

Cameroon courts SA investors



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The Republic of Cameroon, the largest economy in central Africa and sub-Saharan Africa's 7th biggest economy, is at crossroads and looking to redirect itself to the path of economic diversity by calling on South African investors for help amid the heat of the global recession.

"We have all the qualities that will make you invest in our country and you will have so much to gain in Cameroon and set the bar high by bringing your expertise in various sectors," Albert Fotabong, minister counsellor of Cameroon to SA, told an investment conference yesterday, Thursday 22 October 2009, at the Grayston Southern Sun Hotel in Johannesburg.

Cameroon's main trading partners include suppliers such as France (40%), Nigeria (16%), Belgium (7%), Italy (5%), US (5%), and buyers such as Belgium (41%), Italy (10%), Spain (9%) and France (7,5%).

SA's trading volumes account only for about 3% - mostly in paper and petroleum oils - but that is set to change as the two countries have recently signed several trade agreements to strengthen their economic ties.

SA-Cameroonian interaction

There has been a lot of interaction lately between Cameroon and SA, with about 50 corporate projects being put on the table for discussion, Potabong said, adding that a Cameroonian delegation has arrived here this week to finalise all the trade agreements.

Cameroon's total population is estimated at 17.5 million and GDP per capita is about US\$640. Inflation rate is 2% (2008) and the economy grew by 2.5% last year despite the global economic downturn.

The country's economy relies heavily on crude oil revenues, the total exports of which accounts for about 40%. Besides, the country also exports aluminium, timber, cotton, coffee, cocoa beans and bananas.

Despite contributing about 15% of the country's GDP and employing close to 70% of the national workforce, Cameroon's agriculture is still underdeveloped and 'old-fashioned', lacking expertise and equipment and resulting in the country spending millions of dollars and euros in agricultural imports.

Investment opportunities include forestry, agro-processing and cold storage of fresh produce, oil and gas (gas reserves mostly still untapped), manufacturing, energy, retail chains, construction, ICT, education and tourism (building of five-star hotels, conference facilities and eco-tourism), and transport.

SA needs to lead the way

SAA has three weekly direct flights to Cameroon, but the country is seriously looking for investors to help it link to other countries in the region (Chad, Gabon and many more) by air, railway and roads.

SA companies operating in Cameroon include MTN and Standard Chartered Bank of South Africa (SCB).

Jean-Jacques Ekindi, Cameroon MP, told delegates: "We are in need of many things and all that is here. SA is the leader of Africa and if the leader does not do his job to help others, the continent will not move forward. And a leader does not run away from his responsibilities."

However, despite a bright picture painted by Fotabong and Ekindi, Cameroon has some serious challenges to overcome if it wants to be counted among Africa's greats.

Apart from its poor infrastructure, the country's fiscal system is messy, confusing and unpredictable, as explained by Wilfred Ntuba, CFO at SCB SA.

"But you have to be resilient and ensure that you understand what you are doing and be compliant with the country's laws and regulations to avoid trouble.

"We are the prime lenders of that market and we are looking to identify ways to help you in a strategic way, whether you want to acquire a business or partner with a local operator," Ntuba said.

The Intra-Africa Business executive breakfast was hosted by Upbeat Marketing in partnership with Bizcommunity.com, Blue Financial Services and SAfm.

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ABOUT ISSA SIKITI DA SILVA

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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