

## ***Acronyms and Abbreviations***

<b>BEAC</b>	<b>Bank of Central African States</b>
<b>CEMAC</b>	Economic and Monetary Community of Central Africa
<b>CT</b>	Corporate Taxes
<b>DGC</b>	Directorate General of Customs
<b>DP</b>	Division of Forecasts
<b>GDP</b>	Gross Domestic Product
<b>HPSF</b>	Hydrocarbon Prices Stabilization Fund
<b>IMF</b>	International Monetary Fund
<b>Lb</b>	English Pound
<b>MINFI</b>	Ministry of Finance
<b>NHC</b>	National Hydrocarbons Corporation
<b>NPG</b>	Net Position of the Government
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>STPP</b>	Special Tax on the Sale of Petroleum Products
<b>VAT</b>	Value Added Tax

## International economic environment

### *Economic growth*

In the third quarter of 2023, global economic activity continued to be affected by the effects of the Russian-Ukrainian conflict.

**In the group of advanced economies**, and according to the OECD, economic growth accelerated to 0.6% from 0.4%. This acceleration was mainly driven by the United States, where growth stood at 1.2% after 0.5% in the second quarter. On the other hand, there was a deceleration in the eurozone (growth of 0.1% after 0.2%) and in the United Kingdom (0.0% after 0.2%) and a decline in Japan (-0.7% against 0.9% in the second quarter).

**In emerging and developing countries**, economic growth accelerated in China (+1.3% after +0.5% in the second quarter) but slowed in Turkey (+0.3% after +3.3%), Brazil (0.1% after 1.0%), India (+1.7% after +1.8%) and Indonesia (+0.9% after +0.8%).

**With regard to sub-Saharan Africa** in particular, GDP declined in **South Africa** (-0.2% compared with 0.5%) and grew by 2.54% in the third quarter after 2.51% in **Nigeria**.

Over the **year as a whole** and according to the IMF (October 2023), global economic growth is expected to slow from 3.5% in 2022 to 3.0% in 2023. This slowdown affects advanced economies as well as emerging and developing economies.

**In the group of advanced economies**, the economic growth rate is estimated at 1.5% after 2.6% in 2022. Following the group's main economies, growth would stand at: 2.1% as in 2022 in the **United States**; 0.7% after 3.3% in 2022 in the **eurozone**; 0.5% after 4.1% in the **United Kingdom**; 2.0% after 1.0% in Japan.

**In the group of emerging and developing countries**, growth is estimated at 4.0% in 2023 after 4.1% in 2022. In particular, it is expected to stand at 5.0% in 2023 after 3.0% in 2022 in **China** and 6.3% after 7.2% in India. **In sub-Saharan Africa**, growth is expected to be 3.3%

after 4.0% in 2022; with rates of 2.9% in 2023 after 3.3% in 2022 in Nigeria and 0.9% after 1.9% in South Africa and 2.5% after 3.3% in CEMAC.

### *Commodity prices*

Cameroon's Export Commodity Price Index (ECPI) increased by 8.7% in the third quarter of 2023, after 0.4% in the previous quarter. With regard to hydrocarbons in particular, there were: (i) an 11.4% increase in oil prices, reaching the value of \$85.32 per barrel; and (ii) a further decline in liquefied natural gas prices, to \$12.68 per million BTU from \$13.06 in the second quarter.

### *Exchange Rates*

On the foreign exchange market, the CFA franc appreciated by 2% against the currencies of its main trading partners in the third quarter of 2023 and compared with the previous quarter. More specifically, the CFA franc appreciated against the Chinese yuan (2.5%), the Indian rupee (0.7%), the US dollar (0.4%), and the Russian ruble (24%). On the other hand, it depreciated by 2.1% against the pound sterling. Year-on-year, the CFA franc recorded an overall appreciation of 13.3%.

## Situation of the national economy

### *Real Sector*

The results of the business survey for the third quarter of 2023 reveal that the national economy is marked by the rising cost of agricultural inputs, energy and transport. The framework updates put the growth of the Cameroonian economy at 3.9% in 2023 after 3.6% in 2022 and the inflation rate at 6.7% after 6.3% in 2022.

### *External sector*

In the third quarter of 2023 and compared to the previous quarter, the balance of payments current account deficit narrowed by 129.7 billion to 429.8 billion. External financing was characterized by net outflows of 165.9 billion against net inflows of 784.1 billion. Thus, the

**overall** balance of foreign transactions for the third quarter of 2023 was a deficit of 554.5 billion, compared with a surplus of 239.2 billion in the previous quarter.

With regard to foreign trade in particular, the trade balance fell by 79.4 billion compared with the second quarter to 698.9 billion. Year-on-year, it deteriorated by 149.2 billion, following a more pronounced decline in exports (-36.4%) than in imports (-11.7%). Over the first nine months of the year and compared with the same period of 2022, the deficit widened by 976.5 billion to 1,986.0 billion. The coverage ratio decreased by 21.1 points to 49.9%.

### Public finances

In the third quarter of 2023, total budgetary resources recovered amounted to 1,241.3 billion, down from 157.1 billion year-on-year. They are broken down into 1,055.6 billion in domestic revenue and 185.7 billion in loans and grants. Total budgetary expenditure on a basic basis amounted to 1,263.2 billion, a decrease of 22%. They are made up of 733.9 billion in current expenditure excluding debt interest, 198.8 billion in investment expenditure and 342.8 billion in public debt servicing.

For the first nine months of fiscal year 2023, total budgetary resources are estimated at 4,193.8

billion, down by 211.1 billion compared to the same period of 2022. Total budgetary expenditure on a basic basis amounted to 4,357.4 billion compared with 4,172.8 billion at the end of September 2022.

### Monetary situation

At the end of September and compared with June 2023, the monetary situation was marked by a 12.1% decrease in *net foreign assets* and a 5.9% increase in *domestic credit*. *These two aggregates* stand at 2,569.7 billion and 7,327.7 billion respectively. Reflecting the evolution of its counterparts, money supply (M2) decreased by 0.4% to 8,014.5 billion at the end of September 2023. It is composed of 20.8% fiat money, 42.2% scriptural money, and 35.0% quasi-money. Year-on-year, the monetary market increased by 4.9%, reflecting a 15% increase in *domestic credit* and an 11.1% decline in *net foreign assets*.

### Socio-economic information

In the third quarter of 2023, the household final consumer price index increased by 1.4% compared to the previous quarter. This rise was mainly driven by the increase in the prices of the items "food products and non-alcoholic beverages" (+2.8%). Conversely, the prices of oils and fats fell by 1.1%. Prices remained stable for "communication" and "health" services. Compared with the third year of 2022, the household final consumer price index increased by 7.4%.

## MACROECONOMIC FRAMING ELEMENTS

### ■ International economic environment

In the third quarter of 2023, global economic activity continued to be affected by the Russian-Ukrainian conflict.

**In the group of advanced economies**, and according to the OECD, economic growth in the third quarter of 2023 accelerated to 0.6% after 0.4% in the previous quarter. In the United States, growth accelerated to 1.2% after 0.5% in the second quarter, mainly due to the increase in private consumption.

In the eurozone, GDP contracted by 0.1% after growing by 0.2% in the previous quarter. This decline in economic activity is mainly attributable to the sluggish economic situation in Germany, linked to the decline in household consumption, and the increase in interest rates by the ECB. In the main economies of the zone, there were contractions in Germany (-0.1% against +0.1%), France (-0.1% against +0.6%), and Portugal (-0.2% against +0.1%); a recovery in Italy (+0.1% against -0.4%), a slowdown in Spain (+0.3% after +0.4%) and an acceleration in Belgium (+0.4% after +0.3%).

In the United Kingdom, growth slowed to 0.0% from 0.2% in the previous second year. This is the result of the combined effect of private and public consumption expenditure, which fell by 0.4% and 0.5% respectively, and investment expenditure, which increased by 2%.

In Japan, activity fell (-0.7% compared to 0.9% in the second quarter). This decline was partly due to the decline in investment, and partly to a deterioration in net exports linked to a 5.0% increase in imports of services.

**In emerging and developing countries**, the economic situation is marked by contrasting trends. China saw its economic growth increase in the third quarter (+1.3% after +0.5% in the second quarter). This development reflects the crisis in real estate sector, insufficient domestic demand, and the continuation of the trend (+4.5%) in industrial production, as well as the increase in retail sales (the main indicator of household consumption). Growth also accelerated in Mexico (+1.1% after +0.9%). On

the other hand, it decelerated in Turkey (+0.3% after +3.3%) and Brazil (0.1% after 1.0%), due to the fall in agricultural production and restrictive monetary policy. Growth fell slightly in India (+1.7% after +1.8%) and Indonesia (+0.9% after +0.8%).

In South Africa, economic growth was negative (-0.2% compared to 0.5%). The decline was the result of a 2.2% contraction in the mining sector on an annual basis and a 3.2% slowdown in the utilities sector. In Nigeria, GDP rose by 2.54% in the third quarter after 2.51%. This rate was mainly driven by the services sector, which recorded growth of 3.9%.

Over the **year as a whole**, according to the IMF (October 2023), global economic growth is expected to slow from 3.5% in 2022 to 3.0% in 2023. This slowdown will affect advanced economies as well as emerging and developing economies.

**In the advanced economies group**, the economic growth rate is expected to fall from 2.6% in 2022 to 1.5% in 2023. In **the eurozone**, growth is estimated at 0.7% in 2023 after 3.3% in 2022. **In the UK**, growth is also expected to slow from 4.1% in 2022 to 0.5% in 2023. In contrast, growth in Japan is expected to accelerate, with the rate expected to rise from 1.0% in 2022 to 2.0% in 2023. In the **United States**, growth is set to remain at 2.1%.

**In the group of emerging and developing countries**, growth is forecast at 4.0% in 2023 after 4.1% in 2022, with contrasting trends between countries. **In China**, growth is expected to accelerate to 5.0% in 2023 from 3.0% in 2022. In India, growth is expected to remain robust albeit slowing, from 7.2% in 2022 to 6.3% in 2023.

**In sub-Saharan Africa**, growth is also expected to slow to 3.3% from 4.0% in 2022. In particular, growth is estimated at 2.9% in 2023 after 3.3% in 2022 in Nigeria; 0.9% after 1.9% in South Africa and 2.5% after 3.3% in the CEMAC zone.

### Export commodity prices

The third quarter of 2023 was marked by the contrasting trends in the world prices of the main commodities exported by Cameroon. During this

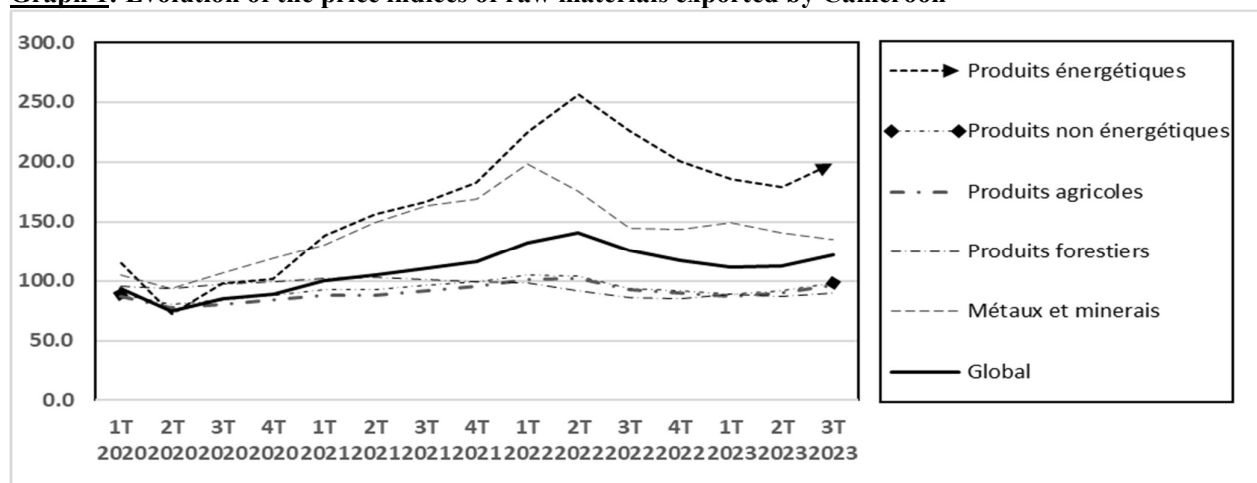
period, prices of crude oil, cocoa, raw cotton, Robusta coffee, sawn timber, iron and lead increased. Conversely, the prices of liquefied natural gas, raw rubber, bananas, arabica coffee, palm oil, raw wood, plywood and raw aluminium decreased. This dynamic is the result of the combined impact of geopolitical, macroeconomic and climate uncertainties and challenges that have exerted significant pressures on the performance of these commodities.

Thus, Cameroon's Global Commodity Export Price Index (ICMPE) recorded a significant increase of 8.7%, following the slight increase of 0.4% in the previous quarter. Energy products contributed

68.5% and non-energy products 31.5% (with a breakdown of 31.6% for agricultural products, 0.4% for forest products and -0.5% for metals and minerals).

In terms of outlook, the future trajectory of ICMPE will depend on several key factors. These include, at the global level, persistent inflation, borrowing costs, the evolution of the Chinese economy and geopolitical tensions. It should be noted that according to World Bank analysis, a decrease of about 26% is expected for energy prices in 2023 compared to the year 2022, while the prices of agricultural products and metals are expected to see decreases of about 7% and 8% respectively.

**Graph 1: Evolution of the price indices of raw materials exported by Cameroon**



Source: MINFI / DF

## ■ prices of the main exported products

### *Energy products*

In the third quarter of 2023, the energy product price index recorded a significant rebound of 11.2% compared to -3.4% observed in the previous quarter. This was mainly driven by an increase in **crude oil prices**.

**Crude oil prices** rose 11.4% to \$85.32 per barrel. This development is part of a context marked by a supply deficit, mainly resulting from: (i) OPEC's decision to extend production cuts until 2024; (ii) Saudi Arabia's decision to reduce production by an additional one million barrels per day from July 2023; and (iii) disruptions to oil supplies from Russia

related to the conflict with Ukraine. Year-on-year, crude oil prices fell by 11.5%.

