



## Doing Business in Cameroon

### 2014 Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In Cameroon

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### Market Overview

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Although Cameroon is endowed with abundant natural resources, steady economic growth, and a key location in central Africa, the investment climate in Cameroon is plagued by endemic corruption and a heavy-handed and slow moving bureaucracy. International watchdog organizations rank Cameroon as one of the lowest in the world in various global indices on corruption, transparency, and ease of doing business. These poor ratings underscore the challenging environment in which businesses operate here.

Cameroon has many opportunities for economic investment in the agricultural, mining, transportation, telecommunications and information technology, construction equipment, and the extractive industries. It boasts the largest and most diverse economy of the six countries in the Central African Monetary and Economic Union (CEMAC) sub-region, which is home to over 50 million people. The zone has a central bank and a common currency – the CFA franc. Despite slow but steady economic growth hovering around 4 to 5% over the last half decade, the government of the Republic of Cameroon (GRC) has started to publicly recognize that it must improve its investment climate. The government hopes that growth rates will surge with increased incentives to private sector businesses, but it has yet to demonstrate that it is committed to real investment climate reform. The government's Vision 2035, a roadmap to become an emerging economy by 2035, stresses the importance of large-scale infrastructure development and foreign direct investment. In April 2013, the GRC enacted an Investment Promotion Incentives Law – a package of liberal incentives offering foreign investors opportunities to bring in needed capital to boost the economy. Despite this blue print, foreign direct investment (FDI) continues to stagnate.

Despite the many challenges, some U.S. businesses have found rewards in Cameroon. Since the United States played a major role in the construction of the Chad-Cameroon petroleum pipeline in 2000, U.S. investments continue to be the single largest in terms of overall volume. Historically, Europe has dominated the Cameroonian business environment, but recent years have witnessed the emergence of new investors such as China and other African nations like Morocco, Tunisia, Algeria, South Africa, and Nigeria. Opportunities for U.S. investors exist in all sectors of the economy, especially in infrastructure, which must improve before other sectors can develop, although investors from other countries often have advantages in infrastructure. Specific opportunities exist in electricity, transport (roads and railways), telecommunications and information technology, and the extractive industries. However, even when successful in doing business here, companies often must spend years negotiating deals and gaining final approvals with the Cameroonian bureaucracy.

While the government has started to make minor improvements to the business climate, much still remains to be done. Current infrastructure remains a substantial roadblock to growth. Corruption throughout the government, including the judiciary, makes it very difficult for a U.S. business to protect its investment, raising the risk of doing business in Cameroon. Although recent World Bank reports indicate a significant improvement in the GRC's willingness to respond to some of the recommendations necessary to improve the ease of doing business here, little progress will occur until Cameroon can tackle the pervasive corruption plaguing it and can find effective ways to streamline its bureaucratic procedures, which drag negotiations out for years. U.S. businesses will continue to seek the many opportunities that exist in Cameroon, but they must understand the risks inherent in such an economy.

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Despite its potential, Cameroon continues to be a challenging business environment, ranking among the lower quarter of the countries surveyed in the World Bank's annual "Doing Business" survey. Difficulty in resolving commercial disputes, particularly the enforcement of contractual rights, remains one of the serious obstacles to promoting investment in Cameroon. Additionally, transactions that involve the government often face significant delays and may be subject to a "sole source" tender process that is difficult to navigate and lacks transparency. Jurisdiction between ministries is often not clear and investors often must negotiate with multiple ministries and deal with apparent conflicts in law. Corruption is rampant.

The private sector continues to cite a predatory business tax administration, obstructive administrative bottlenecks and red tape, insufficient and unreliable electricity, and inadequate infrastructure as impediments to greater economic growth.

Although Cameroon is officially a bilingual (French and English) country, French is the predominant language. In the informal economic sector, Cameroonians often communicate in "Pidgin," a Creole English commonly spoken in Anglophone areas.

## **Market Opportunities**

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Cameroon's transportation, energy, water, agriculture, oil and gas, mining, and industrial sectors offer considerable investment opportunities.

Transportation, energy, and water all provide significant opportunities. Fueled by the successful sovereign bond issue of over \$400 million in 2010 and subsequent successful short-term bond issues in 2011 and 2012, the government has pledged to expand and improve Cameroon's infrastructure in a host of areas.

Cameroon's agricultural sector is the mainstay of the national economy and the largest source of employment, but there is considerable room for growth and modernization, especially in agro-industrial food processing. Much arable land is underutilized. Access to markets and limited ability to process crops for export remain obstacles. Productivity is relatively poor because of limited availability of fertilizers and mechanization.

Cameroon's oil production prospects improved in 2013 thanks to confirmation of reserves in new fields and improved technology that has increased the viability of old fields. Analysts concur that Cameroon may have more reserves in the South, the North near the Chad oil basin, and offshore in the Bakassi area. The National Hydrocarbons Company (French acronym SNH) projects a significant increase in production in 2014.

Cameroon is richly endowed with mining assets including bauxite, cobalt, uranium, iron ore, diamonds, rutile, and gold, but only diamond mining operations have begun. Other mining deals have stalled.

Manufacturing and diversified industries are quite rudimentary and pose significant room for opportunity and investment.

## **Market Entry Strategy**

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Entrants to the Cameroonian market might consider engaging local representatives to provide guidance on the business environment, identify customers, and obtain market information. For products requiring after-sales service and spare parts, the Embassy recommends that exporters consider operating through a distributor or dealership. Agents and distributors must register with the government and their contracts must be notarized and published in the local press.

The government has taken steps to attract new foreign investment. A new investment law passed in April 2013 applies to all business sectors except mining and exploration and extraction of oil and gas. The law provides financial incentives to firms that promote development such as hiring at least five Cameroonians a year, investing in rural areas, reducing pollution, or developing social or cultural activities. The Cameroonian Investment Promotion Agency seeks to assist foreign companies investing in Cameroon.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of Cameroon, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/26431.htm>

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### Using an Agent or Distributor

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Several dozen American companies are present in Cameroon, either directly or through agents or distributors.

As a Partner Post with the Foreign Commercial Service office in Lagos, Nigeria, the [U.S. Embassy in Yaounde](#) offers the full range of U.S. Department of Commerce (DOC) branded services to assist American businesses planning to enter the Cameroonian market. The Gold Key Service, International Partner Search, and International Company Profile Report are fee-based services that provide American companies with introductions to business and political leaders, vetting of local agents and partners, and market research. Domestic U.S. [Export Assistance Centers](#) can provide insight on how to leverage these services.

### Establishing an Office

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Cameroon's Ministry of Small and Medium-Size Enterprises operates a "one-stop shop" intended to facilitate opening a business in a matter of days. The World Bank's annual Doing Business survey provides a good guide to the challenges of establishing an office in Cameroon:  
<http://www.doingbusiness.org/ExploreTopics/StartingBusiness/Details.aspx?economyid=34>

### Franchising

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Although there are some successful franchises of American companies in Cameroon, the potential for franchising remains largely unexplored and untapped. The strength and

popularity of the “Made in the USA” brand in Cameroon suggests that American-origin franchises could be successful absent the challenging business climate. Franchising statutes are determined by the [African Intellectual Property Organization](#) (OAPI), which is based on the Bangui Convention. The Cameroon Franchise Association (CFA) is a member of the Washington, D.C.-based International Franchise Association.

## **Direct Marketing**

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For the most part, direct marketing does not exist in Cameroon. However, some non-traditional formal channels of marketing include SMS messaging.

## **Joint Ventures/Licensing**

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Cameroonian law requires foreign entities that intend to have a legal presence in Cameroon to register a local subsidiary. Seeking professional assistance in negotiating agreements, selecting partners, and carefully controlling resources are vital when establishing a presence in the Cameroonian market. Joint ventures and licensing arrangements require caution, as widespread corruption and business scams present risks for investors.

## **Selling to the Government**

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Government procurement sometimes follows a public call for tenders and a competitive selection process. Government project “owners” (responsible line ministries) are effectively in charge of the tender process, from the publication of tender notices to the award of the contracts. In principle, all procurement contracts equal to or above \$10,000 must pass through a tender process supervised by a special committee put in place by the Public Procurement Regulatory Agency. Cameroon has established a general legal framework for public-private partnership (PPP) contracts. Under the PPP arrangement, government project owners can grant contracts to private entrepreneurs on Over-The-Counter (mutual agreement) basis. Contracts in certain sectors (roads, buildings, general supplies over a certain amount, and services) are subject to the control and monitoring of special committees at the Prime Minister’s office or the Ministry of Public Contracts.

Some invitations to tender are published on the Internet and local newspapers. The U.S. Embassy in Yaounde generally receives copies of invitations to tender for government procurements from the regulation board, especially when international financial institutions such as the World Bank, IMF, African Development Bank or the European Development Bank provide the financing. The Embassy then transmits them to the U.S. Department of Commerce as trade leads for dissemination to the American business community.

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Distribution: Almost all goods entering Cameroon (and land-locked neighbors Chad and the Central African Republic) transit through the Port of Douala, which is not a deep water port, and are distributed by trucks on the road network. There is a functioning rail infrastructure from Douala through Yaounde to Ngaoundere and from Douala to Kumba. The government is building a deep water port in Kribi with financing from the Chinese

government. Although goods destined for neighboring countries may pass through Cameroon duty-free, shippers must pay high fees for GPS tracking. The U.S. Embassy has received numerous reports about undue delays for goods entering Cameroon and reports of corrupt customs officials.

**Sales:** Cameroon boasts a large network of small retail shops that distribute a variety of merchandise in all parts of the country. Supermarket outlets and wholesalers exist in larger cities. Retail trade is dominated by European, Lebanese, Pakistani, Indian, and Chinese businesses and a sizeable number of Cameroonians who have developed efficient distribution systems. Cameroonian buyers are highly price sensitive. In spite of this, Cameroonian consumers generally value the U.S.A. brand and consider U.S. products to be price competitive.

### **Selling Factors/Techniques**

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All imported goods sold in Cameroon must bear the label "Vente en CEMAC," which means "to be sold in CEMAC". Cameroonians speak French and English. Products labeled in both languages will have a competitive edge. Cameroon's personal credit markets are not developed, but several Cameroonian banks now offer credit cards and a consumer debit card system. The economy is still heavily cash-based.

### **Electronic Commerce**

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Electronic commerce faces serious challenges in Cameroon due to the lack of internet penetration and limited bandwidth. The high prevalence of fraud originating from Cameroon also hinders growth. Despite these serious challenges, Cameroon's IT sector is growing, providing more opportunities for electronic commerce. Some sites exist, but business-to-business websites are largely nonexistent in Cameroon.

### **Trade Promotion and Advertising**

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Advertising is available in Cameroon through a wide variety of media, including mobile telephony, newspapers, magazines, billboards, radio, television, and the Internet.

