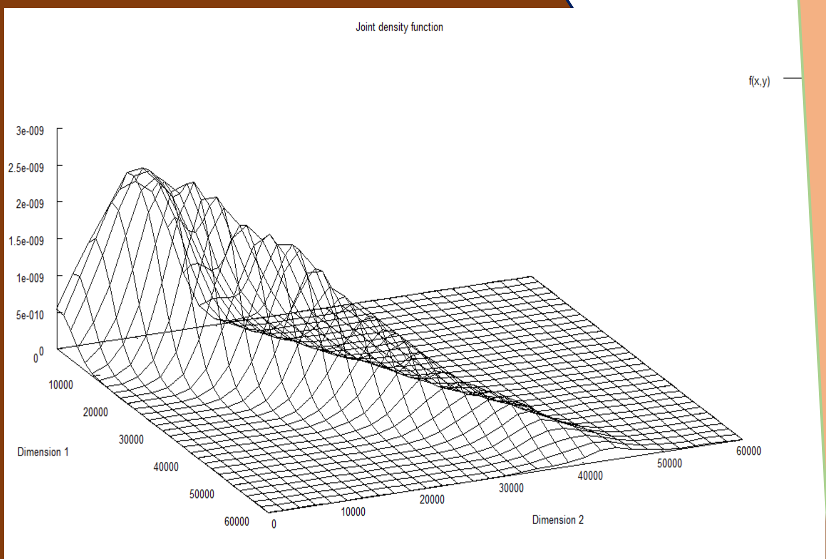
# ECONOMIC OBSERVATORY

## Cameroon Chamber of Commerce, Industry, Mines and Crafts

# Report on the Economic Situation of Cameroon in 2018

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| | | |
|---|---|---|
| AFB | : | Afriland First Bank |
| ADB | : | African Development Bank |
| BEAC | : | Bank of Central African States |
| BC-PME | : | Cameroon Bank for Small and Medium-sized Enterprises |
| BGFI | : | Banque Gabonaise et Française Internationale |
| BICEC | : | Banque Internationale du Cameroun pour l'Epargne et le Crédit |
| BREXIT | : | British Exit |
| CAM | : | Center of Arbitration and Mediation of the CCIMC |
| CCA | : | Crédit Communautaire d'Afrique |
| CCIMC | : | Cameroon Chamber of Commerce, Industry, Mines and Crafts |
| CBC | : | Commercial Bank of Cameroon |
| CEMAC | : | Economic Community of Central African States |
| CFC | : | Cameroon Real Estate Corporation |
| DGI | : | Directorate of Taxation |
| DSX | : | Douala Stock Exchange |
| EMF | : | Etablissement de Microfinance |
| FAO | : | Food and Agriculture Organisation |
| FBCF | : | Formation Brute de Capital Fixe |
| IMF | : | International Monetary Fund |
| INS | : | Institut National de la Statistique |
| INSEE | : | Institut National de la Statistique et des Etudes Economiques |
| ME | : | Medium-sized Enterprise or Business |
| MINFI | : | Ministry of Finance |
| SE | : | Small Enterprise or business |
| SME | : | Small and Medium-sized Enterprise or Business |
| SAFACAM | : | Société Africaine Forestière et Agricole du Cameroun |
| SCB | : | Société Camerounaise des Banques |
| SCE | : | Société Camerounaise d'Equipement |
| SGC | : | Société Générale du Cameroun |
| SOCAPALM | : | Société Camerounaise de Palmeraies |
| SONARA | : | National Refining Company |
| STDF | : | Standards and Trade Development Facility |
| UBA | : | United Bank for Africa |


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## Editorial

The security crises that have been rocking Cameroon for the past five years spotlight the issue of sustainable and equitable development, as the various solutions applied for close to a decade have done little to reduce poverty that still affects 38% of the population.

In addition to the less vigorous growth and little progress recorded in terms of decent employment, the report on the implementation of the GESP ten years later highlights significant efforts to be made in order to improve institutional governance and restore confidence to businesspersons in an environment marked by widespread poverty.

Projected at an average 5.5% between 2009 and 2019, the report reveals that an average 4.5% was reached over the period, with poverty dropping by just 3% instead of the expected 10%.

Furthermore, the morale of entrepreneurs is not at its best. The fears nursed by them in 2018[1] (CCIMC. 20180 on the conduct of their businesses have remained same in 2019[2]. About 70% (72.3%) of Cameroonian entrepreneurs interviewed in our last survey (April-May 2019) said they felt the effects of the so-called "security" crises on their businesses. The said crises restrict their free movement to the crisis areas (11.48%), trigger the drop in their sales (11.28%), cause their orders to drop in number and make their supply operations difficult (5%).

If we acknowledge the negative consequences of the aforementioned crises on the harmonious development of business in Cameroon which nurses ambitions of becoming an emerging country, the government has to urgently implement reforms aimed mainly at establishing an enabling environment for business creation and development in the regions.

It is well known that this involves developing their agricultural, forestry and pastoral activities, the processing of produce resulting from the latter, their transport and communication infrastructure, their cognitive infrastructure, access to energy and water and an efficient management style factoring local specificities. The same applies to the setting up of mechanisms to promote the implantation of food processing industries and the current problems of post-harvest loss estimated at close to 80% according to the FAO (FAO, 2010) and of marketing outlets for primary sector activity products.

Transport and communication infrastructure enable the optimization of resource allocation and produce distribution functions and, at the same time, enable the reduction of the prices of the factors of production.

[1] See the CCIMC's Report on the Economic Situation of Cameroon in 2017, November 2018
[2] According to the findings of the business survey carried out by the CCIMC between April and May 2019

The enhancement of and access to energy sources and water at local level would also enable a reduction in the costs of the factors of production, all of which impact on product competitiveness.

Finally, a true regional management style factoring specific local characteristics should be adopted. This, if done, would enable the speedy performance of infrastructure works and development of zones and, at the same time, mobilise the resources for these projects. At this and all other levels, the development of cognitive infrastructure is indispensable.

All in all, these proposals seek to make the private sector play its role of veritable driver of growth, since any other means to resolve the crisis leaving out this imperative is difficult to imagine.

*The President of the CCIMC*

**Honorable Christophe EKEN**


# EXECUTIVE SUMMARY

## I. International Economic environment

World growth declined by 0.2 percentage points to stand at 3.6% owing to economic activity slowdown in advanced economies and emerging and developing countries. The GDP of advanced economies grew by 2.2%, down by 0.2 points from that of 2017, and that of emerging and developing economies by 4.5% following 4.8% in 2018.

Among the developed countries, Japan and Euro zone countries recorded poor performance (0.8% after 1.9% and 1.8% after 2.4% respectively), while growth in the US remained solid (2.9% after the 2.2% recorded in 2017).

In the group of emerging and developing countries, those of Europe, Central Asia and, to a lesser extent, Latin America and the Caribbean experienced a less dynamic activity in 2018. This was not the case in sub-Saharan Africa where recovery continued.

Africa's growth declined to 3.5% after 3.6%, thus reflecting the poor performance of North African, East African as well as Southern African countries. The two economic giants of Africa recorded divergent trends: whereas Nigeria's production trended better than in 2017, that of South Africa witnessed a downturn.

Growth remained solid in West Africa (3.3% as against 2.7% a year earlier) and in Central Africa, the production trend was high (2.2% following the 1.1% a year earlier) as in the CEMAC zone.

It was expected that the slowdown of growth in 2019 would be caused by that of advanced economies. According to IMF forecasts, growth would drop by 0.4 percentage point owing to the slowdown that the US activity could suffer because of its trade war with China, which war had adversely affected global trade.

Global trade growth dropped in 2018 to stand at 3.8% after 5.4% a year earlier, while the prices of the goods traded remained at moderate levels. Economists predicted another slowdown in 2019 if the same circumstances persisted.

## II. Cameroon's economic trends in 2018

### Production and domestic demand

Within the country, the new dynamism observed in the three large economic activity sectors in 2018 propelled the Gross Domestic product to 4.1% as against 3.5% in 2017.

Tertiary sector production, with a contribution of 2.3 percentage points to growth in 2018, continued to drive domestic supply while household consumption, with a contribution of 3%, drove domestic demand.

### Public finance

Budgetary outcomes indicate that as compared to 2017, all budgetary deficits fell in 2018. The overall balance deficit thus decreased from 3.9% of the GDP in 2017 to 1.6% of the GDP in 2018, and that of the cashed-based overall balance dropped from 4.1% of the GDP in 2017 to 2.8% during the period under review.

The 2018 internal revenue target set by ordinance at 3,324 billion FCFA recorded a surplus of 109 billion owing to the successful collection of oil revenue (+56.3 billion) and non-oil revenue (+52.7 billion). Budgetary expenditure rose by 6.2% year-on-year to stand at 4,211.3 billion in 2018 due to a 2.2% increase in investment spending, which carried the amount to 1,518 billion FCFA by the end of 2018.

### Foreign trade

Cameroon's trade increased by 8.8%, though its trade deficit widened by 267.4 billion FCFA as compared to 2017. Exports thus rose by 4.4% and imports by 11.5% in value owing to the increase in the purchase of fuel as a result of the industrial downtime at the National Refining Company (SONARA). The European Union remained Cameroon's leading trading partner ahead of East Asia.

### Money and credit

The monetary situation of Cameroon improved by 15.3% at the end of 2018, reflecting an increase in money supply in return for the positive trends in the country's net foreign assets (5.2%) and domestic credit (21.6%). Credits to the private sector increased by 9.9%.

The banking and financial sector comprising 15 banks, 8 financial firms, 418 microfinance institutions (MFIs), 27 insurance companies and one stock market (DSX) at the end of 2018 recorded mixed results. Whereas deposits and credits increased in banks and financial firms, those of microfinance institutions fell as did market capitalization at the DSX, which dropped by 25.1%.

### Consumer price index

Inflation remained moderate at 1.3%, driven by the increasing prices of food products, non-alcoholic beverages and clothing and footwear items. During the year under consideration, prices of imported goods further increased and, spatially speaking, Bertoua remained the most expensive town.

Prices were expected to be on the rise in 2019 with the inflation rate expected to stand at 2%. This trend was attributed to an expected worsening of the security situation in the Northwest and Southwest regions and amendment of some provisions of the 2019 Finance Law.

## III. Entrepreneur perceptions on activity trends

The findings of the business survey carried out by the CCIMC show that the morale of the business leaders interviewed was low in 2018. While national accounts revealed a new momentum in activities, most entrepreneurs deemed that their activity levels were sluggish during the year under study. Half of them think, for instance, that their turnovers dropped in 2018, reflecting the negative perception of the majority of businesses, especially those of medium size engaged in industrial activities in the North, Northwest, East and Southwest regions on supply conditions (opinion balance of -27.5%), and on variables such as the level of their orders and prices (opinion balance of -17.4%), employment (opinion balance of -6.4%), wages (opinion balance of -3.8%), profits (opinion balance of -51.4%) and the business climate (opinion balance of -52.2%). The perceptions were strongly influenced by the persistent insecurity in the northern and Anglophone regions (24%), the drop in the purchasing power and increase in the standard of living (9.5%), the hike in the prices if basic commodities and the scarcity of currency.

# INTERNATIONAL ECONOMIC ENVIRONMENT IN 2018

# I. Overall global economic dynamics

### Global growth slowed down in 2018...

Global economic activity took a downward trend in 2018 as compared to 2017. According to World Economic Prospects published by the IMF in April 2019 (IMF, 2019), the growth rate of the global GDP was 3.6%, down by 0.2 points from that of 2017. This was due to the trade war between the USA and China during that year, the macroeconomic imbalance that affected Turkey and Argentina, the poor performance of Germany's automotive sector, the stringency of Chinese credit policy and the toughening of international financial conditions combined with the standardization of the monetary policies of some developed countries.

Thus, growth in developing countries as well as that of emerging and developing countries declined overall. Recovery continued in sub-Saharan countries in general and the CEMAC zone in particular. The prices of basic products appreciated, maintain world inflation at the high rate of 3.6% after 3.2% in 2017.

### ...following an activity slowdown in advanced economies

Year-on year, economic activity in advanced economies was less dynamic in 2018, reflecting world economic trends. As a result of the poor performance of some countries like Japan and the countries of the Euro zone in particular, the growth rate of countries in this group dropped by 0.2 percentage points to stand at 2.2%.

Thus, in the Euro zone where growth decreased from 2.7% to 2.1%, the economic activity growth rate of France, influenced by the protests of the Gilets Jaunes (according to the INSEE), fell from 2.2% to 1.5%. In the same vein, Germany's economic growth failed to adapt quickly to the new diesel standards and recorded the same rate as France (1.5%) after 2.5% in 2017. Activity in Spain remained fairly resilient over the period, whereas Italy entered into a technical recession at the end of the second half of the year.

In japan where natural calamities reduced activity in spite of a high domestic demand, the growth rate stood at 0.8% after 1.9%.

Conversely, activity in the USA (with a growth rate of 2.9% after 2.2%) remained solid, though there were signs of momentum downturn due to the longest shut down that had, according to analysts, ever been experienced in the country.

### ...and in emerging and developing countries

The countries of Europe, Asia and, to a lesser extent, Latin America and the Caribbean recorded less dynamic activity in 2018, thus bringing their growth rate down to 4.5% from 4.8% despite the continued recovery observed in sub-Saharan Africa.

Indeed, India's growth rate was no better than it had been a year earlier. It stood at 7.1% after the 7.2% recorded in 2017, driven more particularly by household consumption.

That of China continued to decelerate to stand at 6.6% in 2018 (its lowest level in nearly ten years), the mix of economic policies meant to help the country to tackle external and domestic pressures caused by the trade war with the USA and the fight against risky debts having failed to bear fruit.

In Turkey, the three consecutive quarters of activity downturn noticed in the second quarter brought down the annual real GDP growth of the country to 2.6%, as against 7.4% in 2017.

The arear covering Middle East and North Africa lost 0.4 percentage point in growth and recorded 1.4% in 2018 due to the volatile oil prices combined with the drop in oil production and the tightening of domestic monetary conditions in most of the region's oil-exporting countries.

Conversely, Russia's inflationary pressures resulting from the depreciation of the Rubble within the year did not hamper the improvement of growth, since its activity increased by 2.3% after 1.6%.

The same pattern was observed in sub-Saharan Africa whose recovery, begun since 2016, continued, this aided by the good performance of Nigeria, which recorded a growth rate of 1.9%, more than twice that of 2017 (0.8%).

Finally, economic activity remained stable in Brazil, with a growth rate of 1.1% identical to that attained in 2017.

# II. Africa's economic dynamics

### Stagnation of Africa's economic growth in 2018…

The African Development Bank (ADB) estimates Africa's real GDP growth at 3.5%, a figure that is slightly lower than that of 2017 (3.6%). This performance was mainly due to the production drop recorded in the continent's three most productive regions: North Africa, East Africa and Southern Africa.

### …due to an activity downturn in East Africa

In East Africa, the real GDP rose by 5.7% in 2018 as against 5.9% in 2017. In this region traditionally known to record Africa's highest growth rates, Ethiopia, Tanzania, Kenya and Djibouti produced the highest rates.

More specifically, the real GDPs of Ethiopia and Rwanda were driven by the industry and services sectors. In Kenya and Tanzania, the service sector also stimulated growth, ahead of agriculture, the main driving force of growth on the supply side.

According to analysts, consumption remained the main vector of East Africa's growth on the demand side.

### …North Africa's poor performance…

The three factors that have been determining North Africa's growth since 2016 (macroeconomic stabilization disturbed by basic commodity prices, recovery of the extractive sector since 2017 and improvement of security following the Arab Spring that had affected some countries) continued to influence the region's performance. It is estimated that under the influence of these factors, the growth rate of this region's GDP in 2018 stood at 4.3%, down by 0.6% from that obtained in 2017 (ADB, North Africa Economic Outlook, 2019).

### …and difficulties faced by South Africa and Angola in Southern Africa

Southern Africa's performance was trimmed down by the poor performance of South Africa and Angola, the region's two leading economies. If other adverse factors like inflation and increasing public debt are taken into account, it will not be surprising to see the region continue recording lowest growth rates in Africa in 2019 and 2020, according to the ADB. In 2018, Southern Africa attained Africa's lowest growth rate of 1.2%, after 1.6% in 2017 (ADB, Southern Africa Economic Outlook, 2019).

### …though Nigeria and West Africa recorded good performance

The real GDP of West Africa progressed faster during the year under study than in 2017. The ADB estimated the region's growth rate at 3.3% as against 2.7% in 2017, which growth rate was driven by the performance of Nigeria, the region's leading economy (accounting for 2/3 of the regional GDP) whose low rates trimmed down regional performance. It should be noted that Nigeria's GDP grew by more than twice between 2017 and 2018 to reach a growth rate of 1.9% (a rate clearly higher than the 0.8% observed in 2017) at the end of the year. Togo, Cameroon's second trade partner in Africa recorded a growth rate of 4.7% in 2018 after 4.1% in 2017.

### …and Central Africa experienced an upturn in activity

In Central Africa, production noticeably increased in 2018, according to estimates, by 2.2% after 1.1% one year earlier. Though this progress was remarkable, it is worth noting that the region's performance still remained lower than that of Africa, whose overall economy increased by 3.5%.

The growth of the region was mainly driven by increase in the prices of raw materials on which most countries rely.

Recovery remained slow in the CEMAC zone, standing at 1.7% in 2018 after 0.1% in 2017 and -0.3% in 2016.

# III. Growth prospects

### Performance of advanced economies were expected to continue affecting growth in 2019…

The IMF estimated that in 2019, world growth would continue to decrease and stand at 3.3% owing particularly to poor performance in advanced economies. Within this group, the US where growth had lost steam since the end of 2018 was expected to suffer as a result of trade wars on many fronts, but especially because of the stoppage of the budgetary policy implemented since 2017 ending. Consequently, its growth rate would be slightly higher than that of 2017 (2.3%).

In the Euro zone, growth was expected to fall to 1.3% under the influence of lackluster private consumption, low industrial production following the adoption of revised automotive emission norms and dropping domestic demand in Germany, fragile domestic demand with high sovereign yields in Italy, and the negative impact of public demonstrations in France.

In the United Kingdom, the negative impact of the long-standing budgetary uncertainty surrounding Brexit and only partially compensated by the positive effects of recovery made public in the 2019 budget would affect growth in 2019 (1.2% after 1.4% in 2018).

### …against the backdrop of growth stagnation in emerging and developing countries

Growth in emerging and developing countries was expected to edge down (-0.1 point) due to the trade war backlashes mostly suffered by China in the second half of 2018 and difficulties faced by Turkey.

Indeed, growth in Asia's emerging and developing countries was expected to drop down to 6.3% in 2019 and 2020 (as against 6.4% in 2018) under the impact of China's economic growth downturn despite a budget reflation and the absence of new increases in the customs duties applied by the US as compared to those that were in effect in September 2018.

The low demand in Turkey following the tightening of foreign funding conditions and of the necessary toughening of policy was expected to cause the growth rate in Europe's emerging and developing countries to drop to 0.8% in 2019 after 3.6% in 2018.

In the Middle East, North Africa, Afghanistan and Pakistan, a host of factors were expected to bring down the growth rate to 1.5% in 2019. These included a downturn in the oil sector GDP growth in Saudi Arabia, persistent problems in the macroeconomic adjustment of Pakistan, US sanctions on Iran, civil uprisings and conflicts in several countries including Iraq, Syria and Yemen.

Conversely, sub-Saharan Africa was expected to record accelerated growth which would reach 3.5% in 2019, followed by 3.7% in 2020 (as against 3.0% in 2018).

World growth outlook as shown in table below highlights the foregoing.

Table 1: World production (annual variations in percentages)

| | Average | | | | | | | | | Forecasts | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001–10 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2024 |
| **World** | **3.9** | **4.3** | **3.5** | **3.5** | **3.6** | **3.4** | **3.4** | **3.8** | **3.6** | **3.3** | **3.6** | **3.7** |
| **Developed countries** | **1.7** | **1.7** | **1.2** | **1.4** | **2.1** | **2.3** | **1.7** | **2.4** | **2.2** | **1.8** | **1.7** | **1.6** |
| United States | 1.7 | 1.6 | 2.2 | 1.8 | 2.5 | 2.9 | 1.6 | 2.2 | 2.9 | 2.3 | 1.9 | 1.6 |
| Euro zone | 1.2 | 1.6 | −0.9 | −0.2 | 1.4 | 2.1 | 2 | 2.4 | 1.8 | 1.3 | 1.5 | 1.4 |
| Japan | 0.6 | −0.1 | 1.5 | 2 | 0.4 | 1.2 | 0.6 | 1.9 | 0.8 | 1 | 0.5 | 0.5 |
| Other developed countries | 2.8 | 3 | 2 | 2.3 | 3 | 2 | 2.1 | 2.7 | 2.2 | 1.9 | 2.2 | 2.2 |
| **Emerging and developing countries** | **6.2** | **6.4** | **5.4** | **5.1** | **4.7** | **4.3** | **4.6** | **4.8** | **4.5** | **4.4** | **4.8** | **4.9** |
| By region | | | | | | | | | | | | |
| Commonwealth of Independent States | 5.5 | 5.3 | 3.6 | 2.5 | 1 | −1.9 | 0.8 | 2.4 | 2.8 | 2.2 | 2.3 | 2.4 |
| Emerging and Developing countries | 8.4 | 7.9 | 7 | 6.9 | 6.8 | 6.8 | 6.7 | 6.6 | 6.4 | 6.3 | 6.3 | 6.1 |
| Emerging and developing countries of Europe | 3.9 | 6.7 | 2.6 | 4.9 | 3.9 | 4.8 | 3.3 | 6 | 3.6 | 0.8 | 2.8 | 3.1 |
| Latin America and the Caribbean | 3.2 | 4.6 | 2.9 | 2.9 | 1.3 | 0.3 | −0.6 | 1.2 | 1 | 1.4 | 2.4 | 2.8 |
| Middle East and North Africa | | | | | | | | | | | | |
| Afghanistan and Pakistan | 5.1 | 4.4 | 4.8 | 2.6 | 2.9 | 2.6 | 5.2 | 2.2 | 1.8 | 1.5 | 3.2 | 2.8 |
| Middle East and North Africa | 5.1 | 4.4 | 4.9 | 2.4 | 2.7 | 2.4 | 5.3 | 1.8 | 1.4 | 1.3 | 3.2 | 2.8 |
| **Sub-Saharan Africa** | **5.9** | **5.3** | **4.7** | **5.2** | **5.1** | **3.2** | **1.4** | **2.9** | **3** | **3.5** | **3.7** | **4** |

Source: IMF, World Economic Outlook, April 2019

# IV. World trade

### …Downturn observed in world trade volume in 2018

The wind of protectionism stirred by the trade wars declared by some countries slowed down the growth of world trade in goods and services in 2018, as compared to that of 2017. World trade grew by 3.8% in 2018 after 5.4% a year earlier, the performance reflecting the fall in transaction volumes caused by the drop in demand especially in China since prices rather tended to improve due to the increase in the prices of crude oil and manufactured goods.

