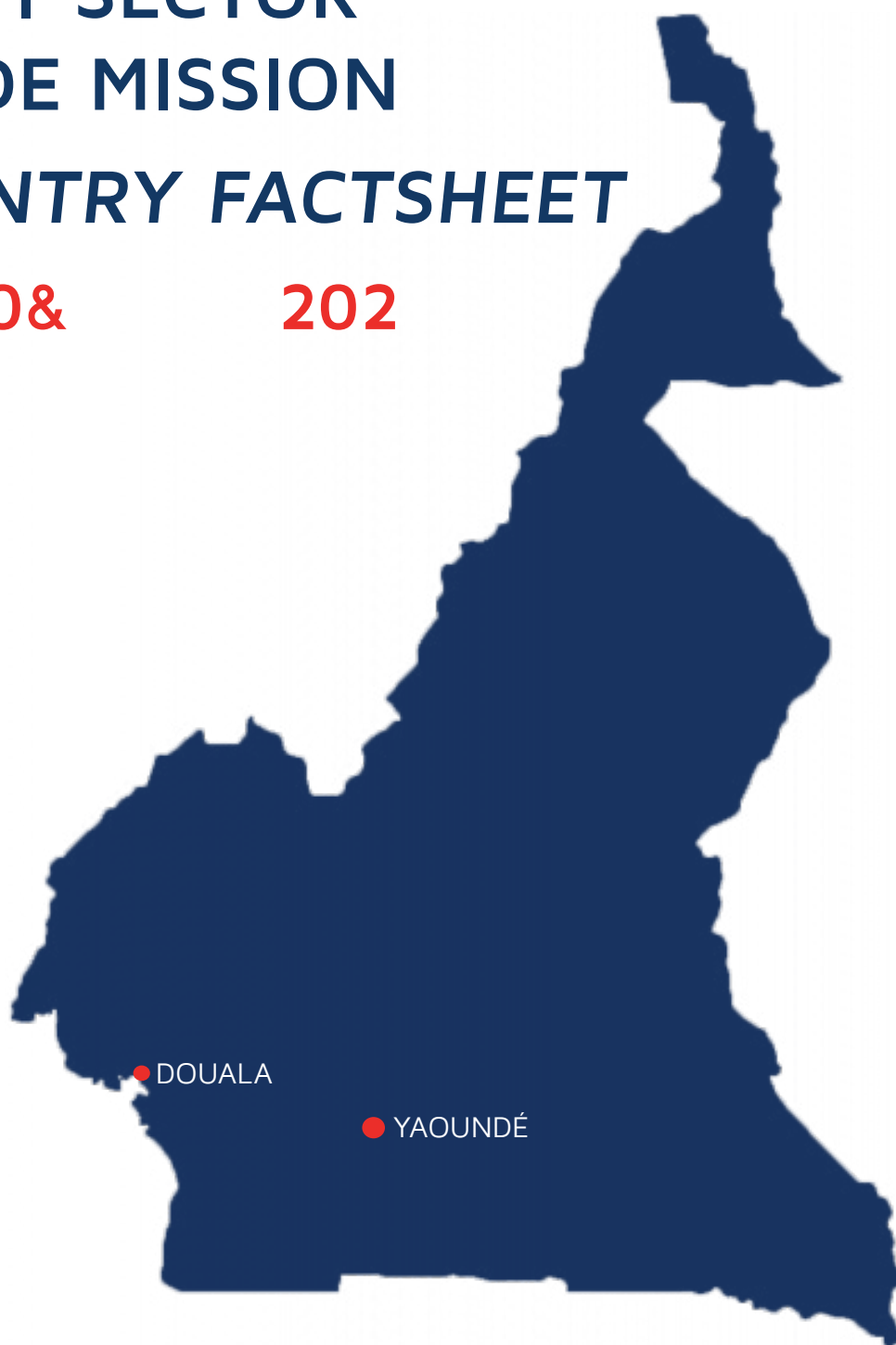


MULTI-SECTOR TRADE MISSION *COUNTRY FACTSHEET*

21-2 0& 202



CAMEROON

Prepared in the context of the multisector trade mission to Cameroon organised by NABC and commissioned by the Embassy of the Kingdom of the Netherlands in Benin (also accredited for Cameroon), planned for 21-25 March 2020. For more information, please contact myrthe.vdgaast@nabc.nl

