CAMEROON
NEPAD, part 2

SUB-SAHARAN LEADER
Poised to become a regional economic hub

ECONOMY-WIDE OPPORTUNITIES
A diverse economy rapidly progressing

This supplement was produced by World Report Limited Inc, who are solely responsible for the content
With a modern infrastructure and a diversified economy, Cameroon is now one of the most advanced nations in sub-Saharan Africa.

Development built on stability

Bilingual Cameroon, situated in the Gulf of Guinea on Africa’s West coast, emerged in its modern day form in the 1961 when a part of former British Cameroon voted to join former French Cameroon. After more than four decades of political stability and economic growth, Cameroon today boasts one of the highest literacy rates on the African continent, as well as a modern infrastructure and one of the most diversified economies in sub-Saharan Africa. Cameroon is also the dominant country in CEMAC, the six nation Economic and Monetary Community of Central African States, which represents a market of 27 million people. Given its access to the sea and its sizeable potential market, as well as ongoing improvements in regional transport links, increased liberalisation and the growth of new sectors in the economy, Cameroon is poised to become a regional economic hub and is a solid investment choice for foreign companies.

Cameroon has been blessed with fertile soils and enjoys a wealth of natural resources, including agriculture, forests, and hydrocarbons. Consequently, the economy is dependent on commodity exports, and the recent global increase in the price of cocoa and petroleum has contributed favourably to the country’s economic growth, which has been hovering between four percent and five percent since 1996. This steady growth has had a favourable effect on the quality of life for Cameroonians. “Cameroon is witnessing solid economic growth, and this has impacted our social services,” says Minister of Communication Jacques Fame Ndongo. “We enjoy a perceptible social stability now due to investment and development in universal healthcare and primary education, and our improved transport infrastructure.”

Since 1990, President Biya’s government has been employing structural reforms in collaboration with the IMF and the World Bank designed to improve macro-economic stability, liberalise the economy and spur investment. In 2000, Cameroon was also granted a $2 billion (£1.1 billion) debt relief package under the World Bank’s Heavily Indebted Poor Countries initiative. Results in the economy have been encouraging – growth is steady, inflation is under control, and new sectors have begun to flourish. Prime Minister Peter Mafany Musonge comments, “The positive performance of the Cameroonian economy has been in large part due to the creation of a stable macroeconomic environment and a much healthier management of public finances.” Looking ahead, the Prime Minister says that the government’s five priorities: continued restructuring of fiscal spending, the implementation of good governance policies, the creation of a favourable...
Decades of political stability and growth ensure solid fundamentals

Fostering good governance and increasing transparency is dependent upon Cameroon’s judicial system, which has also been the subject of ongoing structural reform. According to Minister of Justice Amadou Ali, the UK has been instrumental in providing assistance with this judiciary reform. He adds, “The reform of the judicial system is aimed at merging our Francophone and Anglophone heritage. As far as the fight against corruption is concerned, we have imposed a collegial structure at the level of the Court of Appeal so three judges are reviewing cases, instead of one.” The strengthen-

COUNTRY PROFILE

- **OFFICIAL COUNTRY NAME:** Republic of Cameroon
- **AREA:** 183,568 sq miles
- **POPULATION:** 16,063,678
- **OFFICIAL LANGUAGES:** English and French
- **CAPITAL:** Yaoundé
- **ADMINISTRATIVE DIVISIONS (10 PROVINCES):** Adamaoua, Center, Est, Extreme-Nord, Littoral, Nord, Nord-Ouest, Ouest, Sud and Sud-Ouest
- **DEPENDENCE (FRENCH CAMEROON):** January 1, 1960
- **NATIONAL HOLIDAY:** Republic Day, May 20
- **CONSTITUTION:** May 20, 1972, approved by referendum, June 2, 1972, formally adopted, January 1996, revised
- **GDP:** £15.5 billion (2003 est.)
- **GDP – REAL GROWTH RATE:** 3.6% (2003 est.)
- **GDP – COMPOSITION BY SECTOR:** agriculture 46%, industry 21%, services 33%
- **LABOUR FORCE BY SECTOR:** agriculture 70%, industry and commerce 13%, other 17%
- **PRINCIPAL INDUSTRIES:** petroleum production and refining, food processing, light consumer goods, textiles and lumber

MINISTRY OF MINES, WATER AND ENERGY

Shifting the gears of Cameroon’s power

As the fifth largest oil producer in Sub-Saharan Africa and with substantial gas reserves yet to be exploited, Cameroon is a major player in the region’s power market.

