Covid 19
Its impacts so far

Emmanuel de Tailly (SABC): «Preserving jobs at all costs»

Prudential shows the way to its pairs
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Cameroon maintains course to industrialization, despite strong headwinds

The Cameroonian economy is about to experience dark times. Why? Because just like in many countries around the world, many businesses have plunged. Actually, it will take months, maybe years even, to recover pre-Covid-19 performances. No country will be spared, even if some will be less affected than others.

Nevertheless, in spite of this dire situation, against all odds, Cameroon maintains its course towards industrialization. The fact that less than two years ago, our magazine did not include an industry section illustrates the government’s efforts in this framework. Before, we covered ICT, infrastructure, telecom, oil and gas...but rarely the industry sector. Go to page 26 of the June edition to have a quick overview of achievements realized in this short period.

In brief, major news in the sector over the past month include: Sitrabacam’s decision to augment its flour production capacities, Sasel saying it would double its salt output, SCS expanding its palm oil refinery, Dangote recording good results for the quarter, Italian firm Sifinter announcing a new wood processing factory, Cicam’s revival with demand for mask production, IMPM starting production of anti-Covid drugs...

That is the general trend. Now, all that is left is to wait for the storm to end, hoping it causes the least damage possible. After that, Cameroon should recover its pace towards industrial emergence, with the support of the regional stock market which should take off soon.
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PRUDENTIAL BENEFICIAL LIFE CAMEROON OFFERS CLIENTS FREE GUARANTEES AGAINST COVID-19

Clients of Prudential Beneficial Life Cameroon, up to date with the payment of their premiums on April 1, 2020, will be offered a 45-day (possibly renewable) guarantee against the Covid-19 for free.

According to this insurance company, with the new guarantee, if the insured is hospitalized due to Covid-19, he/she will receive a daily hospitalization allowance of XAF5,000 over 30 days (i.e. XAF150,000). In case of death due to Coronavirus, beneficiaries will receive an indemnity of XAF1 million. Also, all persons eligible for this guarantee benefit from a waiver of premium rider for 3 months.

The company explains that all current and new clients will fully benefit from this new free coverage. However, the coverage for all additional insureds listed on the contracts and children benefiting from the «School Education» product will be 50%, it adds.

With this guarantee, Prudential Beneficial Life is setting itself apart from the insurers in Cameroon. In a correspondence sent to bankers on April 22, 2020, by the president of the association of insurance companies of Cameroon (ASAC), the sector decided to exclude Covid-19 claims from the list of coverage it offers.

Reprimands of the inter-African conference of insurance markets (CIMA)

«As you know, pandemics are declared by the World Health Organization (WHO). This is the case with Covid-19. As such, it should exclusively be covered by the State, which takes all the measures appropriate to a case of absolute force majeure, regardless of the guarantees provided for in the insurance contracts. Consequently, we kindly ask you to inform your members that the death coverage, contained in both group credit and account holder contracts, is not acquired for claims related to Covid-19,» Théophile Gérard Moulong explained.

The ASAC correspondence does not clearly state whether care caused by the Covid-19 will be covered by insurance companies. However, a significant proportion of the insurers reject claims for Covid-19 cares.

«All the reinsurers have rejected Covid-19-related care and insurers have consequently been obliged to follow suit by also excluding coverages for cares related to this from their guarantees,» explained an executive of a large pan-African insurance group.

On May 18, 2020, in a correspondence sent to insurance and reinsurance companies operating in Francophone Africa, the Inter-African Conference of Insurance Markets (Cima) scolded the insurers that are abandoning their clients amid the coronavirus crisis.

«Claims resulting from the Coronavirus (Covid-19) pandemic should not be subjected to any exclusions not provided for in the contracts,» says Issofa Ncharé, Secretary-General of the CIMA.
In April 2020, Cameroon’s banana exports resumed with their upward trend after the year-over-year decline observed the first quarter of 2020 (In February and March, the cumulated drop was over 12,000 tons).

According to figures revealed by the local Banana exporters’ Association Assobacam, the country exported 16,102 tons of the product during the period under review. In April 2019, the said exports were estimated at 13,381 tons, showing a 2,721 tons increase despite the coronavirus pandemic affecting all of the economic sectors in the country.

From June 22, 2020, Alios Finance Cameroon will start paying the amortization and interest of the bonds it issued in December 2018.

During this fund-raising operation carried out on the Cameroonian financial market (Douala Stock Exchange), which subsequently merged with the BVMAC then based in Libreville, the leasing operator raised XAF8 billion.

According to an official communiqué of the Bank of Central African States (Beac), the total amount to be paid as of 22 June 2020 is over XAF539 million. This includes over XAF444 million for the amortization of the principal and about XAF95 million for the interest.

As of 31 December 2019, the balance in the six CEMAC countries’ Operating Account housed in the French Treasury was XAF3,740.3 billion. Compared with the XAF3,359.8 billion in the said account at end-2018, this represents a year-over-year increase of about XAF400 billion.

According to a report published to this effect by the region’s central bank Beac, more than half of the balance (XAF2,067 billion) belongs to Cameroon.

Nearly 35,000 coffee producers, grouped into 13 agricultural cooperatives in Cameroon’s North-West region, recently received a shipment of 1,000 bags of fertilizers and other inputs to boost coffee production in this part of the country. These bags are offered by the government in a crisis context.

Indeed, the North-West is one of the two Anglophone regions affected by separatist demands since 2016. The violence perpetrated during the crisis has had significant impacts on agricultural activities as farmers have been forced to leave their villages and plantations to escape fights between separatists and the regular army.
On March 17, Cameroon issued 13 restrictive measures to curb the spread of the coronavirus in the country. These measures include the reduction of the maximum number of passengers public transportation means can carry, travel bans, the requirement to close pub houses and restaurants at 6 PM, closure of schools and vocational training institutions, and the limitation of flows in markets.

Six weeks later, on April 30, 2020, the country decided to ease those measures to support businesses and households on the brink of collapse. In that regard, Prime Minister Joseph Dion Ngute issued 19 support measures. These support measures include the resumption of full activity in restaurants, drinking establishments, and transport. There are also various tax moratoriums, deferrals, and incentives as well as flexible measures for the payment of social contributions by companies. Family allowances and pensions have also been reevaluated and an envelope of XAF25 billion has been set aside to support companies by reimbursing their VAT credits.

Although these measures were welcomed with mixed reactions, they nevertheless initiated the revival of the country’s economic activity, which was going through tough times.

These difficulties were exposing Cameroon to a real economic disaster that the current dossier will try to outline with a few figures.

Brice R. Mbodiam
92% of Cameroonian companies are negatively affected by the coronavirus pandemic

The Inter-Patronal Grouping of Cameroon (Gicam) recently published the results of its study on the impacts of the coronavirus crisis on companies operating in Cameroon. The study was conducted from April 13 to 21, 2020, on a sample of 100 local companies. According to the study, 92% of the sampled companies declared that the Covid-19 pandemic has had a very negative (52%) or negative (40%) impact on their activities. «SMEs and service companies are the most affected. The proportion of SMEs reporting a very negative impact is higher (61%) than that of large companies (27%). Similarly, 58% of service companies reported being very negatively impacted by the Covid-19 pandemic compared to 38% of industrial companies,» the Gicam explains.

Also, the document informs, 40% of the companies declared that their production is directly affected by the Covid-19 pandemic. However, this proportion conceals strong disparities. During the study, 69% of industrial companies stated that their production is directly affected, compared with only 26% of service companies. For large companies, 50% claim their production is directly affected, compared with 36% of SMEs.

