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# BUSINESS IN CAMEROON

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## **“One can rule from afar, but can manage best only from a close distance”**

Cameroon just passed a major step in line with its ambitious process of decentralization which should deeply reform the country's democratic culture.

One year ago, Prime Minister Joseph Dion Ngute had announced that funds allocated to decentralization had been increased five-fold, from XAF10 billion to XAF50 billion.

This year again, this budget has been increased another five-fold, making it XAF250 billion. The government will distribute these monies to all of Cameroon's 360 municipalities. To these add another XAF140 billion coming from local taxes (additional taxes, land taxes, vignettes, waste collection, etc.) The decision to further increase the allocation aligns with authorities' strong desire for accelerating decentralization hence getting every citizen to actively take part in the management of public affairs and to get more involved in local democracies. This, the government believes, is the best way to foster the emergence, all across the territory, of a public management culture that really takes into account local realities. One that would be more efficient, in addition to creating skills and future leaders, in each of the 360 communities of the country.

Decentralization allows for various parties active in national politics to be in every region, and take into account all cultures of the country.

This process - decentralization - is the best way to appropriate regional peculiarities. It actually enabled the adoption of a special status for Cameroon's English-speaking regions which have been suffering a crisis for over three years now. Leveraging this status, these regions will be able to adapt their policies, relative to education and legal administration, to their culture.

“One can rule from afar, but can manage best only from a close distance,” said Napoléon Bonaparte. A universal rule which States have always gained from following.



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## BUSINESS IN CAMEROON

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## COMPANY OF THE MONTH

# CAMWATER INTRODUCES A XAF5 MLN FINE AGAINST AGENTS WHO VALIDATE CONNECTION REQUEST OF CLIENTS WITHOUT TAX IDENTIFICATION NUMBERS



The agents of Camwater, the public water utility company, expose themselves to an individual fine of XAF5 million per connection or subscription operation to the drinking water access network, carried out in favour of customers without a unique identification number.

This identification number is a kind of registration as a natural or legal person in the country's tax registry. In a memorandum signed on January 17, 2020, Camwater's general manager, Gervais Bolenga, recalls that this provision is put in place in accordance with Cameroon's 2020 finance law.

Indeed, the law makes subscriptions

to electricity and drinking water supply networks, as well as access to banking and land services subject to the presentation, by the applicant, of a unique tax identification number issued by tax authorities.

In the event of an infringement of this provision, the company providing the service requested is liable to a fine of XAF5 million per operation, the Finance Act stipulates. Camwater's general manager intends to transfer this fine to the agent who misleads the company.

According to the General Tax Code in force in Cameroon, all legal entities and all individuals carrying out an income-generating activity are

required "to submit an application for registration with the territorially competent tax service within fifteen (15) working days following the start of their activities." Following this application, a unique tax identification number is issued and a taxpayer card is given to the individual marking the taxpayer's entry in the tax registry. However, many Cameroonians do not comply with this requirement. Hence the measure is taken in the 2020 Finance Act to force them to do so but also to continue in the implementation of the tax base broadening policy initiated in recent years by the government.

Brice R. Mbodiam



## MONTHLY STATISTICS

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### XAF305 billion

Between January and March 2020, the Cameroonian Public Treasury plans to raise a total of XAF305 billion on the public securities market of the Bank of Central African States (Beac).

This will be the most dynamic quarter for the country since the creation of the BEAC's securities market in 2011. In the past, Cameroon, the main animator of this market, rarely exceeded XAF300 billion per year or an average of XAF75 billion per quarter.

### 2000 small ruminants

Stock farmers of the Far-north just received 2,000 small ruminants in the framework of Prodel, an animal husbandry development program steered by the Ministry of Livestock and funded by the World Bank Group to the tune of XAF50 billion.

These small ruminants, given to the breeders during a ceremony organized last January 20, were for the benefit of about 200 families deemed vulnerable in Moulvoudaye and Guidiguis, in the department of Mayo-Kani.

In addition to the small ruminants provided, the beneficiaries have also received bags of cakes to feed the livestock, as well as veterinary kits.

### 50 tons

During the 2019 holiday season, the ponds created in Cameroon with the support of the Agropoles project helped provide 50 tons of fish to the population. This was recently revealed by the coordinator of this government project.

Led by the Ministry of Economy, the Agropoles project helps finance income-generating activities in the country's rural areas to promote job creation and, above all, increase national production in order to limit imports.

### 69%

This year, Cameroon's public investment budget is XAF1,496 billion, a little up by 6% year over year.

According to the Ministry of Economy, 69% of that budget is allocated to the construction of various infrastructures and to the production sector. The biggest investments, we learn, will go to infrastructures being built in the framework of the AFCON2021.

The public investment budget which once again exceeds 30% of the government's budget is mainly funded by external resources.





# THE BOOMING REMITTANCE MARKET IN CAMEROON

Cameroonians living outside their country are sending more and more money home. In 2018, remittances from the Cameroonian diaspora reached CFA200 billion, up from the CFA150 billion the previous year. Figures were provided by the Economic Community of Central African States (ECCAS) and the World Bank. Overall, remittances sent to the continent is minor compared to that sent to individual countries such as Nigeria and Senegal, which received roughly the same amount as Cameroon. For any nation, the money sent by its diaspora is a helping hand to the economy as it enables recipients to

satisfy a number of needs, carry out certain family projects and even participate in socio-economic schemes. In Cameroon, remittances have long played a key role in the development of money transfer activity. Formerly monopolized by large international groups such as Western Union and MoneyGram, this activity is now welcoming new operators, which are mainly startups that are taking advantage of the opportunities for innovation offered by ICTs, to make it on a market still dominated by majors. The growing competition that comes with the arrival of new operators has helped reduce money transfer tariffs in recent years, but experts still deem

cost quite prohibitive. According to WorldRemit, the leader of online money transfer, due to the high costs of traditional money transfer, the Cameroonian diaspora would lose up to 10% of the amount sent to their relatives. The World Bank reports that, globally, the average cost of sending money is around 7.1% of the amount to be transferred. The Bank ranks sub-Saharan Africa as one of the most expensive regions with a rate of 9.4%. High rates, certainly meaning good profitability for operators... Let's look into a sector that has been booming in Cameroon in recent years.

Brice R. Mbodiam



# Western Union and MoneyGram, the bosses of the local market

In Cameroon, although some minor players are present, the remittance market is dominated by two companies, namely Western Union and MoneyGram. This is a finding of a recent study on remittances in the Economic Community of Central African States (ECCAS), financed by the Secretariat in charge of the African, Caribbean, and Pacific Group of States (ACP) and the European Commission.

*"In Cameroon and the rest of ECCAS countries, only banks can be licensed to operate in foreign currencies. The bank, owner of the license, works as an agent for the MTC (Money Transfer Company). The exclusivity clause that Western Union or MoneyGram imposes on the bank, as is well known, is to work with only one MTC,"* the report found. This means that, in the country, banks that operate the money transfer license house their partner MTC's window.

*"This lack of interest in being a provider of remittance services (single provider) simply stems from the fact that financial institutions in Cameroon, especially banks, do not seem to consider migrants as an interesting market or as individual clients different from others,"* the document read, stressing that migrants are seen as risky clients from an economic or even political point of view.

In 2018, Cameroon received CFA200 billion in remittances, ranking second behind DR Congo which got about \$1.4 billion.

