REPUBLIC OF CAMEROON
Peace-Work-Fatherland

2017 FINANCE BILL

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

2016 FINANCIAL YEAR

November 2016

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CHAPTER 1: OVERVIEW

Pursuant to Law No. 2007/6 of 26 December 2007: Financial Regime of the State, this report on the nation's economic, social and financial situation and prospects is attached to the 2017 Finance Bill. It presents the international economic environment, domestic economic developments in 2015 and the economic situation as at end-June or end-September 2016. Forecasts for 2017 have been made in the context of the second three-year programme budget 2016-2018. The report also presents 2016 budget execution and the 2017 draft budget.

1.1 International Economic Environment

The International Monetary Fund (IMF) *World Economic Outlook (WEO)* of October 2016 revised its 2016 global growth projections down to 3.1% against 3.4% previously. This is due to the subdued outlook of advanced economies, following the United Kingdom referendum result, in May, in favour of leaving the European Union (Brexit) and slower-than-expected growth in the United States. Global interest rates declined and the monetary policy would remain accommodative for longer than expected.

Global growth would pick up gradually, as from 2017, at the rate of 3.4%. This will be influenced by economic and political factors such as: (i) the rebalancing of China's economy; (ii) the adjustment of commodity exporting countries to deteriorating trade terms; (iii) the weakness of global trade; (iv) persisting low inflation levels and (v) geopolitical uncertainties due to terrorism.

In 2016, the growth rate of advanced economies was revised down to 1.6%. It is estimated to be 1.8% in 2017. Although financial market reactions following Brexit were limited, growing uncertainty and foreseeable reduced trade volume between the United Kingdom and the European Union may have consequences in the medium term.

In the United States, projected accelerated growth in the second half of 2016 did not materialize. In spite of sustained robust consumption growth driven by an expanding labour market and a wage bill increase, persisting weak non-residential investments coupled with a fall in stocks hindered global growth, estimated at 1.6% in 2016 and 2.2% in 2017.

In the euro zone, although Brexit did not have an immediate impact on economic activity, recession risks in the medium term cannot be ruled out completely. Because of uncertainties, enterprises may postpone decisions to invest or recruit, all of which would slow down activity. Moreover, countries may adopt more protectionist policies which would stir up global trade tensions. Euro zone growth in 2016 is estimated at 1.7%, of which 1.7% in Germany and 1.3% in France. It is projected at 1.5% for the entire zone in 2017. Growth in the United Kingdom specifically is estimated at 1.8% in 2016 and projected at 1.1% in 2017.

In Japan, growth stabilized around 0.5% in 2015 and 2016. It is estimated at 0.6% in 2017. Falling foreign demand and declining corporate investments slowed down economic activity.

Growth continued to accelerate in emerging economies. It was vibrant in emerging Asian economies and improved slightly in Brazil and Russia. In China, growth is estimated at 6.6% in 2016 and projected at 6.2% in 2017. Vigorous consumption and rechanneling of industrial activity towards services reflects the progressive rebalancing of the domestic demand and supply structure. In India, growth would stabilize at 6.7% in 2016 and 2017, due to a net improvement of terms of trade, structural reforms, including the introduction of fiscal reforms and formalization of inflation targeting measures. Furthermore, the regained trust of economic actors has boosted consumer demand and investment.

In Sub-Saharan Africa, the year 2016 is characterized by falling world prices of oil and other commodities on which its economy depends. The price shock that has affected the majority of exporting countries since 2014 is reflected in the drop in budget revenues and foreign currency reserves. Coupled with the effects of drought, floods, terrorist attacks and the refugee crisis, it has generally contributed to slow down growth in the region. Estimated at 1.4% in 2016 against 3.4% in 2015, growth is projected at 2.9% in 2017.

In Nigeria, economic activity contracted by 1.7% in 2016, as a result of temporary disruptions of oil production in the Niger Delta, foreign currency shortage due to the drop in oil revenues and power outages. However, growth is expected to reach 0.6% in 2017. In South Africa, growth stabilized at 0.1% in 2016 and is projected at 0.8% in 2017. Many Sub-Saharan African countries, including Côte d'Ivoire, Ethiopia, Kenya and Senegal that export products other than natural resources registered growth of above 5%, thanks to low oil prices and robust private consumption and investment.

The oil price shock has significantly slowed down growth in countries of the CEMAC zone. According to BEAC, from 4.9% in 2014, growth fell to 1.6% in 2015 and is estimated at 1.9% in 2016. As from 2017, growth would stand at 3.5% a year, on average, following gradual recovery in oil prices, compared to an average of 4.5% over the past decade that witnessed higher oil prices. In 2015, the budget and current account deficits widened, as a result of the 32% fall in oil export revenues. In 2016, persisting low oil prices and high public expenditure would maintain wide budget and current account deficits, respectively around 6% and 8% of GDP.

With regard to commodity prices, according to IMF, the commodity price index has increased by 22% since February 2016, particularly for oil and coal. After reaching its lowest level in January, oil prices went up by 50% to average 45 US dollars in August. The prices of agricultural commodities rose by 9%, of which food prices by 7%, with the exception of maize and wheat.

As regards household consumer prices, global inflation remains low. In 2015, household consumer prices in advanced economies increased by 0.3%, the lowest since the financial crisis. The household consumer price index is estimated in 2016 at 0.8%, following the dampened effects of oil price drop. It expected to reach 1.7% in 2017.

In the United States, inflation is estimated at 1.2% (after 0.1% in 2015) and would increase to 2.3% in 2017. In the euro zone, inflation is estimated at 0.3% and projected at 1.1% in 2017. In emerging and developing countries, inflation remains almost unchanged since exchange rates are more or less stable. It would stand at 4.5% and 4.4% respectively in 2016 and 2017.

In Sub-Saharan Africa, inflation is estimated at 11.3% in 2016 and projected at 10.8% in 2017. In Nigeria, it is estimated at 15.4% in 2016, after 9% in 2015, and forecasted at 17.1% in 2017. Inflation in the CEMAC zone is estimated at 2.7% and 2.4% respectively in 2016 and 2017, below the community standard of 3%.

Table 1: Some Global Economic Performance Indicators

	History		Estimates	Projections
GDP growth (in %)	**2014**	**2015**	**2016**	**2017**
World economy	3.4	3.2	3.1	3.4
United States	2.4	2.6	1.6	2.2
Euro zone	1.1	2.0	1.7	1.5
Japan	0.0	0.5	0.5	0.6
China	7.3	6.9	6.6	6.2
India	7.2	7.6	7.6	7.6
Sub-Saharan Africa	5.1	3.4	1.4	2.9
Nigeria	6.3	2.7	-1.7	0.6
CEMAC*	4.7	2.1	1.0	2.6
Inflation (in %)				
United States	1.6	0.1	1.2	2.3
Euro zone	0.4	0.0	0.3	1.1
Sub-Saharan Africa	6.3	7.0	11.3	10.8
Nigeria	8.0	9.0	15.4	17.1
CEMAC (monthly average)	2.7	2.2	2.1	2.8

Sources: IMF (WEO, October 2016), *BEAC

1.2 Recent Developments in Cameroon's Economy

1.2.1 Growth and prices

In 2015, actual growth stood at 5.8%, after 5.9% in 2014, in a context of falling oil prices and persisting border insecurity. As regards supply, the majority of sub-sectors were buoyant. Growth was driven mainly by the non-oil sector whose contribution stood at 4.7 points.

Growth in the primary sector was estimated at 5.3%, after 4.7% in 2014, in connection with the "industrial agriculture and export" (+9.3%) and "forestry and logging" (+8.2%) sub-sectors. This progression results from the good performance in cash crops (cocoa, cotton, banana and Robusta coffee) whose production increase was reflected in export volumes. Export of cocoa increased by 38%, cotton by 31% and banana by 7%. The increase in cocoa production results from the entry into production of new plantations and phytosanitary treatment of older farms. Cotton production was boosted by investments carried out by SODECOTON and increased cultivated surface area. Growth in the "food crop agriculture" sub-sector (+4.6%) was driven by domestic demand and that of neighbouring countries.

The secondary sector showed the strongest growth, which was consolidated at 8.2% in 2015, after a rate of 6.8% in 2014. The oil sector resumed positive contribution since 2012, in connection with entry into production of new fields. Oil sector value added is up by 27.1%, after 13.9% in 2014. Other sub-sectors, notably "other manufacturing industries" (+4.3% against +3.6% in 2014) and "public works and civil engineering" (+10.4% against +10.8% in 2014), also spurred growth in this sector.

The tertiary sector grew by 4.5% in 2015, against 5.3% in 2014. This deceleration is attributable to the "trade, catering and hotels", "transport, storage, communication" and "banks and financial institutions" sub-sectors. Cross-border insecurity, among others, contributed to slow down activity in transport and tourism.

In terms of demand, growth continued to be driven by domestic demand whose contribution since 2011 has stood at 6.5 points, on average. Domestic demand accounted for 6.1 points in 2015, after 8.1 points in 2014.

Final consumption continued to boost economic growth through a progression of 5.5% and contribution of 5.1 points. This progression stems mainly from private consumption that increased by 5.9%, following higher demand for agricultural and agri-food products and catering and transport services.

Investment contributed 1 point to actual growth, after 2.6 points in 2014. This deceleration results from the decline in public investment (-1.2% after +7.5%) and the downturn in private investment (+6.8% after +13.6%). The decline in public investment is due, among others, to the completion of several structuring projects (Lom Pangar storage dam, Memve'ele and Mekin hydroelectric dams, etc.). The downturn in private investment is related in particular to underutilization of established production capacity and completion of works for setting up cement factories and mobile telephony.

External demand dampened growth by 0.3 points in 2015. The volume of export of goods and services increased by 8.9%; that of imports progressed by 6.8%.

Concerning prices, inflation spiralled in 2015, with a rate of 2.7% against 1.9% in 2014. Prices increased notably in goods and transport services (+7.5%), alcoholic beverages and tobacco (+8.9%) and catering and hotel services (+5.9%). However, the rate of inflation remains below the community standard of 3%.

1.2.2. Relations with the rest of the world

1.2.2.1 Competitiveness

In 2015, the real effective exchange rate (REER) depreciated by 2.6%, reflecting the improvement of the overall competitiveness of Cameroon's economy. Regarding price competitiveness, terms of trade deteriorated by 8% compared to 2014, showing a fall in export prices compared to import prices. This situation reflects the improvement of Cameroon's price competitiveness.

In terms of structural competitiveness, Cameroon ranked 114th out of 140 countries in the World Economic Forum's *2015 Global Competitiveness Report*. The country improved its score in "macroeconomic environment" "health" and "completion of primary education", but reduced in "quality of infrastructure".

In the World Bank's *Doing Business 2017* report, Cameroon gained one place compared to 2015 and ranked 166th out of 190 countries. The country improved its position as concerns "getting electricity" and "resolving solvency", following the OHADA reform of 24 December 2015 and reform of the construction permit which is henceforth issued within 20 days. However, the country receded in "starting a business", "getting credit" and "paying taxes".

To improve the business environment and, in pursuance of the Cameroon Business Forum recommendations, several actions were taken in 2015 and during the first half of 2016. They are, among others:

- launching of the pilot phase of starting a business on-line;
- operationalization of a new taxpayer registration system using biometric data and increasing the validity of the Single Identifier Number (SIN) from two to ten years;
- introduction of "mobile payment" at the National Social Insurance Fund (NSIF);
- operationalization of the CIP-FIBANE-CASEMF (payment incidents centre –national banking database of companies – framework for analysis and monitoring of micro-finance establishments) platform;
- drafting of an instrument to organize the profession of receiver in bankruptcy;
- completion of dematerialization of external trade procedures;
- institution of binding timelines for land parcelling and land title transfer procedures;
- computerization and simplification of property transfer and public procurement registration procedures.

1.2.2.2 Trade

Cameroon's trade with the rest of the world in 2015 was characterized by: (i) a drop in the world prices of its major export products, particularly crude oil; (ii) appreciation of the dollar compared to CFA franc.

The trade balance deficit amounted to 1 174.9 billion, down by 12.5 billion compared to 2014. Excluding oil, it contracted by 22.5 billion to stand at 1 680.3 billion. The rate of coverage of imports by exports fell from 68.3% in 2014 to 67.1%.

Export of goods fell by 6.2% compared to 2014, to stand at 2 400.2 billion, in connection with the drop in the sale of crude oil (-21.4%) and fuels and lubricants (-35.2%). Excluding oil, export revenues rose by 7.8%, due to the increase in the sale of raw cocoa beans (+62.7%), timber and timber products (+14.4%) and raw cotton (+23.3%). Conversely, sales of raw rubber and fresh banana fell respectively by 20.6% and 2.3%.

The structure of exports shows that oil remains the leading export product with 40.1% of total export earnings, followed by raw cocoa beans (18.9%), sawn timber (6.9%), log timber (4.9%), fuels and lubricants (4.9%), raw cotton (4.1%) and raw aluminium (3.2%).

Imports amounted to 3 575.1 billion, down by 4.5% compared to 2014. This trend is due to the drop in the purchase of hydrocarbons (-31.1%), machinery and electrical appliances (-14.4%) and transport equipment (-8.9%). Conversely, the import of cereals and chemical industry products increased respectively by 21.6% and 16.3%.

By geographical regions, Cameroon recorded trade surpluses with the European Union (+200.1 billion), CEMAC (+104 billion) and South-East Asia (+149 billion). Trade deficits were recorded with West Africa (-627.2 billion due mainly to oil imports from Nigeria), East Asia (-526.3 billion), North America (-126.4 billion) and North Africa (-72.2 billion).

At the bilateral level, Cameroon's key importers are: the Netherlands (16.3% of Cameroon's exports), India (15.6%), China (12.5%), Portugal (7.1%) and Spain (5.2%). The main exporters to Cameroon are: China (19.4% of Cameroon's imports), Nigeria (12.1%), France (10.3%), Thailand (4%) and the United States of America (3.7%).

In the first half of 2016, external trade was characterized by the fall in world oil prices and the drop in volume of imported goods, excluding oil. The trade deficit stood at 490.4 billion, down by 301.8 billion compared to the same period in 2015, due to the reduction of import spending above export revenues.

In 2015, the balance of payment registered a current account deficit of 693.9 billion (4.1% of GDP), compared to 692.2 billion (4.4% of GDP) in 2014. The deficit is caused by the goods (-220 billion), services (-403 billion) and income (-258.3 billion) account deficits. However, the current transfers balance is in surplus of 187.4 billion. The current account deficit was financed mainly through direct foreign investments (+377.5 billion) and net drawings by government services (+904 billion).

The overall balance of payments registered a surplus of 483 billion, corresponding to a similar increase in foreign reserves. The reserve assets were derived mainly from oil, agriculture, logging and transport. Conversely, industries, trade, telecommunications and financial transactions seriously eroded the reserves.

At the bilateral level, the balance of payments is in deficit with Nigeria (-344.3 billion), China (-150.2 billion) and France (-100.4 billion), but in surplus with the European Union (+737.1 billion), CEMAC (+653.3 billion) and the United States (+74.1 billion).

1.2.3 Currency and financing the economy

Cameroon pursued the diversification of its sources of financing by gradually putting in place new financial instruments and products. In that regard, the law on Undertakings for Collective Investments in Transferable Securities (UCITS), aimed at facilitating access to financing and the listing of SMEs on the stock market was promulgated in July 2016.

As part of the monetary policy, the BEAC ceiling for statutory advances to the public treasury stood at 576.9 billion in 2016, against 377 billion in 2015. The amount of 201 was used as at end-June 2016. Outstanding drawings from the banking system averaged 32 billion as at 30 June 2016, against 35 billion at the end of 2015, despite BEAC's upward revision of the ceiling for bank refinancing from 80 to 200 billion.

On 6 April 2016, the Monetary Policy Committee halved the compulsory reserve coefficient applied to banks. The coefficient for sight deposits fell from 11.750% to 5.875% and from 9.250% to 4.625% for term deposits. The constituted reserves stood at 182.6 billion against 366.3 billion, corresponding to 183.7 billion released for banks.

The monetary situation at end-December 2015 was balanced in income and expenditure at 4 420.4 billion, up by 12.6% compared to end-December 2014. Net foreign assets increased by 31.4% to stand at 2 192.2 billion, driven by the 33.4% increase in BEAC's net foreign assets. The raising of 750 million dollars (about 452 billion) in Eurobonds mainly explains this upturn. Money supply increased by 12.7% compared to 31 December 2014, to stand at 3 954.6 billion.

The monetary situation as at 30 June 2016 was balanced in income and expenditure at 4 496.5 billion, up by 18.3% compared to 30 June 2015. As a reflection of the trends of its components, money supply increased by 14.4% to stand at 3 961.9 billion, broken down into 17.9% of fiduciary money, 44.8% of scriptural money and 37.3% of quasi-money.

Bank deposits amounted to 3 656.9 billion, up by 10.1% compared to end-June 2015. Sight deposits represented 79% of overall deposits, term deposits 13.3% and special deposits 7.7%. The deposits came mainly from individuals (40.1%), followed by private enterprises (23%), public enterprises (8.8%) and central public administration (7.5%). Outstanding credits stood at 2 906.8 billion, up by 6.4%, year-on-year. By type of customer, 71.1% of credits were granted to private enterprises, 14.9% to individuals and 7.2% to public enterprises.

In the microfinance sector, deposits amounted to 584.1 billion at end-December 2015, of which 63.7% were short-term deposits and 32.3% long-term deposits. Credits granted are estimated at 331.9 billion, mainly to finance wholesale and retail trade, handicrafts, import/export, agriculture, livestock and housing. Deposits and credits represent respectively 16.5% and 12.6% of those of commercial banks.

The insurance market comprises 24 companies, including 16 in “Accident, Liability, Property and Casualty, Transport” (IARDT) and 8 in “life insurance”. The sector recorded a turnover of 173.1 billion, up by 7.4% compared to 2014.

Regarding the financial market, the market capitalization of the Douala Stock Exchange stood at 419.4 billion at end-December 2015, up by 17.2% compared to 31 December 2014. It comprises 166.2 billion in shares and 253.2 billion in bonds. Furthermore, eight securities are listed on the official quote, including three shares and five bonds. In 2015, the contribution of the stock market to financing the economy stood at 2.5%.

As part of diversification and boosting of the domestic market, on 20 September 2016, the State issued government securities amounting to 150 billion at a yearly interest rate of 5.5% for the period 2016-2021. The securities were subscribed to the tune of 115.4% but the State retained 165 billion. A total issue of 203 billion in fungible treasury bonds was programmed in 2016, including 70 billion to be reimbursed the same year.

1.2.4 Public finance

The 2016 budget is being executed in a context marked by: (i) the slowdown of global economy; (ii) low world prices of crude oil and other commodities; (iii) execution of works for 2016 and 2019 Africa Cup of Nations (AFCON), as well as the three-year Emergency Plan to accelerate growth; (iv) the entry into force of the Economic Partnership Agreement (EPA) with the European Union.

After the first seven months of the 2016 fiscal year, budget execution is characterized by a domestic budget revenue execution rate of 56.1% and a credit consumption rate of 50.3%. Total resources mobilized amounted to 2 012.4 billion; credits were consumed to the tune of 60% for recurrent expenditure, 40.6% for investment expenditure and 39.2% for public debt servicing.

Domestic budget resources amounted to 1 674.5 billion, down by 28.1 billion compared to the same period in 2015. They are broken down into 223.1 billion from oil revenue and 1 451.4 billion from non-oil revenue. Compared to the same period in 2015, oil revenue dropped by 18.4%, due to the fall in world oil prices at USD 40.4 a barrel on average, during the first seven months.

At the end of the 2016 financial year, budget resources are estimated at 4 218.4 billion, including 356 billion from oil revenue, 1 590 billion from taxes and levies, 695.9 billion from customs revenue, 152 billion from non-tax revenue and 1 248.2 billion from loans and grants.

As at end-July 2016, cumulated budget expenditure amounted to 2 130.1 billion, up by 5% year-on-year. This increase is explained by the 119.9 billion rise in investments on domestic resources and 85.9 billion rise in external public debt servicing, leading to 93.3 billion cut in non-interest current expenditure. At 31 December 2016, budget expenditure is expected to reflect finance law projections.

1.2.5 Social sectors

In 2016, the sum of 954.5 billion was allocated to social sectors, that is, 22.5% of the State budget. These resources were to finance the following activities: (i) education; (ii) health; (iii) women and the youth empowerment; (iv) social protection of underprivileged persons; (v) promotion of employment and low-cost housing.

The budget allocated to the education sector stood at 499.9 billion, up by 1.6% compared with 2015, corresponding to 11.8% of State budget. Actions carried out in this sector were aimed at contributing to human capital development through training programmes tailored to labour market requirements and the current economic, social, cultural and technological environment.

In nursery and primary education, the construction of classrooms, acquisition of school desks, equipping of computer rooms and improvement of staff working environment and living conditions were pursued. During the 2015-2016 school year, nursery education enrolled 541 217 kids for 26 337 teachers in 16 623 classrooms. In primary education, there were 4 369 988 pupils for 106 630 teachers in 88 215 classrooms. At the end of the school year, net enrolment and completion rates increased respectively to 76% and 76.7% in primary education. The Government launched the recruitment of 2 051 primary school teachers.

Secondary education focused in particular on intensifying the professionalization of training. Actions carried out concerned notably the development of high-potential areas and organization of work placements. In the 2015-2016 academic year, 2 490 744 students were trained by 108 544 teachers in 42 359 classrooms. Teacher training enrolled 35 471 trainee-teachers for 3 533 lecturers in 1 225 classrooms.

As regards higher education, the Government pursued actions towards infrastructure development and improvement of higher education working environment and living conditions. Concerning infrastructure development, actions focused notably on the building and equipping administrative blocks, pedagogic blocks, classrooms, hostels and laboratories. To improve living conditions, 7.5 billion were allocated for scholarships and further training, including 4.3 billion granted to 85 000 students as excellence awards. During the 2015-2016 academic year, there were 258 614 students for 5 022 lecturers in State universities.

The budget of 236.2 billion allocated to the health sector made it possible to carry out actions centred on: (i) mother, child and adolescent health; (ii) disease control and health promotion; (iii) development of health districts. Main achievements included: (i) the construction of integrated health centres, "mother and child" wards, sub-divisional health centres and district hospitals; (ii) the equipping of theatres, maternities and delivery rooms; (iii) providing healthcare facilities with boreholes and power generators and; (iv) rehabilitation of the said healthcare facilities.

Many actions are on-going under the Three-Year Emergency Plan. They include particularly: (i) the rehabilitation and equipment of the Yaounde University Teaching Hospital and the Yaounde and Douala general hospitals; (ii) the construction of hospitals in Ngaoundere, Bertoua and Maroua; (iii) the construction of the Buea and Bamenda university teaching hospitals and the Bafoussam, Ebolowa and Garoua gynaecological, obstetrics and paediatric hospitals.

As regards employment, according to ECAM 4 (Cameroon Household Survey 4), the rate of underemployment stood at 77.6%. Actions carried out in 2015 and the first half of 2016 were aimed at reducing this trend. In that regard: (i) 3 200 jobs were created through PIAASI which financed 800 micro projects; (ii) 64 820 promoters of self-employed micro projects were integrated through the Urban Special Employment Projects programme funded by the National Employment Fund (NEF); (iii) 21 661 job seekers were absorbed by enterprises that use casual workers and private job placement agencies.

Concerning housing and urban development, the Government pursued the following actions: (i) land development; (ii) construction of low-cost houses and access roads to the housing units; (iii) construction, maintenance and rehabilitation of urban roads. Furthermore, the construction of the Yaounde-Nsimalen highway is on-going and the building of 100 houses has begun in Ebolowa.

With regard to social insurance and social welfare, the Government participated in the management and socioeconomic integration of disadvantaged persons, notably through agro-pastoral micro projects. In this vein, 11 000 national identity cards were issued for vulnerable indigenous persons, 5 600 pygmies received literacy support in primary and secondary education and 188 Bororo children were enrolled in State universities.

With respect to women’s economic and social empowerment, activities carried out centred notably on: (i) the popularization of legal instruments for protection of women’s rights; (ii) awareness-raising against female genital mutilation and violence; (iii) providing subsidies and agro-pastoral equipment; (iv) training on designing and managing income-generating projects.

In relation to the youth, the Government pursued actions geared towards youth guidance, training on entrepreneurship and project management. Moreover, 10 multipurpose youth empowerment pilot centres were identified to host business incubation structures and the "Special Youth" three-year plan was launched to facilitate and accelerate the integration of young people.

1.2.6 Structural and institutional reforms

The Government continued to implement structural reforms to improve the competitiveness of the economy and the living conditions of very poor and vulnerable households. These concerned public and semi-public enterprises, public finances and certain projects.

Public and Semi-Public Enterprises

To improve electricity transmission, the National Electricity Transmission Company (Sonatrel) was established and its governing bodies put in place. It is responsible, *inter alia*, for operating, maintaining and developing the public network for electricity transmission, as well as interconnections with other networks. Concerning the Port Authority of Kribi (PAK), the Presidential Decree of 29 June 2016 conferred on it the status of state-owned corporation with legal personality and financial autonomy. The Port's senior management was appointed and is at work to make the port operational.

In air transport, the Head of State validated the Cameroon Airlines Corporation (Camair-Co) restructuring plan which proposed the sum of 60 billion to revamp the national airline as follows: (i) 27 national, regional and intercontinental routes; (ii) purchase of 9 new aircraft by 2020 to strengthen the fleet; (iii) 35 billion debt settlement by the State. A new executive was appointed on 22 August 2016.

Public finance reforms

To secure transactions with users and increase tax returns, the Directorate General for Taxation, on 12 September 2016, launched taxpayers' registration using biometric data. This operation applies first to taxpayers under the Division of Major Enterprises, medium-sized enterprises taxation centres and special taxation centres in Yaounde. It will be extended gradually to other taxpayers. Ultimately, it is aimed at assigning every taxpayer a single identifier number with a 10 year validity period. In the same vein, the online filing of tax returns is effective since 1 June 2016 for public contracts and real estate transfers in Douala and Yaounde.

To securitize State debt, SONARA listed 36 321 securities in the first half of the year, out of a total of 69 212 proposed to the over-the-counter market of the Douala Stock Exchange.

Social safety net projects

The pilot phase financed by the Government between 2013 and 2015 made it possible to transfer 720 million to 2 000 poor households, including 1 500 in the Far North Region (Soulede-Roua council) and 500 in the North West Region (Ndop). Following the positive outcomes of the pilot phase on beneficiaries' standard of living, the Government signed a loan agreement with the World Bank amounting to 25 billion to support a five-year programme in favour of 70 000 poor and vulnerable households, 40 000 of which will receive cash transfers and 30 000 will carry out labour-intensive public works.

During the on-going implementation of phase I, (i) close to 880 million were transferred to 15 000 households in 456 villages in the Far North, North and Adamawa regions as well as in Douala and Yaounde; (ii) 5 000 jobs (including 3 000 in Mokolo council and 2 000 in Moulvoudaye council) were created, thanks to labour-intensive works (construction of dykes, canals, management of pools and improvement of rural roads); (iii) 35 micro projects were carried out, including 20 in Mokolo and 15 in Moulvoudaye.

1.3 Macroeconomic and fiscal outlook for 2015-2018

1.3.1 Macroeconomic outlook

In a gloomy international economic environment and persisting security risks, the country's economy continued to be resilient, with growth of about 6%. From 5.8% in 2015, growth is estimated at 5.3% in 2016, due to the drop in oil production and declining contribution of export-oriented industrial agriculture. In 2017, it is expected to increase by 6.1%, to consolidate at an average of 6% until 2019.

With regard to supply, growth will continue to be driven by the non-oil sector whose contribution is projected at 5.5% in 2017 and an average of 5.9% until 2019. In the oil sector, in spite of the drop in oil production, significant rise in gas production forecasted by NHC as from 2017 augurs well for the economy as a whole.

All sectors will contribute to the overall improvement of the economy. For the period 2016-2019, the primary sector is expected to drive growth to the tune of 1.1 point on average, the secondary sector by 1.4 point and services by 2.8 points. By sector, the trend is more contrasted.

In the primary sector, growth is estimated at 4.6% in 2016, a decline compared to 5.3% in 2015. It is estimated at 5.4%, on average, for the period 2017-2019.

Growth in the primary sector is mainly driven by the “food crop agriculture” sub-sector which accounts for about 15% of total GDP and close to 70% of the primary sector. It has since 2011 contributed alone 0.6 point to GDP growth, and its value added hinges on domestic consumption and demand from neighbouring countries. To step up production, high-yield seeds are distributed and farmers supported through various programmes and projects.

In 2016, the contribution of the “industrial and export agriculture” subsector fell to 1.3%, after 9.3% in 2015. Factors accounting for the drop in production of major cash crops (cocoa, cotton and Arabica coffee) include: (i) poor climatic conditions marked by a prolonged dry season; (ii) low global demand; (iii) the fall in world prices; (iv) lack of financing for rejuvenation and expansion of plantations. Farmers often tend to replace cash crops with short-cycle food crops.

To boost production and increase value added, investments were carried out by major enterprises (CDC, SODECOTON, etc.). It is equally envisaged to increase cultivated surface areas and administer phytosanitary treatment in plantations.

The “stockbreeding and hunting” subsector contributes to sector growth, in spite of epidemics such as avian flu or infections that could affect animals. Activities were carried out in this subsector thanks to: (i) the availability of grazing land; (ii) increase in production units; (iii) renewal of genetic material.

The “forestry and logging” subsector also contributed to growth, despite low international market demand for timber and competition from the informal sector. Its contribution continues to grow and stands at an average of 6% for the period 2016-2019. The drop in fuel prices and strong domestic demand contributes to reviving this subsector.

As of date, “industrial and export agriculture”, “forestry and logging” and oil are the leading foreign exchange earners for the country’s economy.

The secondary sector registered the most significant performance in the last five years with a consolidated growth of 6.3% on average over the period 2011-2015. In 2016, growth in this sector is estimated at 3.9%, in connection with the oil sector slowdown. For 2017-2019, the sector is expected to register an average growth of 6.4%.

The performance of the secondary sector since 2012 stems from the substantial increase in oil production that peaked at 27.1% in 2015. However, this trend may be reversed in 2016 following NHC forecast of a 2.7% production rise. In fact, when oil prices are low, exploration and extraction activities are less profitable, resulting in a drop in private investments. An increase in oil production in the medium term should not be expected. However, forecasted gas production by NHC as from 2017 seems to suggest growth of extractive industries by 7.5%, on average, for the period 2017-2019.

Excluding oil, secondary sector growth is estimated at an average of 7.4% for the period 2017-2019. The sector’s contribution to GDP growth depends largely on the availability of electric power, which in turn influences manufacturing output and that of other industries. As of date, industries have not sufficiently profited from the investments made in the energy sector (dams, gas plants, etc.), due to weak electricity transmission infrastructure. Improved electricity supply would increase the contribution of the above-mentioned subsectors. The "public works and civil engineering" subsector also contributes positively to growth, with multiplier effects on the rest of the economy. It contributed 0.3 point, on average, to GDP growth over the period 2011-2015. It expected to contribute an average of 0.4 point for 2016-2019.

Growth in the tertiary sector was driven by all subsectors. From 4.5% in 2015, tertiary sector growth is estimated at 6% in 2016 and should consolidate at an average of 6.1% for the period 2017-2019.

Table 2: GDP Breakdown by Sector (2013-2016)

Items	History			Estimates	Projections		
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Primary sector	**3.7**	**4.7**	**5.3**	**4.6**	**5.1**	**5.6**	**5.4**
Food crop agriculture	3.9	4.2	4.6	4.5	5.2	6.3	5.9
Industrial and export agriculture	6.9	2.9	9.3	1.3	4.2	4.1	4
Stockbreeding and hunting	4.8	5.7	5.9	5	5.7	4.5	4.2
Fisheries	2.8	2.7	2.9	3	3	3	3
Forestry and logging	-1.8	9.9	8.2	7.5	5.8	4.8	5.7
Secondary sector	**5.7**	**6.8**	**8.6**	**3.9**	**7.6**	**7.4**	**4.3**
Extractive industries	8.7	13.7	26.3	2.7	13.0	9.5	0.1
including hydrocarbons	8.5	13.9	27.1	2.7	-6.7	-7	0.1
Agri-food industries	3.7	5.2	3.1	2.4	5	5.5	3.4
Other manufacturing industries	3.6	3.6	4.3	3	4.8	5.3	4.5
Electricity. gas and water	8.7	10.6	5	3.1	10.7	10.3	5.3
Public works and civil engineering	12.9	10.8	10.4	10.8	11.6	11.9	10.6
Tertiary sector	**6.3**	**5.3**	**4.5**	**6.3**	**5.7**	**6.0**	**6.3**
Trade, catering and hotels	5.7	5.2	4.8	6	4.6	6.2	8.2
Transport, storage, communications	7.9	6.5	3.4	5.3	6.1	6.2	5.6
Banks and financial institutions	13.3	13.7	7.7	8.5	8.9	8.2	5.7
Other market services	5	2.6	4.9	5.9	6.1	4.6	4.9
FISIM (financial intermediation services indirectly measured)	7.9	8.9	10.6	6.7	7.0	7.4	7.5
Government non-market services	5	6.7	6.8	8.1	7.1	6.5	4.9
Other non-market services	5.2	5.8	3.8	5.7	5.1	5.1	4.9
GDP at factor costs	**5.4**	**5.7**	**5.9**	**5.3**	**6.1**	**6.3**	**5.6**
GDP	**5.6**	**5.9**	**5.8**	**5.3**	**6.1**	**6.3**	**5.6**

Source: MINFI/ DAE

In terms of demand, domestic demand will continue to drive GDP growth. From 6.1 points in 2015, its contribution is estimated at 5.1 points in 2016 and could reach an average of 6.9 points for the period 2017-2019. Conversely, net external demand may still hamper growth to the tune of 0.9 point on average.

Regarding prices, the inflation rate stood at 1.3% in the first half of the year but should not exceed 3% at end-December. After many years of negative growth, terms of trade could once more be favourable as from 2017.

Table 3: Key Indicators

	History			Estimates		Projections		
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
GDP at current prices (CFAF billion)	**13515**	**14607**	**15846**	**16807**	**17957**	**19421**	**21263**	**22978**
Oil GDP	1075	1060	1086	876	748	805	1037	1044
Non-oil GDP	12440	13547	14761	15931	17209	18616	20227	21933
GDP at constant prices	**9973**	**10528**	**11152**	**11796**	**12416**	**13171**	**13997**	**14779**
Oil GDP	***354***	***384***	***437***	***555***	***570***	***671***	***735***	***735***
Non-oil GDP	***9620***	***10144***	***10715***	***11241***	***11846***	***12500***	***13263***	***14044***
	Annual growth (in %)							
GDP at constant prices	**4,6**	**5,6**	**5,9**	**5,8**	**5,3**	**6,1**	**6,3**	**5,6**
Oil GDP	3,5	8,5	13,9	27,1	2,7	13,0	9,5	0,1
Non-oil GDP	4,6	5,5	5,6	4,9	5,2	5,7	6,1	5,9
GDP Deflator	3,1	2,5	2,6	0,3	1,6	2,1	3,2	2,5
Oil GDP Deflator	10,3	-9,0	-10,1	-33,8	-20,8	-8,7	17,5	0,7
Non-oil GDP Deflator	2,5	3,3	3,2	2,9	3,7	2,3	2,5	2,3
Consumer prices	2,4	2,1	1,9	2,7	1,3	3,0	3,0	3,0
Export prices	2,7	-2,9	-2,5	-8,2	-8,3	7,3	7,2	7,1
including Cameroon oil prices	*9,1*	*-4,1*	*-6,7*	*-30,5*	*-16,8*	*14,8*	*14,7*	*14,5*
Import prices	10,3	-1,4	1,6	11,7	-0,3	1,8	1,6	1,5
Terms of trade	-7,6	-1,4	-4,0	-19,9	-8,0	5,6	5,6	5,6
Consumption	5,4	5,6	5,9	5,8	3,9	5,9	6,7	6,3
Private	*5,4*	*5,5*	*5,7*	*5,9*	*2,9*	*6,8*	*7,2*	*6,7*
Public	*5,5*	*6,5*	*7,2*	*4,8*	*10,1*	*0,2*	*3,9*	*3,4*
GFCF	1,4	5,2	12,9	5,9	6,1	6,9	6,0	4,5
Private	*0,8*	*5,6*	*13,6*	*6,8*	*6,6*	*7,2*	*6,5*	*4,6*
Public	*5,7*	*2,5*	*7,5*	*-1,2*	*2,5*	*3,8*	*1,1*	*3,3*
Export of goods and services	-1,3	26,0	10,0	8,9	3,8	3,6	3,8	4,1
Import of goods and services	1,2	18,3	14,4	6,8	-0,6	4,4	5,7	5,7
	As a percentage of GDP							
Sector Distribution								
Primary Sector	21,4	21,1	20,4	21,0	21,1	20,9	20,7	20,7
Secondary Sector	27,9	27,6	27,6	26,2	25,2	25,3	26,2	26,1
including oil	*8,0*	*7,3*	*6,9*	*5,2*	*4,2*	*3,3*	*3,3*	*3,1*
Tertiary Sector	43,0	43,7	43,9	44,8	46,2	46,2	45,5	45,7
Demand Components								
Consumption	88,4	88,7	88,7	90,0	87,0	87,8	88,7	89,9
Private	77,0	77,2	76,9	78,2	74,3	75,7	76,9	78,2
Public	11,5	11,6	11,8	11,8	12,7	12,1	11,8	11,7
GFCF	19,2	19,4	20,5	20,8	22,8	23,1	22,9	22,7
Private	16,9	17,1	18,2	18,6	20,1	20,5	20,4	20,3
Public	2,3	2,3	2,3	2,2	2,7	2,6	2,5	2,4
Export of goods and services	18,8	20,7	21,7	19,5	18,8	17,4	17,0	16,4
Import of goods and services	26,6	28,9	31,2	30,1	28,6	28,3	28,6	29,0
Government								
Revenue, excluding grants	16,8	17,2	17,2	17,4	14,4	15,1	14,8	14,8
Oil revenue	*4,9*	*4,8*	*4,3*	*3,3*	*1,9*	*2,3*	*2,2*	*2,1*
Non-oil revenue	*11,9*	*12,4*	*13,0*	*14,1*	*12,3*	*12,6*	*12,5*	*12,6*
Expenditure	18,8	21,9	20,5	20,3	20,1	19,7	18,4	18,0
current	*13,3*	*14,6*	*13,8*	*13,8*	*11,6*	*11,6*	*10,5*	*10,2*
capital	*5,5*	*7,3*	*6,6*	*6,5*	*8,5*	*8,2*	*8,0*	*7,9*
Overall budget balance	**-1,6**	**-4,3**	**-2,9**	**-2,5**	**-5,1**	**-4,1**	**-3,1**	**-2,7**
Balance of Trade	-1,0	-0,7	-0,8	-1,3	-0,3	-0,8	-1,6	-2,8
Current account balance	-3,6	-3,8	-3,8	-4,1	-2,6	-3,2	-3,9	-5,0

Source: MINFI/DEA

1.3.2 2017 Budget Projections

The 2017 budget aims to support firm, sustainable and job-creating growth, notably by increasing energy supply and transmission capacities, improving the business climate, competitiveness, access to funding by SMEs and promoting the processing of local products by industries. To achieve this, specific objectives are broken down in revenue and expenditure.

In terms of revenue, the objective is to increase the mobilization of non-oil revenue in a context marked by the entry into force of the Economic Partnership Agreement with the European Union, on 4 August 2016. To that end, efforts will be pursued to secure revenue by streamlining and controlling tax regimes. Concerning taxes and duties, without compromising the supportive framework, and while intensifying efforts to combat tax evasion and fraud, measures to be taken should not hamper the competitiveness of enterprises and should seek to boost household consumption. Regarding customs revenue, there are plans to: (i) tighten control through the use of scanners at all border posts; (ii) secure transit; (iii) streamline exemptions and tax expenditure.

Budget resources are broken down into internal revenue, loans and grants, and bank financing. Domestic revenue comprises oil and non-oil revenue.

Oil revenue includes NHC royalties and oil company tax. Revenue derived from exportation of natural gas is part of oil revenue, as NHC announced the exportation of gas as from the third quarter of 2017. Oil royalties stem from: (i) oil production estimated by NHC at 33.5 million barrels; (ii) a Brent barrel price estimated at USD 50, minus USD 3 discount and USD 7 economic prudence, that is a final price of USD 40 per barrel of Cameroonian oil; (iii) a USD 1 = CFAF 560 exchange rate. On this basis, oil royalties are estimated at 304.6 billion. Gas royalties stem from: (i) gas production estimated by NHC at 36.7 billion SCF; (ii) gas price estimated at 5.7 dollars ; (iii) a USD 1 = CFAF 560 exchange rate. On this basis, gas royalties are estimated at 26.5 billion. Based on profits and contemporary payments for the 2016 financial year, the expected amount of tax on oil companies stands at 124 billion. Consolidated oil revenue projection stands at 455.1 billion, up by 14.6% compared to the 2016 Finance Law.

Non-oil revenue growth rate is considered to be the same as that of nominal non-oil GDP, plus the impact of new legislative and administrative measures. Nominal non-oil GDP growth is estimated at 8% in 2017. The impact of administrative measures is estimated at 49.8 billion, representing 48 billion from customs and 1.8 billion from taxes. In all, non-oil revenue is projected at 2 688.2 billion, including 1 719 billion from taxes, 800.1 billion from customs, and 169.1 billion from non-tax revenue.

Loans and grants are projected at 970.5 billion. They are divided into project loans totalling 585 billion, government bonds amounting to 300 billion and grants worth 85.5 billion. Bank financing is projected at 260 billion.

Budget expenditure is discretionary and reflects State priorities in public policies implementation. Options are guided by the quest for greater expenditure efficiency and improvement of public service through efficient allocation and management of public funds. Budget expenditure comprises three main categories, namely: recurrent expenditure, capital expenditure and public debt.

Recurrent expenditure is estimated at 2 059.4 billion against 1 981.2 billion in 2016. It is broken down into: (i) 998.5 billion on personnel expenditure, including 944.8 billion for the salaries of State employees; (ii) 681.5 billion on purchase of goods and services, including 437.3 for the functioning of services; (iii) 367.2 billion for transfers and subsidies.

Capital expenditure is budgeted at 1 586.9 billion. They include 946.9 billion from domestic resources, 625 billion from external financing, and 15 billion for restructuring expenditure. Expenditure from domestic resources is broken down into: (i) 598.6 billion for recurrent expenditure (replacement investment, counterpart funds, etc.); (ii) 260 billion under the Three-Year Emergency Plan (PLANUT); (iii) 25 billion under the special youth emergency plan; (iv) 30 billion for the Africa Cup of Nations 2019; (v) 33.3 billion for C2D.

Public debt servicing is estimated at 727.5 billion and comprises 324.6 billion for external debt and 402.9 billion for internal debt.

In the final analysis, the 2017 draft budget is balanced in revenue and expenditure at 4 373.8 billion, up by 3.3% compared to the 2016 budget.