The hotel and accommodation sector is struggling because of the coronavirus

In Cameroon, the transport, restaurant, hotel, and accommodation sectors are the most affected by the Coronavirus crisis, according to official reports. While some of those sectors are still operating albeit slowly, the hotel and accommodation sector has come to a complete standstill.

The most striking example is the La Falaise hotel chain, which is one of the most prominent in the country with four establishments in Douala and Yaoundé, Cameroon’s two main cities. After the closure of Cameroon’s borders on March 17, 2020, ban on tourist arrivals and the prohibition of ceremonies (conferences, seminars, banquets, etc.) which contribute a significant part of hotel’s turnover - the hotel chain simply closed its doors.

Other hotels, whose managers are a little optimistic, continue to operate, but the few employees still at work are most of the time idle. As soon as the restrictions decided on March 17 to curb the spread of the coronavirus were imposed, hotel reservations sharply slumped.

At the Hotel Mont-Fébé, a four-star public hotel in the Cameroonian capital, 1,050 overnight stays were canceled in March 2020, according to the managing director Nicolas Tchobang. At the same time, 600 foods ordered could not be served because of the cancellation of banquets, he added.

Due to that sharp decline in activities, the managing director decided to provide paid leave to about 60 employees. For the entire sector, things are not getting any better.
Since the coronavirus found its way into Cameroon and restrictive measures were imposed to control its spread, economic activity in the country started to slow down. One of the most affected sectors is that of refined oil products, which suffered a decline of about 6,000 tons in demand in March, according to Jacquis Kemleu Tchabgou, the Secretary-General of the Association of Oilseed Refiners of Cameroon (Asroc).

Speaking during a debate on the state-owned TV channel CRTV, the Asroc-SG revealed that in March this year, the consumption of refined vegetable oil in the country reached only 9,000 tons, compared to the usual monthly average of 15,000 tons. This resulted in a 40% drop in relative value.

According to Jacquis Kemleu Tchabgou, this situation is the result of a slowdown in the activity of hotel and restaurant companies, which are great consumers of refined oil. The ban on the gatherings (parties included) as part of the restriction measures has also contributed to the situation.

Another contributor is the reduction of trade with CAR and Chad (down about 80% according to Cameroonian customs); two countries that were the gateway into Sudan and Burundi for Cameroonian producers.

This is a very unusual situation in the sector. The stocks of refined vegetable oil and byproducts are unsold and subsequently, many workers in the sector found themselves in a technical unemployment situation. Suppliers of raw materials for the production chain are also experiencing the same challenge. The worst thing for the raw material suppliers is that their products are perishable (e.g. increased acidity in palm oil).

Despite what seems to be a gloomy picture, the Association of Oilseed Refiners of Cameroon (Asroc) sees the light at the end of the tunnel.

“This is a worrying situation, but not an alarming one,” the association’s secretary-general said.

Because of the pandemic context and its first consequences observed in the sector, the Asroc-SG pleads for a deferral of the tax and social charges due by companies. According to him, such a government measure would allow oilseed refiners as well as other companies in the country to better absorb the shock of the Covid-19 crisis.

BRM
The first anti-Covid-19 government measures, aimed at supporting businesses and households, will cost the Treasury CFA131 billion, according to the Directors-General of Taxes and the National Social Security Fund (CNPS). According to Mopa Fatoing, director of the national tax authority, CFA114 billion of the sum will come from overall tax revenues. In detail, this makes CFA92 billion from internal tax revenue and CFA22 billion from customs revenue.

Indeed, most of the 19 support measures enacted by the Prime Minister on 30 April 2020 to help households and businesses face the pandemic's impact, will lead to the reduction of state revenue. The government has suspended, for 3 months, the payment of parking fees (the penalty for occupying port space beyond the duty-free days) and demurrage charges (the penalty for holding the container at a terminal beyond the duty-free period) at the ports of Douala and Kribi, concerning necessities. This is a measure that will create a hole in customs revenue. At the fiscal level, the government prescribed full deductibility for the determination of corporate tax, all donations, and gifts granted by companies as part of the fight against the pandemic; exemption from axle tax for the 2nd quarter; exemption from tourist tax in the hotel and restaurant sector for the rest of the year 2020, starting in March 2020.

The government also decided to cancel penalties for late payment of social security contributions to the CNPS; to pay, between May and July 2020, allowances to workers whose employers are struggling to pay their social security contributions; to increase family allowances from CFA2,800 to CFA4,500, and to increase pensions by 20%.

“If we have to put a figure on all these, the increase in old pensions will cost us CFA12 billion, and family allowances CFA5 billion. The postponement of collection of social contributions is estimated at CFA15 billion,” said the MD of the CNPS, Alain Noël Olivier Mekulu Mvondo Akame.

According to him, President Paul Biya "decided these measures in all responsibility, insofar as he knows that we will find the means to do so." The CNPS has a financial reserve valued more than CFA200 billion.
During a government press conference on 13 May 2020, the Minister of Finance, Louis Paul Motazé, outlined an assessment of the Coronavirus pandemic on Cameroon’s public finances. According to him, this health crisis will cause the public treasury to run a financial deficit up to CFA772 billion. The projected deficit is the result of the drop in customs revenue due to the closure of the country’s borders since 17 March 2020. Although cargo planes and other boats continue to operate, customs revenues are still impacted, as most of Cameroon’s suppliers are in countries that have mostly been locked down for months because of the Coronavirus.

The shortfall announced by the Minister of Finance will also come from the drop in tax revenues, due in particular to the slowdown in overall economic activity, as well as the drop in oil revenues. Estimated at CFA443 billion at the beginning of the fiscal year, based on a global crude oil price of about $50 per barrel, these revenues are expected to fall considerably. Indeed, since the outbreak of the global health crisis, the price of crude oil is down on the market, below $30 a barrel.

**Dissatisfactions**

Despite all the huge sum disbursed by the government, the measures did not satisfy the beneficiary companies. “(...) We deplore the absence of customs measures, the repayment of the domestic debt, and the lack of mobilization of banking levers (...) Overall, we consider that this first set of measures is a step forward toward our long-awaited objective: that of containing economic slippage and dysfunction,” said the Inter-Patronal Grouping of Cameroon (Gicam), in a statement issued on May 4, 2020. According to Protais Ayangma, president of Ecem- and employers’ group that defends the interests of SMEs— the 19 measures enacted to support businesses in the country are not as efficient as expected. He said SMEs are the minor beneficiaries of the first government measures.

**Brice R. Mbdiam and Dominique Mbassi**

**Public treasury forecasted to lose nearly CFA800bln in 2020 due to the pandemic**
Emmanuel de Tailly

« OUR PRIMARY COMMITMENT IS TO MAINTAIN JOBS AT ALL COST, AND TO PRESERVE OUR BUSINESS MODEL... »

Appointed Managing Director of Société anonyme des brasseries du Cameroun (SABC) from a Board of Directors’ meeting in Paris on December 7, 2016, Emmanuel de Tailly has been presiding over the destiny of one of the biggest agro-industrial units in Cameroon’s history for nearly 4 years. With her 6,500 direct jobs distributed in 9 factories, 42 distribution centres, in which over 1,000 vehicles take turns transporting 3 million bottles per day, SABC lays claim to 100,000 indirect jobs and a turnover of 650 Billion CFAF. 6,000 local cultivators annually supply 30,000 tons of sugar and 10,000 tons of maize to this agro-alimentary Group, that also produces mineral water and packages. It is with the principal manager of this colossus whose value chain irradiates so many domains of the Cameroonian economy, that we are trying to decipher the impact of covid-19 on enterprises.

