

RÉPUBLIQUE DU CAMEROUN
PAIX- TRAVAIL – PATRIE



REPUBLIC OF CAMEROON
Peace – Work – Fatherland

MINISTÈRE DE L'ÉCONOMIE, DE LA
PLANIFICATION ET DE L'AMÉNAGEMENT
DU TERRITOIRE

MINISTRY OF THE ECONOMY,
PLANNING AND REGIONAL
DEVELOPMENT

COMITE DE COMPETITIVITE

COMPETITIVENESS COMMITTEE

REPORT ON THE COMPETITIVENESS STATUS OF CAMEROON'S ECONOMY IN 2021



August 2022

Contacts:

Competitiveness Committee– Technical Secretariat

Permanent Secretariat: email: info@cocom.cm/ Tel: 222 23 31 18

This report was produced by the Permanent Secretariat of the Competitiveness Committee, with relevant contributions from the Committee's partners, namely the Ministry of the Economy, Planning and Regional Development, the Ministry of Agriculture and Rural Development, the Ministry of Transport, the Ministry of Finance/Directorate General of Customs, the Ministry of Posts and Telecommunications, the Inter-Employers' Group of Cameroon, the Industrialists' Union of Cameroon, and the Land Freight Management Office.

Data used for the drafting of this report are diverse and concern both national (NIS, MINFI, BEAC, sector administrations, etc.) and international (ITC database, UNCTAD, COMTRADE, etc.) sources.

Strategic partner of the World Economic Forum

Foreword

The global economy recovery started in 2021 after a particularly difficult year in 2020 due to the COVID-19 pandemic, which triggered the first recession in sub-Saharan Africa for about 25 years.

Despite this context, Cameroon's economy has shown resilience thanks to the economic and health response measures implemented by the government. Thus, the growth rate of the economy is estimated at 3.5% in 2021 after a significant drop to 0.5% in 2020.

The report on the competitiveness status of Cameroon's economy provides the reader with a framework for assessing the dynamics observed in terms of the competitiveness of Cameroon's economy during 2021.

The country has strengthened its position in some external markets, notably banana, cocoa and coffee. In contrast, large parts of the domestic market continue to be dominated by imported products, which may be substitutable by resident producers. An appraisal of international benchmarking indicators of competitiveness shows that efforts to improve are noticeable in the areas of institutions, infrastructure and even innovation. All in all, the country is making progress, but is struggling to keep up with the dynamism of other leading countries.

The challenge for our country are, among others, the reduction of production factors costs, the pursuit of actions aimed at the qualitative and quantitative densification of economic infrastructure and the improvement of the business environment.

The contributions of all actors, including those from the public sector, the private sector and civil society, are needed to address these challenges in order to significantly improve the competitiveness and attractiveness of our economy.

**The President of the Competitiveness
Committee**

Alamine Ousmane Mey

Table of contents

Foreword.....	ii
Table of contents	iii
List of acronyms and abbreviations	v
List of tables	vii
List of graphs	ix
Executive summary	x
Introduction.....	1
Chapter 1: Macroeconomic performance	2
1.1. Economic growth.....	2
1.2. Current account balance and foreign exchange reserves	2
1.3. Evolution of price competitiveness	3
1.3.1. Prices	3
1.3.2. Investment rate.....	5
1.4. Budget balance and external debt	7
1.4.1. Budget balance	7
1.4.2. External debt.....	7
1.5. Investment	7
1.5.1. Dynamics of investment intentions	7
1.5.2. Foreign Direct Investment (FDI)	8
1.5.3. Effectiveness of investment.....	9
Chapter 2: Trade performance	12
2.1. Trade in goods and services.....	12
2.1.1. Global view.....	12
2.1.2. Trade in goods	12
2.1.3. Trade in services.....	17
2.2. Trends in market shares	18
2.2.1. World market ranking of some products	18
2.2.2. Domestic market shares.....	21
Chapter 3: Input and transaction costs	27
3.1. Production costs.....	27
3.1.1. Unit costs	27
3.1.2. Structure of production costs	27
3.1.3. Costs of oil products	29
3.1.4. Electricity costs	29
3.1.5. Cost of mobile telephony.....	31

Report of the competitiveness status of Cameroon's Economy in 2021

3.1.6. Cost of capital	31
3.2. Transaction costs	32
3.2.1. Sea freight costs	32
3.2.2. Costs of starting a business	33
3.2.3. Mobile money transaction rates	34
3.2.4. Time and cost of transit of goods through the port	34
Chapter 4: Cameroon's competitiveness through international indicators	36
4.1. Institutions	36
4.2. Infrastructure	39
4.3. Financial market	40
4.4. Commodities segment	40
4.5. Labour Market	41
4.6. Human capital	42
4.7. Business dynamism	44
4.8. Innovation	44
4.9. Global Resilience Index	46
4.10. Travel and Tourism Development Index (TTDI)	49
4.11. Container Port Performance Index	50
Chapter 5: Competitiveness enhancement initiatives	52
5.1. Policies to support production	52
5.1.1. Post-COVID recovery plan 2021-2023	52
5.1.2. Measures adopted by Parliament	52
5.1.3. Ad hoc support for certain producers	53
5.1.4. Actions undertaken in other production sectors	54
5.1.5. Capacity building for SMEs	54
5.2. Export support policies	54
5.3. Policies to protect local industries	55
5.4. Business environment reforms	56
5.5. Densification of the infrastructure offer	56
5.6. Other initiatives	57
Conclusion	58
Bibliographic references	59
Glossary	61
Annexes	62

List of acronyms and abbreviations

ACA	:	African Cotton Association
ACP	:	Africa Caribbean Pacific
APR	:	Annual Percentage Rate
AfCFTA	:	African Continental Free Trade Area
ANOR	:	Standards and Quality Agency
ANTIC	:	National Agency for Information and Communication Technologies
IPA	:	Investments Promotion Agency
AfDB	:	African Development Bank
BEAC	:	Bank of Central Africa States
BSTP	:	Subcontracting and Partnership Exchange
CAA	:	Autonomous Sinking Fund
CAMCIS	:	Cameroon Customs Information System
CCI	:	International Trade Centre
CEAC	:	Economic Community of Central African States
CEMAC	:	Economic and Monetary Community of Central African States
CFCE	:	Business Creation Formality Centre
CIA	:	Central Intelligence Agency
CNCC	:	Cameroon National Shippers Council
CICAM	:	Industrial Cotton Company of Cameroon
CNEF	:	National Economic and Financial Committee
CPI	:	Consumer Price Index
CPM	:	Monetary Policy Committee
CTA	:	Agri-Food Technical Centre
DGB	:	Directorate General of the Budget
DGD	:	Directorate General of Customs
GESP	:	Growth and Employment Strategy Paper
DSF	:	Statistical and Tax Declarations
EU	:	European Union
FAGACE	:	Guarantee and Economic Cooperation Fund
FAD	:	African Development Fund
FAO	:	United Nations Food and Agriculture Organisation
FAD	:	African Development Fund
FDSE	:	Education Sector Development Fund
IMF	:	International Monetary Fund
FDI	:	Foreign Direct Investments
FOTRAC	:	CEMAC Cross-Border Fair
GAI	:	Global Attractiveness Index
GB	:	Gigabit
GCI	:	Global Competitiveness Index
GNI	:	Gross National Income
GUCE	:	One-Stop-Shop for External Trade Operations
GDP	:	Gross Domestic Product
ICOR	:	Incremental Capital Output Ratio
ICT	:	Information and communication technologies
IDA	:	International Development Association
MINADER	:	Ministry of Agriculture and Rural Development
MINEPAT	:	Ministry of the Economy, Planning and Regional Development
MINEPIA	:	Ministry of Livestock, Fisheries and Animal Industries
MINFI	:	Ministry of Finance
MINPMEESA	:	Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts
NCCB	:	National Cocoa and Coffee Board
NDS30	:	National Development Strategy 2020-2030
NEER	:	Nominal Effective Exchange Rate
NIS	:	National Institute of Statistics
OECD	:	Organisation for Economic Cooperation and Development
PDCVEP	:	Livestock and Fish Farming Value Chains Development Project

Report of the competitiveness status of Cameroon's Economy in 2021

PLANUT	:	Three-Year Contingency Plan for Accelerating Growth
PTSJ	:	Special Youth Three-Year Plan
SCDP	:	Cameroon Oil Depot Company
SME	:	Small and Medium-sized Enterprise
SODECOTON	:	Cotton Development Company
SODEPA	:	Society for the Development and Exploitation of Animal Productions
SONARA	:	National Refining Company
RBER	:	Real Bilateral Exchange Rate
REER	:	Real Effective Exchange Rate
TEU	:	Twenty Foot Equivalent Unit
TIAO	:	Interest rate of calls to tender
UNIDO	:	United Nations Industrial Development Organisation
UNCTAD	:	United Nations Conference on Trade and Development
VAT	:	Value Added Tax
WDI	:	World Development Indicators
WEF	:	World Economic Forum
WFP	:	World Food Programme
WHO	:	World Health Organisation
...	:	Result not available

List of tables

<i>Table 1 : Evolution of real GDP from 2018 to 2021 (in %)</i>	2
<i>Table 2 : Inflation rate and contribution per consumption function</i>	4
<i>Table 3: Trends of the real bilateral exchange rate indexes from 2017 to 2021 with the main trade partner (in %)</i>	6
<i>Table 4: Trend of budget balances from 2019 to 2021 (in % of GDP)</i>	7
<i>Table 5: Trend of the external debt</i>	7
<i>Table 6 : Evolution of the balance of trade in some products (in billions)</i>	14
<i>Table 7 : Trend of the balance of trade in services (in billions of CFA francs)</i>	17
<i>Table2: Trends in the market shares of some bananas exporting countries</i>	19
<i>Table4: Trends in the market shares of some coffee exporting countries</i>	20
<i>Table5: Trends in the market shares of some cocoa exporting countries</i>	21
<i>Table7: Production, imports, and share of local supply on the domestic market</i>	23
<i>Table8: Production, imports, and share of local supply in the domestic crude palm oil market</i>	23
<i>Table9: Trends in production, imports, exports and the share of local supply on the domestic sugar market</i>	24
<i>Table10: Trends in production, imports and the share of local supply on the domestic maize market</i>	24
<i>Table11: Cost of electricity to enterprises in selected African countries (in US dollars per kWh)</i>	29
<i>Table12: Average local price per minute for a phone call in selected countries (in US dollars)</i>	31
<i>Table13: Cost of a Gigabit (GB) of mobile broadband in 2021</i>	31
<i>Table14: Cost of starting a business in 2019 (as % of GNI per capita)</i>	33
<i>Table15: Money transaction rates by MTN in selected countries (in CFA francs)</i>	34
<i>Table16: Money transaction rates by Orange in some countries (in CFA francs)</i>	34
<i>Table17: Scores in the sub-dimensions of the Institutions pillar</i>	36
<i>Table18: Ranking of selected countries based on the index of economic freedom, 2021</i>	38
<i>Table19: Scores in the sub-dimensions of the Infrastructure pillar</i>	39
<i>Table20: Scores in the sub-dimensions of the “Financial Market” pillar</i>	40
<i>Table21: Comparison of Cameroon and Mauritius scores (out of 100) in 2021</i>	40
<i>Table22: Scores in the sub-dimensions of the “Commodities segment” pillar</i>	41
<i>Table23: Comparison of Cameroon's scores with Egypt's in 2021</i>	41
<i>Table24: Scores in the sub-dimensions of the “Labour Market” pillar</i>	41
<i>Table 32: Comparison of Cameroon's scores with those of Rwanda in 2021</i>	42
<i>Table 33 : Cameroon and comparator countries' scores in the Skills pillar in 2021</i>	42
<i>Table 34 : Cameroon and comparator countries' scores in the Public health pillar</i>	43
<i>Table 35 : Sub-dimensions of the “public health” pillar</i>	43
<i>Table 36: Scores in the “Business Dynamism” pillar sub-dimensions</i>	44
<i>Table 37: Comparison of Cameroon scores with Egypt's in 2021</i>	44
<i>Table 38: Scores in the sub-dimensions of the “Innovative capacity” pillar</i>	45

Report of the competitiveness status of Cameroon's Economy in 2021

<i>Table 39: Ranking of selected countries in the Global Innovation Index</i>	<i>46</i>
<i>Table 40: Global Resilience Index scores for selected African countries.....</i>	<i>47</i>
<i>Table 41: Trend of Cameroon scores on the three resilience factors between 2020 and 2021.....</i>	<i>47</i>
<i>Table 42: Trend of Cameroon scores in the sub-indices of the “economic performance” factor.....</i>	<i>48</i>
<i>Table 43: Trend of Cameroon scores in the sub-indices of the “Risk quality” factor.....</i>	<i>49</i>
<i>Table 44: Trend of Cameroon scores in the sub-indices of the “supply chain” factor.....</i>	<i>49</i>
<i>Table 45: Scores and ranks of Cameroon and selected countries in the Travel and Tourism Development Index</i>	<i>50</i>
<i>Table 46: CPPI 2021 of Cameroon ports and comparison ports</i>	<i>51</i>
<i>Table 47 : Annual Percentage Rate applied by banks (%)</i>	<i>62</i>
<i>Table 48 : Scores and ranks of countries in the Travel and Tourism Index.....</i>	<i>63</i>
<i>Table 49 : Scores and ranks of Cameroon in the Global Innovation Index</i>	<i>64</i>