Table 4: Budget Projections for the 2017 Financial Year (in CFAF billion)

ITEMS	F.L. 2016	2016 Margin	F.L. 2017	Variations	
	(a)	(b)	(c)	(c)-(a)	(c)/(a)
A- TOTAL REVENUE (I+II+III)	**4234.7**	**4349.3**	**4373.8**	**139.0**	**3.3%**
I- INTERNAL REVENUE (1+2+3)	**2986.5**	**2793.1**	**3143.3**	**156.7**	**5.2%**
1- Oil revenue+Gas	**397.2**	**351.6**	**455.1**	**57.9**	**14.6%**
- NHC Royalties	247.2	247.2	304.6	57.4	33.2
-NHC gas Royalties	0.0	4.4	26.5	26.5	
- Oil company taxes	150.0	100.0	124.0	-26.0	-17.3%
2- Non-oil revenue	**2589.3**	**2441.5**	**2688.2**	**98.9**	**3.8%**
- Taxes and levies	1565.0	1590.0	1719.0	154.0	9.8%
- Customs revenue	752.1	695.9	800.1	47.9	6.4%
- Non-tax revenue	152.2	155.6	169.1	16.9	11.1%
II- LOANS AND GRANTS	**948.2**	**1136.2**	**970.5**	**22.3**	**2.4**
- Project loans	505.0	693.0	585.0	80.0	15.8%
- Grants	58.2	58.2	85.5	27.3	46.9%
- Issuance of Government bonds	300.0	300.0	300.0		
III- BANK FINANCING	**300.0**	**420.0**	**260.0**	**-40.0**	**-13.3%**
- Eurobond reserves	50.0	50.0		-50.0	
-Bank loans	250.0	250.0	260.0	10.0	4.0%
-Privatization reserves		120.0			
B- TOTAL EXPENDITURE (I+II+III)	**4234.7**	**4142.7**	**4373.8**	**139.1**	**3.3%**
I- RECURRENT EXPENDITURE (1+2+3)	**1981.2**	**1982.3**	**2059.4**	**78.2**	**3.9%**
1- Personnel expenditure	**955.2**	**955.2**	**998.5**	**43.3**	**4.5%**
- Salaries	890.2	890.2	944.8	54.6	6.1%
- Other personnel expenditure			53.7	53.7	
2- Purchase of goods and services	**667.0**	**667.0**	**693.7**	**26.7**	**4.0%**
- Ordinary expenditure			437.3	437.3	
- C2D expenditure			12.2	12.2	
3- Transfers and subsidies	**359.0**	**360.1**	**367.2**	**8.2**	**2.3%**
- Subsidies	165.0	165.0	125.0	-40.0	-24.2%
- Scholar ships			22.2	22.2	
- Contributions			15.0	15.0	
-Pensions	194.0	195.1	205.0	11.0	5.7%
II- CAPITAL EXPENDITURE	**1525.8**	**1525.8**	**1586.9**	**61.1**	**4.0%**
*** FINEX expenditure**	**525.0**	**525.0**	**625.0**	**100.0**	**19.0%**
*** Internal resource expenditure**	**945.8**	**945.8**	**926.9**	**-18.9**	**-2.0%**
- ordinary expenditure	523.0	523.0	578.6	55.6	10.6%
- C2D expenditure	27.8	27.8	33.3	5.5	19.8%
- Emergency Plan expenditure	275.0	275.0	260.0	-15.0	-5.5%
Special youth emergency plan			25.0	25.0	
- AFCON expenditure	120.0	120.0	30.0	-90.0	75.0%
*** Restructuring expenditure**	**55.0**	**55.0**	**35.0**	**-20.0**	**-36.4**
III- PUBLIC DEBT	**727.7**	**634.6**	**727.5**	**-0.2**	
*** External debt**	**335.0**	**193.7**	**324.6**	**-10.4**	**-3.1%**
- Interest	**212.3**	**71.0**	**154.9**	**-57.4**	**-27.0%**
including : Eurobonds	45.0	45.0	39.6	-5.4	12.0%
: Insurance premiums	50.0	50.0	50.0		
: AFCON-related loans	46.3	46.3		-46.3	
- Principal	**122.7**	**122.7**	**169.7**	**47.0**	**38.3%**
*** Internal debt**	**392.7**	**440.9**	**402.9**	**10.2**	**2.6%**
- Interest	30.2	30.2	43.3	13.1	43.4%
- Principal	202.5	202.5	189.6	-12.9	-6.4%
including: bonded loan reimbursement	57.5	57.5	57.5		
: BTA & OTA reimbursement	95.0	95.0	85.7	-9.3	-9.8%
- Internal arrears	10.0	108.2	10.0		
- Refund of VAT credits	100.0	100.0	70.0	10.0	10.0%

ITEMS	F.L. 2016	2016 Margin	F.L. 2017	Variations	
- SONARA debt reimbursement	50.0	50.0		-50.0	
Marketters debt reimbursement			50.0	50.0	
C- FINANCING NEED (B-A)	**0.0**	**-206.6**	**0.0**		

Source: MINFI/DEA

1.3.3 New measures

In the customs sector, new measures are aimed at broadening the tax base, securing revenue and improving the social and business climate. Regarding the broadening of the tax base, these measures concern imports and exports, notably:

(i) concerning imports, certain categories of vehicles subject to excise duties. The objective of this measure is partly address road safety-related problems without reducing the volume of expected customs revenue. In 2012, the average age of imported vehicles was about 16 years. This age increased to 19 years in 2015. This shows that the incentive measures adopted so far to reduce the age of imported vehicles, notably the 30% tax rebate on the value provided for in the 2011 Finance Law were not effective. The institution of excise duties also serves a kind of ecological levy, in compliance with the “polluter pays” principle in line with the Climate Agreement adopted during COP21 in Paris.

(ii) reinstitution of customs duties and taxes hitherto suspended on some products. To combat the high cost of living, ordinances were issued in 2008, suspending import duties and taxes on some products such as rice and fish and reducing the common external tariff rate on other products such as clinker. Provisions were added to the 2016 Finance Law to reinstitute taxes on rice and re-establish the common external tariff on clinker from 1 January 2017. Consequently, the 2017 Finance Bill seeks to reinstitute taxes on rice at CET at 5% without VAT and change the tax rate for the common external tariff of clinker;

(iii) concerning exports, the review of the export duty on undressed timber. Undressed timber exports remain high and this slows down local processing. In addition, sawn timber exports are not heavily taxed, compared to Côte d’Ivoire with an annual export revenue of more than CFAF 500 billion. In this context, the Finance Bill aims to further tax undressed timber exported at 17.5% to 20%. This measure could help to generate additional revenue while improving the local processing industry.

At the fiscal level, proposals to amend the tax law in force within the framework of the Finance Bill of the Republic of Cameroon for the 2017 financial year focus on the major tax policy guidelines defined by the President of the Republic contained in Circular No.1/CAB/PRC of 28 July 2016 on the preparation of the State budget for the 2017 financial year. They include: (i) broadening of the tax base; (ii) securing revenue; (iii) improving the business climate; (iv) strengthening guarantees granted to taxpayers; and (v) enhancing socio-economic development.

CHAPTER 2: PRODUCTION

Economic activity experienced a growth of 5.8% in 2015, down by 0.1 point compared to 2014. The trend was driven by the tertiary sector which contributed 2.3 points to growth, against 2.1 points for the secondary sector and 1.1 point for the primary sector.

2.1 Primary Sector

In 2015, the primary sector GDP rose by 5.3 %, against 4.7% in 2014. This sector accounted for 22.8% of GDP and contributed 1.1 points to growth, against 1 point in 2014. At end-2016, the sector GDP is expected to increase by 4.6%

The actions carried out in this sector by the Government are focused on: (i) improvement of yields, sector competitiveness, modernization of production infrastructure and supervision of producers in the agricultural and livestock subsectors; and (ii) sustainable management of natural resources in the forestry subsector.

2.1.1 Agriculture

This subsector comprises industrial and export agriculture, and food crop farming.

2.1.1.1 Industrial and export agriculture

La Industrial and export agricultural production rose by 9.3% in 2015, against 2.9% in 2014. This improvement is attributable to: (i) continuous increase in the surface areas cultivated; (ii) entry into production of new plantations; (iii) optimal use of production chains; (iv) use of improved plant materials; and (v) the establishment of new processing plants and maintenance of existing ones. Industrial and export agricultural production concerns cocoa, coffee (Arabica and Robusta), rubber, cotton, export banana and palm oil.

Cocoa

In 2015, cocoa production increased by 9.8% to stand at 308 753 tonnes. Exported quantities represented 86% of production and are increasing by 37.7%. This export trend stems from: (i) congestion of the port in 2014 with huge stocks that were brought forward to 2015; (ii) cocoa certification; (iii) improvement in production and world prices.

Measures taken to boost production focused on: (i) strengthening the certification programmes implemented by economic operators with farmers; (ii) opening and upkeep of 6 439 ha of plantations; (iii) production and distribution of 12 486 696 cocoa seedlings; (iv) distribution of 113 410 cocoa pods, 647 980 sachets of fungicides, 228 350 litres of insecticides and 520 tonnes of fertilizers; and (v) training of 270 players of the cocoa value chain.

During the first half of 2016, 5 402 500 cocoa seedlings were produced and distributed. Cocoa beans exports dropped by 19% year-on-year.

Coffee

In 2015, Arabica coffee production stood at 6 504 tonnes, that is a drop of 18.9% compared to 2014 when it increased by 14.6%. Robusta coffee production dropped by 27% after increasing by 19.2% to stand at 27 094 tonnes. This trend is attributable to the vegetative cycle of coffee trees and the poor maintenance of coffee plantations.

Government action to revamp this subsector includes: (i) production and distribution of 2 818 800 Arabica and 392 500 Robusta coffee seedlings; (ii) production of 1 877 kg of Arabica coffee seeds and 2 429 400 Robusta rooted cuttings; (iii) rehabilitation and maintenance of 19 ha of Arabica coffee seed farms and 18 ha of Robusta coffee seed farms; (iv) opening of 2 349 ha of Arabica coffee plantations and 327 ha of Robusta coffee plantations; and (v) distribution of 431 986 sachets of fungicides, 11 810 litres of insecticides and 1 000 tonnes of fertilizers for the treatment of plantations.

Robusta coffee exports grew by 8.6% compared to 2014; those of Arabica coffee dropped by 17.7%. Arabica coffee prices dropped by 25.1% and Robusta coffee by 10.4%. During the first half of 2016 and year-on-year, Arabica coffee exports dropped by 24.2%, while those of Robusta coffee rose by 13.6%.

Natural rubber

In 2015, rubber production dropped by 9% compared to 2014 to stand at 46 920 tonnes. This situation is attributed to unfavourable weather conditions, falling world prices and the ageing of rubber trees.

To reverse this trend, the major company operating in the sector, HEVECAM, is pursuing its investment programme worth 26.1 billion, financed by a pool of local banks and aimed at renewing plantations, purchasing new equipment, expanding cultivated surface areas and securing plantations.

Crude rubber exports dropped by 14.4% compared to 2014. This situation is attributable to the fall in global demand, notably that of major consumer countries (China and India). World prices once more rose by 6.4% in 2015, after a 33.2% slump in 2014.

During the first of 2016 and year-on-year, natural rubber production dropped by 1.2% and exports by 16.2%. At the end of the year, production is expected to remain fairly stable.

Cotton

In 2015, seed cotton production rose by 5.7% compared to 2014 to stand at 289 994 tonnes; that of cotton fibre increased by 9.4% to stand at 107 585 tonnes. This upswing is attributable to increase in cultivated surface area, continuous granting of incentives, use of high-yielding plant materials, and fall in the prices of agricultural inputs distributed. In addition, the fight against of seed cotton outflow to Nigeria was intensified.

Global market prices rose by 15.1% in 2015, after falling by 7.9% in 2014. Exports improved by 31.1% compared to 2014. During the first half of 2016 and year-on-year, production dropped by 9.7% and exports by 11.8%.

Export Banana

In 2015 export banana production progressed by 5.6% to stand at 363 029 tonnes compared to 2014. This trend is related to favourable weather conditions, improved farming techniques and the use of improved plant materials. Exports increased by 6.8%. Investments made in this sector stand at 22.3 billion, notably for the improvement of transportation routes and the procurement of "vitro plants".

During the first half of 2016 and year-on-year, production and exports increased by 1.4% and 0.5% respectively. At the end of the year, production is expected to increase by 3.7%.

Crude palm oil

In 2015, industrial crude palm oil production increased by 10.1% compared to 2014, to stand at 140 212 tonnes. This increase is attributable, among other things, to improvements in factory extraction rates and the start of production of new plantations.

To raise its production, the main corporation in the subsector, SOCAPALM, invested 5.6 billion in 2015, after 8.6 billion in 2014, to purchase short-cycle and high-yielding plant materials, as well as to expand plantations. During the first half of 2016 and year-on-year, industrial crude palm oil production rose by 2.1%. This production is expected to improve by 5.3% by the close of 2016.

Non-industrial production increased by 7.9% compared to 2014. In addition, 50 ha of plantations were developed, 240 000 pre-sprouted seeds were purchased and distributed to nurserymen and, 130 500 young plants produced and distributed to farmers.

Current production is insufficient compared to domestic demand. To reduce the deficit, the Government authorized industries of the subsector to import 60 000 tonnes of crude palm oil.

Table 5: Industrial and Export Agricultural Products

Items	2010	2011	2012	2013	2014	2015*
Cocoa						
Production (tonnes)	244 077	246 120	268 941	275 000	281 196	308 753
Exports (tonnes)	193 881	190 214	173 794	192 836	192 637	265 306
World prices (in CFAF/Kg	1 491	1 695	1 356	1 386	1 732	1 756
Arabica coffee						
Production (tonnes)	12 564	8 563	10 000	7 000	8 020	6 504
Exports (tonnes)	3 112	2 441	5 148	2 228	2 434	2 004
World prices (in CFAF/Kg)	2 850	3 993	2 748	2 070	2 975	2 227
Robusta coffee						
Production (tonnes)	45 231	38 256	42 000	31 127	37 115	27 094
Exports (tonnes)	44 830	28 383	36 436	19 280	28 171	31 163
World prices (in CFAF/Kg)	1 234	1 702	1 622	1 483	1 553	1 391
Rubber						
Production (tonnes)	50 215	50 983	46 318	51 510	51 559	46 920
Exports (tonnes)	38 292	36 792	42 851	54 068	57 150	48 902
World prices (in CFAF/Kg)	1 804	2 125	1 479	1 216	812	864
Seed cotton						
Production (tonnes)	114 592	185 000	227 000	240 000	274 286	289 994
Cotton fibre						
Production (tonnes)	52 985	61 392	82 124	88 854	98 375	107 585
Exports (tonnes)	53 601	55 742	76 173	91 532	90 854	119 075
World prices (in CFAF/Kg)	1 023	1 528	878	868	799	920
Export banana						
Production (tonnes)	277 774	296 110	256 789	321 814	343 616	363 029
Exports (tonnes)	237 942	237 278	231 802	261 808	265 276	283 436
World prices (in CFAF/Kg)	487	539	553	569	554	
Palm oil						
Industrial production (tonnes)	116 172	135 215	99 238	113 940	127 321	140 212
Artisanal production (tonnes)	326 940	354 076	265 570	199 187	211 138	227 755

Sources: MINADER, MINFI/DAE, WEO, *= production estimates

2.1.1.2 Food crop farming

En In 2015, food crop production increased by 4.6% against 4.2% in 2014, in spite of devastating floods and cross-border insecurity in some regions. The crops concerned are mainly cereals, roots and tubers, as well as fruits and vegetables.

Cereals

This subsector mainly comprises maize and rice.

Maize

In 2015, maize production stood at 2 148 679 tonnes, up by 4.2% compared to 2014. To boost production, the following measures were taken: (i) opening of 100 ha of hybrid seed farms and 44 ha of certified composite seeds; (ii) production of 62.1 tonnes of certified seeds; (iii) procurement and distribution of 60 tonnes of basic seeds to multipliers; (iv) opening of farms with the creation of 365 ha of farms by young farmers of Wassande and 68 ha by those of Ngyen-mbo; and (v) construction of two seed processing plants.

During the first half of 2016, the *Maize Sector Support Programme* enabled the distribution of 726.5 tonnes of seeds to farmers.

Paddy rice

Paddy rice production increased by 25.8% to reach 252 980 tonnes in 2015. This increase is notably attributable to the training of farmers on production techniques, the intensification of actions to popularize rain-fed rice cultivation among the population and the use of fertilizers. Regarding lowland rice farming, 1 675 tonnes of certified seeds were produced to be sown on 33 500 ha of irrigated rice farms.

Roots and tubers

In 2015, cassava production was estimated at 4 990 707 tonnes, up by 8.5% compared to 2.2% in 2014. Irish potato production rose by 5.9% to stand at 237 779 tonnes. Yam production increased by 2.8%, cocoyam/colocasia production by 3.5% and sweet potato production by 5.6%. Such improvements are attributable to better producer guidance, the use of improved plant materials and the increase of cultivated surface areas.

Concerning cassava, 22.5 million certified rooted cuttings were produced and distributed, 8 clones of high-yielding and disease-resistant local varieties were identified and preserved, 17 485 ha of farms and 12.5 ha of cassava stem parks, and 200 ha of seed farms were created.

Concerning Irish potato, 276 tonnes of “class A” seeds were distributed to seed multipliers, 98 ha of seed farms were developed and 387 tonnes of certified seeds distributed to 7 724 farmers for plantations covering a surface area of 258 ha.

With regard to yam, 24 668 high-yielding seeds were produced and distributed. Regarding sweet potato, three new seed varieties were acquired from Ghana, Burkina Faso and Nigeria, and multiplication plots for the production of plant materials were developed.

Banana, plantain, fruits and vegetables

In 2015, banana and plantain production increased by 2.1% to stand at 3 916 063 tonnes. Government action in the sector concerned: (i) production of quality seeds and plant materials, including 1 956 700 plantain suckers and 5 000 000 banana and plantain “vitro plants”; (ii) opening of 7 ha and maintenance of 20 ha of seed farms; and (iii) opening of 217.5 ha of banana and plantain plantations.

The production of vegetables is on the increase, including beans (+6.1%), cucumber (+4.3%), soya beans (+11.2%), and groundnuts (+4.2%). Beans production increase is attributable to: (i) distribution of 179.3 tonnes of certified seeds; (ii) opening of 160 ha of seed farms and 68 ha of plantations; and (iii) the purchase of 6 varieties of cow bean seeds. Regarding groundnuts, 30 kg of breeder seeds were purchased and distributed to multipliers.

Concerning market garden crops, 601.5 ha of farms were developed, including 40 ha of Guinea sorrel and 700 kg of sorrel seeds were acquired and distributed. As regards fruits, actions taken concerned: (i) opening of 7 ha of fruit trees and 8 ha of passion fruit; and (ii) rehabilitation of 20 ha of fruit tree seed farms. In addition, 400 000 grafted mango and citrus seedlings, as well as 20 000 passion fruit seedlings were produced and distributed.

Table 6: Production of Major Food Crops (in tonnes)

Items	2009	2010	2011	2012	2013	2014	2015*
Cereals							
Maize	1 625 213	1 670 321	1 572 067	1 749 976	1 948 019	2 062 952	2 148 679
Paddy rice	123 211	153 078	174 089	181 818	189 890	201 090	252 980
Millet/Sorghum	1 055 530	1 187 531	1 240 970	1 425 895	1 638 377	1 735 040	1 911 139
Roots and tubers							
Cassava	2 941 367	3 808 239	4 082 903	4 287 177	4 501 671	4 600 707	4 990 707
Cocoyam/Colocasia	1 490 875	1 632 004	1 568 804	1 614 103	1 660 710	1 697 245	1 757 249
Yams	399 808	499 564	517 069	537 802	559 366	571 672	587 926
Sweet potato	266 078	288 970	307 955	327 126	347 490	355 135	374 851
Irish potato	147 509	188 452	196 687	210 015	224 246	224 562	237 779
Banana, plantain, fruits and vegetables							
Plantain	2 550 320	3 182 184	3 425 757	3 569 318	3 718 895	3 834 180	3 916 063
Banana	933 435	1 333 851	1 394 675	1 471 007	1 551 517	1 664 777	1 791 494
Pepper	25 987	29 910	33 310	37 307	41 784	45 543	53 132
Watermelon	40 486	44 527	46 113	50 108	54 449	55 466	58 423
Mango	-	3 808 239	4 082 902	4 368 705	4 674 514	5 001 730	5 351 850
Okra	-	-	63 533	69 060	75 068	75 960	77 935
Ginger	-	-	40 531	44 989	49 940	51 039	55 428
Beans	-	-	366 463	347 324	329 185	340 377	361 140
Groundnut	-	-	564 230	643 222	711 946	736 862	772 230
Cucumber	-	-	198 988	219 285	241 652	239 453	249 749
Soya beans	-	-	13 077	11 742	10 543	10 912	12 134

Source: MINADER, *provisional data

2.1.2 Livestock and fisheries

In 2015, livestock sub-sector value added stood at 5.9% compared to 5.7% in 2014; that of fisheries was 2.9% compared to 2.7% in 2014.

2.1.2.1 Livestock

Cattle

In 2015, the cattle herd increased by 8.7% to stand at 6.9 million heads. The quantity of slaughter meat rose by 4.3% to stand at 107 006 tonnes. The cattle herd growth rate slowed down due particularly to: (i) shortage of pasture land as a result of bush fires; (ii) stealing of cattle by highway robbers; and (iii) reduction of transhumance due to cross-border insecurity.

Government action to boost production continued with: (i) organization of dairy and beef cattle artificial insemination campaigns; (ii) training of subsector stakeholders; (iii) construction of pastoral wells, photovoltaic-powered boreholes and milk collection centres; (iv) development of 236 ha of fodder crops; (v) acquisition of artificial insemination laboratory equipment and materials as well as a vaccine safety stock; and (vi) immunization of 4 881 932 cattle and operationalization of the Epidemiological and Surveillance Network of Cameroon (RESCAM).

During the first half of 2016, beef production was estimated at 30 621 tonnes, down by 1.6% compared to the same period of the previous year.

Small ruminants

In 2015, the number of sheep increased by 4% compared to 2014, to stand at 3.2 million heads, while the number of goats increased by 1.6%. The quantities of meat produced rose by 3.8% for sheep and dropped by 4.2% for goats.

Actions carried out in this subsector include: (i) training of 123 producer organizations in community selection methods in the North-West, North and Far-North Regions; (ii) immunization of 641 078 animals against cattle plague; and (iii) distribution of 6 000 bags of seed cake to stockbreeders.

During the first of 2016, the quantities of meat produced stood at 5 282 tonnes for sheep and 9 535 tonnes for goats, a downward trend compared to those produced during the same period in 2015.

Pigs

In 2015, the pig population was estimated at 3.4 million, up by 5% compared to 2014. Pork production increased by 44.3% after a 20% drop in 2014. Actions undertaken in this subsector include, among other things: (i) acquisition and distribution of 1 243 improved piglets to 71 farmer groups and the production of 1 700 high-breed piglets from a grand-parental breeder cluster set up at the Kounden breeding station; (ii) modernization of pig breeding stations; (iii) provision of 35 689 improved piglets to PACA-supervised farmers; and (iv) supervision by PACA of 197 new producers of growing-finishing pigs, fattening pigs and breeder-fattening pigs. During the first half of 2016, 17 456 tonnes of pork was produced.

Regarding the MINEPIA component of the Tree-year Emergency Plan (PLANUT), Phase 1 of the Cattle and Pig Sectors Industrialization Project was initiated in 2015 with the start of construction of a 2 500 heads/day slaughter line in Ngaoundere and a 4 cold storage facilities respectively in Ngaoundere (1 400 cubic metres), Ebolowa (1 400 cubic metres), Kribi (3 000 cubic metres) and Yaounde (6 000 cubic metres).

Poultry

In 2015, the poultry flock increased by 8% to stand at 80.3 million birds. The quantity of meat produced increased by 6.6% thanks to: (i) distribution, by the North-West Livestock Development Fund (NWLDF), of 50 494 day-old chicks to 289 farmers trained in modern poultry farming techniques; (ii) intensification of village chicken production through the distribution of improved poultry houses; (iii) training and supervision of 160 growers of broilers and 96 producers of layers; and (iv) immunization of 636 026 birds against the Newcastle disease.

During the first half of 2016 and year-on-year, poultry meat production fell by 35% due to the resurgence of avian flu in May, which led to the massive slaughter of chicken.

Table 7: Livestock Production Trends and Quantity of Slaughter Meat

Livestock	2014		2015		Variations (in %)	
	Herd (a)	Meat quantity (b)	Herd (c)	Meat quantity (d)	(a/c)	(b/d)
Cattle	6 310 358	102 572	6 859 359	107 006	8.7	4.3
Sheep	3 050 061	12 833	3 172 063	13 323	4	3.8
Goats	6 190 992	25 341	6 290 048	24 280	1.6	-4.2
Pig	3 212 588	28 150	3 373 217	40 614	5	44.3
Poultry	74 336 054	126 378	80 317 865	134 773	8	6.6

Source: MINEPIA

Livestock by-products

In 2015, table egg production stood at 74 908 tonnes, that is an increase of 5.7% compared to 2014, due mainly to the training and supervision of producers under various projects and programmes. Dairy production increased by 8.1% to stand at 266 307 tonnes. In the beekeeping subsector, training was organized particularly for: (i) laboratory technicians in the techniques of using microscopes and high-performance liquid chromatography (HPLC) to control the quality of honey; (ii) managers and beekeepers in queen bee rearing techniques; and (iii) trainers in modern beekeeping techniques. Furthermore, production and quality control equipment was acquired. These activities helped to raise honey production to 2 255 tonnes.

Table 8: Trends in Livestock By-products (tonnes)

Products	2013	2014	2015	Variations (en %)
Table eggs	65 116	70 846	74 908	5.7
Milk	139 341	246 335	266 307	8.1
Honey	-	1 174	2 255	92.1

Source: MINEPIA

Regarding health coverage and the fight against zoonoses, the following actions were undertaken: (i) continuous control of illegal slaughtering, fraudulent sale of veterinary medicines and animal and fishery products; (ii) support to Centre Pasteur for rabies diagnosis and staff immunization; (iii) support to city councils in the fight against stray animals (dogs, cats and monkeys); and (iv) acquisition of 40 000 doses of rabies vaccine, 2 400 litres of food inks and individual protection kits.

Box 1: The Agricultural Poles Programme

After the two-year (2013-2014) pilot phase, the Agricultural Poles Programme entered its operational phase in 2015. The productions in the different agricultural poles helped to ensure regular supply to market vendors and reduce the selling price of the relevant subsectors. The activities carried out in 2015 concerned the establishment of 13 agricultural poles, bringing the number of functional agricultural poles to 29. The number of jobs created stood at 325.

Results by sub-sector, including annual targets are as follows:

- **maize**: 8 872 tonnes against a target of 18 786 tonnes (Mbandjock, Lembe-Yezoum, Ouro-Dolé, Sirdjam, Karéwa and Bertoua);
- **soya bean**: 7 000 tonnes against a target of 8 000 tonnes (Mokolo);
- **rice**: 290 tonnes of paddy rice against a target of 2 310 tonnes (Galim);
- **pineapple**: 26 983 tonnes against a target of 34 000 tonnes (Awaé and N'lohé);
- **Irish potato**: 5 120 tonnes against a target of 88 080 tonnes (West);
- **avocado**: 1 509 tonnes against a target of 5 134 tonnes (Noun);
- **palm oil**: 4 301 tonnes against a target of 21 630 tonnes (Edea);
- **cassava** 4 380 tonnes against a target of 12 420 tonnes (Batouri);
- **pigs**: 16 452 against a target of 42 100 (Bafoussam and Kribi);
- **eggs**: 440 million eggs against a target of 352 021 283 eggs (Baleng and Mbouda);
- **chicken**: 505 000 against a target of 3 559 056 (Bandjoun and Nkong-Ni);
- **fish**: 1 921 tonnes against a target of 4 340 tonnes (Bankim, Fako and South Region).

2.1.2.2 Fishery and aquaculture

The fishery and aquaculture sector value added rose by 2.9% in 2015, up from 2.7% in 2014. Fishery production was estimated at 212, 000 tonnes, that is an increase of 15.2% compared to 2014. The increase in production was particularly due to: (i) support to the development and implementation of fishery resources renewal techniques through the establishment of biological rest periods; and (ii) establishment of co-management in some retaining reservoirs.

Regarding aquaculture, actions undertaken to improve production concerned, among other things: (i) the rehabilitation of aquaculture farms; (ii) construction and establishment of modern hatcheries, fishing facilities, pilot fish production plants and other facilities; (iii) the training of sub-sector stakeholders as well as equipment support; and (iv) the popularization of new aquaculture production techniques.

2.1.3 Forestry and wildlife subsector

In 2015, the logging area remained the same as in 2014 (17.5 million ha). Government's actions in this subsector included: (i) development and renewal of forest resources; (ii) increased security and promotion of protected wildlife areas; and (iii) the promotion of non-timber forest resources and timber.

2.1.3.1 Forestry development, logging and promotion of forest resources

In 2015, the forestry potential classified under the permanent forest estate covers an area of 7.3 million ha, up by 10.2% compared to 2014. This increase is mainly attributable to the classification of 18 council forests covering an area of 672 725 ha.

The volume of legal timber felled, estimated at 2 850 500 cubic metres, increases by 3.8% due to the issuance of new logging permits for the beginning of exploitation of 19 532 ha in council forests. In addition, 170 annual logging permits were issued for the exploitation of 24 281.2 ha in community forests.

Undressed and sawn timber exports increased by 13.6% and 7.4% respectively, while veneer exports increased by 22.9%. The quantities of special products exported (Ebony, Pygeum, Yohimbe and Voacanga) are estimated at 5 011 tonnes. During the first half of 2016 and year-on-year, undressed timber exports dropped by 15.8%, while sawn timber increased by 9%.

Table 9: Production and Exports in the Forestry Sector (in thousands of m3)

Description	2012	2013	2014	2015	1st half 2015	1st half 2016	Variations (en %)	
			(a)	(b)	(c)	(d)	(b/a)	(d/c)
Production								
Undressed timber	2 316	2 351	2 747	2 851	na	na	3.8	nc
Exports								
Undressed timber	519	617	803	912	495	417	13.6	-15.8
Sawn timber	544	519	585	628	299	326	7.4	9.0
Plywood	12	12	5	4.7	2.3	2.1	2.2	-8.7
Veneer	23	20	19.2	23.6	11	12,9	22.9	17.3

Sources: DGD, MINFOF; na= not available, nc= not calculated.

In 2015, revenue collected from logging was estimated at 20.4 billion, down by 10.8% compared to 2014. Annual forest royalties (AFR) accounted for 65.5% and the felling tax 24.8%. The sum of 4.6 billion was paid to local councils and communities for the implementation of development projects. In addition, public auction sales and the fines contributed 1.4 billion to the Treasury.

2.1.3.2 Reforestation

In 2015, reforested surface area increased by 5.2% compared to 2014, to stood at 25 638 ha. This increase is due to the planting and regeneration of 1 265 ha of forests, including 940 ha by councils, 270 ha by CIGs/NGOs/associations, 50 ha by city councils, and 5 ha by traditional chiefdoms.

2.1.3.3 Use of wildlife resources and protected areas

In 2015, protected areas covered 3 892 223 ha, up by 2.1% compared to 2014. Tourism in protected areas was limited by: (i) poaching; (ii) encroachment by transhumant herders and gold miners; and (iii) cross-border insecurity in the East and Far-North Regions. Thus, the number of registered game tourists dropped by 9.1% compared to 2014 and stands at 116 731.

In 2015, Government’s actions focused on: (i) development of 10 hunting area management plans, bringing their number to 16; (ii) organization of 23 “crack-down” operations in hunting and protected areas as part of anti-poaching efforts; (iii) further construction of camps at the Mengame gorilla sanctuary, the Dja wildlife reserve and the Mpem and Djim national park in order to step up security; (iv) rehabilitation of the Benue national park; and (v) purchase of complete sets of uniforms, weapons and ammunitions for eco-guards.

2.1.3.4 Use of timber and non-timber resources

The Government is supporting local communities in the management of existing forest massifs and reforestation in order to promote the sustainable production of wood energy. Thus, 15 communities in the northern zone received support in obtaining community forests. Other actions carried out included: (i) training of 240 carpenters in wood drying techniques and the manufacture of furniture from wood scrap; (ii) updating of the list of promotion species; and (iii) participation in national and international fairs.

In 2015, the quantity of timber exported was estimated at 873 000 cubic metres. Regarding non-timber forest products, 5 010 tonnes were exported, fetching 5.5 billion. In addition, 447 268 cubic metres of legal sawn timber was sold on the domestic market.

2.1.4 Environment and nature protection

Government's vision for environmental protection is implemented through the fight against climate change and pollution, nuisances and hazardous chemicals.

2.1.4.1 Fight against climate change

The implementation of the REDD++ mechanism continued notably with: (i) monitoring and evaluation of carbon stocks and biodiversity in various agro-ecological zones; and (ii) preparation and validation of parameters of the national forest carbon monitoring system.

2.1.4.2 Fight against pollution, nuisance, and harmful and/or hazardous chemicals

In 2015, joint (MINMIDT/MINEPDED) environmental control and inspection missions were intensified in 2 012 classified establishments (establishments whose activities generate toxic waste, wastewater, noise, etc.). Retraining seminars were organized for 130 inspectors/controllers and 50 refrigeration and air conditioning technicians, which helped to sanction 188 establishments and collect 135 million in fines. Similarly, Government fielded waste management plan monitoring and evaluation missions in 57 entities holding environmental permits, in order to ensure the traceability of 2 258 tonnes of waste collected, transported and treated.

As part of actions to combat substandard plastic packaging, the following actions were carried out: (i) acquisition of 30 plastic bag thickness measurement equipment; (ii) confiscation of 87 tonnes of non-compliant plastic bags; (iii) service of 118 penalty notices; (iv) collection of 32.8 million in fines; and (v) listing of 17 cases on the cause role of courts.

2.2 Secondary Sector

In 2015, the secondary sector grew by 8.6% compared to 6.8% in 2014. It contributed 2.1 points to real growth, against 1.6 points in 2014. This growth was mainly driven by “extractive industries” which contributed 4.5 points. In 2016, sector growth is expected to slow down by 3.9%.

2.2.1 Manufacturing industries

In 2015, value added in manufacturing industries increased by 3.8% and contributed 2.5 points to secondary sector growth. This upswing is mainly attributable to the strong performance of “other manufacturing industries” whose value added increased by 4.3%. The value added of “agri-food industries” rose by 3.1%.

The growth in “other manufacturing industries” was driven by the “metal manufacturing” branch (+34.3%), the “other mineral products manufacturing” branch (+20.8%), “leather and shoe manufacturing industry” (+13.2%) and “rubber production” (+12.9%).

In agri-food industries, the branches that sustained subsector growth were “milk, fruit and vegetable industries” (+6.6%) and “meat and fish industries” (+5.2%). In contrast, the “oilseeds and food industries”, “processing of cereal-based products”, “beverage industries” and “grain industries” branches hampered subsector growth.

Table 10: GDP Trends in the Secondary Sector (in billion)*

Description	2013	2014	2015	Variations (in %)	
	(a)	(b)	(c)	(b/a)	(c/b)
Secondary sector	2 497.7	2 667.4	2 896.6	6.8	8.6
Extractive industries	402.6	457.7	478.1	13.7	26.3
including hydrocarbon extractions	383.6	436.7	554.9	13.9	27.1
Manufacturing industries	1 698	1 767.7	1 837.4	4.2	3.8
including agri-food industries	623.1	655.7	675.7	5.2	3.1
Other manufacturing industries	1 074.9	1114	1 161.7	3.6	4.3
Electricity, gas and water	78.2	86.5	90.8	10.6	5.0
Public works and civil engineering	319	353.6	390.3	10.8	10.4

Sources: INS, MINFI/DAE, *reference year 2000

2.2.2 Extractive industries

In 2015, growth in extractive industries stood at 26.3% compared to 13.7% in 2014. This trend is mainly attributable to hydrocarbons which grew by 27.1% over the period.

2.2.2.1 Mines

In 2015, gold production by non-industrial mining companies was estimated at 795.3 kg, against 257.4 kg in 2014. This growth results from: (i) implementation of the 1 August 2014 Decree which strengthens the role of the non-industrial mining support and promotion framework (CAPAM) and amends the quota deducted for the State; and (ii) improvement of monitoring and control of mining sites. CAPAM helped to channel 20.4 kg of gold into the formal chain and to transfer more than 170.8 kg to the Treasury. Moreover, 89 mining sites were identified, geo-referenced and mapped.

Implementation of the *Mining Sector Capacity Building Project* (PRESCASEM) continued, through the gradual establishment of a mining registry and the training of personnel on the use of computer systems.

2.2.2.2 Hydrocarbons

Crude oil

In 2015, crude oil production stood at 35 million barrels as against 27.5 million in 2014, a 27.3% increase. This trend was driven by the further development of the Iroko field and production optimization in other oil fields.

In the first semester of 2016 and year-on-year, crude oil production is estimated at 18 million barrels, that is, a 9% increase. By the end of the year, it is expected to increase by 2.6% to stand at 35.9 million barrels.

Table 11: Crude oil production (in million barrels)

Description	2010	2011	2012	2013	2014	2015	2016*
Production	23.31	21.61	22.5	24.3	27.5	35	35.9
Variation (in %)	-12.6	-7.3	3.5	8.0	13.2	27.3	2.6

Source: SNH, * estimates

Natural gas

In 2015, gas production stood at 12.8 billion cubic feet, as against 10.8 billion in 2014, an 18.5% increase ascribable to increased demand from the Kribi gas power plant. In the first semester of 2016, it stood at 6.4 billion cubic feet, representing a 9.9% reduction compared to the same period in 2015. Such result flows from the drop in the daily average consumption of the Kribi gas power plant.

Downstream petroleum products

In 2015, the production of refined oil products stood at 1 332 376 metric tons as against 1 302 419 in 2014, being a 2.3% increase. This trend results from a 7.7% increase in petrol, 0.8% in diesel oil and a 1% drop in jet fuel. Butane production grew by 12% to stand at 22,992 metric tons.

In the first semester of 2016 and year-on-year, the production of refined oil products rose by 8.9% and that of butane by 93.3%. By the end of the year, the production of refined oil products is expected to grow by 5.6% and that of butane by 14.8%.

Table 12: Production and export of refined oil products (in metric tons)

Description	2014	1st Sem. 2015	2015	1st Sem. 2016	2016 Estimates	Variations (in %)		
	(a)	(b)	(c)	(d)	(e)	(c/a)	(d/b)	(e/c)
Production								
Refined products including:	**1 302 419**	**613 090**	**1 332 376**	**668 157**	**1 406 720**	**2.3**	**9**	**5.6**
Petrol	359 453	157 756	387 043	173 218	435 036	7.7	9.8	12.4
Diesel	664 211	314 374	669 493	347 102	687 569	0.8	19	2.7
Jet fuel	278 755	140 960	275 840	147 837	284 115	-1.0	4.9	3.0
Butane	20 528	7 808	22 992	15 092	26 395	12.0	93.3	14.8
Fuel 1 500	nd	nd	12 135	7 207	11 931	nc	nc	-1.7
Fuel 3 500	nd	nd	274 218	170 131	292 122	nc	nc	6.5
Export								
Petrol	25 627	25 967	47 130	32 008	-	83.9	23.3	-
Diesel	141 836	90 812	105 553	103 721	-	-25.6	14.2	-
Jet fuel	115 711	25 375	64 191	36 472	-	-44.5	43.7	-
Fuel 1 500	nd	nd	2 985	1 103	-	nc	-	-
Fuel 3 500	nd	nd	214 139	183 410	-	nc	-	-

Sources: SONARA, MINFI/DGD

In 2015, petroleum products were distributed by 706 filling stations as against 682 in 2014. Besides fuel 3 500, consumption of all the other petroleum products increased. The quantity of cooking gas released for consumption increased by 6.9%.

In the first semester of 2016 and year-on-year, the quantities of consumed petrol, jet fuel and fuel 1500 grew respectively by 5.4%, 5.3% and 3.5%. The quantities of consumed diesel, jet A1 and fuel 3 500 dropped respectively by 1.7%, 0.1% and 77.4%. The drop in the quantities of fuel 3 500 is due to the late start of infrastructure works.

In 2015, the domestic market supply of cooking gas stood at 94 804 metric tons, including 73 926 metric tons imported and 20 878 produced locally. In the first semester of 2016, domestic production stood at 11 607 metric tons, an 11.6% increase as compared to the same period in 2015. Imports increased by 0.8% within the same period.

Since 1 January 2016, the pump prices of some petroleum products have dropped. The price of a litre of petrol went down from 650 francs to 630 francs while that of diesel oil dropped 600 francs to 575 francs. The prices of other products remained unchanged.

Table 13: Consumption of petroleum products (in thousands of litres)

Description	2013	2014	2015	1st semester 2015	1st semester 2016	Variations (in %)	
		(a)	(b)	(c)	(d)	(b/a)	(d/c)
Petrol	612 683	653 192	675 606	329 294	347 144	3.4	5.4
Diesel	856 459	864 579	885 595	456 795	448 914	2.4	-1.7
Jet A1	103 084	123 529	127 759	60 856	60 780	3.4	-0.1
Fuel 1500	51 155	40 068	43 805	23 605	24 444	9.3	3.5
Fuel 3500	74 356	75 150	44 795	40 492	9 154	-40.4	-77.4
Jet fuel	113 578	108 399	116 008	55 672	58 606	7	5.3
GPL*	79 817	87 470	93 481	43 832	44 421	6.9	1.3

Source: SCDP, * in metric tons

2.2.3 Electricity, gas and water

In 2015, this subsector grew by 5%, as against a 10.6% growth in 2014. Such decline is attributable to the electricity branch.

Electricity

In 2015, electricity production stood at 6 342 GWH. It grew by 4.3%, as against 11.7% in 2014, notwithstanding the increase in capacity of the Logbaba and Bassa gas plants, the enhanced of upstream protection of transformers and the improved transportation and distribution network. The number of new subscribers surged from 76 470 in 2014 to 88 032 in 2015.

In the first semester of 2016, electricity production stood at 3 474.7 GWH, representing a 0.9% increase as compared to the same period in 2015. By the end of the year, it is expected to rise by 1.3%.

In order to improve access of rural communities to electricity, 30 localities were electrified on PIB financing and 13 others by the Rural Electrification Agency. Moreover, there is ongoing electrification of 56 localities under PIB funding and 22 others by the Rural Electrification Agency. Within the framework of the Energy Sector Development Project (PDSEN) financed by Cameroon and the World Bank, 36 localities in the Grand North and 42 in the North West region are being electrified. Concerning renewable energy, construction works on a mini-solar power plant in the South West region as part of the ERD-RUMPI project and a 30 MW solar power plant jointly financed by Japan and Cameroon are underway.

Table 14 : Electricity production (in GWH)

Description	2009	2010	2011	2012	2013	2014	2015	2016*
Production	4 451	4 824	4 983	4 963	5 442	6 080	6 342	6 425
Variations (%)	-1.2	8.4	3.3	-0.4	9.6	11.7	4.3	1.3

Source: ENEO Cameroon S.A *estimates.

Industrial gas

In 2015, industrial gas production stood at 88 208 362 m^3, representing a 130% increase compared to 2014. Condensate production rose by 142.2% to stand at 49 968 barrels. This trend is ascribable to expansion of the distribution network and the fact that many industries have replaced fuel by industrial gas, a less costly and cleaner source of energy.

In the first semester of 2016 and year-on-year, industrial gas production soared by 41.8% and that of condensate by 19.3%. By the end of the year, these productions are expected to grow by 31.4% and 8.2% respectively.

Water

In 2015, water production stood at 150.3 million m^3, that is, a 9.5% increase compared to 2014. This trend is ascribable, on one hand, to the rehabilitation and maintenance of production equipment and, on the other hand, to the renovation and extension of distribution networks.

In the first semester of 2016 and year-on-year, water production increased by 1.2%. By the end of the year, it is expected to increase by 4.8%.

To improve access to drinking water, 32 drinking water supply points and 98 equipped boreholes are under construction under PIB funds as part of decentralization. Concerning the BADEA-OFID project for drinking water supply in seven secondary centres, 24 boreholes equipped with electro-pumps and borehole shelters are under construction. Under Japanese grant funds, construction of 426 equipped boreholes in the East region is underway.

Table 15 : Drinking water production (in thousand m3)

Description	2010	2011	2012	2013	2014	2015	2016*
Production	124 871	122 999	123 931	126 186	137 295	150 323	157 548
Variations (in %)	0.4	-1.5	0.7	1.8	8.8	9.5	4.8

Source: CDE, *estimates

2.2.4 Construction and public works

In 2015, the "construction and public works" subsector progressed by 10.4%, with a 0.3 point contribution to growth. The strategy put in place in this subsector is based on: (i) infrastructure construction; (ii) maintenance and protection of road infrastructure; (iii) monitoring the construction of public buildings and edifices in accordance with prescribed standards.

Road infrastructure

In 2015, the length of paved roads over the period 2013-2015 stood at 520 km with works completed on the Garoua Boulai-Nandere-Mbere (86 km), Numba Bachuo-Akagbe (52 km), Bamenda-Batibo-Numba (64 km), Bachuo-Akagbe-Mamfe-Ekok (83km), and Zoetele-Nkolyop (27.5 km) roads.

Road maintenance works carried out concerns notably earth roads (1 950 km), paved roads (648 km) and priority rural roads (2 450km). As regards rehabilitation, 300 km of road were maintained as an emergency on several highways, the major ones being Yaounde-Bafoussam-Bamenda, and Figuil-Magada-Moutouroua. Moreover, technical studies and/or maintenance works were carried out on the major highways with a very serious state of degradation (NR3 Yaounde-Douala-Limbe, NR2 Nsimalen-Ebolowa-Ambam and (NR1 Ngaoundere-Garoua).

