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ANNEX

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

NOVEMBER 2022

REPUBLIC OF CAMEROON

Peace-Work-Fatherland

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

2022 FINANCIAL YEAR

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CHAPTER 1: OVERVIEW

Section 14 of Law No 2018/012 of 11 July 2018 relating to the fiscal regime of the State and other public entities provides that a report on the nation's economic, social and financial situation and prospects should be appended to the initial Finance Bill (RASIPEFIN). This report appended to the 2023 Finance Bill has been drawn up in compliance with this requirement. It describes and analyses: (i) the major developments in the global economy that are likely to impact the national economy in 2022 and 2023; (ii) the recent national economic, social and financial trends; and (iii) the macroeconomic and budgetary outlook for the 2023-2025 period.

1.1. Economic Environment

1.1.1. Global Economic Growth

The global economy, which has not yet fully recovered from the COVID-19 crisis, is facing the negative effects of the Ukrainian crisis with an increasingly bleak and uncertain outlook. According to the IMF World Economic Outlook published in October 2022, global economic growth is expected to drop from 6% in 2021 to 3.2% in 2022. It is projected at 2.7% in 2023. The drop in growth witnessed over the past two years is expected to continue in 2024, driven by the world's three largest economies: the United States, China and the euro zone. In the United States, a drop in household purchasing power and a tightening of the monetary policy would reduce growth to 1.6%, as against 5.7% in 2021, and project it to 1% in 2023. In China, growth is estimated at 3.2% in 2022, as against 8.1% in 2021, due to the numerous lockdowns and worsening of the real estate crisis; it is projected at 4.4% in 2023. In the euro zone, growth is expected to be 3.1%, as against 5.2% in 2021, due to the war in Ukraine and the tightening monetary policy; it is projected at 0.5% in 2023.

In sub-Saharan Africa, growth is expected at 3.6%, as against 4.7% in 2021, with a deceleration in Nigeria (+3.2% from +3.6%) and South Africa (+2.1% from +4.9%) and a worsening growth outlook in oil importing countries. This slowdown is linked in particular to the increase in imports, following the surge in basic commodity prices and the disruption of supply chains linked to the war in Ukraine, which affects in particular the external and fiscal balances of commodity-importing countries. In addition, countries in the region are expected to face tighter financial conditions as a result of tighter monetary policy in advanced countries and rising geopolitical tensions, resulting in reduced portfolio investment flows into the region and downward pressure on most exchange rates. In 2023, the region's economic growth is projected at 3.7%, with 3% in Nigeria and 1.1% in South Africa. In the CEMAC zone where the economy is highly dependent on the commodity prices, growth is expected to rise to 3.2%, as against 1.5% in 2021 and 3.4% in 2023.

1.1.2. World Trade

In 2022, global trade volume is expected to slow down owing to declining global demand, supply chain disruptions and appreciation of the dollar (by about 13%), a currency that plays a dominant role in trade. The global trade volume is expected to slow down from 10.1% in 2021 to 4.3% in 2022. It is projected at 2.5% in 2023.

1.1.3. Inflation and Commodity Prices

The global economy inflation rate stood at 4.7% in 2021. This level is justified by rising energy prices and supply disruptions, particularly in the United States and many emerging and developing countries. Inflation stood at 3.1% in the group of advanced countries and 5.9% in emerging and developing countries.

In 2022, the inflation rate is estimated at 8.8% for the global economy due to the consequences of the Ukrainian crisis. It is expected to be 7.2% in advanced countries and 9.9% in emerging and developing countries. In sub-Saharan Africa, it is expected to be 14.4% in 2022, as against 11.1% in 2021. In the CEMAC zone, it is estimated at 5.2%, as against 1.6% in 2021. By 2023, inflation in the global economy as a whole is expected to fall to 6.5% as a result of disinflationary monetary policies implemented by central banks. It is projected at 11.9% in sub-Saharan Africa and 3.5% in the CEMAC zone.

With regard to commodity prices, some have reached or exceeded the historic peaks of 2011. In particular, oil prices, which had fallen to USD 41.3 in 2020, rose by 65.9% in 2021 to average USD 70 per barrel linked to the global economic recovery. In 2022, average crude oil prices are expected to stand around USD 98.2 per barrel before falling to USD 85.5 per barrel in 2023. As for the price of metals, it should decrease by 5% in 2022, as against an increase of 48% in 2021. Agricultural commodity prices may fall slightly in 2022 and 2023 following a 22% increase in 2021, as supply conditions improve.

Table 1: Some Global Economic Performance Indicators

	2020	2021	2022*	2023**
GDP Growth (in %)				
Global economy	-3.0	6.0	3.2	2.7
United States	-3.4	5.7	1.6	1.0
Euro zone	-6.1	5.2	3.1	0.5
United Kingdom	-9.3	7.4	3.6	0.3
Japan	-4.6	1.7	1.7	1.6
China	2.2	8.1	3.2	4.4
India	-6.6	8.7	6.8	6.1
Sub-Saharan Africa	-1.6	4.7	3.6	3.7
Nigeria	-1.8	3.6	3.2	3.0
South Africa	-6.3	4.9	2.1	1.1
CEMAC	-1.7	**1.5**	**3.2**	**3.4**
Inflation (in %)				
Global economy				
United States	1.2	4.7	8.1	3.5
Euro zone	0.3	2.6	8.3	5.7
United Kingdom	0.9	2.6	9.1	9.0
Japan	0.0	-0.2	2.0	1.4
China	2.4	0.9	2.2	2.2
India	6.2	5.5	6.9	5.1
Sub-Saharan Africa	10.2	11.1	14.4	11.9
Nigeria	13.2	17.0	18.9	17.3
South Africa	3.3	4.6	6.7	5.1
CEMAC	2.6	1.6	5.2	3.5

Source: IMF/BEAC *Estimates **Projections

1.2. Recent Trends in Cameroon's Economy

1.2.1. Growth and Prices

In 2021, economic activity picked up with a growth rate of about 3.6%, as against 0.3% in 2020. This situation is attributable to the gradual reopening of the world's economies after a particularly difficult year in 2020. This economic recovery is observed in all sectors of activity.

Growth rate in the primary sector stood at 2.9%, compared with 1.4% in 2020, representing a 1.5 percentage point increase. This trend is mainly driven by the good performance of activities in branches of "agriculture of food products" (+2.7%, as against +0.6% in 2020), "industrial and export agriculture" (+5.2%, as against +4.0%) and "forestry and logging" (+1.3%, as against -0.1%). Growth acceleration recorded in the "industrial and export agriculture" branch is linked to favourable weather conditions in all production basins, a lull in insecure regions and a recovery in global demand.

The secondary sector recorded a 3.2% growth as against 1.4% in 2020. This trend is driven by the growth acceleration in branches of "food-processing industries" (+5.2%, as against +2.8% in 2020) and the "electricity production and distribution" (+1.4%, as against +1.0%), as well as recovery in the "other manufacturing industries" (+3.7%, as against -4.9%). On the other hand, growth recorded a deceleration in "civil engineering and public works" (+3.2%, as against +6.8%) and activity regressed in "extractive industries" (-2.5%, as against +2.6%).

The tertiary sector also recorded growth acceleration with a 4.3% rate, as against 0.1% in 2020. This rebound was mainly linked to the recovery or maintenance of activities in branches of "restaurants and hotels" (+7.3%, as against -8.4% in 2020) and "transport, warehousing and communications" (+8% in 2021 like in 2020) due to the gradual lifting of restrictive measures. Both branches also benefited from the revival of activity in upstream sectors (primary and secondary). In addition, growth consolidated in the branches of "information and telecommunications" (+6.1%, as against +5.3%) and "banks and financial institutions" (+10.3% after +2.8%).

By GDP use, economic growth acceleration in 2021 is mainly linked to the strong domestic demand, following the easing of restrictive measures against COVID-19. Indeed, final consumption bounced back to 4.3%, as against 0.3% in 2020, linked to: (i) improvement in household income whose activities had been negatively affected by the consequences of the health crisis; (ii) recruitment of temporary workers, particularly those working on the various AFCON sites; and (iii) the resumption of remittances from the diaspora.

Gross fixed capital formation increased by 8.4% after falling by 4.2% in 2020. This increase can be observed in its public component (+4.0%, as against -25.3% in 2020) and private component (+9.6% after +4.2%). Public investment benefited from the recovery of public investment spending, which had been crowded out by budgetary trade-offs in response to the health crisis in 2020. The improved private investment is mainly reflected in the increase in imports of: (i) transport equipment (+47%); (ii) household furniture and medical furniture (+44%); and (iii) machinery and mechanical or electrical equipment (+18%). With regard to household investment in particular, it can be observed through the boom in civil construction backed among other things by an increase in banks loans to individuals (+19%).

In terms of net external demand, the volume of exports of goods and services increased by

3.4% in 2021, after a contraction of 14.4% in 2020. This result is mainly attributable to the good performance of exports of cocoa, coffee, tea and sugar processing products (+20.1%); forestry and logging products (+10.2%); agricultural produce (+5.1%), as well as financial and insurance services (+14.8%) and accommodation and food services (+8.3%). Conversely, there was a fall in the volume of exports of energy products (-2.6%), professional, scientific and technical services (-49.4%), as well as equipment leasing and travel agency reservation services (-17.3%). Imports recorded a 13.8% increase, as against a 17.1% drop in 2020. This increase was mainly driven by imports of transport equipment (+49.9%), chemical products (+43.2%), agricultural produce (+23.2%), grain processing products (+25.0%), transport and storage services (+19.0%), financial and insurance services (+7.6%) and professional, scientific and technical services (+6.6%).

In terms of contribution to GDP growth, final consumption and investment contributed 3.6 and 2.1 percentage points respectively. On the other hand, net exports reduced growth by 2 points.

Concerning prices, inflation stood at 2.3%, as against 2.5% in 2020. This deceleration was mainly observed for “housing, water, gas, electricity and other fuels” (+1.8% from +3.0%), “transport” (+0.8% from +2.0%) and “restaurants and hotels” (+1.5% from +2.3%). On the other hand, the rise in prices accelerated for “food and non-alcoholic beverages” (+4.3%, up from +3.6%) and “education expenditure” (+1.2%, up from +0.5%). By spatial distribution, all regional headquarters recorded an increase in prices. Inflation accelerated in Bertoua (+4.4%, up from +3.6%), Bamenda (+3.8%, up from +2,2%), Ebolowa (+3.7%, up from +0.8%) and Yaounde (+2.3%, up from +2.0%), but decelerated in Buea (+1.7%, from +3.6%), Douala (+1.9%, from +2.3%), Ngaoundere (+1.0%, from +2.3%), Garoua (+2.1%, from +2.7%), Maroua (+3.2%, from +3.4%) and Bafoussam (+2.4%, from +2.6%). By activity sector, the prices of primary sector goods decreased (+4.7%, as against +4.9% in 2020), likewise those of the tertiary sector (+0.9%, as against +1.6%). Conversely, the prices of goods in the secondary sector accelerated (+1.6%, up from 1.5% in 2020), linked to the rise in prices of imported raw materials and the cost of maritime freight.

1.2.2. Relationship with the rest of the world

1.2.2.1. Competitiveness

In 2021, the real effective exchange rate (REER) was almost stable, compared with 2020. This situation is mainly due to the appreciation of the CFA franc against the currencies of the main trading partners and the inflation differential in favour of Cameroon. Terms of trade progressed by 8.4% compared with 2020, following a greater increase in export prices (+20.1%) than in import prices (+18.7%), thus reflecting a strengthening of foreign currency assets.

Concerning structural competitiveness, Standard & Poor’s and Fitch rating agencies have maintained Cameroon’s 2020 sovereign rating unchanged at ‘B-’ and ‘B’ respectively, with a stable outlook. These ratings, which classify the country as highly speculative for donors, are justified by the vulnerability factors linked to political uncertainties and heavy dependence on raw materials. Furthermore, the Country Policy and Institutional Assessment Index (CPIA), published by the World Bank in sub-Saharan Africa, ranks Cameroon 15th out of 39 low-income countries eligible for IDA funds. However, the country is making progress in economic management, including fiscal, tax and debt policies, but needs to redouble its efforts in areas of governance, business climate and public expenditure quality.

1.2.2.2. External trade

In 2021, total goods trade between Cameroon and the rest of the world was estimated at 6 265.6 billion, up by 1 274.1 billion, compared with 2020. The trade balance deficit stood at 1 478 billion in 2021, up by 114 billion, compared with 2020, due to the greater increase in the value of imports (+693.4 billion) than in exports (+579.4 billion). The coverage rate of imports by exports nevertheless rose by 4.7 percentage points to 61.8%. Excluding the oil sector, the deficit increased by 443 billion, to stand at 2 448.4 billion.

The value of imports amounted to 3 871.8 billion, up by 21.8% in 2020. This trend is due both to the increase in imported volumes (+14.6%) and prices (+18.7%) owing to the recovery of activities. The increase in the value of imports is particularly noticeable in fuel and lubricants (+84.4 billion), machinery and mechanical equipment (+73.8 billion), pharmaceutical products (+55.2 billion), rice (+48.1 billion), iron and steel (+45.7 billion), wheat and muslin (+43.6 billion), cast iron and steel (+42.3 billion), liquefied butane (+31.3 billion), private cars (+31.2 billion), plastics (+29.3 billion), clinker (+28.1 billion) and crude or refined oil (+26.1 billion). Conversely, there was a decrease in imports of synthetic or artificial filaments (-6.8 billion), insecticides, fungicides and herbicides (-6.3 billion), ethyl alcohol (-5.5 billion) and second-hand clothes (-5.4 billion).

The main products imported in 2021 are: fuel and lubricants (15.9% of total imports), machinery and mechanical equipment (7.0%), iron, cast iron, steel and its products (5.6%), rice (5.4%), pharmaceutical products (4, 9%), wheat and muslin (4.7%), plastics (3.8%), frozen sea fish (3.5%), iron and steel articles (3.0%), clinker (2.9%) and private cars (2.4%).

Exports increased by 579.4 billion, compared with 2020, to stand at 2 393.8 billion. This increase is explained by the rise in prices1 (+20.1%) and export2 volumes (+6.8%). It was mainly in sales of crude petroleum oils (+329 billion), liquefied natural gas (+70.3 billion), raw cotton (+29.8 billion), rough timber (+23.5 billion), cocoa paste (+22.8 billion), raw cocoa beans (+22.8 billion), fuel and lubricants (+13.9 billion), sawn wood (+12.4 billion) and raw rubber (+9.9 billion). However, there was a decrease in sales of raw aluminium (-12.4 billion) and robusta coffee (-3 billion).

Exports were dominated by crude petroleum oils (40.5% of total exports), raw cocoa beans (11.3%), liquefied natural gas (10.6%), sawn timber (7.1%), raw cotton (6.0%), rough timber (4.1%), cocoa paste (3.1%), cocoa butter (1.8%), crude aluminium (1.6%), raw rubber (1.3%), bananas, including plantains (1.2%) and household soap in pieces (1.0%).

By trade geographical orientation, China maintains its rank as Cameroon's leading trade partner with 20.6% of total trade value. It is followed mainly by: India (8.2%), France (6.7%), the Netherlands (6.6%), Italy (4.3%), Russia (4.3%), Spain (4%), Belgium (3.7%), the United States (2.8%) and Turkey (2.5%).

With regard to all external trade, the current account balance of Cameroon's balance of payments registered a deficit of 8 billion (4.0% of GDP), as against 872 billion (3.7% of GDP) in 2020. This reduction in the current account is mainly driven by a wide deficit in services,

1_ Export price index trend.

2_ Export quantity index trend.

especially freight. Goods and primary income deficits decreased, while the secondary income surplus increased. The current account deficit is financed to the tune of 855.8 billion through external financing, up by 424.1 billion, compared with 2020, comprising: (i) net inflows of 360.4 billion for the public administration, including 295.7 billion in net drawings from ordinary loans; (ii) net inflows of 714.4 billion from the non-banking private sector, including 503.6 billion in FDIs; and (iii) net outflows of 219 billion from the banking sector. In short, the overall balance of payments recorded a deficit of 153.9 billion, as against a surplus of 432.6 billion in 2020.

By activity sector, the current account balance maintained a surplus for agriculture (+769.2 billion), forestry (+264.7 billion), hydrocarbons (+1 132.3 billion) and transport (+20.3 billion). Conversely, it recorded a deficit in industry (-1 347.5 billion), trade, restaurants and hotels (-1 355.8 billion), telecommunications (-91.3 billion) and financial activities (-26.9 billion).

By main trade partners, trade showed a current account deficit with China (-180.7 billion), the European Union (-597.3 billion, driven by France (-299.4 billion), Nigeria (-32.7 billion) and the United States (-30.5 billion). On the other hand, it showed a surplus of 649.9 billion with CEMAC.

In the first half of 2022, trade amounted to 3,527 billion and increased by 21.2% year-on-year. Exports increased by 556.5 billion to 1 638.4 billion, following the 20.6% increase in the price of exported products, linked to the consequences of the Russia-Ukraine conflict, with volumes sold remaining almost stable. Excluding the oil sector, they increased by 292.1 billion, to stand at 947.8 billion. Imports increased by 60.4 billion to 1 888.5 billion, also due to the rise in prices of imported products, while quantities decreased by 6.1%.

1.2.3. Financial Sector

In 2021, the financial sector was marked by, among other things: (i) the recovery of the global economy after the recession caused by the adverse effects of the COVID-19 pandemic; (ii) the reorientation of monetary policies for economic recovery needs, while guaranteeing monetary stability; (iii) the continued implementation of the new CEMAC regulation of 27 September 2017 on the conditions governing the exercise of microfinance activities.

As part of its refinancing policy, and in a bid to continue supporting monetary stability, BEAC adjusted upwards its key rate to 3.5% in November 2021, compared with 3.25% previously. This rate was further adjusted in April 2022 to 4%.

With regard to the minimum reserve, the minimum reserve ratio remained unchanged at 7% for demand deposits and 4.5% for time deposits. At end December 2021, the amount of minimum reserves stood at 387.2 billion, compared with 340.9 billion at end 2020. At end June 2022, it stood at 422.2 billion, recording a 50 billion increase, compared with end June 2021. The reserves were remunerated at a 0.05% rate and accounted for one third of all bank reserves at BEAC.

The monetary situation at the end of 2021 and compared with the end of 2020 is characterized by an increase in external assets (+11.4%) and credits to the economy (+12.7%), driven by net claims on the State (+25.5%). Reflecting these trends, the money supply increased by 17.1% to 7 152.4 billion. At end-June 2022, and year-on-year, money supply increased by 9.3%, to stand at 7 266.9 billion, following an 11.6% increase in domestic credit and 4.5% in net foreign assets.

In the banking sector, net banking income (NBI) rose by 13.7%, as against 3.3% in 2020. The banking rate, in the strict sense, improved from 26.9% in 2020 to 28.4%. In the broadest sense, that is, taking into account MFIs, financial institutions and CAMPOST, the banking rate of the active population is 47.7%, as against 46.2% in 2020.

The total balance sheet of all banks increased by 15.3% to 8 087 billion. Customer deposits amounted to 4 312.4 billion, a 19.8% increase. Loans amounted to 4,312.4 billion, up by 10.3%, driven mainly by the increase in loans granted to individuals (+19.0%) and private companies (+6.3%). In terms of compliance with standards, 11 of the 15 banks operating in 2021 met all prudential ratios. At 30 June 2022, the total balance sheet of banks stood at 8,557 billion, up by 13.2% year-on-year. Deposits increased by 11.2% to 6,475.5 billion and outstanding loans rose by 13.9% to 4,490 billion.

In the microfinance sector, Cameroon had 402 licensed microfinance institutions (MFIs) as of 31 December 2021, compared with 415 in 2020. They are broken down into 334 1st category MFIs (83.1% of the total), 66 2nd category MFIs (16.4%), and 2 3rd category MFIs (0.5%). The total balance sheet of MFIs stood at 911.7 billion, a 128.6 billion increase, compared with end December 2020. Deposits collected by MFIs amounted to 728.4 billion, a 103.6 billion increase, compared with end December 2020. They are made up of 82.5% short-term deposits, 10.9% medium-term deposits and 6.6% long-term deposits. Loans to customers amounted to 539.7 billion, an 85.1 billion increase. By duration, a total of 49.6% loans are short-term, 35.8% long-term and 14.7% are medium-term. MFIs' deposits accounted for 11.7% of commercial banks' loans and their deposits, and 12.5% of commercial banks' deposits. The delinquency rate is 22.4%. These claims are mainly borne by 1st and 2nd category MFIs.

For financial institutions, the number remains at seven (7) as of 31 December 2021. Their activity increased by 8.6 billion, linked to the strengthening of equity capital (+12.6 billion) and the increase in fixed assets (+3.1 billion). The consolidated balance sheet of financial institutions is balanced in revenue and expenditure at 437.4 billion, as against 428.8 billion at end December 2020. Outstanding loans to customers remained almost stable at around 140 billion, while deposits fell by 2.7% to 55 billion. Outstanding debts decreased from 50.2 billion to 46 billion. Reflecting this trend, the delinquency rate decreased from 36% in 2020 to 32.7%, reflecting an increase in the credit portfolio.

In the insurance sector, Cameroon market is animated by 27 licensed companies, 17 of which are in the "Fire-Accident-Risks" (IARD) branch and 10 in the "Life and Capitalization" branch. The minimum five (5) billion share capital required for insurance companies is still met by 26 of the 27 licensed companies. The sector's turnover increased by 8.7%, as against 1.5% in 2020, to stand at 229.8 billion. Vehicle insurance accounted for 25.2% of total market emissions. Insurers paid 103.6 billion in benefits, as against 115.8 billion in 2020. Insurance operations, all branches combined, generated net operating proceeds of 15.9 billion, as against 17.4 billion in 2020, down by 8.6%. As for the financial situation of the market, the portfolio of admitted assets amounted to 509.3 billion in 2021, a 3.8% increase, compared with 2020.

On the financial market, fifteen securities were listed on the BVMAC official list at end

December 2021, including five for shares and ten for bonds. Market capitalization increased by 21%, compared with end December 2020, to stand at 1,054.8 billion. It is composed of 404.7 billion for the equity market and 650.1 billion for the bond market. At end June 2022, market capitalization increased by 7.8%, compared with end June 2021, to stand at 806.1 billion. Outstanding government securities amounted to 1,818.0 billion, up by 23.7%, compared with end December 2020. A total of 1 176.0 billion of these securities were issued on the auction market, 100 billion on the syndication market and 542 billion on the international market (Eurobonds). At 31 August 2022, outstanding government securities amounted to 1 979.7 billion, a 161.7 billion increase, as a result of a 631.4 billion increase in issues and reimbursements of 469.8 billion during the first eight months of the year.

1.2.4. Public Finance

Throughout the first half of 2022, budget resource recovery amounted to 2 619 billion for an execution rate of 43.8% compared with the Amending Finance Law. It increased by 474.4 billion year-on-year. Domestic budget revenue stood at 2 026.6 billion with a year-on-year progress amounting to 361.6 billion and an execution rate of 49.7% compared with annual projections.

Oil revenue stood at 402.2 billion for an execution rate of 49.9% compared with the Amending Finance Law. It increased year-on-year by 199.5 billion. This increase is driven by: recovery in upstream oil activities, petroleum price hikes and increased exchange rate between US dollar and CFA franc. Non-oil revenue recovered stood at 1 624.4 billion for an execution rate of 49.6% compared with the financial year's projections. It increased by 161.7 billion compared with the same period the previous year.

Loans and grants amounted to 593 billion for an execution rate of 31.3%. Altogether they comprise the issuing of 253.6 billion in net public bonds, 203.9 billion in project loans, 45.9 billion as budget support and 23.1 billion in grants.

Budget expenditure (commitment basis) amounted to 2 466.4 billion, that is, and execution rate of 40.9%. It witnessed a year-on-year increase of 42.5 billion. It comprised 1 048.1 billion recurrent non-interest expenditure, 459.7 billion public investment expenditure and 784.8 billion for public debt service.

Actual public debt service amounted to 784.8 billion as against 671.4 billion in the first half of 2021. Actual public debt service execution rate stood at 44.9%. Actual external debt service amounted to 321.6 billion, including 106 billion as interest and 215.5 billion as principal. Actual domestic debt service stood at 378.3 billion, consisting of 22.7 billion as interest; 39.3 billion as sinking fund; 52 billion as VAT refunds and 264.3 billion in domestic arrears and pending payments for 2021.

At end June 2000, public sector debt amounted to 11 933 billion, that is 45.8% of GDP. It is broken down into 92.7% for Central Administration debt and 7.3% for public corporations. It increased year-on-year by 11.2%.

1.2.5. Social Sectors

In 2021, the social sector was granted 1 104.7 billion, giving an increase of 0.2% compared with 2020, accounting for 23.7% of State budget. In 2022, it was granted 1 159 billion, increasing by 4.9%. In addition to the various ministries handling social matters, other government services devote some of their resources to this sector. It should also be pointed out that the State assisted populations in rural areas through drinking water supply and solar energy at subsidized costs. Moreover, the various resources allocated by the State to social sectors are reinforced by multifaceted support from development partners.

In the education sector, the 2021-2022 school year was marked by the continuous need to improve on the working conditions of teachers particularly through: (i) the gradual full payment of salaries for those still earning 2/3 thereof; (ii) the gradual payment of the housing allowance to teachers still to receive it; (iii) monthly payment of the 3.5 billion as arrears owed; (iv) the implementation of a rapid absorption file processing mechanism which enabled the processing of 22 967 files by 30 June 2022; (v) the introduction of a protocol to receive and digitally archive files extended to regional delegations.

By the close of the 2021-2022 school year, results of examinations under the authority of MINEDUB showed a success rate of 87.5% as against 79.4% the previous school year in the Certificat d'Etudes Primaires (CEP). As for the First School Leaving Certificate (FSLC) the success rate improved from 90.4% in 2021 to 95.9% in 2022.

In secondary education, success rate in examinations organized by the GCE Board and Office du Baccalaureat (OBC) also improved during the 2022 session. As for examinations organized by the Department of Examinations and Certification (DECC), their performance dropped. Thus, the success rate for the Secondary General Education Baccalaureat recorded 66.3%; Secondary General Education Probatoire 42.9%; Secondary Technical Education Probatoire (STT) 80.2% and STT Commercial Probatoire 62.6%.

The 2022 results of examinations by the DECC show a performance drop compared with those of the previous year. Thus, success rates moved from 74.4% to 66.9% for BEPC, 90.4% to 86.1% for Bilingual BEPC and from 79.2% to 77.6% CAP Commercial.

Regarding examinations organized by the GCE Board, success rates at the GCE-General Advanced Level and the GCE-General Ordinary Level improved respectively by 7.6 points and 7.9 points to stand at 69.5% and 67% in 2022. Success rates in the Technical and Vocational Education increased from 58.8% to 66.2% for Intermediate Level and 71.6% to 78.3% for Advanced Level.

In the health sector, budget allocated to the Ministry of Public Health (MINSANTE) less COVID-19 SAA stands at 197.1 billion, witnessing a 4.4% increase compared with 2020. Budget allocated to curb COVID-19 increased to 200 billion against 166.4 in 2020. In addition to MINSANTE, other ministries (MINEDUB, MINESEC, MINESUP, MINPROFF, MINDEF, DGSN, MINAS, MINJEC and MINJUSTICE) allocated a portion of their resources to the health sector.

In 2021, the number of live births recorded in health facilities was 965 643 as against 943 797 in 2020, that is, an increase of 2.8%. The Hospital Centre for Endoscopic Surgery and Human Reproduction Research Application (CHRACERH) established to help women with child-bearing difficulties recorded 330 births by medically assisted reproduction from 2015 to September 2022. Regarding epidemiological surveillance, 262 468 children aged 0 to 59 months were administered the oral bivalent poliomyelitis vaccine (VPOb), 4 741 001 children aged 6 to 59 months received Vitamin A supplement and 4 100 134 children aged 12 to 59 months were dewormed.

In 2022, budget allocation to the Ministry of Public Health stood at 207.2 billion, increasing by 5.1%. COVID-19 SAA budget allocation stands at 50 billion. At 3 July 2022, confirmed cases of COVID-19 from the start of the outbreak stood at 120 197, including 1 931 deaths. Recovery rate was 98.3% with 118 210 recoveries. Besides, 1 529 809 persons received at least one dose of the vaccine, that is, 11.1% of the target population.

Regarding employment, in 2021, and according to ONEFOP, the number of jobs created increased by 8.3% compared with 2020 and stood at 358 247. This progress is mainly attributable to the implementation of PIB-funded projects, whose contribution rate stood at 64.2%. The number of active employees on State payroll stood at 344 982, as against 340 957 in 2020.

Regarding housing and town planning, especially as pertaining to hygiene in urban areas, HYSACAM collected 1 538 836 tons of garbage in the cities where it has branches, as against 1 517 794 tons in 2020, that is, an increase of 1.4%. Regarding infrastructure development, actions centred on: (i) the development of 40 hectares of parking lots across the country and 119 km of road networks in Yaounde, Douala, Bamenda, Dschang, Bayangam, Minta, Meyomessala, Kribi, Sangmelima, Mvangan, Nguelebock and Tokombere; (ii) construction of bridges for a total distance of 560 ml in Meiganga, Banyo, Mayo Darle, Goulfey and Maroua.

Regarding social prevention and protection, the main actions dwelled on: (i) the supervision of 2 322 socially maladjusted minors and 2 286 child trafficking victims; (ii) psychosocial and nutritional support to 76 persons with mental disability in the West region; (iii) the management of 54 HIV-infected children in the Centre region; and (iv) integration and empowerment of 28 people from the Baka community, 35 from the Bororo community in specialized MINAS institutions; and (v) the issuing of 5 369 birth certificates, 4 622 disablement cards and 1 730 national identity cards to persons with disabilities.

Concerning women's empowerment and the family, activities included: (i) grant of agricultural equipment to 217 women; (ii) assisting 102 women's groups in project planning; (iii) capacity building of 2 928 widows in income-generating activities and training of 4 599 women and girls in the conservation and transformation of food stuff in women empowerment centres; (iv) training of 40 112 women and girls in entrepreneurship and management of income-generating activities.

Concerning youth economic empowerment, Government actions consisted included: (i) supervision and support of 1 228 young people facing difficulties in rural and urban areas and in prisons by providing them with income-generating activities; (ii) construction and supervision of 17 Multipurpose Youth Empowerment Centres (CMPJ), (iii) equipment of 30 CMPJs; (iv) rehabilitation of 16 CMPJs; (v) vocational training of 480 young people in CMPJs.

Regarding poverty alleviation, activities of the "Social Safety Net" continued in 2021 through the Emergency Cash Transfer programme ECT-COVID-19. Special emphasis was laid on people originating from the security crisis-hit North-West and South-West Regions. In this regard, 81 400 households of these regions, including 13,500 displaced persons in the West, Littoral and Centre Regions, were beneficiaries of the three programmes over the period 2020-2022. A total amount of 15.5 billion was transferred to all the beneficiaries. At 30 September 2022, 30 000 households had been selected to benefit from the ECT and ECT-COVID-19.

1.2.6. Institutional and Structural Reforms

In 2022, in the electricity sector, Ministry of Finance settled the compensation claimed by ENEO, which led to the signature of Network Access Contracts (CARTs) for all the customers of SONATREL, beginning with ENEO itself accounting for 80% of the company's annual turnover. This operation awaited since 2019 now allows SONATREL to collect royalties directly from all eligible clients using the electricity network.

In the domain of health, Cameroon introduced a national laboratory policy (PNL) to ensure the provision of quality services to the populations. It is a symbol of Government's visions and should act as "compass" for all laboratory activities in Cameroon.

Concerning the development of digital economy, the Cameroon Digital Innovation Centre (CDIC) was inaugurated on 8 February 2022 in Yaounde. It is a digital development centre equipped with advanced technology, computer systems and electronic communication networks to support the development of digital economy in Cameroon. It comprises co-working space, a multimedia studio, a digital academy, cloud computing, fablab, a call centre and a conference room. The mission of CDIC is to promote projects in the digital sector through the identification and grooming of young entrepreneurs.

Regarding State-owned corporations, continuing the reforms introduced by the 2017 laws, the Minister of Finance signed Circular No. 4918/MINFI of 5 July 2022 instituting a performance contract between the State and State-owned corporations. The Circular lays down the terms and conditions for drafting, signing and implementation of performance contracts of companies and corporations within the State's portfolio. The objective is performance and/or profitability of these institutions.

Concerning public finance management, the Ministry of Finance successfully conducted on the CEMAC financial market, the 6th bond issue of Cameroon, codenamed "ECMR 6.25% Net 2022-2029" for a maturity of seven years amounting to 235 billion CFA francs. This approach through the financial markets after three years of absence is explained by the need to diversify the number of State-owned bonds, and avoid being too exposed on BEAC's financial market. The funds collected were set aside in priority to fund infrastructure projects in the country.

Concerning the restructuring and rehabilitation of the National Oil Refinery Corporation (SONARA), the Pilot Committee thereof met on 15 September 2022 in a meeting chaired by the Minister of Finance. The said committee: (i) adopted the Restructuring Framework Agreement based on a public-private partnership model; (ii) defined the measures for restructuring traders' debt; and (iii) assessed the "SONARA 2010" project.

CAMPOST, the National Printing Press, SODECAO, CDC, IRAD, MAGZI and ENAM were eligible to the restructuring process under the Contract Plans and Minimum Goals Contracts for the 2022 financial year. Thus, with the entry into force of Circular No. 00004918/MINFI of 5 July 2022 on the preparation of performance contracts to put an end to Contract Plans and Minimum Goals Contracts (COM), it is advisable that budget allocated by virtue of joint Order No. 0000004/MINFI MINEPAT of 22 March 2022 be released for these entities, to enable them complete the execution of leftover actions and complete their Contract Plans.

As part of cooperation in technical partners, Cameroon signed with IMF a new "second generation" Economic and Financial Programme (EFP) 2021-2024 based on the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF). In this programme's strategic benchmark guidelines, Cameroonian authorities intend to: (i) continue with the COVID-19 response; (ii) reduce obstacles to private sector development; (iii) speed up public finance management reforms, particularly through the implementation of the CEMAC guideline; (iv) continue extending the non-oil tax revenues; (v) make public investment expenditures more efficient; (vi) reinforce the performance of State-owned companies; (vii) implement the SONARA financial and physical rehabilitation plan; (viii) reinforce public debt sustainability.

1.3. Macroeconomic and Budgetary Outlook for the 2022-2025 Period

1.3.1. 2022 Macroeconomic Situation

In 2022, the available economic indicators observed at the end of the third quarter of this year all confirm the recovery in economic activities for the year 2022. Thus, growth rate is estimated at 3.7% after 3.6% in 2021.

In terms of supply, the recovery is attributable to the non-oil sector (+3.8%), given its static growth rate. Export branches, especially in "industrial and export agriculture", "forestry and logging" benefited from the commodity price stability.

Regarding GDP use, household consumption is expected to rise by 2.7% despite inflationary tensions. They benefited from increased revenues from agriculture, household loans, remittances from abroad and job creation. Household consumption also benefited from measures aimed at limiting the impact of imported inflation on their purchasing power. By contrast, due to public expenditure control final government services consumption should drop by 5.2%.

Investment is expected to slow down due to: (i) a 4.2% drop in public investment expenditures compared with 2021; and (ii) deceleration of companies' investments expenditures. Thus, the total volume of investment is expected to increase by just 0.5% as against 12.1% in 2021.

Concerning net foreign demand, foreign trade was marked by a worldwide increase in main commodity prices, the disruption of supply chains and the appreciation of the US dollar compared with the euro. Cameroon benefited from the commodity price hikes since it exports mainly crude oil, natural gas and other commodities (cocoa, cotton, banana and timber). Thus, in the first half of 2022, commodity exports increased by 51% year-on-year. Across the year 2022, the volume of exports is expected to increase by 10.8% as against 3.4% in 2021. By contrast, the volume of goods and services imports is expected to fall by 2.3% in 2022 after rising by 13.8% in 2021.

As for prices, inflation rate is estimated at 4.6% at end 2022 as against 2.6% in 2021. This price hike is due to the consequences of the Ukrainian war, added to already existing supply difficulties. However, Government is implementing various measures to support household consumption in order to limit the incidence of imported inflation on household purchasing power.

Regarding the other macroeconomic accounts, budget deficit is expected to stand at -2.1% of GDP as against -2.3% in 2021, that is, a 0.2 point fall. The current account deficit of balance of payments (public transfers inclusive) is expected to reduce by 1 GDP point and stand at 3% of the GDP, driven by the reduction of balance deficit in goods, services and primary revenue. Money supply (M2) is expected to rise by 9.4%, driven by foreign exchange earnings (+4.5%) and credit to the economy (+19.5%).

1.3.2. Macroeconomic Outlook 2023-2025

The macroeconomic outlook remains dependent on the uncertainties inherent in the war in Ukraine and the expected impact of Government's economic policy measures. Government will have to strike a difficult balance between high level of subsidies (fuel prices at the pump) and public investment expenditures in line with the NDS-30 development aspirations.

Reviewed prospects in the budget guideline document indicate a slight decrease compared with those of June. Economic activity growth is expected to stabilize at 4.2% in 2023 as against 4.6% initially planned, due to the deterioration of the global economic outlook. It is expected to reach 5% on average over the period 2023-2025.

On the supply side, growth in the oil sector is projected at -1.3% in 2023 and -1.2% in 2024, due to the gradual depletion of oil fields partially offset by the production of gas. In 2025, the National Hydrocarbons Company (NHC) forecasts a substantial increase in gas production (256 billion cubic feet as against 93 billion in 2024). Forecasts in the non-oil sector point to a 4.5% growth rate in 2023 and 5.2% on average throughout the period 2023-2025, on the assumption that NDS-30 measures are efficiently implemented.

In the primary sector, forecasts indicate a 4.3% growth rate in 2023 and 4.7% on average over the 2023-2025 period. This progress is expected to be sustained by the import-substitution policy, positive effects of recovery programmes and cocoa, coffee, banana, cotton and rubber development plans and the proper handling of main export product prices.

In the secondary sector, projections show a 3.6% growth rate in 2023 and 8.1% on average over the period 2023-2025. Despite a drop in the production of crude petroleum oils, the sector is expected to benefit from: (i) increase in gas production; (ii) the extension of some industries such as cement production; and (iii) the good performance of agricultural and other manufacturing industries due to increased electric power supply following the commissioning of hydro-electric dams and the construction of electricity supply facilities. Civil engineering and public works will also sustain growth through the implementation of second generation major projects and the reconstruction of the North-West, South-West and Far-North Regions.

In the tertiary sector, growth is projected at 4.5% in 2023 and 5% on average over this period. The expected growth would be driven by the "telecommunications", "financial services", "trade and car repairs" and "restaurants and hotels" branches which would benefit from the good performance of the upstream sectors (primary and secondary).

Concerning GDP use, domestic demand is expected to benefit from the recovery of public investment and revival of consumption sustained by good performance of the job market and controlled inflation. Final household consumption is expected to rise by 3.9% over the 2023-2025 period. Investment growth rate is expected to be higher with an average of 6.1% over the same period.

As far as prices are concerned, inflation is expected to remain below the 3% CEMAC threshold for the 2023-2025 period, due to price control measures on one hand and improved supply of highly consumed local products and local market reorganization on the other hand.

Foreign account projections show a drop in the current account deficit, bringing it to 2% of GDP on average over the 2023-2025 period, thanks in particular to the promotion of exports in products manufactured from cocoa, timber, coffee, cotton, etc. including the proper implementation of the import substitution policy.

1.3.3. 2023-2025 Budgetary Outlook

Government's public finance policy for the period 2023-2025 is still based on budget consolidation to mobilize medium-term resources that are compatible with a sustainable debt level and guarantee the implementation of the NDS-30, in line with the guidelines of the new Economic and Financial Programme concluded with the International Monetary Fund (IMF).

In this regard, the overall budget deficit should continue its downward trend to stand at about 0.9% of GDP in 2023, as against an estimate of 1.8% in 2022, before dropping below 1% of GDP in 2024 and 2025. To achieve this consolidation, an additional effort to mobilize non-oil internal revenue is required. Moreover, efforts to streamline and control public expenditure should continue, while guaranteeing their socio-economic effectiveness.

Revenue projections for 2023 are based on: (i) a projected oil production of 26 million barrels and a projected gas production of 88.0 billion scf (standard cubic feet); (ii) a barrel price of USD 85.5, with 3.5-dollar discount, for an oil price of USD 82.0 61 per barrel in Cameroon; a price per cubic metre of gas at USD 10; (iii) an exchange rate of CFAF 640 per dollar; (iv) a nominal non-oil GDP growth rate of 6.8% serving as a base for non-oil revenue growth. Thus, the 2023 draft budget is balanced in revenue and expenditure at the sum of 6 274.8 billion, up by 115.8 billion compared to end 2022 estimates and by 297.1 billion compared to the 2022 financial year Amending Finance Law.

1.3.4. 2023 Macroeconomic and Budgetary Risks

Forecasts made under the 2023 Finance Bill remain subject to various constraints and risks that may disrupt its fiscal and financial balance. These risks are related to underlying assumptions of macroeconomic projections, and to the effectiveness and efficiency of new measures to sustain optimal mobilization of fiscal and customs revenues, rationalize and control expenditures, the capacity of financial markets to meet the State's financial needs and to the availability of expected budget support from our partners. This macroeconomic and budgetary outlook may be influenced by external and internal risks.

Regarding external risks, the ongoing crisis between Russia and Ukraine may lead to a less significant level of activity than projected, and hence lead to lower fiscal and customs revenues than expected. In fact, any new shock on the prices of energy and food stuff may highly increase and prolong global inflation. I this regard, global financial conditions are expected to continue hardening, as a result of advanced countries' stringent monetary policies, linked to current record inflation level and expected hikes, even though a drop is envisaged from 2023.

As far as internal budgetary risks are concerned, the unexpected rise in oil product and commodity prices may increase the current account and budget deficit if the crisis between Russia and Ukraine does not end in 2022 and keep on affecting global oil prices. The cost of subsidizing hydrocarbon products at the pump, projected at 300 billion in 2023, is also a major risk to budget sustainability.

Security risk in the North-West, South-West and Far-North Regions have not ceased and continue to absorb a considerable share of the State's expenditure through direct interventions of the NHC, which remain high. Likewise, the cost of subsidising the price of hydrocarbonsat the pump, which isprojectedat 300 billion in 2023, constitutes major risk for fiscal sustainability.

In addition, budget risks also lie in the degrading financial conditions of some enterprises of the public and semi-public sector which continue to require significant financial support from the State budget, thereby leading to excesses in projected expenditures and thus jeopardizing the constructed medium-term financial balance. Moreover, in case of unfavourable financial conditions in the domestic financial market, the mobilization of public medium- and long-term bonds amounting to 400 billion in 2023, and the refinancing of fungible treasury binds might disrupt the financial balance established for this period. Likewise, the assumed limitation of the Treasury's payments (PCs and RLAs) of their corresponding annual revenues would disrupt financial balance where these payments exceed the amount of revenue actually paid into their respective accounts at the Treasury.

CHAPTER 2: PRODUCTION

In 2021, the national economy was marked by: (i) the conclusion of a new economic and financial programme with the IMF; (ii) the resumption of production activities in the North-West and South-West Regions, despite the persistent security crisis; (iii) the rebound in world prices of the main export products; and (iv) the implementation of the post-COVID-19 economic recovery plan and the National Development Strategy 2020-2030 (NDS-30). Real GDP growth bounced back to 3.6% after slowing down to 0.3% in 2020. The primary sector contributed 0.5 percentage point to growth, the secondary sector 0.7 percentage point and the tertiary sector 2.2 percentage points.

2.1. Primary Sector

In 2021, growth in the primary sector stood at 2.9%, up from 1.4% in 2020. This acceleration reflected trends in "industrial and export agriculture" (+5.2%, up from +4.0%), "subsistence agriculture" (+2.7% compared with +0.6%), "forestry and logging" (+1.3%, as against -0.1%) and "fishing and fish farming" (+4.4% after +1.0%). However, growth slowed down in the "stockbreeding and hunting" sub-sector (+2.4%, as against +2.7%). In terms of weight, the primary sector accounted for 16.9% of GDP.

This sector benefited from favourable weather conditions in all production basins and a respite in insecurity-prone regions. It also benefited from the recovery in global demand. The continuation of support to stakeholders in the mastery of production plantation regeneration techniques also boosted sector growth. The Rural Sector Development Strategy continued to aim at: (i) improving agricultural sub-sector productivity and competitiveness; (ii) modernizing infrastructure; (iii) supervising and training producers; (iv) ensuring sustainable biodiversity management; and (v) research and innovation.

2.1.1. Agriculture

The agricultural value added increased to 3.5% in 2021, up from 1.7% in 2020. This sub-sector includes "industrial and export agriculture" and "subsistence agriculture".

2.1.1.1. Industrial and export agriculture

In 2021, the "industrial and export agriculture" branch recorded a 5.2% growth compared with 4.0% in 2020. This improvement was linked, among other things, to recovery in demand for our main export products and an improvement in prices.

Cocoa

In 2021, raw cocoa production rose by 19.2% to stand at 370 257 tons due particularly to: (i) the resumption of production in plantations in the South-West; (ii) favourable climatic conditions; and (iii) global economic recovery and increase in demand by local processing industries. The commencement of production of new plantations and increased maintenance of plantations in the other basins also contributed to increasing production.

The actions that contributed to improving production mainly concern: (i) the production and distribution of 8 000 145 certified cocoa seedlings; (ii) the certification of 1 129 000 cocoa seedlings from private nurseries; (iii) the distribution of 12 180 litres of special cocoa fertilizers; (iv) the treatment of 216 238 ha of cocoa orchards; (v) the creation of 160 ha of plantations; (vi) the distribution of 10 000 cocoa pods to nurserymen; (vii) the procurement and distribution of 480 shelling machines to farmers; (viii) the transfer of 300 000 cocoa plants by SODECAO to Domayo Farming which currently runs a 600-ha cocoa plantation. In addition, an agreement signed in 2021 between SODECAO and GIZ Pro helped to build the capacity of producers from 14 farmer cooperatives in the Centre and South-West Regions in techniques for the creation and treatment of plantations, and to provide 250 000 improved cocoa plants to farmers.

The Government, through the Cocoa and Coffee Sub-sector Development Fund (FODECC), established a "producer one stop shop" worth 50 billion for the 2021-2025 period to facilitate access to financing by producers. This mechanism hinges on an application called "Producer Windows" which helps to carry out all transactions on-line, particularly identification, obtaining subsidies, geolocation of plots and placing of orders for inputs.

Coffee

Arabica coffee production dropped by 4.1% in 2020 and by 2.8% in 2021 to stand at 6 386 tons. Conversely, Robusta coffee production increased by 11.6% to 31 661 tons. The actions taken by the Government and other stakeholders to increase production are being pursued. These include the distribution of 386 356 certified Robusta coffee plants and the granting of bonuses on quality to further encourage producers. The problems faced by the sub-sector remain the ageing of plantations and lack of interest by young people due to low profitability.

Natural rubber

After two years of decline, natural rubber production increased by 25.6% in 2021 to 36 170 tons. This trend is due, among other things, to: (i) the resumption of activities within the CDC following the closure of plantations due to the security crisis; (ii) the resumption of production at SOCAPALM; (iii) the commencement of production of HEVECAM in the South Region of Cameroon. Price increases, coupled with recovery in global demand, also contributed to sub-sector activity performance.

To increase local rubber production, HEVECAM launched a 15 billion Euro subcontracting programme in June 2021. This programme aimed to empower 13 000 smallholders over a 15-year period by developing 27 000 hectares of multi-crop farms together with rubber cultivation.

Cotton

In 2021, seed cotton production increased by 6.9% to 359 680 tons, while cotton fibre production rose by 4.6% to 147 838 tons. Such trends are attributable, among other things, to: (i) the continuous improvement in yields which reached an average of 1.6 tons/ha, up from 1.4 tons/ha five years ago; (ii) the drop in post-harvest losses; (iii) the modernization of ginning plants; (iv) the continuation of the payment of producer bonuses; and (v) the maintenance of feeder roads.

The Cotton Development Corporation (SODECOTON) supervises more than 250 000 producers in the country's northern regions. Within the framework of its investment plan, the corporation launched the construction of its 10th cotton ginning plant in Gouna (North Region) on 6 March 2021. In addition, the environmental impact assessment of the project to build the third oil mill with a crushing capacity of 300 tons of cotton per day in Tchabal Margol-Ngaoundere is ongoing. The construction of this plant, which will cost a total of 25 billion, is financed by the African Development Bank (AfDB).

Export banana

In 2021, export banana production increased by 5.9% to 196 192 tons compared with an 8% decrease in 2020. This trend is attributable to the resumption of activities within the CDC which produced 18 787 tons in 2021 compared with 6 178 tons in 2020. The good performance of Fairtrade certified Cameroonian banana prices and the recovery of post-COVID-19 demand also contributed to boosting the performance of the sub-sector.

The revitalization of the banana sub-sector was expected to be boosted by the tax breaks included in the 2022 Finance Law, particularly the 7 year VAT exemption on land ownership and input purchases. However, it should be noted that these incentives only apply to the South-West and North-West Regions which were declared economically distressed in 2019. In keeping with the objectives of the NDS-30, the Government intends to increase banana production to 500 000 tons by 2030.

Crude palm oil

In 2021, industrial crude palm oil production increased by 1.3% compared with 2020 to stand at 180 337 tons. This trend was mainly driven by SOCAPALM, the main operator in the sub-sector, which invested 6.7 billion to procure production equipment and improve industrial agricultural techniques. To increase the production of crude palm oil for household consumption, 170.2 tons of oil palm seeds were procured and distributed to smallholder farmers.

To fill the production gap, the Government continued to support the oilseed sector. It authorized the import of 100 000 tons of crude palm oil in 2021 at a Common external tariff (CET) of 5% exempt from VAT. In 2022, sub-sector operators have been granted permission to import 143 000 tons of crude palm oil.

Table 2: Production, Exports and Prices in Industrial Agriculture

Items	2015	2016	2017	2018	2019	2020*	2021**	Growth (%)
Cocoa								
Production (tons)	308 753	330 412	308 736	309 627	293 685	310 595	370 257	19.2
Exports (tons)	265 306	263 746	221 667	218 793	218 002	190 728	213 835	12.1
Prices (in CFAF/kg)	1 756	1 654	1 158	1 265	1 312	1 384	1 372	-0.8
Arabica coffee								
Production (tons)	6 504	7 024	10 307	6 565	6 846	6 567	6 386	-2.8
Exports (tons)	2 004	1 943	1 730	1 146	859	990	0	-100.0
Prices (in CFAF/kg)	2 227	2 188	2 131	2 001	1 820	1 994	3 022	51.6
Robusta coffee								
Production (tons)	27 094	29 762	21 316	35 654	35 073	28 378	31 661	11.6
Exports (tons)	27 990	30 914	22 273	17 765	17 213	20 290	50	-99.8
Prices (in CFAF/kg)	1 391	1 361	1 492	1 254	1 085	1 014	1 325	30.7
Rubber								
Production (tons)	46 920	40 983	41 911	45 354	35 517	28 809	36 170	25.6
Exports (tons)	36 149	42 328	42 381	41 560	34 367	32 318	40 945	26.7
Prices (in CFAF/kg)	864	1 019	1 279	1 050	940	878	1,105	25.8

Seed cotton								
Production (tons)	289 994	258 000	248 150	295 100	320 077	336 321	359 680	6.9
Cotton fibre								
Production (tons)	107 585	91 970	100 877	107 617	131 761	141 381	147 838	4.6
Exports (tons)	98 143	101 427	101 893	113 623	130 061	123 907	154 909	25.0
Prices (in CFAF/kg)	920	865	975	1 066	1 067	984	1 386	40.9
Export banana								
Production (tons)	363 029	381 525	347 896	240 403	204 320	185 265	196 192	5.9
Exports (tons)	283 436	295 180	275 717	217 177	184 370	191 653	208 991	9.0
Prices (in CFAF/kg)	482	505	502	536	518	506	494	-2.3
Palm oil								
Industrial production (tons)	140 212	130 129	155 066	171 955	178 667	177 996	180 337	1.3

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

2.1.1.2. Food Crop Agriculture

Growth in the food crop sub-sector was 2.7% in 2021, up from 0.6% in 2020. This trend was the result of: (i) favourable climatic conditions in the major production basins; (ii) the resumption of agricultural activities in the North-West and South-West Regions as a result of the gradual restoration of peace; and (iii) the resumption of sub-regional trade. The reduced impact of COVID-19, particularly on temporary employment and the fertilizer supply chain also helped to improve the performance of food crop cultivation. The food crops produced included cereals, roots and tubers, legumes, market gardening products, fruits and vegetables.

Cereals

Cereals, which constitute the basis of diet, mainly include maize, millet/sorghum and rice. In 2021, maize and rice production increased. In contrast, millet/sorghum production dropped due to the invasion of granivorous birds coupled with a reduction in the area sown. Government's actions to boost cereal production focused on the supervision and training of producers, the distribution of improved high-yield seeds and support for research and innovation.

Maize

After falling by 3.8% in 2020, maize production increased by 17.5% in 2021 to 2 452 474 tons. This increase was due particularly to favourable climatic conditions, a 10.5% increase in the crop area to 1.3 million hectares and an improvement in average yields from 2.4 tons/ha five years ago to 2.8 tons/ha for composite varieties. Government's actions to increase production included the distribution of: (i) 3 385 tons of certified maize seeds; (ii) 591 tons of certified basic maize seeds; and (iii) 390 tons of certified pre-basic maize seeds.

Paddy rice

In 2021, paddy rice production increased by 21.5% to 352 948 tons. This trend was driven by the increase in production in the North-West Region and under SEMRY which has increased the area sown. SEMRY signed a partnership agreement with the National Centre for Studies and Experimentation in Agricultural Mechanization (CENEEMA) for support with heavy machinery. This helped to plough an additional 1 500 hectares during the 2020/2021 crop year.

The actions implemented by the Government to support the sector concerned notably: (i) the production and distribution of 114 tons of certified rain-fed rice seeds; (ii) the distribution of 1 095 tons of certified irrigated rice seeds, including 78 tons of the S35 variety and 75 tons of the CS54 variety adapted to some agro-ecological zones. SEMRY also contracted CENEEMA to plough 8 000 hectares of irrigated land during the 2021/2022 crop year under a partnership agreement signed in October 2021.

Millet/Sorghum

In 2021, millet/sorghum production fell by 4.7% compared with 2020 to stand at 1 010 792 tons. This drop is linked to a 2.2% decrease in the area sown. In addition, the invasion of granivorous birds and the recurrence of caterpillars, grasshoppers and locusts in many plantations in the North and Far-North Regions contributed to reducing harvests. To support the sub-sector, the Government distributed 12 tons of certified basic seed to farmers.

Legumes and oilseeds

Legumes and oilseeds consist mainly of cowpeas, beans, soybeans, groundnuts and Bambara groundnuts. In 2021, cowpea and soybean production increased by 9.1% and 5.2% respectively. However, groundnut (-19.4%), Bambara groundnut (-18.9%), bean (-15.4%) and sesame (-12.4%) production dropped due to poor climatic conditions and a reduction in the area sown.

Roots and tubers

In 2021, cassava production increased by 4.2%, as against 2020 to stand at 6 024 574 tons. This increase was mainly observed in the South-West Region due to the resumption of agricultural activities people returned to their villages. This crop benefited from the distribution of 3 600 000 cuttings to producers. Yam production increased by 10.9% thanks to the increase in local and sub-regional demand. Sweet potato production increased by 5.7% due to the timely distribution of high-yield varieties to producers.

In comparison, potato production continued to fall (-15.9% in 2018 compared to -8.4% in 2020). This trend is attributed, among other things, to a decrease in production in the West Region as a result of delays in providing certified seeds to producer organizations. Cocoyam/ colocasia production dropped by 6% due to a reduction in the crop area.

Market gardening produce, fruits and vegetables

Overall, the production of market garden produce, fruits and vegetables increased in 2021 compared to 2020. The production of local bananas and plantains rose by 10.2% and 3.6% to 1 175 125 tons and 4 657 075 tons respectively. These trends were driven by the timely availability of seedlings and the resumption of agricultural activities in the South-West Region, with the gradual return to peace. The production of other produce also increased. These include tomatoes (+10.3%), pineapples (+9.8%), onions (+8.6%) and watermelons (+6.2%).

To support the sub-sector, the Government procured and distributed 831 130 certified plantain seedlings, 17 000 fruit tree seedlings, 142.5 tons of pepper seeds and 100 tons of tomato seeds. To revive the cashew nut sub-sector, 6 hectares of cashew woodlots were planted and 8 tons of improved seeds and 2 million cashew seedlings procured and distributed.

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

Items	2015	2016	2017	2,018	2019	2020*	2021**
Cereals							
Maize	2 070 572	2 101 631	2 142 641	2 263 400	2 012 183	2 087 957	2 452 474
Millet/Sorghum	1 040 902	1 144 992	1 066 495	1 275 674	1 228 208	1 060 642	1 010 792
Paddy rice	278 281	311 674	289 221	331 191	334 275	290 449	352 948
Legumes and oilseeds							
Cowpea	199 000	195 408	200 113	196 961	209 386	203 062	221 566
Bambara groundnut	46 000	27 864	29 387.90	33 363.60	29 087.00	35 802.00	29 023.00
Sesame	56 000	68 422	37 745	37 961	36 463	75 822	66 416
Groundnut	781000	622 732	597 658	636 497	695 729	801 632	646 545
Soybeans	17000	24 558	20 544	146 606	156 439	162 667	171 087
Beans	506000	390 816	379 926	384 515	345 344	369 048	312 102
Roots and tubers							
Cassava	5224735	5 284 683	5 617 376	5 499 306	5 654 517	5 779 727	6 024 574
Cocoyam/Colocasia	1757249	1 801 180	1 858 116	1 794 810	1 785 860	1 683 771	1 582 002
Yam	602228	618 136	567 774	540 456	523 696	519 245	575 998
Sweet potato	391905	426 899	391 199	460 697	471 086	517 281	546 962
Irish potato	346332	384 429	373 418	394 540	361 432	321 755	270353
Market gardening produce, fruits and vegetables							
Tomato	1 000 000	1 182 114	1 125 020	1 094 714	1 116 327	1 104 600	1 217 853
Onion	240000	303 781	300 843	311 296	318 660	338 635	367 882
Pepper	43000	58 903	51 078	55 472	58 711	62 234	
Banana	1082800	1 118 769	1 066 198	1 013 566	1 016 855	1 066 357	1 175 125
Plantain	4477344	4 280 305	4 352 787	4 457 513	4 524 989	4 493 285	4 657 075
Okra	78000	80 780	83 852	99 292	92 877	97 521	
Watermelon	73793	76 745	75 463	72 869	77 014	94 677	100 520
Pineapple	296047	214 106	225 002	241 090	244 508	226 712	248 928
Cucumber	17833	16 984	16 175	6 993	10 457	12 172	
Ginger	4 531	4 316	4 110	3 693	3 398	3 259	

Source: MINADER **** = updated data, ** = estimates***

Rural sector development support mechanisms

In addition to the construction works carried out by the Ministry of Public Works, Government's support for the development of rural sector included: (i) the rehabilitation of 120 linear metres (lm) of bridges and 1 109 km of rural roads; (ii) the rehabilitation of 660 km of roads in plantain, oil palm and pineapple production zones; (iii) the construction of 9 community centres, 24 agricultural posts, 62 warehouses and 13 storage areas; (iv) the creation of 2 500 cassava famer field schools; (v) the granting of a 2.2 billion loan to 781 young farmers; (vi) the setting up of two equipment pools comprising graders, loaders and trucks; (vii) the procurement and distribution of 111 motor pumps, 200 watering cans and safety equipment; and (viii) the procurement of two (2) rice milling machines and two (2) rice dehuskers for producers.

To boost agricultural mechanization, CENEEMA has adopted a four-year strategic plan (2021-2026) worth 50 billion which aims to: (i) develop and enhance the national agricultural potential; (ii) provide technical support and guidance to producers; and (iii) revitalize research, innovation and training.

2.1.2. Livestock, Hunting, Fishing and Fish Farming

2.1.2.1. Livestock and hunting

In 2021, the value added of the livestock and hunting sub-sector improved by 2.4%, compared with 2.7% in 2020. This improvement was due particularly to the increase in the production of all herds. The actions that helped to support the sector include the genetic improvement of some species, the renewal of brooders, the intensification of artificial insemination and the improvement of the quality and quantity of animal feed.