List of graphs

<i>Graph 1 : Evolution of the current account balance (% of GDP) and net foreign assets (billion CFA).....</i>	<i>3</i>
<i>Graph 2 : Evolution of prices by origin and by sector</i>	<i>4</i>
<i>Graph 3 : Evolution of food products price indexes (base 100=2016)</i>	<i>5</i>
<i>Graph 4 : Trend of the REER, and NEER (base 100=2006)</i>	<i>6</i>
<i>Graph 5 : Trend of net FDI (billions of FCFA).....</i>	<i>8</i>
<i>Graph 6 : Trend of the relative investment ratio (%).....</i>	<i>9</i>
<i>Graph 7 : Comparative evolution of the ICOR.....</i>	<i>10</i>
<i>Graph 8 : Evolution of the balance of goods and services, export effort and propensity to import (% of GDP).....</i>	<i>12</i>
<i>Graph 9 : Evolution of trade balances (% of GDP).....</i>	<i>13</i>
<i>Graph 10 : Evolution of coverage rates.....</i>	<i>14</i>
<i>Graph 11: Evolution of the foreign penetration rate</i>	<i>15</i>
<i>Graph 12 : Growth in domestic supply and international demand for the top 15 products exported by Cameroon in 2021</i>	<i>16</i>
<i>Graph 2: Soybean production and imports of soya-meal (in thousands of tonnes)</i>	<i>25</i>
<i>Graph 3: Trends in imports of pharmaceutical products (in billions of CFA francs)</i>	<i>26</i>
<i>Graph 4: Average unit production costs of companies by industry in 2021</i>	<i>27</i>
<i>Graph 5: Structure of enterprises production costs in 2020 and 2021</i>	<i>28</i>
<i>Graph 6: Structure of enterprises' production costs in 2021 per line of business (in %)</i>	<i>28</i>
<i>Graph 7: Pump prices of petrol and diesel in 2021.....</i>	<i>29</i>
<i>Graph 8: Electricity access rates in selected countries in 2019.....</i>	<i>30</i>
<i>Graph 9: APR per credit duration and type of legal entity.....</i>	<i>32</i>
<i>Graph 10: Trend in TEU freight rate growth in 2020 and 2021</i>	<i>32</i>
<i>Graph 11: Trends in container transit times in the port of Douala (in days).....</i>	<i>34</i>
<i>Graph 12: Gaps in Institutions Pillar sub-dimension scores between Cameroon and Rwanda.....</i>	<i>37</i>
<i>Graph 13: Ranking of selected countries according to the Corruption Perceptions Index</i>	<i>38</i>
<i>Graph 14: Gaps in the sub-dimensions scores of infrastructure pillar between Cameroon and Egypt</i>	<i>39</i>
<i>Graph 27 : Differences in sub-dimensions scores between Cameroon and Egypt in the Innovations pillar</i>	<i>45</i>

Executive summary

This edition of the annual report on the competitiveness status of Cameroon's economy is part of the search for ways and means of consolidating economic growth and improving the population's standard of living. The report is based on global competitiveness indicators as well as foreign trade performance indicators. It examines the level and evolution of production and transaction costs and takes stock of recent initiatives to improve competitiveness. Its objective is to highlight the main obstacles to competitiveness, with a view to formulating recommendations that will fuel the dialogue between the business community and public authorities.

As regards economic performance, after the slowdown observed in 2020 (+0.5%) following the COVID 19 pandemic, there was a recovery in 2021, with a 3.5% growth in Gross Domestic Product. In addition, inflation was kept under control at 2.3%.

With regard to **trade performance**, the value of Cameroon's trade in goods and services increased by 10.8% in 2021, compared with a 22.5% drop recorded the previous year. With regard to external market, Cameroon is ranked 113rd in the world in terms of exports that is up by one place as compared to 2020. With 2.2% of the international market, Cameroon is the 10th largest exporter of bananas in the world. The country is better represented on the cocoa market: 3rd largest exporter of cocoa beans in the world with a share of 5.6%. On the domestic market, however, with the exception of local fish producers who have improved their competitive position by increasing their market share, there has been a stagnation in the market share of maize producers, and a decline in the shares of local rice, sugar and crude palm oil producers. Moreover, the trade balance remains in deficit, even if the size of the deficit has been reduced in 2021 (4.9% of GDP, the lowest rate since 2017). Excluding oil, the deficit is larger (8.8% of GDP in 2021) and is widening at an average annual rate of 2.7 points over the period 2017-2021.

As for the **costs of factors of production and transactions**, they remain relatively high in Cameroon. The cost of electricity, in particular, remains above the average for sub-Saharan Africa. The same is true for the cost of mobile telephony and the internet. In addition, the cost of financial capital, although falling in 2021, continues to be very high for many businesses.

Cameroon's position in international competitiveness rankings has improved in several domains, notably Institutions, Infrastructure and Innovation. However, there are still significant challenges ahead to reach the stage where most of the benchmark countries considered in Vision 2035 are found.

Several **initiatives were carried out in 2021 to strengthen competitiveness** and improve the attractiveness of national economy, notably the accompaniment and support for the production of consumer products, the partial or total exemption from customs duties on the import of certain inputs (fertilisers, pesticides, equipment and materials) dedicated to agropastoral, fisheries and pharmaceutical activities.

Finally, it is proposed, in the light of the competitiveness table drawn up in this report, a set of measures whose main lines are as follows:

- **The development and implementation of a national scheme for logistics and input supply;**
- **The continuation of efforts to increase the quality and quantity of the economic infrastructure offer;**
- **The implementation of a programme for the development of spaces dedicated to economic activities with sectoral specificities ;**
- **The continuation of efforts to improve the business environment (land reform, reduction of regulatory compliance costs).**

Introduction

In order to strengthen the public-private dialogue necessary to improve the competitiveness of the national economy, the Government set up the Competitiveness Committee. This is a high-level consultation framework between the public and private sectors with a view to finding solutions to the problems of competitiveness of the economy and businesses. This structure is also in charge of preparing and submitting to the Prime Minister, Head of Government, an annual report on the competitiveness status of the national economy.

The general objective of this report is to take stock of the competitiveness of Cameroon's economy in 2021, identify the achievements to be consolidated and the obstacles to overcome. It also takes stock of recent government initiatives aimed at strengthening competitiveness, and proposes new measures to be implemented.

This report is broken down into five parts to give a clearer picture of the contours of competitiveness:

The first is devoted to the evaluation of economic performance. It is based on the growth rate of the gross domestic product (GDP), inflation, the current account balance, the real effective exchange rate (REER), FDI, the investment rate and the relative investment ratio.

The second part deals with the performance indicators of foreign trade and presents an analysis of the dynamics of the main products exported by Cameroon or with a high export potential.

The third part analyses the evolution of the costs of factors of production and transactions.

The fourth part assesses the competitiveness of the national economy according to a benchmarking scheme. The indicators used are those produced by international organisations in the field of competitiveness and attractiveness, notably the World Economic Forum and the World Bank. These include factors in the business environment (institutions, infrastructure, macro-economic framework, etc.) that affect the decision to invest and the level of productivity.

The fifth part looks at policies and initiatives to support competitiveness. Efforts undertaken to improve the competitiveness and resilience of private enterprises are analysed.

Chapter 1: Macroeconomic performance

This chapter is devoted to analysing the evolution of the overall performance of the economy. Improving the competitiveness of an economy should result in higher real incomes and living standards for the population. The objectives for countries are, among others, a sustained growth of the real Gross Domestic Product (GDP), a control of the level of inflation, and a current account balance framed within limits that are not harmful to the economy. Other macroeconomic indicators reflect the level of price competitiveness, which help assess trade performance, productive capacity and the strengthening of integration into global value chains. The analysis includes the evolution of the real effective exchange rate, Foreign Direct Investment (FDI) inflows and investment productivity.

1.1. Economic growth

In 2021, GDP growth rebounded to 3.5%, after a slowdown observed in 2020. This rebound is supported by the recovery of the non-oil sector as well as that of the global economy. From a sector point of view, this growth was dynamic in the primary (+4.1% against 0.6% in 2020) and tertiary (+3.6% against 0.6% in 2020) sectors. Conversely, growth in the secondary sector has slowed from 3.2% in 2020 to 2.9% in 2021. While Cameroon performed less than the average for Franc zone member countries or all sub-Saharan African countries, it recorded a better performance than the average for CEMAC countries and oil exporting countries.

Table 1 : Evolution of real GDP from 2018 to 2021 (in %)

	2018	2019	2020	2021
<i>Cameroon</i>	4.1	3.9	0.5	3.5
<i>CEMAC</i>	0.9	2.0	-1.6	1.4
<i>Member countries of the Franc zone</i>	4.4	4.4	0.6	4.2
<i>Sub-Saharan Africa</i>	3.2	3.1	-1.7	4.5
<i>Oil exporting countries</i>	1.2	1.7	-2.3	2.9

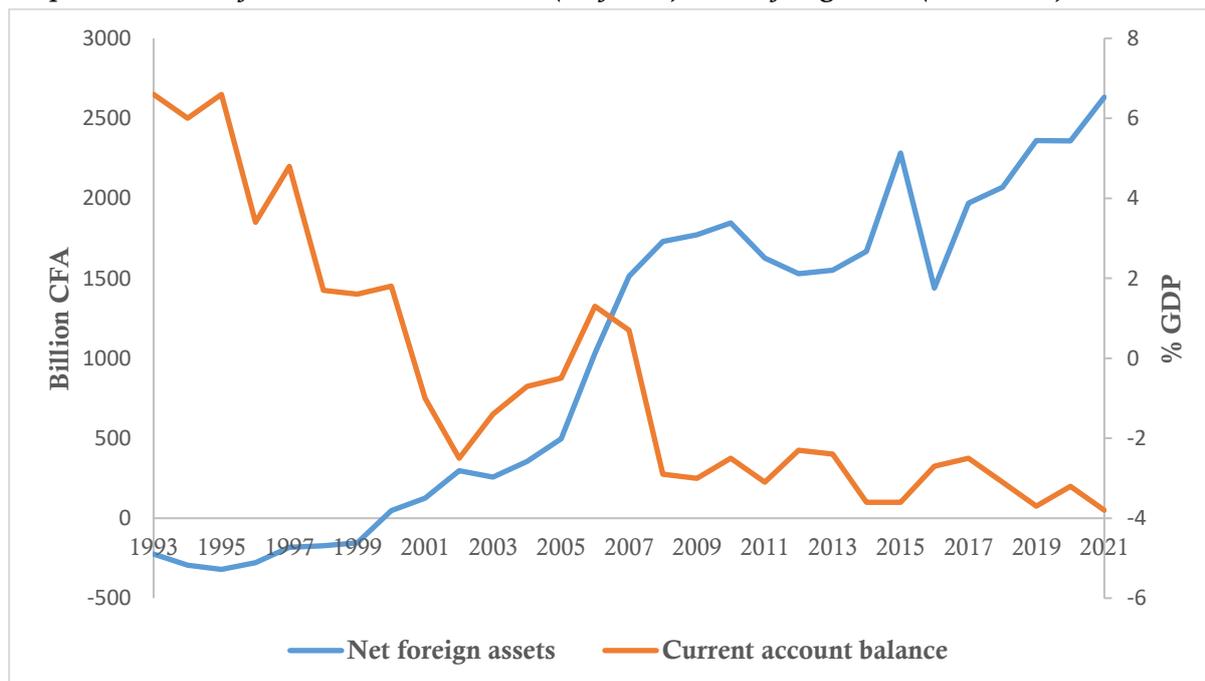
Source: IMF, Regional Economic Outlook: Sub-Saharan Africa, April 2022

1.2. Current account balance and foreign exchange reserves

In 2021, the current account deficit would be 3.3% of GDP against 3.7% in 2020. This result confirms the deficit trend of this account observed since 2007. This deficit is the result of a persistently unfavourable balance of goods, a balance of trade in services that improves little, and a balance of primary income driven negatively by the interest paid on the external debt and the repatriation of profits of foreign companies established in Cameroon.

Over the 2017-2021 period, net foreign assets averaged 9.7% of GDP compared with 10.4% of GDP between 2010 and 2016, a deterioration of about 0.7 percentage points of GDP.

Graph 1 : Evolution of the current account balance (% of GDP) and net foreign assets (billion CFA)



Source: Based on BEAC and MINFI data

The deficit on trade in goods and services remains structural despite a steady increase in net foreign assets since 2016. This situation is indicative of an over-proportional evolution of imports as compared to exports. Indeed, despite the 16.5% drop in imports in 2020, the fall in revenue from the main export products, including crude petroleum oils, liquefied natural gas, raw cocoa beans and raw cotton, has not led to a significant reduction in the deficit. Moreover, the difficulty of the local supply of intermediate and final consumption products to successfully position itself on the markets as a replacement for imported products remains.

1.3. Evolution of price competitiveness

The price competitiveness of a nation reflects its capacity to maintain a price/cost advantage over its competitors. It evolves according to several parameters such as national prices, the exchange rate, the interest rate, etc.

1.3.1. Prices

Despite the inflationary pressures observed in most countries in 2021, Cameroon has made efforts to control its prices, which has enabled it to record an inflation rate of 2.3%, below the community threshold. Over the past five years, the country's macroeconomic stability has been reinforced by an inflation level contained at an average of 1.8%.

Structurally and by consumption function, inflation has been sustained in recent years by the prices of food products and non-alcoholic beverages, alcoholic beverages and tobacco, clothing and footwear, but also by the rising costs of restaurant and hotel services. Specifically for cement, a key input in the Building and Public Works (BPW) sector, prices have been rising since the fourth quarter of 2020. In 2021, there was an increase of almost

10% in prices, mainly due to higher food prices. Food inflation currently stands at 4.3% and contributes 1.3 percentage points to inflation.