National road infrastructure protection continued with increased systematic checks of axle loads. Moreover, the acquisition of solar-powered mobile axle scales and modernization of weighing stations by connecting them to the optical fibre helped to strengthen these operations.

As at 30 June 2016, progress on ongoing road infrastructure construction projects is as follows:

- construction of the Yaounde-Douala expressway (phases1 and 2) which is 22% completed;
- rehabilitation of the Douala east entrance, 75% completed;
- rehabilitation of the Douala west entrance, 58% completed;
- construction of the Kumba-Mamfe road with lot 1 (Kumba-Nfaitock) and lot 2 (Nfaitock-Mamfe) being 20% and 33% completed respectively;
- construction of the second access road to Bamenda (20km), 49% completed;
- commencement of construction of access roads to the West agricultural basin divided into two lots: (i) lot 1 (110 km), Baleveng-Bangang-Batcham-Mbouda-Galim, and the Mbouda-Bamesso-Galim, Balessing-Batcham, Mbouda-Ngouaya-Bati bypass roads; (ii) lot 2 (107 km), Galim-Bamendjing-Foumbot-Bangangté;
- start of construction works on the Obala-Batchenga-Bouam road: lot 2, Nkolessong-Nding (89 km), the Nanga Eboko-Bifogo bypass (6 km), and lot 3 Nding-Mbgaba (40 Km);
- construction of the Sangmelima-Ouesso road, where work has started on section 1, Sangmelima-Bikoula (65%) and lot 1, Sangmelima-Djoum (103 km);
- construction of the second bridge over River Wouri, with a 55% completion rate.

Concerning projects relating to the construction of 665 km of roads of the firm tranche of the Three Year Emergency Plan (PLANUT), subdivided into 10 roads, construction contracts and project supervision contracts for lots Maroua-Bogo (39 km), Ekondo Titi-Kumba (60 km) and Soa-Esse-Awae (72 km) have been awarded and work is to begin soon.

Civil construction projects

In 2015, the actions carried out focused mainly on supervision and technical inspection of public buildings and edifices in accordance with established construction standards.

In 2016, ongoing construction works concern among others:

- school and university infrastructure;
- the Yaounde annex stadiums and renovation of the Yaounde Omnisport stadium;
- low-cost housing;
- the Lom Pangar, Memve'ele and Bini (Warak) hydroelectric dams.

2.3 Tertiary sector

In 2015, the tertiary sector grew by 4.5% as against 5.3% in 2014, contributing 1.7 points to actual growth. This drop is mostly ascribable to the activities of the following branches: "banks and financial institutions", "transport, warehousing and communications". The war against Boko Haram and cross-border insecurity equally contributed to the slump of activities in this sector.

2.3.1 Trade

In 2015, the growth of the "trade, catering and hotels" subsector stood at 4.8%, down from 5.2% in 2014. Activities specifically involved: (i) market regulation, (ii) promotion of "made in Cameroon" products.

Regarding market regulation, spot-checks were carried out and led to the identification and sanctioning of 48 867 fraudulent economic operators. Market dysfunctions were noted on account of insecurity at the borders with Nigeria and the Central Africa Republic. To remedy this situation, secure freight corridors were opened and multifaceted support given to economic operators. A huge increase in the domestic demand for essential goods was recorded following the massive influx of refugees.

Concerning the promotion of local products, trade fairs (FOMARIC, FESTICACAO, FESTICOFFEE and FIDD) were organized. Trade fairs and promotional sales were also organized in processed foodstuffs, the agro-industry, agriculture, textile services and handicraft. Moreover, 30 periodic markets were constructed.

As at 30 June 2016, 323 cacao drying ovens were refurbished to comply with international standards. Within the framework of improving the structures of consumer goods distribution chains, 19 periodic market sheds and one warehouse were handed over to local councils.

Regarding regulation, crack-down on fraud resulted in 3 087 sanctions meted out on defaulters, including 2 215 cases relating to price, trade and competition, 172 relating to weights and measures and 700 concerning quality and after-sale service. A digital inspection system has been instituted to strengthen the efficiency of illicit trade control structures.

2.3.2 Tourism

In 2015, the number of tourists was estimated at 996 000 as against 950 000 in 2014, that is, a 4.8% increase. As at end-December 2015, Cameroon had 2 092 hotels, 660 of which were classified hotels. The reception capacity stood at 32 710 rooms, 355 suites and 307 apartments. The National technical commission on tourism establishments authorized the construction of 34 hotels. It also granted 68 licences to operate, including 34 for hotels, 16 for leisure establishments, 12 for catering establishments and 6 for tourism agencies. Furthermore, 5 tourism guide licences were granted. Following the economic trends survey carried out by MINFI, the number of nights in hotels and the average room occupancy rate increased respectively by 2% and 1.5%.

In the first half of 2016 and year-on-year, the number of nights and the average room occupancy rate decreased respectively by 4.6% and 6.7%. Operators in this subsector predict that by the end of 2016, the number of nights will increase by 2.3%.

Table 16 : Number of hotels by region and by category as at 31 December 2015

REGIONS	Total No. of hotels	Category							Capacity		
		5*	4*	3*	2*	1*	Total classified	UC	Rooms	Suites	Apartments
Adamawa	89	0	0	1	3	26	30	59	1 318	6	0
Centre	330	1	4	9	34	66	114	216	6 508	145	110
East	111	0	0	1	1	52	54	57	1 734	4	0
Far-Nord	134	0	0	6	5	49	60	74	2 043	5	10
Littoral	606	0	4	13	33	31	81	525	10 242	74	44
North	108	0	0	3	2	29	34	74	1 525	2	5
North West	132	0	0	8	11	48	67	65	2 352	29	1
West	110	0	0	5	21	37	63	47	2 174	41	40
South	297	0	1	6	15	97	119	178	2 367	35	36
South West	175	0	0	5	10	23	38	137	2 447	14	61
Total	2 092	1	9	57	135	458	660	1 432	32 710	355	307

Source: MINTOUL UC=unclassified

2.3.3 Transport

The transport subsector comprises road transport, rail transport, air transport and maritime transport. Actions undertaken are geared towards the development and rehabilitation of transport infrastructure, and improvement of the safety and security of persons and goods.

2.3.3.1 Road transport

In 2015, control, sensitization and repression missions were organized with the support of security forces in order to curb criminal behaviour (excess speed, overloading, telephoning and DUI of alcohol). They helped to reduce the number of motor accidents to 2 291 in 2015 as against 2 703 in 2014, which is a 15.2% drop.

In 2016, activities to improve the sector continued with a view to reinforcing road safety, including:

- compliance audits whose results revealed that 40% of driving schools and 11 travelling agencies out of 155 meet the required standards set by MINTRANS. The structures that did not comply with the rules in force were summoned;
- drawing-up a driving school training guide and publication of the calendar for driving tests;
- commissioning of cranes for removal of obstacles and poorly stationed vehicles on motorways;
- signing of a partnership contract in August 2016 between the Government and a group of Portuguese and Cameroonian enterprises to set up an urban public transport system;
- regular checks to limit speed and alcohol intake on urban and inter-urban roads using radars and breathalyzer;
- production and broadcast of bilingual road safety messages on the media.

2.3.3.2 Rail transport

In 2015, rail transport turnover increased by 1.2% after a 5.6% drop in 2014. This growth is as a result of an 11% increase in passenger transport and a 1.7% fall in goods traffic. Actions carried out to improve the activities of this subsector concerned the acquisition of nine new locomotives and the rehabilitation of some portions of the railway (Batchenga-Ka'a and Pangar-Ngaoundere).

In the first half of 2016 and year-on-year, the turnover increased by 8.6% on account of respective increases of 11.3% and 13.1% in passenger traffic and goods traffic. Estimates for the end of the 2016 financial year show an increase of 5.3% in goods traffic, 13.6% in passenger transport and a 7.8% turnover compared to the 2015 financial year.

Table 17: Rail traffic trends

Period	2014	1st half 2015	2015	1st half 2016*	Estimates 2016	Variation (in %)		
Description	(a)	(b)	(c)	(d)	(e)	(c)/(a)	(d)/(b)	(e)/(c)
Passenger traffic (passengers/km)	516.8	267.5	574	297.6	652	11.1	11.3	13.6
Goods traffic (Tonne/km)	992.9	491.6	976	556	1 028	-1.7	13.1	5.3
Turnover (million)	55 224	27 792	55 906	30 179	60 245	1.2	8.6	7.8

Source: CAMRAIL *temporary

2.3.3.3 Maritime transport

In 2015, the turnover for maritime transport increased by 3.2%, after 7.2% in 2014. Overall maritime traffic rose by 5.6% thanks to a 6.7% and 2.3% tonnage increase in imported and exported goods respectively. To improve the activities of the subsector, actions centred on: (i) rehabilitation of roadways, construction of a new road to relieve traffic congestion at the port; (ii) drawing-up of a master plan for the layout of warehouses; (iii) deepening and renovation of the access channel to the Port Authority of Douala; (iv) securing the port area with the acquisition of speed patrol boats, security equipment and material (surveillance cameras and radars) and upgrading of the signalling equipment (beacons and shore-based lighthouses).

In the first half of 2016 and year-on-year, the turnover increased by 3.9%. Overall goods tonnage increased by 3.9% as a result of a 6% rise in the tonnage of import goods and a 2.4% drop in export. By the end of the 2016 financial year, the turnover is expected to increase by 8.9%.

Table 18 : Maritime Transport Trends

Description	2014	1st half 2015	2015	1st half 2016*	Estimates 2016	Variation (in %)		
	(a)	(b)	(c)	(d)	(e)	(c)/(a)	(d)/(b)	(e)/(c)
Traffic (in tonnes)	10 977 164	5 739 000	11 587 000	5 964 989	12 259 046	5.6	3.9	5.8
Import	8 200 000	4 310 000	8 746 000	4 569 589	9 436 934	6.7	6.0	7.9
Export	2 777 164	1 429 000	2 841 000	1 395 400	2 822 112	2.3	-2.4	-0.7
Turnover (in millions)	44 830	24 120	46 268	25 051	50 363	3.2	3.9	8.9

Source: PAD *temporary

2.3.3.4 Air transport

In 2015, the turnover for air transport fell by 1.5% as against 12.9% in 2014. The total number of passengers dropped by 3.6% and stood at 1 265 278. Air freight slumped by 3.7%. Actions carried out in view of improving the competitiveness of air transport involved, among others, continuation of rehabilitation works at the international airports (Douala, Garoua, Maroua-Salak) and renovation of secondary airports (Bamenda, Bafoussam, Bertoua, Ngaoundere, etc).

In the first half of 2016 and year-on-year, the turnover decreased by 6.6%. This trend is as a result of a 16% fall in passenger transport and 21.1% in freight. The fall in the number of passengers is related to the irregularity of Camair-co flights and the 21 days temporary closure of the Douala International Airport for renovation. The reduction in freight is related to the scarcity of cargo flights carrying low tonnage cargo despite the high market value.

By the end of 2016, projections by operators in this subsector show respective increases of 5.2%, 5% and 2.8% for passenger transport, freight and turnover. This performance is likely to be, concerning passenger transport, as a result of the arrival of new companies, increase in Camair-co fleet and the induced effect of the 2016 female AFCON.

Table 19 : Air traffic trends

Description	2014	1st half 2015	2015	1st half 2016*	Estimates 2016	Variation (in %)		
	(a)	(b)	(c)	(d)	(e)	(c)/(a)	(d)/(b)	(e)/(c)
Passengers (number)	1 312 126	662 865	1 265 278	556 542	1 331 072	-3.6	-16	5.2
- Arrival	644 795	320 106	621 033	266 452	654 569	-3.7	-16.8	5.4
- Departure	667 331	342 759	644 245	290 090	676 504	-3.5	-15.4	5
Cargo and freight (tonnes)	24 994	13 933	24 062	10 993	25 265	-3.7	-21.1	5
- Arrival	12 265	6 645	11 835	5 071	12 687	-3.5	-23.7	7.2
- Departure	12 729	7 288	12 227	5 922	12 578	-3.9	-18.7	2.9
Turnover (million)	23 552	11 047	23 119	10 319	23 848	-1.5	-6.6	2.8

Source: ADC *temporary

2.3.4 Telecommunications

In 2015, the turnover of the subsector stood at 535.1 billion, an increase of 4.4% after 8.5% in 2014. The total number of telephone subscribers increased by 5.1% and is estimated at 17 672 653. This increase is the result of the 5.3% increase in mobile telephone subscribers and of 1% in those of the fixed phone. Investments carried out in view of improving services concerned continuation of construction works on the national backbone, as well as urban optical loops notably in Buea (29.2 km), Limbe (35.2 km) and Maroua (39.4 km). As for rural telephony, 14 multi-purpose community telecentres are under construction.

In the first half of 2016 and year-on-year, the turnover increased by 12.7% as a result of the 10.5% increase in the number of subscribers. By the end of the 2016 financial year, the turnover is expected to increase by 3.9%.

Table 20 : Telecommunications sub-sector trends

Description	2014	1st half 2015	2015	1st half * 2016	Forecast 2016	Variation (%)		
	a	b	c	d	e	(c)/(a)	(d)/(b)	(e)/(b)
Total Number of subscribers	16 819 513	17 537 563	17 672 653	19 380 921	20 319 221	5.1	10.5	15
Fixed	1 051 286	1 056 336	1 061 426	1 074 694	1 074 694	1	1.7	1.3
Mobile	15 768 227	16 481 227	16 611 227	18 306 227	19 244 527	5.3	11.1	15.9
Turnover (in million)	512 673	259 273	535 076	292 267	555 982	4.4	12.7	3.9
Fixed	78 031	41 457	90 931	47 520	105 964	16.5	14.6	16.5
Mobile	434 642	217 816	444 145	244 747	450 018	2.2	12.3	1.3

Source: CAMTEL, ORANGE, MTN, NEXTTEL *temporary

2.3.5 SMEs, social economy and handicraft

In 2015, about 15 000 new enterprises were created thanks to the functioning of the Business Creation Procedures Centres (CFCE). Government pursued implementation of the following programmes: (i) improvement of SMEs competitiveness; (ii) promotion of private initiative and improvement of the business environment of SMEs; (iii) promotion of joint entrepreneurship and improvement of the performance of very small enterprises and handicraft.

Concerning the improvement of competitiveness, activities carried out in partnership with the Cameroon Agency for SMEs and the Subcontracting and Partnership Exchange yielded the following results: (i) 520 enterprises were profiled; (ii) 104 SMEs received support and benefitted from a comparative analysis; (iii) 115 SMEs were hooked up with buyers and suppliers, resulting in the signing of 25 contracts of a value of 24.7 billion; (iv) 225 jobs were created, including 40 permanent contracts and 185 temporary contracts.

Regarding the promotion of private initiative, 10 new local product processing plants were set up within the framework of the *Support Programme for the creation and development of local mass-consumption products processing and preservation SMEs (PACD/PME).* The second phase of construction works on the Edea national reference nursery for enterprises was completed.

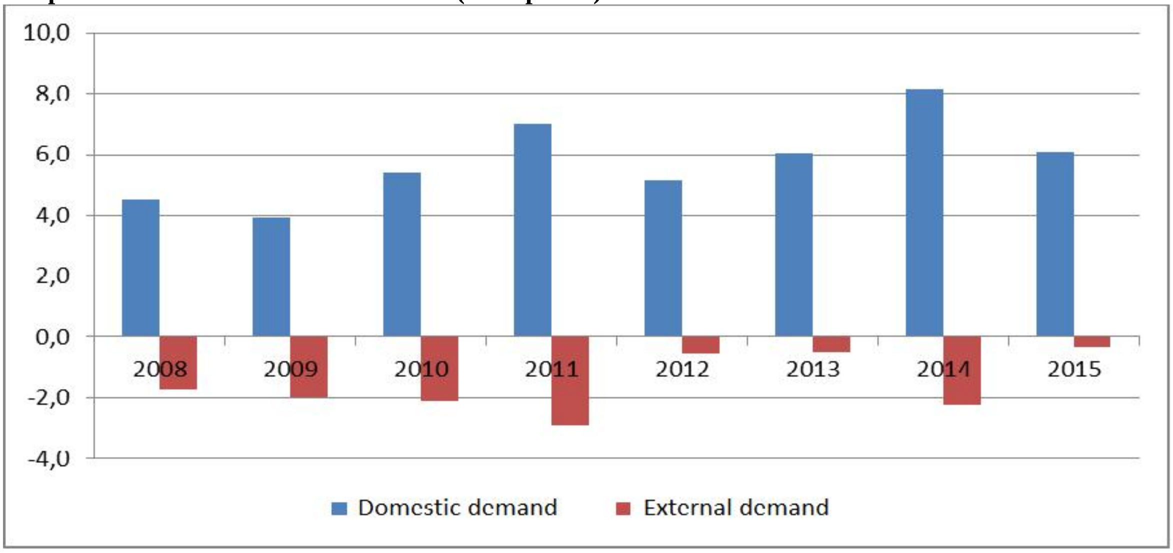
Concerning the promotion of joint entrepreneurship and improvement of the performance of very small enterprises and handicraft, 12 844 craftsmen were recorded in local councils, enabling their move from the informal to the formal sector. As part of building the capacity of the network of craftsmen, 360 registration offices were computerized.

In the first half of 2016, the following was achieved: (i) setting-up of the online SMEs establishment platform ‘mybusiness.com’; (ii) financing of 30 projects as part of PACD/PME; (iii) support to 230 social economy organizations in the implementation of development projects; (iv) organization of the fifth edition of the international handicraft fair in Cameroon; (v) appointment of officials of the eight already constructed handicraft villages (Yaounde, Douala, Ebolowa, Bertoua, Limbe, Maroua, Garoua and Bamenda).

CHAPTER 3: DEMAND

Economic growth stood at 5.8% in 2015, against 5.9% in 2014. It was driven by domestic demand whose contribution stood at 6.1 points. Conversely, net exports hampered growth by 0.3 point. In 2016, economic growth is estimated to stand at 5.3%, also sustained by domestic demand.

Graph 1: Contributions to GDP Growth (in % points)



Sources: NIS, MINFI/DAE

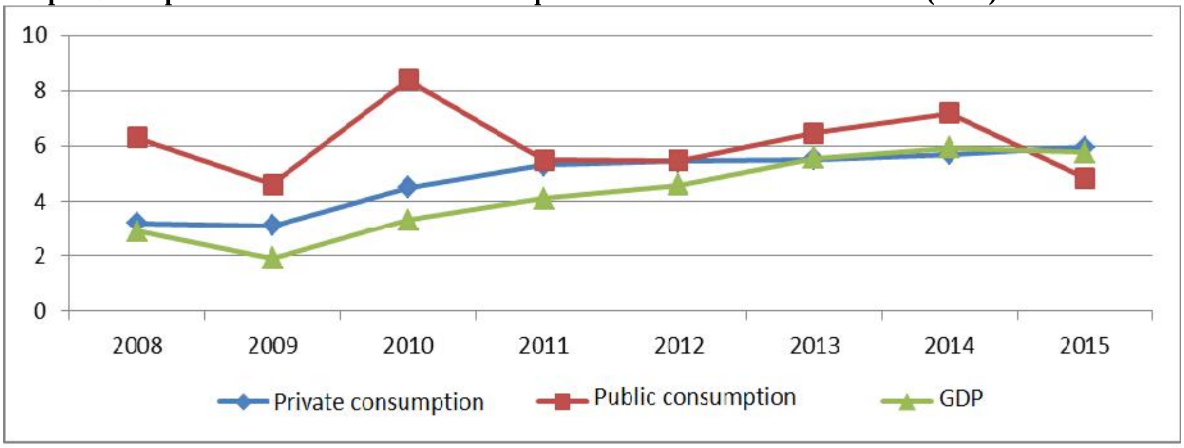
3.1 Domestic Demand

Domestic demand rose by 5.5% in 2015, against 7.4% in 2014, driven by final consumption and investments. In 2016, domestic demand growth is estimated to stand at 6.3%.

3.1.1 Final consumption

In 2015, final consumption contributed 5.8% and 5.1 points to economic growth. Its two components increased significantly.

Graph 2: Comparative Trends in Final Consumption and Real GDP Growth Rates (in %)



Sources: NIS, MINFI/DAE

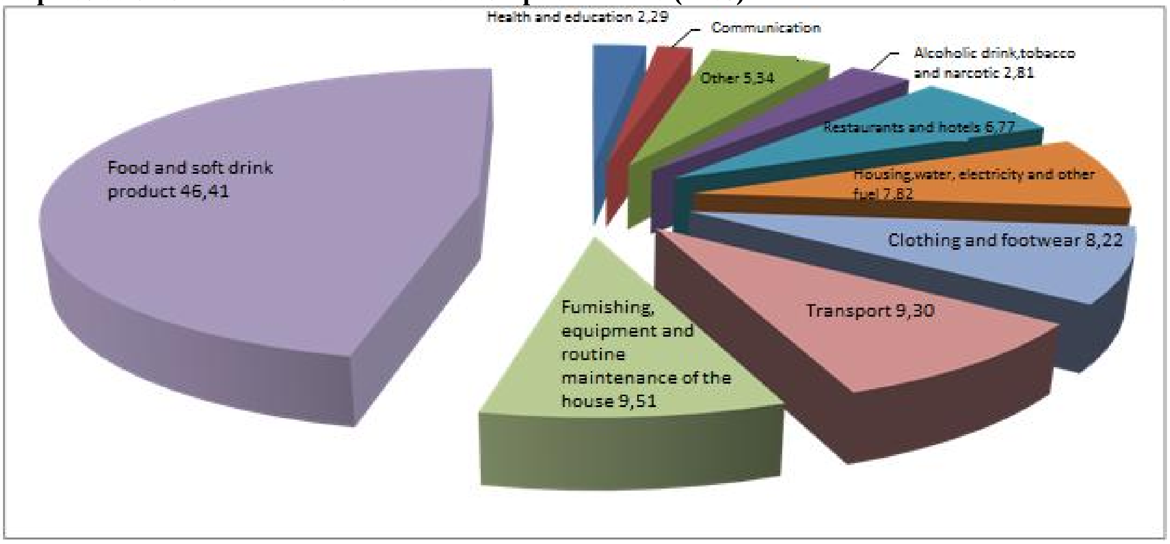
3.1.1.1 Private consumption

In 2015, private consumption increased by 5.9% and contributed 4.5 points to real GDP growth. This trend resulted from the increase in the demand for chemicals (+19.8%), textiles and shoes (+11.1%), cereal-based products (+7.5%), hospitality and catering services (+5.6%), and subsistence farming produce (+5.4%). Conversely, the demand for beverages was almost stable (+0.6%).

The vitality of private consumption was mainly sustained by the drop in the prices of chemical products (-9.1%), other manufactured products (-5.4%) and telecommunication services (-3%), and competition in these areas.

In 2015, “food and non-alcoholic beverages” was the leading household consumption item. It accounted for 46.4% of consumption, against 45.8% in 2014. Other major consumption items were: “furniture, household equipment and routine household maintenance” (9.5%); “transport” (9.3%); “clothing items and footwear” (8.2%); “housing, water, electricity, gas and other fuels” (7.8%); “hospitality and catering” (6.8%).

Graph 3: Structure of Final Household Consumption in 2015 (in %)



Sources: NIS, MINFI/DAE

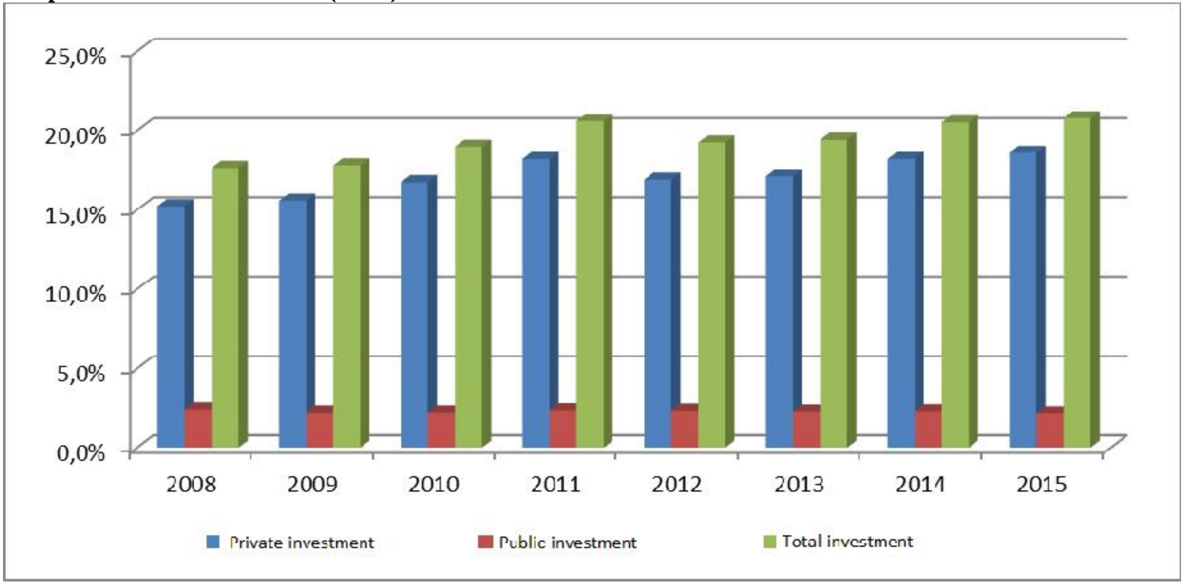
3.1.1.2 Public consumption

In 2015, public consumption expenditure increased by 4.8%, compared to 7.2% in 2014. This slowdown was mainly due to the return to normal inclusion in the public service payroll, after the operation to recruit 25 000 young certificate holders. The wage bill increased by 4.1%, against 5.5% in 2014. Measures to reduce public expenditure also helped to reduce the volume of public consumption, especially that relating to the procurement of goods and services. Public consumption growth in 2016 is estimated at 7.1%, resulting from the payment of arrears owed civil servants and State employees in order to stabilize the State payroll. In that connection, the salaries of 3 500 State employees were suspended in the first quarter, pending justification of their situation. The salaries of those who provided justification were reinstated.

3.1.2 Investment

In 2015, investment increased by 4.3%, showing a deceleration compared to the 13.5% recorded in 2014. Such deceleration resulted from the slowdown in private investment and the completion of several major first-generation projects of the public investment programme. Investment contributed 1 percentage point to real growth, against 3 points in 2014. In 2016, investment growth is expected to increase by 6.5% and contribute 1.5 point. The investment rate increased from 20.7% of GDP in 2014 to 20.5% in 2015. It is expected to stand at 21% of GDP in 2016.

Graph 4: Investment Trends (in %)



Sources: NIS, MINFI/DAE

3.1.2.1 Private investment

In 2015, private investment growth rate dropped to 6.8%, against 13.6% in 2014. It contributed 1.4 point to growth, against 2.7 points the previous year. The slowdown in private investment resulted from the completion of the establishment of enterprises in several areas (cement, mobile telephony and electricity). Moreover, the level of investment was influenced by the under-utilization of installed production capacity. This slowdown was also related to the reduction in audio-visual equipment (-5.1%) and furniture (-0.6%) procurement expenditure. Investments in basic metallurgical products and metal works, electrical machines and appliances, and transport equipment rose by 6.2%, 6.9% and 4.7% respectively.

Table 21 : Gross Fixed Capital Formation by Product at 2000 Constant Prices (in billion)

	2010	2011	2012	2013	2014	2015	2015/2014 (%)
Agricultural equipment	5.2	7.4	7.1	7.4	7.3	7.7	5.5
Livestock products	20.9	26.4	31.8	49.6	50.7	53.4	5.3
Basic metallurgical goods and works	41.9	61.9	32.8	30.1	27.0	28.7	6.3
Audio visual equipment	16.1	26.1	67.3	134.8	172.2	163.5	-5.1
Electrical machines and appliances	572.5	564.7	540.4	357.4	381.1	407.3	6.9
Transport equipment	364.6	491.8	440.1	490.5	634.0	663.8	4.7
Furniture	118.3	127.0	153.3	156.7	149.9	149.0	-0.6
Building materials	804.7	874.8	937.6	1098.4	1202.8	1305.7	8.6
Total	**1 944.3**	**2 180.1**	**2 210.4**	**2325.0**	**2625.0**	**2778.9**	**5.9**

Source: NIS

There were contrasting trends by branch of activity. In “industrial and export agriculture”, enterprises continued their investment programme aimed at renewing plantations, stepping up the performance of production facilities and expanding cultivated areas. Such was the case particularly in the following sectors: export banana (+78%), crude palm oil (+4.4%), natural rubber (+1.7%). Conversely, capital expenditure fell by 23% in the cotton sector.

Spending in the “electricity, gas and water” sector rose by 12.6%, compared with 2014. It concerned the improvement of service quality in electric power generation, transportation and distribution, and the rehabilitation of the Songloulou, Edea and Lagdo hydro-power plants.

Investments in the “transport, storage, communications” sector rose by 5%, driven mainly by mobile telephone companies. This trend resulted from: (i) competition triggered by the arrival of a third operator which prompted others to invest in urban and rural network coverage and quality; (ii) the purchase of 3G and 4G licences, and the renewal of concessions by the two main operators.

Investments increased in the “extractive industries” (+6%) and “hospitality and catering” (+10%) branches. They dropped in the “agro-industry” (-10%), “chemical industry” (-23%) and cement manufacturing (-64.6%) branches. The drop in investments in cement manufacturing can be attributed to the end of the equipping of new production units

Foreign direct investments (FDI) increased by 3.3% compared to 2014 and stood at 371.1 billion. The major sectors were: the oil industry (68 billion), the manufacturing industry (63.8 billion), telecommunications (42.1 billion), trade (21.4 billion), the financial sector (15.9 billion) and transport (4.8 billion). At the same time, agriculture and forestry respectively received 2.3 billion and 24 million in FDI.

Corporate investment programmes are continuing in 2016, especially the construction and rehabilitation of hotels in connection with the women’s football Africa Cup of Nations and the maintenance and replacement of production equipment. Private investment growth is estimated at 7.1% and its share in GDP at 20%.

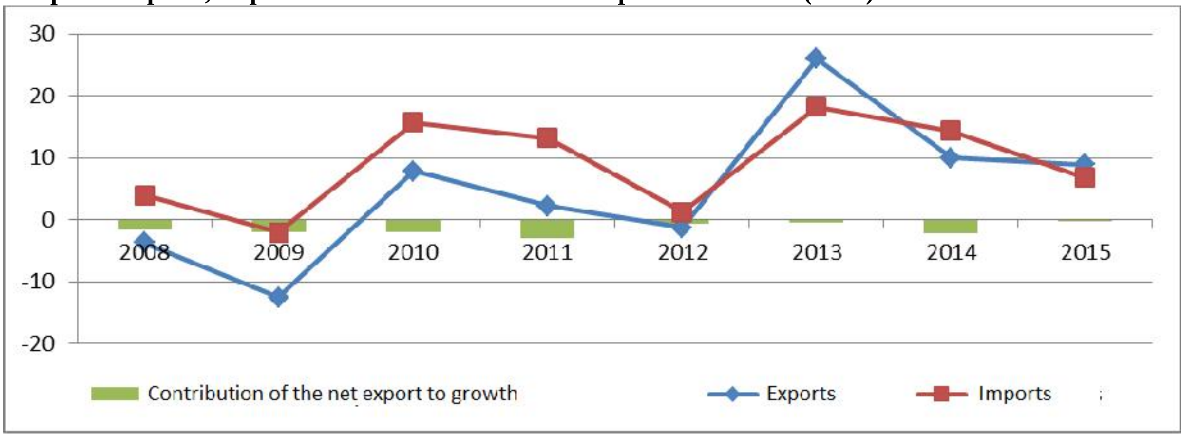
3.1.2.2 Public investment

In 2015, public investment dropped by 1.2%, against a 7.5% n increase in 2014. It hampered real GDP growth by 0.03 point, against a contribution of 0.2 point in 2014. This can be explained, among other things, by: (i) the completion of first-generation anchor projects, including the Lom Pangar storage dam, the Memve’ele and Mekin hydroelectric dams, as well as the first phase of the Kribi industrial port complex; (ii) poor maturation of projects, leading to the low capacity to absorb funds allocated to externally financed projects. In 2016, investment growth is estimated at 6%, resulting from the acceleration of some road works, including construction works on the Yaounde-Douala highway and the upgrading of the west entrance to the city of Douala. Works under the Three-Year Emergency Plan projects (PLANUT) will also contribute to growth.

3.2 Net External Demand

Historically, net external demand tends to hamper real GDP growth. Over the period 2008-2014, it reduced growth by 1.8 point on average. In 2015, it reduced growth by 0.3 point. Compared to 2014, the volume of goods and services exported and imported increased by 8.9% and 6.8% respectively.

Graph 5: Exports, Imports and Contribution of Net Exports to Growth (in %)

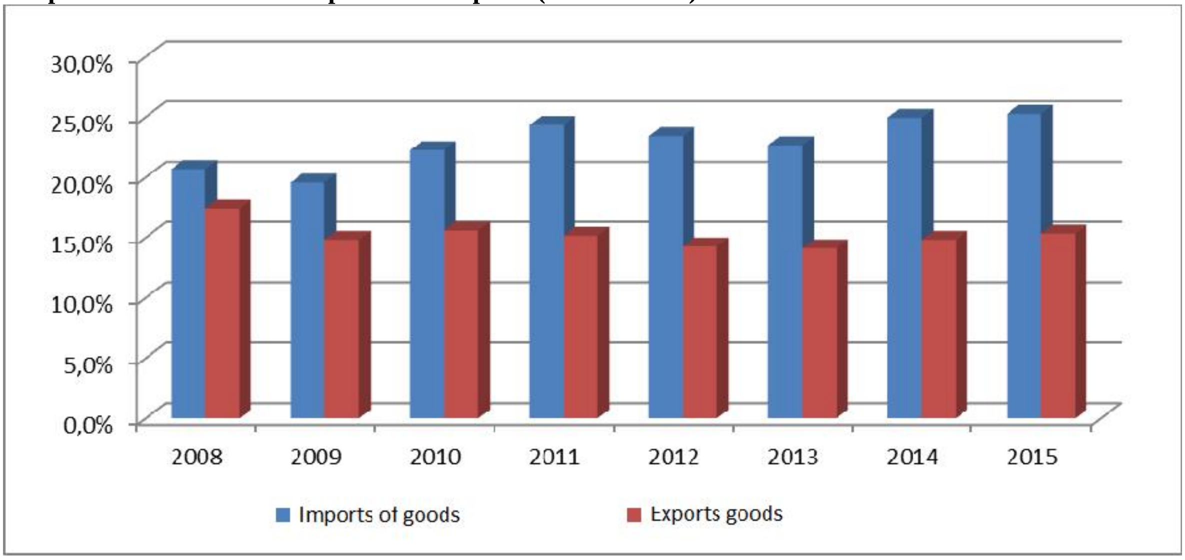


Sources: NIS, MINFI/DAE

3.2.1 Net external demand for goods

In 2015, net external demand for goods reduced growth by 0.4 point, after contributing -2.2 points in 2014. Exports and imports increased by 9.5% and 7.1%. In terms of volume, the share of goods exports in GDP improved from 14.8% in 2014 to 15.3%. Exports of goods accounted for 25.3% of GDP, against 24.9% in 2014.

Graph 6: Shares of Goods Exports and Imports (in % of GDP)



Sources: NIS, MINFI/DAE

3.2.1.1 Export of goods

In 2015, the volume of goods exported rose by 9.5%, against 11.2% in 2014. This trend resulted from the 22.6% increase in crude oil production. This rise was also driven by exports of products from the “forestry and logging” (+7.3%), “timber industry” (+5.8%) and “agro-industry” (+2.9%) branches. Conversely, exports in the “agriculture” branch dropped by 12.5%.

In terms of volume, crude oil recorded the highest exports, accounting for 33.5% of total exports of goods. It was followed by products from “other manufacturing industries” (17.2%), “forestry and logging” (14.6%) and “transport, storage and communications” (10.6%). Agricultural products accounted for 5.7% of total goods exported.

Table 22 : Volume of Exports by Main Product Group in Billions (Baseline Year 2000)

Item	2013	2014	2015	Variations (in %)	
				2014/2013	2015/2014
Agriculture	151.1	160.8	140.7	6.4	-12.5
Sylviculture and forestry exploitation	275.1	336.0	360.6	22.1	7.3
Extraction of hydrocarbons	534.2	673.6	826.0	26.1	22.6
Agro-industry	53.2	57.1	58.8	7.3	2.9
Other manufacturing industries	472.6	425.0	422.8	-10.1	-0.5
including timber industries	277.9	239.0	252.8	-14.0	5.8
Total exports of goods	**1 486.1**	**1 652.5**	**1 808.8**	**11.2**	**9.5**

Source: NIS

3.2.1.2 Imports of goods

In 2015, the volume of goods imported rose by 7.1%, against 16.6% in 2014. This increase was driven primarily by products from the chemical industry (+27.5%), the textile industry (+9.4%) and metallurgical industries (+7.2%). Conversely, products from “extraction of hydrocarbons” and “agro-industry” fell by 19% and 3% respectively.

In terms of volume, products from the secondary sector represented 79.8% of goods imports. “Other manufacturing industries” was the main item of imports, accounting for 61.2% of the total imports. It was followed by “agro-industry” (9.6%), “transport, storage and communications” (9.3%) and “extraction of hydrocarbons” (9%).

Table 23 : Volume of Imports by Major Product Group (in billion at 2000 constant prices)

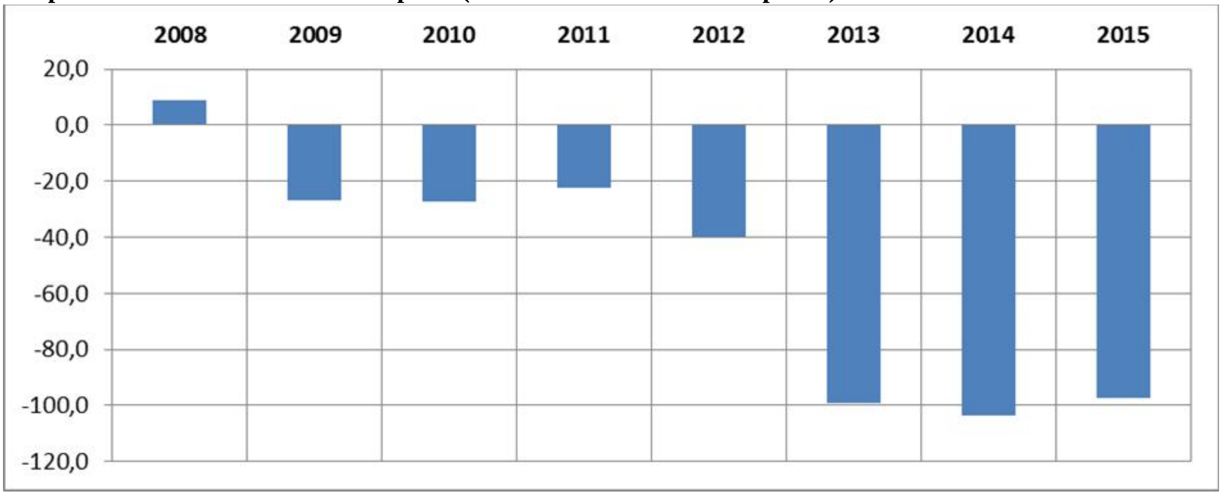
Item	2013	2014	2015	Variations (in %)	
				2014/2013	2015/2014
Extraction of hydrocarbons	282.8	417.4	336.5	47.6	-19.4
Agri-food industry	419.2	368.2	357.1	-12.2	-3.0
Other manufacturing industries	1 680.7	1 992.4	2 282.8	18.5	14.6
including textile industries	110.5	104.3	114.2	-5.6	9.4
Chemical industries	252.0	265.6	338.7	5.4	27.5
metallurgical products	191.1	197.9	212.2	3.6	7.2
electrical machines and appliances	252.0	289.9	245.8	15.0	-15.2
transport equipment	440.1	602.0	630.9	36.8	4.8
Goods imports total	**2 385.6**	**2 781.0**	**2 979.5**	**16.6**	**7.1**

Source: NIS

3.2.2 Net external demand for services

In 2015, net service exports fell by 6.2% after rising by 4.5% in 2014. The net external demand for services contributed 0.06 point to growth. This resulted from a contribution of -0.34 point from imports and 0.40 point from exports.

Graph 7: Net Volume of Service Imports (in billion at 2000 constant prices)



Source: NIS, MINFI/DAE

3.2.2.1 Exports of services

In 2015, service exports increased by 7.3%, driven by a rise in “services to enterprises” (+8.5%), “other services” (+8.1%), “banks and financial institutions” (+7.8%) and “transport, storage and communications” (+6.0%). Exports of services accounted for 26.5% of total exports of goods and services.

3.2.2.2 Imports of services

In 2015, service imports increased by 5.4% compared to 2014. This upsurge was caused by the increase in the “transport, storage and communications” (+9.5%), “other services” (+6.8%) and “banks and financial institutions” (+10.1%) branches. “Services to enterprises” fell by 2.6%.

The “transport, storage and communications” branch remained the main service import item, accounting for 46% of the total imports. It was followed by “services to enterprises” (28.7%), “other services” (16%) and “banks and financial institutions” (9.3%).

Table 24 : Trends in the Volume of Trade in Services* Between 2014 and 2015 (in billion)

	Exports		**Trend (%)**	**Imports**		**Trend (%)**
Items	**2014**	**2015**	**-**	**2014**	**2015**	**-**
Transport, storage and communications	246.3	261.1	6.0	315.2	345.3	9.5
Banks and Financial institutions	36.1	38.9	7.8	63.3	69.7	10.1
Services to enterprises	171.5	186.1	8.5	221.1	215.3	-2.6
Other services	154.9	167.4	8.1	112.8	120.5	6.8
Total services	**608.8**	**653.5**	**7.3**	**712.5**	**750.8**	**5.4**

Source: NIS, * baseline year = 2000

CHAPTER 4: PRICES AND COMPETITIVENESS

4.1 Prices

4.1.1 GDP deflator

In 2015, the GDP deflator rose by 0.3%, against 2.4% in 2014. This slowdown resulted from a price drop in the secondary sector (-7.6%) and an increase in the primary (+3.6%) and tertiary (+3.4%) sectors.

Price increase in the primary sector was mainly due to a rise in the prices of products in the “industrial agriculture and export” (+8.6%) as well as “forestry and logging” (+4.2%) branches. Price decline in the secondary sector was generated by the “extractive industries” (-35.4%), “manufacturing industries” (-1.7%) and “electricity, gas and water” (-1.2%) branches, following a drop in oil (-47.2%), aluminium (-10.9%) and gas (-40.5%) prices. Price increase in the tertiary sector was the result of an increase in prices in the “trade, restaurants and hotels” (+3.0%) as well as “transport, storage and communication” (+5.1%) branches.

Table 25 : Variation in the GDP Deflator by Branch of Activity (as %)

Item	2009	2010	2011	2012	2013	2014	2015
Primary sector	**3.0**	**0.0**	**4.3**	**3.4**	**3.0**	**-0.1**	**3.6**
Subsistence agriculture	5.5	1.0	7.1	3.1	3.5	0.6	3.4
Industrial and export-based agriculture	3.0	9.7	-3.8	-3.4	1.2	11.5	8.6
Livestock, hunting	12.9	1.4	-1.3	7.6	1.8	-2.8	2.8
Forestry and logging	-16.1	-17.9	1.8	3.6	2.5	-10.6	4.2
Fishery	3.4	3.0	-0.4	3.5	1.4	1.3	2.7
Secondary sector	**11.9**	**5.9**	**4.0**	**5.2**	**1.1**	**1.7**	**-7.6**
Extractive industries	0.3	9.4	32.4	10.4	-8.8	-9.7	-35.4
including hydrocarbons extraction	0.3	9.7	34.0	10.3	-9.0	-10.1	-36.5
Food industries	9.0	9.2	3.4	-2.2	0.6	1.9	2.3
Other manufacturing industries	19.7	-0.6	-11.8	7.7	2.4	3.7	-1.7
Electricity, gas and water	-2.0	6.2	5.4	0.4	3.0	3.1	-1.2
Public works and civil engineering	36.9	12.9	-2.4	4.1	7.9	6.6	2.7
Tertiary sector	**-1.5**	**3.0**	**1.3**	**1.3**	**3.3**	**3.5**	**3.4**
Trade, restaurants and hotels	0.4	0.5	2.0	2.6	4.4	2.3	3.0
Transport, storage, communications	-4.3	9.2	-0.1	-2.5	3.6	4.9	5.1
Banks and financial institutions	-5.4	3.0	12.8	-0.6	2.3	2.2	2.7
Other tradable services	-2.1	3.8	1.0	3.2	1.9	6.3	2.6
FISIM	4.2	2.6	2.7	1.8	1.9	2.2	2.7
Net taxes and levies on subsidies	0.6	0.6	5.5	2.1	0.3	6.0	2.6
GDP	**3.7**	**2.6**	**3.0**	**3.0**	**2.4**	**2.4**	**0.3**

Source: NIS

Employment also experienced a slowdown. The consumption deflator rose by 1.8%, against 2.4% in 2014, in connection with the trend in the “clothing items and footwear” (+0.2%, against +1.6%) and “communication” (-2.7%, against -2.5%). The investment deflator dropped from 1.6% to 1.4% due to the fall in public investment prices. Export prices fell by 12.5% owing to the fall in oil prices, while import prices dropped by 4% after a 2.2% increase.