Newspaper and magazine advertising may be placed at reasonable rates with the government-owned daily Cameroon Tribune or with more than 20 private print media publications. Major newspapers include:

- Cameroon Tribune (government-owned, bilingual daily): B.P. 1218, Yaounde, Cameroon; Tel.: (237) 2230 4147 or 2230 -3689; Fax: (237) 2230 -4362.  
<http://www.cameroon-tribune.cm>
- Mutations (privately-owned, French-language daily): B.P. 12348, Yaounde, Cameroon; Tel.: (237) 2230 6680; Fax (237) 2230 6675.  
<http://www.quotidienmutations.info>
- Le Messenger (privately owned, French-language daily): B.P. 5925, Douala, Cameroon; Tel.: (237) 3342 0439; Fax: (237) 3342 5374.  
<http://www.lemessenger.net>
- La Nouvelle Expression (privately-owned, French-language daily): B.P. 15333, Douala, Cameroon; Tel.: (237) 3432 2227; Fax: (237) 3343 2669.  
<http://www.lanouvelleexpression.infonet>



- Le Jour (privately-owned, French-language daily): B.P. 15333, Douala, Cameroon; Tel.: (237) 2204 0185 <http://www.quotidienlejour.com>

Private advertising firms may be contacted for publicity assistance.

The fifth triennial **PROMOTE**, Cameroon's most prestigious international trade show and the largest such event in the region, will occur in Yaounde in December 2014. Over 30 U.S. companies, including 11 U.S.-based firms, showcased products and services at the 2011 trade show as part of an Embassy sponsored "American Pavilion." For more information, please contact the Embassy Political-Economic Section and these Promote's website: [www.salonpromote.org](http://www.salonpromote.org).

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Although Cameroonian businesses and consumers are price-sensitive, the relative lack of competition in Cameroon translates to highly priced goods. Many Cameroonians perceive American-made goods to be of superior quality and thus may be prepared to pay a premium over lesser-quality goods.

The Cameroonian government interferes with the pricing on some goods. The Ministry of Trade periodically attempts to enforce price controls by shutting down violators or investigating retailers who refuse to sell at the prices set by the government. In January 2011, the government also set up a commodity purchasing board in a further attempt to regulate the supply and price of basic goods. Price controls apply to products and services, such as electricity, water, cooking fuel, pharmaceuticals, beer, rice, sugar, salt, fish, poultry products, public transportation, telecommunications, and portside activities, such as stevedoring).

U.S. exporters can price their product in euros, especially for deliveries over a 6 to 12-month period, as the currency (the Central African CFA franc) is pegged at a fixed exchange rate to the euro. Costs should be computed on a cost, insurance, and freight (CIF) basis.

## **Sales Service/Customer Support**

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Potential customers of U.S. manufactured products may be deterred by the difficulty of finding qualified after-sales service or reasonably priced spare parts in Cameroon. The Embassy recommends using a local distributor for products requiring after-sales services or customer support. The availability of French-language user manuals, training courses, and spare parts are crucial components of after-sales services in Cameroon.

## **Protecting Your Intellectual Property**

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### **Protecting Your Intellectual Property in Cameroon:**

Several general principles are important for effective management of intellectual property ("IP") rights in Cameroon. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Cameroon than in the United States. Third, rights must be registered and enforced in Cameroon, under local laws.

Your U.S. trademark and patent registrations will not protect you in Cameroon. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Cameroon market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Cameroon. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Cameroonian law. The U.S. Embassy can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Cameroon require constant attention. Work with legal counsel familiar with Cameroonian laws to create a solid contract that includes no-competition clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Cameroon or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)

- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- Inter-professional Business Council (GICAM)
- African Intellectual Property Organization (OAPI)
- African Regional Intellectual Property Organization (ARIPO)
- The Cameroon Bar Association
- Cameroon Music Corporation (CMC)
- Civil Society for the Protection of Rights of Musical Art
- Société Camerounaise de l'Art Musical (SOCAM)
- Collective Management Organizations of Copyright (SOCADAP)
- Civil Society for Audiovisual and Photographic Art (SCAAP) and
- Civil Society for Literary and Dramatic Art (SOCILADRA)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov). This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can obtain contact information for the IP attaché who covers Cameroon at the Regional U.S. Commercial Service [office](#) at the U.S. Consulate General in Lagos, Nigeria.

## **Due Diligence**

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Due to the rise in internet scams, American companies contemplating doing business in Cameroon should consider seeking professional assistance in negotiating agreements, selecting partners, and controlling resources.

## **Local Professional Services**

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American investors should consider using the services of a local market research firm and other available professional service providers to deal with Cameroon's slow-moving, complex, and oftentimes corrupt business environment. The U.S. Embassy cannot recommend attorneys but can provide a list of local attorneys.

## **Web Resources**

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- <http://www.doingbusiness.org/ExploreTopics/StartingBusiness/Details.aspx?economyid=34>
- <http://www.oapi.int/>
- <http://www.aripo.org/>
- [www.StopFakes.gov](http://www.StopFakes.gov)
- [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- <http://www.amchamcam.org/>
- <http://yaounde.usembassy.gov/commercial-services.html>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

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### **Agricultural Sectors**

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## Extractive Industries

### Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a		
Total Local Production	n/a	n/a		
Total Exports	n/a	n/a		
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	104,211	112,093	120,000	130,000
Exchange Rate: 1 USD	500 CFAF			

Data source: U.S. Department of Commerce Bureau of Census and Cameroon National Institute of Statistics. The 2014 and 2015 estimates are based on projected investments in the oil and gas and mining sectors.

The Cameroon National Institute of Statistics does not provide a breakdown for machinery imported into the country. The combined figure for 2013 equipment imported for mining and construction industries stood at USD 599 million, a slight increase compare to the USD 545 million recorded in 2012.

Cameroon's previously declining oil production rose from 22.38 million barrels in 2012 to 24.31 million barrels in 2013, an increase in crude production of 8.6 percent. The 2014 forecast predicts a 25 percent increase due in part to the production from new wells, as well as the reopening and optimizing of the production of mature wells. Cameroon has embarked on a reinvestment program in the sector to increase production. Cameroon has over 135.1 billion cubic meters of proven reserves of natural gas, most of which is untapped. There are three significant hydrocarbon basins: the northwest offshore Rio del Rey Basin on the Niger Delta; the southwest offshore Douala / Kribi-Campo Basin; and the northern Logone Birni Basin. A border dispute with Equatorial Guinea in the Gulf of Guinea may prevent some exploitation from going forward.

### Sub-Sector Best Prospects

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- Drilling and oilfield equipment
- Casing, tubing, and drilling pipes.
- Parts for boring or sinking machinery of onshore oil and natural gas drilling and production platforms.
- Downstream oil and gas operations

### Opportunities

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The government, through the national hydrocarbons company (SNH), plans to develop Cameroon's natural gas resources. Opportunities exist in the setting up of a processing

facility for the export market (specifically Europe, which has growing demand for LNG) and to meet local demand.

The Ministry of Energy and Water Resources has plans to eventually construct a refined petroleum pipeline infrastructure linking the major cities to the country's lone refinery in Limbe.

There is a burgeoning class of local entrepreneurs in the downstream oil and gas sector. Over the last two years more than 50 fuel stations have been constructed by local entrepreneurs. TRADEX, the state-owned corporation in the downstream subsector, projects to open 100 stations within the next five years. This will create sales opportunities for pumps, fuel dispensers, and accessories.

## Web Resources

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Cameroon Ministry of Energy and Water Resources: <http://www.minee.cm/>

Cameroon Ministry of Finance: <http://www.finances.cm/>

Cameroon Ministry Economy, Planning and Regional Development:  
<http://www.minepat.cm/>

Public Contract Regulatory Board: <http://www.armp.cm/>

National Hydrocarbons Company (Societe Nationale des Hydrocarbures):  
<http://www.snh.cm/>

Hydrocarbon Prices Stabilization Corporation (French acronym CSPH):  
<http://www.csph.cm>

## Construction Machinery

### Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production				
Total Exports				
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	6,231	20,744	25,000	30,000
Exchange Rate: 1 USD	500 CFAF			

Data source: U.S. Department of Commerce Bureau of Census and Cameroon National Institute of Statistics. The 2014 and 2015 estimates are based on projected investments in the construction sector.

U.S. manufactured construction machinery in Cameroon is synonymous with quality. Some brands such as Caterpillar already have local distributors. Hoffman International, a New Jersey-based construction equipment company, sold USD 47 million worth of cranes, excavators, and other construction machinery to the Cameroon Ministry of Defense in 2012. The shipments arrived in 2013 and 2014, accounting for the surge in U.S. imports in this sector.

Construction accounts for 3.5% of Cameroon's GDP (2008). Several subsidiaries of foreign groups are active in Cameroon: Asquini-Encorad, KOOP Cameroun (KOOP Holding Group), Razel SA (Bilfinger Berger Group), and Sogea Satom Cameroun (VINCI Group). U.S. imports in this sector generally concentrate on process metal, steel, alumina, and associated products

### Opportunities

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New and refurbished construction equipment  
Building materials

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Cameroon Road Funds <http://www.fondsrouciercameroun.org>  
Ministry of Public Works <http://www.mintp.cm>  
Miistry of Economy, Planning and Regional Development <http://www.minepat.cm/>  
Public Contract Regulatory Board: <http://www.armp.cm/>  
Dec. 2012 Guide to Cameroonian projects needing investment <http://www.guide-investir-cameroun.com/en/wp-content/uploads/2013/06/DPBF-ENGLISH-250113-2.pdf>



## Transportation

### Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production				
Total Exports				
Total Imports	389,540	372,054	390,000	400,000
Imports from the U.S.	13,327	17,490	25,000	30,000
Exchange Rate: 1 USD	500 CFAF			

Data source: U.S. Department of Commerce Bureau of Census and Cameroon National Institute of Statistics. The 2014 and 2015 estimates are based on projected investments in road, rail, and air transportation sub-sectors.

Despite a slight decrease in total imports of passenger cars, trucks, trailers, and passenger buses, exports from the United States increased by 31 percent in 2013. Ford recently obtained a distributor in Cameroon. Cameroon also witnessed a surge in imports of new and used U.S. passenger vehicles and light trucks in 2013.

Cameroon Railway Transportation Company (CAMRAIL) has plans to source additional railroad equipment. The company has a 20-year concession to operate 1,100 kilometers of railroad track between Douala and Ngaoundere. The concession agreement granted to CAMRAIL includes technical and commercial management of the railway system, maintenance, renewal, development and exploitation of railway infrastructure, and management of the railway estate. With new shareholders and equity, the company plans to invest \$84 million in the next five years, according to media sources.

### Sub-Sector Best Prospects

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- Passenger vehicles
- Trucks and trailers
- Heavy-duty locomotives and parts
- Railway tracks and accessories, including control systems

### Opportunities

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Opportunities in the road transportation sub-sector include the military, petroleum companies who use pick-up trucks, forest exploitation companies, mining companies, and small traders and dealers.

CAMRAIL has launched new intercity passenger service between Yaounde and Douala with only one train going back and forth. The company will need to acquire additional

locomotives and passenger coaches if the demand continues to increase. In 2012, South Korea prepared a general railroad master plan for the Cameroonian government, which should be implemented within the next 25 years, given rail's critical role in the development of the Cameroonian mining sector.

Opportunities in the air transportation sub-sector include large and small aircraft.

#### **Web Resources**

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The Public Contracts Regulatory Board: <http://www.arpmp.cm/>

Cameroon Railways Transportation Company: <http://www.camrail.net/>

Cameroon air carrier: <http://www.camair-co.cm>

## Information Technology and Communications

### Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production				
Total Exports				
Total Imports	183,428	277,584	300,000	350,000
Imports from the U.S.	5,706	5,308	5,500	6,000
Exchange Rate: 1 USD	500 CFAF			

Data source: U.S. Department of Commerce Bureau of Census and Cameroon National Institute of Statistics. The 2014 and 2015 estimates are based on the increase of the previous two years and projected investments in the information technology sector.