**Liquefied natural gas** prices fell further to \$12.68 per million BTU from \$13.06 in the second quarter. This decline comes against a backdrop of high global inventories. Year-on-year, liquefied natural gas prices fell significantly by 40.4%.

### *Agricultural products*

In the third quarter of 2023, the agricultural commodity price index accelerated to 7.1%, marking an acceleration from the 3.3% growth seen in the previous quarter. This is due to several dynamics observed within the main agricultural commodities.

**Cocoa** prices recorded a remarkable 16.1% rise, reaching \$3.49/kg, their highest level in more than 40 world's largest producer, due to heavy rains and floods. Year-on-year, cocoa prices rose by 52.7%.

Raw **cotton** prices also increased by 1.8% to \$2.11/kg. This was driven by increased demand, particularly in China, the world's largest consumer, amid a decline in global production due to adverse weather conditions. Year-on-year, cotton prices fell by 23.3%.

**Robusta coffee** prices rose by 1.6% to \$2.76/kg, mainly due to lower production, resulting from excessive rainfall during the flowering period. Year-on-year, Robusta prices rose by 16.9%. By contrast, **arabica coffee** prices fell by 14.1% to \$4.15/kg, due to favourable weather conditions in Brazil and Colombia, amid reduced demand. Year-on-year, Arabica coffee prices fell by 28.8%.

Crude **rubber** prices fell 2.6% to \$1.5/kg, due to the deliberate increase in production by Asian producers, who account for 80% of world production. This strategy aims at keeping pace with the growth of China, the world's largest consumer of rubber. Year-on-year, rubber prices fell by 7.4%.

**Palm oil** prices dropped by 6.8% to \$856.32 per ton, influenced by an increase in production and low prices for other competing oils. Year-on-year, palm oil prices fell by 14.1%.

**Banana** prices decreased from \$1.62/kg to \$1.56/kg. Year-on-year, they reduced by 3.1%. Sugar prices stabilized at \$0.54 per kg but fell 38.1% year-on-year.

#### **Forest Products**

In the third quarter of 2023, the forest products price index recorded an increase of 3.4% compared to a

years. This increase is mainly due to the deficit in global production, particularly in Ivory Coast, the

decline of 2.2% observed in the previous quarter. This increase was mainly driven by **sawn timber**, which recorded a 6.2% increase in prices, from \$650.13/m<sup>3</sup> to \$690.13/m<sup>3</sup>. This favourable momentum is closely linked to the strong growth in the construction and renovation sectors during the third quarter of 2023, leading to increased demand for sawn timber. This increase in demand has occurred in the context of reduced supply from Russia and Ukraine. Year-on-year, sawn timber prices rose by 7.6%.

On the other hand, raw **wood** and plywood prices fell by 5% to \$206.07/m<sup>3</sup> and \$377.97 per sheet, respectively. This decline was mainly due to increased production by the main producers, including Indonesia, Malaysia, the United States and Canada. Analysing trends on an annual basis, log and plywood prices each fell by 4.3%

#### **Metals & Minerals**

In the third quarter of 2023, the metals and minerals price index fell by 3.9% compared to the previous quarter.

Unwrought **aluminium** prices fell 4.6% to \$2,160.32 per tonne, as sluggish global economic activity reportedly contributed to a decline in aluminium demand. Year-on-year, aluminium prices fell by 8.3%.

**Lead** prices rose by 2.5%, while **iron** prices rose by 2.9%. The rebound in the Chinese economy, coupled with supply issues, has put upward pressure on iron and lead prices. Year-on-year, these prices growth of 9.9% and 8.9% respectively.

**Table 1: Evolution of the prices of the main exported raw materials**

Periods	3 <sup>rd</sup> Q 2022	2 <sup>nd</sup> Q2023	3 <sup>rd</sup> Q2023	Changes (%)	
Labels	a	b	c	c/a	c/b
<b>Energy Products*</b>	<b>226.42</b>	<b>179.12</b>	<b>199.21</b>	<b>-12.0</b>	<b>11.2</b>
Crude oil (\$/bbl)	96.42	76.61	85.31	-11.5	11.4
Liquefied Natural Gas (\$/million BTU)	21.27	13.06	12.68	-40.4	-2.9
<b>Non-energy products*</b>	<b>93.83</b>	<b>92.05</b>	<b>98.42</b>	<b>4.9</b>	<b>6.9</b>
<b>Agricultural products*</b>	<b>92.40</b>	<b>90.12</b>	<b>96.51</b>	<b>4.4</b>	<b>7.1</b>
Cocoa (\$/kg)	2.28	3.00	3.49	52.7	16.1
Raw cotton (\$/kg)	2.75	2.07	2.11	-23.3	1.8
Raw rubber (\$/kg)	1.62	1.54	1.50	-7.4	-2.6



Bananas (\$/kg)	1.61	1.62	1.56	-3.1	-3.9
Coffees (\$/kg)	4.10	3.77	3.46	-15.7	-8.4
<i>Of which Arabica coffee (\$/kg)</i>	5.82	4.83	4.15	-28.8	-14.1
Robusta coffee (\$/kg)	2.36	2.72	2.76	16.9	1.6
Palm oil (\$/metric ton)	997.30	918.76	856.31	-14.1	-6.8
Sugar (\$/kg)	0.39	0.54	0.54	38.1	0.1
<b>Forest Products*</b>	<b>85.69</b>	<b>86.67</b>	<b>89.62</b>	<b>4.6</b>	<b>3.4</b>
Sawn lumber (\$/m3)	641.52	650.13	690.13	7.6	6.2
Raw wood (\$/m3)	215.39	217.02	206.07	-4.3	-5.0
Plywood (\$/sheet)	395.07	398.06	377.97	-4.3	-5.0
<b>Metals and Minerals*</b>	<b>144.56</b>	<b>140.89</b>	<b>135.40</b>	<b>-6.3</b>	<b>-3.9</b>
Unwrought aluminium (\$/metric ton)	2 355.77	2 265.53	2 160.32	-8.3	-4.6
Iron (\$/metric ton)	105.74	112.00	115.20	8.9	2.9
Unwrought lead (\$/metric ton)	1 976.01	2 118.64	2 171.69	9.9	2.5
<b>Global*</b>	<b>125.91</b>	<b>112.20</b>	<b>121.94</b>	<b>-3.2</b>	<b>8.7</b>

Source: MINFI / DF, \*Index

## ■ Price Competitiveness

### Nominal effective exchange rate

In the third quarter of 2023 and compared to the previous quarter, the CFA franc recorded an overall appreciation of 2% against the currencies of Cameroon's main trading partners. This

represents a slight decrease compared to the 2.4% increase observed in the previous quarter.

More specifically, the CFA franc appreciated against the Chinese Yuan (2.5%), the Indian Rupee (0.7%), the US Dollar (0.4%), and the Russian Rubble (24%). However, it depreciated against the pound sterling (2.1%). Year-on-year, the CFA franc recorded an overall appreciation of 13.3%.

**Table 2: Evolution of the nominal exchange rate vis-à-vis the main currencies**

Currency	Weight of trade 2022 (%)	3 <sup>rd</sup> Q 2022 Exchange Rates	Exchange Rates 2 <sup>nd</sup> Q 2023	3 <sup>rd</sup> Q2023 Exchange Rates	% change	
		has	b	c	c/b	c/a
Euro	28.6	655.90	655.92	655.92	0.0	0.0
Indian Rupee	12.3	8.08	7.33	7.28	-0.7	-9.9
Chinese Yuan	11.4	94.65	85.40	83.30	-2.5	-12.0
CFA franc	4.1	1.00	1.00	1.00	0.0	0.0
US dollar	2.8	641.51	602.28	599.80	-0.4	-6.5
Russian Rubble	2.4	11.26	7.58	6.25	-17.6	-44.5
Korea, Republic of	2.1	0.48	0.46	0.46	0.9	-4.1
New Turkish Lira	2.0	36.54	30.64	23.30	-24.0	-36.2
Malaysian Ringgit	2.0	144.46	133.99	130.09	-2.9	-9.9
South African Rand	1.3	38.75	32.30	32.32	0.1	-16.6
Thai Bath	1.3	17.81	17.54	17.22	-1.8	-3.3
Pound sterling	1.1	769.78	748.32	763.85	2.1	-0.8
Japanese Yen	1.2	4.69	4.46	4.21	-5.5	-10.2
<b>Weighted Nominal Exchange Rate Index</b>		<b>88.23</b>	<b>78.11</b>	<b>76.52</b>	<b>-2.0</b>	<b>-13.3</b>

Sources: ECB, MINFI/DF

This trend of currency appreciation against the currencies of the main partners and suppliers is mainly explained by the appreciation of the Euro. After a significant depreciation against the US dollar, the euro has regained strength due to the improved economic outlook in the eurozone, in particular thanks to the improvement in the terms of trade, linked to lower energy prices. On the other hand, this appreciation of the Euro is also attributable to the narrowing of the one-year interest rate differential with the United States.

### Relative Inflation Rate

In the third quarter of 2023, prices in Cameroon generally remained stable compared to the prices of the country's main trading partners, pausing from the 2.6% increase recorded in the previous quarter. Analysing trends on an annual basis, there is a slight appreciation of 0.9%. This is the result of a variety of factors, such as prudent economic policies, more stable supply conditions, and moderate global fluctuations.



**Table 3: Evolution of the Inflation Rate of the Main Partners**

Currency	Weight of trade 2022 (%)	Consumer Price Index 3 <sup>rd</sup> Q 2022	Consumer Price Index 2 <sup>nd</sup> Q 2023	Consumer Price Index 3 <sup>rd</sup> Q 2023	% change	
					c/b	c/a
Euro, European Union	28.6	126.33	132.99	131.40	-1.2	4.0
Indian Rupee	12.3	209.17	219.40	222.33	1.3	6.3
Chinese Yuan	11.4	132.84	132.09	131.88	-0.2	-0.7
CFA franc	4.1	131.28	135.95	134.29	-1.2	2.3
US dollar	2.8	134.61	139.56	138.96	-0.4	3.2
Russian Rubble	2.4	216.10	229.20	228.92	-0.1	5.9
Korea, Republic of	2.1	125.65	128.75	127.80	-0.7	1.7
New Turkish Lira	2.0	574.36	766.37	853.33	11.3	48.6
Malaysian Ringgit	2.0	128.65	130.84	129.74	-0.8	0.8
South African Rand	1.3	185.20	195.53	192.80	-1.4	4.1
Thai Bath	1.3	122.00	122.00	121.25	-0.6	-0.6
Pound sterling	1.1	134.69	143.91	142.63	-0.9	5.9
Japanese Yen	1.2	108.24	111.49	111.27	-0.2	2.8
Fcfa Cameroon		133.49	143.11	142.89	-0.2	7.0
<b>Weighted relative price index</b>		<b>109.56</b>	<b>108.59</b>	<b>108.58</b>	<b>0.0</b>	<b>-0.9</b>

Sources: ECB, NIS, MINFI/DF

### Real effective exchange rate

During the third quarter of 2023, Cameroon's losses of competitive positions vis-à-vis its main trading partners persisted, although their intensity decreased. Indeed, the Real Effective Exchange Rate (REER) appreciated by 2%, marking a slowdown compared to the appreciation of 5% in the second quarter and 5.6% in the first quarter of the same year. This deterioration in competitiveness is attributable exclusively to the appreciation of the CFA franc, with the inflation

differential remaining unchanged during the period under review.

In a bilateral analysis, and in order of impact, Cameroon's competitive position was found to be more unfavourable with the eurozone, China, Russia and Turkey. These currencies of the four partners explain nearly 90% of the appreciation of the overall REER, and consequently, of the loss of competitiveness observed in the third quarter of 2023.

**Table 4: Contribution to Competitiveness Trends**

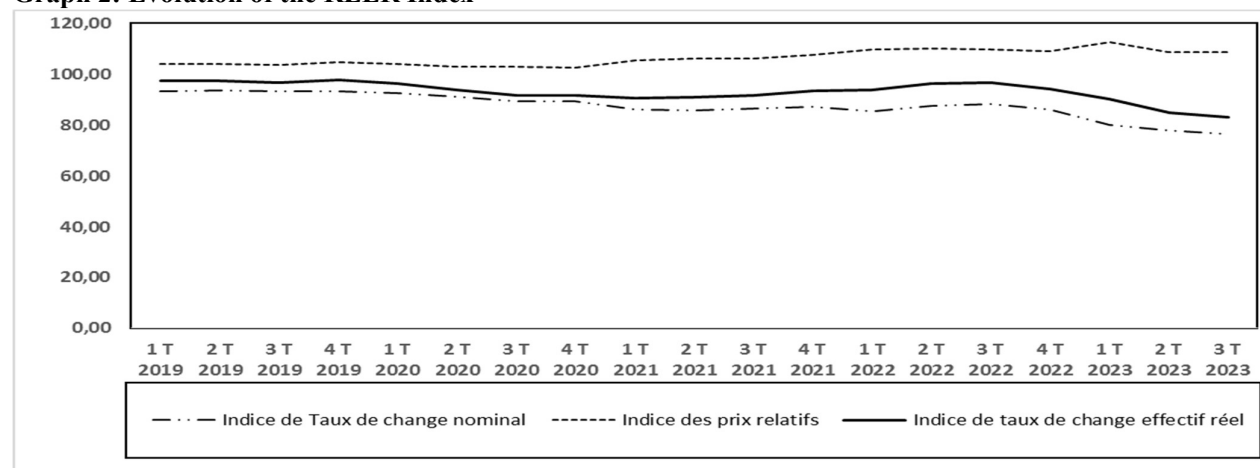
Currency	Weight of trade 2022 (%)	Weighted Real Exchange Rate 3 <sup>rd</sup> Q 2022	Weighted Real Exchange Rate 2 <sup>nd</sup> Q 2023	Weighted Real Exchange Rate 3 <sup>rd</sup> Q 2023	% change	
					c/b	c/a
Euro	28.6	10.69	12.57	12.52	-0.4	17.2
Indian Rupee	12.3	1.30	1.51	1.51	0.1	16.0
Chinese Yuan	11.4	3.25	1.99	1.98	-0.4	-39.1
CFA franc	4.1	1.00	1.00	1.00	-0.1	-0.3
US dollar	2.8	1.25	1.28	1.28	0.0	2.2
Russian Rubble	2.4	1.17	1.08	1.08	-0.6	-7.7
South Korean Won	2.1	0.98	0.98	0.98	0.0	-0.4
New Turkish Lira	2.0	1.17	1.15	1.15	-0.5	-2.2
Malaysian Ringgit	2.0	1.07	1.14	1.14	-0.1	6.0
South African Rand	1.3	1.03	1.07	1.07	0.0	3.5
Thai Bath	1.3	1.05	1.05	1.05	0.0	0.0
Pound sterling	1.1	1.07	1.11	1.11	0.0	3.9
Japanese Yen	1.2	1.03	1.02	1.02	-0.1	-0.6
<b>Real Effective Exchange Rate Index</b>		<b>96.67</b>	<b>84.81</b>	<b>83.08</b>	<b>-2.0</b>	<b>-14.1</b>

Source: MINFI/DF

In terms of outlook, at the end of 2023, the trends observed since the fourth quarter of 2022 are expected to continue but at a slow pace, due to the

slowdown in the appreciation of the CFA Franc, in line with the trajectory of the Euro vis-à-vis the main currencies and particularly the US Dollar.

