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# BUSINESS IN CAMEROON

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



## Crowdfunding A solution for young entrepreneurs



Serge Esso, rising lobbyist



Adamaoua thrives in cocoa sector

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from Cameroon



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Yasmine Bahri-Domon,



# Facebook oppositions

Social networks have enabled everyone to freely voice their opinions. They have also allowed tons of small businesses to be known without having to invest massive sums in marketing. These tools have fostered true social, cultural, and economic revolution and this is laudable. However, like many inventions, it didn't take long for social networks to be used for bad purposes; so much that they now pose a threat to democracies worldwide. Flooding the platforms with fake news and conspiracy theories, some influence voters right before elections, getting one candidate or another to win by 1 or 2%. Worse even, many virtual opposition parties - with no territory, no management

culture, no elected representatives, and no respect for institutions - are emerging. They stir violence, incite hatred, reject dialogue, throw accusations without evidence, lie repeatedly, and present forged documents. They thrive in digital bubbles, completely disconnected from the real world.

This issue is not specific to Cameroon. It threatens all democracies, even the oldest and most powerful ones.

Media outlets in countries facing this plague should cease serving as sounding boards for these anti-democratic movements.



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## MONTHLY STATISTICS

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### 69 253 tons

Telcar Cocoa (US firm Cargill's local dealer) purchased 69,253 tons of cocoa during the 2019-2020 cocoa campaign which ended in July 2020. It thus regained its position of leader of the cocoa dealing market in Cameroon with 24.6% of the market shares.

According to figures published by the National Cocoa and Coffee Board (NCCB), Telcar Cocoa lost that position to Sic Cacaos (the local subsidiary of Swiss firm Barry Callebaut) during the 2018-2019 campaign. This was notably due to the sociopolitical crisis in the Southwestern region, which was previously the main cocoa producing region and where most of Telcar Cocoa's operations were based.

During the said campaign, Sic Cacaos (operating in first-stage processing) purchased 22.2% of the cocoa beans sold in Cameroon while Telcar Cocoa bought 19.9%.

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### 50 000 hectares

On September 12, 2020, Camvert started planting the first batch of 236,000 oil palm seedlings in the industrial palm grove it is setting up in Campo, in the Southern region. The seedlings will be planted on a 1,500-hectare land and in 2021, the plantation will be extended to 5,000 hectares.

According to the project leaders, the long-term objective is to have a 50,000-hectare palm grove.

The project, which will help create 8,000 direct jobs in Campo, plans for the construction of a processing plant able to produce 180,000 tons of palm oil and 18,000 tons of palm kernel oil every year.

Let's note that currently, Cameroon's yearly oil palm structural deficit is estimated at 130,000 tons.

### 6%

Cameroon's road network was 121,501.5 km long as of July 31, 2020, according to figures from the Ministry of Public Works. At the reference date, 5.9% (7,252.8 km) of the network had already been paved, including 78.5 km of highway. The remainder of the road network (114,249 km) consists of dirt roads.

The 78.5 km of highway includes 40 km (Yaoundé-Bibodi) already built in the framework of the Yaoundé-Douala highway, as well as the 38.5 km long highway under construction between Kribi and Lolabé in the southern region of the country. This infrastructure will ease access to the deep seaport of Kribi.

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### XAF521 billion

Electric utility Eneo's investment needs over the 2020-2031 period is about €795 million (XAF521 billion), according to the briefing note published by the company in August 2020.

However, it believes that the mobilization of the required funds would not be an easy task if the Cameroonian energy industry is not consolidated. "Only a lasting consolidation of finances in the energy sector will help restore investors' confidence and allow the mobilization of funds necessary for the investments," ENEO indicates.

Indeed, over the past few years, ENEO has been experiencing cash flow problems because some of its major clients (the State and its agencies included) have unpaid bills. But, some months ago, the government started paying its debts towards this utility majority-owned by British private equity Actis.

## COMPANY OF THE MONTH

# FRENCH GEOCOTON SUGGESTS A 7-YEAR XAF60 BILLION INVESTMENT OFFER IN A BID TO GET THE MAJORITY-SHAREHOLDING IN SODECOTON

In July 2020, Abbas Jaber, founding president of Geocoton (a French group that owns 30% of SODECOTON), was granted an audience by Ferdinand Ngoh Ngoh, the Secretary-General of the Presidency of the Republic.

At the end of the audience, Abbas Jaber explained that his group Advens-Geocoton, France, and even the European Union were interested in Cameroon because of its geostrategic location. *"It is surrounded by giants and a rapidly growing population. We are convinced that Cameroon is the breadbasket of Central Africa. In the coming 20 years, the population of its neighbor Nigeria will rise to 400 or 500 million. These populations will need food, same for Cameroonians..."* he said.

### Majority shareholding

Authorized sources inform that attracted by all these potential in the Cameroonian market, Geocoton plans to buy more shares in SODECOTON to become its majority shareholder. According to the French group, this offer (discreetly presented to Cameroonian authorities) will help *"unleash the company's potential and contribute to the emergence eyed by the President of the republic."*

To entice the State of Cameroon,

which currently owns 59% of SODECOTON, Geocoton is suggesting a plan to invest XAF60 billion over seven (7) years. Credible sources reveal that the plan includes the modernization of SODECOTON's nine plants to boost their processing capacity to 2,500 tons daily (the plants are currently operating at 42% of their capacity). It also plans to increase its ginning output to 43% and build three new ginning plants in preparation for 2025 when the yearly production is supposed to reach 600,000 tons.

Geocoton also intends to optimize SODECOTON's energy efficiency with solar energy (ed.note: Geocoton recently acquired a solar energy company in France) to boost its energy self-sufficiency. The investment plan also includes the acquisition of 100 new trucks, the construction of new storage rooms to boost the company's cotton storage capacities to 80,000 tons, and modernize its two oil production plants to launch the production of animal feeds and increase oil sales to 2 million boxes every year.

### Reluctance from the remaining shareholders

Our sources explain that despite this ambitious investment program, the State of Cameroon is currently

reluctant to agree to it since it means handing over control of this company which is critical to socioeconomic integration in the Northern regions.

The same sources add that Cameroonian businessman Baba Danpullo who owns 11% of SODECOTON's shares will also be against sales of more shares to Geocoton.

SODECOTON recently announced a provisional loss of XAF5.6 billion for the 2019-2020 cotton season. Adding the XAF36 billion losses it recorded between 2014 and 2016 will mean that it lost over XAF40 billion in four cotton seasons despite its relative recovery between 2017 and 2019 thanks to a recovery plan (validated in 2017).

Despite these losses, which are not close to fading away (because of the sharp drop in cotton prices and low output of its processing plants which operated at just 42% of their capacity this year), the company is optimistic about its production. Indeed, the company, which collaborates with over 250,000 producers in the Northern regions, is getting closer to its 2025 target production of 600,000. It projects its 2020 production to reach 328,000 tons.

Brice R. Mbodiam





# THE SPRING OF CROWDFUNDING IN CAMEROON

In Cameroon, like in many other countries in Africa, accessing financing is a real headache for SMEs. Official studies have found that individuals, however, have fewer difficulties in obtaining credit from financial institutions. In the second half of 2019, individuals captured 18% of loans granted by banks within the Cemac region (8.4% in H2 2018), against 14.6% for SMEs, according to a report by the Bank of Central African States (BEAC). Because of this recurrent situation, Cameroonian startups have had no

choice but to resort to crowdfunding, which consists (for a business promoter seeking financing) of divesting part of the business shares on a dedicated participatory financing platform. This means that an investor who acquires a stake thus becomes a shareholder of the company. In this scenario, business promoters bet on the social importance of their project and its innovative aspect to attract investors. Unlike the strict conditions for banking loans, crowdfunding is more flexible and offers a wide range of

potential investors with diverse portfolios. In Cameroon, crowdfunding is gradually making its way within the corporate world.