Thus, export and import volume growth rates of the various country groups (developed countries and emerging and developing countries) decreased overall. In the group of developing nations, it decreased respectively from 4.4% and 4.3% to 3.1% to 3.3% in 2018. In the group of emerging and developing countries, growth increased by 4.3% and 5.6% respectively, after 7.2% and 7.5% respectively a year earlier.

The prices of the main goods traded did not represent a synchronous trend year-on-year. Prices of manufactured goods denominated in Dollars improved by 2.7% in 2018 after having dropped by 0.3% between 2016 and 2017; those of crude oil further progressed (+26.7% after +23.3%), while those of primary products excluding fuel witnessed less significant trends (1.6% after 6.4%).

### …and was expected to continue in 2019 if trade tensions persisted

With regard to 2019, IMF economists predicted another world trade downturn in the economic outlook of April 2019 if the long-standing trade tensions and protectionism did not subside.

# V. Raw materials and inflation

### Prices of basic products remained at moderate levels in 2018…

The prices of basic products remained at moderate levels in 2018. Against the backdrop of world trade slowdown caused by a fall in demand engendered by the escalation of trade tensions among countries, the increase in the prices of the major raw materials traded gradually decelerated throughout the year, especially from the third quarter of 2018. A clear sign of this reverse momentum was the fall in the mean prices of crude oil between October ($80.5) and December ($50.6%).

Year-on-year, however, there was an improvement in the price index of raw materials. The prices of energy products increased by 28%, while those of non-energy products remained almost stagnant.

The prices of almost all raw materials traded by Cameroon (excluding coffee) improved between 2017 and 2018. The main crops exported by the country recorded a price rise of 5.7% in 2018 as against -9.2% in 2017.

Table 2: Price trends of the main raw materials traded by Cameroon

| | 2017 Av | Mar-18 | June-18 | Sept-18 | Dec-18 | 2018 Av | 2018/2017 |
|---|---|---|---|---|---|---|---|
| Cotton (FCFA/kg) | 1081.96 | 1210.03 | 1277.94 | 1216.93 | 1052.5 | 1197.83 | 11% |
| Robusta coffee (FCFA/kg) | 1330.00 | 1223.32 | 1200.3 | 1039.19 | 1013.08 | 1123.43 | -16% |
| Arabica coffee (FCFA/kg) | 1990.06 | 1868.16 | 1834.27 | 1611.55 | 1663.11 | 1751.25 | -12% |
| Cocoa (FCFA/kg) | 1216.98 | 1319.95 | 1631.96 | 1267.81 | 1202.2 | 1351.37 | 11% |
| Timber logs (1000 FCFA /m³) | 231.04 | 268.95 | 253.93 | 235.92 | 218.8 | 246.85 | 7% |
| Sawn wood (1000 FCFA /m³) | 362.19 | 416.66 | 396.22 | 360.21 | 339.95 | 382.57 | 6% |
| Aluminum (FCFA/kg) | 1144.06 | 1356.63 | 1410.92 | 1197.69 | 1066.56 | 1263.38 | 10% |
| Crude oil (1000 FCFA/barrel) | 31.62 | 40.68 | 47.03 | 42.69 | 35.86 | 42.60 | 35% |

Source: IMF, NIS, Calculations

## ...thus causing world inflation to edge up

World inflation remained high in 2018 (3.6% after 3.2%), driven by advanced economies. In this group of countries, the consumer price index increased from 1.7% to 2%, while in the group of emerging and developing countries, the inflation rate was 8% in 2018. The IMF predicted the rates would be 1.7% and 4.9% respectively in 2019.

Table 3: Inflation (in percentages)

| | 2001-10 Average | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019* | 2020* | 2024* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | GDP deflator |
| **Developed countries** | **1,7** | **1,3** | **1,3** | **1,3** | **1,5** | **1,3** | **1** | **1,5** | **1,6** | **1,5** | **1,8** | **1,9** |
| United States | 2,1 | 2,1 | 1,9 | 1,8 | 1,9 | 1,1 | 1,1 | 1,9 | 2,3 | 1,8 | 2,1 | 2,1 |
| Euro zone | 1,9 | 1 | 1,3 | 1,2 | 0,9 | 1,4 | 0,8 | 1,1 | 1,4 | 1,5 | 1,8 | 2 |
| Japan | −1,1 | −1,7 | −0,8 | −0,3 | 1,7 | 2,1 | 0,3 | −0,2 | −0,1 | 0,6 | 1,2 | 0,7 |
| Other developed countries | 2,1 | 2 | 1,2 | 1,5 | 1,3 | 1 | 1,3 | 2 | 1,4 | 1,6 | 1,7 | 1,9 |
| **Consumer prices** | | | | | | | | | | | | |
| **Developed countries** | **2** | **2,7** | **2** | **1,4** | **1,4** | **0,3** | **0,8** | **1,7** | **2** | **1,6** | **2,1** | **2** |
| United States | 2,4 | 3,1 | 2,1 | 1,5 | 1,6 | 0,1 | 1,3 | 2,1 | 2,4 | 2 | 2,7 | 2,2 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Euro zone | 2,1 | 2,7 | 2,5 | 1,3 | 0,4 | 0,2 | 0,2 | 1,5 | 1,8 | 1,3 | 1,6 | 2 |
| Japan | −0,3 | −0,3 | −0,1 | 0,3 | 2,8 | 0,8 | −0,1 | 0,5 | 1 | 1,1 | 1,5 | 1,4 |
| Other developed countries | 2,1 | 3,3 | 2,1 | 1,7 | 1,5 | 0,5 | 0,9 | 1,8 | 1,9 | 1,6 | 1,8 | 2 |
| **Emerging and developing countries** | **6,6** | **7,1** | **5,8** | **5,5** | **4,7** | **4,7** | **4,2** | **4,3** | **4,8** | **4,9** | **4,7** | **4,2** |
| Commonwealth of Independent Sates | 12,1 | 9,8 | 6,2 | 6,5 | 8,1 | 15,5 | 8,3 | 5,5 | 4,5 | 5,7 | 5 | 4,3 |
| Emerging and developing countries of Europe | 4,3 | 6,5 | 4,6 | 4,6 | 3,4 | 2,7 | 2,8 | 2,4 | 2,6 | 2,8 | 3,1 | 3,3 |
| Emerging and developing countries of Asia | 10,2 | 5,5 | 6,1 | 4,5 | 4,1 | 3,2 | 3,2 | 6,2 | 8,7 | 9 | 7,5 | 6,9 |
| Latin America and the Caribbean | 5,8 | 5,2 | 4,6 | 4,6 | 4,9 | 5,5 | 5,6 | 6 | 6,2 | 6,5 | 5,1 | 3,6 |
| Middle East, North Africa, Afghanistan and Pakistan | 7,1 | 9,3 | 9,8 | 9,2 | 6,7 | 5,4 | 4,7 | 6,4 | 10,4 | 9,7 | 9,3 | 7,8 |
| Middle East and North Africa | 6,9 | 8,8 | 9,7 | 9,4 | 6,5 | 5,5 | 4,9 | 6,7 | 11,4 | 10 | 9,6 | 8,2 |
| Sub-Saharan Africa | 9,9 | 9,3 | 9,2 | 6,6 | 6,4 | 7 | 11,2 | 11 | 8,5 | 8,1 | 7,4 | 6,6 |
| Nominal price indices (real and projected) | | | | | | | | | | | | |
| Price index (2010=100) | | | | | | | | | | | | **2018/2017** |
| Energy products | | | | | | | 55 | 68 | 87 | 82 | 81 | **28%** |
| Non-energy products | | | | | | | 79 | 84 | 85 | 83 | 85 | **1%** |
| Agriculture | | | | | | | 87 | 87 | 87 | 84 | 86 | **0%** |
| Fertilizers | | | | | | | 78 | 74 | 82 | 86 | 88 | **11%** |
| Metals and minerals | | | | | | | 63 | 78 | 83 | 81 | 82 | **6%** |
| Precious metals | | | | | | | 97 | 98 | 97 | 100 | 103 | **-1%** |
| Crude oil ($/bbl) | | | | | | | 43 | 53 | 68 | 66 | 65 | **28%** |
| Gold ($/toz) | | | | | | | 1,249 | 1,258 | 1,269 | 1,31 | 1,36 | **1%** |

Source: IMF, World Economic Outlook, April 2019

# CAMEROON'S ECONOMIC TRENDS IN 2018

In 2018, there was growth acceleration with a growth rate of 4.1% after 3.5% in 2017 (NIS, 2018). This trend was due to renewed dynamism in the primary, secondary (contribution of 0.8 percentage point) and, most of all, tertiary (contribution of 2.3 percentage points to growth). This growth was also driven by household consumption and private investment. However, non-oil growth slowed down to 4.4% as against 5% in 2017.

Economic activity benefited a rise in the prices of raw materials (crude oil, cocoa and cotton) in the international market, improvement of supply in some sectors and diversification of the economic fabric, especially the increasing production of natural gas.

**Fig. 1:** Contribution of activity sectors to GDP growth (in growth points)

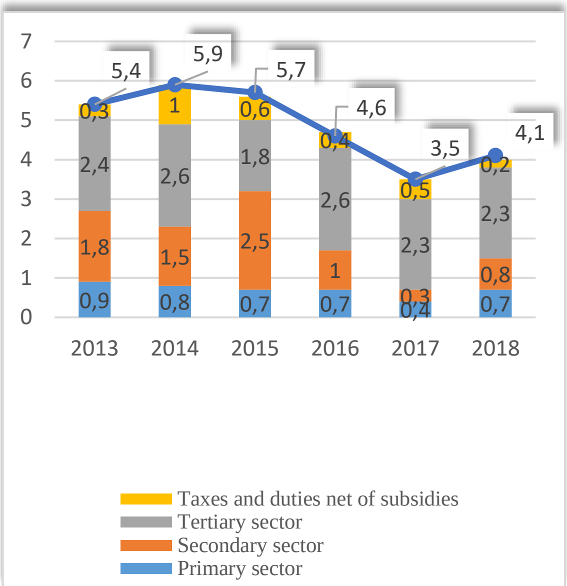
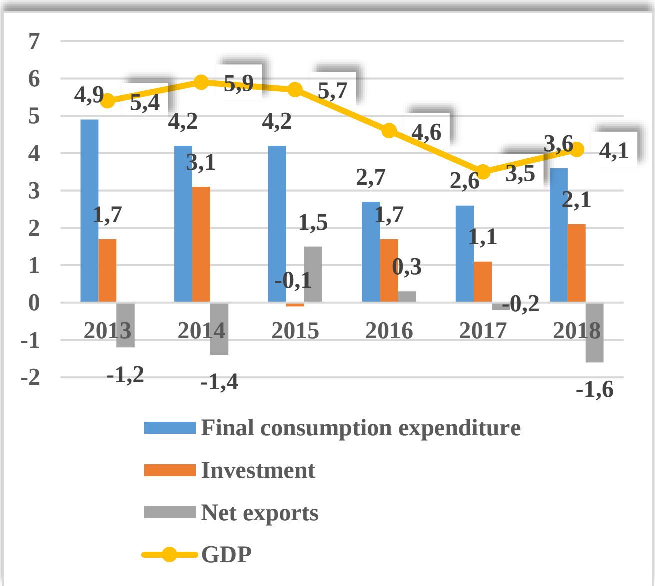



**Fig. 2:** Contribution of employment to real GDP growth (in growth points)




Source: CCIMA à l'aide des chiffres des comptes nationaux de l'INS, 2018/ CCIMC

# I. Production

## Although primary sector growth accelerated…

Primary sector growth stood at 5.1% in 2018 as against 3.2% in 2017 as shown in Table 4 below. This was linked with the dynamism observed in the agriculture (0.5 percentage point) and forestry and forest exploitation (0.2%) branches. The good standing of the forestry and forest exploitation branch was due to the increase in international demand, especially from China and Vietnam.

Table 4: Primary sector activity trends (in %) from 2013 to 2018

| Sector and activity branch | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| **Primary sector** | **7** | **6.2** | **5.3** | **5** | **3.2** | **5.1** |
| *Agriculture* | 7.3 | 4.7 | 6.3 | 6 | 2.2 | 4.8 |
| *Livestock and hunting* | 9.8 | 5.7 | 7.2 | 4.3 | 4.7 | 4.4 |
| *Forestry and forest exploitation* | 4.7 | 13.8 | 0.2 | 1.2 | 6.3 | 7.3 |
| *Fishing and fish-farming* | 2.4 | 3 | 3.1 | 5 | 4.5 | 3.1 |

Source: NIS, National Accounts, 2018

### ...and the secondary sector saw renewed growth...

The sector's economic activity grew by 3.1% after 1.3% in 2017.

As shown in Table 5 below, this growth recovery was mainly due to the significant production of natural gas (+272.2%) which mitigated the low production of the hydrocarbons extraction branch resulting from the natural depletion of crude oil production sites in the last couple of years.

The construction and public works branch remained dynamic (7.6% after 8.9% in 2017). This momentum was due to the continuation of large road and sports infrastructure projects in view of sports competitions (AFCON) and the opening up agricultural production basins.

The beverage and wood processing (excluding furniture making) industrial branches also improved their supply.

On the other hand, the sector's growth was particularly affected by a significant activity decline in the oil refining branch (-48% after 7.8%) due to technical downtime at the SONARA from April to September 2018.

Table 5: Secondary sector activity trends (in %) from 2013 to 2018

| y | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| **Secondary sector** | 6,9 | 5,5 | 9,6 | 3,6 | 1,3 | 3,1 |
| **Extractive industries** | **8.4** | **14.3** | **24.8** | **-3.4** | **-16.1** | **-2.6** |
| **including hydrocarbons extraction** | 8.4 | 14.4 | 24.8 | -3.6 | -16.4 | -2.7 |
| **Food processing industries** | 6.8 | 1.9 | 1.9 | 5.7 | 7.5 | 4 |
| **Other manufacturing industries** | 5.1 | 0.4 | 4 | 4.4 | 5.6 | 3.3 |
| **Production and distribution of electricity** | 12.2 | 12.6 | 8.9 | 3.3 | 5.9 | 1.2 |
| **Production and distribution of water, and sanitation** | 4.1 | 4 | 10 | -1.4 | 6.5 | 2.6 |
| **Construction** | 8 | 7.5 | 8.4 | 10.4 | 8.9 | 7.6 |

Source: NIS, National Accounts, 2018

### ...domestic supply in 2018 came mostly from the tertiary sector, the main driver of growth

The tertiary sector progressed by 4.4% in 2018 after 4.3% as shown in Table 6 below. This performance was particularly due to the dynamism seen in the following branches: trade and vehicle repairs (+5.1% after 4.5%) and Banks and financial institutions (+10.2% after 6%).

In contrast, the branch "information and telecommunication" recorded a drop (-2.3 as against +5.7% in 2017) for the first time in close to ten years despite the diversification of supplies of innovating products and services to consumers.

Table 6: Tertiary sector activity trends (in %) from 2013 to 2018

| Sector and branches | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| **Tertiary sector** | **4.4** | **4.8** | **3.4** | **4.9** | **4.3** | **4.4** |
| *Trade, vehicle repairs* | 2.7 | 6.4 | 3.5 | 5.6 | 4.5 | 5.1 |
| *Restaurants and hotels* | -7 | -2.1 | 2.2 | 6.6 | 5.3 | 4.3 |
| *Transport, warehousing, communication* | 8.2 | 3 | 4.3 | 2.2 | 4.2 | 4 |
| *Information and telecommunication* | 8 | 7.3 | 5.1 | 6 | 5.7 | -2.3 |
| *Banks and financial institutions* | 14.6 | 5.6 | 6.9 | 5.2 | 6 | 10.2 |
| *Public administration, social security* | 4.4 | 4.7 | 4.6 | 3.6 | 4.8 | 3.5 |
| *Education* | 4.7 | 6.4 | 4.3 | 6 | 4.2 | 3.5 |
| *Health and social action* | 4.1 | 4.5 | -2.9 | 0.8 | 3.5 | 5.3 |
| *Other services* | 4.3 | 3.5 | 2.2 | 5.9 | 3.2 | 4.3 |

Source: NIS, National Accounts, 2018

# II. Domestic demand

### On the demand side, private consumption drove growth

Table 7 which synthesizes GDP utilization indicates that in 2018, final private consumption prices increased by 4.7% as against 4.3% in 2017. This expenditure was driven by agricultural produce, beverages, catering and hospitality services and chemical products.

### ...although investments increased...

However, expenses for public final consumption increased by 3.9% during the period under review after a decline in 2017. This trend was due to the State's current expenditure dynamics, which were drawn mainly by the salaries paid out to public employees.

Investment expenditure rose by 7.8% after 4.2% in 2017. Though private investment accelerated (9.6% in 2018 after 6.7% in 2017), public investment once more dropped in 2018 (-3.1% after -6% in 2017).

This rise in private investment can be attributed to increased credit to the private sector (+11.9%), especially the funding provided to businesses performing sub-contracts in structural projects and the construction works for the hosting of the Africa Cup of Nations (AFCON).

The downward trend of public investment, on its part, could be attributed to the delay observed in the payment of claims for investment expenses.

### ...and exports recovered

Goods and services export volumes increased by 2.3% in 2018 after a drop of 1.6% in 2017. Their contribution to growth stood at 0.5 point after -0.3 in 2017, giving an increase of 0.8 point in 2018.

Table 7: The GDP and its utilization (volume trends in %)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| **1. Final consumption expenditure** | **6.1** | **5.1** | **5.2** | **3.3** | **3.3** | **4.6** |
| *including private* | 6.2 | 5.3 | 5.3 | 3.3 | 4.3 | 4.7 |
| *public* | 5.5 | 4.3 | 4.7 | 3.2 | -1.6 | 3.9 |
| 2. FBCF/ GFCF | 5.6 | 13 | 2.5 | 4.8 | 4 | 7.2 |
| *including private* | 5.4 | 15.6 | 3.3 | 2.3 | 6.7 | 9.6 |
| *public* | 6.2 | 3.6 | -0.6 | 15.2 | -6 | -3.1 |
| 3. Stock variation | 175.1 | -37.7 | -262.8 | -96.3 | -395.1 | 368.8 |
| **4. Investment (2+3)** | **6.8** | **12** | **-0.3** | **6.5** | **4.2** | **7.8** |
| **5. Net exports** | **19.3** | **19.1** | **-18.7** | **-4.8** | **3.2** | **28.7** |
| 6. Exports | 4.2 | 5.3 | 6.4 | -0.6 | -1.6 | 2.3 |
| *Export of goods* | 2.8 | 10.4 | 10.8 | -4.4 | -5 | 2.3 |
| *Export of services* | 7.8 | -8.2 | -7.5 | 13.6 | 9.2 | 2.4 |
| 7. Imports | 7.5 | 8.6 | -0.3 | -1.5 | -0.6 | 8.1 |
| *Import of goods* | 5.5 | 10.9 | 1.1 | -2 | -3.8 | 9.3 |
| *Import of services* | 14.1 | 1.7 | -5.2 | 0.2 | 10.7 | 4.7 |
| **GDP (1+4+5)** | **5.4** | **5.9** | **5.7** | **4.6** | **3.5** | **4.1** |

Source: NIS, National Accounts, 2018

# III. Public Finance

The three-year economic and financial program concluded by Cameroon and the IMF and supported by the Extended Credit Facility in Cameroon urged Cameroon to: (1) implement measures for the repatriation of export revenue, (ii) rationalize tax expenditure, (iii) adopt a cautious pace of debt accumulation so as to preserve its sustainability, (iv) implement a plan for the clearance of the existing backlog and avoid accumulating new debts in the course of the current management period. It should be recalled that this program seeks to restore the external and fiscal sustainability of Cameroon.

For this purpose, a reduction in expenses on goods and services as well as expenses incurred by the government was planned for 2018. At the same time, priority was to be given to investment expenses strongly influencing growth.

However, the President of the Republic, on 4$^{th}$ June 2018, signed an ordinance modifying and completing the 2018 Finance Law. The consequence of this act was an increase in the burden on Cameroon's general budget to 4,689.5 billion FCFA. This increase may be connected with the fact that after the adoption of the budget, a ministry responsible for decentralization was created and the Constitutional Council was effectively set up.

Concerning budgetary resources, the government was authorized to negotiate and conclude concessional and non-concessional loans of overall amounts 245 billion FCFA and 436 billion FCFA respectively in 2018. The government's own revenue increased from 3,175 billion FCFA to 3,324 billion in the new Finance Law. The tax revenue target was reviewed upwards by 67 billion FCFA to stand at 2,712 billion FCFA. The package for the payment of the domestic debt increased from 670 billion to 713 billion FCFA.

## Cameroon's budgetary performance improved

At the end of the third review of the Program, the Executive Board of the IMF deemed that the budgetary performance of Cameroon had improved.

In 2018 as compared to 2017, all budget deficits decreased. The overall balance deficit thus fell from 3.9% of the GDP to 1.6% of the GDP, and that of the cash-based overall balance fell from 4.1% of the GDP to 2.8% during the period under review.