**Graph 2: Evolution of the REER Index**



**Source:** MINFI/ DF

### ■ National economic situation

The results of the business survey conducted by the Ministry of Finance in the third quarter of 2023 show that the national economy is mainly marked by the rise in the cost of agricultural inputs, energy and transport. Over the year as a whole, economic growth is estimated at 3.9% in 2023 after 3.6% in 2022. The primary sector is expected to increase to 3.3% after 3.2% in 2022; the secondary sector and tertiary sector is expected to increase respectively by 3.8% after 2.7% and 4.5% after 4.3%, and inflation is estimated at 6.7% in 2023 after 6.3% in 2022.

#### **Primary sector**

In industrial and export agriculture, the third quarter of the year is the period of low production for most crops.

In the third quarter of 2023, palm oil production fell by 49.7% compared to the previous quarter, in line with the vegetative cycle of **oil palm**. However, year-on-year, production grew by 17.3%. Over the first nine months of 2023 and year-on-year, palm oil production fell by 9.8%, mainly due to unfavourable weather conditions, poor rainfall distribution and high input costs. In 2023, palm oil production is expected to decline by 6.9%.

**Banana** production fell by 6.3% in the third quarter of 2023 compared to the previous quarter. Over the first nine months of 2023 and year-on-year, it fell by 3.1%. At the end of the year, banana production is expected to fall by 1.7%. This underperformance is believed to be due to unfavourable weather conditions characterized by strong winds that toppled the plants.

**Cotton fibre** production was nil in the third quarter of 2023, in line with the end of the harvest in the second quarter. Over the first nine months of the year, cotton production is down by 3.1% compared to the same period of the previous year. At the end of the year, cotton fibre production is expected to fall by 2.4%, mainly due to the vagaries of the weather and the surge in input prices. In addition, SODECOTON's difficulties include the rise in seed cotton smuggling.

**Rubber** production recorded an increase of 21.2% in the third quarter of 2023 compared to the previous quarter. In the first nine months of 2023 and year-on-year, it grew by 11.6% compared to the same period of the previous year. At the end of the year, rubber production is expected to increase by 18.6%, mainly due to the entry into production of plantations regenerated 5 years ago, and that of new operators in the sector.

In **forestry and forestry**, log production fell by 23.2% in the third quarter of 2023 compared to the previous quarter. Over the first nine months of 2023 and year-on-year, it grew by 4.0%. At the end of the year, log production is expected to decline by 1.2%. In terms of debits, production increased by 1.8% between the second and third quarters of 2023. Over the first nine months, the production of debited goods increased by 2.2%. At the end of the year, it is expected to increase by 0.1%.

In 2023, primary sector's GDP is expected to grow by 3.3% after 3.2% in 2022. This improvement is expected to be driven by the accelerations observed in industrial and export agriculture (+5.7% after +3.9%) and food products agriculture (+2.4% after +0.9%).

### **Secondary sector**

In the third quarter of 2023, the secondary sector continued to be marked by an increase in the general price level, driven in particular by higher energy and transport costs. Production increased in the sub-branches "Meat production, processing and preservation" (+5.5%), "Rubber production and manufacture of rubber and plastic products" (+15.4%) and "Manufacture of basic metallurgical products" (+25.3%).

Over the first nine months of 2023 and year-on-year, there was good performance in the exploitation of hydrocarbons, in particular natural gas (+8.7%), "beverage industries" (+4.5%), "wood industries except furniture manufacturing" (+18.0%), "metallurgy" (+38.3%) and "electricity production and distribution" (+5.0%).

In the **food** industry, in the third quarter of 2023, there was a decline in production in the sub-branches "Beverage industry" and "Cocoa, coffee, tea and sugar industries" compared to the previous quarter. From January to September 2023 and year-on-year, activity was dynamic, driven by the increase in production in the "Grain processing and manufacture of starch products" and "Beverage industry" branches. On the other hand, the cocoa, coffee, tea and sugar industries, oilseed and animal feed industries, and the production, processing and preservation of meat, fish and fishery products slowed overall development. At the end of 2023,

value added growth in the agri-food industries is estimated at 5.5% after 4.9% in 2022.

By sub-branch, the following trends can be observed:

In the sub-branch **"meat production, processing and preservation"**, production increased by 5.5% compared to the previous quarter. Over the first nine months and year-on-year, production fell by 1.0%, mainly due to the drop in demand, induced by the increase in the price per kilogram of meat.

In the **"grain milling and manufacture of starch products"** sub-branch, production remained stable compared to the second quarter. It increased by 7.9% over the first nine months and year-on-year, in line with the 24.2% increase in flour production. In addition, wheat imports increased by 5.7%.

In the **"cocoa, coffee, tea and sugar industry"** sub-branch, production fell by 54.2% compared to the previous quarter, mainly due to the cessation of **sugar** production in the third quarter for the maintenance of machinery at SOSUCAM. Mass production and cocoa butter also contributed to this decline, with declines of 11.1% and 51.5% respectively, due to the temporary shutdown of production lines. Tea production fell by 14.2%. From January to September 2023 and year-on-year, the sector's production fell by 30.0% following the 32.0% drop in sugar production, in connection with SOSUCAM's financial difficulties. Mass production of cocoa increased by 9.3% while that of cocoa butter decreased by 19.9%. Tea production increased by 9.7%.

In the **oilseed and animal feed industries** sub-branch, production fell by 32.6% compared to the previous quarter, in line with the reduction of 22.3% of the production of refined oil. Over the first nine months and year-on-year, the sector's production fell by 14.2% following the unavailability of crude palm oil, whose production remains insufficient to meet the needs of the processing industries.

In the **"beverage industries"**, production fell by 12.0% compared to the previous quarter, in line with the decline in consumption. Over the first nine months and year-on-year, production grew by 4.5% due to increased demand, which resulted in the construction of new distribution centres.

**Table 5: Production growth rates by agri-food sub-industry (%)**

Labels	3Q23/2T23	9 months 2023 / 9 months 2022
Production, processing and preservation of meat, fish and fishery products	5.5	-1.0
Grain processing and manufacture of starch products	0.0	7.9
Cocoa, Coffee, Sugar and Tea Industries	-54.2	-30.0
Manufacture of cereal-based products	0.4	-0.2
Oilseed and Feed Industries	-32.6	-14.2
Beverage Industries	-12.0	4.5

Source: MINFI/DF

In "**other manufacturing**", there was a contraction in activity in the third quarter of 2023 and compared to the previous quarter, particularly in the sub-branches "Textile and clothing industries", "Chemical industries and chemical product manufacturing", "Wood industry except furniture manufacturing" and "Paper and paper products manufacturing". On the other hand, activity increased in the sub-branches "Rubber production and manufacture of rubber and plastic articles", and "Manufacture of basic metallurgical products".

Over the first nine months of 2023, output in "**other manufacturing industries**" was dynamic, driven in particular by the sub-branches "Wood industries except furniture manufacturing", "Manufacture of basic metallurgical products and metal products (except machinery and equipment)" and "Electricity generation and distribution". At the end of 2023, growth in "other manufacturing industries" is estimated at 5.2% after 1.2% in 2022.

**Table 6: Output growth rates by industry in other manufacturing industries (%)**

Labeled	3Q23/2Q23	9 months 2023/ 9 months 2022
Textile and garment industries	-63.8	5.6
Wood Industries Except Furniture Manufacturing	-0.2	18.0
Manufacture of paper and paper products, printing and activities incidental to printing	-19.7	-50.0
Chemical Industries and Chemical Manufacturing	-24.7	-2.3
Rubber production and manufacture of rubber and plastic products	15.4	9.9
Other Non-Metallic Mineral Product Manufacturing	-3.9	3.2
Basic Metallurgical Product Manufacturing	25.3	38.3
Furniture manufacturing; Miscellaneous Manufacturing and Recovery	-7.6	30.5

Source: MINFI/DF

In the *textile and clothing industry*, activity fell by 63.8% in the third quarter of 2023 compared to the previous quarter. Over the first nine months of 2023 and year-on-year, production increased by 5.6%. CICAM continues to suffer from a lack of funding, particularly to renovate production units and honour its commitments to its suppliers.

Output in the "*Wood industries except furniture manufacturing*" was almost stable compared to the previous quarter. From January to September, it grew by 18.0% year-on-year, thanks to higher orders.

In the "*Manufacture of rubber and manufacture of rubber and plastic products*", output increased by 15.4%. Over the first nine months and year-on-year, the sector's production increased by 9.9%, mainly due to the 6.5% increase in the production of preforms.

In the industries of "*manufacture of paper and paper products, printing and activities related to printing*", output fell by 19.7% compared to the

second quarter of 2023. Over the first nine months and year-on-year, production fell by 50.0% due to difficulties in obtaining paper pulp, an imported raw material.

In the "*chemical industries and chemical manufacturing*", activity fell by 24.7% in the third quarter of 2023 compared to the previous quarter, in line with the 37.5% drop in **soap** production, due to the shortage of palm oil. Over the first nine months and year-on-year, the sub-sector's output fell by 2.3%.

In the "*manufacture of other non-metallic mineral products and building materials*", production fell by 3.9%, mainly due to the 5.4% decline in cement production, linked to the rainy season which slowed down work on construction sites. However, there was a 33.9% increase in the production of glass bottles, explained by the strengthening of glass production units. Over the first nine months, production in the branch grew by 3.2% year-on-

year, in line with the increase in cement and glass bottle production by 2.5% and 15% respectively.

In the "**Manufacture of basic metallurgical products**" production, production increased by 25.3% compared to the previous quarter, in line with the 51.2% increase in aluminium production, due to the restart of the tanks. The production of sheet and strip fell by 53.9% and 49.4% respectively. From January to September 2023, the sector's output grew by 8.3%, mainly due to the 18.1% increase in aluminium production.

In the "**Production and distribution of electricity and energy media**", electricity production is made up of the production from the dams and power plants managed by Eneo, and the production that it buys from independent operators. Eneo's actual production represents about 70% of the overall production and that purchased from independent operators 30%.

In the third quarter of 2023, electricity production fell by 2.4% compared to the second quarter. Over the first nine months of 2023 and year-on-year, it grew by 5.0%, supported by the commissioning of the plant at the foot of the Lom-Pangar dam, as well as the development and exploitation of new energy sources. The sector is expected to grow by 4.7% in 2023.

In the "**production and distribution of water and sanitation**", waste collection activity grew by 1.7% in the third quarter of 2023 compared to the previous quarter. From January to September 2023, and year-on-year, the amount of household waste collected decreased by 2.4%. The growth of the sector is estimated at 2.9% in 2023, in connection with the connection of pipes from the drinking water supply project for the city of Yaoundé and its surroundings from the Sanaga River (PAEPYS) and the expansion of the Camwater network.

In 2023, the GDP of the secondary sector is expected to grow by 3.8% after 2.7% in 2022. This improvement is expected to be driven by the accelerations observed in all subsectors.

### ***Tertiary sector***

In the third quarter of 2023, turnover in the tertiary sector fell by 9.3% compared to the previous quarter. In the first nine months of the year and year-on-year, sales increased by 2.3%.

In **telecommunications**, revenue increased by 1.8% in the third quarter of 2023 compared to the second quarter. The number of subscribers remained almost stable (+0.2%). Over the first nine months of 2023 and year-on-year, revenue increased by 7.2% reflecting the multiplication of promotional offers on the various networks, and the strong use of money transfer services, particularly Mobile Money.

In the third quarter of 2023, sales in the **retail** sub-sector fell by 12.4% compared to the second quarter. The deterioration of certain axes of the national road network continues to have a negative impact on delivery activities.

Turnover in the **hotel and restaurant** sub-branch fell by 2.4% compared to the second quarter. The number of overnight stays and the room occupancy rate decreased by 6.3% and 12% respectively. Over the first nine months of 2023 and year-on-year, revenue fell by 2.2%. The hotel sector continues to suffer from cross-border insecurity and security unrest in the northern, North-west and South-west regions.

In "**transport and warehousing**", sales fell by 12.1% in the third quarter compared to the previous quarter in line with the reduction of activities in the transport sector. In **rail transport activities**, there was a 8.7% decrease in the tonnage of goods transported and a 12.2% increase in passenger traffic. For maritime **transport**, overall maritime traffic in the CSA fell by 12.7% due to a 16.1% decline in the tonnage of imported goods. The number of ships that docked at the autonomous port of Douala was 243, compared with 249 in the previous quarter. In air transport Camair-co's activities increased by 14.1% in connection with a 14.3% increase in passengers traffic. Cargo fell by 68.8%. Pipeline transport dropped by 22.5%. Warehousing grew by 3.8%.