Cameroon Postal Services (Campost), the public postal operator, has also stepped into the now



highly prized remittance market with a new offer called International Electronic Money Order (MEI). Still little known by customers, the new solution benefits from the expertise of majors such as MoneyGram and Western Union and has the particularity of offering extremely competitive rates. This is the result of the Initiative for Improving Migrants'

Remittances to Africa, launched in 2013 by the international NGO PlaNet Finance, with the support of the Universal Postal Union (UPU), with funding from the European Union. This program, for which the Cameroonian, Malian, Burkinabe, and Ivorian Posts are selected, aimed to reduce by 30% the rate for money transfer via public postal networks.

# CAMEROON IS FRANCOPHONE AFRICA'S FASTEST-GROWING MONEY TRANSFER MARKET

## Andrew Stewart

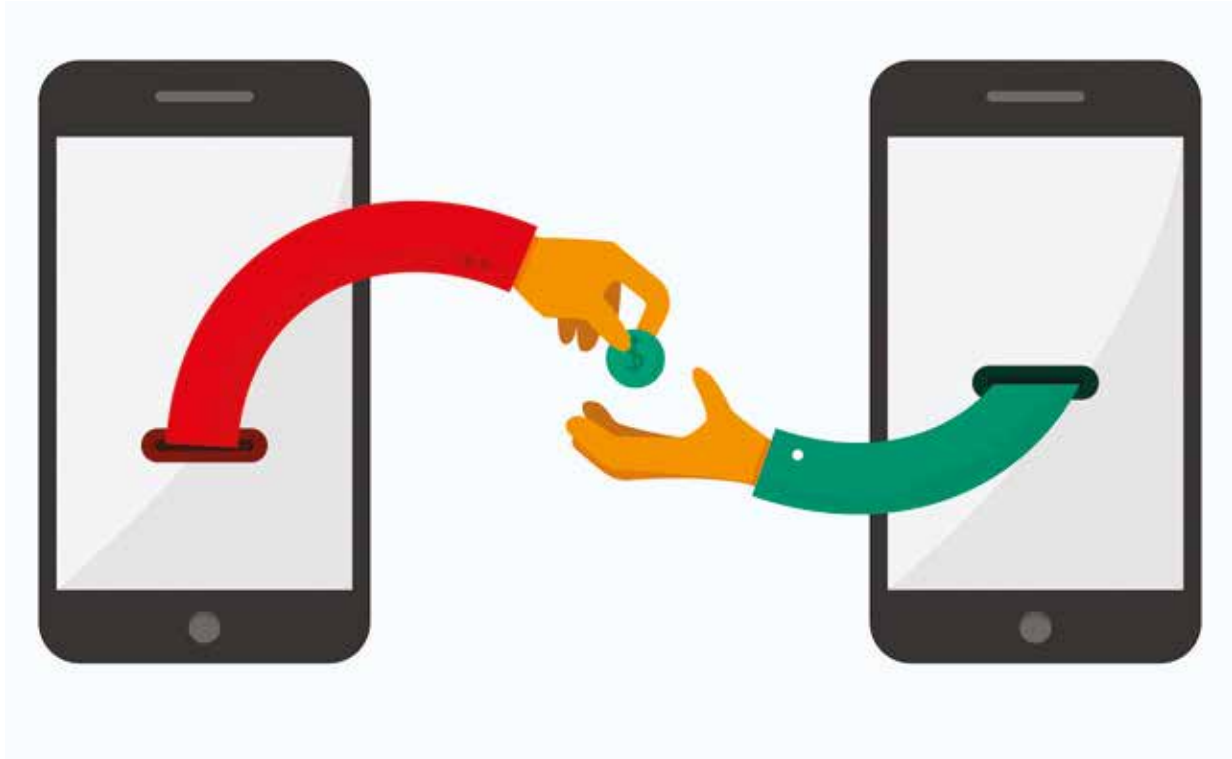


Cameroon is the driver of WorldRemit's activity in Africa, according to Andrew Stewart who heads the British company's operations for Africa and the Middle East. *"Cameroon is our most important market in Francophone Africa. It is also the fastest-growing one with 120% annual growth,"* he said, in a statement dated 25 June 2018, announcing a partnership with the local arm of banking group UBA. The partnership enables all the 70,000 clients of UBA Cameroon to transfer money around the world via WorldRemit's platform. In addition, those clients' relatives can withdraw money at the various WorldRemit points disseminated around the country. The online money transfer platform has already concluded such partnership with Banque Atlantique, and

Express Union which has 700 sales outlets in Cameroon. On 26 June 2018, WorldRemit also entered into a deal with Express Exchange and, on the occasion, it revealed that 25% of remittances to Cameroon via its platform come from the United States. *"Transactions to Cameroon via WorldRemit have grown [...] largely driven by the United States which has now overtaken Canada as Cameroon's top remittance sender,"* WorldRemit said. Other large remittance sending countries to Cameroon include the UK, Germany, and France. Through its partnership with Express Exchange, the world's leader of on-line money transfer wanted to draw more money from the Cameroonian diaspora, now allowing instant transfer from over 50 countries to 300 new cash pickup locations across Cameroon.

In addition to banking institutions and local cash transfer operators, WorldRemit broadened its network to mobile companies operating the Mobile Money segment. Since 2016, all MTN Cameroon MoMo users can receive money directly into their accounts from abroad. The online money transfer is likely to grow further in Cameroon. Official estimates show that about 5 million of Cameroonians (21% of the total population) live abroad. In 2017, the country received a little over \$278 million (about CFA150 billion) in remittances, according to the World Bank, and the amount reached CFA200 billion the following year, according to a recent report by the Economic Community of Central African States (ECCAS).

# Via Fintech Squares Union, young Cameroonians out to conquer the African money transfer market



“We have partnered with many microfinance institutions and cooperatives in Cameroon. They are namely Fodec, Figec, and CCA [ed.note: former leader of the Cameroonian microfinance market that recently became the 15th bank operating in the country]. Afterward, we wish to open new cash points in the country in order to cover the whole country. Sooner, we will also open points in Côte d’Ivoire, afterward, we will open in Senegal and Togo. We wish to cover Africa and, in the near future, Europe.” These were the words of Isabelle Quintard, one of the managers of fintech Squares Union, during an interview with Business in Cameroon some months ago. The ambition of this company created in Canada by 3 former

Cameroonian students has thus come to reality. Indeed, the fintech, already operating in Cameroon for years now, announced, months ago, that it had signed a partnership with Wari in order to extend its money transfer services to more than 25 African countries.

“With Wari, we retained three high added- value points: the flexibility of cash points operators, the consolidation of Squares Union’s reputation with customers in the diaspora and an efficient customer support in Africa,” explained Freddy Noumey, the Vice-president in charge of operations.

According to the managers of this startup, the partnership with Wari is “a step towards the ultimate project which consists in providing a solu-

tion for the payment of invoices by citizens of the diaspora for products and services purchased in Africa.”

“We have set ourselves apart from our competitor with our fees. First of all, for transfers up to \$1,000, the fee is \$5.99. Our fees are set while our competitors’ are variable depending on the amount to be transferred. Next, our platform is simple, fast and secure. So wherever you are, you can make transfers from your laptops, tablets and smartphones, every day and, at any moment. There is no need to leave your place,” the manager said when questioned over the advantages of Squares Union over the other operators in Africa such as the giants Moneygram and Western Union, or other Fintech such as WorldRemit.