Table 8: Budgetary performance (in %)

| | 2017 | 2018 |
|---|---|---|
| **Cash-based overall balance/GDP** | -4.1 | -2.8 |
| **Overall basic balance/GDP** | -3.9 | -1.6 |
| **Non-oil basic balance** | -5.0 | -4.0 |

Source: MINFI/DP

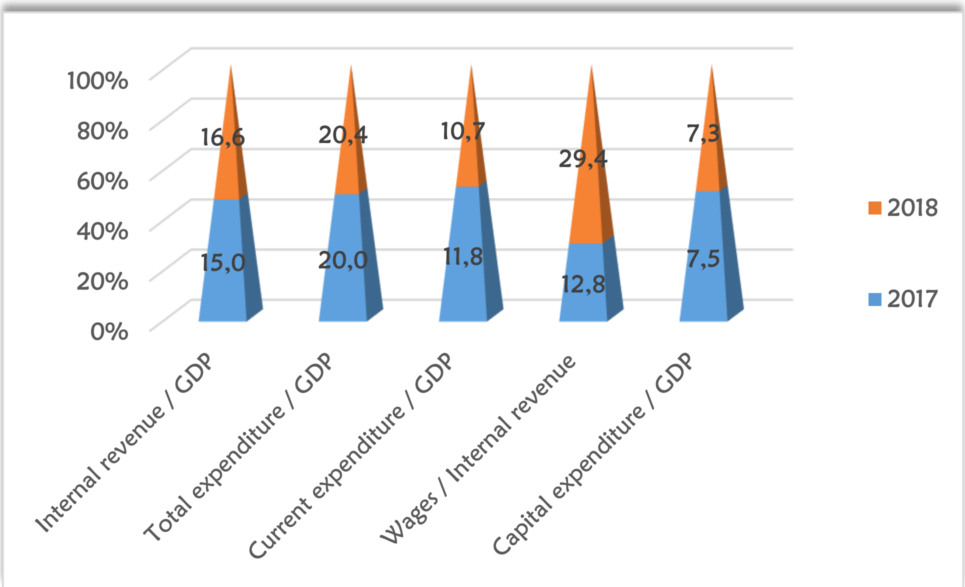
The oil revenue collected in 2018 was higher than the amounts projected in the initial Finance Law (+138.3 billion FCFA) and the ordinance (+56.3 billion).

The same applies to non-oil revenue, with a surplus of 119.7 billion FCFA over the amount projected in the initial Finance Law, and of 52.7 billion over that projected in the ordinance of June 2018. It should be recalled that the receipts projected in the ordinance were higher than those of the initial Financial Law. Besides the special tax on petroleum products, the mobilization of large parts of tax revenue (direct taxes, VAT and taxes on international trade) yielded higher than the amount projected in the Ordinance.

Apart from the capital expenditure to GDP ratio, all the other public finance indicators trended well for the sustainability of public finance.

Thus, the internal revenue to GDP ratio increased from 15% in 2017 to 16.6% in 2018 due to the successful collection of tax revenue. The current expenditure to GDP ratio decreased from 11.8% in 2017 to 10.7% in 2018 with the rationing of public expenditure. The wages to internal revenue ratio dropped from 32.8% in 2017 to 29.4% in 2018.

Fig. 3: Trends of some public finance indicators (in %)




Source: MINFI/DP

However, the deficit target of the overall basic balance (100.7 billion FCFA) was not achieved. This also applies to the non-oil basic balance (544.7 billion FCFA).

### …due to a 15.4% increase in budgetary revenue

The excise duty target was not achieved (-14.4 billion FCFA), just like that projected for registration and stamp duties (-14.5 billion FCFA), notwithstanding measures taken in the 2018 Finance Law to achieve an increase.

Despite the upward shift in expenses on transfers and subsidies, the implementation rate was 101.6%. Similarly, there was an expenditure overrun on external funding (+191.8 billion FCFA) and on the State's own funds.

Efforts to stabilize State finances must therefore continue. The Government should strike a balance between public debt control, investment and budget revenue increase. It is crucial to improve the management of public finances and render public spending more efficient.

In 2018, the internal revenue target projected at 3,324 billion FCFA was 109 billion FCFA in excess. This excess came as a result of the successful collection of oil revenue (+56.3 billion FCFA) and non-oil revenue (+52.7 billion).

As compared to 2017, oil revenue increased by 29.6% to stand at 500.3 billion. Non-oil revenue increased from 2,589.2 billion FCFA in 2017 to 2,932.7 billion in 2018, showing a 13.3% increase.

Table 10 below indicates that the trend of non-oil revenue was due to taxes and taxes excluding those on companies and persons (contribution of 5.7% to growth), customs revenue (+2.7 percentage points and non-tax revenue (+1.6 percentage points).

Non-oil revenue trends were mainly due to receipts from taxes and duties excluding taxes on companies and persons (with a contribution of 5.7 point to growth), customs revenue (+2.7 points) and non-tax revenue (+1.6 point).

Customs revenue amounted to 802.8 billion in 2018, an increase of 9.6% as compared to 2017. The increase in customs takings was due to the successful collection of VAT on imports (which increased by 20.4%).

Table 9: Trends of internal revenue and its components (in billions of FCFA)

| | **2017** | **2018** | **Variation (in %)** |
|---|---|---|---|
| **Total revenue** | 2,975.1 | 3,433.0 | *15.4* |
| **Oil revenue** | 385.9 | 500.3 | *29.6* |
| **Non-oil revenue** | 2,589.2 | 2,932.7 | *13.3* |
| **Revenue from taxes and duties excluding taxes on companies and persons** | 1,790.4 | 1,939.2 | *8.3* |
| Taxes on salaries and emoluments | 150.5 | 177.5 | *17.9* |
| Taxes on non-oil companies | 319.6 | 356.2 | *11.4* |
| VAT revenue | 731.6 | 779.4 | *6.5* |
| Excise duties | 186.8 | 185.6 | *-0.6* |
| Tax on the sale of petroleum products | 122.2 | 127.5 | *4.3* |
| Registration and stamp duties | 104.3 | 111.3 | *6.7* |
| **Customs revenue** | 732.7 | 802.8 | *9.6* |
| Import duties | 361.2 | 353.9 | *-2.0* |
| VAT on imports | 316.1 | 380.5 | *20.4* |
| **Non-tax revenue** | 148.0 | 190.7 | *28.8* |

Source: MINFI/DP

### …that was more significant than budgetary expenditure estimated at 6.2%

Public spending stood at 4,211.3 billion FCFA in 2018, up by 6.2% as compared to 2017.

This trend was mostly due to investment expenditure, which increased by 2.2% to stand at 1,518 billion FCFA in 2018.

2018 was marked by control over current expenditure, which dropped by 4.4% as compared to 2017. However, the wage bill, at 1,007.7 billion, increased by 3.4% as compared to 2017. The same applies to expenses incurred on transfers and subsidies, which rose from 452.5 billion in 2017 to 485.6 billion FCFA in 2018. The 7.3% rise in these expenses was due to the fragile security situation in the Northwest and Southwest regions.

Table 10: Trends in public expenditure and its components (in billions of FCFA)

| | **2017** | **2018** | **Variation (in %)** |
|---|---|---|---|
| **Total expenditure** | **3,965.6** | **4,211.3** | ***6.2*** |
| **Current expenditure** | **2,326.6** | **2,224.5** | ***-4.4*** |
| Wage bill | 974.7 | 1 007.7 | *3.4* |
| Purchase of goods and services | 725.5 | 731.1 | *0.8* |
| Transfers and subsidies | 452.5 | 485.6 | *7.3* |
| **Investment expenditure** | **1,484.9** | **1,518.0** | ***2.2*** |
| Expenses on foreign funding | 773.4 | 787.8 | *1.9* |
| Expenses on own-income | 691.1 | 713.9 | *3.3* |

Source: MINFI/DP


## IV. Foreign trade

### Despite the slowdown in world trade in 2018...

The international commodity trade volume continued to increase, though at a more moderate pace than projected beforehand. It increased by 3% in 2018 and was expected to drop to 2.6% in 2019 because of the increasing trade tensions and rising economic uncertainty. This relatively sluggish growth was reflected on sharply decreasing export orders as well as on international air freight and on the production and sale of vehicles and electronic components.

On the whole, world trade trends were due to the increase in the number of effective trade measures targeting the exports of advanced economies. Trade tensions between the United States and China owing to political uncertainty and a volatile market affected world trade. Throughout the world, there was a rise in protectionist measures while those favoring international trade declined. Geopolitical tensions threatened resource supplies and disturbed production networks in some regions.

The most rapid nominal export growth was recorded by oil producers, including Saudi Arabia (34.8%) and the Russian Federation (25.6%). Import values increased the most for Indonesia (20.2%), Brazil (19.8%), China (15.8%) and Vietnam (15.4%).

### ...Cameroon's trade with its partners grew by 8.8%

In 2018, the value of the trade between Cameroon and its partners, at 5,371 billion FCFA, increased by 8.8% as compared to that of 2017. This pattern resulted from the simultaneous increase in exports and imports.

### However, Cameroon's trade deficit widened in 2018...

At 1,440 billion in 2018, the trade deficit of Cameroon deepened by 267.4 billion FCFA as compared to 2017. At 2,129 billion, the widening of the non-oil trade deficit was more significant during the period under study. The deterioration of the non-oil deficit was due to the drop in non-oil exports combined with a 13.7% rise in imports of the same class. The poor state of the trade balance was also due to the effects of the EPA. In fact, imports from the European Union increased by 12.7% between 2017 and 2018. The import/export ratio declined during the period 2016-2018.

Table 11: Major outcomes of foreign trade (in billions of FCFA)

| **Period** | **2016** | **2017** | **2018** | **Variation** | |
|---|---|---|---|---|---|
| **Item** | **a** | **b** | **c** | **c/b** | **c/a** |
| **Exports** | 1,959.7 | 1,881.9 | 1,965.4 | 4.4% | 0.3% |
| including non-oil | 1,264 | 1 137 | 1 103 | -3.0% | -12.7% |
| **Importations** | 3,087.4 | 3,054.3 | 3,405.2 | 11.5% | 10.3% |
| including crude oil | 2,773 | 2,843 | 3,232 | 13.7% | 16.6% |
| **Trade balance** | -1,128 | -1,172 | -1,440 | -267.4 | -312.0 |
| Including non-oil | -1,509 | -1,706 | -2,129 | -423.7 | -619.9 |
| **Import/export ratio (in %)** | 63 | 62 | 57.7 | -3.9 | -5.8 |
| Including non-oil (in %) | 46 | 40 | 34.1 | -5.9 | -11.4 |

Sources: MINFI/DGD-DP

### …whereas exports increased by just 4.4%

In 2018 as compared to 2017, exports increased by 4.4% to stand at a value of 1.182 billion FCFA. The rise in the sales of crude oil (+15.8%), timber (raw and sawn), liquefied butane (+42.7) and cotton (22.7%) was slowed down by the drop in the value of cocoa, aluminum (-10.4%), fuels and lubricants (-18.4%) and cocoa paste (-26.5%).

Non-oil exports decreased by 3% and their weight in total exports was 56.1% as against 60.4% in 2017.

The main products exported in 2018 were crude oil (43.9% of the value of exports) cocoa beans (11.9%), sawn wood (8%), timber logs (6.8%), cotton (5.95%) aluminum (3.44%), fuels and lubricants (2.7%), liquefied butane (2.3%), bananas and plantains (1.7%) and cocoa paste (1.5%).

Table 9: Main export trends (Q in millions of tons and V in billions of FCFA)

| Period / Product | 2016 | | 2017 | | 2018 | | Variation (in %) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q | V | Q | V | Q | V | Q | V | Q | V |
| | a | | b | | c | | c/a | | c/b | |
| Bananas, plantains | 295.2 | 38.8 | 275.7 | 36.4 | 217.2 | 34.2 | *-21.2* | *-6.1* | -26.4 | -11.9 |
| Coffee | 33.0 | 28.8 | 24.1 | 23.9 | 19.0 | 18.8 | *-21.4* | *-21.4* | -42.5 | -34.7 |
| *including Robusta* | 30.9 | 25.5 | 22.3 | 21.0 | 17.8 | 17.1 | *-20.2* | *-18.6* | -42.5 | -32.8 |
| Palm oil | 1.6 | 1.4 | 1.1 | 1.0 | 1.5 | 1.2 | *35.0* | *31.1* | -1.9 | -10.6 |
| Confectionery without cocoa | 3.8 | 4.9 | 2.9 | 4.3 | 2.8 | 4.0 | *-4.4* | *-6.3* | -26.7 | -18.6 |
| Cocoa beans | 263.7 | 397.2 | 221.7 | 234.1 | 218.8 | 233.4 | *-1.3* | *-0.3* | -17.0 | -41.2 |
| Cocoa paste | 15.4 | 35.4 | 23.4 | 41.1 | 20.5 | 30.2 | *-12.7* | *-26.5* | 32.8 | -14.6 |
| Cocoa butter | 9.4 | 21.2 | 15.0 | 26.5 | 13.4 | 20.0 | *-10.7* | *-24.4* | 42.4 | -5.7 |
| Chocolate and other cocoa-derived formulations | 3.7 | 7.3 | 3.7 | 7.4 | 3.5 | 7.0 | *-5.1* | *-6.0* | -5.0 | -5.1 |
| Beans (non-grain) | 3.4 | 2.5 | 2.5 | 1.9 | 2.3 | 1.8 | *-9.9* | *-4.9* | -33.9 | -27.0 |
| Formulations for soups and potages | 3.7 | 5.8 | 3.6 | 5.4 | 3.4 | 4.9 | *-5.9* | *-9.4* | -9.9 | -15.4 |
| Liqueurs | 5.4 | 3.7 | 5.0 | 3.4 | 4.6 | 3.1 | *-9.3* | *-8.5* | -16.1 | -16.2 |
| Crude oil | 4 348.4 | 695.8 | 3 488.0 | 744.5 | 2 904.3 | 862.3 | *-16.7* | *15.8* | -33.2 | 23.9 |
| Fuels and lubricants | 398.8 | 71.4 | 244.0 | 64.1 | 174.3 | 52.3 | *-28.6* | *-18.4* | -56.3 | -26.8 |
| Liquefied butane | 73.9 | 25.7 | 78.6 | 31.3 | 101.9 | 44.6 | *29.6* | *42.7* | 38.0 | 73.6 |
| Beauty or make-up products | 1.7 | 4.2 | 1.5 | 3.1 | 1.7 | 3.1 | *11.4* | *2.1* | -2.4 | -26.3 |
| Household soap in bars | 41.9 | 23.3 | 58.6 | 30.2 | 52.9 | 26.4 | *-9.7* | *-12.6* | 26.1 | 13.1 |
| Rubber | 42.3 | 29.4 | 42.4 | 39.3 | 41.6 | 30.0 | *-1.9* | *-23.7* | -1.8 | 2.0 |
| Wood and items in wood | 1 305.1 | 284.9 | 1 508.0 | 293.2 | 1 716.0 | 306.2 | *13.8* | *4.4* | 31.5 | 7.5 |
| Raw timber (logs) | 807.0 | 90.2 | 1 018.0 | 113.8 | 1 095.8 | 121.1 | *7.6* | *6.4* | 35.8 | 34.3 |
| Sawn wood | 663.8 | 169.7 | 641.2 | 151.7 | 741.8 | 157.5 | *15.7* | *3.8* | 11.7 | -7.2 |
| Veneer sheets | 30.4 | 21.4 | 35.1 | 21.8 | 45.3 | 23.7 | *29.1* | *8.5* | 49.1 | 10.7 |
| Plywood, veneered panels and similar laminated timber | 4.0 | 1.6 | 2.1 | 1.3 | 4.2 | 1.7 | *99.4* | *26.3* | 6.5 | 1.1 |
| Cotton | 101.4 | 87.4 | 101.9 | 95.3 | 113.6 | 117.0 | *11.5* | *22.7* | 12.0 | 33.9 |
| Demijohns, bottles and flasks | 20.8 | 7.4 | 19.8 | 7.6 | 20.0 | 7.4 | *1.2* | *-2.9* | -3.8 | 0.0 |
| Simply forged, laminated or filed non-alloyed Iron or steel bars... | 27.9 | 9.9 | 19.1 | 6.9 | 21.2 | 8.5 | *11.3* | *24.3* | -23.8 | -14.2 |
| Aluminum | 65.3 | 65.2 | 77.6 | 75.4 | 62.0 | 67.5 | *-20.1* | *-10.4* | -5.1 | 3.6 |
| Aluminum sheets | 2.5 | 4.4 | 1.9 | 3.4 | 2.2 | 3.7 | *14.3* | *10.6* | -12.0 | -15.7 |
| *including non-oil* | | 1 263.9 | | 1 137.5 | | 1 103.2 | | *-3.0* | | -12.7 |
| **Total exports** | | **1 959.7** | | **1 881.9** | | **1 965.4** | | ***4.4*** | | **0.3** |

Sources: MINFI/DGD-DP

## ...and imports increased by 11.5%

In 2018, import values increased to 3,495.2 billion FCFA as against 3,054.3 billion in 2017. This increase was due to purchases of fuels and lubricants (87.9%), mechanical machines and appliances (+15.2%), electrical machines and appliances (+8.8%) and exports of frozen sea fish (+35.3%). This pattern was slowed down by a reduction in the importation of automobiles (-21.6%) and crude oil (-18.2%).

The main products imported were fuels and lubricants (13.9%). The main products imported in 2018 were fuels and lubricants (13.9%) of the value of all imports, mechanical machines and appliances (8.3%), electrical machines and appliances (6.8%), automobiles (5.5%), crude oil (5.1%), frozen sea fish (4.5%), rice (4.2%), pharmaceutical products (3.9%) and plastic materials (3.1%).

Table 10: Import trends (Q in millions of tons and V in billions of FCFA)

| **Period** | **2016** | | **2017** | | **2018** | | **Variation (in %)** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Products** | **Q** | **V** | **Q** | **V** | **Q** | **V** | **Q** | **V** | **Q** | **V** |
| | **a** | | **b** | | **c** | | **c/b** | | **c/a** | |
| ***Animals and animal products*** | 255.6 | 193.0 | 201.0 | 145.5 | 248.2 | 194.0 | 23.5 | 33.3 | -2.9 | 0.5 |
| Frozen sea fish | 237.2 | 166.8 | 181.7 | 114.3 | 225.3 | 154.6 | 24.0 | 35.3 | -5.0 | -7.3 |
| ***Plant products*** | 1 408.3 | 292.9 | 1 616.0 | 345.7 | 1 465.2 | 313.7 | -9.3 | -9.3 | 4.0 | 7.1 |
| Cereals | 1 265.1 | 240.4 | 1 475.0 | 299.2 | 1 332.3 | 267.4 | -9.7 | -10.6 | 5.3 | 11.2 |
| Wheat and meslin | 616.7 | 90.8 | 681.8 | 103.7 | 745.7 | 115.9 | 9.4 | 11.7 | 20.9 | 27.6 |
| Maize | 32.0 | 5.5 | 46.0 | 5.8 | 13.7 | 3.6 | -70.2 | -38.1 | -57.1 | -35.0 |
| Rice | 614.4 | 143.6 | 728.4 | 183.7 | 561.1 | 144.1 | -23.0 | -21.6 | -8.7 | 0.3 |
| Grain mill products: malt | 110.2 | 38.4 | 104.8 | 33.8 | 104.0 | 33.3 | -0.7 | -1.2 | -5.6 | -13.2 |
| ***Grain and animal and vegetable oils*** | 41.6 | 24.1 | 72.2 | 39.4 | 67.8 | 32.1 | -6.1 | -18.5 | 62.9 | 33.3 |
| ***Industrial food products*** | 242.4 | 144.2 | 321.4 | 170.4 | 302.1 | 162.5 | -6.0 | -4.6 | 24.6 | 12.7 |
| Sugar and confectionery | 61.8 | 20.9 | 128.8 | 41.5 | 92.0 | 27.0 | -28.6 | -35.0 | 48.8 | 28.8 |
| Liquid alcoholic products | 44.9 | 29.4 | 50.9 | 33.9 | 50.9 | 35.6 | 0.0 | 4.8 | 13.2 | 20.8 |
| ***Mineral products*** | 4 339.8 | 598.8 | 4 010.2 | 615.1 | 4 274.7 | 845.5 | 6.6 | 37.5 | -1.5 | 41.2 |
| Salt | 149.4 | 6.7 | 177.3 | 7.3 | 171.4 | 7.0 | -3.3 | -2.9 | 14.8 | 5.3 |
| Clinker | 1 888.3 | 81.4 | 1 870.9 | 80.9 | 1 991.0 | 81.9 | 6.4 | 1.3 | 5.4 | 0.6 |
| Hydrocarbon | 2 076.6 | 497.9 | 1 725.3 | 513.9 | 1 817.7 | 736.6 | 5.4 | 43.3 | -12.5 | 48.0 |
| Crude oil | 1 507.9 | 314.2 | 855.6 | 211.3 | 540.9 | 172.8 | -36.8 | -18.2 | -64.1 | -45.0 |
| Fuels and lubricants | 368.7 | 128.7 | 726.9 | 252.0 | 1 026.0 | 473.4 | 41.1 | 87.9 | 178.3 | 267.9 |
| Liquefied butane | 73.9 | 25.7 | 78.6 | 31.3 | 101.9 | 44.6 | 29.6 | 42.7 | 38.0 | 73.6 |
| Bitumen coke and other crude oil residues | 115.3 | 25.4 | 57.5 | 16.1 | 136.6 | 38.1 | 137.7 | 136.7 | 18.5 | 50.2 |
| ***Chemical industry products*** | 492.1 | 326.0 | 518.9 | 365.2 | 606.9 | 426.0 | 17.0 | 16.6 | 23.3 | 30.7 |
| Aluminum oxide | 151.8 | 27.7 | 151.6 | 33.7 | 195.8 | 65.0 | 29.1 | 93.0 | 29.0 | 134.4 |
| Pharmaceutical products | 11.3 | 110.0 | 14.4 | 131.6 | 16.2 | 132.9 | 11.9 | 1.0 | 42.9 | 20.9 |
| Fertilizers | 165.5 | 31.7 | 180.0 | 32.2 | 209.2 | 39.3 | 16.2 | 22.0 | 26.4 | 23.9 |
| Insecticides, fungicides, herbicides, etc. | 13.4 | 35.4 | 19.6 | 45.5 | 20.3 | 50.5 | 3.6 | 10.8 | 51.5 | 42.5 |
| ***Plastic and rubber materials*** | 128.2 | 144.2 | 127.4 | 138.8 | 137.1 | 149.2 | 7.6 | 7.5 | 7.0 | 3.5 |
| Plastic materials | 100.4 | 101.8 | 100.1 | 97.6 | 107.7 | 106.0 | 7.6 | 8.5 | 7.3 | 4.1 |
| New pharmaceutical products | 18.4 | 28.6 | 18.0 | 28.3 | 19.4 | 29.3 | 8.0 | 3.3 | 5.5 | 2.5 |
| ***Textiles and item made of them*** | 123.7 | 90.5 | 117.5 | 85.4 | 121.1 | 95.6 | 3.1 | 11.9 | -2.1 | 5.6 |
| Worn clothing | 85.7 | 42.1 | 76.5 | 40.6 | 76.2 | 42.7 | -0.4 | 5.3 | -11.0 | 1.5 |
| ***Articles in stone, cement and glass*** | 250.7 | 50.6 | 287.4 | 61.4 | 230.7 | 53.4 | -19.7 | -12.9 | -8.0 | 5.7 |
| Tiles | 146.8 | 22.3 | 172.0 | 30.3 | 153.3 | 26.3 | -10.9 | -13.2 | 4.4 | 18.1 |
| ***Common metals and articles made from them...*** | 317.1 | 237.4 | 270.6 | 219.5 | 306.1 | 240.9 | 13.1 | 9.8 | -3.5 | 1.5 |
| Articles made from cast iron, iron and steel | 72.2 | 89.0 | 53.9 | 81.2 | 76.4 | 94.5 | 41.8 | 16.3 | 5.9 | 6.3 |
| ***Mechanical or electrical machines and appliances*** | 111.8 | 582.5 | 118.4 | 489.7 | 125.9 | 515.8 | 6.3 | 5.3 | 12.6 | -11.5 |
| Mechanical machines and appliances | 66.6 | 266.6 | 74.7 | 287.2 | 76.6 | 283.8 | 2.5 | -1.2 | 15.2 | 6.4 |
| Electrical machines and appliances | 45.3 | 315.8 | 43.6 | 202.5 | 49.3 | 232.0 | 12.8 | 14.6 | 8.8 | -26.5 |
| ***Transport equipment*** | 139.0 | 226.8 | 156.5 | 220.5 | 120.6 | 212.6 | -22.9 | -3.6 | -13.3 | -6.3 |
| Automobiles, tractors | 131.1 | 212.9 | 111.7 | 201.2 | 102.4 | 188.7 | -8.3 | -6.2 | -21.9 | -11.4 |
| **Non-oil imports** | | **2 773.2** | | **2 843.0** | | **3 232.3** | | **13.7** | | **16.6** |
| ***Total Imports*** | | **3 087.4** | | **3 054.3** | | **3 405.2** | | **11.5** | | **10.3** |

Source: MINFI/DGD-DP

### In addition, the European Union remained Cameroon's leading trade partner

On the geo-economic sphere, Cameroon's trade in 2018 was intense with the European Union (its leading supplier and buyer), East Asia (second supplier ad buyer) Southeast Asia (third position in the total trade value) and West Africa (6th buyer and 3rd supplier). The CEMAC was 6th in the total value of trade). In fact, 35% of Cameroon's trade value was undertaken with the European Union, while East Asia, with 23.5$% of volume of trade, is the second trade partner of Cameroon. In descending order of importance followed Southeast Asia (10.5% of the total value of trade), West Africa (8.5%), North America (4.1%), the other countries of the CEMAC (3.2%) and South America (2.2% of the total value of trade).

