REPUBLIQUE DU CAMEROUN

Peace-Work-Fatherland

MINISTRY OF FINANCE

2022 FINANCE LAW

Annex

REPORT ON THE NATION'S ECONOMIC, SOCIAL AND FINANCIAL SITUATION AND PROSPECTS

For 2021 fiscal year

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CHAPTER 1: OVERVIEW

The State Budget is prepared based on macroeconomic performance and prospects. To this end, Section 14 of Law No. 2018/12 of 11 July 2018 relating to the fiscal regime of the State and other public entities provides that a report on the nation's economic, social and financial situation and prospects should be appended to the Finance Bill. This report has been drawn up to comply with this provision. It describes and analyses: (i) major developments in the global economy that are likely to impact the national economy;

(ii) the national economic, social and financial situation; and (iii) the macroeconomic and budgetary prospects for the 2022-2024 period.

1.1. International Economic Environment

1.1.1. Global economic growth

According to the IMF World Economic Outlook (WEO) published in October 2021, the global economy is returning to the path of growth estimated at 5.9% in 2021, after the 2020 recession (-3.1%) caused by the COVID-19 pandemic. This trend is supported by: (i) the additional fiscal stimulus measures adopted in many countries; (ii) improvements in health indicators linked to vaccination campaigns, especially in advanced countries; and (iii) the continuous adaptation of economic activity to reduced mobility

The growth rate in the group of advanced countries was estimated at 5.2% as against -4.5% in 2020. All the major economies of the group are expected to rebound: the United States (+6.0% as against -3.4% in 2020), Japan (+2.4% as against -4.6%), the United Kingdom (+6.8%, compared with -9.8%), Germany (+3.1%, compared with -4.6%), France (+6.3% as against -8.0%), Italy (+5.8%, compared with -8.9%), and Spain (+5.7%, compared with -10.8%).

The growth rate in the group of emerging and developing countries was projected at 6.4% as against -2.1% in 2020. However, recovery trajectories are expected to vary between China, which is experiencing rapid growth (+8.0%, up from 2.3% in 2020) and other countries of the group (India: +9.5% as against -7.3%; Brazil: +5.2% as against -4.1%; and Russia: +4.7%; compared with -3%). The rapid growth in China is attributable to the adoption of effective containment measures, a vigorous public investment strategy and abundant liquidity from the Central Bank of the Republic of China.

Growth in sub-Saharan Africa is projected at 3.7% in 2021, up from 1.7% in 2020. This increase would be supported by stronger external demand from developed countries. Growth in the region's major economies is as follows: Nigeria (+2.6% in 2021 as against -1.8% in 2020) and South Africa (+5.0% as against -6.4%). However, one of the main factors affecting the region's recovery is the low immunization rate. In the CEMAC zone, BEAC forecasts indicate that the economy will grow by 1.6% in 2021, after declining by 1.7% in 2020.

The global economy is expected to experience a 4.9% growth rate in 2022, 4.5% in the group of advanced countries and 5.1% in the group of emerging and developing countries. It is projected at 5.2% in the United States; 4.6% in Germany; 3.9% in France; 3.2% in Japan; 5% in the United Kingdom; 5.6% in China; and 8.5% in India. In sub-Saharan Africa, growth is projected at 3.8% in 2022, 2.7% in Nigeria and 2.2% in South Africa. According to BEAC, it will be 3.3% in the CEMAC zone. It should be noted, however, that this global economic recovery is taking place against a backdrop of uncertainty and more complex trade-offs. The resurgence of the pandemic, particularly the Delta variant, which is claiming many lives worldwide, is increasing health risks and impeding the full resumption of normal economic activities. Outbreaks of the pandemic in key parts of global supply chains are causing prolonged disruptions, fuelling inflation in many countries. Furthermore, though they are essential in containing the pandemic, restrictions on movement continue to constrain economic activity.

The outlook shows wide disparities between countries which constitute a major concern. The aggregate output of the group of advanced countries is expected to return to its pre-pandemic trajectory in 2022 and to exceed it by 0.9% in 2024. In contrast, the aggregate output of the group of emerging and developing countries (excluding China) is expected to remain below the pre-pandemic forecast of 5.5% in 2024, resulting in a significant deterioration in living standards.

1.1.2. World trade

According to WTO estimates, the volume of world trade is expected to decrease by 5.3% in 2020 as against 2019, due to the COVID-19 pandemic. This is the largest decline since the 2009 financial el sector remains gloomy due to failure to contain the pandemic.

1.1.3. Inflation and commodity prices

Inflation, which is measured by the change in the Final Household Consumption Price Index, stood at 3.2% for the global economy in 2020, 0.7% for the group of advanced countries and 5.1% for the group of emerging and developing countries. In 2021, economic recovery is accompanied by rising inflation in advanced and emerging countries, fuelled by stronger demand, supply shortages and rising commodity prices.

The inflation rate is estimated at 3.5% for the global economy, 1.6% in advanced countries and 4.9% in emerging and developing countries. Food prices in some sub-Saharan African countries, the Middle East and Central Asia, have soared amid shortages and rising food prices on the world market. Currency depreciation has also contributed to increasing the prices of imported goods, pushing up overall inflation. However, core inflation, which excludes the influence of energy and food prices, is still largely contained.

Regarding commodities, after experiencing a drop in 2020 due to the significant drop in global demand, linked to the COVID-19 pandemic, their prices should increase sharply in 2021. Especially, oil prices, which had fallen by 32.8% in 2020, are expected to rise by nearly 60% in 2021 to stand at an average of $ 65.7 per barrel, driven by the global economic recovery. The prices of non-oil commodities are expected to rise by nearly 26.5% in 2021 up from 6.7% in 2020, driven by the soaring prices of metals and foodstuffs.

Table 1: Some Global Economic Performance Indicators

	2019	2020	2021*
GDP Growth (in %)			
World economy	2.8	-3.1	5.9
United States	2.2	-3.4	6.0
Euro zone	1.3	-6.3	5.0
United Kingdom		-9.8	6.8
Japan	0.7	-4.6	2.4
China	6.1	2.3	8.0
India	4.2	-7.3	9.5
Sub-Saharan Africa	3.2	-1.7	3.7
Nigeria	2.2	-1.8	2.6
South Africa	0.2	-6.4	5.0
CEMAC	2.1	-3.1	1.6
Inflation (in %)			
World economy			
United States	1.8	1.2	4.3
Euro zone	1.2	0.4	2.1
United Kingdom	1.8	0.9	2.2
Japan	0.5	0.0	-0.2
China	2.9	2.4	1.1
India	4.8	6.2	5.6
Sub-Saharan Africa	8.5	10.3	10.7
Nigeria	11.4	13.2	16.9
South Africa	4.1	3.3	4.4
CEMAC	2.0	2.6	2.0

Source: IMF/BEAC **Estimates* ***Projections*

1.2. Recent Trends in Cameroon's Economy

1.2.1. Growth and prices

In 2020, economic activity slowed down considerably, with a growth rate of about 0.5% as against 3.5% in 2019. This slowdown is mainly attributable to the COVID-19 pandemic which led to a slump in trade and disrupted activities due to the barrier measures adopted by countries to contain the spread of the disease. The slowdown was felt in all sectors in varying degrees.

Growth in the primary sector stood at 0.6%, compared with 3.9% in 2019, representing a deceleration of 3.3 percentage points due to the poor performance of the 'industrial and export agriculture' branch (-1.6% as against +5.0% in 2019) and the 'forestry and logging' branch (-1.8% as against +6.1%), due to falling external demand. Conversely, the 'livestock and hunting' branch recorded a 2.5% growth, driven by the resumption of activities in some production basins in the South-West Region, particularly the production of live animals (cattle, pigs and sheep) and eggs.

The slowdown was also noticeable in the tertiary sector where growth stood at 0.6% compared with 3.1% in 2019. The 'accommodation and restaurants' (-6.4% as against +4.2% in 2019) and 'transport and warehousing' (-1.3% as against +4.1% in 2019) branches experienced a deceleration due to the consequences of the restrictive measures adopted to curb the spread of COVID-19. On the other hand, the sector was boosted by 'information and telecommunications' (+5.5%, up from +1.6%) and 'banks and financial institutions' (8.3%, up from 3.2%).

The secondary sector recorded the least deceleration with a growth rate of 3.2% as against 3.8% in 2019. Growth is picking up in the *'civil engineering and public works'* (+6.7% as against +6.2%), *'agri-food industries'* (+3.6%, compared with +2.4%) and *'other manufacturing industries'* (+0.9% after +0.1% in 2019) branches. It declined in the extractive industries (+3.2% in 2020 and +8.2% in 2019).

According to GDP use, the slowdown in growth is mainly attributable to the decline in investment and exports. Investment dropped by 5.3%, compared with a 2.6% rise in 2019 due to: (i) the fall in its public component (-28.3%, compared with -6.8% in 2019), as a result of the budgetary adjustments made to the 2020 PIB, reflected in the Amending Finance Law by a 15.1% drop with respect to the 2019 financial year; and (ii) disruptions in supply chains. Similarly, exports in volume of goods and services decreased by 15.2%, down from 10.8% in 2019, due mainly to the poor performance of crude oil (-17.9%), agricultural (-8%), and forestry (-8%) products, professional and scientific services (-37.4%), equipment rental and travel agency reservation services (-25.7%), and hotel and restaurant services (-19.6%).

Conversely, final consumption is increasing by 0.5 percentage point, but slowed down by 3.5 percentage points compared with 2019, due particularly to: (i) the decline in household incomes as a result of the COVID-19 pandemic; (ii) the reduction in spending on goods and services following the budgetary adjustments made to take into account the effects of COVID-19. In terms of contributions to GDP growth, final consumption and net exports contributed 0.4 percentage point and 1 percentage point respectively. On the other hand, investment reduced growth by 1 percentage point.

Concerning prices, inflation stood at 2.5% in 2020 as in 2019. The rise in prices was mainly driven by the increase in prices of 'food and non-alcoholic beverages' (+3.6% in 2020, up from +2.9% in 2019) and 'housing, water, gas, electricity and other fuels' (+3.0%, compared with +1.7%). By region, inflation spiralled in Maroua, Bertoua, Garoua and Buea. On the other hand, it decreased in Ebolowa, Bamenda, Yaounde, Bafoussam and Douala and remained virtually stable in Ngoundere. By sector, prices of goods in the primary sector accelerated increased (+4.9%, up from +3.8% in 2019). The prices of goods in the secondary sector continued to rise by 1.6% as in 2019, and those of products in the tertiary sector continued to go down (+1.4%, as against +2.1% in 2019).

1.2.2. Relationship with the rest of the world

1.2.2.1. Competitiveness

In 2020, the real effective exchange rate (REER) increased by 3.1% as against 2019, reflecting a decline in overall competitiveness in Cameroon. This situation is due mainly to the 4.6% appreciation of the nominal effective exchange rate (NEER) owing to the appreciation of the CFA franc against the currencies of the main trading partners. In addition, the terms of trade deteriorated by 2.6%, compared with 2019, following a hike in export prices with respect to import prices.

Concerning structural competitiveness, Standard & Poor's and Fitch Ratings classified Cameroon in the highly speculative grade asset class in 2020 and 2021. Similarly, the Country Policy and Institutional Assessment (CPIA) indicates that Cameroon is making progress in the management of budget, tax and debt policies, but needs to redouble efforts in the areas of governance, business climate and public expenditure quality.

To improve the competitiveness of the Cameroonian economy, several actions contained in the 2019 roadmap of the Cameroon Business Forum (CBF) have been implemented. These include: (i) the setting up of a CNPS office in business development centres; (ii) the operationalization of the One-Stop Shop for the issuance of building permits in the city of Douala; (iii) the downward revision of property transfer registration fees; (iv) the granting of some incentives to businesses set up in economically affected areas;

and (v) the operationalization of the third gantry crane and procurement of new machinery at the Port Authority of Douala.

1.2.2.2. External trade

In 2020, total trade in goods between Cameroon and the rest of the world was estimated at 5 035.3 billion, down by 19.4% compared to 2019, due to the COVID-19 pandemic. On the other hand, in the first half of 2021 and year-on-year, trade increased by 22.6% and amounted to 2 903.8 billion.

The trade balance stood at 1 408.8 billion, down by 55.4 billion compared to 2019, due to a significant decrease in imports compared to exports. Safe for the oil sector, the deficit contracted by 194.7 billion to stand at 2 049.1 billion. The rate of coverage of imports by exports fell by 2.1 percentage points to stand at 36.4%.

In 2020, imports of goods fell by 635.0 billion compared to 2019 to stand at 3 221.9 billion. This reduction was particularly visible in purchases of ‘machinery and mechanical and electrical equipment’ (-116.6 billion), ‘fuel and lubricants’ (-112.6 billion), ‘rice’ (-71.9 billion), ‘cast iron and steel products’ (-31.8 billion) and ‘clinker’ (-24.7 billion). Conversely, there was an increase in purchases of ‘cast iron and steel’ (+79.2 billion) and ‘industrial food products’ (+51.4 billion). The main imported products were ‘fuel and lubricants’ (19.0% of the total), ‘machinery and mechanical and electrical equipment’ (11.9%), ‘rice’ (5.0%), ‘wheat’ (4.4%), ‘cast iron and steel’ (5.4%), ‘frozen sea fish4 (4.3%) and ‘pharmaceutical products’ (4.1%).

Total exports decreased by 579.6 billion, compared with 2019, to stand at 1 813.1 billion. This decline was particularly noticeable in the sale of crude petroleum oils (-359.2 billion), liquefied natural gas (-78.4 billion), raw cocoa beans (-42.3 billion), fuel and lubricants (-29.4 billion), raw cotton (-16.6 billion), rough timber (-10.8 billion) and sawn timber (-9.2 billion). Conversely, sales of cocoa paste (+6.5 billion) and iron bars (+2.1 billion) increased. Exports were dominated by crude petroleum oils (35.3% of total sales), raw cocoa beans (13.6%), liquefied natural gas (10.1%), sawn timber (8.7%), raw cotton (6.3%), rough timber (4.1%), crude aluminium (2.8%) and cocoa paste (2.8%).

In the first half of 2021 and year-on-year, exports rose by 191.5 billion and imports by 343.5 billion to stand at 1 079.9 billion and 1 823.9 billion respectively. This trend is due to global economic recovery.

According to geographical zone, Cameroon mainly traded with the European Union (31.6% of the total value of trade), East Asia (21.7%), South-East Asia (6.9%), South Asia (6.5%), Eastern Europe (6.4%), West Africa (5.9%), North America (5.7%) and the CEMAC zone (3.5%). Bilaterally, China remained Cameroon’s leading trade partner with 19% of total trade in 2020. It was followed by France (6.9%), the Netherlands (5.3%), Italy (5.3%), Belgium (4.8%), India (4.6%), Spain (4.1%) and the US (3.8%).

With regard to all external trade, the current account balance of Cameroon’s balance of payments registered a deficit of 872 billion (4% of GDP), 992 billion (4.4% of GDP) in 2019. The reduction in the current account deficit was mainly driven by the goods, services and primary income balances. Conversely, secondary income surpluses fell by EUR 55.8 billion due to the decrease in diaspora remittances as a result of the decrease in incomes induced by the COVID-19 pandemic.

The current account deficit was financed to the tune of 431.7 billion through external financing comprising: (i) net inflows of 322.3 billion for the public administration, including 291.7 billion in net drawings from ordinary loans; (ii) net inflows of 384 billion from the non-banking private sector, including 341.3 billion in FDIs; and (iii) net outflows of -274.6 billion from the banking sector. In short, the overall balance of payments recorded a deficit of 432.6 billion against a surplus of 155.7 billion in 2019.

By sector, the current account balance maintained a surplus for agriculture (+694.3 billion), forestry (+242.4 billion), hydrocarbons (+817.6 billion) and transport (+23.2 billion). It recorded a deficit in industry
(-1 362.9 billion), trade, restaurants and hotels (-1 052.7 billion), telecommunications (-65.8 billion) and financial activities (-278.5 billion).

According to main trade partners, trade showed a current account deficit with China (-287.7 billion), the European Union (-232.9 billion), the United States (-136.3 billion), France (-108 billion) and Nigeria (-89.1 billion). On the other hand, it showed a surplus with CEMAC (+682.3 billion).

1.2.3. Currency and financing of the economy

In 2020, the economy was financed within a context marked by the implementation of specific monetary policy measures to enable CEMAC member countries to cope with the adverse effects of the COVID-19 pandemic, particularly through the downward revision of lending rates and the increase of liquidity inflows.

Within the framework of its refinancing policy, and in a bid to ensure the adequate supply of credit to households and enterprises, BEAC: (i) lowered key rates, particularly the interest rate for invitations to tender (IRIT), which was reduced from 3.50% to 3.25% from 27 March 2020; (ii) suspended liquidity absorption transactions; (iii) expanded the range of private financial instruments accepted as collateral for monetary policy transactions.

Concerning money market transactions, the total volume of main liquidity injection transactions was 965 billion, up by 30% compared to 2019. It stood at 736 billion in the first half of 2021, representing an increase of 43% compared to the same period of 2020.

The coefficient of mandatory reserves remained unchanged at 7% for demand deposits and 4.5% for time deposits. At the end of December 2020, the amount of these reserves increased by 33.1 billion year-on-year to 340.9 billion. At the end of June 2021, the amount of required reserves was estimated at 372.2 billion, up by 40 billion compared to the end of June 2020. They are remunerated at the rate of 0.05%, and represent one third of all bank reserves at BEAC.

In 2020, the total amount of interbank transactions dropped to 1 064 billion, after standing at 3 500 billion in 2019. The weighted average interbank rate obtained from these transactions decreased to stand between 3% and 4%, compared with a rate between 4% and 5% in 2019.

At the end of 2020 and compared to the end of 2019, the monetary situation was characterized by: (i) an increase in domestic credit (+21.4%), driven by net claims on the State; and (ii) a contraction in net foreign assets (-0.5%). Money supply increased by 12.8% to 6 109.8 billion, reflecting changes in its counterpart funds. At the end of June 2021 and year-on-year, money supply increased by 16.0% to 6 648.3 billion, following an increase of 18.9% in domestic credit and 9.3% in net foreign assets.

In the banking sector, net banking income (NBI) increased by 3.3% in 2020, compared with 6.6% in 2019. The overall balance sheet of banks increased by 9.3% to stand at 7 010.7 billion. Customer deposits amounted to 5 378.7 billion, that is an increase of 10.4%, driven by deposits by private enterprises (+15%), individuals (+7.6%) and the central government services (+5.5%). Loans amounted to 3 908.8 billion, up by 6.7%, driven by loans granted to individuals (+12.8%), central government services (+37.5%), public enterprises (+53.9%), and private enterprises (+2.1%). On the other hand, the amount of loans granted to individual private enterprises decreased by 27.5%. Regarding the prudential ratio, 10 out of 15 banks complied with all ratios.

As at 30 June 2021 year-on-year, deposits rose by 13.1% to stand at 5 822.3 billion, driven by deposits of private enterprises (+24.5%), individuals (+7.1%) and public enterprises (+72%). Outstanding loans amounted to 3 943.8 billion, up by 7.1%, reflecting the increase in loans granted to individuals (+18.5%), public enterprises (+36.3%) and central government services (+6.7%). On the other hand, loans granted to private enterprises decreased by 1.3%. Gross non-performing loans stabilized at 16.8% of outstanding loans.

In the microfinance sector, there were 415 licensed institutions as at 31st December 2020, 342 of them in the 1st category, 70 in the 2nd category and 3 in the 3rd category. As at 31st December 2020, the total balance sheet of MFIs amounted to 7 83.2 billion, representing an increase of 125 billion compared to the end of December 2019. This increase was due, among other things, to the operationalization of a new network called RAINBOW, with a balance sheet of 35.3 billion, and to the increase in the total balance sheets of CAMCCUL (+20.9 billion), RECCUCAM (+11.1 billion), EXPRESS UNION (+13.2 billion) and FIRST TRUST (+5.8 billion). Deposits collected by MFIs amounted to 624.8 billion, up by 106.7 billion compared to the end of December 2019 of which 84.6% were short-term deposits, 9.5% medium-term deposits and 5.9% long-term deposits. Loans granted to customers amounted to 454.6 billion, up by 60.3 billion. The deposits of MFIs represented 11.6% of the total deposits of the banking system, as do loans. The rate of outstanding loans was 23.1%, borne mainly by MFIs of the 1st and 2nd categories.

For their part, financial institutions remained 7 in number as at 31 December 2020. Their activity contracted by 0.9%, reflecting the 13.9 billion decrease in equity. The total consolidated balance sheet of these institutions stood at 428.8 billion, down by 4 billion, compared with the end of December 2019. Loans granted to customers increased by 3.4% to stand at 138.4 billion, while deposits increased by 5.3% to stand at 55.2 billion. The rate of non-performing loans was 36%, mainly borne by the CFC.

The Cameroonian insurance market comprised 28 companies, including 17 in the 'fire-accident-miscellaneous risks' (FAR) branch and 11 in the 'life and capitalization' branch. The sector turnover decreased by 0.5% to stand at 207.9 billion. The 'FAR' branch remained dominant with 67.7% of the market share, as against 32.3% for the 'life and capitalization' branch. Claims paid amounted to 114.1 billion, up by 18% compared with 2019, while income amounted to 10.2 billion. The sector recorded a positive net operating result of 17.5 billion, up by 40% compared to 2019.

As regards the financial market, fifteen securities were included on the official BVMAC list at the end of December 2020, 4 of them stocks and 11 bonds. Market capitalization declined by 13.8% to stand at 871.7 billion, due to the falling prices of all shares and the delisting of some bond denominations in 2020. It comprised 351.8 billion for the stock market and 519.9 billion for the bond market. At the end of June 2021, the market capitalization decreased by 0.5% compared to the end of June 2020. Regarding government securities, the outstanding amount was 1 449.8 billion, up by 24% compared to the end of December 2019, owing to the increase in fungible Treasury bonds (+360.7 billion). These securities comprised 808.1 billion for the auction market, 191.3 billion for the syndication market and 450.4 billion for the 2015-2025 Eurobond. As at 31 August 2021, the outstanding amount of government securities was 1 751.0 billion, resulting from the issuance of 951.4 billion and redemption of 650.2 billion during the first eight months of 2021.

1.2.4. Public finances

The execution of the State budget for the 2021 fiscal year is marked, among other things, by: (i) the adoption of an amending finance law through Ordinance No. 2021/3 of 7 June 2021 to take into account the effects of rising global oil prices; (ii) the raising of the debt ceiling for the fiscal year through Ordinance No. 2021/2 of 26 May 2021 to increase the amount of government securities issued; (iii) the issuance of a 450 billion Eurobond at a rate of 5.95% to redeem the Eurobond issued in 2015; and (iv) the conclusion with the IMF of a new three-year economic and financial programme for the 2021-2024 period, supported by the Extended Credit Facility and the Extended Fund Facility. In view of these various factors, the State budget has been increased to 5 435.2 billion [general budget and special appropriation accounts (SAA)] from the initial 4 865.2 billion, representing an increase of 615.2 billion. During the first six months of the 2021 fiscal year, resources collected amounted to 2 087.1 billion, a 38.4% collection rate with respect to the Amending Finance Law. They are down by 247.1 billion (-10.6%) compared to the first half of 2020. They are broken down into 1 660.4 billion from domestic revenue and 426.7 billion from loans and grants.

Domestic budgetary resources increased by 158.1 billion, year-on-year, to stand at 1 660.4 billion, representing a 47.9% performance rate compared with the forecasts for the year.

Borrowings and grants amounted to 426.7 billion, representing a 21.7% performance rate compared with annual forecasts. They include 204.2 billion from net public security issues, 196.7 billion from project loans, 19.4 billion from grants and 6.3 billion from bank loans.

Budgetary expenditure (payment order basis) amounted to 2 400.3 billion, representing a performance rate of 44.2% compared to the Amending Finance Law. It dropped by 70.9 billion (-2.9%) year-on-year. It includes non-interest current expenditure totalling 1 092.3 billion US dollars, public investment expenditure amounting to 454.2 billion US dollars and public debt servicing worth 628.9 billion dollars, including domestic debt of 451.5 billion US dollars.

At the end of the first half of 2021, actual public debt service amounted to 628.9 billion, representing an execution rate of 42.2% compared to the Amending Finance Law. It dropped by 16% year-on-year. Actual external debt service is 177.4 billion, that is an implementation rate of 24.6%. Domestic debt payments amounted to 451.5 billion, that is an execution rate of 58.6%. As at 31 July 2021, the outstanding public and State guaranteed debt was 10 880 billion, representing 45% of GDP. It included 9 980 billion (91.7% of the total) in direct debt guaranteed by the Government and 900 billion (8.3%) in debt owed by public establishments and enterprises.

The overall budget balance based on payment orders is -200.5 billion. The primary balance is -130.4 billion and the non-oil primary balance -332.6 billion.

1.2.5. Social sectors

The Government's priorities for developing human capital and improving the well-being of the population are: (i) ensuring universal education and strengthening professionalization; (ii) improving the health of the population; (iii) promoting youth and employment; (iv) developing social housing; (v) providing social protection for vulnerable people; and (vi) promoting gender equality and empowering women.

To this end, the ministries in charge of social sectors received a budgetary allocation of 1 102.4 billion in 2020, under the general budget and 86.9 billion as part of the distribution of Special Appropriation Fund resources devoted to the fight against COVID-19 and its economic and social consequences, that is a total allocation of 1 189.3 billion, or 25.9% of the State budget. In 2021, the budgetary allocation for the social sectors is 1 104.7 billion under the general budget, plus the social expenditures included in the COVID-19 SAA.

The Government continued its actions in the educational sector to: (i) increase access to education by building and rehabilitating school and university infrastructure, equipping classrooms and workshops and training teachers; (ii) professionalize and improve the quality of teaching; and (iii) promote research and development.

At the end of the 2020/2021 academic year, the results of examinations organized by MINEDUB showed a success rate of 79.4% in the Certificat d'Etudes Primaires (CEP), up by 2.8 percentage points compared with the previous academic year. On the other hand, the success rate in the First School Leaving Certificate dropped by 2.1 percentage points, from 92.5% to 90.4%.

Concerning secondary education, the success rate in all examinations organized by the Office du Baccalauréat during the 2021 session improved, except in the Industrial Technician's Certificate and the Industrial Professional Certificate which dropped by 4 percentage points 7 percentage points to stand at 53.4% and 76.4% respectively. Thus, the success rate by examination is as follows: 73.6% in the Baccalauréat de l'enseignement Secondaire Général; 49.9% in the Probatoire de l'enseignement Secondaire Général; 73.7% in the Probatoire de Brevet de Technicien des Sciences et Technologie du Tertiaire (STT); 59.2% in the Probatoire-STT Commercial; and 75.9% in the Brevet de Technicien STT.

The success rate in examinations organized by the Department of Examinations, Competitive Entrance Examinations and Certification (DECC) examinations during the 2021 session improved compared with the previous session. Thus, the success rates rose from 61.2% to 74.4% in the ordinary BEPC and from 46.7% to 59.6% in CAP commercial.

Regarding the examinations organized by the GCE Board, the success rate for the GCE-General Ordinary Level and the GCE-General Advanced Level dropped respectively by 10.5 percentage points stand 2.1 percentage points to stand at 59.1% and 61.9% in 2021. On the other hand, the success rate in Technical and Vocational Education (Intermediate Level) improved from 54.5% to 58.8% and that in Technical and Vocational Education (Advanced Level) from 69.1% to 71.6%.

In the health sector, the Government allocated 234.4 billion to the Ministry of Public Health (MINSANTE) in 2020, including 45.6 billion from the COVID-19 SAA. Besides MINSANTE, several ministries (education, women's empowerment and the family, defence, social affairs, youth affairs, etc.) devote part of their resources to health expenditure.

In 2020, the Government continued to focus its actions on: (i) maternal, child and adolescent health; (ii) epidemiological surveillance, disease control and health promotion. Concerning maternal, child and adolescent health, 943 797 live births were recorded in health facilities, compared with 939 057 in 2019, representing an increase of 0.5%. As regards epidemiological surveillance, the non-polio acute flaccid paralysis (AFP) immunization rate was 5.2% compared with 5.4% in 2019. The rate for non-measles febrile rash was 2.2% as against 3.5% in 2019. The yellow fever immunization rate was 4.5% compared with 5.7% in 2019. Main tracer antigen coverage rates are improving.

Regarding disease control and health promotion, UNAIDS estimates indicate that the number of people living with HIV/AIDS in Cameroon reduced from 506 432 to 496 506, that is a 2% drop. There were 34 554 children under the age of 15 (7.0% HIV positive) and 329 334 women (66.3% HIV positive).The number of malaria cases was 2 646 139 compared to 2 628 191 in 2019. There were 1 346 413 cases of simple malaria and 1 299 726 cases of severe malaria. The number of new cases of cancer was 20 745 and the number of deaths 13 199, compared with 10 533 in 2019.

In 2021, the budget allocated to the health sector is 197.1 billion, excluding the COVID-19 SAA whose total allocation of 200 billion covers a large portion of additional health expenditure. Epidemiological surveillance has focused on COVID-19. As at 25 August 2021, the total number of confirmed Covid-19 cases managed in health facilities was 84 210, with 81 526 recoveries and 1 357 deaths, giving a case fatality rate of 1.6%. The Government introduced vaccination campaigns with the Sinopharm, AstraZeneca and Johnson & Johnson vaccines. As at 31 August 2021, 93 043 people were fully vaccinated.

Regarding employment and social security, the Government's actions focused on the promotion of employment, the development of vocational training and the promotion of labour protection and social security. According to ONEFOP, about 330 903 new jobs were created in 2020, as against 511 857 in 2019, representing a 40.6% drop. This is attributable to the completion of some major projects and job losses in private enterprise due to COVID-19. There were 340 957 employees on the payroll in 2020, compared with 319 110 in 2019, representing an increase of 21 847, corresponding to the differential between new recruitments and employees going on retirement.

The Government's policy regarding town planning and housing continued to focus on: (i) housing development; (ii) the sanitization of the urban environment; and (iii) the development of urban transport infrastructure.

The actions implemented to promote housing development mainly concerned the construction of 120 new housing units under the Government's Programme to Construct 10 000 Social Housing Units, bringing the total number of completed units to 580. Efforts to improve the environment and sanitize the urban environment were pursued in 2020, particularly through: (i) the cleaning of 4 675 linear metres (lm) of drains in several council areas and the construction of 2 km of drains in Douala, as well as the completion of the construction of 14.3 km of drains under PADY 2 and 35.2 km under the Rainwater Drainage Project; (ii) the collection of 3 375 tonnes of waste; (iii) the construction of 1 149 public lighting points and the development of 30 474 m2 of green spaces in the cities that will host the AFCON. The main achievements regarding infrastructure development include: (i) the construction of 8.86 km of roads in Bafoussam, Dschang, Bangou and Mbouda, within the framework of preparations for the 2021 Africa Cup of Nations tournament; (ii) the maintenance of 96.3 km of untarred urban roads in 24 towns and 9.9 km of tarred roads in Yaoundé, Kribi and Evodoula; and (iii) the rehabilitation of 73.17 km of urban roads in the framework of preparations for the 2021 Africa Cup of Nations tournament, the implementation of PLANUT in Yaoundé and Douala (44.24 km); and emergency road rehabilitation works in the cities of Yaoundé and Douala (6 km). The main actions regarding social protection and prevention focused on: (i) the provision of care to 7 728 socially vulnerable persons (SVPs) in MINAS institutions; (ii) the construction of the administrative block and the 'Lambs' Ward of the Institution camerounaise de l'enfance de Bétamba (Cameroonian Children's Institution of Betamba); (iii) the strengthening of community sensitization on the prevention of COVID-19; (iv) the construction of the Centre for the Rehabilitation of Persons with Disabilities of Maroua; and (v) the strengthening of the supply in terms of re-education, rehabilitation, care and protection of socially vulnerable persons (SVPs).

Regarding women's empowerment and the family, the activities implemented focused on: (i) the training of 34 709 girls and women in setting up projects and managing income-generating activities (IGAs) and 1 000 women in the small-scale production of liquid soap and alcohol-based hand sanitizers; (ii) the provision of agro-pastoral equipment to 364 women's groups; (iii) the rehabilitation and equipping of several women's empowerment and the family centres nationwide; (iv) support for the issuance of 1 000 birth certificates for children; (v) capacity building of 1 176 widows in the management of their activities and the provision of financial and material support to 908 widows for the setting up of IGAs; (vi) the collective celebration of 415 marriages; and (vii) the provision of aid and assistance to 1 856 destitute and needy persons.

Concerning the economic promotion of young people, in 2020 the Government pursued the economic integration of young people, particularly by: (i) building the capacity of 472 young people in technical entrepreneurship and 123 young people in business management; (ii) retraining 198 peer educators in STI/HIV/AIDS prevention and comprehensive sex education; (iii) supporting 292 volunteers in socio-economic and professional integration after their volunteer mission; and (iv) building 11 multi-purpose youth promotion centres (MYPCs), rehabilitating 7 MYPCs and equipping 34 others.

Within the framework of the fight against poverty, the activities of the 'social safety net' programme continued in 2020, albeit with deployment delays, due to compliance with the barrier measures adopted to curb the spread of COVID-19. Thus, in October 2020, the project targeted about 20 500 beneficiary households divided into 10 500 emergency cash transfer (ECT) beneficiary households and 10 000 labour-intensive (HIMO) work beneficiary households. These households received two payments in 2020 for a total amount of 630 million.

Besides the 20 500 beneficiary households targeted in 2020, the project targeted 120 500 additional households in 2021. They are divided into 40 500 households benefiting from ordinary cash transfers (OCTs) and 80 000 households benefiting from coronavirus response emergency cash transfers (COVID-19- ECT). As at 30 June 2021, the households had received cash transfers totalling 8.54 billion.

1.2.6. Structural and institutional reforms

In 2021, the Government continued to implement structural reforms to improve the performance and competitiveness of its economy.

In this regard, following the end of the Growth and Employment Strategy Paper (GESP) in December 2019, the National Development Strategy 2020-2030 (NDS30), adopted in 2020, serves as the reference framework for government action for the period. It aims to achieve the structural transformation of the economy by making fundamental changes to production, industrial, financial, administrative, social and environmental structures.

In the mining sector, the National Mining Company (SONAMINES) was established on 14 December 2020 by Presidential decree. It is responsible, notably, for conducting the inventory of mineral evidence, in collaboration with other relevant government services and bodies, carrying out mining research and operations, and ensuring the implementation of measures related to the restoration, rehabilitation and closure of mining sites.

In keeping with Cameroon's COVID-19 response and economic and social resilience strategy, the Government concluded with the Professional Association of Credit Institutions of Cameroon (APECAM) and the National Association of Microfinance Institutions of Cameroon (ANEMCAM), a guarantee agreement worth 200 billion CFA francs for the granting of bank loans to public and private enterprises impacted by the coronavirus pandemic.

Within the framework of multilateral cooperation, the IMF approved a new economic and financial programme for the 2021-2024 period on 29 July 2021. The successful implementation of this new programme is expected to contribute to initiating economic recovery from 2021 and to achieving strong, sustained and inclusive growth backed by adequate financing and a budgetary policy that is compatible with the fight against the coronavirus pandemic and poverty reduction.

Box 1 : New 2021-2024 Economic and Financial Programme Concluded with the IMF

To maintain the impetus of reforms initiated under the 2017-2020 programme and capitalize on achievements, the Cameroonian authorities submitted a request for and the IMF approved a new Economic and Financial Programme (EFP) backed by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF) during the 2021-2024 period.

The reference framework of the programme's strategic guidelines covers the four pillars of the National Development Strategy for the 2020-2030 period (NDS-30) and the four thrusts of the post-COVID-19 economic support and recovery plan. At the regional level, it is still consistent with the strategic framework of the Regional Economic and Financial Reforms Programme (PREF-CEMAC) adopted for the second generation agreements concluded between CEMAC member countries and their international technical and financial partners, announced in the final communiqué of the Extraordinary Summit of CEMAC Heads of State held in Yaoundé on 21 November 2019.

In this regard, the authorities intend to: (i) continue to implement the COVID-19 health response; (ii) reduce constraints on private sector development; (iii) accelerate public finance management reforms, particularly through the effective implementation of CEMAC directives; (iv) continue to broaden the non-oil revenue base; (v) enhance the efficiency of public investment spending; (vi) strengthen the performance management of public enterprises; (vii) implement a financial and physical rehabilitation plan for SONARA; and (viii) strengthen the sustainability of the public debt.

As was the case with the previous programme, IMF support and effective implementation of credible reforms are also expected to help to stimulate private sector investment and leverage additional financing from development partners. The disbursement of all expected financial support will help to fill the projected financing gap during the 2021-2024 period.

The IMF's financial support through the two aforementioned instruments represents 175% of Cameroon's quota, that is SDR 483 million, which corresponds to about 375 billion CFA francs. The approval of the programme by the IMF Executive Board was followed by the disbursement of 45% of the quota, that is about 96 billion CFA francs as the first tranche, to support the country's efforts in strengthening its external position and stabilize its public finances. The other six tranches will be disbursed after periodic reviews deemed satisfactory. The reviews will make it possible to assess the programme performance based on quantitative criteria, indicative targets and structural reforms contained in the Government's economic and financial policy memorandum.

1.3. Macroeconomic and Budgetary Outlook for the 2021-2024 Period

1.3.1. Situation of the national economy in 2021

The growth rate in 2021 is estimated at 3.6%, in view of the achievements made at the end of the first nine months of the year and updates on various accounts for 2020.

On the supply side, recovery is expected to be driven by: (i) the revival of agricultural sector activities due to an increase in global demand; (ii) the vitality of activities in the civil engineering and public works sector linked to the continuation of major projects; (iii) the gradual recovery of the services sector following the expected improvement of the global economy in 2021; (iv) the positive influence of the measures taken within the framework of the recovery policy initiated by the Government.

Concerning GDP uses, private investment is expected to rebound, reflecting the resumption of several business investment programmes, as the effects of the pandemic are gradually brought under control. The same would be true of public investment with a PIB allocation of 1 352 billion in 2021, up by 26.2%. Exports are expected to increase, reflecting an increase in commodity prices, driven by the rebound in global demand and the restoration of supply chains. Domestic demand is expected to increase by 3.3%

in volume in 2021, driven by household consumption which should benefit from general price control and the improvement in household incomes.

Regarding prices, the inflation rate is estimated at 2.4%, up from 2.5% in 2020. It is expected to remain below the 3% threshold set by the CEMAC community standard, thanks particularly to the actions taken by the Government to contain rising prices, especially those of health and consumer goods.

Concerning the other macroeconomic accounts, the budget deficit is estimated at 3.3% of GDP, down from 3.6% in 2020, representing a decline of 0.2 percentage point. The current account deficit of the balance of payments is expected to increase slightly to 3.8%, despite the expected rebound in goods exports. With regard to the monetary situation, the money supply (M2) is expected to improve by 10.2%, driven by foreign assets (+8.3%) and credit to the economy (+12.2%).

1.3.2. 2022-2024 macroeconomic outlook

Macroeconomic projections are based on a 4.2% growth rate in 2022 and 4.5% on average during the 2022-2024 period, under the assumptions of (i) the relative control of the pandemic, thanks to the conduct of immunization campaigns and the continuation of patient management measures; (ii) benefits of the hosting of the Africa Cup of Nations; and (iii) the mitigation of problems of insecurity. Thus, oil sector growth during the 2022-2024 period would average 0.3%, with an increase in gas production which would simply off-set the depletion of oil fields. In the non-oil sector, the branches impacted by the health crisis are expected to be very buoyant due particularly to the gradual recovery of the losses suffered. The most notable developments will include: (i) the revival of industrial and export agriculture and forestry and logging; and (ii) the resumption of the service sector activities affected by containment measures, particularly in the hotel, restaurant and transport sectors. Regarding prices, inflation should not exceed the CEMAC threshold of 3% over the 2022-2024 period. The continuation of the measures adopted by the Government to control prices and the improvement of the local supply of consumer goods, as well as the reorganization of the domestic market, should help to achieve this objective.

With regard to external accounts, the current account deficit is expected to decrease to an average of 2.5% of GDP over the 2022-2024 period. This trend is justified by the promotion of exports of processed products (cocoa, timber, coffee, cotton, etc.) and the implementation of the import-substitution policy, through the progressive reduction of imports by improving the local supply of mass consumer products.

1.3.3. 2022-2024 budgetary prospects

The Government's public finance policy for the 2022-2024 period will continue to hinge on fiscal consolidation to ensure the sustainability of financial transactions. This policy will remain consistent with various commitments, particularly those made under the new Economic and Financial Programme concluded with the IMF.

Thus, the overall budget deficit should be reduced to 2% of GDP in 2022, down from 3.2% in 2021. This deficit is expected to decline during the 2022-2024 period to stand at 0.9% in 2024. This deficit trend will help to maintain the stock of public debt below 45% of GDP between 2022 and 2024. Fiscal consolidation will be driven by additional efforts to mobilize non-oil domestic revenue and the continued control of public expenditure. In this respect, the tax pressure rate will be raised from 11.4% in 2021 to 12.1% in 2022 and 13.2% in 2024. Expenditure, for its part, will be contained at 16.7% of GDP in 2022, compared with 16.9% in 2021, and will stabilise at an average of 16.2% between 2023 and 2024.

For its part, the draft State budget for the 2022 fiscal year is based on the assumption of: (i) the production of 25.3 million barrels of oil and 69.9 billion scf. of gas; (ii) prices of 6.3 dollars per cubic metre of gas and 64.5 dollars per barrel of oil (from which a 3.5-dollar discount is made, giving a price of 61 dollars per barrel in Cameroon); (iii) an exchange rate of 575.5 CFA francs per dollar; and (iv) a nominal growth in non-oil GDP of 6.1% resulting from a real non-oil growth of 4.4% and a non-oil GDP deflator of 1.7%. This draft budget also takes into account the expected impact of the new tax and customs provisions, particularly: (i) measures relating to the revival of the banana sector; (ii) the simplification of property income tax assessment methods; (iii) the institution of a tax on money transfers; (iv) raising the rate of the special excise duty from 0.5% to 1% of the taxable base on all imported goods, excluding those admitted duty free, intended to finance waste removal and treatment in regional and local authorities; (v) readjustment of the rate of the exit duty on timber exported in logs from 35% to 50%.

In light of the foregoing, the 2022 draft budget is balanced in revenue and expenditure at the sum of at CFAF 5 752.4 billion compared to CFAF 5 480.4 billion in 2021, that is, an increase of 272 billion in absolute terms and 5.0% in relative terms. It is broken down into 5 599.7 billion as General Budget and 152.7 billion as special appropriations accounts. Compared to 2021, the general budget increased by 364.5 billion (+7.0%) while the budget for special appropriations accounts decreased by 92.5 billion (-37.7%).

1.3.4. Macroeconomic and budgetary constraints and risks in 2022

The projections made in the Finance Bill for the 2022 fiscal year remain subject to various constraints and risks which could jeopardize the ensuing budgetary and financial balance. These risks relate to the assumptions underpinning macroeconomic projections, revenue, particularly oil revenue, expenditure, and financing.

From the macroeconomic viewpoint, the recrudescence of the coronavirus pandemic in 2022 with the emergence of new and more dangerous variants, coupled with the lack of interest in vaccination campaigns, could lead to a lower level of activity than expected and, hence, a lower level of tax and customs revenue than expected. In addition, the surge in oil prices could be reversed if the pandemic recurs at the global level.

The security risk persists and continues to constrain government expenditure, particularly through direct NHC interventions whose level remains high. Similarly, the amount of health expenditure within the framework of the fight against the coronavirus could jeopardize the 2022 budget balance, should the health crisis reoccur in 2022.

CHAPITRE 2 : PRODUCTION

Economic activity in 2020 was greatly impacted by the combined effects of: (i) the COVID-19 pandemic; (ii) the drop in global oil prices and other exports; and (iii) persistent security crises. Growth slowed down to 0.5% from 3.5% in 2019, with the primary, secondary and tertiary sectors contributing 0.1 point, 0.8 point and 0.3 point respectively to real GDP growth.

2.1. Primary Sector

In 2020, primary sector growth slowed down to 0.6%, after 3.9% in 2019. This trend resulted from the poor performance recorded in the "industrial and export agriculture" (-1.6% against +5%) and "forestry and logging" (-1.8% against +6.1%) branches. Growth remained positive in the "livestock and hunting" (+2.5% against 3.8%) and "fishing and fish farming" (+1.1% against 2.1%) branches. The primary sector accounted for 17.1% of GDP.

The development strategy in this sector essentially focused on: (i) improving the productivity and competitiveness of agricultural sectors; (ii) modernizing infrastructure; (iii) supervising and training producers; (iv) sustainable management of biodiversity; (v) research and innovation.

2.1.1. Agriculture

In 2020, this sub-sector grew by 1.1%, against 3.3% in 2019. The sub-sector includes "industrial and export agriculture" and "subsistence agriculture".

2.1.1.1. Industrial and export agriculture

The added value of "industrial and export agriculture" dropped by 1.6% in 2020, after a 5% increase in 2019. This trend was mainly due to the drop in the production of rubber and banana.

Cocoa

Cocoa production rose by 5.8%, from 293 685 tonnes in 2019 to 310 595 in 2020. The increase is mainly due to the improvement of production conditions in the South-West and improved maintenance of plantations in other basins. In addition, the entry into production of new plantations, favourable weather conditions and the strong enthusiasm of producers also contributed to increasing production.

The following actions were undertaken to increase production and competitiveness in the cocoa sector: (i) production and distribution of 5 285 251 certified cocoa seedlings; (ii) certification of 5 819 400 seedlings from private nurseries; (iii) setting-up and maintenance of 9 ha of cocoa seed farms; (iv) rehabilitation of 25.5 ha of seed farms; (v) fungal treatment of 51 000 ha of cocoa plantations; (vi) acquisition and distribution of 315 litres of herbicide and insecticide, as well as 789 sachets of fungicides.

Coffee

In 2020, coffee production continued to slump, with Arabica coffee production dropping by 4.1% to stand at 6 567 tonnes, while Robusta coffee production fell by 14.2% to stand at 28 377 tonnes. For some years now, this sector has suffered setbacks due to the drop in world prices, frustration of farmers, an ageing workforce and the replacement of coffee plants with other crops.

In order to revive the sector, the Government and other stakeholders carried out some actions, including improving productivity, expanding cultivated areas, regenerating plantations, supporting plantation protection, controlling technical tools and certifying 131 000 Robusta coffee seedlings.

Natural rubber

In 2020, natural rubber production dropped by 2%, after a 21.7% decline in 2019, to stand at 34 802 tonnes. The downward trend recorded in this sector for some years now is attributable, inter alia, to the contraction in global demand, due to COVID-19, the drop in world prices and the obsolescence of plantations with close to 70% of plantations aged above 30 years.

Several initiatives are on-going to step up production. In fact, for four years now, the main rubber production company (HEVECAM) has embarked on a replanting operation to rejuvenate the plantations. Plantations have also been expanded around Kribi on an area of 18 364 ha. Within the framework of the partnership agreement signed between the agro-industrial company *Sud Cameroun Hévéa* (SUDCAM) and the Government, the sum of 2 billion francs was invested in 2020 to increase the company's rubber production capacity from 1 to 25 tonnes per hour. Moreover, CDC resumed production activities on various sites, after a year of inactivity due to security issues.

Cotton

In 2020, seed cotton production increased by 5.1%, compared with 8.5%, to stand at 336 621 tonnes. Cotton fibre production also increased by 7.3% to stand at 141 381 tonnes. This can be attributed to producer capacity building, maintenance of feeder roads and timely supply of quality agricultural inputs and equipment to producers.

Within the context of improving production, SODECOTON is pursuing its investment plan. In this light, the Government signed, on behalf of SODECOTON, a loan agreement with the International Islamic Trade Finance Corporation (ITFC), a subsidiary of the Islamic Development Bank (IsDB), worth 64.3 billion whose disbursement is on-going. This plan specifically targets the following: (i) the construction of two cotton ginning plants in Gouna and Maroua; (ii) the construction of a third refinery in Ngaoundere (funds mobilized and environmental impact assessment underway); (iii) modernization of the refinery in Garoua and transfer of its current equipment to the plant in Maroua.

Export banana

Export banana production maintained a downward trend in 2020, falling by 8% to stand at 187 884 tonnes. This trend stems from the drop in the production of PHP, the leading producer in the sector, due to unfavourable weather conditions. Disruptions in maritime and air transport caused by the COVID-19 pandemic also negatively affected activities in the sector, whose products have limited storage duration. Production is expected to increase, with the resumption of activities at CDC.

Crude palm oil

In 2020, industrial crude palm oil production remained virtually stable, compared with 2019, and stood at 177 996 tonnes. The challenges faced by CDC and insecurity in the South-West production basin are a major setback in the activities of this sector.

To increase production, investments made by companies in the sector are geared towards: (i) securing the plantations crisis-affected areas; (ii) rehabilitating abandoned plantations through increased phytosanitary treatment and use of fertilizers; and (iii) improving plants' extraction rate.

To support companies in the "oilseed industry" branch, whose raw material is crude palm oil, Government granted an authorization to import 60 000 tonnes of crude palm oil in 2020 at a 5% CET rate and free of VAT. In addition, to increase village crude palm oil production, 2 807 000 certified oil palm seedlings were distributed to producers.

Table 2 : Production, Exports and Prices in Industrial Agriculture

Item	2014	2015	2016*	2017	2018	2019*	2020**	Growth (%)
Cocoa								
Production (tonnes)	281 196	308 753	330 412	308 736	309 627	293 685	310 595	5.8
Export (tonnes)	192 637	265 306	263 746	221 667	218 793	218 002	190 728	-12.5
Prices (in CFAF/kg)	1 732	1 756	1 654	1 158	1 265	1 312	1 384	5.5
Arabica coffee								
Production (tonnes)	8 020	6 504	7 024	10 307	6 565	6 846	6 567	-4.1
Export (tonnes)	2 434	2 004	1 943	1 730	1 146	859	6 846	697
Prices (in CFAF/kg)	2 975	2 227	2 188	2 131	2 001	1 820	1 994	9.5
Robusta coffee								
Production (tonnes)	37 115	27 094	29 762	21 316	35 654	35 073	28 378	-19.1
Export (tonnes)	28 171	27 990	30 914	22 273	17 765	17 213	35 073	103.8
Prices (in CFAF/kg)	1 553	1 391	1 361	1 492	1 254	1 085	1 014	-6.6
Rubber								
Production (tonnes)	51 559	46 920	40 983	41 911	45 354	35 517	34 802	-2
Export (tonnes)	57 150	36 149	42 328	42 381	41 560	34 367	32 318	-6
Prices (in CFAF/kg)	812	864	1 019	1 279	1 050	940	878	-6.6
Seed cotton								
Production (tonnes)	274 286	289 994	258 000	248 150	295 100	320 077	336 321	5.1
Cotton fibre								
Production (tonnes)	98 375	107 585	91 970	100 877	107 617	131 761	141 381	7.3
Export (tonnes)	90 854	98 143	101 427	101 893	113 623	130 061	123 907	-4.7
Prices (in CFAF/kg)	799	920	865	975	1 066	1 067	984	-7.8
Export banana								
Production (tonnes)	343 616	363 029	381 525	347 896	240 403	204 320	187 884	-8
Export (tonnes)	265 276	283 436	295 180	275 717	217 177	184 370	191 653	4
Prices (in CFAF/kg)	554	482	505	502	536	518	506	-2.3
Palm oil								
Industrial production (tonnes)	127 321	140 212	130 129	155 066	171 955	178 667	177 996	-0.4

*Sources: MINADER, MINFI/DF, WEO, *Updated data, **Estimates*

2.1.1.2. Food crop agriculture

In 2020, food crop farming value-added grew by 2.4% after 3.1% in 2019. This drop is, inter alia, linked to the delayed supply of seeds and fertilizers to producers, due to COVID-19. The persistent security crisis in the major production basins (North-West, South-West and Far North), insect invasions and floods in the grand North, also strained growth in this sub-sector. The crop groups concerned are: cereals, roots and tubers, legumes, market gardening produce, fruits and vegetables.

Cereals

Rainfall greatly disrupted cereal production, with a prolonged rainy season that caused floods in some localities and destroyed plantations. The main cereals are maize, millet/sorghum and paddy rice.

Maize

In 2020, maize production remained virtually stable after dropping by 11.1% in 2019 and stood at 2 105 513 tonnes. This was due to unfavourable weather conditions and a caterpillar invasion. In addition, the high cost of fertilizers and pesticides, limited access to improved seeds and poor organization in the sector constituted major constraints to large-scale maize production. National demand was estimated at 2.8 million tonnes in 2019.

To encourage producers and increase productivity, 540 tonnes of basic seeds were distributed to producers and 3 059 tonnes of seeds certified by phytosanitary bodies. Moreover, as part of the *Agriculture Investments and Market Development Project* (AIMDP), framework agreements corresponding to an annual agro-business demand of about 100 000 tonnes of maize grains were signed in 2018 with producers and cooperatives, notably for breweries (25 000 tonnes) and animal feed (66 000 tonnes). In 2020, 28 572.6 tonnes of maize were sold under established purchase contracts.

Millet/Sorghum

Millet/sorghum production dropped by 17.8% in 2020, compared with 2019, and stood at 1 009 655 tonnes. This trend resulted especially from the floods recorded in the Logone-and-Chari Plain and in Mayo-Sava, which are major production basins. However, for some years now, these crops have witnessed an increase in demand from breweries under the Agriculture Industrialization and Market Development Project as a substitute for malt. To increase productivity, 51 145 tonnes of basic and certified sorghum seeds were purchased and distributed to producers.

Paddy rice

In 2020, paddy rice production dropped by 3.7% to stand at 286 312 tonnes. Floods and insect invasions recorded in the major production areas also contributed to this decline.

Actions taken in line with this crop include, among others: (i) the production and distribution of 543 tonnes of certified rice seedlings to producers, (ii) the purchase and distribution of 44.5 tonnes of fertilizers; (iii) the promotion of rain-fed rice cultivation throughout the national territory.

Roots and tubers

In 2020, the production of sweet potato, cassava and cocoyam increased by 17.2%, 3.9% and 0.2%, respectively. Cassava cultivation was boosted by the supply of 40 665 666 certified cassava cuttings. Crops whose production dropped are Irish potato (-3.4%) and yam (-7.4%), due to the delayed supply of improved seeds to producers. In addition, a GIZ-backed development strategy was designed for Irish potato production through support to heads of agricultural posts. It aims to establish improved seed farms to meet annual seed needs estimated at 2.4 million tonnes. The yield of seeds from such farms is expected to be 20 to 40 tonnes per hectare compared with 7 to 13 tonnes for standard seeds.

Legumes and oilseeds

In 2020, legumes production shrank by 15%, mainly due to an 11% reduction of the cultivated area and poor weather conditions. On a crop-by-crop basis, sesame and Bambara groundnut production rose by 30.2% and 0.7%, respectively. Oilseed production fell by 2.9% for groundnut, 8% for soybean, 2.1% for beans and 2.8% for cowpeas.

Market gardening produce, fruits and vegetables

In 2020, plantain and banana production increased by 2.3% and 4.9%, to stand at 4 430 012 tonnes and 1 066 357 tonnes, respectively. A supply of 1 078 787 banana seedlings was handed to farmers. Concerning the labelling and certification of agricultural produce, 967 500 banana seedlings were certified.

As for the other market gardening produce, fruits and vegetables, production increased for cucumber (+16.4%), okra (+15.6%) and onion (+5.6%). However, there was a drop in the production of chilli pepper (-5.1%), tomato (-1.3%), watermelon (-6.2%) and pineapple (-1.8%). Government actions in this sector focused on the labelling and certification of 1 575 000 pineapple seedlings, 100 000 eru (Gnetumafricanum) seedlings and 100 980 fruit tree seedlings.

Table 3 : Production of Main Food Crops (in tonnes)

Item	2014	2015	2016	2017	2018*	2019*	2020**	Growth (in %)
Cereals								
Maize	2 062 952	2 070 572	2 101 631	2 142 641	2 199 127	2 112 183.2	2 105 513.3	-0.3
Millet/Sorghum	1 735 040	1 040 902	1 144 992	1 066 495	1 275 674	1 228 208	1 009 655.3	-17.8
Paddy rice	201 090	278 281	311 674	289 221	331 191	297 462.7	286 312	-3.7
Legumes and oilseeds								
Cowpeas	186 000	199 000	195 408	200 113	196 961	210 168.6	204 215.2	-2.8
Bambara groundnut	40 000	46 000	27 864	29 387.90	33 363.60	33 787.0	34 021	0.7
Sesame	54 000	56 000	68 422	37 745	37 961	72 648	94 587.5	30.2
Groundnut	729 000	781 000	622 732	597 658	636 497	705 963.1	685 318.8	-2.9
Soya	16 000	17 000	24 558	20 544	146 606	161 593	148 710.8	-8
Beans	473 000	506 000	390 816	379 926	384 515	345 944.2	338 677.6	-2.1
Roots and tubers								
Cassava	4 600 707	5 224 735	5 284 683	5 617 376	5 499 306	5 508 762	5 720 947	3.9
Cocoyam/taro	1 697 245	1 757 249	1 801 180	1 858 116	1 794 810	1 767 320	1 770 072	0.2
Yam	571 672	602 228	618 136	567 774	540 456	513 514	475 426	-7.4
Sweet potato	355 135	391 905	426 899	391 199	460 697	411 086	481 680	17.2
Irish potato	224 562	346 332	384 429	373 418	394 540	369 552	356 807	-3.4
Market gardening produce, fruits and Vegetables								
Tomato	965 000	1 000 000	1 182 114	1 125 020	1 094 714	1 096 775	1 082 362	-1.3
Onion	226 000	240 000	303 781	300 843.3	311 295.6	343 405	362 542	5.6
Chilli pepper	40 000	43 000	58 903	51 078	55 472	68 747	65 244	-5.1
Plantain	3 834 180	4 477 344	4 280 305	4 352 787	4 457 513	4 328 989	4 430 012	2.3
Banana	1 664 777	1 082 800	1 118 769	1 066 198	1 013 566	1 016 855	1 066 357	4.9
Okra	77 000	78 000	80 780	83 851.8	99 292.4	100 583	116 320	15.6
Watermelon	70 907	73 793	76 745	75 463	72 869	77 091	72 290	-6.2
Pineapple	282 334	296 047	214 106	225 002	241 090	273 798	268 916	-1.8
Cucumber					296 060	211 747	246 388	16.4
Ginger					87 267	92 118	88 314	-4.1

*Source: MINADER, *= Updated data, **= Estimates*

Rural sector development support mechanisms

In addition to construction works carried out by the Ministry of Public Works, Government's cross-cutting actions to support the rural sector focused in particular on: (i) the construction of 30 community buildings, 2 rural markets, 2 warehouses and 126 water points; (ii) the rehabilitation of 309 km of dirt roads; (iii) the construction of 68 civil engineering structures; (iv) the asphalting of 69.5 km of road; (v) the rehabilitation of 42 water points; (vi) repairs of machinery used for rural development work; (vii) the purchase of spare parts for trucks and agricultural machinery; and (viii) the issuance of 81 phytosanitary authorizations. In addition, several other agricultural tools and equipment were distributed, including motor pumps, chainsaws, pruning shears, sprayers and racks.

2.1.2. Livestock, fishing and fish farming

2.1.2.1. Livestock

In 2020, growth in the livestock sub-sector slowed down to 2.5%, from 3.8% in 2019. This trend can be attributed to limited supply of inputs following the preventive measures adopted in the fight against the COVID-19 pandemic. The resumption of activity in some production basins in the South-West Region, with increased production of live animals (cattle, pigs and sheep) and eggs, helped to mitigate diminished growth in the sector.

Cattle

In 2020, the cattle herd increased by 3.5% to 9 857 361 heads. This trend is ascribable to: (i) genetic improvement of the herd; and (ii) support to producers through projects and programmes. Beef production increased by 2.7% to 109 965 tonnes, compared with 2019. This upward trend resulted from increased livestock slaughter in the Centre Region and re-opening of slaughterhouses in the South-West.

Government's actions to improve animal health included, among others: (i) setting up 66 hectares of fodder seed fields; (ii) opening 442.2 km of cattle tracks; (iii) developing 530 ha of pasture sustainably managed through a community planning scheme; (iv) vaccinating 1 319 961 cattle against the contagious bovine pleuropneumonia (CBPP), 707 107 against symptomatic anthrax, 319 258 against anthrax, 607 115 against pasteurellosis and 291 416 against lumpy skin disease.

Pigs

In 2020, the pig population increased by 3.2% to 3 936 636 heads. This growth was thanks to: (i) support to producers (popularization of production techniques, assistance to producers); (ii) continuing dissemination of high-performance brood stock; (iii) better supervision of producers through ongoing programmes and projects in the livestock sector.

