

April 2020 / N° 86

# BUSINESS IN CAMEROON

MAJOR PROJECTS - AGRICULTURE - ENERGY - MINING - INDUSTRY - SERVICES - FINANCE

## Cameroon mobilizes all its resources against the virus



Measures  
planned to  
cushion the  
economic  
shock



Camtel,  
fourth  
mobile  
operator in  
Cameroon

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Yasmine Bahri-Domon,



## Birds of ill omen...

We are all exposed to the current pandemic. We know this and so we protect ourselves, at least as much as we can. So, is it necessary to keep projecting all kinds of dreadful scenarios for Africa?

For example, the Grand Journal d'Anne Goderniaux broadcast on Radio-Télévision Belge said that our country *"is severely hit"* by the disease, while *"the State is abandoned"* and *"populations have no access to useful information"*. Similarly, a think tank attached to the French ministry of foreign affairs said that, in Africa, *"the medicalization rate is virtually nil and it can be taken that national health systems will be surely saturated."* It added that *"institutions would be discredited even more than they are now."* In short, they believe that while it is not yet chaos, it is inevitable. Well, these people should be reassured

and know that in Cameroon, and many other African countries, authorities are prepared, and populations are being tested and have learned necessary prevention measures, and health workers are as devoted as anywhere else in the world.

So, to all those who worry for us, let them be reminded that while the Coronavirus has so far killed almost 200 people in sub-Saharan Africa, in over three months, malaria kills nearly 30,000 people in this region every month. Every year, malaria kills 3.5 times more people than Coronavirus has killed in the world up till now.

We are therefore very thankful for the solicitude, but for the worst that Africa is being warned to brace for, we already are accustomed to it and have to deal with it every day.



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## COMPANY OF THE MONTH

# CAMTEL RECEIVES 3 NEW AGREEMENTS AND BECOMES THE 4TH LEADING MOBILE OPERATOR IN CAMEROON



On March 12, 2020, the Minister of Posts and Telecommunications Minette Libom Li Likeng officially handed 3 concession agreements, delivered by the government, to Camtel.

The Ministry of Posts and Telecommunications explains that the agreements were delivered to enable Camtel to boost its productivity and its offers of quality services at affordable prices, following the Head of State's prescription for the development of a digital economy. The three new agreements focus on the establishment and operation of two electronic communication networks and one electronic communication transport network. The first communication network, with national coverage, will be accessible to the public via 2G, 3G, and 4G technologies. The second will be open to the public nationwide via wireline access. For the transport network, it will include submarine cable landing stations and teleports for satellite networks.

Thanks to these agreements, Camtel becomes the 4th leading mobile operator in Cameroon, with the authorization to deploy up to the 4G network. By granting them, Cameroon is strengthening Camtel's position in the development of the IT and telecommunications sectors in the country.

### **The challenge of transparency and justice**

According to our sources, the new concessions will induce a reorganization of Camtel into Business Units, which will be tasked to manage each of the concessions.

*«In the medium term, i.e. within 3 years, these Business Units should lead to a mature functional separation,»* the sources indicate. Camtel could even be separated into subsidiaries to become a telecoms group.

But to achieve this major transformation, the public telecom company must be able to meet many challenges. *«With three operating titles, Camtel will have to- more than ever-*

*face suspicions of non-transparency, even corruption or unfair management of operators in their segments. Camtel will also face recriminations and reproaches, in case of poor quality of service, approximate after-sales service, or slowness in the provision of services,»* sources at the Ministry of Posts and Telecommunications indicate.

To avoid criticism or being qualified as an operator abusing its dominant position, Camtel will have to *«comply with the international standards' quality of service indicators contained in the specifications,»* good sources point out. *«All requests, without distinction of their origins, must be treated fairly and transparently, following the regulations in force. Also, the accounting and technical traceability of operators must be ensured,»* the responsible ministry orders.

Brice R. Mbodiam



## MONTHLY STATISTICS

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# 25%

With 12,000-km of fiber optics backbone network, Cameroon still has much to do concerning the deployment of that strategic telecom infrastructure. In an official document, Camtel, the sole manager of the country's backbone infrastructure, reveals that barely 25% of Cameroon's 360 main departmental townships have an optical transmission post. Also, it indicates, "there is strong disparity as far as rural areas are concerned."

*"This is the reason the new concession agreements granted to Camtel are so important. Thanks to them, the company can deploy more fiber optics in the country," he adds*

# XAF1.2 billion

In Far-North Cameroon, the government will build farm inputs' storage warehouses for rice producers supervised by Semry.

The project, funded by the World Bank to the tune of XAF1.2 billion, also plans the construction of offices for water management organizations.

On March 13-14, Fissou Kouma, the general-director of Semry and coordinator of flood prevention programme Pulci, visited the sites that will host the infrastructures.

According to the project drivers and companies working on the construction sites, the works will be delivered within 3 months, i.e May 2020.

# 200

On March 16, Camrail launched a new training session to teach railway works to 60 young Cameroonians in the framework of the partnership agreement it signed, since 2016, with De La Salle high school in Douala.

The 1-month training will open to beneficiaries - who have been selected via competitive examinations- doors to employment at Camrail, concessionaire of Cameroon's railway network.

Trainees for the session, half-funded by the railway company, will be taught skills necessary to become marshalling staff or second man, we learn.

Since the launch of the project, initiated to develop railway works in Cameroon, Camrail has trained and recruited about 200 young Cameroonians.

# 95,000 L

On March 8, 2020, the Nigerian navy seized 95,000 liters of gasoline that were about to be smuggled into Cameroon, Nigerian media reveal. This trophy from the war against smuggling on the Cameroon-Nigeria borders was presented on March 12, 2020, in Akwa Ibom State.

Transported by a makeshift boat, the gasoline destined for Southwest Cameroon was packed in 316 drums, each containing 300 liters of oil products, we learn. The smugglers escaped when they noticed the navy on their trail.

Nigeria is one of the epicenters of contraband in Cameroon, notably because of about 1,500 km of porous border between the two countries.



# HOW IS CAMEROON'S ECONOMY COPING WITH THE CORONAVIRUS?

Ending last year, the coronavirus outbreak began in China. As it rapidly spread to many countries, it was declared a pandemic. Cameroon, like many other African nations, was hit by the virus on March 6, 2020. A few days later, on March 17th, the Cameroonian government took various measures to prevent the spread of the virus which was imported by nationals who had mostly visited affected European nations. Some of these measures include the closure of borders (with only cargo planes and ships supplying the country with essential goods), reducing movement between towns, rationing markets...All these mea-

sures have however greatly impacted Cameroon's economic activity, in a context where the Central Bank of Central African States (BEAC) tries to keep it from crumbling. The apex bank has taken steps (lowering benchmark rates, lowering costs of financial transactions, postponing payments of State debts...), thus providing a wider margin of manoeuvre amid the coronavirus crisis. However, while the BEAC's measures- those concerning access to financing notably- already affect businesses, in Cameroon, the Employers' Association (GICAM) awaits more significant support from the government. On March 21, 2020,

the association recommended 18 concrete steps that public authorities should take. They asked the government to among others, suspend the payment of key taxes by companies, pay the State's internal debt more rapidly, reimburse VAT loans to firms...

In this current edition of our magazine, we provide a full picture of a Cameroonian economy struggling against the Covid-19, as we wait to see how authorities will respond to the GICAM's recommendations as well as the results of a loosened monetary policy by the Central Bank.

