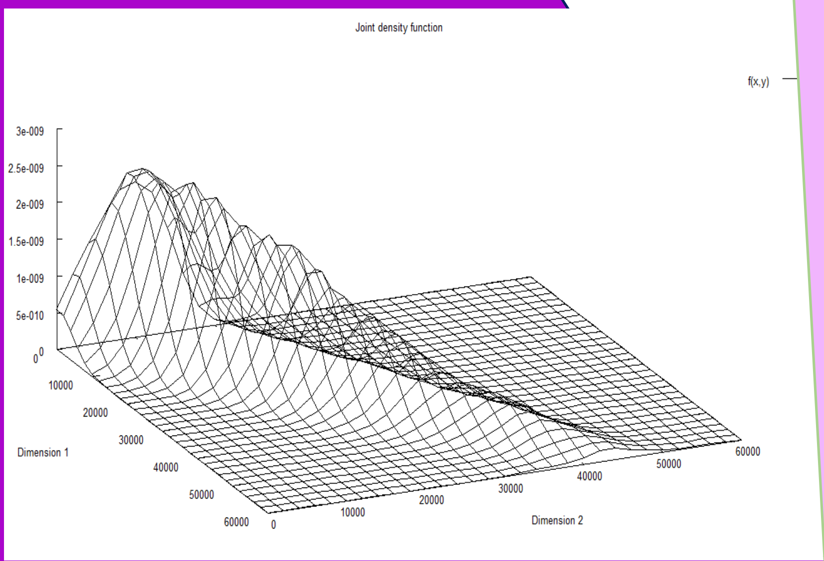
ECONOMIC OBSERVATORY

Cameroon Chamber of Commerce, Industry, Mines and Crafts

Report on Cameroon's Economic Situation in 2019



Published by the Economic Observatory of the Cameroon Chamber of Commerce, Industry, Mines and Crafts

October 2020

CAMEROON CHAMBER OF COMMERCE, INDUSTRY, MINES AND CRAFTS
Rue de la Chambre de Commerce – Bonanjo – P.O. Box 4011 Douala
Tel: (237) 233 42 67 87 / 233 42 98 81 Fax: (237) 233 42 55 96
Email: siege@ccima.cm - Website: www.ccima.cm

TABLE OF CONTENTS

LIST OF ILLUSTRATIONS

List of tables

List of figures

LIST OF ABBREVIATIONS

NFA	:	Net Foreign Assets
AFB	:	Afriland First Bank
API	:	Investissement Promotion Agence
ASEAN	:	Association des Nations d'Asie du Sud-Est
AfDB	:	African Development Bank
BEAC	:	Bank of Central African States
BC-PME	:	Cameroon SMEs Bank
BGFI	:	Banque Gabonaise et Française Internationale
BICEC	:	Banque Internationale du Cameroun pour l'Epargne et le Crédit
BMN	:	Upgrading Office
BREXIT	:	British Exit
BTP	:	Building and Public Works
CAM	:	Arbitration and Mediation Centre of the CCIMC
AfCON	:	African Cup of Nations
CCA	:	Crédit Communautaire d'Afrique
CCIMC	:	Cameroon Chamber of Commerce, Industry, Mines and Crafts
CBC	:	Commercial Bank of Cameroon
CIS	:	Commonwealth of Independent States
CEMAC	:	Economic and Monetary Community of Central Africa
CFC	:	Crédit Foncier du Cameroun
CHAN	:	African Nations Championship
CIF	:	Cameroon Investment Forum
UNCTAD	:	United Nations Conference on Trade and Development
DGT	:	Directorate General of Taxation
DP	:	Division de la Prévision
GESP	:	Growth and Employment Strategy Paper
DSX	:	Douala Stock Exchange
UAE	:	United Arab Emirates
MFI	:	Micro-finance Institutions
ECMR	:	Emprunt obligataire Etat du Cameroun
F2I	:	International Investors Forum
GFCF	:	Gross Fixed Capital Formation
IMF	:	International Monetary Fund
LE	:	Large Entreprise
NIS	:	National Institute of Statistics
CPI	:	Consumer Price Index
ITC	:	International Trade Centre
IFL	:	Initial Finance Law
RFL	:	Revised Finance Law
ME	:	Medium Enterprise
MEDIBAT	:	Mediterranean Building Exhibition
MINFI	:	Ministry of Finance
MP	:	Commodities
NOSO	:	North-West, South-West
WTO	:	World Trade Organisation
ONCC	:	Office National du Cacao et du Café
PDI	:	Industralization Plan
SE	:	Small Enterprise
EMDCs	:	Emerging and Developing Countries
WEO	:	World Economic Outlook
SME	:	Small and Medium sized Enterprises
GIP	:	Gross Internal Product
DRC	:	Democratic Republic of Congo
SCB	:	Société Camerounaise des Banques
SCE	:	Société Camerounaise d'Equipement
SGC	:	Société Générale du Cameroun
SONARA	:	National Refining Company
VSE	:	Very Small Entreprise
UBA	:	United Bank of Cameroon
USA	:	United States of America

Editorial

Benefit from the AfCFTA

The perceived political and trade tensions in bilateral relations between certain countries and groups of countries have weighed on world trade and thus on economic growth in 2019. These tensions demonstrate a tendency towards protectionism, which is becoming more widespread in response to the competition that trade liberalization has fostered, despite renewed trade agreements.

In Africa, countries that are very much inward-looking according to the statistics on the volume of intra-African trade, are going against the tide, since a good number of them have decided to open up to others in the context of the creation and implementation of a Continental Free Trade Area.

This decision, based on the potential opportunities offered by the vast market created by the entry into force of the Area, still calls on economic stakeholders in general, and those of Cameroon in particular, who ratified the agreement in 2019: what actions should be taken so that the national economy really benefits?

The answer to this rather trivial question deserves to be recalled, especially since the Agreement was due to come into force in July 2020: it is necessary to make the Cameroonian economy competitive; it is necessary to make Cameroonian companies and their products competitive.

This reminder should no longer sound like an empty slogan, at a time when more and more, we are witnessing the gradual opening of the Cameroonian economy, first to the European Union, and then to Africa. This reminder should sound more like a call to come out of the torpor in which many economic stakeholders are mired.

As a reminder, Cameroon was ranked 123rd out of 141 countries evaluated in terms of competitiveness in the 2019 report prepared by the World Economic Forum on competitiveness. This shows the work that needs to be done to gain market share in the common trading space that will be opened, while avoiding being squeezed out of it.

Efforts to improve price and non-price competitiveness are as much the responsibility of the State as of the private sector. While it is essential that the work to improve the infrastructure supply and business architecture begun by the Government almost ten years ago should continue and intensify, companies must rethink the way they operate. This involves reducing direct production costs, of course, but also increasing productivity through the use of technical tools and innovative processes.

Basically, it is essential that companies redefine their strategies by taking this new situation into account on the one hand, and by investing in an innovative approach on the other.

The Government, on its part, could help to support innovation, in particular by broadening its range of innovation support tools.

While waiting for January 2021, when the first wave of dismantling is expected to take place, it would be desirable for each economic operator to play its part so that Cameroon's entry into the African Continental Free Trade Area would not be a failure.

As far as the Chamber is concerned, it will spare no effort to provide Cameroonian companies with the best tools to assist them in their strategic decisions.

The President of the CCIMC

Honourable Christophe EKEN

EXECUTIVE SUMMARY

I. International economic environment

Sluggish international economic environment

The global economic activity in 2019 was weaker than in 2018. Indeed, the growth rate of world production was 2.9% in 2019, compared to 3.6% in 2018. Also, the growth rate of the world trade volume lost 2.9 points compared to 2018 to reach 0.9% in 2019.

In this context of a sluggish economy, the prices of energy raw materials, particularly oil, fell by 10.2% in 2019 after an increase of 29.4% in 2018. Excluding fuels, commodity prices rose by 0.8% in 2019, more moderately than in 2018, when they had risen by 1.3%.

II. Cameroon economic trends in 2018

Production and national demand

2019 was marked by a decline in growth due to the slowdown in activity in the primary (2.8% after 5.1% in 2018) and tertiary sectors (3% after 4.4% in 2018). However, in the same year, there was a vigorous recovery in the secondary sector, which has made the greatest contribution to growth since 2016.

Regarding demand, it is noted that it remained sustained by private final consumption (contribution of 3 points to national growth), although investments accelerated (from 7.8% in 2018 to 8.5% in 2019) and exports picked up (increase of 5%).

Public finance

The budget for the 2019 financial year was voted with a deficit of 1.5% of gross domestic product (GDP). The budget resources mobilised amount to FCFA 5 054.8 billion for a forecast of FCFA 5 401.0 billion, i.e. an execution rate of 93.6%. As for the expenditure executed in 2019, it amounted to 5 189.5 billion, an execution rate of 95.9% in relation to the revised finance law.

At the end of the year, the budget balance was -786.8 billion, or -3.5% of GDP against a forecast of -1.5%. The failure to meet the target could be explained by derogatory procedures, shortcomings in the execution of the public investment budget and technical difficulties in the execution of the budget.

Foreign trade

In 2019, the transactions balance deficit is reduced by 0.1 percentage points compared with 2018 to 2.4% of GDP. However, Cameroon is becoming increasingly integrated into the global economy. Also, the degree of openness has been on an upward trend since 2017, rising from 12.1% to 12.8% in 2018 and then to 14% in 2019.

Moreover, in the same year, Cameroon's trade deficit worsened by 255.1 billion to 1 547.9 billion. Excluding crude oil, it is larger and reached 2 327.5 billion.

Money and credit

At 31 December 2019, the money supply increased by 6.9% year-on-year to 5 389.1 billion. Over the same period, net foreign assets (NFA) increased by 13.9% to 2 361.1 billion. 4 141.1 billion at the end of December 2019, an increase of 6.7% compared to 31 December 2018.

In 2019, deposits increased by 9.6% compared with end-December 2018 to FCFA 4 870 billion. The supply of credit in Cameroon remains the prerogative of banks, which concentrate 99.06% of total registered financing. At the end of December 2019, the Cameroonian banking sector had granted 3 664.6 billion in credit to the economy. This amount was 3 596.9 billion in 2018, i.e an increase of 87.1 billion.

Inflation

The household consumer price index rose by 2.5% in 2019, compared with 1.1% in 2018. This trend is supported by rising prices for beverages, food products and hotels and restaurants.

In 2019, both imported inflation (2.2%, after +2.0% in 2018, due to dysfunctions in the distribution chain caused in part by the currency crisis) and local inflation (2.6%, after +0.7%, which would result from the contraction of supply in connection with the socio-economic crisis in the North West and South West regions and the main production basins) are accelerating.

III. Entrepreneur perceptions on activity trends

Globally, activity in 2019 was not intense. The business climate would again have been generally unfavourable to the activity of economic operators in various sectors, who anticipate a similar situation in 2020. Also, recruitment has not been very dynamic. Turnover has fallen overall. Most business entrepreneurs consider the financial conditions to be difficult. Cash flow tensions are due to the slowdown in activity, rising prices from suppliers and insufficient demand.

INTERNATIONAL ECONOMIC ENVIRONMENT IN 2019

I. Global economic environment

The global economic activity in 2019 was weaker than in 2018. According to the IMF, global output growth declined from 3.6% in 2018 to 2.9% in 2019, and the volume of world trade declined sharply from a growth rate of 3.8% in 2018 to 0.9% in 2019.

Reflecting this sluggish situation, the prices of energy commodities, particularly oil, fell by -10.2% in 2019 after an increase of 29.4% in 2018. Excluding fuels, commodity prices recorded a 0.8% increase in 2019, more moderate than in 2018, when they had risen by 1.3%.

Under these conditions, the rise in consumer prices also remained moderate.

1. Global production

The slowdown in global output growth in 2019, as observed in the related table, reveals that of the two main groups of countries: developed countries and emerging or developing countries.

In 2020, the IMF's June 2020 growth outlook does not bode well. The emergence and then rapid spread of the coronavirus from March 2020 has, in fact, led to the halt of many activities, with populations having been confined in many countries for almost a quarter. In this context of health preservation, it is estimated that global production has fallen by 4.9%.

1.1. Developed countries

In developed countries, GDP growth rose from 2.2% in 2018 to 1.7% in 2019. This drop in growth is due to the decline in growth experienced by almost all the countries in this group, led by the United States.

In the United States, production growth in the country in question lost 0.6 percentage points to 2.3% in 2019, penalized by the negative contribution of foreign trade in a context of weakening domestic growth.

In the Euro area, the growth trend was also weaker in 2019, with a rate of 1.3%, after 1.9% in 2018. This trend, which conceals major disparities between the countries in the area, is linked to a drop in overall demand and difficulties in the manufacturing sector, in a context of uncertainty as to the outcome of a Brexit with or without an agreement.

Also, in Germany, growth has slowed sharply from one year to the next (1.5% in 2018, then 0.6% in 2019), due to the underperformance of the manufacturing sector. In Italy, the equally significant drop in production growth was of smaller amplitude (0.3% in 2019, after 0.8% in 2018). In France and Spain, growth declined slightly from 1.8% and 2.4% respectively in 2018 to 1.5% and 2% in 2019.

Economic activity in other major developed countries was better overall in 2019. With the exception of Canada, which also recorded a 0.3 percentage point decline in growth in 2019 after 2% in 2018, the United Kingdom and Japan experienced a slight improvement in activity. Indeed, growth in the former country increased by 0.1 percentage points from one year to the next, while growth in the latter increased by 0.3 percentage points to 0.7% in 2019.

The growth rate of the remaining developed countries, taken as a whole, is 1.7% in 2019, 1 percentage point less than in 2018.

As a result of the Coronavirus pandemic, economic activity in developed countries is expected to contract sharply in 2020 (-8%), as in the main countries of this type. In the United States, production will lose 8% of its value in 2019, and in the Euro area, -10.2%. In Japan, the United

Kingdom and Canada, the GDP would fall by 5.8%, 10.2% and 8.4% respectively, before recovering in 2021.

1.2. Emerging and developing countries

The group of emerging and developing countries similarly did not experience more dynamic economic activity in 2019, based on the growth rates recorded by its constituent countries or different sub-groups of countries. Indeed, after growing by 4.5% in 2018, production in this group of countries was able to grow by only 3.7% in 2019, driven by the net slowdown in Asian, European, Latin American and Middle Eastern countries. In sub-Saharan Africa, growth was relatively stagnant over the period.

The slowdown in the growth rate in China and India had a knock-on effect on production growth in the emerging and developing countries in Asia. In China, GDP growth rose from 6.7% in 2018 to 6.1% in 2019, penalized by the decline in domestic demand and exports, in a context of trade war with the USA. And in India, activity has slowed significantly as evidenced by the growth rate of production, which has gone from 6.1% in 2018 to 4.2% in 2019.

The rest of the Asian countries in this group did not do better in terms of growth dynamics between the two periods: in 2018, their production growth was 5.3% while in 2019 it lost 0.4 points to 4.9%.

In the emerging and developing countries of Europe, where production was only able to grow by 2.1% in 2019, far behind the 3.2% recorded in 2018, the loss of vigour of economic activity in Russia is striking. In this country, such a decline in the rate of growth has been noted only in 2019, production was only able to grow by 1.3%, after 2.5% in 2018.

In Latin America, it is the contraction of production in Mexico that is putting a damper on the modest efforts of the region, which, all in all, records a virtual stagnation of its product (+0.1%) in 2019. In fact, Mexico records negative GDP growth (-0.3%) in 2019, whereas a year ago, GDP had grown by 2.2%. Brazilian production growth, for its part, keeps almost the same pace from one year to the next (+1.3% in 2018, then +1.1% in 2019).

Moreover, Saudi Arabia, whose economy is heavily dependent on oil, did not see a substantial increase in its production in 2019, since the national accounts show a growth rate of 0.3% in 2019 far behind the 2.4% growth obtained in 2018.

In contrast, sub-Saharan Africa's GDP growth rate was virtually maintained between 2018 and 2019, decelerating by only 0.1% to 3.1% in 2019. The two large countries in this sub-group experienced divergent trends: while Nigerian GDP growth was stronger (+2.2% in 2019, after 1.9% in 2018), South Africa's growth declined considerably (0.8% in 2018, then 0.2% in 2019).

In 2020, the countries in this group, taken as a whole, are expected to record a negative growth rate (-3%), due to the halt in activities imposed by the health measures decreed to block the spread of the virus. Within this group, only Chinese production is expected to grow only slightly (+1% approximately), despite the fact that the country is the first to be affected by the coronavirus pandemic.

Table 1: Global economic outlook

	2018	2019e	2020p	2021p
World	**3.0**	**2.9**	**-4.9**	**5.4**
Developed economies	**2.2**	**1.7**	**-8**	**4.8**
United States	2.9	2.3	-8	4.5
Euro Area	1.9	1.3	-10.2	6
Germany	1.5	0.6	-7.8	5.4
France	1.8	1.5	-12.5	7.3
Italy	0.8	0.3	-12.8	6.3
Spain	2.4	2	-12.8	6.3
Japan	0.3	0.7	-5.8	2.4
United Kingdom	1.3	1.4	-4.8	4.2
Emerging markets and developing economies (EMDE)	**4.5**	**3.7**	**-3**	**5.9**
East and Pacific Asia	6.3	5.5	-0.8	7.4
China	6.7	6.1	1	8.2
India	6.1	4.2	-4.5	6
ASEAN-5	5.3	4.9	-2	6.2
Europe	3.2	2.1	-5.8	4.1
Russia	2.5	1.3	-6.6	4.1
Latin America and the Caribbean	1.1	0.1	-9.4	3.7
Brazil	1.3	1.1	-9.1	3.6
Mexico	2.2	-0.3	-10.5	3.3
Middle East and Central Asia	1.8	1	-4.7	3.3
Saudi Arabia	2.4	0.3	-6.8	3.1
Sub-saharan Africa	3.2	3.1	-3.2	3.4
Nigaria	1.9	2.2	-5.4	2.6
South Africa	0.8	0.2	-8	3.5
Other components:				
World trade volume (goods and services)	3.8	0.9	-11.9	8
Developed countries	3.4	1.5	-11.9	8
Emerging and developing countries	4.5	0.1	-9.4	9.4
Prices of raw materials				
Prices of oil	29.4	-10.2	-41.1	3.8
Non-energy price index	1.3	0.8	0.2	0.8

Source: IMF, PEM, June 2020

2. Global trade

International trade slowed sharply in 2019 due to Sino-American tensions. "Since the election of Donald Trump, American taxes on imports have increased by 5 percentage points on average, bringing them to the same level as at the end of the 1970s", explains Georges Dib, economist at Euler Hermes. Generally speaking, the global trade environment for goods and services has been marked by the persistence of trade tensions that emerged in 2018 and continued throughout 2019. As a result, the growth rate of the volume of goods and services traded worldwide has fallen drastically. Whereas in 2018, the volume of trade had grown by 3.8%, in 2019, its increase was only 0.9%. This slowdown has affected more the most open economies exposed to international trade, such as Germany, Japan, South Korea, Singapore and Hong Kong.

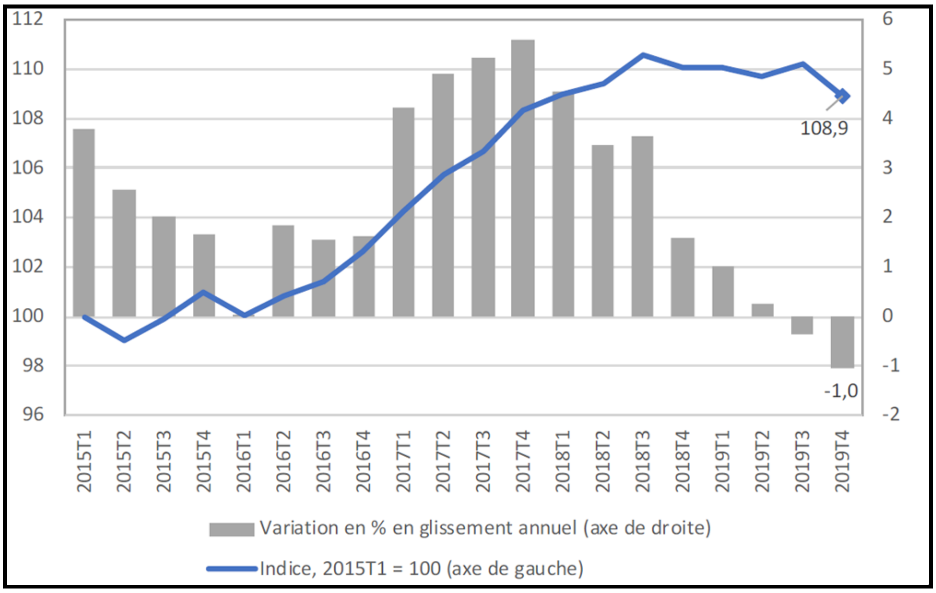
In the two major groups of countries, the trend is the same. The growth in the volume of trade in goods and services recorded in the group of developed countries declined in 2019 to 1.5%, compared with 3.8% in 2018. And in the group of emerging and developing countries, there is a stagnation in the level of trade in 2019 compared to 2018. In fact, the growth rate of the volume of trade captured by this group of countries shows only 0.1% in 2019, after 4.5% in 2018, according to IMF estimates.

In 2020, the volume of trade is forecast to decrease by 11.9%, with mobility being more reduced than usual due to the COVID-19 pandemic. The decline in global trade is expected to be more pronounced in developed countries (-13.4%) where containment is strict.

2.1. Trade in goods

According to the World Trade Organisation (WTO), trade in goods has suffered most from trade tensions in 2019. Indeed, as shown in the figure below, the volume of trade in goods fell sharply in the second half of 2019, both half-yearly and year-on-year.

Figure 1 : Global Exports and Imports of Goods, 2015Q1-2019Q4, Index, 2015Q1 = 100 and year-over-year percentage change



Source: WTO Secretariat and UNCTAD

Regionally, the decline in both exports and imports is most pronounced in South and Central America where they declined throughout the year.

Imports from North America and Asia were less significant in 2019 compared to 2018 (-0.4% and -0.6% respectively), and those from Europe changed less over the same period.

