

Cameroon special

Africa's sleeping giant awakens

Country focuses on strong socioeconomic development

Blessed with a diverse portfolio of natural resources including oil and gas, minerals, timber and agricultural products such as coffee, cocoa, cotton and maize, Cameroon is one of Africa's economies with the highest potential.

The country of 23.5 million has consistently posted single-digit annual economic growth and is an increasingly attractive destination for foreign direct investment.

China is the country's largest foreign direct investor, accounting for two-thirds of the tens of billions of dollars that have arrived since the turn of the millennium.

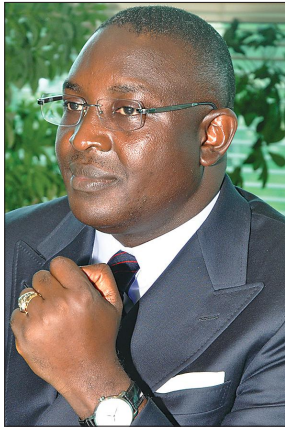
Although less reliant on oil than several energy export-oriented neighbors, Cameroon has seen its fiscal performance hurt by the recent fall in crude oil prices and other commodity prices such as precious metals. However, a drive towards economic diversification has been compensated to a large degree by solid growth in sectors like financial services, telecommunications, transport and tourism.

Strong political, social and economic foundations mean Cameroon is well-positioned to capitalize on its many natural and human resources as part of a drive for economic emergence.

Vision 2035

Cameroon's comprehensive blueprint for strong and sustained socioeconomic development, called Vision 2035, is expected to boost living standards and generate thousands of jobs.

Launched by President Paul Biya, the bold plan aims to transform the country into one that creates and distributes wealth fairly, as well as offers equal development oppor-



Price volatility is a pervasive reality and specificity of the hydrocarbons sector."

Elung Paul Che, general manager of CSPH

tunities to all and enhances food security.

"The challenges are immense and meeting them requires total and unwavering commitment from all Cameroonians in towns and villages, within and outside the country," Biya said. "Economic emergence also requires opening up to partners and foreign investors willing to support our development.

"Major structural projects being executed throughout the country are key levers. The other face of this

great mobilization focuses on agriculture, mining, oil and gas, environmental protection and related industries, services of high economic value, especially in finance, insurance, information and communication technologies and, broadly speaking, the digital economy. These major sectors are promising for our youth and for the country."

In January, Biya hosted a high-profile dinner in the capital Yaounde for government ministers, local dignitaries and representatives of the International Monetary Fund. Addressing an audience that included IMF Managing Director Christine Lagarde, he highlighted the progress made in recent years as the country strives to achieve its Vision 2035 goals.

"Over the last five years, despite a difficult global context, Cameroon has been able to maintain a relatively significant level of growth," Biya said.

"This has been achieved thanks to our increasingly diversified economy. Our ultimate goal is to achieve strong, lasting and inclusive growth, which would generate the desired impact on the quality of life, leading to attainment of the status of an emerging economy by 2035.

"I have prescribed profound reforms to enable us to make the most of our country's abundant natural resources. We are constantly striving to make our debt burden more viable, more productive and more sustainable."

In response, Lagarde reaffirmed her organization's firm commitment to Cameroon and commended officials on a "resilient economic performance under trying circumstances."

"Authorities are taking strong steps to secure macroeconomic stability and build strong and inclusive



A rubber plantation of the major agroindustrial company Pamol Plantations Plc.

growth," she said during the gala dinner at the Unity Palace.

Relations with China

One of Cameroon's most important economic partners is China and the countries enjoy excellent bilateral political, diplomatic, trade and economic ties. China is financing a range of important infrastructure and energy projects, including the Kribi Deep Sea Port, the Lom Pangar, Mekin and Memve'ele dams and hydroelectric plants, as well as several major road-building programs.

In June 2015, Chinese President Xi Jinping hosted a meeting with the Cameroon Prime Minister Philémon Yang in Beijing where they discussed ways to further enhance economic cooperation.

Yang said Cameroon hopes to further cement bilateral relations and boost cooperation in industry, raw material processing, infrastructure, education, and science and technology.

The Cameroonian government will take further measures to provide more convenience and conditions for foreign investors, he added.

