

# U.S. Country Commercial Guides



## Cameroon 2019

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## Doing Business in Cameroon

### Market Overview

Cameroon has experienced steady, but slow growth over the last 20 years. Per IMF statistics, the economy grew 3.5 percent in 2017, 4 percent in 2018, and is expected to grow 4.3 percent in 2019. Inflation has been moderate over the same period, as the local currency, the Central African Franc, is pegged to the Euro. Despite belonging to the Economic and Monetary Community of Central Africa (CEMAC), Cameroon has a negligible trade relationship with Chad, Equatorial Guinea, Gabon, Central African Republic, and Republic of Congo (Brazzaville), other member states. In 2017, Cameroon had a population of roughly 25 million people and a per capita GDP of \$1,446, though income and wealth are mostly concentrated in Yaoundé the capital, and Douala, the commercial center of the country.

In 2017, Cameroon exported \$4.27 billion and imported \$5.88 billion, resulting in a negative trade balance of \$1.61 billion, according to Massachusetts Institute of Technology statistics. Cameroon's 2017 top exports were Crude Petroleum (\$1.34 billion), Sawn Wood (\$616 million), Cocoa Beans (\$492 million), Bananas (\$306 million), and Rough Wood (\$219 million). The top export destinations were France (\$559 million), China (\$488 million), Italy (\$392 million), Belgium-Luxembourg (\$359 million), and the Netherlands (\$356 million). In 2018, Cameroon exported \$219.6 million of goods to the United States.

Cameroon's top imports are Refined Petroleum (\$396 million), Special Purpose Ships (\$351 million), Rice (\$304 million), Crude Petroleum (\$220 million) and Packaged Medicines (\$195 million). The top exporters to Cameroon are China (\$1.06 billion), France (\$548 million), the Republic of the Congo (\$441 million), Thailand (\$275 million), and Nigeria (\$253 million). In 2018, the United States exported \$196.7 million of goods to Cameroon.

President Paul Biya has ruled the country since 1982. He was elected for his seventh consecutive term in October 2018 in an election considered to be flawed. Freedom House considers Cameroon to be "Not Free." As of 2019, the country has seen attacks from Boko Haram in the Far North Region, the continued presence of refugees from the Central African Republic in its East Region, and a violent separatist movement in the Anglophone Northwest and Southwest Regions. These combined security challenges will dampen economic growth over the short and medium term.

Despite these challenges, Cameroon remains one of the most stable countries in the region. It is strategically located between Nigeria, a market of 186 million people, and the oil-rich CEMAC region with 50 million potential consumers. Cameroon has the potential to serve as a hub for major regional energy and transportation infrastructure projects for the region.

In June 2017, Cameroon entered a three-year, \$666 million Extended Credit Facility with the IMF due to the twin shock of low oil prices and security issues. The IMF program aims to address Cameroon's "efforts to restore external and fiscal sustainability and lay the foundations for sustainable, inclusive and private sector-led growth." An early May 2019 IMF review team noted that "structural reforms to increase investment efficiency reduce contingent liabilities of public enterprises and support private sector development will support the growth outlook going forward."

### Market Challenges

Cameroon routinely ranks near the bottom of the World Bank's *Doing Business Report* – 166th out of 190 countries in 2019 – and Transparency International's *Corruption Perceptions Index* – 152nd out of 175 countries in 2018. While significant economic opportunities exist, an ineffective civil service and the tendency for some politicians to advance their own interests continue to be a drag on the growth needed to employ millions of young Cameroonians in the coming decade – the median age is 18. Despite seemingly low salaries, Cameroon's civil service is one of the most expensive in sub-Saharan Africa after accounting for non-wage compensation. Delays in project completion and financially plagued state-owned enterprises add to the problem. Almost all business transactions require senior level government approval, making for a cumbersome process susceptible to political influences and corruption.

Poor infrastructure, a slow and burdensome, omnipresent civil service, and rapidly evolving tax and regulatory regimes that lack transparency pose challenges to small and medium-sized enterprises attempting to enter the market. Even minor procurement decisions require Minister-level approval. Having a local partner is a must for companies hoping to do business in Cameroon.

### **Market Opportunities**

Though progress comes in fits and starts, Cameroon's Vision 2035 plan, which lays out the country's plans to become a middle-income country, includes massive investments in infrastructure. U.S. firms that can provide solutions in transportation (railways, roads, seaports, and airports), utilities (water, sewage), electricity (generation, transmission, and distribution), and extractives (oil and gas, rare earth minerals, timber) could have opportunities in Cameroon. The country's myriad state-owned enterprises are constantly looking for capital upgrades and foreign investment.

On the consumer side, a growing middle class, mostly concentrated in Yaoundé and Douala, have a taste for Western products. Though the market is flush with French and other European brands, space for U.S. products exists, as Cameroonians associate American products with quality and dependability. Low margin products would likely struggle against Chinese imports, which dominate basic goods.

### **Market Entry Strategy**

Almost all U.S. companies operating in, or attempting to enter, the Cameroonian market have a local presence. While this sometimes includes a physical office, companies often use local partners or agents. Because of the difficult bureaucracy, most projects require frequent face-to-face interaction with civil servants, and without a permanent presence, projects become lost in the various ministries. Due diligence is a must for any company considering entry into the market. Government procurement is a long and arduous process in Cameroon, and understanding and enforcing legal agreements is painstaking work.

## **Political Environment**

### **Political Environment**

For background information on the political and economic environment of the country, please visit the U.S. Department of State [Countries & Areas](#) website.

Cameroon is a republic dominated by a strong presidency. The country has a multiparty system of government, but the Cameroon People's Democratic Movement (CPDM) has remained in power since its creation in 1985. In practice the president retains the power to control legislation. On October 7, citizens reelected CPDM leader Paul Biya president, a position he has held since 1982. The election was marked by irregularities, including intimidation of voters and representatives of candidates at polling sites, late posting of polling sites and voter lists, ballot stuffing, voters with multiple registrations, and alleged polling results manipulation. On March 25, the country conducted the second senate elections in its history. They were peaceful and considered generally free and fair. In 2013 simultaneous legislative and municipal elections were held, and most observers considered them free and fair. New legislative and municipal elections were expected to take place during the year; however, in consultation with the parliament and the constitutional council, President Biya extended the terms of office of parliamentarians and municipal councilors for 12 months, and general elections were expected to take place in fall 2019 or early 2020.

## **Selling US Products & Services**

### **Using an Agent to Sell US Products and Services**

The use of an agent or distributor is not compulsory, but most foreign companies entering the market tend to develop a local partnership with one or more domestic businesses because they have experience and a good understanding of the local market. Several dozen American companies are present in Cameroon, either directly or through agents or distributors. U.S. Embassy Yaoundé offers the full range of U.S. Department of Commerce-branded services to assist American businesses seeking access into the Cameroonian market. These include Gold Key, International Partner Search, and International Company Profile Reports – fee-based services that provide American companies with introductions to business and government representatives, vetting of local agents and partners, and guidance in conducting market research. Domestic U.S. Export Assistance Centers can provide insight on how to leverage these services. The use of an agent or distributor is recommended given the complexity of the regulatory system.

### **Establishing an Office**

The formation of a company requires:

- Selection of the company’s legal category (for example, public limited liability, private limited liability);
- Payment of the requisite minimum legal authorized capital permitting the incorporation of the selected business legal category at a Notary Public;
- Submission of a certificate of non-conviction of the chief executive officer and, for foreigners, a valid entry visa or residence permit;
- Registration of the by-laws (articles of association) of the subsidiary by the Registrar at a court of first instance;
- Application for the tax ID card issuance by a Notary Public;
- Upfront payment of a tax on office space rent (20 percent of annual rent); and,
- Application for and issuance of a business license, which is free of charge for the first two years.

### **Franchising**

The potential for franchising remains largely unexplored in Cameroon. The strength and popularity of U.S. brands suggests that American-origin franchises could be successful, barring the challenges of the business climate. In May 2019, U.S. Embassy Yaoundé led a 30-person Cameroonian delegation to the International Franchise Expo in New York, showcasing the interest in bringing U.S. franchises to the country.

Franchising statutes are determined by the 1977 Bangui Agreement Relating to the Creation of an African Intellectual Property Organization. The Cameroon Franchise Association is a member of the Washington, D.C.-based International Franchise Association. Under the regional corporate law framework, franchises are treated as a “special” type of commercial contract. Entrepreneurs are encouraged to consult a lawyer and a tax expert to avoid mis-categorization by the Cameroonian government tax office, which can have serious financial consequences.

### **Direct Marketing**

Once the company is established and the products and services are ready to reach customers, companies would be well advised to come up with a market penetration strategy. The availability and increasing popularity of mobile technology is opening opportunities for direct marketing. Television, radio, and newspaper advertising are ubiquitous in Yaoundé, Douala, and other major cities. Non-traditional channels of marketing, such as SMS messaging, are growing rapidly.



## **Joint Ventures/Licensing**

U.S. companies should seek professional assistance in negotiating agreements and selecting partners. Widespread corruption, scams, and a weak and corruptible legal system present major risks for investors entering joint ventures: as elsewhere, if a deal sounds too good to be true, it likely is. Licensing and sales and manufacturer's representatives exist, though most U.S. brands covering the area are located in a separate regional office in Africa, often Nigeria or Senegal. Sales agents can be bound by contracts, but these may be difficult to enforce in case of problems.

## **Selling to the Government**

Many governments finance public works projects through borrowing from Multilateral Development Banks. Please refer to "Project Financing" Section in the "Trade and Project Financing" chapter for more information.

Cameroon has observer status in the World Trade Organization's Agreement on Government Procurement Committee. Domestically, government procurement generally follows a public call for tenders and a competitive selection process. Government ministers and state-owned enterprises can award and sign contracts. Government procurement contracts equal to or above \$10,000 must also pass through an open tender process supervised by a contract awarding committee put in place by the Ministry of Public Contracts, which evaluates bids and advises the designated project owner on the selection. International invitations to tender are sometimes published on the internet and local newspapers.

Though there is a growing call for decentralization, all government procurement remains tightly controlled at the national level.

An entry point for securing a government procurement contract is the public private partnership (PPP) framework. Cameroon has established a general legal framework for PPP contracts, under which government project owners can grant contracts to private entrepreneurs following a mutual agreement to commence a project. In this context, contracts for large infrastructure projects (roads, buildings, ports, dams) are subject to the control and monitoring of special committees in the Prime Minister's Office.

U.S. firms, particularly small and medium-sized enterprises, should understand that any government procurement takes months, if not years, to complete. Cameroon's consensus-driven decision making process slows down government procurement at all levels. On most projects, at least four government agencies (Ministry of Finance, Ministry of Economy and Planning, Ministry of Public Contracts, and the Autonomous Sinking Fund), in addition to the requesting ministry, and likely, the Presidency, must agree to move forward at every level of development.

## **Distribution & Sales Channels**

The majority of products that enter Cameroon come via the Port of Douala, located on the Gulf of Guinea. The port is beset by rampant corruption and faces numerous capacity issues. Phase I of a new, deepwater seaport in Kribi, roughly 100 miles south of Douala, opened in March 2018. As of May 2019, most infrastructure connecting the port to Cameroon's transportation network has yet to be completed. Phases II and III, which should be completed within 10 years, will make the port competitive with other ports in Africa.

Cameroon has porous transportation infrastructure. National highways are paved, but even the road between the two largest cities, Yaoundé and Douala, has only two lanes, and the 140-mile trip routinely takes more than five hours. A Chinese company is currently building an alternative route, but its completion date is unknown. Rail is a viable alternative, though the October 2016 Eseka train derailment, which killed 79 people, has called into question the safety and reliability of the network. Cameroon has two international airports, located in Yaoundé and Douala. Regional capitals also have airports, but service is limited.

## **Express Delivery**

International companies (DHL, UPS, and FedEx) dominate express delivery in Cameroon. These companies can deliver from the United States within seven days, though their reach to cities outside regional capitals is limited.

Domestically, a few companies dominate the market, with the bulk of business express delivery taking place between Douala and Yaoundé.