Brice R. Mbodiam

# Covid-19 or the unexpected economic storm



Coronavirus has already sneaked through Cameroon's borders and no one was able to stop it. The first case was confirmed on March 6 and as a response plan to control the propagation of the virus, the government decided to close borders. This decision, effective since March 18, was announced the day before by the Prime Minister Joseph Dion Ngute following a crisis meeting. Joseph Dion Ngute published a set of 13 measures that practically put the country in a state of emergency. These measures range from borders and schools' closure to restrictions on movements across the country, the prohibition of gatherings of more than 50 people, regulation of flows in markets as well as limitation of some commercial activities (restaurants and bars close at 6 p.m.; hotels and accommodation centers requisitioned for quarantine etc...). The measures seem to be commensurate with the seriousness of the situation. Within a week, Cameroon had confirmed 10 covid-19 cases on its territory. Also, short-term perspectives are grim since between the confirmation of the first case, on March 6, and the

measures of March 17, numerous flights from countries affected by the virus landed in Cameroon. Some of the passengers from these flights went to their families without prior confinement.

## **Inflation ahead!!!**

Health aside, it is time to analyze the impacts of the government's latest measures. By closing its borders to the rest of the world, Cameroon, whose consumption is highly extra-verted is going towards a shortage of various consumer products.

Despite the recent assurances of the Minister of Trade about the availability of stocks of products like rice, fish, and milk, the middle-term (even the short-term) perspectives are grim.

Even the authorization given to cargo aircraft and boats transporting food products to serve the country is no cause for optimism since most of the origin countries of products to be transported have already closed their borders amid the virus outbreak. Also, Cameroon has suspended the importation of animal and fishery products from countries affected by the pandemic. With the scarcity that

is looming, and especially given the limitation of flows in Cameroonian markets from 18 March 2020, we are moving towards the emergence of inflationary pressures.

In pharmacies, for instance, the prices of products such as hydro-alcoholic gels recommended to disinfect hands as part of the preventive hygiene measures against the virus, have exploded.

## **Loss of income equivalent to 4.1% of GDP**

Similarly, the closure of pubs and restaurants at 6 p.m. every day, as well as the restriction of flows in those places, will deal a heavy blow to the brewing and tourism industries and all their value chains. The same applies to the cancellation of all conferences, seminars and other business trips, which usually provide a lot of revenue to hotels.

Moreover, in a report published on March 13, 2020, in Addis Ababa, the UNECA predicts a 3.1% drop in Cameroon's revenues from tourism as well as oil and non-oil exports due to the Coronavirus crisis.

The UNECA's Central Africa office was more alarmist indicating that Cameroon's revenue losses in the tourism and export sectors could go up to 4.1% of its GDP. The highest loss will be recorded in the revenues from crude oil exports (2% of GDP) while tourism revenues will follow with losses representing 1.5% of GDP. The losses in revenues from exports of other commodities and exports products could be 0.6% of GDP, the institution indicates.

Apart from those losses, Cameroon still has to deal with Boko Haram's attacks, separatists in its Anglophone regions and the coronavirus itself.

Brice R. Mbodiam

# Covid-19: Companies come to the government's rescue



On March 16, 2020, metallurgy company Prometal Acierie donated a check of CFA100 million to the Minister of Public Health Malachie Manaouda as the company's contribution to the fight against the Coronavirus pandemic in Cameroon. This makes Prometal, leader of the metallurgy market in Cameroon, the second company to give the government money to fight the virus, after

Refining Company Maya & Cie, which gave CFA150 million on March 13. Another donor is Orange Foundation of the French mobile operator Orange, which gave CFA100 million worth of medical materials to fight the pandemic. Moreover, Orange announced on March 21 it has cut fees for account-to-account money transfers, "with no limit on the amount," to limit hand-to-hand

cash transfers. Water bill payments via Orange Money are now also free of charge and the price of Internet access equipment has been lowered. MTN Cameroon, the mobile market leader in Cameroon, has suspended for 30 renewable days, the fees on money transfer on its Mobile Money network, for amounts less than or equal to CFA20,000.

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## Coronavirus: Gicam calls for the elaboration of "new policies to support businesses and households"

After an extraordinary Board meeting on 19 March 2020 in Douala, the Inter-Patronal Grouping of Cameroon (Gicam) expressed its "deep concern and anxiety about the already perceptible impacts" of the Coronavirus on certain companies.

In the official release it published after the meeting, Gicam indicated that

the Coronavirus crisis in the country "could lead to a real economic, social and human disaster."

It, therefore, calls for «the urgent use of all monetary, fiscal and trade policy instruments» and for the "elaboration of new policies to support businesses and households" so that the war against the coronavirus can be won.

Gicam, which welcomed the government's measures taken on March 17, 2020 (closure of schools and borders without prejudice to trade, suspension of missions abroad, etc.), announced that it will «urgently» make proposals to the government in that regard.

# Coronavirus: SABC excludes recourse to “partial unemployment or layoffs”

Recently, to prevent the spread of the coronavirus in Cameroon, the country issued a set of measures including the closure of pubs and restaurants at 6 pm daily. According to analysts, this particular measure should have a huge impact on the brewery industry.

Despite this analysis, Emmanuel de Tailly, CEO of brewery market leader SABC, promises there will be no “*partial unemployment or layoffs*.” “*We are doing everything to keep operations ongoing, even in emergency mode*,” he says.

To continue its operation amid the covid-19 outbreak, SABC has set a crisis unit that implements some preventive measures and reports to the CEO daily. An example of the preventive measures implemented by the unit is the 14-day immediate lockdown and daily medical checkup for every collaborator returning from missions abroad.

Also, «*due to the spread of the virus and the latest measures restricting travel and movement in Europe and*



*elsewhere, we have strengthened our measures. We are also encouraging teleworking for our employees whose presence in the office is not essential,*» says an internal company source. The source adds the brewing company has suspended all business trips abroad and travel within its establishments in Cameroon (except

in cases of force majeure). The company now favors videoconference and wearing masks is now compulsory. SABC also initiated the daily sensitization of staff and visitors on the actions to follow to protect themselves and others against the Coronavirus.

## French ride-hailing startup Heetch “suspends” operations in Cameroon over the covid-19 crisis

French startup Heetch, which launched its car and cart bike hailing app in Cameroon in September 2019, announced the suspension of its activities in the country. And it seems it is a permanent cessation of its operations in Cameroon.

“French company Heetch started operations in Cameroon last September. Directly affected by the Coronavirus crisis on French soil, Heetch decided to suspend

its operations in Cameroon, the latest country where it launched its operations, to refocus its activities on other countries. This is why we must, as of today, suspend the application in the city of Douala. The Heetch team would like to thank all passengers and we deeply regret not being able to continue our investments in Cameroon,” the startup explains. With the suspension, a network of 250 VIP cart bikes, which helped

modernize bike taxi in Cameroon, has crumbled.

The French startup had announced on May 8, 2019, the success of a €34 million (about CFA23 billion) fundraising operation aimed at launching its operations in Cameroon, Côte d’Ivoire, Algeria, and Senegal as well as develop its operations in Belgium.

