



Cameroon

Douala's streets have reassumed their customary calm after the February protests

COUNTRY PROFILE



GEOGRAPHY: Cameroon covers 179,700 sq miles, stretching from mangrove swamps on the Atlantic Coast through dense rainforests to the more arid north by Lake Chad. It borders Nigeria, Chad, Central African Republic, Congo, Equatorial Guinea and Gabon

POPULATION: 18.2 million (July 2007 est.)

ETHNICITY: Some 200 ethnic groups. In the south, Doulans, Bamilekes, Tikars and Baumans are prominent; in the west, the Eouondos and Fulbes; in the north, the Fulanis; in the southeast, there is a Baka pygmy minority

RELIGION: A Christian majority in the south and a Muslim majority in the north, with half the population adhering to traditional African religions

LANGUAGE: French and English are the two official languages. About 200 African languages are spoken, the most prevalent being Beti and Bulu

CAPITAL: Yaounde

ECONOMY: Cameroon produces around 90,000 barrels of oil per day. It is also the world's fourth-biggest producer of cocoa, and produces large amounts of coffee, timber, cocoa and palm oil

Source: Reuters

This Advertising Supplement is produced by InterCom Ltd. and did not involve the reporting or editorial staff of the International Herald Tribune.

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▶▶▶ RECENT CIVIL UNREST IN CAMEROON HAS CAUSED THE BIYA ADMINISTRATION TO TAKE ITS REFORM POLICIES TO GROUND LEVEL, A TASK THAT THE CAMEROONIAN LEADER HAS THE POLITICAL EXPERIENCE TO ACHIEVE

Back to basics is the way forward

IN ITS 58 YEARS as an independent country, Cameroon has lived a golden youth as the most prosperous and fastest-growing African economy. Recording an average yearly growth of 7% throughout the sixties and seventies, a harsh fall into recession followed as the economy was hit in the mid-eighties by a sharp decline in the commodity prices of its main exports: cocoa, coffee and oil. Between 1986 and 1994, GDP per capita dropped by 60%. In power since 1983, the government of President Paul Biya has since negotiated a recovery program aimed at restructuring the economy with international lenders, and its Poverty Reduction Strategy Paper (PRSP) was approved with high marks by both the International Monetary Fund and the World Bank in 2003.

Although the country managed to overturn the recession, achieving 3.5% growth in 2006 with a projected 4.5% for 2008, it

is still far from enjoying the wealth it once had. Sparked by the rising price of food and fuel, the February protests that gripped the capital city Yaounde, Douala and several other cities were the most violent disturbances in over 15 years.

The voice of the people has, however, been heeded by President Biya. Earlier this month he raised state salaries by 15% and suspended customs duties on basic commodities. He also called for fuel prices, telephone rates and bank charges to be revised while assuring Cameroonians that he would press ahead with reforms in the agricultural, mining and industrial sectors.

All this is a far cry from the unbridled optimism of President Biya's New Year's address earlier this year in which he outlined a three-pronged strategy to take Cameroon forward. The first and most important step is the revival of the national economy. Annual growth is inching

INTERVIEW: EPHRAIM ENONI

'We have no restrictive measures for national or foreign investors'

In spite of recent unrest in Cameroon, Prime Minister Ephraim Enoni describes a country with investment potential

How would you describe Cameroon's international relationships and with which countries does it enjoy especially close relations?

Cameroon has two kinds of relations with other countries. The first is multilateral: we belong to the same organizations. Our membership in the United Nations already gives us a connection with practically every other country, but we also belong to the Commonwealth, the association of francophone nations, and the Islamic community.

The second type is bilateral, with individual countries. We have good diplomatic and economic relations with the United States. Thanks to a noticeable increase in American investments and joint ventures, the U.S. is one of our biggest foreign investors. We also have bilateral agreements in specific areas such as education and security.

Cooperation between Cameroon and the European Union (EU) covers various domains, including commerce and industry, infrastructures, agriculture, environment and forests. The EU is Cameroon's principal trading partner. In addition, the transportation infrastructures sector benefits from substantial EU financing. For historical reasons, we have close relations with Germany, France and Britain.

What is Cameroon's role within CEMAC (Central African Economic and Monetary Community) countries?

Within CEMAC, we have the strongest economy and the largest population, which means we are bound to play a leading role in the sub-region. However, CEMAC nations enjoy equal sovereignty and we do not impose on or have a right of veto over the organization. Our main strength lies in our 400km of coastline, which makes the other countries dependent on us for their external trade.