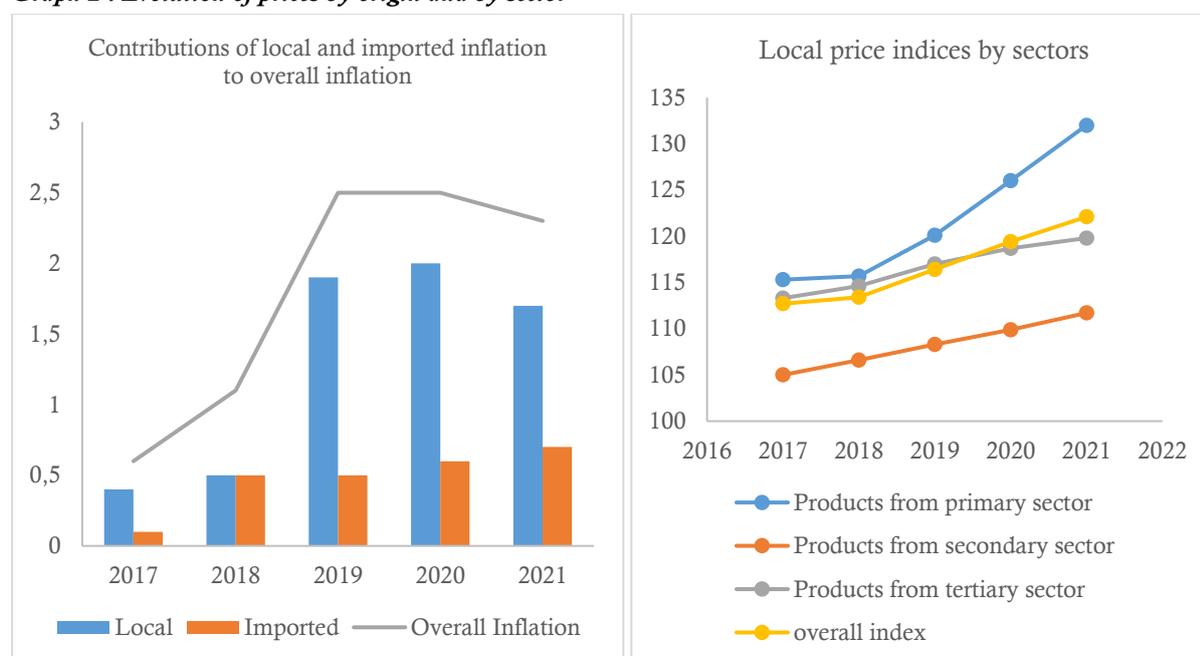
Table 2 : Inflation rate and contribution per consumption function

Consumption function	2019		2020		2021	
	Inflation	Contribution	Inflation	Contribution	Inflation	Contribution
Food and non-alcoholic beverages	2.9%	0.94	3.6%	1.16	4.3%	1.39
Tobacco and drugs	4.7%	0.07	3.0%	0.05	2.1%	0.03
Clothing and footwear	2.8%	0.28	2.3%	0.23	2.2%	0.21
Housing, water, gas, electricity and other fuels	1.7%	0.21	3.0%	0.38	1.8%	0.23
Furniture, household goods and routine household maintenance	1.9%	0.09	1.5%	0.08	1.4%	0.07
Health	0.6%	0.03	0.2%	0.01	0.2%	0.01
Transports	1.9%	0.24	2.0%	0.25	0.8%	0.10
Communication	0.3%	0.01	0.6%	0.03	0.4%	0.02
Leisure and culture	1.3%	0.05	1.6%	0.05	1.0%	0.03
Teaching	1.2%	0.04	0.7%	0.02	1.2%	0.04
Restaurants and hotels	5.7%	0.40	2.3%	0.17	1.5%	0.11
Various Goods and Services	2.6%	0.14	1.3%	0.07	1.1%	0.06
Global index	2.5%		2.5%		2.3%	

Source: Based on NIS data

This rise in food prices in 2021 is attributable to the prices of bread and cereals (+5.7% and a contribution of 1.3 percentage points to food inflation), vegetables (+3.8%), meat (+4.6%), oils and fats (+6.9%) and fish and seafood (+3.3%).

Graph 2 : Evolution of prices by origin and by sector



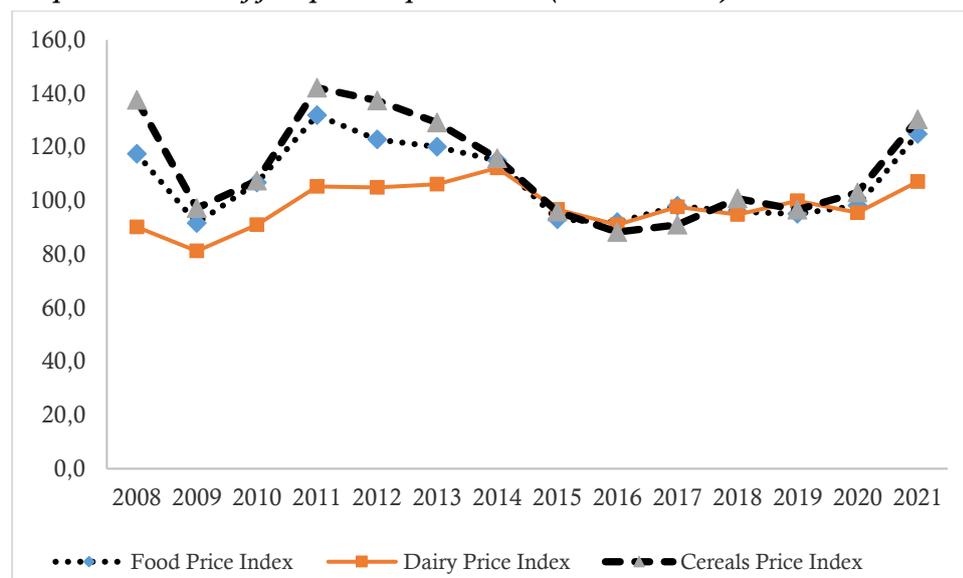
Source: Based on NIS data

Depending on the origin of the supply, inflation is more likely to be caused by local products than by imported products. The prices of products from the primary sector have

been particularly dynamic, due to the disruption of supply circuits and low of food production in the main production basins.

All other things being equal, this is indicative of an economy whose productive performance is gradually improving, amplified by the rise in world prices of inputs needed for industry and agriculture. At the global level and based on FAO statistics, almost all agricultural food prices have risen since 2015, approaching its historically high level of 2011 in 2021.

Graph 3 : Evolution of food products price indexes (base 100=2016)



Source: Based on FAO data

1.3.2. Investment rate

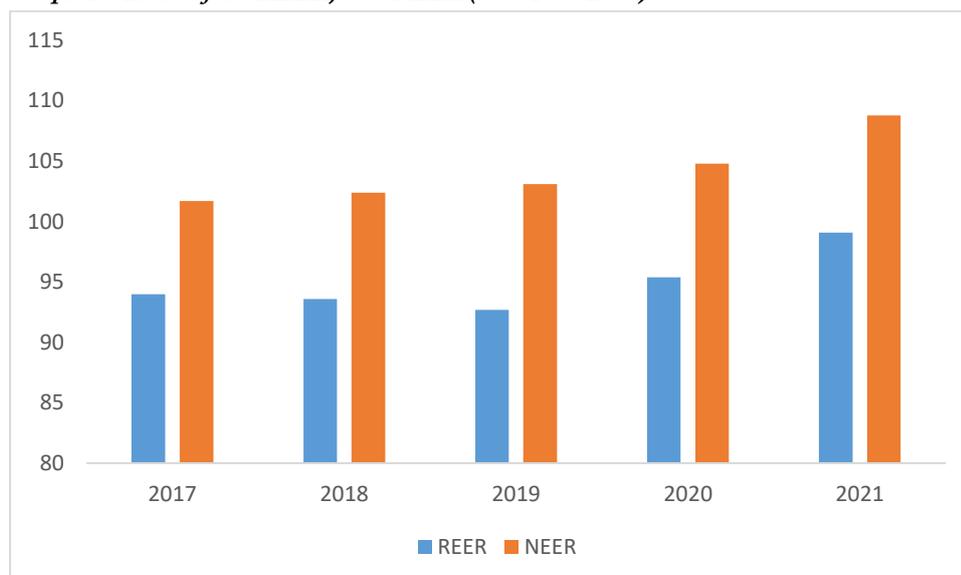
1.3.3.1. Trend of the real effective exchange rate (REER)

The real effective exchange rate ¹of Cameroon stood at 99.1 in 2021, up by 3.9% as compared to the previous year, reflecting a loss of competitiveness. A review of the data for the period 2017-2021 shows that the REER fell by 0.5% and 0.9% in 2018 and 2019 respectively, reflecting a gain in price competitiveness in these two years. Conversely, this rate increased by 2.9% in 2020. Thus, Cameroon has recorded a loss of price competitiveness vis-à-vis its main trade partners in 2020 and 2021.

From 2017 to 2021, the nominal effective exchange rate is on an upward trend. In 2020, for example, the CFAF appreciated nominally against the US dollar (+4.1%), the pound sterling (+2.7%), the euro (+1.8%) and the yuan (+1.7%). The gains in competitiveness in 2018 and 2019 are explained by the price differential in favour of Cameroon.

¹ The real effective exchange rate is the relative domestic price compared to the average price of the partners. It helps establish to what extent variations in exchange rates, prices or costs in different trading partners influence the competitiveness of the country concerned.

Graph 4 : Trend of the REER, and NEER (base 100=2006)



Source: Competitiveness Committee 2022

1.3.3.2. Trend of the real bilateral exchange rate

In 2021, the real bilateral exchange rate depreciated against China, Spain, Côte d'Ivoire, Gabon and Togo. However, it appreciated against Chad, Thailand, Turkey, Vietnam, the United States of America and Portugal.

Table 3: Trends of the real bilateral exchange rate indexes from 2017 to 2021 with the main trade partner (in %)

Partners	2017	2018	2019	2020	2021
Belgium	-1.5	-1.0	1.0	1.5	0.1
China	2.8	1.3	-1.4	1.8	-1.7
South Korea	-1.8	1.3	2.5	5.1	0.4
Côte d'Ivoire	0.0	0.7	3.6	0.1	-1.7
Spain	-1.3	-0.6	1.7	2.6	-0.5
United-States of America	0.6	3.1	-4.6	3.1	1.4
France	-0.4	-0.8	1.3	1.8	0.9
Gabon	-2.0	-3.5	0.0	1.3	-1.4
India	-3.7	6.8	-3.6	3.0	0.4
Italy	-0.6	-0.1	1.8	2.4	0.7
Nigeria	6.3	-5.6	-12.6	8.1	0.8
The Netherlands	-0.7	-0.6	-0.2	1.0	-0.1
Portugal	-0.7	0.1	2.1	2.3	1.3
Chad	2.2	-3.1	3.5	-1.9	3.1
Thailand	-1.9	-0.5	-7.3	6.1	7.2
Togo	1.6	0.1	1.8	0.6	-14.5
Turkey	11.6	20.2	-0.9	14.8	24.3
Vietnam	1.2	3.1	-3.6	1.8	4.1

Source: Competitiveness Committee 2022

1.4. Budget balance and external debt

The consolidation of macroeconomic stability is a factor of competitiveness. This competitiveness factor will be assessed here through the level of the fiscal balance and the sustainability of the external debt. Over the past few years, Cameroon has been engaged in a process of public finance reform aimed at improving control of public accounts.

1.4.1. Budget balance

The primary balance, which measures the state's capacity to intervene in the economy and support its long-term investment strategies (thus improving attractiveness and reducing the costs of production and transaction factors), fell from 2.6% of GDP in 2020 to 2.1% in 2021. The overall fiscal balance narrowed by 0.7 percentage points compared to 2020 to 2.9% of GDP in 2021.

Table 4: Trend of budget balances from 2019 to 2021 (in % of GDP)

Type of Balance	2019	2020	2021
Primary balance	-2.4	-2.6	-2.1
Overall balance	-3.4	-3.6	-2.9

Source: MINFI/DGB, June 2022

1.4.2. External debt

Public debt, which increased to about 45.8% of GDP in 2020 and 2021, is projected to be 43.8% of the GDP in 2022².

Compared to the 2020 financial year, external debt servicing has increased by 10.3 percentage points of both exports and budgetary revenue to 29.9% and 21.4% respectively. The lifting of the suspension of debt service payments in 2020 and the repurchase in July 2021 of the Eurobond issued in 2015 in the amount of 433 billion can explain the sustainability of fiscal policy.

Table 5: Trend of the external debt

	2019	2020	2021
External debt service (% of exports)	20.9	19.6	29.9
External debt service (% of budgetary revenue)	14.2	11.1	21.4

Source: MINFI, June 2022

1.5. Investment

This section analyses the trend of investment and its effectiveness.

1.5.1. Dynamics of investment intentions

As for the public sector, an amount of 1132.9 billion has been ordered for public investment in 2021. The priorities of this budget included: (i) the continuation of special investment

² IMF, Sub-Saharan Africa Regional Economic Outlook, April 2022

programmes (African Cup of Nations, PLANUT, PTSJ); and (ii) the commissioning of major first-generation projects, notably the finalisation of related infrastructure.

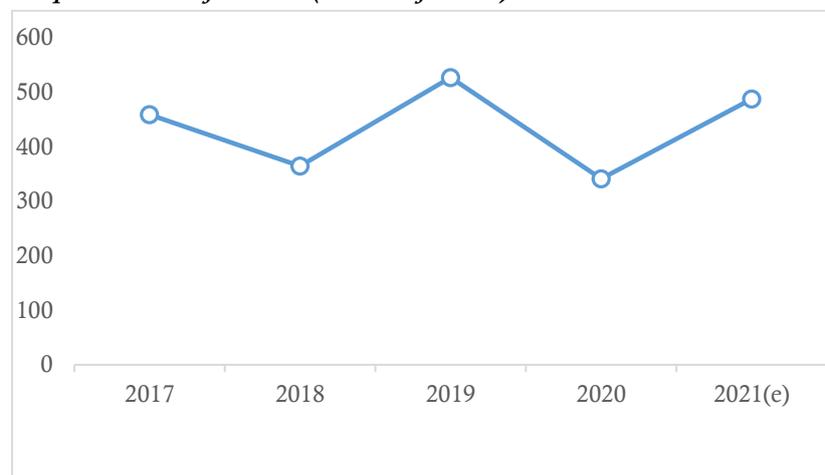
In the private sector, as at 31 December 2021, there were more than 240 agreements signed between investors and the Investment Promotion Agency³. These agreements represent an amount of CFAF 4,048 billion in projected investments and more than 70,000 projected jobs.

The sectors of concentration of the said investments are, among others, agribusiness, hotels, housing, health, the wood industry and energy. The challenge remains the transformation of the above-mentioned intentions by investors into actual achievements. It should also be noted that, as far as the law on economic zones is concerned, no investment is recorded at the end of 2021.

1.5.2. Foreign Direct Investment (FDI)

After a particularly difficult year in 2020 due to the economic slowdown following the COVID 19 pandemic, Cameroon experienced an increase in Foreign Direct Investment (FDI) inflows of around 42.9% in 2021. Some direct investment projects can be noted: the construction of a cement and clinker production plant in Figuil, with a production capacity of 500,000 tonnes of cement and 1,000 tonnes of clinker per year, as well as the extension to 1.6 million tonnes of the CIMAF plant, the establishment of two new subsidiaries of the BANGE Bank and ACCESS Bank, both non-resident, and the continuation of construction work on shopping centres by foreign investors.

Graph 5 : Trend of net FDI (billions of FCFA)



*Source: MINFI/DP (*2021 Data are estimates)*

Globally, the risks associated with the latest wave of the coronavirus pandemic, the pace of the roll-out of vaccination programmes and economic support measures, fragile macroeconomic situations in key emerging markets and the uncertainty of the global policy environment with regard to investment have negatively influenced FDI flows in 2021.