Unfortunately, growth in the sector was slowed down by an ageing breeding stock at the Kounden Zootechnical Station, which led to a decline in the distribution of improved brood stock to producer organizations. In addition, there was a resurgence of the African swine fever outbreak, which greatly hampered development in the sector, as well as limitation of imports of production inputs (improved seeds, food inputs, etc.) due to the COVID-19 pandemic. As part of the drive to monitor the quality of meat released for consumption, 63 585 pigs were inspected and slaughtered in slaughterhouses and slaughter slabs. The quantity of pork produced in 2020 dropped by 13.1%, compared with 2019, and stood at 42 459 tonnes.

Small ruminants

Growth in the small ruminant population stalled in 2020. The sheep herd was 3 817 395 heads, a 3% increase compared with 3.5% in 2019. That of goats was 7 078 226 heads, a 1% increase after 4.5% in 2019. Mutton production dropped by 5.6% to 17 187 tonnes. This decline was due to the preventive measures adopted in the fight against the COVID-19 pandemic.

In 2020, actions taken in the sector were mainly within the framework of ongoing projects and programmes at MINEPIA, notably ACEFA and PRODEL, including the following: (i) vaccination of 3 818 264 sheep and goats against the sheep and goat plague; (ii) distribution of 9 tonnes of certified fodder seeds to various beneficiaries (2 stockbreeding stations, 265 producer organizations, 14 councils); (iii) construction of 23 animal health parks and 18 livestock water supply; (iv) distribution of 12 000 small ruminants to 1 200 needy households in the Guidiguis, Moulvoudaye, Porhi, Moutourwa, Kai-Kai, Goulfey, Kousseri, Hile-Alifa, Waza, Bogo, Madingring and Rey-Boubacouncils. In addition, 1.5 million small ruminants were vaccinated with support from the International Committee of the Red Cross in the Logone-et-Chari, Mayo-

Sava and Mayo-Tsanaga Divisions.

Poultry

In 2020, the poultry population comprised 53.6 million birds, recording a 35% drop compared with 2019. Poultry production plummeted even further, with a 57% drop, to 44 471 tonnes. The poor performance of the sector was mainly due to: (i) scarcity of day-old chicks and hatching eggs, the import of which reduced due to COVID-19; (ii) difficult access to imported feeds; (iii) measures restricting gatherings of more than 50 people and suspending the organization of official and private ceremonies, leading to a drop in demand.

Table 4 : Trends in Livestock Population and Quantity of Slaughter Meat

Item	2018		2019		2020		Variations (in %)	
	Herd	Meat	Herd (a)	Meat (b)	Herd (c)	Meat (d)	(c/a)	(d/b)
Cattle	8 777 899	142 436	9 524 020	107 110	9 857 361	109 981	3.5	2.7
Sheep	3 580 878	15 329	3 706 209	18 197	3 817 395	17 286	3	-5
Goats	6 706 358	25 449	7 008 144	25 081	7 078 226	25 083	1	0
Pigs	3 632 924	52 541	3 814 570	48 833	3 936 636	42 459	3.2	-13.1
Poultry	81 289 339		82 508 679	103 331	53 630 641	44 472	-35	-57

Source: MINEPIA.   Herd in number of head; meat in tonnes

Other livestock products

Other livestock products include honey, milk and table eggs.

Honey

In 2020, honey production dropped by 3.9% after witnessing a 36.7% increase in 2019. This drop is linked to poor weather conditions and reluctance of beekeepers to develop more hives, owing to a drop in foreign demand.

Milk and table eggs

In 2020, dairy production dropped by 9.3% to 187 873 tonnes, compared with 2019. This decline is ascribable to the ageing dairy herds mostly composed of low-yield cattle breed. In order to improve production, Government imported 164 high yield dairy cows which were distributed to producers in the Adamawa, Centre and Far-North Regions.

Table egg production increased by 8.2% from 86 784 tonnes in 2019 to 93 872 tonnes in 2020. This improvement is due to the fact that the laying hens in production at the time borders were closed did not face any nutrition problem, thanks to the availability of feed stocked earlier.

Table 5 : Trends in Livestock-derived Products (in tonnes)

Item	2016	2017	2018	2019	2020	Variations (in %)
Table eggs	84 129	67 999	82 407	86 784	93 872	8.2
Milk	223 527	239 174	266 275	207 216	187 873	-9.3
Honey	5 040	6 087	5 276	7 210	6 932	-3.9

Source: MINEPIA

2.1.2.2. Fishing and fish farming

In 2020, the fishing and fish farming sub-sector grew by 1.1% after a 2.1% increase in 2019. The slow growth was due to a fall in fish production. Government strategy in the sector consists in lifting obstacles to sustainable management of fishing and developing fish farming. This entails the implementation of Government's import substitution policy which consists in reducing fish imports and significantly increasing domestic fishing and fish farming.

Fish production dropped by 34.3% to stand at 220 189 tonnes in 2020. This trend is ascribable, inter alia, to difficult access to the sea in the South-West Region as a result of insecurity around water bodies in areas affected by Boko Haram's criminal activities, as well as the effects of the COVID-19 pandemic.

Fish farming also dropped from 9 078 tonnes in 2019 to 6 816 tonnes in 2020, that is, a 24.9% drop. Measures adopted to develop fish farming include: (i) the construction of 9 fishing centres in Ali-Mali, Bonatame, Tiko, EkondoTiti, Mbakaou, Akonolinga, Ndélélé, Batouri, and Douala Seaport, 7 fish sales halls in Ngaoundéré III, Mouanko, Kaélé, Campo, Mayo Hourna, Isanguele and Mudemba, as well as a smokehouse in Mouanko; (ii) the purchase of 5 m3 plastic ponds and inputs for women and young fish farmers, 48 m3 floating cages, as well as fish farming inputs and feed.

2.1.3. Forestry and wildlife sub-sector

In 2020, Government's objectives in the forestry and wildlife sub-sector remain: (i) sustainable forest management and logging; (ii) reforestation; (iii) development of wildlife resources and protected areas; (iv) development of timber and non-timber forest products.

2.1.3.1. Forestry and logging

In 2020, the input of the "forestry and logging" branch to primary sector growth declined from 1.4 points in 2019 to -0.4 point. This underperformance is attributable to the 8.4% drop in timber production as a result of cancelled orders by major partners. Likewise, sawn timber production fell by 22.9% following the reduction of sawn timber exports to the European Union.

Timber exports dropped by 11.8% to stand at 777 652 m^3. So did wood veneer and plywood, dropping respectively by 18.9% and 46.1%. These trends result from the adverse effects of the COVID-19 pandemic on the activities of this sector.

Table 6 : Forestry Sector Production and Exports (in m^3)

Item	2018	2019	2020	Variations (%)
PRODUCTION*				
Logs	2 521 373	2 967 209	2 718 043	-8.4
Sawn timber	1 128 550	1 676 534	1 292 482	-22.9
EXPORTS**				
Logs	1 096 775	881 202	777 652	-11.8
Wood veneer	45 977	50 630	41 515	-18.9
Plywood	4 219	5 959	3 212	-46.1

*Source: *MINFOF, **DGC*

The surface area of forests exploited through participatory management in the non-permanent estate reduced from 71 432 ha in 2019 to 53 422.3 ha in 2020. In fact, 34 Annual Operating Permits and 124 Annual Logging Certificates were issued for logging in 2020, as against 152 Annual Operating Permits and 34 Annual Logging Certificates in 2019.

The total amount of tax yields from logging is estimated at 32.1 billion. Exit duties accounted for 13.9 billion of this amount, Annual Forestry Royalty 9.3 billion, Felling Tax 7.5 billion and export surtax 1.4 billion.

In a bid to increase the reforested areas and develop State forests, a forest heritage land of 230 422 ha comprising 14 forest reserves, 4 reforestation areas and 1 FMU was transferred to the National Forest Development Support Agency (ANAFOR). This body will be tasked with the sustainable management of these areas and conduct of forestry activities therein.

2.1.3.2. Wildlife resources and protected areas development

Government's objectives in the field of wildlife resources and protected areas development include: (i) securing protected areas and stepping up the fight against poaching; (ii) promoting ecotourism; and (ii) developing game reserves. The creation of the Ma Mbed National Park in the Far-North Region in 2020 extended the total surface area of protected areas from 9 716 163 hectares in 2019 to 9 728 871 hectares, that is 20.46% of the national territory.

Regarding the security of protected areas and stepping up the fight against poaching, the aim is to reclaim the areas that have been subject to rampant poaching, transhumance and gold mining. Thus, 15 crackdown operations and 41 994 man-days patrols were conducted in 2020, as against 23 crackdown operations and 31 436 man-days patrols in 2019. The drop in the number of crackdown operations was caused by the COVID-19 pandemic and the security crisis in the northern regions.

Concerning the promotion of ecotourism, Government has embarked on developing and harnessing the ecotourism potential of protected areas. In 2020, 30 458 tourists visited protected areas, dropping by 23.6% compared with the previous year. This slump was as a result of the momentary closure of protected areas to curb the spread of COVID-19. Revenues generated by visits to protected areas stand at 211.4 million, a 74.7% drop compared with 2019.

For the development of hunting areas, Government is pursuing the implementation of the wildlife sustainable management plan which aims, inter alia, to: (i) draw up and validate hunting area management plans; (ii) intensify media awareness campaigns and develop marketing strategies to attract tourists; (iii) step up security in declared game areas to reassure tourists and hunters.

In 2020, hunting was carried out only in the declared game areas of the Adamawa and North Regions, where the hunting period generally runs from 1st December of a year to 31st May of the following year. However, because of the COVID-19 pandemic, hunting was suspended in other regions where camping begins by the end of May.

The number of tourists going on hunting safaris declined from 387 in 2019 to 191 in 2020, that is, a 50.6% drop. This drop was caused by border closure to avoid the spread of the coronavirus pandemic. However, hunting in the Adamawa and North hunting zones went on following a shooting plan targeting 3 236 animals; 500 animals were killed. The main species were: the Cob Buffon (75), the Lord Derby Eland (63), buffalos (64) and hartebeests (50).

Table 7 : Hunting Plan and Results in the Declared Hunting Areas

	Hunting areas of the Adamawa and North Regions					
Période / Species	2018		2019		2020	
	Shooting Plan	Results	Shooting Plan	Results	Shooting Plan	Results
Elephant	21	1	16	1	16	0
Buffalo	238	83	243	85	243	64
Lord Derby Eland	225	99	220	97	220	63
Hippotragus					216	39
Hippopotamus	17	3	16	3	16	1
Hartebeest					237	50
Warthog	174	21	180	22	180	9
Lion	14	2	15	2	14	1
Baboon	194	33	192	33	192	15
Python	87	8	78	7	78	13
Damaliscus	36	13	37	14	37	0
Spotted Hyena	66	7	68	7	68	4
Waterbuck	176	35	177	35	177	27
Co Buffon					325	75
Varanus	18	0	16	0	0	0
Others	2291	468	2374	0	1217	139
Total	3557	773	3 632	306	3236	500

Source: MINFOF

2.1.3.3. Development of timber and non-timber forest products

The development of timber and non-timber forest products entails: (i) the promotion of little known or unknown species and marketing of timber; (ii) the development of the fuel wood sector; (iii) development of non-timber forest products; (iv) support for intensive wood processing.

With regard to the promotion of little known or unknown species and marketing of timber, the volume of promotion timber species put on the market was 1 731 154 m3 in 2020, that is, a 9.2% rise compared with 2019. This figure concerns only 60 species known and in demand out of the 300 useful species found in our forests. The promotion of little known or unknown species is carried out through participation in trade fairs and organizing the “domestic timber trade”.

Concerning the fuel wood sector, the objective is to increase the supply of legally sourced fuel wood on the market. The quantity of legally sourced fuel wood on the market was 28 205.3 metric tonnes in 2020, down by 2.4% compared with 2019. This is ascribable to the restriction of movements and gatherings to curb the spread of COVID-19. Actions taken to supply homes with fuel wood include: (i) improvement of carbonization outputs through the use of ovens or pits; (ii) promotion of the use of stoves, ovens and braziers; (iii) use of waste wood (saw dust, wood chips, green waste).

As for the development of non-timber forest products, quantities exported stood at 1 628 tonnes in 2020, compared with 7 146.3 tonnes in 2019, representing a 77.2% drop. This is due to the combined effects of the COVID-19-induced border closures and the cross-border insecurity along the border with Nigeria, main buyer of non-timber forest products. Revenues from exports in non-timber forest products amounted to 1.34 billion as against 7.08 billion in 2019. Exports in special forest products also witnessed a 6.6% drop compared with 2019, to stand at 668.9 tonnes.

Support to intensive wood processing entailed the following: (i) the adoption of 7 (seven) wood drying standards; (ii) capacity building of 209 (two hundred and nine) craftsmen to increase output; (iii) training and professionalization of stakeholders along the entire value chain from felling to semi-finished and finished products, including use of wood residues along the line; (iv) the selection of 150 craftsmen for training on the finishing of wooden furniture.

2.1.4. Environment and nature protection

Government's responsibility in this sub-sector is still environmental protection and monitoring of environmental compliance during the implementation of major projects. This entails: (i) sustainable management of biodiversity; (ii) combating desertification and climate change; (iii) pollution control and the fight against harmful or dangerous chemicals.

2.1.4.1. Sustainable management of biodiversity

In 2020, activities carried out for the preservation of biodiversity include: (i) the restoration of 13.5 ha of mangrove and cleaning of 10 ha of water bodies invaded by the water hyacinth along River Wouri, River Nyong and the Lagdo Dam; (ii) the issuance of 132 environmental compliance certificates and 41 authorizations for the conduct of environmental assessment; (iii) the sensitization of 22 supermarket managers in the Yaounde 4 council on waste management and selective waste sorting.

2.1.4.2. Combating desertification and climate change

Measures implemented to mitigate the effects of climate change in 2020 include: (i) the restoration of 1 250 ha of land with the planting of 135 000 trees and securing reforested areas in the Far-North Region; (ii) the drilling of 5 boreholes, the production and distribution of 5 900 improved stoves in the Far-North Region; (iii) the transfer of 26 million francs to the Pitoa, Ngong, Garoua 2 and Garoua 3 councils for the maintenance of reforested areas along the banks of River Benue; (iv) the training of 150 persons in best practices on the prevention, mitigation and management of potential climate change-related hazards.

2.1.4.3. Control of pollution, nuisance and harmful or dangerous chemicals

In 2020,the control of pollution, nuisance and harmful chemicals continued with: (i) the inspection and control of 808 facilities and 762 ships, which led to the levying of 91 fines; (ii) the adoption of 15 Cameroonian environmental protection standards; (iii) the seizure of 21.8 tonnes of non-compliant plastic packaging across the 10 regions; (iv) the issuance of 160 environmental waste management licences; (v) the ecological disposal of 10 970 000 litres of liquid waste, 1 854 535 tonnes of solid waste and 57 tonnes of electrical and electronic waste; (vi) the training of 100 customs officers and 150 cooling and air conditioning students on the handling of appliances containing ozone-depleting substances; (vii) the sensitization of 4 020 exposed persons (metal workers, repairers, recyclers, risk populations and owners of polychlorinated biphenyls)on the dangers of persistent organic pollutants.

2.1.5. Research and innovation

In 2020, several activities were carried out to promote research, development and innovation, including: (i) infrastructural development; (ii) the modernization of production systems; and (iii) the promotion of and support to innovation.

Actions undertaken to promote infrastructural development centred on: (i) the digitization of topographic database production photographs of 11 000 km2 in the North-West, 7 600 km2 in the North and 1 600 km^2 in the Adamawa; (ii) the development of 19 measuring protocols for radiation protection, radioecology and instrumentation; (iii) the installation of a seismic station in Edea; (iv) the development of geopolymer concrete from laterite calcification, pouzzolana and standardized sand for quality control, as well as the search for new laterite stabilization methods; (v) the construction of an additional inverted flames oven and acquisition of a new extruder for the Nkolbisson pilot plant; (vi) the construction of sheds and acquisition of production equipment for the roof tiles and compressed earth blocks pilot production plants.

Actions for the modernization of production systems include: (i) the creation of an innovation cluster and the setting-up of 8 trial centres in the field of agricultural research for development; (ii) the production of 5 (five) innovative technological packages in plant production and sylviculture.

Regarding the promotion of and support to innovation, activities continued with: (i) the designing, production and installation of a rural containerized generator to boost socioeconomic activities in areas without power supply; (ii) the production of a first volume of compiled research on the pharmacopeia of the Centre-East-South agro-ecological regions; (iii) planting techniques capacity building for oil palm nurserymen in the Littoral Region; (iv) the creation and production of soy bean seeds, and improvement of Bambara groundnut production in the Far-North.

2.2. Secondary sector

Amidst the prevailing difficult economic environment in 2020, the secondary sector grew by 3.2%, after 3.8% in 2019. This performance is attributable mainly to the satisfactory results of activities in *"public works and civil engineering", "agri-food industries"* and *"extractive industries"* sectors. The secondary sector's contribution to economic growth stands at 0.8 point.*Source: NIS*

Table 8 : Secondary Sector Growth Rate Trends

Item	2017	2018	2019	2020
Secondary sector	1.4	2.9	3.8	3.2
Extractive industries	-17.5	-2.8	8.2	3.2
of which hydrocarbons extraction	-19.2	-3.0	8.4	3.1
Manufacturing industries	3.1	3.6	1.1	2.1
of which agri-food industries	4.4	1.9	2.4	3.6
Other manufacturing industries	1.8	5.1	0.1	0.9
Electricity production and distribution	7.0	-10.5	0.0	0.2
Water production and distribution, and sanitation	2.6	2.5	1.8	1.2
Public works and civil engineering	8.5	7.8	7.9	6.4

Source: NIS

2.2.1. Manufacturing industries

In 2020, growth in the manufacturing industries increased to 2.1%, after 1.1% in 2019. This growth is mainly driven by the enthusiasm observed in the *"beverages industries"* (-3.8% to 4.9%), *"wood industries apart from furniture-making"* (-0.1% to 10.6%), *"basic metal products manufacturing"* (-4.1% to 7.5%) and the *"textile and cloth-making industries"* (4.8% to 11.6%). Conversely, the branches which helped to slow down this sector include "cocoa, coffee, tea and sugar industries" (4.9% to -2.4%), *"chemical industries and production of chemicals"* (9.8% to -1.1%) and *"meat and fish industries"* (5.9% to 4.3%). The overall contribution of manufacturing industries to secondary sector GDP increased from 0.7 to 1.2 points.

2.2.1.1. Agri-food industries

In 2020, growth in the *"agri-food industries"* increased by 1.2 points for a 3.6% growth rate. This good performance could be attributed, inter alia, to that of the "beverages industries" (+4.9%), *"cereal products manufacturing"* (+9.3%), *"meat and fish industries"* (+4.3%) and *"grains and starchy foods production"* (+3.5%). The branches which underperformed include *"cocoa, coffee, tea and sugar"* (-2.4%) and the "milk, fruits vegetable and other food production industries" (-7.7%).

Growth in the *"beverages industries"* could be explained by the creation of new production chains, the supply of new products on the market and the quick recovery after the lifting of restrictions on opening and closing hours of licensed establishments. The beverages market is dominated by beer (40.6%), followed by soft drinks (21.1%) and mineral water (17.2%). This industry has been experiencing supply challenges in maize and sorghum, which are the raw material for beer. Some partnerships are ongoing between the Government, stakeholders of this industry and local producers to increase domestic supply.

The good performance in the *"cereal products manufacturing"* industries could be explained by the increased number of supply outlets for local producers of products whose imports slumped as a result of COVID-19 restrictions. This increased demand revamped flour production by 11.3%. In the "oilseeds and animal feed industries", production of refined oil rose by 4% and that of animal feed by 9.5% compared with 2019, due to increased demand and availability of raw materials such as palm oil and seed cotton.

The underperformance of the *"cocoa, coffee and sugar industries"* stems from the cancellation of several orders placed by foreign partners due to the socioeconomic crisis that broke out in these countries following the COVID-19 pandemic. SIC-CACAO, the main operator in the cocoa processing industry, recorded a 6.2% fall in the mass production of cocoa and 8% fall in cocoa butter compared with 2019. Moreover, SOSUCAM also recorded a 7.8% fall in the production of sugar due to poor weather conditions.

Table 9 : Growth Rate by Branch of Activity in the Agri-Food Industry (in %)

tem	2016	2017	2018	2019	2020
Meat and fish industries	3.4	5.4	2.7	5.9	4.3
Manufacture of grain mill and starch products	5.2	-7.2	0.2	5.0	3.5
Cocoa, coffee, tea and sugar industries	10.0	23.2	1.0	4.9	-2.4
Fats and animal feed industries	4.5	18.8	5.5	0.5	0.7
Manufacture of cereal products	1.5	3.7	2.2	5.1	9.3
Dairy, fruit, vegetable and other food products industries	15.5	5.0	-0.6	3.0	-7.7
Beverage industries	3.5	0.0	1.4	-3.8	4.9
Tobacco industry	9.8	3.3	0.8	0.9	2.5

Source: NIS

2.2.1.2. Other manufacturing industries

In 2020, economic activities in the *"other manufacturing industries"* rose by 0.9% after some stability in 2019. This progress is driven, inter alia, by: *"wood industries except furniture-making"* (+10.6%), *"textile and cloth-making industries"* (+11.6%), *"repair and installation of machinery and electrical appliances"* (+9.8%), *"manufacture of other non-metallic mineral products"* (+9.4). Growth rate in this branch was constrained by the underperformance of *"rubber production and plastic products manufacturing"* (-7.6%) and "petroleum refining, coking and nuclear industries" (-74.2%).

In the *"textile and cloth-making industry"* growth is driven by the 16.8% rise in cotton fibre production following investments made to increase factories' output and seed cotton harvest in plantations. The production of printed and dyed fabrics rose by 20.4% and that of terry fabric by 58.6%, driven by rising orders. However, this industry faces competition from imports in second-hand clothes, as well as fabric smuggling from Asia and West Africa.

The strong growth observed in the *"manufacture of other non-metallic mineral products"* was driven by the increase in demand of several products, including glass products for beverage industries whose production increased by 127.3%. Likewise, cement production grew by 24.3%, driven by the increase in demand from households and the finalization of major construction projects for the organization of the AFCON.

The contraction of *"rubber production and plastic products manufacturing"* results from a fall in the global demand for latex, natural rubber bullets and plastic products and items. Plastic packaging production dropped by 10.2% following the cancellation of orders from the sub-region. A standstill of refining activities at SONARA since 31 May 2019 has also led to a fall in the growth of the "petroleum refining, coking and nuclear industries".

Table 10 : Other Manufacturing Industries Growth Rate Trends (in %)

Items	2016	2017	2018	2019	2020
Textile and manufacturing industries	2.1	0.4	5.2	4.8	11.6
Leather industries and shoe manufacturing	5.5	3.7	6.9	12.3	5.1
Timber industries except furniture manufacturing	0.9	2.5	12.1	-0.1	10.6
Paper and paper articles manufacturing	5.9	12.9	9.7	0.6	4.9
Oil refinery, coking and nuclear industry	19.6	-13.5	-6.6	-17.0	-74.2
Chemical industries and manufacturing of chemical products	8.7	-0.4	5.9	9.8	-1.1
Rubber production and manufacturing of rubber articles	0.3	0.5	-2.4	-1.5	-7.6
Manufacturing of other non-metallic mineral products	1.5	13.5	7.0	2.1	9.4
Manufacturing of basic metallurgical products	2.0	1.4	-1.8	-4.1	7.5
Manufacturing of machines, electric devices	12.0	-1.3	-0.7	2.3	0.8
Manufacturing of audio-visual equipment and devices	29.0	-8.5	-1.3	-8.9	-1.7
Manufacturing of transport material	19.8	-12.6	9.8	-3.5	4.5
Manufacturing of furniture and other manufacturing activities	6.4	3.4	6.4	1.1	5.0
Repair and installing of machines and equipment	3.1	19.1	11.1	5.6	9.8

Source: NIS

2.2.2. Extractive industries

In 2020, the growth of the *"extractive industry"* sector slowed down to 3.2% after 8.2% in 2019. This fall is owed to the hydrocarbons extraction activities whose value added growth dropped from 8.4% to 3.1%.

2.2.2.1. Mining

In 2020, gold production stood at 233.2 kg, down by 25.8% compared with 2019. This drop can be explained, amongst others, by the non-renewal of mining permits, the reduction in the number of gold miners and the impacts of COVID-19 which lead to disruption of activities. The share of the production transferred to the State by CAPAM stands at 38.5 kg. In view of improving production in the sector, 88 mining permits were granted.

As part of governance follow-up in the sector, the National Mining Company (SONAMINES) was established by decree of the President of the Republic on 14 December 2020, to replace CAPAM. SONAMINES is, amongst others, responsible for conducting the inventory of mining indexes in conjunction with other government services, and to carry out exploration and mining activities.

In addition, campaigns on airborne geophysical surveys continued under the Mining Sector Capacity Building Project (PRECASEM). These campaigns helped in obtaining magnetic and radiometric data over a surface area of 218 060 km2, bringing the territory's geophysical coverage rate to 93%, that is, 442 362 km2. However, the 1/200 000 regional geological and geochemical mapping campaign which covers about 121 000 km2 in the Littoral, Centre, East, Adamawa and North regions has been launched. The coverage rate stands at 48% for geology and 74% for geochemistry. The campaigns helped in: (i) identifying 715 abnormalities and metallic indexes; (ii) drawing 14 geological maps at the scale 1/200 000 and 14 geochemical atlases.

2.2.2.2. Hydrocarbons

2.2.2.2.1. Crude oil

In 2020, crude oil production rose by 2.2% compared with 2019 and stood at 26.6 million barrels. This increase is attributable to the good performance of the Oak oil field and the successful drilling campaign in the Rio del Rey and Moabi oil fields.

To boost the hydrocarbons sector, NHC went into negotiations with the company Addax Petroleum Cameroon Limited, in view of finalizing a contract to share production on the Ngosso block in the Rio Del Rey basin. Furthermore, renegotiation of the reconversion into production sharing contracts is ongoing for establishment agreements and for association contracts governing concessions of the Douala/Kribi-Campo and Rio Del Rey basins which have expired.

Table 11 : Crude Oil Production (in millions of barrels)

Categories	2016	2017	2018	2019	2020
Production	33.7	27.7	25.1	26	26.6
Variation (in %)	-3.9	-17.8	-9.4	3.6	2.2

Source: NHC

2.2.2.2.2. Natural gas

In 2020, natural gas (GNL) production stood at 75.2 billion cubic feet, up by 6.2% compared with 2019, due to increase in demand. Cameroon's natural gas has new destinations namely, Thailand, Pakistan, South Korea, Kuwait and Turkey. To boost gas supply, the gas liquefaction floating factory "Hilli Episeyo", a new gas platform dubbed "Sanaga 2" was established offshore Kribi.

Table 12 : Gas Production (in billions of cubic feet)

Item	2016	2017	2018	2019	2020
Production	12.6	13.9	51.7	70.8	75.2
Variation (in %)	-1.6	10.3	271.9	36.9	6.2

Source: NHC

2.2.3. Downstream petroleum products consumption

White and heavy petroleum products

Following the fire outbreak of 31st May 2019 which destroyed a section of SONARA's facilities, a new market supply mechanism was set up. It consists in selecting for each quarter, four traders to make available huge quantities of petroleum products in Cameroon's waters, in order to sell them to local importers, with a more competitive bonus level as selection criterion.

In 2020, quantities of white petroleum products for consumption fell by 2% compared with 2019. This fall is due to the slowdown of economic activities caused by the COVID-19 pandemic. The trends by product are as follows: unleaded fuel (+ 0.6%), kerosene (- 8.3%), jet A1 (- 51.2%) and gasoil (+3.3%). Difficulties in operating the airline company Camair-Co equally contributed in the drop in Jet A1consumption. With regard to heavy fuels, the quantities of consumed fuel 1500 rose to 5.1% compared with 2019 and those of fuel 3500 increased by 307.7% due to the reopening of some thermal plants in the northern part of the country.

To boost the Cameroon Petroleum Depot Company (SCDP) storage capacities, the transit fee for petroleum products was increased from 1.6 to 2 francs per litre.

Table 13 : Downstream Petroleum Products Consumption (in thousands of litres)

Item	2018	2019	2020	Variation (in %)
	(a)	(b)	(c)	(c/b)
White products including:	1 819 131	1 846 848	1 809 037	-2.1
Petrol	678 208	699 480	703 612	0.6
Kerosene	116 513	125 122	114 681	-8.3
Jet A1	122 667	119 188	58 212	-51.2
Gasoil	901 743	903 058	932 532	3.3
Fuel 1500	48 685	34 870	36 634	5.1
Fuel 3500	25 186	14 773	60 229	307.7

Source: HPSF

Cooking gas

In 2020, the cooking gas tonnage (GPL) placed on the local market rose by 16.5% compared with 2019 and stood at 148 186 metric tons. It is still dominated by imports with quantities increasing by 20.7% over the period. Domestic production is near stable. The quantities made available for consumption increased by 8.2%, owing to increase in demand.

Table 14 : Cooking Gas Supply (in metric tonnes)

Item	2018	2019	2020	Variation (in %)
	(a)	(b)	(c)	(c/b)
Production	20 065	25 145	25 075	-0.3
Imports	94 396	102 039	123 109	20.7
Total supply	114 461	127 184	148 186	16.5
Quantity consumed	114 013	124 524	134 757	8.2

Source: HPSF

2.2.4. Electricity production and distribution

In 2020, electricity production stood at 6,993,459 Mwh, which is near stable compared with 2019.

To increase electricity supply, production infrastructure continued to be set up, with the construction of the plant of the Lom Pangar dam whose achievement rate stood at 70% as at end-June 2021. The commissioning of the first turbine is expected during the first quarter of 2022 and that of the plant in general for June 2022. As for the Nachtigal dam, civil engineering and electro-mechanic works have been executed at the rate of 39% and 33% respectively. The dam is scheduled to be commissioned in March 2023.

To improve the population's access to electricity, especially those in the Grand North, part of the equipment of the Ahala thermal plant with a capacity of 20 MW was transferred to the North. This helped in boosting the Ngaoundere, Garoua and Maroua thermal plants. In addition, the commissioning of the Mbakaou mini power plant in the Adamawa, initially scheduled for February 2021, will be effective in late 2021. This 1.2 MW plant expandable to 2.8 MW, will enable the electrification of the town of Tibati and eight near-by localities. Completion of the Project to boost and extend the electricity transport and distribution network (PRERETD) in May 2021, enabled the supply of electricity to 63 localities in the North Region and 56 in the Far-North Region.

Concerning the diversification of energy sources, phases I and II of the Project to electrify 1000 localities using the photovoltaic system have been completed. They enabled the electrification of 350 localities. Phase III, whose funding agreement has been signed for execution in 2022, will help in supplying energy to 200 new localities.

Government's actions to boost energy transport and distribution capacities centred on: (i) the on going construction of the 225 KVA Memve'ele-Ahala line, of which 265 km out of the expected 270 km have been completed; (ii) reinforcement of the transformation capacity of the Logbaba switchyard in Douala, from 210 MVA to 285 MVA; (iii) the transformation of the Kondengui and Ahala source stations, whose capacities will increase from 36 MVA to 50 MVA. The same applies for the Mile 2 station in Limbe, which supplies most localities in the South-West and whose transformation capacity also increased from 36 to 50 MVA; (iv) on going implementation of the Project to Interconnect the South and East Interconnected Grids, and Boost the Transport Network in the West and North-West Regions, with a 95% works execution rate and to be completed in late 2021. This project will, on the one hand, make it possible to interconnect the East to the South interconnected network which has a higher production capacity. On the other hand, the project will provide the West Region with a 225 KVA line and a switchyard.

Table 15 : Electricity Production (in MWH)

Items	2018	2019	2020	Variation (in %)
	(a)	(b)	(c)	(c/b)
Hydraulic production	5 462 038	5 300 982	5 296 132	-0.1
Purchase of electricity	1 515 272	1 705 258	1 697 327	-0.5
Total electricity production	6 977 310	7 006 240	6 993 459	-0.2

Source: ENEO

2.2.5. Production and distribution of water and sanitation

In 2020, the growth of the "water production and distribution and sanitation" sector slumped to 1.2%, after 1.8% in 2019.

With regard to water production and distribution, actions carried out focused on improving the production capacities and increasing the population's access to potable water in urban, peri-urban and rural areas.

The following projects were on-going in urban and peri-urban areas: (i) *the Project on drinking water supply in Yaoundé and its environs from River Sanaga* (PAEPYS), with a 75% works execution rate; (ii) phase I of the *Project for drinking water supply in nine towns has been completed* (for an additional supply of 34 000 M3/day) for Bafoussam, Kribi, Sangmelima and Bamenda. Phase II of the project is on-going in Garoua, Dschang, Garoua-Boulai, Maroua and Yabassi; (iii) the *Yaoundé and three towns Project* (Edea, Bertoua and Ngaoundere) near completion; (iv) the *Project for drinking water supply in Nkongsamba, Kekem, Melong and Meyomessala*, with a 90% completion rate; (v) the *Project for drinking water supply in Sangmelima, Ebolowa, Ngoumou and Akono* with a 90% execution rate; (vi) the *Project* *for drinking water supply and sanitation in semi-urban area*s (PAEPA MSU) in 18 secondary centres is being completed.

With regard to rural areas, the drilling of boreholes and construction of drinking water supply systems under PLANUT continued. Phase I, which concerns the drilling of 900 boreholes and construction of 19 potable water supply systems, are 97% complete and will supply water to 210 000 people. Phase II, which is aimed at drilling 3 000 boreholes in the north of the country has been launched with the first lot of 588 boreholes, with a 75% execution rate. This first lot of phase II will help supply drinking water to 110 250 people. The second lot with a 50% execution rate provides for the construction of 469 boreholes to supply 58 750 people.

Concerning sanitation, the tonnage of household waste collected increased by 5.7% in 2020 and stands at 1 517 794 tonnes. This increase is ascribable, amongst other things, to the gradual extension of activities in other council areas, the cleaning of towns hosting CHAN matches, the payment by the State of part of its debt owed the main operator in the sector (HYSACAM), and the availability of spare parts for the maintenance of trucks.

2.2.6. Public works and civil engineering

In 2020, the added value of the "public works and civil engineering" sector increased by 6.4%, after 7.9% in 2019. Growth in this sector is attributable to the strong growth in household demand as well as the on-going construction works on the Nachtigal dam and sport and road infrastructure, in prelude to the AFCON. Public works and civil engineering activities concern, on the one hand, the construction of roads, buildings and other infrastructure and, on the other hand, the rehabilitation, maintenance and upkeep of infrastructures.

2.2.6.1. Construction of roads, buildings and other infrastructure

In 2020, Government actions in the area of public works and civil engineering mainly concerned: (i) rehabilitation of roads; (ii) the construction of elevated road crossings; (iii) the execution of works under the Three-year Emergency Plan (PLANUT).

Concerning rehabilitation, tarring was completed and accepted for the following stretches of road: (i) Ahala-Ahala *barrière* road stretch (6.98 km); (ii) Mangamba-Bondjo (10.95 km); (iii) Zoetele-Ngolbang and Meyomessala-Mezesse-Sangmelima (65 km); (iv) Obak-Ekorezok-Nouma-Leboudi-Carrefour Zoa Mbassi (13.6 km); (v) Batchenga-Ntui (21.3 km); (vi) the access road to the Bagofit weighing station (2.50 km). In addition, the tarring of other road stretches is on-going. Execution rates stand at 95% for the Mintom-Lele road (67.5 km), 98% for Nfaitock-Mamfe road (46.54 km) and 93% for the Lele-Ntam-Mbalam road (53 km).

The opening-up of agricultural and industrial basins is on going with tarring notably in: (i) the West on lot 1 "Baleveng-Bangang-Batcham-Mbouda" and the "Mbouda-Galim-Balessing-Batcham" and "Mbouda-Ngouya-Bati", roads totalling 117 km with a 35.5% completion rate and the 107 km "Galim-Bamendjing- Foumbot-Bangangte" road with a 87.2% execution rate; (ii) in the South for the "Nkoumadjap-Nkolfong-Oveng" roadand the "Nkoumadjap-Ndeng" (9.11 km)stretch, with a 55% completion rate and the communal roads of Meyomessala (304.7 km) with a 53% execution rate; (iii) in the Centre on the access road to the Nomayos cement factory (12.80 km) with a 53.8% execution rate. More projects are on going in other basins.

With regard to elevated road crossings, construction works on the Mmem bridge in Olouri (70 mL) stagnated at around 65% execution rate because of insecurity in the area. Construction works on bridges have been launched on Rivers Logone in Yagoua (620 mL), Mayo-Pintchoumba in Faro (62.4 mL), Mbam in Nchiayang (130 mL) and Moungo (130 mL).

Under PLANUT, major activities concerned the on-going tarring of the Mandjou-Akokam road (45km), with a 79.2% completion rate in 2020. The Maroua-Bogo road (39 km) is 93.36% complete and the Bonepoupa-Yabassi road (50 km) 53% complete.

Regarding construction works on highways and express roads, the completion rate increased from 77.5% in 2019 to 88% in 2020 for phase I of the Yaoundé-Douala highway (60 km). The execution rate of the Kribi-Lolabe highway (38.5 km) increased from 89% to 90.7%.

Table 16: Road Project Execution Levels in 2020

Projects	Distances	Level of execution (%)		
Highway network		**2018**	**2019**	**2020**
Kribi-Edea: Kribi-Lolabe + related sections	38.5 km + 4 km	85	89	90.6
Yaoundé-Douala (phase 1) + related sections	60 km + 25 km	67	77.5	88
Yaoundé-Nsimalen (countryside)	25 km	85	90	95
Road network				
Major network				
Nfaitock-Mamfe	46.54 km	//	//	98
Ahala-AhalaBarrière	6.98 km	//	//	100
Access roads to the Bagofit weighing station	2.50 km	//	//	100
Mangamba-Bondjo	10.95 km	//	//	100
Mintom-Lele	67.50 km	//	//	95
Lele-Ntam-Mbalam	53 km	//	//	93
Olama-Kribi (Olama-Bingambo section)	106 km	//	//	58
Olama-Kribi (Bingambo-Grand Zambi-Kribi Section)	53 km	//	//	53
Bikoula-Djoum	38 km	//	//	70
Mengong-Sangmelima	73 km	//	//	76.73
Sangmelima-Bikoula	65 km	//	//	75
Melong-Bangem	16.95 km	//	//	68
Second access road to Bamenda	20 km	//	//	95
PLANUT				
Maroua-Bogo	39 km	30	46	93.36
Douala-Bonepoupa	45 km	22	26	37.5
EkondoTiti - Kumba	60 km	11.5	11.5	11.5
Awae - Esse - Soa	72 km	//	21.8	na
Mandjou - Akokam	45 km	19	42	79.22
Akokam-Batouri	45 km	33.6	55	na
Bonepoupa -Yabassi	50 km	17	33	53
Ngaoundere - Paro	70 km	//	2	10
Foumban-Koupamatapit- West/North-West Region boundary	54 km	//	10	12.14
Opening up of agricultural, industrial and tourism production basins				
Baleveng-Bangang - Batcham- Mbouda and ramps Mbouda- Bamesso-Galim- Balessing- Batcham and Mbouda - Ngouya- Bati	117km	22.7	30.74	35.74
Galim- Bamendjing- Foumbot- Bangangte	107 km	50.3	69.6	87.15
Zoetele- Ngolbang- and Meyomessala- Mezesse- Sangmelima	65 km	//	//	100
Oback- Ekorezock- Nouma - Leboudi - Carrefour ZoaMbassi	13.6 km	//	//	100

Projects	Distances	Level of execution (%)		
Highway network		**2018**	**2019**	**2020**
Akonolinga-Nanga Eboko and the Nanga Eboko - Bifoga ramp	22 km	//	4	85
Communal roads of Meyomessala, phase 1	304.74 km	//	13	53
Nkoumadjap- Nkolfong- Oveng and the Nkoumadjap - Deng ramp	9.11 km	//	9.9	55
Mbama- Messamena	43 km	//	//	89
Entry to the Nomayos cement factory	12.8 km	//	//	53.8
Rehabilitation and maintenance	2018	2019	2020	
Maroua- Mora	61,4 km	33	36	75
Ngaoundere- Dang (phase1)	12 km	25,16	35	43,83
Fin Falaise- Sala Bridge (phase 1)	120 km	35,39	40	Nd
Nsimalen-Mbalmayo - Ebolowa	160 km	31,64	58	89
Yaounde- Bafoussam- Babadjou (Lot 1, Ebebda Bridge-Kalong)	63.75 km	//	//	74
Yaounde- Bafoussam- Babadjou (Lot 2, Ebebda Bridge-Kalong)	67 km	//	//	73
Yaounde- Bafoussam- Babadjou (Lot 3, Tonga-Bafoussam- Babadjou)	110.24 km	//	//	43
Babadjou- Bamenda	56 km	//	//	26
The Dja circuit	64 km	//	//	40
Bazou- Tongo- Milombe	41,8 km	//	//	55
Bipindi- Nsola- Song Lipem	45 km	//	//	80

Source: MINTP

2.2.5.2. Rehabilitation, maintenance and upkeep of roads and other infrastructure

In 2020, Government actions in the area of construction and civil engineering mainly focused on: (i) road maintenance; (ii) road upkeep; (iii) the rehabilitation of crossing infrastructure; (iv) protection of the road heritage and the environment.

Concerning road rehabilitation and maintenance, the University of Dschang access road (2.04 km) was accepted. Rehabilitation works continued on the "Yaounde-Bafoussam-Babadjou" road (240.9 km), with execution rates of 74% for lot1 "Ebebda Bridge-Kalong", 73% for lot 2 "Kalong-Tonga" and 43% for lot 3 "Tonga-Bafoussam-Babadjou". Similarly, the execution rates on the other roads are as follows: 75% for "Maroua-Mora" (62 km), 89% for "Nsimalen-Mbalmayo-Ebolowa" (160 km) and 80% for "Bipindi-Nsola-Song Lipem" (45 km).

With regard to road maintenance, works on the following stretches were accepted in 2020 for the following roads: "Banyo-Mayo Darle-Nyamboya-Magba" (147.65 km), "Likok- Paro Bridge" (45 km), "Fin Falaise- Keroua Bridge- Sala Bridge-Garoua" (183.5 km), "Sud boundary-Sangmelima" (69.33 km), "Ebolowa-Nkoemvone-Ambam" (91.78 km), "Ndoupe Bridge-Dibamba Bridge" (109 km), "Nkam-Bafang-Bandja-BandjounBridge", and "Bafang-Bangangte" ramp (113.76 km), "Penja-Ebone-Muyuka tollgate" (85.04 km), "Bafoussam-Foumbot-Foumban" (67 km), "Bamougoum- Littoral boundary/West boundary-Melong" (85 km) and "Emana-Monatele" (17.87 km). In addition, structural reinforcement works continued on the following road stretches: "Yaounde-Awae-Mekong-Ayos" (140 km) and "Bekoko-Nkongsamba-Nkam bridge" (180 km).

Concerning elevated crossing infrastructure, works on the bridges over the Mayo Limani (120 mL) and on the old Wouri bridge (720 mL) were completed and accepted. Works on the project to construct 55 metal bridges have stopped for several reasons, in particular the technical defect noted at the level of the sub-contractors and the suspension of funding by donors.

With regard to protection of the road heritage and the environment, the Bagofit weighing station was rehabilitated. Furthermore, maintenance works have been launched for 21 fixed weighing stations.

2.3 Tertiary sector

In 2020, tertiary sector growth stood at 0.6%, after 3.1% in 2019. This slowdown is mainly attributable to the sharp drop in activities in the "restaurants and hotels" and "transport, warehousing and communication" sectors heavily impacted by the negative effects of the COVID-19 pandemic. However, growth accelerated in the "information and telecommunication" and "banks and financial institutions" sectors. The tertiary sector contributed 0.3 point to GDP growth as against 1.6 points in 2019, i.e. 51.5%.

Table 17 : Tertiary Sector Growth Trends (in %)

Items	2015	2016	2017	2018	2019	2020
Tertiary sector	3.2	4.4	4.8	5.1	3.1	0.6
of which: Trade, vehicle repairs	-0.4	6.1	4.4	5.3	2.8	1.6
Restaurants and hotels	3.7	4.9	6.2	5.2	4.2	-6.4
Transport, warehousing, communication	8.9	2.3	4.2	4.5	4.1	-1.3
Information and telecommunication	0.4	9.3	6.9	-0.6	1.6	5.5
Banks and financial institutions	7.7	7.5	5.0	13.8	3.2	3.8

Source: NIS

2.3.1. Trade

In 2020, wholesale and retail trade margins dropped by 2% compared with a 3.6% increase in 2019. This drop is attributable to reduced margins, in particular for "refining products, coking and nuclear industries" (-20.7%), "forestry and sylviculture products" (-7.6%), "cocoa, coffee, tea and sugar products" (-3.7%), "chemical products" (-1.4%) and other non-metallic mineral products and building materials" (-2.2%). Products with an increased margin are: "rubber and plastic products" (+18.7%), paper and cardboard, printed and published works" (+6.3%), "bread, biscuits and pasta products" (+6.1%), "beverages" (+2.6%), "meat and fish products industry" (+2.6%) and "oil seeds and animal feed products" (+1.5%).

Trade was influenced by disruptions in supply and distribution chains, as well as the shrinking of domestic and international trade, owing to the restrictive measures adopted as part of the fight against the COVID-19 pandemic. The contribution of this sector to tertiary sector GDP growth dropped from 0.6 point in 2019 to 0.4 point.

Table 18 : Trade Margin Growth Rate by Product (in %)

Branches	2016	2017	2018	2019	2020
Agriculture	4.3	3.1	4.3	4.4	0.2
Livestock and hunting	-3.5	5.3	3.9	1.4	0.6
Forestry and logging	-4.2	6.0	6.2	2.3	-7.6
Fisheries and fish farming	0.1	1.4	4.1	1.9	-0.1
Other extractive products	-4.1	19.5	7.9	15.2	-2.5
Livestock and fishing industry	5.4	-1.5	4.6	-2.0	3.1
Grains and starchy products	32.3	1.2	0.1	4.6	1.3
Cocoa, coffee, tea and sugar	10.7	18.5	0.8	3.2	-3.7
Oilseeds and animal feed	-4.8	21.6	5.3	1.0	1.5
Bread, Biscuits and Pasta	4.0	18.7	-3.0	2.6	6.1
Dairy products and fruits	5.3	8.7	-1.4	0.5	5.1
Beverages	7.3	0.5	3.5	-2.0	2.6

Branches	2016	2017	2018	2019	2020
Tobacco	100.7	-0.9	-1.3	-4.5	12.1
Textile and cloth making	-2.0	-1.4	5.8	5.0	4.7
Tooled leather, travel goods and footwear	-1.7	1.3	4.2	10.6	-2.3
Woodwork and Handicraft	-1.9	1.2	-1.8	5.7	12.0
Paper and cardboard, printed and published works	-6.4	6.5	3.9	0.4	6.3
Refining coking and nuclear industries	4.4	18.2	21.4	13.2	-20.7
Chemical products	-6.6	8.2	9.5	5.1	-1.4
Rubber and plastics	1.9	-6.3	5.9	4.8	18.7
Other non-metallic mineral and construction materials	6.9	0.5	7.3	8.2	-2.2
Basic metal products and metal articles	-1.8	-2.5	6.5	-2.8	4.1
Machinery, electrical appliances and equipment	3.2	8.3	1.3	-1.1	-15.2
Audio-visual and communication equipment and apparatus	26.3	-24.5	16.2	6.2	-12.5
Sports equipment	-8.2	-3.0	-14.1	-1.1	-14.2
Furniture, miscellaneous industrial products and	4.0	1.3	3.8	4.3	4.1
Wholesale and retail	1.8	4.4	5.1	3.6	-2.0

Source: NIS

To ensure protection of the national economy and the health of the population, several actions were taken, including: (i) conduct of 275 controls of supply chains exposed to smuggling and counterfeiting, that led to the imposition of 9 072 sanctions, with 5 927 relating to prices, trade and competition, 631 relating to legal metrology and 2 514 relating to quality and after-sales service; (ii) the marketing of 5317 tonnes of consumer products, with the assistance of 137 producer organizations and economic operators; (iii) the launching of the market information system (CAMIS) trial phase in the Far-North Region. The aim was to equip local institutions with instruments for the prevention and effective management of seasonal shortages of consumer goods.

Promoting fairness in business transactions was particularly achieved through: (i) the calibration of measuring instruments, 21 volumetric dynamic methods, 691 static volumetric methods, 204 for gravimetry and 205 for packaging; (ii) the calibration of 523 fixed storage tanks for hydrocarbons and other products, including 516 tanks and 7 tubs; (iii) the approval of 4 pricing schedules for brewery companies.

2.3.2. Tourism

In 2020, the value added of the "restaurants and hotels" branch dropped by 6.4%, compared with a 4.2% increase in 2019. This underperformance is mainly due to the negative consequences of the COVID-19 health crisis and persistent insecurity in the North-West, South-West, Far-North and East regions.

The closure of air and land borders from March and the confinement of the population led to a drop in the number of tourists and in the number of visitors to hotels and restaurants. The number of international tourists dropped by 74.2% to 240 000 visitors. The average room occupancy rate dropped by 18.9 points to 36.2% and the number of overnight stays decreased by 57.6%.

In terms of accommodation capacity, the number of accommodation establishments increased by 6.9%, compared with 2019 and stood at 2 547. These establishments are mainly found in the Littoral (29.5%), Centre (20%), South (10.1%), West (8.5%) and South-West (7.2%) regions. The other regions each accounted for less than 6% of hotels.

Out of 2 547 hotels, 965 are classified, with an increase of 2.9% compared with 2019. The number of rooms increased by 11.6% to 24 270 rooms, in line with on-going construction and renovation of hotels which started in the run-up to the organization of the CHAN and AFCON competitions.

The number of authorized hotels increased by 2.1% to 491 in 2020. The number of authorized leisure establishments rose by 6.4% to 251. The number of tourism agencies increased from 296 to 302 in 2020.

In 2020, Cameroon had 941 tourist sites, with 58 under development. Remoteness and insecurity in certain areas constitute an obstacle to the promotion of tourist sites. On-going efforts to increase the competitiveness of tourist sites include: (i) the acquisition and installation of equipment at the Bamendjing tourism centre; (ii) the rehabilitation of the Flamboyant camp in Mokolo and the tourism camp in Pette.

Works for the development of hotel infrastructure concerned specifically: (i) finalization and commissioning of BENGO hotel in Ebolowa; (ii) completion the of RIBADOU 4 hotel in Garoua; (iii) on-going rehabilitation/extension work on Bénoué hotel in Garoua and the Kribi reception centre. In addition, there is on-going development and equipment of the Lagdo and Maga water sports resorts in the North and Far North regions and Ebolowa Leisure Park.

Table 19 : Distribution of the Number of Classified Hotels by Region and by Category in 2020

Regions	Room Capacity	Hotel Categories					
		5 star	4 star	3 star	2 star	1 star	Total
Adamawa	988	0	0	2	10	36	48
Centre	5 653	1	7	17	48	144	217
East	757	0	0	2	4	35	41
Far North	1 425	0	0	7	7	63	77
Littoral	6 830	1	8	25	65	87	186
North	862	0	0	4	5	32	41
North-West	1 857	0	0	8	16	49	73
West	2 989	0	1	7	42	102	152
South	1 713	0	1	10	17	51	79
South-West	1 196	1	2	6	12	30	51
Total	24 270	3	19	88	226	629	

Source: MINTOUL

2.3.3. Transport sector

In 2020, the value added activities of the 'transport, warehousing and communication' sector dropped by 1.3%, after a 4.1% increase in 2019. Its contribution to tertiary sector growth stands at -0.1 point against +0.4 point in 2019. The sector's activities, which include road, rail, air and sea transport, were severely affected by the COVID-19 pandemic.

2.3.3.1. Road transport

Trends in the activities in this branch are assessed through the quantities of unleaded fuel and diesel released for consumption, which increased by 2.1% in 2020. Consumption of unleaded fuel rose by 0.6% and diesel by 3.3%. Road transport that provides nearly 75% of the demand for goods transport in Cameroon did not experience any major disruption in 2020. Indeed, measures taken to reduce the spread of the COVID-19 pandemic did not have a significant impact on freight transport activities.

In 2020, the number of registered new vehicles stood at 41 331, compared with 40 373 in 2019, bringing the car fleet to 1 022 228 vehicles. The total number of newly registered vehicles stands at 81 170, including 49.3% of motorbikes and tricycles and 38.9% of private and commercial vehicles.

Table 20 : Number of New Vehicle Registrations by Category

Véhicules	**2015**	**2016**	**2017**	**2018**	**2019 (a)**	**2020 (b)**	**Variations b/a (%)**
Motorbikes	47 115	52 273	39 904	35 813	38 277	40 030	48.6
Private cars	35 366	35 232	38 637	29 590	27 544	29 996	37.7
Buses and Minibuses	1 543	1 542	1 189	982	1004	1 329	1,2
Trucks and vans	5 922	5 798	5 635	4 978	4 928	6629	5,2
Commercial vehicles	2 214	2 164	2 127	1 855	1 624	1 598	2,2
Others	5 449	4 711	4 887	4 856	4 653	1 588	5,0
Total	97 609	101 720	92 379	78 074	78 030	81 170	100

Source: MINT. Vehicles include buses, vans, trucks, agricultural machinery, public works machinery, special machinery, minibuses, motorbikes, semi-trailers, road tractors, tricycles, commercial vehicles, private cars.

The number of new registrations for vehicles less than 10 years old, for which the cumulative rate of duties and taxes applicable to imports is between 71% and 91% of the taxable value, increased by 1.5% and accounted for 59.4% of total new registrations. The number of vehicles between 10 and 15 years old, which pay a cumulative rate of 91% of the taxable value, accounts for 7.8% and increased by 3.2%. Vehicles older than 15 years, which pay a cumulative rate of import duties and taxes equal to 107% of the taxable value, account for 32.7% of vehicles registered in 2020.

Table 21: Number of New Vehicle Registrations by Age Group

Catégories	**2014**	**2015**	**2016**	**2017**	**2018**	**2019(a)**	**2020(b)**	**Variations b/a (%)**
Less than a year	48 406	48 928	43 109	35 393	33 742	33 995	35 571	4,6
1 to 5 years	4 450	6 256	15 896	12 362	9 661	11 412	9 983	-12,5
5 to 10 years	3 132	3 745	3 107	2 760	2 349	2 122	2 696	27,1
10 to 15 years	10 962	11 555	9 667	9 567	7 329	6 133	6 328	3,2
15 to 20 years	13 288	15 711	16 543	17 919	12 981	11 877	13 248	11,5
20 years and more	9 314	11 409	13 398	14 378	12 011	12 491	13 340	6,8
Others	21				1	-	4	-
TOTAL	**89 573**	**97 609**	**101 720**	**92 379**	**78 074**	**78 030**	**81 170**	**4,0**

Source: MINT

Road or goods transport activities are subject to obtaining a transport licence. Each vehicle assigned to transport activity must also have a “blue card” that allows it to take an insurance policy.

In 2020, 4 192 transport licences were issued, down by 3.2% compared with 2019. The number of “blue cards” rose from 9 317 to 10 189, a 9.4% increase for the period under consideration.

Table 22: Number of "Blue Cards" and Licences Issued for Road Transport

Year	2016	2017	2018	2019	2020
Blue Card	**13 676**	**10 259**	**9 661**	**9 317**	**10 189**
Transport of goods	5 324	5391	5 361	5 148	5 497
Inter-urban passenger transport	2 124	1 254	696	1 589	1 739
Urban passenger transport	6 210	3 590	3 282	2 484	2 910
Others	18	24	322	96	43
Transport Licence	**6 680**	**5 071**	**4 483**	**4 340**	**4 192**
Category 1 (urban transport)	3 888	2 303	2 794	2 172	2 675
Category 2 (inter-urban transport)	1 238	425	388	572	285
Category 3 (dangerous goods)	1 335	2 013	1 233	1 560	1 086
Category 4 (transport by vehicle from 3 to 5 tonnes)	11	164	32	6	0
Others	208	166	36	30	146

Source: MINT

In 2020, the number of road accidents stood at 1 697, up by 10.7% compared with 2019. To strengthen road safety, the Government is continuing the deployment of mobile speed cameras and the installation of fixed speed cameras along roads.

Table 23 : Road Accident Statistics

Year	2014	2015	2016	2017	2018	2019 (a)	2020 (b)	Variations (%) b/a
Total accidents	3 064	2 896	2 895	2 341	1 898	1 533	1 697	10.7
Number of wounded	4 043	4 058	4 234	3 435	2 801	2 003	1 916	- 4.3
Number of deaths	1 081	1 091	1 196	929	782	627	633	0.9

Source: SED

2.3.3.2. Railway transport

In 2020, the turnover for railway traffic stood at 43.8 billion, a 0.7% decrease compared with the previous year. This decline can be explained by a 2% drop in the tonnage of goods transported as a result of the negative effects of the COVID-19 pandemic on transport activities, and an 11.6% drop in passenger traffic.

Table 24 : Railway Traffic Trends

Year	2016	2017	2018	2019	2020	Variations (%)
				(a)	(b)	(b/a)
Passenger traffic (passengers/km)	539.1	262	256.8	254.6	225	-11.6
Freight traffic (tonne/km)	846	806	784.6	941	922	-2.0
Turnover (millions)	47 227	38 715	37 561	44 103	43 786	-0.7

Source: CAMRAIL

2.3.3.3. Maritime transport

In 2020, incoming and outgoing traffic at the Port Authority of Douala recorded 2 018 ships, compared with 3 381 in 2019, representing a 40.3% drop. This decline is attributable to the closure of borders following the COVID-19 pandemic. It had a negative impact on goods imports, with tonnage falling by 4.6%, compared with the previous year. The tonnage of exported goods dropped by 21%. Turnover at the Douala Port rose by 16.8%, after a 4.9% drop in 2019. This trend comes in a context marked by the withdrawal of management rights of the container terminal of the Port Authority of Douala from

APMT/Bolloré Consortium in December 2019, in favour of State-controlled management.

The number of ships registered at the Limbe Port stood at 908, compared with 385 in 2019, showing a 135.8% increase. This positive trend is attributable to the increase in fuel supplies from abroad, following the shut-down of operations at SONARA.

In 2020, the Kribi Port Authority received 461 ships as against 331 in 2019, representing a 39.3% increase. Turnover of port activities rose by 26.6% compared with the previous year to stand at 20 billion. The Kribi Port benefited from an exceptional revival of activities, due, among other things, to transhipment operations carried out by several ships that docked at Kribi, though destined for other competing ports under rehabilitation.

Table 25 : Maritime Traffic Trends at PAD, PAK and PAL

Items	2017	2018	2019* (a)	2020** (b)	Variations (%)
PORT AUTHORITY OF DOUALA					
Number of ships	3 132	3 343	3 381	2 018	-40.3
Imports (in thousands of tonnes)	8 466	8 694	10 114	9 647	-4.6
Exports (in thousands of tonnes)	3 331	3 141	2 746	2 170	-21.0
Turnover	38.0	59.1	56.2	65.6	16.8
LIMBE PORT					
Number of ships	538	420	385	908	135.8
Imports (in thousands of tonnes)	10.9	8.08	6.78	25.1	270
Exports (in thousands of tonnes)	3.06	5.66	4.83	8.28	71.4
KRIBI PORT					
Number of ships		295	331	461	39.3
Turnover (in billions)		15.1	15.8	20.0	26.6

*Source: PAD, PAK *updated data, ** estimates*

2.3.3.4. Air transport

In 2020, and amidst the COVID-19 pandemic, the number of domestic flights dropped by 57% and the number of international flights by 53%, compared with 2019. The number of passengers transported fell by 61.8%, as a result of the 25% and 75% drop in domestic and international passenger traffic respectively. The tonnage of freight transported dropped by 22.2%. Camair-Co's activity was halted during the first half of the year, mainly due to financial difficulties. The overall turnover of air transport activities fell by 49%.

Table 26 : Air Traffic Trends

Items	2017	2018	2019 (a)	2020 (b)	Variations (%) (b/a)
Passengers	1 424 357	1 572 303	1 512 735	577 881	- 61.8
Freight (tonnes)	22 447	24 910	24 350	18 956	- 22.2

Source: ADC/CCAA

2.3.3.5. Pipeline transport

In 2020, the volume of crude oil transported through the Chad-Cameroon pipeline amounted to 47.2 million barrels, an increase of 1.9%, compared with 2019. This increase is attributable to the entry into production in March of a new operator (OPIC) in Chad. Oil transit fees collected amounted to 38.3 billion

CFA, up by 4.6%.

During the first six months of 2021, 23.6 million barrels of Chadian oil were collected at the Kribi terminal, compared with 24.8 million barrels year-on-year. This decrease is as a result of the decline in Chad's oil production. Cameroon's transit duty generated 16.2 billion, compared with 19.3 billion year-on-year.

Table 27 : Pipeline Traffic Trends

Items	2018	2019	2020	Janv-Juin 2020	Jan-June 2021
Volume of crude oil transported (million barrels)	40.9	46.3	47.2	24.8	23.6
Transit duties generated (billion CAF francs)	29.5	36.6	38.3	19.3	16.2

Source : COTCO.