Which are Cameroon's main economic sectors, and where do the best opportunities for investment lie?

We have very rich subsoil. Our region has practically all the minerals and many of them are still entirely unexploited. This is an area with much potential. Nevertheless, our main economic sector is agriculture. Petroleum production from the Gulf of Guinea has been a major economic booster for countries such as Equatorial Guinea and Gabon. Our production is not massive, but investment in this area could bring substantial returns.

What is being done to encourage foreign investment in these and other areas?



up steadily, but this, says the president, is not nearly enough. A concerted effort must be made to implement large scale industrial and agricultural projects; improve energy production and distribution, taking into account renewable energy sources; encourage private sector participation across the economy and at the same time emphasize the government's role as a facilitator and regulator by creating an investment-friendly environment.

The government has recently privatized various state companies, and the

positive impact is already noticeable. The electricity firm, AES SONEL, expects to add 750,000 new electricity connections throughout the country by 2021, while privatization of the mobile telephony firm, Camtel, has opened up the sector and exponentially increased the number of mobile telephone subscribers in only a few years.

Cameroon is also determined to diversify and add value to its exports. Cocoa production, for instance, is expected to reach 200,000 tons by 2010, and the aim

is to set aside between 5% and 10% of this to make chocolate. For the time being, trade with the European Union of key products such as bananas is safeguarded by bilateral agreements.

A boost to commercial relations with the U.S. took place this year when a forum of Cameroonian ministers and industrial executives visited three major U.S. cities to promote the improved facilities for investors – and to search for potential partners. A positive international perception of Cameroon, says Prime Minister Ephraim Enoni, is vital and must be actively projected.

Second of President Biya's priorities is the overall improvement of living standards. The International Monetary Fund has recently reviewed Cameroon's ongoing Poverty Reduction and Growth Program; its conclusion was that structural reform continues, albeit slowly, and public spending and fiscal administration strategies are on the right track. In his bid to reduce poverty, the president aims to raise standards in the education system, create a more efficient health system, provide drinking water to more of the population, provide housing and roads to connect rural populations, and generally improve safety. He has also created the National Agency for Information and Communications Technology to promote new technologies in the government, in commerce and in education.

Finally, Cameroon will continue to fight one of its major scourges: corruption. To date, the President's record on this strategy is good. In the last two years a law has been adopted on declaration of assets by officials and ministers, leading to the conviction of several high-profile businessmen, and a new anti-corruption commission has been established.

MINISTRY OF JUSTICE

Promoting Cameroon's potential for foreign investment and overseeing the privatization process

Investment opportunities abound in Cameroon, from timber to agriculture. New regulations will tackle corruption and improve the concessionary process

OVER THE PAST DECADE, Cameroon has been placing more and more importance on the role of the private sector. The country is aware of the natural incentives it can offer the discerning investor, not only in terms of its exploitable resources and assets, but also in terms of peace of mind, thanks to the existence of a stable and peaceful democratic administration and a steady macroeconomic environment.

In order to consolidate the role of the private sector, several measures have been taken, including the adoption of a new investment charter and the privatization of a large number of state firms, while the state has defined its role as regulator by creating new laws for various economic sectors.

Transparency, says Vice Prime Minister and Minister of Justice Amadou Ali, is the key element that will make investing in Cameroon a desirable option for international businesses and traders. This can be achieved only through the offices of a sound and fair judicial system, and a concerted effort to eradicate corruption at every level. "The fight against corruption concerns my ministry in a special manner," says Mr. Ali. "We have set up an anti-corruption commission as well as the National Agency for Financial Investigation, which looks into any suspicious movement of funds." The reforms set in motion within the justice department in-

clude the revision of the penal code, a synthesis of the French and British judicial procedures.

As far as investment opportunities are concerned, the government of Cameroon has made it clear that anybody can commence any type of economic activity within the country, without fear of expropriation and subject to generous tax and customs benefits that include procedure simplification – in other words, exonerating new enterprises from business licenses during the first two years of their creation – and the application of zero VAT on exports.

