

February 2021 / N° 97

BUSINESS IN CAMEROON

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

NONPROFIT

FOR PROFIT

Crown corporations
**Loss-making ones vs
profit-making ones**



IFC's ambitions for Cameroon



The Rural World mourns
Bernard Njonga

FREE - CANNOT BE SOLD

BUSINESS IN CAMEROON .COM

Daily business news
from Cameroon



Compatible with
iPads, smartphones
or tablets



Yasmine Bahri-Domon,



Imagine Corsica...

Known as France's Isle of Beauty, Corsica has always been reluctant to be fully part of the French Republic. Corsicans are very attached to their customs, their language, their culture. They often demand more autonomy and the relaxation of the national rules. And sometimes, the French State, willy-nilly, gives into their claims. However, never on the essentials, whatever the cost.

Now, imagine some Corsican separatists taking up arms, supported and financed, or even directed, by Corsicans from abroad.

Imagine that these radical separatists threaten, and go as far as executing teachers, parents, and even children in their classrooms to dissuade others from attending the Republic's school.

Imagine them murdering the merchants of Bastia, Ajaccio, or Corte.

Imagine that during national elections, snipers shoot the few reckless voters defiant enough to go to the polls despite their boycott slogan.

Imagine that these separatists develop a whole industry of terror: kidnappings, ransom demands, executions of personalities, racketeering, the beheading of gendarmes...

With this picture in mind, now imagine how long it would take before Paris decides to send the army to restore order, by whatever means necessary. Would France be willing to listen to "calls for dialogue" with these criminals? Would it accept that the media, some dubious NGOs, and politicians in need of a platform, reverse roles and present Paris as a dictatorship that represses simple demands for freedom?

So, Evviva a Corsica libera ?



CONTENTS

FOCUS



- 10** • Crown corporations' performances under in-depth scrutiny - Performances Public companies, a burden for the state
- 11** • Public and Para public enterprises recorded a CFA59.5 bln loss in 2019, CTR reveals
- 11** • Made up of 32 companies, the portfolio of the National Investment Company (SNI) has been deteriorating over the years.
- 12** • Cameroon: Public companies threaten the fiscal balance, with a debt of CFA2.6 trillion in 2017
- 12** • Construction company Matgénie lacks the money to execute contracts

LEADER DU MOIS



- 33** • Bernard Njonga : The activist who dedicated his entire life to food sovereignty in Cameroon

INTERVIEW



- 13** • Sylvain Kakou : "the IFC is interested in fintechs (...) so, if there are some in Cameroon with good projects..."

BUSINESS IN CAMEROON

Publisher
Stratline Limited

Publication Director
Yasmine BAHRI-DOMON

Contributors
Brice R. Mbodiam, Sylvain Andzongo, Idriss Linge,
Muriel EDJO.

Operator
Médiamania Sàrl
www.mediamania.pro
Maquette : Jérémie FLAUX,
Corrections : Souha TOURE

Advertisement
regiepub@investiraucameroun.com
In Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59

Printing
Rotimpres, Aiguaviva, Espagne

Office - Distribution Cameroon
Albert MASSIMB, almassimb@yahoo.fr
Tel : 00 237 694 66 94 59

Free – cannot be sold

www.businessincameroon.com - info@businessincameroon.com

NEWS IN BRIEF



PUBLIC MANAGEMENT	P 19-22	TRANSPORTATION	P 28-29
FINANCE	P 24-25	INDUSTRY	P 30
AGRIBUSINESS	P 26	TIC & TELECOM	P 31
ENERGY	P 27	SERVICES	P 32



MONTHLY STATISTICS

8 MW

Since February 19, 2021, the Ngaoundéré thermal power station has been injecting its 8 MW production into the Northern Interconnected Grid (RIN). With the commissioning of that electricity infrastructure, ENEO completed its program aimed at transferring 20MW energy generation capacity from the Ahala thermal station, in Yaoundé, to the northern regions that are experiencing repeated power outages due to the low filling rate at the Lagdo dam. In the framework of that program, a 12MW power plant was also installed in Garoua.

Although those transfers of energy generation infrastructures will help provide electricity to residents in the northern regions, the energy production costs are a matter of concern. Indeed, according to some experts, the monthly fuel expenses necessary to generate that additional 20MW of energy is XAF2.2 billion.

10%

State-owned airlines, Cameroon Airlines Corporation (Camair Co), recently announced a 10% discount on its fares for the three northern destinations (Garoua, Ngaoundéré, and Maroua) from Yaounde and Douala.

Through this marketing operation, the state-owned airlines will probably reinforce their position on the northern routes, which represent its first domestic market, ahead of Yaounde and Douala.

As the civil aviation authority revealed in 2016, the airports of Garoua and Maroua-Salak received 38% of Camair-Co's domestic flights, outperforming the two most important airport hubs of the country, Yaoundé-Nsimalen (37%) and Douala (27%) namely.

10 000

On February 10, 2021, Banque internationale pour le commerce, l'épargne et le crédit (Bicéc) signed a partnership agreement with the Cameroonian Ministry of Finance to allow access to 12-120 months of credits, at preferential rates, to the 10,000 agents of that ministry.

«When my staff is happy, I am happy as well,» said Finance Minister Louis Paul Motaze after signing the partnership agreement. According to the parties, thanks to the credits they have access to in the framework of that signature, the Ministry of Finance's staff who have accounts at BICEC can acquire various equipment or cars and fulfill their real estate acquisition projects.

9.15 million

According to Hootsuite and We Are Social, two organizations that monitor social media flows and the internet, the number of internet users rose to 9.15 million in Cameroon, in January 2021.

This number is up by 2.7 million compared with the 7.8 million users recorded in January 2020 and represents a 34% penetration rate, against 30% in January 2020 and just 2% a decade ago.

In 2016, according to Internet Live Stats, with a 16.5% increase in the internet penetration rate, Cameroon was among the top three African countries with the highest growth in their internet penetration rate that year. The remaining two were Mali (+18.6%) and Lesotho (+18.1%).

This steady rise in internet penetration rate in Cameroon is the result of the investments made over the past ten years by the Government and telecom operators, experts think.

COMPANY OF THE MONTH

FINANCIA CAPITAL AND LA RÉGIONALE PIONEER THE USE OF MOBILE MONEY SERVICES IN AN IPO OPERATION



Investors interested in La Régionale S.A's IPO can subscribe using Orange Money. This was revealed in the IPO notice ad published in the framework of this operation arranged by Financia Capital.

This is the first time mobile money technology is being used in stock exchange operations in Cameroon. By allowing Cameroonian investors to buy shares using a mobile payment service, Financia Capital intends to capitalize on the strong penetration of this payment method in Cameroon and democratize access to stock exchange services.

Introduced in Cameroon by the mobile network operator in 2006, Mobile Money is by far the most widely used electronic payment method in the country currently. Officially, Orange and MTN (the two mobile market leaders) have nearly 10 million customers (4.5 million for

Orange and 5 million for MTN) using their respective mobile payment services. According to figures from the International Monetary Fund (IMF), in 2017, Mobile Money transactions reached XAF3,500 billion in Cameroon, against XAF300 billion in 2016.

Such a tremendous rise in the volume of transactions within just one year can be explained by the diversification of mobile money uses in the country. Indeed, initially used for merchant payments, Mobile Money was then officialized by the government as a payment method for some taxes and official examination fees.

During the said period, both public and private schools officialized mobile money as a payment method for tuition fees. With the payment technology's use in La Régionale's fund-raising campaign (subscriptions

open on February 9th to February 26th, 2021), this payment method will be used for the first time to purchase shares for a company's IPO operation.

La Régionale on its way to becoming a universal bank

In the press release published on February 3rd, 2021, announcing the operation, Charles Rollin Ombang Ekath (CEO of La Régionale) explained that the operation was initiated to raise funds for the transformation of that renowned microfinance institution into a universal bank.

«This operation aims to raise the capital from XAF8.04 billion fully paid up and validated by the Cobac [regulator of the Central African banking sector] to over XAF15 billion for the transformation of La Régionale into a universal bank,» he indicated.

Established in 1993, La Régionale is a leading local microfinance institution. However, the institution went through some troubling times. In early 1998, it accumulated losses estimated to be over XAF1 billion. Because of that poor performance, its management was dismissed, and later that year (in 1998), shareholders injected fresh capital into the institution. Thanks to the new contributions, the microfinance institution started regaining its lost grounds.

As of December 31st, 2020, its net equity was about XAF10 billion, its net profit XAF1.5 billion and its customer base was 110,000 clients through a network of 41 branches in Cameroon. It also has an international presence with four branches in Gabon.