Cattle

In 2021, the cattle herd increased by 3.5% to 10 202 369 heads compared with 2020. This trend is mainly ascribable to: the building of the capacity of producers in artificial insemination techniques; (ii) the distribution of brooders by SODEPA and the commissioning of an artificial insemination centre at the Louguerre Livestock Station; and (iii) the improvement of livestock infrastructure.

Beef production stood at 125 194 tons, that is an increase of 13.8% compared with 2020. This increase is attributable to: (i) the increase in the number of cattle slaughtered by SODEPA from 204 904 in 2020 to 235 306 in 2021; (ii) the increase in activity at the Ngaoundere slaughterhouse where butchers from other regions now prefer their animals to be slaughtered and the carcases transported by refrigerated lorry to consumption areas; and (iii) the reopening of bars and restaurants following the lifting of restrictions on gatherings in places of entertainment imposed during the outbreak of the COVID-19 pandemic.

To increase the livestock population and ensure animal health, the Government's actions in this sector included: (i) building the capacity of 487 stockbreeders in artificial insemination operations, resulting in the insemination of 1 830 cattle; (ii) the construction of 18 solar-powered pastoral boreholes; (iii) the development of 4 075 ha of pasture and 157 km of marked cattle tracks; (iv) the construction of 6 fodder production centres and establishment of 126.5 ha of fodder crops in SODEPA ranches; (v) the vaccination of cattle, namely 1 339 202 cattle against contagious bovine peripneumonia (CBPP), 1 193 141 against symptomatic anthrax, 225 950 against anthrax, 835 126 against pasteurellosis and 52 144 cattle against nodular skin disease.

Pigs

In 2021, the pig population was estimated at 4 050 798 heads, representing an increase of 2.9% compared with 2020. The quantity of pork increased by 3.9% to 44 105 tons. This increase was due particularly to: (i) the rehabilitation of the piggery and feed mill at the Kounden Station; (ii) the setting up of two piggeries and a feed production unit at the Ombe zootechnical station; (iii) the building of the capacity of pig producers in modern breeding techniques and the provision of support to 15 504 agro-pastoral producer organizations.

However, growth in the sector was slowed down by: (i) the outbreak of the African swine fever in the West Region in June 2021, resulting in the sanitary slaughtering of 90 000 pigs in three months; (ii) the high cost of feed production inputs due to the effects of the COVID-19-related global health crisis; and (iii) the non-renewal of brooders at the Kounden Zootechnical Station.

Other activities were carried to monitor animal health and the quality of foodstuffs of animal origin. Thus, 163 552 pigs were vaccinated against swine erysipelas and 64 034 pigs were inspected and slaughtered in slaughterhouses and killing floors.

Small ruminants

In 2021, the population of sheep increased by 3.0% compared with 2020 to 3 931 917 heads. That of goats grew by 1.0% to 7 149 008 heads. Mutton production rose by 18.0% to 20 397 tons. Goat meat production increased by 10.8% to 27 783 tons. These trends were backed by better livestock health coverage through the organization of campaigns to vaccinate livestock against small ruminant pest, as well as the resumption of festivities following the relaxation of COVID-19 barrier measures.

Actions to support the sector included: (i) the construction of livestock infrastructure and the modernization of existing infrastructure; (ii) the promotion of fodder crops; (iii) capacity building for 718 small ruminant breeders; (iv) the establishment of 26 small ruminant breeders' cooperatives; (v) the procurement and distribution of 3 739 small ruminants to members of cooperatives in the North-West; (vi) the training of 28 extension officers in small ruminant breeding techniques; (vii) the production and distribution of 160 salt blocks to small ruminant breeders by the North-West Livestock Development Fund (CDENO).

Poultry

In 2021, the poultry flock grew by 1.0% to 54.1 million birds, after decreasing by 35% in 2020. This trend is mainly attributable to the resumption of the import of breeding stock, hatching eggs and day-old chicks as borders are being reopened. The quantity of chicken increased by 18.5% to stand at 52 679 tons. However, the sector was affected by the high cost of poultry inputs due to the persistence of the COVID-19 pandemic and the resurgence of avian influenza in European import countries.

Actions taken to sustain the poultry sub-sector included: (i) the procurement and distribution of 690 000 day-old chicks to producers; (ii) the production of 51 752 day-old chicks by CDENO and their supply to breeders at subsidized prices; (iii) the production and marketing of 6 620 21-day-old chicks by the Bali Poultry Station; (iv) the training of 157 poultry extension officers and 2 665 poultry farmers in modern breeding techniques; (v) the production and distribution of 131 tons of various feeds to farmers.

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

Items	2019		2020		2021		Variations (in %)	
	Herd	Meat	Herd (a)	Meat (b)	Herd (c)	Meat (d)	(c/a)	(d/b)
Cattle	9 524 020	107 110	9 857 361	109 981	10 202 369	125 194	3.5	13.8
Sheep	3 706 209	18 197	3 817 395	17 286	3 931 917	20 397	3.0	18.0
Goats	7 008 144	25 081	7 078 226	25 083	7 149 008	27 783	1.0	10.8
Pigs	3 814 570	48 833	3 936 636	42 459	4 050 798	44 105	3.2	3.9
Poultry	82 508 679	103 331	53 630 641	44 472	54 166 948	52 679	1.0	18.5

Source: MINEPIA

Other livestock products

Other livestock products include honey, milk and table eggs. The production of table eggs and honey is on the increase, while that of milk is decreasing.

Table eggs and honey

In 2021, table egg production increased by 11.7% to 104 846 tons due to the fact that the table egg production cycle, which lasts up to two years, is longer than that of broiler eggs. As a result, table egg production was not affected by difficulties faced regarding the supply of day-old chicks. In addition, the improved monitoring of farms during the health crisis helped to optimize the poultry production data collection system.

For its part, honey production was virtually stable compared with 2020 and stood at 6 976 tons. The Government provided support to sub-sector actors particularly to build the capacity of 40 sub-sector producer organizations and finance the business plans of 152 beekeepers through the Livestock Development Project (PRODEL).

Milk

In 2021, milk production fell by 11.6% to stand at 166 132 tons, as against 9.3% in 2020. This decline is mainly attributable to the ageing of the dairy herd. To reverse the trend, the Government is implementing the following actions: (i) training of 456 dairy su-sector actors; (ii) procurement and provision of 165 pregnant Montbeliarde heifers that are capable of producing 6 000 kg of milk each per lactation cycle; (iii) distribution of 140 Montbeliarde calves and calves from the pregnant heifers procured to dairy producers in 2020; (iv) provision of 40 tons of hay to the Louguerre Livestock Station to feed Montbeliarde cows; (v) procurement of 6 solar milk tanks for milk collection centres in Ngaoundere (Adamawa Region).

Table 5: Trends in Livestock By-products (in tons)

Items	2016	2017	2018	2019	2020 (a)	2021 (b)	Variations (n %) (b)/(a)
Table eggs	84 129	67 999	82 407	86 784	93 872	104 846	11.7
Milk	223 527	239 174	266 275	207 216	187 873	166 132	-11.57
Honey	5 040	6 087	5 276	7 210	6 932	6 976	0.63

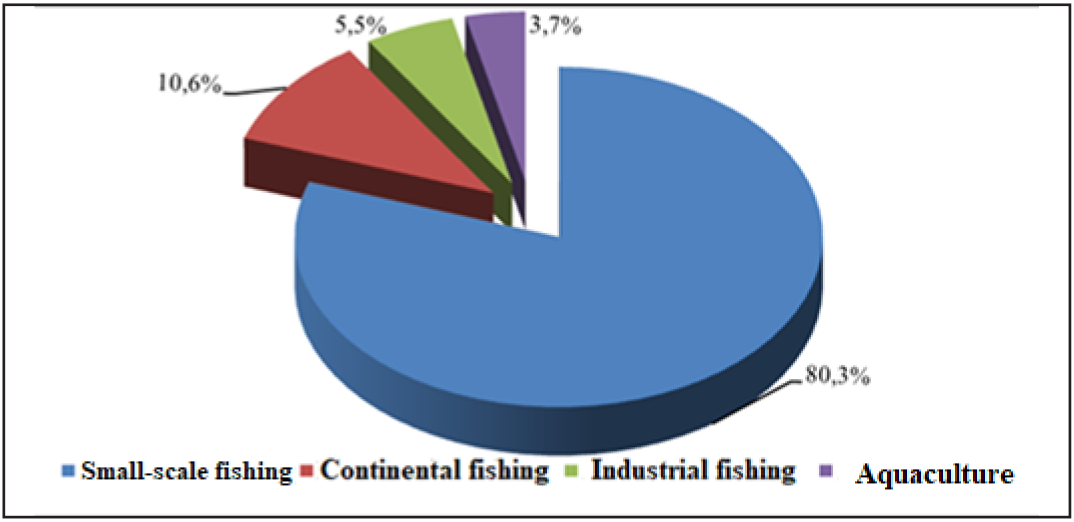
Source: MINEPIA

2.1.2.2. Fishing and fish farming

In 2021, the value added of this sub-sector increased by 4.4%, up from 1.1% in 2020. This performance is attributable to the exploitation of many water bodies that had been placed on biological rest and to the reinforcement of the equipment of fishermen.

Fishery production was 223 420 tons, up by 4.0% compared with 2020. This trend is due particularly to the resumption of fishing in seven water reservoirs (Maga, Kaï-kaï, Lagdo, Alfa, Mbakaou, Bankim and Magba) that had been placed on biological rest and the continued fight against illegal fishing. Other actions helped to boost sub-sector performance, notably: (i) capacity building for 100 fishermen in Yoyo; (ii) the construction and equipping of 60 houses with beds, mattresses and mosquito nets for fishermen in the Bakassi area; (iii) the procurement of 60 dugout canoes, 61 outboard motors, 60 GPS, 360 life jackets, 240 mackintoshes, 120 iceboxes, and various fishing equipment for the installation of fishermen. Small-scale fishing accounted for 80.3% of fishery production, inland fishing for 10.6%, industrial fishing for 5.5% and aquaculture for 3.7%.

Graph 1: Breakdown of Fish Production (in %)



Source: MINEPIA

Aquaculture production, which accounts for 3.7% of fishery production, increased from 6 816 tons in 2020 to 8 192 tons in 2021, that is a 20.2% increase. This trend is attributable to the various actions carried out by the Government, particularly: (i) the training of fish farmers in the breeding of fish in cages and in the management of fish farming enterprises in Monatele and Ngaoundere; (ii) the procurement and distribution of 23 000 clarias fry and 60 000 tilapia fry to producers; (iii) the procurement of 63 plastic tanks and inputs for the promotion of family fish farming; (iv) the production and distribution of 245 000 clarias fry to fish farmers in five (5) regions (East, Centre, West, Littoral and South); (v) the procurement and distribution of 14 810 kg of feed for fish growth, 500 kg of clarias breeding stock, and 50 antibiotic kits to farmers; (vi) the procurement of 200 kg of breeding stock for supply to fish farming inter-sector organizations.

2.1.3. Forestry and wildlife sub-sector

The government's objectives in the forestry and wildlife sub-sector remain: (i) the improvement of sustainable forest management; (ii) the securing and development of wildlife resources and protected areas; (iii) the development of wood and non-wood forest resources.

2.1.3.1. Forestry and logging

In 2021, the growth of the "forestry and logging" branch became positive once more, rising from -0.1% in 2020 to +1.3%. This improvement was mainly ascribable to the rebound in external demand, as borders were reopened. Actions that contribute to the sustainable forest resource management continue to target, inter alia: (i) the legal supply of wood to the market; (ii) forest management; and (iii) the participatory management of financial resources.

The legal supply of wood to the market was implemented by allocating logging permits and monitoring logging operations. The volume of legal timber produced and marketed increased by 6.2% to 2 887 416 m3. This trend is attributable to the increase in orders thanks in particular to the gradual recovery of the global economy following the slow down caused by the effects of the COVID-19 health crisis.

Log exports rose by 23.2% to 958 323 m3. Similarly, sawn timber and veneer exports increased by 17% and 21.1% respectively. These trends are linked to the effects of actions to catch-up on orders that were undelivered in 2020 due to the health crisis and to growing external demand.

Table 6: Forestry Sector Production and Exports

Items	2018	2019	2020	2021	Variations (%)
PRODUCTION					
Logs (m^3)	2 521 373	2 967 209	2 718 043	2 887 416	6.2
Sawn timber	1 128 550	1 676 534	1 292 482	1 235 282	-4.4
EXPORTS					
Logs (m^3)	1 096 775	881 202	777 652	958 323	23.2
Sawn timber	742 535	784 779	785 597	919 017	17
Wood veneer (tons)	45 977	50 630	41 515	50 294	21.1
Plywood (tons)	4 219	5 959	3 212	1 468	-54.3

Sources: MINFOF and MINFI/DGC.

Regarding forest management, the objectives were to: (i) carry out an inventory of the national forest cover; (ii) adapt forest management to exploitation needs; (iii) develop a geomatic monitoring system; and (iv) promote communal and community forests in savannah areas. In 2021, 11 911 ha were managed in the Nyambaka communal forest (Adamawa Region), bringing the area of managed forests to 6 410 879 ha.

Concerning the participatory management of forest resources, the active involvement of the population in the local management of natural resources was strengthened. In 2021, the area of forests under participatory management increased by 48.3% compared with 2020 to reach 79 214 ha. This is due to the fact that in 2021 no activity was carried out in some of the areas for which logging permits were granted in 2020. These were added to the areas allocated for participatory management in 2021. There were 53 annual operating permits and 147 annual operating certificates compared to 34 operating permits and 124 annual operating certificates in 2020.

2.1.3.2. Securing and development of wildlife and protected areas

In 2021, actions carried out to secure and develop wildlife resources and protected areas were pursued, particularly by developing hunting areas and developing and promoting protected areas.

Regarding development of hunting areas, the aim was to increase the profitability of wildlife resources through sport hunting and safaris hunting. These activities were mainly carried out in the hunting areas in the Adamawa, East and North Regions following a general plan for the shooting of 4 346 different species of animals. The number of hunting tourists increased from 191 in 2020 to 200 in 2021, that is a 4.7% increase. The number of animals hunted with respect to the shooting plan was 322, and the main species shot were Hippopotamus,Damaliscus, Kobus kob, Derby Eland and Buffalo.

Table 7: Hunting Plan and Results in Declared Hunting Areas

Hunting areas in the Centre, East, North and South Regions								
Period / Species	2018		2019		2020		2021	
	Shooting Plan	Comple-tion Rate (in %)	Shooting Plan	Comple-tion Rate (in %)	Shooting Plan	Comple-tion Rate (in %)	Shooting Plan	Comple-tion Rate (in %)
Elephant	21	1	16	1	16	0	29	0
Buffalo	238	83	243	85	243	64	330	29
Derby Eland	225	99	220	97	220	63	175	29
Hippotragus					216	39	180	18
Hippopotamus	17	3	16	3	16	1	13	33
Hartebeest					237	50	194	19
Warthog	174	21	180	22	180	9	153	7
Lion	14	2	15	2	14	1	14	0
Baboon	194	33	192	33	192	15	155	11
Python	87	8	78	7	78	13	99	9
Damaliscus	36	13	37	14	37	0	32	33
Spotted Hyena	66	7	68	7	68	4	46	3
Waterbuck	176	35	177	35	177	27	138	13
Kobus kob					325	75	241	30
Varanus	18	0	16	0	0	0	25	0
Others	2 291	468	2,374	0	1,217	139	2,676	88
Total	**3557**		**3 632**		**3 236**		**4 362**	

Source: MINFOF.

Actions to develop and promote protected areas focused on improving the attractiveness of these sites. However, in 2021, the number of tourists in protected areas dropped from 30 458 in 2020 to 28 308 due to the effects of COVID-19 health crisis, coupled with the security crisis, with the avoidance of crowded places in particular.

2.1.3.3. Development of timber and non-timber forest products

In 2021, timber and non-timber forest resources development focused on: (i) popularizing promotional species and marketing timber; (ii) developing the wood-energy sector; and (iii) developing the non-timber forest product sub-sector.

Regarding the dissemination of promotional species and marketing of wood, the volume of promotional wood marketed was 1 836 809.3 m3 compared with 1 731 154 m3 in 2020, representing a 6.1% increase. This trend is due particularly to: (i) the activities of wood processing units which ensured that promotional species were put on the market; and (ii) the sensitization of consumers and operators, as well as the dissemination of technical data sheets on promotional species in the Centre (Nanga-Eboko), East (Batouri), Littoral (Edea) and South (Ambam) Regions. Low-profile species were promoted through participation in three (3) fairs, namely the Kribi Business Forum (Kribizz), the Douala International Development Fair (FIDD) and the Cameroon International Handicraft Fair (SIARC).

Regarding the wood energy sub-sector development, 32 973.4 tons of wood energy (divided into 5 635.7 tons of green charcoal, 1 170.3 tons of charcoal from sawmill waste and 26 167.3 tons of firewood) was placed on the market. This volume increased by 16.6% compared with 2020, as a result of the sensitization of various actors on the use of sawmill waste as charcoal. These actors included: (i) resource holders for the provision of wood scraps to charcoal makers; (ii) owners of timber mills; and (iii) households.

Regarding the development of non-timber forest products (NTFPs), 4 864.5 tons was marketed compared with 1 628 tons in 2020. This performance is due, among other things, to: (i) the reopening of borders following the mitigation of COVID-19 effects; (ii) the preparation of a directory and mapping of stakeholders in NTFP processing units in the Centre, East, North and Far-North Regions; (iii) the organization of the NTFP sub-sector and the supervision of sub-sector stakeholders; (iv) the issuing of 138 NTFP logging permits, as against 27 permits in 2020, and the optimization of NTFP statistical data collection throughout the country.

2.1.4. Environment and nature protection

Government's objective regarding environment and nature protection is to prevent and protect the environment against all forms of degradation. The objective was achieved particularly by: (i) combating desertification and climate change; (ii) ensuring the sustainable management of biodiversity; and (iii) controlling pollution, nuisance and harmful or dangerous chemicals.

2.1.4.1. Combating desertification and climate change

In 2021, measures to combat desertification and climate change were pursued notably by: (i) restoring 500 ha of degraded land in Diamare under the "Green Sahel" project with the planting of 60 000 seedlings and securing them with guards and barbed wire; (ii) constructing three (3) boreholes equipped with watering devices; (iii) producing 317 635 tree seedlings by the Inter-regional Committee for Drought Control in the North and distributing them to schools, councils, communities and individuals for the reforestation of about 710 hectares; and (iv) procuring and distributing 750 improved fireplaces to the population to promote the use of energy saving technologies.

2.1.4.2 Sustainable management of biodiversity

In 2021, the following activities were carried out as part of the sustainable management of biodiversity: (i) establishment of 12 nurseries with 105 042 mangrove and bamboo plants for the restoration of 249 ha in the Waza, Mbalmayo and Douala-Edea areas; (ii) training of 451 people in land restoration techniques using bamboo and non-timber forest products; and (iii) issuing of 93 environmental compliance certificates.

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

In 2021, the Government continued to control pollution and environmental nuisances, notably by (i) issuing 595 technical visas for the quality control of electrical and electronic equipment, as well as ozone-depleting substances; (ii) issuing 17 authorizations for the discharge of waste water to some industrial companies and 139 environmental permits; (iii) inspecting 3 119 facilities on the national territory and 655 ships at the ports of Douala and Kribi, resulting in the drafting of 66 official reports of offences, as well as the seizure and destruction of 54 845 kg of non-compliant plastics; (iv) training 75 environmental inspectors and 75 customs officers in the detection of ozone-depleting substances; (v) training of 250 refrigeration and air-conditioning technicians on good environmental practices so as to preserve the ozone layer.

2.1.5. Research and innovation

In 2021, Government's objective regarding research and innovation continued to be geared towards: (i) developing infrastructure and (ii) supporting innovation and protecting human capital.

Regarding the development of infrastructure, actions included: (i) extraction of cartographic objects from aerial photographs and the construction of a topographic database covering 3 500 km2; (ii) procurement of equipment for radon and thoron measurement in dwellings, including 400 triplets of RADUET dosimeters, 500 quadruplets of DRPS and DTPS dosimeters, an in-situ gamma spectrometer and a radon calibration system. Concerning support for innovation and protection of human capital, activities included: (i) designing, production and installation of rural energy containers (RECs) to boost socio-economic activities in non-electrified localities; (ii) dissemination of the first volume of monographs on the Cameroonian pharmacopoeia in the Centre-South-East agro-ecological zone; and (iii) demonstration of the effectiveness of extracts of GANODERMA APPLANTUM against obesity, suggesting the development of a phyto-medicine against this pathology.

2.2. Secondary sector

In 2021, the value added of the secondary sector increased by 3.2%, up from 1.4% in 2020. This sector represents 24.5% of GDP. Its contribution to real GDP growth rose from 0.3 percentage point to 0.7 percentage point. This performance is attributable mainly to the good performance of the "agri-food industries", "other manufacturing industries", and "electricity generation and distribution" branches. However, the value added of the "mining and quarrying" branch declined. To cope with the rise in production costs, the Government decided to reduce the freight rate considered in determining the customs value of goods imported by sea by 80% in November 2021.

Table 8: Secondary Sector Growth Rate Trends (in %)

Item	2018	2019	2020	2021*
Secondary sector	**2.9**	**3.8**	**1.4**	**3.2**
Extractive industries	-2.8	8.2	2.6	-2.5
of which hydrocarbons extraction	-3.0	8.4	3.0	-3.2
Manufacturing industries	3.6	1.1	-1.3	4.4
of which agri-food industries	1.9	2.4	2.8	5.2
Other manufacturing industries	5.1	0.1	-4.9	3.7
Electricity production and distribution	-10.5	0.0	1.0	1.4
Water production and distribution, and sanitation	2.5	1.8	2.9	1.4
Public works and civil engineering	7.8	7.9	6.8	3.2

Source: NIS ****estimates.***

2.2.1. Manufacturing industries

In 2021, growth in the manufacturing industries rose by 5.7 percentage points to stand at 4.4%, compared with 2020. This recovery was due to the good performance of the "agri-food industries" branch which grew by 5.2%, up from 2.8% in 2020, as well as the "other manufacturing industries", branch which grew by 8.6 percentage points to 3.7%.

The contribution of manufacturing industries to secondary sector growth rose from -0.7 percentage point to 2.5 percentage points.

2.2.1.1. Agri-food industries

In 2021, the value added of the "agri-food industries" branch increased by 5.2%, as against 2.8% in 2020. This growth was observed in all the main sub-branches whose contribution to the growth of the branch were as follows: +2.9 percentage points for "beverage industries", +0.8 percentage point for "manufacture of cereal-based products", +0.7 percentage point for "fats and animal feed industries", +0.4 percentage point for "meat and fish industries", and +0.4 percentage point for "cocoa, coffee, tea and sugar industries".

The good performance of the "beverage industries" branch is attributable notably to the improvement of production tools and market segmentation, with the presentation of new products in various formats to take into account household purchasing power. Significant investments were also made by sub-sector operators to improve the quality of products, build the capacity of employees in marketing techniques and acquire more efficient management software.

However, difficulties persist in this sub-sector, notably those relating the supply of grits and sorghum used in beer production. Sorghum and grits requirements, which are estimated at 1 100 tons and 2 500 tons per month, were covered by local production (40% and 10% respectively), while the rest was imported. To scale down imports, the Compagnie Fermière du Cameroun, a subsidiary of the SABC group, has built a maize grits production plant in Mbankomo with a capacity of 30 000 tons per year at a cost of 18 billion.

The growth observed in the "meat and fish industries" branch was driven by the resumption of activities following the decline caused by COVID-19. In addition, to reduce transport costs, operators in the Centre, Littoral and West Regions opted to slaughter animals in the North Region and transport the meat in refrigerated containers, which is less expensive than transporting live animals. This led to a 13.8% increase in beef production. The increase in the production of meat of other animal species, as well as that of freshwater fishing (+4%) and aquaculture (+20.2%) also contributed to the overall growth of the sector. Sub-sector activities continued to be affected by the security crisis in the North-West and by cattle rustling on ranches.

In the "cocoa, coffee, tea and sugar processing industries", increase in demand from external partners boosted the local production of cocoa butter and cocoa mass, which rose by 10.2% and 4.3% respectively compared to 2020. Five major companies were involved in cocoa processing (SIC-CACAO, CHOCOCAM, FERRERO, NEO INDUSTRIE and ATLANTIC COCOA). Cocoa paste and cocoa butter exports increased by 72.4% and 20.2% respectively. Tea production rose by 27.7% compared with 2020 due to the resumption of activities in the North-West Region. Sugar production fell by 27% due to the financial difficulties faced by SOSUCAM, resulting in a reduction in its workforce and a 6.3% increase in sugar imports.

Demand in the "manufacture of cereal-based products" remained sustained in 2021, resulting in a 22.9% increase in the production of "biscuits and pasta", compared to 2020. Investments of nearly 110 billion were made by sub-sector operators to increase the production capacity. In the "grain processing and starch products manufacturing" branch, the production of wheat flour grew by 7.4%, reflecting the increase in demand.

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

Item	2018	2019	2020	2021	Contribution to "Agri-Food Industry" Growth in 2021
Meat and fish industries	2.7	5.9	4.5	1.6	0.4
Grain processing and starch manufacturing	0.2	5	2.3	0.6	0.1
Cocoa, coffee, tea and sugar industries	0.9	4.9	-4.9	4.8	0.4
Fats and animal feed industries	5.4	0.5	0.4	4.6	0.7
Manufacture of cereal products	2.2	5.1	5.5	6.4	0.8
Dairy, fruit, vegetable and other food products industries	12.3	3	-3.5	4	0.1
Beverage industries	0.9	-3.8	4.9	11.7	2.9
Tobacco industry	0.8	0.9	2.8	4.7	0.0

Source: NIS.

2.2.1.2 Other manufacturing industries

In 2021, growth in "other manufacturing industries" stood at 3.7% as against -4.9% in 2020. This progress was driven by the good performance of activities in the "wood industries except furniture-making" (+8.2%), "leather and footwear industries" (+10.3%), "manufacture of other non-metallic mineral products" (+4.0%) and "textile and cloth-making industries" (+3.0%). However, poor performance was recorded in the "repair and installation of machinery and electrical appliances" (-6.3%), "manufacture of transport equipment" (-6.5%), "chemical industries and manufacturing of chemical products" (-2.4%) and "rubber production and manufacturing of rubber articles" (-1.8%) branches.

In "wood industries except furniture-making", growth was driven by the rise in demand for sawn wood and veneer sheets, notably ALPILIGNUM for automotive industries, whose production rose by 24.3%. A number of actions were carried out as part of activities to promote primary and secondary wood processing prior to export, notably the organization of the "domestic wood market" (DWM), contributing to increasing the quantity of wood processed locally by 15.9%.

Progress in "manufacture of other non-metallic mineral products" was particularly driven by demand for cement for construction and for glassware for use in brewing industries. In the cement industry, CIMENCAM launched the construction of a new clinker and cement production line in Figuil in October 2021, at a total cost of about 50 billion over a 24-month period. The commissioning of the plant will help to meet the cement needs of the Adamawa, North and Far-North Regions, including the sub-region, particularly Chad and the CAR. This will increase cement production in the Figuil plant from 150 000 tons per year to 500 000 tons per year in 2023, and increase CIMENCAM's overall production capacity to 2.5 million tons per year.

Shrinkage in "chemical industries and production of chemicals" resulted from the 28.5% decrease in soap production, reflecting the 2020 drop in demand due to efforts to contain the spread of COVID-19. The slowdown observed in "manufacture of basic metal products and metal articles" was due to scarcity of raw materials and increase in the cost of maritime freight.

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

Item	2018	2019	2020	2021
Textile and manufacturing industries	5.2	4.8	3.4	3.0
Leather industries and shoe manufacturing	6.9	12.3	2.7	10.3
Timber industries except furniture manufacturing	12	-0.1	-0.3	8.2
Paper and paper articles manufacturing	9.5	0.6	-0.4	4.1
Oil refinery, coking and nuclear industry	27.6	-17	-84.5	1.6
Chemical industries and manufacturing of chemical products	5.9	9.8	-0.9	-2.4
Rubber production and manufacturing of rubber articles	-2.5	-1.5	-3.2	-1.8
Manufacturing of other non-metallic mineral products	6.1	2.1	11.6	4.0
Manufacturing of basic metallurgical products	-1.9	-4.1	3.3	2.6
Manufacturing of machines, electric devices	-0.7	2.3	-0.4	14.9
Manufacturing of audio-visual equipment and devices	-2.1	-8.9	0.1	9.6
Manufacturing of transport material	9.8	-3.5	4.4	-6.5
Manufacturing of furniture and other manufacturing activities	6.4	1.1	3.7	3.6
Repair and installing of machines and equipment	11	5.6	10.3	-6.3

Source: NIS.

2.2.2. Extractive industries

In 2021, growth in the extractive industries sector decelerated to 2.5%, down from 2.6% in 2020. This slowdown was observed only in hydrocarbon extraction activities whose growth declined by 6.2 percentage points to stand at -3.2%. Growth in other extractive industries was 5.3%, as against -7.1% in 2020, reflecting the revival of activity in the construction sector.

2.2.2.1. Mining

In 2021, 85.8 kg of gold was produced through formal channels. The National Permanent Secretariat of the Kimberley Process certified 2 667.8 carats of rough diamonds compared with 2 438.7 carats in 2020, that is an increase of 9.4%. This trend is due, among others, to the improvement of mechanisms for monitoring and controlling the production and marketing of mineral substances, as well as the strengthening of control measures at border posts. Furthermore, 26 mining permits were granted within the framework of the development of mining and geological resources.

The Mining Sector Capacity Building Project (PRECASEM), which was launched in 2014 with support from the World Bank and aimed at improving efficiency and transparency in the management of the sector, ended in December 2021. Its implementation helped to improve knowledge of the country's mining potential, particularly through: (i) the conduct of airborne geophysical surveys, covering 96% of the national territory; (ii) the production of 16 new geological maps at 1/200 000, a geochemical map at 1/200 000, a geological summary map of Cameroon to the millionth scale, a mineral resources map to the millionth scale, as well as a map of Cameroon's industrial rocks and minerals to the millionth scale; (iii) the establishment of a bilingual Geological and Mining Information System (SIGM) with online access to historical data; and (iv) the publication of a report on Cameroon's geomaterials.

The Cameroonian Government and SINOSTEEL CAM SA, signed a mining agreement on 6 May 2022 for the industrial exploitation of the Lobe iron ore deposit in Kribi (South Region). Under this project, 10 million tons per annum of ore with an iron content of 33% will be extracted then enriched to produce 4 million tons of concentrate with an iron content of more than 60%. The reserve will be exploited over a 20-year renewable period. It is expected to generate about 30 billion worth of annual revenue for the State, 5 billion of which is intended for local communities. The project will also help to create 600 direct jobs and more than 1 000 indirect jobs. The agreement provides that 15% of iron production will be sold on the local market.

Box 1: The Mining Sector in Cameroon

In NDS30, the mining sector is considered as one of the main pillars of national economy in view of Cameroon's emergence by 2035. Cameroon's subsoil has substantial mining and geological deposits whose exploitation would contribute to increasing the impact of this sector on national economy. The mining sector comprises two aspects: solid mines and hydrocarbons. Concerning hydrocarbons, gas exploitation is governed by Law No. 2002-013 of 30 December 2002 to institute the Gas Code and oil by Law No. 2019/008 of 25 April 2019 to institute the Petroleum Code.

Regarding solid mines, distinction is made between industrial mines and small-scale mines. The latter is subdivided into simple small-scale mines and semi-mechanized small-scale mines. The exploitation of solid mines is still essentially traditional: it is estimated that only 10% of small-scale mining production passes through formal channels in the national economy; the remaining 90% is sold in clandestine networks. The flagship products exploited are notably gold and diamonds.

Concerning gold mining, until end-2020, this activity was supervised by CAPAM which carried out activities in 8 regions, namely East, Adamawa, North, Centre, South, Littoral, South-West and North-West. Its role was to buy gold from small-scale miners and to collect the 25% synthetic tax from semi-mechanized small-scale mining operators. Thus, since 2012, CAPAM has retroceded 796 kg of gold to the State within the framework of efforts to strengthen Cameroon's gold reserves estimated at 14.7 billion. Regarding diamond mining, the National Permanent Secretariat of the Kimberley Process (SNPPK) is the national observatory set up in 2011 in order to comply with the principles and requirements of diamond-producing countries, the rough diamond industry, as well as non-governmental organizations whose goal is to check the infiltration of so-called conflict diamonds into official channels. Its purpose is to eliminate links between trade in rough diamonds and armed conflicts. SNPPK's activities are carried out in the Centre, South, East, Littoral, Adamawa and North Regions. From 2013 to 2021, it certified 18 736.4 carats of diamonds.

The supervision of small-scale mining activities has witnessed a number of changes. The transition from the 1964 Mining Code to that of 2001, which was amended and supplemented in 2010, led to intense mining activities characterized by an increase in the issuance of mining permits. However, some major dysfunctions continue to hamper the development of the sector, particularly small-scale mining. These include: (i) overlaps between mining permits and between mining permits and protected areas; (ii) uncontrolled granting of small-scale mining authorizations which are very often located in areas covered by exploratory permits which provide exclusive rights; (iii) plundering of mineral resources; (iv) weak institutional control; (v) non-compliance with environmental constraints; (vi) difficulties in financing development in the sector.

To overcome these dysfunctions and ensure efficient exploitation of mining resources, the

country adopted a new mining code in 2016, under Law No. 2016/017 of 14 December 2016. The new Mining Code introduced a number of innovations in mining sector governance, particularly by providing for a participatory, transparent and responsible resources management system, reviewing conditions for carrying out mining activities, increasing control and repression and strengthening the promotion and development of mining activities. One of the innovations of the new mining code is the establishment of mining policy implementation bodies. These include: (i) the Mining Sector Development Fund which aims to finance mining inventory activities following the detection of anomalies and showings, as well as other activities related to the development of geological and mining infrastructure; (ii) the Fund for the Restoration, Rehabilitation and Closure of Mining Sites and Quarries aimed at financing programme activities for the preservation and rehabilitation of the environment damaged by mining projects; (iii) the Special Fund for Local Capacity Development intended to finance human resources and development of the local industry. In addition, there are plans to set up an entity responsible for monitoring and controlling the production, marketing, promotion and processing of substances produced through small-scale and semi-mechanized mining activities.

Thus, the National Mining Company (SONAMINES) was established by Decree No. 2020/749 of 14 December 2020 with the task of developing and promoting the mining sector, excluding hydrocarbons and quarry substances, and managing State interests in this domain. The company replaced CAPAM, whose monitoring and control missions were limited. This decree is a significant step forward enhancing governance in the mining sector. Even so, several other decrees are being prepared to fully implement the new mining code.

2.2.2.2. Hydrocarbons

2.2.2.2.1. Crude oil

Crude oil production fell 3.7% in 2021 compared to 2020, to 25.6 million barrels. This decrease is primarily due to the gradual depletion of oil fields.

Negotiations are ongoing between NHC, Perenco and Addax, to have them convert their concession contracts, which expired in January 2022, into production sharing contracts. These negotiations emphasize particularly on the volume of work to be carried out and potential benefits to be derived by each party.

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

Categories	2017	2018	2019	2020	2021
Production	27.7	25.1	26	26.6	25.6
Variation (in %)	-17.8	-9.4	3.6	2.2	-3.7

Source: NHC

2.2.2.2.2. Natural gas

In 2021, natural gas (LNG) production dropped by 1.8% to stand at 73.8 billion cubic feet compared to 2020, reflecting a decrease in demand.

The gas treatment and compression platform dubbed “Sanaga 2” was commissioned in 2021. It has helped to improve production from the South Sanaga field and to harmonize natural gas liquefaction and production of LNG.

Exploration studies are ongoing to develop national gas resources, notably in the Etinde field. Negotiations are underway with Equatorial Guinea to develop the Yoyo/Yolanda cross-border gas field.

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

Item	2017	2018	2019	2020	2021
Production	13.9	51.7	70.8	75.2	73.8
Variation (in %)	10.3	271.9	36.9	6.2	-1.8

Source: NHC

2.2.3. Electricity generation and distribution

In 2021, growth in "electricity generation and distribution" stood at 1.4%, that is 7 087 279 Mwh, up from 1.0% in 2020. In 2021, the Electricity Sector Development Fund established in 2020 helped to finance the electrification of 40 localities spread all over the country, and to connect some agro-industrial units. The construction of production infrastructure went on, notably with the plant at the foot of the Lom Pangar dam whose construction was 98% completed at end-June 2022. Mechanical works are 45% completed. Regarding the construction of the 90 KV energy evacuation line, works on the Lom-Pangar-Bertoua segment and the Bertoua transformer station are 96% completed, while those along the Abong Mbang-Bertoua and Bertoua-Batouri sections are still under study. The plant's first turbine will be commissioned at end-2022. Regarding the Natchigal dam, the overall rate of execution of works was 60% completed at end-June 2022. The first turbine will be commissioned in September 2023.

In the North interconnected network, the Rural Electrification Agency has installed two modular solar power plants in Maroua and Guider with storage batteries having a combined capacity of 30 MW. Works at the Guider plant have been completed and it is already injecting 10 MW out of the expected 15 MW. Construction works on the Maroua power plant are ongoing. Concerning the project to electrify 1 000 localities using photovoltaic solar system, connection campaigns have helped to connect 7 046 households in the 350 localities covered by the first and second phases, bringing the total number of connections to 23 784.

Concerning capacity building for the transmission and distribution of electric power, the Government continued with: (i) the commissioning of the Memve'ele dam power transmission facilities with cables strung over 379 pylons out of the expected 394; (ii) the construction of the 225 KV electricity transmission line between Yaounde and Abong-Mbang which was 82.5% completed at end-June 2022; and (iii) the implementation of the project to strengthen and stabilize the Yaounde city electricity network with construction works 72% completed at end-June 2022. This last project consists in constructing a 90 kV loop in the city of Yaounde (Ahala-Nkolanga-Kodengui) and a 90/30/15 kV source substation in the locality of Nkolanga, as well as the extension of source substations in the city of Yaounde. In addition, work on the Ahala and Nkolkumu transformer stations was 97.4% completed at end-June 2022. That of the 225 KV electricity transmission line between Nkongsamba and Bafoussam was commissioned on 3 July 2022.

Table 13: Electricity Production (in Mwh)

Items	2018	2019	2020	2021	Variation (in %)
			(a)	(b)	(b)/(a)
Production by Eneo	5 462 038	5 300 982	5 296 132	5 087 279	-3.9
Purchase by Eneo	1 515 272	1 705 258	1 697 327	2 000 000	17.8
Total electricity production	**6 977 310**	**7 006 240**	**6993459**	**7 087 279**	**1.4**

Source: ENEO

2.2.4. Water production and distribution and sanitation

In 2021, growth in "water production and distribution and sanitation" rose by 1.4% compared to 2.9% in 2020. Water production increased by 0.5% to stand at 199 146 102 m3 in 2021 due to the completion of some water supply projects.
Actions carried out to improve drinking water supply included: (i) continuation of the Project to Supply Drinking Water in the City of Yaounde and its Environs from the Sanaga River (PAEPYS), which was 85% completed at end-June 2022; (ii) continuation of the Project to Supply Drinking Water to Yaounde and three other Cities (Edea, Bertoua and Ngaoundere) which works have been completed for Edea and Bertoua and are 82% completed for Ngaoundere; (iii) completion of the Nkongsamba, Kekem, Melong and Meyomessala Drinking Water Supply Project; (iv) drilling of 1 631 boreholes and setting up of 19 drinking water supply systems under the Three-year Emergency Plan (PLANUT). Furthermore, 22 boreholes and 7 drinking water supply systems were rehabilitated.

Concerning urban sanitation, the tonnage of household waste collected increased by 1.4% to stand at 1 538 836 tons compared to 5.7% in 2020. This downward trend is attributable to disruptions in the collection programmes of HYSACAM, the main operator.

2.2.5. Public works and civil engineering

In 2021, growth in "public works and civil engineering" was 3.2%, down from 6.8% in 2020. Its contribution to real GDP growth was 0.2 percentage point, as against 0.4 percentage point the previous year. This slowdown was mainly due to the completion, in 2020, of most of the structural works of major first-generation projects and infrastructure for the hosting of AFCON TotalEnergies 2021. Public works and civil engineering activities remain geared towards: (i) construction of roads, buildings and other infrastructure; (ii) infrastructure rehabilitation, maintenance and upkeep.

2.2.5.1. Construction of roads, buildings and other infrastructure

In 2021, Government continued with the construction of roads, buildings and other infrastructure, notably by: (i) rehabilitating roads; (ii) constructing crossing structures; (iii) executing works under the three-year Emergency Plan (PLANUT); and (iv) constructing and maintaining other road equipment.

The rehabilitation of roads focused on the construction of roads and highways, including: (i) the handing over of works on the Kribi-Lolabe highway (38.5 km + 4 km of connecting roads) and completion of those under the first phase of the Yaounde-Douala highway (60 km + 25 km of connecting roads); (ii) the continuation of works on connecting roads to the Yaounde-Douala highway over 25 km with a 10% execution rate. Moreover, works to pave 744.78 km of roads were initiated in 2021. Several of these works have been completed.

Table 14: Road Infrastructure Completed in 2021

Roads	Distance
Olama-Bingambo, of the Olama-Kribi road	106.15 km
Grand Zambi-Kribi, of the Olama-Kribi road	53 km
Lena-Sengbe-Tibati, of the Batchenga-Ntui-Yoko-Lena-Tibati road	167.5 km
Intersection at the N1 national highway-Carrefour Meri	5.8 km
Bangou-Bangou-Bangou city junction	0.7 km
Mebame-Minkebe	12 km
Magamba-Bandjoun	10.95 km
Sangmelima-Bikoula	65 km
Bikoula-Djoum	38 km
Mintom-Lélé	53 km
Lélé-Ntam-Mbalam	64.5 km
Melong-Bangem	16.9 km
Katanga Junction-Catholic Mission Junction towards Okola, Nyom II-Nkozoa, Olembe Flyover-Nyom II and Olembe-Nyom II	10.5 km
Galim-Bamendjing-Foumbot-Bagangte	107 km

Source: MINTP

Construction works are ongoing on other stretches, with the following execution rates: Mengong-Sangmelima (92.36% over a distance of 73 km), Nfaitock-Mamfe, Lot 2 of the Kumba-Mamfe road (89% over 46.5 km), Mbama-Messamena (77.89% over 43 km), Nkolessong-Nding (86.8% over 95 km) and Nding-Magba (68.68% over 40.5 km). As part of the efforts to open up the West agricultural basin, the Baleveng-Bagang-Batcham-Mbouda, Mbouda-Bamesso-Galim-Balessing-Batcham and Mbouda-Ngouya-Bati stretches with a total distance of 117 km are 38.71% completed.

Table 15: Road Project Execution Rates in 2021 (%)

Roads	Distance (in km)	Execution Rate (in %)	
		2020	2021
Mbama-Messamena	43	89	77.9
Mengong-Sangmelima	73	76.73	92.4
Nding-Mbgaba	40.5	//	68.7
Access road to the Nomayos Cement plant	5	//	60.4
Melong-Bangem	16.95	68	97
Yoko-Lena (additional work) of the Batchenga-Ntui-Yoko-Lena-Sengbe-Tibati road	25.6	//	58.5
Mankim-Yoko, lot 3 of the Batchenga-Ntui-Yoko-Lena-Sengbe-Tibati (N15) road	62.1	//	42.1
Ntui-Mankim, of the Batchenga-Ntui-Yoko-Lena-Sengbe-Tibati road	97.6	//	2
Second access road to Bamenda Town	20	//	38
Nfaitock–Mamfe, of the Kumba-Mamfe road	46.5	98	98
Yoko-Lena (additiona work) of the Batchenga-Ntui-Yoko-Lena-Sengbe-Tibati road	20	//	61.3
Nkoumadjap-Nkolfong-Oveng and the Nkoumadjap-Ndeng ramps	12.8	//	40
Nkolessong-Nding	95	//	86.8

Source: MINTP.

Regarding crossing structures, the construction of the bridge over the Cross River (410 lm) have been completed and handed over, the engineering structure over River Bella (36.42 lm) and other medium and small range structures with a total length of 495 lm have also been completed. Construction works on the Kom dyke (700 lm) and its access roads have been completed, but have not yet been handed over.

The construction of bridges is ongoing, particularly over the following rivers: (i) Mayo Pintchoumba (62.4 lm with a completion rate of 36.52%); (ii) Logone (620 lm with a completion rate of 16%); (iii) Nchiayang (130 lm with a completion rate of 13%); (iv) Moungo (54 lm with a completion rate of 2%). The replacement of culverts on the Yaounde-Ndoupe Bridge stretch is also ongoing with a 69.03% completion rate and Ndoupe-Douala (80%). In addition, construction works on 18 bridges under the Acrow project is ongoing with an overall execution rate of 30%.

Concerning the execution of works under the Three-year Emergency Plan, the construction of the Maroua-Bogo (39 km) and Mandjou-Akokam (45 km) roads have been completed and delivered. These works are ongoing on the following stretches: (i) Douala-Bonepoupa (45 km with an execution rate of 49.97%); (ii) Bonepoupa-Yabassi (50 km, 68%); (iii) Akokam-Batouri (45 km, 71.15%); (iv) Awae-Esse (33 km, 23.05%); (v) Esse-Soa (49 km, 34.90%); Foumban-Koupa Matapit (54 km, 18.4%); (vi) Ngaoundere-Paro (70 km, 17.05%); (vii) Ekondo Titi-Kumba (60 km, 11.5%).

Concerning other road facilities, construction works on the Ngoulemakong and Fifinda weighing stations continued in 2021 with execution rates of 62.04% and 12.76% respectively. Regarding the construction of 14 automatic toll gates, the clearing of rights-of-way and earthworks are 100% completed for the Mbankomo site and 10% for the Boumnyebel site.

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

In 2021, the Government continued with: (i) road rehabilitation and preservation; (ii) road maintenance; (iii) crossing infrastructure rehabilitation; and (iv) road heritage and environmental protection.

Regarding road rehabilitation and preservation, works on the following stretches have been completed and delivered: (i) Maroua-Mora (62 km); (ii) Ebebda Bridge-Kalong-Tonga-Bafoussam-Babadjou (240.99 km); (iii) Esse-Bikoue-Boto Junction-Mvom-Ebanga-Mfeckkoudi-Avolo Bridge (21.7 km); (iv) South boundary-Sangmelima (69.33 km); and (v) Bamougoum (Littoral boundary) - West boundary - Melong (85.05km).

The rate of execution of ongoing works are as follows: (i) Babadjou-Matazem (17 km; 38.45%); (ii) Ngaoundere-University of Dang (12 km; 50%); (iii) Mora-Dabanga-Kousseri (205 km; 20%); (iv) Bazou-Tongo-Milombe (41.8 km; 55%); (v) Guider-Dourbeye-Sorawel and Guider-Bidzar (88.5 km; 70%); (vi) Maroua-Laf-Magada (60 km; 73.96%); (vii) Bafoussam-Foumbot-Foumban (67.06 km; 94.6%); (viii) Yaounde-Awae-Mekong-Ayos (140.09 km; 76%); and (ix) Ayos-Abong Mbang-Bonis (189.09 km; 98%).

As part of the development of the Dja loop road, rehabilitation and maintenance works on the Ndjom Yekombo-Biboulmam Junction (8.7 km), Bidjong-Bidjong Loop road (41.8 km) and Zouameyos Junction-Meking Dam (13.8 km) stretches are ongoing and the overall execution rate is 75%.

Regarding the maintenance of paved roads, works on the following roads have been completed: (i) Ngolbang-Sangmelima (80 km); (ii) Ekombitie-Sangmelima (113.87 km); (iii) the Bertoua-Ndokayo-Garoua Boulaï-Mboussa stretches; Ndokayo-Betare Oya-Badzere; Intersection at N1 national highway-Bertoua Airport, with a total length of 299.83 km; (iv) Ngoura 2-Ndélélé-Yola-Boumba & Ngoko boundary-Kadey boundary-Gari Gombo-Yokadouma (155.5 km); (v) Nsimalen-Mbalmayo-Ebolowa (160 km); and (vi) Bamougoum-Dschang-Santchou-Melong (85 km) and Bekoko-Nkongsamba-Nkam Bridge (150 km).

Table 16: Maintenance of Asphalted Roads in 2021

Roads	Distance
Ngolbang-Sangmelima	80 km
Ekombitié-Sangmelima	113.87 km
Bangou Ville-Bandjoun	24.8 km
Bertoua-Ndokayo-Garoua Boulai-Mboussa in 3 lots, Ndokayo-Betare Oya-Badzere, Inter N1-Bertoua Airport	299.83 km
Bafoussam-Foumbot-Foumban	67 km
Ngoura II-Ndelele-Yola- Boumba & Ngoko boundary - Kadey boundary -Gari Gombo-Yokadouma	155.5 km
Nsimalen-Mbalmayo-Ebolowa	160 km
Bamougoum-Dschang-Santchou-Melong, Firm portion representing work on	85 km
Bekoko-Nkongsamba-Nkam Bridge, Phase I of the Firm portion	150 km
Tombel Junction-Bangem	55 km
Inouya–Ngambe–Cote de NKAN	21.9 km
Nkoteng-Simbane-Mfoula Junction-Meza'a Nguinda-Nkonmesse	44.5 km
Doume-Doumaintang-Nguelemendouka	71.3 km
Ayos-Kombodo-Bagbeze	50 km
Mbalmayo-Sangmelima-Nkwanp-Olong	120 km
Nkol Ossanaga-Mgbaba II Junction	5.6 km
Edea-Bridge over the Nyong and Bridge over the Nyong-Kribi sections of the Edea-Kribi road	104 km

Source: MINTP.

As regards the maintenance of earth roads, a number of works were completed and handed over. These include: (i) Kelecti-Alma-Sarkimata-Vogti-Dir-Gazagazade-Meidougou-Kaka (114.95 km); (ii) Serere-Matsari, Phase 1 (108.5 km); (iii) Obout-Endom-Akonolinga (86.5 km); (iv) Ngoumou-Otele-Makak-Eseka (83.75 km); (v) Ekong-Melang-Bengbis (61 km); and (vi) Serere-Matsari, Phase 2 (108.5 km).

Concerning the rehabilitation of crossing structures, works on reinforced concrete and pre-stressed concrete bridges covering a total distance of 532.4 lm, as well as the replacement of 14 drainage culverts with box culverts on the N3 national road (Douala-Yaounde) were completed and handed over. Work is ongoing on the former bridge over the Wouri (720 lm with an execution rate of 28%) and on the bridge over the Mayo Limani (120 lm, 50%).

Within the framework of the protection of the road heritage and environment, maintenance works on five (5) weighing stations (Bekoko, Njombe, Kouékong, Mbunji, and Eyumedjock) have been completed. Those on the Bagofit, Bonis, Mandjou and Garoua Boulaï weighing stations are ongoing.

2.3. Tertiary Sector

In 2021, the added value of the tertiary sector increased by 4.3%, up from 0.1% in 2020. This increase is mainly due to the resumption of activities in the “restaurants and hotels” and “transport, warehousing and communications” branches following the gradual lifting of COVID-19 restrictive measures. The tertiary sector accounted for 58.6% of the GDP and its contribution to GDP growth rose to 2.2 percentage points, as against 0.1 percentage point in 2020.

Table 17: Tertiary Sector Growth Trends (in %)

Items	2018	2019	2020	2021
Tertiary sector	**4.4**	**3.1**	**0.1**	**4.3**
Of which: Trade, vehicle repairs	2.8	2.8	0.3	3
Transport and warehousing	4	4.1	0	5.6
Hotels and restaurants	5.2	4.2	-8.4	7.3
Information and telecommunications	-0.8	1.6	5.3	6.1
Financial and insurance activities	13.7	3.2	2.8	10.3

Source: NIS.

2.3.1. Trade and vehicle repair

In 2021, growth in the “trade, vehicle repairs” branch was 3.0%, as against 0.3% in 2020. Its contribution to the tertiary sector added value increased from 0.1 percentage point in 2020 to 0.6 percentage point. This improvement reflected the increase in profit margins for most products.

Wholesale and retail trade margins increased by 3.9% compared to a 1.7% decline in 2020. This increase was also observed in “agricultural products” (+5.3%), “basic metallic products and objects” (+21.0%), “transport equipment” (+39.5%), “livestock and hunting products” (+6.0%), “woodwork products” (+16.1%), “beverages” (+9 .8%) and “oilseeds and animal feed” (+7.4%). However, profit margins are on the decline in “refined products” (-10.4%), “cocoa, coffee, tea and sugar products” (-16.4%), “bread, biscuits and pasta” (-3.9%) and “forestry and logging products” (-1.2%).

Table 18: Profit Margin Growth Rates by Product (in %)

Products	2018	2019	2020	2021
Agriculture products	4.3	4.4	0	5.3
Livestock and hunting	3.9	1.4	-0.3	6
Forestry and logging	6.2	2.3	-1.7	-1.2
Fisheries and fish farming	4.1	1.9	1	6.6
Other extractive products	7.9	15.2	7	0.7
Livestock and fishing industry	4.6	-2	3.6	-0.3
Grains and starchy products	0.1	4.6	-1.3	3.3
Cocoa, coffee, tea and sugar	0.8	3.2	-1	-16.4
Oilseeds and animal feed	5.3	1	0.5	7.4
Bread, Biscuits and Pasta	-3	2.6	4.6	-3.9
Dairy products and fruits	-1.4	0.5	5.8	-0.8
Beverages	3.5	-2	3.4	9.8
Tobacco	-1.3	-4.5	12.1	-3.8
Textile and cloth making	5.8	5	0.4	2.8

Products	2018	2019	2020	2021
Tooled leather, travel goods and footwear	4.2	10.6	-5.9	9.5
Woodwork and Handicraft	-1.8	5.7	-1.2	16.1
Paper and cardboard, printed and published works	3.9	0.4	2.2	5.8
Refining coking and nuclear industries	21.4	13.2	-11.5	-10.4
Chemical products	9.5	5.1	-5.4	1.2
Rubber and plastics	5.9	4.8	4.7	2.3
Other non-metallic mineral and construction materials	7.3	8.2	3.2	2.8
Basic metal products and metal articles	6.5	-2.8	-2.1	21
Machinery, electrical appliances and equipment	1.3	-1.1	-17.3	27.1
Audio-visual and communication equipment and apparatus	16.2	6.2	-7.4	11.7
Sports equipment	-14.1	-1.1	-16	39.5
Furniture, miscellaneous industrial products and	3.8	4.3	1.9	8.1
Wholesale and retail	**5.1**	**3.6**	**-1.7**	**3.9**

Source: NIS.

2.3.2. Tourism

In 2021, growth in the "hotels and restaurants" sector rose by 15.7 percentage points to stand at 7.3% compared to 2020. This rebound was mainly due to the resumption of normal hotel and restaurant activities, with the resumption of the organization of seminars, symposiums and workshops following the lifting of COVID-19 restrictive measures, and to the positive effects of the organization of CHAN 2020 and AFCON TotalEnergies 2021 in the country. In the hotel industry, the average room occupancy rate increased by 31.1 percentage points to stand at 67.3% and the number of overnight stays rose by 8.7%. a total of 510 restaurants were authorized, compared to 491 in 2020. The number of tourism agencies increased by 10.1% to stand at 326 and that of authorized leisure establishments by 12.7% to stand at 283. The number of international visitors was estimated at 1 021 054 in 2021. Government's ambition is to increase this number to at least 3.5 million international tourists by 2030.

In terms of accommodation capacity, the number of classified accommodation establishments increased by 10.5% compared to 2020 to stand at 1 066. These establishments are mainly found in the Centre (23.4%), Littoral (20.3%), West (15.6%) and South (8.4%) regions. The number of rooms increased by 6.0% to stand at 25 736, owing to the continued construction and refurbishment of hotel establishments as a prelude to the organization of AFCON TotalEnergies 2021.

Works relating to the development of public hotel infrastructure continued, notably with: (i) equipping and commissioning, in January 2021, of Ribadou-4 Hotel in Garoua with a capacity of 70 rooms; (ii) rehabilitation of Hôtel de l'Océan in Kribi; (iii) the construction of an accommodation and administrative structure in the Ekom-Kam ecotourist site in Nkongsamba; (iv) procurement and installation of equipment at Le Flamboyant de Mokolo camp (Far-North); and (v) continuation of works to rehabilitate the Kribi Reception Centre. Government's action also aimed to support private initiatives.

Works relating to the development of leisure facilities included: (i) continued development of the Garoua Boulaï Municipal Lake; (ii) development of an amusement park, equipping of a reception boukarou, and construction and equipping of a 4-room accommodation block at the Basheo site in Benue Division; (iii) development of Lake Mbalang, Mbalang-Djalengo village (Adamawa Region), construction and equipping of 4 reception boukarous; and (iv) construction of a tourist village in the Atok camp (East Region).

Table 19: Distribution of Classified Hotels by Region and by Category in 2021

Regions	Room Capacity*	Hotel Categories					
		5 Stars	4 Stars*	3 Stars*	2 Stars*	1 Star*	Total*
Adamawa	1 012	0	0	3	10	37	50
Centre	6 144	1	9	18	56	165	249
East	771	0	0	2	5	35	42
Far-North	1 493	0	0	7	7	68	82
Littoral	7 140	1	8	29	77	101	216
North	896	0	0	4	6	32	42
North-West	1 857	0	0	8	16	49	73
West	3 388	0	1	8	43	114	166
South	1 795	0	2	12	19	57	90
South-West	1 240	1	2	7	15	31	56
Total*	**25,736**	**3**	**22**	**98**	**254**	**689**	**1066**

Source: MINTOUL, * provisional data.

2.3.3. Transport

In 2021, growth in the "transport, warehousing and communications" branch was 5.6%, compared to a zero % growth in 2020. This positive trend can be attributed to the lifting of some COVID-19 restrictive measures, notably with the resumption of air flights and the lifting of the passenger number restriction in intercity and urban transport services. Activities in this branch include various modes of transport such as road transport, rail transport, air transport and maritime transport.

2.3.3.1. Road transport

Trends in road transport are assessed based on the quantity of super and diesel fuel available for consumption. In 2021, fuel quantities increased by 4% and 12.4% respectively. Government's transport sector objective remains the design, development and implementation of directives regarding traffic, prevention and road safety.

Regarding road traffic, the main aim was to reduce informal activities by issuing transport authorizations and monitoring the operation of road toll gates and weighing stations. There were 849 driving schools and 58 driving license examination centres in 2021. The national road network had 50 toll gates and 26 weighing stations, 4 of them being mobile stations. A 14-station automation project is being implemented to ensure the cost-effectiveness of road toll gates.

Concerning prevention and road safety, actions mainly focused on: (i) organization of road safety campaigns which led to the withdrawal of 203 driving licenses and suspension of 5 travel agencies; (ii) equipping of the National Gendarmerie and Police with mobile radars and portable devices, equipped with an application for verifying the validity of road worthiness stickers; and (iii) building the operational capacity of 315 judicial police officers with special competence for interventions on the road network. There are 40 approved road worthiness control centres. These centres have been interconnected to a central server based in the Ministry of Transport for real-time monitoring of their activities. The number of accidents on major roads dropped by 7.4% to stand at 2 107 compared to 2020. However, the number of deaths on these roads increased by 14.8% to 963 due to the involvement of public transport buses in fatal accidents. In urban centres, the number of accidents rose by 8.1% to stand at 7 895 owing to the poor technical condition of vehicles, speeding and non-compliance with safety instructions and road signs. The number of deaths decreased by 54.6% to 312.

2.3.3.2. Railway transport

In 2021, the rail traffic turnover stood at 42.9 billion, a 1.9% decrease compared to 2020. This decline can be explained by the 5.2% decrease in the tonnage of goods transported. However, passenger transport increased by 2.2%.

Table 20: Railway Traffic Trends

Years	2018	2019	2020 (a)	2021 (b)	Variations b/a (%)
Passenger traffic (passengers/km)	256.8	254.6	225	230	2.2
Freight traffic (tonne/km)	784.6	941	922	874	-5.2
Turnover (millions)	37 561	44103	43786	42945	-1.9

Source: CAMRAIL.

