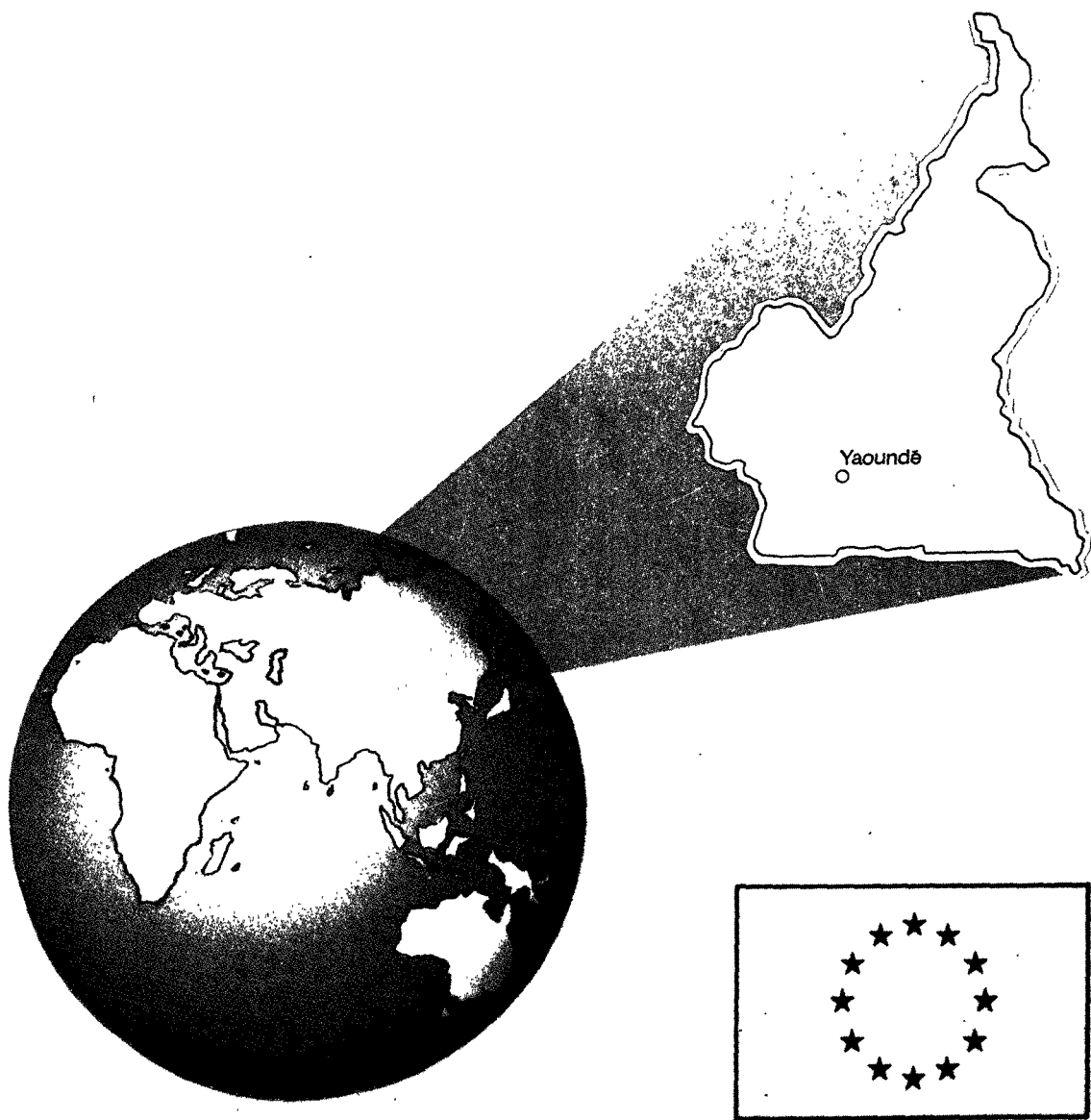


Cameroon 1992



Cataloguing data can be found at the end of this publication.

STATISTISCHES BUNDESAMT

Gustav Stresemann-Ring 11, D-65180 Wiesbaden

and

EUROSTAT, STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES

Plateau de Kirchberg, L-2920 Luxembourg

Edited by: Statistisches Bundesamt

In cooperation with the

**OVERSEAS DEVELOPMENT INSTITUTE
(ODA), LONDON**

The French version of this publication is available from the Office for Official Publications of the European Communities.

The German version of this publication may be obtained from the publisher, Verlag Metzler-Poeschel, Stuttgart. Delivery: Hermann Leins GmbH & Co. KG, Holzwassenstraße 2, D-72127 Kusterdingen. Fax: 49 / 70 71 / 3 36 53.

Luxembourg: Office for Official Publications of the European Communities, 1994

ISBN 92-826-7057-0

© ECSC-EC-EAEC, Brussels • Luxembourg, 1993

Printed in Belgium

CONTENTS

	Page
General abbreviations	5
The ECU and official exchange rates of important currencies	6
List of tables	7
List of graphics	10
Maps	11
1 General data	14
2 Geographic location and climate	27
3 Population	30
4 Health	39
5 Education	45
6 National Accounts	51
7 Agriculture, forestry and fisheries	59
8 Manufacturing industries	74
9 Tourism	91
10 Transport, traffic and telecommunications	93
11 Money and finance	100
12 Public finance	106
13 Employment	113
14 Wages and salaries	118
15 Prices	122
16 Balance of payments	126
17 Foreign trade	129
18 Foreign direct investment.....	144
19 Foreign debt	160
20 Public development aid	173
21 Development planning	204

EXPLANATION OF SYMBOLS

0	=	Less than half of 1 at the last occupied digit, but more than nil
-	=	Magnitude zero
|	=	General break in the series affecting comparison over time
.	=	Figure unknown
x	=	Available information is not meaningful

GENERAL ABBREVIATIONS*)

g	=	gram	h	=	hour
kg	=	kilogram	kW	=	kilowatt (10 ³ Watt)
dt	=	quintal (100 kg)	kWh	=	kilowatt-hour
t	=	tonne (1,000 kg)	MW	=	megawatt (10 ⁶ Watt)
mm	=	millimetre	MWh	=	megawatt-hour
cm	=	centimetre	GW	=	gigawatt (10 ⁹ Watt)
m	=	metre	GWh	=	gigawatt-hour
km	=	kilometre	P	=	pair
m ²	=	square metre	Mil.	=	million
ha	=	hectare (10,000 m ²)	Bil.	=	billion
km ²	=	square kilometre	BY	=	beginning of year
l	=	litre	MY	=	mid-year
hl	=	hectolitre (100 l)	YE	=	end of year
m ³	=	cubic metre	YA	=	year average
tkm	=	tonne-kilometre	A	=	average
grt	=	gross registered ton	MA	=	monthly average
nrt	=	net registered ton	Qrt.	=	quarter
tdw	=	tonnes deadweight (t = 1,016.05 kg)	HY	=	half-year
US\$	=	US dollar	cif	=	cost, insurance, freight included
SDR	=	Special-Drawing Rights	fob	=	free on board

SELECTED INTERNATIONAL WEIGHTS AND MEASURES

1 inch (in).....	=	2.540 cm	1 imperial gallon (imp. gal)	=	4,546 l
1 foot (ft).....	=	0.305 m	1 barrel (bl).....	=	158.983 l
1 yard (yd).....	=	0.914 m	1 ounce (oz).....	=	28.350 g
1 mile (mi)	=	1,609 km	1 troy ounce (troy oz)	=	31.103 g
1 acre (ac)	=	4.047 m ²	1 pound (lb)	=	453.592 g
1 cubic foot (ft ³).....	=	28.317 dm ³	1 short ton (sh. t).....	=	0.907 t
1 gallon (gal).....	=	3.785 l	1 long ton (l t).....	=	1.016 t

*) Special abbreviations are allocated to the respective sections. With only a few exceptions, provisional, revised and estimated figures are not marked as such. Detail may not add to total because of rounding.

THE ECU AND OFFICIAL EXCHANGE RATES OF IMPORTANT CURRENCIES Exchange rates for 1 ECU

Year	CFA franc	BFr/Lfr	Dkr	DM	FF	Dr	Ir£	Lfr	Hfl	Esc	Pta	£	US\$	SZR
1980	283.4480	40.5980	7.82738	2.52421	5.86896	59.4178	0.675997	1.189.21	2.76027	69.5522	98.7017	0.598488	1.38233	1.06447
1981	301.8885	41.2947	7.92256	2.51390	6.03983	61.6230	0.691021	1.263.18	2.77511	68.4948	102.876	0.553111	1.11645	0.94548
1982	321.5585	44.7116	8.15687	2.37599	6.43117	65.3419	0.689605	1.323.78	2.61391	78.0066	107.558	0.560455	0.97971	0.88448
1983	338.5390	45.4380	8.13189	2.27053	6.77078	78.0884	0.714856	1.349.92	2.53720	98.6886	127.503	0.587014	0.89022	0.83253
1984	343.5830	45.4421	8.14648	2.23811	6.87168	88.4154	0.725942	1.281.38	2.52335	115.680	126.569	0.590626	0.78903	0.76777
1985	339.7515	44.9137	8.01877	2.22632	6.79503	105.739	0.715168	1.447.99	2.51101	130.252	129.135	0.588977	0.76309	0.74904
1986	338.9880	43.7979	7.93565	2.12819	6.79976	137.425	0.733526	1.461.88	2.40090	147.088	137.456	0.671543	0.98417	0.83756
1987	346.4550	43.0410	7.88472	2.07153	6.92910	156.268	0.775448	1.494.91	2.33418	162.616	142.165	0.704571	1.15444	0.89214
1988	351.8220	43.4285	7.95152	2.07440	7.03644	167.576	0.775672	1.537.33	2.33479	170.059	137.601	0.664434	1.18248	0.87988
1989	351.1835	43.3808	8.04929	2.07015	7.02387	178.840	0.776818	1.510.47	2.33526	173.413	130.406	0.673302	1.10175	0.85956
1990	345.6017	42.4257	7.85652	2.05209	6.91412	201.412	0.767768	1.521.98	2.31212	181.109	129.411	0.713851	1.27343	0.93859
1991	348.5442	42.2233	7.90859	2.05076	6.97332	225.216	0.767809	1.533.24	2.31098	178.614	128.469	0.701012	1.23916	0.90571
1992 ^{a)}	347.4263 ^{a)}	42.0663	7.92808	2.04387	6.94477	236.787	0.766630	1.537.78	2.30083	175.877	128.892	0.711382	1.25757	0.91753

*: Annual averages of the daily rates.

1) Average January / April.

a) Average January / June 1992: 346.8758 CFA francs.

Sources: CFA franc:
Other currencies:

Commission of the European Communities, DG IX.
Commission of the European Communities.

The conversions in the report from US\$ into ECU were done by using the rates of exchange published by the Commission of the European Communities.

LIST OF TABLES

	Page
1 General Data	
1.1 Basic data.....	14
1.2 Important economic and social indicators of African countries	17
2 Climate	
2.1 Climate	28
3 Population	
3.1 Population trend and density according to various sources.....	30
3.2 Population forecasts	32
3.3 Fertility/mortality rates and natural population growth	33
3.4 Population according to age group.....	35
3.5 Area, population and population density according to provinces.....	36
3.6 Population distribution between town and country.....	37
3.7 Population in selected towns.....	38
4 Health	
4.1 Immunization for infants and pregnant women	42
4.2 Breakdown of the causes of death	43
4.3 Medical establishments	43
4.4 Hospital beds according to provinces.....	44
4.5 Doctors, dentists and other medical personnel	44
5 Education	
5.1 State expenditure on education	47
5.2 Schools and other teaching establishments	48
5.3 Pupils and students	49
5.4 Teachers	50
5.5 Pupil/teacher ratio	50
5.6 Pupil/classroom ratio.....	50
6 National Accounts	
6.1 Development of GDP at current market prices	52
6.2 Breakdown of gross domestic product at market prices	53
6.3 Utilization of the gross domestic product at market prices	56
6.4 Gross national and gross domestic product	57
7 Agriculture, forestry and fisheries	
7.1 Land use	60
7.2 Tractor fleet and utilization of commercial fertilizers.....	61
7.3 Harvests of selected basic food crops.....	63

	Page
7.4 Yields of selected basic food crops	64
7.5 Harvest of selected agricultural export crops	67
7.6 Producer prices for selected export fruit crops	69
7.7 Stocks of animals	70
7.8 Slaughterings	70
7.9 Production of selected animal products and sub-products.....	71
7.10 Felled timber	71
7.11 Fishing catches	73
8 Manufacturing industries	
8.1 Selected data on the oil economy	76
8.2 Installed power of the power stations	78
8.3 Production and consumption of electricity	78
8.4 Abstraction and consumption of water	79
8.5 Products of the mining industry, quarrying of stone and earth	80
8.6 Selected economic data on the processing industry	83
8.7 Production index for the processing industry	83
8.8 Production of selected products in the processing industry	87
9 Tourism	
9.1 Selected data on tourism	92
10 Transport, traffic and telecommunications	
10.1 Track length and rolling stock of the railways	93
10.2 Railroad capacity	94
10.3 Motor vehicles and density of private cars	95
10.4 Merchant shipping fleet	96
10.5 Freight traffic through the port of Douala Bonaberi	97
10.6 Transport capacities of the national air line "Cameroon Airlines"	98
10.7 Telecommunications Data	99
11 Money and finance	
11.1 Exchange rates	101
11.2 Gold and foreign exchange reserves	102
11.3 Selected data on money and finance	105
12 Public finance	
12.1 Central government budget	107
12.2 Actual budget revenue and expenditure of the central government	107
12.3 Budget revenues of the central government	109
12.4 Real budget revenues of the central government	110
12.5 Budget expenditure of the central government	111
12.6 Actual budget expenditure of the central government	112

13	Employment	
13.1	Economically active population in relation to total population	113
13.2	Economically active population and activity rate by age groups	114
13.3	Economically active population by economic sectors	115
13.4	Employees in the formal sectors	116
14	Wages and Salaries	
14.1	Wage structure according to minimum monthly wages	119
14.2	Minimum hourly wage rates for adults by selected population	120
15	Prices	
15.1	Consumer price indices in Yaoundé	123
15.2	Retail prices for selected oil products	124
16	Balance of payments	
16.1	Trends in the balance of payments	127
17	Foreign trade	
17.1	Trade balances	130
17.2	Main export products (FOB)	132
17.3	Exports: client countries	134
17.4	Main import products and groups of products (CIF)	137
17.5	Imports: supplier countries	149
18	Foreign direct investment	
18.1	Private foreign capital contributions (flow)	144
18.2	Foreign capital in Cameroonian companies	146
18.3	Trends in foreign capital in Cameroonian companies	148
18.4	Foreign capital in the leading 50 companies	148
18.5	Foreign capital in the leading 131 companies	149
18.6	Distribution according to country of foreign capital in Cameroonian companies	153
19	Foreign debt	
19.1	Total level of public and publicly guaranteed foreign indebtedness	161
19.2	Public and publicly guaranteed foreign indebtedness: total, servicing, payments per creditor	163
19.3	Service due on public and publicly guaranteed foreign debt	165
19.4	Actual servicing of public and publicly guaranteed foreign debt	166
19.5	Actual servicing of public and publicly guaranteed foreign debt in 1991/92	168
19.6	Arrears on public and publicly guaranteed foreign debt	169
19.7	Gross disbursements of funds from foreign loans	170

	Page
20 Public development aid	
20.1 Resources received by Cameroon.....	173
20.2 Sectoral breakdown of PDF allocations.....	178
20.3 PDA allocations, net PDA, net TRPS, according to creditor.....	181
20.4 Allocations of donations and loans per sponsor from 1985 to 1989	184
20.5 PDA concessionary rates per creditor/sponsor.....	186
20.6 Distribution of allocations per creditor and sector	188
20.7 EDF actions (1958 - 1989)	191
20.8 Community actions 1980 - 1990	193
20.9 Multilateral EC actions per sector (1960 - 1989)	194
20.10 Implementation of indicative programmes drawn up under Lomé III (6th EDF).	196
20.11 Implementation of regional indicative programmes (Central Africa) of Lomé III (6th EDF)	197
20.12 Loans from the EIB (1965 - 1985)	199

LIST OF GRAPHICS

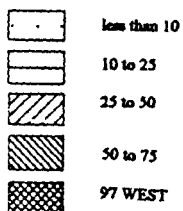
3 Population	
3.1 Age Pyramid of the Cameroonian Population in 1970 and 1990.....	34
4 Health	
4.1 Cumulative number of Aids cases	41
5 Education	
5.1 Illiteracy rate in 1985, 1990 and 2000.....	47
6 National Accounts	
6.1 Breakdown of GDP at market prices (at current prices) 1989-90.....	55
6.2 Share of gross investments in GDP at market prices (1984-85 to 1988-89).....	58
7 Agriculture, forestry and fisheries	
7.1 Harvest of selected agricultural exports.....	68
7.2 Producer prices for selected agricultural exports	68
8 Manufacturing industry	
8.1 Selected data on the oil industry	76
12 Public Finance	
12.1 Budget of the central government	108
15 Prices	
15.1 Consumer price indices at Yaoundé	123

CAMEROON

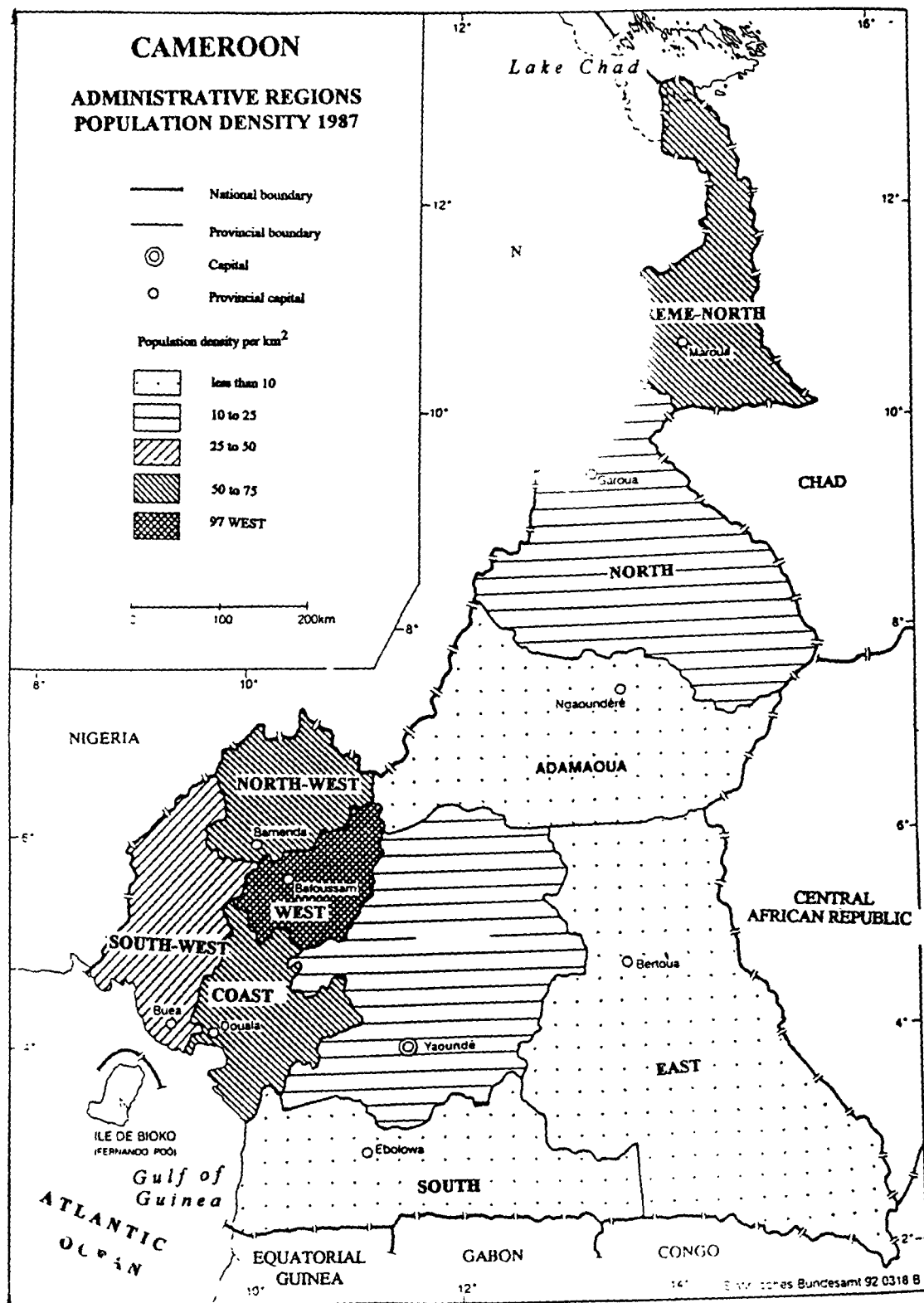
ADMINISTRATIVE REGIONS POPULATION DENSITY 1987

- National boundary
- Provincial boundary
- ⊙ Capital
- Provincial capital





Population density per km²

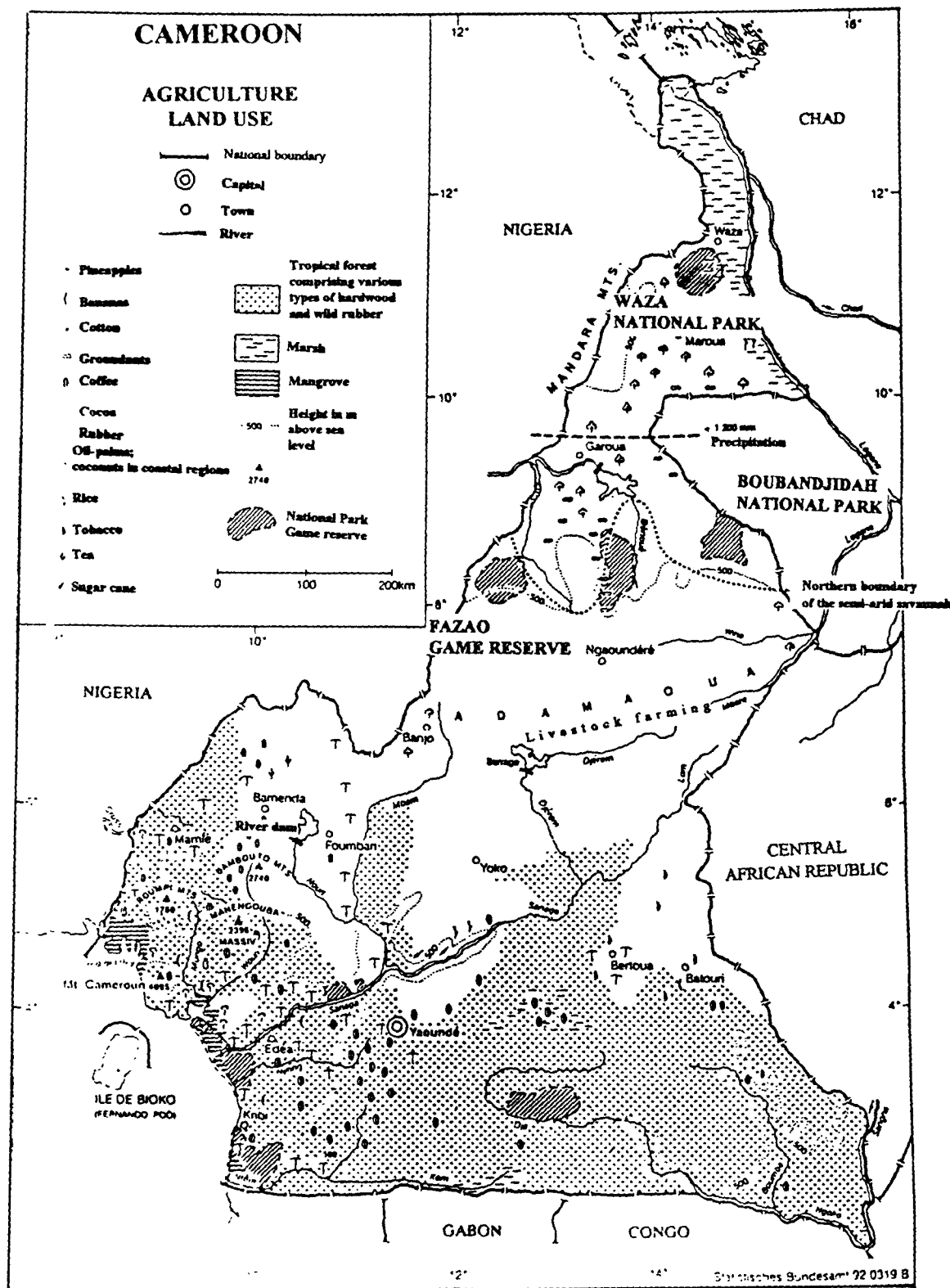


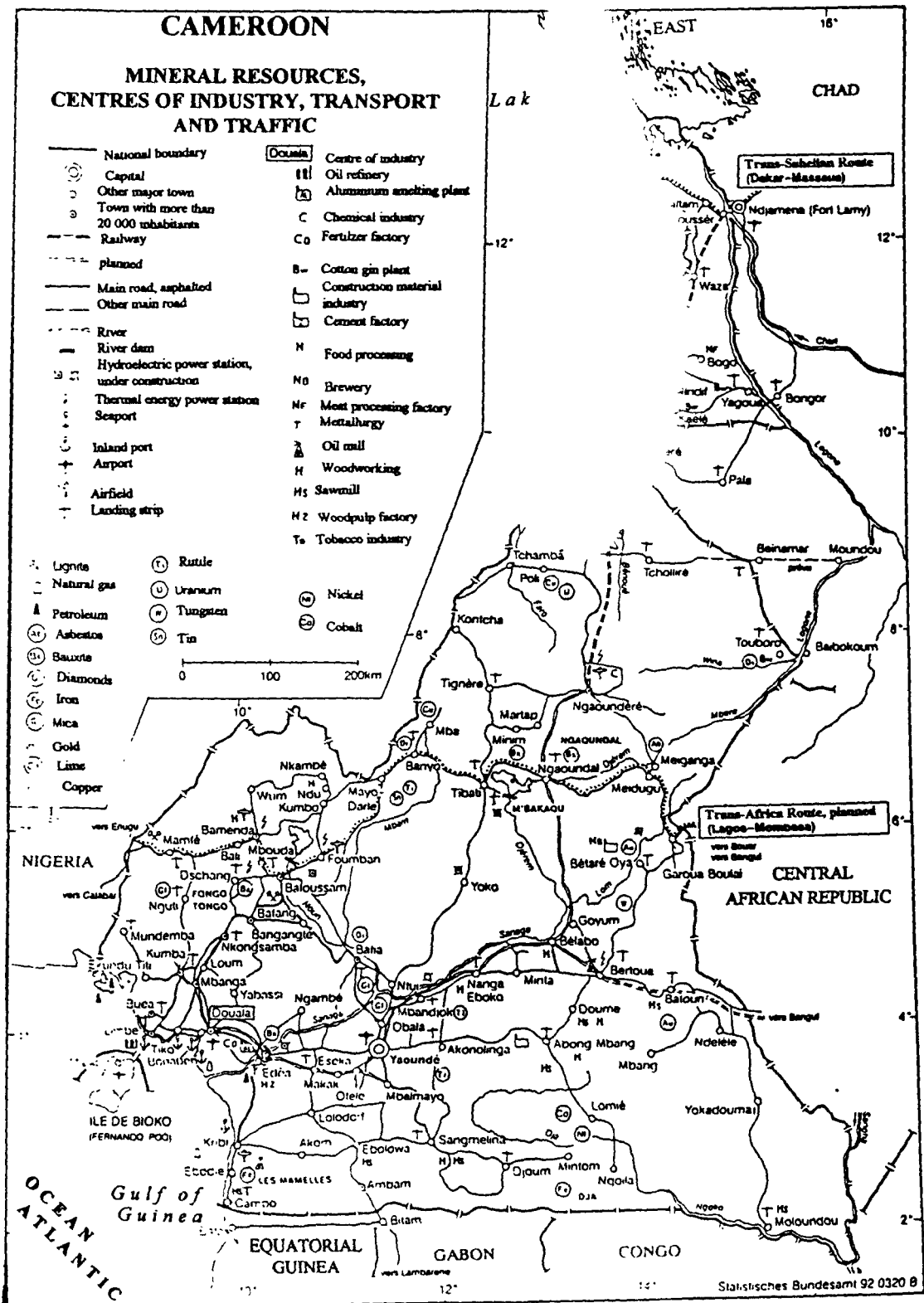
0 100 200km



AGRICULTURE LAND USE

-  National boundary
 Capital
 Town
 River
- Pineapples
 (Bananas
 • Cotton
 □ Groundnuts
 □ Coffee
 Cocos
 Rubber
 Oil-palms;
 coconuts in coastal regions
- Tropical forest
 comprising various
 types of hardwood
 and wild rubber
 Marsh
 Mangrove
 Height in m
 above sea
 level
 500
 2748
- Rice
 Tobacco
 Tea
 Sugar cane
- National Park
 Game reserve
- 0 100 200 km





1. GENERAL DATA

1.1 BASIC DATA

	Units				
Territory			475,442		
Total area	km ²				
Usable agricultural area and areas of permanent cultivation	km ²	1989:	70,080		
Population					
Total population					
Census results	1,000	1976:	7,663	1987:	10,494
Annual average ¹⁾	1,000	1980:	8,653	1991:	12,239
Population growth	%	1976/1987:	36.9	1987-1991:	13.4
Annual average population growth rate	%	1976/1987:	2.9	1987/1991:	3.2
Population density	inh. per km ²	1976:	16.1	1991:	25.0
Births	per 1,000 inh.	1970/75 A:	46.0	1990/95 A:	47.3
Deaths	per 1,000 inh.		20.2		13.3
Deaths in the first year of life	per 1,000 live births		119		86
Life expectancy at birth:					
Men	years		43.5		53.5
Women	years		46.5		56.5
Health					
Hospital beds	number	1979:	22,999	1988:	29,285
Inhabitants per hospital bed	number		363		370
Doctors	number	1980:	553	1987:	888
Inhabitants per doctor	1,000		15.5		11.8
Dentists	number		10		48
Inhabitants per dentist	1,000		859.1		218.6
Education					
Illiterates (15 years and above)	%			1990:	45.9
Primary school pupils	1,000	1980/1981:	1,379.2	1989/1990:	2,107.1
Secondary school pupils	1,000		169.3		397.2
Students	1,000		11.7	1986/1987:	19.6
National Accounts					
GDP at market prices:					
at current prices	bil. CFA francs	1979/1980:	1,569	1988/1989:	3,495
at 1986/1987 prices	bil. CFA francs		2,762		3,538
per inhabitant	1,000 CFA francs		326.1		321.6
Agriculture, forestry and fisheries					
Harvests of:					
Maize	1,000 t	1979/81 A:	418	1990:	350
Sorghum	1,000 t		301		380
Manioc	1,000 t		1,273		1,583
Sugar cane	1,000 t		1,072		1,330
Plantain	1,000t		1,022		1,160

1) United Nations figure

	Units				
Agriculture, forestry and fisheries (cont.)					
Harvests of:					
Bananas	1,000 t	1985/1986:	56.0	1990/91:	100.0
Coffee	1,000 t		97.7		86.0
Cocoa	1,000 t		120.0		95.0
Raw cotton	1,000 t		115.5		112.0
Head of cattle	1,000	1979/81 A:	3,521	1990:	4,697
Timber felled	1,000 m³	1980:	10,197		14,126
Fish catches	1,000 t	1984:	87.3	1989:	77.6
Industry					
Installed power of power stations	MW	1980/1981:	504	1987/1988:	754
Electricity generators	million kWh	1981:	1,908	1989:	2,699
Mining of					
Oil	million t	1985/1986:	8.94	1992/1993:	5.04
Tin ore (Sn)	t	1983:	24.	1989:	5
Or (Au)	kg		8		8
Production of					
Petrol	1,000 t	1984:	370	1989:	397
Kerosene	1,000 t		290		298
Cement	1,000 t		694	1988:	586
Aluminium	1,000 t		73.1	1991:	85.6
Shoes, leather and rubber	1,000 pairs		3,572	1988:	1,733
Palm oil	1,000 P		77	1989:	102
Beer	1,000 hl		3,976	1988:	5,105
Cigarettes	million		2,319	1989:	4,300
Tourism					
Overnight stays	1,000	1982:	730	1987:	765
Foreign visitors	1,000		390		304
Foreign exchange revenue	bil. CFA francs		11.4		18.6
Transport and communications					
	km	1987:	1,165	1988:	1,104
Length of rail tracks	km			1987:	65,718
Length of roads	number	1980:	5.3		7.5
Cars per 1,000 inhabitants					
Passengers on Cameroon Airlines	1,000	1985/1986:	533	1989/1990:	466
	1,000	1971:	22.0	1987:	32.4
Number of telephone lines	1,000		-		120
Number of television sets					
Money and credit					
Comparative value	CFA francs - 1 ECU	end 1983:	338.54	end 1991:	348.54
	CFA francs - 1 US\$		417.38		259.00
Foreign exchange reserves	million US\$	end 1984:	47.55	Aug. 1991:	20.54
Public Finance					
Central government budget					
Actual revenue	mil. CFA francs	1985/1986:	877.2	1989/1990:	537.00
Actual expenditure	mil. CFA francs		926.4		703.7
Foreign indebtedness of the central government	mil. CFA francs	1981/1982:	419.1	1990/1991:	1,503.4

	Units				
Employment					
Economically active population	1,000	1976:	2,758	1987:	4,269
Men	1,000		1,656		2,627
Women	1,000		1,102		1,642
Activity rate	%		36.0		39.4
Prices					
Cost of living index at Yaoundé					
African families	1980 = 100	1979:	90.9	3rd qtr 1990:	223.2
European families	1980 = 100		91.8		172.1
Foreign trade (FOB)					
Exports	bil. CFA francs	1980:	306.8	1991 (E):	415.0
Imports	bil. CFA francs		299.6		527.0
(E): Estimate					
A: Average					

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator	Nutrition		Health		Education	
	Calorie supply 1986		Life expectancy at birth 1990	Inhabitants per hospital bed 1985	Literates as percentage of total population (aged 15 and over) 1990	Registered pupils as percentage of all children of primary school age 1987 ¹⁾
	per inhabitant per day					
Country	kcal ²⁾	% of needs ³⁾	years	number	%	
Algeria.....	2,715	112	64	439	58	96
Angola.....	1,880	82	43 (87)	693 (86)	41	93
Benin.....	2,184	95	48	1,016 (81)	23	63
Botswana.....	2,201	96	59 (87)	452 (84)	74	111
Burkina Faso	2,139	86	49	1,180 (84)	18	32
Burundi	2,343	97	58 (87)	831 (84)	34 (85)	67
Cameroon.....	2,028	88	52	370 (88)	54	109
Cape Verde	2,729 ^{b)}	.	63	512 (80)	50	108
Central African Republic.....	1,949	86	47	672	38	66
Chad	1,717	69	47	1,278 (78)	30	51
Comores.....	2,109 ^{b)}	.	54	528 (80)	48 (80)	80
Congo	2,619	117	50	225 (81)	57	156 (82)
Côte d'Ivoire ⁴⁾	2,562	110	54	912 (82)	54	70
Djibouti.....	.	.	49	286 (81)	12 (85)	45
Egypt.....	3,342	132	63	788 (86)	48	90
Equatorial Guinea.....	.	.	48	170 (80)	50	108
Ethiopia.....	1,749	71	43	2,787 (80)	66 (86)	37
Gabon.....	2,521	107	53	228	61	126 (86)
Gambia.....	2,365 ^{b)}	99	45	928 (80)	27	62
Ghana.....	1,759	76	56	584 (81)	60	71
Guinea	1,776	77	44	592 (76)	24	30
Guinea-Bissau.....	.	105	47	529 (81)	37	56
Kenya	2,060	92	60	653	69	96
Lesotho.....	2,303	101	58	715 (86)	74 (85)	113
Liberia	2,381	102	56	654 (81)	39	34
Libya	3,601	153	63	201 (82)	64	127 (85)
Madagascar.....	2,440	106	55	449 (82)	80	94
Malawi.....	2,310	102	48	606 (87)	41 (85)	66
Mali.....	2,073	86	48 (87)	1,864 (83)	17	23

For footnotes, please see end of table.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator	Nutrition		Health		Education	
	Calorie supply 1986		Life expectancy at birth 1990	Inhabitants per hospital bed 1985	Literates as percentage of total population (aged 15 and over) 1990	Registered pupils as percentage of all children of primary school age 1987 ¹⁾
	per inhabitant per day					
	Country	kcal ²⁾	% of needs ³⁾	years	number	%
Mauntania.....	2,322	92	48	1,313	28 (85)	52
Mauritius.....	2,748	121	70	357 (83)	83	106
Morocco.....	2,915	118	63	854	50	71
Mozambique.....	1,595	69	48	984 (81)	33	83
Namibia.....	1,824	82	58	180 (89)	72 (86)	.
Niger.....	2,432	98	46	1,389	28	29
Nigeria.....	2,146	90	52	1,370	51	77
Rwanda.....	1,830	81	50	633 (82)	50	68
Sao Tomé and Principe.....	2,386 ^{b)}	.	65 (88)	129 (78)	93	.
Senegal.....	2,350	99	47	1,342	58 (86)	60
Seychelles.....	2,269 ^{b)}	.	70 (88)	168 (86)	38	103
Sierra Leone.....	1,854	81	43	892	88 (82)	54
Somalia.....	2,138	90	47 (87)	831	67	15
South Africa.....	2,924	120	62	174 (83)	61 (80)	105 (72)
Sudan.....	2,208	88	51	1,202 (83)	24	49
Swaziland.....	2,550 ^{b)}	110	57	398	93 (86)	104
Tanzania.....	2,192	96	54	565 (82)	68 (87)	67
Togo.....	2,207	97	55	749	43	101
Tunisia.....	2,994	123	67	462 (86)	65	117
Uganda.....	2,344	95	53	702 (81)	48	70
Zaire.....	2,163	98	54	355 (79)	72	76
Zambia.....	2,126 ^{b)}	92	54 (88)	336 (87)	76 (85)	97
Zimbabwe.....	2,132	89	60	755	21	128

* Figures in brackets refer to years.

1) Percentages greater than 100% refer to pupils counted by classes, whereby some of the pupils do not belong to the equivalent groups.

2) 1 kilocalorie = 4.187 kilojoule.

3) 1984/86 average

4) Formerly Ivory Coast

a) Ten years and over.

b) 1984/86 average.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator	Agriculture		Energy	Foreign Trade	Transport	Communications		National Product
	Proportion of		Energy consumption per inhabitant 1988	Proportion of manufactured products in total exports 1988 ¹⁾	Cars 1987	Tele- phone lines 1989	Television sets 1987	GNP at market prices per inhabitant 1988
	agriculture in GDP 1988	population active in agriculture 1988						
	Country	%			kg oil equiv ²⁾	per 1,000 inhabitants			US$
				Number				
Algeria	13	26	1,094	4	31 (85)	28	70	2,360
Angola	45 (86)	71	202 (86)	1 (86)	13 (88)	7 (87)	5	.
Benin	40	63	46	26	3 (79)	3	4	390
Botswana.....	3	65	415	.	14	12 (87)	7	1,010
Burkino Faso	39	84 (90)	18 (86)	2	3 (83)	2	5 (88)	210
Burundi.....	56	92	20	16	2	1 (87)	1	240
Cameroon.....	27 (89)	63	152	12	8	3	11	1,010
Cape Verde .....	.	45	117 (84)	33 (87)	9 (84)	8	.	680
Central African Rep. .	44	65	30	40	0 (86)	2	2	380
Chad.....	47	77	18	10 (87)	2 (81)	1	.	160
Comores.....	41 (82)	80	27 (84)	18 (80)	8 (86)	5	0	440
Congo.....	15	60	245	11	19 (82)	8	3	910
Côte d'Ivoire ³⁾	36 (87)	58	175 (86)	12	18 (24)	6 (88)	53	770
Djibouti.....	4 (83)	.	181 (84)	.	27 (82)	12	48	.
Egypt.....	21	42	607	35	15	26	83	660
Equatorial Guinea.....	.	58	63 (84)	.	14 (72)	3	6	410
Ethiopia.....	42	76	20	1	1 (88)	2	2	120
Gabon.....	11	69	1,134	14	14 (85)	15	23	2,970
Gambia.....	33 (84)	82	89 (84)	14 (84)	8 (85)	5	.	200
Ghana.....	49	51	125	3	3 (85)	3	13	400
Guinea.....	30	76	78	2 (81)	2 (81)	3	2	430
Guinea-Bissau.....	.	80	29 (84)	8 (80)	.	6	.	190
Kenya	31	78	94	17	6 (84)	6	6	370
Lesotho.....	21	80 (89)	10 (87)	.	3 (84)	7 (88)	1	420
Liberia.....	37 (86)	71	164	1	4	4	18	450 (87)
Libya.....	2 (84)	14	2,719	1 (84)	154 (81)	65	63	5,420
Madagascar.....	41	77 (89)	39	16	2 (88)	2	9 (88)	190

For footnotes, please see end of table.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator	Agriculture		Energy	Foreign Trade	Transport	Communications		National Product
	Proportion of		Energy consumption per inhabitant 1988	Proportion of manufactured products in total exports 1988 ¹⁾	Cars 1987	Telephone lines 1989	Television sets 1987	GNP at market prices per inhabitant 1988
	agriculture in GDP 1988	population active in agriculture 1988						
			per 1,000 inhabitants					
Country	%		kg oil equiv ²⁾	Number				US\$
Malawi.....	37	76 (89)	42	17	2	4 (91)	.	170
Mali.....	49	82	21	30	3	1 (87)	0	230
Mauritania.....	38	66	111	2	8 (85)	2 (87)	1	480
Mauritius.....	13	24	402	62	35 (86)	48	188a)	1,800
Morocco.....	17	38	239	50	26 (86)	12	56a)	830
Mozambique.....	62	82	86	1 (84)	2 (83)	3	1	100
Namibia.....	15 (90)	20 ^{b)}	.	.	.	26 (88)	16 (88) ^{a)}	1,030
Niger.....	36	88	43	4	6 (83)	1	3	300
Nigeria.....	34	66	150	2	3 (81)	2	6	290
Rwanda.....	38	92	41	1	1	1	.	320
Sao Tomé & Príncipe.....	.	.	128 (84)	0 (77)	.	18	.	490
Senegal.....	22	79	155	24	12 (85)	4	32	650
Seychelles.....	8 (83)	.	432 (84)	7 (85)	64 (81)	103	43	3,800
Sierra Leone.....	46	64	76	59	5 (84)	4	9	300 (87)
Somalia.....	65	72	66	5	1 (80)	1 (87)	0	170
South Africa.....	6	14 (89)	2,439	80 ^{c)}	99 (89)	96 (88)	66 (88) ^{a)}	2,290
Sudan.....	33	63	58	7	5 (85)	3	52	480
Swaziland.....	20 (81)	68	.	.	21 (84)	14	12	810
Tanzania.....	66	82	36	18	3	3	1	160
Togo.....	34	70	54	9	1	3	5	370
Tunisia.....	14	26	499	64	37 (88)	32	68	1,230
Uganda.....	72	82	25	0	1 (86)	2	6	280
Zaire.....	31	67	74	7	1 (86)	1	1	170
Zambia.....	14	70	376	2	11 (83)	11 (87)	25 (88)	290
Zimbabwe.....	11	69	527	40	28 (86)	13	22	650

*) Figures in brackets refer to years.

1) SITC headings 5 - 8. 2) 1 kg oil equivalent unit = 0.043 Gigajoule. 3) Formerly Ivory Coast.

a) Receiving permits b) Employees in the registered sector. c) Figures for the Customs Union of South Africa (members are South Africa, Namibia, Lesotho, Botswana and Swaziland) without data on mutual trade.

1.3 GENERAL PREFACE

Topographically, Cameroon comprises a coastal plain, a high plateau in the south and the lowlands of the lake Chad Basin in the north. The vegetation ranges from the southern equatorial forest through a central savanna region to the grasslands of the north. A population of 12 million (1991) lives on a total area of 475,000 km², giving an average of 25 inhabitants per km², which is relatively dense compared to the neighbouring countries of Central Africa. This population is growing swiftly (+3.4% p.a. on average); forecasts for the year 2000 predict that there will be 15-17 million inhabitants, with the number expected to reach at least 29 million in 2025. As in other African countries, the rapid increase in population is due to a rising birth rate coupled with a reduction in deaths. Demographically, there is a regional imbalance, with a density varying from 4.7 to 96.6 inh./km². The urban population is growing apace (+6% p.a.) and it was estimated that, in 1991, 42% of the total population lived in towns, in particular Douala and Yaoundé. The number of economically active persons (39.4% in 1987) is rising, but more so for men than for women. At +4.1% p.a., the active population is increasing faster than the total population. In 1987, altogether 65% of persons aged 15 years and more made up this active population, of whom 25% were jobless, with unemployment rising as high as 40% in urban areas (1991 estimate). According to the 1987 census, 82% of the active population worked in the primary sector.

With regard to health, cholera and yellow fever are still endemic, particularly in the north, and AIDS has been spreading at an accelerating rate. Preventive medicine is not yet sufficiently developed, and the provision of health care varies greatly from one region to the next. Immunization campaigns are equally insufficient to combat disease successfully. In contrast, curative medicine is improving and the ranks of medical personnel are swelling.

Despite injections of finance by the state, the education system still shows structural weaknesses. Although education is the largest item on the national budget (13.6% in 1990-91), the financial crisis that the country is going through has meant that teaching conditions have deteriorated. With the number of universities now at five and the school and student population growing, there has been a marked expansion in the educational infrastructure. On the other hand, more than one child in four does not attend primary school (the regional disparity being very high here) as there is a lack of teachers (52.7 pupils per primary teacher in 1989-90) and buildings at this level. The average illiteracy rate in 1990 was 46%, though this was higher for women than for men.

Cameroon experienced steady growth between 1968 and 1976 (+4.3% p.a. in real terms of GDP), strong growth between 1977 and 1986 (+7.4%), and, laterally, a negative growth rate from 1986/87 onwards (-6%). The real per capita GDP in 1988-89 was therefore lower than that in 1979-80 (1988-89: GDP equals 3,495 billion CFA francs). The reasons for this recession may be found in the fall of the world commodity prices for oil, cocoa, coffee and cotton, in the effective revaluation of the CFA franc against the dollar (devaluation of the dollar), in the diminishing crude oil resources and slowed oil production, and in the subsequent drop in investment (a reluctance on the part of foreign investors to commit their funds in Cameroon). At present, there are no signs of an economic recovery in sight.

Agriculture (including forestry and fisheries) remains the pillar of Cameroon's economy, accounting as it does for nearly 27% of GDP (1989-90). Nearly four fifths of the active population is employed in this sector and agricultural produce makes up more than 30% of all exports. The farms are small

(1.6 ha on average). 70% of all cultivated land is farmed in smallholdings of less than two hectares. Farming is for the most part non-mechanized and very little use is made of farming aids with the result that crop yields are low. Cameroon is self-sufficient in foodstuffs, but this again varies according to region. The main food crops are maize, plantain, manioc, yams, millet, sorghum, potato, sweet potato and rice. Of its agricultural produce, the country's principal exports are cocoa and coffee, while cotton, bananas, tea, rubber and pineapples are also prominent; it was the falling world prices for these products that generated the crisis and led to government deficits and a delay in payments by the state to farmers. As a consequence of this, sales and marketing were privatized, which in some cases resulted in harvests not being bought from the producers as profits would have been too low. Current policy is aiming to improve productivity and eliminate subsidies.

Livestock farming is widespread, especially in the north. Forestry, too, plays an important role. More than three quarters of all trees felled are processed for firewood and charcoal. There are, moreover, roughly 100 forestry companies (including some major foreign enterprises in this sector), 20 large sawmills and five plywood factories. Fisheries, however, are on the decline.

In 1989-90, industry contributed 27.8% towards the GDP. Cameroon's industry grew very rapidly from 1980-85 as a result of the oil boom. The ensuing recession in the oil sector (-42% in four years) led to a serious slump in industrial activity (-33%). The general economic slowdown and the crisis in state finances led to falling industrial exports, tax revenues, salaries and employment levels, which affected nearly all branches of industry. It should be stressed that Cameroon is self-sufficient as regards energy (wood, oil and hydroelectric power). Despite very great deposits of natural gas, these have not been developed due to the high costs of production and the low prices to be obtained on the world market. One single major company accounts for 80% of crude oil production. There is a vast potential in hydroelectric power, but this is at present hardly being exploited. The processing industry, though significant, operates mainly to satisfy domestic demands. After initially concentrating on the processing of agricultural produce, the industry has diversified. State earnings from activities in crude oil processing have enabled public spending in the secondary sector. Today, the processing industry is dominated by about 30 large companies, the remainder being accounted for by several hundred small and medium-sized companies (with less than ten employees each); foreign involvement, particularly French, is strong. The major branches of industry are: beverages and tobacco processing, processing of agricultural produce, textiles and clothing, and the production and machining of metals (mainly aluminium). The building sector is currently in a deep trough, and the prospects for Cameroon's industry in general are fairly bleak. In this context, the government has instituted an industrialization plan with a view to eliminating the structural weakness which lies behind this industrial decline.

Cameroon offers great potential in the area of tourism, but tourist as well as conference facilities are lacking, so that the development of tourism has been very slow. Nevertheless, there has been an increase in the hotel and catering sector since 1985-86, with 150 hotels officially listed in 1988. Along with controlling prices in general, the state also fixed the prices of hotel rooms, which for a long time inhibited any improvement in hotel and catering services.

Considering its size, Cameroon's transport and traffic facilities are underdeveloped. The railroad network is 1,100 km long; the complement of rolling stock is being increased and the number of passengers is rising, but freight traffic is on the decline. Cameroon has a road network of 66,000 km, comprising 35,000 km of main roads and 31,000 km of secondary roads; altogether 3,000 km are

asphalted, but the proportion again varies greatly from region to region. Commercial traffic is an important factor. Despite an increase, the number of cars still remains low. The merchant shipping fleet has grown very rapidly, but maritime traffic has suffered as a result of the economic crisis. Cameroon has its own airline, three international airports and a very dense network of domestic air routes. After a period in the doldrums, air transport is now picking up again. Finally, the telephone network is far from adequate.

Cameroon is a member of the franc zone. The strong fluctuation in the CFA franc in relation to the dollar is a result of the movements of the French franc against the dollar. The progressive overvaluation of the CFA franc compared to the dollar has had serious consequences in terms of export revenues, causing them to fall sharply and thus trigger a recession. Foreign exchange reserves (linked to oil sales) have also seesawed. The banking system, though well developed, has encountered grave financial problems, i.e. partial insolvency, liquidity and profitability crises, requiring restructuring and recapitalization. Finally, the budget deficit caused net international assets to crumble.

The rise in oil revenues led to increased public spending. The drop in oil prices in 1986 resulted in a financial crisis due to the late adoption of an austerity policy. Spending increased unchecked while revenues dwindled so that real expenditure outstripped the budgeted amounts, and real revenues failed to meet budgeted levels. As a consequence, Cameroon experienced a high budget deficit throughout the second half of the 1980s. The budget proved to be inflexible, with irreducible expenditure compounded by a steadily shrinking basis of taxation. Consolidation of public finances was hampered by the economic recession, and the government had to continue to borrow foreign capital to make up the deficit. The introduction of new taxes did not succeed in resolving the problem in the face of a massive drop in oil and oil-related revenues. A very high level of investment and the marked rise in salaries disbursed by the state played their own part in creating the budget crisis. In an attempt to resolve the problem, policy measures include combating smuggling, corruption and tax fraud on the one hand, and reducing personnel expenses (which is proving very difficult), subsidies and investments (drastically) on the other hand. At the same time there is a steep rise in interest on foreign indebtedness (interest on national indebtedness now accounts for one quarter of all current expenses).

The number of registered salaried employees is rising, especially in the public sector (one third). However, it is still planned to reduce jobs in public services as part of the structural adjustment programme. The state is now having to retire its employees early at 50 years of age (but will they really receive a pension?) and shed 12,000 jobs. The economic recession also led to reduced employment in the private sector. The sharp rise in unemployment as a result of the economic crisis is exacerbated by the rural exodus and the arrival of young school leavers and university graduates on the job market. Given this scenario, the project Dimension Sociale de l'Ajustement (social impact of adjustment - SIA) proposes to finance the creation of small companies as well as vocational training for the unemployed. However, these measures are insufficient and only an economic recovery can put a stop to the rise in unemployment. Until now the high personnel costs and the laws governing job security have favoured the establishment of industries tending to require more capital than labour, which has done little to alleviate unemployment. Great differences in salary according to trades and professions have, in their turn, rendered the labour market more complex and produced economic disparities between different branches of industry.

Due to its membership of the franc zone, price increases in Cameroon tend to follow those in France fairly closely, i.e. they are moderate. Cameroon's inflation rate is therefore very much lower than that of neighbouring non-franc-zone countries. Consumer prices have been rising less steeply since 1983-84. One of the main reasons for the sharp fall in inflation since 1987-88 was the liquidity crisis as a result of a growing balance of payments deficit, flight of capital, a diminution of foreign exchange reserves, the crumbling of government bank reserves, a growing credit demand by private enterprise and the revaluation in real terms of the CFA franc against the dollar (amortization of price increases on imported goods). In contrast, all through the 1980s the rise in consumer prices for European households (numerous imported products) was less high than for African households (mainly local products), while the latter already have a much lower standard of living. In June 1989 a whole series of price controls were revoked, except for 16 basic products which are still subject to import restrictions and import licences.

Cameroon's balance of payments is negative. The trade surplus is not sufficient to cover the services deficit, and the capital surplus is not large enough to redress the balance. The drop in oil prices and the initial continued rise in imports combined to shrink trade surpluses from 1986 onwards. Interest on the national indebtedness weighs very heavily in the balance of services. The subsequent reduction in imports and interest on indebtedness (refunding) did not succeed in bringing about an equilibrium of any duration. Balance of payments forecasts are pessimistic: the decline in export revenues (oil, cocoa, coffee) diminishes the trade surplus, which in turn fails to cover the losses in the services sector. The repayment of foreign debts draws heavily on the balance of capital. Under the circumstances, direct aid appears ever more necessary, and another round of restructuring of foreign indebtedness indispensable.

The trade surplus experienced since 1981 is due to oil exports, but Cameroon's strength is also its weakness. The marked rise in coverage of imports by exports was not sufficient to compensate for the downward slide which set in in 1985-86. Import capacities were then reduced, especially as regards investments. Exports reached their highest point in 1984-85. The decline (falling world prices and weakening dollar) is the reason for the economic crisis in which Cameroon finds itself. Oil has been the premier export product since 1980, followed by primary agricultural products (cocoa, coffee, wood, cotton, etc.) and aluminium. Depending on the year, two thirds to three quarters of exports go to EC countries, primarily to France (40%), but also to Spain, Italy, and the Netherlands. Cameroon exports more to the EC than it imports from it. Imports reached a highpoint in 1985-86, the subsequent reduction being due to the economic crisis, the fall in exports and dwindling foreign exchange reserves. Around 40-50% of imports are accounted for by semi-finished products, then - until 1986-87 - capital goods, followed by finished products (rapidly increasing, in particular foodstuffs, to the tune of 33%). A total of 60-70% of imports come from the EC, with France still leading, though its contribution has fallen from 68%-58%. Next come Germany, Belgium and Luxembourg, and Italy. There has been a diversification in the origin of imports to Cameroon. Besides official trade, illicit trade (smuggling) cannot be underestimated, especially traffic between Cameroon and Nigeria. The present structural adjustment programme aims at easing trading restrictions and increasing exports. This policy is being implemented within the framework of the new Programme Général des Echanges (General Trading Programme) which was enacted in 1989.

Since 1985 there has been less and less private foreign capital entering Cameroon, and the tendency is continuing, with investments at a standstill. Nevertheless, foreign capital still plays a very

important role in Cameroon's economy, and in many companies the majority holding is in foreign hands. In 1984 the rate of foreign capital majority holdings was 64%. The main sectors concerned are agriculture and food, general trading and financial institutions. More than four fifths of all foreign capital invested in Cameroonian companies came from EC countries, a higher rate than ever before. The market is dominated by four large foreign groups, three French and one British. Among the major investing countries are France (in first place with traditional and diversified links), the United Kingdom, the USA, and Germany. In 1990, new legislation was enacted covering investment activity, and the franc zone was created; this is being implemented progressively.

Foreign indebtedness grew swiftly between 1975 and 1980; this period corresponds to the establishment of oil production facilities. The rise continued all through the 1980s. In 1990, foreign indebtedness represented 57% of GDP as compared with 15% in 1970. The proportion covered by bilateral debts is rising, while private indebtedness is falling. New credit agreements have been signed since 1985 in an attempt to bring the state accounts back into balance and the debt incurred by public development aid rose steeply from 1986 onwards. Indebtedness increased as petrol prices fell. The majority of foreign financing has been accomplished by non-concessionary loans or in other words loans at high rates of interest. In 1991, the EC was the creditor for nearly two thirds of total national indebtedness in the form of public and publicly guaranteed loans, most of these being bilateral (four fifths of the total). France is the foremost creditor of Cameroon funds (33%), but Germany, too, plays an important role (17%). On a multilateral level, the World Bank heads the list of creditors at 16%. Debt servicing of national indebtedness has also risen sharply; in 1990-91, it represented 44% of exports of goods and services, including arrears in payment. Bilateral servicing is falling, while multilateral servicing is increasing. Half of the total concerns the EC, the other half being essentially multilateral; 62% of debt servicing (on public and publicly guaranteed foreign loans) is due to France, to the World Bank, and to Germany. Effective debt servicing only represented 30% of service due in 1990-91, or 19% if one includes arrears. In settling its debts Cameroon devotes the major part of its funds to multilateral debts which it cannot escape (multilateral arrears in 1991 amounted to 3%). In 1990-91, 72% of effective debt servicing went to the World Bank (44%) and France (28%). The country first went into arrears in 1985-86 and the figure has been mounting ever since (285 billion CFA francs in 1991); 72% of this was due to France, Austria, and Germany. The rise in multilateral loans is creating an upward spiral, making it ever more difficult to repay them; a certain disaffection has also been noticed in the private lending sector (a drop in borrowing from the banking system). From 1987-90 the EC provided two thirds of all loans, almost all of them bilateral. In 1989 Cameroon appeared before the Paris Club for the first round of refunding on bilateral public and publicly guaranteed loans from the member countries of this club. Nevertheless, arrears continued to accumulate. Under the circumstances a second appearance before the Paris Club seems to be inevitable as well as a first appearance before the London Club (trading debts).

Public aid to Cameroon is increasing (disbursements in 1989 amounted to 207 billion CFA francs or 5.9% of the GDP); this is composed of public development aid (72%) as well as other forms of aid (28%) which were above all arranged through the World Bank. Donations are rising in absolute terms and as a percentage of the public development aid received. Certain difficulties have been experienced in raising all the collateral necessary for Cameroon to benefit from loans and for this reason certain lenders are providing funds within the scope of the structural adjustment programme. All in all, the concessionary element in total public development aid is very high, between 74% and 86% depending on the year. The capacity to absorb this aid is limited due to restricted production

capacity and the structural decision-making apparatus; nevertheless aid is now being directed less at individual projects and more towards fueling the programme, and this allows funds to be released more quickly. The obligation to achieve results with this aid is even more necessary in view of the fact that the effects of the aid must enable the reimbursement of the debt thus created. The main sectors at which public financing and development are directed are: aid for development programmes (rising), infrastructures and social services (rising), agriculture (stagnating), technical cooperation, energy and education (the last three being in regression). Altogether 60% of the aid given is in the form of capital, the rest being technical assistance. The "productive" sectors, which absorb more than 60% of total aid, benefit above all from loans, the other sectors primarily from donations. Multilateral agreements account for less than one third of total funding, with the EC providing the greater part. The contribution supplied by the EC is rising, the total sum varying between 65% and 78% (between 1987 and 1989); three quarters of Cameroon's bilateral resources come from the EC (France, Germany, Italy, etc.). Major non-EC multilateral organizations are the World Bank, the African Development Bank (ADB) and the African Development Fund (ADF). As regards donations, these are usually bilateral, whereas the reverse is the case for loans. Multilateral organizations generally grant loans, whereas bilateral funding is arranged on a 50/50 basis. Finally, Cameroon receives 70% in loans and 30% in donations.