### **Selling Factors & Techniques**

Cameroon is a nominally bilingual country, with a roughly 80-20 split between Francophones and Anglophones; while many Cameroonians speak both languages, many also speak only one language. Products with packaging labeled in both languages will have a competitive edge. Cameroon's consumer lending is underdeveloped, but several Cameroonian banks now offer debit and credit cards. The economy is still heavily cash-based, particularly outside of Yaoundé and Douala. All imported goods sold in Cameroon must bear the label "Vente en CEMAC" or "sold in CEMAC."

### **eCommerce**

Electronic Commerce is small but growing in Cameroon. In December 2018, Africa's e-marketing index report by the United Nations Conference on Trade and Development (UNCTAD) ranked Cameroon as the 10th largest e-commerce country in Africa. Nigerian consumer goods giant Jumia is present and competitive in Cameroon. and the company has stated that 65 percent of its Cameroonian sales come via mobile phone.

### **Trade Promotion & Advertising**

[PROMOTE](#) or International Business Forum of SME is the largest regional trade fair in Central Africa. It is held in Yaoundé every two years. The most recent fair was in February 2019. PROMOTE was established with the aim of encouraging trade among countries of the CEMAC region. During and after the event, PROMOTE organizers offer Business to Business connections to companies. Over the years, PROMOTE has built and continues to maintain a large database of enterprises in the CEMAC region. The U.S. Embassy has organized a U.S. Pavilion for interested American firms during the last three installments of PROMOTE.

### **Pricing**

As of May 2019, Cameroon has a Value-Added Tax of 19.25 percent, which is paid upstream and is recoverable. Customs duties also have a significant impact on pricing.

There are very few price controls for consumer goods in Cameroon. The government controls the price of petrol, but there are currently no known caps for other products.

### **Sales Service/Customer Support**

Companies that are able to provide good and consistent customer care generally gain and retain a loyal clientele, particularly in Yaoundé and Douala. The success of mobile phone operators, for example, can be largely explained by their customer care services. These companies have established free call-centers to assist customers and generally provide good after-sale services for devices like modems and cell phone handsets. This is not the case for the Cameroonian public administration and its state-owned companies, which have a long-established negative reputation in customer care and support. Expectations for service are still far below Western standards. U.S. companies offering improvements in this arena could have a competitive advantage.

### **Protecting Intellectual Property**

The Special 301 Report is an annual review of the global state of IP protection and enforcement. The U.S. Trade Representative conducts the Special 301 review annually pursuant to Section 182 of the Trade Act of 1974, as amended. Cameroon is not listed on the 2018 Special 301 Report. In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For background, link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

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For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell, at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

### **Due Diligence**

Cameroon is a haven for scammers, and every year, dozens of U.S. companies and individuals inform the Embassy that they have fallen victim. U.S. Embassy Yaoundé offers the full suite of Department of Commerce-branded services, including International Company Profiles (ICPs). ICPs offer low-cost, quick background checks and due-diligence reports on potential buyers and partners. The profiles includes factual data as well as the embassy's evaluation to help U.S. firms assess risk, reliability, and capability.

A full ICP report provides U.S. firms and economic development organizations with a comprehensive background report on a prospective foreign partner, including information on:

- Company size, sales data, and corporate structure
- Shareholders and a listing of the company's senior management
- Main business activities and product/service lines
- Banking and financial information
- Site visit and interviews with principals and customers
- Market outlook and insights on whether the prospective partner can meet the needs of potential U.S. investors, including on trading experience, market coverage, stature, business connections in the country
- Analysis of information collected
- A list of sources consulted in preparing the report.

A partial ICP report provides U.S. firms and economic development organizations with a partial background report on a prospective foreign partner, including information on:

- Company size, sales data, corporate structure
- Shareholders and a listing of the company's senior management
- Main business activities and product/service lines
- Banking and financial information
- References of principals and customers
- Analysis of information collected
- Information sources consulted in preparing the report

If you are interested in an ICP, reach out to your local [U.S. Export Assistance Center](#) to start the process.

## **Local Professional Services**

A list of lawyers, medical professionals, and notaries can be found on [U.S. Embassy Yaoundé's public website](#). For other professional services, contact [yaoundepolecon@state.gov](mailto:yaoundepolecon@state.gov).

## **Principal Business Associations**

[American Chamber of Commerce](#): With over 100 members currently, Amcham Cameroon includes businesses of all sizes and sectors from multinationals and large corporations to personalized operations. The leadership is equally diverse with prominent and highly-regarded corporate and small business leaders from all sectors serving on the Board. Amcham Cameroon's members meet every month to discuss and interact on the topics of current significance to conducting business in or with Cameroon and United States.

Amcham Cameroon maintains relations with the Chamber of the Commerce of the United States, business chambers and associations in Cameroon, and developmental and commercial institutions with an interest in Cameroon.

## **Limitations on Selling U.S. Products and Services**

The Embassy is unaware of any legal limitations on U.S. citizens or companies from selling U.S. products or services in Cameroon.

## **Web Resources**

[PROMOTE](#)

[Protecting Intellectual Property](#)

[Stopfakes.gov](#)

[American Chamber of Commerce](#)

[U.S. Export Assistance Center](#)

[U.S. Embassy Yaounde's public website](#)

## Leading Sectors for US Exports & Investments

### Oil and Gas Equipment

In 2017, Crude Petroleum (\$1.34 billion) was Cameroon's biggest export, while Refined Petroleum (\$396 million) and Crude Petroleum (\$220 million) were its second and fourth largest imports, respectively. Cameroon ranks 86 in the International Trade Administration's *Top Markets Series* on [Oil and Gas Equipment](#). Cameroon and neighboring Equatorial Guinea agreed in 2017 to develop their Yolanda and Yoyo gas condensate discoveries as a single resource jointly, but progress on a deal has since been slow. While potential exists for greater exploitation of the shared gas field, the project is still years away from full production, and more infrastructure is needed to see its realization.

Cameroon benefits tremendously from its oil and gas reserves. Production was 100,000 barrels a day in 2015 before declining to 75,000 barrels a day in 2016. According to the U.S. Energy Information Administration, Cameroon has natural gas reserves estimated to be 3.9 billion cubic feet. Much of this gas remains undeveloped. In the meantime, Cameroon continues to concentrate on upstream and downstream activities. Downstream, the country is refurbishing the national oil refinery, SONARA, although the facility suffered from a devastating fire of as yet unknown cause in June 2019. There have been calls to build a second refinery to relieve the country from a regular disruption in gas supplies. This second refinery represents a significant business and investment opportunity for U.S. firms. There are opportunities in storage, pipelines, and gas to electricity power stations.

### Leading Sub-Sectors

Liquid Natural Gas Equipment (Upstream and Downstream)

Oil and Gas Exploration Equipment

Oil and Petroleum Refinery Equipment

### Opportunities

Upstream: Confirmed findings of oil reserves on the Chad Basin and the Bakassi peninsula remain unexploited. Cameroon has natural gas reserves estimated to be 3.9 billion cubic feet. Much of this gas remains undeveloped, including the Yoyo-Yolanda field. If the Cameroonian government decides to develop these fields, there would be significant U.S. export potential.

Downstream: The country has been refurbishing the national oil refinery SONARA, for almost five years. Due to the high level of refined petroleum imports, there have been calls to build a second refinery. A second refinery would represent a significant business opportunity for U.S. firm. There are opportunities also in storage and pipelines.

### Web Resources

[Societe Nationale des Hydrocarbons](#)

### Electricity

Power Africa is a market-driven, U.S. Government-led public-private partnership aiming to double access to electricity in sub Saharan Africa. It offers private sector entities tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act institutionalized Power Africa. Learn more about the full [Power Africa toolbox](#) or other [opportunities offered by Power Africa](#).

### Leading Sub-Sectors

Power Generation

Power Transmission

Power Distribution

## Renewable Energy

### **Opportunities**

As of May 2019, a new concession agreement between the Cameroonian government and the country's partially privatized electricity provider seems imminent. The concession extension would allow the provider, ENEO, to unlock up to \$300 million in private investment into the distribution sector. It would also allow the newly- formed transmission company, SONATREL, to unlock significant funds for new lines.

Cameroon is anticipated to have an electricity deficit by 2021, despite having tremendous natural resources. Fast-power solutions could be a significant opportunity for U.S. firms. Transforming natural gas into electricity is appealing to the government.

Cameroon ranks 57th in the International Trade Administration's *Top Markets Series* on [Renewable Energy](#). The recently approved Nachtigal Hydroelectric Power Plant should begin construction before the end of 2019. The World Bank continues to invest significant resources to increase Cameroon's solar and hydropower potential.

### **Web Resources**

[ENEO Website](#)

[SONATREL Website](#)

[World Bank Cameroon Website](#)

### **Agricultural Equipment**

Two of Cameroon's top five exports are Cocoa Beans (\$492 million) and Bananas (\$306 million). The country also produces coffee and cotton. The Cameroonian government has expressed the desire to both increase production in all four crops and move further up the value chain. The country has state-owned enterprises that dominate each sector. While this approach saps dynamism in the industries, it allows for the pooling of resources and acquisition of large machinery.

### **Leading Sub-Sectors**

Equipment for cultivating fresh produce and other high-value crops

Low and medium-horsepower tractors

First stage agriculture transformation equipment

### **Opportunities**

Cameroon grows some of the highest quality cocoa beans in the world, but an antiquated supply chain and a lack of investment in the sector keeps margins low. The national cocoa development fund, FODECC, requires immense investment in harvesting and process equipment. Transforming cocoa beans into paste or other value-added products could be profitable.

The state-owned Cameroon Development Corporation maintains thousands of acres of palm oil, rubber and banana plantations and is the country's second largest employer. Palm oil is an export crop for Cameroon which generates foreign currency earnings. It is also a the main source of vegetable cooking oil for most household. Bananas and plantains are both export and subsistence crops especially for rural households.

Improved planting and harvesting equipment would greatly increase productivity and profitability in the sector as a whole.

The national cotton company, SODECOTON, operates a massive, 1960's-era cotton gin in Garoua, the North Region's capital. Solutions to improve the efficiency of the cotton sector would be welcomed by the government.

#### **Web Resources**

[FODECC Website](#)

[Cameroon Development Corporation Website](#)

#### **Construction Equipment**

Construction machinery manufacturers and producers of related parts and equipment in the United States have enjoyed sustained success, both at home and abroad. Products in this sector are necessary for the completion of new residential and commercial construction and infrastructure, as well as the maintenance and expansion of existing buildings, roads, transportation routes, and water and sanitation facilities. U.S. manufacturers are among the world's most recognized brands.

#### **Leading Sub-Sectors**

Construction Machinery

Mining Machinery and Equipment

#### **Opportunities**

Global infrastructure development is perhaps the primary driver of construction equipment export growth and sustained demand. Cameroon, as part of its Vision 2035 plan, is attempting to build new infrastructure and maintain existing infrastructure, requiring large amounts of construction machinery. Potential decentralization efforts could shift the responsibility and funding for these projects to the community level, creating opportunity for new procurements.

Similar to infrastructure development and maintenance, residential and commercial construction activities require large amounts of construction machinery. Yaoundé and Douala face severe housing and office space shortages.

Cameroon is endowed with tremendous and unexploited mineral resources. Earth-moving equipment and other mining machinery will be needed to develop the fields. As most of the rare earth metals are in the country's East Region, new roads will be needed to get the product to ports in the Littoral and South Regions.

#### **Web Resources**

[Vision 2035 Strategic Document](#)

[Ministry of Mines, Industry, and Technical Development](#)

## **Customs, Regulations & Standards**

Cameroon is a member of the Economic and Monetary Community of Central Africa (CEMAC). Within this economic zone, the six member countries are bound by a common custom and tariff treaty. Customs regulations are administered at the national level by the Customs Directorate, under the Ministry of the Economy and Finance. With few exceptions, Cameroon customs tariffs are based on the CEMAC Common External Tariff (CET); all rates are ad valorem. In general, imports valued at CFAF 2 million or more are subject to the program for guaranteeing customs revenue (PSRD), and as such must be inspected by the Société Générale de Surveillance (SGS) before shipment.

In November 2017, the Cameroon National Shippers' Council (CNCC) launched the [Cameroon trade hub](#), a web portal designed to provide information on the procedures and requirements of cargo shipping in Cameroon. The website contains details on administrative and customs procedures, forms, and costs; documentation on the legislation pertaining to external trade; a cargo and vessel tracking section; and, data on external trade. CNCC developed the hub to address shippers' lack of awareness on procedures, which is one of the main causes of congestion at the port of Douala.