Interview conducted by Brice R. Mboatiam and Idriss Linge

Owing to the fact that the brewery sector is an activity of contact from production, distribution as well as consumption: what are the internal and external measures taken by SABC in this context characterised by the coronavirus?

You should first of all understand that at the internal level we have double certification: ISO 9001 and FSSC 22000. These drastic hygiene, quality and food safety norms imposed by the Castel Group as well as Coca Cola and Heineken that we represent, are the first formidable protective barrier that is audited 3 to 4 times yearly. Concerning the specific management of crises, they are identified beforehand in an itemised cartography with some measures referred to as compensatory...
that are automatically applied once a certain level of alert is released. During major crises, these measures are contained in an activity continuity plan (ACP). ACP that we have elaborated since March 1, 2020 for COVID-19 with a health section that comprises 3 levels of alert (measures of reinforced vigilance, measures of confinement on the spot, measures of evacuation and stoppage of activity) managed by a crises committee (COSECUR) extended to the regions with high decision making power, and gives account to the SABC Group Management (CODIR/COMEX). At the moment of this interview, we are at level 1. It principally consists of securing our establishments (restrictions entry/exit, temperature control, footbath...), staff management (sending non indispensable staff on leave, confinement of vulnerable staff, online work for others...), individual equipment of workers present on sites (mandatory wearing of masks, overall, spectacles, and gloves for certain workers...), the integrity of our staff (washing of hands, sensitisation of staff on preventive measures, medical follow-up...) and our products (increased control, identification of additional risks...). Concerning external measures, we have supported our ecosystem of transporters, distributors and point of sales in sensitisation about preventive measures and the integrity of workers. We have equally mobilised within the Cameroon Alcohol Producers Association (CAPA) to jointly agree on collective measures concerning the management of pubs in order to reduce points of contact by not only giving priority to purchase-carry operation, but also putting in place mechanism for sensitisation and support about preventive measures. Permit me emphasise here that CAPA’s total ecosystem comprises 14 factories, 60 distribution centres, 130,000 points of sale, 400 distributors that directly and indirectly employ 2 million persons and greatly contributes to the budgetary receipts of the state, with a fiscal incidence of about 55%, on an activity that generates upstream / downstream a turnover estimated at over 2,000 billion CFAF all taxes included—about 8% of the GDP of Cameroon. It is equally 70,000 tons of Camerounian raw materials. Ignoring this reality will be endangering a very important part of the Camerounian economy.

Many enterprises have chosen to make donations in hundreds of millions, but in the SABC Group you have chosen another strategy to foster solidarity, like the act of maintaining personnel despite the NOSO crisis in the anglophone regions, and establishments operating below their production capacity: are these efforts understood by all both internally and externally? Our primary engagement is to maintain jobs at all cost, to preserve our business model of 9 factories, 42 distribution centres and 6,000 collaborators. This patrimony that dates back to 1948, crisis after crisis has been strongly moving on and constantly improving, re-inventing itself within the dynamics of continuous development. The DNA of our Group consists of transforming threats into an opportunity and considering that anything that is difficult is interesting. In this DNA capacity is to be in conformity with our vision, our mission and our values which are summarised in our latest corporate campaign catchphrase « the SABC Group is YOU ». Thus, we are giving back a greater part of the confidence of our consumers on our products in these CSR community actions and it is just normal. Internally, we are very proud to assume this role since the beginning and may be we will ask the question to our consumers at the end of this crisis, if we had met their aspirations thus respecting our societal engagements. The first testimonies go towards this direction and are encouraging us to do more for the benefit of our communities; while all our collaborators are mobilised in very difficult conditions. They are somehow heros on daily basis...

In Cameroon where you dominate the beverage market notably the alcoholic beverages, many have not failed to think of significant pressure on your part concerning the re-opening of bars after 6 pm. That said, what has been the impact of the temporary confinement measures (6pm to 8am) on your activity? Has the softening of the measures assured a return to Business as Usual? We are not absolutely and definitely at the origin of the softening mea-
sures taken by the Prime Minister who had wished to respond – as he stated – to economic and social preoccupations while insisting on the respect of preventive measures. These measures have had beneficial effect to our activity that has moved from -20 in April to -10 in May 2020. We are thus in decline like a great majority of activities in the country but at a level that permits us limit our losses such as maintaining our factories and jobs and the functioning of our ecosystem that largely depends on us. All the difficulty in this arbitration lies in rationally finding the best option between a health crisis and a possible economic and social crisis. This oblige us to more responsibility in implementing these decisions that manifest great lucidity and real political courage.

What are the principal impacts of coronavirus on your activities, and in your different scenarios, had you been expecting a shock of this nature?

From one crisis to another, we are becoming a more agile and performant enterprise, and that which doesn’t destroy renders you stronger. The shocks are enormous but worth hailing since they permit us to

“25 billion CFA to reimburse VAT credits is already a start but not enough compared to internal debts estimated at 1,900 billion CFA”
permanently adapt, and as Darwin said « it is not the strongest and most intelligent that survive, but those whose adaptation capacity is strongest ». Together with my team, we have taken the engagement to come out of this crisis with more solidarity, stronger, agile et innovative.

You have started 2020 with fiscal challenges that have forced you to mobilise an important portion of finances, which has added to your normal financial needs : how and under what conditions are you financing your activities at this moment ?

It is effectively difficult. Though, we are lucky to belong to a great Group which is indeed feeling the impact, but whose financial backing still permits and can continue for some time again to cushion the shock. Our obligation is to continue to pay the State, our suppliers and only temporarily suspend those obligations directly concerned with decisions on stoppage of some activities of our non essential services at the moment (publicity, service provision, sub-contracting not liked to our principal business).

Within the framework of her first phase of budgetary response, the government has decided to accord a temporal tax moratorium for enterprises. For you involved in major production enterprises as well as SME and VSME, thanks to your range of suppliers and distributors, do you think this seems to be a measure that will help ?

It is an important measure. The essential measure that is being awaited is that contained in a plea of the Cameroon employers’ Union (GICAM), which consists of supporting the funds of companies through loans guaranteed by the State at improved rates. Reimbursement of internal debts also seems to me a measure that can reconcile the two opinions, but at a larger scale. 25 billion reimbursement of VAT is already a start but not enough compared to internal debts estimated at 1900 billion CFAF. Its securisation also seems to us a good way to study in medium term ; since it will permit the re-financing of enterprises by giving them financial « oxygen ». Finally economic patriotism and functioning of the circular economy is an important aspect, where the State can guarantee priority areas while avoiding massive importation of products.

As a transversal Group, if you were to give a contribution concerning the management of the economic consequences of covid-19, what would you propose to the Authorities, in other words what are you much afraid about the effects of this pandemic ?

It is time to institute strong englobing, sincere public-private dialogue so that together we can objectively analyse the consequences of the crisis. In face of a declining regional oil economy, we have to render the economy of Cameroon more resilient by founding its base in agro-industry, competitive products on export, basic infrastructure (health, education, roads, energy, communication) and a tax policy that stimulates job creation, attracts integrated development environment (IDE) and creates value essentially from Cameroonian raw materials and services ; with a revision of taxation on non deductible health expenditures considered as advantages in nature ; which constitutes an aberration. Time for taxation on turn over for me is past and have to give way to inciting, stable taxation that favours the creation of value and perpetual ressources. From then, transparent publication of the contribution of each actor per domain will be the beginning of a principle of reciprocity with the tax administration, while total transparency is required on our management. Finally we need a strong secondary sector, based on dynamic agriculture that produces what we consume and consumes what we produce. We need a Cameroonian economy that focuses not only on the world but also on the sub region by offering electricity, roads, railways and services, to facilitate sub regional exchanges. Cameroon has to definitely be that sub regional ambitious and innovative locomotive as the head of state recently reminded us.