Since independence, Cameroon has operated five-year plans, a total of five between 1961 and 1986. In view of the crisis, the objectives of the 6th five-year plan proved to be non-implementable, and it was therefore replaced by four-year Rolling Investment Programmes. The International Monetary Fund has been assisting Cameroon since 1988. Under the aegis of the World Bank, the country adopted a structural adjustment programme (SAP) in 1989 to promote economic growth, to reduce state intervention, to stimulate activity in private enterprise, and to increase productivity. The SAP is not progressing as quickly as planned, though certain progress has been made. Its adoption enables Cameroon to benefit from a structural adjustment loan, the payment of the third and last instalment being conditional to the implementation of new political and economic measures regarding public employment, the fight against corruption, unprofitable public enterprises, and the budget deficit. The SIA programme is intended to mitigate the social consequences of economic reform, with 150 state enterprises to be wound up, privatized or restructured.

2 GEOGRAPHIC LOCATION AND CLIMATE

Cameroon's national territory, which extends from 2° to 13° of latitude north and between 8° and 16° longitude, covers a total area of 475,442 km². At its longest point the country stretches north-south for 1,300 km; at 700 km, the east-west distance is largest in the south of the country. Situated between the Atlantic coast of the Gulf of Guinea and the Lake Chad basin, Cameroon represents the divide between Central Africa and West Africa (Lower Guinea swell). Topographically, Cameroon is divisible into three different landscapes:

- The **coastal plain**, which stretches along a subsidence coast for nearly 320 km. It is very narrow in the south and then broadens out to reach 250 km in the mangrove swamps at the mouth of the Nyong, the Sanaga, and the Wouri Rivers. The coastal plain is interrupted by Mount Cameroon, then continues in a plain named Rio del Rey where it reaches a breadth of 130 km in the northern section. Marshes and mangrove swamps cover the alluvial ground between the estuaries of numerous rivers which cut through the plain. Mount Cameroon rises to more than 4,000 m above the plain and covers an area of approximately 2,000 m². It forms part of a recent volcanic range which extends on the one side to the islands in the Gulf of Guinea and on the other side into the mountainous region along the western frontier right up to Lake Chad. Towards the interior of the country it runs along the "Cameroon Line", a technically very unstable formation; the Roumpi range (1,760 m), the Manengouba range (2,396 m) and the Bambouto mountains (2,740 m) delimit the mountainous region to the west of Cameroon as opposed to the high plateaus of the south. Here in the extreme north-west of the country, at Lake Nios near Nkambé, a gas explosion of serious proportions occurred in August 1986. Mount Cameroon (4,070 m) has erupted five times since 1900. The mountainous region, which is extremely fertile and rainy, is a densely populated key economic region.
- The **high plateau** to the south of Cameroon, extending at 600 m above sea level on average in the south and south-east, is a region of great tropical forests, scarcely inhabited and practically uncultivated. North of the Sanaga fault line, the ground rises progressively to become the high plateau of Adamaoua (up to 1,200 m above sea level) which occupies the centre of the national territory and stretches from west to east over a series of mountain ranges (up to more than 2,000 m). This area is covered by forest, savanna and woods and offers good pasturage, the climate being temperate due to the altitude. In the south the Adamaoua plateau (the grassy plains in central Cameroon) presents an indented landscape (Lower Guinea swell) and is cut through by precipitous valleys, the flanks of which are covered by forests dropping in terraces down to the rivers. The high plateau is the region where the majority of Cameroon's river sources are concentrated. The mountainsides are very steep, in most cases falling down to the coastal plain (producing a number of waterfalls). The transition to the depression of Faro Bénoué (about 300 m below sea level) from which emerge numerous hills and mountains, is equally abrupt. The north-west, the Logon river basin, is a region which experiences seasonal floods.
- The **lowlands** around Lake Chad have practically no watercourses. Isolated mountains prove that this part of the country was higher in the past. Lake Chad extends more to the north and the north-east, so that it hardly touches Cameroon.

The country has an equatorial climate with generally high temperatures and definite rainy and dry seasons. Because of its great surface area and the differences in altitude (which can be very high) the climate is very diverse. The southern third of Cameroon comprises virgin tropical forest. The north has a steppe or grasslands climate with very short rainy seasons and very great variations in temperature between day and night. Between the two regions is a zone of savanna with longer rainy seasons, two of them a year in the southern part. In winter, north-east winds ("Harmattan") bring hot dry air. The monsoon in the south-west starts in the summer and brings hot humid air and high rainfall. In the coastal plain along the Gulf of Guinea the sea has a permanent surface temperature of more than 24°C.

Cameroon lies in the same time zone as Central Europe.

2.1 CLIMATE*) (AVERAGE OVER SEVERAL YEARS)

Station Site Height above sea level	Maroua 11°N 15°E 401 m	Ngaoundéré 7°N 13°E 401 m	Bamenda 6°N 10°E 1,119 m	Mamfe 6°N 9°E 126 m
Month				

Average monthly temperature (°C)

Coldest month: August.....	26.6 I	21.2	17.5	27.1 III+V
Hottest month: April	33.3	24.3	20.0 II	25.0 VIII
Year.....	28.8	22.3	19.3	26.2

Average daily variation in air temperature (°C)

Coldest months: July/August	9.2	8.4	6.0	-28.1
Hottest months: Jan/Feb.....	15.0 II-IV	17.5	11.6	-32.4 III
Year.....	13.3	12.9	8.6	-30.7

Rainfall (mm)

Driest month: January.....	0 XI-III	0 XII	29	33
Wettest month: August.....	261	268	493 IX	564 IX
Year.....	850	1,455	2,692	3,424

2.1 CLIMATE*)
(AVERAGE OVER SEVERAL YEARS)

Station Site Height above sea level	Yaoundé 4°N 12°E 760 m	Batouri 4°N 14°E 656 m	Douala 4°N 10°E 13 m	Kribi 3°N 10°E 16 m
Month				

Average monthly temperature (°C)

Coldest month: August.....	22.2	22.7	24.8 VII, VIII	24.3 VIII
Hottest month: April.....	24.6	25.2 IV	27.3	26.9
Year.....	23.5	23.8	26.4	25.8

Average daily variation in air temperature (°C)

Coldest months: July/August	7.2	-27.0	4.8	-26.7
Hottest months: Jan/Feb.....	10.5	-31.9 IV	8.7 IV	-30.2
Year.....	9.2	29.3	7.2	-28.6

Rainfall (mm)

Driest month: January.....	12 XII	30	52	93 XII
Wettest month: August.....	280	295	723 VIII	579
Year.....	1,456	1,732	4,004	3,047

*) The Roman figures show the months differing from the average. Figures in brackets: maximum daily average.

The Deutscher Wetterdienst, Seewetteramt Hamburg, Postfach 301190, D-2000 Hamburg 36, has detailed climate data for the stations mentioned above and for other stations. These data are only publically available against payment.

3 POPULATION

All demographic data, whether national or international, relating to Cameroon was of an unreliable nature in the past. A census was carried out from 14 to 28 April 1987 with a view to obtaining reliable data as regards the structure and evolution of the population as well as social living conditions. The first results of this census were published on 13 March 1991 in the daily Cameroon Tribune. The provisional results of the census mean that the majority of national demographic data of the past will have to be revised. The population statistics of the United Nations and the World Bank have also been placed on a new base by the census of 1987 and must therefore undergo widescale revision. Unfortunately there has been no detailed result of the 1987 census published to date so that at present only a partial updating of demographic data is possible.

3.1 POPULATION TREND AND DENSITY ACCORDING TO VARIOUS SOURCES

	Census results/ national estimate		United Nations ²⁾	World Bank
	1,000	inh./km ² ¹⁾	1,000	1,000
1970 .....	.	.	6,610	.
1975 .....	.	.	7,520	.
1976	7,663 ^{a)}	16.1	7,734	.
1980 .....	.	.	8,653	.
1985 .....	.	.	10,051	10,191
1987	10,494 ^{b)}	22.1	10,729	10,869
1990 .....	.	.	11,833	11,971
1991	11,900 ^{c)}	25.0	12,239	12,343

1) 475,442 km²

2) Mean variant of United Nations projections.

a) Results of census of 9 April 1976.

b) Results of census of 21 April 1987.

c) National estimate.

At the reference date of the census, i.e. 21 April 1987, the Cameroonian population numbered 10,494 million inhabitants. Compared to the census of 9 April 1976, at which a population count of 7,663 million was recorded, the number of inhabitants had risen by 36.9% or, on average, 2.9% per annum. On the basis of this yearly growth rate, national estimates calculate a population of 11,900 million for 1991. On the basis of the aforementioned national calculations the population density in 1991 was 25 inh./km² in contrast with the 1987 population density of 22 inh./km². Cameroon is thus relatively densely populated compared with the rest of Central Africa (e.g. Congo 1991: 7 inh./km²; Central African Republic 1991: 5 inh./km²; Gabon 1991: 4 inh./km²). A comparison of the national figures for 1991 with the updated population forecasts of the United Nations and the World Bank shows that these two institutions had estimated the Cameroonian population to be slightly higher in mid-1991 (United Nations: 12,239 million; World Bank: 12,343 million). This is due to the fact that for 1987 both the United Nations (10,729 million) and the World Bank (10,869 million) had assumed a population which was only slightly higher than that actually revealed by the census.

It must be remembered when analyzing available projections on future demographic trends that the forecasts of the World Bank and the United Nations could easily overestimate the population growth in future decades. Nevertheless all extrapolations forecast a very marked growth in population in the future. The estimates for the year 2000 lie between 15 and 17 million inhabitants. It can also be assumed that there will be a high population growth rate beyond the year 2000. Even if one considers the most favourable variation in analysis, namely the very low deviation returned by the United Nations, which is based on an optimistic hypothesis that there will be a reduction in the number of births per woman (total fertility rate) of 6.8 during the five-year-period from 1985-90 to 2.21 during the period 2020 and 2025 (average), the population would rise to 29,163 million in the year 2025 and thus would have more than doubled compared to 1990. According to this estimate, the mean annual growth rate would be of the order of 2.6% between 1990 and 2025. Without a decrease in the number of births the population of Cameroon would rise to 43,642 millions by 2025, as is shown by the estimate of the United Nations based on a constant fertility rate.

Even if family planning programmes are implemented on a large scale and are accepted by a broad section of the female population of child-bearing age, one can still expect a very high growth rate during the coming decades. Planning and development must take this fact into account in order to recognize in time and compensate adequately for the growing burdens in key sectors of social development (health, education, housing).

To date there has been no official intervention in respect of population growth and fertility rate. Although the government recognized the rapid growth in population, it is of the opinion that authoritarian and artificial measures to restrict the number of births are ineffective. The problem of the high number of young children and the resulting high population growth rate have to be resolved by targeted social economic development measures. An example of this is the improvement of the status of women as was provided for in the fifth development plan. The declared objective of the said plan is a more marked integration of the female population in the areas of active employment as well as training and vocational education programs. Other measures are in place which are destined to reinforce the role of women and to indirectly reduce the number of children, by for example laying down a minimum marriageable age of 16 for women as well as providing courses in marriage counselling.

In 1983 the government authorized the building of a pilot family planning clinic in Yaoundé. There is also no official limitation of access to contraceptives. Generally the government's attitude regarding family planning has not been of an anti-birth nature. If Cameroon is to avoid a population catastrophe in the coming decades it is essential that the government drop its *laissez-faire* attitude of the past regarding population and family planning. The fact that according to the United Nations Fund For Population Activities/UNFPA only about 2% of women of child-bearing age practised contraception during the 1980s proves how little the population has concerned itself up until now with actively reducing the birth rate.

3.2 POPULATION FORECASTS (in 1,000)

Population forecasts	1995	2000	2005	2010	2015	2020	2025
National estimate	13,346	15,404	-	-	-	-	-
United Nations:							
Low variant.....	13,932	16,410	19,172	21,874	24,404	26,813	29,163
Mean variant.....	14,037	16,701	19,897	23,665	27,893	32,264	36,547
High variant	14,109	16,848	20,191	24,255	29,173	34,940	41,451
Variant with constant fertility rate.....	13,892	16,540	19,842	23,962	29,108	35,551	43,642
World Bank	13,951	16,324	19,188	22,370	25,792	29,372	33,032

The fact that it has not been possible since World War II to lower the number of births proves that it will be difficult to bring about a rapid decrease in fertility within the near future. On the contrary, the birth rate rose between 1915-55 (mean) and 1990-95 (mean) from 43.5 to 47.3 per 1,000 inhabitants. During the same period the number of average births per woman of child-bearing age (total fertility rate) increased from 5.68 to 6.90. As the mortality rate has lessened on average by more than half between 1950-55 (27.3 per 1000 inhabitants) and 1990-95 (average) (13.3 per 1,000 inhabitants), the population has grown at an ever increasing rate. This is also shown by the rise in natural growth from 1.62 (1950-55 average) to 3.56 (1990-95 average). While the period required for the Cameroon population to double was 43 years at the beginning of the 1950s, it had dropped to 20 years at the beginning of the 1990s. This clearly indicates a high acceleration of population growth since the 1950s. Despite the success achieved in the general fight against mortality, infant mortality is still very high. For the five-year-period of 1990-95 the United Nations estimated an infant mortality rate of 86 for every 1,000 live births. This figure means that at present nearly one infant in ten dies before its first birthday. The high rates of infant and child mortality result in the low life expectancy at birth of 55 years (average, 1990-95). The life expectancy of women is higher than that of men at 56.5 years (1990-95: average for men 53.5 years).

3.3 FERTILITY/MORTALITY RATES AND NATURAL POPULATION GROWTH

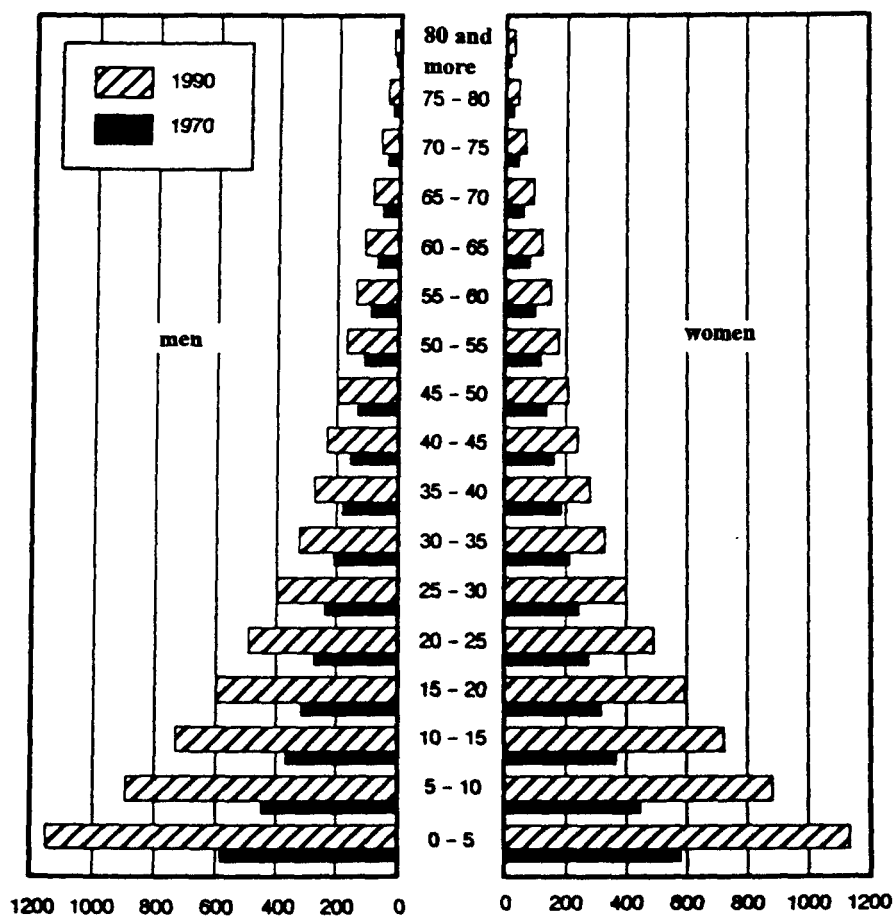
Indicators	Unit	1950/55A	1960/65A	1970/75	1980/85	1985/90	1990/95
Births.....	per 1,000 inh.	43.5	44.6	46.0	46.5	47.5	47.3
Deaths.....	per 1,000 inh.	27.3	23.9	20.2	16.6	14.9	13.3
Natural population growth rate.....	in %	1.62	1.87	2.58	2.99	3.26	3.56
Total fertility rate.....	no. of births per woman	5.68	5.93	6.39	6.70	6.90	6.90
Died at less than 1 year.....	live births	190	154	119	103	94	86
Life expectancy at birth.....	years	36.0	40.0	45.0	50.0	52.5	55.0

A = average

A comparison of the age structure for the years 1970 and 1990 supplies a relevant statistic on the dynamic growth rate inherent in the Cameroonian population. As the results of the 1987 census did not supply any detailed information concerning the age structure of Cameroon's population, the data used in this context is that of the United Nations. One can assume that the age structure data presented by the United Nations corresponds almost exactly to the existing age structure. According to this data the percentage of the population aged 20 years and less was 56.3% at the time of the 1987 census. For 1990 the United Nations figures give a percentage of 56.8 for people less than 20 years old, which is in fact very similar to the results of the census.

Table 3.4 shows that the number of children and young people had practically doubled between 1970 and 1990. We see therefore that there is a very young population base which has grown considerably and in a general rejuvenation of the population. The portion of the population aged less than 15 years, which was 42.2% in 1970, had risen to above 46.7% in 1990. At the same time, the proportion of the population of working age (15 to less than 65) fell from 54.4%-50.0%. The proportion of older persons (more than 65 years) was practically unchanged (1970: 3.5%; 1990: 3.4%). The consequences of this shift in the age structure have been an increase in the total load quotient defined as the relationship between the population in the dependent age classes (less than 15 years, 65 years and more) and the population of working age, a quotient which rose from 0.84 in 1970 to 1.0 in 1990. Whereas in 1970, 100 persons of working age had to support 84 persons, the latter figure had already risen to 100 by 1990. If the population continues to grow at a high rate, the burden of the active population could become insupportable in the future.

AGE PYRAMID OF THE CAMEROONIAN POPULATION IN 1970 AND 1990 (x 1,000)



3.4 POPULATION ACCORDING TO AGE GROUPS

Aged ... to less than ... years	1970			1990		
	Total	Men	Women	Total	Men	Women

in 1,000

Total	6,670	3,251	3,359	11,833	5,866	5,967
Under 5	1,160	581	579	2,290	1,153	1,137
5 - 10	894	446	448	1,774	891	883
10 - 15	733	365	368	1,453	728	725
15 - 20	634	315	319	1,192	596	596
20 - 25	549	272	278	982	489	493
25 - 30	481	237	244	800	396	403
30 - 35	421	207	214	653	322	331
35 - 40	366	179	186	555	273	282
40 - 45	315	154	161	472	231	241
45 - 50	269	130	138	405	197	208
50 - 55	226	108	117	343	166	178
55 - 60	185	87	98	285	136	149
60 - 65	145	67	78	228	107	121
65 - 70	106	48	58	173	80	93
70 - 75	69	31	39	119	54	65
75 - 80	38	16	22	70	31	40
80 and over.....	19	7	11	39	16	23
% of population:						
Under 5	17.6	8.8	8.8	19.4	9.7	9.6
5 - 10	13.5	6.8	6.8	15.0	7.5	7.5
10 - 15	11.1	5.5	5.6	12.3	6.2	6.1
15 - 20	9.6	4.8	4.8	10.1	5.0	5.0
20 - 25	8.3	4.1	4.2	8.3	4.1	4.2
25 - 30	7.3	3.6	3.7	6.8	3.4	3.4
30 - 35	6.4	3.1	3.2	5.5	2.7	2.8
35 - 40	5.5	2.7	2.8	4.7	2.3	2.4
40 - 45	4.8	2.3	2.4	4.0	2.0	2.0
45 - 50	4.1	2.0	2.1	3.4	1.7	1.8
50 - 55	3.4	1.6	1.8	2.9	1.4	1.5
55 - 60	2.8	1.3	1.5	2.4	1.2	1.3
60 - 65	2.2	1.0	1.2	1.9	0.9	1.0
65 - 70	1.6	0.7	0.9	1.5	0.7	0.8
70 - 75	1.0	0.5	0.6	1.0	0.5	0.6
75 - 80	0.6	0.2	0.3	0.6	0.3	0.3
80 and over.....	0.3	0.1	0.2	0.3	0.1	0.2

Table 3.5 shows the regional distribution of the population and is based on the provisional results of the 1987 census, taking into account the new administrative structure. The marked geographical imbalance of the population is particularly noteworthy. More than two thirds of the population (71%) is concentrated on one third (34%) of the national territory. The more populated regions are the coastal area (coastal province: 66.9 inh./km²) as well as the western parts of the country (western province: 96.6 inh./km²). Large parts of the north and the east are very sparsely populated. At the time of the 1987 census, the north-west province with 69.5 inh./km² was the only great centre of population in the interior of the country. The least densely populated province is the eastern province with a density of 4.7 inh./km². The Cameroonian government recognized that the regional population imbalance was a political problem. Improvements are aimed at campaigns to level out living conditions and to limit the rural exodus towards the towns. One of the steps taken to attain this goal was the granting of higher producer prices for several different types of agricultural produce for exportation, a step which contributed in some measure to limit, if only partially, the exodus from country regions. However, the government was obliged to revoke this policy in 1989.

3.5 AREA, POPULATION AND POPULATION DENSITY ACCORDING TO PROVINCES (RESULTS OF 1987 CENSUS)

Province	Capital	Area km ²	Inhabitants 1,000	Inhabitants per km ²
Adamaoua.....	Ngaoundéré	63,691	495,185	7.8
Centre	Yaoundé	68,926	1,651,600	24.0
East	Bertoua	109,011	517,198	4.7
Extreme North.....	Maroua	34,246	1,855,695	54.2
Coast	Douala	20,239	1,354,833	66.9
North	Garoula	65,576	832,165	12.7
North-west	Bamenda	17,810	1,237,348	69.5
West	Bafoussam	13,872	1,339,791	96.6
South	Ebolowa	47,110	373,798	7.9
South-west.....	Buea	24,471	838,042	34.2

There has been no detailed data published regarding the distribution of population between town and country at the time of the 1987 census. According to this census, the urban population came to 38% of the total population and therefore totaled 4 million persons (3.988 million). During the 1976 census, the urban population count was 2.184 million (28.5% of the total population). The urban population therefore rose between the two censuses by 82.6%. The mean annual growth rate increased to 5.6%. The distribution of the Cameroonian population between town and country as recorded by the 1987 census is more or less similar to the corresponding data given by the United Nations. This results from the interpolation of data relative to the urban population of the years 1985 (3.649 million) and 1990 (4.878 million). According to UN data for 1987 the urban population was 38.3% or 4.098 million. The UN figures therefore confirm the results of the 1987 census as regards proportions. The absolute value for urban population was slightly higher than the results of the census. It can therefore be inferred that the United Nations statistics relative to the long-term trend in the regional distribution of the Cameroonian population can be considered as reliable. The mean

annual birth rate of the urban population was 6% between 1985 and 1990 according to the United Nations figures. This is synonymous with a doubling of the urban population in less than 12 years. By 1990 the proportion of the urban population had risen to 41.2%. In mid-1991, the urban population of 5.161 million inhabitants was 42.2% of the total population. This rapid growth underlines the urgent necessity to limit the rural exodus if uncontrolled growth of towns is to be avoided.

There was a moderate rise in rural population parallel to the high rise in the urban population towards the end of the 1980s. Between 1985 and 1990 the rural population climbed from 6.401 million to 6.995 million or 1.7% p.a. By 1991, the number of inhabitants in rural areas had reached 7.073 million according to the United Nations figures.

3.6 POPULATION DISTRIBUTION BETWEEN TOWN AND COUNTRY

Town/country	Unit	1970	1975	1976 ¹⁾	1980	1985	1990	1991
In towns	1,000	1,342	2,021	2,184	2,740	3,649	4,878	5,161
	%	20.3	26.9	28.5	31.7	36.3	41.2	42.2
In rural communities	1,000	5,268	5,499	5,479	5,913	6,401	6,955	7,073
	%	79.7	73.1	71.5	68.3	63.7	58.8	57.8

1) Census results.

According to the results of the 1987 census, Douala, with its 810,000 inhabitants, was the biggest city in the country, followed by the capital Yaoundé, with 750,000 inhabitants. There were, at the time of the last census, four other towns numbering more than 100,000 inhabitants. If one compares the populations of the towns listed in table 3.7 and the results of the 1976 census, one can see that the secondary centres of population such as Garoua (5.6%) or Bamenda (5.8%) show higher growth rates, whereas the centres of Douala (2.2%) and Yaoundé (3.7%) had grown at a less than average rate. These figures show that a certain measure of success has been reached in turning the flow of inhabitants towards the secondary centres of population. If one extrapolates to 1991 the calculated growth rates for the period between the 1976 and the 1987 censuses, Douala should have had a population of 884,000 inhabitants. According to this projection, the population of Yaoundé would have been 750,000 in 1991. Despite the trend in redirection of urban growth towards secondary centres, the populations of Douala and Yaoundé were still higher in 1991 than the population of the four following towns.

3.7 POPULATION IN SELECTED TOWNS

Town	1976 ¹⁾	1987 ¹⁾	1991 ²⁾	Annual growth rate 1976/87 (in %)
Douala.....	637	810	884	2.2
Yaoundé.....	436	649	750	3.7
Garoua.....	78	142	177	5.6
Maroua.....	82	123	143	3.8
Bafoussam.....	76	113	131	3.7
Bamenda.....	59	110	138	5.8

1) Census results.

2) Estimate based on the average annual growth rate between the 1976 and 1987 census.

Cameroon's population is ethnically very mixed. The Bantu line separating the Bantu peoples of southern Africa from other peoples of northern Africa crosses Cameroon and largely runs parallel to the course of the Sanaga River. Groups of Muslim population, in particular Sudanese, Fulbe, Hausa and Choa peoples of Arab origin dominate the north of Cameroon. The most important ethnic group Bamiléké (around 1.5 million) lives in the west of the country, which is also the home of the Tikar and the Bamun. The Bantu people south of the Sanaga are mainly made up of the Eton, Ewondo, Bulu and Fang. The Bassa, Douala and Bakoko peoples dominate the coastal plain surrounding the city of Douala. Pygmies still inhabit the tropical forests of the country.

The official languages of the country are French and English. The great majority of Cameroonians speak either one of these main languages. Nearly 80% of all Cameroonians with command of a foreign language speak French and nearly 20% English. The population is Animist, Christian or Muslim.

4 HEALTH

The Cameroon health system comprises both the state sector and a considerable private sector. At a central level, health is the responsibility of the Ministry of Health. Other ministries take charge of certain tasks in the health sector, e.g. the Ministry of Higher Education and Scientific Research is in charge of the training of medical personnel (doctors, nurses).

The Ministry of Health is divided into four central divisions: the Department of Planning, Surveys and Statistics/DPSS, a public health service, the department of preventive medicine and the department of public hygiene. The Cameroon state health organization works at three different levels. The lowest level is made up of health centres and specialized centres which ensure health care for the population at a local level. The second level comprises regional and district hospitals, offering above all general medical services. The higher level of state public health service consists of central provincial hospitals which are equipped with specialized medical services.

In the past the national health policy was determined within the scope of the five-year plans and was orientated towards official objectives in the health strategy of the World Health Organization, which aimed at the provision of health services sufficient to cover fundamental needs. The most important state objectives for public health are the following:

- elimination of the imbalance in geographical distribution of health infrastructures, in particular the elimination of a lack of medical assistance in country areas and in isolated regions in the north of the country;
- ensuring better supplies in pharmaceutical products for the population (expansion of pharmaceutical and chemists networks);
- extension of the mother and child service, including intensification of training programs for health and nutrition for women of child-bearing age;
- improvement of hospital and first aid capacities;
- fight against infant mortality and child mortality by means of special preventive medicine such as monitoring the weight of infants, more use of oral rehydration therapy/ORT, feeding programs, extension of immunization campaigns and programs to provide help in the form of foodstuffs targeted at certain groups.

State expenditure on health (including social expenses) was of the order of 300 billion CFA francs during the fiscal years 1988-89 and 1989-90, and thus represented approximately 5% of total state expenditure. Whereas, according to the World Health Organization/WHO estimates, very large sums were invested in the mid-1980s to extend curative medical services (i.e. the construction and operation of large hospitals), during the second half of the 1980s state funds were channelled more towards preventive medical services.

There is very little data on the Cameroon health system. There is no up-to-date national data concerning registered diseases or the mortality rate. The available national statistics concerning the

causes of death do not provide a very clear image of the predominant mortality structure. That is why it is necessary to obtain international statistics in addition to national statistics to be able to analyze the Cameroon health sector. Apart from the WHO, UNICEF is the body which supplies most statistics concerning the development of Cameroon's public health services.

Data supplied by the above-mentioned international organizations as to the most frequent causes of disease do not supply a representative picture either. They are mainly confined to diseases which in the past have reached epidemic proportions. It is therefore necessary to remember that the cases reported to the World Health Organization by national health administrations often do not reflect the global importance of the epidemics concerned, especially as problems are frequently experienced in diagnosing diseases, and epidemics in isolated regions have only partially been registered in the past.

According to the figures of the WHO, Cameroon experienced repeated outbreaks of cholera during the 1970s and 1980s, with a total of 211 cases of cholera being reported to the World Health Organization in 1973. During the second half of the 1970s the incidence of cholera declined. In 1979, for instance, only 16 cases of cholera were registered. During 1980 and 1981 this figure rose from 229 to 243. At the end of the 1980s it appeared possible to stem to a great extent the propagation of cholera in Cameroon. While in 1988 there were only four cases of cholera reported, the provisional data for 1990 show a figure of 16 cases. The organization Médecins sans Frontières Suisse/MSF-Suisse did however indicate in 1991 that the northern parts of the country had experienced a serious outbreak of cholera. Between 10 May 1991, and 10 August 1991 a total of 1,374 cholera victims (of which 318 died) were registered in the northern and extreme northern provinces. The extreme northern province was particularly hard hit, with 1,316 cases of cholera being registered (of which 306 people died). In the meantime, the European community has earmarked US\$ 39,000 from its emergency fund for the fight against the epidemic. In addition, international aid organizations have sent 12 tonnes of medicine and aid products.

Although yellow fever seemed to have been effectively eradicated during the first half of the 1980s (1980: 7 cases; 1984: 1 case), a new yellow fever epidemic apparently broke out between September and the end of November 1990 according to World Health Organization information. The epidemic centred on the departments of Mayo Sava and Mayo Tsanaga in the extreme north province; 173 persons, of which 118 died, were affected by this epidemic. This represented a case fatality rate of 68.2%. In particular it was infants and children (less than 15 years) who contracted the disease. Seen globally, the yellow fever epidemic was one of the worst that Cameroon had ever reported to the World Health Organization. This recent epidemic is probably the consequence of a much more serious one in the north-east of Nigeria, which has been reporting yellow fever outbreaks to the World Health Organization since 1986.

For Cameroon, there are no up-to-date data on the propagation of malaria, which has recently reappeared in force in western and central Africa. One can however assume that the number of cases of malaria has also increased significantly in Cameroon.

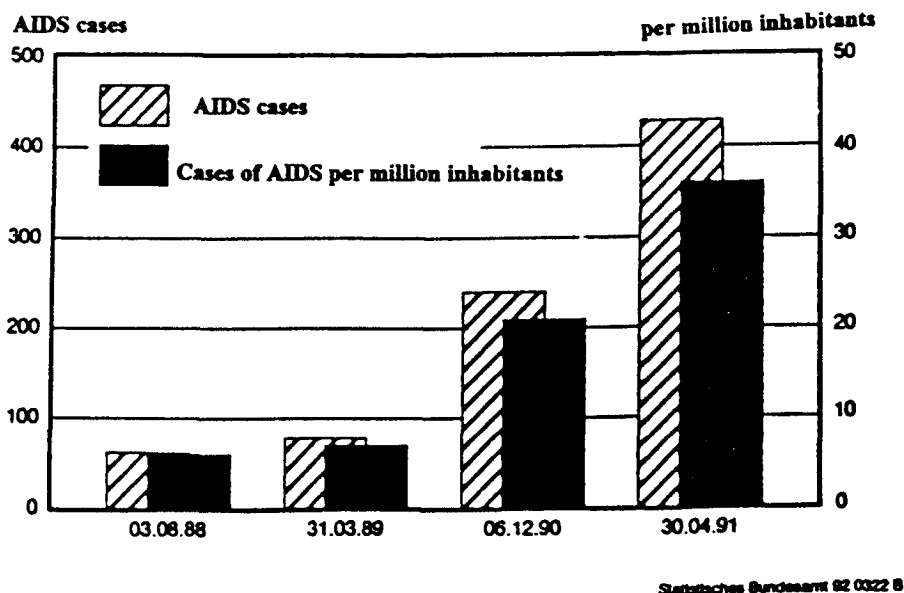
In general terms, the recent explosion of epidemics leads one to assume that preventive medical services are inadequate. In addition, the concentration of epidemics in the northern regions of the country can be taken as an indicator of the still great regional disparities in health care. This is highlighted in the fight against yellow fever, where the dropping of routine immunization

programmes in favour of emergency vaccination programmes from 1960 onwards in French-speaking West Africa resulted in repeated new outbreaks of yellow fever.

According to World Health Organization estimates, quite apart from diseases of an epidemic nature as cited above, there has been a significant increase in the number of transmissible diseases such as gastrointestinal diseases of parasitic origin, measles, sexually transmitted diseases, meningitis and polio. The type of diseases underlines very clearly the inadequacy of preventive medical services such as vaccination campaigns, targeted programs for the distribution of medicine and programs to fight against diarrhoea.

Since the end of the 1980s there has been an increasingly rapid spread of AIDS. Between 3 August 1988 and 30 April 1991 (registration date in each case), the number of persons contracting the disease in Cameroon as reported to the WHO increased from 62 to 429, which is a ratio of approximately 1 to 7. Just as in other Central African countries, AIDS could develop in Cameroon to become one of the biggest health problems in the country in the coming years. Compared to neighbouring countries, the incidence of AIDS cases is still quite low. While there were 36 cases of AIDS registered in Cameroon for every million inhabitants in 1991 (date of registration: 30 April 1991), in Congo, a neighbouring country, there were already a total of 2,405 cases of AIDS as registered at 31 December 1990, a ratio of 1,059 cases of AIDS per million inhabitants. In the Central African Republic, too, the incidence is appreciably higher than that in Cameroon, with 613 cases of AIDS per million inhabitants (date of registration: 30 June 1990; total number of AIDS cases 1,864). Nevertheless, it is of the utmost importance that a national monitoring programme relative to AIDS should be set up in order to limit effectively the propagation of this disease.

4.1 CUMULATIVE NUMBER OF AIDS CASES



UNICEF provides up-to-date figures concerning the development of vaccination programmes against the main infectious diseases affecting infants and young children, which is one of the most important indicators in the estimation of the effectiveness of preventive medical services. During the period from 1981 to 1988/89, it was possible to note very clear progress in the extension of vaccination campaigns initiated by the World Health Organization (Enhanced Programme on Immunization - EPI). The level attained by immunization vaccination is, however, still unsatisfactory. In 1988/89, a total of 69% of children aged one year had been vaccinated against tuberculosis. In contrast, however, less than half of infants aged one year had been inoculated against measles, polio, and tetanus, diphtheria and whooping cough. Only one third of pregnant women have been vaccinated against tetanus in 1988-89. Taking into account these figures, it seems that World Health Organization objectives aiming at achieving, before 1990, complete vaccination cover against the main infectious maladies affecting infants and young children for 75% of the target population had not been achieved. An extension of the vaccination programmes is urgently required in order to arrive at a quicker decrease in infant mortality and mortality of young children as well as deaths in childbirth in the next few years.

4.1 IMMUNIZATION FOR INFANTS AND PREGNANT WOMEN PROPORTION OF PERSONS VACCINATED IN %

Type of vaccination	1981	1986/87	1988/89
Tuberculosis	8	77	69
Measles.....	16	44	48
Polio	5	43	51
Triple vaccination ¹⁾	5	45	53
Tetanus ¹⁾	-	26	32

Source: UNICEF

1) Triple vaccination against diphtheria, whooping cough and tetanus.

2) Vaccination against tetanus for pregnant women.

The present inadequacies in preventive medicine are also to be seen in the relatively low proportion of the population having access to primary health care. On average in the years 1985-88, only two fifths of the population (41%) had access to adequate medical services at a distance of less than one hour's travel (town: 44%, country: 39%). At that time only one third of the population had access to drinking water. There was a marked difference in this context between town and country: while 43% of the urban population had drinking water, the figure was less than a quarter (24%) for the rural population. The gaps in preventive medicine are also evident from the fact that, in 1987-98, only 24% of diseases involving diarrhoea in infants and children of less than 5 years were treated with saline solutions (oral rehydration therapy - ORT).

Table 4.2 shows an overview of the main causes of deaths during the 1980s. This table is not representative of the total spectrum of causes of deaths since it deals only with those deaths registered at medical establishments. However, the list shows that a series of causes of death could

be reduced decisively by a health strategy involving effective preventive health care. An effective grass roots health care system could almost entirely eradicate causes of death such as measles, diarrhoea, tetanus, malaria, malnutrition and pneumonia.

4.2 BREAKDOWN OF THE CAUSES OF DEATH*)

Cause of death	1983/84	1984/85	1985/86	1986/87
Acute diarrhoea	289	397	425	287
Meningitis.....	314	259	330	221
Tetanus.....	154	232	180	153
Measles	450	499	583	353
Malaria	261	345	374	305
Malnutrition	158	135	243	148
Anaemia.....	101	161	202	113
Pneumonia.....	235	174	311	203
Bronchopneumonia.....	171	210	333	183
Gastro-intestinal diseases	115	252	258	171
Total	2,248	2,664	3,239	2,137

*) In medical establishments.

The trebling of the number of hospitals between 1970 (80) and 1987 (251) proves that there has been a great extension in the curative health system. The number of health centres (basic and specialized health centres) was 809 in 1987. The extension of the mother and child care network can be seen from the availability of 137 mother and child centres in 1987 compared to a figure of only 83 in 1985.

4.3 MEDICAL ESTABLISHMENTS

Establishment	1970	1976	1979	1985	1987
Hospitals.....	80	119	126	238	251
Health centres .....	. }			756	809
		976	900		
Dispensaries .....	. }			544	588
Pharmacies .....	.	.	.	142	177
Mother and child care centres.....	.	.	.	83	137

Between 1979 and 1988 the number of hospital beds rose by 27.3% from 22,999 to 29,285. The increase in hospital bed capacities goes practically hand in hand with the increase in population. While in 1979 there were 363 inhabitants per hospital bed, the comparable figure for 1988 was 370 inhabitants per hospital bed.

4.4 HOSPITAL BEDS ACCORDING TO PROVINCES

Province	1979	1984	1985	1987	1988
Mid-south, South.....	6,085	6,145	6,215	6,893	6,285
North, Extreme North, Adamaoua	3,218	3,726	3,796	3,892	4,586
Coast	3,550	4,431	4,501	5,016	4,636
West.....	4,710	5,086	5,156	5,735	6,251
South-west.....	2,114	2,660	2,730	3,078	2,800
North-west.....	2,163	2,375	2,445	2,757	3,118
East.....	1,159	1,469	1,539	1,762	1,609
Total	22,999	25,892	26,382	29,123	29,285
Inhabitants per hospital bed.....	363	372	376	360	370

The density of doctors in Cameroon is relatively good. Between 1973 and 1987 the number of doctors practically trebled, rising from 300 to 888 in number. From one general practitioner per 15,500 inhabitants in 1980, the ratio had gone down by 1987 to an average of one doctor for every 11,800 inhabitants. The situation in dental health care is not as favourable, although progress has been recently achieved in this sector, as is shown by the increase in the number of dentists from 10 in 1980 (859,100 inhabitants per dentist) to 48 in 1987 (218,600 inhabitants per dentist). As far as the remaining specialized medical personnel are concerned (chemists, nurses, auxiliary nurses) there was a marked increase in personnel starting from the second half of the 1970s. The sustained training of auxiliary nurses in villages and traditional midwives is a clear sign of policy being geared to a strategy of primary health care. This, in turn, will add significantly to the number of personnel in preventive medical services during the 1990s.

4.5 DOCTORS, DENTISTS AND OTHER MEDICAL PERSONNEL

Medical personnel	Unit	1973	1975	1980	1985	1987
Doctors.....	Number	300	435	533	771	888
Inhabitants per doctor	1,000	.	.	15.5	11.2	11.8
Dentists	Number	17	19	10	43	48
Inhabitants per dentist.....	1,000	.	.	859.1	230.5	218.6
Pharmacists	Number	99	101	72	191	201
Nurses.....	Number	1,850	2,336	2,726	4,875	5,418
Auxiliary nurses.....	Number	1,608	2,132	3,140	5,347	6,520

5 EDUCATION

The Cameroon educational system prevailing after independence represented a structural obstacle dating back to colonial times. This obstacle was posed by the existence of the French schooling system in the eastern region of Cameroon an ex-French protectorate, whereas the British schooling system was prevalent in the west of Cameroon. In an attempt to harmonize education, Cameroon progressively introduced, since 1972, bilingual classes in primary schools. The merging of the two former education systems and the harmonization of the school system as a whole was accomplished in 1976. However, there are still some slight differences. In the east, for instance, primary school starts at 6 years of age, and lasts 6 years, while in the west of Cameroon primary school is 7 years. Furthermore, mandatory school attendance has up until now only been introduced in the east of Cameroon (1980), though it was not possible to impose this everywhere. Secondary schooling starts nationwide at the age of 12-13 years and extends over a period of 7 years.

The Cameroon educational system is financed by state authorities, private and religious institutions (missions). The majority of private and religious schools in subsidized by the state. The private sector is well developed. In mid-1987, there were 170 primary schools and 274 secondary schools across the country maintained by private financing.

Despite large injections of funds by the government, the Cameroonian education system still shows structural weaknesses. These can be described as follows:

- domination of theoretic teaching syllabuses;
- insufficient enrolment capacity in primary and secondary schools;
- a lack of qualified teaching personnel both in general schooling and also in vocational training¹⁾;
- strong regional disparity as regards equipment and human resources in schools, especially when comparing the north part of the country to the south;
- a high failure rate in examinations in all branches of education²⁾;
- despite high state spending, a lack of current funds for education and consequently insufficient funding of schools in terms of equipment and teaching material.

The central objectives of the government in educational policy are the democratization of education with a simultaneous promotion of individual development and progress of society, as well as the

1) According to data supplied by the Ministry of Education, in 1989-90 primary schools were short-staffed by 7,000 teachers. There were 1,500 teachers too few in general secondary schooling, while the lack of assistant teachers in secondary schools in the vocational sector was 526.

2) Official results in 1989 show that only 23% of all entrants succeeded in passing their primary school certificate (BEPC = Brevet d'Etudes du Premier Cycle) and only a quarter (26.5%) of secondary school leavers had passed their school-leaving certificate (Baccalauréat).

fostering of cultural and national identity in Cameroon. The government is also attempting to eliminate structural deficits in the educational sector. National education policy is therefore centred around the following objectives:

- **a rapid elimination of the regional disparities in terms of educational equipment and teaching personnel;**
- **an increase in the enrolment capacity of primary and secondary schools;**
- **an improvement in the training programs for teachers;**
- **reform of teaching syllabuses;**
- **the improvement of conditions applying to private financiers of teaching institutions.**

In financial terms, the efforts that the government is making to improve the state provision of education facilities are evident from the extent of public spending in this area. The education sector was the most important expense item on the central government budget during the second half of the 1980s, and even came before defence expenditure. State spending in training (including expenditure on universities and research) of the fiscal year 1990-91, at nearly 75.0 billion CFA francs, was less than the expenditure of the previous year (1989-90: 78.3 billion CFA francs), but considering that global expenditure dropped during the fiscal year 1990-91, spending on education reached its highest prorata level yet at 13.6%.

Since, however, spending on education stagnated for the most part between 1987-88 and 1990-91, expenditure per pupil fell, taking into account the simultaneous sharp rise in the number of school and university students (cf. table 5.3). Despite the relative increase in funds allocated to education, general standards in training deteriorated during the second half of the 1980s. If one considers the sharp rise to be expected in the number of pupils, a definite increase in public spending on education is necessary if the negative trend is to be reversed during the 1990s. It is difficult to know to what extent the necessary funds will be earmarked in the framework of social measures linked to current structural adjustment programs. In order to avoid a later deterioration in the education situation, the Ministry of Education applied to the World Bank in May 1991 for a structural adjustment program in the education sector (Education Sector Adjustment Project) with a global funding level of US\$ 25 million.

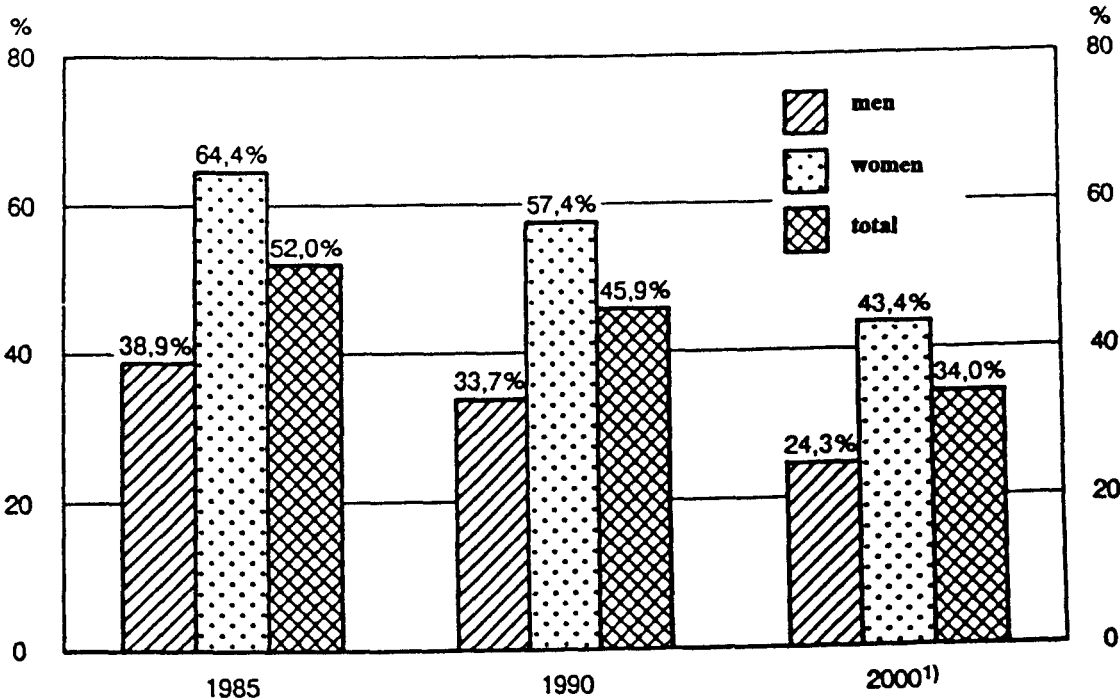
5.1 STATE EXPENDITURE ON EDUCATION

Budget year	Billion CFA francs	Change versus preceding year (%)	Share of global expenditure (%)
1987/88	73,047	.	11.2
1988/89	67,724	- 7.3	11.3
1989/90	78,264	+ 15.6	13.0
1990/91	74,968	- 4.2	13.6

The inadequacy of the education sector in the past is also evident from the illiteracy rate. UNESCO estimated this at 45.9% in 1990. Although this rate is below the average in Black Africa (52.7%), great efforts must still be expended before illiteracy has been completely eliminated. There are marked differences between the sexes in this respect. While in 1990 two thirds of the male population aged 15 and more had some knowledge of reading and writing, this figure was only two fifths for the female population. UNESCO estimates that by the year 2000 the proportion of the young and adult population neither able to read nor write could decrease to about one third (34.0%). But even at that time the proportion of illiterates in the female population will be markedly higher at 43.4% than that in the male population (24.3%).

The results of the 1987 census concerning the spread of illiteracy were lower than the UNESCO figures. The census revealed an illiteracy rate of 40% across the nation. While the results of the census showed that nearly half of the female population knows neither how to read nor write, this figure was less than one third for the male population. In these circumstances, it might be possible to eradicate illiteracy by the year 2000 more quickly than can be supposed from the UNESCO figures, on which figure 5.1 is based.

5.1 ILLITERACY RATE IN 1985, 1990 AND 2000



¹⁾ estimate

Though the education capacity in place at the end of the 1980s was still inadequate, the 1980s did experience a significant increase in school infrastructures in all branches of education. The number of primary schools rose from 4,971 to 6,328, or by 27.3% between 1980-81 and 1987-88. During the same period the number of middle and senior education establishments rose from 326 to 425 (+30.4%). The number of vocational training schools doubled between 1980-81 (161) and 1987-88 (321). At present there are five universities, of which the largest and most important is the university of Yaoundé which was founded in 1962. This was built by France and for a long time received its financial support almost exclusively through funds provided by the French state budget. The French teaching personnel was progressively replaced, starting in 1973, by national teachers, and financing was provided by the Cameroon budget. Apart from Yaoundé University, other institutions exist in Douala, Djang, Buéa, and at Ngaoundéré. At the beginning of 1990, building commenced on the catholic institute of the university of Yaoundé. This building represents the first step in the establishment of a Catholic University of Africa. At the end of 1990 Cameroon obtained a loan (on concessionary terms) from Spain, amounting to 10.9 billion CFA francs and earmarked for the financing of construction and equipment projects for the university of Yaoundé. Amongst others, this loan will fund the building of a university residence with 1,280 beds, the extension of the sciences faculty, financing of laboratory equipment as well as the implementation of further university facilities.

5.2 SCHOOLS AND OTHER TEACHING ESTABLISHMENTS

Establishment	1980/81	1981/82	1986/87	1987/88
Primary schools	4,971	5,148	5,941	6,328
Secondary and upper schools	326	334	388	425
Vocational training schools	161	168	305	321
Teacher training colleges .....	.	19	33	33
Universities .....	.	.	5	5

The number of students grew significantly during the 1980s. In the primary sector the figures went from 1,379 million to 2,107 million, or 52.8%, between 1980-81 and 1989-90. In the secondary sector, the rise was even steeper. In secondary and general colleges the number of pupils went up by around 135% between 1980-81 (169,300) and 1989-90 (397,200). The rise in the number of apprentices at vocational training schools showed a similar increase (+122%).

Despite a significant increase in absolute terms of the number of students during the last decade, a large proportion of children of school age do not attend school. According to the results of the 1987 census, the enrolment rate (net enrolment rate) at primary level was 73%. This means that more than a quarter of children of school age did not attend primary schools. There are also large regional differences concerning school attendance. While the enrolment rate in the southern province in 1987 (census results) was of the order of 93%, only 44% of children of school age attended a primary school in the extreme northern province. One of the reasons for the low enrolment rate in the extreme north is often the difficult financial situation of the parents in this region, which is less rich

from an economic point of view than the more southern provinces. Many of the parents who are not able to pay the annual school contribution of 200 CFA francs or the cost of teaching material and school books, which increasingly have to be borne by the parents, end up by not sending their children to school. An additional factor affecting school attendance is the relatively high concentration of livestock farming in the northern provinces. In many families at least one child has to herd animals, which prevents him or her attending school.

5.3 PUPILS AND STUDENTS 1,000

Establishment	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90
Primary schools.....	1,379.2	1,709.5	1,795.3	1,875.2	2,006.8	2,107.1
Female pupils.....	627.0	777.8	821.8	859.8	.	.
Secondary and upper schools.....	169.3	256.5	291.8	317.8	355.5	397.2
Female pupils.....	57.4	96.0	111.5	123.7	.	.
Vocational schools	62.7	92.0	99.8	102.6	126.5	139.1
Female pupils.....	24.5	36.4	39.8	40.9	.	.
Teacher training colleges ..	2.1	4.1	4.3	5.3	.	.
Female students	0.8	1.7	1.9	2.4	.	.
Universities.....	11.7	16.0	19.6	.	.	.
Female students .....	.	3.0	4.2	.	.	.

Regarding the trend in the number of teachers during the 1980s, great differences were noted depending on the level of education. The number of primary school teachers did not increase at the same rate as the number of school children. This resulted in a higher pupil/teacher ratio, going from 48.2 for the school year 1980-81 to 52.7 in the school year 1989-90. The situation in primary education, which was already bad, has therefore deteriorated still further. In contrast, in secondary and vocational education, the number of teachers rose yet again throughout the 1980s, higher than the increase in pupils and apprentices. This resulted in a drop in the number of pupils to be taught by each teacher in middle and senior schools which went from 28.5 to 26.1 between 1980-81 and 1989-90. The pupil/teacher ratio improved markedly during the same period in vocational training schools (1980-81: 22.7 apprentices per teacher; 1989-90: 18.1 apprentices per teacher). The situation in teacher training colleges is favourable. In 1987-88 each lecturer in the establishment trained an average of 8 candidates for the teaching profession. In the country's universities, 20 students were tutored by one professor each in 1986-87.

5.4 TEACHERS

Establishment	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90
Primary schools	28,585	33,598	35,728	36,548	37,688	39,968
Secondary and upper schools	5,944	7,510	9,017	11,501	13,361	15,221
Vocational schools	2,764	3,936	4,641	5,772	6,720	7,671
Teacher training colleges	218	502	639	664	.	.
Universities.....	447 ^{a)}	817	975 (?)	.	.	.

a) 1981/82.

5.5 PUPIL/TEACHER RATIO

Establishment	1980/81	1985/86	1986/87	1987/88	1988/89	1989/90
Primary schools	48.2	50.9	50.2	51.3	53.2	52.7
Secondary and upper schools	28.5	32.4	32.4	27.6	26.6	26.1
Vocational schools	22.7	23.4	21.5	17.8	18.8	18.1
Teacher training colleges.	9.6	8.2	6.7	8.0	.	.
Universities.....	.	19.6	20.1	.	.	.

The undercapacity touched on regarding school facilities is also to be seen in the lack of classrooms which is widespread in all branches of education. In the school year 1989-90, an average of 52.2 primary school children were sharing one classroom. In general secondary schools (middle and senior schools) each classroom housed an average of nearly 50 pupils (49.7). In the vocational training schools the figure was 36.8 apprentices per classroom.

5.6 PUPIL/CLASSROOM RATIO

Establishment	Number of classrooms		Pupils per classroom	
	1987/88	1989/90	1987/88	1989/90
Primary schools	35,745	40,329	52.5	52.2
Secondary and upper schools	6,329	7,987	50.2	49.7
Vocational schools.....	3,184	3,778	32.2	36.8
Teacher training colleges.....	197	.	27.1	.
Universities .....	.	.	.	.

6 NATIONAL ACCOUNTS

A number of different national and international organizations published statistics relating to the development of the national accounts in Cameroon. An analysis of available data shows, particularly during the second half of the 1980s, strongly divergent figures for the global economic development of Cameroon¹⁾.

This chapter is based on the statistics of the World Bank and the International Monetary Fund (IMF), as these statistics furnish the most exhaustive figures on Cameroon's national accounts. In addition, the data published by these organizations shows a high level of coherence.

Up until 1986 Cameroon was one of the few countries south of the Sahara showing a permanent high rate of economic growth. Real growth of 4.3% p.a. on average was realized between 1968 and 1976, which corresponded to a slight rise in the gross domestic product/GDP per inhabitant. The years 1977-81 represented a very strong recovery phase, with a real growth of 14.2% p.a.. This was the period of the discovery and development of offshore crude oil resources. The high level of business activity continued during the first half of the 1980s. Cameroon's economic power was based at this time on a flourishing agricultural export sector, on the production of crude oil, and on an industrial sector in a state of rapid expansion. In addition, an intelligent budgetary policy favoured a high level of economic growth. As table 6.1 illustrates, the gross domestic product in constant prices rose from 2,762 billion CFA francs in 1979-80 to 4,246 billion CFA francs (+53.7%) in 1985-86, giving a rate of increase of 7.4% p.a.. During the same period, the per-capita GDP rose from 326,100 CFA francs to 422,400 CFA francs, or 29.5% (4.4% p.a.). This allowed Cameroon to enter the category of countries of medium revenue at the World Bank.

A dramatic drop in the world prices for oil, coffee and cocoa occurred simultaneously with a revaluation of the CFA franc against the US dollar in 1986. The combined effect of these external factors had severe repercussions on economic life. Cameroon's export economy went into a hard recession, which was rendered still more difficult by the progressive exhausting of oil reserves, by a lessening in the production of oil, and at the same time a diminishing of reserves during the second half of the 1980s. Furthermore, a marked contraction in investments contributed as well to a drop in economic activity (cf. table 6.3). This resulted in a pronounced negative economic growth rate since 1986-87. Total value added (at 1986-87 prices) fell between 1985-86 and 1988-89 from 4,246 billion CFA francs to 3,538 billion CFA francs (-16.7%), or nearly 6% p.a. At 321,600 CFA francs, the per capita GDP of 1988-89 had fallen below that of 1979-80. The recession continued in 1989-90, which is shown by the drop in GDP at current market prices from 3,495 billion CFA francs (1988-89) to 3,346 billion CFA francs (-4.3%).

1) A study published in 1991 by the European research group DIAL, created by EUROSTAT, ORSTOM, and CESD Paris, relating to the macroeconomic development of Cameroon, underlines the great divergences on which are based the published national account statistics for Cameroon. The data collected by different organizations showed great differences throughout the period 1984-85 to 1989-90 regarding the extent of GDP growth, cf.: *Développement des Investigations sur l'Ajustement à Long Terme/DIAL* (development of investigations on long term adjustment): Cameroon. Retrospective on economic development and macroeconomic perspectives to the year 1995. Paris (DIAL), 1991. See also the article "*Comptabilité Nationale et Modélisation Macroéconomique*", by Jean-Joël Aerts, of the Caisse Française de Développement, published in STATECO, number 64, December 1990.

6.1 DEVELOPMENT OF GDP AT CURRENT MARKET PRICES

Year ¹⁾	GDP at market prices			Price components	Inhabitants
	at current prices	at 1986-87 prices			
		total	per capita		
		billion CFA francs		1,000 CFA francs ²⁾	1986/87 = 100
1979-80.....	1,569	2,762	326.1	56.8	82
1984-85.....	3,839	3,931	402.3	97.7	94
1985-86.....	4,166	4,246	422.4	98.1	97
1986-87.....	3,969	3,969	383.7	100.0	100
1987-88.....	3,695	3,662	343.5	100.9	103
1988-89.....	3,495	3,538	321.6	98.8	106
1989-90.....	3,346	.	.	.	110

Change versus prior year or average annual growth in %

1985-86.....	+ 8.5	+ 8.0	+ 5.0	+ 0.4	+ 2.9
1986-87.....	- 4.7	- 6.5	- 9.2	+ 1.9	+ 2.9
1987-88.....	- 6.9	- 7.7	- 10.5	+ 0.9	+ 3.0
1988-89.....	- 5.4	- 3.4	- 6.4	- 2.1	+ 3.2
1989-90.....	- 4.3	.	.	.	+ 3.2
1979-80 / 1984-85 A.....	+ 19.6	+ 7.3	+ 4.3	+ 11.5	+ 2.9
1984-85 / 1989-90 A.....	- 2.7	- 2.6 ^{a)}	- 5.4 ^{a)}	+ 0.3 ^{a)}	+ 3.0

Source: World Bank and IMF.

- 1) The accounting year ends in each case on 30 June.
- 2) Based on population figures of table 3.1 (chapter 3), national estimates.
- a) Average for 1984-85 to 1988-89.