The level of computing in many businesses and government in Cameroon is quite rudimentary and there is much room for growth. Hardware and software are lacking or outdated. Piracy is rampant. The government is currently enforcing a customs duty, payable in addition to Value Added Tax, on all software downloaded for commercial use.

Private mobile telecom providers, including South African MTN and French Orange, reportedly spend as much as \$200 million annually on telecom switching and infrastructure equipment. This budget would likely increase when Viettel, a Vietnamese operator who won the license to develop the country's first 3G network goes operational. The state-owned CAMTEL has the monopoly on land line communications and the fiber optic backbone, which is saturated and outdated. It also operates a mobile network with Chinese partners (Huawei) using Code Division Multiple Access technology.

### Sub-Sector Best Prospects

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- Telecommunication equipment for the transmission of voice, data, text, and full motion picture video between network termination points and telecommunication reselling.
- Switching equipment and transmission antennae to provide direct communication via airwaves.
- Servers for banks, microfinance institutions, and multinational companies.
- Broadcasting equipment

### Opportunities

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CAMTEL and private companies (Orange and MTN) are expected to continue to upgrade their infrastructure in the coming years, including building a GSM network for CAMTEL. The GRC awarded a third mobile network license to Viettel, which plans to erect over 1,800 base transmission stations within the next two years.

CAMTEL: <http://www.camtel.cm>

Orange : <http://www.orange.cm>

MTN Cameroon : <http://www.mtn.cm>

Ministry of Post and Telecommunications: <http://www.minpostel.gov.cm>

Cameroon Public Contract Regulating Board: <http://www.armp.cm/>

Cameroon Tribune: <http://www.cameroon-tribune.cm>

Mutations: <http://www.quotidienmutations.info>

Le Messager: <http://www.lemessenger.net>

La Nouvelle Expression: <http://www.lanouvelleexpression.infonet>

Le Jour: <http://www.quotidienlejour.com>

**Agricultural Sector**[Return to top](#)**Overview**[Return to top](#)

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a		
Total Local Production	n/a	n/a		
Total Exports	n/a	n/a		
Total Imports	1,391,524	2,211,938	2,500,000	3,000,000
Imports from the U.S.	17,650	32,971	40,000	50,000
Exchange Rate: 1 USD	500 CFAF			

Data source: U.S. Department of Commerce Bureau of Census and Cameroon National Institute of Statistics.

According to the OECD, agriculture is the main pillar of Cameroon's economy. It accounts for over 23.4% of GDP (2011), employs 70% of the working population, and generates more than one third of total export earnings. Main agricultural products include plantains, beef, cocoa beans, taro, bananas, maize, fresh vegetables, and groundnuts. Cameroon's primary export crops are cocoa, cotton, coffee, bananas, rubber, and palm oil. The country's main export partner is the European Union. Much potential for growth exists, as farming in Cameroon is still confined largely to subsistence farming.

**Sub-Sector Best Prospects**[Return to top](#)

- Wheat
- Rice
- Corn for the animal feed industry
- Sorghum, barley and oats
- Sugar
- Fish and shellfish
- Vegetables
- Cocoa
- Coffee

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Cameroon lacks the capacity to process fruit or other commodities, thus agricultural producers cannot take advantage of exports because they cannot prepare products which meet the standards of the United States and European Union. Cocoa and coffee processing and packaging plants also provide opportunities for investment.

## Web Resources

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Cameroon Ministry of Agriculture and Rural Development : <http://www.minader.cm>

Cameroon Cocoa Development Corporation (SODECAO): <http://www.sodecao.cm>

Association of coffee producers (UCCAO): <http://www.uccao-cameroon.com>

Cameroon Cotton Development Corporation (SODECOTON) : <http://www.sodecoton.cm>

Cameroon Development Corporation (CDC) : <http://www.cdc-cameroon.com>

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## Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
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### Import Tariffs

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The 1994 Regional Fiscal Reform Program outlines six different tariffs and taxes for imported goods: the Common External Tariff, the Generalized Preferential Tariff, the Temporary Surcharge, the Excise Tax, the Value Added Tax, the Regional Integration Tax, and other Service Taxes.

The Common External Tariff (CET) groups merchandise into four categories, with rates ranging from 5 to 30 percent:

Category	Description	CET Rate
I	First necessity goods (defined by ministerial decree, these are goods such as essential foodstuffs and medicines)	5
II	Raw materials and equipment	10
III	Intermediary (semi-processed) goods	20
IV	Final products (consumption goods)	30

The Value Added Tax (VAT or TVA in French) is a consumer tax. VAT is assessed on merchandise entering the country on the Cost, Insurance, and Freight (CIF) value and levied on most products at a flat rate of 19.25 percent (some Category I goods are VAT free). Additionally, the Excise Tax, an indirect 25% tax, covers specific categories of some luxury goods listed on a Ministry of Finance decree. The General Preferential Tariff provides preferential treatment to goods originating from developing countries, and the Temporary Surcharge authorizes temporary duty-free entry of goods; they are both levied on all other imports. Finally, there is a 1.0% Regional Integration Tax (TCI in French). The General Preferential Tariff, Temporary Surcharge, and Regional Integration Tax are assessed on the CIF value of imports.

The tax and duty schedules can prove very cumbersome for first-time importers. Potential exporters to Cameroon may wish to contact the Customs Administration and the [Société Générale de Surveillance \(SGS\)](#), which handles pre-loading cargo

inspections for the government of Cameroon and issues an import declaration upon receipt of the commercial invoice.

## **Trade Barriers**

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Cameroon does not have quantitative restrictions on imports, tariff protections, or import licensing requirements. Cameroonian customs employs a simplified customs assessments system. In theory, there should be no tariffs within Central African Economic and Monetary Community (CEMAC) countries and only VAT on goods traded among CEMAC member countries, based on the CEMAC treaty. In an effort to protect its nascent poultry sector, the government controls the importation of frozen chicken to Cameroon. During peak periods, the government may issue broader import authorizations on an ad hoc basis to meet domestic demand.

## **Import Requirements and Documentation**

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Cameroon's simplified import-licensing procedures require that importers obtain an import license from the Ministry of Trade. However, SGS must be notified of import transactions above two million CFA francs (approximately \$4,000). Import duty exemptions apply for heavy-duty equipment used to execute public contracts.

### **Documentation Requirements**

Imported goods require a commercial invoice and a bill of lading. Shipping marks and numbers must match exactly those on the invoices and on the goods. Shipments on land and water require three copies of the bill of lading and invoices, while air shipments require four. Certain imports, such as second-hand clothing, require a certificate of no infestation issued by the U.S. Customs Service.

Certain categories of exports require special documentation. Coffee and cocoa exports must obtain a quality grade certification from one of two government-approved quality-testing companies. Export licenses are also required for "strategic" products, such as gold and diamonds, and for ecologically sensitive items, i.e., items governed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), including live animals and medicinal plants. The government bans exports of some types of forest products as a conservation measure.

A one-stop shop exists for all customs procedures. All documents must be submitted within 48 hours of a shipment's arrival. Initially, this innovation reduced the time needed for processing paperwork. However, delays attributed to corruption continue to hamper the process. In 2009, the Customs Department instituted a new online clearing system, called SYDONIA, to expedite the clearing process and tracking of containers.

## **U.S. Export Controls**

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The U.S. Government has export controls on some defense articles and dual-use items. For additional information on export controls and export licenses, check with the U.S. Department of State Directorate of Defense Trade Controls, the U.S. Department of



State Bureau of International Security and Non-proliferation, or the U.S. Department of Commerce Bureau of Industry and Security (<http://www.bis.doc.gov/licensing/exportingbasics.htm>).

## **Temporary Entry**

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Temporary admission is permitted only to a few large importers wishing to sell on the Cameroonian market. A maximum of one year is allowed for storage and a security bond is usually required. Storage fees are assessed from the date of landing. The importer pays customs duties on each batch of goods removed from storage until the entire stock is cleared. The government provides warehouses for temporary admission. Some large importers and freight forwarding companies also operate government-supervised warehouses for temporary admission.

Goods in transit to the Republic of Congo and the landlocked countries of Chad and the Central African Republic are stored in freight forwarders' bonded warehouses with an amount equal to the value of assessed import tax held by Cameroonian Customs as a guarantee of re-export. The guarantee is released when the goods exit Cameroon. With the introduction of the GPS tracking system, Cameroonian Customs and SGS track goods destined to neighboring countries.

## **Labeling and Marking Requirements**

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Labeling and packaging requirements for canned products destined for Cameroon should have the manufacturing and expiration dates engraved or stamped on top of the container or packaging in clearly legible indelible ink. Dates should be preceded by short comments in French and/or English: "made in" and "to be consumed before." It is recommended that the label, written in both French and English, carry the following inscriptions: country of origin, name and address of the manufacturer, product name, weight (metric system), and all ingredients, including salt.

It is compulsory to pre-label cigarettes that are to be sold in Cameroon. This label, in the form of a fiscal stamp, must be prepaid by an importer of cigarettes well in advance of the shipment. It is also mandatory that cigarette packets bear the label "cigarette smoking can severely damage your health."

Products containing genetically modified organisms (GMOs) must be labeled accordingly. All products sold in Cameroon must bear the following label: "Sold in CEMAC."

## **Prohibited and Restricted Imports**

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Prohibited imports include specific sanitary products, certain chemicals, some pharmaceutical drugs, toxic waste, some cosmetics, and some food items. The list of prohibited imports is subject to change. A complete list of prohibited imports is included in the publicly distributed General Trade Schedule (GTS) obtainable at the Cameroonian Embassy in Washington, D.C.

For a comprehensive list of restricted products, please click links in the [Web resources](#) section below.

## Customs Regulations and Contact Information

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Customs duties in Cameroon are levied on the CIF value of the imported goods. Customs fraud is prevalent in Cameroon and protracted negotiations with customs officers are common over the value of imported goods that have not been subject to SGS valuation. Cameroon applies the World Trade Organization (WTO) Agreement on Customs Valuation. American exporters may contact the Director of Customs or, alternatively, the [SGS Control Services](#) for more information. It is recommended that all imports above \$4,000 be inspected and pre-valued by SGS prior to shipment.

## Standards

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## Overview

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Standardization is at an early stage in Cameroon and is only partially regulated. The Department of Price Controls, Weights, and Measures is officially responsible for standards administration. Labels should be written in both French and English and must include the country of origin as well as the name and address of the manufacturer. SGS may inspect the quality of any goods shipped into the country. In the absence of any specified domestic norm or standard, international norms and standards apply. In practice, imports are admitted into the country with little reference to standards or norms.

## Standards Organizations

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In 2009, the government of Cameroon created the Standards and Quality Agency (ANOR) responsible for setting quality standards in Cameroon. It has working groups that meet regularly to set standards and make conformity assessments.

### NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## Conformity Assessment

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[Standards and Quality Agency \(ANOR\)](#)

## Product Certification

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Cameroon does not have a long track record with product certification. There is growing momentum towards certification of forestry products to strengthen sustainable exploitation of forest resources. Quality certification of cocoa and coffee is mandatory prior to export. In 2009, Cameroon issued its first textile visa for shipment of textile products to the United States.