Upstream and downstream industries are bastions of the economy and Cameroon is reaping the liquid assets generated by the recently inaugurated Chad-Cameroon pipeline. Meanwhile, plans to build hydroelectric plants and the country’s first natural gas-fired plants are in the pipeline. Moreover, the country’s richness boasts bountiful mineral reserves, including sapphire, gold, rutile, bauxite, cobalt, nickel, uranium and iron.

OVERALL, A GREAT CHALLENGE FOR THE MINISTRY OF MINES, WATER AND ENERGY, WHO IS IN CHARGE OF HARNESSING CAMEROON’S POTENTIAL AND PRESENTING THE COUNTRY’S STRENGTH TO THE WORLD.
INTERNATIONAL TIES

Finding a place in the modern world

With neighbours and more widely, Cameroon actively seeks and develops international economic relations

Cameroon maintains close relations with its neighbours, which are progressively strengthening in the face of improved infrastructure links and in the context of growing pan-African co-operation, especially through New Partnerships for Africa’s Development (NEPAD). A long running border dispute with Nigeria is now nearing a peaceful conclusion, ending what was Cameroon’s only international conflict in more than four decades. Throughout the dispute, Cameroon repeatedly demonstrated its preference for resolving the border issues through peaceful and legal means and submitted the case to the International Court of Justice, which subsequently decided in its favour. Indeed, since independence, Cameroon has consistently been one of Africa’s most politically stable and peaceful nations.

One of the most important conduits through which Cameroon furthers its relationships with its African neighbours is NEPAD. Created in July 2001 on a mandate issued by the Organisation of African Unity, NEPAD offers an integrated socio-economic development framework for Africa. Based on pan-African co-operation, the organisation aims to develop projects to alleviate poverty on the continent, to promote sustainable development in all African nations and to accelerate Africa’s integration in the global economy. Professor Wiseman L. Nkuhlu, Economic Advisor to the President of South Africa, has gained international acclaim for his work in the area of African social and economic development and is current chairperson of the NEPAD Steering Committee. He believes NEPAD’s role is to make African nations collectively better modernisers, industrialisers and harnessers of new technology, to allow them to achieve and sustain poverty-reducing growth.

Such advances will be dependent on closer economic integration. The extension of the trans-African road network is an example of a NEPAD project that contributes directly to the strengthening of regional integration. The extension will link Nigeria to the Central African Republic and act as a significant stimulus to the Cameroonian economy. Cameroon also plays an important role in regional integration through its role as the dominant force in the six-nation Central African Regional Economic and Monetary Bloc (CEMAC). Cameroon represents half of the trade bloc’s GDP and over half of CEMAC’s combined population of 27 million people. Officially launched in November 1999, CEMAC members have adopted a non-tariff policy for goods moving within the CEMAC zone, a common external tariff and a common currency, all of which promotes regional trade.

According to Minister of Commercial and Industrial Development Bello Bouba Maïgari, there are two axes to Cameroon’s growth strategy. He states, “Regional integration aids the establishment of a framework that encourages private sector activity and technological transfer.” A member of the World Trade Organisation, Cameroon also enjoys good relations with the Western world, and in particular with the European Union, its largest trading partner. Cameroon became a member of the British Commonwealth in 1995 and also maintains solid ties with France, with whom it has numerous military, economic and cultural agreements.

Cameroon’s relations with the UK are good. The UK has a High Commission in Yaoundé as well as a commercial representative in Douala. The British Council also operates from Yaoundé, Douala and Bamenda. Cameroonian President Paul Biya made an official visit to Britain in March of this year where he was met by Prime Minister Blair and had an audience with the Queen. While in London, President Biya also met with a number of UK investors and businessmen to discuss bilateral activities. Minister of Communications Jacques Ndong’o comments, “The recent visit of the Head of State to Britain was highly successful, not only in the high distinction of his hosts, but also in the richness of the meetings and exchanges. We want Britain to know that Cameroon is a dynamic country on the path of democracy and development, and it is a welcoming and peaceful country that is open to UK investors.”