In 2017, the total amount raised through this mechanism was about CFA1 billion, according to Central Bank figures. Today, this amount could be raised by a single startup. The success of crowdfunding is such that the Minister of Finance, Louis Paul Motazé, now sees it as a lever for developing local SMEs.

Brice R. Mbodiam



# Cameroon atop crowdfunding operations in Cematic

Within the CEMAC region (Cameroon, CAR, Congo, Gabon, E. Guinea, and Chad), crowdfunding is still less popular compared to countries such as Kenya, Uganda, and DR Congo.

In a «Research Letter» published in early 2018, the Bank of Central African States (Beac) found that on Kiva, one of the major project financing platforms in Africa, out

of the 348,162 loans registered in September 2017, «*Cameroon is the only Central African country with 4,421 projects financed for a total of CFA1.1 billion, or 0.74% of the total amount raised on the continent.*»

The operations of Cameroonian startups on Kiva grew by 42.8% between June and September 2017. «At this rate, the total funds raised by Cameroon on this platform could

be multiplied by up to 17 in 2025,»

Beac indicated. Although more than 99% of the projects currently financed through crowdfunding in the CEMAC area are financed on foreign platforms, Beac says, at least two platforms have been created in the subregion. These are G-Starters in Gabon and Guanxi Invest in Cameroon.

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## Cameroonian fintech Guanxi investment kicks off 1st crowdfunding platform in Central Africa



Two young Cameroonians studying finance in France have, since 2017, launched a participatory financing platform, enabling companies to raise funds from the general public by selling them shares. Through this initiative, the Cameroonian fintech specializing in equity crowdfunding claims to provide a solution for financing small startups, says Cédric

Ngondi, one of the co-founders of Guanxi Investment.

To truly «*make investment more accessible to all,*» the sponsors of this crowdfunding platform set the unit price per share to sell to potential buyers at CFA10,000. In addition to equity crowdfunding, the startup based in Akwa, a business area in the Cameroonian economic capital, also

offers business consultancy services to companies.

«*The origin of this company of a new genre are two young Cameroonians from the diaspora aware of the dire need to invest in Cameroonian SMEs, which bring growth to the entire economy, and convinced that crowdfunding was always part of the African cultural heritage,*» explains Cédric Ngondi.

# Kiro'o Games, advocate for SMEs' financing through crowdfunding



Cameroon's finance minister, Louis Paul Motaze, visited the premises of the young video game company Kiro'o Games on March 4, 2020. With the promoters of this startup, the official discussed their Kiro'o Rebuntu solution.

Kiro'o Rebuntu is a support and coaching program for startups in participatory financing, launched a few years ago by Kiro'o Games. *"Kiro'o Rebuntu is a solution to the financing problem facing Cameroonian SMEs. By setting it up, you help the State to solve a crucial problem for the economy. We are willing to assist you and we will do so,"* promised the Minister of Finance.

About a month before this visit to Kiro'o Games, on 20 February

2020, Louis Paul Motaze chaired a workshop in Douala on the theme *"Crowdfunding: participatory financing for small and medium enterprises."*

Thanks to its Kiro'o Rebuntu program and the government support promised by the Minister of Finance, Kiro'o Games could become the crowdfunding expert in Cameroon. To show his interest in the work of this start-up, Louis Paul Motaze invited its promoter, Olivier Madiba, to the next meeting of the National Credit Committee, to share his experience in crowdfunding with other members of this body. In its 2018 report, the Bank of Central African States said the first video game studio in Central Africa has

managed to finance the largest project in the video game industry in Francophone Africa, up to CFA129.87 million (198,000 euros) through participatory financing.

Called *"Aurion: Legacy of the Kori-Odan,"* this video game is still under study in Hollywood, USA, for a possible film adaptation. Good Fear Film, a company run by Chris Bender and Jake Weiner, is conducting the feasibility study of this project. In the first quarter of 2019, Kiro'o Games launched a new crowdfunding campaign to raise \$1 million for the development of its activities. As of November 11 of the same year, the company had mobilized \$600,000 (about CFA275 million).

Brice R. Mbodiam

# A local startup raised CFA1.3bln for a healthcare app

Alain Nteff, who heads the startup Healthlane, tweeted on September 7 about the successful closure of the mobilization of CFA1.3 billion to develop his medical care app Healthlane. The funds were raised through crowdfunding, a highly utilized technique for financing startups.

The 28-year-old IT engineer, a graduate of the polytechnic school of Yaoundé, said the app is being used by more than 60,000 people in Cameroon and Nigeria. The application, which offers both remote and in-person medical services, is a meeting point for individuals, health practitioners, health centers, and pharmacies. Users can book an appointment with doctors and order drugs.

*«Don't spend 5 hours waiting for healthcare. Just book an appointment with Healthlane and be received immediately on your arrival. (...) A doctor*



*will be dedicated to your family's health, allowing you to make informed decisions and offering you unlimited health services,»* the platform advertises.

Healthlane is the second application created by this young entrepreneur. His first application is GiftedMom, which, via SMS, reminds pregnant women of their appointment for pre-natal checks and children's vaccination dates.

Official sources informed that the rate of deaths related to childbirth has decreased considerably in areas where the project GiftedMom was implemented and within two years, the partner hospitals saw their pre-natal check rate increase by 35%. With GiftedMom, the young startup-per received numerous international awards.

## Microfinance institution Apesa Fund enters the crowdfunding segment

By opening a new branch in Yaoundé on November 29, 2018, after Douala, Jean Calvin Mbayen Mbayen, Head of microfinance institution Apesa Fund, made an unusual announcement in a context characterized by the fragility of the microfinance sector in Cameroon.

Mr. Mbayen Mbayen said the Apesa Fund, with a capital of CFA500 million, 65% of which is controlled by Cameroonians, is launching an offer in online participatory financing, also known as «crowdfunding.» “We’re working on this service that will allow you, as an investor, to finance projects

online. The entrepreneur can also benefit from online financing,” said the CEO of this financial institution which enjoys the support of investors such as the Cameroonian oil company Gulfin and the multinational Sofimar.



# Algo Drone raises more than CFA1bln in expansion fund

William Elong, promoter of Cameroonian startup Will & Brothers, which launched the country's very first civilian UAV service, has successfully closed a fundraising operation announced in early 2018, at €2 million (a little more than CFA1.3 billion). The money was raised through Algo Drone, a German-based holding company recently launched by the 27-year-old Cameroonian. Elong says this funding, mobilized from investors, will allow Algo Drone to develop its research and development component, then launch

the conquest of the international market with the drones «made in Cameroon» and «Cyclop», an artificial intelligence service. *“The first fundraising (about CFA124 million, ed) has allowed us to acquire expertise, the second allows us to grow (...) The contributors are foreign. I’m happy to have an international board, which brings me more than 30 years of experience at once,”* says the young Cameroonian entrepreneur, who revealed he has received many orders from Central and West Africa since the official presentation of the first drones manufactured in Cameroon

on February 2, 2018. *“We received orders for a hundred drones. But, we did not have enough production capacity to address the demand. We made the necessary adjustments in the last half of 2018, which paid off in the last quarter. Indeed, between October and December 2018, we recorded more orders than in 2 years. We just had to agree to give part of the production chain to technical partners, especially on the hardware part, while keeping the intellectual property and the software part of the drone in-house,”* he says.