CAMEROON

- Most diversified economy of Central Africa
- Agricultural, oil, gas and mineral resources
- A substantial young and educated workforce
- Favourable geographic location, between west and central Africa, and access by sea



AT A GLANCE

Population: 25 million (2018 est.)
Area: 475,442 km²
Political capital: Yaoundé
Economic capital: Douala
GDP per capita (PPP): \$3,700 (2017 est.)
GDP real growth rate: 3.5% (2017 est.)
Inflation rate: 1.1% (2018)
Official languages: French & English

Main export products: crude petroleum, wood (veneer sheets), cocoa beans, bananas, cotton, raw aluminium and rubber

Main import products: machinery, electrical and transport equipment (special purpose ships), articles of iron or steel, chemical products (medicine, pesticides), refined petroleum, food (rice, wheat, frozen fish, milk and derivatives), food preparations, alcoholic liquor and made-up textile articles

OPPORTUNITIES

Agriculture and horticulture, energy, transport, maritime and port sector, health, banking & finance, education and training

Economic distribution (% of GDP), 2016



Source: African Economic Outlook

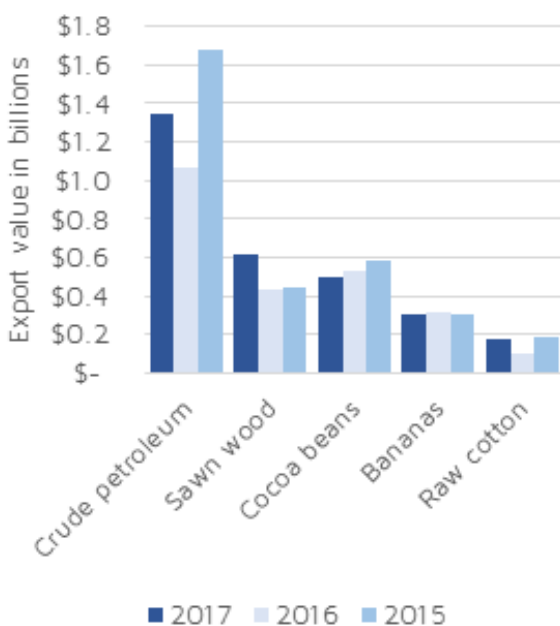
Cameroon, also referred to as 'Africa in miniature' due to its diversity in vegetation, climate, soils and culture, is located in Central Africa, bordering Nigeria, Chad, the Central African Republic, Equatorial Guinea, Gabon, and the Republic of Congo. With 26 million inhabitants, a 420 km long coastline and a substantial amount of natural resources (minerals, petroleum, agricultural products, wood), the country plays a leading role in the region.

Cameroon has a stable political environment, a growing economy and an opening for foreign business investors. The European Union (EU) remains the largest trading partner of Cameroon accounting for more than half of the country's export. Within the EU, the Netherlands ranks as Cameroon's fourth largest export partner, with an export value of \$356 million.¹ In 2016, the Economic Partnership Agreement, a bilateral trade agreement between Cameroon and the EU came to force, removing all tariffs and quotas on Cameroonian exports to the EU, and gradually removing duties and quotas over 15 years on 80% of EU export goods.²