Links between Britain and Cameroon are strengthening and deepening in many areas, including Parliamentary and political relations, trade and investment, education, scientific research and culture. Cameroon joined the Commonwealth in November 1995 and has since worked closely with the UK in both the Commonwealth and United Nations arenas. Within the UK’s framework for promoting human rights, democracy, good governance and peace and prosperity in the region, the UK has contributed funding to the National Elections Observatory in Cameroon, and is working with the government to ensure that the presidential elections this year are fair and transparent.

Britain has also funded training for Cameroonian military personnel in peacekeeping operations and is a major partner in the Highly Indebted Poor Countries initiative, under which it has to date forgiven Cameroon some £60 million.

The Cameroonian government hopes to continue widening its relations with the UK in the future, according to Prime Minister Peter Mafany Musonge, who says that he would like to see a further strengthening of co-operation between the UK and Cameroon on issues across the board. He elaborates, “Economically speaking, the
The government would like to see an increase in British investment, as well as continued UK support for our poverty reduction strategy. Culturally, we would like to see an increase in assistance for young Cameroonians who would like to further their education in the UK. Cameroon can also benefit from the depth of experience that Britain has in the protection and conservation of the environment. Regarding present environmental co-operation, the government of Cameroon supports Prime Minister Blair’s Extractive Industries Transparency Initiative (EITI), and attended a Ministerial conference in London on the initiative this June. EITI encourages transparency in countries with petroleum and mining sectors, and calls upon signatory governments to publish revenues.

Trade and investment levels between the two countries are also on the rise. Exports from the UK to Cameroon have grown slightly in the past decade, registering £33.7 million in 1996, and £35.8 million in 2002. Main UK exports include industrial machinery, dairy and cereal products, and chemical materials. UK imports from Cameroon, on the other hand, have grown substantially in the same time period from £42.7 million to £64.7 million. Top UK imports include vegetables and fruit, cork and wood, coffee, cocoa, tea, spices and petroleum. Even so, although the European Union represents Cameroon’s largest trading partner, the UK only ranks as 9th on Cameroon’s list of export markets, which is headed by France, Nigeria and the US. British companies present in Cameroon include Diageo (owner of Guinness), BAT, Standard Chartered and Royal Dutch Shell.

Concoction for growth

As the main pillar of the country’s development, Cameroon’s agricultural sector is taking the crucial steps to drive development: revamping production capacity, ensuring that production covers the population’s needs and integrating Cameroonian products into regional and international markets. Cocoa, bananas, coffee, cotton, rubber, corn, pineapples, palm oil and avocados are the essential fruits of Cameroon’s earth, contributing to 60% of total exports and 30% of GDP. The Ministry of Agriculture is making sure that Cameroon sows the seeds of its great agricultural advantages. So far, liberalisation of the sector has laid the ground for furthering mechanisation and improving infrastructure in rural areas. In addition, increasing investments in the sector are ploughing the way to a well-managed growth.
Investment

Foreign investment aids competition

Privatisation and macroeconomic reforms have contributed to a favourable environment for foreign investment

President Biya’s administration has undertaken extensive efforts to encourage the promotion of the private sector throughout the last decade and welcomes new foreign investment, Cameroon’s longstanding political stability, as well as the macroeconomic reforms it has been carrying out since 1996, have both contributed to a stable and promising environment for investors. The country’s prominent position in the Central African Economic and Monetary Community, its access to the sea and recent improvements in transport infrastructure have given new life to local companies and should contribute to an increase in FDI, which is already on the rise due to extensive privatisation in the country.

A national industrial strategy has been created with the aim of fortifying the private sector and increasing Cameroon’s regional competitiveness. Minister of Commercial and Industrial Development, Mr. Bello Boua Maigari, elaborates, “We are aiming for seven percent growth in industrial development and this calls not only for increased public and private sector activity and new financial, but also for an integrated strategy to improve the coordination of business activity and to improve the use of resources.”

To encourage FDI, President Biya’s administration adopted a new Investment Charter in 2002 that comes into effect this year, and has also been working to strengthen transparency and good governance. The first stage of its good governance programme was implemented in May 2001. Minister of Communication Jacques Fame Ndongo comments, “The strategies of the programme aim essentially at supporting growth and long lasting development, promoting partnerships between the state, the private sector and civil society, strengthening the judicial system and enhancing transparency of the state.”