## Accreditation

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Standards and Quality Agency (ANOR)  
P.O. Box 14996, Yaounde  
Telephone: (237) 2222 6496  
Email: [contact@anorcameroon.org](mailto:contact@anorcameroon.org)  
<http://www.anorcameroon.org>

SGS Cameroon  
1084, Bd du General Leclerc  
P.O. Box 12140, Douala  
Telephone: +237 3342 1028  
Fax: +237 3343 0944  
Website: <http://www.sgs.com>

Centre Pasteur du Cameroun (government lab that performs bio-medical and toxicology analysis on food and water)  
P.O. Box 1274 Yaounde  
Tel.: +237 2223 1015  
Fax: +237 2223 1564  
Mobile: +237 9950 0699  
Email: [contact-cpc@pasteur-yaounde.org](mailto:contact-cpc@pasteur-yaounde.org)  
<http://www.pasteur-yaounde.org/>

## Publication of Technical Regulations

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Official Gazette of the Republic of Cameroon

## Labeling and Marking

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All goods sold in Cameroon are required to be labeled "Vente en CEMAC" meaning "Sold in CEMAC." Food products must bear the manufacturing and the expiration dates. For more details on this subject please visit the [ANOR website](#)

## Contacts

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Cameroon Standards and Quality Agency (ANOR)

P.O. Box 14996, Yaounde  
Telephone: (237) 2222 6496  
Email: [contact@anorcameroon.org](mailto:contact@anorcameroon.org)  
<http://www.anorcameroun.com/en/>  
Mr. Boto'o à Ngon Boniface Charles Guy René, Director General

Societe Camerounaise de Surveillance (SGS) Cameroon  
1084, Bd du General Leclerc  
P.O. Box 12140, Douala  
Telephone: +237 3342 1028  
Fax: +237 3343 0944  
Website: <http://www.sgs.com>

Centre Pasteur du Cameroun  
P.O. Box 1274, Yaounde  
Tel.: +237 2223 1015  
Fax: +237 2223 1564  
Mobile: +237 9950 0699  
Email: [contact-cpc@pasteur-yaounde.org](mailto:contact-cpc@pasteur-yaounde.org)  
<http://www.pasteur-yaounde.org/>

Ministry of Public Health - Yaounde  
Department of Pharmacy and Pharmaceutical Products  
Tel.: +237 2223 5224 / 2213 2555  
Prof. Biwole Sida Magloire,  
Inspector General in Charge Medical and Paramedical Services

Ministry of Agriculture and Rural Development  
Department of Regulations and Quality Control of Agricultural Inputs and Products  
Tel./fax: +237 2231 6770  
Mobile: +237 7773 7887  
Email: [syxnuza@yahoo.com](mailto:syxnuza@yahoo.com)  
Mr. Nuza Syxtus Thomas, Director

National Laboratory for Drug Quality Control  
P.O. Box 12216, Yaounde  
Tel.: +237 2219 4001 / 2223 0660  
Fax: +237 2223 9350  
Dr. Massing Bias Louis Raoul, Director General

## Trade Agreements

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Cameroon has investment and/or commercial agreements with the European Union, Canada, China, Japan, Russia, South Korea, Turkey, and the United States, as well as other countries in Africa, Asia, and Latin America. A Bilateral Investment Treaty (BIT) between Cameroon and the United States entered into force in 1989. The BIT renews automatically under the terms of the treaty every 10 years. The Overseas Private Investment Corporation (OPIC) Bilateral Investment Guarantee Agreement of 1967 between OPIC and the government of Cameroon, provides guarantees for OPIC-financed American investments in Cameroon. Companies must obtain a Foreign Government Approval (FGA) letter from the Cameroonian government. In 2009 the

government signed an interim Economic Partnership Agreement (EPA) with the EU in order to secure duty-free, quota-free access to the European market in exchange for the gradual removal of duties and quotas for European goods entering Cameroon.

## Web Resources

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For more information on tariffs and taxes, visit:  
[http://www.export.gov/logistics/exp\\_001015.asp](http://www.export.gov/logistics/exp_001015.asp)

For the official website (in French) of the Department of Taxation in the Ministry of Finance, visit: <http://www.impots.cm>

For a comprehensive list of restricted products and further information on Cameroon imports, visit: <http://www.otal.com/cameroon/cameroonimports.htm>

To register to review and comment on proposed foreign technical regulations that affect your businesses and access to international markets, please click the link below.  
<http://www.nist.gov/notifyus/>

Societe Camerounaise de Surveillance: <http://www.sgs.com/>

For information (in French) on investing in the Communauté Financière Africaine Central African (CFA) Franc zone, visit: <http://www.izf.net/izf/guide/Cameroun/Default.htm>

For U.S.-Cameroon Trade Statistics from the U.S. Census Bureau, visit:  
<http://www.census.gov/foreign-trade/balance/c7420.html#2005>

For information on U.S. trade preferences for Africa, visit the USTR website:  
[http://www.ustr.gov/Trade\\_Development/Preference\\_Programs/AGOA/Section\\_Index.html](http://www.ustr.gov/Trade_Development/Preference_Programs/AGOA/Section_Index.html)

For a complete reading of the text of the U.S.-Cameroon Bilateral Investment Treaty, visit:

- <http://www.state.gov/documents/organization/43543.pdf>
- [http://bilaterals.org/IMG/html/US-CM\\_BIT.html](http://bilaterals.org/IMG/html/US-CM_BIT.html)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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#### *Attitude toward Foreign Direct Investment (FDI)*

The government of the Republic of Cameroon actively seeks to attract foreign investment in order to create much-needed economic growth and employment. It is less effective, however, at following through with interested investors in order to ensure that investments move forward in a timely and transparent manner.

FDI plays an important role in the Cameroonian economy. In President Biya's Vision 2035, a roadmap to become an emerging economy by 2035, officials stress that investment from foreign countries, especially in large infrastructure projects, is an important part of Cameroon's development strategy. Despite a lack of reliable statistics, figures from the World Bank show the flow of FDI to Cameroon is relatively low but steadily increasing. The construction of the \$4 billion 1,070 km Chad-Cameroon crude oil pipeline completed in October 2003 is Cameroon's largest foreign investment deal to date. Numerous other major infrastructure projects financed by foreign direct investment are under way today.

Cameroon has no deliberate and direct economic or industrial strategies that have discriminatory effects on foreign investors or foreign-owned investments. However, the

complex regulatory environment and existence of corruption throughout every segment of government create numerous obstacles to potential investors.

#### *Other Investment Policy Reviews*

Cameroon would like to be seen as a free market economy and has signed numerous bilateral and multilateral trade and investment cooperation agreements which provide some basic international legal frameworks to foreign investors.

The World Trade Organization (WTO) most recently produced a trade policy review on Cameroon in 2013, available at [http://www.wto.org/english/tratop\\_e/tpr\\_e/s285-00\\_e.pdf](http://www.wto.org/english/tratop_e/tpr_e/s285-00_e.pdf). The Organization for Economic Cooperation and Development (OECD) produced a report on Cameroon Economic Outlook in 2013 <http://www.oecd-ilibrary.org/docserver/download/4113021ec015.pdf?expires=1395927293&id=id&accname=ocid54014871&checksum=CE4BD559C9A325FDBBB7A1A5BBAA8D0F>.

Cameroon works with the International Finance Corporation within the framework of the Cameroon Business Forum (CBF), a public-private sector dialogue mechanism put in place to work towards the improvement of the business climate. See [http://www.cbf-cameroun.org/en/?page\\_id=27](http://www.cbf-cameroun.org/en/?page_id=27). These reports basically summarize Cameroon's investment climate as poor, and the country consistently ranks in the bottom 20 of the World Bank's Doing Business report.

Nevertheless, Cameroon remains attractive to investors because of its strategic location: Cameroon is a founding member of the African Union, the Economic Community of Central African States, and the Economic and Monetary Community of Central Africa (CEMAC in French); it shares a long and porous border with Nigeria, Africa's most populous country; and it is the gateway to the land-locked countries of Chad and the Central African Republic. With its strategic placement, investments in Cameroon have a potential market of some 250 million consumers.

#### *Laws/Regulations on FDI*

Cameroon has a mix of civil and common law jurisdictions due to its colonial heritage. The legal system falls under the supervisory authority of the Ministry of Justice. The judiciary in Cameroon is notoriously slow and is rife with corruption. The judiciary lacks true independence, as the President promotes, appoints, and transfers magistrates and judges. Cameroon has a school of administration and magistracy to train magistrates, but other legal professionals such as attorneys, bailiffs, and notaries are not formally trained in schools but rather through apprenticeship with an experienced attorney.

In order to attract more foreign investment, Cameroon revamped its Investment Code in 2013. The code does not discriminate between local and foreign investors. It lays out tax exemptions, duties, and other non-tax related benefits. It promises assistance with obtaining the issuance of visas, work permits, environmental compliance certificates, land titles, and long-term leases if certain conditions are met. Relatively new, it is

unclear how much effect the new Code will have on investment or streamlining the onerous bureaucracy.

### *Industrial Strategy*

Cameroon's Investment Promotion Agency (API in French) is the lead government institution for investment promotion in Cameroon. In addition to promoting the country's brand both domestically and abroad, the API coordinates the activities of a multitude of ministries and agencies responsible for the promotion of specific economic sectors. The API is the first port of call for all foreign investors for information and data. According to the presidential decree creating the API, this agency receives and forwards applications for investment licenses, assists licensed enterprises in their subsequent investment operations, and ensures that investments in certain sectors are consistent with the relevant sector-specific rules and regulations.

In addition, the National Investment Corporation of Cameroon (SNI in French) also facilitates investments, both local and foreign investment in the country. It can mobilize and channel national savings and other national and international financial resources to key investments. In practice, the Ministry of Economy, Planning, and Regional Development (MINEPAT) and various sector ministries tend to play a more conspicuous front-line role for sectors that fall under special regulation as explained below.

### *Limits on Foreign Control*

While the new 2013 Investment Code continues to permit full foreign control, in practice some substantial local equity ownership may assist during the investment approval process with the local partner acting as an interface with the bureaucracy. There are special requirements for investment in sectors that fall under special sector laws, such as electricity, transport, water, mining, oil and gas, and telecommunications—which apply equally to foreign and domestic investors.

### *Privatization Program*

Foreign bidders are permitted to participate in privatization programs. In Cameroon total privatizations are rare, as the government generally retains a minority stake. Of the 39 state-owned companies listed for privatization in the early 1990s, 24 were sold to national and/or foreign buyers; others were liquidated or remain parastatals. In the past, to ensure transparency in the bidding process, the government often involved the World Bank. Some of Cameroon's recent privatizations have suffered from a lack of qualified bidders, and several of them have had to be postponed.

In some sectors, buyers of former state companies enjoy concession rights. In others, the government is looking for a service provider to whom it outsources the management of the state asset over a specific period. This is the case for transportation infrastructure, such as the ports and railroad. In all cases, Cameroonian authorities may require the



private investor to invest or modernize infrastructure, or the State might retain the right to set consumer prices with its regulatory powers.

In recent years, the government has used three channels for the privatization of state-owned companies: public tenders the Douala Stock Exchange Public-Private Partnerships (PPP). For example, in 2009, the government put 20% of its stake in the agro-industrial company SOCAPALM for sale at the Douala Stock Exchange, the first time the government used the stock exchange for a privatization. The public offer raised \$15 million. The government has more commonly used PPPs, for example, in the case the water utility , where the state retained ownership of the assets, while the private partner now handles the distribution of services.