# Express Union dedicated to the Cameroonian diaspora in Central and West Africa

Microfinance firm Express Union Finances, former leader of the Cameroonian domestic money transfer market that lost its place to mobile operators in that market some years ago, is a well-known actor in the Cameroonian diaspora in Central and West Africa. In the Cemac zone, which comprises six countries (Cameroon, Congo, Gabon, CAR, Chad, and Equatorial Guinea), only Equatorial Guinea still escapes the expansionist wave of this Cameroonian operator, which allows

citizens receive money transfers from the Cameroonian diaspora based in some African countries. After an initial incursion into the Ivorian market, which was slowed down by the electoral crisis experienced in that country in 2010, Express Union returned to Côte d'Ivoire in July 2015, acquiring 45% of the capital of Qash Services. In addition to the Ivorian market, this acquisition, according to good sources, opened up the Beninese, Burkinabe, Guinean, Togolese, Malian and

Nigerian markets to Express Union Finances.

In all the markets in which it is present, whether, in Central Africa or West Africa, the Cameroonian money transfer operator is giving the international money transfer giants Western Union and MoneyGram a hard time. This rivalry could soon extend to the Great Lakes region, which this Cameroonian operator intends to conquer by entering the Rwandan market, according to good sources.

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## Leading mobile payment provider Terrapay enters Cameroon thanks to a partnership with UBA

TerraPay, one of the world's leading mobile payment services and the Nigerian banking group UBA recently announced a partnership to facilitate mobile money transfer services in 20 African countries, including Cameroon.

"This partnership with UBA Group will play a pivotal role in cross border remittances across Africa, America, and Europe. We are delighted to bring the convenience of instant cross-border money transfer, directly to any UBA account in twenty countries," Ambar Sur, CEO of TerraPay, commented. TerraPay service allows anyone, anywhere in the world, to send money to a mobile number instantly. In Cameroon, TerraPay is joining on this market British operator WorldRemit, which is already in partnership with local financial and mobile operators operating in the Mobile Money sector.



# Viviane Ondoua Biwolé

## ***“ONE OF CAMEROON’S GRAVEST MISTAKES IS TO NOT GIVE ENOUGH ATTENTION TO HUMAN RESOURCES”***

**The former deputy managing director of the Higher Institute for Public Management (ISMP in French) is recognized in Cameroon as one of the leading experts in terms of public governance. Professor at the Yaoundé II University and Assistant Professor at Yale University, U.S, Viviane Ondoua Biwolé has published about six books on this topic. Recently, at the national conference for the modernization of Cameroon’s public administration, she assessed some of the issues that impair the performances of this administration.**

**Business in Cameroon :** From January 13 to 15, a national conference was held in Yaoundé. It focused on the modernization of Cameroon’s public administration. On this occasion, you said the public administration’s Achilles heel is the human resource. What do you mean clearly?

**Viviane Ondoua Biwolé :** We must first agree to this undeniable truth: human resource, which is flexible and modifiable, is considered as highly decisive. It transforms other resources and gives them meaning. Unfortunately, in Cameroon, the public administration doesn’t give much attention to this component. Apparently, Cameroon has developed

a long-term strategy ( for growth and employment), at sectoral and ministerial levels, without doing the same for human resources. And while human resources are considered the social pillar on which production lies, they were not paid as much attention as production. There is no strategic management document related to human resources.

In addition, in most ministries (29 out of 37), the human resource component at the operational level is grouped with material and financial components within general affairs directorates. In this context, all human-resource-related issues are handled by one general chief of staff, who does not always fit

the profile of the job. Only eight ministries (21%) have a separate human resource department. And even here, those heading these departments do not meet the job’s requirements. This situation is often due to the fact that the appointment of the concerned officers is not always made in line with professional standards in place. In such a context, it is easy to understand why public policies struggle to be executed efficiently, and also why projects have so little impact.

Looking at all these, we maintain that appointing inadequate human resources in State entities is in a large part responsible for the poor performances of



these institutions and administrations. One of Cameroon's gravest mistakes is to not give enough attention to human resources.

**BC : You also speak of another issue that plagues Cameroon's administration, and that is a "scrambled identity" as you call it. How do you define this weakness and what are its consequences?**

VOB : Scrambled identity is a situation characterized by a clash of ideologies, and incoherence. In public administration, there is a contradiction between regulations in place and actual practices. For example, in the last 10 years, new terms derived from the private sector were introduced into the public management sector, such as performance requirement, result-based management, and transparency requirement. At the same time, the leadership in place is far from appropriating these standards, as the latter first requires sound democratic practices to be in place. Though it should not be seen as an excuse, it seems that this situation is due to public officers having trouble accepting the paradigm shift. The shift from a stiff

hierarchy-based bureaucracy, one where chiefs are "almighty," omnipotent and all-knowing and demand full obedience, to them and their rules, to a more flexible system, based on teamwork and participatory management.

This voluntarily sustained "scrambled identity" renders structural reforms hard to implement and inefficient. Rather than effective tools, these reforms, which are leaned to a new paradigm and the new legal framework that supports it, are more like good faith tools. This results in two frequent situations. First, intermediate-level officers, wanting not to assume responsibility for their actions, are unwilling to make important decisions as they wouldn't risk being punished by their high-ups who don't really encourage innovation. The second issue relates to officers feeling insecure, legally, as they cannot rely on new regulations which are effective due to inertia or various headwinds.

In both cases, service quality is impaired. Complaints multiply and awaited structural changes are delayed. Delays in project development have become so usual that they are no more viewed as an issue. When questioned about their

actions, officials at fault often respond: "Better late than never!" This is a really sad admission of failure, alas! It's even better to not try to find out the losses of various partners (suppliers, banks, beneficiaries, etc.) in this context as very little concern is shown in this regard.

**BC : How do these issues impact the performances of the administration and State companies?**

VOB : The impact of this conceptual incoherence translates into the public administration and entities having difficulties improving economic performances. Actually, reports from the ministry of finance, the World Bank, and the International Monetary Fund recognize that public institutions have been recording poor performances for almost 10 years now. And I believe the low quality of human resources is the main reason for these poor performances. Knowing that skill is defined as the ability of any individual to use their knowledge to solve organizational issues, we can simply deduce that public officers are incompetent! And scrambled identity, which we talked about earlier, is insidious and disastrous. It slowly takes over individuals' cognitive reasoning and controls their decision-making processes. People are socially situated. This means that how they perceive any given event is conditioned by their position, their disposition, but also by theoretical tools and institutions allowing them to give "meaning" to surrounding realities. Now, given this conceptual mismatch, we may fear that public leaders take decisions that are disconnected from actual needs and such decisions have immense consequences, on finances, information and even human lives.

**BC : In your last book, "Scandals. Using casuistry to achieve organizational sustainability in Cameroon," you talk**





**about three organizational weaknesses our country faces: managerial abuses, the interference of the Presidency, and institutions' shortcomings. What is the relationship between these and the issues you stressed on at the conference on modernizing public administrations?**

VOB : Leadership in the public administration, ethics, and the emergence of a new type of public officers are factors that help tackle the issues I talk about

in my book. As for the interference of the President of the Republic in organizational issues, it was not discussed during the conference. It wasn't even mentioned. This is understandable since it is tied to the political system and to the much-protected concept of its "discretionary power."

While this interference is admitted for particular officials, what is deplored is its abusive occurrence. Those who deplore this stress on the need to respect the

regulatory framework of the discretionary power, which forbids officials from discriminating.

On one side some defend that the public policies should be able to act without any constraint while others, and I share their opinion, say they should respect a minimum of managerial rules, which are based on a legal framework. We are firmly convinced that the training and beliefs of many leaders and their history in public administration sustain the confusion surrounding discretionary power.

Anyway, a strict political rationale can exist only in a context of abundance with the distribution of resources as the main concern. This is not yet the case here. Today, the focus is more on producing than distributing, with resources reducing more and more.