Well aware that Cameroon’s progress is contingent on its infrastructure development, and taking into consideration the country’s natural potential to serve as a regional transport hub, President Biya’s government has taken considerable measures to upgrade existing networks, and to implement structural reforms and privatisation within the transport sector. A Transport Sectoral Program was launched in 1996 to serve as a framework for investment with a view to improving and rehabilitating the road infrastructure, and a Road Fund was set up in 1998 to secure financial resources for road maintenance. Shortly after, the road maintenance sector was privatised and public-private partnerships are required to increase regional competitiveness.

Infrastructural improvements

Upgrading networks, undertaking structural reforms and introducing privatisation in transport to promote integration

Public-private partnerships are required to increase regional competitiveness.
The 21st century will be the century of computer sciences, electronics and artificial intelligence.

His Excellency Paul Biya, President of the Republic of Cameroon
(Maroua speech, 2nd October 1997)

Transport

**rural investment aids integration**

Private companies are playing a crucial role in infrastructural improvements handed over to small and medium-sized enterprises, while the state role was reduced to planning and assisting.

Given its privileged access to the sea, Cameroon has considerable potential as a regional trading and transport hub. The country’s 32,000 miles road network, of which 2,500 miles are paved, has converted it into a transit route between Chad and the Central African Republic, and the volume of goods transported through Cameroon to its neighbours has been increasing at more than four percent annually. Projects for regional links include the extension of the Trans-African highway running through Cameroon and linking Nigeria to the Central Africa Republic, and the construction of a sub-regional transport network within the Central African Economic and Monetary Community (CEMAC) zone, which will position Cameroon as the business centre of an economic region that includes Equatorial Guinea, Chad, Gabon, the Central Africa Republic and Congo Brazzaville.

Minister of Public Works Dieudonné Ambassa Zang says that CEMAC leaders are committed to developing stronger regional transport links in order to boost regional integration. He states, “We are lucky that our heads of state are conscious of the need for regional integration. Consequently, a number of projects are being carried out with financing from donors such as the European Union, and we intend to construct new roads while rehabilitating the existing ones, and to link up all the capitals of the CEMAC member countries.”

Internally, all of Cameroon’s ten provinces are connected. The country’s main industrial and commercial port city, Douala, is linked to major cities in the seven southern provinces by good roads, and linked by rail to Yaounde, the nation’s capital and second largest city. Douala Port is the major point of entry for imports to Cameroon and to the entire Central African region, handling approximately 95 percent of Cameroon’s total maritime traffic and more than 90 percent of the country’s external trade. Cameroon also has three international airports at Douala, Yaounde and Garoua, and over 50 small airports and airstrips, of which nine have permanent surface runways. The country’s 630 miles of railway has been privatized.

Continued on page 8
TRANSPORT

Good prospects for foreign investment in transport

Continued from page 7

since 1990 and links the south of the country with the north. Railway is used extensively for the transport of goods and raw materials such as hydrocarbons, timber, cotton, coffee, and plays a crucial role in the country’s export economy.

Today, partnerships between the public and the private sectors are boosting continued infrastructure development and the government is aware that the role of private companies in the transport sector is crucial. Minister of Transport Charles Salé comments, “Following the example of other sectors, transport is governed by the principles of globalisation and liberalisation. Within this framework, actions have been taken to disengage the state from productive sectors to the advantage of private operators and more dynamic small and medium-sized enterprises.” According to Mr Salé, opportunities for British investors in the transport sector are abundant, and the government looks forward to opportunities for partnerships that will foster the transfer of technological know-how. Mr Salé believes that the history of co-operation and ties of friendship between Cameroon and Great Britain mean there is a significant role for British investors to play. He states, “Cameroon is an open country, with many business opportunities, and an attractive and flexible investment code, and we invite British investors to come and discover her.”