From January to September 2023 and year-on-year, **transport and warehousing** revenue increased by 4.3%. This increase is due to the increase in the turnover of its components, namely rail traffic (+14.2%), maritime transport (+3.1%) and air transport (+2.5%).

In 2023, growth in the tertiary sector is expected to be 4.5% after 4.3% in 2022. This improvement follows the consolidation of growth in all industries



## EXTERNAL SECTOR

### ■ Balance of Payments: Widening of the current account deficit year-on-year

#### Current account

**In the third quarter of 2023 and compared to the previous quarter**, the current account deficit narrowed by 129.7 billion to 429.8 billion. This trend was driven by the reduction in deficits in the balances of goods and services as well as the surplus in the balance of secondary incomes. On the other hand, the primary income deficit worsened.

The goods deficit narrowed by 188.1 billion to 369.5 billion. This development is the result of an increase in fob export earnings (+1.9 billion) coupled with a decrease in fob import expenditure (-186.2 billion). The increase in export earnings came from sawn timber (+13.6 billion), coffee (+8.4 billion), raw

aluminium (+5.3 billion) and raw rubber (+2.3 billion). On the other hand, there was a decline in exports of raw cotton (-10.5 billion), cocoa paste (-10.2 billion) and cocoa butter (-8.6 billion). The decline in import expenditure was mainly observed on transport equipment (-35.3%), particularly "motor vehicles; tractors" (-33.2%); and "mechanical or electrical machinery and appliances" (-9.4%).

The services deficit narrowed by 25.2 billion to 46.1 billion, mainly due to lower freight expenditure, linked to lower imports (in value and volume). The primary income deficit widened by 74.8 billion to 206 billion, due to higher dividend payments to foreign direct investors and interest on external public debt. The secondary income surplus narrowed from 200.7 billion to 191.8 billion.

**Table 7: Balance of payments (billion)**

LABELS	3Q2022**	2Q2023**	3Q2023*	Variations	
	(a)	(b)	(c)	(c) (b)	(c) (a)
<b>I- CURRENT ACCOUNT BALANCE</b>	<b>-390.5</b>	<b>-559.5</b>	<b>-429.8</b>	<b>129.7</b>	<b>-39.4</b>
1- Balance of Goods	-246.3	-557.6	-369.5	188.1	-123.2
2- Balance of Services	-114.3	-71.4	-46.1	25.2	68.2
3- Primary Income Balance	-187.9	-131.2	-206.0	-74.8	-18.1
4- Balance of Secondary Income	158.0	200.7	191.8	-8.9	33.8
<b>II- EXTERNAL FINANCING</b>	<b>433.1</b>	<b>784.1</b>	<b>-165.9</b>	<b>-950.0</b>	<b>-599.0</b>
<b>1- Non-bank private sector</b>	<b>698.7</b>	<b>426.0</b>	<b>91.4</b>	<b>-334.7</b>	<b>-607.3</b>
Foreign Direct Investment (FDI)	244.9	182.5	122.3	-60.1	-122.6
Portfolio Investments and Financial Derivatives	-5.0	-30.5	15.4	45.8	20.4
Net drawdowns (excluding FDI and IPF)	458.7	274.0	-46.3	-320.4	-505.0
<b>2- Public Administration</b>	<b>-84.9</b>	<b>51.4</b>	<b>-35.5</b>	<b>-86.9</b>	<b>49.4</b>
Project grants (including C2D)	20.0	6.6	0.7	-5.9	-19.3
Net drawings on bonds	0.0	39.3	0.0	-39.3	0.0
Net drawings (excluding treasury bonds)	-104.9	5.5	-36.2	-41.7	68.7
<b>3- Money-Creating Banks</b>	<b>-180.6</b>	<b>306.7</b>	<b>-221.7</b>	<b>-528.4</b>	<b>-41.1</b>
<b>III- ERRORS AND OMISSIONS</b>	<b>-4.7</b>	<b>14.6</b>	<b>41.2</b>	<b>26.6</b>	<b>45.9</b>
<b>IV- OVERALL BALANCE</b>	<b>38.0</b>	<b>239.2</b>	<b>-554.5</b>	<b>-793.7</b>	<b>-592.5</b>

Source: MINFI/DF; \*Estimates; \*\*Updated data

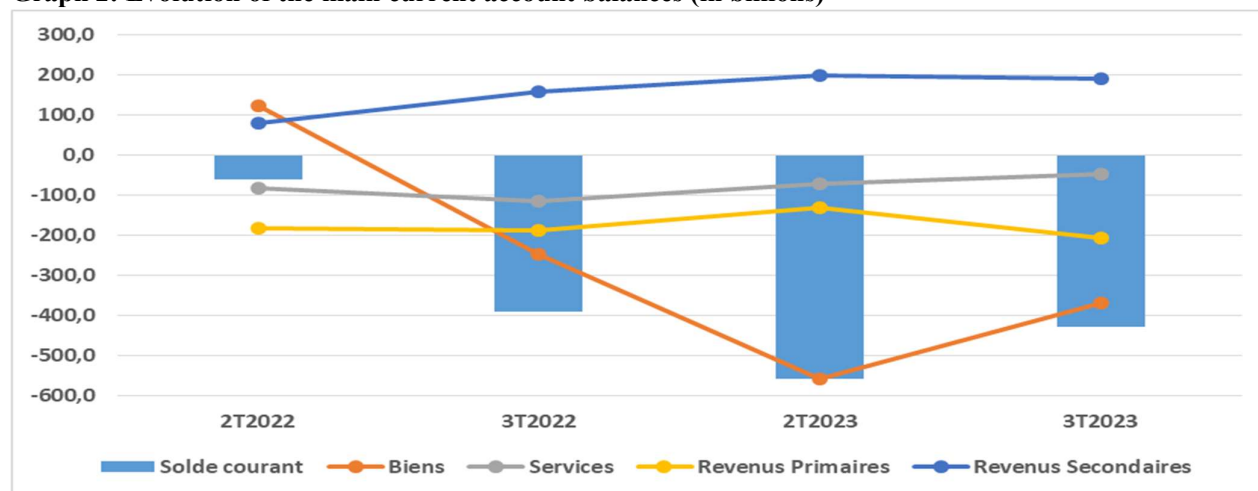
**Year-on-year**, the current account deficit narrowed by 39.4 billion, mainly due to a reduction in the services deficit and an improvement in the secondary income surplus. The deficit in goods and primary incomes is worsening.

The deterioration in the goods balance is the result of the larger decline in fob export earnings (-250.3 billion) than that of fob import expenditure (-127

billion). The improvement in the services deficit was mainly due to lower freight and travel expenditures.

The primary income deficit widened by 18.1 billion, mainly due to the increase in dividends paid to foreign investors by their local subsidiaries as well as the payment of interest on external public debt. The secondary income surplus improved by 33.8 billion.



**Graph 2: Evolution of the main current account balances (in billions)**

Source: MINFI/DF

### External financing

In the third quarter of 2023 and compared to the previous quarter, external financing was characterised by net outflows of 165.9 billion against net inflows of 784.1 billion. The non-bank private sector recorded a decrease in net inflows of 334.7 billion, while the public banking sector and the banking sector recorded net outflows of 35.5 billion and 221.7 billion, respectively, compared with net inflows of 51.4 billion and 306.7 billion, respectively.

Year-on-year, net outflows from the public sector decreased by 49.4 billion, but those from the banking

sector increased by 41.1 billion. Net inflows from the non-bank private sector decreased by 607.3 billion, in line with lower foreign direct investment and net drawings.

The overall balance of foreign transactions in the third quarter of 2023 shows a deficit of 554.5 billion compared to a surplus of 239.2 billion in the previous quarter. This is the result of a larger decline in external financing than the reduction in the current account deficit. On a year-on-year basis, the overall surplus deteriorated by 592.5 billion.

**Table 8: Balance of payments 3Q2022, 2Q2023 and 3Q2023 (Billion)**

LABELS	3Q2022**	2Q2023**	3Q2023*	Variations	
	(a)	(b)	(c)	(c) - (b)	(c) - (a)
<b>1- CURRENT ACCOUNT BALANCE (Including government transfers)</b>	<b>-390,5</b>	<b>-559,5</b>	<b>-429,8</b>	<b>129,7</b>	<b>-39,4</b>
<b>CURRENT BALANCE (Excluding public transfers)</b>	<b>-411,9</b>	<b>-572,3</b>	<b>-432,0</b>	<b>140,3</b>	<b>-20,1</b>
<b>1- Balance of goods</b>	<b>-246,3</b>	<b>-557,6</b>	<b>-369,5</b>	<b>188,1</b>	<b>-123,2</b>
Exports of FOB Goods	1075,9	823,8	825,7	1,9	-250,3
of which FOB Customs Exports	864,0	667,3	690,6	23,2	-173,4
Imports of FOB Goods	-1 322,2	-1 381,5	-1 195,2	186,2	127,0
of which CIF Customs Imports	-1413,7	-1445,6	-1248,4	197,2	165,2
<b>2- Balance of services</b>	<b>-114,3</b>	<b>-71,4</b>	<b>-46,1</b>	<b>25,2</b>	<b>68,2</b>
Transport	-112,1	-106,2	-56,3	49,9	55,8
Insurance	-14,6	-19,1	-17,1	2,0	-2,5
Travels	-21,5	100,7	0,4	-100,3	21,8
Other services	33,9	-46,7	26,9	73,6	-7,0
Of which Technical assistance and miscellaneous services	-20,7	-31,3	-62,4	-31,1	-41,7
<b>3- Balance of primary income</b>	<b>-187,9</b>	<b>-131,2</b>	<b>-206,0</b>	<b>-74,8</b>	<b>-18,1</b>
Revenues	26,5	41,0	49,7	8,6	23,2
Expenditures	-214,4	-172,3	-255,7	-83,4	-41,3

LABELS	3Q2022**	2Q2023**	3Q2023*	Variations	
	(a)	(b)	(c)	(c) - (b)	(c) - (a)
Compensation of employees	-5,2	-10,2	-9,9	0,3	-4,7
Direct investment	-120,7	-124,7	-154,8	-30,1	-34,1
Portfolio Investments	-16,8	-7,2	-0,3	6,8	16,5
Other investments	-71,7	-30,3	-90,7	-60,5	-19,0
Of which interest on external public debt	-71,2	-29,6	-88,3	-58,7	-17,1
<b>4- Balance of secondary income</b>	<b>158,0</b>	<b>200,7</b>	<b>191,8</b>	<b>-8,9</b>	<b>33,8</b>
<b>II- CAPITAL AND OPERATING ACCOUNT FIN.</b>	<b>433,1</b>	<b>784,1</b>	<b>-165,9</b>	<b>-950,0</b>	<b>-599,0</b>
<b>1- Capital Account</b>	<b>28,3</b>	<b>15,0</b>	<b>11,5</b>	<b>-3,5</b>	<b>-16,7</b>
Government	20,0	6,6	0,7	-5,9	-19,3
of which: donations (HIPC, C2D, MDRI)	0,0	0,0	0,0	0,0	0,0
Other Sectors	8,3	8,4	10,8	2,4	2,6
<b>2- Financial Operating Account</b>	<b>404,9</b>	<b>769,1</b>	<b>-177,4</b>	<b>-946,5</b>	<b>-582,3</b>
<b>Direct investment</b>	<b>244,9</b>	<b>182,5</b>	<b>122,3</b>	<b>-60,1</b>	<b>-122,6</b>
Outgoing	18,9	44,2	-0,6	-44,8	-19,5
<b>Portfolio Investments</b>	<b>-5,0</b>	<b>8,8</b>	<b>15,4</b>	<b>6,5</b>	<b>20,4</b>
Commitments (decrease -)	-5,0	39,4	0,0	-39,4	5,0
<b>Other Investments</b>	<b>164,9</b>	<b>577,9</b>	<b>-315,1</b>	<b>-892,9</b>	<b>-480,0</b>
<b>Government</b>	<b>-104,9</b>	<b>5,5</b>	<b>-36,2</b>	<b>-41,7</b>	<b>68,7</b>
<b>of which Commitments</b>	<b>-104,9</b>	<b>5,5</b>	<b>-36,2</b>	<b>-41,7</b>	<b>68,7</b>
-Drawings	131,2	96,6	138,6	42,0	7,4
-Depreciation	-236,1	-91,1	-174,8	-83,7	61,3
<b>Banks and Financial Institutions</b>	<b>-180,6</b>	<b>306,7</b>	<b>-221,7</b>	<b>-528,4</b>	<b>-41,1</b>
<b>Holdings (down +)</b>	<b>-188,1</b>	<b>276,1</b>	<b>-113,8</b>	<b>-389,9</b>	<b>74,2</b>
-Deposits	-19,6	231,4	75,2	-156,1	94,9
- Other assets	-168,4	44,8	-189,1	-233,8	-20,6
<b>Commitments (decrease -)</b>	<b>7,5</b>	<b>30,6</b>	<b>-107,9</b>	<b>-138,5</b>	<b>-115,4</b>
-Deposits	-0,5	51,6	-19,2	-70,7	-18,6
-Other commitments	8,0	-21,0	-88,7	-67,7	-96,7
<b>Private non-bank</b>	<b>450,4</b>	<b>265,7</b>	<b>-57,2</b>	<b>-322,8</b>	<b>-507,6</b>
Holdings (down +)	355,6	213,8	-6,1	-219,9	-361,7
<b>III- ERRORS AND OMISSIONS</b>	<b>-4,7</b>	<b>14,6</b>	<b>41,2</b>	<b>26,6</b>	<b>45,9</b>
<b>IV- OVERALL BALANCE</b>	<b>38,0</b>	<b>239,2</b>	<b>-554,5</b>	<b>-793,7</b>	<b>-592,5</b>
<b>V- FINANCING</b>	<b>-38,0</b>	<b>-239,2</b>	<b>554,5</b>	<b>793,7</b>	<b>592,5</b>

Source: MINFI/DF; \*Estimates; \*\*Updated data

## ■ Foreign trade

### Evolution of trade

In the third quarter of 2023, the value of trade between Cameroon and the rest of the world totalled 1,798.0 billion, down 14.9% compared to the previous quarter. This is linked to the 17.7% reduction in exports and a 13.6% reduction in imports. Year-on-year, trade dropped by 21.1%. Excluding oil, the value of trade amounted to 1,626.7 billion, down 10.4% from the previous

quarter and down 12% year-on-year. In the first nine months of 2023, trade stood at 5,949.7 billion.