³ At the level of the Investment Promotion Agency, nearly 200 agreements had been signed by 31 December 2020.

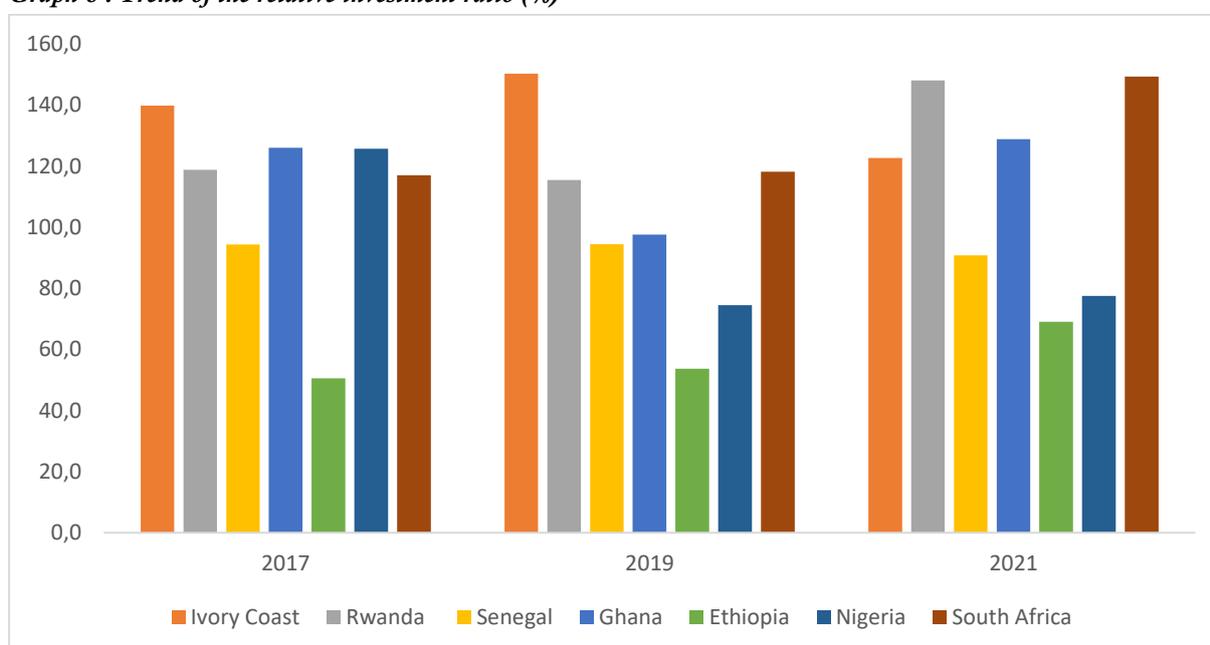
1.5.3. Effectiveness of investment

1.5.3.1. Relative investment ratio

The assessment of the relative investment ratio⁴ over the period 2017-2021 reveals that for all the countries selected, Ethiopia, Nigeria and Senegal have made less effort to invest than Cameroon.

Furthermore, the analysis of the variation in investment effort, which reflects Cameroon's potential competitiveness, indicates that Cameroon was potentially more competitive than Côte d'Ivoire in 2021 (variation of -1.6 points). In contrast, Rwanda (+22.5 points), Senegal (+3.1 points), Ghana (+11.9 points), Ethiopia (+11.3 points), Nigeria (+17.2 points) and South Africa (+10.1 points) were potentially more competitive than Cameroon.

Graph 6 : Trend of the relative investment ratio (%)



Source: Competitiveness Committee based on WEO data

1.5.3.2. Production of investment

For the increase in the relative investment ratio to result in a gain in competitiveness, the country must ensure a level of marginal capital efficiency comparable to that of reference countries. In this respect, the trend of the Incremental Capital Output Ratio (ICOR)⁵) which measures the marginal efficiency of capital, can help to refine the analysis of the relative investment ratio. The ICOR is a measure of the marginal amount of investment

⁴ Measured by gross fixed capital formation of all economic agents as a percentage of GDP.

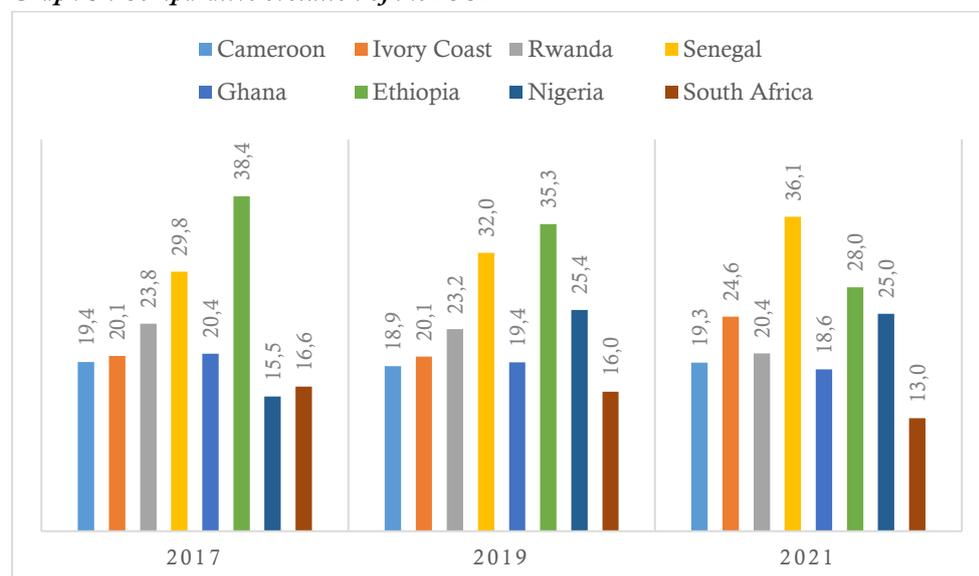
⁵ The ICOR is calculated by comparing the ratio of investment to the variation in production. It is the inverse of the productivity of investment. It is the number of investment units required to produce one additional unit of GDP.

capital required to generate one unit of output (GDP). A high value of the ICOR indicates that the country's production is inefficient and therefore not preferable. It should also be noted that a negative value of the ICOR reflects an unproductive or inefficient use of resources.

The review of the ICOR for the year 2021 shows that, on average, the marginal amount of investment capital needed to generate a unit of output (GDP) and thus increase investment is more efficient in Cameroon (5.6 points) than in Nigeria (7.1 points) and Senegal (6.3 points). However, this value being higher than the comparison countries indicates that Cameroon will have to make more effort to reach the level of countries such as Rwanda (2.2) and South Africa (2.8).

It is also noted that the ICOR value for Cameroon remains above 3, which is the threshold for effectiveness. This result is probably indicative of the difficulties observed in completing public investment projects within the allotted time, which, coupled with the delays observed in the commissioning of some of these projects, particularly infrastructure projects, have not had the expected effects in terms of reducing the costs of certain factors or increasing energy supply. The cause of these delays is the difficulty in significantly reducing the gaps between the overall production achieved and the potential production. The implementation rate of projects financed from the public budget was 74.99% in 2021, down 17.4% from 92.36% in 2020. Several pitfalls are cited for this underperformance, including the failure of some contractors, difficulties in making counterpart funds available and late transfers of some credits.

Graph 7 : Comparative evolution of the ICOR



Source: Based on WEO data

In addition, the volume of private investment or public investment in the production of goods and services is likely to be insufficient. The relative costs of compliance by firms to meet regulatory requirements, while not specific to Cameroon, may partially explain the drag on investment productivity.

Furthermore, the allocation of investment resources is more oriented towards the service sector than towards industry or activities upstream of industry. In addition, in a logistics/supply chain scheme in the agro-industrial sector, the lack of a continuous upstream supply of raw materials and other inputs such as electrical energy undermines the optimisation of investments in this sector.

In short, there was an economic recovery in 2021, after the adverse effects of the COVID 19 pandemic in 2020. Economic growth has rebounded, and the current account deficit has narrowed slightly. However, the real effective exchange rate has increased, reflecting a loss of price competitiveness vis-à-vis the country's main trade partners. In addition, investment efforts have been recorded, but the efficiency of such investments remains relatively low.

Chapter 2: Trade performance

This chapter analyses competitiveness from the perspective of trade performance. It reviews indicators relating to trade in goods and services with the rest of the world. The positioning of certain strategic or high potential products on the markets is also discussed.

2.1. Trade in goods and services

This section examines the trends of some indicators that provide an overall picture of the trade competitiveness of the economy. The dynamics of trade by product is also reviewed.

2.1.1. Global view

In 2021, the value of Cameroon's trade in goods and services increased by 10.8%, compared with a 22.5% drop recorded the previous year. This development is the result of the economic recovery from the COVID 19 pandemic. With an increase of 7.2% in exports, Cameroon is ranked 113th in the world⁶, a gain of one place compared to 2020.

Graph 8 : Evolution of the balance of goods and services, export effort and propensity to import (% of GDP)



Source: Based on NIS data

The export effort (or export rate) has fallen by an annual average of 2.4 points over the past five years, to 16.3% of GDP in 2021. Imports of goods and services have a relatively higher share in GDP over the period 2017-2021 (21.1%, compared to 17.6% for exports).

As a result of the above developments, the balance of goods and services remains in deficit, and worsens in 2021 (4.7% of GDP, the highest deficit of the last five years).

2.1.2. Trade in goods

According to statistics on the custom information system, the value of trade in goods is expected to rise by 24.9% in 2021, against a drop of 20.3% in 2020. Cameroon's exports

⁶ Based on data from UNCTAD's International Trade Centre.

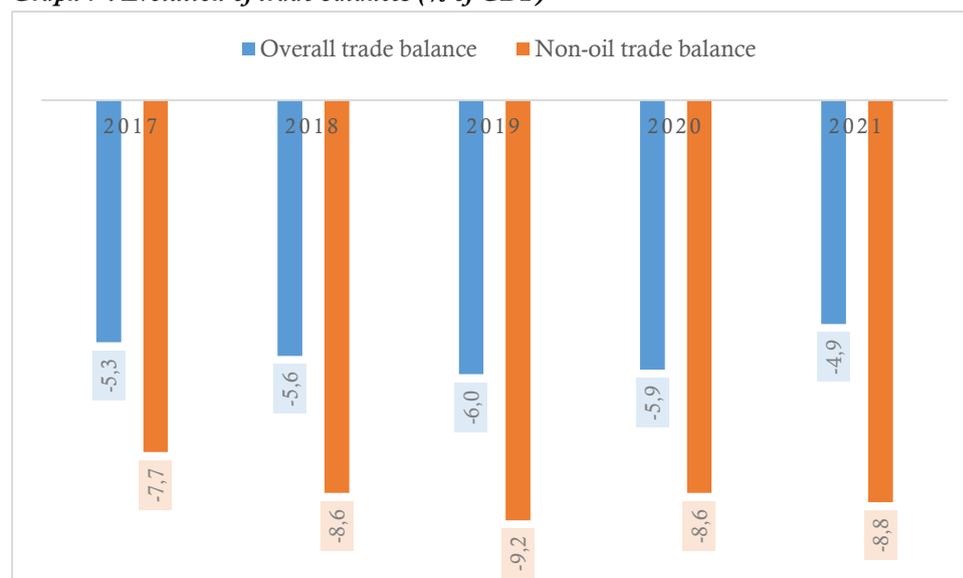
of goods have been more dynamic than global demand since 2017. Its exports grew by an average of 5% over the 2017-2021 period while world demand grew by only 3%, according to the International Trade Centre (ITC). This dynamic is mainly driven by cocoa and its preparations, animal fats and oils, and vegetables, where Cameroon ranks 18th, 112th and 101st respectively in world exports. However, the low technological content of the goods exported by the country is to be deplored. This dynamic would be further accelerated if the fundamental reforms of the NDS30 are diligently implemented, particularly those concerning the structural transformation of the economy and the improvement of economic governance.

In 2021, trade competitiveness and the performance of certain products were mixed.

2.1.2.1. Trade balances

The trade balance remains in deficit over the past five years, although the size of the deficit has been reduced in 2021 (4.9% of GDP, the lowest rate over the period). Excluding oil, the deficit is larger (8.8% of GDP in 2021) and is widening at an average annual rate of 2.7 points over the period 2017-2021.

Graph 9 : Evolution of trade balances (% of GDP)



Source: Based on MINFI/DGD and NIS data

In addition, the trade balance of certain main exported products is positive over the 2017-2021 period. Cameroon sells more than it imports crude petroleum oils, liquefied butanes, cement, soaps and detergents, and wood and wood products. On the other hand, the balance of "perfumes and cosmetics" is in deficit over the period. With the exception of 2019, Cameroon is a net importer of fuels and lubricants from 2017 to 2021. However, the deficit is reduced by 53.2 billion compared to 2020.