2.3.4. Telecommunications

In 2020, growth in the "information and telecommunications" branch rebounded to 5.5%, after 1.6% in 2019. This increase in activity can be explained by the increased use of the internet and money transfer services. The use of teleworking and distance learning within the context of the measures to contain the spread of the Coronavirus has also helped to improve the sector's activities.

The total number of active telephone subscribers fell by 3.4% compared with 2019, and stood at 21 499 549. Conversely, internet subscriptions increased by 2.2% and stood at 7 858 337. Telecommunications turnover increased by 2.4% to 617.6 billion. The turnover generated by the mobile network operators increased by 16.1%. Voice traffic generated from the fixed-line operator dropped by 77.1%. Overall internet traffic increased by 76.1%. This increase is as a result of the high use of the various products and promotional offers during the lockdown period.

Investments increased by 29.3%, compared with 2019 to stand at 110.8 billion. This concerns: (i) the supply of electronic payment terminals in post offices; (ii) the acquisition of an e-commerce platform; (iii) monitoring the implementation of the National Emergency Telecommunications Network plan.

To improve network coverage and service quality, implementation of Phase II of the National Broadband Network Programme continued through: (i) the intensification of fixed wireline access networks as part of the wireless FTTH extension project; (ii) the increase in the capacity of the optic fibre backbone; (iii) the finalization of the Zamengoé data centre project and its backup; (iv) the construction of a new building in Kribi for the submarine cable landing station, to make the town a digital hub. In addition, the telephone operator Camtel connected the town of Ngaoundal to its network and launched the Wireless To The x (WTTx) project, aimed at hitting one million fixed network subscribers.

Telecommunication works within the context of preparation for the AFCON are continuing through: (i) the connection to optical fibre and the deployment of Wi-Fi in the competition and training stadiums, hotels, press and accreditation centres; (ii) the acquisition, configuration and commissioning of TV and radio broadcasting equipment (high definition encoders/decoders). Moreover, within the context of the interconnection with neighbouring countries, the transnational links of almost 1 000 kilometres of optic fibre cable in the South (Sangmelima-Djoum-Mintom-Ntam section with Congo) and East (Bertoua-Batouri-Kenzou section with CAR) are under construction.

Table 28 : Telecommunications Sub-Sector Activity Trends

Items	2018	2019	2020*	Variations (en %)
	(a)	(b)	(c)	(c)/(b)
Total number of active subscriptions	20 202 518	22 257 147	21 499 549	-3.4
Fixed (CDMA and MVNO)	860 872	856 411	814 114	-4.9
Mobile	18 391 632	21400736	20 685 435	-3.3
Total number of Internet subscriptions	10 184 017	7 691 614	7 858 337	2.2
Traffic				
Fixed line Communications (in millions of minutes)		120	27.5	-77.1
Voice traffic on mobile networks (in billions of minutes)		27.5	31.9	16.0
Overall turnover of the sector (in millions)	618 216	602 859	617 588	2.4

*Source: ART * provisional data*

2.3.5. SMEs, social economy and handicraft

In 2020, the number of active SMEs was estimated at 330,490. The number of enterprises created in the Enterprise Creation Formality Centres stood at 10,681, down by 24.9%, compared with 2019. Of these, 2003 were created online via the website mybusiness.cm.

Table 29 : Distribution of Companies by Type in 2020

Type of company	2016*	2020**	Weight in 2020 (in %)
VSE	160 995	262 131	79.1
SE	39 444	64 222	19.4
ME	2 541	4 137	1.3
Total SME	202 980	330 490	99.8
LE	439	715	0.2
Total number of companies	203 419	33 1205	100

*Source: MINPMEESA, * General Census of Enterprises **MINPMEESA estimates*

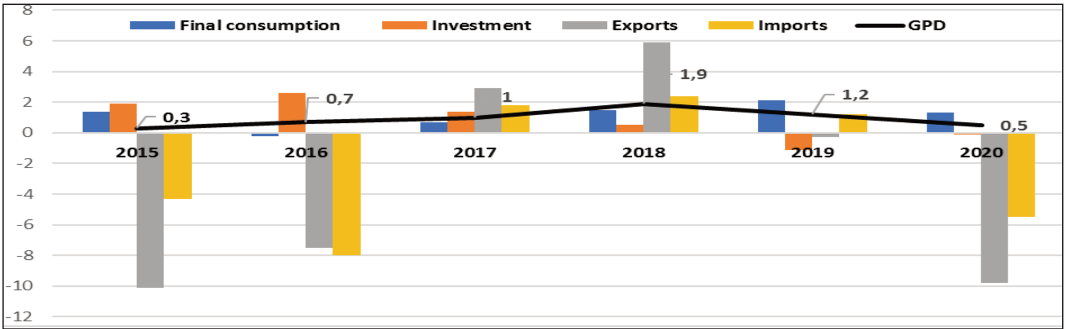
Very Small Enterprises account for 79.3% of all SMEs. They are followed by Small Enterprises (19.4%) and Medium-sized enterprises (1.3%). The tertiary sector accounts for 84.1% of all enterprises, followed by the secondary sector (15.6%) and the primary sector (0.2%).

Government actions to improve competitiveness and promote entrepreneurship included: (i) the supervision of 20 entities under the pilot national incubator in Edea, which enabled them to achieve a cumulative turnover of 102.6 billion and to create 581 direct jobs and 15601 indirect jobs; (ii) supporting 80 local product processing and conservation plants, which led to the creation of 240 direct jobs and 350 indirect jobs; (iii) providing support to 513 SMEs within the context of the Cameroon Subcontracting and Partnership Exchange; (iv) granting support totalling 2 billion to 429 craftsmen and cooperative society actors and to 291 affected SMEs, within the framework of the fight against the negative effects of the COVID-19 pandemic. Concerning the promotion of the social economy, 7482 organizations transitioned from the informal to the formal sector.

CHAPTER 3: DEMAND, PRICES AND COMPETITIVENESS

In 2020, real growth slowed down significantly to stand at 0.5% compared with 3.5% in 2019. According to demand components, this slowdown is attributable to the decline in investment and exports. Final consumption is increasing, albeit at a slower pace than in 2019. Inflation stood at 2.5%, due to an increase in the "Food and non-alcoholic beverages", "Alcoholic beverages, tobacco and narcotics" and "Housing, water, gas, electricity and other fuels" branches. The real effective exchange rate (REER) rose by 3.1% compared with 2019, reflecting a decline in Cameroon's overall competitiveness with respect to its trading partners.

Graph 1: Trends in Demand Components (in %)



Source: NIS, MINFI

3.1. Analysis of Demand Components

3.1.1. Domestic demand

In 2020, domestic demand growth stood at -0.5%, down from 3.7% in 2019. Its contribution to growth became negative, due to COVID-19, inducing a decline in trade and disrupting economic activities. However, trends in its components remain uneven.

3.1.1.1. Final consumption

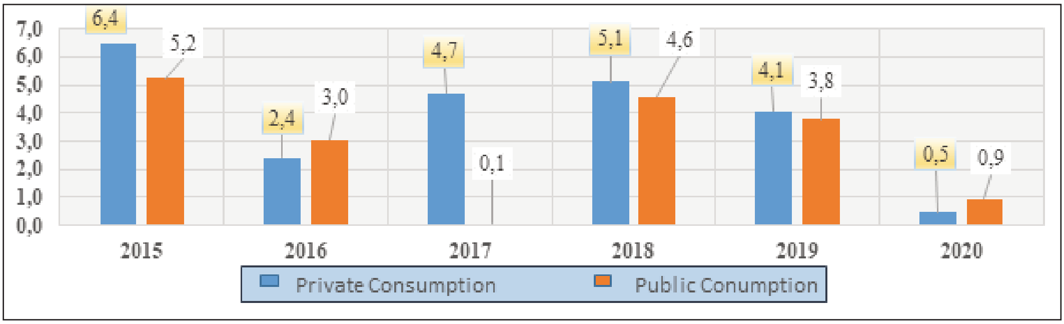
In 2020, final consumption accounted for 85.4% of GDP and contributed 0.4 percentage point to growth as against 3.4 percentage points in 2019. It slowed down by 3.5 percentage points compared to 2019, to stand at 0.5%. This slowdown can be observed in private and public consumption trends.

3.1.1.1.1. Private consumption

In 2020, private consumption accounted for 73.1% of GDP and contributed 0.3 percentage point to real growth. It increased by 0.5% as against 4.1% in 2019. This decline was mainly driven by a drop in household incomes, particularly agro-pastoral and informal sector incomes, as well as by job losses and furlough in the formal sector, due to the COVID-19 pandemic.

This sharp drop in private consumption was noticeable in the main household consumption expenditure items, especially in "food and drinks", which accounted for 40.1% of household consumption expenditure. Expenditure on "food and beverages" increased by 1.4% in 2020, compared to 3% in 2019. The trends in expenditure for the other household consumption items were as follows: "Catering and hotels" (-7.4%as against +6.6%), "Housing, water, electricity, gas and other fuels" (+1.4% as against +6.2%); "Furniture, household equipment and routine household maintenance" (+0.4% compared with +4.3%), "Clothing and footwear" (+6.9% compared to +5.8%), and "Transport" (-6.0% as against +3.9%).

Graph 2 :Trends Real GDP and Consumption Components (in %)



Sources: NIS, MINFI

3.1.1.1.2. Public consumption

Public consumption declined by 2.9 percentage points to stand at 0.9% in 2020. This decline reflected a decrease in spending on goods and services amid budgetary adjustments made in 2020 to take into account the effects of COVID-19. Public consumption contributed 0.1 percentage point to GDP growth as against 0.5 percentage point in 2019.

Table 30 : Budgetary Adjustments Based on Current Consumption Expenditure in 2020 (in billion)

Nature économique	2020 IB	2020 RB	Absolute Change
Supplies, expendable equipment and routine maintenance	91.67	78.79	-12.89
Specific technical supplies	62.50	59.12	-3.37
Fuels and lubricants	37.76	31.09	-6.67
Transport cost	16.80	12.72	-4.07
Water, electricity, gas and other energy sources	25.66	21.90	-3.76
Rents et rental charges	12.47	12.13	-0.33
Maintenance, upkeep and security costs	21.62	16.65	-4.97
Representation, mission, reception and ceremonial expenses	76.29	58.54	-17.74
Remuneration for of external services	168.46	127.97	-40.48
Maintenance of roads, highways, engineering structures and infrastructure	4.01	3.47	-0.54

Source: MINFI/DGB

3.1.1.2. Investment

In 2020, investment declined by 5.3% as against an increase of 2.6% in 2019. This contraction was the result of a more significant drop in public investment with respect to the increase in private investment. Overall investment represented 17.7% of GDP, contributing -1.0 percentage point to growth. In terms of the main products, the decline in investment was noticeable mainly in the procurement of "Transport equipment" (-32.3%), "Machinery and electrical appliances" (-31.8%) and "Furniture" (-4.3%). Investment in "Professional, scientific and technical services" also decreased by 16.8%.

Table 31 : Trends in Investment by Volume of Main Products (%)

Items	2014	2015	2016	2017	2018	2019	2020
Plantations	6.6	5.1	7.8	3.3	13.8	-12.4	7.1
Livestock products	10.2	6.5	-7.1	7.5	10.2	6.1	-0.1
Machinery and electrical equipment	44.6	-9.4	-5.9	10.1	1.9	-2.6	-31.8
Transport equipment	53.9	-15.5	-13.2	1.4	-12.5	5.7	-32.3
Furniture	13.0	5.7	5.7	5.0	4.4	3.7	-4.3
Public works and civil engineering	4.9	9.2	13.6	8.7	9.3	2.5	1.4
Professional, scientific and technical services	16.8	-26.2	-34.0	20.6	17.4	12.0	-16.8
Others	7.7	2.8	31.4	-35.2	-3.4	8.4	-11.6
Total	13.6	1.8	7.8	2.2	6.1	3.3	-5.4

Source: NIS

3.1.1.2.1. Private investment

In 2020, private investment increased by 4.5%, up from 1.8% in 2019 and contributed 0.6 percentage point to growth. In enterprises, the buoyancy of investment is reflected by an increase in the import of equipment in the “hydrocarbons extraction” (+28.2%); “transport, storage and communication” (+28.2%); agriculture (+12.4%) and the “agri-food industry” (+9.9%) sectors. At the level of households, investment was characterized by civil construction activities.

3.1.1.2.2. Public investment

In 2020, public investment shrunk by 28.9% against a 6.8% increase in 2019 and restricted growth by 1.6 percentage points. The initial Finance Law had provided for a 1.2% increase in the investment budget compared to 2019. Due to the impact of the crisis on the economy, triggered by the COVID-19 pandemic, the Amending Finance Law reduced the budget by 15.1%. All sectors were affected by these budgetary adjustments. The most significant decreases were recorded in the “communication, culture, leisure and sports” (-32.6%); “Education, training and research” (-28.2%); “Health” (-22.0%) and “Production and trade” (-21.1%) sectors.

Table 32 : Breakdown of PIB by Sector (in billion CFAF)

Secteurs	2018	2019	2020	2020/2019 Variation (in %)
Infrastructures	784.4	767.5	706.9	-7.9
Production et commerce	102.7	105.6	83.3	-21.1
Santé	91.0	103.6	80.8	-22.0
Dépenses communes	147.2	175.5	129.1	-26.4
Enseignement, formation et recherche	68.5	71.9	51.6	-28.2
Administration générale et financière	49.8	95.2	84.0	-11.8
Souveraineté	24.2	32.4	29.1	-10.2
Défense et sécurité	6.0	26.1	19.9	-23.8
Affaires sociales et emplois	11.6	11.9	10.3	-13.4
Communication, culture, loisir et sports	5.3	88.3	59.5	-32.6
Total	1 291.5	1 478.0	1 254.4	-15.1

Sources: MINFI, MINEPAT

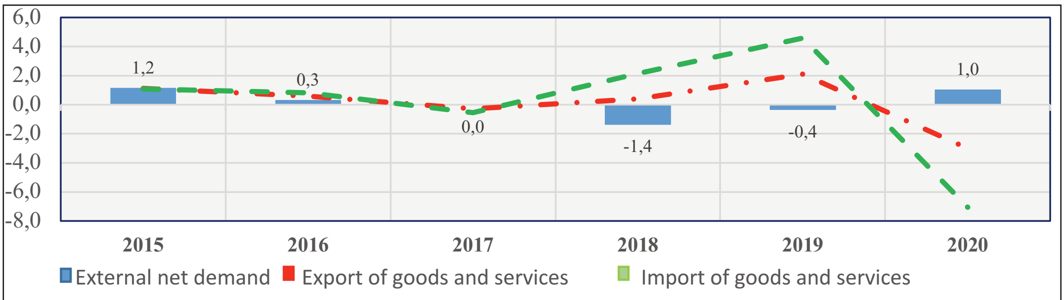
At the end of the 2020 fiscal year, the overall physical execution rate of the PIB stood at 92.36%, up by 3.6 percentage points compared to 2019. By component, the rate of physical implementation of projects financed with internal resources dropped from 91.09% to 89.31%, while that of projects financed with external resources increased from 86.66% to 95.69%. The improvement in the overall physical execution rate is attributable to measures taken by the Government to ensure optimal execution of the PIB. These include: (i) the gradual appropriation of instruments and procedures by all actors in the PIB execution chain and (ii) the cancellation of appropriations for projects with a high risk of foreclosure from the PIB for the 2020 fiscal year.

The physical and financial implementation of projects included in the PIB still encounters a number of difficulties. These include (i) non-compliance with contract award plans; (ii) insufficient maturation of several projects; (iii) holdups in the physical implementation of some co-financed projects, due to delays in payment; (iv) abandonment of worksites by some service providers due to non-payment of payment certificates; and (v) poor appropriation of the new implementation procedures for counterpart funds and investment subsidies. In addition, the effects of the global COVID-19 pandemic and the persistence of security crises in some regions also affected the execution of the 2020 PIB.

3.1.2. Net external demand

In 2020, the contribution of net external demand to GDP growth stood at 1.0 percentage point, as against -0.4 percentage point in 2019. This is due mainly to the net external demand for goods.

Graph 3: Contribution of Net External Demand to Growth (in %)

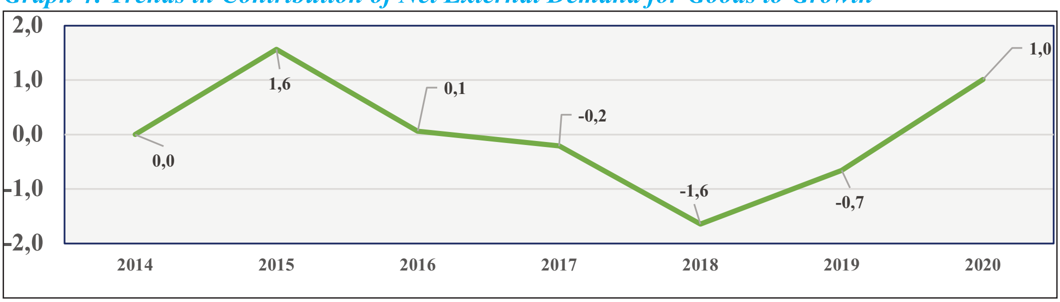


Sources: NIS, MINFI

3.1.2.1. Net external demand for goods

In 2020, net external demand for goods contributed 1.0 percentage point to growth, after restricting it by 0.7 percentage point in 2019. This situation was due to a substantial fall in goods imports compared to exports.

Graph 4: Trends in Contribution of Net External Demand for Goods to Growth



Source: MINFI

3.1.2.1.1. Exports of goods

In 2020, the volume of exports of goods decreased by 14.3% compared to an increase of 11.6% in 2019. This drop was mainly attributable to energy products (-14.5%), agricultural products (-8.0%) and products of the "other manufacturing industries" branch.

Table 33 : Trends in the Volume of Exports of Goods by Main Product Group (%)

Item	2014	2015	2016	2017	2018	2019	2020
Primary sector products	33.5	4.4	6.5	-1.9	2.1	-3.5	-7.9
Agricultural products	41.4	3.5	9.1	-5.9	1.3	1.6	-8.0
Forestry and logging products	16.1	6.7	-6.1	21.7	5.2	-16.3	-8.0
Secondary sector products	11.3	146	-2.8	-7.0	-0.5	17.6	-16.4
Energy products	19.2	25.5	-16.6	-20.3	-6.6	40.8	-14.5
Agro-food industrial product	-16.5	4.9	121.8	10.4	6.1	-12.2	-3.3
Products of other manufacturing industries	4.2	-0.6	-4.7	0.6	4.1	-3.3	-26.2
including woodwork products	-0.7	32.7	-5.7	0.7	24.7	3.7	-6.6
Total exports of goods	16.2	11.9	0.3	-5.3	0.3	11.6	-14.3

Source: NIS

3.1.2.1.2 Imports of goods

The volume of imports of goods decreased by 16.2%. This reduction was due mainly to the drop in the volume of imports of hydrocarbons extraction products (-99.8%), "Grain processing" products (-32.0%), refining products (-20.2%), audio-visual equipment (-22.0%), and transport equipment (-21.5%).

Table 34 : Trends in the Volume of Imports of Goods by Main Product Group (in %)

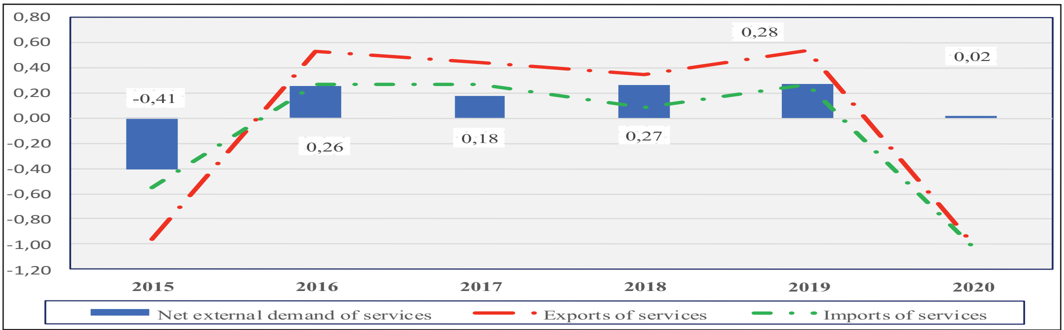
Item	2014	2015	2016	2017	2018	2019	2020
Primary sector products	**7.9**	**7.7**	**2.1**	**12.6**	**4.9**	**7.6**	**-9.1**
Agricultural products	8.9	9.1	2.9	12.3	4.3	7.6	-6.8
Secondary sector products	**17.4**	**2.1**	**-0.2**	**-3.8**	**10.5**	**13.1**	**-16.6**
Hydrocarbon extraction products	52.6	-15.0	-16.1	-40.9	-17.7	36.6	-99.8
Agro-food industrial products	-10.8	6.8	1.8	5.0	-2.8	8.4	-5.8
including grain processing products	*-31.7*	*17.3*	*-7.9*	*17.4*	*-19.8*	*45.7*	*-32.0*
Products of other manufacturing industries	17.5	5.0	0.8	0.3	17.3	12.8	-11.1
including Textile products	*-15.2*	*10.7*	*-12.3*	*-3.7*	*6.1*	*2.7*	*1.9*
Refined petroleum products	*17.6*	*5.5*	*-7.2*	*44.7*	*76.2*	*43.2*	*-20.2*
Items	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Chemical products	*18.7*	*5.6*	*-10.0*	*13.1*	*12.7*	*1.5*	*-0.3*
Metal products	*17.5*	*6.5*	*-3.3*	*-10.0*	*18.1*	*2.8*	*7.4*
Transport equipment	*65.1*	*-8.7*	*-8.3*	*-2.4*	*-10.4*	*4.4*	*-21.5*
Audio-visual equipment and appliances	*20.1*	*-1.5*	*42.3*	*-48.8*	*22.9*	*4.6*	*-22.0*
Total imports of goods	**16.9**	**2.3**	**-0.1**	**-3.0**	**10.2**	**12.8**	**-16.2**

Source: NIS

3.1.2.2. Net external demand for services

In 2020, net external demand for services accounted for 0.02 percentage point of GDP growth. This contribution was the result of a sharp fall in imports of services compared to exports of the same type.

Graph 5: Trends in the Contribution of External Demand for Services to Growth



Source: NIS

3.1.2.2.1. Exports of services

In 2020, the volume of exports of services dropped by 17.4% compared to a 10.2% increase in 2019. This trend was mainly attributable to the decline in exports in the "transport, warehousing and communication" (-12.0% compared to +10.6% in 2019); "accommodation and catering services" (-16.3% compared to +5.7%); "professional, scientific and technical services" (-37.4% compared to +17.7%), "rental, travel and support services" (-25.7% compared to +17.3%); and "banks and financial institutions" (-3.5% compared to +12.6%) branches.

The volume of exports of services accounted for 30.8% of total exports. They were driven by the "transport, warehousing and communication" (28% of total exports of services); "other services" (22.4%); "rental, travel and support services" (15.6%); "accommodation and catering services" (14.7%); "banks and financial institutions" (12.1%); and "professional, scientific and technical services" (7.1%) branches.

3.1.2.2.2. Imports of services

In 2020, imported services dropped by 21.1% compared to a 5.9% increase in 2019. This decline is mainly attributable to a decrease in the imports of products in the "professional, scientific and technical services" (-29.6% compared to +4.9% in 2019); "transport, warehousing and communication" (-30.6% compared to +17.5%); "other services" (-11.4% compared to +7.1%); "banks and financial institutions" (-8.4% compared to +4.1%); "rental, travel and support services" (-20%, down from -5.6%); and "accommodation and catering services" (-8.4%, down from +4.1%).

Imports of services accounted for 20.0% of the total volume of imports. The main categories of imported services are "accommodation and catering services" (18.1% of total imports of services); "rental, travel and support services" (17.9%); "professional, scientific and technical services" (16.3%); "transport, warehousing and communication" (15%); "banks and financial institutions" (8.2%); and "other services" (24.6%).

3.2. Prices

3.2.1. Final household consumer prices

In 2020 the inflation rate remained at 2.5% as in 2019, below the 3% threshold set by CEMAC. The price increase was mainly due the hike in the prices of "food and beverages" (+3.6% in 2020, up from

+2.9% in 2019) and “housing, water, gas, electricity and other fuels” (+3.0% as against +1.7%). The prices of “alcoholic beverages, tobacco and narcotics” (+3.0%); “clothing and footwear” (+2.3%); “restaurants and hotels” (+2.3%); and “transport” (+2.0%) are also on the rise.

The increase in food prices was driven, among other things, by a hike in the prices of fruits (+9.1%), vegetables (+8.5%), and bread and cereals (+3.8%). Conversely, prices of fish and seafood fell (-0.5% compared to 2.7% in 2019), particularly for “fish and other dried or smoked products”(-3.9%). The same was true for poultry (-3.4%), mutton/goat (-11%) and pork (-1.2%).

The increase in “transport” prices was particularly visible in passenger transport. Following the limitation of the number of passengers on public transport, prices of road transport services rose by 5.2% in April, before falling by 5% in May, following the relaxation of the measures adopted by the Government.

Regarding the origin of products, inflation is higher for local products (+2.6%) than for imported products (+2.4%). The increase in the prices of local products is attributable, inter alia, to the contraction of supply due to poor weather conditions in production basins and disruptions in market supply chains due to COVID-19. The rise in the prices of imported products is mainly due to import constraints and the increase in shipping costs.

The prices of goods in the primary sector went up from 3.8% in 2019 to 4.9% in 2020. Those of the secondary sector remained on an upward trend at 1.6% as in 2019 and the prices of tertiary sector products slumped (+1.4% compared with +2.1% in 2019).

In the regions, final household consumer prices increased: in Maroua (+3.4%, up from +0.7%), mainly driven by the increase in the prices of fresh okra, kitchen salt, maize flour, millet flour and imported rice; in Bertoua (+3.6%, up from +2.0%) due to the increase in prices of live chicken, fresh tomatoes, tubers and plantains; Garoua (+2.7%, up from +1.7%) and in Buea (+3.6% in 2020 as against +3.4% in 2019). They dropped in Ebolowa (+0.8% as against +2.6%) where the prices of some consumer products, especially smoked fish, fresh cassava tubers and shelled groundnuts, fell. Prices also went down in Bamenda (+2.2%, down from +4.8%), Yaoundé (+2.0%, down from +2.4%), Bafoussam (+2.6%, down from +2.7%), and Douala (+2.3%, down from +2.4%). Price dynamics remained unchanged in Ngoundere, with an increase of 2.3% as in 2019.

Table 35 : Trends in Final Household Consumer Price Index

Expenditure Items	Poids	2018	2019	2020	1st Term 2020	1st Term 2021	Variations (in %)	
		(a)	(b)	(c)	(d)	(e)	(c)/(b)	(e)/(d)
I - Trend by consumption function								
Food and non-alcoholic beverages	31.8	112.3	115.6	119.7	118.3	122.5	3.6	3.6
Alcoholic beverages and tobacco	1.4	123.8	129.6	133.5	132.8	135.4	3.0	2.0
Clothing and footwear	9.8	108.3	111.4	114.0	113.4	115.8	2.3	2.1
Housing, water, gas, electricity and other fuels	12.9	114.8	116.7	120.3	120.0	122.1	3.0	1.8
Furniture, household items and routine household maintenance	5.1	107.4	109.4	111.1	110.5	112.4	1.5	1.7
Health	4.8	102.5	103.1	103.3	103.2	103.4	0.2	0.2
Transport	11.3	121.6	124.0	126.5	126.5	127.0	2.0	0.4
Communication	4.6	90.2	90.5	91.1	91.0	91.4	0.6	0.5
Leisure and culture	3.4	104.5	105.8	107.5	107.1	108.1	1.6	1.0
Education	3.1	115.3	116.7	117.5	117.2	118.3	0.7	0.9
Restaurants and hotels	6.7	121.8	128.7	131.7	131.1	133.1	2.3	1.5
Sundry goods and services	5.2	111.9	114.7	116.3	115.8	117.2	1.3	1.3
Overall Index	100	112.1	114.9	117.7	117.0	119.3	2.5	2.0
II - Trend by group								
Local products		113.4	116.3	119.4	118.7	121.1	2.6	2.0
Imported products		107.9	110.2	112.8	112.0	115.6	2.4	3.2
Primary sector products		115.7	120.1	126.0	124.4	129.4	4.9	4.0
Secondary sector products		106.6	108.3	109.9	109.5	111.2	1.6	1.5
Tertiary sector products		114.6	117.0	118.7	118.5	119.4	1.4	0.8

Sources: NIS, MINFI.

In a context marked by the COVID-19 pandemic which has disrupted supply chains, the Government strengthened its surveillance mechanism, particularly by intensifying price controls in and supplying food products to markets. Thus, it has increased the number of periodic test markets organized throughout the country, making available 5 317 tonnes of local products, including vegetable oils, locally-produced rice, pasta, fresh food products and meat.

In the first half of 2021 and year-on-year, final household consumer prices rose by 2.0%. The rise in prices was sustained by food products (+3.6%), particularly higher bread and cereals (+5.5%), oils and fats (+4.9%), vegetables (+4.4%) and fruit (+3.5%) prices.

Spatially, the first half of the year was characterized by an increase in prices in all regional capitals, particularly Bertoua (+5.7%), Ebolowa (+3.7%), Bamenda (+3.3%) and Maroua (+2.8%) where it was higher than the national average (+2.0%). Inflation was lower than the national average in Bafoussam (+1.8%), Ngaoundere (+1.8%), Douala (+1.7%), Garoua (+1.6%), Yaoundé (+1.5%) and Buea (+1.1%).

3.2.2. Global competitiveness

Global competitiveness is assessed based on several categories of indicators. This section assesses competitiveness using two main thrusts, namely: (i) competitiveness in terms of price trends; and (ii) competitiveness in terms of economic and institutional structure.

3.2.2.1. Price competitiveness

Price competitiveness is analysed based on the real effective exchange rate (REER) and terms of trade. In 2020, the REER, which combines the nominal effective exchange rate (NEER) and the price differential with trading partners, rose by 3.1% compared to 2019, reflecting a decline in competitiveness in Cameroon. This trend is mainly due to the 4.6% increase in the NEER. The increase in the NEER is a result of the appreciation of the CFA franc with respect to the currencies of Cameroon's main trading partners. The inflation differential in favour of Cameroon could not reverse the REER trend. Terms of trade improved by 2.6% compared to 2019. This improvement is a result of a significant increase in export prices compared to import prices, reflecting a drop in competitiveness.

Table 36 : Trends in REER, NEER and Terms of Trade from 2013 to 2020 (in %)

	2013	2014	2015	2016	2017	2018	2019	2020
REER	2.6	0.8	-6.2	2.2	0.9	1.4	-1.1	3.1
NEER	3.7	1.6	-3.7	3.6	2.6	3.2	-0.9	-4.6
Terms of trade	-1.3	1.4	-10.4	-2.6	4.2	7.2	-4.4	2.6

Source: World Bank, update, September 2021, base 100 in 2010.

3.2.2.2. Structural competitiveness

Structural competitiveness is analysed based on the assessment of sovereign rating agencies, the assessment of the CPIA index published by the World Bank and the assessment of the business environment by various institutions.

Concerning rating agencies, Standard & Poor's and Fitch Ratings each maintained Cameroon's sovereign rating at 'B-' and 'B' respectively in 2020. These ratings, which place Cameroon in the category of countries that are highly speculative for donors, are justified by crises and political uncertainties that undermine the national economic outlook.

Regarding the Country Policy and Institutional Assessment (CPIA) Index for sub-Saharan Africa, Cameroon maintained its score of 3.3 and was ranked 16th out of 39 low-income countries whose policy and institutional quality is considered moderate. According to this ranking, Cameroon's economic management performance, particularly as regards budgetary, tax and indebtedness policies, is improving. On the other hand, it must step up its efforts in the areas of governance, business climate and public expenditure quality.

In the same vein, the views of business leaders compiled by GICAM in late 2020 reveal several factors that continue to undermine the competitiveness of the Cameroonian economy. These include: (i) the inadequacy and disruption of power supply and telecommunication networks; (ii) poor road network; (iii) increased port transit costs; (iv) difficulties in accessing foreign currencies; (v) increased foreign currency transfer charges; and (vi) difficulties in sourcing and accessing bank credit.

Regarding trade facilitation, the World Bank and OECD 2020 reports indicate that the efforts made by the Government to improve Cameroon's competitiveness performance remain insufficient. The transit times and costs for goods in Cameroon remain high, averaging 8 days 4 hours costing about CFAF 600 000 for exports, and 11 days 2 hours for CFAF 800 000 for imports. These indicators are the least competitive in sub-Saharan Africa, where export and import transit times are 4 days and cost CFAF 350 000. However, it is worth noting that the ship waiting time at the Douala Port has improved. It reduced from an average of 48 hours in 2014 to 11 hours in 2019 and 2020, and to 10 hours in the first half of 2021.

Concerning the deliberations of the Cameroon Business Forum, the 11th edition of which was held on

23rd October 2020, under the chairmanship of the Prime Minister, Head of Government, under the theme: "the Business Environment at the test of COVID-19", the private sector wished, among other things, that special emphasis be laid on the settlement of the domestic debt in 2021, in order to give a fresh impetus to enterprises.

At the end of this meeting, a roadmap containing key indicators aimed at enhancing Cameroon's competitiveness and attractiveness was adopted. These include indicators relating to ease in terms of starting a business, obtaining building permits, access to electricity and cross-border trade.

Lastly, the following achievements made within the framework of the implementation of the Cameroon Business Forum's 2019 roadmap are worth recalling: (i) integration of a NSIF office in the enterprise creation formalities centres; (ii) operationalization of a one-stop shop for issuing land certificates in the city of Douala; (iii) reduction of property transfer registration fees; (iv) granting of certain benefits to enterprises set up in disaster-stricken economic areas; (v) operationalization of the third gantry crane and procurement of new machinery at the Douala Port Authority.

CHAPTER 4: FINANCING OF THE ECONOMY

In 2020, the economy was financed in a context mainly marked by : (i) global economic downturn in the face of the Covid-19 crisis, which compelled the authorities to step in to support growth and employment through exceptional fiscal measures and substantial liquidity injection into the economy; (ii) the implementation of specific monetary policy measures to help CEMAC countries to cope with the adverse effects of the Covid-19 pandemic, in particular by lowering lending rates and injecting cash; and (iii) preparatory work for the effective entry into force of the new CEMAC regulation governing microfinance activities.

In 2020, financing of the economy was characterized by an increase in money supply reflected at the level of counterparts by a rise in net claims on the State and credit to the economy. In contrast, net foreign assets fell slightly.

In the first half of 2021, Cameroon concluded a new economic and financial programme with the IMF, covering the period 2021-2024. During this period, financing of the economy was characterized by a year-on-year rise in money supply (+16%) reflected in its counterparties by an increase in net external assets (+95%), net claims on the State (+52.4%) and credit to the economy (+7.5%). These trends resulted in by a 2.4% increase in bank credit, driven by credit to public enterprises and individuals.

4.1. Monetary policy

The monetary policy of CEMAC Member States is characterized by an exchange regime based on four principles: (i) fixed parity between the CFA franc and the euro; (ii) convertibility of the CFA franc guaranteed by France; (iii) total freedom of transfers between franc zone countries; and (iv) the pooling of foreign exchange reserves. In 2020, the monetary policy was accommodating in order to cushion the negative impact of the COVID-19 pandemic on the economy, while ensuring monetary stability. The monetary and credit targets as at 31st December 2020 were: (i) an 8.7% to 10.7% growth in money supply; (ii) a 1.6% to 3.6% variation in credit to the economy; and (iii) a 67% to 69% currency coverage. Money supply grew by 12.8%, credit to the economy rose by 4.8% and the currency coverage rate stood at 64%.

4.1.1. Refinancing policy

The refinancing policy implemented through the monetary market comprises two components, namely quantity (bank refinancing objective) and prices (interest rate fixing).

In 2020, BEAC changed its refinancing policy guidelines by lowering benchmark rates, suspending liquidity absorption transactions and broadening the range of private financial instruments accepted as collateral for monetary policy transactions. The aim was to maintain an adequate supply of credit to households and businesses. In the same vein, the resumption of long-term liquidity injection operations was decided by the Monetary Policy Committee (MPC) to increase credit to banks. In addition, MPC set up a programme of targeted one-off repurchases on the secondary market of government securities issued by States, for a total of 600 billion, at a rate of 100 billion per State. During the first half of 2021, the monetary policy remained unchanged.

4.1.2. Interest rate steering policy

Interest rates are steered according to trends in the international and national economic situation. The BEAC substantially eased its monetary policy in connection with the pandemic and the need to preserve bank liquidity and promote the financing of CEMAC economies. On 27th March 2020, during its first Monetary Policy Committee (MPC) meeting for the year, the tender rate (TIAO), BEAC's main benchmark rate, was reduced by 25 basis points from 3.5% (in force since 31 October 2018) to 3.25%. The marginal lending facility rate was reduced from 6% to 5%. The bank penalty rate was abolished and BEAC raised the ceiling on liquidity to be injected into the money market from 240 billion to 500 billion. It also broadened the range of private bills accepted as collateral for monetary policy transactions and reduced the haircuts applicable to public and private bills accepted as collateral for BEAC refinancing operations. Regarding lending rates, interest rates on public deposits and banking conditions were maintained. They are as follows:

- interest rate on public investment under the Reserve Fund for Future Generations (TISPP0): 0.40%;
- interest rate on public investment under the budget revenue stabilization mechanism ($TISPP_1$); 0.05%;
- interest rate on public investment for special deposits ($TISPP_2$): 0.00%;
- *minimum lending rate: 2.45%.

In the first half of 2021, BEAC's benchmark rates remained unchanged and long-maturity liquidity injection operations resumed.

Table 37 : Trends in BEAC's Benchmark Rates and Banking Conditions

Item	**25/07/18 to 30/10/18**	**31/10/18 to 18/12/18**	**18/12/18 to 27/03/20**	**In force since 27/03/20**
I Treasury transactions **- Interest rate on public investments (TISPP)**				
. Interest rate on public investments under the Reserve Fund for Future Generations (TISPPo)	0.40	0.40	0.40	0.40
. Interest rate on public investments under the budget revenue stabilization mechanism (TISPP1)	0.05	0.05	0.05	0.05
. Interest rate on public investments for special deposits (TISPP2)	0.00	0.00	0.00	0.00
II – Money Market ***1- Monetary policy instruments***				
. Tender rate (TIAO)	2.95	3.50	3.50	3.25
. Marginal lending facility rate (MLFR)	4.70	5.25	6.00	5.00
. Deposit facility rate(DFR)	0.00	0.00	0.00	0.00
. Bank penalty rate (BPR)	7.00	7.55	8.30	Deleted
2- Special Refinancing Window				
Effective rates on old irrevocable MTLs	3.25	3.25	3.25	3.25
III - Minimum Loan Rate (MLR)	**2.45**	**2.45**	**2.45**	**2.45**

Source: BEAC

4.2. Money market operations

In 2020, money market operations covered open market transactions, marginal lending facilities, special window operations and interbank transactions.

4.2.1. Open market transactions

Open market transactions covered: (i) main liquidity-injection transactions; (ii) long-term maturity liquidity-injection transactions; and (iii) one-off adjustment operations and structural operations.

In 2020, the overall volume of main liquidity-injection transactions stood at 965 billion, up by 30% compared to 2019. The amount of long-term maturity liquidity-injection transactions was 45 billion, and no adjustment or structural operations were recorded. In the first half of 2021, main liquidity-injection transactions amounted to 736 billion, up by 43% year-on-year.

4.2.2. 24-hour marginal lending facility

The 24-hour marginal lending facility is a financial instrument aimed at filling the cash gap that has not been covered after the main liquidity injection transaction and after exhaustion of the refinancing possibilities offered on the interbank market. In 2020, the overall amount of this additional support stood at 2 057.2 billion, compared to 2 049 billion in 2019. In the first half of 2021, and year-on-year, the amount of marginal 24-hour lending facilities fell by 88% to stand at 243 billion. It should be noted that this is the most expensive facility in the money market.

4.2.3. Special counter operations

Special counter operations concern medium-term loans with a maturity of more than 2 years and less than 7 years, intended to refinance productive investments. In 2020, the outstanding amount of these operations remained constant at 4.6 billion.

4.2.4. Interbank market

In 2020, total amount of transactions on the interbank market dropped to 1 064 billion, as against 2436 billion in 2019. The weighted average interbank rate obtained from these transactions fell to between 3% and 4%, compared to between 4% and 5% in 2019. The maturity of the transactions ranged from one day to one year. Intra-group transactions accounted for almost three quarters of transactions.

In the first half of 2021, the total amount of interbank transactions stood at 219 billion, as against 401 billion year-on-year.

4.3. Reserve requirement policy

In 2020, the reserve requirement ratio remained stable at 7% for demand deposits and 4.5% for term deposits. At the end of December 2020, the amount of required reserves stood at 340.9 billion, as against 307.7 billion at end-2019, recording a 33.1 billion increase. At the end of June 2021, the amount of required reserves stood at 372.2 billion, up by 40 billion compared to the end of June 2020. They were remunerated at a rate of 0.05% and represented one third of all BEAC bank reserves.

4.4. Monetary situation

At-end December 2020, the monetary situation was balanced in revenue and expenditure at 7 420.1 billion, up by 13.5% compared to end of December 2019. It is characterized by (i) a drop on net foreign assets; (ii) an increase in domestic credit, driven by net claims on the State and credit to the economy; and (iii) increase in money supply. At the end of June 2021, the monetary situation was balanced at 7 947.4 billion, up by 15.7% compared to 30th June 2020.

Table 38 : Consolidated Monetary Situation (in billion)

	Dec-19	June-20	Dec-20	June-21	Variations (in %)		
	a	b	c	d	c/a	d/b	d/c
Monetary system resource counterparts	6 539.3	6 871.2	7 420.1	7 947.4	13.5	15.7	7.1
Net foreign assets	2 370.8	2 337.2	2 358.8	2 554.3	-0.5	9.3	8.3
BEAC'S net foreign assets	1 653.0	1 494.4	1 339.5	1 427.2	-19.0	-4.5	6.5
Including: Operations account	2 079.7	2 124.6	2 067.7	2 043.0	-0.6	-3.8	-1.2
Foreign currency assets	79.3	74.7	37.3	185.6	-53.0	148.4	397.4
Use of IMF credit	302.1	478.2	546.5	554.1	80.9	15.9	1.4
Net foreign assets of MCBs	717.8	842.8	1 019.3	1 127.1	42.0	33.7	10.6
Domestic credit (a+b)	4 168.5	4 534.0	5 061.2	5 393.1	21.4	18.9	6.6
Net claims on the state (a)	745.7	1 155.2	1 475.9	1 761.0	97.9	52.4	19.3
Net goverment position (a)	743.2	1 146.9	1 446.8	1 741.7	94.7	51.9	20.4
Other net claims on the state	2.6	-59.1	29.1	19.3	1 032.6	-132.6	-33.7
Claims on the economy (b)	3 422.8	3 378.9	3 585.3	3 632.1	4.8	7.5	1.3
Banking institutions under liquidation	0.0	0.0	0.0	0.0	0.0	50.0	33.3
Other bank institutions not eligible for beac refinancing	8.7	9.1	3.1	5.5	-64.2	-38.9	78.1
Non-bank financial institutions	44.8	37.9	48.2	67.3	7.5	77.7	39.7
Public non-finacial companies	230.0	294.1	357.7	3932	55.5	33.7	9.9
Non financial private sector	3 139.2	3 037.9	3 176.3	3 166.1	1.2	4.2	-0.3
Total monetary system resources	6 539.3	6 871.2	7 420.1	7 947.4	13.5	15.7	7.1
Fiduciary money	1 151.4	1 183.0	1 333.4	1 370.3	15.8	15.8	2.8
Scriptural money:	2 326.6	2 496.6	2 620.8	2 983.7	12.6	19.5	13.8
BEAC	2.1	2.6	3.2	2.8	53.4	5.8	-13.3
Money-creating banks	2 305.5	2 474.3	2 596.9	2 958.7	12.6	19.6	13.9
Other bank institutions eligible for BEAC refinancing	15.5	16.2	17.3	18.8	11.1	15.7	8.9
Giro centres (CCP)	3.5	3.5	3.5	3.5	0.0	0.0	0.0
Money supply	3 478.0	3 679.6	3 954.3	4 54.1	13.7	18.3	10.1
quasi-money	1 938.4	2 050.3	2 155.5	2 294.2	11.2	11.9	6.4
Money-creating banks	1 914.7	2 025.4	2 130.1	2 268.3	11.3	12.0	6.5
Other banking institutions eligible for beac refinancing	23.7	24.9	25.3	25.9	6.7	4.3	2.3
Monetary and quasi-monetary liquidity	5 416.4	5 729.9	6 109.8	6 648.3	12.8	16.0	8.8
Other net items	1 122.9	1 141.3	1 310.3	1 299.1	16.7	13.8	-0.9

Source : BEAC

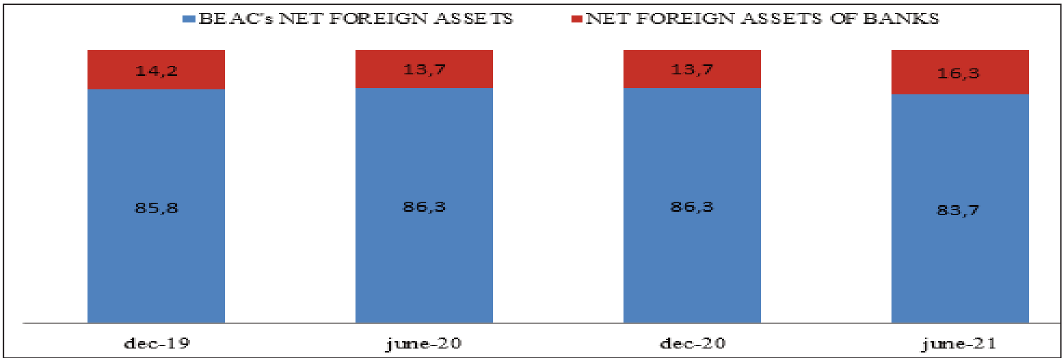
4.4.1 Money supply counterparts

4.4.1.1. Net foreign assets

As at 31st December 2020, and compared to the same date in 2019, net foreign assets dropped by 0.5% to stand at 2 358.8 billion. This contraction, driven by the 19% drop in BEAC's net external assets, is explained by the decline in export earnings. Bank external assets rose by 42% to stand at 1 019.3 billion, in connection with the increase in bank subscriptions to government securities issued by CEMAC countries.

As at 30th June 2021, net foreign assets stood at 2 554.3 billion, up by 9.3% compared to 30 June 2020. This trend was driven by a 33.7% increase in bank net external asset. BEAC's net external assets fell by 4.5% to 1 427.2 billion. Net external assets comprised 44% of bank net external assets and 56% of BEAC's net external assets, compared to 36% and 64% respectively on 30 June 2020. Cameroon's gross external assets at BEAC can cover 6.6 months of imports of goods and services, compared to 4.95 months at the end of June 2020. However, the community principle of pooling foreign exchange reserves mitigates this performance because CEMAC's foreign assets can only cover a maximum of 3 months of imports.

Graph 6: Weight of Foreign Assets Components (in %)



Source: BEAC

Currency coverage rate, defined as the ratio between gross official foreign currency assets and the overall Central Bank deposit liabilities, declined from 76.4% at end-December 2019 to 64.0% at the end of December 2020. This trend is also noticeable in all CEMAC countries, where coverage rate fell from 70.4% to 59.8%.

4.4.1.2. Domestic credit

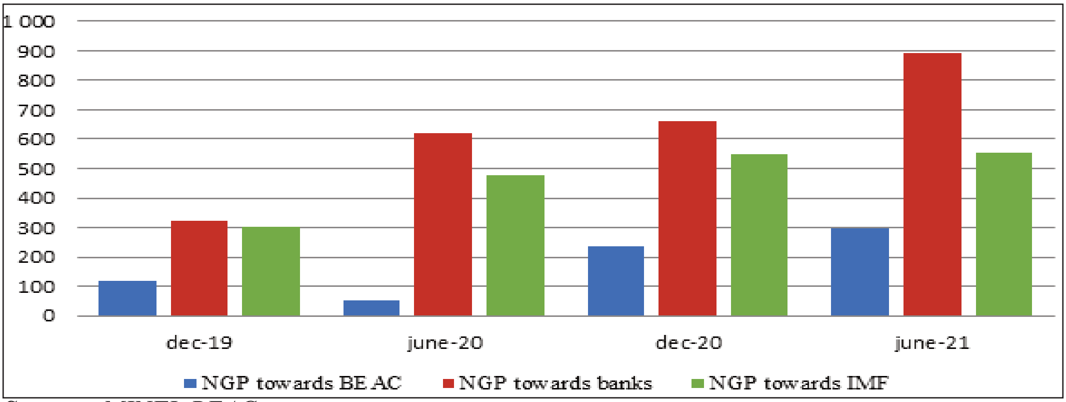
As at 31st December 2020, domestic credit stood at 5 061.2 billion, up by 21.4% compared to the end of December 2019. This trend resulted from the 892.7 billion increase in net claims on the State and 162.5 billion in credit to the economy.

Net government position (NGP), an essential component of net claims on the State, almost doubled to 1 446.8 billion, compared to 745 billion at the end of 2019. This trend is mainly attributable to: (i) the increase in IMF credit from 302.2 billion to 546.5 billion; (ii) NGP growth vis-à-vis banks, from 321.7 billion to 662.1 billion; and (iii) the increase in NGP vis-à-vis the BEAC from 118.8 billion to 238.2 billion.

Credit to the economy increased by 4.8% to stand at 3 585.3 billion, driven by loans to public enterprises which increased by 55.5% to stand at 357.7 billion. Loans to the non-financial private sector, the main component of loans to the economy (88% of the outstanding amount), increased by 1.2%. In terms of maturity, short-term loans accounted for 55.3% of outstanding loans to the economy, medium-term loans for 41.0% and long-term loans for 2.8%.

At the end of June 2021 and compared to 30 June 2020, domestic credit increased by 18.9% to 5 393.1 billion, driven by net claims on the State (+52.4%), credit to public enterprises (+33.7%) and credit to the non-financial private sector (+4.2%). NGP increased to 1 761.7 billion, due to an increase in NGP vis-à-vis the BEAC (247.4 billion), in NGP vis-à-vis banks (271.4 billion) and in NGP vis-à-vis the IMF (75.9 billion).

Graph 7: Trends in Net Government Position (in billion)



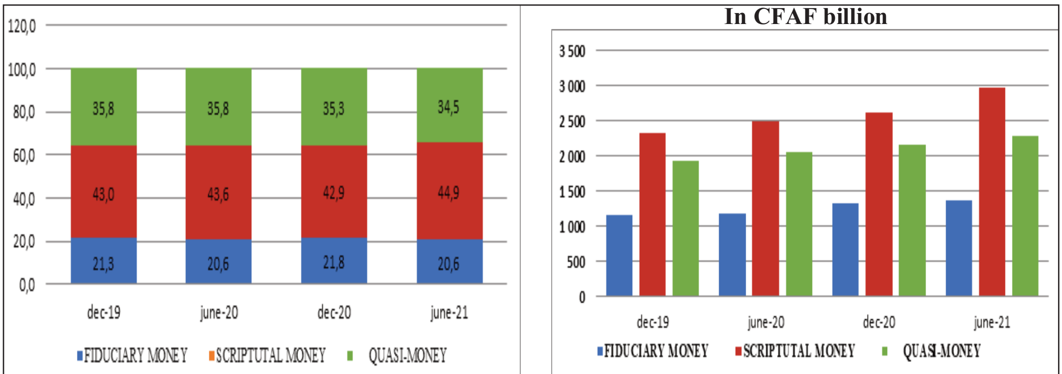
Sources: MINFI, BEAC

4.4.2. Money supply

Reflecting the trends in its counterparts at the end of December 2020, money supply in the broad sense increased by 12.8% compared to the end of December 2019, to stand at 6 109.8 billion. All its components also increased over the period: +15.8% for banknotes and coins, +12.6% for scriptural money and +11.2% for quasi money.

As at 30 June 2021, money supply increased by 16.0% year-on-year and stood at 6 648.3 billion. It comprised 20.6% of fiduciary money, 44.9% of scriptural money and 34.5% of quasi money.

Graph 8: Trends in Money Supply Components in %



Source: BEAC

4.5. Banking sector

In 2020, the banking sector was characterized by: (i) an increase in balance sheet total; (ii) an increase in customer deposits; (iii) an increase in customer credit; (iv) an increase in e-money transactions; and (v) improved compliance with prudential ratios.

Net banking income (NBI) increased by 3.3% from 6.6% in 2019. The rate of access to banking services in the narrow sense, calculated *by comparing the number of people holding at least one bank account in a credit institution to the labour force, was 28.3%, after 28.4% in 2019. In the broad sense, that is, by extending the number of people holding at least one bank account in MFIs*, financial institutions and CAMPOST, the rate of access to banking services by the labour force increased by 0.6 percentage point to stand at 45.7%.

4.5.1. Balance sheet total

As at 31st December 2020 and compared to 31st December 2019, the balance sheet total of all banks increased by 9.3% to stand at 7010.7 billion. Afriland First Bank occupied the first position, with 18.0% of the balance sheet total of all banks. It was followed by SGC (15.1%), BICEC (10.4%), S.C.B (8.9%), BAC (8.0%), UBA (6.8%), ECOBANK (6.6%) and CBC (6.5%).

As at 30th June 2021, bank balance sheet total stood at 7 561.9 billion, up by 7.7% compared to the same date in 2020.

4.5.2. Customer deposits

At the end of December 2020 and compared to the end of December 2019, deposits increased by 10.4% to stand at 5 378.7 billion. This trend was driven by an increase in deposits by private companies (+15%), private individuals (+7.6%) and the central administration (+5.47%).

At the end of June 2021, deposits increased by 13.1% compared to 30 June 2020, and stood at 5 822.3 billion. They were driven by an increase in deposits by private enterprises (+24.5%), private individuals (+7.1%) and public enterprises (+72%). By deposit type, term deposits, special deposits (cash vouchers) and demand or sight deposits increased by 18.6%, 11.3% and 12.4% respectively. By customer type, private individuals held the largest share of deposits (38.6%, as against 40.8% at the end of June 2020). They were followed by private enterprises, whose share rose from 23.8% to 26.2%, the central administration (7.7%), public enterprises (7.7%) and private individuals (7.2%).

Table 39 : Deposits by Customer Type (in billion)

Item	31 December 2019	30 June 2020	31 December 2020	30 June 2021	Variations (in %)		Weight in % at end-June 2021
	a	b	c	d	c/a	d/b	
Central administration	461 .2	492	486.3	450.7	5.4	-8.4	7.7
Local administration	20.9	31.3	27.2	26.9	30.1	-14.1	0.5
Government services	174.4	157.5	137.1	157.7	-21.4	0.1	2.7
Private services	129.4	166.3	148.1	152.8	14.5	-8.1	2.6
Public corporations	218	261.1	372.4	449.1	70.8	72.0	7.7
Private enterprises	1 111.9	1 226.4	1 279.2	1 526.8	15.0	24.5	26.2
Insurance and capital companies	161	159.2	179.7	157.7	11.6	-0.9	2.7
Sole proprietorships	233.2	19.7	208.0	231.9	-10.8	17.3	4.0
Private individuals	2 002.9	2 100.2	2 154.6	2 250.3	7.6	7.1	38.6
Sundry	357.2	355.2	386.0	418.6	8.1	17.8	7.2
TOTAL	4 870	5 146.8	5 378.7	5 822.3	10.4	13.1	100.0

Source: BEAC

By maturity, demand deposits were predominant, accounting for 78.8% of overall deposits. They increased from 3 841.9 billion at the end of December 2019 to 4 239.2 billion at the end of December 2020. They were followed by term deposits (13.1%), with an increase in outstanding amount from 652.9 billion at the end of December 2019 to 705.9 billion at the end of December 2020. At the end of June 2021, demand deposits remained predominant, accounting for 78.9% of overall deposits, as against 21.1% for cash vouchers and term deposits.

Table 40 : Customer Deposits by Maturity (in billion)

Item	31 Dec. 2019	30-June-20	31 Dec. 2020	30-June-21	Variations (in %)		Weight as at 30
	a	b	c	d	c/a	d/b	(en %)
Special deposits	375.3	402.4	433.5	447.9	15.5	11.3	7.7
Term deposits	652.9	659.2	705.9	781.5	8.1	18.6	13.4
Demand deposits	3 841.9	4 085.2	4 239.2	4 593	10.3	12.4	78.9
TOTAL	4 870	5 146.8	5 378.7	5 822.3	10.4	13.1	100

Source: BEAC

4.5.3. Customer credit

As at 31 December 2020, outstanding loans amounted to 3 908.8 billion, up by 6.7% compared to the same period in 2019. This trend was driven by credit to private individuals (+12.8%), the central administration (+37.5%), public enterprises (+53.9%) and private enterprises (+2.1%). In contrast, credit to individual private companies dropped by 27.5%.

At the end of June 2021, outstanding loans amounted to 3 943.8 billion, up by 7.1% compared to 30st June 2020. The rise resulted from the increase in loans to private individuals, public enterprises and the central administration. Credit to private companies dropped.

The main sectors of activity that benefited from credit are: “public works and civil engineering” (20.9% of total credit), “trade, restaurants and hotels” (17.1%), “transport and auxiliary transport activities” (16.5%), “agriculture, livestock and hunting, forestry and fisheries” (14%)”, “electricity, gas and water production and distribution” (11.8%), “extractive industries” (11.0%), “production of services to local authorities and personnel “ (5.5%) and “activities of financial institutions, real estate business and services to companies” (2.7%).

Gross outstanding receivables stabilized at 16.8% of outstanding credit, while the external position of banks decreased year-on-year.

By customer type, 59.1% of loans were granted to private companies, including sole proprietorships; 18.4% to private individuals; 10.3% to the central administration; and 10.2% to public enterprises.

Table 41 : Credit Distribution by Customer Type (in billion)

Item	31 Dec. 2019	30 June 2020	31 Dec. 2020	30 June 2021	Variations (en %)		Weight in June 2021 (in %)
	a	b	c	d	c/a	d/b	
Central administration	295.7	382.5	401.4	408.1	35.7	6.7	10,3
Local administration	1	1.3	1	0.9	0	-30.8	0
Public bodies	0.2	0.1	0.1	25.8	-50	25700	0,7
Private services	11.4	11	10.8	36.9	-5.3	235.5	0,9
Public corporations	237.2	294	365.1	400.6	53.9	36.3	10,2
Private enterprises	2 227.3	2 232.3	2 273.5	2 203.3	2.1	-1.3	55,9
Insurance and capital companies	2.5	2.4	10.2	7.7	308	220.8	0,2
Sole proprietorships	194	133.4	140.7	129.7	-27.5	-2.8	3,3
Private individuals	620.2	610.8	696.6	723.7	12.3	18.5	18,4
Sundry	75.3	14.6	9.5	7.1	-87.4	-51.4	0,2
Total	3 664.6	3 682.3	3 908.8	3 943.8	6.7	7.1	100

Source: BEAC

At the end of June 2021, the financial intermediation level, measured by comparing credit to deposits, dropped to 67.7%, as against 71.5% in June 2020 and 76.8% in June 2019. The transformation ratio of deposits into long-term credit dropped from 38.9% to 38.2%.

4.5.4. Prudential standards

The prudential ratio situation of the 15 banks operating on the Cameroon market was as follows:

- 9 out of 15 banks comply with all the prudential ratios;
- all the banks comply with the liquidity ratio;
- 2 banks do not comply with the positive net equity ratio;
- 3 banks do not comply with the capital adequacy ratio;
- 4 banks do not comply with the solvency ratio;
- 5 banks do not comply with the long-term transformation ratio.

4.5.5. Automatic teller machines and electronic money

In 2020, credit institutions continued to expand their automatic teller machine (ATM) networks in order to modernize, improve and streamline the quality of customer services. The number of ATMs increased from 720 in 2019 to 761 in 2020. Yaoundé, Douala and Bafoussam account for 73% of ATMs.

According to the report on the study carried out by BEAC in 2021, for the period 2019-2020 the value of mobile money transactions recorded a significant 35.3% increase from 9 271.4 billion in 2019 to 12 544.0 billion in 2020. In this sector, transactions are carried out by mobile phone companies in partnership with banks: MTN with AFB, ORANGE (BICEC), YUP (SGC) and NEXTTEL (UBA). The number of transactions increased by 27.3% compared to 2019 and stood at 1 070 million. The number of mobile money accounts opened increased by 58% to cross the 15 million mark. Outstanding mobile money accounts amounted to 136 billion, as against 109 billion at the end of 2019.

4.6. Microfinance

In 2020, the microfinance sector recorded two major events: (i) the operationalization of the MUFID network, made up of former MC2-type independent MFIs; and (ii) the approval of nine (9) MFIs previously operating as Category I independent MFIs.