Table 26: Variation in the GDP Deflator and Its Uses (as %)

Items	2009	2010	2011	2012	2013	2014	2015
Final consumption	**3.1**	**1.1**	**2.8**	**3.3**	**2.7**	**2.4**	**1.8**
Private	2.7	1.1	3.0	3.7	2.7	2.2	1.9
Public	5.4	0.8	1.7	0.7	2.6	3.3	1.0
GFCF	**3.1**	**2.0**	**3.8**	**-0.7**	**3.6**	**1.6**	**1.4**
Private	3.1	2.0	3.9	-0.9	3.6	1.6	1.5
Public	3.1	2.0	2.5	0.5	3.6	1.6	0.8
Exports	**-19.7**	**6.3**	**11.2**	**11.5**	**-5.7**	**3.7**	**-12.5**
Goods exports	-21.4	7.2	12.0	13.7	-9.3	1.6	-10.4
Services exports	-5.5	0.7	5.4	-4.0	17.8	9.5	-17.5
Imports	**-19.5**	**0.2**	**9.0**	**6.9**	**-0.7**	**2.2**	**-4.0**
Goods imports	-20.2	0.8	10.3	8.0	-5.5	1.6	-3.6
Services imports	-18.8	1.2	2.2	-1.9	2.8	5.7	-4.9
GDP	**3.7**	**2.6**	**3.0**	**3.0**	**2.4**	**2.4**	**0.3**

Source: NIS

4.1.2 Final household consumer prices

In 2015, inflation rose from 1.9% in 2014 to 2.7%. This was mainly caused by an increase in the prices of “alcoholic beverages and tobacco” (+8.9%), “transport” (+7.5%), “restaurant and hotel” services (+5.8%) and “food and non-alcoholic beverages” (+2%). “Communication” spending fell by 2.7%.

Price increase in “alcoholic beverages and tobacco” is attributable to the increase in excise duties on alcoholic beverages. The increase in the prices of alcoholic beverages affected the prices of “restaurant and hotel” services. The increase in “transport” prices in 2015 resulted from the rise in fuel prices on 1 July 2014.

The rise in the prices of “food and non-alcoholic beverages” stemmed from the increase in prices of fruits (+6%), vegetables (+4.9%), “fish and seafood” (+4.3%), as well as “dairy products and eggs” (+2.5%). Conversely, the prices of “oils and fats” and “bread and cereals” dropped by 5.1% and 2% respectively.

Table 27: Trends in the Final Household Consumer Price Index

Expenditure items	2014	1st Half 2015	2015	1st Half 2016	Variation (as %)	
	(a)	(b)	(c)	(d)	(c)/(a)	(d)/(b)
I – Trends in consumption by item						
Food and non-alcoholic beverages	107.6	108.7	109.8	110.7	2.0	1.8
Alcoholic beverages and tobacco	107.2	114.9	116.7	120.1	8.9	4.5
Clothing items and footwear	105.1	105.2	105.2	104.9	0.1	-0.3
Housing, water, gas, electricity and other fuels	108.2	110.7	111.4	112.6	3.0	1.8
Furnishings, household equipment and routine households maintenance	103.9	105.0	105.5	106.1	1.5	1.0
Health	101.6	102.1	102.0	101.7	0.4	-0.3
Transport	112.3	120.6	120.7	119.7	7.5	-0.7
Communication	94	92.1	91.4	89.7	-2.7	-2.6
Leisure and culture	101	100.6	101.5	102.7	0.4	2.1
Education	107.5	108.7	109.9	112.3	2.2	3.4
Restaurants and hotels	108.3	113.3	114.6	118.2	5.8	4.4
Sundry goods and services	103.5	105.7	106.3	107.6	2.7	1.8
Overall index	**106.4**	**108.6**	**109.3**	**110.0**	**2.7**	**1.3**
II – Trend by group						
Local products	107.1	109.6	110.6	111.7	3.3	1.9
Imported goods	105	105.9	105.9	105.4	0.8	-0.5
Primary sector products	109.3	111.5	112.9	114.3	3.3	2.5
Secondary sector products	103.3	104.2	104.5	104.4	1.2	0.2
Tertiary sector products	107.2	110.8	111.3	112.2	3.8	1,3

Sources: NIS, MINFI/DAE

In 2015, the prices of local products increased by 3.3% and those of imported goods by 0.8%. Primary sector product prices rose by 3.3% following the rise in the prices of fresh produce (Irish potatoes, onions, folon, etc.). In the tertiary sector, prices rose by 3.8% due to the rise in the prices of “restaurant and hotel” services as well as “transport” services. Prices in the secondary sector witnessed a 1.2% increase.

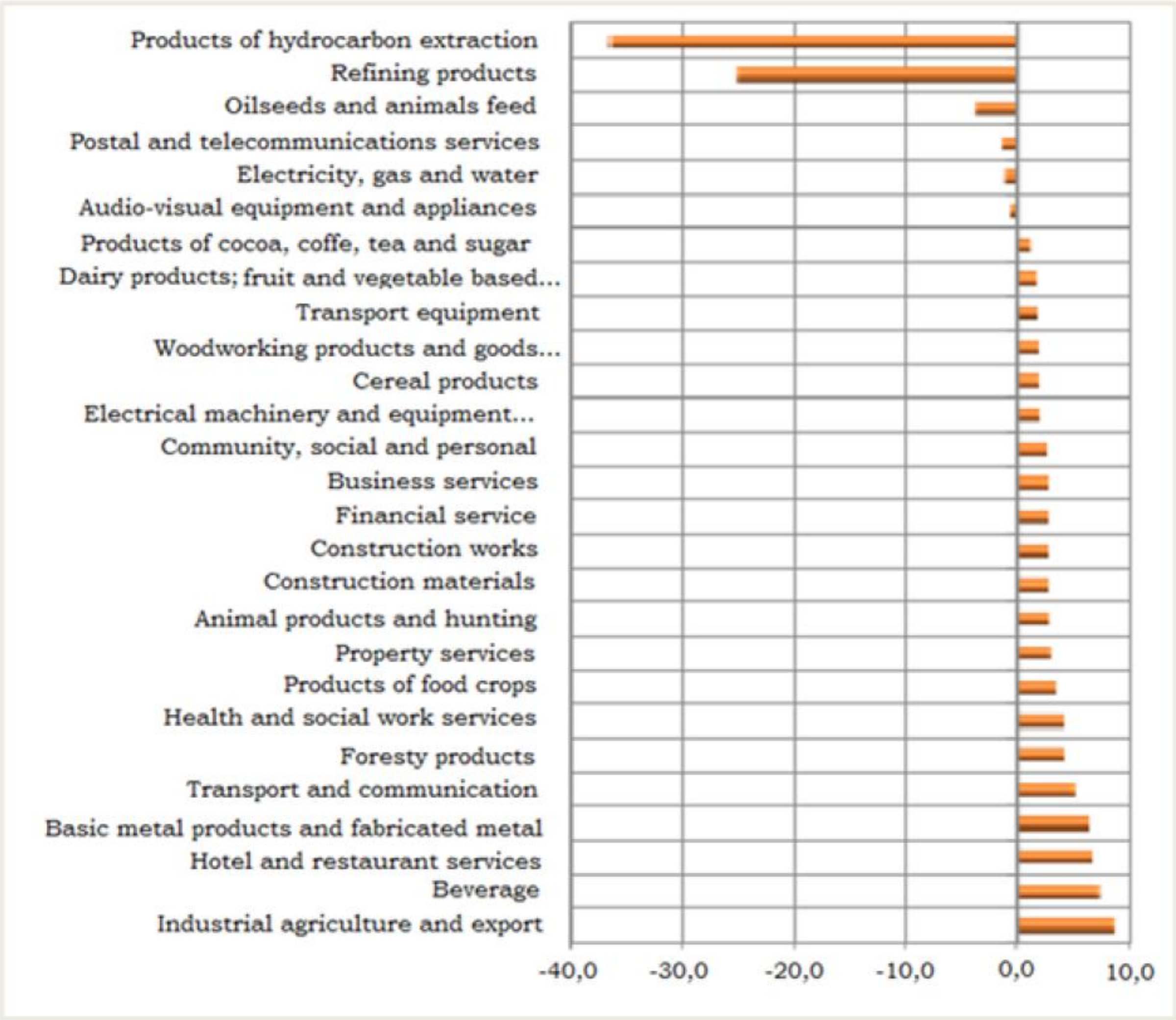
Spatially and compared to 2014, inflation rose in Buea (4.3%, against 2.8%), Garoua (3.6%, against 2.5%), Ebolowa (3.5%, against 2.8%), Yaounde (2.9%, against 2%), Bamenda (2.9%, against 0.8%), Maroua (1.9%, against 0.8%) and Bafoussam (1.6%, against 0.1%). Conversely, it dropped in Douala (2.5%, against 3.5%), Bertoua (2.3%, against 3%) and Ngaoundere (1.2%, against 1.7%).

In the first half of 2016, inflation was contained at 1.3%, against 3.4% in the first half of 2015. This was largely due to the drop in the prices of “communication” (-2.6%). The drop in “transport” prices is attributable to the reduction in the pump prices of petroleum products (premium grade fuel and diesel oil).

4.1.3 Intermediate consumer prices

In 2015, the intermediate consumer price index rose by 0.9% after a 1.8% drop in 2014. This trend mainly concerned the prices of industrial and agricultural export products (+8.6%), beverages (+7.4%), hospitality and restaurant services (+6.8%), basic metal products and metal products (+6.4%), transport and communication (+5.1%), as well as health and social services (+4.1%). Conversely, prices decreased in “extraction of hydrocarbons” (-36.5%), “refined products” (-25.2%), “oilseeds and feed products” (-3.7%), “post and telecommunication” (-1.4%), and “electricity, gas and water” (-1.2%) services.

Graph 8: Trends in Intermediate Consumer Prices in 2015 (as %)



Source: NIS

4.1.4 Salaries

In 2015, the public service wage bill increased by 9% compared to 2014. This trend resulted from increments as well as an increase in the staff strength in the civil service and defense and security forces.

In the private sector, the wage bill increased by about 4.5%, driven by increases in the primary (+3.6%) and secondary (+6.7%) sectors. The average salary rose by 2.7%.

4.2 Competitiveness

Competitiveness is analyzed based on overall competitiveness and the business environment.

4.2.1- Overall competitiveness

The overall competitiveness of the economy is assessed based on the trend in real and effective exchange rate (REER) resulting from the nominal and effective exchange rate (NEER) and the price differential between Cameroon and its main trading partners. In 2015, REER fell by 2.6%, leading to an improvement in competitiveness after two years of deterioration. This trend is due a 3.7% NEER depreciation.

Regarding price competitiveness, the terms of trade deteriorated by 8% compared to 2014, reflecting the decline in export prices compared to import prices, reflecting an improvement in Cameroon's price competitiveness.

Table 28: Trend in REER, NEER and Terms of Trade from 2008 to 2015 (as %)

Item	2008	2009	2010	2011	2012	2013	2014	2015
REER	0.9	2.7	-6.4	0.2	-3.5	3.0	1.4	-2.6
NEER	2.8	2.7	-4.7	1.2	-3.0	3.7	1.6	-3.7
Terms of trade	0	-19.7	13.4	8	0.3	-1.4	-7.4	-8

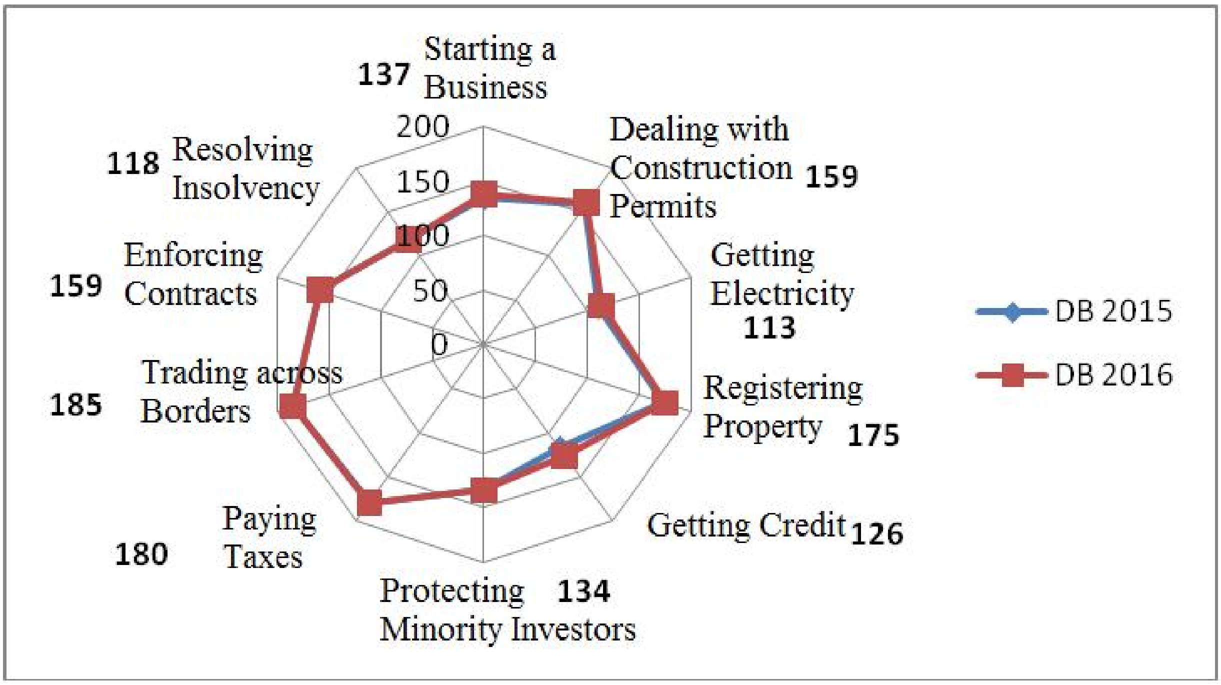
Source: IMF, April 2016, base 100 in 2000

In 2015, the World Economic Forum conducted a competitiveness ranking of countries based on 12 indicators concerning notably "institutions", the "macroeconomic environment", "health and primary education completion", and the "development of financial markets". Cameroon occupied the 114th position out of 140 countries with a score of 3.69 on 7. It obtained good scores in the "macroeconomic environment" and "health and primary education completion" indicators. Conversely, it occupied the 125th position in "infrastructure" with a score of 2.4.

4.2.2- Business climate

According to the World Bank's Doing Business 2017 report, Cameroon has gained a spot compared to 2015, moving to the 166th position out of 190 countries. The country made progress regarding electricity connection and insolvency due to the 24 December 2015 OHADA reform and on the ease of obtaining building permits, which are henceforth issued within 20 days. However, it regressed with regard to the ease of starting a business, obtaining loans and paying taxes

Graph 9: Cameroon's Ranking in the 2015 and 2016 Doing Business Reports by Area



Sources: World Bank, MINFI/DAE

To remove these obstacles, the Government is pursuing the implementation of reforms within the framework of the Cameroon Business Forum on aspects related to "business development", "building permits", "access to property", "cross-border trade facilitation", "payment of taxes" and "access to financing". These include:

- reducing the company tax by 5%, from 35% to 30%;
- implementing the pilot phase of online business development in Douala, Yaounde and

Garoua;

- operationalizing a new biometric data-based taxpayer registration system with a single identifier number valid for ten years;
- operationalizing the online filing of tax returns;
- introducing “mobile payment” at the National Social Insurance Fund (CNPS);
- operationalizing the CIP-FIBANE-CASEMF (Payment Incidents Centre – National Business Banking Database – EMF Analysis and Monitoring Framework) platform;
- preparing an instrument to organize the profession of judicial and trade union administrator;
- completing the dematerialization of foreign trade procedures;
- instituting mandatory deadlines in land subdivision and land title conveyance procedures;
- automating and simplifying property transfer registration and public procurement procedures.

CHAPTER 5: FINANCING THE ECONOMY

The modernization of the banking and financial system through the diversification of sources of financing of the economy is continuing. It includes revitalizing the Douala Stock Exchange as well as the inclusive aspect of finance by promoting microfinance. The Government is gradually implementing new financial instruments and products to ensure that these resources are directed to productive investments in order to further stimulate growth.

5.1 Monetary Policy

BEAC defines and implements the common monetary policy for all CEMAC Member States. It issues currency, guarantees its stability and supports economic policies formulated by Member States. Monetary stability entails controlling inflation and maintaining money coverage rate above 20%. To successfully carry out its missions, BEAC uses two instruments, namely the refinancing policy and the mandatory reserve policy.

5.1.1 Refinancing policy

BEAC uses two instruments, namely the interest rate policy and refinancing targets.

5.1.1.1- Interest rate trends

Since 10 July 2015, the main intervention rates in the money market have remain unchanged. The bidding interest rate (TIAO) as well as the rate for advances to Treasuries stood at 2.45%. The interest rate on bank deposits at BEAC and the interest rates of public deposits remained the same.

Within an economic context marked by the reduction of inflationary pressures and slump in economic growth in the CEMAC region, the Monetary Policy Committee reduced the BEAC's intervention rate on 9 July 2015. The minimum deposit rate is 2.45% since 9 July 2014.

Table 29: BEAC Benchmark Rates and Bank Requirements (in %)

ITEMS	01.11.13 to 17.12.13	18.12.13 to 8.07.2014	09.07.2014 to 09.07.15	Since 10.07.15
I - TREASURY OPERATIONS				
Rate of Treasury advances	3.25	3.25	2.95	2.45
Rate of Treasury penalties	10.00	10.00	10.00	10.00
- Interest Rates on Government Deposits (TISP)				
Interest rates on government deposits as reserve fund for future generations (TISPPO)	0.75	0.50	0.40	0.40
Interest rates on government deposits as budgetary revenue stabilization mechanism (TISPPI)	0.35	0.10	0.05	0.05
Interest rates on government deposits as special deposits (TISPP2)	0.10	0.00	0.00	0.00
II - MONEY MARKET				
A- Cash injection				
1- Counter "A"				
Bidding rate (TIAO)	3.25	3.25	2.95	2.45
Repurchase rate (TIPP)	5.00	5.00	4.70	4.20
Ad hoc intervention rates (TISIP)	5.00-10.0	5.00-10.0	5.00-10	5.00-10
Rates for except. Adv. on/Investment Cert.(TACP)	3.25	3.25	2.95	2.95
Banks penalty rates (TPB)	10.00	10.00	10.00	10.00
B-Cash deduction(Negative bids)	0.1000	0.0000	0.0000	0.0000
Interest rates on 7-day deposit "TISP"	0.1625	0.0625	0.0625	0.0625

ITEMS	01.11.13 to 17.12.13	18.12.13 to 8.07.2014	09.07.2014 to 09.07.15	Since 10.07.15
Interest rates on 28-day deposit "TISP"	0.2250	0.1250	0.1250	0.1250
Interest rates on 84-day deposit "TISP"				
III - BANKING REQUIREMENTS Minimum Credit Rate (TCM)	2.75	2.75	2.45	2.45

Source: BEAC

The average overall effective rate (TEG) of loans granted to major companies dropped from 7.75% to 6.81% between 2014 and 2015; that of loans granted to individuals fell from 13.16 % to 13.13 %, reflecting the reduction in cost of most of the different types of loans granted to such customers. Loans to individuals are still very expensive on the market.

The National Credit Council (NCC) revised the interest rate applicable to the first half of 2016 on 26 April 2016. Regarding loans to individuals, the interest rate for consumption credits and leasing was reduced, whereas those for overdrafts and medium-term loans were raised. Concerning loans to SMEs, interest rates on loans were reduced, except for overdrafts. Regarding loans to major companies, interest rates for cash advances, medium-term loans, and leasing were reduced while those for overdrafts and long-term loans were increased. Interest rates applicable to government services and regional and local authorities have been increased, excepting the rates applicable to medium-term loans and consumption credits or treasury advances.

Table 30: Interest Rate of Loans Granted to Banks (in %)

Item	Loans to individuals		Loans to SME		Loans to big companies		Loans to government services and local councils	
	2nd Half 2015	1st Half 2016	2nd Half 2015	1st Half 2016	2nd Half 2015	1st Half 2016	2nd Half 2015	1st Half 2016
Consumption or treasury credit	21.71	21.02	16.33	14.79	7.35	7.26	10.97	9.12
Overdrafts	20.25	20.74	17.11	17.97	8.70	11.20	14.29	15.55
Medium term loans	16.74	17.12	13.29	13.10	11.76	8.10	17.34	9.34
Long term loans	8.49	8.49	11.29	11.29	7.99	8.17	6.44	6.44
Leasing	15.85	15.02	13.07	12.06	11.32	10.37	16.85	16.88

Source: NCC

5.1.1.2 Refinancing targets

BEAC relies on monetary programming to set the objectives of growth for monetary aggregates and refinancing compatible with the financing needs of the economy. It decides on the volume of cash to be injected into each Member State in order to maintain major macroeconomic balances.

In 2015, money market activity was characterized by a sharp increase in the average amount of liquidity injected by the issuing authority, the continuation of the freezing of deposits of lending institutions in the Central Bank and a slowdown of the interbank compartment.

Advances to States

The refinancing ceiling for Cameroon is 576.9 billion in 2016, against 377 billion in 2015. The level of use of these resources stood at 60 billion by end-2015 and amounted to 201 billion at end-June 2016.

Advances to banks

The target for refinancing Cameroonian banks was increased from 80 billion in 2015 to 200 billion in 2016. As at 30 June 2016, the average amount of withdrawals from the banking system stood at 32 billion, against 35 billion at end-2015. The measure making government bonds a refinancing guarantee gives greater flexibility to banks, but the latter are not yet making maximum use of his lever.

Interbank market

In 2015, the interbank market remained weak. Only one transaction amounting to 5 billion with a tenor of 32 days was carried out. The weighted average interbank rate decreased from 5.0% in 2014 to 4.25%. No transaction was recorded in this market in the first half of 2016.

5.1.2 Compulsory reserve policy

On 6 April 2016, the Monetary Policy Committee reduced the compulsory reserve coefficient by half. The coefficient of reserve on sight deposits dropped from 11.750% to 5.875% and that on fixed term deposits to 4.625%, against 9.250% initially. Thanks to this measure, the amount of constituted reserves dropped from 366.3 billion to 182.6 billion, that is 183.7 billion released to banks. Compulsory reserves are remunerated at a 0.05% rate.

5.2. Monetary Situation

At end-December 2015, the monetary situation was balanced in revenue and expenditure at 4 420.4 billion, up by 12.6% on a year-on-year basis. At end-June 2016, the monetary situation was balanced at 4 496.5 billion, up by 18.3% compared to 30 June 2015

Table 31: Consolidated Monetary Situation (in CFAF billion)

ITEMS	Dec.-14	June-15	Dec.-15	June-16	Variations (in %)		
	(a)	(b)	(c)	(d)	(c/a)	(d/b)	(d/c)
Counterparts to money supply	3 927.0	3 800.4	4 420.4	4 496.5	12.6	18.3	1.7
Net external assets	1 668.6	1 534.4	2 192.2	1 765.6	31.4	15.1	-19.5
BEAC's net external assets	1 447.1	1 300.1	1 930.1	1 464.9	33.4	12.7	-24.1
including: Operations account	768.4	660.5	1 117.2	660.3	45.4	0.0	-40.9
Comm. banks net external assets	221.5	234.3	262.1	300.7	18.3	28.3	14.7
Domestic credit	2 258.5	2 266.0	2 228.3	2 730.8	-1.3	20.5	22.6
Net claims on the State	-211.8	-293.1	-614.2	-95.4	190.0	-67.4	-84.5
Net Government Position (NGP)	-162.1	-201.4	-552.1	19.3	240.7	-109.6	-103.5
Credit to the economy	2 470.3	2 559.1	2 842.5	2 826.2	15.1	10.4	-0.6
Credit to the non-financial private sector	2 313.2	2 341.7	2 613.6	2 577.2	13.0	10.1	-1.4
Credit to non-financial public enterprises	128.1	191.7	196.3	211.1	53.2	10.1	7.5
Monetary system resources	3 927.0	3 800.4	4 420.4	4 496.5	12.6	18.3	1.7
Broad money (M2)	3 509.6	3 462.4	3 954.6	3 961.9	12.7	14.4	0.2
Fiduciary money	627.3	542.6	798.6	707.6	27.3	30.4	-11.4
Scriptural money	1 569.9	1 605.2	1 734.2	1 776.1	10.5	10.6	2.4
Quasi-money	1 312.4	1 314.6	1 421.8	1 478.2	8.3	12.4	4.0
Other net items	417.5	338.0	465.8	534.6	11.6	58.2	14.8

Source: BEAC

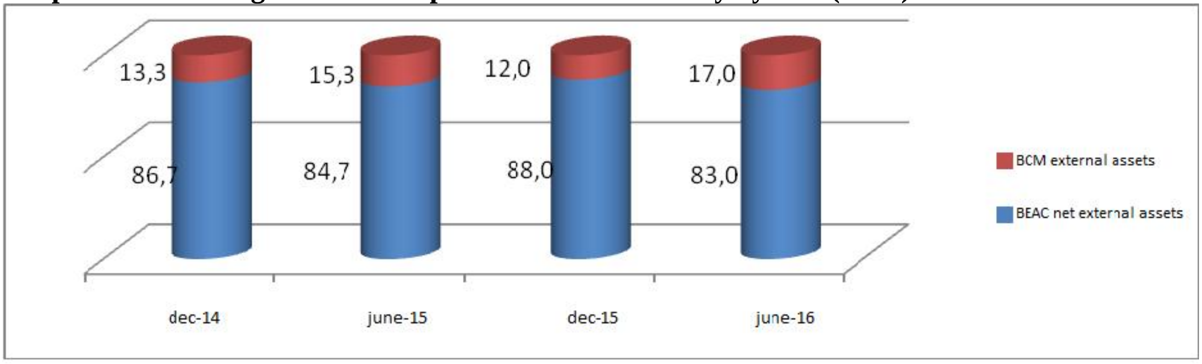
5.2.1 Counterpart money supply

5.2.1-1. Net external assets

Compared to 31 December 2014, net external assets rose by 31.4% to stand at 2 192.2 billion at end-December 2015 due mainly to a 33.4% increase in BEAC’s net external assets. The trend in BEAC’s net external assets is attributable to the increase of 490.4 billion of gross external assets associated with a decrease of 33.2 billion in its external commitments. This positive trend is due to the mobilization of USD 750 million (about CFAF 450 billion) by Cameroon under Eurobond.

As at 30 June 2016, net external assets rose by 15.1% compared to end-June 2015 to stand at 1 765.6 billion. This growth stems from the increase in BEAC’s net external assets (+164.8 billion) and commercial bank deposits (+66.4 billion).

Graph 10: Net Foreign Assets Components of the Monetary System (as %)



Sources: MINFI/DAE, BEAC

5.2.1-2. Domestic credit

As at 31 December 2015, domestic credit amounted to 2 228.3 billion, down by 1.3% compared to end-December 2014. This trend is explained by the 410.8 billion drop in the net claims of the monetary system on the State.

BEAC's commitments towards the State rose from 384.5 billion to 778.8 billion owing to the Eurobond and its gross credit stands at 138 billion. The net claims of banks on the State increased to 3 billion. The net position of the Government towards the banking system remains positive at 552.1billion.

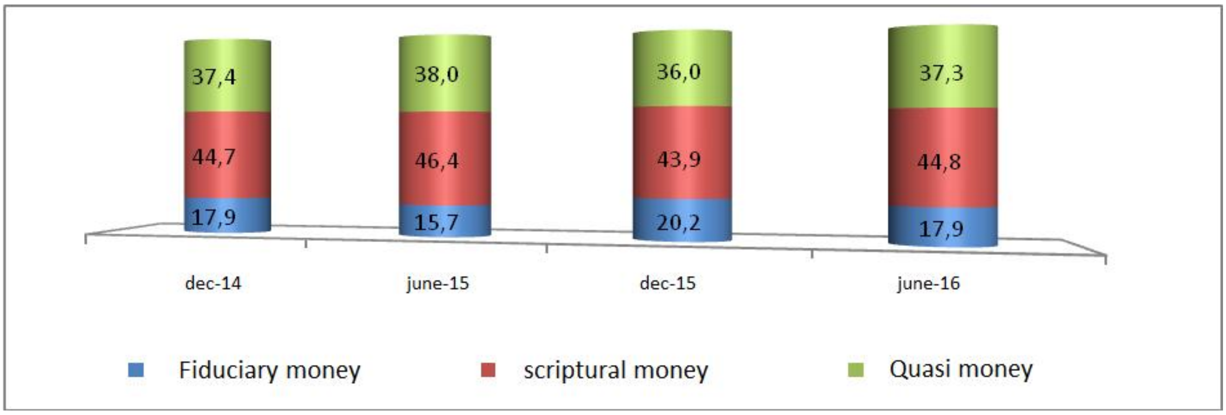
Credits to the economy increased by 15.1% due to credits to the non-financial private sector (+13%) and non-financial public enterprises (+53.2%). Depending on the duration, the structure has not changed compared to end-December 2014: 62.3% for short-term credits, 35.1% for medium-term credits and 2.6% for long-term credits.

At end-June 2016 and compared to 30 June 2015, domestic credit increased by 20.5% under the combined effect of an increase of 267.2 billion in credits to the economy and of 197.7 billion as net claims on the State.

5.2.2- Money supply components

Money supply rose by 12.7% compared to 31 December 2014 to stand at 3 954.6 billion at end-December 2015, reflecting the trend of its counterparts. As at 30 June 2016 and year-on-year, money supply rose by 14.4% and stands at 3 961.9 billion. It consists of 17.9% fiduciary money, 44.8% scriptural money and 37.3% quasi-money.

Graph 11: Money Supply Components (as %)



Sources: MINFI/DAE, BEAC

5.3. Banking and Financial Sector

The banking and financial sector is characterized by an improvement in deposits and credits and an increase in gross overdue debts. The weight of microfinance regarding financial inclusion is increasing more than that of the banking sector. Access to banking and financial services is on the rise, reflecting the increase in the banking rate from 13% in 2014 to 15.5% in 2015. Banking activities are concentrated in Douala and Yaounde, notably with 93.7% of credits and 86.2% of deposits. The structural weakness of net equity persists, especially in banks, reflecting the fragility of the four main prudential ratios.

5.3.1- Banking Sub-sector

As at 31 December 2015, four banks (Afriland First Bank, BICEC, SGC and ECOBANK) weighed 60.6% of the consolidated balance sheet of the banking system, 65.2% of total credits, and 63.1 % of customer deposits. At end-June 2016, the banking sector comprised 14 banks in operation. Four banks (Afriland First Bank, SGC, BICEC, and SCB) dominate the credit market with 64.3% and, four banks (Afriland First Bank, SGC, BICEC, and ECOBANK) the deposit market with 60.5%.

The level of intermediation, measured by comparing the stock of credits with that of deposits, dropped to 79%, against 82% as at 30 June 2015. The number of bank accounts rose by 8.5% year-on-year to stand at 1 941 250. Deposit accounts represent 66% and current accounts 34%.

5.3.1.1- Customer deposits

As at 31 December 2015, deposits grew by 5.9% compared to end-December 2014 to stand at 3 524.8 billion. This trend is due to the increase in the deposits of all customer types.

As at 30 June 2016, deposits amounted to 3 656.9 billion, up by 10.1% compared to the same date in 2015. The largest contributors to this increase are private enterprises (4.5 points), individuals and public enterprises (2.5 points each).

By customer type, individuals hold the largest share of deposits (40.1%) followed by private enterprises (23.0%), public enterprises (8.8%) and central government services (7.5%).

Table 32: Deposits by Type of Customer (in billion)

Items	December 2014	June 2015	December 2015	June 2016	Variations (in %)		Weight in June 2016 (%)
	(a)	(b)	(c)	(d)	(c/a)	(d/b)	
Central public services	234.5	281.0	287.6	275	22.6	-2.1	7.5
Local public services	26.1	39.3	26.8	28.3	2.7	-28.0	0.8
Public bodies	156.6	180.7	171.1	207.7	9.3	14.9	5.7
Private services	119.3	109.2	130.4	128.4	9.3	17.5	3.5
Public enterprises	245.9	238.7	287.7	320.9	17.0	34.4	8.8
Private enterprises	896.5	692.1	801.2	840.6	-10.6	21.4	23.0
Insurance and joint stock companies	116.6	119.9	131.0	132.3	12.3	10.3	3.6
Sole proprietorships	72.3	96.2	100.7	95.4	39.3	-0.9	2.6
Individuals	1 298.7	1 384.4	1 408.2	1 467.6	8.4	6.0	40.1
Sundries	162.7	180.3	180.1	160.7	10.7	-10.9	4.4
TOTAL	**3 329.2**	**3 321.7**	**3 524.8**	**3 656.9**	**5.9**	**10.1**	**100**

Source: BEAC

As at 30 June 2016, sight deposits represented 79.0% of the total, fixed-term deposits 13.3% and special deposits 7.7%. All deposit types are on the increase compared to end-June 2015.

Table 33: Customer Deposits by Nature (in billion)

Items	Dec.-14	Jun-15	Dec.-15	Jun-16	Variations		Weight by Juin-16 (in %)
	(a)	(b)	(c)	(d)	(c/a)	(d/b)	
Special deposits regime	220.5	237.2	251.7	280.0	**14.2**	18.0	7.7
including : cash voucher	218.2	234.6	249.2	276.5	**14.2**	17.8	7.6
Term deposit	455.0	418.2	444.2	488.3	**-2.4**	16.8	13.4
Demand deposit	2 653.6	2 666.3	2 829.4	2 888.6	**6.6**	8.3	79.0
TOTAL	**3 329.2**	**3 321.7**	**3 525.4**	**3 656.9**	**5.9**	**10.1**	**100.0**

Source: BEAC

5.3.1.2- Outstanding loans

By end-2015, outstanding loans stood at 2 989.5 billion, up by 15.8% compared to 31 December 2014. Such increase is attributable to the increase in loans to private enterprises (+ 27.7%).

Big enterprises benefited 83% of loans granted by banks, representing a marked increase compared to end-December 2014. SMEs benefited 7.6% of loans granted, individuals 4.1%, government services and regional and local authorities 3.5%, and legal persons other than SMEs and big enterprises 1.4%.

As at 30 June 2016, outstanding loans stood at 2 906.8 billion, up by 6.4% year-on-year. This increase was mainly driven by credits granted to private enterprises (+24.7%). Compared to end-June 2015, credits granted to the “agriculture-livestock-hunting-forestry-fishing” branch dropped by 8.3 billion to stand at 329 billion; those granted to the “extractive industries” dropped by 54.3 billion to stand at 268.1 billion.

According to customer type, 71.1% of credits are granted to private enterprises, 14.9% to individuals and 7.2% to public enterprises. The following main branches of activity benefited from grants: “public works and civil engineering” (19.2%); “wholesale and retail trade” (16%); “transport, auxiliary transport activities and telecommunication” (15.1%); “agriculture-livestock-hunting-forestry-fishing” (14.9%); “extractive industries” (12.1%); “electricity-gas-steam-water production and distribution” (11.5%).

Table 34: Distribution of Bank Loans by Customer Type (in billion)

Items	December 2014	June 2015	December 2015	June 2016	Variations (%)		Weight in June 2016 as %)
	(a)	(b)	(c)	(d)	(c/a)	(d/b)	
Central Public administration	98.0	106.4	60.8	42.6	-38.0	-60.0	1.5
Local Public Administration	9.9	8.4	6.8	5.0	-31.3	-40.5	0.2
Public Bodies	0.5	23.3	28.6	10.1	5620.0	-56.7	0.3
Private administrations	50.7	78.5	23.5	19.8	-53.6	-74.8	0.7
Public enterprises	140.9	202.7	214.3	209.0	52.1	3.1	7.2
Private enterprises	1 626.0	1 657.3	2 077.1	2 067.4	27.7	24.7	71.1
Insurance and capital companies	58.2	28.6	7.8	3.4	-86.6	-88.1	0.1
Individual enterprises	200.7	171.7	97.9	102.8	-51.2	-40.1	3.5
Particulars	379.8	438.4	426.4	433.1	12.3	-1.2	14.9
Miscellaneous	16.8	15.7	46.8	13.7	178.6	-12.7	0.5
TOTAL	**2 581.5**	**2 731.1**	**2 990.0**	**2 906.8**	**15.8**	**6.4**	**100.0**

Source: BEAC

As at 30 June 2016, gross outstanding receivables stood at 414.1 billion, representing 14.2% of outstanding loans granted. At end-2015, it stood at 13.1% of loans granted. Reserves on provisions constituted to address the risk of non-recovery of debts increased from 248.7 billion at end-June 2015 to 298.7 billion. To reduce loan risks and improve portfolio quality, the National Credit Council prepared the CIP-FIBANE-CASEMF platform, which is an integrated automatic data collection, analysis, synthesis and publication tool.

Box 2: Presentation of the CIP-FIBANE-CASEMF Platform

The CIP-FIBANE-CASEMF platform has three components which communicates and interacts between them. These include: (i) the payment incidents pool (CIP); (ii) the national enterprise banking database (FIBANE); and (iii) the micro-finance institutions monitoring framework (CASEMF).

It obtains data through a data extractor, operating through a data interface based on a protocol for the exchange of data between the National Credit Council, registrants and tax payers (micro-finance and credit institutions), the Ministry of Justice, the General Directorate of Customs, mobile telephone operators, etc. Data is obtained through downloading.

The information is archived by components as follows :

- CIP data: bank accounts, payment incidents and fraudulent cheques, paying cards, and bank penalties.
- FIBANE data: corporate purpose, corporate capital, social capital geography, turnover, managers; enterprise bank risk, bank borrowing, doubtful debts, outstanding payments, etc.
- CASEMF data: financial statements, financial and operational performance, portfolio quality, profitability, social performance analysis, benchmarking, productivity, etc.

The platform was launched on 23 June 2016 by the Minister of Finance. So far, it has expanded to 18 lending institutions and 47 MFIs.

5.3.1.3- Prudential ratios

In June 2016, the situation was as follows:

- 3 banks have a negative equity;
- 11 out of 14 banks comply with the ratio of risk coverage by net equity and the ratio of coverage of fixed assets by permanent resources;
- 9 out of 14 banks comply with the ratio of coverage of fixed assets by permanent resources;
- 12 banks comply with liquidity ratio;
- 11 banks comply with the coefficient of long-term transformation;
- no bank complies with the portfolio/credit structure ratio.

5.3.2. Microfinance

In 2015, the micro-finance sector had 411 licensed institutions unevenly distributed across the national territory, 369 of which are first class, 38 second class and 4 third class. The activity is characterized by an increase in resources (+18.2%) and jobs (+12.4%). As at 30 June 2016, 284 MFIs were registered in the special National Credit Council register, enabling them to benefit, among other things, from the advantages offered by the CIP-FIBANE-CASEMF platform.

The network of sector agencies comprises 1 407 sales points, 46% of them in rural area and 54% in urban areas. The number of accounts opened by end-December 2015 was 2 117 759, against 1 061 481 at end-December 2014, indicating a constant growth of the sector in terms of financial inclusion. Moreover, the total balance sheet of MFIs represents 15.7% of that of commercial banks. Deposits and loans represent 16.5% and 12.6% of deposits and bank loans respectively.

At end-2015, deposits stood at 584.1 billion, 63.7% of them short-term and 32.3% long-term. The relative importance of long-term deposits is due to the level of statutory reserves in the second and third class of MFIs as well as member's shares in first class MFIs.

Table 35: Trends in MFI Deposits by Period (in billion)

Items	**31/12/2013**	**31/12/2014**	**31/12/2015**
Long term	153.41	169.9	188.6
Mid-term	2.18	2.5	23.4
Short term	273.97	321.5	372.1
Total	**429.5**	**493.9**	**584.1**

Source: NCC

Deposits collected by second class MFIs amount to 330.4 billion and those collected by first class MFIs 253.4 billion. The CAMCUL network mobilized 154.2 billion, representing 26.4% of total deposits, followed by Crédit Communautaire d'Afrique with 25.5% deposits, Express Union (8%), FTSL (5.8%), COMECI (5.1%) and Credit du Sahel (3.6%).

As at 30 December 2014, loans distributed by MFIs increased from 295.3 billion to 331.4 billion. First class MFIs granted the biggest volume of loans with 173.4 billion, against 157 billion for those of the second class. Six MFIs share about 55% of market credits, namely the CAMCUL network, Crédit Communautaire d'Afrique, FTSL, COMECI, Crédit du Sahel and La Régionale. These loans are mainly used to finance wholesale and retail trade, handicraft, import/export, agriculture, livestock and housing activities.

Table 36: Credit Trends by MFI Category (in billion)

Items	31/12/2013	31/12/2014	31/12/2015
First class	133.7	141.2	173.4
Second class	131.0	153.1	157.0
Third class	1.5	1.0	1.5
Total	**266.2**	**295.3**	**331.9**

Source: NCC

Depending on the duration, the different loan types have been increasing since 30 December 2013. Short-term credits represent 56.1% and long term 39.9%. Long-term credits represent 70.3% of loans granted by first class MFIs. The bulk of short-term loans in second class MFIs stands at 89.5%.

Table 37: Credit Trends in MFI by Period (in billion)

Items	31/12/2013	31/12/2014	31/12/2015
Long term	93.7	102.4	130.6
Mid-term	6.2	7.0	14.9
Short term	166.3	185.9	186.4
Total	**266.2**	**295.3**	**331.9**

Source: CNC

As at 31 December 2015, non-performing loans represented 21.7% of the credit portfolio of MFIs, against 31.7% at end-December 2014. This rate was relatively higher in first class MFIs (58.4%, against 40.8% for second class MFIs). Conversely, the rate of non-performing loans increased from 11.7% as at 31 December 2014 to 19.8%. The rate of risk coverage dropped from 34.7% to 30%.

MFIs suffer from weak equity capital, irregular meetings of management bodies, the absence of and/or obsolete business plans, weak internal control mechanisms and lack of information. The establishment of the CIP-FIBANE-CASEMF platform should, among other things, help to reduce information asymmetries.

5.3.3. Insurance

In 2015, the Cameroonian insurance market comprised 24 companies, of which 16 in the All Risk and Transport Insurance (IARDT) and 8 in life insurance. The turnover of the sector stands at 173.1 billion, up by 7.4% compared to 2014. The "IARDT" branch represents 70.2% of market shares. The amount of claims paid stands at 70.4 billion, against 66.9 billion at end-2014. Overhead costs remain high and stand at 41.7 billion. Reinsurance premiums stand at 26.3 billion. The turnover of the sector is estimated at 11.8 billion.

The claims ratio of the overall market stabilized at about 47.6% in 2014. The burden of losses rose from 74.1 billion to 80.1billion.

Table 38: Insurance Turnover Trends (in CFAF billion)

Items	2013	2014	2015*	Variations (in %)
	(a)	(b)	(c)	(c/b)
IARDT	119.7	116.9	121.6	4.0
Life-Insurance	4.,0	44.3	51.5	16.3
Total	**160.7**	**161.2**	**173.1**	**7.4**

Sources: MINFI/DGTCFM/DA and ASAC. *Provisional data

5.3.4. Financial Market

Law No 2016/010 of 12 July 2016 governing undertakings for collective investment in transferable securities (UCITS), which was promulgated on 12 July 2016, aims to facilitate access to financing and the quotation of SMEs at the stock exchange.

At end-December 2015, the capitalization of the Douala Stock Exchange was 419.4 billion, an increase of 17.2% compared to 31 December 2014, that is 166.2 billion for equities and 253.2 billion for bonds. In addition, 8 securities are listed on the official list, of which 3 shares and 5 bonds. The contribution of the stock market to the financing of the economy, assessed in terms of ratio of market capitalization to GDP, rose to 2.5% in 2015.

