

## Gearing up for growth

Cameroon unveils opportunities in large-scale projects that will create growth and prosperity

As a resource-rich country looking to engage sustainable development, Cameroon is moving further into the radar of global investors, particularly those in China.

The Central African republic, with 420 kilometers of Atlantic coastline stands out for its peace and stability within the region.

Headed by President Paul Biya, who was re-elected for a seven-year term in October 2011, this stunning country of 20 million people recently embarked on a mandate of "greater achievements", with huge infrastructural projects for energy, transport and agriculture launched last year.

"Cameroon will be transformed into a huge construction site," President Biya declared, referring to the national program put in place to develop roads, infrastructure, power production and transport networks.

"Cameroon has now embarked on the path toward emergence. The public investment budget for 2012 was significantly increased and assigned in two areas: infrastructure and production."

Brimming with fertile land and resources that range from oil and gas, timber, cotton, coffee, cocoa, and rubber, to diamonds iron, cobalt and bauxite, Cameroon is a natural choice for investors looking for rich returns.

A number of public reforms have been implemented and a welcoming business climate beckons. In order to fully unlock the country's potential however, the government plans to increase the national grid by a further 2,000 megawatts by 2020 — a move that will create 1,000 local jobs and ignite local industries.

Work on the huge Lom Pangar Dam started last August in the East of the country. Reminiscent of China's Three Gorges Dam, this is just one of the many hydropower schemes being undertaken in Cameroon with Chinese funding.

Work has also begun on the Kribi natural gas power plant which will have a gross capacity of 216 megawatts when completed.

Another power plant at Nachti-



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PAUL BIYA  
PRESIDENT OF CAMEROON



gal, due to be commissioned within three years, is expected to produce between 200 and 250 megawatts.

### Secure and transparent

In August this year, Cameroon joined an elite club of 77 countries when it was admitted to the Kimberley Process Certification Scheme. The move has lifted Cameroon into the realm of clean, secure, and transparent diamond producers, and will have a significant impact on the World Bank's Doing Business Index and Transparency International's rankings.

Beyond the traceability and openness that ensures the Kimberley Process, Cameroon will be able to increase its tax revenues.

Historic changes are also afoot within the economic, financial, social and cultural sectors, including the modernization of the rural economy. The launch of the Agricultural Bank and the Bank for SMEs will serve these communities and ultimately increase productivity by providing access to loans.

Thousands of low-cost houses are also being built in 20 cities around the country, and the government is keen to set up professional schools specializing in hotel management, tourism and agriculture. And, with only 10 percent of the country's roads currently paved, new and upgraded road and bridge links are urgently needed.

All works form part of the government's Vision 2035 initiative, outlined in the Growth and Employment Strategy Paper that will see Cameroon become an emerging market by 2035.

Poverty alleviation, industrialization, the consolidation of democracy and national unity and respect for diversity all feature as medium-term objectives for this microcosm of Africa.

As the strategy paper points out: "Cameroon's ambition is to transform from a primary phase to secondary import substitution phase with the manufacturing industry accounting for more than 23 percent of the gross domestic product, as against the current 11 percent and a secondary sector as a whole (including extractive industries) accounting for 40 percent of the gross domestic product."

"When Cameroon becomes an emerging country, its economy will be mainstreamed into the global economy in terms of trade and exports and the opening of local financial markets to foreign investments.

"At the macroeconomic level, the vision highlights the need to accelerate growth by stepping up forest, agro-pastoral and fishing activities and ensuring an industrial technological advancement with emphasis on the processing of local commodities. For this goal to be achieved, the vision advocates the stepping up of investments as the engine



Cameroon is one of the largest producers of palm oil in Africa.

PHOTOS PROVIDED TO CHINA DAILY

of growth. The development of industries and an ambitious trade policy should gradually lead to a change of the foreign trade pattern towards a more vigorous integration in world and regional transactions."

As a clear indication of Cameroon's potential, an International Monetary Fund mission visiting in May declared its economic prospects as "favorable" and predicted growth would reach 4.7 percent this year, due to a rebound in oil production and exports, increased public investment in infrastructure and ongoing initiatives to improve agricultural productivity.

