivated areas, from 40 ha to 21 ha.

### 448

Cameroon's customs office recently seized 448 boxes of medicines that were being smuggled into the country from the Central African Republic (CAR). This was during a routine check in Garoua Boulai, an Eastern town sharing a border with the Central African Republic.

The seized boxes were according to the customs authorities headed to Douala. The routine check, it should be emphasized, falls under a larger program, baptized Halcomi, launched some months ago by the ministry of public health.

### 65%

Over the first half of this year, the US imported 21% less hardwood veneers globally, year-to-year. According to the International Tropical Timber Organisation (ITTO) which disclosed the figure, the drop was mainly driven by a slump in shipments from Cameroon.

Indeed, in June 2019, the volume of hardwood veneers imported by the US from the central African nation was down 22% compared to the same month a year before. Over H1 2019, these volumes recorded a 65% decrease, y/y.

# Socio-economic impacts of the Anglophone crisis in Cameroon

In October 2016, in Cameroon, Anglophone lawyers and teachers launched a motion to denounce the francization of legal and education sectors in the Northwest and Southwest, the country's two Anglophone regions. Government willfully addressed their worries by appointing Anglophone judges, launching a "common law" course at the National School of Administration and Magistracy (ENAM), and even a special competition to recruit English-speaking Cameroonians, all to no avail. Leaders of the movement were arrested but later released as a gesture of appeasement. However,

unabated, protests continued despite a dialogue mission led by the prime minister in the region.

The following year, attacks resumed with improvised bombs exploding in the southwest. Some members of the security forces deployed to ensure residents' safety were murdered and their weapons looted by the secessionists, who previously used traditional weapons.

What started just as a corporate claim finally turned into a socio-political crisis. From abroad even, some Cameroonians from the Anglophone region proclaimed the creation of a puppet country, Ambazonia, which regroups the country's two

Anglophone regions.

On social media, Sisiku Ayuk Tabe, self-proclaimed leader of Ambazonia claimed the multiple assassinations of defense forces. Meanwhile, hospitals were burnt, and children brutalized on their way to school, all using secessionist claims as pretexts. Every Monday, the secessionist movement would carry out 'Ghost Town' operations, threatening and assaulting those who dare their authority by going around doing their daily activities.

This sums up the situation that has been prevailing in the southwest and northwest over the past three years. Business in these regions is at its lowest and the southwest which used to be the country's leading cocoa production basin has been dethroned by the Central region, two seasons ago. Former flagships of the agribusiness sector in the Anglophone region, Pamol Plantations PLC and Cameroon Development Corporation (CDC) have ceased all activity. Such is the gloomy state in which Cameroon's Anglophone region is currently plunged. In our focus for this monthly edition of your magazine, we tell you about the socio-economic impacts of this crisis.

**Brice R. Mbodiam**



## Dangote Cameroon's H1 2019 sales affected by "Continuous security challenges" and "1.6Mta new competitor capacity"

Nigerian cement giant Dangote Cement PLC recently published its H1 2019 results statement. According to figures available in the report, the Cameroonian subsidiary's sales decreased during the period under review.

*"Our 1.5Mta clinker grinding facility in Douala sold approximately 0.6Mt*

*of cement in H1 2019, a 7.1% decrease on the 0.64Mt sold in H1 2018. We estimate our market share to have been 40% during the period (...) The decrease in our sales can be attributed to the continuous security challenges in the North West and South West regions, resulting in reduced activity, as well as the 1.6Mta new competitor*

*capacity," the group writes.*

Dangote estimates that in H1 2019, the cement demand in Cameroon was about 1.5 million tons. The high demand was mainly spurred by government's social housing and infrastructures, in the framework of AFCON 2021, as well as individual construction projects.

## MTN Cameroon's 60% market share in the Anglophone region affected by ongoing crisis

In the telecom sector, mobile operator MTN Cameroon is the most affected by the crisis that has been hitting Cameroon's Anglophone regions since 2017.

*"Our performance [...] is heavily hit by the crisis in the northwest and southwest where MTN owns 60% of its market shares in the telecommunications sector," the Managing Director Hendrik Kasteel said January 31, 2019 in Douala.*

Another MTN official, Massey Njiti Bongang, the company's corporate communications manager, told NewsWatch in late 2018 that in the Anglophone regions, *"a total of 206 MTN sites have been ransacked since April 2018, or have been out of order due to issues with accessing them because of the insecurity."*



# CDC expected to partially resume activities in Q3, 2019, after a violence-induced XAF32 bln loss in 2018



Almost a year after shutting down due to the conflicts in the Anglophone regions, Cameroon Development Corporation (CDC) could soon resume activity. In 2018, the firm posted a net loss of XAF32 billion, the Head of its Banana Division, Christopher Ngalla, reports. The shutdown, he says, is disastrous for the Cameroonian economy, the southwest region's especially since it used to cash out almost XAF500 million from CDC operations, monthly.

According to the company's top management, it needs XAF29 billion to bounce back. In detail, MD Franklin Ngoni Njie explains, the rubber, banana and palm oil segments respectively need XAF7 billion, XAF14 billion and XAF7 billion. Remaining XAF1 billion will be used to pay salary arrears.

The projected restart, let's emphasize, is the fruit of meetings, instructed by President Paul Biya himself, with the PM's office. According to sources close to the case, it is said to

occur this quarter, over about 1,000 hectares initially.

## OVERVIEW

On July 25, 2019, Cameroon Development Corporation (CDC)'s de Mafanja I packing station in Tiko, Southwest Cameroon, was in a sad state. Only the guards were present on the site of what remains of CDC's largest packing station.

The ground of the large roofless shed was full of old boxes, which were used to pack the renowned Makossa banana before the August 2018's tragedy, during which the unit was burnt by separatists who are still causing havoc in the southwest and north-west regions of Cameroon.

Since that tragic episode, activities at the Mafanja I unit were halted and the 3,715 hectares of banana, rubber and oil palm plantations CDC operated were all abandoned. Only the infirmary is still functional to provide healthcare to workers, most of whom have had their fingers cut off by secessionists whose intention was to disrupt activities on the work sites. At the moment, some of the plantations which were under attack have become training grounds for the protesters.