What impacts have the measures to limit the spread of the coronavirus in Cameroon and neighbouring countries had on fraudulent importation of can drinks on the Cameroonian market ?

Since 2005, the fiscal laws have obliged us to increase our prices by 30%, we have been witnessing a steady increase in the fraudulent importation of drinks in cans from neighbouring countries. The decision to close the borders and the down trend of the economy during this pandemic has also had a toll on this fraudulent activity. We are however expecting an acceleration once the borders will be re-opended and importation recommence. We are pleading within CAPA for the competitiveness of our sector, with a taxation based on valorisation of local raw materials, the creation of added value, re-investments (vs dividends) and societal responsibility. That will permit us reduce our selling
prices and reconquer – budgetary contribution and additional employment to follow- our market shares in the informal sector so as to be prepared for the future Zleca (African continental free trade zone) that will be operational in June of this year. If not, we will be exposing our activity to a progressive but slow death due to absence of re-investments and sufficient competitiveness to maintain agro-industrial and socio- generous business models. Finally, our ambition, is to be considered as national champions on whom – and it is the case at this moment- the state can count on to contribute on her budget and develop her agro-industry which is one of the backbones of the economy of Cameroon with phenomenal roll out.

Anonymous messages shared on social media foretelling the spread of the coronavirus in Cameroon via products of the Castel Group that notably controls SABC. How do you react to this type of fantasy that can however tarnish the image and even the activity of your Group?

It is pure fantasy and untrue declarations that usually receive penal complaints on our part and that we are following up to obtain definite convictions. It is finally the expression of a deep malaise in Cameroon where the number of « fake news » is fearsomely very high without receiving heavy convictions. Expressed on substance rather than on form would in this context be a collective obligation, and on this I hail media organs like yours; because they make meaningful contribution to factual and objective information. Finally I will add that consumer associations regularly visit our installations that are often open to the public in order for everyone to ascertain the level of exigency of our production based on international standards. It is often after such visits that we make real ambassadors of our Group. On this subject, I am inviting ANOR (the Agency for norms and Quality) to once more legislate on norms applicable to our products in order to regulate our market by qualitative barriers. On this title, the clarification of terms like « eau de source » (spring water), mineral water, re-mineralised water and others will be welcome...
Employers associations are snubbing the first governmental measures aiming at supporting enterprises against the negative repercussions of the coronavirus on their activities. As agro-industrial giant in Cameroon, what appreciation do you make of these measures taken by the state?

I am opportune to be the 2nd vice President of Gicam who sits besides president Tawamba, who is a great entrepreneur and a formidable president of our Union. We are not snubbing in any way. But we have a great ambition for our economy and her private sector, why we are multiplying pleas about this englobing, strong and sincere public-private dialogue. Examples of this type of partnership in ivory Coast, Senegal, Rwanda, Ghana show wishfully that « alone one may be going faster, but together one definitely goes further ». This crisis should offer the opportunity for courageous decisions to be taken concerning taxation, internal debts, the business environment, in order to make our country, my country by adoption, a major regional economic power for our general wellbeing; but equally for Africa that is in great need of her locomotives for her inclusive development.

In 2050, a quarter of the world’s population will be African, owing to her youthful and fertile population, her incredible biodiversity and formidable opening to the world. This pandemic has highlighted the courage, vitality and ingenuity of millions of African women and men, who did not yield to panic but bravely faced the virus everyday in extreme conditions. This is the moment to capitalise on that courage, that resilience to make in our own time a resilient economy for our fellow citizens and compatriots. Africa is finally as the future of a formidable human, courageous world bearer of hope...

“I think the time has passed for turnover tax. This tax must be replaced by an incentive and stable tax that favors the creation of value and long-term wealth”
In Cameroon, the consumer price index rose to 2.6% in the first quarter of 2020, according to a recent note published by the National Institute of Statistics (INS). Compared with the 2.3% recorded during the same period in 2019, this represents a 0.3% year-over-year increase.

According to the INS, this increase is mainly due to the rise in the prices of food and non-alcoholic beverages (3.1%), restaurants and hotels (5.4%) and clothing and footwear (2.8%). The increase in food prices was mainly spurred by higher prices of fruits (8.9%), vegetables (7.9%), sugar, jam, honey, chocolate and confectionery (4.1%), meat (4.8%), bread and cereals (1.5%), fish and seafood (0.4%).

At end-March, it was also boosted by the foodstuff and basic necessity products’ panic buying that followed the measures issued on March 17, 2020, by the government to curb the spread of the Covid-19. «However, the intensive campaigns conducted by the Ministry of Commerce to unmask speculators who stockpile products to create shortages have limited the price surge,» the INS says. The price increase was also curbed by the increase in the frequency of “periodic markets throughout the country to help housewives obtain supplies at a lower cost.”

In its note, the INS recommends that the government should continue its combating actions to reduce the high cost of living. The actions it suggests are the maintenance of support for basic social services and minimizing the potential impact of Covid-19 on the supply of necessities by taking additional commercial measures that do not disrupt the supply chain.

On May 14, 2020, Cameroon’s Prime Minister Joseph Dion Ngute, issued a decree establishing the decentralized resource allocation for the current fiscal year. According to the Prime Minister’s decree, a total of XAF49 billion is dedicated to all the decentralized units.

XAF13 billion will be used to remunerate municipal councilors, prepare for regional councils, and ensure operation of the various bodies set up in the framework of the de decentralization process underway in the country. XAF36 billion is earmarked for the 360 communes of the country, at XAF100 million per commune. According to the text, this budget will «finance communal projects listed in the project journal of the Ministry of Decentralization and Local Development.»

PUBLIC MANAGEMENT

Cameroon: Government allocates XAF36 bln for the implementation of communal projects in 2020

CPI rose by 0.3% YoY to 2.6% in Q1-2020 (INS)
Cameroon has initiated negotiations with bilateral and multilateral partners to raise financial support estimated at XAF294 billion for the fight against the coronavirus. This was revealed by the Minister of Finance Louis Paul Motaze during the cabinet meeting of May 28, 2020.

The country obtained, on 4 May, an amount of XAF135 billion under the Rapid Credit Facility (RCF) granted by the International Monetary Fund. The "IMF emergency financing under the RCF will support the government’s efforts to mitigate the impact of the twin shocks of Covid-19 and the oil crisis," the IMF wrote in a release published in that regard.

On May 18, 2020, the French Development Agency (AFD) also signed a XAF6.5 billion grant agreement with Cameroon, through the Ministry of Economy. According to the parties, this grant, which is budget support for the Ministry of Public Health (Minsanté), will strengthen the management of cases of Covid-19, especially serious cases in the reference hospitals of Yaoundé, Douala, and Bafoussam. It will help in the active search for cases by strengthening the rapid investigation and intervention teams of the beneficiary ministry.

These two supports amount to XAF141.5 billion. Cameroon thus still has to search for an additional XAF152.5 billion, according to the plan described by Louis Paul Motaze. Part of the remaining envelope should come from the World Bank. According to Abdoulaye Seck, its director of operations for Cameroon, the Bretton Woods institution could disburse up to XAF81 billion to Cameroon.