### Trade balance: Reduction of the trade deficit

**In the third quarter of 2023** and compared to the previous quarter, the trade deficit narrowed by 79.4 billion to 698.9 billion. This was due to a larger decline in imports (-197.2 billion) than a decline in exports (-117.8 billion). The coverage ratio dropped by 2.1 percentage points to 44.0%.

*Excluding oil*, the trade balance narrowed by 205.2 billion. However, the coverage rate increased by 4.7 points to 25.6%.

Year-on-year, the trade balance deteriorated by 149.2 billion, following a more pronounced decline in exports (-36.4%) than in imports (-11.7%).

**In the first nine months of 2023** and year-on-year, the trade deficit widened by 976.5 billion to 1,986.0 billion. The coverage ratio decreased by 21.1 points to 49.9%. *Excluding oil*, the trade deficit widened by 590.1 billion to 2,720.0 billion. The coverage ratio increased from 39.2% to 31.4%.

**Table 9: Main results of foreign trade (in billion)**

Period	3 <sup>rd</sup> Q 2022	Jan- Sep2022	2 <sup>nd</sup> Q 2023	3 <sup>rd</sup> Q 2023	Jan- Sep2023	Changes (%)		
Labels	has	b	c	d	e	D/C	d/a	E/B
<b>Exports</b>	864,0	2 494,7	667,3	549,5	1 981,8	-17,7	-36,4	-20,6
Crude oil	429,8	1 120,5	297,0	171,3	734,0	-42,3	-60,2	-34,5
<i>excluding crude oil</i>	434,1	1 374,2	370,4	378,3	1 247,8	2,1	-12,9	-9,2
<b>Imports</b>	1 413,7	3 504,1	1 445,6	1 248,4	3 967,8	-13,6	-11,7	13,2
Crude oil	0,0	0,0	0,0	0,0	0,0			
<i>excluding crude oil</i>	1 413,7	3 504,1	1 445,6	1 248,4	3 967,8	-13,6	-11,7	13,2
<b>Trade balance</b>	-549,7	-1 009,4	-778,3	-698,9	-1 986,0	-10,2	27,1	96,7
<i>excluding crude oil</i>	-979,5	-2 129,9	-1 075,3	-870,1	-2 720,0	-19,1	-11,2	27,7
<b>Coverage rate (%)</b>	61,1	71,2	46,2	44,0	49,9	-2,1	-17,1	-21,2
<i>excluding crude oil</i>	30,7	39,2	25,6	30,3	31,4	4,7	-0,4	-7,8
<b>Global trade</b>	2 277,6	5 998,8	2 113,0	1 798,0	5 949,7	-14,9	-21,1	-0,8
<i>excluding crude oil</i>	1 847,8	4 878,3	1 816,0	1 626,7	5 215,7	-10,4	-12,0	6,9

Source: MINFI

### Imports

Imports of goods in the third quarter of 2023 totalled 1,248.4 billion, down 197.2 billion from the previous quarter. This change was mainly due to lower purchases of fuels and lubricants (-30.5 billion), pig iron, iron and steel (-27.9 billion), rice (-26.5 billion), miscellaneous chemicals (-24.5 billion), fertilizers (-23.4 billion), insecticides, fungicides and herbicides (-20.5 billion), crude or refined oils (-19.2 billion), and machinery and electrical appliances (-11.7 billion).

Year-on-year, imports of goods fell by 165.2 billion, mainly due to the reduction in purchases of fuel and lubricants (-68.9 billion), rice (-26.8 billion), fertilizers (-22.6 billion), pig iron, iron and steel (-21.0 billion), wheat and meslin (-20.1 billion), plastics (-13.0 billion), frozen marine fish (10.5 billion) and tractors (-7.1 billion). Conversely, there was an increase in imports of machinery and mechanical appliances (+28.6 billion), refined sugar (+18.9 billion) and goods vehicles (+8.3 billion).

In the first nine months of the year, imports increased by \$463.7 billion compared to the same period of 2022 to reach \$3,967.8 billion. This was mainly due to higher purchases of fuels and lubricants (+114.0 billion), mechanical machinery (+109.3 billion), electrical machinery and appliances (+45.3 billion) and transport vehicles (+43.4 billion). On the other hand, there was a decrease in purchases of wheat and meslin (-40.5 billion), clinker (-37.6 billion), iron, pig iron and steel (-19.4 billion), tractors (-16.4 billion) and liquefied butanes (-15.8 billion).

The main products imported in the first nine months of 2023 are fuels and lubricants (20.2% of the total), machinery and mechanical appliances (8.8%), electrical machinery and appliances (4.7%), pig iron, iron and steel (4.2%), rice (4.1%), frozen seafood (3.6%), pharmaceuticals (3.3%), plastics (3%) and passenger vehicles (2.7%).

**Table 10: Evolution of the main imported products (Q in million tons and V in billion CFA francs)**

Period	Q32022		Jan-Sep2022		Q2 2023		Q3 2023		Jan-Sep2023		Variations		
Labels	Q	V	Q	V	Q	V	Q	V	Q	V			
	has		b		c		D		e		d-c	d-a	E&B
Fish and shellfish	65,9	57,4	182,4	146,0	45,4	33,9	58,4	46,7	185,4	144,7	12,8	-10,7	-1,3
Frozen marine fish	65,8	57,2	182,1	145,5	45,3	33,8	58,4	46,7	185,2	144,4	12,8	-10,5	-1,1
<i>Animals and products of the animal kingdom</i>	71,5	69,2	200,8	181,5	51,9	45,3	64,7	59,0	204,6	178,3	13,7	-10,3	-3,2
Grain	448,0	135,0	189,9	344,6	395,3	106,4	390,4	87,8	1 223,0	309,8	-18,7	-47,2	-34,8
Wheat and meslin	238,0	72,6	640,4	180,2	190,2	40,8	280,9	52,5	676,9	139,6	11,7	-20,1	-40,5
Rice	209,3	61,9	537,8	161,5	187,3	61,5	109,2	35,0	516,6	163,4	-26,5	-26,8	1,9
<i>Products of the plant kingdom</i>	493,9	157,0	329,4	403,8	447,2	129,9	429,6	106,9	1 365,7	375,4	-23,0	-50,1	-28,4
Animal or vegetable fats and oils	42,4	45,2	78,0	78,5	54,6	42,7	35,4	25,1	124,8	96,1	-17,6	-20,2	17,6
Crude or refined oils	40,9	44,1	68,9	71,2	52,0	40,9	29,9	21,6	114,6	89,2	-19,2	-22,5	18,0
<i>Animal or vegetable fats and oils</i>	42,4	45,2	78,0	78,5	54,6	42,7	35,4	25,1	124,8	96,1	-17,6	-20,2	17,6
Sugars and sweets	39,2	16,1	80,9	30,7	43,5	15,1	92,5	34,7	180,0	65,3	19,7	18,6	34,7
Refined cane or beet sugars	33,5	13,4	62,1	23,3	36,6	11,9	87,6	32,3	161,7	56,7	20,3	18,9	33,4
<i>Industrial food products</i>	123,3	73,6	314,6	188,9	125,5	76,5	180,2	94,7	419,9	234,1	18,2	21,1	45,2
Salt; sulphur; earths; Cements	577,4	37,1	116,3	132,5	949,7	34,7	704,1	28,3	2 600,3	98,1	-6,3	-8,8	-34,3
Hydrocarbons	575,3	379,0	404,0	758,1	617,8	330,9	627,2	306,6	1 627,3	860,5	-24,3	-72,4	102,5
Fuels & Lubricants	519,3	346,7	276,8	689,1	568,2	308,2	552,0	277,8	1 490,0	803,0	-30,5	-68,9	114,0
Liquefied butanes	42,5	27,6	82,5	51,1	16,5	7,7	66,9	25,0	89,3	35,2	17,3	-2,6	-15,8
<i>Mineral Products</i>	1 152,9	416,1	522,2	890,9	1 567,8	365,7	332,3	335,2	4 228,8	959,1	-30,5	-80,9	68,2
Pharmaceuticals	6,9	39,9	19,1	129,0	7,2	47,7	6,6	42,1	22,3	132,2	-5,7	2,1	3,2
<i>Products of the chemical industries</i>	151,7	138,3	347,3	376,0	207,1	168,3	133,4	116,6	537,0	441,8	-51,7	-21,7	65,8
Plastics	46,5	50,7	130,3	133,0	46,1	42,9	41,3	37,8	129,1	120,7	-5,1	-13,0	-12,3
Rubber	10,0	14,0	26,7	36,7	10,7	12,9	11,7	14,3	30,6	37,2	1,5	0,4	0,5
<i>Plastics and rubber</i>	56,5	64,7	157,0	169,7	56,8	55,8	53,0	52,1	159,7	157,8	-3,7	-12,6	-11,8
<i>Wood pulp; Papers and their applications</i>	35,5	29,4	89,1	87,9	25,7	21,0	33,1	26,5	84,3	84,1	5,5	-2,9	-3,8
<i>Articles of stone, cement and glass</i>	86,6	27,7	233,2	69,3	77,8	24,2	83,6	25,6	241,5	73,2	1,5	-2,0	3,9
Cast iron, iron and steel	89,1	70,7	239,3	187,8	112,8	77,7	100,5	49,8	269,4	168,4	-27,9	-21,0	-19,4
Articles of iron and steel	21,2	32,6	52,7	77,0	23,2	37,0	24,6	31,8	61,1	90,7	-5,2	-0,7	13,7
<i>Base metals and their articles...</i>	119,2	116,3	312,1	294,8	146,9	134,5	133,9	94,5	356,5	301,6	-39,9	-21,8	6,8
Machinery & Mechanical Appliances	28,7	86,9	76,5	238,0	34,1	121,0	34,1	115,5	100,7	347,2	-5,5	28,6	109,3
Electrical Machinery & Appliances	18,6	45,1	49,4	139,9	16,9	61,2	18,9	49,5	51,9	185,2	-11,7	4,4	45,3
<i>Mechanical or electrical machinery and equipment</i>	47,3	132,1	125,9	377,8	51,0	182,2	52,9	165,0	152,6	532,4	-17,2	33,0	154,6
Motor vehicles; Tractors	41,4	74,8	127,6	207,0	47,3	118,9	44,5	79,5	138,3	311,5	-39,5	4,7	104,5
<i>Passenger Vehicles</i>	0,0	28,4	0,0	74,0	0,0	37,7	0,0	32,0	0,0	106,7	-5,7	3,6	32,8
<i>Vehicles for the transport of goods</i>	0,0	17,9	0,0	43,9	0,0	33,9	0,0	26,2	0,0	87,3	-7,7	8,3	43,4
<i>Transport equipment</i>	41,9	75,9	129,8	211,5	49,8	135,0	46,3	87,3	143,6	339,9	-47,6	11,4	128,4
<i>Grand Total Imports</i>	2 498,7	1 413,7	7 035,1	3 504,1	2 934,6	1 445,6	651,7	1 248,4	8 228,5	3 967,8	-197,2	165,2	463,7

Source: MINFI

## Exports

In the third quarter of 2023, exports of goods totalled 549.5 billion, down by 117.8 billion from the previous quarter. This was mainly attributable to lower sales of crude petroleum oils

(-125.7 billion), liquefied natural gas (-47.0 billion), cocoa butter (-6.5 billion) and raw wood (-3.9 billion). On the other hand, exports of raw cocoa beans (+39.8 billion) and fuels and

lubricants (+18.0 billion) increased. Excluding oil, sales rose by 7.9 billion to 378.3 billion.

Year-on-year, exports of goods fell from 864.0 billion to 549.5 billion, a decrease of 314.4 billion. This change was mainly due to lower sales of crude petroleum oils (-258.6 billion), liquefied natural gas (-72.8 billion), raw cotton (-14.0 billion), cocoa butter (-6.8 billion), raw wood (-6.1 billion), moderated by higher sales of fuels and lubricants (+22.5 billion) and raw cocoa beans (+22.3 billion). Excluding oil, exports fell by 55.9 billion.

In the first nine months of 2023, the value of exports was 1,981.8 billion, down by 512.8

billion from the same period in 2022. This was mainly due to lower sales of crude petroleum oils (-386.5 billion), liquefied natural gas (-138.2 billion), raw cocoa beans (-35.6 billion) and raw cotton (-22.8 billion). However, sales of fuels and lubricants increased by 52.2 billion and sales of household soap in pieces by 21.7 billion. Excluding oil, exports fell by 126.3 billion to 1,247.8 billion. The main products exported during the period under review were: crude petroleum oils (37.0% of total exports), liquefied natural gas (14.4%), sawn timber (7.8%), raw cocoa beans (7.0%) and raw timber (5.7%).