**Brice R. Mbodiam**

## CDC'S PALM OIL AND RUBBER SECTORS AT THEIR LOWEST

Not only is CDC facing a tough situation on its banana segment but also its palm oil and rubber sectors are all drowning. Figures issued on July 5, during a visit to the site by the Minister of Agriculture, Gabriel Mbairrobe, showed that the company only produced 2,100 tons of palm oil in H1 2019, out of a forecast of 17,400 tons. Meanwhile, rubber production was only

878 tons, out of 4,000 tons expected. This makes an execution rate of 23%.

The Anglophone crisis that has been plaguing the southwest and the northwest regions since 2017 has also been fatal to employees. Indeed, the company revealed, since violence started, 16 employees were killed, while more than 98 workers have been more or less seriously injured.

## 4,400 schools closed in Cameroon's Anglophone regions amid secessionist crisis



In a recent study, the United Nations Children's Fund (UNICEF) found that the number of schools that closed in the four countries affected by crises in the Lake Chad basin (Cameroon, Chad, Niger and Nigeria) increased slightly from 981 to 1,054 between the end of 2017 and June 2019.

For Cameroon alone, the growing crisis in the northwest and the southwest has forced more than 4,400 schools to close. The UN agency says it is already working with school

authorities and communities to bolster alternative learning methods, including community learning centers, radio lessons, and the use of technology for teaching and learning. "In Cameroon, life-saving courses and messages are broadcast in various languages, so that children can learn in groups with a qualified trainer or someone who can help them in their own homes," Unicef says.

The socio-political crisis has been ongoing for the past three years in

northwestern and southwestern Cameroon. What started out as a simple corporatist demand by lawyers and teachers, gradually turned into violent separatist claims with armed groups spreading fear across the country.

As a result, fearing the attacks, 21,291 Cameroonians fled to Nigeria, according to the United Nations High Commissioner for Refugees.

## 60-80% of agribusinesses are out of access in Northwest and Southwest Cameroon due to unrest



Due to the ongoing Anglophone crisis, 60% to 80% of agribusinesses located in the Northwest and Southwest regions are now inaccessible, the Cameroonian inter-employers' group (Gicam) said in a recent report on the crisis' economic impact.

The document indicated that many companies in these regions have been forced to move to safer places to avoid vandalism and destruction of their facilities. One of the

most affected sectors, the beverage industry, witnessed a loss of up to XAF40 million in turnover since the unrest started in October 2016. Theft and vandalism have already cost the industry more than XAF500 million in material losses, in addition to sums paid by employees to escape robberies and other threats. Though milling industries own no flour mill in these regions, their activities also suffer from the climate of insecurity. Delivery trucks belonging

to them or to third parties that work directly or not with them have been set on fire. This implies a significant decline (5% to 40%) in deliveries to customers namely bakers and other wholesalers; the impact differing from one company to another. The shortfall for the entire sector is valued at around XAF4.9 billion. Let's mention that if the situation worsens, total job cuts could reach up to 15% of employees.

**Sylvain Andzongo**

# Cameroon raises 2019 security budget by XAF20bln to better deal with escalating crisis

The Cameroonian government increased by XAF20 billion the amount it initially forecasted to use to maintain security in some regions vulnerable to crisis. Sources said the additional money will make it possible to effectively pursue the deployment of defense and security forces in the Far North, Adamaoua, East and the two Anglophone regions. As a reminder, the Far North has been suffering from exactions by Boko Haram sect since 2013. Kidnappers are targeting breeders in Adamaoua, and the North-West and South-West regions have been experiencing a social crisis sparked

by separatist claims for almost three years. In the East, the army is facing

abuses by Central African rebels along the border with Cameroon.



## International Crisis Group says 20 months' riots in Anglophone regions killed 1,850

NGO International Crisis Group has just published a report on the ongoing social and political crisis in the northwest and southwest regions of Cameroon. Following 20 months of riots, the group says, 1,850 died, 530,000 are displaced within the country while 35,000 others fled to neighboring Nigeria. At least 235 military and police officers, 650 civilians and nearly a thousand suspected separatists were killed, according to the document. These figures are different from those provided by the Cameroonian authorities who estimate death toll at 1,600 (400 civilians, 160 military and police

officers and a thousand separatists). *"The socio-political crisis that began in October 2016 in the Anglophone Northwest and Southwest regions mutated into armed conflict at the end of 2017. Seven armed militias are currently in positions of strength in most rural areas. The security forces reacted slowly, but since mid-2018 have inflicted casualties on the separatists. They have not been able, however, to regain full control over rural areas nor prevent repeated separatist attacks in the towns,"* the document said. A way out, the International Crisis Group suggests, would be a combination of internal and international pressures that could lead both the

government and the separatists to make concessions. The group says both sides must explore compromise solutions aimed at a kind of regional autonomy between the secession desired by the separatists and the decentralization solution proposed by Cameroon.

In this process, the International Crisis Group believes that international actors, including the United States, Switzerland, the Vatican, the United Nations, the European Union (in particular France, Germany and the United Kingdom) and the African Union, must continue to encourage the government to engage in dialog.

Alkis Bruno Domyou Noubi

*“Our goal is to conquer the whole African market with our made-in-Cameroon home appliances”*

This 45-year old Cameroonian businessman is the head of Noubu Holding, a group with 15 businesses operating across various sectors. He just landed with the Kribi Port Authority (PAK) a deal to get a 20-ha land in the industrial area where Kribi's deep-water port is located. On the newly acquired land will be built a house appliance factory for an investment of XOF45 billion.