4.6.1. Breakdown of MFIs by category

As at 31st December 2020, Cameroon had 415 approved microfinance institutions, divided into three categories, namely: 342 Category I MFIs (82.4% of total), 70 Category II MFIs (16.9%), and 3 Category III MFIs (0.7%). Category I MFIs are divided into 116 independent MFIs and 245 networks.

Table 42 : Breakdown of Approved MFIs by Category

Catégorie d'EMF	End-December 2019	End-December 2020	Variations	Weight (in %)
Category I	361	342	-19	82.4
Category II	47	70	23	16.9
Category III	3	3	0	0.7
Total	411	415	4	100

Source: CNC

In 2020, six MFIs were entered into the special register of the National Economic and Financial Committee, bringing the number of MFIs in the register to 292, of which 237 in Category I, 53 in Category II and 2 Category III.

Table 43 : Breakdown of Approved MFIs by Category in the Special National Credit Council Register

MFI Category	End-December 2019	End-December 2020	Variations
Category I	233	237	81.2
Category II	51	53	18.1
Category III	2	2	0.7
Total	286	292	100

Source: CNEF

4.6.2. Geographic coverage

At the end of December 2020 and compared to the end of December 2019, the number of MFI branches increased from 43 to 1 713. The number of points of sale in rural areas increased from 786 to 797. Similarly, the number of branches and counters in urban areas rose from 32 to 916.

The presence of MFIs in urban and rural areas varied according to category. In Category I, 360 MFIs had points of sale in rural areas, as against 261 in urban areas. This geographical distribution applies in particular to the CAMCCUL network, with 50% of its affiliates found in rural areas. Category II MFIs operated more in urban areas, with 648 points of sale in towns, against 437 in rural areas. Category II MFI branches were found only in regional headquarters (Littoral, North and Far-North).

The Centre region had the highest number of points of sale, with 449 branches, followed by the Littoral (391) and West (257) regions. The least covered regions were: the Far-North (81), South (74), North (62), East (59) and Adamawa (56) regions.

Category II MFIs were mainly represented in the Centre (137 points of sale), Littoral (111), North West (110) and West (104) regions. The points of sale of Category II MFIs were mostly located in the Centre, Littoral and West regions which had 312, 278 and 152 branches and counters respectively. Category III MFIs operated in the Littoral (2 points of sale), Far-North (2), North (1), Adamawa (1) and West (1 point of sale) regions.

Table 44 : Breakdown of MFI Branches by Region at End-December 2020Source: CNEF

REGION	Centre	South	Littoral	East	West	North West	South West	Adamawa	North	Far-North	Total
West	137	21	111	10	104	110	72	15	15	24	619
Category I	312	53	278	49	152	50	52	40	44	55	1085
Category II	0	0	2	0	1	0	0	1	1	2	7
Category III	449	74	391	59	257	160	124	56	60	81	1711
TOTAL	**449**	**74**	**391**	**59**	**257**	**160**	**124**	**56**	**60**	**81**	**1 711**

Source: CNEF

4.6.3. Trends in balance sheet total

At the end of December 2020, the balance sheet total of MFIs stood at 783.2 billion, showing an increase of 125 billion compared to the end of December 2019. This increase is due, inter alia, to the operationalization of a 35.3 billion worth new network called RAINBOW, and the increase in the balance sheet total of: CAMCCUL (+20.9 billion), RECCUCAM (+11.1 billion), EXPRESS UNION (+13.2 billion) and FIRST TRUST (+5.8 billion). Category II MFIs account for more than half of the balance sheet total of the sector (52.2%), followed by Category I (47.4%).

Table 45 : Trends in the Balance Sheet Total of MFIs (in billion)

	31/12/2019	31/12/2020	Weight (in %)	Variation	
	a	b		b-a	b/a
Category I	322.2	370.8	47.4	48.7	15.1
Category II	332.4	408.9	52.2	76,5	23.0
Category III	3.7	3.4	0.4	-0.2	-8.1
Total	**658.2**	**783.2**	**100**	**125**	**19.0**

Source: CNEF

4.6.4. Deposit trends

At the end of December 2020, deposits collected amounted to 624.8 billion, recording a 106.7 billion increase year-on-year. Category II ranked first with 325 billion deposits, accounting for 52% of the total. It was followed by Category I with 48%. In terms of duration, the deposits collected by MFIs were mainly short-term deposits (84.6%). They were followed by medium-term deposits (9.5%) and long-term deposits (5.9%). Category III microfinance institutions are not authorized to collect deposits.

Table 46 : Trends in MFI Deposits (in billion)

DEPOSIT	31/12/2019	31/12/2020	Variations		Weight in %
	a	b	b-a	b/a	
Category I	259.2	299.8	40.5	15.6	48
Category II	258.9	325	66.2	25.6	52
TOTAL	**518.1**	**624.8**	**106.7**	**20.6**	**100**

Source: CNEF

4.6.5. Credit Trends

At the end of December 2020, the volume of credit granted by MFIs stood at 454.6 billion, recording an increase of 60.3 billion. Category II MFIs granted most of the credit, accounting for 245.6 billion, as against 208.0 billion for Category I. Category III totalled a credit volume of 1.0 billion.

Table 47: Trends in MFI Credit (in billion)

	31/12/2019	31/12/2020	Weight (in %)	Variation	
	a	b		b-a	b/a
Category I	188.2	208	45.7	19.8	10.5
Category II	205.1	245.6	54.0	40.5	19.8
Category III	1.1	1.0	0.3	-0.1	-9.1
Total	**394.4**	**454.6**	**100**	**60.3**	**15.3**

Source: CNEF

By duration, a total of 52.3% short-term loans, 34.1% long-term loans and 13.5% medium-term loans were recorded. In addition, long-term loans represented 55.3% of total outstanding credit in Category I. They were granted mainly by the CAMCCUL and RECCUCAM networks, and amounted to 21.1 billion at the end of December 2020. In Category II, short-term loans represented 74.7% of total outstanding loans. The majority of long-term loans in Category I were granted by networked MFIs.

4.6.6. Trends in non-performing loans

As at 31st December 2020, NPLs increased by 43.1% and stood at 104.9 billion. Thus, pending debts accounted for 23.1%, mainly driven by Category I and Category II MFIs. NPLs accounted for 19.6% for Category I MFIs and 26% for Category II MFIs.

Table 48 : Trends in Non-Performing Loans (in billions)

	31/12/2019	31/12/2020	Weight (in %)	Variations	
	a	b		b-a	b/a
Category I	22.3	40.8	38.9	18.5	83.0
Category II	50.5	63.5	60.5	13	25.7
Category III	0.5	0.6	0.6	0.1	20.0
Total	**73.3**	**104.9**	**100**	**31.6**	**43.1**

Source: CNEF

The average percentage rate of charge (APR) is the cost price of loan that should be communicated by banks to consumers to enable them make informed decisions. It includes not only the nominal interest rate, but also related costs such as loan processing, insurance, guarantee, etc. fees). In 2020, it stood at 39.5% for private individuals. The APR for overdrafts reached 55.3%, while that of consumer loans was 42.5%, as against 36.4% for medium-term loans. The cheapest loans, granted by Category II MFIs, were long-term loans with an APR of 18.2%.

As at 31st December 2020, the balance sheet total of the microfinance sector represented 11.2% of that of commercial banks. The deposits of MFIs represented 11.6%. The same applied for loans.

4.6.7. Performance trends

According to BEAC, the factors which hampered the performance of MFIs in terms of governance were: (i) the weak capacity of shareholders to reinforce long-term resources when necessary; (ii) lack of strategic planning; (iii) non-compliance with organization charts; (iv) lack of staff motivation and training policies; and (v) weak information system. Moreover, the low coverage of risks by insurance policies and the rudimentary organization of archives management in most MFIs should be deplored. The number of accounts for all the categories of MFIs stood at 2 451 881.

4.7. Financial Institutions

As at 31st December 2020, Cameroon had 7 financial institutions, divided into 3 specialized financial establishments, 3 finance companies and 1 payment service provider. Unlike banks and MFIs, they do not collect funds from the public. The financial establishments concerned are: Société de Recouvement des Créances du Cameroun (SRC), National Investment Corporation (SNI) and Cameroon Housing Loans Fund (Crédit Foncier du Cameroun) (CFC). They have a public interest duty. The finance companies are: Alios Finance, Pro-PME and Société Camerounaise d'Equipement (SCE). They finance their activities through own funds, loans from credit institutions or on the capital markets. Wafacash is their payment service provider.

In 2020, the activity of these establishments shrank by 0.9%, in connection with the 13.9 billion decrease in own funds. The drop mainly resulted from the various losses incurred up to 2019 and allocated to the "carried forward" item. The consolidated balance sheet total of financial institutions stood at 428.8 billion, as against 432.8 billion at end-December 2019. Customer credit rose to 138.4 billion, up by 3.4% compared to 2019. Similarly, deposits increased by 5.3% and stood at 55.2 billion. Outstanding debts fell by 6.7% to 50.2 billion and their rate rose from 40% to 36%, driven mainly by CFC.

Table 49 : Trends in the Balance Sheet Total of Financial Institutions (in billion)

ASSETS	2019	2020	Variation en %
Amounts deductible from capital baseF1	**32,5**	**11,7**	**-64,0**
Fixed Assets	**67,6**	**67,5**	**-0,1**
of which financial fixed assets	3,6	2,1	-41,7
Transactions with customers	**135,9**	**139,6**	**2,8**
Long-term loans	52,9	61,4	16,3
Medium-term loans	16,8	18,7	11,3
Short-term loans	10,3	8,1	-21,4
Outstanding debts	53,8	50,2	-6,7
Customer debit accounts	0,2	0,2	0,0
Other amounts owed to customers	0,0	0,1	-
Unallocated securities	1,7	0,7	-58,8
Repurchased debts	0,1	0,1	0,0
Sundry transactions	**11,8**	**10,3**	**-12,7**
Cash and interbank transactions	**185**	**199,7**	**7,9**
of which investment and trading securities	0,0	0,0	
ASSETS BALANCE SHEET TOTAL	**432,8**	**428,8**	**-0,9**
LIABILITIES	**2019**	**2020**	**Variation en %**
Capital base	**327,2**	**313,2**	**-4,3**
of which own funds	295,2	281,6	-4,6
Transactions with customers	**53**	**56,5**	**6,6**
Special deposit accounts	24,2	25,8	6,6
Term deposit account	5,8	5,5	-5,2
Demand deposit account	6,2	6,6	6,5
Other debit accounts	16.2	17.3	6.8
Repurchased debts	0.5	1.3	160
Sundry transactions	32.5	37.7	16.0
Cash and interbank transactions	20.1	21.4	6.5
LIABILITIES BALANCE SHEET TOTAL	**432.8**	**428.8**	**-0.9**

Source: CNC

4.8. Insurance

In 2020, the insurance sector was on the whole driven by: (i) the continued raising of the minimum share capital of insurance companies to 5 billion as at 31st December 2021; (ii) the continuation of the public awareness campaign on the mechanism for direct compensation of policy holders (IDA), with focus on social media; (iii) the establishment of dematerialized control of the authenticity of motor vehicle insurance certificates; (iv) the fight against capital flight by monitoring compliance with the provisions of community insurance and reinsurance transfers; (v) the monitoring of large claims; (vi) the revision of the 1994 decree increasing the tariff for motor vehicle liability insurance; and (vii) the setting up of an inter-ministerial working group to brainstorm on insuring administrative, defence and security forces vehicles, and on an administrative insurance certificate (see Order No. 00000763 / MINFI of 11 September 2020).

The Cameroon insurance market was dominated by 28 approved companies like in 2019, including 17 in the "property and casualty insurance" (IARD) branch and 11 in the "life insurance" branch. The 5 billion minimum share capital requirement was met by 26 approved companies out of 28.

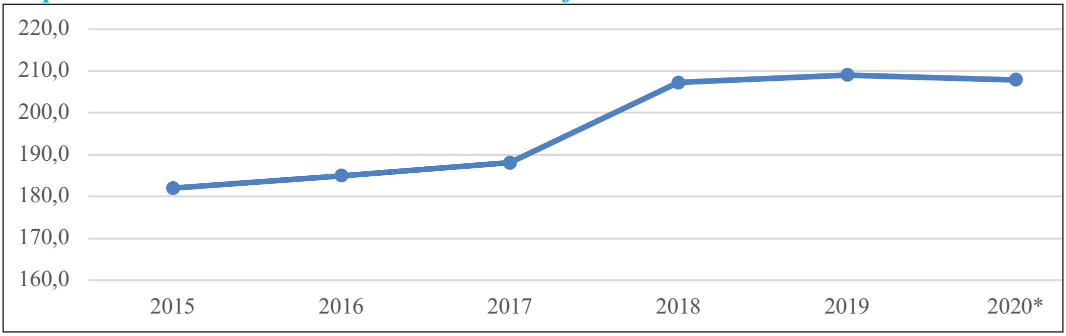
Table 50 : Trends Insurance Sector Activities (in billion)

Indicators	2017	2018	2019	2020*	Variation (in %)
	a	b	c	d	d/c
Property and Casualty Insurance (IARD)					
Turnover	131.2	143.3	141.2	140.7	-0.3
Claims paid	58.3	58.3	58.8	71.1	21.1
Financial proceeds	5	4.9	5.6	4.4	-21.4
Other net charges	38.9	35.8	36.8	35.7	-2.9
Net exploitation results	12.2	8.7	10	15.8	58
Claims expenses	47.9	65.1	65.2	65.7	0.8
Reinsurance balance	-21.2	- 19. 6.	-16	-7.6	52.5
Life Insurance					
Turnover	56.9	63.9	67.8	67.1	-1
Claims paid	37.2	35.4	38	42.9	13.2
Financial proceeds	4.8	3.9	5.7	5.8	1.8
Other net expenses	10.2	13.1	13.5	13.3	-1.5
Net operating income	3.4	1.3	2.5	1,7	-32
Claims expenses	47.3	50.9	50.9	51.8	1.8
Reinsurance balance	0.3	-0.6	-1	-1	0
Turnover for the two branches	**188.1**	**207.2**	**209**	**207.9**	**-0.5**
Net operating income of the two branches	**15.6**	**10.0**	**12.5**	**17.5**	**40.0**

*Sources: CIMA, ASAC * provisional data*

The turnover of the sector fell by 0.5% to 207.9 billion, as against 209 billion. The sector created a total of 1 475 direct jobs, including 1 078 in the IARD branch and 337 in the "life insurance" branch. The total wage bill of insurance companies stood at 14.4 billion.

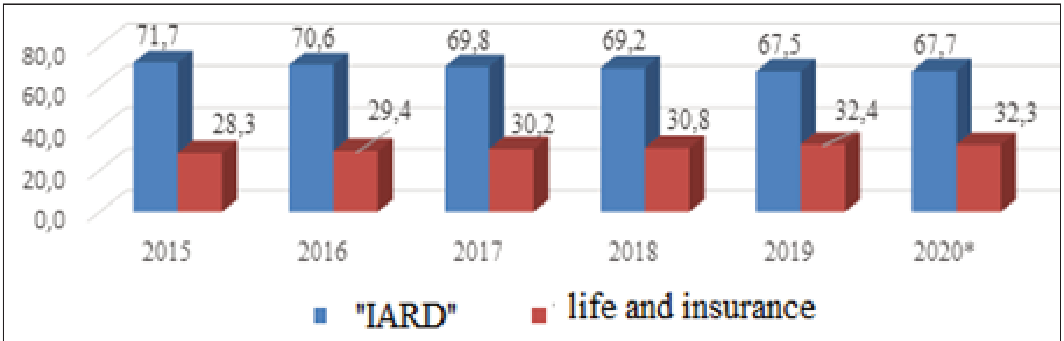
Graph 9: Turnover Trends in the Insurance Sector from 2015 to 2020



Source: MINFI

The "IARD" branch was predominant, representing 67.7% of the market, as against 32.3% for the "life insurance" branch. The amount of paid claims stood at 114.1 billion, up by 18% compared to 2019, and financial proceeds stood at 10.2 billion.

Graph 10: Trends in Market Share by Branch from 2015 to 2019 (in %)



*Source: MINFI, * provisionary*

At the end of December 2020, the turnover of the "IARD" branch fell by 0.3% and stood at 140.7 billion compared to 2019. Service costs increased from 12.3 billion to 71.1 billion. Other expenses fell by 2.9% and amounted to 35.7 billion. In contrast, the "reinsurance balance" branch grew by 52.5%, from -16 billion in 2019 to -7.6 billion in 2020. The turnover of the "life insurance" branch stood at 67.1 billion, down by 1.0% compared to 2019. Service costs increased from 4.9 billion to 42.9 billion, and other net costs stood at 13.3 billion, down by 289 million year-on-year.

The insurance sector generated a positive net operating income of 17.5 billion, up by 40% compared to 2019. This margin resulted from 15.8 billion recorded in the "IARD"; branch and 1.6 billion from the "life insurance"; branch. It has been on an upward trend since 2018.

4.9. Financial Market

The financial market is divided into the stock market and government securities transactions.

4.9.1. Stock Market

In 2020, the major highlight of the CEMAC financial market was the launch of the second phase of the merger of the market bodies. The first phase led to the institutional and physical twinning of the two regulators (COSUMAF and CMF), the three central depositories (BVMAC, CAA, CRCT) and the two stock exchanges (BVMAC and DSX).

The second phase of the merger received support from the World Bank, among other things, and was hinged on two pillars. The first pillar focused on the operationalization of the structures of the financial market unified during the first phase, namely BVMAC, the Central African Financial Market Supervisory Commission (COSUMAF), the Settlement Bank and the single Central Depository (DCU) which is BEAC. The second pillar concerns the deepening of the treasury securities market in order to ensure that States have permanent, sustainable, exchange risk-free and low-cost access to non-inflationary resources.

At end-December 2020, fifteen securities were listed on the BVMAC stock market, of which 4 for shares and 11 for bonds. Fourteen securities were listed at end-December 2019. Market capitalization fell by 13.8% to 871.7 billion compared to 1 011.4 billion at end-December 2019. It comprised 351.8 billion for the stock market and 519.9 billion for the bond market. At end-June 2021, market capitalization fell by 0.5% compared to end-June 2020.

Equity market

As at 31 December 2020, four equity shares were listed on the BVMAC, namely: SEMC, SAFACAM, SOCAPALM and SIAT Gabon.

Market capitalization fell by 0.5% to 351.8 billion compared to 353.6 billion recorded in 2019. This is due to the fall in the prices of all securities.

Table 51: Share Prices in CFAF

Share	Prices as at 12/31/2018 (a)	Prices as at 31/12/2019 (b)	Prices as at 31/12/2020 (C)	Prices as at 30/06/2021 (d)	Variation c/b (in %)	Variation c/a (in %)
SEMC	57 999	48 001	47 000	46 000	-2.1–0	- 19
SAFACAM	28 494	21 994	21 433	20 000	2-6	-24.8
SOCAPALM	22 899	23 201	23 000	23 010	-0.9	0.4
SIAT GABON	0	28 500	28 500	28 500	0.0	

Source: BVMAC

In 2020, the number of shares traded stood at 7 209, for a value of 173.3 million. This figure is lower than the 11 568 shares traded in 2019, for an amount of 268 million.

As at 30th June, 2021, market capitalization stood at 349.9 billion, down by 1% compared to end-December 2020, with 8 605 shares sold for 191 million.

Bond Market

In 2020, the bond market had eleven securities. At end-2020, the capitalization of the BVMAC bond market stood at 519.9 billion, down by 21% compared to 2019. This trend is due to the delisting of ETAT GABON 6% net 2015-2020 and the gradual depreciation, compared to their 2019 level , of ETAT GABON 6.5% net 2016-2021, ECMR 5.5% net 2016-2021, ECMR 5.6% net 2018-2023 and EOCG 6.5% net 2016-2021. The introduction of the two securities, SAFACAM 6% gross 2019-2022 and EOG 6.25% net 2019-2024, cushioned the fall in bond market capitalization.

Table 52 : Situation of the Bond Market (in billion)

Securities	Date of first listing	Stock of securities at end-2019 (a)	Stock of securities at end-2020 (b)	Stock of securities at end-June 2021 (c)	Reimbursement at end-2020 (a)-(b)
ETAT GABON 6% net 2015-2020	03/11/2015	21.2			
BGFI Holding 5% gross 2014-2021	10/06/2016	69	69		0
ETAT GABON 6.5% net 2016-2021	19/06/2016	67.5	33.7		33.7
ECMR 5.5% net 2016-2021	15/02/2017	82.5	41.3	41.3	41.3
ECMR 5.6% net 2018-2023	03/27/2019	200	150	150	50
ALIOS 01 5.75% gross 2018-2023	06/02/2019	7.1	5.3	4.3	1.8
ALIOS end Gabon 6.25% gross 2014-2021	04/05/2014	1.8	1.8	1.8	0
GSEZ 6.5% gross 2018-2028	01/04/2018	14.1	14.1	14.1	0
EOCG 6.5% net 2016-2021	04/04/2017	96.2	11.4	11.4	84.8
EOG 6.5% net 2017-2022	01/04/2018	98.5	65.7	65.7	32.8
SAFACAM 6% gross 2019-2022	02/21/2020		1.3	1.3	
EOG 6.25% net 2019-2024	02/21/2020		126.3	106.8	
BDEAC 5.45% net 2020-2027	02/03/2021			126.3	
TOTAL Market Capitalization		657.8	519.9	523	137.9

Source: BVMAC

At the end of June 2021, the capitalization of the BVMAC bond market stood at 523 billion, up by 0.6% compared to end-December 2020. This development resulted from the introduction of a new security (BDEAC 5.45% net 2020-2027) and the delisting of two others, BGFI Holding 5% gross 2014-2021 and ETAT GABON 6.5% net 2016-2021.

4.9.2. Government securities transactions

As at 31st December 2020, the outstanding amount of government securities stood at 1 449.8 billion, up by 24% compared to end-December 2019. They comprised of 808.1 billion for the auction market, 191.3 billion for the syndication market and 450.4 billion for Eurobond 2015-2025. This increase in government securities is explained by the sharp increase in OTAs, which rose from 240.2 billion to 600.9 billion.

As at 31st August 2021, outstanding government securities amounted to 1 751.0 billion, resulting from the outstanding amount at end-2020, issues worth 951.4 billion and repayments amounting to 650.2 billion during the first eight months of the year 2021.

Table 53 : Government Securities Situation as at 31 August 2021.

Market	Outstanding amount as at 12/31/2019 (a)	Outstanding amount as at 12/31/2020 (b)	Issue at end-august 2021 (c)	Repayment at end-August 2021 (d)	Outstanding as at 08/31/2021 (b + c-d)	Variation (in %) (b)/(a)
Auction	**436.2**	**808.1**	**501.4**	**290.2**	**1 019.3**	**85.3**
T-bills	196	207.2	310	290.2	227	5.7
T-bonds	240.2	600.9	191.4	0	792.3	150.2
Syndication	**282.5**	**191.3**	**0**	**0**	**191.3**	**-32.3**
ECMR	282.5	191.3	0	0	191.3	-32.3
International	**450.4**	**450.4**	**450**	**360**	**540.4**	**0**
EUROBOND	450.4	450.4	450	360	540.4	0
TOTAL	**1 169.1**	**1 449.8**	**951.4**	**650.2**	**1 751**	**24**

Source: BEAC / MINFI

4.10. Strategy for financing the economy over the 2021-2024 period

The strategy for financing the economy over the period 2021-2024 hinges on 5 priority pillars, namely: (i) issuance of government securities; (ii) use of direct domestic and external borrowing; (iii) reduction of undisbursed committed balances (SEND) and outstanding payments; (iv) continued implementation of measures taken by the Government to support economic activity within the framework of the comprehensive COVID-19 response plan; and (v) compliance with Government's commitments under the new economic and financial programme concluded with the IMF in July 2021 backed by the Extended Credit Facility (ECF) and the Extended Credit Mechanism (MEDC), and covering the 2021-2024 period.

Regarding the issuance of government securities, the State intends to issue short-term securities called Fungible Treasury Bills (FTB) on the BEAC auction market to fill its cash gaps. Similarly, to finance its basic infrastructure projects, the State will issue, through auction and in national currency, medium and long-term securities referred to as Obligations du Trésor Assimilables (Fungible Treasury Bonds (OTA), as well as bonds on the syndication market. It also plans to raise foreign currency funds on the international market.

With regard to use of direct borrowing, priority will be given to concessional borrowing. Non-concessional loans will be used exclusively for financing projects with proven economic and financial profitability.

To this end, an indebtedness strategy has been elaborated. It covers financing for a 3–year period broken down in the annexes to the finance law. The strategy mainly seeks to meet the financing needs of the State in the short and medium term, at lower cost and risk. Focus is on reducing refinancing, interest rate and exchange rate risks.

The indebtedness strategy over the 2022-2024 period aims to contain the indebtedness ratio to below 45% of GDP, as against 50% in the previous indebtedness strategy (2021-2023). The main targets are: (i) a public debt structure made up of 75% external debt and 25% domestic debt; (ii) the proportion of dollar-dominated foreign debt below 25%; (iii) an average portfolio interest rate below 2.5%; (iv) public debt portfolio comprising less than 10% of short-term domestic debt and less than 20% of variable rate debt; (v) an average public debt portfolio maturity of more than 12 years; and (vi) a ceiling for new Central Administration external commitments of 1 950 billion for the 2022-

2024 period, including 650 billion for 2022. In addition, the budget support expected over the period 2022-2024 is 708 billion. The ceiling for new domestic commitments is set at 1 050 billion for the period under review, including 350 billion for 2022, to be contracted through the issuance of medium- and long-term government securities. Furthermore, in 2022 the Treasury will use CFAF 100 billion out of the 200 billion received as Cameroon's SDR allocation.

The ceiling for guarantees (guaranteed debts) to be provided by the State for domestic debt is set at 280 billion for the 2022-2024 period, including 200 billion in 2022. The ceiling for external debt guarantees to be provided over the period is set at 120 billion, including 40 billion for 2022.

The debt requirement of the State for 2022 stands at CFAF 1 813 billion. To achieve this, the 2022 Annual Financing Plan provides for the mobilization of concessional resources amounting to 327 billion from project loans, 389 billion as budgetary support, CFAF 100 billion in SDRs and non-concessional resources, as indicated in the table below:

Table 54 : 2022 Annual Financing Plan (in CFAF billion)

	Amount
External financing	1 236
Concessional	327
Non concessional	421
Budget support	389
SDRs	100
Domestic financing	577
2022 Debt requirements	1 813

Source: MINFI

The satisfactory implementation of the measures and policies provided for under the new economic and financial programme concluded with the IMF, covering the 2021-2024 period, will enable the Government not only to receive budgetary support from the IMF, but also to mobilize financial support from the private sector and other development partners. Government's commitments mainly concern policy adjustment with a view to implementing credible structural reforms in order to achieve quantitative criteria and indicative targets. The Government has already set up a monitoring matrix for its commitments based on four key reform thrusts, namely: (i) public finances structural reform, broken down into public finance management, tax administration, customs administration and business climate reforms; (ii) reform of public enterprises and management of contingent liabilities, with particular emphasis on the assessment of the viability of these enterprises, their price administration policy and economic and financial profitability; (iii) reform of private sector competitiveness and development by stepping up consultations between the private and public sectors, simplifying and dematerializing customs procedures, as well as reducing port passage times and costs; and (iv) reforms relating to the environment and climate change, good governance, transparency, the rule of law and the fight against corruption.

With regard to the budget, these reforms aim to reduce commitment basis overall deficit from 3.3% in 2020 to 1.5% in 2024, and to reduce the debt ratio from 45% to 40% in 2025. Concerning monetary and debt policy, the aim is to preserve monetary stability and reduce the risk of debt overhang. Ordered by the Ministry of Finance, strengthening project maturation and finalising the auditing of domestic arrears and other floating debts seek to reduce undisbursed committed balances and outstanding payments.

To address the adverse effects of the COVID-19 pandemic, the Government has put in place a comprehensive response plan, accompanied by a Special Appropriation Account (COVID-19 SAA) with a budget of 180 billion in 2020, including 137 billion from the general budget, and 43 billion in grants and loans. Regarding the allocation of expenses, 82 billion was allocated to recurrent expenditure, 48 billion for capital expenditure and 50 billion for domestic debt service. The execution rate for this budget stood at 89.9%.

For the 2021 fiscal year, the COVID-19 SAA budget was balanced in revenue and expenditure at 200 billion. No expenditure was authorized as at the end of the first half of 2021.

CHAPTER 5: EXTERNAL SECTOR

In 2020, external trade was conducted in a context marked by: (i) a slowdown in global business, due to the COVID-19 pandemic; (ii) greater dependence on external funding sources; (iii) tumbling world commodity prices, notably crude oil; and (iv) persistent socio-political and security crises.

According to WTO (2021 report), after the 5.3% contraction recorded in 2020, trade in goods is expected to rise by about 8% in 2021. However, the total volume of world trade would remain lower than the pre-pandemic level.

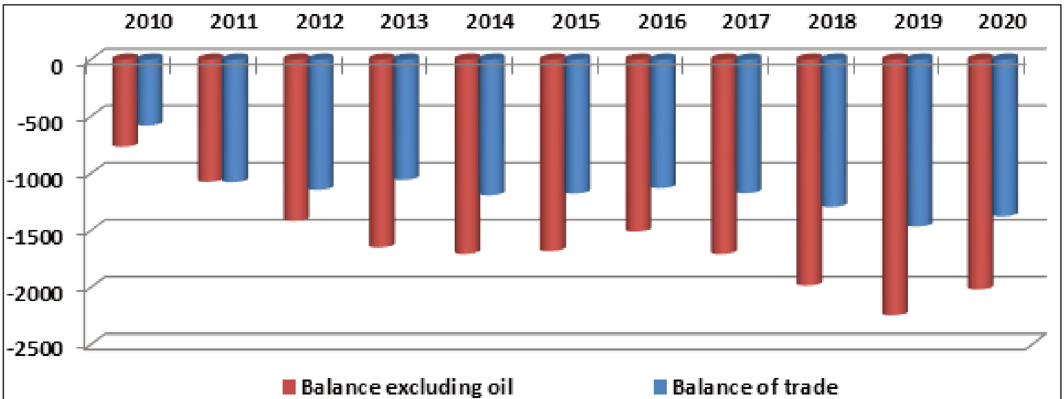
5.1. External Trade

In 2020, trade in goods between Cameroon and the outside world amounted to 5 035.3 billion, down by 19.4% compared to 2019, due to the COVID-19 pandemic. Excluding oil, trade in goods amounted to 4 394.7 billion, that is a 12.6% drop. In the first half of 2021, trade amounted to 2 903.8 billion, recording a 22.6% rise, compared to the first half of 2020. Non-oil trade rose by 21.2%, from 2 042.8 billion to 2 477.5 billion, in line with the gradual global economic recovery.

5.1.1. Balance of trade

In 2020, compared to 2019, trade deficit shrank by 55.4 billion to stand at 1 408.8 billion, due to a drop in exports and imports, amounting to 579.6 billion and 635 billion, respectively. The import-export coverage rate declined by 5.7 points compared to 2019, to stand at 56.3%. Non-oil deficit narrowed by 194.7 billion to stand at 2 049.1 billion, while the coverage rate declined by 2.1 percentage points to stand at 36.4%.

Graph 11 : Trade Balance from 2010 to 2020 (in billion)



Source: MINFI

In the first half of 2021, and year-on-year, trade deficit widened by 152 billion to stand at 744.0 billion. Reflecting this situation, the import-export coverage rate dropped by 0.8 point to stand at 59.2%. Non-oil, trade deficit widened by 254.4 billion and the coverage rate declined further, from 38% to 35.8%.

Table 55 : External Trade Trends (in billion)

Item \ Periods	2019	2020	Jan-June 2020	Jan-June 2021	Variations	
	a	b	c	d	b-a	d-c
Exports	**2 392.7**	**1 813.1**	**888.4**	**1 079.9**	**-579.6**	**191.5**
Crude oil	999.5	640.3	326.1	426.3	-359.2	100.2
Excluding oil	*1 393.3*	*1 172.8*	*562.4*	*653.5*	*-220.5*	*91.1*
Imports	**3 856.9**	**3 221.9**	**1 480.4**	**1 823.9**	**-635.0**	**343.5**
Crude oil	219.9	0.0	0	0	-219.9	0.0
Excluding oil	*3 637.0*	*3 221.9*	*1 480.4*	*1 823.9*	*-415.1*	*343.5*
Balance of trade	-1 464.2	-1 408.8	-592.0	-744.0		
Excluding oil	-2 243.7	-2 049.1	-918.0	-1 170.4		
Coverage rate (in %)	**62.0**	**56.3**	**60.0**	**59.2**		
Excluding oil (in %)	38.3	36.4	38.0	35.8		
Global trade	6 249.6	5 035.0	2 368.8	2 903.8		
Excluding oil	5 030.30	4 394.70	2 042.80	2 477.40		

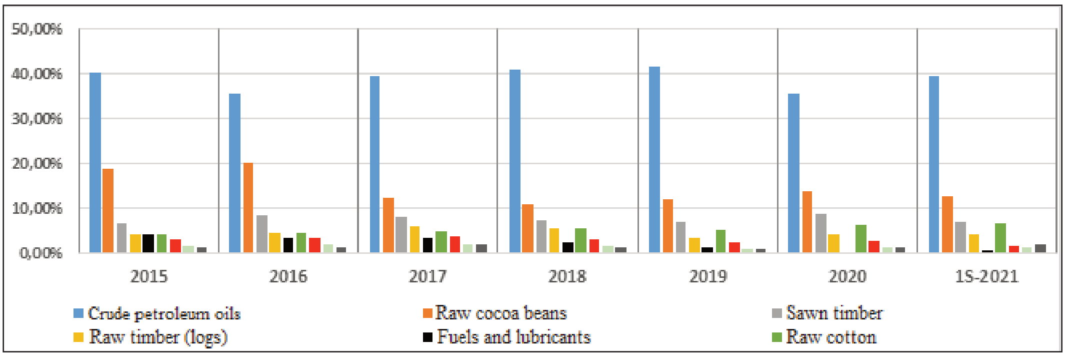
Source: MINFI

5.1.1.1. Exports

In 2020, exports amounted to 1 813.1 billion, down by 579.6 billion, compared to 2019, due to the COVID-19 pandemic. This trend mainly stems from lower sales of crude oil (-359.2 billion), liquefied natural gas (-78.4 billion), raw cocoa beans (-42.3 billion), fuels and lubricants (-29.4 billion), raw cotton (-16.6 billion), raw timber (-10.8 billion) and sawn timber (-9.2 billion). Exports increased as follows: cocoa paste (+6.5 billion), iron bars (+2.1 billion), cocoa butter (+2.0 billion). Non-oil exports dropped by 220.5 billion to stand at 1 172.8 billion.

By product, exports were dominated by crude oil (35.3% of the total), raw cocoa beans (13.6%), liquefied natural gas (10.1%), sawn timber (8.7%), raw cotton (6.3%), raw timber (4.1%), raw aluminium (2.8%), cocoa paste (2.8%).

Graph 12 : Structure of Exports by Product from 2015 to 2021



Source: MINFI

In the first half of 2021 and year-on-year, exports increased by 191.5 billion to stand at 1 079.9 billion. This increase is due to global economic recovery which led to an increase in export in value of crude oils (+100.2 billion), cocoa beans (+35.2 billion), cotton (+26.4 billion), rubber (+16.0 billion), timber logs (+5.6 billion) and sawn timber (4.8 billion). Non-oil exports amounted to 653.5 billion, recording an increase of 91.2 billion.

Table 56 : Export Trends (Q: Quantity in thousands of tonnes, V: Value in billions)

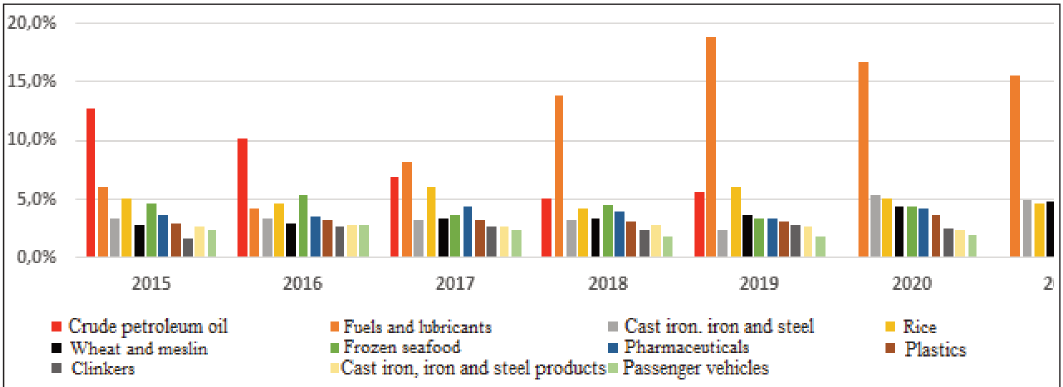
Periods	TOTAL for 2019				TOTAL for 2020		Jan-June 2021		Variations	
Item	Q	V	Q	V	Q	V	Q	V		
	a		b		c		d		c-a	d-b
Bananas (including plantains)	184.4	24.3	93.6	12.2	191.7	25.0	102.7	14.1	0.7	1.9
Coffee	18.2	14.7	8.1	6.1	21.4	15.8	7.0	5.3	1.2	-0.7
including Robusta coffee	17.2	13.3	7.6	5.4	20.3	14.4	6.7	4.8	1.1	-0.6
Raw cocoa beans	218.0	288.9	73.0	102.8	190.7	246.6	111.4	138.0	-42.3	35.2
Cocoa paste	27.6	44.2	15.0	27.6	28.4	50.7	21.7	32.3	6.5	4.8
Cocoa butter	19.6	34.2	10.4	19.8	19.3	36.2	10.5	17.1	2.0	-2.7
Crude petroleum oils	3 811.1	999.5	1 854.4	326.1	3 715.2	640.3	1 801.2	426.3	-359.2	100.2
Fuels and lubricants	70.8	30.5	1.6	0.7	3.6	1.1	14.2	6.1	-29.4	5.3
Liquefied natural gas	1 224.5	262.0	621.4	108.6	1 235.5	183.6	592.0	102.1	-78.4	-6.5
Household bar soaps	53.6	26.9	28.8	13.5	51.4	24.4	28.8	14.3	-2.5	0.8
Raw rubber	34.4	23.7	10.2	7.1	32.3	22.2	14.8	23.1	-1.5	16.0
Timber and timber products*	1 514.6	279.9	717.4	124.1	1 352.4	253.7	758.5	133.6	-26.2	9.5
Raw timber (logs)	0.9	85.8	0.4	40.8	0.8	74.9	0.5	46.4	-10.8	5.6
Sawn timber	0.8	167.6	0.4	72.5	0.8	158.4	0.4	77.3	-9.2	4.8
Wood veneer sheets	50.6	23.5	20.6	9.8	41.5	18.6	20.1	9.3	-4.9	-0.5
Raw cotton	130.1	130.0	47.1	44.5	123.9	113.4	76.2	70.8	-16.6	26.4
Iron or non-alloy steel rods	28.5	12.1	14.8	6.3	33.1	14.2	1.7	0.7	2.1	-5.6
Raw aluminium	49.1	56.7	22.9	25.8	45.0	50.6	14.9	16.7	-6.1	-9.1
Total of major products	**7 484.0**	**2 288.7**	**3 572.6**	**844.8**	**7 137.6**	**1 724.4**	**3 586.4**	**1 024.2**	**-564.3**	**179.4**
Non-oil exports		**1 393.3**		**562.4**		**1 172.8**		**653.5**	**-220.5**	**91.2**
Grand Total of Exports		**2 392.7**		**888.4**		**1 813.1**		**1 079.9**	**-589.7**	**191.4**

Source: MINFI **Q in millions of m³ for timber and timber products*

5.1.1.2. Imports

In 2020, imports of goods fell by 635.0 billion, to stand at 3 221.9 billion compared to 2019. This trend can be attributed to the restrictions imposed in response to the COVID-19 pandemic. The reduction in imports was recorded for products such as machinery and mechanical and electrical devices (-116.6 billion), fuels and lubricants (-112.6 billion), rice (-71.9 billion), clinker (-24.7 billion) and cast iron, iron and steel articles (-31.8 billion). This trend was mitigated by an increase in purchases of cast iron, iron and steel (+79.2 billion), industrial food products (+51.4 billion), insecticides, fungicides and herbicides (+13.5 billion). Imports were dominated by fuels and lubricants (19%), machinery, mechanical and electrical devices (11.9%), cereals [9.5%, including rice (5.0%) and durum wheat (4.4%), cast iron, iron and steel (5.4%), meslin (4.4%), frozen sea fish (4.3%), pharmaceutical products (4.1%), plastics (3.6%), clinkers (2.6%), and cast iron, iron and steel articles (2.3%).

Graph 13 : Structure of imports by product from 2015 to 2021



Source : MINFI

In the first half of 2021 and year-on-year, imports increased by 343.5 billion to stand at 1 823.9 billion, on the back of recovery in global and national economic activity. It especially resulted from the increase in purchases of fuels and lubricants (+71.6 billion), machinery and mechanical and electrical appliances (+39.8 billion), cast iron, iron and steel articles (+31.4 billion), cereals (+29.9 billion), motor vehicles and tractors (+37.6 billion), and pharmaceutical products (+24.3 billion). The increase in imports was mainly mitigated by a drop in the purchase of frozen sea fish (-12.3 billion).

Table 57 : Import Trends (Q: in thousands of tonnes, V: in billion)

Period	Total for 2019		Total for 2020		Jan-June 2021		Jan-June 2020		Variations	
Item	Q	V	Q	V	Q	V	Q	V		
	a		b		c		d		b-a	c-d
Fish and shellfish	185.9	133.3	201.7	136.4	97.2	64.1	115.7	76.3	3.1	-12.2
Frozen sea fish	185.8	132.8	201.2	135.9	96.9	63.6	115.4	75.9	3.1	-12.3
Milk and its derivatives, eggs, honey	17.0	31.8	24.4	41.4	10.0	18.3	15.3	27.5	9.6	-9.2
Animals and animal products	204.3	167.9	228.7	180.0	109.8	83.6	131.7	104.8	12.1	-21.2
Cereals	1 776.9	379.1	1 466.4	302.3	808.3	176.1	709.9	146.2	-76.8	29.9
Durum wheat and meslin	857.9	142.9	854.8	139.2	469.8	86.4	443.5	74.1	-3.7	12.3
Rice	894.5	231.8	591.6	159.9	319.3	86.1	260.3	71.0	-71.9	15.1
Plant products	1 925.6	435.4	1 615.9	352.0	891.3	204.9	782.2	171.3	-83.4	33.6
Industrial food products	310.0	170.4	338.9	221.8	171.2	93.5	151.8	90.1	51.4	3.4
Clinkers	2 556.3	107.1	2 461.1	82.7	1 345.6	47.8	1 180.7	42.6	-24.4	5.2
Crude petroleum oils	719.5	219.9	0.0	0.0	0.0	0.0	0.0	0.0	-219.9	0
Fuels and lubricants	1 670.7	724.6	1 618.4	612.0	1 045.8	284.0	833.9	212.4	-112.6	71.6
Mineral products	5 579.2	1 140.8	4 717.2	766.6	2 728.5	385.3	2 279.9	288.3	-374.2	97
Inorganic chemical products	234.2	64.9	193.0	47.3	139.3	30.3	85.0	21.2	-17.6	9.1
Pharmaceutical products	18.9	128.6	22.1	132.6	11.9	95.7	10.8	71.4	4	24.3
Fertilizers	203.4	41.1	209.8	38.1	155.3	25.2	133.6	24.5	-3	0.7
Insecticides, fungicides, herbicides, etc.	19.3	48.2	26.3	61.7	14.4	36.8	13.6	35.0	13.5	1.8
Chemical industry products	555.1	390.0	538.8	382.5	365.8	243.9	285.9	202.5	-7.5	41.4
Plastics	126.3	118.6	149.0	115.7	82.2	66.4	66.6	55.7	-2.9	10.7
Rubber	28.3	41.2	35.3	45.9	18.0	22.9	15.0	19.9	4.7	3

Period	Total for 2019		Total for 2020		Jan-June 2021		Jan-June 2020		Variations	
Item	Q	V	Q	V	Q	V	Q	V		
	a		b		c		d		b-a	c-d
New tires	19.3	29.5	24.3	35.9	12.5	17.8	9.8	14.9	6.4	2.9
Plastic materials and rubber	154.6	159.8	184.4	161.6	100.2	89.2	81.6	75.6	1.8	13.6
Paper and cardboard	90.6	55.7	100.3	57.2	46.4	29.1	41.7	24.9	1.5	4.2
Wood pulp, paper and its applications	95.2	64.7	105.6	67.2	49.3	33.4	43.6	27.5	2.5	5.9
Second-hand clothes	73.2	39.5	75.6	40.3	36.7	19.2	37.3	20.3	0.8	-1.1
Textile and textile products	121.9	101.7	131.5	93.5	71.8	43.1	58.7	45.0	-8.2	-1.9
Ceramic products	335.1	72.8	252.6	56.5	140.3	30.5	108.5	24.4	-16.3	6.1
Stone, cement and glass products	382.8	91.9	306.1	75.6	171.3	41.7	131.4	34.2	-16.3	7.5
Cast iron, iron and steel	182.9	93.0	279.0	172.2	127.0	89.4	148.1	81.8	79.2	7.6
Cast iron, iron and steel products	72.3	106.0	56.7	74.2	24.8	63.5	24.7	32.1	-31.8	31.4
Base metals and their products	280.6	250.3	362.7	281.0	166.2	172.1	183.4	129.8	30.7	42.3
Mechanical machinery and appliances	75.3	288.6	73.9	225.2	42.9	137.8	32.6	105.0	-63.4	32.8
Electrical machinery and appliances	51.1	212.6	54.7	159.4	27.2	86.5	23.7	79.6	-53.2	6.9
Mechanical or electrical machinery and appliances	126.4	501.2	128.6	384.6	70.1	224.3	56.2	184.5	-116.6	39.8
Motor vehicles and tractors	105.2	197.7	119.2	126.7	83.4	100.9	53.6	63.3	-71	37.6
Transportation equipment	115.2	220.0	130.3	146.4	92.5	132.2	61.4	72.0	-73.6	60.2
Optical and photography appliances	7.2	46.1	8.3	37.1	4.2	22.2	3.2	14.5	-9	7.7
Optical, photography and musical appliances	7.5	46.6	8.5	37.3	4.4	22.4	3.3	14.5	-9.3	7.9
Non-oil imports		**3 637.0**		**3221.9**		**1 823.9**			**-415.1**	**1 823.9**
Grand Total of Imports		**3 856.9**		**3221.9**		**1 823.9**		**1 480.4**	**-635**	**343.5**

Source: MINFI

5.1.2. Geographical orientation of trade

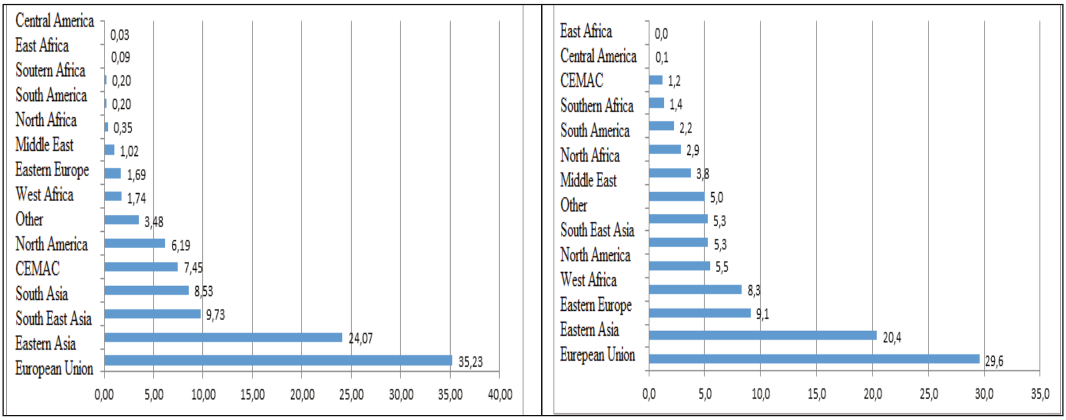
In 2020, the European Union remained Cameroon's main trading partner, with 31.6% of total trade in value, compared to 31.5% in 2019, followed by East Asia (21.7%), South-East Asia (6.9%), South Asia (6.5%), Eastern Europe (6.4%), West Africa (5.9%), North America (5.7%), CEMAC (3.5%) and the Middle East (2.8%).

The share of trade decreased with West Africa (-6.3 points) and East Asia (-0.2 point), while it remained stable with the European Union, East Africa and CEMAC. Conversely, Cameroon's trade share increased with North America (+0.8 point) and the Middle East (+0.5 point).

Exports to the European Union were the most significant with a total of 35.2% compared to 30.7% in 2019. These were followed by exports to East Asia (24.1%), South East Asia (5.3%), South Asia (8.5%), CEMAC (7.5%) and North America (6.2%).

Cameroon's imports from the European Union remained the largest with 29.6%, followed by East Asia (20.4%), Eastern Europe (9.1%), West Africa (8.3%), North America (5.5%), South Asia (5.3%), South-East Asia (4.0%) and the Middle East (3.8%). Imports from CEMAC accounted for 1.2% of total imports.

Graph 14 : Breakdown of Total Trade by Geographical Area (in %)



Source: MINFI

5.1.2.1. Breakdown of trade by geographical area

European Union

Trade deficit between Cameroon and the European Union, its major trading partner, reduced by 110.5 billion and stabilized at 313.4 billion. This drawback can be attributed to a more significant drop in imports (-205.3 billion) than exports (-94.5 billion).

The main products exported to the European Union are: crude petroleum oils (211 billion), raw cocoa beans (170.6 billion), sawn timber (78.8 billion), raw aluminium (49.4 billion), cocoa butter, fat or oil (36.2 billion), cocoa paste (26.9 billion), banana (21.6 billion), plywood (11 billion), coffee (10 billion) raw rubber (10 billion) and cotton (3.4 billion). The main products imported include: fuels and lubricants (204.1 billion), machinery and mechanical equipment (92.3 billion), pharmaceutical products (63.5 billion), cereals (50.8 billion), audio-visual equipment and appliances (45.1 billion), motor vehicles and tractors (34.5 billion) and textile products (40 billion).

East Asia

Cameroon's second largest trading partner, East Asia represented 20.4% of imports and 24.1% of exports for a trade deficit which widened in 2020 by 19.2 billion to stand at 211.1 billion. This trend results from a more significant drop in exports (-174.5 billion) than in imports (-164.3 billion). Trade with China accounted for 90% of export receipts/earnings from East Asia and 85.7% of import expenditures.

Exports to East Asia essentially comprise crude petroleum oils (275.6 billion), liquefied natural gas (91 billion), raw timber (35.5 billion) and sawn timber (23.1 billion). Countries in this region supply Cameroon with an array of products: audio-visual equipment and appliances (74.2 billion), motor vehicles and tractors (64.4 billion), machinery and mechanical equipment (63.8 billion), cast iron, iron and steel (45 billion), products of chemical industries (45.1 billion), cereals (41.8 billion) and ceramics (40 billion).

South-East Asia

With South-East Asia now ranked as Cameroon's third largest trading partner (third largest buyer with 9.7% of exports and fifth supplier with 5.3% of imports), the country's trade balance with that region is positive at 6.6 billion after a deficit of 94.2 billion in 2019. This trend results from an increase in exports (+77.1 billion) and a drop in imports (-82.1 billion).

The main products exported to this region are: raw cocoa beans (66.4 billion), cotton (35.7 billion), undressed timber (32.3 billion), sawn timber (21 billion), liquefied natural gas (8.4 billion) and crude petroleum oils (7.9 billion). The main products imported are: cereals (90.0 billion), fuels and lubricants (17 billion), and machinery and mechanical equipment (9 billion).

West Africa

Cameroon's trade deficit with West Africa, fourth largest partner (sixth largest buyer with 1.7% of total exports and third supplier with 8.3% of total imports) reduced by 370.5 billion to stand at 236.4 billion.

Togo became Cameroon's leading partner in this region with 38.8% of total trade. Imports from this country represented 43.1% as compared to 38.6% in 2019. Togo is followed by Nigeria and Mauritania with 10.8% and 16.8% of imports from this region respectively.

The main products exported to this region were: laundry bar soap (9.9 billion) and sawn timber (9.6 billion). Imports from West Africa included: mineral fuels, fuels and lubricants (142.4 billion), fish and shellfish (57.7 billion) and tobacco (9.5 billion).

North America

North America remained the country's fifth largest trading partner, accounting for 6.2% of total exports and 5.5% of total imports. The trade deficit with this region widened by 59.4 billion and stood at 64.6 billion. This trend is as a result of a drop in exports (-32.1 billion) and an increase in imports (+27.3 billion).

Exports to this region included: crude petroleum oils (74.2 billion); cocoa paste (18.2 billion); raw rubber (7.6 billion) and sawn timber (6.8 billion). Main imported products were: food industry wastes and residues (14.1 billion), fish and shellfish (13.1 billion), sugar and sugar confectionery (7.8 billion), alcoholic beverages and spirits (5.8 billion) and cereals (4.7 billion).

CEMAC

In 2020, CEMAC was Cameroon's sixth largest trading partner with 7.4% of total exports and 1.2% of total imports. Trade surplus with the region increased by 95.7 billion, that is, 66.9 billion with Chad, 20.9 billion with the Central African Republic, 7.1 billion with Gabon and 5.0 billion with the Republic of the Congo. However, the trade deficit with Equatorial Guinea recorded a deficit of 4.3 billion.

The main products exported to this area were: laundry bar soap (15.8 billion), iron rods (14.2 billion), hydraulic cements (8.0 billion). The main imported products were: fuels and lubricants (19.0 billion), animal fats and oils (14.2 billion), cast iron, iron and steel (1.9 billion).

Table 58 : Trends in the Trade of Goods by Geo-economic Region (in billion)

	Exports		Variation	Imports		Variation	Balance of Trade	Significance of trade %
	2020	2019		2020	2019			
Southern Africa	**3.6**	**3.8**	**-0.2**	**43.5**	**47**	**-3.5**	**-39.9**	**0.9**
South Africa	2.2	2	0.2	33.7	43.7	-10	-31.5	0.7
East Africa	**1.5**	**1.3**	**0.2**	**0.6**	**0.3**	**0.3**	**0.9**	**0**
West Africa	**31.6**	**50.1**	**-18.5**	**268**	**657**	**-389**	**-36.4**	**6**
Côte d'Ivoire	0.7	2.7	-2	30	53.2	-23.2	-29.3	0.6
Guinea	0.2	0.2	0	16.6	24.5	-7.9	-16.4	0.3
Mauritania	0	0.4	-0.4	45.1	56.6	-11.5	-45.1	0.9
Nigeria	16.1	25.5	-9.4	29	241.7	-212.7	-12.9	0.9
Senegal	11.4	15.1	-3.7	17.1	13.6	3.5	-5.7	0.6
Togo	0.6	0.8	-0.2	115.6	253.5	-137.9	-115	2.3
North Africa	**6.4**	**3.6**	**2.8**	**92**	**119.7**	**-27.7**	**-85.6**	**2**
Algeria	3.7	0.6	3.1	13.5	11.7	1.8	-9.8	0.3
Egypt	0.9	1.1	-0.2	30	43.5	-13.5	-29.1	0.6
Morocco	1.1	1.1	0	30.4	46.1	-15.7	-29.3	0.6
Central America	**0.6**	**0.4**	**0.2**	**2.7**	**2**	**0.7**	**-2.1**	**0.1**
Nicaragua	0.6	0.4	0.2	0	0	0	0,6	0
North America	**112.2**	**144.3**	**-32.1**	**176.8**	**149.5**	**27.3**	**-64.6**	**5.7**
Canada	58.2	0.9	57.3	29.1	41.7	-12.6	29.1	1.7
United States	52.1	140.2	-88.1	140.9	99.6	41.3	-88.8	3.8
Mexico	2	3.2	-1.2	6.9	8.2	-1.3	-4.9	0.2
South America	**3.7**	**25.6**	**-21.9**	**72.2**	**83.7**	**-11.5**	**-68.5**	**1.5**
Argentina	0	10.4	-10.4	34.3	36.8	-2.5	-34.3	0.7
Brazil	3.3	14.7	-11.4	26.1	32.9	-6.8	-22.9	0.6
South Asia	**154.6**	**350**	**-195.4**	**170.7**	**141.4**	**29.3**	**-16.1**	**6.5**
Bangladesh	71.2	72	-0.8	2.2	0.4	1.8	69	1.5
India	73.1	263	-189.9	160.7	124.3	36.4	-87.6	4.6
Pakistan	10.2	0,4	9.8	7.5	9.5	-2	2.6	0.4
South-East Asia	**176.4**	**99**	**77.4**	**169.8**	**251.9**	**-82.1**	**6.6**	**6.9**
Indonesia	31.3	32.7	-1.4	9.8	13.8	-4	21.4	0.8
Malaysia	76.9	61.1	15.8	22.1	184.6	-162.5	54.8	2
Thailand	6.2	0.7	5.5	92.7	184.6	-91.9	-86.5	2
East Asia	**436.4**	**610.9**	**-174.5**	**657.7**	**822**	**-164,3**	**-221.3**	**21.7**
China	390.7	440	-49.3	563.8	621.9	-58.1	-173.2	19
South Korea	33.4	0.3	33.1	22.8	61.2	-38.4	10.6	1.1
Japan	1.4	15.2	-13.8	54.3	68.1	-13.8	-52.9	1.1
Taiwan	10.9	15.3	-4.4	9.9	23.4	-13.5	1	0.4
Others	**63.1**	**85**	**-21.9**	**161.1**		**161.1**	**-98**	**4.5**
Norway	31.1	0	31.1	16.2	8.6	7.6	14.9	0.9
United Kingdom	9.2	24.1	-14.9	46.3	53.6	-7.3	-37.1	1.1
Switzerland	0.3	0.1	0.2	76.3	27.7	48.6	-75.9	1.5
CEMAC	**135.1**	**158.3**	**-23.2**	**39.4**	**53.2**	**-13.8**	**95.7**	**3.5**
Gabon	22.2	23.5	-1.3	15	13.4	1.6	7.1	0.7
Equatorial Guinea	8	9.9	-1.9	12.4	22.5	-10.1	-4.3	0.4
CAR	21.1	41.2	-20.1	0.2	0	0.2	20.9	0.4
Republic of the Congo	15	17.7	-2.7	9.9	15.1	-5.2	5	0.5
Chad	68.8	66	2.8	1.9	2.1	-0.2	66.9	1.4

	Exports		Variation	Imports		Variation	Balance of Trade	Significance of trade %
	2020	2019		2020	2019			
East Europe	**30.6**	**11.3**	**19.3**	**293.8**	**206.9**	**86.9**	**-263.2**	**6.4**
Turkey	29.9	11	18.9	64.1	120.1	-56	-34.3	1.9
Middle East	**18.6**	**12.9**	**5.7**	**121.3**	**77.6**	**43.7**	**-102.7**	**2.8**
United Arab Emirates	2.3	4.7	-2.4	58.3	42.8	15.5	-56	1.2
Kuwait	14.3	0.1	14.2	0.8	1.9	-1.1	13.5	0.3
EU	**638.9**	**733.4**	**-94.5**	**952.3**	**1157.6**	**-205.3**	**-313.4**	**31.6**
Germany	22.2	28.1	-5.9	94.5	100.9	-6.4	-72.3	2.3
Belgium	61.5	64.2	-2.7	181.2	220	-38.8	-119.7	4.8
Spain	122.5	32.3	90.2	83.4	101.6	-18.2	39.1	4.1
France	67.2	74	-6.8	281.3	311.6	-30.3	-214	6.9
Italy	182.1	292	-109.9	82.6	87.9	-5.3	99.5	5.3
Netherlands	169.5	226.1	-56.6	96.7	133.5	-36.8	72.8	5.3

Source: MINFI

5.1.2.2. Bilateral trade

5.1.2.2.1. Major partners

In 2020, China maintained its position as Cameroon’s largest trading partner (accounting for 19% of total trade) followed by France (6.9%), the Netherlands (5.3%), Italy (5.3%), Belgium (4.8%), India (4.6%), Spain (4.1%) and the United States (3.8%).

5.1.2.2.2. Major customers

In 2020, China was Cameroon’s largest customer, followed by Italy, the Netherlands, Spain, Malaysia, India, Bangladesh, Chad, France and Belgium. Malaysia made an entry into the top ten of the country’s customers.

Exports dropped especially those to Italy (-109.9 billion), the United States (-88.1 billion), the Netherlands (-56.6 billion), CAR (-20.1 billion), United Kingdom (-15.0 billion), Japan (-13.8billion), Brazil (-11.4 billion), Argentina (-10.4 billion), France (-6.8 billion) and Belgium (-2.7billion). Those on an increase were exports to Spain (+90.2 billion), Canada (+57.3 billion), Norway (+31.1 billion), Malaysia (+15.8 billion) Kuwait (+14.3 billion).