**BC : In 2017, a reform was engaged to tackle the low performance of State companies. How far have things improved since then?**

VOB : This reform was introduced in 2017 and focused mainly on two areas. The first is legal, and several legislative texts were elaborated (two laws, three application decrees, and others considered as complementary). In total, 11 new texts helped regulate the public entities' actions. As for the second area, it is related to the binding of organic laws to the new provisions of the 2017 laws. We have however noticed that the elaboration of new rules contrasted with the lack of compliance to them. These include the non-respect of the mandates of managing directors, deputy managing directors and heads of administration boards, the unavailability of tools and functions required.

**BC : What are the factors delaying the implementation of this reform?**

VOB : This reform confirms the follow-



« Chaque jour, nous nous remettons en question et cherchons à nous améliorer pour mieux répondre aux attentes des consommateurs camerounais, et les surprendre par nos offres et par la qualité de notre service. »

ing saying: Societies are not changed by decrees. It is hard to understand why it is being delayed. But shouldn't we first relativize the term "delay" considering the various components of the reform which are given priority? As it is, the reform was planned. The legislative texts contain details relative to delays and procedures required for the implementation of the reform; In spite of this, many of these provisions are not applied.

Since I have not had access to all documents preparing the reform, I will proceed through assumptions. I have three hypotheses. The first is that, though the delays are strict, the government hesitates to apply all of the reform's components and are taking some time to do so progressively. In this context,

many leaders could see their legitimacy contested. These texts render some of their decisions and actions illegitimate. The second hypothesis is focused on selfishness and games aimed at maintaining the status quo, ignoring legal provisions and the general interest. If not, how do you explain the fact that social leaders whose mandates expired long ago are still in office? How do you explain the violation of laws that establish the authority of public entities? My third assumption reveals the incompetence of the administration (inertia, low capacities, difficulty to implement all three phases of the reform, denial of responsibility, and incivism). These three assumptions are for the most part based on the backbone of the managerial paradigm.

**BC : In the event that it is fully implemented, can this reform allow public companies to boost their results?**

VOB : Yes, of course! That's its purpose. Nothing is created to fail! What must be done is to put in place the right framework to ensure the expected shift. Since this is an important reform, appropriate indicators must be set to ensure that progress is made.

**BC : What else can be done to boost the performances of these companies (they all record insignificant results according to the ministry of finance and the World Bank)?**

VOB : In the new legislation, all major issues have been addressed. What's left therefore is to produce expected transformations, secure flexible human



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resources, guarantee efficient regulation and have adapted governance tools. I can't imagine any action being taken as long as this reform is not implemented. Now, the next step is to find out who in the political chain has not revealed all their cards. This is a situation that prevents a sound public action while fostering inertia in the decision-making process.

The truth is that delays defined in texts are not aligned with real delays characterizing the administrative system. Also, all the good intentions we find in these texts seem to oppose the interests of leaders who are in charge of translating them into concrete actions. All institutions in charge of controlling and sanctioning the government's actions show an impressive indifference concerning the abuses.

**BC : Is there a link between the actual performances of the public administrations and that of private companies?**

VOB : Obviously! In any given country, all systems are linked. Very few business formalities of private firms do not involve the administration or State institutions. Also, State procurements represent business opportunities for the private sector. Both sectors, the public and private, mutually influence each other. So, a poor performance of the public administration hampers that of private firms, and vice-versa.

**BC : During a recent inaugural lecture, you stated that a dominant number of Cameroonian managers only seek to satisfy their selfish interests. You then urged more altruism in their management. How could the private sector benefit from following your advice?**

VOB : We've all known for a long time that selfish interests serve no business, neither private nor public. To have proof

of this, let's review business theories. You'll notice that governance models evolved from corporate governance (where only shareholders' interest matter in relation to production and redistribution) to a partnership governance (which takes into account the interests of all actors concerned, from shareholders, staff members, suppliers, beneficiaries) and cognitive governance which states that all actors of the system must innovate to create value. In addition to this, corporate social responsibility, which was established in 1953 and which urges business leaders to more altruism, declares that no business is viable if it does not take into account the interest of other parties concerned, including silent parties ( future generations).

Since 2010, a new type of business, "purpose-driven companies," have been emerging. These are commercial or industrial companies that integrate in their core business strategy, a social or environmental goal. This means voluntarily setting a purpose that serves general interests. This model stipulates that individual profit (or shareholders') is sustainably guaranteed if preoccupations of all affected parties, social or environmental, are taken into account.

**BC : According to the national institute for statistics, the closure rate of SMEs in Cameroon is quite high. In 2012, you published an article on the topic titled "Cameroonian SMEs and sustainable development: challenges, foundations, strategies." In your opinion, how could this problem be overcome?**

VOB : The persistent closure of SMEs is a reality in every country. Data shows that half of SMEs created do not reach five years of existence. Financing entrepreneurship is, therefore, a matter that needs a special public strategy. Between 1970 and 1990, Cameroon had paid great

attention to this issue, providing public aids to entrepreneurs. Unfortunately, the economic crisis, dysfunctions in management and policies adopted in the sector have made this support inefficient.

At the moment, the State recentered its focus on facilities and incentives. To these, it could add non-financial support, by setting up incubators and helping entrepreneurs with networking. At the global level, there are many opportunities, such as conferences and fundraisings. Any opportunity centered on innovation would be a great opportunity for entrepreneurs. Regardless, SMEs will keep struggling in the absence of financing entities, or if existing entities fail to increase their actual capacities. It is thus recommended to have a full system that integrates facilities for business creation, incubation, networking, financing and aid at the various stages of development of enterprises.

Another thing that must be acknowledged is the progressive extinction of schumpeterian entrepreneurs (innovators) who are being replaced by those who become entrepreneurs out of necessity. This degrades the quality of SMEs. Moreover, the preference of some business owners to operate informally is another significant handicap. Adding to these, there is the lack of well-regulated market and persisting corruption. Contrary to what one might think, the poor business climate hurts SMEs that are often solicited as subcontractors by larger companies. To improve the situation of SMEs, the whole Cameroonian entrepreneurial ecosystem must be acted upon, and business opportunities in external markets have to be made available to all. Sadly, our economy and the various crises we face do not make it easier for sustainable SMEs to emerge.

Interview by Aristide Aboudi Ottou

# PUBLIC MANAGEMENT

## Cameroon validates its 2020-2030 development strategy

In Cameroon, the Ministry of Economy informs that pending formal authorization for implementation, the government has validated its National Development Strategy for 2030.

According to this Strategy, Cameroon's ambition is to put in place conditions conducive to the accumulation of wealth and ensure that the structural changes necessary for industrialization are achieved. It will aim at raising GDP growth rate to around 7 to 8% on average over the 2020-2030 period; increase the growth rate of the non-oil secondary sector to around 8% and to reduce trade deficit from 8.8% in 2018 to around 3% of GDP in 2030.

The national development plan also aims to improve the living conditions of the population and their access to basic social services by ensuring a



significant reduction in poverty and underemployment. Thus, it will try to reduce poverty rate from 37.5% in 2014 to less than 25% in 2030; reducing underemployment from 77% in

2014 to less than 50% in 2030, and raising the human capital index from 0.39% in 2018 to 0.55 as well as the human development index from 0.52 in 2016 to 0.70 in 2030.

## Government decides to pay XAF100 bln of arrears to its contractors

On January 29, 2020, the government decided to pay a total of XAF100 billion to economic operators providing services to the state, the Minister of Finance announced in an official release. According to Louis Paul Motaze, the release of this envelope was instructed by the Head of State and is part of the progressive clearance of the Cameroonian government's internal debt.