*"We believe that despite the difficult times the region is experiencing, demand for house appliances will keep rising in Cameroon"*

**Business in Cameroon: SICAMEC, the Cameroonian firm you head as CEO, is developing a project to build a factory where production and assembling of house appliances ( freezers, fridges and air-conditioners) will take place. This plant, we know, will be located in the Kribi industrial area, in the south. But how did this project actually come up?**

*Alkis Bruno Domyou Noubi:* The truth is that we are just reviving a factory that was in operation from the beginning of the 80s to the beginning of the 90s but ceased activities due to many issues. Among others is the economic crisis that the country experienced during that period, the devaluation of the CFA, the reduction of public officers' wages and the type of financing contracted at the

time. These are the reasons that led Sicamec to suspend operations, in 1995. Today, we think conditions are more favorable, which is why we plan to restart the project.

**BC: Concretely, what does the deal you recently signed with Kribi's Port Authority encompass?**

*ABDN:* It is a project under which we intend to produce and assemble,



*"If the State provides the support we need and the market is well-regulated, we should be able to create at least 1,000 direct jobs, at full throttle (24/24h)"*

here in Cameroon, house appliances. In effect, we plan to produce, every month, 15,000 appliances. This includes 10,000 fridges and freezers, and 5,000 air-conditioners.

**BC: Since the end of 2015, Cameroon, the whole CEMAC space actually, has been experiencing a difficult economic situation; a situation that tends to discourage some investors. In such a gloomy context, why risk developing such a major project?**

**ABDN:** In spite of the difficult conditions you refer to, Cameroonian populations keep migrating to cities and subsequently adopt new lifestyles. For those living in the cities, having a means to preserve food and other perishable products is a must. Also, the use air-conditioners has spread to offices, and even to households. These are some reasons pushing us to believe that despite the difficult times the region is experiencing, demand for house appliances will keep rising in Cameroon.

**BC: Besides Cameroon, is there any other country where Sicamec**

**intends to export the goods it will produce in Kribi?**

**ABDN:** From Cameroon, we believe we will be able to meet demand for appliances across the whole CEMAC space. During our expansion phase, we will target the Democratic Republic of Congo (DRC) and later Nigeria. Actually, our goal is to conquer the whole African market with our made-in-Cameroon home appliances.

**BC: While signing with the Kribi Port Authority the agreement related to the factory's construction, you said that for the project to come through and be competitive, the State's support would be key. What do you actually expect from public authorities?**

**ABDN:** First, we want the State to ensure that competition on the market is fair. Clearly put, we would like authorities to restrict, or at least regulate, the importation of used appliances, which at times do not meet standards imposed, whereas our products will be compliant with these norms.

As for new imported products, we do

not feel threatened by them as we are confident in our ability to secure our position in the home appliance and air-conditioner market. We are more concerned about used appliances.

**BC: Used home appliances are flooding the market due to Cameroonians' weak purchasing power. Will your pricing policy take this factor into account?**

**ABDN:** If all tax-custom incentives we requested from the State are granted, our prices should be as competitive as those of used products, which currently make up 65% of the local market.

**BC: When will construction of the Kribi factory commence and when should we expect the plant to be operational?**

**ABDN:** At the moment, we are clearing and leveling the 20-ha land we secured in the industrial area of Kribi's deep-water port. We expect to complete these works in a few months and begin construction works at the beginning of 2020. Commissioning should follow within the next 24 months.

**BC: Sicamec, with its upcoming factory, will enter a market where major international firms already operate. What steps will you take to secure a safe spot in this market that weighs nearly XOF15 billion?**

**ABDN:** In the past, Cameroon had three industrial units active in the home appliances sector and even before it closed in 1995, Sicamec was leading this market in the country. So, we are already used to competition. Things have changed since then, with Sicamec now being the only local house appliance manufacturer of the country.

**BC: In Cameroon, local products are often rejected as they are considered to be of poorer quality than imported goods. What guarantees that Sicamec's products will be of better quality than goods**

**already present in the market?**

**ABDN:** Indeed, for some time now, some local businesses have been importing and producing products of average quality. However, at Sicamec, even in the past, quality has always been one of our main concerns and some of the products we made in the 90s are still sought after in Cameroon today. Now, regarding the current project, both our factory and products will be ISO-certified.

**BC: The plant you plan to build in Kribi will cost XOF45 billion. How far are you advanced with the mobilization of these funds?**

**ABDN:** Mainly, funds needed for the project will be secured from commercial banks, supplier credits and the regional financial market, all in the form of loans. We also count on our global financial partners.

**BC: Should we therefore expect a fundraising on the Douala-based Central African Joint Stock exchange?**

**ABDN:** No. Maybe later, but not at the moment because to raise funds on this market, we need to show good results for a minimum period of five years, which we can't yet.

**BC: What economic impact will this project have, in terms of job creation, tax generation, etc.?**

**ABDN:** Once again, if the State provides the support we need and the market is well-regulated, we should be able to create at least 1,000 direct jobs, at full throttle (24/24h). Moreover, cost of imported input needed for local production equals one-third of the finished product's cost. We will therefore be able to save 2/3 of what is currently spent to purchase an imported fridge or freezer. This will greatly contribute to the reduction of Cameroon's trade balance.

Regarding air-conditioners, we have decided to focus more on assembling than manufacturing. Related cost will be about 60% of what is needed



*"From Cameroon, we believe we will be able to meet demand for appliances across the whole CEMAC space. During our expansion phase, we will target the Democratic Republic of Congo (DRC) and later Nigeria"*

to assemble similar products in China for example. Local added value derived from our air-conditioners will thus be around 40%. For fridges, there will be a 60% local added value. There won't be much impact relating to custom revenues. However, tax revenues will be far more significant since creating added value means paying more taxes (VAT, income tax, etc.)