A = average

The prospects of an economic recovery in the near future are slight. What can be expected is a continuation in the decrease of economic activity rather than a new growth phase during the first half of the 1990s. There are several reasons for the above statement:

- political turmoil, born of the fact that the democratization process is advancing slower than expected, has produced a deterioration in the global economic climate and caused reluctance on the part of private economy with respect to new investment;
- in addition, the "villes mortes" campaign brought about a partial paralysis of economic activity in a number of sectors (including trade, transports and industrial production) and has had a negative influence on economic life;
- according to government data, crude oil production will drop by a total of 54% by 1995. Since no new oil field has been discovered, it is inevitable that the oil economy will

contract even further. The exceptional profits recorded during the first half of 1991, due to an increase in oil exports following the Gulf War, was only of a temporary nature and of secondary importance on a global economic scale;

- as world market prices for coffee and cocoa continue to weaken, there is no reason to expect a recovery in agricultural production for export in the near future.

Considering this economic and political background, the Economist Intelligence Unit (EIU) foresees negative growth of between 3 and 6.2% in real terms for the period of 1990-91 to 1992-93. The IMF and the World Bank are assuming that, even if the structural adjustment programs are implemented without problems, the GDP per inhabitant could only start to increase again from 1995 at the earliest.

Table 6.2 shows an overview of the contribution towards GDP by the main sectors of the economy. As the table indicates, the first half of the 1980s experienced positive growth in all sectors of the economy. While the secondary sectors (+12.2%) and tertiary sectors (+7.7%) achieved an above-average growth rate of 7.3%, growth in the primary sector (agriculture, forestry, and fisheries) was markedly below average at 1.0% p.a.. The weak increase in value added in the primary sector was first and foremost due to the drought of the years 1983-85, which depressed agricultural production. During the second half of the 1980s the situation changed. While, between 1984-85 and 1988-89, there had been a strong real growth of 4.2% in agriculture, forestry and fisheries, industry (-6.8%) and the tertiary sector (-3.1%) were showing negative growth rates. The stagnation in the secondary economy was above all due to a marked fall in value added in the oil sector, whereas production in the processing industry was dropping at a much slower rate. There was no reason to expect that there would be a fundamental change in these trends per sector for 1989-90, though there was a brief rise in production in the oil sector at current prices.

6.2 BREAKDOWN OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year ¹⁾	GDP at market prices	Agriculture, forestry, fisheries	Industry	of which		Other sectors
				Processing industry	Oil sector	
In current prices (billion CFA francs)						
1979-80	1,569	437	406	124	.	726
1984-95	3,839	790	1,317	423	.	1,731
1985-86	4,166	908	1,373	537	439	1,885
1986-87	3,969	976	1,137	523	250	1,856
1987-88	3,695	954	1,055	498	233	1,686
1988-89	3,495	939	945	456	218	1,611
1989-90	3,346	891	930	.	253	1,525

For footnotes, please see end of Table.

6.2 BREAKDOWN OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year ¹⁾	GDP at market prices	Agriculture, forestry, fisheries	Industry	of which		Other sectors
				Processing industry	Oil sector	
Change versus previous year or average annual growth in %						
1985-86	+ 8.5	+ 14.9	+ 4.3	+ 27.0	.	+ 8.9
1986-87	- 4.7	+ 7.5	- 17.2	- 2.6	- 43.1	- 1.5
1987-88	- 6.9	- 2.3	- 7.2	- 4.8	- 6.8	- 9.2
1988-89	- 5.4	- 1.6	- 10.4	- 8.4	- 6.4	- 4.4
1989-90	- 4.3	- 5.1	- 1.6	.	+ 16.1	- 5.3
1979-80 / 1984-85 A	+ 19.6	+ 12.6	+ 26.5	+ 27.8	.	+ 19.0
1984-85 / 1989-90 A	- 2.7	+ 2.4	- 6.7	+ 1.9 ^{b)}	- 12.9 ^{b)}	- 2.5
at 1986-87 prices (billion CFA francs)						
1979-80	2,762	769	715	218	.	1,278
1984-95	3,931	808	1,271	474	.	1,853
1985-86	4,246	925	1,400	547	.	1,921
1986-87	3,969	976	1,137	523	250	1,856
1987-88	3,662	945	1,046	494	.	1,671
1988-89	3,538	951	957	462	.	1,631
Change versus previous year or average growth in %						
1985-86	+ 8.0	+ 14.5	+ 10.1	+ 15.4	.	+ 3.7
1986-87	- 6.5	+ 5.5	- 18.8	- 4.4	.	- 3.4
1987-88	- 7.7	- 3.2	- 8.0	- 5.5	.	- 10.0
1988-89	- 3.4	+ 0.6	- 8.5	- 6.5	.	- 2.4
1979-80 / 1984-85 A	+ 7.3	+ 1.0	+ 12.2	+ 16.8	.	+ 7.7
1984-85 / 1989-90 A	- 2.6	+ 4.2	- 6.8	- 0.6	.	- 3.1

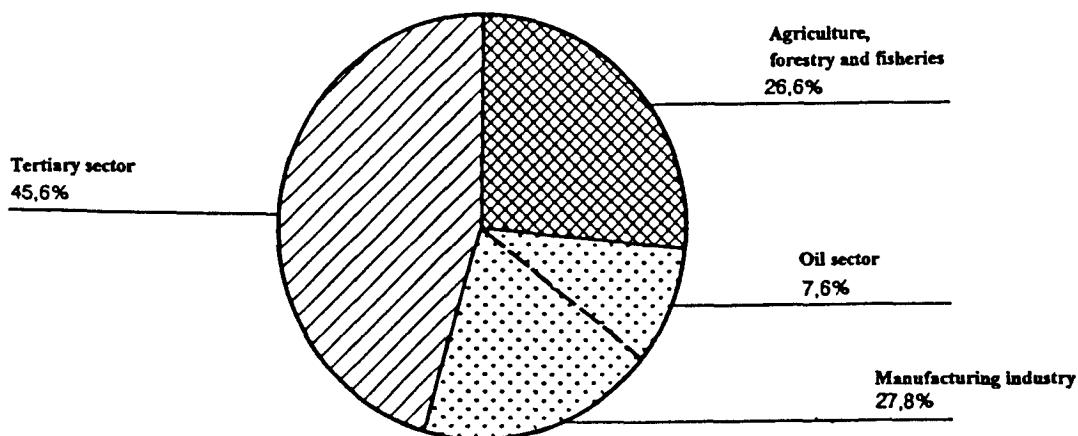
Source: World Bank and IMF.

1) The accounting year ends on 30 June.

a) Average 1984-85 à 1988-89 - b) Average 1985-86 à 1989-90.

A = average.

6.1 BREAKDOWN OF GDP AT MARKET PRICES (at current prices) 1989 - 1990



Statistisches Bundesamt 92 0324 8

Figure 6.1 illustrates the contribution made by different sectors of the economy to total GDP for the accounting year 1989-90 on the basis of current prices. From this table it can be seen that the contribution made by agriculture, forestry, fisheries, at 891 billion CFA francs, was 26.6% of total value added of 3,346 billion CFA francs. The contribution of industry (930 billion CFA francs, representing a rate of 27.8%) was only slightly higher than that of agriculture, forestry and fisheries. In contrast, the share of the oil economy (253 billion CFA francs) had clearly fallen below the 10% limit and emerged at only 7.6%. The tertiary sector (1,525 billion CFA francs), at 45.6%, was the most important sector of the economy. However, it must be considered that the tertiary sector includes a number of different sectors of the economy (e.g. commerce and hotel and catering, public services, transport and traffic) which, taken individually, do not represent an economic significance comparable to that of agriculture or industry. In general terms, there was no great modification in the proportional contribution of the different sectors of the economy to the GDP during the 1980s.

A breakdown of GDP at market prices according to use shows strong changes emerging from the mid-1980s onwards. While gross investments (at current prices) had reached their highest level in 1985-86 at 1,285 billion CFA francs, the significance had fallen by half by 1988-89 (628 billion CFA francs). This was accompanied by a drop in the investment rate from 31% to 18% (figure 6.2). In contrast, there was an appreciable increase in the proportion of private and state consumption during the same period. While 68% of GDP (at current prices) had been spent on consumption (private and public) in 1985-86 (2,853 billion CFA francs), this figure had risen in 1988-89 (2,822 billion CFA francs) to 81%. A new economic upswing cannot be achieved in the near future without a significant reduction in private and public consumption in favour of an increase in investment activity.

6.3 UTILIZATION OF THE GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year ¹⁾	GDP at market prices (col.5 + col.6 - col.7)	Private consumption	Public consumption	Gross investment	Prior national consumption (col.2 to col.4)	Exports	Imports
						of goods and services	
	1	2	3	4	5	6	7

At current prices (billion CFA francs)

1979-80.....	1,569	1,185	137	296	1,618	378	427
1984-95.....	3,839	2,116	345	955	3,417	1,318	896
1985-86.....	4,166	2,489	364	1,285	4,137	985	956
1986-87.....	3,969	2,757	433	957	4,146	666	843
1987-88.....	3,695	2,800	417	580	3,797	611	713
1988-89.....	3,495	2,410	412	628	3,450	670	625
1989-90.....	3,346	.	391	.	3,300	684	638

Change versus previous year or average annual growth in %

1985-86.....	+ 8.5	+ 17.6	+ 5.5	+ 34.6	+ 21.1	- 25.3	+ 6.7
1986-87.....	- 4.7	+ 10.8	+ 19.0	- 25.5	+ 0.2	- 32.4	- 11.8
1987-88.....	- 6.9	+ 1.6	- 3.7	- 39.4	- 8.4	- 8.3	- 15.4
1988-89.....	- 5.4	- 13.9	- 1.2	+ 8.3	- 9.1	+ 9.7	- 12.3
1989-90.....	- 4.3	.	- 5.1	.	- 4.3	+ 2.1	+ 2.1
1979-80 / 1984-85 A	+ 19.6	+ 12.3	+ 20.3	+ 26.4	+ 16.1	+ 28.4	+ 16.0
1984-85 / 1989-90 A	- 2.7	+ 3.3 ^{a)}	+ 2.5	- 9.9 ^{a)}	- 0.7	- 12.3	- 6.6

at 1986/87 prices (billion CFA francs)

1979-80.....	2,762	2,087	241	521	2,849	666	752
1984-95.....	3,931	2,329	352	818	3,499	1,349	917
1985-86.....	4,246	2,537	371	1,309	4,217	1,004	975
1986-87.....	3,969	2,757	433	957	4,146	666	843
1987-88.....	3,662	2,775	413	575	3,763	606	707
1988-89.....	3,538	2,440	417	636	3,493	678	633

Change versus previous year or average annual growth in %

1985-86.....	+ 8.0	+ 8.9	+ 5.4	+ 60.0	+ 20.5	- 25.6	+ 6.3
1986-87.....	- 6.5	+ 8.7	+ 16.7	- 26.9	- 1.7	- 33.7	- 13.5
1987-88.....	- 7.7	+ 0.7	- 4.6	- 39.9	- 9.2	- 9.0	- 16.1
1988-89.....	- 3.4	- 12.1	+ 0.9	+ 10.6	- 7.2	+ 11.9	- 10.5
1979-80 / 1984-85 A	+ 7.3	+ 2.2	+ 7.9	+ 9.4	+ 4.2	+ 15.2	+ 4.0
1984-85 / 1989-90 A	- 2.6	+ 1.2	+ 4.3	- 6.1	- 0.0	- 15.8	- 8.8

Source: World Bank and IMF.

1) The accounting year closes on 30 June.

a) Average 1984-85 to 1988-89

A = average.

6.4 GROSS NATIONAL AND GROSS DOMESTIC PRODUCT AT CURRENT PRICES
billion CFA francs

Year ¹⁾	GNP at market prices	Balance on trans-frontier revenues	GDP at market prices (col. 1 - col. 2)	Indirect taxation ²⁾	GDP at cost factors (col. 3 - col. 4)
	1	2	3	4	5

At current prices (billion CFA francs)

1979-80	1,427	- 142	1,569	118	1,451
1984-85	3,596	- 243	3,839	121	3,718
1985-86	3,949	- 217	4,166	144	4,022
1986-87	3,818	- 151	3,969	187	3,782
1987-88	3,568	- 127	3,695	166	3,529
1988-89	3,383	- 112	3,495	154	3,341

Change versus previous year or average annual growth in %

1985-86	+ 9.8	- 10.7	+ 8.5	+ 19.0	+ 8.2
1986-87	- 3.3	- 30.4	- 4.7	+ 29.9	- 6.0
1987-88	- 6.5	- 15.9	- 6.9	- 11.2	- 6.7
1988-89	- 5.2	- 11.8	- 5.4	- 7.2	- 5.3
1979-80 to 1984-85 A.....	+ 20.5	+ 11.3	+ 19.6	+ 0.5	+ 20.7
1984-85 to 1988-89 A.....	- 1.5	- 17.6	+ 6.2	+ 6.2	- 2.7

Source: World Bank and IMF.

1) The accounting year closes on 30 June.

2) Less subsidies.

A = average.

Judging by the comparison on which table 6.4 is based, gross national product (GNP) versus gross domestic product (GDP), it is apparent that the net contribution by foreign companies (balance on trans-frontier revenues) to the total volume was weak in global terms. During each year since 1984-85, the contribution was very much lower than 10% and the trend is steeply downward, which gives an indirect indication of a permanently weakening economic commitment on the part of foreign providers of capital to Cameroon.

6.2 SHARE OF GROSS INVESTMENTS IN GDP AT MARKET PRICES (1984-85 to 1988-89)



Sources: World Bank, IMF

7 AGRICULTURE, FORESTRY, AND FISHERIES

Despite great efforts in industrialization, it is agriculture (including forestry and fisheries) which continues to be the pillar of Cameroon's economy. The importance of the agricultural sector in economic life can be seen from the fact that this sector of the economy contributed roughly 27% in 1989-90 to the gross domestic product at market prices (at current prices) (cf. chapter 6). Nearly three quarters of the working population is employed in agriculture, forestry and fisheries (cf. chapter 13). The share of agricultural products in total exports was permanently above 27% during the 1980s and in some years even rose above 40%. The most important agricultural exports are cocoa and coffee¹⁾. After oil these are the biggest export items in Cameroon. In view of the progressive exhausting of oil reserves, Cameroon will, in the medium term, have to depend to a large extent on its performance in the agricultural sector, to compensate the significant export losses in oil operations and to stop the economic decline which has been under way since 1986.

The Cameroon government is conscious of the central importance of the agricultural sector for the economic prosperity of the country. The main objectives of state agricultural policy are the following:

- **increasing the production of foodstuffs with a view to ensuring long-term self-sufficiency** and guaranteeing adequate nutrition for all sectors of the population. The government is, among others, seeking to rapidly eliminate undernourishment and malnutrition which go hand in hand with poverty;
- **institutional and structural reform of agricultural exports**, in particular cocoa and coffee, within the framework of the current structural adjustment programme. This objective centres on the recovery of financial equilibrium in production organizations and state marketing organizations, combined with a partial privatization of the purchase and sale of agricultural export products. In addition it is planned to eliminate state subsidies for agricultural aids (chemical fertilizers, pesticides, seed, etc.);
- **increasing the production of traditional export products and diversification of agricultural exports**. In this context, an expansion in the cultivation of tropical fruits, natural rubber, and palm oil is being strived for;
- **the creation of new jobs in rural areas;**
- **a fundamental modernization of agriculture**. In this context, a national agricultural credit institute was created, the Credit Agricole du Cameroon (CAC), which is intended to provide agricultural businesses with a financial base for modernization and intensification projects by means of targeted loans.

1) There are other important export products in agriculture or forestry: cotton, bananas, rubber, palm product, raw timber, and wood products.

AGRICULTURE

One of the main obstacles to the wide-spread introduction of modern farming methods is the piecemeal structure of agriculture in Cameroon. Nearly 70% of cultivatable land is in the hands of farmers with smallholdings of less than 2 ha. Average-sized farms (2 - 24 ha) cover 20% of the useful agricultural land. 10% is covered by large farms with areas of up to 10,000 ha. On average, the size of farms is small, at 1.6 ha. The large farms are mainly plantations in the coastal region, the majority of which were created during the colonial period. These plantations concentrate on palm oil and rubber, whereas the main cash crops such as cocoa, coffee, and cotton are grown mainly by small farmers.

The types of farming are very mixed. Cultivation in permanent fields is the most important. There is also nomadic farming with clearing by fire, a characteristic of a great number of tropical regions. In livestock farming, different forms of nomadic farming exist, as well as sedentary farming. In certain regions of virgin tropical forest, traditional hunting and gathering methods can still be found.

Table 7.1 gives an overview of land use. As one can see, only 12.5% (49,400 km²) of the total surface area of Cameroon was used as farming land at the end of the 1980s. Compared to the early 1970s (1972: 55,000 km²), the area of cultivated land had grown by 8%. At 10,680 km², the share of land under permanent cultivation was 2.2% of the total area available in 1989. At that time, 83,000 km² (70.5%) was used as pasturage. More than half (51.8%) of Cameroon's national territory is covered by forest (246,500 km²). Due to increased collection of firewood, clearing by fire and an ever higher commercial use of wood, the area covered by forest decreased by more than 6% between 1972 and 1989.

The rate of mechanization in Cameroonian agriculture is low. The majority of small farmers do not have the financial means to buy expensive machinery and equipment. In addition, large agricultural machines are ill adapted for use on small farms. Considering the preponderance of smallholdings, only 1,050 tractors were used in 1989, though compared to 1970 the tractor fleet had still multiplied by seven.

Agriculture by irrigation is still in its infancy. The total irrigated area in 1989 was 280 km², or 0.4% of all arable land.

7.1 LAND USE 1,000 ha

Type of use	1972	1979	1984	1987	1989
Arable land	5,500	5,898	5,910	5,930	5,940
Permanent cultivation	780	1,014	1,055	1,065	1,068
Permanent meadows and pasturage ¹⁾ ..	8,300	8,300	8,300	8,300	8,300
Forested areas	26,290	25,750	25,200	24,870	24,650
Other areas	6,674	6,582	7,079	7,379	7,586
Irrigated areas	8	14	18	24	28

- 1) Definition according to the FAO; useable surfaces depending on rainfall conditions and including surfaces utilized only occasionally.

Farming aids are used especially in the sector of agriculture producing export products. The use of commercial fertilizers per hectare of arable land and permanently cultivated areas was still very low in 1989-90 at an average of 4.1 kg. In the past producers benefitted from state subsidies on farming aids. Within the framework of the new agricultural strategy, it is planned to eliminate entirely subsidies for intermediate consumption. Already in 1990-91 subsidies towards the purchase of synthetic fertilizers and pesticides had been reduced. In addition, low producer prices for the main agricultural export products do little to motivate farmers to use greater quantities of expensive farming aids. For the above-stated reasons, it is reasonable to expect still further reduction in the use of synthetic fertilizers and other aids for the farming year 1990-91 and later.

7.2 TRACTOR FLEET AND UTILIZATION OF COMMERCIAL FERTILIZERS

Farming aids	Unit	1970	1975	1980	1985	1989
Tractors1)	Number	150	280	572	880	1,050
Consumption of commercial fertilizers, total2)	1,000 t pure fert. content	32.0	56.5	49.8	39.0	28.6
containing nitrogen.....	1,000 t pure fert. content	16.1	26.9	24.6	22.0	18.2
containing phosphorus.....	1,000 t pure fert. content	6.0	9.6	14.3	8.6	4.4
containing potassium.....	1,000 t pure fert. content	10.0	20.0	10.9	8.4	6.0
Consumption per ha of arable land and land permanently farmed	kg. pure fert. content	4.6	8.1	7.1	5.6	4.1

1) Situation: end of the year.

2) Farming year July/June.

Cameroon has traditionally been considered as self-sufficient in food supplies. Nearly 45% of the value added created in the primary economy is accounted for by food products. Surpluses in the production of certain fruits have in the past been exported principally to the neighbouring countries of Nigeria and Gabon. The government's long-term objective is to ensure self-sufficiency and to provide a satisfactory base of nutrition for a rapidly growing population by promoting national production of foodstuffs. The supply of food, which is generally considered as good, hides, however, according to World Bank estimates, regional imbalances in the food security situation. Because of drought, there are repeated shortages in food supplies (on average once in every three years) mainly in the northern part of the country. In addition, there are acute cases of undernourishment in the north caused by poverty and by sometimes very bad sanitary conditions. According to the figures of the World Bank, there are multiple instances of chronic undernourishment among children and infants in the west of Cameroon, undernourishment stemming from local nutritional habits and the fact that many mothers do not have enough time to look after their children.

In July 1991, the World Bank granted a loan amounting to US\$ 23 million for a project due to run until 1999 which aimed at eliminating regional bottlenecks in nutrition and food supplies. The project should cost a total of US\$ 35.3 million. Besides the World Bank, Japan, among others, is contributing towards the financing of the project which centres on measures destined to promote the

fight against locusts, to improve sales and marketing of food supplies, to hold advisory campaigns on nutrition, as well as the creation of a nationwide information system regarding the status of nutrition.

The most important basic food crops are maize, plantain, manioc, yam, millet, sorghum, potatoes, sweet potatoes, and rice. The existing statistics concerning the development in production of different vegetables and fruits are unfortunately very unreliable. In particular, products produced in subsistence farming have not always been covered by official statistics. For all published statistics on the growing and harvesting of crops, one must therefore assume that the data collected on real harvests is insufficient. This factor must also be kept in mind when considering the commentaries on the data shown in table 7.3 concerning the development in production of selected basic foods, which is based on figures supplied by the FAO.

During the 1980s high priority was given to promoting the cultivation of maize. While 459,000 t of maize were still being produced in 1988, this figure dropped during 1989 (375,000 t) and 1990 (350,000 t). Producer prices for a number of export products fell rapidly (cf. table 7.6) and this could therefore persuade a great number of farmers to turn to farming maize.

According to information supplied by the World Bank, maize farming is very lucrative, the producer price for maize being high compared to that of coffee or maize in neighbouring countries. In addition, maize as a crop is much less labour-intensive than coffee. One can therefore expect an expansion of maize farming at the beginning of the 1990s.

As with maize, production of **millet** and **sorghum** fell in the years 1989 and 1990. However, in the case of sorghum, the amount harvested in 1990, 380,000 t, was very much higher than the average over the years 1979-81 (301,000 t).

Rice is produced both by traditional and modern methods. The Société d'Etudes et de Modernisation de la Riziculture (SEMRY), which runs three great rice plantations in Yagoua (in the extreme northern province) is of central importance in this type of farming. The greater part of SEMRY's rice production is destined for export, since the local population in the northern part of the country refuses to accept rice as a foodstuff. A reorganization of SEMRY has been planned under the current structural adjustment measures.

Contrary to the situation with most cereals, 1988-90 was characterized by very clear increases in the production of **tubers** and **root crops** compared to the beginning of the 1980s. Thus, the production in **potatoes** had practically quadrupled between 1979-81 (49,000 t) and 1990 (190,000 t). During the same period, **sweet potato** production rose by 18.8%, **manioc** harvests by 24.4% and **yam** harvests by 15.3%.

7.3 HARVESTS OF SELECTED BASIC FOOD CROPS 1,000 t

Product	1979/81 A	1988	1989	1990
Rice	48	40	35	39
Maize	418	459	375	350
Millet	98	60	52	50
Sorghum	301	512	400	380
Potatoes	49	174	180	190
Sweet potatoes	133	152	154	158
Manioc	1,273	1,500	1,530	1,583
Yams	203	230	230	234
Dried beans	98	115	117	119
Ground nuts	137	145	140	140
Sesame seeds	8	14	14	15
Palm kernels	43	50	50	50
Sugar cane	1,072	1,280	1,300	1,330
Plantain	1,022	1,100	1,150	1,160

A = average.

During the same period, there was a marked increase in the production of other plants such as **beans** (+21.4%), **sugar cane** (+24.1%) and **plantain** (+13.5%). Outdated farming methods along with obsolete production technology contributes to the low level of harvests, when compared with international standards, for the majority of food crops. Certain cereals however experienced a very great increase in yield (amongst others rice, maize, millet) during the 1980s. In contrast, yields in root crops and tubers as well as legumes significantly increased. Sugar cane harvests have gone into reverse. Considering the low level of yield, the production potential is still very high, but exploiting it requires intensification of the farming of cash crops. Cameroon thus has the agricultural base to achieve the targeted objective, i.e. self-sufficiency in food crops. However it is imperative that harvests be increased at an accelerated rate during the 1990s in order to keep pace with the rapidly growing population.

7.4 YIELDS OF SELECTED BASIC FOOD CROPS DT/ha

Product	1979/81 A	1988	1989	1990
Rice.....	22.8	28.6	26.9	30.0
Maize.....	8.5	15.8	15.0	14.6
Millet.....	7.5	15.0	13.0	12.5
Sorghum.....	8.1	10.0	10.0	10.0
Potatoes.....	23.2	23.8	23.7	23.4
Sweet potatoes.....	35.1	36.2	35.7	36.0
Manioc.....	24.6	25.0	25.5	25.4
Yams.....	57.0	41.1	41.1	41.6
Dried beans.....	6.4	6.9	6.9	7.0
Ground nuts.....	4.1	4.5	4.4	4.4
Sesame seeds.....	2.6	4.3	4.5	4.7
Sugar cane.....	148	132	133	132

A = average.

The output in agricultural exports represents approximately 25% of the total net agricultural value added. The most important crops are cocoa, coffee, cotton, bananas, tea, oil palms, rubber trees. Since the second half of the 1980s Cameroon's agricultural export economy has been sliding towards a severe crisis. If the recession should continue, there is a risk of agricultural exports losing their second place as a foreign exchange earner, the first place being occupied by oil. The crisis was triggered by the revaluation of the CFA franc against the US dollar from the mid-1980s onwards, and by the rapid fall in the world market prices for cocoa, coffee and cotton which set in in 1985. This resulted in a drastic cut in revenues for agricultural exports during the second half of the 1980s. At first, producer prices for the above-named products were artificially sustained by the state system of fixed pricing. This resulted in ever increasing deficits for the state sales and marketing companies as well as increasing delays in payment to the producers. Under the current structural adjustment programme, producer prices for agricultural products destined for export have been linked to the development of the corresponding world market prices. Producer prices have been reduced drastically since the farming year 1989-90, which means that the international slide in prices has been retransmitted to the production of coffee, cocoa, and cotton (cf. figure 7.2). The objective behind this step was to rapidly reduce the high deficits of the sales companies as well as to effect payment to the farmers. In this context, the Office National de Commercialisation des Produits de Base (ONCPB), which until then had been in charge of the marketing and sale of cocoa and coffee, and which had run up more than 100 billion CFA francs of debts, was dissolved and replaced in mid-1991 by the Office National du Café et du Cacao (ONCC), a newly created enterprise. Again in mid-1991, the arrears of payment of the ONCPB were settled by payments to farmers whose products had not yet been paid for; 10 billion CFA francs out of a total of 14 billion CFA francs were reimbursed thanks to financial aid from the European Community. The new ONCC does not have the very wide scope of functions of the ONCPB, but is responsible only for controlling purchases of cocoa and coffee, controlling the quality of goods for export, creating a mechanism for stabilization of prices, and representing Cameroon at international conferences. The purchasing of

coffee and cocoa has been privatized, which has helped to phase out the previous state intervention in the marketing of these products. The fact that numerous private buyers now only buy coffee and cocoa in accessible areas, and that other regions are more infrequently served, is considered as one of the grave consequences of the liberalization in the cocoa and coffee trade.

State action taken to overcome the recession in export agriculture consisted in setting up agricultural productivity programmes, which in the past were financed by revenues from the sale of oil. This action centres on the revitalization of the coffee and cocoa sector by the creation of new plantations. The urgency of this step is evident, considering that approximately 45% of the cocoa trees are at present more than 20 years old and, because of their age, are producing less and less fruit.

The trends in production of the most important export products is presented below against the background of their integration into the world agricultural market.

Cameroon ranks among the ten largest producers of cocoa in the world. Cocoa is also the biggest export crop. The main areas of cultivation are in the centre, the south and the south-west of the country (cf. map "Agriculture and land use"). In the cocoa sector the farms are mainly small: more than 60% of the cultivated area consists of farms of less than one hectare; only 8% of these areas are larger than three ha. These farms are characterized by their low yield of 3 - 3.5 DT/ha compared to 6 DT/ha for Côte d'Ivoire and 10 - 30 DT/ha for Malaysia.

After the producer prices for cocoa had remained constant between 1985-86 and 1988-89 in spite of the fall in world market prices, the government proceeded between July and September 1989 to cut producer prices drastically in order to adjust to the permanent fall in prices on the world market. The producer price for cocoa of grade one quality was reduced during the farming year 1989-90 from 420 CFA francs to 250 CFA francs (-40.5%). Although export prices continued to drop, no new cuts in producer prices were agreed for 1990-91, and the price level fixed in 1989-90 will have to be maintained for the 1991-91 season. Despite the lowering of the producer price, the cocoa harvest was slightly higher in 1989-90, at 125,700 t, than that of the previous year (1988-89: 123,900 t). This was, however, followed by an appreciable regression in production to 95,000 t, or a drop of nearly one quarter (-24.4%), in 1990-91. The low harvest in 1990-91 was due to late maturing of the cocoa trees in the year in question as well as the lack of incentive for many cocoa producers to harvest or replant cocoa in view of the low producer prices. Considering the downward trend in revenues from cocoa farming, one can expect in the near future that land previously under cocoa will be replanted with other agricultural products.

Cameroon is one of the leading exporters of coffee, particularly the Robusta strain. Coffee is farmed principally in the west and the south of the country. Robusta is planted on nearly four fifths of all land under coffee cultivation. Following the natural growth cycle, annual harvests of Robusta coffee are characterized by a saw-toothed structure (cf. table 7.5). Up until 1989-90, a good harvest year producing more than 110,000 t alternated with a year where production was less than 80,000 t. This cycle was interrupted in 1990-91. At 75,000 t, the total harvest in that year should have been very high. However, the Robusta harvest was lower than that of the preceding year. This development was principally due to the slashing of producer prices for the grade one Robusta coffee, a fall of 65% having occurred between 1988-89 (440 CFA francs per kg) and 1990-91 (155 CFA francs per kg) (cf. table 7.6 and figure 7.2). There is another reason for the bad Robusta harvest in 1990-91; the previously mentioned abolition of subsidies for farming aids. This fact,

combined with suspended payments for harvests, forced a great number of coffee planters to turn to producing other agricultural crops. The reluctant participation of coffee producers in the government programme for planting new coffee trees proves the low incentives offered at present in coffee farming. Just as with cocoa, no new reduction in producer prices has been planned for Robusta coffee, despite their continued downward slide on the world market in 1991-92.

The production of Arabica coffee is also dropping. At 11,000 t, the 1990-91 harvest was low compared to the years 1985-86 and 1986-87 which levelled out at more than 20,000 t. There is very little potential for expansion of the cultivation of Arabica. Considering the competition provided by various food crops such as maize or tomatoes, which can be cultivated much more profitably with less work input, it should rather be expected that the production of Arabica will continue to fall in the years to come.

In global terms the production of coffee in 1990-91 was 86,000 t. Total coffee production had dropped by 41.4% compared to 1986-87, a year in which 146,700 t of coffee had been harvested (Robusta: 124,000 t; Arabica: 22,700 t). This reflects the gravity of the crisis in Cameroon's coffee economy. As the world market price of the International Coffee Organization (ICO) reached its lowest level for 15 years in 1991-92, it seems inevitable that production will continue to dwindle and export revenues fall lower still throughout the year 1991-92. Just as in the case of cocoa, this means that Cameroon will be increasingly dependent on STABEX funds provided by the European Community (cf. chapter 20) for compensatory payments linked with losses on coffee exports. This cannot, however, be a long-term solution. The planned diversification in the agricultural export sector, as proposed by the government, is more urgent than ever considering the permanence of the crisis in coffee and cocoa.

During the second half of the 1980s, cotton farming seemed to have recovered from the drought of the early 1980s. A record harvest was achieved in 1988-89 with 165,400 t of raw cotton being brought in. However, cotton production diminished in 1989-90 and shrank to 103,900 t (-37.2%). The causes for this drop were late and irregular storms in the northern part of the country where the majority of cotton is grown, as well as a marked slump in producer prices for quality cotton, the price dropping from 140 CFA francs to 95 CFA francs per kg during the farming year 1989-90. Production figures improved slightly to 112,000 t (+7.8%) in 1990-91, but still fell far short of the harvest level of 1988-89. The factors responsible for this result were, besides the low producer price, climatic situations of near drought which affected cotton farming in the northern and extreme northern provinces. A production level of 125,000 t of raw cotton is being aimed at in the agricultural season 1991-92.

Sodécoton (Société de Développement du Cotton) is the state enterprise for marketing raw cotton. Besides marketing, Sodécoton supplies farming aids to the producers of cotton. After this enterprise had made losses reaching 15 billion CFA francs per year, its financial situation stabilized at the beginning of 1992.

A five-year cotton rehabilitation programme was launched in mid-1990 with financial aid amounting to 5.5 billion CFA francs from France. This programme includes the supply of new vehicles, the setting up of agricultural training programmes as well as the modernization of existing cotton processing installations.

After the lowest point was reached in 1987-88 (37,500 t), the production of **bananas** has appreciably increased. In 1989-90 the banana harvest came to 75,000 t, which is a rise of 87.5% compared to the preceding year. Banana production increased by another third to reach 100,000 t during the 1990-91 agricultural season. The former para-state enterprise, Organisation Camerounaise de la Banane (OCB), has now been entirely privatized. The main shareholder of the new OCB is the Compagnie Fruitière de France. The establishment of the single market presents good opportunities for an increase in the export of bananas. An expansion in banana production to 120,000 t p.a. has been planned. This means that bananas are among the few rare agricultural products with good export prospects in the coming years.

In the production of **natural rubber**, a rise of 143.2% was recorded between 1985-86 (18,500 t) and 1990-91 (45,000 t). The state or semi-state organizations have a high level of involvement in both the production and marketing of rubber. These organizations are on the one hand the Cameroon Development Organization (CAMDEV) and on the other hand Hévéa du Cameroun (HEVECAM), founded in 1984.

Tea production increased between 1985-86 and 1990-91 from 2,200 to 3,000 t, or by 36.4%. During the same period **pineapple** production dropped by a quarter from 6,000 to 4,500 t.

7.5 HARVESTS OF SELECTED AGRICULTURAL EXPORT CROPS 1,000 t

Product	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 ¹⁾
Pineapples.....	6.0	6.5	6.5	3.5	2.5	4.5
Bananas	56.0	48.9	37.5	40.0	75.0	100.0
Coffee, robusta ²⁾	77.6	124.0	78.1	111.0	76.4	75.0
Coffee, arabica ²⁾	20.1	22.7	13.2	15.2	10.0	11.0
Cocoa ³⁾	120.0	123.0	132.8	123.9	125.7	95.0a)
Tea	2.2	2.4	2.9	.	2.7	3.0
Raw cotton.....	115.5	122.7	113.7	165.4	103.9	112.0
Natural rubber.....	18.5	20.5	26.1	33.0	37.6	45.0

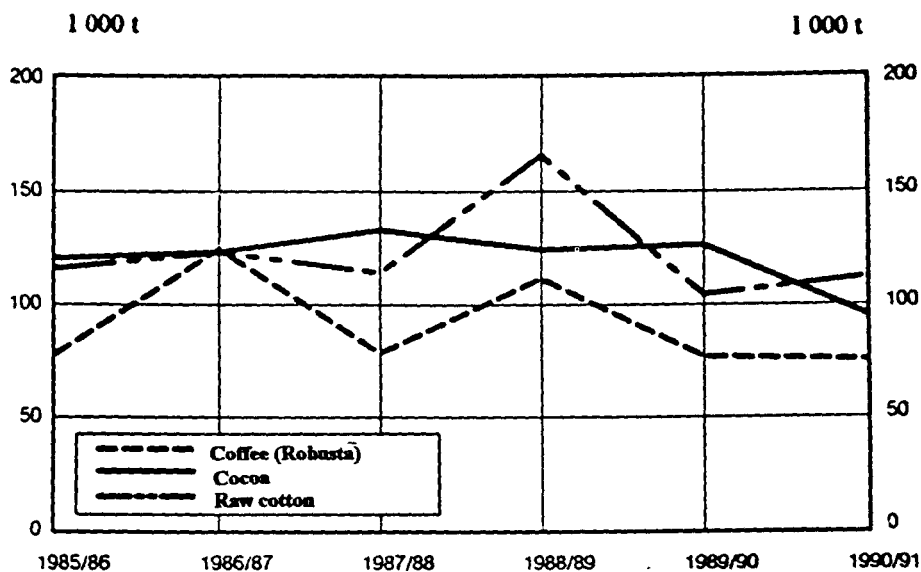
1) Provisional data.

2) The agricultural year starts at 1 December.

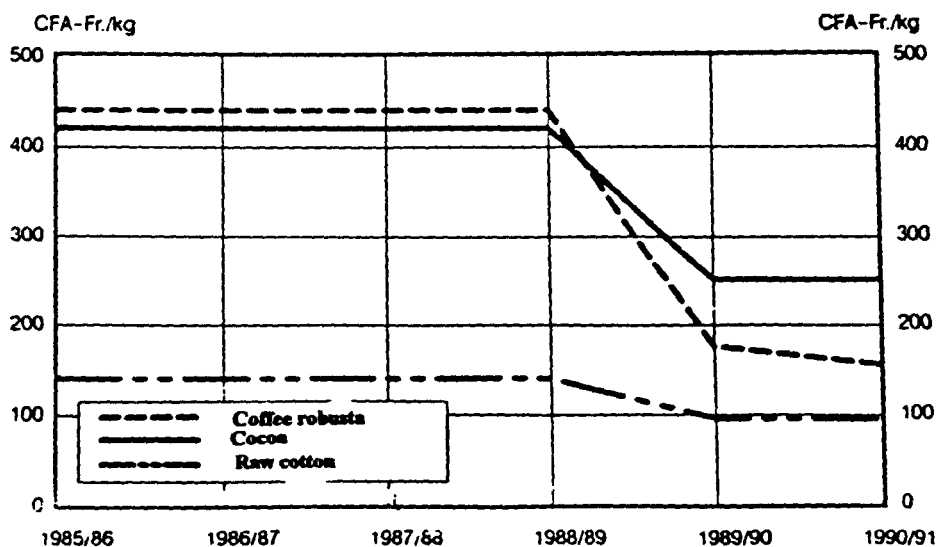
3) The agricultural year starts at 1 September.

a) Estimate of the Organisation Internationale du Cacao (ICCO).

7.1 HARVESTS OF SELECTED AGRICULTURAL EXPORTS (in 1,000 t)



7.2 PRODUCER PRICES FOR SELECTED AGRICULTURAL EXPORTS¹⁾



¹⁾ Grade one for all products

LIVESTOCK FARMING

Livestock farming (including fisheries) represents 17% of the total net value added in the primary sector. Increasing demographic pressure in the northern parts of the country (cf. population density map) is a factor of desertification and is subjecting livestock farming to increasing pressure due to the ever greater degradation of productive pasturages. There has already been a partial migration of the population engaged in livestock farming in the extreme north. The danger of over exploitation of areas of a natural pasturage is also rising in the northern province. This process is aggravated by nomadism and the transhumance practised by herdsmen from Nigeria and Chad. The vegetation of mountain grazing lands, and especially those on steep slopes, is subject to increasing erosion. It is imperative to manage these grazing lands and to control severely the numbers of livestock with a view to preventing long-term degradation of pasturelands. The granting of long-term grazing rights to herdsmen is of central importance since it would promote a more balanced use of these grazing lands.

7.6 PRODUCER PRICES FOR SELECTED EXPORT FRUIT CROPS CFA francs/kg

Product	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Cocoa (grade one).....	420	420	420	420	250	250
Robusta coffee (grade one).....	440	440	440	440	175	155
Cotton (grade one)	140	140	140	140	95	95

The livestock population survived the droughts of the years 1983-85 relatively well. According to the indications given by the FAO, there was a clear increase in livestock between 1979-80 (average) and 1990. The total number of cattle rose during this period from 3,521 million to 4,697 million (+33.4%). This increase was mainly due to a government veterinary programme, aimed at improving the health of livestock, which was launched in the mid-1980s. There has also been strong growth in pigs (+19.8%), sheep (+61.5%) and goats (+56.0%). The numbers of small animals also greatly increased during the period under review: the number of hens increased from 8 to 18 million (+125%) between 1979-81 (average) and 1990.

7.7 STOCKS OF ANIMALS

Livestock	Unit	1979/81 A	1986	1987	1988	1989	1990
Horses	1,000	17	23	24	25	25	26
Donkeys.....	1,000	33	37	38	39	39	40
Cattle.....	1,000	3,531	4,255	4,362	4,471	4,582	4,697
Dairy cattle	1,000	85	95	96	97	98	100
Pigs.....	1,000	1,139	1,451	1,178	1,237	1,299	1,364
Sheep.....	1,000	2,167	2,473	2,597	2,897	3,170	3,500
Goats.....	1,000	2,256	2,551	2,679	2,906	3,213	3,520
Hens.....	mill.	8	13	14	16	16	18

Source: FAO.

A = average.

Parallel to the rise in stocks of animals, the 1980s also saw a marked increase in slaughterings (cf. table 7.8). Pigs were the only exception, with the number of slaughterings dropping by 40.1% between 1979-81 (average) and 1990. The number of slaughterings of cattle and calves rose by 55%. The period under review even saw a doubling in the slaughterings of sheep, lambs and goats.

7.8 SLAUGHTERINGS 1,000

Slaughtered livestock	1979/81 A	1986	1987	1988	1989	1990
Cattle and calves.....	334	468	480	492	504	517
Pigs	911	580	471	495	520	546
Sheep and lambs	651	866	909	1,000	1,100	1,200
Goats.....	677	893	938	1,031	1,130	1,254

A = average.

The 1980s saw a more or less permanent expansion in animal produce. The production of beef and veal, which rose from a three-year average of 50,000 t for 1979-81 to 70,000 t in 1990 (+56%), represents a major source of animal protein. This means that 6.8 kg of beef and veal were produced on average per inhabitant in 1990 (1979-81, average: 5.8 kg). Strong growth was recorded during the 1980s in the production of mutton and lamb as well as goat and chicken meat. In order to improve still further the production of meat and the supply of animal protein to the population, the World Bank is supporting a specific sectoral programme, the "Plan Viande".

7.9 PRODUCTION OF SELECTED ANIMAL PRODUCTS AND SUBPRODUCTS 1,000 t

Product	1979/81 A	1986	1987	1988	1989	1990
Beef and veal.....	50	70	72	74	76	78
Pork.....	27	17	14	15	16	16
Mutton and lamb.....	8	10	11	12	13	14
Goat meat.....	7	9	9	10	11	13
Poultry meat.....	8	.	14	15	13	14
Cow's milk.....	42	48	48	49	49	50
Hen's eggs.....	8.4	10.4	10.8	11.2	11.6	12.0
Honey.....	2.2	2.4	2.6	2.6	2.6	2.7
Raw cattle hides.....	6.7	.	9.6	9.8	10.1	10.3
Raw sheepskins.....	1.3	.	1.8	2.0	2.2	2.4
Raw goatskins.....	0.7	.	0.9	1.0	1.1	1.3

A = average.

FORESTRY

Forestry accounts for around 13% of the net value added in the primary economy. After Zaire, Cameroon possesses the second largest area of forest on the African continent with a total forested area of 24.7 million ha (1989). The number of known species of trees is above 300, although up until now only 15 of these have been commercially exploited.

Total felling of timber increased by 39.4% between 1980 (10,197 million m³) and 1990 (14,126 million m³). The population's requirement in firewood and wood for charcoal accounts for more than three quarters of the entire timber felled; 10,940 million m³ of timber were felled for these purposes in 1990. The amount of timber felled for processing was 3,276 million m³, or 23.2% of all timber felled.

7.10 FELLED TIMBER 1,000 m³

Categories of wood	1980	1986	1987	1988	1989	1990
Total.....	10,197	12,064	12,720	12,926	13,471	14,126
Deciduous.....	10,197	11,134	11,730	11,936	12,415	13,124
Wood for processing.....	2,196	2,770	2,814	2,723	2,891	3,276
Firewood and wood for charcoal.....	8,001	9,294	9,906	10,239	10,580	10,940

Besides the gathering of firewood and wood for charcoal, the clearing of new arable surfaces by fire as well as road construction projects are leading to increasing destruction of the tropical forest. Furthermore, the commercial exploitation of the forest by felling timber for processing as well as obsolete production methods are affecting Cameroon's rich forestry resources.

More than 100 forestry companies were registered in Cameroon at the end of 1991. The main commercial timber felling centres are in the south of Cameroon and in the coastal region. Large foreign companies dominate the forestry sector. In the past, exported timber was mainly in the form of processed timber and very little raw timber; in timber processing, there are 20 large saw mills and five plywood factories.

A new forestry administration, the Office National du Développement des Forêts (ONADEF), was created in February 1990. ONADEF is a follow-up company of the old Centre National de Développement des Forêts and the Office National de Régénération Forestière which, in the past, pursued forestry strategies which partially diverged and for this reason they were wound up. ONADEF is in charge of setting up an inventory of Cameroon's forests and, subsequently, drawing up development plans for long-term utilization of forestry resources. In addition, ONADEF is in charge of the conservation of forests and reforestation, the limitation of the steppes, and the promotion of the wood and timber industry. ONADEF's central concern will be to pursue a strategy of adaptation and regeneration of forests, with the long-term objective of not destroying tropical forests as other countries have done. Even if Cameroon's tropical forests are managed in a balanced way, forestry could become a more important economic factor than in the past, where forestry products represented only 3-4% of GDP and up to 10% of total exports.

FISHERIES

The fisheries sector has been stagnating since 1981-82. Between 1984 and 1989 alone, the catch decreased from 87,000 t to nearly 70,000 t (-11.1%). The production of fish - the second most important source of protein for the population after beef and veal - dropped over the period 1984-89 from 9.1 to 6.9 kg per inhabitant on average, thus falling by nearly a quarter. Sea fisheries in particular, representing nearly three fifths of the total catch, experienced a downward trend during the second half of the 1980s. While the catch of saltwater fish was 54,000 t in 1984, this had fallen to 45,000 t (-18.0%) in 1989. The annual quantity of freshwater fish caught, however, remained constant at 20,000 t (estimate). The catch in shellfish between 1984 and 1989 remained at the same level of about 13,000 t.

7.11 FISHING CATCHES

Tonnes

Type of fishery	1984	1985	1986	1987	1988	1989
Total	87,299	85,955	83,980	82,529	82,529	77,844
Freshwater fish.....	20,000	20,000	20,000	20,000	20,000	20,000
Saltwater fish.....	54,413	53,289	51,120	49,730	49,730	44,608
of which:						
Umber	5,333	4,740	3,673	2,363	2,363	2,623
Sardines	18,065	18,047	18,000	18,000	18,000	18,000
"Bonga shad"	18,000	18,000	18,000	18,000	18,000	18,000
Shellfish	12,884	12,666	12,860	12,795	12,795	18
Invertebrates	2	.	4	4	4	

The causes for the stagnation in fisheries are obsolete equipment, low reserves of saltwater fish (due to the coastal length of only 400 km and to a scarce fish population in the fishing grounds), bad sales organization, the lack of refrigeration equipment as well as poorly developed preservation techniques. The prospects for an expansion of fisheries in the short term are not encouraging, due to the factor that there is no bilateral fishing agreement with Gabon, a country with abundant reserves of fish. In addition incidents involving Nigerian fishing vessels are rendering fishing along the northern frontier more difficult. Considering this framework, and conditions, an increase in imports of canned or smoked fish can be expected, rather than a noticeable rise in national catches in the next few years.

8 MANUFACTURING INDUSTRY

The manufacturing industry, consisting of the economic sectors of energy and hydraulics, mining, stone and earth extraction, the processing industry and the building industry, contributed a total of 930 billion CFA francs (at current prices), or 27.8%, to the gross domestic product in 1989-90. A high rate of oil production and a favourable economic development produced high growth in the manufacturing industry of the order of 26.5% per year during the first half of the 1980s. Until 1985-6, the net value added in the secondary economy rose to 1,373 billion CFA francs (at current prices) which was the highest level of production to date. Subsequently, the manufacturing industry was affected more and more by the crisis. Between 1985-86 and 1989-90 the sectoral net value added fell by nearly one third (-32.3%) or 9.3% per year. This development was mainly due to an increasingly severe recession in the oil sector in the second half of the 1980s, which engendered a significant slowdown in production in the manufacturing industry. The prospects for a recovery of activities in the secondary sector, particularly in industrial production and the petrol economy, which together represent more than 70% of the economic performance of the manufacturing industry, look rather bleak for the first half of the 1990s.

ENERGY AND HYDRAULICS

Owing to its great potential in energy (oil, hydroelectric power, tropical forest), Cameroon is self-sufficient in terms of energy. According to the figures of Energy Data Associates, total energy consumption in 1990 was estimated at 3.9 million t of oil equivalents (TOE). The lion's share of energy consumption, 2.45 million TOE (62.8%) was covered by primary energy sources such as wood and charcoal. Oil and oil products represented 1.25 million TOE (32.1%). The contribution of electricity to total consumption was 0.20 million TOE or 5.1%. Despite large reserves, natural gas has up until now not figured very highly in national energy supplies.

Oil production is the most important commercial sector in the energy economy, contributing 253 billion CFA francs or 7.5% to gross domestic product (at current prices) in 1989-90. Compared to 1985-86, the period in which the oil economy had contributed 439 billion CFA francs or 10.5% to the GDP, net added value dropped by 42.4% (12.9 per annum). This development was a consequence of the price fall on the world market for oil and the gradual exhausting of oil deposits.

Offshore oil production started in November 1977, with commercial exploitation of the Kolé field in the Rio del Rey basin, near the Nigerian border, by Elf-Serepca, a subsidiary of the French oil company Elf-Aquitaine. At present, nearly 80% of all oil production is in the hands of ELF-Serepca. The American consortium Pecten (Shell) started producing oil in the Lokélé field in 1983. Tepcam, a subsidiary of the French oil company TOTAL, is developing oil deposits in the Mondî field. The state is also active in the oil sector with its enterprise Société Nationale des Hydrocarbures (SNH). The SNH was founded in 1980 with a brief to ensure prospection and production of Cameroonian oil and natural gas deposits. It has shareholdings in the four foreign companies involved in oil production (Elf-Serepca, Pecten, Tepcam and Mobil). The low market prices for crude oil (cf. table 8.1) as well as the unattractive conditions under Cameroon legislation on oil (Code des Hydrocarbures) prevented any great oil exploration during the second half of the 1980s. This is of

particular significance if one considers the fact that the known oil deposits (1988: 57.2 million t) will be exhausted in the mid-1990s at a production rate of 7 million to 8 million t per year).

Following a revision of the Code des Hydrocarbures, which amongst others involved a reduction in the share of the Société Nationale des Hydrocarbures in oil production from 70 to 60%, Elf-Aquitaine (Elf-Serepca) and Pecten resumed prospecting in the Rio del Rey bay¹⁾ in 1990. At the end of the first quarter of 1991, the companies Esso Exploration and Production Five Ltd. (Douala bay), Philips Petroleum and Petrofina (Douala-Kribi bay) signed new prospecting contracts with the government. Elf-Aquitaine is planning to start production in two new fields during the first half of the 1990s. The Itindi deposit, which was explored during 1989 (estimated reserves: 22 million barrels of crude oil) went into production in 1991. The daily production rate in the Itindi field should amount to 10,000 barrels from 1992 onwards. A second deposit, that of Dikomé (size: nearly 11 million barrels of crude oil), should go into production in 1993. Elf-Aquitaine is not expecting to discover new oil deposits before 1993. Their commercial exploitation is planned for 1997 at the earliest.

Figure 8.1 provides a detailed survey of the development of oil production since the beginning of the 1980s. As one can see from this figure, the quantity of oil produced rose sharply during the first half of the 1980s to 8.7 million t in 1984-85, of which 7.39 million t was exported (84%). Altogether 1.39 million t went to the domestic market (16%)²⁾. The greatest level of oil production was achieved in 1984-85 with 809.8 billion CFA francs. Revenues from the export of crude oil in the same year came to 681.6 billion CFA francs or 64.6% of total exports. Consequently, the oil sector grew and became the most important pillar of Cameroon's export economy in the mid-1980s. Although the quantities produced rose slightly again in 1985-86 (8.94 million t), the export value fell very sharply due to the strong revaluation of the CFA franc against the US dollar and to the fall in export prices, and returned 394.7 billion CFA francs or 51.5% of total exports. Oil production continued to fall until 1989-90, to a level of 8 million t. Exports also reduced in volume in the course of that year to 6.65 million t; 1.35 million t of crude oil remained in the domestic market. The continuing weakness of the world market prices as well as the drop in oil exports caused the total value of crude oil exports to diminish to 235.6 billion CFA francs in 1989-90. This resulted in the share of oil in total exports shrinking to 44.4%. In 1988-89 it even fell below 40% (38.5%).

1) Within the framework of the new Code des Hydrocarbures, it was decided amongst others that the share of profits flowing back to the oil companies after taxes would be increased from 13 to 22% of their revenues.

2) The greater part of the crude oil destined for the domestic market is bought by the national petrol refinery Sonara which processes it to oil products.

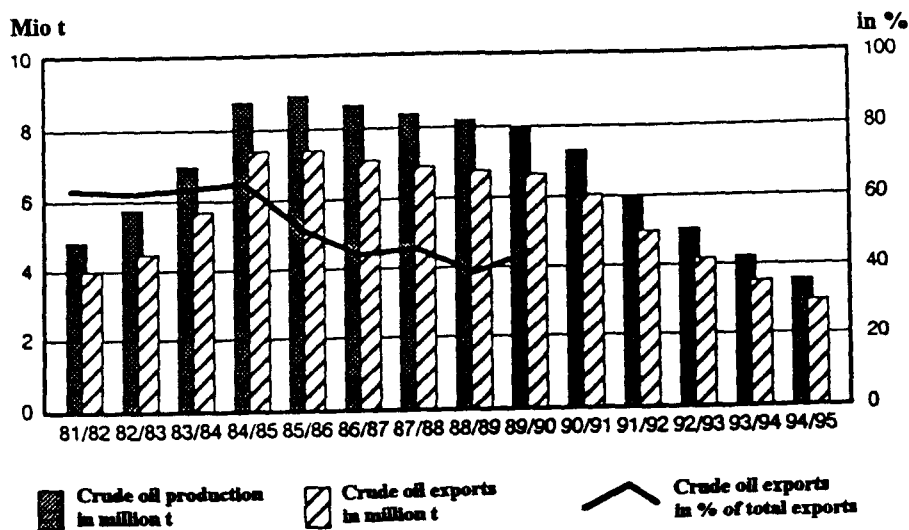
8.1 SELECTED DATA ON THE OIL ECONOMY

Type of data	Unit	1981/82	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 ¹⁾	1994/95 ¹⁾
Crude oil production	mil. t	4.85	8.78	8.94	8.66	8.20	8.00	7.30	3.56	
	bil. CFA F	361.8	809.8	477.5	284.0	253.7	283.4	292.7	148.2	
Exports ²⁾	mil. t	4.00	7.39	7.39	7.09	6.77	6.65	6.07	2.96	
	bil. CFA F	298.6	681.6	394.7	232.5	209.4	235.6	243.3	123.2	
Local market ²⁾	mil. t	0.85	1.39	1.55	1.57	1.43	1.35	1.23	0.60	
	bil. CFA F	63.2	128.2	82.8	51.5	44.3	47.8	49.4	25.0	
CFA franc exchange rate.	CFA F per US\$	296.7	471.2	386.6	318.8	309.2	301.0	268.0	300.0	
Export price per barrel of crude oil	US\$	34.0	27.0	21.2	14.1	13.9	16.4	20.8	19.3	
	CFA F	10,088	12,722	8,196	4,495	4,298	4,936	5,574	5,790	

1) Forecast.

2) On sales only.

8.1. SELECTED DATA ON THE OIL INDUSTRY 1981/82 - 1994/95¹⁾



¹⁾ Forecasts from 1990-91

Statistisches Bundesamt 92 0200 B

The data given on oil production for the period 1990-91 to 1994-95 are based on serious forecasts of the oil companies, which have in the meantime been confirmed by the Cameroon government. They are based on the assumption that the known oil deposits will be practically exhausted by the mid-1990s. Other assumptions are a rise in the exchange rate of the dollar to 300 CFA francs as well as an export price for crude oil of US\$ 19.3 per barrel for the year 1994-95. Under these conditions, the production of oil will fall to 3.56 million t in 1994-95, or -55% compared to 1989-90. The forecast export rate is indicated as less than 3 million t for 1994-95. National consumption is rated at a low level of 0.6 million t of crude oil, which represents not only the consequence of the progressive exhaustion of the reserves, but also the diminution in national demand along with the global economic slowdown. The value of oil exports has been estimated at 123.2 billion CFA francs for 1994-95, which represents only 52% of the export value for 1989-90. A rise in the production of crude oil and oil exports can only be expected for the second half of the 1990s after new deposits have been explored and developed for production.

Besides oil, Cameroon has large reserves of **natural gas**. The known deposits of natural gas have been estimated at 200 billion m³. They are concentrated in the Rio del Rey field and in the offshore sector of Kribi. The high costs of production and the low world market price for liquid gas have, however, prevented these reserves of natural gas from being exploited. The project planned at the beginning of the 1980s for the installation of a natural gas liquifying plant was stopped as it was regarded as unprofitable. It seems more likely that the future utilization of natural gas will be for the production of synthetic fertilizers. Natural gas also offers prospects in the supply of national energy. In September 1990, the Cameroon government signed an agreement concerning the execution of a fundamental study of the natural gas sector with two French companies. This study will form the basis of the conception of a national gas plan (Plan Gazier National) and among others will supply information on the size of the gas deposits as well as the investment costs for production and storage.

Cameroon also has enormous **hydroelectric energy** potential. This potential has up until now been exploited at a very low level. The global hydroelectric potential has been evaluated at 500,000 MW. The current annual production capacity is given as 294 billion kwh. The river Sanaga alone could supply 162 million kwh per year. The biggest hydroelectric project is the planned construction of the Nachtigal hydroelectric power station north of Yaoundé on the Sanaga river. In March 1991 a feasibility study was completed for this hydroelectric power station of 280 MW. The Canadian and Japanese governments agreed to put up a total of US\$ 257 million for this project, which is to cost nearly US\$ 690 million. Following a suggestion from the World Bank, and in the face of the current recession, the project has had to be deferred until 1994.

The exploitation of its great hydro-electric potential could turn Cameroon into a net exporter of electricity in the medium and long term, which would at least partially compensate for the fall in revenues of crude oil exports.

Up until now, **electricity** has played only a secondary role in the national energy supply. As already mentioned, energy in the form of electricity contributes only less than 5% to total national energy consumption. The installed power of the power stations was 754 MW in 1987-88, of which about

90% (674 MW) was supplied by hydro-electric power stations and only a little more than 10% (80 MW) by thermal energy power stations. The hydroelectric power station of Edéa (Sanaga), the biggest in the country, has an installed power of 263 MW. The hydro-electric power station of Songloulou (Sanaga), which went into production in 1981, and the power station of Lagdo (Bénoué), with an installed power of 72 MW, also play a significant role. The Edéa and Songloulou power stations supply the main electricity grid, to which Douala, Yaoundé, Edéa and the west of Cameroon are connected. The hydraulic power station of Lagdo, completed in 1983, supplies certain parts of the north of Cameroon. In addition, there are in the north nearly 30 small thermal energy power stations which operate on diesel. The largest of these diesel power stations, with an installed power of 20 MW, is situated at Garoua.

8.2 INSTALLED POWER OF THE POWER STATIONS^{*)} MW

Power	1980/81	1984/85	1985/86	1986/87	1987/88
Installed power	504	610	611	716	754
Thermal energy power stations	65	83	84	90	80
Hydroelectric power stations	439	527	527	626	674

*) Reference period: July/June

Cameroon is the most important producer of electricity among the African franc-zone countries. More than 95% of electricity production comes from hydroelectric power stations run by the Société Nationale d'Electricité (SONEL), founded in 1974. Electricity production has risen slightly from 2,583 million kwh in 1988 to 2,699 million kwh (+4.5%) in 1989. In 1989, the domestic electricity consumption was 2,690 million kwh. Nearly 54% of consumption (1,449 million kwh) was accounted for by industry, the most important SONEL client being the aluminium works of ALUCAM, which consumes annually between 45 and 50% of all electricity supplied to industry.