# SDK Games launches crowdfunding for video game dedicated to football star Samuel Eto’o

The gaming studio SDK Games Africa launched in 2016, a crowdfunding operation to raise \$25,000 (about CFA14 million) to produce MooEto, the first video game dedicated to Cameroonian football star Samuel Eto’o, we learned from an official communiqué. The game, initially set to be available within 12 to 14 months after this operation, is still yet to be launched.

According to sponsors of SDK Games Africa, *“presents are reserved for every contributor depending on the amount given. There is a broad range of gifts: a thank you note, a digital postcard of the game, a mention of the donor’s name in the game, the possibility of receiving a copy of the game two weeks after its official launch, the oppor-*



*tunity to test a sequence of the game during its development, the possibility*

*to have one’s image in the game and many others.”*

# Serge Esso

## *“WE HAVE TO PROVE THAT IT IS POSSIBLE FOR LOBBYING TO BE ETHICAL, EFFICIENT, AND SCIENTIFIC”*

A former executive of local and foreign multinationals, this lobbyist is renowned as an excellent business negotiator. He recently launched, in Douala, Glencoe Advisory - a company specialized in advising and supporting investors in Francophone sub-Saharan Africa.

In this interview, he provides insights into the science of negotiation, reveals his ambitions, and shares his opinions regarding entrepreneurship and the business climate in Cameroon.

**Business in Cameroon :** You are often referred to as a negotiation expert. Could you tell us more about it?

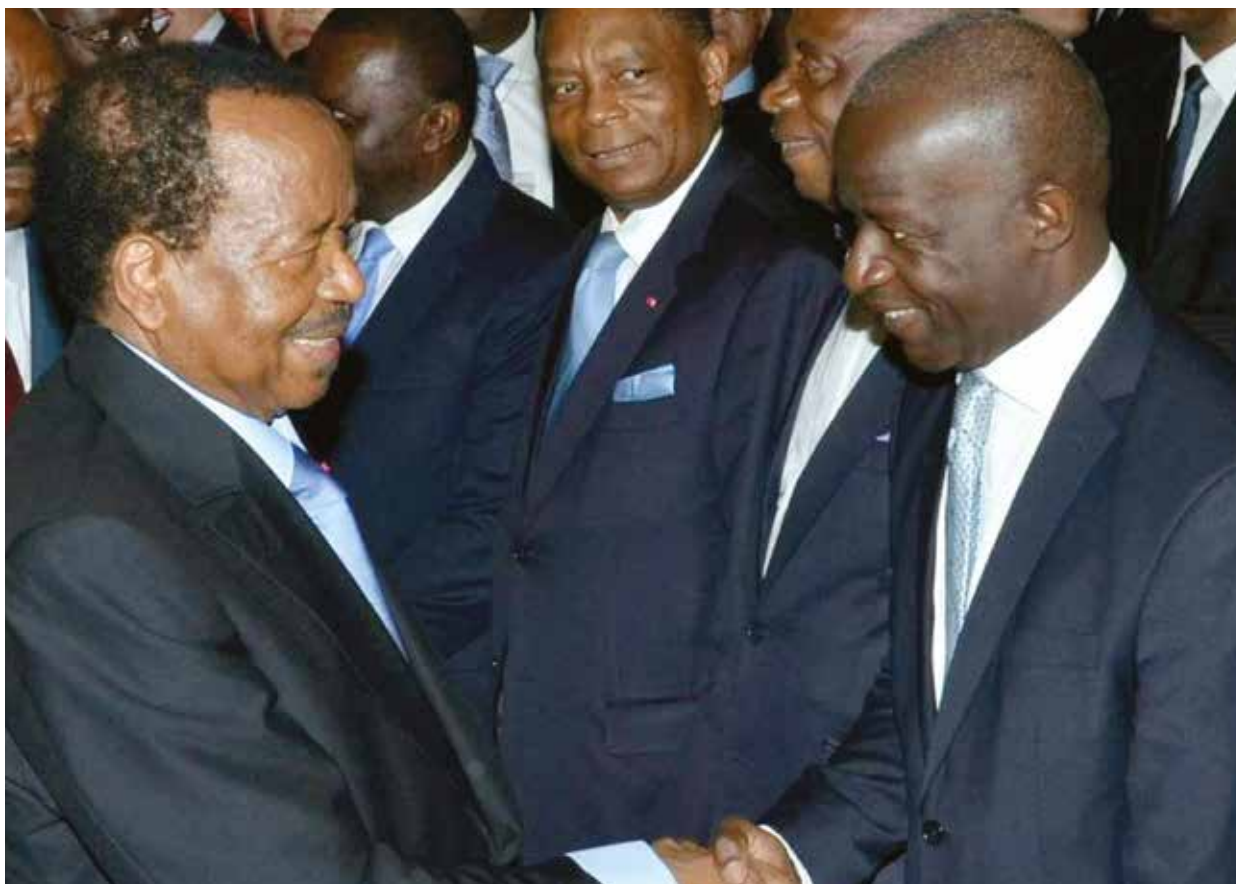
**Serge Esso :** We negotiate every day, in our jobs, areas of responsibility, and even our personal lives. In this regard, using rational and seemingly incontrovertible arguments is not

enough; they must be presented in a good way while taking into account all elements concerned, as well as surroundings.

In general, a negotiation is any interaction, where parties with different interests have to reach an agreement, but it is first a dialogue. And when

it comes to business, starting a project, making a decision, or handling conflict, negotiation is an alternative to resorting to force, authority, or the law.

The global trade industry is going through a constant change and with this comes a growing interest in



*"It is important to understand the interests of the State, its vision, policies, development strategy, and to make sure your business aligns with those"*

Africa, a market that can be difficult to understand. The latter is mostly due to a lack of reliable data, and misunderstanding of local realities; making international investors skeptical and discouraging them from seeing Africa as a priority, despite its potential.

Over the years, we were able to decipher the maze between potential investors and countries they want to invest in. Very often, we had to match the investors' strategy and objectives to the political and socio-economic ambitions of recipient markets. In this view, our expertise lies in anti-

cipating and resolving differences that may exist between the various parties concerned. We help our clients (foreign investors in Cameroon) and other parties concerned (notably State institutions), in their activities, reconcile their economic and sociopolitical interests, respectively.

**BC : How can good or bad negotiation affect a business?**

SE : The impact of a bad negotiation on a business is well established. There are tons of cases of social uprisings due to poor communication or negotiation between companies and

their staff or unions. Similarly, there are cases where companies, due to disagreements with local authorities, had to exit a host country and suffer various consequences....

Negotiation takes place at all levels of a business, among all involved parties. Each party can impede or even cause the business to collapse if they are not understood and handled with care. From the staff to institutions, as well as suppliers, clients, the civil society, the press, and the public, good negotiation is critical for the efficient functioning of a business.





*"...public authorities would greatly benefit from switching to a fully digital administration"*

Negotiating wages, fixing product prices, negotiating tax reliefs, securing licenses and other approvals, establishing and preserving good relations with institutions and States are all issues that require negotiation and which can decide the fate of a business.

**BC : Many believe associate corruption with negotiations between business partners. What do you think about that perception?**

SE : In terms of conformity, the world and Africa especially are going through major changes, a revolution even. We are therefore hoping that

the business world will improve and that good governance will expand.

People usually associate lobbying and negotiation with corruption so we have to prove that it is possible for lobbying to be ethical, efficient, and scientific. We have been doing this for some years now, with a certain success. As Africans, we are well aware of the damages of corruption and are determined to protect future generations' heritage.

Also, national and international institutions, as well as big multinationals and international investors have

set strict rules no serious company would ignore, at the risk of facing severe repercussions (SOX, AML, FCPA...)