Brice R. Mbodiam

OLEMBE SPORTS COMPLEX: A NEW DECREE AUTHORIZING ADDITIONAL CREDIT AGREEMENT SPARKS FUND MISAPPROPRIATION SUSPICIONS

The general public in Cameroon is currently questioning the use of the XAF163 billion raised for the construction of the Olembe Sports Complex in Yaounde. The questions were heightened by the presidential Decree N°2021/100 of February 16, 2021, authorizing the MINEPAT (Minister of Economy, Planning and Regional Development) to sign a new loan agreement to the tune of XAF55.16 billion to fund the completion of the remaining construction works in the framework of the same infrastructure. The presidential decree revived the embezzlement suspicions surrounding the construction of this sports complex, launched on March 7, 2017. *«The extremely high amount of this credit agreement is bewildering and may raise strong suspicions of fund misappropriation,»* wrote MP Jean Michel Mintcheu, a member of the

opposition party Social Democratic Front (SDF). The opposition member wrote this in a letter he sent on February 19, 2021, to Ferdinand Ngoh Ngoh (Secretary-General of the Presidency of the Republic) who he presented as the «president of the AFCON 2022 task force.» The new loan included, the overall funds raised for the construction of Olembe Sports Complex will amount to over XAF218 billion while the initial cost estimate was XAF163 billion. The initial estimate (XAF163 billion) was secured in August 2016, through three loan agreements signed with Nigerian bank UBA (XAF24.5 billion) and Italian bank Intesa Sanpaolo (XAF138, 538 billion). Because of the government's silence on the use of that fund, citizens like the SDF's elected representative who suspect fund misappropriation assume that the credits have been

consumed. Also considering the remaining construction works in the framework of the project, the budget extension authorized by the President of the Republic is «extremely high.» Nevertheless, in late 2020, the Parliament adopted a XAF55 billion budget extension for the «continuation of the construction works at the Olembe sports complex» inscribed in the medium-term expenditure framework (2021-2023) annexed to the 2021 finance law. The decree signed by President Paul Biya is based on this budget extension authorization. Moreover, for 2021, the finance law budgeted XAF16 billion to be injected into the project, including XAF1 billion from own resources and XAF15 billion from external resources.

Difficult financial monitoring

After compiling information from several economic assessments and budget documents, one thing became clear: the credit granted by Nigerian bank UBA has been fully released.

However, there is no certainty about the credit granted by Intesa Sanpaolo. Even at the Ministry of Sports (the project owner), which is in charge of sports infrastructure development, not much information can be obtained about that credit.

«The actors in charge of the preparation of the Minsep budget document have always pointed at how difficult it was to ensure the financial monitoring of major externally-funded (Finex) AFCON projects, notably the stadiums in Olembé, Japoma, Roundé-Adja in Garoua,» informs the final technical validation report of the medium-term expenditure framework (2021-2023). The CPIP-CDMT (the unit responsible for developing the priority investment program and medium-term expenditure frameworks at the Ministry of Economy), which wrote the report, indicates that the difficulties appear because the financial monitoring is carried out by «different institutions.» It does not provide further details on those institutions nevertheless.

What is known so far is that the credit obtained from Intesa Sanpaolo is governed by two distinct financing agreements, which are on the list of the 243 loan agreements annexed to the 2021 Finance Act. The two agreements include a «commercial credit» of XAF27.027 billion and a «buyer credit» of about XAF111.52 billion. As far as the buyer credit is concerned, it is an agreement whereby a financial partner promises to provide the borrower with funds it needs to

pay a specific supplier. In the present case, Intesa Sanpaolo is promising to provide Cameroon with the funds necessary to pay Piccini, the successful bidder for the Olembé sports complex construction contract.

Credit availability

The termination, on November 29, 2020, of Piccini's contract should have logically resulted in the cancellation of XAF111.5 billion buyer credit and the suspension of disbursements.

In a post on his Facebook page, Eloi Cyrille Tollo (a senior lecturer reputed close to the secretary-general of the presidency of the republic) claimed that only XAF 113 billion was disbursed (out of the overall XAF163 billion) when the construction contract with Piccini was terminated and a new one signed with Canadian firm Magil.

However, some previous facts somehow make his statement seem inaccurate. For instance, in late

July 2019, Makonnen Asmaron CEO of Piccini) came to Cameroon to request a guarantee agreement to raise «additional financing» from local banks for the completion of that infrastructure whose initial delivery date was September 2018. Less than two months later, Minister of Finance Louis-Paul Motaze granted an audience to Henri-Claude Oyima, CEO of BGFIBank. At the end of the audience, Louis Paul Motaze declared that Piccini would receive additional funds to complete the construction works.

Moreover, in its note on public debt published in October 2020, the national sinking fund (CAA) reveals that the last disbursement made by Intesa Sanpaolo (which is by the way involved in other projects) for Cameroon was in the first months of 2019 and amounted to XAF13.119 billion.

Aboudi Ottou et Dominique Mbassi

Status of construction work at the Olembé sports complex (according to the report presented before the national assembly by the Prime Minister on November 25, 2020)

- **The main stadium (60,000 seats) is 95% completed,**
- **The two secondary stadiums (of 1,000 seats each) are 92% completed,**
- **The shopping center is 75% completed,**
- **The 70-room 4-star hotel is 55% completed.**

Note: The Prime Minister's presentation now mentions a 4-star hotel instead of the initial 5-star hotel. Besides, it makes no mention of the gymnasium, the Olympic swimming pool, the museum, the movie theater as well as the tennis, handball, and basketball courts.



CROWN CORPORATIONS' PERFORMANCES UNDER IN-DEPTH SCRUTINY

Performances

Public companies, a burden for the state

In Cameroon, public companies are struggling to achieve good performances. The time when they dominated entire economic sectors seems to be gone. Before the wave of privatizations at the end of the 80s, Cameroon's once-booming state-controlled companies included among others the National Cocoa Coffee Office (Oncpb), the Cotonnière Industrielle du Cameroun (Cicam) - which used to process over 50% of the local cotton output, the Alucam-Socatral duo - which dominated the sheet production segment, and Camair - which used to paint the sky with Cameroonian colors.

According to international donors, the privatization strategy would help make companies more competitive with better management. After the process, Cameroon only kept

control over few companies but 40 years later, they found it hard to be profitable.

In a 2018 report, the International Monetary Fund (IMF) revealed that the public textile company Cicam became a loss-making public entity that controls barely 1% of the local textile market. The company is crumbling under the weight of debt and survives only thanks to financial injections from the state. The national airline Camair Co, the successor of Camair, has been going through a harsh time since 2011. Gloomy results were also observed in the construction sector with the once-flourishing Matgénie, and in the telecom sector with the incumbent telecom operator Camtel, which fails to improve its performances. Instead of yielding profits for the

state, many public companies in Cameroon are now only surviving thanks to the public treasury. The situation is somehow detrimental to the government, especially as the companies' debt continues to grow. Data provided by the Finance Department show that the subsidies made available to the companies in question amounted to up to 1% of the country's GDP each year. Here, we drew a picture of the situation based on a well-documented report by the Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR), a specialized body of the Finance Ministry.

Brice R. Mbodiam

Public and Para public enterprises recorded a CFA59.5 bln loss in 2019, CTR reveals

In its report on the performance of state-owned companies in Cameroon in 2019, the Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR) revealed that the 50 entities whose performance was analyzed recorded a cumulated net loss of -CFA59.5 billion. In 2018, this figure was -CFA56.5 billion (in 2017, the losses were -CFA70 billion).

The largest losses were recorded in the «hydrocarbons, water and electricity» as well as «industry and trade» sectors. In the «hydrocarbons, water and electricity» sectors (which comprises the following public companies: EDC, Sonatrel, Arsel,

AER, CSPH, SCDP, and Sonara), public companies recorded a net loss of XAF96 billion in 2019. The losses were exacerbated by Sonara, which is now importing finished petroleum products because of the fire that destroyed part of its plants in May 2019.

For the «industry and trade» sectors (which includes Cicam, Magzi, and CHC Hilton), the public companies recorded a cumulative loss of CFA28 billion in 2019, according to CTR's figures. This sector owes its poor performance mainly to the difficulties faced by the public textile entity Cicam, which is experiencing challenges in the local textile market, because of competition from Chinese

(90% of the market) and West African products (5% of the market).

Despite the cumulative losses, there are sectors whose performances got better. For instance, in the «health, employment, social security, and scientific research» sectors, the net income of public companies was positive and it was also the highest recorded.

Public companies in these sectors recorded a net profit of CFA74 billion in 2019, mainly due to the robust performance of the National Social Security Fund (CNPS).

Made up of 32 companies, the portfolio of the National Investment Company (SNI) has been deteriorating over the years.

As of December 31, 2019, the portfolio of this entity (SNI) was made up of 32 companies, divided into the primary (06), secondary (14), and tertiary (12) sectors. According to the CTR, six of these companies are in a cessation of activities and one in liquidation.

«There has been an overall deterioration in the performance of SNI's portfolio, whose net rate of return on companies stood at -51.05% in 2019,

compared with -37.56% in 2018. The number of beneficiary companies decreased from 14 in 2017, to 10 in 2018 and finally to eight 8 in 2019,» reveals the CTR in its report on public companies in 2019.

The document says in three years, the number of SNI companies posting profits at the end of the fiscal year has almost halved, while all the others are in deficit and sometimes only survive thanks to government

subsidies.

Due to the mixed results of the investments made by this State vehicle, which also carries the shares of nationals in mixed capital companies and other major projects, the government has been mulling over its restructuring. The stated objective is to transform the SNI into a full-fledged holding company, but the government is struggling to reach its goal.