### **Trade Barriers**

Cameroon does not impose any explicit trade barriers. It has trade agreements with many of its major trading partners -- the European Union, China, and Nigeria. Most goods manufactured in the United States comply with Cameroon's standards and norms. Enforcement of warranty and non-warranty are difficult but for some larger projects, U.S. firms typically offer after service support. There are specific rules for the import of weapons and ammunition, medical drugs, and alcohol and other spirits.

### **Import Tariff**

Custom duty rates are applicable according to the category of the imported product:

- Primary necessary goods: category I, 0 percent
- Raw materials and equipment goods: category II, 10 percent
- Intermediary and miscellaneous goods: category III, 20 percent
- Fast-moving consumer goods: category IV, 30 percent

To determine the category of your product, you can consult the Customs Nomenclature in force in Cameroon on the [Cameroon Trade Hub website](#).

### **Import Requirements & Documentation**

The importer or his/her representative submits a demand for an Attestation of Verification to Import (AVI) to SGS, the Swiss company in charge of inspection at the ports, no later than by the time of validation of the manifest. This demand is accompanied by the following documents and information: a copy of the Interpretative Document; a copy of the Bill of Lading or airway bill; a final invoice, a packing list; a freight invoice, a local insurance certificate; a customs clearance, number of the cargo manifest, a voucher or evidence of an eventual exemption accompanied by a provisional customs certificate; and, a phytosanitary certificate or other required technical service documents.

SGS then grants within a maximum limit of 8 hours a final AVI, an original and 2 copies, to the importer. The delivery of the final AVI is done directly, without the prerequisite delivery of a provisional AVI. After verification, the inspector gives the user three copies of the declaration: a grey, blue, and yellow copy. These verifications are done within a maximum time limit of 6 hours in the case where there is no contesting of taxation or other declared elements.

The importer presents these documents to the SGS, which affixes a security sticker and a dry stamp on the blue copy and transfers it to the bank for depositing. SGS has to address the above documents to the different concerned banks at least 3 times a day. After payment, the bank delivers a receipt and the blue copy to the user, transmits the yellow



copy to SGS, and keeps the grey copy. After reviewing the blue copy and the receipt, the concerned Inspector delivers the release warrant for the merchandise after the verification of usage.

### **Labeling/Marking Requirements**

In May 2011, Cameroon adopted a framework on consumer protection. According to this law, the packaging of any product sold must comply with the standard on the labelling of pre-packaged foods in Cameroon. These standards are guaranteed by the National Agency for Norms and Quality. Cameroon works with the Food and Agricultural Organization to ensure compliance with the Codex Alimentarius standards and guidelines on food labelling and packaging. The Codex Alimentarius is a collection of internationally recognized standards, codes of practice, guidelines, and other recommendations relating to foods, food production, and food safety.

### **U.S. Export Controls**

The U.S. Government has export controls on some defense articles and dual-use items. For additional information on export controls and export licenses, check with the U.S. Department of State Directorate of Defense Trade Controls, the U.S. Department of State Bureau of International Security and Non-proliferation, or the U.S. Department of Commerce Bureau of Industry and Security

(<http://www.bis.doc.gov/licensing/exportingbasics.htm>).

### **Temporary Entry**

The temporary entry of goods is allowed, provided the traveler can justify that the goods are personal effects and/or the goods are to serve only for the temporary period of residence or nature of its usage. Visitors' household items (with the exception of automobiles, for which there is a special clearance procedure) are custom duty exempt.

### **Prohibited & Restricted Imports**

A list of specific items is available on the [SGS website](#). No specific U.S. items were on the list as of May 2019.

### **Customs Regulations**

Cameroon developed a "Single Window for Foreign Trade Operations" (GUCE) for customs procedures in the Port Authority of Douala in December 2000, though implementation remains spotty. The GUCE brings together services of banks, the Douala Port Authority, SGS, Customs, the Treasury, exchange offices, the National Office of Cocoa and Coffee, and the phytosanitary services to reduce the length of import procedures to seven days and export procedures to two days.

Douala and the Kribi Deep Sea Port are regional ports. Goods in transit to the Republic of Congo and the landlocked countries of Chad and the Central African Republic are stored in freight forwarders' bonded warehouses, with an amount equal to the value of assessed import tax held by Cameroonian Customs as a guarantee of re-export. The guarantee is released when the goods exit Cameroon. With the introduction of the GPS tracking system, Cameroonian Customs and SGS track goods destined to neighboring countries. Cameroon requires Pre-Shipment Inspection (PSI), which should be carried out for all imports into the country. This exercise is undertaken in the port of exporting country for the purpose of Customs clearance of the goods. In addition, shippers must obtain a "Bordereau Electronique de Suivi des Cargaisons"(BESC) from the Cameroon Shippers Council office in Douala prior to loading cargo, and attach it to export customs documents. Should they fail to do so, they can still obtain the document within five days following vessel's sailing date with a penalty, which may rise to 50 percent of the cost of the original BESC. Any cargo loaded in or bound for Cameroon ports, with the exception of cargo in transit and/or in trans-shipment, must be covered by an Electronic Cargo Tracking Note (ECTN) duly validated by the Cameroon National Shippers' Council (CNSC) or its representative.

Pre-Shipment Inspection (PSI)  
SGS CAMEROUN S.A.

1084, Bd du Général Leclerc  
BP 12140 Douala  
Cameroon  
Tel: + 237 3 342 10 28/57  
Fax: + 237 3 343 09 44

## **Standards for Trade**

### **Overview**

Cameroon has an open economy and seeks to apply best international practice and standards besides national and regional standards. As a CEMAC member, the country abides by all regional treaties introduced by the organization. The country signed an interim economic partnership agreement (EPA) with the European Union on 15 January 2009, which also imposed European standards on exchange of goods. Cameroon still lacks standards of law and regulatory enforcement in its legal system.

### **Standards**

The Standards and Quality Agency (ANOR) of the Republic of Cameroon was created by a Head of State decree in September 2009, and the Agency became operational in January 2011. ANOR is in charge of standardization, conformity assessment, certification, and training and promotion of standards. It represents Cameroon in international standards organizations. Cameroon currently counts 4,500 building construction norms. These norms touch on areas such as building materials that are expected to ensure security and durability of buildings. ANOR is developing norms and standards in other economic sectors.

### **Testing, Inspection and Certification**

SGS inspection is an important part of the import procedure.

The inspection process might be initiated by the exporter at the country of supply or by the importer in Cameroon. If the importer initiates the process with the “Déclaration d’Importation,” the SGS Liaison Office in Cameroon will transmit all the submitted documents by the importer to the corresponding SGS affiliate at the country of supply for that office’s representatives to contact and coordinate engagement with the exporter, and if needed, any request for missing documents. If the exporter initiates the process, he/she will submit the following documents to SGS:

- Request for Certification
- PROFORMA Invoice
- Quality Management System Certification
- Conformity Documents (test reports, quality certificates, analysis reports, etc...)
- Final invoice

To obtain evidence that all requirements are met in the applicable standards or technical regulations, goods must undergo one or a combination of the following verification processes:

- Physical inspection
- Laboratory
- Factory audit
- Documentary verification

After the verification process is completed and results are deemed satisfactory, the exporter will have to submit the Final Invoice for the issuance of the “Attestation de Conformité (AC),” which will be converted into a “Certificate of Conformity (CoC)” by ANOR.

### **Contact Information**

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can request full texts of regulations. This service and its associated website are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

### **Trade Agreements**

Cameroon has investment and/or commercial agreements with the European Union, Canada, China, Japan, Russia, South Korea, Turkey, and the United States, as well as other countries in Africa, Asia, and Latin America. A Bilateral Investment Treaty between Cameroon and the United States entered into force in 1989. The BIT renews automatically under the terms of the treaty every 10 years. The Overseas Private Investment Corporation (OPIC) Bilateral Investment Guarantee Agreement of 1967 between OPIC and the government of Cameroon provides guarantees for OPIC-financed American investments in Cameroon. Companies must obtain a Foreign Government Approval (FGA) letter from the Cameroonian government if they wish to invest in Cameroon. In 2009, the government signed an interim Economic Partnership Agreement (EPA) with the EU in order to secure duty-free, quota-free access to the European market in exchange for the gradual removal of duties and quotas for European goods entering Cameroon.

### **Licensing Requirements for Professional Services**

Licensing is required for some professional services and adhesion to the professional body, though not obligatory, is highly recommended. To practice in Cameroon, for example, accountants must receive an accreditation by CEMAC. Similarly, lawyers may be required to fulfill requirements from the Cameroon Bar Association.

### **Web Resources**

[Agency for Norms and Quality](#)

[SGS Product Import Ban List](#)

[Cameroon Trade Hub website](#)

## Investment Climate Statement

### Executive Summary

In December 2018, the International Monetary Fund (IMF) completed the third review of Cameroon’s 2017 Extended Credit Facility (ECF), concluding that program performance had improved, though structural reforms remain delayed. From June 2018, the ECF prescribed a package of reforms aimed at restoring external and fiscal sustainability and sustaining growth in Cameroon and Central African Economic and Monetary Community (CEMAC). The IMF also commented that risks from heightened global uncertainty, insufficient adjustment at the regional level, and continued insecurity in the Anglophone regions are increasing. Cameroon had hoped hosting the 2019 African Cup of Nations (CAN) soccer tournament would boost consumer spending, but lost the event in November 2018 due to serious delays in promised infrastructure improvements. Delays are likely to increase the cost of the construction of the infrastructure earmarked for the tournament, now scheduled for 2021, and increase pressure on public finance and public debt. Firms have claimed CEMAC is attempting to hoard foreign exchange as reserve buffers have failed to grow as expected.

Infrastructure, energy, and extractives remain priority areas for Cameroon. The government offers incentives for investment in agriculture, technology, and manufacturing, especially when investments lead to the transformation of local commodities in Cameroon. The government, under the auspices of the ECF, has ramped up tax collection on the relatively small number of companies that actually pay taxes, including foreign firms, to the extent that it borders on harassment. FDI inflows were lower than expected over the last year and the loss of CAN will lead to even lower foreign exchange inflows in 2019.

Cameroon’s rankings in the World Bank’s 2019 Doing Business Report – 166th out of 190 countries – and Transparency International’s 2018 Corruption Perceptions Index – 152nd out of 175 countries - accurately reflect a business climate growing more difficult. The most important factors that affect the business climate are dysfunctions within public administration, corruption, and poor infrastructure. These challenges contrast with the country’s huge potential in terms of untapped natural resources and its strategic position as the gateway to landlocked neighbors.

	Key Sectors	percent of GDP
1	Agriculture	19
2	Services and consumer retail	12
3	Manufacturing	8
4	Public Administration	8
5	Transportation	7
6	Banking and Finance	7
7	Real Estate and Infrastructure Construction	6
8	Extractive industry (Oil, Gas, Mining)	5
9	Information & Communication Technology	4
10	Utilities (Electricity, Water)	1
11	Tourism, Media and Leisure	1
12	Other	23

*Source: Cameroon Ministry of Finance, IMF, World Bank*

Sectors that have historically attracted significant investment are:

#### Agriculture

Agriculture has attracted significant investment over the past decade, mostly from the Cameroonian government. Cameroon is often described as the breadbasket of Central Africa because it supplies foodstuffs to Nigeria (180 million people) and to the countries of CEMAC (50 million people). Market opportunities exist in the transformation of raw

crops into finished or semi-finished products. Access to credit, poor infrastructure, securing land rights, and ongoing fighting between separatists and government security forces in the cocoa and coffee-growing regions are significant obstacles.

### **Transportation**

The economy of Cameroon and those of neighboring countries suffer from Cameroon’s poor roads, limited capacity of the aging rails, and the unreliability of the national airline. The government has engaged in an ambitious program to upgrade and build new transport infrastructure, but Chinese companies dominate the sector. Incentives to invest exist, though administrative procedures cause long delays.

### **Information & Communication Technology**

Information and communication technology is the fastest growing economic sector in Cameroon, though internet penetration is still one of the lowest in Sub-Saharan Africa. The mobile sector is still concentrated in the hands of four companies, including the state-owned Cameroon Telecommunication (CAMTEL), which also functions as the market regulator. Despite CAMTEL’s monopoly on the communication backbone, such as sub-marine fiber optic cables, faster internet broadband and 3G-4G offer lucrative investment opportunities.