Table 59 : Cameroon’s Major Customers

Item	2020		2019	
	Share of Exports (in %)	Rank	Share of Exports (in %)	Rank
China	21.5	1	18.4	1
Italy	10.0	2	12.2	3
Netherlands	9.3	3	12.9	2
Spain	6.8	4	5.7	6
Malaysia	4.2	5	2.6	11
India	4.0	6	11.0	4
Bangladesh	3.9	7	3.0	8
Chad	3.8	8	2.8	9
France	3.7	9	3.1	7
Belgium	3.4	10	2.7	10

Source: MINFI

China

The trade deficit with China reduced by 8.8 billion and stood at 173.2 billion. The main products exported by Cameroon to this country were crude oil (70.5% of total exports to this country), liquefied natural gas (12.6%), raw timber (9%) and sawn timber (5.8%).

Italy

The trade surplus with Italy was 99.5 billion and Cameroon's main exports to Italy were crude petroleum oils (60.6% of total exports to this country), crude aluminium (22.9%), sawn wood (7.3%).

The Netherlands

The surplus trade balance with the Netherlands was 72.8 billion. The main products exported were raw cocoa beans (93% of total exports to this country) and sawn timber (4%)

Chad

The trade surplus with Chad stands at 66.9 billion. Cameroon's main exports to Chad included iron rods (20.1% of total exports to this country), laundry bar soap (14.3%), hydraulic cements (5.8%) nails and thumbtacks (5%), bakery and pastry products (4.7%) and sauce ingredients (4.4%).

France

The trade deficit with France dropped by 23.5 billion and stood at 214.0 billion. Products exported to France include cocoa butter, fat and oil (46.7%); cocoa pastes (17.1%); sawn timber (13.8%); bananas including plantains (4.9%); raw aluminium (4.6%).

Table 60 : Trends of Main Exported Products (values in billions of CFA) in 2020

Countries	Exported Products	Values	Weight (in %)
China	Crude petroleum oils	275.6	70.5
	Liquefied natural gas	49.4	12.6
	Timber	35.1	9
	Sawn timber	22.8	5.8
	Total exports to China	390.7	21.5 *
Italy	Crude petroleum oils	110.4	60.6
	Raw aluminium	41.7	22.9
	Sawn timber	13.3	7.3
	Veneer sheets	9.9	5.4
	Total exports to Italy	182.1	10.0 *
The Netherlands	Raw cocoa beans	157.7	93
	Sawn timber	6.7	4
	Total exports to the Netherlands	169.5	9.3 *
Spain	Crude petroleum oils	100.6	82.1
	Sawn timber	8.4	6.9
	Raw cocoa beans	5.7	4.6
	Total exports to Spain	122.5	6.8 *
Malaysia	Raw cocoa beans	37.9	49.3
	Raw cotton	32.7	42.5
	Cocoa paste	3.1	4
	Total exports to Malaysia	76.9	4.2*
India	Liquefied natural gas	48.3	66
	Crude petroleum oils	21	28.7
	Total exports to India	73.1	4.0*

Countries	Exported Products	Values	Weight (in %)
Bangladesh	Raw cotton	67.2	94.4
	Undressed timber	3.8	5.3
	Total exports to Bangladesh	71.2	3.9*
Chad	Iron or non-alloy steel bars,	13.8	20.1
	Bar soap	9.8	14.3
	Hydraulic cements	4	5.8
	Nails, tacks, pins,	3.4	5
	Bakery and pastry products	3.2	4.7
	Sauce ingredients	3.1	4.4
	Prepared or canned tomatoes	2.8	4.1
	Total exports to Chad	68.8	3.8 *
France	Cocoa butter, fat and oil	31.4	46.7
	Cocoa paste,	11.5	17.1
	Sawn timber	9.3	13.8
	Bananas, including plantains	3.3	4.9
	Raw aluminium	3.1	4.6
	Total exports to France	67.2	3.7*
Belgium	Sawn timber	34.6	56.2
	Bananas, including plantains	18.2	29.6
	Raw rubber	2.4	3.9
	Total exports to Belgium	61.5	3.4*

*Source: MINFI; *= share in total exports*

5.1.2.2.3. Major suppliers

In 2020, China remained Cameroon's leading supplier (17.5% of import expenditure), followed by France (8.7%), Belgium (5.6%), India (5.0%), the USA (4.4%), Turkey (4.0%) and Togo (3.6%) in that order.

Imports increased with the United States (+41.3 billion), India (+36.3 billion), Singapore (+16.3 billion), the United Arab Emirates (+15.5 billion), Russia (+12.1 billion); and decreased with Nigeria (-212.7 billion), Togo (-137.9 billion), China (-58.1 billion), Belgium (-38.8 billion), the Netherlands (-36.8 billion), France (-30.3 billion), Japan (-13.8 billion).

Table 61 : Cameroon's Major Suppliers

Items	2020		2019	
	Share of imports (in %)	Rank	Share of imports (in %)	Rank
China	17.5	1	16.1	1
France	8.7	2	8.1	2
Belgium	5.6	3	5.7	5
India	5	4	3.2	8
The United States	4.4	5	2.6	10
Turkey	4	6	3.1	9
Togo	3.6	7	6.6	3
Russia	3	8	2.2	14
the Netherlands	3	9	3.5	7
Germany	2.9	10	2.6	11

Source: MINFI

Togo

The trade balance with Togo witnessed a deficit of 115.6 billion. The purchases from this country were mainly fuels and lubricants (115.1 billion).

India

The trade balance with India recorded a deficit of 87.6 billion. The products purchased from India are fuels and lubricants (50.1 billion), pharmaceutical products (36.3 billion) and cereals (18.2 billion).

The United States

The trade deficit with the US stands at 88.8 billion. The products imported from this country are fuels and lubricants (57.7 billion), machines and mechanical equipment (21.2 billion), sound and image recording or reproducing machines and equipment (8.7 billion) and plastic materials or articles (8.0 billion).

Russia

Cameroon's trade balance with Russia witnessed a deficit of 96.5 billion. The products imported are: cereals (62.8 billion), fertilizers (16.4 billion), fuels and lubricants (7.5 billion).

Germany

The trade deficit with Germany stood at 72.3 billion. Cameroon buys nuclear reactors (21.2 billion), vehicles (19.0 billion), machines, sound and image recording or reproduction appliances and equipment (3.9 billion), and textiles and second-hand clothing (3.9 billion) from this country.

Table 62 : Trends in Major Imported Products in 2020 (Values in billions of CFAF)

Countries	Imported products	Values	Weight (in %)
China	Sound and image recording or reproduction machines, appliances and equipment	67.9	12
	Machines and mechanical equipment	57.7	10.2
	Cast iron, iron and steel.	44.8	8
	Various chemical industry products.	43.8	7.8
	Cereals	41.7	7.4
	Ceramic products	39.1	6.9
	Plastics and plastic products	30.9	5.5
	Rubber and its products	29.7	5.3
	Cast iron, iron or steel products	28.3	5
	Total imports from China	**563.8**	**17.5***
France	Cereals	47.2	16.8
	Pharmaceutical products.	37.1	13.2
	Machinery and mechanical equipment	23.6	8.4
	Grain mill products, malt, starches	18.7	6.6
	Sound and image recording or reproduction machines, appliances and equipment	17.8	6.3
	Total imports from France	**281.3**	**8.7***
Belgium	Fuels and lubricants	119.9	66.2
	Other textile articles, second-hand clothing	14.8	8.2
	Food industry residues and waste	6	3.3
	Total imports from Belgium	**181.2**	**5.6***

Countries	Imported products	Values	Weight (in %)
India	Fuels and lubricants	50.1	31.2
	Pharmaceutical products	36.3	22.6
	Cereals	18.2	11.3
	Total imports from India	**160.7**	**5.0***
United States	Fuels and lubricants	57.7	41
	Machinery and mechanical equipment	21.2	15.1
	Sound and image recording or reproduction machines, appliances and equipment	8.7	6.2
	Plastic and plastic products	8	5.7
	Cereals	7.4	5.3
	Alcoholic beverages, spirits and vinegars	6.6	4.7
	Total imports from the United States	**140.9**	**4.4***
Turkey	Salt, sulphur, earth and stone, plaster, limestone and cement	32.5	25.6
	Cast iron, iron and steel.	30.1	23.7
	Machinery and mechanical equipment	10.8	8.5
	Cast iron, iron or steel products	10.6	8.3
	Sound and image recording or reproduction machines, appliances and equipment	8.5	6.7
	Total imports from Turkey	**127.3**	**4.0***
Togo	Mineral fuels, mineral oils and their distillation products ;	115.1	99.5
	Total imports from Togo	**115.6**	**3.1**
Russia	Cereals	62.8	65
	Fertilizers	16.4	17
	Fuels and lubricants	7.5	7.8
	Total imports from Russia	**96.6**	**3.0***
The Nether-lands	Fuels and lubricants	44.7	46.3
	Milk and dairy products, birds' eggs, natural honey	10.7	11
	Other textile products	6.5	6.8
	Essential oils; perfumery or toiletry products	6	6.2
	Fish, crustaceans, molluscs and others	4.6	4.7
	Total imports from Holland	**96.7**	**3.0***
Germany	Machinery and mechanical equipment	21.2	22.4
	Vehicles and tractors	19	20.1
	Pharmaceutical products	8.6	9.1
	Sound and image recording or reproduction machines, appliances and equipment	3.9	4.1
	Other textile products and second-hand clothing	3.9	4.1
	Plastics and plastic articles	3.8	4.1
	Total imports from Germany	**94.5**	**2.9***

*Source: MINFI *Weight calculated in relation to total imports*

5.2. Balance of payments

In 2020, the balance of payments current account deficit shrunk, and the level of external financing decreased considerably, resulting in an overall balance deficit, of 432.6 billion compared to a surplus of 155.7 billion in 2019.

Table 63 : Overall Balance of Payments from 2016 to 2021 (in billions)

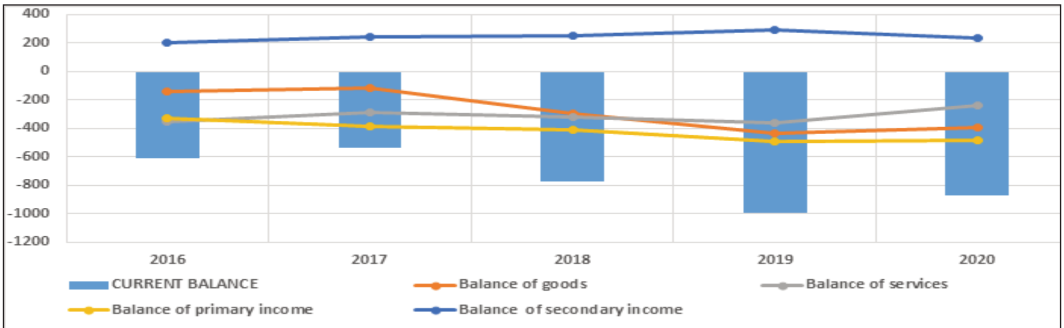
Items	2016	2017	2018	2019	2020	2021*
I- CURRENT BALANCE	**-613**	**-540.8**	**-777.6**	**-992.0**	**-872.0**	**-963.6**
1- Balance of goods	-136.8	-117	-295	-431.6	-391.3	-374.2
2- Balance of services	-350.9	-285.7	-324.3	-361.6	-236.4	-424.1
3- Balance of primary income	-330.6	-384.5	-410.8	-493.8	-483.5	-456.8
4-Balance of secondary income	205.2	246.4	252.5	295.0	239.2	291.4
II- EXTERNAL FINANCING	**-203.1**	**776.8**	**947.5**	**1155.0**	**431.7**	**1178.5**
1- Non-banking private sector	**-571**	**256.2**	**-81.1**	**416.6**	**384.0**	**496.5**
Foreign Direct Investment (FDI)	416.5	459.1	364.6	527.1	341.3	487.7
Portfolio Investments and Financial Derivatives	-45.1	14.2	5	71.8	29.9	-90.4
Net drawings (excluding FDI and FPI)	-942.4	-217	-450.7	-184.1	12.8	99.2
Acquisition/disposal of non-produced non-financial assets	0	0	1.8	1.8	0	0
2- Public administration	**438.2**	**850.8**	**975.8**	**873.1**	**322.3**	**724.7**
Project grants (including C2D)	58.2	65.6	85.9	133.3	36.8	64.7
Net drawings on bonds	40	0	-14.4	0.0	-6.2	90.0
Net drawings (excluding treasury bonds)	340	785.2	904.3	739.8	291.7	570.0
3- Money-creating banks	**-70.4**	**-360.2**	**52.8**	**-134.6**	**-274.6**	**-42.8**
III- ERRORS AND OMISSIONS	**-8.2**	**-19.8**	**-14.7**	**-7.4**	**7.7**	**0.0**
IV- OVERALL BALANCE	**-824.5**	**216.2**	**155.4**	**155.7**	**-432.6**	**48.9**
V-FINANCING THE BALANCE	**824.5**	**-216.2**	**-155.4**	**-155.7**	**432.6**	**-48.9**

*Source: MINFI, * Estimates*

5.2.1. Current account balance

In 2020, the current account deficit narrowed to stand at 872 billion (4% of GDP), compared to 992 billion (4.4% of GDP) in 2019. This decrease was mainly generated by the goods, services and primary income balances.

Graph 15 : Trends in the Main Current Account Balances from 2016 to 2020 (in billions)



Source: MINFI

5.2.1.1. Balance of goods

The goods deficit reduced from 431.6 billion in 2019 to 391.3 billion in 2020. This was due to a greater decrease in import expenditure (-740.7 billion) than in export earnings (-700.4 billion). According to Customs statistics, exports fell by 24.2% to 1 813.4 billion. A decrease was recorded in most of the main export products, notably: crude oil (-35.9%), raw cocoa beans (-14.6%), liquefied natural gas (-29.9%), timber and timber products (-9.4%) and raw cotton (-12.8%).

Imports fell by 16.5% to 3 221.9 billion, due to the cessation of crude oil imports (following the fire incident at SONARA) and a drop in the purchase of fuels and lubricants (-27%), rice (-31%), machinery and mechanical or electrical equipment (-23%) and transport equipment (-19%).

5.2.1.2. Balance of services

The trade in services deficit decreased to 236.4 billion from 361.6 billion in 2019. This was a result of reduced deficits in transport, insurance and other services. The travel deficit widened.

Table 64 : Balance of Services (in billion)

Items	2016	2017	2018	2019	2020	Variations
	(a)	(b)	(c)	(d)	(e)	(e) – (d)
Balance of services	**-351**	**-285.7**	**-324.3**	**-361.6**	**-236.4**	**125.2**
Transport	-204	-144.6	-179.9	-228.4	-113.4	114.9
including passenger	-117.9	-110.7	-97.7	-121.9	-82.2	39.7
Freight	-132.8	-98.3	-137.9	-191.7	-101.0	90.7
Other transport	47.0	64.5	55.7	85.3	69.8	-15.5
Travel	**-65.7**	**-65**	**-56.8**	**-55.5**	**-70.5**	**-15.0**
Professional	-48	-43.6	-41.9	-48.9	-0.4	48.5
Private	-17.7	-21.4	-14.8	-6.6	-70.0	-63.4
Insurance	**-47.8**	**-38.9**	**-42.4**	**-45.5**	**-37.8**	**7.7**
including: Freight insurance	-35.9	-29.2	-34.0	-39.4	-31.7	7.7
Life insurance	-2.6	-2.6	-3.3	-2.7	-3.0	-0.3
Other insurance	11.8	15.0	16.1	17.2	16.1	-1.1
Other services	**-33.4**	**-37.2**	**-45.2**	**-32.2**	**-14.8**	**17.5**
Communication services	36.4	33.1	35.3	25.8	27.1	1.3
Other services to companies	-129.8	-146.5	-154.1	-124.3	-82.3	42
including: Technical assistance	-43	-67	-79.7	-95.2	-77.0	18.2
Construction services	-54.9	-53.0	-62.1	-69.5	-18.9	50.6
Private services n.e.c*	45.2	51.4	47.0	36.5	13.3	-23.2
Services provided or received by pub. admins	14.8	24.8	26.6	29.8	27.1	-2.7

*Source: MINFI, * not elsewhere classified*

5.2.1.2.1 Transport

The transport deficit reduced by 114.9 billion compared to 2019 to stand at 113.4billion in 2020. The reduction resulted mainly from a drop in the freight and passenger transport deficit. The freight deficit dropped by 90.7 billion, in connection with the reduction in the import of goods and passenger transport, following the restrictions imposed in response to the COVID-19 pandemic. The surplus of the item "other transport" shrunk by 15.5 billion, to stand at 69.8billion, following the reduction in transport activities.

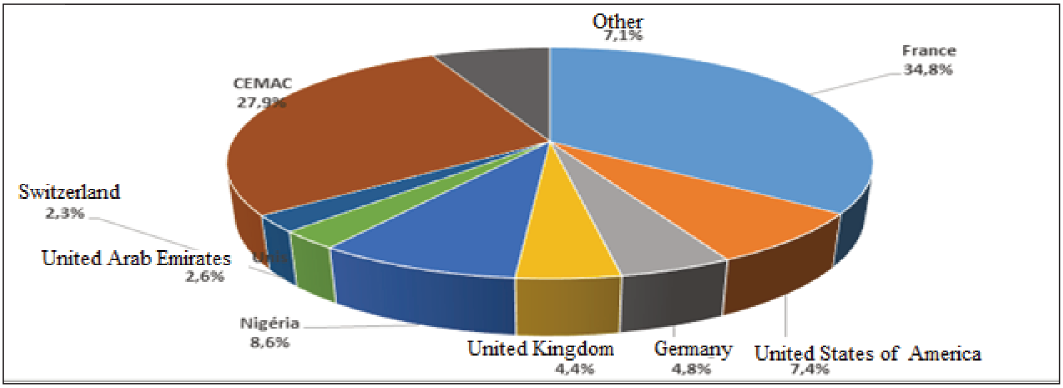
Revenues from passenger and freight transport as well as from various services provided to foreign companies dropped by 57.3 billion to stand at 338.1 billion. Expenses incurred with foreign companies stood at 451.5 billion, down by 172.3 billion.

5.2.1.2.2. Travel

The travel deficit widened 15 billion compared to 2019 and stood at 70.5 billion. It is mainly generated by "private travel" (-70 billion) Travel-related revenues fell by 34.7% to reach 250.2 billion, due to movement restrictions taken within the framework of the response to the COVID-19 pandemic. Travel expenses equally dropped from 438.4 to 320.6 billion.

In 2020, France remained Cameroon's leading customer in terms of travel and accounted for 34.8% of revenues. It is followed by CEMAC (27.9%), Nigeria (8.6%), the USA (7.4%), Germany (4.8%), Great Britain (4.4%). In the CEMAC region, Gabon is the first customer, with 53.8% of revenues, followed by Congo (39.3%), Chad (4.3%) and Equatorial Guinea (2.6%).

Graph 16 : Distribution of Travel Revenues per Area of Origin in 2020



Source: MINFI

5.2.1.2.3. Insurance

The insurance deficit stands at 37.8 billion, down by 7.7 billion compared to 2019, mainly due to a reduction in "freight insurance" deficit. The "life insurance" deficit worsened to 3 billion and the "other insurance" surplus shrank by 1.1 billion to stand at 16.1 billion.

5.2.1.2.4. Other services

The "other services" item comprises communication services, other services to companies, non-classified private services or services provided or received by public administrations. Their deficit decreased to stand at 14.8 billion, after reaching 32.2 billion in 2019. This trend is a result of a reduction in the deficit of "other services to companies", dominated by "technical assistance" and "construction services".

5.2.1.3. Primary income balance

Primary income comprises the remuneration of wage earners, investment income and other primary income (taxes on production and imports, subsidies, rent.). In 2020, the primary income deficit reached 483.5 billion, after 493.8 billion in 2019 due to a drop in dividends paid by local subsidiaries of foreign companies and the payment of interest on the external public debt.

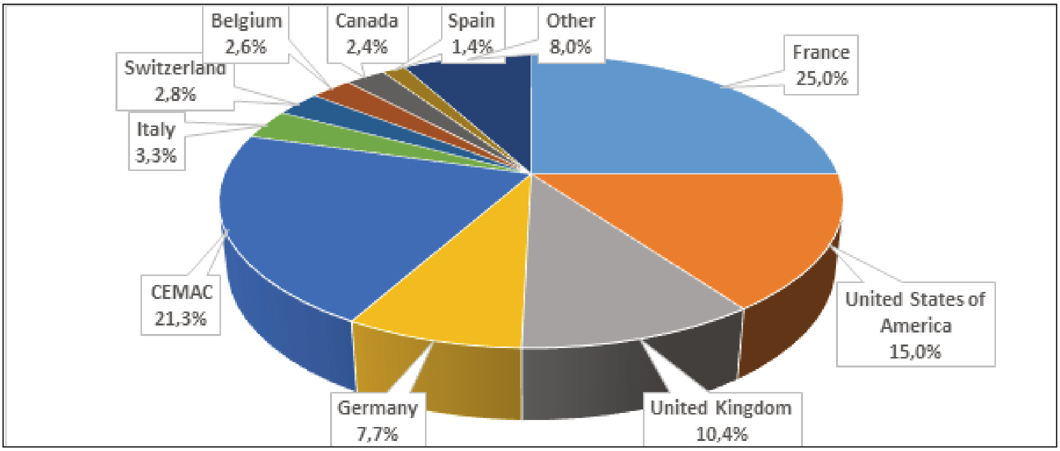
5.2.1.4. Secondary income balance

Secondary income mainly comprises current transfers. The secondary income surplus fell to 239.2 billion, compared to 295 billion in 2019. This situation stems from a drop in remittances from the diaspora, due to a reduction in revenues caused by the economic difficulties generated by the COVID-19 pandemic worldwide.

Remittances amounted to 303.3 billion, down by 73.8 billion compared to 2019. This amount came mainly from France, with 25% of total transfers, followed by the CEMAC region (21.3%), the USA

(15%), Great Britain (10.4%), Germany (7.7%) and Italy (3.3%). Remittances from the CEMAC region were mainly from Congo (42%), Equatorial Guinea (16.7%), Chad (16%) and Gabon (14.8).

Graph 17: Distribution of Migrants' Remittances per Country of Origin in 2020



Source: MINFI

Box 2: Impact of the COVID-19 Pandemic on the Main Current Account Items

The year 2020 was marked by the spread of the COVID-19 pandemic which broke out in China at the end of 2019. This spread continued throughout the year 2020, with several contamination waves which progressively reached Asia, Europe, America and Africa.

In Cameroon, the first cases were reported in March 2020 and a partial lockdown was imposed (with a limit on the number of opening hours for drinking spots, suspension of school and academic activities, various restrictions on meetings, gatherings, transport, etc.). The closure of borders and the sharp contraction of the global economy caused by the pandemic led to a slowdown in economic and financial transactions between countries. This situation affected Cameroon's economy through its major balance of payments components (goods, services, primary and secondary income, financial transactions).

For the whole of 2020, Cameroon recorded a significant fall in exports and imports; same with several service components, in particular those related to travel and transport. Remittances received from the diaspora equally dropped significantly, and to a lesser extent foreign direct investment flows as well.

The table below shows balance of payments current account projections for fiscal 2020, made prior to the outbreak of COVID-19 in the country, as well as the actuals at end-2020. It emerges from the table that COVID-19 led to a current balance deficit reduction of 4.4%, from a pre-COVID-19 initial projection of 912.2 billion to a realization of 872 billion. This impact is attributed to by a decline in both income and expenditure for most current account components.

Table 65 : Impact of COVID-19 on the Main Current Account Components

Item	2020 projections made prior to the outbreak of COVID-19	Actuals at end- 2020	Variation between actuals and initial projections (2)-(1)	
	(1)	(2)	in billions	in %
I- CURRENT BALANCE	**-912.2**	**-872.0**	**40.3**	**-4.4**
1- Balance of goods	**-469.7**	**-391.3**	**78.4**	**-16.7**
Export of goods FOB	**3 092.8**	**2 538.0**	**-554.9**	**-17.9**
including Customs exports FOB	2255.9	1813.1	-442.8	-19.6
Import of goods FOB	**-3 562.6**	**-2 929.3**	**633.3**	**-17.8**
including Customs imports CIF	-3 865.0	-3 221.9	-643.1	-16.6
2- Balance of services	**-265.1**	**-236.4**	**28.7**	**-10.8**
Transport	**-191.4**	**-113.4**	**77.9**	**-40.7**
- Passenger	-110.7	-82.2	28.5	-25.7
Income	26.3	0.0	-26.3	-100.0
Expenditure	-137.0	-82.2	-54.8	-40.0
- Freight	-138.2	-101.0	37.2	-26.9
Income	307.0	250.3	-56.7	-18.5
Expenditure	-445.2	-351.3	93.9	-21.1
- Other transport	57.6	69.8	12.3	21.3
Income	72.4	87.8	15.4	21.3
Expenditure	-14.8	-18.0	-3.2	21.6
Travel	**-55.5**	**-70.5**	**-15.0**	**26.9**
Income	382.9	250.2	-132.7	-34.7
Expenditure	-438.4	-320.6	117.8	-26.9
Other services	**-18.2**	**-14.8**	**3.4**	**-18.7**
Income	491.1	516.3	25.2	5.1
Expenditure	-555.7	-594.0	-38.3	6.9
Including Technical assistance	-162.9	-73.2	89.7	-55.1
Income	213.2	164.0	-49.2	-23.1
Expenditure	-376.1	-237.2	139.0	-36.9
3- Primary income balance	**-493.8**	**-483.5**	**10.3**	**-2.1**
4- Secondary income balance	**316.3**	**239.2**	**-77.1**	**-24.4**
Private	**232.7**	**185.3**	**-47.4**	**-20.4**
Inflows	386.4	303.3	-83.1	-21.5
Outflows	-153.6	-118.0	35.6	-23.2
Public	**83.6**	**53.9**	**-29.7**	**-35.5**
Inflows	107.2	75.6	-31.6	-29.5
Outflows	-23.6	-21.7	1.9	-8.1

Source: MINFI/DF

Regarding goods, the balance of goods deficit recorded a 16.7% reduction compared to initial projections, resulting from a 554.9 billion drop in exports, less pronounced than a 633.3 billion drop in imports. This situation can be seen from Customs statistics for 2019 and 2020, which show a 24.2% decline in export revenues and a 16.5% decline in import expenditure. Mainly due to a fall in global demand and prices, revenues from most of the main export products are on a decline. These products include: raw cotton (-12.8%), crude oil (-35.9%), timber and timber products (-9.4%), raw aluminium (-10.8%), raw cocoa beans (-14.6%), liquefied natural gas (-29.9%), and laundry bar soap (9.2%). The same applies for the import of clinker (-23%), fuels and lubricants (-27%), rice (-31%), transport equipment (-19%), stone works, cement and glass (-17%), machinery and mechanical or electrical appliances (-23%).

Regarding services, travel was particularly affected, with a decline of 34.7% for revenues and 26.9% for expenditures. Transport was also negatively affected by the restriction of movement, with a reduction of 18.5% and 21.1% for freight revenues and expenditures respectively.

On their part, remittances from the diaspora, which account for a significant share of private primary income inflows, were fell by 21.5%. Remittance outflows were also affected as they fell by 23.2%.

5.2.2. External financing

In 2020, net external financing dropped by 723.3 billion compared to 2019, to stand at 431.7 billion. This trend is due to a decrease in the net external financing of the non-banking private sector and of public administration as well as an increase in the net foreign assets of banks.

5.2.2.1. External financing of the non-banking private sector

In 2020, the external financing of the non-banking private sector recorded net inflows of 384 billion, down by 32.6 billion compared to 2019. This trend is mainly due to a 185.9 billion reduction in foreign direct investment and a 41.9 billion reduction in the investment portfolio. Net drawings recorded capital inflows of 12.8 billion as against the capital outflows of 184.1 billion in 2019.

5.2.2.2. External financing of the public sector

In 2020, public sector net financing stood at 322.3 billion, broken down into project grants (36.8 billion), net drawings on ordinary loans (291.7 billion) and net drawings on bond issues (-6.2 billion). It dropped by 550.8 billion mainly as a result of a reduction in funding received as project loans (-96.5 billion) and in net drawings on ordinary loans (-448.1 billion). In addition, Cameroon did not receive any budgetary support under the economic and financial programme with the IMF which had ended.

5.2.2.1. External financing of the banking sector

The external funding of the banking sector recorded net outflows worth 274.6 billion, after 134.6 billion in 2019. These trends reflect an increase in the net foreign assets of commercial banks in terms of: (i) claims on foreign banks and financial institutions and other non-resident entities; (ii) equity interests and investment securities; (iii) deposits of non-resident customers.

5.2.3. Balance of payments by sector

In 2020, the overall balances of “agriculture”, “logging”, “hydrocarbons extraction” and “transport” sectors recorded surpluses, while other sectors (industry, trade, telecommunications, finance) recorded deficits.

5.2.3.1. Agriculture

In 2020, the overall balance surplus of agriculture increased by 9.6 billion and stood at 694.3 billion. This trend resulted from an increase in net external financing (+27.6 billion) and a decrease in the current account surplus (-18.1 billion). The current account surplus dropped to 661.9 billion, due to a reduction in the surplus of trade in goods, as well as a reduction in the deficit of services and primary income. The reduction in the goods surplus can mainly be attributed to the drop in the export of raw cocoa beans (-42.3 billion) and raw cotton (-16.6 billion). External financing recorded a surplus of 32.3 billion in 2020, that is, a 27.6 billion increase compared to 2019.

5.2.3.2. Logging

In 2020, this sector recorded an overall balance surplus of 242.4 billion, down by 14.1 billion compared to 2019. The current balance surplus reduced by 13.1 billion, to stand at 236.6 billion in 2019. The service balance deficit remained nearly stable and stood at 3.8 billion. Primary income balance recorded a surplus of 8.5 billion, as against a deficit of 1.5 billion in 2019. Net external financing dropped by 1 billion to stand at 5.8 billion.

5.2.3.3. Hydrocarbons

In 2020, the overall balance surplus reduced by 172.8 billion and stood at 817.6 billion. This was as a result of a 468.6 billion decrease in the current account surplus and a 295.9 billion increase in net external financing. The current account was in surplus by 609.8 billion as against 1 078.5 billion in 2019. This decrease was mainly due to a reduction in the goods surplus (-424.9 billion) caused by a fall in the export of crude oil (-359.2 billion) and liquefied natural gas (-78.4 billion). External financing recorded net inflows of 207.8 billion as against net outflows of 88.1 billion in 2019.

5.2.3.4. Industry

In 2020, the overall balance deficit reduced by 236.5 billion compared to 2019 and stood at 1 362.9 billion. This situation can be attributed to the decrease in the current account deficit and the drop in net external financing. The current account deficit reduced by 421.3 billion and stood at 1,413.9 billion. This was as a result of the decrease in the goods and secondary income deficits, as well as the increase in the primary income balance, from a balance deficit of 123.6 billion in 2019 to a balance surplus of 4.8 billion in 2020. The goods deficit decreased by 298.5 billion to stand at 1 172.1 billion, due to a drop in the import of inputs and capital goods. Services and secondary income were in deficit by 245.5 billion and 1.1 billion respectively. Net external financing amounted to 51 billion as against 235.8 billion in 2019. This was mainly due to lower foreign direct investment flows.

Table 66 : Balance of Payments by Sector (in billions)

DESCRIPTION	AGRICULTURE		FORESTRY		HYDROCARBONS		INDUSTRY	
YEARS	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
I- CURRENT BALANCE	**680.0**	**661.9**	**249.7**	**236.6**	**1,078.5**	**609.8**	**-1 835.2**	**-1 413.9**
1- Balance of goods	791.7	712.0	255.2	232.0	1,191.6	766.7	-1470.6	-1172.1
2- Balance of services	-107.9	-48.9	-4.0	-3.8	-19	-71	-237.5	-245.5
3- Primary income balance	-3.7	-0.7	-1.5	8.5	-119	-113	-123.6	4.8
4- Secondary income balance	-0.2	-0.5	0.0	-0.1	24.1	26.6	-3.6	-1.1
II- EXTERNAL FINANCING	**4.7**	**32.3**	**6.8**	**5.8**	**-88.1**	**207.8**	**235.8**	**51.0**
1- Non-banking private sector	4.7	32.3	6.8	5.8	-88.1	207.8	235.8	51.0
Foreign Direct Investment (FDI)	3.4	0.2	13.8	-14.5	22.1	30.8	206.9	20.9
Portfolio Investments and Derived Fin. Prod (PIF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net drawings (excluding FDI and PIF)	1.3	32.2	-7.0	20.3	-110.2	177.0	28.9	30.1
2- Money-creating banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
III- OVERALL BALANCE	**684.7**	**694.3**	**256.5**	**242.4**	**990.4**	**817.6**	**-1 599.4**	**-1 362.9**

Source: MINFI

5.2.3.5. Trade, restaurants and hotels

In 2020, the overall balance deficit reduced by 75.5 billion to stand at 1 052.7 billion. This is attributable to the decrease in the current account deficit (-248.6 billion). External financing showed a net outflow of 31.9 billion compared to a net inflow of 141.5 billion in 2019. The decrease in the current account deficit was generated by the decrease in the deficits of goods (-195.6 billion), services (-35.4 billion) and primary income (-17.5 billion).

5.2.3.6. Transport

The current account surplus was 76.7 billion lower than in 2019 and stood at 23.2 billion. This was due to the decrease in the services surplus to 152.4 billion from 219.4 billion in 2019 and the widening of the primary income deficit to 110.4 billion as against 92.1 billion in 2019. The goods and secondary income balances showed deficits of 16.1 billion and 2.7 billion respectively. External financing amounted to 107.4 billion, made up of FDI flows of 100.6 billion and net drawings of 6.8 billion. All transactions in the transport sector resulted in an overall surplus of 130.6 billion, down by 29.6 billion compared to 2019.

5.2.3.7. Telecommunications

In 2020, the current account deficit in the telecommunications sector reduced by 32.4 billion compared to 2019, to stand at 33.4 billion. This was mainly due to a 31.9 billion decrease in the balance of goods deficit. The surplus on services was almost stable at 42.9 billion. External financing recorded net inflows of 5.8 billion against 3.7 billion in 2019. It was mainly made up of foreign direct investment flows and net drawings. The sector recorded an overall balance deficit of 27.6 billion, down by 34.4 billion.

5.2.3.8. Financial activities

In 2020, the overall balance deficit increased by 222 billion to stand at 278.5 billion. This was due to the deterioration of the current account deficit (-69.6 billion) and an increase in capital outflows (-52.4 billion). The widening of the current account deficit was mainly due to a decrease in services surplus (-43.7 billion). External financing showed a net outflow of 205.5 billion against 53 billion in 2019. This was mainly due to net outflows of 152.2 billion from banks.

Table 67: Balances of Payments by Sector (in billion)

DESCRIPTION	Trade, restaurants and hotels		Transport		Telecom-munications		Financial activities	
YEARS	2019	2020	2019	2020	2019	2020	2019	2020
I- CURRENT BALANCE	**-1 269.5**	**-1 020.9**	**99.8**	**23.2**	**-65.8**	**-33.4**	**-3.5**	**-73.0**
1- Balance of goods	-1,104.2	-908.7	-24.6	-16.1	-107.4	-75.6	-24.4	-18.4
2- Balance of services	-168.9	-133.6	219.4	152.4	43.4	42.9	51.7	8.0
3- Primary income balance	-23.1	-5.6	-92.1	-110.4	-0.6	-0.6	-38.8	-66.3
4- Secondary income balance	26.7	26.9	-2.9	-2.7	-1.1	-0.1	8.0	3.7
II- EXTERNAL FINANCING	**141.3**	**-31.9**	**60.4**	**107.4**	**3.7**	**5.8**	**-53.0**	**-205.5**
1- Non-banking private sector	141.3	-31.9	60.4	107.4	3.7	5.8	69.3	69.1
Foreign Direct Investment (FDI)	91.3	-13.7	71.8	100.6	4.6	2.4	59.6	63.4
Portfolio Investments and Fin. Products (PIF)	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Net drawings (excluding FDI and PIF)	50.0	-18.1	-11.4	6.8	-0.9	3.4	9.8	5.8
2- Money-creating banks	0.0	0.0	0.0	0.0	0.0	0.0	-122.3	-274.6
III- OVERALL BALANCE	**-1 128.2**	**-1 052.7**	**160.2**	**130.6**	**-62.0**	**-27.6**	**-56.5**	**-278.5**

Source: MINFI

5.2.4. Bilateral payments balances

In 2020, the current account was in deficit with China (-287.7 billion), the European Union (-232.9 billion), the United States (-136.3 billion), France (-108 billion) and Nigeria (-89.1billion). However, it remained in surplus with the CEMAC (+682.3 billion).

5.2.4.1. Nigeria

In 2020, the current account balance recorded a deficit of 89.1 billion after a deficit of 260.8 billion in 2019. This deficit decrease was mainly due to the cessation of crude oil imports from Nigeria in previous years, following the cessation of crude oil refining activities by SONARA in late May 2019. The goods balance thus went from a deficit of 157.6 billion to a surplus of 18.1 billion. The services deficit was almost stable at 77.9 billion. The primary income balance was in deficit by 25.6 billion and the secondary income balance by 3.7 billion. Net financing flows amounted to 36 billion, driven by foreign direct investment and net non-banking private sector drawings.

5.2.4.2. China

In 2020, the current account balance recorded a deficit of 287.7 billion, down by 14.5 billion as against 302.2 billion in 2019. This was generated by deficit decreases in goods, services and primary income. The goods deficit decreased from 151.6 billion to 136.4 billion as a result of a larger reduction in imports than in exports. Net financing flows decreased by 75.4 billion against 242.7 billion in 2019 due to a decline in the Government's disbursements.

5.2.4.3. United States

In 2020, the current account balance recorded a deficit of 136.3 billion against a surplus of 38.8 billion in 2019. This can be attributed mainly to trade in goods, which moved from a surplus to a deficit, due to a significant reduction in exports. The primary income deficit widened in line with the increase in dividends. However, the secondary income surplus declined due to a drop in diaspora remittances, as a result of the negative impact of the COVID-19 pandemic on their income. Financing rose to 64.4 billion from 55.5 billion in 2019, driven by increased foreign direct investment flows.

Table 68 : Balance of Payments with Nigeria, China and the United States (in billions)

DESCRIPTION	NIGERIA		CHINA		UNITED STATES	
YEARS	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
I- CURRENT BALANCE	**-260.8**	**-89.1**	**-302.2**	**-287.7**	**38.8**	**-136.3**
1- Balance of goods	-157.6	18.1	-151.6	-136.4	52.7	-71.7
2- Balance of services	-75.4	-77.9	-72	-70.6	2.9	1.1
3- Primary income balance	-23.2	-25.6	-76.6	-63.4	-54.8	-89.1
4- Secondary income balance	-4.6	-3.7	-2.1	-17.3	38.1	23.4
II- EXTERNAL FINANCING	**7.8**	**36.0**	**242.7**	**75.4**	**55.5**	**64.4**
1- Non-banking private sector	**6.8**	**42.4**	**-42.3**	**11.7**	**55.3**	**64.4**
Foreign Direct Investment (FDI)	6.6	24.2	-48.1	-18.3	36.7	62.6
Portfolio Investments and Fin. Products (PIF)	0	0.0	0	0.0	0	0.0
Net drawings (excluding FDI and PIF)	0.3	18.2	5.8	30.0	18.6	1.7
2- Public administration	**0**	**0.0**	**285**	**63.7**	**0**	**0.0**
Project grants (including C2D)	0	0.0	0	0.0	0	0.0
Net drawings on bonds	0	0.0	0	0.0	0	0.0
Net drawings (excluding treasury bonds)	0	0.0	285	63.7	0	0.0
3- Money-creating banks	**1**	**-6.4**	**0**	**0.0**	**0.3**	**0.0**
III- OVERALL BALANCE	**-253**	**-53.1**	**-59.5**	**-212.3**	**94.3**	**-71.9**

Source: MINFI

5.2.4.4. France

In 2020, the current account deficit reduced to stand at 108 billion as against 165.1 billion in 2019. This deficit was mainly generated by the primary income items in relation to dividends paid abroad. The secondary income surplus reduced by 51.6 billion to stand at 67.7 billion. This was as a result of lower income from the diaspora within the context of the economic crisis caused by the COVID-19 pandemic. External financing resulted in a net inflow of 110.6 billion, lower than the 340.1 billion recorded a year earlier.

5.2.4.5. CEMAC

In 2020, the current account surplus reduced by 100 billion in line with the decrease in the surpluses of goods, services and secondary income. The balance of goods surplus reduced from 466.9 billion to 412.4 billion as a result of lower exports. The secondary income surplus reduced by 34.9 billion from 42.9 billion due to lower income from the diaspora in neighbouring crisis countries. Net financing flows reduced to 43.2 billion due to lower foreign direct investment flows.

5.2.4.6. European Union

In 2020, the current account deficit widened by 75.8 billion to stand at 232.9 billion. This was as a result of the deterioration of the goods balance. The goods deficit rose to 197.4 billion from 77.8 billion. This was as a result of a larger decline in exports than in imports. Service and primary income deficits, as well as secondary income surpluses dropped as a result of the crisis caused by the COVID-19 pandemic. External financing showed net inflows of 159.2 billion against 389.2 billion due to the decrease in financing received by the Government.

Table 69: Balance of Payments with France, the CEMAC and the European Union (in billions)

DESCRIPTION	FRANCE		CEMAC		EUROPEAN UNION	
YEARS	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
I- CURRENT BALANCE	**-165.1**	**-108.0**	**739.2**	**639.2**	**-157.1**	**-232.9**
1- Balance of goods	-182	-157.0	466.9	412.4	-77.8	-197.4
2- Balance of services	-36.8	3.1	251.1	221.0	-119.4	-65.2
3- Primary income balance	-65.6	-21.8	-21.7	-29.1	-99	-51.9
4- Secondary income balance	119.3	67.7	42.9	34.9	139.1	81.6
II- EXTERNAL FINANCING	**340.1**	**110.6**	**60.9**	**43.2**	**389.2**	**159.2**
1- Non-banking private sector	**245.4**	**129.8**	**49.8**	**45.2**	**262.9**	**194.6**
Foreign Direct Investment (FDI)	203	8.0	48.3	20.1	222.5	13.8
Portfolio Investments and Fin. Products (PIF)	0	0.0	0	0.0	0	0.0
Net drawings (excluding FDI and PIF)	42.5	121.7	1.6	25.1	40.4	180.8
2- Government	**83.3**	**-24.5**	**-11.3**	**-0.3**	**111.7**	**-46.9**
Project grants (including C2D)	17.3	4.9	0	0.0	19.8	24.1
Net drawings on bonds	0	0.0	0	-0.3	0	0.0
Net drawings (excluding treasury bonds)	66	-29.4	-11.3	0.0	91.9	-71.0
2- Money-creating banks	**11.3**	**5.3**	**22.4**	**-1.7**	**14.6**	**11.5**
III- OVERALL BALANCE	**175**	**2.6**	**800.1**	**682.3**	**232.1**	**-73.7**

Source: MINFI

5.2.3. Monthly payment balances for the first half of 2021

The monthly balance of payments covers all payments made during the month within the context of economic, financial and monetary transactions with the outside world. For the first six months of 2021, the cumulative current account deficit was 544 billion against 723.1 billion for the same period in 2020.

Table 70: Monthly Balances of Payments in the First Half of 2021 (in billions)

Description	Jan.	Feb.	March	April	May	June	Jan.-June 2020	Jan.-June 2021	Changes 2020/2022
I- CURRENT BALANCE	**-84.3**	**-140.6**	**-74.3**	**-94.9**	**-91**	**-58.9**	**-723.1**	**-544**	**179.1**
1- Balance of goods	-33.6	-78.3	-12.8	-22.1	-37.3	0.9	-425	-183.3	241.7
2- Balance of services	-29	-41.4	-46.9	-26.5	-26.6	-31.7	-152.7	-202.1	-49.4
3- Primary income balance	-34.5	-32.2	-31.7	-55.8	-38	-43.6	-231.7	-235.8	-4.1
4- Secondary income balance	12.8	11.4	17.1	9.6	10.9	15.5	86.3	77.3	-9
II- EXTERNAL FINANCING	**27.6**	**171.6**	**77.8**	**227.8**	**99.3**	**26.3**	**558.1**	**630.4**	**72.3**
1- Non-banking private sector	**56.1**	**150**	**67.1**	**196.8**	**51.8**	**54.8**	**286.1**	**576.6**	**290.5**
Foreign Direct Investments	27.9	35	42.1	29.8	29.8	29.8	352.3	194.3	-158
Portfolio Investments	0	0	0	0	0	0	0	0	0
Net drawings	28.2	115	25	167	22.1	25	-66.2	382.3	448.5
2- Public administration	**-28.5**	**21.6**	**10.7**	**31**	**47.5**	**-28.5**	**147**	**53.8**	**-93.2**
Project grants (including C2D)	1.2	1.1	4	1.9	10.3	1.2	10.6	19.7	9.1
Net drawings on bonds	0	0	0	0	0	0	0	0	0
Net drawings	-29.7	20.5	6.7	29.1	37.2	-29.7	136.4	34.1	-102.3
3- Money-creating banks	**0**	**0**	**0**	**0**	**0**	**0**	**125**	**0**	**-125**
III- ERRORS AND OMISSIONS	**-0.9**	**-0.5**	**-0.2**	**-0.4**	**-0.8**	**-0.4**	**6.4**	**-3.2**	**-9.6**
IV- OVERALL BALANCE	**-57.6**	**30.6**	**3.4**	**132.4**	**7.5**	**-33.1**	**-158.6**	**83.2**	**241.8**
V- BALANCE FINANCING	**57.6**	**-30.6**	**-3.4**	**-132.4**	**-7.5**	**33.1**	**158.6**	**-83.2**	**-241.8**

Source: MINFI

The balance of goods deficit decreased to 183.3 billion as against 425 billion in 2020. It accumulated throughout the first half of the year, except in June, when the goods balance showed a surplus of 0.9 billion. Services and primary income balances were in deficit over these six months, with cumulative deficits of 202.1 billion and 235.8 billion respectively. These deficits increased year-on-year compared to the first half of 2020 by 49.4 billion and 4.1 billion respectively.

The cumulative external financing over this period posted a surplus of 630.4 billion after 558.1 billion in the first six months of 2020. It is dominated by the net drawings of the non-banking private sector, which amounted to 382.3 billion. The Government's cumulative financial transactions showed a net inflow of 53.8 billion, down by 103.2 billion year-on-year.

The various transactions carried out with the outside world produced an overall cumulative balance surplus of 83.2 billion against a deficit of 158.6 billion in the first six months of 2020. This surplus accumulated in February (+30.6 billion), March (+3.4 billion), April (+132.4 billion) and May (+7.5 billion).

Table 71: Balance of Payments from 2016 to 2021 (in billions)

DESCRIPTION	2016	2017	2019	2020	2021*
I- CURRENT BALANCE (including public transfers)	**-613.0**	**-540.8**	**-992.0**	**-872.0**	**-963.6**
CURRENT BALANCE (excluding public transfers)	-660.0	-591.6	-1,050.2	-925.9	-1,053.2
1- Balance of goods	**-136.8**	**-117.0**	**-431.6**	**-391.3**	**-374.2**
Exports of goods FOB	**2,724.7**	**2,674.9**	**3,238.3**	**2,538.0**	**3,092.8**
of which Customs exports FOB	1,959.7	1,881.9	1,959.7	1,813.1	2,255.9
Imports of goods FOB	**-2,861.5**	**-2,791.9**	**-3,670.0**	**-2,929.3**	**-3,467.0**
of which customs imports CIF	-3,087.4	-3,054.3	-3,087.4	-3,221.9	-3,650.0

DESCRIPTION	2016	2017	2019	2020	2021*
2- Balance of services	**-350.9**	**-285.7**	**-361.6**	**-236.4**	**-424.1**
Transport	**-204.0**	**-144.6**	**-228.4**	**-113.4**	**-181.0**
- Passenger	-117.9	-110.7	-121.9	-82.2	-114.6
Revenue	1.4	10.4	16.1	0.0	27.0
Expenditure	-119.3	-121.1	-138.0	-82.2	-141.6
- Freight	-132.8	-98.3	-191.7	-101.0	-108.2
Revenue	236.0	253.1	272.2	250.3	318.6
Expenditure	-368.8	-351.3	-463.9	-351.3	-426.8
- Other transport	46.7	64.3	85.3	69.8	41.8
Revenue	49.8	77.7	107.1	87.8	70.7
Expenditure	-3.1	-13.5	-21.9	-18.0	-29.0
Insurance	**-47.8**	**-38.9**	**-45.5**	**-37.8**	**-48.9**
Revenue	33.7	34.8	38.3	36.7	51.4
Expenditure	-81.5	-73.7	-83.8	-74.4	-100.3
Travel	**-65.7**	**-65.0**	**-55.5**	**-70.5**	**-99.5**
Revenue	299.6	306.5	382.9	250.2	308.7
Expenditure	-365.3	-371.5	-438.4	-320.6	-408.2
Other services	**-33.4**	**-37.2**	**-32.2**	**-14.8**	**-94.7**
Revenue	362.6	437.0	478.0	350.4	485.5
Expenditure	-396.1	-474.3	-510.3	-365.2	-580.2
of which the technical assistance and various services	-37.0	-135.1	-90.9	-73.2	-164.0
Revenue	167.3	175.0	220.7	164.0	226.3
Expenditure	-204.3	-310.1	-311.7	-237.2	-390.3
3- Income Balance	**-330.6**	**-384.5**	**-493.8**	**-483.5**	**-456.8**
Revenue	**120.5**	**111.6**	**136.3**	**93.3**	**144.9**
Expenditure	**-451.1**	**-496.1**	**-630.1**	**-576.8**	**-601.7**
Remuneration of employees	-20.7	-21.0	-22.0	-24.3	-28.1
Direct Investments	-251.1	-294.5	-408.6	-378.6	-369.6
Portfolio Investments	-57.1	-59.6	-60.3	-48.9	-48.0
Other investments	-122.2	-121.0	-139.3	-124.9	-156.0
of which interest on the External Public Debt	-92.1	-92.5	-136.9	-118.1	-208.7
4- Current Transfers	**205.2**	**246.4**	**295.0**	**239.2**	**291.4**
Privates	158.2	195.6	236.8	185.3	201.8
Inflows	302.1	335.8	377.1	303.3	334.3
Outflows	-143.8	-140.2	-140.3	-118.0	-132.5
Publics	47.0	50.8	58.2	53.9	89.6
Inflows	74.6	71.7	80.4	75.6	113.9
Outflows	-27.6	-20.9	-22.3	-21.7	-24.3
II- CAPITAL AND FINANCIAL ACCOUNT	**-203.1**	**776.8**	**1,155**	**431.7**	**1,178.5**
1- Capital Account	**58.2**	**67.9**	**135.1**	**42.3**	**66.9**
Public administrations	**58.2**	**65.6**	**133.3**	**36.8**	**64.7**
of which: grants (HIPC, C2D, MDRI)		**0.0**		**0.0**	
Other sectors	**0.0**	**2.3**	**1.8**	**5.5**	**2.2**
2- Financial Operations Account	**-261.4**	**709.0**	**1,019.9**	**389.4**	**1,111.6**
Direct Investments	**416.5**	**459.1**	**527.1**	**341.3**	**487.7**
Inflow	390.8	472.1	601.7	390.4	505.0
Outflow	25.7	-13.0	-74.6	-49.1	-17.3

DESCRIPTION	2016	2017	2019	2020	2021*
Portfolio Investments	**-24.5**	**14.2**	**71.8**	**17.5**	**-0.4**
Assets (decrease +)	-20.5	37.7	66.8	18.8	-95.4
Liabilities (decrease -)	-4.0	-23.5	5.0	-1.3	95.0
Other investments	**-653.4**	**235.7**	**420.9**	**30.7**	**624.2**
Public administrations	340.0	785.2	739.8	291.7	570.0
of which liabilities	340.0	785.2	739.8	291.7	570.0
- Drawings	453.0	919.7	1060.1	615.2	813.0
- Amortization	-113.0	-134.5	-320.3	-323.5	-243.0
Banks and Financial Institutions	-51.1	-330.2	-134.6	-282.6	-42.8
Assets (decrease +)	-39.5	-387.1	-220.2	-220.1	-46.7
- Deposits	-36.9	-72.8	-39.5	38.6	1.5
- Other assets	-2.6	-314.3	-180.7	-258.7	-48.2
Liabilities (decrease -)	-11.5	56.9	85.6	-62.5	3.9
- Deposits	-24.4	7.9	66.0	-71.3	-44.5
- Other liabilities	12.8	49.0	19.6	8.7	48.4
Non-banking private sector	**-942.4**	**-219.3**	**-184.3**	**21.5**	**97.0**
Assets (decrease +)	-988.9	-248.8	-364.2	57.6	143.0
Liabilities (decrease -)	46.5	29.5	179.9	-36.1	-46.1
III- ERRORS AND OMISSIONS	**-8.2**	**-19.8**	**-7.4**	**7.7**	
IV- OVERALL BALANCE	**-824.5**	**216.3**	**155.7**	**-432.6**	**48.9**
V- FINANCING	**824.5**	**-216.3**	**-155.7**	**432.6**	**-48.9**
1- Changes in official reserves (decrease +)	**824.5**	**-216.3**	**-155.7**	**309.0**	**-214.9**
IMF (net)	**-17.6**	**141.5**	**34.2**	**244.5**	
Financial Operations Account (net)	**673.6**	**-1,136.0**	**-131.5**	**7.0**	
2- Special Financial Assistance	**0.0**	**0.0**	**0.0**	**123.6**	**166.0**

*Source: MINFI; *Estimates*

CHAPTER 6: SOCIAL SECTORS

Government's policy for developing human capital and improving the well-being of the population remained centred on: (i) universalizing education and strengthening professionalization; (ii) improving the health of the population; (iii) promoting youth and employment; (iv) developing low-cost housing; (v) providing social protection for vulnerable people; and (vi) promoting gender and empowering women.

Social sector ministries were allocated 1 102.4 billion in 2020 under the general budget and an additional amount of 86.9 billion within the context of resources of the Special Appropriation Fund for the Fight against COVID and its Economic and Social Repercussions, making a total of 1 189.3 billion, and representing 25.9% of the State budget. In 2021, the budgetary allocation for the social sectors was 1 104.7 billion under the general budget, in addition to the Covid-19 SAA social expenditure totalling 200 billion.

6.1. Education

The key strategic education guidelines centred, among other things, on: (i) access to quality education for all; (ii) adapting training and education to the socio-economic environment in order to build a skilled human resource base; and (iii) promoting research and development. To achieve these objectives in a context of professionalization of education, the sector was allocated a budget of 695 billion in 2020, representing 15.1% of the State budget.

The implementation of the Government's education policy was influenced by the COVID-19 pandemic, which led to the closure of schools from 18th March 2020, four months to the end of the 2019/2020 school year initially scheduled for 31st July 2020. To make up for the suspension of in-person classes and to ensure education continuity, the Government put in place a national integrated distance-learning mechanism, notably through radio, television, the Internet and the distribution of teaching materials. In-person classes resumed one month to the start of official examinations. In addition, the first month of the 2020/2021 school year was devoted to catching up on lessons that had not been completed the previous year.

6.1.1. Basic education

In 2020, basic education was allocated 232.5 billion, of which 6.5 billion was under COVID-19 SAA, up by 4.6% compared to 2019. This amount was intended to finance activities aimed, in particular, at: (i) developing pre-schooling; (ii) providing universal primary education; (iii) ensuring literacy; and (iv) improving the working environment and living conditions of staff. In 2021, the budgetary allocation excluding the COVID-19 SAA increased by 3% to stand at 232.7 billion.

6.1.1.1. Preschool development

In 2020, the gross preschool enrolment rate was 38.8% compared to 37.8% in 2019. Government's preschool development actions continued through: (i) the construction and equipping of 15 community preschool centres; (ii) the continued implementation of the programme to recruit new teachers or to convert PTA teachers to State-employed teachers; (iii) the continuing training of 6 000 teachers on the new curricula; (iv) the construction and equipping of 21 preschool blocks and 9 classrooms; (v) the construction of 11 classrooms and 10 latrine blocks; and (vii) psychosocial support to COVID-19-affected teachers and children.

6.1.1.2. Universalization of primary education

Universalization of the primary education is measured through two main indicators, namely the primary education completion rate and the net enrolment rate. During the 2019/2020 school year, these two indicators improved, with the primary education completion rate rising from 70.6% in 2018/2019 to

71.1% in 2019/2020, and the net enrolment rate increasing from 70% to 85%. These trends are explained in particular by the resumption of teaching in some schools in crisis-affected regions.

In 2019/2020, the universalization of primary education continued through: (i) increased provision of public primary education; (ii) improved primary education quality; and (iii) support for the education of young girls.

As concerns increased provision of public primary education, actions were focused in particular on: (i) the construction of 977 classrooms and the rehabilitation of 124 others; (ii) the construction of 43 latrine blocks and fences; (iii) the acquisition and distribution of 32 780 desks and 940 teacher's desks; (iv) the provision of 54 kits of specialized materials to 68 inclusive schools; (v) awareness raising on sending children to school in 122 municipalities in priority education areas.

The quality of education in primary schools was improved, among other things, through: (i) the distribution of 73 066 books on civic education and citizenship to pupils in priority education areas; (ii) the training of 4 382 teachers on the use of the new curricula, 2 860 teachers on the teaching of national languages and cultures and 476 others on inclusive education; (iii) capacity building for 1 522 teachers on the use of the new curricula; (iv) the provision of 300 micro-science kits within the framework of the reinforcement of science teaching; (v) the distribution of 3 755 998 essential school textbooks (English, French and Mathematics) by the Cameroon Education Reform Support Programme (CERSP) to Class 1/SIL and Class 2/CP pupils.

The completion rate for girls in the last year of primary school rose from 66.8% during the 2018/2019 school year to 67.2% in 2019/2020. That of boys increased from 74.4% to 75%. Support for girl education included: (i) the award of 720 excellence scholarships to female pupils; (ii) building the capacity of 75 community-based organizations to ensure the academic follow-up of girls and vulnerable children; (iii) building the capacity of 30 community radio stations in priority education areas to ensure community mobilization for girl education.

6.1.1.3. Literacy

Literacy is a form of alternative education that aims to give illiterate people and out-of-school children the opportunity to acquire basic skills for empowerment in society. The aim is to give them opportunities to continue their education in the formal system or to learn a trade. Adult literacy training takes place in *Formal Literacy Centres* (CAF), while that for the education of out-of-school children takes place in the *Non-Formal Basic Education Centres* (CEBNF). The number of learners in CAFs and CEBNFs was 20 507 during the 2019/2020 school year.

According to the 2018 *Demographic and Health Survey* (DHS), the literacy rate for people aged from 15 to 64 years is 81.3% for men and 70.1% for women. To support this form of education, the capacity of 500 teachers was built in national languages for better translation into official languages.

6.1.1.4. Improvement of the Working Environment

The activities contributing to the improvement of the working conditions of personnel were centred, among others, on: (i) the construction of 38 blocks of 2 housing units each for teachers in rural areas; (ii) the finalization of the construction of 6 divisional delegations and 3 sub divisional inspections, as well as the continuation of the construction of one regional delegation.

6.1.1.5. Review of the 2019/2020 school year and 2020/2021school year

During the 2019/2020 school year, basic education enrolment stood at 5 145 889 pupils compared to 4 942 437 the previous year, showing a 4.1% increase. They were taught by 129 027 teachers and distributed in 127 143 classrooms. In preschool, enrolment rose from 542 540 to 567 181 pupils, for 28 680 teachers, recording an average of 20 pupils per teacher. There were 22 129 classrooms, showing a 12.9% increase.

At the primary level, there were 4 578 708 pupils, representing an increase of 4.1%. The number of teachers rose by 3.9% to 100 347. There were 105 014, classrooms recording an increase of 15.7%.

Table 72: Number of Preschool and Primary School Functional Classrooms, Pupils and Teachers

Education		2018/2019			2019/2020		
		Classrooms	Teachers	Pupils	Classrooms	Teachers	Pupils
Preschool	Public	5 267	10 161	176 559	6 014	10 185	174 809
	Private	13 940	17 102	348 902	15 474	17 947	377 199
	Community	398	559	17 079	368	548	15 173
	Total	19 605	27 822	542 540	22 129	28 680	567 181
Primary	Public	52 176	56 749	3 342 412	62 280	59 071	3 459 294
	Private	37 662	38 892	986 565	41 913	40 521	1 064 327
	Community	944	905	70 920	821	755	55 087
	Total	**90 782**	**96 546**	**4 399 897**	**105 014**	**100 347**	**4 578 708**

Source: MINEDUB

In preschool, the pupil/classroom ratio dropped from 28 in 2018/2019 to 26 in 2019/2020. The pupil/teacher ratio stabilized at 20 pupils/teacher. At the primary level, the pupil/classroom ratio improved from 48 to 44, and the pupil/teacher ratio remained stable at 46.