Table 6 : Evolution of the balance of trade in some products (in billions)

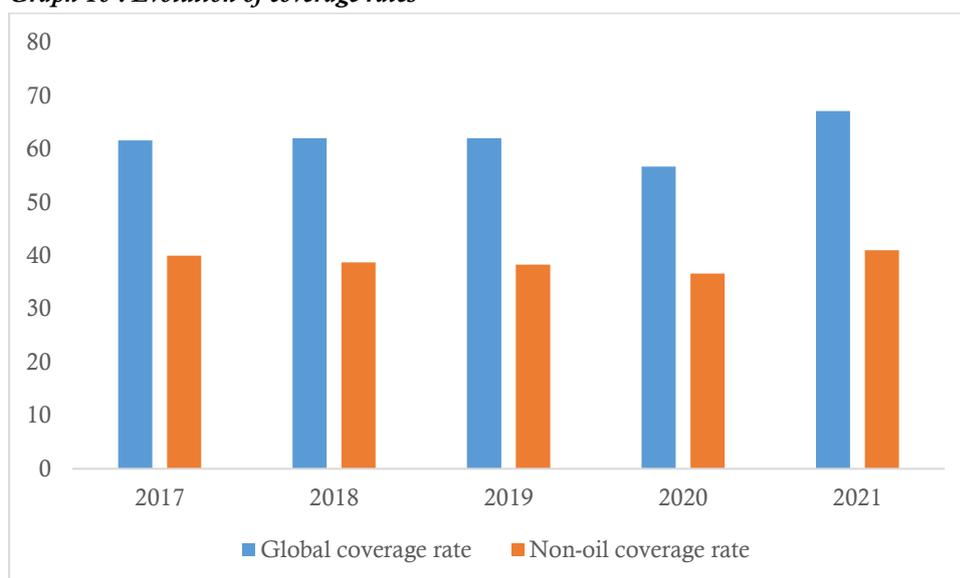
Product name	2017	2018	2019	2020	2021
Cement	5.0	-5.4	1.1	0.44	0.32
Petroleum crude oils	533.2	689.5	779.6	640.2	969.3
Fuels and lubricants	-187.9	-420.3	31.5	-528.2	-475.0
Liquefied butanes	-31.3	80.5	230.9	162.8	186.9
Perfumes and cosmetics	-30.8	-30.1	-26.6	-27.3	-29.1
Soaps and detergents	18.5	12.8	13.7	9.4	9.0
Wood and wood products	290.5	304.6	276.5	251.1	402.8

Source: MINFI/DGD and our calculations

2.1.2.2. Rate of coverage of imports by exports

The rate of coverage of imports by exports stood at 67.1% in 2021, reflecting the fact that exports cover 67.1% of import expenditure. This rate recorded in 2021 is the best result since 2017. The non-oil coverage rate is lower (38.9% on average over the period).

Graph 10 : Evolution of coverage rates

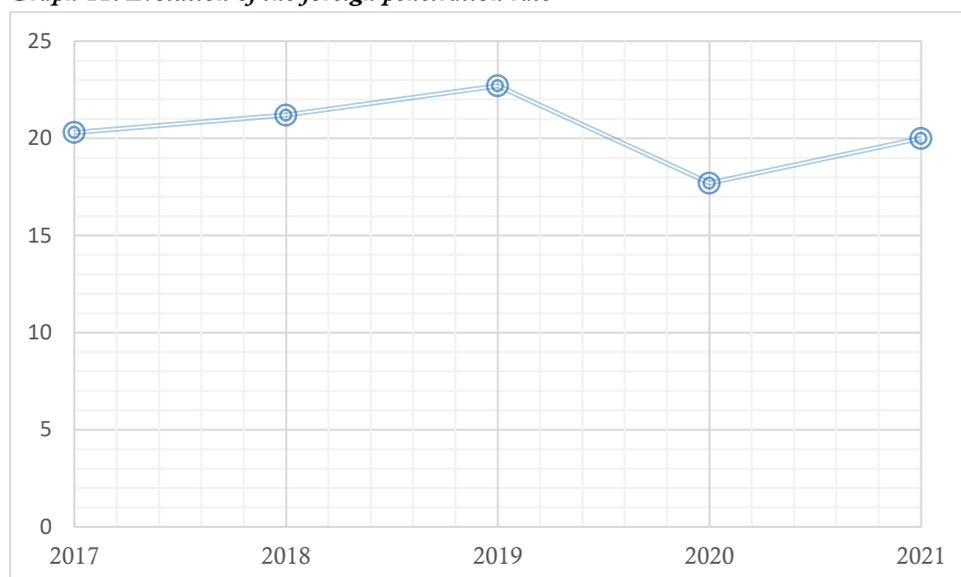


Source: Based on MINFI/DGD data

2.1.2.3. Domestic market penetration rate

The market penetration of foreign products, which stands at 20% in 2021, is on an overall upward trend over the period 2017-2021. This reflects the difficulty for local producers to gain more share in the domestic market, as at the same time imports of final consumer goods have increased.

Graph 11: Evolution of the foreign penetration rate



Source: Based on MINFI/DGD data

2.1.2.4. Dynamics of trade in key products

In 2021, according to foreign trade statistics, Cameroon's top ten export goods accounted for over 89% of the total value of exports. These are crude petroleum oils (38.8% of total exports), sawn wood (11.6%), raw cocoa beans (10.8%), liquefied natural gas (9.5%), raw cotton (5.7%), logs (3.8%), cocoa paste (2.9%), raw rubber (1.8%), cocoa butter (1.7%) and bananas (1.2%).

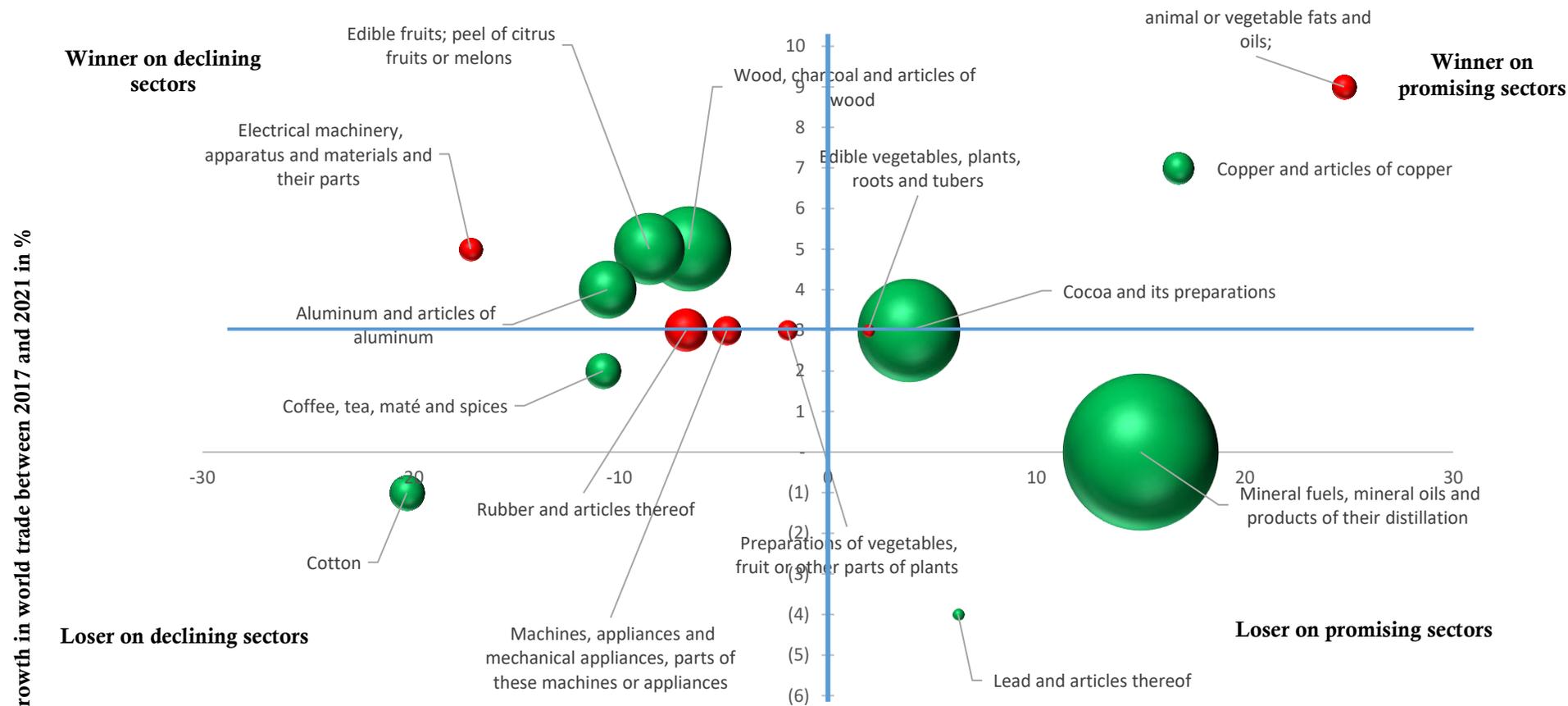
Over the period 2017-2021, exports of bananas, raw cocoa beans, raw rubber, logs and raw aluminium fell on average, while the other six products recorded an average increase in export quantities.

A joint examination of the evolution of Cameroon's exports and that of world demand reveals three groups of products: (i) The so-called dynamic products (increase in national exports and world demand); (ii) and the so-called declining products (decrease in national exports and world demand); and (iii) those with strong potential (decrease in national exports and increase in world demand).

The most dynamic products are liquefied natural gas, sawn wood, raw cotton, cocoa paste and cocoa butter. In contrast, coffee, natural rubber and logs are losing ground. Products with the greatest potential are bananas, cocoa and its preparations, pineapples, household soaps, palm oil and fertilisers.

Report of the competitiveness status of Cameroon's Economy in 2021

Graph 12 : Growth in domestic supply and international demand for the top 15 products exported by Cameroon in 2021



● : Cameroon is a net exporter

● : Cameroon is a net importer

The size of the ball is proportional to the exports value

Source: Competitiveness Committee, based on ITC/UNCTAD data

2.1.3. Trade in services

International trade in services has suffered the effects of the global health crisis: restrictions have led to a one-quarter drop in Cameroonian exports after an average growth of 7.5% from 2017 to 2019. Similarly, imports fell by 27% in 2020, compared with a dynamic 8.6% between 2017 and 2019.

The lasting structural deficit in the external account for services has narrowed in 2020, but not in such a way as to alter this constancy. Almost all services trade sectors have suffered from the effects of the crisis, with the exception of the land transport sector (goods and Chadian oil) and telecommunications services.

In 2021, the widening of the balance is mainly attributable to transport services, linked to the increase in the price of maritime freight and insurance. This development reflects the low competitiveness of most service export sectors, amplified by the prolonged effects of the COVID-19 crisis on certain activities.

Table 7 : Trend of the balance of trade in services (in billions of CFA francs)

	2017	2018	2019	2020	2021
Transports: of which	-144.6	-179.9	-228.4	-113.4	-212.6
<i>Maritime freight</i>	-98.3	-137.9	-191.7	-101.0	...
<i>Air passengers</i>	-108.5	-94.7	-116.6	-79.7	...
<i>Inland freight</i>	35.9	36.5	42.1	36.9	...
<i>Pipeline transport</i>	173.7	177.2	174.9	169.7	...
Travel: of which	-65.0	-56.8	-55.5	-70.5	-59.5
<i>Health</i>	-10.9	-11.1	-14.3	-17.2	...
<i>Education</i>	-108.2	-110.4	-127.3	-94.5	...
<i>Other tourist trips</i>	97.7	106.7	-0.7	41.7	...
Insurance and pension services	-38.9	-42.4	-45.5	-37.8	-48.9
Financial services	43.7	46.4	35.2	8.8	...
Telecommunications, IT and Information	33.1	35.3	25.8	27.1	...
Other services n.c.a. of which:	-114.0	-126.9	-93.2	-50.7	-22.7
<i>Construction work</i>	-53.0	-62.1	-69.5	-18.9	...
<i>Technical assistance to companies</i>	-67.0	-79.7	-95.2	-70.6	-164
Total	-285.7	-324.3	-361.6	-236.4	-343.7

Source: Competitiveness Committee based on MINFI/DP data

With the exception of land and pipeline transport (goods and Chadian oil) and telecommunications services, the other sectors exposed to international competition are struggling to conquer the local market, particularly as regards sea and air freight and air passenger transport. The transport of goods constituted the main item of services, due to the insufficiency of the means of transport held by residents. Residents' travel abroad was undertaken by foreign airlines.

It is worth noting the low competitiveness and attractiveness of the national education sector: the deficit in the balance of trade in educational services is about 100 billion on average per year.

Finally, the level of the balance of purchases/sales of technical assistance services calls into question the competitiveness of national skills, and the application of national preference in the solicitation of expertise for the performance of certain technical work by companies:

nearly 700 billion were spent by the private sector on the import of foreign technical assistance services over the period 2017-2020.

All these developments illustrate a loss of competitiveness of the Cameroonian economy in the period under review, and testify to a weak capacity to respond to the ever-increasing demand for several services.

Numerous constraints continue to hamper the development of foreign trade, including: (i) identification of potential markets and buyers, access to inputs at competitive prices, and costs associated with international transport in the case of exports; (ii) port congestion, low ownership of reforms, and unofficial payments along cross-border corridors in the case of imports.

2.2. Trends in market shares

In this report, market shares are referred to as a result indicator of competitiveness. An economy or company capable of producing quality goods at relatively lower costs than those of its competitors is more likely to conquer and maintain its share of the various markets.

Cameroon's overall market share remains quite low in 2021 (0.002%). Despite being ranked as the 113th exporter in the world in 2021, Cameroon occupies a notable position in the export of some products. These include: 1) sawn sapelli and iroko wood (1st exporter worldwide); 2) other sawn tropical wood (3rd worldwide); 3) cocoa beans, raw tropical wood and cocoa paste (4th); 4) veneer sheets (6th); 5) natural rubber latex (9th); 6) fresh bananas and cocoa butter (11th); 7) liquefied natural gas (20th) and 8) crude petroleum oils (20th worldwide).

2.2.1. World market ranking of some products

This section analyses Cameroon's share of the international market for some export products in which the country benefits from comparative advantages. These are pineapples, bananas, cotton, *coffee*, and *cocoa*⁷.

Pineapple

The world pineapple market was buoyant in 2021, with the value of imports rising by almost 6.7%. The United States of America, with 30.7% of world imports in 2021, is the world's largest importer of pineapple. The European Union (EU) remains the main export market for Cameroon pineapple. Indeed, the main customers for Cameroon' pineapple in 2021 were, in descending order, France (57.4%), Belgium (38.5%), and Switzerland (1.6%).

Cameroon's share of the global pineapple market remains relatively low, at 0.1% in 2021, and 0.1% on average over the period 2017-2021. Cameroon's importance in this market has declined compared to 2012, when it accounted for 0.7%. Major efforts are still necessary to further benefit from this market, which is led by countries such as Costa Rica and the Philippines, ranked respectively as the world's 1st and 2nd largest exporters, with

⁷ International trade data for individual countries are from the International Trade Centre (ITC), and are only available up to 2020.

a market share of 48.6% and 13.2% in 2021. Cameroon, for its part, has five places and will be the 29th largest exporter of fresh pineapple in the world in 2021, behind African competitors such as Côte d'Ivoire, which ranks 19th+ down one place) with a 0.7% market share.