### *Screening of FDI*

The government set general criteria for screening FDI in its investment charter. Further conditions may apply for specific sectors such as energy, mining, tourism, and oil and gas. Additional requirements may apply in accordance with specific sector codes. In general, FDI must align with the objectives of the government as outlined in the government's Growth and Employment Strategy Paper (GESP) and in the National Economic Development Vision (Vision 2035), available at [http://www.minepat.gov.cm/index.php/en/modules-menu/cat\\_view/7-publication-and-study-reports/32-strategic-development-vision](http://www.minepat.gov.cm/index.php/en/modules-menu/cat_view/7-publication-and-study-reports/32-strategic-development-vision) .

In practice, each year the government publishes a list of projects which require funding. Given the developmental needs of the country, there are opportunities in virtually every sector of the economy. Most projects must go through a tender process although the government often considers initiatives from potential investors.

The recently created Ministry of Public Contracts and the public procurement regulation agency (ARMP in French) oversee the public tender process. The Presidency is involved in the decision for major projects. The individual ministries' public contracts award committees, government institutions, and municipal councils have the power to award contracts for smaller amounts, approximately less than \$10,000. The public tender process is rife with fraud at every step of the process, but Cameroon has started to take small steps to streamline the process. Much more reform is needed to make the system more transparent and eliminate corruption.

The screening procedure for PPP is similar to public tenders although the two approaches are governed by two different laws. The selection of the contracting partner undergoes a three-step process: pre-selection, pre-qualification, and final adjudication.

Both the tender process and the PPP have numerous steps to ensure the technical and financial capability of the successful party. Unfortunately, in practice these steps open the process to corruption. Numerous officials will take the opportunity to seek payment of a bribe or gain an equity share in a deal. It is extremely difficult for foreign investors to succeed in these conditions without the assistance of a savvy and knowledgeable local partner or consultant familiar with Cameroon to guide them. Even when successful, potential investors in public tenders, PPPs, and stock market listings must factor long bureaucratic delays in their planning.

Numerous ministries and public institutions are involved with screening FDI, which can create extended delays. Several ministries are involved in the majority of projects here, including the Prime Minister’s Office, the Ministry of Economy, Planning and Regional Development (MINEPAT), and the Ministry of Finance. Other sectorial ministries, regulators, and public institutions will also play a role, depending on the nature of the project or investment.

### *Competition Law*

The National Competition Commission (NCC) within the Ministry of Commerce serves as the competition authority in Cameroon. While in theory it has a mission to see that all economic operators in the various sectors respect competition rules, the reality in Cameroon is often far different. Many sectors are dominated by state-owned companies. Any investor in Cameroon should study the playing field carefully before deciding to proceed.

### *Investment Trends*

Cameroon seeks investment in virtually every sector. Infrastructure development will continue to attract the biggest share of investment. In addition to roads, Cameroon has numerous projects for increasing power generation through power plants and hydroelectric dams; expanding rail, water, and electricity distribution; and other critical sectors such as health, housing, and agriculture. The largest projects underway include the Kribi Industrial Port Complex and the Lom Pangar Hydroelectric Project.

**TABLE 1: Indices and rankings**

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2013	144 of 177	<a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a>
Heritage Foundation’s Economic Freedom index	2013	136 of 177	<a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>
World Bank’s Doing Business Report “Ease of Doing Business”	2013	168 of 189	<a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>
Global Innovation Index	2013	125 of 142	<a href="http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener">http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener</a>
World Bank GNI per capita	2012	\$1,170	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

### **MCC Scorecard**

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income

(GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>".

## **Conversion and Transfer Policies**

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The unit of currency used in Cameroon is the Communauté Financière Africaine (CFA) franc. It is issued by the regional central bank, the Bank of Central African States (BEAC in French), and is shared with the other members of the Central African Economic and Monetary Community (CEMAC, comprised of Cameroon, Chad, Central African Republic, Gabon, Equatorial Guinea, and the Republic of Congo). Although it is at par with the West African CFA franc, the two currencies are not usually accepted for payment in each other's zones. France's treasury guarantees full convertibility of both currencies to the euro. Since 1999, the CFA franc has been pegged to the euro at a fixed exchange rate of 1 euro to 655.957 francs.

Dividends, capital returns, interest, and principal payments on foreign debt, lease payments, royalties and management fees, and returns on liquidation can be freely remitted abroad. Liquidation of a foreign direct investment, however, must be declared to the Minister of Finance (MINFI) and BEAC 30 days in advance. Commercial foreign exchange transfers also must be cleared by MINFI for business deals amounting to more than 100 million francs (about \$200,000). The BEAC has a centralized computer system for electronic transactions within the banking network.

Cameroon's growing financial sector is the largest in the CEMAC region. Despite numerous banks, insurance companies, micro-financial institutions, and a nascent stock exchange, Cameroon is still relatively disconnected from the international financial system. Only a small portion of the population has bank accounts and the majority of financial transactions are in cash. Many of the financial crimes occurring in Cameroon derive from corruption, tax evasion and embezzlement. In recent years, authorities have begun to suspect offshore transfers in some corruption cases, and the use of real estate to launder money has grown. Cameroon is not a major narcotics destination. Cameroon is a member of the Action Group against Money Laundering in Central Africa (GABAC), an entity in the process of becoming a Financial Action Task Force-style Regional Body (FSRB). GABAC conducted an evaluation for Cameroon in April 2013, which has not yet been released to the public.

## **Expropriation and Compensation**

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The 1989 Bilateral Investment Treaty (BIT) protects U.S. investments in Cameroon. Foreign and domestic investors receive legal guarantees that substantially comply with international norms, including full and prior compensation in the event of expropriation on the basis of public interest. U.S. investors should seek GRC approval to protect their investments under the BIT. Undeveloped land is more at risk for local expropriation than developed property. There are no confiscatory tax regimes or laws that could be considered detrimental to U.S. or other foreign investments. The April 2013 Investment Incentives law recognizes property rights and facilitates land acquisition. Cameroonian law does not prohibit foreign ownership of land.

The judicial system in Cameroon is extremely unreliable, rife with corruption, and notoriously slow. While the laws as written in theory protect investors and contractual rights, courts often fail to follow the law and create the impression that they act corruptly. The judiciary arguably lacks independence, as all magistrates and judges are appointed by the President of the Republic, the chief executive.

Cameroon's legal system is particularly slow in adjudicating matters. Litigants regularly express dismay at the pace at which it handles disputes. Hearings can be delayed multiple times by the failure of one party to appear. The court often takes no action to end disputes—stretching them out for years. Plaintiffs in frivolous lawsuits can use these delay tactics as a method of harassment and can cause their opponent to incur significant legal fees by delaying hearings dozens of times for years on end. Another common tactic involves bringing frivolous criminal charges against an opponent in a commercial dispute.

#### *International Arbitration*

Prospective foreign investors who wish to avoid entanglement in the court system should consider arbitration as a form of dispute settlement. The April 2013 Investment Incentives Law commits the State to ensuring the establishment of alternative mechanisms for conflict resolution including a national court of arbitration for the settlement of labor and commercial disputes. Judgments of foreign courts are enforceable by Cameroonian courts. Cameroon accepts binding international arbitration on investment disputes between foreign investors and the government. In tax-related disputes, the 2012 Finance Law stipulates that decisions rendered by the Ministry of Finance can be challenged before the Administrative Court within 60 days.

As a signatory to many international and multilateral conventions bearing on investment guarantees, Cameroon respects, and in theory its courts enforce, decisions based on such instruments.

Cameroon is a signatory to the 1985 Seoul Convention that established the Multilateral Investment Guarantee Agency (MIGA), aimed at safeguarding non-commercial risks. Cameroon is also a signatory to the Lome Convention (as revised in Mauritius in 1995), which created an arbitration mechanism to settle disputes between African, Caribbean, and Pacific states and contractors, suppliers, and service providers financed by the European Development Fund.

Cameroon is a signatory to the Organization for the Harmonization of Business Law in Africa Treaty (OHADA in French). Among other things, OHADA provides for common business law and arbitration procedures in the 16-member signatory states: (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Niger, Senegal, and Togo). As member of the OHADA zone, the State has both an ad hoc and an institutional arbitration mechanism based on the most effective international instruments, such as the standard law of the United Nations Commission for International Business Law (UNCITRAL) on international arbitration of 1985 and the Arbitration Settlement of the International Chamber of Commerce of 1998.

Cameroon signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) on September 23, 1965, ratified it on January 3, 1967, and it entered into force on February 2, 1967. On February 19, 1988 Cameroon acceded to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

## **Performance Requirements and Incentives**

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### *World Trade Organization (WTO)*

Cameroon adheres to the multilateral trade system, in particular the agreements of the WTO and other mechanisms for the development of international trade, as well as the agreements of the International Customs Organisation (ICO). It reasserts the option of regional integration within the framework of the Central African Economic and Monetary Community (CEMAC in French) and the Economic Community for Central African States (CEEAC in French).

### *Investment incentives*

The April 2013 Investment Incentive Law lays down private investment incentives in the Republic of Cameroon. Some potential incentives to encourage investment and use of local content include exemptions from certain taxes, duties, and other non-tax related benefits such as assistance in obtaining the issuance of visas, work permits, environmental compliance certificates, land titles, and long-term leases if certain conditions are met. These incentives are applicable to Cameroonian or foreign nationals or corporations but not to investments in sectors governed by special instruments, in particular the upstream oil, mining, and gas sectors.

### *Research and Development*

U.S. companies can participate in GRC's financed or subsidized research programs, particularly PPP agreements. However, no U.S. company has done so to date.

### *Performance Requirements*

Cameroon's investment incentives law seeks to promote and attract investment to develop activities geared towards strong, sustainable, and shared economic growth as well as job creation. While there is no "forced localization," Cameroon offers incentives to encourage companies to hire Cameroonian workers and use domestic content. Investments that fail to meet any of these would likely face a difficult time gaining acceptance. The law does not impose any specific obligations on foreign investors such as a requirement for national equity stake or an obligation to use local raw material for manufacturing. In reality though, such policies are favored. Additionally, corrupt actors could exert pressure on foreign investors for equity share or other self-dealing.

## **Right to Private Ownership and Establishment**

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The GRC recognizes the right of private ownership. The Ministry for State Property and Land Tenure governs property issues. The GRC has introduced a computerized system of issuing land titles in order to facilitate and expedite what has traditionally been a

lengthy and cumbersome process. The transfer of land in the public domain above 50 hectares requires presidential authorization.

Mergers and acquisitions are undertaken through negotiations. Private firms are free to associate with any partner they choose and are free to organize industry associations.

Foreign and domestic individuals and firms may legally establish and own firms, engage in remunerative activities, and establish, acquire, and dispose of interests in business enterprises. Investors may dispose of their property via sale, transfer, or physical repatriation of moveable property. Unfortunately, due to corruption and/or difficulty in dealing with the Cameroonian bureaucracy, foreign investors often feel compelled to have minority Cameroonian shareholders in their investments.

## **Protection of Property Rights**

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Secured interests in property are recognized, although adjudication of property disputes can be lengthy. The concept of mortgages exists in Cameroonian law, and a title is the legal instrument for registering such security interests. In practice, however, some lenders report extensive delays in obtaining court rulings to enforce their claims on assets given as collateral. Cameroonian law, particularly the April 2013 Investment Incentive Law, provides foreign and domestic investors with property rights protections that substantially comply with international norms and do not discriminate between foreign and domestic firms. However, Cameroonian courts and administrative agencies have a penchant to favor domestic firms and are suspected of corrupt practices.