Yang also held productive talks with his Chinese counterpart, Premier Li Keqiang. Li suggested the two sides should work hand-in-hand to enhance cooperation in high-potential areas such as manufacturing and technology to accelerate industrialization. "China is willing to work with Cameroon to promote cooperation in civil aviation, agriculture and human resources development, in a bid

to upgrade the mutually beneficial cooperation between the two nations," Li said.

Created after the first global oil crisis several decades ago, Caisse de Stabilisation des Prix des Hydrocarbures (CSPH) is a public institution with legal entity and financial autonomy operating under the supervision of the Ministry of Trade in Cameroon. Known in English as the Hydrocarbons Prices Stabilization Fund, it regulates prices of petroleum products by providing partial or complete subsidies.

Elung Paul Che, general manager of CSPH, said: "We ensure prices are stable and regulated. Volatility is a pervasive reality and specificity of the hydrocarbons sector."

Hydroelectric projects energize economy

Boasting the second-largest hydroelectric potential in Africa thanks to its many rivers, Cameroon has yet to fully exploit its huge resource as only a small percentage of its estimated 12,000 megawatt capacity has been realized.

Several major new infrastructure projects are set to provide a major boost to this utilization rate over the next few years. However, plenty of significant investment opportunities in the hydroelectric sector and other renewable energies are still available throughout the country, said Basile Atangana Koua, the minister of water and energy.

"Cameroon is a very water-rich country, but to make it accessible to the population we need financing," he said. "The government is moving in the right direction, with a 10-year investment plan supported by many foreign investors, including China Exim Bank.

"China is collaborating with us on a number of projects that will bring drinkable water to an increasing number of Cameroonians. China is also participating in some of Cameroon's most important energy

projects, such as the construction of the Memve'ele Hydroelectric Dam, which will generate 250 MW of electricity.

"Cooperation with China is really useful for us. Our hope is by 2035, all Cameroonians will have access to drinkable water and electricity, which will greatly contribute to the fight against poverty."

Flood of FDI

Minister Atangana Koua revealed plans for a 600 MW hydroelectric dam in Chollet that will be built with the help of foreign finance, equipment, knowledge and expertise.

Construction is scheduled to start by 2018 and the project should generate power by 2022 as officials strive to ensure the country's rich economic potential is not hindered by power outages and that the nation's increasing energy needs can be met.

"Cameroon has enormous potential, and we invite our partners and international investors to come and work with us in order to help us develop our country," the minister



Basile Atangana Koua, minister of water and energy

said. "We are working on measures to improve governance and attract investors. China has understood the advantages of win-win partnerships in Africa, and today the country is very strong on our continent."

The minister also wants companies to follow President Paul Biya's lead and invest in renewable

energies in the global fight against climate change. "The renewable energy potential of Cameroon is enormous," he said. "We have sun, wind, biomass and other sources that can be developed. However, we need financial assistance to develop such projects."

Founded in 2005 and overseen by the Ministry of Water and Energy, Cameroon Water Utilities Corp – or CAMWATER – is part of a public-private partnership with Camerounaise Des Eaux that supplies water to tens of thousands of homes and businesses. CAMWATER is responsible for building and renovating the water infrastructure, financing new projects and managing assets so as to increase the supply of drinkable water.

"Our greatest achievement has been to pass from 300,000 cubic meters of water per day to around 700,000 cubic meters – a goal that we've reached thanks to a number of bilateral and multilateral agreements that gave us the necessary financing and know-how," said CAMWATER General Manager Jean Williams Sollo. "We are fully aware that,



The Lom Pangar dam maximizing Cameroon's hydropower potential.

nowadays, you can't do anything without China and we will continue working with the Chinese as they have the technology, workforce and financial means.

"We will continue to seek cooperation and finance from China and are already working on a new project in Douala and conducting talks with Chinese companies and Chinese banks to make it happen. Finally, once an

infrastructure is completed, it needs to be maintained.

"Once we have completed an infrastructure in partnership with a Chinese company, we know that we will continue to work closely with them in order to maintain it: the cooperation remains and the business relationship continues to improve."