Table 8: Trends in the market shares of some pineapple exporting countries (%)

Exporters	Rank	2017	2018	2019	2020	2021	Average
Cameroon	34 th	0.00	0.20	0.2	0.1	0.1	0.1
Costa Rica	1 st	50.24	49.8	44.94	45.644	48.64	47.9
The Philippines	2 nd	8.8	9.2	14.8	15.2	13.2	12.3
Côte d'Ivoire	9 th	0.6	0.6	0.5	0.5	1.5	0.75

Source: From ITC/UNCTAD data

Productivity and land area ratio for pineapple production are among the factors underlying Cameroon's performance for this product, whose prospective demand is high. According to FAO⁸, pineapple production yields per hectare are half as high in Cameroon as in countries like Costa Rica.

Bananas

The world banana market remained almost stable in 2021, with an increase of 0.5% in the value of imports. It was mainly dominated by Ecuador, the Philippines, Costa Rica, Colombia, Belgium and Guatemala, which accounted for 66.2%. The world's largest importer is the European Union (40.2%), followed by the United States (22.0%).

Cameroon's shares of this market has remained almost stable at around 2% since 2019. Cameroon is the ACP countries' second producer and the world's 10th largest exporter of bananas, behind countries such as Ecuador (1st with 26.0% shares), the Philippines (2nd with 8.6% share), and Côte d'Ivoire (9th with 2.9% shares).

Quantities of bananas exported, up by 0.5% in 2021, are mainly directed towards Europe, in this case Belgium (51.6%), France (17.9%), the UK (15.9%) and Italy (13.3%). Cameroon holds 4.1% of European banana imports in 2021.

Table8: Trends in the market shares of some bananas exporting countries

Exporters	Rank	2017	2018	2019	2020	2021	Average
Cameroon	10 th	0.6	0.5	2.1	2.1	2.2	1.5
Ecuador	1 st	29.1	26.3	24.6	27.2	26.0	26.6
The Philippines	2 nd	9.5	12.6	14.9	12.2	8.6	9.7
Côte d'Ivoire	15 th	1.5	1.5	1.3	1.2	2.9	1.7

Source: From ITC/UNCTAD data

One of the decisive factors in the banana trade's competitiveness is the yield per hectare. FAO data point to a per-hectare yield in Cameroon being less than half that of Ecuador.

⁸<http://www.fao.org/faostat/fr/#data>, consulted on 06/23/2022

Cotton

World cotton imports in value have increased by 35.9% in 2021. The market is still dominated by China, India, the United States, and Vietnam with market shares of 22 %, 14.8%, 11% and 5% respectively. African countries account for about 4.5% of world exports, compared to 5.3% the previous year. Cameroon was the 56th largest exporter of cotton in the world in 2021 (a loss of 17 places compared to 2020), with a share of 0.3%. Cameroonian cotton is mainly exported to Bangladesh (56.4%), Malaysia (26.3%) and China (5.3%).

The African Cotton Association (ACA)⁹ noted that world cotton production has been steadily declining without any impact on the price due to the large stocks held by the largest producers, which account for over 70% of world production. Cameroon's share of the world cotton market has stagnated. This stagnation of Cameroon's share of the world cotton market would not have been problematic if the local textile industry was sufficiently developed to absorb a good part of the seed cotton production, estimated at 357,000 tonnes in 2020.

Table 10: Trends in the market shares of some cotton exporting countries

Exporters	Rank	2017	2018	2019	2020	2021	Average
Cameroon	56 th	0.3	0.3	0.1	0.3	0.1	0.2
China	1 st	26.5	25.7	25.2	23.3	22	24.5
The United States	2 th	13.4	14.0	14.1	14.8	14.5	13.54
Côte d'Ivoire	23 th	0.6	0.6	0.7	0.7	0.4	0.5

Source: Competitiveness Committee based on ITC/UNCTAD data

Cameroon's international position partly reflects low relative yields: cotton production per hectare is about one fifth that of China.

Coffee

The value of world coffee imports rose by 14.8% in 2021. The main exporters are Brazil (16%), Switzerland (9.9%), Colombia (8.8%), Germany (8.3%) and Vietnam (6.54%).⁴ Cameroon's share of this market is still minor (0.1% on average over the 2017-2021 period). Cameroon is ranked 49th in the world coffee export market in 2021 (against 51st rank in 2020), before Côte d'Ivoire (56th). The main customers for Cameroon coffee are France (36.0%), Belgium (19.8%), Portugal (9.8%) and Italy (8.2%).

Table9: Trends in the market shares of some coffee exporting countries

Exporters	Rank	2017	2018	2019	2020	2021	Average
Cameroon	49 th	0.1	0.1	0.1	0.1	0.1	0.1
Brazil	1 st	14.3	14.3	15.3	16.1	16.0	15.2
Vietnam	5 th	9.6	9.4	7.5	6.4	6.54	7.9
Côte d'Ivoire	56 th	0.2	0.4	0.5	0.3	0.3	0.34

Source: From ITC/UNCTAD data

⁹<http://www.hubrural.org/L-Association-cotonniere-africaine.html?lang=fr>, consulted on 06/23/2022

Coffee production yields per hectare in leading countries such as Brazil and Vietnam are respectively 6 and 8 times higher than in Cameroon.

Cocoa

World exports of cocoa beans rose by 21.54% between 2020 and 2021, while imports in value terms rose by 11.6%. The main importing countries are the Netherlands (17%), the United States of America (12.0%), Germany (11.5%), Malaysia (11.2%) and Belgium (9.2%). The world cocoa market is still controlled by Côte d'Ivoire, the leading exporter, with a 42.9% market share in 2021, followed by Ghana (16.1%).

With a 5.6% market share in 2021, Cameroon is the third largest exporter of cocoa beans (up one place from 2020), ahead of Nigeria (3.1% market share). Cameroonian cocoa is mainly shipped to the Netherlands (66.3%), Malaysia (12.0%), Indonesia (8.8%) and Turkey (4.0%). The cocoa market is characterised by considerable re-exports. Belgium, the world's 6th largest exporter of cocoa beans, is also the 5th largest importer, with 9.2% of world imports in 2021.

Table10: Trends in the market shares of some cocoa exporting countries

Exporters	Rank	2017	2018	2019	2020	2021	Average
Cameroon	4 th	4.6	5.44	7.4	7.1	5.6	6.0
Côte d'Ivoire	1 st	40.1	33.84	38.5	40.1	42.9	39.1
Ghana	2 th	18.6	25.4	20.0	46.1	146.1	19.3
Nigeria	6 th	2.0	2.7	2.7	3.1	5.1	3.1

Source: From ITC/UNCTAD data

Also, it is noteworthy that Cameroon's share of the world cocoa market has not progressed significantly since 2016, mainly due to the emergence of a domestic market driven by the increase in local bean processing capacity¹⁰. This processing dynamic should be further supported, especially as the export market could become more competitive with the influx of exports from China. In other respects, more action should be taken to improve the post-harvest treatment of cocoa, to ensure the quality of the beans.

2.2.2. Domestic market shares

This section seeks to review the changes in the domestic market shares of local producers for a few consumer goods, including *rice, fish, maize, sugar, crude palm oil, soya cake, and pharmaceuticals*. The choice of products is guided by their tradability and the availability of data for analysis.

Rice

Though on an upward trend in recent years, national rice production has remained far below national demand. In 2020, Cameroon produced 140,170 tonnes of rice for an estimated demand of 576,949 tonnes, according to MINADER, leaving an estimated gap

¹⁰ According to the National Cocoa and Coffee Board (NCCB), the volume of locally processed cocoa increased by 3.3% in 2020 to 62,341 tonnes, mainly due to the entry of a new operator, Atlantic Cocoa.

of 436,779 tonnes. This production deficit has been exacerbated over the years by insufficient production of substitutable goods such as tubers, cereals and starches.

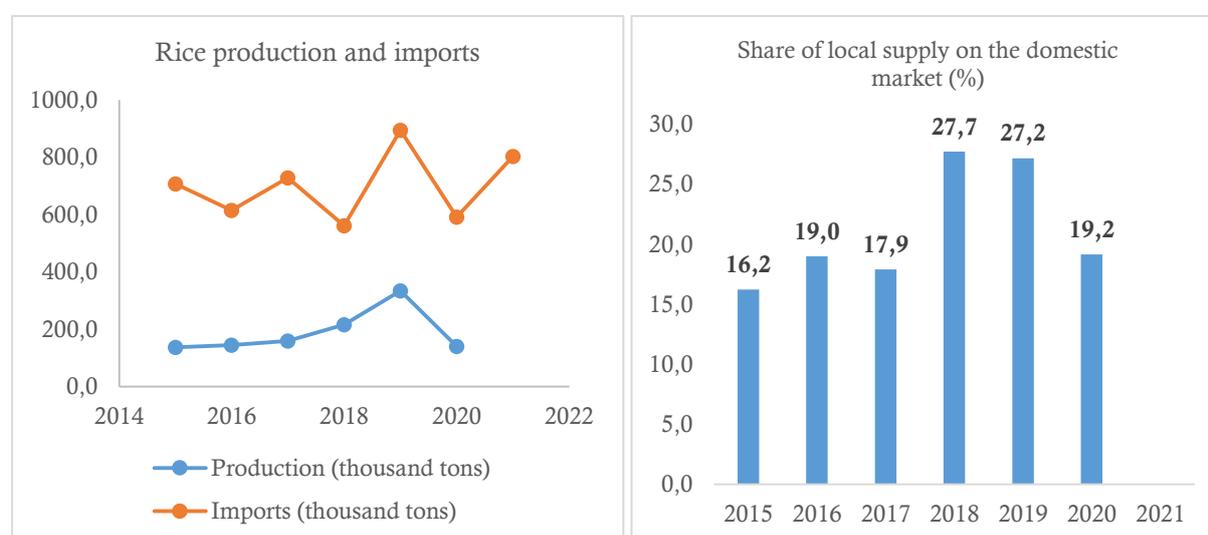
In 2021, the quantities of rice imported have increased by 35% compared to 2020, to reach 803,000 tonnes.

Table 13: Trends in production, imports and the share of local supply in the domestic rice market

	2016	2017	2018	2019	2020
Production (10 ³ tonnes)	144.1	159.1	2015.3	334.0	140.2
Importations (10 ³ tonnes)	614.4	728.4	561.1	894.5	591.6
Domestic market (10 ³ tonnes)	758.5	887.5	776.4	1228.5	731.8
Share of local supply (%)	19.0	17.9	27.7	27.2	19.2

Source: From MINADER, MINFI/DGD data

In 2021, rice imports have increased by 35% compared to 2020, reaching 803 000 tonnes.



Actions to be carried out for improving the local supply of rice on the market include: (i) *substantial increase in the area cultivated*, (ii) *strengthening of technical skills, as well as the technical and technological capacities of operators*. In order to increase the area under cultivation, the State must continue to develop rice-growing areas. To this end, a company could be created to develop areas for cereal production, particularly rice. A survey of producers showed that development costs represent nearly 38.5% of the production cost of paddy rice.

Table 14: Structure of the production cost of a hectare of paddy rice¹¹

	Proportion (%)
Site acquisition (rent)	4.7
Site readiness (land reclamation)	38.5
Sowing	16.5
Maintenance	20.7
Harvesting	17.8
Transport and handling	1.8
Total	100

Source: Competitiveness Committee

¹¹ Based on raw data collected from rice farmers

Technical skills strengthening refers to the definition of training curricula for monitoring technical production processes, the training of young people, and encouraging them to set up in developed areas. Furthermore, building technical and technological capacities refers to equipment (mechanisation) and innovation (high-yield seeds).

Fish

National fish production over the period 2016-2021 is on an upward trend, with an average annual growth rate of almost 4%. However, this output is still insufficient to meet domestic demand. The local supply deficit is made up by imports, which amounted to 201 667 tonnes in 2020, up 8.6% on 2019. In 2021, fish imports fell by 5.8% to 190 023 tonnes.

Table11: Production, imports, and share of local supply on the domestic market

	2016	2017	2018	2019	2020	2021
Production (10 ³ tonnes)	288.3	220.9	293.0	335.1	219.6	223.4
Imports (10 ³ tonnes)	237.2	181.7	225.3	185.7	201.7	190.0
Domestic demand (10 ³ tonnes)	525.5	402.6	518.3	520.8	421.3	413.4
Share of local supply (%)	54.9	54.9	56.5	64.3	52.1	54.0

Source: Based on MINEPIA, MINFI/DGD data

The Government has taken numerous actions to raise the level of production in the fisheries sector¹². These include better control of the coastal strip, continuing the fight against illegal fishing and the development of commercial fish farming. In addition, in 2020, MINEPIA launched a call for expressions of interest for the selection of national and foreign operators wishing to invest in the fishing industry in Cameroon. This has led to the selection of operators involved in different areas of the fish farming value chain, including input production (fry and feed), intensive production, processing and distribution of fish. The announced investment intentions should be followed up and supported so that they lead to concrete results, especially as at least 45% of the domestic fish market continues to be covered by imported products.

Crude palm oil

Domestic production generally covers more than 80% of domestic demand for crude palm oil. It supplies refineries, soap factories and final household consumption. Statistics also show some exports to countries in the Central African sub-region, notably Chad.

In 2021, the share of local supply in the domestic crude palm oil market was 85.2%, down 3.6 percentage points from 2020. The country has been facing a structural deficit for several years due to high demand from processors as a result of their investments.

Table12: Production, imports, and share of local supply in the domestic crude palm oil market

	2016	2017	2018	2019	2020	2021
Production (10 ³ tonnes)	148.9	507.0	413.0	420.0	450.0	450.0
Imports (10 ³ tonnes)	30.8	58.7	56.0	56.3	58.2	82.5
Exports (10 ³ tonnes)	1.6	1.1	1.5	1.6	1.3	4.2
Domestic market (10 ³ tonnes)	178.1	564.5	467.5	474.7	506.7	528.3
Share of local supply (%)	83.6	89.8	88.3	88.5	88.8	85.2

¹² For example, the youth fisheries entrepreneurship promotion project

Source: Based on MINADER, MINFI/DGD data

In order to overcome this deficit, the Government is applying, among other things, a policy of import quotas via the Palm Oil Sector Regulatory Board, and is also supporting the development of village palm groves. Import authorisations are issued to operators according to estimated needs. However, these measures do not meet all the needs of the industry. Imports of crude palm oil rose by 41.8% in 2021 to 82.5 million tonnes, reflecting the growing difficulty of processors to source raw material locally. Apart from the South East Asian countries, a new supplier of crude palm oil has emerged in recent years, Gabon, which has gone from the position of a full importer to becoming a full exporter.