Between 70 and 90% of Cameroon's economy is informal. Agriculture is overwhelmingly informal, and other sectors such as manufacturing are slightly less so. According to the Ministry of State Property and Land Tenure (MINDAF), less than 2% of the land in Cameroon is registered or titled. Most land is held and managed informally through local tenure arrangements—often a combination of statutory and customary tenure rules. They form a complex, locally-specific, and sometimes malleable set of rules that creates uncertainty, fosters land conflicts, and hampers local development. By law, all untitled land in Cameroon belongs to the State. Proof of private ownership to obtain a land certificate is demonstrated by actual occupancy and exploitation of land. In fact, a land title is the only legal means of holding land rights. In 2005, the government decentralized and simplified the titling process to address certain barriers but with limited results so far. According to the 2014 World Bank's Doing Business Report, Cameroon moved up in its ranking for registering property from 160 to 150<sup>th</sup> position. It apparently takes on average 86 days to follow the five procedures and costs 19% of actual property value to register property in Cameroon.

### *Intellectual Property (IP) Rights*

Cameroon is a member of the 16-nation African Intellectual Property Organization (OAPI in French), which is a member of the World Intellectual Property Organization and offers patent and trademark registration in cooperation with member states. Patents in Cameroon have an initial validity of ten years. They can be renewed every five years upon submission of proof that the patent was used in at least one of the OAPI member countries. Without continued use, compulsory licensing is possible after three years. Trademark protection is initially valid for 20 years with renewal possibilities every ten

years. Cameroon is also a party to the Paris Convention on Industrial Property and the Universal Copyright Convention.

Registration bodies include the Cameroon Musical Arts Corporation (SOCAM, in French) for music, the Copyright Corporation for Literature and Dramatic Arts (SOCILADRA in French), which covers literature and software production, the Copyright Corporation for Visual Arts (SOCADAP in French) for paintings, and the Copyright Corporation for Audio-Visual and Photographic Arts (SCAAP in French) for audiovisual and photographic production. The internet and the availability of satellite television have created new challenges for Cameroon copyright institutions. Despite the existence of a regulator that supervises the internet and telecommunications sectors, the country lacks expertise in oversight and policing of internet downloading and the illegal copying and distribution of foreign television programs.

Enforcement of IP rights is constrained by corruption, cost, a rudimentary understanding of IP rights among government officials, and a lack of public respect for copyright laws. Software piracy is widespread, and pirated DVDs are common. Cheap pirated materials are believed to originate from Asia and Nigeria. Cameroon is taking steps to implement the World Trade Organization's TRIPs agreement. The United States Patent and Trade Office (USPTO) provided training on intellectual property rights protection to Cameroonian officials (including customs officers, magistrates, and civil servants) in 2011. Cameroon is not listed on the Special 301 report as a notorious market.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

#### *Resources for Rights Holders*

Contact at Post:

Derrin Smith  
Deputy Political/Economic Section Chief  
(+237) 2220-1500  
Email: [Yaoundepolecon@state.gov](mailto:Yaoundepolecon@state.gov)

Country/Economy Resources:

American Chamber of Commerce in Cameroon (AmCham)  
Beneficial Building Akwa 3rd Floor  
P.O. Box 4006, Douala, Cameroon  
Telephone: (+237) 7711-5272  
<http://www.amchamcam.org>

Post's public list of local lawyers: <http://yaounde.usembassy.gov/key-business-links.html>

#### **Transparency of Regulatory System**

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Although Cameroonian business laws exist, their implementation can be challenging. Under the current legal system, both local and foreign investors, including some U.S. firms, have found it complicated, time-consuming, and costly to enforce contractual rights, protect property rights, obtain a fair and expeditious hearing before the courts, or

defend themselves against frivolous lawsuits. Implementation of the OHADA law – in force since 2000 – in French-speaking Cameroon has been satisfactory for some investors. The Anglophone regions of Cameroon, with business law arising from common law, have sometimes shown resistance to implementing OHADA.

The government does not publish draft laws for public comments prior to action by the National Assembly and Senate, the country's legislative bodies. However, the GRC has created the Cameroon Business Forum, an initiative of the International Finance Corporation (IFC), to help brainstorm on business reforms which could improve the business climate, although only a small portion of suggestions have been enacted.

## **Efficient Capital Markets and Portfolio Investment**

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The Douala Stock Exchange (DSX) regulates Cameroon's nascent capital market. Only three companies are listed on the DSX: the Cameroon Palm Oil Plantation of Cameroon (SOCAPALM), the African Society of Agricultural and Forest Cameroon (SAFACAM), and the Mineral Water Company of Cameroon (SEMC). On the fixed income segment, the DSX listed one Cameroon government bond and a multilateral bond issued by the Development Bank of Central African States. The Cameroon Security and Exchange Commission (SEC) is the supervisor of market operations and compliance. The SEC has regulations against security fraud but no enforcement powers. Thus there is no protection against insider trading, market price collusion, and other security fraud such as Ponzi schemes and broker embezzlement. Companies do not feel compelled to release their accounting data, and the non-availability of financial statements poses serious problems.

Cameroon has a credit rating of "B" from Standard and Poor's, implying that Cameroon is still vulnerable in the near-term to adverse business, financial, and economic conditions.

### *Liquidity, Credit, Banking System, Hostile Takeovers*

Cameroon has 13 banks and over 600 micro-finance institutions. The banking sector is regulated by the Central Africa Banking Commission (COBAC). On a positive note, the International Monetary Fund (IMF) in 2013 deemed that both return on assets and return on equity showed comfortable rates of return over the past decade, despite a fall in net income at the system-wide level since 2009, reflecting difficulties experienced in four problem banks. On the other hand, banks are highly liquid. With the exception of a small dip during the 2009 global financial crisis, bank liquidity has steadily increased.

Describing the banking sector in Cameroon as highly concentrated and shallower than the expected benchmark, the IMF notes most banks, especially the locally-owned banks, are heavily undercapitalized with capital adequacy ratios of less than eight percent. The IMF also indicated that the profitability of Cameroon's financial institutions meets the expected structural benchmark, and the sector outperforms its peers in other countries in terms of liquidity. However, the picture is mixed in terms of inclusiveness. Cameroon underperforms in terms of access to banking services, notably credit availability to retail and small and medium-size enterprises. Although small-scale saving and borrowing needs are met by micro-finance institutions and the informal sector, 95% of Cameroonians do not have access to formal financial services.



### *Monopolies*

Despite private sector in-roads, state-owned companies continue to exert virtual monopolies in certain economic sectors and sometimes distort the competitive landscape. For example, Cameroon Telecommunications (CAMTEL) has exclusive control over all national telephone and internet infrastructure, including fiber optic cables and the telephone network. CAMTEL is also expanding into the retail mobile sector, internet services, and even sales of mobile phone handsets.

Another vivid illustration can be found in the oil and gas sector where extraction, refinery, storage, and distribution are largely controlled by the State through five public companies. Downstream, Tradex has been able to grab 30% market share in by using state resources to expand. Similar virtual monopolies and competitive distortions exist in other sectors, particularly transportation, where the state controls the majority of infrastructure through entities such as Camair-Co, the national airline, the Cameroon Rail Network (CAMRAIL), and maritime transportation through CAMSHIP and the Cameroon Shipyard and Industrial Engineering Ltd. (CNIC).

### *Return of the State*

In addition to the existing 125 state-owned enterprises (SOEs), the GRC has in recent years reinforced its foothold in most important economic sectors. In financial services, it is creating two new lending banks. In the energy sector, there are plans to create a new company to manage energy infrastructure. Similar plans are underway to convert the Electricity Development Corporation (EDC) into a water marketer for hydroelectric operators. In manufacturing, the GRC is setting up a fertilizer plant in a venture with a German firm. Over the past decade, the GRC has secured equity in mining ventures with U.S. company Geovic Mining Corp. for cobalt, Australian Sundance Resources Limited for iron, Korean C&K Mining Inc. for diamonds, agro-forestry industries, and construction projects.

### *Concentration of risk through Cross Holding*

Inside the GRC's portfolio of companies, there are intricate cross-holdings whereby various state institutions mutually hold equities in SOEs. Public investors in SOEs include the National Hydrocarbons Company (SNH), the Hydrocarbon Price Stabilization Fund, and the National Social Security Fund, which together have stakes in more than 30 SOEs. The largest holdings are controlled by National Investment Company (NIC) with shares in more than 32 enterprises. In 2010, the NIC valued these GRC's stakes to be worth \$516 million or 20% of the national annual budget. The most visible consequences of crossholding are ballooning unpaid inter-SOE debts, unpaid taxes, unpaid pension contributions, dependence on state subsidies, and a pervasive risk of bankruptcy contagion and disruption in supply.

### *Distortions of competition*

In Cameroon, many SOEs have a history of poor management, and, being in critical sectors of the economy, they create real risks. For example, heavy debt carried by the national refinery company, SONARA, threatens the entire country's access to refined

petroleum. The amount of subsidies allocated by the GRC to SOEs has increased dramatically. Subsidies can disrupt the competitive landscape.

#### *OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOE)*

Cameroon fails to adhere to many of the OECD Guidelines on Corporate Governance for SOEs, with transparency and accountability being the main weaknesses. Since 2008, successive reports from the Audit Chambers of the Cameroon Supreme Court indicate that only one in five SOEs actually produce yearly financial statements. In Cameroon, the majority of managers of SOEs are political appointees, such as former or serving ministers, high-ranking ruling party members, and retired civil servants. Expertise is not compulsory and, once appointed, SOE management can remain in place for decades increasing serious risk of embezzlement, corruption, and conflicts of interest. The majority of SOEs dominate their economic sectors as virtual monopolies, which can distort competition, markets, and prices. Of the 100 most prominent cases of embezzlement brought before the courts over the past decade, approximately 80% concerned top managers of SOEs.

#### *Sovereign Wealth Funds*

Cameroon does not have a Sovereign Wealth Fund

### **Corporate Social Responsibility**

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Although companies are not required by law to conduct Corporate Social Responsibility (CSR) activities or disclose when they choose to do so, the concept is gaining ground. Many domestic and international civil society groups are also actively promoting the benefits of CSR. The GRC encourages foreign and local enterprises to help communities in which they operate and also to respect global standards for human rights in business.

In terms of measures put in place to ensure that environmental, social, and governance issues are factored into business decision-making, Cameroon has a law requiring companies to conduct a social and environmental impact assessment (SEIA) for all large business projects. The GRC generally attempts to comply with this law in most large national infrastructure projects. These laws, as well as labor regulations, in theory cannot be waived although they are not always enforced. In certain major projects, the GRC has failed to ensure that comprehensive SEIAs were completed prior to the start of the project. Often in Cameroon, the full disclosure of a report depends on the identity of the financial partners funding the project. Projects associated with international donors such as the World Bank, the African Development Bank, and the European Investment Bank adhere to international standards, while projects with other financing sources can have far less disclosure.

#### *OECD Guidelines for Multinational Enterprises*

Cameroon complies with many of the OECD Guidelines for Multinational Enterprises. The one exception is disclosure, as only multinational companies tend to comply with that norm.