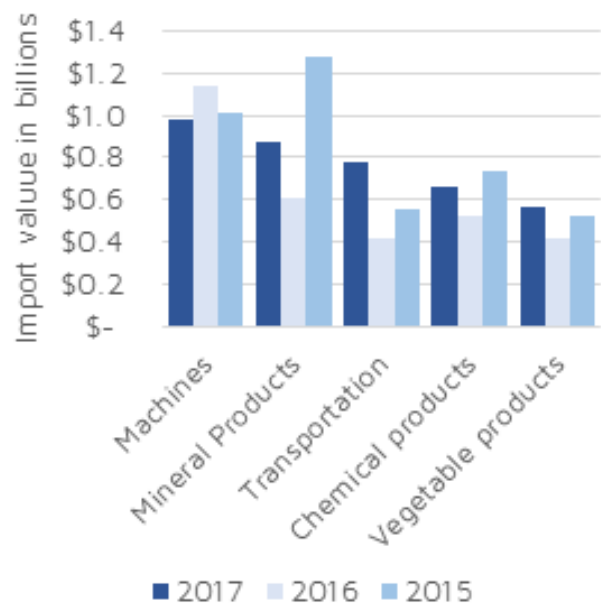


In order to reach the status of emerging country by 2035, the government has launched an ambitious program; *the Growth and Employment Strategy (GESP)*, to boost the economy and promote job creation.

Main exports



Main imports





AGRIBUSINESS

AT A GLANCE

Dry area: 472,710 km²

Water area: 2,732 km²

Area of agricultural land: 91,600 km²

Area of arable land: 59,600 km²

Area of forest land: 208,050 km²

CONTEXT

- Mismatch between supply and demand, resulting in high imports
- Low inputs (quality seeds, fertilizers, feed)
- Lack of suitable production, processing and marketing infrastructure
- Lack of access to finance

ADVANTAGES

- Favourable climatic, geographic and ecological conditions
- Increased adoption and acceptance of modern farming equipment and methods
- Various government policies and initiatives supporting the agriculture sector
- Financial support from international organizations to modernize the agricultural value chains and increase access to finance

OPPORTUNITIES

- Sourcing locally (in partnership with established farms)
- Transformation and processing of agricultural products
- Supply seeds, fertilizers, storage facilities (cooling), animal and fishery products, high yield production process
- Modernizing farming and management techniques

AGRICULTURAL SECTOR

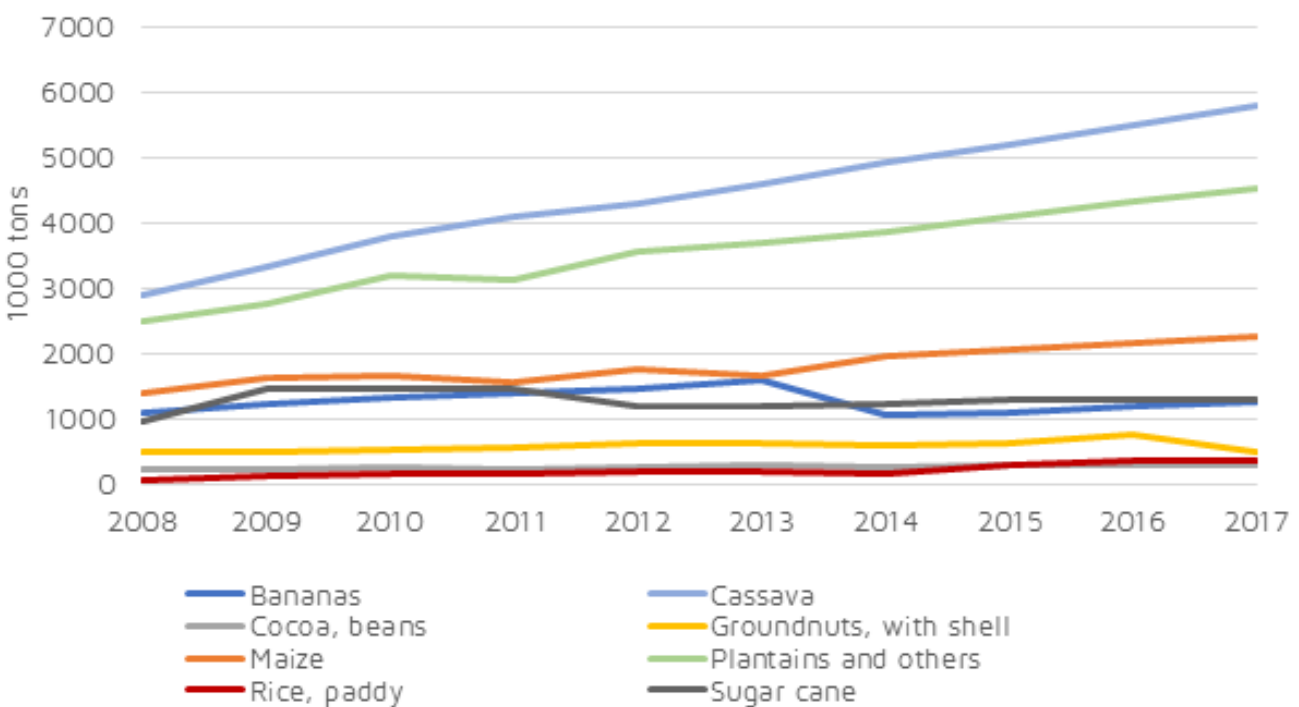
The agricultural sector is one of the main pillars of the Cameroonian economy, accounting for more than 20% of its GDP and employing 62% of the working population. Cameroon has an immense agricultural potential, as the country is endowed with a vast arable and fertile land (59,600 km²), and a great variety of climatic, geographical and geological conditions. Agricultural and forest products contribute to a third of the total export earnings, with sawn wood, bananas, cocoa, cotton and coffee, as leading agricultural export products. Important crops for domestic consumption such as cassava, sorghum, (sweet) potatoes, plantain, beans, groundnuts, maize and millet are mainly cultivated through subsistence farming.³ Cameroon is one of the world's largest producers of cocoa beans, with an annual harvest of around 264,000 tonnes. Major agricultural import products include machinery and transportation equipment/spare parts, fertilizers, cereals, fuel, and food products.