The benefits covered by these payments, it is learned, date back to the

2018 and earlier fiscal years. *"These payments are part of the government's desire to continue to consolidate public finances and gradually reduce payment delays, in order to contain them within 90 days of a payment order, in accordance with CEMAC's directives,"* the release states.

During the 126th Ordinary Session of its General Assembly held in Douala on June 21, 2018, the Inter-Patronal Groupings of Cameroon (GICAM) revealed that companies were claiming

a debt of a little over XAF700 billion from the Cameroonian government. Despite the government's efforts to clear those debts, its debt owed to companies remains high. For instance, according to the Ministry of Public Works' *Projet de performance des administrations* (PPA) for the 2020 fiscal year, the government owes over XAF200 billion to construction companies for work carried out on road sites.

## Researchers discover prehistoric remains that questions the indigenusness of contemporary occupants

In an article published on January 28, French media Ouest-France reveals that a team of international researchers from Harvard Medical School and Saint Louis University sequenced the DNA of four children buried in two phases 8,000 and 3,000 years ago, at Shum Laka, an archaeological site near Bamenda, in Northwest Cameroon.

This DNA sheds light on the genetic traces of a population that disappeared and was still unknown until now: other modern humans. None of those sequenced children are closely related to the current speakers of Bantu, the most widespread language group in Africa. They were rather part of a distinct population that lived in the region more than five thousand years ago and was replaced by different groups whose descendants constitute the majority of the Cameroonians of nowadays. This means that the current Cameroonians' ancestors were not the first occupants of the country.

The discovery of this mysterious lineage thus questions the indigenusness of contemporary Cameroonians. It could even, according to the researchers, rewrite the history of human evolution.



## Cameroon and IMF are finalizing a new programme focused on fight against poverty

During the annual conference of heads of central, decentralized and external services of the Ministry of Finance held from 30 to 31 January 2020 in Yaoundé, Louis Paul Motaze (photo), the head of this ministerial department, formally revealed that Cameroon has been finalizing a new programme with the International Monetary Fund (IMF).

This programme, which should not exceed 2 years according to Standard & Poor's (S&P) analysts, will be different from the extended credit facility, which implemented since 2017 will end in June 2020, sources close to the case at the Ministry of

Finance indicate.

In concrete terms, after this first programme whose main objectives were to *"restore internal and external balances, through targeted budget consolidation, while preserving priority social spending,"* as Louis Paul Motaze explained, Cameroon is changing its objective.

The programme being finalized will focus on the fight against poverty and the improvement of the standards of living of Cameroonian households.

At the end of the Monetary Policy Committee meeting of November 8, 2019, the Governor of the Bank of

Central African States (Beac) indicated that as a sign of "solidarity" with the countries still lagging behind (Congo and Equatorial Guinea), CEMAC countries at the end of their programme with the IMF had agreed to the extension of these programmes or negotiation of new ones. In the first half of January 2020, the American rating agency, S&P, revealed more conclusively that the CEMAC countries undergoing sub-programmes with the IMF (Cameroon, Chad, Gabon and the Central African Republic) were actively negotiating extensions.



# Tax revenues : Households contributed XAF1,426 bln in Jan-Sep 2019



As at 30 September 2019, the contributions of Cameroonian households to tax revenues reached XAF1426 billion, according to the budget execution report of the first nine months of the year, published by the Ministry of finance.

These contributions comprise both direct and indirect payments. Among the direct components is the personal income tax, which amounted to XAF225.7 billion. This amount is XAF18 billion higher than the collection forecasts for the period in the 2019 Finance Act, and XAF25 billion higher than the resources mobilized on the same segment in 2018.

In addition to this personal income tax, Cameroonian households have also contributed indirectly to tax revenues, through the payment of various taxes on consumption or imports. Although these sums are collected and remitted to taxes by companies, they are ultimately included in the selling prices of goods and services that are paid by final consumers, with the exception of certain excise duties on certain beverages. Even when businesses purchase goods subject to value-added tax (VAT), they are reimbursed for this tax burden, albeit with difficulty.

sed for this tax burden, albeit with difficulty.

This contribution segment includes items such as VAT, the amount of which amounted to XAF685.8 billion over the period. But we can also add to this segment other taxes on consumption, excise duty (XAF187.7 billion) and finally customs duties on imports, thanks to which XAF231.1 billion was mobilized.

In addition to contributing significantly to fiscal resources, Cameroonian households are also forced to sponsor certain public services. Thus, despite primary school being free, there are still all kinds of quasi-compulsory payments imposed by them, under what is known as a contribution to the Parent-Teacher Association. Similarly, Cameroonian households, according to a World Bank study, still bear up to 60% of health expenses. This observation was made when the president of Gicam, the country's oldest employers' organization, wrote a letter to the President of the Republic, calling for a lower tax burden and better relations with the tax authorities. While the local press has treated this as an open conflict

between employers and the tax authorities, very few observers have commented on the marginal contribution of companies to tax revenues. Over the same period, the corporate tax, which is the direct taxation on the value-added tax created by companies and not passed on to consumers, generated XAF352.7 billion in revenue, of which only XAF79.7 billion was generated by companies in the oil sector.

In addition to these payments, the Government of Cameroon, with the aim of achieving certain objectives related to improving purchasing power or encouraging investment initiatives, has granted fiscal exemptions of more than XAF1,600 billion in various economic sectors. While these tax expenditures have benefited businesses, no report suggests that there has been any transmission of these gains to the economy. In the markets of the country's main cities, the National Institute of Statistics has found that over the last three years and over the first nine months of 2019 as well, there has been a rise in the prices of several products.

# Cameroon sets reforms to secure tax revenues resulting from public expenditures

This year, the Cameroonian Directorate General of Taxes has decided to implement a set of reforms to secure tax revenues resulting from the implementation of public expenditures.

According to this institution, these reforms include the establishment of withholding tax as soon as funds are released for expenditures carried out under exceptional procedures, the introduction of an 11% withholding tax on various bonuses paid, the dematerialization of procedures (online registration, tax notices) and the creation of a tax desk to monitor public entities.

There is also selective empowerment of public entities authorized to withhold tax. Let's note that currently, those entities are the SNH, the Autonomous Amortization Fund, and the Road Fund.

According to the tax directorate, these measures are aimed at correcting the difficulties encountered in the collection of taxes resulting from the execution of public expenditure. Among these challenges, the



tax authorities cite in particular the authentication of documents constituting the tax reports, the securitization of registration fees, the collection of taxes and duties resulting from expenditure carried out under

exceptional procedures, the systematic non-reimbursement of deductions made, the absence of deductions on start-up advances, the tax treatment of certain staff expenses and the tax avoidance in some public entities.

## The UNDP helped reintegrate 300 former Boko Haram members in 2019 (Resident representative)

During the annual review of the UNDP country program Document for Cameroon, held on January 27, in Douala, Alassane Ba, the Resident Representative of the agency, provided updates on the agency's supports to Cameroon.

According to Alassane Ba, as part of its efforts to strengthen resilience to shocks and crisis, UNDP, with the support of the government, set seven

mediation platforms in the Far North to manage more than 20 conflicts and contributed to the reintegration of 300 former Boko Haram associates.

In addition, *"6,700 young people who have been sensitized have thus become actors in the prevention of violent extremism. Reconciliation and peace promotion activities in affected communities targeting 537 former Boko*

*Haram associates (456 women and 81 men) have helped ease tensions with the host populations,"* said Alassane Ba.

Let's note that since 2009, the jihadist group has caused the deaths of more than 27,000 people in Nigeria and neighboring countries. It also forced 85,000 Nigerians to become refugees in Cameroon.

