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# ECONOMIC POLICY BRIEF

#07

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## IMPORT SUBSTITUTION POLICY IN THE NDS30 : THE SHORTCOMINGS THAT COMPROMISE AND DISTORT THE OFFICIAL PROACTIVE RHETORIC (OF POLITICIANS)

### A QUICK REVIEW IN A FEW SNAPSHOTS

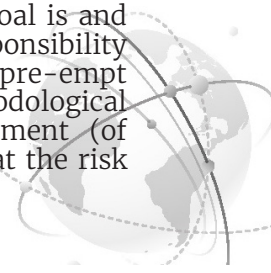
The official line on Import-substitution (IS) and the promotion of made-in-Cameroon are prominent in all documents and official speeches about Cameroon's economic policy since the NDS30 was launched in 2020. We have heard a lot about the national development strategy. But, when it comes to action and assessment of results, pages are more or less blank.

In fact, this approach, which aims to limit dependence on the import of goods and services by encouraging local production, can significantly drive economic growth, create jobs and enable the country to achieve the sustainable development goals of Agenda 2030 to which Cameroon has subscribed, alongside 192 member states, since 2015.

In reality, concrete and dedicated actions seem to focus on (physical) goods when it comes to promoting **made-in-Cameroon** at home or for export. Yet, the trade balance is technically made up of two parts: the **balance of goods** and the **balance of services**. In the era of digital and tertiary economy, Cameroon's national IS policy should, in our humble opinion, be scrutinized and examined in the light of this dialectic analysis between **Goods** and **Services**.

In summary, Cameroon's IS strategy has some shortcomings that go against the tide and distort the official and proactive rhetoric of authorities.

This write-up does not intend to refute what has been done or to see the glass as half empty. Our goal is and remains in line with our missions and our responsibility of sounding the alarm and keeping watch to pre-empt collapse. By scaling upwards, our methodological approach is a deliberate normative assessment (of what should be) and not a comparative one, at the risk





of complacency, as the gaps are widening with countries that are at the same level<sup>1</sup> and that we are moving further away from the commitments towards the SDG and the NDS30 that the country has freely set at its own discretion.

However, it is clear that since the implementation of the NDS30 in 2020 and the import-substitution policy<sup>2</sup>, attention is focused on the balance of goods/commodities. The services dimension seems somehow sidelined, and this does not ultimately benefit the overall IS strategy in particular and in general the current account balance, which is an essential component of the balance of payment<sup>3</sup>.

Admittedly, the import-substitution of services is not a silver bullet, but it can be a viaticum to developing countries that are seeking to build their economy and create jobs. This strategy should be implemented with caution and audacity in order not to lag behind global economy.

### **I- A strong political, but inadequate will... to take off**

The government of Cameroon has decided to place import-substitution at the core of the National Development Strategy 2020-2030, and is carrying out numerous actions to promote it. The highest authorities have proclaimed and reasserted it in all forums, colloquiums, symposia, seminars, and workshops. Everything has been said on this- issue and actions, albeit laudable, have been undertaken. However, almost halfway to reaching 2030 (meeting point of the SDG and NDS30) it would not be a sign of pessimism to express concern about the path travelled and the probability of attaining the anticipated goals.

It should not be forgotten that this political will penned down in the NDS30 envisaged sequencing attached to results like milestones, some sorts of intermediary crucial points, notably :

- **Phase I (2020-2022)** : should have made it possible to recover the ground lost during the GESPP period, in particular with the completion of major infrastructure and energy projects ;
- **Phase 2 (2023-2026)** : with the fallout of the implementation of various projects, would be the growth consolidation phase, whereas

- **Phase 3 (2027-2030)** : would be the cruising phase with a growth rate of about 10 %<sup>4</sup>.

Any keen observer can affirm on the basis of objective and well-founded indicators that the current trend does not herald the attainment of these goals by the due date.

With regard to the Industries and Services Sector in particular, the NDS30 anticipated the following over the period from 2024 to 2027 :

- Promote the “**made-in-Cameroon**” brand in priority sectors such as agro-industry, timber, textile, mines, metal industry, pharmaceutical and biomedical industry ;
- Create economic zones in keeping with Decree No. 2019/195 of 17 April 2019 laying down conditions for the creation and management of economic zones in Cameroon to foster the emergence of national champions ;
- Implement a research, development and innovation plan for technological upgrading and promotion of norms definition and compliance ;
- Implement a program for the development of artistic, cultural, and creative industries in order to enhance cultural heritage and develop the film industry.

In addition to these commitments that reflect the political will in the field of import-substitution, it is worth mentioning the creation of the Cameroon Investments Promotion Agency (CIPA) and the SME Promotion Agency (APME) whose main missions are to facilitate the setting up and development of enterprises in various sectors and, as bonus, to promote exports and cut down imports.

In the same vein, one can cite decree No. 2024/291 of 10 July 2024 transforming the National Investment Corporation into a public company, with the Ministry of Economy now acting as technical authority.

### **The 2024-2026 PIISAH in the making and the P2I**

The most recent expression of this political will is the drafting and adoption of the PIISAH. Addressing the nation on December 31, 2023, the President of the Republic of Cameroon announced the upcoming launch of the **Integrated agro-pastoral** and fish import-substitution plan (PIISAH) over the period from 2024 to 2026. The plan aims to significantly increase production in the industries identified in the NDS30 and

<sup>1</sup> - Côte d'Ivoire, Ghana, Kenya, in Sub-Saharan Africa

<sup>2</sup> - The IS is one of the 3 pillars that serve as the fundamental guidelines of the NDS30

<sup>3</sup> - The payments balance (BDP) has 03 accounts: the current transactions account, the capital account and the financial account

<sup>4</sup> - Cameroon, NDS30, executive summary, page 17

subsequently reduce the trade balance deficit. The plan was officially launched on June 20 2024. The first monitoring-evaluation report for the first semester 2024 was issued by the technical secretariat lodged within MINEPAT.

A brief evaluation of the report as of June 30 2024 does not guarantee that the results anticipated will be achieved. In the final analysis, the plan still requires about FCFA700 billion. The budgetary preparation of PIISAH itself is an issue because it relies on the budget entries of the departments that are supposed to implement it in their CDMT. As a result, there is a lack of commitment on their part. Furthermore, the structure of the steering and governance institutional framework is also a major challenge in the Cameroonian setting. The political will expressed in official speeches and in well-written documents does not appear to be adequate. It is time to take action. We need to do it right and quickly if we do not want to miss out on the train of the development agendas that we have deliberately ratified.

Furthermore, an Initial Impulse Programme (P2I) for the structural transformation of the economy, within the framework of the NDS30 was developed to give a first rapid impetus to the structural transformation of the economy through a portfolio of interventions and operations with structured financing. This portfolio includes (ideally) 30 interventions spread across priority branches identified by the NDS30 and to be implemented through private and semi-public institutions.

As of July 30 2024, less than the PIISAH, the PI2 is not yet showing signs of movement apart from the administrative agencies that designed it. As concerns an impulsion programme, such a delay in starting (year 0+4) halfway to the NDS30, cannot be made up.

As of August 30 2024, the programme, although out of step over time, does not appear to have taken shape, as compared to its twin brother, PIISAH, mentioned above. Its parturition does not seem to have been started.

According to our observations and analyses, there are a number of endogenous impediments, more or less, which adds water to fuel. We refer to them as weaknesses.

## II. Non-exhaustive cross-sectional review of a few weaknesses that undermine the Import-Substitution policy in Cameroon

### A. The issue of services in the balance of payment, inadequately addressed by politicians

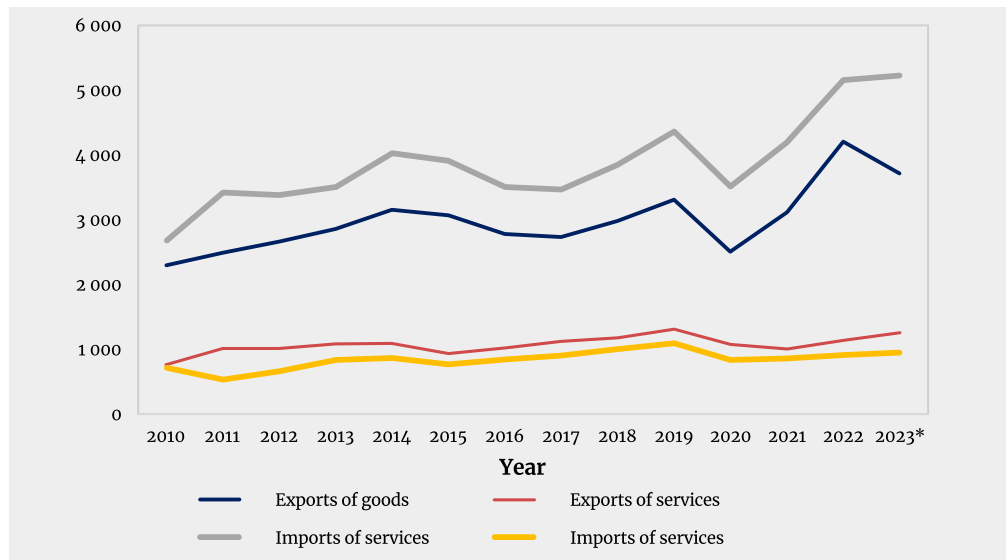
All the reports that review Cameroon's external trade have established that its trade balance has been structurally negative for over 10 years now. The latest statistics published by the National Institute of Statistics (NIS) do not provide any evidence of a trend reversal. This deficit rose to **FCFA 2,004 billion in 2023**<sup>5</sup>. This accounts for a 40.3% increase as compared to last year, and it is the highest level since 2015. As concerns the current payments balance, Cameroon recorded a negative balance of 3.4% of GDP in 2022. This figure includes commercial transactions, capital flow and other aspects that impact the country's financial situation in the rest of the world.