Agriculture is the driving force behind the Cameroonian economy, representing a third of the nation’s GDP and employing 70 percent of the population. In contrast with many developing countries, Cameroon has invested heavily in modernising its agricultural sector over the past twenty years and has firm intentions to continue with the sector’s development. The country is blessed with fertile lands (over 30 percent of the its territory is arable) and has long been a world producer of coffee, cotton, bananas, tobacco, palm oil, rubber and cocoa, as well as livestock and timber. Presently, Cameroon is the only self-sufficient country in the Central African Economic and Monetary Community, where it has found a growing market for exports. Indeed, agricultural exports currently account for 60 percent of the country’s total exports, and Cameroon

Cameroon is a regional leader in air transport regulation

Cameroon is served by three international airports in the major cities of Douala, Yaounde and Garoua, as well as a number of smaller airports and airstrips for domestic travel. New legislation passed in 1998 has completely restructured the air transport sector in Cameroon, opening it up to new competition and ending the monopoly of national carrier, Camairi.

Managing Director of the Cameroon Civil Aviation Authorities (CCAA) Ignatius Sama Juma comments, “The balance sheet on the liberalisation of the air system is positive. The 1998 law has liberalised the sector in such a way that Camairi no longer has the monopoly either within or outside the country. Many investors have come, and many new air transport companies are being created in order to favør competition.” He continues “We are also negotiating for new companies to make international flights.”

A regional leader in air transport regulation, Cameroon was the first country in the Central African Economic and Monetary Community to impose a civil aviation code and the first country in Sub-Saharan Africa to create an autonomous regulating authority. The CCAA supervises all aviation activities and enforces safety regulations.

According to Mr. Sama Juma, the agency’s tasks include inspecting aircraft, organizing training seminars, and maintaining the International Civil Aviation Organization standards throughout the sector. Security is also a top priority and the CCAA has been instrumental in the creation of the new National Security Programme, which was signed by President Biya earlier this year. The CCAA is also currently in the process of installing new airport security equipment and training staff in crisis management. Mr Sama Juma states, “We want to put in place all the structures to ensure security in place because it is our top objective. By the end of the year, we will have all the structures and the necessary staff to guarantee security in Yaoundé and Douala airports. Garoua will follow, and it will be later extended to the secondary airports.”

He concludes, “Our vision is to make Cameroon a secure destination, and help it contribute to the reinforcement of flight security in Africa.”

A success story: Sodecoton is now one of the top Cameroon companies

Operating in the dry and arid northern regions of the country, Sodecoton is Cameroon’s partially state-owned cotton corporation and one of its greatest success stories. Established in 1974 to supply the nation’s only textile manufacturing company with cotton, Sodecoton today is one of the country’s top eight companies and has far surpassed its humble origins. In fact, domestic demand now only comprises 10% of the company’s production, and the other 90% is exported to more than 40 countries worldwide. This is good news for the traditionally underdeveloped and poverty-stricken regions of the north, where Sodecoton has been instrumental in providing employment and empowering the local population to assume greater control in the cotton industry – to such an extent that local producers have recently been guaranteed a 25 percent to 30 percent share of the company once its full privatisation is achieved.

Sodecoton’s official task is to promote cotton cultivation among the peasants of North Cameroon, but since 1979 the company has been engaged in setting up village producers’ associations to organise the sale of local production. There are now more than 1,000 of these local associations active in the country. Moreover, the raw cotton is processed at Sodecoton’s gineries, located in the cotton-producing North region, providing an additional source of employment for the local population. As such, the importance of Sodecoton in the alleviation of poverty in these

Modernisation imp roves the development of Cameroon’s most important sector

Liberating reforms and structural changes have facilitated the development of Cameroon’s most important sector

International success in cotton through local partnerships

Social and economic progress is driven by the private sector in Cameroon, an open country that is 60 percent self-sufficient in its agricultural products. A regional success story, Sodecoton, has played a key role in the development of cotton production in the country. This focus on agriculture is a testament to the country’s commitment to the sector, which is crucial for the economy and provides employment for the workforce.

Cameroon is a regional leader in air transport regulation

W ith continued infrastructure development and a focus on liberalisation, Cameroon is well-positioned to attract foreign investment and promote growth in the transport sector. The government is committed to creating a dynamic and competitive environment, with opportunities for partnerships and technological know-how.

Agriculture is a significant sector in Cameroon, with over 30 percent of the country’s territory being arable. The cultivation of coffee, cotton, bananas, tobacco, palm oil, rubber, and cocoa, as well as livestock and timber, has made the country a significant player in the global market. With domestic demand now only comprising 10% of production and the rest exported to over 40 countries, Sodecoton has been instrumental in providing employment and empowering local communities.