### **Extractive industry (Oil, Gas, Mining)**

Cameroon has been an oil exporter since 1977. Oil production has stagnated as prices fluctuated, but the country can count on untapped gas reserves estimated at 3.5 billion cubic meters. The government dominates the sector and generally operates a revenue-sharing business model with foreign investors.

### **Banking and Finance**

The financial sector of Cameroon has 15 banks, 26 insurance companies, one state pension fund, and one state-owned mortgage bank. In addition, the country has over 400 microfinance institutions, a state-owned postal bank, and a nascent stock market based in Douala. According to the International Monetary Fund (IMF), the total financial assets represent 40 percent of the national GDP, two-thirds of which is held by banks. Less than 15 percent of Cameroonians have access to financial services. There are investment opportunities in subsectors of the financial industry, particularly in conventional banking, risk protection, or in the increasingly popular mobile money business.

*Table 1: Key Metrics and Rankings*

<b>Measure</b>	<b>Year</b>	<b>Index/Rank</b>	<b>Website Address</b>
<b>TI Corruption Perceptions Index</b>	2018	152 of 175	<a href="http://www.transparency.org/research/cpi/overview">http://www.transparency.org/research/cpi/overview</a>
<b>World Bank’s Doing Business Report</b>	2019	166 of 190	<a href="http://www.doingbusiness.org/en/rankings">http://www.doingbusiness.org/en/rankings</a>
<b>Global Innovation Index</b>	2018	111 of 126	<a href="https://www.globalinnovationindex.org/analysis-indicator">https://www.globalinnovationindex.org/analysis-indicator</a>

**U.S. FDI in partner country (\$M USD, 2018)**      \$9.0 m (2017)      [http://www.bea.gov/international/factsheet/stock positions\)](http://www.bea.gov/international/factsheet/stock%20positions)

**World Bank GNI per capita**      2018      \$1,370      <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD>

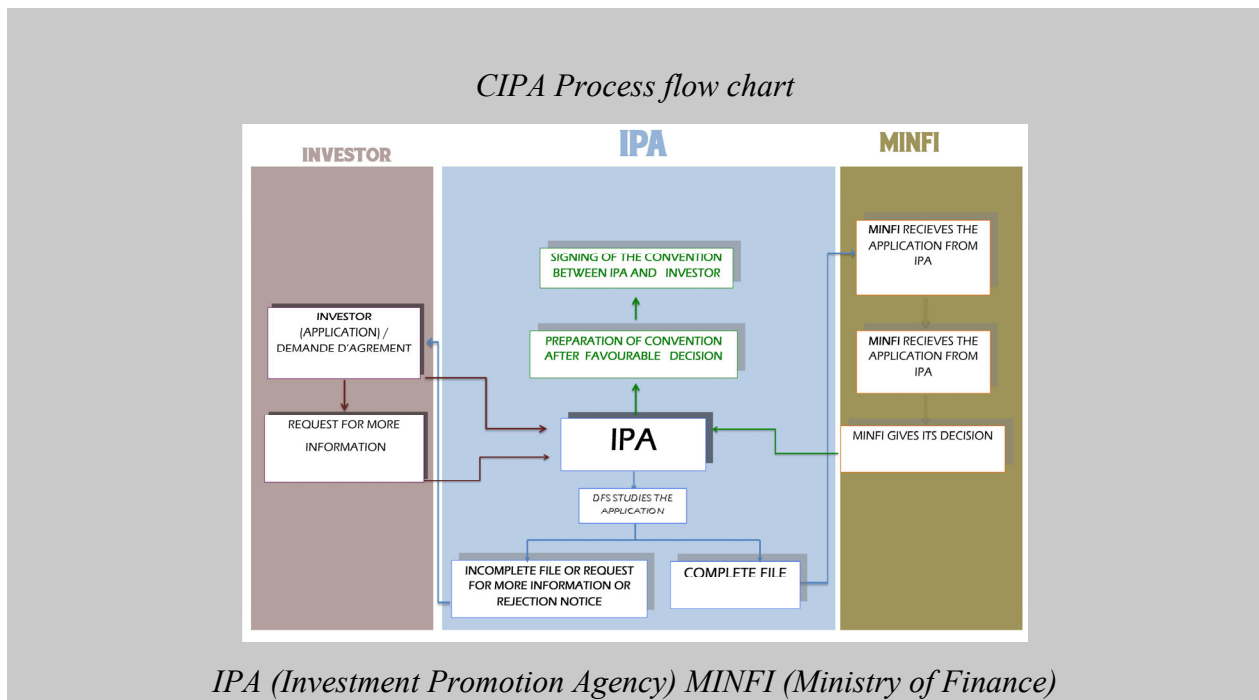
## Openness to and Restrictions upon Foreign Investment

### Policies Towards Foreign Direct Investment

The Government of Cameroon considers attracting FDI an important pillar of its development strategy. Many Cameroonian institutions have bodies that work to attract FDI, with mixed results. At the same time, Parliament, the Executive Branch, and donors continue to work to improve framework laws and regulations in order to provide incentives to investors.

By law, the government does not prohibit or limit foreign investors, whether in their ability to establish an investment (market access) or to operate in the market. Investors interested in Cameroon can target any sector of the economy provided they comply with extant regulations. Though not official policy, tax authorities target foreign companies for increased scrutiny.

In collaboration with public and private institutions, the Cameroon Investment Promotion Agency (CIPA) implements government policies to promote and facilitate all forms of direct investment in Cameroon. To achieve this end, CIPA receives and studies investment proposals, assists with visa applications for foreign investors, and helps in the accreditation of companies. CIPA can enable access to related public facilities, simple administrative procedures, and guide investors through the legal compliance processes. CIPA also offers incentives and can reward investors with additional support if they maintain certain employment and export requirements.



The government of Cameroon has stated that attracting and retaining investors is important. General laws and specific sector investment codes offer incentives for the retention of investors. Incentives scale up from the establishment phase to companies carrying out new investments. Business lobby groups, such as the Groupement Inter-Patronal du Cameroun and Enterprise Cameroon, maintain a dialogue through the Cameroon Business Forum, a platform supported by the government and donors to foster discussions on improving the business climate in Cameroon.

### **Limits on Foreign Control and Right to Private Ownership and Establishment**

Despite an active government presence in most sectors of the economy, private entities – both domestic and foreign – can create and own businesses that engage in all forms of legal remunerative activities. They can also enter into joint ventures and public-private partnerships with the government.

There are no general economy-wide statutory limits on foreign ownership or control. Foreign companies have complained that, without a well-connected local partner, business can be challenging.

Cameroon has no laws or regulations that prescribe outright prohibition on investment, equity caps, mandatory domestic joint venture partners, licensing restrictions, or mandatory Intellectual Property (IP)/technology transfer requirements.

Cameroon has a screening process, which is applicable to all domestic and foreign investments. This screening process ensures that investors meet the criteria, such as employment and export quantities, to qualify for private investment incentives.

### **Other Investment Policy Reviews**

In June 2017, Cameroon signed a three-year Extended Credit Facility (ECF) agreement with the International Monetary Fund (IMF). The program included structural reforms to accelerate and consolidate growth and control spending. Under the terms of the agreement, the IMF has conducted three policy reviews.

First Review: <https://www.imf.org/~media/Files/Publications/CR/2018/cr1809.ashx>

Second Review: <https://www.imf.org/~media/Files/Publications/CR/2018/cr18235.ashx>

Third Review: <https://www.imf.org/~media/Files/Publications/CR/2018/cr18378.ashx>

The IMF expressed satisfaction on the progress of the implementation of reforms while urging the country to implement stronger measures on budget transparency and the improvement of the business climate. In the area of public expenditure, the World Bank published a review in late 2018. The review examines public expenditure data over a period of 10 years with the objective of assisting Cameroon in the restoration of fiscal stability.

<http://documents.worldbank.org/curated/en/412641543396425023/Aligning-Public-Expenditures-with-the-Goals-of-Vision-2035>

### **Business Facilitation**

According to the World Bank's Investing Across Borders (IAB) Report, it takes 14 procedures and 82 days to establish a foreign-owned limited liability company (LLC) in Douala, Cameroon. This process is lengthier and more complex than the IAB regional and global averages. While only two additional steps are required of foreign companies compared to domestic ones, these steps add an additional 48 days to the overall establishment process. A declaration of foreign investment to the Ministry of Finance is mandatory 30 days prior to the beginning of the establishment process. In addition, if the company wants to engage in international trade, registration in the importers' file is required to obtain a "sydonia" number (a custom computer identification). This number facilitates the entry and exit of goods produced by the company. The authentication of the parent company's documentation abroad is required only to establish a subsidiary. Foreign-owned resident companies that wish to maintain foreign currency bank accounts in Douala must obtain prior approval. The Minister of Finance issues such authorization, which is subject to approval from the Bank of Central African States as per Section 24 of the exchange control regulations. This approval takes

an average 38 days to obtain. There is a minimum paid-in capital requirement of CFA 1,000,000 (~\$2,060) for setting up foreign as well as local LLCs.

In April 2016 with the support of the United Nations Conference on Trade and Development and the European Union, Cameroon launched an online business registration website called [mybusiness.cm](http://mybusiness.cm). The government hopes that this platform will simplify the business creation process and amplify entrepreneurship promotion policies. The site should present real time data on business creation, which the Ministry of Small and Medium Enterprises and the National Agency for Small and Medium Enterprises can use to improve interactions between different market actors. The government indicates that after a year, the website collected market data on 11,000 registered enterprises.

### **Outward Investment**

Although its policies overwhelmingly target inward investment, the Cameroonian government promotes external partnerships and joint ventures as well.

The government does not restrict domestic investors from investing abroad, though recent restrictions on moving foreign exchange outside of CEMAC function as a de facto limit on Cameroonians investing abroad.

### **Bilateral Investment Agreements and Taxation Treaties**

Belgium-Luxembourg: Convention between the Belgium-Luxembourg Union for the reciprocal promotion and protection of investments (1980)

Canada: Investment Promotion and Protection Agreement (FIPA) (2014)

China: Bilateral Investment Treaty Agreement (1997)

Egypt: Memorandum of Understanding with the General Authority for Investment

Germany: Treaty between the Federal Republic of Germany and the Federal Republic of Cameroon concerning the encouragement of investments (1962)

Guinea: Mutual Discussions and Framework Agreement

Italy: Economic, Technical, and Financial Development Cooperation Agreement between the Government of the Republic of Italy and the Government of the Republic of Cameroon (1989)

Mali: Cultural Agreement and Commercial Agreement (1964)

Mauritania: Framework Agreement for General Bilateral Cooperation following recognition after independence

Mauritius: Framework Agreement for General Bilateral Cooperation following recognition after independence

Morocco: Economic and Technical Cooperation Agreement (1974)

Netherlands: Agreement (1967)

Romania: Agreement between the Government of the Socialist Republic of Romania and the Government of the Republic of Cameroon on the mutual promotion and protection of investments (1980)

Switzerland: Cameroon-Switzerland Bilateral Investment Treaty (1964)

Turkey: Cultural and Scientific Cooperation Agreement (2002), Trade, Economic and Technical Cooperation Agreement (2002), Joint Economic Commission Protocol (2003)

United Kingdom: Agreement between Great Britain and the Government of the United Republic of Cameroon for the Promotion and Protection of Investments (1982)

United States of America: Bilateral Investment Treaty (1986)



Cameroon and the United States have not signed an FTA, nor is there any intention to do so, at present.

Cameroon has tax treaties with Canada, France, Morocco, South Africa, Tunisia, United Arab Emirates, Gabon, Equatorial Guinea, Congo, Chad, and Central African Republic. Cameroon does not have a bilateral tax treaty with the United States.

Domestically, some U.S. companies face tax challenges in Cameroon. A major U.S. international bank is facing a \$5 million tax penalty as the result of contradictory and conflicting claims from different government authorities. After months of claims and counter claims between the Ministry of Finance and the Ministry of Trade, the Taxation Directorate (under the Ministry of Finance) accused the U.S. bank of complicity in tax evasion. A second case involves a U.S. wood processing company that has seen a tenfold increase in its tax bill and retroactive charges related to its transfer pricing practices.