Cameroon: Public companies threaten the fiscal balance, with a debt of CFA2.6 trillion in 2017

The debt of Cameroon's public companies is a major threat to the country's fiscal balance. In a report published on October 11, 2019, U.S. rating agency Moody's estimated that public companies' debts were weakening the government's efforts to consolidate public finances. The document revealed that the aggregate debt of these companies (national refining company Sonara excluded) reached 8.2% of GDP in 2016. The following year, this indicator was 13.5% of GDP (Sonara included) according to government stats.

Taking into account the support granted to them in 2019, the Cameroonian government estimated the overall debt of the 37 public companies at CFA2,624.4 billion. Sonara, the telecom company Camtel, and the water utility Camwater were the three most indebted public companies. Sonara alone has a debt of CFA763.2 billion, CFA554.5 billion for Camtel, and CFA352.4 billion for Camwater at the end of 2017. The Electricity Development Corporation and Sodecoton close the top 5 with CFA140.4 billion and CFA113.1 billion respectively.

Another big issue is the difficulties these indebted public companies face in generating enough revenues to repay their creditors. Sonara, for example, captured a significant part of the \$750 million Eurobond issued in 2015 by the government. The company also benefited from several credit lines from local banks before its premises caught fire in May 2019. Already structurally in deficit, Sonara will find it very difficult to repay its debt. Unlike Sonara, whose shareholding is owned by the state, parastatals, and the private sector, Camtel is a 100% public company.

Construction company Matgénie lacks the money to execute contracts

In 2019, the National Civil Engineering Equipment Depot-Matgénie (which became a construction company in 2015) won CFA12.4 billion worth of contracts. However, it was able to carry out just CFA1.3 billion of billable works (just 11% of the contracts won), according to the report on public companies' 2019 performance published by the Technical Commission for the Rehabilitation of Public and Para public Sector Enterprises (CTR).

«The marketing rollout initiated by the company since 2018 helps it secure a large order portfolio, which cannot be executed due to cash flow problems. These include road maintenance contracts, worth CFA15.7 billion, with various government agencies and private individuals. In the framework of those contracts, Matgénie is either a service provider or project owner and 81% of the contracts are for civil engineering

works and 19% for studies,» the CTR explains.

The reason for that low contract fulfillment rate is the poor financial situation of the company, which was previously a civil engineering equipment lessor. According to the CTR report, Matgénie's net cash decreased significantly between 2017 and 2019, from -CFA276.4 million to -CFA1.2 billion. In 2018, net cash was -CFA1.6 billion.

CTR suggests downsizing and selling assets to salvage the National Refining Company



In its 2019 report on the state of state-owned firms and institutions, CTR drew a worrying picture of the National Refining Company Sonara. As of December 31, 2018, the oil company showed a deterioration of its equity from -CFA60.3 billion in 2018, to -CFA167.6 billion in 2019.

According to the report, Sonara has been in a bankrupt situation since FY2014 under article 664 of the Ohada Uniform Act relating to Commercial Companies and Economic Interest Groups. At that date, CTR informs, SONARA's equity was less than half of its share capital.

However, this gradual decrease in equity capital is not the only source of concern highlighted by the CTR. This specialized body of the Ministry of Finance also discusses Sonara's indebtedness. As of December 31, 2019, Sonara's debt was estimated at a little more than CFA781 billion.

This amount includes CFA196.5 billion of financial debts, CFA491.7 billion of short-term debts (including CFA351.9 billion owed to suppliers and CFA139.8 billion owed to banks). CTR points out, the personnel expenses of this company absorbed 2.26% of its turnover in 2019.

Proposals

«Given Sonara's current situation, marked by a production shutdown over more than 15 months and a bankruptcy situation,» CTR believes that downsizing the company and selling some assets will help. CTR suggests «the adjustment of the workforce according to Sonara's new activities - to lower operating costs, the recapitalization of Sonara, through the partial sale of State shares to its branches and/or to private individuals, the development of a price structure for petroleum products, which includes a «support line to the refinery» ensuring a minimum

margin of CFA47.88/L (CFA26 billion mobilized as of November 30, 2020, ed), for all products.»

CTR says the recovery of Cameroon's only refinery requires «the finalization of the restructuring of its debt and the opening with BEAC, of a special account to receive the revenues generated through the «support to the refinery»; with the main purpose of paying the expenses related to the repayment of debts contracted with its partners and financial investors, including local credit institutions, as well as suppliers of crude oil and finished petroleum products.»

Besides this salvage plan, Cameroon is mulling over rebuilding this refinery for an investment of CFA250 billion. Under this strategy, the government has already engaged in talks with Russian partners.

BRM

With only 85,000 housing units financed in 41 years, Crédit Foncier's business model is being called into question



Between 1977, when it was created, and the end of 2018, Crédit Foncier du Cameroun (CFC) has invested a total of CFA420 billion into real estate projects in the country, according to official sources. Thanks to these mortgage loans at subsidized rates, beneficiaries were able to build 85,000 homes and acquire 16,342 plots of land.

According to the CTR, these performances achieved over 41 years demonstrate that the share of the public housing bank in the real estate financing market remains relatively low.

However, Crédit Foncier du Cameroun is not the only state housing bank to have recorded such poor performance over the period. «In the WAEMU zone, Banque de l'Habitat du Mali (BHM) [Mali's state housing bank] has been absorbed by Banque Malienne de Solidarité (BMS), which is not primarily focused on real estate financing. The

state housing banks of Côte d'Ivoire, Burkina, and Benin have been sold or no longer exist (ed. note: privatized in 2017, Côte d'Ivoire's housing bank was renationalized in 2019). Today, only Banque de l'Habitat du Sénégal (Senegal's housing bank) is doing well,» Modibo Cissé (former head of BHM who became president of the administrative board of Bank of Africa Mali) explained to Jeune Afrique in late 2019.

To make Crédit Foncier du Cameroun more efficient and effective, CTR suggests Cameroonian authorities should revise the housing bank's economic model to boost its resources and broaden its scope of activity like other African countries did. That way, CFC would be able to massively finance housing projects and meet a significant portion of the needs, CTR comments.

Competition

The fact is, there is a very high housing need in Cameroon, particularly

in the two main cities of Douala and Yaoundé. In these two cities, property owners have established stringent rental conditions. On such stringent conditions, tenants are required to pay up to a year's rent in advance.

In this context, a revision of CFC's business model should not only boost access to secure land (which remains a real obstacle to real estate development in Cameroon) but also contribute to reducing the housing deficit estimated (by some experts) at about 1.3 million units.

This business model revision should take into account competition, which will soon intensify with the help of major financial partners like the IFC, a subsidiary of the World Bank dedicated to financing the private sector. Indeed, when he visited the country in July 2019, Sergio Pimenta, Vice President of the said institution, clearly showed his interest in Cameroon's real estate sector.

«For the housing deficit, IFC will bring companies that will build more housing and financial institutions that will establish mortgage plans to help people have access to those homes,» he promised.

BRM

Top 5 most profitable public companies in 2019

CTR made the list of the top 5 public companies that were the most profitable in 2019. The top 5 companies that «generated operating income and positive net income as of December 31, 2019, with generated dividends,» come from the 50 state-owned companies (the National Hydrocarbons Company excluded).

The National Social Security Fund (CNPS) comes first with a net income

of CFA73.7 billion in 2019, which represents more than 75% of the CFA96.5 billion in profits made by the nine “companies with potential” identified by the CTR over the same period.

Cameroon Airports Company (ADC) follows with CFA6.7 billion. The Hydrocarbons Prices Stabilization Fund (CSPH) recorded a net profit of CFA5.4 billion. The Port Authority of

Douala (PAD) recorded CFA5.3 billion and Sodecoton closes the top 5 with a net profit of just over CFA3 billion, after officially accumulating losses of CFA36 billion over the three years 2014-2016.

CNPS, ADC, Sodecoton, and PAD are also presented as entities posing a risk to the State budget because of their high level of indebtedness (more than CFA600 billion overall).

To relieve the public treasury, Cameroon wants to direct state-owned companies towards non-sovereign loans.

As part of the preparation of the 2021 budget, the government has included provisions in the Budget Orientation Document (DOB) aimed at controlling the debt generated by public institutions and companies. «The actions that will be deployed during the 3 years (2021-2023) will aim at reducing the demands on the State budget from these entities carrying contingent liabilities, by leading them to turn to non-sovereign loans from development partners or private

banks,» DOB explained.

According to this document, it is crucial to improve the companies' financial reporting and strengthen management oversight, in line with ongoing reforms. As for existing debts, whose audits are either in progress or planned, they will be gradually cleared through their inclusion in the budgets of these companies.

The government notes that the public companies, although independent, repeatedly request the state budget

for additional support not included in the initial budget. Camair-Co, Sonara, the Port Authority of Douala (PAD), the Port Authority of Kribi (PAK), Sodecoton, Camtel, the postal worker Campost, the public audiovisual channel CRTV, and the National Printing Office, among others, have all made such requests. Ironically, these companies were supposed to pay dividends to finance the State budget.