This is the case for exports from North America, Europe and Asia, which have evolved less strongly than in the previous year.

In 2020, as a result of the catalytic effect of reduced mobility, international trade is expected to contract further. According to the optimistic scenario, the fall in volume should be 12.9% and according to the pessimistic scenario that the health crisis will persist throughout 2020, by 31.9%.

Table 2: Percentage trends in the trade volume of goods

	Past data		Optimistic scenario		Pessimistic scenario	
	2018	2019	2020	2021	2020	2021
Volume of global trade in goods[2]	2.9	-0.1	-12.9	21.3	-31.9	24.0
Exports						
North America	3.8	1.0	-17.1	23.7	-40.9	19.3
South and Central America	0.1	-2.2	-12.9	18.6	-31.3	14.3
Europe	2.0	0.1	-12.2	20.5	-32.8	22.7
Asia	3.7	0.9	-13.5	24.9	-36.2	36.1
Other regions[3]	0.7	-2.9	-8.0	8.6	-8.0	9.3
Imports						
North America	5.2	-0.4	-14.5	27.3	-33.8	29.5
South and Central America	5.3	-2.1	-22.2	23.2	-43.8	19.5
Europe	1.5	0.5	-10.3	19.9	-28.9	24.5
Asia	4.9	-0.6	-11.8	23.1	-31.5	25.1
Other regions[3]	0.3	1.5	-10.0	13.6	-22.6	18.0

1 Figures for 2020 and 2021 are projections; 2. average of exports and imports; 3. other regions include Africa, the Middle East and the Commonwealth of Independent States (CIS), including Associate Member States and former Member States.

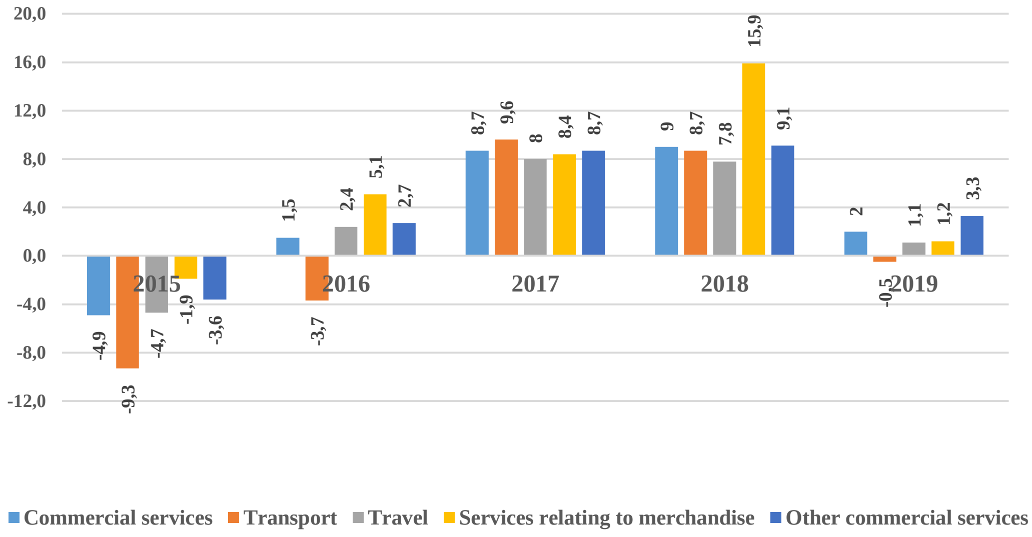
<u>Source</u>: WTO Secretariat and consensus estimates for historical GDP. GDP projections are based on scenarios simulated using the WTO global trade model.

2.2. Trade in services

Compared to 2018, the trend in the trade volume of services was also less pronounced in 2019, driven by the sharp slowdown in services exports.

As shown in the figure, exports of commercial services, especially transportation services, followed the annual trend in the trade in goods. In the case of trade in services, the volume was even lower (-0.5%). Only the growth rate in the trade volume of "other commercial services" reached the 3% mark in 2019.

Figure 2 : Growth in the export value of commercial services by category, 2015-2019



Source: WTO Secretariat, UNCTAD and ITC.

3. RAW MATERIALS

In 2019, prices of raw materials showed a mixed trend. During this period, the price index for energy commodities was lower than in 2018, while the price index for other commodities was slightly higher. In 2020, the same trend is expected to be observed.

3.1. Prices of energy commodities

The price index for energy commodities calculated by the IMF is 130.4 in 2019. In 2018 and 2017, this index was 157.7 and 123.9 respectively, indicating a depreciation of energy commodity prices in 2019 compared to 2018.

Indeed, the average spot price of a barrel of Brent was $61.4 in 2019, about $7 less than in 2018. Similarly, natural gas traded at a lower average price in 2019 than in 2018, as shown in Table 3 below.

Table 3: Price indices trend of energy commodities (EC) and prices of some of these commodities

Speculations	Unit	Average value 2017 (a)	Average value 2018 (b)	Average value 2019 (c)	Variations (b)/(a)	Variations (c)/(b)
EC Index		**123.9**	**157.7**	**130.4**		
Crude oil	$/bbl	52.8	68.9	61.4	30.49%	-10.89%
Natural gas (Netherlands)	$/mmbtu	5.7	7.9	4.4	38.60%	-44.30%
Natural gas (LNG Northeast Asia)	$/mmbtu	7.2	9.8	5.4	36.11%	-44.90%
Natural gas (Henry Hub	$/mmbtu	3	3.2	2.6	6.67%	-18.75%

** For the indices, the base is 2016.*
Source : IMF, our calculations

3.2. Prices of non-energy commodities

[1] https://www.imf.org/en/Research/commodity-prices

The price index trend for non-energy commodities shows a smaller appreciation in 2019 compared to that observed in 2018. In fact, while the price index for these commodities was 107.8 in 2018, after 106.4 in 2017, in 2019 it is 108.7. This slight change, however, conceals disparities between different commodity groups.

As shown in Table 4 below, while the price index for edible products decreased in value due to a combined decline in food and beverage prices, the price index for industrial products increased slightly in 2019 as the decline in the agricultural raw materials index dampened the rise in metal prices.

With regard to products traded between Cameroon and its partners, the picture is also mixed.

Arabica coffee traded at roughly the same price as in 2018; sawn raw timber lost value while logs appreciated; cotton was sold at 77.9 cents in 2019 while in 2018 it was 91.4 cents; and, rubber was more expensive in 2019 than in 2018.

Table 4: Price indices trend of non-energy commodities (EC) and prices of some of these commodities

Speculations	**Unit**	**Average value 2017 (a)**	**Average value 2018 (b)**	**Average value 2019 (c)**	**Variations (b)/(a)**	**Variations (c)/(b)**
Price index non-energy commodities		**106.4**	**107.8**	**108.7**		
Index edible commodities		**103.1** 103.8 95.3	**101.3** 102.5 87.5	**98.2** 99.4 84.2		
Food		**117.4** 105.2 122.2	**123.8** 107.3 130.3	**125.6** 101.5 135.1		
Drinks	cts/kg	124.4	137.4	137.5	10.45%	0.07%
Index industrial commodities	cts/kg	104.1	88.3	80.3	-15.18%	-9.06%
Agricultural	$/M3	702.1	7027.9	695.9	900.98%	-90.10%
Metals	$/M3	265.4	269.7	273.1	1.62%	1.26%
Arabica coffee	cts/lb	83.6	91.4	77.9	9.33%	-14.77%
Robusta coffee	cts/lb	90.8	70.4	74.8	-22.47%	6.25%

** For the indices, the base is 2016.*
Source : IMF, our calculations

4. Inflation

Global inflation, as measured by the consumer price index, declined to 3.5% in 2019 from 3.6% in 2018. This is mainly due to its decline in almost all developed countries, where its rate did not exceed 1.5%. In the emerging countries, on the other hand, the inflation rate in 2019 increased compared to 2018, rising from 4.7% in 2018 to around 5% in 2019.

4.1. Inflation in developed countries

The inflation rate in developed countries reflects the trend in price movements observed in the majority of countries in the group. In the leading developed countries, prices in 2019 rose by 1.4%, compared with around 2% in 2018. In the other countries of the group, prices rose by about 1% in 2019, while in 2018 they had increased by 1.5%.

Developed countries of the euro area experienced the same movement: a drop in inflation with a rate of 1.1%, whereas in 2018 this rate was 1.7%. Similarly, consumer prices in the European Union as a whole also did not evolve at the same rate as in 2018, when they rose by 1.8%. In 2019, inflation in the European Union was only 1.4%.

4.2. Inflation in emerging and developing countries

The inflation rate of all emerging countries in 2019 hides strong disparities. In the emerging and developing countries of Asia, it rose from 2.6% in 2018 to 3.2% in 2019. On the other hand, inflation in the European countries of this group remained high: in 2019 it was 6.5%, after 6.1% in 2018. In Latin America, the increase is clear, with the rate rising from 6.1% in 2018 to 7.1% in 2019, due to the social crises experienced by the countries in this group.

Moreover, although remaining at high levels, inflation in sub-Saharan African countries remained more or less the same (+8.3%) in 2018 and 2019. In the Central Asian and Middle Eastern countries in this group, the downward fluctuation in oil prices curbed price growth to 8.4% in 2019, behind the 9.8% rate recorded in 2018.

Table 5: Global inflation trend

Groups of countries	**2017**	**2018**	**2019**
World	3.204	3.616	3.559
Advanced economies	1.713	1.962	1.400
Euro area	1.538	1.755	1.196
Countries of the G7	1.757	2.088	1.481
Other advanced economies (excluding the two previous groups)	1.531	1.579	1.091
European Union	1.586	1.852	1.442
Emerging and Developing Countries (ECDs)	4.273	4.777	5.049
Asian developing countries	2.426	2.648	3.244
European developing countries	5.375	6.139	6.512
ASEAN-5	3.105	2.862	2.133
Latin America and the Caribbean	6.015	6.197	7.102
Middle East and Central Asia	6.722	9.863	8.475
Sub-Saharan Africa	10.737	8.335	8.382

Source : Statistical index of the April 2020 global economic outlook, IMF,

II. Regional and sub-regional economic environment

In 2019, African growth was strongly impacted by the decline in the prices of the raw materials that the majority of the main countries export. As a result of this unfavourable situation, the AfDB estimates that African growth would have stagnated at 3.4%, due to the lower than expected results of countries such as Algeria, Egypt, Morocco and South Africa.

1. Southern Africa

Growth in Southern Africa, which fell to 0.7% in 2019 after 1.7% in 2018, was impacted by weak growth in South Africa, Angola, Namibia and Zimbabwe in a context where high amplitude climatic hazards (hurricanes Idai and Kenneth) disrupted the way of life of Malawians, Mozambicans and Zambians.

2. West Africa

According to estimates, growth in West Africa has increased to 3.7% in 2019 against 3.4% in 2018. This improvement can be credited to the vigorous activity observed in the two main countries of the region, Côte d'Ivoire and Ghana. Buoyed by the dynamism of the oil and agricultural sectors, the growth rates of these countries are 6.3% and 7.1% respectively in 2019.

3. Central Africa

Central Africa would also have seen an increase in annual production in 2019. Its growth rate is estimated at 3.2% in 2019, despite the uncertainties surrounding the transition in the DRC. It should be noted that in 2018, the growth rate for the zone was 2.7%.

4. East Africa

East Africa remained the most dynamic in the African region, with a growth rate of around 5% in 2019. The surge in growth recorded in Southern Sudan following the peace agreements signed between the warring parties is partly responsible for this performance, as they would have helped boost oil production in the area.

5. North Africa

The deteriorating security situation in Libya, which has impacted on oil production and caused the country's economic growth to drop to 4% in 2019, after 7.8% in 2018, has also pushed North African economic growth down to an estimated 4.1% in 2019. This situation was accentuated by the underperformance of Algeria, Egypt and Morocco.

6. Economic environment in the CEMAC region

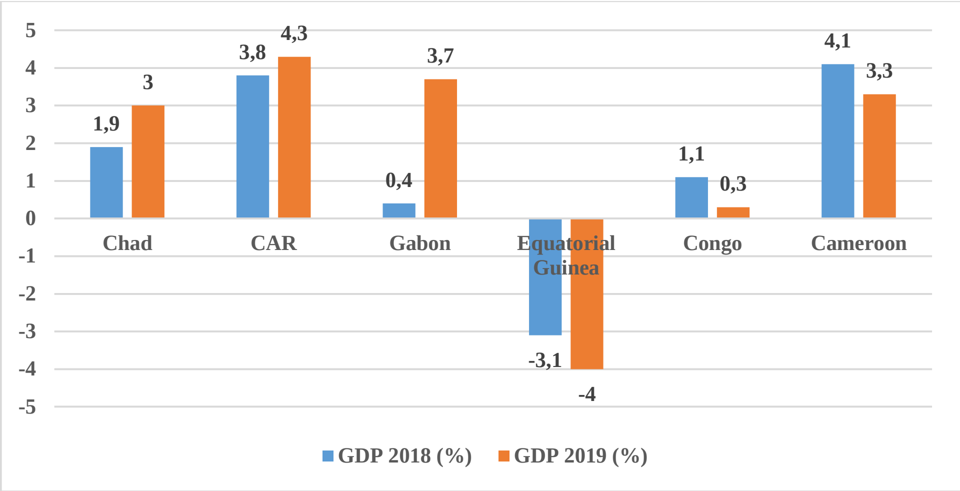
Taken as a whole, countries of the CEMAC region would have experienced a slight increase in the volume of their activity in 2019. Indeed, according to estimates by the Bank of Central African States (BEAC), CEMAC's GDP growth rate was 2% in 2019 against 1.8% a year earlier, propelled by the growth of activities in the oil sector.

Growth in the oil sector increased from 1.2% in 2018 to 2.1% in 2019, while that of the non-oil sector is estimated to have increased by just 0.1% to 2%.

On the demand side, growth in the zone was driven by net external demand and private consumption, with contributions of 2 and 1.2 percentage points respectively, while on the supply side, the primary sector made the largest contribution to growth, contributing 1.1 percentage points.

The performances of the various countries in the region, shown in Figure 3 below, indicate that the decline in economic activity in Cameroon, Congo and Equatorial Guinea would be offset by the strength of the Central African, Gabonese and Chadian economies.

Figure 3 : Growth rates trend in CEMAC countries



Source: BEAC, our calculations

CAMEROON'S ECONOMIC TRENDS IN 2019

In 2019, the national economy evolved in a morose international environment, characterised by the slowdown in global growth, uncertainties about trade and the fall in the prices of exported products, particularly crude oil. At the national level, the persistence of insecurity in certain localities in the Far North due to the Boko Haram terrorists, the security crisis in the North-West and South-West regions and the SONARA fire at the end of May 2019 also had a negative impact on economic activities. It is in such a context that the real GDP growth rate slowed to 3.7% in 2019 after 4.1% in 2018 (INS, 2020).

I. Production

Decline in growth ...

Growth in 2019 contracted as a result of the slowdown in the pace of activity observed in the primary (2.8% after 5.1% in 2018) and tertiary sectors (3% after 4.4% in 2018).

... due to the slowdown in activity in the primary sectors ...

The decline in growth in the primary sector (2.8% in 2019 after 5.1% in 2018) is mainly due to the slowdown in activity in the "food-producing agriculture" branch (3.3% in 2019 after 5.1% in 2018) and the decline in activity in the "forestry and logging" branch (-2.7% in 2019 against 7.3% in 2018).

... and the tertiary sector ...

In the tertiary sector, the decline in activity observed is the result of virtually all industries. However, it is most marked in the industries "accommodation and catering" (1.8% after 4.3%), "public administration and social security" (1.7% after 3.5%), "health and social work" (2.7% after 5.3%) and "banks and financial institutions" (6.2% after 10.2%).

... despite the upturn in the secondary sector

The highlight, however, is a strong recovery in the secondary sector, which makes the largest contribution to growth since 2016. This upturn in the secondary sector is mainly explained by the good performance of the "hydrocarbon extraction" industry, which recorded an 8.5% increase in production in 2019, after three consecutive years of decline (2.7% in 2018).

Table 6 : Breakdown of GDP by sector of activity (changes in volumes in %)

Title	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Primary sector	**6.2**	**5.3**	**5.0**	**3.2**	**5.1**	**2.8**
Agriculture	4.7	6.3	6.0	2.2	4.8	3.5
Breeding and hunting	5.7	7.2	4.3	4.7	4.4	5.5
Forestry and logging	13.8	0.2	1.2	6.3	7.3	-2.7
Fishing and fish farming	3.0	3.1	5.0	4.5	3.1	4.8
Secondary sector	**5.5**	**9.6**	**3.6**	**1.3**	**3.1**	**4.9**
Extraction industries	14.3	24.8	-3.4	-16.1	-2.6	8.4
of which hydrocarbon extraction	14.4	24.8	-3.6	-16.4	-2.7	8.5
Food processing industries	1.9	1.9	5.7	7.5	4.0	2.5
Other manufacturing industries	0.4	4.0	4.4	5.6	3.3	5.4
Electricity generation and distribution	12.6	8.9	3.3	5.9	1.2	0.3

Title	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Water and sanitation production and distribution	4.0	10.0	-1.4	6.5	2.6	1.8
BTP	7.5	8.4	10.4	8.9	7.6	4.7
Tertiary sector	**4.8**	**3.4**	**4.9**	**4.3**	**4.4**	**3.0**
Trade, vehicle repair	6.4	3.5	5.6	4.5	5.1	4.2
Restaurants and hotels	-2.1	2.2	6.6	5.3	4.3	1.8
Transport, warehouses, communications	3.0	4.3	2.2	4.2	4.0	3.5
Information and telecommunications	7.3	5.1	6.0	5.7	-2.3	3.9
Banks and financial institutions	5.6	6.9	5.2	6.0	10.2	6.2
Public administration, social security	4.7	4.6	3.6	4.8	3.5	1.7
Education	6.4	4.3	6.0	4.2	3.5	3.6
Health and Social Action	4.5	-2.9	0.8	3.5	5.3	2.7
Other services	3.5	2.2	5.9	3.2	4.3	1.0
TOTAL ADDED VALUES	**5.2**	**5.4**	**4.5**	**3.3**	**4.1**	**3.5**
Taxes net of subsidies	16.5	8.8	6.1	7.1	3.1	6.3
GDP	**5.9**	**5.7**	**4.6**	**3.5**	**4.1**	**3.7**

Source : NIS, National Accounts

II. National demand

Domestic demand sustained by private final consumption and investment

Demand remained sustained by private final consumption with a contribution of 3 points to national growth in 2019, after 3.6 points in 2018. In terms of volume, private final consumption expenditure is expected to increase by 4.5% in 2019, a decline of 0.2 points compared with the previous year. This slight deceleration in the volume of private consumption could be linked to inflation (2.5%), which has reached a relatively high level compared to the annual average over the last five years, due to the rise in prices of food and non-alcoholic beverages, accommodation services and restaurants, and clothing and footwear.

Capital expenditure increased from a rate of 7.8% in 2018 to 8.5% in 2019. Their contribution to growth was 2.3 points, up 0.2 points compared with 2018.

The private component of investment slows down (7.4% after 9.6%), while public investment expenditure rebounds (11.4% in 2019 against -3.1% in 2018). This trend is explained on the one hand by the increase in private investment spending on electrical equipment and appliances, transport equipment and furniture, and on the other hand, by the increase in state capital spending with a view to the completion of major infrastructure projects, particularly those related to the forthcoming international football competitions.

Table 7 : GDP and its uses, volume trends in % (VTP) and contribution of the uses to real GDP growth, in % (CURG)

	2014		**2015**		**2016**		**2017**		**2018**		**2019**	
	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG
1. Final Consumption Expenditure	5.1	4.2	5.2	4.2	3.3	2.7	3.3	2.6	4.6	3.6	4.1	3.3
of which private	5.3	3.6	5.3	3.6	3.3	2.2	4.3	2.8	4.7	3.1	4.5	3.0

	2014		2015		2016		2017		2018		2019	
	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG	VTP	CURG
public	4.3	0.6	4.7	0.6	3.2	0.4	-1.6	-0.2	3.9	0.5	1.8	0.2
2. GFCF	13.0	3.3	2.5	0.7	4.8	1.2	4.0	1.0	7.2	1.9	8.1	2.2
of which private	15.6	3.1	3.3	0.7	2.3	0.5	6.7	1.4	9.6	2.0	7.4	1.7
public	3.6	0.2	-0.6	0.0	15.2	0.8	-6.0	-0.3	-3.1	-0.2	11.4	0.5
3. Variation in inventories	-37.7	-0.2	-262.8	-0.8	-96.3	0.4	-395.1	0.1	368.8	0.2	68.7	0.1
4. INVESTMENT (2+3)	12.0	3.1	-0.3	-0.1	6.5	1.7	4.2	1.1	7.8	2.1	8.5	2.3
5. Net exports	19.1	-1.4	-18.7	1.5	-4.8	0.3	3.2	-0.2	28.7	-1.6	26.5	-1.9
6. Exports	5.3	1.2	6.4	1.4	-0.6	-0.1	-1.6	-0.3	2.3	0.5	5.0	1.0
Exports of goods	10.4	1.7	10.8	1.8	-4.4	-0.8	-5.0	-0.8	2.3	0.3	5.0	0.7
Exports of services	-8.2	-0.5	-7.5	-0.4	13.6	0.6	9.2	0.5	2.4	0.1	4.9	0.3
7. Imports	8.6	2.6	-0.3	-0.1	-1.5	-0.4	-0.6	-0.2	8.1	2.1	10.6	2.8
Imports of goods	10.9	2.4	1.1	0.3	-2.0	-0.5	-3.8	-0.8	9.3	1.8	12.6	2.6
Imports of services	1.7	0.1	-5.2	-0.4	0.2	0.0	10.7	0.6	4.7	0.3	4.4	0.3
GDP (1+4+5)	**5.9**	**5.9**	**5.7**	**5.7**	**4.6**	**4.6**	**3.5**	**3.5**	**4.1**	**4.1**	**3.7**	**3.7**

Source : NIS, National Accounts

III. Inflation

The household consumer price index rose by 2.5%, after 1.1% in 2018, ...