The livestock sector is an important subsector of the Cameroonian economy, accounting for 13% of the agricultural GDP.⁴ The livestock is dominated by cattle, goats, pigs and poultry farming. Domestic consumption of meat is relatively high, with demand exceeding national production.⁵ Poultry (45%), followed by cattle (35%), accounts for the largest share of the total meat production. There are several modern large-scale livestock farms (pigs, poultry and cattle) throughout the country and several broiler production sites around Douala and Yaoundé. Since restrictions were imposed on the import of frozen poultry cuts in 2005, the domestic poultry sector has grown substantially with the emergence of hatcheries, feed producers and importers of animal feed and veterinary products. In 2016 and 2018, Cameroon has received loans from the World Bank (\$100 million) and African Development Bank (€84 million) to improve the productivity and climate change resilience of the livestock sector. Both projects aim at raising the standards and competitiveness of the livestock value chains in terms of access to improved genetic material, feeding, slaughter, processing, conservation and transportation.⁶⁷

Forestry is a largely unexploited sector; half of the country is covered in forest, but only one-third of the available hardwood forest resources are exploited. Nevertheless, the export of sawn wood provides more than 10% of Cameroon’s export earnings, making it one of the country’s most important sources of trade income.

The Cameroonian government actively promotes the agricultural sector, with the Ministry of Agriculture offering farmers free seeds and farming equipment. In its “Growth and Employment Strategy” (GESp), the government has identified the agricultural sector as the engine for economic growth and has recognized the need for diversification, increased productivity, and large-scale investments in the sector.

Production of main crops (2008 - 2017)



Source: FAO, 2019

ENERGY

CONTEXT

- Imbalance between power supply and demand resulting in frequent grid outages, especially during the dry season when hydropower capacity drops
- With a need that grows 7,5% per year, Cameroon needs an additional 100 MW by maintaining a precarious balance of the electricity sector
- Increasing dependence on oil and gas due to the heavy reliance on petroleum-based products by the infrastructure sector
- Lack of renewable energy policies, investment mechanism and infrastructure
- Lack of reliable data on suitable locations for solar, biomass and wind sites

ADVANTAGES

- Third largest hydropower potential in Africa
- High biomass, solar and wind potential
- Government policies and support for oil and gas investments
- Large natural gas reserves