Hydrocarbons Prices Stabilization Fund Caisse de Stabilisation des Prix des Hydrocarbures

Positively stabilizing Cameroon's economy

Our mission is to regulate prices of petroleum products by providing partial or complete subsidies to offset the increase in prices of the said products, with the financial means available. CSPH also participates in all operations aimed at maintaining the domestic energy policy by actively contributing in the exploration, production, refining, storage and distribution of hydrocarbons. With the liberalization of the downstream oil sector since 1998, CSPH ensures the regular supply of petroleum products nationwide by regulating supply and prices, while maintaining a good business climate among operators in the sector. In the oil sector, as well as contributing to the setting up of the National Oil Refinery (SONARA) and the Cameroon Oil Depot Corporation (SCDP), other major investments include: the construction of the CSPH Head Office building and the Maroua and Bertoua gas filling stations, and over 10 pilot filling stations in rural areas, currently Akono, Yabassi and Tombel. We are also in the process of constructing new gas storage facilities in collaboration with SNH (National Hydrocarbons Company) and the acquisition of tank-wagons so as to increase the transport of hydrocarbon products by rail.

*CSPH was created after the first global oil crisis by Decree n° 74/4/458 of May 10 1974 and reorganized by Decree n° 98/165 of August 26 1998. It is a public institution with legal entity and financial autonomy and placed under the supervision of the Ministry of Trade.



Nation's resources ripe for investors

From oil and gas to cash crops, Cameroon is reaping rewards of its assets

With an enviable location on the West African coast at the heart of a market of more than 1.2 billion consumers, Cameroon is regarded as the "Gateway to Central Africa".

The country, a founding member of the Central African Economic and Monetary Community, is part of the Economic Community of Central African States. The nation also benefits from duty and quota-free access to the vast European Union market.

Trade relations between China and Cameroon have grown steadily in recent years and reached \$2.57 billion in 2014, up 36 percent from the previous year. Imports from China grew by an annual rate of 32 percent from 2010 to 2014 and grew in value by 22 percent over the same period.

Most of these products imported by Cameroon were equipment, machinery, electronic devices and cars. Exports to China mainly consisted of wood, coal, cotton, hydrocarbons, oil, aluminum, iron and rubber.

"The most important improvement in the trade sector has been the diversification of our commercial partnerships," said Minister of Commerce Luc Magloire Mbarga Atangana. "In line with Vision 2035, the trade sector will grow in three directions: consolidating existing commercial partnerships, establishing new ones with emerging countries and strengthening cooperation on a regional level."

"In 2014, we ratified our economic agreement with the EU. We have also continued our policy of economic cooperation with the United States.



“There is a lot of potential in the agricultural sector, an industry the Chinese have mastered.”

Luc Magloire Mbarga Atangana, minister of commerce

The EU, the US and China are our most important trade partners.

"The trade sector is highly dynamic and the challenge is to supply those markets with our products — hence why we need international investors as partners to help us consolidate our positions. We are a competitive destination. Investors who decide to produce in Cameroon will be able to export their Cameroon-labeled products to lots of countries."

Substantial offshore and onshore oil and gas reserves have long made Cameroon a powerful magnet for FDI in the upstream and downstream sectors and this capital expenditure enabled production to increase by about one-fifth year-on-year in 2015 to more than 100,000 barrels a day.

Red light to petrol hikes

Although crude oil prices fell sharply in late 2015 and into this

year, the industry continues to perform well and is a key source of foreign exchange earnings for the government and provides jobs to thousands of local and foreign workers.

CSPH — a public institution with legal entity and financial autonomy operating under the supervision of the Ministry of Trade — participates in all operations aimed at maintaining the domestic energy policy by contributing to the exploration, production, refining, storage and distribution of hydrocarbons in the upstream and downstream sectors.

"We ensure prices are stable and regulated. Volatility is a pervasive reality and specificity of our sector. Prices move every day. In the US, or in other more sophisticated markets, prices at the petrol pumps change every day. In young economies, you cannot check and adapt on a daily basis as is done in more sophisticated markets," said Elung Paul Che, general manager of CSPH.

"An economy with all the prices across all sectors changing every day would not be efficient or realistic. The currency has to be stable; the prices of all your tradable goods and services have to be stabilized on a daily basis."

"With regulation, the economy is stabilized and private investors have some sense of predictability. No investor would enter an unstable environment."

"Our price stabilization mechanism consists in that we put in place a system with a price structure that virtually captures the prices from the upstream sector on a monthly basis and smoothes it over a longer period of time. If the price goes up, this rise is reflected over a longer period of time (rather than immediately)."

Last year, energy officials announced the construction of a pipeline from Limbe to Yaounde via Douala and Edea in a well-received move that will boost the supply of hydrocarbons in several major cities. The lengthy structure will provide a faster and cheaper alternative to the transportation of



Traded at prices that hit all-time highs, cocoa is a key strategic commodity for the Cameroonian economy.