Sylvain Kakou

“THE IFC IS INTERESTED IN FINTECHS (...) SO, IF THERE ARE SOME IN CAMEROON WITH GOOD PROJECTS...”

In this interview, the new representative of the International Finance Corporation (IFC) in Central Africa, which is based in Douala, talks about the corporation's portfolio in Cameroon. He tells us about the ongoing projects of the World Bank's financing arm to improve the country's business climate. He also talks about the place of startups in the IFC's financing strategy.

Interview with Aboudi Ottou and BRM

In 2019, when he was in Cameroon, the IFC's Vice President for Africa and the Middle East, Sergio Pimenta, announced that a study would be carried out to find out why Cameroon, despite its huge agricultural potential, was a major food importer. The ultimate aim of this study was to boost investments in the agro-food industry. Any update regarding this project?

Sylvain Kakou : Effectively, our team came for the study but it is not carried out in a single phase. We aim to see if, for diversification purposes,

there are one or two value chains that deserve to be developed through investments. These investments can take the form of private-public partnerships (PPPs) or be fully private. Our goal is to valorize one of two sub-sectors of agriculture to reduce import bills. Here is an example to better illustrate my point. I'm from Haiti and over there we are much into clothing. This results from an ambition of the State which established free-trade zones where manufacturers and industrialists, from Sri Lanka, Bangladesh, and other countries, have settled. Local inves-

tors also operate there. The output is exported to markets like the USA, France, Canada...

Subsequently, investors started showing interest in Haiti, and the IFC intervened. Now, we have three or four projects in this region. One of them started in 2003 and has generated nearly 14,000 jobs so far. In Haiti, the clothing sector employs 56,000 people and generates about a billion US dollars in foreign currency every year. Haiti's GDP amounts to \$8 billion, which means this sector, alone, contributes 1/5 of the country's GDP. Regarding Cameroon, I have not



"In Cameroon, the IFC's portfolio is what it is because there aren't many opportunities for us to directly engage private actors"

read the results of the study you mentioned so I can't give an opinion about any given sector or sub-sector. However, I know that our mission came to conduct it and there is a follow-up. Probably, Covid-19 slowed the process but I can assure you that no project came out of this first visit. The process is ongoing. In Chad, we are doing the same in the husbandry sector. The country has 121 million cattle heads but most of it falls under transhumance husbandry which is not modernized.

Could you give us an idea of the portfolio of the International Finance Corporation in Cameroon?

The IFC is not doing enough in Cameroon. For example, the IFC injected around a billion dollars in Côte d'Ivoire. As I said, I'm from Haiti where we have barely invested \$120 million. In Cameroon, our investments fall in the same range but with the Nachtigal dam project, they are becoming more significant. Among the major sectors where we are active, there is energy, and finance,

because we support some banks. Let me explain why we support banks. Given that we cannot steer small projects - contrary to banks and microfinance institutions that are better equipped to handle them - we put financial tools at the disposal of lenders.

In Cameroon, the IFC's portfolio is what it is because there aren't many opportunities for us to directly engage private actors. The other challenge is our transaction costs, which are high.



"We finance private equity firms, hence allowing them to fund SMEs and startups"

In the past, the IFC supported the Cameroon Business Forum (CBF), an exchange platform connecting the private and public sectors. Is this support still effective?

Our financial support to the CBF came to an end when the Investment Climate was finalized. However, through the Cemac Invest Climate, we keep supporting the Cameroonian government by counseling this group, based at the Prime Ministry's office, on what to do next to improve the country's business environment. We often discuss with government officials on these matters and plan to continue these efforts under our new strategic approach.

What is the place of startups in the IFC's financing strategy for projects?

When it comes to startups, we are very selective, since there are so many of them. Besides banks and microfinance institutions, we also finance private-equity firms, enabling them to provide financial support to SMEs and startups. While we haven't done this in Cameroon yet, we have in Haiti, for example, where we helped a private equity business support startups. Though the IFC is really interested in fintechs, we barely support 10 fintechs in a year. So, if there are some in Cameroon with good projects, maybe we will invest

in one or two of them. Our teams are ready.

Our top management decided that we should double down on our efforts in difficult or fragile countries. However, instead of waiting for project-bearers to come to us, we must encourage some () to attract investment within two or three years. To this end, we set up platforms in the following sectors: manufacturing, agribusiness, infrastructure, services, and financial services. Regarding startups, we discuss each project submitted to see how interesting it is and if we can develop it. But, as I said, we are very selective.

PUBLIC MANAGEMENT

Cameroon announces XAF60 bln for the construction of the 2nd Dibamba river bridge

The Cameroonian Ministry of Public Works is currently preparing a project for the construction of a second bridge over the Dibamba river, according to official documents accessed by Business in Cameroon.

Even though the characteristics of the proposed infrastructure are still unknown, credible sources indicate that the construction will cost XAF58.8 billion. We also learn that the funds will be provided by Standard

Chartered Bank London.

The construction works will be handled by Canadian Company Magil as an extension to the reconstruction of the eastern entrance to Douala.

Both the reconstruction of the eastern entrance to Douala and the 2nd bridge over the Dibamba river will fluidify traffic for residents going from Yaoundé, Edea, or Kribi (home to a deep seaport) to Douala.

The infrastructures will allow access

to the new Japoma stadium and facilitate the transport of goods on the Douala-Ndjamena and Douala-Bangui corridors, through which XAF340 and 55 billion of Chadian and Central African goods respectively transit every year (according to Cameroonian customs).

Let's note that to fluidify traffic in Douala, Cameroon has already launched the construction of a 2nd bridge over the Wouri.

Civil servants can now request tax registration certificates through the e-bulletin platform (MINFI)

Cameroonian civil servants can now request tax registration certificates through e-bulletin, the official platform where pay slips are obtained.

This was revealed in a release signed on February 22, 2021, by the Minister of Finance Louis Paul Motaze.

According to the release, the e-bulletin platform was added to the various media through which the tax certificate can be obtained because of the numerous solicitation of the Directorate General of Taxation.

It falls in line with the procedure simplification program being implemented by the Ministry of Finance, the release adds.

The release explains that through the

e-bulletin platform, civil servants and banks can get the document using just their computer, tablet, or smartphones and an internet connection.

It helps users avoid costly trips to the various tax centers just to get the certificate and it also allows banks to carry out the obtention procedures on behalf of their clients, Louis Paul Motaze said.

Indeed, to compel citizens to register into the tax base and therefore fulfill their tax obligations, Cameroon introduced a provision in the 2020 finance act requiring the obtention of Unique Taxpayer Reference numbers (assigned by the Directorate General of Taxation) before being entitled to

some services. Those services include opening accounts with credit and microfinance institutions, signing insurance contracts, requiring connection to the water or electricity network, land registration, and approval to carry out regulated professions (notary, lawyer, bailiff ...). Also, any company or corporation that will offer these services to people or companies without unique taxpayer reference numbers will be fined. For instance, if a bank or a microfinance institution opens an account for an individual or company without the reference number, it will pay a fine of XAF5 million.

Yaounde-Douala highway: Service providers estimate government's unpaid bill at XAF33 bln



Currently, operators in charge of the construction of the 60-km Yaoundé-Douala highway are owed XAF33.39 billion. This is an estimate the said operators presented to the Minister of Public Works Emmanuel Nganou Djoumessi on February 22, 2021, in Yaoundé, during the assessment of the completion of the road infrastructures being built in Cameroon. According to the operators, the owed amounts could delay the completion of that road infrastructure connecting the country's two main cities. Specifically, China First Highway Engineering Company Ltd (CFHEC) is owed XAF32.45 billion while the control mission (SCET Tunisie/Louis Berger) is owed XAF865.9 million and Laboratoire national du génie civil (Labogénie) XAF71.3 million. Emmanuel Nganou Djoumessi assures the operators that the owed amounts would be paid to them so that the infrastructure, which is

already 96% completed, will be delivered by December 31, 2021. *«As far as the payment is concerned, by the end of our assessment mission early next week, we will hold consultative meetings with payment providers. As for you, you should forward us your expectations. The secretary-general of the Ministry of Public Works will contact you for your engagement plan,»* the official said.

The Ministry of Public Works reveals that for the construction of the Yaoundé-Douala road, XAF243.9 billion has already been paid to service providers. CFHEC has already received XAF238.19 billion, SCET Tunisie-Louis Berger has received XAF4.66 billion, and Labogénie XAF1.11 billion.

The Yaoundé-Douala highway project aims to build a modern road network of about 215 km between the two most important cities of the country. The estimated cost of the first phase

varies between XAF284 (excluding taxes) and 338.7 billion (all taxes included).

During the ongoing Phase 1, a 2 x 2 lane highway (extensible to 3 lanes) over approximately 60 kilometers, from kilometer point 0 to the Bibodi interchange will be constructed. For the 2nd phase of the highway (136 km) linking Yaoundé and Douala, the Ministry of Public Works estimate the construction cost at XAF812.8 billion (excluding taxes). According to the World Bank, the cost of this highway is too high compared to similar African projects. In a report published in 2018, the international financial institution reveals that the Yaoundé-Douala highway will eventually reach a cost of 11 million USD (nearly XAF6.5 billion) per kilometer while it is 3.5 million USD (about XAF2 billion) in Côte d'Ivoire and 3 million USD (nearly XAF1.7 billion) in Morocco.