Cameroon experiences relative peace compared to many of its neighbors. Two peaceful elections were held in 2013: Senate elections in April and combined legislative/municipal elections in September. The last episode of significant social unrest occurred in 2008 when a transportation strike expanded into a more general protest against rising food and fuel prices coupled with a reaction against the President's plan to amend the constitution to eliminate presidential term limits.

On the regional front, relations with Nigeria are increasingly friendly. However, frequent incursions by Boko Haram terrorists and repeated episodes of kidnapping in the northern part of Cameroon could create difficulties with Nigeria and jeopardize Cameroon's internal stability. Already, Boko Haram's activities have had a serious impact on tourism and cross-border commerce. Also, the large number of refugees arriving in Cameroon from the destabilized Central African Republic could include ex-combatants. The presence of these individuals posing as refugees could have effects on the peace and security of Cameroon's eastern border regions.

On the domestic level, President Biya's eventual succession creates many questions for Cameroon's future stability. If President Biya vacates office unexpectedly, the president of the newly created Senate will become the interim president until the country can hold new elections. Uncertainty prevails as to whether such a smooth transition would occur.

**Corruption**

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in

furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:

<http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Cameroon is party the U.N. Convention against Corruption (UNCAC), but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Cameroon is not a party to the OECD Convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offenses to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Cameroon is a party to the UN Anticorruption Convention.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS

Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Cameroon is not a party to the OAS Convention.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties, and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) Cameroon is not a party to these Conventions.

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements> Cameroon currently does not have a free trade agreement in place with the United States.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Corruption is endemic in Cameroon, which consistently ranks as one of the most corrupt countries according to Transparency International's Corruption Perceptions Index. The government claims to work towards lowering levels of corruption. Transparency International and other international NGOs have an active presence in Cameroon.

Despite government efforts to fight corruption of top public officials, the government remains hesitant to implement a constitutional provision requiring government officials to declare their assets. Some steps the government has taken to fight corruption include signing and ratifying the U.N. Convention against Corruption (UNCAC). In November 2004, the government published new anti-corruption measures for public contracts. In 2011, the government validated its national anti-corruption strategy; the president established the Special Criminal Court to prosecute corruption cases of state officials, and the GRC created a special ministry dedicated to government procurement. Additionally, in 2011 Cameroon's Anti-Corruption Commission (CONAC) published its first report. Anti-corruption committees exist in all government establishments. Despite these initiatives, corruption shows no sign of abatement.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## Bilateral Investment Agreements

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Cameroon has investment and/or bilateral investment protection agreements with the European Union, Canada, China, Japan, Russia, South Korea, and the United States. Similar agreements also exist with other countries in Africa, Asia, Latin America, and Eastern Europe.

Cameroon does not have a bilateral taxation treaty with the United States.

The U.S. Senate ratified a Bilateral Investment Treaty (BIT) between Cameroon and the United States in 1986, and it entered into force in 1989. While the original time frame for

the agreement was 10 years, it is renewed automatically under the terms of the treaty. The United States invoked the BIT both in 1997 and 2004, and Cameroon acquiesced in both cases, agreeing not to implement legislation contrary to the treaty and avoiding lengthy dispute resolution.

Cameroon does not have a Free Trade Agreement (FTA) with the United States save for preferential trade facilities under the African Growth and Opportunities Act (AGOA).

## **OPIC and Other Investment Insurance Programs**

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The U.S. Government signed an Investment Guarantee Agreement with Cameroon in 1967. OPIC has been receptive to U.S firms seeking war, expropriation, and inconvertibility insurance, and has guaranteed several ventures in Cameroon. The 1990 Investment Code guarantees protection from non-commercial risk, and Cameroon is a signatory of the Multilateral Investment Guarantee Agreement (MIGA).

## **Labor**

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Cameroon has a high literacy rate relative to Sub-Saharan Africa generally and offers a relatively well-educated labor force alongside a surplus of unskilled and non-technical labor. A 2011 survey conducted by the National Institute of Statistics using ILO criteria found unemployment rates of 10% in Yaounde and 9% in Douala. See [http://www.stat.cm/downloads/EESI/2010/Phase1/Rapport\\_Principal\\_Phase1\\_EESI2\\_2010\\_Fr\\_14mars12.pdf](http://www.stat.cm/downloads/EESI/2010/Phase1/Rapport_Principal_Phase1_EESI2_2010_Fr_14mars12.pdf) . In 2010, the Ministry of Employment and Vocational Training provided a more realistic estimate: he stated that 75% of the active workforce is underemployed and less than one million people are employed in the formal sector.

About 50% of adult Cameroonians speak both French and English. Due to inadequate vocational and technical training, some industries have difficulties recruiting skilled labor in the domestic market. Also, the abundance of unskilled labor means that technology used in many sectors, especially construction, remains rudimentary.

### *General labor-management relations*

Cameroon's 1992 Labor Code governs labor-management relations, providing for collective bargaining in wage negotiations, eliminating fixed wage scales, abolishing employment-based requirements on education levels, eliminating government control over layoffs and firings, and reducing the government's role in the management of labor unions.

After a long period of tension between the government and labor unions, a new tripartite approach, including worker and employer unions as well as government representatives, addresses labor issues. This has substantially improved relations between the parties for the benefit of both the workers and the employers. The GRC intends to expand workers' rights and establish a new concept of internal discussions within companies before workers resort to strikes. The Minister of Labor and Social Security refers to this policy as "Social Dialogue." The Ministry of Labor has taken an increasingly broad view of certain aspects of the Labor Code, especially regarding payment of "legal rights" to employees in the event of a restructuring or sale.



### *Internationally recognized labor rights*

The Labor Code does not apply to civil servants, employees of the judiciary, and workers responsible for national security. In theory, the Labor Code provides a legal framework for the emergence of a flexible and efficient labor market. Cameroon is a party to the ILO Conventions 87 and 98 permitting the freedom to form unions and the right to collective bargaining.

### *New labor related laws or regulations affecting investments*

There are no new labor-related laws or regulations. However, in recent years, Section 42 of the Cameroon Labor Code has posed some challenges to foreign companies selling their assets in Cameroon. Section 42(2)(b) allows employees or their labor organizations to demand compensation from the selling entity in advance of the sale of the asset. They may ask for termination of their contract and severance pay prior to the transfer, knowing that the new acquirer will likely hire them or will need their acquired experience. In sectors where human resources costs are high, the practice can make it difficult for foreign investors to divest.

## **Foreign-Trade Zones/Free Ports**

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Cameroon currently has no designated foreign trade zones or free ports. It however has an Industrial Free Zone (IFZ) regime applicable at any location through “industrial parks” or “single-factory” zones. Created in 1990 to promote internationally competitive export industries, the IFZ regime creates certain broad regulatory and tax exemptions for investors.

To qualify for IFZ status, the goods or services must not have detrimental effects on the environment and enterprises must export 80% of production. IFZ firms receive a ten-year exemption from taxes and are subject only to a flat tax of 15% on corporate profits beginning in the eleventh year. They have a right to tax-free repatriation of all funds earned and invested in Cameroon and are exempt from foreign exchange regulations. They are also exempt from existing and future customs duties and taxes including those on locally purchased production inputs. The National Agency for Industrial Free Zones is the regulatory body that oversees and administers Cameroon’s IFZ program. A number of Cameroonian companies, particularly in Douala-Bonaberi Industrial Zone, are currently benefitting from limited tax advantages linked to the IFZ regime.

## **Foreign Direct Investment Statistics**

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Although foreign direct investment (FDI) plays a key role in the Cameroonian economy, reliable FDI statistics are not available. Neither the GRC nor the Cameroonian Chamber of Commerce has compiled a comprehensive list of foreign investments in Cameroon or estimates of current values. The 2012 Finance Law requires foreign companies to seek the help of a tax advisor for mergers or acquisitions of a Cameroonian entity. Local affiliates of French transnational companies carry a large amount of capital formation, although domestic banks are fueling some investment.

### **TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy**

	Host Country Statistical source*		USG or international statistical source		USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
<b>Economic Data</b>	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (Millions U.S. Dollars)	2010	\$23,683	2013	\$28,033	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a> <a href="http://country.eiu.com">http://country.eiu.com</a>
<b>Foreign Direct Investment</b>	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in Cameroon (Millions U.S. Dollars, stock positions)	NA	NA	2012	\$203	<a href="#">(BEA) click selections to reach.</a>
Cameroon's FDI in the United States (Millions U.S. Dollars, stock positions)	NA	NA	2012	\$-7	<a href="#">(BEA) click selections to reach</a>
Total inbound stock of FDI as % host GDP ( <b>calculate</b> )	NA	NA	2012	0.8%	

**TABLE 3: Sources and Destination of FDI**

Direct Investment from/in Cameroon in 2012					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	507	100%	Total Outward	193	100%
France	1,546	35%			
Belgium	111	35%			
Denmark	18	6%			
Mauritius	88	6%			
United States	203	40%	United States	-7	-3.6%

"0" reflects amounts rounded to +/- USD 500,000.

Source: <http://cds.imf.org>, UNCTAD

**Contact Point at Post**

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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### How Do I Get Paid (Methods of Payment)

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Importers and exporters use internationally accepted methods of settlement. Due to pervasive credit risks -- even in the banking and public sectors -- many U.S. firms exporting to Cameroon insist on irrevocable letters of credit drawn on banks with strong foreign partners.

Cameroon's payments system is part of the Central African Economic Community (CEMAC) system. The system consists of two parts: clearing centers at the level of the Bank of Central African States (BEAC) branches for high-volume, small-value payments and settlement through regional BEAC current accounts for large value payments. There are currently no sub-regional (for CEMAC countries) clearing organizations. The central bank executes transfer orders of account holders on its books within the CEMAC zone and abroad. In 2008, the central bank implemented a regional payments system that incorporates electronic bulk payment clearing. Although the BEAC uses the SWIFT network, there are administrative delays in the international transfers it processes, and some banks use alternative routes to transfer funds to and from their correspondent accounts; individuals often avail themselves of services provided by nonbanks, such as Western Union.

### How Does the Banking System Operate

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The Bank of Central African States, the central bank for the six member countries of the CEMAC zone, oversees Cameroon's banking system and is supervised by the French Treasury, which guarantees the convertibility of the local currency at a rate of 655.957 CFA to 1 euro. Cameroon must hold at least 60 percent of its foreign reserves in an account in Paris that is managed by the French Treasury. The Central African Banking Committee (COBAC), housed in BEAC's offices in Yaounde, regulates the banking sector within CEMAC.

Cameroon has 13 fully operational commercial banks, with aggregate assets of 1,700 billion CFA francs (about \$3.4 billion). There are also 25 domestic insurance companies. U.S. money transfer services such as Western Union, MoneyGram, and CoinStar also operate in Cameroon. BEAC sets benchmark interest rates for the banking institutions and state treasuries. Throughout the recent financial crisis, Cameroon's banking system has remained fairly solid. The regulatory board has restructured a few ailing banks. The corporate community still complains about stringent

prudential regulations, low lending volume, lack of innovative banking products, and poor quality of service. The presence of an American bank -- Citibank -- has made financial transactions easier for U.S. companies.

### **Foreign-Exchange Controls**

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In Cameroon, foreign exchange controls primarily serve statistical purposes. This serves as a primary source of data for policy formulation. Controls also enable the Ministry of Finance to certify that remittances comply with established regulations. Administrative approvals for foreign transfers are not required for amounts below approximately \$200,000. Above that limit, banks would need to secure clearance after the transfer has been executed.