5 - The report on foreign trade presented by the NIS focuses only on the exchange of goods (exclusive of services).



Graph 1 : Trade balance of Goods and Services since 2010 (in billions of FCFA)



Source : NIS, national accounts of Cameroon

Although efforts are visible regarding physical products in priority sectors<sup>6</sup> for export, Cameroon is struggling to make of its policy a more impactful approach with regards to services. In our humble opinion, and on the basis of some illustrations, the approach in this area does not seem to be adequately clear, or even non-existent.

### 1.1. Service activities that have a sovereignty content

#### i - The production of passports and national identity cards (NIC)

The strong political will to secure the Cameroonian nationality has led the country's authorities to seek solutions to that end for several decades. The first project was dubbed SACEL (Société d'Assistance de Conception Electronique) a French company in charge of producing National Identity Cards (NIC), known as "electronic identity cards" in the early 2000. The authorities terminated the contract in December 2015 certainly for unsatisfactory results. In 2016, a new initiative assigned to another French company, world high tech leader, **Thales**, is launched in August. The project concerns the new national identity card of Cameroon and the complete reform of the identification system and the production of new documents in order to reinforce security in the territory, particularly by curbing identity theft and document fraud. In addition to national identity card, other documents such as the resident permit, the refugee card, etc., are also concerned. The innovative technical features of the documents have been touted with regard to

its reliability and much higher security level as compared to the material previously used. Lastly, the new documents are described as biometrics and include fingerprints. The scope, which was limited only to the production of documents, is therefore extended to the complete electronic reform of the identification system, with the major goal of increasing the level of security and protection:

Citizens, who are the beneficiaries of the services concerned, are greatly disappointed by this new project. Millions of cards have been produced but not collected and millions of Cameroonians end up without NIC, carrying a receipt over one, two, three years or even more for some.

In 2024, the Cameroonian government brought in a new contractor who is expected, this time, to produce and issue NIC (and the other identity card) within 48 hours by the German company Augentic GmbH. After the amended draft law (June 2024) setting the fees for establishing the NIC at FCFA15,000, then revised downward to FCFA10,000 by the Delegate General for National Security in a note issued in July 2024, controversy and unending debates thronged radio stations, newspapers, social networks and televisions.

In the end, regardless of whether it is the SACEL, THALES, or Augentic GmbH version, one thing is clear: **the inexplicable extorsion of such a strategic database as the national identity that is entrusted to foreigners.**

Beyond the sums to pay, and which are repatriated (currency), for services that can be adequately delivered by Cameroonians, there is an issue of national sovereignty. This is also the starting point of Import-Substitution, which should

6 - The case of Cocoa was a perfect illustration with good results in 2023-2024, particularly the price to producers

include such services, knowing fully well that Cameroonian expertise is available, including in the diaspora.



#### Textbox 1 :

The German Augentic GmbH company was already in charge of producing Cameroonian passports. In 2021, the Cameroonian government created an online platform called PASCAM designed by Augentic in partnership with the National Magnetic Card Institute (INCM), to facilitate the deliverance of Cameroonian passeports. The result is certainly visible in terms of efficiency. It takes 48 to 72 hours to obtain an ordinary passport, and the quality of service is outstanding. But could this not have been achieved by Cameroonians?

In 2023, 94,931 passeports were produced in Cameroon. This is a significant increase as compared to previous years. The subscription fee is FCFA110,000. That is nearly FCFA10,442 41 billion collected in one year.

The revenue distribution key allocates 10% to the DGSN and 90% to the GmbH operator, technical provider. A net charge for services in the BDP.

## ii - The management of data and mobile telephone technology

**Table 1 :** Turnover of telecommunications sector providers from 2018 à 2023 (in thousands of FCFA)

	2018	2019	2020	2021	2022	2023
Telephone providers	580 544 008	569 978 256	547 853 918	553 043 585	643 769 796	683 897 740
... including fixed telephone	99 751 226	108 856 263	102 503 136	111 258 764	150 818 133	155 621 293
...mobile telephone	480 792 781	461 121 992	445 350 782	441 784 820	492 951 662	529 276 446
% mobile telephone	0.83	0.81	0.81	0.80	0.77	0.77
Providers of services to VA	4 177 417	13 810 006	20 680 539	32 192 125	44 661 614	48 218 651
ISP	3 946 146	7908676	4804360	3 945 760	4 034 014	6 470 689
<b>TOTAL</b>	<b>588 667 571</b>	<b>591 696 938</b>	<b>573 338 817</b>	<b>589 181 470</b>	<b>692 465 424</b>	<b>738 587 080</b>

Source: ART & NIS

\*ISP: Internet Service Provider



Given that mobile phone operators (mainly multinationals joined by a few domestic shareholders) account for an average 80% of the sector’s annual turnover, it is easy to deduce what they receive in terms of profit after tax and possibly repatriated.

**Data Transport :** data transport is provided by electronic communications operators and internet access provider. But the supply of international capacities that would enable this data transfer is provided in Cameroon by the public operator CAMTEL.

**Huawei :** Equipment manufacturer and technical partner of some telecommunications operators with CAMTEL being the main one, the Government and some training institutions.

**iii - Satellite and cable television (CANAL+, Spectrum, DSTV, Startimes, etc)**

Cameroon, like most African countries, is under the pressure of media offers including satellite and cable television. There are several operators in a highly competitive market (over a dozen) but with a few major players such as CanalSat<sup>7</sup> (by the VIVENDI group owned by French businessman, Bollore), Startimes, Multichoice (a South-African group), Free Africa, Creolink, TNT Africa, etc.

According to official statistics (ECAM 2021), 45.7% of Cameroonian households own a TV set, nearly 2.1 million households. Assuming that half of these households use the cable or the satellite to watch the television, we can estimate that nearly one million households have subscribed and pay an average of FCFA10.000 per month<sup>8</sup>. On this basis and in a low hypothesis, the 237 country is thus spending more than FCFA120 billion every year!



<sup>7</sup> - Claims 8 million subscribers in Africa, out of nearly 26 million in the world in April 2024

<sup>8</sup> - Rates charged are XAF 5 000, 10 000, 22 500, 45 000 and more per month

**Table 2 : Expenditure for the consumption of cable or satellite television in Cameroon**

Estimated number of subscribers (households) to a satellite or cable TV			
a	Cameroonian Population in 2024		28 000 000
b	Average size of the household		6
c	Number of households (a/b)		4 666 667
d	% households owning a television ( ECAM 5)	45,60%	2 128 000
e	Households with cable/satellite TV	0,5	1 064 000
f	Average cost of monthly subscription in XAF		10 000
g	Annual expenditure for the consumption of cable/ satellite TV		127 680 000 000

Source : Statistics obtained from BUCREP and NIS data

Beyond the outbound monetary expenditure, the impact on culture, consumption pattern and habits further weakens the economic and cultural patriotism of citizens. It is a well-known fact that the influence of media, especially television and recently the Internet as the vehicle of social behaviour, both individual and collective, by imitation, assimilation and adoption of ideas is increasingly strong among youths. The most serious issue is the porous nature of our audio-visual and cybernetic environment. Today, developed countries are going a great length to control and even restrict access to everything available to their audiences on the TV and on the Internet, contrary to the false idea of absolute freedom that is being sold to us. China and other south-east Asian countries have led the way with regards to protection and even the protectionism of their populations to keep them away from the influences of foreign consumption and practices, especially western. The future of our sustainable development<sup>9</sup> depends on it !

**(iv) Banks, insurance and other financial services**

History and colonisation set up the very first bank and insurance financial services as western and French branches, particularly on the wake of independences. But more than 60 years later, and after more or less successful nationalization attempt, the demography of financial institutions based in Cameroon is still dominated by “foreigners” of course without any xenophobia !

<sup>9</sup> - The target that preserves future generations

### a) The banking sub-sector

Table 3 : Authorized banks in Cameroon as of 30 September 2023

N°	DENOMINATION	Head office	Country
01	Access Bank	Douala	Nigeria
02	Africa Golden Bank (AGB)	Douala	Cameroon
03	Afriland First Bank (AFB)	Yaoundé	Cameroon
04	BANGE Bank Cameroun	Yaoundé	Equat. Guinea
05	Banque Atlantique Cameroun (BACM)	Douala	Cote D Ivoire
06	Banque Camerounaise des Petites et Moyennes Entreprises (BC-PME)	Douala	Cameroon
07	Banque Gabonaise pour le Financement International (BGFIBANK)	Douala	Gabon
08	Banque Internationale du Cameroun pour l'Épargne et le Crédit (BICEC)	Douala	Morocco
09	Citibank Cameroun	Douala	USA
10	Commercial Bank-Cameroun (CBC)	Douala	Cameroon
11	Crédit Communautaire d'Afrique – Bank (CCA-BANK)	Yaoundé	Cameroon
12	Ecobank Cameroun (ECOBANK)	Douala	Togo
13	La Régionale Bank	Yaoundé	Cameroon
14	National Financial Credit-Bank (NFC-Bank)	Yaoundé	Cameroon
15	Société Commerciale de Banque-Cameroun (SCB-Cameroun)	Douala	Morocco
16	Société Générale Cameroun (SGC)	Douala	France
17	Standard Chatered Bank Cameroon (SCBC)	Douala	Royaume Uni
18	Union Bank of Cameroon (UBC)	Douala	Nigeria
19	United Bank for Africa (UBA)	Douala	Nigeria

Source : MINFI

In this environment, Cameroonians account for 7 out of 15 employees or 36%. Three (03) Nigeriens, 02 Moroccans and, now only one French are being sold (SGC).