Corruption is a bottomless pit which does not really benefit anyone but hurts instead. That is why at Glencoe Advisory, meeting the true needs of parties and complying with governance rules is our top priority.

**BC : Throughout your career, you have for foreign multinationals mostly. What do you think of Cameroonian companies and entrepreneurs?**

**SE :** It was through a force of circumstance that I worked for foreign multinationals and certainly not because I wished to avoid Cameroonian companies. If I had the chance to put my expertise at the service of Cameroonian firms, I would have done so proudly and with passion.

Cameroon has great opportunities to offer and Cameroonian entrepreneurs are known for their boldness and perseverance. And while the country's economic and socio-political dynamics can be challenging, some of our compatriots, seasoned businessmen, and women, are listed among Africa's greatest fortunes. Cameroonian entrepreneurs deserve the respect and support matching their capacities and dynamism.

This said, companies would benefit from meeting international business standards and better treating their human resources, which is the primary asset of any business.

**BC : Based on your experience in multinationals and investment counseling, what are, according to you, the main weaknesses of Cameroonian businesses and how can they be tackled?**

**SE :** Like many businesses around the world, Cameroonian businesses face multiple difficulties related to their environment. Instead of talking about weaknesses, we believe these are challenges that Cameroonian businesses have to overcome. The first challenge is the lack of professionalism in business management. It appears that many Cameroonian "empires" are family businesses.

While this is normally not an issue, it becomes one if skills fail to match the needs of the business. Also, when a business is built and run only by its founder, once this person dies, the risk of the subsequent collapse of the empire is great.

The second major challenge that Cameroonian businesses face is a poor customer relationship and service management. In a competitive market, in a certain way, it is the customer who regulates it. Unfortunately, we have a lot of work to do in this area in Cameroon, especially considering that multinationals are far ahead.

**BC : Many international reports say the business environment in Cameroon is difficult. As an entrepreneur and investment advisor, what is your opinion in this regard?**

**SE :** On many occasions, using our competitive spirit and experience, we were able to find opportunities in difficulties. As conceived by political authorities, the business framework exists solely to provide fairness and protection to all actors. Though there is still much to do to improve our business environment, we must praise the government's efforts in making it easier for investors to enter the country. Many institutions, such as the Investment Promotion Agency (Agence de promotion des investissements - API), attest that the State is determined to get rid of the bad reputation attributed to the Cameroonian business environment. There is also the investment code and the incentives aimed at attracting foreign

direct investments (FDIs). The greatest challenge here is to bridge the gap between existing measures (which reflect the will of political authorities) and their implementation in the field. This is something we must contribute to.

**BC : How would you convince an investor who is interested in Cameroon but hesitates because of the negative perception of risk assessment entities?**

**SE :** There is always an available spot for any entrepreneur in a market where much has to be done or revisited. Unfortunately, opportunities are limited for those who focus on the negative.

It is important to understand the interests of the State, its vision, policies, development strategy, and to make sure your business aligns with those. Instead of giving up because things are hard, it would be best to be inspired by existing success-stories and give yourself every chance to succeed. Giving yourself every chance implies apprehending stakeholders' management and knowing the right people.

Indeed, regardless of the financial, technological, human, and other resources foreign investors have, their project will struggle to succeed, if their strategy does not take into account handling the various parties involved. This requires an in-depth analysis of macroeconomic, geopolitical, sociological, political, cultural, and even anthropological situations in the targeted market, and the basis is the Law and Rules in place. Whatever the case, an entrepreneur or



*"And while the country's economic and socio-political dynamics can be challenging, some of our compatriots, seasoned businessmen, and women, are listed among Africa's greatest fortunes"*

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*"It appears that many Cameroonian 'empires' are family businesses"*

investor is first someone who is not scared to take risks and who simply needs to do their homework well and grasp local realities.

**BC : What do you think of Cameroonian startups and what can be done to make them thrive better, in the digital economy era?**

SE : The startup industry is booming in Cameroon. As jobs get more scarce, many young Cameroonians turn to entrepreneurship. This is good for us since it means the youth is aware of their potential and surrounding opportunities. More can be

done and we are doing it, especially at the Silicon Mountain in the southwest of Cameroon...

In this digital economy era, which is often associated with e-commerce and digitization, digital technology could be an amazing asset for startups seeking to emerge. It impacts all economic sectors and is currently one of the key drivers of growth. The Cameroonian State understood this and that is why they have set a framework for the digital economy. However, public authorities would greatly benefit from switching to a fully digital administration, especial-

ly considering that it dovetails with the digital economy.

Nevertheless, as futuristic, modern, and technological as today's economy may be, it can't do without the foundations of creating and running a business.

The ease of starting a business digitally tends to cause young entrepreneurs to, unfortunately, ignore legal, structural, and strategic prerequisites for starting a business. Also, for any business to grow and succeed, rigor, discipline, and good governance are necessary.

# PUBLIC MANAGEMENT

## Cameroon is the 2nd most active country on the Open Timber Portal



Cameroon is the 2nd most active country on the “Open Timber Portal” (OTP) which promotes transparency in forestry activities worldwide.

With over 600 users, the country comes just after the USA (which has about 1,900 users). It precedes the UK, France, Italy, Belgium, DRC, and Congo.

The “OTP compiles information from three different sources: official concession boundaries and the list of registered timber producers from the govern-

*ment, documents uploaded voluntarily by timber producers to demonstrate compliance, and observations by third party forest monitors.”*

Initiated by the World Resources Institute (WRI) in collaboration with various organizations, the OTP was deployed in Cameroon from September 2018 to August 2019 in the framework of a project funded by the FAO (under the FAO-UE Flegt) and executed by the Field Legality Advisory Group (Flag).

During the execution period, the project helped unroll the OTP in Cameroon by including authorities in charge of forest matters and companies operating in the sector in the deployment and exploitation process. In the process, about twenty Cameroonian companies registered and many documents were uploaded on the portal. To date, over 400 documents grouped into nine (9) sections are available.

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## Cameroon and the ILO partner to promote youth entrepreneurship in the Northwest and Southwest

On September 29, Cameroonian SME promotion agency APME and the International Labour Organization (ILO) signed a partnership agreement for the launch of the project «Start and improve your business» in Cameroon.

In its pilot phase, the project will be implemented in the Northwest and Southwest. It is aimed at upgrading companies to make them more competitive.

In its framework, the ILO will build

the capacities of APME's business advisors so that they can support young people who want to venture into entrepreneurship

## Cameroon pays 6-month salary arrears to mayors

On September 21, 2020, mayors who duly constituted and submitted compensation files to the Ministry of Decentralization and Rural Development received their salaries of six months: March to August 2020. The information was revealed in an official release signed on September 30, 2020, by Minister Georges Elanga Obam.

In the release, the official invited the mayors -who despite having constituted and submitted their files, had not received their salaries- to complete the files they submitted. Also, those who have not submitted their files are invited to do so as soon as possible.



Instituted in 2015, mayors' salaries were paid for the first time in Cameroon in 2017. Since then, they have been irregularly paid. The salaries for March-August 2020 come at

a time when mayors and councilors are getting ready to elect the first regional advisers ever elected in the country. This election is scheduled to be held on December 6, 2020.

## Customs seized about XAF1 bln of contraband goods in S1-2020

Cameroonian customs authorities reveal that in S1-2020, they seized about XAF1 billion of contraband goods thanks to the operation Halcomi (Halt illicit trades). During the period, Halcomi helped complete 745 seizure reports generating XAF647.661 million of evaded duties and taxes as well as XAF288.8 million of fines. This equals XAF936.5 million.