World Bank grants XAF44 bln loan to empower women

On May 28, 2020, World Bank Executive Directors approved a $376 million (over XAF221 billion) loan as the fourth additional financing for the Women’s Empowerment and Demographic Dividend in the Sahel (SWEDD) Project.

During Phase 2 of this project, because of which the loan was approved, activities will be intensified in Côte d’Ivoire, Mali, Mauritania, and Chad, and then extend to Cameroon and Guinea, official sources reveal. According to the World Bank, the envelope dedicated to Cameroon during the said phase is $75 million, or XAF44 billion.

«Cameroon’s 2035 emergency plan relies on a healthy and educated population to realize the country’s enormous potential for shared prosperity (...) However, as a result of child marriages, early and frequent pregnancies, and early school dropouts, girls, as well as their future children, are exposed to an increased risk of health problems and a significant decrease in their access to education and income prospects in adulthood. SWEDD 2 will act as a lever for girls’ empowerment and the strengthening of human capital. It will initially focus on three regions: the Far North, the North, and Adamaoua, where approximately 700,000 girls aged 10 to 19 are exposed to these risks,» said Abdoulaye Seck, the World Bank’s Director of Operations for Cameroon.
Inflation: The INS doubts Cameroon will meet the community benchmark due to the Covid-19

In its recent note on the change in the consumer prices in Cameroon, the National Institute of Statistics (INS) listed the factors that should influence inflation in Cameroon in 2020. According to the INS, the collapse in oil prices is likely to cause a decline in the production costs of imported products. This will nevertheless not be enough to keep inflation below 3.0%, the Community benchmark. The INS indicates that this target would be met only with the quick ending of the pandemic, “the uninterrupted supply of the Cameroonian market with consumer goods via some land, air, and water transport services, the improvement of the security situation in crisis regions and the absence of other internal or external shocks.”

In the meantime, the INS reports, the possible impacts of the coronavirus on prices will be measured from April 2020. The reason, it explains, is that around that period, the restrictive measures caused “panic buying.” Also, some measures (such as the closure of national borders) issued around that time could have disrupted the supply chain of some goods and created a shortage, ultimately leading to higher prices. Nevertheless, the Institute notes that while awaiting the results of the socio-economic impact studies of Covid-19 in Cameroon, the government also took, in April, several measures to mitigate the impact of the health crisis on the economy. “Thanks to the budgetary support measures that have been deployed and will probably be completed, the local supply of goods and services should recover,” the INS concludes.

Covid-19: Employers association UNIPACE suggests CEMAC countries start a direct dialogue with companies for effective support measures

On May 14, the Central African employers’ grouping (Unipace) met by videoconference under the chairmanship of Cameroonian Célestin Tawamba. During the conference, the employers’ groupings evaluated the health and economic impacts of the Covid-19 crisis in the CEMAC region. The Unipace noted the “ineffectiveness and inadequacy of the emergency measures taken by CEMAC countries.” It also highlighted “the considerable negative impacts that the crisis will have on the budget of States due to the heavy dependence of economies on oil, whose prices have fallen sharply.” It then asks CEMAC authorities to, through direct dialogue with the employers’ organizations, elaborate effective measures to support economies in the face of the economic shock linked to the Covid-19 crisis. It also suggests CEMAC countries should genuinely begin the sub-regional integration process.
Electronic tolls will generate between XAF5.4 to 49 bln revenues for Cameroon during the 2021-2039 period

Cameroon recently selected the Razel Bec-Egis consortium for the construction of 14 electronic tolls. Explaining the process that led to the selection of this consortium, the Ministry of Public Works (Mintp) indicates that the contract was awarded by the Head of Government to the candidate who submitted “the most economically advantageous tender.”

According to the official, the initial investment for this construction project, scheduled to start this month of May 2020, is estimated at XAF28.94 billion. The revenues generated will rise from XAF7 billion in 2021 to XAF53.59 billion in 2039 based on a single tariff of XAF500. From XAF5.482 billion in 2021, the net revenues paid back to the country will rise to XAF48.995 billion at the end of the contract in 2039.

In the framework of the contract, Razel Bec-Egis will fund, design, build, equip, operate and maintain the tolls. The contract stipulates that the Razel Bec-Egis consortium will build the 14 tolls on some asphalt roads along the Cameroonian road network. The said roads are Yaoundé-Douala-Limbé, Yaoundé-Bafoussam-Bamenda, Douala-Bafoussam and that providing access to Nsimalen airport. There will also be posts at Mbankomo, Tiko, Mbanga, Manjo, Mboumnyebel, Edéa, Nkometou, Bafia, Bayangam, Founbot, Bandja, Matazem, and Dschang. The infrastructure to be built includes a website to communicate with users, a 50m wide toll plaza made of 49 cm concrete structure, 2m wide lane divider point, 30m long points; a metal canopy with a V and W-shaped roof. There will also be 50m bunkers on either side of the platforms with a flexible pavement structure of 34cm of asphalt mix and 14 (R+1) operating buildings of 124 m² each.

Three 46m² maintenance centres (Tiko, Mbankomo and Bandja) and a 196m² operation and maintenance centre (in Mbankomo) will be built as well. In addition, 42,000m² of developed parking areas and shopping areas will be constructed in all toll plazas as well as a data reporting system. During its execution, the project will generate 300 jobs.

Transit fees collected on Chad-Cameroon pipeline surged by 24.32% to XAF36.59 bln in 2019 (SNH)

In 2019, Cameroon generated XAF36.59 billion (+24.32%) of transit revenues on the Chad-Cameroon pipeline, according to figures recently published by the National Hydrocarbon Company (SNH).

This growth, the SNH reveals, is due to the implementation of amendment No. 2 of the agreement establishing the Cameroon Oil Transportation Company (Cotco), operator of the Chad-Cameroon pipeline. According to this amendment, transit fees were updated on September 30, 2018, from US$1.30 to US$1.32 per barrel.

During the period under review, six transporters worked on this pipeline: China National Petroleum Corporation International Chad, Cliveden, Royalty In Kind, Société des Hydrocarbures du Tchad, ExxonMobil, Petronas, Petro Chad Mangara, Glencore, Petroleum Chad Company Limited. These companies carried out 50 removal operations totaling 47.26 million barrels at the Komé-Kribi terminal (KK1).
Cameroon obtained XAF4,000 bln of investment pledges in the framework of the 2013 investment promotion law

In Cameroon, the investment promotion agency API signed 224 investment agreements, by May 2020, in the framework of the 2013 law encouraging private investments, the government daily Cameroon Tribune reveals.

According to the API (the law which effectively entered into force in 2014), the overall investments planned in the agreements is estimated at XAF4,000 billion for 74,000 jobs to be created.

Due to this sharp increase in investment agreements planned by investors seeking tax and customs incentives, people wonder if the planned projects will be implemented.

Addressing this issue during an interview with Business in Cameroon in June 2016, Marthe Angeline Mindja, the Director-General of API, revealed that 30 to 40% of the approved projects had already been launched. “They are implemented gradually,” she added.

“The signature of an agreement is an intent to invest (…) The 2013 law (revised in 2017) allows new companies 5 years for their establishment and 10 years to develop their operations. Existing companies are allowed 5 years to carry out their projects. People tend to forget this detail. So, most of the companies concerned are still within the required timeframe, i.e. five years for the establishment phase. So they are in the process of setting up, even if some have accelerated the process,” she explained.