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hydrocarbons by road and water, thus reducing energy costs for end users such as motorists.

Che expects Chinese enterprises to continue to play a role in the energy industry and gain a stronger foothold in other areas. "Cameroon has a lot of potential across all sectors," he said. "With the opportunities and the investments already seen in the energy sector, our country will be not only self-sufficient but also become an exporter of electricity. In the oil and gas sector, with the plans to increase production, there are also plenty of business opportunities."

TRADEX, a private company established in 1999, specializes in the distribution of petroleum products and boasts operations in Cameroon as well as Chad, Equatorial Guinea and the Republic of Central Africa. In the short term, the firm plans to expand its product range and spectrum of services in a move that will see the signing of new partnerships with Chinese companies.

"At TRADEX we have proved our ability to react to the needs of its customers and to provide high-quality products," said General Manager Perrial Jean Nyodog. "As a result, our clients have established long-term partnerships with us. Chinese companies have to know that TRADEX is a first-class partner for them."

"Our goal is to become the leader

in the supply of petroleum products, not just in the region but also in Africa. We are willing to expand our activities outside Central Africa. We want to strengthen our local network, develop the one we have in Chad, increase our range of services and contribute to the innovation within the sector."

Adding value is target

Meanwhile, Minister Mbarga Atangana revealed the government has identified and prioritized a number of infrastructure projects, including roads, ports and airports. "We also need to invest in production and to learn to add value to products by transforming them here. There is a lot of potential in the agricultural sector, an industry the Chinese have mastered. We have 450,000 square kilometers of arable land."

Reinforcing the agricultural sector's importance for food security, sustainable and environmentally friendly development, source of employment and foreign earnings is the Ministry of Agriculture and Rural Development. The department is working to secure billions of dollars of funding as part of a pancontinental, agricultural development program. Cameroon has also partnered with the World Bank for a project to support the transformation of low productivity, subsistence-oriented cassava, maize and sorghum subsectors



Henri Eyebe Ayissi, minister of agriculture and rural development

into commercially oriented and competitive value chains in four agro-ecological areas.

Impressive progress has already been made as partnership agreements have been signed with farmers' cooperatives, commercial banks, agro-industries and research institutes, among others.

"As an existing partner, China can support us in all the aspects of this new policy," said Henri Eyebe Ayissi, minister of Agriculture and Rural Development. "We need to create the conditions for partners to come and work with us. The new strategy aims to create jobs and train young professionals who will be the future of our agriculture."

Growing Food for an Emerging Nation

Specializing in the production of palm oil and rubber, as well as soap, for local and international markets, PAMOL Plantations Plc is a success story in motion. Thanks to a joint investment plan between the company and the government of Cameroon, PAMOL Plantations has received funding for a new oil factory, more plantations, fertilizers and heavy-duty equipment to help it flourish and increase production. It is well on the way to achieving the 6.93 billion FCFA turnover set as an objective for 2015.

The company has around 2,600 direct employees, 1,000 indirect employees and takes care of more than 600 smallholders. It has two factories, in Lobe and Mundemba, as well as a 600-hectare rubber plantation.

Mekanya Okon Charles, PAMOL Plantations' Interim General Manager, explains the current scenario:

"The government did not want the company to fail because it takes care of a huge population here," he says. "We therefore have a program to replant around 300 to 400 hectares per year and a plan to buy the fruit from our smallholders."

The price paid to the smallholders for their crops has increased from 50,000 FCFA to 55,000 FCFA per tonne since January 2014, and other accompanying measures, such as prompt payment on delivery and assistance in transporting their crop have pushed up tremendously the supply of smallholders' crops to PAMOL. So far, the company has paid about 1.135 billion FCFA to smallholders who have come a long way in improving their living standards.

The yield in October 2015 was 4.98 tons/ha, meaning the seeds have definitely been sown for success.

"We would like to build a new factory at a cost of 8 billion FCFA and for an additional capacity of 30 metric tons," Mekanya said. "And, as the government is trying to withdraw from running businesses and leave them with the private sector, we are looking for partners. Some have already shown interest."

"As we are increasing our production, our current premises will not be able to support this. We are taking measures now so we can avoid difficulties in the coming years."

We are also building two new presses that together will be able to handle 2 to 3 tons of crops per hour, especially during the peak season.

A new mill is what we need to count on for our future and the future of our employees and smallholders, and we need investors to help us achieve this."