Foreign capital in the sector is predominantly held by France, Morocco, Nigeria and a few West African countries.

In late 2023, the outstanding credits granted by Cameroonian banks stood at FCFA5,404.2 billion, an increase of 15% as compared to 2022. African First Bank and Société Générale Cameroun are the main actors, both holding over half of the credits in circulation. Bange Bank and Access Bank, two newcomers, have displayed a beautiful dynamic in terms of credit, with a global outstanding amount of FCFA38.255 billion. Individuals (20.5%) and private companies (14%) have been the main beneficiaries of financial assistance, attracting 78.25% of credits. Consumption and equipment credits have been the most common.

In terms of statistics, it is worth noting that African First Bank (AFB): AFB comes first with 18.52% of market shares in terms of clients' deposit, having collected FCFA1005.7 billion in 2023. Société Générale du Cameroun (SGC) holds 14.93% of market shares with FCFA810.7 billion collected. Banque internationale du Cameroun pour l'épargne et le crédit (BICEC) has mobilized FCFA603.1 billion, or 11.11% of market shares. Foreign capitals in this sector are held by France, Morocco, Nigeria, and a few West African countries. The other banks share the remaining 48% with actors like Société commerciale du Cameroun (SCB), Union bank of Cameroon (UBA), Ecobank-Cameroun, Commercial Bank Cameroon (CBC), Crédit communautaire d'Afrique (CCA-bank), BANGE BANK and BGFIBank. Access Bank is currently being deployed.



### b) The insurance sub-sector

In 2023, insurance companies in Cameroon generated a turnover of FCFA272.55 billion (approximately 415 million euros), being an increase of 6.32% as compared to 2022. Non-life premiums have increased by 8.97% meanwhile life premiums and capitalisation have slightly evolved. The non-life segment has accounted for nearly 67.5% of the premiums issued in 2023.

In this sub-sector, AXA Cameroun is dominating the market with a turnover of FCFA20.5 billion, representing 14.60% of market shares. Activa and Chanas come next respectively with FCFA16.7 billion and FCFA14.1 billion, or 11.89% and 10.2% of market shares.

West-African branches like NSIA (Cote d'Ivoire) or the Moroccan (SUNU, etc) also occupy good places. As for Cameroonian companies (GMC etc.), there is need to improve performances in order to compete with major companies.

For the other financial services such as Leasing (Allios, SCE), funds transfers and transport, multinationals are calling the tune: WU, MoneyGramm, Ria, WorldRemit, TransVal, etc.

In this sub-sector, the Cameroonian Express Union has been superseded even with regard to domestic money transfer and in the sub-region.



**Table 4 : Insurance companies operating in Cameroon as of 30 June 2024**

N°	Raison sociale	Année d'agrément	Siège social	Nationalité des capitaux
<b>Sociétés d'Assurances de dommages (ou IARDT)</b>				
01	GMC ASSURANCES	13 March 1991	Douala	Cameroon
02	ACTIVA ASSURANCES	28 April 1998	Douala	Cameroon
03	AGF ASSURANCES ET VIE	01 January 1974	Douala	France
04	ALPHA ASSURANCES	21 October 2005	Yaoundé	Cameroon
05	AREA	20 September 2007	Douala	
06	ASSURANCES GÉNÉRALES DU CAMEROUN (AGC)	26 June 2001	Douala	Cameroon
07	AXA ASSURANCES	Mai 1974	Douala	France
08	BENEFICIAL GENERAL	13 December 1999	Douala	
09	CAMINSURA SA	18 September 1992	Yaoundé	Luxembourg
10	CHANAS ASSURANCES	15 April 1999	Douala	Cameroon
11	COMPAGNIE PROFESSIONNELLE D'ASSURANCES (CPA)	01 September 1997	Douala	Cameroon
12	NSIA	05 February 2008	Douala	Nigeria
13	PRO ASSUR	02 January 2001	Douala	Tunisie
14	SAAR ASSURANCES	27 November 1990	Yaoundé	Cameroon
15	SAMARITAIN ASSURANCE INC.	08 September 2006	Yaoundé	Afrique du Sud
16	SAMIRIS SA	24 November 2004	Douala	
17	ZENITHE ASSURANCE	14 July 2006	Douala	Cameroon



Life insurance and capitalization companies				
01	BENEFICIAL LIFE ASSURANCE SA	17 May 1974	Douala	
02	COLINA ALL LIFE INSURANCE	06 May 1996		
03	AGF VIE	28 August 1998		
04	UACAM VIE	11 December 2000	Douala	
05	ACTIVA VIE	03 January 2002	Douala	
06	SAAR VIE	08 January 2002.	Douala	
07	PRO ASSUR VIE	17 November 2004	Douala	
08	FONDS DE RETRAITE ALUCAM	10 July 1995	Douala	
Mixed insurance companies				
01	COLINA LA CITOYENNE ASSURANCES	29 May 1986	Douala	

Source : MINFI/DGTFCFM, consulted on 16/08/2024

In the end, all these financial services that make huge amounts of money are elements of weakness and fragility to our balance of payments and thus to the IS policy.

#### (v) Air Transport

International air transport is widely dominated by European companies that service Cameroon. However, regional companies are still reinforcing their presence. Ethiopian Airlines occupies up to 16.35% of market shares, slightly ahead of Brussels Airlines with 15.63%. Air France remains in the lead with 20.21% of market shares for direct international passengers to/from Cameroon. Ethiopian Airlines has not only maintained its lead in the face of regional companies, but has equally outstripped Brussels Airlines and Turkish Airlines (8.85%) on annual market shares for the regular traffic of international passengers. Asky Airlines (8.71%), Rwandair (6.53%) and Air Côte d'Ivoire (5.54%) respectively occupy the 5th, 6th and 7th positions as concerns the market share of international traffic of passengers flown to/from Cameroon. The national airline, Camair-Co, whose strategy is based on the expansion of its activities across the local network and CEMAC routes, has only recorded about 1.6% of direct international traffic of passengers in 2022.

In 2022, most of the freight volume was transported by regular air companies, including Air France, which holds about 32.22% of market shares, followed by Ethiopian Airlines (22.55%) and Brussels Airlines (23.26%). The only regular cargo, Allied Air (DHL), has transported about 11.35% of the total freight traffic, or 20,923 tons.

In terms of both passengers and freight, the national airlines company has been struggling to stay afloat for almost 03 decades. From reform to recovery plan, the situation is hardly improving. This state of affairs runs counter to the strong will to develop the tourism sector in Cameroon, which has been identified as a source of foreign currency and a lever for promoting made-in-Cameroon.

#### Our Opinion :

It is worth noting that all the companies that have emerged in Africa and in some countries have implemented a strong and effective national hub. This is the case of Asky in Lomé, Kenya Airways in Nairobi, Ethiopian in Addis-Ababa and Turkish Airways in Istanbul. Of course, in a bid to reinforce its fleet, Cameroon Airlines must operate a hub that will enable, in terms of the transit, entry and exit of passengers, to capture shares in lodging/catering with a fallout on agriculture production, goods and services in duty free zones and currency exchange as well as transit visa fees. This is also a lever of the IS policy.



**Table 5 : International traffic of passengers transported by air companies via the Douala and Yaoundé-Nsimalen international airports in 2022**

N°	Airlines	Number of passengers transported per year	Share in % en 2022	Nationality of the company
1	AFRIJET	31 986	3,08%	Gabon
2	Air Côte d'Ivoire	57 536	5,54%	Côte d'Ivoire
3	Air France	209 744	20,21%	France
4	Air Peace	8 688	0,84%	Nigeria
5	ASKY	90 373	8,71%	Togo
6	Brussels Airlines	162 159	15,63%	Belgium
7	CEIBA International	4 659	0,45%	Equatoriale Guinea
8	CRONOS Airlines	8 220	0,79%	Equatoriale Guinea
9	Egyptair	28 256	2,72%	Egypt
10	Ethiopian	169 707	16,35%	Ethiopia
<b>11</b>	<b>Camair-Co</b>	<b>16 367</b>	<b>1,58%</b>	<b>Cameroon</b>
12	Air Sénégal	32 242	3,11%	Sénégal
13	Kenya Airlines	16 551	1,59%	Kenya
14	Royal Air Maroc	38 310	3,69%	Morocco
15	Rwandair	67 809	6,53%	Rwanda
16	Tchadia	0	0,00%	Chad
17	Trans Air Congo	3 238	0,31%	Congo
18	Turkish	91 878	8,85%	Turkiye
<b>Total général</b>		<b>1 037 723</b>	<b>100,00%</b>	

Source : CCAA 2022

### c) Maritime, rail transport and land freight

This sector is also dominated by foreign companies, particularly the French Bollere group that operates in various links of the chain through its new AGL<sup>10</sup> label and other foreign multinationals such as the CMA/CGM<sup>11</sup> group.