Bilaterally speaking, China was the leading trading partner of Cameroon. It was precisely the first buyer and first supplier of Cameroon. 20% of Cameroon's trade in 2018 was carried out with China and, for the first time, was in excess of 1,000 billion (1,153 billion, to be more precise) FCFA in value.

France was the second trading partner of Cameroon (4th buyer and 2nd supplier).

In the 3rd position was Italy which, in addition, was the 2nd buyer of Cameroon. It was followed by Holland (3rd buyer and 4th supplier).

In Africa, Nigeria was the 3rd supplier of Cameroon and its 7th trading partner. Chad was the 9th buyer of Cameroon and Togo, its 7th supplier.

## V. Money and credit

The implementation of the economic and financial program signed with the IMF in June 2017 continued in 2018 with the economic and financial objective of preserving monetary stability and strengthening the resilience of the financial sector. The remedial measures taken to address the insufficiency of net foreign assets yielded results.

Monetary policy reforms gave rise to three categories of monetary market operations: (i) classical operations (liquidity injection, marginal lending facility of 24 hours, marginal deposit facilities of 24 hours, alignment operations), (ii) operations seeking financial stability (intra-day bank advances and emergency liquidity inflows in times of cash flow problems), (iii) other operations (extended maturity operations of 1 to 12 months and structural operations decided upon by the Monetary Policy Committee in the event of a liquidity imbalance over a long period of time with no solution provided by the classical instruments).

### 15.3% improvement in the monetary supply and use in 2018…

Table 15 that gives a synopsis of the monetary situation in December 2018 shows that at the end of December 2018, the monetary situation balanced in supply and use at 5,954.8 billion FCFA, up by 15.3% as compared to the situation as at 31st December 2017.

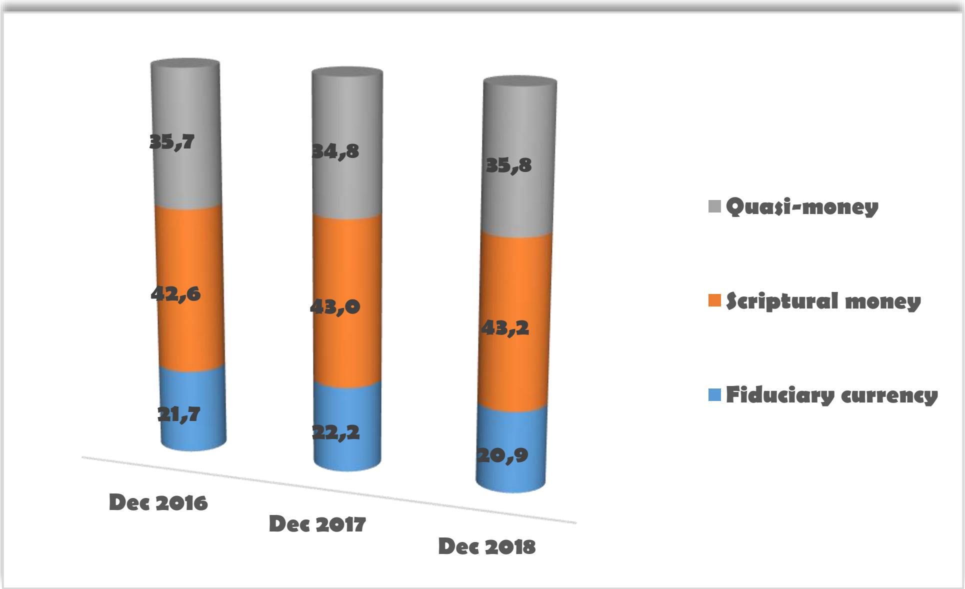
### …reflecting the increase in money supply, especially in its scriptural component…

On 31st December and year-on-year, the money supply increased by 14.4% after a 5.9% increase (as compared to 31st December 2016) to stand at 5,043.1 billion FCFA.

The rise in money supply resulted mainly from that of scriptural money (which contributed 6.5 percentage points to growth) and that of quasi-money (contribution of 6.2 points).

The money supply structure remained dominated by scriptural money (its weight increased from 42.6% in 2016 to 43.2% in 2018). The weight of fiduciary currency remained at a steady 22.2% on 31st December 2017. That of quasi-money was 35.8% as against 34.8% in 2017 and 35.7% in 2016.

Fig. 4: Money supply components (in %)




Source: BEAC

**...in return for the positive trends in net foreign assets...**

At the end of 2018 as compared to 2017, the net foreign assets (NFAs) increased by 5.2% to stand at 1,846.6 billion FCFA. This trend resulted mainly from the 17.7% increase in the net foreign assets of the BEAC, which had been trending upward since 2016.

This trend was due to the good conduct of the price of the barrel of crude oil, and the flow of draws received from development partners within the framework of budget support, a more successful repatriation of export earnings and repatriation and the disposal of foreign assets by public entities.

**...and domestic credits, which increased by 21.6%**

Domestic credit stood at 3,882.1 billion on 31st December 2018, up as compared to the situation as at the end of December 2017. This trend was mainly due to net claims on the State (contribution of 10 points) and credits to the non-financial private sector (contribution of 8.7 points). After an 11.5% drop in 2017, credits to non-financial public companies increased by 66.2% in 2018.

At the end of December 2018, net claims implicitly increased by 220.4% as compared to the situation as at 31st December 2017 to stand at 465.2 billion FCFA. The Net Position of the Government (NPG), the main component of the net claims of the monetary system on the State, remained at a debit of 303.1 billion FCFA, up by 48% as compared to the end of December 2017. This trend was due to the increase in the credit from the IMF.

Credits to the economy, on its part, stood at 3,231.9 billion FCFA and increased by 6% as compared to December 2017. This trend resulted from the 9.9% increase in the credits granted to the non-financial private sector and increase in credits to non-financial public companies.

The proportion of time-based claims on the economy remained dominated by the proportion of short-term credits (59.3%). That of medium-term credits stood at 39.2%, and that of long-term credits was at 1.5%.

Table 11: Monetary situation (in the broad sense) at the end of December 2018 (in billions of FCFA)

| | Dec.-16 | Dec-17 | Dec.-18 | Variation (in %) | |
|---|---|---|---|---|---|
| | a | b | c | c/b | c/a |
| **COUNTERPATRS of money supply** | **4 794.3** | **5 163.8** | **5 954.8** | **15.3** | **24.2** |
| Net Foreign Assets | 1,706.4 | 1,970.1 | 2,072.7 | 5.2 | 21.5 |
| Net foreign assets of the BEAC | 1,105.8 | 1,321.9 | 2,072.7 | 56.8 | 87.4 |
| Net foreign assets of commercial banks | 600.6 | 648.2 | 595.5 | -8.1 | -0.8 |
| Domestic credit | 3,087.9 | 3,193.6 | 3,882.1 | 21.6 | 25.7 |
| Net claims on the State | 116.7 | 145.2 | 465.2 | 220.4 | 298.6 |
| Net Position of Government | 172.0 | 204.3 | 303.1 | 48.3 | 76.2 |
| Credit to the economy | 2,971.2 | 3,048.5 | 3,231.9 | 6.0 | 8.8 |
| Credit to non-financial private sector | 2,766.2 | 2,834.4 | 3,113.6 | 9.9 | 12.6 |
| Credit to non-financial public companies | 165.1 | 146.1 | 242.8 | 66.2 | 47.0 |
| **RESOURCES** | **4,794.3** | **5,163.8** | **5,954.8** | **15.3** | **24.2** |
| Money supply (M2) | 4,163.1 | 4,407.3 | 5,043.1 | 14.4 | 21.1 |
| Currency circulation | 904.7 | 977.9 | 1,056.3 | 8.0 | 16.8 |
| Scriptural money | 1,773.2 | 1,895.3 | 2,179.9 | 15.0 | 22.9 |
| Quasi-money | 1,485.2 | 1,534.0 | 1,807.0 | 17.8 | 21.7 |
| Other net items | 631.2 | 756.5 | 911.6 | 20.5 | 44.4 |

Source: BEAC

### The monetary and banking sector recorded mixed results in 2018...

The financial and Banking sector had 15 banks, 8 financial firms, 418 microfinance institutions (MFIs), 27 insurance companies and a stock market (the DSX). The number of financial institutions, combined with the progress made in financial technology (FinTech) and e-money contributed to the improvement of financial inclusion. At the end of December 2018, the value of transactions through e-money in the CEMAC zone stood at 8,300 billion FCFA. In 2017, the total value of transactions carried out in Cameroon stood at 3,412.9 billion FCFA, accounting for 72.6% of all transactions in the CEMAC zone.

### ...while deposits into the banking system's 3,226,336 accounts increased by 7.9%...

As at 31st December 2018, the number of bank accounts reached 3,226,336. Five banks held 73.2% of these bank accounts. These banks were the BICEC (21.9%), the SGC (16.7%), the CCA Bank (13%), the AFRILAND First Bank (10.9%) and the ECOBANK (10.7%).


Deposits into these accounts increased by 7.9% year-on-year and 10.7% as compared to December 2016, to stand at 4,442.3 billion FCFA.

The increase in deposits was driven by those of private individuals (+13.7%), private businesses (+20.1%) and sole proprietorships (+35.4%). Deposits of the central public administration (which dropped by 20.6%) and those of public companies (-12.8%) slowed down the growth of bank deposits.

When considered according to customer types, private individuals made the majority of deposits as at 31st December 2018 in the amount of 1,855.3 billion FCFA. This accounted for 41.8% of the total of all deposits. This share was 38.7% in 2017. They were followed by private businesses (22.5%), the central public administration (9.2%), public companies (4.8%), sole proprietorships (4.3%), non-profit institutions (3.8%) and public agencies (3.7%).

Table 12: Distribution of deposits according to customer types (in millions of FCFA)

| **Item** | **Dec. 2016** | **Dec. 2017** | **Dec. 2018** | **Variation (%)** | | **Weight in Dec. 2018** |
|---|---|---|---|---|---|---|
| | **(a)** | **(b)** | **(c)** | **(c/a)** | **(c/b)** | **(%)** |
| Central public administration | 280.9 | 473.1 | 409.1 | -13.5 | -20.6 | 9.2 |
| Local public administration | 22.6 | 19.2 | 20.6 | 7.3 | 7.9 | 0.5 |
| Public agencies | 192.1 | 166.1 | 164.6 | -0.9 | -12.2 | 3.7 |
| Non-profit institutions | 141.2 | 155.0 | 167.2 | 7.9 | 0.6 | 3.8 |
| Public companies | 266.4 | 224.8 | 215.2 | -4.3 | -12.8 | 4.8 |
| Private businesses | 830.0 | 933.4 | 1 001.6 | 7.3 | 20.1 | 22.5 |
| Insurance and equity companies | 124.6 | 145.6 | 149.5 | 2.7 | 2.9 | 3.4 |
| Sole proprietorships | 106.2 | 113.8 | 189.2 | 66.3 | 35.4 | 4.3 |
| Private individuals | 1,473.3 | 1,553.0 | 1,855.3 | 19.5 | 13.7 | 41.8 |
| Others | 223.8 | 228.1 | 270.0 | 18.4 | 16.1 | 6.1 |
| **Total** | **3 661.1** | **4 012.1** | **4 442.3** | **10.7** | **7.9** | |

Source: BEAC

In terms of deposit market shares, AFRILAND First Bank came in the first position with 17.7% of total bank deposits. It was followed by the SGC (15.7%), the BICEC (13.5%), the SCB (12%), the ECOBANK (8.4%), the UBA (5.6%), the CBC (5%), the CCA Bank (4.5%), the SCBC (4.3%), the

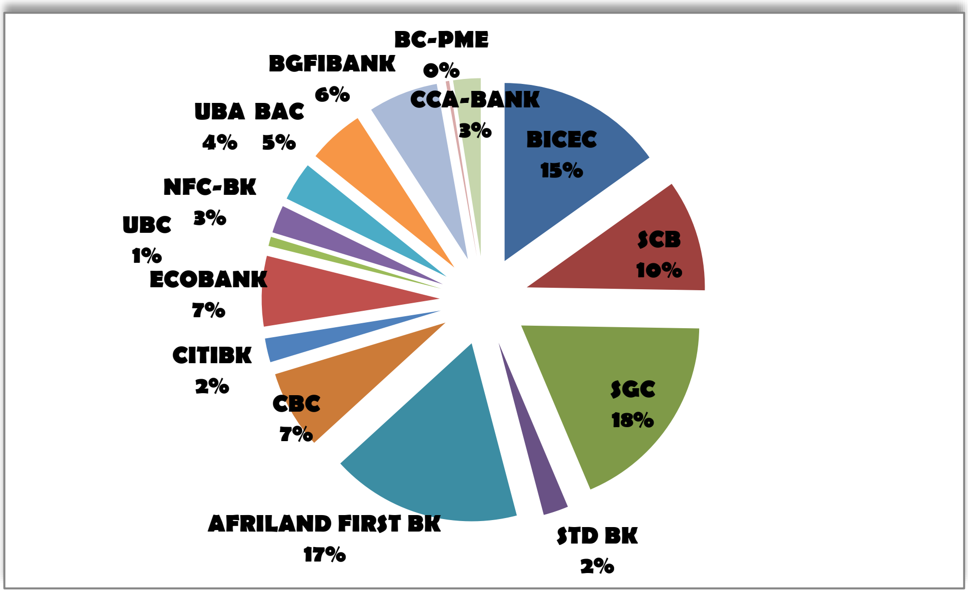
BGFI (4.3%), the BAC (3.9%), the CITIBANK (2.3%), NFC Bank (1.9%), the UBC (1%) and the BC-PME (0.2).

### ...and credits to depositors grew by 6.3%...

At the end of December 2018, outstanding credits stood at 3,596.9 billion FCFA, giving an increase of 6.3% year-on-year. This rise in credits was driven by those granted to public companies (+64.8%), private businesses (+3.9%), private individuals (+14.6%) and the 23.1% increase in credits given to sole proprietorships.


In terms of credit market shares, the SGC granted 18.4% of all loans, thus taking the lead ahead of the AFRILAND First Bank (17.3%) and the BICEC (15.1%).

Fig. 5: Credit market shares




Source: COBAC

According to customer type, Table 17 showing the distribution of credits reveals that 64.5% (2,321 billion FCFA) of outstanding credits went to private businesses, followed by private individuals (14.2%), central public administration (7.2%), public companies (7%) and sole proprietorships (5.1%).

Table 13: Distribution of credits according to customer types (in billions of FCFA)

| Customer type | Dec. 2016 | Dec. 2017 | Dec. 2018 | Variation (%) | | Weight in Dec. 2018 |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (c/a) | (c/b) | (%) |
| Central public administration | 36.0 | 267.4 | 258.3 | -3.4 | -0.3 | 7.2 |
| Local public administration | 1.5 | 1.4 | 1.4 | 0.0 | 7.7 | 0.0 |
| Public agencies | 17.7 | 0.0 | 7.5 | NC | -32.4 | 0.2 |
| Non-profit institutions | 24.8 | 30.2 | 53.8 | 78.1 | 234.2 | 1.5 |
| Public companies | 208.7 | 152.4 | 251.1 | 64.8 | -5.9 | 7.0 |
| Private businesses | 2 263.8 | 2 233.5 | 2 321.0 | 3.9 | 3.7 | 64.5 |
| Insurance and equity companies | 4.1 | 3.2 | 3.8 | 18.8 | -79.7 | 0.1 |
| Sole proprietorships | 119.8 | 148.1 | 182.3 | 23.1 | 46.8 | 5.1 |
| Private individuals | 477.7 | 444.6 | 509.5 | 14.6 | 14.9 | 14.2 |
| Others | 7.0 | 40.7 | 8.2 | -79.9 | 60.8 | 0.2 |
| **Total** | **3 161.1** | **3 321.5** | **3 596.9** | **8.3** | **6.3** | |

Source: BEAC

Financial support from banks went to the following activity branches: The "construction" sector benefited the highest amount of loans (21.8%) the granted, followed by the "electricity, gas and water production and distribution" (15.4%), "trade, catering and hospitality" (15.2%), "transport and its ancillary activities" (14%), "agriculture, livestock, fish farming and fishing" (13.6%), "extractive industries" (10.6%) sectors.

At the end of December 2018, the coverage rate of loans by deposits in all banks stood at 123.5% as against 120.8% year-on-year. Outstanding loans reached 554 billion FCFA. The rate of outstanding loans was 15.4%. Provisions made increased to 426 billion FCFA.

At the end of December 2018, the status of prudential standards in the 15 banks were as follows:

- 9 banks complied with required standards;
- 10 banks complied with the solvency and fixed asset coverage ratios;
- 14 banks complied with the liquidity ratio, 4 of them with a liquid flood;
- 3 banks had negative net own funds;
- 6 banks did not comply with the long-term transformation ratio.

### ...the balance sheet total of microfinance institutions dropped by 13.2%...

The microfinance market operated in a context marked by the application since 1st January 2018 by the new regulation on the exercise and control of microfinance activity in the CEMAC zone. Innovations in this new Regulation concerned: (i) the suppression of Category 1 independent MFIs and their being obliged to set up a network before carrying out their activities, (ii) the reform of the approval system through the reinforcement of related documentation in registration files, (iii) the constitution of MFIs under a legal form allowing for the existing of a General Assembly, a Board of Directors and a General Management, (iv) the tightening of the modalities for the internal and external controls of MFIs, (v) the tightening of the prohibitions on IMF administrators, and (vi) the increase (from 30 to at least 100) of the number of shareholders or members for Category 1 MFIs.

In 2018, Cameroon had 418 MFIs listed on the register of the National Credit Council.

The microfinance market was characterized by a 13.2% drop in the balance sheet total, a downturn in customer deposits and loans granted to customers as well as a reduction in the number of customer accounts.

### ...reflecting a 23% drop in the deposits in these institutions...

At the end of December 2018, deposits collected by MFIs stood at 512.2 billion FCFA, 265.4 billion of which were made in Category 2 MFIs. As compared to 2017, deposits fell by 23% due to the transformation of the CCA from an MFI to a bank.

Table 17: MFI deposit trends (in billions of FCFA)

| Year | 2016 | 2017 | 2018 | 2018/2017 Variation (in %) |
|---|---|---|---|---|
| **MFI type** | | | | |
| Category 1 MFIs | 253.7 | 252.0 | 248.8 | -1.3 |
| Category 2 MFIs | 357.5 | 416.1 | 265.3 | -36.2 |
| **Total** | **611.2** | **668.2** | **514.2** | -23.0 |

Source: CNC

Overnight deposits account for 86.7% of outstanding deposits, as against 8.2% for medium-term deposits and 5.1% for long-term deposits.

### ...as well as credits, which dropped from 464.2 billion to 385 billion in 2018

Loans granted by MFIs in 2018 amounted to 385.1 billion FCFA as against 464.2 billion in 2017. Category 2 MFIs granted 54.2% of these loans, those of Category 1, 45.3% and Category 3 MFIs, 0.5%.

As compared to the end of December 2017, the rate of outstanding receivables accounted for 18.5% of the total of loans as at 31$^{st}$ December 2018, as against 22.9% a year earlier. This improvement could be due to the transformation of the CCA. Considered by IMF category, this rate stood at 12.3% for Category 1, 23.6% for Category 2 and 27.8% for Category 3.

Prudential standards not followed by IMFs include the solidarity fund, the risk coverage to available resources ratio, and the asset coverage ratio and quality standards.

The deposits and credits of IMFs respectively accounted for 11.5% and 10.7% of deposits. Category 2 MFIs were the most profitable.


## While specialized financial institutions recorded an upturn in their consolidated balance sheet

On 31st December 2018, Cameroon had 8 financial institutions (Africa Leasing Company stopped its activities following a merger initiated by the AFRILAND First Bank). Owing to the unavailability or the unreliability of data on three of them, this analysis will focus on four financial institutions: the Cameroon Real Estate Corporation (CFC), Alios Finance, Pro-PME and the Société Camerounaise d'Equipement (SCE).