5.3.4.1- Capital market

In 2015, stock market capitalization rose by 4.8% compared to 2014. This trend is attributable to the good performance of “SOCAPALM” and “SEMC” stocks which rose by 18.9% and 2.6% respectively

Table 39: Trends in the Capitalization of the DSX (in billion)

Items	2013	2014	2015	Variation 2015/2014 (in %)
	(a)	(b)	(c)	(c/b)
SEMC	11.96	11.90	12.22	2.6
SAFACAM	54.64	62.10	53.40	-14.0
SOCAPALM	67.11	84.68	100.66	18.9
TOTAL	**133.71**	**158.68**	**166.29**	**4.8**

Source: DSX

The overall number of securities traded increased from 42 261 in 2014 to 13 607 in 2015, that is a decrease of 67.8%. The market recorded a turnover of 380.2 million in 2015, against 1 998.9 million in 2014. The “SOCAPALM” share is the most active on the stock market with 79% of the volume of transactions and 61% of total turnover.

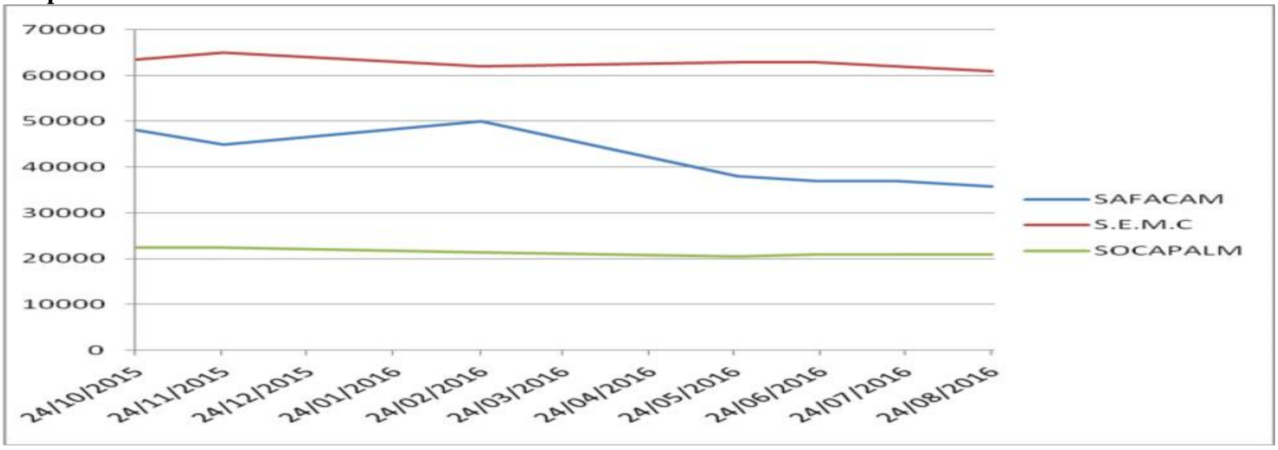
Table 40: Trends Shares Traded at the DSX

Issuer	Number of transactions (number)			Transactions value (in millions)		
	2014	2015	Variation (%)	2014	2015	Variation (%)
SEMC	329	483	46.8	20.4	30.3	48.5
SAFACAM	2 828	2 309	-18.4	292.6	116.2	-60.3
SOCAPALM	39 104	10 815	-72.3	1686.0	233.7	-86.1
TOTAL	**42 261**	**13 607**	**-67.8**	**1998.9**	**380.2**	**-81.0**

Source: DSX

In terms of performance, the SEMC share price rose by 2.65%. The SAFACAM share sold at CFAF 50 001 at the beginning of the year, then peaked at CFAF 53 100 before falling to CFAF 42 998 at the end of the year. The SOCAPALM share stood at CFAF 18 506 at the beginning of the year and CFAF 22 000 at the end of the year. SAFACAM and SOCAPALM shares have remained virtually stable since 24 January 2016.

Graph 12: Trends in Share Prices



Source: DSX

5.3.4.2 Bond market

At end-2015, bond market capitalization fell by 71.1 billion to stand at 253.2 billion. This drop is attributable to the total amortization of the "ECMR 5.6% net 2010-2015" bond on 29 December 2015.

The bond market now has only 5 stocks, namely: "FAGACE 5.25% net. 2014-2019"; "ECMR 5.5% net. 2014-2019"; "ECMR 5.9% net. 2013-2018"; "BDEAC 5.5% net. 2010-2017"; and "CHAD 6% net. 2013-2018". In addition, 1 893 483 bonds changed ownership in 2015 or a total amount of 8.1 billion, against 1.1 billion in 2014.

Table 41: Trends in Bonds Traded on the Bond Market

Issuers	Number of transactions		Transaction value (in CFAF)	
	2014	2015	2014	2015
ECMR 5.60%	13 341	1 434 949	66 705 000	3 656 732 500
BDEAC 5.5%	0	0	0	0
ECMR 5.9%	102 740	418 902	1 027 400 000	4 188 090 156
Chad State 6%	2 270	39 632	22 700 000	297 056 000
FAGAGE 5.25%	30	0	300 000	0
ECMR 5.5%	0	676 994	0	6 771 079 300
TOTAL	**118 381**	**1 893 483**	**1 117 105 000**	**8 142 178 656**

Source: DSX

5.3.4.3- Over the counter market

This market compartment, which is intended for zero coupon bond investments (OTZ), did not record any transactions in 2015 due to the good performance of the Government's commitments and the drastic reduction in the new securitization of receivables.

During the first half of 2016, the procedure for the sale of zero-coupon treasury bonds held by National Oil Refining Company (SONARA) was triggered to finance its activities and investments.

The sale of the first portion of these bonds concerned 69 212 shares worth 69.2 billion. This stock exchange transaction, which was initiated at SONARA's request, consists in repurchasing the debt of the State vis-à-vis this public company. The securitized debt took the form of the OTZ payable from 2017 to 2021. The total amount of SONARA bonds is 130 billion

5.3.4.4- Issuance of Government securities

Within the framework of the diversification and promotion of the domestic debt market, the State issues public securities depending on cash requirements and project profitability. This concerns three categories of instruments, namely treasury bonds (TB), treasury bonds with an initial maturity (OAT) and fungible treasury bonds (FTB). Within the framework of the Eurobond, 463.8 billion was mobilized to finance the investments of SONARA and PLANUT in particular.

Decree No. 2016/113 of 1 March 2016 empowered the Minister of Finance to issue public securities amounting to a maximum of 300 billion to finance development projects. In that regard, the State of Cameroon launched bond issue 2016-2021 on 20 September 2016 amounting to 150 billion at the net interest rate of 5.5% per annum. Similarly, a total of 203 fungible treasury bonds will be issued in 2016, 70 of them repaid during the year.

Table 42: Revised Indicative Schedule of the Issuance of Government Securities in 2016 (in billion)

Instruments	Jan	Feb.	March	April	May	June	July.	August *	Sept*	Oct.*	Nov.*	Dec.*	Total
Issuance of public securities	14	14	29	14	29	14	14	14	22	7	15	15	**300**
Treasury bills	14	14	14	21	14	21	14	21	21	14	21	14	**203**
Reimbursement bonds	-	-	-	-7	-	-7	-7	-7	-7	-14	-14	-7	**-70**
Treasury bonds with initial maturity	-	-	15	-	15	-	-	-	15	-	15	-	**60**
Treasury bonds	-	-	-	-	-	-	-	-	150	-	-	-	**150**

Source: MINFI/DGTCFM * forecasts

5.4. Strategy for Financing the Economy

The State is strengthening its strategy for the financing the economy by diversifying sources of financing, particularly by seeking innovative sources of financing. The law governing undertakings for collective investment in transferable securities is part of this process.

In terms of innovation, "mobile money" or money transfer by mobile telephony is gaining ground. The number of accounts opened for this method of transaction rose from 1 903 390 in 2013 to 3 619 589 in 2014, representing a 90.2% increase.

The outcome of the reforms initiated by the Government to strengthen financial intermediation are being consolidated in the banking and microfinance sectors. Cameroon's SME Bank has been established to facilitate access to finance by SMEs. Other financial instruments such as leasing, factoring and UCITS have been established.

Regarding microfinance, the National Strategy for Inclusive Finance (SNFI) was adopted by the Government in 2014. Its implementing agencies have been established, the pool of donors to finance the implementation of the strategy is being established, and negotiations are at an advanced stage. The national strategy for inclusive finance which has been designed with the support of the Rural Microfinance Development Support Project (PADMIR), the United Nations Development Programme (UNDP), the International Fund for Agricultural Development (IFAD) and the United Nations Capital Development Fund (UNCDF), intends to position microfinance as the main vehicle for financial inclusion in Cameroon. The aim is for Cameroon to have an inclusive, coherent and integrated financial sector within five years, driven by a variety of technically competent service providers (banks, EMFs, insurance companies, mobile operators, and electronic payment platform managers) and providing access to a diverse range of financial services to all segments of the population.

The national strategy for inclusive financing focuses on four main areas:

- improving the legislative, regulatory and institutional environment of the microfinance sector, taking into account the priorities of an inclusive financial sector;

- support for a viable and sustainable supply of diversified and innovative products and services adapted to the needs of all population segments;
- establishment of partnerships and mobilization of sufficient financial, technical and material resources adapted to specific sector needs;
- implementation of the social activities of financial institutions.

CHAPTER 6: EXTERNAL SECTOR

In 2015, transactions with the outside world were carried out against a backdrop of a security crisis within the country and a humanitarian crisis at the borders with Nigeria and Central African Republic. The drop in crude oil barrel price and commodity prices led to a deterioration of terms of trade in exporting countries.

6.1 Balance of payments

In 2015, the overall balance of payments recorded a surplus of 483 billion as against 28.9 billion in 2014. The surplus resulted from a 483 billion increase in reserve assets from external financing.

Table 43: Overall balance of payments from 2011 to 2016 (in billions)

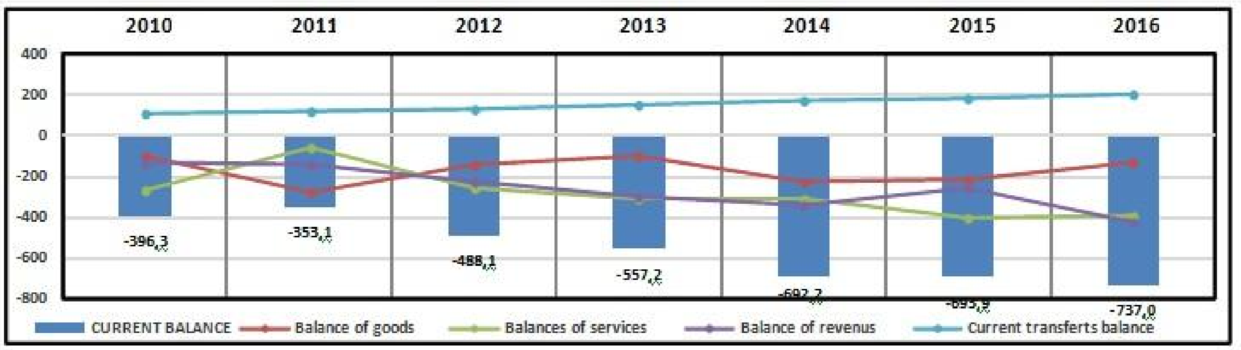
Items	2011	2012	2013	2014	2015	2016*
I- CURRENT BALANCE	**-353.1**	**-488.1**	**-557.2**	**-692.2**	**-693.9**	**-737**
1- Balance of goods	-273.5	-139.9	-97.5	-221.9	-220	-127
2- Balance of services	-58.3	-255.5	-306.2	-310.2	-403	-389.7
3- Balance of income	-142.9	-227.1	-303.9	-337.5	-258.3	-429.4
4- Current transfer balance	121.6	134.4	150.4	177.4	187.4	209.1
II- EXTERNAL FINANCING	**235.2**	**617.3**	**586.2**	**763.6**	**1226.4**	**1515.2**
1- Non-banking private sector	**33.3**	**248.1**	**239.1**	**333.3**	**363**	**396.3**
Foreign Direct Investment (FDI)	219.7	413.4	348.2	364.2	377.5	395.7
Portfolio Investment (PFI)	-26.8	-0.8	2.5	-0.2	-25.9	-38.5
Net drawings (excluding FDI and PFI)	-159.3	-164.2	-111.6	-30.7	9.6	37.3
Acquisition/sale of non-financial & non-production assets	-0.3	-0.3	0.0047	0	1.8	1.8
2- Public Administration	**158.5**	**225.8**	**510.8**	**518.8**	**904**	**1013.5**
Project grants (including C2D)	61.5	56	46.3	45.3	58.2	143.2
Net drawings on bonded loan	-10.5	-10.5	-10.5	-10.5	442.4	300
Net drawings (excluding Treasury Bonds)	107.5	180.3	474.9	484	403.4	570.3
3- Deposit money banks	**43.4**	**143.4**	**-163.7**	**-88.5**	**-40.6**	**105.4**
III- ERRORS AND OMISSIONS	**-46.2**	**-81.6**	**-72.9**	**-42.5**	**-49.5**	**0**
IV- OVERALL BALANCE	**-164.1**	**47.6**	**-43.9**	**28.9**	**483.0**	**778.3**
V- BALANCE FINANCING	**164.1**	**-47.6**	**43.9**	**-28.9**	**-483.0**	**-778.3**

Source: MINFI/DEA *Estimates.

6.1.1 Balance of current account transactions

In 2015, the current account deficit stood at 693.9 billion (4.1% of GDP) compared to 692.2 billion (4.4% of GDP) in 2014. The services balance deficit further widened while those of goods and income decreased. The current transfers' surplus increased by 5.6% and stood at 187.4 billion. In 2016, the current account deficit could stand at 737 billion.

Graph 13: Major current account balance trends from 2010 to 2016 (in billions)



Source : MINFI/DEA

6.1.1.1 Goods balance

In 2015, the goods balance recorded a deficit of 220 billion, down by 1.9 billion compared to 2014. This increase stems from a drop in exports, lower than that of imports. The decrease in import spending followed a decline in the purchase of crude or refined oils (-80.3%), crude petroleum oils (-35.5%), electrical equipment and appliances (-10.9%). The decline in export earnings resulted from a drop in the sale of cement (-53.1%), fuels and lubricants (-35.2%), Arabica coffee (-29.3%), crude petroleum oil (-21.4%), raw rubber (-20.6%), and crude palm oil (-10.3%). In 2016, the goods balance deficit could drop to 127 billion.

6.1.1.2 Services balance

The 2015 services balance deficit stood at 403 billion, up by 92.8 billion compared to 2014. The increased deficit was generated by transport, travel and insurance. In 2016, the services deficit could contract to 389.7 billion.

Table 44: Summary services balance for 2012-2015 (in billions)

Items	2012	2013	2014	2015	Absolute variations (2015/2014)
Balance of services	**-255.5**	**-306.2**	**-310.2**	**-403**	**-92.8**
Transport	**-189.1**	**-213**	**-213.7**	**-261**	**-47.3**
Passengers	-62.6	-75	-82.3	-87.4	-5.1
Freight	-156	-170.3	-164.9	-208.4	-43.5
Travel	**-85.8**	**-17.9**	**-17**	**-70**	**-53**
Business	-56.7	-34.4	-31.3	-18.7	12.6
Personal	29.1	16.5	14.3	-51.2	-65.5
Insurance	**-34.7**	**-28.8**	**-34.0**	**-42.2**	**-8.2**
Other services	**54.1**	**-46.4**	**-45.5**	**-29.8**	**15.7**
Communications services	32.1	34.5	34.6	37.8	3.2
Other services to businesses	-32.4	-137.4	-136.9	-126.4	10.5
of which: Construction and civil engineering	-26.3	-28.2	-28.5	-54.5	-26
Technical assistance to businesses	-23.4	-83.4	-83.4	-45.3	38.1
Private services, n.e.c.	44.7	46.7	48	48.4	0.4
Services provided or received by Government services	9.7	9.7	8,8	10,5	1.7

Source: MINFI/DEA

6.1.1.2.1 Transport

In 2015, the transport sector recorded a 261 billion deficit compared to 213.7 billion in 2014. The deficit was mainly generated by “passengers” (-87.4 billion) and “freight” (-208.4 billion).

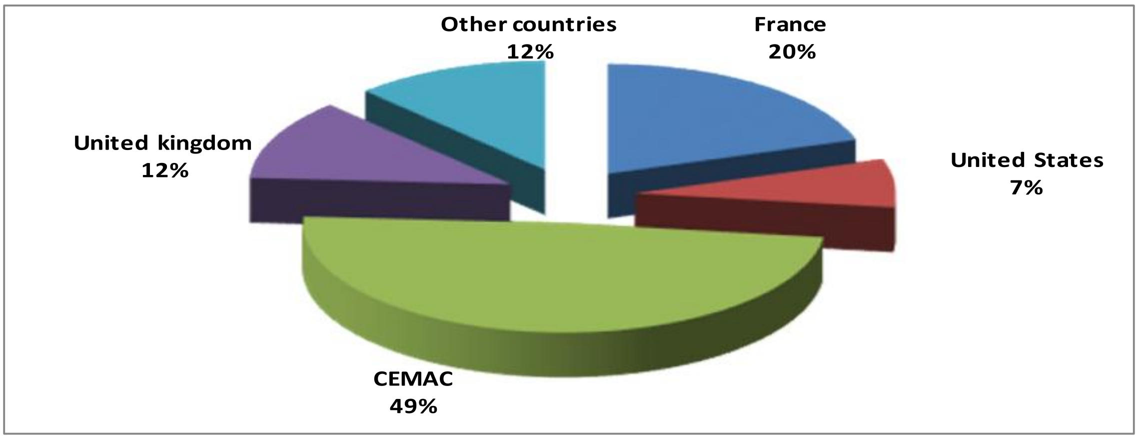
Transport activities generated revenue amounting to 274.9 billion from the transportation of passengers and freight and from various services provided to foreign transport companies. Payments made to foreign companies for the transport of goods and passengers amounted to 535.9 billion.

6.1.1.2.2 Travel

In 2015, the deficit in “travel” worsened by 53 billion and stood at 70 billion. This was the result of deficits in its subcomponents “business travel” (-18.7 billion) and “personal travel” (-51.2 billion). In 2014, the balance of “personal travel” recorded a surplus of 14.3 billion. The “travel” head earned 266.1 billion, including 186.6 billion from tourist trips.

In 2015, France remained Cameroon’s leading tourist contributor as it accounted for 20% of revenue. France was followed by Equatorial Guinea (15.4%), Gabon (12.9%), the United Kingdom (11.9%), Congo Brazzaville (8.4%), Chad (7.5 %), the United States (7.1%) and the Central African Republic (4.7%). Revenue generated by tourists from the CEMAC region was mainly from Equatorial Guinea (31.5% of earnings from the zone) and Gabon (26.3%).

Graph 14: Distribution of travel earnings by source in 2015



Source: MINFI/DEA

6.1.1.2.3 Insurance

In 2015, the "insurance" deficit stood at 42.2 billion, compared to 34 billion a year earlier. This trend can mainly be attributed to the widening “reinsurance” deficit from 20.3 billion in 2014 to 23.4 in 2015. The decrease from 20.9 to 13.2 billion in "other insurance" surplus also contributed to the deterioration.

6.1.1.2.4 Other Services

In 2015, the “other services” head, which covers communication services, other services to businesses, private services n.e.c. and services provided to or by government services, recorded a deficit of 29.8 billion, following a 45.5 billion deficit in 2014. The deficit reduction on “other services” results mainly from the combined effects of a reduction in the deficit in “other services to businesses” and an improved surplus in "services provided to or by government services” and “private services n.e.c.”. The deficit in “other services to businesses” stems mainly from "technical assistance” and “construction and civil engineering”, which recorded deficits of 45.3 billion and 54.5 billion respectively, as against 83.4 billion and 28 5 billion a year earlier.

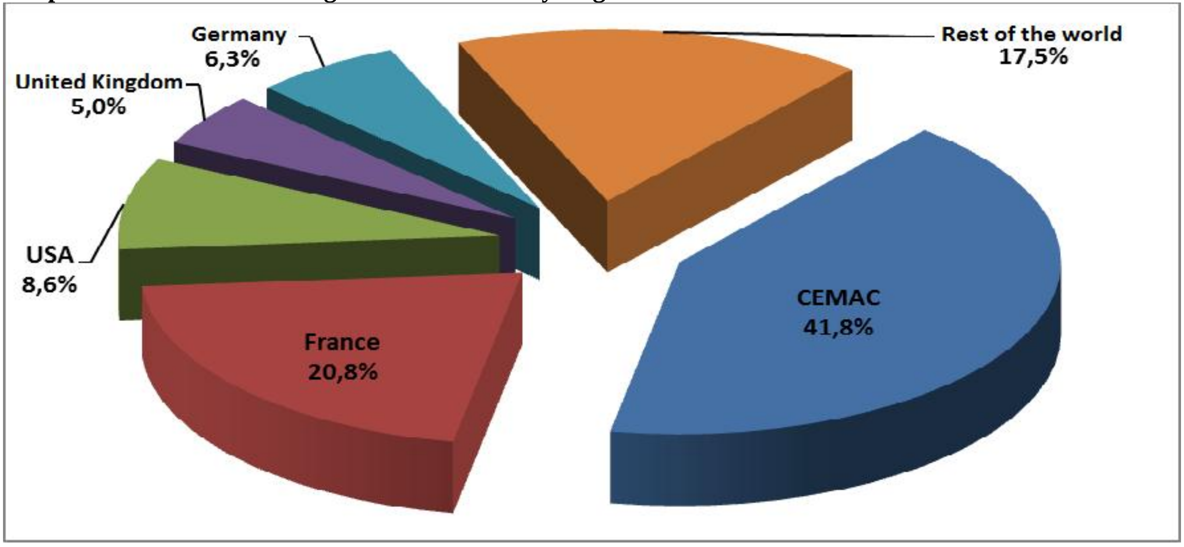
6.1.1.3 Income balance

In 2015, the income balance recorded a deficit of 258.3 billion compared to 337.5 billion in 2014. This trend was primarily driven by a drop in income expenses from 417.8 to 366.1 billion, in connection with a drop in dividends paid in the oil sector. Dividends paid to foreign direct investors amounted to 205 billion and interest paid on external public debt amounted to 51.4 billion. Revenue increased from 80.3 to 107.8 billion.

6.1.1.4 Current transfer balance

In 2015, current transfers recorded a surplus of 187.4 billion compared to 177.4 billion in 2014. The surplus resulted primarily from improved earnings on "other grants and transfers" (+23.7 billion). Remittances from the Cameroonian Diaspora amounted to 278.9 billion compared to 253.4 billion in 2014. They came mainly from CEMAC (41.8% of the total), followed by France (20.8%). Transfers from CEMAC were mainly from Equatorial Guinea (42.3% of transfers from the zone), Gabon (32.1%) and the Republic of Congo (17.7%).

Graph 15: Distribution of migrant remittances by origin in 2015



Source: MINFI/DEA

6.1.2 External Financing

In 2015, external financing recorded a surplus of 1 226.4 billion, up by 462.8 billion compared to 2014. Of this amount, 363 billion went to the non-banking private sector and 904 billion to the public sector. The banking sector recorded net outflows of 40.6 billion.

6.1.2.1 External financing of non-banking private sector

In 2015, net external financing of the non-banking private sector rose by 3.7% compared to 2014. The resources were mainly generated by foreign direct investments amounting to 377.5 billion. Portfolio investments recorded a 25.9 billion net outflow. Net drawings were positive at 9.6 billion, reflecting an increase in the stock of private external debt.

6.1.2.2 External financing of the public sector

In 2015, net external financing of the public sector amounted to 904 billion, up by 385.2 billion compared with 2014. This development was mainly the result of the 452 billion Eurobonds raised on the international market. They comprise project grants (58.2 billion), net drawings on bonds (442.4 billion) and net drawings on ordinary loans (403.4 billion).

6.1.2.3 External financing of the banking sector

In 2015, net external financing of the banking sector amounted to an outflow of 40.6 billion, compared to 88.5 billion in 2014. This corresponds to an increase in net foreign assets of commercial banks relating to (i) claims on foreign banks and financial institutions and other non-resident entities; (ii) shareholding and investments; and (iii) deposits of non-resident customers.

6.1.3 Balance of payments by sector

In 2015, “agriculture”, “forestry”, “hydrocarbons” and “transport” still recorded aggregate surplus balances, while other sectors (industry, trade, telecommunications, and financial activities) recorded deficits. These trends reflect the contribution of each sector to reserve assets.

6.1.3.1 Agriculture

In 2015, agriculture recorded an overall surplus of 926.9 billion, up by 270.6 billion compared to 2014. The current balance recorded a surplus of 925.9 billion. This trend mainly stemmed from "goods" with a surplus of 940 billion, higher than the 664.3 billion recorded in 2014. This performance reflects cocoa exports which increased by 62.7% and stood at 454.3 billion, and those of raw cotton which grew by 23.3% and amounted to 98.1 billion. "Income" showed a 2.1 billion surplus while "services" recorded a 16.3 billion deficit. External financing of the agricultural sector amounted to 1 billion compared to 1.4 billion in 2014.

6.1.3.2 Logging

In 2015, the sector's overall balance surplus stood at 256.6 billion compared to 226 billion in 2014. The revenue from log and sawn timber exports amounted respectively to 103.5 billion and 164.6 billion, showing respective increases of 14.4% and 18.2%.

The "services" deficit decreased by 300 million and stood at 4.6 billion. This deficit was mainly generated by the cost of freight import, which amounted to 3.2 billion. The "income" deficit widened by 600 million, compared to 2014 and stood at 1.1 billion.

External financing resulted in a 600 million net outflow, as against a 1.8 billion net inflow in 2014. It comprises 1.9 billion of foreign direct investment and 1.3 billion net loan repayments.

6.1.3.3 Oil Exploitation

In 2015, the oil sector balance of payments showed a 763.6 billion surplus, down by 184.8 billion compared to 2014. This trend was due to a reduction of the current account surplus from 903.8 to 693.6 billion, following the fall in oil prices. Services showed a deficit of 123 billion, that is, an increase of 5 billion compared to 2014. The income deficit reduced by 29.8 billion and stood at 124 billion. Net external financing showed a 70 billion surplus compared to 44.6 billion in 2014. This surplus was generated by net inflows of foreign direct investment (60.7 billion).

6.1.3.4 Industry

In 2015, industrial sector overall balance deficit stood at 1 446.6 billion, compared to 1 591.2 billion in 2014. This deficit, generated by the current account, stems from "goods" (-1 320.1 billion), "services" (-160.7 billion) and "income" (-20.8 billion). Net external financing to the industrial sector amounted to 55 billion, mainly from foreign direct investment.

Table 45: Balance of Payments by Sector (in billion)

ITEM	AGRICULTURE		FORESTRY		OIL		INDUSTRY	
	2014	2015	2014	2015	2014	2015	2014	2015
I-CURRENT BALANCE	**654.9**	**925.9**	**224.2**	**257.2**	**903.8**	**693.6**	**-1625.7**	**-1501.6**
1-Balance of goods	664.3	940	229.6	263	1174.9	940.6	-1418.8	-1320.1
2-Balance of services	-11.2	-16.3	-4.9	-4.6	-116.9	-123	-191	-160.7
3-Balance of revenue	1.8	2.1	-0.5	-1.1	-154.2	-124	-15.8	-20.8
4-Current transfers balance	0	0	0	0	0	0	0	0.0
II-EXTERNAL FINANCING	**1.4**	**1**	**1.8**	**-0.6**	**44.6**	**70**	**34.5**	**55.0**
1-Non-banking private sector	**1.4**	**1**	**1.8**	**-0.6**	**44.6**	**70**	**34.5**	**55.0**
Foreign Direct Investments (FDI)	-3.7	-2.8	0.4	-1.9	68.9	60.7	34.5	55.3
Portfolio Investments (PFI)	0	0	0	0	0	0	0	-0.3
Net drawings (excluding FDI and PFI)	5.1	3.9	1.4	1.3	-24.3	9.3	0	0.0
2-Deposit money banks	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0**
III-OVERALL BALANCE	**656.3**	**926.9**	**226**	**256.6**	**948.4**	**763.6**	**-1591.2**	**-1446.6**

Source: MINFI/DEA

6.1.3.5 Trade, catering and hotels

In 2015, the overall balance deficit for this sector stood at 781.5 billion, down by 99.9 billion. This stemmed from a current account deficit of 799 billion, resulting from "goods" (-596.1 billion), “services” (-128.6 billions) and “income” (-74.3 billion). External financing to this sector amounted to a net inflow of 17.5 billion, mainly in the form of foreign direct investment.

6.1.3.6 Transport

In 2015, the overall surplus balance stood at 96.8 billion, down by 20.1 billion compared to 2014. This trend was generated by a reduction of revenue from land and air freight of 18 billion and 8.4 billion respectively. The current account balance showed a surplus of 84.8 billion. "Services" recorded a surplus of 142.5 billion, while "goods" and "income" recorded respective deficits of 44 billion and 13.4 billion. External financing amounted to 12 billion, compared to 6 billion in 2014. They are broken down into 4.4 billion in foreign direct investments (FDIs) and 7.7 billion in net drawings.

6.1.3.7 Telecommunications

In 2015, the telecommunications balance of payments showed a 91.5 billion deficit, down by 76.9 billion compared to 2014. The current account balance showed a 133.7 billion deficit, stemming from goods (-130.1 billion) and income (-8 billion).

"Services" recorded a surplus of 4.5 billion compared to a 13.6 billion deficit in 2014. External financing showed a net inflow of 42.1 billion, consisting primarily of net flows of foreign direct investments.

6.1.3.8 Financial activities

In 2015, the financial sector recorded an overall balance deficit of 67.4 billion, down by 4.9 billion compared to 2014. The current account deficit amounted to 25.6 billion generated by goods (-22 7 billion) and income (-6.6 billion).

External financing inflows recorded a 41.9 billion deficit, resulting from a 55.9 billion net outflow in the banking sector and a 14 billion net inflow in the non-bank financial sector.

Table 46: Balance of payments by sector (in billions)

ITEM	TRADE*		TRANSPORT		TELECOMS		FINANCE	
	2014	2015	2014	2015	2014	2015	2014	2015
I-CURRENT BALANCE	**-834.1**	**-799**	**110.9**	**84.8**	**-171.6**	**-133.7**	**-34.2**	**-25.6**
1-Balance of goods	-610.4	-596.1	-35.1	-44	-157.2	-130.1	-18.4	-22.7
2-Balance of services	-195	-128.6	162.8	142.5	-13.6	4.5	-0.3	3.8
3-Balance of revenue	-28.7	-74.3	-16.7	-13.4	-0.9	-8	-15.5	-6.6
4-Current transfers balance	0	0	-0.1	-0.3	0	0	0	-0.1
II-EXTERNAL FINANCING	**-47.3**	**17.5**	**6**	**12**	**3.2**	**42.1**	**-38.2**	**-41.9**
1-Non-banking private sector	**-47.3**	**17.5**	**6**	**12**	**3.2**	**42.1**	**49.2**	**14**
Foreign Direct Investments (FDI)	-47.7	15.8	17.9	4.4	3.3	42.1	34.3	15.5
Portfolio Investments (PFI)	0	0	0	0	0	0	-0.1	0
Net drawings (excluding FDI and PFI)	0.4	1.7	-11.9	7.7	0	0	15	-1.4
2-Deposit money banks	**0**	**0**	**0**	**0**	**0**	**0**	**-87.3**	**-55.9**
III-OVERALL BALANCE	**-881.4**	**-781.5**	**116.9**	**96.8**	**-168.4**	**-91.5**	**-72.3**	**-67.4**

Source: MINFI/DEA * “Trade, catering and hotels” branch

6.1.4 Bilateral balances of payments

Bilateral balances of payments show the capacity of an economy to earn foreign currencies in transactions with its partner countries. In 2015, Cameroon's balance of payments showed a deficit with Nigeria (-344.3 billion), France (-100.4 billion) and China (-150.2 billion). Surpluses were recorded with the European Union (+737.1 billion), CEMAC (+653.3 billion) and the United States (74.1 billion).

Table 47: Balance of payments with Nigeria, France and China (in billions)

ITEM	NIGERIA		FRANCE		CHINA	
YEAR	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
I- CURRENT BALANCE	**-546.9**	**-345.5**	**-323.3**	**-239.3**	**-360.1**	**-421.5**
1- Balance of goods	-544.9	-350.2	-229.5	-203.5	-216.4	-311.4
2- Balance of services	0.7	5.1	-130.6	-83.4	-116.9	-83.2
3- Balance of revenue	0.4	-0.3	-35.7	-28.5	-27.4	-27
4- Current transfers balance	-3.1	-0.1	72.5	76.1	0.6	0.1
II- EXTERNAL FINANCING	**-23.8**	**1.2**	**128**	**138.9**	**344.6**	**271.3**
1- Non-banking private sector	**-9**	**1.5**	**74.1**	**24.2**	**4.8**	**66.1**
Foreign Direct Investments (FDI)	0	0.2	87.5	14.2	0.8	65.5
Portfolio Investments (PFI)	0	0	0	-0.1	0	0
Net drawings (excluding FDI and PFI)	-9	1.3	-13.4	10	4	0.6
2- Government services	**0**	**0**	**64.4**	**111.7**	**339.8**	**205.2**
Project grants (including C2D)	0	0	40.7	0.5	1.5	1.5
Net drawings on bonded loan	0	0	0	0	0	0
Net drawings (excluding Treasury bonds)	0	0	23.7	111.2	338.3	203.7
3- Deposit money banks	-14.8	-0.3	-10.5	3.0	0	0
IV- OVERALL BALANCE	**-570.7**	**-344.3**	**-195.3**	**-100.4**	**-15.5**	**-150.2**

Source: MINFI/DEA

6.1.4.1 Nigeria

In 2015, the overall balance deficit dropped to 344.3 billion compared to 570.7 billion a year earlier. This was due to a 201.4 billion current account deficit decrease in connection with the balance of goods. The 194.7 billion decline in the goods deficit is explained by a reduction of crude oil import costs, following the fall in world prices. The "services" surplus increased to 5.1 billion. "Income" and "transfers" recorded deficits of 300 million and 100 million respectively. External financing amounted to a net inflow of 1.2 billion, as against a net outflow of 23.8 billion in 2014.

6.1.4.2 France

In 2015, the overall deficit dropped to 100.4 billion, compared to 195.3 billion in 2014, due to a reduction in the current account deficit and an increase in financing. This deficit was mainly generated by the current account, with a negative balance of 239.3 billion. The current account deficit resulted from transactions on "goods" (-203.5 billion) "services" (-83.4 billion) and "income" (-28.5 billion). The surplus in current transfers increased by 3.6 billion and stood at 76.1 billion. External financing is positive at 138.9 billion in connection with debts contracted by government services.

6.1.4.3 China

In 2015, Cameroon's overall balance with China recorded a deficit of 150.2 billion, worse than the 15.5 billion deficit recorded in 2014. This reflects a 61.4 billion increase in the current account deficit, and a 73.3 billion reduction in financial flows. The current account deficit was generated by "goods" (-311.4 billion), "services" (-83.2 billion) and "income" (-27 billion). External financing decreased by 73.3 billion and amounted to 271.3 billion.

Table 48: Balance of payments with the United States, CEMAC, the European Union and other countries (in billions)

ITEM	USA		CEMAC		EU		OTHER COUNTRIES	
YEAR	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
I- CURRENT BALANCE	**-155.5**	**-125.2**	**694.4**	**617.2**	**321**	**224.9**	**-8.3**	**-404.5**
1- Balance of goods	-30.3	-65.5	381.2	397.7	404.1	251.2	417.9	61.7
2- Balance of services	-17.8	-19	299.6	205.5	-171.3	-121.7	-345.3	-306.2
3- Balance of revenue	-124.2	-49.9	-4.3	-8.4	-47.4	-36.4	-153.8	-107.7
4- Current transfers balance	16.8	9.3	17.8	22.4	135.5	131.8	72.8	-52.2
II- EXTERNAL FINANCING	**41.1**	**199.3**	**50**	**36.1**	**203**	**512.2**	**239.7**	**67.4**
1- Non-banking private sector	**40.5**	**42.2**	**86.2**	**30.4**	**86.1**	**34.4**	**136.7**	**164.2**
Foreign Direct Investments (FDI)	41.9	42.6	69.8	17.8	91.7	22	164.2	215.2
Portfolio Investments (PFI)	0.0	-0.3	-0.1	0	0	-0.1	-0.1	-25.5
Net drawings (excluding FDI and PFI)	-1.4	-0.1	16.5	12.7	-5.6	12.5	-27.4	-27.4
2- Government services	**0**	**156**	**-10.5**	**-10.5**	**114.9**	**472.9**	**141.1**	**-31.3**
Project grants (including C2D)	0	0	0	0	40.7	0.5	12.8	55.7
Net drawings on bonded loan	0	135	-10.5	-10.5	0	315	0	2.9
Net drawings (excluding treasury bonds)	0	21	0	0	74.2	157.4	128.4	-89.9
3- Deposit money banks	0.6	1.1	**-25.7**	16.2	2	4.9	**-38.1**	-65.5
III- ERRORS AND OMISSIONS	**0**	**0**	**0**	**0**	**0**	**0**	**-51.1**	**-2.4**
IV- OVERALL BALANCE	**-114.4**	**74.1**	**744.4**	**653.3**	**524**	**737.1**	**180.4**	**-386.6**

Source: MINFI/DEA

6.1.4.4 United States

In 2015, Cameroon’s overall balance with the United States showed a surplus of 74.1 billion, compared to a deficit of 114.4 billion in 2014. This improvement was due to the financing raised through the Eurobond. The current account deficit narrowed from 155.5 to 125.2 billion. This reduction resulted from a decrease in the "income" deficit induced by lower profits in the oil industry. The balance of transfers recorded a surplus of 9.3 billion, compared to 16.8 billion in 2014, while services balance deficit widened by 1.2 billion. External financing recorded a surplus of 199.3 billion, up by 158.2 billion compared to 2014.

6.1.4.5 CEMAC

In 2015, Cameroon’s overall balance surplus with CEMAC stood at 653.3 billion, down by 91.1 billion compared to 2014. This resulted from a decline in the current account surplus from 694.4 billion to 617, 2 billion. The current account surplus was generated by "goods" (+397.7 billion), "services" (+205.5 billion) and "current transfers" (+22.4 billion).

External financing recorded net inflows of 36.1 billion, compared to 50 billion in 2014. They consist of a net inflow of 30.4 billion for the non-bank private sector, a net outflow of 10.5 billion for the public sector and a net inflow of 16.2 billion for the banking sector.

6.1.4.6 European Union

In 2015, the overall balance with the EU recorded a surplus of 737.1 billion, up from the 524 billion a year earlier. This trend was primarily driven by increased external funding obtained through the Eurobond.

The current account surplus decreased and stood at 224.9 billion, compared to 321 billion in 2014. "Goods" and "transfers" recorded surpluses of 251.2 billion and 131.8 billion respectively. Conversely, "services" and "income" recorded respective deficits of 121.7 billion and 36.4 billion. External financing showed a net inflow of 512.2 billion.

6.1.5 Monthly balance of payments for the first half of 2016

The monthly balance of payments covers all settlements made during the month as part of economic, financial and monetary transactions with the outside world. Its trend over the first six months of 2016 helps in determining the early trends of the balance of payments for the whole year.

Table 49: Monthly balance of payments for the first half of 2016 (in billions)

ITEM	JAN.	FEB.	MAR.	APR.	MAY	JUN.	Jan.-Jun. 2016	Jan.-June 2015
I- CURRENT ACCOUNT	**11.3**	**-19.4**	**-24.9**	**35.8**	**-9.6**	**-49.2**	**-56**	**-358.2**
1- Balance of goods	42.9	-2.6	21.5	24.9	11.4	-9.9	88.3	-61.7
2- Balance of services	-27	-3.4	-52.9	23.2	-31.7	-21.5	-113.2	-344.5
3- Balance of revenue	-10.8	-20.2	1.7	-19.3	-0.4	-24	-72.9	-1.7
4- Current transfers balance	6.1	6.8	4.8	7	11	6.1	41.8	49.6
II- EXTERNAL FINANCING	**-6.4**	**47.1**	**98.2**	**-51.4**	**94.3**	**19.6**	**201.5**	**193.1**
1- Non-banking private sector	**21.6**	**18.1**	**48**	**-30.8**	**14.5**	**11.6**	**83**	**85.9**
Foreign Direct Investments (FDIs)	6.8	5.6	3.1	4.3	2	2.8	24.5	24
Portfolio Investments (PFI)	-0.7	-0.7	32.3	-51.4	-1.3	1	-20.9	0
Net drawings (excluding FDI and PFI)	15.6	13.3	12.6	16.4	13.8	7.8	79.4	61.8
2-Government services	**-9.3**	**47.6**	**36.1**	**47.6**	**21**	**41**	**184**	**120.1**
Project grants (including C2D)	0	0	0	0	0	14.6	14.6	0
Net drawings on bonded loan	0	0	0	0	0	0	0	0
Net drawings (excluding bonds)	-9.3	47.6	36.1	47.6	21	26.4	169.4	120.1
3- Deposit money banks	**-18.6**	**-18.6**	**14.1**	**-68.2**	**58.9**	**-33.1**	**-65.6**	**-12.8**
III- ERRORS AND OMISSIONS	**-100.9**	**-123.7**	**-176.6**	**-22.5**	**-127.6**	**-39.8**	**-591.2**	**112.4**
IV- OVERALL BALANCE	**-96**	**-96**	**-103.3**	**-38.1**	**-42.9**	**-69.5**	**-445.8**	**-147**
V- OVERALL BALANCE FINANCING	**-47.6**	**-47.6**	**-47.6**	**-47.6**	**-47.6**	**-47.6**	**-47.6**	**147**

Source: MINFI/DEA * refers to aggregate numbers not broken down

From January to June 2016, the cumulative current account deficit amounted to 56 billion, down by 302.2 billion compared to the same period in 2015. This trend is a result of the balance of services deficit, which reduced to 113.2 billion, and the income balance deficit which amounted to 72.9 billion. The goods balance recorded an 88.3 billion surplus and the current transfers surplus decreased by 7.4 billion to stand at 41.8 billion.

External financing recorded a surplus of 201.5 billion as against 193.1 billion over the same period in 2015. They remained largely driven by net drawings excluding treasury bonds, which amounted to 169.4 billion. The financial operations of the non-bank private sector amounted to a net inflow of 83 billion as against 85.9 billion over the same period in 2015, while those of the banking sector amounted to a net outflow of 65.6 billion, up by 52.8 billion year-on-year. It follows that for its various payment transactions with the outside world, Cameroon recorded an overall balance deficit of 445.8 billion.