<sup>10</sup> - Since March 30 2023, Bollere Africa Logistics became Africa Global Logistics (AGL). Present in Cameroon (Chad, CAR and Equatorial Guinea) in logistics, rail transport (Camrail) and port handling (Kribi Container Terminal, Timber Terminal of the Douala Port), Africa Global Logistics is employing over 5000 collaborators. Specialized in logistics for mining and agriculture industry, the company is offering services such as the bulk and out of gauge shipping of containerized cargo for clients as well as customs clearing formalities and other administrative procedures in keeping with domestic and international regulations. AGL is now part of the MSC group, world leader of maritime freight present in 49 countries across the world

<sup>11</sup> - Compagnie maritime d'affrètement-Compagnie générale maritime is a French container shipping company based in Marseille. Its comprehensive transport services include sea transport, port handling and inland logistics. Founded: 13 September 1978/ head office: Marseille, France/ workforce: 160,000 (2024)

In the land freight transport sector, which is equally dominated by the French Bollere (ALC) and Lebanese, a few local companies are operating despite complications<sup>12</sup>.

As concern the Bollere group, it should be noted that its turnover in 2022 was **7.1 billion euros** involving the transport of 710 EPV of maritime freight and 390,000 tons of air freight. The group equally operates as a communication provider through its VIVENDI/CANAL Plus branch.



#### Our Opinion :

**Cameroonians have little knowledge of the freight and logistic sector. How can we reverse the trend?**

Dock industry (DIT) at the Douala port is a national pride and fully exhibits the national capacities and skills in this area. This is an example worth emulating to develop the "Services" component in the fabric and demography of domestic companies.

### B. The export strategy and the made-in-Cameroon: awaiting the real take-off and the cruise speed.

Revisiting a basic economy lesson for all, we would explain to the ordinary citizen that this ideology is the very essence of liberalism which underpins the structural adjustment programmes (PAS) that Cameroon has been implementing for 40 years: **increasing exports and reducing imports (to ensure the balance of foreign account)**<sup>13</sup>. In technical terms, it should be noted that this is one of the foundations of the equation for monetary programming that inspired the PAS theory.

<sup>12</sup> - A study on the Douala/Kribi-Bangui and Ndjamen corridor carried out by ISSEA in 2024 highlights the impediments to competitiveness in the CEMAC zone.

<sup>13</sup> -We can think about a caption in the collection "for dummies"

The clear goal is to increase export revenues to improve foreign currency reserves in order to cut down on imports and reduce foreign currency outflows to stabilize currency and avoid devaluation. This is the situation that countries of the FRANC zone experienced in 1994. Since then (and before), this is the main goal of all programmes concluded with the IMF and its partners. In this vein, several studies and researches have been carried out reflect, design, develop, adopt and implement strategies and actions to boost Cameroonian exports. Forty years later, we are still talking about the same problem, but from a different angle and under a different name: Import-Substitution. What has gone wrong, we may ask ourselves? What is going to change this time? There is hope only where there is life.

Admittedly, efforts have been made, and some would even say a lot has been done. But our ranking, as compared to countries of the same level 20 years ago, shows that our pace is slower, giving the impression that we are walking on the same spot or backsliding, whereas we are advancing. This is simply because other countries are going faster and farther. Below is an instantaneous cross-section of some bottlenecks and weaknesses identified in this area.

#### ***B1. The export promotion agency...in dotted lines [...]***

The exports promotion agency was expected to be created in 2002 as provided in the investment charter. It was contained in the PRSP and the GESP (2010-2020). To date (we are in the NDS30) it is not yet operational. The agency's mission should be to **oversee and coordinate... the national foreign trade policy**, with a large-scale expansion. It should be in charge of funding issues and stimulating Cameroon's exports<sup>14</sup>.

The Minister of Commerce recently brought up the issue to better take advantage of the African Continental Free Trade Area (AfCFTA) which is being put in place. *"The recovery of the major export industries of cocoa, coffee, banana, cashew nuts, pepper, honey, etc., is indispensable. Volumes are low [...], we can't develop a commercial strategy if*

<sup>14</sup> - Ref the concept document of the Charter

*we do not address the supply issue"* he said. In this regard, the director of the Sub-regional bureau for Central Africa of the UN Economic Commission for Africa (BSR-AC of ECA) declared that his institution will provide support to Cameroon in the area of capacity building ahead of the entry into force of the AfCFTA<sup>15</sup>.

Meanwhile, the Cameroon National Shippers' Council (CNSC) is trying to bridge the gap, but neither have the institutional, financial and human capacities nor skills. **What has gone wrong and why has this issue not been resolved since more than 20 years?** Meanwhile, we have duplicates and overlapping between the APME and the API, and to an extent the CARPA then, since July 2024, the SNI in its new version.

#### ***B2. A less aggressive export strategy that must support import-substitution...***

This second weakness can be understood as the direct ramification of the previous. As a matter of fact, implementing an IS policy also amounts in other terms to increasing exports and reversing the deficit trend of trade balance. Yet, the implementation of APE with the EU since 2007 and the launch of the AfCFTA in 2021 have been presented as unparalleled opportunities to support Cameroon exports. The country having been excluded from AGOA on November 1 2019 (by Donald Trump), a decision that became effective on January 1 2020. If public authorities have found that the APE has not produced the expected outcome<sup>16</sup>, Cameroon's performances in the AfCFTA are not encouraging in the 4th year. The 237 country is non-aggressive or lukewarm when it comes to capturing foreign markets in the framework of these two levers announced for the support of exports.

<sup>15</sup> - Audience by Mincommerce to the new Director of BSR-AC of the ECA (2023)

<sup>16</sup> - Tax and customs losses have moved from FCFA0.7 billion during phase 1 (2017) to respectively FCFA3.5 billion (phase 2), FCFA6.2 billion (phase 3), FCFA8.7 billion (phase 4), FCFA12.8 billion (phase 5), FCFA13.5 billion (phase 6) and FCFA17.8 billion (phase 7), bringing the total to FCFA70.5 billion the global amount of tax and customs recorded by Cameroon since the implementation of the EPA with the European Union (on August 4 2016) until December 31 2023

**Table 6 : Cameroon's exports and imports within the framework of the AfCFTA as of 31 July 2024**

N°	Produits exportés	Quantité	Valeur	Date	Pays de Destination
1	Dry fruits (plums, pineapple) and tea ginger	155 Kg	ND	06 October 2022	Ghana
2	Cameroonian tea	38,6 Kg	ND	19 October 2022	Ghana
3	Aluminium bars	100 Tons	ND	05 July 2024	Algeria
N°	Imported Products	Volume	Value	Date	Country of origin
1	Shipment of resin	20 tons	ND	02 July 2023	Tunisia

Source : Compiled by CAMERCAP-PARC



• **The strategic approach of satellite countries<sup>17</sup>**

A recent study by CAMERCAP-PARC (2023) explained the theory of satellite countries. This consists in making neighbouring countries the first trade partners. In this way, we move in concentric circles (swinging a stone in the water) in order to go farther. Thus, with Nigeria which has a population of 220 million inhabitants in the west, and the ECCAS (approximately 210 million inhabitants) in the north, east, and south, Cameroon is opened to a market of nearly 450 million inhabitants. This economic space is the first to be captured before the other emerging countries, China and OCDE. It is not too late! We can start now and succeed.

**B3. The reverse dynamic of the made-in-Cameroon distribution circuit**

We only buy what we see. Supply creates its own demand, said the fathers<sup>18</sup> of modern economy. We can affirm that this is the logic that inspires or drives the rhetoric of Cameroonian officials on the made-in-Cameroon. Everything is said in every forum to evoke and boast this rhetoric. However, this discourse does not go beyond the first step, namely encouraging production, whereas the full chain should cover all the way through to consumption which also involves distribution. A distribution that is open, wide, seamless, and even aggressive to take products (goods and services) closer to consumers, wherever they are.

**Textbox 2 : The Bome François phenomenon**

Love it or not, use it or not, approve it or not, what is clear to everyone is that after the Covid-19 (2021), a product invaded the public space of the major cities of Cameroon: it is the **Bome François**. The sales strategy has defied all marketing schools. The product is present everywhere. In the streets, offices, neighborhoods, etc. While some people have praised the product for its efficiency others have criticized it for failing to meet standards in the production process. Its popularity has caused concern among the country's health authorities

In any case, in terms of import-substitution, this product has overpowered the “*small no be sick*” the other Chinese balm that has dominated the market for the last two to three decades

Sometimes, honesty and humility require admitting the reality of success. This is a practical case worth emulating, and why not?



Made-in-Cameroon products are struggling to find a place on the shelves of supermarkets despite the intervention of MINCOMMERCE. This is mainly due the limited capacity of our VSE, SME, and SMI to master challenges associated with standards and packaging.

Major foreign distribution chains (Carrefour, Super U, SPAR etc.) are of course slow to display Cameroonian products on the frontline. The situation is not very different when it comes to domestic labels (**Santa Lucia, Fontana, Dovv etc**). There has been an attempt to improve territorial coverage, but the percentage of Cameroonian products is proving slow to reach 30% on the shelves. The solution of stores specialized in made-in-Cameroon is relatively unexpanded despite a few isolated signs. Strangely, strategic points such as airports are not exploited for the promotion of made-in-Cameroon despite declarations

**What is amiss for the Nsimalen airport that much destitute<sup>19</sup> ?**

We can easily draw a hasty conclusion on our weakness to sell both internally (distribution

<sup>17</sup> - Imagine Cameroon held on more tightly to Nigeria? How can we take advantage of Nigeria's industrial development as a satellite country (Economic policy note, July 2023) ; Cameroon, the EPA, the AfCFTA and BRICS: Time for opportunities and choices for a new economic vision in Cameroon (Policy brief #08, Oct.t 2023)

<sup>18</sup> - Keynes elaborates the law of outlets or Say's law

<sup>19</sup> - A recent article mentions the signing in mid-September 2024 of a 10-year contract between the French Lagardère Group and Aéroports du Cameroun (ADC) for the management of commercial areas on its sites. This is yet another importation of services. What is preventing Cameroon from taking it up?

of MIC<sup>20</sup>) and externally (exports of the MIC). With so many business schools (HND, IPES with professional degrees and various Masters) it is time to wake up. Government programmes can be proliferated endlessly, but it will be in vain if we do not take action for instance by triggering some protectionism. A strong action would also be good for a while by a patronizing hand.