The authorities add that apart from the amount generated, customs also helped promote the Made-in-Cameroon and boost the sustainability of the economy by seizing numerous loads of sugar, cement, textile, drinks, food products, weapons and ammunition, narcotics, and psycho-



tropic substances. Halcomi also helped secure the territory by contributing to the largest seizure of improvised devices in

Cameroon (2.7 tons) during a routine check in the Northern region, the authorities explained.



## Cameroon plans to raise XAF180 bln on the money market in Q4-2020

After a slight break following its series of bonds issuance thanks to which it raised XAF219.4 billion (between April and June 2020), Cameroon is announcing new fundraising on the money market in Q4-2020.

In the official release signed by Samuel Tela, Director of Treasury at the Treasury General Directorate of the Ministry of Finance, the Ministry of Finance indicate that the country plans to raise XAF180 billion on the BEAC public securities market between October and December 2020.

XAF120 billion will be raised by issuing long-term securities. First, in early October, the country will try to raise XAF35 billion each by issuing 6 and 10-year bonds. By the end of

October 2020, the country will also issue 7-year securities to try to raise XAF25 billion and in November, it will issue 10-year bonds to raise XAF25 billion.

The remaining XAF60 billion will be raised via the issuance of short-term securities. Over the three (3) months, Cameroon will issue 26-week securities every month.

With the new provisional calendar, Cameroon is sticking to its plan to refocus its fundraising strategy by issuing long and medium-term securities on the money market instead of the capital market whose conditions are more stringent.

It implemented the new strategy in Q2-2020 and was emulated by some neighbors. According to a recent report by the BEAC, that quarter

was the first since the launch of the market (in November 2011) in which the volume of treasury bonds (53.6% of overall issuance) issued exceeded that of the treasury bills.

The Central bank (BEAC) adds that this predominance of treasury bonds affected the composition of CEMAC countries' debt portfolio. The portfolio is now constituted of 58.3% treasury bonds. From XAF763.9 billion at the end of June 2019, the volume of treasury bonds issued by CEMAC countries rose almost two-fold to XAF1,513.4 billion on June 30, 2020. However, the volume of treasury bills rose by just 14.9% during the period (XAF940.5 billion to XAF1,080.3 billion).

## Customs seizes 145 boxes of wine and whisky in the Southern region

Cameroonian customs stationed in the Southern region seized 145 boxes of contraband wine and whisky. Indeed, on the night of September 21 to 22, 2020, they seized 45 boxes of non-branded whisky in Kye-Ossi, bordering Equatorial Guinea. At the same time, the mobile unit of Ebolowa seized 100 boxes of wine. The announcement was made in the weekly newsletter published by customs authorities.

These seizures have become regular because of measures taken by authorities to better secure the national economic space. Indeed to



stop illicit trades that create revenue losses for local companies and the government, Cameroon initiated a

special operation baptized «*Halte au commerce illicite- Halcomi*» (Stop illicit trades).

# FINANCE

## Cameroonian firm Express Union is the 4th most important microfinance institution in Gabon

Cameroonian firm Express Union is one of the four most important microfinance institutions in Gabon, the country's General Directorate of Economy and Tax policy revealed in its September 2020 note on the economic situation.

The microfinance institution comes after Gobonesse firms Financière africaine de Micro-Projets (Finam), Loxia (local subsidiary of BGFIBank) and Épargne et Développement du Gabon (EDG). The four institutions serve about 95% of the clients in the sector.

Even if the note does not provide detailed figures on Express Union's market share, it nevertheless informs that it shares the growth (17.9%) recorded during H1-2020. According to the General Directorate of Economy and Tax policy, the number of clients in the sector rose from 193,790 to 228,470 during the period. The client base is constituted of salaried employees or people with regular



and permanent income, SMEs, traders and artisans, pensioners, and grant students.

During H1-2020, the microfinance institutions operating in Gabon rose by 41.8% to XAF11.34 billion after most of them increased their capital to comply with the minimum capital requirements of XAF300 million. During the period, the intermediation margin showed a rise in microfinance activities, which trans-

lates into better financial inclusion. Indeed, the deposits collected rose by 61.5% (from XAF37.2 billion in 2019 to XAF60.1 billion). Short-term deposits represent about 75% of the overall deposits while credit granted rose by 59.3% to XAF51.7 billion. This rise in the volume of credits granted is due to the high bank account penetration rate and the measures initiated to support SMEs' capital requirements.

## Belgian bank Belfius funded Camwater's investment program with XAF36.6 bln in 2009-2014

Belgian bank Belfius provided Cameroon with XAF36.6 billion (€55.8 million), between 2009 and 2014. This was revealed during the audience granted to the new Belgian ambassador to Cameroon by the Minister of Economy Louis Paul Motaze in Yaoundé, on September 24.

These funds (93%) were invested in Cameroon Water Utilities (Camwater), the public water utility. During the audience, the new ambassador, Éric Jacquemin, indicated that he intended to diversify and boost investments during his mandate and hoped the trade exchanges between the two countries would rise.

In 2019, trade exchanges between Cameroon and Belgium were officially estimated at XAF284 billion. During the same period, Cameroon's trade exchanges with other countries were estimated at XAF6,249 billion.

## UBA Cameroon served as an intermediary bank for 52.9% of cocoa sold in 2019-2020 (ONCC)

Eleven (11) commercial banks operating in Cameroon served as intermediaries between cocoa exporters in Cameroon and their foreign buyers during the 2019-2020 cocoa campaign, according to the national coffee and cocoa board ONCC. UBA Cameroon was the leader by serving as an intermediary for 52.9% of the cocoa exported in the country. Ecobank Cameroon came second with 18.4%, BGFI came next with 8.1% followed by Bicec with 7.9%. For the exportation of cocoa and many other products, the exporter and the buyer are represented by two (2) commercial banks that guarantee the effectivity of the transaction. The buyer's bank issues a letter of credit



committing to pay the buyer once it receives all the logistics and administrative documents. Those documents are transmitted by the exporter's

bank, which makes a documentary credit to its client promising to ensure the transaction is successfully concluded with the buyer.

## Éric Jacquemin: “I will continue to support Belgian companies’ investments in Cameroon”



Some days ago, the new Belgian ambassador to Cameroon Éric Jacquemin was granted an audience by the Cameroonian Minister of Finance Louis Paul Motazé in Yaoundé to take stock of the cooperation between the two countries. « I will continue to support Belgian companies’ investments in Cameroon. We operate in various sectors notably energy, road construction, solar, and hydropower. We will thus extend and strengthen

those relations and strive so that Belgian companies can gain market shares for the benefit of the two countries. This is my main mission,” the Belgian diplomat said. According to 2019 data, trade exchanges between Cameroon and the world countries were XAF6,249 billion. However, the trade balance was negative. During the period, Belgium captured 2.6% of Cameroon’s overall exports and 5.7% of imports.



## UBA Cameroon partners with local cryptocurrency leader Global Investment Trading

UBA Cameroon informs that it recently entered into a partnership with the Cameroonian leader of the cryptocurrency market Global Investment Trading (GIT).

According to the partnership, UBA Cameroon will sell prepaid visa cards (bearing UBA and GIT's logo) to GIT clients, accept online payments via Visa and MasterCard and allow clients to recharge their prepaid

cards. The company explains that these are the only services it offers and declines any involvement in other activities carried out by Global Investment Trading.

Global Investment Trading is a trading company with a portfolio management website ([www.liyeplimal.net](http://www.liyeplimal.net)) for people who do not know how to trade, and a training center that provides training on trading and cryp-

tocurrencies. It also launched a new product: Simtrex for professional and amateur traders alike. It is comparable to Binance, Bittrex, Yobit, etc. except that those are European and Asian platforms. The company also launched an E-commerce platform ([www.limarket.net](http://www.limarket.net)) and has assets in Cameroon, Dubai, and Bangladesh.