OPPORTUNITIES

- Improving the reliability of power supply
- Introducing low cost off-grid solutions to local communities without access to the grid
- Further developing renewable energy generation (solar, biomass, wind, geothermal, biogas)
- Increased need for geological consultations
- Construction of hydroelectric dams

ENERGY SECTOR

Cameroon's energy sector offers substantial opportunities for further development and diversification. Cameroon has an abundant reserve of energy resources, such as crude oil, natural gas, hydropower, biomass, solar, wind and geothermal energy. Although Cameroon is a relatively small oil producer in Sub-Saharan Africa, the industry plays an important part in reducing poverty and achieving economic growth. Despite declining oil prices, oil export accounts for 31% of Cameroon's export earnings.⁸ In 2015, Cameroon produced an average of 100,000 barrels per day, with the majority of oil originating from offshore fields in the Rio del Rey basin (89%).⁹ In 2003, the 1,070-kilometer Chad-Cameroon pipeline, was completed, transporting Chadian oil from the north to the south of Cameroon, ending at the Kribi port. Cameroon's substantial gas reserves is about 6 billion tons in the basin of Del Rey and at Kribi, and have not yet been exploited due to the lack of a profitable market.

The country aims to cut its gas imports and further develop the LNG sector. An important step towards this goal is the in 2018 constructed Hilli Episeyo FLNG, the world's second floating LNG platform, located at Bipaga, near Kribi. The floating platform has an annual production capacity of 1.2 million tons per year, of which 30,000 tons of gas is intended for the domestic market.¹⁰

Cameroon's total installed generation capacity is about 2,327 MW, and is generated for the majority by hydropower installations (60%), followed by gas (20%), and a combination of heavy and light-fuel oil (20%).¹¹ Cameroon has the third largest hydropower potential in Africa, estimated at around 23,000 MW, with 75% of this capacity concentrated in the Sanaga River basin located in the North of Cameroon. However, only 3% of Cameroon's total hydropower potential is currently exploited. Extreme weather represents a risk to Cameroon's energy sector, with drought affecting the generation capacity of the hydropower plants, resulting in power outages.

Renewable energy is largely unexploited, and contributes less than 1% towards Cameroon's energy mix. In the northern and coastal areas of Cameroon, there is a huge potential for solar and wind power. Solar irradiation is around 5kWh/day/m². The cellular telecommunications network is currently powered by solar energy. The current system is however insufficient, with only 50 PV installations. Cameroon has the third largest biomass potential in sub-Saharan Africa, with half of its territory covered in forest. There has not been any commercial production of biofuel, and biomass is primarily used by the rural population for cooking, heating and lightning.

In 2014, 62% of the population had access to electricity, but access varied greatly between urban (96%) and rural areas (35%).¹² Distribution losses (31%) and transmission losses (6%) are significant and increased in the period 2005 to 2010.¹³ Limited access to reliable electricity has a significant impact on the whole economy, and results in a loss of 5% in GDP growth per year. The majority of distributed energy (58%) is consumed by the industrial sector, followed by the residential (20%) and tertiary sector (13.5%).¹⁴ In the late 1990s, Cameroon started the liberalization process of its energy sector which led to the privatization of the state electricity company SONEL (now ENEO). In 2011, the generation, transmission and distribution segments were separated from ENEO and transferred to the newly established state owned operator SONATREL (Société Nationale de Transport d'Electricité).

The Cameroonian government has launched large investments to improve the country's electrification rate and achieve energy self-sufficiency. The government has developed a Rural Electrification Master Plan (PDER) to improve access to electricity in rural areas. In 2035, electricity rates should increase to 54% for households and 85% for the population centers. As part of the Nationally Determined Contribution (NDC), the government intends to increase the share of renewable energy from 1% to 25% by 2035. The government has prioritized the development of large-scale hydropower projects such as the Nactigal (420 MW), Memve'éle (200 MW), Kpep (485 MW), Makay (365 MW) and Grand Eweng (1,800) hydropower plants.¹⁵

In 2020, Cameroon plans to build two solar parks (total of 25 MW) to improve the power supply in the country's northern regions.¹⁶

Both local and international partners have been involved in carrying out feasibility studies across the country. These include studies on developing a rural electrification project, a construction of a biomass electricity development pool and a solar energy pool as well as a mini hydroelectricity plants on the Build, Operate and Transfer (BOT) mode.