8.3 PRODUCTION AND CONSUMPTION OF ELECTRICITY Million kwh

Production/consumption	1981	1984	1985	1986	1987	1988	1989
Electricity generation	1,908	2,199	2,413	2,446	2,575	2,583	2,699
Thermal energy power stations ..	99	91	94	64	67	70	70
Hydroelectric power stations	1,809	2,108	2,319	2,382	2,508	2,513	2,629
National electricity consumption ...	1,905	2,196	2,409	2,441	2,567	2,574	2,690
Industry	949	1,250	1,245	1,308	1,378	1,433	1,449
Energy sector	7	8	8	8	10	11	11
Private households	10	10	10	11	11	11	12
Miscellaneous	939	928	1,146	1,114	1,168	1,119	1,218

Cameroon's energy policy is based on the National Energy Plan (NEP) whose first project was submitted in 1990. One of the main objectives of the plan is the long-term restructuring of the energy supply, including better utilization of the strong potential in hydro-electric energy and natural gas. Based on the assumption that Cameroon could become a net importer of oil from 1995 onwards, better utilization of hydro-electric potential is sought for. The electricity produced by hydraulic power should cover 37% of the total energy supply of Cameroon by 2010. In this context, great significance is placed on the construction of the afore-mentioned power station of Nachtigal. In addition, an intensification in the electrification of the rural areas is an important component of national energy policy. The aim is to connect up 15% of all families living in the country to the national electricity grid by the completion of the national energy plan. Considering the great reserves of natural gas, it is also planned to substitute natural gas for firewood and charcoal. By the time the plan is completed, 30% of all families should be receiving a supply of natural gas.

The most recent figures on water date from the year 1986-87. No more recent data is available. Water production of 67.6 million m³ in 1986-87 had nearly doubled in volume compared to 1980-81 (35.7 m³). At 44.1 million m³, water consumption in 1986-87 was 85% up on that of 1980-81 (23.9 million m³). On average, water consumption rose 10.7% per year during this period. The main group of consumers, based on the average of several years, is represented by families which consume more than half of all water used. Between 1980-81 and 1986-87, industry consumed only a quarter to a fifth of water.

For the period after 1986-87 an increasingly high requirement in water has to be expected. The main factors contributing to this rise in consumption are the high rise in population as well as rapid urbanization.

8.4 ABSTRACTION AND CONSUMPTION OF WATER*) Million m³

Indicators	1980/81	1982/83	1984/85	1986/87
Abstraction	35.7	55.8	61.3	67.6
Consumption	23.9	39.0	44.1	44.1
Households.....	12.7	25.9	23.5	23.9
Industry	5.9	6.5	8.3	7.7
Administration.....	5.3	6.6	6.8	6.8
Public wells.....	-	-	5.4	5.7

*) Reference period: July/June.

MINING INDUSTRY, QUARRYING OF STONE AND EARTH

The activities of the mining industry, including the quarrying of stone and earth, are limited at present to the exploitation of certain deposits of low profitability. Seen from a global economic angle, the mining industry is of secondary importance only. Its contribution to GDP is practically insignificant. Numerous mining deposits are fairly unprofitable, while others cannot be developed

due to the lack of infrastructure and production installations. In view of the central government's financial crisis and the rigorous limits imposed on state capital expenditure at the end of the 1980s, the short-term prospects for the development of mining deposits are poor. Although Cameroon has known deposits of tin, rutile (titanium), gold, copper, uranium, nickel, iron, bauxite, diamonds, limestone, granite, and chalk, in the past only tin, gold, and limestone have been mined.

The mining of tin ore at Mayo Darle (Adamaoua province) is based exclusively on traditional craft methods. Initially, it was planned, with the help of the French company Bureau de Recherches Géologiques et Minières (BRGM) to increase mining of tin ore to 8-10 t per month. Once it had been ascertained that the tin ore reserves only came to 225 t, BRGM withdrew from the project. The total amount of tin ore mined in 1989 was 5 t. Compared to the period 1983-85, during which 24 t had been mined annually, the production of tin ore had practically reached zero, and it is expected to cease completely by the beginning of the 1990s.

Gold mining, which is centred on alluvial deposits in the eastern province (Kambele, Mboscoro, Betare-Oya, Colomine), was 8 kg in 1989. The Colomine gold deposits are currently being mined within the framework of a pilot gold mining project. According to figures provided by the Economist Intelligence Unit, the gold deposits were estimated at about 500 kg in 1989-90. The gold deposits of the three other sites are still being evaluated. If mining appears profitable, one can expect these sites to be developed as well.

8.5 PRODUCTS OF THE MINING INDUSTRY, QUARRYING OF STONE AND EARTH

Product	Unit	1983	1984	1985	1986	1987	1988	1989
Tin ore (Sn)	t	24	24	24	0	6	6	5
Gold ore (Au)	kg	8	8	7	8	8	8	8
Limestone.....	1,000 t	51	64	97	78	42	57	.

Limestone is quarried in the area around Figuil, near Garoua. The annual quantity quarried has fluctuated between 50,000 and 100,000 t between 1983 and 1989. The limestone mined is mainly destined for the supply of the Figuil cement works and the clinker factory at Bonaberi.

Besides the above-mentioned minerals, Cameroon also has a series of other mineral raw materials which are not being mined at present, though the deposits are in some cases very large.

First on the list in this context are the bauxite deposits totalling approximately 1.2 billion t. Cameroon thus possesses the sixth largest deposit of bauxite in the world. The deposits are mainly concentrated in the province of Adamaoua, the largest of them being located around Minim and Martap, representing a total of 909 t. The second largest bauxite deposit (at 200 million t) in Cameroon is at Ngaoundal. The average content of aluminium ore in Cameroon's bauxite is estimated at 43%, with the silica content rated at 3.4%. Besides the large-scale deposits, there are small deposits of bauxite in the western province (among others at Fongo Tongo). Once work on the trans-Cameroonian railway had been completed as far as Ngaoundéré in 1974, the infrastructure was then in place for mining of bauxite. Investment capital for transport equipment is however missing

and though there are local deposits of bauxite, Cameroon's aluminium production still depends on the import of bauxite from Guinea.

The only major mining project pursued during the 1980s concerned iron deposits near Kribi. In 1981 the Société d'Etude du Fer du Cameroun (SEFERCAM) was founded with a view to accomplishing first feasibility studies. However, as the world market for steel and steel products was in recession and there were other ore mining projects in a more advanced state of development in other places, grave reservations were expressed concerning the profitability of the project. This has prevented the start of iron ore mining up until now, especially as high investment would be required in terms of infrastructure to extend the port of Kribi. These investments, considering the precarious state of public finances, could not be undertaken. The iron ore deposits at Kribi are estimated at a total of 300 million t.

Cameroon also has uranium deposits. The geological reserves of Kitongo and Poli (northern province) have been estimated at a total of 10,000 t. Plans for mining uranium at Poli have been frozen in view of the low international price for uranium.

A pilot project for the mining of rutile in Akonolinga (central province), located at about 120 km west of Yaoundé, was launched in 1988. The rutile deposits at Akonolinga are estimated at 300,000 to 350,000 t, of which 95% could be sold. In 1991, the Australian company Consolidated Rutile Ltd. signed a mining contract with the Société Nationale d'Etudes en Rutile d'Akonolinga (SERAK) for the joint development, mining, and marketing of the rutile reserves. Once the deposit has been developed, the annual amount mined should be of the order of 50,000 t of rutile per year. The cost of the project, including expenditure on equipment and infrastructure, is estimated at US\$ 30 - 40 million. Plans include the creation of approximately 200 jobs under this project. Rutile is principally used in the aerospace industry for teflon coatings. The world market in rutile is dominated by Australian companies which have an enormous influence on prices.

PROCESSING INDUSTRY

The processing industry represents the strongest economic sector in terms of net value added within the manufacturing industry. However, its export power is relatively weak. Only aluminium and sub-products of aluminium are of any importance in Cameroon exports. Although it is substantially orientated towards the domestic market, Cameroon's industrial sector is the most powerful of those in the Union Doanière et Economique de l'Afrique Centrale (UDEAC).

After World War II, the processing industry was developed for the first time in the sector of agricultural raw materials (processing of cocoa, production of palm oil, treatment of cotton, production of beverages and cigarettes, treatment and processing of wood). The late 1970s and the early 1980s, during which the processing industry experienced high diversification and the emergence of new branches of industry, were the biggest industrial expansion phase that Cameroon has seen up to the present. This industrial growth phase was triggered by the oil boom and the very high export revenues from which the state treasury benefited, sums of money which were utilized for public investment projects in the secondary sector.

At the beginning of the 1980s, companies such as the Cellucam paper factory, the synthetic fertilizer factory of the Société Camerounaise d'Engrais (SOCAME), and the national oil refinery of Sonara were founded. In addition, the aluminium smelting plant ALUCAM extended its production capacity. The result of increased investment activity was the significant growth in industrial production during the first half of the 1980s. The net value added of the processing industry rose between 1979-80 (124 billion CFA francs) and 1984-85 (423 billion CFA francs) by 241.1% in total, or 27.8% on average per year.

The industrial upswing continued during the beginning of the second half of the 1980s. The processing industry achieved its highest net added value in 1985-86 with 537 billion CFA francs (at current prices). The processing industry's contribution to the global net added value of the secondary economy rose in 1985-86 to 39.1% (1979-80: 30.5%).

In the following years, the economic development of the processing industry was not spared the effects of the general slowdown nor the financial crisis in the state, the effects of which became ever more marked. Industrial net added value dropped to 456 billion CFA francs in 1988-89. Compared to 1985-86, this represents a fall of 15.1%. Nevertheless, as other sectors of the manufacturing industry (oil economy, construction) were going through an even steeper recession, the contribution of the processing industry to global net added value of the secondary economy rose to 48.3%. Its share of GDP also rose to 13% in 1988-89, after having been only approximately 8% in 1979-80.

As can be seen from table 8.6 (based on certain economic indicators of the processing industry), the industrial recession continued after 1988-89. For example, the total turnover (including taxes) of the 104 member companies of the Syndicat des Industriels du Cameroun (SYNDUSTRICAM) dropped from 448.9 billion CFA francs in 1989 to 401.8 billion CFA francs in 1990 (-10.5%). The amount of salaries paid out dropped by 7.8%, the number of employees fell by more than 2,000 (-8.8%). The data given for the period from 1 October 1990 to 30 September 1991 indicate a continuation of the poor industrial economy. Global turnover figures for October 1990 to September 1991 achieved by the industrial member companies of SYNDUSTRICAM fell - compared to the preceding period - by a further 7.5% to below 400 billion CFA francs. The number of employees dropped to 21,100 persons (-7.9%), and the amount paid out in salaries was reduced to 43.3 billion CFA francs (-5.5%). There is every reason to believe that the slowdown in the processing industry will continue in 1992, especially as the economic and political situation continued to deteriorate during the fourth quarter of 1991. It is not yet known when this trend will be reversed.

8.6 SELECTED ECONOMIC DATA ON THE PROCESSING INDUSTRY*)

Factors considered	Unit	1989	1990	Sept. 1990 ¹⁾	Sept. 1991 ¹⁾
Total turnover	billion CFA francs	448.9	401.8	417.3	385.9
(including taxes).....					
National turnover	billion CFA francs	299.9	279.8	285.9	269.8
(including taxes).....					
Exports	billion CFA francs	104.9	83.6	92.3	75.8
Taxes	billion CFA francs	44.2	38.3	39.1	39.6
Salaries	billion CFA francs	48.4	44.7	45.8	43.3
Jobs	in 1,000	24.8	22.7	22.9	21.1

*) The data relates to the 104 member companies of the Syndicat des Industriels du Cameroun (SYNDUSTRICAM), representing approximately 50% of Cameroon's industry. Not included are enterprises entirely in state hands, but some para-state enterprises do appear.

1) From 1 October to 30 September for each year.

8.7 PRODUCTION INDEX FOR THE PROCESSING INDUSTRY*) 1974-75 = 100

Kind of index	Weighting	1985/86 ¹⁾	1986/87 ¹⁾	1987/88 ¹⁾	1st Qtr 1988/89 ¹⁾	1st Qtr 1989/90	2nd Qtr 1989/90
Total	100.0	248.1	237.3	222.1	222.0	222.0	233.4
Agricultural products							
(for processing and export)...	9.0	274.4	316.4	310.1	334.2	223.6	291.4
Fish processing.....	2.2	23.3	15.8	11.4	15.3	.	.
Forestry products.....	4.7	201.9	176.8	145.3	174.9	184.5	184.4
Processing of cereals and vegetables, production of flour	1.0	138.1	86.9	127.6	184.9	41.9	20.3
Other agricultural products	9.0	209.4	207.2	247.9	280.2	322.5	340.0^{a)}
Baking products	0.8	154.6	129.1	110.8	107.7	92.5	98.5
Other food industries	0.1	2,224.1	1,525.5	1,016.1	1,019.5	833.0	1,018.2^{b)}
Beverages, tobacco							
processing.....	26.2	331.6	320.3	306.1	578.8	261.4	288.6
Textiles and clothing industry ..	8.9	151.1	126.6	115.4	112.5	122.3	141.5
Leatherworking and shoe-making	3.5	112.7	89.3	62.5	60.1	49.3	46.6
Timber felling and wood processing	1.7	183.9	169.9	145.6	117.7	112.7	109.8

For footnotes, please see end of table.

8.7 PRODUCTION INDEX FOR THE PROCESSING INDUSTRY*)

1974-75 = 100

Kind of index	Weighting	1985/86 ¹⁾	1986/87 ¹⁾	1987/88 ¹⁾	1st Qtr 1988/89 ¹⁾	1st Qtr 1989/90	2nd Qtr 1989/90
Paper production and processing	0.6	279.4	237.8	192.5	251.8	699.2	246.9
Chemical industry.....	5.1	254.6	247.6	200.1	191.7	232.2	222.4
Manufacturing of rubber and plastic products.....	1.6	284.6	179.5	149.9	112.3	185.2	287.9 ^{c)}
Manufacturing of construction materials	2.6	517.8	471.5	369.5	328.8	366.1	312.0 ^{d)}
Production and machining of metals	7.2	157.6	136.6	125.6	141.8	125.1	117.7
Manufacturing of mechanical and electrical equipment.....	3.3	192.0	234.1	127.2	106.9	146.9	192.7
Manufacturing of transport equipment	0.8	192.0	143.0	83.5	62.9	81.9	52.7
Other processing industries	1.2	637.2	486.5	428.9	415.0	604.7	241.9
Electricity, gas and water	10.5	222.9	223.9	228.8	227.4	228.6	240.9

*) Reference period: July/June. Including production of electricity, gas and water, which should really be added to the energy and hydroelectric power economy.

1) Without developments after 1974-75.

a) 3rd quarter 1989-90: 330,7; 4th quarter 1989-90: 308,5. - b) 3rd quarter 1989-90: 840,5; 4th quarter 1989-90: 1 027,2. - c) 3rd quarter 1989-90: 12,0. - d) 3rd quarter 1989-90: 399,5; 4th quarter 1989-90: 419,1.

As can be seen from the development of the production index for the processing industry (table 8.7), industrial stagnation is affecting almost all sectors. Net reductions in the production index can be seen from 1985-86 onwards for numerous significant production sectors in the processing industry such as the manufacture of beverages and tobacco, the textile and clothing industry, production and machining of metals, as well as the chemical industry. The majority of other less important industrial branches also experienced high production losses. The processing of agricultural products for exportation, which has shown a rise in production since 1985-86, is one of the few exceptions in this field.

With regard to the structure of the companies, it can be noted that the Cameroonian processing industry is dominated by about 30 companies. Among these companies with the highest turnover are the ALUCAM smelting plant at Edéa, the SABC brewery (Brasseries du Cameroun) in Douala, and the oil refinery of the Société Nationale du Raffinage (SONARA) at Limbe. There are in addition several hundred small companies employing less than ten persons. A large number of the major industrial companies are in foreign hands, mainly French (cf. chapter 18). The Société Nationale d'Investissement (SNI) has holdings in almost 60 companies, of which nearly half are in the processing industry (including companies involved in the processing of food products). The high

level of state intervention in the industrial sector can be seen from the fact that, according to information provided by UNIDO (United Nations Industrial Development Organization), through the SNI, the state of Cameroon owned corporate interests in nearly two thirds of industrial companies with the highest turnover. In global terms, state and semi-state enterprises contributed nearly 40% of the total net industrial value added. A restructuring of the SNI is being discussed at present, but has not yet been started on.

Douala, Yaoundé, and Edéa have emerged over the years as the main industrial centres of Cameroon.

The **beverages and tobacco processing industry** is by far one of the most significant branches of industry. Brewing, in particular, is of great significance. According to the turnover figures, the Brasseries du Cameroun (SADC) is the largest industrial company in Cameroon with a turnover of 116 billion CFA francs in 1989. At a national level, beer production rose during the second half of the 1980s to more than 5 million hectolitres (cf. table 8.8). Besides beer, the majority of breweries also produce soft drinks. Cigarette production experienced a sharp rise between 1984 (2.3 million) and 1989 (4.3 million). Laterally, however, this branch of industry was not spared a reduction in demand. The cigarette industry is dominated by the companies Bastos and Sitabac (Société Industrielle des Tabacs du Cameroun).

Palm oil production, cereals processing, and the confectionery industry, among others, represent major sectors in the **food processing industry**. Restructuring of the palm oil industry (which has now been completed), which is turning more and more towards the domestic market in view of the high costs of production and the lack of competitiveness on an international level - in particular with respect to suppliers in South-East Asia - is now turning out positive results. The companies Socapalm, Camdev, Safacam, Pamol, and Ferme Suisse are active in palm oil production. These companies have agreed to create an association of manufacturers with a view to achieving a harmonization of their production strategy and their marketing policy. As can be seen from table 8.8, palm oil production had recovered well by 1989 (102,000 t), from the low level of production experienced in 1985 (66,000 t) (+54.5%). The processing of cocoa to chocolate and the production of confectionery is undertaken by the Chocolaterie Confiserie Camerounaise (CHOCOCAM).

The biggest enterprise in the **production and machining of metals sector** is the aluminium smelting plant of the Compagnie Camerounaise de l'Aluminium (ALUCAM), founded in 1954, which produces aluminium from imported bauxite for the domestic and international market. The level of aluminium production is high, in 1990 it attained 87,500 t (cf. table 8.8), which represented the total extent of ALUCAM's capacities at that time. In 1991, aluminium production was only slightly lower than the preceding year at 85,600 t. Considering that the international profitability limit is rated at an annual production capacity of 200,000 t, a group of experts is considering the construction of a second aluminium smelting line. No decision has yet been made on the production site. Investment costs for this project are estimated at 150 billion CFA francs. The Plan Directeur d'Industrialisation (PDI) (Masterplan for Industrialization) provides for the construction before 1995 of an aluminium smelting unit with a manufacturing capacity of 100,000 t p.a.

Aluminium processing is dominated by two companies, on the one hand, the Société Camerounaise de Transformation de l'Aluminium (SOCRATEL), which manufactures aluminium sheet and plate, and on the other hand, ALUBASSA, which manufactures kitchen utensils as well as doors and aluminium window frames. The products of these companies are to a large extent exported to neighbouring countries in the franc zone and to Nigeria and Côte d'Ivoire. As regards the value of its exports, the aluminium industry takes first place in the processing industry. In 1989-90, aluminium and aluminium sub-products represented 7.6% of total exports. This figure was even as high as 8.5% in 1988-89. Compared to the early 1980s, the export share of the aluminium industry has experienced strong growth (1981-82: 2.2% of total exports).

Sonara, the national oil refinery, which went into production at Cap Limboh near Limbé in 1981, takes first place in the oil processing sector. This refinery has an annual processing capacity of 2 million t of crude oil. However, during the 1980s the actual quantity of crude oil processed was only 1 million to 1.5 million t. Despite the possible exhaustion of national oil reserves by the end of the 1990s, the national oil refinery is of strategic importance. Sonara's production capacities are considered sufficient both in the medium and long term to cover the domestic demand in petrol, kerosene and diesel oil. With respect to heating oil, capacities are even overdimensioned. A certain proportion of Sonara's oil products is destined for export to the neighbouring country of Chad.

The chemical industry is still under construction. The most important sectors of production are the manufacturing of acetylene, paints, matches, soap and pesticides.

In the paper industry, the factory Cellulose du Cameroun (CELLUCAM), which went into partial liquidation in June 1986 because it was operating at high loss and the machinery has proved inadequate for the processing of local timber, deserves a mention. In December 1990, CELLUCAM was bought for around 2.5 billion CFA francs by the multinational company Lafimar, which, besides British and French holdings, includes the Indonesian consortium Gudang Garam. The factory is to be recapitalized by investments totalling 75 billion CFA francs and a brought up to a production capacity of 150,000 t of pulp per year. Completion of the extension is planned for the end of 1992. A certain proportion of the future paper production of CELLUCAM is destined for export.

The timber and wood processing industry is based on rich forestry resources. The production of veneers, furniture and crates is of major importance. The expansion of the timber and wood industry is of central significance in the masterplan for industrialization (cf. below).

The textile industry shows a strong commitment on the part of the Société Nationale d'Investissement. The SNI has capital holdings in the four largest companies in this sector. Cameroon's textile industry is suffering increasingly from illegal imports originating in Nigeria. In addition, there is a lessening of competitive power compared to low-priced high quality textiles coming from East Asia, the effect of which is a rapid worsening of the sales prospects of national textiles on the domestic market.

The production of construction materials has suffered due to the poor economy of the construction sector in the late 1980s. The largest enterprise in this branch is the CIMENCAM

(Cimenteries du Cameroun) cement factory which, due to a general expansion of economic activity and high state expenditure on investments, achieved a marked increase in production and turnover in the first half of the 1980s. However, Cameroon's cement production has been in recession since 1985 (750,000 t). This production level had dropped by nearly a quarter (586,000 t) by the end of 1988. CIMENCAM produces cement at the factories of Douala and Figuil.

8.8 PRODUCTION OF SELECTED PRODUCTS IN THE PROCESSING INDUSTRY

Product	Unit	1984	1985	1986	1987	1988	1989
Liquid gas	1,000 t	19	18	19	17	18	19
Petroleum	1,000 t	370	415	410	401	395	397
Kerosene	1,000 t	290	310	313	295	297	298
Aircraft turbine fuel	1,000 t	93	95	97	95	93	94
Kerosene (for aircraft) ...	1,000 t	10	10	11	12	11	12
Light heating oil	1,000 t	410	450	455	435	430	432
Heavy heating oil	1,000 t	695	593	650	610	570	572
Lubricating oil	1,000 t	110	115	113	110	95	97
Bitumen (asphalt)	1,000 t	4	5	5	5	5	6
Cement	1,000 t	694	785	779	707	586	.
Aluminium	1,000 t	73.1	81.6	81.1	71.5	80.0	87.3 ^{a)}
Motorcycles	1,000	8	8	8	6	.	.
Bicycles	1,000	17	16	14	8	.	.
Dry batteries	million	22	7	18	10	.	.
Paints ¹⁾	1,000 t	8.8	9.9	10.4	8.4	7.8	.
Soaps	1,000 t	30.7	26.1	28.4	39.1	23.4	.
Deciduous timber, including beams	1,000 m ³	637	650	650	650	653	653
Veneers	1,000 m ³	50	44	45	31	29	32
Plywood	1,000 m ³	45	55	57	58	42	48
Paper and cardboard	1,000 m ³	10	10	10	10	10	10
Shoes, leather and rubber	1,000 pr	3,572	3,964	2,415	1,725	1,733	.
Blankets	1,000	482	523	476	326	267	.
Cotton fabrics	mill. m	50.8	24.5	24.8	16.3	.	.
Wheat flour	1,000 t	73	52	25	22	49	.
Macaroni and pasta products	1,000 t	3	3	3	3	4	.

For explanation of footnotes, see end of table

8.8 PRODUCTION OF SELECTED PRODUCTS IN THE PROCESSING INDUSTRY

Product	Unit	1984	1985	1986	1987	1988	1989
Centrifuged sugar	1,000 t	74	75	76	81	84	78 ^{b)}
Biscuits	1,000 t	21.8	16.2	16.2	11.1	.	.
Cocoa butter (shipments)	t	3,312	3,482	5,244	7,545	5,554	.
Cocoa powder (exports)	t	4,914	7,862	5,599	11,107	9,100	.
Chocolate and chocolate products	t	2.2	3.3	3.3	3.4	3.5	.
Confectionary	1,000 t	4.7	4.4	4.1	3.6	3.0	.
Palm oil	1,000 t	77	66	85	98	100	102
Fish, salted, dried or smoked	t	3.8	7.1	6.2	9.5	2.5	1.5
Beer	1,000 hl	3,976	4,904	5,308	5,857	5,105	.
Soft drinks	1,000 hl	1,244	1,397	1,489	1,228	1,172	.
Cigarettes	million	2,319	2,128	3,800	4,280	4,300	4,300

1) Excluding water-based or cellulose-containing paints.

a) 1990: 87 500 t; 1991: 85 600 t. - b) 1990: 81 000 t.

As far as the future development of Cameroon's industrial sector is concerned, the main aim will be to eliminate structural defects which have, in the past, prevented long-term expansion of industrial activity:

- undercapitalization of the majority of production sectors;
- overstaffing with a simultaneous lack of experts and middle and senior management staff;
- inefficiency of a great number of state and semi-state enterprises, their overindebtedness and a lack of competitiveness;
- a sluggish state bureaucracy;
- as well as past policies of price regulation and protectionist customs duty, which fostered substitution industries and which often prevented the expansion of industrial branches oriented towards exportation.

The state commenced elimination of the structural defects some time ago. There are three major elements in the new industrialization strategy: the establishment of a ten-year industrialization plan, the creation of a free industrial zone, as well as the introduction of new legislation on investments.

President Biya announced a ten-year industrialization plan in January 1991. This plan is based on the Masterplan for Industrialization which was conceived with the help of UNIDO, and which was adopted by the Cameroon government in April 1989. The plan aims to promote industrialization as diversified and wide-scale as possible. It quotes 11 branches of industry as the principal targets for

industrial development in the future. The official plan accords especial significance to the promotion of potential growth sectors such as the timber and the wood processing industry, the pharmaceuticals industry, manufacturing of plastics products, and electronic goods. Small and medium-sized enterprises manufacturing goods for export and processing local raw materials are due to receive special attention.

Within the scope of the establishment of free industrial zones (cf. chapter 18) Cameroon is attempting to eliminate the long-standing discrimination of export-orientated industrial sectors through the existing tax and customs tariff structure. Besides the levying of export taxes, export-oriented industrial branches suffered first and foremost from the revaluation of the CFA franc in the second half of the 1980s. These two factors caused a number of export sectors to lose their international competitiveness. With the creation of free export zones, it is planned to eliminate export duties on the products concerned. Companies established in the new free industrial zones will, in addition, benefit from a total exemption from taxes and duties during their first ten years of operation. Furthermore, they will be accorded preferential conditions on their imports. These companies will therefore be exempt from import duties on primary goods, semi-finished goods and capital goods if they can prove that they are in a position, thanks to these goods, to manufacture products destined for export. Specific regulations concerning the employment of foreign personnel represent other forms of incentive. Moreover, those companies established in free export zones will benefit from extremely favourable electricity rates. The aforementioned regulations apply both to foreign and domestic industrial companies.

Since 1991, the OPIC (Overseas Private Investment Corporation) and US-Aid have been involved in setting up a first free zone in Douala. Initial reactions to the establishment of this industrial free zone were enthusiastic, particularly on the part of the United States. During the dramatic deterioration of the economic situation since the end of 1991 ("villes mortes" Campaign), this euphoria has subsided markedly.

In general, the establishment of companies in the free export zone of Douala is not expected until 1993. The Office National des Zones Franches Industrielles (ONFZI) is in charge of administration of this free zone. US-Aid and OPIC are both warning against excessive expectations as regards the effects of the free zone on revenues and employment. The official data relative to the creation of 2,000 new jobs is unrealistic, and a figure of 200 in the Douala free zone seems to be more feasible. The establishment of industrial free zones offers comparative advantages mainly for those branches of industry using local resources, such as the timber and food processing industries. The main advantage of the legislation on Cameroon free zones is the fact that single companies can establish themselves as free zones anywhere in the country.

The enactment in November 1990 of the new legislation on investments, whose objective is the improvement of the general investment climate and the simplification of authorization procedures for direct foreign investments (cf. chapter 18) is the third plank of the new industrialization policy. In conjunction with the above-mentioned incentives, the Cameroon government is hoping to attract export-oriented industries which will accomplish the transition from an industrial sector characterized by import substitution with strong state intervention to an industrial sector primarily orientated towards export on the basis of private enterprise.

CONSTRUCTION INDUSTRY

There is no up-to-date data on the development of the construction economy. According to official sources, construction was the first sector of the economy to feel the effects of the recession. The drastic limitation of expenditure for projects involving state capital after 1986-87 transformed the construction sector, which at the time was flourishing, into a sector in a profound crisis. According to information of UNIDO, a great number of construction projects were halted in 1987-88 for a lack of capital and because of an accumulation of arrears in payment. Construction activity had dropped by 65% between March 1987 and March 1988. The Economist Intelligence Unit states that a further drop of 50% in orders had taken place in the construction sector between 1989 and 1991.

9 TOURISM

Cameroon offers a number of tourist attractions and also offers conditions which are naturally favourable for tourism. The national parks and game reserves in the northern part of the country, the former royal palaces of Bandjoun and Bamoun in the west, as well as the sandy beaches of the south and south-west of the country are the main tourist attractions. The most beautiful beaches, situated around Kribi, have, however, not yet been rendered suitable for bathing holidays. In addition, there are at present no hotels, either in Kribi or in the vicinity, corresponding to international standards. This example is characteristic of the general situation in Cameroon's tourist sector. Although hotel and catering developed during the 1980s, there is still a lack of basic tourist facilities. This is particularly due to the fact that tourism was not one of the primary sectors being promoted under the national development plans. However, development of the tourist sector was pursued apace in the second half of the 1980s. A state office of tourism with a brief to promote development of international tourism, the Société Camerounaise de Tourisme (SOCATO), was established in the spring of 1986. SOCATO was floated with a basic equity of 550 million CFA francs. Shares in this capital are held by the government (55%), by Cameroon Airlines (25%), by the Société Nationale d'Investition, as well as the Société des Chemins de Fer (REGIFERCAM) (at 10% each). A further step towards revitalizing international tourism was the creation in April 1989 of a Ministry of Tourism.

Table 9.1 illustrates the development of tourism over the last decade. During the 1980s, holiday travel by Cameroonians by far exceeded that of foreign guests. During the period under review, the hotels and the Cameroonian hotel sector recorded nearly twice as many national guests as foreigners. While the number of national tourists was 200,000 - 300,000 per year over the period between 1982 and 1987, the number of foreign guests lay only at 100,000 - 130,000 persons between 1982 and 1988, without any noticeable tendency upwards or downwards. This shows that there was a marked stagnation of foreign tourism in the 1980s. Regarding the distribution of foreign tourists according to countries of origin, nearly 40% of all foreign visitors were as a general rule from other African countries. Among the non-African tourists the largest group has traditionally been those from France, representing 18% of all visitors from abroad. The proportion of tourists from Britain and Northern Ireland as well as Federal Germany is on average less than 1% of all foreign tourists.

The efforts being made to extend hotel capacity have resulted in a net rise in the number of rooms and hotel beds since 1982. However, since no appreciable increase in overnight stays was recorded in the period between 1982 and 1987, actual bed capacities have therefore dropped during the period under review. The average number of overnight stays per guest (national and foreign) was 2.1 in 1987.

Guests from Cameroon spent an average of 1.8 nights in hotels, compared to 2.6 nights per foreign tourist. Despite the stagnation in the number of guests, foreign exchange revenues from the hotel trade have substantially risen since 1982. From a figure of 11,420 billion CFA francs in 1982 these revenues rose to 18,584 billion CFA francs in 1987, representing an increase of 62.7%.

9.1 SELECTED DATA ON TOURISM

Category	Unit	1982	1983	1984	1985	1986	1987	1988
Arrivals at hotels and other lodging places:								
Total.....	1,000	314	315	330	412	458	370	.
Cameroonians	1,000	198	199	221	288	327	252	.
Foreigners.....	1,000	116	116	108	124	131	118	100
Lodging capacities:								
Rooms	1,000	5.9	6.0	6.3	6.8	6.8	7.4	.
Beds.....	1,000	8.6	8.7	9.0	8.7	8.7	10.4	.
Overnight stays:								
Total.....	1,000	730	669	695	781	841	765	.
Cameroonians....	1,000	340	389	389	466	509	461	.
Foreigners.....	1,000	390	330	307	315	332	304	.
Overnight stays per guest:								
Total.....	Number	2.3	2.1	2.1	1.9	1.8	2.1	.
Cameroonians....	Number	1.7	1.7	1.8	1.6	1.6	1.8	.
Foreigners.....	Number	3.4	2.8	2.8	2.5	2.5	2.6	.
Foreign exchange revenue	Mill. CFA F	11,420	11,593	12,116	13,341	18,054	18,584	.

As already explained above, the second half of the 1980s witnessed a strong expansion in the hotel trade. In 1988, a total of 150 hotels were registered. The most important construction projects in the hotel sectors since the mid-1980s have included, among others, the opening of two new three-star hotels in Douala (the Arcade Hotel with 199 rooms, the Ibis Hotel with 160 rooms) in 1985. The four-star hotel Akwa Palace (Douala) extended its capacity by 120 rooms in 1986. In that year also, the 150-room hotel complex of "Résidence la Falaise" (three-star hotel) was also erected in Douala. In 1989, a five-star Hilton Hotel (256 rooms), was inaugurated in Yaoundé.

Despite the increase in the number of high-class hotels in Douala and Yaoundé during recent years, Douala still does not have any international conference centres; the Palais du Peuple in Yaoundé, which would be suitable for international conferences, is too distant from the largest international hotels. These factors significantly affect Cameroon's potential as regards holding large conferences of international organizations for private business associations. Under the circumstances, there is no reason to expect any great expansion of conference tourism in the near future.

The fixing of hotel room prices by the government is a structural problem for the hotel trade and has been sharply criticised by the National Hoteliers Association. The price fixing was of an irregular nature and is partially unadapted to the development of the cost of living. Under the new policy of price liberalization, it is possible that the prices of hotel rooms will be liberalized, which would have a revitalizing effect on investment activity in the tourist sector.

10 TRANSPORT, TRAFFIC AND TELECOMMUNICATIONS

The extension of transport and traffic continues to be a high priority in national development planning. The fact that the ministry of public works and transport (Ministre de Travaux Publics et de Transport) submitted an application for financing of a project in the transport sector to the World Bank in October 1991 underlines the significance placed on the development of transport infrastructure. The project in question provides for the development of integrated infrastructures for air, rail, maritime, and bus transport, and is covered by a financial envelope of 45 million US dollars. In addition, an agreement for funding of 37.2 billion CFA francs (cf. below) was obtained from the African Development Bank for a road construction programme. Despite these recent initiatives and other past efforts, the organization of transport is still very inadequate, which affects economic life.

At present, it is the railroad network which constitutes the pillar of the Cameroon transport system. In 1988 the length of railroad tracks laid was little more than 1,100 km (1,104 km). The Douala/Ngaoundéré trans-Cameroon line which passes through Yaoundé, extended over a length of 930 km and is the main railway in Cameroon. Recently the section between Douala and Yaoundé was straightened with financial help from France, the United States, the EC and donations from the Near East. This has helped shorten the travelling time on the stretch by half an hour. The Douala-N'kongsamba section, with a total length of 172 km, is the second main rail link in the country. The section has a sideline towards Kumba via the Mungo River. The largest long-term project in the railway sector is the creation of a 1,100 km rail link from Kribi to the Central African Republic. Within the scope of this project, the first construction phase will include the building of the section from Kribi to Ebolowa.

Table 10.1 gives selected data on Cameroonian railroads. In 1988 Cameroon had a fleet of 92 locomotives. The number of passenger cars in 1988 was 104. Compared to 1986 (83 passenger cars), the fleet had increased appreciably. Due to the increase in the number of passengers it was necessary to purchase more cars. The number of freight cars also increased appreciably (+41.6%) between 1975 (1,243 units) and 1988 (1,760 units).

Revenues of the state railroad company Régifercam from passenger and freight transport amounted in 1988-89 to some 22.4 billion CFA francs and was thus up by approximately 7% from the figure of the previous year (1987-88: 21 billion CFA francs).

10.1 TRACK LENGTH AND ROLLING STOCK OF THE RAILWAYS*)

Category of data	Unit	1975	1980	1985	1986	1988
Length of track.....	km	1,165	1,139	1,115	1,115	1,104
Locomotives	number	73	53	96	96	92
Engines.....	number	11	8	4	4	4
Passenger cars	number	93	91	92	83	104
Freight cars.....	number	1,243	1,567	1,787	1,775	1,760

*) Status: mid-year; status 1975: end of the year
StBA/Eurostat, Cameroon 1992

Regarding the performance of railroad transport, a steep drop was recorded in 1985-86 (cf. table 10.2). The number of passengers carried fell in 1985-86 to 2,076 million persons, and the quantity of freight transported by rail also diminished in the same year to 1,786 million t. This regression was primarily caused by the inauguration of the asphalted road link between Douala and Yaoundé in 1985 which led to an increase in road traffic to the detriment of railroad traffic between these two economic centres in Cameroon. Since then development has been diverse: while passenger transport has picked up appreciably, freight transport by rail continued to decline in the wake of the worsening economic situation. In 1988-89, the number of passengers transported increased to 2,472 million, which for the first time was substantially higher than that of 1983-84 (2,408 million). The recent rise in the number of passengers towards the end of the 1980s was the consequence of the introduction of **express** trains between Douala and Yaoundé and of better services, in particular the modernization of **rolling stock**. Estimates for 1989-90 are based on a drop in the number of railroad passengers to 2,236 million persons (-9.5%).

10.2 RAILROAD CAPACITY

Performance	Unit	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90 ¹⁾
Passengers carried...	1,000	2,408	2,232	2,076	2,267	2,413	2,472	2,236
Freight	1,000 t	1,897	1,973	1,786	1,412	1,380	1,441	1,437
Km/passenger	million	492	440	410	442	442	464	465
Km/t	million	868	999	871	673	673	670	696

1) Estimate

The lowest ever figure for rail freight transport, 1,380 million t, was reached in 1987-88. In that year, the volume of goods was 27% less than that of 1983-84 (1,897 million t). Subsequently, freight transport increased slightly to 1.4 million t in 1988 and 89 and 1989-90, without, however, reaching the high level of the period prior to the economic crisis. The main products transported by rail are cotton from the north and wood and fuel from the neighbouring country of Chad.

The total length of roads is given as approximately 66,000 km at present (1987: 65,718 km). Only half of the total network is made up by classified roads (about 32,000 km). The network is still not very dense, in particular in the north and the south-east (tropical forest), which has a very low population density. The length of main roads is given at 34,718 km, of which some 3,000 km are asphalted. The secondary road network covered 31,000 km at the end of the 1980s. Road traffic is of prime importance for transit trade and supplies to Chad and the Central African Republic (both inland countries), particularly with respect to products imported from overseas. In general terms, although road construction was accelerated in the course of the 1980s, the road network is still considered to be unsatisfactory. The inadequacy of roads has in the past proved an incentive for the expansion of domestic air traffic.

A marked extension of the road network was achieved during the fifth development plan (1981-86). During this period, nearly 900 km of new roads were built. The extension was primarily intended to provide a good link-up between the railhead at Ngaoundéré and the northern parts of the country. Originally, a further expansion of the road network was planned within the framework of the 6th

development plan, which provided for the construction of 3,000 kilometres of asphalted roads. This project had to be abandoned in the wake of reductions in budget expenditure for infrastructures within the scope of the structural adjustment policy. A 6th Highways Project which was to be financed by the World Bank (US\$ 125 million), the African Development Bank (US\$ 135 million), and through funding by commercial banks (US\$ 120 million) was however to be put into effect. The objective of this project is to repair 600 km of asphalted roads and to improve 150 km of metalled tracks by covering them with asphalt. The realization of this project was also restricted by the economic crisis. In the meantime (June 1991), the African Development Bank has, however, promised 37.2 billion CFA francs for the construction of 136 km of asphalted roads, road maintenance work, geological studies, consulting, and for technical cooperation in road transport affairs. This project aims at linking up isolated rural areas of significant agricultural potential and improving the planning and management of the road construction projects.

In spite of the great reduction in road construction projects during the 6th plan, the Kibri-Edéa section was completed in May 1991. The completion of this project was due to aid provided by the Federal Republic of Germany.

One of the central road transport projects of the future is the planned extension of the east-west route linking up Nigeria to the Central African Republic. The stretch of road crossing Cameroon is part of the trans-African highway leading from Lagos to Mombasa.

A strong increase in the number of cars (+70.6%) was recorded between 1980 (45,893 vehicles) and 1987 (78,272 vehicles). The number of private cars, however, took a slight turndown in 1987 compared to the preceding year (80,757 private vehicles). The density of cars per 1,000 inhabitants rose from 5.3 to 7.5 between 1980 and 1987. The number of coaches and heavy goods vehicles, as well as that of motorcycles, experienced an equally marked increase as that of cars over the period 1980-87. Despite the steep rise in the number of vehicles of all kinds during the period under review, the degree of motorization in Cameroon remains low.

10.3 MOTOR VEHICLES AND DENSITY OF PRIVATE CARS*)

Type of vehicle/density of cars	1980	1984	1985	1986	1987
Private cars	45,893	72,449	77,105	80,757	78,272
Cars per 1,000 inhabitants	5.3	7.5	7.8	7.9	7.5
Coaches and HGVs	30,096	41,301	43,510	44,875	43,868
Motorcycles	21,220	41,579	41,579	40,961	37,300

*) Status: mid-year.

Between 1970 and 1989, Cameroon's merchant shipping fleet expanded appreciably. The number of vessels rose during this period from 9 to 44, even though 1989 represented a drop in the number compared to 1985 (48 merchant vessels). This downturn was even more apparent in the tonnages. While the total tonnage of Cameroon's merchant shipping fleet was 76,400 gross register tonnes in 1985, the figure had dropped by more than half to 33,200 GRT in 1989. Nevertheless, at the end of the 1980s, the transport capacity of the Cameroon fleet has increased to 20 times that of the early StBA/Eurostat, Cameroon 1992

70s. Cameroon Shipping Lines (CAMSHIP), founded in 1974, which owns two modern semi-container-type vessels, plays a major role in merchant shipping. CAMSHIP has also two charter vessels. The company operates on shipping routes along the western coast of Africa and to Singapore, Hong Kong and the United States.

The Office National des Port du Cameroun (ONPC) recorded a total freight traffic of 3.87 million t for 1989-90 compared to 3.80 million t the preceding year (1988-90) (+1.8%). The seaport of Douala Bonabéri handles more than 97% of all transshipments of goods. The structure of harbour traffic in Douala is unbalanced: in effect, the quantity of freight imported is practically twice that exported. The greater part of produce for export loaded in Douala is made up of agricultural products such as coffee, cocoa, bananas, cotton, palm oil, and rubber. Shipments of timber also play an important role. Douala Bonabéri is also the harbour through which aluminium is exported. Douala also has a warehouse section with goods depots for the land-bound countries of central Africa. At present, the container terminal can handle a capacity of 1.5 million t, which is to be extended to 2 million t. The total capacity of the port is 7 million t of freight per year.

10.4 MERCHANT SHIPPING FLEET^{*)}

Fleet	Unit	1970	1975	1980	1985	1989
Vessels.....	Number	9	18	44	48	44
Tonnages	1,000 GRT	1.7	3.2	62.1	76.4	33.2

*) Vessels upwards of 100 GRT; status 1 June.

Table 10.5 gives an overview of the development of freight traffic in the Port of Douala Bonabéri. Freight traffic reached its height in the mid-1980s. In 1985, altogether 4.430 million t of freight were handled through the Port of Douala Bonabéri. The quantity of freight unloaded, i.e. imported, was more than three times higher, at 3.428 million t, than the quantity of freight loaded or exported (1.010 million t). Subsequently, the severe economic crisis brought about a marked reduction in the quantity of freight. The low point was reached in 1989 with a total volume of freight of 3.592 million t. Compared to 1985, this represents a drop of 19.1%. This trend was exclusively due to a sharp drop in the quantities of goods unloaded to 2,419 million t (-29.4% compared to 1985), while the freight loaded had even risen slightly to 1,173 million t (+16.1% compared to 1985). A modest but nevertheless clear increase in freight movements was recorded in 1990 at the Port of Douala. The total volume of freight was 5.5% higher than that of the preceding year at 3,790 million t. Freight loaded (1990: 1.328 million t; +13.2%) increased more rapidly than freight unloaded (1990: 2.462 million t; +1.8%). The recovery which became noticeable in 1990 continued at the beginning of 1991, as can be seen from the data relating to the first quarter of 1991. However it must be noted that the general strike and the harbour blockages which occurred in the "villes mortes" campaign strongly affected the handling of goods through the Port of Douala. First figures for April 1991 show that the volume of freight imported was 27% less than the figure for the corresponding month in the previous year. In July 1991, imports and exports are both expected to be lower by 14% than the prior year level.

10.5 FREIGHT TRAFFIC THROUGH THE PORT OF DOUALA BONABÉRI

Volume of freight	Unit	1983	1985	1987	1989	1990	1st Qtr 1990	1st Qtr 1991
Total.....	1,000 t	3,751	4,438	3,696	3,592	3,791	968	1,036
Loaded	1,000 t	889	1,010	983	1,173	1,328	321	380
Unloaded.....	1,000 t	2,862	3,428	2,713	2,419	2,462	647	656

There are other ports in Cameroon, such as Kribi, which are virtually only used to load timber. In 1989-90, the volume of freight trans-shipped at Kribi was 119,000 t. The river port of Garoua on the Bénoué river also deserves a mention. This port can only be used periodically, after the rains, and serves primarily to transport cotton. Trans-shipment of freight at the Port of Garoua is on average less than 10,000 t per year.

Feasibility studies concerning the construction of new deepwater ports were commenced on during the fifth development plan. These involve a study for the construction of a port at Cap Limboh, near Limbe and the Sonara Oil Refinery on the one hand, and on the other hand, a potential harbour site, namely Grand Batanga, south of Kribi. The building of the Grand Batanga Port depends in particular on plans for the development of offshore natural gas deposits and the opening of an iron ore mine in the vicinity of Kribi. Considering the poor economic situation at present, these two projects have very little chance of being realized.

The national airline is Cameroon Airlines (CAMAIR), which was floated in 1971 after Air Afrique had withdrawn from Cameroon. Altogether 75% of CAMAIR is in state hands, the remaining 25% being held by Air France. In the past, Camair operated all domestic flights. The national airline also runs air links to Dakar, Addis Abeba and to numerous European airports. A restructuring of CAMAIR was commenced in the late 1980s.

Until recently, Cameroon had only two international airports, at Douala and Garoua. Since then, a third international airport, Nsimalen, 15 km south of Yaoundé, on which building commenced in 1988, has been completed at a total expenditure of around 70 billion CFA francs. The funds for the new airport were supplied by a German-Austrian consortium. Thanks to its new international airport, Yaoundé has been given a chance to improve its economic potential compared to the economic metropolis of Douala. The official inauguration of the Yaoundé-Nsimalen airport took place on 31 December 1991. This new airport, whose landing strip is 3,400 m long, at present accommodates about 1.5 million passengers per year and can be extended to a capacity of 2.5 million passengers per year. Its freight capacity is 5,000 t per year. The opening of the Yaoundé-Nsimalen airport for international air traffic was planned for 31 March 1992. A fourth international airport is to be constructed in Baffoussam over the coming years.

The very dense network of domestic air routes deserves a mention. This network was favoured by the bad road links in the interior of the country. Consequently, the majority of provincial capitals already have small airports for national flights. While CAMAIR used to be the only airline to operate flights on all the domestic network, a new private airline Unitair, which was founded on 11 November 1991, has helped to break this monopoly. Unitair has equity capital of 600 million

CFA francs (80,000 of which is in hands of local investors, 20% being owned by the Swiss group ALG Aeroleasing) and will operate regular domestic air traffic on those routes which are not sufficiently lucrative for CAMAIR. This will ensure the serving of the airports of Bamenda, Batouri, Baffoussam, Foumban, and Bertoua amongst others. Unitair therefore hopes to cover 7-8% of total domestic air traffic.

Table 10.6 provides a summary of transports by the national airline CAMAIR. CAMAIR owns four Boeing jets, including one Boeing 747 Combi and three Boeing 737s, as well as one Hawker Siddeley Turbo Prop. As the table shows, both the number of passengers and the quantity of freight sank appreciably between 1985-86 and 1989-90. While CAMAIR was still transporting 533,000 passengers in 1985-86, the number had dropped to 466,000 (-12.6%) in 1989, although this was still slightly higher compared to the two preceding years. The quantity of freight transported between 1985-86 and 1989-90 fell from 13,500 t, or by more than 20%.

10.6 TRANSPORT CAPACITIES OF THE NATIONAL AIR LINE, CAMEROON AIRLINES

Type of transport	Unit	1985/86	1986/87	1987/88	1988/89	1989/90 ¹⁾
Passengers	1,000	533	510	415	459	466
Freight	1,000 t	13.5	10.5	9.6	9.7	10.6

1) Estimate.

Cameroon's telephone network is extremely inadequate, despite the relatively high per-capita revenue. Country areas have practically no links with the national telephone network. The number of telephones installed in the whole of the country is given as 32,400 in 1987. The number of telephones installed in Douala was 9,800, while that in Yaoundé was 8,700. The German Siemens company obtained an order in July 1988 for the installation of a digital telephone network. This network will enable the number of telephones installed to increase to around 100,000.

The national television company is the Office de Radiodiffusion-Télévision Camerounaise (CRTV), which was formed from the two television companies Radiodiffusion Nationale du Cameroun and Cameroon Television. The number of television sets recorded in 1987 was 120,000. At the same time, the number of radios was listed at 1.3 million.

The biggest newspaper in Cameroon is the *Cameroon Tribune* which is issued daily in the French language (circulation 66,000 copies) and weekly in the English language (circulation 25,000 copies).

10.7 TELECOMMUNICATIONS DATA*)
1,000

Category of data	1970	1975	1985	1987
Telephones.....	22.0 ^{a)}	22.0 ^{b)}	31.6	32.4
Radio sets	170	232	940	1,300
Television sets	-	-	-	120

*) Status: end of the year.

a) 1971.

b) 1973.

11 MONEY AND FINANCE

Cameroon is a member of the franc zone which regulates currency, credit and financial matters between France and a number of former colonies in Africa, the overseas Départements and territories as well as Monaco. Although the franc zone was created during the colonial era, its present conception and organization goes back to conventions which were signed by its members in 1972-73.

In November 1972, Cameroon, the Central African Republic, Chad, Congo and Gabon signed a treaty redefining their cooperation in the money and finance sector, and creating a new basis for their relations with France. Equatorial Guinea became the sixth country to sign this treaty in 1984. The basic elements of this cooperation include the operation of a joint central bank, the Banque des Etats de l'Afrique Centrale (BEAC), located at Yaoundé, as well as the creation of a monetary union. The common official currency is the CFA franc (Coopération Financière en Afrique Centrale), which has a fixed exchange rate against the French franc of 1 FF^r = 50 CFA francs¹). The issuing bank for the CFA franc is the BEAC. The CFA franc is freely exchangeable against foreign currency.

The BEAC is managed by a board of directors including representatives from the six member states and France. The BEAC determines the monetary policy as regards credit for the Union Monétaire d'Afrique Centrale in close cooperation with the national monetary committees which are composed of representatives of the respective ministries of finance. There is no limit on transfer of foreign exchange inside the Union Monétaire d'Afrique Centrale. Just as the BCEAO, the central bank of the West African Monetary Union, the BEAC is obliged to deposit 55% of its foreign exchange reserves with the French treasury. The BEAC determines credit ceilings for each of the member countries of the Central African Monetary Union (except loan for harvests and agricultural exports). In order to curb the flight of capital which has become more marked since the mid-1980s, the BEAC adopted a more flexible policy on interest rates, which led to an increase in bank lending rates.

As illustrated by table 11.1, the CFA franc greatly lost value during the first half of the 1980s with respect to the currencies of the industrialized countries of the west. The CFA franc was devalued by 13.1% against the US dollar between the end of the year 1983 and the end of 1984. Subsequently an effective revaluation of the CFA franc occurred. While the exchange rate of the CFA franc against the dollar was 479.60:1, the official exchange rate at the end of 1987 was 267 CFA francs to one US dollar, which corresponds to a 79.6% revaluation of the CFA franc. After a slight devaluation in 1988, the revaluation trend of the CFA franc continued in 1989-90. The most favourable exchange rate was reached at the end of the year 1990 at 256.45 CFA francs to US\$ 1. In 1991 the CFA franc was also valued at a high rate (end 1991: US\$ 1 = 259.00 CFA francs). The development in the CFA franc exchange rate with respect to the Special Drawing Rights (SDR) of the International Monetary Fund (IMF) presents practically the same revaluation and devaluation pattern as that against the US

1) The CFA franc (in this case: the franc of the African financial community) is also the official currency of the west African monetary union (Union Monétaire Ouest-Africaine (UMOA)) whose members are the western African states of Côte d'Ivoire, Benin, Niger, Senegal, Togo, Burkina Faso, and Mali. The Central Bank is the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), which is based at Dakar.

dollar. In February 1992, the official exchange rate was 384.85 CFA francs per SDR. On average during the first half of 1992 one ECU bought 346.88 CFA francs.

11.1 EXCHANGE RATES^{*)}

Year	Type of exchange		
	Computed comparable value ²⁾		Rates for special drawing rights (SDR)
	CFA Franc to 1 ECU ³⁾	CFA Franc to 1 US\$	CFA Franc to 1 SDR
1983.....	338.54	417.38	436.97
1984.....	343.58	479.60	470.11
1985.....	339.75	378.05	415.26
1986.....	339.99	322.75	394.78
1987.....	346.46	267.00	378.78
1988.....	351.82	302.95	407.68
1989.....	351.19	289.40	380.32
1990.....	345.60	256.45	364.84
1991.....	348.54	259.00	370.48
1992 ¹⁾	346.88 ^{a)}	278.69	384.85

*) Status: end of the year.

1) Status: end of February.

2) Base: 1 FFfr = 50 CFA francs .

3) Annual average.

a) Average January/July.

The strong revaluation of the CFA franc in the period after the mid-1980s and compared to that period reflects the movements of the French franc against other leading international currencies. This in general led to a progressive overvaluation of the CFA franc, which had grave consequences for Cameroon's export economy. Because of the successive revaluations of the CFA franc, Cameroon's export revenues dropped appreciably. This trend was aggravated in part by the crumbling of market prices for its major export products (oil, cocoa, coffee). Like other countries in the franc zone, Cameroon then plunged into a serious recession. Regarding the overvaluation of the CFA franc, it was debated whether the currency should be devalued in order to counteract the continued erosion of export revenues. At present, the French and African governments concerned are still opposed to a suppression of the fixed exchange rate between the CFA franc and the French franc. However, it would seem more realistic, in the medium term, to link the variations of the CFA franc to those of the ECU after the expected constitution of the European Monetary Union in the years to come.

Cameroon's foreign exchange reserves have been subjected to great fluctuations since the second half of the 1980s. While the total foreign exchange reserves (including the special IMF drawing rights and the IMF Net Fund Position, excluding gold) were US\$ 132.46 million in 1985, these dropped by more than 50% during the two following years. Reserves in foreign currencies rose in StBA/Eurostat, Cameroon 1992

1988 to US\$ 175.85 million, after which they sank again rapidly. At the end of the year 1990, foreign currency reserves were practically exhausted since they represented no more than US\$ 25.54 million. There had still been no recovery by August 1991 (US\$ 21.46 million). The variations in monetary reserves described are the consequence of moving deposits originating from the sales of oil to outside the franc zone, sales of which the exact value is not known. These sales were in the past repeatedly used to prefinance extra budgetary expenditure or the purchase from the producers of agricultural products for export. Contrary to the situation with foreign exchange, gold reserves have not changed between 1984 and 1991, remaining at 30,000 ounces of fine gold.

11.2 GOLD AND FOREIGN EXCHANGE RESERVES^{*)}

Reserves	Unit	1984	1985	1986	1987	1988	1989	1990	1991	1992 ¹⁾
Total										
(excl. gold)	mil. US\$	53.86	132.46	59.01	63.76	175.85	79.86	25.54	21.46 ^{a)}	.
Exchange	mil. US\$	47.55	127.62	55.32	63.22	175.52	79.28	24.59	20.54 ^{a)}	.
Special										
Drawing rights										
(SDR)	mil. US\$	6.11	4.62	3.45	0.26	0.03	0.29	0.64	5.56	12.23
Net Fund										
Position/IMF	mil. US\$	0.20	0.22	0.24	0.28	0.30	0.29	0.31	0.33	0.32
Gold	1,000 oz. fine gold	30	30	30	30	30	30	30	30	.

*) Status: end of the year.

1) Status: end of February.

a) Status: end of August.

Cameroon has one of the best developed banking systems in French-speaking Africa. Until the mid-1980, Cameroonian banks had succeeded in mobilizing significant bank deposits from the private sector. In addition, national banking establishments held significant deposits from state enterprises and national oil companies. Until the start of oil production, the Cameroonian banking sector was dominated by French merchant banks. In the early 1980s, American banks began to take more of an interest (e.g. the First National Bank of Boston, the Bank of America, Chase Manhattan). Following the economic crisis in the second half of the 1980s, a great number of banks with foreign equity holdings, in particular the American banks, withdrew from Cameroon. Finally, in mid-1988, the local subsidiary of Chase Manhattan was sold to the Meridien International Group.

Just as with the construction industry, the banks were among the first to feel the effects of the economic crisis of 1986. During the second half of the 1980s, Cameroon's banking system experienced tight bottlenecks in liquidity, even to the point of partial insolvency. The fall in export revenues following the plummeting of world market prices for Cameroon's main export products resulted in a rapid dwindling of foreign exchange reserves. Growing budgetary deficits and the abolishment of subsidies for state enterprises led, from 1987 onwards, to a large-scale withdrawal of government and public enterprise deposits from the merchant banks. Simultaneously, arrears in

payment by public enterprises to private enterprises participating in government projects multiplied. A great many private businesses were therefore forced to take out temporary loans with the merchant banks in order to cope with this lack of liquidity. The failure to pay back harvest loans by agricultural producers, who could no longer be paid by the central sales organizations on account of the drop in export revenues, did nothing to improve the situation. According to estimates of the International Monetary Fund (IMF), the amount of arrears on harvest loans due to Cameroon merchant banks rose from 76 billion CFA francs to 230 billion CFA francs (of which 125 billion were arrears) between December 1986 and September 1989. Due to the rigid financial rules and the severe restrictions on credit applied by the BEAC, Cameroon's banking sectors experienced a serious liquidity and profitability crisis. In mid-1987, the majority of Cameroon's merchant banks were technically insolvent. Restructuring and complete recapitalization of the banking system was therefore one of the central actions to be implemented within the framework of the structural adjustment programme.

The first stage was an audit of all merchant banks on order of the national administrations with a view to documenting the scope of the problem. Following this, four particularly hard-hit banks were closed. The merchant bank Société Commerciale de Banque (SCB) was the first to be wound up. After an injection of capital by the Crédit Lyonnais, which up until then had owned a minority holding in the SCB, the Société Commerciale de Banque-Crédit Lyonnais Cameroun (SCB-CL), was floated to take its place. A number of banks of minor importance, e.g. Paribas Cameroon and Cameroon Bank, as well as the National Development Bank and the Banque Camerounaise de Developement (BCD) were closed in 1990. The agricultural development fund Fondader was also dissolved and replaced by a new agricultural development bank, the Crédit Agricole. The French Caisse Centrale de Coopération Economique (CCCE) put up a total of 75.5 million francs (3.785 billion CFA francs) for the restructuring of the Cameroon's Banking system in 1990.