PAMOL Plantations Plc.

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New dam lights way for an electric future

Under President Paul Biya's direction, a new wave of infrastructure mega-projects are under way as the government works to develop industry and better the living standards of all Cameroonians.

One of the most impacting is the Memve'ele hydro-power dam, which, when completed in 2017, will supply the country with an estimated installed capacity of 211 MW of electricity, which will curb the deficit in electricity supply in Cameroon considerably.

Work began in January 2013 and is being overseen by the Ministry of Water and Energy.

An excellent example of the immense hydro-power potential Cameroon has to offer, the Memve'ele dam is positioned on the River Ntem. At 20 meters high and 1,850 meters long, it will also serve as a bridge to link the two sides of the river. The project has been wholly financed by the Chinese government through a grant provided by the



Work on the Memve'ele Hydro-power Dam is ahead of schedule.

China Exim Bank. The Chinese company in charge of construction, Sinohydro Corporation Ltd, has built some of the world's largest hydro-power structures.

This project is a clear sign of the win-win relationship between China and Cameroon. As the Project Director says:

"The Chinese are extremely competitive compared to other partners as they finance the construction of the infrastructure in Cameroon. Without the Chinese

Government's financing of the Memve'ele Project, we wouldn't have been able to carry it out."

Thanks to excellent project management and workmanship, the first turbine will start producing the first 52MW of electricity in September 2016, and in 2017, when the structure is fully built and delivered, four turbines will produce up to 211MW of electricity to supply the interconnected network of the southern region of Cameroon.



Ministry of Water and Energy, Memve'ele Project

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Recruiting China to brew success

Cameroon devoting more funds to industry, with new cacao and coffee development plan

Given its fertile soil and favorable crop-growing climate, Cameroon is a major producer and exporter of coffee and cocoa. Farmers produced a combined 200,000 tons of cocoa in 2015 and nearly 24,000 tons of coffee.

One of the few African producers of arabica and robusta beans, Cameroon counted China among its new export markets in 2015. By 2020, officials expect its network of farmers to grow a combined 600,000 tons of cocoa and 160,000 tons of coffee.

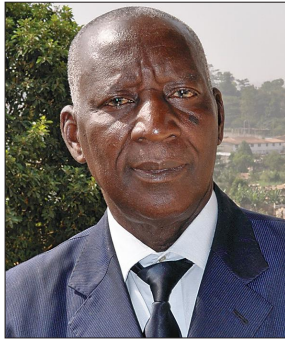
The Chamber of Agriculture, Fisheries, Livestock and Forest of Cameroon, known by its French acronym CAPEF, is comprised of experienced and dedicated professionals.

"China can do a lot for the Cameroonian agricultural sector because of its wealth of experience," said CAPEF President Janvier Mongui Sossomba. "We hope Chinese investors arrive and create agricultural industries that allow local farmers to train and adopt better farming practices. It would be a transfer of knowledge and organizational ability."

"China is already involved in our agricultural sector, particularly in rice production. Cameroon has the advantage of having an extremely varied ecology, with five major agro-ecological zones. We want to grow as much fresh produce as we can."

Up to 6 million people are estimated to rely directly and indirectly on cocoa and coffee production. Reliable and affordable equipment is highly desired by growers and industry chiefs see a range of openings for foreign businesses, particularly from China.

Thanks to a new cacao development plan launched in late 2014, more funds have been diverted to the sector to maximize its huge



China is a vital partner for the country. We want them to suggest us new high-quality products and services."

Othon Niwa Long, general manager of MATGENIE

potential as well as add value and explore new international sales channels, including China.

The National Cocoa & Coffee Board, or its French acronym ONCC, aims to ensure the sector complies with national and international regulations, and guarantees and certifies their qualities. The public entity also promotes the "Cameroon" label.

"For years, African producing countries have been suppliers of cheap raw materials. If we man-



The Nachtigal water pumping station will bring 300,000 cubic meters of fresh water per day to Yaounde.

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age to transform ourselves we can capture the added value at the source," said ONCC general manager Michael Ndopng.

Focus on quality

"There is an emphasis on quality, given the fact we are in a very competitive international market. Quality, both physically and chemically, is very important. Local transformation is also key as we currently transform less than 10 percent of our production. The target is to reach 40 percent. These are the main priorities in the agribusiness today in Cameroon."