**BC: For this project, you followed the regular administrative procedure for investment projects. For**

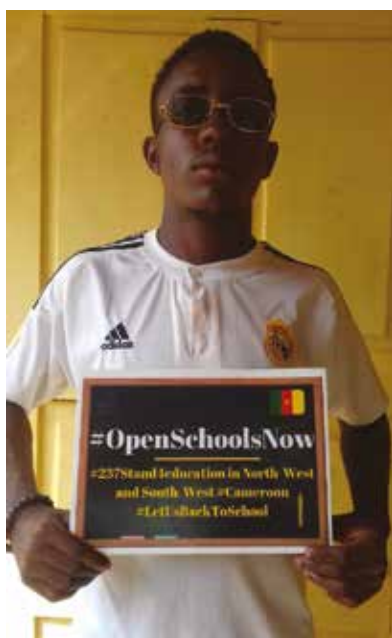
**many business operators, this is a difficult process. Do you share the same opinion?**

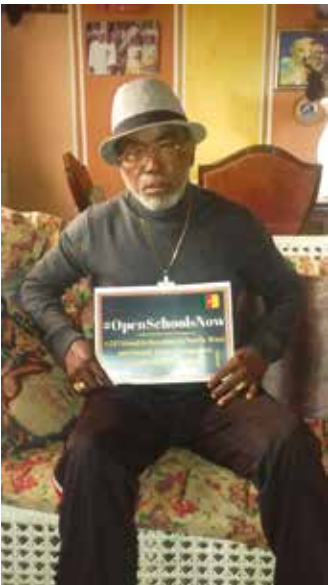
**ABDN:** Honestly, so far we've had total support from the ministry of industry. We are also supported by the Kribi Port Authority with whom we signed the agreement for the site on which we will build our plant. All I can therefore say is that we are very satisfied with our collaboration with the administration.

Interview by  
Brice M. Mbodiam



**#Open Schools Now,  
a citizen campaign initiated to support  
school start in the Anglophone regions**





# GESTION PUBLIQUE

Government has taken measures to ensure a secure and successful school year in the Anglophone regions, minister Sadi informs



During a press briefing on August 26, 2019, in Yaounde, Cameroon's minister of communications, René Emmanuel Sadi, spoke about the paralysis of school activities in the Northwest and Southwest for months now because of separatists' exactions.

Just days to the start of school on September 2, 2019, *"everything is settled, at the security, administrative and technical levels to guarantee a successful school year,"* the minister said.

According to minister Sadi, *"the government wants to reassure populations about the measures taken by*

*administrative authorities and our defence forces to (...) ensure a secure school start despite all the kinds of threats the outlawed separatists are proffering towards the population and students."*

The executive indicated that during the 2018-2019 academic year, strike notices and threats were issued against residents. Students have been attacked and schools have been either destroyed or burnt by separatists. Between January and August 2019, 27 terrorist attacks by separatists against the education in the North-West and South-West were recorded. At the universities of

Bamenda and Buea, 19 teachers and 58 students were kidnapped.

During the press briefing, René Emmanuel Sadi called out to the international community and friendly countries where backers of such attacks reside, to consider the huge harms those sponsors have been doing right from their various positions. He also asked partners to report those harmful acts and collaborate with Cameroon to end them.

According to a report published by the UNICEF, 4,400 schools have been closed in Northwest and Southwest Cameroon because of the insecurity in those regions since October 2016.

## Cameroon makes room for 1,000 more teacher candidates for the 2019-2020 academic year

In Cameroon, an additional 1,000 places have been added to the usual number of candidates to be admitted in teacher training schools for the 2019-2020 academic year. According to the minister of higher education Jacques Fame Ndongo these additional openings were instructed by President Paul Biya. Therefore, for the said academic year, 2,576 candidates will be admitted in the eight teacher training schools in the country. The minister indicates that this increase is a concrete answer to the ministry of secondary education's increased need for teachers created by the creation and transformation of many schools around the country recently. It will also promote the education sector, the minister adds.



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## Cameroon to raise XAF240 bln in BEAC's debt market in Q3, 2019

Cameroon expects to raise XAF240 billion on the central bank of the Central African region BEAC's public securities market to fund this year's budget. According to the indicative timetable

of Cameroon's operations published by the BEAC, these funds will be mainly raised via the issuance of Fungible Treasury Bills. In detail, between July and September 2019, the country will

issue XAF190 billion of fungible Treasury bills whose maturity period is comprised between 13 and 52 weeks. Only one operation to raise XAF50 billion with 5-year maturity bills will be launched.

## Only Prefects and governors can request authorization to award regional credit-funded projects over-the-counter, says Ibrahim Talba Malla Oumate

*"It came to my attention that authorization requests are sent to the authority in charge of public procurements by governors, prefects, public administrations' regional and departmental delegates to take an over-the-counter awarding approach for projects funded by credits granted*

*to departments and regions."* This is an extract of a note sent to governors, prefects as well as public administrations' regional and departmental delegates by Ibrahim Talba Malla Oumate, Cameroon's minister of public procurement, on August 16, 2019.

According to the minister, only governors and prefects can request such authorizations because they are delegated project managers. Those governors and prefects must join technical record elaborated by their collaborators from public administrations, the minister adds.

## 448 boxes of smuggled medicine seized by customs at Garoua Boulai border with Central Africa



During a routine check in Garoua Boulai, an Eastern Cameroonian region sharing a border with the Central African Republic, Cameroonian customs seized 448 boxes of smuggled medicines.

According to the customs authority, the final destination of these boxes from the Central African Republic was Douala. The seizure is the result of the operation baptized "Halte au commerce illicite" (Halcomi),

French for Stop Illicit trade, launched months ago by Cameroonian authorities. This lightning raid is aimed at protecting the domestic market flooded with smuggled goods.

## Leader of Anglophone separatists Sisiku Ayuk Tabe sentenced to life imprisonment

Yaounde military court recently sentenced Sisiku Ayuk Tabe, leader of Anglophone separatists, to life imprisonment. Along with nine other persons, M. Ayuk Tabe has been found guilty of “*terrorism and secession*,” sources close to the case informed.

This ex-employee of defunct electricity company Sonel appointed himself

as the president of Ambazonia (the states Anglophone separatists want to create in Cameroon). Arrested in Nigeria months later, he was transferred to Cameroon with nine of his lieutenants. Throughout the trial, they denied their Cameroonian citizenship claiming to be from Ambazonia.