# AGRIBUSINESS

## Adamaoua joins the rank of cocoa-producing regions (ONCC)

During the 2019-2020 cocoa season (which ended on July 15, 2020), a little over 82 tons of cocoa was sold in Adamaoua (one of the three northern regions in Cameroon). According to the national coffee and cocoa board ONCC, this is the first time cocoa sales are reported in the region, making it a new cocoa producing region. Indeed, for years, residents of the three northern regions of Cameroon (the North, the Far North, and Adamaoua which is near the forest region of the East) produced cotton only as export products. Initiatives carried out by Sodecoton to diversify export products in these regions (with the acacia gum initiative notably) were to no avail.

Let's note that this first cocoa sale is reported in the Northern region at a time when the government (with the help of the Agricultural Research Institute for Development-IRAD) is carrying out an intensive campaign to promote cashew nut production in the region. According to public authorities, this campaign was initiated to reduce the residents' reliance on cotton, which provides subsistence means to over three (3) million people in the region (according to Sodecoton).

Cocoa production offers a new alternative to Adamaoua residents in these times when cotton prices are continually dropping. The ONCC indicates that during the

recently concluded season, cocoa was sold in eight (8) out of the ten (10) regions in Cameroon: 77.1% of the sales were made in the Central and South Western regions, which are the two main cocoa-producing regions in the country.

In detail, the board explains, the central region accounted for 48.6% of the sales while the South West (which lost its leading spot because of the socio-political crisis in the region since 2016) accounted for 28.4%. Next came the Littoral region (10.3%), the South (5.6%), the East (3.8%), the West (2.7%), the North West (0.4%), and Adamaoua (0.3%).



# Cameroon plans to raise onion production to 200k tons this year through IFAD-funded program PADFA

Cameroon is planning to boost onion production. This was revealed during the signature, on September 25, 2020, of a credit agreement between the Cameroonian Ministry of Economy and the International Fund for Agricultural Development (IFAD) for the 2nd phase of the Commodity Value Chain Support Project (PADFA).

The program plans to raise onion production from 140,000 tons in 2013 to 200,000 tons in 2020. In that regard, producing families received 88,320 tons of certified onion seeds in the regions covered: the Far North, the North, the North-west, and the West. The program also plans to improve storage, transformation, and marketing, boost the resilience and technical capabilities of producer organizations in the target sector,



and enhance the nutritional status of households.

During the 1st phase, PADFA helped boost onion producers' average income by 60%. Post-harvest losses dropped from 18% to 10% within a year while the price at which produ-

cer organizations used to sell their products rose significantly. Indeed, after being stored in the new storage facilities, a bag of onion is sold at about XAF45,000 while previously, it was sold at XAF12,000.

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## Commodity Value Chain Support Project PADFA plans to increase yearly milled rice production by 80k tons by 2023

On September 25, in Yaoundé, Cameroon and the International Fund for Agricultural Development signed a XAF28.5 billion (\$47 million) credit agreement for the 2nd phase of the Commodity Value Chain Support Project (PADFA), which will span over 2020-2026.

The project will help boost the production of rice and onions in four regions in Cameroon. The regions

are namely the North, the Far North, the North-West, and the South. According to Hélène Misse Marigoh, the national coordinator of the PADFA, starting from the third year of implementing the project (2023), it will help produce an additional 118,000 tons of paddy rice ( for 80,000 tons of milled rice) every year. She explained that the additional production will reduce the current

deficit by 10% and in the long term, it will help reduce the massive rice importation in Cameroon. Indeed, according to official sources, the country spends about XAF150 billion every year to import rice. In 2019, it spent a record XAF231 billion to import over 800,000 tons of rice, the national institute for statistics revealed recently.



## Cameroon exported 728.8 mln m3 of raw timber in 2019

Cameroon exported 728.8 million m3 of raw timber in 2019, according to data compiled at the ports of Douala and Kribi. These exports were realized despite a decree prohibiting the export of raw timber. This decree though issued years ago is yet to be implemented.

As of January 2022, the Forestry Ministers of the Congo basin countries plan to effectively enforce the prohibition. According to the officials, this prohibition is aimed at boosting local wood transformation, therefore creating jobs in the forestry industry.

Let's note that according to various official reports, Cameroon's timber was exported to European Union countries and China. For environmental NGOs, the volume of woods



Cameroon is selling to China has been rising steadily, an alternative to avoid the traceability require-

ments imposed by the European Union in the framework of the Flegt agreements.

## ENERGY

### Andritz Hydro offers to supply equipment for Nachtigal and Lom Pangar projects

The German company Andritz Hydro is offering to supply equipment for the Nachtigal (420 MW) and Lom Pangar projects, Cameroon's Ministry of Economy recently announced. The Ministry added that negotiations were ongoing with the firm that manufactures turbines, generators, and various equipment used at power plants. It further disclosed that the Ministry of Energy has been invited

to intervene in the negotiations. The two projects eyed by the firm are at a somewhat advanced stage. Indeed, in July 2020, Nachtigal Hydro-Power Company (NHPC) in charge of the construction of the Nachtigal dam received a water crane, which marks the final stage of the construction works at the hydropower project.

The Lom Pangar power plant's toe of

dam (30 MW), at the end of 2019, was 13% completed. However, the dam reservoir (6 billion m3 of water) was completed since 2017 and is already regulating water flow at the Sanaga river, thus increasing the production by 120 MW during low-water periods.

# ENEO projects XAF165 bln of accumulated net earnings over 2021-2025



Electric utility ENEO projects an average of XAF33 billion of accumulated earnings and profits yearly over the coming five (5) years. Indeed, the company (which recorded losses in 2019 and should be unprofitable in 2020 because of the coronavirus pandemic) projects about XAF165 billion of accumulated net earnings over the 2021-2025 period.

A source close to the case indicates that in that regard, ENEO's turnover will exceed XAF500 billion in 2024 and get close to XAF580 billion in 2025.

This is a difficult task for the company (owned by British Actis) since to achieve it, it counts on a rise in the number of its clients and an increase in prices (because new actors have entered the energy value chain causing the cost per kilowatt-hour to rise).

Despite a rise by over 10% in ENEO's 2019 turnover, the unaudited results show that the financial year was unprofitable. The profit margins were

reduced because of rising fixed and variable expenses.

One of the reasons provided by ENEO to explain the result is that the launch of some dams was delayed calling for investments in some expensive alternatives. The company also had to deal with an exceptional and nonnegligible fiscal expense.

To achieve its projected profit, ENEO will also have to reduce its operational costs and frauds (that cause the sector to lose about XAF60 billion every year). And justly so, to reduce frauds, it is moving towards modern meter reading methods instead of manual readings.

Nevertheless, the company's cash flow is gradually becoming sustainable. For instance, the State of Cameroon recently paid XAF45 billion, as the first tranche of payment arrears, to ENEO. Another tranche of XAF30 billion (instead of XAF23 billion) is planned to be paid. All those payments will help Eneo equilibrate its balance sheet.

Also, the government should pay the bills for energy transport infrastructures taken over by Sonatrel. The amount has not been decided yet but, it could reach XAF45 billion. Even though it was able to fund its current expenditures thanks to the confidence it enjoys within the local banking sector, the payments from the State of Cameroon were enough to give Eneo room for manoeuvre in its bid to raise XAF100 billion on the local debt market. The company also plans to gradually reduce its debt and end its recourse to short-term bank loans by 2023.