On annual average and as shown in Table 14 below, household consumer prices have been on an upward trend since 2017. The household consumer price index rose by 2.5% in 2019, after 1.1% in 2018. This trend is attributable to prices for alcoholic beverages and tobacco (+4.7%), food products (+2.8%), non-alcoholic beverages (+3.6%), prices charged in restaurants and hotels (+5.7%), and the rise in prices for clothing and footwear (+2.9%).

... sustained by rising food and beverage prices, etc, ...

The rise in food prices is sustained by that of fruit (+10%), vegetables (+6.7%), sugar, jam, honey, chocolate and confectionery (+4.2%), meat (+3.5%) and seafood (+2.7%). The rise in seafood prices is mainly attributable to frozen fish (+9.8%).

In addition, speculation, resulting from higher domestic demand (with IDPs, Nigerian and Central African refugees) and fraudulent overland re-exports to markets in neighbouring countries (Nigeria and Chad), contributed to the rise in cereal prices.

2019 was particularly marked by the surge in the prices of consumer goods such as rice, frozen mackerel and beef resulting in part from the dysfunction in the distribution chain combined with speculation by operators who are taking advantage of the tightening of foreign exchange exit conditions to improve their profits. At the same time, insecurity in certain food production areas (North-West and South-West) and flooding in the Far North have negatively influenced the supply of food products while increasing the demand for these products in urban areas due to the population having moved to the cities.

... for restaurants and hotels

After food, restaurants and hotels are the second source of inflation. They are followed by clothing and footwear (+2.8%) and miscellaneous goods and services (+2.6%). The increase in restaurant and hotel prices is mainly due to the increase in the prices of services provided by restaurants, coffee shops and similar establishments (5.7%) as well as the increase in hotel and other accommodation services (5.7%). The rise in the prices of clothing and footwear is the result of an increase in the prices of clothing items and a 3.5% increase in the prices of footwear.

Table 8 : Annual trends in the CPI by consumption function (base 100, in 2011)

Consumption function	Year 2017 a	Year 2018 b	Year 2019 c	variation (in %) c/b
Food and non-alcoholic beverages	111	112	115.6	2.9
Food products	111	112	115.6	2.8
Non-alcoholic drinks	108.9	110	113.9	3.6
Alcoholic beverages and tobacco	122	124	129.6	4.7
Clothing and footwear	106.3	108	111.4	2.9
Housing, water, gas, electricity and other fuels	114.3	115	116.7	1.7
Furniture, household items and routine household maintenance	106.4	107	109.4	1.9
Health	102	103	103.1	0.6
Transport	120.8	122	124	2.0
Communications	90	90	90.5	0.3
Leisure and culture	103.6	105	105.8	1.2
Education	113.9	115	116.7	1.2
Restaurants and hotels	119.7	122	128.7	5.7
Miscellaneous goods and services	110.2	112	114.7	2.5

Source: NIS

Inflation picks up in 2019

Table 15 below shows that, in 2019, both imported and domestic inflation picked up. Indeed, the prices of imported goods rose by 2.2%, after +2.0% in 2018, and those of local goods increased by 2.6%, after +0.7%.

The rise in the prices of imported products is said to result from dysfunctions in the distribution chain, caused in part by the currency crisis, probably accentuated by speculative actions of certain actors in connection with the problems of currency outflows.

The rise in the prices of local products would result from the contraction of supply in connection with the socio-economic crisis in the North-West and South-West regions, the main production areas.

Prices of goods in the primary sector are increasing (+3.8% after +0.4% in 2018), as are those of goods in the secondary sector (+1.6% after +1.5% in 2018) and services (+2.1% after +1.2% in 2018). The prices of goods in the primary sector rise due to the soaring prices of fresh products (+4.6% after +1.6% in 2018).

Table 9 : Annual price index trends secondary group of products

Secondary group products	Year.2017 a	Year 2018 b	Year 2019 c	variation (in %) c/b
Local products	112.7	113.4	116.3	2.6
Imported products	105.7	107.9	110.2	2.1
Energy	107.9	108.1	105.5	-2.4
Petroleum products	108	108.5	108.7	0.2
Fresh products	117	118.8	124.3	4.6
Excluding fresh produce and energy	109.8	110.9	113.4	2.3
Primary	115.3	115.7	120.1	3.8
Secondary	105	106.6	108.3	1.6
Tertiary	113.3	114.6	117	2.1
Sustainable	106.2	107.6	109.9	2.1
Not sustainable	110.7	111.6	114.6	2.7
Semi-sustainable	105.8	107.5	110	2.3
Services	113.4	114.8	117.1	2.0

Source: NIS

Spatially, the national inflation rate rose from 1.1% in 2018 to 2.5%. This rise is supported by price trends in Bamenda (+4.8% after 1.1% in 2018), Buea (3.4% after 2%) and Bafoussam (2.7% after 0.5%), Ebolowa (2.6% after 0.5%), Yaounde (2.4% after 1.1%), Douala (2.4% after 0.7%), Ngaoundere (2.3% after 1.3%) and Garoua (1.7% after 1.6% in 2018).

On the other hand, prices dropped in Bertoua (2% after 2.8% in 2018) and were almost stable in Maroua (0.7% as in 2018), as can be observed in table 16 below.

Table 10 : Annual price trends in the capital cities of the regions

	Year 2018 a	Year 2019 b	Variation (in %) b/a
Yaounde	111.9	114.5	2.3
Douala	111.7	114.4	2.4
Bafoussam	111.4	114.4	2.7
Bamenda	111.7	117	4.7
Garoua	111.6	113.5	1.7
Maroua	111.7	112.5	0.7
Ngaoundere	110	112.5	2.3
Bertoua	115.7	118	2.0
Buea	114.9	118.8	3.4
Ebolowa	113.8	116.7	2.5
National	**112.1**	**114.9**	2.5

Source: NIS

In prospect, expected drop in the CPI in 2020

Prices could drop from 2.5% in 2019 to 2% in 2020. The prices of certain imported products would probably increase in 2020 due to the application of excise duty of 5 to 50% on certain products such as cosmetics or cigarettes. Inflationary pressures should also be fuelled by public demand, in connection with CHAN 2020 and AfCON 2021.

However, the various incentives offered by the State to companies wishing to set up in the economically stricken areas could stimulate production in these regions. The exit duties provided for in the 2020 Finance Law on certain local products for export (rice, crude palm oil, millet, sorghum, cola nuts, "Eru/Okok", etc.) will hinder their export in order to ensure better supply of local markets.

Assuming favourable climatic conditions, an improved security situation in the crisis regions and in the absence of other internal or external shocks, inflation could fall back to around 2.0% in 2020.

In addition, the security situation in the North-West and South-West regions could weigh on agricultural production but also disrupt market supply.

IV. Public finance

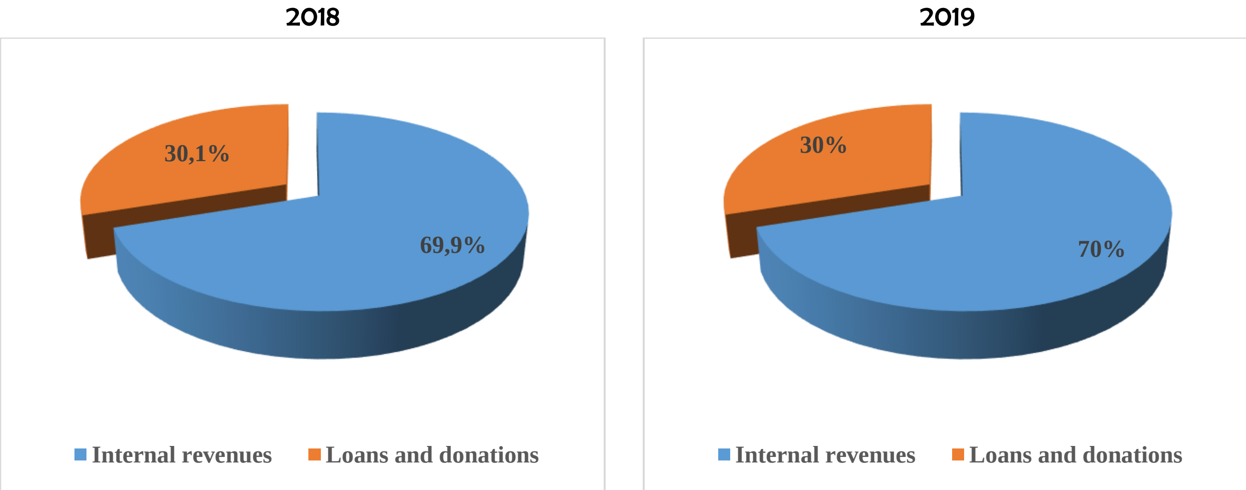
The budget for the 2019 financial year was voted with a deficit target of no more than 1.5% of gross domestic product (GDP). At the end of the year, the budget balance is CFAF -786.8 billion, or -3.5% of GDP. The failure to reach the objective could be explained by derogatory procedures and urgent and exceptional expenditure generated by the security crisis in the North-West and South-West as well as in the Far North.

4.1. Budgetary resources

Budgetary resources mobilised amount to CFAF 5 054.8 billion for a forecast of CFAF 5 401.0 billion, i.e. an execution rate of 93.6%.

Mobilised domestic revenue accounts for 70% of budgetary resources, after 69.9% in 2018.

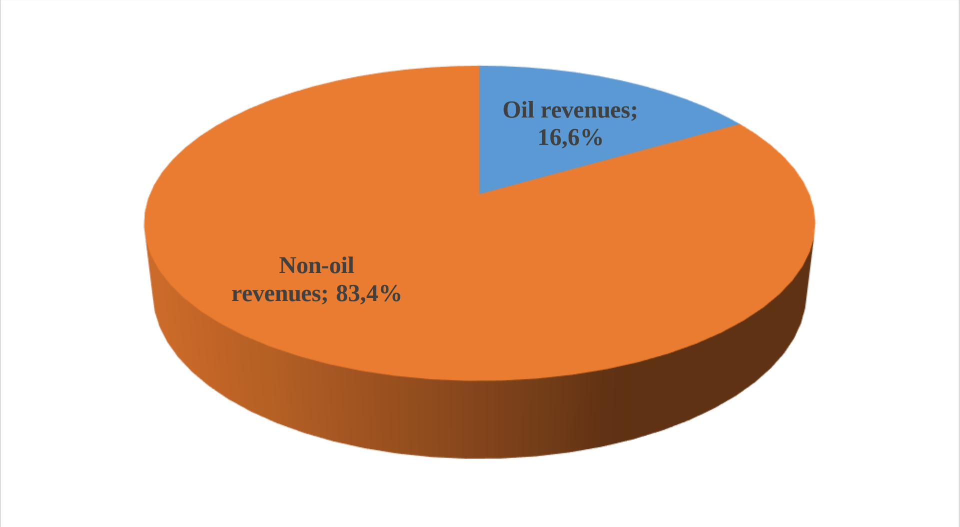
Figure 4 : Weight trends in the components of budgetary resources in 2018 and 2019



Source:

At 2 932.6 billion, non-oil revenues declined by 3 billion from fiscal year 2018. Compared with the revised finance law, they were implemented at 87.8%.

Figure 5 : Weight of components of internal revenue in 2019



Source:

Oil revenues were recovered to the tune of FCFA 584.5 billion for a target of FCFA 506.0 billion, an overrun of FCFA 78.5 billion compared to forecasts. They are up by CFAF 84.3 billion compared to the year 2018. The good mobilisation of oil revenues is attributable to the good performance of global oil prices. This performance has mitigated the decline in non-oil revenue in the state's own revenue.

For an annual forecast of CFAF 3 140.0 billion, tax revenue was collected to the tune of CFAF 2 768.1 billion. Compared to the achievements of 2018, they increase by CFAF 23.9 billion. This evolution is mainly attributable to the good mobilisation of excise duties (+ CFAF 21.7 billion) and income tax revenues served to persons domiciled outside Cameroon (+ CFAF 13.4 billion). However, the increase was slowed down by the weaker performance of VAT revenue, import duties and taxes and the weak mobilisation of revenue from registration duty and stamps.

Non-tax revenue collected is FCFA 164.5 billion, down by FCFA 27.0 billion compared to the 2018 financial year, and by FCFA 35.5 billion compared to the FCFA 200.0 billion forecast of the rectifying finance law.

As regards loans and donations, the amount recovered is CFAF 1 537.7 billion for a forecast of CFAF 1 555.0 billion, i.e. an execution rate of 98.9%.

Table 11 : Budgetary revenues in 2018 and 2019

HEADINGS	**I.F.L 2019**	**R.F.L. 2019**	**Execution 2018**	**Execution 2019**
A- INTERNAL REVENUES	***3 529.6***	***3 846.0***	***3 435.9***	***3 517.1***
I-Oil revenues	**450.0**	**506.0**	**500.3**	**584.5**
1-NHS fee	358.5	414.5	413.3	471.5
2- Oil companies tax	91.5	91.5	87.0	113.0
II- Non-oil revenues	**3 079.6**	**3 340.0**	**2 935.6**	**2 932.6**
1- Tax revenues	2 899.5	3 140.0	2 744.2	2 768.1
a- Tax revenues	**2 058.0**	**2 190.0**	**1 940.9**	**1 947.7**
of which - VAT	863.0	980.0	780.4	739.6
- Non-oil companies tax	350.0	360.0	354.9	345.5
- Excise duties	220.0	215.0	185.6	207.3
- Registration fees and stamps	123.6	117.5	111.6	122.6
- Special tax on petroleum products	135.0	130.0	127.5	128.7

HEADINGS	I.F.L 2019	R.F.L. 2019	Execution 2018	Execution 2019
b- Customs revenue	**841.5**	**950.0**	**803.2**	**820.4**
of which - Import customs duty.	376.4	355.9	353.8	345.2
- VAT import.	422.6	472.6	380.6	394.1
- Excise duty import.	12.8	57.0	16.7	33.8
- Exit duty	20.4	43.6	36.5	31.7
2- Non-tax revenues	**180.1**	**200.0**	**191.5**	**164.5**
B- LOANS AND DONATIONS	**1 321.0**	**1 555.0**	**1 477.4**	**1 504.8**
- Project loans	588.0	747.0	710.8	772.2
- Donations	79.0	100.0	86.7	133.3
- IMF loans	86.0	88.0	87.6	44.7
- Budgetary support	243.0	270.0	282.5	183.3
- Issuance of public securities	260.0	350.0	302.0	334.2
- Bank loans	65.0	0.0	7.8	70.0
TOTAL BUDGET REVENUE	**4 850.6**	**5 401.0**	**4 913.3**	**5 054.8**

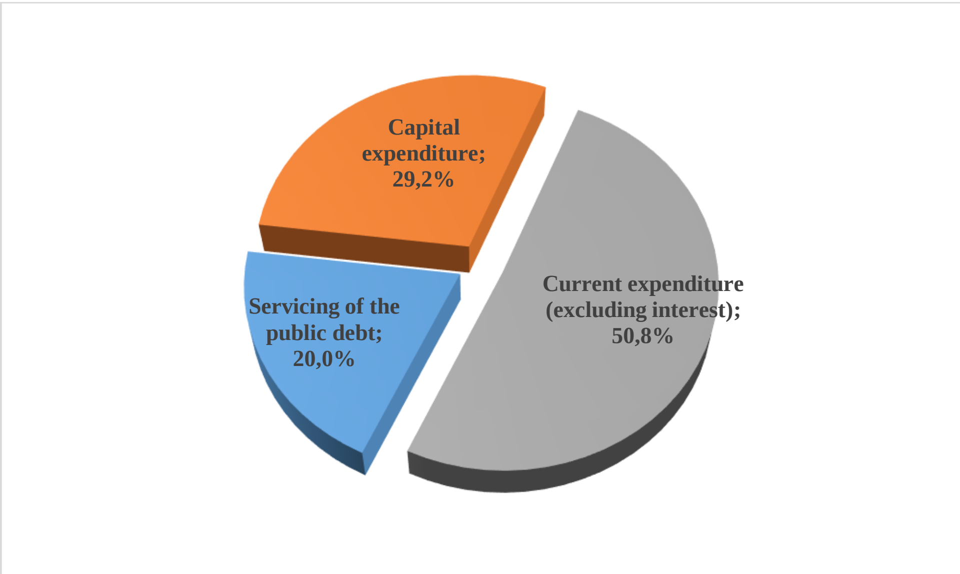
Sources: MINFI/DP/DGB, Report on the implementation of the 2019 budget, made public in July 2020

I.F.L.: Initial Finance Law
R.F.L.: Revised Financed Law

4.2. Budget expenditure

The expenditure for the year 2019 amounted to 5 189.5 billion, an implementation rate of 95.9% compared to the revised finance law.

Figure 6 : Weight of the components of budget expenditure in 2019

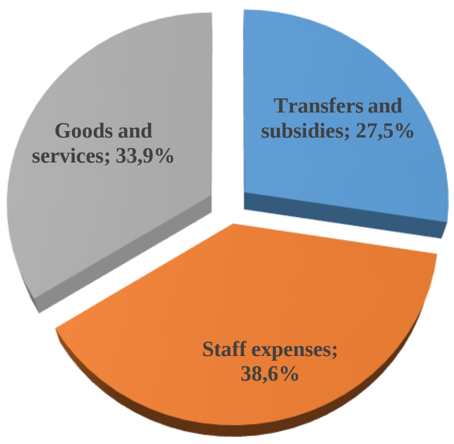


Source:

The amount of current expenditure implemented is CFAF 2 636.2 billion for a forecast of CFAF 2 551.1 billion, i.e. an implementation rate of 103.3%. This rate includes the expenditure related to the transfer of credits to cover urgent and exceptional expenditure connected to the country's security situation. Current expenses are made up of:

- personnel expenditure which amounts to CFAF 1 016.9 billion, with an implementation rate of 98.5%;
- expenditure on goods and services amounting to CFAF 894.5 billion, exceeding CFAF 60 billion with respect to the revised finance law;
- transfers and subsidies totalling CFAF 724.7 billion, for a forecast of CFAF 684.8 billion.

Figure 7 : Weight of the components of current expenditure in 2019



Source:

Capital expenditure amounted to CFAF 1 516.7 billion against a forecast of CFAF 1 478.0 billion, exceeding by CFAF 38.7 billion.

Capital expenditure on the State's own resources had an implementation rate of 99.6%, i.e. an amount of CFAF 650.7 billion.
Investment expenditure on external financing amounts to CFAF 822.7 billion, i.e. an implementation rate of 106.2%.

Expenditure on public debt servicing was ordered in the amount of FCFA 1 036.7 billion for an allocation of FCFA 1 380.4 billion, i.e. an implementation rate of 75.1%. The payments made include FCFA 536.2 billion for the domestic debt and FCFA 500.5 billion for the external debt.

Table 12 : Overall implementation of the budget in expenditure (in billions of FCFA)

Titles	CP Initial a	CP Révisé (LFR et Décret d'avance) b	Ordonnancement global c	PEC comptable globale sur ordonnancement effectif d	Rate in relation to scheduling c/b	Rate in relation to payment credit d/b
A-CURRENT EXPENDITURES	**2 465.5**	**2551.1**	**2 636.2**	**2 600.7**	**103.3%**	**101.9%**
I - Staff expenditure	1 058.2	1032.2	1 016.9	1 016.9	98.5%	98.5%
Salaries (Wages)		975.9	959.8	959.8	98.4%	98.4%
Other staff expenditures		56.2	57.1	57.1	101.6%	101.6%
II - Goods and services	811.6	834.1	894.5	862.9	107.2%	103.5%
III - Transfers and subsidies	595.7	684.8	724.7	720.9	105.8%	105.3%
Scholarships and donations		469.6	503.7	480.8	107.3%	102.4%
Transfer (including pensions)		215.2	221.0	240.1	102.7%	111.6%
B-CAPITAL EXPENDITURE	**1 327.6**	**1478.0**	**1 516.7**	**1 492.2**	**102.6%**	**101.0%**
I - Investment expenditure on internal resources	670.6	653.0	650.7	627.4	99.6%	96.1%

Titles	CP Initial a	CP Révisé (LFR et Décret d'avance) b	Ordonnancement global c	PEC comptable globale sur ordonnancement effectif d	Rate in relation to scheduling c/b	Rate in relation to payment credit d/b
Administrations	542.7	528.2	506.7	483.4	95.9%	91.5%
Intervention expenditure	127.9	124.8	144.0	144.0	115.4%	115.4%
II - Participation	30.0	40.0	36.1	35.9	90.3%	89.8%
III - Rehabilitation / Restructuring	10.0	10.0	7.2	6.2	72.0%	62.0%
IV - External financing	617.0	775.0	822.7	822.7	106.2%	106.2%
C - PUBLIC DEBT	**1 057.4**	**1380.4**	**1 036.7**	**1 033.9**	**75.1%**	**74.9%**
I - Domestic public debt	596.4	839.4	536.2	533.4	63.9%	63.5%
Principal	445.0	710.0	415.5	412.6	58.5%	58.1%
Interests	51.4	48.0	54.7	54.8	114.0%	114.2%
Refund VAT Credits	100.0	81.4	66.0	66.0	81.1%	81.1%
II - Public external debt	461.0	541.0	500.5	500.5	92.5%	92.5%
Principal	304.4	381.0	327.9	327.9	86.1%	86.1%
Interests	156.6	160.0	172.6	172.6	107.9%	107.9%
TOTAL (A+B+C)	**4 850.5**	**5409.5**	**5 189.5**	**5 126.8**	**95.9%**	**94.8%**

Source: MINFI/DGB, Report on the Implementation of the 2019 Budget

V. Foreign trade

5.1. Global trade trends

In Cameroon, the single window for foreign trade operations and Bolloré Transports & Logistics, signed a memorandum of understanding aimed at improving the competitiveness of transit in Cameroon and easing trade through the simplification of procedures relating to imports and exports. This convention took effect on 17 September 2019 and aims to create a permanent framework for collaboration between the two entities in order to simplify transit and customs clearance operations through the dematerialization of foreign trade procedures.