In 2021, the express train was launched on the "Yaoundé-Douala" line, with stopovers in four localities, namely Edea, Eseka, Makak and Ngoumou. The relaunch of this inter-city train, since the railway accident in 2016, is intended to stimulate passenger transport.

2.3.3.3. Maritime transport

In 2021, turnover at the Port Authority of Douala stood at 74.7 billion, representing a 3.2% increase. The total volume of transported goods was 12 701 129 tons, that is a 7.5% increase compared with to 2020. This improvement is due to a 3.4% increase in import tonnage and a 25.6% increase in export tonnage. However, the number of ships docking at the Port Authority of Douala stood at 1 040, down from 2 018 the previous year. This drop is due to the fact that freight forwarders preferred large ships or "bulk carriers" with capacity of 400 000 tons to the detriment of other ships of lesser capacity.

Turnover at the Port Authority of Kribi was 25.4 billion, up by 28.2% compared to 2020. This is due to an increase in the overall volume of goods transported, which more than doubled. The import tonnage increased by 131.8% and the export tonnage by 51.8%. The number of ships recorded in this port, however, decreased by 1.7% to stand at 453.

Table 21: Maritime Traffic Trends at PAD and PAK

Heading	2018	2019 (a)	2020* (b)	2021**	Variations (%)
PORT AUTHORITY OF DOUALA					
Number of ships	3 343	3381	2018	1040	-48.5
Imports (in thousands of tons)	8 694	10 114	9 647	9 977	3.4
Exports (in thousands of tons)	3 141	2 746	2 170	2 724	25.5
Turnover (in billions of FCFA)	59.1	56.2	72.4	74.7	3.2
KRIBI PORT					
Number of ships	295	331	461	453	-1.7
Imports (in thousands of tons)	28	95	273	633	131.8
Exports (in thousands of tons)	47	106	97	147	51.8
Turnover (in billions of FCFA)		15.1	19.8	25.4	28.3

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

2.3.3.4. Air transport

In 2021, the number of flights increased by 57.3% compared to 2020. This was due to the resumption of economic activities, the reopening of air borders worldwide as well as the arrival of sports delegations to participate in the CHAN 2020 and AFCON TotalEnergies

2021 events. In addition, the resumption of activities by the national air carrier, Camair-co, and the arrival of two new companies (Air Peace linking Douala to Lagos in Nigeria and Air Senegal linking Douala to Dakar in Senegal) contributed to revitalizing the sector. The number of passengers transported increased by 98.3% and the volume of goods transported by 12% compared to 2020.

Additionally, the national carrier, Camair-co, acquired two new planes to increase its offer at the internal and sub-regional level. These aircraft were put into service in October 2021.

Table 22: Air Traffic Trends

Item	2017	2018	2019	2020* (a)	2021 (b)	Variations (%) (b/a)
Passengers	1 424 357	1 572 303	1 512 735	697 366	1 382 560	98.3
Fret (tones)	22 447	24 910	24 350	16 249	18 198	12.0

Source: ADC *updated data.

2.3.4. Telecommunications

In 2021, growth in the "information and telecommunications" sector stood at 6.1%, up from 5.3% in 2020. This good performance is due, among other things, to the extension of network coverage, the increase in promotional services, as well as the increase in the use of the internet and money transfer services. The increase in voice traffic and continued digitization of services also contributed to boosting the growth of the sector. The total number of active subscribers and that of internet subscriptions increased by 2.4% and 8.3% to stand at 22 010 427 and 8 510 402 respectively compared to 2020. The sector turnover rose by 10.6% to stand at 643.6 billion.

To improve service quality and extend the national network coverage, Government's actions focused, among others, on: (i) continuation of Phase II of the National Broadband Network (NBN II) programme; (ii) completion of the construction and equipping of the National Emergency Telecommunications Network (RNTU); (iii) construction of the Central African Telecommunications Sub-regional Maintenance Centre in Yaounde; (iv) construction of two (2) optical loops (Buea and Ngaoundere); (v) procurement of a minimum internet bandwidth necessary for the generalization of the use of ICT in Cameroonian universities; and (vi) laying of 414.5 km of optical fibre cable in the South and East Regions. In addition, sector operators invested 204.4 billion in 2021, representing an increase of 84.5% compared to 2020.

Table 23: Telecommunications Sub-Sector Activity Trends

Item	2019	2020	2021*	Variation (in %)	
	(a)	(b)	(c)	(b)/(a)	(c)/(b)
Total number of active subscriptions	22 257 147	21 499 549	2 201 042 7	-3.4	2.4
Fixe (CDMA and wired)	856 411	814 114	739 572	-4.9	-9.2
Mobile:	21 400 736	20 685 435	21 270 855	-3.3	2.8
Total number of internet subscribers	7 691 494	7 858 337	8 510 402	2.2	8.3
Traffic					
Fixed line Communications (in millions of minutes)	120.0	27.5	100.2	-77.1	264.4
Voice traffic on mobile networks (in billions of minutes)	27.5	31.9	33.2	16.0	4.1
Overall turnover of the sector (in billions)	547.9	581.8	643.6	6.2	10.6
Overall investment (in billions)	4.7	110.8	204.4	30.9	84.5

Source: ART, *estimates

2.3.5. SMEs, social economy and handicrafts

In 2021, the number of active SMEs was estimated at 324 250, as against 288 850 in 2020. The number of companies set up in the Enterprise Creation Formality Centres (CFCE) increased by 45.9% to 15 591. Very small enterprises accounted for 90.6% of all SMEs, followed by small enterprises (9.3%) and medium-size enterprises (0.1%). The cities of Douala and Yaounde alone accounted for 72.1% of SMEs.

In order to enhance competitiveness and promote entrepreneurship, Government's actions included: (i) signing of the implementing instruments of the decree to lay down procedures for carrying out SMEs incubation activities, resulting in the granting of authorizations to four private entities; (ii) provision of financial support amounting to 100 million to 12 learners of the first cohort of the Edea national pilot incubator; (iii) establishment of 50 local product processing and preservation units; (iv) support to 195 SMEs under the Cameroon Subcontracting and Partnership Exchange.

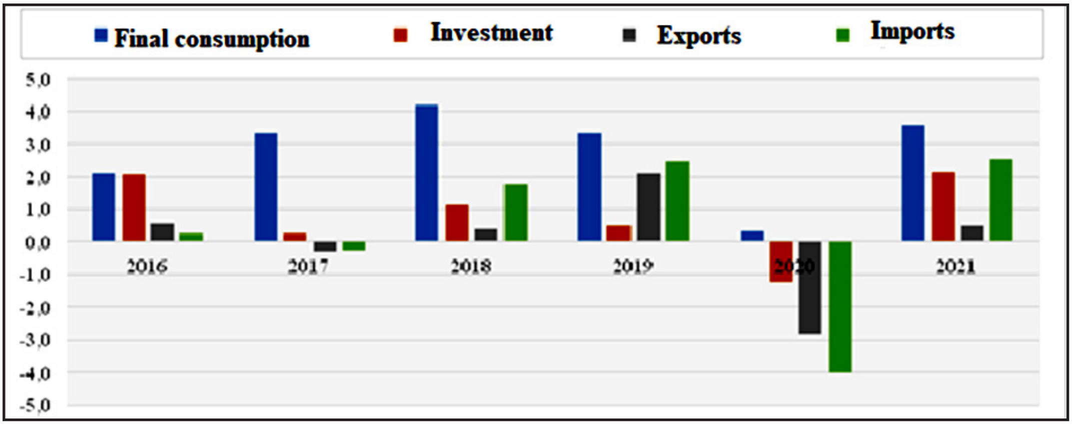
Regarding financial support to SMEs, BC-PME granted loans worth 19.2 billion in 2021. A total of 5 billion was provided to SMEs within the framework of the Support Fund for Start-ups and Innovative Companies and the Medium-size Enterprise Guarantee Fund. In addition, financial institutions opened credit lines with banks, including 79 billion CFAF by EIB and IsDB and 18.9 million USD by BADEA. Furthermore, the African Guarantee and Economic Cooperation Fund (FAGACE) and the Enterprises Upgrading Office (BMN) renewed their partnership, making it possible to mobilize 90 billion FCFA for 21 private sector projects.

Concerning the promotion of social economy, 219 local social economy networks were established in the Adamawa, Centre, East, Littoral, West and South regions. Regarding the migration of artisans towards the formal sector, 2 291 organizations were registered, bringing the number of artisans registered since the start of the operation in 2014 to 85 336. Also, 235 social economy organizations received financial support to the tune of 670 million as part of support to micro-projects and 70 council executives were trained in the promotion of social economy at local level.

CHAPTER 3: DEMAND, PRICES AND COMPETITIVENESS

The acceleration of economic growth observed in 2021 (+3.6%, up from +0.3% in 2020), considered from the perspective of GDP growth, is essentially linked to an increase in domestic demand, following the easing of COVID-19 restrictions. Concerning prices, inflation stood at 2.3%, driven, among other things, by the rise in prices of "food and non-alcoholic beverages". In terms of competitiveness, the terms of trade improved and the real effective exchange rate, a price competitiveness indicator, remained stable.

Graph 2: Trends in Contributions to GDP Growth (in percentage points)



Source: NIS

3.1 Analysis of Demand Components

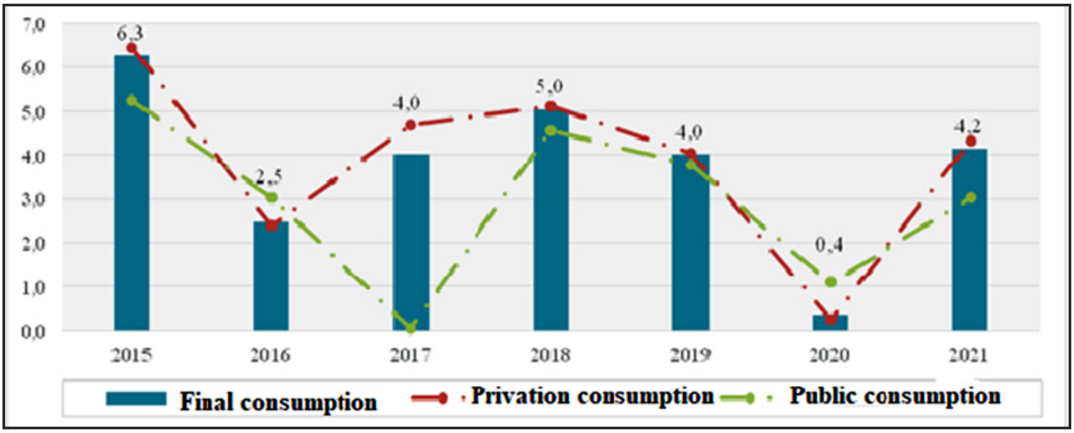
3.1.1. Domestic demand

Domestic demand increased by 5.5% in 2021 as against -0.9% in 2020, in the context of the recovery in economic activity, which considerably slowed down in 2020 due to the health crisis. It contributed 5.7 percentage points to real GDP growth. However, there were disparities between the trends of domestic demand components.

3.1.1.1. Final consumption

In 2021, final consumption accounted for 84.8% of GDP and increased by 4.2%, up from 0.4% in 2020. It thus contributed 3.6 percentage points to real GDP growth, thanks to the strong performance of each of its two components (public and private consumption).

Graph 3: Growth Rate of Consumption Components (in %)



Source: NIS

3.1.1.1.1. Private consumption

In 2021, private consumption accounted for 72.8% of GDP. Its growth accelerated to 4.3% up from 0.3% in 2020 and contributed 3.2 percentage points to real growth. Growth acceleration was mainly attributed to: (i) improved incomes of households whose activities were adversely affected by the effects of the health crisis; (ii) the recruitment of temporary workers, particularly those who worked at the various AFCON construction sites; and (iii) the increase in remittances from the diaspora. However, this acceleration was mitigated by the rise in prices of everyday consumer goods.

The increase in household consumption expenditure was noticeable in the "food and beverages" item (+1.6%, from +1.2% in 2020), which accounted for 35% of household consumption expenditure. The increase was also observed for the following items: "furniture, household equipment and routine home maintenance" (+7.7% compared with +1.5%), "Apparel and footwear" (+3.7% compared with +1.5%) and "alcoholic beverages, tobacco and narcotics" (+8.6 compared with +4.2). Moreover, other consumer expenditures that had declined in 2020 regained positive growth, particularly expenses relating to the following items: "catering and hotels" (+8.5% as against -10.3% in 2020); "housing, water, electricity, gas and other fuels" (+3.2% as against -1.2%) and "transport" (+6.5 as against -0.3%).

3.1.1.1.2. Public consumption

In 2021, public consumption accounted for 12.0% of GDP and its growth accelerated to 3.0%, after 1.1% in 2020. It thus contributed 0.4 percentage point to real GDP growth, up from 0.1 percentage point in 2020. This momentum was mainly attributed to the increase in expenditure on goods and services, following the decline in 2020, amid budget adjustments made to take into account the effects of COVID-19. In 2021, out of a revised allocation of 1 030 billion, spending on goods and services amounted to 989.8 billion, that is, an execution rate of 96.1%. Spending on goods and services thus recorded an increase of 113.8 billion (+13.0%), compared to 2020.

3.1.1.2. Investment

In 2021, investment bounced back, growing by 8.4%, as against a decline of 4.2% in 2020. This recovery was mainly attributed to public and private investments made towards hosting

TotalEnergies AFCON 2021. Overall investment represented 18.8% of GDP, contributing 1.5 percentage points to real growth, after stretching it by 0.8% percentage point in 2020. The recovery of investment was noticeable through the acquisition of transport equipment (+78.8% in 2021 against -25% in 2020) and machinery and electrical appliances (+38% against -24.4%), as well as the purchase of professional, scientific and technical services (+5.8% against -22.8%). Moreover, an acceleration was recorded on investment in livestock products (+10.5%, compared with 3.4%), and furniture (+7.9%, compared with +1.7%).

Table 24: Trends in Investment by Volume of Main Products (%)

Products	2016	2017	2018	2019	2020	2021
Plantations	7.8	3.3	13.8	-12.4	11.3	-1.8
Livestock products	-7.1	7.5	10.2	6.1	3.4	10.5
Machinery and electrical equipment	-5.9	10.1	1.9	-2.6	-24.4	38.0
Transport equipment	-13.2	1.4	-12.5	5.7	-25.0	78.8
Furniture	5.7	5.0	4.4	3.7	1.7	7.9
Public works and civil engineering	13.6	8.7	9.3	2.5	1.2	3.9
Professional, scientific and technical services	-34.0	20.6	17.4	12.0	-22.8	5.8
Others	31.4	-35.2	-3.4	8.4	-11.7	-10.5
Total	**7.8**	**2.2**	**6.1**	**3.3**	**-4.2**	**8.4**

Source: NIS

3.1.1.2.1. Private investment

In 2021, private investment increased by 9.6%, up from 4.2% in 2020. It represented 14% of GDP and contributed 1.4 percentage points to real GDP growth. As far as businesses are concerned, the buoyancy of investment was mainly reflected by an increase in the import of: (i) transport equipment (+47%), particularly tractors (+53%), public transport vehicles (+38%) and goods vehicles (+35%); (ii) medical equipment and furniture (+44%); and (iii) machinery and mechanical or electrical appliances (+18%). For households, investment was characterized by civil construction activities, accompanied, among other things, by an increase in bank loans to individuals (+19%).

3.1.1.2.2. Public investment

In 2021, public investment volume bounced back to 4%, after dropping by 25.3% in 2020. This growth could be attributed, among other things, to an increase (+7.8%) in the public investment budget (PIB), which shrank in 2020, as priority was given to spending on goods and services in response to the health crisis. The contribution of public investment to real GDP growth stood at 0.2 percentage point.

The increase of the 2021 PIB was observed both in domestically financed investment expenditure (+8.4%) and externally financed investment expenditure (+7.3%). With regard to investment expenditure on domestic resources, in particular, the increase was mainly observed with PLANUT (Three-Year Emergency Plan) (+20.9%), the State's counterpart funds for jointly funded projects (+10.7%) and other Ordinary Domestic Resources (ODR), particularly transfers to the Regional and Local Authorities (+4.5%).

By sector, public investment expenditure was mainly on "infrastructure" (with 64.5% of the overall 2021 PIB allocation). Particular focus on this sector was to see the completion of on-going projects. Special attention was also devoted to the "production and trade" sector to support efforts made towards the fund for the implementation of the recovery plan for large-scale local production of consumer goods, which triggered the trade deficit. The sector thus received 9.5% of the PIB.

Table 25: Breakdown of PIB by sector (in billion CFAF)

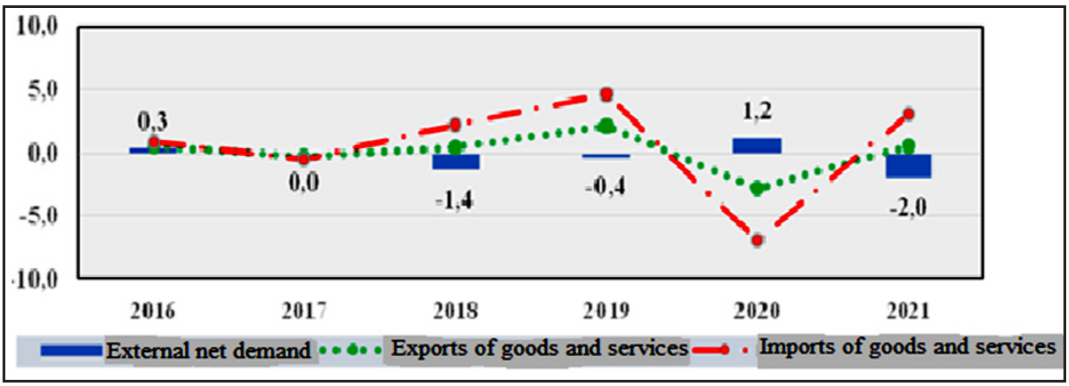
Sectors	2019 Financial Year	2020 Financial Year a	2021 Financial Year b	Variations b/a (in %)	Weight in 2021 (in %)
Sovereignty	31.9	26.6	32	20.3	2.4
Defence and security	26.1	19.9	9	-54.8	0.7
General and financial administration	95.1	84	87.9	4.6	6.5
Education, training and research	71.9	51.7	51.7	0.0	3.8
Communication, culture, leisure and sports	5.6	11.1	9.8	-11.7	0.7
Health	103.6	80.7	83.6	3.6	6.2
Social affairs and employment	11.9	10.3	10.3	0.0	0.8
Infrastructure	850.3	800.8	871.7	8.9	64.5
Production and trade	105.6	92.1	127.8	38.8	9.5
Common expenditure	176	77.2	68.3	-11.5	5.1
Total	**1 478.0**	**1 254.3**	**1 352.0**	**7.8**	**100**

Sources: MINFI, MINEPAT

At the end of the 2021 financial year, the physical execution rate of projects funded by the PIB stood at 75%, down by 17.4 percentage points, compared to 2020. By component, the physical execution rate of projects funded with domestic resources dropped from 89.3% to 73.6%. The situation was similar for projects funded from external sources (95.7% to 76.1%). The dwindling physical execution rate could be attributed, among other things, to: (i) limited knowledge by LGAs of procedures governing project maturation and the formalization of related contracts; (ii) technical and financial difficulties faced by the companies that are awarded contracts; and (iii) communication hiccups in the transmission of information on the physical and financial execution of projects.

In 2021, the contribution of net external demand to GDP growth was -2 percentage points against +1.2 percentage points in 2020. This poor performance is attributed to both net external demand for goods and net external demand for services.

Graph 4: Contribution of Net External Demand to Growth (in %)

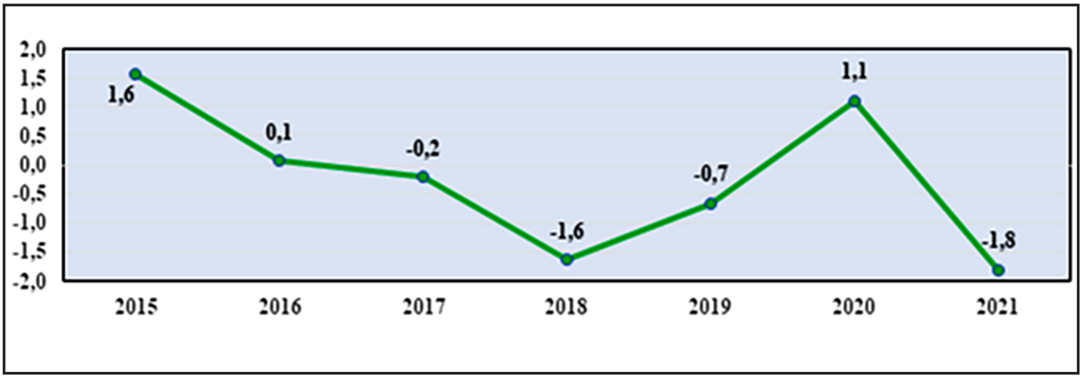


Sources: NIS, MINFI

3.1.1.3. Net external demand for goods

In 2021, net external demand for goods hampered growth by 1.8 percentage points after sustaining it by 1.1 percentage points in 2020. This trend was due to the greater increase in imports of goods than of exports.

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



Sources: NIS, MINFI

3.1.1.3.1 Export of goods

In 2021, the volume of goods exported increased by 7.4% compared to a decrease of 12.3% in 2020. This increase was mainly driven by an increase in exports of "forestry and logging" (+10.2%) and "food processing" (+28.9%) products. Conversely, the volume of exports of energy products dropped by 2.6%.

Table 26: Trends in the Volume of Exports by Main Product Groups (%)

Item	2015	2016	2017	2018	2019	2020	2021
Primary sector products	**4.4**	**6.5**	**-1.9**	**2.1**	**-3.5**	**-4.8**	**5.9**
Agricultural products	3.5	9.1	-5.9	1.3	1.6	-3.7	5.1
Forestry and logging products	6.7	-6.1	21.7	5.2	-16.3	-9.5	10.2
Secondary sector products	**14.6**	**-2.8**	**-7.0**	**-0.5**	**17.6**	**-14.8**	**8.1**
Energy products	25.5	-16.6	-20.3	-6.6	40.8	-14.5	-2.6
Agro-food industry products	4.9	121.8	10.4	6.1	-12.2	-2.4	28.9
Products of other manufacturing industries	-0.6	-4.7	0.6	4.1	-3.3	-21.5	9.5
including woodwork industry products	32.7	-5.7	0.7	24.7	3.7	0.7	2.9
Total exports of goods	**11.9**	**0.3**	**-5.3**	**0.3**	**11.6**	**-12.3**	**7.4**

Source: NIS

3.1.1.3.2. Import of goods

In 2021, the volume of imports of goods increased by 16.9%, against a 15.5% drop in 2020.

This increase was due mainly to the import of agricultural products (+23.2%), transport equipment (+49.9%), chemical industry products (+43.2%), metal industry products (+28.7%) and grain processing products (+25.0%). However, a drop was recorded in the import of hydrocarbon extraction products (-34.7%), textile industry products (-2.6%) and refined petroleum products (-1.1%).

Table 27: Trends in the Volume of Imports by Main Product Groups (in %)

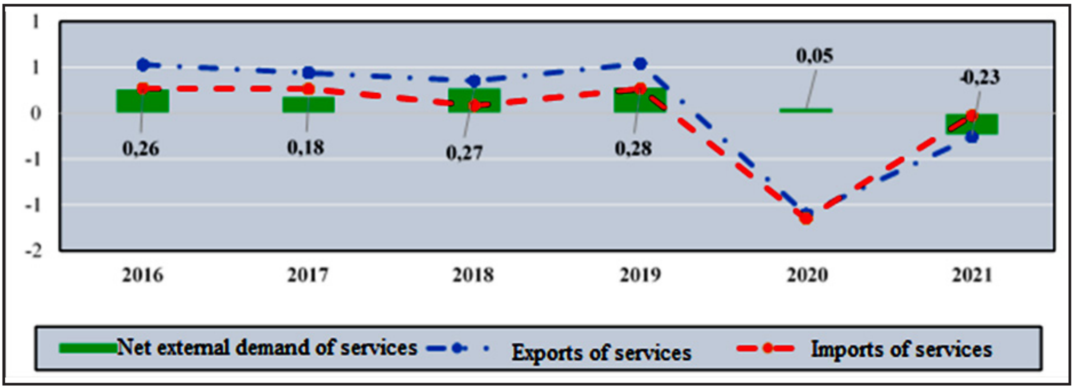
Item	2015	2016	2017	2018	2019	2020	2021
Primary sector products	**7.7**	**2.1**	**12.6**	**4.9**	**7.6**	**-10.2**	**24.2**
Agricultural products	9.1	2.9	12.3	4.3	7.6	-8.6	23.2
Secondary sector products	**2.1**	**-0.2**	**-3.8**	**10.5**	**13.1**	**-15.5**	**16.9**
Hydrocarbons extraction products	-15.0	-16.1	-40.9	-17.7	36.6	-99.8	-34.7
Agro-food industrial products	6.8	1.8	5.0	-2.8	8.4	-10.1	11.6
including grain processing products	*17.3*	*-7.9*	*17.4*	*-19.8*	*45.7*	*-31.6*	*25.0*
Products of other manufacturing industries	5.0	0.8	0.3	17.3	12.8	-8.9	19.5
including Textile products	*10.7*	*-12.3*	*-3.7*	*6.1*	*2.7*	*-2.5*	*-2.6*
Refined petroleum products	*5.5*	*-7.2*	*44.7*	*76.2*	*43.2*	*-3.0*	*-1.1*
Chemical products	*5.6*	*-10.0*	*13.1*	*12.7*	*1.5*	*-15.9*	*43.2*
Metal products	*6.5*	*-3.3*	*-10.0*	*18.1*	*2.8*	*-9.0*	*39.8*
Machinery and electrical equipment	*5.6*	*8.8*	*6.1*	*1.9*	*0.8*	*-15.7*	*28.7*
Audio-visual equipment and appliances	*-1.5*	*42.3*	*-48.8*	*22.9*	*4.6*	*-12.3*	*12.9*
Transport equipment	*-8.7*	*-8.3*	*-2.4*	*-10.4*	*4.4*	*-20.7*	*49.9*
Total imports of goods	**2.1**	**-0.2**	**-3.8**	**10.5**	**13.1**	**-15.5**	**16.9**

Source: NIS

3.1.1.4. Net external demand for services

In 2021, the net external demand for services dampened GDP growth by 0.23 percentage point. This trend was more related to the export of services, which slowed down growth by 0.26 percentage point, than to the import of services, whose contribution to growth stood at -0.03 percentage point.

Graph 6: Trends in the Contribution of External Demand for Services to Growth



Sources: NIS, MINFI

3.1.1.4.1. Export of Services

In 2021, the export of services in volume dropped by 5.7%, compared to a 19.5% drop in 2020. This trend was mainly observed in the sectors of "health and social work services" (-69.8% against +35.8% in 2020), "professional, scientific and technical services" (-49.4%, compared to -37.3%) and "health and social action services" (-21.5% compared to -21.8%). Conversely, exports in the following sectors once more recorded positive growth after a decline in 2020: "financial and insurance services" (+14.8%, compared to -33.1%), "accommodation and catering services" (+8.3% against -22.2%).

The volume of export of services accounted for 30% of the total volume of exports of goods and services. The export of services mainly concerned "transport and warehousing", which represent 29.6% of the export of services, "rental and travel agency services" (18.2%), "accommodation and catering services" (14.5%), "financial and insurance services" (8.6%), "information and communication services" (8.2%) and "professional, scientific and technical services" (7.5%).

3.1.1.4.2. Imports of services

The volume of imports of services dropped by 0.8%, compared to a 24.2% decrease in 2020. This decline is mainly observed in the following branches of activity: "artistic, sporting and leisure services" (-48.9%, compared to -0.2% in 2020), "health and social work services" (-43.7%, compared to +10.3%), "education (-36.5%, compared to -23.4%), "rental and travel agency services" (-16.9%, compared to -20.5%). Conversely, the volume of imports increased for the following branches: "information and communication services" (+21.4%, compared to +2.3%), "transport and warehousing" (+19.0%, compared to -31.1%), "financial and insurance services" (+7.6%, against -22.5%) and "professional, scientific and technical services" (+6.6%, against -32.5%).

The import of services in volume accounted for 19.2% of the total volume of imports of goods and services. The main category of imported services were "rental services and travel agencies" (19.3% of total imports of services), "professional, scientific and technical services" (17.2%), "accommodation and catering services" (16.6%) and "transport and warehousing" (16.4%).

3.2. Prices and Overall Competitiveness

3.2.1. Final household consumer prices

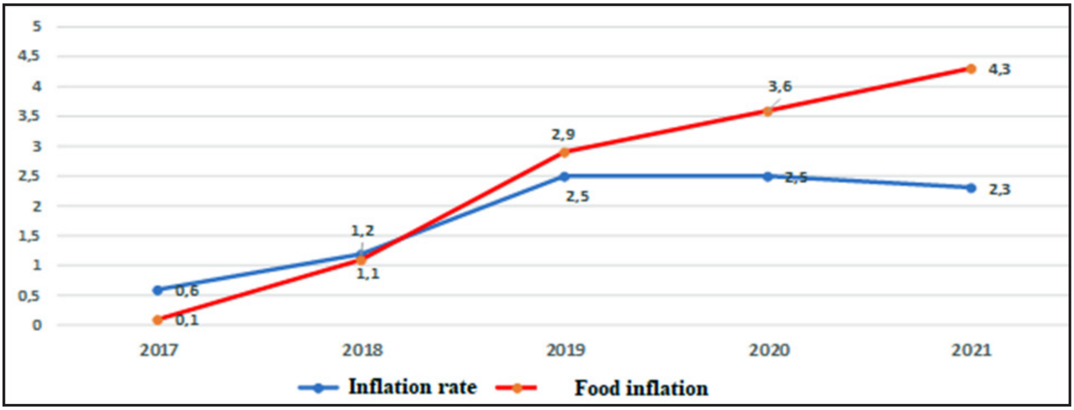
In 2021, final household consumer prices increased by 2.3%, compared to 2.5% in 2020. This deceleration in prices was mainly observed in the following items: "housing, water, gas, electricity and other fuels" (+1.8%, compared to +3.0%), "transport" (+0.8%, compared to +2.0%) and "restaurants and hotels" (+1.5%, compared to +2.3%). Conversely, the rise in prices picked up speed for "food and non-alcoholic beverages" (+4.3%, compared to +3.6%) and "education expenditure" (+1.2%, compared to +0.5%).

The deceleration in the prices of "housing, water, gas, electricity and other fuels" is driven by the prices of "rents paid by tenants" (+1.7%, compared to +2.8%), "solid fuels and others" (+1.1%, compared to +3.9%) and "housing-related services" (+0.3%, compared to +1.1%). Prices for "transport" services slowed down mainly in road and air passenger transport.

Concerning "restaurants and hotels", the price of the sub-item "meals and snacks purchased outside" rose by 1.9%, against 3.3%, that is, a slowdown of 1.4 percentage point. Similarly, price increase slowed down in "hotels and other accommodation services" (+2.2%, compared to +2.7%) and "bars, beverage-vending and coffee services" (+0.4%, compared to +2.7%).

The increase in the prices of "food and non-alcoholic beverages" was driven by the rise in the prices of certain consumer products, including oils and fats (+6.9%, compared to +0.8%), bread and cereals (+5.7%, compared to +3.8%) and fish and seafood (+3.3%, compared to -0.5%).

Graph 7: Inflation Rate and Food Price Inflation Trends



Source: NIS

The increase in education expenditure can be attributed to higher prices of school textbooks (+1.2%) and other textbooks (+2.8%). The increase in education expenditure was visible in "pre-primary and primary education" (+1.8%) and secondary education (+1.4%). Conversely, prices remained stable in higher education.

By product origin, the prices of imported goods rose by 3.0%, compared to 2.4% in 2020. This increase can be attributed to the adverse effects of COVID-19 on supply and distribution channels. On the other hand, the prices of local goods slowed down by 2.2%, against 2.6% in 2020, in connection with the return to the normal activity of the supply chains where transport costs fell and, in plantations, where labour was once again available.

By sector of activity, the prices of primary sector goods decreased (+4.7%, compared to 4.9% in 2020), just like those of tertiary products (+0.9%, compared to +1.6%). Conversely, the prices of goods in the secondary sector increased further (+1.6%, against +1.5%), in connection with increasing prices of imported raw materials and cost of maritime freight.

Table 28: Trends in Final Household Consumer Price Index

Expenditure Items	*Weight*	2019	2020	2021	1st half 2021	1st half 2022	Variations (in %)	
		(a)	(b)	(c)	(d)	(e)	(c)/(b)	(e)/(d)
I - Trend by consumption function								
Food and non-alcoholic beverages	**31.8**	115.6	119.7	124.8	122.5	135.7	4.3	10.8
Alcoholic beverages and tobacco	**1.4**	129.6	133.5	136.3	135.4	140.3	2.1	3.6
Clothing and footwear	**9.8**	111.4	114.0	116.5	115.8	120.0	2.2	3.6
Housing, water, gas, electricity and other fuels	**12.9**	116.7	120.3	122.4	122.1	124.2	1.7	1.7
Furniture, household items and routine household maintenance	**5.1**	109.4	111.1	112.7	112.4	116.0	1.4	3.3
Health	**4.8**	103.1	103.3	103.5	103.4	103.7	0.2	0.3
Transport	**11.3**	124.0	126.5	127.5	127.0	130.0	0.8	2.4
Communication	**4.6**	90.5	91.1	91.5	91.4	91.8	0.4	0.5
Leisure and culture	**3.4**	105.8	107.5	108.5	108.1	109.9	0.9	1.7
Education	**3.1**	116.7	117.5	118.9	118.3	120.2	1.2	1.7

Restaurants and hotels	**6.7**	128.7	131.7	133.7	133.1	139.2	1.5	4.6
Sundry goods and services	**5.2**	114.7	116.3	117.5	117.2	120.2	1.1	2.5
Overall Index	**100**	**114.9**	**117.7**	**120.3**	**119.3**	**125.4**	**2.3**	**5.1**
II - Trend by group								
Local products		116.3	119.4	122.1	121.1	127.2	2.2	5.0
Imported products		110.2	112.8	116.2	115.6	120.4	3.0	4.2
Primary sector products		120.1	126.0	132.0	129.4	142.1	4.7	9.8
Secondary sector products		108.3	109.9	111.7	111.2	115.8	1.6	4.2
Tertiary sector products		117.0	118.7	119.8	119.4	122.1	0.9	2.2

Sources: NIS, MINFI

With regard to space, increase in prices was noticeable in all regional headquarters. However, it slowed down in Buea (+1.7%, compared to +3.6%), Douala (1.9%, compared to +2.3%), Ngaoundere (+1.0%, compared to +2.3%), Garoua (+2.1%, compared to +2.7%), Maroua (+3.2%, compared to +3.4%) and Bafoussam (+2.4%, compared to +2.6%). Conversely, price increases bumped up in Bertoua (+4.4%, compared to +3.6%), Bamenda (+3.8%, compared to +2.2%), Ebolowa (+3.7%, compared to +0.8%) and Yaoundé (+2.3%, compared to +2.0%).

In the first half of 2022, final household consumer prices rose by 5.1%, compared to 2.0% in the same period in 2021. This surge was mainly seen in "food products and non-alcoholic beverages" (+10.8%, compared to +3.6%) in connection with the price hike of most consumer products, particularly oils and fats (+18.1%), bread and cereals (+13.8%), fish and seafood (+12.0%) and meat (+12.0%).

Prices of imported products rose by 4.2% and those of local products by 5.0%. This increase is attributed to the lingering adverse effects of COVID-19 and the Russia-Ukraine conflict, which have contributed to further increases in international market prices of cereals, oilseeds, raw materials, energy, construction materials and maritime freight. In a bid to contain imported inflation, the Government took steps to reduce the freight value by 80%, to be taken into account when calculating the Customs value of goods.

3.2.2. Overall Competitiveness

Overall competitiveness is assessed based on two factors: competitiveness by economic and institutional structure and price-based competitiveness.

3.2.2.1 Competitiveness by economic and institutional structure: economic attractiveness

The attractiveness of the economy is considered here from the perspective of the country's performance, assessed based on the market size and vitality, human and financial capital, infrastructure, and political and economic governance. These factors are analyzed using the assessments of various institutions, particularly sovereign rating agencies, the World Bank and the Cameroun Employers' Union (GICAM).

In 2021, according to the World Bank, the results of the assessment of structural competitiveness factors were mixed. While there was an improvement in market size, human and financial capital, and political and economic governance, compared to 2020, the outlook in terms of the attractiveness of the economy was worsened with insufficient performance on various indicators, especially infrastructure. According to this ranking, Cameroon's economic management performance improved, particularly as regards its budget, fiscal and debt management policies. However, the country must step up its efforts in the areas of governance, business climate and quality of public expenditure. Thus, according to the Country Policy and Institutional Assessment (CPIA) index, the country ranks 15th out of 39 low-income African countries whose policies and institutions were rated as average.

In the same vein, Standard & Poor's and Fitch Ratings maintained Cameroon's 2020 sovereign rating at 'B-' and 'B' respectively, but with prospects tending towards stability. These ratings, which place the country in the category of highly speculative countries for donors, are founded on vulnerabilities such as political uncertainties and high dependence on raw materials.

According to GICAM, road, electricity and telecommunications networks remain insufficient and of poor quality. Availability of infrastructure thus remains low and hinders the country's competitiveness, although access to the internet and electricity, the rate of tarred roads, the density of roads and the competitiveness of ports have improved.

In terms of port competitiveness, the second edition of the World Bank's Global Container Port Performance Index, in partnership with S&P Global Market Intelligence, ranked the Douala and Kribi Ports 30th and 36th, respectively, on the continent, and 340th and 355th worldwide. This ranking was mainly based on the time it takes to offload/load ships. In 2021, cargo transit times at the Douala port remained high, averaging 16.2 days for exports (compared to 11 days in 2020), and 10.6 days for imports (compared to 19 days in 2020). These indicators are the least competitive in sub-Saharan Africa, where export and import transit times average 4.3 days.

3.2.2.2 Price-based competitiveness

Price competitiveness is analyzed based on the real effective exchange rate (REER) and terms of trade indices. In 2020, the REER, which combines the nominal effective exchange rate (NEER) and the price differential with trading partners, remained virtually stable compared to 2020. This trend is mainly due to the appreciation of the CFA franc with respect to the currencies of Cameroon's main trading partners (2.3% drop in the NEER) which offset the inflation differential in favour of Cameroon.

In 2021, the terms of trade index improved by 8.4%, driven by a higher increase in export prices (+20.1%) than that of import prices (+18.7%), reflecting a strengthening of foreign currency assets.

Table 29: Trends in REER, NEER and Terms of Trade (in %)

	2014	2015	2016	2017	2018	2019	2020	2021
REER	0.8	-6.2	2.2	0.9	1.4	-1.1	3.1	0.1
including NEER	*1.6*	*-3.7*	*3.6*	*2.6*	*3.2*	*-0.9*	*-4.6*	*-2.3**
Terms of trade	1.4	-10.4	-2.6	4.2	7.2	-4.4	2.6	8.4*

Source: World Bank   ****** MINFI/DF estimates***

CHAPTER 4: FINANCIAL SECTOR

In 2021, the international financial sector was mainly marked by the recovery of global economic activity after a downturn caused by the adverse effects of the COVID-19 pandemic. The recovery was driven mainly by the reduction of central bank interest rates worldwide and the injection of liquidity into the economy. At the national level, this context was characterized by: (i) the tweaking of monetary policy for economic recovery purposes, while guaranteeing monetary stability; and (ii) the continued implementation of the new CEMAC regulations governing microfinance activities. The monetary situation was characterized by an increase in money supply (+17.1%), which was reflected in the increase in net foreign assets (+11.4%), net claims on the State (+25.5%) and credit to the economy (+12.7%).

In the first half of 2022, Cameroon continued to implement the new economic and financial programme entered into with the IMF in July 2021, one of the objectives of which is to strengthen the financial sector stability and reduce non-performing loans. Compared to the first half of 2021, the monetary situation was characterized by an increase in money supply (+9.3%), observed in its counterparts through an increase in net foreign assets (+4.5%) and credit to the economy (+19.5%). On the other hand, net claims on the State fell by 3.9%. In line with this trend, bank loans increased by 13.9%, driven by credit to private enterprises, public enterprises and individuals.

4.1. Monetary Policy

The monetary policy of CEMAC Member States is characterized by an exchange regulation based on four principles: (i) fixed parity between the CFA franc and the euro; (ii) unlimited convertibility of the CFA franc guaranteed by the French treasury; (iii) total freedom of transfers between franc zone countries; and (iv) the pooling of foreign exchange reserves. The unlimited convertibility of the CFA franc is subject to monetary stability, which is guaranteed, internally, when the inflation rate is less than or equal to 3%, and externally, when the level of gross foreign assets represents more than 60% of BEAC's sight commitments, or when gross reserves are sufficient to cover at least three (3) months of import of goods and services. The refinancing policy, implemented through the money market to ensure monetary stability and curb inflation, has two components: a quantitative component (bank refinancing target) and a price component (interest rate manipulation).

4.1.1. Refinancing policy

In 2021, and in the first half of 2022, BEAC maintained the weekly volume of bank refinancing at 250 billion, based on the satisfactory level of liquidity on the market. On the money market, liquidity injection operations in banks amounted to 2814 billion, of which 2301 billion as main refinancing operations, 482 billion as 24 hours marginal lending facilities and 31 billion as long-term operations. The interbank segment of the market recorded a 43% increase in volume of transactions to reach 1537 billion, at interest rates of 1.25% to 7% for maturities ranging between one day and one year. Regarding support to the Treasury, the commitments of the treasury to BEAC remained unchanged at 577 billion. The start of amortization of this debt, scheduled for 2022, has been deferred by three years, thanks to the agreement signed in December 2021 between MINFI and BEAC.

4.1.2. Interest rate steering policy

In order to continue supporting monetary stability, BEAC adjusts its key rates whenever necessary. Thus, the tender interest rate (TIAO) rose from 3.25% in October 2021 to 3.5% in November 2021. In 2022, this rate rose to 4% in April and to 4.5% in September. The marginal lending facility rate, which is the rate at which BEAC lends money to commercial banks for no more than 24 hours, increased from 5.75% to 6.25% in September 2022. Reflecting these developments, the Weighted Average Interbank Rate (WAIR), the rate at which commercial banks lend money among themselves, remained on an upward trend. The aim of this tight monetary policy is to contain imported inflation, which is expected to rise to over 5% by December 2022 due to the war in Ukraine.

Table 30: Trends in BEAC's Benchmark Rates and Banking Conditions (in %)

	June 2021	Sept. 2021	Oct. 2021	Nov. 2021	Dec. 2021	March 2022	April 2022	June 2022	Sept. 2022
Tender interest rate (TIAO)	3.25	3.25	3.25	3.5	3.5	3.5	4.0	4.0	4.5
Weighted average interbank rate (WAIR)	4.38	4.12	3.92	4.34	4.21	4.46	4.43	4.43	4.45
Marginal lending facility rate	5	5	5	5.25	5.25	5.25	5.75	5.75	6.25
Deposit facility rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minimum reserve interest rate	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Minimum lending rate (MLR)	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45

Source: BEAC

4.1.3. Reserve requirement policy

In 2020, the reserve requirement ratio remained unchanged at 7% for demand deposits and 4.5% for term deposits. At end-December 2021, the amount of required reserves stood at 387.2 billion, as against 340.9 billion at end-2020. At end-June 2022, the amount of required reserves stood at 422.2 billion, up by 50 billion compared to end-June 2021. They were remunerated at 0.05% and represented one third of all the reserves of commercial banks at the BEAC.

4.2. Monetary situation

At end-December 2021, the monetary situation was balanced in revenue and expenditure at 8652 billion, up by 14.9% compared to end-December 2020. This monetary situation is characterized by an increase in its components, namely: foreign assets (+11.4%), net claims on the State (+25.5%), credit to the economy (+12.7%) and money supply (+17.1%). At end-June 2022, the monetary situation was balanced at 8798.8 billion, up by 9.3% compared to end-June 2021.

Table 31: Consolidated Monetary Situation (in billions)

	Dec. 2020	June 2021	Dec. 2021	June 2021	Variations (in %)		
	a	b	c	d	c/a	d/b	d/c
Monetary system resource counterparts	**7527.0**	**8 047.3**	**8 652.0**	**8 798.8**	**14.9**	**9.3**	**1.7**
Net foreign assets	*2358.8*	*2 548.4*	*2 627.0*	*2 664.2*	*11.4*	*4.5*	*1.4*
BEAC'S net foreign assets	1339.5	1421.3	1350.6	1425.6	0.8	0.3	5.6
including: Operations account	2067.7	2037.3	2282.8	2496.0	10.4	22.5	9.3
Foreign currency assets	37.3	185.4	29.1	83.5	-21.9	-55.0	186.7

	Dec. 2020	June 2021	Dec. 2021	June 2021	Variations (in %)		
	a	b	c	d	c/a	d/b	d/c
Use of IMF credit	546.5	554.1	672.1	763.7	23.0	37.8	13.6
Net foreign assets of MCBs	1019.3	1127.1	1276.4	1238.6	25.2	9.9	-3.0
DOMESTIC CREDIT (a+b)	*5168.1*	*5 498.9*	*6 025.0*	*6 134.6*	*16.6*	*11.6*	*1.8*
Net claims on the State (a)	1582.8	1 866.8	1 986.0	1 793.5	25.5	-3.9	-9.7
Net government position (a)	1553.7	1 847.5	2 013.4	1 812.1	29.6	-1.9	-10.0
Other net claims on the State	29.1	-59.1	-27.4	-18.5	-194.2	-68.6	-32.3
Claims on the Economy (b)	3585.3	3 632.1	4 039.0	4 341.1	12.7	19.5	7.5
Banking institutions under liquidation	0.0	0.0	0.0	0.0	33.3	16.7	16.7
Other banking institutions not eligible for BEAC refinancing	3.1	5.5	6.0	5.3	93.5	-3.9	-11.6
Non-bank financial institutions	48.2	67.3	23.1	38.2	-52.0	-43.3	65.2
Non-financial public enterprises	357.7	393.2	433.8	554.2	21.2	40.9	27.8
Non-financial private sector	3176.3	3 166.1	3 576.1	3 743.3	12.6	18.2	4.7
Total monetary system resources	**7527.0**	**8 047.3**	**8 652.0**	**8 798.8**	**14.9**	**9.3**	**1.7**
Fiduciary money	1333.4	1 369.7	1 541.2	1 526.6	15.6	11.5	-0.9
Scriptural money	2620.8	2 983.8	3 236.0	3 256.3	23.5	9.1	0.6
BEAC	3.2	2.8	2.1	5.3	-35.2	85.4	154.0
Money-creating banks	2596.9	2 958.7	3 206.0	3 218.6	23.5	8.8	0.4
Other bank institutions eligible for BEAC refinancing	17.3	18.8	24.5	28.9	41.7	54.0	18.4
Giro centres (CCP)	3.5	3.5	3.5	3.5	0.0	0.0	0.0
Money availability	3954.3	4 353.5	4 777.2	4 782.9	20.8	9.9	0.1
Quasi-money	2155.5	2 294.2	2 375.1	2 484.0	10.2	8.3	4.6
Money-creating banks	2130.1	2 268.3	2 345.2	2 452.4	10.1	8.1	4.6
Other bank institutions eligible for BEAC refinancing	25.3	25.9	30.0	31.6	18.2	21.8	5.3
Money supply	6109.8	6 647.7	7 152.4	7 266.9	17.1	9.3	1.6
Other net items	1417.2	1 399.6	1 499.6	1 531.9	5.8	9.5	2.2

Source: BEAC

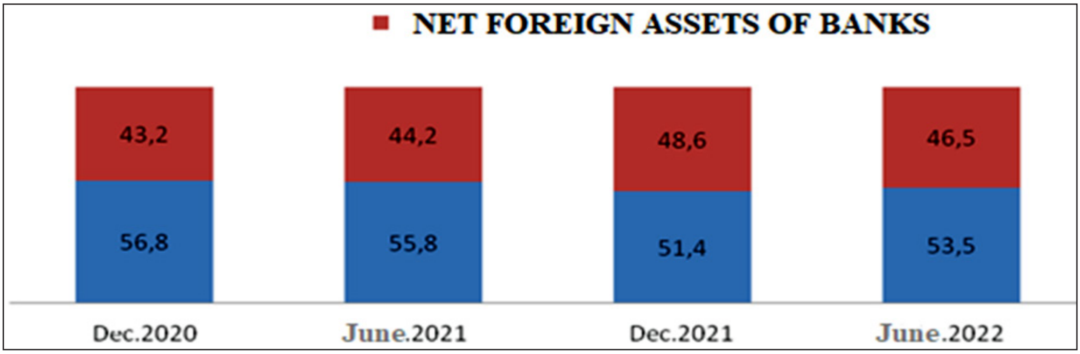
4.2.1. Money supply counterparts

4.2.1.1. Net foreign assets

As at 31st December 2021, and compared to the same date in 2020, net foreign assets dropped by 11.4% to stand at 2627 billion. This increase was driven by the net foreign assets of banks, which rose by 25.2%, in connection with the increase in bank subscriptions to government securities issued by CEMAC countries.

As at 30th June 2021, net foreign assets stood at 2664.2 billion, up by 4.5% compared to 30 June 2020. This growth was driven by a 9.9% increase in banks' net foreign assets. BEAC's net foreign assets increased by 0.3% to 1425.6 billion, driven by the increased repatriation of export revenues. Net foreign assets comprised 46% of bank net external assets and 54% of BEAC net external assets, against 44% and 56% respectively on the 30th June 2021. Cameroon's gross foreign assets at BEAC can cover 6.3 months of goods and services imports, against 6.6 months at end-June 2021. However, the community principle of pooling foreign exchange reserves mitigates this performance because CEMAC's foreign assets can only cover a maximum of 3 months of imports.

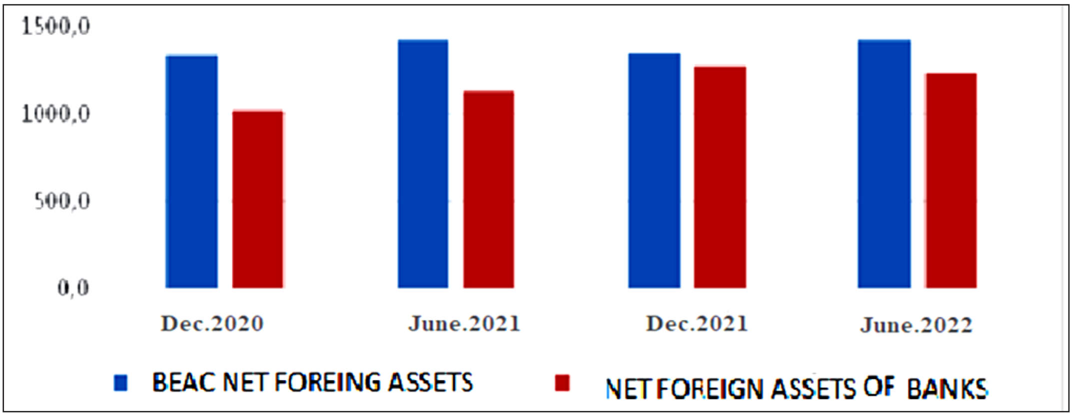
Graph 8: Trends in the Weight of Foreign Assets Components (in %)



Source: BEAC

The currency coverage rate, defined as the ratio between gross official foreign currency assets and Central Bank overall deposit liabilities, declined from 70.4% at end-June 2021 to 61.0% at end-June 2022. This trend however improved in the CEMAC zone, where the coverage rate rose from 64% to 67%.

Graph 9: Trends in Net Foreign Assets Components (in billions)



Source: BEAC

4.2.1.2. Domestic credit

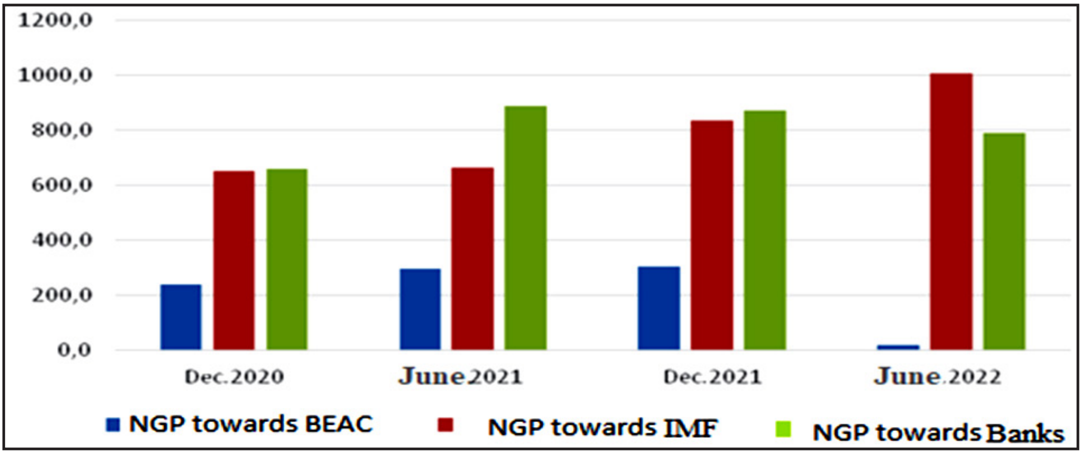
As at 31st December 2021, domestic credit stood at 6025 billion, up by 16.6% compared to end-December 2020. This trend resulted from a 403.2-billion increase in net claims on the State and 453.7 billion in credit to the economy.

The Net Government Position (NGP), an essential component of net claims on the State, increased by 29.6% to stand at 2 013.4 billion, compared to 1 553.7 billion at end-2020. This trend is attributable to (i) NGP growth vis-à-vis banks from 662.1 billion to 872.8 billion; (ii) the increase in IMF loans under the economic and financial programme, from 653.4 billion to 834.1 billion; and (iii) the 68.6 billion increase in NGP vis-à-vis the BEAC, which rose to 306.3 billion.

Credit to the economy increased by 12.7% to stand at 4 039 billion, driven by (i) loans to the non-financial private sector, the main beneficiary of credit to the economy with 88% of the stock, grew by 12.6%; and (ii) loans to public enterprises increased by 21.2% to stand at 433.8 billion. As concerns maturity, short-term loans accounted for 51.7% of the outstanding loans to the economy, while medium-term loans accounted for 44.8% and long-term loans, 3.5%.

At the end of June 2022 and compared to 30th June 2021, domestic credit increased by 11.6% to reach 6 134.6 billion, driven particularly by credit to the non-financial private sector (+18.2%) and credit to public enterprises (+40.9%). Conversely, net claims on the State fell by 3.9% to 1 793.5 billion. NGP contracted by 1.9% to 1 812.1 billion, due to the 277 billion decrease in NGP vis-à-vis the BEAC and the 100 billion drop in NGP vis-à-vis banks. NGP vis-à-vis the IMF increased by 344.2 billion to 1 006.7 billion.

Graph 10: Trends in NGP (in billions)



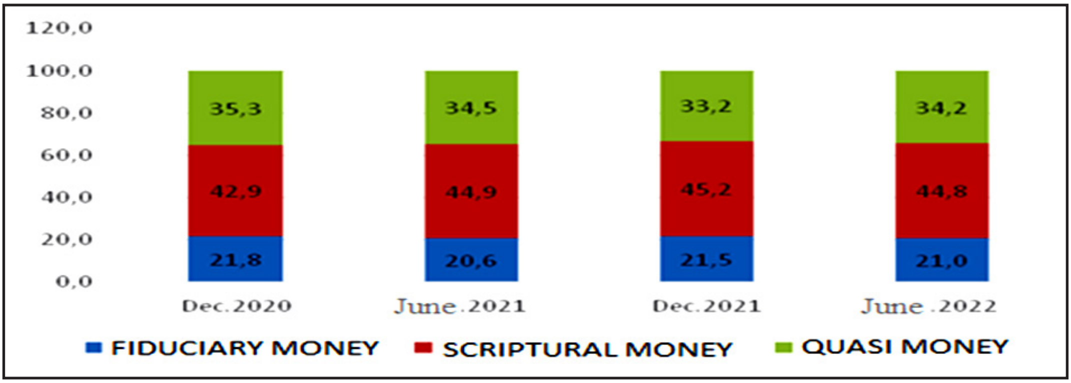
Source: BEAC

4.2.2 Money supply

At end-December 2021, and reflecting the trends in its counterparts, broad money increased by 17.1% compared to end-December 2020, to reach 7 152.4 billion. All its components also increased over this period: +15.6% for banknotes and coins, +23.5% for scriptural money and +10.2% for quasi-money.

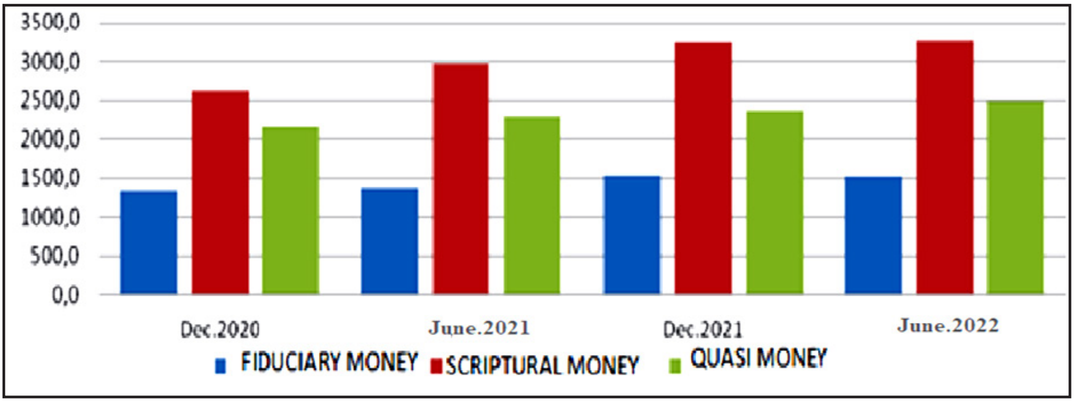
As at 30th June 2022 and compared to the same date in 2021, money supply increased by 9.3% to stand at 7266.9 billion. All its components also increased: fiduciary money (+11.5%), scriptural money (9.1%) and quasi money (+8.3%). It is composed of 21.0% of fiduciary money, 44.8% of scriptural money and 34.2% of quasi-money.

Graph 11: Trends in Money Supply Components (in %)



Source: BEAC

Graph 12: Trends in Money Supply Components (in billions



Source: BEAC

4.3. Banking sector

In 2021, the banking sector was characterized by: (i) an increase in total balance sheet; (ii) an increase in customer deposits; (iii) an increase in customer credit; (iv) an increase in e-money transactions; and (v) improved compliance with prudential ratios. Cameroon's banking landscape expanded with the coming of a new bank called BANGE BANK, a subsidiary of the National Bank of Equatorial Guinea, bringing the number of banks operating in the country to 16 in 2021.

The net banking income (NBI) stands at 497.7 billion, that is, an increase of 13.7% compared to 2020. The rate of access to banking services in the narrow sense, calculated by comparing the number of people holding at least one bank account in a credit institution to the active population, rose from 26.9% in 2020 to 28.4%. In the broadest sense, that is, by taking into account MFIs, financial institutions and CAMPOST, the rate of access to banking services by the active population increased to 47.7%, against 46.2% in 2020.

In the first half of 2022, the number of banks operating in Cameroon increased to 17, with the advent of a new bank called ACCESS BANK CAMEROON, a subsidiary of the Nigerian banking group ACCESS BANK.

4.3.1 Total balance sheet

As at 31st December 2021 and compared to 31st December 2020, the total balance sheet of all the banks rose by 15.3% to stand at 8 087 billion. Afriland First Bank ranks first, with 18.6% of the total balance sheet of all banks, followed by SGC (14.8%), BICEC (9.5%), SCB (8.6%), UBA (7.7%), BAC (7.1%), CBC (6.5%) and ECOBANK (6.3%). As at 30 June 2022, bank balance sheet total stood at 8 557 billion, up by 13.2% compared to the same date in 2021.

4.3.2. Customer deposits

At end-December 2021 and compared to end-December 2020, deposits decreased by 19.8% and stood at 4 312.4 billion. This trend was driven by the combined effect of a 61.5% drop in deposits from individuals and an increase in deposits from private companies (+88.9%) and public enterprises (+16.6%). The decrease in deposits from individuals is attributable in particular to the effects of the COVID-19 pandemic, which led to job loss and forced households to use their savings.