The next step in the reorganization of the banking sector took place in July 1991 with the merger of the Banque Internationale pour l'Afrique de l'Ouest (BIAO-Cameroun) with the local subsidiary of the International Meridian Bank Ltd. (IMBL). The new bank now operates under the name of Banque Meridien BIAO Cameroun (BMBC). Just as in the case of the merger of Crédit Lyonnais with the former SCB, during the above-mentioned merger and transformation into BMBC, the "bad debts" of the ex-BIAO Cameroun were absorbed by the National Debts Authority which had been created in 1989, the Société Nationale de Recouvrement des Créances du Cameroun (SRC). On the founding of BMBC, the former headquarters of the BIAO and 26 subsidiaries were taken over. BMBC thus became the biggest of Cameroon's merchant banks.

In 1991 the SRC set aside 6 billion CFA francs for the compensation of the creditors of the liquidated banks, namely the BCD, CAMBANK, Paribas and SCB. In total, around 12,000 savers benefitted from this first series of payments.

Despite the far-reaching reforms of recent years, liquidity bottlenecks in Cameroon's banking system have still not been totally eliminated. This can be seen from the fact that the important function of the granting of loans to private enterprises is still not totally guaranteed by the merchant banks. In May 1992, the CCCE supplied another 30 billion CFA francs for the continuation of reform programmes. These include, among others, the reorganization of the International Bank of Africa Cameroon (IBAC), the Banque Internationale pour le Commerce et l'Industrie du Cameroun (BICIC) and the Société Générale de Banque au Cameroun (SGBC). In addition, the creation of a

banking commission for Central Africa is planned, and the government will confer on this institution powers of surveillance of the banking sector. Further plans for the near future include the closing of bank branches, the modification of management structures, as well as the laying-off of personnel. The "villes mortes" campaign represents a threat to the current reform process. For instance, banks in Douala City are obliged to restrict their activities to a great extent. In some places, it is only possible to open banks at the weekend. The banking sector has indicated that a new restriction of banking liquidity has begun to be felt as a result of the Villes mortes campaign.

Table 11.3 shows a survey of the trends in the monetary and finance sector since the beginning of the 1980s. Due to the rigid monetary and credit policy of the BEAC, the government has not been able to finance its growing budget deficits by national borrowing or by the issue of new notes. The financing of the deficit has mainly been undertaken by utilization of Cameroonian deposits with the Banque de France in Paris. While Cameroon still possessed net external credit to the amount of 104.62 billion CFA francs at the end of 1985, this had dropped to -133.72 billion CFA francs in May 1991 (cf. chapter 19).

In view of the severe directives of the BEAC on monetary policy, the second half of the 1980s witnessed reduced growth in the supply of money. The supply of money M2 (availability of money and quasi-money) took a downward turn from 864.52 billion CFA francs at the end of 1985 to 764.49 billion CFA francs (-11.6%) in May 1991. This negative growth in the supply of money was mainly due to the sharp reduction in long-term bank deposits (quasi-money) from 1986 onwards. Although a slight rise in long-term deposits was recorded until May 1991 the supply of quasi-money was still lower by 20% (-21.4%) than the 1985 level (437.84 billion CFA francs) at 344.20 billion CFA francs. Short-term bank deposits (sight deposits) generally went into reverse as well between the end of 1985 (278.38 billion CFA francs) and May 1991 (252.55 billion CFA francs), but the drop was relatively slight at 9.3%. In contrast, there was an increase in currency in circulation for the period from 1985 (148.3 billion CFA francs) until May 1991 (167.66 billion CFA francs, a growth of 13.1%).

11.3 SELECTED DATA ON MONEY AND FINANCE*)

Category of data	Unit	1982	1985	1986	1987	1988	1989	1990	1991 ¹⁾
Assets.....	bn CFA francs	488.21	940.24	925.50	736.31	756.32	870.96	859.99	825.78
Net foreign reserves.....	bn CFA francs	- 73.89	+ 104.62	- 71.18	- 202.64	- 115.85	- 190.74	- 184.89	- 133.72
Total domestic loans.....	bn CFA francs	582.10	835.62	996.67	938.94	872.17	1061.70	1044.88	959.50
Loans to the economy									
(total).....	bn CFA francs	- 116.64	- 42.67	+ 10.46	- 75.61	- 151.76	- 19.76	- 34.24	- 2.09
Loans to the state.....	bn CFA francs	678.74	878.29	986.21	1014.56	1023.93	1072.46	1079.12	961.59
Public enterprises.....	bn CFA francs	-	-	-	-	-	191.13	182.57	161.95
Non-monetary financial									
institutions.....	bn CFA francs	-	-	-	-	-	2.91	2.10	2.46
Private sector	bn CFA francs	678.74	878.29	986.21	1014.56	1023.93	878.42	894.45	797.19
Liabilities.....									
Currency in circulation.....	bn CFA francs	488.21	940.24	925.50	736.31	756.32	870.96	859.99	825.78
Currency in circulation per									
Inhabitant.....	1,000 CFA francs	11.83	14.96	16.41	16.31	14.93	14.88	13.53	14.09
Sight deposits	bn CFA francs	190.89	278.38	280.31	215.90	226.44	289.55	262.65	252.55
Total money supply (M1).....	bn CFA francs	298.48	426.68	447.71	387.01	388.10	455.84	418.63	420.20
Quasi-money	bn CFA francs	184.92	437.84	383.07	290.71	308.29	316.98	337.98	344.29
Total supply of money and									
quasi-money (M2)	bn CFA francs	483.41	864.52	830.78	677.72	696.39	772.82	756.61	764.49
Miscellaneous items (net).....	bn CFA francs	4.80	75.72	94.72	58.59	59.93	98.14	103.38	61.29

*) Status: end of the year.

1) Status: May 1991. Provisional figures.

Assets: collateral of the resources of the monetary system (consolidated status of the BEAC and the note issuing banks).

Liabilities: resources of the monetary system.

12 PUBLIC FINANCE

The following analysis of the public finances of Cameroon is limited to the financial operations of the central government, including debt servicing transactions of the Caisse Autonome d'Amortissement (CAA), the country's central debt administration. There are as yet no statistics relating to the trend in the financial situation of other public cooperations or state or para-state enterprises, as these are at present being prepared. All financial transactions concerning the central government are executed by the treasury, including the granting of funds for capital projects financed by national sources. The budget year runs from 1 July of each year to 30 June of the next calendar year.

In terms of method, it should be pointed out that in the past, part of the state revenues from the oil sector were not integrated into the central government's budget but in separate balances (the so-called "comptes hors budget" or non-budget accounts) a number of which were held abroad and periodically reactivated to finance specific projects. For this reason, all data relative to the development of budgetary revenues does not present an exhaustive picture of the effective volume of revenues. To remedy this situation, the government undertook, in July 1991, to publish the entirety of its oil revenues, including the non-budget accounts.

The budgetary policy of the Akidjo government, and initially the Biya government, attempted to maintain the equilibrium of state finances. Due to the rapid rise in revenues from the export of crude oil, there was, however, a reorientation of the restrictive budgetary policy of the 1970s and the early 1980s. This trend was reflected in a marked expansion of state expenditure towards the mid-1980s.

The revaluation of the CFA franc against the US dollar, the drop in prices for crude oil and the regression of the world market price for coffee and cocoa, major foreign exchange earners, which occurred almost simultaneously in 1986, represented a turning point. These external factors triggered a budgetary crisis which worsened in the second half of the 1980s. Although the fall in oil prices was already apparent at the beginning of 1986, the Cameroon government did not adopt its first austerity budget until 1987-88. During the budget year 1986-87, the planned expenditure of 800 billion CFA francs was exceeded yet again by more than 50% and came to a total of 1,228.8 billion CFA francs (cf. table 12.1 and 12.2). Concurrently, revenues, at 720 billion CFA francs, remained substantially below planned revenues of 800 billion CFA francs. This unequal development of revenues and expenditures resulted in a budget deficit of 508.3 billion CFA francs or roughly 13% of gross domestic product (cf. figure 12.1).

12.1 CENTRAL GOVERNMENT BUDGET^{*)}
Billion CFA Francs

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Revenue.....	740.0	800.0	650.0	600.0	600.0	550.0	545.0
Expenditure	740.0	800.0	650.0	600.0	600.0	550.0	545.0
Additional revenue (+).....							
Additional expenditure (-).....	± 0.0	± 0.0	± 0.0	± 0.0	± 0.0	± 0.0	± 0.0

*) Budget year: July/June. Budget provisions..

**12.2 ACTUAL BUDGET REVENUE AND EXPENDITURE OF
THE CENTRAL GOVERNMENT^{*)}**
billion CFA francs

	1985-86	1986-87	1987-88	1988-89	1989-90 ¹⁾
Revenue.....	877.2	720.5	598.7	532.3	537.0
Expenditure	926.4	1,228.8	813.0	672.9	703.7
Additional expenditure	49.2	508.3	214.3	140.6	166.7

*) Budget year: July/June.

1) Provisional data.

In view of the real financial situation, a restrictive budgetary policy was introduced from the fiscal year 1987-88 onwards, having as its aim a practically constant reduction in state expenditure and revenue. This strategy is apparent in the efforts of the government, from 1987-88 onwards, to base its budget provisions on a net diminution of the budgetary volume: the central government budget was reduced to 545 billion CFA francs by 1991-92 after a series of reductions, namely 650 billion CFA francs for the fiscal year 1987-88, 600 billion CFA francs in 1988-89 and 550 billion CFA francs in 1990-91 (cf. table 12.1).

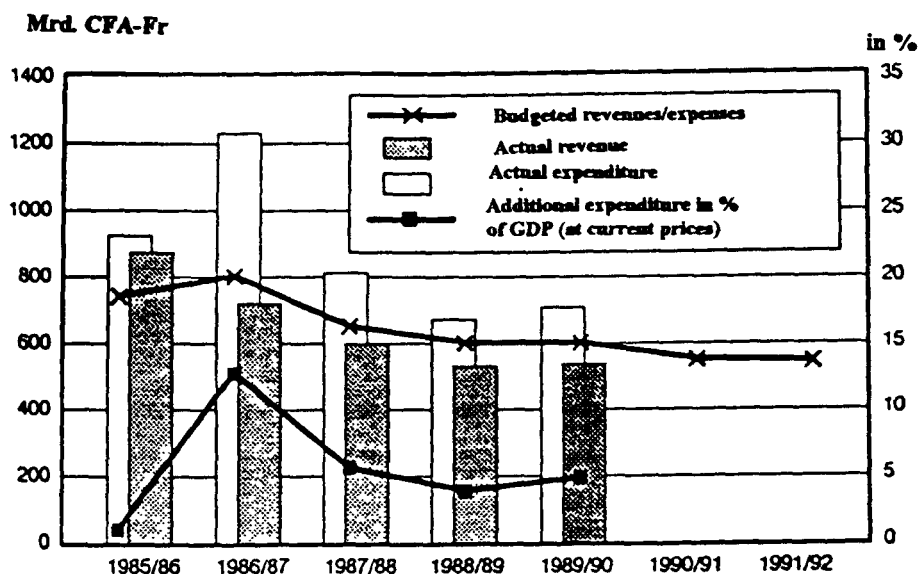
In spite of this, even the sharp cut in revenues on which the budgets of 1987-88 to 1991-92 were based, proved to be overoptimistic. As shown in figure 12.1, effective revenues for the period 1986-87 to 1989-90 were very much lower than the budgeted revenues. However, despite a draconian limitation of capital spending, actual spending was very much higher than planned expenditure, and this weighed heavily in the balance. Throughout the second half of the 1980s budget deficits were very high. Although the additional expenses were restricted after 1986-87, these deficits were nevertheless inevitable given the inflexibility of the budget administration and the fact that the tax revenue base was steadily being eroded. In 1989-90, the budget deficit was still some 5% of gross domestic product, being estimated at 167 billion CFA francs.

Even beyond 1989-90, the persistence of the economic recession renders it unlikely that the state finances will be consolidated very quickly. Besides the expected lowering of tax revenues, the

StBA/Eurostat, Cameroon 1992

reduction in crude oil production will engender a marked drop in revenues from oil operations destined for the treasury. Since it will be difficult to impose appreciable reductions in expenditure on current budgetary liabilities such as payments of wages and salaries in the public sector, more or less high budget deficits are to be reckoned with for the fiscal years 1990-91 and 1991-92¹⁾. It will therefore be necessary to resort to foreign capital again in the early 1990s, as has been happening since 1985-86, to finance budget deficits.

12.1. BUDGET AT THE CENTRAL GOVERNMENT



Statistisches Bundesamt 92 0200 B

Tables 12.3 and 12.4 show a detailed comparison of planned and actual budget revenues until 1989-90. While the real revenues of 877.2 billion CFA francs in 1985-86 had been substantially higher than budgeted revenues 740.0 billion CFA francs), actual revenues remained substantially below budgeted revenues in the following years. Closer observation shows that this was above all due to a shrinking tax revenue base. While the budget provisions between 1986-87 and 1989-90 were based on a regression of the fiscal volume from 569.6 billion CFA francs to 388.6 billion CFA francs, this base in effect reduced from 382.2 billion CFA francs to 297.0 billion CFA francs. Consequently, the effective tax revenues for 1989-90 were 92 billion CFA francs less than those provided for in the budget for that year. The expected tax revenues for the budget year 1986-87 had even been overestimated by 187 billion CFA francs. It was only higher than expected non-tax revenues that made it possible to partially cover the pronounced lack of tax revenues during the second half of the 1980s. However, this did nothing to change the fundamental fact that actual budget revenues were significantly lower than the levels budgeted.

1) It was not possible to obtain any data relating to effective budget revenues or expenses for the budget years 1990-91 and 1991-92, so that there were no means of determining the budget deficit for these two fiscal years.

From the budget year 1990-91 onwards, the government introduced new taxes in order to compensate for the reduction in state revenues; these new taxes, however, proved to be inadequate. Consequently, in February 1991, a series of supplementary measures was adopted with a view to broadening the tax base and reducing administrative expenditure in the levying of taxes. In this context, a new statistical charge of 5% on all imports was introduced, taxes were increased on driving licenses and registrations (cars, property, businesses), as was the levying of a tax of 15% on the consumption of various consumer products (among others beer, soft drinks, household electrical appliances, flour, and imported cars). In addition, income tax was raised from 3 to 6%, and a new axle tax for heavy goods vehicles weighing more than 3 t was imposed. A trading license of 5,000 CFA francs was introduced for various trades in the informal sector (street vendors of beverages, street hairdressers, restaurant owners, etc.). Nevertheless, these steps were not sufficient to stem the downward trend in tax revenues. According to the French weekly newspaper *Marchés Tropicaux*, it can be assumed that real tax revenues for 1990-91 will be 292 billion CFA francs rather than the planned 366.3 CFA francs²⁾.

The "villes mortes" campaign, which momentarily paralysed practically all sectors of economic life and consequently caused even higher deficits in revenues for all the main taxes, caused significant tax revenue losses in the budget year 1991-92. The dwindling of revenues on oil operations to the benefit of the state is another factor which will depress public revenues in 1991-92. These revenues had already dropped between 1985-86 and 1989-90, going from 44% to 34% of budget receipts.

One of the major issues in the future will be a more effective fight against smuggling, corruption and tax fraud. According to official estimates, the central government loses nearly 120 billion CFA francs each year in tax receipts for these reasons.

12.3 BUDGET REVENUES OF THE CENTRAL GOVERNMENT^{*)} Billion CFA francs

Type of revenue	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Total.....	740.0	800.0	850.0	800.0	600.0	550.0	545.0
Tax revenue.....	510.4	569.6	435.0	401.5	388.6	366.3	378.0
Direct taxes and levies.....	241.2	288.1	203.0	191.6	198.5	198.5	196.0
Indirect taxes.....	269.2	281.6	232.0	209.9	190.1	167.8	183.0
Registration fees and stamps.....	37.0	37.0	30.0	35.7	29.0	34.0	27.5
Customs duty.....	177.7	185.1	152.0	128.2	115.1]	133.8	154.5
Other indirect taxes.....	54.5	59.5	50.0	46.0	46.0]		

For footnotes, please see end of table.

2) Cf. *Marchés Tropicaux* 1991, no. 2383.

12.3 BUDGET REVENUES OF THE CENTRAL GOVERNMENT^{*)} Billion CFA francs

Type of revenue	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Non-tax revenues.....	218.8	210.2	200.7	176.0	177.6	157.5	137.5
Revenues on state assets..	1.1	1.3	2.0	2.3	2.5	6.0	.
Revenues on oil production concessions ...	159.0	150.0	150.0	150.0	150.0	120.0	120.0
Revenues on services.....	58.7	58.9	48.7	23.7	25.1	31.5	.
Revenues from other sources.....	10.8	20.1	14.3	22.5	33.8	26.2	29.5
State shareholdings ¹⁾	0.6	0.6	0.9	7.0	7.4	6.8	.
Extraordinary revenue.....	2.1	6.7	11.4	14.5	23.4	17.4	.
Revenue on shares.....	8.1	12.8	2.0	1.0	3.0	2.0	.
Miscellaneous.....	0.0	0.0	0.0	0.0	0.0	0.0	.

*) Budget year: July/June. Budget provisions.

1) In other companies.

An analysis of **budget expenditure** clearly shows that real expenditure was significantly higher than budgeted expenditure during the second half of the 1980s. This was highest in 1986-87, the year for which the budget provided for expenditure of the order of 800 billion CFA francs, while actual expenditure rose to 1,228.8 billion CFA francs. To a large extent This was due to high capital spending and to extraordinary spending on current capital projects. A rise of some 25% in public sector wages and salaries following salary increases and a rise in the number of employees in public services contributed to a cost explosion during the 1986-87 fiscal year.

12.4 REAL BUDGET REVENUES OF THE CENTRAL GOVERNMENT Billion CFA francs

Type of revenue	1985-86	1986-87	1987-88	1988-89	1989-90 ¹⁾
Total	877.2	720.5	598.7	532.3	537.0
Tax revenue	380.1	382.2	345.0	294.7	297.0
Non-tax revenue.....	497.1	338.3	253.7	201.1	202.6
of which:					
revenues on oil production ²⁾	382.0	252.0	207.0	192.0	182.0
other non-tax revenue.....	115.1	86.3	46.7	9.1	20.6
Revenue from other source.....	.	.	.	36.6	37.3

*) Budget year: July/June.

1) Revenues derived mainly from concessions for oil production, taxes on oil profits and financial transactions of the national oil refineries.

In the following years, the government made every attempt to limit its public expenditure. In 1987-88, for instance, the salaries of state employees were frozen, and a ban was ordered on recruitment of personnel for public services. Other methods to limit spending were the reduction of subsidies and a limitation imposed on state transactions. The draconian cutting of investments, however, was by far more effective. Public capital spending dropped by 1989-90 to 154.5 billion CFA francs or 22% of total expenditure after having amounted to 470.9 billion CFA francs in 1985-86, or more than 50% of total budget expenditure in 1985-86 (cf. table 12.6). The fact that the given aim, namely to cut state expenditure to the level of expenses provided for in the budget, has not been attained in spite of all these economies was initially due to the impossibility of reducing in any decisive way the expenditure on salaries for state employees. Furthermore, the rapid rise in interest payments on debt (cf. chapter 19) ran counter, during the second half of the 1980s, to a net limitation of current expenses. State expenditure on debt servicing increased between 1985-86 and 1989-90 from 38.0 billion CFA francs to 128.6 billion CFA francs, or nearly one quarter of current budget expenditure.

The most effective way of not exceeding the planned expense limit of 550 billion CFA francs respectively 545 billion CFA francs during the budget years 1990-91 and 1991-92 would be a drastic reduction in wages and salaries for state employees, which until now does not seem to have happened³⁾. To date, the only steps which have been taken have been the purging of the salary rolls in the public sector to remove "ghost workers" as well as the elimination of certain benefits for state employees (e.g. family allowances, rent allowances, etc.). These measures, however, are not sufficient to lower current expenditure to a level which would permit state expenditure to remain within the framework of budgetary provisions. One must assume that actual expenditure for the years 1990-91 and 1991-92 will still remain appreciably higher than planned expenditure.

12.5 BUDGET EXPENDITURE OF THE CENTRAL GOVERNMENT*

Billion CFA francs

Type of expenditure	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Total	740.0	800.0	650.0	600.0	600.0	550.0	545.0
Current expenditure.....	430.0	460.0	400.0	375.0	425.0	364.0	378.0
of which:							
National debt.....	7.9	7.9	12.0	12.0	12.0	12.0	.
Expenditure on public services....	327.3	356.3	320.2	300.2	342.2	302.3	311.9
Municipal expenditure.....	37.2	31.4	18.9	19.8	24.3	14.7	.
Expenditure on state share-holdings.....	57.6	64.5	49.0	43.0	46.5	35.0	.
Selected expenditure sectors:							
Health.....	26.7	27.8	25.6	28.7 ^{a)}	30.7 ^{a)}	27.3 ^{a)}	24.4
Education.....	65.4	70.8	66.9	67.7 ^{b)}	48.3 ^{b)}	75.0 ^{b)}	70.8

For footnotes, please see end of table.

3) According to the Economist Intelligence Unit (EIU), the payments for wages and salaries on which are based the budget provisions above 1991-92 were only slightly lower than those of the preceding years at 254 billion CFA francs (47% of the total expenditure).

12.5 BUDGET EXPENDITURE OF THE CENTRAL GOVERNMENT*

Billion CFA francs

Type of expenditure	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Finances.....	18.6	19.7	18.5	17.3	19.3	17.0	17.1
"Présidence" and related services.....	36.1	38.9	34.0	35.4	40.3	36.2	.
Agriculture.....	17.4	16.4	17.2	19.9 ^{c)}	23.3 ^{c)}	22.0 ^{c)}	19.6
Post and telecommunications.....	10.4	10.9	8.7	5.7	6.2	5.5	.
Foreign affairs.....	4.0	6.7	6.1	.	.	.	.
Infrastructure and housing construction.....	36.8	40.0	32.8	13.5 ^{d)}	21.8 ^{d)}	8.3 ^{d)}	8.0
Defence.....	49.1	51.6	44.7	45.5	52.0	47.4	47.8
Capital spending.....	310.0	340.0	250.0	225.0	175.0	186.0	167.0
Public investment ¹⁾	161.1	138.0	.	55.0	55.0	62.0 ^{e)}	40.0
Fund for compensation payment.	68.9	102.0	-	-	23.0	24.0	.
Public foreign debt.....	80.0	100.0	150.0	170.0	97.0	100.0	110.0

*) Budget year: July/June. Budget provision.

1) In particular public building projects.

a) Including social services. - b) Including science and research. - c) Including livestock farming and fisheries. - d) Town planning (including construction of housing) and including 10.0 billion CFA francs for the restructuring of the banking sector.

12.6 ACTUAL BUDGET EXPENDITURE OF THE CENTRAL GOVERNMENT*

Billion CFA francs

Type of expenditure	1985-86	1986-87	1987-88	1988-89	1989-90 ¹⁾
Total.....	928.4	1,228.8	813.0	672.9	703.7
Current expenditure.....	455.5	533.5	530.0	514.3	549.2
Wages and salaries.....	224.5	280.0	265.0	257.9	252.2
Goods and services.....	136.0	148.5	146.9	148.7	130.0
Interest payments on public debts..	38.0	44.0	72.8	68.4	128.6
Subsidies/transfers.....	57.0	61.0	45.3	39.3	38.4
Capital spending.....	470.9	445.3	283.0	158.6	154.5
Extraordinary expenditure.....	-	250.0	-	-	-

*) Budget year: July/June.

1) Provisional data.

13 EMPLOYMENT

The current situation of statistics relating to the structure and development of employment is far from satisfactory. Existing data stems mainly from ILO statistics, which do not take into account the results of the 1987 census and which, therefore, rest on an obsolete base. To complicate matters, there is, at present, no more than limited access to the census results of 1987, since detailed results have not yet been published by the Cameroonian authorities.

According to the ILO figures, the working population of 1987 was 4,269 million. Compared to the 1976 census, during which the working population was counted as 2,758 million, this figure had risen by 55%. The mean annual growth in the working population was 4.1% between 1976 and 1987. The proportion of males in the active population was substantially higher, during the period under review, than the proportion of females: the number of economically active men in 1987 was 2,627 million, or 61.5% of the total working population. The active female population during the same period was 1,642 million (38.5%). The total activity rate was given as 39.4% in 1987, with a rate of active women of 30.3% and an activity rate of 48.6% for the male population.

Due to the high number of young people now finishing their education, it can be assumed that the numbers of economically active persons will increase in the coming years. However, there has been no recent estimate concerning the trend in the working population after 1987.

13.1 ECONOMICALLY ACTIVE POPULATION IN RELATION TO TOTAL POPULATION

Economically active persons	1976 ¹⁾	1985	1987	1976 ¹⁾	1985	1987
	in 1,000			Rate of employment in %		
Total	2,758	3,917	4,269	36.0	38.5	39.4
Men	1,656	2,410	2,627	44.1	47.4	48.6
Women	1,102	1,507	1,642	28.2	29.6	30.3

Source: Census and ILO.

1) Census results.

According to the 1987 census, 65% of persons aged 15 and more formed part of the working population or the economically active population; 8% of this 65% were unemployed. A breakdown of economically active persons according to age groups in the year 1985, based on ILO data, produces similar results regarding the proportions for the respective age groups. According to this information, an activity rate of around 40% for persons aged 15 to less than 20 years contrasted with a higher activity rate of 80% for persons aged 30 to less than 50 years. The activity rate falls back to 67% for those aged 50 years and more. On average, according to the ILO statistics, the total proportion of active persons of 15 years and more is similar to that shown in the results of the 1987 census.

Table 13.3 gives information on the active population according to centres of economy on the basis of ILO figures. In 1985, nearly three quarters (74.0%) of economically active persons were employed in agriculture, forestry, and fisheries. Only 6.3% of the working population was employed in industry. The most important sector of industry in 1985 was the manufacturing industry with 174,500 persons employed (4.4%). In 1985, approximately one fifth (19.7%) of the total working population was concentrated in the tertiary economic sectors (including those sectors which are not described in detail here). The most important sector of employment in services was public administration and social services, at 7.5% of the total working population.

13.2 ECONOMICALLY ACTIVE POPULATION AND ACTIVITY RATE BY AGE GROUPS

Aged ... to less	1976 ¹⁾	1985	1976 ¹⁾	1985
than ... years	in 1,000		in % of age group	
0 - 15	175	249	4.8	5.5
15 - 20	278	397	40.5	40.6
20 - 25	337	480	61.2	56.8
25 - 30	336	478	67.8	65.8
30 - 35				
35 - 40	864		73.2	
40 - 45		1,564		80.4
45 - 50	233		79.3	
50 - 55	179		75.8	
55 - 60	136		76.2	
60 - 65	99	749	65.8	67.4
65 and over	122		46.8	

Source: Census and ILO.

1) Census results

According to the 1987 census, it seems that the above ILO statistics underestimate the importance of employment in the primary sector. The 1987 census shows that 82% of all economically active persons are employed in the primary sector. Secondary and tertiary activities accounted for only 18% of all active persons.

13.3 ECONOMICALLY ACTIVE POPULATION BY ECONOMIC SECTORS

Economic Sector	1976 ¹⁾			1985		
	total		males	total		male
	1,000	%	1,000	1,000	%	1,000
Total	2,757.9	100.0	1,656.2	3,917.6	100.0	2,410.3
Agriculture, forestry, fisheries	2,035.0	73.8	1,073.3	2,900.9	74.0	1,574.9
Industry	173.0	6.3	146.3	246.5	6.3	208.5
Energy and hydro-electric sector.....	2.5	0.1	2.4	3.5	0.1	3.4
Mining, rock and earth quarrying	1.3	.	1.2	1.8	0.1	1.7
Processing industry	122.4	4.5	96.6	174.5	4.4	137.7
Construction.....	46.8	1.7	46.1	66.7	1.7	65.7
Retail, hotel/catering trades	108.0	3.9	80.9	154.0	4.0	115.3
Banking, insurance.....	6.0	0.2	5.2	8.0	0.2	7.4
Transport and communications.....	36.3	1.3	35.5	51.7	1.3	50.7
Public administration, social services ..	205.5	7.5	178.9	292.9	7.5	255.1
Miscellaneous sectors ²⁾	194.2	7.0	136.1	263.6	6.7	198.5

Source: Census and ILO.

1) Census results.

2) Including first time job seekers.

Table 13.4 provides an estimate of the trend in employment in the registered sector. The number of employees rose between 1984 and 1989 from 510,400 to 566,400 (+11.0%). It is surprising to note that the public sector shows a greater rise in employment than the private sector. This has led to a structural shift of the proportion of employees towards the formal sector: while in 1984, 70% of all employees in the formal sector worked in private and para-public enterprises, their proportion had dropped to 67% in 1989. During the same period the proportion of jobs in the public sector rose from 30 to 33%. The rise in employment in public services was mainly due to a rise in the number of civil servants. This number rose from 47,800 to 70,000 persons between 1984 and 1988, which represents an increase of 46.4%. Compared to this, the number of employees and blue-collar workers in public services has hardly changed during the second half of the 1980s. During the fiscal year 1989-90, the number of civil servants rose to 78,269. This trend is rather surprising since a net reduction in employment in public services had been planned in the late 1980s as a result of the persistent economic recession. One of the reasons for the increase was the re-employment of civil servants in training who entered public service after finishing their studies in national vocational training schools during the second half of the 1980s.

A progressive change in the employment policy of the public sector is emerging under pressure from the current structural adjustment programme. A drop in the employment level in public services should be achieved in the medium term by the action implemented with a view to reducing payments of high salaries for state employees. In the mean time, "ghost workers" have been deleted from the work rolls, and the salaries of state employees have been frozen. A ban on recruitment in

the public sector has also been decided, and certain fringe benefits (such as rent allowances, etc.) for civil servants have been revised. There has been a growing tendency towards early retirement of public servants on their fiftieth birthday. However the government is avoiding compulsory redundancies, in particular as this is an explosive social issue. In general terms, restructuring of public services with the shedding of 12,000 jobs in the state sector has been planned under the structural adjustment programme. Up until now, however, only a few state enterprises have slimmed their staff. For example, in the course of the transfer of the National Produce Marketing Board to the Office National du Café et du Cacao, 1,600 employees were made redundant during the reorganization of the company in June 1991. In addition, the largest public employer, CAMDEV (Cameroon Development Corporation), shed 221 employees in May 1991 in order to avoid a threatening bankruptcy. Under increasing pressure from the IMF and the World Bank, one can expect a change in attitude from the government with an attendant reduction of jobs in the state sector.

Redundancies can be expected in other sectors as a consequence of the constraints of budgetary policy, as the continuing economic crisis could equally lead, during the coming years, to a considerable cutback in employment in the private sector. As early as 1989-90, the 120 major companies in the country, which belong to the employers association Syndicat des Industriels du Cameroun (SYNDUSTRICAM), had to axe 2,300 jobs following turnover losses due to the recession.

13.4 EMPLOYEES IN THE "FORMAL" SECTORS*) In 1,000

	1984	1985	1986	1987	1988	1990
Total.....	510.4	536.9	560.3	455.9	.	566.4
Private sector and para-state enterprises.....	537.3	371.5	386.0	279.3		378.1
State sector ¹⁾	153.1	165.4	174.3	176.6	179.3	188.3
of whom:						
civil servants.....	47.8	52.2	57.0	59.2	70.0	.

*) End of the year

1) Including employees in local administration, consultants and other employees in the public services.

The strained economic situation during the second half of the 1980s significantly increased the unemployment rate. The 1987 census gives an official unemployment rate of 8% (16% in towns and 4% in the country).

With the sustained economic crisis lasting since 1986, there has been a loss of jobs in the construction and manufacturing industries, and a rapid rise in unemployment has occurred, in particular in the centres of Douala and Yaoundé. Apart from the economic crisis, the rural exodus and the growing number of young university graduates and school-leavers arriving on the job market represent further reasons for the increase in unemployment. New estimates are based on the fact that the unemployment rate will probably have increased to around 25% in July 1991. The youth

unemployment rate is considered to be higher. In large urban areas, the unemployment rate will reach 40%.

The socially explosive character of growing unemployment led to the implementation under the current structural adjustment programme of the Project Dimension Sociale de l'Ajustement (DSA) to run for four years and providing for a financial envelope of US\$ 65 million to lessen the impact of social difficulties created by the dismissal of employees. The programme is being funded by the World Bank, the African Development Bank, the European Community, US-Aid, the Federal Republic of Germany, and France. The majority of the funds are earmarked for the creation of a national employment fund to finance small enterprises and a training programme for the unemployed. However, it seems that the programme will not, in itself, be sufficient to cope with the global unemployment problem. This will only be resolved by a long-term recovery of the ailing economy.

14 WAGES AND SALARIES

Considering the low level of statistics available, it is not possible to analyze the trends in wages and salaries of economically active persons in either the private or the public sector. At present, no statistics relating to the trends in wages and salaries have been published either by official national or international organizations. The only available data concerns the trend in statutory minimum wages. Cameroon's labour code guarantees a statutory minimum wage to all economically active persons. The system governing minimum wages in Cameroon is differentiated according to factors such as professional qualifications, geographical location, and sectors of production. Besides the agreed minimum wages, a great number of economic sectors guarantee seniority bonuses and a social security bonus. The labour code also provides for a high level of job security (Employment Security Legislation). In combination, all these factors have contributed to an explosion of wage and salary costs, which are at present among the highest in Black Africa. High salary levels combined with legislation on employment security have, in the past, presented a marked incentive for the establishment of capital-intensive rather than labour-intensive enterprises, in particular in the manufacturing industry.

In the private sector, the wage structure is determined by collective bargaining conducted between the companies, the unions and the government. In the public sector, minimum wages are legally fixed and are, in general, lower than those of the private sector. However, public sector employees can count on fringe benefits in the form of subsidies or substantial "allowances", including, for instance, telephone, rent, cars, and family. It is planned to abolish these subsidies and special allowances in the course of the reorganization of public finances. The 1991-92 budget contains a proposal to restrict the access of civil servants to free accommodation.

Table 14.1 gives an overview of the structure of minimum wages in the public and private sector. The country has been divided into three zones of minimum wage levels corresponding to the differing costs of living in these regions. The first zone covers the large urban centres of Douala, Yaoundé, Edéa, and Buea. Zone II is composed of urban centres of secondary importance (including Bafia, Baffoussam, Bertoua, Garoua, Eboloa) and including the region around Wouri (the suburbs of Douala). Zone III covers the rest of the country. In the private sector, there is an additional differentiation of minimum wages in the various zones according to the sectors of economy.

The same table clearly indicates that the monthly minimum wages in the public sector in the mid-1980s were substantially lower than those in the private sector. In the private sector the statutory minimum wages were highest in the three zones in the tertiary sector II. Monthly minimum wages of employees in the primary sector were one third lower than those in tertiary sector II. Minimum wages of employees in the secondary sector and tertiary sector I occupied a medium place.

14.1 WAGE STRUCTURE ACCORDING TO MINIMUM MONTHLY WAGES (in CFA francs)

Economic sector/geographical unit	Dec. 1982	Nov. 1983	July 1985 ¹⁾
Public sector			
Zone I	17,115	19,683	21,847
Zone II	14,090	16,204	17,985
Zone III	12,234	14,069	16,179
Private sector			
Zone I			
Primary sector	18,690	22,655	25,595
Secondary sector and tertiary I ..	22,105	31,065	35,105
Tertiary sector II	25,515	34,490	38,975
Zone II			
Primary sector	15,980	19,380	21,900
Secondary sector and tertiary I ..	18,030	25,310	28,600
Tertiary sector II	20,785	28,130	31,785
Zone III			
Primary sector	14,715	18,150	21,055
Secondary sector and tertiary I ..	16,455	23,740	27,540
Tertiary sector II	18,993	26,385	30,605

Source:

1) Data according to the latest revision of minimum wages.

It is worth mentioning, in the context of the trends in statutory minimum wages, that there is no legal link between minimum wages and the instantaneous trend in prices. According to the World Bank, there were, between 1978 and 1985, slight increases in real income, in particular in Zone III. The World Bank deduces this from the fact that the rise in minimum wages was higher than the rise in prices for the same period. This evolution took place alongside the official government policy of putting a stop to the rural exodus and reducing the discrepancies in income between urban centres and the country. Unfortunately, no more recent data regarding the trend in real incomes is available.

Table 14.2 shows an overview of minimum hourly wages for certain trades or occupations. It can be seen from the table that there are vast differences in minimum hourly wages between the different trade groups. The minimum hourly wage for a number of trades in hotel and catering (e.g. receptionists and chefs) was on average only 50 CFA francs in 1989, while on a national level, producers of plywood and bookbinders were receiving a minimum hourly wage of 430.6 CFA francs. The minimum hourly wages for different professions in the retail trade and banking (e.g. accountants, cashiers) were at levels significantly lower than 60 CFA francs in 1989.

**14.2 MINIMUM HOURLY WAGE RATES FOR ADULTS
BY SELECTED OCCUPATIONS*)
CFA francs**

Sector/branch of the economy/occupation	1984 Yaoundé	1989 National average
Agriculture and forestry:		
Agricultural workers, plantation workers .....	.	.
Forestry workers.....	.	202.64
Lumberjacks .....	.	163.31
Manufacturing industry:		
Food processing industry:		
Butchers .....	.	192.82
Millers .....	.	66.34
Bakers	179.20	164.99
Textile industry:		
Spinners	291.51	.
Weaving assistants	338.56	.
Weavers	267.99	.
Clothing and shoe industry:		
Clothing industry:		
Cutters.....	.	192.82
Tailors	362.43	192.82
Shoe industry:		
Machine cutters.....	.	336.82
Lastmakers .....	.	246.71
Shoemakers.....	.	201.54
Wood industry (excl. the furniture industry):		
Saw operators .....	.	192.82
Veneer-makers.....	.	246.82
Plywood-makers.....	.	430.50
Furniture industry:		
Upholsterers.....	291.51	246.82
Carpenters.....	365.43	336.71
Finishers of wooden furniture	185.97	246.82
Printing, copying, publishing:		
Manual typesetters	267.99	.
Machine typesetters	223.89	.
Printers	500.38	336.71
Machine bookbinders	365.43 ^{a)}	430.60
Construction:		
Steel structure assemblymen	338.56	246.82
Painters.....	267.74	246.82
Bricklayers	209.27	246.82
Carpenters	315.01	336.71
Trading and banking:		
Retail trade:		
Accountants.....	.	56.34
Cashiers, salespersons.....	.	72.95
Financial institutions:		
Shorthand typists, bank tellers .....	.	56.34

For footnotes, please see end of table

**14.2 MINIMUM HOURLY WAGE RATES FOR ADULTS
BY SELECTED OCCUPATIONS*)
CFA francs**

Sector/branch of the economy/occupation	1984 Yaoundé	1989 National average
Transport:		
Road freight transport:		
Drivers of goods vehicles (less than 2 t)	599.48	.
Other service industries:		
Hotel and catering:		
Hotel receptionists .....	.	48.82
Cooks, chambermaids .....	.	50.59
Waiters .....	.	64.65

*) Annual average.

a) Males.

15 PRICES

A consumer price index drawn up for urban households in Yaoundé supplies details on the trends in prices in Cameroon. Considering the difference in consumption habits between African and European families, the cost-of-living indices are calculated separately for these two groups. The two consumer prices indices differ in the composition of the basket of household goods, and in the weighting of the different expense items. It must be remembered that the consumer price indices for African and European families in Yaoundé are not representative of the development of the cost of living nationwide, since they refer only to the structure of the prices for retail goods in the capital. In addition, the price indices drawn up for Yaoundé are based on a relatively small random sample.

In general, it can be seen that Cameroon's membership of the franc zone and the fixed exchange rate of the CFA franc with respect to the French franc results in a similarity between trends in prices in Cameroon and trends in prices in France. It is also worth mentioning that the inflation rates inside the franc zone are substantially lower than the inflation rates of countries such as Nigeria or Zaire. As illustrated in table 15.1, consumer price indices rose at a higher rate during the first half of the 1980s than in the second half of the decade, both for African and European families. In global terms the consumer price index for European families increased along lower levels during the 1980s than was the case for the consumer price index for African families. An annual increase of 6% for the consumer price index for European families was in contrast to an average inflation rate of 8.7% for indigenous families between 1979 and the third quarter of 1990. While the consumer price indices had risen at the same rate between 1979 and 1982, the one for European consumers (cf. figure 15.1) thereafter stayed clearly behind that of African families.

One of the reasons for the marked reduction in inflation particularly after 1987 was the serious liquidity crisis in Cameroon's financial system caused by the recession, and which hid increasingly high deficits in the balance of services, a permanent flight of capital, a dwindling of foreign exchange reserves, the crumbling of government bank deposits with the merchant banks as well as an increasing demand for credit on the part of private enterprise (cf. chapter 11). Another reason for the lower rise in prices during the second half of the 1980s was the repeated revaluation of the CFA franc against the US dollar from 1986 onwards. All these factors dampened the trend in prices for imported goods and had a direct effect on the rise in the cost of living. The consumer price index for African families even went into reverse by 5.5% in 1988 compared to the preceding year. For African families in Yaoundé, this meant only a slight increase in the cost of living. The cost of living for European families has been rising constantly by at least 2% per year since 1987.

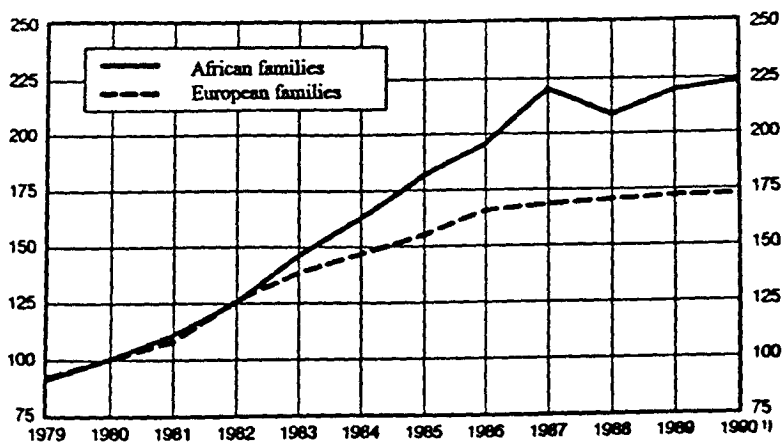
15.1 CONSUMER PRICE INDICES IN YAOUNDÉ*
1980 = 100

Year	African families		European families	
	Total index	Change in %	Total index	Change in %
1979.....	90.9	.	91.8	.
1980.....	100.0	10.0	100.0	8.9
1981.....	110.7	10.7	107.5	7.5
1982.....	124.9	12.8	125.6	16.8
1983.....	145.8	16.7	138.0	9.9
1984.....	162.3	11.3	146.7	6.3
1985.....	181.0	11.5	154.6	5.4
1986.....	195.0	7.7	165.2	6.9
1987.....	220.0	12.8	168.0	1.7
1988.....	207.8	- 5.5	169.9	1.1
1989.....	219.2	5.5	171.5	0.9
3rd quarter 1989.....	217.8	.	170.71)	.
3rd quarter 1990.....	223.2	2.5	172.11)	0.8
1979-1989 average	159.8	9.2	139.9	6.4
1979-3rd quarter 1990 average.....	168.6	8.7	145.6	6.0

*) Annual average.

1) Value at September.

15.1 CONSUMER PRICE INDICES AT YAOUNDÉ*)
1980 = 100



*) Annual average

1) September 1990

Statistisches Bundesamt 92 0330 B

Since there are no up-to-date statistics at present on the development of retail and wholesale prices (the most recent data is for 1987) which would allow us to form a real and representative idea of the structure of their prices, this item is omitted.

Table 15.2 shows the trends in retail prices for certain oil products. The most noticeable rise in price for two-star petrol was between the month of May 1980 (131 CFA francs) and the month of July 1988 (270 CFA francs). Price rises for four-star petrol were only slightly lower during the period under review (May 1980: 140 CFA francs; July 1988: 280 CFA francs). Average annual price rises for two-star and four-star petrol, each slightly higher than 9%, are still within the general inflation trend in the course of the 1980s (cf. table 15.1). The strong increase in petrol prices in February 1988 and July 1988 was due to a substantial rise in taxes on the consumption of two-star and four-star petrol. This reflects the government's efforts to counteract by means of taxes on consumption the ever more pronounced erosion, from 1987 onwards, of the base of public revenue. Petrol prices have not risen since 1988. On the contrary, in April 1991, the official price for four-star petrol was cut from 280 CFA francs to 150 CFA francs in an attempt to discourage the illegal sale of petrol smuggled in from Nigeria.

15.2 RETAIL PRICES FOR SELECTED OIL PRODUCTS

Date of increase	Petrol ¹⁾		Diesel	Kerosene
	2-star	4-star		
CFA francs:				
23 May 1980	131	140	112	47
3 July 1981	141	150	122	57
3 January 1982	158	167	139	74
1 July 1984	163	174	139	74
1 July 1985	166	177	144	79
1 July 1986	174	185	144	79
1 July 1987	178	190	144	79
1 February 1988	210	220	154	79
1 July 1988	270	280	167	79

For footnote, please see end of table.

15.2 RETAIL PRICES FOR SELECTED OIL PRODUCTS

Date of increase	Petrol ¹⁾		Diesel	Kerosene
	2-star	4-star		
Rise in %				
23 May 1980.....	.	.	.	.
3 July 1981.....	7.6	7.1	8.9	21.3
3 January 1982.....	12.1	11.3	13.9	29.8
1 July 1984.....	3.2	4.2	0.0	0.0
1 July 1985.....	1.8	1.7	3.6	6.8
1 July 1986.....	4.8	4.5	0.0	0.0
1 July 1987.....	2.3	2.7	0.0	0.0
1 February 1988.....	18.0	15.8	6.9	0.0
1 July 1988.....	28.6	27.3	8.4	0.0
Total (1980-1988).....	106.1	100.0	49.1	68.1
1980-1988 average.....	9.5	9.1	5.1	6.7

1) Including taxes on petrol after 1 July 1984.

A series of price controls was rescinded in June 1989 under the structural adjustment program and the associated fundamental reforms of the Cameroonian economy. At present, only 16 basic products are still subject to price controls. Import quotas continue to be applied to these products, which also require an import license (cf. chapter 17). Potential foreign investors might be interested to know that enterprises settling in the new industrial free zones oriented towards export will not be subject to any state price controls, but on the contrary will receive special tax and trading reliefs (cf. chapters 8 and 18).

16 BALANCE OF PAYMENTS

Until recently, all data relative to Cameroon's balance of payments was based on rather unreliable figures, due to the fact that a major proportion of oil sales was held in separate bank accounts, the so-called non-budget accounts, and were not integrated in official statistics. It was only when the IMF and the World Bank demanded that the national authorities supply all the relevant balance of payments data that more realistic statistics were published on the developments in the balance of payments. The statistics used in table 16.1 were supplied by the Banque des Etats de l'Afrique Centrale (BEAC) and include IMF data. These statistics are currently considered to be the most reliable with regard to the balance of payments.

Despite high export surpluses, Cameroon's balance of payments was negative in the 1980s. During this period substantial profits on trading were still insufficient to compensate for a balance of services of a chronically deficitary nature.

Oil is the bedrock of Cameroon's export economy. For several years, more than 50% of all exports were covered, in terms of value, by the export of crude oil. Other major export products are coffee, cocoa, tropical hardwoods, cotton and aluminium (cf. chapter 17). The drop in world market prices for crude oil in 1986 triggered a major decline in trade surpluses. Although 1985 still returned an export surplus of 220.3 billion CFA francs, this had diminished to 76.3 billion CFA francs by 1987. The drop in the positive balance on trade was also partially due to an increase in imports. The deficit on the balance of current transactions reached its maximum in 1987 at 268.3 billion CFA francs combined with a balance of services still below zero (-314.8 billion CFA francs).

Interest payments on public foreign debt were the item weighing most on the balance of services during the 1980s. This is clearly illustrated by the fact that net expenditure on interest payments was higher, in 1985, at 264.7 billion CFA francs than total surpluses in the balance of trade.

The situation relaxed slightly between 1988 and 1989. On the one hand, the reduction in interest payments due to a number of debt refunding negotiations (e.g. in May 1989, debt restructuring with the Paris Club) contributed towards a reduction in the deficit on the balance of services, and on the other hand, a reduction in imports led to a renewed rise in the surplus on the balance of trade. This in turn caused the deficit on the balance of current transactions to be limited to 85.8 billion CFA francs in 1988 and 125.0 billion CFA francs in 1989.

Over the entire decade of the 1980s, transfers were a negligible quantity. In 1989, there was a negative balance of 35.0 billion CFA francs. This balance mainly concerned private transfers of salaries of foreign employees in Cameroon to their country of origin.

Although Cameroon had returned a positive balance on capital during the second half of the 1980s, with the exception of 1988, the net capital inflows of 1986, 1987 and 1989 were not sufficient to compensate entirely for the negative balance on current transactions. The greatest financial gap was that of 1987 with 140.9 billion CFA francs. After a short-term stabilization in 1988, the balance of payments deteriorated yet again in 1989, as can be seen from a deficit of 10 billion CFA francs.

16.1 TRENDS IN THE BALANCE OF PAYMENTS **Billion CFA francs**

Balance of Payments items	1980	1985	1986	1987	1988	1989 ¹⁾
Balance on current transactions.	- 94.2	- 252.2	- 190.8	- 268.3	- 85.8	- 125.0
Trade balance	7.9	220.3	153.2	76.3	191.4	147.4
Exports (fob)	350.2	730.6	719.3	507.5	528.2	562.4
Imports (fob)	- 342.3	- 510.3	- 566.0	- 431.2	- 336.7	- 415.0
Balance of services (net)	- 104.0	- 464.2	- 312.0	- 314.8	- 257.4	- 237.6
of which:						
Interest on public foreign debt	- 36.8	- 264.6	- 144.0	- 120.5	- 146.0	.
Travel and stays abroad	- 4.3	- 28.5	- 56.3	- 61.0	- 74.0	.
Transfers (net)	1.9	- 8.3	- 32.1	- 29.8	- 19.8	- 35.0
Balance of capital	111.8	229.7	170.1	100.1	- 35.0	115.2
Long-term circulation of capital (net)	112.4	210.4	31.3	129.2	75.9	99.5
Private	74.8	168.2	- 15.8	8.5	3.9	- 68.5
Public	37.6	42.2	47.1	120.7	72.0	168.0
Short-term circulation of capital (net)	- 0.6	19.3	138.8	- 29.1	- 110.9	15.7
Unidentified amounts	0.0	49.9	- 7.9	27.1	56.2	.
Extraordinary financing ²⁾	-	-	-	-	93.7	-
Financing gap ³⁾	- 17.6	- 27.4	28.7	140.9	- 29.1	10.0

Source: BEAC and IMF (these sources are different from those in table 17.1)

1) Estimate.

2) Including extraordinary financing for 1988 (refunding of foreign debt and revenues from the European Community STABEX fund).

3) Positive figures signify a financing requirement.

Although there are still no figures available for the 1990 balance of payments, the lessening of oil exports and the worsening crisis in the coffee and cocoa economy, caused by a sharp fall in the world market prices for these export products, have certainly led to further erosion of the export base. It can therefore be assumed that there will be a negative balance on current transactions for 1990 as well.

Due to the Gulf crisis, which produced a momentary rise in oil exports, the first half of 1991 showed a recovery in Cameroon's export sector. This factor, however, had only a temporary revitalizing effect which will not change the structure of trade and foreign transaction balances in the medium or long term.

The forecasts for Cameroon's balance of payments are rather pessimistic for the early 1990s. On the one hand, it has been officially announced that oil production will be reduced during the 1990s, which will mean a serious drop in export revenue. On the other hand, the international collapse of StBA/Eurostat, Cameroon 1992

the coffee and cocoa economy is continuing. One can therefore assume that an accelerated downward turn will set in during the second half of 1991 and in the following years, which will have grave consequences on export revenues. Although imports of goods have also been limited by the recession, it seems that a net reduction in trade balance surpluses is inevitable, especially in 1992. These surpluses will probably be even less likely than in the past to compensate for the net loss in the services sector.

In the years to come, high levels of debt could also pose problems. Cameroon's foreign public and publically guaranteed debt has been assessed at US\$ 6 billion for 1990 to 91. The repayment of this debt will be a severe drain on the balance of capital and will exacerbate the gaps in financing. Cameroon's balance of payments can probably only be maintained during the first half of the 1990s by direct aid from international organizations and by new debt refunding agreements (cf. chapter 19).

17 FOREIGN TRADE

As in numerous other developing countries Cameroon's foreign trade is difficult to quantify precisely. The various sources of information diverge and a certain number of factors are not recorded at all.

Informal trade, especially frontier trade, and smuggling do not appear in the official statistics despite their importance, especially between Cameroon and Nigeria. In connection with non-declared trade there are also infringements of customs regulations and customs fraud: it appears that duty is not paid on half the imports, and losses in customs revenues due to non-registered exchanges with Nigeria are said to be in the region of 68 billion CFA francs. Finally, the major underestimation of oil exports in Cameroon statistics deserve a mention. In the following analysis, therefore, quantitative uncertainty factors should be kept in mind.

In Cameroon, foreign trade plays a major but variable role (cf. table 17.1). The volume of trade (imports and exports), which rose from 38% to 41% of GDP between 1980 and 1985, had fallen back to 28% in 1991 due to the economic crisis.

Since 1981, the FOB/FOB trade balance was structurally in surplus, thanks to oil exports, but crumbled from 1986 onwards, which even resulted in a negative FOB/CIF balance in 1987 and 1988. One of Cameroon's current priorities is to reestablish a positive balance in trade in order to tackle the problem of foreign indebtedness.

The rate of coverage in value of imports by exports, which rose above 100% in 1985, is a function of the terms of trade and the rate of coverage in volume. From 1980-85 the terms of trade were relatively stable. While in 1980-82 the high rise in the price of a barrel of oil compensated for the deterioration of prices for other primary products, fluctuations in oil prices caused the terms of trade to vary from 1983 onwards as oil accounted for the majority of exports (more than 60%). Cameroon's wealth is also its weakness. Between 1984-85 and 1985-86 this began to diminish due to the drop in oil prices. Between 1984 and 1989 the terms of trade had dropped by 56%. From 1980-89, although the unit value of imports had more than doubled, the prices for major export products had dropped by 5%. In addition, it should be pointed out that any rise in inflation in OECD countries, which are the primary sources of imports to Cameroon, inevitably results in a deterioration in the terms of trade. That the trade balance did not turn out even more catastrophic is due to a very sharp rise in the coverage rate in terms of volume.

The collapse in terms of trade did result in a deterioration of foreign trade by reducing the import capacity. However, the reduction in imports (1985-90: -20%) was much less evident than that of exports (-50%) which contributed to a decline in the balance of trade.

After reaching its lowest level in 1987 (+10 billion CFA francs or 28.9 million ECU), the balance of trade improved, due more to a reduction in imports (especially industrial) than to an increase in exports.

TABLE 17.1 TRADE BALANCES
(billion CFA francs)

Category	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 ¹⁾	1990 ²⁾
FOB exports.....	299.6	479.1	531.3	697.3	908.9	1,101.0	772.0	515.0	531.5	585.5	570.0	527.0
FOB imports.....	306.8	-437.8	-422.3	-444.3	-522.2	-513.0	-571.0	-505.0	-456.4	-445.5	-434.0	-415.0
FOB/FOB balance.....	-7.2	41.3	109.0	253.0	386.7	588.0	201.0	10.0	75.1	140.0	136.0	112.0
CIF imports.....	-349.9	(-386.1)	(-408.4)	-476.3	-530.0	-674.1	-699.0	-609.0	-548.7	-548.4	-534.2	-510.9
FOB/CIF balance.....	-25.3	(93.0)	(122.9)	221.0	378.9	426.9	73.0	-94.0	-17.2	37.1	35.7	16.1
FOB exports/GDP %.....	18.9	20.9	20.8	23.3	26.0	28.1	18.5	13.0	14.4	16.8	17.0	15.5
Trading volume (i.e. Imports + FOB exports)/ PIB (%).....	38.3	40.1	37.4	38.2	41.0	41.1	32.2	25.7	26.7	29.5	30.0	27.7
Fluctuation in world prices for main export products:												
%/year.....		13.8	13.0	17.9	19.8	-3.9	-31.3	-15.8	-7.2	0.7	-9.9	-8.8
Ind./base 100 1980.....	100.0	113.8	128.6	151.7	181.7	174.7	120.0	101.1	93.8	94.5	85.1	77.6
Variation in unit value of manufactured products exported by developed countries:												
% year.....		20.5	17.9	12.2	10.1	3.4	-6.4	7.7	6.3	6.8	-10.6	5.7
Ind./base 100 1980.....	100.0	120.5	142.1	159.4	175.5	181.4	181.4	183.0	194.6	207.7	185.7	196.3

Source: Balance of payments (1980-84; World Bank; 1985-91: CCCE and IMF; these sources are different from those in table 16.1)

World prices: INSEE/DRIC and CCEE

Manufactured goods: World Bank (conversion to CFA francs)

1) Provision

2) Estimate

() Value of CIF imports incompatible with value of FOB imports

17.1 EXPORTS

If one considers the data supplied by the Direction de la Statistique et de la Comptabilité Nationale (DSCN) rather than the balance of payments, with the appropriate adjustments as regards oil, FOB exports went from 477 billion CFA francs (1,530 million ECU) in 1981-82 to 1,054.6 billion CFA francs (3,087 million ECU) in 1984-85 before falling again to between 500 and 550 billion CFA francs (1,441 and 1,585 million ECU) between 1986 and 1990 (cf. table 17.2). This development can be explained by an explosion in the world prices for principal export products between 1980 and 1984 (+81.7%) and by a drastic fall in these prices from 1985 onwards (1984-90: -53.2%). The diminution of stocks of agricultural export products in an attempt to stabilize revenues rather than responding to a rise in demand resulted in a deceleration in the downward slide in export figures. This is at the root of Cameroon's economic crisis.

17.1.1 MAJOR EXPORT PRODUCTS

Since the early 1980s oil has been Cameroon's premier export product, thus displacing agricultural products. The beginning of the oil era in Cameroon coincided with the second oil crisis in 1979-80; rising oil production figures therefore benefited from the strong upswing in the price of oil and the increase in the dollar exchange rate, which combined to create an atmosphere of euphoria. In consequence, oil held pride of place in total exports throughout this period: between 61 and 64% from 1981-82 to 1984-85. In these two years, exports, in line with production, rose by 85% and prices by 24%. In the following years, the situation was characterized by a collapse in prices (1984-85/1988-89: -66%) and a drop in export figures (1984-85/1989-90: -10%) due to the cutback in production. In these circumstances, the share of oil in total exports fell to 30% (595.7 million ECU) in 1988-89. The very marked fall in the CFA franc price of oil is due both to the rise in the nominal exchange rate of the CFA franc against the US dollar and the slump in the world dollar prices for oil; Cameroon has no means of influencing the situation, either by a devaluation (unilaterally impossible within the franc zone) or by effective intervention in the oil market (minor producer). The ensuing rise in prices in 1989-90 (+14.7%) was not sufficient to compensate for the considerable losses of the preceding years.

Cocoa and its sub-products hold second place in Cameroon's exports, rising from 9% (141.8 million ECU) in 1981-82 to 16% (255.8 million ECU) in 1986-87 before falling back to 8.8% (134.9 million ECU) in 1989-90. These variations are due more to prices (1981-82/1985-86: +80%; 1985-86/1989-90: -55.8%) than to the quantities exported, which show much less fluctuation.

The third main export product is **coffee and its byproducts**, which experienced a similar development to that of cocoa, but with a much more drastic drop in prices (1981-82/1989-90: -45% as opposed to -20%). In the last four farming years, Robusta represented 80-86% of coffee exports, the rest being Arabica. In December 1989, coffee and cocoa prices had fallen to their lowest level in 15 years.