### **U.S. Banks and Local Correspondent Banks**

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The only American bank operating in Cameroon as of May 2014 is Citibank. A number of Cameroonian banks have correspondent status with other American financial institutions.

Citibank Cameroon, S.A. (Douala)  
96, Rue Flatters, B.P. 4571  
Douala, Cameroon  
Tel.: (237) 3342 4272  
Fax: (237) 3342 4074

Citibank Cameroon, S.A. (Yaounde)  
487, Avenue Charles de Gaulle, B.P. 7324  
Yaounde, Cameroon  
Tel.: (237) 2221 2777  
Fax: (237) 2221 2767

### **Project Financing**

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Foreign investors can obtain local financing for investment and trade purposes at non-discriminatory terms. However, most foreign investors prefer to borrow from foreign sources due to Cameroon's comparatively high interest rates. Because local sources of financing are limited and expensive, competitive credit terms may be more appealing to a potential buyer than other factors. Some exporters often grant up to 180-day terms for [COFACE](#)-rated local buyers.

Project financing is sometimes available through multilateral financial institutions. The World Bank has a resident representative in Yaounde, and its affiliate, the International Finance Corporation (IFC), maintains a regional office in Douala for borrowers in Central Africa. The IFC has invested in several large projects in Cameroon over the years. In December 2011, it joined the European Investment Bank and other banking institutions to grant a \$260 million syndicated loan for the development of a 216 MW gas - power plant in the southern resort city of Kribi. The Kribi Power Development Company (KPDC), which owns and operates the project, is an AES SONEL and government of Cameroon joint venture. AES Corporation recently sold its entire controlling stake in

AES SONEL, the national power distribution company, and its two power plants to ACTIS, a British fund.

The [Export-Import Bank of the United States \(Ex-Im\)](#) has backed some projects in Cameroon. Also, the [Overseas Private Investment Corporation \(OPIC\)](#) can insure and finance investments in which the U.S. stake is 25 percent or above.

## Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: <http://www.exim.gov/tools/countrylimitationschedule/>

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

COFACE North America: <http://www.coface-usa.com/>

African Development Bank: <http://www.afdb.org/>

International Finance Corporation: <http://www.ifc.org/>

World Bank (IDA): <http://www.ciesin.org/IC/wbank/IDA.html>

Islamic Development Bank: <http://www.isdb.org/>

(Insert a link to the applicable Multilateral Development Bank here and any other pertinent web resources.)

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## Chapter 8: Business Travel

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- [Travel Advisory](#)
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### Business Customs

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Cameroon has the largest economy in Central Africa, but its business culture does not always follow Western patterns. Cameroonians appreciate an opportunity to “get to know” potential partners before beginning concrete discussions. It is helpful in Cameroon to supplement written communication with as many face-to-face contacts as possible. Adherence to Western standards of punctuality is not the standard; patience and persistence are needed to do business in Cameroon. In professional settings, Cameroonians dress in business attire. The use of the internet and email is still limited, and few companies have websites or company email addresses for their employees.

### Travel Advisory

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Americans planning travel to Cameroon are urged to consult the Department of State's latest Consular Information Sheet (CIS) for Cameroon. The CIS, which is updated periodically, may be accessed by calling the State Department's American Citizen Services Center at (202) 647-5225 or (202) 647-0900 or by visiting the Department of State's Web site <http://travel.state.gov/>. American citizens residing in Cameroon are urged to register with the [Consular Section](#) at the American Embassy in Yaounde.

There are many restaurants in Douala and Yaounde that serve a variety of cuisines, including Cameroonian, French, Chinese, Italian, Vietnamese, Indian, and Korean, among others. Some restaurants and hotels in Douala and Yaounde accept European and American credit cards, but credit card users should exercise caution. Cash (preferably euros or local currency) is required at most shops, hotels, and restaurants. Visa card holders may obtain cash at ATM terminals operated by some local and international banks in Douala and Yaounde.

Most streets in Cameroon do not have names or numbered addresses. Consequently, businesses, hotels, restaurants, government offices, and individuals use a post office box (in French, “boite postale”). Despite high rates, international organizations and

private businesses often use express mail services (including Federal Express, UPS, EMS, TNT, and DHL) for international mail rather than yield to the lengthy delivery times endemic to regular mail service in Cameroon.

Villas and other residential houses are available for lease in most towns in Cameroon. Apartments are also available for lease in Douala and Yaounde. Rates are relatively high, particularly in the major cities. While a real estate broker (“agent immobilier” in French) may help secure housing for American visitors, a good local contact may be more helpful. Many American businesspeople find temporary housing as well as office space at the higher-end hotels.

## Visa Requirements

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Visas and return tickets are required for entry into Cameroon. Travelers from the United States complain repeatedly about the delays incurred to obtain a Cameroonian visa. Visas may be obtained at the Consular Section of the Cameroonian Embassy in the United States at 3007 Tilden Ave., N.W., Suite 5M, Washington, D.C. 20008, tel.: (202) 286-0984, fax: (202) 387-3826. Visitors who arrive without a visa will not be allowed to enter the country, especially if they are arriving from a country with Cameroonian diplomatic representation. Information on visa and immigration procedures can be found at the following link: <http://www.cameroonembassyusa.org/>.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that not all Cameroonian nationals qualify to obtain visas to the United States for business travel. Security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy Consular Section, Yaounde, Cameroon:  
<http://yaounde.usembassy.gov/visas.html>

## Telecommunications

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Cameroon and the United States have a direct telephone link via satellite. Cameroon’s country code is 237. All telephone numbers have eight digits; there are no city-specific area codes. Cameroon has facsimile and telex services. There are two private mobile telephone companies currently operating in Cameroon: the French-owned Orange and the South African MTN. The state telecommunication company, CAMTEL, and its Chinese partner, HUAWEI, operate a Code Division Multiple Access (CDMA) network covering virtually all the ten regions of the country. All the mobile phone companies currently operate on the GSM 900 and 1800 standards with mobile internet-access facilities. Camtel also provides internet access, as do several private companies, and there are internet cafes in cities and larger towns. There is increasing access to the internet even in some rural areas. Several private companies provide mobile internet access using wi-fi connectivity. The cost of internet connectivity is quite expensive, and connection (kilobytes per second - kps) rates are frustratingly slow. Internet usage throughout the country remains very low, about only 7% of the population.



## Transportation

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The main business centers are easily accessible by paved roads. A paved road links Yaounde and Douala, and a paved 510-kilometer highway links the three major northern cities of Ngaoundere, Garoua, and Maroua. However, the stretch linking the northern and southern parts of Cameroon is punctuated by segments of unpaved roads. Regular bus service is available between Yaounde, Douala, Limbe, Bafoussam, and Bamenda. Road travel should be avoided at night due to frequent road accidents. In addition, armed highway robbery is a problem in certain regions of the country, especially after dusk. It is strongly advisable to travel between towns during daylight hours. Rental cars are available in Douala and Yaounde and other smaller cities like Bamenda, Bafoussam, and Limbe. Visitors can hire taxicabs in most towns and cities. Due to rampant crimes in taxis, however, the Embassy does not recommend this mode of transportation.

Cameroon's railway connects the southern and northern zones at the northern railroad terminal of Ngaoundere, and there is now passenger rail service between Douala and Yaounde. Domestic railway services suffer from frequent delays.

Flights between Douala, Yaounde, Ngaoundere, Garoua, and Maroua are scarce; the national air carrier Camair-Co launched its operations in March 2011 connecting these cities. Flights are sometimes delayed several hours or cancelled. International travelers should arrive at the airport early, as luggage check-in may take several hours - at least three hours for international flights and two hours for domestic flights. Cameroon has a per head airport departure tax of 10,000 CFA (approximately \$20.00) for international flights and 1,000 CFA (approximately \$2.00) for domestic flights.

## Language

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Although both French and English are official languages in Cameroon, at least two-thirds of the population speaks French, which is the dominant business language. A majority of professional Cameroonians understand, even though they may not speak, both languages. Pidgin English is a local language in the two English-speaking regions (the Southwest and Northwest Regions) of Cameroon and is widely used in several parts of Cameroon. The staff at most hotels and restaurants are usually bilingual in English and French.

## Health

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All visitors entering Cameroon must present evidence of a yellow fever vaccination administered within the last ten years on a valid World Health Organization (WHO) International Health Immunization Certificate. The certificate must be presented upon arrival and departure from Cameroon. Medical evacuation insurance should be purchased by visitors to Cameroon. Vaccinations against tetanus, typhoid, polio, meningitis, and hepatitis A and B are recommended. Cameroon has chloroquine- and fansidar-resistant malaria. Americans are urged to take appropriate malaria prophylactic

medication and to use insect repellents. Travelers should explore health insurance options, including provisions for evacuation and emergency procedures.

### **Local Time, Business Hours, and Holidays**

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Cameroon local time reads Greenwich Mean Time (GMT) +1. The statutory Cameroonian workweek is Monday-Friday, 7:30 a.m. to 3:30 p.m., with a half-hour lunch break that usually falls between 12:00 p.m. and 1:00 p.m. White-collar workers usually do not work on Saturdays, although some businesses are open on that day. Government offices are officially open from 7:30 a.m. to 3:30 p.m. without interruption, but in reality shorter hours and longer lunch breaks are the norms. Businesses are usually open from 8:00 a.m. to 6:00 p.m. and close for lunch for 1-2 hours.

The following Cameroonian national holidays are scheduled on fixed calendar days: January 1 (New Year's Day), February 11 (Youth Day), May 1 (Labor Day), May 20 (National Day), August 15 (Assumption Day) and December 25 (Christmas Day). Cameroon's religious holidays fall on unspecified calendar dates and include Good Friday, Ascension Day, Feast of the Ram, and the end of Ramadan. Holidays that fall on a Sunday are observed on Monday. When a workday falls between a Sunday and a public holiday, it may be declared a bridge public holiday by presidential decree, sometimes on short notice. Saturday is legally a work day.

### **Temporary Entry of Materials and Personal Belongings**

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The temporary entry of goods is allowed, provided the traveler can justify that the goods are personal effects and/or the goods are to serve only for the temporary period of residence or nature of its usage. It is not necessary to pay customs duties on these items (with the exception of automobiles, for which there is a special clearance procedure).

### **Web Resources**

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State Department Travel Website: <http://travel.state.gov/>

United States Embassy Cameroon: <http://yaounde.usembassy.gov/>

U.S. Embassy Consular Section, Yaounde, Cameroon:  
<http://yaounde.usembassy.gov/visas.html>

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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<http://www.amchamcam.org/>

**The Government of the Republic of Cameroon official websites:**

Presidency of the Republic: <http://www.prc.cm/>  
Prime Minister's Office: <http://www.spm.gov.cm/>  
Ministry of Economy and Planning: <http://www.minepat.gov.cm/index.php/fr/?lang=en>

**Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

**Trade Events**

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

International Trade Fair organized in Yaounde: <http://www.salonpromote.org/>

For information on trade missions organized by the U.S. Embassy Commercial Section, please click on link below:

<http://yaounde.usembassy.gov/commercial-services.html>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the Economic Section of the U.S. Embassy in Yaounde offers to U.S. exporters, please click on the following link: <http://yaounde.usembassy.gov/matchmaking.html>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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