In March 2019, the Minister of Transport signed in Dubai, an air transport agreement between Cameroon and the United Arab Emirates. This air agreement is supposed to contribute not only to the development of civil aviation, through the establishment of air services between the two countries, but will also stimulate trade with the Emirati city of Dubai, a gigantic factory for Africa.

5.2. Balance of foreign trade trends (or the capacity of Cameroonian supply to meet internal and external demand)

In 2019, the transactions balance deficit reduced by 0.1 percentage points from 2018 to 2.4% of GDP. More restrictive policies helped to reduce Cameroon's external imbalances. The same is true of the increase in oil exports and the overall stability of capital flows. The strict application of exchange regulations on private flows and the repatriation of external assets from banks, combined with budgetary support from technical and financial partners, contributed to the increase in external reserves.

Cameroon is becoming more and more integrated into the global economy. The degree of openness has been on an upward trend since 2017, rising from 12.1% to 12.8% in 2018 and then to 14% in 2019. The trend could continue if the reforms carried out within the framework of the African Continental Free Trade Area are successful.

However, the current account balance has been in deficit since 2009. This deficit is the result of worsening deficits in the balance of income, services and, above all, the balance of goods.

5.3. Balance of trade in goods

Cameroon's trade balance is structurally in deficit. In 2019, the trade deficit worsened by 255.1 billion to 1,547.9 billion. It had already deteriorated by 120.5 billion in 2018 compared to its 2017 level.

Excluding crude oil, the trade deficit is larger, reaching 2 327.5 billion in 2019.

The worsening of the deficit in 2019 is explained by the fact that the increase in exports of 285.5 billion was not sufficient to offset the increase in imports of 540.6 billion.

The depth of the trade balance deficit is explained by the structure of exports (with a significant weight of raw products or raw materials). Indeed, the weight of products that have undergone primary processing in exports in value terms has been on a downward trend since 2017, falling from 24% in 2017 to 18% in 2019. The rate of coverage of imports by exports is below 62% over the 2017-2019 period.

All these developments illustrate a loss of competitiveness of the Cameroonian economy in the period under review.

However, the export rate is on an upward trend over the 2017-2019 period and will rise from 9.3% in 2017 to 10.6% in 2019.

Table 13 : Some key figures of Cameroon's foreign trade (in billions)

Heading	2017	2018	2019
Exports	1 881.9	2 112.3	2 397.8
of which excluding crude oil	1 137.5	1 250.0	1 398.3
Imports	3 054.3	3 405.2	3 945.7
of which excluding crude oil	2 843.0	3 232.3	3 725.9
Trade balance	-1 172.3	-1 292.8	-1 547.9
of which excluding crude oil	-1 705.5	-1 982.3	-2 327.5
Coverage rate	61.6%	62.0%	60.8%
of which excluding crude oil	40.0%	38.7%	37.5%
Global exchanges	4 936.2	5 517.5	6 343.6
Opening degree ((X+M)/(2PIB))	12.1%	12.8%	14.0%
Export rate	9.3%	9.8%	10.6%
Penetration rate of the internal market	15.9%	16.9%	18.7%
Nominal GDP	20 328.0	21 493.0	22 692.0

Source: MINFI/DGD and our calculations

In 2019, the 13.5% increase in exports is explained by sales of crude petroleum oils (+15.9%), crude cocoa beans (+23.8%), liquefied natural gas (+111.5%) and cocoa butter (+24.4%). The good situation on the market for the four products was slowed down by exports of fuels and lubricants (-39.1%) and raw wood (-29.2%).

Liquefied natural gas became the 3rd export product in 2019 (11% of total exports by value) after crude petroleum oils (41.7%) and crude cocoa beans (12%), while cocoa butter was the 7th export product in 2019.

The quantity of crude cocoa exported is on a downward trend over the 2017-2019 period. This variation is explained by the fact that local processing of cocoa beans is becoming more intense. According to the National Cocoa and Coffee Board (ONCC), this activity is estimated in 2019 at a rate of about 32% of total marketed cocoa production during the campaign. This performance is to be linked to the increase in the number of companies established including the arrival of NeoIndustry in Kekem with a processing capacity of 32 000 tonnes and Atlantic Cocoa Corporation (ACC, in Kribi) with a capacity of 48 000 tonnes. It is mainly due to the purchase of new equipment by the Société industrielle des cacaos (Sic Cacaos).

Table 14 : Table 5: Export trends from 2017 to 2019 (Q, in thousands of tonnes; V, in millions of francs)

Periods	2017		2018		2019	
Products	Q	V	Q	V	Q	V
Bananas (including plantains)	275 717	36 413	217 177	34 180	184 342	24 296
Coffee	24 133	23 935	18 981	18 870	18 085	14 518
of which robusta coffee	22 273	21 027	17 765	17 116	17 217	13 319
Palm oil	1 144	951	1 544	1 247	1 611	1 462
Cocoa-free sweets	2 918	4 290	2 790	4 021	2 624	3 603

Periods	2017		2018		2019	
Products	Q	V	Q	V	Q	V
Raw cocoa beans	221 667	234 099	218 793	233 423	218 003	288 862
Cocoa paste	23 425	41 094	26 653	40 661	27 577	44 167
Cocoa butter	14 989	26 491	17 835	27 470	19 631	34 183
Chocolates and other cocoa-based preparations	3 657	7 414	3 469	6 968	3 800	7 155
Preparations for soups and soups	3 565	5 378	3 356	4 875	5 042	7 312
Soft drinks	2 051	583	4 415	1 812	9 066	4 362
Cements	57 459	5 370	25 985	2 478	24 397	1 532
Crude petroleum oils	3 488 042	744 485	2 904 295	862 299	3 811 088	999 485
Fuels and lubricants	244 013	64 088	176 511	53 050	75 131	32 319
Liquefied natural gas			785 627	125 102	1 224 520	264 529
Beauty or make-up products	1 505	3 063	1 677	3 126	2 327	4 037
Household soap pieces	58 567	30 175	52 860	26 363	55 500	27 881
Raw rubber	42 381	39 331	41 560	30 015	34 141	23 618
Wood and wooden articles	1 507 959	293 209	1 718 185	307 036	1 512 285	280 022
Raw wood (logs)	1 017 971	113 789	096 775	121 210	878	85 797
Sawn timber	641 188	151 733	742 535	157 804	785	167 672
Wood veneer sheets	35 069	21 841	45 977	24 071	50 630	23 525
Raw cotton	101 893	95 350	113 623	116 998	128 171	128 122
Bottles and flasks	19 820	7 626	20 049	7 405	9 390	3 795
Bars of iron or non-alloy steel,	19 075	6 850	21 235	8 516	28 445	12 022
Raw aluminium	77 600	75 394	62 581	67 712	48 869	56 492
Aluminium sheets	1 943	3 363	2 221	3 720	3 361	4 647
Total processed products		**451 413**		**437 277**		**432 563**
Overall total of exports		**1 881 935**		**2 112 338**		**2 397 827**

Source: MINFI/DGD

The balance of trade of some of Cameroon's main exported products is positive over the period 2017-2019. Cameroon sells more than it imports hydrocarbons, crude petroleum oils, liquefied butanes, soaps and detergents, wood and wooden articles. If the surplus of hydrocarbons and wood and wooden structures has reduced compared to 2018, on the other hand, it has improved for other products. These products are therefore competitive, and Cameroon has a comparative advantage in crude petroleum oils, liquefied butanes and wood and wooden articles.

On the other hand, the balance of "perfumes and beauty products" is in deficit over the period 2017-2019.

Table 15 : Trends in the trade balance of some products from 2017 to 2019 (in billions)

Product Name	2017	2018	2019
Cement	5.0	-5.4	1.1
Hydrocarbons	314.0	356.1	257.4
Crude petroleum oils	533.2	689.5	779.6
Fuels and lubricants	-187.9	-420.3	31.5
Liquefied butanes	-31.3	80.5	230.9
Perfumes and beauty products	-30.8	-30.1	-26.6
Soaps and detergents	18.5	12.8	13.7
Wood and wooden articles	290.5	304.6	276.5

Source: MINFI/DGD and our calculations

The domestic market penetration rate is on an upward trend over the 2017-2019 period. In 2019, it improved by 1.8 percentage points compared to 2018, to stand at 18.7%.

The weight of imported products, intended for final household consumption, increases from 30.1% in 2017 to 25.9% in 2019. This trend can also be observed for second-hand clothing, whose weight in imports decreases from 1.3% in 2018 to 1% in 2019. Cameroon's import expenditure on agri-food products amounted to 809.5 billion in 2019, after 702.3 billion in 2018 and 701.1 billion in 2017.

In the reforms undertaken by the Government, emphasis must be placed on the processing of our raw materials to reverse the trend and reduce Cameroon's structural trade deficit.

Table 16 : Imports trends from 2017 to 2019 (Q in millions of tonnes; V, in billions)

Period	2017		2018		2019	
Title	Q	V	Q	V	Q	V
Frozen sea fish	181.7	114.3	225.3	154.6	185.8	132.8
Milk and derivatives; eggs; honey	17.8	29.3	21.2	36.9	17.0	31.8
Animals and animal products	201.0	145.5	248.2	194.0	204.3	168.0
Cereal	1 475.0	299.2	1 332.3	267.4	1 776.9	379.1
Wheat and meslin	681.8	103.7	745.7	115.9	857.9	142.9
Rice	728.4	183.7	561.1	144.1	894.5	231.8
Vegetable products	1 616.0	345.7	1 465.2	313.7	1 926.1	435.6
Animal or vegetable fats and oils	72.2	39.4	67.8	32.1	71.8	33.6
Sugars and sweets	128.8	41.5	92.0	27.0	81.7	22.6
Industrial food products	321.4	170.4	302.1	162.5	312.6	172.3
Clinkers	1 870.9	80.9	1 991.0	81.9	2 556.3	107.1
Hydrocarborns	1 725.3	513.9	1 817.7	736.6	2 740.7	1 073.4
Crude petroluem oils	855.6	211.3	540.9	172.8	719.5	219.9
Fuels and lubricants	726.9	252.0	1 026.0	473.4	1 811.2	785.5
Lliquified butanes	78.6	31.3	101.9	44.6	97.9	33.6
Mineral products	4 010.2	615.1	4 274.7	845.5	5 720.2	1 201.8
Inorganic chemicals	229.6	56.7	272.0	90.5	234.2	64.9
Aluminium oxide	151.6	33.7	195.8	65.0	154.0	36.1
Organic chemicals	12.4	14.8	14.3	19.1	15.7	17.8
Pharmaceutical products	14.4	131.6	16.2	132.9	18.9	128.7
Fertilizer	180.0	32.2	209.2	39.3	203.4	41.1
Soaps and detergents	13.9	11.7	17.4	13.5	16.6	14.2
Insecticides; fungicides; herbicides etc.	19.6	45.5	20.3	50.5	19.3	48.2
Products of chemical industries	518.9	365.2	606.9	426.0	556.6	392.2
Plastic materials	100.1	97.6	107.7	106.0	131.1	121.5
Plastics and rubber	127.4	138.8	137.1	149.2	159.4	163.1
Second hand clothes	76.5	40.6	76.2	42.7	73.1	39.5
Textile and textile articles	117.5	85.4	121.1	95.6	122.1	101.8
Cast iron, iron and steel	193.3	97.2	206.3	109.2	182.9	93.1
Cast iron, iron and steel articles	53.9	81.2	76.4	94.5	72.6	106.7
Base metals and their articles	270.6	219.5	306.1	240.9	281.1	251.0
Machines and mechanical devices	74.7	287.2	76.6	283.8	75.8	289.9
Electrical machines and appliances	43.6	202.5	49.3	232.0	52.0	214.9
Machines and mechanical or electrical equipment	118.4	489.7	125.9	515.8	127.8	504.8
Vehicles; tractors	111.7	201.2	102.4	188.7	107.4	199.7
Passenger vehicles	0.0	71.6	0.0	62.9	0.0	70.0
Transport equipment	156.5	220.5	120.6	212.6	117.4	222.0
Grand total of imports		3 054.3		3 405.2		3 945.7

Sources : MINFI/DGD-DP

VI. Money and credit

The implementation of the three-year economic and financial program agreed upo with the IMF in June 2017 continued in 2019 and is aimed at preserving monetary and financial stability and strengthening the resilience of the financial sector. Remedial actions taken to address the shortfall in net foreign assets continue to bear fruit.

6.1. Monetary policy

6.1.1. Interest rate steering policy

In 2019, BEAC intervention rates and bank conditions remained unchanged. As a reminder, the following interest rates are in force :

- The interest rate for calls for tender (TIAO) fixed at 3.5% ;
- The marginal lending facility rate (MFFR), set at 6%;;
- The Bank Penalty Rate (BPR) set at 8.3%;
- The interest rate on bank investments set at 0%;
- The remuneration rate for reserve requirements set at 0.05%;
- The interest rate on public investment for the future generations reserve fund set at 0.4%;
- The interest rate on public investment under the fiscal revenue stabilization mechanism at 0.05%.
- With respect to banking conditions, the minimum lending rate remained unchanged at 2.45%.

6.1.2. Money market operations

They include: (i) traditional money market operations; (ii) financial stability operations; (iii) other money market operations; and (iv) interbank market operations.

Traditional money market transactions are the instruments used by the BEAC to refinance banks. They comprise: a) main liquidity injection operations; b) marginal 24-hour lending facilities; c) marginal 24-hour deposit facilities; and d) fine-tuning operations.

Liquidity injection operations have replaced national refinancing targets. They enable credit institutions deemed solvent to cope with temporary liquidity pressures that could affect financial stability. This system of providing liquidity to banks is monitored in order to prevent credit institutions, which are not in a cashflow stress situation, from using it to acquire additional liquidity. The amounts alloted by BEAC have decreased on average (per auction) from 267 billion in 2018 to 104.8 billion in 2019, in line with the decrease in the number of participating banks (5 on average in 2019) and the excess liquidity of some banks.

On the interbank market, operations with a total volume of 3500.3 billion are carried out between banks in 2019, at an average interest rate of 4.34%, including 407.4 billion for domestic operations and 3092.9 billion for regional operations.

6.2. MONETARY SITUATION

6.2.1. Monetary agregates

As at December 31, 2019, and year-on-year, the money supply grew by 6.9% to 5,389.1 billion. Year-on-year, the increase in the money supply is the result of growth in its three components: bank money (or sight deposit), near-money (or term or savings deposit) and fiat money (bills and money in circulation).

In 2019, the structure of the money supply remains dominated by bankl money, with a weight of 43.1%. The weight of fiat money in circulation is 20.9% while that of near-money is 36%.

6.2.2. Sources of money creation

6.2.2.1. Net external assests (NEA)

At the end of December 2019 and year-on-year, net foreign assets (NFA) rose by 13.9% to 2,361.1 billion. This increase is the result of an 11.2% rise in the net foreign assets of the Central Bank and a 20.5% rise in those of money-creating banks.

The increase in money-creating banks (MCBs) is mainly attributable to the renewed repatriation of export earnings.

6.2.2.2. Domestic credit

Domestic credit stood at 4,141.1 billion at the end of December 2019 and increased by 6.7% compared to December 31, 2018. This increase is mainly attributable to the 80.8% rise in net receivables from the government.

a. Net receivables from the state

The increase in the net receivables from the State which stood at 547.9 billion at the end of December 2019 is explained by the increase in financing from BEAC and above all, the rise in the Treasury's commitments to banks (mainly in the form of public securities held by them).

The Net Government Position (NGP), an essential component of the monetary system's net receivables on the State, remains in debit of 717.6 billion. This reflects the effects of the measures taken under the three-year program signed with the IMF.

b. Credit to the economy

At the end of December 2019, credits to the economy were virtually stable (+0.2%) year-on-year. Loans to the private sector rose slightly (1.4%) to 3,422.8 billion. On the other hand, credits granted to non-financial public enterprises fell by 5.3%.

Table 17 : Monetary situation at the end of December 2019 (en milliards de FCFA)

	Dec.-18	Dec.-19	Variations (in %)
	a	b	b/a
CONTREPARTS OF MONEY SUPPLY	**5 954.8**	**6 502.3**	**9.2**
Net External Assets	2 072.7	2 361.1	**13.9**
BEAC Net External Assets	1 477.2	1 643.3	**11.2**
BCM Net External Assets	595.5	717.8	**20.5**
Domestic credit	3 882.1	4 141.1	**6.7**
Net receivables from the State	465.2	547.9	**80.8**
Net Government Position	303.1	717.6	**41.2**
Credit to the economy	3 231.9	3 422.8	**0.2**
Credit to the private non-financial sector	2 928.9	2 969.8	**1.4**
Credit to non-financial public enterprises	242.8	229.9	**-5.3**
RESOURCES	**5 954.8**	**6 502.3**	**9.2**
Money supply (M2)	5 043.1	5 389.1	**6.9**
Currency in circulation	1 056.3	1 124.1	**6.4**
Sight deposit	2 179.8	2 326.6	**6.7**
Term and savings deposit	1 807.0	1 938.4	**7.3**
Other net items	911.6	1 113.2	**22.1**

Source : BEAC

6.3. BANKING AND FINANCE SECTOR

In 2019, Cameroon had 15 banks, 07 financial institutions, 411 microfinance institutions (MFI) and 25 insurance enterprises with which Campost is evolving, 03 cell phone enterprises operating in digital finance in partnership with banks, as well as 16 state microfinance related projects and many associations of a financial nature. The rate of strict banking of the total population is 11.61 against 11.32 in 2018. The rate of widespread banking (including other credit institutions) is 21.69 compared to 21.44 in 2018. If only the adult population is considered, the strict banking rate is 22.1 while the widespread banking rate is 35.83 in 2019.

The degree of intermediation in the banking sector, as measured by the ratio of outstanding loans to deposits, declines to 75.9% against 81% in 2018.

6.3.1. Bank deposits

In 2019, deposits increased by 9.6% compared to the end of December 2018. The increase in deposits was driven by individuals (3.3% contribution to deposit growth), private enterprises (2.5%) and main public administration (1.2%). Growth in deposits from private administrations slowed.

For customer type, individuals were responsible for the largest share of deposits made as at December 31, 2019, amounting to 2,002.9 billion. This represents 41.1% of total deposits. They are followed by private enterprises (22.8%), central government (9.5%), sole proprietorships (4.8%), public enterprises (4.5%) and public bodies (3.6%).

Table 18 : Deposits per customer type (in billions)

Title	2018	2019	Variations (in %)
	a	c	c/a
Main public Administration	409.1	461.2	**12.7**
Local public Administration	20.6	20.9	**1.5**
Public bodies	164.6	174.4	**5.9**
Private Administrations	167.2	129.4	**-22.7**
Public Entreprises	215.2	218.0	**1.3**
Private Entreprises	1001.6	1111.9	**11.0**
Insurance and capital enterprises	149.5	161.0	**7.8**
Sole proprietorship	189.2	233.2	**23.3**
Individuals	1855.3	2002.9	**8.0**
Others	270.0	357.2	**32.3**
TOTAL	**4442.3**	**4870.0**	**9.6**

Source : MINFI, BEAC

As of December 31, 2019 and year-on-year, all types of deposits by maturity were increasing. The increase in sight deposits was the strongest (10.2%). Sight deposits accounted for 79.4% of the total, compared with 7.9% for special deposits.

Table 19 : Deposits by maturity (en milliards de FCFA)

Title	Dec-18	Dec-19	Variation (%)	Weight inDec.- 2019 in %
Special deposits	342.0	375.3	9.7	7.7
Term deposits	614.7	652.9	6.2	13.4
Sight deposits	3 485.5	3 841.9	10.2	78.9
TOTAL	4 442.3	4 870.0	9.6	100

Source : BEAC

6.3.2. Outstanding credit

In 2019, the issuance of loans in Cameroon remained the prerogative of banks, which account for 99.06% of total registered financing. The offer of financial institutions specializing in leasing operations, represent only 0.94% of the volume of loans granted.

At the end of December 2019, Cameroon's banking sector had granted 3,664.6 billion FCFA in credit to the economy. This amount was 3,596.9 billion FCFA in 2018, a 87.1 billion FCFA increase. However, the main players in the financial sector, notably the Central Bank and credit institutions, are regularly questioned on the issue of the prohibitive cost of credit and its rationing.

This is because, despite the continuous increase in credit to the economy, credit remains relatively low compared to emerging or developed countries. According to the "Research report", one of the publications of the Bank of Central African States, the ratio of bank credits, which reflects financial depth, of the non-financial private sector to GDP, is on average less than 20% in CEMAC while it exceeds 200% in China.

Compared to December 31, 2018, the growth in credit is mainly driven by loans to individuals (+21.7%), central public administration (+14.5%) and sole proprietorships (+6.4%). This increase was curbed by loans to insurance and capital enterprises, public bodies, private enterprises and public enterprises.
By type of customer, 60.8% of outstanding credit went to private enterprises, 16.9% to individuals, 8.1% to the central public administration and 6.5% to public enterprises.

Table 20 : Division of credit by type of client (in billion FCFA)

Title	2018	2019	Variations (en %)
	a	c	c/a
Main Public Administration	258.3	295.7	**14.5**
Local Public Administration	1.4	1.0	**-30.9**
Public Bodies	7.5	0.2	**-97.7**
Private Administration	53.8	11.4	**-78.8**
Public Entreprises	251.1	237.2	**-5.5**
Private Entreprises	2321.0	2227.3	**-4.0**
Insurance and Capital Enterprises	3.8	2.5	**-35.1**
Sole Proprietorship	182.3	194.0	**6.4**
Individuals	509.5	620.2	**21.7**
Others	8.2	75.3	**820.0**
Total	**3596.9**	**3664.6**	**1.9**

Source : BEAC

As regards the market shares, the distribution of the credit remains dominated by BICEC with 28.74% of market share. It is followed by the Société Générale Cameroon with 19.95%, CBC

(14.44%) and Afriland First Bank (9.52%). Ecobank recorded a 3.53% decline in its market share against 10.78% in the first half of 2019.