At end-June 2022, deposits grew by 11.2% compared to 30th June 2021, to stand at 6 475.5 billion. This rise was mainly driven by an increase in deposits by private companies (+11.6%), private individuals (+3.9%) and by the Central Administration (+27.3%). By nature, term deposits, special deposits (cash vouchers) and demand deposits went up by 3.2%, 8.9% and 12.4% respectively. By customer type, private individuals held the largest share of deposits (36.1% against 38.6% at the end of June 2021). They are followed by private enterprises (whose share remained unchanged at 26.3%), central public administration (8.9% against 7.7%) and public enterprises (8.7% against 6.9%).

Table 32: Deposits by Customer Type (in billions)

Item	31 Dec. 2020	30 June 2021	31 Dec. 2021	30 June 2022	Variations (in %)		Weight at end-June 2022 (in %)
	a	b	c	d	c/a	d/b	
Central administration	486.3	450.7	430.8	573.8	-11.4	27.3	8.9
Local administration	27.2	26.9	0.9	29.3	-96.8	8.9	0.5
Public bodies	137.1	157.7	0.0	218.2	-100.0	38.4	3.4
Private services	148.1	152.8	27.9	156.0	-81.1	2.1	2.4
Public corporations	372.4	449.1	434.2	565.7	16.6	26.0	8.7
Private enterprises	1279.2	1526.8	2416.8	1703.9	88.9	11.6	26.3
Insurance and capital companies	179.7	157.7	11.6	126.8	-93.5	-19.6	2.0
Sole proprietorships	208	231.9	153.9	272.1	-26.0	17.3	4.2
Private individuals	2154.6	2250.3	828.7	2338.0	-61.5	3.9	36.1
Sundry	386	418.6	7.6	491.6	-98.0	17.5	7.6
TOTAL	**5378.7**	**5822.3**	**4312.4**	**6475.5**	**-19.8**	**11.2**	**100.0**

Sources: MINFI, BEAC

By maturity, demand deposits were predominant, accounting for 79.5% of overall deposits at end-December 2021. They are followed by term deposits (13.1%) and special deposits (7.4%). At end-June 2022, demand deposits still account for the largest share, with 79.7% of all deposits against 21.3% for special deposits (cash voucher) and term deposits.

Table 33: Customer Deposits by Maturity (in billions)

Item	31 Dec. 2020	30 June 2021	31 Dec. 2021	30 June 2022	Variations (in %)		Weight at 30 June 2022 (in %)
	c	d	c	d	c/a	d/b	
Special deposits	433.5	447.9	463.1	462.0	6.8	3.2	7.1
Term deposits	705.9	781.5	813.9	850.7	15.3	8.9	13.1
Demand deposits	4239.2	4593	4956.0	5162.8	16.9	12.4	79.7
TOTAL	**5378.7**	**5822.3**	**6233.0**	**6475.5**	**15.9**	**11.2**	**100.0**

Source: BEAC

4.3.3. Loans to customers

As at 31st December 2021, the outstanding stock of loans amounted to 4312.4 billion, up by 10.3% compared to the same period in 2020. This trend was driven by credit to private individuals, Central Public Administration and public corporations.

At end-June 2022, outstanding loans amounted to 4490 billion, up by 13.9% compared to 30 June 2021. This rise resulted from an increase in loans to private individuals, public and private enterprises. Loans granted to the Central Administration dropped by 13.3%.

The main sectors of activity that benefited from loans are "construction and public works" (23.8% of total), "trade, catering and hotels" (15.1%), "transport and auxiliary transport activities" (16.1%), "agriculture, livestock and hunting, forestry and fisheries" (13.5%), "electricity, gas and water production and distribution" (12.5%), "extractive industries" (11.0%), "production of services to local authorities and personnel" (5.4%), "activities of financial institutions, real estate and business and services to companies" (2.9%). Gross non-performing loans stood at 14.9% of outstanding stock of loans, against 16.8% in June 2021.

By customer type, 55.8% of loans went to private companies, including sole proprietorships; 19% to individuals; 12.3% to public enterprises and 7.9% to central public administration.

Table 34: Credit Distribution by Customer Type (in billions)

Item	31-Dec-20	June-21	31- Dec -21	June -22	Variations (in %)		Weight in June 2022 (in %)
	a	b	c	d	c/a	d/b	
Central administration	401.4	408.1	430.8	354	7.3	-13.3	7.9
Local administration	1	0.9	0.9	1	-13.5	0.7	0.0
Public bodies	0.1	25.8	0.0	0	-74.0	-100.0	0.0
Private services	10.8	36.9	27.9	27	158.5	-28.0	0.6
Public corporations	365.1	400.6	434.2	554	18.9	38.3	12.3
Private enterprises	2273.5	2203.3	2416.8	2505	6.3	13.7	55.8
Insurance and capital companies	10.2	7.7	11.6	8	13.9	9.9	0.2
Sole proprietorships	140.7	129.7	153.9	184	9.4	41.7	4.1
Private individuals	696.6	723.7	828.7	853	19.0	17.9	19.0
Sundry	9.5	7.1	7.6	4	-20.4	-36.6	0.1
Total	**3908.8**	**3943.8**	**4312.4**	**4490**	**10.3**	**13.9**	**100.0**

Source: BEAC

At end-June 2022, the financial intermediation level, measured by comparing credit to deposits, stood at 69.3% compared to 67.7% at end-June 2021. The ratio of converting deposits into long-term loans dropped from 38.2% to 36.6%.

4.3.4. Prudential ratios

A review of compliance with prudential ratios conducted on 15 of the 16 banks operating in Cameroon (excluding BANGE Bank which went operational less than a year ago) revealed the following results:

- 11 of the 15 banks are compliant with all prudential ratios;

- all the banks are compliant with the liquidity ratio;

- 13 banks are compliant with the positive net equity ratio;

- 12 banks are compliant with the capital adequacy ratio;

- 11 banks are compliant with the solvency ratio;

- 10 banks are compliant with the long-term conversion ratio.

4.3.5. Automatic teller machines and electronic money

In 2021, credit institutions continued to expand their ATM networks in order to modernize, improve and streamline customer services. According to BEAC updated data, the number of ATMs increased from 741 in 2020 to 805 in 2021. The cities of Yaoundé, Douala and Bafoussam account for 75% of these ATMs.

As at 31st December 2021, the e-money activity recorded an increase of 18.2% amounting to 1.3 billion transactions, worth 15 545 billion compared to 12 151 billion in 2020. Cameroon accounts for 2/3 of the transactions and 80% of the CEMAC's electronic wallet.

4.4. Microfinance

In 2021, the main highlights recorded in the microfinance sector were: (i) the entry into force of the MINFI Order of 21 June 2021 relating to the conditions for transferring head offices, opening and closing of MFI branches; (ii) the approval of a new network of 1st category MFIs called U3C, resulting from the merger of the CVECA, UCCGN and MIFED networks into a category III MFI; (iii) the effective start of the activities of the programme for the development and processing of agricultural and agri-business products. Activity in the microfinance sector was characterized by (i) an increase in balance sheet total; (ii) an increase in deposits and loans; (iii) a reduction in non-performing loans; and (iv) an increase in the number of customer accounts.

4.4.1. Distribution of MFIs by category

As at 31st December 2021, Cameroon had 402 accredited microfinance institutions compared to 415 in 2020, and divided into three categories: 334 Category I MFIs (83.1% of the total number of MFIs), 66 Category II MFIs (16.4%), and 2 Category III MFIs (0.5%). The drop in number of MFIs stems from the annual clean-up operations carried out by MINFI, on the one hand, and the bankruptcy of certain MFIs, on the other.

Table 35: Breakdown of Approved MFIs by Category

MFI Category	End-December 2020	End-December 2021	Weight in 2021 (in %)	Variations (in %)
Category I	342	334	83.1	-2.3
Category II	70	66	16.4	-5.7
Category III	3	2	0.5	-33.3
Total	**415**	**402**	**100**	**-3.1**

Sources: CNEF, MINFI

In 2021, twelve (12) MFIs were entered into the special register of the National Economic and Financial Committee, bringing the number of MFIs in the register to 304, of which 244 Category I, 58 Category II and 2 Category III.

Table 36: Breakdown of Approved MFIs by Category in the Special National Credit Council Register

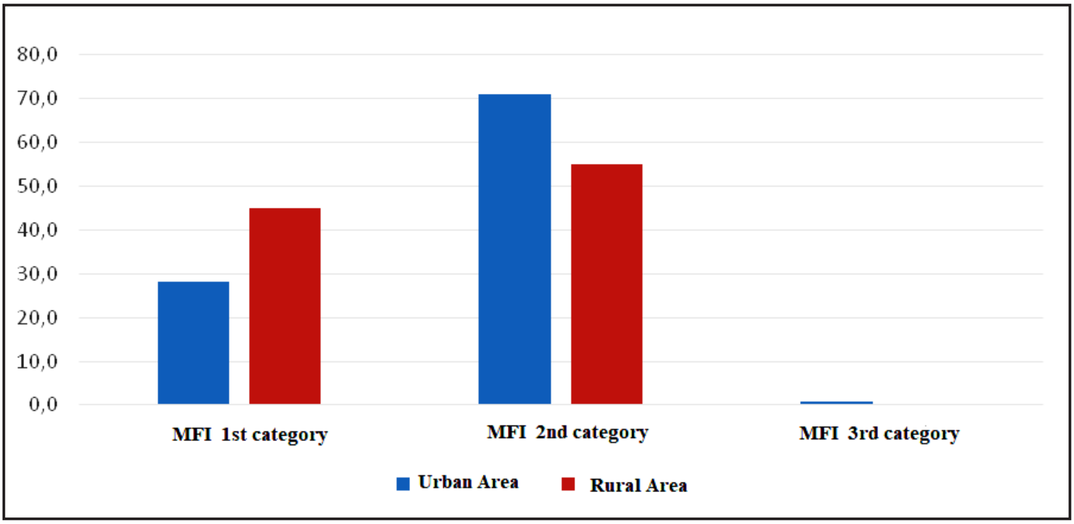
MFI Category	End-December 2020	End-December 2021	Weight in 2021 (in %)
Category I	237	244	80.3
Category II	53	58	19.1
Category III	2	2	0.7
Total	**292**	**304**	**100.0**

Source: CNEF

4.4.2. Geographic coverage

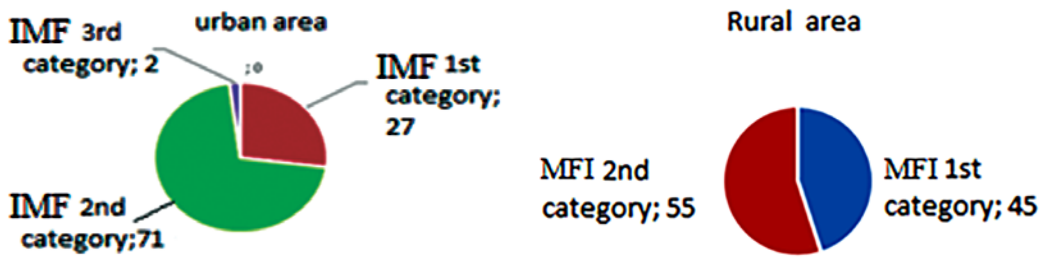
At end-December 2021 and compared to end-December 2020, eleven (11) new MFI branches were opened, taking the total number of branches to 1 724. Category II MFIs make up the largest share with 63.6% of the number of branches and sales points. The total number of branches and sales points increased from 797 to 799 in rural areas and from 916 to 925 in urban areas. Category III MFI branches and sales points of are only found in the chief towns of the Littoral and Far North regions.

Graph 13: Distribution of MFIs in Rural and Urban Areas, and by Category (in % of total)



Source

Graph 14: Distribution of MFIs by Category in Rural and Urban areas



The distribution of MFIs by region reveals that the Centre region has the largest number of sales points (26.4% of the total), followed by the Littoral (22.8%), West (15.0%) and North-West (9.2%). The regions with the least coverage are the Far North (4.7%), South (4.3%), North (3.6%), East (3.4%) and Adamawa (3.2%). Security issues in the Far-North, North-West and South-West regions have led to the closing down of several sales points in these regions.

Category I MFIs are mainly found in the Centre region, with 22% of sales points and branches, followed by the Littoral and the North-West (18% each), and the West (16%). Similarly, Category II MFIs are mostly located in the Centre region, with 29% of sales points, the Littoral (26%) and the West (14%).

4.4.3. Trends in balance sheet total

At end-December 2021, the balance sheet total of MFIs stood at 911.7 billion, an increase of 128.6 billion compared to end-December 2020. This increase is due to the coming on stream of the new U3C network and the increase in the balance sheet total of CAMCCUL (+27.0 billion), RECCUCAM (+14.6 billion), UFC (+11.2 billion) and ADVANS (+7.6 billion). Category II MFIs account for more than half of the balance sheet total of the microfinance sector (53.2%), followed by Category I (46.7%).

Table 37: Trends in the Balance Sheet Total of MFIs (in billions)

	31/12/2020	31/12/2021	Weight (in %)	Variations	
	a	b	c	b-a	b/a (in %)
Category I	370.8	425.7	46.7	54.9	14.8
Category II	408.9	485.4	53.2	76.5	18.7
Category III	3.4	0.6	0.1	-2.8	-82.4
Total	**783.1**	**911.7**	**100.0**	**128.6**	**16.4**

Source: CNEF

4.4.4. Deposit trends

At end-December 2021, deposits collected by MFIs amounted to 728.4 billion, an increase of 103.6 billion. Deposits collected by category II MFIs were predominant, accounting for 51.2% of the total. In terms of duration, deposits collected by MFIs were mainly short-term deposits (82.5%), followed by medium-term deposits (10.9%) and long-term deposits (6.6%).

Table 38: Trends in MFI Deposits (in billions)

DEPOSIT	31/12/2020	31/12/2021	Absolute variations	Relative variations (in %)	Weigh (in %)
Category I	299.8	355.4	55.6	18.5	48.8
Category II	325	373	48	14.8	51.2
TOTAL	**624.8**	**728.4**	**103.6**	**16.6**	**100**

Source: CNEF

4.4.5. Credit trends

At end-December 2021, the volume of loans granted by MFIs stood at 539.7 billion, recording an increase of 85.1 billion compared to the end of 2020. The Category II MFIs granted most of the loans, accounting for 304.0 billion against 235.4 billion for Category I and 0.3 billion for Category III

Table 39: Trends in MFI Credit (in billions)

Credit	31/12/2020	31/12/2021	Weight (in %)	Variations	
	a	b		b-a	b/a (in %)
Category I	208	235.4	43.6	27.4	13.2
Category II	245.6	304	56.3	58.4	23.8
Category III	1	0.3	0.1	-0.7	-70.0
TOTAL	**454.6**	**539.7**	**100**	85.1	18.7

Source: CNEF

In 2021, the distribution of loans according to maturity shows that 49.6% of loans granted by MFIs were short-term loans, 35.8% long-term loans and 14.7% medium-term loans. Under Category I, long-term loans represent 58.1% of the total volume of loans granted by this category. They were granted mainly by the CAMCCUL and RECCUCAM networks, to the tune of 80.2 billion and 12.0 billion respectively. In Category II, short-term loans represent 69.1% of total volume of loans. The predominance of long-term loans in the category I is attributable to the customer portfolio structure.

4.4.6. Trends in non-performing loans

As at 31 December 2021, non-performing loans rose by 15.8 billion to stand at 104.9 billion. The rate of non-performing loans stood at 22.4% against 23.1% at end-December 2020. The quality of the portfolio improved during this period. Indeed, NPL rate is 24.2% for Category II MFIs and 19.9% for Category I MFIs.

Table 40: Trends in MFIs Non-Performing Loans (in billions)

	31/12/2020	31/12/2021	Variations	
	a	b	b-a	b/a (in %)
Category I	40.8	46.9	6.1	14.89
Category II	63.5	73.7	10.2	16.13
Category III	0.6	0.1	-0.48	-78.69
Total	**104.9**	**120.7**	**15.8**	**15.1**

Source: CNEF

4.4.7. Weight of MFIs in the banking sector

As at 31 December 2021, the consolidated balance sheet of the microfinance sector represented 11.3% of that of commercial banks after 11.2% the previous year. MFIs' deposits and loans represented respectively 11.7% and 12.5% of commercial banks' deposits and loans. The number of accounts opened stood at 2 797 337 in MFIs against 4 007 248 in commercial banks.

4.5. Financial institutions

As at 31 December 2021, the number of financial institutions remained unchanged at seven (7). These institutions are made up of three specialized financial institutions, three finance corporations and one payment service provider. Unlike banks and MFIs, financial institutions do not collect savings from the public. The financial institutions concerned are: Société de Recouvement des Créances du Cameroun (SRC), the National Investment Corporation (NIC) and the Cameroon Housing Loans Fund (Crédit Foncier du Cameroun) (CFC). They are mainly financed through collection fees for SRC, dividends received from companies in the State portfolio for SNI and deductions from the salaries of State employees for CFC. The finance corporations are Alios Finance, Pro-PME, and Société Camerounaise d'Equipement (SCE). They finance their activities through equity, loans from credit institutions, or on capital markets. Wafacash is the payment service provider.

In 2021, the activity of these institutions grew by 2%, in connection with the 12.6 billion increase in equity and the 3.1 billion increase in fixed assets. The consolidated balance sheet of financial institutions is balanced in resources and expenditures at 437.4 billion, against 428.8 billion at end-December 2020. The stock of loans to customers remained almost stable at around 140 billion. Similarly, deposits decreased by 2.7% to stand at 55 billion. Non-performing loans fell from 50.2 billion to 46 billion. Reflecting this trend, the rate of non-performing loans fell from 36% of outstanding loans in 2020 to 32.7%, that is, an improvement in the credit portfolio.

Table 41: Trends in the Balance Sheet Total of Financial Institutions (in billions)

	2019	2020 (a)	2021 (b)	(b)/(a) in %
ASSETS				
Amounts deductible from capital base	**32.5**	**11.7**	**10.5**	**-10.3**
Fixed Assets	**67.6**	**67.5**	**70.4**	**4.3**
of which financial fixed assets	3.6	**2.1**	1.3	-38.1
Transactions with customers	**135.9**	**139.6**	**140.7**	**0.8**
Long-term loans	52.9	61.4	66.9	9.0
Medium-term loans	16.8	18.7	19.3	3.2
Short-term loans	10.3	8.1	7.2	-11.1
Non-performing loans	53.8	50.2	46	-8.4
Customer debit accounts	0.2	0.2	0.4	100.0
Other amounts owed to customers	0.0	0.1	0.1	0.0
Unallocated securities	1.7	0.7	0.5	-28.6
Repurchased debts	0.1	0.1	0.3	200.0
Sundry transactions	**11.8**	**10.3**	**18.0**	74.8
Cash and interbank transactions	**185**	**199.7**	**197.9**	**-0.9**
of which investment and trading securities	0.0	0.0	0	
ASSETS BALANCE SHEET TOTAL	**432.8**	**428.8**	**437.4**	**2.0**
LIABILITIES				
Permanent capital	**327.2**	**313.2**	**331.4**	5.8
of which equity	295.2	281.6	**294.2**	4.5
Transactions with customers	**53**	**56.5**	**55.0**	**-2.7**
Special deposit accounts	24.2	25.8	**26.1**	1.2
Term deposit account	5.8	5.5	**3.8**	-30.9
Demand deposit account	6.2	6.6	**6.8**	3.0
Other debit accounts	16.2	17.3	**17.6**	1.7
Repurchased debts	0.5	1.3	**0.5**	-61.5
Sundry transactions	**32.5**	**37.7**	**33.3**	-11.7
Cash and interbank transactions	**20.1**	**21.4**	**17.8**	**-16.8**
LIABILITIES BALANCE SHEET TOTAL	**432.8**	**428.8**	**437.4**	**2.0**

Source: CNEF

4.6. Insurance

In 2021, the insurance sector in Cameroon was marked by (i) the continued raising of the minimum share capital of insurance companies to five billion; (ii the cleaning up, in particular with the introduction of new, safer auto insurance certificates; (iii) the public awareness campaign on policyholders' direct compensation (IDA); (iv) the monitoring of large claims; and (v) delays in setting up the new reinsurance company and in revising the 1994 order setting the tariff for auto third party liability insurance.

The insurance sector is made up of 27 approved companies, 17 of which are in the "Property and Casualty Insurance" (IARD) branch and 10 in the "Life Insurance and Capitalization" branch. The 5 billion minimum share capital requirement was met by 26 approved companies out of 27.

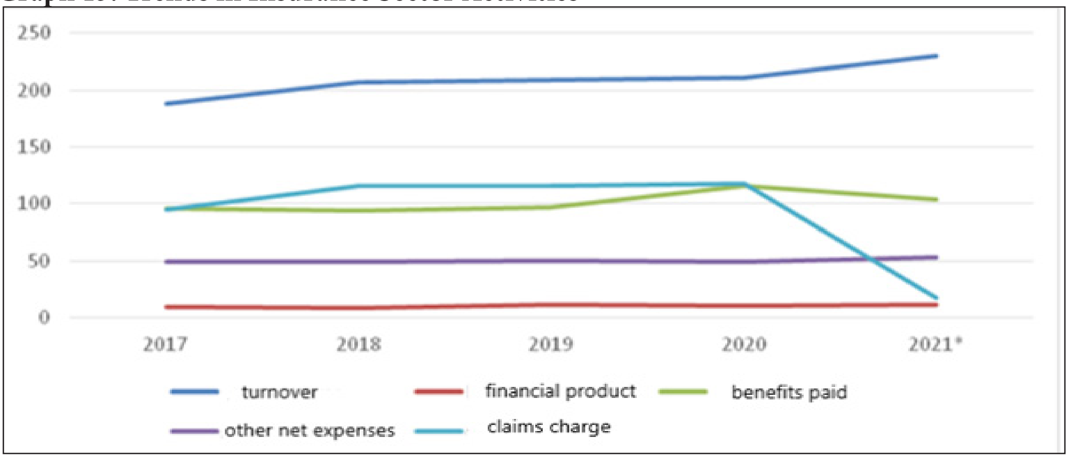
Table 42: Trends in Insurance Sector Activities (in billions)

Indicators	2017	2018	2019	2020	2021*	Variations e/d (in %)
	a	b	c	d	E	
Turnover	188.1	207.2	209.0	211.4	229.8	8.7
Financial proceeds	9.8	8.8	11.3	10.2	11.2	9.8
Claims paid	95.5	93.7	96.8	115.8	103.6	-10.5
Other net charges	49.1	48.9	50.3	49.0	52.9	8.0
Net operating profit	15.6	10.0	12.6	17.4	15.9	-8.6
Claims expenses	95.2	116.0	116.1	117.5	17.7	-84.9
Reinsurance balance	-20.9	-20.2	-17.0	-8.6	-25.3	194.2

Source: MINFI, * provisional data

At the end of the 2021 financial year, the Cameroonian insurance market remained buoyant. After recording a 1.5% growth rate in 2020, the overall turnover increased by 8.7% to stand at 229.8 billion. The sector totalled 1 519 direct jobs, an increase of 3.0% compared to 2020. The total wage bill of insurance companies in Cameroon stood at 19.0 billion. Car insurance held an important place, accounting for 25.2% of all market issues. Insurers paid out 103.6 billion in claims compared to 115.8 billion in 2020.

Graph 15: Trends in Insurance Sector Activities



Source : MINFI/DF   *provisional data

Reinsurers' ceded premiums increased from 43.7 billion in 2020 to 43.8 billion in 2021. Insurance transactions for all sectors combined generated a net operating result of 15.9 billion compared to 17.4 billion in 2020, that is, a drop by 8.6%. As for the financial market situation, the portfolio of eligible assets amounts to 509.3 billion in 2021, that is, an increase of 3.8% compared to 2020. As at 31 December 2021, the available margin stood at 125.4 billion for a minimum margin of 38.6 billion, that is, a minimum solvency margin coverage ratio of 324.87%. The portfolio of assets eligible to cover regulated market commitments amounted to 509.3 billion, that is, an increase of 3.83% year-on-year.

4.7. Financial market

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

4.7.1. Stock market

In 2021, BVMAC's activities were marked by (i) the inclusion of companies newly approved by COSUMAF on the listing platform; (ii) the delisting of some stocks, either at the initiative of their issuer or because the underlying securities have fallen due; (iii) the listing of new stocks in the equity and bond segments; (iv) the organization of 152 remote listing sessions throughout the year, three sessions per week; and (v) the authorization of certain block trades outside the trading platform.

At the end of December 2021, fifteen (15) stocks were listed on the BVMAC official list, of which five (5) shares and ten (10) bonds. Market capitalization grew by 21% to 1 054.8 billion, compared to 871.7 billion at end-December 2020. It comprised 404.7 billion for the equity market and 650.1 billion for the bond market.

At end-June 2022, market capitalization fell by 7.8% compared to end-June 2021 to stand at 806.1 billion.

4.7.1.1. Equity market

As at 31 December 2021, five (5) equity shares were listed on the BVMAC, namely: SEMC, SAFACAM, SOCAPALM, SIAT and LA REGIONALE.

Market capitalization increased by 15%, from 351.8 billion in 2020 to 404.7 billion in 2021. This trend was driven by the listing of LA REGIONALE on 16 July 2021 and the increase in SOCAPALM capitalization (+18.3%). The capitalization of SEMC and SIAT remained unchanged, at 9 billion and 210.9 billion respectively. SAFACAM's capitalization fell by 13.9%, from 26.6 billion in 2020 to 22.9 billion.

Table 43: Equity Prices in CFAF

Share	Prices as at 31/12/2019	Prices as at 31/12/2020)	Prices as at 31/12/2021	Prices as at 30/06/22	Variations (in %)	
	a	b	c	D	c/b	c/a
SEMC	48 001	47 000	46 000	47 000	-2.1	-4.2
SAFACAM	21 994	21 433	20 000	21 800	-6.7	-9.1
SOCAPALM	23 201	23 000	23 010	341 500	0.04	-0.8
SIAT GABON	28 500	28 500	28 500	28 500	0	0
LA REGIONALE				43 500		

Source: BVMAC

In 2021, the volume of shares traded stood at 13 757, up by 6 548 compared to 2020 for a value of 307.2 million. As at 30 June 2022, market capitalization stood at 42.5 billion, down 362.2 billion compared to end-December 2021. The volume of securities traded stood at 314 shares for a total of 8.1 million.

4.7.1.2. Bond market

In 2021, the bond market had ten (10) securities. At end-2021, the capitalization of the BVMAC bond market stood at 650.1 billion, up 25.0% compared to 2020. This trend is driven by the listing of four stocks ("BDEAC 5.45 net 2020-2027", "EOCG 6.25% net 2021-2026", "EOG 6% net 2021-2026" and "ALIOS 02 5.40% 2021-2025") for a total amount of 417.4 billion. All securities relating to bonds that fell due in 2021 were delisted, except "ALIOS Fin Gabon 6.25% gross 2014-2021" which was granted a special waiver by COSUMAF. They are: "BGFI HOLDING 5% 2014-2021", "EOG 6.5% net 2016-2021", ECMR 5.5% net 2016-2021" and "EOCG 6.5% net 2016-2021".

Table 44: Situation of the Bond Market (in billions)

Securities	Total amount as at end-2020	Total amount as at end-2021	Total amount as at end-2022	Variations (in %)
	(a)	(b)	(c)	b/a
"ECMR 5.5% net 2016-2021"	41.25	Delisted	Delisted	Delisted
"ECMR 5.6% net 2018-2023"	150	100	100	-33.3
"ALIOS 01 5.75% gross 2018-2023"	5.33	3.55	2.66	-33.4
"ALIOS FINANCES GABON 6.25% gross 2014-2021"	1.81	0.9	0.9	-50.3
"EOG 6.5% net 2017-2022"	65.69	32.84	32.84	-50.0
"EOG 6.25% net 2019-2024"	126.34	94.75	94.75	-25.0
"EOSAF 6% gross 2019-2022"	1.33	0.6	0.66	-54.9
"EOBDE 5.45% net 2020-2027"	-	106.79	106.79	
"EOG 6.25% net 2021-2026"	-	113.23	113.23	Delisted
"EOG 6% net 2021-2026"	-	188.83	188.23	Delisted
"ALIOS 02 5.40% net 2021-2025"	-	8.54	7.93	Delisted
"EOBDE 5.6% net 2021-2028"	-	-	114.87	Delisted
"GSEZ 6.5 brut 2018-2028"	14.07	Delisted	Delisted	Delisted
"EOCG 6.5 net 2016-2021"	11.35	Delisted	Delisted	Delisted
"EOG 6.5% net 2016-2021"	33.74	Delisted	Delisted	Delisted
"BGFI HOLDING 5% 2014-2021"	69	Delisted	Delisted	Delisted
TOTAL	**519.91**	**650.03**	**763.5**	**25.04**

Source: BVMAC

At end-June 2022, the outstanding bonded debt stood at 763.5 billion, up by 46% compared to late-June 2021. This trend stemmed from the introduction of a new bond "EOBDE 5.6% net 2021-2028" and the maintenance of the "ALIOS FINANCES GABON 6.25% 2014-2021" security, following a special waiver.

4.7.2. Government securities transactions

As at 31 December 2021, the outstanding amount of government securities amounted to 1 818.0 billion, up by 23.7% compared to end-June 2020. These securities comprised 1 176.0 billion for the auction market, 100 billion for the syndication market and 542 billion for the international market (Eurobonds). This jump in government securities is explained by the sharp increase in treasury bonds, which rose from 600.9 billion to 935 billion. It is also explained by the 20.4% increase in disbursements from international borrowings (Eurobonds).

As at 31 August 2022, outstanding government securities stood at 1 979.7 billion, up by 161.7 billion. This increase was driven by issues worth 631.4 billion and repayment of 469.8 billion during the first eight months of the year. With regard to the syndication market in particular, the outstanding amount of ECMR at end-August 2022 stood at 335 billion, up by 235 billion compared with end-December 2021. This increase was due to the issuance by the State of a bond called "ECMR 6.25% 2022-2029" in May 2022.

Table 45: Government Securities Situation as at 31 August 2022(in billions)

Market	Total amount as at 31/12/2020 (a)	Total amount as at 31/12/2021 (b)	Issues as at 31/08/2022 (c)	Repay-ments as at 31/08/2022 (d)	Total amount as at 31/08/2022 (b+c-d)	Variation (in %) (b/a)
Auctions	**828.1**	**1 176.0**	**396.4**	**469.8**	**1 102.7**	**42.0**
T-bills	*227.2*	*241.0*	*249.0*	*338.6*	*151.4*	6.1
T-bonds	*600.9*	*935.0*	*147.4*	*131.2*	*951.3*	55.6
Syndications	**191.3**	**100.0**	**235.0**	**0.0**	**335.0**	**-47.7**
ECMR	*191.3*	*100.0*	*235.0*	*0.0*	*335.0*	-47.7
International	**450.4**	**542.0**	**0.0**	**0.0**	**542.0**	**20.4**
Eurobond	*450.4*	*542.0*	*0.0*	*0.0*	*542.0*	20.4
TOTAL	**1 469.7**	**1 818.0**	**631.4**	**469.8**	**1 979.7**	**23.7**

Source: MINFI

CHAPTER 5: EXTERNAL SECTOR

In 2021, external trade was conducted in a context marked by: (i) the resumption of global economic activity despite the persistence of the COVID-19 pandemic with the advent of new variants and; (ii) continued supply chain disruptions.

This chapter begins with an analysis of the external trade situation based on Customs statistics, presenting the main indicators, the products traded and the trading partners. Then, it highlights the balance of payments situation for the year 2021, and finally presents a trend in the payments made during the first half of 2022, within the context of foreign trade.

5.1. External trade in goods

5.1.1. Trade trends

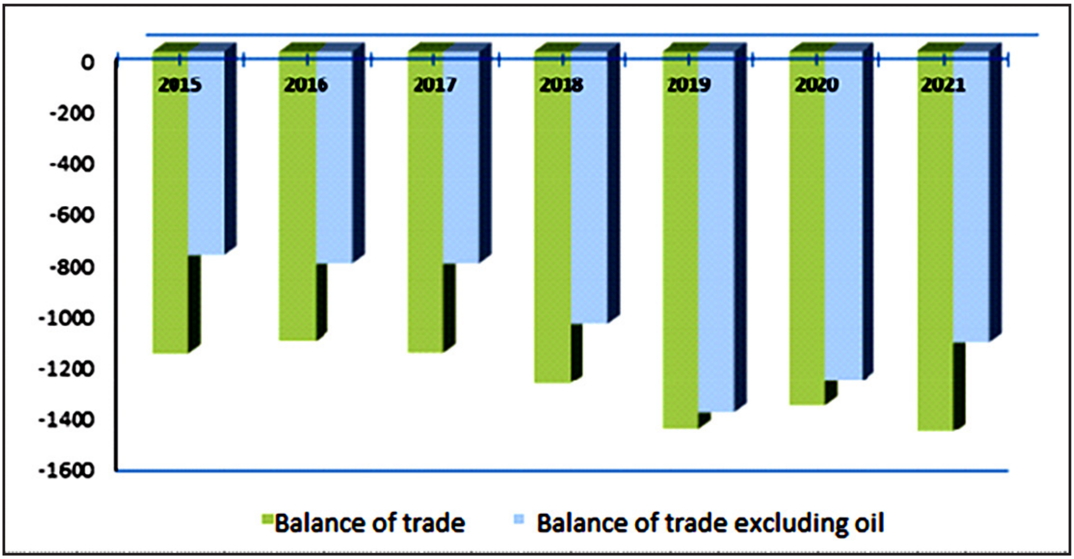
At the end of 2021, total trade between Cameroon and the outside world returned to its pre-COVID-19 crisis level and amounted to 6 265.6 billion, an increase of 1 273.8 billion compared to 2020. Excluding oil, external trade increased by 943.7 billion to stand at 5 295.2 billion.

In the first half of 2022, total trade amounted to 3 527 billion, that is, an increase of 21.2% year-on-year. This is the result of a 51.4% rise in exports and a 3.3% increase in imports. Excluding oil, external trade it increased by 14.2% to stand at 2 836.3 billion.

5.1.2 Trade balance

In 2021, compared to 2020, the trade balance deficit widened by 113 billion to 1 478 billion, due to a greater increase in imports (+693.4 billion) than in exports (+580.4 billion). The import-export coverage rate was 61.8%, an increase of 4.7 percentage points. Excluding oil, the trade deficit worsened by 443.1 billion to 448.4 billion, while the coverage rate fell by 0.1 percentage points to 36.8%.

Graph 16: 2015-2021 Trade balance (in billions)



Source: MINFI

In the first half of 2022, and year-on-year, trade deficit fell by 496.1 billion to 250.1 billion. Reflecting this situation, the coverage rate improved by 27.6 percentage points to 86.8%. Non-oil deficit also decreased by 231.7 billion to stand at 940.8 billion, while the coverage rate was 50.2%, an increase of 14.3 percentage points.

Table 46: Foreign Trade Trends in 2022 (in billions)

Periods	2020	2021	Jan.-June 2021	Jan.-June 2022*	Absolute variations	
Items	**a**	**b**	**C**	**d**	**b-a**	**d c**
Exports	**1 813.4**	**2 393.8**	**1 082.0**	**1 638.4**	**580 4**	**556.5**
Crude oil	640.3	970.4	426.3	690.7	330.1	264.3
Excluding oil	1173.1	1423.4	655.6	947.8	250.3	292 1
Imports	**3 178.4**	**3 871.8**	**1 828.2**	**1 888.5**	**693.4**	**60.4**
Crude oil	0.0	0.0	0.0	0.0	0.0	0.0
Excluding oil	3 178.4	3 871.8	1 828.2	1 888.5	693.4	60.4
Trade balance	**-1 365.0**	**-1 478.0**	**-746.2**	**-250.1**	**-1134.0**	**496.1**
Excluding oil	-2 005.3	-2 448.4	-1 172.5	-940.8	-443.1	231 7
Coverage rate (in %)	**57.1%**	**61.8%**	**59.2%**	**86.8%**	**4.7**	**27.6**
Excluding oil	36 9%	36.8%	35.9%	50.2%	-0.1	14.3
Total trade	**4 991.8**	**6 265.6**	**2 910.1**	**3 527.0**	**1 273.8**	**616.8**
Excluding oil	4 351.4	5 295.2	2 483.8	2 836.3	943.7	352.5

Source: MINFI   * Provisional data

5.1.2.1. FOB Exports

In 2021, exports amounted to 2 393.8 billion in value, an increase of 580.4 billion compared to 2020, due to the increase in prices3 (+20.1%) and volumes4 exported (+6.8%). This trend mainly stems from the post-COVID-19 resumption of activities. Non-oil exports increased by 250.3 billion to 1 423.4 billion.

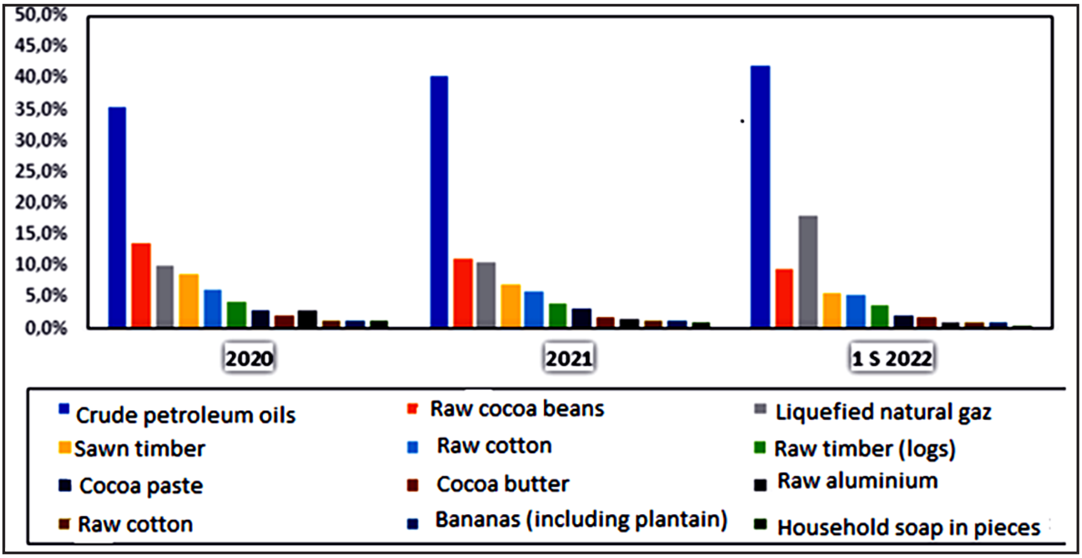
The increase in the value of exports mainly stemmed from the sale of crude oils (+329 billion), liquefied natural gas (+70.3 billion), raw cotton (+29.8 billion), raw timber (+23.5 billion), cocoa paste (+22.8 billion), raw cocoa beans (+22.8 billion), fuels and lubricants (+13.9 billion), sawn wood (+12.4 billion) and raw rubber (+9.9 billion). Conversely, sales of raw aluminium (-12.4 billion) and robusta coffee (-3 billion) declined.

Exports by product in 2021 were dominated by: crude oils (40.5% of total exports), raw cocoa beans (11.3%), liquefied natural gas (10.6%), sawn wood (7.1%), raw cotton (6.0%), raw timber (4, 1%), cocoa paste (3.1%), cocoa butter (1.8%), raw aluminium (1.6%), raw rubber (1.3%), bananas including plantains (1.2%) and laundry bar soaps (1.0%).

3_ Export price index trends.

4_Export volume index trends.

Graph 17: Weight of Main Products Exported from 2020 to 2022



Source: MINFI

In the first half of 2022 and year-on-year, exports increased by 556.5 billion to stand at 1 638.4 billion. This increase is due to an increase in the price of the main exported raw materials, as a consequence of the war in Ukraine. Exported quantities remained almost stable. Non-oil exports increased by 292.1 billion in value to stand at 947.8 billion.

The increase in exports in the first half of 2022 is mainly driven by the increase in sales of crude petroleum oils (+264.3 billion), liquefied natural gas (+192.3 billion), cocoa paste (+27.7 billion), sawn wood (+20.5 billion), raw cocoa beans (+17.7 billion), raw cotton (+15.4 billion), cocoa butter (+10.8 billion), raw rubber (+5.5 billion) and wood veneer sheets (+3.3 billion). Conversely, sales of raw timber, laundry bar soap and robusta coffee decreased by 14.9 billion, 5.1 billion and 2.6 billion, respectively.

Table 47: Export Trends (Q: in thousands of tons, V: values in billions)

Periods	2020		Jan.-June 2021		2021		Jan.-June 2022*		Changes in values (V)	
Items	Q	V	Q	V	Q	V	Q	V	c-a	c/b
	a		b		c		d			
Banana (including plantains)	191.7	25.0	103.7	14.2	209.0	28.9	110.2	15.5	3.9	1.3
Arabica coffee	1.0	1.2	0.2	0.4	0.6	1.1	0.4	0.9	-0.1	0.6
Robusta coffee	20.3	14.4	6.7	4.8	13.6	11.4	1.9	2.3	-3.0	-2.6
Palm oil	1.3	0.7	1.9	1.7	4.1	3.7	0.1	0.1	3.0	-1.6
Raw cocoa beans	190.7	246.6	111.4	138.0	213.8	269.4	120,9	155.8	22.8	17.7
Cocoa paste	28.4	50.7	22.0	32.8	49.3	73.5	24.4	60.6	22.8	27.7
Cocoa butter	19.3	36.2	10.8	17,6	23.6	42.6	14.7	28.4	6,4	10.8
Preparations for soups	5.9	8.2	2.4	3.3	4.5	6,4	2.5	3.6	-1.8	0.3
Carbonated drinks	5.3	2.4	2.1	1.1	4.9	2.2	2.9	1.5	-0.2	0.4
Beers	2.8	1.6	2.2	1.2	7.3	3.4	5.5	2.5	1.8	1.3

Periods	2020		Jan.-June 2021		2021		Jan.-June 2022*		Changes in values (V)	
Items	Q	V	Q	V	Q	V	Q	V	c-a	c/b
	a		b		c		d			
Crude petroleum oils	3,715.2	640.3	1,794.0	426.3	3,585.7	969.3	1,663.3	690.7	329	264.3
Fuels and lubricants	3.6	1.1	14.6	6.2	33.5	15.0	15.3	9.6	13.9	3.3
Liquefied natural gas	1,235.5	183,6	586,7	102.1	1,221.2	253.8	731.7	294.3	70.3	192.3
Fertilizers	9.1	2.5	0.9	0.4	3.9	1.5	3.4	2.2	-1.1	1.8
Beauty or make-up products	28.6	3.6	1.0	1.5	2.2	3.4	1.1	1.3	-0.2	-0.1
Laundry bar soap	51.4	24.4	28.8	14.3	47.8	24.0	16.1	9.2	-0.4	-5.1
Raw rubber	32.3	22.2	15.0	11.7	40.9	32.1	18.7	17,2	9.9	5.5
Raw timber (logs)	0.8	74.9	0.5	50.1	1.0	98.5	0.3	35.2	23.5	-14. 9
Sawn timber	0.8	158.4	0.4	74.2	0.9	170.8	0.6	94.7	12.4	20.5
Wooden veneer sheets	41.5	18.6	20.1	9.3	50.3	21.8	31.4	12.6	3.2	3.3
Plywood, veneered wood	3.2	0.9	0.9	0.4	1.5	0.7	0.8	0.4	-0.2	0.0
Raw cotton	123.9	113.4	77.8	72.3	154.9	143.2	86.1	87.7	29.8	15.4
Carboys, bottles and flasks	11.1	4.3	6.5	2.6	11.9	4.7	8.2	3.4	0.3	0.8
Iron or non-alloyed steel rods	33.1	14.2	17.0	7.5	33.4	15,4	14.8	7.3	1.3	-0.2
Raw aluminium	45.0	50.6	14.9	16.7	34.3	38.2	15.9	17,2	-12.4	0.5
Aluminium sheets	2.1	2.9	1.0	1.8	1.7	3.0	0.8	1.9	0.1	0.1
Unwrought lead	3.2	1.8	2.0	1.0	4.9	2.3	2.3	1.1	0.5	0.1
Grand total of exports	**7 367.6**	**1 813.4**	**3 819.4**	**1 082.0**	**7 751.3**	**2 393.8**	**3 924.8**	**1 638.4**	**580.4**	**556.5**

Source: MINFI   *Q in million m3 *   * Provisional data

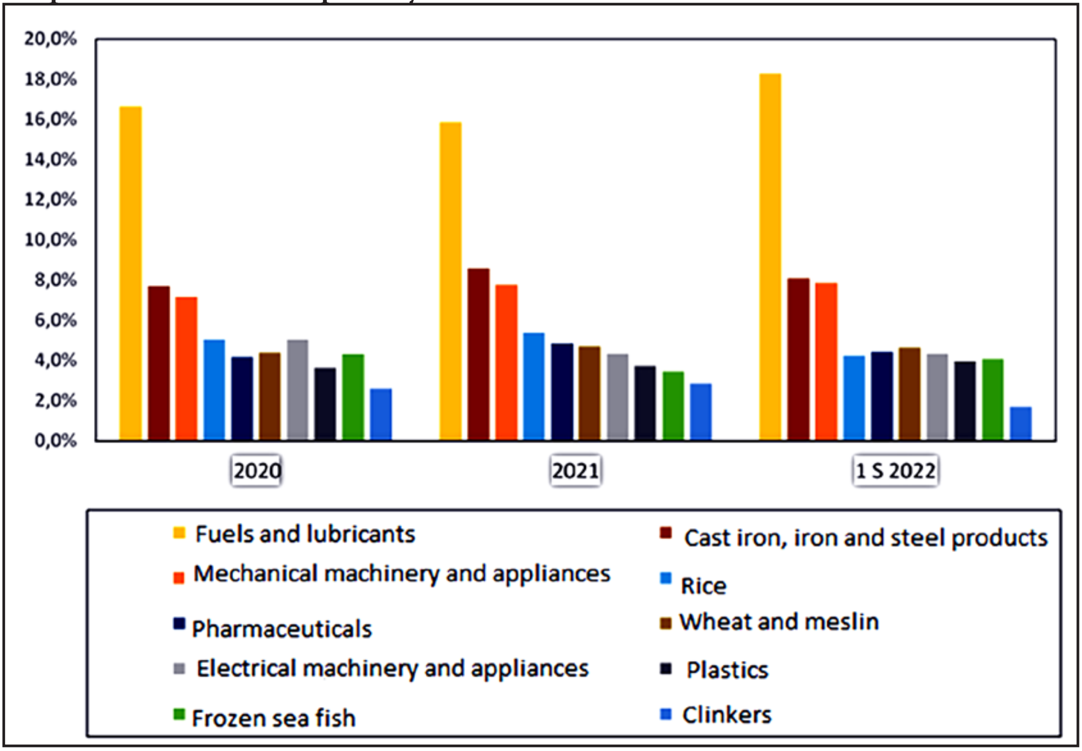
5.1.2.2. CIF imports

At the end of 2021, imports amounted to 3 871.8 billion in value, up by 693.4 billion from the previous year. This trend is due to an increase in both imported volumes (+14.6%) and prices (+18.7%).

The increase in imports is mainly noticeable in fuels and lubricants (+84.4 billion), machinery and mechanical devices (+73.8 billion), pharmaceutical products (+55.2 billion), rice (+48.1 billion), cast iron, iron and steel (+45.7 billion), wheat and meslin (+43.6 billion), cast iron, iron or steel articles (+42.3 billion), liquefied butane (+31.3 billion), passenger vehicles (+31.2 billion), plastics (+29.3 billion), clinker (+28.1 billion), crude or refined oils (+26.1 billion), cargo vehicles (+26 billion) and tractors (+17.8 billion). On the other hand, there was a decrease in purchases of man-made filaments (-6.8 billion), insecticides, fungicides and herbicides (-6.3 billion), ethyl alcohol (-5.5 billion) and clothing (-5.4 billion).

Imports in 2021 were dominated by fuels and lubricants (15.9%), cast iron, iron, steel articles (8.6%), mechanical machinery and equipment (7.0%), rice (5.4%), pharmaceutical products (4.9%), wheat and meslin (4.7%), electrical machinery and equipment (4.4%), plastics (3.8%), frozen sea fish (3.5%), clinkers (2.9%).

Graph 18: Structure of Imports by Product from 2020 to 2022



Source: MINFI

In the first half of 2022 and compared to the first half of the previous year, imports increased by 60.4 billion to stand at 1 888.5 billion. This situation is explained by the increase in costs, especially those of raw materials, while quantities were down 6.1%.

This trend is mainly observed in the purchases of fuels and lubricants (+83.1 billion), iron and steel (+18 billion), printing and publishing products (+15.8 billion), frozen sea fish (+13.7 billion), tractors (+12.1 billion), crude or refined oils (+11.5 billion) and electrical machinery and appliances (+10.2 billion). On the other hand, purchases of clinker (-18.8 billion), iron and steel articles (-18.4 billion), pharmaceutical products (-12.4 billion), bitumen coke and other petroleum residues (-7.1 billion), clothing (-7 billion), aluminium oxide (-6.7 billion), ceramics (-5.5 billion), rice (-5.8 billion), passenger vehicles (-4.6 billion) and fertilizers (-4.1 billion) have declined.

Table 48: Import Trends (Q: in millions of tons, V: values in billions)

Periods	2020		Jan.-June 2021		2021		Jan.-June 2022*		Variations in values (V)	
Item	Q	V	Q	V	Q	V	Q	V	c-a	d-b
	a		b		c		D			
Frozen sea fish	201,2	137.6	97.2	63.8	189.8	134,3	116.3	77.4	- 3.3	13.7
Milk and its derivatives; eggs; honey	24.4	41.4	10.4	18.5	22.2	38.7	10.7	18.6	- 2.8	0.1
Animals and animal products	**228.7**	**181.7**	**110.5**	**83.9**	**218.6**	**176.7**	**129.4**	**98.2**	**-5.0**	**14.3**
Wheat and meslin	854.8	139.2	483.2	88.8	966.4	182.7	402.6	87.8	43.6	-1.1

Periods	2020		Jan.-June 2021		2021		Jan.-June 2022*		Variations in values (V)	
Item	Q	V	Q	V	Q	V	Q	V	c-a	d-b
	a		b		c		D			
Rice	591.6	159.9	319.3	86.1	776.6	208.0	325.5	80.4	48.1	-5.8
Unroasted malt	91.7	28.2	45.6	14.7	95.2	31.2	62	19.2	3.0	4.5
Plant products	**1,615.9**	**352**	**904.7**	**207.4**	**1,951.1**	**457.4**	**832.6**	**201.6**	**105.4**	**-5.9**
Crude or refined oils	58.2	25.7	21.2	12.5	81.3	51.8	27.2	24.0	26.1	11.5
Animal or plant fats and oils	**141.9**	**66.9**	**65.2**	**39.2**	**195.8**	**124.9**	**69.7**	**58.4**	**57.9**	**19.2**
Sugars and confectionery	118.7	34.5	52.2	13.6	124,0	34.8	41.7	11.4	0.3	-2.2
Children food preparations	25.5	24.8	9.8	12.1	21.0	24.4	13.5	12.8	-0.4	0.7
Miscellaneous food preparations	29.7	28.6	20,6	16.7	37.1	30.8	17,6	16.0	2.2	-0.7
Beverages; alcoholic liquids	64.0	47.0	33.9	23.1	73	48.3	33.2	22.5	1.3	-0.5
Ethanol	38.5	25.5	18,0	11.3	32.3	20.0	17.5	11.2	-5.5	-0.1
Industrial food products	**338.9**	**193.5**	**171.7**	**93.9**	**365.4**	**194.4**	**189.8**	**100.9**	**0.9**	**7.0**
Clinker	2,461.1	82.4	1,409.3	51.1	2,865.0	110.5	1,244.5	32.3	28.1	-18.8
Petroleum crude oils	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuels and lubricants	1,618.4	529.3	943.2	262.2	1,932.3	613.7	757.4	345.3	84.4	83.1
Liquefied butane gas	64.0	20.8	70.7	22.2	143.5	52.1	40.0	21.8	31.3	-0.5
Bitumen coke and other petroleum residues	106.7	25.1	62.5	16.8	106.4	29.7	27.5	9.7	4.6	-7.1
Mineral products	**4,717.2**	**684.1**	**2,682.3**	**365.1**	**5,461.5**	**832.3**	**2,317.4**	**419**	**148.2**	**53.9**
Aluminium oxide	108.6	20.9	93.7	17,6	158.6	30.6	37.7	10.8	9.6	- 6.7
Pharmaceutical products	22.1	133.1	12,0	96.1	22.4	188.3	12.1	83.8	55.2	-12.4
Fertilizers	209.8	38.1	155.3	25.2	203.3	36.6	47.8	21.1	-1.5	-4.1
Perfumes and cosmetics	11.3	31.0	5.5	15.0	11.7	32.6	5.0	15.0	1.7	0.0
Miscellaneous chemical products	47.6	82.2	23.1	49.5	64.3	82.3	32.2	53.9	0.1	4.4
Insecticides; fungicides; herbicides, etc.	26.3	61.7	14.4	36.8	22.3	55.4	10.5	41.1	-6.3	4.3
Chemical industry products	**538.8**	**383.1**	**366.1**	**244.4**	**614.5**	**454.9**	**195.8**	**224,0**	**71.8**	**-20.3**
Plastic materials	149	116	82.8	66.9	169	145.3	83.8	74.9	29.3	8.1
Rubber	35.3	45.9	18,0	22.9	34.5	44.3	16.8	21.0	-1.6	-1.9
Plastic materials and rubber	**184.4**	**161.9**	**100.9**	**89.7**	**203,5**	**189.5**	**100.6**	**95.9**	**27.7**	**6.2**
Paper and cardboard	100.3	57.2	46.7	29.4	103.0	65	48.8	33.9	7.8	4.5
Printing and publishing products	4.9	9.9	2.2	4.1	6.3	12.9	3.0	19.9	3.0	15.8
Wood pulp; paper and its applications	**105.6**	**67.2**	**49.9**	**33.9**	**111.5**	**78.9**	**53.2**	**55.1**	**11.6**	**21.2**
Cotton	3.1	3.1	3.0	1.7	7.2	2.7	5.2	1.9	-0.4	0.2
Synthetic or artificial filaments	11.6	10.0	4.0	2.1	6.9	3.2	2.7	0.8	-6.8	-1.3

Periods	2020		Jan.-June 2021		2021		Jan.-June 2022*		Variations in values (V)	
Item	Q	V	Q	V	Q	V	Q	V	c-a	d-b
	a		b		c		D			
Other made-up textile articles	91.1	57.2	47.7	27.3	89.5	53.4	38.0	28.3	-3.8	1.0
Second-hand clothes	75,6	40.3	36.8	19.3	68.8	34.9	26.2	12.2	-5.4	-7
Textile and textile products	**131.5**	**93.7**	**72.2**	**43.3**	**143**	**85.6**	**65.2**	**42.2**	**-8.1**	**-1.0**
Ceramic products	252.6	57.5	138.8	30.3	260	58.0	114.3	24.8	0.5	-5.5
Glass and glassware	43.6	14.7	25.5	9.0	55.7	21.7	24.9	9.1	7.0	0.2
Stone, cement and glass works	**306.1**	**76.6**	**170**	**41.5**	**327.8**	**85.3**	**144.6**	**35.9**	**8.7**	**-5.6**
Cast iron, iron and steel	279	172.3	126.5	89.0	297.6	218	150.5	107.1	45.7	18,0
Cast iron, iron and steel products	56.7	74.3	25.0	64.1	58.7	116.6	34.6	45.7	42.3	-18.4
Aluminium and aluminium products	10.5	15.5	6.3	9.3	12.4	20.4	3.6	6.5	4.9	- 2.8
Base metals and their products	**362.7**	**281.3**	**166**	**172.5**	**385.6**	**375.9**	**196.1**	**169**	**94.6**	**-3.5**
Mechanical machinery and appliances	73.9	227.8	45.9	147	99.3	301.6	47.3	148.3	73.8	1.2
Electrical machinery and appliances	54.7	159.7	27.3	87.5	57.6	168.6	28.9	97.7	8.9	10.2
Mechanical or electrical machinery and equipment	**128.6**	**387.5**	**73.2**	**234.5**	**156.9**	**470.2**	**76.2**	**246**	**82.7**	**11.4**
Tractors**	1 553	18 8	1 103	13.8	2 372	36.6	1 605	25.9	17.8	12.1
Cargo vehicles**	6 391	34.2	4 229	24.0	8 746	60.2	3 916	23.1	26.0	-0.9
Passenger vehicles**	34 484	63.4	22 886	45.4	40 020	94.6	20 364	40.7	31.2	-4.6
Transport equipment	**130.3**	**177.9**	**94.5**	**140.6**	**195,3**	**284.8**	**88.1**	**118.6**	**106.8**	**-21. 9**
Grand total of imports	**8 953.0**	**3 178.4**	**5 048.4**	**1 828.2**	**10 352.0**	**3 871.8**	**4 475.9**	**1 888.5**	**693.4**	**60.4**

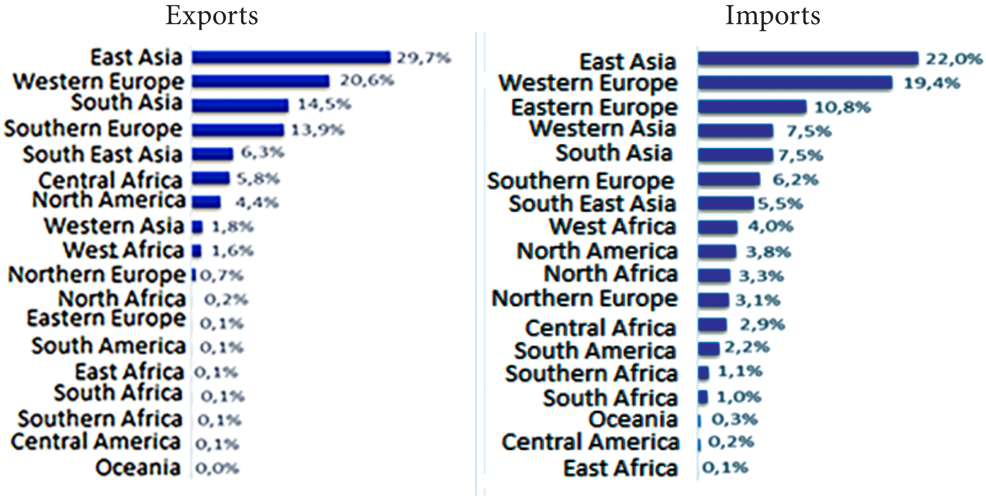
Source: MINFI * provisional data, **number of units

5.1.3 Geographical orientation of trade

In 2021, Cameroon's main trading partners were: East Asia (24.9% of the total value of trade compared to 21.9% in 2020) and Western Europe (19.8% compared to 21.2%). They are followed by South Asia (10.1% vs. 6.5%), South Europe (9.1% vs. 10.3%), Eastern Europe (6.8% vs. 4.5%), Southeast Asia (5.8% vs. 6.9%), West Asia (5.4% as in 2020), North America (4% vs. 5.6%), Central Africa (4% vs. 3.6%), West Africa (3.1% vs. 6%), Northern Europe (2.2% vs. 3.3%), North Africa (2.1% vs. 2%) and South America (1.4% vs. 1.5%).

Cameroon exports mainly to: East Asia (29.7% of the total value of exports in 2021), Western Europe (20.6%), South Asia (14.5%), South Europe (13.9%), Southeast Asia (6.3%), Central Africa (5.8%), North America (4.4%), West Asia (1.8%) and West Africa (1.6%). It imports mainly from East Asia (22% of the total value of imports in 2021), Western Europe (19.4%), Eastern Europe (10.8%), West Asia (7.5%), South Asia (7.5%), South Europe (6.2%), South East Asia (5.5%), West Africa (4%), North America (3.8%), North Africa (3.3%), Northern Europe (3.1%), Central Africa (2.9%) and South America (2.2%).

Graph 19: Distribution of Trade by Geographical Area in 2021 (in %)



Source: MINFI

5.1.3.1 Trade by geographical area

East Asia

In 2021, the trade deficit with East Asia fell by 62.2 billion to 159 billion, resulting from a larger increase in exports (+255 billion) than in imports (+192.8 billion). China is Cameroon's main trading partner in this part of the world, with 82.9% of the total value of trade with the region.