### C. The pivotal issue of infrastructure

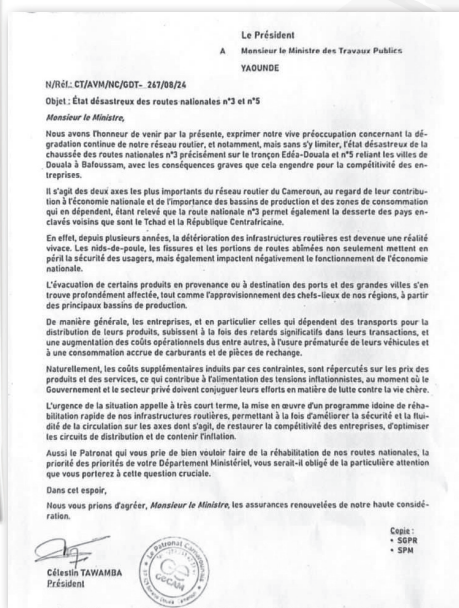
#### C1. The bad state of roads further increase imports and cripple exports

National, regional, divisional, and municipal roads and urban road networks in Cameroon do not do justice to Cameroon. As a picture is worth more than a thousand words (or even thousands woes), the only obvious fact that can be asserted by the entire population is that moving from one area to another across the national triangle in 2024 is a conundrum. On board a tourist vehicle, an SUV or a truck, a bike and even on foot, movements have become an uphill battle for users because of the bad state of our land communication lines in an advanced state of deterioration!

Land transport and vehicle maintenance specialists are unambiguous and studies have proven it :

- A bad road rapidly wears down the engine and the tyres of a vehicle, making frequent repairs mandatory. This increases the purchase of spare parts and tyres which are not produced in Cameroon and, as a result, increase imports. For the case of Cameroon, the big neighbour namely Nigeria, and the countries that produce new vehicles (including China for motorbikes) tap from it.
- Due to this bad state of roads, circulation is slowed down and engines are sometimes required to liberate their full power. This increases the consumption of fuel and lubricants. It is also a ground for the increase of imports.
- The impact on the overall<sup>21</sup> economy and human health (due to pollution) shall not be discussed in this analysis although it is non-negligible.

In sum, for an IS policy to succeed, it must chart the way of communication lines, not only to serve as a lever to boost exports (sell products) but also to cut down imports of goods and services that must be made available through distribution and maintenance of automotive vehicles.



<sup>20</sup> - MIC : Made in Cameroon

<sup>21</sup> - See GECAM's letter to the Government (Minister of Public Works) on August 7 2024



Table 7 : Fuel imports (lubricants+vehicle spare parts) Q (quantities) in thousands of tons and V (values in billions of FCFA)

N°	Periods	2017		2018		2019		2020		2021		2022		2023			
		Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V		
1	Headings	6 507	1 882	6 730	2 112	7 702	2 393	7 368	1 803	7 751	2 394	8 205	3 483	8 205	3 483	7 142	2 989
2	Overall exports																
3	...including fuel and lubricants	2444	64	177	53	71	31	4	1	33	15	21	17	21	174	66,5	
4	Overall imports	7 978	3 054	8 173	3 405	10 011	3 857	8 953	3 178	10 352	3 871	9 517	4 911	9 517	10 353	4 992	
5	...including fuel and lubricants	727	252	1026	473	1 671	725	1 618	529	1 932	614	1 765	1 049	1 765	2 051	1 128	

Source : Report on Cameroon's foreign trade in 2023, NIS (April 2024)

### C2. Hospital infrastructures and medical evacuations (medical tourism)

SWWith respect to hospital infrastructures, Cameroon can boast of having the best offer in Central Africa/French speaking Africa and one of the best in Africa as a whole. There is at least a reference hospital (category 1 to 3) in each of the 10 regions of the country, outside the major cities of Douala and Yaoundé. This is a positive development and the credit goes to the country's authority. This is what concerns infrastructures. However, the patient does not care about nice infrastructures but about quality of care and service. To do so, the infrastructures must be matched with technical platform, resources and adequate human skills. These are the first stumbling blocks.

Table 8 : Health establishments per categories and per region

	Cat 1 (HG)	Cat 2 (HC)	Cat 3 (HR)	Cat 4 (HD)	Cat 5 (CMA)	Cat 6 (CMA)	Total
Adamawa	0	1	1	7	17	110	136
Centre	4	3	1	31	51	369	459
East	0	1	1	15	20	134	171
Far North	0	1	4	24	26	328	383
Littoral	2	1	2	18	37	140	200
North	1	1	2	11	11	223	249
North-West	0	1	1	17	30	195	244
West	0	1	2	19	34	359	415
South	0	2	1	10	19	167	199
South-West	0	1	3	13	24	163	204
<b>Total</b>	<b>7</b>	<b>13</b>	<b>18</b>	<b>165</b>	<b>269</b>	<b>2188</b>	<b>2660</b>

Source: MINSANTE

With 38 reference health facilities (cat 1 to 3) quite well disseminated across the territory, Cameroon should take advantage to boost medical tourism and become a reference country in Africa south of the Sahara, in view of its central geographical position and the practice of French/English bilingualism.

According to the website of *Courrier International* newspaper, there are currently at least **5,000 medical doctors** across the world, according to the ONMC<sup>22</sup>. This figure is quite puzzling...considering the number of doctors registered with the Order of Medical Doctors of Cameroon: 11554 doctors are members of the Order of Medical Doctors in 2024..

### **How do we take advantage of this potential already partially achieved on the infrastructure level?**

A more aggressive promotion of this offer and the facilitation through communication lines from airports and in the interior of the country. Bilingualism is also an additional asset to build on, taking into consideration the direct vicinity of the space (ECCAS+NIGERIA), with over 400 million people.

However, it is regrettable that some hospitals are surprisingly abandoned and under-exploited. This limited attendance is mainly due to the weak purchasing power of Cameroonians and the failure to systematically resort to modern health facilities. People sometimes prefer self-medication and alternative methods (traditional medicine, charlatans and witchdoctors, spiritual medicine etc.). This is a loss for the medical tourism that should be developed from the infrastructural offer of international class health facilities.

Furthermore, it is important and timely to call on the government to extend a hand of friendliness and appeasement to our diaspora. This gesture can be done by lifting the measure banning the double nationality. A lot of doctors and medical personnel from Cameroon, who have taken another nationality for adhoc opportunities, are unable to return home. Yet, they are strong ambassadors for medical tourism in Cameroon.

22 - <https://www.courrierinternational.com/article/2006/04/27/ou-sont-donc-passes-nos-medecins>  
#

Cameroon has the advantage that all its regional capitals share land or air borders with neighbouring countries and/or the rest of the world. Concomitantly, the numerous and prolonged medical evacuations abroad (especially of senior officials of the republic) are still crippling public finances.

Yet, a stronger influence of Cameroonian health establishments can attract currencies in the country, bring back home the numerous Cameroonian specialists based abroad where they are excelling, and create jobs for youths trained locally in various professions associated with medicine and health.

This wound must quickly be treated and healed. Beyond words derived in woes by the proactive rhetoric contained in documents and speeches presented in the permanent and continuous future, it is time for action in order to douse this weakness. There are existing assets, capacities are identified, and skills are available. The NDS30 can be achieved...only if: we dare break away and own up to it !

### ***C3. Inadequate hotel infrastructure and the development of tourism combined in the potential.***

For centuries, Cameroon has been described as Africa in miniature, a country of unparalleled tourist potential that hosts all the possible ecosystems existing in Africa. This is a strong potential upon which public authorities have always procrastinated. Recently, in the early 2000, social networks revealed another name that confirms the first, namely CONTINENT! Cameroon is no longer a country but it is a continent...Detractors, still in this virtual world which has ultimately caught up with the real world (of those of us who are out of SN), have said they expect to see in Cameroon the compendium of the African continent. It is a nice opening and a wonderful opportunity to attract visitors, tourists and other continental events.

By way of reminder, all development programming documents in Cameroon, from the five-year plans 1960-1964: Five-Year Plan 1, until the NDS30 through the PRSP and the GESP have always included tourism as a pillar and a vector to boost the country's development. It is worthless going back to arguments. We know them and several



sector strategies have been developed and implemented. Cameroon's central position in the heart of Africa has advocated for arguments such as conference tourism, business tourism, and medical tourism, besides leisure and discovery or ecotourism. Yet, to do so and win the bid, there is need to propose to these demanding clients accommodation, transport and residence conditions that meet international standards in this area. Unfortunately, the 237 does not have in 2024 a single category 1 hotel<sup>23,24</sup> that meets international standards. The existing ones, even in lower categories, are finding it difficult to keep their ranking at the international level and prices are generally excessive.