**Table: Evolution of the main exported products (Q in million tons and V in billion CFA francs)**

Periods	Q32022		Jan-Sep2022		Q2 2023		Q3 2023		Jan-Sep2023		Variations		
Labels	Q	V	Q	V	Q	V	Q	V	Q	V			
	has		b		c		d		e		d-c	d-a	E&B
Bananas (including plantains)	41,4	5,8	151,6	21,3	51,4	7,7	39,2	6,2	141,2	21,6	-1,5	0,4	0,2
Coffee	5,6	7,4	8,3	11,1	2,6	3,6	6,1	9,4	9,6	14,1	5,8	2,0	3,0
and Robusta coffee	5,4	6,8	7,6	9,4	0,0	0,0	1,3	2,0	1,6	2,4	2,0	-4,8	-7,0
Palm oil	0,2	0,3	0,4	0,5	0,4	0,5	0,6	0,9	1,5	2,1	0,4	0,6	1,6
Cocoa-free sweets	0,9	1,5	2,4	3,5	0,6	1,0	1,0	1,6	2,3	3,6	0,6	0,1	0,1
Raw cocoa beans	14,3	18,4	135,5	174,8	0,5	0,9	20,4	40,7	87,8	139,2	39,8	22,3	-35,6
Cocoa paste	12,1	19,7	37,3	58,5	9,5	17,2	8,2	15,3	32,0	58,1	-1,8	-4,4	-0,4
Cocoa butter	7,8	14,8	22,5	43,2	6,6	14,4	3,2	8,0	17,7	39,0	-6,5	-6,8	-4,2
Beers	3,4	1,6	9,0	4,1	3,1	1,5	3,1	1,5	9,3	4,5	0,0	-0,1	0,4
Crude petroleum oils	890,5	429,8	2 553,8	1 120,5	853,9	297,0	406,9	171,3	1 974,6	734,0	-125,7	-258,6	-386,5
Fuels & Lubricants	1,5	1,9	16,8	11,4	10,9	6,4	64,8	24,4	165,3	63,6	18,0	22,5	52,2
Liquefied natural gas	214,9	129,8	946,6	424,2	367,5	104,0	215,0	57,0	941,2	286,0	-47,0	-72,8	-138,2
Household soaps in pieces	20,5	14,1	37,3	23,7	19,7	15,3	20,9	15,4	59,4	45,4	0,2	1,3	21,7
Raw rubber	14,3	12,8	33,1	30,1	9,4	6,8	12,9	8,8	30,8	22,0	2,0	-4,0	-8,0
Wood and articles thereof	501,6	88,6	1 328,6	240,0	358,4	80,3	359,9	78,2	1 043,5	223,7	-2,1	-10,4	-16,3
Raw wood (logs)	0,2	21,2	0,6	61,6	0,2	19,0	0,1	15,1	0,5	49,4	-3,9	-6,1	-12,2
Sawn timber	0,3	60,0	0,9	157,8	0,3	53,4	0,8	57,3	1,2	154,4	4,0	-2,6	-3,3
Raw cotton	44,1	48,4	130,2	136,1	29,3	34,0	28,1	34,4	98,0	113,3	0,3	-14,0	-22,8
Raw aluminium	16,5	19,0	32,5	36,2	10,7	13,9	11,8	14,5	30,8	37,5	0,6	-4,5	1,3
Aluminium sheets	0,4	1,0	1,2	2,9	0,5	1,1	0,7	1,6	2,2	5,0	0,5	0,6	2,2
<b>Grand Total Exports</b>	<b>2 024,3</b>	<b>864,0</b>	<b>6 043,3</b>	<b>2 494,7</b>	<b>1 827,1</b>	<b>667,3</b>	<b>1 307,1</b>	<b>549,5</b>	<b>4 921,8</b>	<b>1 981,8</b>	<b>-117,8</b>	<b>-314,4</b>	<b>-512,8</b>

Sources: MINFI/DGC-DF

## PUBLIC FINANCES

The execution of the State budget in the third quarter of 2023 and compared to the third quarter of 2022 shows: (i) a decrease in total resources due to the decrease in loans and grants, (ii) a decrease in expenditure.

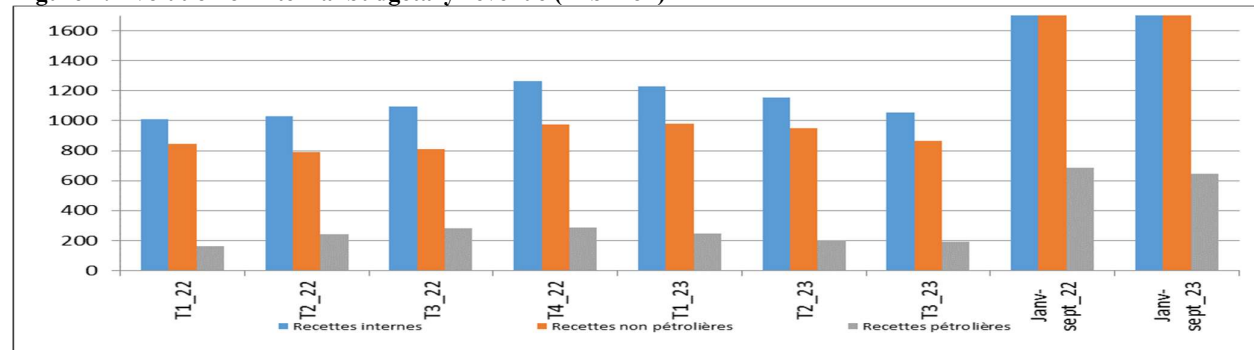
### **Budgetary resources: decrease in total resources due to lower loans and grants.**

In the third quarter of 2023, the total budgetary resources collected amounted to 1,241.3 billion, down from 157.1 billion year-on-year. They

include 1,055.6 billion in internal revenue and 185.7 billion in loans and grants.

**Domestic budget revenues** fell by 3.7% due to lower oil revenues and loans and grants. Oil revenues dropped by 93.6 billion to 190.2 billion. This decrease was the result of a 95.9 billion decrease in the NHC royalty to 106.7 billion, offset by a 2.3 billion increase in the oil corporation tax to 83.4 billion.

**Figure 4: Evolution of internal budgetary revenue (in billion)**



Source: MINFI/DF

Non-oil revenues totalled \$865.4 billion, up 53.2 billion. The evolution of the main headings is as follows: tax revenues amounted to 559.2 billion, an increase of 40.9 billion; customs revenues amounted to 252.1 billion, an increase of 6.2 billion; Non-tax revenues totalled 54.1 billion, an increase of 10 billion. SAA revenue is zero in the third quarter of 2023.

**Loans and grants** mobilized during the third quarter of 2023, amounting to 185.7 billion, are down by 116.6 billion year-on-year. They include 94.4 billion in project loans, 0.8 billion in grants, and 90.5 billion in net issuance of government securities.

**At the end of September 2023**, the realisation of total budgetary resources amounted to 4,193.8

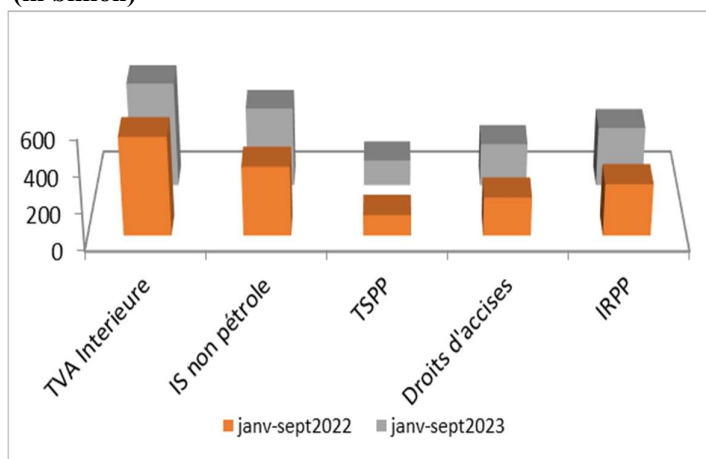
billion. They decreased by 211.1 billion compared to the same period in 2022. This decrease is mainly observed in loans and donations.

**Loans and grants** decreased by 514.6 billion, from 1,271.9 billion at the end of September 2022 to 757.3 billion at the end of September 2023. This decrease was recorded in all its components: drawings for project loans (-84.8 billion); grants (-69.8 billion); non-IMF budget support (-22.6 billion); Net issuances of government securities (-101.9 billion) and other borrowings (-235.5 billion).

**On the other hand, internal budgetary revenue** collected increased by 303.4 billion to 3,436.4 billion. This increase can only be observed in non-oil revenues.

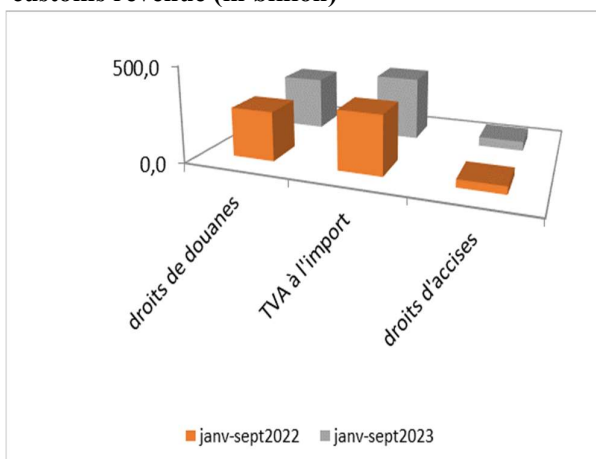


**Graph 5: Evolution of the main components of tax revenues (in billion)**



Source: MINFI/DF

**Graph 6: Evolution of the main components of customs revenue (in billion)**



Source: MINFI/DF

**Oil revenues amounted to 643.4 billion**, down by 42.2 billion compared to the end of September 2022, mainly due to lower world oil prices. They include 458 billion in NHC oil royalties and 185.4 billion in oil company tax.

**Non-oil revenues** increased from 2,447.3 billion at the end of September 2022 to 2,793 billion at the end of September 2023, an increase of 345.7 billion. This increase is the result of higher tax and higher non-tax revenues. The evolution and achievements of the main components of non-oil revenues are shown below.

**Tax revenues** amounted to 1,869.3 billion compared to 1,669.6 billion at the end of September 2022, an increase of 199.7 billion. This increase was driven by the increase in the tax on non-oil

companies (+49.4 billion); personal income tax (+37.4 billion); registration and stamp duties (+36.1 billion); VAT (+25.7 billion); STPP (+25.2 billion) and excise duties (+20.7 billion).

**Customs revenues amounted to 736.5 billion** compared to 647.1 billion at the end of September 2022, an increase of 89.5 billion, attributable to the increase in all headings: import VAT (+28.3 billion); customs duties on imports (+25.5 billion); excise duties on imports (+8.3 billion) and export duties (+6.4 billion).

**Non-tax revenue** increased by 55.1 billion year-on-year to €181.8 billion at the end of September 2023. SAA revenues are 5.4 billion.

**Table 9: Evolution of budgetary revenue (in billion)**

REVENUE HEADING	2 <sup>nd</sup> Q 2022	3 <sup>rd</sup> Q 2023	Jan-Sept. 2022	Jan-Sept. 2023	Relative changes (%)		Absolute changes	
	(a)	(b)	©	(d)	(b/a)	(d/c)	(b/a)	(d/c)
A- INTERNAL BUDGETARY REVENUE.	1 096,1	1 055,6	3133,0	3 436,4	-3,7	9,7	-40,5	303,4
I-Oil Revenues	283,8	190,2	685,7	643,4	-33,0	-6,2	-93,6	-42,2
1-NHC Royalty	202,6	106,7	537,6	458,0	-47,3	-14,8	-95,9	-79,5
2- Oil corporate tax	81,2	83,4	148,1	185,4	2,8	25,2	2,3	37,3
II- Non-oil revenues	812,3	865,4	2 447,3	2 793,0	6,5	14,1	53,2	345,7
1- Tax revenues	764,2	811,3	2316,6	2 605,8	6,2	12,5	47,1	289,2
a- Tax revenues	518,3	559,2	1669,6	1869,3	7,9	12,0	40,9	199,7
of which -PIT	101,6	92,4	281,9	319,3	-9,1	13,3	-9,3	37,4
-VAT	177,0	183,6	535,9	561,6	3,7	4,8	6,5	25,7
-Non-oil corporate tax	79,5	87,4	376,2	425,6	9,9	13,1	7,9	49,4
-Excise duties	67,5	70,4	208,9	229,5	4,3	9,9	2,9	20,7
-Registration fees and stamp duties	31,4	40,2	84,9	121,0	28,0	42,5	8,8	36,1
- STPP	36,5	56,7	113,0	138,2	55,3	22,3	20,2	25,2

<b>b- Customs revenue</b>	<b>245,9</b>	<b>252,1</b>	<b>647,1</b>	<b>736,5</b>	<b>2,5</b>	<b>13,8</b>	<b>6,2</b>	<b>89,5</b>
of which - import customs duty.	99,8	95,0	258,1	283,7	-4,9	9,9	-4,8	25,5
- Import VAT +Import excise duty	117,5	114,1	308,4	336,7	-2,9	9,2	-3,4	28,3
- Import excise duties.	15,3	17,7	40,3	48,6	15,8	20,5	2,4	8,3
- Exit duties	11,5	13,6	31,5	37,9	18,6	20,5	2,1	6,4
<b>2- Non-tax revenues</b>	<b>44,1</b>	<b>54,1</b>	<b>126,7</b>	<b>181,8</b>	<b>22,8</b>	<b>43,5</b>	<b>10,0</b>	<b>55,1</b>
<b>3- AQHI Receipts</b>	<b>4,0</b>	<b>0,0</b>	<b>4,0</b>	<b>5,4</b>	<b>-100,0</b>	<b>34,5</b>	<b>-4,0</b>	<b>1,4</b>
<b>B- LOANS AND DONATIONS</b>	<b>302,3</b>	<b>185,7</b>	<b>1271,9</b>	<b>757,3</b>	<b>-38,6</b>	<b>-40,5</b>	<b>-116,6</b>	<b>-514,6</b>
- Project loans	96,1	94,4	439,7	354,9	-1,8	-19,3	-1,7	-84,8
-Donations	20,0	0,8	81,7	12,0	-95,8	-85,4	-19,1	-69,8
- Budgetary support	0,0	0,0	45,9	23,3		-49,2	0,0	-22,6
- Issuance of net government securities	88,8	90,5	409,1	307,2	1,9	-24,9	1,7	-101,9
- Other borrowings (incl. PARPAC and SDR)	97,5	0,0	295,5	60,0	-100,0	-79,7	-97,5	-235,5
<b>TOTAL BUDGETARY REVENUE</b>	<b>1 398,4</b>	<b>1 241,3</b>	<b>4 404,9</b>	<b>4 193,8</b>	<b>-11,2</b>	<b>-4,8</b>	<b>-157,1</b>	<b>-211,1</b>

Source: MINFI/DF

### Public spending: down in the third quarter but up in the first nine months of the year

During the third quarter of 2023, the total budgetary expenditure based on payment orders amounted to 1,263.2 billion, a decrease of 22% year-on-year. Current expenditure excluding interest on debt amounted to 733.9 billion, down by 22.4%. The main components are as follows: expenditure on personnel increased by 20.7 billion to 327.3 billion; expenditure on goods and services was 159.7 billion, a decrease of 120 billion; transfers and pensions fell by 112.1 billion to 246.8 billion.