Exports to East Asia consist mainly of crude petroleum oils (410.5 billion), liquefied natural gas (186.8 billion), raw timber (59.3 billion) and sawn wood ($17.5 billion). Countries in this region supply Cameroon with an array of products, including: cast iron, iron and steel (50.6 billion), rice (41.3 billion), insecticides, fungicides and herbicides (34.7 billion), tiles (33 billion), fuels and lubricants (30.2 billion), new rubber tyres (25.8 billion), telephony equipment (18 billion), pharmaceutical products (17 billion) and tractors (16.4 billion).

Western Europe

In 2021, the trade deficit with Western Europe fell by 147.7 billion to 270.2 billion. This was due to a higher increase in exports (+159.1 billion) than imports (+11.4 billion). France and the Netherlands are Cameroon's main trading partners, with 34% and 33% respectively of the total value of trade with this region, followed by Belgium (18.9%) and Germany (12.3%).

The main products exported to Western Europe are: raw cocoa beans (206.1 billion), crude petroleum oils (74.3 billion), sawn wood (62.1 billion), cocoa butter, fats and oil (42.5 billion), cocoa paste (37.4 billion) and bananas (24.5 billion). The main products imported are: pharmaceutical products (117.9 billion), fuels and lubricants (105.5 billion), passenger vehicles (49.6 billion), motor vehicles for the transport of goods (42.5 billion), cereals (wheat) and meslin (41.6 billion) and malt, even roasted (27.4 billion).

South Asia

The trade balance with South Asia is in surplus of 47.7 billion after a deficit of 16.4 billion in 2020. This trend results from an increase in exports (+183.5 billion) greater than that of imports (+119.5 billion), linked to the recovery of global economic activity. India is Cameroon's main trading partner in the region, with 81.3% of the total value of trade with the region.

The main products exported to South Asia are: crude petroleum oils (172.3 billion), cotton (103.6 billion) and liquefied natural gas (54 billion). The main imports are: rice (71.3 billion), pharmaceutical products (25.3 billion) oil and lubricants (14.2 billion).

Southern Europe

Cameroon's trade surplus with Southern Europe fell by 22.7 billion to stand at 84 billion in 2021. This is the result of a smaller increase in exports (+12.1 billion) than in imports (+34.7 billion). Italy and Spain are Cameroon's main partners in this area, with 47.5% and 44.2% respectively of the total value of trade with the region.

Exports to the region consist mainly of crude petroleum oils ($227 billion), followed by raw aluminium (28.1 billion), sawn wood (26 billion), veneer sheets (12.5 billion) and cocoa paste (9.1 billion). Imports from southern Europe mainly concern: cement (13.1 billion), bitumen coke and other petroleum residues (12.4 billion), iron and steel products (11.9 billion) fuels and lubricants (7.5 billion).

Eastern Europe

The trade deficit with Eastern Europe widened by 198.7 billion in 2021 to stand at 415.2 billion. This trend is attributable to the increase in imports (+197.4 billion). Exports to this region are low, amounting to 3 billion. The main trading partners are Russia and Ukraine, with 62.7% and 24.4% respectively of the total value of trade.

The main products imported are: cast iron, iron and steel (109.9 billion), wheat and meslin (95.4 billion), fuels and lubricants (77 billion) and fertilizers (13.9 billion).

Southeast Asia

In 2021, the trade balance with Southeast Asia recorded a deficit of 68.7 billion, after the surplus of 6.6 billion in 2020. This was the result of a decline in exports (-30.5 billion) and an increase in imports (+44.8 billion). Cameroon's main trading partners in this region are: Singapore (26.9% of total trade with the region), Thailand (23.2%), Malaysia (19.5%), Vietnam (17.1%) and Indonesia (10.2%).

The main products exported to Southeast Asia are: cocoa beans (47.3 billion), raw timber (30.6 billion), cotton (23.3 billion), crude petroleum oils (18.4 billion) and sawn wood (15.6 billion). The main products imported are: rice (85.9 billion) oil and lubricants (74.1 billion).

Western Asia

Trade deficit with Western Asia stands at 249.9 billion, up by 75.2 billion compared to 2020. This trend is the consequence of an increase in imports (+67.2 billion) and a decrease in exports of 8 billion. Turkey and the United Arab Emirates are Cameroon's main trading partners in this region with 46.8% and 24.2% respectively of the total value of trade.

Imports from Western Asia consisted mainly of cement (42 billion), iron and steel products (29.1 billion), oil and lubricants (25.6 billion), frozen sea fish (20.9 billion), iron and steel products (11.6 billion) and passenger vehicles (11.5 billion). Exports to that region are lower and consist mainly of liquefied natural gas (13 billion), sawn timber (9.8 billion), cocoa beans (8.5 billion) and cotton (4.6 billion).

North America

The trade deficit with North America reduced by 13.4 billion to 46.3 billion in 2021. This was due to a larger decline in imports (-21.3 billion) than exports (-8 billion). Cameroon's trading partners in this region are the United States and Canada, with 68.6% and 31.4% respectively of trade.

The main products exported to North America are: crude petroleum oils (66.9 billion), cocoa paste (15.8 billion), sawn wood (9.2 billion) and raw rubber (8.7 billion). The main products imported are: wheat and meslin (33 billion) and air or vacuum pumps (13.1 billion).

Central Africa

Trade surplus with Central Africa fell to 21.3 billion from 95.4 billion in 2020. This was due to an increase in imports (+70.4 billion) and a decrease in exports of 3.8 billion. In this region, Cameroon's main trading partners are CEMAC countries, namely: Chad (30.1% of the total value of trade with the region), Equatorial Guinea (23.6%), Gabon (17.5%), Congo (14.7%) and the Central African Republic (6.9%).

The main products exported to the countries of the region are: laundry bar soaps (16.5 billion), cast iron, iron and steel (15.4 billion), rice (10.5 billion) and cement (9 billion). Imports from Central Africa mainly concern: liquefied natural gas (47.1 billion), fuels and lubricants (33.3 billion), palm oil (21.1 billion) and cement (10.8 billion).

West Africa

In 2021, the trade deficit with West Africa fell by 118.9 billion to 117.6 billion. This was due to a decline in imports (-113.3 billion) and an increase in exports (+5.6 billion). Nigeria is the leading trading partner in this region with 26.3% of the total value of trade, followed by Senegal (15.4%), Mauritania (14.5%), Côte d'Ivoire (12.7%) and Guinea (13.4%).

The main products imported from West Africa are: fuels and lubricants ($267 billion), frozen sea fish (37.6 billion), chemicals (23.8 billion), palm oil (16.5 billion) and cement (9 billion). Exports are relatively small and consist mainly of sawn wood (14.3 billion) and household bar soaps (8.9 billion).

Table 49: Trend in Goods Trade by Geo-economic Region in 2021 (in billions)

Description	Exports		Absolute variations	Imports		Absolute variations	Balance of Trade in 2021	Weight of trade (in %)
	2021*	2020		2021*	2020			
Southern Africa	**1.5**	**2.2**	**-0.7**	**43.4**	**41.0**	**2.4**	**41.9**	**0.7**
South Africa	1.5	2.2	**-0.7**	39.2	33.7	5.5	37.7	0.7
Central Africa	**134.3**	**138.1**	**3.8**	**113.0**	**42.6**	**70.4**	**21.3**	**4.0**
Angola	2.0	1.2	0.8	13.2	2.7	10.5	11.3	0.2
Congo	13.7	15.0	1.3	22.7	9.9	12.8	9.0	0.6
Congo (DRC)	2.1	1.7	0.4	0.1	0.0	0.0	2.1	0.0
Gabon	20.4	22.2	1.8	23.0	15.0	7.9	-2.5.	0.7
Equatorial Guinea	6.8	8.0	-1.2	51.6	12.4	39.3	44.8	0.9
CAR	16.8	21.1	4.3	0.2	0.2	0.0	16.5	0.3
Chad	72.4	68.8	3.7	2.0	1.9	0.2	70.4	1.2
West Africa	**37.2**	**31.6**	**5.6**	**154.8**	**268.1**	**-113.3**	**117.6**	**3.1**
Benin	0.2	0.6	-0.5	0.6	1.8	-1.2	-0.5	0.0

Description	Exports		Absolute variations	Imports		Absolute varia-tions	Balance of Trade in 2021	Weight of trade (in %)
	2021*	2020		2021*	2020			
Burkina Faso	0.1	0.5	-0.4	0.2	0.2	-0.1	0.0	0.0
Côte d'Ivoire	0.5	0.7	-0.2	23.9	30.0	6.1.	23.4.	0.4
Ghana	0.6	0.8	-0.2	2.2	2.4	-0.2	1.6	0.0
Guinea	0.2	0.2	0.0	25.5	16.7	8.8	25.3.	0.4
Liberia	0.1	0.0	0.1	16.5	3.8	12.8	16.4	0.3
Mauritania	0.0	0.0	0.0	27.8	45.1	17.4	27.8	0.4
Nigeria	17.9	16.1	1.8	32.5	29.0	3.5	-14.6	0.8
Senegal	16.7	11.4	5.3	12.9	17.1	4.3	3.9	0.5
Togo	0.2	0.6	-0.4	11.5	115.6	(104.2)	11.2 -	0.2
East Africa	**2.0**	**1.9**	**0.2**	**1.9**	**1.2**	**0.8**	**0.1**	**0.1**
Kenya	0.0	0.4	-0.3	0.3	0.2	0.1	-0.3	0.0
Mauritius	1.5	0.9	0.7	0.8	0.3	0.5	0.7	0.0
North Africa	4.8	**6.4**	**1.6**	**127.0**	**92.2**	**34.7**	**122.1**	**2.1**
Algeria	3.2	3.7	-0.5	19.0	13.5	5.5	-15.8	0.4
Egypt	0.5	0.9	-0.4	43.1	30.0	13.2	42.7	0.7
Libya	0.0	0.1	-0.1	0.0	0.8	-0.8	0.0	0.0
Morocco	0.5	1.1	-0.6	44.6	30.6.	14.0	-44.1	0.7
Tunisia	0.7	0.7	0.0	20.3	17.3	2.9	19.6	0.3
Central America	**1.5**	**2.6**	**-1.1**	**9.3**	**9.6**	**-0.3**	**- 7.8%**	**0.2**
Mexico	1.5	2.0	-0.5	8.5	6.9	1.7	7.1	0.2
North America	**102.3**	**110.3**	**-8.0**	**148.6**	**169.9**	**21.3**	**46.3**	**4.0**
Canada	40.0	58.2	- 18.2.	38.8	29.1	9.7	1.1	1.3
United States	62.3	52.1	10.3	109.8	140.9	31.1	47.4	2.8
South America	**2.4**	**3.6**	**-1.2**	**86.0**	**72.2**	**13.8**	**83.5**	**1.4**
Argentina	0.2	0.0	0.2	29.3	34.3	-5.1	29.1	0.5
Brazil	1.2	3.3	-2.0	40.9	26.1	14.7	39.6%	0.7
Southeast Asia	**145.9**	**176.4**	**30.5**	**214.6***	**169.8**	**44.8**	**68.7**	**5.8**
Indonesia	25.9	31.3	5.4	10.7	9.8	0.9	15.1	0.6
Malaysia	47.0	76.9	29.9	23.2	22.1	1.1	23.8	1.1
Singapore	19.1	10.8	8.3	77.7%	28.6	49.1	58.6	1.6
Thailand	0.2	6.3	6.1.	83.5	92.8	9.3	83.3	1.4
Vietnam	53.6	51.0	2.6	8.1	11.1	-3.0	45.5	1.0
South Asia	**338.1**	**154.6**	**183.5**	**290.5**	**171.0**	**119.5.**	**47.7**	**10.1**
Bangladesh	94.6%	71.2	23.4	2.5	2.2	0.3	92.0	1.6
India	230.9	73.1	157.8	280.2	160.7	119.5.	49.3	8.2
Pakistan	10.3	10.2	0.1	7.3	7.5	-0.3	3.0	0.3
Western Asia	**41.3**	**49.3**	**-8.0**	**291.2**	**224.0**	**67.2**	**-249.9**	**5.4**
Saudi Arabia	0.7	0.9	-0.2	30.8	13.5	17.3	30.1	0.5
United Arab Emirates	4.0	2.3	1.7	76.4	58.3	18.1	72.4	1.3
Kuwait	13.0	14.3	1.3	1.2	0.8	0.4	11.8	0.2
Oman	0.1	0.0	0.0	31.7	8.9	22.9	31.7	0.5
Turkey	20.8	29.9	9.1	134.6	127.3	7.3	113.8	2.5
East Asia	**691.4**	**436.4**	**255.0**	**850.4**	**657.7**	**192.8**	**-159.0**	**24.9**
China	618.4	390.7	227.7	659.1	563.8	95.2	40.7	20.6

Description	Exports		Absolute variations	Imports		Absolute varia-tions	Balance of Trade in 2021	Weight of trade (in %)
	2021*	2020		2021*	2020			
Republic of Korea	49.8	33.4.	16.4	81.6	22.8	58.8	- 31.8.	2.1
Japan	0.8	1.4	-0.6	94.2	54.3	39.9	93.4	1.5
Taiwan	22.5	10.9	11.6	10.8	9.9	0.8	11.7	0.5
Northern Europe	**16.2**	**43.4**	**27.2**	**118.5**	**120.7**	**-2.2**	**-102.3**	**2.2**
Ireland	1.6	1.8	-0.2	20.7	22.8	-2.0	19.1	0.4
Norway	0.0	31.1	31.1	218.5	16.2	12.3	- 28.5	0.5
United Kingdom	12.4	9.2	3.3	36.1	46.3	10.2	23.6	0.8
Southern Europe	**323.1**	**311.0**	**12.1**	**239.1**	**204.3**	**34.7**	**84.0**	**9.1**
Spain	145.8	122.5	23.2	102.8	83.4	19.3	43.0	4.0
Greece	1.7	0.7	0.9	12.7	10.3	2.4	11.1 -	0.2
Italy	170.2	182.1	11.9	97.0	82.6	14.4	73.2	4.3
Portugal	4.7	4.5	0.2	16.6	21.8	5.2	12.0	0.3
Western Europe	**479.9**	**320.7**	**159.1**	**750.0**	**738.6**	**11.4**	**-270.2**	**19.8**
Germany	28.3	22.2	6.1	122.9	94.5	28.4	94.6%	2.4
Belgium	84.0	61.5	22.6	148.0	181.2.	33.2	- 64.0	3.7
France	69.9	67.2	2.6	347.9	281.3	66.7	-278.1	6.7
Netherlands	297.0	169.5	127.5	109.2	96.7	12.5	187.8	6.6
Switzerland	0.4	0.3	0.1	16.2	76.3	60.1	-15.8	0.3
Eastern Europe	**3.1**	**4.3**	**-1.2**	**418.3**	**220.8**	**197.4**	**-415.2**	**6.8**
Russia	0.4	0.2	0.2	263.8	96.7	167.1	-263.4	4.3
Poland	0.2	0.8	-0.6	20.7	17.7	3.0	- 20.5.	0.3
Ukraine	0.0	0.0	0.0	102.9	64.1	38.7	-102.9	1.7
Oceania	**0.2**	**20.0**	**19.8**	**12.4**	**14.7**	**-2.2**	**12.2**	**0.2**
Australia	0.2	0.5	-0.3	1.0	1.7	-0.7	-0.9	0.0
New Zealand	0.0	19.5	19.5	11.4	12.9	1.5	11.4	0.2

*Source: MINFI   * Provisional data*

5.1.3.2 Bilateral trade

5.1.3.2.1 Key partners

In 2021, China maintained its ranking as Cameroon's largest trading partner, with 20.6% of total value of trade, followed by India (8.2%), France (6.7%), the Netherlands (6.6%), Italy (4.3%), Russia (4.3%), Spain (4%), Belgium (3.7%), the United States (2.8%) and Turkey (2.5%).

5.1.3.2.2 Main customers

In 2021, China remained Cameroon's main buyer with 26.6% of total exports, followed by the Netherlands (12.8%), India (9.9%), Italy (7.3%), Spain (6.3%), Bangladesh (4.1%), Belgium (3.6%), Chad (3.1%), France 53%) and USA (2.7%).

Compared with 2020, there is an increase in exports to China (+227.7 billion), India (+157.8 billion), The Netherlands (+127.5 billion), Bangladesh (+23.4 billion), Spain (+23.2 billion), Belgium (+22.6 billion), Republic of Korea (+16.4 billion), Taiwan (+11.6 billion) and the USA (+10.3 billion). There was a decrease in exports to Norway (-31.1 billion), Malaysia (29.9 billion), New Zealand (-19.5 billion), Canada (-18.2 billion) and Italy (-11.9 billion).

5.1.3.2.3 Main suppliers

In 2021, China remained Cameroon's main supplier with 17% of import expenditure and France the second main supplier with (9%). They were followed by India (7.2%), Russia (6.8%), Belgium (3.8%), Turkey (3.5%), Germany (3.2%), USA (2.8%), The Netherlands (2.8%) and Ukraine (2.7%).

Compared with 2020, there was an increase in imports from India (119.5 billion), China (+95.2 billion), France (+66.7 billion), Republic of Korea (+58.8 billion), Singapore (+49.1 billion), Japan (+39.9 billion), Equatorial Guinea (+39.3 billion), Ukraine (+38.7 billion), Germany (+28.4 billion), Oman (+22.9 billion) and UAE (+18.1 billion); and a decrease in imports from Togo (-104.2 billion), Switzerland (-60.1 billion), Belgium (-33.2 billion), USA (-31.1 billion) and Mauritania (-17.4 billion).

5.2. Balance of Payments

In 2021, the current account balance of payments deficit widened and external financing increased. However, the overall balance remained in deficit. The overall balance deficit reduced to 153.9 billion, after 432.6 billion recorded in 2020.

Table 50: Overall Balance of Payments Trends (in billions)

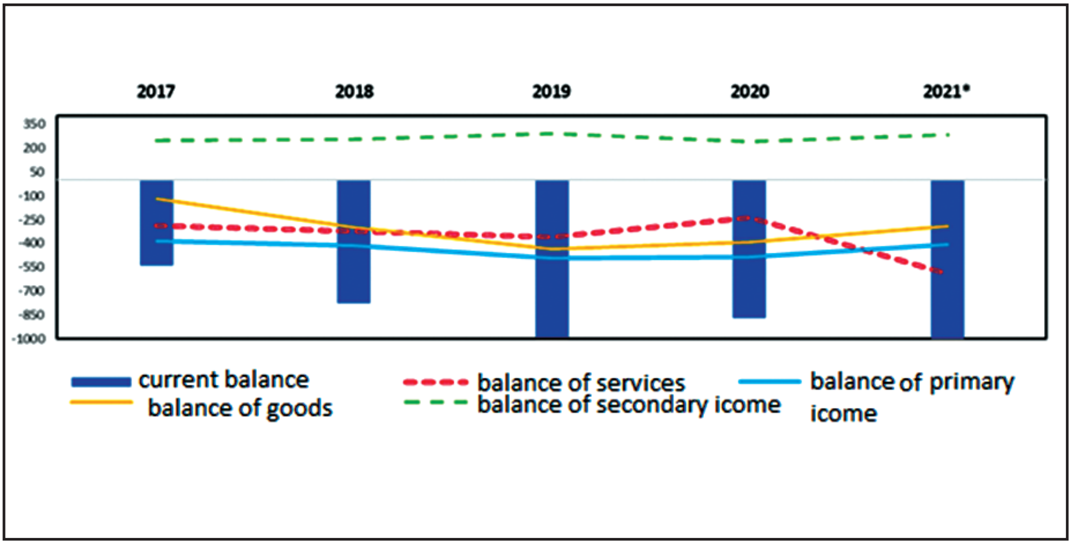
Items	2017	2018	2019	2020	2021*	2022**
I- Current Balance	**-540.8**	**-777.6**	**-992.0**	**-872.0**	**-996.8**	**-891.5**
1- Balance of goods	-117	-295	-431.6	-391.3	-288.1	-423.6
Balance of services	-285.7	-324.3	-361.6	-236.4	-588.2	-287.4
Primary income balance	-384.5	-410.8	-493.8	-483.5	-405.2	-536
Secondary income balance	246.4	252.5	295.0	239.2	284.6	355.5
II- External financing	**776.8**	**947.5**	**1155.0**	**431.7**	**855.8**	**1171.9**
I- Non-banking private sector	**256.2**	**-81.1**	**416.6**	**384.0**	**714.4**	**534**
Foreign Direct Investment (FDI)	459.1	364.6	527.1	341.3	503.6	372.2
Portfolio investment and derived fin. prods	14.2	5	71.8	29.9	-100.0	32.3
Net drawings (excluding FDI and PFI)	-217	-450.7	-184.1	12.8	310.7	129.5
Acquisition/transfer of non-produced non-financial assets	0	1.8	1.8	0	0	0
2- Public administration	**850.8**	**975.8**	**873.1**	**322.3**	**360.4**	**695.4**
Project grants (including C2D)	65.6	85.9	133.3	36.8	64.7	142.3
Net drawings on bonds	0	-14.4	0.0	-6.2	0.0	0.0
Net drawings (excluding treasury bonds)	785.2	904.3	739.8	291.7	295.7	553.1
3- Money-creating banks	**-360.2**	**52.8**	**-134.6**	**-274.6**	**-219.0**	**-57.5**
III- ERRORS AND OMISSIONS	**-19.8**	**-14.7**	**-7.4**	**7.7**	**-12.9**	**0.0**
IV- OVERALL BALANCE	**216.2**	**155.4**	**155.7**	**-432.6**	**-153.9**	**280.4**
V-FINANCING THE BALANCE	**-216.2**	**-155.4**	**-155.7**	**432.6**	**153.9**	**-280.4**

*Source: MINFI *Provisional data; **Estimates*

5.2.1 Current account balance

In 2021, the current account deficit widened to stand at 996.8 billion (4.0% of GDP), compared to 872 billion (3.7% of GDP) in 2020. This increase was mainly owing to the increase in service deficit, notably freight. The goods and primary income deficits narrowed, while the secondary income surplus increased. In 2022, the current account deficit is expected to reduce.

Graph 20: Main Current Account Balance Trends (in billions)



Source: MINFI **Estimates*

5.2.1.1. Balance of goods

The goods deficit reduced from 391.3 billion in 2020 to 288.1 billion in 2021. This was due to an increase in export earnings (+797.9 billion), which was higher than import expenditure (+694.7 billion). Exports increased by 31.4% to stand at 3 335.9 billion5, owing to an increase in oil revenue (+51.4%), due to the increase in demand resulting from the global economic recovery. An increase was recorded in other main export products, including: timber and timber products (+15.1%), raw cocoa beans (+9.2%), liquefied natural gas (+38.3%) and raw cotton (+26.3%).

FOB imports increased by 23.7% and stand at 3 624 billion, mainly owing to an increase in non-oil imports. The main products and groups of products concerned include: transport materials (+60%), machines and electrical or mechanical appliances (+21.3%), pharmaceutical products, (+30.1%), cast iron, iron and steel (+26.6%), rice (+30.1%), plastic goods (+25.2%), crude or refined oils (+101.7%) and clinker (+34.1%).

5.2.1.2. Balance of services

In 2021, the service balance deficit widened by 351.8 billion to stand at 588.2 billion. This increase was essentially owing to increased transport activities and travel as a result of the opening of borders. The deficit widened for all items, including: transport (-337.3 billion in 2021 after -113.4 billion in 2020), travel (-113.3 billion after -70.5 billion in 2020), insurance (-60.6 billion after -37.8 billion in 2020) and, other services (-77.9 billion after -14.8 billion 2020).

5_ This data includes Customs statistics and statistics not taken into account by Customs (goods purchased by transporters, re-exports, other general goods and informal trade).

Table 51: Balance of Services (in billions)

Items	2018	2019	2020	2021	Variations
	(a)	(b)	(c)	(d)	(d-c)
Balance of services	**-324.3**	**-361.6**	**-236.4**	**-588.2**	**-351.8**
Transport	**-179.9**	**-228.4**	**-113.4**	**-337.3**	**-223.8**
- Passengers	-97.7	-121.9	-82.2	-88.8	-6.6
- Freight	-137.9	-191.7	-101.0	-294.9	-193.8
- Other transport	55.7	85.3	69.8	46.4	-23.5
Travel	**-56.8**	**-55.5**	**-70.5**	**-113.3**	**-42.8**
Professional	-41.9	-48.9	-0.4	-27.7	-27.3
Private	-14.8	-6.6	-70.0	-85.6	-15.6
Insurance	**-42.4**	**-45.5**	**-37.8**	**-60.6**	**-22.9**
Freight insurance	-34.0	-39.4	-31.7	-44.8	-13.1
Life insurance	-3.3	-2.7	-3.0	-1.5	1.5
Other insurance	16.1	17.2	16.1	3.7	-12.4
Other services	**-45.2**	**-32.2**	**-14.8**	**-77.0**	**-62.3**
Communication services	35.3	25.8	27.1	-28.4	-55.5
Other services to companies	-154.1	-124.3	-82.3	-104.1	-21.8
including: Technical assistance	-79.7	-95.2	-77.0	-142.0	-65.0
Construction services	-62.1	-69.5	-18.9	17.0	35.9
Private services n.e.c*	47.0	36.5	13.3	5.9	-7.4
Services provided or received by pub. Admins	26.6	29.8	27.1	23.5	-3.6

Source: MINFI, *provitional data

5.2.1.3 Primary income balance

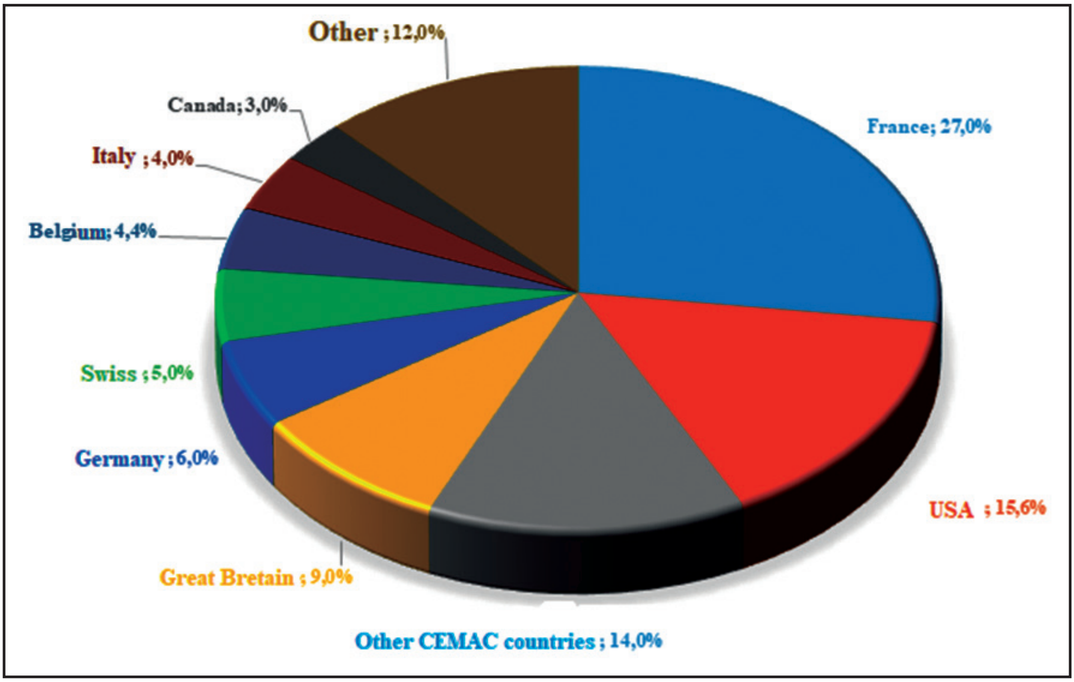
Primary income comprises the remuneration of wage earners, investment income and other primary income (taxes on production and imports, subsidies, rents...). In 2021, the primary income deficit narrowed by 78.3 billion to stand at 405.2 billion, after 483.5 billion in 2020 due to a drop in dividends paid by local subsidiaries of foreign companies

5.2.1.4 Secondary income balance

Secondary income mainly comprises current transfers. The secondary income surplus rose to 284.6 billion, against 239.2 billion in 2020. This increase is owing to an increase in remittances from the diaspora, due to the economic recovery in Europe and America.

Remittances amounted to 373 billion, up from 303.3 billion in 2020. This amount came mainly from France, with 27% of total transfers, followed by the USA (15.6%), the CEMAC region (14%), Great Britain (9%) and Switzerland (5%). Remittances from the CEMAC region were mainly from the Central Africa Republic (41%), Gabon (28%), Chad (15%) and Congo (14%).

Graph 21: Distribution of Migrants' Remittances per Country of Origin in 2021



Source: MINFI

5.2.2. External financing

In 2021, external financing increased by 424.1 billion compared to 2020, to stand at 855.8 billion. This trend is due to an increase in the net inflows of the non-banking public and private sectors, as well as a decrease in the net outflows of banks The non-banking private sector recorded net inflows of 714.4 billion, compared to 384 billion in 2020, mainly owing to an increase in foreign direct investment (+162.4 billion) and net drawings (+283.7 billion). Public sector net external financing increased by 38.1 billion to stand at 360.4 billion, broken down into project grants (64.7 billion), net drawings on ordinary loans (295.7 billion). The external financing of the banking sector recorded net outflows worth 219 billion, after 274.6 billion in 2020. This trend reflects a decrease in the net foreign assets of commercial banks in terms of: (i) claims on foreign banks and financial institutions and other non-resident entities; (ii) equity interests and investment securities; (iii) deposits of non-resident customers.

5.2.3 Balance of payments by sector

In 2021, the overall balances of "agriculture", "logging", hydrocarbons extraction" and "transport" sectors recorded surpluses, while other sectors (industry, trade, telecommunications, finance) recorded deficits.

5.2.3.1. Agriculture

In 2021, the agricultural sector recorded a current account balance surplus of 769.1 billion, up by 107.2 billion compared to 2020. This increase mainly stems from trade in goods, with a balance surplus of 844.6 billion after 712 billion in 2020, due to increased sales of raw cotton (+29.7 billion) and raw cocoa beans (+22.7 billion). Net inflows from net external financing stood at 2.9 billion, after 32.3 billion in 2020. The overall balance resulting from external trade in the agricultural sector recorded a surplus of 772 billion, after 694.3 billion in 2020.

5.2.3.2. Logging

In 2021, the current account surplus of the logging sector increased by 27.8 billion compared to 2020, to stand at 264.4 billion. This increase was mainly driven by goods trade (+55.7 billion) and the reduction of the service deficit (-2.2 billion).

External financing is characterized by net inflows of 13.3 billion, after 5.8 billion recorded in 2020. These funds come mainly from 12.3 billion in foreign direct investment flows. The overall balance from the all trade with the outside world recorded a surplus of 277.7 billion, that is, an increase of 35.3 billion compared to 2020.

5.2.3.3. Hydrocarbons extraction

In 2021, the current account surplus increased by 522.5 billion compared to 2020, and stood at 1 132.3 billion. This increase was generated by goods (+439.5 billion), and a reduction in the service deficit (-51.4 billion) and primary income (-57.1 billion). The surplus increase on goods results from an increase in hydrocarbons sales (+413.2 billion), in relation to a rise in prices. External financing recorded net inflows of 215.6 billion as against 207.8 billion in 2020, essentially composed of increased FDI flows of 58.3 billion. The overall balance of the sector stands at 1 347.9 billion against 817.6 billion recorded in 2020.

5.2.3.4. Industry

In 2021, the current account deficit reduced by 66.4 billion and stood at 1 347.5 billion. This situation can be attributed to the decrease in the goods and services deficits, as well as improvement in the secondary income balance from a deficit of 1.1 billion to a surplus of 2.1 billion. Net external financing increased by 93.8 billion to stand at 144.8 billion, mainly due to an increase in foreign direct investment flows (+205.4 billion). The overall balance recorded a deficit of 1 202.7 billion, down from a deficit of 1 363 billion in 2020.

Table 52: Balance of Payments by Sector (in billions)

ITEMS	AGRICUL-TURE		LOGGING		HYDROCARBONS		INDUSTRY	
YEARS	2020	2021	2020	2021	2020	2021	2020	2021
I-CURRENT ACCOUNT	**661.9**	**769.1**	**236.6**	**264.4**	**609.8**	**1132.3**	**-1413.9**	**-1347.5**
1- Balance of goods	712.0	844.6	232.0	287.7	766.7	1206.2	-1172.1	-1152.0
Balance of services	-48.9	-75.3	-3.8	-1.6	-71	-19.5	-245.5	-121.2
Primary income balance	-0.7	-1.2	8.5	-21.6	-113	-55.4	4.8	-76.4
Secondary income balance	-0.5	1.0	-0.1	-0.1	26.6	1.0	-1.1	2.1
II-EXTERNAL FINANCING	**32.3**	**2.9**	**5.8**	**13.3**	**207.8**	**215.6**	**51.0**	**144.8**
I-Non-banking private sector	**32.3**	**2.9**	**5.8**	**13.3**	**207.8**	**215.6**	**51.0**	**144.8**
Foreign Direct Investment (FDI)	0.2	11.6	-14.5	12.3	30.8	89.3	20.9	226.3
Portfolio Investments and Derived Fin. Prod. (PFI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net drawings (excluding FDI and PFI)	32.2	-8.7	20.3	1.0	177.0	126.3	30.1	-81.5
Money-creating banks	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
III-OVERALL BALANCE	**694.3**	**772.0**	**242.4**	**277.7**	**817.6**	**1347.9**	**-1362.9**	**-1202.7**

Source: MINFI

5.2.3.5. Trade, restaurants and hotels

In 2021, the overall balance deficit widened by 223.9 billion to stand at1 286.6 billion. This decline is mainly attributable to the 336.9 billion drop in the current account balance. The widening current account deficit is attributed to the widening of the deficits in goods (-235 billion), services (-51.8 billion), primary income (-24.7 billion) and the decline in the secondary income surplus (-25.4 billion). Net external financing resulted in net inflows of 71.2 billion against net outflows of 31.9 billion recorded in 2020, mainly due to the increase in FDI flows (+66.6 billion) and net drawings (+36.4 billion).

5.2.3.6. Transport

The current account surplus of the transport sector reduced by 2.9 billion compared to 2020 and stands at 20.3 billion. This is due to the reduction in the services surplus to 151.6 billion from 152.4 billion in 2020 and the widening of the primary income deficit to 114.2 billion from 110.2 billion in 2020.

The goods and secondary income balances show deficits of 16.1 billion and 1 billion, respectively. External financing amounted to 35.4 billion, down by 72 billion compared to 2020, mainly due to the drop in foreign direct investment flows. The overall balance falls by 75 billion and stands at 55.6 billion in 2021.

5.2.3.7. Telecommunications

In 2021, the current account deficit widened by 57.9 billion compared to 2020, to stand at 91.3 billion This is mainly due to the deterioration of the balances of goods (-5.9 billion) and services (-56.1 billion). The primary and secondary income balances recorded a surplus of 3.3 billion and 0.1 billion, respectively. External financing recorded net inflows of 46 billion, up from 5.8 billion in 2020. They are essentially composed of foreign direct investment flows (50.1 billion). The sector's overall deficit widens by 17.7 billion to stand at 45.3 billion.

5.2.3.8. Financial activities

In 2021, the current account deficit of the financial activities sector reduced by 46.1 billion to stand at 26.9 billion. This improvement is mainly due to a 61.2 billion reduction in the primary income deficit.

External financing resulted in net outflows of 50.9 billion, a reduction of 154.6 billion compared to 2020. This situation is mainly due to the increase in foreign direct investment flows by 33.3 billion and the decrease in net outflows from banks by 160.6 billion. The financial sector's overall balance deficit reduced by 200.7 billion to stand at 77.8 billion.

Table 53: Balance of Payments by Sector (in billions)

ITEMS	ITEMS		TRANSPORT		TELECOMMUNI-CATIONS		FINANCIAL ACTIVITIES	
YEARS	2020	2021	2020	2021	2020	2021	2020	2021
I-CURRENT ACCOUNT	**-1020.9**	**-1357.8**	**23.2**	**20.3**	**-33.4**	**-91.3**	**-73.0**	**-26.9**
1- Balance of goods	-908.7	-1143.6	-16.1	-16.1	-75.6	-81.5	-18.4	-18.3
Balance of services	-133.6	-185.3	152.4	151.6	42.9	-13.2	8.0	-3.9
Primary income balance	-5.6	-30.3	-110.4	-114.2	-0.6	3.3	-66.3	-5.1
Secondary income balance	26.9	1.5	-2.7	-1.0	-0.1	0.1	3.7	0.5

ITEMS	ITEMS		TRANSPORT		TELECOMMUNI-CATIONS		FINANCIAL ACTIVITIES	
YEARS	2020	2021	2020	2021	2020	2021	2020	2021
II-EXTERNAL FINANCING	**-31.9**	**71.2**	**107.4**	**35.4**	**5.8**	**46.0**	**-205.5**	**-50.9**
I-Non-banking private sector	**-31.9**	**71.1**	**107.4**	**35.4**	**5.8**	**46.0**	**69.1**	**62.8**
Foreign Direct Investment (FDI)	-13.7	52.8	100.6	33.3	2.4	50.1	63.4	96.7
Portfolio Investments and Derived Fin. Prod. (PFI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-33.8
Net drawings (excluding FDI and PFI)	-18.1	18.3	6.8	2.0	3.4	-4.1	5.8	0.0
Money-creating banks	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-274.6**	**-113.9**
III-OVERALL BALANCE	**-1 052.7**	**-1 286.6**	**130.6**	**55.6**	**-27.6**	**-45.3**	**-278.5**	**-77.8**

Source: MINFI

5.2.4 Bilateral balance of payments

In 2021, the current account balance showed a deficit with China, the European Union (including France), Nigeria and United States. However, it shows a surplus with the other CEMAC countries. The overall balance is in deficit with Nigeria and the European Union, including France. Conversely, it is in surplus with China, the United States and the other CEMAC countries.

5.2.4.1. Nigeria

In 2021, the overall balance was in deficit by 24 billion, down by 29.1 billion compared to 2020. This is the result of a 56.4 billion decrease in the current account deficit, resulting from an increase in the balances of goods, services, primary income and secondary income. The goods balance surplus increased by 2.1 billion to stand at 20.2 billion in 2021. In contrast, the services balance deficit fell to 50.5 billion. External financing resulted in net inflows of 8.8 billion, after 36 billion in 2020.

5.2.4.2. China

In 2021, the overall balance with China reached a surplus of 61.1 billion, against a deficit of 212.3 billion in 2020. The current account deficit reduced by 107 billion to stand at 180.7 billion. This is mainly due to the improvement in the balance of goods, which moved from a deficit of 136.4 billion to a surplus of 62 billion, as well as the balance of secondary income, which reached equilibrium after a deficit of 17.2 billion in 2020. The primary income balance deficit widened by 90.3 billion to stand at 153.7 billion. External financing recorded net inflows of 241.8 billion after 75.4 billion in 2020.These inflows are mainly made up of net drawings by the public administration, which amounted to 285 billion, against 63.7 billion in 2020.

5.2.4.3. United States

In 2021, the current account balance with the United States posted a deficit of 30.5 billion, that is, a reduction of 105.8 billion after a deficit of 136.3 billion in 2020. This result stems from the reduction of the goods (-38.1 billion) and primary incomes (-13.5 billion) deficits, as well as the improvement of the services (+14.6 billion) and secondary incomes (+51.2 billion) surpluses. The reduction in the primary income deficit was the result of lower dividends distributed as foreign direct investment. The secondary income balance continues to be driven by remittances from the diaspora. External financing resulted in net inflows of 119.2 billion, against 64.3 billion in 2020, owing to the increase in foreign direct investment flows. The overall balance of all transactions with the United States is in surplus by 88.7 billion compared to a deficit of 72 billion in 2020.

Table 54: Balance of Payments with Nigeria, China and the United States (in billions)

ITEMS	NIGERIA		CHINA		UNITED STATES	
YEARS	2020	2021	2020	2021	2020	2021
I-CURRENT ACCOUNT	**-89.1**	**-32.7**	**-287.7**	**-180.7**	**-136.3**	**-30.5**
1- Balance of goods	18.1	20.2	-136.4	62.0	-71.7	-33.6
Balance of services	-77.9	-50.5	-70.6	-89.0	1.1	14.6
Primary income balance	-25.6	-0.2	-63.4	-153.7	-89.1	-62.8
Secondary income balance	-3.7	-2.2	-17.3	-0.1	23.4	51.2
II-EXTERNAL FINANCING	**36.0**	**8.8**	**75.4**	**241.8**	**64.3**	**119.2**
I-Non-banking private sector	**42.4**	**3.6**	**11.7**	**-40.6**	**64.3**	**116.4**
Foreign Direct Investment (FDI)	24.2	4.0	-18.3	-18.6	62.6	113.4
Portfolio Investments and Fin. products Derived (PFI)	0.0	0.0	0.0	0.0	0.0	0.0
Net drawings (excluding FDI and PFI)	18.2	-0.4	30.0	-22.0	1.7	3.0
2-Public administration	**0.0**	**0.0**	**63.7**	**285.0**	**0.0**	**0.5**
Project grants (including C2D)	0.0	0.0	0.0	0.0	0.0	0.5
Net drawings on bonds	0.0	0.0	0.0	0.0	0.0	0.0
Net drawings (excluding treasury bonds)	0.0	0.0	63.7	285.0	0.0	0.0
3- Money-creating banks	**-6.4**	**5.2**	**0.0**	**-2.7**	**0.0**	**2.2**
III-OVERALL BALANCE	**-53.1**	**-24.0**	**-212.3**	**61.1**	**-72.0**	**88.7**

Source: MINFI

5.2.4.4. France

In 2021, the overall balance with France was in deficit by 233.4 billion against a surplus of 2.5 billion recorded in 2020. This situation was the result of the widening of the current account deficit and the drop in net external financing. The current account deficit increased by 191.4 billion to stand at 299.4 billion. It is attributable to the balances of "goods" (-279.3 billion), "services" (-80.2 billion) and "primary income" (-24.9 billion). The balance of "secondary income" was in surplus by 85.0 billion. External financing resulted in net inflows of 65.9 billion generated by the non-banking private sector, dominated by foreign direct investment flows (+101.7 billion).

5.2.4.5. CEMAC

In 2021, the current account surplus increased by 10.4 billion, owing to the surplus in goods and secondary income. The balance of goods surplus increased from 412.4 billion to 430.8 billion as a result of higher export earnings. Secondary income surplus increased to 47 billion, against 34.9 billion in 2020, in line with the increase in diaspora remittances. External financing flows were characterized by net outflows of 5.3 billion, compared with net inflows of 43.2 billion in 2020, mainly due to the fall in net drawings by the non-banking private sector. The overall balance of these various transactions stood at 644.3 billion against 682.4 billion in 2020.

5.2.4.6. European Union

The current account deficit widened by 364.4 billion to stand at 597.3 billion in 2021, as a result of the deterioration of the goods, services and primary income balances. The goods deficit increased to 463.6 billion, from 197.4 billion in 2020. Primary income deficit widened. Secondary income surplus increases by 19.9 billion, due to the increase in remittances received from the diaspora, as a positive impact of economic recovery. Financing increased to 456.2 billion from 159.2 billion in 2020, driven by an increase in foreign direct investment flows and in net public sector drawings. The overall deficit grew by 67.4 billion to stand at 141.1 billion.

Table 55: Balance of Payments with France, CEMAC and the European Union (in billions)

ITEMS	FRANCE		CEMAC		EUROPEAN UNION	
YEARS	2020	2021	2020	2021	2020	2021
I-CURRENT ACCOUNT	**-108.0**	**-299.4**	**639.2**	**649.6**	**-232.9**	**-597.3**
1- Balance of goods	-157.0	-279.3	412.4	430.8	-197.4	-463.6
Balance of services	3.1	-80.2	221.0	200.1	-65.2	-139.7
Primary income balance	-21.8	-24.9	-29.1	-28.3	-51.9	-95.6
Secondary income balance	67.7	85.0	34.9	47.0	81.6	101.5
II-EXTERNAL FINANCING	**110.5**	**65.9**	**43.2**	**-5.3**	**159.2**	**456.2**
I-Non-banking private sector	**129.7**	**107.4**	**45.2**	**28.7**	**194.6**	**347.9**
Foreign Direct Investment (FDI)	8.0	101.7	20.1	37.6	13.8	109.6
Portfolio Investments and Derived Fin. Products (PFI)	0.0	-1.9	0.0	-0.5	0.0	91.6
Net drawings (excluding FDI and PFI)	121.7	7.6	25.1	-8.5	180.8	146.7
2- Public administration	**-24.5**	**9.0**	**-0.3**	**0.0**	**-46.9**	**103.1**
Project grants (including C2D)	4.9	9.0	0.0	0.0	24.1	10.3
Net drawings on bonds	0.0	0.0	-0.3	0.0	0.0	0.0
Net drawings (excluding treasury bonds)	-29.4	0.0	0.0	0.0	-71.0	92.8
3-Money-creating banks	**5.3**	**-50.5**	**-1.7**	**-33.9**	**11.5**	**5.2**
III-OVERALL BALANCE	**2.5**	**-233.4**	**682.4**	**644.3**	**-73.7**	**-141.1**

Source: MINFI

5.2.5. Monthly payment balances for the first half of 2022

The monthly balance of payments covers all payments made during the month within the context of economic, financial and monetary transactions with the outside world. For the first six months of 2022, the cumulative current account deficit stands at 265.3billion against 544 billion for the same period in 2021.

Table 56: Monthly Balance of Payments in the First Half of 2022 (in billions)

Items	Jan.	Feb.	March	April	May	June	Jan.-June 2022	Jan.-June 2021	Variations 2021/2022
I- Current Balance	**-86.6**	**-302.4**	**35.9**	**95.3**	**-25.5**	**18.0**	**-265.3**	**-544**	**179.1**
Balance of goods	-52.5	-115.5	-7.2	45.3	-42.8	40.6	-132.1	-183.3	241.7
Balance of services	-35.2	-24.4	20.0	11.2	-1.4	-20.5	-50.3	-202.1	-49.4
Balance of primary income	-23.3	-183.2	5.4	3.7	0.9	-28	-224.5	-235.8	-4.1
Balance of secondary income	24.3	20.6	17.6	35.2	17.8	25.9	141.5	77.3	-9
II- External financing	**120.3**	**98.8**	**2.3**	**103.8**	**29.3**	**66.2**	**420.8**	**630.4**	**72.3**
I-Non-banking private sector	**87.5**	**16.7**	**-4.1**	**43.5**	**53.2**	**0.0**	**196.7**	**576.6**	**290.5**

Items	Jan.	Feb.	March	April	May	June	Jan.-June 2022	Jan.-June 2021	Variations 2021/2022
FDI	40.9	-2.0	-3.4	29.7	53.1	0.0	118.4	194.3	-158
Portfolio investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Net drawings	46.6	18.6	-0.7	13.7	0.0	0.0	78.3	382.3	448.5
2-Public administration	**-2.2**	**41.4**	**5.1**	**38.7**	**63.8**	**67.3**	**214.1**	**53.8**	**-93.2**
Project grants (including C2D)	0.1	0.2	0.0	0.0	0.0	0.0	0.3	19.7	9.1
Net drawings on bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Net drawings	-2.3	41.2	5.1	38.7	63.8	67.3	213.8	34.1	-102.3
3- Money-creating banks	**35.0**	**40.8**	**1.3**	**21.7**	**-87.6**	**-1.1**	**9.9**	**0**	**-125**
III- ERRORS AND OMISSIONS	**-0.6**	**4.9**	**0.6**	**1.6**	**-3.9**	**-1.3**	**1.4**	**-3.2**	**-9.6**
IV- OVERALL BALANCE	**33.0**	-198.7	**38.8**	**200.8**	**-81.8**	**82.9**	**75.0**	**83.2**	**241.8**
V-FINANCING THE BALANCE	**-33.0**	**198.7**	**-38.8**	**-200.8**	**81.8**	**-82.9**	**-75.0**	**-83.2**	**-241.8**

Source: MINFI

The balance of goods deficit narrowed to 132.1 billion from 183.3 billion in 2021. It accumulated throughout the first half of the year, with the exception of April and June, which show goods balances in surpluses of 45.3 billion and 40.6 billion, respectively. The services and primary income balances were in deficit for the first six months, with cumulative deficits of 50.3 billion and 224.5 billion, respectively. These deficits decreased year-on-year compared to the first half of 2021 by 151.8 billion and 11.3 billion, respectively.

Cumulative external financing over the period was in surplus by 420.8 billion, after 630.4 billion. They are composed of net inflows from the non-banking private sector (196.7 billion), the public sector (214.1 billion) and the banking sector (9.9 billion).

The various transactions carried out with the outside world produced a cumulative overall surplus of 75.0 billion, against 83.2 billion in the first half of 2021. This balance is the result of surpluses recorded in January (+33 billion), March (+38.8 billion), April (+200.8 billion) and June (+82.9 billion) and deficits in February (-198.7 billion) and May (-81.8 milliards).

CHAPTER 6: SOCIAL SECTOR

Cameroon's social development policy aims to strengthen human capital and well-being by improving health, education, employment and social participation indicators. Actions carried out in this direction focused on: (i) universalizing education and enhancing professionalization; (ii) improving the health of the population; (iii) promoting gender and empowering women; (iv) providing social security for vulnerable people; (v) promoting youth and employment; and (vi) developing low-cost housing.

In 2021, the social sectors were allocated 1 104.7 billion, up by 0.2% compared with 2020, accounting for 23.7% of the State budget. In 2022, 1 159 billion were allocated, representing an increase of 4.9%. Apart from social sector ministries, several government services devote part of their resources to social expenditure. It is also important to note that the Sate supports people in rural areas by providing drinking water and photovoltaic energy at subsidized prices. In addition, the various resources allocated by the State to social sectors are reinforced by multiple-faceted support from development partners.

6.1. Education

The objectives of the education system are: (i) providing access to quality education for all; (ii) adapting training and education to the socio-economic environment in order to build a skilled human resource base; and; (iii) promoting research and development. To achieve these objectives, the sector was allocated a budget of 677.2 billion in 2021, that is, 14.5% of the State budget. In 2022, the package stood at 747 billion, representing an increase of 69.8 billion.

The 2021/2022 school year was marked by the continued improvement of teachers' working conditions, notably through: (i) gradual payment of teachers' salary top-up still under the principle of 2/3 of the salary; (ii) gradual payment of housing allowances to teachers who do not yet receive it; (iii) settlement of outstanding debt in the form of arrears, to the tune of 3.5 billion per month; (iv) institution of a procedure for the rapid processing of absorption files, which made it possible to process 22 967 files by 30 June 2022; and (v) adoption of a protocol for the reception and digital archiving of files, extended to regional delegations.

6.1.1. Basic education

In 2021, basic education was allocated 232.7 billion, after 232.5 billion the previous year. The execution rate of the 2021 budget stood at 94.4%. The private sector received a subsidy of 2.5 billion, including 1.5 billion for primary education and 1 billion for preschool. Government's action in this sub-sector continued through: (i) the development of preschool; (ii) the universalization of primary education; (iii) literacy activities; and (iv) improvement of staff working environment and living conditions. In 2022, the allocated budget increased to 5.7% and stands at 245.9 billion.

6.1.1.1. Development of preschool

In 2021, the gross preschool enrolment rate, which is the ratio of the number of children enrolled in preschool to those of preschool age (between 3 and 5 years), was 38.4%, compared with 38.8% in 2020. Government's preschool development actions continued through: (i) the construction and equipment of 10 community preschool centres and 21 nursery blocks; (ii) the construction of 64 classrooms and 17 latrine blocks; (iii) the securing of nursery schools through the construction of 9 fences; (iv) the rehabilitation of 8 nursery schools; (v) provision of in-service training to 6 000 teachers and 150 facilitators; and (vi) psychosocial support to COVID-19-affected teachers and children. In addition, to sanitize the environment and protect children, teachers and management staff from COVID-19, Government provided support to some schools by disinfecting buildings and setting up a hand washing system (bucket, soap, hydro-alcoholic gel etc.).

6.1.1.2. Universalization of primary education

Universalization of the primary cycle is measured through two main indicators, namely: the net enrolment rate (the ratio between the number of new enrolments in the first year of primary school at the age of 6 and the total population of that age) and the completion rate of the primary cycle. During the 2020/20221 school year, the net admission rose from 70% in 2019/2020 to 71%. The primary cycle completion rate improved to 73.5% from 70.1% in 2019/2020.

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

As concerns increased provision of public primary education, actions focused on: (i) the construction of 896 classrooms and the rehabilitation of 324 others; (ii) the construction of 68 latrine blocks and 9 fences; (iii) the rehabilitation of 16 schools; (iv) the acquisition and distribution of 41 828 desks; (v) the recruitment de 3 000 new teachers; and (vii) the provision of 54 kits of specialized equipment to inclusive schools.

As concerns the girl child in particular, efforts to support their schooling focused on: (i) awarding 720 excellence scholarships to girls; (ii) distributing 2 000 000 hygiene kits to primary school girls; and (iii) training 1 220 primary school teachers in priority education areas to supervise the education of the girl child. The completion rate for girls in the last year of primary school increased from 67.2% in the 2019/2020 school year to 68.6% in the 2020/2021 school year. That for boys rose from 75% to 78.5%.

The quality of education in primary schools was improved, among other things, through: (i) the distribution of 73 066 textbooks on civics and citizenship to pupils in priority education areas; (ii) the training of teachers on the use of the new curricula and the teaching of national languages and cultures; (iii) the distribution of retention bonuses to 3 397 teachers; and (iv) the distribution of 2 972 613 essential school textbooks (English, French and Mathematics) by the Cameroon Education Reform Support Programme (CERSP) to Class 3 (CEI) and Class 4 (CEII) pupils.

6.1.1.3. Literacy

The objectives of the literacy programme are, amongst others, to: (i) increase the literate population; (ii) provide education and training opportunities for out-of-school children; and (iii) promote the speaking and writing of national languages. The aim is to give drop-out children or children not attending school the opportunity to continue their training in the formal system or to learn a trade. The percentage of children who did not complete primary school was 26.5% in 2021. They did not acquire all the basic skills required for sustainable and irreversible literacy. For 2020/2021, the functional literacy centres and the non-formal basic education centres registered 23 680 pupils.

3.1.1.4. Improving the working environment

The activities that contribute to improving staff working conditions were centred, among others, on: (i) the construction of 55 blocks of 2 housing units each for teachers in rural areas; (ii) the construction of 5 divisional delegations and 9 sub-divisional inspectorates, and (iii) the ongoing construction of the North-West regional delegation.

6.1.1.5. Review of the 2020/2021 school year and 2021/2022 results

During the 2020/2021 school year, basic education enrolled 5 296 476 pupils compared with 5 145 889 the previous year, representing a 2.9% increase. In preschool, enrolment rose from 567 181 to 564 891 pupils, taught by 29 195 teachers, giving an average pupil-teacher ratio of 19. There were 21 544 classrooms, with a ratio of 27 pupils per classroom, compared with 28 the previous year.

Table 57: Number of Functional Classrooms, Number of Pupils and Teachers in Preschool and Primary Education

Education level		2019/2020			2020/2021		
		Classrooms	Teachers	Pupils	Classrooms	Teachers	Pupils
Preschool	Government	5 668	10 185	174 809	6 216	10 394	170 886
	Private	14 290	17 947	377 199	14 889	18 187	374 095
	Community	352	548	15 173	439	614	19 910
	Total	**20 310**	**28 680**	**567 181**	**21 544**	**29 195**	**564 891**
Primary	Government	55 962	59 071	3 459 294	59 215	61,730	3 558 329
	Private	37 355	40 521	1 064 327	39 534	43,399	1 110 099
	Community	845	755	55 087	829	860	63 157
	Total	**94 162**	**100 347**	**4 578 708**	**99 578**	**105 989**	**4 731 585**

Source: MINEDUB

Primary education registered 4 731 585 pupils, up by 3.3% compared with the previous year. The number of teachers rose by 5.6% to 105 989. The pupil/teacher ratio reduced from 46 to 45 and the pupil/classroom ratio remained unchanged at 44.

The pupil/classroom ratio improved to 26 in 2020/2021 from 28 in 2019/2020. The pupil/teacher ratio reduced from 20 to 19.

Table 58: Pupil/Teacher and Pupil/Classroom Ratios in Preschool and Primary Education

Education level		2019/2020		2020/2021	
		Pupils/Teachers	Pupils/Classrooms	Pupils/Teachers	Pupils/Classrooms
Preschool	Government	17	31	16	30
	Private	21	26	21	25
	Community	28	41	32	45
	Total	**20**	**28**	**19**	**27**
Primary	Government	59	62	58	62
	Private	26	28	26	28
	Community	73	69	73	75
	Total	**46**	**44**	**45**	**44**

Source: MINEDUB

At the end of the 2021/2022 school year, the number of pupils who sat for the Certificat d'études primaires (CEP) examination was 311 454. The success rate for this examination was 87.5% compared with 79.4% the previous year. For the First School Leaving Certificate (FSLC) examination, 124 799 candidates sat and 119 705 passed, giving a pass rate of 95.9% compared with 90.4% for the 2021 session.

In view of providing a healthy school environment for a better education of children, Government closed down 326 non-compliant schools at the beginning of the 2022/2023 school year. The reasons for the closure include: (i) operating without authorization to found and/or open; (ii) no demarcation between primary and secondary; (iii) environment not conducive to school activity; (iv) lack of extension permit for the section different from the one in active use; and (v) operating in a borrowed site or schools housed in private homes.

6.1.2. Secondary education

In 2021, the budget allocated to the Ministry of Secondary Education amounted to 386.9 billion, down by 3% compared with 2020. The execution rate was 96.5% in 2021. Government policy in this area remained focused on: (i) developing school facilities and equipment; (ii) improving the quality of education and school life; (iii) intensifying professionalization and optimizing training. In 2022, the budget allocated to the Ministry of Secondary Education was 439.4 billion, up by 13.6%.

In the 2020/2021 school year, the number of secondary schools increased from 4 204 to 4 309, representing an increase of 2.5% compared with 2019/2020. In addition, for the 2022/2023 academic year, 117 private secondary schools were closed for violation of founding, opening and operation formalities.

Table 59: Trends in the Number of Secondary Schools

Category	Types	2019/2020	2020/2021
Government	General secondary education	1 930	1 947
	Technical vocational secondary education	760	769
	Comprehensive	1	1
	ENIEG (Government Grade II Teacher Training College)	62	62
	ENIET (Technical Education Grade II Teacher Training School)	11	11
	Total number of Government schools	**2 764**	**2 790**
Private	General Secondary Education	885	949
	Technical vocational secondary education	61	66
	Comprehensive	390	406
	ENIEG(Government Grade II Teacher Training College)	91	86
	ENIET (Technical Education Grade II Teacher Training School)	10	8
	ENIEG (Government Grade II Teacher Training College)	2	2
	GBTTC	1	2
	Total number of private schools	**1 440**	**1 519**
Total		**4 204**	**4 309**

Source: MINESEC

6.1.2.1. Development of school facilities and equipment

In 2021, activities aimed at increasing school facilities included: (i) the construction of a one-storey administrative block at Government Bilingual Technical High School Limbe and two workshops for professional practice at Dziguilao and Bafemgha GTCs; (ii) the construction of 33 blocks of two classrooms and 27 blocks of three classrooms in several schools; (iii) the rehabilitation of school facilities in three schools (Government High School Ngoa-Ekelle, Government High School Nkozoa and Government High School Badjouma); (iv) the construction and equipment of Government Technical High Schools Nsam, Maroua and Ombe under the Technical Secondary Education Project (PEST); and (v) the 60% completion of construction projects for Government Technical and Vocational Agricultural High Schools of Yagoua and Lagdo.

6.1.2.2. Improvement of education quality and school life

In 2021, the improvement of education quality and life in schools continued, in particular with: (i) the production and implementation of a technical education training guide and the production of 44 teaching guides; (ii) capacity building for pedagogic inspectors and teachers on the Competency Based Approach (CBA) teaching method; (iii) the equipment of 95 schools with video surveillance systems; and (iv) the training of 395 mathematics teachers at the African Institute of Mathematical Sciences (AIMS).

6.1.2.3. Intensified professionalization and optimization of training

In 2021, actions to intensify professionalization and optimize training continued through: (i) in-company training for 700 technical secondary school teachers; (ii) sandwich training of 40 000 technical secondary school students; (iii) equipping laboratories for the information technology series in Government Bilingual High Schools of Bamenda, Kumbo and Buea; (iv) equipping the laboratories of the cinematographic arts series at the Government Bilingual High School Buea and Lycée Général Leclerc of Yaounde as well as that of the forestry management techniques speciality at Government Technical High School Mbalmayo.