This lack of infrastructures in terms of quality and number of accommodation facilities in Cameroon deters the country from hosting conferences and other major events on the "CONTINENT". This is a currency source that is not exploited and that cripples our services trade balance and our payment balance as a whole. It is an opportunity to encourage these visitors and tourists to consume made-in-Cameroon products. What a shame for our IS policy!

### **A hotel supply incompatible with the declared ambition**

According to its 2023 annual report, the news website [www.afrique.le360.ma](http://www.afrique.le360.ma) published in Morocco states that 45 international or regional hotel networks had 482 hotel projects (for a total of 84,427 rooms) in 42 countries over the first three months of the year 2023, being a 5% increase as compared to 2022. Sub-Saharan Africa has 307 (47,750 rooms) and North Africa 175 or 36,677 rooms.

Egypt attracts more hotel investors with 24,944 rooms spread over 103 hotels, followed by Nigeria (6,772), Morocco (6,369), Ethiopia (6,129), Kenya (3,729), Cabo Verde (3,660), Algeria (2,862), South Africa (2,768), Senegal (2,650) and Côte d'Ivoire (2,445). Cameroon is absent.

<sup>23</sup> - Five stars and Palaces, classified in the superior high class segment

<sup>24</sup> - Comparatively, the Yaoundé Hilton, classified 5 stars will find it difficult to compete with a 4-star in Addis-Ababa or in Nairobi, and the price of a standard room at more than 200 USD will not resist a competitive offer

**Table 9 : Top 10 of African countries with the highest number of hotel projects**

Rang	Pays	Hôtels	Chambres
01	Egypt	103	24 944
02	Nigeria	42	6 772
03	Morocco	46	6 369
04	Ethiopia	33	6 129
05	Kenya	25	3 729
06	Cabo verde	14	3 660
07	Algeria	15	2 862
08	South africa	21	2 768
09	Senegal	15	2 650
10	Cote d'ivoire	16	2 445

Source: [https://afrique.le360.ma/economie/voici-les-pays-qui-concentrent-le-plus-grand-nombre-de-projets-hoteliers-en-afrique-en-2023\\_TOUDBPGR7REAJAY7ITTNZZ43NA/](https://afrique.le360.ma/economie/voici-les-pays-qui-concentrent-le-plus-grand-nombre-de-projets-hoteliers-en-afrique-en-2023_TOUDBPGR7REAJAY7ITTNZZ43NA/), consulted on 12 July 2024

As concerns labels, the American multinational hotel brand **Marriott International** tops the rank with 22,776 rooms distributed over 123 hotels. It is largely ahead the **French Accor group** with its 17,484 rooms (89 hotels), and **Hilton** which had 12,427 rooms, or 67 hotels. **Radison Hotel Group** (5,552 rooms), **Intercontinental Hotels Group** (4,268), **Melia Hotels and Resorts** (1,983), **Kerten Hospitality** (1889), **Hyatt Hotels and Resorts** (1,792), **Wyndham** (1,426) and lastly **Chaine Singapourienne Ascott** (1,332 rooms) is first from the bottom.

According to the report, a significant part of these hotels are in the superior high-class segment (37.6% of projects) and high-class (34%). There are also those of luxurious categories (14.3%), middle of the superior class (10%) middle of the class (2.8%) and the economic segment (0,5%).

### **III. Uncontrolled and unaccepted migration costs**

#### **Emigration: Canada, USA, Europe? Middle East and the Gulf, etc**

##### **A. Emigration: An antithetic diaspora and the cost of one-way emigration on investment**

Let us state it unambiguously: Cameroon must come to grips with its diaspora and with its children who left the country for one reason or the other. Using all legal and patriotic means, the country must create conducive conditions to take advantage of this diaspora.



Thus, although new academicians of migration are trying to replace the brain drain with the movement of brains, it must be noted that this movement does not benefit everyone. Likewise, African brains in the innovative field of sciences, engineering (STI/STEM), teachers, health personnel, artists and athletes, who are selected through various programmes for immigration, are bringing happiness and success to host countries. Their return or their contribution to their native country is not neither immediate nor assured. This is a loss because of the cost of their training and their development in their native country. We will not omit the fact that some, for various and contextual reasons, decide to take the nationality of their host country.

The recent news of the 2024 Olympic Games once again blatantly demonstrated it to the world. While Cameroon did not win any medals, several athletes with Cameroonian patronyms lifted the colours of other countries, carrying medals.

### ***The diaspora and the issue of open nationality (double, triple, etc.)***

Yet, one of the tips and/or resilience conditions to avoid being deprived of talents is to become a providing and receiving country by adopting the option of open or multiple nationalities. In 2024, nothing can explain the unbending rigidity on this double/triple nationality in Cameroon. The country is losing a lot of talents, skills and investment because of this anachronistic measure. China and India have proven it, including the US, Canada, and Europe as a whole.

In Africa, Nigeria and Ethiopia are greatly tapping from their American and British diaspora. The preliminary results of a study currently being carried out by CAMERCAP-PARC on the cost of the one-way emigration for Cameroon are mind-blowing. Cameroon is toiling and cultivating (training of youths) for the rest of the world to harvest everything. The case of Canada speaks volumes.

The departure of Cameroonian civil servants to Canada is a new alarming phenomenon of the brain drain. Addressing the youths on 10 February 2024, the head of state alerted his young compatriots on the migration fever and its mirages and very often, regrettably, by people who already have a good situation in Cameroon.

## **B. Immigration**

### **(i) The chaotic management of Chinese and Asian nationals**

The lawless mining exploitation in the East is having a crippling effect on public finance revenues and damaging the environment. There is a requirement for traceability and good governance in the context of sovereignty (concerning the management of natural resources) and international commitments such as EITI. The same Chinese operate in fraudulent importation networks of counterfeited and smuggled products. These are all the things that go a long way to cripple the IS policy of the NDS30.

### **(ii) The West African diaspora network**

NB. The message below is in no way driven by a sentiment of xenophobia. It rather derives from the strategic management of a protective and proactive State of law. (See NDS30 – page)

Although the settling of foreign nationals who want to do business (favourable business climate) is promoted as part of African regional integration, it must be done within the ambit of the law and in keeping with the host country's rules.

But, what is observed is the obvious "lawlessness" in which some African nationals operate. Some have even taken over the "sales of vehicle spare parts", "vehicle scraps" and "electrical equipment and accessories". They occupy large areas in major cities and have full control over them. Very few nationals can penetrate the sector. Others have covered the country with stalls (local stores) in neighbourhoods. Their marketing strategy makes the client-neighbour loyal and dependent. They have a system of agents' rotation, suggesting an economic model of distribution hub and profit repatriation. It never occurs to them that they can invest to improve the space that they have rented for several years.

**We appeal to the government to ensure that this distribution segment, which is crippling the Import-Substitution policy, is brought under control.**



## As Conclusion

The analysis of economic value chains shows that there is a strong correlation between the tertiary sector and the other sectors upfront. Thus, the favourable momentum of this sector should be primarily backed by the good performances envisioned in the BTP, manufacturing industries, and tourism as well as in the various branches of the primary sector (agriculture, breeding and fishing, forest, etc.)

Exploiting these opportunities, in conjunction with an effective government action to remove obstacles and create a favourable environment, will enable Cameroon to use import-substitution in the service sector as an engine for sustainable and inclusive economic growth.

It is worth noting that the import-substitution of services does not imply closing the market to foreign providers. It is rather about creating a competitive environment that encourages local enterprises to develop quality and innovative services while remaining open to international competition.

Cameroon is endowed with a strong potential to develop the import-substitution of services and thus cut down its dependence to imports, drive economic growth and create jobs. If Cameroon grabs these opportunities and effectively addresses the challenges, this strategy can be a success and boost the emergence of a dynamic and competitive services sector.

### *Putting in place an optimum level of protectionism*

The porousness of borders and the permissiveness of controls and existing norms are also an issue. We will say and assert that no country in the world, even the most liberal, can condone it. Hence our appeal and awakening of conscience towards formulating measures for a weak optimal level of protectionism/protection of the national economic territory. The neoliberal globalization seems to be transformed under the effect of a reinforcement of protectionist measures, like the **American Inflation Reduction Act** enacted in 2022 or the European relocation attempts.

## POST-SCRIPTUM...

### **Cameroon's trade exchange in the CEMAC area or the paradox of neutral exports (with no currencies)**

For over a decade, Cameroon's trade balance is negative, and the government has been making efforts in recent years – as per the official rhetoric – to reverse the trend. The ten-year development plan outlined in the National Development Strategy 2020-2030 (NDS30) describes this political will in the Import-Substitution pillar. Implicitly, the purpose of this export development policy is to generate more currencies so as to meet the State's commitments as concerns imports and the reimbursement of foreign debt, denominated in currency other than the FCFA (XAF). Those are the principles and the theoretical considerations.

Furthermore, the **theory of satellite countries** that we advocated in a previous study shows that it is judicious for a country to consider its neighbouring countries as the first trade partners. It is easier to export or import just across the border. This is a strong lever used by developed countries in their foreign trade, as clearly demonstrated by the US with Canada and Mexico; France with Germany and the Netherlands as well as the UK and vice versa; China with Japan, etc.