ENEO's financial well-being has become a shared objective for all stakeholders. However, the materialization of the company's ambition will depend on the discipline in the implementation of a 5-year investment plan and the State of Cameroon's capacity in fulfilling its commitments as the second-largest shareholder.



## German firms Ossberger and Stragbag AG plan to set up operations in Cameroon

Hydropower manufacturer Ossberger and construction company Stragbag are currently negotiating with Cameroonian ministries to set up operations in the country. This was revealed after the meeting between the new German ambassador to Cameroon Corinna Fricke and Alamine Ousmane Mey, Cameroon's Minister of Economy (MINEPAT), in Yaoundé on September 23. "Other German investors are currently negotiating with various Ministries to set up operations in our country. They are namely Ossberger,

specialized in mini-hydro power plants, and Stragbag, which operates in the construction of road and rail infrastructures, etc....," the Ministry indicated.

It does not provide further detail but it is public knowledge that Ossberger is the world leader in its sector with over 10,000 turbines installed around the world.

Based in Cologne (Germany), Stragbag AG is the subsidiary of Stragbag SE (a construction company based in Austria. It is specialized in the construction and engineering

of transport infrastructures and tunnels. Each of its segments operates in a specific region. The Northwest segment offers land & water engineering, offshore windfarm, and construction services in Germany, Poland, Benelux, and Scandinavia. The South-East offers railway and infrastructure construction services in Australia, Switzerland, Hungary, Czech Republic, Slovakia, the Adriatic region, Europe as well as Russia and its neighboring countries.

## Cameroon becomes one of Turkey's four African gas suppliers



Thanks to Hilli Episeyo (the floating natural gas liquefaction plant commissioned off the coast of Kribi in 2018), Cameroon has become one of the four African countries supplying gas to Turkey. This was revealed by the Oxford Institute of Energies Studies (OIES) report on gas consumption in Turkey.

This report confirms information published by Cameroon's National Hydrocarbons Company (SNH), which estimates the volume of liquefied natural gas exported by Cameroon at the end of May 2020, at 6,262,113 million BTU (or 157,924.36 tons).

Indeed, according to the public

company, during the period under review, the LNG Cameroon sold to the Singaporean subsidiary of Russian group Gazprom was delivered to India, South Korea, Kuwait, and Turkey.



# INFRASTRUCTURES

## Kribi-Grand Zambé road to be delivered in March 2021 (MINTP)

The Cameroonian Ministry of Public Works (MINTP) announces that the Kribi-Grand Zambé (53 km) road in Southern Cameroon will be delivered in March 2021.

As of September 28, 2020, the said road was completed at 52.34% and 86.68% of the deadline has already passed. Concerning civil engineering works, 114 gutters (out of the 116 to be constructed) are already completed. Six out of the seven bridges to be constructed are also completed. The earthworks are done and foundation layers are also completed on a 38.5 kilometers tracks.

*"Ahmadou Tejani, head of the Safege Central Africa control mission, and HU Hao, operations director of the Chinese company CGCOC group [in charge of the works], base their optimism on the almost complete availability of materials for the completion of the works and the gradual lifting of restrictions."*



*The greatest difficulty currently is how to move the electricity network along the track as well as expropriation problems. Also, the heavy rains in the Ocean department are greatly slowing the progress of the works,"* the MINTP explains.

The construction of Kribi-Grand Zambé (53 km) road is funded by the African Development Bank (AfDB) at XAF33 billion. The road infrastructure located on the National n°22 is aimed at facilitating access to the Kribi Deep Seaport.

## SCI-Lafleur to open a giant hippodrome in Douala

Douala-based company Société commerciale immobilière-La fleur (SCI) informs that it is currently preparing to open the giant hippodrome ever built in the city, which is the economic capital.

According to the company, final adjustments are being applied to the 30-meter lift being deployed at B'ssadi Galleries in Bonamoussadi. It will be completed by December

2020, it adds. The firm explains that the new hippodrome is built inside 'B'ssadi Galleries,' a new innovative trade center located at Bonamoussadi (which is one of the most important arteries in Douala). Spanning over 4,600 m2, B'ssadi Galleries is a 4-story building constituted of 115 adaptable trading points with sizes between 8 m2 and 930 m2. It is located in an area surrounded by

leisure, business, and trade centers (banks, clothing shops, and insurance companies).

SCI-Lafleur was created by Cameroonian philanthropist Clovis Kontche who is well known in the real estate sector. His business complex aims to be a business, shopping, leisure, and restoration exchange at Douala 5th.



## BEAC: Ebolowa office to be delivered in 2022

On September 29, 2020, Cameroon's Prime Minister Joseph Dion Nguté laid the foundation stone of BEAC's office in Ebolowa, Southern Cameroon. This office, which is the 7th to be built for the BEAC in Cameroon, will be delivered in the coming 24 months (around 2022), we learn.

The works (whose costs have not

been disclosed) were entrusted to Chadian construction firm SNER whose selection as winner of the bid caused controversy in 2019. Indeed, Cameroonian firm DNB International Sarl (via its promoter Amadou Hamadou) reached out to President Paul Biya to denounce favoritism in the contract awarding process.

DNB International Sarl, which claimed to have submitted the best bid, accused the governor of the BEAC of favoring a company created by his compatriot. These accusations were rejected by the BEAC, which officially replied that the awarding process was conducted following the rules.

## INDUSTRY

### Coronavirus forces oilseed refiners to reduce operation by 50%

The Association of Oilseed Refiners of Cameroon (Asroc) indicates that because of the coronavirus pandemic, none of its members are functioning above 50% of their capacities. It adds that the pandemic caused among others a drop in the sales of finished goods, difficulty in accessing local and international markets, and a slowdown in supply for its members. Also, it informs, there is currently a deficit of 160,000 tons of crude palm oil for first-stage processing industries while official figures estimate the overall deficit at 360,000 tons for an industrial demand of about 1.2 million tons. According to Jacques Kemleu Tchabgou, general secretary of Asroc, *"the consequence of these deficits is importation, which is necessary to avoid the short-*



*tage of end products like refined palm oil and soap probably, as well as containing the inflation that could ensue."* Let's note that the government has

authorized operators to import 70,000 tons of crude palm oil in the coming days to bridge the gap.

## Cicam purchased only 1% of fiber cotton produced during the 2019-2020 campaign

Sodecoton produced a record 328,453 tons of cottonseed during the 2019-2020 cotton campaign, which was technically completed in May 2020. With that cottonseed, the public company produced 138,516 tons of cotton fiber.

According to official sources, only 1,366 tons of the cotton fiber (representing a little over 1% of total production) were sold locally to Cotonnière industrielle du Cameroun (Cicam), the only textile company operating within the CEMAC region; 130,323 tons are destined for exports despite the boarding difficulties recorded at the Port of Douala due to the constraints imposed by the coronavirus pandemic.

This low volume of cotton fiber purchased by Cicam (Ed.note: sometimes Cicam purchases 5% of overall produc-

tion) this season is due to the financial constraints it is facing, the negative impacts of the coronavirus pandemic, and the tough competition caused by sellers of imported textiles.

Despite the new equipment it received early this year, Cicam faced challenges in the financing of its investment projects, according to the report on the 2020 economic outlook published by the Ministry of Economy. Also, the coronavirus pandemic caused the cancellation of its unbleached fabric orders from China. Therefore, it was able to operate at only 49% of its capacities.

Also, the coronavirus pandemic forced the cancellation of the May 1st, 2020 Labor Day. As the government prohibited gatherings of more than 50 people in a bid to contain the spread of

the virus, parties and celebrations (for which African fabrics and other textile products are largely bought) are rarely organized. All these induced a significant drop in Cicam's turnover.