The activity of financial institutions was characterised by increases in the balance sheet total, customer bank deposits and loans to customers.

The consolidated balance sheet of financial institutions stood at 433.9 billion FCFA, giving an increase of 6.4% as compared to 2017.

## …following a 40.2% year-on-year increase in customer deposits…

As at 31st December 2018, customer deposits amounted to 47.4 billion FCFA, up by 40.2% as compared to the end of December 2017. Over this period, only Pro-PME collected less deposits than in 2017. The Cameroon Real Estate Corporation took the lead with 82.3% deposits, followed by Alios Finance (8%), the SCE (7.2%) and Pro-PME (2.5%). Private individuals held 58% of the deposits.

Table 18: Deposit trends (in billions of FCFA)

| | 2017 | 2018 | Variation (in %) | Weight in 2018 (in %) |
|---|---|---|---|---|
| Cameroon Real Estate Corporation | 26.1 | 39.0 | 49.4 | 82.3 |
| Alios Finance | 3.3 | 3.8 | 15.2 | 8.0 |
| SCE | 3.0 | 3.4 | 13.3 | 7.2 |
| Pro-PME | 1.4 | 1.2 | -14.3 | 2.5 |
| **Total** | **33.8** | **47.4** | **40.2** | **100** |

Source: CNC

### …for an 8.1% increase in credits…

As at 31st December 2018, loans to customers increased from 194.9 billion FCFA at the end of December 2017 to 210.7 billion FCFA. The four financial institutions granted more loans than in 2017. In terms of market shares, the CFC took the lead with 87.6% of the total loans granted. It was followed by Pro-PME (4.8%), SCE (4%) and Alios Finance (3.6%).

Table 14: Credit trends (in billions of FCFA)

| | 2017 | 2018 | Variation (in %) | Weight in 2018 (in %) |
|---|---|---|---|---|
| Cameroon Real Estate Corporation | 171.2 | 184.6 | 7.8 | 87.6 |
| Alios Finance | 5.7 | 7.5 | 31.6 | 3.6 |
| SCE | 8.3 | 8.5 | 2.4 | 4.0 |
| Pro-PME | 9.7 | 10.1 | 4.1 | 4.8 |
| **Total** | **194.9** | **210.7** | **8.1** | **100** |

Source: CNC

Outstanding receivables of the four financial institutions amounted to 140.1 billion FCFA, giving 66.5% of outstanding credit. The 9.7% rise in outstanding receivables was due to those of the Cameroon Real Estate Corporation.

Provisions made by these institutions stood at 81.9 billion FCFA.

As to prudential ratios, the own-funds of financial institutions stood at 238.7 billion FCFA at the end of December 2018. Three of the four financial institutions followed up entirely complied with COBAC prudential standards.

These institutions had, in all, 256,372 customer accounts.

### …the number of players in the insurance sector dropped…

In 2018, there were 27 companies in the insurance market, 17 of which were in the ''Fire-Accidents-All-Risk" (non-life) branch and 10, in the "Life and capitalization" (life) branch. The net premiums written stood at 143.3 billion FCFA for the non-life branch. The claims paid by the branch amounted to 63 billion FCFA and its net financial products amounted to 4.9 billion FCFA. For the life branch, the costs stood at 46.3 billion and its net financial products stood at 3.9 billion FCFA.

### …and stock market capitalization fell by 25.1%…

At the end of 2018, capitalization at the Douala Stock Exchange (DSX) amounted to 313.4 billion FCFA, down by 25.1% as compared to 31st December 2018. It is divided into 151.3 billion for the share market and 162.1 billion for the bond market. This drop was due to the delisting of the values "Tchad 6%.2013-2018" on 25th November 2018 and "ECMR 5,9%. 2013-2018" on 27th December 2018.

On the share market, the securities SOCAPALM and SAFACAM yielded dividends to their shareholders in 2018, with SOCAPALM being the most profitable stock exchange security.

On 26th December 2018, the State of Cameroon amortized the principal and interests of its debenture loan of 2014 by paying the subscribers of the "ECMR 5,50% net 2014-2019" bond issue the sum of 37.5 billion FCFA as annuities at the rate of 2,775 FCFA for each debenture bond for the 2018 financial year.

The following day (27th December 2018), it repaid 20 billion FCFA as the principal of its debenture loan "ECMR 5.90% net 2013-2018" for the 2017 financial year. The bearer of each bond earned 2,647.5 FCFA as annuity.

The bond compartment was on 27th December 2018 enriched with the listing of two new bonds: Cameroon's debenture loan (ECMR 5,60% net 2018-2023) of 200 billion FCFA and the private debenture loan "Alios 5,75% 2018-2023" of 8 billion FCFA, two bond operations which closed what was an exceptional year for the financial year in Cameroon

The market also saw the entry of two more intermediaries known as Investment Service Providers, taking the number of intermediaries up from 13 to 16.

In 2018, bond issues, placements and public savings notices were requested, with 256 billion FCFA raised on equity markets excluding the bonds issued by the public treasury on the BEAC money market. The bulk of issues thus witnessed an increase 25 times more than the issues of 2017, when it stood at 10 billion FCFA.

Cameroon's financial market was among the leading 20 in Africa.

## VI. Consumer Price Index trends in 2018

### The consumer price index increased by 1.3% in 2018…

On annual average, consumer prices took an upward turn following the deceleration observed in 2017. The consumer price index increased by 1.3% as against 0.9% in 2016. This trend was due to the prices of food products and non-alcoholic beverages, articles of clothing and footwear and prices charged in restaurants and hotels.

### …driven by the rise in the prices of food products and non-alcoholic drinks…

The 1.2% rise in the prices of food products were due to the increase in the prices of sea fish and foods (+6.5%), cereals and bread (+4.9%), milk, cheese and eggs (1.9%), sugar, jam, honey, chocolate and confectionery (+1.3%). The price patterns of food products was mitigated by the decline in the prices of vegetables (-2.4%), fats and oils (-1.4%), meat (-1.0) combined with the downturn in the prices of fruits (-0.6%).

The increase in the prices of sea fish and foods was mainly due to frozen fish prices (+9.8%).

The rebound of 7.1% in the price of French baguette bread and 5.5% increase in the price of local or imported broken rice (and, to a lesser extent, that of imported rice on retail and long grain rice which recorded a 3.2% price rise) drove the prices of bread and cereals.

In addition, speculation resulting from a high domestic demand (with internally displaced persons and Nigerian and Central Africa refugees) and the fraudulent re-exportation to markets in neighboring countries (Nigeria and Chad) contributed to the increase in the prices of cereals.

### ...and increases in the prices of articles of clothing and footwear and those charged in restaurants and hotels....

As compared to 2017, the price hikes observed in 2018 were also due to clothing and footwear articles (whose prices went up by 1.0%), hotels and restaurants (1.7%) and alcoholic drinks, tobacco and narcotics (1.5%). The prices of various goods and services (which increased by 1.5%) and education (+1.2%) also drove the price hikes of 2018.

### ...inflation was mainly imported

In 2018, imported inflation stood at 2%, higher than local inflation (+0.7%). The rise in the prices of imported goods like cereals, fish, wine, spirits, clothing and footwear articles and household appliances. This imported inflation was also due to insecurity in some regions (Far North, Northwest and Southwest) which led to a decrease in foreign supplies from neighboring countries, especially Nigeria.

### Prices rose in all observation towns...

On the spatial sphere, price increase was significant in Bertoua (+2.8%) and Buea (2%). Acceleration in prices (+1.1% as against 0.7% in 2017) was due to prices recorded in Buea (2% as against 0.7% in 2017), Ngaoundere (1.3 as against 0.4%), Yaounde (1.2% as against 0.4%), Bamenda (1.1% as against 0.5%) and Garoua (1.5% as against 1.2% in 2017). Conversely, prices decelerated in Maroua (0.6% as against 2.3% in 2017), Bafoussam (0.5% as against 1.1% in 2017) and Bertoua (2.8% as against 3.3% in 2017). There were very little price changes in Douala (0.7% as against 0.3 in 2017) and Ebolowa (0.4% as against 0.8%).

Table 20: Price trends in the various regions in 2018

| | 2017 | 2018 | Variation (in %) |
|---|---|---|---|
| | a | b | b/a |
| **Yaounde** | 110.6 | 111.9 | 1.2 |
| **Douala** | 110.9 | 111.7 | 0.7 |
| **Bafoussam** | 110.8 | 111.4 | 0.5 |

| | | | |
|---|---|---|---|
| **Bamenda** | 110.5 | 111.7 | 1.1 |
| **Garoua** | 109.9 | 111.6 | 1.5 |
| **Maroua** | 111.0 | 111.7 | 0.6 |
| **Ngaoundere** | 108.6 | 110 | 1.3 |
| **Bertoua** | 112.5 | 115.7 | 2.8 |
| **Buea** | 112.7 | 114.9 | 2.0 |
| **Ebolowa** | 113.3 | 113.8 | 0.4 |
| National | **110.9** | **112.1** | 1.1 |

Source: NIS

### And in addition, inflation was expected to accelerate in 2019

Prices were expected to be on an upward trend in 2019, with the projected inflation rate reaching 2%. This trend would result from the worsening security situation in the Northwest and Southwest regions combined with some provisions of the 2019 Finance Law.

The provisions of the 2019 Finance Law lent credence to the rise of the prices of pneumatics, downloads for mobile phones, electronic or digital tablet phones, telephones and software, passenger and other commercial vehicles, transport vehicles, etc. In addition, VAT and excise duties were expected to be revised upward for carbonated drinks, perfumes and cosmetic products.

From February 2019, this increase might be mitigated by VAT exemptions on household consumption of water and electricity (when they do not exceed 220 KWH per month for electricity and 29 $m^3$ for water).

Furthermore, the worsening of the security situation in the Northwest and Southwest regions might lead to a drop in agricultural production and also hinder supplies from reaching the markets.

# ENTREPRENEUR PERCEPTIONS ON ECONOMIC ACTIVITY TRENDS

Through the views of business leaders who participated in a survey carried out by the CCIMC in three hundred (300) businesses (252 of which actually responded to questionnaires) during the first quarter of 2019, we were able to describe sector trends in 2018. The sample was chosen through the stratified random sampling technique, with the statistical and tax declarations of 2015 serving as sampling base.

To get the structure initially planned and ensure the representativeness of the results, the views expressed by survey participants were weighted according to turnovers as far as representativeness was concerned and according to regions and activity sectors as far as the structure was concerned.

It emerged that the morale of business leaders remained low in 2018 since, contrary to the situation observed within the country (activity recovery), most entrepreneurs deemed that their activity levels were sluggish in 2018. Half of the business leaders interviewed believed that their turnover had decreased in 2018, reflecting the negative perception of most businesses on their supply conditions (opinion balance of -27.5%) and on the trends of variables like order levels, prices (opinion balance of -17.4%), employment (opinion balance of 6.4%), wages (opinion balance of -3.8%), profits (opinion balance of 51.4%) and the business climate (-52.2%).

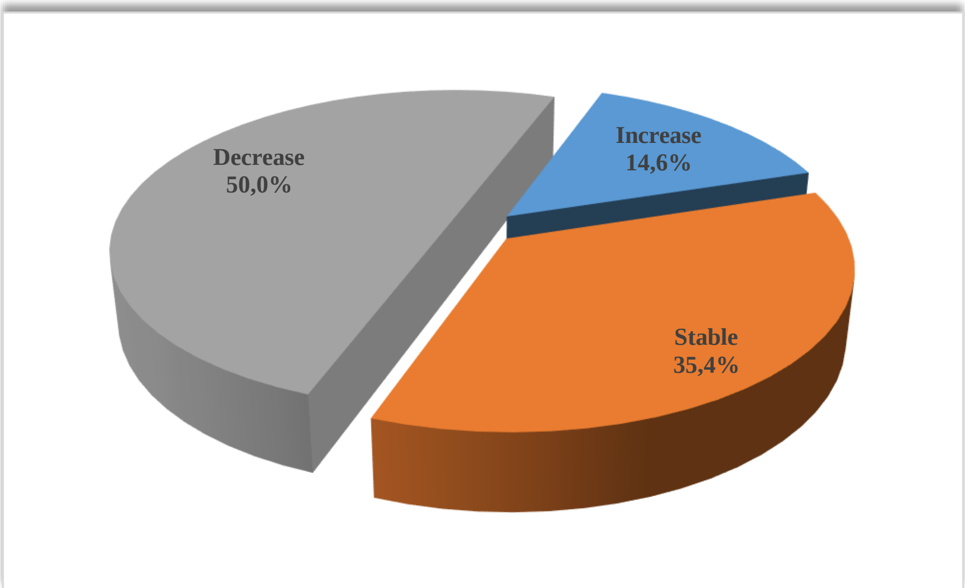
The opinion balance on the drop in turnovers was much higher in SMEs carrying out industrial activities especially in the North, Northwest, East and Southwest regions.

# I. Activity

### Half of the business leaders believed that their turnovers dropped in 2018...

Half of the businesses interviewed believed that their turnovers dropped in 2018. This decrease would have been due to the low level of orders (according to 76.4% of participants) in a context where the opinion balance on production was negative.

Fig. 6: Entrepreneur perceptions on their turnover trends in 2018




*Source: CCIMC H2 2018 Business Survey data*

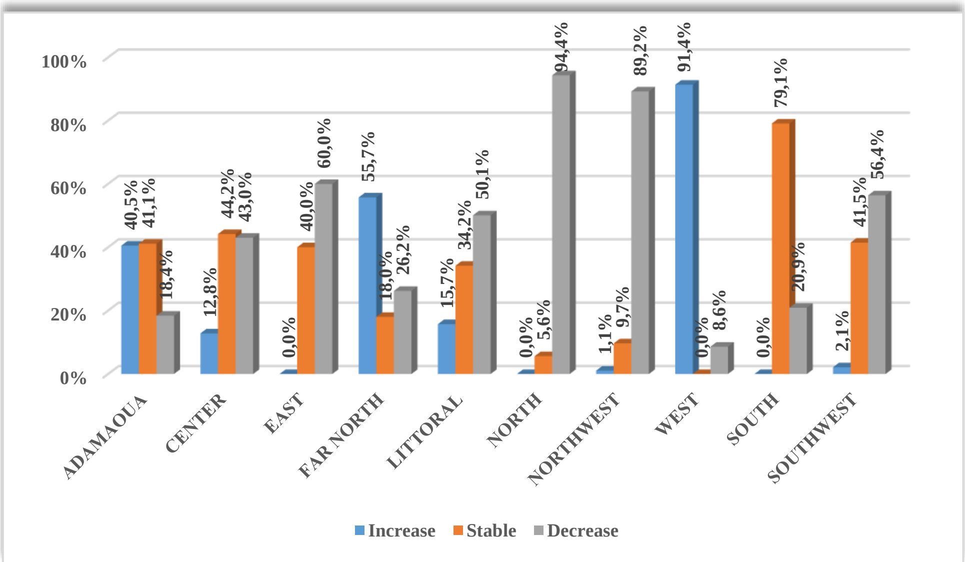
Though 50.9% of respondents deemed their production to be stable, 39.7% thought, on the other hand, that it slowed down in 2018. The costs of production were stable, according to close to half of the entrepreneurs interviewed.

40.4% and 40.2% of entrepreneurs respectively believed they had to improve productivity and recruit workers to improve their production. Conversely, 19.4% of them considered resorting to sub-contracting in order to improve the expansion of production.

### …especially those operating on the North, Northwest and Southwest regions

The North and Northwest were unsurprisingly the regions where entrepreneurs reported a drop in their turnovers. Almost all business leaders (94.4% of respondents) in the North region most believed that their turnovers decreased in 2018. Similarly, in the Northwest region, hard-hit by the Anglophone crisis, the assessment of turnovers by business leaders was negative (for 89.2% of respondents).

Fig. 4: Entrepreneur perceptions on turnover trends by region in 2018



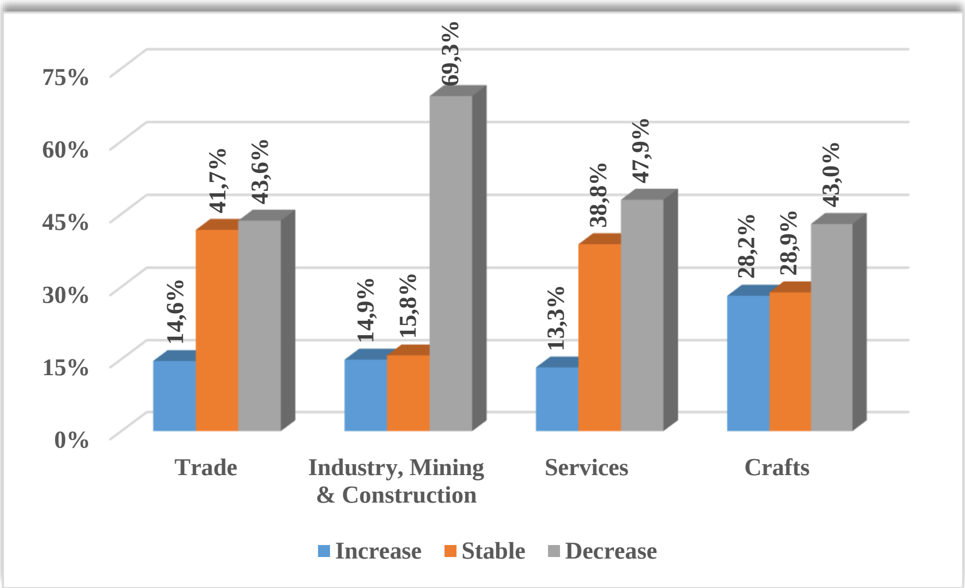

*Source: CCIMC H2 2018 Business Survey data*

### …and industrial activities…

From a sectorial point of view, the perceptions expressed showed a significant drop of turnovers in the industry sector. 63.3% of respondents as against 14.9% reported a decrease in their turnovers.

The opinion balance on turnover trends in the services sector was also negative (-34.6%), more than that of the trade (-29%) and handicraft (-14.8%) sectors.

Fig. 8: Entrepreneur perceptions on turnover trends by activity sector in 2018

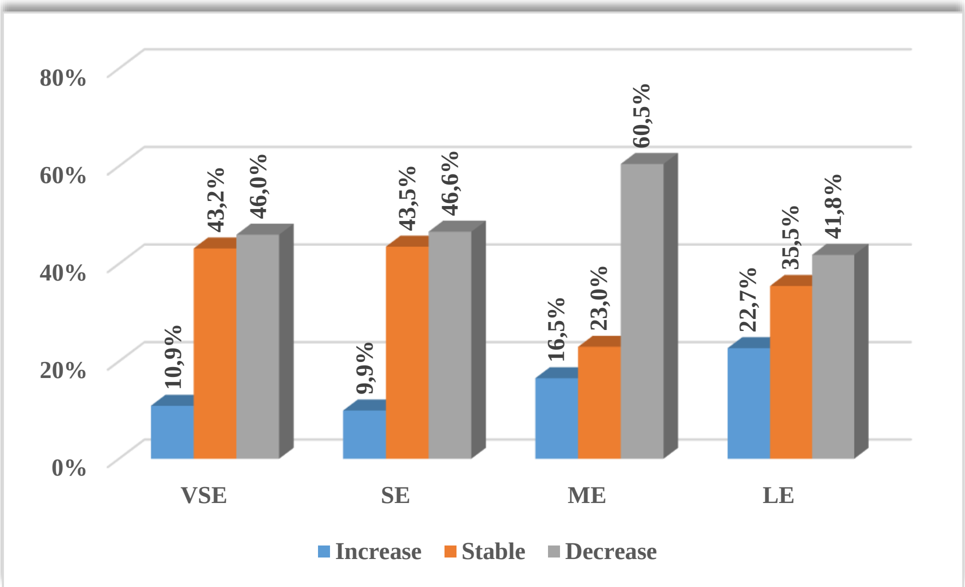



*Source: CCIMC H2 2018 Business Survey data*

### ...whose turnovers matched with those of medium-sized enterprises

Going by business sizes, the decrease was more significant in medium-sized businesses, where 60.5% of respondents reported a turnover drop in 2018. This trend was opposed to that observed by the findings of the survey for the 2017 report, by which this group and that of the large enterprises declared increases in their turnovers. This situation could have been due to the escalation of the violence meant to discourage activity on some days of the week in the regions affected by the aforementioned crises.

Fig. 9: Entrepreneur perceptions on turnover trends by business size in 2018




*Source: CCIMC H2 2018 Business Survey data*

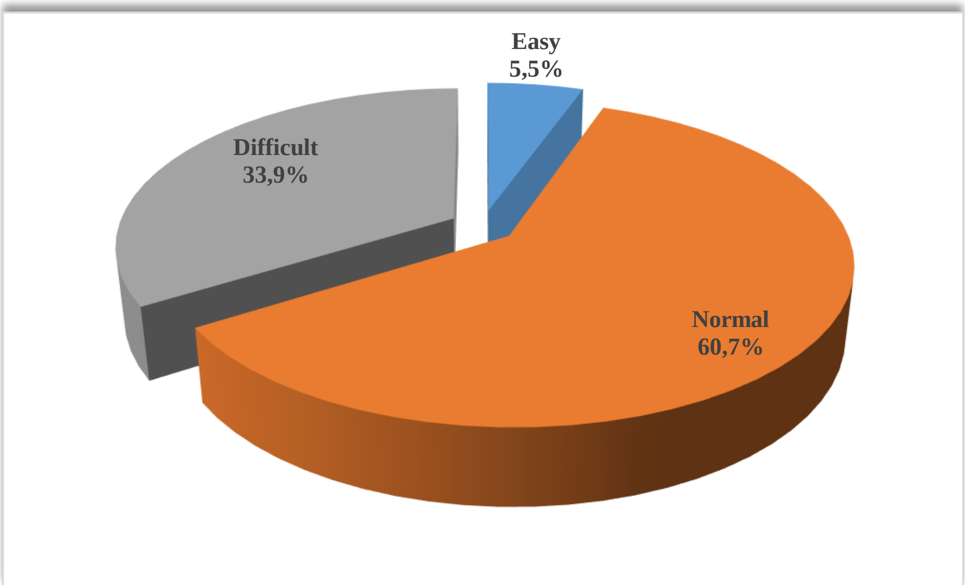
## II. Supply conditions

### Supply conditions were difficult in 2018...

Though 60.7% of the entrepreneurs interviewed as shown in the chart below reported normal supply conditions, the opinion balance on the assessment of this variable remained negative. Very few respondents (5.5%) declared having had easy supply conditions.