While China has been a crucial partner of Cameroon for over 40 years, cooperation between the two states has reached new levels lately, with Chinese companies heavily participating in large-scale energy, water and infrastructure projects.

### A model in Africa

President Biya qualifies the Sino-Cameroonian relation as "a model in Africa." At the beginning of 2011, Chinese Vice-

Premier Hui Liangyu visited Cameroon, while President Biya responded to Chinese President Hu Jintao's invitation with a three-day state visit to China in July 2011.

As a result of these meetings, several agreements were signed that have further strengthened the long-running bond between the two countries.

Xue Jinwei, who was China's ambassador in Cameroon for two and a half years until this summer, detailed the warm nature of the relationship: "We are both friend and brother countries, with a similar history and a common goal of development. We are especially convinced of developing our cooperation on the basis of sincere friendship, mutual equality and mutual benefit," he said.

"The new century opened up more cooperation in the fields of energy, health, education and infrastructure. In 2012, our major projects include road building, the Douala-Yaounde highway, the construction of 1,500 housing units by Chinese companies, the deepwater seaport at Kribi,

and improvement of the provision of drinking water in remote areas."

In this latter field, Chinese donors have been actively engaged with the Cameroon Water Utilities Corporation (Camwater) to enhance water supplies in the economic capital of Douala.

Other projects are also under negotiation, particularly in agriculture. Currently only 16 percent of arable land is used, yet Cameroon has huge agricultural potential.

This is particularly true in the palm oil business, where local companies, such as Pamol Plantations Plc, are actively seeking partnerships with Chinese investors in order to develop their capacities.

"Eximbank is playing a key role in the implementation of those major projects," Xue concluded. "The friendly relations will develop further, but 2012 is primarily a year of completion and implementation of the projects launched last year."

InFocus provided the story.

## Cotton, the "white gold" of Cameroon

Produced mainly in the north and far north regions of Cameroon, cotton is the fifth-largest earner of export income for Cameroon. SODECOTON, the Cotton Development Company, is one of the largest employers in Cameroon, and plays a key role in driving economic growth within the agricultural sector in particular and the country as a whole. In charge of overseeing the production of Cameroon's high quality, hand picked and processed cotton, SODECOTON manages up to 250,000 cotton farmers, providing agricultural inputs, technical advice and training to allow them to improve their commercial potential.

Created in 1974 as a public-private company, SODECOTON achieved extremely high performances in 2011, with increased profits, increased production, and more loans attributed to farmers, as a result of an increase in the prices of raw material. It is now focused on encouraging crop diversification within the industry and supporting domestic farmers so that they can develop their expertise. "It is important to understand that producers are not only growing cotton. There are other crops that enter into the rotation cycle together with cotton, such as groundnuts, millet, sorghum, corn, and soya beans", Mohammed Iya, SODECOTON's general manager explained. "We provide agricultural input and advice for these crops too, but unlike with cotton, we have no obligation to buy them. Producers can therefore take advantage of our expertise to move to intensive agriculture with much higher yields."

Most of the cotton produced on farms managed by SODECOTON is exported to Asian and European markets, with only less than 5 percent sold locally.

"Cameroon produces between 70,000 and 100,000 tons of cotton fiber annually, while world production is 26 million tons. Half of the world's cotton is produced by China. It consumes all of it and is forced to import more. We export more than 55 percent of our production of cotton fiber to China, which is worth about \$60 million", Iya said, "yet we would like to be more involved in government delegations to China, since we have everything to gain from increased Sino-Cameroon relations."

Export to China		
Agricultural season	Tons	% of Production
2001 - 2002	510	0.5%
2002 - 2003	17,228	19%
2003 - 2004	26,109	27%
2004 - 2005	48,436	42%
2005 - 2006	53,754	63%
2006 - 2007	40,212	53%
2007 - 2008	19,706	45%
2008 - 2009	37,893	72%
2009 - 2010	20,311	46%
2010 - 2011	33,479	59%

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## Invest now and reap the benefits of a lucrative business



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