Cameroon creates a new secured sticker to limit fraud in the vehicles’ technical inspection field

In Cameroon, the Minister of Transport, Jean Ernest Ngallé Bibehe recently announced the entry into force of a new sticker proving the technical inspection of vehicles has been done.

This sticker, more secure we learn, is aimed at reducing the frauds in the vehicle inspection field.

The official also handed adequate equipment to police forces, thanks to which it can be checked if vehicles have passed the technical inspection.

In recent years, the technical inspection of vehicles has considerably deteriorated in the country. Networks sometimes set up with the complicity of the agents of Vehicle technical control centres were created where the sticker was illegally delivered without vehicles being checked.

Some of the guilty centres were even suspended for 1-month. This is one of the reasons for the increase in road accidents in the country. According to official figures, 20% of the accidents are caused by the poor state of the vehicles. To renew the vehicles circulating on Cameroonian roads, the country recently reduced customs tariffs.
Cameroon: Insurance companies paid XAF93.8 bln of claims and benefits in 2018 (ASAC)

In Cameroon, insurance companies released a total of XAF93.8 billion for the payment of claims and other benefits in 2018, according to the Association of Insurance Companies of Cameroon (Asac). According to the association, despite the steadily rising volume of this figure, the fact remains that Cameroonians are still suspicious about insurance companies. According to a study by the Ministry of Finance, only 10% of the 25 million Cameroonians have already subscribed to an insurance policy. "Insurers have often been perceived as those who, through legal constraints, receive premiums without being always there when the time comes to compensate" customers, said Jacob Sindzé, general manager of Area assurances, in an interview with the government daily Cameroon-tribune. "This image was exacerbated by the actions of some unscrupulous insurers. Because of their actions, clients no more trust the insurance industry despite its role as an essential tool for economic development in the country," he continued.

No microfinance institution operating in Cameroon published their tariff conditions in H1-2019 as the regulation requires (BEAC study)

The Bank of Central African States (Beac) recently published a study titled: "Publication des conditions tarifaires par les banques au Cameroun : Enjeux, état des lieux et perspectives" (Publication of Tariff Conditions by Banks in Cameroon: Issues, State of Play and Prospects). This study was carried out by two researchers Hermann Tankou Mefenya of the BEAC Agency in Limbe and Francis Balie Djong of the audit firm KPMG. In the said study, it was revealed that the regulation on the publication of tariff conditions in the CEMAC zone is not limited to banks. It applies to microfinance and financial institutions. "For the period from January 1 to June 30, 2019, we found in the Cameroon Tribune [government daily in Cameroon] the tariff conditions of 2 out of the 7 financial institutions operating in Cameroon. No microfinance institution conditions were found," the study read. "Publishing the terms and conditions of these institutions [microfinance and financial institutions] on the Beac website would greatly facilitate access and could have a significant impact on financial inclusion and increased competition in these markets," the two researchers said. They point out that the regulation demanding the publication of tariff conditions has three main objectives, namely consumer protection, financial inclusion, and increased competition in the banking market. These conditions can be published in branches, on bank’s websites, on the media, the regulator’s website, on the central bank’s website, or via banks’ professional associations.
Wafacash Central Africa increases capital to XAF2.6 bln

Douala-based money transfer company Wafacash Central Africa informs that it has increased its capital by XAF600 million. To do so, the subsidiary of Attijariwafa Bank Group issued 60,000 new shares of XAF10,000 each, all of which were paid in cash by the sole shareholder. Its capital thus increases from XAF2 billion to 2.6 billion. The reasons for this capital increase are not revealed, but it is a clear indication of the Moroccan company’s desire to enhance its presence in the money transfer sector in Cameroon and the Central African zone. Wafacash Central Africa was created on September 14, 2015. It offers money transfer services, change operations, and the installation/maintenance of ATMs.

AGRIBUSINESS

The wood sector requests support to tackle the twin shocks of falling demand and Covid-19

In Cameroon, the wood sector has not been spared by the coronavirus. According to Giorgio Gioggetti, the president of the Cameroonian loggers’ association GFBC, the operators expressed their concerns to the Minister of Forestry and Wildlife, Jules Doret Ndongo during an audience held on May 28, 2020. Mr. Gioggetti said, dismissals, reduction of working hours, cancellation of orders, and drop in production… are the main problems undermining the forestry sector in Cameroon in these times of Covid-19, the government daily Cameroon Tribune reports. The operators explained that the pandemic has further damaged the Cameroonian timber industry, already struggling to alleviate the impacts of falling demands from China, which is one of the main buyers of Cameroonian products. Because of these twin shocks, operators are asking the government to issue support measures for the sector. The pressing one is the postponement of the payment of the annual forest royalty for the 2nd and 3rd quarters of 2020, they say. This royalty, which generated about XAF9 billion for the country in 2018, is paid quarterly by loggers for the exploitation of Forest Management Units (FMUs) made available by the State.
Flour production company Sitrabacam Sarl to boost production capacity with XAF4 bln investment

Cameroonian flour production company Sitrabacam Sarl will soon create 110 additional jobs, the company’s promoters announce. During the ceremony where it signed an investment agreement with the investment promotion agency API, Sitrabacam informed that it would boost its production capacity through a XAF4 billion investment. With the planned investment, the company will raise its production capacity from 450 to 600 tons daily. The project will benefit from the tax and customs incentives provided by the 2013 law encouraging private investments in Cameroon.

SABC’s performances declined by 20% in April 2020 because of the COVID-19, MD Emmanuel de Tailly says

In April 2020, brewing leader SABC recorded a 20% drop in performances, according to the company’s MD Emmanuel de Tailly. In an interview with Business in Cameroon, the MD explained that this drop is due to the Covid-19. He also states his point of view about the initial measures issued by the Cameroonian government to revive economic activities. On April 30, 2020, the government authorized pub houses to close by 6 PM (for almost 6 weeks, they were obliged to close before 6 PM). According to the executive, the April 30 measures have had a beneficial impact on SABC’s business. From 20% in April 2020, the decline is expected to improve to 10% in May 2020. “We are still in decline, like most of the main activities in this country, but at a level that allows us to limit our losses and maintain our factories and jobs, as well as the functioning of our ecosystem, which depends largely on us,” explains Emmanuel de Tailly. Asked if SABC has had an influence on the measures of April 30, Emmanuel de Tailly is adamant. “we are absolutely and definitively not behind the easing measures taken by the Prime Minister,” he swears. “The difficulty in these situations is to courageously, reasonably, balance the impacts of a health crisis and a possible economic and social crisis. This obliges us to be more responsible in the execution of these decisions marked by a real lucidity and real political courage,” he adds.

SABC provides 6,500 direct jobs with its 9 plants, 42 distribution centres and 1,000 vehicles transporting 3 million bottles a day. It has a turnover of XAF650 billion and provides 100,000 indirect jobs. Local farmers (6,000) supply 30,000 tons of sugar and 10,000 tons of maize to the brewing group yearly. It also produces mineral water (through Société des eaux minérales du Cameroun-Semc) and packaging (through Société camerounaise de verrerie-Socaver).
Dangote Cement reports sales of 312kt of cement in Q1-2020, up 4.3% YoY

Nigerian giant Dangote Cement reports that its Cameroonian subsidiary controlled 38% of the local cement market in the first quarter of 2020.

According to the company, its 1.5 million tonnes per annum (Mt) clinker grinding plant in Douala sold around 312 kilotonnes (312,000 tonnes) of cement in the first quarter of 2020. This represents an increase of 4.3% over the 299 kilotonnes (299,000 tonnes) sold in the first quarter of 2019.