# Deferred repayments, credits to SMEs/SMBs: Cameroonian banks all set for the fight against the coronavirus pandemic



Credit institutions are bracing for the possible impacts of the coronavirus on Cameroon's economy. In a release published on March 20, 2020, the association of credit institutions operating in Cameroon Apeccam formulated a set of measures banks should take to face the consequences of the virus on the country's economy. The association asked its members to be responsive to the demands of traders and companies that are complaining about their operations. The members are also asked to provide liquidities to support clients' companies and grant and maintain credit to economic agents, notably, SMEs/SMBs that *"may face challenges because of the spread of the coronavirus pandemic."* The Apeccam also invites its

members to consider, with clients, conventional renegotiation of bank credits to *"support economic agents that may need renegotiations for their repayment schedule."*

Still according to the Apeccam, to mitigate the shock within companies, it is useful to "postpone, for a determined period by agreement between the parties, credit repayments for companies, a period which cannot exceed one year initially; to "remove the penalties and additional costs of postponements of maturities and credits for companies; finally to support customers and raise their awareness of the use of digital technology to reduce the frequency of use of bank counters."

The Bankers' Corporation says these efforts must be supported by both

the Central Bank (Beac) and the Cameroonian government. *"The Beac should temporarily abandon the decision to reduce liquidity in the banking system, which was taken by the Money Market Committee at its February 2020 session, and instead consider facilitating banks' access to the money market by lowering its interest rates and increasing the ceilings for refinancing in case of liquidity pressure,"* Apeccam suggests.

Also, the association of credit institutions believes that «the public authorities and the monetary authority must accelerate the payment of invoices and claims of local suppliers, in order not to paralyze their activities» in this context of a health crisis

Brice R. Mbodiam

# Robert Beidi

***“IT WOULD BE FAR LESS DIFFICULT AND LESS COSTLY TO MANAGE THE HEALTH CRISIS THAN AN EVENTUAL ECONOMIC CRISIS”***

**He holds an MBA from IMD, Switzerland, a Master of Science in Management from EM Lyon, France, and a Master in Econometrics from Université de Paris I Panthéon-Sorbonne. His name is Robert Beidi and he is a statistician economist engineer. After holding major positions in various banks in Europe and Africa, he now works in insurances as Chief Operating Officer (COO) of a big pan-African group. Being a strategy expert, he helps design emergency plans for many African countries. With him, we will dive into the coronavirus crisis the world is currently facing, with a focus on Cameroon.**

Interview by Brice R. Mbodiam

**In a summary study released on March 13, 2020, the Central Africa division of the United Nations Economic Commission for Africa (UNECA) said the region could lose an equivalent of 4.1% of Cameroon's GDP due to the Coronavirus crisis. What do you have to say about this forecast?**

Indeed, the Coronavirus virus crisis is the biggest challenge that Africa,

and the world, have faced in the past 10 years. It is almost sure to have a wider, and deeper impact, than the 2007 financial crisis.

However, according to many of the projections made by various forecast agencies, if the crisis does not exceed three months, Cameroon's economy should grow by 1%-2%. This enviable projection should mainly result from the economy's diversification

and the various economic reforms introduced in recent years, under the instruction of the IMF.

So Cameroon should cope better than all its neighbors in the CEMAC, and even Nigeria, as most of them, being oil producers, would record a substantial reduction in economic activity.

**The study was released before the Cameroonian government took radical measures to prevent the spread of the virus. Could these measures- which include for example the closure of borders (with only cargo ships and planes allowed to continue trade), restricting movement across the country, limiting market traffic and regulating the activity of some businesses- impact UNECA's initial forecasts?**

What we must ask first is if these measures will be enough to prevent the spread of the disease. The answer to that is very likely negative considering the obstacles to their effective implementation. The clash will emerge from two main objectives: preventing the spread of the coronavirus or covid-19, and ensuring that economic activities, informal especially, continue. This leaves very little room for public policies to efficiently prevent the spread. And since epidemiological figures relative to the coronavirus keep growing, the government will have to reinforce actual preventive measures to stop the disease from spreading.

**The above-mentioned study was mainly based on revenues from oil (-2%), tourism (-1.5%) and other products exported by Cameroon (-0.6%). Which sectors do you believe are likely to suffer most from the actual crisis?**

Unfortunately, this study takes into consideration only export-oriented sectors while neglecting the fact that Cameroon has a diversified economy. Besides these sectors, there is a real local economy and it is important to assess how it will be impacted by the coronavirus. For example, public transport (taxi-bikes, normal taxis, buses, etc.), in and between towns, is one of the sectors that will greatly

suffer a reduction in the movements of people. This has a direct effect on the sales of oil products. As you may have noticed, there are no more queues of vehicles at gas stations. Hotels and restaurants are also affected and their distress should continue over the coming weeks.

**In Cameroon, how should entrepreneurs cope in the actual coronavirus context?**

As stated in a famous Chinese proverb, with every crisis comes an opportunity. In this case, two options are available to entrepreneurs willing to take advantage of opportunities. The first consists in identifying specific needs brought up by the current crisis, and to meet these needs as well as those that are likely to arise post-crisis. Take for example the hand sanitizer business, it has a bright future. More generally, any outdoor hygiene business is set to flourish.

The second option is to recognize that the crisis will lead to major changes in the society's structure and to anticipate these changes by rapidly putting out there new products or services that take into account this societal transformation. To be clear, social distancing will very likely become a major issue in the years to come. The current crisis will drive many people to fear being around people they don't know. As a result, areas such as e-work, e-education, telemedicine, digital payment, home delivery, should record a boom. Also, iris recognition could become a preferred method of biometric identification instead of fingerprint identification.

**What steps could the Cameroonian government take to cushion the impact of the Coronavirus on businesses?**

The best thing the government can do to help businesses is do everything in their power to rapidly contain the contagion. We are not like the US that can launch a \$2 trillion massive economic support plan; our health system cannot handle a crisis where hundreds of new cases would be recorded daily; our firms do not have enough treasury to hold on for months without any income; lastly, our States do not have enough room to intervene significantly over the period.

The GICAM, which is the main association of employers in Cameroon has made some interesting recommendations concerning support to the private sector. Most importantly, I would like to mention the recommendations of the permanent secretariat in charge of the CEMAC's economic and financial reforms program (Pref-Cemac). They include a one-year on-the- implementation of multilateral surveillance criteria which could affect the States' use of public savings; a call to start negotiations with major bilateral and multilateral partners to reschedule outstanding payments of the external debt; budgetary measures and even an amended finance law that redirects spendings towards the management of the ongoing crisis; the lowering of benchmark rates, focus on stabilizing the monetary and financial systems. These are recommendations that public policies would do well to pay attention to. Regarding support, the government has two main priorities: protecting jobs and ensuring that businesses have a decent treasury. Once again, looking at the recommendations of the Pref-Cemac, they answer these two concerns.

In any event, and despite our structural weaknesses, it would be far less difficult and less costly to manage



*"According to many of the projections made by various forecast agencies, if the crisis does not exceed three months, Cameroon's economy should grow by 1%-2%"*

the health crisis than an eventual economic crisis. So, for now, our focus should be on managing the health crisis.

**In the event no supportive measure is implemented, what are the major risks for Cameroon's**

**wealth-producing sources, and the whole economy in general?**

First of all, all sectors will not be affected in the same way by the Coronavirus. Some will be far more than others (hospitality, catering, transport, trade). For those sectors, the only specific actions can be to

prevent the worst, that is the sector's crumbling. Here, it is important to keep in mind that sectors interact among themselves. For example, hotels are customers of agro-food and poultry businesses, bakeries, power producers, etc. The transport industry depends on oil products. So,



*“Social distancing will very likely become a major issue in the years to come”*

issues in any given sector can have multiple repercussions on sectors that seem too distant to be affected. Therefore, authorities must identify the most exposed sectors and rapidly tackle issues there to prevent them from expanding to other sectors.