In addition, to ensure the continuity of lectures during emergency situations, Government plans to promote digitalization by providing schools with digital centres. To this end, 3 439 lessons were recorded and put online.

6.1.2.4. Review of the 2020/2021 school year and results of 2021/2022 School year

In the 2020/2021 school year, general secondary education enrolled 1 545 373 students taught by 64 661 teachers, in 43 363 classrooms. Technical and vocational education registered 373 551 students taught by 28 302 teachers, in 11 217 classrooms. Enrolment in teacher training schools stood at 17 306 trainees for 1 030 classrooms, taught by 3 140 teachers.

Table 60: Number of Pupils, Teachers and Classrooms in Secondary Education

<table>
<tr><th rowspan="2" colspan="2">Branch of education</th><th rowspan="2">Type of Teaching</th><th colspan="3">2019/2020</th><th colspan="3">2020/2021</th></tr>
<tr><th>Classrooms</th><th>Teachers</th><th>Pupils</th><th>Classrooms</th><th>Teachers</th><th>Pupils</th></tr>
<tr><td rowspan="3" colspan="2">General secondary</td><td>Government</td><td>25 557</td><td>46 094</td><td>1 075 079</td><td>24 745</td><td>47 425</td><td>1 075 455</td></tr>
<tr><td>Private</td><td>19 164</td><td>16 057</td><td>440 084</td><td>18 618</td><td>17 236</td><td>469 918</td></tr>
<tr><td>Total</td><td>44 721</td><td>62 151</td><td>1 515 163</td><td>43 363</td><td>64 661</td><td>1 545 373</td></tr>
<tr><td rowspan="3" colspan="2">Technical and Vocational</td><td>Government</td><td>9 330</td><td>29 878</td><td>279 967</td><td>8 273</td><td>27 748</td><td>297 920</td></tr>
<tr><td>Private</td><td>2 886</td><td>359</td><td>71 453</td><td>2 944</td><td>554</td><td>75 631</td></tr>
<tr><td>Total</td><td>12 216</td><td>30 237</td><td>351 420</td><td>11 217</td><td>28 302</td><td>373 551</td></tr>
<tr><td rowspan="6">Teacher training</td><td rowspan="3">ENIEG</td><td>Government</td><td>456</td><td>1 943</td><td>9 386</td><td>504</td><td>2 027</td><td>9 986</td></tr>
<tr><td>Private</td><td>376</td><td>338</td><td>2 278</td><td>268</td><td>354</td><td>2 442</td></tr>
<tr><td>Total</td><td>832</td><td>2 281</td><td>11 664</td><td>772</td><td>2 381</td><td>12 428</td></tr>
<tr><td rowspan="3">ENIET</td><td>Government</td><td>156</td><td>701</td><td>3 927</td><td>152</td><td>695</td><td>4 602</td></tr>
<tr><td>Private</td><td>71</td><td>80</td><td>214</td><td>106</td><td>64</td><td>276</td></tr>
<tr><td>Total</td><td>227</td><td>781</td><td>4 141</td><td>258</td><td>759</td><td>4 878</td></tr>
</table>

Source: MINESEC

Success rates for the 2022 examinations improved for the GCE Board and Office du Baccalauréat du Cameroun (OBC) examinations. Conversely, success rates declined for examinations administered by the Department of Examinations, Competitive Examinations and Certification (DECC).

For the GCE Board examinations, 167 977 candidates sat for the 2022 session and 114 925 passed. At the GCE General Ordinary Level, 84 497 candidates registered and 56 621 were successful, giving a success rate of 67% compared with 59.1% the previous year. For the GCE General Advanced Level, 61 553 candidates sat and the success rate was 69.5%, compared with 61.9% the previous year. For the technical examinations in the English subsystem, the success rate at the Technical and Vocational Education (TVE) Intermediate Level rose from 58.8% to 66.2%, while the success rate for the TVE Advanced Level rose from 71.6% to 78.3%.

For the 2022 session of the Office du Baccalauréat, 89 522 of the 135 082 candidates who registered for the general secondary education baccalauréat were declared successful, giving a success rate of 66.3% compared with 73.6% at the previous year. The probatoire examination for general secondary education registered 203 794 candidates and the success rate was 42.9% compared with 39.9% the previous year. As for the technical education examinations, 10 572 candidates sat for the commercial Probatoire Sciences et technologies de tertiaire- STT and the success rate was 62.6%, an increase of 2.5 points compared with the previous year. For the Baccalauréat Commercial STT examinations, 10 255 candidates sat and the success rate was 68.4% compared with 73.5% the previous year.

Concerning examinations under the DECC, 200 571 candidates sat for the ordinary BEPC and the success rate was 66.9% compared with 74.4% the previous year. The BEPC Bilingual Ordinary registered 3 038 candidates and the success rate was 86.1%, down by 4.3 points compared with the previous year. For the CAP industriel examinations, 31 181 candidates sat and the success rate was 77.6% compared with 79.2%. In the teacher training examinations, the CAPIET registered 2 072 candidates and the success rate was 90.1%, compared with 88.8% the previous year. The number of candidates registered for the CAPIEMP examination was 5 979 and the success rate was 96.4%, representing an increase of 3.8 points.

Table 61: Success Rate in Official Secondary School Examinations (in %)

Examinations	2021	2022	Absolute variation	Number of candidates presented in 2022
Ordinary BEPC	74.4	66.9	-7.5	200 571
Bilingual BEPC	90.4	86.1	-4.3	3 038
CAP Industriel	79.2	77.6	-1.6	31 181
CAP STT	64.7	54.5	-10.2	13 301
CAPIEMP	92.6	96.4	3.8	5 979
CAPIET	88.8	90.1	-9.2	2 072
GCE-General Ordinary Level	59.1	67	7.9	84 497
GCE-General Advanced Level	61.9	69.5	7.6	61 553
GCE-Technical and Vocational Education Intermediate Level (TVE intermediate)	58.8	66.2	7.4	13 425
GCE-Technical and Vocational Education Advanced Level (TVE Advanced)	71.6	78.3	6.7	8 502
BAC-ESG	73.6	66.3	-7.3	135 082
BAC-EST industriel	86.1	69.8	-16.3	1 812
Brevet de Tchnicien Industriel	82.7	76.3	-6.4	11 694
Brevet Professionnel C	76.4	81.6	5.2	266
BAC-STT commercial	73.5	68 ,4	-5.1	10 255
Brevet de Technicien STT	75.9	75.7	-0.2	4 682
Brevet Professionnel Commerciaux	46.7	88.2	41.5	17
PROB-ESG	49.9	42.9	-7	203 794
PROB-EST industriel	47.1	63	15.9	3 955
PROB de Brevet de Technicien Industriel	72.5	68.8	-3.7	12 494
PROB-STT Commercial	60.1	62.6	2.5	10 572
PROB de Brevet de Technicien STT	75.8	80.2	4.4	4 697

Sources: OBC, DECC, GCE-BOARD

6.1.3. Higher education

In 2021, higher education was allocated 57.5 billion, down by 8.9% compared with the previous year. In addition, 42.4 billion was allocated to State universities, including 32.5 billion for recurrent expenditures and 9.9 billion for investment. Own resources generated by universities were estimated at 37.9 billion. In 2022, the allocated budget increased by 4.2 billion to stand at 61.7 billion. It accounts for 8.5% of the education sector budget.

Following Decree No. 2022/003 of 5 January 2022 to set up the universities of Bertoua in the East, Ebolowa in the South and Garoua in the North, Cameroon's university landscape was enriched by three new universities, bringing the total number of State universities to 11. The three towns concerned are already home to campuses of universities in other regions. Such is the case with Bertoua, where there is an annex of the Faculty of Law and Political Science of the University of Yaounde II and a Higher Teacher Training College since 2018. In Garoua, there are annexes of the Faculty of Medicine and Biomedical Sciences and the Faculty of Law and Political Science of the University of Ngaoundere. As for Ebolowa, it has the annexes of the Faculty of Agronomy and Agricultural Sciences of the University of Dschang and the Faculty of Law and Political Sciences of the University of Yaounde II.

In 2021, the overall enrolment rate in university education stood at 12.7%, down by 0.3 percentage point compared with the previous year. Government policy in this level of education is aimed at increasing higher education opportunities for professionalization. Programmes to increase opportunities in this area include: (i) developing the technology and vocational training component, and (ii) modernizing conventional faculties.

6.1.3.1. Development of the technology and vocational training component

In 2021, there was a total of 97 public higher education institutions and 339 private higher education institutions (IPES). Of the public higher education institutions, 53 were technology and vocational training institutions while 44 were traditional faculties. The higher education sub-sector produced 91 366 graduates, including 56 939 from State universities, 34 166 from IPESs and 261 from special status institutions (ISP).

In State universities, 72.3% of the graduates are in the traditional fields and 27.7% in the professional fields. In the IPES sector, 72.5% of graduates obtained the BTS and 27.5%, the Higher National Diploma (HND) while 12.4% obtained professional bachelor's degrees.

Actions to improve facilities focused amongst others, on: (i) the construction of a teaching block of two workshops at the IUT of Bandjoun; (ii) the completion of architectural and geotechnical studies for the construction of HTTC Bertoua, HTTTC Ebolowa and the FMBS of Garoua; (iii) the construction of a 1 200-seat teaching block at the University of Douala; and (iv) the start of extension of the medical and social centre and the rehabilitation of Amphi 500 at the University of Yaounde II.

6.1.3.2. Modernization and professionalization of faculties

Actions in this area concerned in particular: (i) completing and equipping 10 university digital development centres; (ii) constructing the teaching block at the Faculty of Arts, Letters and Human Sciences of the University of Ngaoundere; (iii) strengthening the university and vocational information and guidance system by guiding 15 000 students into accredited courses; (iv) revising and harmonizing the curricula for Fisheries Science and Veterinary Medicine; and (v) recruiting 549 lecturers as part of the project for the recruitment of 2 000 lecturers.

6.1.3.3. Review of the 2020/2021 academic year

During the 2020/2021 academic year, Cameroon had 41 technology and vocational training institutions and 33 faculty institutions. These institutions are spread over the eight State universities and the Cameroon-Congo Inter-State University. In the private sector, there were 339 IPES, with 126 in the Centre Region and 90 in the Littoral Region.

The number of lecturers in State universities increased from 6 402 in 2020 to 6 461 in 2021, i.e. an increase of 0.9%. In addition, 549 lecturers were recruited in 2021 under the special recruitment of 2 000 higher education lecturers instructed by the Head of State. The number of students rose by 9.2% to 404 476, with 321 456 in State universities. Cameroon hosted 13 236 foreign students in the 2020/2021 academic year, with 11 976 from Chad. In addition, 496 Cameroonian students were awarded scholarships to study abroad.

Table 62: Distribution of Students and Lecturers in Higher Education

Universities/Institutions	2018		2019		2020		2021*	
	Students	Lecturers	Students	Lecturers	Students	Lecturers	Students	Lecturers
University of Bamenda	16 294	659	16 365	779	15024	833	14 695	891
University of Buea	17 896	584	16 891	652	26 934	728	34 887	814
University of Douala	49 543	758	45 965	1 109	55 188	1 060	66 637	1 016
University of Dschang	29 817	670	37 727	575	40 029	640	38 154	513
University of Maroua	23 741	508	32 419	607	29 119	660	27 053	657
University of Ngaoundere	24 101	640	29 585	663	35 126	692	41 997	686
University of Yaounde I	58 617	953	56 340	953	64 400	1 156	61 004	1 204
University of Yaounde II	49 500	477	52 317	590	32 883	633	37 029	680
State Universities Total								
Special status institutions	2 966		3 614		2 725		2 073	
IPES	51 197		59 275		69 048		80 947	
General Total	**323 672**	**5 249**	**350 498**	**5 928**	**370 476**	**6 402**	**404 476**	**6 461**

Source: MINESUP, * Provisional data

6.2. Health

In 2021, a budget of 197.1 billion was allocated to the Ministry of Public Health, excluding COVID-19 SAA, that is. an increase of 4.4% compared with 2020. The allocation for the fight against the COVID-19 pandemic increased to 200 billion from 180 billion in 2020. However, it should be noted that the level of resources allocated to the health function was higher because this function was also performed by other Ministries. In 2022, the Ministry of Public Health was allocated 207.2 billion, an increase of 5.1%. The COVID-19 SAA was allocated 50 billion included in the Amending Law.

Box 2: Universal Health Coverage

Universal Health Coverage (UHC) is target 8 of Sustainable Development Goal (SDG) 3 and is defined by WHO as a situation where all individuals and communities have access to the health services they need without facing financial hardship. It encompasses the full range of essential quality health services, from health promotion, prevention, treatment and rehabilitation to palliative care. Evaluation of the implementation of UHC in Cameroon involves the monitoring of indicators relating to each of its dimensions, namely: (i) coverage of essential health services; (ii) protection against financial risk and; (iii) the population covered.

UHC is one of the targets that countries of the world set when adopting the SDGs in 2015. Countries reaffirmed this commitment at the United Nations General Assembly high-level meeting on UHC in 2019. To honour this commitment, Government took several actions, in particular: (i) the creation of an inter-sector **National Technical Group (NTG)** ***in 2015 with the main mission of leading the process and making proposals on the various aspects of UHC; (ii) the adoption of*** **two essential care baskets** ***and a*** **fee schedule** ***in 2017 for the said***

healthcare; (iii) the validation in 2018 of the **methodology for registering and affiliating** *UHC beneficiaries and identification of* **targets representing vulnerable groups** *(children aged 0 to 15 years, pregnant women and patients exposed to tuberculosis, cancer or HIV-AIDS); (iv) the designation of* **New Tech Management Cameroon**, *by the Prime Minister, Head of Government on 16 June 2020, as successful bidder for the Public-Private Partnership Contract for the "Project for the financing, design, construction, operation, equipment and maintenance of the UHC management system in Cameroon"; (v) the presentation of the* **UHC software** *by Santé Universelle Cameroun S. A (SUCAM) which is the body responsible, among other things, for managing the commercial and financial operations, collecting social contributions from the informal sector, pooling funds devoted to the management of UHC, ensuring medical control and paying the invoices of approved service providers; and (vi) the presentation of the* **UHC Development Strategy** *and the* **Health Financing Strategy**.

As part of implementation of UHC, several mechanisms were adopted, including the **health voucher** *and enrolment centres. The health voucher has been implemented since 2015 in the North with the aim of reducing the economic barriers to obtaining care and improving the quality of care, through a system of purchasing services at low costs. It was available at 6 000 CFA francs for pregnant women. In the Far-North, 139 317 pregnant women were enrolled in the health scheme from June 2015 to March 2022. As for enrolment centres, 43 were opened in all 10 regions. They are used to register target beneficiaries.*

The drive towards UHC faces a number of challenges including **funding and health human resources**. *Indeed, the NTG estimated the amount of UHC funding at 1 377 billion, with 995 billion to be borne by Government, 357 billion by the population and 25 billion by partners. In addition, MINSANTE estimated a need for 63 000 health personnel in 2021, including 3 000 specialized doctors, 3 000 general practitioners, 35 000 nurses and 22 000 other health personnel. To address these difficulties, several recommendations were made, including: (i) increasing public financing through tax reforms and prioritizing health budget allocation; (ii) monitoring cost-free and subsidy policies, (iii) exploring innovative financing mechanisms (taxes on tobacco, spirits, wine and beer, sanitation) for the health sector and; (iv) training existing staff and recruiting quality staff.*

A UHC pilot phase is expected to start in 2023. It will be launched for the three northern regions, the East and the South with emphasis on pregnant women and children aged 0-5 years, following a care basket targeting the main recurrent affections and causes of infant mortality. This phase is a test of the UHC management system in all its components, to facilitate the implementation of UHC.

Government continues to implement actions aimed at providing healthcare to the population, particularly in the following areas: (i) maternal, child and adolescent health; (ii) epidemiological surveillance; and (iii) disease control and health promotion.

6.2.1. Mother and child health and immunization coverage

The Ministry of Public Health improved mother and child health and vaccination coverage thus reducing maternal, infant and child mortality, and increased the number of pregnant women who are monitored and who receive care in health facilities.

6.2.1.1. Mother and child health

In 2021, the number of live births registered in health facilities stood at 965 643, against 943 797 in 2020, i.e. an increase of 2.8%. Within the framework of the health voucher (HV), 470 health facilities were accredited. In addition, several actions were carried out, including: (i) 64 862 ultrasounds, 154 909 post-natal consultations for new-borns, 153 032 post-natal consultations for mothers and 3 070 caesarean sections; (ii) capacity building for 50 central trainers on new-born care; and (iii) the purchase and distribution of 100 neonatal reanimation kits and incubators.

To ensure better nutrition for children, the fight against malnutrition and stunting was carried out in the northern regions and in the East through: (i) vitamin A supplementation and deworming of 4 741 001 children aged between 6 and 59 months; (ii) awareness-raising during home visits to 51 000 families on infant and under-five feeding; (iii) treatment of 87 125 malnourished children in 67 health districts in the northern and East regions, with a recovery rate of 75%; and (iv) administration of micronutrient powders to 44 455 children aged between 6 and 23 months through the home fortification operation. In addition, 60 health district staff were trained in the integrated management of acute malnutrition, including 28 in Bertoua in the therapeutic nutrition centres and 32 in Moloundou in the outpatient nutrition centres for severe acute malnutrition.

Sickle cell screening was carried out during the celebration of International Sickle Cell Day, together with all stakeholders, namely civil society and development partners. Thus, haemoglobin electrophoresis tests were conducted on 4 076 new-borns suspected of suffering from sickle cell anaemia. Of these, 1 518 new-borns were found to be carriers of the S antigen, including 17% of them with haemoglobin SS.

6.2.1.2. Mother and child immunization coverage

Mother and child immunization was carried out mainly under the Expanded Programme on Immunization (EPI). In 2021, out of a total of 5 768 health facilities listed by the health information unit, 5 253 provided vaccination under the EPI. Vaccination coverage for some of the tracer antigens improved compared with 2020, from: (i) 80.7% to 81% for penta3; (ii) 80.1% to 83% for Rota 2; (iii) 28% to 33% for RR2; and (iv) 14.6% to 18.2% for HPV. These improvements are attributed, among others, to: (i) Government supply of vaccines to health facilities, despite disruptions in supply chains; (ii) the strengthening of routine immunization in crisis areas; and (iii) the continued improvement of the cold chain and maintenance of rolling stock. Conversely, the vaccination coverage rate deteriorated for the tracer antigens RR1 (74% in 2021 compared with 74.1% in 2020), BCG (80.3% compared with 83.7%), VAA (70% compared with 73.1%) and VPI (80 compared with 80.9%). This deterioration is attributable to the BCG vaccine stock out in the first quarter of 2021 and the non-implementation of the vaccine response to the yellow fever and measles epidemics.

In the first half of 2022 and year-on-year, cumulative Penta3 vaccination coverage dropped to 74.8% from 77.6%. Conversely, national BCG coverage increased to 77% from 74.8% and RR1 coverage increased to 72.5% from 45.8%.

Table 63: Immunization Coverage Trends (in %)

Antigens	2017	2018	2019	2020	2021
Penta3	86	79	78.2	80.7	81
RR1	77	71	71	74.1	74
RR2				28	33
VAT+2	72			62	73
VAA	78	74	70.7	73.1	70
BCG	91	88	83	83.7	80.3
VPI	76	78	77	80.9	80
Rota2	83	78	78	80.1	83
VPH				14.6	18.2
Ist COVID-19 dosage					6.01
2nd COVID-19 dose					1.3
Fully vaccinated COVID-19					4.7

Source: MINSANTE N.B: RR = anti-measles; VAT2+= tetanus vaccine for pregnant women; AAV = anti-Amaril vaccine (yellow fever); Penta3=combination of several antigens (Hepatitis B-Hib-DTP3); IPV = anti-polio; Rota2= anti-rotavirus.

6.2.1.3. Medically assisted reproduction

In 2015, to help women with conception difficulties, the Hospital Centre for Research and Application in Endoscopic Surgery and Human Reproduction (CHRACERH) implemented, in addition to conducting its research activities, high-level health care in the fields of gynaecology and obstetrics. From 2015 to September 2022, there were 330 children born through assisted reproduction. CHRACERH aims to increase the number of children born with this technology to 500 by 2025.

In the first half of 2022, the practice of MAR was regulated by Law No. 2022/014 of 14 July 2022 relating to medically assisted reproduction in Cameroon, adopted by Parliament during the June session. The Law states amongst others that: (i) medically assisted reproduction (MAR) is only open to heterosexual couples, aged between 21 and 55 for women, and no age limit for men; (ii) persons seeking MAR must be married, and where they are not married, their cohabitation must be attested by a social investigation report whose details shall be specified by regulation; (iii) MAR activities can only be carried out in approved health facilities, under conditions laid down by regulatory instrument.

6.2.2. Epidemiological surveillance, disease controland health promotion

In 2021, epidemiological surveillance helped to detect: (i) 741 cases of acute flaccid paralysis (AFP) compared with 604 cases in 2020; (ii) 1 486 cases of measles compared with 1 460 cases in 2020; (iii) 1 391 cases of yellow fever compared with 1 141 cases; (iv) 31 cases of neonatal maternal tetanus compared with 13 cases; and(v) 4 cases of vaccine-derived polio virus compared with 16 cases. The annual non-polio AFP rate (NPAPR) for children under 15 years of age was 6.4 per 100 000 children compared with 5.3 in 2020. The rate for non-measles febrile rash was 2.9 per 100 000 populations compared with 2.2 in 2020. For yellow fever, the rate was 5 per 100 000 inhabitants compared with 4.4 in 2020. To curb the spread of measles, local responses were implemented in 21 of the 31 health districts concerned, including Yokadouma, Djoungolo and Maroua 3.

During the national immunization days, 262 468 children aged 0-59 months received bivalent oral polio vaccine (BOPV), 4 741,001 children aged 6-59 months received vitamin A supplementation and 4 100 134 doses of Albendazole were administered to children aged 12-

59 months. To strengthen integrated surveillance against neglected tropical diseases (leprosy, Buruli ulcer, yaws and leishmaniasis, etc.), 48 trainers/supervisors, 366 health workers and 1 805 community health workers were trained on rapid screening and management methods.

In the first half of 2022 and year-on-year, epidemiological surveillance resulted in the notification of: (i) 398 cases of Acute Flaccid Paralysis compared with 343 cases a year earlier; (ii) 705 cases of measles compared with 705 cases a year earlier; (iii) 810 cases of yellow fever compared with 580 cases a year earlier and; (iv) 14 cases of neonatal maternal tetanus compared with 9 cases a year earlier. The annual non-polio AFP rate was 6.6 per 100 000 children under 15 years of age while the measles rate was 7.6 per 100 000 children under 5 years of age. The rate of non-measles febrile rash was 4.5 per 100 000 inhabitants. In addition, epidemics were recorded in several regions and response campaigns were conducted in the health districts of Yoko, Bafia and Ntui for measles, as well as Foumbot, Malentouen and Ngaoundere for yellow fever.

6.2.3. Disease control and health promotion

6.2.3.1. COVID-19

At end 2021, the epidemiological situation of COVID-19 showed 109 666 confirmed cases of infection since the beginning of the pandemic, including 106 108 cured and 1 853 deaths. There were 3 756 infected health workers with 57 deaths, and 580 pregnant women with 7 deaths. The Centre, Littoral and West Regions were the most affected.

With the emergence of the delta variant in September 2021, characterized by a higher case fatality rate due to its dangerousness, out of the 21 753 recorded cases of this variant, 426 deaths were recorded, giving a case fatality rate of 2%. For its management, the number of functional laboratories for Polymerase Chain Reaction (PCR) diagnosis of the virus increased to 24 from 19 in 2020. Equipment in all health facilities dedicated to the care of COVID-19 patients was upgraded to improve the provision of respiratory care services.

To prevent the disease and mitigate its effects, the COVID-19 vaccination policy was rolled out to people aged 18 and above, with health workers, people with underlying medical conditions and people aged 50 and over as priority targets. The country received a total of 3 344 150 doses of COVID-19 vaccines, including 589 600 doses of Astra Zeneca, 1 200 600 doses of Sinopharm, 1 401 850 doses of Johnson and Johnson and 152 100 doses of Pfizer. The vaccination campaigns resulted in 871 587 people receiving at least one dose of vaccine, of which 696 493 were fully vaccinated.

As at 3 July 2022, there were 120 197 confirmed cases of COVID-19, including 4 476 health personnel. A total of 118 210 people were cured (98.3%), 1 931 died, including 61 health workers. In addition, 1 529 809 people received at least one dose of vaccine or 11.1% of the target population.

As part of the response to the COVID-19 pandemic, the EPI received special funding of 1 192 million from Government for the implementation of COVID-19 vaccination-related activities.

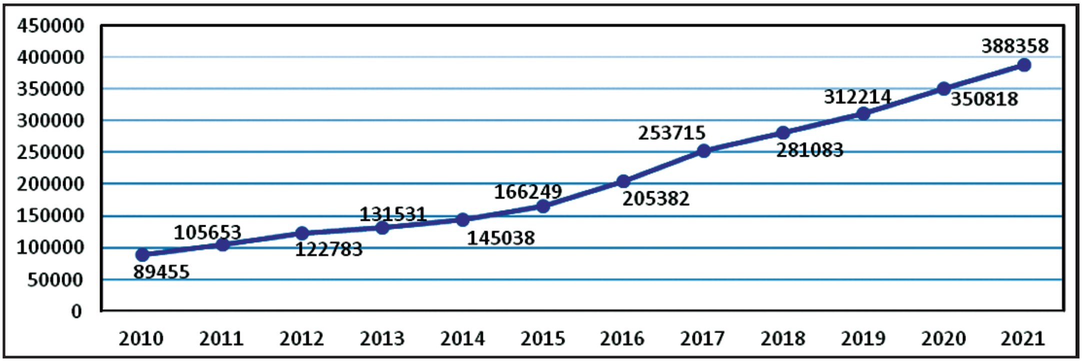
6.2.3.2. AIDS

According to UNAIDS estimates, in 2021, the number of people living with HIV/AIDS in Cameroon rose from 496 506 to 499 330, representing an increase of 0.5%. There were 33 085 children under 15 (6.7%) and 332 354 women (66.9%). The number of HIV/AIDS-related deaths stood at 12 604, down by 10.9% compared with 2020, owing to enhanced patient care. The estimated HIV/AIDS prevalence rate is 2.13%.

The HIV/AIDS control policy continued, in particular with the ongoing diagnosis, care and treatment of the disease in all health facilities. In the context of diagnosis and care, of the 499 330 people estimated to be HIV positive, 469 783 (94.1%) know their HIV status, including 388 358 (82.7%) on ARV treatment in the active file. In addition, 241 613 (62.2%) patients completed the viral load test, including 227 429 patients with a viral suppression of 94.1%.

Concerning prevention, 3 479 989 persons tested HIV positive/AIDS, amongst whom 92 829 were declared HIV/AIDS positive. Of the 869 313 pregnant women seen at the first prenatal consultation, 824 243 were tested for HIV/AIDS, of whom 19 081 were found to be HIV positive, giving a seropositivity rate of 2.3%, and 17 304 were put on ARV treatment.

Graph 22: Trends in the Active File of People on ARV Treatment



Source: MINSANTE

6.2.3.3. Cholera

In 2021, cholera outbreaks were recorded between October and December in the Littoral, South, South-West and Centre Regions, impacting 10 health districts. There were 499 confirmed cases, with 18 deaths, giving a 3.6% death rate. Local response policies implemented by the Ministry of Public Health centred amongst others on: (i) deploying rapid response medical teams with rapid diagnosis test and sample transportation facilities; (ii) setting up an intensive treatment unit in the Bamusso health centre, equipped with 14 beds and providing guidelines for the treatment of the disease; (iii) the distribution of anti-cholera kits to health units for the free treatment of patients; and (iv) installation of oral rehydration points in the Bakassi health district.

Measures embarked on to curb the spread of the disease include: the administration of oral cholera vaccine, improvement of water supply and hygiene to mitigate the effects of the disease and ease prevention in identified high risk areas.

According to Cameroon's Epidemiological Bulletin published by the Ministry of Public Health, as at 3rd July 2022, 9 084 suspected cases of cholera had been identified in the Centre, Littoral, North, West, Far-North, South-West and South Regions. Viral culture was run and out of these, 790 came out positive. The death rate was 1.75% with 159 recorded deaths. The highest number of positive cases were recorded in the South-West and Littoral Regions with 613 and 108 for 71 and 78 deaths respectively. An immunization campaign in response to the outbreak was launched in the Littoral, South and South-West Regions and enabled 727 847 persons to be immunized on a target of 821 589, that is, 88.59% immunization coverage.

6.2.3.4. Malaria

The number of malaria cases recorded for 2021 stands at 3 069 521, including 1 657 159 cases of simple malaria and 1 412 362 cases of severe malaria. Incidence of the disease stood at 113.4 per 1000 inhabitants. The East Region was most hit by malaria (180 cases per 1000 inhabitants), followed by Adamawa (136.1%0), Centre (122%0), North (121%0) and Far-North (119%0). With 353 389 diagnosed cases, the Centre Region recorded the highest number of simple malaria cases, followed by the Far-North with 344 858 cases and Littoral 188 197. The highest number of severe malaria cases were recorded in the Far-North (260 206), Centre (252 662), North (196 850) and Littoral (195 072). Up to 996 582 under-five children were malaria-infected, with 524 409 cases of simple malaria and 472 173 cases of severe malaria. The mortality rate within this age group stood at 41.7%. Altogether 3 782 died of malaria in health facilities, and 68.8% of them were under-five children. During prenatal consultations, 235 322 positive malaria cases were identified out of the 772 783 women who came for consultation.

Regarding disease prevention, 1 850 152 doses of the malaria intermittent preventive treatment (IPT) were distributed. Out of the 772 783 pregnant women who went for their first prenatal consultation, 50.8% were administered 3 doses of the intermittent preventive treatment and 87.1% received long-lasting insecticidal nets (LLINs). In the South-West Region, 338 868 LLINs were given out during a mass distribution campaign. To prevent seasonal malaria in the North and Far-North, 7 847 000 doses of Sulfadoxine-Pyriméthamine + Amodiaquine (SPAQ) were purchased and distributed, including 1 284 000 doses of SPAQ 1 for children between 3 and 11 months and 6 563 000 doses of SPAQ 2 to children between 12 and 59 months.

For malaria diagnosis in health facilities, 4 512 640 parasitology tests were performed, including 3 007 651 rapid diagnostic tests and 1 505 989 thick smear, with a positivity rate of 66.3% and 71.4% respectively. Concerning malaria treatment, 1 760 836 ACT doses were supplied, including 2 364 760 doses of 60 mg injectable artesunate and 56 734 boxes of 2 suppository.

During the first half of 2022, 1 339 127 cases of malaria were confirmed for an incidence of 97 per 1000 inhabitants. Regarding prevention, 3 798 291 LLINs were distributed in homes during the first phase of a door-to-door campaign in the Adamawa, Far-North and North Regions, recording an execution rate of 68.4% of the semester’s target. Similarly, 289 641 LLINs were distributed in health facilities to pregnant women and under-five children. Besides, out of the 373 632 pregnant women who went for prenatal consultation, 207 307 pregnant women received 3 doses of the intermittent preventive treatment of Sulfadoxine Pyrimethamine (SP), that is, a 55.5% execution rate.

6.2.3.5. Tuberculosis

In 2021, 22 838 cases of various forms of tuberculosis (TB) were recorded, including 22 698 cases of uncomplicated tuberculosis and 140 cases of multi-drug resistant (MDR-TB). Children aged below 15 years accounted for 5.7% of tuberculosis cases. They have been receiving treatment in the 306 diagnosis confirmation and treatment centres throughout the country for an 86% successful treatment rate. Of the various tuberculosis cases screened for

HIV, 4 466 appeared to be co-infected (TB/HIV) with HIV and 4 422 were placed on ARV treatment. Also, 78.4% of the 140 multi-drug resistant cases recorded in 2021 have started receiving second-line treatment.

During the first half of 2022, 11 752 cases of tuberculosis were signalled, including 55 multi-drug resistant cases. The number of children and teenagers infected was 509. Out of the 55 multi-drug resistant cases reported, 48 have begun receiving second-line treatment. Out of the 10 757 cases of various forms of tuberculosis screened for HIV, 1 936 were TB/HIV co-infected and 1 858 are receiving ARV treatment.

6.2.3.6. River blindness and elephantiasis

In 2021, the population at risk was 9 731 396 inhabitants. Care is provided to 7 936 062 cases, giving a successful treatment rate of 81.6%.

In the fight against these diseases, 177 endemic health districts were setup for river blindness and 137 for elephantiasis. Health care strategy adopted for this disease is the community-directed treatment with ivermectin. This is the mass and free distribution of ivermectin and albendazole with the assistance of community leaders. Thus, 22 102 000 tablets of mectizan were distributed in the 5 river blindness endemic regions. Moreover, 1 579 medical personnel and 39 145 community distributors were trained/retrained on the management of the diseases.

6.2.3.7. Leprosy, yaws and buruli ulcer

Leprosy, yaws and buruli ulcer are some of the 13 “neglected tropical diseases” in Cameroon. Leprosy and yaws occur in all the regions while buruli ulcer occurs in the Adamawa, Centre, East, South and South-West Regions. Enhanced integrated monitoring of neglected tropical diseases continued in 2021 with the training of 48 trainers/supervisors, 366 health personnel and 1 805 community and 20 district health workers on the screening and management of these diseases.

In 2021, there were 970 cases of yaws, including 216 new cases identified and which received free treatment. During the mass treatment campaign against yaws with Azithromicine in 10 health districts on the Cameroonian side of the Congo Basin, 1 422 846 tablets of Azithromicine 500 mg were made available to health districts. This enabled the management of 549 194 persons out of a target population of 549 430, for a treatment rate of 92.4%. As for the buruli ulcer, 325 cases were identified and received free treatment, while 241 cases of leprosy were reported, with 50 new cases that received treatment.

6.2.3.8. Cancer

In 2021, 2 796 patients were diagnosed in the main pathology and hemato-oncology centres of Cameroon, including 261 patients suffering from leukaemia, 70 patients from lymphoproliferative blood disease and 2 465 from other malignant tumours. Women accounted for 65% of patients suffering from cancer as against 35% for men. The mean age for the appearance of the disease is 45 years for men and 49 years for women. Cancer patients are managed by 179 personnel, including 44 oncologists.

Cancer diagnosis run across the ten laboratories in Cameroon reveal the most common types of cancer are: breast cancer with 652 cases (23.3%), cervical cancer with 392 cases

(14%), prostate cancer with 206 cases (7.4%), non-Hodgkin lymphoma with 7% of cases, cancer of colon (4.6%), endometrial cancer (3%), and cancer of the stomach (2.6%).

Regarding case management, Government subsidized the cost of radiotherapy treatment in all the public radiotherapy centres of the country up to 31 August 2022. This subsidy brought down the price of radiotherapy from 275 000 francs to 50 000 francs. It should be pointed out that in 2020, a national cancer prevention and control strategic plan (PSNPLCa) was prepared for the 2020-2024 period, with the main aim of reducing cancer-related morbidity and mortality in Cameroon by at least 10%.

6.2.4. Provision and equipment of health facilities

Achievements in the construction/rehabilitation and equipment of health facilities include: (i) rehabilitation and supply of X-ray units and medical ambulances to the Douala and Yaounde General Hospitals and Hôpital Jamot; (ii) upgrade of the technical facilities of the North, West, Limbe and Buea Regional Hospitals with the provision of X-ray machines, MRI and medical ambulances; (iii) construction/rehabilitation of centres for the management of COVID-19 cases; (iv) opening of new haemodialysis centres notably at the Yagoua Regional Hospital and Laquaintinie hospital in Douala, as well as the rehabilitation of some centres (CHU, YGH, DGH, Bamenda and Bertoua Regional Hospitals), provided with at least eight cyclers and dialysis chairs. Within the scope of the three-year emergency plan, of the eight regional hospitals under construction, four are already equipped and operational (Bafoussam, Garoua, Ngaoundere, Ebolowa). Besides, the Garoua Referral Hospital was transformed into a general hospital in 2022 and equipped with state-of-the-art technology.

6.3 Employment, Vocational Training and Social Security

In 2021, Government continued to implement its policy in the areas of: (i) employment and vocational training; (ii) social security and protection at work.

6.3.1. Employment

6.3.1.1. Employment status

According to data from the National Employment and Vocational Training Observatory (ONEFOP), the number of jobs created increased by 8.3% compared with 2020 and stands at 358 247. This progress is mainly attributable to the implementation of PIB-financed projects, which account for 64.2%. Moreover, the implementation of the post-COVID-19 recovery plan and the revival of production activities in the North-West and South-West Regions also account for this progress. Men, representing 62.7%, were more employed than women with 37.3%. Jobs created through the implementation of PIB-financed projects were those relating to completion of AFCON facilities (9 234 jobs) and those under specialized bodies such as the NEF (17 977) and PIAASI (1 672).

In the private sector, 81 163 jobs were created as against 75 654 in 2020. By sector of activity, 39 283 new jobs were created in the primary industry, mainly in the "agriculture", "livestock and fishery" as well as "sylviculture and forestry" branches. It is followed by the tertiary industry with 30 680 jobs created mainly in "wholesale and retail" and "restaurant and accommodation" branches. Secondary industry recorded 11 200 jobs created mainly in "civil engineering and public work". Geographically the highest number of jobs created were recorded in the Centre (32%), North-West (14.8%) and Littoral (13.6%) Regions.

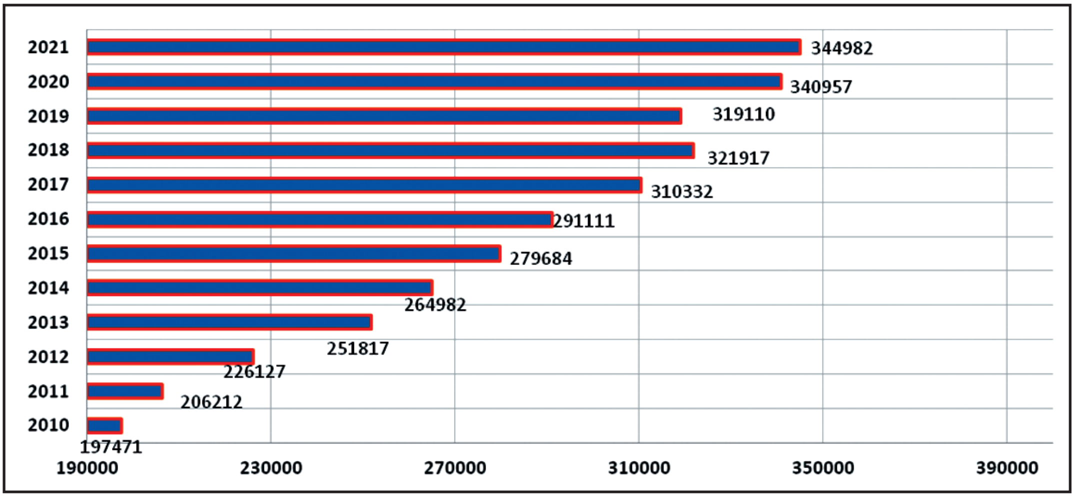
Table 64: Breakdown of Jobs Created in 2020 and 2021

ITEM	2020		2021	
	Number	%	Number	%
Public administration	10 526	3.2	3 497	1.0
Integration programmes and projects	15 353	4.6	13 304	3.7
PIB Projects	204 107	61.7	230 065	64.2
RLAs	11 244	3.4	9 593	2.7
Cooperatives	11 574	3.5	14 836	4.1
NGOs	2 445	0.7	5 789	1.6
Private enterprises	75 654	22.9	81 163	22.6
TOTAL	**330 903**	**100,0**	**358 247**	**100,0**

Source: ONEFOP

In the public administration, the number of jobs created through the central administration and State corporations stood at 3 497 as against 10 526 in 2020. This drop is attributable to the freeze in recruitment of temporary workers. The workforce under State payroll stood at 344 982, as against 340 957 in 2020.

Graph 23: Trends in State Staff Strength



Source: MINFI

As a result of the COVID-19 health crisis, 17 141 jobs were lost in 2021 as against 102 039 in 2020, mostly in the private sector (16 307). This is explained by the low rate of layoffs due to economic recovery.

6.3.1.2. Employment promotion

In 2021, Government's decent job promotion actions continued as part of professional integration and the promotion of self-employment.

Concerning professional integration, the National Employment Fund (NEF) continued its activities through: (i) the registration of 64 331 new job seekers as against 53 417 in 2020; (ii) the prospecting of 64 122 jobs in companies, which led to the employment of 33 318 persons, including 32 958 wage-earning jobs and 360 freelance jobs; (iii) the training of 447 job seekers in various fields; (iv) the funding of 54 projects and 1 joint programme in this field amounting to 35.6 million. In the first half of 2022, 29 732 job seekers were registered and 30 113 cases of job prospecting were carried out in companies as against 32 429 and 32 961 respectively over the same period in 2021.

The main activities to promote self-employment focused on assistance to the informal sector by PIAASI through: (i) the organization and empowerment in self-employment of 56 Cameroonian migrants who had returned from the Mediterranean coast; (ii) financial support to 108 youths or youth groups in the informal sector; (iii) structuring and setting up of businesses for 45 digital economy actors in the informal sector. This assistance enabled the creation of 863 jobs, including 209 direct jobs. Moreover, partnership development and job promotion in flourishing sectors allowed for management capacity building of 50 vulnerable women working in green economy and/or affected by COVID-19, and the financing of 20 micro-projects whose amounts ranged between 500 000 and 1 500 000.

6.3.2. Vocational training

In 2021, measures to promote vocational training continued through: (i) improved access to and equity in vocational training; (ii) quantitative provision of vocational training; (iii) qualitative provision of vocational training content; (iv) career information and guidance system.

Improved access to and equity in vocational training was implemented by the admission of 56 335 learners as against 52 792 the previous year, distributed across 1 761 public and private entities. They were trained by 12 564 trainers. Besides, in order to make vocational training accessible to the highest number of young people, 30 Moroccan scholarships in 16 specialties and 205 national scholarships in 62 specialties were granted.

Quantitative provision of vocational training was implemented through: (i) the ongoing construction and equipment of the Nanga-Eboko, Bandjoun, Ebebda, Maroua and Ndop Trades Training Centres (CFM); (ii) the acquisition of desks and training kits for the Dressmaking Industry (CI), Home Economics (HE) and the construction of classrooms and workshops in 9 SAR/SM. Also, the organization of continued training enabled capacity building of more than 1 500 learners in the Douala, Limbe and Sangmelima Excellence Vocational Training Centres (CFPE) and the Nkongsamba CFM.

Table 65: Breakdown of Vocational Training Centres, Learners and Trainers

ITEM	Education system	2019 -2020	2020 - 2021
Centres	*Public*	298	298
	Private	1 179	1 463
	TOTAL	**1 477**	**1 761**
Learners	*Public*	10 399	11 876
	Private	42 393	44 459
	TOTAL	**52 792**	**56 335**
Trainers	*Public*	2 263	2 770
	Private	10 107	9 794
	TOTAL	**12 370**	**12 564**

Source: ONEFOP

As for provision of quality vocational training content, actions were materialized through: (i) the signing of 306 orders to open training centres and 196 orders to renew some private training institutions; (ii) the design of six manuals for the training of technicians on the installation of sanitary fittings and water supply systems, vehicle troubleshooting, diesel and petrol engine maintenance, as well as metal designing and professional technology; (iii) awareness raising which led to an increase in the number of candidates sitting for certified national specialities from 4 932 to 5 859 in 2020 and that of non-certified national specialties from 3 491 to 5 059 in 2020; (iv) organization of a pilot training session at the National Institute for Trainer Training and Programmes Development (INFFDP), for 54 trainers from vocational training institutions, including 4 public institutions.

Vocational information and guidance system reinforcement continued through: (i) the reception and forwarding of the digital files of 5 616 natural persons in the Yaounde, Douala, Ngaoundere, Maroua and Bamenda Vocational Information and Guidance Centres (CIOP); (ii) the organization of 29 thematic workshops in various domains and 4 zoom conferences for businesses such as: artificial intelligence, agropastoral trade and liberal profession jobs; (iii) the organization of 10 regional job fairs; and (iv) the equipment of the Ngaoundere, Maroua and Bamenda CIOPs, as well as completion of those in Bamenda and Bafoussam.

6.3.3. Promotion of social security and protection at work

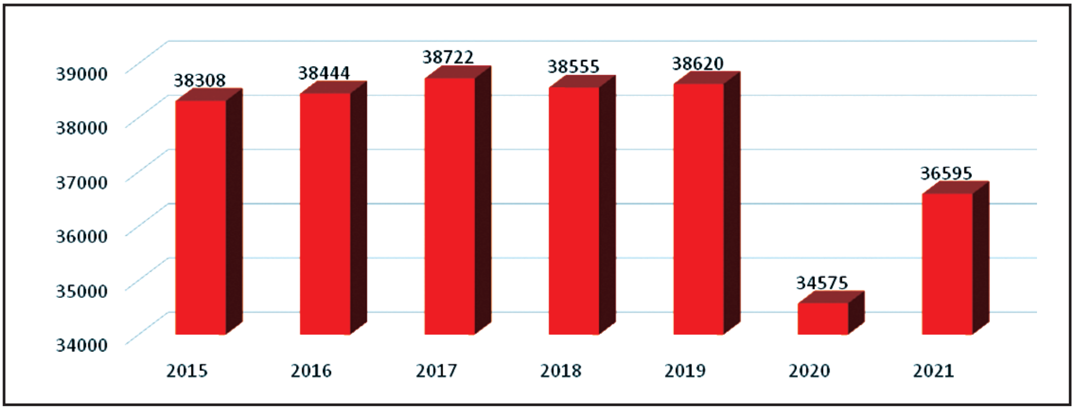
In 2021, Government continued the implementation of its social security mechanism and improvement of working conditions through: (i) the promotion of social security for the greatest number of people; and (ii) the improvement of protection at work.

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

The objective here remains the promotion of quality social security for all by including all segments of the population.

In the private sector, the number of newly registered employers stands at 6 164, after 7 040 in 2020. The total number of active employers (who paid their social security contributions to NSIF) stood at 36 595 after 34 575 in 2020. The “trade” branch recorded the highest number of active employers with 9 060 registrations. It is followed by “restaurants and hotels” (1 246) and “transport” (1 097).

Graph 24: Trends in the Number of Active Employers



Source: NSIF

There number of new social insurance registrations rose to 103 185, from 99 570 in 2020. This progress is linked to the improved quality of service rendered thanks to the dematerialization of procedures, in particular the introduction of online services. The number of new registrations under the mandatory insurance scheme dropped by 16.3% to stand at 69 993. Registrations under the voluntary insurance scheme increased from

15 969 in 2020 to 33 192. Concerning the voluntary insurance scheme, which contributes to extending social insurance to the highest number of workers in the informal sector, the increase in their number is linked to: (i) extension of subscription capacities; (ii) adoption of popularization mechanisms; and (iii) organization of informal sector players awareness and information campaigns on social insurance. Besides, the number of subscribers to the various services provided by NSIF stood at 352 967 from 391 641 in 2020, broken down as follows: family allowances (229 843), occupational risks (5 575), retirement, disability and death pensions (117 549).

As at 30 June 2022, the number of new social security subscribers had increased by 3.6% compared with the same period in 2021 and stood at 54 001, including 36 641 under the mandatory insurance scheme and 17 570 under the voluntary insurance scheme.

Table 66: Trends in New Worker Registrations

DESCRIPTION	2016	2017	2018	2019	2020	2021
Private sector	*67 042*	*59 996*	*65 169*	*57 737*	*83 388*	*69 827*
Domestic workers	*233*	*200*	*193*	*199*	*213*	*166*
Total insured under mandatory scheme	**67 275**	**60 196**	**65 362**	**57 936**	**83 601**	**69 993**
Insured under voluntary scheme	**41 197**	**33 499**	**16 216**	**18 544**	**15 969**	**33 192**
TOTAL	**108 472**	**93 695**	**81 578**	**76 480**	**99 570**	**103 185**

Source: NSIF

In the public sector, the number of registered persons contributing for their retirement and disability pensions increased by 9053 and stood at 309 649 in 2021. The number of beneficiaries of the various benefits from MINFI (family allowances, occupational risk, reimbursement of medical and pharmacy expenses) increased by 4376 and stood at 159 074.

6.3.3.2. Improvement of protection at work

In 2021, protection at work continued with the aim to promote decent jobs in every line of business. It was implemented through: (i) the promotion of health, safety and well-being at work; (ii) enhanced protection at work and maintenance of peace and social dialogue at work.

Measures relating to the promotion of health, safety and well-being at work include: (i) setting-up and installation of Hygiene and Safety Committees within reporting companies to promote these values at work, as major tools to ensure the health and well-being of workers; (ii) the issuing of 71 authorizations (1 for an independent medical service, 22 occupational health nurses and 48 in occupational medicine); (iii) the organization of two national consultation workshops on occupational health and security in collaboration with ILO, as well as the organization of a session of the National Commission on occupational health and safety.

Regarding enhanced protection at work, and the maintenance of peace and social dialogue at work, actions carried out led to: (i) 6 254 company inspection visits within the scope of occupational risks prevention and control of working conditions. This prompted the issuing of 908 cease and desist letters; (ii) the signing of 24 orders to award the Labour Medal of Honour and issuing of 10 902 related certificates, through the simplification of the award process. Altogether, 1 109 Labour Medals of Honour were awarded to meritorious workers; (iii) the identification of 223 trade union head offices and registration of 12 new trade unions, including 11 basic trade unions and (1) trade union federation; (iv) the cancellation and control of 44 strike notices and actions to maintain social cohesion.

6.4 Town planning and housing

Government's town planning and housing actions were geared towards rational occupation of urban space and significant reduction of the proportion of indecent housing in urban areas. They included: (i) development of housing; (ii) improvement of urban areas; and (iii) urban transport infrastructure development.

6.4.1. Development of housing

In 2021, under a contract plan with the State, the Cameroon Real Estate Corporation (SIC) completed the construction of the "ABIERGUE" building with 24 housing units at Cité Verte. At end 2021, SIC began construction of the "MFOUNDI" building at the Hippodrome neighbourhood in Yaounde, with 150 housing units for 18% execution rate at end July 2022. Likewise, the Urban and Rural Land Development Authority (MAETUR) completed the development of 48 plots started in 2020, for a total surface area of 2 ha at Olembe in Yaounde. Moreover, it also developed 2 460 m2 of green spaces, constructed 3 782 ml of road network and 460 ml of gutters.

Regarding the municipal housing estate construction programme in 22 councils, construction works were completed in the Nguibassal (13) and Biyouha (12) in 2020. Construction works are ongoing in the other councils as described in the table below:

Table 67: Rate of Execution of Municipal Housing Estate Construction Programme

No.	Councils	Number of housing units	Rate of execution in 2020 (%)	Rate of execution in 2021 (%)
01	Guider	26	56	81
02	Bogo	20	65	90
03	Pète- Bandjoun	35	60	81
04	Penja	35	5	25
05	Ngoumou	28	45	50
06	Ngaoundéré 1er	24	28	61
07	Mbé	31	51	70
08	Djoum	30	40	62
09	Mengong	22	54	96
10	Touloum	18	38	72
11	Figuil	31	45	80
12	Poli	24	25	65
13	Lagdo	31	15	43
14	Kaï- Kaï	18	1	1
15	Niété	22	25	45
16	Bétaré- Oya	40	10	40
17	Limbé 3è	24	1	5
18	Eséka	40	5	25
19	Messondo	30	1	1
20	Mengang	12	19	28
Total and overall average		**541**	**29,45**	**51,05**

Sources: Cameroon Housing Loans Fund, FEICOM

6.4.2. Improvement of urban environment and sanitation

In 2021, actions to improve on urban environment and sanitation continued with: (i) embellishment and safety of urban centres; (ii) sanitation in urban areas; and (iii) promotion of integrated social development of all social groups in urban areas.

Actions for the embellishment and safety of urban centres were geared towards the plating of 887 light poles in 26 councils, namely: Ngambe Tikar, Ntui, Yaounde IV, Bibey, Monatele, Dimako, Yabassi, Dibamba, Bamenda I & II, Bazou, Kribi, Okola, Soa, Nkolafamba, Dzeng, Endom, Mokolo, Mouanko, Nkongsamba II, Bagangte, Foumban, Mvangan, Limbe II, Tombel and Banyo. Besides, 16 250 m2 of open spaces were developed in Yaounde, Makenene, Akonolinga, Bamenda II, Dschang and Sangmelima. In addition, 15 park benches and 20 street lamps (multi-branched candelabrum) were constructed.

Regarding sanitation in urban areas, 6 500 ml of drains were cleared in Maroua. In addition, HYSACAM collected 1 538 836 tons of garbage in the cities where it is established. To promote integrated social development of all the urban social segments, 200 young people were trained on the moulding and laying of pavement blocks and compressed earth blocks in Ngoumou and Mbondjock.

6.4.3. Urban transport infrastructure development

In 2021, urban transport infrastructure development dwelled on construction, maintenance and rehabilitation of urban roads.

Construction works entailed in particular: (i) the construction of 40 hectares of parking space across the country and a 119 km road network in Yaounde, Douala, Bamenda, Dschang, Bayangam, Minta, Meyomessala, Kribi, Sangmelima, Mvangan, Nguelebock and Tokombere; (ii) the construction of bridges for a total distance of 560 ml in Meiganga, Banyo, Mayo Darle, Goulfey and Maroua.

In 2021, urban road network maintenance mainly concerned: (i) 100 km earth roads in 29 cities and 2.4 km of tarred roads in 4 cities; (ii) 9 box culverts in 4 councils; and (iii) 700 ml of gutter in Bangangte and Tonga. Also, 2.5 km of urban transport networks were rehabilitated in Nkongsamba.

6.5. Social affairs, gender, family and youth promotion

In 2021, security crises continued to hamper social equilibrium through population displacements with the phenomenon of internally displaced persons leading to violence, overcrowded classrooms, increase in the number of street children and single-parent families. Accordingly, Government intensified its actions in the areas of: (i) social affairs with social prevention and social security, as well as solidarity and fight against social exclusion; (ii) women's empowerment and the family with the protection of children's rights; and (iii) youth supervision.

6.5.1. Social affairs

In 2021, Government's priority on social affairs was geared towards social inclusion and empowerment of socially vulnerable persons (SVPs), reduction of the number of street children and improvement of the living conditions of vulnerable social segments. Activities carried out to this effect focused mainly on: (i) social security to vulnerable social segments; and (ii) promotion of national solidarity and social justice.

6.5.1.1. Social security of socially vulnerable persons

In this area, actions continued to be undertaken particularly through: (i) the supervision of 2 322 socially maladjusted minors and 2 286 child trafficking victims in care facilities;

(ii) psychosocial and nutritional support to 76 persons with mental disability in the West Region; (iii) management of 54 HIV-infected children in the Centre Region; (iv) integration and management of 28 persons from the Baka community, 35 from the Bororo community in specialized MINAS institutions; and (v) issuing of 5 369 birth certificates, 4 622 disability cards and 1 730 national identity cards to persons with disabilities.

6.5.1.2. National solidarity and social justice

Government actions regarding national solidarity and social justice included the socioeconomic reintegration of socially vulnerable persons (SVPs) and management of street children. This was achieved by: (i) identifying 1 266 street children, 666 of which were moved to different locations; (ii) training of 65 Bororo women in the processing, preservation and storage of foodstuff in the North Region; (iii) support for the socioeconomic integration of 5 663 SVPs by providing them with agropastoral implements and 1 010 income-generating activities; and (iv) providing vocational training to 1 757 SVPs.

6.5.2. Women's empowerment and the family

The social atmosphere in 2021 remained characterized by a decline of moral values, persistent de facto unions and domestic and marital violence. Government continues to implement its actions towards family development and build peace and harmony in the family. Such actions focus on: (i) women empowerment and gender mainstreaming; (ii) family development and protection of children's rights.

6.5.2.1. Women empowerment and gender mainstreaming

In 2021, actions targeting the economic empowerment and supervision of women and the girl child continued through poverty reduction among women in rural areas, increase in the number of women undergoing training, and provision of material and financial support. These actions include: (i) the distribution of agricultural equipment to 217 women; (ii) assisting 102 women's groups in project design; (iii) capacity building of 2 928 widows in income-generating activities and training of 4 599 women and girls in the preservation and processing of foodstuff in women empowerment centres; (iv) training of 40 112 women and girls in entrepreneurship and management of income-generating activities. Besides, a women empowerment centre was constructed at Okola, while 8 were rehabilitated and 15 others equipped with sewing machines, dyeing material and computers. Similarly, three centres were fenced for security purposes.

6.5.2.2. Development of the family and protection of children's rights

Actions undertaken in this light focused on: (i) supervision of 2 516 women in centres for distressed women; (ii) establishment of "Child Desks" in police and gendarmerie units, as well as in integrated services (hospitals, schools for children with special needs), for an adequate and specific response to issues concerning children, to care for children that are victims of violence; (iii) the celebration of 1 721 collective marriages; and (iv) issuing of 3 000 birth certificates for children who had never been registered in the civil status register.

6.5.3. Youth guidance and national integration

In 2021, measures adopted for human capital training and respect for values of peace, tolerance, patriotism and living together continued to be implemented. Such measures included: (i) civic education and youth integration; and (ii) economic empowerment of the youth.

6.5.3.1. Civic education and youth integration

In 2021, intensified sensitization of young people on their involvement in community matters and volunteering, made it possible to reach out to 8 022 809 persons during special campaigns to curb the spread of COVID-19. As part of the International Day of Peace, 22 305 persons were sensitized on peace and living together. Through the national civic education and integration campaign, 605 young people were sensitized on civic and moral values, and peer educators were also trained in the prevention of STDs/HIV/AIDS and comprehensive safety education.

Actions to promote volunteering focused particularly on: (i) training of 729 pioneer volunteers; (ii) recruitment and deployment of 292 mission volunteers in areas of education, health and agropastoral activities; and (iii) supporting 329 volunteers in socioeconomic and professional integration.

6.5.3.2. Economic empowerment of the youth

In 2021, actions carried out in this area included: (i) supervision and support of 1 228 young people in rural and urban areas and in prisons facing difficulties by providing them with income generating activities; (ii) monitoring the construction of 17 Multipurpose Youth Empowerment Centres (CMPJ), equipment of 30 others and rehabilitation of 16; and (iii) vocational training of 480 young people in CMPJs.

6.6. Combating poverty: Social safety nets

The implementation of the "Social Safety Net" project to combat extreme poverty in the 10 regions of the country continued in 2021 through the following three components: (i) the ordinary cash transfer (OCT) programme; (ii) the emergency cash transfer (ECT) programme; and (iii) the labour-intensive public works programme (THIMO). Initially, these programmes were funded exclusively by the World Bank. Over the 2020-2022 period, two new technical partners, namely AFD and UNICEF, joined the programmes.

In 2021, project activities were run particularly through the Emergency Cash Transfer programme ECT-COVID-19. Instituted in 2020, the programme was aimed at providing financial support to households affected by the harmful effects of the COVID-19 pandemic, to help them meet their basic needs and relaunch their economic activities. Thus, 80 000 households selected in December 2020 across the 10 regions, received cash transfers amounting to 3.6 billion.

Special emphasis was laid on populations from the North-West and South-West Regions affected by the security crisis. In this regard, 81 400 households of the two regions, including 13 500 displaced persons in the West, Littoral and Centre Regions, benefited from the three programmes over the period 2020-2022 for a total amount of 15.5 billion. As at 30 September 2022, 30 000 selected households were beneficiaries of the ECT and ECT-COVID-19.

The implementation of social safety net programmes has gone through several stages since they launched in 2013. They enabled 373 500 households to be assisted for an estimated population of 2 278 350 persons. The total amount transferred by 30 September stood at 80.4 billion.