There are thus opportunities in the light of the rising demand which should arouse the interest of investors to take more initiatives in this sector of activity. The background scenario would be to fully cover the local market and venture into the export markets. Besides, the continuous improvement of cultivation practices, the extended use of high-yielding seeds, and the continued modernisation of extraction techniques at the level of village production appear as a necessary requirement.

Sugar

As for other staple goods, Cameroon can hardly meet all domestic sugar needs through local production. Although production has been improving over the years, domestic demand is much higher.

Table13: Trends in production, imports, exports and the share of local supply on the domestic sugar market

	2016	2017	2018	2019	2020	2021
Production (10 ³ tonnes)	55.0	111.0	124.0	130.0	140.0	140.0
Imports (10 ³ tonnes)	55.3	110.9	85.9	71.7	94.7	109.1
Exports (10 ³ tonnes)	0.1	0.3	0.1	0.1	0.5	0.5
Domestic market (10 ³ tonnes)	110.1	221.6	209.8	201.6	234.2	248.6
Share of local supply (%)	66.1	50.1	59.1	64.5	59.8	56.3

Source: Based on MINADER, MINFI/DGD data

Production stalled at around 140 000 tonnes in 2020 and 2021, while imports increased by 15.2% in the same period. Thus, the share of demand covered by local supply fell from 59.8% to 56.3%, a decline of 3.5 points.

Maize

Local demand for maize is mainly met by local producers (99.1% in 2020). It is growing strongly due to increasing animal consumption and the growing needs of food industries.

Table14: Trends in production, imports and the share of local supply on the domestic maize market

	2016	2017	2018	2019	2020
Production (10 ³ tonnes)	2102.0	2143.0	2254.0	2200.0	2100.0
Imports (10 ³ tonnes)	32.0	46.0	13.7	14.6	19.6
Domestic market (10 ³ tonnes)	2134.0	2189.0	2267.7	2214.6	2119.6
Share of local supply (%)	98.5	97.9	99.4	99.3	99.1

Source: Based on MINADER, MINFI/DGD data

Maize imports averaged 159,000 tonnes between 2016 and 2021, reflecting investment opportunities in the maize sector.

Other commodities

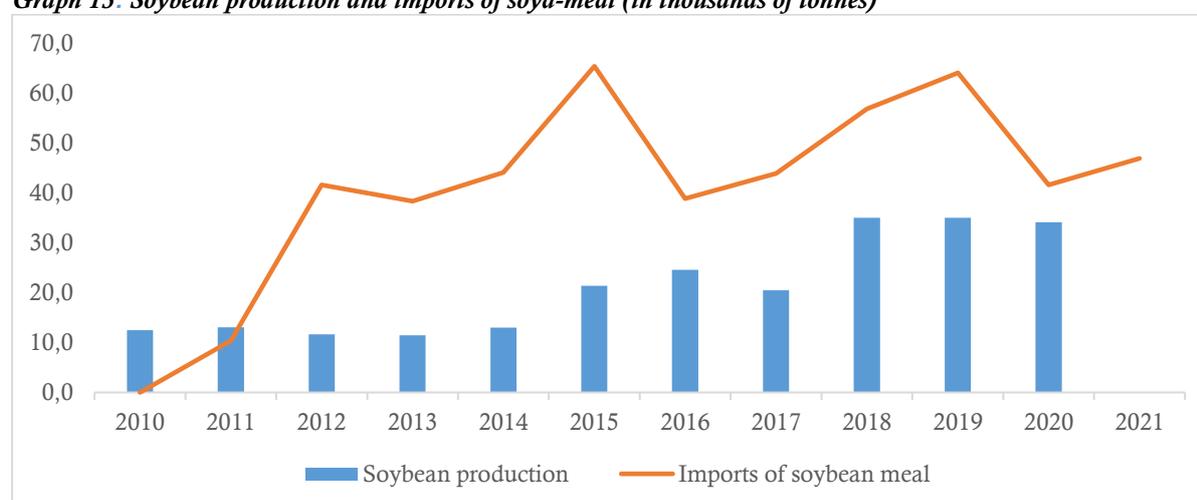
Here, the analysis focuses on other commodities which are of proven utility to both businesses and households, and whose market shares could not be computed due to the unavailability of statistical information. These are *soya-meal* and *pharmaceutical products*.

▪ *Soya-meal*

Soya-meal plays an important role in livestock farming, particularly in terms of the protein content of animal feed.

However, as shown in Graph 10, domestic soybean production is far lower than soya-meal imports.

Graph 13: Soybean production and imports of soya-meal (in thousands of tonnes)



Source: Based on MINADER, MINFI/DGD data

For example, in 2020, imports of soy cake amounted to 41,700 tonnes, while soy production was only 34,200 tonnes. This means that if all soybean production were dedicated to the manufacture of meals, demand would be far from being met by local supply. Local production of soybean meal could improve if the investment intentions of the Cameroon-based agri-food company Agrivar Cameroon, which signed an agreement with the government in 2021, were to materialise. This company plans to build a soya processing unit in Douala, with a capacity of 150,000 tonnes of soya per year, expandable to 300,000 tonnes. A further challenge lies in securing the supply of raw material, which requires greater supervision of soybean producers, and even the expansion of cultivated areas and improved yields.

▪ *Pharmaceuticals*

The local pharmaceutical industry is still in its early stages. The country has about fifteen industrial units for the manufacture of medicines and medical consumables.

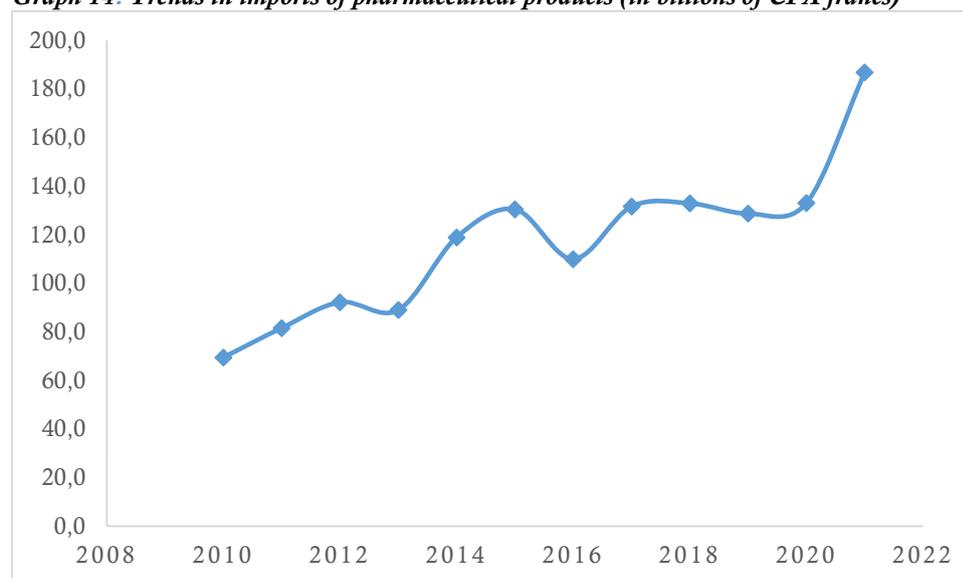
Domestic supply is very insufficient and covers only about 5%¹³ of the pharmaceutical products available in Cameroon.

The pharmaceutical products market is thus largely dominated by imports, whose bill has more than doubled between 2010 and 2021, rising from 69.5 billion to 188.9 billion CFA francs.

Numerous constraints hinder the development of the pharmaceutical industry in Cameroon, including:

(i) The high costs of production factors, (ii) massive and fraudulent imports of medicines and (iii) the lack of materials and equipment.

Graph 14: Trends in imports of pharmaceutical products (in billions of CFA francs)



Source: Based on MINFI/DGD data

Greater efforts are necessary to enhance the competitiveness of the product chains analysed in this section, in order to overturn market relationships. Despite the various actions undertaken to strengthen local supply, imports continue to increase, and local production is struggling to gain a greater share of the domestic market. Taking action simultaneously in a large number of sectors could reduce the scope of these actions. It may be necessary, as part of the implementation of the NDS30, to choose a limited number of sectors on which to concentrate efforts, with clearly defined short- or medium-term objectives.

¹³ Paper presented by the Director General of the Institute of Medical Research and Studies of Medicinal Plants during the workshop with the Regional and Divisional Delegates of MINEPAT on 18 January 2022

Chapter 3: Input and transaction costs

This chapter discusses the production costs of enterprises (unit costs and cost structure), the costs of certain factors of production, as well as transaction costs. A downward trend in these costs indicates favourable conditions for achieving competitiveness gains and vice versa.

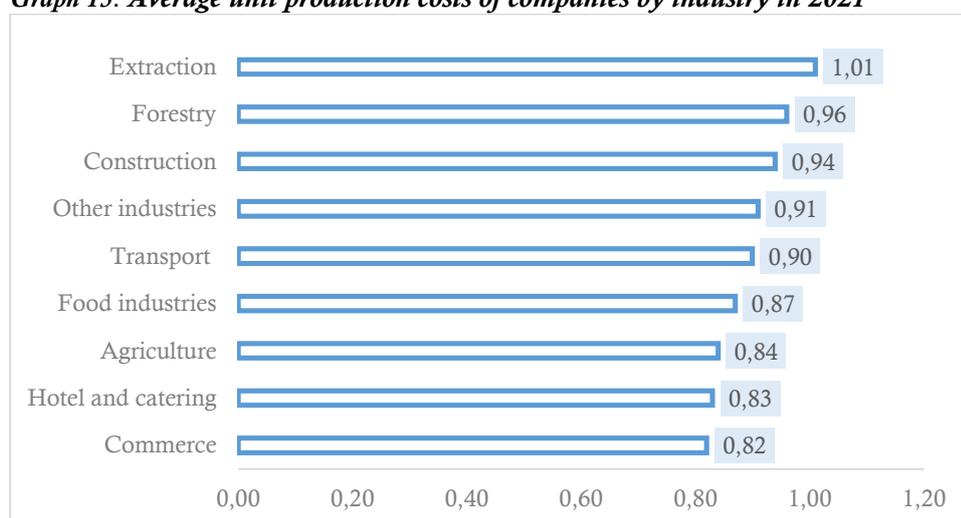
3.1. Production costs

3.1.1. Unit costs

The analysis of unit production costs shows that most industries have unit costs close to the unit. This result reflects to some extent the weakness of companies. The mining and quarrying sector has average unit production costs higher than one.

It should be noted, however, that 25% of companies have a unit cost of less than 0.80 (i.e. a profit margin of 20%), while 50% have a unit cost of less than 0.96, which corresponds to a profit margin of 4%.

Graph 15: Average unit production costs of companies by industry in 2021¹⁴



Source: Based on Statistical and Fiscal Declarations (SFD) 2021

3.1.2. Structure of production costs

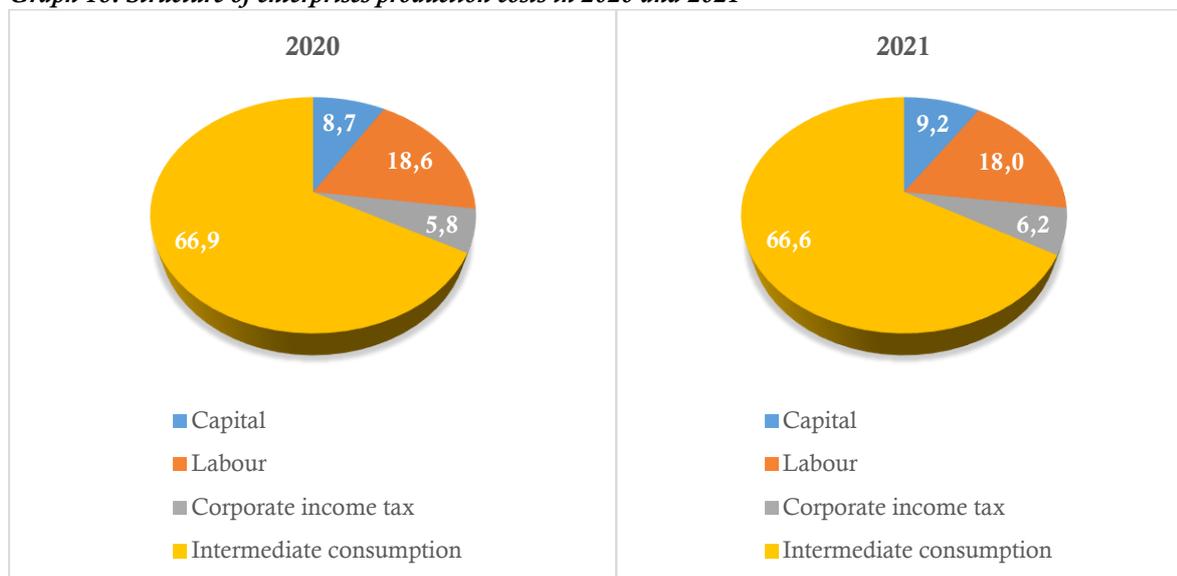
In 2021, the structure of production costs of enterprises consisted on average of 66.6% of intermediate consumption expenditure. This was followed by salary charges (18.0% on average of all costs) and capital expenditure (9.2%). Taxes on company profits, on the other hand, accounted for an average of 6.2% of company costs.

It should be noted that the cost structure of companies has remained almost stable between 2020 and 2021. Compared to 2019, the weight of wage costs has remained practically the same (around 18%). However, there has been a contraction in the weight of capital expenditure, which has fallen from 16.0% to 8.7% in 2020 and 9.2% in 2021. This could

¹⁴ The reliability of data from the SFDs is debatable, hence the statistics compiled should be treated with caution.

be the consequence of the COVID 19 pandemic, which has led to a slowdown in economic activity and curbed companies' investment intentions.