## 2019 Customs revenues exceeded target by 14.3% to XAF971.7 bln

In 2019, the Cameroonian customs administration exceeded its revenue collection targets set in the state budget by 14.3%. During the period under review, a total of XAF971.7 billion was collected, against initial forecasts of XAF850 billion.

Year-on-year, this volume of revenue, revealed on January 28, 2020, in Yaoundé, during the celebration of World Customs Day, is up by XAF46.7 billion compared to the XAF925 billion collected during the 2018 fiscal year.

“The performance of customs units gives rise to optimism. This is all the more important at this time when the urgency is to maximize non-oil resources to strengthen our economic resilience,” Finance Minister Louis Paul Motaze said.



## Outstanding public debt reached XAF8,384 bln (37.4% of GDP) at end 2019

As of December 31, 2019, the outstanding public and publicly guaranteed debt (all debts contracted by the State, companies and other public institutions) reached a volume of XAF8,384 billion. This was revealed by Charles Assamba Ongodo, the Director-General of Cooperation and Integration at the Ministry of Economy, during the annual conference of central and decentralized services of the Ministry of Economy on January 21, 2020, in Yaoundé. This debt, which has increased by XAF827 billion within 8 months (it was XAF7,557 billion at the end of April 2019), now represents 37.4% of the country's GDP, Mr. Assamba stressed.

This increase can be explained by the acceleration of disbursement on external debts during H2, 2019, as announced by the Ministry of

Finance in an explanatory note of the budgetary adjustment decided by the Head of State on May 29, 2019.

The increase can also be explained by the upward revision of the financing raised on the money market (BEAC) from June 2019. The latter in fact increased from XAF260 to 350 billion, thanks to the above-mentioned budgetary adjustment.

Despite its strong growth over a relatively short period of time, Cameroon's public debt, which only represents a little more than 37% of GDP, remains sustainable at first sight since the convergence criteria in force in the CEMAC zone set the ceiling for the public debt at 70% of GDP.

However, despite this, Cameroon is classified by the Bretton Woods institutions, basing themselves on the speed with which the country

has indebted itself in recent years, as a country with “high risk of debt distress.”

*“The risk of high debt distress is justified by the fact that since 2018, the two liquidity ratios of debt service to export earnings and debt service to government revenue have been exceeded. This indicates that from 2018, and until 2026, the Treasury will face enormous difficulties in honouring its commitments, especially the timely settlement of debt service,”* the Cameroonian Minister of Finance explains.

Louis Paul Motaze said this before parliamentarians on July 8, 2019, during the presentation of the initial 2020 draft budget of the State, as a prelude to the very first budgetary orientation debate in the history of public finance in Cameroon.



## Competitiveness support program DACC announced to be operational in Q1, 2020



In Cameroon, the competitiveness support scheme (Dispositif d'appui à la compétitivité du Cameroun-DACC) will be operational in Q1, 2020. This is revealed by Hans-Peter Schadek (photo), Head of the European Union Delegation in an interview published in «Bulletin du Patronat» No. 77 of December 2019, by Groupement inter-patronal du Cameroun (Gicam).

The financing agreement for this programme, which replaces another of the same nature (Programme d'appui à la compétitivité de l'économie camerounaise-Pacom), was signed

on July 25, 2018. In his interview with Gicam's newsletter, the EU ambassador did not give the reasons for the delay.

*"This tool will, we very much hope, solve several problems related to the quality of products exported from Cameroon. (...) It is intended to strengthen the productivity and export capacity of Cameroonian companies,"* Hans-Peter Schadek explained.

According to Mr. Schadek, the DACC plans to intervene in the areas of energy efficiency and standardization but it also intends to focus on

improving the business climate and providing direct support to companies and intermediary or employer organizations.

In this sense, the diplomat said, the EU is available and willing to support Cameroonian authorities in charge of these issues so that the willingness to reform this sector is not limited by technical issues or lack of means. "I can assure you that many European investors are just waiting to come to Cameroon," Hans-Peter Schadek indicates.

# FINANCE

## CBC obtains XAF9.17 bln loan from the EIB to fund SMEs



Commercial Bank of Cameroon (CBC) announces that it has obtained a 7-year loan of €14 million (about XAF9.17 billion) from the European Investment Bank (EIB). *“After very thorough and selective due diligence, the EIB has confirmed the credibility of the Commercial Bank and its eligibility for this important*

*financing which reinforces the bank’s commitment to small and medium-sized enterprises [SMEs],”* the bank indicates.

Let’s note that CBC, after a lengthy restructuring completed in 2016 with the state’s support, is under a performance contract for the 2018-2020 period.

During this contractual period, the State requires Commercial Bank of Cameroon to achieve a result of XAF2.6 billion in 2020 in order to open up capital to private investors. In terms of profits, the state required from CBC an amount of XAF1.803 billion in 2018, XAF2.110 billion in 2019 and XAF2.603 billion in 2020.



# AGRICULTURE

## Ebolowa's 1,400 m<sup>3</sup> storage warehouse now operational



Built, in the framework of the Three-Year Emergency Plan (Planut) implemented by the Cameroonian government since 2015, the cold storage warehouse in Ebolowa, the regional capital of the south of the country is now operational. Prime Minister Joseph Dion Nguté saw this himself during his visit in Ebolowa on January 30.

With a storage capacity of 1,400 m<sup>3</sup> representing 2,500 carcasses of 200 kg, this infrastructure is the third whose work has been completed, after that of Yaounde (6,000 m<sup>3</sup>) and Ngaoundéré (1,400 m<sup>3</sup>). Only the Kribi warehouse, also planned in the Planut, remains to be completed. Thanks to a loan from Caixa Bank and Deutsche Bank, the Cameroonian government invested XAF10 billion for the infrastructures whose construction is aimed at boosting the country's cattle industry.

## Pamol and CDC's turnover plummeted by 83.4% and 60.9% respectively in 2016-2018, due to separatists crisis

Pamol Plantations PLC and Cameroon Development Corporation (CDC), the two agro-industrial units which have been paying the heaviest price for the ongoing separatist claims in Cameroon's two English-speaking regions (North-West and South-West) since 2016, have seen their respective sales figures plummet between 2016 and 2018. According to a report by the Commission for the Rehabilitation of Public and Para public Sector

Enterprises CTR, palm oil producer Pamol lost 83.9% of its turnover during the period under review. At the same time, CDC, the country's largest employer after the public administration, lost 60.9% of its turnover. These losses are concentrated in CDC's banana segment, which has been completely shut down since September 2018. Only the company's palm oil and rubber segments are still operational, but rather timidly, thanks to plantations located on the

periphery of the South-West region, especially in certain localities of the Littoral region spared from the demands of the English-speaking separatists.

According to the CTR, the disastrous situation within these two public agro-industrial enterprises has had a significant impact on the overall turnover of Cameroon's public enterprises in 2018, which peaked at XAF1,223 billion, up 0.5% year-on-year.



# INDUSTRIE

## Gicam threatens to exclude members found guilty of corruption

*We plan to put measures in place to exclude companies found guilty of having engaged in obvious acts of corruption from our ranks,*" Célestin Tawamba (photo), president of the Groupement inter-patronal du Cameroun (Gicam), indicates in the «Bulletin du patronat» No. 77 of December 2019.

Mr. Tawamba notes that "some economic actors distinguish themselves by instinctively trying to give bribe even if sometimes, they have the law by their side." On the economic level, corruption distorts competition between companies and diverts

important funds from productive investment in the economy.