The EU issues «yellow card» for gaps in the fight against illegal, unreported and unregulated fishing



The European Commission issued a warning or «yellow card», as it is called, to the State of Cameroon due to gaps in meeting the standards agreed «under international law of the sea as flag, port, and market state». According to the official release announcing the warning, the identified gaps facilitate the development of illegal, unreported, and unregulated (IUU) fishing.

For the commission, the «yellow card» is a «warning and offers Cameroon the possibility to react and take measures to rectify the situation within a reasonable time.»

“Illegal, unreported, and unregulated fishing is one of the most serious threats to the sustainable exploitation of the sea representing a major hazard to the marine environment, the sustainability of fish stocks, and marine biodiversity. It is unfortunate that Cameroon has not been able to ensure proper control of fishing activities happening under its flag. The Commission stands ready to work and cooperate with Cameroon to implement the necessary reforms,” commented the Commissioner for Environment, Oceans, and Fisheries. The warning was issued because of four facts. First, the country’s registra-

tion procedure does not include the verification of the history of vessels to be registered under its flag.

The second shortcoming is that the country allowed vessels already flagged as engaged in illegal, unreported, and unregulated fishing activities to get registered in Cameroon and «fly» the Cameroonian flag.

The third gap is the legal framework that appears obsolete and does not contain the necessary provisions to ensure proper control of fishing vessels flying the Cameroonian flag, in accordance with international obligations.

The last shortcoming criticized by the commission is that Cameroon seems reluctant to cooperate in the fight against illegal, unreported, and unregulated fishing.

Cameroon «also registered many fishing vessels under its flag in the past months (including IUU listed vessels), which raises serious concerns on the ability of Cameroon to efficiently control and monitor the activities of its fleet, particularly its segment operating outside waters of Cameroon and those that have already engaged in illegal fishing activities,» the commission writes.

Embargo

According to official sources, the warning is a consequence of the insufficient progress made by the country in this area, as well as a lack of cooperation at the end of «informal exchanges» engaged between Cameroon and the EU since 2019.

«The Commission will evaluate progress in addressing the identified shortcomings within the next 6 months,» the Commission explains.

At the end of this probationary period, *«if the country does not fulfill its duties under international law and fails to take remedial actions, the Commission may consider proceeding to its identification (red card) and listing, entailing measures foreseen under the IUU Regulation,»* we learn. According to the Regulation of September 29, 2008, *«establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing,»* the measures range from a ban on the sanctioned countries’ fishery product imports to a temporary or permanent ban on receiving subsidies or support from EU countries.

The impact of these sanctions on Cameroon is yet to be demonstrated. Indeed, the country is not a fish exporter, much less to the European market. According to some experts, this warning is in fact the EU’s strategy to try and take control of Cameroon’s fishing resources from Chinese operators. Indeed, as local investors are disinterested in industrial (even artisanal) fishing in Cameroon, the sector is mainly controlled by foreign operators (Chinese mostly) who skim the national and foreign waters to supply well-maintained export channels. On its end, Cameroon spends over XAF100 billion every year to supply the national market with frozen fish, according to official estimates.

Cameroon to sign a XAF88.8 bln credit agreement for the finalization of the East entrance to Douala reconstruction project



The Cameroonian Head of State, Paul Biya, recently empowered Minister of Economy, Alamine Ousmane Mey to sign, on behalf of Cameroon, a XAF88.8 billion credit agreement with Standard Chartered Bank London and UK Export Finance (Ukef). According to the presidential decree published in that regard, the loan will

fund phase 2 of the project aimed at reconstructing the East entrance to Douala. During the said phase, the roadway at the entrance of the Cameroonian economic capital will be broadened, resulting in smoother traffic flow for passengers coming from Yaounde, Edéa, or Kribi. The East entrance to Douala facili-

tates access to the brand new Japoma stadium. According to Cameroonian customs, it is also a link connecting the Douala-Ndjamena and Douala-Bangui corridors, through which XAF340 and 55 billion of Chadian and Central African goods respectively transit every year.

Port of Kribi organizes hackathon to become a smart port

In March 2021, the Port Authority of Kribi will organize a hackathon to select the best operational IT solutions to the themes identified by the PAK as challenges to the development of the deep seaport of Kribi.

«With its ambition to become a smart port, the PAK is committed to working so that its partners, customers, employees, technical administrations, users, or any other stakeholders, can derive great benefit from the services they are offered at the port of Kribi,» the port authority explains.

Participation in the hackathon is free and reserved for individuals aged between 18 and 35 years old at the registration period. Deliverables are governed by the «open License» provision allowing to copy, modify and distribute the deliverable, free of charge anywhere in the world provided that the license is still open and the terms and conditions are respected.

Commissioned in March 2018, the deep seaport of Kribi's 16-meter draught is the largest of all ports located on the Central and West African

coast. The port currently has two terminals, namely, a 350-meter long container terminal, operated by the Bolloré-CHEC-CMA CGM consortium and a multipurpose terminal managed by International Container Terminal Services, Inc. (ICTSI). With the solutions that will be proposed during the Hackathon, the port authority intends to digitalize and automate several services.



SALON DE L'ACTION GOUVERNEMENTALE

From July **18** to **24, 2021**
Palais des Sports de Yaoundé

Theme:
**From GESP to 2020-2030 National
Development Strategy. What Prospects For Cameroon?**

Watch Conferences | Exhibitions | Meetings | Advertorials on Live



The Fair on Government Action (SAGO) is the first platform devoted to popularize sector-based public policies in Cameroon and Central Africa. It mobilizes hundreds of exhibitors from public and private organizational and development partners every year in Cameroon. With its international media coverage, take advantage of the **6-day** event to reach more than **25 million** people.

Register NOW!

Should you in case wish to partner or register, please get in touch with
Tél.: +237 242 666 044 / 242 607 849 | Mobile: +237 677 886 322 / 655 698 885
E-mail: mcommunicateur@yahoo.fr | Website: www.sago.cm

Mon Communicateur
Le pilote de notoriété



FINANCE

Chad-Cameroon pipeline: Cameroon reportedly offered XAF150 bln for Chadian stake



On February 24, 2021, online daily Africa Intelligence revealed that The National Hydrocarbons Corporation (SNH) of Cameroon offered XAF150 billion to buy Chadian National Hydrocarbon Company (SHT)'s 21% stake in the Chad-Cameroon Petroleum Development and Pipeline Project.

According to the online daily, the offer was made in January 2021 through a correspondence sent to SHT by Galileo Negoce & Conseil, a Chadian institution that acts as SHT's counsel in the framework of that transaction. The said transaction was first discussed in 2018, through written correspondence between Adolphe Moudiki, Director-general of the SNH, and Béchir Madet, then Chadian Minister of Energy.

Although the offer has not been confirmed by the involved parties yet, it is in line with the actions initiated by Cameroon in recent years to boost its gains in the pipeline

mainly located on its territory. According to Africa Intelligence, the stake-buying project was revived because of the economic challenges facing Chad. Indeed, the country has to pay its debts towards international private creditors, Glencore notably. The country was, by the way, one of the first to request the debt moratorium granted by G20 countries to support developing countries affected by the coronavirus pandemic.

Geostrategic issues

Should the deal be successful, Cameroon (which obtained a reva-lorization of its transit duties and got parties to agree to the duties to be actualized every five years) will increase its stake in this oil transporting infrastructure. However, given the oil price uncertainties, some people may question the economic opportunities represented by such investment, while Exxon-Mobil and Petronas are trying to divest from the project (On March 10, 2020,

Business Wire revealed that private wealth management company Osaka Matsui Management had launched negotiations to sell Exxon-Mobil and Petronas' stakes on the pipeline.). To understand Cameroon's interest in that project, the geopolitical facts should be integrated into the analysis. Indeed, in its northern region, Cameroon shares borders with Nigéria, Chad, and the Central African Republic. In the said northern regions, the crisis in the Central African Republic and Boko Haram's attacks in Nigeria creates an instability really difficult to contain. Should Chad be destabilized, Cameroon will lose an important ally supporting the stability in those northern regions. That is, for instance, why in the past, Cameroon willingly supported Chad when it needed support.

Transit duties

The 1000-km Chad-Cameroon pipeline has been operational since 2003. Thanks to that oil transporting infrastructure, close to 40 million barrels of oil produced in Chadian oil fields by companies like China National Petroleum Corporation (CNPC), Exxon Mobil, and Petronas are exported yearly.

The construction of this pipeline was funded by the World Bank and a consortium of oil companies constituted of Exxon-Mobil, Petronas, and Chevron-Texaco (which sold its stake to Chad in 2014). According to experts, three years after its commissioning, the about XAF2,300 billion investment was fully amortized thanks notably to a rise in oil prices.