Table 68: Number of Beneficiaries of the Social Safety Net from 2013 to 2022 by Region

Regions/Cities	Number of beneficiary households				Population covered	Amount transferred (millions)
	2013-2015	2015-2019	2019-2022	Total		
Adamaoua		7 000	26 500	33 500	204 350	7 275
Centre		-	3 500	3 500	21 350	273
East		9 000	32 000	41 000	250 100	9 063
Far-North	1 500	40 000	44 000	84 000	512 400	19 719
Littoral		-	5 500	5 500	33 550	633
Nord		13 000	28 500	41 500	253 150	9 771
North-West	500	7 000	34 000	41 000	250 100	8 805
West		-	20 000	20 000	122 000	3 243
South		-	19 500	19 500	118 950	4 287
South-West		-	30 000	30 000	183 000	5 640
Douala		3 000	24 500	27 500	167 750	5 955
Yaounde		3 000	23 500	26 500	161 650	5 775
Total	**2 000**	**82 000**	**291 500**	**373 500**	**2 278 350**	**80 439**

Sources: MINEPAT/CTS

CHAPTER 7: EXECUTION OF THE 2022 BUDGET AND 2023 DRAFT BUDGET

The budget for the 2022 financial year is being executed in a context marked by: (i) the transition into the new fiscal and accounting nomenclature adopted in 2019 and the difficulties in adapting the information systems related to execution of the budget; (ii) the organization of the 33rd edition of the Africa Cup of Nations in 5 (five) regions of the country; (iii) the issuance by the State of a 7 (seven)-year maturity bond on the sub-regional financial market to finance the general budget; (iv) the rise in world oil prices, which automatically led to an increase in the subsidy of fuel prices at the pump; (v) the gradual implementation of Government measures to resolve the issues raised by teachers; (vi) the adoption of an amending finance law for 2022 through Ordinance No. 2022/001 of 2 June 2022, following the rise in world oil prices, which induced a significant increase in fiscal revenue. Some of these factors impacted the achievements of the financial year as well as the projections for 2023. After a summary of the 2022 Amending Finance Law, this chapter presents the state of progress in the execution of the 2022 budget and 2023 draft budget.

7.1. Amending Finance Law

Several assumptions that underpinned the preparation of the initial 2022 Finance Law changed significantly, mainly owing to the economic consequences of the conflict between Russia and Ukraine. These include: (i) the decline in the economic growth rate to 4%, compared with an initial projection of 4.2%; (ii) the higher than expected 3% inflation rate, compared with the initial 2% projection; (iii) the upsurge in world oil prices at an average of USD 102 per barrel, compared with the USD 64.5 projection; (iv) the financial effects of Government's commitments to meet the demands of secondary school teachers; and (v) the reduction in budget support. These changes in the economic situation led to the adoption of an Amending Finance Law materialized by Ordinance No. 2022/001 of 2 June 2022, to amend and supplement some provisions of Law No. 2021/026 of 16 December 2021: Finance Law of the Republic of Cameroon for the 2022 financial year.

Thus, the new package of the current State budget for the 2022 financial year stands at 6 080.4 billion as against 5 752.4 billion in the initial Finance Law, i.e. a 328 billion increase in absolute value and 5.7% in relative value. It includes 5 977.7 billion for the general budget and 102.7 billion for Special Appropriation Accounts (SAAs).

Regarding the general budget, the resources were modified as follows:

● oil revenue: 806 billion, as against 562 billion in the initial budget, i.e. an increase of 244 billion (+43.4%) from oil royalty, owing to the increase in world oil prices. The level of the corporate tax (CT) has been maintained at 100 billion as in the initial Finance Law, given that this tax results from the activity of oil companies in 2021;

● revenue from taxes and duties: 2 184.8 billion as in the initial budget;

● customs revenue: 863.9 billion, as against 903.9 billion in the initial budget, recording a 40 billion (-4.4%) drop related to the negative impact of the Russia-Ukraine crisis and the EPAs on foreign trade;

● non-fiscal revenue: 226.2 billion, as against 216.2 billion in the initial budget, recording an increase of 10 billion (+4.6%), owing to revenues from the sale of COVID-19 tests and the mobilization of consular revenues;

● grants: 142.3 billion as in the initial budget;

● loans: 1 749.5 billion, as against 1 635.5 billion in the initial budget, showing an increase of 114 billion;

● Government revenue levies for COVID-SAA: 15 billion, as against 65 billion in the initial budget, showing a 50 billion decline related to the relative control of the COVID-19 pandemic.

Concerning jobs, the main masses were modified as follows:

● personnel expenditure: 1 174.3 billion, as against 1 124.8 billion in the initial Finance Law, i.e. an increase of 49.5 billion (+4.4%) mainly owing to the financial effects of Government's commitments to address the problems of secondary school teachers;

● expenditure on goods and services (including decentralization allocation to regions and provision for import-substitution): 810.9 billion, as against 867.4 billion in the initial Finance Law, showing a 56.5 billion (-6.5%) drop. Part of the resulting budget savings was used to increase the provision dedicated to supporting the prices of basic necessities from 15 to 30 billion;

● transfers and subsidies: 1 013.2 billion, as against 653.2 billion in the initial budget, i.e. a 360 billion (+55.1%) increase. This increase is attributable to the inclusion of additional shortfalls in marketers' earnings estimated at 480 billion, following an initial budgetary entry of 120 billion in the initial Finance Law, given the increase in world oil prices;

● investment expenditure on own resources (including rehabilitation and restructuring expenditure): 639.2 billion, as against 699.2 billion in the initial budget, being a 60 billion (-8.6%) drop;

● investment expenditure on external financing: 779.8 billion as in the initial budget;

● interest on debt: 239.6 billion as in the initial Finance Law.

Overall, the State budget expenditure increased by 328 billion. After consolidation, only recurrent expenditure increased by 438 billion compared with the initial Finance Law, mainly driven by transfers for social benefits which increased by 359.8 billion. The budget of the Special Appropriation Account has been reduced to 102.7 billion compared with 152.7 billion in the initial Finance Law, showing a 50 billion drop, owing to the halving of COVID-19 SAA expenditure, as a result of the relative control of the pandemic. The reviewed SAA revenues are derived from 2 (two) sources: on the one hand, COVID-19 SAA transfers from the support funds, amounting to 35 billion, and payments from revenues of the general budget, amounting to 15 billion and, on the other hand, the revenues from the other SAAs, amounting to 52.7 billion. The reviewed SAA expenditure include: (i) 75.2 billion in recurrent expenditure, down by 50 billion compared with the initial budget and (ii) 27.4 billion in capital expenditure, as in the initial budget.

7.2. Execution of the 2022 budget

State budget resources include internal budget revenues, loans and grants. Internal revenues are derived from compulsory levies and administrative charges collected nationwide. Loans and grants come from domestic loans and cooperation with development partners. Expenditures stem from Government's decisions to resolve the economic and social challenges the country is facing.

Box 3: The New State Budget Nomenclature (Sbn 2019)

The 2022 financial year is mainly marked by transition into the new State Budget Nomenclature, adopted in 2019 through Decree No. 2019/3187/PM of 9 September 2019 signed by the Prime Minister, Head of Government, to lay down the general framework for the presentation of the State Budget Nomenclature (SBN). It replaces that of 2003 used in Cameroon until 2021.

According to Article 2(2) of the said decree, nomenclature refers to "the instrument which, in classifying State revenue and expenditure in a coherent and clear logical order, enables the preparation, execution and monitoring of the general budget, annex budgets and special accounts of the Treasury, as well as the provision of reliable information to the authorities, thereby easing analysis and decision-making". In general, budget nomenclature is characterized by 6 (six) key principles, namely homogeneity, exhaustiveness, independence, convergence, stability and formalization. It helps to: (i) formulate and analyse budget policies; (ii) ensure accountability and transparency; (iii) ensure day-to-day budget management and monitoring; and (iv) ensure compliance with public finance management rules.

The transition into the new budget nomenclature was mainly due to: (i) the need and requirement for the country to comply with the new Community Directives on public finance adopted by CEMAC in 2011, in particular Directive No. 4 on the SBN; (ii) the lack of consistency between the former nomenclature (that of 2003) and the State Accounting Plan (SAP); (iii) the fact that the 2003 SBN did not respect the principle of independence.

The 2019 SBN comprises 4 (four) classifications, namely: the economic, functional, administrative and programme classification. Compared with the 2003 SBN, it comprises the following innovations:

- *programmatic segmentation is institutionalized in the SBN, with programme and action coding;*

- *drawings on loans and loan disbursements and advances are no longer part of budget revenue. Thus, the number of revenue categories is reduced from 7 to 4;*

- *advances in refund and short-term loans, disbursement of long- and medium-term loans, loans and advances are no longer expenditure. Thus, the number of expenditure categories drops from 10 to 6;*

- *for economic classification, which is consistent with the 2014 MSFP, the budget expenditure code increases from 4 to 6 characters for revenue and expenditure, and includes the head (1 character), subhead (2 characters), paragraph (1 character) and item (2 characters);*

- *the 6-character coding is consistent with the State Accounting Plan (SAP);*

- *some economic elements initially devoted to investment have been restructured, such as studies and capital transfers, which are now operating expenditure;*

- *the non-distributed expenditure function (budget provision) has disappeared; and heads corresponding neither to a ministry nor to an institution have been deleted.*

In addition, the expenditure coding of annex budgets and special Treasury accounts will now be broken down into 4 (four) compulsory levels, as for the general budget, namely: the head, subhead, paragraph and item.

7.2.1. Execution of the 2022 budget at mid-term

At the end of the first half of 2022 and compared with the Amending Finance Law, the rate of execution of resources stands at 43.8%, including 49.7% for domestic revenue and 31.3% for loans and grants. The budget execution rate stands at 40.9%, including 35% for interest-free recurrent expenditure on debt, 32.4% for investment expenditure and 44.9% for debt service. The overall balance based on ordinances shows a 174.5 billion surplus. The primary balance based on ordinances shows a 251.5 billion surplus. The non-oil primary balance shows a 150.7 billion deficit.

7.2.1.1. Budget resources

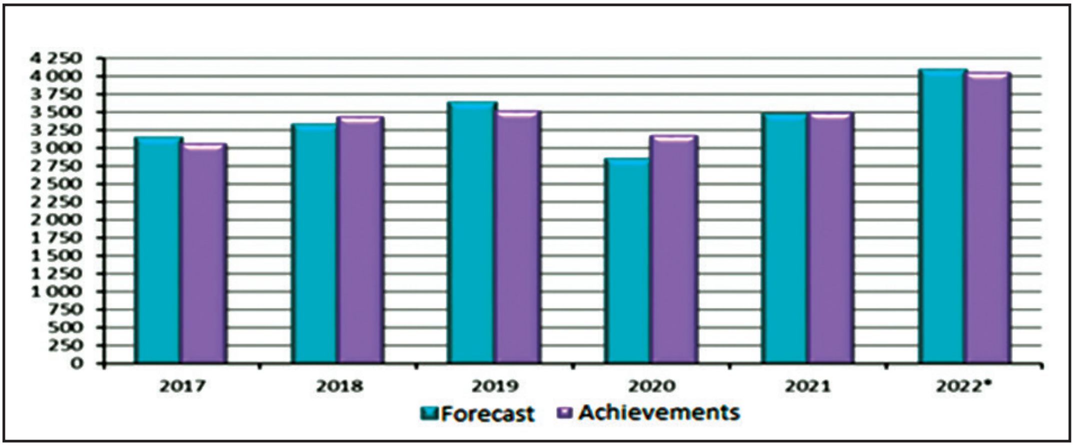
The initial 2022 Finance Law provided for resources worth 5 599.7 billion, including 3 866.9 billion as domestic revenue and 1 732.8 billion as loans and grants. The amount of resources was raised to 5 977.7 billion in the Amending Finance Law, i.e. a 378 billion (+6.8%) increase. They are broken down as follows: 4 080.9 billion as domestic revenue (68.3% of total resources) and 1 896.8 billion as loans and grants (31.7%).

At end-June 2022, budget resources collected amounted to 2 619.6 billion, i.e. a 43.8% execution rate compared with the Amending Finance Law. Year-on-year, they increase by 474.4 billion (+22.1)

7.2.1.1.1. Domestic budget revenue

Domestic budget revenue includes oil and non-oil revenue. At end June 2022, it stood at 2 026.6 billion, i.e. a 49.7% execution rate compared with the annual projections. Compared with the first half of 2021, it increased by 361.6 billion (+21.7%), owing to the increase in oil and non-oil revenue.

Graph 25: Domestic Revenue Projections and Execution (in billions)

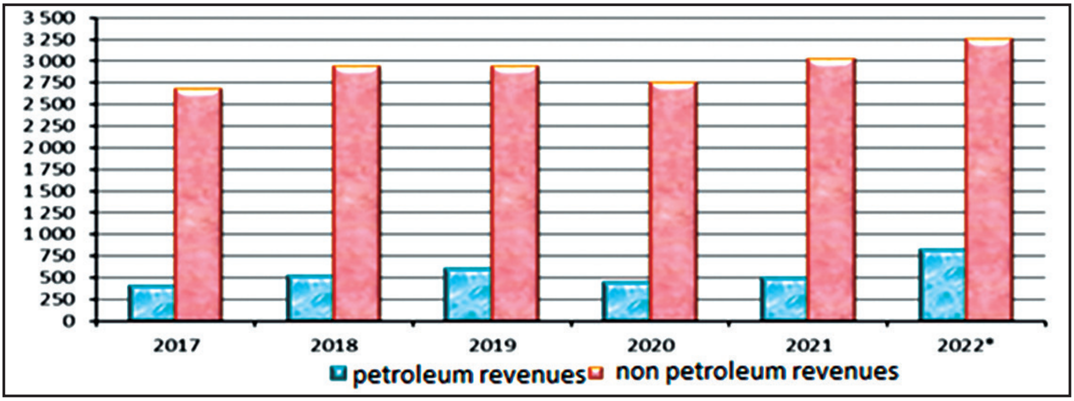


Source: MINFI **=Estimates*

7.2.1.1.1.1. Oil revenue

Oil revenue amounted to 402.2 billion at end June 2022, including 334.9 billion as NHC royalties and 67.2 billion as oil company tax. It increased by 199.5 billion (+98.4%) year-on-year, owing to the recovery of activity in the upstream oil sector, the rise in oil prices and the appreciation of the dollar against the CFA franc. Oil revenue execution rate stood at 49.9% compared with the Amending Finance Law.

Graph 26: Trends in the Main Domestic Revenue Components (in billions)



*Source: MINFI   *=Estimates*

7.2.1.1.1.2. Non-oil revenue

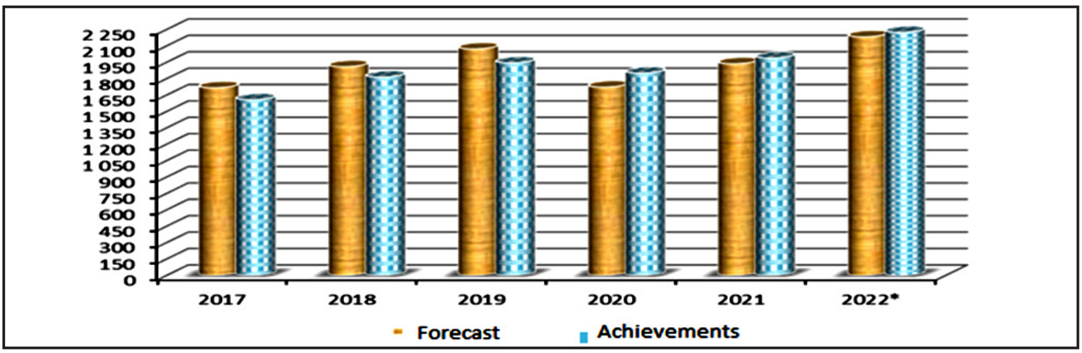
Non-oil revenue includes revenue from domestic taxes and duties, customs revenue and non-tax revenue. At the end of the first half of 2022, revenue collected amounted to 1 624.4 billion, representing a 49.6% execution rate compared with the projections for the financial year. It increased by 161.7 billion (+11.1%) compared with the same period of the last financial year. At end December 2022, it is expected to stand at 3 247.5 billion, that is a 27.4 billion drop compared with the Amending Finance Law.

Domestic taxes and duties

At the end of the first six months of 2022, domestic taxes collected amounted to 1 151.1 billion, i.e. a 153 billion (+15.3%) increase year-on-year. This represents a 52.7% execution rate compared with the annual forecasts.

Regarding the main items, compared with the first half of 2021, there was an increase in VAT (+66.9 billion), the non-oil company tax (+57.7 billion), the oil company income tax (+28.9 billion), and TSPP (+3 billion). Conversely, registration and stamp duties fell by 9.4 billion. Tax collection was impacted by: (i) increased activity in some areas such as breweries and telecommunications and (ii) increased annual balances. At end December 2022, revenue from taxes and duties are expected to stand at 2 225.9 billion, 41.1 billion more than in the Amending Finance Law.

Graph 27: Taxes and Duties Projections and Execution (in billions)

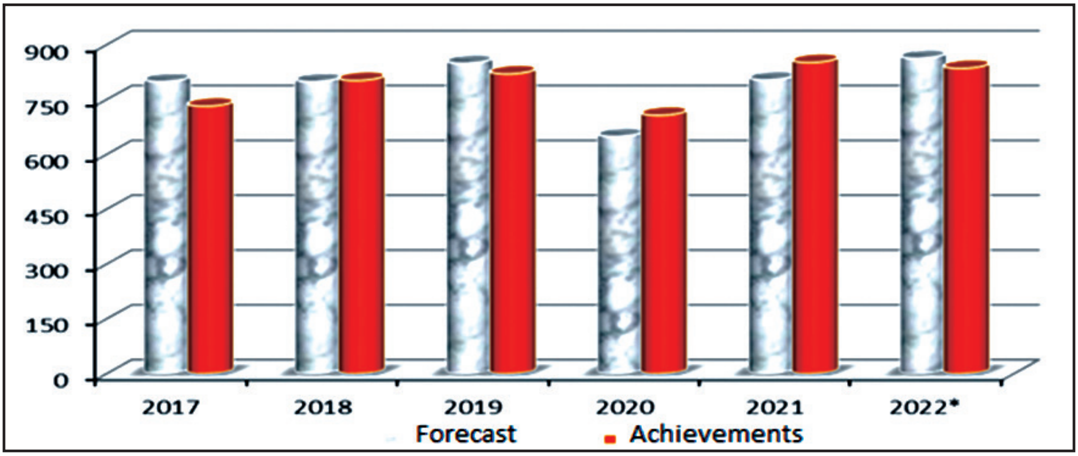


*Source: MINFI   *=Estimates*

Customs revenue

At end-June 2022, the customs revenue collected amounted to 401 billion, that is a 46.4% execution rate compared with the Amending Finance Law. It includes 158.3 billion for import duties, 190.7 billion for import VAT, 25 billion for excise duties and 20 billion for export duties. Compared with end June 2021, this revenue increased by 13 billion (+3.4%). At 31 December 2022, customs revenue is estimated to stand at 836.2 billion, representing. a 27.7 billion drop compared with the Amending Finance Law. Customs revenue collection is affected by: (i) settlement of part of SONARA's and the marketers' debt; (ii) the drop in the number of manifests at the Douala and Kribi ports (-3.2%); (iii) the drop in the number of containers entering the country (-10.5%); and (iv) reduction in the number of export tax slips (-45.5%), owing to the disruption of world supply chains.

Graph 28: Customs Revenue Projections and Execution (in billions)

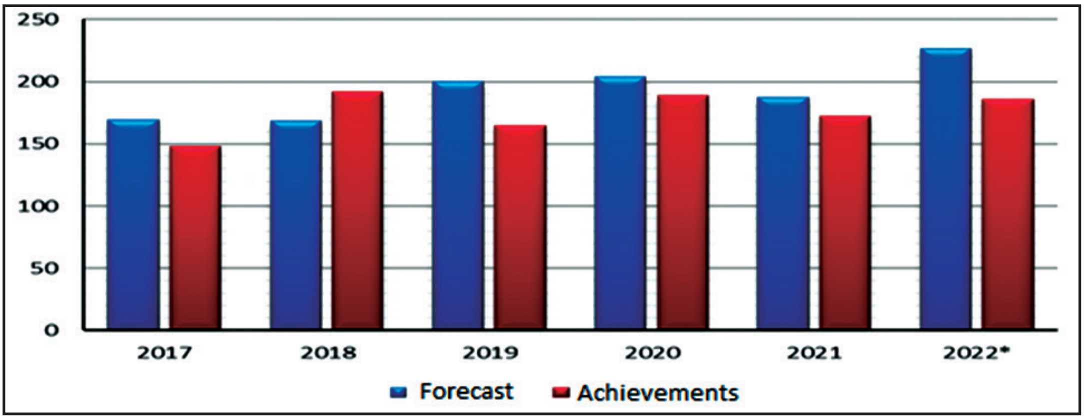


Source: MINFI **=Estimates*

Non-tax revenue

At the end of the first half of 2022, non-tax revenue amounted to 72.3 billion, that is a 32% execution rate compared with the Amending Finance Law. It dropped by 4.3 billion (-5.6%) year-on-year.

Graph 29: Non-Tax Revenue Trends (in billions)



Source: MINFI **=Estimates*

7.2.1.1.2. Loans and grants

The Amending Finance Law for the 2022 financial year raised loans and grants by 164 billion compared with the initial Finance Law, bringing them to 1 896.8 billion. They include: 746.5 billion as project loans; 350 billion for issuance of government securities; 360.7 billion as budget support; 70 billion as IMF loans; 142.3 billion as grants; and 227.3 billion as bank loans. In the first half of 2022, loans and grants amounted to 593 billion, representing a 31.3% execution rate. They include 253.6 billion for issuance of net government securities; 203.9 billion as project loans; 45.9 billion as budget support and 23.1 billion as grants.

Regarding government securities, a total of 529.9 billion was raised in the first half of 2022, broken down as follows: 147.5 billion as fungible treasury bonds (BAT); 147.4 billion as fungible treasury bills (OTA) and 235 billion as bond issues (ECMR). The resources mobilized through government securities are intended to fill the cash flow gaps for BAT and to finance the development projects included in the 2022 Finance Law for the OTA and the ECMR. During the same period, reimbursements of matured public securities amounted to 276.3 billion, including 145.1 billion as BAT and 131.2 billion as OTA. Thus, the amount of securities issued net of repayments amounted to 253.6 billion, which corresponds to a 72.5% execution rate.

Table 69: Budget Resources for the 2022 Financial Year (in billions, unless specified otherwise)

ITEMS	I.F.L	A.F.L	Execution	Execution	Estimates	Execution rate at	Variance as at	Variations	
	2022	2022	at 30/06/21	at 30/06/22	at 31/12/22	30/06/22	31/12/22	(c/b)	(c/b)
		(a)	(b)	(c)	(d)	(c/a) (%)	(d-a)	(abs)	(%)
A- DOMESTIC REVENUE	3,866.9	4,080.9	1,664.9	2,026.6	4052.7	49.7	-28.2	**361.7**	**21.7**
I- Oil revenue	**562.0**	**806.0**	**202.2**	**402.2**	**805.2**	**49.9**	**-0.8**	**200.0**	**98.9**
1- NHC loyalties	462.0	706.0	*181.3*	334.9	*687.9*	*47.4*	-18.1	153.6	84.7
of which: Direct interventions	0.0	0.0	*116.6*	91.9		-	0.0	-24.7	-21.2
2- Oil Company tax	100.0	100.0	20.9	67.2	117.2	67.2	17.2	46.4	222.2
II - Non-oil revenue	**3304.9**	**3274.9**	**1462.7**	**1624.4**	**3247.5**	**49.6**	**-27.4**	**161.7**	**11.1**
1- Fiscal revenue	3088.7	3048.7	1386.1	1552.1	3062.1	50.9	13.4	166.0	12.0
a- Revenue from domestic taxes and duties	**2184.8**	**2184.8**	998.1	1151.1	2225.9	52.7	**41.1**	**153.0**	**15.3**
- PPIT	313.0	313.0	153.3	182.2	334.8	58.2	21.8	28.9	18.9
- VAT	717.7	717.7	294.9	361.8	760.8	50.4	43.1	66.9	22.7
- Non-oil Company tax	340.0	340.0	240.7	298.4	448.9	87.8	108.9	57.7	24.0
- Excise duties	225.0	225.0	141.3	141.4	302.3	62.8	77.3	0.1	0.1
- Registration and stamp duties	115.5	115.5	58.3	48.9	114.5	42.3	-1.0	-9.4	-16.1
- STPP	132.0	132.0	73.4	76.4	151.0	57.9	19.0	3.0	4.1
b- Customs revenue	903.9	863.9	388.0	401.0	836.2	46.4	**-27.7**	**13.0**	**3.4**
- Customs import duties	358.9	343.9	164.0	158.3	329.0	46.0	-14.9	-5.7	-3.5
- Import VAT	420.0	395.0	175.4	190.7	390.4	48.3	-4.6	15.3	8.7
- Import excise duties	57.9	57.9	26.1	25.0	53.8	43.2	-4.1	-1.1	-4.4
- Export duties	54.8	54.8	19.4	20.0	47.5	36.5	-7.3	0.6	3.0
2 - Non-fiscal revenue	216.2	226.2	76.6	72.3	185.4	32.0	**-40.8**	**-4.3**	**-5.6**
B- LOANS AND GRANTS	**1732.8**	**1896.8**	**480.3**	**593.0**	**1896.8**	**31.3**	0.0	112.7	23.5

- Project loans	703.4	746.5	218.3	203.9	746.5	27.3	0.0	-14.4	-6.6
- Grants	142.3	142.3	36.5	23.1	142.3	16.2	0.0	-13.4	-36.7
- IMF loans	0.0	70.0	0.0	66.5	70.0	95.0	0.0	66.5	-
- Budget support	410.0	360.7	0.0	45.9	360.7	12.7	0.0	45.9	-
- Issuance of government securities	350.0	350.0	219.2	253.6	350.0	72.5	0.0	34.4	15.7
- Bank loans	127.1	227.3	6.3	0.0	227.3	0.0	0.0	-6.3	-100.0
TOTAL BUDGET REVENUE	**5,599.7**	**5,977.7**	**2145.2**	**2619.6**	**5949.5**	**43.8**	**-28.2**	**474.4**	**22.1**

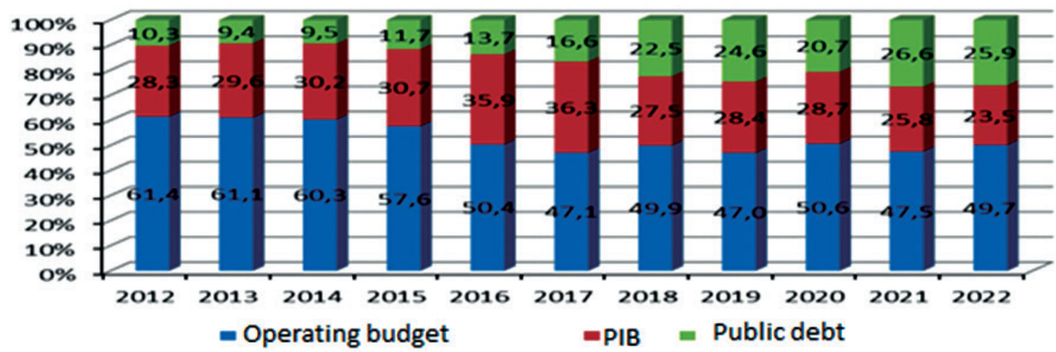
Source: MINFI/DF

7.2.1.2. Budget execution expenditure

The Amending Finance Law provides for a total budget expenditure of 6 027.7 billion for the general budget and COVID-19 SAA. General budget expenditure includes 2 998.4 billion as recurrent expenditure, excluding interest on debt (49.7% of the total), 1 419 billion as public investment expenditure (23.7%) and 1 560.3 billion as public debt service (25.9%). The weight of the public debt service in the budget has more than doubled in ten (10) years, from 10.3% in 2012 to 25.9% in 2022. At the same time, operating and investment budgets dropped respectively from 61.4% and 28.3% in 2012 to 49.7% and 23.5% in 2022.

At the end of the first half of 2022, total budget expenditure based on payment orders amounted to 2 466.4 billion, representing a 40.9% execution rate compared with the Amending Finance Law. It increased by 42.5 billion (+1.8%) year-on-year.

Graph 30: Breakdown of State Budget Expenditure (in % of total)



Source: MINFI

7.2.1.2.1. Recurrent expenditure excluding interest

Recurrent expenditure excluding interest (based on payment orders) stood at 1 048.1 billion in the first half of 2022, that is, a 35% execution rate compared with the Amending Finance Law. Year-on-year, it decreased by 50.2 billion (-4.6%) due mainly to the drop in spending on goods and services. It includes recurrent operating expenditure and expenditure on transfers and pensions.

7.2.1.2.1.1. Recurrent expenditure

Recurrent expenditure includes personnel expenses and purchases of goods and services. The allocation for recurrent expenditure for 2022 dropped from 1 986 billion in the initial Finance Law to 1 985.2 billion in the Amending Finance Law. It includes 1 174.3 billion for personnel expenses and 810.9 billion for purchases of goods and services.

During the period from January to June 2022, recurrent expenditure amounted to 751.8 billion, that is a 37.9% execution rate compared with the Amending Finance Law. Compared with the same period in 2021, it dropped by 104.9 billion (-12.2%), mainly as a result of expenditure on goods and services. Personnel expenditure stands at 559.2 billion, up by 40.4 billion (+7.8%). Expenditure on goods and services dropped from 337.8 billion to 192.6 billion, a decrease of 145.3 billion (-43%). Compared with the annual forecasts, the execution rates are 47.6% for personnel expenditure and 23.7% for purchases of goods and services.

7.2.1.2.1.2. Transfers and pensions

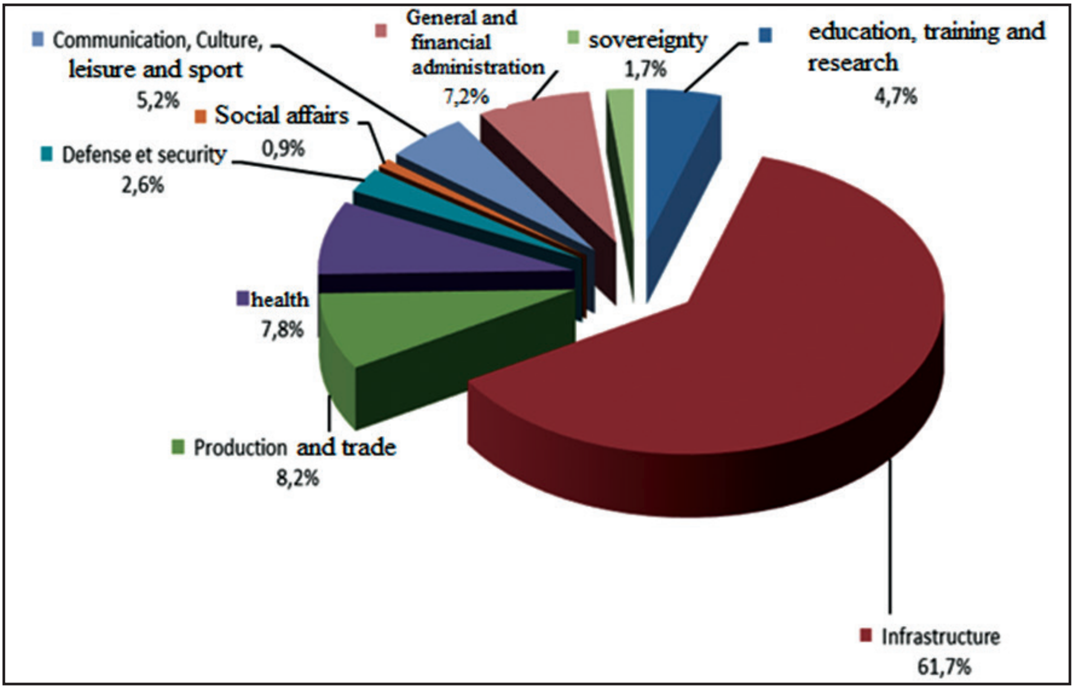
The allocation for transfers and pensions amounted to 1 013.2 billion, including 769.2 billion as subsidies and 244 billion as pensions. As at end-June 2022, authorized expenditure stood at 296.3 billion, that is a 29.2% execution rate compared with the Amending Finance Law. It includes 172.4 billion as subsidies and 123.9 billion as pensions, with execution rates of 22.4% for subsidies and 50.8% for pensions. Year-on-year, transfers and pensions increased by 54.7 billion (+22.6%).

7.2.1.2.2. Public investment expenditure

Compared with the initial Finance Law, the public investment budget (PIB) dropped by 60 billion to 1 419 billion in the Amending Finance Law. It includes 779.8 billion as investment expenditure on external financing, 615.3 billion as investment on own resources and 24 billion as restructuring expenditure.

The infrastructure sector had the lion's share, with a weight of 61.7% of the PIB. It is followed by the production and trade sector (8.2%), health (7.8%), general and financial administration (7.2%), communication, culture, leisure and sports (5.2%), education, training and research (4.7%).

Graph 31: Sector Breakdown of PIB for the 2022 Financial Year



Source: MINFI

At the end of the first six months of the 2022 financial year, public investment expenditure amounted to 459.7 billion, that is, a 32.4% execution rate compared with the Amending Finance Law. By major components, the execution rates are 36.5% for investment expenditure on own resources, 29.1% for investment expenditure on external financing and 35% for restructuring expenditure. Public investment expenditure shrank by 15.4 billion (-3.2%) year-on-year, mainly due to the 7.8% drop in expenditure on external financing.

7.2.1.2.3. Public debt

In 2022, the Amending Finance Law projects public debt service to stand at 1 560.3 billion, up by 130 billion compared with the initial Finance Law. The projected external debt service is 677 billion, including 157 billion as interest and 520 billion as principal. The projected domestic debt service stands at 883.3 billion, including 82.6 billion as interest, 570.7 billion as amortization of the principal, 84 billion as VAT credit refunds and 146 billion as domestic arrears.

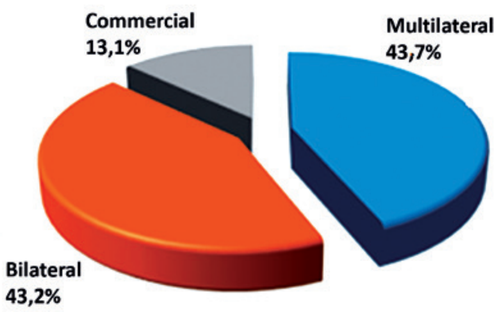
At the end of the first six months of 2022, effective public debt service stood at 784.8 billion as against 671.4 billion a year earlier, that is, a 113.4 billion (+16.9%) increase year-on-year. The execution rate of the effective public debt service is 44.9%. External debt effective service stands at 321.6 billion, including 106 billion as interest and 215.5 billion as principal. Domestic debt effective service stands at 378.3 billion, including 22.7 billion as interest, 39.3 billion as amortization of the principal, 52 billion as VAT credit refunds and 264.3 billion as domestic arrears and 2021 outstanding debt.

At end-June 2022, the outstanding public sector debt was estimated at 11 933 billion, that is, 45.8% of PIB. It is up by 11.2% year-on-year. This outstanding debt was broken down into 11 057 billion as Central Administration debt and 875.2 billion as debt of public enterprises and establishments.

The outstanding Central Administration debt included 71.1% external debt and 28.9% domestic debt. Outstanding external debt is estimated at 7 867 billion (30.2% of PIB) and growing at an annual rate of 12%. It includes 3 439 billion as multilateral debt, 3 401 billion as bilateral debt and 1 027 billion as commercial debt.

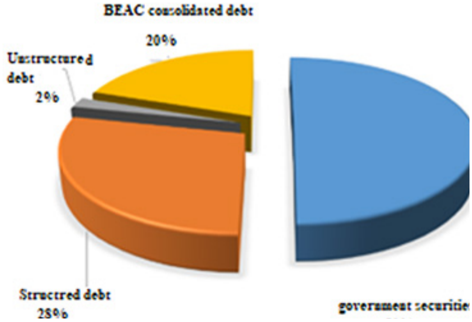
Domestic Central Administration outstanding debt is estimated at 3 190 billion, that is, 11.3% of PIB, up by 10.6% year-on-year. It includes 1 474.7 billion as government securities, 827.3 billion as structured debt, 576.9 billion as BEAC consolidated debt and 59.2 billion as non-structured debt.

Graph 32: Breakdown of External Public Debt as at 30 June 2022



Source: MINFI/DF, CAA

Graph 33: Breakdown of Domestic Public Debt as at 30 June 2022



Source: MINFI/DF, CAA

7.2.1.3. Variations of payment arrears and underlying budget balance

At the end of the first half of the 2022 financial year, the stock of payment arrears decreased by 118.4 billion. This decrease resulted from the combined effect of the accumulation of 145.9 billion in new outstanding payments for 2022, and the settlement of previous and earlier year's arrears worth 264.3 billion.

The State's transactions, reflecting the revenue and grants mobilized and the expenditure executed, show an overall balance based on surplus authorized payments of 174.5 billion. The primary balance based on authorized payments stood at 251.5 billion, while non-oil primary balance stands at -150.7 billion.

Table 70: Budget Expenditure for the 2022 Financial Year (in billions)

ITEMS	I.F.L	A.F.L	Execution	Execution	Estimates	Execution rate	Variations	
	2022	2022	at 30/6/21	at 30/06/22	at 31/12/2022	at 30/06/2022	(d/c)	(d/c)
	(a)	(b)	(c)	(d)	(e)	(f)	(abs)	(%)
I- Recurrent expenditure (excluding interest)	**2,889.4**	**2,998.4**	**1,098.3**	**1,048.1**	**2,998.4**	**35.0**	**-50.2**	**-4.6**
Recurrent operation	1,992.2	1,985.2	856.7	751.8	1,985.2	**37.9**	**-104.9**	**-12.2**
Personnel expenditure	1124.8	1174.3	518.8	559.2	1,174.3	**47.6**	**40.4**	**7.8**
Expenditure on Goods & Services	867.4	810.9	337.8	192.6	810.9	**23.7**	**-145.3**	**-43.0**
Transfers and pensions	897.2	1013.2	241.6	296.3	1,013.2	**29.2**	**54.7**	**22.6**
- Subsidies	653.2	769.2	127.2	172.4	769.2	**22.4**	**45.3**	**35.6**
- Pensions	244.0	244.0	114.4	123.9	244.0	**50.8**	**9.4**	**8.2**
II- Investment expenditure	**1,479.0**	**1,419.0**	**475.1**	**459.7**	**1,419.0**	**32.4**	**-15.4**	**-3.2**
Externally financed	779.8	779.8	246.3	227.0	779.8	**29.1**	**-19.3**	**-7.8**
Own resources	664.2	615.2	210.9	224.3	615.3	**36.5**	**13.4**	**6.3**
Restructuring expenditure	35.0	24.0	17.9	8.4	24.0	**35.0**	**-9.5**	**-53.0**
III- Sundry expenses to regularize	**0.0**	**0.0**	**179.1**	**202.8**	0.0	**-**	**23.8**	**13.3**
IV- Loans	**0.0**	**0.0**	**72.0**	**55.9**	0.0	**-**	**-16.1**	**-22.4**
V- Public debt service	**1,231.3**	**1,560.3**	**599.5**	**699.9**	**1,560.3**	**44.9**	**100.4**	**16.8**
External debt	679.7	677.0	185.7	321.6	677.0	**47.5**	**135.9**	**73.2**
- Interest	159.7	157.0	50.9	106.0	157.0	**67.5**	**55.1**	**108.3**
- Principal	520.0	520.0	134.8	215.5	520.0	**41.5**	**80.8**	**59.9**
Domestic debt	551.6	883.3	413.8	378.3	883.3	**42.8**	**-35.5**	**-8.6**
- Interest	79.9	82.6	37.8	22.7	82.6	**27.5**	**-15.1**	**-39.9**
- Depreciation on principal	287.7	570.7	34.0	39.3	570.7	**6.9**	**5.3**	**15.6**
- VAT credit refunds	84.0	84.0	39.0	52.0	84.0	**61.9**	**13.0**	**33.3**
- 2021 financial year pending payment	0.0	0.0	267.4	217.5	0.0	**-**	**-49.9**	**-18.7**
- Domestic arrears	100.0	146.0	35.6	46.8	146.0	**32.1**	**11.2**	**31.4**
VI- COVID19-SAA	100.0	50.0	0.0	0.0	50.0	**0.0**	**0.0**	**-**
TOTAL BUDGET EXPENDITURE	**5,699.7**	**6,027.7**	**2,423.9**	**2,466.4**	**6,027.7**	**40.9**	**42.5**	**1.8**

Source: MINFI

7.3. Budget Policy Debate (BPD)

The fourth Budget Policy Debate (BPD) was held on 5th July 2022 at the National Assembly and at the Senate. It should be recalled that the BPD was instituted by Law No. 2018/012 of 11 July 2018 relating to the fiscal regime of the State and other public entities. It aims to enlighten Parliament and strengthen its control over the guidelines adopted by the executive on the management of public finances in the medium term, with a view to making the preparation of the State budget more transparent. It is an opportunity, each year, to discuss the conditions, tools and means that ensure the medium-term sustainability of public finances prior to the drafting of the Finance Law.

The Economic and Budgetary Programming Document for 2023-2025 (DPEB 2023-2025), which served as the basis for discussion of this year's BPD, reveals that national economic activity recovered in late 2021, after a considerable slowdown in 2020 due to the effects of the COVID-19 health crisis. This trend consolidates the resilience of the national economy for a number of years in a gloomy global economic environment. In 2022, economic activity is expected to grow by 4%, as against an initial projection of 4.2%, attributable to the worsening global economic outlook. By sector, growth is projected at 3.8% in the primary sector, 3.2% in the secondary sector and 4.6% in the tertiary sector. Inflation is expected to be contained around 3%.

For the three-year period 2023-2025, Government is expected to make a complex economic policy choice targeting three priorities: inflation control, consolidation of economic recovery and rebuilding a budgetary leeway. It should also continue implementing the NDS-30. Real growth is expected to average 5% over this period.

In terms of overall strategic guidelines, to have an economy with less externally-based consumption, Government priority will be on measures to mitigate the adverse effects of recent crises on the national economy. Policy measures will focus on supporting the production and agro-industrial sectors. To this end, Government will ensure a significant increase in the share of local production and industrial transformation of the economy. At the operational level, priority will be given to implementation of projects under the Initial Impulse Programme (P2I) and the operationalization of the import-substitution policy. In addition, particular attention will be paid to the steering and monitoring of investments by private actors, as well as to the channelling of State support in terms of incentives. Concerning the import-substitution policy, focus will be on increasing the local supply of mass consumption products and inputs for agro-industries (maize, milk, fish, sorghum, soya, potatoes, cassava, plantain, etc.).

The sector strategy orientations will continue to cover the four pillars of the NDS-30, namely: structural transformation of the economy; development of human capital and well-being; promotion of employment and economic integration; and governance, decentralization and strategic management of the State.

Government policy for the next three-year period 2023-2025 will continue to be based on a budgetary consolidation effort aimed at ensuring that the State has a sound budgetary leeway in the medium term. Such leeway would be compatible with a sustainable debt level and guarantee the financial viability of its expenditure programme based on NDS-30, consistent with the guidelines of the new Economic and Financial Programme (EFP) concluded with the IMF. To achieve such consolidation, the State must make extra effort to mobilize domestic non-oil revenue in 2023, which will increase the tax burden from 11.8% of GDP in 2022 to 12.6% in 2023. This trend should also be continued in 2024 and 2025 through an average tax effort of 0.5 point per year.

Furthermore, Government should continue to adopt reforms aimed at rationalizing and controlling the level of its expenditure while guaranteeing its socio-economic effectiveness. Thus, after a voluntarist increase to 16.1% of GDP in 2022 to deal with the adverse effects of the Russia-Ukraine crisis in particular, expenditure (excluding debt service) will be reduced to 15.2% of GDP in 2023 and to 15.1% on average between 2024 and 2025. Projections on external accounts are based on a reduction in the recurrent account deficit to an average of 1.5% of GDP over the period 2023-2025, through the promotion of exports of processed products (cocoa, coffee, cotton, timber) and the implementation of the import-substitution policy.

Thus, the overall budget deficit is expected to continue its downward trend to 1.2% of GDP in 2023 and 2024 from an estimated 2% in 2022, before settling at 0.7% of GDP in 2025. Considering the oil revenue trends and prospects, this will enable Cameroon to respect the CEMAC reference balance (threshold set at -1.5% of GDP) from 2024. To this end, State technical and material support to producers will be stepped up and actors already operating in sectors linked to the targeted sectors will be particularly concerned.

Taking into account the trends in the economic situation between July and September 2022, the data and assumptions for 2022 and 2023 selected for the BPD have been updated. The updated data were used in preparing the 2023 draft budget presented below.

7.4. Draft budget for the 2023 financial year

The draft State budget for financial year 2023 is based on the following macroeconomic assumptions: (i) a real GDP growth of 4.2% and of 4.5% for non-oil GDP growth; (ii) an inflation rate of 3%; (iii) a non-oil GDP deflator of 2.3%; (iv) a production of 26 million barrels of oil and 88 billion scf of gas; (iv) a price of 85.5 dollars a barrel of Cameroonian oil and 10 dollars a m3 of gas; (v) a dollar exchange rate of 640 CFA F; (viii) a budget balance deficit of 0.9% of GDP.

On the basis of these elements, the 2023 draft budget is balanced in terms of revenues and expenditures at 6 345.1 billion, including 70.3 billion for the Special Appropriation Accounts (SAC), as against 6 080.4 billion in 2022, which is an increase of 264.7 billion in absolute terms and 4.4% in relative terms. Non-oil revenues account for 60.2% of the general State budget.

7.4.1. Revenue analysis

Revenue Breakdown is presented in the table below:

Table 71: Revenue Breakdown (in millions of CFAF)

CHARGE	WORDING	2021	2022
	A – OWN REVENUE	**4 243 200**	**4 676 500**
	PART I – TAX REVENUE	***3 148 700***	***3 725 400***
711	TAX ON INCOME, PROFITS AND CAPITAL GAINS	734 790	838 600
712	TAX ON WAGES AND OTHER REMUNERATIONS	167 000	295 000
713	TAX ON ASSETS	22 330	20 800
714	DOMESTIC TAXES AND DUTIES ON GOODS AND SERVICES	1 754 661	1 977 679

CHARGE	WORDING	2021	2022
715	TAXES ON FOREIGN TRADE AND INTERNATIONAL TRANSACTIONS	392 419	480 521
716	OTHER TAXES ON GOODS AND SERVICES	12 000	14 500
719	OTHER TAX REVENUE	65 500	82 000
	PART II – DONATIONS, ASSISTANCE FUND AND LEGACIES	***142 300***	***91 000***
733	DONATIONS FROM INTERNATIONAL INSTITUTIONS	26 558	35 400
735	DONATIONS FROM FOREIGN GOVERNMENTS	115 742	55 600
749	OTHER DONATIONS AND LEGACIES		
	PART III – SOCIAL SECURITY CONTRIBUTIONS	***60 000***	***60 000***
725	SOCIAL SECURITY CONTRIBUTION	60 000	60 000
	IV - OTHER REVENUE	***892 200***	***716 300***
721	INCOME FROM STATE PROPERTY AND LAND OTHER THAN INTEREST	710 713	716 314
722	ADMINISTRATIVE FEES AND CHARGES	24 231	25 226
723	FINES, PENALTIES AND PECUNIARY SENTENCES	3 290	9 447
729	OTHER NON-TAX REVENUE	31 638	15 137
752	REFUNDS TO THE TREASURY OF UNDULY PAID AMOUNTS	608	426
754	PROCEEDS FROM THE DISPOSAL OF FIXED ASSETS	10 282	282
759	OTHER EXCEPTIONAL REVENUE	90 080	35 116
771	INTEREST ON LOANS	1 040	49
772	INTEREST ON TERM DEPOSITS	5 686	726
774	INTEREST ON INVESTMENT SECURITIES	231	231
775	GAINS ON HOLDINGS OF FINANCIAL ASSETS	13 855	12 900
776	FOREIGN EXCHANGE GAINS	253	253
779	OTHER FINANCIAL PROCEEDS	293	293
	B - LOANS	**1 749 500**	**1 598 300**
141	TREASURY BONDS	350 000	450 000
151	MULTILATERAL PROJECT LOANS	244 775	313 271
152	PROJECT LOANS FROM GOVERNMENTS AFFILIATED TO THE PARIS CLUB	85 894	16 930
153	INITIAL PROJECT LOANS FROM GOVERNMENTS NOT AFFILIATED TO THE PARIS CLUB	43 333	267 557
155	PROJECT LOANS FROM EXTERNAL PRIVATE BODIES	372 497	197 542
161	MULTILATERAL PROGRAMME LOANS	268 000	254 300
162	INITIAL PROJECT LOANS FROM GOVERNMENTS AFFILIATED TO THE PARIS CLUB	45 000	27 000
176	OTHER INITIAL LOANS WITHIN GOVERNMENT SERVICES	340 000	71 700
	TOTAL REVENUE (A+B)	**5 977 700**	**6 274 800**
	REVENUE OF SPECIAL APPROPRIATION ACCOUNTS	**102 700**	**70 300**
TOTAL		**6 080 400**	**6 345 100**

Source: MINFI

7.4.1.1. Tax revenue

Tax revenues are projected at 3 725.4 billion, up by 18.3%, due to the increase in: (i) its main components namely, domestic taxes on goods and services (+12.7%) and taxes on income, profits and capital gains (+14.1%); and (ii) the tax on foreign trade and international transactions (+22.5%), which stands at 480.5 billion.

7.4.1.2. Donations, support funds and legacies

Donations, support funds and legacies declined by 36.1%, mainly due to the 52.0% drop in grants from foreign public administrations from 115.7 billion in 2022 to 55.6 billion in 2023. Conversely, donations from international institutions increased by 33.3% from 26 558 billion to 35 400 billion.

7.4.1.3. Social contributions

Social security contributions remained stable at 60 billion between 2022 and 2023.

7.4.1.4. Other revenue

Other State revenue has decreased by 8.5%, mainly due to the 61.0% decrease in "Other exceptional revenue" from 90.1 billion to 35.1 billion. In contrast, "income from State property and land excluding interest", which is the main item in this category, has recorded a 0.8% increase from 710.7 billion in 2022 to 716.314 billion in 2023.

7.4.1.5. Loans

Resources expected from loan projections stand at 1 598.3 billion in 2023 as against 1 749.5 billion in 2022, recording an 8.6% drop. They are mainly composed of: 254.3 billion in multilateral programme loans; 197.5 billion in project loans from external private organizations; 313.3 billion in multilateral project loans; 267.6 billion in initial project loans from Governments not affiliated to the Paris Club and 71.7 billion in other initial loans within the public administration. Treasury bonds, amounting to 450 billion, should be added to these heads.

7.4.1.6. Revenue from special appropriation accounts

Exceptionally, 15 billion was deducted from State revenue and allocated to the SAA devoted to financing the Programme for the Reconstruction and Development of Economically Distressed Areas in the Far-North, North-West and South-West Regions. The total revenue of the other SAAs revenue increased from 52.7 billion to 55.3 billion. Consequently, the revenue of all SAAs fell from 102.7 billion in 2022 to 70.3 billion in 2023, recording a drop of 32.4 billion in absolute value and 31.6% in relative value.

7.4.2. Expenditure analysis

The table below presents the structure of expenditure in the draft budget for the year 2023. The structure is determined by requirement to reconcile the desire to fight against high cost of living resulting from the Russia-Ukraine crisis, cover recurrent expenses, ensure minimum expenditure for the proper functioning of government services, meet debt obligations and successfully implement projects in accordance with the National Development Strategy (NDS-30), the Emergency Plan to Accelerate Economic Growth, the Special Three-Year Youth Plan and the organization of Senate elections in 2023.

Table 72: Structure of State Expenditure (in billions)

HEADING	2021	2022	Variations	
			%	Absolute
GENERAL BUDGET				
Personnel Expenditure	1 069. 8	1 124.8	5.1	55.0
Purchase of goods and services	791.9	867.4	9.5	75.5
Transfers and subsidies	628.8	653.2	3.9	24.4
Capital expenditure	1 352.0	1 479.0	9.4	127.0
Public debt	***1 392.7***	***1 475.3***	***5.9***	***82.6***
TOTAL	***5 235.2***	***5 599.7***	***7.0***	***364.5***
SPECIAL APPROPRIATION ACCOUNTS				
COVID-19 SAA Funds	200	100	-50.0	-100.0
Other SSAs	45.2	52.7	16.6	7.5
TOTAL	***245.2***	***152.7***	***-37.7***	***-92 .5***
GRAND GENERAL	**5 480.4**	**5 752.4**	**5.0**	**272.0**

Source: MINFI

7.4.2.1. Personnel expenditure

Personnel expenditure has increased by 5.9% to 69.7 billion. This significant increase is linked to: (i) the increase in retirement age by the decrees to harmonize retirement ages; and (ii) commitments made by Government to ensure the mass inclusion in the payroll in 2023 of teachers and health personnel being absorbed. This increase can also be explained by the continued inclusion in the payroll of temporary staff who were later absorbed into sovereign government services. Payment of the salaries of such staff, who were massively recruited without sufficient provision in the 2021 projections, will continue in 2023.

It should be noted that the increase in personnel expenditure is globally attributable to the salary item, which stands at 1 181.3 billion in 2023 compared to 1 114.1 billion in 2022.

In fact, resources intended to pay the benefits, allowances, bonuses and various forms of assistance to State employees in the category of other personnel expenditure have only recorded a 3.5 billion increase from 10.5 billion to 14 billion in 2023 intended to raise the appropriation meant to pay research allowances to State university lecturers. Thus, the various government services are still required to make an effort to streamline this category of expenses in order to take their new needs into account.

7.4.2.2 Purchase of goods and services

Purchases of goods and services are intended for the functioning of the various government services. They have increased by 163.0 billion, that is, 17.9% in relative value. The increase is mainly due to higher security spending amounting to 50 billion, and the inclusion of the operating costs of the Agricultural Production Support Programme in Cameroon (PARPAC), financed by the AfDB to the tune of 36.8 billion. Moreover, some expenses that were initially erroneously charged to transfers and subsidies have been "reclassified" under goods and services.

It should be noted that the overall appropriation for goods and services allocated the various government services has practically stabilized at its 2022 level. Similarly, the 30 billion provision made in 2022 for regions has been applied in 2023. In addition, provision has been made to cover the cost of Senate elections in 2023.

7.4.2.3. Transfers and Subsidies

The budget set aside by Government for transfers to public establishments and other public bodies, payment of pensions and contributions to international organizations stands at 1 033.0 billion for 2023, down by -15.2%, or -184.4 billion compared to the previous year. This significant drop results from the reduction in the expenditure item "subsidies to SONARA and marketers" as part of subsidizing hydrocarbons pump prices, from 480 billion in 2022 to 350 billion in 2023. Moreover, as noted in the previous section, the deduction of expenses on goods and services erroneously charged to 2022 under this expenditure item has also contributed to this drop.

The allocation for transfers and subsidies will enable the State to provide the three newly created universities (Bertoua, Garoua and Ebolowa) with the resources required for their proper functioning, address price drops in the energy sector and continue to assist the population in fighting the high cost of living.

7.4.2.4. Capital expenditure

Credits allocated to capital expenditure excluding studies and project management and capital transfers to RLAs and EPs amount to 1,169.7 billion in 2023, compared to 1,097.5 billion in 2022, i.e. a relative increase of 6.6% and 72.2 billion in absolute value. This increase is in line with the Government's option to increase capital expenditure. Priority was essentially reserved for the continuation of the implementation of ongoing projects, including major projects, including PLANUT. Similarly, the capital resources transferred to the Decentralized Territorial Collectivities were increased from 104.1 billion to 110.6 billion between 2022 and 2023.

The breakdown of capital expenditure excluding studies and project management and capital transfers to RLAs and EPs is as follows: (i) 1,149.7 billion in development operations, including 723.5 billion in external financing and 88 2 billion for investment interventions; (ii) 10 billion for rehabilitations; (iii) 10 billion for shareholdings.

Studies and project management amount to 70.5 billion and are now charged to the heading of goods and services. Similarly, capital transfers to RLAs and EPs, valued at 146.5 billion, are classified under transfers and subsidies.

In total, capital expenditure is projected at 1,386.7 billion in 2023 against 1,419 billion in 2022. It is important to note that capital expenditure in the past included current expenditure on external financing which is now classified as expenditure common. Thus, the apparent reduction in the investment budget is explained by the fact that in 2023, they no longer include current expenditure on external financing which amounts to 107.2 billion.

7.4.2.5. Public debt

Projected public debt servicing for the 2023 financial year has increased by 11.3% to 1 738.6 billion. The amount is broken down as follows: (i) 898.0 billion for external debt, compared to 677.0 billion in 2022; and (ii) 840.6 billion for domestic debt, compared to 883.3 billion for the previous financial year. This increase is largely due to the mechanical increase in external debt servicing, resulting from the appreciation of the dollar.

7.4.2.6. Special appropriation account expenditure

Special appropriation account expenditure will stand at 70.3 billion for 2023, recording a drop of 32.4 billion in absolute value and 31.6% in relative value. This significant drop can be explained by the fact that despite the establishment of a 15 billion appropriation account to finance the reconstruction of the Economically Distressed Areas of the Far-North, North-West and South-West Regions, the Special National Solidarity Fund for the Fight against the Corona-virus and its Economic and Social Impacts, whose expenditure stood at 50 billion in 2022, was closed. The expenditure of the other appropriation accounts has increased by 4.9% from 52.7 billion in 2022 to 55.3 billion in 2023.