**What role does insurance play, for both people and businesses,**

**amidst the global pandemic that the world presently faces?**

Insurance acts as an economic and social stabilizer. It cushions risks on economic actors by spreading them over a larger portion of the population, hence helping preserve economic and social order. With it, the risk shifts from being a “vulnerability factor” to an “under-control factor.”

Countries that will cope best with this crisis are, on one side, those whose economic actors will shift most risks to insurers, and the other side, those whose governments will be strong enough to act as an insurer on a large scale. As you may have noticed, this crisis goes beyond the management capacities of economic operators alone.



*"The best thing the government can do to help businesses is do everything in their power to rapidly contain the contagion"*

**Is it possible that insurers lose steam as consequences of the Coronavirus expand, paired with the drastic measures taken by States to contain the contagion?**

The situation in developed nations is different compared to developing nations, especially in sub-Saharan Africa and in this case Cameroon. In developed countries, 2019 was a

good year for insurers in comparison to previous years where the sector's performance was greatly impaired by a high number of natural disasters (fires, cyclones, floods). Also, as insurance premiums rose, profit margins were consolidated. So, in these countries, the Coronavirus crisis could bring back the sector in the red, especially as losses augment (in

the health and business interruption segments), and profits in financial markets dwindle.

In Africa, things are completely different. Regarding the 14 member-States of the Inter-African Conference of the Insurance Markets (CIMA), raising the minimum social capital to XOF3 billion last year eliminated all systemic risks the sector

could have been confronted with. Moreover, the main segments at risk in the Coronavirus context are not the most demanded in Cameroon or other sub-Saharan African countries (business interruption). Regarding health insurance, clinical symptoms related to the Coronavirus are already taken care of and do not represent any difficult challenge to insurers. What we should be concerned about is putting patients in critical condition under artificial respiration as this is the most expensive aspect of taking care of Coronavirus-infected patients. Since ventilators are scarce in Cameroon and sub-Saharan Africa, it means that the number of people that can be put under artificial respiration is limited and this will have an impact on overall charges that insurers can cover amid the pandemic. Cameroon is estimated to have 200 beds with ventilators; no sub-Saharan African country has up to 1,000 ventilator-equipped beds. Another point worth mentioning is that many people and business owners will become aware of risk after this crisis, which will be good news for insurers. This is what happened in other countries: when insurance is not compulsory, it's often crises that bring a large number of people to get one. So, in Africa, insurance will probably be one of the sectors to profit the most from the current crisis. Take Cameroon for example, insurance only has a 2% penetration rate whilst coverage of people and businesses is huge; meanwhile, the country's fundamen-

tal economic dynamics and long-term perspectives are among the most solid in the world; plus, demographics are favorable. Any investor interested in Africa should seriously consider going into the insurance market.

**Some people believe that this pandemic will reshape the world's economy. Do you share that view?**

I don't think it will change the balance of power between nations; major dynamics will stay the same. However, I think that it will redefine the internal dynamics of countries and reshuffle cards at the sectoral level, all over the world. In fact, in every country, the most agile and innovative businesses will have many opportunities to secure big market shares as a result of changes in consumption habits. These firms will be able to expand their footprint even at the transnational level, by taking advantage of globalization to dominate their sector.

**What will happen to Africa?**

Africa will be what it chooses to be. The internal crisis that countries are presently experiencing is so deep that no one has time to care about strategic moves that other nations are making. The biggest risk for African countries is a separation from the West in regards to how the Coronavirus pandemic progresses. Recently, China announced the end of the spread across its territory and we are well aware of the exceptional measures it

has taken to achieve this. As for European countries, most of them have been on lockdown for some weeks and will remain in this state for many more weeks. The same goes for North America, South America, and Asia. In contrast, there is no readability about actions taken by Africa to contain the disease; and many of these actions are far less efficient than those taken by Western nations. The African Union should have held an extraordinary meeting at the beginning of the crisis to decide on actions to take together. Identical and concerted measures would have been an African Great Wall acting as a block to the coronavirus, especially since the disease was imported and came to the continent relatively late. Unfortunately, what could happen in the coming weeks is that the number of cases will keep growing in Africa while receding in the rest of the world. This would cause unprecedented harm to the continent, in terms of isolation, at the social, economic and even cultural levels. Some African goods could even be excluded from global trade - not by Western countries, but by importing firms as their customers could have some fears. The truth is that with the psychosis the disease has caused in Europe, with hundreds of deaths daily, many countries on this continent will, legitimately, overprotect themselves in the future. So, every other country would do its best to not be suspected of still hosting the virus after the crisis.

# PUBLIC MANAGEMENT

## Cemac: Member countries should amend their 2020 finance law because of Covid-19 (Ministers of Economy and Finance)



With the Coronavirus pandemic, revenue projections in Cameroon's 2020 budget of XAF4,850.50 billion have become unrealistic and budgetary allocations irrelevant. For several experts, it is now necessary to revise this finance law since for less significant shocks, Cameroon revised its budget in 2018 and 2019. During a meeting, on March 28, in Brazzaville, Congo, CEMAC Ministers of Economy and Finance suggested member countries should quickly amend their finance law. The amendment, they say, should align with *"updated and realistic forecasts of budget revenue and public expenditure, to strengthen the means of*

*combating the spread of the Covid-19 pandemic, while ensuring the regular functioning of the State."*

States were also invited to reallocate funds from non-priority public expenditure to the health system to enable effective care for infected persons. In other words, a country like Cameroon should increase the resources allocated to health. Also, following the fall in the oil prices, Cameroon should lower its 2020 oil revenue forecasts, initially set at XAF443 billion. Indeed, the country based its forecast on the production of 26.5 million barrels with the barrel costing \$57.9 and the dollar exchange rate at XAF552.7.

However, with a barrel currently costing less than \$30, Cameroon could see its oil revenues decrease by half. *«We also know that with the decrease in foreign trade, imports will fall. And if imports fall, customs revenues will fall. All these will have consequences on the real economy. Reports have it that impacts will be terrible for our States. However, this will depend on the duration of the pandemic,»* Cameroonian Finance Minister Louis Paul Motaze (photo) said at the end of the Brazzaville meeting. According to the official, Cameroon's tax and customs revenues, forecasted at XAF2,962.2 billion for 2020 should also be revised downwards.

## Covid-19: Will Cameroon fulfill its plan to pay XAF1,011.9 bln of debt this year?



Cameroon planned to pay XAF1,011.9 billion of debt in the 2020 fiscal year, according to figures from the Ministry of Finance. This planned debt servicing includes XAF472.2 billion of external debts and XAF539.7 billion of domestic debts (of which 36% are public securities issued in the Beac market).

However, this plan may not be executed because of the coronavirus crisis affecting the world, and its loads of economic problems. According to

experts, in Cameroon, the implementation of preventive measures could seriously affect public revenues. Due to that, the Beac suggested member countries should amend their 2020 finance law to align them with more realistic revenue and expenditure forecasts, given the upheaval caused by Covid-19 in the socio-economic environment. At the same time, at a meeting held on March 28, 2020, in Brazzaville, Congo, the Steering Committee of

CEMAC's Economic and Financial Reform Programme, recommended that states should collectively negotiate and *"obtain, for all member countries, the cancellation of all their external debts."*

All these suggestions prove that CEMAC countries, Cameroon included, will face great difficulties in fulfilling their commitments towards fund providers this year. This is all the more plausible because, before the pandemic, the Minister of Finance had already estimated that till 2026, Cameroon would face *"enormous difficulties"* in servicing its debt on time.