Cameroon moves for eligibility to the World Bank's Prevention and Resilience Allocation mechanism

On February 23, 2021, in Yaoundé, the Minister of Economy Alamine Ousmane Mey launched the consultations initiated to develop the inclusive strategy required to make Cameroon eligible for the Prevention and Resilience Allocation (PRA). According to Alamine Ousmane Mey, to benefit from the enhanced support, Cameroon must elaborate «a strong and inclusive strategy that takes into account the sectoral and territorial points of view, as well as all the challenges, adequate and targeted solutions.» Thus the consultation launched on February 23. Over the next two weeks, the consulta-

tions will be held successively in the country's ten regional capitals thanks to the expertise of World Bank's consultant Agora.

The minister indicates that because of the multiple challenges (notably the socio-political crisis in the North-West and South-West regions, Boko Haram in the Far North, and the influx of refugees in the East region), Cameroon is a suitable candidate for this new World Bank financing. Estimated at \$669 million (close to XAF361 billion), the PRA is a World Bank initiative for enhanced support to countries at 'risk of falling into high-intensity conflict or large-scale

violence' like Cameroon.

In December 2020, the PRA was approved for Burkina Faso, entitling the country to a resilience and prevention support of \$700 million over the next three years to fund its initiatives to «mitigate risks and address the escalation of violence.»

«Access to the PRA will support Burkina Faso's strategy to prevent the escalation in violence by scaling up World Bank interventions for vulnerable persons and regions in conflict and under pressure, and by addressing the root causes of conflicts,» the World Bank wrote at the time.

In 2020, the government recovered XAF12.2 bln of salaries wired into deceased civil servants' accounts

In 2020, Cameroon recovered XAF12.2 billion of salaries paid into deceased civil servants' accounts from the banks and microfinance institutions that were in charge of wiring them. This was revealed by the directorate general of the treasury, which informs that the funds were recovered in the framework of the state payroll consolidation operation initiated in 2018. The XAF12.2 billion recovered represent only 42.6% of the amount to be recovered by the state in that segment (the salaries the financial institutions wired into deceased civil servants' accounts). Indeed, in late January 2020, during the annual conference of the various departments housed at the Ministry of Finance, Gilbert Didier Edoa (secretary-general of the

Ministry of Finance) revealed that thanks to an audit of deceased civil servants' accounts, the government found out that XAF21.8 billion had been wired into those accounts after the death of those servants.

According to sources at the directorate general, the recovery operations will continue during the 2021 fiscal year.

Let's note that in 2019, in the framework of the state payroll consolidation program, the government identified and suppressed 10,000 fictitious civil servants from its payroll. With this suppression, the country is now saving about XAF30 billion of salary expenditures annually.

At the time the consolidation program was initiated, the country's

yearly salary expenditure was close to XAF1000 billion for about 310,000 civil servants. Thanks to the physical counting operation launched in 2018 (in the framework of the consolidation program), the government identified and removed civil servants who either were dead but unreported, had resigned, or were absent from the workplace without providing required justifications.

Still, in the framework of the state payroll consolidation program, an operation was initiated to consolidate the retired and pensioners' payroll. Thanks to that operation, the country is now saving XAF10 billion annually, the directorate general of the treasury adds.



AGRIBUSINESS

Martin Mindjos Momeny becomes president of the chamber of agriculture, fisheries, livestock, and forestry

On February 24, 2021, President Paul Biya signed a decree appointing Martin Mindjos Momeny as president of the chamber of agriculture, fisheries, livestock, and forestry (Capef). The newly appointed president is replacing Joseph Roland Matta who died on September 23, 2020, after four months as the head of the consular chamber.

Martin Mindjos, an agricultural engineer, was until his appointment Director of Studies, Programs,

and Cooperation at the Ministry of Agriculture and Rural Development (Minader) where he was posted since 2017, after a brief posting as director of industry at the Ministry of Mines, Industry and Technological Development (Minmidt).

The senior civil servant will promote agriculture, fisheries, livestock, and forestry, and defend the interests of these sectors with the public authorities.

One of the main projects Mindjos

Momeny will pilot is the creation of a micro-bank dedicated to the financing of agriculture, initiated by one of his predecessors, Janvier Mongui Sossomba, who died on May 19, 2018. In May 2016, the then president of Capef indicated that about XAF2 billion was already raised since February 2016, when a fundraising operation was launched in the framework of the micro-bank project. However, to date, there is no new information on the said project.

Cameroon: Cocoa farm gate prices improve slightly to XAF1,000-1,050 per kilogram

Today February 24, 2021, the price of a kilogram of cocoa beans is ranging between XAF1,000 and 1,050 in production areas in Cameroon, according to SIF, the information system set up by the national cocoa board NCCB to provide live information on commodity prices and help producers negotiate better prices for their products.

That range of farm gate prices is slightly higher than the XAF925-1,000 the commodity was being sold at since the beginning of February 2021. This slight improvement in the prices occurs on the eve of the rainy season expected to resume around March 15, 2021.

Generally, during rainy seasons, cocoa prices drop because rains often destroy

the roads through which buyers can access production areas, causing transport costs to soar. However, it is no more the case because of the arrival of new cocoa processors that boosted demands. Therefore, the average prices now revolve around XAF1,000 in both rainy and dry seasons.

The National Cereals Board commits XAF4.3 bln to fight hunger in the northern regions in 2021

The National Cereals Board of Cameroon (a public corporation that helps combat hunger in the three northern regions where the climate is harsh and cereals are the main staple foods) announces that for the 2021 financial year, it will implement a XAF4.3 billion performance project. The implementation of this perfor-

mance project is the first challenge for the management team appointed to head the board, by President Paul Biya on November 5, 2020.

The project is adopted in a context where the specter of famine is hanging over the Far North. Indeed, according to official sources, in the past few months, wandering ele-

phants destroyed over 240 hectares of crops in the region.

Let's note that the National Cereals Board makes cereals available for residents at affordable prices. It purchases the cereals from production areas and sells them in markets at affordable prices during the lean season or when there are shortages.

ENERGY

Cameroon: the Mbakaou mini hydropower plant will be delivered in June 2021, IED Invest says



In an official document published on February 22, 2021, independent energy electricity producer IED Invest Cameroon informs that in June 2021, it will deliver the Mbakaou mini-hydro power plant (being built in Adamaoua) that was initially planned to be delivered in 2020.

According to IED Invest, the 1.4 MW (extensive to 2.8MW) power plant will supply eight villages in the northern part thanks to a 40km medium and low voltage network.

It is the result of a XAF4.5 billion infras-

tructure and will help 1900 residents get connected to the national electricity grid within one year after its commissioning, the Rural Electrification Agency (AER) indicates. The plant will also help ENEO with substantial fuel costs because, with the construction of the mini-hydropower plant, it will stop using thermal power to supply some of the northern villages.

According to Moussa Ousmanou, director-general of the AER, with the construction of that mini plant, ENEO will only use thermal power to supply

the said regions during peak hours.

«Without taking into account the increase in fuel prices or tariff indexation that will inevitably occur during the 20 years when the mini-hydropower will be operational, annual profits will be XAF275 million in the first year of operation (for sales of 3.4 GWh per year) and will rise to XAF430 million yearly by the end of the operational years. The cumulated profit will be XAF7.8 billion over the 20 years of operation,» he said.



TRANSPORTATION

Cameroon and Algeria sign bilateral air transport agreement

On February 24, 2021, in Yaoundé, Cameroon's Minister of Transport Jean Ernest Ngallé Bibéhé and Algeria's ambassador to Cameroon signed a bilateral air transport agreement, official sources reveal.

The agreement is aimed at promoting tourism and boosting commercial transactions between the two countries. It will also expedite the Algeria national airline's (Air Algérie) project to enter Cameroon's sky. Indeed, in 2019, Cameroon Civil Aviation Authority announced that Air Algérie was planning to start a route to Cameroon.

In that regard, Air Algeria duly submitted a request to the Committee in charge of approving the programs of scheduled international air services operated by airlines serving Cameroon, the national aviation authority explained.

Air Journal even provided additional

details about the airline's deployment plan in Cameroon. According to the online news website, Air Algérie was planning to make a stopover in Douala, with three weekly flights from Algiers-Houari Boumediene airport, thanks to a Boeing 737-800 that can transport 48 passengers in «business» class and 114 in the «economic» class. The arrival of Air Algérie into the Cameroonian sky will boost the interest Algerian economic operators have in Cameroon since 2018. Indeed, on December 5, 2018, in Algiers, an information day was organized to inform operators about the business, partnership, and export opportunities offered by Cameroon and Central African countries.

«In recent years, we visited numerous African countries to prospect the markets [...] Algerian economic operators now have a clear idea of the needs in those markets and the

competitiveness of Algerian companies compared with foreign companies already active in the market [...] Cameroon is an open door to the Economic and Monetary Community of Central Africa (CEMAC), which is an important economic community with 120 million consumers. This is a great opportunity for us,» said Hocine Boubtina, secretary-general of the Algerian National Agency for the Promotion of Foreign Trade (ALGEX) at the time.

«There are indeed Algerian finished products that can be sold on the Cameroonian market, including food products and household appliances, which are competitive, as there are Cameroonian products that can be exported to Algeria, including agricultural products and wood,» added the first adviser to the Cameroonian ambassador to Algeria, Dairou Bouba, who took part in this information day.