Electricity consumption in 2006

Economic Sector	GWh
Industry	3,011
Transport	0
Residential	1,135
Commercial and Public Services	1,261
Agriculture / Forestry	78
Fishing	0
Other non-specified	0
Total Electricity Consumption	5485

Source: Get.invest (2019)



TRANSPORT & LOGISTICS

CONTEXT

- Limited road infrastructure that cannot meet growing traffic demand
- High transport costs and delivery time
- A majority of the roads are unpaved and limited passable during the wet season

ADVANTAGES

- Transit hub for landlocked countries in Central Africa
- Great potential for workforce value addition
- Relatively high private sector participation
- Major infrastructure investments and construction of new paved roads
- Growing agricultural and mineral/resource demand

OPPORTUNITIES

- Improving the quality of the road network, including regional corridors and cross-border infrastructure
- Reducing transport costs and prices through more effective service delivery and competition in the transport sector
- Cold-chain services/ refrigerated trucks
- Use of cargo-drones to deliver products, supplies and medication

TRANSPORT & LOGISTICS

Cameroon's favorable geographic location at the center of three trans-African highways and its well-developed ports makes it a key regional logistic hubs for Central Africa. However, economic benefits have been rather limited due to the poor state of the transport network, with poorly maintained roads and a lack of regional rail connections. In addition, the sector suffers from high transport costs. The transport costs along the main transit corridors from Chad and CAR are one of the highest in sub-Saharan Africa, with goods taking abnormally long to reach their destination.

Infrastructure is an essential part of the government's *Growth and Employment Strategy*, which prioritizes building an efficient transport network at low-cost that will cover the entire country, and improving the connectivity with neighboring countries. Cameroon currently spends around \$930 million per year (5.6% of its GDP) on infrastructure, with transport receiving the highest level of spending (\$273 million per year).¹⁷ To ad-

dress the challenges in the infrastructure sector, Cameroon needs to spend a sustained amount of \$1,480 million (8.9% of its GDP) per year over the next decade on infrastructure.

Cameroon's logistics activity is mainly concentrated in urban areas where the majority of the population lives, and the main economic activities take place. Storage facilities are available throughout the country, especially in urban centers and port cities. With an estimated number of 35,000, trucking capacity exceeds domestic transport demand, but trucks are commonly 30 years or older.¹⁸ Cameroon's road network covers approximately 121,424 km, of which only 6,110km is paved.¹⁹ The country's road network is currently improved with the construction of the Douala-Yaoundé highway, Yaoundé-Nsimalen highway, Enugu-Bamenda highway and other major roads. In October 2019, the government signed a \$20 million loan with the AfDB for the construction of a 357-km road ring (RN 11), in the northwest of Cameroon.²⁰ The construction of new roads has improved the connection between cities and agricultural areas, creating both jobs and enabling farmers access to new markets.

Cameroon's rail system, primarily operated by Camrail, plays an important part in passenger and domestic freight transport to northern Cameroon and its landlocked neighbors. In 2014, the Camrail transported 1.6 million passengers and 1.8 million freight (fuel, cotton, wood, food products, containers) per year. The government is renovating the existing railway and looking into extending its rail network, including constructing a 700km railway between Ngaoundéré and N'Djamena (Chad) and a 100km Edea-Kribi railway. Cameroon has 3 international airports (Douala, Yaoundé, and Garoua) and 8 smaller airports with paved runways. The government plans on modernizing Yaoundé Nsimalen and Douala international airport to meet ICAO's safety and security standards.

With the exception of the Benué River, waterway transport is almost absent due to a lacking infrastructure and challenging weather conditions.