According to the breakdown by type of beneficiary, the supply of credit remains concentrated on enterprises in the productive sector, which account for about 82.61% of the total credit, broken down as follows: 69.36% for large enterprises and 13.25% for SMEs.

The distribution of new loans according to their initial maturity reveals a predominance of short-term loans, which account for 86.02% of total bank loans. Medium- and long-term loans, essentially dedicated to investment financing, account for only 13.15% and 0.33% of total loans. Leasing operations, on their part, remain marginal, accounting for 0.48% of the overall volume of loans.

6.3.3. 2.3.3- Microfinance Institutions (MFIs)

In 2019, the total number of licensed microfinance institutions was 411. That is 361 first category, 47 second category, and 3 third category institutions.

Table 21 : Breakdown of approved MFIs by category

Category of MFI	2017	2018	2019	Weight in 2019 (%)
1st category	454	368	361	87.8
2nd category	43	47	47	11,5
3rd category	3	3	3	0.7
Total	500	418	411	100

Source : National Council of Credit

Of these approved MFIs, 282 were registered in the special register of the National Council of Credit, compared with 280 in 2018. The cumulative balance sheet of MFIs amounted to 658.2 billion in 2019 against 708.2 billion in 2018, a 7.1% decline. Customer deposits fell from 514.2 billion to 518.1 billion in 2018. This evolution results from the 4.2% increase in deposits of first category MFIs and the 6.5 billion decrease in those of the second category MFIs.

Table 22 : MFI's deposits trend (in billion FCFA)

Title	2017 (a)	2018 (b)	2019 (c)	Variations (in %) c/b
1st category	252	248.8	259.3	4.2
2nd category	416.1	265.4	258.9	-2.4
Total	668.2	514.2	518.1	0.8

Source : CNC

6.3.4. 2.3.4- Insurance

In 2019, 27 enterprises were driving the insurance market, including 17 in the "Fire-Accidents-Risks-Others" branch and 10 in the "Life and Capitalization" branch.

Turnover rose from 207.2 billion FCFA to 209 billion FCFA in 2018, an increase of 1.8 billion FCFA. The "IARD" branch represents 67.6% of the market and the "Life and Capitalization" branch 32.4%. The amount of claims paid is 96.8 billion FCFA, up 3.1 billion FCFA compared to 2018. General expenses increased by 5.3% to 43.9 billion FCFA. Other net expenses amounted to 50.3 billion FCFA against 48.9 billion FCFA in 2018.

Table 23 : Activity trend in the insurance sectors (in billion FCFA)

Branches	2017	2018	2019*	Variations (in %)
	a	b	c	c/b
IARD"				
Turnover	131.2	143.3	141.2	-1.5
Paid services	58.3	58.3	58.8	0.9
Financial products	5.0	4.9	5.6	14.3
Other net costs	38.9	35.8	36.8	2.8
Net results of operations	12.2	8.7	10.0	14.9
life and Capitalisation				
Turnover	56.9	63.9	67.8	6.1
Paid services	37.2	35.4	38.0	7.3
Financial products	4.8	3.9	5.7	46.2
Other net costs	10.2	13.1	13.5	3.1
Net result of operations	3.4	1.3	2.5	92.3
Total turnover	**188.1**	**207.2**	**209.0**	**0.9**

*Sources : CIMA, ASAC * tentative data*

6.3.5. Financial Markets

6.3.5.1. Public securities

In 2019, the outstanding amount of Assimilable Treasury Bills (BTA) was 196 billion and that of Assimilable Treasury Bonds (OTA) was 282.4 billion.

Table 24 : Status of public securities (in billions)

Markets	Public securities as at 31/12/18	Public securities as at 31/12/19	Variation (in %)
Adjudications	102.0	436.2	92.2
BTA	102.0	196.0	92.2
OTA	0	240.2	-
Syndication	361.2	282.4	-21.8
ECMR	361.2	282.4	-21.8
International	450.4	450.4	0.0
EUROBOND	450.4	450.4	0.0
TOTAL	**913.6**	**1 169.0**	**28.0**

Source : MINFI

6.3.5.2. Stock market

The shares sector of the Douala Stock Exchange (DSX) was reserved for large enterprises (first part) and SMEs (second part) that met the eligibility conditions set out in its regulations.

As of June 30, 2019, the three enterprises SEMC, SAFACAM and SOCAPALM, whose shares were listed in the first part, had been admitted to listing after the favorable opinion of the DSX Board of Directors.

Table 25 below presents statistical data for the last six months of DSX's activities.

Table 25 : Stock Market Statistics for the period January 1 to June 30, 2019

Value	(in francs CFA)		
	31 December 2018	**30 June 2019**	**Variation**
SEMC stock	11 163 241 527	10 297 113 027	-7.76%
SAFACAM stock	35 389 548 000	30 368 142 000	-14.19%
SOCAPALM stock	104 780 992 311	105 247 722 789	0.45%
Total	151 333 781 838	145 912 977 816	-3.58%

Source: DSX

6.3.5.3. Bond market

Market capitalization on the bond market in the last half of 2019 was 369 688 850 000 francs. The "Fagace 5.25% 2014-2019" and "ECMR 5.5% net 2014-2019" shares were delisted in 2019.

Table 26 : Bond market statistics for the period January 1 to June 30, 2019

Value	Initial debt	Maturity date	Debt as at 31 December 2018	Debt as at 30 June 2019
« FAGACE 5,25% 2014-2019 »	3 510 800 000	11-Aug-19	877 700 000	438 850 000
« ECMR 5,5% net 2014-2019 »	150 000 000 000	26-Dec.-19	37 500 000 000	37 500 000 000
« ECMR 5,5% net 2016-2021 »	165 000 000 000	17-Oct.-21	123 750 000 000	123 750 000 000
« ECMR 5,6% net 2018-2023 »	200 000 000 000	15-Nov.-23		200 000 000 000
« ALIOS 01 5,75% brut 2018-2023 »	8 000 000 000	19-Dec.-23		8 000 000 000
			162 127 700 000	369 688 850 000

OPINION OF ENTREPRENEURS ON THE EVOLUTION OF ECONOMIC ACTIVITY

The sector trends in 2019 were set thanks to the opinions of entrepreneurs obtained from the business survey for the second half of 2019, administered in March and April 2020, among 300 enterprises and to which 236 actually responded to the questionnaires (a response rate of 78.7%). The sample of enterprises was selected using a stratified random survey, the sampling frame being derived from the statistical and tax returns for 2015.

In order to return to the initially planned structure and to ensure the representativeness of the results, the opinions expressed by the heads of the enterprises surveyed were weighted according to turnover as far as representativeness is concerned and according to the weight of the regions and sectors of activity for the structure.

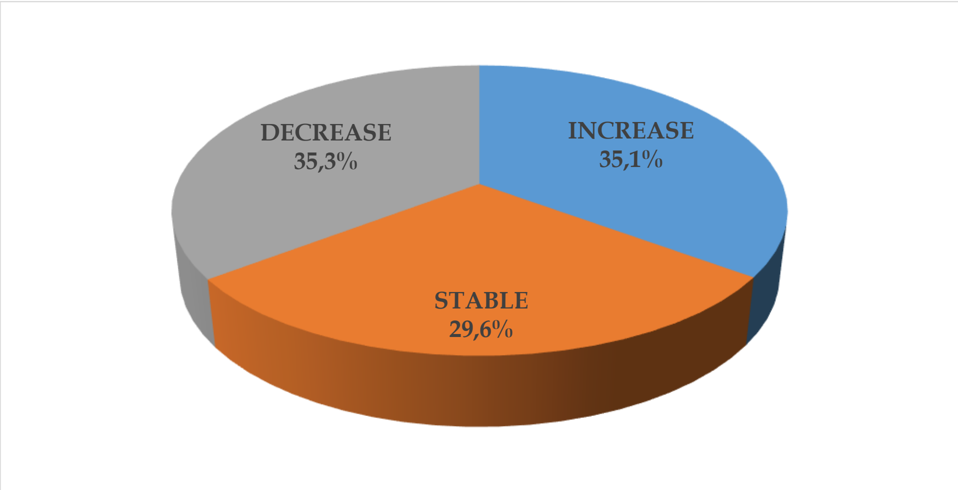
Overall, activity in 2019 was not good. Overall the business climate has been unfavorable to the activity of enterprises in the various sectors, and economic operators anticipate a similar situation in 2020. As a result, hiring has not been very dynamic. overall turnover has declined. Most entrepreneurs consider the financial conditions to be difficult. Cash flow tensions are due to the slowdown in activity, rising prices from suppliers, and insufficient demand.

I. ACTIVITY

One out of three enterprises surveyed estimates that its turnover would have decreased in 2019...

One out of three enterprises surveyed estimated that its turnover decreased during 2019 as shown in the following figure. This impression, acenterprised by the feeling of a joint decrease in production (for 51.6% of respondents) and demand (for 47.2% of respondents), was mainly expressed by enterprises in the south (where all respondents noted a decrease in their turnover), North-West (balance of opinion of 81%) and the East regions (with a balance of 68.1%).

Figure 8 : Opinion of entrepreneurs on the evolution of their turnover in 2019



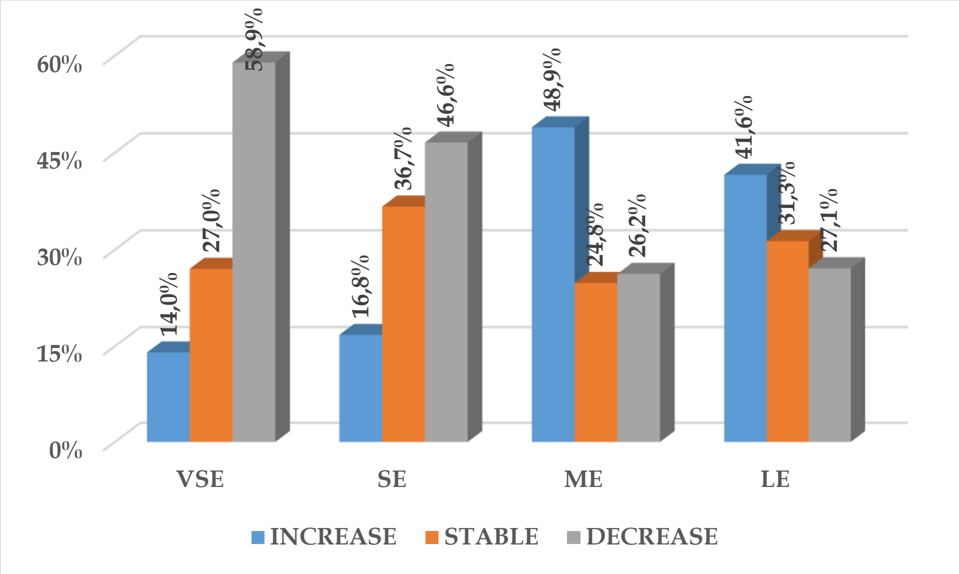
Source : CCIMC/Business survey data for the second half of 2019

… especially among VSEs, SEs …

As shown in the following Figure 9, the decline in turnover would have been more significant among Very Small Enterprises (VSEs) (respectively Small Enterprises (SEs)) where 58.9% (respectively 46.6%) of respondents believe they will experience a decline in sales in 2019.

However, Medium and Large Businesses report having seen their sales increase (respectively for 48.9% and 41.6% of respondents) during the year 2019.

Figure 9 : Opinion of entrepreneurs on the evolution of their turnover, by size, in 2019

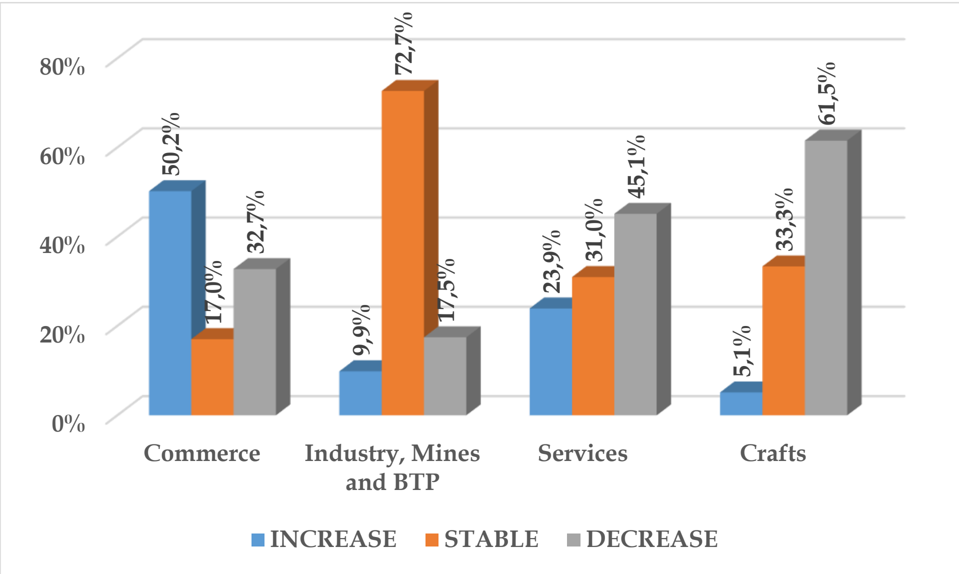


Source : CCIMC/Business survey data for the second half of 2019

... and for craftsmen.

The sector analysis carried out on the basis of the respondents' opinions recorded in the following Figure shows that 61.5% of artisanal enterprises noted a decrease in their turnover against only 5.1% who observed an increase. On the other hand, more than half of the business estimate that their turnover would have increased during the year 2019.

Figure 10 : Opinion of entrepreneurs on the evolution of their turnover, by sector of activity, in 2019



Source : CCIMC/Business survey data for the Second half_2019

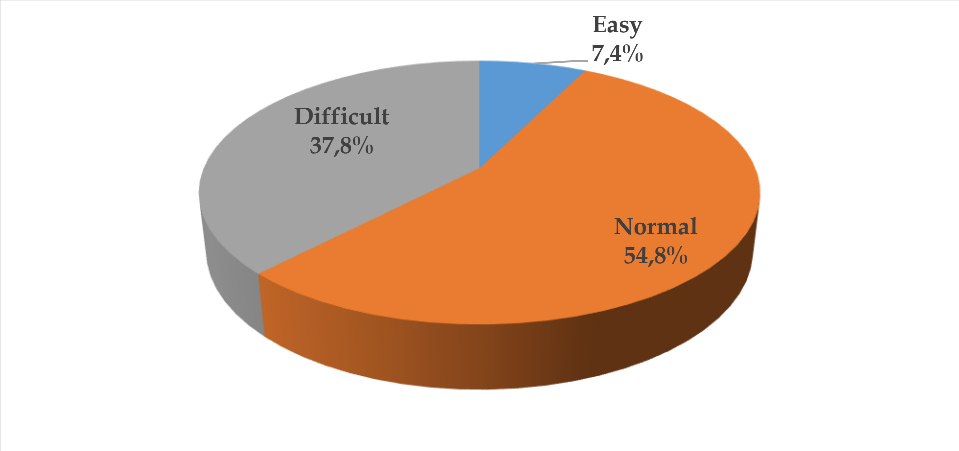
II. CONDITIONS OF SUPPLY

Generally difficult supply conditions...

Overall, supply conditions would have been difficult in 2019. While 37.8% of those interviewed said they were difficult, 54.8% said they were normal. On the other hand, the balance of opinion continued to worsen in 2019, losing 2 points compared to that of 2018 to stand at -30.4% in 2019.

From a spatial point of view, this trend was maintained in the Northwest (balance of opinion of -90.5%), Far North (balance of opinion of -35.1%), Littoral (balance of opinion of -31.7%), Adamawa (balance of opinion of -29.2%) and Center (balance of opinion of -17%) regions.

Figure 11 : Assessment of procurement conditions by entrepreneurs in 2019

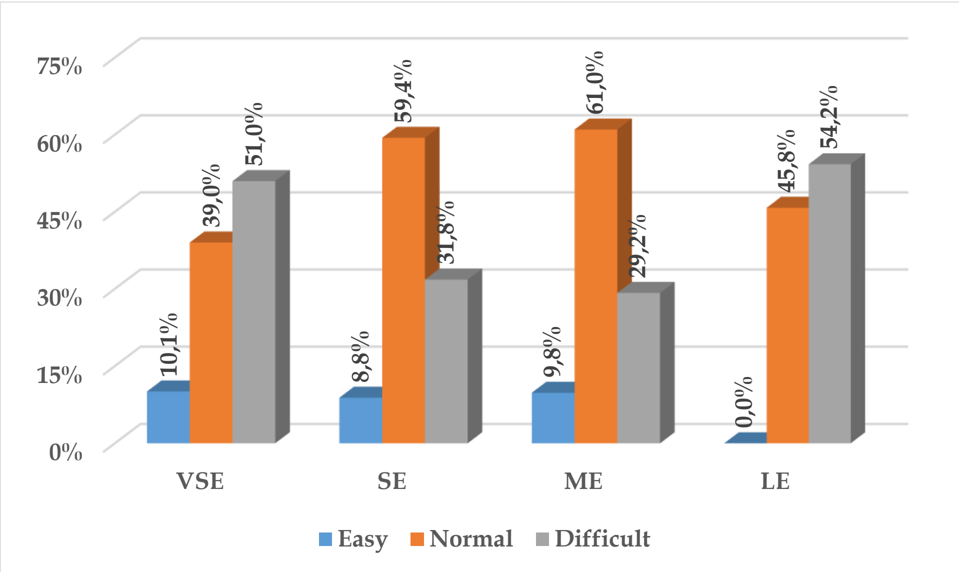


Source : CCIMC/Business survey data for the second half of 2019

... and this, for enterprises of all sizes ...

The size of the company didn't matter. Regardless of size, the trend would have been the same. Contrary to the findings of the previous annual survey (from 2018, when Large Firms had the least difficulty supplying), the opinions on this issue summarized in the following Figure show that Large and Very Small Firms had the most difficulty supplying in 2019.

Figure 12 : Entrepreneurs' Assessment of Procurement Conditions, by Size, 2019

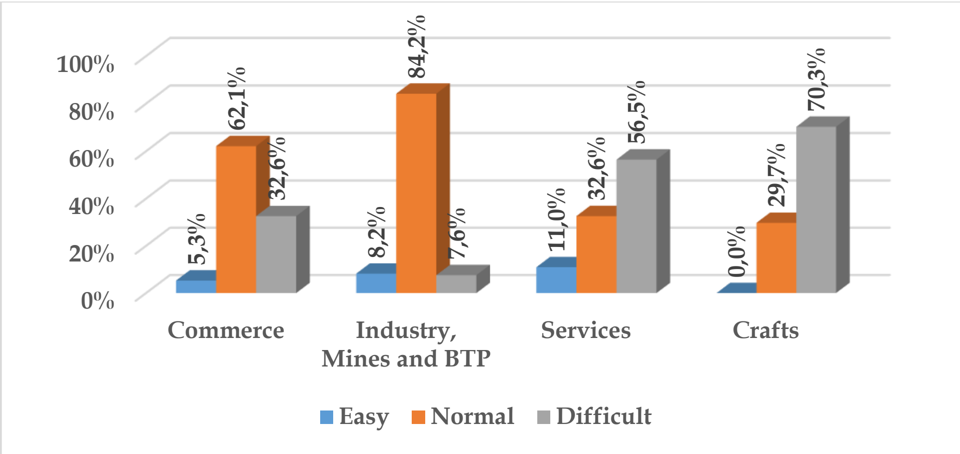


Source : CCIMC/Business survey data for the second half of 2019

... particularly difficult conditions for craftsmen and service enterprises.

Craft and service enterprises particularly experienced supply difficulties (respectively 70.3% and 56.5% of entrepreneurs surveyed said that their conditions were difficult in 2019) compared to others who suffered less. The industries had the most normal supply conditions, according to the respondents' opinion.

Figure 13 : Entrepreneurs' Assessment of Supply Conditions, by Industry, 2019



Source : CCIMC/Business survey data for the second half of 2019

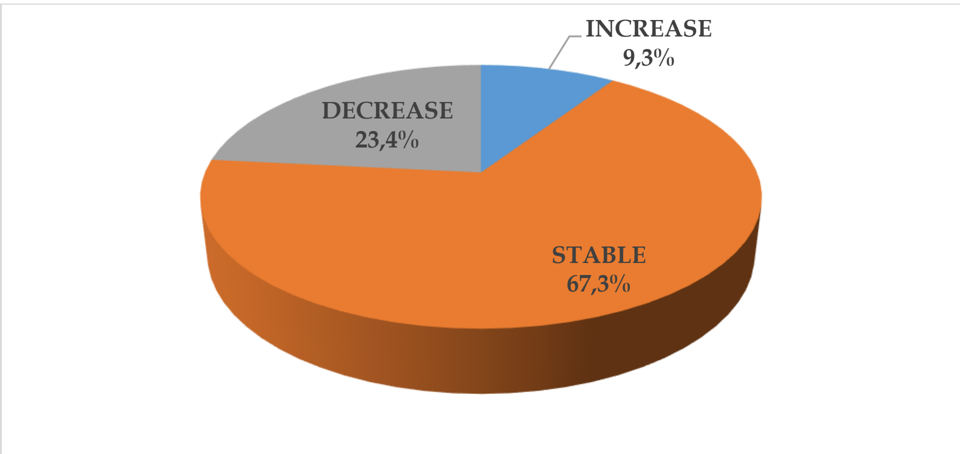
III. SELLING PRICE

Prices charged by enterprises would have remained mostly stable in 2019...

According to the opinions of the respondents summarized in Figure 14 below, prices charged by firms tended to stabilize in 2019. In fact, 67.3% of the entrepreneurs surveyed said they had kept their selling prices stable, compared to 23.4% and 9.3% who reported a decrease and an increase respectively.

Moreover, from a spatial point of view, this stability of selling prices was observed much more in the Far North and Adamaoua regions where respectively 97.3% and 76.3% of interviewees said they have kept their prices stable. In the Northwest, however, selling prices increased in 2019 for 53.3% of respondents.