On a year-on-year basis, the opinion balance increased from -33.93% in 2017 to -27.4% in 2018.

Fig. 10: Entrepreneur assessments of supply conditions in 2018

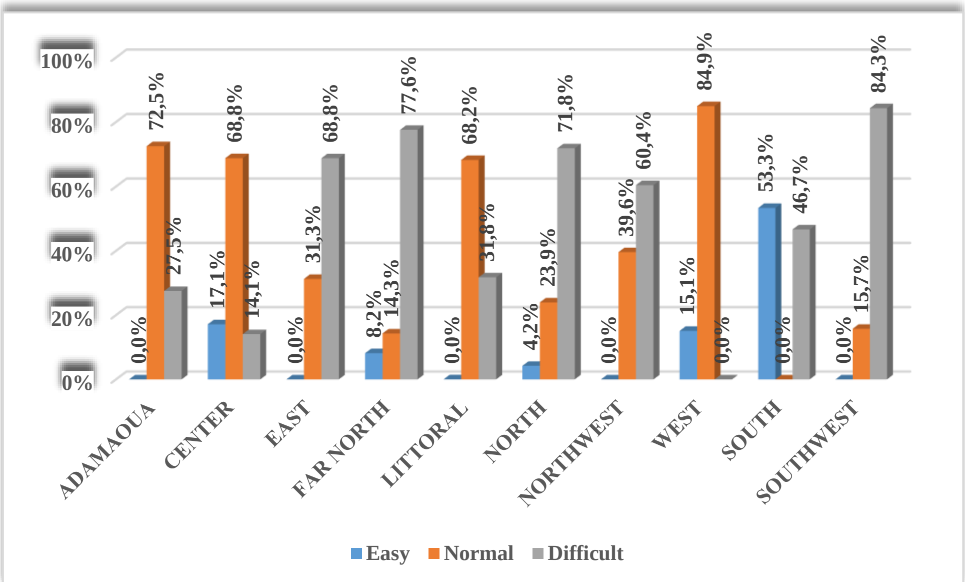



*Source: CCIMC H2 2018 Business Survey data*

**…especially for businesses in the Anglophone, Far North, North and East regions…**

Supply conditions were particularly difficult in the Southwest (for 84.3% of respondents), Far North (according to 77.6% of respondents) and North (for 71.8% of respondents). Conversely, answers from respondents in the West, Adamaoua, Center and Littoral regions suggested normal or easier supply conditions. In the Center, West and South regions, the opinion balance was strictly positive.

Fig. 11: Entrepreneur assessments of supply conditions by region in 2018



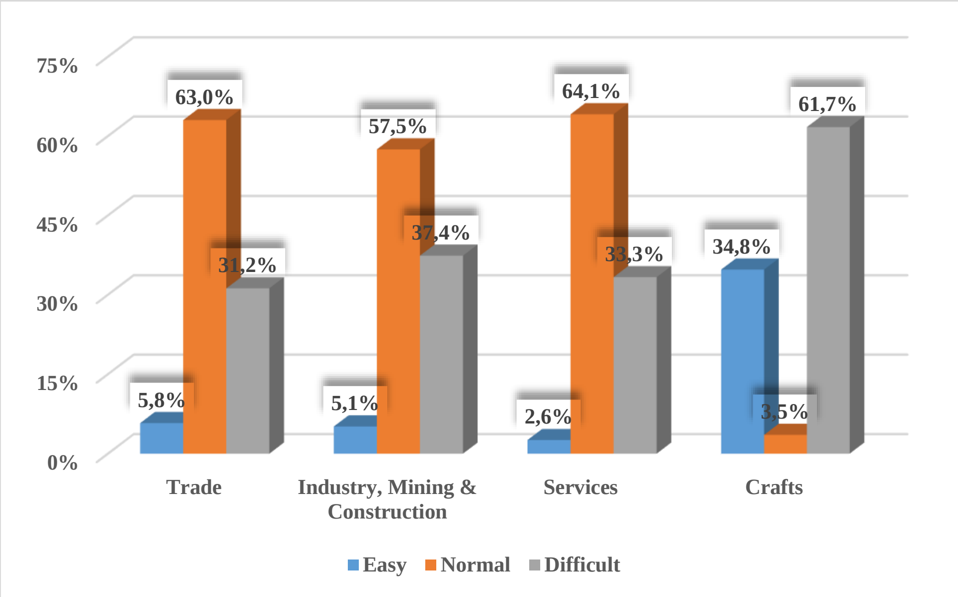

*Source: CCIMC H2 2018 Business Survey data*

### …and for craft-sector businesses

According to activity sectors, findings showed that craft-sector entrepreneurs had more difficulties getting supplies. 61.7% of craftsmen and women interviewed deemed their supply conditions difficult in 2018, unlike 34.8% who had easy supply conditions.

In the other activity sectors, perceptions contrast with those given by craft sector entrepreneurs, though the opinion remains negative. The majority of respondents (61% participants on average) deemed its supply conditions normal.

Fig. 12: Entrepreneur assessments of supply conditions by activity sector in 2018

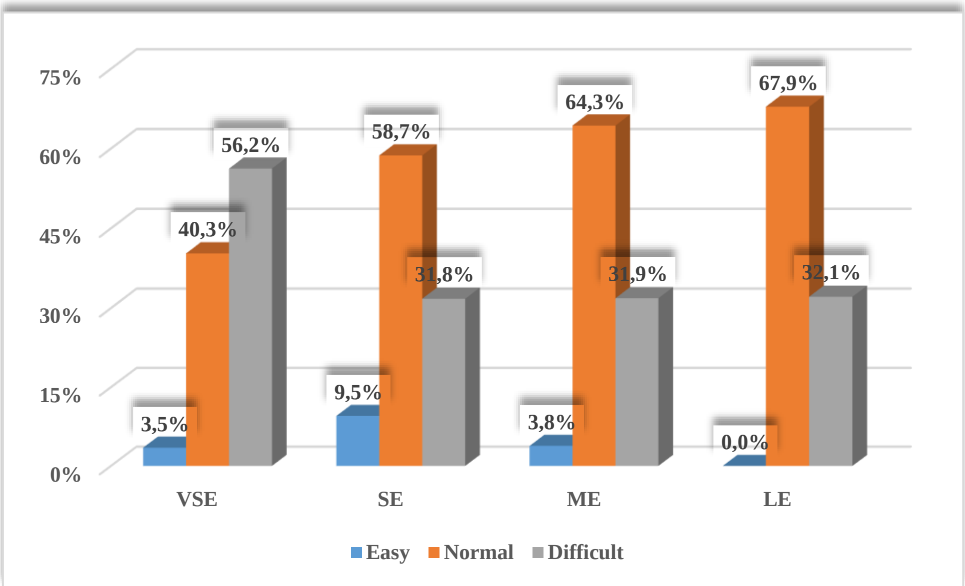



*Source: CCIMC H2 2018 Business Survey data*

### …and those of the very small businesses

In terms of businesses sizes, the respondents of the group of VSEs were relatively the most to report difficult supply conditions (56.2%). Confirming the observations of the previous annual survey, the perceptions expressed on supply conditions showed that due to their better organization, larger enterprises had less difficulties getting supplies.

Fig. 13: Entrepreneur assessments of supply conditions by business size in 2018




*Source: CCIMC H2 2018 Business Survey data*

# III. Sales prices

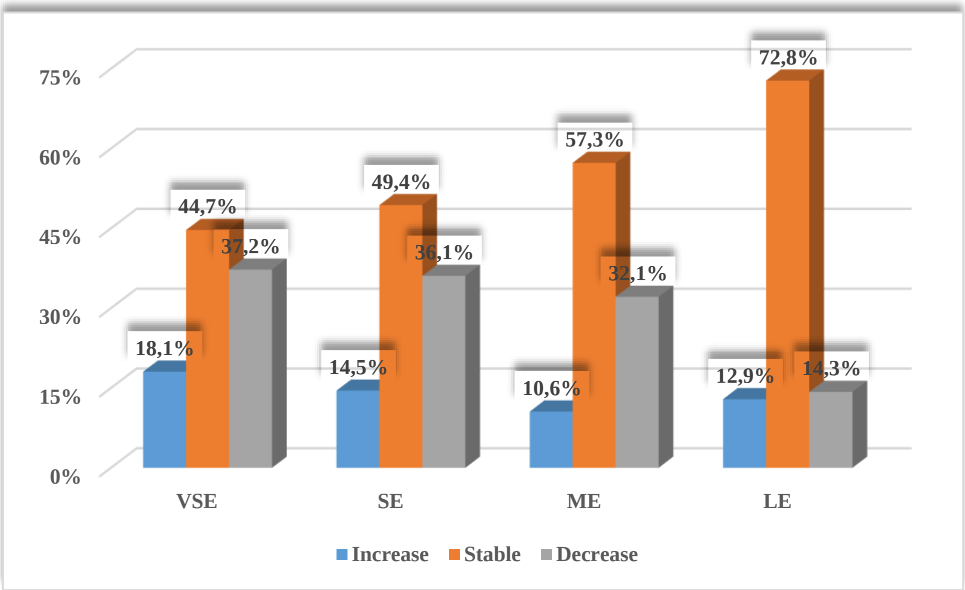
### Prices charged by businesses for the most part remained stable in 2018...

According to respondents' perceptions, the prices charged by businesses of all sizes stabilized in 2018.

56.1% of participants declared they maintained the prices of their products. By contrast, the proportions of entrepreneurs who decided to increase or decrease the prices of their products or services were respectively 13.2% and 30.6%.

In addition, prices tended to vary depending on the size of the business. Close to ¾ of entrepreneurs of large businesses stated they stabilized product prices, as against 14.3% who reduced theirs, while among the VSEs, 37.2% of respondents reported they dropped prices, though 44.7% of them declared they stabilized theirs.

Fig. 14: Entrepreneur perceptions on sales prices by business size in 2018

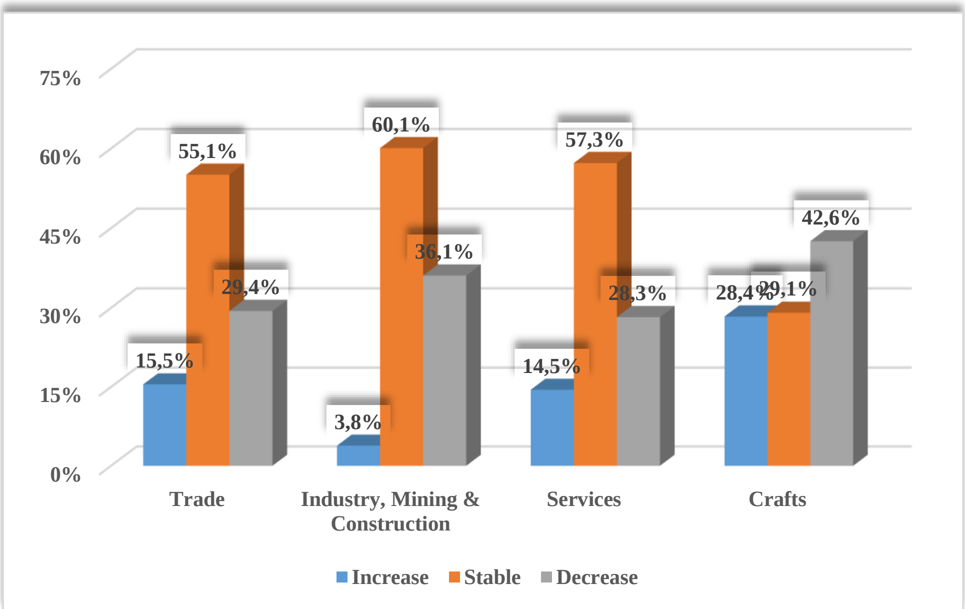



*Source: CCIMC H2 2018 Business Survey data*

## ...notwithstanding price reductions by most craftsmen...

From a sectorial perspective, the crafts sector was the only sector where prices seemed to have dropped the most. 42.6% of the sector's entrepreneurs stated they reduced the prices of their products in 2018. Prices remained more stable in the other activity sectors.

Fig. 15: Entrepreneur perspectives on sales prices by activity sector in 2018



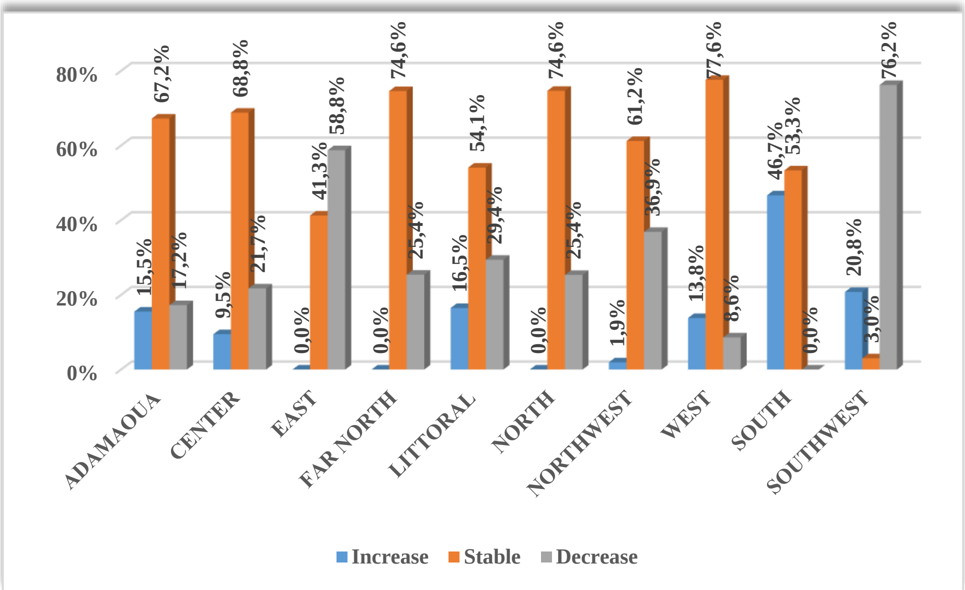

*Source: CCIMC H2 2018 Business Survey data*

## ...and the businesses interviewed in the Southwest East regions

Similarly, businesses of the Southwest and East regions were more inclined to drop their sales prices in 2018, according to 76.2% and 58.8% of respondents respectively in each of these regions.

Businesses in all the other regions maintained their prices, stated most of the respondents as shown in Fig 17 below.

Fig. 17: Entrepreneur perceptions on sales price trends by region in 2018




*Source: CCIMC H2 2018 Business Survey data*

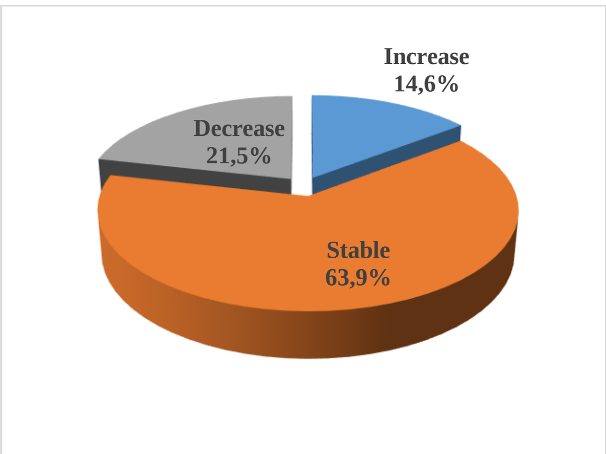
# IV. Staffs and wage bills

## Employee numbers and wage bills also maintained…

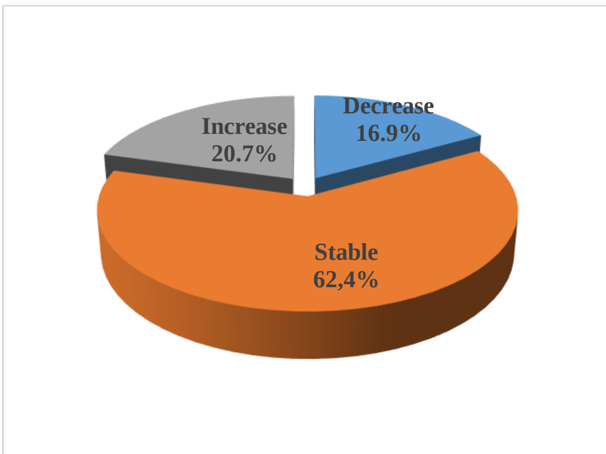
Though 63.9% of the entrepreneurs interviewed stated they maintained their staffs and the concomitant wage bills, resulting trends were that of staff reductions with an opinion balance of 6.9% and rise in wage bills with an opinion balance of 3.8%. These trends remained same irrespective of the scale used.

Fig.16: Entrepreneur perceptions on staff and wage bill trends

Numbers of employees




Wage bill



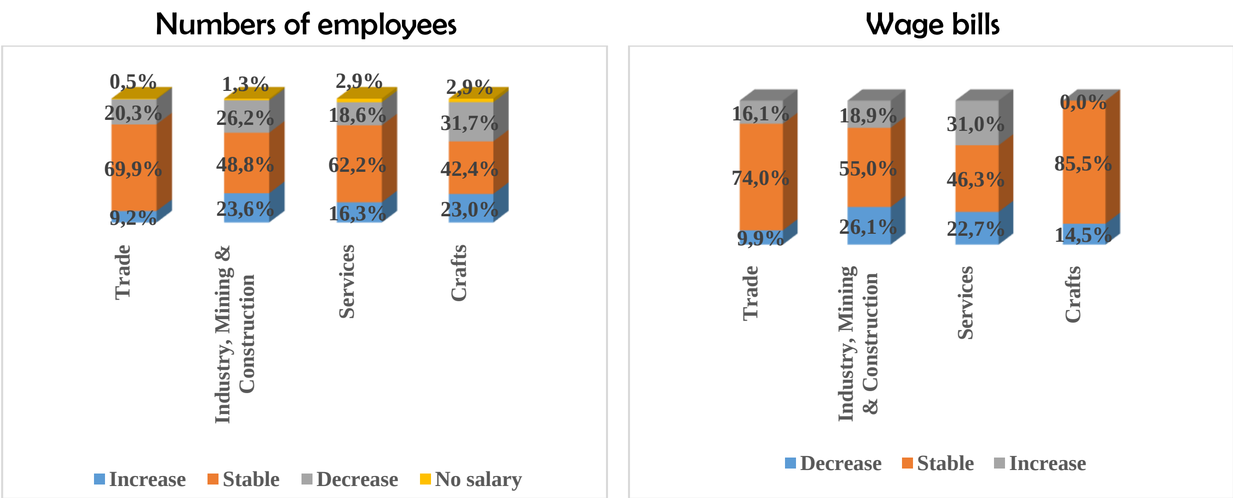
*Source: CCIMC H2 2018 Business Survey data*

### …in all activity sectors…

Sector analysis carried out on the basis of participant perceptions shows that the numbers of employees were maintained in all sectors even if the maintenance level was less in craft-sector businesses, of which 31.7% reported staff downsizing. The proportion of those who declared they recruited workers belonged to the industry, mining and construction sector (23.6%).

Consequently, wage bills dropped the most in the crafts sector (opinion balance of 14.5%), and also in the industry sector (opinion balance of 2.6%), suggesting there were substitute recruitments.

Fig. 18: Fig. 5: Entrepreneur perceptions on staffing and wage bills trends by activity sector in 2018

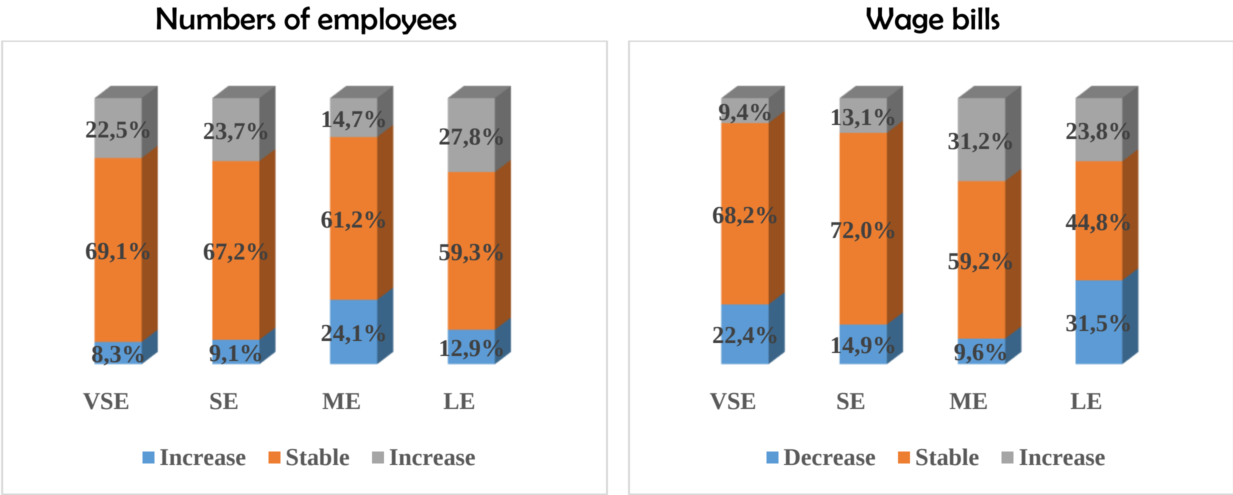



*Source: CCIMC H2 2018 Business Survey data*

### …irrespective of business sizes

Compared to 2017, the perceptions of leaders of large businesses on employment and wage bill trends in 2018 revealed a worsening of the employment situation. Only 12.9% against 35% in 2017 reported an increase in the number of their employees. Conversely, the VSEs and SEs almost maintained their conduct on the job market while leaders of medium-sized enterprises reportedly carried out further recruitments (for 24.1% of respondents) and bearing the resulting wage bills.