Let's note that, according to the Ministry of Finance, on December 31, 2019, Cameroon's outstanding public and publicly guaranteed debt was XAF8,424 billion, representing 37.3% of GDP. At end-2015, it was estimated at XAF5,039 billion, i.e 30% of GDP.

## Cameroon raised about XAF2,934.95 bln on national and CEMAC capital markets between 2010 and Feb 2020 (Ministry of Finance)

From 2010 to February 29, 2020, Cameroon raised XAF2,934.95 billion on the national and CEMAC capital markets, according to figures recently published by the Ministry of Finance.

According to the ministry, XAF1,867.401 billion were raised by auction on the Beac open-subscription public securities market, including XAF273.72 billion of Fungible treasury bonds with maturities of 2

to 5 years, and XAF1 593.685 billion of fungible Treasury bills with maturities of 13, 26 and 52 weeks. The total amount of resources raised by syndication on the national financial market amounts to XAF795 billion, of which XAF200 billion was raised in 2010 at a net interest rate of 5.6%, XAF80 billion in 2013 at a net interest rate of 5.9%, XAF150 billion in 2014 at a net interest rate of 5.5%, XAF165 billion in 2016 at a net

interest rate of 5.5% net and XAF200 billion in 2018 at a net interest rate of 5.6%. The maturity period of each of them is 5 years and they are amortizable every year at a quarter after one year of the grace period. The volume of securities issued by syndication amounted to XAF282.5 billion during the same period, including XAF82.5 billion for the loan carried out in 2016 and XAF200 billion for the loan carried out in 2018.

## Government sets borrowing needs for 2020-2022 at XAF3,440 bln

In Cameroon, the government estimates its borrowing needs (budget support included) over the 2020-2022 period at XAF3,440 billion. The information is contained in the background note published by the Ministry of Finance, on April 1, in the framework of its coming three bonds. According to the background note, over the stated period, 77% of the said amount will be raised on external markets (25% denominated in US dollars). This represents XAF1,950 billion (XAF650 billion in 2020, including XAF300 billion as concessional

loans and XAF350 billion as non-concessional loans). Twenty-three percent (23%) of the debt will be denominated in local currency (domestic debt). The domestic debts will amount to XAF1,030 billion (including XAF350 billion in 2020). Publicly guaranteed debt represents 0.4% of the overall estimated borrowing needs and amounts to XAF120 billion (including XAF40 billion in 2020). During the 2020 fiscal year, the note adds, the country plans to raise

XAF1,217 billion (XAF100 billion of budget support included) of the overall XAF3,440 billion. The document indicates that those domestic and foreign borrowings, as well as budget supports, will fund the implementation of several projects and short-term cash needs. It also adds that the new borrowing ceilings were set by taking into account the country's repayment capacity and the government's will to keep the debt sustainable while reducing the risk of debt distress (already deemed high).

## CEMAC countries invited to postpone implementation of any new corporate taxation measure to 2021



The Ministers of Finance and Economy of the CEMAC region discussed the «*economic and financial impacts of Covid-19 on CEMAC's economies and outline of solutions*,» on March 28, in Congo. At the end of the meeting, it was decided, among other things, to put in place a set of measures to support companies affected by the preventive

measures elaborated by each country to fight the pandemic. «*These urgent support measures should be both fiscal (tax relief and moratorium allowances for the payment of taxes and certain social security charges) and budgetary (subsidies to companies to avoid bankruptcy and closures, as well as job losses)*. To this end, it was agreed that the States must postpone any new

*tax measures until 2021,*» the release published at the end of the meeting indicates.

Apart from taxation measures, CEMAC recommends supporting national banks so that they can further fund companies, SMEs/SMBs particularly.

## Ministries of Finance and Economy suggest cancellation of external debts to “deal with Covid-19” and “relaunch” post-pandemic economies

On March 28, 2020, the 3rd extraordinary meeting of the steering committee of the CEMAC Economic and Financial Reforms Programme (Pref-Cemac) was held in Brazzaville, Congo. The only point on the agenda was the economic and financial impacts of Covid-19 on the economy of CEMAC countries and a sketch of possible solutions.

At the end of the meeting, the Ministries of economy and finance of the member countries suggested countries should collectively negotiate the cancellation of their external debts.

According to the release published at the end of the meeting, this collective approach will give CEMAC countries “budgetary margins thanks to which

*they will be able to both deal with the pandemic and relaunch their economies on solid foundations”* after the health crisis.

Let’s note that in its 2019 outlook of African economies, the AfDB revealed that the external debt of CEMAC countries was 27% of their GDP in 2018.

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## Cameroon to elaborate a stimulus plan for projects funded by China

In Cameroon, the government is taking measures to relaunch projects funded by China.

During the cabinet council held in Yaoundé on March 26, 2020, the Minister of Economy Alamine Ousmane Mey (photo) presented a “general review of projects concluded within the framework of Sino-Cameroon cooperation.”

The Minister of Economy indicated that a recent review of the current project portfolio, estimated at XAF3,300 billion, in the framework of the cooperation has revealed several problems affecting the efficient implementation of the projects. The main problem, according to Minister Mey, is the immaturity of some projects.

According to the official, such immaturity has often caused implementation difficulties thus extending

delivery dates and an increase in costs. “*The said difficulties are delayed expropriation procedures, sluggishness in the payment of funds set for the launch of projects, non-compliance with some contractual clauses and inadequate estimation of the additional works essential to the commissioning of the infrastructures built.*”

He explained that to fix these operational failures, emphasis will be placed on strengthening the planning and focus placed on projects as a whole, projects funded by external funds in particular. Also, the prerequisites for the maturing of projects and their inclusion in the State’s project bank must be met for proper budget programming.

Also, the Minister of the Economy indicated, the mobilization of concessional resources offering more advantageous conditions will be

favored, same with the use of public-private partnerships to reduce the pressure on the State budget.

The Prime Minister then asked the Ministers of Economy and Finance to submit shortly a plan for the rapid clearance of the pending payments “*that are hindering the continuation and completion of ongoing projects,*” according to a release published at the end of the cabinet council.

The Sino-Cameroon project portfolio is constituted of about 15 active projects. The most symbolic is the project involving the construction of a deep seaport in Kribi, the Yaoundé-Douala highway (phase 1, 60 km), the supply of drinking water from the Sanaga River, the electrification of 350 localities by solar photovoltaic systems and the construction of an emergency telecommunications network in Cameroon.

# Gicam suggests 18 fiscal and financial measures to support businesses "

**At the end of the extraordinary Board meeting held on March 19, 2020, in Douala, the Inter-Paternal Grouping of Cameroon (Gicam) promised to make proposals to the government regarding "the elaboration of new policies to support businesses and households." On March 31, it kept its promise by suggesting a set of 18 measures to be implemented to help companies efficiently deal with the Coronavirus health crisis. These measures concern fiscal and customs policies, internal debt payment, financial and monetary policies, and companies' social policy.**

Gicam suggests six fiscal and social measures to be implemented by the government. First, the grouping requests the postponement, without penalties, of tax and statistical reporting deadlines and the relaxation of conditions for the obtention of tax clearance certificates. Also, the government is asked to delay the collection of corporate and personal income taxes (for salaried employees) and contributions to the National Employment Fund and Crédit foncier. For companies unable to pay employees' salaries, the government is asked to postpone their contributions to the National Social Security Fund but maintain the concerned employees' social coverage nevertheless. In short, Gicam is asking for a break in the collection of some major cor-

porate taxes to give those companies room to face the constraints brought by the health crisis.