Air Senegal to launch Dakar-Douala route on March 29, 2021

In March 2021, Senegal's state-owned airline Air Senegal will launch three new African routes. According to Ernest Dikoum (the airline's sales and marketing director), the airlines will launch the Dakar-Lyon route on March 28 as well as the Douala, Cotonou, and Libreville stopovers on March 29, 2021.

Ernest Dikoum and Air Senegal are thus coming into an air transport

market that the sales and marketing director knows so well, having been the managing director of Camair-co, Cameroon's public airlines. Appointed to this position on August 22, 2016, he was dismissed on May 27, 2019, while implementing measures for the recovery of this public company, which has been facing difficulties since the launch of its activities in 2011.

The arrival of Air Senegal will have no consequences on the performances of Camair-co, which is currently focusing on domestic markets, in which it has the monopoly. Air Senegal will instead compete with Air France, Ethiopian Airlines, and Royal Air Maroc. They are the main airlines operating in the Cameroonian sky.

Cameroon suspends the installation of GPS on trucks that transport goods to the Central African Republic

Cameroon's Minister of Transport, Jean Ernest Ngalle Bibéhé Massena, and his Central African counterpart Arnaud Abazene Djoubaye recently chaired, in Yaoundé, a consultation meeting with Cameroonian and Central African authorities and transporters active on the Douala-Bangui corridor.

According to the Cameroonian Ministry of Transport, at the end of the meeting, the parties agreed to suspend the installation of GPS on trucks that transport goods to the Central African Republic because of the large number of vehicles current-

ly waiting for the installation of that equipment at the port of Douala. This long queue is the result of the disruptions created at the Cameroon-CAR border since December 2020, by Central African rebels.

Before that suspension, the GPS was installed to ensure that goods declared in transit on Cameroonian territory, and therefore exempt from customs duties, are not sold on the local market by dishonest economic operators.

Besides the suspension of GPS installations, the participants in the consultative meeting adopted two

major decisions. These are notably the cancellation of parking fees (the penalty for occupying port space after the regulatory deadlines) and demurrage for all goods bound for the CAR.

Also, the Central African Minister of State for Transport and Civil Aviation reassured Cameroonian carriers that the tariffs have been increased to XAF3.3 million per truck and the corridors are secured with security personnel available to escort the transporters from the border town Garoua-Boulai to CAR.

Turkey renews talks for its national airlines' project to make Maroua a sub-regional hub

Eight years after the project was first discussed, Turkey recently re-launched discussions with Cameroon for Turkish Airlines project to make Maroua (the regional capital of Far-North Cameroon) its sub-regional hub.

The project was discussed during a meeting on February 17th in Yaounde, by Minister of Transport Jean Ernest Masséna Ngalle Bibehe to the outgoing Ambassador of the Republic of Turkey in Cameroon, Ayse Sarac.

«In addition to serving Yaounde and Douala, Turkish Airlines plans to make Maroua its sub-regional hub. By

the way, a request was formulated by the said company in that regard, when several Turkish businessmen were making investment pledges during their prospecting mission in Maroua in 2013,» the Ministry of Transport informed.

During the meeting, the Cameroonian Minister of Transport reassured the ambassador of his Ministry's availability to collaborate with the incoming ambassador to further develop several technical cooperation programs between the two countries in the transport sector. Although the official provided no details about the program, his state-

ment signifies the Turkish Airlines' project is still under consideration. The Turkish party's choice of Maroua as a sub-regional hub was not the result of a random selection. Far from that. Maroua is a strategic crossroad for airlines serving (via Cameroon) Sahelian countries such as Chad, Mali, Sudan, Libya, and Niger. Turkish Airlines' project is being discussed again in a context marked by the coronavirus pandemic, which forced several airlines to reduce their movement while waiting for the end of the pandemic.



INDUSTRY

Industrial producer price index recorded a 0.7% rise in Q3-2020

The National Institute of Statistics (INS) recently published its note on the Q3-2020 Industrial Producer Price Index (IPPI) which describes the overall evolution of prices by highlighting the industries that contributed significantly to the changes in that index. In the report, it appears that during the period under review, prices recorded a slight increase (0.7%) in the industrial sector compared to Q2-2020. «(...) The price increase recorded in the furniture

manufacturing industries (4.3%), woodworking, and wood products manufacturing industries (3%), mining and quarrying industries (1.7%) and environmental industries (1.3%) was offset by the sharp decline recorded in the refinery sector (-11.7%),» the INS explains. According to the INS, IPPI helps measure changes in the ex-works prices paid to producers (excluding taxes and subsidies, and excluding transport

margins) of industrial goods produced in Cameroon. For the present report, the INS selected 103 companies covering 328 product lines, 177 brands, 48 activity clusters, and 24 branches. It takes into account all the companies in the industrial sector and made the selections to take into account about 80% of the turnover recorded in every branch.

Atlantic Group to build a 1-mln cement plant in Kribi

In the next few months, Atlantic Cement (owned by Ivorian business mogul, Kone Dossongui's Atlantic Group) will launch the construction of its cement plant in the industrial zone of the deep seaport of Kribi. All the necessary authorizations for this one million tons capacity plant have been granted already, we gathered. For the construction, the Port Authority of Kribi (PAK) which manages the deep seaport of Kribi, provided the group with a 10-hectare plot in the industrial zone. From credible sources, this new cement plant should be similar to the plant of Société de ciment de Côte d'Ivoire (SCCI), which is fully controlled by Mr. Dossongui. Inaugurated on January 28th, 2021 in the PK 24 Akoupé-Zeudji industrial zone (Abidjan), this cement plant cost XAF60 billion, according to Côte d'Ivoire's Minister of Commerce and Industry, Souleymane Diarrassouba. Atlantic Cement will be Atlantic group's 2nd investment in the industrial sector in Cameroon. The first investment is Atlantic Cocoa, which is a cocoa processing unit with a capacity of 48,000 tons expandable to 64,000 tons. The cocoa processing unit was discreetly commissioned in the industrial zone of the port

of Kribi in 2020 and exported its first products on December 12th, 2020. The arrival of Atlantic Cement will strengthen competition on the local cement market, where five operators are already competing for orders. The said operators are Cimencam (the local subsidiary of Lafarge-Holcim-Maroc Afrique with a 2.2 million tons production capacity), Nigerian group Dangote's subsidiary (a 1.5 million tons capacity), Medcem Cameroon (controlled by Turkish Eren Holding with a 600,000 tons production capacity), Moroccan group Cimaf (current production capacity is 500,000 tons but it is being extended) and Mira (at the launch of its project, the company announced a production capacity of 1 million ton). Kone Dossongui: the Former minister turn businessman All these operators have already caused a slight drop in cement prices in the country (from XAF5,000 to 4,400 or even 4,300 per 50 kg bag), but not always to the level expected by both the population and public authorities. Will Atlantic Cement be the catalyst for a real change in those prices? There is no telling but this investment

will reinforce Atlantic Group's positioning in the Cameroonian economic space, where this holding company has already acquired assets in the banking (Atlantic Bank) and industrial (Atlantic Cocoa and soon Atlantic Cement) sectors by always teaming up with local investors. Overall, the new investment confirms the African expansion plan Kone Dossongui is implementing. Indeed, in late 2020, Atlantic Financial Group (AFG) finalized the acquisition of BNP Paribas subsidiaries in Comoros, Gabon, and Mali, thus further strengthening its footprint in the African banking sector. A former Minister of Agriculture in Côte d'Ivoire, Kone Dossongui is the first major Ivorian investor in Cameroon. He is also the first Ivorian to invest in the country's telecoms and banking industries. In his native country, Kone Dossongui fully owns a cement plant and is the main cashew nut exporter in a country known as the world-leading producer of that cash crop (while Cameroon is still at the promotion phase).

TIC & TELECOM

Orange Cameroon posts XAF216.38 bln turnover in 2020, up 5.16% YoY

Orange Cameroon generated a turnover of €329 million (XAF216.38 billion) in 2020, according to the financial results recently published by the France-based parent company Orange Group. Compared with the company's 2019 performance (€312 million or XAF205.20 billion), the 2020 turnover is up by 5.16%.

«Orange succeeded in stabilizing its revenues for the year thanks to the quality of its networks. In Africa & Middle East, growth was very strong at more than 5%, still driven mainly by 4G and Orange money,» explains Stéphane Richard, Chairman and Chief Executive Officer of the Orange

group.

During the period, the number of subscribers to the operator's mobile service rose as well. Indeed, at the end of December 2020, Orange Cameroon's subscriber base was 9.26 million, against 7.87 million at the end of 2019 and 6.9 million subscribers at the end of 2018.

Orange Cameroon claims to be the leader of the 4G technology, ahead of MTN Cameroon, Nexttel, and Camtel. It also believes to have covered 79% of the Cameroonian population with 3G.

Let's note that in Cameroon, the telecom regulator (ART) requires

operators to cover major economic zones, road and rail axis, university areas, and some localities. The operators are also required to submit a schedule for the effective installation of 2G, 3G, and 4G technologies.

Those requirements were issued in 2018 after ART noticed that the number of 2G calls connecting with Orange Cameroon was low, the same applies to the Dual 2G/3G with MTN. ART then informed that it had monitoring tools that would help it ensure the required specifications are met.