Figure 14 : Opinion of entrepreneurs on selling prices in 2019

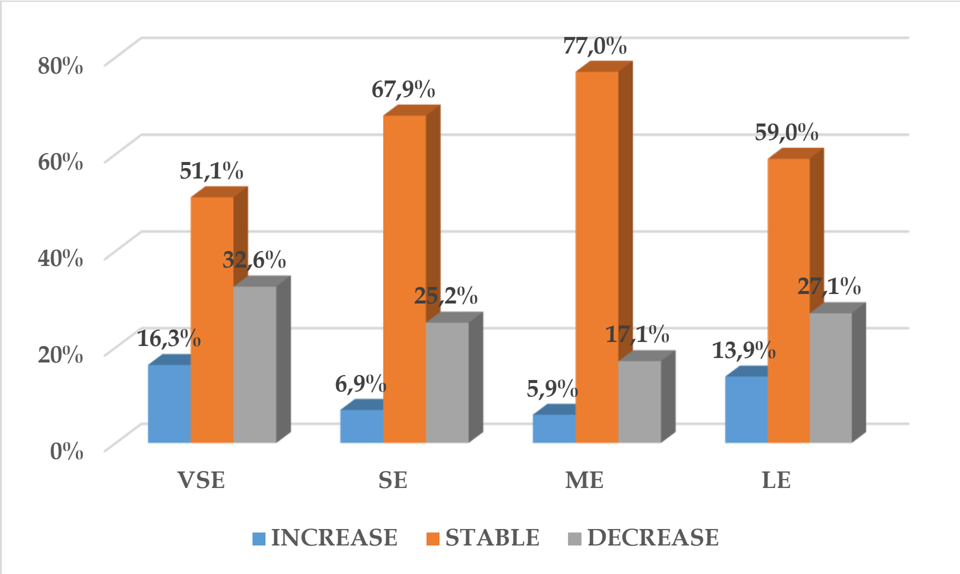


Source : CCIMC/Business survey data for the second half of 2019

… no matter their size …

In terms of size, the Figure below shows that more than half of the firms maintained their price, depending on whether they were very small, small, medium or large.

Figure 15 : Opinion of Entrepreneurs on Selling Prices, by Size, 2019

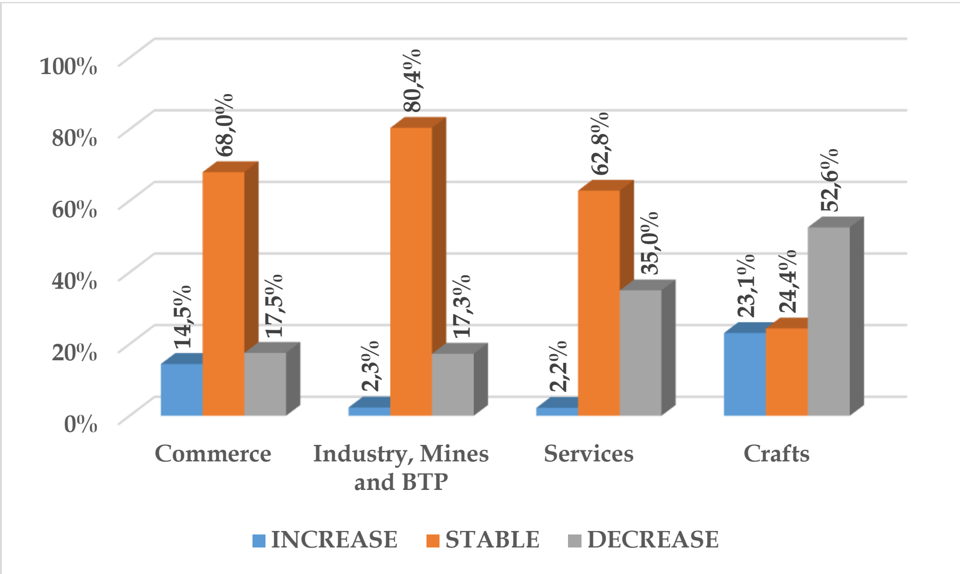


Source : CCIMC/Business survey data for the second half of 2019

… despite the drop in prices charged by the majority of craftsmen …

Handicrafts is the sector where prices fell the most in 2019. As can be seen in the following figure, 52.6% of artisans reported reducing the prices of their products during 2019. However, prices remained much more stable in the other sectors.

Figure 16 : Opinion of Entrepreneurs on Selling Prices, by sector, 2019



Source : CCIMC/Business survey data for the second half of 2019

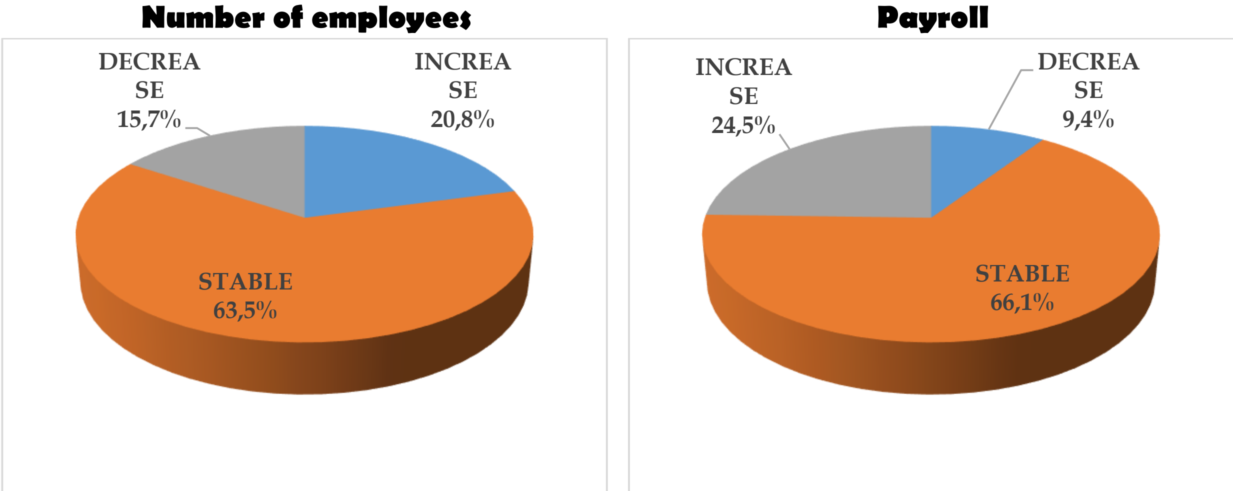
IV. NUMBER OF EMPLOYEES AND PAYROLL

The number of employees and payroll would have remained largely stable in 2019 ...

While 63.5% of the heads of enterprises surveyed said they had kept their number of employees and payroll stable in 2019, the balance of opinion on the change in the number of employees (respectively payroll) fell by 12 points (respectively -11.3%) compared to 2018, to stand at -5.1% (respectively -15.1%) in 2019.

This general trend was observed in all regions, with the exception of the North-West region where only a quarter of the responding enterprises kept their paid workforce stable. In fact, 73.6% of respondents saw a decrease in the number of employees in this region.

Figure 17 : Opinion of entrepreneurs on changes in the number of employees and payroll, in 2019



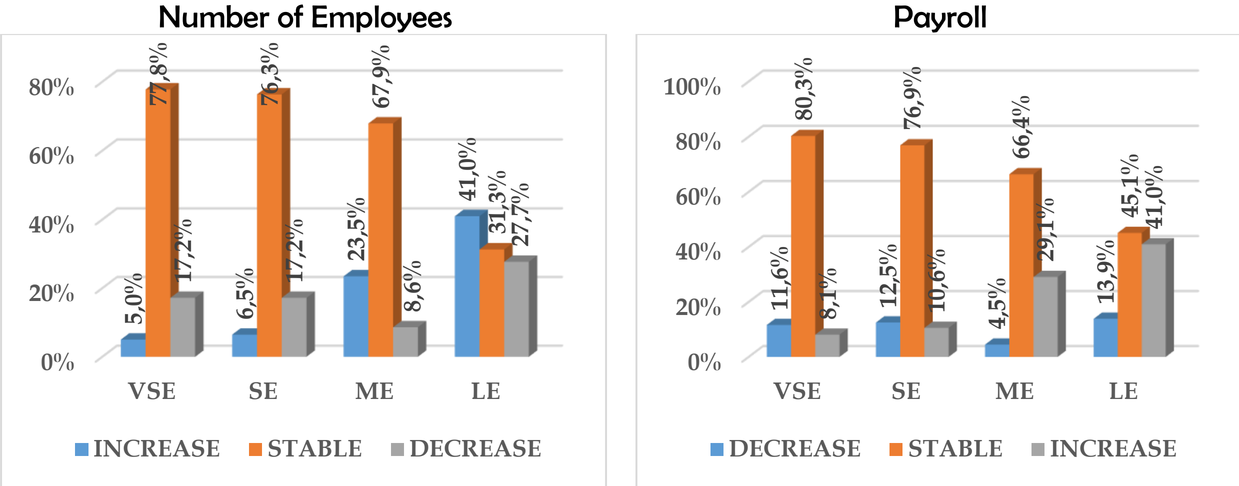
Source : CCIMC/Business survey data for the second half of 2019

... except for Big Enterprises...

The general trend of employment stability was maintained inversely by enterprise size. However, in larger enterprises, hiring has been relatively dynamic. These hirings would have varied with firm size. In fact, while 41% of large enterprises report having hired staff in 2019, only 5% of small enterprises, on the other hand, say they have recruited staff.

Moreover, the payroll was stable according to respondents. It was also stable according to size, with the greatest stability observed among very small enterprises (for 80.3% of respondents).

Figure 18 : Opinion of entrepreneurs on changes in the number of employees and the payroll, by size, in 2019

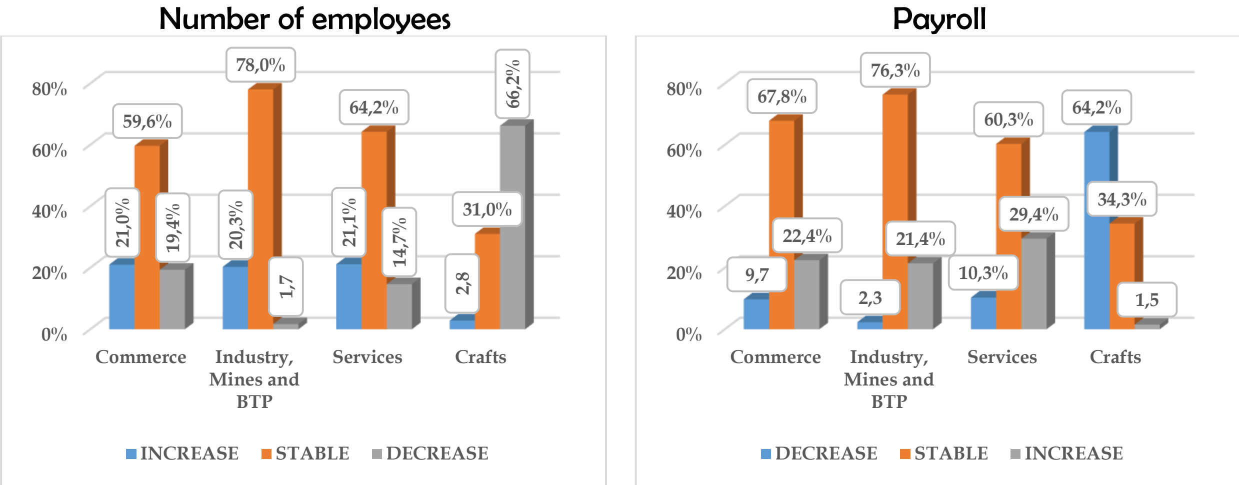


Source : CCIMC/Business survey data for the second half of 2019

... and for the craftsmen.

In 2019, 66.2% of craft enterprises reported a decrease in the number of employees, compared to only 1.7% of industrial firms, which implied a consecutive decrease in the craft (for 64.2% of respondents) and industrial (for 2.3% of respondents) payrolls. In the trade, services and industry sectors, the number of employees and thus the wage bill would have remained stable over the period under review.

Figure 19 : Opinion of entrepreneurs on the evolution of the number of employees and the wage bill, by sector of activity, in 2019



Source : CCIMC/Business survey data for the second half of 2019

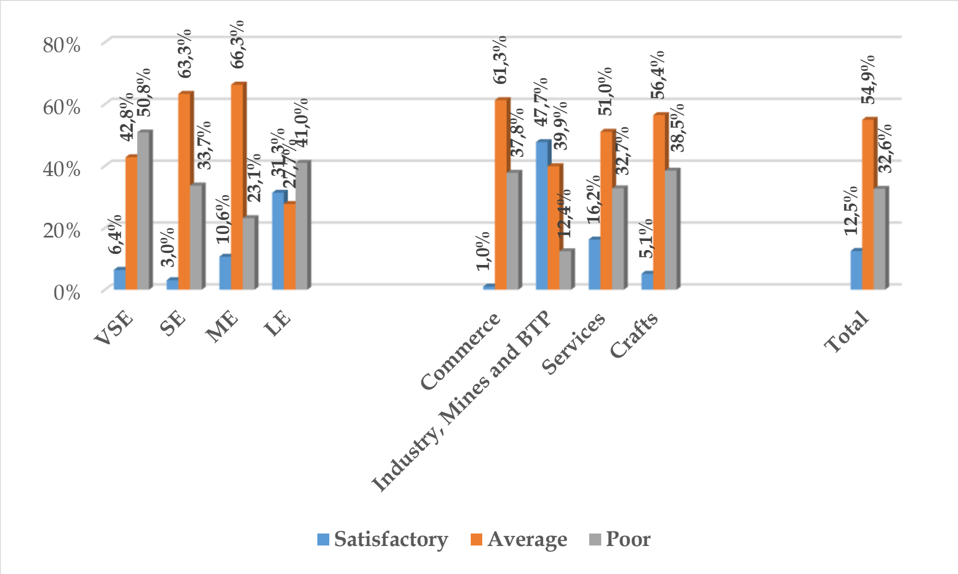
V. TREASURY

A bad financial situation ...

Two-thirds of the enterprises surveyed are reported to be experiencing cash flow difficulties. The financial situation is also said to have been poor with a balance of opinion of 20.1% over the period under review, especially among very small enterprises, where it was poor overall with a balance of opinion of 44.4%.

From a sectoral point of view and as shown in Figure 20 below, the overall trend was observed in all sectors of activity except for the "industry, mining and construction" sector, where the cash position was satisfactory for 47.7% of the enterprises interviewed.

Figure 20 : Opinion of entrepreneurs on the evolution of cash flow, by size and activity sector in 2019



Source : CCIMC/Business survey data for the second half of 2019

... due to the slowdown in activity, recovery difficulties and the high cost of taxes

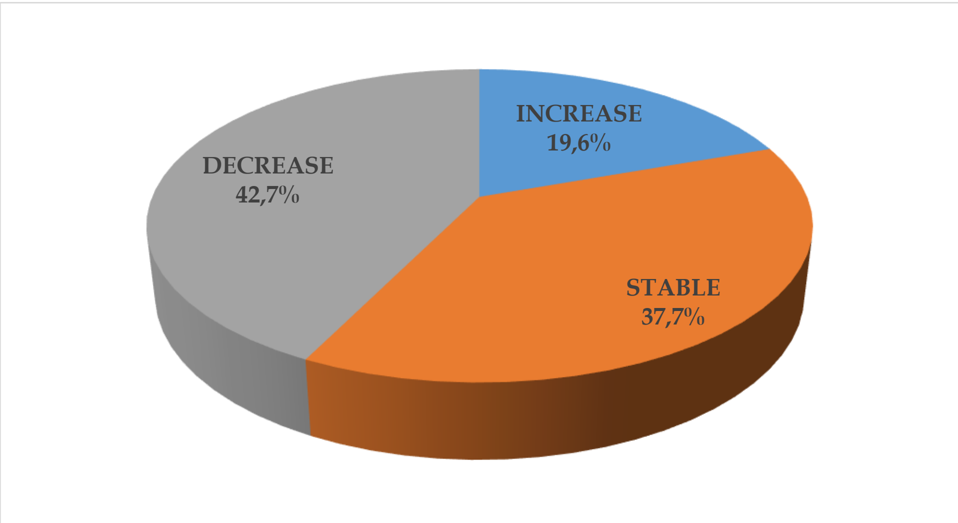
The cash flow tensions could be explained by the slowdown in activity (for 22.1% of respondents), recovery difficulties and taxes (for 18.4% and 16.9% respectively of respondents), insufficient demand (for 16.9% of respondents) and supplier credit difficulties (10.6%).

VI. PROFITS

Profits declined overall during the year 2019 ...

While 19.6% of respondents felt that their profits increased during 2019, 42.7% reported a decrease, as shown in the following figure.

Figure 21 : Opinion of entrepreneurs on the evolution of profits in 2019

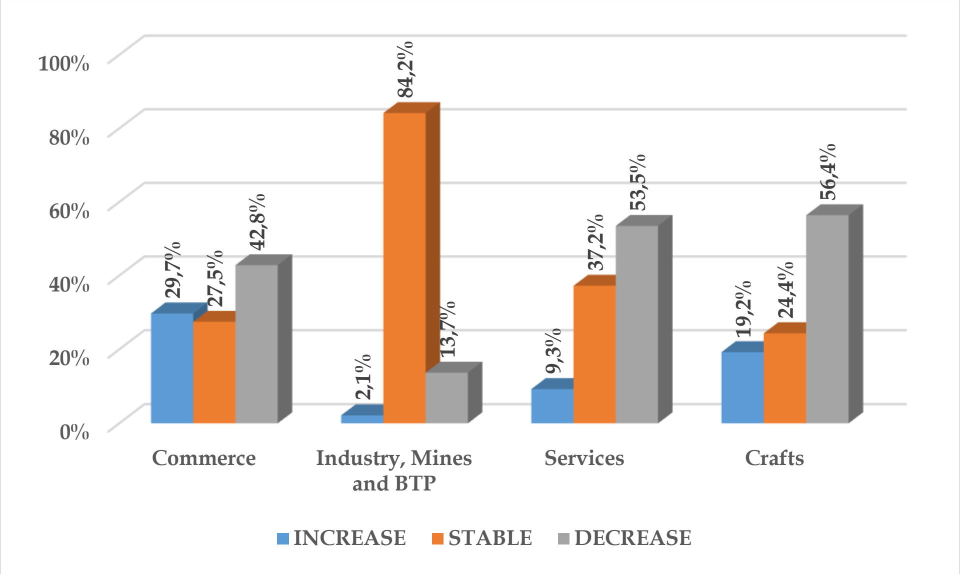


Source : CCIMC/Business survey data for the second half of 2019

... except in industry...

The overall trend of decreasing profits was broken in the industrial, mining and construction sector. According to the figure opposite, profits were mostly stable (for 84.2% of industrial respondents) among industrial enterprises in 2019. Also, they increased the most in the trade sector, where 29.7% of respondents in the sector report having seen an increase in their profits in 2019.

Figure 22 : Opinion of entrepreneurs on the evolution of profits by sector of activity in 2019

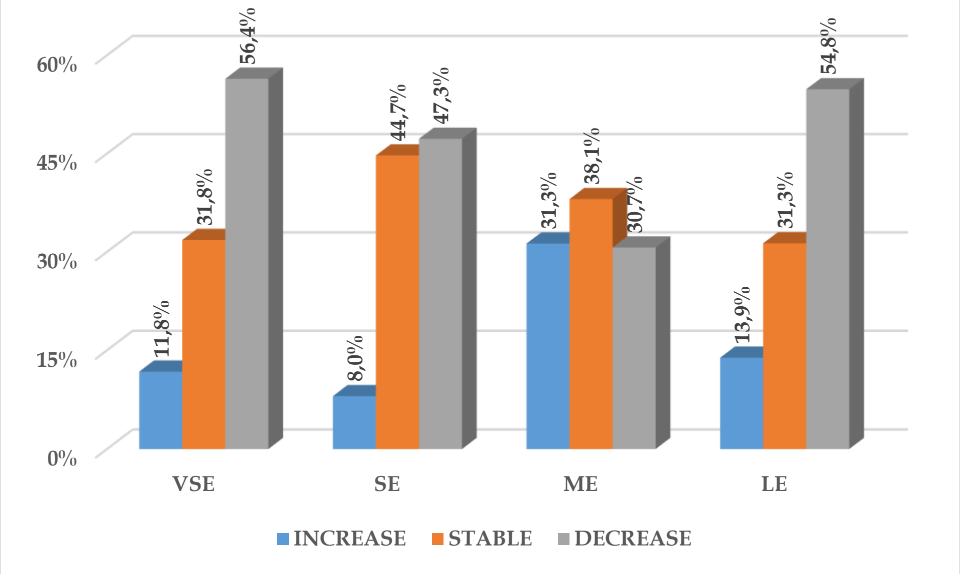


Source : CCIMC/Business survey data for the second half of 2019

... and medium size entreprise.

Firm size had no influence on the general trend of decreasing profits observed by enterprises in 2019. Nevertheless, as can be seen from the following figure, 31.3% of the respondents in the medium-size enterprises noted that they increased their profits over the period under review.

Figure 23 : Opinion of company managers on the evolution of profits by size, in 2019



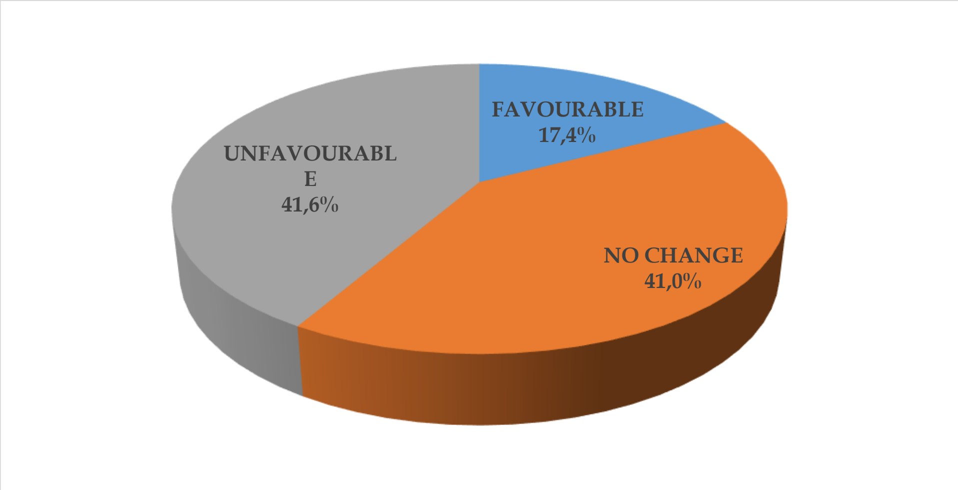
Source : CCIMC/Business survey data for the second half of 2019

VII. BUSINESS CLIMATE

Economic operators believe that the business climate was not favorable to them in 2019 ...