Today, Cameroon is a regional leader in air transport regulation. The government has liberalised the sector, allowing for new companies and partnerships to enter the market. The CCAA supervises all aviation activities, enforcing safety regulations and ensuring a secure destination.

The CCAA has also been instrumental in the creation of the national security programme, which was signed by President Biya earlier this year. This programme focuses on creating a secure environment for air travel, ensuring safety throughout the sector.

Looking to the future, Cameroon aims to develop its transport sector further, ensuring continued growth and international success through partnerships and structural changes.

This focus on agriculture and transport highlights Cameroon’s commitment to the development of its economy and its status as a regional leader in these sectors.
improves efficiency in crucial sector

MAIN AGRICULTURAL PRODUCTS:
Coffee, Cocoa, Cotton, Rubber, Bananas, Oilseed, Grains, Roots starches, Livestock, Timber

is now shipping out more than 250,000 tons of bananas, 70,000 tons of coffee, 120,000 tons of cocoa, and 100,000 tons of palm oil per year. Today, Cameroon is the 6th largest cocoa producer and the 8th largest coffee producer in the world.

But regional market growth is not all that Cameroon officials have in mind. Industry members are targeting European markets, and are confident of Cameroon’s success there through diversification and the use of larger-scale, higher yield production methods for selected crops, such as off-season produce. Minister of State for Agriculture Augustin Frederic Kodock says that crop diversification has been in place since the commencement of the agricultural popularisation programme some twenty years ago, and this has allowed Cameroonians to produce new fruits and vegetables that ensure a quick market return for them. The same policy will be applied for European markets. He comments, “Tropical fruit juices are now popular in Europe and America, and it is just a question of planting more orchards and taking the right policy measures to back up this new avenue of growth. The same goes for out of season produce. At the moment, we are launching a large scale production of market garden products for export to Northern markets.”

The industry’s confidence stems from the success of a series of liberalising reforms and structural changes implemented by the government since 1990, which have significantly increased efficiency and production in the sector and which led government officials to believe that there is still much more untapped potential to explore. Following on the heels of the successful privatisation of the national sugar company, Camusco, which today is one of the nation’s top companies, employing over 6,000 workers, new government projects include the upcoming privatisation of Cameroon’s Cotton Development Company, Sodecotton, and of the Cameroon Development Corporation’s (CDC) rubber, palm oil and banana plantations. These projects are designed to help bring about the transformation the sector needs to fully enter international markets. Furthermore, Mr Kodock says that private investment in the production of food crops is on the rise. He states, “Rice production has begun in the northwest of the country, and the Egyptian Minister of Agriculture has financed a new project in the Benoue Valley. I have also recently received a delegation of British businessmen with whom I discussed the possibility of creating new agricultural farms.” Mr Kodock also says there are additional opportunities for British companies in supplying agricultural machinery and fertilizers. He adds, “We need an investor who is interested in manufacturing tractors here in Cameroon.”

The Ministry of Agriculture is committed to the continued modernisation of farming and is focused on export opportunities. The industry’s confidence stems from the success of a series of liberalising reforms and structural changes implemented by the government since 1990, which have significantly increased efficiency and production in the sector and which led government officials to believe that there is still much more untapped potential to explore. Following on the heels of the successful privatisation of the national sugar company, Camusco, which today is one of the nation’s top companies, employing over 6,000 workers, new government projects include the upcoming privatisation of Cameroon’s Cotton Development Company, Sodecotton, and of the Cameroon Development Corporation’s (CDC) rubber, palm oil and banana plantations. These projects are designed to help bring about the transformation the sector needs to fully enter international markets. Furthermore, Mr Kodock says that private investment in the production of food crops is on the rise. He states, “Rice production has begun in the northwest of the country, and the Egyptian Minister of Agriculture has financed a new project in the Benoue Valley. I have also recently received a delegation of British businessmen with whom I discussed the possibility of creating new agricultural farms.” Mr Kodock also says there are additional opportunities for British companies in supplying agricultural machinery and fertilizers. He adds, “We need an investor who is interested in manufacturing tractors here in Cameroon.”