Table 73: Pupil/Teacher and Pupil/Classroom Ratios in Nursery and Primary Education

Education		2018/2019		2019/2020	
		Pupil/Teacher	Pupil/Classroom	Pupil/Teacher	Pupil/Classroom
Preschool	Public	17	34	17	29
	Private	20	25	21	24
	Community	31	43	28	41
	Total	20	28	20	26
Primary	Public	59	64	59	56
	Private	25	26	26	25
	Community	78	75	73	67
	Total	46	48	46	44

Source: MINEDUB

At the end of the 2020/2021 school year, the pass rate for the Certificat d'Etudes Primaires (CEP) improved by 2.8 points to 79.4%. In contrast, the pass rate for the First School Leaving Certificate dropped by 2.1 points, from 92.5% to 90.4%.

6.1.2. Secondary education

In 2020, the budget allocated to the Ministry of Secondary Education amounted to 399.4 billion, recording a 3% increase of compared to 2019. Government's secondary education policy remained focused on: (i) developing school infrastructure and equipment; (ii) improving the quality of education and life in schools; and (iii) intensifying professionalization and optimizing training. In 2021, the budget allocation for the Ministry of Secondary Education stood at 386.9 excluding the Covid-19 SAA.

In the 2019/2020 school year and compared to 2018/2019, the number of secondary schools increased from 4 127 to 4 195, up by 1.6%. This trend is mainly due to the creation of 68 new schools in the private sector.

For the 2021/2022 school year, the government has upgraded the CETICs (Technical Secondary Schools) of Ndelele, Guidiguis, Ngong and Ogomoko to technical high schools. It also created 4 CETICs (Bayagnano, Sekoule, Bamekombo, Biyoka) and a bilingual industrial and commercial technical high school in Nlong-nkak. These schools will be effectively opened by a decision of the minister in charge of secondary education, depending on available financial resources. In addition, 108 private schools or training institutions have been closed for violation of the legal formalities for the creation or opening of schools.

Table 74 : Trends in the Number of Schools in Secondary Education

Category	Type	2018/2019	2019/2020
Public	General secondary education	1 928	1 928
	Technical and vocational secondary education	760	761
	Comprehensive	1	1
	ENIEG (Government Grade II Teacher Training College)	63	62
	ENIET (Technical Education Grade II Teacher Training School)	11	11
	Total Government	**2 763**	**2 763**
Private	General secondary education	827	869
	Technical and vocational secondary education	58	59
	Comprehensive	376	401
	ENIEG (Government Grade II Teacher Training College)	90	92
	ENIET (Technical Education Grade II Teacher Training School)	11	11
	Total private	**1 364**	**1 432**
Total		**4 127**	**4 195**

Source: MINESEC

6.1.2.1. Development of school infrastructure and facilities

In 2020, activities aimed at increasing school infrastructure included: (i) the construction of 147 classrooms; (ii) the continued construction of 2 double-storey teaching blocks of 12 classrooms each and 6 single-storey teaching blocks of 8 classrooms each; (iii) the continued construction of four workshops for practical work in technical and vocational secondary schools; (iv) the completion of the construction of a block of two classrooms at the Mbalmayo Government High School and two dormitories in Bamenda and Limbe to accommodate the internally displaced students who are victims of the security crisis; and (v) the equipping of 50 classrooms with 3 180 school desks, two science laboratories and 88 workshops with small equipment kits.

6.1.2.2. Improvement of education quality and school life

In 2020, the improvement of education quality and life in schools continued, in particular through: (i) the production and implementation of a technical education training guide and the production of 23 teaching guides; (ii) the production and implementation of 44 curricula for the senior classes of general secondary education; (iii) capacity building for 1 345 pedagogical inspectors and 6 523 teachers on the competency-based teaching method (CBA); (iv) the equipping of 30 schools with video surveillance systems; (v) the construction of 53 blocks of 6 latrines and 5 boreholes; (vi) the continued construction of 3 fences; and (vii) the award of 1 012 academic prizes to deserving teachers.

6.1.2.3. Intensification of professionalization and optimization of training

In 2020, actions to intensify professionalization and optimize training continued, in particular through: (i) the placement of 40 000 technical secondary school students on internships in companies as part of work-study training; (ii) the equipping of two chemical engineering workshops (Meiganga and Limbe technical high schools) and the biomedical maintenance workshop at the Kumbo Technical High School; (iii) the setting up of micro-enterprise incubators at the Nkolbisson and Bamenda technical high schools as well as at the Yabassi Agricultural High School; (iv) the rehabilitation and equipping of three multimedia resource centres at the Dimako, Yagoua and Bokwango-Buea high schools; and (v) the continued implementation of the special bilingual education programme.

6.1.2.4. Review of the 2019/2020 school year and results of the 2020/2021 school year

During the 2019/2020 school year, general secondary education enrolled 1 517 729 students, for 79 729 teachers, in 44 721 classrooms. Technical and vocational education recorded 351 253 students, for 38 785 teachers, in 12 216 classrooms. In teacher training, the number of student-teachers stood at 13 977 in 1 059 classrooms, for 3 793 teachers.

In general secondary education, despite the difference between urban and rural areas, the student/classroom ratio improved from 37.1 to 33.9 and the student/teacher ratio remained stable at 19. In technical secondary education, these ratios fell from 30.4 to 28.7 and from 9.9 to 9 respectively.

Table 75: Number of Secondary Education Students, Teachers and Classrooms

Education		Type of Education	2018/2019			2019/2020		
			Classrooms	Teachers	Students	Classrooms	Teachers	Students
General Secondary		Public	23 516	41 661	1 040 723	25 557	46 094	1 075 093
		Private	15 861	34 016	418 959	19 164	33 635	442 636
		Total	39 377	75 677	1 459 682	44 721	79 729	1 517 729
Technical and Vocational		Public	8 022	23 593	257 389	9 330	29 878	279 852
		Private	2 472	8 746	61 314	2 886	8 907	71 401
		Total	10 494	32 339	318 703	12 216	38 785	351 253
Teacher Training	GTTC	Public	510	1 969	10 021	456	1 943	9 386
		Private	294	1 025	2 469	376	998	2 278
		Total	804	2 994	12 490	832	2 941	11 664
	GTTTC	Public	159	741	4 602	156	701	173
		Private	72	233	276	71	151	140
		Total	231	974	4 878	227	852	2 313

Source: MINESEC

During the 2020/2021 school year, general secondary education had an estimated enrolment of 1 542 611 students, of which 1 075 093 in public schools and 442 636 in private schools. Technical and vocational education registered 351 253 students, of which 279 852 in public schools and 71 401 in private schools. In teacher training, GTTCs registered 11 664 student teachers (9 386 public and 2 278 private), while GTTTCs recorded 2 313 student teachers (2 173 public and 140 private).

Regarding 2021 examinations, the success rates for those managed by the Department of Examinations, Competitive Examinations and Certification (DECC) improved as compared to last year. The success rate at the BEPC ordinary examination rose by 13.2 points to stand at 74.4% and that for the CAP commercial examination improved from 46.7% to 59.6%.

Regarding GCE Board examinations, success rates at the GCE-General Ordinary Level and the GCE-General Advanced Level dropped by 10.5 points and 2.1 points to stand at 59.1% and 61.9% respectively in 2021. Conversely, the success rate at the Technical and Vocational Education (TVE) Intermediate Level rose from 54.5% to 58.8% and the success rate at the TVE Advanced Level increased from 69.1% to 71.6%.

Success rates rose the *Office du Baccalauréat* 2021 examinations, except for the *Brevet de Technicien industriel* and the *Brevet professionnel industriel* which dropped by 4 points and 7 points respectively. In general secondary education, the success rate at the *baccalauréat* stood at 73.6% compared to 39.6% the previous year, while the success rate at the *probatoire* rose by 18.1 points to reach 49.9%. Concerning *Sciences et technologie du tertiaire* (STT), the success rate at the *probatoire de brevet de Technicien STT* increased by 35.7 points to 73.7%. The success rates at the *probatoire-STTcommercial* and the *brevet de Technicien STT* improved by 19.9 points and 28.8 points respectively, to stand at 59.2% and 73.7% respectively.

Table 76: Success Rates at Official Secondary School Examinations (in %)

Examination	2020	2021	Variations
BEPC Ordinaire	61.2	74.4	13.2
BEPC Bilingue	83.4	90.4	7.0
CAP STT (*Commerciaux*)	46.7	59.6	12.9
CAP *Industriel*	72.6	79.2	6.6
CAPIEMP	91.5	92.6	1.1
CAPIET	97.5	99.3	1.8
GCE-General Ordinary Level	69.6	59.1	-10.5
GCE-General Advanced Level	64.04	61.9	-2.1
GCE-Technical Ordinary Level	54.5	58.8	4.3
GCE-Technical Advanced Level	69.1	71.6	2.5
BAC-ESG	39.6	73.6	34.0
BAC-EST industriel	68.7	76.6	7.9
Brevet de Technicien Industriel	57.5	53.4	-4.1
Brevet Professionnel Industriel	83.6	76.4	-7.2
BAC-STT commercial	56.1	66.9	10.8
Brevet de Technicien STT	47.1	75.9	28.8
Brevet Professionnel commerciaux	28.6	46.7	18.1
PROB-ESG	31.9	49.9	18.0
PROB-EST industriel	32.4	35.6	3.2
PROB de Brevet de Technicien Industriel	47.5	72.5	25.0
PROB-STT Commercial	39.3	59.2	19.9
PROB de Brevet de Technicien STT	38	73.7	35.7

Source: MINESEC

6.1.3. Higher education

In 2020, higher education was allocated 63.1 billion, of which 6 billion for the fight against COVID-19. This budget was up by 1.7% compared to 2019. It represented 9.1% of the budget allocated to the education sector. A budget of 52.5 billion was allocated to State universities, including 32.2 billion for recurrent expenditures and 20.3 billion for improving infrastructure and technical facilities. Self-generated resources by State universities represented 41.7% of their budget, or 37.5 billion. In 2021, the budget allocated increased by 0.4 billion to stand at 57.5 billion.

As part of the fight against the spread of COVID-19, each of the eight State universities was allocated the sum of 303.9 million and the Cameroon-Congo Inter-State University 68.5 million.

The actions carried out to ensure improved provision of higher education focused, inter alia, on developing the technological and vocational component, and modernizing conventional faculties.

6.1.3.1. Development of technological and vocational education

In 2020, State universities produced 48 539 graduates and IPES 23 258 graduates. Overall, the number of graduates from higher education stood at 71 797 compared to 55 939 graduates in 2019, showing a 28.3% increase. The number of scholarships and internships awarded stood at 2 421 compared to 2 179 the previous year, for a total cost of 574.8 million. Actions to improve infrastructure mainly focused on: (i) the acquisition of computer and laboratory equipment for the Yaoundé Higher Teachers Training College and the Kumba Higher Technical Teachers Training College; (ii) the development of access roads around the halls of residence of the Kumba Higher Technical Teachers Training College; (iii) the construction of a teaching block at ENSET Ebolowa, as well as a teaching block, a 500-seat amphitheatre and related offices at the Maroua School of Science and Veterinary Medicine; and (iv) the recruitment of 535 lecturers in State universities for the 2020/2021 academic year as part of the project for the recruitment of 2 000 lecturers.

6.1.3.2. Modernization and professionalization of faculties

The modernization and professionalization of faculties aim to increase the percentage of students enrolled in vocational fields. Actions in this respect continued, in particular through: (i) the completion of construction of a 500-seat amphitheatre at the Faculty of Arts, Letters and Human Sciences of the University of Ngaoundere; (ii) the preparation of a procedures manual for private higher education accreditation and of a record of higher education graduates at the national and international levels; and (iii) the assessment and approval of research and innovation structures.

6.1.3.3. Review of the 2019/202020 academic year

During the 2019/2020 academic year, public higher education comprised 8 State universities, as well as 74 institutions and higher institutions of learning. Institutions and higher institutions of learning comprised 33 traditional faculties and 41 technological and vocational training institutions. Moreover, higher education comprised 258 private higher education institutes (IPES).

Enrolment in higher education increased from 350 498 students in 2019 to 382 498 in 2020, recording a 9.1% increase. State universities accommodated 81.6% of these students, IPES 16.9% and special status institutions 1%. Three State Universities accounted for 53.8% of students (Yaoundé I (19.6%), Yaoundé II (18.2%) and Douala (16%)). The number of lecturers increased by 3.4% to stand at 6 189. The staff ratio was 50 students to one teacher.

Table 77 : Distribution of Students and Lecturers in Higher Education

University/ Institute	2017/2018		2018/2019		2019/2020*		Ratios (a/b)
	Students	Lecturers	Students	Lecturers	Students (a)	Lecturers (b)	
Total State University	269 508	5 249	287 609	5 988	312 498	6 189	50
University of Bamenda	16 294	659	16 365	779	17 781	808	22
University of Buea	17 895	584	16 891	652	18 353	694	26
University of Douala	49 543	758	45 965	1 109	49 943	1 138	44
University of Dschang	29 817	670	37 727	576	40 992	614	67
University of Maroua	23 741	508	32 419	607	35 224	608	58
University of Ngaoundere	24 101	640	29 585	722	32 145	646	50
University of Yaoundé I	58 617	953	56 340	953	61 212	1 044	59
University of Yaoundé II	49 500	477	52 317	590	56 844	637	89
Special Status Institutions	2 966	n/a	3 614	n/a	4 337	n/a	na
IPES enrolment	51 191	n/a	59275	n/a	65 836	n/a	na
Grand total	323 665	5 249	350 498	5 988	382 498	6 189	nc

*Source: MINESUP na = not available, nc = not calculable * estimates*

6.1.3.4. Prospects

To improve higher education quality and provision, the Government plans to: (i) set up content distribution platforms (courses, tutorials, etc.) for students and lecturers; (ii) fast-track the implementation of E-National Higher Education in State universities; (iii) create entirely virtual universities; and (iv) build human resource ICT capacity in universities.

6.2. Health

In 2020, the budget allocated to the Ministry of Public Health amounted to 234.4 billion, of which 45.6 billion from COVID-19 SAA resources. It should be noted that the amount of resources effectively allocated to health expenditure was much higher, given that several ministries (education, women's empowerment and the family, defence, social affairs, youth, etc.) devoted part of their resources to health spending. In 2021, the health budget was 197.1 billion, excluding COVID-19 SAA, whose total allocation of 200 billion will to cover significant additional health expenditure, such as the acquisition of vaccines, tests and support logistics.

Government's actions for the health of the population remained focused on: (i) maternal, child and adolescent health, (ii) epidemiological surveillance, disease control and health promotion.

6.2.1. Maternal and child health and immunization coverage

Government's maternal and child health and immunization coverage objectives mainly focused on reducing maternal, infant and child mortality. In that connection, Government continued to implement actions aimed at improving the health of mothers and new-borns, as well as immunization coverage.

6.2.1.1. Maternal and child health

In 2020, the number of live births registered in health facilities was 943 797, against 939 057 in 2019, recording an increase of 0.5%. To improve health data collection, a modular information feedback system called "District Health Information Software 2" (DHIS2) is being implemented since 2017 in the various official health facilities. Ultimately, it will help to collect, process and disseminate health information from the local level to the central level. The number of midwives and birth attendants assigned to health facilities stood at 818 in 2020. The number of midwives and birth attendants permanently assigned to difficult-to-access areas was 87.

Malnutrition and stunting were controlled through: (i) free distribution of micronutrient powders to 467 455 children aged 6 to 23 months in the North and East regions; (ii) vitamin A supplementation for 345 954 under-5 children; (iii) care for 85 531 children suffering from acute and chronic malnutrition in dedicated treatment centres. In addition, 50 000 families were sensitized on feeding babies and under-five children during home visits.

A nation-wide free deworming campaign for school-age children and adults was carried out in 2020 to prevent diseases caused by intestinal worms. It enabled the deworming of 4 500 463 school-age children (5 to 14 years old) and 166 514 adults. Regarding screening for sickle cell anaemia, tests were carried out on 3 702 new-borns, of which 39.4% were found to be carriers of the S antigen (including 23% with haemoglobin AS and 16.4% with haemoglobin SS).

Concerning the construction and equipping of health structures, actions focused, among other things, on: (i) the completion of the construction of the Mbangassina mother-child centre in the Centre Region; (ii) the construction of two inpatient wards at the Kodek district medical centre, an inpatient block in the integrated health centres of Balaza Alcali and Dougoi in the Far-North region; (iii) the provision of medical equipment to the mother-child ward of the subdivisional medical centres (CMA) of Mutengene in the South-West and Touloum in the Far-North; (iv) the rehabilitation of the mother-child ward of the integrated health centre of Mvieng in the South Region.

6.2.1.2. Mother and child immunization coverage

Immunization of the population was carried out mainly as part of the *Expanded Programme on Immunization* (EPI). In 2020, out of a total of 5 707 health facilities listed, 3 859 provided *immunization* services under EPI, of which 42% in the public sector, 17% in the secular private sector and 9% in the denominational private sector. The coverage rates of the main tracer antigens increased compared to 2019 from: (i) 78.2% to 80.7% for the penta3; (ii) 71% to 74.1% for RR1; (iii) 77% to 80.9% for VPI; (iv) 78% to 80.1% for the Rota2; (v) 70.7% to 73.1% for AAV; and (vi) 83% to 83.7% for BCG. These trends are mostly attributable to: (i) the measures taken by the Government to ensure the supply of vaccines to health facilities, despite disruptions in the supply chain owing to the COVID-19 pandemic; (ii) the resumption and strengthening of routine immunization in crisis-affected regions; (iii) continued vaccination activities in the context of COVID-19, particularly in the major cities; and (iv) continuous improvement of the cold chain.

In 2020, the Government introduced two new vaccines into EPI: the second dose of measles and rubella vaccine (RR2) and the Human Papilloma Virus (HPV) vaccine, for the prevention of cervical cancer and condyloma in girls aged 9 to 13 years who have not yet had sexual intercourse The results obtained following the immunization campaigns show coverage rates of 28% for RR2 and 14.6% for HPV.

In the first half of 2021 and year-on-year, cumulative vaccine coverage for Penta3 fell to 69.2%, as against 81.2% and that for RR1 fell to 45.8% against 64.9%. Conversely, national BCG coverage increased by 62% as against 40% and that of RR2 increased from 17.8% to 31.1%.

Table 78 : Immunization Coverage Trends (in %)

Antigens	2017	2018	2019	2020
BCG	91	88	83	83.7
RR1	77	71	71	74.1
VAT+2	72			
AAV	78	74	70.7	73.1
Penta3	86	79	78.2	80.7
IPV	76	78	77	80.9
Rota2	83	78	78	80.1
RR2				28
HPV				14.6

Source: MINSANTE, NB: RR = Anti-measles; VAT = Tetanus vaccine for pregnant women; AAV = Anti-Amaril (yellow fever) vaccine; Penta3 = combination of several antigens (Hepatitis B-Hib-DTP3); IPV = polio, Rota2 = anti Rotavirus.

6.2.2. Epidemiological surveillance, disease control and health promotion

6.2.2.1. Epidemiological surveillance

In 2020, epidemiological surveillance helped to detect: (i) 604 cases of Acute Flaccid Paralysis (AFP); (ii) 1 460 cases of measles; (iii) 1 141 cases of yellow fever; (iv) 13 cases of neonatal maternal tetanus; and (v) 16 cases of vaccine-derived poliovirus. The non-polio AFP immunization rate stood at 5.2%, as against 5.4% in 2019. That of non-measles febrile rash was 2.2%, down from 3.5%. The yellow fever vaccination stood at 4.5% down from 5.7%. To curb the spread of these diseases, local measles response plans were implemented in health districts and areas in the Adamawa, Far-North and North regions. The Touboro and Mokolo health districts organized a local neonatal maternal tetanus response plan.

Within the framework of stepping up the integrated surveillance of neglected tropical diseases (leprosy, Buruli ulcer, yaws and leishmaniasis, etc.), 28 trainers/supervisors, 176 health personnel and 830 community health workers were trained on rapid screening and management methods.

In the first half of 2021, epidemiological surveillance helped to identify: (i) 343 cases of acute flaccid paralysis; (ii) 705 cases of measles; (iii) 580 cases of yellow fever; (iv) 9 cases of neonatal maternal tetanus; and (v) 1 case of vaccine-derived poliovirus. Also, measles outbreaks were recorded in several regions and response campaigns carried out.

6.2.2.2. COVID-19

As at 31st December 2020, Cameroon had recorded 26 848 confirmed COVID-19 cases. Out of this number, 25 468 people were treated while 448 deaths were recorded, for a 1.7% case fatality rate. The Government implemented the 3T strategy (test, trace and treat) which consisted in tracing contact persons, testing suspected cases and treating positive cases. This policy was implemented using a decentralized treatment approach, with the setting up of treatment centres in the various regions. A special appropriation account (COVID-19 SAA), with a budget of 180 billion, was put in place to manage the pandemic.

Individuals, companies, private organizations and public structures made donations in cash and in kind to support Government's COVID-19 response. For fiscal year 2020, cash donations amounted to 3.3 billion. Donations in kind included: (i) 208 oxygen concentrators and extractors; (ii) 15 multiparametric monitors; (iii) 10 surgical aspirators; (iv) 10 electrocardiograms; (v) 142 respirators, (vi) 6 996 thermoflashes;
(vii) 374 855 surgical masks; (viii) 10 000 protective masks; (ix) 44 425 screening kits and 200 protection kits; and (x) boxes of hygiene products, including soap, alcohol-based gels, bleach, etc.

Regarding the prevention of the spread of the pandemic and the treatment of patients, the Head of State authorized the manufacturing of hydroxychloroquine, azithromycin, protective masks and alcohol-based gels, under the supervision of the Ministry of Scientific Research and Innovation. In addition, beefing up the health system involved: (i) the establishment of specialized patient treatment centres, in particular at the Yaoundé Military Stadium, the former ORCA company building, the Limbe Middle Farm Stadium, the Buea Municipal Stadium, the Mbappé Leppé Stadium in Douala and the Bafoussam low-cost housing estate; (ii) the establishment of isolation centres in all regions; (iii) the rehabilitation of wards in some public hospitals, as well as the setting up of confinement centres in low-cost housing estates (Olembé and Ebolowa) and in the Mandjou refugee camp in Bertoua.

As at 25th August 2021, the total number of confirmed COVID-19 cases managed in health facilities was 84 210, of which 81 526 people were treated and 1 357 died, showing a case fatality rate of 1.6%. The Government started the first COVID-19 vaccination campaign with Sinopharm vaccine on 12 April, then the "AstraZeneca" and "Johnson & Johnson" vaccines on 19 April and 21 July respectively. Moreover, it received 1 052 650 vaccine doses, including 200 000 "Sinopharm" vaccine doses donated by China,
303 050 "Johnson & Johnson" vaccine doses donated by the United States, 391 200 "AstraZeneka" vaccine doses under the COVAX Facility and 158 400 doses of "Johnson & Johnson" vaccine under the African Vaccine Acquisition Trust initiative. In addition, the Government ordered 5.3 million doses of vaccines for an overall cost of 4.3 billion, including 3.2 billion on domestic resources.

The number of single-dose "Johnson & Johnson" vaccines administered was 14 796. The number of double-dose "AstraZeneca" and "Sinopharm" vaccines administered stood at 297 685 and 112 715 respectively. As at 31 August 2021, the number of fully vaccinated people was 93 043, of which 14 796 with "Johnson & Johnson", 38 223 with "AstraZeneca" and 40 024 with "Sinopharm".

6.2.2.3. AIDS

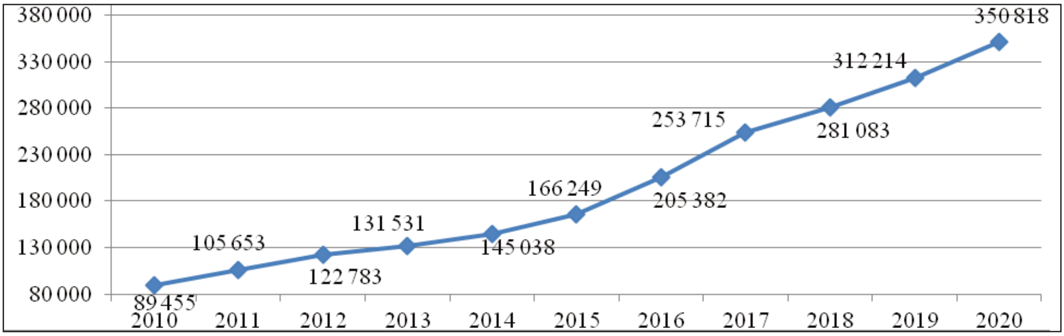
In 2020, and according to UNAIDS estimates, the number of people living with HIV/AIDS in Cameroon dropped from 506 432 to 496 506 people, recording a 2% decrease. There were 34 554 children under 15 years of age (7.0% seropositive) and 329 334 women (66.3% seropositive). The number of new infections in children increased by 26.2%, from 31 481 in 2019 to 34 554 in 2020. MINSANTE estimates show an HIV/AIDS prevalence rate of 2.27%, down from 2.46% in 2019.

The implementation of the HIV/AIDS control policy based on prevention and patient care was continued. Since 2020, the Government has been gradually implementing, in all health facilities, the policy of abolishing direct HIV service costs, in particular disease-related care and treatment.

Concerning prevention, 2 984 346 people were screened for HIV/AIDS, of which 99 275 were found positive. In addition, to contain contamination, 41 057 011 male condoms, 2 918 908 female condoms and 912 714 lubricating gels were distributed. Out of 785 253 pregnant women received for their first prenatal consultation, 703 587 were screened for HIVAIDS, among whom 20 852 were found seropositive, representing a seropositivity rate of 2.9%. Out of this number, 16 731 were placed on antiretroviral treatment. Of the 33 766 pregnant women's partners screened during prenatal consultations, 946 were found positive. Among the 14 137 children born of HIV-positive mothers, 12 041 received preventive treatment with nevirapine within 72 hours following delivery in order to prevent mother-to-child transmission.

Regarding diagnosis and management, out of the 350 818 HIV-positive cases on the active list, 203 905 patients performed viral load testing, among whom 172 212 achieved 84.4% viral suppression.

Graph 18: Trends in the Active List of People Receiving ARV Therapy



Source: MINSANTE

In the first half of 2021, 1 580 457 people were screened for HIV/AIDS in health facilities against 1 208 856 during the same period in 2020, which represents an increase of 30.7%. Out of that number, 41 864 people were found positive, showing a seropositivity rate of 2.7%. The highest seropositivity rates were recorded in the South (5.9%), East (3.35%), Adamawa (3.32%) and Centre (3.30%) regions. Out of 211 612 adolescents aged 10 to 19 years who were screened, 2 973 were found positive, recording a seropositivity rate of 1.4%. Among young people aged 20 to 24 years, out of 318 076 persons screened, 4 433 were found positive, showing a seropositivity rate of 1.4%. Out of 406 700 pregnant women screened, 10 261 were found positive, representing a seropositivity rate of 2.5%.

6.2.2.4. Malaria

In 2020, there were 2 646 139 malaria cases compared to 2 628 191 in 2019. There were 1 346 413 cases of uncomplicated malaria and 1 299 726 cases of severe malaria. Also, 845 446 under-five children suffered from malaria, including 435 852 for the uncomplicated form and 409 594 for the severe form. The hospitalization rate per 1 000 inhabitants was 101.2 and the morbidity rate in health facilities was 29.1%. Uncomplicated and severe malaria prevalence is highest in the Far-North, Centre, Littoral and North regions with respectively 21.6%, 21.5%, 11.7% and 9.9% of cases of uncomplicated malaria and 19.8%, 17.5%, 12.5% and 13.4% of cases of severe malaria cases.

Malaria is being controlled within the framework of the National Malaria Control Programme (NMCP). In that connection, 5 000 multipurpose community health workers were trained and took part in surveillance, home care and referral of cases to health facilities.

Regarding disease prevention, out of 688 852 pregnant women who went for prenatal consultation, 275 478 received the three doses of intermittent preventive treatment with sulfadoxine pyrimethamine for free and 275 577 women were given treated mosquito nets. Following the campaign for mass distribution of treated mosquito nets in health districts in the Littoral and North-West regions, 1 980 471 nets were distributed out of the 2 143 393 acquired. To prevent seasonal malaria in the North and Far-North regions, at least one free dose of sulfadoxine pyrimethamine amodiaquine was administered to 47 823 children aged 3 to 59 months out of a target of 1 724 859 children.

Regarding malaria diagnosis and treatment in public health facilities, 3 857 883 parasitology tests were performed, including 2 552 911 rapid diagnostic tests and 1 304 972 thick smears, with positivity rates of 66.2% and 73.3% respectively. A seasonal malaria chemo-prophylaxis campaign was carried out in the northern regions, with a coverage rate of 98%. In addition, 376 280 under-five children suffering from uncomplicated malaria and 429 183 from severe malaria were treated. Among the population aged above 5 years, 910 561 cases of uncomplicated malaria and 890 132 cases of severe malaria were treated.

Health facilities were provided with 6 850 000 of 60 mg injectable artesunate doses, 21 219 boxes of 25 artesunate-amodiaquine treatment and 2 508 807 sulfadoxine-pyrimethamine tablets. For the preventive treatment of seasonal malaria, 7 835 220 platelets of sulfadoxine-pyrimethamine + amodiaquine were acquired, that is, 1 422 050 for children aged 3 to 11 months and 6 413 170 for those aged 12 to 59 months.

During the first half of 2021, 331 270 treated mosquito nets were distributed to pregnant women and under-five children out of the targeted 785 588, recording an execution rate of 42.1%. As concerns disease prevention, out of 368 192 pregnant women received for prenatal consultation, 174 896 were administered at least 3 doses of intermittent preventive treatment with sulfadoxine-pyrimethamine, showing a rate of 47.5%. Furthermore, 325 419 treated mosquito nets were distributed.

6.2.2.5. Tuberculosis

In 2020, 22 511 cases of the various forms of tuberculosis were recorded in health facilities, as against 24 740 in 2019, showing a 9% drop due, among other things, to reduced health facility visits by patients with symptoms similar to those of COVID-19 for fear of being hospitalized as COVID-19 patients. Among registered tuberculosis cases, 22 335 were drug-susceptible and 176 multidrug-resistant (MDR-TB). People aged below 15 years accounted for 5.2% of tuberculosis cases. Out of the 176 cases of MDR-TB, 87.5% were treated. Out of the 20 239 tuberculosis patients who accepted to be screened for HIV, 5 002 were found to be co-infected, while 4 925 were placed on ARV treatment.

Regarding tuberculosis control, 261 diagnosis confirmation and treatment centres are operational throughout the country, of which 11 are dedicated to the treatment of multidrug-resistant tuberculosis. The disease is diagnosed using microscopy and molecular detection, TB Lamp and GeneXpert in tuberculosis treatment centres. However, microscopy is the most recurrent technique used in health facilities.

During the first half of 2021, the number of cases of all the forms of tuberculosis treated in health facilities dropped by 2%, year-on-year, to stand at 11 219, of which 129 cases were recorded among the prison population. Out of this number, 69 cases were multidrug-resistant and 2 175 cases of co-infection with HIV/AIDS. There were 9 762 successfully treated cases, showing a successful treatment rate of 87%. Within the framework of keeping tuberculosis statistics, the national territory has been divided into 12 regions: the Yaoundé region, the Douala region, as well as the 10 administrative regions with the exception of Yaoundé in the Centre and Douala in the Littoral. According to this division, and with the exception of the Littoral region which recorded a 37% success rate, all the other regions registered success rates above 85%, notably Douala (88%) and Yaoundé (86 %). The West (11%), Centre (8%) and South West (8%) regions recorded the highest death rates. This is partly due to the significant number of deaths among co-infected patients (TB HIV) in these regions.

6.2.2.6. Cancer

In 2020, the number new cancer cases stood at 20 745. The cancer epidemiologic analysis in Cameroon revealed 8 510 new cases among men. The most common forms were prostate cancer (2 189 cases), kaposi sarcoma (866 cases), non-Hodgkin lymphoma (827 cases), liver cancer (775 cases) and colorectal cancer (474 cases). There were 12 235 new cases of cancer among women, with the most common forms being breast cancer (4 170 cases), cervical cancer (2 770 cases), non-Hodgkin lymphoma (811 cases), ovarian cancer (443 cases) and colorectal cancer (441 cases). The average age of onset was 45 years for men and 49 years for women. The risk of developing cancer before the age of 75 years is 12% among men and 13.1% among women. The number of registered deaths stood at 13 199 as against 10 533 in 2019.

Regarding cancer management human resources, Cameroon has a staff strength of 179, of whom are 44 oncologists.

Table 79: Cancer Control Human Resources Available in 2020

Numbers	Type of Staff	Approximate Number
1	Palliative care nurses	50
2	Anatomo-cytopathologists	21
3	Radiologists	20
4	Social workers	21
5	Gynaecologists with expertise in Oncology	10
6	Biologists	10
7	Hemato-oncologists	6
8	Medical oncologists	9
9	Radiology oncologists	5
10	Oncological surgeons	5
11	Palliative care physicians	5
12	Clinical psychologists with expertise in oncology	7
13	Paediatric oncologists	3
14	ENT/CCF with expertise in oncology	4
15	Cytotechnicians	2
16	Oncology nurses	1
Total		**179**

Source: MINSANTE

To prevent cancers, the Government in January 2020 introduced the Human Papilloma Virus (HPV) vaccine for girls aged 9 to 13 years, for the prevention of cervical cancer and condylomas. It costs 35 000 francs a dose. Moreover, cancer is also prevented through vaccination of young people against hepatitis B.

Cancer is diagnosed by: (i) anatomical pathology services, whose laboratories are found in 3 public health facilities in Douala, Yaoundé and Buea, as well as in 3 private facilities in Bamenda, Bingo and Bafoussam; (ii) medical imaging services at the Yaoundé General Hospital and the Yaoundé Central Hospital, the Douala General Hospital and in 3 regional hospitals (Ebolowa, Garoua and Bafoussam); (iii) biological and biomolecular analysis laboratories found in all categories I to IV health facilities; and (iv) nuclear medicine services that are being established in Cameroon, but which are solicited abroad to carry out diagnoses.

Regarding patient care, three types of treatment were provided: (i) surgery, which is handicapped by the poor technical equipment in most health facilities; (ii) radiotherapy, prescribed to 50% of patients, with an average cost of 2.8 million for definitive cure; and (iii) systemic treatments involving chemotherapy and targeted therapies. The National Strategic Plan for Cancer Prevention and Control (PSNPLCa) was adopted on 30th June 2020, with the aim to reduce cancer morbidity and mortality to 10% by 2024.

In the first half of 2021, within the framework of cancer control, a national chemotherapy guide was prepared and a new pricing principle adopted. They provide for a 30% reduction for drugs that cost less than 5 000 francs and 50% for those that cost more than 5 000 francs. At the end of March 2021, the Douala General Hospital and the International Atomic Energy Agency provided 135 million and 295 million respectively for the purchase of a new radiotherapy simulator.

6.2.2.7. Leprosy, yaws and buruli ulcer

Leprosy, yaws and buruli ulcer are some of the 13 "neglected tropical diseases" in Cameroon. Leprosy and yaws occur in all the regions, while buruli ulcer occurs in the Adamawa, Centre, East, South and South-West regions.

In 2020, there were 264 cases of leprosy, including 155 new cases, of which 50.3% were among women and 6.5% among children. There were 16 new cases with 2nd degree disabilities, including a child less than 15 years old.

There were 1 015 cases of yaws, including 373 newly reported cases that were treated free of charge. Under the KFW-funded OCEAC Project, 1 400 400 Azithromycin 500 mg tablets were provided to 9 health districts. The project helped to reach 504 558 people out of the targeted 548 913, showing a 91.9% treatment coverage rate.

There were 118 of buruli ulcer cases treated in the Akonolinga, Ayos, Zoétélé and Ketté health districts. These districts reported 63 new cases.

6.2.2.8. Onchocerciasis and lymphatic filariasis

In 2020, the at-risk population was 10 279 333 for onchocerciasis and 24 290 for lymphatic filariasis. Treatment was provided for 4 622 916 people suffering from onchocerciasis and 6 863 from lymphatic filariasis. Onchocerciasis was endemic in 177 health districts and lymphatic filarias in 137 health districts.

Within the framework of onchocerciasis and lymphatic filariasis control, the community-directed treatment with ivermectin strategy was adopted. It entails mass and free distribution of ivermectin and albendazole with the help of community leaders. The COVID-19 pandemic caused a delay in the supply of drugs in 5 regions. In addition, 1 240 health personnel as well as 24 577 community distributors were trained and retrained in the management of these diseases.

6.3. Employment, vocational training and social security

In 2020, Government continued to implement its employment and social security policy, in particular through the promotion of employment, the development of vocational training and the promotion of occupational protection and social security.

6.3.1. Employment

6.3.1.1. Employment situation

According to statistics from the National Employment and Vocational Training Observatory (ONEFOP), the number of jobs created in 2020 was estimated at 330 903, compared to 511 857 in 2019, showing a 40.6% drop. This decline is attributable to the completion of some major projects, the freezing of recruitments in private companies owing to COVID-19 and the delay in the activities of the NEF. Jobs were created by both the private and public sectors.

Regarding the private sector, jobs were mainly created by PIB projects and programmes (56.6%) and companies (22.9%). Young people within the 25-35 age bracket occupied 75.4% of the jobs created. They were mainly recruited to perform tasks in major projects. Job creation concerned 66% men and 34% women. The number of jobs created by companies stood at 75 654, of which 60.5% were in the primary sector, 28.6% in the tertiary sector and 10.9% in the secondary sector. By enterprise size, 56 132 jobs were created in large enterprises, 12 793 in medium-sized enterprises, 5 068 in small enterprises and 1 661 in very small enterprises.

There were 102 039 job losses in 2020, including 100 621 in companies, 384 in ministerial integration projects and programmes, 158 in regional and local authorities (RLAs), 744 in cooperatives and 132 in

NGOs. There were 48 966 cases of layoff and technical unemployment in companies, including 54.3% in very small- and medium-sized enterprises, due to the significant profitability losses induced by the COVID-19 pandemic.

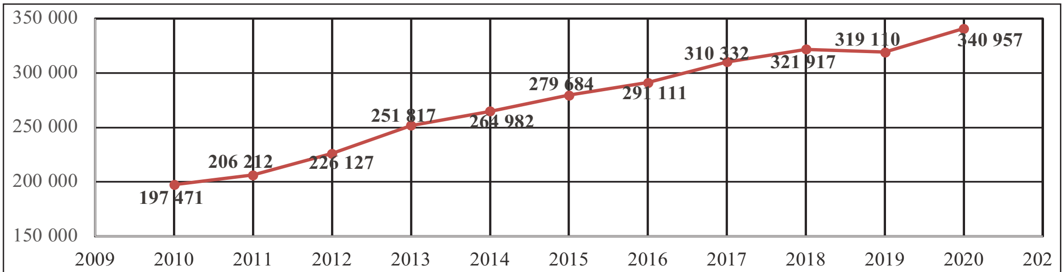
Table 80: Breakdown of Jobs Created in 2020

Item	Public Service	Integration Programmes and Projects	Public Employment Service	PIB Projects	Regional and Local Authorities	Cooperative societies	NGO	Companies	TOTAL
Workforce	10 526	15 353	16 714	187 393	11 244	11 574	2 445	75 654	**330 903**
%	3.2%	4.6%	5.1%	56.6%	3.4%	3.5%	0.7%	22.9%	**100%**

Source: MINEFOP/ONEFOP

The number of jobs created in the public service stood at 10 526. The number of State employees under government payroll was 340 957 in 2020 as against 319 110 in 2019, recording an increase of 21 847, and corresponding to the difference between new recruitments and retirements.

Graph 19: Trends in Government Workers from 2010 to 2020



Source: MINFI

In the first half of 2021, the wage bill stood at 448.1 billion compared to 488.6 billion in the first half of 2020.

6.3.1.2 Employment promotion

In 2020, Government's decent employment promotion actions continued within the framework of professional integration, workforce regulation and self-employment.

Professional integration involved, among other things: (i) the integration of 11 603 job seekers through 60 temporary work agencies and approved private placement agencies; (ii) the creation of 1 700 jobs in labour-intensive construction sites; (iii) facilitating the recruitment of 2 500 people in companies; and (iv) pre-employment internship for 140 young people with the support of the *Graduate Employment Programme* (PED). In addition, the NEF continued its promotion activities, which slowed down compared to the previous year. It received and guided 53 417 job seekers with various skills, compared to 70 524 in 2019. This number included 12 018 from the National Skills Harnessing Programme (PROCCOM). It carried out 63 314 job searches in companies, which made it possible to insert 30 363 people, including 30 280 in salaried employment and 83 in self-employment. In the first half of 2021, 17 977 job seekers were provided salaried employment as against 16 831 during the same period the previous year.

Regarding workforce regulation, the following activities were carried out: (i) the signing of 2 085 employment contracts, including 1 008 for nationals; (ii) the control of 76 companies within the framework of the improvement of the working environment; and (iii) awareness-raising among private labour placement organizations on the need to comply with employment regulations.

Self-employment promotion actions focused on: (i) the financing of 87 youth group micro-projects and the provision, by PIASSI, of self-employment to 27 returnees from the Mediterranean, thereby creating 456 jobs; (ii) the examination and validation of 34 projects under the *Support Programme for the Professional Integration and Reintegration of Vulnerable People* (PAIRPPEV), which helped to place 119 vulnerable people in self-employment; (iii) the financing, by the NEF, of 33 people to create self-employment for an amount of 13.8 million; (iv) NEF financial support to 77 of its former promoters, following the adverse effects of COVID-19 on their activities, for an amount of 20.8 million.

Within the framework of public-private partnership promotion, many partnership agreements were signed, including: (i) the agreement between MINEFOP and the *"Fondation Notre Dame Consolatrice des Affligés"* relating to conditions for implementing the National Programme for the Development of Aquaculture Test Areas, the implementation of which could generate 200 000 jobs by 2025; and (ii) the MINEFOP/CAMWATER agreement relating to the establishment of a training centre for water professions.

6.3.2 Vocational training

In 2020, the development of vocational training continued, in particular through: (i) improvement of training quality; (ii) improvement of training provision.

Vocational training quality was improved mainly through: (i) the operationalization of the Yaoundé National Institute for the Training of Trainers and Curriculum Development (INFFDP); (ii) the creation of 4 *Vocational Information and Guidance Centres* (CIOP) in Bafoussam, Bamenda, Maroua and Ngaoundere, bringing the number of functional CIOPs to 6; (iii) the popularization of 9 implementing instruments of law No. 2018/10 governing vocational training; (iv) the approval of 381 training centres as part of the reorganization of the activities of private vocational training structures; and (v) the approval of 76 vocational training benchmarks.

Provision of vocational training was improved through: (i) the construction and equipping of the Nanga-Eboko Trades Training Centre (CFM) and the continuation of construction works on the Bandjoun, Ndop, Ebebda and Maroua CFMs; and (iii) the award of 230 national scholarships and several foreign scholarships to facilitate access to vocational training for the greatest number of young people. In addition, the number of candidates for the 2020 national examinations increased to 6 916, that is 4 413 for the *vocational qualification diploma* (VQD), 2 129 for the *vocational qualification certificate* (VQC) and 374 for the *specialized technician diploma* (STD).

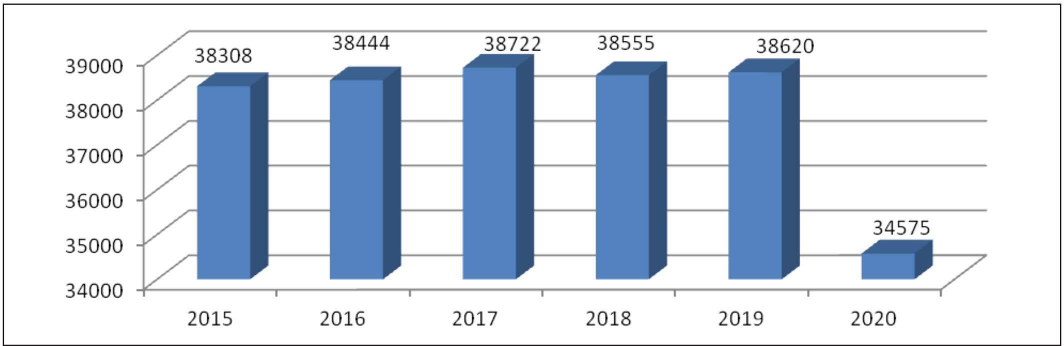
6.3.3 Promotion of social security and occupational protection

In 2020, Government continued to improve the management of benefits paid and working conditions by: (i) promoting social security for the greatest number of people; and (ii) improving occupational protection.

6.3.3.1. Promotion of social security for the greatest number of people

The objective is to promote quality social security for all by protecting the entire population against social risks such as illness, disability, old age, occupational accidents and job loss. In 2020, the number of new employers stood at 7 040 and the total number of active employers (who pay their social security contributions to NSIF) was 34 575. The "trade" and ‘other services" sectors accounted for the largest number of active employers, with 8 966 and 15 035 registered employees respectively, followed by "construction and public works" (3 841), "restaurants and hotels" (1 254), and "transport" (1 006).

Graph 20 : Trends in the Number of Active Employers from 2014 to 2020



Source: NSIF

There were 83 601 new social insurance beneficiaries under the compulsory scheme, as against 57 936 in 2019, recording a 44.3% increase. The number of new voluntary insurance scheme subscribers fell by 14.9% to 15 775 voluntary subscribers.

Table 81 : Trends in New Registrations of Workers from 2015 to 2020

DESCRIPTION	2015	2016	2017	2018	2019	2020
Total compulsory subscriptions	69 985	67 275	60 196	65 362	57 936	83 601
Private Sector	69 162	67 042	59 996	65 169	57 737	83 388
Domestic workers	823	233	200	193	199	213
Voluntarily subscriptions	85 126	41 197	33 499	16 216	18 544	15 775
TOTAL	**155 111**	**108 472**	**93 695**	**81 578**	**76 480**	**99 376**

Source: NSIF

In addition, other actions were carried out to strengthen the social security system of workers, including: (i) the signing of the presidential decree of 8th July 2020 to fix the coefficient for the increase of old age, incapacity and death pensions by the NSIF at 20% as from 1st August 2020, and that of 30 December 2020 to harmonize retirement age in the public service; (ii) the ratification, on 9 July 2020, of the revised treaty of the *Inter-African Conference on Social Welfare* (CIPRES) ; (iii) the continuation of discussions, under the auspices of MINSANTE on the establishment of *Universal Health Coverage* (UHC).

During the first half of 2021, 3 440 new employers were registered, bringing the total number of active employers to 35 396. In addition, the number of social insurance beneficiaries increased by 52 110, bringing the total number of active social insurance beneficiaries to 1 700 495, of which 1 442 437 are compulsory subscribers and 258 058 voluntary subscribers.

6.3.3.2. Improvement of occupational protection

In 2020, occupational protection was continued mainly through peace building, the promotion of social dialogue and improved working conditions.

With respect to peace building, labour inspectors undertook 3 413 inspection visits to companies to ensure compliance with occupational risks prevention measures, control working conditions and review and find solutions to individual and collective labour conflicts. During these visits, 203 formal warnings and 7 402 conciliation reports were issued. Negotiations were conducted to maintain a peaceful social climate with stakeholders in the activity sectors or in enterprises. The negotiations resulted in the lifting and management of 40 strike and protest calls.

The promotion of social dialogue was continued, in particular through: (i) the simplification of procedures for awarding Labour Medals of Honour (LMH), with files processing time reduced to 6 weeks; (ii) the drafting and signing of 23 orders to award LMHs and the signing of 8 856 LMH certificates; (iii) the organization of 10 official LMH award ceremonies and the 134th edition of Labour Day; and (iv) the modernization of the trade union registration system, with the development of a software for managing trade union files (Trade Union Manager). To this end, the files of 1 069 professional organization were digitized and loaded into the said software, of which 402 are functional unions and 667 non-functional unions.

Actions taken to improve working conditions included: (i) the signing of the order to lay down the minimum content for the training of labour inspectors in occupational health and safety (OHS); (ii) the signing of the order to lay down the procedures for training members of occupational hygiene and safety committees (OHSCs); (iii) the signing of the order to lay down conditions for the creation, organization and running of private occuSource: NSIF

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(v) the operationalization of 56 occupational medical services (OMS) and assessment of the functioning of 72 OHSCs; and (vi) the signing of 31 occupational health licences and 98 inspection and care agreements.

6.4 Town planning and housing

Government's town planning and housing policy remained geared towards: (i) the development of housing; (ii) the sanitation of urban areas; and (iii) the development of urban transport infrastructure.

6.4.1 Development of housing

In 2020, Government's housing development actions continued through: (i) phase I of the government programme for the construction of 10 000 housing units; and (ii) the municipal housing estate construction programme.

Regarding government's programme for the construction of 10 000 housing units, the first phase of the construction of 1 675 houses in Yaoundé and Douala was continued. In 2020, 120 new houses were built, including 40 in Yaoundé (Olembé), and 80 others in Douala (Mbanga Bakoko). This brought the total number of completed housing units to 580.

Regarding the municipal housing estate construction programme which concerns 592 low-cost housing units in 24 municipalities, 25 housing units were delivered in 2020 in some municipalities in the Centre, specifically in Nguibassal (13) and Biyouha (12).

In addition, in 2020 the National Social Insurance Fund (NSIF) built a 11.1 billion luxury housing complex comprising 88 housing units in Yaoundé (Okolo) thanks to public private partnership (PPP) with the Elephant Global Holdings consortium.

Table 82: Work Completion Rate in Some Municipalities

No.	Municipality	Number of Housing Units	Completion Rate in 2019 (%)	Completion Rate in 2020 (%)
1	Biyouha	12	80	100
2	Nguibassal	13	76	100
3	Guider	26	29	56
4	Bogo	20	10.64	65
5	Pete- Bandjoun	35	10.57	60
6	Penja	35	5	5
7	Ngoumou	28	5	45
8	Ngaoundere 1	24	2	28
9	Mbe	31	0	51
10	Djoum	30	0	40
11	Mengong	22	0	54
12	Touloum	18	0	38
13	Figuil	31	0	45
14	Poli	24	0	25
15	Lagdo	31	0	15
16	Kaï- Kaï	18	0	1
17	Niété	22	0	25
18	Bétaré- Oya	40	0	10
19	Limbe 3	24	0	1
20	Eséka	40	0	5
21	Messondo	30	0	1
22	Mengang	12	0	19

Source: Crédit Foncier, FEICOM

6.4.2 Environmental improvement and urban sanitation

In 2020, urban sanitation consisted in: (i) improving sanitation in urban areas; (ii) embellishing urban centres; and (iii) promoting integrated social development.

Regarding urban sanitation improvement, 3 375 tonnes of waste were collected, 4 675 lm of drains cleaned in several municipalities and 2 kilometres of drains constructed in Douala. In addition, work was completed on the construction of 14.3 kilometres of drains within the framework of PADY 2 and the 35.2 kilometres rainwater drainage project in Douala.

Regarding urban embellishment and security, 1 149 public lighting points were built and 30 474 m^2 of green areas were developed in the cities that will host the AFCON.

Activities aimed at promoting the integrated social development of all social groups in urban areas focused on: (i) the training of 212 youths in the techniques of manufacturing and laying paving stones and compressed earth bricks; (ii) the equipping of 2 pilot units for manufacturing paving stones and compressed earth bricks in Douala 3 and Yabassi councils; (iii) the construction of a playground at the Bassamba youth integration centre; (iv) the provision of human investment equipment to 5 development committees, the construction of a 5 480 lm of mobility and connectivity roads, the installation of 263 public lighting points, as well as the recalibration of box-culverts and the cleaning of 700 lm of drains in the Yaoundé 1, 2, 5, 6 and 7 municipalities.

6.4.3 Development of urban transport infrastructure

In 2020, the development of urban transport infrastructure continued through the construction, maintenance and rehabilitation of urban roads.

Concerning construction within the framework of preparations for AFCON 2021, 8.86 kilometres of roads were constructed in the towns of Bafoussam, Dschang, Bangou and Mbouda. In addition, 0.6 kilometre of road was constructed at the Golf neighbourhood in Yaoundé.

Within the framework of road maintenance works, 96.3 kilometres of unpaved urban roads were maintained in 24 towns. In addition, 9.9 kilometres of paved roads were maintained in the towns of Yaoundé, Kribi and Evodoula.

A total of 7 317 kilometres of urban roads were rehabilitated within the framework of: (i) preparations for AFCON 2021 (22.93 kilometres in Yaoundé, Douala, Bafoussam, Bandjoun, Bangangte, Buea, Limbe, Dschang and Garoua); (ii) implementation of PLANUT in Yaoundé and Douala (44.24 kilometres); (iii) emergency road rehabilitation works in the cities of Yaoundé and Douala (6.0 kilometres). In addition, 32 acres of parking lots were constructed in city centres that will host the AFCON.

6.5. Social affairs, gender, family and youth promotion

In 2020, Government continued its actions concerning: (i) social affairs, with social prevention and protection and social solidarity and justice; (ii) women's empowerment and family promotion; and (iii) youth supervision.

6.5.1 Social affairs

Government's priority concerning social affairs was geared towards the social inclusion of socially vulnerable persons (SVP) by empowering them. In this connection, the living conditions of vulnerable social segments were improved through the implementation of activities focused mainly on: (i) social prevention and protection; and (ii) the promotion of national solidarity and the fight against social exclusion.

6.5.1.1 Social prevention and protection

Social protection actions for SVPs included: (i) support to 7 728 SVPs in MINAS institutions; (ii) the construction of the administrative block and the "Pavillon des agneaux" (dormitory) of the *"Institution Camerounaise pour l'Enfance"* in Bétamba; (iii) increasing community awareness on COVID-19 prevention; (iv) the construction of the Maroua Centre for the Rehabilitation of Persons with Disabilities; and (v) increased provision of re-education, rehabilitation, care and protection to SVPs.

6.5.1.2 National Solidarity and the Fight against Social Exclusion

In this field, the *Support Programme for the Occupational Integration and Reintegration Socially Vulnerable Persons* (PAIRPPEV) helped to provide support to 2 003 SVPs in the form of productive resources for their empowerment. Efforts were focused on: (i) the social reintegration of 100 ex-combatants in driving and farming activities in the South-West Region; (ii) provision of equipment to 3 866 beneficiaries in decentralized entities; (iii) the establishment and issuance of 16 000 birth certificates to school children in the North Region; (iv) the enrolment of 3 808 persons with disabilities in schools; (v) the identification of 599 new cases of street children in Ngaoundere, Yaounde, Douala, Bafoussam and Buea, of which 347 were placed in families and institutions; (vi) providing equipment support to 2 566 SVPs to help them carry out income-generating activities (IGA) and to 1 000 households as part of cooperation between MINAS and the Livestock Development Project.

6.5.2 Women's empowerment and the family

In 2020, the thrust areas in the improvement of the socio-economic situation of women, gender equality, harmony and cohesion within the family and the protection of children's rights were: (i) the women's empowerment and gender mainstreaming; and (ii) the protection of children's rights.

6.5.2.1. Women' empowerment and gender mainstreaming

Women's empowerment and gender mainstreaming focused on: (i) the training of 34 709 girls and women in project design and IGA management; (ii) the training of 552 seamstresses in the making of face masks as part of COVID-19 response; (iii) the training of 1 000 women in the artisanal manufacture of liquid soap and alcohol-based gels; (iv) the provision of agro-pastoral equipment to 364 women's groups; (v) the rehabilitation of women's empowerment and family centres (CPFF) in Maroua, Pete-Bandjoun, Tignere, Eseka, Wum, Muyuka, Soa and Akono; and (vi) equipping of CPFFs of Bamenda 1 , Garoua 1, Guider, Ndobian, Limbé, Mundemba, Pete-Bandjoun, Tignere, Wum, Muyuka, Soa and Akono.

6.5.2.1. Protection of children's rights

Actions for the protection of children's rights included: (i) facilitating the establishment of 1 000 birth certificates for children in the Nkam and Mefou and Afamba divisions; (ii) building the capacity of 1 176 widows to manage their activities, and the provision of financial and material support to 908 widows for the creation of IGAs; (iii) the collective celebration of 415 marriages; and (iv) the granting of aid and assistance to 1 856 poor and needy persons.

6.5.3 Youth guidance and national integration

In 2020, Government continued to implement actions aimed at enhancing the values of peace, tolerance, patriotism, civic commitment and living together. These actions focused on: (i) civic education and national integration; and (ii) the socio-economic development of young people.

6.5.3.1 Civic education and youth integration

In 2020, youth guidance activities were continued and geared towards promoting civic education, social inclusion and volunteerism.

The promotion of civic education and social inclusion was intensified, in particular through: (i) the sensitization of 8 022 808 people on the consequences of the spread of COVID-19, the training of 605 478 people on civic and moral values, and 22 305 people on the values of peace and living together; and (ii) the training of 729 pioneer volunteers in education, health and agro-pastoral activities, of which 292 were recruited and deployed.

6.5.3.2 Economic integration of youths

In 2020, Government ensured the economic integration of young people, notably through: (i) building the capacity development of 472 young people in technical entrepreneurship and 123 young people in managerial skills; (ii) retraining of 198 peer educators on STI/HIV/AIDS prevention and comprehensive sex education; (iii) support for 292 volunteers in the process of professional socio-economic integration after the volunteering mission; (iv) the construction of 11 Multipurpose Youth Empowerment Centres (CMPJ), the rehabilitation of 7 CMPJs and the equipping of 34 others.

6.6. Poverty alleviation - social safety nets

Government continued to implement social safety net programmes in the 10 regions of the country. The aim is to provide support to people living in extreme poverty through three programmes: (i) an ordinary cash transfer programme (OCT); (ii) an emergency cash transfer (ECT) programme; and (iii) a labour-intensive public works programme (THIMO).

In 2020, programme activities were delayed due to compliance with the protective measures adopted to curb the spread of COVID-19. Thus, the programmes targeted 20 500 beneficiary households between October and December, of which 10 500 households for the emergency cash transfer programme (ECT) and 10 000 households for the labour-intensive public works programme (THIMO). Beneficiaries received two payments for a total of 630 million.

In the first half of 2021, the programme once again targeted 120 500 beneficiary households, of which 40 500 households for the ordinary cash transfer programme (OCT) and 80 000 households for the emergency cash transfer programme (ECT), in connection with the COVID-19 response plan. In total, households received cash transfers amounting to 8.5 billion.

CHAPTER 7: EXECUTION OF THE 2021 BUDGET AND 2022 DRAFT BUDGET

The budget for the 2021 financial year is being executed in a context marked by: (i) the passing of an amending finance law through Ordinance No. 2021/3 of 7 June 2021, following the rise in world oil prices, which led to a significant increase in budget revenue; (ii) the raising of the debt ceiling for the financial year through Ordinance No. 2021/2 of 26 May 2021 to increase the amount of government securities issues; (iii) the issuance of a 450 billion Eurobond at a rate of 5.95%, to redeem the Eurobond issued in 2015; (iv) the conclusion of new 2021-2024 three-year economic and financial arrangements with the IMF, under the Extended Credit Facility and the Extended Fund Facility; and (v) the organization of the African Nations Championship (CHAN) 2020. Some of these factors called into question the initial 2021budget projections for, while others impacted the achievements of the financial year and the 2022 projections.

7.1. Amending Finance Law and Budget Policy Debate

7.1.1. Amending Finance Law

The macroeconomic environment in which the initial 2021 Finance Law was drafted was marked by significant developments in the first few months of the year. They included: (i) the raising of the economic growth forecast to 3.4% from the 3.3% initial projection; (ii) the lowering of the inflation rate forecast from 2.5% to 2.1%; (iii) the rise in world oil prices, now projected at USD 58.5 per barrel, compared to the USD 43.8 forecast in the initial Finance Law; (iv) the continued fight against the coronavirus pandemic, which is generating new needs, particularly those relating to vaccination; (v) Government's decision to issue a 450 billion Eurobond to redeem the Eurobond issued in 2015; (vi) the suspension of the mechanism for disbursement and repayment of C2D funds; (vii) the programming of budget support under the new Economic and Financial Programme (EFP) with the IMF; and (viii) greater relief for Cameroon's external debt to the G20, which has been increased from 100 to 166 billion.

In light of these trends, Ordinances No. 2021/2 and No. 2021/3 were signed on 26 May and 7 June 2021 respectively, to amend and supplement some provisions of Law No. 2020/18 of 17 December 2020: Finance Law of the Republic of Cameroon for the 2021 financial year. These ordinances increased the State budget from the initial 4 865.2 billion to 5 480.4 billion (general budget and Special Appropriation Accounts (SAAs), showing an increase of 615.2 billion (+12.6%), which are reflected only in the general budget and COVID-19 SAA.