Table 50: Balance of payments from 2011 to 2018 (in billions)

ITEM	2011	2012	2013	2014	2015	2016*	2017**	2018**
I- CURRENT BALANCE (including Government transfers)	**-353.1**	**-488.1**	**-557.2**	**-692.2**	**-693,9**	**-826,7**	**-1131**	**-1162**
CURRENT BALANCE (excluding Government transfers)	**-414.7**	**-531.9**	**-602.6**	**-746.7**	**-736,5**	**-784**	**-874,4**	**-1333**
1- Balance of Goods	**-273.5**	**-139.9**	**-97.5**	**-221.9**	**-220**	**-127,0**	**-125**	**-628**
FOB goods exports	**2667**	**2939.2**	**3003.7**	**3244.5**	**3085,6**	**3070,8**	**3150**	**3795**
including FOB Customs exports	2134	2182.1	2230.7	2557.86	2262,6	2370,8	2430	2835
FOB goods imports	**-2941**	**-3079**	**-3101**	**-3466.4**	**-3305,6**	**-3197,8**	**-3275**	**-4422**
including CIF Customs imports	-3210	-3325	-3285	-3747.3	-3575	-3467,8	-3480	-4964
2- Balance of Services	**-58.2**	**-255.5**	**-306.2**	**-310.2**	**-403**	**-389,7**	**-388,7**	**-377**
Transport	**-161**	**-189.1**	**-213**	**-213.7**	**-261**	**-266,3**	**-256,5**	**-261**
- Passenger	-37.3	-62.6	-75	-82.3	-87,4	-102,4	-107,4	-115
Revenue	6.5	14.1	15.5	16.8	15.5	15.5	15.5	15.5
Expenditure	-43.8	-76.7	-90.5	-99.1	-102.9	-117.9	-122.9	-130
- Freight	-146.5	-156.9	-170.3	-164.9	-208.5	-199.7	-189.9	-191
Revenue	215.5	219.6	222.4	239.3	212,2	225.6	305.6	355.9
Expenditure	-361.9	-376.5	-392.7	-404.2	-420.6	-425.3	-495.5	-547
- Other transport	50.9	50.3	32.3	33.5	34.8	35.8	40.8	44.7
Revenue	36.9	40.4	42.6	44.9	47.2	49.5	55	61.2
Expenditure	14	9.9	-10.3	-11.4	-12.4	-13.7	-14.2	-16.5
Insurance	**-41.2**	**-34.7**	**-28.8**	**-34.0**	**-42.2**	**-45.2**	**-48.8**	**-51.8**
Revenue	17.5	26.6	34.6	35.4	31.1	33.7	36.2	40
Expenditure	-58.7	-61.3	-63.4	-69.4	-73.3	-78.9	-85	-91.8
Travel	**-56.5**	**-85.8**	**-18**	**-17.0**	**-70**	**-65.7**	**-73**	**-55**
Revenue	193	178.4	284.6	294.4	266.1	299.6	338.9	387.9
Expenditure	-249.5	-264.2	-302.6	-311.4	-336.1	-365.3	-411.9	-443
Other services	**200.5**	**54.1**	**-46.4**	**-45.5**	**-29.8**	**-12.5**	**-10.4**	**-9.3**
Revenue	407.5	352.1	361.7	372.1	324.5	360.2	394.1	440
Expenditure	207	298	-408.1	-417.6	-354.3	-372.7	-404.5	-449
including technical assistance and other services to enterprises	117	6.2	-80	-79.0	-35.6	-38.3	-58.4	-66
Revenue	296	197.5	199.8	205.1	154.6	164.5	175	184
Expenditure	-179	-191.2	-279.7	-284.1	-190.2	-202.8	-233.4	-250
3- Revenue Balance	**-143**	**-227.1**	**-303.9**	**-337.5**	**-258.3**	**-429.4**	**-531.4**	**-505**
Revenue	**77**	**105**	**82.9**	**80.3**	**107.8**	**113.2**	**118.8**	**124.8**
Expenditure	**-219.9**	**-332.1**	**-386.7**	**-417.8**	**-366.1**	**-542.6**	**-650.2**	**-630**
Salaries	-17.5	-15.4	-17.9	-18.0	-19.9	-20.7	-22.5	-23.7
Direct Investments	-133	-257	-320	-326.3	-243.3	-250.9	-352.7	-325
Portfolio Investments	-24.6	-16.8	-10.6	-11.9	-12.4	-14	-15	-16
Other Investments	-44.7	-42.9	-38.3	-61.6	-90.5	-257	-260	-265
including interest on external public debt	-30.6	-38	-47.4	-59.5	-51.4	-212.3	-214	-220
4- Current Transfers	**121.6**	**134.4**	**150.4**	**177.4**	**187.4**	**209.1**	**218.4**	**227.9**
Private	**60**	**90.6**	**105**	**123.0**	**144.8**	**162.1**	**170.7**	**176.6**
Incoming	177.8	204.3	218.7	253.4	278.9	299.8	315	323.4
Outgoing	-117.8	-113.7	-113.7	-130.5	-134.1	-137.7	-144.3	-147
Public	**61.6**	**43.8**	**45.4**	**54.5**	**42.6**	**47**	**47.7**	**51.3**
Incoming	78.1	54.2	55	63.0	68.2	74.6	77.4	83.4
Outgoing	-16.5	-10.3	-9.5	-8.5	-25.6	-27.6	-29.7	-32.1
II- CAPITAL & FIN. TRANSACTIONS ACCT.	**235.2**	**617.3**	**586.2**	**763.6**	**1226.4**	**1515**	**1190**	**938.5**
1- Capital Account	**61.5**	**59.8**	**48.1**	**47.1**	**60**	**145**	**57.4**	**50.1**
Government services	60.2	56	46.3	45.3	58.2	143.2	55.6	48.3
including such grants as (HIPC, C2D, MDRI)	60.2	56	46.3	45.3	24.2	40.4	55.6	48.3
Other sectors	1.3	3.7	**1.8**	1.8	1.8	1.8	1.8	1.8
2- Financial transactions account	**173.7**	**557.6**	**538.1**	**716.5**	**1166.4**	**1370**	**1132**	**888.4**
Direct Investments	**219.7**	**413.4**	**348.2**	**364.2**	**377.5**	**395.7**	**388.4**	**398.5**
Incoming	167.7	377.4	280.2	359.2	371.1	388.8	381.2	390.9
Outgoing	52	36	67.9	5.0	6.4	6.9	7.2	7.6
Portfolio Investments	**-26.8**	**-0.8**	**-34.5**	**-31.5**	**416.5**	**261.5**	**-40.5**	**-42.5**
Assets (drop +)	-26.3	9.8	-24.3	-21.0	-13,5	-20.5	-21.6	-22.7
Commitments (drop-)	-0.5	-10.5	-10.2	-10.5	430	282	-18.9	-19.8
Other Investments	**-19.2**	**144.9**	**224.4**	**383.8**	**372.1**	**713**	**784.2**	**532.4**

ITEM	2011	2012	2013	2014	2015	2016*	2017**	2018**
Government services	**98.3**	**180.3**	**475**	**484.0**	**403.4**	**570.3**	**646.5**	**376.8**
including commitments	**98.3**	**180.2**	**475**	**484.0**	**403.4**	**570.3**	**646.5**	**376.8**
- Drawings	155.8	244.6	532.3	554.5	486	693	752.8	633.9
- Depreciation	-57.5	-64.3	-57.3	-70.5	-82.6	-122.7	-106.3	-257
Banks and financial institutions	**70.1**	**132.5**	**-137.2**	**-67.7**	**-40.6**	**105.4**	**112.7**	**117.2**
Assets (drop +)	**-21.3**	**142.7**	**-149.3**	**-24.4**	**-71.9**	**66.6**	**78.3**	**79.2**
- Deposits	-111.1	140.3	-28.1	21.8	15.1	45.7	55.9	60.3
- Other assets	89.8	2.4	-121.2	-46.1	-87	20.9	22.4	18.9
Commitments (drop-)	**91.4**	**-10.2**	**12.1**	**-43.4**	**31.3**	**38.8**	**34.4**	**38**
-Deposits	91.6	-17	10.8	-45.9	-7.2	38.8	31.1	32.9
-Other commitments	-0.2	6.8	1.3	2.5	38.5	0	3.3	5.1
Non-bank private sector	**-187.6**	**-167.8**	**-113.4**	**-32.5**	**9.6**	**37.3**	**25**	**38.4**
Assets (drop +)	5	-89	43.3	-1.5	-35.7	-53.4	-55	-45.9
Commitments(drop -)	-192.6	-78.8	-156.6	-31.0	45.3	90.7	80	84.3
III- ERRORS AND OMISSIONS	**-45.6**	**-81.6**	**-73**	**-42.5**	**-49.5**	**0**	**0**	**0**
IV- OVERALL BALANCE	**-163.5**	**47.6**	**-43.9**	**28.9**	**483**	**778.3**	**362.8**	**-343**
V- FINANCING	**163.5**	**-47.6**	**43.9**	**43.9**	**-483**	**-778.3**	**-362.8**	**342.7**
1- Official Reserves Variations (drop +)	**164.1**	**-47,6**	**43.9**	**43.9**	**-483**	**-783**	**-362.8**	**342.7**
IMF (net)	1.3	-2,7	-5,2	2,6				
Transactions account (net)	21.5	-44,1	394,2	171,3				
2- Special financing	**-0.6**	**0**	**0**	**0.0**	**0**	**0**	**0**	**0**

Source: MINFI/DEA *Estimates, **Projections

6.2 External trade

In 2015, world trade recorded sluggish growth (+1.6%), hampered by continuing low levels of imports by emerging countries, particularly those in Asia.

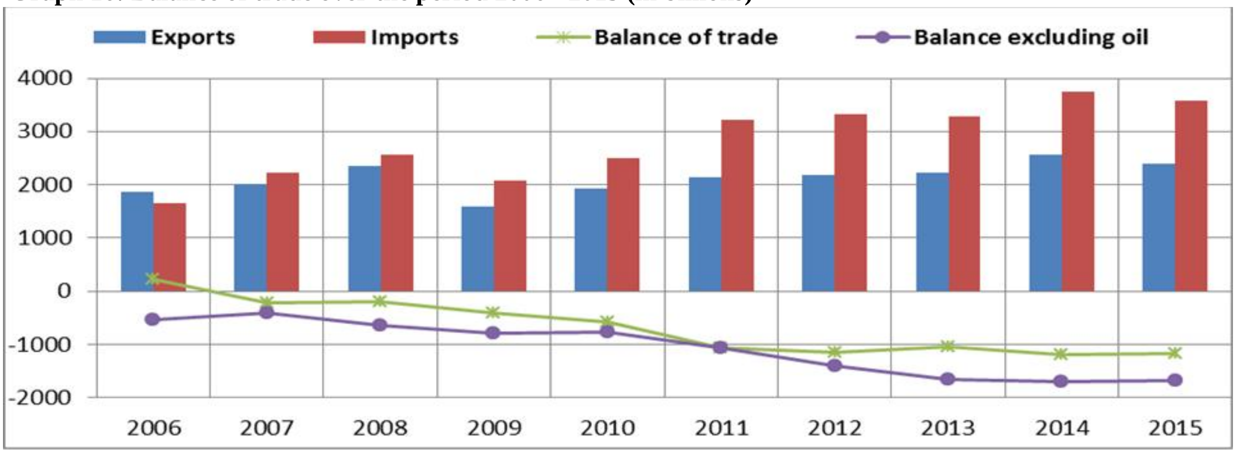
The situation of Cameroon's trade transactions was influenced by falling prices of oil and other commodities on the international market. Trade with the outside world thus contracted by 5.2% compared to 2014 and amounted to 5 975.4 billion. The level of openness dropped by 2.1 points and stood at 17.8%.

In the first seven months of 2016 compared to the same period in 2015, the drop in trade is sharper (-22.5%), in connection with the fall in crude oil trade.

6.2.1-Balance of trade

In 2015, the balance of trade deficit reduced by 12.5 billion compared to 2014 and stood at 1 174.9 billion. It stems from a larger decrease in imports (-170.2 billion) compared to exports (-157.7 billion). The coverage rate dropped from 68.3% in 2014 to 67.1%.

Graph 16: Balance of trade over the period 2006 - 2015 (in billions)



Source: MINFI/DEA

Non-oil deficit decreased by 22.5 billion and amounted to 1680.3 billion. This change reflects a sharper increase in exports than in imports. The coverage rate of imports by exports improved by 2.2 points, to stand at 46.1%.

In the first seven months of 2016, the deficit fell by 301.8 billion year-on-year and amounted to 490.4 billion. The coverage rate improved by 6.4 points and totalled 68.6%.

The non-oil deficit shrank by 262.8 billion to stand at 812.4 billion, resulting from a larger decline in imports compared to exports. The coverage rate increased by 4.7 points and stood at 45.7%.

Table 51: External trade (in billions)

Item	2014	2015	Jan.-Jul. 2015	Jan.-Jul. 2016	Variations	
	(a)	(b)	(c)	(d)	(b)/(a)	(d/c)
Exports	2 557,9	2 400,2	1 301,4	1 069,9	-6,2%	-17,8%
Crude oil	1 223,7	962,1	552,7	385,3	-21,4%	-30,3%
Excluding oil	1 334,2	1 438,1	748,7	684,7	7,8%	-8,6%
Imports	3 745,3	3 575,1	2 093,6	1 560,3	-4,5%	-25,5%
Crude oil	708,3	456,8	269,7	63,2	-35,5%	-76,6%
Excluding oil	3 037,0	3 118,4	1 824,0	1 497,1	2,7%	-17,9%
Balance of trade	-1 187,4	-1 174,9	-792,2	-490,4	12,5	301,8
Non-oil balance	-1 702,8	-1 680,3	-1 075,2	-812,4	22,5	262,8
Coverage rate (%)	68,3	67,1	62,2	68,6	-1,2	6,4
Coverage rate excluding oil (%)	43,9	46,1	41,0	45,7	2,2	4,7

Sources: MINFI/DGD, DEA

6.2.2-Trade trends

In 2015, the structure of Cameroon's trade in goods remained stable compared to 2014. Crude oil remained the dominant product despite a reduction in its trade share in value (23.7% as against 30.7% in 2014).

6.2.2.1- Exports

In 2015, exports decreased in value by 6.2% compared to 2014 and amounted to 2400.2 billion. This trend is attributable to a 21.4% decline in crude oil sales and 35.2% decline in fuels and lubricants sales. Non-oil export revenues rose by 7.8%, mainly owing to the sale of raw cocoa beans (+62.7%), timber and timber products (+14.4%) and raw cotton (+23.3%).

Table 52: Cameroon's exports (Q = quantity in thousands of tonnes, V = value in billions)

Item	2014		2015		Jan.-Jul. 2015 (a)		Jan.-Jul. 2016 (b)		Variations (en %) 2015/2014		Variations (en %) (b/a)	
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
Banana	265.3	38.2	283.4	37.3	167.5	22.1	168.3	22.1	*6.8*	**-2.3**	*0.5*	0.3
Coffee	31.2	31.7	33.3	31.4	21.6	20.6	24.0	20.1	*6.8*	**-0.8**	*10.9*	-2.6
including Robusta Coffee	28.7	27.2	31.2	28.0	20.0	18.0	22.7	18.2	*8.6*	**3.0**	*13.6*	1.1
Palm Oil	2.5	2.3	2.3	2.1	1.6	1.5	0.8	0.7	*-7.6*	**-10.3**	*-49.6*	-50.7
Sugar confectionery, not containing cocoa	2.4	3.5	3.3	4.5	1.9	2.7	2.6	3.3	*34.9*	**30.2**	*39.7*	24.5
Raw Cocoa beans	192.6	279.3	265.3	454.3	106.6	169.4	86.4	144.5	*37.7*	**62.7**	*-19.0*	-14.7
Cocoa Paste	17.4	31.5	15.1	31.3	8.2	16.7	9.6	22.1	*-13.0*	**-0.7**	*17.0*	32.8
Cocoa Butter	10.1	17.4	9.7	19.9	5.6	11.3	5.9	13.5	*-3.3*	**14.5**	*4.9*	19.6
Preparations for soups and broths	6.4	8.7	3.8	5.7	2.6	3.8	2.0	3.1	*-40.5*	**-35.0**	*-23.8*	-17.3
Crude Petroleum Oils	3 837.7	1 223.7	4 402.9	962.1	2 383.4	552.7	2 598.8	385.3	*14.7*	**-21.4**	*9.0*	-30.3
Fuels and Lubricants	409.4	159.1	388.5	103.2	179.7	52.6	224.2	39.9	*-5.1*	**-35.2**	*24.8*	-24.1
Aluminium oxide other than artificial corundum	126.5	19.3	118.7	24.5	88.0	17.9	49.5	9.4	*-6.2*	**27.0**	*-43.7*	-47.4
Bar soap	45.6	26.7	43.6	25.4	24.4	14.4	24.3	14.1	*-4.5*	**-4.7**	*-0.1*	-2.2
Raw Rubber	57.2	45.5	48.9	36.1	27.2	21.3	22.8	15.2	*-14.4*	**-20.6**	*-16.2*	-28.7
Timber and Timber Products	1 195.3	254.9	1 361.3	291.6	823.3	170.2	755.1	164.1	*13.9*	**14.4**	*-8.3*	-3.6

Item	2014		2015		Jan.-Jul. 2015 (a)		Jan.-Jul. 2016 (b)		Variations (en %) 2015/2014		Variations (en %) (b/a)	
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
Raw Timber (logs)*	0.8	87.6	0.9	103.5	0.6	64.7	0.5	52.5	*13.5*	**18.2**	*-15.9*	-18.9
Sawn Timber*	0.6	149.0	0.6	164.6	0.4	92.2	0.4	97.9	*7.3*	**10.5**	*6.5*	6.2
Wood veneer	19.2	15.9	23.6	19.0	13.5	10.6	15.0	11.6	*22.8*	**18.9**	*11.5*	9
Plywood, veneered panels and similar laminated wood	4.6	2.4	4.7	2.0	2.6	1.2	2.1	1.0	*2.0*	**-14.3**	*-17.2*	-22
Raw Cotton	90.9	79.6	119.1	98.1	86.6	71.6	76.4	66.5	*31.1*	**23.3**	*-11.8*	-7.1
Carboys, bottles and flasks	14.2	5.2	18.1	6.6	8.7	3.2	11.9	4.1	*27.6*	**27.2**	*36.9*	26.1
Non-alloy Iron or Steel Bars	36.8	13.0	41.8	14.8	27.1	9.6	18.9	6.6	*13.5*	**13.6**	*-30.2*	-31.4
Raw Aluminium	84.3	73.3	72.7	76.7	40.8	44.8	25.8	25.8	*-13.8*	**4.7**	*-36.6*	-42.5
Constructions and parts of constructions, in aluminium	4.3	6.1	3.2	5.5	2	3.1	1.0	1.4	*-24.9*	**-9.4**	*-51.1*	-53.7
Total Non-Oil Exports		1334.2		1438.1		748.7		684.7		7.8		-8.6
Grand Total of Exports		2557.9		2400.2		1301.4		1069.9		-6.2		-17.8

Source: MINFI/DGD, DEA; *quantity in million m^3

Crude oil remained the main source of revenue (40.1% of total revenue), followed by raw cocoa beans (18.9%), sawn timber (6.9%), timber logs (4.9%), fuels and lubricants (4.9%), raw cotton (4.1%), raw aluminium (3.2%), banana (1.6%), raw rubber (1.5%), cocoa paste (1.3%) and Robusta coffee (1.2%).

Over the period from January to July 2016, the value of exports stood at 1 069.9 billion, that is, a 17.8% drop compared to the same period in 2015. This trend can be attributed to the fall in world prices of crude oil and other commodities. Excluding oil, the volumes of the main exports reduced. The 14.7% decline in value of cocoa sales was offset by the 32.8% increase in the sale of cocoa paste, which became the eighth export product after fuels and lubricants (3.7%), far ahead of coffees (Robusta and Arabica).

6.2.2.2- Imports

In 2015, imports value fell by 4.5% compared to 2014 and amounted to 3 575.1 billion. This trend can be attributed to a 35.5% decline in crude oil purchases. Non-oil imports grew by 2.7%.

The main imported products are crude petroleum oils (12.8% of imports), machinery and mechanical appliances (8.7%), cereals (8% including 5.1% for rice), motor vehicles (6.7%), electrical machines and appliances (6.4%), fuels and lubricants (6%).

Over the period from January to July 2016 and year-on-year, the value of imports decreased by 25.5% and amounted to 1 560.3 billion, due to a 76.6% fall in crude oil purchases. Import of major product subgroups decreased; in particular, rice imports decreased by 32.7%.

Table 53: Import trends (Q = quantity in thousands of tonnes, V = value in billions)

Items	2014		2015		Jan.-Jul. 2015		Jan.-Jul. 2016		Variation (%) 2015/2014		Variation (%) Jan.-Jul.	
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
Animals and animal products	225.8	180.9	244.7	203.9	152.5	126	162.3	126.9	8.4	12.7	6.4	0.7
Frozen sea fish	205.7	145.1	220.4	166.4	137.5	103.4	151.5	111.1	7.2	14.7	10.2	7.5
Plant products	1 294.5	288.5	1 463.1	337.6	797.3	191.6	777.6	159.3	13	17	-2.5	-16.9
Cereals	1 176.7	241.7	1 339.3	287.4	727.9	162.8	699.1	129.4	13.8	18.9	-4	-20.5
Rice	591	140	707.2	181.1	394.9	104.5	302.9	70.4	19.7	29.4	-23.3	-32.7
Industrial food products	244.3	154.7	274.7	169.5	147.2	97.5	130.8	80.2	12.5	9.6	-11.2	-17.7
Mineral products	4 854.6	1 167.5	4 618.9	840.7	2 545.2	510.6	1 645.4	220.8	-4.9	-28	-35.4	-56.8
Clinkers	875.9	45.8	1 341	62.9	788.2	37.8	757.6	32.5	53.1	37.3	-3.9	-14.1
Hydrocarbons	2 446.6	1 049.4	2 177.8	723.3	1 344.2	450.7	674.6	177.4	-11	-31.1	-49.8	-60.6
Crude petroleum oils	1 711.8	708.3	1 464.6	456.8	867.8	269.7	303.1	63.2	-14.4	-35.5	-65.1	-76.6
Fuels and lubricants	559.4	273	555.7	215.5	385.3	151.5	223.7	78.8	-0.7	-21.1	-42	-48
Chemical industry products	527.5	353.3	610.5	411	388.1	247.6	312.7	208	15.7	16.3	-19.4	-16

Items	2014		2015		Jan.-Jul. 2015		Jan.-Jul. 2016		Variation (%)			
									2015/2014		Jan.-Jul.	
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V
Fertilizers	150.9	32	176.6	40.6	111.4	26.3	110.1	22	17	27.1	-1.2	-16.7
Plastic and rubber products	115.4	139.3	125.5	153.5	81.1	94.6	67	74.9	8.7	10.2	-17.4	-20.8
Textile and its products	104.2	77.2	131.7	117.9	72.8	60.3	66.1	50.8	26.4	52.8	-9.3	-15.8
Second-hand goods	76.4	38.6	87.9	43.9	49.5	24.6	45.8	23	15.1	13.6	-7.4	-6.7
Base metals and products thereof	287.9	226.9	341	256.3	182.3	143.5	177.2	133.3	18.5	12.9	-2.8	-7.1
Iron and steel articles	84	95.8	68.1	93.9	40.6	55.7	39.7	48.8	-19	-2	-2.4	-12.3
Mechanical or electrical machinery and appliances.	131	605.4	109.8	539.3	61.4	293.9	55	244.9	-16.2	-10.9	-10.5	-16.7
Mechanical machinery and appliances	85	338.8	67.5	311.2	37	161.4	33.8	136.7	-20.6	-8.1	-8.6	-15.3
Electrical machinery and appliances	46	266.6	42.3	228.1	24.4	132.4	21.1	108.2	-8.1	-14.4	-13.5	-18.3
Transport equipment	130.9	295.6	139.9	269.2	82.1	160.3	74.3	122	6.9	-8.9	-9.6	-23.9
Moto vehicles; tractors	116.8	213.7	133.1	239.5	78.3	143.7	72.2	117	13.9	12.1	-7.8	-18.6
Total imports, excluding oil		3 037		3 118.4		1824		1 497.1		2.7		-17.9
Grand Total of Imports		3 745.3		3 575.1		2 093.6		1 560.3		-4.5		-25.5

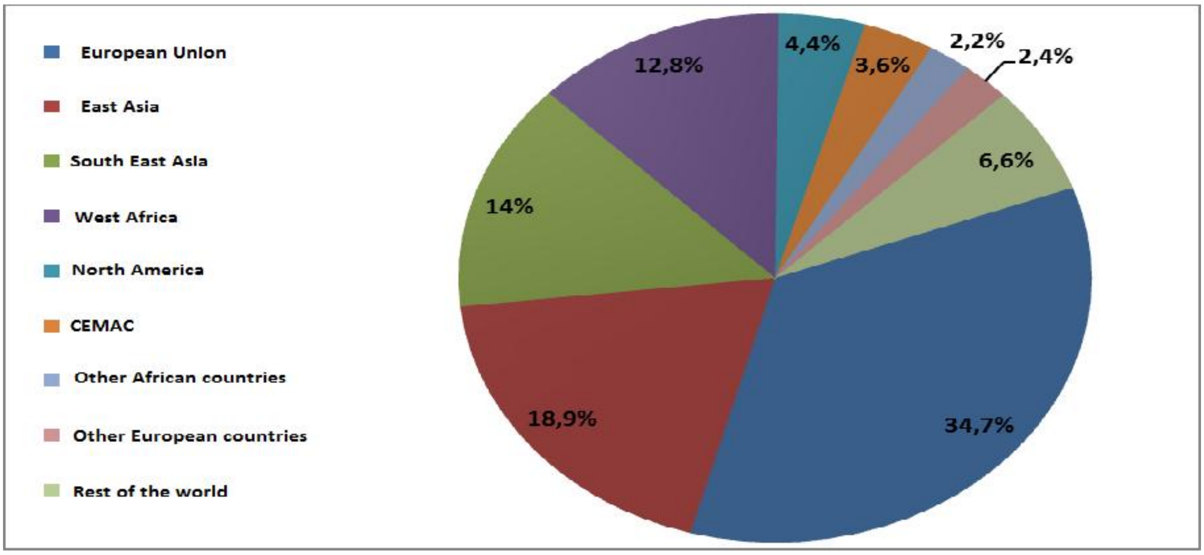
Source: MINFI/DGD, DEA

6.2.3. Geographical orientation of trade

The geographical orientation of Cameroon's trade was marked by a diversification of trading partners, as all regions of the world are represented in the country's external trade structure.

In 2015, the European Union (EU) remained Cameroon's leading trading partner with 34.7% of trade in value as against 36.6% in 2014. It was followed by East Asia (18.9%), Southeast Asia (14%), West Africa (12.8%), North America (4.4%) and CEMAC (3.6%). Trade developed with other countries, including India (+50% of exports and +18% of imports), Canada (+25.5% and +4.8%), Turkey (+2.9% and 17.9%), Russia (+26.1% and +38.9%) and Argentina (+48.1% and +15%). Cameroon's exports to South Africa increased by 16% and its imports from Morocco rose by 59.6%.

Graph 17: Weight of key trade zones in 2015



Source: MINFI/DEA

6.2.3.1- Trade by geographical area

European Union

In 2015, the European Union remained Cameroon's leading trading partner, accounting for 47.3% and 26% of the country's exports and imports respectively. The trade surplus shrunk by one-third and stood at 200.1 billion. This balance of trade trend stemmed from a 307.5 billion decrease in the trade surplus with Spain. Cameroon's external trade performed better with Belgium, the Netherlands and Portugal (increased surpluses) and to a lesser extent with Germany and France (deficit reduction).

The main products exported to this zone are crude petroleum oils, log and sawn timber, cocoa beans and cocoa butter, raw aluminium, aluminium oxide, cotton, rubber, banana and coffee. The main products imported are transportation equipment, electrical and mechanical appliances, wheat, food products, pharmaceuticals, clothing and beverages.

East Asia

In 2015, with 12.6% of exports and 23.2% of imports, East Asia remained Cameroon's second leading trading partner (Cameroon's second supplier and third importer). The trade deficit with this region worsened by 113.2 billion and stood at 526.3 billion, due to a 21% drop in exports combined with a 4.2% increase in imports. This trend was seen through performance with the main partners from the region (China, Japan and South Korea). In this region, trade with China accounted for 99.2% of Cameroon's exports and 83.8% of imports.

Exports to this destination consist mainly of primary products: crude oil, timber logs, rubber, cotton, raw cocoa beans, coffee and aluminium. The countries of this region export a variety of products to Cameroon: rice, palm oil, fish, cement, lubricants, soap, various food products, tyres, paper and cardboard, textiles and clothing, iron and steel articles, medicines, engines.

Southeast Asia

In 2015, trade with Southeast Asia grew by 15.9%. This region became Cameroon's third trading partner with 20.5% of exports and 9.6% of imports. The 31.2 billion trade surplus recorded in 2014 improved by 117.8 billion, following an increase in exports (+31%) and a slight decline in imports. The trade deficit observed in 2014 with Thailand (second partner in the region), worsened by 15.8 billion and stood at 142 billion. India remained Cameroon's leading partner in the region.

The main products exported to Southeast Asia are raw cocoa beans, crude oil, natural rubber, log and sawn timber, raw cotton and aluminium. The main products imported from Southeast Asia are rice, manufactured goods, and capital and intermediate goods.

West Africa

In 2015, West Africa was Cameroon's fourth leading trading partner with 12.8% of trade. Export earnings from this region accounted for 2.9% of the total and export spending for 19.5%. West Africa remained the third largest exporter to Cameroon. The trade deficit with the region narrowed by 178.8 billion and stood at 627.2 billion.

Nigeria was still Cameroon's leading partner with 36.5% of exports and 62.2% of imports, while Côte d'Ivoire came second with 13.7% of exports and 6.8% of imports.

The main products exported to this region are rice, soap, fuels and lubricants, sawn timber, cosmetics, and iron and steel bars. Imports from this region include crude oil, textiles, footwear, transport vehicles and food products.

North America

In 2015, North America became Cameroon's fifth leading trading partner with 69.4 billion of export earnings and 195.8 billion of import expenditures. The trade deficit with this region jumped from 82.6 billion in 2014 to 126.4 billion in 2015. It worsened with the United States, Cameroon's main partner in the region.

Cameroon's exports to North America include fuels and lubricants, cocoa paste, rubber, tobacco, coffee and sawn timber. The main products imported from the region are wheat, used clothing and mechanical and electrical equipment.

CEMAC

In 2015, CEMAC was Cameroon's sixth largest trading partner with 3.6% of trade. The region contributed 6.7% of Cameroon's export earnings and absorbed 1.6% of its import spending. The trade surplus with the region improved by 27.4 billion and stood at 104 billion. This was the result of a more than proportional decline in imports (-35.6%) compared to exports (-2.2%). Chad was Cameroon's leading export destination in the region while Equatorial Guinea was the leading exporter to Cameroon. The external trade situation improved with all the countries of the region.

The main products exported are fuels and lubricants, food products, soap, matches, mineral water, palm oil, iron, steel and fruit juices. The main products imported are crude petroleum oils, live animals, liquefied butanes, sugar and fuels.

Table 54: Trends in goods trade by geo-economic zone (in billions)

Item	Exports		Imports	
	Value 2015	Variations (in %) 2015/2014	Value 2015	Variations (in %) 2015/2014
European Union	**1 135.4**	**-13**	**935.3**	**-6.6**
Other European countries	**48.3**	**40.2**	**96.4**	**11**
Turkey	12.2	3.2	57.6	17.9
East Asia	**302**	**-21**	**828.3**	**4.2**
China	299.7	-20.3	694.4	3.2
Southeast Asia	**492.3**	**30.9**	**343.3**	**-0.4**
India	374.7	50	129	18
Thailand	2.8	-64.7	144.7	8
North America	**69.4**	**-16.4**	**195.8**	**18.3**
United States of America	49.1	-40.1	133.5	2.2
South and Central America	**1.8**	**-3**	**99.7**	**7.8**
CEMAC	**159.8**	**-2.2**	**55.8**	**-35.6**
Republic of Congo	29.8	-3.7	11.1	-53.6
Gabon	30.9	10.4	0.6	42.3
Equatorial Guinea	16.4	-44.9	43.9	-29.5
Chad	66.8	13.3	0.2	-1.5
West Africa	**68.8**	**-45.2**	**696**	**-25.3**
Nigeria	25.1	-52.8	433.2	-35.3
North Africa	**10**	**70.1**	**82.8**	**28.3**
Morocco	**1.4**	-49.2	10.7	59.6
Other African countries	**54.9**	**54.6**	**77.6**	**25.4**
South Africa	27.8	1 485.6	61.4	20.1
Democratic Republic of the Congo	24	-11.2	0	-99.3

Source: MINFI/DEA

6.2.3.2- Major bilateral partners

In 2015 like in 2014, China remained Cameroon's leading partner, accounting for 16.6% of its external trade, while India, the fifth partner in 2014, became the second. This was followed by France, Nigeria, the Netherlands, Spain and Italy, in that order. Belgium (11th in 2014) and Portugal (17th) joined the group of Cameroon's ten major partners.

6.2.3.3- Major customers

In 2015, the Netherlands were Cameroon's leading customer, accounting for 16.3% of its exports. It was followed by India (15.6%) and China (12.5%). France remained sixth. Portugal, Belgium and Chad improved on their positions. Conversely, the United States went out of the list of Cameroon's ten major customers.

Table 55: Cameroon's major bilateral customers

	2014		2015	
	Share in exports (%)	**Position**	**Share in exports (%)**	**Position**
The Netherlands	10.6	3	16.3	**1**
India	9.9	4	15.6	**2**
China	15	2	12.5	**3**
Portugal	2.3	11	7.1	**4**
Spain	17	1	5.2	**5**
France	4.5	6	5.1	**6**
Belgium	2.9	9	4.8	**7**
Italy	9.3	5	4.6	**8**
Chad	2.3	10	2.8	**9**
Great Britain	4.3	7	2.4	**10**

Source: MINFI/DEA

6.2.3.4- Major suppliers

In 2015, China was Cameroon's leading supplier, accounting for 19.4% of imports. Nigeria (2nd) and France (3rd) maintained their positions. Italy (13th in 2014) joined the group of Cameroon's ten major suppliers.

Table 56: Cameroon's major bilateral suppliers

	2014		2015	
	Share in imports (%)	**Position**	**Share in imports (%)**	**Position**
China	18.0	1	19.4	**1**
Nigeria	17.9	2	12.1	**2**
France	10.2	3	10.3	**3**
Thailand	2.9	4	4.0	**4**
United States of America	3.5	5	3.7	**5**
India	2.9	7	3.6	**6**
Germany	3.4	6	3.6	**7**
Japan	2.19	8	2.6	**8**
Spain	2.16	10	2.4	**9**
Italy	1.8	13	2.1	**10**

Source: MINFI/DEA

CHAPTER 7: SOCIAL SECTORS

Government's social policy mainly seeks to improve the living conditions of population, and train and develop human capacity. Actions were carried out towards: (i) achieving universal education and enhancing professionalization; (ii) improving the health of the population; (iii) promoting gender equality and empowering women; (iv) the social protection of young children and marginalized people; and (v) youth, employment and low-cost housing promotion. To that end, 954.5 billion (22.5% of the State budget) was allocated to social sectors in 2016, up by 25.1% compared to 2015.

7.1 Education

The year 2016 marked the beginning of implementation of the seventeen Sustainable Development Goals (SDGs) set by United Nations. Goal Four on education seeks to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". The education sector strategic objective is to contribute to human capital development through training tailored to labour market needs and the economic, social, cultural and technological context. The budget allocated to this sector represented 11.8% of the State budget, that is, 499.9 billion.

7.1.1 Nursery and Primary Education

The main objectives of basic education included: (i) pre-school development; (ii) achieving universal primary education; (iii) literacy; and (iv) improving staff working environment and living conditions. The sum of 206.2 billion was earmarked for basic education in 2016, up by 9.3% compared to 2015. A subsidy of 1.9 billion was granted to private nursery and primary schools.

7.1.1.1 Pre-school Development

Actions carried out focused, inter-alia, on: (i) the construction of 30 nursery school blocks and 26 classrooms; (ii) the construction and equipping of 10 community pre-school centres for children aged 3 years to 5 years; (iii) acquisition of 1 440 small tables, 5 040 small chairs and 252 easel boards; (iv) the rehabilitation of 5 nursery schools; (v) financial support to the tune of 853 million to boost formal private initiatives. Gross pre-school enrolment rate increased from 34.8% in 2014/2015 to 35.2% in 2015/2016.

7.1.1.2 Achieving Universal Primary Education

Achieving universal primary education was reflected in efforts at increasing public primary education offer, supporting the education of the girl child and improving quality of education in primary schools.

Public primary education offer was increased through: (i) the construction of 602 classrooms, 81 latrine blocks and 2 walls; (ii) the rehabilitation of 30 public primary schools; (iii) the acquisition of 20 100 school desks, 602 office desks 100 micro-science kits; (iv) the connection of five schools to CDE and ENEO networks. Government used C2D resources to construct 243 classrooms and 116 latrine blocks, and rehabilitate 255 classrooms. Sixteen (16) classrooms were constructed by NGOs.

Support for the education of the girl child received assistance from: (i) the World Food Programme, Counterpart and Plan Cameroon in the North and Far North Regions through the distribution of dry rations and support to school canteens; and (ii) UNICEF, through education incentives and the distribution of school and hygiene kits to vulnerable girls and children, and the training of teachers on hygiene and sanitation, as well as the mobilization and capacity building of associations of school-age teenage mothers.

The quality of education in primary schools was improved through: (i) continued capacity building for teachers and sub-divisional inspectors, as well as pedagogic monitoring; (ii) the provision of financial support for the functioning of public primary schools; (iii) free distribution of textbooks to pupils.

The net national enrolment and completion rates increased respectively from 74% and 75.5% in 2014/2015 to 76% and 76.7% in 2015/2016.

7.1.1.3 Literacy

This was achieved through: (i) functional literacy activities for people aged 15 years and above, through the organization of capacity building workshops for officials of decentralized services; (ii) the construction and equipping of 10 functional literacy centres; (iii) the popularization of the national literacy policy with support from Global Partnership for Education; (iv) the preparation of the national literacy policy implementation plan with support from Global Partnership for Education. Literacy rate rose from 65.7% in 2014/2015 to 66.0% in 2015/2016.

7.1.1.4 Improving Staff Working Environment

The following actions were carried: (i) construction of two blocks 22 buildings to house teachers in retroceded and remote areas; (ii) construction of the Kadey Divisional Delegation and the Figuil Sub-divisional Inspectorate of Basic Education; (iii) continuation of the construction of the Far North, South, West and North West regional delegations.

7.1.1.5 Review of the 2015/2016 School Year

In 2015/2016, nursery education enrolled 541 217 pupils for 26 337 teachers and 16 623 classrooms. In primary education, there were 4 784 480 pupils for 106 630 teachers and 88 215 classrooms.

Table 57: Number of Functional Classrooms and Number of Pupils and Teacher in Nursery and Primary Education

Education		2014/2015			2015/2016*		
		Classrooms	Teachers	Pupils	Classrooms	Teachers	Pupils
Nursery	Public	4 997	10210	191 889	5 073	10 440	199 509
	Private	11 151	14 958	320 723	11 253	15 601	331 217
	EPA/CPC	283	264	9 817	297	296	10 491
	Total	16 431	25 432	522 429	16 623	26 337	541 217
Primary	Public	53 778	67 878	3 311 996	54 370	68 441	3 464 599
	Private	32 694	36 870	978 402	33 305	37 502	1 236 223
	EPA/CEBNF	507	640	79 590	540	687	83 658
	Total	86 979	105 388	4 369 988	88 215	106 630	4 784 480

Source: MINEDUB *interim data, EPA= Adult School; CPC= Community Pre-school Centre; CEBNF=.Non-formal Basic Education Centre

In primary education, the pupil/teacher ratio increased from 41 in 2014/2015 to 45 in 2015/2016, and the pupil/classroom ratio from 50 to 54. In public primary schools, the two ratios dropped by 2 points to stand respectively 51 for pupil/teacher and 64 for pupil/classroom.

Table 58: Pupil-Teacher and Pupil-Classroom Ratios in Nursery and Primary Education

Education		2014/2015		2015/2016*	
		Pupil/Teacher	Pupil/Classroom	Pupil/Teacher	Pupil/Classroom
Nursery	Public	19	38	19	39
	Private	21	29	21	29
	EPA/CPC	37	35	35	35
	Total	21	32	21	33
Primary	Public	49	62	51	64
	Private	30	34	33	37
	EPA/CEBNF	124	157	122	155
	Total	41	50	45	54

Source: MINEDUB *interim data

At the end of the 2015/2016 school year, success rate at the "Certificat d'Etudes Primaires" stood at 73.6%, against 73.2% in 2014/2015. The success rate at the First School Leaving Certificate stood at 90.9%, against 90.3%. The Government recruited 2 051 primary school teachers for the 2016/2017 school year.

7.1.2 Secondary Education

The main objective in secondary education was to develop education by increasing access to secondary education, improving the quality of education and life in schools, intensifying professionalization and optimizing training.

In 2016, the budget allocated to the Ministry of Secondary Education stood to 246.1 billion, down by 2.2% compared to 2015. A subsidy of 600 million was granted to private secondary education. The constant efforts of the Government to enhance professionalization were reflected in the increase in the number of vocational technical schools. This number rose from 623 in 2013/2014 to 670 in 2014/2015. Promoters in private secondary education have a preference for comprehensive schools that comprise two types of secondary education (general and vocational technical). Their number rose from 384 in 2013/2014 to 426 in 2014/2015.

Table 59 Trends in Number of Schools in Secondary Education

Order	Type	2013/2014	2014/2015
Public	General Secondary Education	1 764	1 846
	Vocational Technical Secondary Education	623	670
	Comprehensive	1	1
	GTTC	62	62
	ENIET	9	10
	Total	**2 459**	**2 589**
Private	General Secondary Education	600	621
	Vocational Technical Secondary Education	72	62
	Comprehensive	384	426
	GTTC	66	78
	ENIET	9	10
	Total	**1 131**	**1 197**

Source: MINESEC

7.1.2.1 Infrastructure development Equipping of Schools

In 2016, infrastructure was developed through: (i) the continuation of construction works on 3 ready-to-use schools; (ii) the construction of 200 classrooms and 13 workshops; (iii) connection of 10 schools to the electricity network; (iv) the rehabilitation of classrooms in 10 schools; (v) the continuation of works for the construction and equipping of the Nsam, Maroua and Ombe Technical High Schools and the Yabassi Vocational Agriculture High School; and (vi) the start of construction of the Ekounou Building and Construction Vocational High School.

The following actions were carried out with respect to the equipping of schools: (i) 278 classrooms were equipped with classroom desks and office desks, and 20 new workshops with machines; (ii) heavy teaching and learning materials in 8 old workshops were replaced; and (iii) 14 multimedia centres were equipped.

7.1.2.2 Improvement of Quality of Education in Schools

This consisted in: (i) pursuing the preparation and validation of training programs to adapt them to the requirements of the current context; (ii) carrying out pedagogic and psycho-pedagogic supervision and evaluation of teachers, guidance counsellors and student teachers; and (iii) continuing the training of pedagogic inspectors and teachers on the implementation of new programmes.

7.1.2.3 Intensification of professionalization and optimization of training

The following actions were carried out: (i) continuation of the establishment of micro-enterprise incubators and vocational high schools, and the development of growth sectors; (ii) organization of corporate internships and on-the-job training with education partners; (iii) development of bilingualism in schools; (iv) promotion of arts, languages and the national cultural heritage; (v) revitalization of environmental protection activities; and (vi) popularization of IT tools.

The 2016/2017 school year witnessed the effective opening of the "Tourism" section at the Nkolbisson Technical High School in Yaounde and the Maroua and Dschang Technical High Schools.

7.1.2.4 Improving Staff Working Environment

The following actions were carried: (i) construction of two blocks 22 buildings to house teachers in retroceded and remote areas; (ii) construction of the Kadey Divisional Delegation and the Figuil Sub-divisional Inspectorate of Basic Education; (iii) continuation of the construction of the Far North, South, West and North West regional delegations.

7.1.2.5 Review of the 2015/2016 School Year

In 2015/2016, nursery education enrolled 541 217 pupils for 26 337 teachers and 16 623 classrooms. In primary education, there were 4 784 480 pupils for 106 630 teachers and 88 215 classrooms.

Table 60: Trends in Number of Students and Teachers in Secondary Education

Education			2014/2015			2015/2016*		
			Classrooms	**Teachers**	**Students**	**Classrooms**	**Teachers**	**Students**
Secondary General (ESG)		Public	19 271	45 667	1 188 024	19 663	46 803	1 330 583
		Private	12 405	36 413	460 036	12 836	36 697	592 187
		Total	31 676	82 080	1 648060	32 499	83 500	1 922 770
Technical Vocational (ETP)		Public	5 916	19 718	329 193	6 233	20 341	402 231
		Private	3 486	4 321	131 026	3 627	4 703	165 713
		Total	9 402	24 039	460 219	9 860	25 044	567 944
Teacher Training	ENIEG	Public	497	1 969	20 811	527	2 119	22 008
		Private	412	689	5 515	483	713	6 392
		Total	909	2 658	26 326	1 010	2 832	28 400
	ENIET	Public	144	592	5 685	162	623	6 109
		Private	42	64	787	53	78	962
		Total	186	656	6 472	215	701	7 071

Source: MINESEC *interim data

During the 2015/2016 school year, student/teacher and student/classroom ratios dropped respectively to 23 and 59 in general secondary education and 23 and 58 in technical and vocational education. The student/classroom ratio stood at 68 in public general education and 64 in public technical and vocational education. In teacher training, the student/classroom ratio improved respectively by 1 point and 2 points in ENIEG and ENIET.