With additional 2.7 mln internet users in Jan 2021, Cameroon boosts internet penetration rate to 34%

According to Hootsuite and We Are Social, two organizations that monitor flows on social media and the internet, the number of internet users rose to 9.15 million in January 2021.

This number is up by 2.7 million compared with the 7.8 million users recorded in January 2020. It represents a 34% penetration, against 30% in January 2020 and just 2% a decade ago.

In 2016, according to Internet Live Stats, with a 16.5% increase in the internet penetration rate, Cameroon was among the top three African

countries with the highest growth in their internet penetration rate that year. The remaining two were Mali (+18.6%) and Lesotho (+18.1%).

This steady rise in internet penetration rate in Cameroon is the result of the investments made over the past ten years by the Government and telecom operators, experts think. Combined with the explosion in the use of smartphones and promotional internet packages set up by mobile operators, these investments enabled the development of a growing community of social media enthusiasts. Officially, the future looks even bright-

ter for internet users in Cameroon. «The government plans to generalize broadband access for citizens, businesses, and households over the next few years, by notably continuing the extension of the national backbone to increase the 20,000 km linear to 25,000 km», revealed Minister of Posts and Telecommunications Minette Libom Li Likeng. According to Hootsuite and We Are Social, two organizations that monitor flows on social media and the internet, the number of internet users rose to 9.15 million in January 2021, in Cameroon.



SERVICES

The CEMAC commission makes a plea for the development of the common services market

On February 16th, 2021, Daniel Ona Ondo (photo), President of the CEMAC Commission made a plea for the reinforcement of the single subregional services market. The official made the plea during a videoconference attended by Ministers of the CEMAC region for the validation of draft texts regulating services trade. Once validated, the texts will be submitted to the Council of Ministers of the Economic Union of Central Africa (UEAC) at their next session. *«The consolidation of our common services market is a crucial step for the competitiveness of service providers operating in our member States.»* Daniel Ona Ondo said. To this end,

the President of the Commission insisted on the need to pursue regulatory harmonization, which started several years ago and is still ongoing in the CEMAC region. He invited the Ministers to validate the technical contributions formulated by the expert commission because doing so will provide member countries with comparative advantages that will help CEMAC-labeled companies be sufficiently competitive. Ten draft community texts need to be validated currently, he said. They cover nine sectors identified as essential to the development of the sub-region. They are namely communication services, business services,

education services, financial services, tourism and travel services, recreational, cultural, and sports services, transport services, and finally, health and social services.

The aim of these texts is to streamline legislations, which hinder the development of services in the subregion because they differ from a country to the other. According to Daniel Ona Ondo, in 2017-2018, services trade represented over a third of CEMAC's trades and contributed the most to formal and informal job creation.

Sport hunting revenues dropped by over XAF620 mln YoY due to the coronavirus pandemic

On February 16th, Minister of Forestry and Wildlife, Jules Doret Ndong, launched the 2021 National Hunting Season (the period during which tourists are allowed to hunt in protected areas) in Gaoura. During the ceremony, the official presented the performances during the 2020 season, which was affected by the coronavirus pandemic. Indeed, in Q1-2020, as soon as the pandemic broke out in Cameroon, the national borders were closed and the hunting

season immediately suspended. *«Almost all the people who hunt in our parks come from abroad. This is why we had to suspend the activities,»* explains Minister Doret Ndong. Because of this sudden suspension of the hunting season, only 191 hunters were recorded during the 2020 season (against 385 hunters in 2019). According to Minister Doret Ndong, this is the lowest number recorded in decades. As a result, the country's revenues

from sport hunting fell by over XAF620 million year-on-year, from XAF835 million in 2019 to only XAF211 million as of December 31st, 2020.

The new hunting season opened on February 16th, 2021, will coincide with the African Cup of Nations (AfCON) that will be held in early 2022 in Cameroon. This sporting event will attract many tourists to the country, including potential hunting enthusiasts.

LEADER OF THE MONTH

BERNARD NJONGA : THE ACTIVIST WHO DEDICATED HIS ENTIRE LIFE TO FOOD SOVEREIGNTY IN CAMEROON



On the night of February 21-22, 2021, Bernard Njonga, the agricultural engineer who became famous for his fight for food security in Cameroon, died at 66. The strong supporter of the rural world succumbed to an illness during a medical evacuation at the University Hospital of Amiens, France, according to various sources close to the deceased. Indeed, in March 2006, he obtained the government ban on frozen chicken importation in the country

after a long advocacy and lobbying campaign that began in 2003 through the Citizens' Association for the Defense of Collective Interests (AcDic), and several sponsored radio and television reports on the decline of the poultry industry in Cameroon. During some public demonstrations, he was even arrested (several times). The ban he obtained is still in force 15 years later. It has helped revive the local poultry industry, which was ailing for years. With the obten-

tion of that ban, he received the nickname «José Bové camerounais» (the Cameroonian José Bové), after José Bové, the late engineer's French idol (Mr. Njonga even invited José Bové to Cameroon but the French activist was turned away at the airport). Following in the footsteps of his French idol whose methods he skillfully experimented within Cameroon (ed. note: over 15,000 eggs were poured one morning in front of the Ministry of Livestock



LEADER OF THE MONTH

to protest against the management of bird flu), Bernard Njonga started a new battle after the victory over frozen chicken imports.

Indeed, no sooner had the government banned the importation of frozen chicken than an epizootic of avian flu broke out in the country in May 2006, ruining the initial recovery efforts of Cameroonian poultry farmers. Then, to stop the slumping sales of poultry products shunned by consumers who were fearing contamination by the H5N1 virus, Bernard Njonga started appearing in commercials and markets, biting into a chicken leg or eating eggs. During his appearances, he also used to explain that the virus would not survive in foods properly cooked like Cameroonians usually do.

The «Sonalika» tractors scandal His actions were futile, however. He was unable to prevent chicken sales from slumping in the country. But, thanks to intensive lobbying carried out by Bernard Njonga and the local poultry farmers, substantial government compensations were obtained for poultry industry players affected by the 2006 epizootic.

Months later, noticing the rise in the price of corn in local markets, he turned his attention to the funding released for the Ministry of Agriculture's «projet maïs» (the corn project) set up to boost the production of corn, which constitutes 70% of the feed for farm chickens.

After a careful investigation conducted in the country's production areas, Acdic and Bernard Njonga

found out that part of the XAF2 billion managed by those in charge of the «projet maïs» was misappropriated. Because of the findings, the official in charge of the implementation of the project was dismissed and later prosecuted.

Bernard Njonga was also the one to reveal the scandal surrounding the «Sonalika» tractors, whose assembly plant and hundreds of ready-to-use tractors are still abandoned and left to rust in the bush at Ebolowa, in the southern region of the country.

The activist also carried out campaigns to fight the massive imports of consumer food products, which affect the country's trade balance. Also, on the eve of the Ebolowa agropastoral show in 2011, he even organized a large tasting session, in Yaoundé, to promote «made in Cameroon» agri-food products. By demonstrating the expertise of local bakers and pastry chefs who use local raw materials, Mr. Njonga obtained facilities from the Cameroonian authorities to animate a stand of «made in Cameroon» products at the Ebolowa 2011 agropastoral show.

In 2014, he left Acdic and went into politics. As the President of the political party Believe in Cameroon (Crac), he was planning to take part in the presidential election of 2018. But, for health reasons, he was unable to do so. In 2020, he was a candidate for the Mounjo-North constituency for the legislative elections. He was not elected, however. A predefined destiny

He was, in the end, unable to fulfill his wish to transform Cameroon within four years, as he used to say. Nevertheless, he left his mark as an advocate of local agricultural production and food sovereignty in his country, a path he seems to have been predestined for since he was a young bachelor.

Indeed, after he passed the entrance exam to the School of Aeronautics in Algiers (Algeria), the University Center for Health Sciences (CUSS), and the National Higher School of Agriculture (Ensa), Bernard Njonga, driven by his passion for agriculture, preferred an agricultural engineering training to medical or aeronautical engineering courses.

Assigned to the Ministry of Scientific Research as a civil servant after graduating from Ensa, he resigned after two years. «So I resigned from the ministry of scientific research, which was not to the liking of my director and the minister at the time. They then forced me to resign from the civil service,» he said.

In the late 1980s, he created Service d'appui aux initiatives de développement local (Saidl). That non-governmental organization started «La Voix du Paysan,» a newspaper that promotes agro-pastoral activities and is like a bible for agricultural entrepreneurs in Cameroon. He will be succeeded in his fights for the development of the rural world and food sovereignty by the Acdic he created in 2003.

BRM

BE A PART OF BUILDING TOMORROW'S CAMEROON

Each month, learn about Cameroon's
economic progress



The Business in Cameroon and Investir au Cameroun magazines are both free!

- In Cameroon's embassies and diplomatic posts
- In airport VIP lounges in Paris, London, Brussels, Zurich, and Frankfurt
- In Bourget company lounges
- In Business Class on Brussels Airlines
- In Cameroon's business travel hotels and ministries



BUSINESS IN CAMEROON



UNITY!