According to the grouping, as far as customs policies are concerned, four government measures should enable companies to withstand the Covid-19 crisis. First is the *"suppression, during the crisis period, of demurrage and parking charges created by customs clearance operations."*

The second measure is the "simplification and adaptation of customs clearance and suppliers' payment procedures to, notably, take the confinement ongoing in many originating countries into account because many foreign suppliers are now unable to perform some formalities."

Next is *"the suspension of post-clearance controls"* and finally, *"the*

*relaxation of control measures (14-day quarantine) for strategic sectors' vessels and those transporting sensitive products (agricultural inputs, finished and semi-finished food products, pharmaceuticals)."*

Let's note that during their recent meeting with the Minister of Trade, operators in the flour milling industry indicated that the price of wheat flour could go up and there could even be a shortage of the product. The reason, they explained, was additional costs incurred by the 14-day extended parking of ships at the base buoy, which could be passed on to the final price of the flour raising the price at which it is sold to consumers.

## Creation of SMEs' support fund

For the monetary and financial policies, Gicam suggests *"the activation of monetary levers to supply the banking system with liquidity."* These levers include the facilitation of banks' access to the money market by lowering interest rates, an increase of refinancing ceilings and support to banks and financial

institutions (so that they could grant loans to companies), the regulatory freeze of repayment schedules of loans and leasing to companies and individuals as well as the elimination of penalties and related additional costs.

Gicam also asks the government to *"speed up the reimbursement of VAT*

*credit and domestic debt"* and *"the creation of an SME and craftsmanship's supporting fund."*

Let's note that many of those suggestions are the same made, to member countries, by the BEAC's monetary policy committee at the end of its first meeting for the 2020 fiscal year, on March 27.



# FINANCE

## Cameroon creates a solidarity fund to fight Covid-19



Cameroon's President, Paul Biya, recently prescribed the creation of a solidarity fund in the framework of the fight against the Coronavirus which started spreading in the country since March 6, 2020, when the first case was confirmed. Following the presidential prescription, the fund was instantly endowed with an initial amount of XAF1 bil-

lion. However, even before the launch of the fund, some of the economic agents operating in the country had already sent financial donations to help the government fight the pandemic.

For instance, days ago, refining company SCR MAYA & Cie handed a check of XAF150 million to the Minister of Public Health André

Mama Fouda. Just before that company, French metallurgist Prometal had donated XAF100 million to the Cameroonian government. Other donations of XAF150 million and XAF100 million came respectively from UBA Group and businessman Baba Dan Pullo. More donors are joining the list with cash and medical equipment donations.

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## Commercial banks recorded XAF75.5 bln of net result in 2019 (Ministry of Finance)

In 2019, the 15 credit institutions operating in Cameroon realized a net result of XAF75.5 billion, according to the Ministry of Finance. At the same time, their balance sheet reached XAF6,472.40 billion while

deposits were estimated at XAF487 billion and XAF3,664.4 billion for credits. According to banking professionals, this year, despite the recent measures taken by the CEMAC Monetary

Policy Commission to boost the activities of banks in the current health crisis, activities will not be as good as the 2019 performance.

# Beac initiates easing measures to facilitate crusade against the virus

**On March 27, 2020, members of the BEAC Monetary Policy Committee held a videoconference to find solutions to the coronavirus crisis affecting the world, including the CEMAC region.**



According to the official release published at the end of the videoconference, the BEAC has triggered some levers to favor the financing of member states and commercial banks of the region. In turn, those states and banks will have to support the companies whose activities have been affected by the health crisis. First, the BEAC lowered two of its key

rates. The tender rate was lowered by 25 basis points (from 3.5 to 3.25%) while the marginal lending rate went from 6 to 5%.

Also, the various types of collaterals admitted by the central bank as a guarantee for refinancing operations have been extended. Coupled with the lowered key rates, that extension provides more flexible latitude

to commercial banks during their search for liquidity in the money market.

Those banks will use the liquidity to fund CEMAC economies by granting credits to companies and individuals (ed. note: even states) at adjusted rates, the BEAC hopes.

## XAF500 billion of liquidity to be injected in the banking system

Last week, it was announced that the central bank would suspend its liquidity-absorbing operations. During this videoconference, it has been decided that more liquidity will be injected into the CEMAC banking system. In that regard, the volume of liquidity injected in the banking system will be increased from XAF240 billion to XAF500 billion. This volume could be revised upward if needed, the monetary

policy committee indicates. Let's note that banks are not the only beneficiaries of the easing measures decided by the committee. To member countries, the central bank promises to ease the conditions for the issuance of public securities on the BEAC market that has become an important tool for countries' funding needs, since 2015, after the drop in oil prices and some members' large public deficit.

The BEAC also plans to negotiate with competent authorities to obtain a one-year rescheduling of the repayment of the Central Bank's consolidated credits to the States. This measure will loosen the debt stranglehold on the treasury of CEMAC countries, which will thus have more liquidity to fund the crusade against the Coronavirus.

## Microfinance institutions performed better YoY in 2019 (Ministry of Finance)



In Cameroon, the performance of microfinance institutions has been decreasing since the 2017 fiscal year but, in 2019, the trend changed slightly. This is revealed in the background note published, on April 1, by the Ministry of Finance in the framework of its coming three bond issuances.

At end-December 2019, the note informs, the total equity of the microfinance sector was XAF2,122.9 billion (representing 32.8% of commercial banks' equity). Deposits stood at XAF90.09 billion (18.5% of deposits

recorded by banks) and credits reached XAF839.14 billion (22.90% of the credits granted by banks by that period). Apart from the deposits, all the figures recorded in the sector were higher compared with the figures of the 2018 financial year. According to the Ministry of Finance, between end-December 2017 and end-December 2018, the equity of microfinance institutions dropped from XAF816.40 billion to XAF708.50 billion (-XAF-107.80 billion). During that period, deposits recorded by those institutions dropped by

23.5%, from XAF668.20 billion to XAF514.20 billion (-XAF-154 billion). Credits granted by the microfinance institutions dropped by 17%, from XAF464.20 billion to XAF385.10 billion (-XAF-79.10 billion). On December 31, 2019, 418 accredited microfinance institutions were operating in Cameroon. Of those institutions, 88.04 % were first-class (123 private and 245 organized as cooperative), 11.24 % were second-class (47 institutions) and 0.72 % third class.

## Cameroon targets 98% financial inclusion with the National Payment Switch

Substantially increase financial inclusion from the current 40% to 98%, which is the mobile penetration rate in Cameroon. This is one of the objectives of the national payment switch inaugurated on March 31, 2020, by Minette Libom Li Likeng (photo), the Minister of Posts and Telecommunications.

To achieve this result (which means that all Cameroonian mobile owners will have access to financial services) the Ministry of Posts and Telecommunications is certainly counting on the cheap mobile transaction costs the national payment switch will promote. This platform, which guarantees fair

interconnection conditions in the country, also helps to access mobile financial services via a single code #237#. Administered by state-owned postal company Campost, this innovation places the postal sector at the heart of the development of the digital economy, according to Minister Minette Libom Li Likeng.