Table 61: Student-Teacher and Student-Classroom Ratios

Education			2014/2015		2015/2016*	
			Student-Teacher	Student/Classroom	Student/Teacher	Student/Classroom
Secondary General (ESG)		Public	26	62	28	68
		Private	13	37	16	46
		Total	20	52	23	59
Technical Vocational (ETP)		Public	17	56	20	64
		Private	30	38	35	46
		Total	19	49	23	58
Teacher Training	ENIEG	Public	11	42	10	42
		Private	8	13	9	13
		Total	12	29	10	28
	ENIET	Public	10	39	10	38
		Private	12	19	12	18
		Total	10	35	10	33

Source: MINESEC *interim data

As regards results published by the Directorate of Examinations, Public Examinations and Certification, the success rate in the bilingual "BEPC" and "CAP STT" stood respectively at 83.9% and 48.5%. On the other hand, those of the ordinary "BEPC" and "CAP industriel" fell respectively to 37.9% and 36.5%. CAPIEMP success rate was 95% and that of CAPIET 95.1%.

Apart from "Probatoire" examination in the science and tertiary technology branch, success rate for examinations organized by the Office du Baccalauréat declined. Concerning examinations under the GCE Board, success rates for the GCE-General rose while those for the GCE-Technical dropped.

Table 62: Success Rate in Secondary Education Official Examinations (in %)

Examination	2015 Session	2016 Session	Examination	2015 Session	2016 Session
BEPC Ordinary	40.8	37.9	Brevets Professionnels Industriels	62.9	62.6
BEPC Bilingual	66.0	83.9	Brevets Professionnels Commerciales.	25.9	11.4
CAP STT	47.7	48.5	Brevets d'Etudes Professionnels Industriels	41.2	13.0
CAP Industriels	40.0	36.5	GCE-General Ordinary Level	44.9	62.2
BACC-ESG	57.1	52.7	GCE-General Advanced Level	60.4	66.5
BACC-STT	55.5	49.1	GCE-Technical Ordinary Level	45.0	40.1
BACC-EST (industriels)	61.0	55.2	GCE-Technical Advanced Level	64.8	54.3
PROB-ESG	37.6	33.8			
PROB-STT	38.1	45.0			
PROB-EST (industriels)	31.4	29.6			
PROB brevet technicien	42.6	58.6			
Brevets de Technicien	66.9	77.1			

Source: MINESEC n.a. = not available

7.1.3 Higher education

The strategic objectives in higher education are: (i) professionalization of lectures; (ii) modernization of universities and faculties; (iii) development of research and innovation in universities.

In 2016, the budget allocated to higher education amounted to 47.6 billion against 51.9 billion in 2015. An amount of 38.8 billion was earmarked for State universities, of which 9.9 billion for infrastructure development and 28.9 billion for functioning. Moreover, an appropriation of 7.5 billion was made for scholarships and internships, of which 4.3 billion awarded to 85 000 students for academic excellence.

Activities relating to infrastructure development included:

- the construction of 3 classrooms for the Faculty of Sciences of the University of Buea;

- the construction of laboratories for the Faculty of Sciences of the University of Ngoundere;
- the construction and equipping of Amphitheatre 500 of the Faculty of Letters and Social Sciences of the University of Ngoundere;
- continuation of works for the construction of the administrative and pedagogic block for the Advanced School of Translators and Interpreters (ASTI) of the University of Buea and a five-storey pedagogic block for the Cameroon-Congo Inter-State University;
- completion of works for the construction of the Maroua Higher Teachers Training College;
- start of works for the construction of two hostels at the University of Bamenda;
- architectural studies for the construction of the headquarters of the Pan African University at Nsimalen;
- furnishing of the building temporarily hosting the Office of the Rector of the Pan African University.

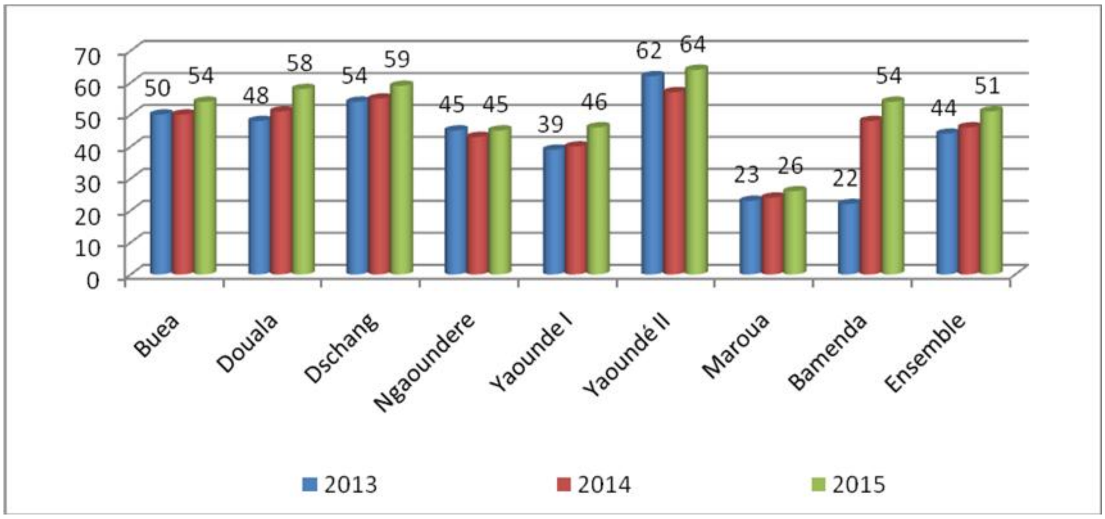
Table 63: Distribution of Students and Lecturers

Item	2013/2014		2014/2015		2015/2016*	
	Lecturers**	Students	Lecturers **	Students	Lecturers **	Students
University of Buea	442	22 067	450	22 485	453	24 526
University of Douala	924	44 278	950	47 500	938	54 965
University of Dschang	540	29 101	570	30 829	570	33 542
University of Ngaoundere	442	19 195	497	19 865	472	21 374
University of Yaounde I	1 222	47 496	1 240	49 624	1 248	57 913
University of Yaounde II	572	35 523	633	36 422	642	41 256
University of Maroua	446	10 128	459	10 928	464	12 324
University of Bamenda	171	3 723	230	11 082	235	12 714
private Institutions	n.a.	76 832	n.a.	77 773	n.a.	82 132
Total	**4 759**	**288 343**	**5 029**	**306 508**	**5 022**	**340 746**

Source: MINESUP * provisional data; n.a. = not available: **total, excluding IPES

During the 2015/2016 academic year, the number of students was estimated at 340 746, against 306 508 in 2014/2015, showing an increase of 11.2%. In State Universities, there were 258 614 students for 5 022 lecturers. The supervision ratio (student/lecturer) dropped by 6 points to 51. The University of Yaounde II recorded the highest ratios. All 8 State universities produced 45 288 graduates and private institutions 3 092. The beginning of the 2016/2017 academic year witnessed the opening of the Sangmelima-Ouesso Inter-State University. The Head of State made a special donation of 500 000 lab tops to students in State and private higher education institutions.

Graph 18: Student-Lecturer Ratio per University



Source: MINESUP

7.2 Health

In 2015, the budget allocated for health represented 5.6% of the State budget, that is 236.2 billion, corresponding to an increase of 14.1% compared to 2015. Actions carried out focused on: (i) mother, child and adolescent health; (ii) disease control and health promotion; (iii) development of health districts.

7.2.1 Mother, Child and Adolescent Health

Regarding reproductive health, interventions focused on: (i) assistance to pregnant women during delivery; (ii) expansion of immunization coverage; (iii) prevention of mother to child transmission of HIV.

7.2.1.1 Maternal health

In 2015, actions focused on : (i) capacity building of 4 455 reproductive health workers ; (ii) skilled attendance at delivery for 236 428 pregnant women, covering 58.7% of deliveries; (iii) construction of 3 "mother-and-child" wards and equipping of 2 wards. Moreover, pregnant women continued to receive free preventive intermittent malaria treatment and tetanus vaccine during prenatal consultations.

7.2.1.2 Expanded Programme on Immunization

In 2015, immunization coverage with DTC-Hep B + Hib3 (Diphteria, Tetanos, pertussis, viral hepatitis B and Haemophilus Influenzae type b) stood at 84%; coverage with antigen tracers including penta3 and anti-measles vaccine stood respectively at 84% and 79%. Cameroon received in total 107 routine vaccine lots and 190 lots for supplementary immunization activities.

Epidemiological surveillance helped to detect 851 cases of acute flaccid paralysis, of which 89 children aged below 15 years. No case of wild poliovirus or vaccine-derived circulating poliovirus strain was notified. Moreover, measles outbreak hit 88 health districts and 2 cases of yellow fever were reported in the Ngoumou and Biyem-Assi health districts.

In the first half of 2016, immunization coverage of penta3 and anti-measles antigen tracers stood at 82% and 75% respectively. Two new vaccines were introduced, namely: ROTA 2 and VPI (inactivated polio vaccine) whose coverage rates stood at 76% and 74% respectively. As regards epidemiological surveillance, 342 cases of acute flaccid paralysis, 805 cases of measles, 1 372 cases of yellow fever and 21 cases of neonatal tetanus were detected.

Table 64: Trends in Immunization Coverage (in %)

Antigens	2012	2013	2014	2015	1st half of 2016
BCG	81.5	82.1	74.3	74	91
POLIO 3	85.0	88.0	79.1	89	87
VAR	81.8	83.1	80.4	79	75
VAT2+	72.6	61.7	63.7	62	57
VAA	80.1	82.8	79.7	77	76
Penta3	85.2	88.6	86.7	84	82

Source: MINSANTE

N.B.: VAR = measles; VAT2+= anti-tetanus for pregnant women; VAA = yellow fever; Penta3=combination of several antigens (Hepatitis B-Hib-DTC3)

7.2.2 Disease Control and Health Promotion

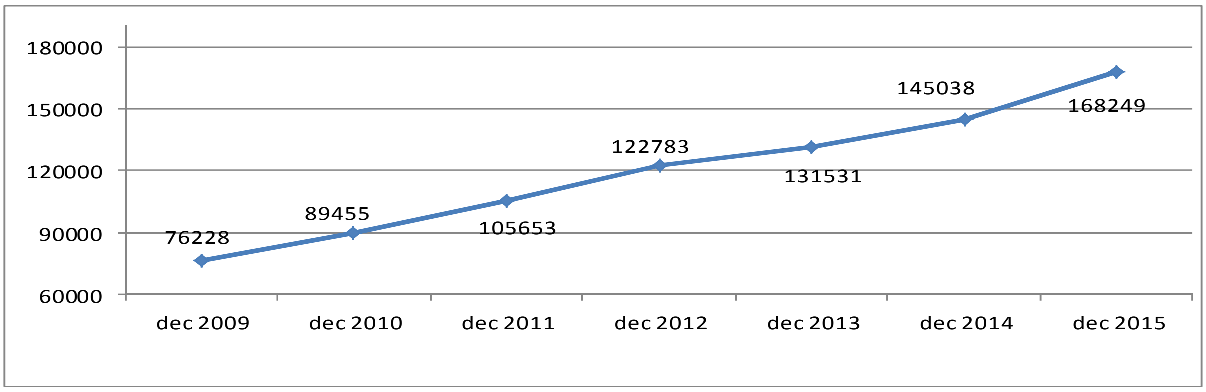
7.2.2.1 AIDS

En In 2015, 1 232 452 people were screened for HIV/AIDS, against 667 770 in 2014. Among the persons screened, 79 913 were found to HIV-positive, corresponding to a prevalence rate of 6.5%. Concerning management of STIs, 160 396 cases were diagnosed and treated with the support of CAMNAFAW, Care and Horizon femme.

Also, 562 473 pregnant women were screened for HIV/AIDS against 476 477 in 2014. Out of this number, 22 956 were found to HIV-positive, corresponding to a prevalence rate of 4.1% compared to 6.3% in 2014. Out of 31 596 pregnant women found HIV-positive, 26 678 were administered the antiretroviral protocol, which represents a coverage rate of 84%. Among 26 720 partners of pregnant women screened, 11% were found HIV-positive, against 9% in 2014. Out of 9 756 pregnant women found positive and screened for “polymarase chain reaction”, 529 were found HIV-positive, showing a positivity rate of 5.4% compared to 5.6% in 2014.

Activities in view of prevention of mother to child transmission (PMCT) were pursued. The number of PMCT centres increased from 3 466 in 2014 to 3 665 in 2015. Antiretroviral treatment was available in all PMCT centres and supplies decentralized. Several training sessions were organized to build the capacity of actors involved in HIV/AIDS control.

Graph 19: Trends in the Active List of Patients on ARV Treatment



Source: MINSANTE

The active list of persons living with HIV placed on ARV treatment increased from 145 038 in 2014 to 168 249 in 2015. It comprises 7 096 children aged below 15 years, 47 097 men and 114 056 women. The population-based ARV coverage rate stood at 70%.

In 2015, the American President’s Emergency Plan for Aids Relief project continued to support the blood transfusion programme. In that regard, 89 412 blood bags were collected, out of which 3 122 tested positive to HIV. As regards prevention and contamination, 33 305 441 male condoms and 2 344 157 female condoms were distributed

In the first half of 2016, 1 004 625 persons were screened for HIV, among whom 5.3% were found HIV-positive. Out of 284 679 pregnant women received for prenatal consultation in health facilities, 18 375 were found positive and 11 726 administered ARV treatment in order to prevent mother-to-child transmission.

7.2.2.2 Malaria

In 2015, the actions of the National Malaria Control Programme (PNLP) focused on malaria management, control and capacity building of health workers. Malaria accounted for 18.7% of overall deaths in health facilities against 22.7% in 2014. The number of deaths due to malaria fell from 4 398 in 2014 to 3 440 in 2015, that is a decline of 21.7%.

Concerning malaria management, medicines were procured, including: (i) 2 219 833 doses of artesunate-amodiaquine and 391 736 doses of arthemether-lumefantine, using Global Fund resources, for the treatment of uncomplicated malaria, 7 985 000 tablets of sulfadoxine-pyrimethamine for prevention of intermittent malaria in pregnant women, 1 292 401 doses of amodiaquine-sulfadoxine/pyrimethamine for seasonal malaria chemoprevention, 1 135 950 rapid diagnosis test kits and 2 271 900 pairs of gloves (ii) 3 259 775 injectable artesunate ampoules for the treatment of complicated malaria, using Chinese and Clinton Foundation grants. Treatment was carried out through the free distribution of 831 993 doses of arthesunate-amodiaquine to children aged below 5 years and of 379 160 doses subsidized arthesunate-amodiaquine to persons aged above 5 years. In health facilities, 826 434 cases of uncomplicated malaria and 321 762 cases of complicated malaria were treated.

Prevention was carried out through procurement of 12 352 059 Long Lasting Insecticidal Nets (LLINs) and free distribution of 2 544 586 LLINs in regions during phase I (East, South, South West and North West) of the second nation-wide campaign for free distribution of LLINs. Prevention of intermittent malaria in pregnant women was pursued through free distribution of 4 692 130 tablets of sulfadoxine-pyrimethamine during prenatal consultations in health facilities. Out of 506 852 pregnant women seen for prenatal consultation in health facilities, 46% received the first dose of preventive intermittent malaria treatment, 55% the second dose and 32% the third dose.

As concerns capacity building, 1 682 healthcare providers were trained in the use of injectable artesunate in the Adamawa, Littoral, Centre, West, South and East Regions, with the financial and technical support of the Global Fund and the Clinton Foundation. In addition, PNLP personnel, as well as 24 588 health workers were trained in the planning of LLINs distribution. The number of deaths due to malaria fell from 4 398 in 2014 to 3 440 in 2015, showing a decline of 21.7%.

In the first half of 2016, the second nation-wide campaign for free distribution of LLINs continued in the other regions, with 9 217 386 LLINs distributed. Among children aged below 5 years, 147 931 cases of uncomplicated malaria were confirmed and 74 462 cases treated; out of 129 613 cases of confirmed complicated malaria, 70 770 were treated.

7.2.2.3 Tuberculosis

In 2015, 26 570 people were diagnosed with tuberculosis, 24 014 of whom were screened for HIV/AIDS and 36% found HIV-positive. Of the 2014 cohort of notified patients, 26 511 were followed up, of which 22 091were declared healed or completed treatment, recording a therapeutic success rate of 84%.

In the first half of 2016, 13 055 cases of tuberculosis were detected. Of the 11 955 persons screened for HIV/AIDS, 36 were found infected.

7.2.2.4 Cancer

In 2015, activities of the National Cancer Control Committee were pursued with the support of GAVI, in view of cancer prevention. The pilot project for cervical cancer vaccination enabled to administer the first dose of anti-HPV vaccine to 9 447 girls aged from 9 years to 10 years.

Other activities centred on: (i) the organization of the Euro Africa Congress on Cancer in Yaounde on the sensitization of the population on cancers, facilitated mainly by people cured of cancer; (ii) conduct of activities under the Cancer Control Week in Dschang, Ngaoundere and Yaounde. These activities helped to screen 729 women, of whom 21 with precancerous lesions were referred to gynaecologists. Of the 194 examined, 2 with lesions of the prostate were referred to urologists.

7.2.2.5 Onchocerciasis and lymphatic filariasis

In 2015, more than 10 million people were exposed to onchocerciasis, 9 million of whom were at risk. Therapeutic coverage of hyper/meso endemic areas concerned 11 715 463 people, corresponding to an 81% coverage rate.

As regards lymphatic filariasis, more than 15 million people were exposed, of whom 14 million were at risk. Therapeutic coverage of hyper/meso endemic areas concerned 7 498 184 people, that is a coverage rate of 79.9%.

The following actions were carried out under the management of these two diseases: (i) distribution of 31 226 289 Mectizan tablets and 12 931 432 Albendazole tablets; (ii) training/retraining of 520 health workers, 2 150 heads of health areas, 568 trainers and 51 100 community distributors.

7.2.2.6 Leprosy, yaws and buruli ulcer

In 2015, the leprosy, yaws and buruli uncer control programme registered 1 157 patients, of which 361 new cases of leprosy, 463 cases of yaws and 263 buruli ulcer patients. Financial and material support from WHO, FAIRMED and the Geneva University Hospital for the management of patients enabled the treatment of 363 leprosy patients and 130 buruli ulcer patients. Bankim in the Adamawa Region remains area most affected by buruli ulcer (129 cases). After its eradication in 1990, yaws reappeared in the localities of Mbang and Abong-Mbang in the East Region, Bankim in the Adamawa Region and Poli in the North Region.

The leprosy rate of prevalence stood at 0.23 case per 10 000 inhabitants, below the WHO elimination threshold of 1/10 000 inhabitants. The proportion of children with leprosy among the new cases detected in 2015 stood at 14%, above the 10% set by WHO for the African region. The proportion of women stood at 35%, below the 50% threshold.

7.2.3 Development of Health Districts

In 2015, the development of health districts continued through: (i) the construction of 55 integrated health centres, 3 "mother and child" wards, 13 staff houses, 4 sub-divisional medical centres and one district hospital; (ii) the rehabilitation of 5 district hospitals, 10 latrine blocks and 13 integrated health centres; (iii) the equipping of the Mbalmayo district hospital theatre, 18 maternities and 89 delivery rooms; (iv) the equipping of 19 integrated health centres with boreholes and 3 integrated health centres with power generators.

In the first half of 2016, ongoing community infrastructure development projects were: (i) the equipping of 11 integrated health centres with solar energy and 28 integrated health centres with boreholes ; (ii) the rehabilitation of 36 integrated health centres and 11 latrines; (iii) the construction of 3 “mother and child” wards, one of them equipped, 49 integrated health centres, 2 district hospitals, 8 walls and 9 staff houses; (iv) the connection of 11 integrated health centres to the ENEO electricity network ; (v) completion of the construction of the Limbe medical imaging centre.

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Healthcare provision was increased through: (i) the acquisition of obstetrical kits; (ii) the replacement of equipment at the Maroua haemodialysis centre; (iii) the equipping of 127 integrated health centres with medical devices; (iv) the upgrading of the technical facilities of the Limbe regional hospital.

As part of the Three-year Emergency Plan for Growth Acceleration, the following projects will be implemented: (i) rehabilitation and equipping of the Yaounde University Teaching Hospital (CHU), and the Yaounde and Douala general hospitals; (ii) the construction of the Ngaoundere, Bertoua and Maroua regional hospitals; (iii) the construction of the Buea and Bamenda university teaching hospitals, the Bafoussam, Ebolowa and Garoua gynaecological, obstetrics and paediatrics regional hospitals.

7.3 Employment

Government’s strategic objective in this domain is to promote decent employment and develop vocational training.

7.3.1 Employment Promotion

In 2015, actions were pursued to reduce underemployment rate that stood at 77.6% in 2014, according to ECAM 4 survey. They included:

- the financing by PIAASI of 800 micro projects that created 3 200 jobs;
- transforming 64 820 micro-projects promoters into self-employed workers through the Urban Special Employment Projects (USEP) programme, financed by NEF;
- the recruitment of 21 661 job seekers by temporary worker recruitment companies and private employment agencies.

7.3.2 Vocational Training Promotion

To step up vocational training, 30 Rural Artisanal Centres (SAR/SM) were created and 281 national vocational training scholarships awarded and 144 vocational training centres approved. In addition, the construction of the Douala, Limbe and Sangmelima Vocational Training Centres of Excellence (CFPE) was completed.

7.4 Housing and Urban Development

The Government’s urban development and housing policy is geared towards developing housing, improving the urban environment and developing urban transport infrastructure.

7.4.1 Housing Development

In 2015, the actions of Government centred on: (i) the development of 16 ha of land at Ekoko II (on the outskirts of Yaounde) as part of the securing and development of resettlement sites; (ii) the completion of the construction of 330 additional low-cost houses (80 in Yaounde and 250 in Douala) within the framework of the Government programme; (iii) the completion of the construction of 1 320 low-cost houses (660 in Yaounde and 660 in Douala) within the framework of cooperation with China. Moreover, the construction of 100 houses in Ebolowa under the Three-year Emergency Plan has started.

7.4.2 Improvement of the Urban Environment

In 2015, urban sanitation consisted in recalibrating 6km of River Edjengele (Limbe), constructing a 6 km-long drain in Douala and continuing works on the Mfoundi canal (PADY II) with a 30% execution rate over a distance of 14 km. Furthermore, the Douala Stormwater Drainage Project supported by from French Cooperation, and the Yaounde Sanitation Project (Phase II) jointly supported by AfDB and French Cooperation, are continuing.

The embellishment and security of urban centres consisted in installing 28 public lighting points in Tibati, developing 1 855 m^2 of green spaces in Douala 5 and 1 075 m^2 in Garoua 1, as well constructing a municipal pound and a modern bus station in Bazou.

As part of the promotion of the integrated social development of all social groups in urban areas, 200 underprivileged youths were trained in urban sector petty trades in Messamena, Bamenda 2 and Ngaoundere. In addition, 969 households in unplanned neighbourhoods benefited from community social projects.

7.4.3 Urban Transport Infrastructure Development

In 2015, urban transport infrastructure was developed through the maintenance, rehabilitation and construction of urban roads. Urban roads maintenance works included: (i) the completion of a total of 50 km of roads in 14 councils within the of decentralization framework; (ii) the tarring of 23.6km of roads in Yaounde; (iii) the rehabilitation of a bridge in Poli as part of emergency works; (iv) the rehabilitation of 1.4 km of road in Bascheo.

The rehabilitation of urban road networks included: (i) 40 km of roads in Yaoundé and Douala under the Three-year Emergency Plan (PLANUT); (ii) 17.1 km of roads in Nanga-Eboko and 5.9 km of roads in Badenkop within the framework of special works; (iii) 1.1 km road in Soa and 0.5 km in Tonga using Road Fund resources. The construction of urban roads mainly concerned: (i) 2 km road in Limbe linking Middle Farm to Comprehensive College; (ii) 8 km access road to the Limbe Omnisport Stadium.

Furthermore, the construction of the Yaounde-Nsimalen highway and the opening of access roads to low-cost housing units in Bamenda, Yaounde and Mfou are continuing. The construction of the second bridge over River Wouri is also continuing.

7.5 Social Affairs, Women’s Empowerment, Family and Youth Affairs

The Government pursued its policy through the protection of underprivileged and vulnerable social groups, as well as their social integration and socio-economic welfare. Women’s empowerment remained a Government priority.

7.5.1 Social Affairs

The social policy consisted in ensuring social security and protection, national solidarity and social justice.

7.5.1.1 Social Prevention and Protection

The following activities were carried out in 2015: (i) construction and operationalization of 3 specialized centres (Yaounde, Maroua, Wum); (ii) strengthening the institutional framework for support to socially vulnerable persons and improvement of service delivery through psychosocial rehabilitation, re-adaptation and psychosocial care; (iii) the organization of 46 sensitization and social mobilization activities to prevent disabilities and combat social ills; (iv) provision of constitutional support to 1 423 000 socially vulnerable persons ; (v) issuance of 11 000 national identity cards to vulnerable indigenous people; (vi) support for the education of 5 600 pigmy children in primary and secondary schools and 188 Mbororo students in State universities; (vii) organization of vaccination and vitamin A supplement distribution campaigns in camps hosting the above-mentioned populations, and support for socio-economic integration through the implementation of agro-pastoral micro-projects.

7.5.1.2 National Solidarity and Social Justice

The following actions were carried out: (i) various forms of assistance to 87 546 socially vulnerable people and social integration and/or reintegration of 760 people; (ii) identification of 580 new cases of street children in Yaounde and Douala, 325 of whom were returned to their families; (iii) support to 221 councils through one-off social assistance, as well as the acquisition of tools and equipment for persons with disabilities or mobility impairment.

In the first half of 2016, a training workshop was organized in collaboration with NEF on the designing of micro-projects eligible for funding by the Programme to Support the Professional Integration or Reintegration of Vulnerable Persons, during which 200 micro-projects were submitted.

7.5.2 Women's empowerment and the Family

Activities consisted in formulating and implementing measures on the respect for women's rights and family protection. Key guidelines concerned women's empowerment and gender, family development and protection of the rights of children.

7.5.2.1 Women's Empowerment and Gender

In 2015, three major actions were carried out concerning gender institutionalization, women's capacity building and the development of support structures.

Concerning gender institutionalization, activities centred on: (i) the popularization of legal instruments on the protection of women's rights among 703 community leaders ; (ii) the organization of socio-legal clinics involving 2 801 women from networks of women's associations; (iii) the organization of awareness-raising among 12 310 persons in order to combat genital mutilation and violence.

Capacity building centred on: (i) the acquisition of agro-pastoral equipment for 52 women's groups and the granting of subsidies to 157 groups; (ii) the training of 12 131 women and girls to design and manage income-generating activities; (iii) support for women's development through the implementation of programmes and projects relating to women's economic empowerment.

Regarding the development of support structures, activities centred on: (i) the continuation of the construction of the Mbe, Pette, and Mbangassina women's empowerment and family centres; (ii) the completion of the construction of the Menji centre; (iii) the rehabilitation of the Mbalmayo, Yaounde 2 and Yaounde7 centres, as well as the equipping of the Ebolowa women's empowerment and the family centre.

As of 30 June 2016, 50 901 had been sensitized on violence against women and girls. Subsidies were granted to 21 women's groups in order to empower them. Furthermore, 10 300 women and girls were trained to design and manage income-generating activities.

7.5.2.2 Promotion and Protection of Family and Children's Rights

The main actions carried out with respect to premarital, marital and family education concerned: (i) the regularization of 2 320 free unions and the sensitization of 1 726 couples and families on problems relating to the violation of rights; (ii) issuance of 11 520 birth certificates; (iii) education assistance to 200 secondary school and university students, as well as assistance to 1 810 poor and needy families.

Activities relating to the women/family sector plan for the control of STIs and HIV/AIDS centred on: (i) the mobilization of 988 women's and family associations and community leaders for nutrition education and dietetic demonstrations, mother-to-child transmission of HIV/AIDS and immunization; (ii) psychosocial care for people living with AIDS and the organization of educative talks.

Concerning the promotion and protection of children's rights, actions focused on: (i) the organization of mobilization workshops and community debates on early and forced marriage, discussions on abandoning harmful socio-cultural practices and the economic empowerment of girls; (ii) the mobilization of families and communities for polio vaccination ; (iii) the sensitization of 27 985 families on the respect for children's rights.

In the first half of 2016, actions centred on: (i) the popularization of family education through development of teaching and learning materials; (ii) the regularization of 1 036 free unions; (iii) the granting of assistance and aid to 239 poor and needy families; (iv) the continuation of the preparation of the national plan for reducing marital, domestic and family violence, as well as a child protection policy.

7.5.3 Youth Support and National Integration

Efforts are continuing with focus on the formulation of youth support policies.

7.5.3.1 Civic Education and Social Integration of Youths

The intensification of the nation-wide civic education campaign that was launched in September 2015 has helped to: (i) establish 5 338 civic education and national integration clubs in schools, universities and training institutions, as well as in villages and neighbourhoods; (ii) train and deploy, on an experimental basis, 145 community mediators in the Mfoundi Division; (iii) train 15 000 youths, of which 9 000 "volunteers" and 6 000 "called up", through the National Agency for Civic Participation in Development.

7.5.3.2 Youth Economic Empowerment

In 2015, the *Rural and Urban Youth Support Programme (PAJER-U)* funded 339 projects and supported the enterprises of former beneficiaries. Furthermore, PAJER-U was restructured into 17 branches to establish the National Youth Integration Fund. In addition, 6 Multipurpose Youth Empowerment Centres (CMPJ) were constructed and 4 721 youths trained.

In the first half of 2016, 2 048 youths were trained in entrepreneurship and 203 former beneficiaries were supported in the management of their projects. Moreover, 10 pilot Multipurpose Youth Empowerment Centres were identified to host business incubator structures. Also, the "Special Youths" three-year plan was launched with a view to facilitating and accelerating the integration of youths.

CHAPTER 8 : 2016 BUDGET EXECUTION AND THE 2017 DRAFT BUDGET

During the 2016 financial year, which is the first year of the second three-year programme budget (2016-2018), the execution of the State budget is marked at the international scene by: (i) a 31.9% year-on-year fall in the average price of the barrel of oil during the first seven months, despite the upturn since the beginning of the year; (ii) the slowdown in world growth. At the national scene, the context is marked by: (i) the resilience of the Cameroon economy to falling world oil prices and the security challenge; (ii) the entry into force in early August 2016 of the Economic Partnership Agreements (EPA) with the European Union; (iii) preparations for the organization of the 2016 Women's Africa Cup of Nations, as well as construction works for the 2019 Men's Africa Cup of Nations. These elements influence the execution of the 2016 budget and forecasts for the 2017 budget.

8.1 2016 budget execution

During the first seven months of 2016, budget execution was characterised by an internal budgetary revenue rate of 56.1%. Regarding expenditure, execution revealed a credit consumption rate of 50.3%.

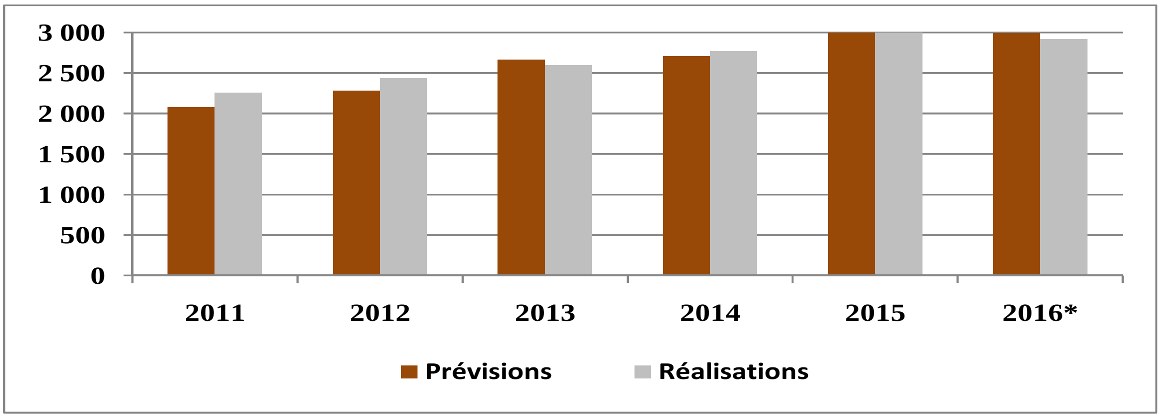
8.1.1 Budgetary resources

Budgetary resource forecasts in the 2016 Finance Law stood at CFAF 4 234.7 billion, of which CFAF 2 986.5 billion as internal revenue (70.5% of the budget) and CFAF 1 248.2 billion as loans and grants (29.5%). As at 31 July 2016, resources mobilized stood at CFAF 2 012.4 billion, showing a collection rate of 47.5% as per the Finance Law. Resources increased by 4.4 billion year-on-year. At end-December 2016, they are estimated to stand at CFAF 4 218.4 billion.

8.1.1.1 Domestic budgetary revenue

They include oil and non-oil revenue. At the end of the first seven months of the year, domestic budgetary revenue stood at CFAF 1 674.5 billion, recording a collection rate of 56.1% as per the Finance Law. Compared with end-July 2015, it dropped by CFAF 28.1 billion, mainly attributable to oil revenue. It is estimated to stand at CFAF 2 970.2 billion as of 31 December 2016.

Graph 20: Estimates and Execution of Domestic Budgetary Revenue from 2011 to 2016 (in billion)

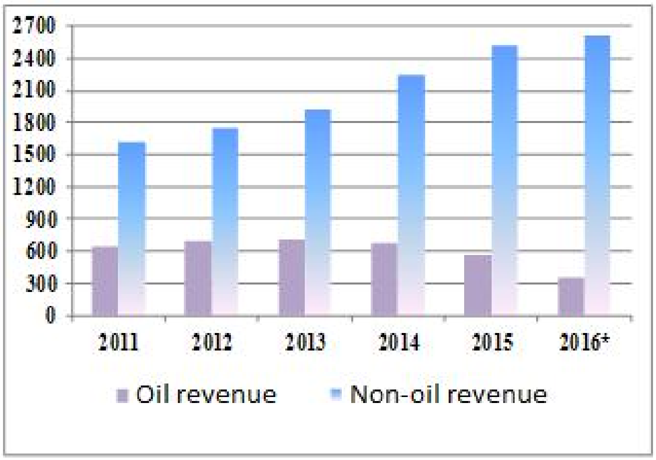


Source: MINFI/DEA *Estimates

8.1.1.1.1 Oil revenue

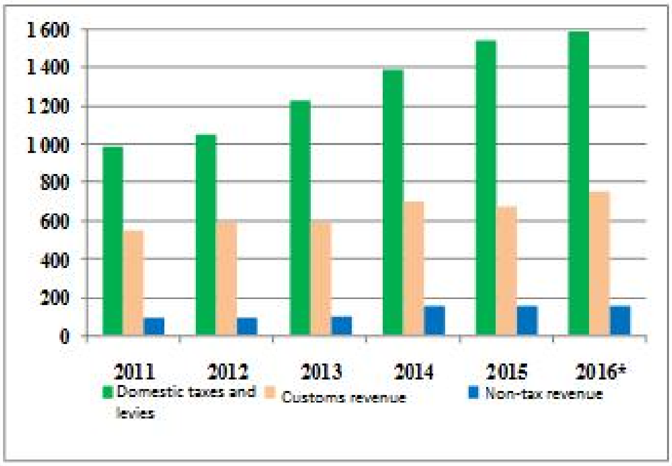
At end-July 2016, oil revenue stood at CFAF 223.1 billion, of which CFAF 156.1 billion from NHC royalties and CFAF 67 billion from oil company taxes. Its recovery rate was 56.2% as per the estimates in the Finance Law. It dropped by CFAF 50.4 billion year-on-year, due to the fall in oil prices which stood at USD 40.4 a barrel for the first seven months. At the end of 2016, oil revenue is estimated at CFAF 356 billion.

Graph 21: Execution of Major Domestic Revenue Components from 2011 to 2016 (in billion)



Source: MINFI/DAE *Estimates

Graph 22: Execution of Major Non-oil Revenue Components from 2011 to 2016 (in billion)



Source : MINFI/DAE *Estimates

8.1.1.1.2 Non-oil revenue

Non-oil revenue comprises: internal taxes and levies, customs revenue and non-tax revenue. From January to July 2016, revenue collected stood at CFAF 1 451.4 billion, showing a collection rate of 56.1% as per the Finance Law. It increased by 1.6% compared with the same period last year. At the end of the financial year, it is estimated to stand at CFAF 2 614.2 billion.

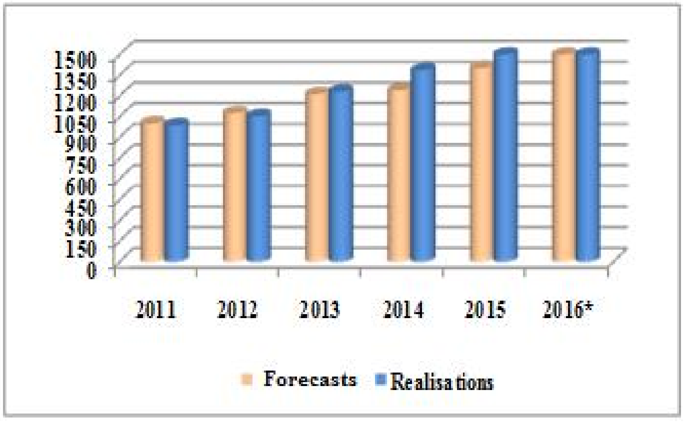
Internal taxes and levies

At the end of the first seven months of the year, collection of internal taxes and levies stood at CFAF 967.7 billion, representing a collection rate of 61.8% compared with Finance Law. Internal taxes and levies increased by 19.2 billion year-on-year. This increase was mainly observed at the level of VAT (+47.8 billion) and excise taxes (+23.5 billion). However, non-oil company tax revenue dropped by CFAF 34.4 billion year-on-year, mainly due to the tax rate reduction from 35% to 30%. In addition, the doubling of the corporate tax advance payment rate (from 1.1% to 2.2%) helped to reduce the balances of this tax paid in 2016. PIT also declined by CFAF 19.9 billion, due to the slowdown in oil sector activities. Taxes and levies are estimated at CFAF 1 590 billion as at 31 December 2016.

Customs revenue

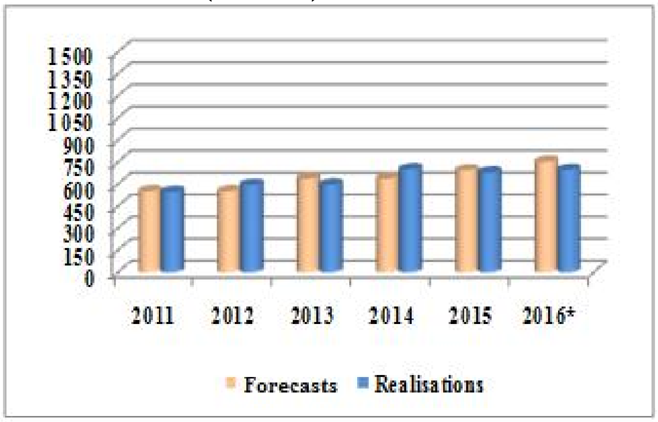
At end-July 2016, customs revenue stood at CFAF 400 billion, showing a collection rate of 53.2% in relation to the Finance Law. It comprised CFAF 193 billion as import VAT and CFAF 184.6 billion as customs duties. Revenue is virtually stable compared with the same period last year. Customs revenue is estimated at CFAF 752.1 billion as at 31 December 2016. It should be noted that the impact of EPAs on the revenue of the financial years concerns only the last four months.

Graph 23: Estimates and Execution of Domestic Taxes and Levies from 2011 to 2016 (in billion)



Source : MINFI/DAE *Estimates

Graph 24: Estimates and Execution of Customs Revenue from 2011 to 2016 (in billion)



Source : MINFI/DAE *Estimates

Non-tax revenue

Non-tax revenue comprises revenue from services and State property, dividends, contributions to the pension fund and oil transit charges. At the end of the first seven months of the year, non-tax revenue stood at CFAF 84 billion, that is a collection rate of 55.2% in relation to the Finance Law. It rose by 3.7% compared with the same period in 2015. As at 31 December 2016, non-tax revenue is expected to conform to annual forecasts.

Loans and grants

Loans and grants were projected in the 2016 Finance Law at CFAF 1 248.2 billion, of which CFAF 505 billion for project loans, CFAF 600 billion for Government bonds and CFAF 143.2 billion for grants. As at 31 July 2016, resources mobilized stood at CFAF 337.9 billion, recording a collection rate of 27.1% in relation to the Finance Law. As at 31 December 2016, loans and grants are expected to conform to forecasts for the financial year.

Table 65: Budget Revenue for the 2016 Financial Year (in CFAF billion)

Items	Finance Law 2016 (a)	Execution as at 31/7/15 (b)	Execution as at 31/7/16 (c)	Estimates as at 31/12/16 (d)	Execution rate as at 31/07/16 (c/a) (%)	Difference as at 31/12/16 (d-a)	Variations (c/b) (abs)	Variations (c/b) (%)
A- DOMESTIC REVENUE	***2 986.5***	***1 702.6***	***1 674.5***	***2 970.2***	***56.1***	***-16.3***	**-28.1**	**-1.7**
I-Oil revenue	**397.2**	**273.5**	**223.1**	**356.0**	**56.2**	**-41.2**	**-50.4**	**-18.4**
1-NHC royalties	247.2	159.8	156.1	256.0	63.1	8.8	-3.7	-2.3
2- Oil company taxes	150.0	113.7	67.0	100.0	44.7	-50.0	-46.7	-41.1
II- Non-oil revenue	**2 589.3**	**1 429.1**	**1 451.4**	**2 614.2**	**56.1**	**24.9**	**22.3**	**1.6**
1- Tax revenue	2 317.1	1 348.8	1 367.4	2 342.0	59.0	24.9	18.6	1.4
a- Taxes and duties	**1 565.0**	**948.2**	**967.4**	**1 590.0**	**61.8**	**25.0**	**19.2**	**2.0**
including: - PIT	318.9	177.7	157.8	297.2	49.5	-21.7	-19.9	-11.2
- VAT	505.3	263.0	310.8	519.9	61.5	14.6	47.8	18.2
2- Non-oil company tax	315.1	272.1	237.7	374.7	75.4	59.6	-34.4	-12.6
- Excise duties	170.4	93.5	117.0	187.6	68.7	17.2	23.5	25.1
- Stamp duty	90.8	49.9	51.0	90.7	56.2	-0.1	1.1	2.2
- STPP	112.3	60.6	63.1	110.7	56.2	-1.6	2.5	4.1
b- Customs revenue	**752.1**	**400.6**	**400.0**	**752.0**	**53.2**	**-0.1**	**-0.6**	**-0.1**
including: - Customs duty/import.	339.4	181.8	184.6	323.0	54.4	-16.4	2.8	1.5
- Import VAT	370.5	194.3	193.0	337.4	52.1	-33.1	-1.3	-0.7
- Excise duties/Import	16.5	8.1	6.7	10.2	40.6	-6.3	-1.4	-17.3
- Export duties	16.3	9.2	9.6	15.1	58.9	-1.2	0.4	4.3
2- Non-tax revenue	**152.2**	**80.3**	**84.0**	**152.2**	**55.2**	**0.0**	**3.7**	**4.6**
3-Privatization revenue	**120.0**	**0.0**	**0.0**	**120.0**	**-**	**0.0**	-	-
B- LOANS AND GRANTS	***1 248.2***	***305.4***	***337.9***	***1 248.2***	***27.1***	**0.0**	**32.5**	**10.6**
- Project loans	505.0	221.9	234.5	505.0	46.4	0.0	12.6	5.7
- Grants	143.2	9.0	16.0	143.2	11.2	0.0	7.0	77.8
- Issuance of government bonds	600.0	74.5	87.4	600.0	14.6	0.0	12.9	17.3
TOTAL REVENUE	***4 234.7***	***2 008.0***	***2 012.4***	***4 218.4***	**47.5**	**-16.3**	**4.4**	**0.2**

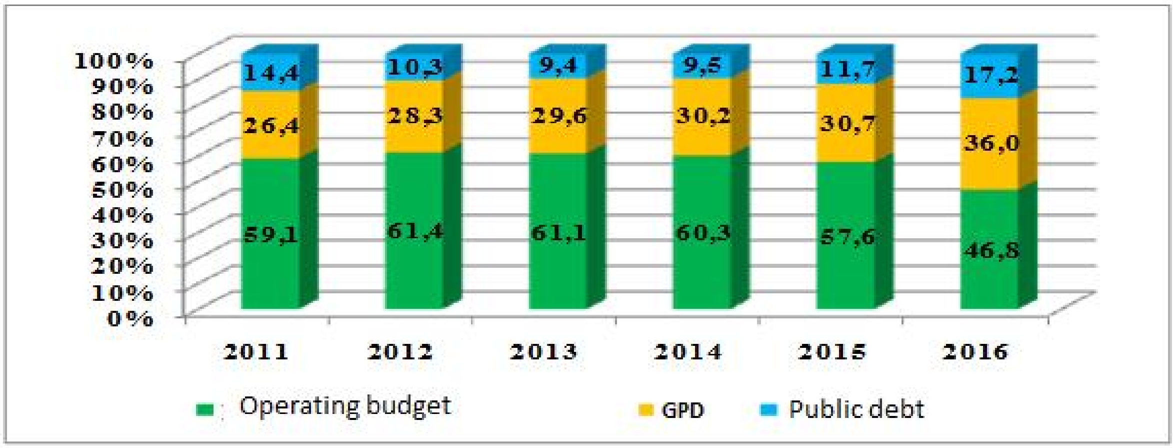
Source: MINFI/DAE

8.1.2 Budget expenditure levels

Through the 2016 budget, the Government is pursuing its policy of increasing public investment resources in order to ensure sustainable growth and employment. However, the 2016 budget is marked by the need to better implement projects of the three-year emergency plan (PLANUT) in order to fast track growth and projects relating to the organization of the 2016 and 2019 Africa Cups of Nations. The share of investment expenditure in the 2016 budget thus increased by 5.3 points, compared with 2015, and stood at 36%.