Fig. 19: Entrepreneur perceptions on staffing and wage bills by business size in 2018




*Source: CCIMC H2 2018 Business Survey data*

# V. Cash flow

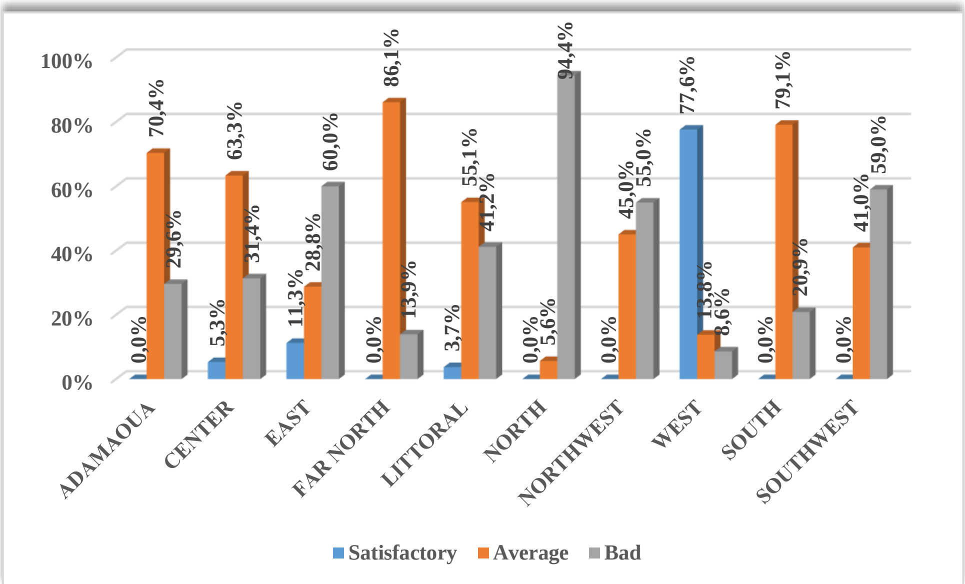
## The cash flow of businesses worsened in the North region…

Overall, the cash flow situation was described as low by business leaders, especially those of the North. According to almost all respondents (94.4%) in this region, the cash flow was low.

According to most respondents of the Far North, South, Adamaoua, Center and Littoral regions, however, cash flow was average in 2018.

It should all the same be noted that in the West region, business leaders deemed their cash flow situation to have been good.

Fig. 20: Entrepreneur perceptions on cash flow trends by region in 2018

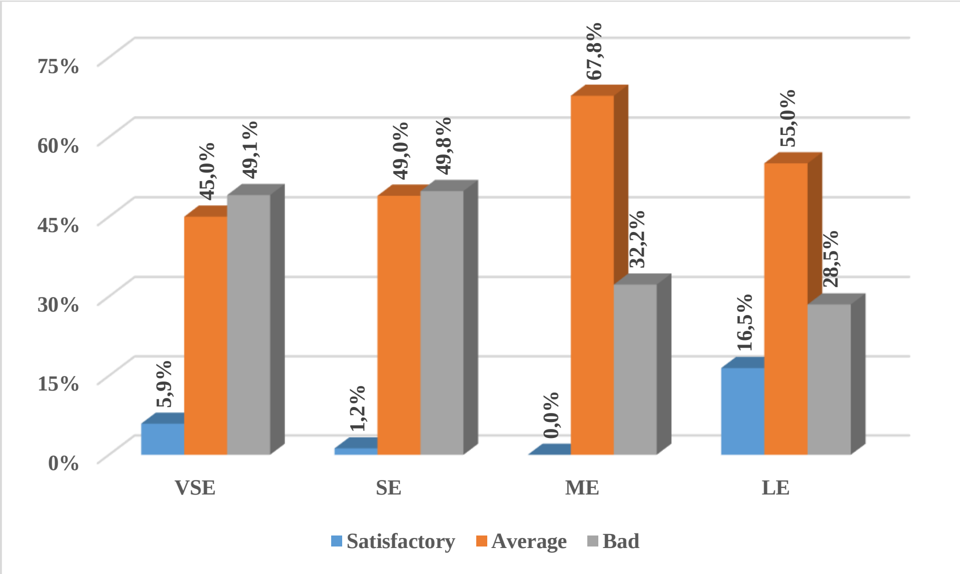



*Source: CCIMC H2 2018 Business Survey data*

### ...especially in VSEs and SEs...

In terms of business size, most VSEs (49.1%) and SEs (49.8%) reported a low cash flow in 2018 and, though the cash flow situation in other groups like the medium-sized and large businesses was mostly deemed as normal, the opinion balance was not so positive. It was -32.2% in the MEs and -12% in the LEs.

Fig. 21: Entrepreneur perceptions on cash flow trends by business size in 2018

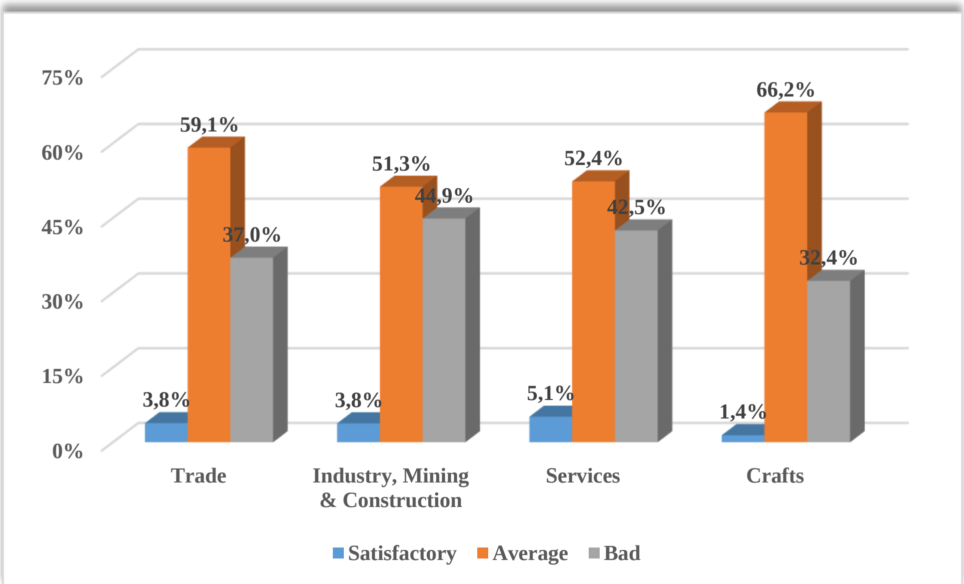



*Source: CCIMC H2 2018 Business Survey data*

### ...but was deemed average in most sectors covered by the survey

Analyzed in terms of sectors, cash flow was deemed as average in all activity sectors in 2018, as shown in the chart below. The opinion negative balance is however more significant in the industry, mining and construction sector.

Fig. 22: Entrepreneur perceptions on cash flow trends by activity sector in 2018



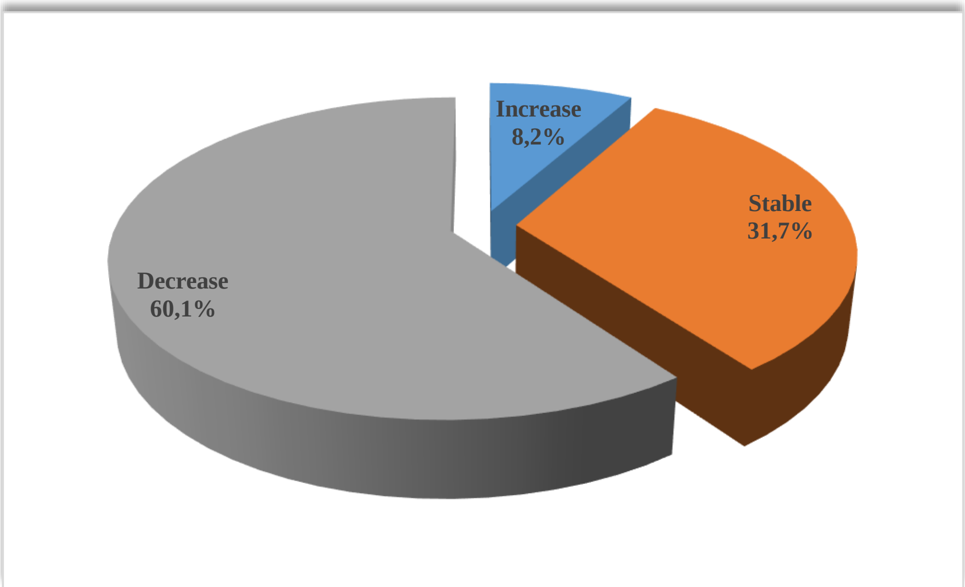

*Source: CCIMC H2 2018 Business Survey data*

# VI. Profits

### Most of the respondents reported a decline in profits…

Due to the sluggish activity perceived by the respondents, profits declined overall. Actually, as shown in in Fig. 24, about 60% of entrepreneurs stated that their profits dropped in 2018, whereas only 8.2% felt that theirs increased.

Fig. 23: Entrepreneur perceptions on profit trends in 2018

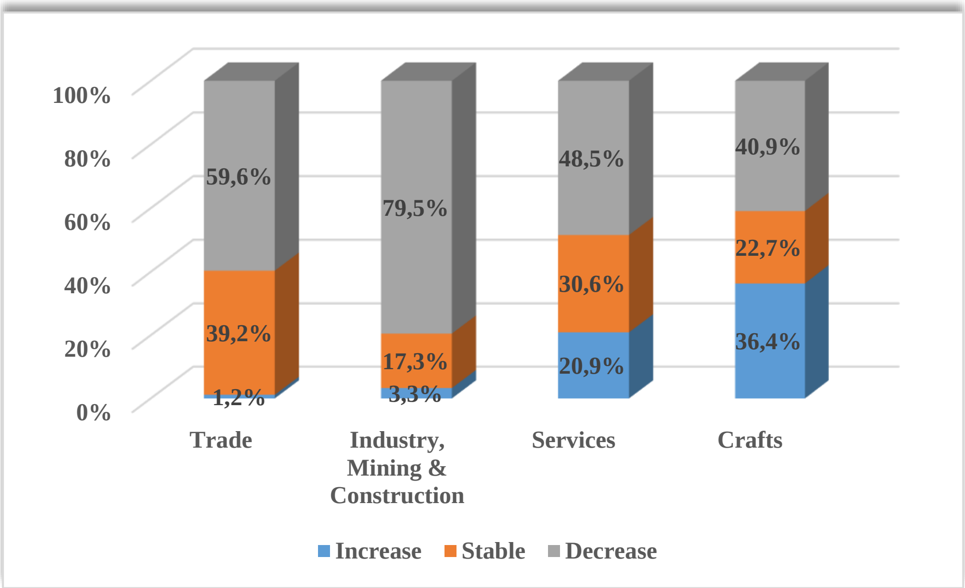



*Source: CCIMC H2 2018 Business Survey data*

### …especially in the industry sector…

Among those who deemed their profits to have been low, about 80% of them were in the industry, mining and construction sector and 60%, in the trading sector. Viewed from a different angle, profits reportedly increased the most in the crafts and services sectors, where respectively 36.4% and 20.9% of respondents stated their profits rose in 2018.

Fig. 24: Entrepreneur perceptions on profits trends by activity sector in 2018

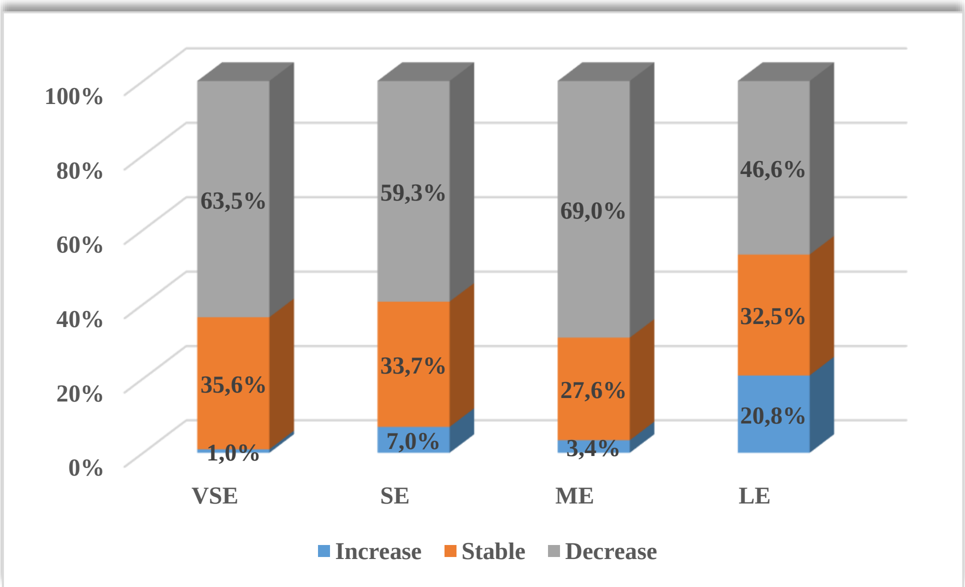



*Source: CCIMC H2 2018 Business Survey data*

## ...and in VSEs

The overall downward trend in profits was visible in businesses of all sizes. However, as can be seen in Fig. 26, the medium-sized businesses were the highest proportion (69%) to report profit drops in 2018. Meanwhile, entrepreneurs in the large business group believed the most that they recorded increased profits (for 20.8% of respondents).

Fig. 25: Entrepreneur perceptions on profits by business sizes in 2018




*Source: CCIMC H2 2018 Business Survey data*

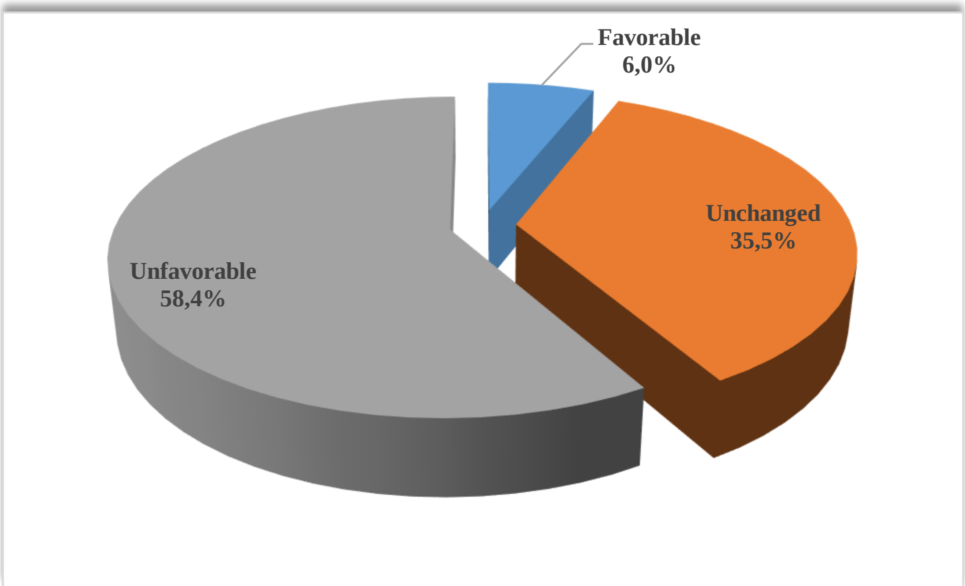
## VII. Business Climate

### In this context, respondents deemed that the business climate was unconducive in 2018…

Overall, the morale of the business leaders interviewed was not high. 58.4% of them stated that the business climate was unconducive, as against only 6% who deemed it conducive during the period under review.

This feeling was shared by all business leaders in all activity sectors. Though 7% of business leaders in the trade, industry and service sectors deemed the business climate favourable, 28% of craftsmen deemed it was unconducive.

Fig. 26: Entrepreneur perceptions on the business climate in 2018




*Source: Source: CCIMC H2 2018 Business Survey data*

### …and were pessimistic as to its improvement in 2019

54% of business leaders did not expect the business climate to change in 2019. Participants were also pessimistic and believed that from the way things were moving in Cameroon, the economic and social situation could worsen (for 71% of respondents). They based this view on the persistent insecurity in the Anglophone regions (24%) and the North, the decrease in purchasing power and the increase in the living costs (9.5%), rise in the prices of basic products, excessive currency outflows, etc.

# POINT FOR REFLECTION:

## SPEED UP OF STRUCTURAL ECONOMIC TRANSFORMATION AND IMPROVEMENT OF THE BUSINESS CLIMATE THROUGH INNOVATION AND PRIVATE SECTOR PARTICIPATION

# I. REMINDER ON THE CONCEPT OF STRUCTURAL TRANSFORMATION

The concept of structural transformation has been the topic for much research and given rise to many definitions in economic literature.

The UN Economic Commission for Africa sees structural transformation as the change that occurs in the sectoral composition of production (or GDP) and that of the sector of manpower utilization, throughout the process of economic development (i. e., as an increase of the real per capita GDP). Thus, it involves all the substantial changes in economic and social organizations striving for equitable and sustainable development.

According to Gunnar Myrdal (Asian Drama [1968]). Structural transformation manifests itself mainly through the improvement of the performance of the factors of production, through an increase and modernization of the infrastructure network and institutional development and attitudinal and value changes, and an “upward movement of the social system.”

# II. ASSESSMENT OF STRUCTURAL TRANSFORMATION IN CAMEROON

## a) Brief reminder on development models used by Cameroon

After becoming independent, Cameroon experimented several development models based on two pillars: state intervention and the import substitution strategy.

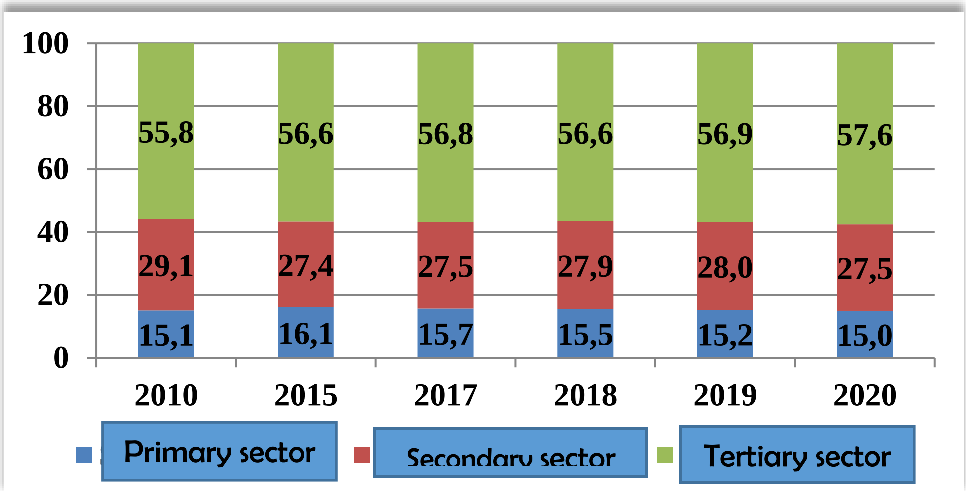
In the mid-1980s, Cameroon, like many other countries, was forced to carry out important structural reforms which led to the liberalization of the economy through the withdrawal of the State from the production sector and its confinement in the role of economic regulator and facilitator and the recognition of the private sector as the driver of economic growth. According to the UN Economic Commission for Africa, hasty wind of unplanned liberalization imposed by countries outside of Africa thwarted or annihilated the latter’s industrialization, local raw material processing and economic diversification efforts owing to their low capacities to protect themselves, which weakness was the result of the their internal governance problems and the loss of sovereignty on their economic and trade policy instruments.

These typically imported development models did not enable a deep structural transformation of Cameroon’s economy, and were reflected in the following observations:

- Stagnation of production and agricultural production,
- Growth of counter-productive monopolies,
- Dominance of the services sector as major component of the GDD (56.71%),
- Low weight of the manufacturing sector within the components of the GDP (26%),
- Export of non-competitive basic products without added value.

The chart below, which shows the trend of Cameroon’s economic structure, reveals the weakness in the structural transformation momentum of its economy.

Fig. 26: Trend of Cameroon's economic structure (distribution of the GDP by sector in percentages)




*Source: MINEPAT*

### b) Challenges to Cameroon's structural transformation

Several challenges have inhibited structural transformation in Cameroon. We will highlights two types of these challenges, especially:

- Challenges related to the business environment and trade facilitation (challenges linked to the regulation of businesses, infrastructural challenges and those linked to services),

- supply-related challenges.

#### i. Challenges linked to the business environment and trade facilitation

According to international indicators, the business environment is not enticing and does not encourage the take-off of investment. The 2019 World Bank's Doing Business indicators ranked Cameroon 166th out of 190 countries. The obstacles most deplored by businesspersons were:

- a tax system that was still too restrictive in spite of the modernization reforms carried out (tax pressure and harassment (high tax rate, high number of taxes, councils, etc.),
- a problematic business legal system characterized by delays and lack of objectivity in decision-making,
- unfair competition (fraud, contraband, counterfeiting, etc.),

- administrative delays and red tape in the implementation of reforms,
- high cost of loans and limited access to them, thus restricting economic activity,
- limited access to production funding,
- absence of a an export funding mechanism, especially for small and medium-sized enterprises,
- absence of export support structures,
- complex and onerous export procedures,
- lack of a training system that does not match with the needs of the production system,
- inefficient information systems on target markets reflected by exporters' poor knowledge of these markets,

- infrastructural challenges (low quality and high cost electricity, poor quality road infrastructure, high transport costs, low-speed internet, etc.),
- bad economic governance characterized by corruption, impunity and insufficient implementation of laws,
- difficult access to factors of production (instability of the prices of factors of production, scarcity of raw materials, land insecurity, difficult access to land, lack of qualified manpower).

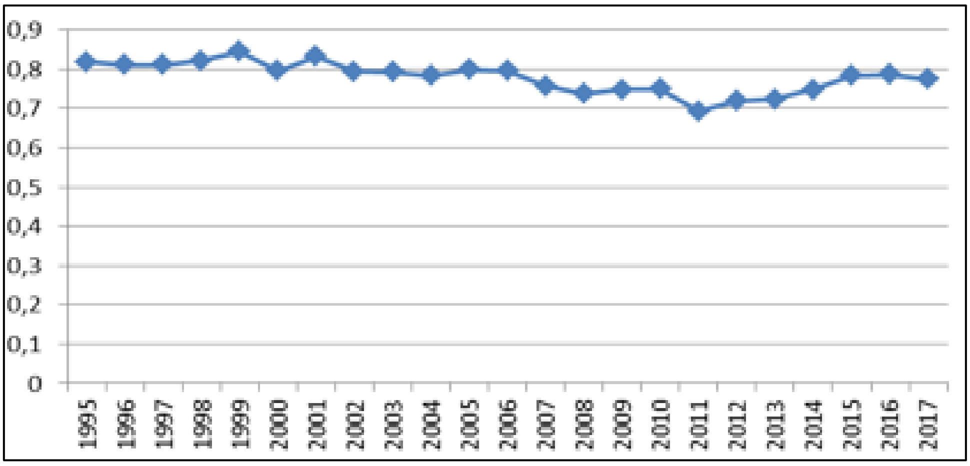
### ii. Supply-related challenges

These challenges will be analyzed under the prism of quality, competitiveness and the structure of exportable supply.