## Cobac prescribes “caution” in the restructuration of affected companies’ debts

The impact of this global health crisis, although difficult to determine in terms of scale and duration, will affect the repayment capacity of several debtors. It will consequently deteriorate the quality of loan portfolios and hence the profitability of institutions.» This is the diagnosis made by the Central African Banking Commission (Cobac) regarding the Coronavirus crisis that is raging

around the world.

Based on that diagnosis, the commission prescribes “*caution in the restructuration of loans granted to companies operating in sectors badly affected by the crisis.*” Banks should renegotiate the conditions (maturity, interest rates, commissions) and discuss moratoria and grace periods with the said companies, the Cobac adds.

While recommending that banks should not relax «*their loan-granting procedures*» for companies affected by the Covid-19 crisis, the Cobac stresses that «additional financing or new credit» to these entities «*could be part of the loan restructuration process, provided that transparent and prudent risk management is observed,*» including the debtor’s real repayment capacity.

## BC-PME opens agricultural funding window of XAF200 mln



Banque camerounaise des petites et moyennes entreprises (BC-PME) recently opened an agricultural financing window. This window was opened following an agreement signed with Agence des PME for the

management of agricultural and agribusiness transformation and valorization programme Transfagri. Transfagri, launched thanks to a partnership with France, is endowed with a budget of over XAF200 million

and would be implemented over a one year period that includes training and development works. According to Agnès Ndoumbè Mandeng, CEO of BC-PME, the program aims to boost the skills of human resources involved in the specific sectors related to the products to be created since, in the bank’s new business plan, it is required to consider the agribusiness sector as one of the major sectors. This will thus require more human and financial resources, she added.

New BC-SME offices dedicated to the agricultural and agribusiness sectors will be established in four production areas: Yaoundé, Douala, Bafoussam, and Garoua. The Bank will focus on five sectors: cereals (wheat, maize, rice, millet, sorghum, beans, soybeans); fish farming, oil palm, pineapple, and poultry. Depending on the case, the Bank will pre-fund SMEs producing raw materials and post-fund those engaged in distribution or related activities.



# AGRIBUSINESS

## Cocoa prices pick up again, spurred by rising demand

On April 1, 2020, the price of a kilogram of cocoa beans at the Port of Douala ranged between XAF1,050 and XAF1,150, according to figures revealed by SIF, a system that provides updated information on the prices of coffee and cocoa in Cameroon. These prices are higher than the XAF1,000 and XAF1,100 mark recorded in the last week of March 2020.

This price rise, which is unlike the habit of prices going down during rainy seasons, can be explained by rising demands. Indeed, the offers of cocoa beans have decreased (due to the Anglophone crisis affecting regions like the Southwest that were till recently the leading cocoa producing region in Cameroon), and new cocoa



processors have entered the market. Also, many processors, like Sic Cacaos (a subsidiary of Swiss Barry

Callebault), have increased their grinding capacity calling for more raw materials.

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## Currency crisis and speculation boosted the price of bread and cereals in 2019 (INS)

In a recent analytical note about the Cameroonian consumer market in the 2019 fiscal year, the National Institute of Statistics (INS) reveals the causes for the rising prices of bread and cereals in the country.

*«The 1.7 percent rise in the prices of bread and cereal is mainly due to the increase in the retail prices of popular imported rice (9.9 percent), local and imported broken rice (8.1 percent), imported luxury rice (3.3 percent), and wheat flour (2.0 percent),»* the INS indicates.

The Institute adds that the rise in the prices of the various kinds of rice occurred after the speculative actions of retailers, due to the 0.1% drop in the unit price at import in the first



nine months of 2019. Distributors claim that the increase in the price of rice during the period under review was due to the currency crisis in banks and import hassles.

However, the INS notes, the prices of dry millet grains (-12.3% in 2019, after +15.2% in 2018) declined due to growing local supply.

# ENERGY

## 44,000 homes to be provided with electricity thanks to performance contracts with Lagdo

In the framework of the performance contracts between the government and municipalities, since 2012 in Cameroon, Lagdo recently received a funding of XAF5 billion.

According to credible sources at the

Ministry of Economy, over XAF1.5 billion of that fund will be used to fund an electrification project in 16 places in the concerned municipality. Thanks to the project, electricity will be provided to more than 44,000

people, our sources indicate.

The remaining XAF3.5 billion will fund the asphaltting of 5-km of urban road and the renovation of 11-km of laterite road.

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## Cameroon seeks XAF197 bln loan from Afreximbank to import oil products

Sonara, Cameroon's only oil refinery, could soon receive a €300 million loan (about XAF197 billion) to import oil products.

This was revealed by Ferdinand Ngoh Ngoh, Minister of State and Secretary-General of the Presidency of the Republic, in a note signed on March 25. In the note, the Minister of State informed the government about President Paul Biya's authori-

zation for the launch of negotiations with Afreximbank for the said loan. The Presidency also indicates that Sonara is now allowed a minimal margin of XAF47.88/L with no impact on the current pump prices. Since the May 31, 2019, fire incident, Sonara has become an oil products' importer. The 2020 finance act plans to remove it from the "industry" category and reclassify it as a company

operating in the business sector during the current fiscal year. After the fire incident, the volume of oil products imported by the country to ensure supply is estimated at 1.540 million m3. According to the Ministry of Energy, Sonara imported 480,000m3 and the other marketers operating in Cameroon imported 1.06 million m3.

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## Bowleven to hand back its Bomono block exploration license to Cameroon

British oil and Gas company Bowleven plans to hand back its exploration license on the 2,328 km2 Bomono gas block, onshore Cameroon, to Cameroonian authorities.

This was revealed in the company's interim report for the six months that ended on December 31, 2019. "Discussions with the Government of Cameroon and Société Nationale des Hydrocarbures ("SNH") to finalize the

*closing position and return the license to the State are ongoing,"* Bowleven indicates.

*"In the absence of a financially compelling small scale domestic development project, the licence for this asset will likely terminate in December 2018,"* the company had already indicated in its preliminary results for the year ended 30 June 2018. This was its way to show its pessimism as far as the continuation of the Bomono

project is concerned.

This pessimism, following inconclusive results, was the reason the agreement to allow Victoria Oil & Gas (VOG) (another British operator) to acquire an 80% stake in the Bomono exploration license was blocked. SNH, Cameroon's representative in the oil and gas industry, had even expressed reservations about that purchase.



# INFRASTRUCTURE

## Oil storage company SCDP authorized to increase ROW fees to XAF2/L

In Cameroon, SCDP was authorized to increase its ROW fee from XAF1.6 to XAF2 per liter. This was revealed by Ferdinand Ngoh Ngoh, Minister of State and Secretary-General of the Presidency of the Republic, in a note sent to Magloire Séraphin Fouda, Secretary-General of the Prime Ministry, on March 25, 2020. This revaluation of the ROW fee falls in line with the state-owned company's wish. Indeed, according to CTR, the Technical Committee for Rehabilitation of Public and Para Public Sector Enterprises, the company suggested increasing the fee to raise funds necessary for new investments and the construction of an additional 55,000 m<sup>3</sup> storage capacity for white products and 2,500 MT for LPG by 2031. But, the CTR explained that funding such investments by structuring them on the price of oil products



would increase the country's budgetary risk since it will force further petroleum products subsidy. It then suggested the government should fund the construction of those storage capacities with the public investment. That way, it indicated, SCDP will no more have to pay demurrage charges to vessels that are unable to unload their shipments due to the unavailability of storage capacity at the oil company. The government seems to have gone

against that option.