The budget expenditure projected in the 2016 Finance Law stood at CFAF 4 234.7 billion. It comprised CFAF 1 981.2 billion as recurrent expenditure, excluding interest (46.8% of the total), CFAF 1 525.7 billion as public investment budget (36%) and CFAF 727.8 billion for debt servicing (17.2%). By end-July 2016, budget expenditure stood at CFAF 2 130.1 billion, representing a collection rate of 50.3% as per the Finance Law. It rose by 5% year-on-year due to a CFAF 119.9 billion increase in investment expenditure from own resources and CFAF 85.9 billion for external public debt servicing, combined with a CFAF 93.3 billion drop in recurrent expenditure, excluding interest. As at 31 December 2016, recurrent expenditure levels are expected to conform to forecasts for the Finance Law.

Graph 25: Share of the Recurrent Budget, the PIB and Public Debt in the State Budget from 2011 to 2016 (in % of the total)



Source: MINFI/DAE

8.1.2.1 Recurrent expenditure

Recurrent expenditure includes personnel expenditure and costs of goods and services. Its allocation for the 2016 financial year stood at CFAF 1 622.2 billion, of which CFAF 955.2 billion for personnel expenditure and CFAF 667 billion costs of goods and services. At end-July 2016, theses expenses stood at CFAF 973.8 billion, representing a 60% execution rate in relation to the Finance Law. Compared with end-July 2015, recurrent expenditure dropped by 4.2%. By item, personnel expenditure increased by 5.6% and costs of goods and services dropped by 14.8%. The implementation rates of these two items stood at 58.7% and 62% respectively. By 31 December 2016, recurrent expenditure is expected to conform to forecasts for the financial year.

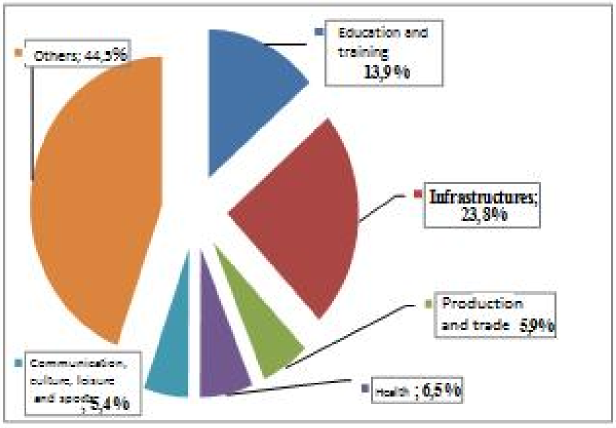
8.1.2.2 Transfer expenditure and common heads

Budgetary allocations for transfers and pensions stood at CFAF 359 billion. As at 31 July 2016, expenditure stood at CFAF 251.8 billion, recording a 70.1% execution rate in relation to the Finance Law. It is down by CFAF 50.9 billion compared with the same period last financial year. By the end of the year, the amount of this category of expenses is expected to conform to the Finance Law.

8.1.2.3 Public investment expenditure

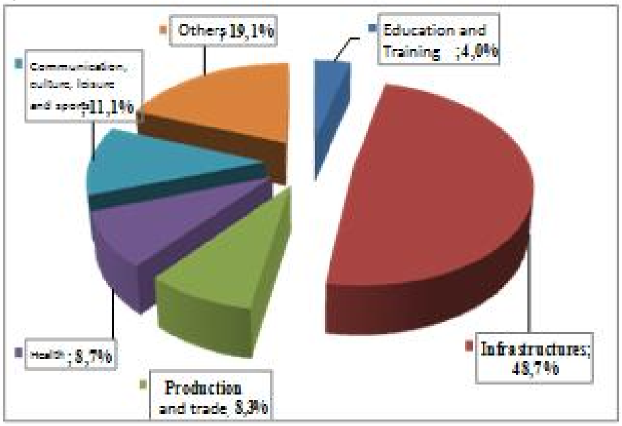
The allocation for public investment expenditure in the 2016 budget stood at CFAF 1 525.7 billion. It was divided into CFAF 525 billion for externally-financed expenditure, CFAF 945.7 billion for own resource-financed expenditure and CFAF 55 billion for restructuring expenses. As regards sector distribution of the GDP, the "infrastructure sector" had the largest budget allocation (48.7%), followed by the "communication, culture, leisure and sports" (11.1%), "health" (8.7%) and "production and trade" (8.3%) sectors.

Graph 26: Distribution of the budget for the 2016 financial year by sector



Source: MINFI/DAE

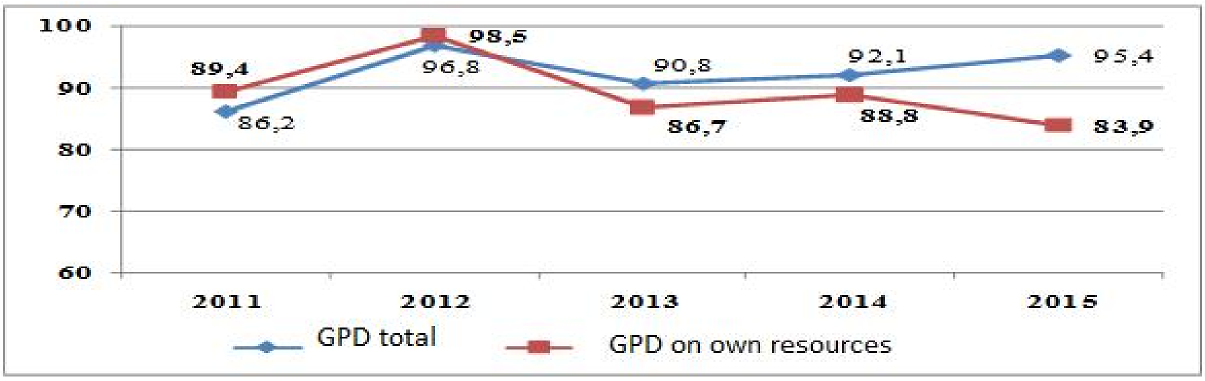
Graph 27: Distribution of the GDP of the 2016 financial year by sector



Source: MINFI/DAE

At end-July 2016, investment expenditure stood at CFAF 619.1 billion, representing a 40% execution rate in relation to the Finance Law. It increased by CFAF 109.5 billion year-on year, due to a 50.2% increase in own resource-financed investment expenditure. By item, the execution rates were 37.9% for own resource-financed investments and 46% for externally-financed investments. The restructuring expenditure execution rate stood at 34.4%. At the end of the financial year, public investment expenditure is expected to conform to forecasts for the year.

Graph 28: Execution rates of the GDP from 2011 to 2015 (in %)



Source: MINFI/DAE

8.1.2.4 Public debt

The 2016 Finance Law provided for public debt servicing to the tune of CFAF 727.8 billion, of which CFAF 335 billion for foreign debt and CFAF 392.8 billion for domestic debt. At end-July 2016, payments amounted to CFAF 285.4 billion, showing a 39.2% execution rate in relation to the Finance Law. Effective external debt servicing stood at CFAF 149.2 billion. Domestic debt payments stood at CFAF 136.2 billion, of which CFAF 28.1 billion for amortization of the principal, CFAF 46 billion as VAT credit refund and CFAF 21 billion for domestic arrears. The execution rate of domestic debt servicing was 34.7%. At end-December 2016, public debt servicing is expected to conform to the Finance Law.

As at 31 December 2015, outstanding public debt was estimated at CFAF 4 577.7 billion (27% of GDP), of which CFAF 4 472.7 billion as direct public debt and CFAF 105 billion as public guaranteed debt. By item, outstanding external debt stood at CFAF 3 476.7 billion (20.5% of GDP), of which CFAF 1 020.8 billion as multilateral debt and CFAF 1 699.2 billion as bilateral debts. Outstanding domestic debt was CFAF 996 billion, of which CFAF 294.7 billion of Government securities and CFAF 587.4 billion of structured debt.

By 31 July 2016, the outstanding public debt was estimated at CFAF 4 537.7 billion (26.1% of GDP), of which 4,439.7 under direct public debt and 98 billion under public guaranteed debt. By category, the outstanding external debt stood at CFAF 3 559.6 billion, including CFAF 1 043.1 billion for multilateral debts and CFAF 1 763.4 billion for bilateral debts. The outstanding internal debt stood at 880.1 billion, of which CFAF 311.5 billion for government securities and CFAF 460.9 billion for structured debt. The outstanding external debt increased by 2.4% compared to 31 December 2015, while that of domestic debt declined by 11.6% due to structured debt.

Table 66 : Budgetary Expenditure of the 2016 Financial Year (in billion)

Items	**L.F. 2016 (a)**	**Achievements by 31/07/15 (b)**	**Achievements by 31/07/16 (c)**	**Estimates by 31/12/16 (d)**	**Ratio of Achievements by 31/07/16 (c/a) (%)**	**Difference by 31/12/16 (d-a)**	**Variations (b/d) (abs)**	**(b/d) (%)**
EXPENSES								
I-Current expenses (off-interests)	**1 981.2**	**1 318.9**	**1 225.6**	**1 981.2**	**61.9**	**0.0**	**-93.3**	**-7.1**
Personnel expenses	955.2	530.9	560.4	955.2	58.7	0.0	29.5	5.6
Expenses on goods & services	667.0	485.3	413.4	667.0	62.0	0.0	-71.9	-14.8
Including - C2D	12.6	11.0	3.7	12.6	29.4	0.0	-7.3	-66.4
Transfers and pensions	359.0	302.7	251.8	359.0	70.1	0.0	-50.9	-16.8
II- Investment expenses	**1,525.7**	**509.6**	**619.1**	**1 525.7**	**40.6**	**0.0**	**109.5**	**21.5**
On external funding	525.0	231.0	241.6	525.0	46.0	0.0	10.6	4.6
On own resources	945.7	238.7	358.6	945.7	37.9	0.0	119.9	50.2
1- Investment off-C2D	917.9	231.3	352.9	917.9	38.4	0.0	121.6	52.6
2- C2D	27.8	7.4	5.7	27.8	20.5	0.0	-1.7	-23.0
Restructuring expenses	55.0	39.9	18.9	55.0	34.4	0.0	-21.0	-52.6
III- Public debt servicing	**727.8**	**199.5**	**285.4**	**727.8**	**39.2**	**0.0**	**85.9**	**43.1**
Foreign debt	335.0	103.1	149.2	335.0	44.5	0.0	46.1	44.7
Local debt	392.8	96.4	136.2	392.8	34.7	0.0	39.8	41.3
including – amortization of the principal	116.0	26.7	28.1	116.0	24.2	0.0	1.4	5.2
- VAT credit reimbursement	100.0	46.0	46.0	100.0	46.0	0.0	0.0	0.0
- Local arrears	140.0	22.6	21.0	140.0	15.0	0.0	-1.6	-7.1
TOTAL BUDGETARY EXPENDITURE	***4 234.7***	***2,028.0***	***2 130.1***	***4 234.7***	**50.3**	**0.0**	**102.1**	**5.0**

Source: MINFI/DAE

8.1.3 Review of the programmes of the 2017 financial year by the ICRP

During its fifth session held from 8 to 24 August 2016, the Inter-ministerial Committee for the Review of Programmes (ICRP) reviewed programmes proposed by various government services for the 2017financial year. In addition to analysing the 2017 programmes, the committee examined the major projects contained in the second three-year programme budget (2016-2018), namely: (i) programme management; (ii) public finance reform implementation and governance; and (iii) strategic revitalization of programmes.

At the end of committee deliberations, 144 programmes and 193 indicators were selected, against 160 programmes and 198 indicators for the 2016 financial year. The Committee noted some improvement in the quality of Government Service Performance Projects (PPAs), in terms of formulating programmes, setting objectives and fine-tuning indicators. Unfortunately, these efforts are hindered by a weak statistical system that does not allow government services to effectively collect required data to inform the indicators. The absence of an integrated public finance management system was also highlighted as a hindrance to the smooth functioning of the Planning-Programming-Budgeting-Monitoring and Evaluation (PPBM) chain, to which the "public procurement" and "State property management" components must be added.

At the end of the deliberations of ICRP for 2016, the following key recommendations were made:

- the establishment by MINFI and MINEPAT of a nomenclature of activities and a bank of indicators by government service in order to stabilize their performance framework;
- MINEPAT and INS support to government services in revitalizing statistics units, to enable them to collect, process, centralize and disseminate data and statistics required to define the targets specified in their PPAs;
- a review of the instruments organizing ministerial to take into account the innovations introduced by the programme-based approach, using the study conducted for this purpose by MINFOPRA;
- step up training, taking into account the training plan on results-based management (RBM) and the use of related managerial tool developed with support from GIZ;
- the implementation of the computerized integrated public finance management strategy (SIGIFIP) for an efficient functioning of the PPBM chain, with the integration of the public procurement and State property management components;
- the launch, by MINEPAT, of a review of the GESP and sector strategies for 2020-2030.

8.2 2018-2019 budget projections

The 2018-2019 budget estimates fall in line with the multi-annual planning instituted by the new financial regime which is based on the programme budget and the medium-term expenditure framework. The overall budget allocations ensuing from these estimates are indicative and depend on the assumptions which underpin GDP growth projection. They may evolve with time in relation to the economic environment and the national economic situation.

The estimates are based on the following assumptions: (i) respective growth rates of 6.3% and 5.6%, of which 6.1% and 5.9% for non-oil GDP; (ii) a non-oil GDP deflator of 2.5% and 2.3% respectively; (iii) an annual inflation rate of 3%; (iv) a stable oil production over a two-year period of 31.2 million barrels; (v) a stable gas production over a two-year period estimated at 80.5 billion standard cubic feet (scf); (vi) the price of a barrel of Cameroon oil estimated at USD 48.8 and 51 respectively; (vii) gas price of USD 3 in 2018 and 2019; (viii) USD/CFAF exchange rate estimated at 540 and 520; (ix) an average current account deficit of 4.5% 4.5% over a two-year period.

Resources comprise internal revenue, government loans (including bonds) and grants. According to their calculation method, internal revenue is subdivided into oil and gas revenue, and non-oil revenue. Oil and gas revenue are estimated based on production, price and USD/CFAF exchange rate assumptions. Non-oil revenue estimates only take into account the growth effect, and not government measures and tax policies. The GDP nominal growth is estimated at 8.6% in 2018 and 8.2% in 2019. Expenses are subdivided into three major categories: current expenditure, capital expenditure and public debt servicing.

For 2018, internal revenue is estimated at CFAF 3 387.3 billion, of which CFAF 467.9 billion as oil and gas revenue and CFAF 2 919.4 billion as non-oil revenue. Other revenue is estimated at CFAF 802.9 billion, excluding government bonds. On the whole, and based on the macro-economic assumptions below, total budget revenue is estimated at CFAF 4 190.2 billion. Expenditure is estimated at CFAF 4 426.7 billion, of which CFAF 2 126.5 billion as current expenditure, CFAF 1 763.1 billion as capital expenditure and CFAF 537.1 billion as public debt servicing. Capital expenditure estimates are based on a growth assumption of 0.5% of GDP, thus generating a financing need of CFAF 236.4 billion.

In 2019, expected budget resources stand at CFAF 4 403.1 billion, of which CFAF 3 637.6 billion as internal revenue and CFAF 765.6 billion as other revenue, excluding government bonds. Internal revenue comprises CFAF 478.8 billion as oil and gas revenue and CFAF 3 158.8 billion as non-oil revenue. Total expenditure is estimated at CFAF 4 491.7 billion, and includes CFAF 2

189.5 billion as current expenditure, CFAF 1 807.7 billion as capital expenditure and CFAF 494.7 billion as public debt servicing. A financing need of about CFAF 88.6 billion is required. Like in 2018, the need may be financed by government bond issues, while taking into account the medium-term and long-term budget sustainability of Government debt.

Table 67: Budget Projections

ITEMS	F.L. 2016	2016 Margin	F.L. 2017	2018	2019
A- TOTAL REVENUE (I+II+III)	**4234.7**	**4349.3**	**4373.8**	**4190.2**	**4403.1**
I- INTERNAL REVENUE (1+2+3)	**2986.5**	**2793.1**	**3143.3**	**3387.3**	**3637.6**
1- Oil revenue+ Gas	**397.2**	**351.6**	**455.1**	**467.9**	**-478.8**
- NHC Royalties	247.2	247.2	304.6	333.1	335.7
-NHC gas Royalties	0.0	4.4	26.5	29.8	28.4
- Oil company taxes	150.0	100.0	124.0	105.0	114.6
2- Non-oil revenue	**2589.3**	**2441.5**	**2688.2**	**2919.4**	**3158.8**
- Taxes and levies	1565.0	1590.0	1719.0	1866.8	2019.9
- Customs revenue	752.1	695.9	800.1	868.9	940.1
- Non-tax revenue	152.2	155.6	169.1	183.7	198.7
II- LOANS AND GRANTS	**948.2**	**1136.2**	**970.5**	**802.9**	**765.6**
- Project loans	505.0	693.0	585.0	707.2	660.6
- Grants	58.2	58.2	85.5	95.7	101.0
- Issuance of Government bonds	300.0	300.0	300.0		
III- BANK FINANCING	**300.0**	**420.0**	**260.0**		
- Eurobond reserves	50.0	50.0			
-bank loans	250.0	250.0	260.0		
-Privatization reserves		120.0			
B- TOTAL EXPENDITURE (I+II+III)	**4234.7**	**4142.7**	**4373.8**	**4426.7**	**4491.7**
I- RECURRENT EXPENDITURE (1+2+3)	**1981.2**	**1982.3**	**2059.4**	**2126.5**	**2189.2**
1- Personnel expenditure	**955.2**	**955.2**	**998.5**	**1053.9**	**1112.7**
- Salaries	890.2	890.2	944.8		
- Other personnel expenditure			53.7		
2- Purchase of goods and services	**667.0**	**667.0**	**693.7**	**712.4**	**749.7**
- Ordinary expenditure			437.3		
- C2D expenditure			12.2		
3- Transfers and subsidies	**359.0**	**360.1**	**367.2**	**360.2**	**326.9**
- Subsidies	165.0	165.0	125.0	179.2	133.6
Scholar ships			22.2		
- Contributions			15.0		
-Pensions	194.0	195.1	205.0	181.0	193.3
II- CAPITAL EXPENDITURE	**1525.8**	**1525.8**	**1586.9**	**1763.1**	**1807.8**
*** FINEX expenditure**	**525.0**	**525.0**	**625.0**	**677.3**	**723.1**
*** Internal resource expenditure**	**945.8**	**945.8**	**926.9**	**1015.9**	**1084.7**
- ordinary expenditure	523.0	523.0	578.6		
- C2D expenditure	27.8	27.8	33.3		
- Emergency Plan expenditure	275.0	275.0	260.0		
Special youth emergency plan			25.0		
- AFCON expenditure	120.0	120.0	30.0		
*** Restructuring expenditure**	**55.0**	**55.0**	**35.0**	**70.0**	**0.0**
III- PUBLIC DEBT	**727.7**	**634.6**	**727.5**	**537.1**	**494.7**
*** External debt**	**335.0**	**193.7**	**324.6**	**350.9**	**299.2**
- Interest	**212.3**	**71.0**	**154.9**	**93.8**	**89.6**
including : Eurobonds	45.0	45.0	39.6		
: Insurance premiums	50.0	50.0	50.0		
: AFCON-related loans	46.3	46.3			
- Principal	**122.7**	**122.7**	**169.7**	**257.1**	**209.6**
*** Internal debt**	**392.7**	**440.9**	**402.9**	**186.1**	**195.4**
- Interest	30.2	30.2	43.3	9.2	9.1
- Principal	202.5	202.5	189.6	53.3	53.2
including: bonded loan reimbursement	57.5	57.5	57.5		
: BTA & OTA reimbursement	95.0	95.0	85.7		
- Internal arrears	10.0	108.2	10.0	9.6	9.7
- Refund of VAT credits	100.0	100.0	70.0	114.0	123.4
- SONARA debt reimbursement	50.0	50.0			
-Marketters debt reimbursement			50.0		
C- FINANCING NEED (B-A)	**0.0**	**-206.6**	**0.0**	**236.4**	**88.6**

Source: MINFI/DAE

8.3 New tax measures

The proposals to amend the tax legislation in force within the framework of the Finance Bill of the Republic of Cameroon for the 2017 financial are based on the major fiscal policy guidelines defined by the President of the Republic in his Circular No. 001 / CAB / PRC of 28 July 2016 relating to the preparation of the State budget for the 2017 financial.

These proposals therefore concern:

- broadening the tax base and securing revenue;
- improving the business climate and strengthening the guarantees given to taxpayers;
- socio-economic promotion.

I. <u>Measures to broaden the tax base and secure revenue</u>

1) Broadening the tax base

- **tourist tax** is instituted in hotels. In addition to financing the budget of the State and RLAs, part of the proceeds of this tax shall be allocated to the Tourism Development Fund;
- re-establishment of initial tariffs, that is, CFAF 110 per litre of petrol and CFAF 65 per litre of gas-oil, special tax on petroleum products (STPP), **without increasing the prices of petroleum products at the pump given the level of oil prices on the international market (Section 231 new of the GTC);**
- broadening of the application scope of the tax on games of chance and games of entertainment organized by **mobile telephone companies (Section 206 and 208 of the GTC)**;
- application of VAT on **furnished rentals** hitherto not subjected to any tax and causing unfair competition to the classical hotel industry **(Section 3 and 127 of the GTC)**;

2) Securing tax revenue

- Extension of the practice of official price list to the sale of vehicles to control the registration tax base on these transactions. The model is inspired by recent reforms on official price list regarding real estate which enables the implementation of **electronic filing, necessary to secure revenue (Section 546 of the GTC)**;
- Reinforcing the requirement to present a **tax clearance certificate** in administrative and economic procedures (Section L94a and of the LPF).

II. <u>Measures relating to the improvement of the business climate</u>

1) Improving cash flow and access to financing by enterprises

- Tax reduction for sectors with fixed prices and administered profit notably the **distributors of pharmaceutical, oil and press products.** Implementation of tax rate on profits rather than on turnover should increase the cash flow (**Section 21 of the GTC**);
- Extension of tax incentive for companies issuing debt securities on the bond issue of the Cameroon stock market to increase access to the financing of enterprises via the stock market (**Section 109 of the GTC**);
- Increase to **CFAF 500 000** the value of small equipment and tools completely deductible and exempted from the depreciation system to increase the cash flow of the enterprise **(Section 7 of the GTC)**.
- Capping bank charges owed as transfers made for the payment of taxes and levies **(Section M8 of the MFP)**.

2) **Continuation with the tax rate abatement**

- Abatement of the rates of some mining levies (ad valorem tax on precious stones, gold and on primary metals whose rates would drop from 15 to 5% and 10 to 5% respectively) to take into account the taxation level in competing mining countries **(Section 239a of the GTC)**;
- Reduction from 15 to 5% of the SIT rate applied to public procurement where successful bidders are not domiciled in Cameroon **(Section 225b of the GTC);**
- Development of lightened tax measures (SIT rate by 10% and reduction of tax formalities (for international service providers carrying out occasional and heavy works that require advance expertise unavailable locally **(Section 225b of the GTC)**;
- Reduction of registration fees rates on the procurement of state-owned companies and joint venture companies to avoid compromising competitiveness regarding the private sector **(Section 543 of the GTC)**.

3) Support to SMEs

- Abatement of minimum tax of 50% owed by members of approved management centres (CMC) to encourage the migration of SMEs to the formal sector **(Section 119 of the GTC)**;
- waiver from taxes and contributions on salary paid to AMC employees **(Section 119 of the GTC)**.

4) Simplification of procedures

- The simplification of trade licence calculation terms and dematerialization of its contribution to facilitate electronic filing without any contact with taxation services **(Sections C 10, C 13, C 21, C22, C23, C24, C25, C26, C31 of the GTC).**

III. Measures relating to socio-economic development

1) **Development of the agricultural sector**

- To support the fiscal plan, the development of a second generation agriculture, VAT exemptions shall be proposed on agricultural machinery and equipment, exemption from registration fees relating to changes on farmland, exemption from land tax on such land and exemption from salaries and wages paid to occasional workers by individual operators **(Section 122 of the GTC).**

2) **Promotion of local materials and raw materials**

- To promote the intensive use of local materials and raw materials by Cameroon industries, **VAT exemption** on products from **local material promotion** public establishment and **exemption from excise duties** peculiar to **beverages produced and packaged with local raw materials (Section 123 and 124 of the GTC)**

3) **Promotion of youth employment**

- In a bid to support government unemployment reduction policy especially that of young graduates, the strengthening of a youth empowerment tax regime is envisaged by the 2016 Finance Law, through the **extension of this regime to fixed term employments and pre-employment practicums (Section 105 (new);**

4) **Promotion of access to housing and landed property**

- The abatement proposed on tax rate applied to real estate transactions both on registration fees and real estate added value should promote transparency in real estate transactions and promote access to decent housing for the population **(Section 90 and 543 of the GTC);**

5) **Revamp of economic activity in economically depressed areas**

- Special tax measures shall be taken to encourage enterprises to invest in economically depressed areas due to insecurity. These measures, spanning over a period of 10 years, are aimed at supporting local development and curbing unemployment (**Section 121 of the GTC);**

6) Strengthening local development

- The needs of forest area riparian populations shall be effectively taken into account in the use of the share of proceeds from annual forestry royalties (AFR) allocated to the forest permit location council **(Section 243 of the GTC);**

7) Support to the education and health sector

- To support the education and health sector, their VAT, income tax and land tax shall be significantly reduced. These measures are aimed at notably reducing the tax procedures of the concerned and taking into account the specific environment of these two sectors **(Section 120 of the GTC);**
- As part of controlling the purchase prices of medicines and medical consumables, public procurement relating to these products shall be exempted from SIT when the successful bidder is not domiciled in Cameroon;

8) Support to urban transport

- To encourage the development of urban mass transport, VAT on the sale of transport tickets shall be exempted **(Section 128 (22) of the GTC);**

9) Promotion of research and innovation

- To promote and encourage local research and innovation activity, as an important factor of economic growth, incentive tax measures for the financing of research through the institution of a research tax credit mechanism is proposed **(Section 124a of the GTC);**

10) Promotion of environmental tax and protection of the people's health

- A specific excise duty shall be instituted for beverages in non-returnable packaging to promote the use of reusable and ecological packaging as well as to protect our environment from pollution **(Section 142 of the GTC)**;

Excise duty rate on carbonated beverages shall be reduced through the application of basic abatement on beers with an alcohol content less than or equal to 5.5% **(Section 141 of the GTC).**

8.4 Draft 2017 budget

The draft 2017 State budget is based on the following key macroeconomic assumptions (i) real GDP growth of 6.1%, including 5.7% for non-oil GDP; (ii) projected inflation rate of 3%; (iii) non-oil GDP deflator of 2.3%; (iv) Cameroon oil price of USD 40 per barrel (taking into account a USD 3 discount and a USD 7 prudential margin on the world oil price of USD 50) and a production of 33.5 million barrels; (v) projected gas production of 36.7 billion scf; (vi) gas price at 5.7 dollars; (vii) an exchange rate of USD 1 = CFAF 560; (viii) a budget balance deficit (excluding grants) of 4.1% of GDP; and (ix) a current external deficit ceiling of about 3.2% of GDP.

Based on the assumptions above, the draft 2017 budget is balanced in revenue and expenditure at 4 373.8 billion compared to 4 349.3 billion in the initial 2016 budget, that is, an increase of 139.1 billion in absolute terms and 13% in relative terms. Non-oil revenue accounts for 61.5% of budget resources.

8.4.1 Revenue analysis

Table 68: Breakdown of Revenue (in thousand)

CHARGE	HEAD	2016	2017

CHARGE	HEAD	2016	2017
	A – OWN RESOURCES	**2 866 500**	**3 143 300**
	I – TAX REVENUE	***2 316 580***	***2 519 130***
721	PERSONAL INCOME TAX	239 000	226 055
723	TAXES ON NON-OIL COMPANY PROFITS	315 100	355 000
724	PERSONAL INCOME TAX FOR PERSONS LIVING OUT OF CAMEROON	107 700	83 000
728	TRANSFER AND TRANSACTION TAXES	46 850	55 020
730	VALUE ADDED AND TURNOVER TAX	875 800	1 001 500
731	TAXES ON SPECIFIC PRODUCTS AND EXCISE DUTIES	299 200	335 800
732	TAXES ON SPECIFIC SERVICES	2 820	3 270
733	TAX ON PROFESSIONAL ACTIVITIES	11 820	11 390
734	TAX ON AUTHORIZATION TO USE PROPERTY OR CARRY OUT ACTIVITIES	30	30
735	OTHER TAXES AND DUTIES ON GOODS AND SERVICES	11 180	10 835
736	IMPORT DUTIES AND TAXES	339 450	373 080
737	EXPORT DUTIES AND TAXES AND OTHER TAXES ON FOREIGN TRADE	25 100	25 720
738	REGISTRATION AND STAMP DUTY	42 530	38 430
	II – OTHER REVENUE	***669 920***	***624 170***
201	REPAYMENT OF GUARANTEED DEBT TO THE STATE	120 000	0
710	REPAYMENT OF TRANSFERRED DEBT TO THE STATE	14 329	14 653
714	PROCEEDS FROM THE TRANSFER OF RIGHTS	79	79
716	ADMINISTRATIVE FEES AND CHARGES	17 916	19 623
719	INCIDENTAL SALE OF PROPERTY	3 981	4 200
741	REVENUE FROM THE PROVISION OF SERVICES	442 200	495 100
745	RENTS AND REVENUE FROM PROPERTY	25 000	34 100
761	REVENUE FROM THE OIL SECTOR	45 000	55 000
771	ACCRUED FINANCIAL PROCEEDS	1 415	1 415
	B – LOANS AND GRANTS	**1 248 200**	**1 230 500**
150	DRAWINGS ON DIRECT EXTERNAL MULTILATERAL LOANS	405 000	102 668
151	DRAWINGS ON DIRECT EXTERNAL BILATERAL LOANS	100 000	365 508
153	ISSUANCE OF TREASURY BONDS EXCEEDING TWO YEARS	0	116 824
161	SPECIAL GRANTS FROM INTERNATIONAL COOPERATION	600 000	560 000
769	DRAWINGS ON DIRECT EXTERNAL MULTILATERAL LOANS	143 200	85 500
	GRAND TOTAL OF GOVERNMENT REVENUE (A+B)	**4 234 700**	**4 373 800**

Source: MINFI/DGB

8.4.1.1 Tax revenue

Tax revenue amounted to 2 519.1 billion, up by 8.7%. This significant variation is due to the fact that its most important components, which are VAT and import duties and taxes, rose by 14.4% and 9.9% respectively, and due to a significant increase in the other components, namely: non-oil company profit tax which increased by 12.7% and taxes on specific products and excise duties which rose by 12.2% to stand at 335.8 billion.

8.4.1.2 Other Revenue

Other State revenue dropped by 6.8% mainly due to the absence of a substantial contribution of 120 billion from the balance of licence renewal for mobile telephone companies MTN and ORANGE Cameroon which came under this heading in 2015. Moreover, the most important traditional item under this head "revenue from the oil sector" rose from 442.2 billion in 2016 to 495.1 billion in

2017, up by 12.0%. Revenue from the oil sector comprises SNH royalty, which increased by 33.9% as a result of natural gas exports, pipeline rights of way which dropped by 11.1% and tax on oil company profits which fell by 17.3% to stand at 124 billion..

8.4.1.3 Loans and Grants

The resources expected as loans and grants amount to 1 230.5 billion compared to 1 248.2 billion in 2016, down by 1.4%. They include 585 billion in loans and 85.5 billion in grants, of which 45.5 billion under C2D. To these two items should be added the issuance of bonds by the State to the tune of 300 billion and 260 billion from bank loans.

8.4.2 Expenditure analysis

The table below presents the expenditure structure of the draft budget for the 2017 financial year. This structure is based on the need to meet recurrent costs, ensure minimum expenditure for the functioning of Government services, fulfil our debt obligations and implement projects in accordance with the GESP, the Emergency Plan for Accelerated Growth and preparations for the 2019 Africa Cup of Nations.

Table 69: State Expenditure Structure (in billion)

ITEMS	2014	2015	Variation	
			%	Absolute
Personnel expenditure	835.0	900.0	7.8	65.0
Purchase of goods and services	641.0	715.6	11.6	74.6
Transfers and subsidies	533.2	544.3	2.1	11.1
Capital expenditure	1 000	1 150.0	15.0	150.0
Public debt	302.8	436.7	44.2	133.9
TOTAL	**3 312**	**3 746.6**	13.1	434.6

Source: MINFI/DGB

8.4.2.1 Personnel expenditure

Personnel expenditure rose by CFAF 43.3 billion. This increase is explained by the inclusion in the Government payroll of new teachers who graduated from Higher Teacher Training Colleges as well graduates from higher institutions of learning, and announced recruitments in the armed forces and police.

8.4.2.2 Purchase of goods and services

The purchase of goods and services are intended for the functioning of services. It rose by CFAF 26.7 billion, or 4.0%. This increase is explained by the need to finance recurrent expenditure resulting from many investments carried out in recent years and security spending. However, the instructions of the Head of State prescribing a reduction in State expenditure were observed with respect to the selection of activities to be implemented and their cost.

8.4.2.3 Transfers and subsidies

In order to make transfers to other public services, pay pensions and honour commitments to pay contributions to international bodies, allocation under the State budget for 2017 stands at CFAF 367.2 billion, up by 2.3%, or CFAF 8.2 billion compared to the previous year.

8.4.2.4 Capital expenditure

Capital expenditure appropriations amount to 1 586.9 billion. Compared to 1 525.8 billion in 2016, this represents a relative increase of 4.0% and 61.1 billion in absolute value. This increase is in line with Government's option to raise capital expenditure by 1% of GDP. Capital expenditure is broken down as follows: (1) 1 551.9 billion for development projects (Kribi Deep Sea Port, Agropole Project, taxes and customs duties, etc); (ii) 15 billion for rehabilitations; 20 billion for shareholding.

Capital expenditure for the implementation of the emergency plan stands at 260.0 billion.

8.4.2.5 Public debt

The projected public debt servicing for the 2017 financial year decreases by 0.03% and stands at 727.5 billion. It is broken down as follows: (i) external debt: 324.6 billion as against 335.0 billion in 2016; (ii) domestic debt: 402.9 billion as against 392.8 billion the previous year.

The breakdown per head of overall expenditure estimates for projects under the general State budget is as follows:

Table 70: Proposed Appropriations for the 2017 Financial Year

CODE	HEAD	2016	2017
01	PRESIDENCY OF THE REPUBLIC	48 002	48 002
02	SERVICES ATTACHED TO THE PRESIDENCY OF THE REPUBLIC	11 019	7 609
03	NATIONAL ASSEMBLY	18 523	20 023
04	PRIME MINISTER’S OFFICE	13 327	14 787
05	ECONOMIC AND SOCIAL COUNCIL	1 570	1 436
06	EXTERNAL RELATIONS	30 017	38 116
07	TERRITORIAL ADMINISTRATION AND DECENTRALIZATION	42 162	36 289
08	JUSTICE	44 810	59 498
09	SUPREME COURT	4 387	2 862
10	PUBLIC CONTRACTS	22 730	17 431
11	SUPREME STATE AUDIT	4 605	5 046
12	DELEGATION GENERAL FOR NATIONAL SECURITY	93 529	89 460
13	DEFENCE	229 727	238 613
14	ARTS AND CULTURE	4 059	3 813
15	BASIC EDUCATION	206 160	222 123
16	SPORTS AND PHYSICAL EDUCATION	177 667	151 925
17	COMMUNICATION	8 411	4 574
18	HIGHER EDUCATION	47 644	67 654
19	SCIENTIFIC RESEARCH AND INNOVATION	12 837	8 584
20	FINANCE	46 250	52 076
21	COMMERCE	5 801	8 484
22	ECONOMY, PLANNING AND REGIONAL DEVELOPMENT	32 225	61 770
23	TOURISM AND LEISURE	19 663	9 466
25	SECONDARY EDUCATION	246 068	318 997
26	YOUTH AFFAIRS AND CIVIC EDUCATION	9 272	14 165
28	ENVIRONMENT, NATURE PROTECTION AND SUSTAINABLE DEVELOPMENT	7 512	9 171
29	MINES, INDUSTRY AND TECHNOLOGICAL DEVELOPMENT	10 019	11 805
30	AGRICULTURE AND RURAL DEVELOPMENT	110 162	111 374
31	LIVESTOCK, FISHERIES AND ANIMAL INDUSTRIES	39 113	31 086
32	WATER RESOURCES AND ENERGY	214 166	205 269
33	FORESTRY AND WILDLIFE	18 466	20 698
35	EMPLOYMENT AND VOCATIONAL TRAINING	18 724	17 776
36	PUBLIC WORKS	403 931	461 904
37	STATE PROPERTY, SURVEYS AND LAND TENURE	20 570	20 460
38	HOUSING AND URBAN DEVELOPMENT	177 580	138 454
39	SMALL- AND MEDIUM-SIZED ENTERPRISES, SOCIAL ECONOMY AND HANDICRAFT	11 869	11 441
40	PUBLIC HEALTH	236 167	208 195

CODE	HEAD	2016	2017
41	LABOUR AND SOCIAL SECURITY	4 427	3 567
42	SOCIAL AFFAIRS	5 919	7 689
43	WOMEN'S EMPOWERMENT AND THE FAMILY	6 887	5 643
45	POSTS AND TELECOMMUNICATIONS	44 156	53 388
46	TRANSPORT	8 772	7 285
50	PUBLIC SERVICE AND ADMINISTRATIVE REFORM	13 096	11 732
51	ELECTIONS CAMEROON	9 576	9 476
52	NATIONAL COMMISSION ON HUMAN RIGHTS AND FREEDOMS	1 256	1 415
53	SENATE	14 975	14 975
95	CARRIED FORWARD	2 500	2 000
	TOTAL MINISTRY HEADS	**2 760 308**	**2 867 605**
	including RECURRENT EXPENDITURE (i)	**1 423 508**	**1 471 105**
	including CAPITAL EXPENDITURE	**1 336 800**	**1 396 500**
55	PENSION	194 000	205 000
60	SUBVENTIONS AND CONTRIBUTIONS	135 000	140 000
65	COMMON EXPENDITURE	228 592	243 295
	TOTAL RECURRENT COMMON HEADS (ii)	**557 592**	**588 295**
	TOTAL RECURRENT EXPENDITURE (i) + (ii) [A]	**1 981 100**	**2 059 400**
56	EXTERNAL PUBLIC DEBT	335 000	324 600
57	DOMESTIC PUBLIC DEBT	392 800	402 900
	TOTAL DEBT SERVICING [B]	**727 800**	**727 500**
	MINISTRY CAPITAL EXPENDITURE	1 336 800	1 396 500
	Including EXTERNAL FINANCING	525 000	625 000
92	SHAREHOLDING	25 000	20 000
93	REHABILITATION/RESTRUCTURING	30 000	15 000
94	INVESTMENTS	134 000	155 400
	TOTAL CAPITAL EXPENDITURE [C]	**1 525 800**	**1 586 900**
	GRAND TOTAL OF PUBLIC EXPENDITURES [A]+[B]+[C]	**4 234 700**	**4 373 800**

LIST OF ABBREVIATIONS AND ACRONYMS

ACP	Africa Caribbean Pacific
ADB	African Development Bank
ADC	Cameroon Airports Authority
AFD	French Development Agency
AFR	Annual Forest Royalty
AIPO	African Intellectual Property Organization
ALUCAM	Cameroon Aluminium Company
AMC	Approved Management Centre
ANAFOR	National Forest Development Support Agency
APPME	Small- and Medium-Sized Enterprises Promotion 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)
BICEC	*Banque Internationale du Cameroun pour l'Epargne et le Crédit*
BTA	Fungible Treasury Bonds
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 Télécommunications
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 Cameroon
CEMAC	Central African Economic and Monetary Community
CFC	*Crédit Foncier du Cameroun (*Cameroon Housing Loans Fund)
CFCE	Business Development Centre
CICAM	*Cotonnière Industrielle du Cameroun*
CIEP	Comité Interministériel Chargé de l'Evaluation des Programmes
CIG	Common Initiative Group
CIMA	Inter-African Conference on Insurance Markets
CIMENCAM	*Les Cimenteries du Cameroun* (Cameroon Cement Company)
CIRAD	International Cooperation Centre on Agronomic Research for Development
CNPS	National Social Insurance Fund
CNSC	Cameroon National Shippers' Council
COBAC	Central African Banking Commission
CT	Corporate Tax
DAE	Department of Economic Affairs
DGD	General Directorate of Customs
DGTCFM	General Directorate of Treasury, Financial and Monetary Cooperation
DSX	Douala Stock Exchange
ECAM	Cameroon National Household Survey
ECCAS	Economic Community of Central African States
ECMR	Cameroon Bond
EESI	Employment and Informal Sector Survey
EITI	Extractive Industries Transparency Initiative
ENIET	Government Technical Teachers' Training College
ENS	Higher Teachers Training College
ENSAI	National Advanced School of Agro-Industrial Sciences
ENSET	Higher Technical Teachers' Training College
FAO	United Nations Food and Agriculture Organization
FCTS	Fire, Casualty and Transport Insurance
FDI	Foreign Direct Investment
FEICOM	Special Council Support Fund for Mutual Assistance

FMU	Forest Management Unit
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
GTC	Government Technical College
GTTC	Government Teachers' Training College
GUCE	Single Window for Foreign Trade
HEVECAM	Cameroon Rubber Corporation
HIV	Human Immunodeficiency Virus
IDA	International Development Association
IFC	International Financial Cooperation
IFC	International Finance Corporation
IMF	International Monetary Fund
IsDB	Islamic Development Bank
MAETUR	Urban and Rural Land Development Authority
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MFE	Microfinance Establishment
MINADER	Ministry of Agriculture and Rural Development
MINEDUB	Ministry of Basic Education
MINEFOP	Ministry of Employment and Vocational Training
MINEPAT	Ministry of the Economy, Planning and Regional Development
MINEPDED	Ministry of 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 Crafts
MINTOUL	Ministry of Tourism and Leisure
MIRAP	Essential Goods Supply Regulation Authority
MMBTU	Millions of British Thermal Units
MPC	Monetary Policy Committee
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
OTA	Fungible Treasury Bill
PA	Public Administration
PAD	Port Authority of Douala
PERFAR	President's Emergency Plan for Aids Relief
PGI	Protected Geographical Indication
PIB	Public Investment Budget
PIIASI	Programme Intégré d'Appui aux Activités du Secteur Informel
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 Banques au Cameroun*
SCBC	Standard Chartered Bank Cameroon
SDR	Special Drawing Rights
SEMC	*Société des Eaux Minérales du Cameroun*
SEMRY	Yagoua Rice Expansion and Modernization Corporation
SGBC	*Société Générale de Banques du Cameroun*
SME	Small- and Medium-size Enterprise
SMI	Small- and Medium-scale Industry

SNH	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	Animal Production Development Company
STPP	Special Tax on Petroleum Products
TB	Treasury Bill
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-size Enterprise
WEO	World Economic Outlook
WHO	World Health Organization

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