The breakdown of all expenditure projections by head required for State general budget operations is as follows:

Table 73: Proposed Appropriations for the 2023 Financial Year (in million)

HEADING		OB	PIB	TOTAL	
		2022	2022	2021	2022
01	PRESIDENCY OF THE REPUBLIC	37 792	7 500	40 602	45 292
02	SERVICES ATTACHED TO THE PRESIDENCY OF THE REPUBLIC	5 550	1 100	5 931	6 650
03	NATIONAL ASSEMBLY	18 482	9 700	24 682	28 182
04	PREME MINISTER'S OFFICE	13 699	5 500	17 676	19 199
05	ECONOMIC AND SOCIAL COUNCIL	1 091	500	1 591	1 591
06	MINISTRY OF EXTERNAL RELATIONS	31 788	3 100	30 800	34 888
07	MINISTRY OF TERRITORIAL ADMINISTRATION	35 002	2 950	34 785	37 952
08	MINISTRY OF JUSTICE	59 474	5 500	60 549	64 974
09	SUPREME COURT	3 066	1 500	4 130	4 566
10	MINISTRY OF PUBLIC CONTRACTS	13 222	1 100	14 485	14 322
11	SUPREME STATE AUDIT OFFICE	4 052	1 650	5 195	5 702
12	DELEGATION GENERAL FOR NATIONAL SECURITY	86 644	2 500	87 175	89 144
13	MINISTRY OF DEFENCE	252 844	7 000	245 913	259 844
14	MINISTRY OF ARTS AND CULTURE	4 385	1 237	4 727	5 622
15	MINISTRY OF BASIC EDUCATION	208 435	35 599	232 742	244 034
16	MINISTRY OF SPORTS AND PHYSICAL EDUCATION	21 976	1 400	42 317	23 376
17	MINISTRY OF COMMUNICATION	3 548	800	4 618	4 348
18	MINISTRY OF HIGHER EDUCATION	56 934	7 000	57 545	63 934
19	MINISTRY OF SCIENTIFIC RESEARCH AND INNOVATION	9 125	1 750	8 691	10 875
20	MINISTRY OF FINANCE	55 491	7 200	56 950	62 691
21	MINISTRY OF TRADE	6 728	1 230	7 496	7 958
22	MINISTRY OF ECONOMY, PLANNING AND REGIONAL DEVELOPMENT	19 693	40 120	51 248	59 813
23	MINISTRY OF TOURISM AND LEISURE	3 825	3 160	8 901	6 985
25	MINISTRY OF SECONDARY EDUCATION	389 967	10 300	386 954	400 267
26	MINISTRY OF YOUTH AND CIVIC EDUCATION	15 352	8 350	20 234	23 702
27	MINISTRY OF DECENTRALIZATION AND LOCAL DEVELOPMENT	5 765	46 355	46 088	52 120
28	MINISTRY OF ENVIRONMENT, NATURE PROTECTION AND SUSTAINABLE DEVELOPMENT	3 783	2 790	6 391	6 573
29	MINISTRY OF MINES, INDUSTRY AND TECHNOLOGICAL DEVELOPMENT	5 896	1 950	9 496	7 846
30	MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT	24 071	64 571	86 956	88 642
31	MINISTRY OF LIVESTOCK, FISHERIES AND ANIMALINDUSTRIES	16 019	29 513	41 532	45 532
32	MINISTRY OF WATER RESOURCES AND ENERGY	5 413	241 550	226 084	246 963
33	MINISTRY OF FORESTRY AND WILDLIFE	10 328	6 180	15 950	16 508
35	MINISTRY OF EMPLOYMENT AND VOCATIONAL TRAINING	15 099	6 347	19 013	21 446

HEADING		OB	PIB	TOTAL	
		2022	2022	2021	2022
36	MINISTRY OF PUBLIC WORKS	58 637	468 428	464 842	527 065
37	MINISTRY OF STATE PROPERTY, SURVEYS AND LAND TEN-URE	17 043	2 000	18 158	19 043
38	MINISTRY OF HOUSING AND URBAN DEVELOPMENT	11 996	106 994	124 843	118 990
39	MINISTRY OF SMALL- AND MEDIUM-SIZD ENTERPRISES, SOCIAL ECONOMY AND HANDICRAFTS	7 637	3 396	10 001	11 033
40	MINISTRY OF PUBLIC HEALTH	117 923	89 317	197 122	207 240
41	MINISTRY OF LABOUR AND SOCIAL SECURITY	6 242	600	5 492	6 842
42	MINISTRY OF SOCIAL AFFAIRS	8 444	4 860	10 549	13 304
43	MINISTRY OF WOMEN’S EMPOWERMENT AND THE FAMILY	7 266	1 220	7 852	8 486
45	MINISTRY OF POSTS AND TELECOMMUNICATION	5 162	11 000	21 496	16 162
46	MINISTRY OF TRANSPORT	5 547	77 000	47 944	82 547
48	NATIONAL DISARMAMENT, DEMOBILIZATION AND REINTEGRATION COMMITTEE	1 967	1 500	3 466	3 467
49	CONSTITUTIONAL CONCIL	3 244	500	3 744	3 744
50	MINISTRY OF PUBLIC SERVICE AND ADMINISTRATIVE RE-FORM	9 263	4 650	11 332	13 913
51	ELECTIONS CAMEROON	11 583	600	11 083	12 183
52	NATIONAL COMMISSION ON HUMAN RIGHTS AND FREEDOMS	2 496	750	1 246	3 246
53	SENATE	11 962	3 200	15 162	15 162
54	NATIONAL COMMISSION FOR THE PROMOTION OF BILINGUALISM AND MULTICULTURALISM	2 380	600	2 980	2 980
55	PENSIONS	244 200	0	240 000	244 200
56	EXTERNAL PUBLIC DEBT	677 000	0	720 000	677 000
57	DOMESTIC PUBLIC DEBT	798 300	0	672 630	798 300
60	SUBSIDIES AND CONTRIBUTIONS	265 463	0	242 271	265 463
65	COMMON EXPENDITURE	400 406	0	358 453	400 406
92	SHAREHOLDING	0	25 000	20 000	25 000
93	REHABILITATION/RESTRUCTURING	0	10 000	15 000	10 000
94	INVESTMENT INTERVENTIONS	0	95 383	95 088	95 383
95	CARRY-FORWARD	2 000	5 000	7 000	7 000
TOTAL		**4 120 700**	**1 479 000**	**5 235 200**	**5 599 700**

Source: MINFI

CHAPTER 8: 2022-2025 MACROECONOMIC AND BUDGET OUTLOOK

Budget projections are generally based on current year estimates and on the assumptions underpinning the national and international economic outlook. Accordingly, this chapter, which deals with macroeconomic and budgetary outlook for the period 2023-2025, presents: (i) the national economic situation in 2022; (ii) the global economic outlook; and (iii) Government's medium-term strategic guidelines.

8.1 National Economic Situation in 2022

Economic recovery, which started in 2021, should continue in 2022, albeit at a moderate pace. This is confirmed by trends in economic indicators observed during the first half of the year. Real GDP growth is expected to reach 3.7%, after recording 3.6% in 2021. This trend is attributable to the non-oil sector (+3.8%), with the oil sector recording zero growth. However, commodity market strains and disruption in supply chains, exacerbated by the conflict in Ukraine are affecting recovery and further heightening uncertainties in the economic outlook. These factors led to: (i) a 1.6 point increase in inflation rate in 2022; (ii) a 0.5 point drop in the GDP growth rate in 2022, compared to the initial projection; and (iii) a 0.1 point decrease in average growth rate for the period 2023-2025.

8.1.1. Supply trends

In the primary sector, activity growth is expected to increase to 4.2% in 2022, from 2.9% in 2021. This situation is explained by the increase in external demand for primary products. This trend could be a reflection of the performance observed in the "agro-industrial and export" (+7.2% in 2022, up from +5.2% in 2021) and "forestry and logging" (+4.9% after recording +1.3%) branches, meanwhile growth in the "subsistence farming" and "fisheries" branches stand at 2.8% and 2.9% respectively. Foreign trade statistics show that agricultural produce exports registered positive results in the first seven months of 2022 compared to the same period in 2021. These include exports in banana (+8.4%), raw cocoa beans 9.7%), cotton (+11.7%) and arabica coffee (+59.3%).

In the secondary sector, growth is estimated at 2.5% in 2022, driven by the good performance of the "agro-food industries" (+2.9%), "other manufacturing industries" (+2.6%), "production and distribution of power" (+5.1%) and "wood industry except furniture manufacturing" (+8.3%) branches. Despite the increase in global prices, oil production in 2022 remains at the same level as in 2021.

In the tertiary sector, growth is expected to increase by 4% in 2022 after recording 4.3% in 2021. This growth consolidation is underpinned by commercial activities (+3.6% in 2022, after recording +3% in 2021), telecommunications (+6.4% after 6.1%), catering and hotels (+5.8% after +7.3%) and financial activities (+8.1% after +10.3%).

Table 74: Distribution of GDP across Sectors (in %)

	2017	2020	2021	2022*	2023**	2024**	2025**
Primary Sector	**2.5**	**0.6**	**2.9**	**4.2**	**4.3**	**4.7**	**5.1**
Agriculture	1.3	1.7	3.5	4.3	4.4	4.8	5.2
Food crop agriculture	4.7	0.6	2.7	2.8	3.5	4.3	5.0
Industrial and export agriculture	-4.7	4.0	5.2	7.2	6.0	5.9	5.8

	2017	2020	2021	2022*	2023**	2024**	2025**
Livestock, hunting	4.4	2.7	2.4	4.0	4.0	4.6	5.0
Forestry and logging	4.2	-0.1	1.3	4.9	4.3	4.5	4.8
Fisheries and fish farming	4.0	1.0	4.4	2.9	3.7	4.0	4.8
Secondary Sector	**1.4**	**1.4**	**3.2**	**2.5**	**3.6**	**4.9**	**15.7**
Extractive industries	-17.5	2.6	-2.5	0.2	-1.0	-0.8	65.1
including: hydrocarbons	-19.2	3.0	-3.2	0.0	-1.3	-1.2	68.1
Food industries	4.4	2.8	5.2	2.9	4.1	4.4	4.3
Other manufacturing industries	1.8	-4.9	3.7	2.6	4.9	6.8	7.8
Energy production and distribution	7.0	1.0	1.4	5.1	2.0	2.0	3.3
Production and distribution of water and sanitation	2.6	2.9	1.4	-2.8	0.6	1.6	4.4
Construction and public works	8.5	6.8	3.2	3.6	6.2	7.8	8.9
Tertiary Sector	**4.8**	**0.1**	**4.3**	**4.0**	**4.5**	**5.0**	**5.3**
Vehicle trade and repairs	4.4	0.3	3.0	3.6	4.5	5.9	6.1
Restaurants and hotels	6.2	-8.4	7.3	5.8	4.3	4.9	6.2
Transport, warehousing and communication	4.2	8.0	8.0	3.8	4.1	4.3	4.5
Information and telecommunications	6.9	5.3	6.1	6.4	6.2	6.1	5.8
Financial and Insurance activities	5.0	2.8	10.3	8.1	8.2	8.3	7.3
Public administration and social security	3.5	2.5	2.7	3.0	4.8	3.0	4.3
Education	4.2	0.6	3.2	3.6	4.9	5.6	6.0
Health and social services	3.9	4.7	4.2	4.1	4.8	5.5	4.6
Other services	5.4	1.1	2.5	3.1	3.4	4.6	4.4
GDP at factor costs	**3.5**	**1.3**	**3.8**	**3.7**	**4.2**	**4.9**	**7.9**
Taxes and duties less subventions (% GDP)	4.5	-4.5	2.3	3.6	4.0	4.8	6.9
GDP	**3.5**	**0.3**	**3.6**	**3.7**	**4.2**	**4.9**	**7.9**

Source: MINFI **** Estimates, ** Projections***

8.1.2. Demand trends

8.1.2.1. Domestic demand

Regarding domestic demand, household consumption is expected to increase by 2.7% despite inflationary pressures. Consumption is driven by the favourable trends in agricultural incomes, consumer credits, remittances from the diaspora and job creation. Household consumption is also expected to receive Government support measures aimed at limiting the impact of imported inflation on the purchasing power of households. Inversely, final consumption by government services could record a 5.2% drop in connection with the control of public expenditure.

Investment is expected to record a slowdown following: (i) a 4.2% drop in public investment expenditure compared to 2021; and (ii) a drop in corporate investment expenditure. Under such conditions, global investment volume should only increase by 0.5% in 2022, as against 12.1% in 2021.

8.1.2.2. Foreign demand

In 2022 external trade is being conducted in a context marked by the increase in the world prices of major commodities, the disruption of supply chains and the appreciation of the US dollar compared to the Euro. Cameroon that mainly exports crude oil, natural gas and other commodities (cacao, cotton, banana and timber) is expected to benefit from the increase in commodity prices. In the first half of 2022, the value of commodity exports increased by 51% year in year out. The volume of exports is expected to increase by 10.8% in 2022, as against 3.4% in 2021. On the other hand, the volume of imports of goods and services should drop by 2.3% in 2022, as against an increase of 13.8%.

8.1.3. Price trends

Inflation, measured by consumer price index (CPI), is estimated at 4.6% at end-2022, as against 2.6% in 2021. This increase is mainly driven the rise in the price of foodstuffs that are weighing on household budgets. The consequences of the war in Ukraine have compounded the already existing supply tensions, thereby fuelling high inflation. However, the Government has implemented various measures to support household consumption so as to cushion the impact of imported inflation on household purchasing power.

Table 75: Trends in GDP and its Uses (in %)

	2020	2021	2022*	2023**	2024**	2025**
Consumption	**0.4**	**4.2**	**1.5**	**3.7**	**4.3**	**3.0**
Private	0.3	4.3	2.7	3.7	3.6	8.5
Public	1.1	3.0	-5.2	3.4	9.6	-31.5
Gross fixed capital formation	**-4.2**	**8.4**	**0.7**	**6.7**	**5.1**	**4.9**
Private	4.2	9.6	3.0	5.0	5.9	6.3
Public	-25.3	4.0	-7.9	13.8	2.1	-0.8
Stock variations	0.0	0.0	0.0	0.0	0.0	0.0
Investment	**-6.4**	**12.1**	**0.5**	**6.7**	**5.1**	**4.9**
Export of goods and services	**-14.4**	**3.4**	**10.8**	**0.8**	**2.4**	**30.8**
Crude oil exports	-14.5	-2.6	0.2	-1.0	-0.8	65.1
Exports of goods excluding crude oil	-19.7	6.5	7.4	5.5	5.4	5.5
Export of goods	-2.1	7.4	0.0	2.6	2.8	30.5
Export of services	-11.3	-5.7	0.0	-5.2	0.5	32.4
Import of goods and services	**-17.1**	**13.8**	**-2.3**	**0.8**	**0.5**	**0.9**
Import of goods	-15.2	17.3	-2.6	1.0	0.6	1.1
Import of services	-24.2	-0.8	-0.7	-0.1	0.0	0.1
GDP	**0.3**	**3.6**	**3.7**	**4.2**	**4.9**	**7.9**

*Source: MINFI   * Estimates, ** Projections*

8.2 Global Economic Outlook

Global economic activity recorded a generalized and sharper slowdown than expected, with inflation reaching unprecedented levels for several decades. The very high cost of living, the tight financial situation in most regions, the Russo-Ukrainian conflict and the lingering effects of COVID-19 are the factors that heavily impacted global outlook. In addition, heat waves and intense drought in some parts of the world (Europe, Central Asia, South Asia, North America) should negatively impact agricultural and fishery production.

8.2.1. Economic growth

According to the October World Economic Outlook published by the IMF, global economic growth is expected to slow down from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023. Global inflation will rise from 4.7% in 2021 to 8.8% in 2022, before dropping to 6.5% in 2023 and 4.1% in 2024. Monetary policy will continue striving to restore price stability, and fiscal policy will alleviate the strain on cost of living, while maintaining a sufficiently restrictive guideline in line with the monetary policy. Structural reforms may provide additional support in controlling inflation by improving productivity and mitigating supply problems.

In the group of advanced countries, economic growth outlook is expected to deteriorate. In fact, growth should slow down from 5.2% in 2021 to 2.4% in 2022 and 1.1% in 2023. Such slowdown will mainly affect the American and European economies. U.S growth is expected to decline from 5.1% in 2021 to 1.6% in 2022 and 1% in 2023. Growth in the Euro zone should drop from 5.2% in 2021 to 3.1% in 2022 and 0.5% in 2023.

The group of emerging and developing countries are expected to witness slowdown in growth from 6.6% in 2021 to 3.1% in 2022 and 2023. Growth outlook remains invariable depending on the country and region facing the risks. In the emerging and developing countries in Asia, growth should increase from 7.2% in 2021 to 4.4% in 2022, before rising to 4.9% in 2023. In China in particular, growth is expected to slow down to 3.2% in 2022, after 8.1% in 2021 as a result of the lockdown and the worsening real estate crisis. In India, growth is expected to slow down but will still remain robust (+6.8% after +8.7%). In Latin America, growth outlook should be weaker (+3% after +6.9%), owing to the loss of recovery momentum in Brazil (+1.7% after +4.6%). In the emerging and developing countries in Europe, growth is expected to stand at 0.0 % in 2022 and 0.6% in 2023. Economic growth in Russia is projected at -3.4% in 2022 and -2.3% in 2023. In Ukraine, growth is expected to shrink by 35% is expected in 2022 as a result of the conflict between the two countries.

In Sub-Saharan Africa, growth should decline from 4.7% in 2021 to 3.6 % in 2022 and 3.7 % in 2023. These weaker prospects are a reflection of a slower growth of trading partners, more stringent financial and monetary conditions and a modification of terms of exchange of commodities. In the CEMAC zone in particular, BEAC projections place real GDP growth rate at 3.2% in 2022, up from after 1.5% in 2021, driven mainly by a rebound in oil growth (1.9% in 2022, as against -8.2% in 2021). Inflation should stand at 5.2% in 2022, as against 1.6% in 2021. In the medium term, the macroeconomic situation of CEMAC countries is expected to heavily depend on commodity price dynamics, which are themselves determined by an upturn in global demand and the outcome of the conflict between Ukraine and Russia. Economic growth should stand at 2.6% on average for the period 2022-2025. Effective production should still be below potential production while recording an improvement in the medium term despite the break in trend observed in 2020 as a result of the COVID-19 pandemic.

Table 76: Some Global Economic Performance Indicators

	2021	2022	2023
Real GDP growth			
Global economy	6.0	3.2	2.7
United States	5.7	1.6	1.0
Euro zone	5.2	3.1	0.5
Japan	1.7	1.7	1.6
China	8.1	3.2	4.4
India	8.7	6.8	6.1
Sub-Saharan Africa	4.7	3.6	3.7
Nigeria	3.6	3.2	3.0

	2021	2022	2023
South Africa	5.0	2.2	1.1
CEMAC	1.5	3.2	
Inflation			
United States	4.7	8.1	3.5
Euro zone	2.6	8.3	5.7
Japan	-0.2	2.0	1.4
China	0.9	2.2	2.2
India	5.5	6.9	5.1
Sub-Saharan Africa	11.1	14.4	11.9
Nigeria	17.0	18.9	17.3
South Africa	4.6	6.7	5.1
CEMAC	2.1	2.3	

Source: IMF   ** Estimates*   *** Projections*

Global trade growth slowed down sharply from 10.1% in 2021 to 4.3% in 2022 and 2.5% in 2023. This mainly reflected the drop in global production growth and the constraints in supply chains. The appreciation in September 2022 of the dollar by approximately 13% in nominal effective terms, compared to the 2021 average, probably slowed down global trade growth, given the dominant role of the Dollar in commercial billing and the implicit repercussion on consumption and production prices excluding the U.S.A.

8.2.2. Commodity market outlook

The increase in commodity price intensified in 2022 following various constraints on supply as well as a strong upturn in demand. This rise is exacerbated by supply disruptions notably from Russia and Ukraine that are two major commodity exporters.

The price of energy and non-energy products rose during the first two quarters of 2022. In fact, according to the IMF, the price index of energy products rose by 99% year-on-year, following the sharp increase in the prices of oil (+61.2%), natural gas (+212.8%) and charcoal (+205.9%). Over the same period, the price index of non-energy products increased by 15.1% driven by fertilizers (+12%) and food products (+22.3%).

Crude oil prices stood on average at 116 dollars per barrel in March 2022, their highest level since 2013. They stood at 109 dollars on average during the second quarter of 2022, representing an increase of 60% year-on-year. They were estimated on average at 102 dollars per barrel in 2022, as against 70 dollars per barrel in 2021. Price hike was heightened by the fear of supply shortage following western sanctions on Russia and the upturn in global demand. In 2023, crude oil prices are expected to stand at 83.5 dollars per barrel.

The price of natural gas stood on average at 449.7 dollars per ton during the first half of 2022, up by 212% year-on-year. Concerns about supply were compounded by the Russo-Ukrainian conflict. Supply is estimated on average at 541 dollars per ton in 2022 and expected to reach 505 dollars per ton in 2023.

Graph 34: Trends in Crude Oil Prices

Source: World Bank

Regarding non-energy products, the general index of food commodities increased by 22.3% during the first half of 2022. Specifically, the prices of cereals and vegetable oil rose by 35% and 20% respectively. Trade disruptions and the high cost of inputs triggered a hike in the prices of some food commodities. Production deficits also played a key role, notably for wheat and soya beans, partly as a result of the drop in output in South America. The increase in the price of fertilizers is expected to impact the price of foodstuffs in 2023.

Table 77: History and Projections of the Prices of Cameroon's Main Export Commodities

Category	Units	History							Estimates	Projections		
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cocoa	$/kg	3.14	2.89	2.03	2.29	2.34	2.37	2.43	2.29	2.24	2.19	2.19
Arabica Coffee	$/kg	1.59	1.64	1.51	1.33	1.31	1.51	2.05	2.53	2.25	2.18	2.15
Robusta Coffee	$/kg	8.8	8.9	1.01	8.5	7.4	6.9	8.9	1.02	9.7	9.7	9.7
Crude palm oil	$/mt	565	639	647	559	523	666	1073	1162	871	796	789
Banana	$/kg	0.96	1.00	1.08	1.15	1.14	1.22	1.21	1.40	1.44	1.44	1.44
Raw timber	$/cum	539	506	483	498	484	490	510	461	447	447	447
Cotton	$/kg	7.04	7.42	8.36	9.13	7.78	7.19	10.2	13.6	10.4	9.44	9.25
Rubber	$/kg	7.07	7.44	9.08	7.04	7.48	7.99	9.45	8.71	8.01	8.01	8.01
Aluminium	$/mt	1.66	1.60	1.96	2.10.	1.79.	1.70.	2.47	2.70	2.36	2.40	2.45

Source: World Bank

8.2.3. Consumer price trends

Global inflation was increased given the increase in the prices of foodstuffs and energy, including persistent imbalance between demand and supply. It is expected to reach 8.2%

in developed countries and 10% in emerging and developing countries in 2022, as against initial projections of 7.3% and 9.2%. In 2023, inflation will slowdown, in connection with the disinflationary monetary policies practised by central banks.

Box 4: Impact of the Russo-Ukrainian Conflict on Cameroon's Economy

Trade has suffered several effects since the start of the Russo-Ukrainian conflict, including the sharp increase in the price of agricultural and hydrocarbon products. These effects are the result of sanctions imposed on Russia by western countries, and disruptions in global supply chains caused by the destruction of logistic infrastructure in Ukraine. These two countries are Cameroon's major trading partners, notably in the supply of some commodities. Russia is the Cameroon's 14th trading partner and amongst the major suppliers of wheat and fertilizers. Ukraine on its part is Cameroon's 19th trading partner and major supplier of iron, cast iron and steel products. The Russo-Ukrainian conflict therefore impacts Cameroon's macroeconomic situation and outlook through trade.

Firstly, the increase in the price of oil and other export products should improve Cameroon's external position. *Specifically, Cameroon's global external position is expected to improve through the increase in export revenues and the current transaction balance triggered by the increase in the price of commodities.*

Concerning public finance, budget revenue is expected to improve in 2022. However, the positive impact of the increase in the price of crude oil should be mitigated by the negative impact of high prices of imported refined oil and foodstuffs on budget expenditure (notably the increase in fuel pump price subsidies and tax expenditure).

The increase in the global prices of foodstuffs, energy, fertilizers and intermediary goods will worsen inflation at the national level. *Indeed, there was a 5.9% consumer price increase in June 2022 and year-on-year. This price increase is geared towards imported products and foodstuffs (+12%). In Yaounde specifically, prices rose by 6.4% in connection with the 13.7% hike in foodstuff prices. In Douala, the general price level rose by 6% as a result of the 13.9% increase in the price of foodstuffs. The price of bread and cereal products increased by 26.2%. Moreover, 30% of fertilizers was imported from Russia in 2020. The sharp increase in the price of fertilizers is therefore expected to impact the price of foodstuffs in 2023.*

8.3. Government's 2023-2025 Strategy

Implementation of the economic policy over the period 2023-2025 should be in line with the National Development Strategy (NDS-30). The strategy is broken down into overall and sector strategic guidelines which is the benchmark for Government's actions during the period

8.3.1. Overall strategic guidelines

The overall objective is to have an economy that consumes less imported products. Priority will be on measures to mitigate the adverse effects of recent crises on the national economy. The main economic policy measures will seek to support the productive sector, particularly the agro-industrial sector. To this end, the government will strive to significantly increase local production and ensure the industrial transformation of the economy.

At the operational level, priority will be given to the implementation of Initial Impulse

Programme (P2I) projects and to the operationalization of the import-substitution policy, which will be reflected through the implementation of the consumer goods production support plan. Government's optimal management of measures to support investments related to the implementation of the various P2I projects will be given priority as from 2023. With regard to the import-substitution policy, focus will be on increasing local supply of consumer products and inputs for agri-business (corn, milk, fish, sorghum, soya beans, potatoes, cassava, plantain, etc.). To this end, the State will step up technical and material support to producers, with actors already operating in the various branches linked to the target sectors being the primary beneficiaries.

8.3.2. Sector strategic guidelines

These guidelines cover the four pillars of the NDS-30, namely: (i) structural transformation of the economy; (ii) human capital development and well-being; (iii) job creation and economic integration; and (iv) governance, decentralization and strategic management of the State.

Regarding structural transformation, the Government is expected to address three challenges, namely: (i) continued commissioning of major projects so that they can effectively contribute to shoring up the production system; (ii) modernization of factors of production in the rural and agricultural sector; and (iii) promotion of research and innovation. Accordingly, the strategic guidelines for the next three-year period in the area of production are as follows:

● completion and commissioning of major first-generation projects (Lom-Pangar dam, Memve'ele hydroelectric dam, Natchigal hydroelectric dam, the Project to Supply Drinking Water to the City of Yaounde and its Environs from the Sanaga River, etc.)

● launching of second-generation projects, with particular emphasis on: (i) consideration of the coherence and interdependence of projects from the design phase; (ii) improvement of the fixing of infrastructure production costs; (iii) formulation of a public infrastructure maintenance and renovation policy; and (iv) development of the Project-Finance approaches in project designing;

● improvement of the production of goods that weigh the most on the balance of trade, such as rice, corn, wheat, fish and milk;

● provision of agricultural equipment to producers in rural areas.

Human capital development will be supported through a social protection system to enable it to address socio-economic risks throughout life. To achieve this, the following guidelines will be implemented:

● improvement of education quality through the establishment of an 8-year basic education cycle, the reform of the content of teaching, the bridging the various types and levels of education, matching training to the socio-economic environment, the development of the competence-based approach and the definition of the appropriate strategies to bring the establishments closer to the population;

● improvement of the medical equipment of hospitals in order to step up the supply and quality of healthcare and reduce infant and maternal mortality;

● fast-tracking the implementation of Universal Health Coverage to enable the greatest number of people to benefit from quality health services at a lower cost;

● the establishment of a national plan to fight malnutrition in pregnant and breastfeeding women, and under-five children;

● gender mainstreaming in the formulation and budgeting of public policies.

Regarding job promotion and socio-economic integration, the guidelines for the period 2023-2025 are as follows:

● continuation of work on the adoption of the labour-intensive approach in the implementation of public investment projects;

● strict application of the regulatory provisions in force relating to the involvement of SMEs in the implementation of all public projects;

● supporting RLAs in job creating and strengthening the regulation of the labour market. In addition, incentives will be laid down for companies to encourage the recruitment of young graduates.

As concerns governance, decentralization and strategic management of the State, the strategic guidelines for the next three-year period are outlined below.

With respect to political and administrative governance:

● strengthening of national unity and consolidation of the democratic process through the intensification of actions aimed at promoting bilingualism, multiculturalism, the re-ownership of citizenship and patriotism, and the equitable participation of all social segments in national life;

● strengthening and consolidation of the decentralization process by finalizing the implementing instruments of the law instituting the General Code of Regional and Local Authorities, as well as the establishment of local public service;

● continued modernization of the management of the administration by strengthening the legitimacy of public action and discipline in the public service, so that State employees become models of patriotism, integrity and probity.

Regarding economic and financial governance:

● tabling before Parliament for adoption, a bill on the modernization of the economy to lay down the programmatic focus of the NDS-30. The law will, among other things, help to increase coherence of choice of projects and improve their relevance to the development objectives pursued;

● maintenance and upkeep of public works in order to improve their functionality and usefulness. Actions relating to this concern will be extended to regional and local authorities;

● improving the business climate by reducing costs and simplifying procedures for setting up businesses and obtaining building permits,

● control of public debt, debt sustainability and the sustainability of public finances will remain priorities.

8.4. National Macroeconomic Outlook for the Period 2023-2025

The macroeconomic outlook remains positive, but is subject to the uncertainties inherent in the duration of the Russo-Ukrainian conflict and the effectiveness of Government's economic policy measures. As a reminder, this conflict has triggered a global economic shock that is affecting all commodity importing countries in general, and Cameroon in particular, at a time when the country has limited fiscal elbow room to deal with it. Soaring oil and food prices are weighing in particularly on external and fiscal balances, and have heightened concerns about food security. High food prices is disproportionately affecting the most vulnerable segments of the population, especially in urban areas.

Between 2023 and 2025, the government will have face difficult economic policy trade-offs, namely: (i) controlling inflation without penalizing continued economic recovery; (ii) helping vulnerable populations penalized by rising prices while rebuilding fiscal elbow room; and (iii) pursuing the implementation of the NDS-30 in the medium term. The macroeconomic forecasts are based on the assumption that the economic recovery that began in 2021 will continue and that the economy will gradually return to its pre-COVID crisis growth path.

Accordingly, the outlook has been revised slightly downward from the June forecast made as part of the preparation of the budget policy document. Economic activity is expected to grow by 4% in 2023, compared with the initial forecast of 4.2%, in line with the worsening outlook for the global economy. It is expected to average 5% over the period 2023-2025.

On the supply side, growth in the oil sector is projected at -2.3% in 2023 and 0.3% on average over the period under review, as a result of the gradual depletion of oil fields partially offset by gas production. In the non-oil sector, growth is projected at 4.4 percent in 2023 and at an average of 5.1 percent over the period under review, in connection with the effective implementation of the actions included in the NDS-30.

In the primary sector, growth is projected at 4.2% in 2023 and 4.6% on average over the period 2022-2024. This trend will be backed by the implementation of the import-substitution policy, in particular through increased local supply of goods that are widening the trade balance deficit. Other factors will contribute towards improving production and productivity in industrial agriculture, notably the increase in downstream demand from agro-industries, the positive effects of revival programmes and development plans for the cocoa, coffee, banana, cotton and rubber sectors, and the upswing of main export products prices.

In the secondary sector, growth is projected at 3% in 2023 and 4.6% on average over the period 2023-2025. Despite the decline in oil production, the sector should benefit from: (i) the expansion of some industries, particularly cement plants and (ii) the buoyancy of the agri-business and other manufacturing industries. These industries are expected to benefit from a better electric power supply, through the final commissioning of hydroelectric dams and the construction of electricity transmission facilities. Construction and public works should also boost the sector growth through the implementation of several major second-generation hydroelectric and road infrastructure projects and the reconstruction of the North-West, South-West and Far-North Regions. Moreover, the rehabilitation and development of transport infrastructure to ease trade and open up production basins would help to sustain growth in the sector.

In the tertiary sector, growth is projected at 4.5% in 2023 and 4.9% on average over the period. It should be based on the development of the primary and secondary sectors and on the buoyancy of activity in the "telecommunications" and "financial services" branches.

Concerning the GDP use, domestic demand should benefit from the effects of: (i) Government's economic stimulus measures; (ii) the pick-up of public investment; and (iii) the revival of the labour market and the control of inflation. Between 2023 and 2025, final household consumption would grow by 3.9% on average, with a 3-point average contribution to economic growth. A stronger investment growth is expected over the period, averaging 6.1%.

Regarding prices, inflation is not expected to exceed the CEMAC region 3% threshold over the period 2023-2025, thanks to the measures adopted to control prices on the one hand, and to improve the local supply of consumer goods concurrently with the reorganization of the domestic market, on the other.

As for external accounts, projections are based on a reduction in the current account deficit to an average of 1.5% of GDP over the period 2023-2025, thanks to the promotion of exports of processed products such as cocoa, wood, coffee, cotton, etc. and the implementation of the import-substitution policy.

Table 78: Key Macroeconomic Indicator Trends

	National Accounts			Estimates	Projections		
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Real Sector							
Current GDP prices (CFA billion)	**23244**	**23469**	**25141**	**27489**	**29118**	**31003**	**33767**
Oil GDP	872	477	943	1321	1140	1071	1644
Non-oil GDP	22372	22991	24199	26168	27978	29932	32123
GDP at constant prices (rising)	**3.5**	**0.3**	**3.6**	**3.7**	**4.2**	**4.9**	**7.9**
Oil GDP	8.4	3.0	-3.2	0.0	-1.3	-1.2	68.1
Non-oil GDP	3.3	0.4	3.8	3.8	4.5	5.2	5.7
Prices							
GDP deflator	1.2	0.7	3.4	5.5	1.7	1.5	1.0
Oil GDP deflator	-3.0	-46.9	104.1	40.1	-12.6	-5.0	-8.6
Non-oil GDP deflator	1.3	2.4	1.4	4.2	2.3	1.7	1.5
Consumer prices	2.5	2.5	2.5	4.6	3.0	3.0	2.5
Export prices	-0.3	-9.5	13.6	43.6	-29.6	-10.2	11.1
of which Cameroon oil prices	*-3.0*	*-46.9*	*59.1*	*44.6*	-12.6	-5.0	*-8.6*
Import prices	1.2	-4.3	3.6	9.9	2.5	-0.4	-0.7
Terms of trade	**-1.5**	**-5.2**	10.0	33.7	-32.1	-9.8	11.8
Distribution by sector							
Primary sector	16.8	17.5	16.9	16.5	15.7	15.2	15.1
Secondary Sector	23.8	23.0	24.5	25.2	24.3	23.9	25.2
of which oil	*3.8*	*2.0*	*3.8*	*4.8*	*3.9*	*3.5*	*4.9*
Tertiary sector	51.0	51.8	51.1	51.2	53.0	53.8	52.8
Taxes and duties excluding sub-sidies	8.3	7.7	7.5	7.1	7.1	7.0	7.0
Demand components							
Consumption	84.7	85.6	84.8	81.1	84.0	84.3	79.9
Private	72.6	73.3	72.8	70.2	73.1	72.8	72.4

	National Accounts			Estimates	Projections		
	2019	2020	2021	2022	2023	2024	2025
Public	12.1	12.3	12.0	10.8	10.9	11.6	7.4
FBCF	19.1	18.2	18.8	18.4	19.1	19.2	18.8
Private	13.5	14.1	14.8	14.8	15.1	15.3	15.2
Public	5.6	4.1	4.0	3.6	4.0	3.9	3.6
Export of goods and services	19.9	15.2	16.7	20.5	16.4	14.8	18.2
Import of goods and services	23.5	18.5	20.4	20.0	19.5	18.3	16.9
Public sector							
Total income and donations	15.7	13.7	14.4	15.4	14.9	14.9	15.5
Oil	*1.2*	*2.1*	*2.3*	*1.56*	*1.7*	*2.4*	*2.0*
Non-oil (tax pressure)	***12.3***	***11.3***	***11.7***	***11.9***	***11.9***	***11.8***	***12.2***
Non-oil (% non-oil GDP)	*12.8%*	*11.5%*	*12.2%*	*12.5%*	*12.4%*	*12.2%*	*12.8%*
Expenditures	18.9	16.8	16.9	17.1	16.4	16.4	*17.9*
current	*12.3*	*12.1*	*12.3*	*12.8*	*10.2*	*10.2*	*10.8*
Capital	*4.6*	*4.9*	*4.4*	*6.2*	*6.3*	*6.0*	*7.1*
Overall budget balance (authorization basis)							
Including grants	**-3.2**	**-3.1**	**-2.3**	**-2.1**	**-1.8**	**-1.8**	**-2.0**
Excluding grants	**-3.8**	**-3.3**	**-2.7**	**-2.6**	**-2.1**	**-2.1**	**-2.0**
Overall balance, cash basis	-4.1	-3.6	-1.7	-2.1	-1.8	-1.8	-2.1
Reference budget balance (CEMAC)	**-4.2**	**-3.3**	**-2.5**	**-3.1**	**-2.4**	**-2.5**	**1.6**
External sector							
Current account balance	**-3.5**	**-3.7**	**-4.0**	**-3.0**	**-2.7**	**-2.2**	**-1.0**
Current account balance excluding public transfers	-3.7	-3.9	-4.3	-3.5	-3.1	-2.6	-1.4
Overall balance	**1.5**	**-1.8**	**-0.6**	**-0.7**	**0.2**	**-1.6**	**0.5**
Monetary situation (nominal growth)							
Money supply (M2)	7.4	12.8	17.1	9.4	8.1	8.9	11.9
Net external assets	14.4	-0.5	11.4	4.5	1.7	-0.5	12.5
Credit to the economy	0.2	4.8	12.7	19.5	7.0	8.1	11.6

Source: Framework Committee

8.5. 2023-2025 Budget Outlook

Government's public finance policy for the period 2023-2025 is still based on budget consolidation to mobilize medium-term resources that are compatible with a sustainable debt level and guarantee the implementation of the NDS30, in line with the guidelines of the new Economic and Financial Programme concluded with the International Monetary Fund (IMF).

In this regard, the overall budget deficit should continue its downward trend to stand at about 0.9% of GDP in 2023, as against an estimate of 1.8% in 2022, before dropping below 1% of GDP in 2024 and 2025. To achieve this consolidation, an additional effort to mobilize non-oil internal revenue is required. Moreover, efforts to streamline and control public expenditure should continue, while guaranteeing their socio-economic effectiveness.

8.5.1. General guidelines for non-oil revenue mobilization

a) General domestic fiscal policy guidelines

The fiscal policy for the 2023-2025 triennium still aims to establish an efficient, inclusive, simple, fair and growth-inducive tax system. The policy also seeks to accelerate the process of achieving the objectives of the NDS-30. It will be broadly geared towards increasing domestic tax revenue mobilization, in particular by strengthening the efficiency of tax administration and improving the business tax environment.

With regard to increasing domestic tax revenue mobilization, the strategy will focus on:

● broadening the tax base, particularly by streamlining tax expenditure;

● strengthening personal taxation and optimizing informal sector taxation;

● securing revenue through the widespread use of e-payment and electronic monitoring of economic transactions;

● promoting tax-compliance through the continued digitalization of tax procedures;

● combatting tax fraud and evasion by introducing data mining and artificial intelligence technologies, and using automated risk analysis systems and external expertise (international or local) for tax audits;

● digitalizing tax service management tools and fine-tuning the organization of central and decentralized structures.

Several measures will be taken to improve the business tax environment, including;

● continuing the tax rate reduction policy;

● extending online tax services;

● strengthening guarantees to taxpayers;

● improving tax education and communication.

b) General customs policy guidelines

The overall customs policy will be directed towards the pursuit of fiscal, economic and assistance missions to institutional and private actors.

With regard to the taxation component, customs will lay particular emphasis on the quality of goods handling, control of taxation bases (value, origin, tariff classification) and the assessment, collection and securing of customs duties and taxes. In this connection, the following specific fiscal measures aimed at optimizing revenue mobilization and streamlining tax expenditure will be implemented:

● continuation of the policy of imposing excise duty on luxury goods, those for which Cameroon has real factor endowments or those with negative externalities for the environment and health;

● continuation of the policy of taxing export goods, according to their level of local processing, their volume of national production and their prices trend on the international market;

● search for and exploration of new tax niches with a view to increasing the taxable taxations;

● continued development of complementary modules of the Cameroon Customs Information System (CAMCIS), in order to optimize goods handling, risk analysis, dispute management and the automated cross-referencing of data within the framework of a data centre warehouse;

● the systematic audit of the use of customs facilities granted to economic operators prior to any renewal;

● review of all existing tax expenditure with a view to eliminating exemptions that are ineffective or irrelevant to public policy trends.

As regards the economic role, the Customs Administration will be guided by three main priorities namely: the pursuit of the import-substitution policy, the surveillance and protection of the national economy and the improvement of the business environment.

With regard to the import-substitution policy, the actions of the customs will be geared towards:

● readjusting customs duties and taxes on some imported goods in order to promote their gradual substitution by locally manufactured products;

● tax relieve on some imported equipment and the production goods for which there is no local equivalent, with a view to developing some priority sectors such as electricity, transport and public works;

● implementing, in conjunction with the Directorate General of taxation, of a fiscal incentive policy to promote the use of local raw materials;

● maintaining a relatively low level of taxation for finished products processed in Cameroon, in order to encourage exports of "made in Cameroon" products;

● gradually eliminating exemptions for products manufactured locally or which have substitutes at the national level, depending on our production capacity and their availability.

With regard to regulation of economic activity and border surveillance, Customs actions will include;

● the implementation of a land, air and water border surveillance plan, in response to the integration of the Cameroon Customs into the National Defence and Security Community;

● the use of safeguard measures provided for in the provisions of the new CEMAC Customs Code to protect sectors of activity that are exposed to unfair competition from imported products benefiting from foreign subsidies or any other form of support in their country of export;

● continued advocacy to CEMAC for the revision of the various rates of the Common External Tariff (CET) which are no longer appropriate, for better protection of the Community's economic space against third-party products;

● the continuation of operations to seize/destroy counterfeit, pirated goods or goods that are not compliant with Cameroon's standards and specifications.

With regard to the improvement of the business climate, Customs will carry out the following actions:

● completion of the process of implementing a customs union within ECCAS to extend market outlets to the ten other countries of the said Community. In this regard, draft customs codes and tariffs have already been prepared and will be adopted by the relevant bodies;

● continuation of efforts to simplify procedures and reduce border crossing times, in conjunction with other relevant bodies and the National Committee for Trade Facilitation (CONAFE);

● provision of support to approved economic operators, particularly through the range of facilities provided for in the new CEMAC Customs Code;

● granting of appropriate economic customs regimes provided for in the said Code to companies, according to the nature of their activities, in order to enhance their competitiveness;

● streamlining of customs controls in order to avoid overlapping;

● creation of a platform for monitoring and permanent discussions with economic operators, in accordance with the provisions of the new CEMAC Customs Code.

c) General non-tax revenue guidelines

Non-tax revenue represents all revenues that are not linked to a tax or a levy. Such revenues contribute little to the State budget despite their great potential. They lack an appropriate legal framework and their issuance and collection process is not sufficiently secured. To remedy the above-mentioned shortcomings, the Government is committed to optimizing and formalizing the process of authorizing and securing non-tax revenue through the establishment of inter-ministerial platforms aimed at identifying non-tax revenue niches, the listing of all operational revenue agencies and the identification of government services with outstanding debts.

8.5.2. Reminder of macroeconomic assumptions

Budget projections for the period 2023-2025 are based on prudent, realistic and achievable macroeconomic assumptions. Indeed, economic growth is projected at 4.2% in 2023 with an inflation rate of 3%, a per barrel world oil price of USD 85.5 and an exchange rate of 640 FCFA. Between 2024 and 2025, economic activity would remain buoyant at an average rate of 6.4%. Inflation would remain below 3% and the world price of oil would fall to an average of USD 75.9 per barrel, with an average US dollar exchange rate of CFAF 558.3.

Table 79: 2023-2025 Key Macroeconomic Assumptions

	2023	2024	2025
Nominal GDP (billion)	29108	31156	34118
Real GDP growth rate (%)	4.2	4.9	7.8
Non-oil GDP growth rate (%)	4.5	5.2	5.8
Inflation (%)	3.0	3.0	2.5
Non-oil GDP deflator (%)	2.3	2.2	1.9
Oil production (million barrels)	26.0	22.1	24.5
Gas production (billion scf)	88.0	93.0	256.0
World oil price per barrel (US$)	85.5	80.2	78.2
World liquefied natural gas price (US$)	10.0	10.0	10.0
US$/FCFA exchange rate	640.0	638.3	634.5

Source: Framework committee

8.5.3. Budget revenue projections

Based macroeconomic assumptions and Government's planned efforts to optimize non-oil domestic resource mobilization, the State must make a significant extra effort to mobilize non-oil domestic revenue by 0.8 percentage point in 2023, in order to raise the tax burden from 11.9% of GDP in 2022 to 12.7% in 2023. This dynamics should also be continued in 2024 and 2025 through an average tax effort of 0.4 percentage point per year.

Total State resource projections in 2023 stand at 6 274.8 billion, up by 115.8 billion in absolute value, compared to the probable (estimate) of 2022, and 1.9% in relative value. These resources would average 6 952.5 billion between 2024 and 2025. Specifically, State resources are broken down as follows:

Oil revenue includes the NHC royalty and the oil company tax. Oil royalty projection is based on:

(i) a projected oil production of 26.0 million barrels;

(ii) a projected gas production of 88.0 billion scf (standard cubic feet);

(iii) a barrel price of USD 85.5, with 3.5-dollar discount, for an oil price of USD 82.0 61 per barrel in Cameroon;

(iv) a price of a cubic metre of gas at USD 10;

(v) an exchange rate of CFAF 640 per dollar.

Oil revenue is projected at 807.0 billion in 2023, down by 99.0 billion (-10.9%) compared to 2022. The NHC royalty is expected to decline by 123.4 billion from 733.1 billion to 609.7 billion between the two financial years due to the expected drop in the world price of oil to around USD 85.5 per barrel in 2023 from USD 98.2 in 2022, and the 12.2% decline in oil production. Oil company tax is projected at 197.3 billion, as against 172.9 billion in 2022, in connection with the fact that a large part of this tax, whose payment is deferred, is based on a period for which the price of a barrel of oil was higher.

Between 2024 and 2025, oil revenue would average $934.8 billion, recording an increase of USD 143.3 billion (+21.4%), resulting from the substantial increase in gas production.

Non-oil revenue should grow at the same rate as non-oil nominal GDP, plus the net contribution of new fiscal and administrative measures. In 2023, nominal non-oil GDP growth is projected at 6.8%, resulting from a real growth of 4.5% in the non-oil sector and a non-oil GDP deflator of 2.3%. Considering the contribution of new measures, non-oil revenue is projected at 3 778.5 billion, of which 2 523.5 billion in taxes, 1 004.7 billion in customs revenue and 250.4 billion in non-tax revenue.

Non-oil revenue is projected to increase to 4 160 billion in 2024 and 4 698 billion in 2025. These trends are mainly linked to the buoyancy of the activity and continued efforts to optimize the mobilization of domestic non-oil revenue.

Grants, consisting of project and programme grants, are projected at 91.0 billion in 2023, down by 51.3 billion compared with 2022, in relation to the decrease in disbursements of C2D funds. Between 2024 and 2025, grants are projected to average 104.6 billion.

State financing resources, consisting mainly of drawings on loans, fell by 164.5 billion (-9.3%) to 2022 and stood at 1 (1 598.4 billion in 2023, including 240 billion in budget support expected as part of the implementation of the new economic and financial programme (EFP) monitored in conjunction with the IMF. The decrease is justified by the non-availability in 2023 of exceptional financing from SDRs. Between 2024 and 2025, the financing resources that the State could expect are estimated at 1 510.5 billion, down by 87.9 billion (-5.5%) compared to 2023.

8.5.4. 2023-2025 budget expenditure projections

Expenditure projection takes into account the following factors: (i) mobilizable resources trends; (ii) projected deficit target; and (iii) current Government commitment level. Thus, net 2023 expenditure and loans are projected at 6 259 billion, recording an increase of 100 billion in absolute value, and 1.6% in relative value compared to 2022. These expenditures and net loans would be stand at 6.550.3 billion in 2024 and 7.374.8 billion in 2025.

Trends by major heads are as follows:

● personnel expenditure would increase by 69.7 billion (5.9%) in 2023 to stand at 1 257.7 billion. It is expected reach 1 359.4 billion and 1 423.7 billion in 2024 and 2025 respectively;

● expenditure on goods and services increases from 932.5 billion in 2022 to 1 008.9 billion in 2023, showing an increase of 76.4 billion in absolute value and 8.2% in relative value. It includes: (i) the general allocation for the decentralization of regions amounting to 30 billion; (ii) the local production revival fund of 50 billion; and (iii) public investment project studies and management, in accordance with the new 2019 State budget nomenclature. In 2024 and 2025, this expenditure is projected at 1 056.4 billion and 1 167.1 billion respectively;

● transfers and subsidies record a 244.4 billion (-19.1%) drop from 1 277.4 billion in 2022 to 1 033 billion in 2023. The decrease is linked to the expected drop in the allocation for fuel pump price support, and correlated, at least partially, to the fall in world oil prices. Transfers and subsidies should increase between 2024 and 2025 to reach an average of 1 058.6 billion, taking into account in particular the buoyancy of pensions and the management the new public entities created, notably the new universities. It should be specified that these projections also include capital transfers to regional and local authorities, as well as to public establishments and other bodies, in accordance with the new framework for the presentation of State budget operations established by the 2019 budgetary and accounting nomenclature;

● Interest on the public debt is projected at 313.9 billion in 2023, compared with 239.6 billion in 2022, recording a 74.3 billion (+31.0%) increase linked to the increase in the stock of domestic debt as well as the start of payment of interest in 2023 on statutory advances owed BEAC (16.9 billion), the stock of which stands at 577.9 billion to date;

● capital expenditure increases by 68.2 billion (+6.3%) in 2023 to stand at 1 166.7 billion. In particular, capital expenditure on external resources could increase by 57.8 billion to 723.5 billion in 2023. Between 2023 and 2024, capital expenditure is projected to average 1 601.3 billion to support the implementation of the development policy backed by NDS30. It should be noted that resources have not been allocated to the National Solidarity Fund for the fight against coronavirus over the period from 2023 to 2025 given that the pandemic is relatively under control.

Table 80: Budget Projections (in billions of CFA francs)

	2022	F.L. 2023	2024	2025	Variations	
					(a)-(b)	(a)/(b)
A –TOTAL RESOURCES (I+II+III)	**6159.0**	**6274.8**	**6550.2**	**7374.8**	**115.9**	**1.9%**
I – DOMESTIC REVENUE	**4253.8**	**4585.5**	**4 946.4**	**5748.8**	**331.7**	**7.8%**
1-Oil revenue	**906.0**	**807.0**	**786.4**	**1 083.3**	**-99.0**	**-10.9%**
- NHC oil royalties	733.1	609.7	597.0	865.5	**-123.4**	**-16.8%**
- Oil company taxes	172.9	197.3	189.4	217.8	**24.4**	**14.1%**
2-Non-oil revenue	**3 347.8**	**3 778.5**	**4159.6**	**4665.5**	**430.7**	**12.9%**
Tax revenues	3 121.6	3 528.1	**4159.6**	**4665.5**	406.6	13.0%
- Taxes and duties	2 241.9	2 523.5	**4159.6**	**4665.5**	281.6	12.6%
- Customs revenue	879.7	1 004.7	1 095.8	1 210.4	125.0	14.2%
Non Tax Revenue	**226.2**	**250.4**	**265.3**	**289.0**	**24.2**	**10.7%**
II – GRANTS	**142.3**	**91.0**	**96.2**	**113.0**	**-51.3**	**-36.1%**
III - FINANCING	**1 762.9**	**1598.4**	**1 508.0**	**1 513.0**	**-164.5**	**-9.3%**
- Project Loans	746.5	795.4	843.0	918.1	**48.9**	**6.6%**
- Budget Support (IMF-AfDB-AFD-WB-EU)	268.0	240.0	146.0	0.0	**50.0**	**18.7%**
- IMF (SDR)	**70.0**	**0.0**	**0.0**	**0.0**	**-70.0**	**-**
- Issuance of government securities	350.0	450.0	450.0	450.0	**100.0**	**28.6%**
- Other loans (Eurobonds)	200.0				**-200.0**	**-**
- Bank financing	70.0	71.7	69.0	144.9	**1.7**	**2.4%**
- Exceptional financing	58.4	41.3	0.0	0.0	**-17.1**	**-29.2%**
B – TOTAL EXPENDITURE (I+II+III+IV+V)	**6136.2**	**6274.8**	**6567.0**	**7393.0**	**138.6**	**2.3%**
I – CURRENT EXPENDITURE	**3376.9**	**3317.5**	**3480.5**	**3682.9**	**-59.4**	**-1.8%**
1- Staff costs	1 188.0	1 257.7	1 359.4	1 423.7	69.7	5.9%
2- Purchase of goods and services	909.7	1024.7	1073.1	1185.3	115.0	12.6%
3- Transfers and subsidies	1 277.4	1 033.0	1 045.7	1 071.4	-244.4	-19.1%
4- Exceptional costs	1.8	2.1	2.3	2.5	0.3	16.7%
II- CAPITAL EXPENDITURE	**1 098.0**	**1 166.7**	**1 389.0**	**1 813.6**	**68.7**	**6.3%**
* Expenditure on external financing	665.7	723.5	766.8	835.2	57.8	8.7%
* Expenditure on domestic resources	413.3	413.2	590.4	943.4	-0.1	0.0%
* Restructuring expenditure	19.0	30.0	31.8	35.0	11.0	57.9%
III- NET LOANS	**-20.0**	**0.0**	**0.0**	**0.0**	**20.0**	**-**
IV –SUNDRY FUNDS	**121.0**	**52.0**	**81.0**	**131.0**	**-69.0**	**-57.0%**
V- PUBLIC DEBT	**1 560.3**	**1 738.6**	**1 616.5**	**1 765.5**	**178.3**	**11.4%**
* External debt	**677.0**	**898.0**	**845.0**	**868.0**	**221.0**	**32.6%**
- Interest	157.0	194.0	182.0	180.0	37.0	23.6%
- Principal	520.0	704.0	663.0	688.0	184.0	35.4%
*** Domestic debt**	**883.3**	**840.6**	**771.5**	**897.5**	**-42.7**	**-4.8%**
of which: - Interest	82.6	119.9	93.9	77.2	37.3	45.1%
- Principal	570.7	521.8	378.6	471.3	-49.0	-8.6%
- Outstanding payments	146.0	115.0	215.0	265.0	-31.0	-21.2%
- VAT credit refund	84.0	84.0	84.0	84.0	0.0	0.0%
Financing need / capacity (+/-)	-22.8	0.0	16.8	18.2	22.8	-

Source : MINFI *divided into Covid-19 financing funds, local production recovery funds and, addendum decentralization

8.6. Macroeconomic and Fiscal Risks

Macroeconomic and fiscal projections for the period 2023-2025 are subject to various risks that could call into question the fiscal and financial balance established on the basis of these projections. These risks are both external and internal. The main external risk factors include:

● new energy and food price shocks which could keep overall inflation higher for longer; energy prices are particularly sensitive to developments in the Russian-Ukrainian crisis and other geopolitical conflicts;

● the continued application of strict global financial conditions, driven by the tightening of monetary policies in advanced countries, with the aim of controlling runaway inflation. Most major central banks (FED, ECB, etc.) have started and are continuing to tighten their monetary policy in 2022, with successive increases in their lending rates;

● the fragmentation of the world economy, which hinders international cooperation. The Russo-Ukrainian crisis has fractured relations between Russia and many other countries. There is more likelihood of new geopolitical tensions that may have the potential to disrupt trade and erode the pillars of multilateral trade. The risks of further fragmentation of the global economy are real and could weigh on outlook, especially in the medium term.

● the resurgence of global health scares: the latest highly contagious COVID-19 variants are wreaking havoc on labour force, leading to prolonged absenteeism, lower productivity and lower output;

● widespread debt overhang in vulnerable emerging markets: the war in Ukraine has helped to precipitate a surge in sovereign spreads for some emerging and developing markets. This surge comes amidst record debt resulting from the pandemic. With inflation expected to remain high, further tightening of monetary policy in advanced economies could increase pressure on borrowing costs for emerging and developing economies. However, in the event of a further rise in sovereign spreads, or even if they remain at current levels for an extended period, debt sustainability may be at risk for many vulnerable emerging and developing economies, particularly those hardest hit by energy and food price shocks. A worsening debt crisis in these economies weighs heavily on global growth and could hasten a global recession. A further strengthening of the U.S. dollar can only increase the likelihood of debt distress;

● the weakening of national currencies in emerging and developing countries, which could trigger balance sheet vulnerabilities in economies with high net dollar-denominated liabilities, with risks of financial stability

On the domestic front, the main factors that could increase inflationary pressures in the domestic economy are:

● disruptions in supply channels, owing to security risks in the North-West, South- West, and Far-North regions. Such disruptions could hamper the expected economic recovery for the period 2022-2025. Lingering security risks continue to weigh on the government budget, particularly through still high direct interventions;

● the unforeseen increase in the prices of petroleum products and essential goods could further widen the current account and budget deficits. In particular, the cost of subsidizing hydrocarbon pump prices, projected at USD 300 billion in 2023, is also a major risk to fiscal sustainability over the period 2023-2025, in case the Russo-Ukrainian crisis does not end in 2022 and continues to put pressure on world oil prices.

Moreover, in the event of unfavourable financial conditions on the domestic financial market, the expected mobilization of medium- and long-term government securities amounting to 400 billion in 2023, as well as the refinancing of fungible treasury bonds, could disrupt the financial equilibrium established over this period. Where payments to Treasury correspondents (PEs and regional and local authorities) are well in excess of their own revenue payments during the year, the State's financial balance could be compromised. Similarly, the deterioration in the financial situation of some public and semi-public enterprises, which continue to require substantial financial support from the State budget, could lead to a de-capping of projected expenditure and jeopardize financial balance in the medium term.

GLOSSARY OF ACRONYMS

ADC	*Cameroon Airports Authority*
AFD	*French Development Agency*
AfDB	*African Development Bank*
AIPO	*African Intellectual Property Organization*
AMC	*Approved Management Centre*
BDEAC	*Development Bank of Central African States*
BEAC	*Bank of Central African States*
BEPC	*Brevet d'Etudes du Premier Cycle*
BICEC	*Banque Internationale du Cameroun pour l'Epargne et le Crédit*
BTA	*Fungible Treasury Bills*
BTP	*Civil Engineering and Public Works*
C2D	*Debt Relief and Development Contract*
CAMAIR CO	*Cameroon Airlines Corporation*
CAMPOST	*Cameroon Postal Services*
CAMRAIL	*Cameroon Railways*
CAMTEL	*Cameroon Telecommunications*
CAMWATER	*Cameroon Water Utilities Corporation*
CAPAM	*Small-Scale Mining Support and Promotion Framework*
CAPIEMP	*Grade I Teachers' Certificate*
CAPIET	*Grade I Technical Education Teachers' Certificate*
CBC	*Commercial Bank Cameroon*
CEMAC	*Central African Economic and Monetary Community*
CETIC	*Technical, Industrial and Commercial College*
CFC	*Cameroon Housing Loans Fund*
CFCE	*Business Development Centre*
CIG	*Common Initiative Group*
CIMENCAM	*Les Cimenteries du Cameroun*
CT	*Company Tax*
DGC	*Directorate General of Customs*
DGTCFM	*Directorate General of Treasury, Financial and Monetary Cooperation*
DF	*Division of Forecast*
ECAM	*Cameroon National Household Survey*
ECCAS	*Economic Community of Central African States*
ECMR	*Cameroon Bond*
EESI	*Employment and Informal Sector Survey*
ENIEG	*Government Teacher Training College*
ENIET	*Government Technical Teacher Training College*
HTTC	*Higher Teacher Training College*
ENSAI	*National Advanced School of Agro-Industrial Sciences*
HTTTC	*Higher Technical Teacher Training College*
FAO	*United Nations Food and Agriculture Organization*

FDI	*Foreign Direct Investment*
FEICOM	*Special Council Support Fund for Mutual Assistance*
FODECC	*Cocoa and Coffee Development Fund*
FTB	*Fungible Treasury Bonds*
GCE	*General Certificate of Education*
GDP	*Gross Domestic Product*
GESP	*Growth and Employment Strategy Paper*
GFCF	*Gross Fixed Capital Formation*
HEVECAM	*Cameroon Rubber Corporation*
HIV	*Human Immunodeficiency Virus*
IDA	*International Development Association*
IFC	*International Financial Cooperation*
IMF	*International Monetary Fund*
IsDB	*Islamic Development Bank*
MAETUR	*Urban and Rural Land Development Authority*
MDG	*Millennium Development Goal*
MDRI	*Multilateral Debt Relief Initiative*
MFI	*Microfinance Institution*
MINADER	*Ministry of Agriculture and Rural Development*
MINEDUB	*Ministry of Basic Education*
MINEFOP	*Ministry of Employment and Vocational Training*
MINEPAT	*Ministry of Economy, Planning and Regional Development*
MINEPDED	*Ministry of the Environment, Nature Protection and Sustainable Development*
MINESEC	*Ministry of Secondary Education*
MINESUP	*Ministry of Higher Education*
MINFI	*Ministry of Finance*
MINFOF	*Ministry of Forestry and Wildlife*
MINMAP	*Ministry of Public Contracts*
MINPMEESA	*Ministry of Small and Medium-sized Enterprises, Social Economy and Handicraft*
MINTOUL	*Ministry of Tourism and de Leisure*
MMBTU	*Millions of British Thermal Units*
NEF	*National Employment Fund*
NGO	*Non-Governmental Organization*
NIS	*National Institute of Statistics*
NSIF	*National Social Insurance Fund*
OBC	*Office du Baccalauréat du Cameroun*
OECD	*Organization for Economic Cooperation and Development*
PA	*Public Administration*
PAD	*Douala Port Authority*
PGI	*Protected Geographical Indication*
PIB	*Public Investment Budget*
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 Right*
SEMC	*Société des Eaux Minérales du Cameroun*
SEMRY	*Société d'Expansion et de Modernisation de la Riziculture de Yagoua*
SGC	*Société Générale Cameroun*
SME	*Small- and Medium-sized Enterprises*
SMI	*Small- and Medium-sized Industries*
SND30	*National Development Strategy-Cameroon 2030*
NHC	*National Hydrocarbons Corporation*
NIC	*National Investment Corporation*
SOCAPALM	*Société Camerounaise de Palmeraies*
SOCATRAL	*Société Camerounaise de transformation d'aluminium*
SODECAO	*Cocoa Development Corporation*
SODECOTON	*Cotton Development Corporation*
SODEPA	*Livestock Development Corporation*
STPP	*Special Tax on Petroleum Products*
TB	*Treasury Bond*
UNICEF	*United Nations Children's Fund*
UNO	*United Nations Organization*
VAT	*Value-Added Tax*
WEO	*World Economic Outlook*
WHO	*World Health Organization*

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