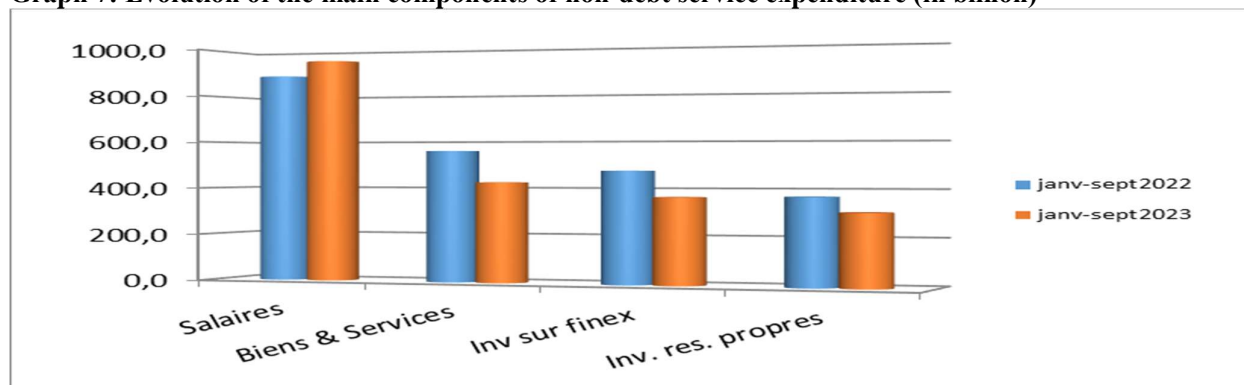
Capital expenditure fell by 16.8% to 198.8 billion. Investment expenditure on external resources decreased by 10.7% to 95.1 billion. From own resources, it amounted to 98.3 billion, a decrease of 25.9%. Restructuring and rehabilitation

expenditure, which was nil in the third quarter of 2022, amounted to 5.5 billion in the third quarter of 2023.

Public debt service was 342.8 billion, down by 51.8 billion. External debt servicing amounted to 262.6 billion, of which 174.8 billion was amortization and 87.8 billion was interest. The domestic debt amounted to 80.2 billion, including: 16.5 billion in interest; 10.9 billion in depreciation; 14.3 billion in VAT credit refunds, 38.4 billion in arrears payments from 2022 and previous fiscal years.

Total budgetary expenditure on a basic basis amounted to 4,357.4 billion at the end of September 2023 compared with 4,172.8 billion at the end of September 2022, an increase of 184.6 billion. This increase can be seen in current expenditure and public debt servicing.

Graph 7: Evolution of the main components of non-debt service expenditure (in billion)



Source: MINFI/DF

Current expenditure excluding interest increased by 37 billion to 2,178.6 billion. This evolution is the

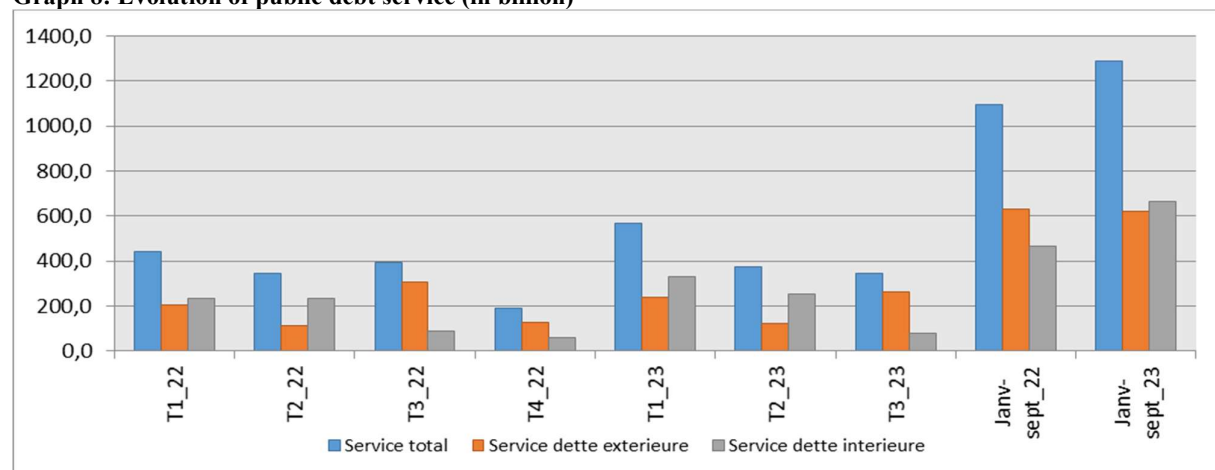
result of the evolution of its components. Personnel costs increased by 7.2% to 948.8 billion.

Expenditure on goods and services amounted to 425.1 billion, including 1 billion for SAA, and was down by 23.9%. Expenditure on transfers and pensions amounted to 804.8 billion, up by 15.3%.

Capital expenditure amounted to 695.1 billion at the end of September 2023 compared with 853 billion at the end of September 2022, a decrease of 157.9 billion. Capital expenditure from own

resources amounted to 306.6 billion, of which 1.6 billion was for SAA, a decrease of 62.8 billion year-on-year. Investment expenditure on external financing was 365.4 billion, a decrease of 109.8 billion. Restructuring expenditure amounted to 23.1 billion at the end of September 2023, compared with 8.4 billion in the same period of 2022.

**Graph 8: Evolution of public debt service (in billion)**



Source: MINFI/DF

The actual servicing of the public debt amounted to 1,287.1 billion, an increase of 191 billion (+17.4%) year-on-year. It comprises 620.3 billion in external debt and 666.8 billion in domestic debt.

The actual servicing of the external debt fell by 8.2 billion (-1.3%). It includes 171.9 billion in interest and 448.4 billion in principal.

Domestic debt payments increased by 199.2 billion compared to the end of September 2022. They include: 90.5 billion in interest; 96 billion in depreciation; 36.3 billion in VAT credit refunds, 444 billion in payments to 2022 fiscal year proceedings and arrears from previous years.

**Table 10: Evolution of public expenditure (in billion)**

EXPENDITURE LINES	3 <sup>rd</sup> Q. 2022	3 <sup>rd</sup> Q. 2023	Jan-Sept. 2022	Jan-Sept. 2023	Relative changes (%)		Absolute changes	
	(a)	(b)	(c)	(d)	(b/a)	(d/c)	(b/a)	(d/c)
<b>I-Current Expenditure</b>	<b>945,3</b>	<b>733,9</b>	<b>2141,7</b>	<b>2178,6</b>	<b>-22,4</b>	<b>1,7</b>	<b>-211,4</b>	<b>37,0</b>
Dept. of Staff	306,6	327,3	885,0	948,8	6,7	7,2	20,7	63,8
Dept. Property & Serv.	279,7	159,7	558,8	425,1	-42,9	-23,9	-120,0	-133,7
of which - CAS	4,0	0,0	4,0	1,0	-100,0	-74,8	-4,0	-3,0
Transfers and pensions	358,9	246,8	697,9	804,8	-31,2	15,3	-112,1	106,9
<b>II- Capital expenditure</b>	<b>239,1</b>	<b>198,8</b>	<b>853,0</b>	<b>695,1</b>	<b>-16,8</b>	<b>-18,5</b>	<b>-40,3</b>	<b>-157,9</b>
From external funding	106,4	95,1	475,2	365,4	-10,7	-23,1	-11,3	-109,8
From own resources	132,7	98,3	369,4	306,6	-25,9	-17,0	-34,4	-62,8
of which - CAS	0,0	0,0	0,0	1,6			0,0	1,6
Restructuring expenses	0,0	5,5	8,4	23,1		175,0	5,5	14,7
<b>III- Miscellaneous expenses to be regularized</b>	<b>38,5</b>	<b>-12,2</b>	<b>61,8</b>	<b>200,8</b>	<b>-131,8</b>	<b>224,8</b>	<b>-50,7</b>	<b>139,0</b>

<b>IV- Net Loans (Loans-Repayments)</b>	<b>1,9</b>	<b>0,0</b>	<b>20,2</b>	<b>-4,3</b>	<b>-100,0</b>	<b>-121,3</b>	<b>-1,9</b>	<b>-24,5</b>
<b>V- Public debt service</b>	394,6	342,8	1096,1	1287,1	-13,1	17,4	-51,8	191,0
External debt	307,2	262,6	628,4	620,3	-14,5	-1,3	-44,6	-8,2
Interest	71,2	87,8	140,7	171,9	23,4	22,2	16,7	31,2
Main	236,1	174,8	487,8	448,4	-25,9	-8,1	-61,3	-39,4
Domestic debt	87,4	80,2	467,7	666,8	-8,3	42,6	-7,2	199,2
of which - Interest	10,6	16,5	31,0	90,5	56,6	192,4	6,0	59,5
- Amortization of principal	16,2	10,9	131,2	96,0	-32,9	-26,8	-5,3	-35,2
- VAT credit refund	19,0	14,3	60,7	36,3	-24,7	-40,2	-4,7	-24,4
- Inner backs	41,6	38,4	331,1	444,0	-7,6	34,1	-3,2	113,0
<b>TOTAL EXPENDITURE. BUDGET</b>	<b>1 619,3</b>	<b>1 263,2</b>	<b>4 172,8</b>	<b>4 357,4</b>	<b>-22,0</b>	<b>4,4</b>	<b>-356,1</b>	<b>184,6</b>

Source: MINFI/DF

### Budget balances and funding flows

At the end of the third quarter of 2023, the stock of payment arrears decreased by 195.4 billion. This is the result of payments of 444 billion from arrears from previous and previous years and the accumulation of 248.7 billion in new instances from fiscal year 2023.

The State's operations, reflecting the revenues and grants mobilized and the expenditure executed, show an overall balance based on authorizations surplus of 76.5 billion. The primary balance on a

borrowing basis stood at 339.1 billion and the non-oil primary balance stood at -304.3 billion.

With regard to domestic financing, the Treasury's net position vis-à-vis the banking system (TNP) deteriorated by 180.5 billion at the end of September 2023. This is the result of an improvement in the position vis-à-vis the BEAC by 10.8 billion combined with a deterioration in the position vis-à-vis commercial banks by 62.6 billion and the IMF by 135.8 billion.

**Table 11: Evolution of budgetary balances (in billion)**

<b>BUDGETARY BALANCE</b>	<b>End of Sept 2022</b>	<b>End of Sept 2023</b>
<i>OVERALL PRIMARY BALANCE (NET*)</i>	<b>73,4</b>	<b>339,1</b>
NON-OIL PRIMARY BALANCE (NET*)	-612,2	-304,3
OVERALL BALANCE (NET*)	-98,5	76,5

Source: MINFI \*Excluding VAT credit refund

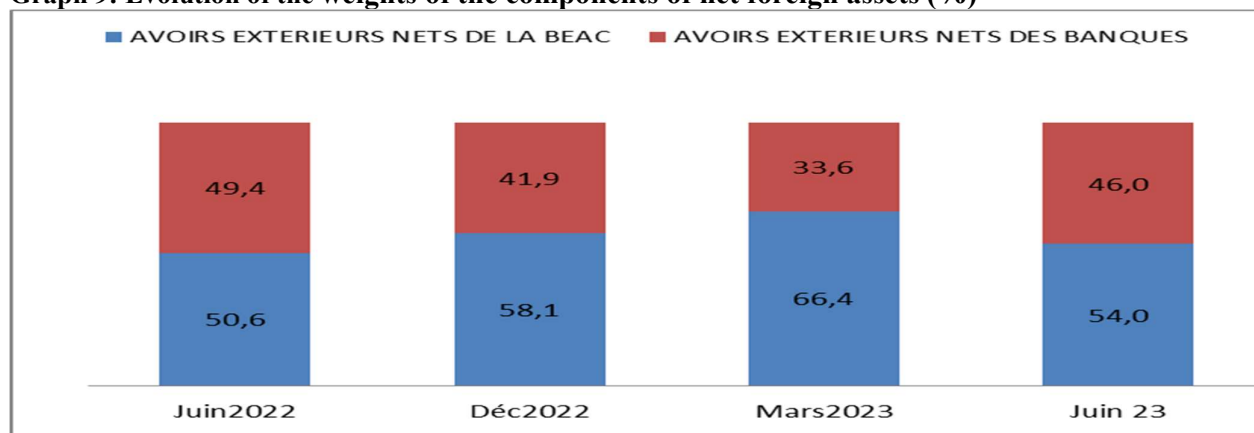
## MONETARY SITUATION

At the end of September 2023, the monetary situation was balanced in terms of resources and uses at 9,897.7 billion, up 0.6% compared to the end of June 2023. This trend is the result of the consolidation of net claims on the State and loans to the economy, as net foreign assets have declined. Year-on-year, the currency situation is up by 6.8%.

At the end of September 2023, and compared to the end of June 2023, net foreign assets decreased by

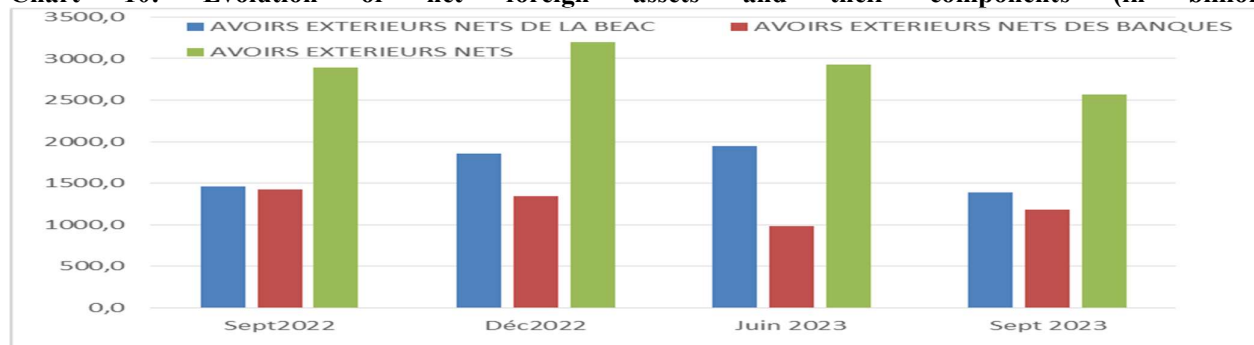
12.1% to 2569.7 billion, resulting from the 28.5% contraction in the net foreign assets of the BEAC, and the 20.4% increase in the net foreign assets of banks. The contraction in the BEAC's net foreign assets is linked to the decline in the repatriation of export earnings. The increase in banks' net foreign assets is a result of the increase in the value of commercial banks' investment securities.