For the time being, SCDP's storage capacity is not compliant with the regulation, according to CTR. To date, the technical committee informs, SCDP's safety stocks are 110,000 m<sup>3</sup> (i.e. 20 days of autonomy instead of the regulatory 30 days) while the running stock is 55,000 m<sup>3</sup> (i.e. 10 days of autonomy instead of the regulatory 15 days).

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## Water supply projects worth XAF35.4 bln to be delivered in Apr 2020 (Camwater)

Cameroon Water Utilities (Camwater) is currently implementing water supply projects in every region of Cameroon to improve the population's access to clean water. According to Camwater, these projects estimated at XAF35.4 billion, are funded by backers such as Belfius, and the Cameroonian government (XAF9.2 billion). Some of the projects are mainly being carried out in the Eastern region. They include the construction of a water catchment system and the

installation of a raw water pumping station, a concrete treatment plant (30 m<sup>3</sup>/h), a 70 m<sup>3</sup> treated water tank and a 300 m<sup>3</sup> water tower in Dimako. In Lomié, Camwater has launched the construction of a concrete treatment plant (60 m<sup>3</sup>/h) including a catchment system, the installation of a pumping unit, a 130 m<sup>3</sup> treated water tank, an engine room, a 500 m<sup>3</sup> storage tank, a 3,200-metre medium-voltage line and the installation of a 160 kVa transformer. To improve drinking water supply in

Bertoua, Camwater currently produces about 3,000 m<sup>3</sup> daily. By the end of the project, daily production should rise to 7,500 m<sup>3</sup>. This production, supply, and storage boosting actions will also be carried out in 13 other localities in Cameroon including Bangoua, Banyo, Chidifi, Mayo Oulo, Mbe, Pitoa, Sa'a and Yoko, the company indicates.

# INDUSTRY

## The milling industry fears stock shortage due to coronavirus prevention measures



Vessels transporting daily consumer goods berthing at the port of Douala must now wait 14 days (incubation period of Covid-19) at the base buoy before being allowed to enter the port platform. This measure taken by Cameroon is to prevent the importation of the virus by sea. During their recent meeting with the Minister of Trade Luc Magloire

Mbarga Atangana, operators in the flour milling sector complained that the measure would likely disrupt wheat flour stocks in the country. They also explained that the additional costs incurred by the extended parking of ships at the base buoy could be passed on to the final price of the flour raising the price at which the flour is sold to consumers.

After hearing the complaints, the Trade Minister explained that in the current context, neither rising prices nor shortages could be allowed. He then promised to discuss with his ministerial peers, including the Minister of Finance, so that additional costs would be avoided for importers.

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## Fotso Victor dies at 94



Aged 94, Fotso Victor embodied the success of Cameroonian investors thanks to companies such as UNALOR, SAFCA or PILCAM, that respectively produce matchboxes, notebooks, and batteries for small appliances widely used in households.

He ventured into politics and was re-elected as mayor of Bandjoun, in the Western region, during the recent legislative and municipal elections of February 9, 2020. He had held this position since 1996.

Cameroonians already salute the memory of a man considered by many as one of the symbols of Cameroon's breach into the business world after the independence.



# TRANSPORTATION

## Camair-Co: Towards the temporary suspension of operations?



Since March 26, the Port of Douala's container terminal has been recording an "unprecedented" slowdown of activities at its entrances and single window, reveals Faustin Dingana, Assistant Director of the delegated management authority RTC, in an official note. According to the executive, this slowdown is due to the "drastic drop in the speed of the internet connec-

tion provided to the RTC by internet access providers." He explains that instead of the contractual 30 MBps, the speed of the connection provided to RTC is below the 2 MBps mark. Due to that slow speed, the work pace is affected at the single window and the various entrances. Nevertheless, Faustin Dingana indicates, «RTC's IT teams and access providers are working together for

a normalization of the situation as soon as possible.»

Let's note that RTC uses the "Navis N4 Billing" integrated system that replaced the split billing system "Ipaki." "Only a few major ports on the Atlantic coast can boast of using this modern container terminal operating system," the RTC boasts.

# ITC & TELECOM

## Telecom regulator asks operators to lower services prices



In Cameroon, because of the coronavirus health crisis, the telecom regulator ART has initiated negotiations with operators so that they can lower the prices of various services offered. This was revealed in a release signed on March 30, 2020, by Philémon Zo'o

Zame (photo), Director-General of ART. Let's note that MTN and Orange have already announced the partial reduction and even suppression of fees on financial transactions conducted via their mobile money platforms.

However, to-date, the costs of phone calls and the internet are still the same. Operators do, however, offer a wide range of promotional offers and other packages, which provide customers with several choices making them spend less.

## Cameroon inaugurates the national payment Switch

According to Minette Libom Likeng, this switch aims to promote the interoperability of the various services offered by operators using the national electronic communication network. This interoperability will be performed via a single gateway managed by Campost, she adds. This will *"place Camtel at the heart of the development of the digital economy,"* she says.

The inauguration of the National Payment Switch is the materialization of a decision taken by the Ministry of Posts and Telecommunications on November 26, 2019. It determines the conditions and operating rules of a USSD code (#237#) that grants access to the national platform for the aggregation of electronic communications in Cameroon.

This platform aims, in particular, to ensure fair interconnection conditions, reduce the costs of mobile financial transactions and promote financial inclusion. Consequently, network operators and electronic communications services providers were thus invited to interconnect, by 26 December 2019, for the provision of mobile financial services.



## LEADER OF THE MONTH

# FLAVIEN KOUATCHA SELLS THE MERITS OF AQUAPONICS TO FRENCH PRESIDENT EMMANUEL MACRON AT THE PARIS INTERNATIONAL AGRICULTURAL SHOW



During the last edition of the Paris International Agricultural Show, Cameroonian start-up Save Our Agriculture had the opportunity to present its cultivation model, aquaponics, to French President Emmanuel Macron. At the launch of the show, on February 22, 2020, the President made a notable stop before the stand of Save Our Agriculture. "Aquaponics is a very old closed-loop cultivation method that involves associating fish farming with plant cultivation. The fishes' feces serve as nutrients for vegetables that in

turn cleanse the water in the pond," explained Flavién Kouatcha, promoter of Save Our Agriculture. This method presents numerous advantages for African countries like Cameroon where it is not easy to set supply chains. "Establishing an efficient supply chain between the hinterland and its thousands of small producers and urban consumers is a very expensive and time-consuming task. Hence the idea of bringing the countryside to the city, through my aquaponics project," he added. Flavién Kouatcha's innovation is to

build kits thanks to which individuals living in cities can practice aquaponics; cultivate their vegetables and grow their fishes without damaging the environment. Thanks to his works, Flavién Kouatcha was awarded the prizes EDF Pulse Africa and Pierre Castel Prize in 2018.

For months now, with the support of the Pierre Castel-Agir pour l'Afrique endowment fund, Save Our Agriculture has been testing the concept of urban farming at the Port of Douala. On two stacked containers, connected by pipes, the young Cameroonian engineer can produce 400 kg of fish and 800 kg of garden products per semester respectively, with minimal environmental impact. However, he is dreaming of doing more.

He is looking for investors to expand his business and he expressed this to the French President. «When you are a young African entrepreneur, you need all the publicity you can get,» indicated the young engineer who expects he can gain some exposure from this meeting he considers as a presidential boost. For, by participating in this fair, the young entrepreneur's objective was clearly to find «less pressing partners,» which will allow him to «grow.»

Brice R. Mbodiam

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