The next most important export products are **raw and treated timber** whose contribution went from 2.1% in 1983-84 to 10.5% in 1989-90, accounting for 66 billion CFA francs (160.7 million ECU) in the latter year. This rise is due partly to the increase in volume (42% in 8 years) and partly to the rise in prices (1981-82/1989-90: +55%).

Then follows aluminium and its byproducts, the result of aluminium processing, imported for the most part from Guinea. During the period under review, there was a global rise in volume and prices, hence value and contribution to exports (from 2.2 to 7.6% or 115.7 million ECU in 1989-90).

Cotton and its byproducts, which showed a sharp increase over the last two years in terms of quantities exported, value and contribution towards exports (1989-90: 61,800 t, 93 million ECU, 6.1%) also deserves a mention.

Other export products, listed in descending order of importance, are: hydraulic cement (from 1988-89 onwards, bananas, rubber, palm products, fisheries products, ordinary soaps, and electric batteries.

Essentially, exports, in the main, comprise oil and primary agricultural products. Manufacturing products make up only a very small share.

TABLE 17.2 MAIN EXPORT PRODUCTS (FOB)

Product	Unit	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Cocoa and sub-products	1 V	44.2	57.3	89.2	106.9	96.2	87.8	79.6	66.6	47.0
	2 %	9.3	9.2	10.8	10.1	12.6	16.8	15.8	12.2	8.8
	3 Q	80.6	107.6	102.4	106.2	97.6	118.8	130.7	117.6	107.7
	1/3 I	100.0	97.1	158.8	180.2	179.7	134.8	111.1	103.3	79.6
Coffee and sub-products	1 V	45.3	71.2	94.8	111.2	112.9	83.1	58.6	59.1	42.8
	2 %	9.3	11.5	11.5	10.6	14.7	15.7	11.6	10.9	8.1
	3 Q	72.4	99.9	95.6	95.5	100.4	81.0	97.4	98.9	123.6
	1/3 I	100.0	113.9	158.5	186.1	179.7	164.0	96.2	95.5	55.3
Bananas	1 V	6.7	8.7	8.1	7.0	7.0	4.1	8.1	9.4	7.3
	2 %	1.4	1.1	1.0	0.7	0.9	0.8	1.6	1.7	1.4
	3 Q	53.1	52.3	52.3	59.4	55.8	33.0	40.3	47.9	66.7
	1/3 I	100.0	101.5	122.7	93.4	99.4	98.5	159.3	155.5	86.7
Palm tree products	1 V	1.8	1.0	1.0	2.0	1.1	2.4	2.3	3.2	2.2
	2 %	0.4	0.2	0.1	0.2	0.1	0.4	0.5	0.6	0.4
	3 Q	13.2	10.8	12.1	24.0	11.8	26.9	25.2	26.1	20.5
	1/3 I	100.0	67.9	60.6	61.1	68.4	65.4	66.9	89.9	78.7
Cotton and sub-products	1 V	18.8	18.1	20.0	17.2	13.5	16.5	14.1	28.4	32.4
	2 %	3.5	2.9	2.4	1.6	1.8	3.1	2.8	5.2	6.1
	3 Q	27.8	27.6	22.5	30.3	23.8	37.7	26.9	61.0	61.8
	1/3 I	100.0	107.7	146.0	93.3	93.2	71.9	86.1	76.5	86.1
Rubber	1 V	1.0	3.8	5.1	6.9	4.5	4.6	7.0	7.1	5.9
	2 %	0.2	0.6	0.6	0.7	0.6	0.9	1.4	1.3	1.1
	3 Q	3.7	13.6	12.8	19.1	15.9	19.6	24.6	22.1	24.4
	1/3 I	100.0	103.4	147.4	133.7	104.7	86.8	105.3	118.9	89.5

For footnotes, please see end of table.

TABLE 17.2 MAIN EXPORT PRODUCTS (FOB)

Product	Unit	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90
Raw and treated timber	1 V	25.4	22.4	17.2	36.1	32.8	24.9	28.0	52.2	56.0
	2 %	5.3	3.6	2.1	3.4	4.3	4.7	5.5	9.6	10.5
	3 Q	444.1	384.4	332.9	653.5	452.5	348.5	418.1	656.0	631.6
	1/3 I	100.0	101.9	90.3	96.6	126.7	124.9	117.1	139.1	155.0
Aluminium and sub-products	1 V	10.3	28.3	31.8	33.9	28.2	20.6	22.4	46.5	40.3
	2 %	2.2	4.6	3.9	3.2	3.7	3.9	4.4	8.5	7.6
	3 Q	23.2	72.0	57.1	70.6	60.6	52.2	45.7	76.5	71.7
	1/3 I	100.0	88.5	125.4	108.2	104.8	88.9	110.4	136.9	126.6
Hydraulic cements	1 V	€	0.1	0.1	0.4	0.3	0.5	2.3	11.7	10.9
	2 %	€	€	€	€	€	0.1	0.5	2.2	2.1
	Q	0.9	2.0	1.0	16.1	6.7	12.8	77.3	335.8	318.5
Sub-total	1 V	151.5	208.9	267.3	321.6	296.5	244.5	222.4	284.2	244.8
	2 %	31.8	33.7	32.4	30.5	38.7	46.2	44.1	52.2	46.1
Crude Oil	1 V	298.6	381.6	518.3	681.6	394.7	232.5	230.2	209.4	235.6
	2 %	62.6	61.6	62.9	64.6	51.5	44.0	45.6	38.5	44.4
	3 Q	4000	4490	5700	7390	7390	7090	6900	6770	6650
	1/3 I	100.0	113.8	121.8	123.6	71.5	43.9	44.7	41.4	47.5
Sub-total	1 V	450.1	590.5	785.6	1003.2	691.2	477.0	452.6	493.6	480.4
Listed products	2 %	94.4	95.3	95.3	95.1	90.2	90.2	89.7	90.7	90.5
TOTAL	1 V	477.0	619.6	824.6	1054.6	766.4	528.9	504.6	544.2	531.1
Exports	2 %	100	100	100	100	100	100	100	100	100

Source: DSCN (NAS and CN); petrol: CCCE. Budget year: 1 July to 30 June.

1 V = billion CFA francs; 3 Q = 1,000 t; 1/3 I = index base 100 in 19981/82.

17.2 MAIN CLIENT COUNTRIES

The proportion of Cameroon's exports going to EC countries (cf. table 17.3.1) fell from 74% in 1984-85 to 64% in 1988-89. The share going to other countries has therefore risen, in particular to the USA, up from 6.1% to 18.3%. Exports to other African countries are rising slowly but regularly from 8.2% to 10.5%, with those to the member countries of the Central African Customs Union (UDEAC) first climbing from 3.9 to 7.5%, only to drop back to 6.5% in 1988-89.

TABLE 17.3 EXPORTS: CLIENT COUNTRIES
1. Client countries

Destination	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
EC	69.1	74.3	71.4	67.9	66.4	64.3
Others	30.9	25.7	28.6	32.1	33.6	35.7
of which:						
USA.....	16.4	6.1	14.2	18.5	17.7	18.3
Japan.....	1.7	1.3	1.4	1.0	0.8	1.1
Africa.....	8.2	8.6	8.8	9.3	10.3	10.5
(UDEAC).....	(3.9)	(4.2)	(4.8)	(5.8)	(7.5)	(6.5)
Total.....	100	100	100	100	100	100

It is difficult to record the final destination of Cameroonian exports in view of the existence of major importers and intermediaries as well as the phenomenon of reexportation from certain centres, for example the Port of Rotterdam in the Netherlands. The opening of borders in Europe will make it even more difficult to ascertain the final importer (or, for that matter, the actual exporter). This is one of the reasons why the figures for CIF exports from Cameroon to the EC shown below are based on declarations of the importing companies within the community (cf. table 17.3.2). The volume of these exports went from 307.4 billion CFA francs (956 million ECU) in 1982 to 864.7 (2,545 million ECU) in 1985, which represents a rise of 181%. The figure dropped in 1989 to 384.9 billion (-55.5%) (1,096 million ECU), but rose again in 1990 to 476.7 (+24%) (1,379 million ECU). Among the EC countries, Cameroon's main clients are France which leads by a wide margin (40-43%); Spain, whose share increased markedly in 1990 (17.1%, 235.4 million ECU); the Netherlands, whose share has fallen in recent years (1990: 15.5%, 240 million ECU); Italy at 11 to 12%; and Germany, though its share is also falling (1990: 6.7%, 92 million ECU).

In 1990, the main groups of products (SITC classification) exported by Cameroon to the EC where: mineral-based fuels, i.e. oil (47.6%, 657 million ECU), foodstuffs (cocoa, coffee, bananas, fish, etc.) (21.1%, 290.6 million ECU), non-food raw materials (wood, cotton, rubber, palm products, etc.) (19.3%, 266.5 million ECU) and manufactured articles (aluminium, hydraulic cements, wood byproducts, cotton, and rubber, batteries, etc.) (10.4%, 142.9 million ECU). These four categories alone (out of a total of 10) account for 98.4% of Cameroon's exports to the European Community.

TABLE 17.3 EXPORTS: CLIENT COUNTRIES
2. European Community (billion CFA francs and %)

Destination	1982	1983	1984	1985	1986	1987	1988	1989	1990
UEBL.....	19.2	19.2	52.0	38.8	23.2	24.0	8.0	9.8	11.9
.....%	6.2	4.3	7.8	4.5	5.1	6.1	2.1	2.5	2.5
Denmark.....	1.1	1.2	1.6	1.3	2.2	0.7	1.3	2.2	0.8
.....%	0.4	0.3	0.2	0.2	0.5	0.2	0.3	0.6	0.2
Germany.....	74.2	73.9	69.1	86.6	59.8	53.4	35.4	33.7	31.8
.....%	24.1	16.7	10.3	10.0	13.2	13.5	9.1	8.8	6.7
Greece.....	1.5	1.9	2.6	2.8	3.2	2.1	1.6	2.5	2.4
.....%	0.5	0.4	0.4	0.3	0.7	0.5	0.4	0.6	0.5
Spain.....	-	-	24.5	128.2	41.4	32.5	34.4	34.6	81.4
.....%	-	-	3.7	14.8	9.2	8.2	8.9	9.0	17.1
France.....	89.2	163.7	210.3	361.3	156.7	120.5	157.9	168.1	202.9
.....%	29.0	37.0	31.5	41.8	34.7	30.6	40.6	43.7	42.6
Ireland.....	0.1	0.2	0.9	0.2	0.3	€	0.1	0.2	0.1
.....%	€	0.1	0.1	€	0.1	€	€	0.1	€
Italy.....	22.4	22.4	61.1	72.3	42.6	46.0	42.9	47.7	56.7
.....%	7.3	5.1	9.1	8.4	9.4	9.4	11.0	12.4	11.9
Netherlands.....	93.9	128.9	133.4	124.0	114.4	114.4	93.8	73.2	74.0
.....%	30.6	29.1	20.0	14.3	25.3	25.3	24.1	19.0	15.5
Portugal.....	-	-	29.1	3.8	3.4	3.4	5.3	6.7	10.2
.....%	-	-	4.4	0.4	0.8	0.8	1.4	1.7	2.1
United Kingdom.....	5.8	31.0	83.3	45.4	4.3	4.3	8.1	6.2	4.5
.....%	1.9	7.0	12.5	5.3	1.0	1.0	2.1	1.6	0.9
EC total.....	307.4	442.4	667.9	864.7	451.5	394.3	388.8	384.9	476.7
.....%	100	100	100	100	100	100	100	100	100

Source: Eurostat (COMEXT); CIF exports per calendar year

17.2 IMPORTS

According to the DSCN figures for foreign trade, CIF imports went from 364.2 billion CFA francs (1,223 million ECU) in 1980-81 to 588.8 (+61.7%, 1,732 million ECU) in 1985-86 before falling back to 402.3 (-31.7%, 1,144.5) in 1988-89. There was however an upswing of 11% in 1989-90 (cf. table 17.4). The significant, though inadequate, cut in imports was one of the consequences of the slowdown in domestic economic activity and the drop in exports resulting in a reduction in available foreign exchange; the rate of coverage of imports by foreign exchange reserves was only 21 days at the end of 1989. It should be pointed out, however, that if a reduction in imports is not accompanied by a parallel increase in domestic supply, many unofficial channels of importation will be sought, a factor which will once again contribute to a reduction in the state budget revenue.

17.2.1 MAIN IMPORT PRODUCTS

The most significant group is that of **intermediary products**, whose share varied between 41% and 51% of total imports between 1980-81 to 1989-90. From 1980-81 to 1985-86 the value of these imports (in current money) rose from 150.1 billion CFA francs to 266.6 (+77.6%). It then fell back to 188.2 billion (-29.4%) in 1988-89 before climbing up again to 210.3 (603.5 million ECU) in 1989-90. This group includes chemical products and iron as well as cast iron and steel.

Until 1986-87 the second most important group was **capital goods**. The growth phase for these imports coincided with the rise in domestic demand, especially in investments. This resulted in capital goods imports increasing from 29% (1980-81) to 35% (1984-85) of total imports, while their value rose from 105.5 billion CFA francs to 173.4 (1985-86) (+64.4%). The slowdown in domestic demand and especially in investment led to a drop in imports of capital goods; in 1989-90 these amounted only to 87 billion CFA francs (-50%) (249.7 million ECU) or only 19.5% of total imports, which must be considered as inadequate in terms of promoting development. This group largely involves industrial equipment (including boilers, machines, mechanical and electric appliances, etc.) which took a sharp downturn in 1989-90 in particular (164.7 million ECU or 12.8% of total imports) and transport equipment (e.g. motor vehicles), imports of which also started falling from 1986-87 onwards (1989-90: 81.5 million ECU, 6.4%). In this context, it should be pointed out that there has been a significant decrease in imports of new vehicles in favour of second-hand Japanese vehicles coming from Belgium.

Apart from the years 1987-88 and 1988-89, the number of **finished goods** imported has been rising steadily. This group has therefore gone from third to second place with effect from 1987-88. In 1989-90 it represented 32.4% of total imports and a value of 415.6 million ECU. Within this group food products, beverages and tobacco rose by 253% between 1980-81 and 1989-90, the value amounting to 179.4 million ECU in the latter year. The majority of imports were fish and flour products. Although it would seem more logical to combat the fall in prices for staple products by reducing food imports and pursuing a policy of self-sufficiency, the reverse has in fact happened. According to FAO statistics, imports of cereals (wheat, rice) went from 122,000 t to 398,000 t (+226%) between 1984 and 1990.

The last group, **energy and lubricants**, is of only marginal significance (around 1% of imports at a value of 4-5 billion CFA francs) since 1982-83, i.e. the period in which Cameroon's oil production began to expand.

TABLE 17.4 MAIN IMPORT PRODUCTS AND GROUPS OF PRODUCTS (CIF)
(billion CFA francs and %)

Groups of products	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
Finished goods	54.7	65.3	75.9	74.1	107.1	144.8	147.4	120.0	106.7	144.8
Food, beverages, tobacco	15.0	16.3	17.7	16.0	22.2	24.6	26.4	27.7	26.5	32.4
.....%	17.7	20.4	24.5	29.1	40.1	58.2	59.3	51.7	48.8	62.5
Intermediate products	4.9	5.1	5.7	6.3	8.3	9.9	10.6	12.0	12.1	14.0
.....%	150.1	203.2	221.0	233.7	202.2	266.6	249.7	192.0	188.2	210.3
Capital goods	41.2	50.6	51.4	50.5	41.9	45.3	44.7	44.4	46.8	47.0
.....%	105.5	113.5	126.6	148.1	169.5	173.4	157.2	116.8	104.1	87.0
Transport equipment	29.0	28.2	29.5	32.0	35.2	29.4	28.2	27.0	25.9	19.5
.....%	39.0	37.9	39.8	44.1	51.8	63.8	59.2	42.1	32.1	28.4
Industrial equipment	10.7	9.4	9.3	9.5	10.7	10.8	10.6	9.7	8.0	6.4
.....%	64.9	73.7	84.7	100.8	114.9	104.2	93.3	70.5	70.1	57.4
Energy and lubricants	17.8	18.3	19.7	21.8	23.8	17.7	16.7	16.3	17.4	12.8
.....%	53.9	19.8	5.9	7.0	3.5	4.0	3.9	3.9	3.3	4.8
Total	14.8	4.9	1.4	1.5	0.7	0.7	0.7	0.7	0.8	1.1
.....%	364.2	401.8	429.4	462.9	482.3	588.8	558.2	558.2	402.3	448.9
.....%	100	100	100	100	100	100	100	100	100	100
Categories:										
Fish, crustaceans, shellfish										
.....%										
Milling products										
.....%										
Chemical products and compounds										
.....%										
Pharmaceutical products										
.....%										
Synthetics and plastics										
.....%										
Paper and cardboard										
.....%										
Iron, cast iron, steel										
.....%										
Motor vehicles, tractors, motorcycles										
.....%										
Boilers, machinery, mechanical appliances										
.....%										
Electrical machinery										
.....%										
% categories listed										

Source: DSCN (NAS and CN) per budget year (1 July - 30 June)

17.2.2 MAIN SUPPLIER COUNTRIES

The share of Cameroon's imports originating in countries of the European Community with respect to total imports (cf. 17.5.1) varied between 60 and 70% during the period 1983-84 to 1988-89. This share has been dropping since 1986-87 and is generally lower than the Community's share of exports. Among other countries, the USA accounts for between 5% and 7%, except in 1984-85 in which imports rose above 10%. As with the EC, the share of imports from the USA is generally lower than the exports to it. The reverse is the case for Japan whose share of imports is much higher than that of exports; this went from 6.8% in 1983-84 to 8.1% in 1987-88, but fell back to 5.6% in 1988-89. Depending on the year, imports from other African countries represent between 6% and 8% of total imports; this share has been rising since 1986-87 but is still less important than the relative place held by Africa in Cameroon's exports. The UDEAC accounts for only a very small share, less than 1% since 1985-86, and in consequence far below its share of exports.

It is not always easy to ascertain the primary origin of Cameroon's imports considering the different intermediaries, central buying agencies and subsidiaries. Just as for exports, therefore, imports (FOB) originating in the European Community are shown on the basis of the declarations of the exporting countries within the Community (cf. table 17.5.2). After having risen by 39.4% between 1982 (313.6 billion CFA francs or 975.3 million ECU) and 1985 (1,286.5 million ECU) the value of these imports fell 41.8% from 1985-90 (254.5 billion CFA francs or 736.2 million ECU) the lowest value being reached in 1988 (677.3 million ECU). Since 1983 Cameroon has exported more to the EC than it has imported (not forgetting that exports include insurance and freight costs while this is not the case for imports). Among the EC countries the main suppliers to Cameroon are: France, which again leads by a significant margin, but whose share is dropping (from 68 to 58% from 1982-90) as is its value (-30.9%; 1990: 427.2 million ECU), resulting in the fact that, starting in 1988 and in contrast to the previous period, imports from this country are dropping below exports destined for it; Germany, whose share is usually between 10% and 11% and whose value is very variable (84.2 million ECU) but always less than that of exports into this country; Belgium and Luxembourg (Union Economique Belgio-Luxembourgeoise (UEBL)), whose share (1990: 8.7%) and value (63.9 million ECU) is rising (1982-90: +90.5%, thus resulting in imports from the UEBL exceeding exports to it since 1988; Italy, whose share and value remain relatively stable (1990: 8.2%, 60.2 million ECU) and which receives more exports from Cameroon than it supplies imports; the Netherlands, again relatively stable (1990: 4.5%, 33 million ECU) whose trade with Cameroon is very imbalanced in favour of the latter; Spain, whose share is of the order of 2-3% and whose value (1990: 26.3 million ECU) is very much less than that of the exports it receives from Cameroon; and lastly the United Kingdom whose share and value show a tendency to drop (1990: 3.9%, 28.9 million ECU), but from which Cameroon has been importing more since 1986 than it has been exporting to it on account of the drop in these exports from that year onwards. In global terms, Cameroon's purchases from abroad have diversified.

In 1990, the main groups of products (SITC classification) imported by Cameroon from the EC were the following: machinery and transport equipment (30.7%, 225.7 million ECU), chemical and associated products (18.7%, 137.7 million ECU), manufactured articles (17.2%, 126.5 million ECU), food products and livestock (15.4%, 113.4 million ECU) and miscellaneous industrial goods (10.4%, 76.5 million ECU). These five (of ten) sections account for 92.4% of Cameroon's imports from the EC.

17.5 IMPORTS: SUPPLIER COUNTRIES

1. All countries (%)

Origin	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
EC.....	66.0	60.5	69.6	68.7	62.5	60.6
Others.....	34.0	39.5	30.4	31.3	37.5	39.4
of which:						
USA.....	7.5	10.7	6.1	3.9	3.7	5.0
Japan.....	6.8	7.6	7.6	8.1	8.1	5.6
Africa.....	7.0	8.5	5.6	6.0	6.3	7.7
(UDEAC).....	(1.2)	(1.8)	(0.5)	(0.4)	(0.3)	(0.6)
Total	100	100	100	100	100	100

17.5 IMPORTS: SUPPLIER COUNTRIES

2. European Community (billion CFA francs and %)

Origin	1982	1983	1984	1985	1986	1987	1988	1989	1990
UEBL.....	11.6	13.8	19.6	24.7	24.1	21.3	15.4	26.4	22.1
..... %	3.7	4.2	5.0	5.6	6.0	6.6	6.5	9.9	8.7
Denmark.....	2.0	3.0	2.4	2.5	2.6	3.6	2.7	0.9	0.9
..... %	0.6	0.9	0.6	0.6	0.7	1.1	1.2	0.3	0.4
Germany.....	36.3	26.0	32.3	46.5	47.4	42.8	25.1	27.9	29.1
..... %	11.6	8.0	8.3	10.6	11.8	13.3	10.5	10.5	11.4
Greece.....	0.7	0.6	0.9	2.1	2.0	1.3	0.2	1.3	0.5
..... %	0.2	0.2	0.2	0.5	0.5	0.4	0.1	0.5	0.2
Spain	-	-	12.2	16.1	11.8	9.2	6.0	4.6	9.1
..... %			3.1	3.7	2.9	2.9	2.5	1.7	3.6
France	213.6	225.2	261.3	169.5	247.8	191.7	144.7	151.9	147.7
..... %	68.1	68.9	67.1	61.7	61.8	59.6	60.7	57.1	58.0
Ireland.....	1.5	1.6	2.3	3.5	4.2	3.1	2.1	2.3	2.3
..... %	0.5	0.5	0.6	0.8	1.1	1.0	0.9	0.9	0.9
Italy	21.8	29.9	32.2	28.1	26.2	21.8	20.2	24.2	20.8
..... %	7.0	9.1	8.3	6.4	6.5	6.8	8.5	9.1	8.2
Netherlands.....	11.0	10.5	12.4	17.4	16.3	12.1	10.8	13.3	11.4
..... %	3.5	3.2	3.2	4.0	4.1	3.8	4.5	5.0	4.5
Portugal	-	-	0.4	0.9	1.2	0.8	0.3	0.3	0.6
..... %			0.1	0.2	0.3	0.2	0.1	0.1	0.2
United Kingdom.....	15.1	16.3	13.5	25.8	17.3	13.7	10.8	12.9	10.0
..... %	4.8	5.0	3.5	5.9	4.3	4.3	4.5	4.9	3.9
Total	313.6	326.9	389.5	437.1	400.9	321.4	238.3	266.0	254.5
..... %	100	100	100	100	100	100	100	100	100

17.3 UNOFFICIAL TRADE

It has already been mentioned that there is a considerable flow of non-documented trade between Cameroon and Nigeria, particularly in the Lake Chad basin, in the Mandara area and in the south-west of Cameroon. This is due to the traditional dynamism of trade in this area and to an aggressive exchange rate policy on the part of Nigeria. Since 1986, the marked depreciation of the Naira against the CFA franc (less favourable exchange rate) has seriously damaged exports from Cameroon to Nigeria. The latter has also been supplying products to Cameroon at dumping prices to obtain CFA francs which is a convertible currency, as the Naira is not. Nigeria exports or reexports to Cameroon industrial products (building materials, finished goods (food and non-food), motor vehicles, loincloths, etc.), mining products (oil-based) but also agricultural products (tubers and roots). In turn, Cameroon exports or re-exports to Nigeria food and related products e.g. rice, livestock and fish. Nigeria also represents a competitor for Cameroon on the EC market with respect to the following products: oil, cocoa, coffee, fruit, wood.

17.4 FOREIGN TRADE POLICY AND TRADE REGULATIONS

17.4.1 GENERAL POLICY

Current foreign trade policy is practised within the framework of Cameroon's structural economic adjustment programme. It is therefore characterized by efforts to adjust trade through a policy of liberalization, in particular with respect to imports and exports: privatization of the trading system, the dismantling of the stabilization fund, free enterprise conditions for exporters and importers, the rescinding of taxes on the export of coffee and cocoa since 1989, the suppression or reduction of contingents and quotas, etc.

The implementation of this policy is to be promoted by a number of different instruments. This applies for example to available credit (US\$ 39 or 80.2 billion CFA francs) to increase exports of basic products. This is also one of the aims pursued by the new legislation on investments (cf. chapter 18, section 4), which, in order to promote exports of finished and semi-finished goods, grants certain customs and tax advantages to the companies concerned; these companies also benefit from reduced import taxes. The establishment in 1992 or 1993 of a free industrial zone (cf. chapter 18, section 5) will permit those companies setting up there to apply for exemption from all present and future taxes and customs duties both on imports and exports.

17.4.2 FOREIGN TRADE REGULATIONS

A new general trade exchange programme (Programme Générale des Echanges (PGE)) was promulgated in June 1989 and became operational in mid-December of that same year. It promotes liberalization of trading by imposing quantitative restrictions on imports. It also does away with administrative obstacles to trade by abolishing import licences. However, registration of import traders is mandatory.

The PGE distinguishes between three categories of export products:

- "Freely exportable" goods, which applies as a general rule: these products do not require any specific formalities to be fulfilled other than a simple declaration.
- "Regulated" export goods: for certain products authorization, approval or registration are required.
- "Prohibited" export goods: this category includes only a few products.

With respect to imports, the PGE distinguishes between four categories:

- "Freely importable" products: on which there is no restriction but which still require a declaration.
- Products subject to quantitative restrictions: this type of import requires prior authorization (applies to the 16 basic products).
- Products subject to technical approval.
- Prohibited import products.

Since the PGE came into force, the liberalization of imports has extended to include new products such as salt, soap, and second-hand goods.

As regards the customs system, export duties and taxes comprise the following:

- Customs duty on exportation: 2% - 17%.
- Tax on timber felling: 120-800 CFA francs/m³.
- Plant protection tax (agricultural products): 0.5%.
- Packaging tax (leather, skins, tobacco, cocoa): 50 CFA francs per t.
- Health inspection taxes (fish, meat, livestock): 1%.

Duties and taxes on imports, which are on a level throughout the UDEAC, except for supplementary tax, are the following:

- Customs duty: from 2.5% - 15%, and triple the rate in specific cases.
- Tax on importation: generally between 10% and 30%.
- Tax on import turnover: flat rate of 10%.
- Supplementary tax: 5% - 10% (a reduction is in preparation).

- Data processing contribution: 1.5% (February 1991).
- Minimum taxation: 5%, except for a very few cases of exemption and for those imports subject to a flat taxation basis (February 1991).
- Special taxes on certain products: 15% (February 1991).
- Tax on imported raw materials: 15% (budget 1991-92).

In addition there are a number of import-related taxes and fees:

- Unloading tax: 110 - 1,900 CFA francs per unloaded tonne, depending on the product.
- Warehousing and storage duty (customs goods).
- Municipal tax: 6 - 30 CFA francs per 100 kg gross, depending on the case.
- Special tax on fuels.

The Société Générale de Surveillance (SGS, Swiss Company) was contracted in 1989 to verify import and export declarations at the Port of Douala with a view to combating fraud. The costs of this verification procedure go to the account of the importer (not the state), which has the effect of increasing the prices paid by the consumer. It is arguable whether the results obtained by this type of verification are effective considering the simultaneous increase in smuggling.

17.4.3 INTERNATIONAL AGREEMENTS

Within the regional demarcation, Cameroon is a member of various organizations of an economic character. The major ones are:

- L'Union Douanière et Economique de l'Afrique Centrale (UDEAC) together with Congo, Gabon, Equatorial Guinea, the Central African Republic, and Chad.
- The Communauté Economique des Etats de l'Afrique Centrale (CEEAC) which includes, besides the UDEAC states, Burundi, Ruanda, Zaire and Sao Tomé and Principe.
- The Commission of the Lake Chad basin which includes Cameroon, Nigeria, Niger, and Chad.

Cameroon is also one of the ACP countries to sign the fourth Lomé convention with the European Economic Community, in which economic cooperation is defined within the framework of a general trading agreement based on the following principles:

- Free access without reciprocity for products originating in ACP states to the European Community (no restrictions on quantities) combined with special arrangements for agricultural products as well as protection clauses in favour of the EC (though these are subject to prior consultation).

- No discrimination by ACP countries among member states of the EC and vice versa by EC states among ACP states.
- Application to the EC by the ACP states of a treatment no less favourable than that of the most favoured nation.
- Products originating in ACP countries are admitted for import to the EC and exempt from customs duty and equivalent taxes.
- Preferential access to the EC for a certain number of major products from ACP countries.
- Possible concessions on regulations applying to country of origin.
- Trading aids (e.g. financing Cameroon's participation in economic conventions).

Apart from these general rules governing trade between the EC and Cameroon, another major factor is the stabilization of export revenues for basic agricultural products (Stabex; cf. chapter 19, section 5 and chapter 20, section 4.1 and 4.3). This concerns products on which the economies of ACP states depend and which are affected by fluctuations in price and/or quantity. In the case of Cameroon, this can apply to the following: cocoa, coffee, cotton, palm products, leathers and skins, wood, bananas and rubber. In the case of significant fluctuations, Cameroon can benefit by transfers of financial resources. Money transferred under this scheme definitively remains in the country to which it was allocated; there is no need to reimburse it in the case of a favourable development on the market.

18 FOREIGN DIRECT INVESTMENT

18.1 GENERAL DATA

Each year Cameroon benefits from the inflow of private capital from abroad. This is an incontestable fact, but the difficulties start when one tries to quantify the amount. Table 18.1 shows the order of magnitude as given by three different sources: the IMF, the Ministry of Finance, and the OECD.

18.1 PRIVATE FOREIGN CAPITAL CONTRIBUTIONS (FLOW)

1. NET PRIVATE MEDIUM AND LONG-TERM CAPITAL CONTRIBUTIONS (DIRECT INVESTMENTS AND PRIVATE DEBT) (billion CFA francs per budget year)

1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90
163	156	46	-18	21	11	23	13

Source: Balance of payments; IMF and Cameroonian authorities. 1989/90 = estimate

2. ALLOCATION OF FUNDS IN THE PRIVATE SECTOR (billion CFA francs per calendar year)

Allocations	1980	1981	1982	1983	1984	1985	1986	1987	1988
Direct investment in Cameroon.....	27	37	37	82	8	133	7	4	20
Reinvested profits	-12	-10	-17	-11	-33	-97	-77	-16	-25
Long-term foreign loans	45	37	18	95	109	42	-15	7	-8
Total.....	60	64	38	166	84	78	-85	-5	-13

Source: Balance of payments; Ministry of Finance

3. NET CAPITAL CONTRIBUTION FROM THE PRIVATE SECTOR (payments in billion CFA francs per calendar year)

Contributions	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Direct investments	15	28	15	4	4	-1	15	4	8	-3
Portfolio investments.....	30	7	34	17	-1	-12	-24	12	-2	-19
Total.....	45	35	49	21	3	-13	-9	16	6	-22

Source: OECD, Geographical distribution of resources put at the disposal of developing countries

The data can therefore be summarized as follows (billion CFA francs).

Year	80	81	82	83	84	85	86	87	88	89	
Source			82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	
IMF			163	156	46	-18	21	11	23	13	
MF	60	64	38	166	84	78	-85	-5	-13		
OECD	45	35	49	21	3	-13	-9	16	6	-22	

Even if there is a difficulty in the comparison of the figures, a marked deterioration is noticed from 1985 onwards. That year and the following show negative capital figures; the outflow of private capital was therefore greater than the influx.

The IMF figure is a global one. Going by the balance of payments established by the Ministry of Finance it is possible to distinguish between direct investment, reinvested profits (always negative, especially in 1985 and 1986) and long-term borrowing. The OECD, working on data supplied by the member states of the DAC, differentiates between direct investments (the values of which are very different from those supplied by the Ministry of Finance) and portfolio investments (which are negative from 1984 onwards, with the exception of 1987).

18.2 FOREIGN PRIVATE CAPITAL IN CAMEROONIAN COMPANIES

18.2.1 Structure and global development

A certain amount of information is available on the extent of foreign capital in Cameroonian companies between 1973 and 1984. Beyond this date, the information available (1988 and 1989) is much more scarce.

In 1984 (cf. table 18.2.2) a random sample of 409 companies (most of which had equity of at least 100 million CFA francs) revealed that the cumulated foreign capital was 129.7 billion CFA francs (317 million CFA francs/firm) or 39% of the capital of the companies. Where a foreign country has an interest in the equity of a company, this amounts on average to 354 million CFA francs, and in 67.5% of the cases it is a majority holding. In 1984 it was estimated that the global control by foreign capital was 64% and that in more than 60% of the companies foreign capital represented a majority holding. In terms of absolute value, the primary investment areas for foreign capital are (in decreasing order) the agriculture and fruit industry, metals, general trade, financial institutions, transport and traffic, wood and paper, and, lastly, construction and public works. In relative terms, foreign presence is strongest in construction and public works, general trade, and the metallurgical industry. The highest level of economic power was to be found in construction and public works, metals, transport and traffic, general commerce and the wood and paper industries.

18.2 FOREIGN CAPITAL IN CAMEROONIAN COMPANIES: TOTAL

Category/Unit	1973	1980	1982	1984	1988	1989
1. Foreign countries						
Sample (no. of companies)		206	309	409	50	131
Cumulated foreign equity capital (bn CFA F)	35.4	53.6	96.1	129.7		112.4
Foreign capital/company (bn CFA F)		250.2	311.0	317.1		858.0
Foreign capital/total capital (%)	67.1	43.9	39.5	39.0		33.7
Foreign shareholdings (no.)				366		
Foreign capital/shareholding (bn CFA F)				354.4		
Rate of control (%)		49.7	62.2	64.1		
Majority shares/foreign shareholding (%)				67.5		
Majority shares/sample (%)				60.4		
Number of countries		15	24	24		
2. of which France						
Cumulated French equity capital (bn CFA F)	27.4	34.9	63.1	87.5	42.9	70.8
French capital/company (mil CFA F)		169.4	204.2	213.9	858.0	540.5
French capital/total capital (%)	52.0	28.6	25.9	26.3		21.2
French capital/foreign capital (%)	77.4	65.1	65.7	67.5		63.0
No. of companies concerned				207	27	
French capital/per co. concerned (mil CFA F) ...				422.7	1588.9	
Companies concerned/sample (%)				50.6	54.0	
Rate of control (%)			37.0	40.2		
Majority shares/French shareholdings (%)				75.8	29.6	
Majority shares/sample (%)				38.4	16.0	
3. of which other countries						
Cumulated equity other countries (bn CFA F) ...	8.0	18.7	33.0	42.2		41.6
Capital other countries/company (mil CFA F)		90.8	106.8	103.2		317.5
Capital other countries/total capital (%)	15.1	15.3	13.6	12.7		12.5
Shareholdings other countries (no.)			110	159		
Capital other countries/shareh. (mil CFA F)			300.0	265.4		
Share other countries/foreign shares (%)				43.4		
Rate of control (%)			25.2	23.9		
Majority shares/shareh. other countries (%)				56.6		
Majority shares/sample (%)				22.0		

18.2 FOREIGN CAPITAL IN CAMEROONIAN COMPANIES

Category/Unit	2. Secondary sector				3. Services	
	1973	1980	1982	1984	1982	1984
1. Foreign countries			166			
Sample (no. of companies).....		158	49.9	201	143	208
Cumulated foreign equity capital (bn CFA F)	23.5	37.1	300.6	67.0	46.3	62.7
Foreign capital/company (bn CFA F)		234.8	35.3	333.3	323.8	301.4
Foreign capital/total capital (%)	67.1	49.4		37.0	45.3	41.4
Foreign shareholdings (no.).....				164		202
Foreign capital/shareholding (bn CFA F)				408.5		310.4
Rate of control (%).....		65.1		55.6		72.3
Majority shares/foreign shareholding (%).....				64.0		70.3
Majority shares/sample (%).....				52.2		68.3
Number of countries		15		19		20
2. of which France						
Cumulated French equity capital (bn CFA F)....	18.2	23.4	31.0	45.4	32.1	42.1
French capital/company (mil CFA F).....		148.1	186.7	225.9	224.5	202.4
French capital/total capital (%)	52.0	31.2	21.9	25.1	31.4	27.8
French capital/foreign capital (%).....	77.4	63.1	62.1	67.8	69.3	67.1
No. of companies concerned.....				91		116
French capital/per co. concerned (mil CFA F) ..				498.9		362.9
Companies concerned/sample (%)				45.3		55.8
Rate of control (%).....		40.7		35.5		44.7
Majority shares/French shareholdings (%).....				73.6		77.6
Majority shares/sample (%).....				33.3		43.3
3. of which other countries						
Cumulated equity other countries (bn CFA F)...	5.3	13.7	18.9	21.6	14.2	20.6
Capital other countries/company (mil CFA F) ..		86.7	113.9	107.5	99.3	99.0
Capital other countries/total capital (%).....	15.1	18.2	13.4	11.9	13.9	13.6
Shareholdings other countries (no.)				73		86
Capital other countries/shareh. (mil CFA F).....				25.9		239.5
Share other countries/foreign shares (%)				44.5		42.6
Rate of control (%).....		24.4		20.1		27.6
Majority shares/shareh. other countries (%)				52.1		60.5
Majority shares/sample (%).....				18.9		25.0

While the size of the sample under study increased each time, the annual growth in foreign capital was 6% between 1973 and 1980, 34% from 1980-82, and 16% from 1982-84 (cf. table 18.3). From one survey to the next, the volume of foreign capital concerned grew more than the size of the sample (rise in the average per company). However, the share of foreign capital in total capital has fallen substantially from 67% (1973) to 39% (1984). Taking into consideration the structure and the distribution of capital amongst the sectors and the companies, the rate of foreign control climbed from 49.7% in 1980 to 64% in 1984.

18.3 TRENDS IN FOREIGN CAPITAL IN CAMEROONIAN COMPANIES

Category of data	1980/72			1982/80			1984/82		
	bn CFA F	%/73	%/yr	bn CFA F	%/80	%/yr	bn CFA F	%/82	%/yr
Total:									
foreign capital.....	+ 18.2	+ 51.4	+ 6.1	+42.5	+ 79.3	+ 34.0	+ 33.6	+ 35.0	+ 16.2
from France	+7.5	+ 27.4	+ 3.5	+28.2	+ 80.8	+ 34.5	+ 24.4	+ 38.7	+ 17.8
from other countries....	+ 10.7	+133.8	+ 12.9	+14.3	+ 76.5	+ 33.0	+ 9.2	+ 27.9	+ 13.1
Secondary sector:									
foreign capital.....	+ 13.6	+ 57.9	+ 6.7	+ 12.8	+ 34.5	+ 16.0	+ 17.1	+ 34.3	+ 15.9
from France	+ 5.2	+ 28.6	+ 3.7	+ 7.6	+ 32.5	+ 15.1	+ 14.4	+ 46.5	+ 21.0
from other countries....	+8.4	+158.5	+ 14.5	+ 5.2	+ 38.0	+ 17.5	+ 2.7	+ 14.3	+ 6.9
Services:									
foreign capital.....							+ 16.4	+ 35.4	+ 16.4
from France							+ 10.0	+ 31.2	+ 14.5
from other countries....							+ 6.4	+ 45.1	+ 20.7

The 1988 survey took in only the 50 largest companies in Cameroon (cf. table 18.4). Among these, 27 were funded by French capital (as opposed to 30 in 1984). For this group, the share of foreign capital was 36.5% compared to 42.2% in 1984. This shows a net reduction, at least in relative terms, of the importance of foreign capital in major enterprises.

18.4 FOREIGN CAPITAL IN THE LEADING 50 COMPANIES

Category of data	1984	1988	1988/84		
			Variant	%	Points
Sample (no. of companies).....	50	50			
French capital (no. of cos. concerned)	30	27			
French capital (billion CFA F)	47.0	42.9	- 3	- 10	
French capital per co. (mil. CFA F).....	940	858	- 4.1	- 8.7	
French capital per co. concerned (%).....	1566.7	1588.9	- 82	- 8.7	
Companies concerned/sample (%).....	60	54	+ 22.2	+ 1.4	
Majority French share/cos. concerned (%).....	30.0	29.6			- 6
Majority French shareholdings/sample (%)	18	16			- 0.4
French capital/capital of cos. concerned (%).....	37.8	30.6			- 2
Capital from other countries/cos.					- 7.2
concerned (%)	4.4	5.9			+ 1.5
Foreign capital/capital cos. concerned (%).....	42.2	36.5			- 5.7

In 1989, the survey covered the top 131 companies. Compared to 1984, there had been a global increase of 10% in foreign capital (cf. 18.5.1), but in relative terms its share of total equity had dropped from 35.5% to 33.7%. This again shows a drop in significance of foreign capital. In absolute terms, the major focus for foreign investments were the agriculture and foodstuffs sector, general trade, and the banking insurance and finance sector. In relative terms foreign presence is strongest in construction and public works, general trade and the metallurgical industry (aluminium).

18.5 FOREIGN CAPITAL IN LEADING 131 COMPANIES

Category of data	1984	1989	1989/84		
			Variant	%	Points
Foreign countries:					
Sample (no. of companies)	131	131			
Cumulated foreign equity capital (bn CFA F)...	102.1	112.4	+ 10.3	+ 10.1	
Foreign capital/company (mil. CFA F)	779.4	858.0	+ 78.6	+ 10.1	
Foreign capital/total capital (%)	35.5	33.7			- 1.8
From France:					
Cumulated French equity capital (bn CFA F) ..	71.2	70.8	- 0.4	- 0.6	
French capital/company (mil. CFA F)	543.5	540.5	- 3.0	- 0.6	
French capital/total capital (%)	24.7	21.2			- 3.5
French capital/foreign capital (%)	69.7	63.0			- 6.7
From other countries:					
Cumulated equity capital other companies					
(bn CFA F)	30.9	41.6	+ 10.7	+ 34.6	
Capital other countries/company (mil. CFA F).	235.9	317.5	+ 81.6	+ 34.6	
Capital other countries/total capital (%)	10.8	12.5			+ 1.7

For several years now, investments have been at a standstill (withdrawal of capital, disinclination to invest, departures, closing down of companies, dismissals), all stemming from the economic crisis, the lack of competitiveness and, in particular, the lack of qualified personnel and competition on the part of Nigeria. For a long time the complexity of Cameroon's legal and tax system as well as a high level of regulation also served to discourage foreign direct investment. This was compounded by the domestic indebtedness of the state of Cameroon towards private enterprises, which did not exactly constitute an incentive for these to invest. Some foreign companies, however, received compensation from their country of origin (France, Italy, cf. chapter 19, section 5, and chapter 20, section 5.2), and it is possible to offset debts and credits relating to the state and to reinvest accounts receivable from the state.

18.2.2 THE SECONDARY SECTOR

In this sector, the rate of foreign capital in 1984 (cf. 18.2.2) was 37% (333 million CFA francs/company). Where a company does have capital from a foreign source, it usually amounts to

an average of 408.5 million CFA francs, and in 64% of the cases it is the majority holding. The rate of foreign capital control was 55.6%, and in more than 52% of companies the foreign participation was a majority one.

The annual rise in foreign capital (cf. 18.3.2) was 6.7% between 1973 and 1980, 16% from 1980 to 1982, and 15.9% from 1982-84. This growth was much more pronounced than the rise in the size of sample, in particular between 1980 and 1982 (rise in foreign capital per company). However, the share of foreign capital in equity dropped sharply from 67% in 1973 to 35.3% in 1982 before inching up again to 37% in 1984. The rate of foreign economic power also fell from 65% in 1980 to 55.6% in 1984.

18.2.3 SERVICES

In the services sector the share of equity held by foreign investors in 1984 (cf. table 18.2.3) was 41.4% (301 million CFA francs/company). Where a company is funded by foreign capital, this usually amounts to an average of 310 million CFA francs, and in 70.3% of cases it is a majority holding. The rate of foreign economic power was 72.3% and in 68.3% of companies the foreign holding was a majority one.

The annual growth rate for foreign capital (cf. table 18.3.3) was 16.4% between 1982 and 1984, less pronounced than the rise in the size of sample (a reduction in foreign capital per company). The share of foreign interests in equity capital went down from 45.3% in 1982 to 41.4% in 1984.

18.2.4 INVESTING COUNTRIES

The share of the European Community in total foreign direct investment in Cameroonian companies (cf. table 18.6) rose from 80.8% in 1980 to 87% in 1984. The greater part of this type of investment is therefore in EC hands, which, in 1984 accounted for 85.4% of companies with a majority foreign holding. The distribution of capital is similar, whether in the secondary sector or in services, but the number of 100% and majority holdings is much more significant in the services sector (the average per corporate interest is therefore lower). Four large foreign groups dominate the Cameroonian market, three French and one British. In the trading sector, Indians, Pakistanis and Greeks lead the field. In 1980, 15 countries (of which eight from the European Community) held corporate interests in Cameroonian companies; in 1982 and 1984, 24 countries were represented (of which ten were EC countries), 19 in the secondary sector and 20 in services (1984).

- **Belgium:** In 1984, this country, with a total of 2.5 billion CFA francs of cumulated equity capital (1.9% of all foreign capital), was the sixth largest investing country in the economy and the fourth in the secondary sector. At that time Belgium was, however, represented in only three sectors and five companies.
- **Germany:** The grand total of private industrial and commercial investments by Germans was 31.5 million DM at the end of 1978. In 1982, this country was represented in three main sectors: services, wood and textiles. In 1984, with 5.3 billion CFA francs (4.1%) of corporate interests in ten companies, of which eight were majority holdings, Germany was present in eight economic sectors. At that time it was the fourth largest foreign investor and

the third in the secondary sector. At the end of 1988, total direct German investment had risen to 41 million DM (book value at that date). No new investment was recorded for 1990. In 1991 German capital was invested in the agricultural loan company *Crédit Agricole* (5 million DM).

- **Greece:** In 1984, this country ranked in eighth place among foreign investors with 2.1 billion CFA francs (1.6%). These investments are numerous, of long standing, involving low sums but usually majority holdings (15 corporate interests out of 16 in the 1984 survey). Greek capital is to be found in a rather restricted number of sectors, predominantly in trade.
- **France:** France is the leading foreign direct investor (historic links), both in a global sense and in the secondary and the services sectors. In 1984, the cumulated capital amounted to 87.5 billion CFA francs (cf. 18.2.1), with France accounting for 67.5% of foreign capital (compared with 77.4% in 1973) and 77.6% of capital from EC countries. In 1984, France took first place in 63.6% of companies with majority foreign capital holdings. In terms of the total equity of Cameroonian enterprises, France's share had fallen from 52% in 1973 to 26.3% in 1984. In the latter year, France was involved in one company out of two, and in three quarters of the cases it was the majority shareholder. Its rate of control was 40.2% (37% in 1982) and it held majority interests in 38.4% of the companies covered by the survey.

The average of French capital per company rose from 169.4 million CFA francs in 1980 to 213.9 million CFA francs in 1984. In 1984, France was the second biggest investor after the state but before Cameroon's private sector. Its presence is of long standing and very diversified. In absolute terms, the most significant sectors in which French investments are to be found are the metallurgical industry, agriculture and food, general trade, financial institutions, and construction and public works. In relative terms, French presence was strongest in construction and public works, the metallurgical industry, general trade, and miscellaneous industries as well as the chemical and plastics industries.

In the secondary sector, the share of French capital dropped from 52% in 1973 to 22% in 1982 before climbing again to 25% in 1984, while in services it dropped from 31.4% in 1982 to 27.8% in 1984. The rate of control by French capital was 35.5% in the secondary sector in 1984 and 44.7% in the services sector (cf. 18.2.2 and 3).

From 1987 onwards, French investments in Cameroon began to slow down. Based on a survey of 15 Cameroonian subsidiaries of major French companies, a drop of 34% in French investments was recorded between the period 1985-87 and 1982-84. Similarly, the accumulated total of French capital in the 50 leading Cameroonian companies dropped by 8.7% (cf. 18.4) between 1984 and 1988; in the 27 companies funded by French capital, the share of this sank from 37.8% in 1984 to 30.6% in 1988. As regards the top 131 companies, a comparison of 1981-84 shows a quasi-stable value in absolute terms of cumulated equity capital of French origin (-0.6%), but a drop in relative value from 24.7% to 21.2% of the share of total capital and from 69.7% to 63% in the share of foreign capital (cf. 18.5.2); withdrawals from the largest companies have been compensated by new investments (agriculture and food, health, banks). France's position as premier direct investor holds

valid for all sectors of the economy. In 60 subsidiaries of French corporate groups (out of 77 recorded in 1991) new investments (except oil) in 1989 amounted to 21 billion CFA francs as opposed to 18 billion CFA francs in 1988, representing a rise of 16.7% for this sample; the investments were aimed mainly at maintenance and some new developments.

In 1991, companies funded by French capital did not reinvest. Some firms even left and in certain cases redirected their investments outside Africa. There was little new investment activity; one notable exception was Rhône-Poulenc Santé Industrie which invested 2 billion CFA francs in Douala in 1991 to build a pharmaceutical products factory.

- **Italy:** From 1982-84 Italian capital dropped by 17.5%. In 1984, at 3.3 billion CFA francs (2.5%; 14 corporate interests of which eight were majority holdings), this country took sixth place in the ranks of foreign investors. It is mainly represented in the non-metals industry, in construction and public works and in the timber industry.
- **Netherlands:** At 2.5 billion CFA francs (1.9%), this country is sixth among foreign investors. Its investments are mainly to be found in the timber and general trade sectors, some of them being realized jointly with the United Kingdom in agricultural industry (Unilever) and oil (Shell).
- **United Kingdom:** In 1984, this country was the second most important foreign investor in Cameroon (historic presence in the anglophone part of the country) with 7.2 billion CFA francs (5.6%), in particular in the food industry and general trade. As seen above, some of these investments have been realized jointly with the Netherlands.
- **United States:** In 1984, capital originating in America amounted to 5.8 billion CFA francs (4.5%) with 20 corporate interests of which 12 were majority holdings. This country ranks third among foreign investors in Cameroon, and at that time was above all present in banking and oil activities, though two of the three American banks in Cameroon withdrew at the end of 1986.

In 1991, total direct American investment was estimated at US\$ 1 billion, principally in the oil industry: the company Pecten (Shell USA), which has been in Cameroon for 15 years, and Phillips Petroleum. At present, there are 24 American companies which have invested in Cameroon as well as 38 agencies, representatives and distributors. In recent years there has been little American investment activity in the country. Investments planned by the private American sector in the coming years and directed at the oil sector amount to 5 billion CFA francs.

US-AID supports the privatization of development projects and is therefore seeking private investors. In this context, for example, the American Pioneer Seed company took over the firm of Sanguéré (Garua region; production and distribution of improved seed) which was previously subsidized by US-AID and the state of Cameroon.

- **Israel:** One Israeli company provided 30% (3 billion CFA francs) of the capital of the Yaoundé Hilton hotel which was inaugurated in 1989. The rest of equity capital is held by the Société Nationale d'Investissement (SNI).

TABLE 18.6 DISTRIBUTION ACCORDING TO COUNTRY OF FOREIGN CAPITAL IN CAMEROONIAN COMPANIES

Investors	1980			1982			1984											
							Total			Secondary			Services					
	bn CFA F	%	bn CFA F	%	No. of shares	bn CFA F	%	No. of shares			bn CFA F	%	No. of shares		bn CFA F	%	No. of shares	
								Total	Maj.	%			Total	Maj.				
EC	43.3	80.8	82.6	96.0		112.8	87.0	302	211	85.4	57.8	86.3	133	91	55.0	87.7	169	120
Belgium.....			0.2	0.2	1	2.5	1.9	5	2	0.8	2.1	3.1	3	0	0.4	0.6	2	2
Denmark.....	0.4	0.7	0.5	0.5	3	0.2	0.2	2	1	0.4	0.1	0.2	1	1	0.1	0.2	1	0
Germany	2.4	4.5	4.2	4.4	20	5.3	4.1	20	8	3.2	2.6	3.9	10	6	2.7	4.3	10	2
Greece	0.9	1.7	1.3	1.3	11	2.1	1.6	16	15	6.1	0.3	0.4	5	4	1.8	2.9	11	11
Spain	0.3	0.6	0.6	0.6	2	0.1	0.1	2	1	0.4	0.1	0.2	2	1	0	0	0	0
France	34.9	65.1	63.1	65.7		87.5	67.5	207	157	63.6	45.4	67.8	91	67	42.1	67.1	116	90
Italy.....	2.9	5.4	4.0	4.2	13	3.3	2.5	14	8	3.2	1.2	1.8	7	4	2.1	3.3	7	4
Luxembourg			1.5	1.6	3	2.1	1.6	6	2	0.8	1.0	1.5	2	0	1.1	1.8	4	2
Netherlands	0.3	0.6	1.7	1.8	7	2.5	1.9	10	8	3.2	1.1	1.6	4	3	1.4	2.2	6	5
United Kingdom...	1.2	2.2	5.5	5.7	10	7.2	5.6	20	9	3.7	3.9	5.8	8	5	3.3	5.3	12	4
Other countries:	10.3	19.2	13.5	14.0		16.9	13.0	84	36	14.6	9.2	13.7	31	14	7.7	12.3	33	22
of which:																		
USA	0.3	0.6	4.0	4.2	12	5.8	4.5	20	12	4.9	1.7	2.5	7	3	4.1	6.5	13	9
Switzerland.....	0.2	0.4	0.8	0.8	5	1.4	1.1	7	3	1.2	0.9	1.3	2	1	0.5	0.8	5	2
Austria	1.1	2.1	1.1	1.1	1	1.2	0.9	2	0	1.2	1.2	1.8	2	0	0	0	0	0
Total.....	53.6	100	96.1	100		129.7	100	368	247	100	67.0	100	164	105	62.7	100	202	142

Source: French Embassy in Cameroon, economic expansion department

Indonesia: A multinational funded by Indonesian capital took over a paper pulp factory (Cellucam) in 1991. The basic investment level and planned modernization of production machinery is estimated at 75 billion CFA francs.

18.3 NEW COMPANIES FUNDED BY FOREIGN CAPITAL

The firm Ediafric regularly publishes information on newly founded companies. An evaluation of the data relevant to Cameroon over the period 1980-91 shows 63 new companies with foreign shareholders. This survey is certainly very incomplete, but it still gives a hint of the type of companies concerned, particularly with regard to small and medium-sized firms.

These 63 companies represent a foreign participation in equity capital of 13.8 billion CFA francs, or an average of 219 million CFA francs per company. Seen on a yearly basis, foreign investments began to dwindle from 1985 onwards.

Year	Number of companies	Foreign equity capital (million CFA francs)
1980	13	2,335
1981	9	1,699
1982	10	3,265
1983	8	1,567
1984	10	1,107
1985	3	395
1986	3	2
1987	3	1,464
1988	2	1,349
1989	1	80
1990	0	0
1991	1	510

The distribution of companies according to the level of foreign shareholding shows that in 59% of these companies foreign equity capital amounts to less than or equal to 100 million CFA francs and that 57% of the capital thus invested is in companies with a foreign participation of less than or equal to 700 million CFA francs:

Scale of investment (million CFA francs)	Number of Companies	Foreign equity capital (million CFA francs)
0.4 - 100	37	958
101 - 300	10	2,069
301 - 500	6	2,487
501 - 700	4	2,369
701 - 900	2	1,592
901 - 1,100	2	1,872
1,101 - 1,250	2	2,426

The distribution of companies according to the percentage of equity capital held by foreigners showed that in 48% of cases more than 80% of the capital is of foreign origin (40% of the total volume of foreign capital). The foreign capital is a majority holding (more than 50%) in 68% of these companies (69% of foreign capital invested). One third of these countries is totally funded by foreign capital (32% of the total volume of foreign capital):

Share of foreign capital	Number of Companies	Foreign equity capital (million CFA francs)
1 - 20	6	378
21 - 40	11	2,367
41 - 60	7	2,393
61 - 80	9	3,134
80 - 100	30	5,501

An investigation of these foreign participations per sector of activity shows that it is industrial companies (in 49% of the cases) which absorb 63% of foreign capital:

Sector	Number of companies	Foreign equity capital (million CFA francs)	Average per company (million CFA francs)
Industry.....	31	8,715	281
Construction and public works.....	13	621	48
Trade.....	8	2,666	333
Banking, finance, insurance.....			
Planning offices, administration.....	7	1,617	231
Transport.....	3	144	48
Miscellaneous.....	1	10	10

The distribution according to the origin of the funds underlines yet again the predominance of France and the EC:

Country	Number of Companies	Foreign equity capital (million CFA francs)
EC	44	8,555
Denmark	1	83
Germany	1	924
France	39	6,689
Italy	1	46
Luxembourg	1	812
Netherlands	1	1
Other countries	5	753
USA	1	422
Switzerland	3	316
China	1	15
Miscellaneous and not recorded	14	4,465

18.4 INVESTMENT LEGISLATION

The investment legislation currently in force was enacted on 8 November 1990. It applies both to national and foreign investors. Its aim is to favour and promote productive investment and to encourage export activities as well as labour-intensive industries. New privileges have been accorded to these companies and administrative procedures simplified.

The new legislation should have been implemented on 1 July 1991. However, the central office of management for this legislation on investment (CGCI), based at Douala, which reports to the Ministry of Industrial and Commercial Development and which is responsible for receiving and processing application files, was not yet operational in September 1991.

The legislation provides a certain number of guarantees for investors:

- No expropriation or nationalization shall be effected without compensation.
- Total freedom regarding transfer of funds.
- Protection against non-industrial risks is guaranteed within the framework of a treaty covering the establishment of the Multilateral Investment Guarantee Agency (MIGA), which was ratified by Cameroon.

Certain general privileges were accorded to investors in order to promote exports and to develop national natural resources:

- Exemption from duty on exports.

- Exemption from procurement taxes and fees.
- Reduction to 15% of import duties and taxes for products originating in countries outside the UDEAC.

Five special systems have been provided for, the first three of which are applicable on the creation of a new company:

- The basic system.
The system for small and medium-sized businesses.
- The system for strategic enterprises (or the contracts system) in the event that a performance contract has been concluded between the company concerned and the state.
- The franc zone system (cf. below, section 5) for companies devoted exclusively to exports.
- The reinvestment system for existing companies.

For each of these systems there are rules of eligibility and a certain number of specific privileges. In the event of litigation, arbitration and conciliation procedures have been provided for.

There are, in addition, a number of professional organizations which can, on request, supply information or aid to investors:

- The chamber of commerce, industry, and mining.
- The Cameroon association of industry, Syndicat des Industriels du Cameroun (SYNDUSTRICAM).
- The association of Cameroonian entrepreneurs, Le Groupement des Entrepreneurs Camerounais (GICAM).
- The traders, importers and exporters association, Syndicat des Commerçants, Importateurs et Exportateurs du Cameroun (SCIEC).

The potential investor can also apply to the Société Nationale d'Investissement (SNI) whose task is to create co-enterprises with Cameroonian and foreign investors, whose contribution can be either in the form of an equity capital holding or a loan. The SNI, which is being restructured, will include all state investments, whether they be in public, mixed or private enterprise.

18.5 FREE ZONE SYSTEM (cf. chapter 8)

This system was created by a cabinet resolution on 29 January 1990 and was defined by an implementation order of 28 December 1990. Its aim is to promote labour-intensive investments in the export sector, hence to favour the growth of investment, employment, and exports. This system

applies to companies producing goods and services destined for exportation. The investors can be either Cameroonians or foreigners.