MARITIME & CONSTRUCTION

CONTEXT

- Increased demand for maritime transportation services
- Long waiting and port dwell time
- High port and cargo-handling costs
- Lack of funding for large scale projects
- Inaccurate costs estimation techniques, high costs of construction material, lack of equipment and skilled manpower

ADVANTAGES

- New port development and hinterland connection
- Relatively good performance of the Douala port in the context of the west African coast
- Private sector participation in some sectors of the ports

OPPORTUNITIES

- Modernizing the port (container terminals, supply of trucks)
- Improving the capacity and efficiency of the ports
- Further improving port-road infrastructure
- Providing new and refurbished construction equipment, and building materials
- Construction of housing in all segments of the market

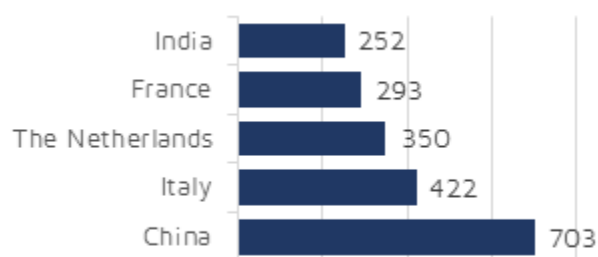
TRANSPORT & LOGISTICS INFRASTRUCTURE

Cameroon has a strategic position half-way between the North and the South of the continent. Cameroon has four independent ports: the port of Douala, the Deep Water port of Kribi, Limbe seaport and the river port of Garoua. The Garoua port is a seasonal port on the Benué river, and only active for three to four months a year during the wet season. The port of Douala is the largest port in Central Africa, with an annual traffic of over 7 million metric tons, and handling 95% of the goods entering the country.²¹ It is also the main port for external trade with Cameroon's landlocked neighbors: Chad, CAR and Congo-Brazzaville. The growth of the port is however constrained by long waiting times at the entry gate and long dwell time.²² The Douala port is connected to the sea via a 50 km long and narrow channel on the Wouri River that requires constant and costly dredging. Because large vessels are unable to enter the port of Douala, the government has further developed port facilities in Limbe, Kribi and Garoua.

In March 2018, the Kribi seaport was opened to assist the flow of goods to and from the country and take the pressure off the Douala port (phase I). The Kribi port is primarily designed as a mineral port, and has a terminal specifically designed for handling raw materials such as aluminum and iron. Liquid bulk, coming from the Hilly Episeyo gas terminal and oil terminals KK1 and Ebome, represents the largest share of traffic that passes the port (79%).²³ The newly opened Kribi port and the construction of a 510 km railway line between the port and the iron ore producing area of Mbalam in East Cameroon will give a massive boost to Cameroon's mining sector. Cameroon is richly endowed with mineral resources (bauxite, cobalt, uranium, iron and gold) that are yet to be exploited.

Following the opening of the port, operations started for the constructions of 20 new terminals, a 650 meter quay, and a logistic / industrial zone in Kribi (phase II). In the past 15 years, the government of Cameroon has made serious efforts to improve the efficiency and attractiveness of its ports by improving the transport infrastructure, border control, modernizing custom administration, and combating corruption and informal practices.²⁵

Top 5 partners in 2018
(exports, millions of US\$)



Source: UNCTADstat, 2019

Cameroon's construction sector is expected to grow with 8% in 2019, with an annual growth of 7.4% until 2028.²⁴ This growth is driven by the completion of major infrastructure projects (roads, bridges, ports, energy & water), as well as construction projects related to the 2021 Africa Cup of Nations (2 new stadiums in Douala and Yaoundé). The Cameroonian construction sector is dominated by many foreign construction companies that possess specialized skills, technologies and sufficient funds. With a growing population, and increased urbanization, there's a serious need for both affordable as well as high-end housing. There's a shortage of up to 100,000 units a year, which could grow up to 1 million in the next 5 to 10 years. The construction sector is expected to benefit from the recent entry of three new cement companies: G Power Cement (German), Dangote Group (Nigeria), and Addoha (Morocco). Similarly, the construction sector will receive a massive boost once major mining projects such as the Mbalam-Nabeba iron ore project (\$4.6bn) and the Minim Martap bauxite project (\$4-6bn) start production.