“We estimate the total market for cement in Cameroon to have been about 819.9Kt in the first three months of 2020. The market is primarily driven by individual construction projects, government housing estate projects and the continuation of the African Cup of Nations’ developments,” the group writes.

Dangote Cement explains that in all of the African markets where it operates, 2020 started with strong growth, despite the first effects of the Covid-19 pandemic. “We achieved a record-high quarterly EBITDA margin in Pan-Africa and a record high quarter in Nigeria, with revenues of ₦179B and domestic volumes at 4.0Mt,” Dangote Cement adds.

Salt production company Sasel to double production capacity with XAF5 bln investment

Salt production company Société africaine de sel (Sasel) plans to double its production capacity by expanding its Douala-Bonabéri plant, official sources reveal. According to the sources, the production should rise from 10 to 20 tons. The XAF5 billion project will benefit from the tax and customs incentives provided by the law of 2013 encouraging private investments in Cameroon. In that regard, an agreement has recently been signed between Sasel and the investment promotion agency (API).

The project -which will create around 160 jobs- aims, according to its promoters, to anticipate the opportunities offered by the future African Continental Free trade Area (AFCFTA), which will open up new markets for local companies.
Anti-covid-19 drugs and tests production process is being finalized, Madeleine Tchuenté says

The process of production of endogenous drugs, test kits, vaccines and other health equipment dedicated to the fight against Covid-19 is being finalized,« The Minister of Scientific Research and Innovation (Minresi) Madeleine Tchuente revealed, according to the press release published at the end of the cabinet meeting of May 28, 2020. The release provides no additional detail. However, the Minresi announced they have completed the production of hydro-alcoholic solutions and protective masks in compliance with the standards set by the Agency for Standards and Quality of Cameroon and the World Health Organization. «The products are already available. They have been primarily given to the ministries of education because of school resumption,» the release reads.

Nearly a month ago, the official indicated that the Institute for Medical Research and the Study of Medicinal Plants (IMPM), a specialized body of her ministerial department, has human resources and equipment necessary to produce anti-Covid-19 products, such as chloroquine, locally. This would help Cameroon reduce its dependence on the outside world. It would also be beneficial for the local industry.

SCS Alid Sarl plans expansion of Douala-based palm oil refinery with XAF15 bln investment

Soap producing company SCS Alid Sarl plans to invest XAF15 billion to expand its palm oil refinery plant in Douala. To this end, this industrial unit signed an agreement with the Investment Promotion Agency (API) on May 13, 2020. Thanks to this agreement, the project, which will generate 600 jobs (according to the promoters) will benefit from the provisions of the 2013 law (revised in 2017) on incentives for private investment in Cameroon. With that expansion plan, the company aims to produce 500 tons of refined oil daily. The company thus joins many other industrial structures which, thanks to the law on incentives for private investment in Cameroon, have increased their investments in the oilseed refining sector. According to the Association of Oilseed Refiners of Cameroon (Asroc), in recent years, the dynamism of the oilseed processing sector has led to increased investments in the sector. In 2018, these investments peaked at XAF650 billion, Asroc indicates. However, this dynamism in processing was not followed by a rise in the production of oil palm, one of the essential raw materials in this industry. For instance, national production is expected to reach 450,000 tons in 2020 (production could be less given the current coronavirus health crisis and CDC’s difficulties), while operators estimate refiners’ yearly real needs at 1 million tons. Hence the recourse to imports.
CICAM: a doubtful challenge of producing 15 mln face masks monthly

On May 7, 2020, public textile company Cicam started selling face masks in the local market. According to our sources, it produces this anti-COVID-19 equipment at the rate of 5,000 to 9,000 pieces daily. This means that the maximum it could produce each month is 270,000 pieces. This is far below the 15 million estimates announced by the Minister of Industry Dodo Ndocké during his visit to Cicam’s facilities on April 8, 2020. This estimated target is all the more unreachable given the price (deemed prohibitive) at which CICAM is selling the masks. Indeed, pretexting the absence of state subsidies, Cicam sells its masks at XAF 1,300 per piece. At the same time, apart from considerations related to durability and standardization, very small SMEs deliver this equipment at XAF 300 or even XAF 500. Importers are also eying the market.

Italian Sif-Inter plans to invest XAF 2.5 bln to build a wood processing unit in Cameroon

On May 13, 2020, in Yaoundé, Italian company Sif-Inter signed an agreement with the Investment Promotion Agency (API). This agreement gives the company the right to benefit from the facilities provided by the law of 2013 (revised in 2017) on investment incentives in Cameroon. These tax-customs advantages, in the form of exemptions ranging from 5 to 10 years, both during the installation and production phase, are granted to Sif-Inter because of the XAF 2.5 billion investment it plans to make in the wood processing industry in Cameroon. The company plans to build an industrial unit that will transform local wood into finished products. According to the promoters, this unit will create about 300 jobs.
**INFRASTRUCTURES**

Electronic tolls: Cameroon finally signs a construction contract with Razel BEC-Egis Project consortium

On 18 May 2020, the Cameroonian government finally signed a contract for the construction of the country’s first 14 electronic toll booths with the Razel-BEC and Egis Project SA consortium. The signature of this contract awarded to this consortium in 2019 was initially scheduled for March 2020. However, it was postponed because of administrative issues. Many people claim that the signature was postponed because of the dispute raised by the South African group Groupe Five over the said contract. Groupe Five, a candidate in the public tender for the project, contested the awarding of the contract to a consortium that included Egis Project, which is accused of colluding with the company that carried out the feasibility study for the project. The signature on May 18, 2020, seems to have put an end to this battle initiated by one of the unfortunate candidates. The 14 electronic toll booths are expected to be the most profitable for Cameroon. However, the amount of the contract was not disclosed, neither was the duration of the construction works.

Israel wants to share its technological know-how in the water supply sector with Cameroon, the Israeli ambassador says

Isi Yanouka, Israel’s newly appointed ambassador to Cameroon met with the Minister of Economy Alamine Ousmane Mey, on May 18, 2020 in Yaoundé. During the audience, the Israeli diplomat reiterated his country’s commitment to cooperate with Cameroon in the elaboration and implementation of water supply projects. The diplomat is thus pursuing the footsteps of his predecessor. On March 5, 2019, the then Israeli Ambassador to Cameroon, Ran Gidor, had led a delegation of Israeli investors in an audience with the Minister of Water and Energy, Gaston Eloundou Essomba. According to our sources, these investors were proposing to reactivate a water treatment project aimed at increasing the quantity and quality of drinking water distributed to the population. The said project was submitted to the Cameroonian government 3 years ago. “More than 60% of Israeli soil is desert. But thanks to its technological advances in the water sector, the desert continues to shrink despite global warming. We want to share this technological know-how with Cameroon and improve the quality of water supply in the Sahel regions, but also in all other regions of the country where water supply is limited,” the Israeli diplomat explained at the end of the audience.