The business climate was unfavorable for all economic operators with a 24.2% balance of opinion of. This situation would have been particularly observed among very small, small and medium-sized enterprises.

Figure 24 : Perception of the business climate by entrepreneurs in 2019



Source : CCIMC/Business survey data for the second half of 2019

However, this feeling was not shared by enterprises in the industrial sector, where for 60.3% of respondents, the business climate was favourable. It would have been much more unfavorable among merchants (for 6.2% of respondents).

... and also anticipate a similar situation in 2020

With a 27.5% balance of opinion, the entrepreneurs interviewed stated that the business climate was unfavorable in 2019. Furthermore, with a balance of opinion of 57.9%, they foresee a situation broadly similar to the first half of 2020.

POINT OF REFLECTION

« AfCFTA : CHALLENGES, OPPORTUNITIES AND OUTLOOK»

Africa has more than a quarter of the world's population. However, it accounts for less than 5% of international trade and 20% of total African trade. As a supplier of raw materials, which it sells at constantly fluctuating prices, Africa's profits from trade are derisory compared to the manufactured goods it buys. Africa's two most important exports are "crude oils of petroleum or bituminous minerals" and "medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s". This situation reflects a primary specialisation that is undesirable according to Adnane (2018), because it could lead to an economy of consumption of manufactured products from rich countries.

Table 1 : Main products exported by Africa between 2015 and 2019 (thousands of US Dollars)

Product name	Value exported in 2015	Value exported in 2016	Value exported in 2017	Value exported in 2018	Value exported in 2019
Crude petroleum or bituminous mineral oils	746 200 983	638 410 555	838 998 422	940 973 844	841 724 844
Medium oils and preparations, of petroleum or bituminous minerals, not containing	361 182 825	294 314 522	375 997 084	472 567 052	433 566 542
Medicinal products consisting of mixed or unmixed products, prepared for therapeutic purposes. .	255 713 884	255 842 354	255 839 746	277 253 279	290 007 774
Passenger cars and other vehicles principally designed for the transport of persons, ...	260 628 360	277 711 951	279 838 630	288 406 216	276 812 633
Telephones for cellular networks [mobile telephones] and other wireless networks, ...	239 007 486	226 364 233	252 615 391	279 341 101	267 649 373
Light petroleum or bituminous mineral oils and preparations, n.e.s., distilling into . .	238 567 338	201 787 200	260 027 683	290 091 583	253 349 796
Electronic integrated circuits (excluding those used as processors, controllers, ...	191 033 634	194 072 481	215 997 525	232 602 659	244 034 644
Electronic integrated circuits used as processors and controllers, whether or not combined with	176 917 870	179 489 842	197 399 198	224 834 107	240 881 523
Gold, including platinum-plated gold, unwrought, for non-monetary uses (excluding powders)	232 427 569	269 749 005	245 145 158	210 466 485	222 527 359

Product name	Value exported in 2015	Value exported in 2016	Value exported in 2017	Value exported in 2018	Value exported in 2019
Electronic integrated circuits used as memories	100 284 683	111 123 937	166 583 307	220 807 070	189 523 805

Source: ITC tradeMap, 2020.

Intra-African trade was also low. In 2019, exports between African countries account for about 15% of total African exports[1].

Table 2 : Trade in goods in Africa (Unit: thousands of USD)

Value	Imports Africa-Africa (a)	Imports Africa-World (b)	Ratio (a/b)	Exports Africa-Africa (a)	Exports Africa-World (b)	Ratio (a/b)
in 2015	70 806 720	533 155 067	13.3%	77 206 858	410 816 629	18.8%
in 2016	60 709 425	497 668 583	12.2%	69 742 490	357 309 433	19.5%
in 2017	64 060 887	506 508 589	12.6%	72 984 105	425 271 140	17.2%
in 2018	72 931 418	581 981 287	12.5%	77 291 074	496 602 946	15.6%
in 2019	68 091 703	560 144 805	12.2%	74 099 182	471 199 048	15.7%

Source: ITC, Trade map 2020, our calculations.

On this market, only South Africa succeeds in selling an important percentage of its products to the rest of the countries (35% of total intra-African exports). The rest of the continent's main exporters (Nigeria, Egypt, Côte d'Ivoire and Zimbabwe) account for 31% of exports in Africa, according to Traclac (2020). Also, with tariffs of around 6.1% on average, it appears more costly for African countries to trade with their counterparts.

It is in response to these concerns that the African Union (AU), at the 18th session of the Assembly of Heads of State and Government on 29 and 30 January 2012, decided to give a boost to its project of creating an African Continental Free Trade Area (AfCFTA).

The following is a presentation of the AfCFTA and the opportunities it offers, exploring the expected impact of the creation of this Area on African economies in general and Cameroon's in particular. We conclude by outlining the challenges Cameroon faces in taking advantage of this trade space.

I. Brief presentation of the AfCFTA

The AfCFTA project is one of the most iconic and prioritised projects in the move towards continental integration, and the AU has instructed the acceleration of its implementation.

According to the African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (UNECA), in association with the African Union Commission, the AfCFTA is a commitment by states to create a system where :

- African businesses, traders and consumers will no longer pay customs duties on a wide variety (97%) of goods traded between African countries;
- Traders will have a mechanism to eliminate burdens caused by non-tariff barriers;
- Service providers will have access to the markets of all African countries on terms no less favourable than domestic providers;
- Mutual recognition of standards, licensing and certification of service providers will make it easier for businesses and individuals to meet the regulatory requirements of different markets;
- States Parties will be able to pursue trade remedies to protect domestic industries, where necessary;
- The existence of a dispute settlement mechanism for the settlement of any dispute that may arise between States Parties in the application of the agreement ;
- The construction of a more conducive environment for the recognition of intellectual property rights in Africa, intra-African investment and the fight against anti-competitive barriers.

The creation of the AfCFTA is in line with the aspirations set out in the AU's 2063 Agenda " aimed at creating a continental market with the free movement of people, capital, goods and services essential for the strengthening of economic integration, the promotion of agricultural development, food security, industrialisation and economic structural transformation. »[1]

The main specific objectives of this Agreement are:

a) to create a single market for goods and services, facilitated by the movement of persons in order to deepen the economic integration of the African continent;
b) to contribute to the movement of capital and natural persons and to facilitate investment by building on initiatives and developments in the States Parties and the Regional Economic Communities (RECs);
c) to lay the foundation for the establishment of a continental customs union at a later stage;
d) to enhance the competitiveness of the economies of the States Parties;
e) to promote industrial development through the diversification and development of regional value chains, agricultural development and food security; and
f) to resolve the challenges of membership in a multitude of overlapping organisations and accelerate regional and continental integration processes.

Box 1 : African Continental Free Trade Area: main characteristics

Agreement on the creation of the African Continental Free Trade Area	Protocol on trade in goods	• Suppression of taxes and quantitative restrictions on imports • Obligation to treat imports no less favorably than domestic products • Suppression of non-tariff barriers • Rules of origin • Cooperation between customs administrations • Trade and transit facilitation • Trade remedies, protection of emerging industries and general exceptions • Cooperation on product standards and regulations • Technical assistance, capacity building and cooperation

	Protocol on trade in services	• Transparency of regulations governing services • Mutual recognition of standards, licenses and certifications of service providers • Gradual liberalization of service sectors • Obligation to ensure that foreign service providers receive treatment no less favorable than that accorded to domestic providers in liberalized sectors • General and security exceptions
	Protocol on the settlement of disputes	• Rules and procedures governing the settlement of disputes in the Continental African Free Trade Area
	Negotiation of the second phase	• Intellectual property rights • Investment • Competition policies

Source: ATPC, AUC, ECA, 2018. "The African Continental Free Trade Area: Questions and Answers". Consulted on 4 November 2020. https://au.int/sites/default/files/documents/36085-doc qa_cfta_fr_160318_rev2.pdf.

Several steps have been taken to make the AfCFTA operational.

At the launch in Kigali in March 2018, 44 countries signed the AfCFTA agreement. The Agreement is expected to enter into force once 22 countries have ratified it before the Chairperson of the African Union Commission (AUC). But until the deadline (21 September 2018), only 6 countries (Ghana, Rwanda, Niger, Eswatini, Kenya, Chad) had ratified or submitted instruments of ratification.

As early as the Nouakchott summit, it was felt that many countries were reluctant to ratify the Agreement. First of all, Nigeria had not yet signed the agreement, due to the reluctance of trade unions and some powerful local economic operators. Secondly, among the first signatories, no economic power on the continent - Egypt, Algeria, Angola, Morocco, South Africa, Sudan, Ethiopia, etc. - had ratified the agreement. Finally, several small countries feared that the entry into force of such an agreement would result in the disappearance of their infant and uncompetitive industry.

To date, the Agreement has been signed by 54 countries and ratified by 28. Among the reluctant are major players, the DRC and Nigeria having signed but not ratified the founding text of the AfCFTA. On 10 February 2020, the new Secretary General (South Africa's Wamkele Mene) was elected at the 33rd summit of Heads of State of the African Union in Addis Ababa.

The date of July 2020 had been set for the start of the dismantling operations phase. Due to internal constraints but also the COVID-19 pandemic, the operationalisation of the Area was postponed to January 2021.

The first phase of this project concerns the liberalisation of trade in goods and services and the settlement of disputes. This first phase was officially launched on 7 July 2019 in Niamey. Trade transactions under the AfCFTA will begin in January 2021. The second phase of the AfCFTA covers investment, competition and intellectual property. It is currently under negotiation. Indeed, the report of the 13th meeting of senior trade officials of the African Continental Free Trade Area held on 23 October 2020 states that the five operational instruments of the AfCFTA, namely, rules of origin, tariff concessions, the online mechanism for monitoring and eliminating continental non-tariff barriers, the Pan-African Digital Payments and Settlement Platform, and the African Trade Observatory, cannot yet be used. Among these, rules of origin, of which only 73% have been agreed and calculated at a six-digit level to date; lists of tariff concessions, of which the number received has been increased to 13, following CEMAC's submission of its offer etc...

II. Opportunities and impacts of the AfCFTA on African economies

This Agreement is necessary for economic integration in Africa, the continent of the future.

Indeed, most African countries have experienced sustained economic growth over the last 15 years, with annual growth rates sometimes exceeding 5%.

In addition, Africa is endowed with important raw material resources, whether of agricultural or mineral origin, and an enormous potential for economic growth and development.

It has more than 60% of the world's arable land that has yet to be exploited. The continent's underground is a geological scandal in terms of the diversity and quantity of minerals available. The potential for producing hydropower is considerable; the Congolese Inga site alone has an untapped hydropower potential of 40,000 MW, enough capacity to cover the needs of several countries on the continent at a lower cost.

Africa has a rapidly growing population estimated at 1.2 billion people today, or 26% of the world's population, which could reach 2.5 billion by 2050. This population is characterised by its youthfulness, which gives it an enormous potential as a labour force and consumer. The AfCFTA will therefore cover a vast market representing a gross domestic product of 2.5 trillion dollars in all 55 AU member states.

In terms of the number of countries participating, it will be the largest free trade area in the world since the creation of the WTO. Africa will see its economy grow twice as fast as that of developed countries.

Integrating the continent into a single trade area offers great opportunities for business and consumers across Africa and ensures sustainable development.

ECA estimates that AfCFTA could increase intra-African trade by 52.3% by eliminating import tariffs, and double it if non-tariff barriers are also reduced.

The AfCFTA will gradually eliminate tariffs on intra-African trade, allowing African businesses to trade easily on the continent, meet the demands of the African market and take advantage of its benefits.

However, African countries have different economic configurations and the effects of the AfCFTA will therefore be felt in different ways.

While relatively more industrialised African countries are well placed to take advantage of the opportunities offered by manufactured goods, less industrialised countries could benefit by integrating into regional value chains. These involve large firms sourcing from small industries across borders.

AfCFTA will facilitate the creation of regional value chains by reducing trade costs and promoting investment.

Agricultural countries can benefit from the AfCFTA by meeting Africa's growing needs for food security. This is due to the perishable nature of many agri-food commodities. These countries would particularly benefit from improvements in customs clearance times and logistics in the AfCFTA.

By reducing intra-African tariffs on intermediate and finished products, it will create additional opportunities for adding value to natural resources and diversifying into new sectors.

Landlocked countries face higher transport costs and unpredictable transit times. The AfCFTA offers particular advantages to these countries: in addition to a reduction in customs duties, it foresees the inclusion of provisions on trade facilitation, transit and customs cooperation.

It will be essential that the AfCFTA is supported by accompanying measures and policies.

The least industrialised countries will be able to benefit from the implementation of the programme as part of Africa's accelerated industrial development; national investment in education and training will ensure that the necessary complementary skills are acquired.

The Action Plan of the Intra-African Trade Enhancement Initiative is the main accompanying measure of the AfCFTA. It outlines areas where investment is needed, such as trade information and access to finance, to ensure that African countries can all benefit from the AfCFTA.

In order to tackle the obstacles that hinder the movement of goods and services, it is absolutely necessary to develop investments in cross-border transport, energy and water networks, as well as information and communication technologies. The infrastructure development project, whose 51 programmes are designed to perfect the interconnection, integration and transformation of the

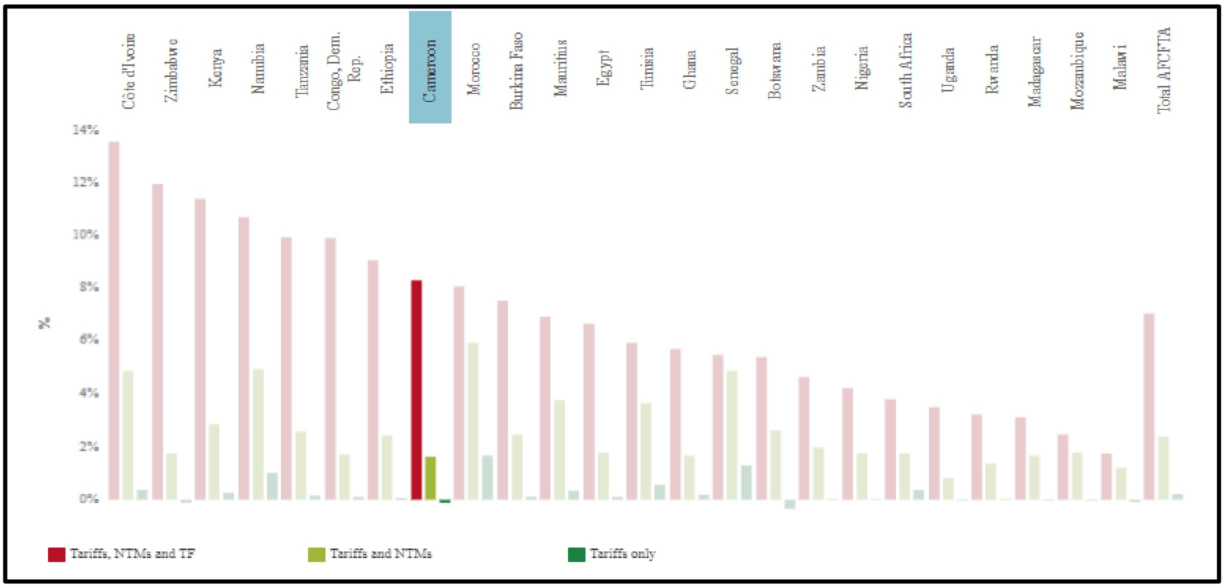
African continent, is an important step in this direction and a great investment opportunity. The acceleration of the economic transformation of the continent through the creation of the African Continental Free Trade Area and the implementation of the other programmes of Agenda 2063 will necessarily go hand in hand with the development of an African financial market and Africa's increasing access to the global financial market, another investment opportunity.

Ultimately, the success of the AfCFTA will depend largely on how the continent addresses economic and political governance, resolves civil conflicts and works to deepen the necessary economic and social reforms.

III. Potential impacts on the economy of Cameroon

Eventually (2035), the most significant increase in Cameroon's income (8%) would result from the decision to simultaneously lift tariff and non-tariff barriers and implement trade facilitation policies.

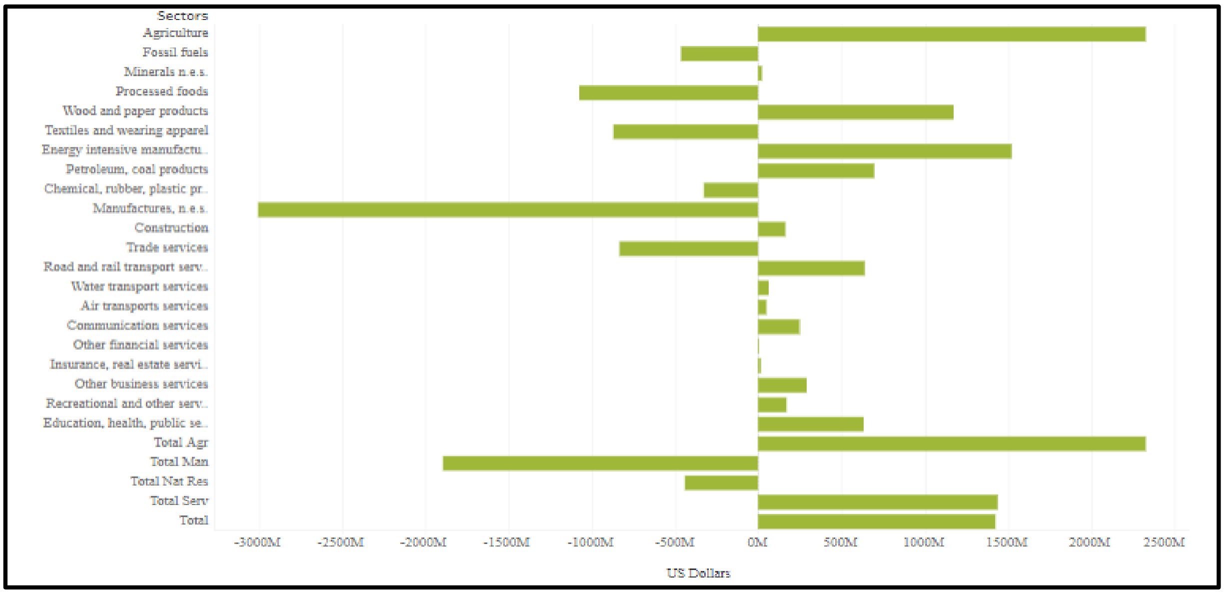
Figure 25: Effect of the Agreement on National Income



Source : https://www.banquemondiale.org/fr/topic/trade/publication/the-african-continental-free-trade-area

Concerning sectoral output, Figure 4 shows that the manufacturing sector would suffer a loss of approximately $1.891 billion as a result of the implementation of the Agreement, while the agricultural and services sectors would record gains of approximately $2.323 billion and $1.438 billion.

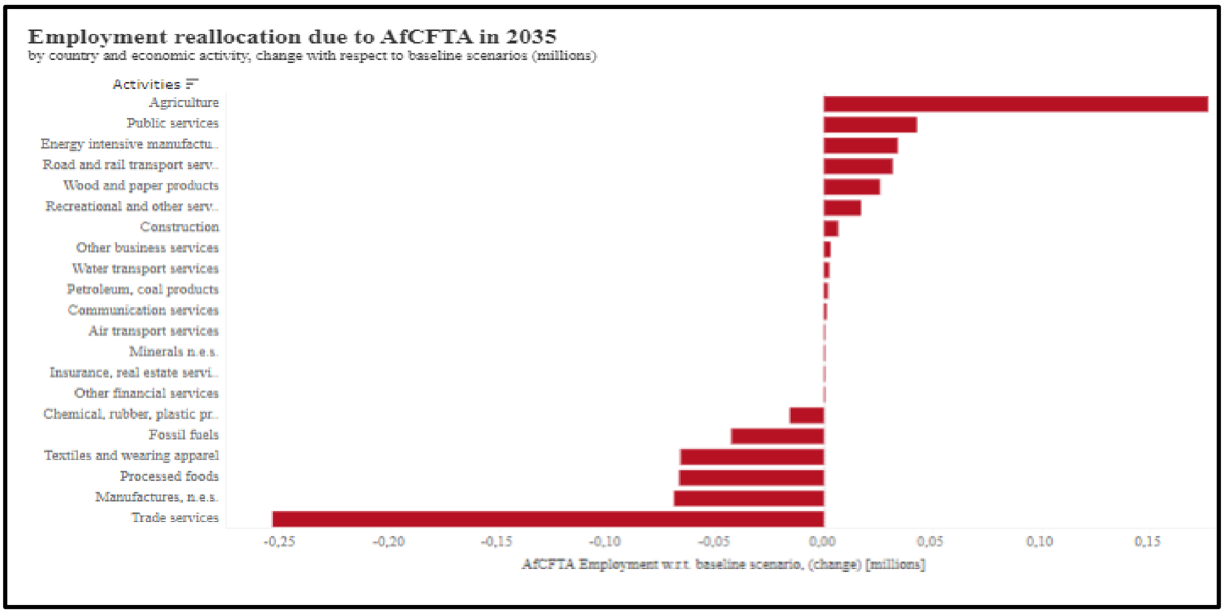
Figure 26: changes in revenue as a result of the implementation of the Agreement



Source : https://www.banquemondiale.org/fr/topic/trade/publication/the-african-continental-free-trade-area

Finally, regarding employment, the implementation of the Agreement would lead to significant job losses in several sectors, particularly in commercial services (25%), the textile industry (6.9%) and food industry(6.7%). On the other hand, an increase in employment is expected in the agricultural sector (17.7%)and in public services (4%).