## **Legal Regime**

### **Transparency of the Regulatory System**

In general, Cameroon has adequate laws, most of which are consistent with international business and legal norms. Weak investigating capacity, a lack of understanding of international business practices, and corruption in the judiciary adversely affect the implementation of the laws. In many circumstances, judicial loopholes lead to arbitrary interpretations of the texts.

Some ministries, though not all, consult with the general public and private sector organizations through targeted outreach to stakeholders, such as business associations or other groups. There is no formal process for such consultations. Ministries do not report the results of consultations. Such processes are not believed to disadvantage U.S. or other foreign investors.

Legal procedures of Cameroon are based on national, regional, and supra-national laws and treaties. Parliament is the nominal source of all regulatory power, though the Parliament is subsidiary to the President, and the Executive Branch originates 98 percent of all laws passed. Public involvement is limited and oversight or enforcement mechanisms are weak and do not ensure that governments follow administrative processes. National regulations, controlled by ministries, control most economic activity and are the most relevant for foreign businesses.

Cameroon does not meet the minimum standards of fiscal transparency. Many of the state-owned enterprises do not have public accounts. There are only three publicly listed companies on the Douala Stock Exchange. All three use the OHADA (Organization for the Harmonization of Corporate Law in Africa) accounting system, which does not conform to IFRS (International Financial Reporting Standards) or GAAP (Generally Accepted Accounting Principles) standards.

Draft bills and regulations are not made available for public comment.

The government is currently working on an online and digitalized database for all legal texts. Until that project is completed, the Official Journal or “Journal Officiel” (in French), is the main repository for all legal texts. Currently, the website for the Office of the Prime Minister ([www.spm.gov.cm](http://www.spm.gov.cm)) contains PDF versions of all new regulatory actions published in the Cameroon Tribune, the country’s newspaper of record.

Cameroon has administrative courts that specialize in the application and enforcement of public laws. From a strictly legal perspective, the Supreme Court has oversight on enforcement mechanisms, but a lack of separation of powers prevents the judiciary from carrying out its responsibilities.

Cameroon has made tangible progress in the area of fiscal modernization largely with the support of the International Monetary Fund (IMF) and initiatives such as the Extractive Industry Transparency Initiative. Cameroon’s budget was widely and easily accessible to the general public, including online on various government websites. The government published its fiscal year 2019 executive budget proposal in June 2018 and enacted the budget in December 2018. The end-of-year report for the previous year was published in October 2018.

It is too early to tell the impacts of the reforms. The IMF continues to stress that the government must strengthen fiscal governance, improve its fiscal consolidation, implement debt sustainability, enhance private sector-led growth, and expand financial access. Full implementation of these recommendations would have a tremendous impact on the country and economy.

Ministries and regulatory agencies do not develop forward regulatory plans – i.e., a public list of anticipated regulatory changes or proposals intended to be adopted/implemented within a specified period. Ministries do not have a legal obligation to publish the text of proposed regulations before their enactment. There is no period of time set by law for the text of proposed regulations to be made publicly available.

There is no specialized government body tasked with reviewing and monitoring regulatory impact assessments conducted by other individual agencies or government bodies.

There are no scientific or data-driven assessments of new regulation. There are no publicly available scientific studies or quantitative analyses conducted on the impact of regulations. Affected parties do not have the right to request reconsideration or appeal adopted regulations to the relevant administrative agency. There is no existing requirement that regulations be periodically reviewed to see whether they are still needed or should be revised.

Information on debt obligations was publicly available and updated quarterly in the form of brochures, and increasingly via the website of the [Cameroon Debt Management Office](#). For example, the electronic version of the debt data covering the second and third quarters of 2018 was released and can be obtained upon request, although it was not posted on the website as in previous years. However, allocations to and earnings from state-owned enterprises were not identified in budget documents and few state-owned enterprises produced financial statements.

The government maintained items in the budget that may qualify as off-budget accounts and contingent liabilities in debt covenants that are not subject to adequate audit or oversight. There are similar concerns regarding the budget for security operations and what qualifies as “sovereign expenses.” Moreover, the information in the budget is generally reliable, though the execution of the investment budget deviated often significantly from projections because of the low execution rate.

### **International Regulatory Considerations**

Cameroon is a founding member of the Central African Economic and Monetary Community (CEMAC). CEMAC treaties supersede national laws. The economic union has one central bank, one banking ombudsman, and a single regional tariff.

Cameroon is signatory to the OECD’s Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the MLI). In 2009, the EU and Cameroon signed an interim Economic Partnership Agreement (EPA). They are working to bring several Cameroonian products up to EU standards. Cameroon references many international conventions and multilateral treaties such as the UN treaties in its domestic laws.

Cameroon joined the World Trade Organization (WTO) on December 13, 1995 and was previously a member of the General Agreement on Taxes and Tariffs. On March 11, 2019, Cameroon was suspended from the WTO for failure to meet its designated 180 million Central African Franc (\$308,000) contribution to the organization. The government of Cameroon is expected to notify all draft technical regulations to the WTO Committee on Technical Barriers to Trade (TBT).

### **Legal System and Judicial Independence**

The Cameroonian legal system is a legacy of French, German (Codified Laws), and English (Common law) colonization. There is also a patchwork of traditional ethnological legal systems, which varies for each ethnic group. The government wants to harmonize these different legal traditions to equip Cameroon with laws that are applicable across the country and reduce the need to navigate different legal systems. This project, however, is meeting with stiff resistance from English-speaking lawyers concentrated in the Northwest and Southwest Regions, who claim that the initiative will dilute their heritage.

In terms of standards, Cameroon's commercial legal system follows the OHADA rules, which are supposed to be aligned with International Financial Reporting Standards (IFRS). Enforcement is weak partly because of lack of capacity. Cameroon does not train enough specialized judges in the commercial and economic fields. Consequently, poor enforcement of laws and accounting standards tends to create confusion for foreign investors. Despite efforts to align OHADA standards to international norms, government accounting regulations remain obsolete in the context of rapid developments in international finance and capital markets.

To circumvent the problem, U.S. enterprises and investors often maintain two sets of accounting records, one in accordance with U.S. GAAP or suitable international standards, and another to comply with OHADA standards and government reporting requirements.

The judicial system is subsidiary to the executive branch. The executive regularly interferes in judiciary matters. The current judicial process is not procedurally competent, fair, or reliable. Endemic corruption, lack of funding, and political considerations make the courts unable to function as independent arbiters of disputes.

Arbitration is becoming the solution of choice to solve business disputes in Cameroon. Arbitration exists in OHADA corporate law. Since OHADA is supra-national, Cameroon is bound by its decisions which follow international norms.

Regulations and enforcement actions are appealable and they are adjudicated in the national court system. Due to the court system's revealed lack of objectivity, few businesses attempt to appeal against unfavorable rulings.

### **Laws and Regulations on Foreign Direct Investment**

The Law No. 2013/004 of April 18, 2013 defines incentives for private investment in Cameroon and proposes generic and special incentives while affirming the government's responsibilities to private investors. The law remains valid for domestic and foreign investors. Additional laws and regulations are available on the website of the [Ministry of Finance](#).

The Cameroon Investment Promotion Agency is the primary or "one-stop-shop" website for investment that provides relevant laws, rules, procedures, and reporting requirements for investors (<https://investincameroon.net/en/>).

### **Competition and Anti-Trust Laws**

The National Competition Commission handles anti-competition and anti-trust disputes. In some cases, the regulator of a specific economic sector can play the anti-trust role. For example, in July 2018, the courts accused a multinational mobile operator of anti-competitive practices against a domestic money transfer provider when the multinational unilaterally suspended the domestic company's Unstructured Supplementary Service Data code. The local company complained to the Telecom Regulatory Agency and to the National Competition Commission, which ordered the mobile operator to reinstate the code. The mobile operator ignored the initial injunction, forcing the Cameroonian company to take legal action. The courts ruled against the multinational.

### **Expropriation and Compensation**

Decree N°.85-9 of July 4, 1985 and the subsequent implementation of Decree N°.87-1872 of December 16, 1987 lay down the procedure governing expropriation for public purposes and conditions for compensation. Some of the provisions of these legal texts were repealed by Instruction n°005/I/Y.25/MINDAF/D220 of December 29, 2005. Essentially, for the general public's interest, the State may expropriate privately-owned land. The laws also lay down the formalities to be observed within the context of the procedure, both at the central and local levels.

In recent years, the government has expropriated property in the context of the construction of large infrastructure projects such as roads and hydroelectric dams. The government has a compensation process in place to try to meet the losses of those adversely affected by such decisions.

Serious allegations of corruption have plagued compensation procedures over the last decade. These incidents, often carried out by civil servants, have diluted trust in the process.

## **Dispute Settlement**

### *ICSID Convention and New York Convention*

Cameroon ratified the ICSID Convention on January 3, 1967 and the New York Convention on February 19, 1988.

There is no specific domestic legislation providing for enforcement under the 1958 New York Convention and for the enforcement of awards under the ICSID Convention.

### *Investor-State Dispute Settlement*

The OHADA-signatory nations adopted a uniform act on arbitration (the Uniform Act) on March 11, 1999. The Uniform Act sets out the basic rules applicable to any arbitration, where the seat of arbitration is located in an OHADA member state. The Uniform Act is based on the United Nations Commission on International Trade Law (UNCITRAL) model law. It supersedes the national laws on arbitration of the OHADA states. Cameroon's arbitration law is contained in its code of civil and commercial procedure in the third volume, Articles 576 to 601.

Cameroon has a Bilateral Investment Treaty (BIT) with the United States. There have been no claims against the BIT since it came into force in 1989.

There have been cases of disputes between Cameroonian partners and U.S. companies, but they tend to be solved through arbitration. General misunderstandings between partners about contractual commitments tend to cause conflicts, but such cases have been infrequent over the past 10 years.

Local courts may recognize foreign arbitral awards issued against the government, but they are not well equipped to enforce such decisions.

In general, foreign investors complain more about administrative harassment or bottlenecks, and less about extrajudicial actions.

### *International Commercial Arbitration and Foreign Courts*

Additional alternative dispute resolution may involve mediation and negotiations, also possibly through third-party binding arbitration. The OHADA system serves both as domestic and primary reference legislation.

The Groupement Interpatronal du Cameroun, the country's most powerful business lobbying group, has an arbitration center in Douala. Douala is Cameroon's largest city and trade hub, and the arbitration center is modern and well equipped. In principle, local courts have the power to recognize and enforce foreign arbitral awards issued against the government if found at fault.

As a treaty, the OHADA prevails over domestic laws. An international arbitration award can prevail especially if operating through the OHADA framework. The Common Court of Justice and Arbitration enforced under OHADA is both an arbitration institution and a judicial court, with a remit covering all the OHADA states.

Judicial processes are bureaucratic, expensive, time-intensive, and lengthy to pursue. This is true even for domestic and state-owned companies, which like their foreign competitors, also suffer from the weaknesses of the legal system and are not guaranteed any better treatment in case of dispute.

## **Bankruptcy Regulations**

Cameroon has bankruptcy laws, which recognize the right of creditors, the equity of shareholders, and other types of liabilities. Bankruptcy is not criminalized, if it is not a deliberate collusion to avoid tax or mislead investors. Globally, Cameroon stands at 127 in the ranking of 190 economies on the ease of resolving insolvency. According to data collected by Doing Business 2019, resolving insolvency takes 2.8 years on average and costs 33.5 percent of the debtor's estate, with the most likely outcome being that the company will be sold in a piecemeal sale. The average recovery rate is 15.8 cents on the dollar.

## **Industrial Policies**

### **Investment Incentives**

Cameroon's 2013 investment law lists several types of investment incentives for investors and specifies the conditions that they have to meet in order to benefit from those incentives. This law lays down incentives applicable to Cameroonian or foreign legal entities, whether or not established in Cameroon, conducting business therein, or holding shares in Cameroonian companies, with a view to encouraging private investment and boosting national production. For example, during the establishment phase (which cannot exceed five years), the new code provides for exemptions from VAT and duties on key services/assets (including an exemption from stamp duty on the lease of immovable property). During the operation phase (which cannot exceed 10 years), further exemptions from, or reductions of, other taxes (including corporate tax), duties (such as stamp duty on loans), and other fees are granted. Overall, the law seeks to facilitate, promote, and attract productive investment in order to develop activities geared towards strong, sustainable, and shared economic growth as well as job creation. In a context where businesses have to navigate between national and regional incentives, U.S. companies and investors must seek local and regional expertise if they plan to operate in CEMAC.