**Graph 9: Evolution of the weights of the components of net foreign assets (%)**



Sources: MINFI, BEAC

**Chart 10: Evolution of net foreign assets and their components (in billion)**



Sources: MINFI, BEAC

**At the end of September 2023**, domestic credit stood at 7,327.7 billion, up by 5.9% compared to June 2023. Depending on the component, net claims on the State and loans to the economy increased by 10.8% and 3.9% respectively.

Net claims on the State rose from 2,084.5 billion at the end of June 2023 to 2,308.7 billion at the end of September 2023. Reflecting this trend, the Government's Net Position (GNP), *assessed on the basis of the difference between the loans*

*granted to the State by the BEAC, the banks and the IMF, on the one hand, and all Government deposits, on the other hand*, amounted to 2,299.9 billion, up by 16.0% compared to the end of June 2023. This increase is the result of the rise in the Government's commitments, coupled with the decrease in its deposits, both at the Central Bank and in the banks. The PNG vis-à-vis the BEAC increased from 127.4 billion at the end of June 2023 to 209.9 billion at the end of September 2023. Similarly, the GNP vis-à-vis banks has

been strengthened, from 758.5 billion at the end of June 2023 to 922.0 billion at the end of September 2023, in line with the strengthening of subscriptions by banks to the issuance of government securities. GNP vis-à-vis the IMF increased to 1,168.0 billion at the end of September 2023, from 1,126.0 billion at the end of June, fuelled by budgetary support.

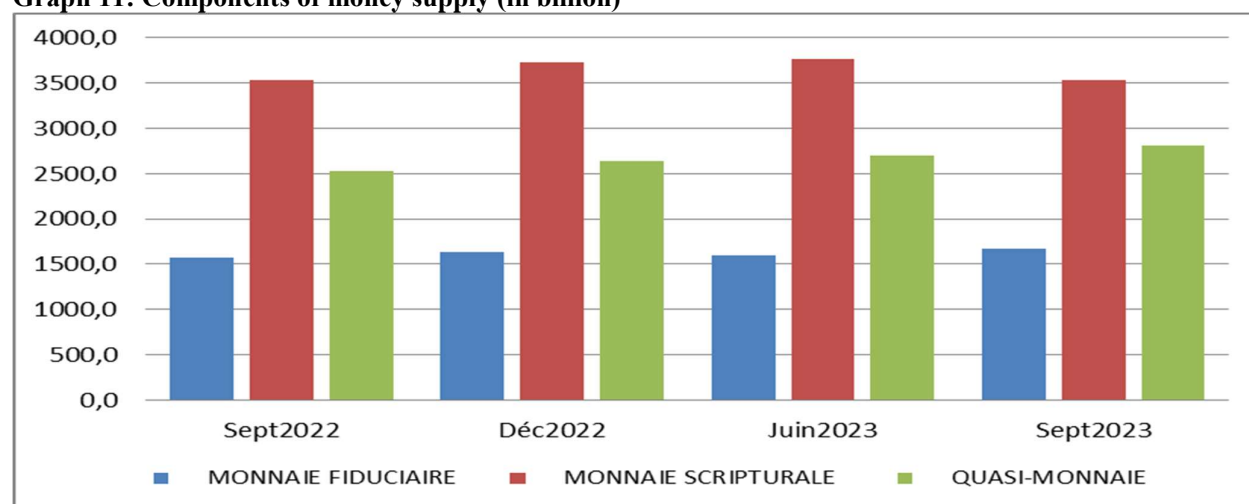
Loans to the economy increased by 3.6%, after 6.2% recorded at the end of June 2023. In absolute terms, they stood at 5,019.1 billion, compared with 4,832.3 billion at the end of June 2023. This evolution was driven by loans to the

non-financial private sector (+2.6%) and loans to non-bank financial institutions (+338.3%).

The breakdown of claims on the economy, according to duration, reaffirms the preponderance of short-term loans (51.5%). The share of medium-term loans stands at 45.1% and that of long-term loans at 3.4%.

Reflecting the evolution of its counterparts, money supply (M2) decreased by 0.4% to 8,014.5 billion at the end of September 2023. It is composed of 20.8% fiat money, 42.2% scriptural money, and 35.0% quasi-money.

**Graph 11: Components of money supply (in billion)**



Sources: MINFI/BEAC

***At the end of September 2023 and year-on-year,*** the monetary situation increased by 4.9% following a 15.0% increase in domestic credit and an 11.1% decrease in net foreign assets. Loans to the economy increased by 16.7% and net claims on the State increased by 11.4%.

Reflecting the evolution of claims on the State, PNG grew by 10.0%, resulting from the increase of all its components that are the PNGs vis-à-vis the BEAC, the banks and the IMF.

Loans to the economy increased by 16.7% at the end of September 2023. They were driven by loans to the non-financial private sector (+13.2%) and state-owned enterprises (+31.0%).

The external coverage ratio of the currency, defined as the ratio of the gross official holdings of foreign currency to the total demand liabilities of the Central Bank, is well above the regulatory threshold. It has stabilized at 76%. It is 74% in the CEMAC.



**Table 12: Broad monetary situation at the end of September 2023 (in billion of CFA francs)**

	Sept-22	Dec-22	June-23	Sept-23	Variations	
	a	b	c	d	d/c	d/a
TOTAL COUNTERPARTS OF RESOURCES OF THE MONETARY SYSTEM	9263.3	9,817.3	9,841.2	9,897.4	0.6	6.8
NET EXTERNAL ASSETS	2892.1	3,194.0	2,924.3	2,569.7	-12.1	-11.1
BEAC Net External Assets	1463.6	1854.1	1942.8	1388.3	-28.5	-5.1
Of which: Operations account	2617.5	2696.7	2536.3	2055.4	-19.0	-21.5
Foreign currency assets	83.1	354.8	709.7	700.9	-1.2	743.4
Use of IMF Credits	832.0	793.9	803.3	849.4	5.7	2.1
Net External Assets of BCMs	1428.5	1339.8	981.6	1181.4	20.4	-17.3
INTERNAL CREDIT (A+B)	6371.2	6,623.3	6,916.9	7,327.7	5.9	15.0
NET CLAIMS ON THE STATE (A)	2071.8	2,133.2	2,084.5	2,308.7	10.8	11.4
Net Government Position	2091.4	2,134.2	1,982.9	2,299.9	16.0	10.0
Other net claims on the State	-19.7	-59.1	101.6	8.8	-91.4	-144.6
CLAIM ON THE ECONOMY (B)	4299.4	4,490.1	4,832.3	5,019.1	3.9	16.7
Banking Institutions in Liquidation	0.0	0.0	0.0	0.0	77.8	23.1
Other banking institutions not eligible for BEAC refinancing	4.3	7.6	5.3	8.7	66.2	101.7
Non-Banking Financial Institutions	15.7	33.4	21.7	95.1	338.3	507.0
Non-financial Public Enterprises	390.7	442.6	514.0	512.0	-0.4	31.0
Non-financial Private Sector	3888.7	4,006.5	4,291.4	4,403.2	2.6	13.2
TOTAL RESOURCES OF THE MONETARY SYSTEM	9263.3	9,817.3	9,841.2	9,897.4	0.6	6.8
Fiat money	1574.2	1,637.6	1,594.5	1,668.4	4.6	6.0
Bank money :	3537.1	3,729.4	3,760.7	3,538.7	-5.9	0.0
Beac	3.8	3.7	4.2	6.2	48.7	64.1
Money-Creating Banks	3501.9	3,693.9	3,720.1	3,501.5	-5.9	0.0
Other Banking Institutions Eligible for BEAC Refinancing	28.0	28.3	32.9	27.5	-16.5	-1.7
Postal Cheque Centre (CCP)	3.5	3.5	3.5	3.5	0.0	0.0
Monetary availability	5111.3	5,367.0	5,355.2	5,207.1	-2.8	1.9
Quasi-currency	2530.2	2,643.1	2,695.5	2,807.4	4.1	11.0
Money-Creating Banks	2498.5	2,611.0	2,661.8	2,772.9	4.2	11.0
Other Banking Institutions Eligible for BEAC Refinancing	31.7	32.1	33.7	34.5	2.3	8.8
Monetary and Quasi-Monetary Availability	7641.5	8,010.1	8,050.7	8,014.5	-0.4	4.9
Other Net Items	1621.8	1,807.2	1,790.5	1,882.9	5.2	16.1

Sources: BEAC/MINFI

## SOCIO-ECONOMIC INFORMATION

### Household Consumer Prices

In the third quarter of 2023, household final consumption prices increased by 1.4% compared to the previous quarter. This increase was mainly due to the increase in the prices of food and non-alcoholic beverages (+2.8%). The products that contributed to the rise in the price level under this item were vegetables (+8.2%), fruit (+2.0%), bread and cereals (+3.5%).

Prices in the other main consumption items are rising at a slower pace than the general level. These include transport (+1.3%), education (+1.2%), housing, water, electricity, gas and other fuels (+0.8%), and clothing and footwear (+0.7%). Conversely, there was a 1.1% drop in the prices of oils and fats. Prices remained stable for "communication" and "health" services.

By origin, the prices of local products increased by 1.5% while those of imported products rose by 0.7%. Spatially, the regional capitals that experienced price increases above the national average were: Ngaoundéré (+2.9%), Maroua (+2.1%), Garoua (+2.0%) and Douala (+1.6%). In the other regional capitals, the increase in prices is as follows: Bafoussam (+1.3%), Ebolowa (+1.2%), Yaoundé (+0.9%), Bertoua (+0.9%), Buea (+0.8%) and Bamenda (+0.7%).

Compared with the third quarter of 2022, the household final consumer price index increased by 7.4%. This increase follows the increase in the prices of almost all consumer functions, in particular "food and non-alcoholic beverages" (+10.5%) and "transport" (+16.8%). In the first nine months of 2023 and year-on-year, the increase in the general price level was 7.8%.

**Table 13: Evolution of the harmonised index of final consumer prices for households (Base 100, year 2022)**

Items of expenditure	Weight	3 <sup>rd</sup> Q 2022	Jan- Sept 2022	2 <sup>nd</sup> Q 2023	3 <sup>rd</sup> Q2023	Jan- Sept 2023	Changes (%)		
		(a)	(b)	(c)	(d)	(e)	(d)/(c)	(d)/(a)	(e)/(b)
I - Evolution according to consumption functions									
Food and non-alcoholic beverages	3182	102,2	98,4	109,8	112,9	109,9	2,8	10,5	11,7
Alcoholic beverages and tobacco	136	100,7	99,5	103,7	104,0	103,2	0,3	3,3	3,8
Clothing and footwear	984	100,5	99,5	104,2	104,9	103,9	0,7	4,4	4,4
Housing, water, gas, electricity and other fuels	1289	99,6	99,6	103,1	103,9	103,1	0,8	4,3	3,5
Furniture, household items and routine household maintenance	510	101,4	98,8	107,3	107,6	106,9	0,3	6,2	8,2
Health	478	100,1	99,9	100,8	101,0	100,8	0,1	0,9	0,9
Transport	1127	100,6	99,7	116,0	117,5	114,0	1,3	16,8	14,4
Communication	459	100,3	99,9	100,4	100,4	100,4	0,0	0,0	0,5
Recreation and culture	335	100,2	99,8	101,5	102,2	101,6	0,7	2,0	1,8
Teaching	307	100,7	99,3	102,3	103,6	102,7	1,2	2,8	3,4
Restaurants & Hotels	669	101,5	99,1	104,9	105,3	104,7	0,4	3,8	5,6
Miscellaneous goods and services	524	101,0	99,2	105,1	105,7	104,9	0,6	4,7	5,8
General Index	10 000	101,1	99,1	107,1	108,6	106,8	1,4	7,4	7,8
II - Evolution according to origin									
Local products		101,2	99,0	107,9	109,4	107,5	1,5	8,1	8,6
Imported products		100,7	99,3	105,5	106,3	105,2	0,7	5,6	5,9

Sources: NIS, MINFI

### Other socio-economic information

During the third quarter of 2023, it is noted that within the framework of the African Continental Free Trade Area (AfCFTA), a first shipment from Tunisia, arrived at the Autonomous Port of Kribi

(PAK) on July 03, 2023. It should be recalled that the AfCFTA aims at dismantling tariffs in an inter-African market on several products, including tea, batteries, processed meats, corn starch, sugar, pasta, glucose syrup, dried fruits and tiles.

The Nigerian banking group, Access Bank Plc, signed an agreement on 14 July 2023, for the acquisition of the subsidiaries of the British bank Standard Chartered Bank in five African countries including Cameroon. This agreement as materialized in Cameroon with the opening of several agencies throughout the country.

Higher poultry input prices led to a contraction in the supply of broiler chickens in the market in July 2023. The price of a day-old chick has risen from 350 francs to 600 francs, and at the same time the price of a kilogram of feed has risen from 250 francs to 400 francs.

With regard to the simplification of administrative procedures related to State employees, the Government, through MINFI, has set up a new platform called "nGomna". This is an application that can be downloaded on Playstore and enable all public servants to consult their personal information, in particular to view and print their pay slips

In the framework of the fight against the high cost of living, the Government organized from 20 August to 30 September 2023, a fair on the site of the 20 May Boulevard, called "commercial return 2023". This periodic market allowed customers to prepare for the start of the school year at competitive prices for both food products and school supplies.