Competitive cotton
The safeguard and promoter of Cameroon’s cotton, Sodecotton supports the growers’ communities and is striving toward more technologically intensive production methods. With an annual production 250,000 tonnes of cotton seeds, it is a key player on the international market and offers one of the most competitive prices in the world.
ENERGY

New sectors act as a spur to eco non

Liberalisation and privatisation in a stable environment offer diverse and appealing opportunities for foreign investment

Backed by long-standing political stability, Cameroon has managed to maintain a stable business climate and to invest in its infrastructure over the past decade, which has in turn led to the creation of a sizeable entrepreneur class and increased investment from foreign partners. Today, Cameroon continues to mine the possibilities inherent in its wealth of natural resources and, while agriculture continues to offer opportunities for investors, new sectors have also begun to spur economic growth. New oil exploration is underway, and the government has signed agreements for the development of its vast natural gas resources. The recent construction of the £2.2 billion Chad-Cameroon pipeline has contributed to the growth of local manufacturers, as well as an expansion in the construction industry, which has also been boosted by road reconstruction projects. Liberalisation in telecommunications has led to a boom in mobile telephony in the country and ongoing privatisation of state companies continues to open new avenues for the private sector.

Harnessing Cameroon’s potential energy

CAMEROON, the fifth largest oil producing country in the sub-Saharan region, has immense untapped reserves of natural gas, considerable hydroelectric power and unexplored mineral reserves. The country also occupies a strategic location in the Gulf of Guinea, and thanks to the recent inauguration of the Chad-Cameroon pipeline, and the location of the export terminus at Kribi, Cameroon now has the potential to become a notable oil transport centre. Sub-Saharan Africa’s increasingly important role in global oil markets has renewed interest in Cameroon’s oil fields, and has led to new exploration in all three of its major petroleum basins. New exploration has also been boosted by revised legislation and incentives in the sector aimed at reversing a decline in production brought about by lack of exploration in the 1980s and 1990s. Additionally, agreements for the exploitation of the country’s 3.885 billion cubic feet of natural gas reserves have been signed with several multinational companies. In the meantime, Cameroon is set to benefit from royalties and taxes generated by the Chad – Cameroon pipeline, estimated at £500 million per year for the 25-year duration of the project.

President Biya’s administration is welcoming new partnerships with foreign companies interested in helping Cameroon exploit its mining and energy potential. Cameroon possesses Africa’s greatest hydroelectric potential after the Democratic Republic of Congo. Development of Cameroon’s potential capacity of 500,000 MW (of which only 530 MW has been harnessed to date) would convert the country into one of the leading exporters of power on the continent. Also, the growth of Cameroon’s industrial sector in recent years has created many opportunities for the domestic use of natural gas. Cameroon’s proven petroleum reserves are estimated at 400 million barrels, and crude oil production is currently estimated at 76,000 barrels per day. Cameroon’s downstream oil sector also plays significant role in the country’s economy. The country’s only refinery, SONARA, located in the port city of Limbe, produces up to 42,000 b/d for both domestic consumption and export, and recently invested 18.3 million to upgrade its port facilities. The Cameroon Petroleum Depot Company (SCDP), currently in its second stage of privatisation, is responsible for the distribution all petroleum products within the country. The oil sector’s regulative agency is the Caisse de Stabilisation des Pertes des Hydrocarbures (CSPH).

Additional opportunities are arising from Cameroon’s strategic position in the centre of the Central African Economic and Monetary Community, as improvements in transport and communications infrastructure slowly forge stronger regional links.

BASIC OIL INFORMATION:
- Oil production: 76,650 bbl/day
- Oil consumption: 22,000 bbl/day
- Oil-proved reserves: 200 million bbl (1 January, 2002)
- Natural gas proved reserves: 55.22 billion cu m (1 January, 2002)

ELECTRICITY PRODUCTION BY SOURCE:
- Fossil fuel: 2.7%
- Hydro: 97.3%
- Other: 0%

The Ministry Mines Water Resources and Energy is keen on developing mutually beneficial partnerships with foreign companies interested in helping Cameroon exploit its mining and energy potential.
**economical growth**

CSPH: set to oversee the expansion of Cameroon’s oil sector as the Gulf of Guinea becomes more important on a global strategic level.