Construction of some large scale projects

Project Name	Sector	\$ bn	Completed in
Sonara Expansion Projects	Real Estate	1.3	Phase I: 2016 Phase II: N/A
Nachtigal Hydropower Project	Energy	1.3	2023
Kribi Deep Sea Port	Maritime	1.3	Phase I: 2018 Phase II: 2020 Phase III: 2030
Hilli Episeyo FLNG	Energy	1.2	2018
Limbe Deep Sea Port	Maritime	0.8	N/A
Memve'ele Hydropower Station	Energy	0.6	2017
Lom Pangas Dam and Hydropower Project	Energy	0.5	2020
Kribi-Lolabe Double Carriage Road Project	Transport	0.5	N/A

Source: UNCTADstat, 2019

Endnotes

- 1 <https://oec.world/en/profile/country/cmr/> -
- 2 <http://country.eiu.com/article.aspx?articleid=1614482145&Country=Cameroon&topic=Economy&s ; ubtopic=Forecast&subsubtopic=External+sector>
- 3 <http://cameroon.opendataforafrica.org/hxycnxc/cameroon-agriculture-sheet>
- 4 <http://documents.worldbank.org/curated/en/128831472115959243/pdf/PID-Appraisal-Print -P154908-08-25-2016-1472115954923.pdf>
- 5 https://www.snrd-africa.net/wp-content/uploads/2018/05/giz-bmz-eu-agrarpolitik-huehner_250518_en.pdf
- 6 <https://www.afdb.org/en/documents/document/cameroon-livestock-and-fish-farming-value-chains-development-project-pd-cvcp-appraisal-report-104096>
- 7 <https://www.worldbank.org/en/news/press-release/2016/10/27/cameroon-100-million-to-boost-livestock-sector-for-improved-productivity-and-climate-change-resilience>
- 8 <https://oec.world/en/profile/country/cmr/>
- 9 <https://eiti.org/cameroon>
- 10 <https://www.businessincameroon.com/hydrocarbons/2205-9148-cameroon-produces-693-830-m3-of-natural-gas-in-q1-2019>
- 11 <https://www.get-invest.eu/market-information/cameroon/energy-sector/>
- 12 https://www.usaid.gov/sites/default/files/documents/1860/PAOP-Cameroon-MarketAssessment-Final-Digital_508.pdf
- 13 https://energypedia.info/wiki/Cameroon_Energy_Situation
- 14 <https://www.get-invest.eu/market-information/cameroon/energy-sector/>
- 15 <https://www.hydropower.org/country-profiles/cameroon>
- 16 <https://www.pv-magazine.com/2019/08/14/cameroon-to-improve-power-supply-with-25-mw-solar-projects/>
- 17 http://siteresources.worldbank.org/CAMEROONEXTN/Resources/AICD-Cameroon_Country_Report.pdf
- 18 <https://dlca.logcluster.org/display/public/DLCA/2.6+Cameroon+Storage+Assessment>
- 19 http://www.fondsroutiercameroun.org/uploads/Road_Fund_2016_Annual_Report.157.1.pdf
- 20 <https://constructionreviewonline.com/2019/10/cameroon-signs-us-20m-loan-agreement-or-construction-of-road-to-nigeria/>
- 21 <http://documents.worldbank.org/curated/en/821201468016138595/pdf/940150WP00PUBLOicOUpdate0800English.pdf>
- 22 [Ibid.](#)
- 23 <https://www.businessincameroon.com/transport/0803-8921-the-port-of-kribi-handled-10-388-941-tons-of-containerized-cargo-18-of-total-traffic-in-2018>
- 24 <http://documents.worldbank.org/curated/en/821201468016138595/pdf/940150WP00PUBLOicOUpdate0800English.pdf>
- 25 <https://www.businessincameroon.com/construction/0509-9469-cameroon-s-construction-sector-to-grow-by-8-in-2019-sika-group>