Figure 27: Impact of the AfCFTA implementation on Employment



Source : https://www.banquemondiale.org/fr/topic/trade/publication/the-african-continental-free-trade-area Comment en tirer profit ?

The results presented above pave the way for reflection on the strategies to be implemented in order to take better advantage of the Agreement. The result of this reflection will be presented in a general way, emphasizing what Cameroon can implement to improve its benefits.

IV. Challenges to be met by Cameroon in order to benefit from the AFCFTA

The Zone must be effectively operationalized and supported by complementary measures that will make it a vector of economic development. In general, the success and sustainability of the AfCFTA will depend on the development of coherent policies.

Beyond the AfCFTA, Cameroon's major challenge is to find the positive trend in exports, which remain the cornerstone of its economic growth.

To benefit from this zone, the answers must come from the public authorities but also from the private sector.

4.1- Role of the State

If some productive sectors can survive in this economic environment, vulnerable firms that suffer from structural difficulties will resist weakly. The same is true for firms that suffer from chronic financial imbalances, sometimes suffering from the sluggishness of the market, from certain monopolies, and from unequal competition.

The Government should therefore consider support measures for exporting enterprises, especially SMEs. It is becoming important to develop special support and coaching programs for SMEs, to enable them to improve their production techniques and adapt to the requirements of international markets.

Another strategy would be public procurement. The Government has an institutional vision of the subject, which is too far removed from the field. As a result, the proposed responses are most often unsuitable, even dangerous, and not in line with the expectations of enterprises and the functioning of our economy. SMEs produce nearly 50% of national wealth but account for less than 20% of public procurement. The weight of SMEs should be increased (to more than 25%), by reforming the national policy on public procurement. This access to public procurement for SMEs must be accompanied by government measures to ensure that they no longer suffer from dissuasive delays in payment, which is the reason why several of them failed.

In view of the economy's low competitiveness, as measured by the size of the trade balance deficit, Cameroon has no choice but to pursue its industrialization in order to become competitive and sell, products with a high technological content for example.

Processing creates local added value by creating new jobs and promoting better income distribution. In addition to safeguarding traditional processed products, new processed products should be developed from local raw materials.

The Government should choose a fundamental strategy: provide each of the 48 departments outside the regional capital with a small or medium-sized industrial company that adds value to local raw materials. It is also essential to improve the quality of "made in Cameroon" and to increase storage capacity or orientate young farmers towards land with high yields.

To compensate for the lack of financing for the industry, banks specialized in financing agricultural activities and derivatives must be created or operationalized.

These banks should provide credit to farmers and industrial enterprises at competitive interest rates, while using the state as a guarantee.

The State can play a major role in supporting producers and especially young entrepreneurs.

All available capacities and potentials should be exploited to explore new external outlets, consolidate the positioning of Cameroonian products and use new modern marketing technologies. Cameroon's Diplomatic Missions in Africa will be called upon to promote the search for export opportunities for our enterprises and attract foreign investors on the national territory.

The Government should put in place a strategy to improve the capacity of enterprises and accompany them in the conquest of foreign markets, or to contribute to the emergence of competent national executives capable of effectively advising enterprises on the elaboration and implementation of their export strategies.

Technical assistance and capacity building, including the institutional framework and the development of human resources, are key elements of trade development.

In total, it is important for the State to provide adequate responses to the inadequacy of infrastructure, difficult access to financing and technology, insecurity and the poor business climate. It is just as important : 1) to establish an appropriate institutional framework, and to adopt a relevant level of industrial policy; 2) to systematically evaluate incentives to facilitate informed decision-making; 3) to pursue efforts to develop infrastructure for the marketing and processing of local products; 4) to increase the different productions by generalizing the use of improved hybrid plant and animal seeds on the one hand and by increasing the weight of processed products on the other hand, in order to increase the marketing rate; and 5) to support the advent of banks specialized in the financing of agricultural and industrial activities.

The Government should continue to implement trade facilitation measures and intensify efforts to close the infrastructure gap in order to boost non-price competitiveness. The first step is to streamline administrative procedures. According to Hadegbe (2018)[2],procedural requirements and red tape in trade matters are real obstacles to the import or export of goods and services, as well as to the mobility of capital and people. Complex procedures increase costs and lengthen delivery periods, which undermine non-price competitiveness and result in missed export opportunities for producers. On the other hand, known and simplified procedures can even serve as a comparative advantage for producers, turning export opportunities into export success.

.For the Government, improving the business climate remains the main goal of its efforts.

[2]Hadgbe, Donald Wolfgang (2018). « Croissance africaine. Des attentes à l'émergence de nouvelles puissances », dans De la défiance aux défis. L'ère des grands bouleversements, Institut Amadeus (Page consultée le 7 août 2019), Rapport 2018, [en ligne], file:///Users/charliemballa/Downloads/Rapport_2018_Institut_Amadeus.pdf

Business surveys conducted by the Chamber indicate that the current business environment is unfavorable to the development of the private sector. In fact, apart from the shocks that often hit the economy, taxation is the most unfavorable element for business creation and development.

Therefore, in order to benefit from the Agreement, efforts to improve the business climate should be pursued. This could be achieved by implementing a tax system that supports competitiveness, certainly, but above all by pacifying crisis zones, where conflicts have already led to a trade detour.

In fact, security crises are likely to limit the creation of trade caused by the opening of trade, and to encourage its detour. According to the studies, household welfare is increased if the commercial effects of trade coverage tend more towards the creation of trade than towards its detour.

Taking advantage of the Agreement Establishing a Continental Free Trade Area presupposes a good understanding of the Agreement and its instruments. Successful participation in the Agreement will depend on stakeholders' understanding of its challenges, risks, and opportunities. Extensive awareness campaigns should be organized for the main components of the private sector (enterprises, business groups, private sector organizations, etc.).

4.2- Role of Entreprises

Cameroonian enterprises must make every effort to innovate. To aspire to become an innovative enterprise, one must acquire and maintain an excellent knowledge of its environment and its ways of operating. The enterprise must carry out an analysis of its situation. It must be aware of: 1) the opportunities in its sector of activity; 2) the difficulties it is likely to encounter; 3) its exact position in its sector of activity.

A detailed analysis of all these aspects will allow the company to seize the business opportunities that arise and to understand the specific issues it faces. In other words, it must place strategic intelligence at the heart of its actions. This monitoring allows the company to: (i) anticipate rather than react; (ii) identify new business opportunities; (iii) make better technological choices; and (iv) maximize investments in research and development.

The private sector should therefore engage in structural transformation *(relating to increasing production, improving production techniques and methods, and the acquisition by producers of various skills)* in the agricultural and, above all, industrial sectors.

Enterprises must not only continue to improve the quality of their products and services, but also give priority to controlling production costs by reviewing all manufacturing processes.

With the support of the public authorities, industrial companies must focus on innovation and deploy the entrepreneurial spirit to renew and ensure the creation of added value on a long-term basis.

The obstacles to economic development include the low efficiency of the public administration, insufficient private investment, existing entrepreneurs who are more concerned with consolidating what exists and who have lost their appetite for risk, the lack of a critical mass of entrepreneurs needed to move the country forward, and a weak sense of ownership and commitment to the success of the enterprise for which they work.

AfCFTA will benefit Cameroon if the business community is more imaginative, open, and visionary, with men and women who think right and think big.

Conclusion

AfCFTA will be a competitive environment where only competitive enterprises will succeed. The State's contribution will be beneficial in improving infrastructure supply and the business climate, as well as in implementing policies to support upgrading and innovation of enterprises.

The private sector should work to increase the productivity of its factors through the use of innovative tools and processes to supply abundant and good quality products. Cameroon should invest as much in the structural transformation of its economy as in beneficial specialization.

Ultimately, for Cameroon to benefit from AfCFTA, it is important to implement a set of structural measures relating to research, innovation, quality of training, etc., in order to ensure that the country benefits from AfCFTA. This also requires the adoption of appropriate measures to diversify the economy, make the movement of factors of production more fluid, remove administrative and police red tape and, above all, to improve communication infrastructure. Successful integration into AfCFTA also depends on the presence of private entrepreneurs who decide to invest, take risks, create and grow enterprises.

APPENDIX : THE CCIMC IN ACTION IN 2019

This part of the economic situation report summarizes some of the Chamber's flagship actions during the year 2019. These actions result from the implementation of the three-year performance project (2019 - 2021) for the fiscal year 2019.

1. Organisation of statutory meetings

During this year, two (02) sessions of the Executive Bureau were organized. The first was held on June 19, 2019 at the CMICC Head Office and resulted in several resolutions, among which, Resolution No. 00258/CCIMC/BE of June 19, 2019 establishing an internal committee to reflect on the future of the CMICC. This resolution aimed at proposing urgent measures to be taken in order to provide the Chamber with adequate sustainable resources. The second session of December 2019 was devoted to the examination of the accounts and financial statements for the 2011, 2012, 2013 and 2014 fiscal years. The draft performance and the draft program budget for the fiscal year 2020 were also submitted to the members of the Bureau for their appreciation. These documents were submitted for adoption by the Plenary Assembly which took place in January 2020.

2. Contribution to the improvement of the business climate

Cameroon Business Forum: The tenth edition of the Cameroon Business Forum was held on March 18, 2020. The CCIMC has been involved in both the preparation and the holding of the Forum, by participating in the scoping meetings for private sector intervention, from which a distribution of roles among the various private sector participants emerged. During the Forum, the private sector represented by the CCIMC was able to deliver an opening address, followed by a presentation on the optimal export strategy to adopt in order to achieve emergence. The Chamber's involvement was also felt in its contributions at the other round tables.

Industrialization Master Plan: In 2019, the Chamber was consulted to make its proposals for projects that could be part of the implementation of the Industrialization Master Plan (IMP). Likewise, the Institution's officials participated in the "participatory consultations for the second phase of the preparatory activities, for the second phase of the 2035 vision".

Private sector/public sector consultation: Private sector/public sector consultation meetings are also an important issue to be discussed for the Chamber. In this regard, on March 12, 2019, the CCIMC organized a meeting involving the technical services of the Ministry of Finance and two associations of traders complaining about the excise duty rates in force, which would promote illicit trade and smuggling. This meeting was attended by officials of the Directorate General of Customs (DGD), traders' associations, and civil society unions. It resulted in recommendations that were transmitted to the hierarchy.

3. Arbitration and Mediation Center of the CCIMC

While waiting for the effective operation of the Arbitration and Mediation Center, several working sessions were organized with the persons in charge of the PACOM (Support Program for the Improvement of the Competitiveness of the Economy) and the CAON-FED (National Authorizing Officer Support Unit of the European Development Fund), with the aim of obtaining the technical and financial support of the Center, intended as a structure for the rapid and less expensive settlement of conflicts.

4. Dissemination of economic and commercial information

The second phase of updating the database of enterprises in the ten regions of Cameroon enabled the data of two thousand three hundred and eighty-five (2385) enterprises to be updated on the CCIMC's database, bringing it to seven thousand one hundred and eighty-four (7184) enterprises whose data were updated in the database in 2019.

In 2019, three meetings of the Scientific Committee of the Economic Observatory of the CCIMC were held and resulted in the production and dissemination in both national languages of: the economic report of the second half of 2018, that of the first half of 2019, the SME Barometer, 2019 edition, the report on the economic situation of Cameroon in 2018. This report, available online on the website of the CCIMC was printed in two thousand (2000) copies and distributed to economic actors and partners.

5. Maroua Professional leather trades Resource Center project

The Government of Cameroon through the Chamber of Commerce, Industry, Mines and Crafts of Cameroon plans to build a professional leather trades resource center in Maroua on a plot of land of about 1100 m² in the place called DOUGGOY. This center is designed to be a place for economic animation, training, development, and services to small business. It is a tool for training and professional structuring, which will be based on a desire to pool resources and build partnerships to improve the positioning of small businesses on local, regional and international markets through the development of fair trade.

With regard to the construction project of the professional leather trades resource center, it is noted that the firm commissioned to carry out the architectural studies has submitted its copy. The geotechnical and architectural studies received have been transmitted to the Legal and Public Procurement Unit for the preparation of the tender documents (DAO) for the construction of the building that will house the CRP of Maroua.

6. Construction of public warehouses in the various ports of Cameroon.

Warehouses at the Port Authority of Kribi: The CCMIC obtained a notice of occupation from the Kribi Port Authority which enabled the realization of the business plan for the public warehouses construction project at the Port Authority of Kribi, thanks to which the project was deemed eligible for partnership contracts by CARPA. For the time being, an opinion on the budgetary sustainability of the MINFI has been requested and further action is expected.

Warehouses at the Port Authority of Douala: With regard to the project for the construction of public warehouses at the PAD, the Chamber obtained the designation of the successful bidder for the partnership contract for the said project from the Prime Ministry, by communiqué n°001/CAB/PM of February 18, 2019. This led the President of the CCIMC to create a working group responsible for conducting negotiations on the terms of the partnership contract with the successful bidder. The appendices to the contract are being finalized jointly between the engineers of the private partner and the Projects Unit while negotiations for the signature of the AOT are underway.

7. Improvement of the sanitary and phytosanitary quality of Penja pepper

The project to support the improvement of the quality of products of the GeoFigure Penja Pepper Indication has made significant progress with the notification of the Standards and Trade Development Facility (STDF) announcing on April 2, 2019, the grant of 494,876 euros for the implementation of the STDF PG 593 Program "Improving the sanitary and phytosanitary quality of Penja pepper for its access to markets". This notification comes from a favorable response of the STDF to the request initiated by the CCIMC in connection with the Penja pepper advocacy group, which has decided to finance about 70% of the implementation operations of the project, the total cost of which is 720 846 euros over a period of three years. The Liaison Committee Europe, Africa, Caribbean and Pacific (COLEACP) is the implementing body of the project. With the effective participation of all stakeholders (STDF, IGPP, COLEACP, CCIMC ...) of this program, the official launch meeting was held on October 26, 2019 at the CCIMC Head Office in Douala. This launch was preceded by a series of hearings at the AFD, the Delegation of the European Union, the Ministry of Commerce and the Ministry of Agriculture and Rural Development (MINADER). The first meeting of the Program Steering Committee was also held on October 27, 2019 at the IGPP headquarters in Penja. All stakeholders were represented.

8. Activities of the Certified Management Centers

For a few years now, the Chamber has been trying to boost the operation of the various Certified Management Centers (CGA) to enable enterprises to benefit from the tax advantages linked to the CGA membership status and new market entrants. To this end, awareness and assistance actions for economic operators have continued both at the head office and at the regional delegations, as well as at the Pilot Incubation Center where an awareness workshop was organized for the Center's incubators. The Adamawa region distinguished itself by regularly making the declarations of twenty-five (25) of their members to the CGA. With the relocation of the Regional Delegation of the CCIMC for the South from Ebolawa to Kribi, awareness raising caravans of economic operators have enabled new members to join the CGA of Kribi.

9. Creation of clubs for young entrepreneurs

In the proactive logic of training future Cameroonian entrepreneurs, the CCIMC has undertaken to establish, in collaboration with university structures and private institutes of higher education, "entrepreneurship clubs". The idea is to create a platform for exchange in which not only the information and methodology necessary for the implementation of business creation projects will be communicated, but also, through which young people could subscribe and benefit from training workshops and capacity building in the maturation of their projects and thus, sustain their structure, once created. The clubs are designed to be revisited forms of business incubators where any young person wishing to undertake will find an ecosystem conducive to the maturation of their project ideas.

10. Actions to strengthen the capacities of economic operators

During the year under review, the evolution of engineering training enabled the satisfactory organization of a consular training course in project management and one on the Preliminary Installation Workshops in Cameroon (APIC). The Pre-installation Workshops in Cameroon, on the other hand, targeted project holders and more generally, entrepreneurs. It was held in the CCIMC Conference Room in Douala and also took place in three (03) days, from 18 to 20 September 2019. The mobilization of the organizers enabled the registration of fourteen (14) participants, including six (06) women.

The training in project management was jointly led by an executive from the Research Department of the CCIMC and certified consultants from a project management firm. It took place in three (03) days (from 28 to 31 May 2019) at the CCIMC Head Office and was attended by thirteen (13) economic operators including four (04) women. It was open to the staff of enterprises in charge of project management.

11. Pierre Castel Award and Bordeaux - Africa Entrepreneurial Residency Program

Pierre Castel Award: In 2019, the CCIMC participated in the organization (call for applications, awareness-raising, monitoring...) of the second edition of the Pierre Castel Award, while continuing to monitor the winner for 2018. The activity enabled the reception of fifty-two (52) applications, the analysis of which led to the selection of three (03) candidates by the Bordeaux Jury, on September 2, 2019. This prize worth ten (10) million francs CFA aims to promote innovative projects of young African entrepreneurs in several sectors, including agro-industry. For 2019, the winner is a woman, a doctor by training, engaged in the production and popularization of Moringa tea for therapeutic purposes.

Bordeaux-Africa Entrepreneurial Residency Program: In the same vein, the Chamber was involved in raising awareness, monitoring, and selecting candidates for the organization of the Bordeaux-Africa Entrepreneurial Residency Program, in March 2019. Program through which young people are selected for their projects, talents and skills in order to benefit from capacity building in the metropolis of Bordeaux, France. As a result of this activity, the CCIMC registered nine (09) applications and two (2) laureates were designated to carry out their internships from June 02 to 15, 2019 in Bordeaux, France.

12. Training of young people at the Pilot Incubator Centre

At CIP, the incubation of 37 young "agri-preneurs7" was launched under the Value Chain Development Program (VCDP). Similarly, under the PEA-Youth Program, the CIP used the incubation method to train 77 young people in agri-food processing and related trades, resulting in 77 bankable business plans developed and 76 young start-ups financed, 27 of which are now up and running. At the same time, the programs to valorize cassava fibers with molasses and to valorize cassava peelings to make animal feed have been launched and are ongoing.

13. Business Debate

With the aim of promoting exchanges of experience between enterprises, the first edition of the "business debate" was held on December 3, 2019 at the CCIMC Head Office in Douala. The activity which had as theme: "why and how to improve the working capital of Cameroon SMEs to strengthen their existence", was attended by fifteen (15) economic operators.

14. Partnership Enterprises upgrading office(BMN), ANOR and the CCIMC

The work carried out within the framework of the implementation of the action plan jointly elaborated by the CCIMC and its partners, in particular the BMN and ANOR, was materialized by the participation of the CCIMC in launching the Programme for the Industrialization and Valorization of Agricultural Products (PIVPA) and the designation of the CCIMC/PIVPA focal points which took place respectively on March 15 and July 25, 2019 in the BMN conference room in Yaoundé. It is this activity which then enabled the Chamber to participate, via its ten (10) Regional Delegations, in the selection, training and deployment processes of the trainees recruited by the said Program throughout the territory, for the purpose of profiling the targeted enterprises. An awareness seminar for the actors of the eight (08) priority sectors of the agri-food sector targeted by the BMN was organized with the support of the CCIMC in the conference room of its Head Office in Douala.

With regard to the implementation of the action plan CCIMC-ANOR, it should be noted that it led the CCIMC to participate, on October 16, 2019, in an awareness seminar on the standards made mandatory for petroleum products.

15. International Investors Forum (F2i)

The second edition of the International Investors Forum was held from 08 to 09 October 2019 under the patronage of the Minister of Industry, Mines and Technological Development and enabled the presentation of 45 public and private projects with a total budget of about 118 billion CFA francs to both domestic and foreign investors. These projects are relaed to oil refining, water and energy, land use planning, health, ICT, agro-industry, pharmaceuticals, mining, industrial printing, transport and hotels.

The forum was structured around:(i) a series of inaugural conferences on the business environment in Cameroon during which the Investment Promotion Agency (IPA), the Support Framework for the Implementation of Public-Private Partnerships (CARPA) and COFACE spoke respectively on "Investment opportunities in Cameroon for foreign companies", "Investing in Cameroon: Opportunities and advantages of Public-Private Partnership", and "Investing in Cameroon: What are the risks? (ii) B to B meetings preceded by the presentation by their promoters of both public, para-public and private projects; (iii) a MoU Signing Ceremony.

The event's website remains functional, which would enable the projects that did not find the registered participants to remain visible and to arouse the interest of companies for direct contact even before the exhibition is held.

16. Participation in commercial and economic events

The participation of the Chamber in economic and commercial events organized by public or private partners generally aims at better showcasing or making the Cameroonian know-how known. The actions, within this framework, range from participation in the organization of the event, to raising awareness among economic operators to participate in it, or to the animation of promotional stands on the sidelines of the event.

During the year 2019, the CCIMC participated in Promote 2019, the Mediterranean Building Exhibition (MEDIBAT) of SFAX in Tunisia, the exhibition of agriculture, livestock and dairy products in Diyarbakir in Turkey, and the Forum of Businessmen and Women between Japan and Cameroon, from 17 to 22 June 2019 in Oita, Japan, at the invitation of the President of the "Friendship Association Between Cameroon and Oita" (four).

Collaboration continued with various partners for the organization of the exhibition called "Les Industriales", and the participation of the Cameroonian private sector in the Cameroon Investment Forum (CIF) 2019, FOCAB, BATIMAT, the Universal Fair Expo Dubai 2020 in the United Arab Emirates (UAE), and the World Expo in Milan.

Bibliography

- BAD : Perspectives Economique en Afrique, janvier 2020 ;
- BEAC : Rapport sur la Politique Monétaire, mars 2020 ;
- FMI : Perspectives de l'Economie Mondiale, juin 2020 ;
- FMI : Indexe Statistiques des Perspectives Economiques Mondiale, avril 2020 ;
- MINFI : DP/DGB, Rapport sur l'exécution du budget 2019, rendu public en juillet 2020 ;
- OMC : Commerce et estimations consensuelles pour le PIB historique ;

Internet sources

- https://www.wto.org/french/news_f/pres20_f/pr855_f.htm