Let's note that the Anglophone

crisis started after teachers and lawyers' corporate demands in 2016. According to Human Rights Watch, about 2,000 people have died as a result of this crisis. The UN reveals that more than 530,000 people have fled the two Anglophone regions in which there are regular clashes between the regular army and separatists.

## Cameroon launches feasibility studies for a space programme



Cameroon recently launched a feasibility studies for a space programme (Camspace). Indeed, on July 17, 2019, Minette Libom Li Likeng, minister of posts and telecommunications signed a decision governing the organization and functioning of the working group in charge of the study. The said group will provide data on the country's ability to conduct such programme. It will also investigate satellite networks' deployment processes, the necessary human

resources, the required environmental impact assessment, the cost of such project and its economic cost-effectiveness.

The experts in the working group are from about twenty administrations and institutions in the following sectors: higher education, telecoms, research, agriculture, health, environment mining and technology. According to Minette Libom Likeng the group will be dissolved once the study report is submitted to

the ministry of communications. This submission should occur not later than two months after the report is validated by the inter-ministerial commission for frequency bands' allocation.

If successful, Camspace will propel Cameroon to the ranks of African countries like South Africa, Ghana, Angola, Morocco, Algeria, Egypt, Nigeria and Rwanda that already have their own satellites.

# FINANCE

## BEAC makes XAF60 bln liquidity offer to banks within CEMAC



On August 28, 2019, the Bank of Central African States (BEAC) made a liquidity offer of XAF60 billion to banks operating within CEMAC.

The central bank explains that subscriptions are expected till September 5, 2019. The liquidities will be provided at a minimum rate

of 3.5%, which is the benchmark rate. Eligible collaterals are underlying assets approved by the October 31, 2013 decision, official sources reveal.

## Acam Vie adds XAF1 bln to share capital

Via a legal notice published on August 28, 2019, insurance company Société assurances du Cameroun Vie SA (Acam Vie) informed that since May 2019, it increased its share capital from XAF2 billion to XAF3 billion. This minnow of the Cameroonian

life insurance sector, which started operations in 2016, thus created 2,000 new shares, the notarized acts indicate. The identity of the new shareholders is still unknown. According to figures provided by the ministry of finance in 2018, four companies dominate the life insurance

market (about 85.6% of the market). They are Allianz vie (XAF18.7 billion), Beneficial Life (XAF10.3 billion), Sunu Assurances Vie (XAF9.9 billion) and Activa Vie (XAF7.6 billion). During the period under review, the market grew by 5.38%.

# AGRICULTURE

## Cocoa: Farmgate prices remain above XAF1,000 despite the rainy season in production basins

In the middle of the rainy season, the price of cocoa in the production basins in Cameroon remained over XAF1,000 per kilogram. According to *Système d'information des filières* (SIF), today August 29, the minimum per kilo is XAF1010 and

XAF1040 for the maximum. These prices, stable since last weekend, are however slightly below the XAF1050 reached last week. This stagnation of prices above XAF1,000 despite the rainy season, which usually makes it hard to access

production basins, can be due to the strong demand spurred by the arrival of new grinders (Neo Industry and soon-to-be installed Atlantic Cocoa). It is also due to the increase in the processing capacities of old operators like Sic Cacaos.

## Proven consumer association Acdic initiates petition to limit rice imports



*Association citoyenne de défense des intérêts collectifs* (Acdic), an association of the defence of citizens' interests, recently initiated a petition asking the government to force local importers to sell rice produced in the country.

This petition was initiated after a visit to rice fields in the Far-north where most of the local production is stored awaiting potential buyers while more than XAF150 billion was spent in 2017 to import more than 800,000 tons of rice.

Let's remind that Acdic illustrated itself in the early 2000s by obtaining the suspension of the importation of frozen chicken, which was destroying the local avian sector. This measure is still being implemented till now.

## PHP's penja pepper production to drop to 9 tons this year because of fungi infestation



This year, Plantations du Haut Penja (PHP), Cameroonian subsidiary of French fruit company Compagnie fruitière de Marseille, expects 9 tons of Penja pepper, official sources reveal. According to a high-ranking executive, year to year, the 2019 production should be down by 3 tons.

This is a drastic decrease in production compared with the 40 tons reached recently. The reason for this drop is the fungi infestation at some of PHP's plantations compelling it to abandon some plantations. The consequence is about 50% reduction of the group's cultivated areas (from 40 hectares to 21 hectares).

Jules Kamdem, Penja pepper production's manager at PHP, indicates that because of the reduction, in H1, 2019, the group was only able to produce 6 tons of penja pepper. He further reveals that in the second semester, only 3 tons will be added to the H1 production.

# ENERGIES

## Jean Pascal Nkou becomes Arsel's new MD

Since August 21, 2019, Jean Pascal Nkou has been heading the Cameroonian electricity regulator Agence de régulation du secteur de l'électricité (Arsel) as the new managing director. He is replacing Jean Pierre Kedi whose 9-year regulatory mandate at the head of the public company has expired.

Before his appointment via a presidential decree, the new managing director was the head of analysis and economic policies at the ministry of economy, planning and land development.

His appointment as the head of the Arsel occurs just one day after the appointment of Ahmadou

Sardaouna as state-owned real estate company Société immobilière du Cameroun (SIC)'s managing director. These appointments are the precursors of many to come because most of the deputy managing directors and presidents of administrative boards have largely exceeded the 9-year regulatory mandate.

## Sonara and Swiss-RE in working session for compensation of the May 31, 2019 fire outbreak

On July 24, 2019, Sonara's managing director Jean Paul Njonou and one of his collaborators held a working session with Swiss-RE's claims department, credible sources reveal. There is not much information but it is known that Swiss-RE was Sonara's insurer at the time of the May 31, 2019, fire outbreak at one of the oil refinery's plants.

For the time being, there is not much certainty as to if Sonara will be insured for the fire outbreak because, according to local media, Sonara had not paid its insurance premium. Some of the media even claim that the premium was paid after the fire during which 10 million litres of crude oil were lost.