---

**Telecommunications**

Since 1998 legislation liberalising the mobile sector, Cameroon has granted two licenses – one to French company, Orange, and the other to South Africa’s MTN, resulting in a surge in mobile telephone use in the country. Minister of Post and Telecommunications Antoine Zanga, elaborates, “When Orange obtained its license, expectations were that it could achieve 55,000 subscribers by 2004, but it had more than one million before the end of the year. MTN has an equal number of subscribers. There really is a boom here in mobile telephony.” Minister Zanga says there is still room for a third operator, as the competition would likely contribute to reducing costs and improving quality for clients, and a third license is expected to be issued to the winning bidder in Camtel’s privatisation. The mobile operators use their own international gateways, and many satellite-based (VSAT) data and Internet operators have emerged around the country.

LIKE MANY developing countries, Cameroon has been updating its telecommunications infrastructure and has spent much of the last decade liberalising the sector and investing in modernisation. Although fixed line penetration is still remarkably low, the success of mobile telephony in the country is unprecedented elsewhere in Africa. For investors, the government is working to restructure the national telephone company, Camtel, which maintains a monopoly on fixed lines until 2005, while establishing a liberalised and regulated market for mobile and Internet providers. Liberalization of local calls, and national and international long distance connections is expected to be completed by 2006.

**Come to the road of Cameroon’s opportunities**

Over the last decade, the government of Cameroon has geared its action towards boosting the country’s infrastructure, consolidating its local and regional networks.

Today, Cameroon is a focal point of activity in the Central African sub-region, its infrastructure is acting as an economic catalyst.

For further infrastructure development, the country is opening its doors to foreign partnerships in all related sectors, offering thus bridges of partnership and roads of opportunity.
TELECOMMUNICATIONS

Continued from page 11

the private sector and most use VSAT combined with terrestrial wireless data links to serve customers. Today, more than a hundred cyber cafés are visible in the streets of Douala and Yaoundé, the country’s two major cities.

The fixed-line penetration (0.63 percent) of the national operator, Camtel, is poor, even by African standards where the average is 2.25 percent. However, the company has managed to double its number of fixed lines in the past ten years to its current 133,000 subscribers, and this is expected to rise to at least 350,000 subscribers by 2005, according to a £16.5 million development plan approved by the World Bank for the upgrading of Camtel’s network.

Moreover, the Telecommunications Regulatory Agency added a digit to all telephone numbers in 2001, which increased the number of possible telephone connections to 8 million. Cameroon currently has two satellite earth stations and a fibre optic submarine cable (SAT3/WASC) that links the country to Europe and other African nations. A fibre-optic cable has been installed alongside the 665 miles Chad-Cameroon oil pipeline that will ultimately link Chad to the SAT3/WASC cable. Managing Director of Camtel, Emmanuel Ngiamhe Nloutsiri, comments, “The project for optic fibre along the Chad – Cameroon pipeline has just been completed and we are negotiating with Chad and Central African Republic for the use of our terminal in Douala to connect them to the sea optic fibre cable.”

The Ministry of Communications is also planning on establishing new rural telecentres in order to speed up the delivery of communications infrastructure to isolated areas of the country. A pilot project for 16 sites that will provide telephony, Internet and postal services has already been launched, and, depending on its success, a second phase is scheduled for 2005, which will provide for the construction of 300 more centres. Zanga states, “This is an important project that will enable the underprivileged rural populations to have access to new technologies. It is another way of fighting against poverty, but to be successful we will need the financial assistance of developed countries.”

PRESIDENTIAL ELECTIONS OCTOBER 11:

As this supplement was completed, presidential elections were set to take place in Cameroon. The interviews incorporated here were undertaken with pre-election ministers and high officials. Please be aware that the elections could produce a change of government between the time of production and publication of this supplement.

The Ministry of Post and Telecommunications aims to reduce prices and improve quality through privatisation and fostering competition.

The Ministry of Post and Telecommunications aims to reduce prices and improve quality through privatisation and fostering competition.

The Ministry of Communications is also planning on establishing new rural telecentres in order to speed up the delivery of communications infrastructure to isolated areas of the country. A pilot project for 16 sites that will provide telephony, Internet and postal services has already been launched, and, depending on its success, a second phase is scheduled for 2005, which will provide for the construction of 300 more centres. Zanga states, “This is an important project that will enable the underprivileged rural populations to have access to new technologies. It is another way of fighting against poverty, but to be successful we will need the financial assistance of developed countries.”