On the basis of this principle, Cameroon should mainly trade with CEMAC/ECCAS countries on the one hand, and Nigeria on the other hand. The latest official statistics on foreign trade and balance of payments show some encouraging signs in this perspective. Thus, the first 10 trade partners of Cameroon include Chad, which is Cameroon's first African client in 2023, with a 39.3% market share. It is followed by South Africa (12.6%), Nigeria (10.4%) and the Central African Republic with 9.6% (NIS, 2024). In the same vein, regarding service exports, Cameroon has a surplus balance towards its CEMAC neighbours. In-depth researches and analyses show that these are "neutral" services that do not generate currencies. In practice, it is a sort of annuity due

to history and the country's geographic position in the gulf of Guinea. Two of the six CEMAC countries are landlocked, namely Chad and the CAR. Both resort to the Cameroonian ports of Douala and Kribi to export and import their goods. The right of transit generates significant royalties to Cameroon considered as services rendered to these neighbours and thus as service exports. For example, the transport of Chadian oil through a pipeline, across the Cameroonian territory, is ranked by national accountants as transport services exported to Chad by Cameroon, which is true. Let's concede. Among the exports to other countries outside the CEMAC area, this is credited as an increase in Cameroon's trade balance when everything is valued in CFAF equivalent.

### *Mirage effect...on the horizon*

Either way, as concerns export of goods or services, the fact that these customers are in the same XAF area ensures that transactions are negotiated and concluded in CFAF (XAF). This is equivalent to domestic sales given that it does not generate foreign currencies that can be used to import goods and services outside the area or to reimburse foreign debt. One is therefore inclined to "declassify" these trades and describe them as domestic trade.

In as much as we are not criticizing the efforts done to export to neighbouring countries (satellite), it is the fact of sharing the same currency that creates this illusion.

The case of the European Union is different from that of CEMAC. In fact, if exports and imports are taken into account, all member states, except Ireland, trade with their European partners more than with the rest of the world. On the other hand, with the case of Cameroon and the CEMAC area, imports mainly originate from outside the XAF area. This further maintains pressure on the foreign currency requirements, particularly the Euro and the US dollar.

We believe it is wise to suggest that economic analysis and the formulation of measures/actions within the framework of the government's import-substitution policy should consider this illusory effect maintained by exports that do not generate

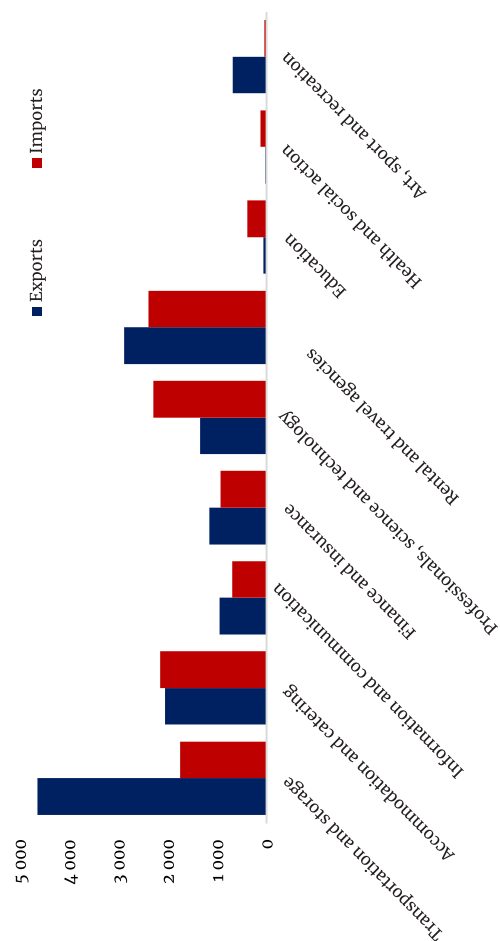
currency, and which is thus neutral. It highlights the need/the obligation to distinguish the methods and ways of recording our commercial trades.

a). **Ua) Volume accounting** (physical quantity) to reflect the production efforts per sector, industry and product or service. Furthermore, this approach should focus on the jobs generated and the overall turnover assessed in local currency (XAF). For instance, a relevant self-evaluation of the country must be carried out over time and not in comparison to the other CEMAC countries.

b). **Two-stage monetary accounting** : one in local currency and the other one in actually collected currencies (in cash basis). In this case, CEMAC intra-area trade is considered as being on the internal market, valued in XAF; and the extra-area trade, valued in currencies (cash basis). This approach has the benefit of facilitating the calculation of Net Foreign Assets centralized by BEAC and tracked in the balance of payments. These resources will be used for imports and foreign debt. The GDP/exports ratio should therefore be revised in the analysis of public finance in Cameroon and in the CEMAC area. The purpose here is to assess the capacity to achieve transactions with the RDM, by pushing the national borders to the boundaries of CEMAC.

In this specific case, it is highly recommended and forward-thinking to have an accounting that is separate and distinct from foreign trade, and no longer in valued quantity but according to destination and the capacity to generate currencies or not.

In the end, one of the (unfortunately sad) conclusions to draw from this analysis bolsters the option of pull out of the windfall economy. A regional integration of poor people will always be depleting, since the members of the community (of poor people) are dependant, for the most part, on the foreign community. Most of their efforts are to remunerate jobs outside the area (under the cover of so-called vital imports)./-



• **Services in the overall imports and exports.**

2.1 - Share of services in exports in percentage from 2010 to 2023

No	Services	Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Transportation and storage		299.1	340.7	353.2	375.5	337.8	333.9	286.5	311.8	324.2	351.0	318.0	295.8	354.2	362.4
2	Hotel and catering services		48.0	100.7	93.6	149.4	154.6	141.1	172.7	167.9	177.2	193.4	155.2	145.6	183.2	176.7
3	Information and communication services		21.7	47.4	55.5	53.8	54.5	57.8	70.8	75.1	85.6	84.8	87.7	79.0	96.7	80.7
4	Financial and insurance services		46.7	50.2	70.3	79.6	83.0	79.7	72.3	114.9	122.4	138.0	92.4	80.2	70.5	60.2
5	Real estate services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Professional, scientific and technical services		79.5	116.0	102.1	90.6	98.3	56.7	77.7	110.1	103.8	125.3	80.5	87.0	73.9	146.4
7	Rental and travel agency services		180.0	262.4	231.1	204.9	222.4	128.2	175.9	181.2	193.7	231.5	195.0	190.7	195.7	291.5
8	Public administration and security services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Education		1.1	0.9	0.8	0.8	0.9	0.9	8.5	8.8	9.0	11.4	8.9	7.1	5.6	2.7
10	Health and social assistance services		0.7	1.1	2.2	2.2	2.5	2.7	0.3	2.2	2.3	2.3	3.2	1.0	1.3	2.3
11	Artistic, sports and recreational services		37.8	43.2	45.6	47.8	49.5	50.1	51.5	52.5	54.2	54.7	54.6	47.9	49.4	49.5
12	Other Services n.c.a		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Domestic services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Total services in exports</b>		<b>714.5</b>	<b>962.6</b>	<b>954.4</b>	<b>1004.5</b>	<b>1003.4</b>	<b>851.1</b>	<b>916.3</b>	<b>1024.6</b>	<b>1072.4</b>	<b>1192.3</b>	<b>995.4</b>	<b>934.4</b>	<b>1030.4</b>	<b>1177.4</b>
	<b>Share of services in the overall total of exports in %</b>		<b>23.47</b>	<b>27.52</b>	<b>25.96</b>	<b>25.51</b>	<b>23.66</b>	<b>21.29</b>	<b>24.13</b>	<b>26.64</b>	<b>25.78</b>	<b>25.84</b>	<b>27.84</b>	<b>22.68</b>	<b>19.28</b>	<b>23.57</b>
	<b>Overall total</b>		<b>3 044.5</b>	<b>3 497.5</b>	<b>3 676.0</b>	<b>3 937.9</b>	<b>4 241.8</b>	<b>3 997.0</b>	<b>3 797.3</b>	<b>3 846.5</b>	<b>4 160.1</b>	<b>4 613.9</b>	<b>3 575.6</b>	<b>4 120.7</b>	<b>5 344.8</b>	<b>4 974.3</b>

2.2 Share of services in imports in percentage from 2010 à 2023

No	Services	Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Transport and storage		87.0	55.1	93.8	90.4	99.8	104.3	122.4	135.2	151.0	193.7	137.2	140.1	155.7	189.9
2	Hotel and catering services		45.6	124.8	131.5	149.6	153.9	166.0	177.5	169.6	174.0	195.4	139.0	184.9	201.0	140.9
3	Information and communication services		25.2	27.7	12.5	14.5	17.3	21.2	34.6	51.4	47.0	53.4	55.3	67.2	124.1	145.9
4	Financial and insurance services		54.9	68.1	65.4	66.1	72.3	77.8	86.9	82.5	76.6	79.9	61.9	47.5	36.1	61.5
5	Real estate services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Professional, scientific and technical services		205.4	83.4	125.2	197.9	200.1	139.7	132.7	150.9	193.0	207.4	143.5	155.9	205.9	157.7
7	Rental and travel agency services		237.9	96.6	145.0	229.3	231.8	161.8	153.7	175.1	208.9	200.4	161.0	126.9	76.9	192.5
8	Public administration and security services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Education		3.3	6.9	6.3	6.3	5.9	5.9	51.8	52.1	53.2	61.0	46.7	46.9	33.6	10.7
10	Health and social assistance services		5.0	3.3	2.6	2.6	3.1	3.7	5.3	13.1	13.4	18.5	20.4	11.5	14.3	9.5
11	Artistic, sports and recreational services,		0.8	2.3	1.0	1.0	1.5	1.8	1.3	1.0	7.0	7.1	7.1	3.6	2.2	3.5
12	Other services n.c.a		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Domestic services		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Total services in imports</b>		<b>665.0</b>	<b>468.2</b>	<b>583.1</b>	<b>757.8</b>	<b>785.7</b>	<b>682.2</b>	<b>766.2</b>	<b>831.0</b>	<b>924.0</b>	<b>1 016.6</b>	<b>772.1</b>	<b>784.6</b>	<b>849.8</b>	<b>912.2</b>
	<b>Share of services in imports</b>		<b>19.65</b>	<b>11.89</b>	<b>14.48</b>	<b>17.47</b>	<b>16.06</b>	<b>14.59</b>	<b>17.63</b>	<b>19.02</b>	<b>19.05</b>	<b>18.59</b>	<b>17.78</b>	<b>15.54</b>	<b>13.9</b>	<b>14.75</b>
	<b>Overall Total</b>		<b>3 38.9</b>	<b>3 939.6</b>	<b>4 027.4</b>	<b>4 337.1</b>	<b>4 890.8</b>	<b>4 675.3</b>	<b>4 346.1</b>	<b>4 369.9</b>	<b>4 851.7</b>	<b>5 468.9</b>	<b>4 342.4</b>	<b>5 047.5</b>	<b>6 075.9</b>	<b>6 183.5</b>