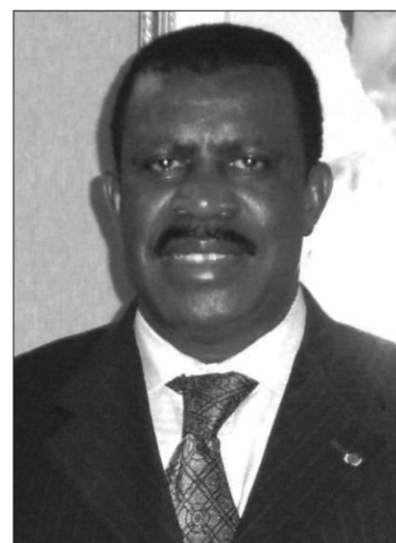
While several other privatizations are currently under way, the government is keen to provide information on the most attractive sectors for investment. Chief among these is timber – Cameroon has

the second largest forestry reserves in Africa – 22.5 million hectares comprising 800 commercially viable species. Current exploitation levels are weak, and the internal market is minimal.

A sector code is being drawn up to improve regulations regarding concession granting, management and environmental protection.

Agriculture and agro-industry offer a range of options. Production for national consumption, mainly plantain and manioc, is on average 6.2 million tons a year, but around one million tons a year are destined for export. Cameroon ranks 4th in the world for cocoa production and 8th for coffee. Thanks to a recently signed agreement with the EU, these and other products such as sugar and bananas are guaranteed free access to the European market.

Other areas that harbor investment potential – in addition to mining – are tourism, maritime transport and construction.



EPHRAIM ENONI, Prime Minister of Cameroon

We have no restrictive measures for investors, whether national or foreign. We have a very liberal exchange policy, we have established an attractive investment code, our fiscal policy is transparent and we have an efficient legal system in place to protect investors.

How does the government plan to implement President Paul Biya's three main priorities for the revival of economic development in Cameroon?

In order to fully tackle the problem of poverty we need to produce and generate more wealth. We are therefore introducing more productive investment to boost employment. At the same time, we are focusing on the provision of education, health and social amenities such as water and electricity, particularly to rural areas. Lastly, we are devoting a lot of energy to the fight against corruption, with noticeable success. As Prime Minister, I have taken the appropriate steps to make sure these strategies are implemented and that we obtain results.

MINFOPRA

Bringing Cameroon up to speed

Computerization is enabling MINFOPRA to streamline the business of public service, recruit a record number of new teachers and fight corruption at source

PRESIDENT BIYA has outlined three major aspects of a reform strategy calculated to get Cameroon's economy kick-started. As Minister of Public Service and Administrative Reform Emmanuel Bondé points out, his own department is one of the first places to start applying and implementing these reforms.

The Ministry, MINFOPRA in its French acronym, is in charge of all aspects of human resources within the state departments, from recruitment and training to plans and salaries. Currently, the main challenge lies in the first, recruitment. "During the economic crisis, recruiting stopped," says Mr. Bondé. "Now we are under strong pressure to fill posts, but we need to make careful choices to ensure that we meet our standards."

One of the main sources of new blood is the prestigious national college for administration and public office, ENAM, fully managed by the ministry. "ENAM students receive civic training in addition to their academic courses to prepare them to their academic courses to prepare them for responsibility towards the State," says the minister.

With high levels of recruitment going on, the ministry also has to ensure that civil servants are properly assimilated into their various departments and that each ministry has the staff it needs. Employment is the foundation of economic growth, and by providing job security, MINFOPRA contributes to the national economic revival. The ministry is also conducting a study to review salaries.

As far as social welfare is concerned, two main aspects are being tackled: health and education. "We hit hard in the area of teacher recruitment," says Mr. Bondé. Over a few months, 13,000 teachers have been recruited and employed. The ministry has also put in place a presidential plan for re-

cruiting medical staff and technicians, with around 1,000 new posts filled recently.

When it comes to fighting corruption, the third arm of President Biya's national strategy, Mr. Bondé is confident of the commitment shown by his department. "Civil servants must be seen to be honest. It is our responsibility to ensure this."

The first step is to remove opportunity at the earliest stage. Rather than dealing directly with civil servants, the general public will submit their requests or complaints to the office in the morning, and return to receive their replies in the afternoon. "This allows the staff to remain productive," explains the minister.

The progressive computerization of public administration is also helping to weed out possible instances of bad practice. The new SIGIPES system, an integrated personnel and salary management program, records data input, meaning wrong information can be traced to its source. As an extra, computerization is helping to speed up administrative matters. "In 2001 we dealt with 2,072 files; last year we dealt with 29,816," says Mr. Bondé.



EMMANUEL BONDE
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