Common incentives are granted to investors during the establishment and operation phases. The investor may, during the operation phase, which may not exceed 10 years, according to the scale of investment and expected economic returns, as applicable, enjoy exemptions from or reductions of payment of several taxes, duties, and other fees including corporate tax, tax on profit, and stamp duty on loans. In addition, any investor may benefit from a tax credit provided he or she meets one of the following criteria: (1) employs at least five graduates each year, (2) combats pollution, and (3) develops public interest activities in rural areas.

The investor shall enjoy the following benefits during establishment phase, which may not exceed five years, with effect from the date of issuance of the approval:

- Exemption from stamp duty on establishment or capital increase;
- Exemption from stamp duty if immovable property used exclusively for professional purposes and that is part of an integral part of the investment program;
- Exemption from transfer taxes on the acquisition of immovable property, land and buildings essential for the implementation of the investment program;
- Exemption from stamp duty on contracts for the supply of equipment and construction of buildings and installations, that is essential for the implementation of their investment program;
- Full deduction of technical assistance fees in proportion to the amount of the investment made, calculated on the basis of the total amount of the investment;
- Exemption from VAT on the provision of services related to the execution of the project and obtained from abroad,
- Exemption from stamp duty on concession contracts;
- Exemption from business license tax;
- Exemption from taxes and duties on all equipment and materials related to the investment program;
- Exemption from VAT on the importation of equipment and materials;
- Immediate removal of equipment and material related investment program during clearance operations;
- The right to open in Cameroon and abroad local and foreign currency accounts and to carry out transactions on such accounts;

- The right to freely use and or keep abroad funds acquired or borrowed abroad, and to freely use such;
- The right to freely keep abroad dividends and proceeds of any kind from capital invested, as well as proceeds from the liquidation or sale of their assets;
- The right to directly pay abroad non-resident suppliers of goods and services essential for conduct of business;
- Free transfer of dividends and proceeds from the sale of shares in case of disinvestment.

Also, with respect to foreign staff employed by the investor and resident in Cameroon, they shall enjoy free conversion and free transfer to their country of origin of all or part of amounts due them, subject to prior payment of various taxes and social security contributions to which they are liable in compliance with the regulations in force. Finally, the Government shall institute facilities necessary for the establishment of a specific visa and reception counter at all airports throughout the national territory for investors, subject to their presentation of a formal invitation from the body in charge of investment promotion of small and medium-sized enterprises.

There are additional incentives in priority economic sectors. In addition to the above-mentioned incentives, specific incentives may be provided to enterprises, which carry out investments that contribute to the attainment of the following priority objectives:

- Development of agriculture, fisheries, livestock, and plant, animal, or fishery product packaging activities;
- Development of tourism and leisure facilities, social economy, and handicraft;
- Development of housing, including social housing;
- Promotion of agro-industry, manufacturing industries, industry, construction materials, iron and steel industry, construction, maritime, and navigation activities;
- Development of energy and water supply; encouragement of regional development and decentralization;
- The fight against pollution and environmental protection;
- Promotion and transfer of innovative technologies and research and development;
- Promotion of exports;
- Promotion of employment and vocational training.

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

In Cameroon, Foreign Trade Zones (FTZs) are demarcated and fenced geographic areas, with controlled access, where some standard trade barriers, tariffs, quotas, or other bureaucratic requirements are lifted or lowered to attract investments. Cameroon passed a special law instituting FTZs in 1990. Applications for an authorization to establish an industrial free zone are submitted to the National Office for Industrial Free Zones. The authorization to establish an Industrial Free Zone is granted by the Minister in Charge of Industrial Development. Some of the benefits of the FTZs are built into commercial, fiscal, custom, and labor codes. The status of FTZs has not changed since the last reporting period.

### **Performance and Data Localization Requirements**

The government of Cameroon does not mandate local employment except as an incentive to entice foreign investment. The government encourages investors to create jobs and employ local labor.

There are no compulsory or legal requirements on senior management and boards of directors either, although local managers can facilitate the understanding of the domestic business environment.

Prospective investors and their employees can travel to Cameroon on standard intentional visas. The fees may vary per country of application. Once they settle in Cameroon, they can apply for long-term residence permits.

The government applies visa reciprocity rules to a limited extent, but companies have in the past complained about the difficulty of obtaining work permits or the fact that work visas expire after six months and frequently are single entry. Longer-term work permits are now said to be available, the Embassy is only aware of work permits issued in conjunction with residency work permits, a different category with more complicated application procedures. The government does not impose rules on the recruitment of senior management nor excessively onerous visa, residence, work permit, or similar requirements inhibiting mobility of foreign investors and their employees

The Embassy is not aware of any government-imposed conditions on permission to invest.

The Embassy has not received any reports of forced localization.

Enforcement procedures for performance requirements are not yet standardized, but the government generally develops terms of reference on a case by case basis for contract performance. The government has not stated intentions to maintain, increase, or decrease performance requirements.

Investment incentives described above are available to both domestic and foreign investors.

Foreign information technology providers are not required to turn over source code and/or provide access to encryption, but they can be required to provide them in cases of cybercrime under the national cybercrime law.

The Embassy is unaware of any measures designed to prevent or impede companies from freely transmitting customer or other business-related data outside of Cameroon.

The Embassy is unaware of any mechanisms used to enforce rules about local data storage in Cameroon.

### **Protection of Property Rights**

Property rights are recognized by law, but Cameroon's weak judiciary makes enforcement sporadic. For mortgage transactions between two private parties, a proper contract is required for the agreement to be binding and enforceable in the courts. Liens have to be recorded in the contract. A registry of land title exists in Cameroon. The land rights of indigenous peoples, tribes, and farmers are recognized in the constitution. Property rights are enforced or not according to the relative economic and/or political power of those involved.

Existing legislation does not discriminate against foreign landowners.

Records from the Ministry of State Property and Land Tenure (French acronym "MINDAF") indicate that land registration rates have not significantly increased since colonial times. Between 1884 and 2005, only 125,000 title deeds were issued. On average, this represents approximately 1,000 titles per year, covering less than 2 percent of the land in Cameroon. In 2009, a study by the African Development Bank (AfDB) identified other distinctive patterns in land ownership. For example, formal land registration is more common in urban (60 percent) than in rural areas. There have been token efforts to identify property owners, but unregistered land remains common.

Land disputes are common between Cameroonian citizens. The disputes are generally caused by non-respect of commercial sales contracts or by informal sales of land. Illegal occupations of lands are also common. Globally, Cameroon stands at 177 in the ranking of 190 economies on the ease of registering property.

### **Intellectual Property Rights (IPR)**

The legal structure for Intellectual Property Rights (IPR) and corresponding enforcement mechanisms are weak. Infringement on IPR is especially common in the media, pharmaceutical, software, and print industries. Theft is common.

There were no new IP related laws or regulations enacted during the previous year. The Embassy is not aware of any pending reform bills.

The government seizes and publicly burns counterfeit goods, but these actions are not documented systematically and no cumulative data exists on the seizures. The Embassy is unaware of any prosecutions related to IPR violations.

Cameroon is not listed in USTR's Special 301 report.

Cameroon is not listed in the notorious market report.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

## **Financial Sector**

### **Capital Markets and Portfolio Investment**

The Cameroonian government is open to portfolio investment, though no efforts have been made to increase the capacity of the Douala Stock Exchange to encourage foreign participation.

The Douala Stock Exchange (DSX) is meant to be the stock market for all Economic and Monetary Community of Central Africa (CEMAC) member states. It was created in 2001 and currently has only three companies listed and five sovereign bonds. The regulatory system of the DSX permits portfolio investment, but the market is still in its infancy, suffering from low liquidity and bureaucratic inertia.

Cameroon has a limited capital market. The Embassy is not aware of any policies that facilitate or restrict the free flow of financial resources to the product and factor markets.

CEMAC's central bank, known by its French acronym BEAC, respects IMF Article VIII by refraining from restrictions on payments and transfers for current international transactions. In early 2019, international firms began to complain that receiving permission to draw on their foreign exchange accounts was becoming more difficult.

Foreign investors can get credit on the local market and the private sector has access to a variety of credit instruments. Cameroon is connected to the international banking payment system.

### **Money and Banking System**

Under ten percent of Cameroonians have access to formal banking services. The Cameroonian government has often spoken of increasing access, but no coherent policy or action has been taken to alleviate the problem. Mobile money, introduced by local and international telecom providers, is the closest thing to banking services that most Cameroonians access.

The banking sector is generally healthy, but financial institutions suffer from under-performance on local debt and un-serviced loans from both commercial and individual debtors.

According to the World Bank, non-performing loans were 10.31 percent of total bank loans in 2016.

Cameroon has several international banks operating within the country, including:

- 1) Afriland First Bank Group (approximately \$6 billion in global assets in 2016)
- 2) CitiBank (\$1.917 trillion in global assets in 2018)
- 3) Soci t  G n rale (\$1.47 trillion in global assets in 2018)
- 4) Standard Chartered Bank Cameroon (\$688 billion in global assets in 2018)
- 5) Ecobank (\$23.6 billion in global assets in 2015)

Cameroon is part of the six-member Economic and Monetary Community of Central Africa (CEMAC), which maintains a central bank, known by its French acronym, BEAC.

Foreign banks are allowed to establish operations in Cameroon. They are subject to the same regulations as locally developed banks. The Embassy is unaware of any lost correspondent banking relationships within the past three years.



There are no restrictions on foreigners establishing bank accounts, credit instruments, business financing or other such transactions. Rules on all forms of mergers and acquisitions, including hostile, are governed by OHADA and are detailed in a lengthy body of commercial, legal, and accounting codes. The OHADA sections on mergers and acquisitions are the Napoleonic version of our SEC regulations.

## **Foreign Exchange and Remittances**

### *Foreign Exchange*

While there are no legal restrictions, each request for a foreign exchange transaction requires a “dossier” that would include various documents. The documents required vary based on the type of transaction to demonstrate the legitimacy of the planned purchase in foreign exchange that BEAC would approve. The not yet formalized list of required documents from BEAC includes a significant number of required supporting documents for various purposes. The IMF has stated that forex transactions of less than USD one million only require approval by local BEAC representatives in each country and should take place in a matter of days. Forex transactions exceeding USD one million would require approval from BEAC headquarters in Yaoundé and should occur in no more than 48 hours.

The Embassy is unaware of any restrictions on investment type and conversion of funds into world currencies.

The Central African CFA Franc is the currency of six independent states in Central Africa: Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon. It is administered by BEAC and is currently pegged at roughly 656 CFA to one Euro.

### *Remittance Policies*

The Embassy is unaware of any recent changes or plans to change investment remittance policies that either tighten or relax access to foreign exchange for investment remittances.

There are no time limitations on transactions beyond the classic banking transactions timeline. BEAC regulates remittances and banking transactions. Foreign investors can remit convertible and negotiable instruments through legal channels recognized by BEAC.

Domestically, the remittance market is expanding. Cameroon currently counts more than six million registered mobile money subscribers. In addition, 1.5 million people are using four digital solutions currently offered by banks and mobile phone companies, namely ATM, mobile wallet, mobile debit card, and website. These systems are supporting various forms of remittances and financial services.

## **Sovereign Wealth Funds**

Cameroon does not have a sovereign wealth fund.

## **State-Owned Enterprises**

Roughly 70 percent of Cameroon’s 130 SOEs are profit-oriented, though most are a net negative to government finances. Some provide public services. Many SOEs are so dominant in their markets that they act as de facto regulators, specifically in telecommunications and media. The Government of Cameroon has over 130 state-owned companies in which it has majority ownership, and which operate in key sectors of the economy including agribusiness, energy, and mining. SOEs are also present in real estate, transportation, services, information & communication, finance and travel.

In 2017, the Parliament voted into law a new regulation to govern SOEs. The government says that the objective of this reform is to improve the services offered and the competitiveness of public companies, in line with the development objectives of the country. Some of the innovations of this law include the diversification of the investment universe of SOEs, modern control through reporting requirements, and compliance with modern governance principles. As of 2019, it does not appear that any of these objectives have been completed.