Sonara did not agree to comment on the subject. On July 2, 2019, it was discussed by prime minister Joseph Dion Ngute and the association of insurance companies operating in Cameroon.

At the end of the meeting, Théophile Gérard Mouloung, president of the said association indicated that the



consequences of the Sonara fire would be exacerbated by lack of currency since insurers are unable to

pay reinsurers. *"This means that an accident like this can be difficult to remedy,"* he added.

# BTP

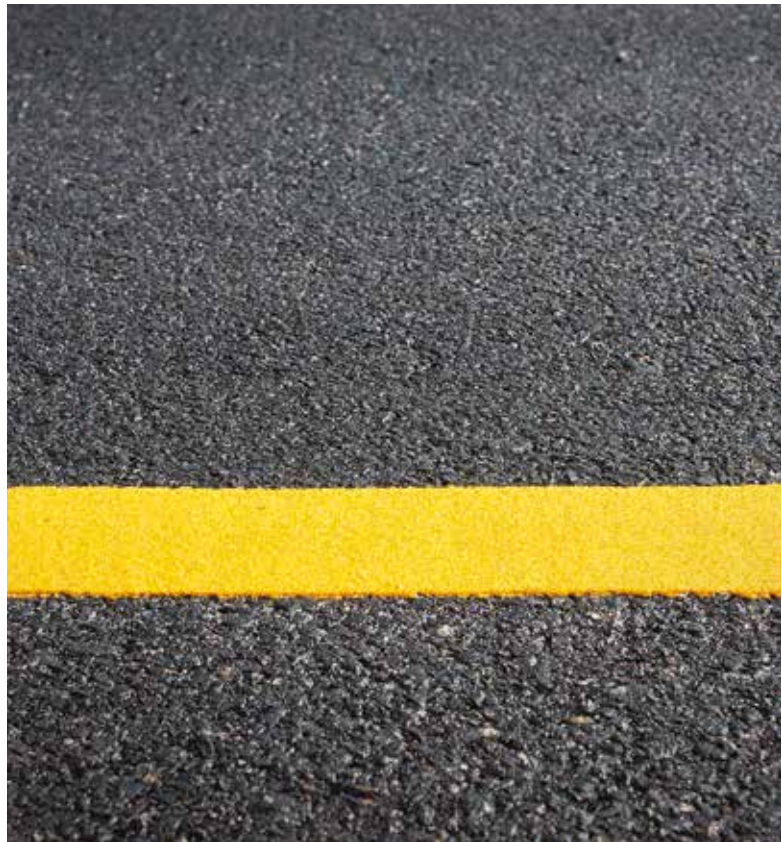
## Cameroon to soon sign a XAF168 bln deal with Italian ICM-CMC for the construction of Ebolowa-Akom II-Kribi road

XAF168 billion. This is the volume of over-the-counter deals Cameroon's minister of public procurement Ibrahim Talba Malla authorized Emmanuel Nganou Djoumessi, his peer of the public works, to sign for the construction of a 179.28 kilometre Ebolowa-Akom II-Kribi road. Ibrahim Talba Malla authorized Emmanuel Djoumessi to "proceed, for the project's management, to direct consultation without even a public notice of at least three technical consulting cabinets with proven abilities."

Let's remind that in a letter dated February 18, 2019, Samuel Mvondo Ayolo, director of the civil cabinet at the presidency, asked the minister of public works to sign an agreement with Italian group ICM-CMC Spa for the construction of Ebolowa-Akom II-Kribi road.

This project includes the construction of a 30-km power line and the installation of optical fiber over 179.28 kilometres. Its financial partners are Standard Chartered Bank and British Ukef.

The implementation of this project is a promise made by President Paul Biya eight years earlier, on January 11, 2011, during the Ebolowa agropastoral show.



## Ahmadou Sardaouna becomes Société immobilière du Cameroun's MD

On August 20, 2019, Ahmadou Sardaouna was appointed as the managing director of Société immobilière du Cameroun (SIC), a real estate company in Cameroon. The civil engineer who graduated from the National School of Public Works in Yaounde replaces Gabriel Bengono

who has been leading the company since 2012.

Before his appointment, Ahmadou Sardaouna, who holds a Doctorate in project management from Atlantic International University in Honolulu, USA, was the general secretary of Cameroon's ministry of housing and

urban development.

During SIC administrative board's meeting of August 20, 2019, Célestine Ketcha Courtes, minister of housing and urban development, was also chosen as the president of the company's administrative board.

# CCC in pole position to replace Wietc/Crcc14 for the renovation of East entrance of Douala



On August 20, 2019, Emmanuel Nganou Djoumessi, Cameroon's minister of public works requested an authorization from his peer of the public procurements to enter into an over-the-counter agreement with Corporation commerciale canadienne (CCC) for the 2nd phase of the renovation of the east entrance to Douala.

The minister of public works explained that the technical and financial challenges faced by the Chinese group Wietc/Crcc14 which was in charge of the works, force the ministry to initiate the termination of the group's contract.

He explains that unlike the Chinese group, CCC has proved technical and financial capacities to support the government in the realisation of this important infrastructure. CCC *"proved its worth during the renovation works at stade de la Réunification in Douala and will surely help achieve the urgent interim goals, traffic and road safety maintenance as well as the opening of at least four roads [ed.note : out of the planned six] in prepara-*

*tion for the 2020 African Nations Championship,"* he explained. He also indicated that the Canadian company's offer was expected by August 26, 2019. This offer will be reviewed by a sub-committee set-up by the ministry of public works. On August 21, 2019, the ministry of public works and Chinese group Wietc/Crcc14 met for discussions in the framework of the termination of the group's contract. During the meeting, the head of the infrastructure works at the ministry informed, an agreement was reached for a non-contentious termination of the contract in regards to the requirements of the 2020 African Nations Championship and the AFCON2021 Cameroon should host. Indeed, because of those two events, part of the works should be delivered by December 15, 2019.