Spanish company Elecnor wins XAF15 bln contract for the construction of a high voltage substation in Nyom II

Spanish company Elecnor has been awarded a XAF14.9 billion for the design, supply, and installation of the 225/90/15kV high voltage substation in Nyom II, a suburb of Yaoundé. This is revealed in a contract awarding notice recently published by the national electricity transport company Sonatrel. Elecnor won the contract against competitors like Eifage (France), Sinohydro (China), Best Elektrik Taahhiyet Ve Ticaret (Turkey), State Grid (China), Elsewedy Electric (Egypt), Aee Power Epc (Spain), Cegolec (Morocco-Cameroon), Nesen/Spttc (Nigeria), Siemens (French branch), Gulf Builder (Egypt) and MBH Power Limited (Nigeria). The bids of the latter were deemed to be “non-compliant.” Elecnor has twelve months to complete its mission within the framework of the Electricity Transmission Upgrade and Sector Reform Project, financed by the International Bank for Reconstruction and Development (IBRD), the non-concessional window of the World Bank Group.
TRANSPORTATION

Douala Airport to increase yearly traffic capacity to 2.5 mln passengers

Douala International airport plans to increase its yearly traffic capacity from 1.5 million passengers to 2.5 million. In the framework of the project, it recently published a graphic model showing the whole infrastructure. The futuristic model shows a multi-storey infrastructure, VIP lounges, a mezzanine, a modern boarding hall, a boarding bridge with an escalator, and a duty-free space. For the time being, the dates of the launch and completion of the works have not yet been revealed and neither has the costs.

On February 5, 2018, the Airline Operators Committee (AOC) sent a letter to Thomas Owona Assoumou, the General Manager of Aéroports du Cameroun (ADC) - the public company in charge of the management of Cameroonian airports. In the letter, the AOC complained about the dilapidated state of the Douala airport. Built between 1972 and 1977 by the French company GTE (Grand Travaux de l’Est), Douala airport was inaugurated by former President Ahmadou Ahidjo on 27 June 1977. Currently, this airport has a 2800-metre runway which was renovated three years ago by French company Razel.

Maersk launches new line from Kribi to the Middle-East, India, and Sri Lanka

On May 7, 2020, Maersk Line launched a new import/export offer from the port of Kribi to the United Arab Emirates, India, and Sri Lanka. This offer includes domestic traffics. In 2019, the world leader in maritime transport had performed stops at the said port to transship goods. According to the Port Authority of Kribi (PAK), these new destinations can be served thanks to the Midas1/Mesawa service, operated by shipping companies Maersk and CMA/CGM. According to Michael Mama, the PAK’s Director of Operations (DEX), with the Midas1/Mesawa service, Kribi will improve its link to world markets.

“The new service co-operated by Maersk and CMA/CGM will inevitably increase the Container Terminal’s market share for cargo to and/or from this region of the world [the Middle East and India]. Also, it will enable Cameroonian economic operators, whose suppliers and/or customers come from this area, to benefit from reduced transit time and competitive transport costs,” he said.

Another indirect effect, according to the DEX, is the induced attractiveness of Kribi’s logistics and industrial platform, especially for investors who have commercial contracts with economic operators from the Middle East and India. In that regard, the launch of this service will naturally encourage a commercial dynamism very interesting for the Kribi destination. This dynamism will be all the more interesting since the Midas1/Mesawa service is linked to another service that directly serves South-East Asia. This means that all the operators who will use this service via Kribi will be able to connect to the worldwide network of the Danish shipowner Maersk.

In 2019, the Middle East and India accounted for approximately 9.2% of container traffic in the Kribi container terminal and 4.5% of the traffic out. The Cameroonian port community expects this performance to rise.
British group BWA Resources secures 2 exploration permits in Cameroon

British group BWA Resources "secured its direct exposure" to Cameroon with the obtention of a first license covering an area of 497 km2 in Nkoteng, according to KalkineMedia. The media reveals that this license obtained after 4 years of negotiations with Cameroonian authorities was awarded in December 2019.

It allows BWA Group to research rutile sands and other minerals such as zircon, kyanite, and ilmenite, to assess the viability of their commercial exploitation. "The license has reportedly been granted for 3 years, which includes a financial commitment of £260,000 in the 1st year, followed by £195,000 each in the 2nd and 3rd years. The BWA group expects the license value to fully support the expenditures the company had incurred on achieving the license," the media writes.

In addition to Nkoteng, BWA has also recently obtained a second exploration permit in an area called Dehane (a village near Edéa in the Littoral region of Cameroon) for its research on rutile sand and other minerals to capitalize on potential commercial exploitation opportunities in the area. The financial data about this operation have not been published yet. With the Dehane permit, BWA can explore an area of 132 km2 in that part of Cameroon.

"BWA has developed good relations within Cameroon and has experienced staff on the ground. The company is fully committed to developing the two licenses it recently obtained but is open to good additional opportunities should they arise," said Richard Battersby in an interview with KalkineMedia.

BWA Group was originally established as a textile company in Lancashire in 1932. It operated as a shell company until five years ago when it acquired nearly 13% of the shares of the mineral exploration company Mineralfields Group. Over time, the group developed an interest in exploring rutile sand known for its titanium dioxide composition which is widely used in titanium metal fabrication and welding rod flux.
Chinese telecom firm Huawei has deployed the platform «Learn On» to ensure the continuation of its certification programs in Cameroon. This was revealed during a videoconference on May 26, 2020.

«Despite the closure of schools, we can continue our certification. Thanks to this platform, we can exchange, do the courses and weekly assessments normally, as if we were in the classroom,» says Medra Oku Mulango, a 3rd-year student in telecommunications engineering at the National School of Post, Telecom and ICT (Sup’ptic), one of the four partners of Huawei ICT Academy in Cameroon.

At the University of Douala, Huawei ICT Academy’s other partner, «Learn On», is also used. «In this period of Covid-19, we have effectively migrated to online training with the support of Huawei. Currently, we have 160 students at the University of Douala who continue to follow the online courses interactively to get Huawei certification,» says Joseph Mvogo Ngono, head of the Information Systems Division at the University of Douala. According to the Chinese telecom giant, since the launch of the Huawei ICT Academy in Cameroon, 236 teachers have been certified while 659 students have been trained in ICT, and 35 of the students have successfully passed various certifications out of the 40 candidates who took the tests.
LEADER OF THE MONTH

VÉRONIQUE EPANGUÉ APPOINTED AS DHL GLOBAL’S COUNTRY MANAGER FOR CAMEROON

Following the recent reorganization of DHL Global Forwarding’s logistics operations in Central Africa, Véronique Ebenye Epangué has been appointed Country Manager for Cameroon, according to an official statement from the group.

The appointment of this Cameroonian seems like a real success story. In addition to being one of the three women to head the African subsidiaries of DHL Global (along with her Zimbabwean and Burkinabe colleagues Shuvai Mugadza and Gisele Bambara), Véronique Ebenye Epangué joined the group in 1999, as an intern at DHL Express.

She then moved up several ladders from customer service to sales. In 2009, she joined DHL Global Forwarding as Sales Manager and was appointed sales and customer service manager in 2016.

«With her extensive experience in customer service, she looks forward to strengthening the team’s approach towards customers by focusing on training programs that will provide the skills and knowledge necessary to deliver top-quality services,» DHL Global Forwarding indicated.

«Collectively, Gabon and Cameroon are the largest economies in Central Africa, with real Gross Domestic Product (GDP) growth expected to remain at around 3.5% this year, if measures to contain Covid-19 are successful. The appointment of Véronique (who has 20 years of experience at DHL) to head the team in Cameroon, while I focus on developing our business in Gabon, could not have come at a better time,» said Alassane Mare, CEO of DHL Global Forwarding Central Africa and Country Manager for Gabon.

DHL is the leading global brand in the logistics sector. The group, which operates in 220 countries, offers a range of logistics services from domestic and international parcel delivery (through end-to-end shipping and processing solutions for e-commerce, international express, road, air, and ocean freight) to industrial supply chain management.

Brice R. Mbodiam
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