- **With regard to the structure of exportable supply**, it is mainly concentrated on a limited number of products meant for a limited number of markets as shown by the concentration and diversification indicators below.

- **Diversification index**: This index is relatively high for Cameroon's exports. As annual averages between 1995 and 2017 it stood at 0.778, reflecting the discrepancy between the structure of Cameroon's exports and that of world demand. In other words, Cameroon is specialized in products whose world demand is increasingly less dynamic, with unquestionable consequences on the export earnings of these products.

Fig. 27: Cameroon's export diversification index

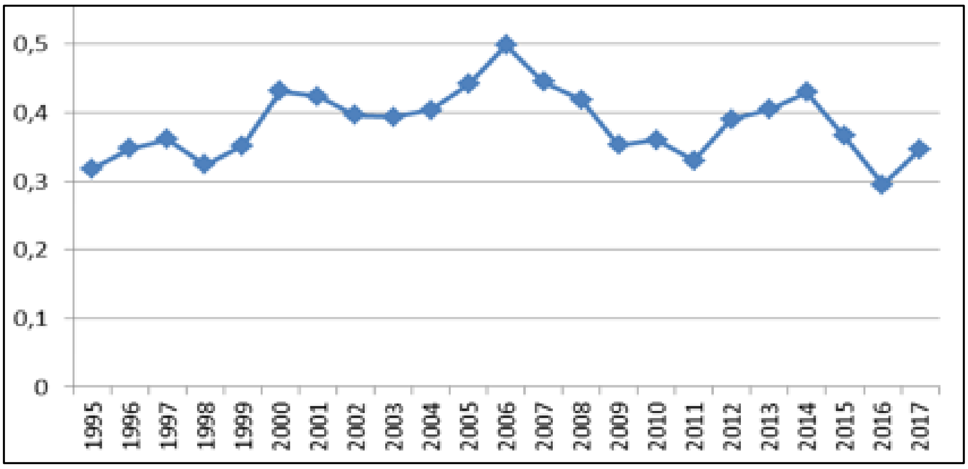



*Source: Our calculations based on UNCTAD data*

In addition, the virtual stability of this index the past ten years reflects the rigidity of the structure of exports and not tailoring of the exportable supply to suit world demand. It also reflects a non-aggressive policy of diversifying export products or a policy seeking low concrete results.

- **Concentration index**: It stood at an average of 0.38 between 1995 and 2017. It reflects a relative concentration of Cameroon's exports on a group of products. It is also the result of an export diversification policy which has not yet yielded expected results. These exports remain confined to basic products with low value addition. This concentration of exports makes Cameroon prone to be at odd ends with the international economic situation related to either world demand or supply. This situation also reflects the low structural transformation of the manufacturing industry, the prevalence of subsistence agriculture, a low capacity to discover new innovative products through research and development.

Fig. 28: Cameroon's export concentration index




*Source: Our calculations based on UNCTAD data*

# III. HOW CAN STRUCTURAL TRANSFORMATION BE SPED UP?

Structural transformation implies a constant technological innovation, the upgrading and industrial diversification and the improvement of the various types of infrastructure and institutional arrangements, all of them making up the business development and wealth creation background.

To speed up structural transformation, the UN Economic Commission for Africa distinguishes three intrinsic dimensions to be evaluated: employment (E), production (P) and society (s). This concept refers directly to the need fundamentally transform economic and social structures, since employment plays a key role in the creation of a two-way link between economic growth (production) and social development (society).

In each of these dimensions, there are three results fields that are essential for the speed up of structural transformation.

- Concerning production, the focus is on supporting diversification, the enhancement of inter-industry relations and technology modernization.
- With regard to employment, the focus is on (increasing) productivity of labor, decent job promotion and the improvement of education and credentials.
- As concerns society, the focus is placed on population management, health improvement and the reduction of poverty and inequalities.

For other writers, the diversification and sophistication of exports are two indicators which enable the measurement and qualification of the structural transformation process of an economy. On the basis of empirical studies, these writers conclude that developed economies have on average production structures that are more diversified than those of developing economies, and that this diversification which drives economic development could have resulted from a fairer distribution of exports or introduction of new products.

Diversifying and sophisticating export products to speed up structural transformation requires:

- the orientation of investments to high value-addition activities (thus to innovative industrialization),
- the development of human capital (especially in secondary schools),
- the development of infrastructure and logistic chains and the facilitation of trade,
- financial openness,
- regional integration with trade in sophisticated products.

To conclude, the structural transformation process falls in line with the dynamics of value chains through the pushful processing of products, diversification and the capacity to discover new products through innovation. For our country, this involves the speeding up of the implementation process of the Industrialization master Plan by implementing actions aimed at the emergence of those sectors capable of bringing about productive transformation in the whole economy.

This involves the fine-tuning of our model of entry into world trade by transforming our unenviable position of suppliers of raw material without much added value to a position of suppliers of more developed products with high technology content.

In this bid and to sustainably attract investors, forward-looking reforms should be carried out with the aim of giving Cameroon an international-class business environment with an efficient planning and management of reforms, enhancing the quality of institutions and, in short, substantially improving its public governance.

- Concerning the business environment, it will involve a coherent and comprehensive approach for the improvement of the business climate:
    - improvement of the regulation system,
    - resorption of infrastructure shortage and regional development,
    - enhancement of the business support mechanism, including procurement as a leverage,
    - training of human capital,
    - development of business funding methods,
    - support to businesses to conquer regional and international markets,
    - improvement of the conditions and efficiency of public/private dialogue,
    - structuring and organization of the private sector.

- The improvement of public governance requires:
    - a good State super-structure with institutions whose missions will have an impact on market performance (rules, regulating institutions, conflict-management institutions),
    - efficient operational mechanisms reflected by:
        - the implementation of decisions,
        - the predictability of changes in regulation,
        - the shortening of periods and the decision-making chain,

- the setting up of synergies and harmony between administrative departments,

- the enhancement of operational capacities with a method for the selection of officials based on competence and probity, the enhancement of resources for the intervention of officials and the motivation of public agents.

# VI. WHAT STRUCTURAL TRANSFORMATION CHALLENGES BESET THE PRIVATE SECTOR IN CAMEROON

To effectively specify the role of Cameroon's private sector, it is important to understand its structure.

## 1. Assessment of the private sector in Cameroon

Cameroon's private sector is made up of the formal private sector and the informal private sector.

The informal sector is characterized by economic activities not registered, with the predominance of agricultural activities in rural areas. It provides about 90% of jobs.

The non-agricultural informal private provides:

- ✓ About 30-40% of national production,
- ✓ 2.5 million operational units,
- ✓ 3.25 million jobs,
- ✓ Investment worth 494.5 billion FCFA,
- ✓ A monthly turnover of 792 billion FCFA,
- ✓ A tax revenue just slightly above 5 billion FCFA.

Business make up the formal private sector. This sector:

- ✓ Was made up of 209,482 businesses and institutions operating on specific premises or on developed sites in 2016
- ✓ Had a yearly turnover of 13,347 billion FCFA in 2915, representing 86.4% of market GDP (added value) and 79.4% of the total GDP,
- ✓ Provided 696,259 jobs in 2016,
- ✓ Garnered 4,560 billion FCFA in share capital in 2015, with an average of 22.4% per business.

## 2. Which challenges concern the private sector in the structural transformation of Cameroon?

It goes without saying that as the driving force of development, the private sector has a key role for structural transformation to take place in Cameroon. In addition to the creation of the aforementioned enabling conditions for structural transformation for sustained growth and sustainable development, the private sector has to take its destiny in its own hands by meeting the challenges before it so as to fully participate in the structural transformation of our economy.

Among these challenges cam be mentioned:

- ✓ **The challenge of competitiveness**: Businesses in Cameroon should be able to produce more and better, i.e., better quality at reduced prices. This quest for competitiveness is a compelling factor for the standards and quality approach, and also for innovation, which means the capacity to design new, innovative and sophisticated products with high technological content, thus added value. In this regard, they can each organize themselves to have quality and research departments and cooperate with research institutes so as to apply research results. Innovation is consubstantial to the improvement of the gains of competitiveness and productivity. In addition, upgrading production capacities should be a permanent quest in the search for competitiveness.
- ✓ **The challenge of corporate economic governance**: Modern and transparent leadership and management skills where human capital is at the core of concerns constitute a guarantee for a durable and efficient creation of values consistent for domestic and foreign stakeholders and in accordance with legal regulations, internal statutory provisions and ethical principles. The capacity of Cameroon's private sector to build win-win joint ventures or partnerships resulting in skills and technology transfer will depend on its corporate governance quality.
- ✓ **The challenge of training**: The improvement of productivity should be a constant concern of the private sector in Cameroon. In this context, investment in human resources and the recruitment of competent and qualified workers and not on the basis of family ties guarantee the gains of productivity and the success of any organization.
- ✓ **The challenge of commitment to Social and Environmental Responsibility**: Il This means businesses should put sustainable development at the core of their production and relations.

# APPENDIX: THE CCIMC ON THE MOVE IN 2018


This section highlights some key actions taken by the CCIMC in 2018. These actions are the result of the implementation of the Chamber's 2016-2018 Three-Year Performance Plan for 2018.

# I. Statutory meetings of the CCIMC

In 2018, the Executive Bureau of the CCIMC held two meetings (11th July 2018 and 20th December 2018 respectively). A Plenary Assembly took place on 21st December 2018 at the Prince de Galle Hotel in Akwa, Douala. During this Plenary Assembly session, members adopted the 2017 Management Account, 2017 Administrative Account, 2019-2021 Three-Year Performance Plan, and 2019 Budget balanced in income and expenditure at four billion and ninety-seven million five hundred and eighty-one thousand and seventy FCFA.
For reasons related to difficulties in mobilizing financial resources, Section meetings could not be held in 2018. This situation renewed the need of the CCIMC to have perennial income to see to the optimal functioning of its statutory organs and to position itself as a strong proponent of proposals for the economic and social development of businesspersons, who constitute the backbone of the economy.

## Contribution to the improvement of the business climate

The CCIMC took part in the 9th edition of the Cameroon Business Forum (CBF) at the SAWA Hotel on 12th March 2018 in Douala under the chairmanship of the Prime Minister, Head of Government. During this session, the President of the CCIMC, in his speech presenting the concerns of the private sector to the government, suggested the implementation of several reforms which the private sector deemed priorities in cleaning up the business environment, particularly:

- the continuation of the computerization of the Trade and Personal Property Credit Register;
- the continuation of the extension of e-registration;
- The substantial increase in the funds meant for the escrow account for the repayment of VAT credits in such a way as to gradually and speedily pay the debt accruing from VAT credits;
- the setting up of a guarantee fund;
- the promotion and development of crowdfunding;
- the operationalization of the integrated system for the issuing of urban development acts;
- the completion and operationalization of digital cadastral maps of Douala and Yaounde;

- The speeding up the simplification of foreign trade procedures;
- the creation of trade tribunals;
- the continuation of the dematerialization of public procurement procedures.

## Public-private dialogue

Within the framework of the strengthening of public-private dialogue, the CCIMC, on 1st February 2018 in Douala, organised a meeting between players of the two sectors to discuss on the problems faced in the marketing of ferrous construction products in Cameroon at the request of the Syndicat des Distributeurs des Matériaux de Construction (SYNDIMAC).

## Center of Arbitration and Mediation of the CCIMC

The Center of Arbitration and Mediation (CAM) of the CCIMC, whose objective is to improve the business climate through settling trade disputes at low cost, in 2018, saw the signing of its terms of reference by the government, represented by the MINEPAT, and the CCIMC for the funding of the refurbishment and equipment of CAM offices located in the building of the National Office for Industrial Trade Zones (NOITZ) in Bonanjo-Douala. This right of occupancy was the fruit of a partnership agreement signed between the NOITZ and the CCIMC.

## Dissemination of economic and commercial information

In order to update the document base of the CIDE, two hundred and fifty (250) books were ordered and received. At the same time, new products and services of the CIDE were presented to businesspersons and the public during an official inaugural ceremony of the CIDE on 9th May 2018 with the visit of the members of the Executive Bureau of the CPCCAF during an open-door day presenting the renovated CIDE to users.

## Update of the business database

The first phase of the update of businesses in the regions was organized and information on 5,196 businesses was updated with the following distribution: 2,430 service businesses, 209 craft sector businesses, 354 mining and construction businesses, 2,203 trading businesses and 250 craft-sector businesses.

## Construction of a warehouse and accommodation center at the PAD

In a bid to increase its income sources, the CCIMC in 2014 initiated a project for the construction of public warehouses and an accommodation center at the Douala Port Authority (PAD). With the technical support of the CARPA, the process to select a partner for the implementation of this project resulted in the preselection of the B&B Consulting Company. The meetings of the working group responsible for the prequalification of candidates resulted in the favourable opinion of the Special Commission, which deemed the application of the said company admissible. The conclusion of the meetings of this commission were in April 2018 forwarded to the Prime Minister, Head of Government, the higher authority in charge of partnership contracts for him to take the final decision concerning the successful bidder.

## Staff capacity-building

The building of the operational capacities of workers was mainly marked by the training of officials on various programs (particularly WTO agreements in Cotonou, Benin) during the regional workshop on the agriculture agreement and sanitary and phytosanitary (SPS) measures from 25$^{th}$ to 27$^{th}$ June 2018, and on the revised OKADA accounting system, on the facilitation of trade and international trade in China and Malaysia, on capacity-building on the management of human resources and also participated under the Center Regional Delegation on the theme: “Trade Promotion for African Countries” in Kuala Lumpur on 28$^{th}$ October to 9$^{th}$ November 2018.

## Capacity-building for businesspersons

The CCIMC organized fourteen (14) training actions, 50% of which were carried out in the Center Regional Delegation and six (6), awareness seminars. A total of seven hundred and five (705) businesspersons including two hundred and twelve (212) women were trained and sensitized in 2018.

Under the Program for the Improvement of SME Project Performance (4P), 14 business plans were written and forwarded to partners (PROXIMA, JEC, CALABASH). Several consultation meetings were organized with funding structures (Pro-PME, CEC-PROM, MATURE, ACEP Cameroon) in a bid to orientate project bearers for the possible funding of their projects.

A new innovative support approach for businesspersons was begun by the Business Support Directorate of the CCIMC. This was the "Experts' Day". The first day moderated by a tax expert from the consultancy firm ITAX CONSULTING SP took place on 6th December 2018 with the participation of some ten business leaders.

## The Reinforced AGOA Resource Center

The designing of strategies for the expansion of exports to the United States under the activities of the Reinforced AGOA Resource Center of the CCIMC enabled the organization of an awareness seminar in the form of B2B for 46 agricultural producers of the CAPEF in Yaounde in March 2018. Two seminars on exports were organised with the CNSC, AMCHAM and AWER, one on 28th November 2018 in Douala at the CNSC and the other on 5th December 2018 in Yaounde at the CCIMC.


Several meetings were organized under the AGOA in order to enable an improved visibility for Cameroon in the Unites States, particularly the sensitization, on 23rd March 2018 in Douala, of 32 local producers on the concept and strategy for the development of activities with the US through the project to create a Show-Room in the US.

## Activities of the CMCs


To mobilise the businesses eligible for assistance by the Certified Management Centre of the CCIMC, several activities were carried out, especially a seminar to harmonize the activities of the CMC in order to standardize the services it offers, the assessment of the CCIMC CGAs, the proposal and examination of the draft partnership agreement for the support of the CGAs of the CCIMC by an external consultant.

Two hundred and twenty-one (221) businesses registered with the CCIMCs CGAs in all the ten regions in 2018.

## Enhancement of the technical and managerial skills of handicraft VSEs and SEs engaged in leather trades in Maroua

The drafting of the documents for the maturation of the project to set up a Vocational Resource Center on leather trades in Maroua with the MINEPAT resulted in the signing of the terms of reference of the project on 26th February 2018 in Douala for an amount of one hundred and eighty-four million nine hundred and seven thousand two hundred and two (184,907,202) FCFA. Service providers were selected to carry out geotechnical and architectural studies. The report of the geotechnical study was received in 2018, while that of the architectural study is being drawn.

## Promotion of mini-incubators in Cameroon

In order to increase the production capacity of the Pilot Incubation Center (PIC) of Bonaberi, the CCIMC and the MINEPAT signed an agreement for special financial support to enable the completion of the construction and equipment of the 2nd Generation PIC of Bwadibo in Douala. With regard to the activities of the PIC under the PEA-Jeunes (Youth Agro-pastoral Entrepreneurship Promotion Programme), two groups of youths were trained in 2018. Forty-three (43) economic initiative bearers were trained within the framework of the partnership with the CCIMC. The PIC has thus trained 84 youths with 81 business plans drawn and funded and 84 direct jobs were also created in partnership with PEA-Jeunes.

# II. Promotion and development of private initiative

To promote the business spirit in schools and universities, the CCIMC, during the Entrepreneurship Week at ESSEC Douala from 17th to 23rd June 2018, presented its support tools to project bearers. 287 students took part. Under the Bordeaux-Afrique-France Entrepreneurship Residence Program with the initiative of the Club de Bordeaux led by Pierre De Gaétan NJIKAM MOULIOM, Deputy Mayor of Bordeaux in partnership with the Bordeaux Council and the Chamber of Commerce, Industry, Mines and Crafts, two young entrepreneurs from Cameroon were selected through the expertise of the Mazars Consultancy Firm. The two carried out an internship in Bordeaux from 1st to 23rd April 2018.

## Production of the CCIMC Magazine

In 2018, the CCIMC published the 23rd edition of its magazine *LA CHAMBRE* with the major headline "AFRIBAT CAMEROUN 2018 a gagné son pari (AFRIBAT CAMEROUN 2018 has won its Bet". The print run was 2,500, and it was distributed to businesspersons, ministries, and development partners.

## Improvement of the quality of Penja pepper with the financial support of the STDF

To provide technical support to the Geographical Indication of Penja Pepper (IGPP), a funding request was elaborated to be sent to the Standards and Trade Development Facility (STDF). Diagnostics were carried out by the international consultant, Yvon Bertrand of Canadian nationality, with the assistance of the national consultant, Guy WAMBA, and the support of the CCIMC SPS expert, Pierre KOFFO, from 25th February to 3rd March 2018.


This presentation of the results of the study took place on 6th June 2018 in the Conference Hall of the CCIMC in Bonanjo, Douala, to officials of the various ministries and bodies in charge of economic issues, particularly the MINADER, the MINSANTE, the MINCOMMERCE, the ANOR, the APME, the API, the MINPMEESA, the MINMIDT and on 8th June 2018 at the Penja Community Center to the main players of the pepper sector and local authorities. The funding request for an amount of 583,100 UD Dollars for the purpose of "Improving the sanitary and phytosanitary quality of Penja Pepper" was written and will be sent to the STDF during the first quarter of 2019 during the call for projects.

## Production and distribution of economic documents

During the two meetings of the Scientific Committee of the Economic Observatory of the CCIMC of 13th June 2018 and 5th September 2018, three documents were examined and validated by the Scientific Committee. These were the 2018 SME Barometer (English and French), the Report on the Economic Situation of Cameroon in 2017 (English and French) and the Economic Outlook Report for the 2nd half of 2017 (English and French). The point for reflection presented in the Report on the Economic Situation of Cameroon in 2017 focused on the promotion of "Made in Cameroon" goods. All these documents, which were distributed to businesspersons and government ministries and bodies are available on the CCIMC web site: http://www.ccima.cm/index.php/observatoire-economique/publications-de-la-ccima/category/18-notes-de-conjoncture-economique.

## Inter-Chamber cooperation

From 8-12th March 2018, the trade fair grounds in Tsinga, Yaounde, hosted the trade show AFRIBAT Cameroun 2018 to promote the building sector organized by the CCIMC in partnership with the Sfax Chamber of Commerce and Industry in Tunisia. Eighty (80) exhibitors with forty (40) Tunisian firms and forty (40) Cameroonian firms were present, and the show received about four thousand (4,000) visitors.

AFRIBAT CAMEROUN

Salon Africain du Bâtiment et des Métiers connexes
Africa Building Trade Show

The Trades and Innovation Commission of the trade show, concerned with sustainable development objectives, organized a competition aimed at promoting industrial transformation. Three prizes were awarded to the winners of the competition by the multidisciplinary jury chaired by the National Order of Architects of Cameroon. By order of merit, the companies that took the prizes were ALUCAM SOCATRAL 100% aluminum pillar products, MILLENIUM IMMOBILIER SA with a low-consumption eco-friendly house built with local materials and BOCOM RECYCLING for its BOCOM ECO-TILES made of plastic, sand and other materials.

## Support given to government in the organization of economic and trade promotion missions out of the country

To promote the Cameroonian label and expand trade relations across Africa, the CCIMC, in 2018, directly sensitized some 1275 businesses to take part in six economic and trade events organized in Cameroon, Burkina Faso, Tunisia and Kenya. That is how the SIALY 2018 and the International Halal Industry Forum took place in Yaounde, the 5th West Africa Business Development Fair in Burkina Faso, the 3rd edition of the International Security Equipment and Technologies (Security

Expo North Africa 2018) in Tunisia and the Stars in Africa Forum in Nairobi, Kenya, all saw the effective participation of seventy-five Cameroonian businesses.

## Participation in economic and trade promotion events in Africa

To promote the Cameroonian label and expand trade relations across Africa, the CCIMC, in 2018, directly sensitized some 1275 businesses to take part in six economic and trade events organized in Cameroon, Burkina Faso, Tunisia and Kenya. That is how the SIALY 2018 and the International Halal Industry Forum took place in Yaounde, the 5$^{th}$ West Africa Business Development Fair in Burkina Faso, the 3$^{rd}$ edition of the International Security Equipment and Technologies (Security Expo North Africa 2018) in Tunisia and the Stars in Africa Forum in Nairobi, Kenya, all saw the effective participation of seventy-five Cameroonian businesses.

## Reception of foreign economic missions

The CCIMC sensitized 150 businesses to take part in the International Investment Forum (F2i) organized from 4$^{th}$ April 2018 at the SAWA Hotel in partnership with the China-Africa Chamber of Commerce (CCCA) and the Shaolin Black and White Association. Sixty (60) Cameroonian businesses effectively took part in the Forum, with seventeen project information sheets received.

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