At the judicial level, he added, corruption distorts the competence, independence, and impartiality of the judiciary and the administrative power. As a result, this scourge feeds mistrust towards public institutions and undermines the rule of law.

Generally, he added, *"corruption hinders the introduction of changes needed to solve our problems."*

*"These are some of the shortcomings that damage the image of the company and undermine the announced progress towards the economic emer-*

*gence of our country. These are serious and unethical acts,"* he said.

Célestin Tawamba points out that Gicam has an Ethics and Governance Commission that deals with issues related to ethics, compliance, governance, transparency and the fight against corruption. In December 2018, it published a Statement on Corporate Governance and before the end of 2020, it will publish a Corporate Governance Code. Gicam was founded on June 12, 1957. Today, the organization has approximately 200 members, companies and professional unions combined.

## Port of Kribi : 31 companies authorized to settle in the logistics zone

The Autonomous Port of Kribi (PAK), which started operations in March 2018 in South Cameroon, informs that it has already processed 208 applications from companies wishing to settle in its logistics zone, for a requested area of 4,138.9214 ha. To date, the PAK indicates, 31 temporary occupation permits have been issued for a cumulative area of 123,9151 ha. According to the permits, the occupation of the granted spaces is progressive. Among the companies that have completed the development work is Atlantic Cocoa Corporation (ACC), whose production plant is located in the heart of the industrial zone.

*"The machinery has been tested and is now awaiting the official launch of cocoa processing activities. The IHS (telecommunications) has also been*



*installed and recently started operations,"* the PAK indicates.

Some of the largest beneficiaries of these permits with ongoing construction are Cemtech Industries Cameroon (cement factory), Société industrielle de construction d'appareils électroménagers et de climatisation, BTL (Bolloré Transport Logistique), Tractafric, Ocean Shipping and Logistics Company S.A,

KIS (Kribi Island Service) and Sepbc (Société d'exploitation des parcs à bois du Cameroun).

The PAK's Development and Environment Department is also collaborating with a final category of companies, whose technical development files are currently being prepared. These include Color Ceramica Sarl, APM (Agence de Prestations Maritimes SA) and Scie Emergence.



# INFRASTRUCTURES

## Yaoundé-Douala highway : Phase 1 expected to be delivered by December 31, 2020



As of January 30, 2020, phase 1 of the Yaoundé-Douala highway construction project was 80% complete. This was revealed by the Ministry of Public Works, which informed that works should be completed by December 31, 2020.

*"The observed deployment of the China Highway Engineering Company from PK40 to PK60 in the framework of phase 1 of the highway augurs well for the delivery scheduled for this year. Of the 36 engineering structures to be built on this section, only 6 remain, this is an 80% completion rate. The completion rate for the excavation and backfill are 40% and 46% respectively," the ministry explains. Nevertheless, the ministry notes,*

*the site is particularly difficult and uneven with extremely rocky and mountainous points which impose a consequent mobilization on all fronts. In that regard, the company mobilized 800 machines from PK 40 to PK 60.*

*The handover of basic social infrastructures will soon begin. It includes the construction of classrooms, boreholes and the distribution of medicines to improve the living conditions of the neighboring populations.*

*The Yaoundé-Douala highway is a modern road network of about 215 km between the country's two largest cities, Yaoundé and Douala namely. The estimated cost of the first phase*

*varies between XAF284 billion and XAF337.84 billion depending on the source. During that phase, a highway of 2 x 2 lanes, extensible to 3, will be built over about 60 km, from kilometer point 0 to the Bibodi interchange. According to the World Bank, the cost of this highway is too high compared to other projects of the same type in Africa. In a report published in 2018, the international financial institution reveals that the Yaoundé-Douala highway will eventually reach a cost of US\$11 million (about XAF6.5 billion) per kilometer, compared to US\$3.5 million (about XAF2 billion) in Côte d'Ivoire and US\$3 million (about XAF1.7 billion) in Morocco.*

# ENERGY

## 28 MW of power installed on CHAN 2020 and AFCON 2021 hosting sites (ENEO)

Three months to the start of the African Nations Football Championship in Cameroon, Eneo, the concessionaire of the public electricity service in the country, claims to have already built and commissioned more than 90% of the works requested by public authorities.

These works were done not only on the sites that will host the CHAN 2020 matches but also on those that will host the matches of the African Cup of Nations (AFCON) football tournament, scheduled to take place in Cameroon in January-February 2021.

*"The entire project consisted of the construction, across four regions, of more than 47*

*km of underground networks, 36 km of overhead networks on metal and concrete poles, seven delivery stations, 15 serving points, a distribution station for an installed capacity of 28 MW,"* the electricity production and distribution company claims.

According to Nicolas Keedi, deputy director of studies and development of distribution networks at Eneo, "the option to dedicate structures to the supply of sites is part of the desire to set up networks that will be very little exposed to breakdowns and will guarantee optimal load transit. Their structures will thus facilitate interventions in case of incidents."



## ENEO : There could sometimes be "errors in some clients' bills"

*We acknowledge that there could be errors in some clients' bills, sometimes. We handle them on a case per case basis and continue to learn from them to improve our systems and processes."*

This is the revelation made by Eric Mansuy, the general director of ENEO, the energy utility company in Cameroon when asked why usually during outages, ENEO presents bills to its clients as if there was normal service.

*"Clients can sometimes deem that their bills are too high. In that case,*

*as the rules state, notify ENEO via its agencies or via our digital platforms (MyEasylight, Twitter, Facebook, notably). (...) By the way, we have multiplied the procedural, organizational and technological reforms to allow for an 'as accurate as possible billing.' One such reform is the introduction of smart meters into the network,"* Eric Mansuy adds.

The manager explains that one of the reasons the utility company recently introduced prepaid solutions is to gradually abandon billing. That way,

the user is no more stressed while waiting for a bill but, users can also become more autonomous, change their habits and take charge of their usage by efficiently managing it, by going into the economy mode when necessary.

Nevertheless, Eric Mansuy stresses, as far as billing is concerned, *"it is important to point out that bills only record what clients actually used. When you are not powered, your meter does not run."*





# TRANSPORT

## Start-up Bee Sarl steps in to revolutionize motorbike-taxi service in Cameroon

In Douala, trips on motorbike-Taxis are frequent. Much of the population, by the way, prefer that transport method to avoid jams during rush hours.

To modernize the activity, which is the main cause for disorder in the town, Cameroonian start-up Bee Sarl has launched a VIP motorbike taxi service. Via a mobile app or a call center, this startup provides motor-

bike-taxi and drivers to clients for their travel.

Unlike ordinary motorbike-taximen, Bee network's drivers are recognizable thanks to their yellow jacket and black helmet. Also, helmets are available for the client's protection. At the end of the trip, the client can rank the driver based on criteria such as punctuality or driving style. Only operational in Douala for the

time being, Bee Sarl VIP motorbike-taxi services could soon be extended to Yaoundé and other cities in Cameroon, according to the promoters.

This startup would soon have to face competition from a top competitor - the French Heetch - whose VIP motorbike-taxi service is being launched in Cameroon.

## "Kribi deep seaport : Chad is the destination of 68% of transit goods (PAK)"

Since the launch of its operations in March 2018, the Kribi deep seaport in South Cameroon has become an important transit platform for goods being exported to Chad. According to figures published by

Kribi autonomous port (PAK), in charge of the management of that port platform, Chad largely dominates transit import at Kribi with 68% of the goods in transit. These goods in transit for Chad are

mainly constituted of cereals and other foodstuffs, the PAK indicates. Via the Kribi deep seaport, Chad also imports industrial and steel products as well as cars.