For the past decade, the Development Fund for the Cocoa and Coffee Sectors, or its French acronym FODECC, has acted as a custodian of the industry. The public entity aims to guarantee the quality of both crops and increase their productivity and efficiency by providing the producers with equipment, pesticides and fertilizers. In addition, the organization invests heavily in research and

development and provides training to producers.

"There are a number of factors that make Cameroonian cocoa very special, including the large size of the beans and the particularities of its color. The variety of cocoa we have in Cameroon cannot be found anywhere else," said FODECC Administrator Jean Marie Ndengoue Noubbissi.

"Manufacturers are conscious that producing is no longer enough to be competitive. We need to add value and transform the sector and so are interested in having a presence in high-price, high-quality markets."

Cameroon's cocoa industry continues to expand at a rate of 3,000 to 4,000 hectares of plantations every year, an impressive growth rate that involves existing players along with new entrants. The country has the capacity to plant 4 to 5 million hectares of cocoa, meaning the potential is huge. On a global scale, demand for this "black gold" outstrips supply by 1 million tons, meaning companies stand a good chance of reaping significant rewards on their investment.

Another hard-working public institution dedicated to improving the cocoa sector's fortunes and extending its reach both nationally and internationally is the Development Corporation of Cocoa, known by its French acronym SODECAO. The entity is the only supplier of crops — from which 5 to 6 million plants are produced every year.

New roads

"Cameroonian cocoa is one of the best in the world and is highly appreciated by chocolate makers," said Jerome Mvondo, general manager of SODECAO. "Our main competitor Ivory Coast is saturated, if it wants to plant new cocoa trees, it must destroy the existing ones first. On the contrary, Cameroon has plenty of virgin land for cocoa production. The only things that we are lacking are crops, but a partnership with Brazil will allow us to plant between 15,000 and 20,000 additional hectares every year. We can progress extensively and rapidly."

"Foreign investors are very welcome but must respect technical processes and only use the finest cocoa plants and be selective when it comes to clearing forests," Mvondo said. "Our sector is open to all kinds of international investors, big or small, willing to produce, trans-

form and export cocoa from Cameroon. China is very welcome to join."

With a diverse topography that presents challenges for the transportation and distribution of crops and fresh produce that will perish if not stored promptly, the importance of a modern and efficient transport network and infrastructure to Cameroon's economic well-being cannot be underestimated.

Due to its geographic location, and given the fact that it borders a number of landlocked neighbors, Cameroon is a strategic country when it comes to the transport of goods within the region. Renewing and upgrading highways is essential if the country is to achieve its economic potential.

Established in 1967 and supervised by the Ministry of Public Works, MATGENIE owns and maintains the equipment needed to develop and upgrade the national road network. The firm aims to achieve a 20-30 percent share of the road maintenance market and 10-15 percent slice of the road construction market by 2018. Another target is the ownership of 1,500 engineering machines by 2020 — a twelvefold increase on its 2011 total — meaning there are significant opportunities for supplying equipment to MATGENIE.

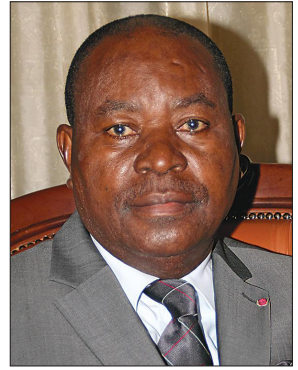
"In any country, the road network is essential both for the economy and for the welfare of its inhabitants," said Othon Niwa Long, general manager of MATGENIE.

"We have a road network that allows for the transport of goods and people, but that still has a number of limitations such as it does not cover the whole country and is not in good condition."

"For the moment, our function is to acquire the appropriate equipment and to make it available for the contractors, but we will soon be active in the construction of roads. We have a good relationship with the Chinese technical and financial partners."

"China is a vital partner for the country. We want them to suggest us new high-quality products and services. In the field of civil engineering machines, for instance, they should focus on customer service."

With more than half a century of experience assisting and supporting investors, the Cameroon National Investment Corporation, or SNI as known by its French acronym, acts as the right arm of the country in the realization of all



Cameroon has the advantage of having an extremely varied ecology, with five major agro-ecological zones."

Janvier Mongui Sossomba, president of CAPEF

structuring and strategic investments.