The Embassy is not aware of any published list of SOEs.

SOEs competing in the domestic market receive non-market based advantages from the host government. They receive taxpayer subsidies and in many markets serve as de facto regulators. They also have a history of accumulating unpaid tax arrears while at the same time benefiting from preferential access to land and to public funds through State subventions.

The Chambers of the Supreme Auditor of Cameroon indicates in its yearly reports that SOEs are not financially transparent. Only about 22 percent of these structures publish financial accounts. Media reports have highlighted corruption cases involving managers of SOEs and unveiled inefficiencies, severe dysfunctions, and opacity of the management of SOEs. These problems are exacerbated by the fact that over the past years, the government has not imposed any performance targets, productivity requirements, quality of service standards, or any significant budget constraints on SOEs. The governing boards and senior executive teams are political appointees and connected individuals, and thus have the means to avoid tax burdens levied on private enterprises, receive specialized consideration for subsidies and enhanced operating budgets, and obtain generally preferential treatment from the government (including courts).

### **Privatization Program**

Cameroon enacted major privatization policies in the 1990s and early 2000 under the purview of international donors such as the International Monetary Fund and the World Bank. The process has been stalled for over a decade, but market pressures continue to mount for additional privatization efforts. We estimate that 30 companies have undergone some form of privatization since 2004, though the government has stakes in at least 100 more companies. The government has openly discussed privatization of the national airline, the telecommunications company, the oil sector, and agribusinesses, but little has occurred.

In general, privatization appears to be on hold. The government favors Public Private Partnership (PPP) or some variations of outsourcing and contractual management, with the State retaining some ownership of assets or of the business rather than outright privatization. In some cases, the State prefers to participate in joint ventures, such as with mining companies, rather than creating a state-owned company.

Foreign investors can participate in privatization programs. According to some analysts, of the 30 State-owned companies privatized before 2004, foreign bidders won the majority (22).

The public bidding on tender offers is transparent. They are advertised in the media, but the actual process of awarding contracts may still be tainted by corruption, particularly for large projects. The listing of public tenders in the Cameroon Tribune newspaper and publication of which firms received the contract do not guarantee a fully transparent process of awards.

### **Responsible Business Conduct**

Cameroon does not have laws that regulate responsible business conduct. However, the government has enacted laws that cover issues related to what is locally considered corporate social responsibility. There are additional initiatives in the private sector to foster corporate social responsibility.

All major infrastructure projects in Cameroon are compelled to conduct an Environmental and Social Impact Assessment (ESIA) to establish the impact of the projects on people and nature. Cameroon's ESIA law strives to follow World Bank standards. The Ministry of Environment and Forestry was created in April 1992 with a mandate to elaborate, implement, and follow up on the national policy of environment. An August 1996 law related to environmental management prescribes environmental impact assessment for all projects that can cause environmental degradation. The ESIA is fast becoming an important and unavoidable compliance step for foreign and domestic companies.

The Embassy is unaware of a formal definition of responsible business conduct (RBC) within the Cameroonian government. It does not have a national ombudsman for stakeholders to get information or raise concerns about RBC.

The government has not conducted a national action plan on RBC. The government does not factor RBC into its procurement decisions.

The Embassy is not aware of any recent high-profile instances of private sector impact on human rights.

The government has limited will or capacity to enforce most government regulations, including those related to RBC.

The Embassy is unaware of any government policies relating to corporate governance, accounting, or executive compensation in order to protect shareholders.

The Business Council for Good Governance, the American Chamber of Commerce, Rotary International, and Transparency International promote RBC in Cameroon, though their ability to monitor RBC is limited. A number of civil society actors also promote good governance and fair business practices but their capacity to impact change remains limited.

The Embassy is unaware of any government efforts to adhere to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Afflicted and High-Risk Areas.

Cameroon participates in the Extractive Industries Transparency Initiative. Domestic transparency measures requiring the disclosure of payments made to governments are lacking.

## **Corruption**

Corruption is punishable under sections 134 and 134 (a) of the Penal Code. Despite these rules, corruption remains endemic in the country. In 2018, Cameroon ranked 152 (of 180 countries) in Transparency International's Corruption Perception Index. Arrests of high-ranking officials for corruption are widely viewed as political.

In a recent case, a former minister of defense, and leading member of the ruling party, was arrested with his wife and two adult children, an indication that the law can extend to family members of officials and to political parties.

If Cameroon has laws or regulations to counter conflict-of-interest in awarding contracts or government procurement, the Embassy is unaware of them. U.S. firms indicate that corruption is pervasive in government procurement, the award of licenses or concessions, transfers, performance requirements, dispute settlement, regulatory system, customs, and taxation.

The National Anti-Corruption Commission (CONAC) recently began encouraging private companies to establish internal codes of conduct and ethics committees to review practices. The Embassy is unaware of how many companies have instituted either program.

Bribing of government officials remains common throughout the private sector. While some companies use internal controls to detect and prevent such bribery, it is difficult to determine how widespread the practice is, in practice.

Cameroon is signatory to the United Nations' and the African Union's anti-corruption initiatives, but the international initiatives have limited effects on the enforcement of laws in the country.

Post is unaware of any NGO's involved in investigating corruption. The government prefers the state-controlled anti-corruption commission, CONAC, to investigate potential cases.

U.S. firms indicate that corruption is most pervasive in government procurement, the award of licenses or concessions, transfers, performance requirements, dispute settlement, regulatory system, customs, and taxation. Multiple American companies have told the Embassy they are hesitant to invest in Cameroon due to corruption concerns.

### *Resources to Report Corruption*

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## **Political and Security Environment**

Cameroon faces several political and security challenges. An armed separatist uprising is entering its third year in the Anglophone Southwest and Northwest Regions. Boko Haram attacks continue in the Far North Region. In the Adamoua and East Regions, a wave of kidnappings and other criminal activity, coupled with an influx of refugees from the Central African Republic, has led to increased instability and a reinforced military presence. Terrorists and separatists alike have targeted economic assets in order to affect political change. The country is growing increasingly politicized and insecure.

## **Labor Policies and Practices**

In Cameroon, the median age is 18. Officially, the unemployment rate hovers around 4 percent based on International Labor Organization (ILO) standards, but the reality is that this rate is likely much higher with youth unemployment potentially as high as 75 percent. Under-employment is even higher, with rates of 12.3 percent and 63.7 percent, respectively, for visible and invisible under-employment according to a recent World Bank study. Unskilled labor is prevalent in the agricultural and service sectors, and under-employment is prevalent in manufacturing, commerce, technician or technical trades, and mid-management jobs.

There are shortages of technical trade skills in every sector of the economy. Truck and automotive maintenance is widely practiced in the informal sector. Rudimentary or artisanal agriculture, fishing, and textile manufacture sectors are still in need of significant development, and a lack of skilled workers tends to be the norm across the country.

The government does not require companies to hire nationals. However, foreign nationals are required to obtain work permits prior to formal employment. While foreign nationals are automatically issued work permits for companies of the industrial free zones regime, their number may not exceed 20 percent of the total work force of a company after the fifth year of operation in Cameroon if benefiting from the Industrial Free Zone (IFZ) regime.

Although union and contract agreements vary widely from sector to sector, in general, Cameroon functions as an "employment at will" economy, and labor laws differentiate between layoffs and firings. Layoffs are often considered as alternative solutions to dismissing workers based on performance fault or economic grounds. There is no special treatment of labor in special economic zones, foreign trade zones, or free ports.

While the labor code applies to enterprises of the Industrial Free Zone (IFZ) regime, some matters are governed by special provisions under the 1990 law establishing IFZ. These include the employer's right to determine salaries according to productivity, free negotiation of work contracts, and automatic issuance of work permits for foreign workers. The Ministry of Labor monitors labor abuses, health and safety standards, and other related issues, but enforcement is poor. Labor laws are waived through the regime of Industrial Free Zones to attract or retain investment. As indicated earlier, the waivers include the employer's right to determine salaries according to productivity, free negotiation of work contracts, and automatic issuance of work permits for foreign nationals.

There are independent labor unions and others that are affiliated with the government under existing laws and regulations. Over 100 trade unions and 12 union confederations operate in the country. However, the labor union movement is highly fractured and somewhat ineffective in promoting workers' rights. Some union leaders accuse the

government and company managers of promoting division within trade unions to weaken them, as well as protecting non-representative trade union leaders with whom they can negotiate more easily.

Cameroon’s labor dispute resolution mechanisms are outlined in the labor code. The procedure differs depending on whether the dispute is individual or collective. Individual disputes fall under the jurisdiction of the civil court dealing with labor matters in the place of employment or residence of the worker. The legal procedure is initiated after the labor inspector fails to settle the dispute amicably out of the court system. Settlement of collective labor disputes is subject to conciliation and arbitration, and any strike or lock-out started after the procedures have been exhausted and have failed is deemed legitimate. While the conciliation procedure is conducted by the labor inspector, arbitration of any collective dispute that has not been settled by conciliation is handled by an arbitration board, chaired by the competent judicial officer of the competent court of appeal. Workers who ignore procedures to conduct a legal strike can be dismissed or fined. For more information (see: <https://www.ilo.org/dyn/natlex/docs/WEBTEXT/31629/64867/E92CMR01.htm>)

Strikes occur regularly, though they are often due to lack of payment by the employer and are resolved quickly. No strike occurred that posed an investment risk.

The labor code lays down principles of labor laws regarding employment, dismissal, remedies for wrongful dismissal, compensation for industrial injuries, and trade unions. But, most jobs do not have binding contracts and employers generally seem to have the upper hand in labor disputes. There is informality even in the formal sector, which is against the law. Because of this landscape, it is important for U.S. companies to ensure compliance with the local labor laws and to abide by international best practices.

There were no new labor related laws or regulation enacted during the last year. The Embassy is unaware of any pending draft bills.

### OPIC and Other Investment Insurance Programs

Cameroon and OPIC signed an Investment Guarantee in 1967. OPIC has one operational program in Cameroon. In January 2018, a delegation of executives from OPIC visited Cameroon to evaluate an ophthalmology hospital, funded by OPIC, which treats 18,000 cataract cases every year, the leading cause of blindness in the region. An OPIC team visited a local cocoa and coffee producer in Nkongsamba in late 2018 to explore a potential new investment.

### Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Year	Amount	Year	Amount	Host Country	USG or international	USG or International	Source of Data:
					Statistical source*	statistical source	Source of Data:	BEA; IMF; Eurostat; UNCTAD, Other
Host Country Gross Domestic Product (GDP) (\$M USD)	2016	\$30,400	2017	\$34,923				World Bank

Foreign Investment	Direct Host	Country	USG or international statistical source	USG or international statistical source	Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	N/A	N/A	N/A
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	N/A	N/A	N/A
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	N/A

*Table 3: Sources and Destination of FDI*

Cameroon is not included in the IMF's Coordinated Direct Investment Survey.

*Table 4: Sources of Portfolio Investment*

Cameroon is not included in the IMF's Coordinated Portfolio Investment Survey, as the nascent Douala Stock exchange has minimal opportunities for outside portfolio investment.

### **Contact for More Information on the Investment Climate Statement**

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## **Trade & Project Financing**

### **Methods of Payment**

Importers and exporters use internationally accepted methods of settlement. Due to pervasive credit risks -- even in the banking and public sectors -- many U.S. firms exporting to Cameroon insist on irrevocable letters of credit drawn on banks with strong foreign partners.

Cameroon's payments system is part of the CEMAC system. The system consists of two parts: clearing centers at the level of the Bank of Central African States (BEAC) branches for high-volume, small-value payments and settlement through regional BEAC current accounts for large value payments. There are currently no sub-regional (for CEMAC countries) clearing organizations. The central bank executes transfer orders of account holders on its books within the CEMAC zone and abroad. In 2008, the central bank implemented a regional payments system that incorporates electronic bulk payment clearing. Although the BEAC uses the SWIFT network, there are administrative delays in the international transfers it processes, and some banks use alternative routes to transfer funds to and from their correspondent accounts; individuals often avail themselves of services provided by nonbanks, such as Western Union.

### **Banking Systems**

BEAC oversees Cameroon's banking system and is supervised by the French Treasury, which guarantees the convertibility of the local currency at a rate of 655.957 CFA to one Euro. Cameroon must hold at least 60 percent of its foreign reserves in an account in Paris that is managed by the French Treasury. The Central African Banking Committee (COBAC), housed in BEAC's offices in Yaoundé regulates the banking sector within CEMAC.