## Port of Douala : RTC generates XAF3.26 bln in 1-month operation

Régie du terminal à conteneurs (RTC), the delegated authority created last January 2 by the port of Douala to replace Douala International Terminal (DIT), reports a turnover of XAF3.26 billion in one month of activity. Compared to the turnover reported during the same period in 2019 (XAF3.12 billion), this represents a 4% increase.

The turnover was the result of the wharfing of 19 ships (the same number in January 2019) and handling of 15 container ships (14 in January 2019).

During the period under review, RTC indicates that it handled 13,020 containers against 13,763 in January 2019, representing a 5% decrease.

As for full import containers leaving the terminal, there were 7,195 in January 2020 compared to 6,907 during the same period in 2019, representing a 4% increase. There were 5,195 full export containers entering the terminal, the RTC claims, against 5,676 containers for the January 2019 period. This represents a drop of 8%.



# Port of Kribi : China dominates import-export traffic

Asia receives 87% of exports traffic on the deep seaport of Kribi, in South Cameroon, according to statistics recently published by the Autonomous Port of Kribi (PAK), the public company that manages the port platform operational since March 2018. Moreover, the PAK points out, the bulk of this exports traffic, consisting mainly of logs and sawn timber (99% of goods loaded for export), is directed towards China. Next follows Germany, Belgium, Congo, and France. "In Europe, the exported products are cocoa derivatives, i.e. butter, cake and beans," the PAK stresses.

According to NGOs, the concentration of most timber exports towards China (an activity carried out by Cameroonian, Chadian, Congolese (DRC) and Central African operators) can be explained by the entry into force of the Flegt agreements in the European Union (EU). These agreements are reputed to be more rigorous in terms of forest exploitation and the traceability of wood sold on the European market. To avoid the rigidity of the agreements, several African operators are turning away from the EU, which was their original market, to redirect



their exports to China, reputed to be more flexible, the environmental NGOs explain.

In addition to exports, China largely dominates imports traffic at the Kribi port platform. "China is the first importer at the port of Kribi. Most of the products of Asian origin are building materials, electrical machinery and appliances, followed by food products," official sources indicate. This preponderance of Chinese imports, mainly dominated by construction materials and equipment, is explained by the number of

infrastructure projects that Chinese companies, such as Sinohydro (dams, roads, buildings, etc.) or CHEC, are carrying out in Cameroon and even in the Central African sub-region. CHEC, for instance, built the deep seaport of Kribi and is currently completing the highway that serves this infrastructure. The Chinese company is also laying the starting blocks for the 2nd construction phase that will provide the Port of Kribi with a 2nd container terminal, twice as long as the first (350 m).

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## CAR, Chad, and DRC exported 14,350 tons of timber and derived products via Kribi deep seaport in March 2018-March 2019

Between its operationalization in March 2018 and March 2019, Kribi deep seaport helped export 14,350 tons of timber and derived products from the Central African Republic,

Chad and DR Congo. According to Port autonome de Kribi (PAK), which reveals the information in its corporate magazine, all these products were exported to two

main countries, China and Vietnam namely. The PAK indicates that timber has been the main export product on the port platform.



# TIC & TELECOM

## Central Africa Backbone : Cameroon deployed additional 105 km of fiber in 2019



In 2019, in the framework of the Central Africa Backbone (CAB) project funded by the African Development Bank (AfDB), Cameroon deployed an additional 105 kilometers of optical fiber as part of the cross-border interconnection, according to an official document from the Ministry of Posts and Telecommunications. Although the said document does not specify the neighbouring countries targeted by this interconnection, it should be reminded that on December 30, 2019, during the

8th meeting of the national steering committee of the CAB project, Congo and the Central African Republic were clearly cited as beneficiary countries of this interconnection with Cameroon. The CAB project is aimed at building a high-speed fiber optics telecommunications network in the Central African region. Structured into regional and national components, this project started in Cameroon in 2016, but entered into its development phase in 2018, and particularly 2019, with the completion of the above-

mentioned interconnection works. The project that expired on December 31, 2019, is expected to be extended until 2021, following a request submitted by Cameroon to the AfDB. *"The procurement plan for the 2020-2021 period, submitted on September 30, 2019, obtained the favorable opinion of this institution (ed.note: AfDB) on December 26, 2019,"* Minette Libom Li Likeng, Cameroon's Minister of Posts and Telecoms, revealed during the 8th meeting of the national steering committee of the CAB project.



# SERVICES

## “Hôtel du comice” inaugurated 9 years after launch of construction works

Today January 30, Joseph Dion Ngute, the Prime Minister of Cameroon, officially inaugurated Bengo Hotel, commonly known as “Hôtel du comice,” in the regional capital of the South. This construction project was launched in preparation for the 2011 Ebolowa agropastoral Fair but encountered numerous financing difficulties.

Bengo Hotel, which is thus inaugurated 9 years after the launch of construction works, is a XAF15 billion investment built over more than 2,400 m<sup>2</sup> of space. The new public hotel has a hundred rooms, restaurants, conference rooms, and playgrounds.

The new infrastructure located at the entrance of Ebolowa comes on point to boost the town's hosting offer since modern hotels capable of hosting tourists are not common there.



## French embassy announces a new visa appointment system

*Starting from February 3, 2020, the visa service of the French embassy will set up new system of free appointments for visa applications.* This announcement was made a few days ago by the French embassy in Cameroon.

The diplomatic representation indicates that applicants will have to make an appointment on the internet for an ordinary visa application. At the end of the appointment booking procedure, an e-mail confirming the appointment will be sent to the applicant who will have to print the appointment booking receipt, which will allow access to the visa service.

*“Notice: once you have obtained your appointment, it is not necessary to arrive 2 hours in advance. You will*



*only be able to access the visa service 15 minutes before your appointment time. On the French visa website - a single portal containing all the information you need to guide you through the process and assist you at each stage of your application - you*

*can obtain information on the status of your application,”* the embassy indicates.

Let's note that since January 1, 2020, it has become mandatory to fill the online visa application form on the [www.france-visas.gouv.fr](http://www.france-visas.gouv.fr) website.



## LEADER OF THE MONTH

# NIGERIAN BANKING GROUP UBA CHOSE CAMEROONIAN MARTIN CHÉ TO OVERSEE ITS ACTIVITIES IN 10 AFRICAN COUNTRIES



Cameroonian native Martin Ché, former CEO of UBA CEMAC (a sort of CEO overseeing the management of all of the group's subsidiaries in Gabon, Cameroon, Chad, and Congo Brazzaville) has been appointed as the Regional Chief Executive Officer

of the Central, Eastern, and Southern Africa (CESA) Region.

This zone, official sources indicate, covers UBA's subsidiaries in the Central, Eastern and Southern African countries. It includes 10 countries namely, Cameroon,

Congo-Brazzaville, Gabon, Chad, the Democratic Republic of Congo (DRC), Kenya, Uganda, Tanzania, Zambia, and Mozambique.

"I look forward to working with the various stakeholders in Cameroon, Congo Brazzaville, Gabon, Chad, DRC, Kenya, Uganda, Tanzania, Zambia and Mozambique in adding value and developing the UBA business in Africa," said the new CEO who has once been MD of UBA Congo.

He is "an experienced banker with a proven track record. He is a business development professional with skills set in credit risk, financial risk, business relationship management, and banking operations. He holds an MBA in Banking and Finance from the School of Business of the University of Wales, Bangor, and has numerous leadership qualifications from IMD Business School, Lausanne. The new Regional CEO for the CESA Region comes in with 20 years' experience in the banking sector," UBA Plc indicates.

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