With regard to general budget resources, which increased from 4 820 billion to 5 395.2 billion, changes in domestic revenue, grants and loans are broken down as follows:

- oil revenue: 536 billion, as against 393.2 billion in the initial budget, recording an increase of 142.8 billion (+36.4%), owing to an increase in oil production and the rise in world oil prices;
- revenue from taxes and duties: 1 938.4 billion as in the initial budget;
- customs revenue: 804.7 billion as in the initial budget;
- non-tax revenue: 187 billion, as against 213.4 billion in the initial budget, showing a 26.4 billion (-12.4%) drop, owing to an increase in the projection of this revenue item;
- grants: 64.7 billion, as against 106.9 billion in the initial budget, showing a 42.2 billion (-39.5%) decline, taking into account the suspension of the mechanism for disbursement and repayment of C2D funds with France, in favour of the G20 debt service suspension initiative;
- budget support: 230 billion, compared to 260 billion in the initial Finance Law, recording a 30 billion (-11.5%) drop;

- external loan drawdowns: 634.2 billion, compared to 184.2 billion in the initial Finance Law, showing a 450 billion (+244.3%) increase, in connection with Eurobond issues s on the international market;
- issues of domestic government securities and bank loans: 481 billion, compared to 400 billion in the initial draft budget, recording an 81 billion (+20.3%) increase.

Overall, general budget resources increased by 575.2 billion (+11.9%). By major component, domestic revenue rose by 116.4 billion (+3.5%), while loans and grants increased by 458.8 billion (+31.2%).

COVID-19 SAA resources increased from 150 billion to 200 billion, showing a 50 billion (+33.3%) rise, broken down as follows:

- financial contributions from technical and financial partners in the form of support funds amounted to 40 billion, of which 15 billion from the Development Bank of Central African States (BDEAC) and 25 billion from the World Bank. No provision was made for this item in the initial Finance Law;
- payments from the general budget amounting to 160 billion, as against 150 billion in the initial Finance Law.

Expenditure is broken down by major category as follows:

- personnel expenditure: 1 069.8 billion as in the initial Finance Law;
- expenditure on goods and services: 761.9 billion, including budget allocation to the regions as part of decentralization, as against 736.9 billion in the initial Finance Law, recording a 25 billion (+3.4%) increase;
- transfers and subsidies: 628.8 billion, as against 528.8 billion in the initial budget, showing a 100 billion (+18.9%) increase, owing to the increase in fuel pump price support resulting from the rise in world oil prices;
- investment expenditure on own resources (including rehabilitation and restructuring expenditure): 618.2 billion as in the initial 2021 budget;
- investment expenditure on external financing: 733.8 billion as in the initial 2021 budget;
- Local Production Revival Fund expenditure: 30 billion, compared to 50 billion in the initial Finance Law, taking into account the slippage in the start of implementation of the plan during the first half of the year;
- interest on debt: 190.2 billion, compared to 228.7 billion in the initial Finance Law, taking into account the updated external debt interest projection, in particular the inclusion of the G20 external debt interest relief increase to 57 billion, as against 33.5 billion in the initial Finance Law.

COVID-19 SAA expenditure was restructured by programme as follows:

- strengthening the health system: 170 billion, as against 35 billion in the initial Finance Law;
- economic and financial resilience: 10 billion, as against 100 billion in the initial Finance Law;
- strengthening research and innovation: 5 billion as initially budgeted;
- social resilience and strategic supplies: 15 billion, as against 10 billion in the initial Finance Law.

Furthermore, while maintaining their respective ceilings set in the 2021 Finance Law, the cash balance for the 2020 financial year of the Water SAA attached to the Ministry of Water Resources and Energy (MINEE) (61.5 million) and that of the Tourism SAA attached to the Ministry of Tourism and Leisure (MINTOUL) (123.3 million) were included in the assessment of the resources of these SAAs in the 2021 Amending Finance Law.

7.1.2. Budget policy debate (BPD)

Instituted by Law No. 2018/12 of 11 July 2018 on the financial regime of the State and other public entities, budget policy debate between the Government and Parliament is conducted each year ahead of the examination of the finance bill of the following year. It is an exercise that enables Members of Parliament to assess the public policy options proposed by the Government and to initiate a debate with no vote on the priorities of public action for the next three-year period. The 2021 edition of the BPD was held from 4 to 6 July 2021 at the National Assembly and the Senate. It focused on the strategic guidelines adopted for the period 2022-2024, in light of the economic and public finance situation in 2020 and during the first half of 2021, as well as the macroeconomic outlook for the period 2022-2024.

Government's presentation showed that the national economic and financial situation at end-2020 and during the first half of 2021 was marked by economic resilience despite the adverse effects of the pandemic. Indeed, contrary to the winds of recession that blew in several countries around the world, economic activity in Cameroon rather slowed down, with a growth rate estimated by the INS at the time of the BPD at 0.7% in 2020, as against 3.7% in 2019. In 2021, growth is expected to rebound to 3.4%, in line with the vitality of domestic demand and the increase in global demand for our exports, due to the gradual reopening of several economies.

The public finance policy for the period 2022-2024 will remain geared towards pursuing fiscal consolidation by improving non-oil revenue mobilization, strengthening fiscal discipline and controlling and improving public spending efficiency. Reducing non-priority spending, preserving social spending and giving greater priority to capital spending will help to continue implementing investment projects. Fiscal policy will be aligned with the new EFP concluded with the IMF, while the NDS-30 will be implemented.

Thus, the Economic and Budgetary Programming Paper (DPEB) projected overall budget deficit at 2% of GDP in 2022, as against to 3.1% in 2021. In the medium term, the deficit should drop to 1.8% in 2023 and 1.3% in 2024. This deficit trend will help to keep the public debt stock below 45% of GDP between 2022 and 2024. Moreover, the tax burden will increase from 11.8% in 2021 to 12.5% in 2022, and stand at 13% in 2023 and 13.5% in 2024.

Box 3: COVID-19 SAA

The Government has put in place a comprehensive response plan to address the health, economic and social consequences of the COVID-19 pandemic, the first case of which was detected in Cameroon on 6 March 2020. The plan received national and international solidarity, through donations from natural and legal persons, as well as support from development partners.

To ensure transparent management of resources earmarked for the fight against the pandemic, a Special Appropriation Account (COVID-19 SAA) was created in 2020 with a budget of 180 billion. The budget was supposed to be replenished by payments from the general budget (137 billion) and support funds in the form of grants and loans (43 billion). The latter comprised: loans worth 22 billion from the World Bank; 9 billion from the Global Partnership for Education; 6.5 billion from the French Development Agency; and grants to the tune of 2 billion from the European Union and 3.5 billion from natural and legal persons.

Total expenditure was expected to stand at 180 billion, of which 82 billion as current expenditure, 48 billion as capital expenditure and 50 billion for domestic debt service. Recurrent expenditure included 52.1 billion for purchases of goods and services and 29.8 billion as transfers and subsidies. Domestic debt service consisted of 25 billion in principal repayments and 25 billion in VAT credit refunds.

With regard to the execution of the COVID-19 SAA, 161.9 billion was actually mobilized at the end of the 2020 financial year out of the 180 billion expected, showing an 89.9% execution rate. This was broken down into 153.3 billion as payments from the general budget (including budget support) and 8.6 billion as support funds (5.3 billion from the AFD and 3.3 billion as donations from natural and legal persons, including 0.5 billion from BDEAC. Mobilization of general budget payments exceeded the projected 137 billion by 15.3 billion, in order to fill the gap in support funds, the rate of execution of which stood 20%.

At the close of the 2020 financial year, expenditure ordered by the National Solidarity Fund for the Fight against the Coronavirus stood at 161.9 billion, showing an 89.9% execution rate. By heading, recurrent expenditure authorizations amounted to 96.7 billion, as against an 81.9 billion projection, recording a 118.1%execution rate. Capital expenditure amounted to 15.2 billion, as against a projection of 48 billion, showing a 31.7% execution rate. Domestic debt payments stood at 50 billion, representing a 100% execution rate.

It should be noted that a number of obstacles hindered the proper execution of COVID-19 SAA activities during the 2020 financial year. They include lack of ownership, by a large number of government services, of expenditure execution procedures when the SAA was set up, and low support fund mobilization.

The budget resources of the COVID-19 SAA for the 2021 financial year stood at 200 billion. One hundred and sixty billion was to come from the general budget and 40 billion from other sources (25 billion as loans from the World Bank and 15 billion from BDEAC).

Expenditures stood at 200 billion, of which 150 billion as current expenditure and 50 billion as capital expenditure. Recurrent expenditure included 125 billion for purchases of goods and services and 25 billion as transfers and subsidies.

At the end of the first half of 2021, no expenditure had been authorized under the COVID-19 SAA for the 2021 financial year. Therefore, there were no general budget payments. No disbursements were made under support funds.

7.2. Execution of the 2021 Budget

At the end of the first half of 2021 and compared to the Amending Finance Law, the rate of execution of resources stood at 38.4%, of which 47.9% for domestic revenue and 21.7% for loans and grants. Budget expenditure execution rate stood at 44.2%. Budget deficit (commitment basis) stood at 200.5 billion. Primary balance stood at -130.4 billion, and non-oil primary balance at -332 billion.

7.2.1. Budget resources

The initial Finance Law for 2021 provided for resources amounting to 4 820 billion, including 3 349.7 billion as domestic revenue (69.5% of the budget) and 1 470.3 billion as loans and grants (30.5%). The Amending Finance Law increased resources to 5 435.2 billion, including 3 466 billion as domestic revenue and 1 969.1 billion as loans and grants.

At end-June 2021, resources collected amounted to 2 087.1 billion, representing an execution rate of 38.4% compared to the projections of the Amended Finance Law. They dropped by 247.1 billion (-10.6%) compared to the first half of 2020.

7.2.1.1. Domestic budget revenue

Domestic budget revenue includes oil revenue and non-oil revenue. At the end of the first half of 2021, domestic budget revenue stood at 1 660.4 billion, representing an execution rate of 47.9% compared to the projections of the financial year. They increased by 158.1 billion (+10.5%), year-on-year, owing mostly to souring oil and non-oil revenue.

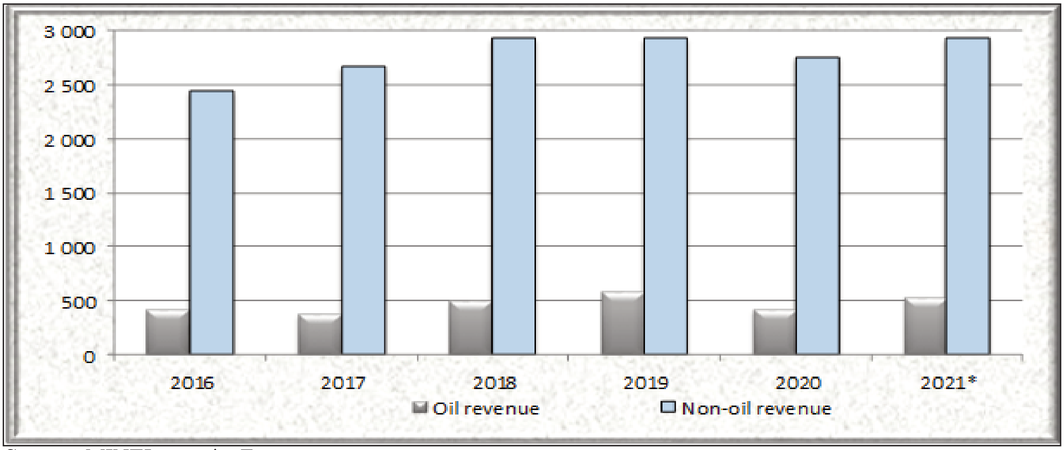
Graph 21 : Domestic Revenue Projection and Execution from 2016 to 2021 (in billions)

Source: MINFI **=Estimates*

7.2.1.1.1. Oil revenue

Oil revenue over the period January-June 2021 amounted to 202.2 billion, including 181.3 billion as SNH royalty and 20.9 billion as oil company tax. It increased by 5.2 billion (+2.6%) year-on-year, owing to high oil prices and an increase in oil production. Its execution rate was 37.7% compared to the Amending Finance Law.

Graph 22 : Trends in the Main Components of Domestic Budget Revenue from 2016 to 2021 (in billions)



Source: MINFI **=Estimates*

7.2.1.1.2. Non-oil revenue

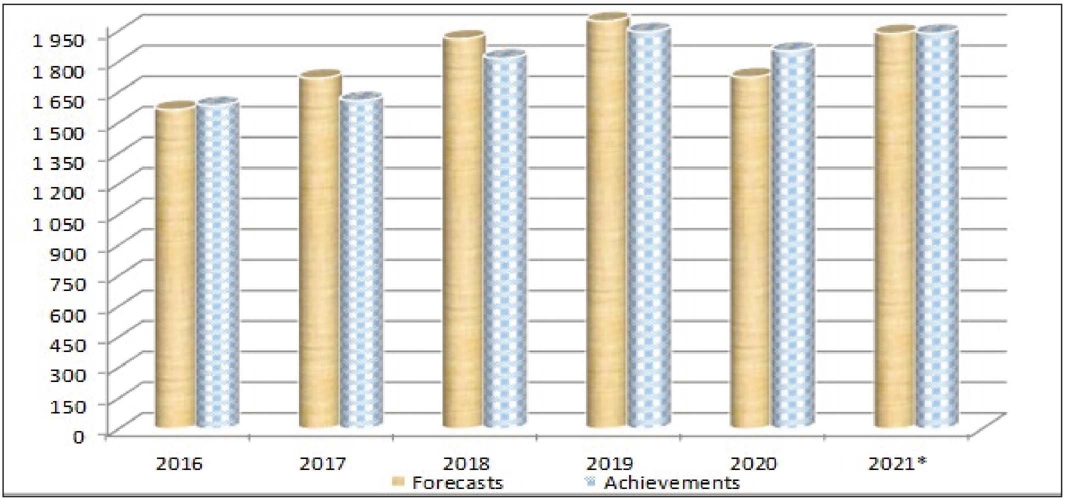
Non-oil revenue includes revenue from domestic taxes and duties, customs revenue and non-tax revenue. From January to June 2021, revenue collected amounted to 1 458.2 billion, representing a 49.8% execution rate compared to forecasts for the year. It increased by 152.9 billion (+11.7%) compared to the same period of the previous financial year. At end-December 2021, it is expected to stand at 2 930.1 billion.

Domestic taxes and duties

At the end of the first half of 2021, domestic taxes and duties collected amounted to 994.3 billion, up by 56.1 billion (+6%) year-on-year. Their execution rate stood 51.3% compared to the forecasts of the financial year.

By main component, there was an increase in excise duties (+21.7 billion), non-oil company tax (+16 billion), VAT (+12 billion), registration and stamp duties (+7.8 billion) and STPP (+5 billion). In contrast, PIT decreased by 9 billion. Collection of taxes and duties was impacted by: (i) positive annual company tax balances; (ii) the increase in revenue from excise duties following reforms; (iii) the upturn in activity in the telephone and brewing industries, reflected in the year-on-year improvement in spontaneous payments by companies in these sectors; and (iv) the drop in IT following the decline in activity in the upstream oil sector.

Graph 23 : Projections and Execution of Taxes and Duties from 2016 to 2021 (in billions)

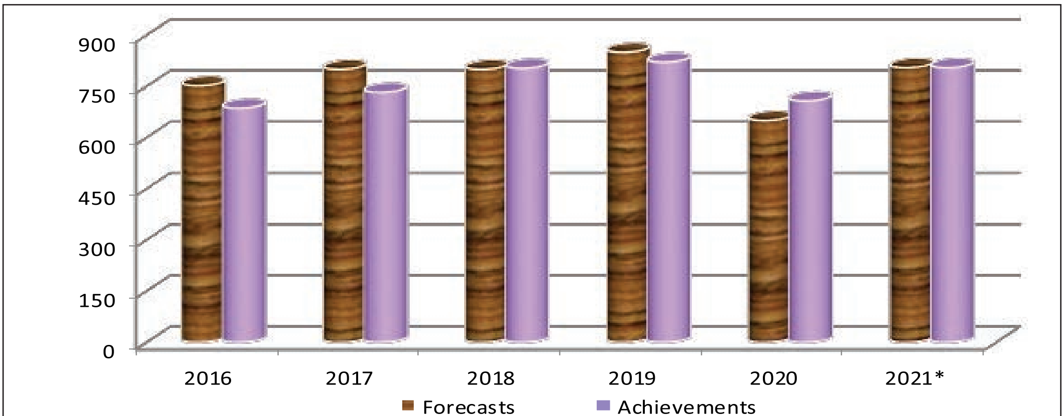


Source: MINFI **=Estimates*

Customs revenue

From January to June 2021, collected customs revenue amounted to 388 billion, representing a 48.2% execution rate compared to the Amending Finance Law. It included 164 billion for import duties, 175.4 billion for import VAT, 26.2 billion for excise duties, 19.4 billion for export duties and 3.1 billion for computer tax and other customs revenue. Compared to the same period in 2020, this revenue increased by 87.4 billion (+29.1%). This trend is explained by: (i) the gradual upturn in activities; (ii) the gradual pick-up in imports; (iii) the partial settlement of the debt of marketers and the State; and (iv) the new measures contained in the Finance Law.

Graph 24 : Customs Revenue Projections and Execution from 2016 to 2021 (in billion)



Source: MINFI **=Estimates*

Non-tax revenue

Non-tax revenue includes income from State property, service revenue, pension contribution, other non-tax revenue and the oil transit tax. At the end of the first half of 2021, it stood at 75.8 billion, representing a 40.6% execution rate compared to forecasts of the Amending Finance Law. It recorded a 9.4 billion (+14.2%) increase year-on-year, mainly due to the collection of dividends in June 2021, contrary to 2020.

Loans and grants

The Amending Finance Law for the 2021 financial year raised forecasts for loans and grants by 498.8 billion to 1 969.1 billion, of which 40 billion as COVID-19 support funds. They include 703.4 billion as project loans, 431 billion for issuance of government securities, 185 billion as budget support, 85 billion as IMF loans, 64.7 billion as grants, 50 billion as bank loans and 450 billion as Eurobonds. In the first half of 2021, loans and grants amounted to 426.7 billion, representing a 21.7% execution rate compared to the annual forecasts. It comprises 204.2 billion for net issuance of government securities, 196.7 billion as project loans, 19.4 billion as grants and 6.3 billion as bank loans.

Regarding government securities in particular, a total of 411.4 billion was raised during the first half of 2021, representing a 95.5% execution rate. They are broken down as follows: 220 billion as fungible treasury bonds (BTA) and 191.4 billion as fungible treasury bills (OTA). The resources mobilized through these securities are intended to fill specific cash gaps for fungible treasury bonds, and to finance infrastructure projects included in the PIB 2021 for OTA. Over the same period, reimbursements of matured government securities amounted to 212.3 billion, including 207.2 billion as principal, made up solely of BTA, and 5.1 billion as interest on BTA and OTA. The successful issuance of securities reflects the quality of the State's signature, and compliance with reimbursement deadlines enhances the trust of the actors concerned.

Table 83 : Budget Resources for the 2021 Financial Year (in billions, unless stated otherwise)

ITEMS	I.F.L.	A.F.L.	Execution	Execution	Execution Rate	Variations	
	2021	2021	as at 30/06/20	as at 30/06/2021	as at 30/06/2021	(c/b)	(c/b)
		(a)	(b)	(c)	(c/a) (%)	(abs)	(%)
A- DOMESTIC REVENUE	**3 349.7**	**3 466.1**	**1 502.3**	**1 660.4**	**47.9**	**158.1**	**10.5**
I- Oil revenue	**393.2**	**536.0**	**197.1**	**202.2**	**37.7**	**5.2**	**2.6**
1- NHC royalties	336.5	479.3	152.8	181.3	37.8	28.5	18.7
Including: Direct interventions		0.0	96.8	116.6	-	19.8	20.5
2- Oil company tax	56.7	56.7	44.3	20.9	36.9	-23.4	-52.8
II- Non-oil revenue	**2 956.5**	**2 930.1**	**1 305.3**	**1 458.2**	**49.8**	**152.9**	**11.7**
1- Tax revenue	**2 743.1**	**2 743.1**	**1 238.9**	**1 382.4**	**50.4**	**143.5**	**11.6**
a-Revenue from domestic taxes and duties	**1 938.4**	**1 938.4**	**938.2**	**994.3**	**51.3**	**56.1**	**6.0**
Including – PIT	313.0	313.0	161.8	152.8	48.8	-9.0	-5.6
-VAT	717.7	717.7	281.8	293.8	40.9	12.0	4.2
- non-oil company tax	340.0	340.0	224.5	240.5	70.7	16.0	7.1
- Excise duties	225.0	225.0	119.6	141.3	62.8	21.7	18.1
- Reg. and stamp duty	115.5	115.5	48.2	56.1	48.5	7.8	16.2
- STPP	132.0	132.0	68.4	73.4	55.6	5.0	7.3
b- Customs revenue	**804.7**	**804.7**	**300.7**	**388.0**	**48.2**	**87.4**	**29.1**
Including - Custom/import duty	344.6	344.6	126.9	164.0	47.6	37.1	29.2
- import VAT	357.9	357.9	134.2	175.4	49.0	41.1	30.7
- Excise / Import duties.	50.4	50.4	17.2	26.2	51.9	9.0	52.2
- Export duties	44.8	44.8	17.5	19.4	43.3	1.9	11.0
2- Non-tax revenue	**213.4**	**187.0**	**66.4**	**75.8**	**40.6**	**9.4**	**14.2**

ITEMS	I.F.L.	A.F.L.	Execution	Execution	Execution Rate	Variations	
	2021	2021	as at 30/06/20	as at 30/06/2021	as at 30/06/2021	(c/b)	(c/b)
		(a)	(b)	(c)	(c/a) (%)	(abs)	(%)
B- LOANS AND GRANTS	**1 470.3**	**1 969.1**	**831.8**	**426.7**	**21.7**	**-405.1**	**-48.7**
-Project loans	703.4	703.4	212.7	196.7	28.0	-16.0	-7.5
- Grants	106.9	64.7	13.8	19.4	30.0	5.6	40.9
-IMF Loans	0.0	85.0	181.6	0.0	0.0	-181.6	-100.0
-Budget support	260.0	185.0	52.7	0.0	0.0	-52.7	-100.0
- Issuance of government securities (net)	350.0	431.0	238.8	204.2	47.4	-34.6	-14.5
- Bank loans	50.0	50.0	132.2	6.3	12.6	-125.9	-95.2
- Eurobonds	0.0	450.0	0.0	0.0	0.0	0.0	-
TOTAL BUDGET REVENUE	***4 820.0***	***5 435.2***	***2 334.1***	***2 087.1***	***38.4***	***-247.1***	***-10.6***

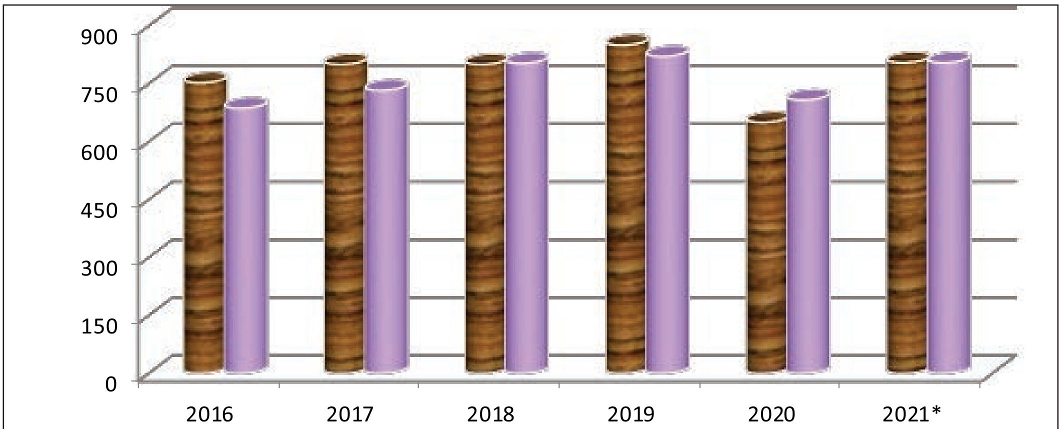
Source: MINFI/DF

7.2.2. Execution of budget expenditure

Budget expenditure forecasts in the Amending Finance Law stand at 5 435.2 billion (general budget and COVID-19 SAA), broken down as follows: 2 494.7 billion as recurrent expenditure excluding interest on debt (45.9% of total expenditure), 1 449.8 billion as public investment expenditure (26.7%) and 1 490.7 billion as public debt service (27.4%). With the exception of the 2020 financial year when public debt was mitigated by G20 Initiative debt reliefs, the weight of public debt service in the budget has grown on average by almost 2.6 percentage points per year since 2013. It has thus risen from 9.4% of total expenditure in 2013 to 27.4% in 2021. At the same time, the recurrent and investment budgets have dropped respectively from 61.1% and 29.6% in 2013 to 45.9% and 26.7% in 2021. In relation to budget revenue, the debt service burden remains high, with a weight of 43% of internal revenue, up from 32.1% in 2020 following debt relief, and 35.1% in 2019.

At the end of the first half of 2021, budget expenditure (commitment basis) amounted to 2 400.3 billion, representing a 44.2% execution rate compared to the Amending Finance Law. It fell by 70.9 billion (-2.9%) year-on-year.

Graph 25: Breakdown of State Budget Expenditure from 2011 to 2021 (in % of the total)



Source: MINFI

7.2.2.1. Recurrent non-interest expenditure

Recurrent non-interest expenditure (commitment basis) stood at 1 092.3 billion in the first half of 2021, representing a 43.8% execution rate compared with the Amending Finance Law. Year-on-year, it decreased by 79.3 billion (-6.8%), due, in particular, to the drop in pressure from COVID-19 pandemic-related health expenditure and the 2022 Africa Cup of Nations football tournament. It includes recurrent operating expenditure and expenditure on transfers and pensions.

7.2.2.1.1 Recurrent expenditure

Recurrent expenditure includes personnel expenses and purchases of goods and services. Following the increase introduced in the Amending Finance Law, the allocation for recurrent operating expenses for the 2021 financial year rose from 1 863.5 billion to 1 925.9 billion. It includes 1 069.8 billion for personnel expenses and 856.1 billion for purchases of goods and services.

Over the period January-June 2021, recurrent expenditure amounted to 849.8 billion, representing a 44.1% execution rate compared to the Amending Finance Law. Compared to the same period in 2020, they decreased by 29.9 billion (-3.4%), mainly as a result of expenditure on goods and services, which dropped from 366.9 billion to 331.9 billion. Personnel expenditure stands at 517.9 billion, up by 5.1 billion (+1%). Compared with the annual forecasts, the execution rates are 48.4% for personnel expenditure and 38.8% for purchases of goods and services.

7.2.2.1.2 Transfers and pensions

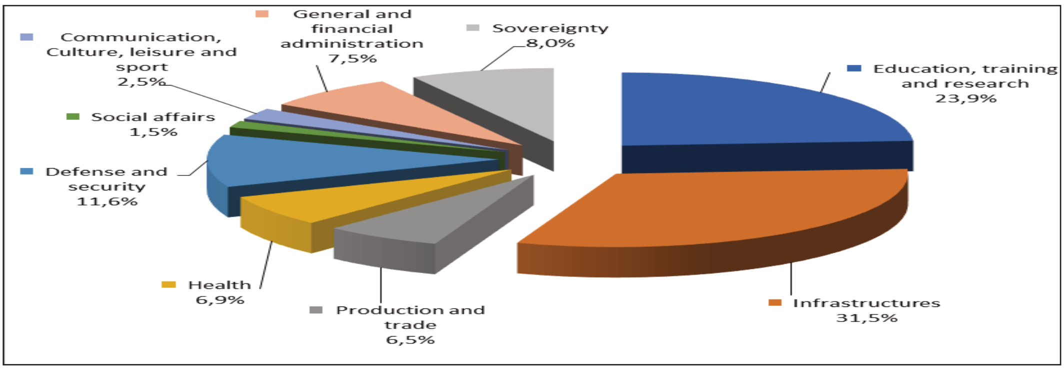
Budget allocations for transfers and pensions amounted to 568.8 billion, including 297.6 billion as subsidies and 253 billion as pensions. As at end-June 2021, the expenditure committed amounted to 242.5 billion, representing a 42.6% execution rate compared to the Amending Finance Law. They include 128 billion as subsidies and 114.4 billion as pensions. The execution rates stood 43% for subsidies and 45.2% for pensions. Year-on-year, transfers and pensions dropped by 49.4 billion (-16.9%).

7.2.2.2. Public investment expenditure

The public investment budget (PIB) increased by 40 billion to 1 449.8 billion in the Amended Finance Law. It includes 693.8 billion as investment expenditure from external financing, 721 billion as investment on own resources and 35 billion as restructuring expenditure.

The infrastructure sector had the lion's share, with a weight of 31.5% of the PIB. It is followed by the education, training and research sector (23.9%) and the defence and security sector (11.6%).

Graph 26: Sector Breakdown of PIB for the 2021 Financial Year



Source: MINFI

At the end of the first six months of the 2021 financial year, public investment expenditure amounted to 454.2 billion, representing a 31.3% execution rate compared to the Amending Finance Law. By major component, the execution rates are 30.5% for investment on own resources, 31.2% for expenditure on external financing and 51.1% for restructuring expenditure. Public investment expenditure increased by 30.9 billion (+7.3%) year-on-year, due to the rise in expenditure on own resources.

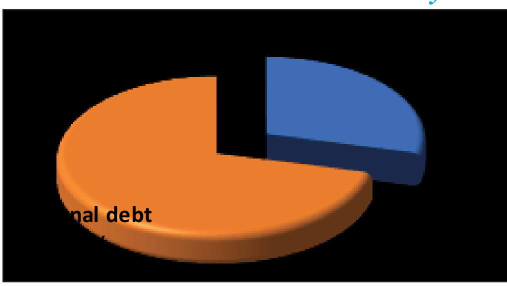
7.2.2.3. Public debt

In the Amended Finance Law, public debt service allocation stood at 1 490.7 billion, up by 505.6 billion compared to the initial Finance Law. This sharp increase is linked to the redemption of the 2015 Eurobond. The projected external debt service is 720 billion, including 700 billion as principal and 20 billion as interest. The projected domestic debt service is 770.7 billion, including 536 billion as depreciation of the principal and 65.2 billion as interest, 72 billion as VAT refunds and 97.5 billion as domestic arrears.

At the end of the first half of 2021, effective public debt service stood at 628.9 billion, representing a 42.2% execution rate compared to the Revised Budget. It dropped by 16% year-on-year. Effective external debt service stood at 177.4 billion, representing a 24.6% execution rate. It was broken down into 126.9 billion as principal and 50.5 billion as interest. Domestic debt payments amounted to 451.5 billion, representing a 58.6% execution rate. It included 105.4 billion as depreciation of the principal, 19.7 billion as interest, 39 billion as VAT credit refund, and 287.4 billion as domestic arrears and 2020 pending payments. As at 31 July 2021, the outstanding public and State guaranteed debt stood at 10 880 billion, representing 45% of GDP. It included 9 980 billion (91.7% of the total) as State guaranteed direct debt and 900 billion (8.3%) as debt owed by public establishments and corporations.

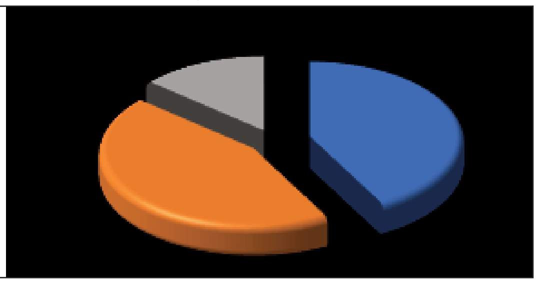
The stock of external debt amounted to 7 074 billion (29.3% of GDP), including 3 120 billion as bilateral debt, 2 979 billion as multilateral debt and 975 billion as commercial debt. Domestic debt amounted to 2 880 billion and represented 11% of GDP. It included 1 247.4 billion as government securities, 778.6 billion as structured debt, 576.9 billion as BEAC consolidated debt and 66.2 billion as non-structured debt.

Graph 27: Breakdown of Stock of Public Debt and Guaranteed Debt as at 31 July 2021



Source: MINFI/DF

Graph 28: Breakdown of External Public Debt Stock as at 31 July 2021



Source: MINFI/DF

7.2.3. Variations of payment arrears and underlying budget balance

At the end of the first half of 2021, the stock of payment arrears decreased by 43.1 billion, mainly due to the reduction in domestic arrears. The decrease resulted from the combined effect of the accumulation of 244.2 billion in new 2021 pending payments, and the settlement of 2020 pending payments worth 287.4 billion, and domestic arrears.

The overall budget balance based on ordinances stands at -200.5 billion. The primary balance amounts to -130.4 billion and the non-oil primary balance is -332.6 billion.

Table 84: Budgetary expenditure for the 2021 financial year (in billion)

ITEM	IFL 2021	AFL 2021	Execution at 30/06/2020	Execution at 30/06/2021	Execution rate at 30/06/2021	Variations	
						(d/c)	(d/c)
	(a)	(b)	(c)	(d)	(d/b) (%)	(abs)	(%)
I-Recurrent expenditure (excluding interest)	**2 425.1**	**2 494.7**	**1 171.6**	**1 092.3**	**43.8**	**-79.3**	**-6.8**
Recurrent operation	1,863.5	1 925.9	879.7	849.8	44.1	-29.9	-3.4
Personnel expenses	1069.8	1069.8	512.8	517.9	48.4	5.1	1.0
Expenditure on Goods & Services	793.7	856.1	366.9	331.9	38.8	-35.0	-9.5
Transfers and pensions	561.6	568.8	291.9	242.5	42.6	-49.4	-16.9
Including - Subsidies	321.6	297.6	175.7	128.0	43.0	-47.7	-27.2
- Pensions	240.0	253.0	116.2	114.4	45.2	-1.8	-1.6
II- Investment expenditure	**1 409.8**	**1 449.8**	**423.3**	**454.2**	**31.3**	**30.9**	**7.3**
Externally financed	733.8	693.8	223.3	216.2	31.2	-7.1	-3.2
Domestically financed	641.0	721.0	183.9	220.1	30.5	36.2	19.7
Restructuring expenditure	35.0	35.0	16.1	17.9	51.1	1.8	11.2
III- Sundry expenses to regularize	**0.0**	**0.0**	**85.9**	**199.1**	**-**	**113.2**	**131.7**
IV- On-lent loans	**0.0**	**0.0**	**41.8**	**25.8**	**-**	**-16.0**	**-38.4**
V- Public debt servicing	**985.1**	**1,490.7**	**748.5**	**628.9**	**42.2**	**-119.6**	**-16.0**
External debt	491.0	720.0	201.5	177.4	24.6	-24.1	-12.0
-Interest	178.5	20.0	75.0	50.5	252.5	-24.5	-32.7
- Principal	312.5	700.0	126.5	126.9	18.1	0.4	0.3
Domestic debt	494.1	770.7	547.0	451.5	58.6	-95.5	-17.5
-Interest	76.7	65.2	22.5	19.7	30.2	-2.8	-12.6
- amortization of principal	354,8	536.0	134.0	105.4	19.7	-28.6	-21.4
- VAT credit reimbursement	72.0	72.0	62.0	39.0	54.2	-23.0	-37.1
- Pending payments for the 2020 financial year	0.0	0.0	282.7	263.8	-	-18.9	-6.7
- Domestic arrears	97.5	97.5	45.7	23.6	24.2	-22.1	-48.3
TOTAL BUDGET EXPENDITURE	***4 820.0***	***5 435.2***	***2 471.1***	***2 400.3***	***44.2***	***-70.9***	***-2.9***

Source: MINFI

7.3. Draft budget for the 2022 Fiscal Year

The draft State budget for the 2022 fiscal year is based on the following key macroeconomic assumptions: (i) real GDP growth of 4.2%, including 4.4% for non-oil GDP; (ii) a projected inflation rate of 2%; (iii) a non-oil GDP deflator of 1.7%; (iv) a Cameroonian oil barrel price of $ 64.5 and a 25.3 million barrel production; (iv) a projected gas production of 69.9 billion scf; (v) a gas price of 6.3 dollars; (vi) a dollar exchange rate of 575.5 FCFA; (vii) a budget balance deficit of 2% of GDP; (viii) a current external deficit capped at about 2.5% of GDP.

Based on these elements, the 2022 draft budget is balanced in revenue and expenditure at CFAF 5 752.4 billion, including CFAF 152.7 billion for Special Appropriation Accounts (SAA), as against CFAF 5 480.4 billion in 2021, recording an increase of CFAF 272 billion in absolute terms and 5.0% in relative terms. Non-oil revenue represents 59% of the budget.

7.3.1. Revenue analysis

Revenue breakdown is presented in the table below.

Table 85: Revenue Breakdown (in million FCFA)

CHARGE	WORDING	2021	2022
	A - OWN REVENUE	**3 550 800**	**4 029 200**
	PART I - TAX REVENUE	2 818 710	3 188 700
711	TAX ON INCOME, PROFITS AND CAPITAL GAINS	627 280	734 790
712	TAX ON WAGES AND OTHER REMUNERATIONS	170 000	167 000
713	TAX ON ASSETS	18 300	22 330
714	DOMESTIC TAXES AND DUTIES ON GOODS AND SERVICES	1 545 951	1 754 661
715	TAXES ON FOREIGN TRADE AND INTERNATIONAL TRANSACTIONS	396 407	432 419
716	OTHER TAXES ON GOODS AND SERVICES	12 707	12 000
719	OTHER TAX REVENUE	48 065	65 500
	PART II - DONATIONS, ASSISTANCE FUND AND LEGACIES	64 700	142 300
733	DONATIONS FROM INTERNATIONAL INSTITUTIONS	51 601	26 558
735	DONATIONS FROM FOREIGN GOVERNMENTS	13 099	115 742
749	OTHER DONATIONS AND LEGACIES		
	PART III - SOCIAL SECURITY CONTRIBUTIONS	60 000	60 000
725	SOCIAL SECURITY CONTRIBUTION	60 000	60 000
	IV - OTHER REVENUE	607 390	638 200
721	INCOME FROM STATE PROPERTY AND LAND OTHER THAN INTEREST	464 590	466 713
722	ADMINISTRATIVE FEES AND CHARGES	40 614	14 231
723	FINES, PENALTIES AND PECUNIARY SENTENCES	1 415	3 290
729	OTHER NON-TAX REVENUE	39 671	31 638
752	REFUNDS TO THE TREASURY OF UNDULY PAID AMOUNTS		608
754	PROCEEDS FROM THE DISPOSAL OF FIXED ASSETS		10 282
759	OTHER EXCEPTIONAL REVENUE	20 000	90 080
771	INTEREST ON LOANS		1 040
772	INTEREST ON TERM DEPOSITS		5 686
774	INTEREST ON INVESTMENT SECURITIES		231
775	GAINS ON HOLDINGS OF FINANCIAL ASSETS	41 100	13 855
776	FOREIGN EXCHANGE GAINS		253
779	OTHER FINANCIAL PROCEEDS		293
	B - LOANS	**1 844 400**	**1 670 500**
141	TREASURY BONDS	350 000	350 000
151	MULTILATERAL PROJECT LOANS	300 880	244 775
152	PROJECT LOANS FROM GOVERNMENTS AFFILIATED TO THE PARIS CLUB	145 105	85 894
153	INITIAL PROJECT LOANS FROM GOVERNMENTS NOT AFFILIATED TO THE PARIS CLUB	73 205	43 333
155	PROJECT LOANS FROM EXTERNAL PRIVATE BODIES	634 210	372 497
161	MULTILATERAL PROGRAMME LOANS	230 000	359 000
162	INITIAL PROJECT LOANS FROM GOVERNMENTS AFFILIATED TO THE PARIS CLUB		45 000
176	OTHER INITIAL LOANS WITHIN GOVERNMENT SERVICES	111 000	170 000
	TOTAL REVENUE (A+B)	5 395 200	5 699 700
	REVENUE OF SPECIAL APPROPRIATION ACCOUNTS of which COVID-19 SAA assistance fund	85 200 40 000	52 700 0
TOTAL REVENUE		**5 480 400**	**5 752 400**

7.3.1.1. Tax revenue

Tax revenue stood at 3 188.7 billion, recording a 13.1% increase. This significant variation is due to the fact that its most important components, namely domestic taxes on goods and services and taxes on income, profits and capital gains, show increases of 13.5% and 17.1% respectively, and to the 9.1% increase in taxes on foreign trade and international transactions.

7.3.1.2. Donations, assistance funds and legacies

Donations, assistance funds and legacies increased by 119.9%, mainly due to the 783.6% increase in "donations from foreign governments", which has increased from 13.1 billion in 2021 to 115.7 billion in 2022. This sharp increase has been mitigated by the decrease in donations from international institutions, from 51.6 billion to 26.6 billion, representing a 48.5% drop.

7.3.1.3. Social security contributions

Social security contributions remained stable at 60 billion between 2021 and 2022.

7.3.1.4. Other revenue

Other State revenue has recorded a steady 5.1% increased, mainly due to the substantial increase in the main item under this heading, namely “income from State property and land other than interest”, which rose from 464.6 billion in 2021 to 466.7 billion in 2022. Other exceptional revenue increased by 350.4%, from 20 billion to 90.1 billion. The increase in these two types of revenue offsets decreases in other non-tax revenue and administrative fees and charges.

7.3.1.5. Loans

Resources expected from loans amount to 1 670.5 billion, as against 1 844.4 billion in 2021, recording a 9.4% decrease. They mainly comprise 359 billion in multilateral programme loans, 372.5 billion in external private sector project loans, 244.8 billion in multilateral project loans, and 170 billion in other initial loans within public establishments. Treasury bonds worth 350 billion should also be added to these items.

7.3.1.6. Revenue of Special Appropriation Accounts

Since 2020, SAAs, especially those devoted to financing the fight against the Coronavirus and its economic and social impacts, have exceptionally been receiving allocations from the State budget. The revenue of COVID-19 SAA has dropped from 200 billion in 2021 to 100 billion in 2022 in order to incorporate the fight against the Coronavirus, in particular immunization campaigns and continued improvement of technical equipment in health facilities.

In addition, the revenue of the other SAAs has increased from 45.2 billion to 52.7 billion. Consequently, the revenue of all SAAs will drop from 245.2 billion to 152.7 billion in 2022, showing a reduction of 92.5 billion in absolute terms and 37.7% in relative terms.

7.3.2. Expenditure analysis

The table below shows the expenditure structure of the draft budget for the 2022 fiscal year. The structure is determined by the need to: (i) reconcile the requirement to fight the coronavirus and its economic and social impacts; (ii) cover recurrent expenses; (iii) ensure minimum expenditure for the proper functioning of the various government services; (iv) meet debt obligations; and (v) successfully implement projects in accordance with the National Development Strategy NDS-30, the Emergency Plan to Accelerate Economic Growth, the Special Three-Year Youth Plan and the organisation of the 2022 football Africa Cup of Nations.

Table 86: Structure of State Expenditure (in billion)

HEADINGS	2021	2022	Variations	
			%	Absolute
GENERAL BUDGET				
Personnel expenditure	1 069.8	1 124.8	5.1	55.0
Purchase of goods and services	791.9	867.4	9.5	75.5
Transfers and subsidies	628.8	653.2	3.9	24.4
Capital expenditure	1 352.0	1 479.0	9.4	127.0
Public debt	1 392.7	1 475.3	5.9	82.6
TOTAL	5 235.2	5 599.7	7.0	364.5
SPECIAL APPROPRIATION ACCOUNTS				
COVID-19 SAA Funds	200	100	-50.0	-100.0
Other SAA	45.2	52.7	16.6	7.5
TOTAL	245.2	152.7	-37.7	-92 .5
GRAND TOTAL	**5 480.4**	**5 752.4**	**5.0**	**272.0**

7.3.2.1. Personnel expenditure

Personnel expenditure has risen by 55 billion or 5.1%, resulting from the increase in retirement age by the decrees to harmonize retirement ages, as well as recruitments over the last two years which are expected to be included in the payroll in 2022. The recruitments mainly concern temporary staff in sovereignty services who have been absorbed as contract workers.

It is worth noting that the increase in personnel expenditure is globally attributable to the salary item, which stands at 1 064.6 billion in 2022, compared to 1 009.3 billion in 2021. Other personnel expenditure (benefits, allowances and various bonuses paid to State employees) have been maintained at their 2021 level, that is 59.2 billion, thus requiring the various government services to streamline their expenses in order to take into account new needs in this category of expenditure.

7.3.2.2. Purchase of goods and services

Purchases of goods and services are intended for the functioning of the various government services. They have increased by 75.5 billion, that is 9.5%. The increase is mainly due to higher security spending, the inclusion of a budgetary provision for to the organization of the AFCON and an increase in the provision to implement the import-substitution policy, which stands at 50 billion. The total budget for goods and services allocated to run various government services has virtually remained stable at its 2021 level, thus reflecting continued efforts to streamline this expenditure.

In addition, this expenditure category will help to finalize the establishment of the regions and cover recurrent costs following the numerous investments made in recent years.

7.3.2.3. Transfers and subsidies

In order to make transfers to public establishments and other public institutions, pay pensions and meet financial commitments to international organizations, the State has set aside a budget of 653.2 billion for the 2022 fiscal year, recording a 3.9% or 24.4 billion increase compared to the previous year. This increase is due to the rise in subsidies to fuel prices at the filling station. In addition, this amount does not only reflect the realistic budgeting of pensions, it also takes into account the management of public establishments that have been created and which hitherto were not receiving subsidies under the budget.

7.3.2.4. Capital expenditure

Appropriations allocated to capital expenditure stand at 1 479 billion, compared with 1 352 billion in

2021, showing an increase of 9.4% in relative terms and 127 billion in absolute terms. The increase falls in line with Government's option to increase capital expenditure by at least 1% of GDP. Capital expenditure is broken down as follows: (i) 1 444 billion for development operations, of which 779.8 billion is from external financing and 95.6 billion for capital investments; (ii) 15 billion for rehabilitation; and (iii) 20 billion as shares.

7.3.2.5. Public debt

The projected public debt service for the 2022 fiscal year has increased by 5.9% and stands at 1 475.3 billion. It is broken down as follows: (i) 677 billion as against 720 billion in 2021 for external debt; and (ii) 798.3 billion as against 672.6 billion in the previous fiscal year for domestic debt.

7.4.2.6. Special Appropriation Account Expenditure

Special Appropriation Account Expenditure will stand at 152.7 billion in 2022, showing a decrease of 92.5 billion in absolute terms and 37.7% in relative terms. The decrease is explained by the 50% drop in COVID-19 SAA expenditure, from 200 billion in 2021 to 100 billion in 2022. The expenditure of the other appropriation accounts has increased by 16.6%, from 45.2 billion in 2021 to 52.7 billion in 2022.

The breakdown by head of all expenditure forecasts required for State general budget operations is as follows:

Table 87 : Proposed Appropriations for the 2022 Financial Year (in million)

HEADS		OB	PIB	TOTAL	
		2022	2022	2021	2022
01	PRESIDENCY OF THE REPUBLIC	37 792	7 500	40 602	45 292
02	SERVICES ATTACHED TO THE PRESIDENCY OF THE REPUBLIC	5 550	1 100	5 931	6 650
03	NATIONAL ASSEMBLY	18 482	9 700	24 682	28 182
04	PRIME MINISTER'S OFFICE	13 699	5 500	17 676	19 199
05	ECONOMIC AND SOCIAL COUNCIL	1 091	500	1 591	1 591
06	EXTERNAL RELATIONS	31 788	3 100	30 800	34 888
07	TERRITORIAL ADMINISTRATION	35 002	2 950	34 785	37 952
08	JUSTICE	59 474	5 500	60 549	64 974
09	SUPREME COURT	3 066	1 500	4 130	4 566
10	PUBLIC CONTRACTS	13 222	1 100	14 485	14 322
11	SUPREME STATE AUDIT OFFICE	4 052	1 650	5 195	5 702
12	GENERAL DELEGATION FOR NATIONAL SECURITY	86 644	2 500	87 175	89 144
13	DEFENCE	252 844	7 000	245 913	259 844
14	CULTURE	4 385	1 237	4 727	5 622
15	BASIC EDUCATION	208 435	35 599	232 742	244 034
16	SPORTS AND PHYSICAL EDUCATION	21 976	1 400	42 317	23 376
17	COMMUNICATION	3 548	800	4 618	4 348
18	HIGHER EDUCATION	56 934	7 000	57 545	63 934
19	SCIENTIFIC RESEARCH AND INNOVATION	9 125	1 750	8 691	10 875
20	FINANCE	55 491	7 200	56 950	62 691
21	TRADE	6 728	1 230	7 496	7 958
22	ECONOMY, PLANNING AND REGIONAL DEVELOPMENT	19 693	40 120	51 248	59 813
23	TOURISM AND LEISURE	3 825	3 160	8 901	6 985
25	SECONDARY EDUCATION	389 967	10 300	386 954	400 267
26	YOUTH AFFAIRS AND CIVIC EDUCATION	15 352	8 350	20 234	23 702

HEADS		OB	PIB	TOTAL	
		2022	2022	2021	2022
27	DECENTRALIZATION AND LOCAL DEVELOPMENT	5 765	46 355	46 088	52 120
28	ENVIRONMENT, NATURE PROTECTION AND SUSTAINABLE DEVELOPMENT	3 783	2 790	6 391	6 573
29	MINES, INDUSTRY AND TECHNOLOGICAL DEVELOPMENT	5 896	1 950	9 496	7 846
30	AGRICULTURE AND RURAL DEVELOPMENT	24 071	64 571	86 956	88 642
31	LIVESTOCK, FISHERIES AND ANIMAL INDUSTRIES	16 019	29 513	41 532	45 532
32	WATER RESOURCES AND ENERGY	5 413	241 550	226 084	246 963
33	FORESTRY AND WILDLIFE	10 328	6 180	15 950	16 508
35	EMPLOYMENT AND VOCATIONAL TRAINING	15 099	6 347	19 013	21 446
36	PUBLIC WORKS	58 637	468 428	464 842	527 065
37	STATE PROPERTY, SURVEYS AND LAND TENURE	17 043	2 000	18 158	19 043
38	HOUSING AND URBAN DEVELOPMENT	11 996	106 994	124 843	118 990
39	SMALL AND MEDIUM SIZE ENTREPRISES; SOCIAL ECONOMY AND CRAFTS	7 637	3 396	10 001	11 033
40	PUBLIC HEALTH	117 923	89 317	197 122	207 240
41	LABOUR AND SOCIAL SECURITY	6 242	600	5 492	6 842
42	SOCIAL AFFAIRS	8 444	4 860	10 549	13 304
43	WOMEN'S EMPOWERMENT AND THE FAMILY	7 266	1 220	7 852	8 486
45	POSTS AND TELECOMMUNICATIONS	5 162	11 000	21 496	16 162
46	TRANSPORT	5 547	77 000	47 944	82 547
48	NATIONAL DISARMAMENT, DEMOBILIZATION AND REINTEGRATION COMMITTEE	1 967	1 500	3 466	3 467
49	CONSTITUTIONAL COUNCIL	3 244	500	3 744	3 744
50	PUBLIC SERVICE AND ADMINISTRATIVE REFORM	9 263	4 650	11 332	13 913
51	ELECTIONS CAMEROON	11 583	600	11 083	12 183
52	NATIONAL COMMISSION ON HUMAN RIGHTS AND FREEDOMS	2 496	750	1 246	3 246
53	SENATE	11 962	3 200	15 162	15 162
54	NATIONAL COMMISSION FOR THE PROMOTION OF BILINGUALISM AND MULTICULTURALISM	2 380	600	2 980	2 980
55	PENSIONS	244 200	0	240 000	244 200
56	EXTERNAL PUBLIC DEBT	677 000	0	720 000	677 000
57	DOMESTIC PUBLIC DEBT	798 300	0	672 630	798 300
60	SUBSIDIES AND CONTRIBUTIONS	265 463	0	242 271	265 463
65	COMMON EXPENDITURE	400 406	0	358 453	400 406
92	SHAREHOLDING	0	25 000	20 000	25 000
93	REHABILITATION/RESTRUCTURING	0	10 000	15 000	10 000
94	INVESTISSEMENT INTERVENTIONS	0	95 383	95 088	95 383
95	CARRY-FORWARD OF APPROPRIATIONS	2 000	5 000	7 000	7 000
TOTAL		**4 120 700**	**1 479 000**	**5 235 200**	**5 599 700**

CHAPTER 8: 2021-2024 MACROECONOMIC AND BUDGETARY OUTLOOK

Budgetary projections are based mainly on the national and international economic environment assumptions, and new fiscal and administrative measures. This chapter deals with the following: (i) global economic outlook; (ii) 2021 national economy update; (iii) Government's strategic actions for the 2022-2024 period; (iv) national economic outlook for the 2022-2024 period; (v) budgetary outlook for the 2022-2024 period.

8.1. Global Economic Outlook

Global economic recovery is on course, despite a resurgence of the pandemic. Global vaccination rates vary significantly, thus hampering the ability of some countries to fully lift restrictive measures, and increases tension at the level of supply chains and global trade. Rapid increase in demand, which came with the reopening of economies, led to price hikes for major commodities like oil and metals. Food prices are also on an upward trend, fuelling inflation, especially in emerging market economies. Tensions in supply chains induced by the pandemic, have exacerbated the pressure on costs. At the same time, the cost of maritime transport has risen sharply. In most economies, governments are grappling with the following multidimensional challenges: slow employment growth, rising inflation, food insecurity, declining human capital accumulation and climate change, with very little room for manoeuvre.

8.1.1. Economic growth projections

According to the October 2021 *World Economic Outlook* (WEO) published by the IMF, global economy should grow by 5.9 % in 2021, against the 6% projected in July, to stand at about 4.9% in 2022. The downward trend in 2021 can be attributed to (i) deterioration of the situation in advanced countries, partly due to supply disruptions and (ii) worsening impact of the pandemic in low-income developing countries. Global economic activity is returning to pre-pandemic levels, though expected to remain below pre-crisis projections.

In the **group of advanced countries**, growth may reach 5.2% in 2021, driven by the strong recovery in the United States (+ 6% in 2021), before decelerating to 4.5% in 2022. Strong private spending is expected to help raise the GDP level closer to the expected pre-pandemic trajectory in most countries. Growth in the Eurozone is expected to stand at 5% in 2021 and be consolidated in 2022, with a rate of 4.3%. However, such projections may drop, due to possible viral mutations, prolonged supply disruptions and high energy prices.

In **the group of emerging and developing countries**, growth rates are projected at 6.4% in 2021, and 5.1% in 2022. With regard to China in particular, production has already regained its initial path and growth is expected to stand at 8.5% in 2021 and 5.6% in 2022. In other emerging market economies, including India, GDP may continue to diverge significantly from pre-pandemic projections, and growth is only expected to pick up when the effects of the pandemic will wear off.

Growth in sub-Saharan Africa is expected to reach 3.7% in 2021, and 3.8% in 2022. Much of the rebound stems from a sharp improvement in world trade and basic commodity prices. Favourable prices have also helped to increase agricultural production. However, recovery is expected to be slower than in advanced countries, with a widening income gap.

After 2022, global growth is expected to be more moderate and stand at around 3.3% in the medium term. Global production in the group of advanced countries should regain its pre-pandemic trajectory in 2022 and exceed same by 0.9% in 2024. Conversely, persistent production losses are expected for the group of emerging and developing countries (excluding China), due to slower vaccination campaigns and generally lesser Government support, compared with advanced countries. This would lead to a more serious slowdown in the improvement of peoples' living conditions. This divergent economic outlook between countries remains a major concern and stems from the ***"Great Vaccine Divide"*** and the wide disparities regarding Government assistance. While more than 60% of the population in advanced countries is fully vaccinated and some people are currently receiving booster doses, about 96% of the population in low-income countries is still not vaccinated.

Consequently, projections for sub-Saharan Africa remain very uncertain and are likely to reduce. Recovery depends, in particular, on the pace of the global pandemic and vaccination campaigns in the region. It is also exposed to disruptions in global activity and financial markets.

In addition, the region is faced with three realities:

- more than 30 million people have been extremely impoverished, the crisis has exacerbated inequalities, not only between income categories but also between sub-national geographical areas, which may increase the risk of social tension and political instability. In such a context, rising food prices, coupled with declining incomes, jeopardizes previous progress made in poverty reduction, health and food security;
- as the pandemic continues, leaders face three major budgetary challenges: (i) meeting the region's urgent development expenditure needs; (ii) monitoring public debt; and (iii) increasing tax revenue in a context where additional measures are generally unpopular;
- the crisis has underscored the crucial importance of international solidarity and aid. Regarding COVID-19 in particular, the threat of new variants highlights the need for a global response, targeting especially unvaccinated populations in Africa. IMF has proposed a plan to vaccinate at least 40% of the total population of all countries by the end of 2021 and 70% by the first half of 2022. For sub-Saharan Africa, such goals sound ambitious and will require a radical shift in strategy in advanced countries and sub-Saharan African countries.

Table 88: Some Global Economy Performance Indicators

	2020	2021*	2022**
Real GDP Growth			
Global economy	-3.1	5.9	4.9
United States	-3.4	6.0	5.2
Eurozone	-6.3	5.0	4.3
Japan	-4.6	2.4	3.2
China	2.3	8.0	5.6
India	-7.3	9.5	8.5
Sub-Saharan Africa	-3	3.1	3.1
Nigeria	-1.8	2.6	2.7
South Africa	-6.4	5.0	2.2
CEMAC	-2.5	2.6	2.8
Inflation			
United States	1.2	4.3	3.5
Eurozone	0.3	2.2	1.7
Japan	-0.0	-0.2	0.5
China	2.4	1.1	1.8
India	6.2	5.6	4.9
Inflation			
Sub-Saharan Africa	3.3	4.4	4.5
Nigeria	13.2	16.9	13.3
South Africa	3.3	4.4	4.5
CEMAC	2.7	2.1	2.3

Source: IMF/BEAC ** Estimates* *** Projections*

8.1.2 Commodity market outlook

In 2021, the prices of some raw materials reached and even exceeded the 2011 all-time highs. Energy prices sky-rocketed in the third quarter of 2021 and are expected to remain high in 2022, thus increasing inflationary pressure around the world, which could cause economic growth to shift from energy importing countries to exporting countries.

After hitting historic highs, natural gas and coal prices are expected to drop in 2022 as demand growth slows down and supply constraints ease. Natural gas and coal prices are expected to drop in 2022 and 2023, while demand growth slows down (especially outside Asia) and production and exports increase, driven by the United States. However, there is a likelihood of fresh price hikes as stocks remain very low and production is not expected to increase significantly until 2022.

Crude oil prices are expected to average $ 74 per barrel in 2022, against $ 70 per barrel, as projected in 2021, then dropping to $ 65 per barrel in 2023. Oil demand is expected to increase gradually to reach its pre-crisis level. Oil production is expected to increase once supply issues are resolved, with production responding to higher demand, especially shale production in the United States. Investment deficits in new production, including American shale, may adversely affect increase in production. Investments in new oil production plummeted in 2020 and picked up more slowly.

In addition, substituting crude oil with coal and natural gas to produce heat and electricity is another drawback to production increase. New COVID-19 outbreaks are likely to scale down oil demand.

The prices of metals are expected to drop by 5% in 2022 after an expected 48% increase in 2021, whereas global recovery eases even though supply disruptions have not been fully resolved. Indeed, supply chain bottlenecks are not expected to have been fully resolved by the end of 2022, given that energy shortage and transportation take time to stabilize. The Chinese real estate sector prospects and energy-related supply disruptions are major risks on metal price projections.

Agricultural produce prices are expected to drop slightly in 2022 and 2023, following an expected increase of 22% in 2021, as supply conditions improve. The risks of agricultural produce price hikes stem from the high prices of inputs, especially fertilizers, and increased switch of food products toward biofuel production as part of efforts to decarbonize the global economy. High food prices have raised concerns about food insecurity in several developing countries. In addition to declining incomes linked to production disruptions as a result of the pandemic, several developing food-importing countries face high international food prices and energy costs. If sustained, high commodity prices may slow down growth in importing countries and exacerbate food insecurity in low-income countries.