Apart from the situational constraints, Cicam has also been affected by some structural problems this year. Indeed, from being the flagship of textiles in Cameroon (and Central Africa as a whole), Cicam gradually lost market shares and is currently controlling barely 5% of the local market. This is due to the fabrics imported from China (which officially represents about 88% of the market) and West Africa (6% of the market). The imported fabrics are sold at highly competitive prices in the Cameroonian market.

## SERVICES

### Yaoundé city hall creates tourist information office to promote tourist sites and local specificities

Yaoundé city hall, in collaboration with the association of Cameroonian tourist guides, recently created the first-ever tourist information office by a decentralized territorial community in Cameroon.

With the office, Yaoundé authorities aim to promote tourist resources by providing information to tourists and publishing various communication tools to promote various sites and local specificities.

The office was created on the sidelines of the celebration of the 41st edition of the World Tourism Day on September 27, 2020. In Cameroon, the theme of the celebration was "Tourism and local development."



# Government plans to develop birding tourism to boost the tourism sector after Covid-19

The Cameroonian Ministry of Tourism, in collaboration with international experts, is currently working to develop niche tourism in the country. This was revealed before the celebration of the World Tourism Day of September 27, 2020. Cameroon and its partners are specifically targeting ornithological or birding tourism (watching birds).

According to Nfouapon Alassa, head of tourism promotion at the Ministry of Tourism, birding tourism is a market of over 120 million people on which Cameroon can capitalize since it has the potential. Officially, the country has 928 bird species divided into 76 families.

Experts indicate that apart from helping relaunch the tourism sector

in Cameroon after the coronavirus pandemic, birding tourism will help develop rural areas. *"(...) Birds can only be watched in rural areas. Watchers will use local labor and pay money in rural zones,"* Nfouapon Alassa told government daily Cameroon Tribune.

## CEMAC

# The impacts of the coronavirus pandemic will be less than projected (BEAC)

The impact of the coronavirus pandemic will be less than expected on CEMAC economies. The monetary policy committee of the central bank BEAC revealed during its September 30, 2020, videoconference meeting. According to the committee, almost all of the economic sectors rebounded in Q3-2020. The sectors still affected by various restriction measures are lodging, transport, and entertainment.

This rebound in economic activity was due to a rise in oil prices and the «progressive lift of restriction measures,» the committee indicates. Therefore, it adds, benchmark economic indicators will improve by the end of the year. *"Even though they will remain in recession, the countries of the sub-region will not be hit as hard as thought previously,"* the committee wrote in the release published after

its meeting.

In the sub-region, The 2020 GDP decline will only be 3.5% instead of the 5.9% decline forecasted in June 2020. The inflation rate will rise to 2.6% instead of 2.5%, we learn. At the same time, the budget and external deficits will be lower than projected. They should be 2.6% and 4.7% of GDP respectively instead of the respective 4.5% and 7.3% of GDP announced in June 2020. Foreign reserves will rise *"above the threshold of 3-month import,"* while the external coverage rate would be 69.9% against 67.1% a year earlier.

*Despite "these promising prospects, the consolidation of the BEAC's external position will remain fragile in 2020 given the major uncertainties surrounding the subregion's economic outlooks (...) In this context, the BEAC maintains its accommodative stance*



*of monetary policy to limit the negative impacts of the COVID-19 crisis on the economies in the sub-region,"* the release informs.



## CEMAC: Oil revenues dropped by XAF500 bln YoY in Q1-2020 (BEAC)

The Bank of Central African States (BEAC) recently published a report on CEMAC countries' budgetary implementation in Q1-2020.

According to the report, with the price of a barrel of oil at about \$26 in mid-March (against \$60 at end-2019), the revenues of CEMAC oil-producing countries dropped significantly. The drop in public revenues that ensued forced countries to recourse to international borrowings. "CEMAC

*countries lost about XAF500 billion of oil revenues year-over-year in the first quarter of 2020. During the period, customs revenues dropped a bit,"* the central bank indicates.

According to the institution, the losses were due to public policy uncertainties that negatively affected economic activities worldwide. The economic slowdown was worsened with the advent of the coronavirus pandemic around the end of

Q1-2020.

The BEAC explains that despite this drop in revenues, CEMAC countries' expenditures did not decrease much. Indeed, from XAF2,461 billion in Q4-2019, public expenditures dropped to XAF2,444 billion between January and March 2020.

Over the period, capital expenditures dropped from XAF707 billion to XAF680 billion while current expenditures remained stable.

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## Central Bank BEAC sets commissions to be collected on outgoing wire transfers in 2021

On September 22, Abbas Mahamat Tolli (photo), governor of the Bank of Central African States (BEAC), signed a decision allowing the BEAC (central bank of CEMAC region) to collect commissions on outgoing wire transfers in the CEMAC region. The governor indicates that the commission to be collected on behalf of approved intermediaries is 0.5%

of the pre-tax value. This will be added to the commission already applied by credit institutions to their clients. According to the decision n° 002/GR/2019 which sets the fees on fund transfers, these fees should not exceed 1% of the pre-tax value. Also, the rate of the commission to be levied by the BEAC on outgoing wire transfers on behalf of the public

treasuries and sub-participants (involved in payment systems) that have accounts at the central bank is 0.25% of the pre-tax value. The BEAC's national directorates are tasked to implement the decisions, which should take effect on January 1, 2021.

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## Cemac: the prices of raw timber resisted the overall decreasing trend induced by the COVID-19 in Q2-2020

Between April and June 2020, CEMAC wood exports were affected by the coronavirus crisis raging the world. Indeed, according to the commodities price index published by the central bank BEAC, the prices of forest products dropped by 1% during Q2-2020. The drop would have been worse,

but for a 9.9% rise in the price of raw timber, the BEAC explains. This rise shows that the demand for these types of woods was high during the period, at a time the Lake Chad Basin countries are planning to prohibit the exportation of raw timber to prompt forest operators to process the woods for

more local added-value.

The prices of the remaining type of woods dropped during the period as has been the case for almost all the commodities exported by the region. According to the report, the prices of sawn wood, plywood, and veneer dropped by 3.1%.



## LEADER OF THE MONTH

# CAMEROONIAN PIERRE NGON BECOMES MD OF BENIN/NIGER CLUSTER OF BOLLORÉ TRANSPORT & LOGISTICS



Cameroon's native Pierre Ngoni is, since September 1, 2020, the new managing director of the Benin/Niger cluster of Bolloré Transport & Logistics. This was disclosed in a release published on September 14, 2020, by the Bolloré group. The new MD is replacing Jérôme Binois. After 20 years of working for various subsidiaries of Bolloré Transport & Logistics in Africa, he will manage the French group's logistics and shipping activities in the two countries. He will also oversee the development of logistics activities in the corridor between

the port of Cotonou in Benin and Niger. He will be supervised by the executive chair of Bolloré Transport & Logistics Benin Venance Gnigla. "I am extremely proud to join the teams at the Benin/Niger cluster of Bolloré Transport & Logistics. The employees are passionate about their work and the challenges for our company are considerable. Together, we will continue to develop business activities, bring our customers competitive solutions and contribute to the social and economic growth of these two magnificent countries," Pierre Ngon

said in the release.

Aged 47, Pierre Ngon is a transport and logistics expert. He has held several financial positions in Cameroon before being promoted as MD of Bolloré Transport & Logistics in Equatorial Guinea (in 2013) and Niger (in 2017). Pierre Ngon holds a Master's degree in Management Science with a major in Finance & Accounting from the University of Douala. He has a thorough knowledge of the African continent and has developed strong managerial skills during his career.

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