The system applies throughout the national territory. When several companies are concerned the term used is free zone, and when only one company is concerned the term is free location. A first free industrial zone has been established near the port of Douala; its total area is 300 hectares, 20-30 hectares having already been developed. The establishment of free zones is being realized with the help of US-AID (cf. chapter 20, section 5.3). At the end of 1991, this project had not yet effectively got off the ground; the delay in its implementation was due to domestic political problems confronting Cameroon at that time.

The Office National des Zone Franches Industrielles (ONZFI) is a parity (private/public) non-profit-making community of interests whose task is to approve companies applying for benefits under this system, and which, by delegation, supplies administrative services. It has regulating powers and is professionally managed. Each free zone is administered by a promoter who can conclude a management contract with an operator. There is also an investment promotion centre (Centre de Promotion des Investissements/CPI).

The main advantages of the free zone system are the following:

18.5.1 TRADING PRIVILEGES

- No restrictions on imports or exports.
- No control on prices and margins
- In exceptional cases it is possible to export to the national customs territory.

18.5.2 TAX PRIVILEGES

- Total exemption from all taxes, duties, and levies for the first ten years.
- From the eleventh year onwards, companies are liable only to trade tax on earnings at a rate of 15%.
- There is no obligation to reinvest.
- Free transfer abroad of revenues and dividends.
- No controls on foreign exchange.

18.5.3 CUSTOMS PRIVILEGES

- Exemption from all customs duties and fees.
- No verification of imports.

18.5.4 LABOUR REGULATION PRIVILEGES

Companies located in a free zone benefit from increased flexibility, a higher degree of freedom and lower labour costs.

18.5.5 OTHER INCENTIVES AND ADVANTAGES

- Elimination of all forms of state monopoly.
- The right to install electricity generating equipment.
- Preferential harbour duties.
- The right to acquire and install private networks to ensure good international telecommunications.

19 FOREIGN DEBT

Despite continual improvement, the available data on foreign indebtedness is still imprecise. The quality of statistics leaves much to be desired and there are certain significant and unexplained deviations from one source to another or from one date to another for the same source. We have opted to base the information in this publication primarily on data supplied by the Caisse Autonome d'Amortissement (CAA), supplementing them where possible by information from the World Bank (world debt tables; notification of debtor countries) and the OECD (financing and foreign debt of developing countries; notification of creditor countries).

19.1 TOTAL FOREIGN DEBT

19.1.1 Global situation

With regard to publicly guaranteed foreign debt (cf. table 19.1), the main proportion of indebtedness, this rose from year to year from 419.1 billion CFA francs (1,303 million ECU) at the end of June 1982 to 1,503.4 (4,349) in June 1991, which represents an increase of 258.7% over nine years. There was a particularly sharp rise in 1984-85: +56.7%. The scope of this debt in relation to GDP, although it fell from 16.4% to 13.6% between 1981-82 and 1983-84, again increased sharply from year to year to arrive at 44.2% in 1990-91. Of this total, publicly guaranteed debt inched up from 29 to 30% (1981-82/1983-84) before climbing from 36 to 44% (1984-85/1986/87) and then progressively diminished from 21.6% in 1987-88 to 10% in 1990-91. The proportion of multilateral debts dropped from 45.4% (1982-83) to 28% (1989-90), while the proportion of bilateral debts rose from 50% to 60% from the beginning to end of the decade, and those of merchant banks (dependent on the London Club) from 7% to 10%.

In the World Bank statistics, the scope of long-term debts also includes private non-publicly guaranteed debts, whose share went from 8.3% in 1980 to 26.4% in 1985 before dropping back down to 9.3% in 1989. The proportion of private indebtedness (guaranteed and non-guaranteed) of total long-term debts has decreased appreciably, from 46% in 1980 to 27.4% in 1989. Over and above long-term debts, short-term debts and IMF loans also deserve a mention. In terms of total foreign indebtedness, long-term debts vary from year to year between 70 and 88%; loans on concessionary terms accounted for 31% from 1980-85 but dropped since then to 25% in 1988 and 1989. The ratio of total foreign debt to GDP fluctuated between 36% and 38% from 1980-85 and dropped to 33% in 1987 and 1988, only to rise steeply again in 1989 (44.5%) and 1990 (56.8%). This ratio was only 15% in the early 1970s, a period in which Cameroon borrowed very little, which explains the fact that its foreign debt was relatively limited at that time. The jump in indebtedness between 1975 and 1980 corresponds to the establishment of oil-producing capacities.

While Cameroon contracted debts from 1975 onwards to effectively finance major investments in oil, but also in infrastructures, new borrowing since 1985 was destined not for investments but above all channelled into national accounts in an attempt to regain equilibrium. In this context, it should be pointed out that, on the one hand, there was a series of misguided investment decisions, and, on the other hand, no halt was called even when oil prices started to fall. In order to gain a better understanding of the causes for this indebtedness, another aspect should be considered: that of the bilateral debt concerning solely OECD countries (approximately 70% of all long-term debts), the

debt arising from public development aid, which had been between 22 and 25% in the years 1980-85, rose significantly from 30% in 1986 to 36.5% in 1989. The remaining indebtedness is due to export credits, supplier credits and financing credits as well as the financial market.

**19.1: TOTAL LEVEL OF PUBLIC AND PUBLICLY GUARANTEED FOREIGN
INDEBTEDNESS BY TYPE OF DEBT AND BUDGET YEAR
(billion CFA franc and %)**

	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91
Direct debt	297.5	299.0	338.1	471.6	481.3	543.3	744.8	885.3	1054.4	1353.4
..... %	71.0	70.2	71.0	63.2	56.1	56.1	78.4	79.5	81.9	90.0
Indirect debt	121.6	126.7	137.8	274.1	376.2	338.4	205.2	228.4	233.2	150.0
..... %	29.0	29.8	29.0	36.8	43.9	38.4	21.6	20.5	18.1	10.0
Multilateral	181.3	193.4	203.8	288.7	214.5	251.0	317.3	353.9	359.8	430.7
..... %	43.3	45.4	42.8	38.7	25.0	28.5	33.4	31.8	28.0	28.6
Bilateral	205.8	200.3	239.2	363.0	555.0	525.1	513.9	636.1	757.6	913.8
..... %	49.1	47.1	50.3	48.7	64.7	59.5	54.1	57.1	58.8	60.8
Merchant banks	32.0	32.0	32.9	94.0	88.0	105.6	118.8	123.7	170.2	158.9
..... %	7.6	7.5	6.9	12.6	10.3	12.0	12.5	11.1	13.2	10.6
Total	419.1	425.7	475.9	745.7	857.5	881.7	950.0	1113.7	1287.6	1503.4
..... %	100	100	100	100	100	100	100	100	100	100
% GDP	16.4	14.2	13.6	19.0	20.6	22.2	25.7	31.9	38.5	44.2

Source: CAA. excluding arrears on foreign debt payments

Debt due to financial institutions:

Direct debt	125.1	213.7	226.4
..... %	55.8	71.6	88.6
Indirect debt	99.2	84.7	29.0
..... %	44.2	28.4	11.4
Total	224.3	298.4	255.4
..... %	100	100	100
Source: IMF			

Other foreign debt (per calendar year)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Private non guaranteed	67.9	118.6	203.1	266.1	171.2	174.9	156.3	127.2	120.6	62.6
Short-term	66.6	130.1	125.0	166.9	237.7	271.5	217.0	228.2	174.5	241.8

Source: World Bank (World debt tables)

The terms for external financing of Cameroon, on which foreign indebtedness is currently based, may be either concessional or not from case to case. The situation can be illustrated as follows:

Terms	Interest (%)	Deferral of redemption (years)	Due date (years)	Concession (%)
Concessional (long-term loans 1987).....	2.2	8	30	57.0
Non-concessional (long-term loans 1987)	4.9	2	12	1.9
Public (new allocations 1989)	7.3	5.8	18.2	17.1
Private (new allocations 1989).....	8.0	3.7	7.5	7.6
Total (new allocations 1989)	7.4	5.5	16.6	15.7

Source : World Bank and UNDP

In 1987, the structure of total capital inflow into Cameroon was as follows: concessional terms 7.7%, non-concessional 70.8% and donations 21.5% (cf. chapter 20, section 1). The majority of foreign financing is therefore in the form of non-concessional loans, with high rates of interest, which may explain, at least in part, the present scope of national indebtedness.

19.1.2 CREDITORS

Table 19.2 shows the scope of public and publicly guaranteed debt at 30 June 1991 according to creditors. From this table it can be seen that the European Community is the source for 64.7% (2,814 million ECU) of the total, or nearly two thirds. Although community multilateral lending represents only 6.4% (277 million ECU) of the total, the EC countries themselves account for 58.3% (2,537 million ECU). The credit volume at multilateral EC level represents only 22.3% of the total for multilateral organisms, while the individual member states of the Community account for 81.8% of the bilateral debt. At the multilateral community level, the organizations concerned are the European Investment Bank (EIB) (1.9%), the European Development Fund (EDF) (1.1%) and the Commission of the European Community (CEC) (3.4%). On a national level the Community countries concerned are especially Germany (17.1%, 743 million ECU) and France (32.5%, 1,414 million ECU), which is Cameroon's primary lender to the tune of one third of the total. The total bilateral debt includes that owed to the London Club (10.6%) as well as some short-term debts (1.8%). The EC is more substantially represented in direct debts (65.7%, 2573 million ECU) than in publicly guaranteed debts (55.6%, 241 million ECU).

Outside the EC, total multilateral debts account for 22.3% of the total, while bilateral debts represent only 13%. On a multilateral level, the principal organizations are the World Bank, with a very important share (12.2%, 183 billion CFA francs), as well as the International Development Agency (IDA) and the African Development Bank (ADB) (4% and 60 billion each). Among the bilateral creditors the most important are Canada and Austria.

19.2: PUBLIC AND PUBLICLY GUARANTEED FOREIGN INDEBTEDNESS
TOTAL, SERVICING, ARREARS, PAYMENTS PER CREDITOR
(billion CFA francs and %)

Creditors	Total at 30 June 1991	Service due 1991/92	Actual service 1990/91	Arrears at 30 June 1991	Foreign loans paid out 1987-90
EC:	972.9	106.5	24.3	187.9	414.6
..... %	64.7	50.3	37.2	66.0	65.9
Multilateral	95.9	4.4	2.3	3.2	4.0
..... %	6.4	2.1	3.5	1.1	0.6
EIB	28.2	3.9	2.2	2.7	4.9
..... %	1.9	1.9	3.4	0.9	0.8
EDF	16.6	0.5	0.1	0.5	
..... %	1.1	0.2	0.1	0.2	
CEC	51.1				
..... %	3.4				
Bilateral	877.0	102.1	22.0	184.7	40.57
..... %	58.3	48.2	33.7	64.9	64.5
Belgium	29.2	4.8	0.1	10.6	33.5
..... %	1.9	2.3	0.2	3.7	5.3
Denmark	27.2	2.7		3.8	15.2
..... %	1.8	1.3		1.3	2.4
Germany	256.7	35.1	3.2	41.3	154.7
..... %	17.1	16.6	4.9	14.5	24.6
Spain	9.7	0.2			2.9
..... %	0.7	0.1			0.5
France	489.0	49.9	18.1	103.8	160.8
..... %	32.5	23.6	27.7	36.5	25.6
Italy	31.6	4.9	0.6	5.3	22.6
..... %	2.1	2.3	0.9	1.9	3.6
Luxembourg		0.2			
..... %		0.1			
Netherlands	22.5	1.2	€	10.2	9.1
..... %	1.5	0.5	€	3.6	1.4
United Kingdom	11.1	3.1		9.7	6.9
..... %	0.7	1.4		3.4	1.1
Others:	530.5	105.1	41.0	96.9	214.7
..... %	35.3	49.7	62.8	34.0	34.1
Multilateral	334.8	77.0	38.5	6.0	157.5
..... %	22.3	36.4	59.0	2.1	25.0
of which:					
WB	183.0	44.2	27.8	0.5	106.9
..... %	12.2	20.9	42.6	0.2	17.0
IDA	60.3	1.3	1.3	0.2	3.9
..... %	4.0	0.6	2.0	0.1	0.6
IMF	4.2	13.7			
..... %	0.3	6.5			
ADB	60.7	14.0	8.5		36.4
..... %	4.0	6.6	13.0		5.8
IDB	3.7	0.5		1.3	0.9
BADEA	4.5	0.5		3.1	

For footnote, please see end of table.

19.2: PUBLIC AND PUBLICLY GUARANTEED FOREIGN INDEBTEDNESS
TOTAL, SERVICING, ARREARS, PAYMENTS PER CREDITOR (cont.)
(billion CFA francs and %)

Creditors	Total at 30 June 1991	Service due 1991/92	Actual service 1990/91	Arrears at 30 June 1991	Foreign loans paid out 1987-90
Bilateral	195.7	28.1	2.5	90.9	57.2
..... %	13.0	13.3	3.8	31.9	9.1
of which:					
Canada	67.6	9.7	1.4	14.5	47.0
..... %	4.5	4.6	2.1	5.1	7.5
Austria	52.5	8.3		60.8	
..... %	3.5	3.9		21.3	
Total	1,503.4	211.6	65.3	284.8	629.3
..... %	100	100	100	100	100
EC:					
% multilateral	22.3	5.4	5.6	34.8	5.3
% lateral	81.8	78.4	89.8	67.0	87.6

Source: CAA. The bilateral in this case includes that of the London Club (merchant banks)

19.2 DEBT SERVICING

In this context, a distinction has to be made between debt servicing to be performed by Cameroon and that which it actually pays, as, in view of the financial crisis it is currently going through, Cameroon can only honour its debts to a very limited extent.

19.2.1 DEBT SERVICING DUE

Table 19.3 lists the service which should have been paid against public and publicly guaranteed foreign debt during the budget years 1988-89 to 1991-92. In three years, the service due rose from 119.3 billion CFA francs (339 million ECU) to 211.6 (612 million ECU), which represented an increase of 77.4%. In relation to exports of goods and services, the debt servicing ratio went from 17.8% in 1988-89 to 27.9% in 1990-91. The proportion relating to direct debts is increasing (from 80-90%) although that of guaranteed debt is falling. The service due to multilateral creditors is growing (from 18% to 39%), while that relating to bilateral debts is dropping (from 70% to 49%). The proportion due to merchant banks remains fairly stable (around 12% to 13%). The redemption of principal is slightly higher than that of interest due. If one adds service due to arrears on indebtedness, Cameroon should have paid 361 billion CFA francs (1,029 million ECU) in 1989-90 and 498 (1,441 billion CFA francs) in 1991-92, hence +37.8%; this would amount to 53% of exports of goods and services in 1989-90 and 44% in 1990-91.

**19.3 SERVICE DUE ON PUBLIC AND PUBLICLY GUARANTEED FOREIGN DEBT BY
TYPE OF DEBT AND BUDGET YEAR
(billion CFA francs and %)**

Type of debt	1988/89		1989/90		1990/91		1991/92	
	bil. CFA F	%	bil. CFA F	%	bil. CFA F	%	bil. CFA F	%
Direct debt.....	94.8	79.5	130.9	80.9	205.9	94.3	189.3	89.5
Indirect debt.....	24.5	20.5	30.9	19.1	12.5	5.7	22.3	10.5
Multilateral.....			29.5	18.2	46.0	21.1	81.4	38.5
Bilateral.....			113.4	70.1	142.4	65.2	103.9	49.1
Merchant banks.....			18.9	11.7	30.0	13.7	26.3	12.4
Principal.....			81.6	50.4	118.0	54.0	108.3	51.2
Interest.....			80.2	49.6	100.4	46.0	103.3	48.8
Total 1.....	119.3	100	161.8	100	218.4	100	211.6	100
Provisions.....					3.2		1.9	
Arrears.....			199.7		12.7		284.8	
Total 2.....			361.5		345.3		498.3	
Sv. due 1/exports								
Gds+Sv. (%).....		17.8		23.7		27.9		
Sv. due 2/exports								
Gds+Sv. (%).....				52.9		44.2		

Source: CAA.

Interest due on short-term debts:

1988: 22.0 billion CFA F

1989: 18.2 billion CFA F

Source: World Bank (World debt tables)

The distribution according to creditors to which this service is due (excluding arrears) in 1991-92 is shown in table 19.2. The share of the EC and of other countries is roughly equivalent but, while in the Community this applies largely to bilateral servicing (48.2%), the servicing due to other countries is largely multilateral (36.4%). The service due to multilateral Community organizations (EIB and EDF) accounts for only 5.4% of the total multilateral debt, while bilateral debt servicing amounts to 78.4%. This last group includes Germany (16.6%, 102 million ECU) and France (23.6%, 144 million ECU) first and foremost. Outside the Community, the multilateral organizations concerned are mainly the World Bank (20.9%, 44.2 billion CFA francs), the IMF and the ADB (approximately 6.5% and 14 billion CFA francs each), whereas the bilateral creditors are mainly Canada and Austria. Altogether 62% of all servicing is due to Germany, France and the World Bank.

19.2.2 DEBT SERVICING PAID

The actual repayments of public and publicly guaranteed foreign debt for the budget years 1981-82 to 1990-91 are listed in table 19.4. This shows that actual debt servicing rose from 45.7 billion CFA francs (147 million ECU) in 1981-82 to 80.8 (235 billion ECU) in 1986-87 (+76.8%), only to fall again to 65.3 billion CFA francs (189 million ECU) in 1990-91 (-19.2%), plummeting still further to 41.9 billion CFA francs in 1989-90. In relation to exports of goods and services, the ratio of debt servicing actually paid went from 3.7% in 1982-83 (6.9% in 1981-82) to 12.1% in 1986-87 but then fell back to 8.4% in 1990-91 (7.1% in 1981-90). Compared to debt servicing due, real servicing

represented only 62.8% in 1988-89 and 30% in 1989-90 and 1990-91. If one includes arrears in service due, the amount actually repaid in the last two years amounts only to 13.5% and 18.9%. Of this servicing, that applying to guaranteed debt rose from less than 1% in 1981-82 to 27.5% in 1985-86 and dropped back to 11.3% in 1990-91. In the latter year (cf. table 19.5), repayment of multilateral debts absorbed 62.5% of real debt servicing as opposed to 30.9% for bilateral debts and 6.6% for merchant banks. The repayment of interest (53.6%) is higher than the redemption of principal (46.4%) and mainly directed at direct debts (88.7%). Cameroon devotes its financial means primarily towards settling its multilateral debts (88.7% of the servicing due was paid in 1990-91) which are of a mandatory nature if it wishes to continue to benefit from loans from these organizations. In contrast, only 40% of servicing due was actually paid towards bilateral debts and merchant bank loans. Payment of guaranteed debts is also better (59.2%) than that of direct debts (28.1%), and again the rate of payment on interest (34.9%) exceeds that of redemption of principal (25.7%).

19.4: ACTUAL SERVICING OF PUBLIC AND PUBLICLY GUARANTEED FOREIGN DEBT BY TYPE OF DEBT AND BUDGET YEAR (billion CFA francs and %)

Year	Type of debt						% exports Gds+Sv.	% service due 1	% service due 2
	Direct		Indirect		Total				
	bil. CFA F	%	bil. CFA F	%	bil. CFA F	%			
1981/82 ...	45.6	99.8	0.1	0.2	45.7	100	6.9		
1982/83 ...	30.4	96.2	1.2	3.8	31.6	100	3.7		
1983/84 ...	40.4	82.6	8.5	17.4	48.9	100	5.1		
1984/85 ...	53.6	87.2	7.9	12.8	61.5	100	4.7		
1985/86 ...	56.6	72.5	21.5	27.5	78.1	100	7.9		
1986/87 ...	68.3	84.5	12.5	15.5	80.8	100	12.1		
1987/88 ...	64.1	89.9	7.2	10.1	71.3	100	11.7		
1988/89 ...	67.2	89.7	7.7	10.3	74.9	100	11.2	62.8	
1989/90 ...	41.0	83.8	7.9	16.2	48.9	100	7.1	30.2	13.5
1990/91 ...	57.9	88.7	7.4	11.3	65.3	100	8.4	29.9	18.9

Source: CAA

**ACTUAL SERVICING OF PRIVATE NON-GUARANTEED FOREIGN DEBT
BY TYPE OF DEBT AND CALENDAR YEAR
(billion CFA francs and %)**

Year	Type of debt					
	Principal		Interest		Total	
	bil. CFA F	%	bil. CFA F	%	bil. CFA F	%
1981.....	9.7	65.1	5.2	34.9	14.9	100
1982.....	16.4	65.9	8.5	34.1	24.9	100
1983.....	21.6	56.0	17.0	44.0	38.6	100
1984.....	36.5	59.3	25.0	40.7	61.5	100
1985.....	144.7	88.9	18.0	11.1	162.7	100
1986.....	85.3	79.3	22.2	20.7	107.5	100
1987.....	59.1	81.9	13.1	18.1	72.2	100
1988.....	67.8	71.4	27.2	28.6	95.0	100
1989.....	41.8	77.1	12.4	22.9	54.2	100

Source: World Bank (World debt tables)

According to the statistics of the World Bank, actual servicing of long-term debt also includes private non-guaranteed debt to a very large extent, i.e. 20% in 1980, rising to 60% in 1985 and falling back to 55% in 1989. The proportion of repayment of private (guaranteed and non-guaranteed) debt to total debt servicing on long-term loans was 65% in 1980, 77.6% in 1985 and 56% in 1989. Servicing of long-term debts went from 83% of total debt servicing in 1980 to 93.6% in 1985 before dropping down to 83% in 1989. The repayment of loans on concessionary terms is of little significance, dropping from 12.4% in 1980 to 5.6% in 1989. Between 1980 and 1984 total debt servicing represented approximately 15% of exports of goods and services, this ratio rapidly doubling to reach 30% in 1987 and 1988. It would have continued to rise if Cameroon had not decided to restructure its liabilities towards private creditors in the informal Yaoundé Club and to refund its debts with the Paris Club (cf. below, section 5), which allowed it to bring this ratio down to 19.4% in 1989.

The distribution according to creditors of servicing in 1990-91 towards public and publicly guaranteed debt is illustrated in table 19.2. The EC received only 37.2% of service paid by Cameroon: with only 3.5% going to the Twelve (especially the EIB), the major part going to individual member companies (33.7%), especially Germany (4.9%, 9 million ECU) and France 27.7%, 52 million ECU). Of Cameroon's redemption of its multilateral debts a share of only 5.6% was destined for the EC, while 89.8% of bilateral repayments flowed into member states of the Community. As well as the EC (62.8%) it was other multilateral organizations which received the highest payments (59%). The World Bank, as the major creditor, received 42.6% of all repayments from Cameroon, with the ADB receiving 13%. Repayments on bilateral debts accounted for only 3.8% of effective servicing, with Canada (2.1%) in first place. In 1990-91, 72% of all servicing on foreign debt by the Cameroonian state went to the World Bank and France.

**19.5: ACTUAL SERVICING OF PUBLIC AND PUBLICLY GUARANTEED FOREIGN
DEBT IN 1990/91 BY TYPE OF DEBT**
(billion CFA francs and %)

Type of debt	Act. serv. 1990/91	% exports Gds+Sv.	% Sv. due 1
Direct debt.....	57.9	7.4	28.1
..... %	88.7		
Indirect debt	7.4	1.0	59.2
..... %	11.3		
Multilateral	40.8	5.2	88.7
..... %	62.5		
Bilateral	20.2	2.6	14.2
..... %	30.9		
Merchant banks	4.3	0.6	14.3
..... %	6.6		
Principal	30.3	3.9	25.7
..... %	46.4		
Interest	35.0	4.5	34.9
..... %	53.6		
Total.....	65.3	8.4	29.9
..... %	100		

Source: CAA

19.3 ARREARS

As we have seen (cf. 19.2.2), only a small proportion of the service due on foreign debt has been settled, especially since 1989. This applies mainly to multilateral agreements which are of a mandatory nature. In fact, since 1985-86, the deterioration in the economic situation has meant that delayed payments have resulted in the accumulation of arrears both on the part of the state and in the para-public and private sectors. A first refunding round (cf. below, section 5) of Cameroon's foreign debt did nothing to change this state of affairs.

Table 19.6 shows the extent of arrears on public and publicly guaranteed foreign debt in March 1989 (before the Paris Club meeting), in June 1990 and June 1991. Arrears went from 199.7 billion CFA francs (569 million ECU) in 1989 to 123.7 (358) in 1990 and 284.8 (824) in 1991. The drop in 1990 is the result of the Paris Club meeting and the very high rise in 1991 is primarily due to non-payment of servicing on bilateral debts. These arrears represented 5.7% of GDP in 1989, 3.7% in 1990 and 8.4% in 1991. In relation to exports of goods and services, this represented 29.8%, 18.1% and 36.4% respectively. Within the context of these arrears, the share of guaranteed debt has fallen very markedly from 43% to 8%. The share of bilateral debts is also diminishing (from 91% to 75%) while those deriving from the London Club are rising (from 3% to 21%). Considering the mandatory nature of their repayment, multilateral debts constituted only 3% of arrears in 1991. The proportion of interest due increased (from 28 to 47%) while those of repayment of principal dropped (from 72% to 57%).

**19.6: ARREARS ON PUBLIC AND PUBLICLY GUARANTEED
FOREIGN DEBT BY TYPE OF DEBT AND YEAR
(billion CFA francs and %)**

Type of debt	31 March 1989	30 June 1990	30 June 1991
Direct debt.....	114.0	92.5	261.0
.....%	57.1	74.8	91.6
Indirect debt.....	85.7	31.2	23.8
.....%	42.9	25.2	8.4
Multilateral	10.8	12.2	9.2
.....%	5.4	9.8	3.2
Bilateral.....	182.5	83.7	214.9
.....%	91.4	67.7	75.5
London Club	6.4	27.8	60.7
.....%	3.2	22.5	21.3
Principal.....	142.9	54.4	150.0
.....%	71.6	44.0	52.7
Interest	56.8	69.3	134.8
.....%	28.4	56.0	47.3
Total	199.7	123.7	248.8
.....%	100	100	100
 % GDP	 5.7	 3.7	 8.4
% Exports Gds+Sv.....	29.8	18.1	36.4

Source: CAA

N.B.: Arrears on short-term debt at 31 March 1989: 7.6 blion CFA francs (not included in the 199. bn. figure)

The worsening of Cameroon's financial situation in relation to abroad is also evident from two other indicators. On the one hand, the country's rating on the secondary financial market has deteriorated: between 15 December 1990 and 15 August 1991 it dropped from 39 to 36 (in percentage of nominal value). On the other hand, net foreign credit crumbled (in billion CFA francs at the end of each year):

1980	:	- 33,0	1986	:	- 71,2
1981	:	+ 2,4	1987	:	- 202,6
1982	:	- 73,9	1988	:	- 115,9
1983	:	+ 16,2	1989	:	- 190,7
1984	:	+ 69,3	1990	:	- 184,9
1985	:	+ 104,6	1991	:	- 156,8 (end 1st half year)

which represents -535 million ECU at the end of 1990 (cf. chapter 11).

The arrears on public and publicly guaranteed debt as at 30 June 1991, listed according to creditors, is shown in table 19.2. It can be seen that the share of the EC is 66%, almost all of it bilateral (64.9%), mainly due to Germany (14.5%, 119 million ECU) and France (36.5%, 300 million ECU).
StBA/Eurostat, Cameroon 1992

The EC accounts for 34.8% of arrears on multilateral debts and 67% of arrears on bilateral debts. Outside the Community (34%), bilateral debts also accounted for the major part (31.9%), primarily to Austria (21.3%, 60.8 billion CFA francs) and Canada (5.1%). In all, three countries alone (Germany, France, Austria) account for 72.3% of arrears, thus producing a very marked concentration. A total of 31% of arrears on Community bilateral agreements concern the London Club, while the proportion due to the Community is only 3.6%.

19.4 DISBURSEMENTS

Gross disbursements or new drawing on foreign borrowing to create a public or publicly guaranteed debt are recapitulated for recent years in table 19.7. With the exception of 1986, in which disbursements were relatively low (169 million ECU), the following years show a figure of 128 to 176 billion CFA francs (369 to 508 million ECU). The proportion of multilateral disbursements went from 19% in 1988 to 46% in 1990-91 which consequently worsened the repayment conditions (debt servicing cannot be put off). During the same period, the ratio of new bilateral borrowing was between 50 and 58% while that concerning merchant banks plummeted from 31% to 2.3%.

19.7: GROSS DISBURSEMENTS OF FUNDS FROM FOREIGN LOANS BY TYPE OF CREDITOR AND YEAR (billion CFA francs and %)

Type of creditor	1986	1987	1988	1989	1990	1990/91
Multilateral	37.9	58.7	28.1	47.9	31.7	74.6
..... %	66.1	33.4	18.7	27.2	24.8	45.7
Bilateral	19.4	117.2	75.5	101.6	72.6	84.9
..... %	33.9	66.6	50.4	57.8	56.9	52.0
Merchant banks.....			46.3	26.4	23.3	3.7
..... %			30.9	15.0	18.3	2.3
Total.....	57.3	175.9	149.9	127.6	127.6	163.2
..... %	100	100	100	100	100	100
Source: CAA						
<u>Other gross payments:</u>						
Private non-guaranteed.....	71.6	63.8	34.4	26.2		
Short-term	85.1		0.2			
Source: World Bank (World debt tables)						

World Bank statistics show that almost all disbursements were for long-term loans. Amongst these, the proportion of private non-guaranteed loans went from 8.2% in 1980 to 57.4% in 1983, only to return to 11.5% in 1989. Irrespective of whether loans are guaranteed or not, one cannot help noticing a withdrawal of finance by the private foreign sector over the last few years, this being due

to the economic crisis which Cameroon is currently going through. After having dropped from 20% in 1981 to 11% in 1988, the proportion of long-term concessionary loans jumped again to 24% in 1989, which seems to be a logical consequence of Cameroon's appearance before the Paris Club and the economic and financial situation of the country which made such a move necessary.

Table 19.7 shows the distribution according to creditors of cumulated disbursements between 1987 and 1990 for public and publicly guaranteed foreign loans. It appears that the EC supplies 66% of these funds, almost all of them from bilateral sources (64.5%), in particular from Germany (24.6%, 444 million ECU) and France (25.6%, 461 million ECU). Merchant banks, which are included in the bilateral EC figures, represented 15.3% of all disbursements. Though the European Community itself only supplies 5.3% of multilateral credits, in contrast it provides 87.6% of Cameroon's bilateral loans. Disbursements outside the EC represented 34%, of which 25% were multilateral and 9% bilateral. In the multilateral sector the loans were granted first and foremost by the World Bank (17%) and the ADB (5.8%), and the bilateral by Canada (7.5%). Seen globally, 67.2% of loans are furnished by Germany, France, and the World Bank. Over these four years, total disbursements came to an annual average of 157.3 billion CFA francs (451 million ECU).

19.5 HANDLING OF FOREIGN INDEBTEDNESS

Considering its state of indebtedness, Cameroon appeared before the Paris Club for the first time on May 24, 1989. This resulted in a refunding of public and publicly guaranteed bilateral loans granted by the member countries of the Paris Club. At 31 December 1988, this applied to 92.5% of total bilateral loans, but only 37.7% of the total public and publicly guaranteed debt. Arrears as at 31 March 1989 were 91.2% and 45.6% respectively. The consolidation amounted to US\$ 535 million (170.7 billion CFA francs, 486 million ECU), three quarters relating to principal and one quarter to interest.

Following the Paris Club, bilateral agreements were signed between Cameroon and the countries concerned. In September 1991 only the agreement with Belgium had not yet been signed. By way of an example, a treaty had been signed with Germany on December 5, 1989 for refunding of 100 million DM (17 billion CFA francs, 48 million ECU). At the Paris Club, a convention was also signed with France on 28 July 1989 relating to debts of 67.7 billion CFA francs (193 million ECU), the refunding amount covering 100% of capital and 85% of interest. Depending on the individual case, refunding runs for nine or ten years with five or six years' deferred repayment and an interest rate of 5.5% or 9.15%. Besides the Paris Club, short-term loans (26.9 billion CFA francs) should by convention have been settled with France in 1989 and 1990, which did not happen. The same applies to a part of the sight debt (475 million CFA francs), the remainder (50 billion CFA francs) having been refunded over nine years with four years' deferral and an interest rate of 8.9%. France also participates in the reimbursement of French suppliers to Cameroon; Italy similarly pays compensation for debts owed by the state of Cameroon to Italian companies (cf. chapter 18, section 2.1 and chapter 20, section 5.2). In final place, it should be mentioned that the total debt in connection with economic aid from the USA (31.48 billion CFA francs) was annulled in 1990-91, so that Cameroon now owes this country only the debt relating to military assistance (US\$ 5 million).

A series of other decisions were made with a view to reducing the indebtedness of developing countries, and Cameroon could benefit from them. These include, for example, the initiative of La Baule (France) which provides for a reduction in the interest rates applying to public loans (a StBA/Eurostat, Cameroon 1992

reduction in PDA rates). For its part, the EC has decided to waive the repayment of transfers carried out under STABEX, totalling 181 million ECU (62.6 billion CFA francs) with respect to Cameroon. Concerning new STABEX transfers, their repayment no longer exists under the terms of the Lomé IV Convention (cf. chapter 17, section 4.3 and chapter 20, section 4.3).

In spite of these efforts and of the first refunding round, servicing of bilateral debts remains largely in abeyance, and arrears continue to accumulate. In these circumstances, a second round of negotiations appears inevitable. The program as planned in September 1991 was the following: letter of intent from the Cameroonian government (21/11/91) followed by a new confirmation agreement with the IMF (20/12/91), then the release of French aid, and finally a second appearance before the Paris Club (refunding of 100% of capital and interest) and, considering the significance of the debt on trade, a first appearance before the London Club (eligible under the Brady Initiative: public financial aid from the World Bank, the IMF and Japan with a view to substantially reducing the debt owed to banks).

20 PUBLIC DEVELOPMENT AID

20.1 GENERAL DATA

There are several sources of data concerning public development aid: the OECD, the local representative of the United Nations Development Programme (UNDP), the EC delegation in Cameroon, and finally the Ministry for Planning and Regional Policy (the office for economic and technical cooperation). We have chosen to quote principally from the OECD ("geographic distribution of financial resources put at the disposal of developing countries") since this is the most complete (long series) and the most detailed information. However, it does present one disadvantage in that it is expressed in dollars and not in CFA francs and is not exhaustive; as far as the EC is concerned data is missing on Spain, Luxembourg, Portugal, and Greece, which are not members of the DAC, but whose share of the total development aid provided is only 0.5% (e.g. for Spain).

Table 20.1 shows a general overview of foreign resources from which Cameroon benefited during the 1980s. This table shows, on the one hand, the allocation of funds, on the other hand, actual financial aid provided (payments, revenue, disbursements). These monies are posted either as gross (amounts actually transferred), or net deductions made on the repayment of capital against former loans).

20.1 RESOURCES RECEIVED BY CAMEROON million US\$ and %

Category of resources	1981	1982	1983	1984	1985	1986	1987	1988	1989
1. Alloc. donations	112.2	113.3	85.2	124.3	121.9	177.4	166.9	306.3	276.9
(1/3) %	48.6	47.3	41.6	40.7	72.2	65.6	49.7	64.8	60.0
2. Alloc. PDA loans ...	118.7	126.0	119.8	181.3	46.9	93.1	169.2	166.5	184.5
(2/3) %	51.4	52.7	58.4	59.3	27.8	34.4	50.3	35.2	40.0
3. PDA allocations	230.9	239.3	205.0	305.6	168.8	270.5	336.1	472.8	461.5
(3/4) %	80.0	43.0	57.9	71.3	41.3	56.2	74.6	52.7	43.5
4. TFPS allocations ...	288.8	557.1	354.1	428.5	408.5	481.3	450.4	896.9	1059.7
..... %	100	100	100	100	100	100	100	100	100
5. Gross PDA loans ..	108.0	132.7	57.0	97.7	71.7	94.9	99.0	133.5	137.4
(5/6) %	50.9	58.0	38.6	48.3	40.4	38.6	41.0	42.7	28.6
6. Gross PDA	212.3	228.6	147.7	202.1	177.6	245.9	241.2	312.9	480.4
(6/8) %	60.7	74.2	66.9	65.8	58.1	60.2	57.1	64.9	66.0
7. Gross OFPS	137.7	79.4	73.2	105.1	128.1	162.4	181.4	169.0	247.8
(7/8) %	39.3	25.8	33.1	34.2	41.9	39.8	42.9	35.1	34.0
8. TFPS (gross)	350.0	308.0	220.9	307.2	305.7	408.3	422.6	481.9	728.2
..... %	100	100	100	100	100	100	100	100	100

20.1 RESOURCES RECEIVED BY CAMEROON
million US\$ and %

Category of resources	1981	1982	1983	1984	1985	1986	1987	1988	1989
9. Donations (tech. ass.)	76.6	62.8	59.3	64.7	59.5	91.7	92.6	118.0	106.7
(9/10)..... %	73.4	65.5	65.4	62.0	56.2	60.7	65.1	65.8	31.1
10. Donations (total) ..	104.3	95.9	90.7	104.4	105.9	151.0	142.2	179.4	343.0
(10/12)..... %	52.0	45.2	70.4	56.0	66.4	67.2	66.9	63.1	73.1
11. Net PDA loans									
(11/12).....	96.1	116.5	38.2	82.1	53.6	73.8	70.3	105.1	126.1
..... %	48.0	54.8	29.6	44.0	33.6	32.8	33.1	36.9	26.9
12. Net PDA	200.4	212.4	128.9	186.5	159.5	224.8	212.5	284.5	469.1
(12/14)..... %	62.2	80.3	78.8	75.9	71.3	75.9	65.3	77.2	72.4
13. Net OFPS	121.6	52.2	34.6	59.3	64.2	71.5	113.0	83.9	178.8
(13/14)..... %	37.8	19.7	21.2	24.1	28.7	24.1	34.7	22.8	27.6
14. TFPS (net)	322.0	264.6	163.5	245.8	223.7	296.3	325.6	368.4	647.9
(14/16)..... %	57.3	59.2	45.1	88.9	96.5	127.7	104.9	80.1	101.5
15. Net private sector contributions	240.3	182.6	198.8	30.6	8.1	-64.3	-15.2	91.7	-9.7
(15/16)..... %	42.7	40.8	54.9	11.1	3.5	-27.7	-4.9	19.9	-1.5
16. Total net revenue ..	562.3	447.2	362.3	276.4	231.8	232.0	310.4	460.1	638.2
..... %	100	100	100	100	100	100	100	100	100
3/GDP (%).....	2.7	3.1	2.6	3.8	1.9	2.2	2.5	3.8	4.2
4/GDP (%).....	3.4	7.2	4.5	5.4	4.7	4.0	3.4	7.2	9.7
12/GDP (%).....	2.4	2.7	1.6	2.3	1.8	1.9	1.6	2.3	4.3
14/GDP (%).....	3.8	3.4	2.1	3.1	2.6	2.5	2.5	3.0	5.9
16/GDP (%).....	6.7	5.8	4.6	3.5	2.7	1.9	2.4	3.7	5.8

Source: OECD, Geographic distribution of financial resources put at the disposal of developing countries

PDA: public development aid

OFPS: other flow from the public sector

TFPS: total flow from the public sector

Total net revenues (payments) dropped in the period 1981-85 from US\$ 562.3 million (152.8 billion CFA francs; 6.7% of GDP) to 231.8 (104.1; 2.4%), then rose to US\$ 638.2 million (203.6 billion CFA francs; 5.8%) in 1989. In their entirety, the resources include the net flow from the public sector (NFPS) and the net flow from the private sector (cf. chapter 18, section 1), namely direct investments, portfolio investments, and net credits on exportation.

The NFPS corresponds to payments made by the public sector as a whole. Their development is comparable to that of total revenues: a drop from 1981 (US\$ 322 million; 87.5 billion CFA francs; 3.8% of GDP) to 1985 (223.7; 100.5; 2.6%), then a rise to US\$ 647.9 million (206.7 billion CFA francs; 5.9%) in 1989. It should be noted, however, that there was, on the one hand, a fall in 1983

(US\$ 162.5 million), and on the other hand a different development in CFA francs due to the strong fluctuations of the dollar rate (rising until 1985 and then falling). NFPS represented 92% of total capital transfer in 1981; this percentage dropped to 72.6 in 1986 before rising again to 89% in 1989. From the time when the net flow from the private sector began to crumble (from 1984 onwards) and even went into negative figures (in 1986, 1987 and 1989), NFPS constituted the major part of total net revenues. NFPS corresponds to total public development aid (PDA) and other flow from the public sector (OFPS). PDA includes funds provided to promote economic development and to improve the standard of living as well as financing of a concessionary nature (cf. chapter 19, 1.1) where the concession amounts to at least 25% (NB, the concession on a 100% loan is zero whereas it is 100% in the case of a donation). OFPS include transfers whose intended use is other than development or whose concessionary element is less than 25%; these may be export credits, corporate shares, portfolio investments, and refunding of debts at market conditions. It is all the more important to consider OFPS and not only PDA in its strictest sense, as the majority of loans from the World Bank, which are of great significance in Cameroon, are classed in this category, while PDA loans are granted by the International Development Agency (IDA).

From 1981-83, net OFPS fell from US\$ 121.6 million (33.0 billion CFA francs) to 34.6 (13.2), only to rise again to US\$ 178.8 million (57.0 billion CFA francs) in 1989. There is a significant difference between net and gross OFPS due to the sizeable capital redemption payments linked with this type of loan and which Cameroon cannot escape (debts due to multilateral organizations, e.g. the World Bank); in certain years net transfers represent only half or even less of gross transfers (1983, 1985, 1986 and 1988). Depending on the year, net OFPS represented 20% to 38% of NFPS, but usually levelled out at 20% to 29%.

Net PDA fell from 1982 (US\$ 212.4 million; 69.8 billion CFA francs; 2.7% of GDP) to 1985 (159.5; 71.77; 1.8%), at least in dollars, after which it increased again, especially in 1989 and 1990 (US\$ 475 million; 129.3 billion CFA francs; 3.9%). Between 1980 and 1990 net revenues in public development aid from all sources varied annually by 6% in current dollars and 1.3% in real terms (at constant prices and exchange rates). Depending on the year, net PDA was 87% to 94% of gross PDA, except for 1989 where it reached 98%. On average, net PDA represents approximately three quarters of NFPS. The per-capital net PDA went from US\$ 19.5 in 1987 to US\$ 40.6 in 1989.

There are two different categories of PDA financing: donations (or subsidies) which are non-repayable forms of aid (or perhaps repayable in local currency) and loans (or credit of more than one year on favourable terms, cf. above, definition of PDA) which is aid reimbursable in convertible currency or in kind. The proportion of donations in the net PDA shows a tendency to rise, going from 52% in 1981 to 73% in 1989, while that of loans fell from 48% to 27%. From 1981-83 donations dropped from US\$ 104.3 million (28.3 billion CFA francs) to 90.7 (34.6), at least in dollars; they then climbed again to US\$ 343 million (109.4 billion CFA francs in 1989; the highest rate was reached in 1988 and 1989 at 91%). Net PDA loans, however, experienced an irregular downward fluctuation between 1981 (US\$ 96.1 million, 26.1 billion CFA francs) and 1985 (53.6; 24.1) before increasing again to reach US\$ 126.1 million (40.2 billion CFA francs) in 1989. In 1981 net PDA loans accounted for 89% of gross PDA loans; this ratio had dropped to 71% in 1987 but jumped again to 91.8% in 1989.

Besides the payments listed above, table 20.1 also shows the allocation of funds. Total allocation of funds in the public sector (NFPS), fluctuated between US\$ 350 and 550 million (1982-87) before

rising sharply: US\$ 897 million (267 billion CFA francs; 7.2% of GDP) in 1988 and 1,060 (338; 9.7%) in 1989. The lower value in CFA francs between 1985 (183.5 billion CFA francs) and 1987 (135.4) can be attributed to Cameroon's economic and financial difficulties since 1985 which prevented it from assembling the necessary financial collateral for the granting of loans (conditional loans). As regards financial aid granted for the implementation of the structural adjustment programme, sponsors now are prepared in certain cases to contribute towards the financing of national collateral for certain aid projects with a view to resolving this problem. Since 1982, allocation of funds by the public sector exceeded gross payments, but the tendency is downward, from +81% (1982) to +6.6% in 1987; the trend was reversed in 1988 (+86%) and 1989 (+45.5%).

Allocations of PDA increased from US\$ 230.9 million (62.7 billion CFA francs; 2.7% of GDP) in 1981 to 461.4 (147.2; 4.2%) in 1989. The proportion of PDA allocations in the NFPS allocations usually lies between 40 and 60%. PDA allocations are generally higher (5 to 50% depending on the case) than gross PDA payments. The ratio of donations in PDA allocations fell from 49% to 41% between 1981 and 1984, then rose sharply in 1985 (72%), only to fall back again (1989; 60%). Loans obviously followed an inverse trend. In terms of absolute value, donations fluctuated between US\$ 112.2 million (30.5 billion CFA francs) in 1981 and 277 (88.3) in 1989. With regard to donations, allocations usually exceed payments by 15 to 19%. However, in 1988 and 1989 the figures were +70% and -19% respectively. PDA loan allocations went from US\$ 118.7 million (32.3 billion CFA francs) in 1981 to 184.5 (58.9) in 1989; the sharp fall in 1985 and 1986 is much more appreciable in dollars (US\$ 46.9 and 93.1 million) than in CFA francs (21.1 and 32.0 billion CFA francs) due to the high exchange rate prevailing at the time. The ratio between allocations and gross payments of PDA loans shows pronounced and erratic variations from one year to the next, between +110% (1983) and -34% (1985). Taking loans and donations together, the concessionary element in PDA allocations is very high at between 74 and 86% according to the year (source: OECD):

1981 : 79.7%	1986 : 86.3%
1982 : 74.8%	1987 : 74.1%
1983 : 81.4%	1988 : 81.1%
1984 : 78.0%	1989 : 83.9%
1985 : 85.7%	

The problems that Cameroon is encountering with financial aid are not specific to this country. They can be found in other developing countries. The first of these is the absorption capacity of aid: this capacity is limited, the rate of allocations and payments of project aid is less than it could be, and there is a certain underutilization of the aid possibilities offered; this is due to the state of the country's production capacities and to the reigning decision-making structures; the reduction in project aid in favour of the aid programme offers, among others, the advantage of a more rapid release of available funds which, even if it was not the first object of the programme, can be considered as a positive consequence of it. The second problem is that of the effects of the aid, irrespective of whether the sectors are directly producing or not: have investments been wisely chosen and do they have a revitalizing effect on the economy? It should not be forgotten that PDA is the source of part of the country's indebtedness (cf. chapter 19, section 1.1), which implies that it is economically productive (cf. above) and that the proportion of donations is rising, which seems to be the case at the present time.

20.2 UTILIZATION OF FUNDS

The aid provided by sponsors is aimed at different sectors and used accordingly by Cameroonian authorities. Table 20.2 shows a breakdown according to sectors of public development financing (PDF), i.e. NFPS except for sums relating to world trade. The OECD distinguishes between 14 sectors of intervention during the period 1986-89. Of these, 7 sectors in particular accounted for 81 to 93% - depending on the year - of PDF allocations:

- The rise in aid for programmes, i.e. contributions not previously earmarked for a particular sector and structural adjustment aid of a general nature; the proportion of this type of aid rose from 14% to 36% (scope of financial aid mobilized in 1989 for the implementation of the structural adjustment programme (SAP)).
- The proportion dedicated to infrastructure and social services is also rising, from 3% to 18%; this concerns housebuilding, municipal development and equipment of a community nature.
- The share of agriculture has remained relatively stable (between 9% and 14%), though it did peak at 28% in 1988.
- Technical cooperation dropped in relative value from 29% to 10%; this involves the provision of human resources or targeted action on human resources (teaching, vocational training, consulting).
- The share devoted to energy (production and distribution) also dropped, from 15% to 2%.
- Education (infrastructures, services, investments) also fell from 13% to 3%.
- Finally, the transport sector (material and infrastructures) only received aid of any significance in 1987 (49%).

One factor which could gain in importance over the coming years is the restructuring of debt (the first instance being in 1989 at 6%).

This distribution according to sectors shows clearly that the proportion of project aid plummeted in 1989 (from 90% to 85%) in favour of programme aid (structural, budgetary, import aid, SAP) and refunding of debt. The distribution also gives rise to questions regarding the orientation of aid in a country where there is still so much to be done with respect to transport and communications infrastructures (1,300 km north to south and 700 km east to west in southern Cameroon) and improving the level of training; the scant proportion of aid devoted to transports (except in 1987) and the reduction of the percentage of aid in the fields of education and technical cooperation appear rather disquieting.

20.2 SECTORAL BREAKDOWN OF PDF ALLOCATIONS

%

Sectors	1986	1987	1988	1989
Education	13	1	2	3
Health		1	4	1
Infrastructures and social services	3	12	8	18
Distribution of water + rehabilitation	6		4	2
Energy	15	1	8	2
Telecommunications		4	5	
Transport	3	49	2	6
Agriculture	11	9	28	14
Manufacturing industries	3	1		1
Trading, banking, tourism	1		1	1
Technical cooperation	29	21	23	10
Multisectoral destination			5	1
Programme aid	14		10	36
Debt restructuring				6
Total (rounded)	100	100	100	100

Source: OECD, Geographic distribution of financial resources put at the disposal of developing countries

PDF = public development funding

On the basis of figures supplied by the local UNDP agency in Cameroon, a distinction can be made between **capital** (financial aid, in the form of loans, subsidies and tangible assets) and **technical assistance** (or cooperation). This results in the following distribution:

Payments (%)	1986	1987
Capital	64.5	58.7
Technical assistance	35.5	41.3

Besides these two categories there is also aid in the form of food products, though this is negligible in the case of Cameroon (1.1% of the total in 1986).

In the OECD statistics (cf. table 20.1) technical cooperation is listed under donations, this being the usual form under which it is provided. In this case only pure technical cooperation is concerned (cf. above for the definition of the term) and not that associated with an equipment project. Generally 60 to 65% of all donations fall under technical cooperation, though the figure was 73% in 1981, 56% in 1985 and only 31% in 1989. The share of technical cooperation donations in NFPS varied between 24 and 36% depending on the year, except for 1989 when it fell to 16.5%.

The UNDP figures provide a breakdown of the share of technical assistance in the various sectors (payments 1987):

1	Economic policy and planning	30.3%
2	Natural resources	100.0
3	Agriculture, forestry and fisheries	35.7
4	Industry	73.8
5	Transport, traffic and communications	13.8
6	Foreign trade and international finance	2.0
7	Population	83.9
8	Infrastructures and equipment	3.9
9	Health	95.9
10	Education	92.0
11	Humanitarian aid	100.0
12	Social affairs and human rights	100.0
13	Culture	46.4
14	Science and technology	<u>100.0</u>
	TOTAL	41.3

Where figures are below 100% the complement corresponds to contributions to capital which were especially high in the sectors 1, 3, 5, 6, 8 and 13.

The share of loans in total aid allocated to each sector can also be broken down with the help of data gathered by the EC delegation (cumulated allocations between 1985 and 1989):

1	Energy and natural resources	91.2%
2	Industry and telecommunications	79.2
3	Agriculture and rural development	60.8
4	Transport infrastructures	89.5
5	Education, training, studies	13.9
6	Health and social infrastructures	35.9
7	SAP	91.2
8	Miscellaneous	<u>12.9</u>
	TOTAL	69.5

The complement bringing the figures up to 100 corresponds to donations which were especially high in the sectors 5, 6, 8 and to a certain extent 3 (40%). It can be seen that sectors 1 to 4 are productive sectors as opposed, in particular, to sectors 5 and 6 which are not directly productive. The productive sectors receive more aid and the other sectors more donations; they absorb 61% of the total aid provided.

20.3 SOURCES OF FUNDS

Public aid to Cameroon derives from either multilateral or bilateral sources. The distribution (OECD) of the accumulated aggregates over three-year-periods is the following:

Creditors	Unit	PDA allocations			Net PDA payments			NFPS payments		
		81-83	84-86	87-89	81-83	84-86	87-89	81-83	84-86	87-89
Multilateral...	mil. US\$	152.7	96.7	366.2	151.2	99.3	249.3	224.9	266.0	443.3
	%	22.6	13.0	28.8	27.9	17.4	25.8	30.0	34.7	33.0
Bilateral	mil. US\$	522.6	648.3	904.2	390.5	471.5	716.8	525.3	499.9	898.6
	%	77.4	87.0	71.2	72.1	82.6	74.2	70.0	65.3	67.0
Total.....	mil. US\$	675.1	745.0	1270.4	541.7	570.8	966.1	750.2	765.9	1341.9
	%	100	100	100	100	100	100	100	100	100

In dollars, there is an overall rise in all cases. It is particularly high when one compares the period 1987-89 to the preceding period (1984-86): between 69 and 79% depending on the aggregates. In CFA francs, the growth is much less strong on account of the sharp fall of the dollar (-26%). With regard to multilateral resources there was a downward slide in terms of dollars over the period 1984-86 compared to the preceding period with respect to PDA allocations and net PDA payments; in CFA francs this drop (-34 to -37%) was partially compensated by the rise in the dollar (+26%). On the bilateral level, however, it was the net NFPS payments which fell in 1984-86 (-4.8%), which was largely overcompensated by the high rate of the dollar. If one compares the end of the decade to its beginning, the multilateral share rose in comparison to the bilateral share except for net public development aid payments. At the end of the period, the share of multilateral PDA was 26% (net payments) to 29% (allocations), while that of multilateral NFPS was one third, due to the high proportion of OFPS in this case; other funds came from bilateral sources.

Table 20.3 shows a breakdown of the resources according to sponsors for the same period and the same aggregates. Apart from PDA allocations in 1984-86, the funds provided in dollars by the EC rose from one period to the next. For the period of 1987-89 this gives, in million ECU: PDA allocations, 839; net PDA payments, 658; NFPS, 760. Of the total funds received by Cameroon the part provided by the EC rose (from 9 to 13 points according to the aggregates for 1981-83 to 1987-89); at the end of the decade it was 76% for PDA (allocations) and 78% (net payments), but the share of NFPS is only 65% because of the significance of multilateral net OFPS outside the EC (World Bank, ADB and EDF). The multilateral share of the European Community (EDF, EIB, CEC) rose sharply especially in 1987-89, both in terms of absolute value (payments amounting to 175 million ECU; PDA allocations, 239 million ECU or growth rates of 300 to 500%) and in relative value (PDA: 21% or +12 to 14 points; NFPS: 16% or +9 points). From then on it represented three quarters (allocations) or more (payments) of multilateral PDA received by Cameroon, though with respect to NFPS payments it accounted for less than half (47%). These shares are rising.

Community bilateral aid is much higher than the multilateral funds. Even if its share of PDA is decreasing (allocations 1987-89 64%, -4 points; net payments 58%, -1 point) and that of NFPS payments is stagnating (49%), it still plays a primordial role in Cameroon's resources. In dollar

terms, the rise is significant, between +74% and +79% (1987-89/1981-82); in CFA francs it is due to the 6.4% drop in the dollar rate. At present, member states of the European Community provide around three quarters of all Cameroon's bilateral resources, and this share is increasing except for net PDA payments (1987-89/1981-83). Within this group of companies (seven, to which should be added Spain, cf. section 1), several of them assume special significance. First and foremost Germany where the amount of funds provided (PDA allocations 1987-89, US\$ 181.7 million) is growing (+100%, PDA allocations +237%, NFPS +344%) and whose share is also rising (allocations 14%, +1 point; payments 12%, +6 to 7 points). Next is France, the premier provider of funds to Cameroon (US\$ 343 million of PDA allocations in 1987-89) where the amount of funds provided is rising (+40.5%; +27.5%; +13.1%) though its share is dropping (27%, 29% and 23% or -9, -12 and -13 points). Finally Italy, which starting from a very low level (less than 1%, and in some cases even negative), accounted for 6% to 8% of aid received by Cameroon in 1987-89, though the OFPS net payments for this country are negative.

20.3 PDA ALLOCATIONS, NET PDA NET TFPS ACCORDING TO CREDITORS million US\$ and %

Creditors	Unit	PDA allocations			Net PDA payments			Net TFPS payments		
		81-83	84-86	87-89	81-83	84-86	87-89	81-83	84-86	87-89
EC:	mil. US\$	453.7	396.0	961.2	352.0	383.3	753.3	416.1	476.3	870.4
	%	67.2	53.2	75.7	65.0	67.2	78.0	55.5	62.2	64.9
Multilateral:	mil. US\$	64.3	31.5	274.0	31.9	46.4	195.8	47.2	75.9	209.1
(CEC, EDF, EIB)	%	9.5	4.2	21.6	5.9	8.2	20.3	6.3	9.9	15.6
Bilateral:	mil. US\$	389.4	364.5	687.2	320.1	336.9	557.5	368.9	400.4	661.3
	%	57.7	49.0	54.1	59.1	59.0	57.7	49.2	52.3	49.3
Belgium:	mil. US\$	24.1	20.2	23.4	20.1	20.5	27.8	20.1	21.4	30.5
	%	3.6	2.7	1.9	3.7	3.6	2.9	2.7	2.8	2.3
Denmark:	mil. US\$	7.2	31.5		7.2	29.9	0.2	9.9	36.9	23.4
	%	1.1	4.3		1.3	5.2	€	1.3	4.8	1.8
Germany:	mil. US\$	90.6	51.3	181.7	36.2	45.6	122.0	37.3	87.0	165.5
	%	13.4	6.9	14.3	6.7	8.0	12.6	5.0	11.4	12.3
France:	mil. US\$	244.1	217.6	343.0	222.4	191.8	283.6	271.0	202.3	306.4
	%	36.2	29.2	27.0	41.1	33.6	29.4	36.2	26.4	22.8
Italy:	mil. US\$	3.7	31.4	80.2	2.4	24.8	76.7	-1.5	22.4	76.5
	%	0.5	4.2	6.3	0.4	4.4	7.9	-0.2	2.9	5.7
Netherlands:	mil. US\$	16.9	9.0	40.6	15.0	9.8	35.2	15.1	9.3	35.2
	%	2.5	1.2	3.2	2.8	1.7	3.7	2.0	1.2	2.6
United Kingdom:	mil. US\$	2.8	3.2	18.2	16.6	14.4	11.9	16.7	21.2	23.9
	%	0.4	0.5	1.4	3.1	2.5	1.2	2.2	2.8	1.8
Others:	mil. US\$	221.4	349.0	309.2	189.7	187.5	212.8	334.1	289.6	471.5
	%	32.8	46.8	24.3	35.0	32.8	22.0	44.5	37.8	35.1
Multilateral:	mil. US\$	88.2	65.2	92.2	119.3	52.9	53.5	177.7	190.1	234.2
	%	13.1	8.7	7.2	22.0	9.2	5.5	23.7	24.8	17.4

For footnotes, please see end of table

20.3 PDA ALLOCATIONS, NET PDA NET TFPS ACCORDING TO CREDITORS
million US\$ and %

Creditors	Unit	PDA allocations			Net PDA payments			Net TFPS payments		
		81-83	84-86	87-89	81-83	84-86	87-89	81-83	84-86	87-89
of which:										
IBRD.....	mil. US\$				9.2	3.7		65.4	111.8	131.2
	%				1.7	0.6		8.7	14.6	9.8
IDA	mil. US\$	9.5			70.7	12.7	5.7	70.7	12.7	5.7
	%	1.4			13.1	2.2	0.6	9.4	1.7	0.4
UNPD	mil. US\$				16.0	12.1	16.6	16.0	12.1	16.6
	%				3.0	2.1	1.7	2.1	1.6	1.2
UNHCR	mil. US\$				15.4	4.6	5.6	15.4	4.6	5.6
	%				2.8	0.8	0.6	2.1	0.6	0.4
World Hunger Aid.	mil. US\$				5.0	8.3	7.0	5.0	8.3	7.0
	%				0.9	1.5	0.7	0.7	1.1	0.5
IFAD	mil. US\$	14.4		29.0	0.4	6.5	8.7	0.4	6.5	8.7
	%	2.1		2.3	0.1	1.1	0.9	0.1	0.8	0.6
ADB, ADF.....	mil. US\$	16.1	23.4	23.6			2.1	0.2	30.1	48.3
	%	2.4	3.1	1.9			0.2	€	3.9	3.6
Bilateral	mil. US\$	133.2	283.8	217.0	70.4	134.6	159.3	156.4	99.5	237.3
	%	19.7	38.1	17.1	13.0	23.6	16.5	20.8	13.0	17.7
of which:										
Canada.....	mil. US\$	35.8	136.2	57.9	36.3	52.0	59.8	92.2	31.4	157.8
	%	5.3	18.3	4.6	6.7	9.1	6.2	12.3	4.1	11.8
USA.....	mil. US\$	46.0	83.1	90.0	34.0	43.0	71.0	64.0	29.0	51.0
	%	6.8	11.2	7.1	6.3	7.5	7.3	8.5	3.8	3.8
Switzerland.....	mil. US\$	14.7	15.4	13.0	6.2	17.2	16.0	6.2	17.2	16.0
	%	2.2	2.1	1.0	1.1	3.0	1.7	0.8	2.2	1.2
Japan.....	mil. US\$	1.6	22.7	48.3	1.5	8.1	15.6	1.5	8.1	15.6
	%	0.2	3.0	3.8	0.3	1.4	1.6	0.2	1.1	1.2
Total.....	mil. US\$	675.2	744.9	1270.3	541.7	570.8	966.1	750.1	765.8	1341.9
	%	100	100	100	100	100	100	100	100	100
EC: multilateral	%	42.2	32.6	74.8	21.1	46.7	78.5	21.0	28.5	47.2
bilateral	%	74.5	56.2	76.0	82.0	71.5	77.8	70.2	80.1	73.6

Source: OECD, geographic distribution of financial resources put at the disposal of developing countries

PDA: public development aid

TFPS: total flow public sector

NB.: besides rounded figures there are also negative values

The share of financing whose origin is outside the EC is falling (from 33% to 24%, from 35% to 22% and from 44% to 35%) even though the dollar values are rising (+40%, +12%, +41%). The proportion of multilateral funds from beyond the EC is also falling; in 1987-89 it was at 7.5% and 17% (PDA: allocations and net payments; net NFPS); in the first and the last aggregate the dollar values rose (+4.5%, +31.8%), while net PDA payments fell drastically (-55%). At present, the greater part (more than three quarters) of these multilateral funds is made up of OFPS and not of PDA in the strictest sense (cf. definition in section 1), this being in particular due to the very marked reduction in IDA credit. The main multilateral sources are the World Bank (US\$ 131.2 million, 9.8% in 1987-89) and the ADB and EDF (48.3, 3.6%) whose contributions are rising.