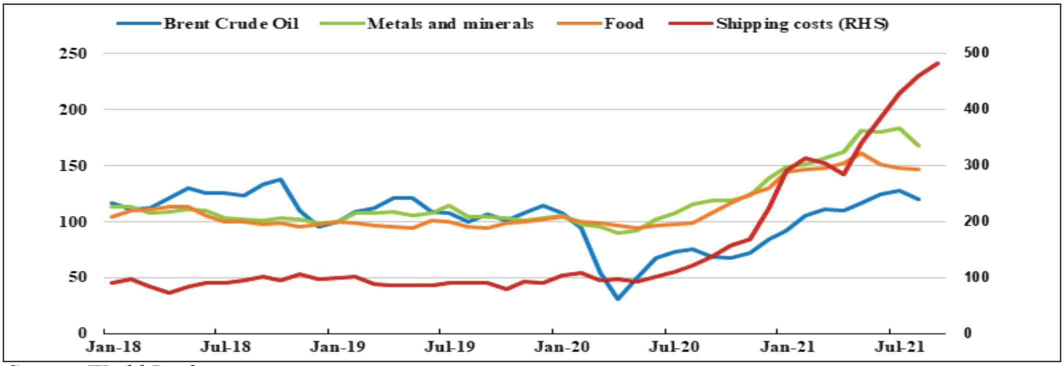
Table 89 : Projections on the Prices of Major Basic Commodities Exported by Cameroon

Items	Units	History						Projections			
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cocoa	$/kg	3.14	2.89	2.03	2.29	2.34	2.37	2.40	2.45	2.50	2.53
Arabica Coffee	$/kg	3.53	3.61	3.32	2.93	2.88	3.32	4.30	4.20	4.15	4.21
Robusta Coffee	$/kg	1.94	1.95	2.23	1.87	1.62	1.52	1.95	2.00	1.90	1.92
Crude palm oil	$/mt	663	736	751	639	601	752	1 100	1 075	1 050	1 054
Banana	$/kg	0.96	1.00	1.08	1.15	1.14	1.22	1.23	1.24	1.25	1.25
Timber	$/cum	389	387	395	414	392	399	415	420	420	422
Cotton	$/kg	1.55	1.64	1.84	2.01	1.72	1.59	2.10	2.20	2.15	2.16
Rubber	$/kg	1.57	1.61	2.00	1.57	1.64	1.73	2.05	1.85	1.90	1.94
Aluminium	$/mt	1 665	1 604	1 968	2 108	1 794	1 704	2 550	2 700	2 500	2 400

8.1.3. Consumer price trends

In 2021, economic recovery came along with a sharp increase in inflation in advanced and emerging countries. The increase stems from: (i) commodity price rise; (ii) tension on supply; (iii) strong consumer demand following economic recovery; (iv) supply shortages; (v) price recovery in some sectors that experienced a decline during the first months of the pandemic. Indeed, the pandemic triggered serious price fluctuations in the food, transport, clothing and communications sectors.

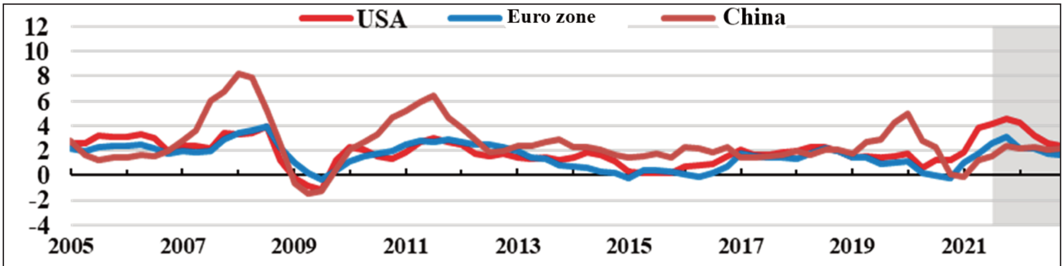
Graph 29 : Price Trends of Main Goods and Services that Triggered Inflation



Source: World Bank

Annual inflation in the United States stood at over 4.3% in 2021, but remained relatively low in many other advanced economies, particularly in Europe (+2.1%) and Asia (+1%). In many emerging market economies, high energy and food prices pushed up inflation, thus reflecting sharp price increases and the relatively high share of commodities in consumer spending.

Graph 30 : Inflation Trends in Major Advanced Countries



Source: World Bank

Box 4 : Food inflation in sub-Saharan Africa

Food inflation has steadily increased in the region since 2019. On average, it stood at 10.9% year-on-year in August 2021 in 25 countries in the region for which monthly data are available. The recent rise in food inflation is partly due to the impact of global food prices, which rose by about 30% (year-on-year) in August.

The increase in global food prices is ascribable, among other things, to: (i) rising oil prices (which implies increased demand for biofuels and rising energy costs); (ii) droughts in some major food-exporting countries; and (iii) export restrictions that they impose as well as stock accumulation in some countries. In addition, during the pandemic, containment measures disrupted production, imports of seeds and fertilizers and caused shortage of labour during planting seasons.

Domestic factors such as poor weather conditions, exchange rates, transportation costs and conflicts also contributed to food price hikes in the region. They also account for the wide food inflationary gaps between countries, ranging from almost 0% in Chad to more than 30% in Angola.

The surge in food inflation contributed to the soaring inflation. On average, inflation across the region jumped from 3 to 4% in early 2019 to 7.8% year-on-year in August. The rise in food prices led to an upsurge in CPI inflation, given the weight of food in the region's consumer basket (about 40%). However, food products were not the only factors responsible for the rise in overall CPI inflation.

International factors such as the pandemic-induced disruption of supply chains, the increase in the prices of basic products and fluctuations in regulated domestic prices also impacted on prices in general across the region.

The effects of food inflation on overall CPI inflation should taper off in the medium-term. For instance, stabilizing oil prices would help ease the pressure on food prices. Moreover, there are prospects of containment of CPI inflation, likewise a drop in the prices of basic commodities, and an end to global supply chains disruptions caused by the pandemic. However, there is still much uncertainty around the inflation forecasts. High food inflation lingers where inflation forecasts are not met or where there are persistent supply chain disruptions.

A rise in food inflation may aggravate food insecurity and shortages, and worsen inequalities by disproportionately penalizing poor populations in Sub-Saharan Africa. Forecast shows that the number of people suffering from malnutrition in the region has already increased by 20% in 1 year to 264 million in 2020. Ways to reduce risks of food insecurity include:

(i) the provision of tailored social assistance and insurance to help populations face this challenge. Adaptation mechanisms will thus be strengthened by improving access to funding, seeds, insecticides, fertilizers, erosion control measures and irrigation. A more reliable mobile telephone coverage may also enhance the flow of information;

(ii) the reduction of foreign trade obstacles likely to weigh down long-term food production.

8.2 Domestic Economy Trends in 2021

In 2021, production activities were carried-out in an environment marked by global economic recovery and the persistent security crises. The business-cycle indicator trends observed during the first semester confirm the prospects of economic activities revival in 2021. In fact, real GDP is expected to rebound by 3.5% as against 0.5% in 2020, in line with an increased demand for our exported products, following the gradual resumption of economic activities. In the non-oil sector in particular, the resumption of demand by our trading partners stimulated renewed production activities in export-oriented branches, including export agriculture, forestry and logging. Similarly, the gradual lifting of restrictive measures brought fresh impetus to the tourism, hotels and transport services sectors, which were particularly hit by the negative effects of the pandemic.

8.2.1. Supply trends

The turnaround in production is essentially due to: (i) renewed activity in the agricultural sector following improved global demand; (ii) intense activity in the construction sector sustained by the on-going major construction projects; (iii) a gradual rise of sectors in the services branches following the easing of the global economy in 2021; (iv) the positive influence of measures initiated by Government within the framework of the economic revival policy.

In the primary sector, growth in activity is expected to rebound by 4.5% as against 0.6% in 2020, following renewed foreign demand for products in the *logging and industrial and export agriculture branches. This trend reflects the performance recorded in industrial and export agriculture* (+6.3% as against-1.6% in 2020) and the *forestry and logging* (+7.0% as against -1.8%) branches. Foreign trade statistics show that agricultural produce exports registered positive results in the first semester of 2021 as compared to the same period the previous year. These include exports in banana (+15.6%), raw cocoa beans (+34.2%), cocoa paste (+17.4%) and cotton (+59.3%).

In the secondary sector, growth rate is estimated at 2.9% as against 3.2% in 2020. This decline is attributable to a fall in oil and gas production forecasted by the National Hydrocarbon Corporation (NHC), which foresees a 3% and 3.6% drop in gas and oil production respectively. Conversely, non-oil industrial activities are expected to maintain their level of activity in a context of economic recovery and a 2.6% rise in electric power supply. Increase in industrial production is expected to be sustained by consolidated added value of agri-food industries (+3.5%), wood industry excluding furniture making (+3.2%), textile and cloth-making industry (+2%) and rubber production and manufacture of rubber items (14.6%).

In the tertiary sector, growth is expected to progress by 3.6% as against 0.6% in 2020, following renewed global economic activities after the COVID-19 induced disruptions of 2020. Thus, the trade branch is expected to rebound, following the reopening of land borders and the adjustment of goods imports. In 2021, trade is also expected to be sustained by improvements in the primary and secondary sectors. Activities in areas strongly hit by the health crisis, in particular air and sea transport, restaurant and hotel services, also enjoyed a gradual return to normalcy, backed by the availability of an anti-COVID-19 vaccine. Likewise, digital practices occasioned by the implementation of anti-COVID-19 measures are expected to continue, thereby providing some added value to the telecommunications sector.

Table 90 : Distribution of GDP across economic sectors (%)

	2017	2018	2019	2020	2021	2022	2023	2024
Primary sector	**2.5**	**3.8**	**3.9**	**0.6**	**4.5**	**3.6**	**3.9**	**4.5**
Agriculture	1.3	3.2	3.3	1.1	4.0	3.7	3.9	4.9
Food crop agriculture	4.7	3.5	2.6	2.4	3.1	3.4	3.6	4.3
Industrial and export agriculture	-4.7	2.5	5.0	-1.6	6.3	4.3	4.8	6.6
Livestock and hunting	4.4	3.6	3.8	2.5	4.0	4.0	4.2	4.5
Forestry and logging	4.2	5.8	6.1	-1.8	7.0	3.6	3.9	4.0
Fisheries	4.0	3.2	2.1	1.1	2.2	2.9	3.0	3.3
Secondary sector	**1.4**	**2.9**	**3.8**	**3.2**	**2.9**	**3.6**	**4.3**	**4.4**
Extractive industries	-17.5	-2.8	8.2	3.2	-2.7	-2.0	2.4	-0.3
Including hydrocarbons	-19.2	-3.0	8.4	3.1	-3.2	-2.3	2.3	-0.5
Agri-food business	4.4	1.9	2.4	3.6	3.5	4.7	4.5	4.8
Other manufacturing industries	1.8	5.1	0.1	0.9	1.7	3.8	4.0	5.4
Production and distribution of electricity	7.0	-10.5	0.0	0.2	2.6	3.4	3.3	3.4
Water production, supply and sanitation	2.6	2.5	1.8	1.2	2.0	3.4	3.4	3.4
Construction and public works	8.5	7.8	7.9	6.4	6.2	5.8	5.8	5.5

	2017	2018	2019	2020	2021	2022	2023	2024
Tertiary Sector	**4.8**	**5.1**	**3.1**	**0.6**	**3.6**	**4.9**	**5.1**	**5.2**
Vehicle trade and repairs	4.4	5.3	2.8	1.6	3.7	4.6	6.0	6.2
Restaurants and hotels	6.2	5.2	4.2	-6.4	5.1	7.2	5.1	5.4
Transport, warehousing and communication	4.2	4.5	4.1	-1.3	3.2	5.5	5.2	5.2
Information and telecommunications	6.9	-0.6	1.6	5.5	5.4	6.3	5.0	5.2
Insurance and financial activities	5.0	13.8	3.2	3.8	6.0	4.3	4.5	4.6
Public administration and social security	3.5	5.0	3.1	2.4	3.8	3.7	3.6	2.1
Education	4.2	2.1	2.0	0.6	3.1	4.6	5.4	5.9
Health and outreach programmes	3.9	3.2	2.4	2.2	2.9	3.7	3.8	4.1
Other services	5.4	6.3	2.8	2.1	2.5	3.9	4.9	5.7
GDP at factor costs	***3.5***	***4.3***	***3.4***	***1.3***	***3.6***	***4.3***	***4.7***	***4.9***
Taxes and duties less subventions (% GDP)	4.5	0.4	3.8	-8.0	2.5	2.9	5.5	6.0
GDP	**3.5**	**4.0**	**3.5**	**0.5**	**3.5**	**4.2**	**4.7**	**4.9**

Source: MINFI

8.2.2. Demand trends

8.2.2.1. Domestic demand

Domestic demand is expected to increase in volume by 2.3% in 2021, as against 1.1% in 2020. This increase is an indication of the buoyant household consumption trend, sustained by the general price control mechanism (+2.4% at the end of June 2021) and improved household incomes. Households actually enjoy the proceeds from a very good harvest, the resumption of consumer credits (+18.5% at the end of June 2021) and remittances from the Cameroonian diaspora (+48.1% at the end of June 2021). In a nutshell, final consumption is expected to accelerate to 1.9% in 2021 as against 0.5% in 2020, thereby contributing significantly to the 1.6 points growth rate.

In the same vein, investment is expected to also benefit from the budgetary impulse and renewed trust by investors, thanks to greater visibility of the domestic economic outlook. Already, in the first semester of 2021, corporate investment expenditures resumed, marked by the on-going adjustment of capital goods imports (+20.8% at the end of June 2021), increase in the volume of credit to the economy (+7.5% the end of June 2021), and good performance of FDIs (487.7 billion in 2021 as against 341.2 billion in 2020). Similarly, the total amount of public investment should increase from 1 071.3 billion in 2020 to 1352 billion in 2021, representing a 26.2% increase. Under such conditions, gross fixed capital formation is expected to witness a 7.4% rise in volume, as against a 5.4% fall in 2020. Its contribution to economic growth is expected to increase by 1.4 points.

8.2.2.2. Foreign demand

In a context of swift resumption of global trade, the volume of exports is expected to rise by 10.8% in 2021, after depreciating by 15.2% in 2020. This rise is attributable to the good performance of almost all the export goods and services during the first semester, the most outstanding of which include: raw cocoa beans (+35.2%), raw rubber (+16%), raw cotton (+26.4%), wood and wood works (+9.4%).

The volume of goods and services imports is also expected to increase by 8% in 2021, compared with a 17.2% drop in 2020. Already, as at the first semester of 2021, goods import increased by 15.4%, driven by an increased volume of purchased energy products (+28.5%), machinery and mechanical or electrical appliances (+25%), mineral products (+20%) and transport equipment (+51%).

Table 91 : Trends in GDP and its Uses (%)

Item	2017	2018	2019	2020	2021	2022	2023	2024
Consumption	**4.0**	**5.0**	**4.0**	**0.5**	**1.9**	**4.9**	**3.6**	**3.8**
Private	4.7	5.1	4.1	0.5	3.6	4.3	3.8	3.8
Public	0.1	4.6	3.8	0.9	-8.1	8.9	2.5	3.5
Gross Fixed Capital Formation	**2.2**	**6.1**	**3.3**	**-5.4**	**7.6**	**5.6**	**6.3**	**5.6**
Private	7.0	2.9	1.8	4.5	5.2	5.3	5.3	5.3
Public	-9.1	15.0	6.8	-28.9	24.1	7.1	11.6	6.7
Stock variation	-54.2	-21.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment	**1.2**	**5.9**	**2.6**	**-5.3**	**10.0**	**5.7**	**6.9**	**5.7**
Net exports	**1.3**	**55.1**	**12.2**	**-28.2**	**-5.1**	**59.4**	**-16.8**	**-36.0**
Goods and services exports	**-1.6**	**2.1**	**11.2**	**-15.2**	**10.8**	**0.1**	**3.0**	**3.9**
Crude oil exports	-19.8	-16.7	31.2	-2.5	-8.9	-4.0	-2.0	-4.6
Exports in goods excluding crude oil	-0.5	8.8	6.8	-19.7	6.5	4.1	4.5	5.8
Goods exports	-5.3	0.3	11.6	-14.3	2.5	1.5	2.6	2.8
Services exports	8.7	6.6	10.2	-17.4	29.4	-2.8	3.9	6.0
Goods and services imports	**-1.2**	**8.5**	**11.4**	**-17.2**	**8.0**	**4.8**	**0.4**	**-0.6**
Goods imports	-3.0	10.2	12.8	-16.2	7.3	5.4	0.5	-0.5
Services imports	6.3	1.9	5.9	-21.1	10.9	2.6	-0.2	-0.7
GDP	**3.5**	**4.0**	**3.5**	**0.5**	**3.5**	**4.2**	**4.7**	**4.9**

Source: MINFI

8.3. Government's 2022-2024 Strategy

Implementation of the economic policy over the period 2022-2024 should be in accordance with the National Development Strategy (NDS-30). The strategy is broken down into overall and sector specific strategic guidelines which will guide Government actions to be implemented over this period.

8.3.1. Overall strategic guidelines

The main objective is to implement the bases of the economy's structural transformation by significantly increasing the share of industrial and manufacturing production in the economy. Thus, for the period 2022-2024, Government will lay more emphasis on the import-substitution policy whose main thrust is increasing domestic supply of mass consumption products and agri-food business inputs (maize, milk, fish, sorghum, soy, potato, cassava, plantain, etc.). The increase will be sustained by an intensive use of local factors of production and support to local companies in the production of goods and services in strategic areas.

Table 92 : Local production goals of some products(tonnes)

Item	2021	2024
Paddy rice	108 525	406 899
Maize	2 858 220	4 200 000
Fish	314 000	379 488

Source: NDS-30

8.3.2. Sector specific strategic guidelines

Sector strategic guidelines lay down directives on the breakdown of sector policies to be implemented over the next triennium. Sector strategic guidelines cover the following four pillars of NDS-30: (i) structural transformation of the economy; (ii) human capital development and well-being; (iii) fostering job creation and economic integration; (iv) governance, decentralization and strategic management of the State.

8.3.2.1. Structural transformation of the economy

Concretely, Government will continue to strengthen measures to promote high-potential sectors, including agriculture, tourism, digital and knowledge economies, with specific focus on technical education and vocational training. Regarding production, there are three major challenges, namely: (i) commissioning major projects so that they can effectively contribute to shoring up the production system; (ii) modernizing factors of production in the rural and agricultural sector, in line with the import-substitution goals set out in NDS30; (iii) promoting research and innovation.

Concerning transport infrastructure development, Government priorities include:

- commissioning the Yaoundé-Nsimalen expressway and preparing the second phases of the Yaoundé-Douala and Kribi-Lolabe expressways;
- completing the construction and rehabilitation of national and regional roads already underway (Yaoundé-Babadjou-Bamenda, Olama-Kribi, Batchenga-Tibati, Sangmelima-Ouesso, Kumba-Mamfe, Mengong-Sangmelima, Nkolessong-Nding, Maroua-Bogo- Pouss, Ketta-Djoum, the eastern entrance to Douala, the Logone bridge, and the opening up of the agricultural basin of the West, etc.);
- starting and pursuing the construction and rehabilitation of some priority roads (Ring-road, Ebolowa-Akom II-Kribi, Ngaoundere-Garoua, Olounou-Oveng, Lolabe-Campo, etc);
- rehabilitating the Belabo-Ngaoundere railway, and finalizing studies for the construction of new railway lines (Cameroon-Chad, Limbe-Douala, Douala-Ngaoundere, Kribi-Edea);
- renewing CAMRAIL's fleet with the acquisition of 25 passenger rail cars;
- complete operationalization of the Kribi port platform and extension/start of the construction of new platforms (Limbe-Ngueme, Kribi 2); and
- preparing the launch of construction works on the Limbe Port.

With regard to increasingelectricity power and drinking water supply:

- commissioning and optimizing the operation of all dams under construction (Bini at Warak, LomPangar foot plant, Mekin);
- finalizing the preparation and launch of new dam projects, with focus on the public-private partnership method (Grand-Eweng 1,800 MW, Menchum 72 MW, Mouila-Mogue 420 MW, Katsina-Ala 485 MW, Cholet 600 MW, etc.);
- intensifying transmission-line networks and the interconnection of North-South networks (Memve'ele-Kribi 225KV, Mekin-Mbalmayo 30KV, Ngaoundere-Tibati 225KV, Tibati-Gaoundal 30KV, Bertoua-GarouaBoulai-Meiganga-Ngaoundere 225KV, Yaoundé-Abong-Mbang 225KV, Nkongsamba-Bafoussam 225KV, Ngaoundere-N'Djamena 225KV, Nachtigal-Bafoussam 400 KV; the Chad-Cameroon Interconnection and the RIS-RIN Interconnection);
- implementing rural electrification projects (rural electrification project for access to electricity in under-serviced areas (PERACE)); and
- intensifying the drinking water supply network (PAEPYS project, Emergency Programme for the city of Yaoundé, South-West, West, North-West, Centre regions, etc.).

Actions to develop social housing, digital technology and modernize land survey will be aimed at:

- continuing Government's low-cost houses construction programme (in Yaounde and Douala, Meyomessala, Nkondom, Kribi, Bertoua, etc.), and accelerating work to ensure the habitability of houses already built;

- finalizing the Regional Headquarters Development programme: Bafoussam, Bertoua, Garoua;
- finalizing the Inclusive and Resilient Cities Development Project;
- strengthening land tenure security through the computerization of land registries (62 land registries to be computerized) and accelerating the geodetic network project; and
- commissioning broadband telecommunications infrastructure as part of the National Optical Fibre Backbone Extension Project (Phase IV) and setting up the Central African Backbone.

Government priorities for the rural sector will target:

- effective conduct of the Agriculture and Livestock General Census (RGAE);
- optimization of mechanisms to support producers with agricultural and plant materials;
- on-going development of production basins, modernization of the production infrastructure and equipment, processing and marketing of agricultural produce;
- continuation of the development programme for hydro-agricultural areas in the grand North and giving them out in concession;
- on-going support to large production plants (CDC, PAMOL, SEMRY, SODECOTON);
- construction, rehabilitation and equipment of cattle breeding products marketing and processing plants (project to develop cattle marketing and breeding infrastructure, PRODEL project, acquisition of equipment for the operationalization of milk centres, construction of slaughtering areas in councils with resources transferred to RLAs); and
- on-going construction, rehabilitation and equipment of fishing infrastructure (project to improve the landing stage and fish market at Youpwe in the city of Douala, etc.).

Regarding the industries and services sector, actions will mainly be directed towards:

- operationalization of the Industrialization Master Plan (MPI);
- promotion of the “made in Cameroon” label through the construction of a metrology laboratory, support to craftsmen supervision entities, promotion of local handicraft and establishment of business incubators;
- strengthening governance of small-scale production plants and the mechanism for verification and control of imported and local products standards;
- on-going development of priority tourist sites (launch of the Mingoa Valley in Yaoundé, etc.);
- setting up the Ouassa-Baboute agro-industrial technopole;
- support to stakeholders of the artisanal mining sector in the production and marketing of mineral substances through gold channelling; and
- completion and operationalization of the first priority economic zones (Douala, Kribi, Limbe and Maroua).

8.3.2.2. Human capital development

Government’s actions in this area will mainly focus on: (i) health and nutrition; (ii) education and vocational training; and (iii) social development.

Regarding the health and nutrition sector, actions will be mainly aimed at:

- paying for activities of the COVID-19 response plan;

- on-going implementation of the prerequisites for the deployment of the Universal Health Coverage (UHC) through: (i) the construction, rehabilitation and equipment of health facilities, including on-call houses for health personnel; (ii) the acquisition of tricycle/motorbike ambulances; (iii) the organization of hospital reform activities prior to the UHC;
- construction, rehabilitation and upgrading of the technical platform of categories 4 to 6 health centres (IHC, SDHC, DH);
- supporting category 4 health centres with control, measurement and trial equipment for the maintenance of biomedical equipment;
- providing district hospitals with medical imaging equipment; and
- completing regional hospital construction projects under PLANUT.

Actions for the education and vocational training sector will mainly concern:

- the extension of pre-school coverage in rural areas by building classrooms in pre-school institutions and on-call houses for teachers in rural areas;
- the building and equipment of vocational high schools and the generalization of digital technology in secondary education;
- the granting of subsidies to private nursery and secondary schools;
- easing the provision of textbooks to students through the supply of minimum packages;
- the on going implementation of the "school book policy" through the PAREC project; and
- the strengthening of vocational training (project for skills transfer in vocational training with TIKA).

Regarding the Social Development Sector, focus will be on:

- the start of rehabilitation work on the Yaoundé-based Cardinal Paul Emile Leger National Centre for Persons with Disabilities;
- the on-going implementation of Government's policy to support the poorest and most vulnerable people through the "social safety nets" project;
- the on-going restoration and development of the cultural heritage (building of the Ntui, Baham and Mora Houses of Culture, construction of a building for the Ekounou national archaeological reserve);
- the extension of the social security system to disregarded (informal sector) workers and the building of women's economic capacities;
- managing refugees and displaced persons in security crisis areas (Far-North, South-West, North-West and East); and
- the continuation of the Social Nets Project, with focus on households severely affected by COVID-19.

8.3.2.3. Fostering employment and socio-economic integration

The overall objective in this area is to promote and ease access to decent job for a large number of workers, by expanding and promoting job creation opportunities in the economy through:

- support to micro-projects pending under PIAASI;
- granting of investment subsidies (to the Support Programme for SMEs Creation and Development, and to the TRANSFAGRI programme);

- support to incubation initiatives in universities and institutions of higher learning;
- structuring of informal players and self-employment in the digital economy sector; and
- youths' projects funding as part of the "Special Youth Triennial Plan".

8.3.2.4. Governance, decentralization and strategic management of the State

Political governance and decentralization actions concern:

- on-going operationalization of the General Code of Regional and Local Authorities (RLAs), in particular the full exercise of powers devolved to regional councils and local councils;
- on-going rehabilitation of NASLA in Buea, in view of establishing a local public service;
- operationalization of the Programme for the Economic and Social Development of Secondary Cities Exposed to Instability Factors (PRODESV); and
- operationalization of the national plan and finalization of the recently designed regional development plans.

In terms of administrative and financial governance, the aim is to carry out actions relating to:

- on going implementation of the overall public finance reform plan for the period 2022-2024;
- on going construction of the National Assembly building and complete equipment of the new Economic and Social Council building;
- finalization of the courthouse construction programme (Douala, Edea, Ngoma, etc.); and
- development of a master plan for budgetary reforms, public contracts and decentralization in the Cameroon public administration.

8.4. National Macroeconomic Outlook for the Period 2022-2024

The macroeconomic outlook is still subject to uncertainties inherent in the progress of the COVID-19 pandemic, and the expected impact of Government's economic revival measures. Macroeconomic forecasts are made under the assumption that the economy will gradually return to its pre-COVID-19 growth path. The forecasts predict a recovery amidst uncertainties in 2021, particularly in the health sector, which will, however, accelerate over time, in connection with the on going vaccination drive. These prospects thus project a 4.2% growth in 2022 and 4.6% on average over the period 2022-2024. Growth is expected to be backed by domestic demand, especially investment. Inflation is projected to average below 3% over this period and the current account deficit is expected to drop to 1.5% of GDP in the medium term.

Regarding supply, oil sector growth is projected at -2.3% in 2022 and -0.1% on average over the period under review due to a gradual depletion of oil fields partially offset by gas production. In the non-oil sector, growth is projected at 4.4% in 2022 and would average 4.8% over the period under review, in line with the recovery in sectors most affected by the health crisis (industrial agriculture, forestry, hotel industry and transport).

In the activities sectors, growth is projected to increase in the primary, secondary and tertiary sectors.

Growth in the primary sector is projected at 3.6% in 2022 and 4% on average over the period 2022-2024. This trend would be backed by the accelerated implementation of the import-substitution policy, notably through an increase in the local supply of goods that caused the trade balance deficit. Other factors will contribute to improving production and productivity in industrial agriculture, notably the increase in downstream demand from agro-industries, the positive effects of revival programmes and development plans for the cocoa, coffee, banana, cotton and rubber sectors, and the upswing of main export products prices.

Growth in the secondary sector is projected at 3.6% in 2022 and 4.1% on average over the period. Despite the drop in oil production, the sector should first of all benefit from the development of several industries, notably the increase in factory capacity as part of implementation of NDS-30, the good performance of the agri-food industry and other manufacturing industries. These industries are expected to benefit from a better electric power supply, through the final commissioning of hydroelectric dams and the construction of electricity transmission facilities. Construction and public works should also boost the sector growth through the implementation of several major second-generation hydroelectric and road infrastructure projects (construction of the Nachtigal dam andBatchenga-Ntui road), the reconstruction of the North-West, South-West and Far-North Regions, as well as the rehabilitation and development of transport infrastructure to ease trade and open up production basins.

Tertiary sector growth is projected at 4.9% in 2022 and 5.1% on average over the period, based on the development of the two upstream sectors (primary and secondary sectors), and the re-lunch of activities in the branches affected by the health crisis, particularly the transport, catering and hotel sectors. Telecommunications and financial services are also expected to boost the sector's growth momentum.

Concerning the GDP use, domestic demand should benefit from the effects of Government's economic stimulus measures, the pick-up in investment (public and private), the revival of the labour market and the control of inflation. Between 2022 and 2024, household final consumption, which accounts for 70% of GDP, is expected to grow by an average of 3.9%, with a 3 points contribution to economic growth. A stronger investment growth is expected over the period, averaging 6.1%.

Regarding prices, inflation is not expected to exceed the CEMAC region 3%threshold over the period 2022-2024, thanks to the measures adopted to control prices on the one hand, and to improve the local supply of consumer goods concurrently with the reorganization of the domestic market, on the other.

As for external accounts, projections are based on a reduction in the current account deficit to an average of 1.5% of GDP over the period 2022-2024, due to the promotion of export of processed products such as cocoa, wood, coffee, cotton, etc. and the implementation of the import-substitution policy.

Table 93 : Key Macroeconomic Indicator Trends

	History			Estimates		Projections	
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Real sector							
Current GDP prices (CFA billion)	22 203	23 244	23 486	25 059	26 543	28 303	30 271
Oil GDP	830	872	544	753	723	703	674
Non-oil GDP	21 374	22 372	22 943	24 305	25 819	27 600	29 598
GDP at constant prices (%)	4.0	3.5	0.5	3.5	4.2	4.7	4.8
Oil GDP	-3.0	8.4	3.1	-3.2	-2.3	2.3	-0.5
Non-oil GDP	4.2	3.3	0.4	3.7	4.4	4.8	5.0
Prices							
GDP deflator	**1.9**	**1.2**	**0.5**	**3.1**	**1.7**	**1.8**	**2.0**
Oil GDP deflator	29.6	-3.0	-39.5	59.1	-1.8	-5.0	-3.8
Non-oil GDP deflator	1.1	1.3	2.2	2.2	1.7	2.0	2.2
Consumer prices	1.1	2.5	2.5	2.4	2.0	2.0	2.0
Export prices	5.9	-0.3	-9.8	55.9	2.4	1.1	1.9
of which Cameroon oil prices	29.6	-3.0	-39.5	59.1	-1.8	-5.0	-3.8
Import prices	2.4	1.2	-5.5	6.1	2.9	0.7	-0.3
Terms of trade	3.5	-1.5	-4.3	49.8	-0.5	0.4	2.2
As a percentage of GDP							
Distribution by sector							
Primary sector	16.5	16.8	17.4	17.3	17.1	16.9	16.7
Secondary sector	24.7	23.8	23.3	24.1	23.9	23.4	23.0
of which oil	3.7	3.8	2.3	3.0	2.7	2.5	2.2
Tertiary sector	50.4	51.0	52.0	51.5	52.1	52.7	53.4
Taxes and duties excluding subsidies	8.4	8.3	7.3	7.1	6.9	6.9	6.9
Demand components							
Consumption	83.6	84.7	85.4	83.0	83.7	82.8	81.9
Private	71.7	72.6	73.1	72.2	72.4	71.8	70.8
Public	11.9	12.1	12.3	10.8	11.3	11.1	11.1
FBCF	19.6	19.1	17.8	18.6	18.8	19.2	19.2
Private	14.0	13.5	13.9	13.9	14.0	14.0	13.9
Public	5.6	5.6	4.0	4.7	4.8	5.2	5.2
Good and services exports	18.7	19.9	15.0	17.5	16.6	16.0	15.6
Good and services imports	21.9	23.5	18.2	19.1	19.1	18.0	16.6
Public Sector							
Total income and donations	15.5	15.7	13.7	13.8	14.9	15.0	15.3
Oil	1.9	1.7	2.1	2.3	1.6	1.7	1.9
Non-oil (Tax pressure)	***12.5***	***12.3***	***11.3***	***11.4***	***12.1***	***12.6***	***13.0***
Non-oil (% non-oil GDP)	*12.7*	*12.8*	*11.6*	*11.7*	*12.4*	*12.9*	*13.3*
Expenditure	*18.0*	*18.9*	*16.8*	*16.9*	*16.7*	*16.3*	*16.1*
current	*10.9*	*12.3*	*12.1*	*10.9*	*10.6*	*10.0*	*9.7*
Capital	*6.8*	*4.6*	*5.8*	*5.9*	*6.4*	*6.5*	*6.2*

	History			Estimates		Projections	
	2018	2019	2020	2021	2022	2023	2024
Overall budget balance (authorization basis)							
Including grants	**-2.4**	**-3.2**	**-3.1**	**-3.2**	**-2.0**	**-1.5**	**-0.9**
Excluding grants	**-2.8**	**-3.8**	**-3.3**	**-3.4**	**-2.5**	**-1.8**	**-1.3**
Overall balance, cash basis	-2.5	-4.1	-3.6	-3.1	-2.0	-1.5	-0.9
Reference budget balance (CEMAC)	**-2.8**	**-4.1**	**-3.1**	**-3.3**	**-2.4**	**-1.8**	**-1.0**
Non-oil primary budget balance	**-4.5**	**-5.3**	**-4.2**	**-4.1**	**-3.4**	**-2.6**	**-1.8**
External sector							
Current account balance	-2.5	-3.9	-3.7	-3.8	-2.5	-1.6	-0.4
Current account balance excluding public transfers	-2.8	-4.1	-3.9	-4.2	-3.0	-2.0	-0.9
Overall balance	**0.7**	**0.7**	**-1.8**	**0.9**	**0.1**	**0.3**	**0.4**
Monetary situation (nominal growth)							
Money supply (M2)	15.1	7.4	12.7	10.1	7.0	7.7	7.8
Net external assets	5.2	14.4	-0.3	8.3	14.3	11.5	10.4
Credit to the economy	16.8	0.2	4.7	12.2	6.8	8.8	7.9

Source: Framework Committee

Box 5 : Outcome of change of base year in national accounts and its impact on macroeconomic and fiscal variables

What is change of base year in national accounts?

Change of base year in national accounts (rebasing) is a statistical exercise aimed at renovating the instrument for measuring the country's economic activity, which are the national accounts. Changes may relate to the following items of the elaboration framework: concepts (National Accounting System (NAS 2008) recommendations), nomenclatures (products, activities, etc.), estimate methods and data sources.

Why change the base year in national accounts?

There are several reasons for periodically renewing national accounts systems. National accounts should be a description of the economic reality as true and comprehensive or exhaustive as possible. Given that this economic reality is constantly changing, particularly with the economic and social context that has prevailed in Cameroon over the last decade, it was necessary to reflect such changes in the economic figures by adopting a more recent reference year for drawing up the accounts.

What did the 2016 base year change involve?

The last baseline for Cameroon was 2005. As part of transition from the 2005 to the 2016 national accounts base carried out by NIS, the main improvements concerned the nomenclatures, data sources and methods. There were no conceptual changes: NAS 2008 remains the system applied, as was the case for the 2005 base. Activities and products nomenclatures have been reviewed to remedy the shortcomings detected during their use in the 2005 base. More up-to-date data sources have been included, in particular for statistical operations of national scope: EESI 2010; ECAM 2014 and RGE 2016. The estimation methods were reviewed for some account items, including: bank financial intermediation services indirectly measured (FISIM), non-life insurance output by the expectations method, and government services fixed capital consumption. The output of the central bank was assessed, which was not the case in the 2005 base.

Outcome of the 2016 base year change

Following the change of the base year, the nominal GDP for 2016 increased by 3.6%, from 19 344.8 billion in the 2005 base to 20 038.6 billion in the 2016 base. This significant increase is essentially the outcome of an improvement in the coverage of economic activity, particularly with the conduct of the second general business census (RGE). Notwithstanding the level of exports and imports, the other aggregates were reviewed. In this respect, the share of final consumption in GDP increased by 2% on average, while that of investment dropped by 3.5%.

Table 94 : Outcome of change of base year in national accounts and its impact on macroeconomic and fiscal variables

Macroeconomic Indicators	**2016**	**2017**	**2018**	**2019**	**2020**
Market price GDP (in billions) (base 2016)	20 038	20 960	22 203	23 244	23 486
Market price GDP (in billions) (base 2005)	19344	20328	21492	22854	22776
Market price GDP increase (in billions)	693.8	632.5	710.5	389.3	710
Increase in the share of the primary sector in GDP (%)	2.7	2.3	2.1	2.3	2.1
Increase in the share of consumption in GDP (in %)	0.8	2	2	2.9	1.9
Decline of investment in GDP (%)	-3.1	-3.7	-3.2	-3.5	-4.2
Decrease in tax burden (in %)	-2.5	-1.7	-1.2	-0.5	-0.5
Deterioration of the budget deficit	0.4	0.4	0.5	0.7	0.2

8.5. Budget Outlook for the Period 2022-2024

Government public finance policy for the period 2022-2024 is still based on a budget consolidation effort. Budgetary consolidation is aimed at ensuring budgetary sustainability of financial transactions to avoid a non-viable public debt, while guaranteeing the proper implementation of the NDS-30, in line with the guidelines of the new Economic and Financial Programme implemented with the International Monetary Fund (IMF).

In this regard, the overall budget deficit is expected to be 2% of GDP in 2022, compared to 3.2% in 2021. In the medium term, the deficit is expected to fall gradually to 1.5% in 2023 and 0.9% in 2024. This deficit trend will contribute to keeping the stock of public debt below 45% of GDP between 2022 and 2024. The budgetary consolidation thus targeted should result, on the one hand, from additional effort to mobilize non-oil internal revenue and, on the other hand, from the on going control of public expenditure growth.

The tax burden rate is expected to rise to 12.1% in 2022 after 11.4% in 2021, to 12.7% in 2023 and 13.2% in 2024. Expenditure will be contained at 16.7% of GDP in 2022 compared with 16.9% in 2021, and will stabilize at 16.2% on average between 2023 and 2024.

8.5.1. General guidelines of non-oil revenue mobilization

(a) General guidelines on fiscal policy for the 2022-2024 triennium

The fiscal policy for the 2022-2024 triennium will be broadly geared towards: (i) increasing tax revenue mobilization; (ii) combating international tax fraud and evasion; (iii) improving the business tax environment.

In terms of broadening the tax base and securing revenue, the prospects are:

- reforming local taxation for optimal financing of decentralization;
- establishing an appropriate tax regime for individual entrepreneurs;

- further rationalizing tax expenditure, by eliminating exemptions deemed inefficient or subjecting same to reduced rates;
- continued strengthening of environmental taxes, in line with Cameroon's international commitments;
- optimizing individual taxation, in particular by simplifying and modernizing tax arrangements;
- continued search for innovative sources of broadening the tax base;
- reorganizing the tax regime for financial and insurance transactions;
- clarifying the tax regime for remittances abroad;
- strengthening the system of withholding tax on purchases;
- supervising informal activities through the continued implementation of measures aimed at limiting cash transactions;
- consolidating the reform of the integrated officer, to broaden the tax base by facilitating informal sector taxation.

Combating international tax fraud and evasion will entail:

- further alignment of the domestic system with international standards to combat tax base erosion and profit shifting practices;
- further tightening of the taxation regime for illegal exploitation of natural resources;
- further alignment of the system with international standards on transparency and information exchange.

Improving the business tax environment will focus on:

- adjusting the SIT tax regime of public contracts;
- continuation of tax relief for companies directly affected by the health crisis, by establishing an accelerated depreciation rate;
- improving the support mechanism for some strategic sectors of the economy (tourism, some agricultural and textile sectors);
- reducing the cost of fiscal discipline, by electronically charging the financial costs of tax and duty payment;
- reducing the number of local tax and duty payments;
- easing conditions for the taxation of small enterprises;
- simplifying the taxation of the transport sector;
- further alignment of legislation with the dematerialization of tax procedures;
- clarifying the system of taxation of ex gratia transfers, in particular successions and donations;
- promoting taxpayers' tax compliance by establishing a voluntary payment programme.

(b) General customs policy guidelines for the 2022-2024 triennium

The overall customs policy will be directed towards the pursuit of fiscal, economic and assistance missions to institutional and private actors.

Regarding the fiscal mission, the following measures to broaden the tax base and reduce tax expenditure will be implemented:

- continuation of the policy of imposing excise duty on luxury goods or those with negative externalities;

- gradual taxation on exports, depending on the market price trends of internationally valued cash crops, especially export timber;
- consolidating the process to modernize the customs information system, through the Cameroon Customs Information System (CAMCIS) national network and developing the complementary modules thereof.

Regarding the economic role, actions will be carried out through the following four priorities: implementation of the import-substitution policy, contribution to economic regulation, protection of the society and improvement of Cameroon's economic competitiveness.

Concerning assistance to institutional and private actors

(c) General guidelines on non-tax revenue for the 2022-2024 triennium

The non-tax revenue collection policy will be directed towards *formalizing non-tax revenue authorization and securitization* through:(i) the production of harmonized issuance slips, summary issuance and non-tax revenue collection sheets; (ii) the establishment of a feedback mechanism from sector government services to the Directorate General of Budget responsible for monitoring the said revenue. In this light, the following actions will be implemented during the period 2022-2024:

- census of operational revenue collection centres and the heads of such centres;
- building the capacity of actors responsible for monitoring non-tax revenues in the various sector specific government services, particularly on collection, monitoring and securing techniques;
- updating and adapting the instruments constituting the legal basis for collection;
- dematerialization of collection procedures;
- support to sector specific government services and security programmes in the use of harmonized issuance slips, as well as in the ownership of related feedback procedures;
- harmonization and integration of the codification of these revenues in the budget nomenclature;
- strengthening regulation in each national economic activity sector, by instituting dissuasive fines, given the multiple and serious violations of the regulations in force.

8.5.2. Reminder of macroeconomic assumptions

The 2022-2024 budget forecast is based on cautious macroeconomic assumptions. In fact, economic growth is projected to stand at 4.2% in 2022, with a 2% inflation rate, a world oil price of USD 64.5 per barrel and an exchange rate of 575.5 CFA francs for a dollar.

Between 2023 and 2024, economic activity is expected to remain buoyant at an average rate of 4.8%. In the oil sector, NHC predicts a drop in oil and gas production, with average growth rate of -0.5%. Inflation is expected to remain stable at 2% and the world oil price should fall to an average of USD 60.1 per barrel, with an average US dollar exchange rate of 570.1 CFA francs.

Table 95 : 2021-2024 Key Macroeconomic Assumptions

Item	2021	2022	2023	2024
Nominal GDP (in billions)	25 059	26 543	28 304	30 303
Growth rate (%)	3.5	4.2	4.7	4.9
Non-oil growth rate (%)	3.7	4.4	4.8	5.1
GDP deflator (%)	3.1	1.6	1.4	1.4
Non-oil GDP deflator (%)	3.1	1.7	1.8	2
Inflation (%)	2.4	2	2	2
Oil production (millions of barrels)	25.7	25.3	26	25.9
Gas production (in scf.)	72.5	69.9	69.9	69.9
World oil price per barrel (US$)	65.7	64.5	61.3	59
World price per cubic metre of gas (US$)	7.3	6.3	6	6
Exchange rate $ US/FCFA	579.8	575.5	572.2	568.0

Source: Steering Committee

8.5.3. Budget revenue forecasts

Based macroeconomic assumptions and planned fiscal policy efforts, as well as expected potential financing, total state resources are projected at 5 752.4 billion, of which 4029.2 billion is domestic revenue, divided into oil revenues and non-oil revenues.

Oil revenues include the NHC royalty and the oil company tax. In 2022, oil royalty projections are based on:

(i) a projected oil production of 25.3 million barrels;

(ii) a projected gas production of 69.9 billion scf (standard cubic feet);

(iii) a barrel price of USD 64.5, with 3.5-dollar discount, for an oil price of 61 dollars per barrel in Cameroon;

(iv) a price of a cubic metre of gas at USD 6.3;

(v) an exchange rate of 575.5 CFA francs per dollar.

Going by these assumptions, the expected NHC oil royalty stands at 485.4 billion. Primarily based on profits from the 2021 financial year, the expected amount of oil company tax is 76.6 billion. Overall, oil revenue is projected at 562 billion in 2022, up by 85 billion (-17.8%) compared with 2021. In the medium term, this revenue would amount to 523 billion in 2023 and 509 billion in 2024.

Non-oil revenues are expected to grow at the same rate as non-oil nominal GDP, plus the net contribution of new tax and administrative measures. In 2022, nominal non-oil GDP growth is projected at 6.1%, resulting from a 4.4% real non-oil growth and a 1.7% non-oil GDP deflator. Considering the impact of new measures, non-oil revenues are expected to amount to 3 304.9 billion, including 2 184.8 billion in taxes and duties, 903.9 billion in customs revenues and 216.2 billion in non-tax revenues.

Non-oil revenues are projected to stand at 3 665.7 billion in 2023 and 4 076.1 billion in 2024. This upward trend is mainly due to a regain in activity and on going efforts to optimize non-oil domestic revenue mobilization.

Grants are divided into project grants and programme grants. They are projected at 142.3 billion in 2022, up by 77.6 billion from 2021, following the resumption of the C2D funds reimbursement and disbursement mechanism, which was temporarily suspended in 2021 in connection with the G20 debt relief initiative. These grants are projected to stand at 91.1 billion in 2023 and 96.7 billion in 2024.

State financing resources consist mainly of project loans, issuance of government securities and budget support. These resources aim to close the financing gap resulting from the budget deficit, as well as the payment of financing and cash expenses. For the 2022 financial year, State financing resources are expected to amount to 1 670.5 billion, including the special drawing of IMF's SDRs to the tune of 70 billion and budget support of 369 billion for the implementation of the new economic and financial programme with the IMF. This budget support will witness a 204 billion (+123.6%) increase compared to 2021.

Between 2023 and 2024, State financing resources are projected at 1 512.2 billion and 1 419.5 This downward trend is mainly due to a drop in budget support under the EFP and the withdrawal of SDR special financing.

8.5.4. 2022-2024 budget expenditure projections

Expenditure projection takes into account the following factors: (i) mobilizable resources trends; (ii) projected deficit target; and (iii) current Government commitment level. Thus, total 2022 expenditure and charges are projected at 5 752.4 billion, including a 100 billion COVID-19 fund allocation. Between 2023 and 2024, these expenditures and charges are expected to amount to 5 856.6. Trends by major heads are as follows:

- personnel expenditures increase by 55 billion (5.1%) in 2022, from 1 069.8 billion to 1 124.8 billion. On average, personnel expenditures are expected to stand 1 128.4 billion between 2023 and 2024.

- goods and services expenditures are expected to increase from 791.9 billion in 2021 to 867.4 billion in 2022. The trend is due to an increase in security spending, to the setting aside of a budget allocation dedicated to the organization of the AFCON and an increase in allocation intended for the implementation of the import substitute policy, that is, 50 billion. The overall allocation goods and services intended for functioning of administrations has practically been kept stable at its 2021 level to reflect the continued effort to streamline this expenditure head. In addition, this allocation will be used to finalize the setting up of regions and cover recurrent charges following the numerous investments made in recent years. In 2023 and 2024, expenditures on goods and services are projected at 883.8 billion and 939.9 billion respectively.

- transfers and subsidies increase by 24.4 billion from 628.8 billion to 653.2 billion between 2021 and 2022. This increase is mainly attributable to the consolidation of the allocation for support to pump fuel price, which rises from 100 billion in 2021 to 117 billion in 2022. This expenditure item is expected to amount to 673.3 billion in 2023 and 720.9 billion in 2024. This upward trend mainly reflects pension trends.

- public debt interest is projected at 239.6 billion in 2022 against 302.2 billion in 2021, that is a decrease of 62.7 billion (-20.7%). In 2023 and 2024, public debt interest would stand at 231.7 billion and 244.9 billion respectively.

- investment expenditure increases by 127.1 billion (9.3%) between 2021 and 2022, from 1 352 to 1 479.1 billion. More specifically, capital expenditure on equity resources increases by 81.1 billion to 664.3 billion in 2022, compared with 583.2 billion in 2021. In the medium term, capital expenditure is estimated at 1 707.6 billion in 2023 and 1 845.7 billion in 2024, an increase of 228.6 billion and 138.1 billion respectively, to support the effective implementation of the NDS30-based development policy;

- a 100 billion provision has been programmed in 2022 as the last instalment for the implementation of Government's economic and social response and support strategy to the COVID-19 pandemic.

Based on total revenue and expenditure as projected in 2022, there would be an overall 2.2% budget deficit including grants in 2022, against 3.2% in 2021. Over the period 2022-2024, the budget deficit (including grants) is expected to continue its downward trend in line with the fiscal policy consolidation objective.

Table 96: Budget projections

	AFL. 2020	2020	AFL. 2021	2021	2022	2023	2024
A - TOTAL RESOURCES (I + II + III)	**4 707.0**	**4 730.4**	**5 581.2**	**5 494.2**	**5 679.7**	**5 792.0**	**6 101.4**
INTERNAL REVENUE	**2 848.5**	**3 177.6**	**3 466.1**	**3 394.1**	**3 866.9**	**4 188.7**	**4 585.2**
1-Oil revenue	269.70	428.2	536.0	477.0	562.0	523.0	509.0
2-Non-oil revenue	2 578.8	2 749.4	2 930.1	2 917.1	3 304.9	3 665.7	4076.2
Tax revenues	2 578.8	2 749.4	2 743.1	2 743.1	3 088.7	3 435.2	3829.4
- Taxes and duties	1 724.8	1 853.0	1 938.4	1 938.4	2 184.8	2 443.0	2736.8
- Customs revenue	650.0	707.8	804.7	804.7	903.9	992.2	1092.6
Non Tax Revenue	204.0	188.7	187.0	174.0	216.2	230.5	246.8
II - GRANTS	**102.0**	**44.0**	**64.7**	**64.7**	**142.3**	**91.1**	**96.7**
III - FINANCING	**1 756.5**	**1 508.8**	**2 050.4**	**2 035.4**	**1 670.5**	**1 512.2**	**1419.5**
-Project Loans	655.0	605.3	703.4	703.4	746.5	909.2	973.5
- Budgetary support (IMF-ADB-AFD-WB-EU)	214.5	214.5	230.0	165.0	369.0	223.0	96.0
- IMF (SDR)		0.0		50.0	70.0	0.0	0.0
- Issuance of government securities	420.0	420.0	350.0	350.0	350.0	350.0	350.0
- Other loans (Eurobond)			450.0	450.0			
- Bank financing	80.0	0.0	111.0	111.0	100.0	30.0	0.0
- Exceptional financing	387.0	269.0	206.0	206.0	35.0	0.0	0.0
B - TOTAL EXPENDITURE (I + II + III + IV + V)	**4 707.0**	**4 578.5**	**5 581.2**	**5 494.3**	**5 679.7**	**5 792.2**	**6 101.3**
I - CURRENT EXPENDITURE	**2 241.0**	**2 614.8**	**2 430.5**	**2 426.8**	**2 564.4**	**2 595.0**	**2 699.7**
1 - Staff costs	1 036.2	1 046.6	1 069.8	1 069.8	1 124.8	1 128.0	1 128.9
2 - Purchases of goods and services	677.0	945.1	731.9	728.2	786.4	793.8	849.9
3 - Transfers and subsidies	527.9	623.1	628.8	628.8	653.2	673.3	720.9
II - CAPITAL EXPENDITURE	**1 254.3**	**1 071.3**	**1 352.0**	**1 352.0**	**1 479.0**	**1 707.5**	**1 845.7**
* Externally financed	684.0	470.0	733.8	733.8	779.8	944.7	1011.5
* Domestically financed	542.2	575.7	583.2	583.2	664.3	725.6	794.3
*Restructuring expenses	28.1	25.6	35.0	35.0	35.0	37.3	39.9
III - NET LOANS		**41.8**	**-20.0**	**-20.0**	**-20.0**	**0.0**	**0.0**
IV - SUNDRY FUNDS		**0.0**	**260.0**	**180.0**	**181.0**	**90.0**	**90.0**
V- PUBLIC DEBT	**1 031.7**	**850.6**	**1 558.7**	**1 555.5**	**1 475.3**	**1 399.7**	**1 465.9**
*External debt	492.0	359.6	886.0	1001.0	677.0	761.0	778.0
- Interest	152.4	138.1	182.0	237.0	157.0	166.0	173.0
- Principal	339.6	221.5	704.0	764.0	520.0	595.0	605.0

	AFL. 2020	2020	AFL. 2021	2021	2022	2023	2024
*Domestic debt	539.7	491.0	672.7	554.5	798.3	638.7	687.9
of which - Interest	49.9	59.4	65.2	65.2	82.6	65.7	71.9
- Principal	345.8	117.1	438.0	318.0	531.7	387.5	367.5
- Outstanding payments	72.0	72.0	97.5	99.3	100.0	101.5	164.5
- VAT credits refund	72.0	98.0	72.0	72.0	84.0	84.0	84.0
Financing need / capacity (+/-)		-151.9	0.0	0.2	0.1	0.2	-0.1

Source: MINFI

8.5.5. Budgetary risks in 2022

The budgetary projections made for the year 2022 remain sensitive to various sources of risk that could affect the budgetary and financial balance established in the finance bill. Such risks concern not only macroeconomic assumptions, but also revenues, particularly oil revenues, and expenditures, as well as the financing expected from our partners.

From a macroeconomic point of view, a low level of acceptance of the Covid-19 vaccination by the population could hamper the containment of the pandemic and continue to weigh on the national economic activity in 2022. Likewise, the absence of real economic fallout from the organization of the AFCON and persisting security challenges could lead to a slowdown in economic activity, with a growth rate below 4.2% expected in 2022.

As a result, there would be a loss of tax and customs revenue compared to the level projected in the budget. Also, there will be a loss of expected revenue if the new fiscal measures introduced in the 2022 finance bill were to have only a limited impact with respect to the targeted additional effort of 0.8% of GDP.

In the same vein, a more pronounced fall in the world price of a barrel of oil in 2022 compared to 2021, a depreciation of the dollar exchange rate or a more significant contraction of oil and gas production in a context of depletion of oil fields, could lead to loss of oil revenues.

Furthermore, expected financing is also open to budget risks. Indeed, the non-disbursement in full of the budget support expected from partners as part of the implementation of the new economic and financial programme under discussion or for the response to COVID-19 (World Bank), due to, for example, non-compliance with quantitative performance criteria or structural benchmarks, would lead to a financing gap in the financial operations of the State in 2022. The same is true of the 70 billion drawings in respect of IMF's SDRs on the dedicated account at BEAC and of the mobilization of government securities which are expected to generate 350 billion in 2022.

There is a lingering security risk, which continues to put a heavy strain on State expenditures [resources??], particularly through direct NHC interventions, the volume of which remains high due to persisting security and socio-political challenges. In addition, the cost of health spending on the coronavirus response, if the pandemic is not contained in 2022, could also constitute a major risk to the fiscal sustainability of all State operations in 2022. Similarly, any overrun of expenses for the organization of the AFCON above the amounts allocated in the 2022 budget could also push State expenditures above limits.

In addition, the high level of existing State commitments, mainly on account of the implementation of several expenditure programmes, coupled with traditional financial obligations relating to the payment of salaries and pensions, debt servicing and payment of domestic arrears, in the context of an increasingly narrow budget space, creates a strong budget rigidity which is detrimental to public finance balance in 2022 and in the medium term.

Likewise, maintaining a high pace in recruitment of personnel in the public service and in the security and defence forces continually increases the wage bill, which today accounts for nearly 40% of non-oil domestic revenue.

Finally, the deteriorating financial situation of certain public and semi-public enterprises, as well as State-guaranteed loans whose ceiling has increased from 40 billion to 240 billion between 2020 and 2022, could require significant financial support from the State budget, a situation which would lead to a deterioration of the budget deficit.

LIST OF ACRONYMS AND ABBREVIATIONS

ACP	Africa Caribbean Pacific
ADC	Cameroon Airports Authority
AFD	French Development Agency
ALUCAM	Cameroon Aluminium Company
ANAFOR	National Forest Development Support Agency
ARV	Antiretroviral
BDEAC	Development Bank of Central African States
BEAC	Bank of Central African States
BEPC	*Brevet d'Etudes du Premier Cycle* (equivalent of the GCE Ordinary Level Certificate)
BICEC	*Banque Internationale du Cameroun pour l'Epargne et le Crédit*
BTA	Fungible Treasury Bills
BTP	Civil Engineering and Public Works
C2D	Debt Reduction and Development Contract
CAMAIR-CO	Cameroon Airlines Corporation
CAMPOST	Cameroon Postal Services
CAMRAIL	Cameroon Railways
CAMTEL	Cameroon Telecommunications
CAMWATER	Cameroon Water Utilities Corporation
CAP	*Certificat d'Aptitudes professionnelles* (Vocational Training Certificate)
CAPAM	Small-Scale Mining Support and Promotion Framework
CAPIEMP	Grade I Teachers' Certificate
CAPIET	Grade I Technical Education Teachers' Certificate
CARFIC	Cameroon Rural Financial Corporation
CBC	Commercial Bank of Cameroon
CEMAC	Central African Economic and Monetary Community
CETIC	Technical, Industrial and Commercial College
CFC	Cameroon Housing Loans Fund
CFCE	Business Development Centre
CICAM	*Cotonnière Industrielle du Cameroun*
IPRC	Inter-ministerial Programme Review Committee
CIG	Common Initiative Group

CIMA	Inter-African Conference on Insurance Markets
CIMENCAM	*Les Cimenteries du Cameroun*
CIRAD	International Cooperation Centre on Agronomic Research for Development
CNSC	Cameroon National Shippers' Council
COBAC	Central African Banking Commission
CT	Corporate tax
DGC	Directorate General of Customs
DGTFMC	Directorate General of Treasury, Financial and Monetary Cooperation
DF	Forecast Division
DSX	Douala Stock Exchange
ECAM	Cameroon National Household Survey
ECMR	Cameroon Bond
EESI	Employment and Informal Sector Survey
ENIET	Government Technical Teachers' Training College
ENSAI	National Advanced School of Agro-Industrial Sciences
FAO	United Nations Food and Agriculture Organization
FCTI	Fire, Casualty and Transport Insurance
FDI	Foreign Direct Investment
FEICOM	Special Council Support Fund for Mutual Assistance
FODECC	Cocoa and Coffee Development Fund
GCE	General Certificate of Education
GDP	Gross Domestic Product
GESP	Growth and Employment Strategy Paper
GFCF	Gross Fixed Capital Formation
GSS	Government Secondary School
GTTC	Government Teachers' Training College
GUCE	One Stop-shop for External Trade
HEVECAM	Cameroon Rubber Corporation
IDA	International Development Association
IDB	Islamic Development Bank
IFC	International Finance Cooperation
IMF	International Monetary Fund
MAETUR	Urban and Rural Land Development Authority
MINADER	Ministry of Agriculture and Rural Development

MINEDUB	Ministry of Basic Education
MINEFOP	Ministry of Employment and Vocational Training
MINEPAT	Ministry of Economy, Planning and Regional Development
MINEPDED	Ministry of the Environment, Nature Protection and Sustainable Development
MINESEC	Ministry of Secondary Education
MINESUP	Ministry of Higher Education
MINFI	Ministry of Finance
MINFOF	Ministry of Forestry and Wildlife
MINMAP	Ministry of Public Contracts
MINMIDT	Ministry of Mines and Technological Development
MINPMEESA	Ministry of Small and Medium-sized Enterprises, Social Economy and Handicraft
MINTOUL	Ministry of Tourism and Leisure
MMBTU	Millions of British Thermal Units
MPC	Monetary Policy Committee
NDS-30	National Development Strategy-Cameroon 2030
NEF	National Employment Fund
NGO	Non-Governmental Organization
NIS	National Institute of Statistics
OBC	Office du Baccalauréat du Cameroun
OECD	Organization for Economic Cooperation and Development
PAD	Douala Port Authority
PERFAR	President's Emergency Plan for Aids Relief
PGI	Protected Geographical Indication
PIB	Public Investment Budget
PIIASI	Integrated Support Programme for Actors of the Informal Sector
PIT	Personal Income Tax
PNLP	National Malaria Control Strategic Plan
RDA	Regional Development Authority
SAFACAM	Société Africaine Forestière et Agricole du Cameroun
SCB	*Société Commerciale de Banque Cameroun*
SCBC	Standard Chartered Bank Cameroon
SDR	Special Drawing Rights
SEMC	*Société des Eaux Minérales du Cameroun*

SGC	*Société Générale Cameroun*
SME	Small- and Medium-sized Enterprises
SMEPA	Small- and Medium-Sized Enterprises Promotion Agency
SMI	Small- and Medium-sized Industries
NHC	National Hydrocarbons Corporation
SNI	National Investment Corporation
SOCAPALM	*Société Camerounaise de Palmeraies*
SOCATRAL	*Société Camerounaise de transformation d'aluminium*
SODECAO	Cocoa Development Corporation
SODECOTON	Cotton Development Corporation
SODEPA	Livestock Development Corporation
STPP	Special Tax on Petroleum Products
TB	Treasury Bond
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children's Fund
UNO	United Nations Organization
USAID	United States Agency for International Development
VAT	Value added Tax
VSME	Very Small- and Medium-sized Enterprises
WEO	World Economic Outlook
WHO	World Health Organization

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