Cameroon has 13 operational commercial banks, with aggregate assets of 1,700 billion CFA francs (about \$3 billion). BEAC sets benchmark interest rates for the banking institutions and state treasuries. Throughout the 2008-2009 financial crisis, Cameroon's banking system remained solid. The regulatory board has restructured a few ailing banks. The corporate community still complains about stringent prudential regulations, low lending volume, lack of innovative banking products, and poor quality of service. The banking sector is regulated, but financial institutions tend to suffer from under-performance on local debt and unpaid loans from both commercial and individual debtors. The presence of an American bank - Citibank - has made financial transactions easier for U.S. companies.

### **Foreign Exchange Controls**

In late 2016, CEMAC countries began working with the IMF to respond to BEAC's dwindling reserves and a balance of payments crisis caused by the fall in oil receipts. In July 2017, Cameroon entered a \$666 million Extended Credit Facility with the IMF. A January 2019 IMF report lauded BEAC for its new foreign exchange regulations. BEAC now requires banks to surrender all foreign currency remittances to the Central Bank and to consolidate their customers' forex requests into one application, in hard copy, to the national BEAC office. The BEAC office then clears and forwards the request to the regional office, based in Yaoundé, for final approval.

In practice, many banks continued to turn currency around without sending it to BEAC, processing payments for imported goods or services as soon as they receive foreign currency. BEAC recently reprimanded seven local bank general managers for failing to comply with the remittance requirements, denied any delays in their own procedures, and threatened more reprimands for banks that criticize the policy. Banks, including Ecobank, Standard Chartered, and Citi, and the business community are complaining that the process, which is supposed to provide the foreign currency required for outside transactions within 48 hours, takes anywhere from several days to several weeks. The IMF reported a denial rate of 30 percent, which BEAC blamed on non-compliance, although some banks consider the reasons for refusal opaque.

## **US Banks & Local Correspondent Banks**

The only American bank operating in Cameroon as of May 2019 is Citibank. A number of Cameroonian banks have correspondent status with other American financial institutions. A few U.S. private equity firms are also present in Cameroon.

Citibank Cameroon, S.A. (Douala)  
96, Rue Flatters, B.P. 4571  
Douala, Cameroon  
Tel.: (237) 3342 4272  
Fax: (237) 3342 4074

Citibank Cameroon, S.A. (Yaounde)  
487, Avenue Charles de Gaulle, B.P. 7324  
Yaounde, Cameroon  
Tel.: (237) 2221 2777  
Fax: (237) 2221 2767

## **Project Financing**

Foreign investors can obtain local financing for investment and trade purposes at non-discriminatory terms. However, most foreign investors prefer to borrow from foreign sources due to Cameroon's comparatively high interest rates. Because local sources of financing are limited and expensive, competitive credit terms may be of primary importance to a potential buyer, even compared to product quality, sustainability or other factors. Some exporters often grant up to 180-day terms for local buyers who can obtain ratings from COFACE or other international credit insurance companies. Project financing is sometimes available through multilateral financial institutions.

The Export-Import Bank of the United States (EXIM) and the Overseas Private Investment Corporation (OPIC) can insure and finance investments in which the U.S. stake is 25 percent or above. Both EXIM and OPIC have open projects in Cameroon and are favorably known by Cameroonian government officials.

## **Multilateral Development Banks**

The World Bank has a resident representative in Yaoundé, and its affiliate, the International Finance Corporation (IFC), maintains a regional office in Douala for borrowers in Central Africa. The IFC has invested in several large projects in Cameroon over the years.

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars to developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices of the [African Development Bank](#) and the World Bank.

## **Financing Web Resources**

[Commercial Liaison Office to the African Development Bank](#)

[Commercial Liaison Office to the World Bank](#)

[The European Investment Bank](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)



[OPIC](#)

[U.S. Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[COFACE North America](#)

[African Development Bank](#)

[International Finance Corporation](#)

[Islamic Development Bank](#)

## **Business Travel**

Americans planning travel to Cameroon are encouraged to consult the Department of State's latest Cameroon International Travel Information. This information, updated periodically, may be accessed by visiting the [Department of State's travel website](#). American citizens residing in Cameroon are urged to register with the [Consular Section's Smart Traveler Enrollment Program](#).

## **Business Customs**

Cameroon is the largest economy in Central Africa. It has a blend of Western and local business culture. Cameroonians appreciate an opportunity to get to know potential partners before beginning concrete discussions. It is helpful to supplement written communication with as many face-to-face contacts as possible. Adherence to Western standards of punctuality is not common; patience and persistence are needed to do business in Cameroon. In professional settings, Cameroonians dress in business attire. The use of the internet and email is somewhat limited compared to Western standards, but rapidly increasing especially in urban areas. A growing number of companies have sophisticated websites with company email domain addresses, though use of Gmail or Yahoo! accounts is still common, even in government.

## **Travel Advisory**

As of May 2019, Cameroon is suffering from Boko Haram terrorist attacks in the Far North Region, an influx of refugees from the Central African Republic in its East Region, and a violent separatist movement in the Anglophone Northwest and Southwest Regions. U.S. citizens are strongly advised against travelling to the Far North, Northwest, Southwest, North, Adamaoua north of the capital Ngaoundere and the border area with the Central African Republic in the East and Adamaoua. Please check the [U.S. Embassy Consular Website](#) for the latest security alerts and enroll in the Department of State's Smart Traveler Enrollment Program ([STEP](#)). American citizens of Cameroonian descent are advised that Cameroon does not recognize dual citizenship and they should enter Cameroon on their U.S. passports.

## **Visa Requirements**

Requirements for Entry include:

- Passport
- Visa
- Current immunization records, including evidence of yellow fever vaccination are required for entry into Cameroon.
- World Health Organization (WHO) card with yellow fever vaccination.
- Proof of polio vaccination for visits longer than four weeks.

Apply for your visa well in advance of the time you expect to travel. Visit the [Cameroon Embassy](#) website for the most current visa information. Overseas inquiries should be made at the nearest Cameroon Embassy or Consulate.

**Dual Nationality:** Cameroon does not recognize dual nationality. U.S. citizens should always present themselves as U.S. citizens to Cameroonian authorities, regardless of their country of birth. U.S. citizens must always enter and exit Cameroon on a U.S. passport with a valid Cameroonian visa otherwise they are liable to be denied entry or detained. Furthermore, presenting oneself as a Cameroonian citizen may impede our ability to provide consular services.

**HIV/AIDS restrictions:** The U.S. Department of State is unaware of any HIV/AIDS entry restrictions for visitors to or foreign residents of Cameroon.

## **Currency**

The currency of Cameroon is the CFA Franc, which is pegged to the Euro with a fixed rate (one Euro is worth 656 CFA Francs). Cameroon remains a cash heavy economy, particularly outside of Yaoundé and Douala. Cash machines are increasingly common, even in second and third tier cities. Select hotels have electronic credit and debit card processing units for their businesses, though most rely on cash.

## **Telecommunications/Electronics**

Cameroon and the United States have a direct telephone link via satellite. Cameroon's country code is 237. All telephone numbers have nine digits; there are no city-specific area codes. Cameroon has facsimile and telex services. There are three private mobile telephone companies currently operating 3G mobile networks in Cameroon: Orange, MTN, and Nextel. MTN and Orange are currently offering 4G sim cards to some of their customers. All mobile phone companies currently operate on the GSM 900 and 1800 standards with mobile internet-access capabilities. CAMTEL, the national telecom provider, also provides internet access, as do several private companies, and there are internet cafes in all cities and larger towns. There is increasing access to the internet even in many rural areas, with MTN boasting nationwide mobile-modem coverage. Several smaller private companies provide mobile internet access using Wi-Fi connectivity. The cost of internet connectivity is quite expensive and connection rates are relatively slow. Internet usage and market penetration throughout the country remains low, at only about 20 percent of the population, primarily clustered in the two major cities (Douala and Yaounde) and the regional capitals. As with all infrastructure services, there is a disparate shortage of telecommunications access in the Far North Region, when compared to telephone and internet services in the rest of Cameroon. The West Africa Cable System (WACS) is a submarine cable link with a 14.5 Terabit/second design capacity, with a Cameroon landing point in Limbe, which allows MTN to provide high-speed backbone capacity in Cameroon. Smaller entrepreneurial Internet Service Providers (ISPs) such as Creolink are now building out more robust internet and cable networks in Cameroon due to WACS connectivity.

## **Transportation**

**Road Conditions and Safety:** Cameroon's roads networks are poorly maintained and are not well lit. U.S. citizens are strongly advised not to travel outside of the major cities after dark. During the rainy season from April to November, many roads are not passable even with four-wheel-drive vehicles. Traffic safety is hazardous due to lack of traffic signs, poorly trained/disciplined drivers, inadequately maintained vehicles, and indifference among many drivers toward the safety of pedestrians and cyclists. Other driving risks include excessive speed, erratic driving habits, lack of vehicle maintenance, and pedestrians, wildlife, and livestock.

Outside of major cities, travel with extra fuel, food, and water, as well as a reliable means of communication, such as a satellite phone or radio, as mobile phone coverage is limited. Professional roadside assistance service is not available. You are able to drive in Cameroon with your state driver's license for up to three months.

**Accidents:** Accidents due to hazardous road conditions is a major threat to health and safety. In the event of an automobile accident, remain inside the vehicle and wait for police. Although it is illegal to move your vehicle before the police arrive, if a hostile mob forms or you feel your safety is in danger, leave the scene and proceed directly to the nearest police station to report the incident. Do not stop at the scene of an accident or at intersections where people have gathered, as mobs can develop quickly.

**Public Transportation:** Avoid all travel by public transportation, and hire private transport from a reliable source. Any form of public transportation is unregulated, unreliable, and generally unsafe. Mini-buses, buses, trains, and ferries are in poor mechanical condition and are often filled well beyond their intended capacity. Make sure any car you hire is adequately insured, preferably by written confirmation from the insurance company (rather than the car hire firm). If you are hiring a driver and car, make sure you are not liable for any accident or damage.

## **Language**

Although both French and English are official languages in Cameroon, at least two-thirds of the population speaks French, which is the dominant business language. A majority of professional Cameroonians understand, even though they may not speak, both languages. Pidgin English is a local language in the two English-speaking regions (the Southwest and Northwest) of Cameroon. Staff at most hotels and restaurants usually understand both English and French.

## **Health**

All visitors entering Cameroon must present evidence of a yellow fever vaccination administered within the last ten years on a valid World Health Organization (WHO) International Health Immunization Certificate. The certificate must be presented upon arrival and departure from Cameroon. Also, within 12 months of departure, visitors will need evidence of a polio vaccination on a valid World Health Organization (WHO) International Health Immunization Certificate. The certificate must be presented upon departure from Cameroon. Immunization against rabies, tetanus, typhoid, polio, meningitis, and hepatitis A and B is also recommended. Cameroon has chloroquine- and fansidar-resistant malaria. Americans are urged to take appropriate malaria prophylactic medication and to use insect repellents. Travelers should explore health insurance options, including provisions for evacuation and emergency procedures. For more information, consult the U.S. Centers for Disease Control's [Health Information for Travelers to Cameroon](#).

## **Local Time, Business Hours and Holidays**

Cameroon local time is Greenwich Mean Time (GMT) +1. The statutory Cameroonian workweek is forty hours from Mondays to Saturdays. Civil service workers are not required to work on Saturdays, but most businesses are open on that day. Government offices are officially open from 7:30 a.m. to 3:30 p.m. without interruption, but in reality, shorter hours and longer lunch breaks are the norm. Businesses are usually open between 8:00 a.m. to 6:00 p.m.

## **Temporary Entry of Materials or Personal Belongings**

The temporary entry of goods is allowed, provided the traveler can justify that the goods are personal effects and/or the goods are to serve only for the temporary period of residence or nature of its usage. Visitors' household items (with the exception of automobiles, for which there is a special clearance procedure) are custom duty exempt.

## **Travel Related Web Resources**

[State Department Travel Website](#)

[United States Embassy Cameroon](#)

[U.S. Embassy Consular Section, Yaounde](#)

[Smart Traveler Enrollment Program](#)