The SNI provides investors with the support they need for the launch of projects, in the participation in viable projects and in the identification of investment opportunities. Last year, the firm completed a feasibility study into a major new technological and agro-industrial park at Edea. One of the focal points of the Vision 2035 development plan is the overhaul of the energy and electricity sector by public bodies, privately owned companies and international investors. Billions of dollars will flow into the industry for new hydroelectric plants, dams, networks and physical distribution channels.

One such example is the Lom Pangar Dam, construction of which has been entrusted to China International Water & Electric Corp. The showcase energy project is an example of how the collaboration between Chinese and Cameroonian entities can lead to tangible structures that improve the lives of millions of people.

"The Chinese have exceeded our expectations: they work hard, always meet all deadlines, and deliver high-quality outcomes," said Théodore Nsangou, general manager of project partner Electricity Development Corp. "Lom Pangar Dam is an example of an extremely high-quality project delivered on time."

"Investors succeed in Cameroon because there is a clear strategy to improve the business environment. Access to cheaper electricity allows for industries to flourish — it is a trigger for growth. The country is making efforts to improve legal frameworks and increase competitiveness. Also, Cameroonians are intelligent with an entrepreneurial mindset."

Changing the face of potable water supply

Initiated by President Paul Biya as a long-term solution to drinking water shortages and cuts in supply in and around Yaoundé, the Sanaga Project is a cause for celebration. Created by a decree of the prime minister on 14th June 2011, the institutional framework of the project has thereby been established, together with the creation of the support unit for the works and its operational unit.

As the capital of Cameroon, Yaoundé has more than 2 million inhabitants, who collectively need 315,000 m³/day of potable water. The only drinking-water station currently supplying the city is located in Akomnyada. The station pumps water from the Nyong River, and has a maximum capacity of 100,000 m³/day. There is therefore a significant deficit.

To overcome this, the authorities have set up a system to ration the water supply within certain neighborhoods at a time, so that each receives a fair share of this precious resource. Even with this system in place, however, Yaoundé has a lot of hills, so some areas still do not receive drinking water. Camwater, the public water utilities company, has been carrying out its own projects to increase its capacity for the supply of water to Yaoundé, including the reconstruction of the Mefou plant that will bring 50,000 m³/day and the extension of the plant in Akomnyada for an extra 35,000 m³/day.

In this critical context, even more so since the flow of the Nyong river started to dwindle, the authorities had to address the challenge with the Sanaga Project. The Sanaga River is the largest in

Cameroon, with a total length of more than 600 kilometers. Three different locations along its course have been identified to build the key facilities needed:

- Nachtigal, which will have a raw-water pumping station with a total pumping capacity of up to 315,000 m³/day;

- Eman-Batchenga, which will have a drinking-water treatment plant with a total production capacity of up to 300,000 m³/day; and

- Nkometou III and Nyom II where plants to recirculate the water will be set up.

There will also be a huge water tank installed in Ndindan and a

Access to water is a key development indicator in any economy and thus very important for the accomplishment of Vision 2035.

NDONG EBOZO'O, DIRECTOR, SANAGA PROJECT

64-km long, 1,800-millimeter-wide pipe to transport the water from Nachtigal to Yaoundé.

Sanaga Saves

The Sanaga Project will cover at least the deficit and even ensure that the growing population in Yaoundé is supplied with enough drinkable water.

Its aim is to supply Yaoundé with 300,000 m³/day of drinking water, which could be increased to up to 400,000 m³/day.

"The head of state follows up on this himself," said Project Director Daniel Ndong Ebozo'o. "It's a very important project for him as it helps to ensure peace and social

cohesion in Yaoundé and the rest of the country. Access to water is also a key development indicator in any economy and thus very important for the accomplishment of Vision 2035."

The project will cost an estimated CFA franc 399 billion (\$700 billion) and should take less than three years to be completed. The China Exim Bank has financed 85 percent (\$798 million).

Following the thorough restructuring of the water sector in Cameroon between 2005 and 2008, the government wanted to create a sector that would generate its own revenues to become a viable and attractive sector and place to

invest. Camwater and local distributor Camerounaise des eaux were set up to administer this.

The viability and guarantees of the return on investment of the Sanaga Project and the water sector rely on the fact that cities like Yaoundé and Douala account for more than 60 percent of payments in the country. With more water available, more revenues can be reinvested in the water sector and it will be able to finance itself. Health and sanitary conditions will substantially improve, and given how the population in Yaoundé is growing, this will help keep a peaceful society that will not suffer from water shortages.

Ministry of Water and Energy, Sanaga Project

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