For the breach of contract, the offer to Wietc/Crcc14 was the payment of works realized till the joint review of the works, the release of its deposit, the buyback of some prefabricated elements that are already available

on spot. It was also required to pay a late penalty. In addition, the modalities for the payment of the company's demobilization charges are to be reviewed. The Chinese party accepted the offer but asked for the payment of filing fees.

The 2nd phase of the renovation of the East entrance to Douala was awarded to Wietc/Crcc14 at XAF33.14 billion. It includes the development of 21 kilometres of roadway (expansion of roadways PK10+200 to PK19+200). There is also the construction of five roundabouts to facilitate access to Japoma sports complex. The street lighting and street furniture are also included in the contract.

In the past few weeks, instead of facilitating circulation on the highly important Douala-Bangui-Ndjamena corridor, the works created huge jams. Indeed, it would take at least four hours for a user to complete the 9 kilometres of this east entrance. Such situation angered the government because by-pass roads had not been planned in the works.

# INDUSTRIE

## 1,000 jobs to be created with the construction of air-conditioners manufacturing plant in Mboro



At the entrance of Mboro, the district hosting Kribi deepwater port in Southwest Cameroon, there is an ongoing earthmoving works over a 20-hectare site. On this site, not too far from Kribi-Lolable expressway, Société industrielle de construction d'appareils électroménagers et de climatiseurs (Sicamec) will launch the construction of fridge and air conditioners' manufacturing and assembly plant in early 2020. This investment is estimated at XAF45 billion.

On August 21, 2019, the Cameroonian company's CEO Alkis Bruno Domyou Noubi signed an agreement with Kribi port's managing director to establish the future plant in the deepwater port's industrial zone. According to Patrice

Melom, this is the first time Kribi port is signing such agreement with a Cameroonian company. In addition, Sicamec's project will have the most impact in terms of job creation. With the plant whose monthly production capacity is 15,000 units (5,000 air-conditioners, 5,000 coolers and 5,000 freezers), Sicamec wants to create 1,000 direct jobs.

Once the plant (ISO 9001v2015 certified) is built, the company's employees must work tirelessly 24 hours a day and 7 days a week for "household appliances made in Cameroon to conquer the African market." "We can't do it without institutional support," CEO Alkis Bruno Domyou Noubi explains. Indeed, according to a market analysis conducted by JMJ Africa in the framework of that project,

Cameroon's consumption of freezers and air-conditioners was estimated at 150,000 units. According to forecasts, it will reach 250,000 units in 2024. However, the analysis reveals, 62% of the market is controlled by imported second-hand products commonly called bric-a-brac.

According to Sicamec, the products manufactured in the plant it plans to build could not be competitive if measures are not taken to reduce the import of used materials before the launch of the plant in 2022.

"We are not afraid of competing with new products imported. The main threat to the viability of this project is the importation of used products," most of which are imported illegally without paying taxes and customs duties, a Sicamec executive said.

## Chinese Sunda to invest XAF6 bln in sanitary and diaper plant in Douala

In the coming months, a new operator will enter the Cameroonian wipe, sanitary towel and diaper market. Sunda Cameroon Limited is this operator's name.

Indeed, the local subsidiary of Chinese group Sunda has announced the construction of a production

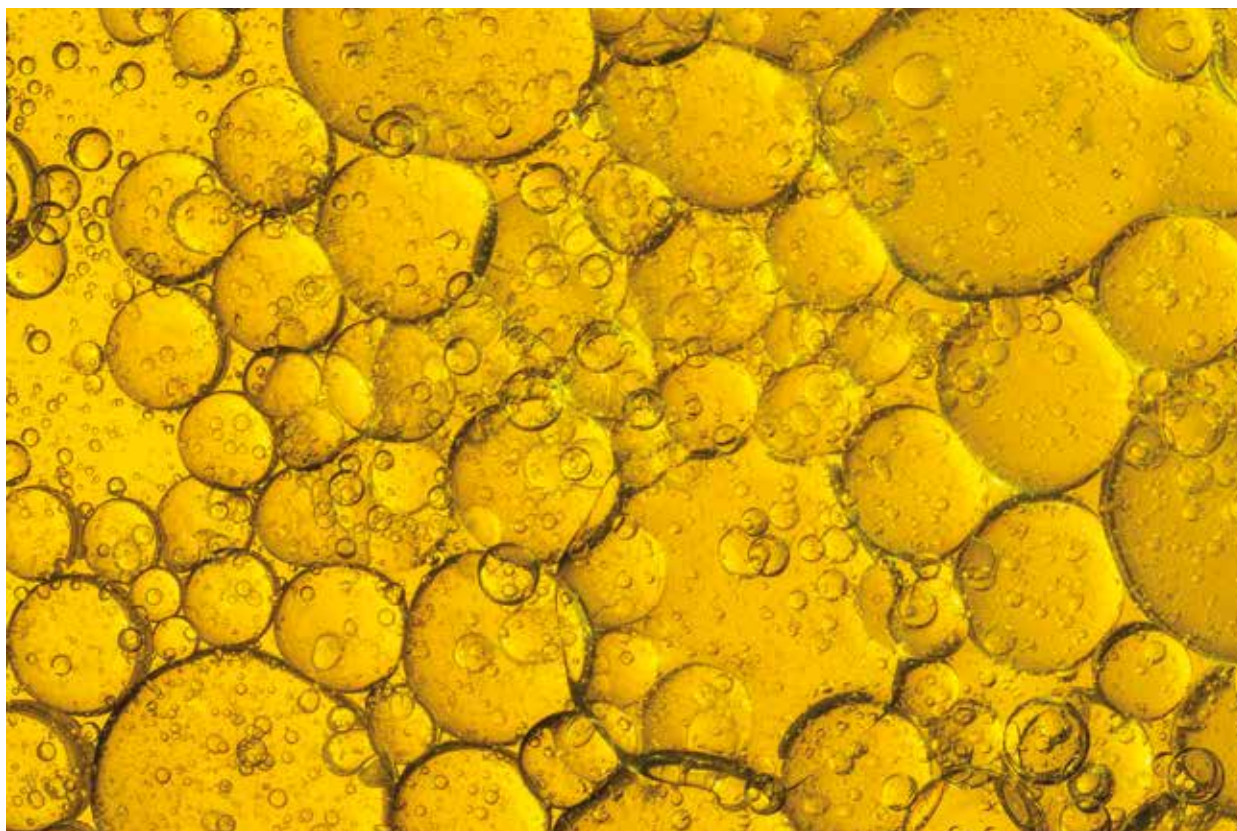
plant in Logbadejeck, Douala. In that regard, Sunda Cameroon Limited signed, on August 23, 2019, an investment agreement with the country's investments promotion agency (API). This agreement will grant tax and customs incentives, provided by the private investments law, to Sunda

Cameroon Limited. This law enacted in 2013 and amended in 2017 grants tax and customs incentives to investors from 5 to 10 years.