The share of bilateral funds from outside the EC is dropping except for net PDA payments where it is rising. At present (1987-89) the share accounts for roughly 17%. Funds provided in dollars are increasing (+63%, +126%, +52%). This group includes two countries in particular. First, Canada whose share is falling though the sums involved are rising (1987-89: 4.6%, 6.2% and 11.8%). Next comes the USA whose share and its value are rising with respect to PDA but the reverse is the case with net NFPS payments; this is due to the fact that, from 1984-86 net OFPS payments went into reverse (shares of the aggregates for 1987-89: 7.1%, 7.3% and 3.8%).

From the data provided by the Ministry of Planning and Regional Development (MPRD) it is possible to ascertain for certain budget years the currencies of the loan allocations (and therefore the repayments) with respect to multilateral and bilateral financial cooperation.

Currencies (%)	1988-89	1990-91
ECU (multilateral EC)	15.3	
BFr	6.0	
DM	2.1	27.4
FFr	44.7	52.5
Lit	4.0	
Hfl	2.1	
Sub-total (bilateral EC)	58.9	79.9
Total (EC)	74.2	79.9
SDR	1.8	
UC (ADF)	0.6	
Sub-total (multilateral excluding EC)	2.4	
CAN\$		4.2
US\$	23.1	15.9
Miscellaneous	0.3	
Sub-total (bilateral excluding EC)	23.4	20.1
Total (excluding EC)	25.8	20.1
Grand Total	100.0	100.0

In three quarters to four fifths of cases loans are taken out in European Community currencies. In particular it can be noted that the French franc rates very high, as do, depending on the years, the German Mark and the ECU. Excluding the EC, the main currency concerned is the United States dollar. It should be pointed out that some loans are listed in currencies other than those of the actual providers of funds.

MPRD data also gives an indication, for allocations of bilateral loans, of those originating with governments and those with banks:

Source (%)	1988-89	1990-91
Governments	65.6	99.4
Banks	34.4	0.6
Total.....	100.0	100.0

If the Ministry of Planning's data is correct, the share of governments/banks was approximately two thirds and one third in 1988-89, banking loans having almost completely disappeared in 1990-91.

Based on data collected by the EC delegation the cumulated allocations of 1985-89 can be broken down according to providers of funds and whether these funds were donations or loans. This distribution is shown in table 20.4 in terms of relative value in relation to the grand total and to the total for each source of financing. According to this data, the EC share of donations 56% of which 14% are multilateral (EDF and CEC) and 42% are bilateral. France alone supplied 23.6% of the donations; as regards other providers of funds (44%) the greater part is bilateral (40%) especially from the USA (22.4%) and Canada (14.5%). As far as total donations are concerned, the bilateral aspect is preponderant (82%). With respect to loans, the EC share is 40%, of which 9.6% is multilateral (EDF and CEC: 8.1%) and 30.5% is bilateral, France alone providing 18% of loans. As regards other sponsors (60%), contrary to the situation with donations, the greater part in this case is multilateral (56%) covered by the World Bank (40.6%) and the ADB (15.5%). In global terms, two thirds of all loans derived from multilateral sources and one third from bilateral sources.

20.4 ALLOCATIONS OF DONATIONS AND LOANS PER SPONSOR FROM 1985 TO 1989

Sponsor	% / Total		% / Sponsor	
	Donations	Loans	Donations	Loans
EC	56.2	40.1	38.1	61.9
Multilateral (total)	14.4	9.6	39.6	60.4
EDF, CEC.....	14.4	8.4	42.8	57.2
EIB.....		1.2		100.0
Bilateral (total).....	41.8	30.5	37.6	62.4
Belgium.....	3.7	0.7	68.8	31.2
Germany.....	6.1	6.4	29.6	70.4

20.4 ALLOCATIONS OF DONATIONS AND LOANS PER SPONSOR FROM 1985 TO 1989

Sponsor	% / Total		% / Sponsor	
	Donations	Loans	Donations	Loans
Spain.....	0.1	0.8	4.4	95.6
France.....	23.6	18.1	36.4	63.6
Italy.....	5.3	2.7	46.7	53.3
Netherlands.....	1.5	1.5	30.9	69.1
United Kingdom.....	1.5	0.3	68.2	31.8
Others.....	43.8	59.9	24.3	75.7
Multilateral (total).....	4.0	56.1	3.1	96.9
of which:				
BIRD.....		40.6		100.0
ADB.....	0.2	15.5	0.6	99.4
UN, UNPD.....	3.6		100.0	
Bilateral (total).....	39.8	3.8	82.2	17.8
of which:				
Canada.....	14.5		100.0	
USA.....	22.4	2.1	82.5	17.5
Switzerland.....	1.4	0.6	50.8	49.2
China (People's Republic).....	0.5	1.0	19.2	80.8
Total.....	100.0	100.0	30.5	69.5
Multilateral.....	18.4	65.7	10.9	89.1
Bilateral.....	81.6	34.3	51.2	48.8

Source: EC Delegation to Cameroon, foreign public aid accorded to Cameroon

Funds provided by the EC can be broken down into 38% of donations and 62% of loans. In this context there is very little difference within the EC between multilateral and bilateral; EDF and CEC funds are 43% donations and those of the EIB are 100% loans. Among the EC countries, the distribution of donations/loans is as follows: Spain providing almost exclusively loans, 30/70 for Germany and the Netherlands, 36/64 for France, nearly 50/50 for Italy and 69/31 for Belgium and the United Kingdom (the reverse of the case with Germany and the Netherlands). As far as grants outside the EC are concerned, three quarters of the funds are supplied in the form of loans, with the multilateral sector according on loans almost exclusively (World Bank, ADB) except for the United Nations (donations). In contrast, the bilateral sector supplies mainly donations (82%): exclusively in the case of Canada, more than 80% as regards the USA, half for Switzerland, but, in contrast, less than 20% for China. Finally, a total of 70% of funds supplied to Cameroon are in the form of loans and 30% of donations. In global terms, multilateral funding is mainly loans (89%), while the bilateral sector is distributed fairly evenly between donations and loans.

Another way of highlighting the distribution of donations/loans is to list PDA allocations in terms of concessionary rate (rather than the NFPS as given above) for each provider of funds. The concessionary element illustrates at the same time the relative importance of donations in total PDA and the significance of non-repayable contributions contained in PDA loans. Seen from this angle (cf. table 20.5), over the 1986-89 period, multilateral PDA was more "generous" (93.8% to 99.8%) than bilateral PDA (69.0% to 85.2%) and that for the EC (73.4% to 80.9%) the concessionary element was less than in the PDA of all donators (74.1 to 86.3%). In general, it can be said that those who give least do so more generously than those who give the most; this points to a choice being made between giving more aid or donating more, and that providers of funds feel unable to do both. The countries which opted for a policy of donation are Belgium, Ireland, the United Kingdom as well as Canada, the USA, Switzerland and Japan. Those whose policy varies from year to year are Italy and the Netherlands. Germany and France, the two major suppliers of PDA, systematically combine donations and loans.

20.5 PDA CONCESSIONARY RATES PER CREDITOR/SPONSOR %

Creditor/sponsor	1986	1987	1988	1989
EC (bi- and multilateral)	80.9	73.4	78.5	79.4
Belgium	93.7	100.0	100.0	100.0
Denmark	74.5			
Germany	82.3	56.7	71.2	73.8
France	73.8	80.5	55.0	58.5
Ireland	100.0	100.0	100.0	
Italy	100.0	100.0	73.1	85.8
Netherlands	100.0	64.0	67.9	100.0
United Kingdom	100.0	100.0	100.0	100.0
Canada	100.0	100.0	100.0	100.0
USA	91.2	97.0	100.0	100.0
Switzerland	100.0	100.0	100.0	100.0
Japan	100.0	39.3	100.0	100.0
Total	86.3	74.1	81.1	83.9
Multilateral	93.8	94.8	99.8	98.6
Bilateral	85.2	69.0	69.9	78.4

Source: ECD, geographic distribution of financial resources put at the disposal of developing countries

According to a survey, carried out by the EC delegation, of all allocations between 1985 and 1989, a breakdown can be made according to sectors (8) of the funds provided by each source (19). Table 20.6 shows the relative values resulting from this analysis. First and foremost, they reveal the main sources of financing for each sector:

- Energy and natural resources: two thirds of the funds are bilateral. The EC plays a leading role here (nearly 80%) especially on a bilateral level (59%), in particular Spain (13%), France (24%) and the Netherlands (16.8%). On a multilateral level the main sources are the EIB (20%) and the ADB (13%).
- Industry and telecommunications: in this sector France takes the lead with 80%. Total bilateral funds amount to 88.5%.
- Agriculture and rural development: multilateral funds in this sector make up 52.6%. More than two thirds of the funds come from outside the EC, especially from the World Bank (31.7%) and the USA (23.7%). France's share is 16%.
- Transport infrastructure: two thirds of the resources are multilateral from outside the EC (60%). The main provider of funds is the World Bank (46%). In the EC (31.5%) the countries concerned are primarily Germany (12.5%) and France (10%).
- Education training and studies: altogether 89% of funds are bilateral, in particular from the EC (56.3%) and especially France (40.6%). Canada also provides a large share (21%).
- Health and social infrastructures: here again, bilateral funding is preponderant (87%). The EC accounts for 57%, especially France (19.5%) and Italy (20.3%). Outside the EC, major funds are provided by the USA (14.8%) and Switzerland (13%).
- More than half of the "miscellaneous" items refer to Canada (multisectoral aid; 51.5%).
- Aid directed at the structural adjustment programme (non-project aid, non-allocated) is generally multilateral (71.7%), with 52% coming from outside the EC, mainly from the World Bank (20.8%) and the ADB (21.3%). Within the EC, the main organizations concerned are the EDF and the CEC (STABEX; 21.3%) as well as the country France (17.3%).

Table 20.6 also shows the concentration of resources for each provider of funds:

- Multilateral funds are generally allocated to transport (35%), the SAP (30.4%) and to agriculture (27.6%). Bilateral financing is mainly directed at agriculture (26%), education (20.8%) and transport (18%).
- Priority targets for European Community funding are transport (24%), the SAP (23.3%), agriculture (18.6%) and education (14.2%). Outside the EC these are mainly agriculture (33.7%), transport (29%) and the SAP (20.5%).
- European multilateral funding contributes mainly to the SAP (STABEX; 41.8), agriculture (27.9%) and transport (21.7%). The organizations concerned are the EDF and the CEC, the EIB having provided funds only for the energy sector.

TABLE 20.6 DISTRIBUTION OF ALLOCATIONS PER CREDITOR AND SECTOR
1985 - 1989 (%)

Creditor	Energy and natural resources		Industry and telecommunications		Agriculture rural development		Infrastructures transport		Education training studies		Health, social infrastructures		Miscellaneous		SAP	
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
EC.....	78.8	7.4	81.9	5.0	31.2	18.6	40.5	24.1	56.3	14.2	57.0	5.0	46.5	2.4	48.2	23.3
Multilateral.....	19.8	7.6	0.3	0.1	11.5	27.9	9.0	21.7			1.2	0.4	2.6	0.5	21.3	41.8
EDF, CEC.....			0.3	0.1	11.5	30.2	9.0	23.5			1.2	0.4	2.6	0.6	21.3	45.2
EIB.....	19.8	100														
Bilateral.....	59.0	7.4	81.6	6.6	19.7	15.6	31.5	24.8	56.3	18.9	55.8	6.5	43.9	3.0	26.9	17.2
Belgium.....					0.8	12.4	1.9	32.0	4.6	32.1	5.4	13.1	7.3	10.4		
Germany.....			1.2	0.5	2.5	10.9	12.5	53.1	6.1	11.0	10.0	6.3	8.1	3.0	4.4	15.2
Spain.....	13.0	95.6							0.1	1.1	0.5	3.3				
France.....	24.0	5.1	80.4	11.1	16.2	22.0	10.1	13.7	40.6	23.4	19.5	3.9	14.3	1.7	17.3	19.1
Italy.....							5.7	43.9	0.1	0.5	20.3	23.1			5.2	32.5
Netherlands.....	16.8	47.4			0.2	3.9	1.3	22.4	0.6	4.2	0.1	0.3	14.2	21.8		
United Kingdom.....	5.2	31.8							4.2	68.2						
Others.....	21.2	1.6	18.1	0.9	68.8	33.7	59.5	29.0	43.7	9.0	43.0	3.1	53.5	2.2	51.8	20.5
Multilateral.....	14.5	1.5	11.2	0.8	41.2	27.5	58.0	38.6	10.8	3.1	11.9	1.1	1.5	0.1	50.5	27.3
of which:																
IBRD.....					31.7	30.3	45.8	43.4	10.3	4.2					28.8	22.1
ADB.....	13.2	5.2			7.9	19.5	11.4	28.2			11.9	4.3			21.3	42.8
UN, UNPD.....	1.3	4.8	11.2	27.8	1.3	32.1	0.8	19.5	0.5	4.7	€	€	1.5	3.3	0.4	7.8
Bilateral.....	6.7	1.9	6.9	1.3	27.6	50.3	1.5	2.8	32.9	25.3	31.1	8.3	52.0	8.1	1.3	2.0
of which:																
Canada.....					1.0	5.8	0.9	5.8	20.9	53.7	0.8	0.7	51.5	27.0		
USA.....	2.8	2.7	6.9	4.3	23.7	77.1			9.0	12.3	14.8	7.1			1.3	3.5
Canada.....					0.4	14.8	0.5	15.2	0.6	8.2	12.9	61.8				
China (PR).....					2.5	80.8	0.1	5.0	0.1	1.7	2.6	12.5				
Multilateral.....	34.2	2.8	11.5	0.6	52.6	27.6	66.9	35.0	10.8	2.4	13.0	1.0	4.2	0.2	71.7	30.4
Bilateral.....	65.7	5.7	88.5	5.0	47.4	26.1	33.1	18.2	89.2	20.8	87.0	7.0	95.8	4.6	28.3	12.6

Source: EC Delegation to the Republic of Cameroon, public foreign aid accorded to Cameroon

- Bilateral European funding concentrates on transport (24.8%), education (19%), the SAP (17.2%) and agriculture (15.6%). Within the European Community priorities are the following for the different countries:

EC country (%)	Energy	Agriculture	Transport	Education	SAP
Belgium.....			32.0	32.1	
Germany.....			53.1		
Spain	95.6				
France		22.0		23.4	19.1
Italy			43.9		32.5
Netherlands.....	47.4				
United Kingdom.....	31.8			68.2	

- Outside the EC the priorities for multilateral funding are transport (38.6%), agriculture (27.5%) and the SAP (27.3%). The World Bank concentrates on transport (43.4%) and agriculture (30.3%), while the ADB targets the SAP (42.8%) and transport (28.2%) and the United Nations favour agriculture (32%) and industry (27.8%).
- Non-EC countries direct their financing at agriculture (half) and education (quarter). The sectoral concentration for the main countries concerned is as follows:

Non-EC country %)	Agriculture	Education	Health
Canada.....		53.7	
USA.....	77.1		
Switzerland.....			61.8
China (People's Republic).....	80.8		

20.4 MULTILATERAL AID PROGRAMME OF THE EUROPEAN COMMUNITY

20.4.1 HISTORY

Cameroon has been receiving Community aid through the EDF since 1985 (table 20.7). Between 1985 and 1989, aid was distributed as follows:

		Allocation %	Payment %
• Treaty of Rome,	1st FED, 01.01.58 ss:	9.1	10.9
• Yaoundé I,	2nd FED, 01.07.64 ss:	9.6	11.5
• Yaoundé II,	3rd FED, 01.01.71 ss:	10.6	12.7
• Lomé I,	4th FED, 01.04.76 ss:	12.9	14.6
• Lomé II,	5th FED, 01.01.81 ss:	21.1	18.5
• Lomé III,	6th FED, 01.05.86 ss:	<u>36.7</u>	<u>31.8</u>
TOTAL		100.0	100.0

In total, 575 million ECU were allocated and 480 paid (83.5%). In the course of time, development aid partly overlaps, since one EDF might start while the funds of the preceding one had not yet been fully utilized. The distribution per year of allocations (1980-90: 421.9 million ECU) and payments (1986-89: 176 million ECU), irrespective of the EDF concerned, is shown in table 20.8. The total volume of allocations for indicative programmes (IP) of the fourth and fifth EDF was finalized in 1988, and all projects under the first four EDFs have now been completed. At the end of 1989, 74% of the global IP envelope for the sixth EDF had been allocated and 16.2% paid out (22% of the allocations) as compared to 3.15% a year earlier. Allocation and payment targets were not reached due to problems relating to programme conceptions; administrative bottlenecks delayed the implementation of the programmes and projects, which in turn slowed down the rate of payments. Provision had, however, been made for a total rate of allocation of 100% by the end of 1990 (cf. table 20.10). The reallocation in 1989 of 20% of the volume of IP action to the structural adjustment programme (SAP) should allow the rate of payment to be accelerated.

Over the period 1985-89, the distribution according to the instrument of EDF actions (cf. table 20.7) is given below:

	Allocation %	Payments %
• Indicative Programme:	64.4	58.2
• STABEX:	29.4	35.1
• Allowance for interest:	4.4	4.6
• Risk capital:	1.1	1.3
• Extraordinary emergency aid:	0.7	0.8
TOTAL	100.0	100.0

The distribution for the last decade is as follows (cf. table 20.8):

	Allocation 1980-90 %	Allocation 1986-89 %	Payments 1986-89 %
• Projects	23.5	25.0	} 23.4
•			
• Special loans	13.1	14.3	} 76.6
• STABEX	52.2	58.6	
• Other instruments (technical assistance, cultural cooperation. etc.)	2.2	2.1	—
TOTAL	100.0	100.0	100.0

As can be seen, STABEX is increasing in importance, especially as regards payments which are being effected much more rapidly than for project aid implemented within the framework of the indicative programme. Special loans run for a period of 40 years with a repayment deferral of 10 years and at an interest rate of 1%.

Between 1986 and 1989, and within the scope of Lomé III (sixth EDF) and the CEC budget, the distribution of financing is listed below (cf. among others table 20.7):

	million ECU	%
• Programme aid	74.9	34.5
• Non-programme aid	136.3	62.7
STABEX	135.1	62.2
Risk capital	1.0	0.5
Special aid (emergency and refugee aid)	<u>0.2</u>	€
• Total EDF	211.2	97.2
• Aid deriving from the CEC budget	6.1	2.8
Food supply aid	3.7	1.7
Aid for NGOs	<u>2.4</u>	<u>1.1</u>
• Total aid	217.3	100.0

20.7 EDF ACTIONS (1958 - 1989)
million ECU and %

EDF	IP	STABEX	Allowance on interest	Risk Capital	Emergency or non-prog. aid	Total
1st EDF.....	52.1					52.1
Allocation	52.1					52.1
Payments.....	52.1					52.1
A/IP (%)	100					100
P/A (%)	100					100
No. of projects	33					33
A/project	1.6					1.6
2nd EDF	55.4					55.4
Allocation	55.4					55.4
Payments.....	55.4					55.4
A/IP (%)	100					100
P/A (%)	100					100
No. of projects	38					38
A/project	1.5					1.5
3rd EDF	60.1					
Allocation	60.1					
Payments.....	60.1		0.5	0.5		61.1
A/IP (%)	100					
P/A (%)	100					
No. of projects	31		3	1		35
A/project	1.9					

For footnotes, please see end of table

20.7 EDF ACTIONS (1958 - 1989) (cont.)
million ECU and %

EDF	IP	STABEX	Allowance on interest	Risk Capital	Emergency or non-prog. aid	Total
4th EDF	59.0					
Allocation	59.0	4.1	4.1	4.7	2.3	74.2
Payments	54.7	4.1	4.1	4.7	2.3	69.9
A/IP (%)	100					
P/A (%)	92.7	100	100	100	100	94.2
No. of projects	34	2	6	3	2	
A/project	1.7	2.1	0.7	1.6	1.2	
5th EDP	69.0					
Allocation	68.9	29.6	20.9		1.6	121.0
Payments	40.7	29.0	17.6		1.6	88.9
A/IP (%)	99.9					
P/A (%)	59.1	98.0	84.2		100	73.5
No. of projects	29	6	7		1	
A/project	2.4	4.9	3.0		1.6	
6th EDP	101.0	135.1		1.0	0.2	211.2
Allocation	74.9	135.1		1.0	0.1	152.6
Payments	16.4					
A/IP (%)	74.2	100		100	93.9	72.1
P/A (%)	21.9	4			2	
No. of projects	22	33.8			0.1	
A/project	3.4					
Total	396.6					
Allocation	370.4	168.2	25.5	6.2	4.1	575.0
Payments	279.4	168.2	22.2	6.2	4.0	480.0
A/IP (%)	93.4					
P/A (%)	75.4	99.6	87.1	100	97.6	83.5
No. of projects	187	12	16	4	5	
A/project	2.0	14.1	1.6	1.3	0.8	

Source: EC Delegation, Cooperation Cameroon - European Community Annual Report 1989

IP: indicative programme

Regarding STABEX, the figures relate to the number of payments and not the number of projects.

For 74.9 million ECU of financing resolutions (IP), the corresponding allocation was 29.3 million (39.1%) and payment was 16.4 (21.9%; 56.0%). At the same time (end '89), the figures for Lomé II were 62.4%, 59.1% and 94.7% respectively. Programmed aid under Lomé II represents only a little more than a third of total aid provided, the rest deriving essentially from STABEX, while the CEC budget accounts for less than 3%. In 1989-90, Cameroon benefited in total by 5.4% of all gross multilateral payments in PDA from the EC.

During the period 1960-89, the distribution of Community aid according to sectors (cf. table 20.9) is as follows:

	%
• Transport infrastructure	28.9
• Rural sector	21.5
• Social projects (education, health)	6.4
• STABEX	13.8
• EIB	27.5
• Others	<u>1.9</u>
• TOTAL	100.0

The total corresponds to 644 million ECU (225 billion CFA francs) which went towards the financing of 80 major projects, giving an average of 2.3 billion CFA francs per project. Project aid was largely concentrated (more than half) on transport infrastructures and the rural sector.

With respect to allocations in the years 1986-90 (322.6 million ECU) the breakdown is as follows (cf. table 20.8):

	%
• Transport and communications	17.4
• Rural development	14.8
• STABEX and special aid	<u>67.8</u>
• TOTAL	100.0

20.8 COMMUNITY ACTIONS 1980 - 1990

million ECU and %

Year/nature/sector	Allocations	Payment
1980.....	5.5	
1981.....	12.5	
1982.....	29.6	
1983.....	24.1	
1984.....	19.7	
1985.....	7.9	
1986.....	15.2	14.4
1987.....	27.8	18.2
1988.....	129.6	52.4
1989.....	78.6	91.0
1990.....	71.4	
Total 1980 - 1990.....	421.9	

For footnote, please see end of table.

20.8 COMMUNITY ACTIONS 1980 - 1990
million ECU and %

Year/nature/sector	Allocations	Payment
Projects	23.5%	
Special loans.....	13.1%	
STABEX.....	54.2%	
Other instruments	9.2%	
Total 1986 - 1990	322.6	
Rural development.....	14.8%	
Transport and communications .	17.4%	
Special aid and STABEX	67.8%	
Total 1986 - 1989	251.2	176.0
Projects	25.0%)
)
Special loans.....	14.3%)
STABEX.....	58.6%	76.6%
Other instruments	2.1%	

Source: CEC

20.9 MULTILATERAL EC ACTIONS PER SECTOR (1960 - 1989)

Sectors	Million ECU	%	No. of projects	Average per project (mil. ECU)
Infrastructures	186.4	28.9	23	8.1
Roads	87.8	13.6	10	8.8
Bridges.....	14.7	2.3	4	3.7
Railways	73.9	11.5	7	10.6
Ports and miscellaneous	10.0	1.5	2	5.0
Rural economy.....	138.6	21.5	21	6.6
Rural development.....	124.3	19.3	14	8.9
Environment and forests.....	1.1	0.2	3	0.4
Agricultural industry	13.2	2.0	4	3.3
Social projects.....	41.4	6.4	20	2.1
Schools and colleges.....	23.1	3.6	11	2.1
Training	7.9	1.2	4	2.0
Health	10.4	1.6	5	2.1

For footnotes, please see end of table.

20.9 MULTILATERAL EC ACTIONS PER SECTOR (1960 - 1989)

Sectors	Million ECU	%	No. of projects	Average per project (mil. ECU)
Trade and industry	5.5	0.9	4	1,4
Technical assistance and studies	3.8	0.6		
Emergency aid	1.4	0.2		
STABEX	89.1	13.8		
NGO	1.4	0.2		
EIB	176.8	27.5		
from own resources	145.6	22.6	11	13.2
allowance on interest and risk capital.....	31.2	4.9		
Total	644.4	100.0	79	6.6

Source: CEC, Cameroon and the European Community, July 1989, p. 23)

The total corresponds to 225 billion CFA francs and the average to 2.3 billion CFA francs per project.

The implementation of the IP as negotiated in Lomé III (sixth EDF) resulted in allocations (as of 1989) being concentrated on the following sectors (cf. table 20.10):

	Allocations (%)	Targets (%)
• Infrastructures (transport and social)	41.1	34
• Rural development	38.4	46
• Sectoral (or special) programme for the import of fertilizers (SPIF)	20.0	15
• SAP	0.5	5
• TOTAL	100.0	100

While the share allocated to infrastructures is higher than that allocated to rural development (integrated programme), the SPIF, which is an integral part of the SAP, also concerns Cameroonian agriculture (development of the use of farming aids). To the 15 million ECU of allocations (7.7 of which have been paid out) for the SPIF under the IP, another 7 million were financed by transfers from STABEX. In global terms, IP financing is to be undertaken at a ratio of 70% subsidies and 30% special loans.

Cameroon also benefits from the implementation of the regional IP for Central Africa under Lomé III (cf. table 20.11) with a total volume of 90 million ECU (79 of which are subsidies and 11 special loans). The sectoral allocation at the end of the year 1989 (20 million ECU or a rate of allocation of 22%) was as follows:

	Allocations	Targets
Main sectors	53.5	85
• Regional transport and communications	42.2	55
• Environment: agriculture, forestry, fisheries	11.3	30
Other sectors	46.5	15
• Promotion of industry and trade	16.0	
• Cultural cooperation	1.0	
• Vocational training	29.5	—
TOTAL	100.0	100

An allocation rate of 90% was planned for the end of 1990, the difference as compared with 1989 to go entirely towards the main sectors.

20.10 IMPLEMENTATION OF INDICATIVE PROGRAMME DRAWN UP UNDER LOMÉ III (6TH EDP) million ECU and %

Target sectors	Allocations end 1989		Allocations end 1990 (provisional)		No. of projects	Average per project	IP	
	mil. ECU	%	mil. ECU	%		mil. ECU	mil. ECU	%
Rural development.....	28.8	38.4	46.3	45.9	6	7.7	46.5	46
Infrastructure (transport & social)	30.7	41.1	30.7	30.5	1	30.7	34.3	34
Sectoral import pro- gramme (fertilizers)	15.0	20.0	15.0	14.8			15.2	15
Structural adjustment programme	0.4	0.5	8.8	8.8			5.0	5
Total.....	74.9	100	100.8	100			101	100
Rate of allocation (%)....	74			100				
Subsidies							71	70
Special loans.....							30	30

The increasing importance of STABEX transfers has already been noted above. These rose between 1986 and 1990 to a total of 198.5 million ECU. These payments have been made in the context of losses in revenue on coffee and cocoa. The transfers are administered by an *ad hoc* convention between the Cameroon government and the EC delegation which requires the consent of both parties as to the utilization of the funds. At present, STABEX resources are allocated to the financing plan for harvest loans in support of the reform of agricultural channels as provided for in the SAP. The 26

billion CFA francs put at Cameroon's disposal in September 1989 for the year 1988 were earmarked for the financing of the cotton sector (6 billion, 23%) as well as coffee and cocoa (20 billion, 77%).

**20.11 IMPLEMENTATION OF REGIONAL INDICATIVE PROGRAMME
(CENTRAL AFRICA) OF LOMÉ III (6TH EDF)
million ECU and %**

Sectors	Allocations end 1989		Allocations end 1990 (provisional)		No. of projects	Average per project	IP	
	mil. ECU	%	mil. ECU	%		mil. ECU	mil. ECU	%
Main targets.....	10.7	53.5	71.7	88.5	14	5.1	76.5	85
Transport and communications	8.4	42.2	43.4	53.6	9	4.8	49.5	55
Environmental pro- tection and fisheries .	2.3	11.3	28.3	34.9	5	5.7	27.0	30
Other targets	9.3	46.5	9.3	11.5	8	1.2	13.5	15
Trade cooperation (industrial forum)	3.2	16.0	3.2	4.0	2	1.6		
Cultural cooperation....	0.2	1.0	0.2	0.2	3	0.07		
Training.....	5.9	29.5	5.9	7.3	3	2.0		
Total	20.0	100	81.0	100	22	3.7	90	100
Rate of allocation.....		22.2		90.0				
Subsidies.....							79	87.8
Special loans							11	12.2

Source: EC Delegation, Cooperation Cameroon/European Community annual report 1989

N.B. Included in a training project are 5 million ECU provided by the EIB from own resources.

Besides the funds administered by the CEC (EDF and budget), other funds allocated under subsequent agreements are managed by the European Investment Bank (EIB; cf. table 20.12). Between 1960 and 1989 (table 20.9) EIB loans amounted to 176.8 million ECU or 27.5% of total multilateral funding through the EC. The distribution according to treaties was the following:

%

• Yaoundé I	14.8
• Yaoundé II	8.7
• Lomé I	21.6
• Lomé II	<u>54.9</u>
TOTAL	100.0

As can be seen, the progression was especially marked during Lomé II. The type of loan can be broken down as follows:

	%
• Loan from own funds	83.4
• Special loan	13.4
• Conditional loans from risk capital	<u>3.2</u>
TOTAL	100.0

EIB loans are **usually granted** against its own funds. The terms generally include an interest rebate and deferral of payment. Their duration varies according to the nature of the project. The indicative loan programme under Lomé III covers 80 million ECU. However, at the end of 1989, no financing had been put into effect excepting one loan of 6.4 million ECU which was granted in February 1988 to the bank for the development of central African states (Banque de Développement des Etats de l'Afrique Centrale (BDEAC)) to fund profitable investments in the sectors of industry, mining and tourism. This allocation deficit could be related to the difficulties encountered by Cameroon in repaying prior loans (cf. chapter 19, section 3 and table 19.2).

At the end of 1989, multilateral cooperation between the EC and Cameroon appeared as follows:

Sectoral cooperation within the framework of treaties:

- Participation in the SAP: studies, support, SAD and SPIF.
- Rural development: six actions under way and four in preparation.
- Transport and communications: three current actions and additional measures regarding flight safety.
- Cultural cooperation both on a national and regional level.
- Cooperation (promotion) on trade.
- Industrial cooperation: financing of the third and fourth EC-Central African Industrial Forums (regional IP) and of 15 IDC actions (EIB and regional EDF).

Cooperation beyond the scope of treaties:

- Campaign against the cattle plague: two operations with a total volume of 2.3 million ECU.
- Programme to combat aids: 1.18 million ECU over three years.
- Research programme in the field of science and technology for development (STD): under STD II (1987-91) which covers medicine and health as well as tropical agricultural science, Cameroon receives aid through 13 projects with a total volume of 1.2 million ECU, of which 0.9 was paid out in the country itself.

TABLE 20.12 LOANS FROM THE EIB (1965 - 1985)
million ECU and %

Type of loan	Yaoundé I Treaty (1965-70)			Yaoundé II Treaty (1971-73)			Lomé I Treaty (1976-80)			Lomé II Treaty (1981-85)		
	Value	No. of projects	Average per project	Value	No. of projects	Average per project	Value	No. of projects	Average per project	Value	No. of projects	Average per project
Loans from own resources	11.3	6	1.9	5.9	3	2.0	32.6	6	5.4	95.7	7	13.7
..... %	43.8			38.5			86.7			100		
Special loan	14.5	4	3.6	8.9	1	8.9						
..... %	56.2			58.2								
Conditional risk capital loan				0.5	1	0.5	5.0	3	1.7			
..... %				3.3			13.3					
Total	25.8	10	2.6	15.3	5	3.1	37.6	10	4.2	95.7	7	13.7
..... %	100			100			100			100		

Source: EC Delegation, Cooperation Cameroon/European Community annual report 1989)

N.B.: Lomé III Treaty (IP of 80 million ECU, end 1989;

Loans from own resources: 5.7

Conditional risk capital loans: 0.2

6.4 million ECU

- Environmental protection programme for developing countries (EC): two actions in 1989 with total funding of 0.42 million ECU.
- Cofinancing by EC and European NGOs: 15 of these projects were implemented in 1989 for a sum of 0.7 million ECU, or 47.3% of the total cost which is 1.5 million, the difference being borne by the NGOs concerned.

20.4.2 COOPERATION ON STATISTICS: ISSEA

Working through the European Development Fund (EDF), the European Community contributes a considerable amount to the institute of statistics and applied economics (Institut de Statistique et d'Economie Appliquée (ISSEA)) in Yaoundé, as it has done since the institute was created in 1961.

Besides the actual construction of the school buildings, this support comprises technical and teaching assistance, the provision of material and bursaries.

Since 1985-86, support has been extended through the project "European Community Assistance to the Programme of Statistical Training for Africa", in parallel to the United Nations programme (PFSA), which is supervised and implemented by the economic commission for Africa (CEA) in Addis Ababa.

In the execution of the training aspect of its statistical cooperation programme the European Community relies on a network of institutions in Europe and in Africa ("CESD" network), of which ISSEA is a member as are other regional colleges for statistics in Africa.

Today, ISSEA, just as other schools elsewhere, is facing serious financial problems despite the excellent results it has achieved: 1,729 statisticians trained to different levels between 1961 and 1990. The institute will have to undergo certain reforms if it is to continue to fulfil its essential role in the training of statisticians in Africa.

20.4.3 NEW COOPERATION FRAMEWORK: THE LOMÉ IV TREATY

The Lomé IV treaty was signed on 15 December 1989 and came into force on 1 September 1991. The agreement was signed for a period of 10 years and not five, as had been the case for the preceding treaties. However, the financing protocol applies only to the first five years. The volume of aid was increased by 40% in nominal value and 20% in real terms.

Special loans have given way to non-refundable aid. Under the new terms, 92% of the aid provided for in the seventh EDF were not required to be repaid as against 70% in the sixth EDF. The remainder comprises loans in risk capital (8%).

The basic principles for allocation of aid are: concentration on a limited number of sectors, targeting of necessary measures and actions, as well as coordination with other providers of funds.

Planned aid represents 65% of total aid under the EDF. It is based on an indicative programme of Community aid covering the following main sectors:

- Rural development (priority).
- Technical cooperation.
- Support of development projects for local infrastructures (micro-projects).
- Programmes supporting structural adjustment by technical assistance in their implementation and by support in importation: sectoral import programmes (SIP) and general import programmes (GIP) covering periods of 8 to 12 months.
- Encouraging private investment: promotion, financing and support of investments.

Non-programmmed aid comprises:

- STABEX, which has been in existence since Lomé I. The sum allocated to it rose from 69% between Lomé I and II and by 108% between Lomé II and III. This time, between Lomé III and IV, the rise amounted to 62% (cf. chapter 17, section 4.3 and chapter 19, section 5).
- Emergency aid.
- Risk capital, managed by the EIB.
- Interest rebates on loans granted by the EIB from its own funds.
- Finally, cofinancing with NGOs and aid in the supply of food, projects which are financed from the CEC budget.

The EIB is active in the following areas: industry, mining, tourism, energy and infrastructures (transport and traffic, telecommunications). Under Lomé IV its resources increased by 37.5% and its loans are granted on more favourable terms: allowances for interest granted by the EDF have gone from 3 to 4% and the interest rates for borrowers have gone down from 5-8% to 3-6%. The risk capital involves either minority and temporary corporate interests, or quasi-capital contributions (loans at 3%).

20.5 MAJOR AID PROGRAMMES (BEYOND COMMUNITY INVOLVEMENT)

20.5.1 Germany

Between 1960 and 1991, Germany supplied 945.9 million DM of aid to Cameroon; 84.5% was allocated to financial cooperation and 15.5% to technical cooperation (personnel and equipment). Apart from a few donations, the funds for financial cooperation were provided mainly in the form of assorted loans at an interest rate of 0.75% for a duration of 40 years with a 10-year-deferral of repayment. Further aid was supplied in the form of goods to encourage economic restructuring. Future aid from Germany is currently conditional on the repayment of accumulated arrears connected with Cameroon's foreign debt due to this country (cf. chapter 19, section 3 and table 19.2).

20.5.2 France

Although France's share is lessening, this country is still the premier provider of aid to Cameroon; 1.8% of all gross PDA payments effected in 1989-90 were earmarked for Cameroon. France contributes substantially towards the restructuring of Cameroon's economy under the SAP and grants a certain measure of compensatory payments to French suppliers having to contend with arrears in payment on the part of Cameroon (cf. chapter 18, section 2.1 and chapter 19, section 5). French donations are effected through the French Ministry of Cooperation and Development and take the form of expenditure on personnel, financial contributions, subsidies, bursaries (for study, practical and research courses) and investment through the aid and cooperation fund (Fonds d'Aide et de Coopération (FAC)), a great part of this aid being devoted to education and training. Loans are granted through the Caisse Centrale de Coopération Economique (CCCE) and comprise either sectoral investments or contributions towards the implementation of the SAP.

20.5.3 USA

American aid programmes are effected through USAID which has maintained an agency in Cameroon since 1961. Aid programmes started gaining significance from 1975-78 onwards. Since 1987 all assistance provided by USAID is in the form of subsidies. These apply both to expenditure on equipment and to operating expenses, and aid can also be granted either within the framework of projects or outside projects (economic restructuring under the SAP). Current objectives involve, on the one hand, the development of private sectors with growth potential, and on the other hand, as a logical consequence, the reduction of state involvement in the economy and the encouragement of economic efficiency. In accordance with this policy, USAID is attempting to privatize the activities of various projects. Its main targets are the following:

- **Agriculture:** improvement of production through policy reforms (marketing, elimination of subsidies, coordination, etc.), through research and training programmes (four projects).
- **Education and human resources** (four projects).
- **Health and the population:** implementation of a national programme of primary health care (seven projects).
- **Private sector:** development of a market economy, privatization, liberalization, elimination of stabilization funds, loans. Among the four projects under this heading, two deserve a special mention: the reform programme for the sector of fertilizers (in collaboration with the EC (IP and STABEX), cf. 4.1) whose intent is to create a privatized market for the import, distribution and financing of fertilizers which will be both competitive, of permanence and non-subsidized; the implementation of industrial free zones (cf. chapter 17, section 4.1 and chapter 18, section 5), which has been delayed as a result of Cameroon's political troubles in 1991.

20.5.4 World Bank

In July 1989, the World Bank granted Cameroon a structural adjustment loan amounting to US\$ 150 million. The first two instalments of US\$50 million each have been paid out, the second at the

beginning of 1991. The release of the third instalment was linked to the level of budget revenue; its implementation, planned for the end of 1991, was under negotiation in September 1991; it was to be allocated to the ministry of finances in support of the state budget.

21 DEVELOPMENT PLANNING

From its independence until the mid-1980s, Cameroon's development planning was managed in a series of five-year plans conceived by the Ministry of Planning and Regional Development and ratified by the major constitutional bodies. During their term of validity, the five-year plans were adapted to changing economic situations in the country.

The first five-year plan (1961-66) involved a financial envelope of 100 billion CFA francs. During the second five-year plan (1966-71) expenses rose to a total of 174.5 billion CFA francs. The financial participation of the government was 42 billion CFA francs, while para-public enterprises contributed 55 billion CFA francs, the remaining 77.5 billion being supplied by the private economy.

The third five-year plan (1971-72 to 1975-76) provided for investments of 280 billion CFA francs, though actual financial needs amounted to only 250 billion CFA francs. Global planning provided for an annual growth rate of 3.5% of the gross domestic product at constant prices.

The fourth five-year plan (1976-81) was intended to achieve a permanent breakthrough in economic development. This plan provided for total investments of 725.2 billion CFA francs, of which more than two thirds was to have been supplied by public authorities. The emphasis was laid on the extension of infrastructures, diversification from production to exportation, as well as the improvement in the level of self-sufficiency in food products. With respect to the planned extension of the range of agricultural exports, production was to be boosted, in particular in coffee, cocoa and tropical hardwoods.

The fifth development plan covering the period 1981-86 involved total investments of 2,300 billion CFA francs (at 1979-80 prices). The public sector was to supply approximately 60% of the funds, with private investors putting up the remaining 40%. This plan focused on agriculture, transport and traffic with each sector being allocated more than 20% of total funds planned. In practice, however, there was a more marked orientation towards sectors of production in the secondary economy, to the detriment of agriculture.

After the completion of the fifth development plan, president Biya reviewed the major successes, which were the following: a high economic growth rate of 7.5% per annum on average, or more than 4% per capita during the period of the plan, the construction of 900 km of new roads, the modernization and extension of the port of Douala, the completion of studies relating to the construction of deepwater ports at Grand Batanga and Cap Limboh as well as the creation of a national telephone network.

The sixth development plan (1986-87 to 1990-91) primarily aimed at maintaining a high economic growth rate, albeit at a slightly lower level than that of the preceding plan (6.7% per annum). The total scope of investments was fixed at 7,318 million CFA francs (of which 42% were to come from state funds). The sectors of agriculture, forestry and fisheries were to be allocated 26% of the available funds. The main aims of this plan were ensuring self-sufficiency in food supplies, intensifying production of agricultural exports, expanding industrial production based on domestic raw materials, as well as the creation of a uniform system of transport facilities, a system destined to

promote exchanges and a balanced regional development. The improvement of social infrastructures was also accorded high significance.

The sixth development plan was overtaken by real events in economic development (cf. chapter 6). Due to ever more pronounced recessionary trends from 1987 onwards (reduction in oil production, economic crisis in coffee and cocoa), the objectives of the sixth five-year plan could not be achieved. Although this plan was never officially dropped, it was, in effect, replaced by a structural adjustment programme comprising Rolling Public Investment Programmes. As the economic crisis continued to worsen, the International Monetary Fund (IMF) approved an 18 months' standby arrangement in September 1988. Together with a credit facility for financial compensation the IMF granted Cameroon a total of 115.9 million SDRs.

The adoption of a World Bank structural adjustment programme took place in May 1989 and a structural adjustment loan (SAL) of US\$ 150 million, payable in three instalments of US\$ 50 million each, was approved in July 1989. Payment of the second US\$ 50 million instalment was delayed until April 1991. Disbursement of the third instalment is conditional on the government's implementation of clear economic policies, such as the reduction of employment in the public sector, effective measures to combat corruption as well as the closure of unprofitable state and para-public enterprises. Besides the World Bank and the IMF, the African Development Bank (ADB) also contributes to the structural adjustment programme through a loan of US\$ 125 million.

With a view to cushioning the social consequences of severe economic reforms, a social structural adjustment programme (Projet Dimension Sociale de l'Ajustement (DSA)) with a financial envelope of US\$ 85 million (cf. chapter 13) has been put in place. According to the economic structural adjustment programme, a total of 150 state and para-public enterprises are to be either closed down, privatized or restructured. The costs of reorganizing state enterprises are estimated at 320 billion CFA francs alone and include, besides direct payments in capital, compensatory payments for dismissed personnel and for loans. As already mentioned, the sixth development plan was, in effect, transmuted into four-year public investment programmes. The four year programme for the period 1990-91 to 1993-94 provides for global expenditure of 630 billion CFA francs. The emphasis is laid on the sectors of agriculture, forestry and fisheries, transport and traffic, as well as the energy sector.

The objectives of the structural adjustment programme for the three to five years to come can be outlined as follows:

- revitalization of economic growth;
- reduction of interventionism and public economic activities;
- stimulation of the private economy;
- reorientation of state services towards increasing economic activity and improving social relations.

Generally speaking, the structural adjustment programme is progressing less rapidly than was originally planned. For this reason, the IMF terminated its cooperation with the government in June 1990. Tension subsided at the end of 1991, and the IMF has intimated that a second standby

arrangement could possibly be concluded. However, before this agreement can be broached, it expects Cameroon to take stronger measures to limit the budgetary deficit as well as to accelerate the restructuring of state enterprises. A new agreement with the IMF is urgently required as a preliminary to an agreement on the readjustment of public debts with the Paris Club.

Despite the inadequacies described above, a certain amount of progress has been achieved. The government has named a number of enterprises which are to be privatized. In addition, the framework of economic legislation has been totally re-enacted and simplified. The new legislation does away with import restrictions and the major part of import licences as well as state controls on price.

European Commission

Country profile — Cameroon 1992

Luxembourg: Office for Official Publications of the European Communities

1994 — 206 pp., ill., graph. — 17 x 24 cm

ISBN 92-826-7057-0

Price (excluding VAT) in Luxembourg: ECU 12

Cameroon is one of the few oil-producing countries in black Africa and, according to the World Bank, it lies in the middle-income bracket, having a GNP of USD 960 per capita (1990). During the oil boom in the late 1970s and early 1980s, the country generated high income on exports, which heralded good prospects for development.

In the mid-1980s, however, the Cameroonian economy slid into a severe recession which still holds sway today. Falling world market prices for oil and the shrinking of export quantities due to the gradual exhaustion of oil deposits are the main reasons underlying the current economic crisis. The situation was aggravated in the late 1980s by a slump in world market prices for cocoa and coffee. These two agricultural export products, together with crude oil, had previously accounted for up to 85% of the value of exports.

Despite the great significance of the oil sector in exports, the agricultural sector remains the most important branch of the economy. In 1989-90 agriculture, forestry and fisheries made up a good 27% of total value-added, whereas the share of crude oil had sunk to less than 8%. In addition, more than three quarters of the economically active population are employed in agriculture, forestry and fisheries.

The most urgent economic problems requiring to be overcome within the framework of the current structural adjustment programme are the financial crisis experienced by the central government, reduction of the high foreign indebtedness and the dependency on the export of just a few products, which are, moreover, subject to strong fluctuations in world market prices and therefore make it all the more difficult to carry out long-term economic planning on a sound financial basis.

Considering the export losses of recent years, Cameroon will have to continue to rely, during the 1990s also, on substantial development aid and capital transfers from the European Community and other bilateral and multilateral donors (including the World Bank, France, Germany, the United States) in order to achieve the desired revitalization of its ailing economy.

The government hopes to have provided a long-term stimulus for the domestic economy with the creation of free export zones and through new legislation on investment, as promulgated in 1990, which provides special incentives for the settlement of export-orientated industrial sectors.

This national report deals with the problems outlined above and with other aspects of economic and social life in Cameroon on the basis of up-to-date statistics and background information.

**Venta y suscripciones • Salg og abonnement • Verkauf und Abonnement • Πωλήσεις και συνδρομές
Sales and subscriptions • Vente et abonnements • Vendita e abbonamenti
Verkoop en abonnementen • Venda e assinaturas**

BELGIQUE / BELGIE

Moniteur belge / Belgisch staatsblad
Rue de Louvain 42 / Leuvenseweg 42
B-1000 Bruxelles / B-1000 Brussel
Tél (02) 538 51 69
Fax (02) 512 00 26
Fax (02) 511 01 84

Jean De Lannoy
Avenue du Roi 202 / Koningslaan 202
B-1060 Bruxelles / B-1060 Brussel
Tél (02) 538 51 69
Telex 63220 UNBOOK B
Fax (02) 538 08 41
Autres distributeurs/
Overige verkooppunten

**Librairie européenne/
Europese boekhandel**
Rue de la Loi 244/Wetstraat 244
B-1040 Bruxelles / B-1040 Brussel
Tél (02) 231 04 35
Fax (02) 735 08 60
Document delivery

Credec
Rue de la Montagne 34 / Bergstraat 34
Bte 11 / Bus 11
B-1000 Bruxelles / B-1000 Brussel
Tél (02) 511 69 41
Fax (02) 513 31 95

DANMARK

J. H. Schultz Information A/S
Herstedvang 10-12
DK-2520 Albertslund
Tlf 43 63 23 00
Fax (Sales) 43 63 19 69
Fax (Management) 43 63 19 49

DEUTSCHLAND

Bundesanzeiger Verlag
Breite Straße 78-80
Postfach 10 05 34
D-50445 Köln
Tél (02 21) 20 29-0
Telex ANZEIGER BONN 8 882 595
Fax 202 92 78

GREECE/ΕΛΛΑΔΑ

G.C. Eleftheroudakis SA
International Bookstore
Nikis Street 4
GR-10563 Athens
Tél (01) 322 63 23
Telex 219410 ELEF
Fax 323 98 21

ESPAÑA

Boletín Oficial del Estado

Trafalgar, 27-29
E-28071 Madrid
Tél (91) 538 22 95
Fax (91) 538 23 41

Mundi-Prensa Libros, SA

Castello 37
E-28001 Madrid
Tél (91) 431 33 99 (Libros)
431 32 22 (Suscripciones)
435 36 37 (Dirección)
Télex 49370-MPLI-E
Fax (91) 575 39 98
Sucursal

Librería Internacional AEDOS

Consejo de Ciento, 391
E-08009 Barcelona
Tél (93) 488 34 92
Fax (93) 487 76 59

Libreria de la Generalitat

de Catalunya
Rambla dels Estudis, 118 (Palau Moja)
E-08002 Barcelona
Tél (93) 302 68 35
Tél (93) 302 64 82
Fax (93) 302 12 99

FRANCE

**Journal officiel
Service des publications
des Communautés européennes**
26, rue Desaix
F-75727 Paris Cedex 15
Tél (1) 40 58 77 01/31
Fax (1) 40 58 77 00

IRELAND

Government Supplies Agency
4-5 Harcourt Road
Dublin 2
Tél (1) 66 13 111
Fax (1) 47 80 645

ITALIA

Licosa SpA
Via Duca di Calabria 1/1
Casella postale 552
I-50125 Firenze
Tél (055) 64 54 15
Fax 64 12 57
Telex 570466 LICOSA I

GRAND-DUCHÉ DE LUXEMBOURG

Messageries du livre
5, rue Raiffeisen
L-2411 Luxembourg
Tél 40 10 20
Fax 49 06 61

NETHERLAND

SDU Overheidsinformatie
Externe Fondsen
Postbus 20014
2500 EA 's-Gravenhage
Tél (070) 37 89 911
Fax (070) 34 75 778

PORTUGAL

Imprensa Nacional
Casa da Moeda, EP
Rua D. Francisco Manuel de Melo, 5
P-1092 Lisboa Codex
Tél (01) 69 34 14
Fax (01) 69 31 66

**Distribuidora de Livros
Bertrand, Ld^a**

Grupo Bertrand, SA
Rua das Terras dos Vales, 4-A
Apartado 37
P-2700 Amadora Codex
Tél (01) 49 59 050
Telex 15798 BERDIS
Fax 49 60 255

UNITED KINGDOM

HMSO Books (Agency section)
HMSO Publications Centre
51 Nine Elms Lane
London SW8 5DR
Tél (071) 873 9090
Fax 873 8463
Telex 29 71 138

ÖSTERREICH

**Manz'sche Verlags-
und Universitätsbuchhandlung**

Kohlmarkt 16
A-1014 Wien
Tél (1) 531 610
Telex 112 500 BOX A
Fax (1) 531 61-181

SUOMI/FINLAND

Akateeminen Kirjakauppa
Keskuskatu 1
PO Box 218
FIN-00381 Helsinki
Tél (0) 121 41
Fax (0) 121 44 41

NORGE

Narvesen Info Center
Bertrand Narvesens vei 2
PO Box 6125 Etterstad
N-0602 Oslo 6
Tél (22) 57 33 00
Telex 79688 NIC N
Fax (22) 68 19 01

SVERIGE

BTJ AB
Traktorgren 13
S-22100 Lund
Tél (046) 18 00 00
Fax (046) 18 01 25
30 79 47

SCHWEIZ / SUISSE / SVIZZERA

OSEC

Stampfenbachstraße 85
CH-8035 Zurich
Tél (01) 365 54 49
Fax (01) 365 54 11

BĂLGARIA

Europress Klassica BK Ltd
66, bd Vitosha
BG-1463 Sofia
Tel /Fax 2 52 74 75

ČESKÁ REPUBLIKA

NIS ČR

Havelkova 22
CZ-130 00 Praha 3
Tél (2) 235 84 46
Fax (2) 235 97 88

MAGYARORSZÁG

Euro-Info-Service

Europa Haz
Margitsziget
H-1138 Budapest
Tél /Fax 1 111 60 61
1 111 62 16

POLSKA

Business Foundation

ul. Krucza 38/42
PL-00-512 Warszawa
Tél (22) 621 99 93, 628-28-82
International Fax & Phone
(0-39) 12-00-77

ROMÂNIA

Euromedia

65, Strada Dionisie Lupu
RO-70184 Bucuresti
Tél /Fax 0 12 96 46

RUSSIA

CCEC

9,60-letiya Oktyabrya Avenue
117312 Moscow
Tél /Fax (095) 135 52 27

SLOVAKIA

**Slovak Technical
Library**

Nm. slobody 19
SO-812 23 Bratislava 1
Tél (7) 220 452
Fax (7) 295 785

CYPRUS

**Cyprus Chamber of Commerce and
Industry**

Chamber Building
38 Grivas Digenis Ave
3 Delgiorgis Street
PO Box 1455
Nicosia
Tél (2) 449500/462312
Fax (2) 458630

MALTA

Miller distributors Ltd

PO Box 25
Malta International Airport
LQA 05 Malta
Tél 66 44 88
Fax 67 67 99

TÜRKİYE

**Pres Gazete Kitap Dergi
Pazarlama Dagitim Ticaret ve sanayi
AŞ**

Naribagçe Sokak N 15
İstanbul-Cagaloglu
Tél (1) 520 92 96 - 528 55 66
Fax 520 64 57
Telex 23822 DSVO-TR

ISRAEL

ROY International

PO Box 13056
41 Mishmar Hayarden Street
Tel Aviv 61130
Tél 3 496 108
Fax 3 648 60 39

**EGYPT/
MIDDLE EAST**

Middle East Observer

41 Sherif St
Cairo
Tél/Fax 39 39 732

**UNITED STATES OF AMERICA /
CANADA**

UNIPUB

4611-F Assembly Drive
Lanham, MD 20706-4391
Tél Toll Free (800) 274 4886
Fax (301) 459 0056

CANADA

Subscriptions only
Uniquement abonnements

Renouf Publishing Co Ltd

1294 Algoma Road
Ottawa, Ontario K1B 3W8
Tél (613) 741 43 33
Fax (613) 741 54 39
Telex 0534783

AUSTRALIA

Hunter Publications

58A Gipps Street
Collingwood
Victoria 3066
Tél (3) 417 5361
Fax (3) 419 7154

JAPAN

Kinokuniya Company Ltd

17-7 Shinjuku 3-Chome
Shinjuku-ku
Tokyo 160-91
Tél (03) 3439-0121

Journal Department

PO Box 55 Chitose
Tokyo 156
Tél (03) 3439-0124

SOUTH-EAST ASIA

Legal Library Services Ltd

STK Agency
Robinson Road
PO Box 1817
Singapore 9036

SOUTH AFRICA

Safo

5th Floor, Export House
Cnr Maude & West Streets
Sandton 2146
Tél (011) 883-3737
Fax (011) 883-6569

**AUTRES PAYS
OTHER COUNTRIES**

ANDERE LANDER

**Office des publications officielles
des Communautés européennes**

2, rue Mercier
L-2985 Luxembourg
Tél 499 28-1
Télex PUBOF LU 1324 b
Fax 48 85 73/48 68 17

Cameroon is one of the few oil-producing countries in black Africa and, according to the World Bank, it lies in the middle-income bracket, having a GNP of USD 960 per capita (1990). During the oil boom in the late 1970s and early 1980s, the country generated high income on exports, which heralded good prospects for development.

In the mid-1980s, however, the Cameroonian economy slid into a severe recession which still holds sway today. Falling world market prices for oil and the shrinking of export quantities due to the gradual exhaustion of oil deposits are the main reasons underlying the current economic crisis. The situation was aggravated in the late 1980s by a slump in world market prices for cocoa and coffee. These two agricultural export products, together with crude oil, had previously accounted for up to 85% of the value of exports.

Despite the great significance of the oil sector in exports, the agricultural sector remains the most important branch of the economy. In 1989-90 agriculture, forestry and fisheries made up a good 27% of total value-added, whereas the share of crude oil had sunk to less than 8%. In addition, more than three quarters of the economically active population are employed in agriculture, forestry and fisheries.

The most urgent economic problems requiring to be overcome within the framework of the current structural adjustment programme are the financial crisis experienced by the central government, reduction of the high foreign indebtedness and the dependency on the export of just a few products, which are, moreover, subject to strong fluctuations in world market prices and therefore make it all the more difficult to carry out long-term economic planning on a sound financial basis.

Considering the export losses of recent years, Cameroon will have to continue to rely, during the 1990s also, on substantial development aid and capital transfers from the European Community and other bilateral and multilateral donors (including the World Bank, France, Germany, the United States) in order to achieve the desired revitalization of its ailing economy.

The government hopes to have provided a long-term stimulus for the domestic economy with the creation of free export zones and through new legislation on investment, as promulgated in 1990, which provides special incentives for the settlement of export-orientated industrial sectors.

This national report deals with the problems outlined above and with other aspects of economic and social life in Cameroon on the basis of up-to-date statistics and background information.

Price (excluding VAT) in Luxembourg: ECU 12

ISBN 92-826-7057-0



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg



9 789282 670576 >