Trade balance of services from 2010 to 2023

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Exports</b>	714.5	962.6	954.4	1 004.5	1 003.4	851.1	916.3	1 024.6	1 072.4	1 192.3	995.4	934.4	1 030.4	1 172.4
<b>Imports</b>	665.0	468.2	583.1	757.8	785.7	682.2	766.2	831.0	924.0	1 016.6	772.1	784.6	849.8	912.2
<b>Exports-imports</b>	+ 49.5	+494.3	+371.3	+246.7	+217.7	+168.9	+150.0	+193.6	+148.4	+175.7	+223.2	+149.8	+180.6	+260.2

Source: CAMERCAP-PARC from national accounts (NIS)



Share of services in imports in percentages from 2010 to 2023

Services	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	Moyenne
1 Transport and storage	87.0	55.1	93.8	90.4	99.8	104.3	122.4	135.2	151.0	193.7	137.2	140.1	155.7	189.9	1 755.6	125.40
2 Hotel and catering services	45.6	124.8	131.5	149.6	153.9	166.0	177.5	169.6	174.0	195.4	139.0	184.9	201.0	140.9	2 153.9	153.85
3 Information and communication services	25.2	27.7	12.5	14.5	17.3	21.2	34.6	51.4	47.0	53.4	55.3	67.2	124.1	145.9	697.3	49.81
4 Financial and insurance services	54.9	68.1	65.4	66.1	72.3	77.8	86.9	82.5	76.6	79.9	61.9	47.5	36.1	61.5	937.6	66.97
5 Real estate services	0.0	0,0	0,0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
6 Professional, scientific and technical services	205.4	83.4	125.2	197.9	200.1	139.7	132.7	150.9	193.0	207.4	143.5	155.9	205.9	157.7	2 298.7	164.19
7 Rental and travel agency services	237.9	96.6	145.0	229.3	231.8	161.8	153.7	175.1	208.9	200.4	161.0	126.9	76.9	192.5	2 397.9	171.28
8 Public administration and security services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
9 Education	3.3	6.9	6.3	6.3	5.9	5.9	51.8	52.1	53.2	61.0	46.7	46.9	33.6	10.7	390.5	27.89
10 Health and social assistance services	5.0	3.3	2.6	2.6	3.1	3.7	5.3	13.1	13.4	18.5	20.4	11.5	14.3	9.5	126,2	9.01
11 Artistic, sports and recreational services	0.8	2.3	1.0	1.0	1.5	1.8	1.3	1.0	7.0	7.1	7.1	3.6	2.2	3.5	41.0	2.93
12 Other services n.c.a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
13 Domestic services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
<b>Total of services in imports</b>	<b>665.0</b>	<b>468.2</b>	<b>583.1</b>	<b>757.8</b>	<b>785.7</b>	<b>682.2</b>	<b>766.2</b>	<b>831.0</b>	<b>924.0</b>	<b>1 016.6</b>	<b>772.1</b>	<b>784.6</b>	<b>849.8</b>	<b>912.2</b>	<b>10 798.7</b>	<b>771.33</b>
<b>Overall Total</b>	<b>3 384.9</b>	<b>3 939.6</b>	<b>4 027.4</b>	<b>4 337.1</b>	<b>4 890.8</b>	<b>4 675.3</b>	<b>4 346.1</b>	<b>4 369.9</b>	<b>4 851.7</b>	<b>5 468.9</b>	<b>4 342.4</b>	<b>5 047.5</b>	<b>6 075.9</b>	<b>6 183.5</b>	<b>65 941.0</b>	<b>4710.07</b>
<b>Share of services in imports in %</b>	<b>19.65</b>	<b>11.89</b>	<b>14.48</b>	<b>17.47</b>	<b>16.06</b>	<b>14.59</b>	<b>17.63</b>	<b>19.02</b>	<b>19.05</b>	<b>18.59</b>	<b>17.78</b>	<b>15.54</b>	<b>13.99</b>	<b>14.75</b>	<b>16.46</b>	<b>16.46</b>

Source : CAMERCAP - PARC

Share of services in exports in percentage from 2010 to 2023\*

No	Services	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	Moyenne
1	Transport and storage	299.1	340.7	353.2	375.5	337.8	333.9	286.5	311.8	324.2	351.0	318.0	295.8	354.2	362.4	4 644.0	331.72
2	Hotel and catering services	48.0	100.7	93.6	149.4	154.6	141.1	172.7	167.9	177.2	193.4	155.2	145.6	183.2	176.7	2 059.3	147.10
3	Information and communication services	21.7	47.4	55.5	53.8	54.5	57.8	70.8	75.1	85.6	84.8	87.7	79.0	96.7	80.7	951.0	67.93
4	Financial and technical services	46.7	50.2	70.3	79.6	83.0	79.7	72.3	114.9	122.4	138.0	92.4	80.2	70.5	60.2	1 160.4	82.89
5	Real estate services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
6	Professional, scientific and technical services	79.5	116.0	102.1	90.6	98.3	56.7	77.7	110.1	103.8	125.3	80.5	87.0	73.9	146.4	1 347.8	96.27
7	Rental and travel agency services	180.0	262.4	231.1	204.9	222.4	128.2	175.9	181.2	193.7	231.5	195.0	190.7	195.7	291.5	2 884.3	206.02
8	Public administration and security services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
9	Education	1.1	0.9	0.8	0.8	0.9	0.9	8.5	8.8	9.0	11.4	8.9	7.1	5.6	2.7	67.4	4.81
10	Health and social assistance services	0.7	1.1	2.2	2.2	2.5	2.7	0.3	2.2	2.3	2.3	3.2	1.0	1.3	2.3	26.2	1.87
11	Artistic, sports and recreational services,	37.8	43.2	45.6	47.8	49.5	50.1	51.5	52.5	54.2	54.7	54.6	47.9	49.4	49.5	688.3	49.16
12	Other services n.c.a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
13	Domestic services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
	<b>Total of services in exports</b>	<b>714.5</b>	<b>962.6</b>	<b>954.4</b>	<b>1 004.5</b>	<b>1 003.4</b>	<b>851.1</b>	<b>916.3</b>	<b>1 024.6</b>	<b>1 072.4</b>	<b>1 192.3</b>	<b>995.4</b>	<b>934.4</b>	<b>1 030.4</b>	<b>1 172.4</b>	<b>13 828.7</b>	<b>987.77</b>
	<b>Overall total</b>	<b>3 044.5</b>	<b>3 497.5</b>	<b>3 676.0</b>	<b>3 937.9</b>	<b>4 241.8</b>	<b>3 997.0</b>	<b>3 797.3</b>	<b>3 846.5</b>	<b>4 160.1</b>	<b>4 613.9</b>	<b>3 575.6</b>	<b>4 120.7</b>	<b>5 344.8</b>	<b>4 974.3</b>	<b>56 828.0</b>	<b>4 059.14</b>
	<b>Share of services in the overall exports in %</b>	<b>23.47</b>	<b>27.52</b>	<b>25.96</b>	<b>25.51</b>	<b>23.66</b>	<b>21.29</b>	<b>24.13</b>	<b>26.64</b>	<b>25.78</b>	<b>25.84</b>	<b>27.84</b>	<b>22.68</b>	<b>19.28</b>	<b>23.57</b>	<b>24.51</b>	<b>24.51</b>

Source : CAMERCAP - PARC



Balance commerciale par nature du service sur la période 2010-2023

N°	Services	Exportations	Importations	Exportations-Importations
1	Transports et entreposage	4 644,0	1 755,6	+2 888,4
2	Services d'hébergement et de restauration	2 059,3	2 153,9	-94,5
3	Services d'information et de communication	951,0	697,3	+253,8
4	Services financiers et d'assurance	1 160,4	937,6	+222,8
5	Services immobiliers	0,0	0,0	0,0
6	Services professionnels, scientifiques et tec	1 347,8	2 298,7	-950,8
7	Services de location, des agences de voyage e	2 884,3	2 397,9	+486,3
8	Services d'administration publique et de sécu	0,0	0,0	0,0
9	Education	67,4	390,5	-323,1
10	Services de santé et d'action sociale	26,2	126,2	-100,0
11	Services artistiques, sportifs et récréatifs,	688,3	41,0	+647,2
12	Autres Services n.c.a	0,0	0,0	0,0
13	Services domestiques	0,0	0,0	0,0
	<b>Total</b>	<b>13 828,7</b>	<b>10 798,7</b>	<b>3 030,1</b>