Let's note that the about XAF6 billion investment should help create 300 direct jobs.

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## Sodinaf to invest XAF14 bln in a soap and refined oil production plant in Cameroon



Société de distribution nouvelle d'Afrique (Sodinaf) will invest XAF14 billion in the construction of soap and refined oil production plant via Nouvelle raffinerie du Cameroun. The project will benefit from the private investments' promotion law in force in Cameroon. This law grants

tax and customs incentives to investors (both already installed or about to launch construction) for between 5 and 10 years.

This plant will help create 158 direct jobs, official sources reveal. With this plant, the group, created by Cameroonian economic oper-

ator Fabrice Siaka, will densify its operations in Cameroon. Let's note that Sodinaf recently bought French forest exploitation group Rougier's assets in Cameroon and the Central African Republic.

## Chinese company Gaoda International Investment Trading to invest XAF4.5 bln in a building material's manufacturing plant

On August 23, 2019, Chinese company Gaoda International Investment Trading signed an investment agreement with Cameroon's investment promotion agency API for the construction of a building materials'

production plant.

This XAF4.5 billion, based in Douala, will help create 122 direct jobs, official sources reveal.

The agreement signed by the company is enacted by the 2013 law

(amended in 2017). It grants tax and customs incentives to investors (both already installed or about to launch construction) for between 5 and 10 years.

## Cameroon to soon suspend the importation of 50 locally-produced products



In Cameroon, the importation of fifty products could soon be suspended because of production surplus. According to the trade ministry which revealed the information, painting, metallurgy, cement, industrial wrap, beauty, agribusiness, vegetal oil, brewery and oil palm derivatives products are concerned. The ministry provided no timeline for this suspension but it indicates that the exhaustive list will be published later. In March 2019, it

asked the Inter Patronal Groupings of Cameroon (GICAM) to elaborate a list of products' whose importation should be suspended in order to protect local production and industry. This list is yet to be sent.

At the same time, the ministry of finance has announced the elaboration of measures to boost local production and curb the import of unnecessary products that deteriorate the country's balance of payments.

According to the national institute for statistics, in 2018, Cameroon imported XAF3,405.2 billion worth of products. This is about half of the country's 2019 budget and 11.5% up compared with its 2017 imports. During the period under review, those imports were from 189 countries, ten of which supplied 58.2% of the volume of imports. China led the way with 18.5%. It was followed by France (8.3%), Nigeria (5.6%) and the Netherlands (4.8%).

# MINES

## Cameroon : “An underexplored but highly prospective country” in the mining sector, says Oriole Resources CEO Tim Livesey

*“The first half of 2019 has seen significant activity across the group (...) We are expanding our position in Cameroon to build on our success to date in what is an underexplored but highly prospective country,”* these were the words of Oriole Resources’s managing director Tim Livesey according

to British media Morningstar. Let’s note that Oriole Resources has gold assets on Bibemi and Wapouzé licences in North-Cameroon. Those licences were sold to Oriole by Canadian group Reservoir Minerals. Before the sale, on November 18, 2014, Reservoir Minerals announced

the discovery of high levels of gold mineralization reaching 10.95 g/t out of 3.6 m up from 2.6 to 6.2 m. The result confirms “*excellent potential for gold mineralization close to the surface for 19 km,*” said Simon Ingram, then Reservoir Minerals’ CEO.

## Russian University RUDN’s experts in Cameroon for a multi-day visit

Today August 26, 2019, a delegation from the Russian university RUDN is starting a multi-day visit in Cameroon. During their stay, they will exchange with Cameroonian students in Yaoundé and Douala, official sources reveal.

Audrey Chicot, head of Multi-services et matériel industriel which is the Russian university’s agent in Cameroon, explains that the university’s experts will exchange on new technologies in the oil, gas and mining sectors. Officially, they want to put a cooperation platform in place during their stay. They will also initiate quality checks for industrial products and forest products’ recycling projects.



## LEADER OF THE MONTH

# Veronese Batchagna, first Cameroonian ever at the top of Ericsson's subsidiary in Cameroon

For more than a year now, Veronese Batchagna has been heading the Cameroonian subsidiary of the Swedish firm Ericsson. This makes him the first Cameroonian to hold this position ever.

As current Managing Director of Ericsson Cameroon, Batchagna has two main objectives: First is to expand the firm's portfolio and second is to boost the morale of his team, 88 people (80% of which are nationals).

Regarding the first goal, the executive who is in his late 30s declared: *"Up till now, we have been working with IT firms like mobile telephony companies. We are planning to elaborate offers that can interest institutions. Most importantly, we will strive to offer a better telephony experience to Cameroonian users."*

Batchagna also announced that the group will receive, at the end of this year, some Cameroonian startups at its incubation centre in Dubai, on the sidelines of the first edition of the digital innovation in Yaoundé. This results from a partnership between Ericsson Cameroon and the ministry of posts and telecommunications.

*"This is the first time Cameroonians will have access to this incubation centre, which is accessible to very few Africans. In Dubai, the selected startups will come in contact with very advanced technologies"*, says Veronese Batchagna.

Before assuming his current position, Batchagna spent 10 years at Ericsson Senegal.

He holds an MBA in general management from Sorbonne and is a doctoral student in Management Leadership in France.



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