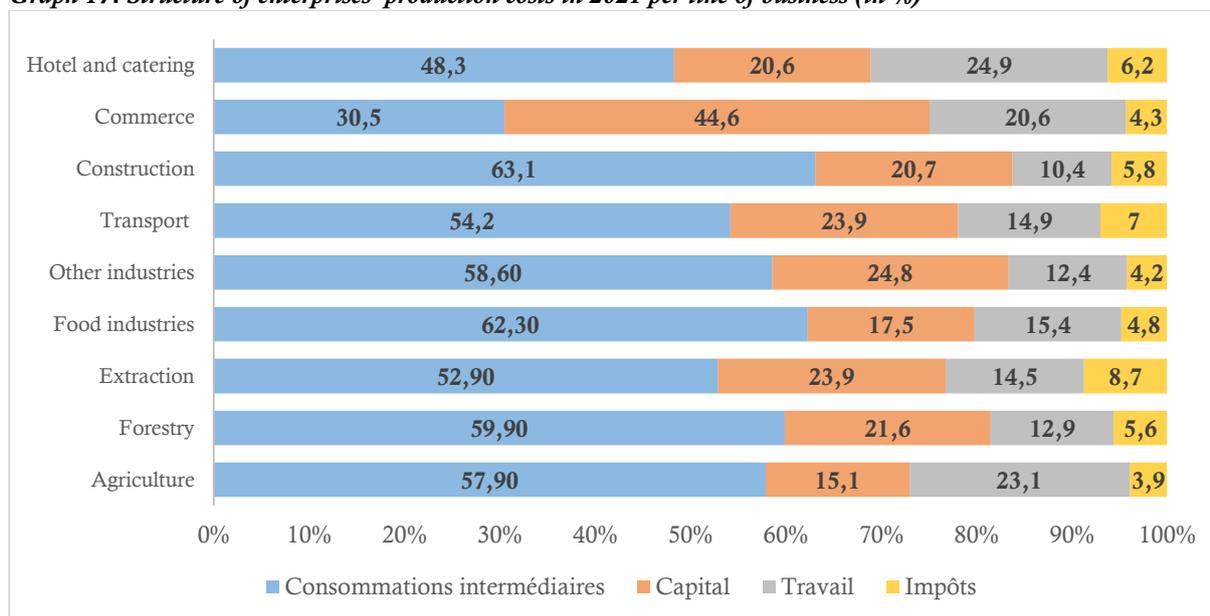
Graph 16: Structure of enterprises production costs in 2020 and 2021



Source: Based on 2020 and 2021 SFDs

This structure is reflected at the level of the lines of business, especially the expenditure on intermediate consumption, which is an important part of production costs. This share is particularly high in industry.

Graph 17: Structure of enterprises' production costs in 2021 per line of business (in %)



Source: Based on 2021 SFDs

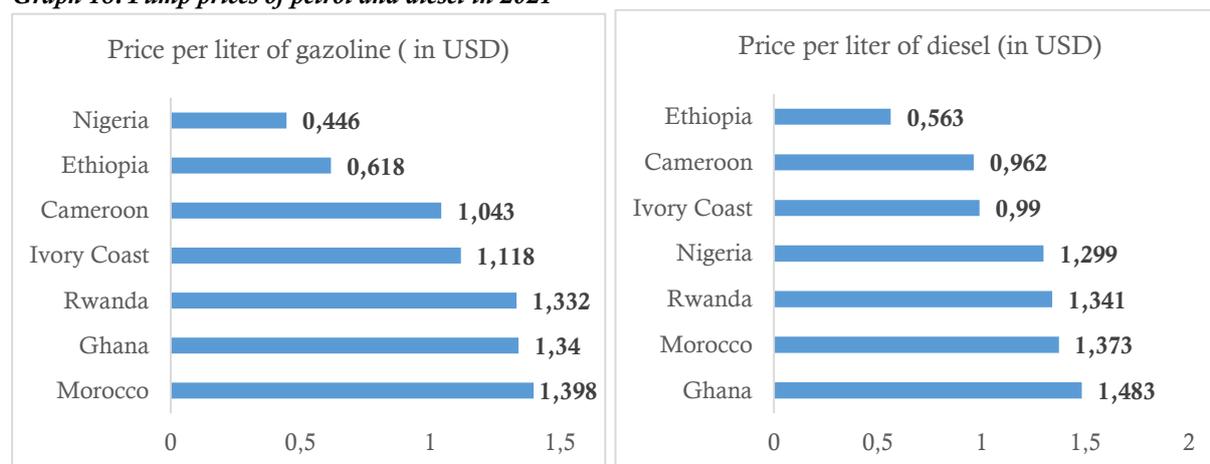
The SFDs show that inputs are the main component of enterprise costs. However, it should be noted that data used only show corporate income tax, as other tax elements are included in the purchase prices of other components. This is particularly the case for oil products, whose price served by the markers incorporates a succession of charges generated from the import stage through the price (including all taxes) exiting the SCDP depot.

In order to create more added value or to increase their competitiveness, companies must not only continue to improve the quality of their products and services, but also give priority to cost control by revising all manufacturing processes. The government should ensure the availability of cheap and quality inputs to support them.

3.1.3. Costs of oil products

The Global Petrol Price figures indicate that petrol and diesel are relatively cheaper in Cameroon than in Côte d'Ivoire, Rwanda and Ghana. Prices are also lower on average in Ethiopia than in the other countries. The prices of oil products are generally approved based on the socio-economic issues involved.

Graph 18: Pump prices of petrol and diesel in 2021



Source: Global Petrol Price

The current price structure in Cameroon reveals that taxes and duties constitute 37.6% for petrol, 31.6% for diesel and 13.3% for petroleum; and that a levy of CFAF 44.88 is charged on each litre of product to support the crude oil processing industry.

3.1.4. Electricity costs

Energy, particularly electricity, is an important production factor for companies, especially those in the industrial sector. While the access rate to electricity is average in Cameroon, the cost of electricity remains above the average for Sub-Saharan Africa. Steps towards cheaper electricity for enterprises should be considered.

Table15: Cost of electricity to enterprises in selected African countries (in US dollars per kWh)

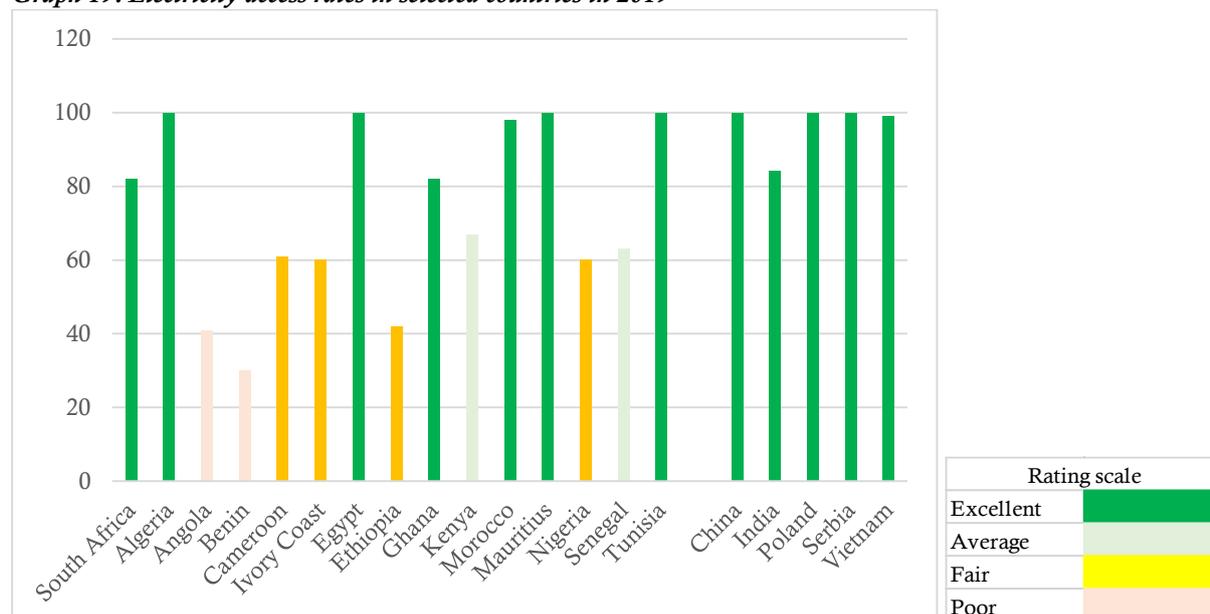
Country	2020	2021
Cameroon	0.16	0.15
Côte d'Ivoire	0.22	0.20
Ghana	0.14	0.11
Morocco	0.12	0.11
Nigeria	0.10	0.10
Ethiopia	0.02	0.02

Source: Global Petrol Price

Despite significant investment efforts in hydroelectric infrastructure (notably dams) through the implementation of the DSCE, supply remains inadequate, and some companies continue to use clean sources. Algeria, Egypt, Ghana, Mauritius, Morocco, South Africa and Tunisia have levels of access to electricity comparable to those of

countries such as China and Poland. However, Cameroon has an average level of access with countries such as Côte d'Ivoire, Nigeria and Ethiopia.

Graph 19: Electricity access rates in selected countries in 2019



Source: World Economic Forum - Global Competitiveness Report 2020

The price of industrial electricity averages \$14 c/kWh in Africa, compared to \$4 c/kWh in South Asia. However, the gap is narrowing in relation to China. In Western Europe the average price is slightly higher (18 c€/kWh) but the purchasing power of households is much higher. Egypt has the best overall “energy competitiveness”. The high cost of electricity in Africa can be explained by the fact that more than 40% of power plants run on industrial fuel oil, compared to less than 10% in the rest of the world¹⁵. Furthermore, most African states import their fuel due to the lack of refineries, including some oil producing states.

Cameroon ranks 122nd in terms of installed power generation capacity and 109th in terms of electricity generation. Neighbouring Nigeria ranks 58th in installed capacity and 67th in terms of generation level. The top African nation, South Africa, ranks 21st in the world in terms of both installed capacity and generation. Senegal ranks 129th16 for production capacity and 126th for production in this Central Intelligence Agency (CIA) ranking.

With a view to improving access to electricity for households and, above all, enterprises, the commissioning of dams already built and the completion of dams in progress should be expedited so as to implementing the government's industrialisation option, as stated in public policy.

¹⁵ From the *Europe Africa 2030 Observatory*

¹⁶ Data from the CIA - Central Intelligence Agency (website consulted on

3.1.5. Cost of mobile telephony

Competition in the mobile network sector has helped lower communication costs. The average charge for a minute of mobile phone communication is \$0.12 in 2021, below the average cost in Morocco and Côte d'Ivoire, yet more expensive than in countries like Ghana and Rwanda.

Table16: Average local price per minute for a phone call in selected countries (in US dollars)

	2020	2021
Cameroon	0.13	0.12
Morocco	0.15	0.14
Ghana	0.05	0.04
Côte d'Ivoire	0.16	0.14
Ethiopia	0.02	0.02
Rwanda	0.09	0.08

Source: <https://www.combien-coute.net/>

Today, digitalisation is an essential factor in the competitiveness of companies. Access to a good quality internet network is essential to enable more companies to join this trend.

The Alliance for Affordable Internet annually ranks countries according to the cost of a Gigabit (GB) of broadband internet. In this ranking, Sudan tops the list, with an average cost of USD 0.52 for a GB of broadband internet.

Table17: Cost of a Gigabit (GB) of mobile broadband in 2021

	Cost (in US dollars)	Rank in Africa
Cameroon	3.68	20 th
Morocco	2.25	9 th
Ghana	2.11	6 th
Nigeria	2.49	11 th
Côte d'Ivoire	3.86	25 th
Ethiopia	1.88	3 th
Sudan	0.52	1 st
Rwanda	2.03	5 th

Source: Alliance for Affordable Internet (A4AI)

Cameroon is ranked 20th (with a cost of 3.68), behind countries such as Ethiopia (3rd), Rwanda (5th), and Ghana (6th), but ahead of Côte d'Ivoire (25th).

3.1.6. Cost of capital

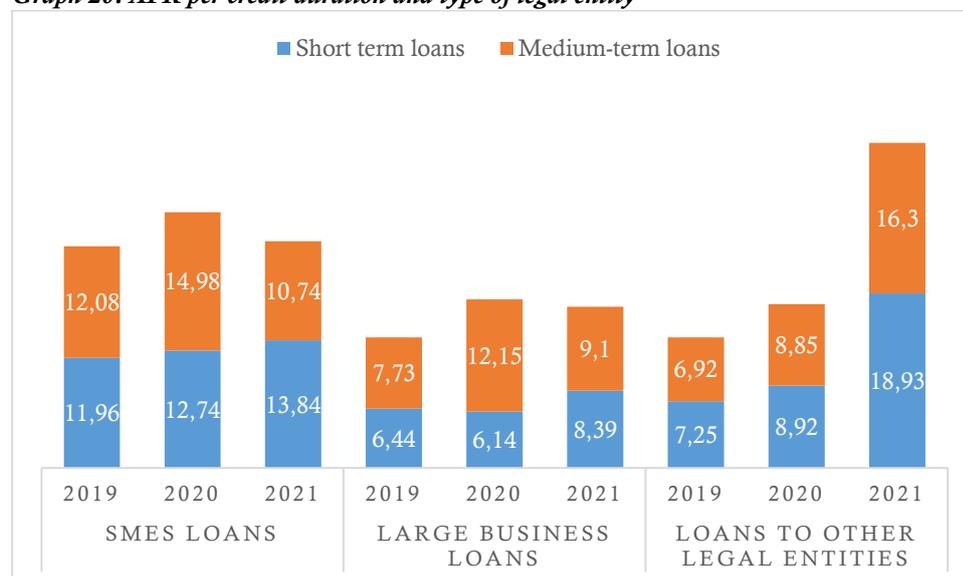
The cost of capital is assessed on the basis of the annual percentage rate (APR) charged by banks, which measures the real cost of credit borne by the borrower¹⁷. It can be verified from the graph below that medium-term credit costs have decreased in 2021 for both SMEs and large enterprises (LE), by 4.2 and 3.0 points respectively. Long-term loans were not granted to any customer category in 2020 and 2021.

As regards short-term loans (cash flow loans), there was an increase in the cost of 1.1 percentage points for SMEs and 2.2 percentage points for large companies. Large

¹⁷ According to Regulation No. 4/19/CEMAC/UMAC/CM on annual percentage rate and prohibition of usury and the publication of banking conditions in the CEMAC.

companies remain the category of bank customers with the lowest cost of credit, followed by legal entities other than SMEs and large companies (associations, CIGs, non-profit institutions, etc.).

Graph 20: APR per credit duration and type of legal entity



Source: Based on CNEF data

3.2. Transaction costs

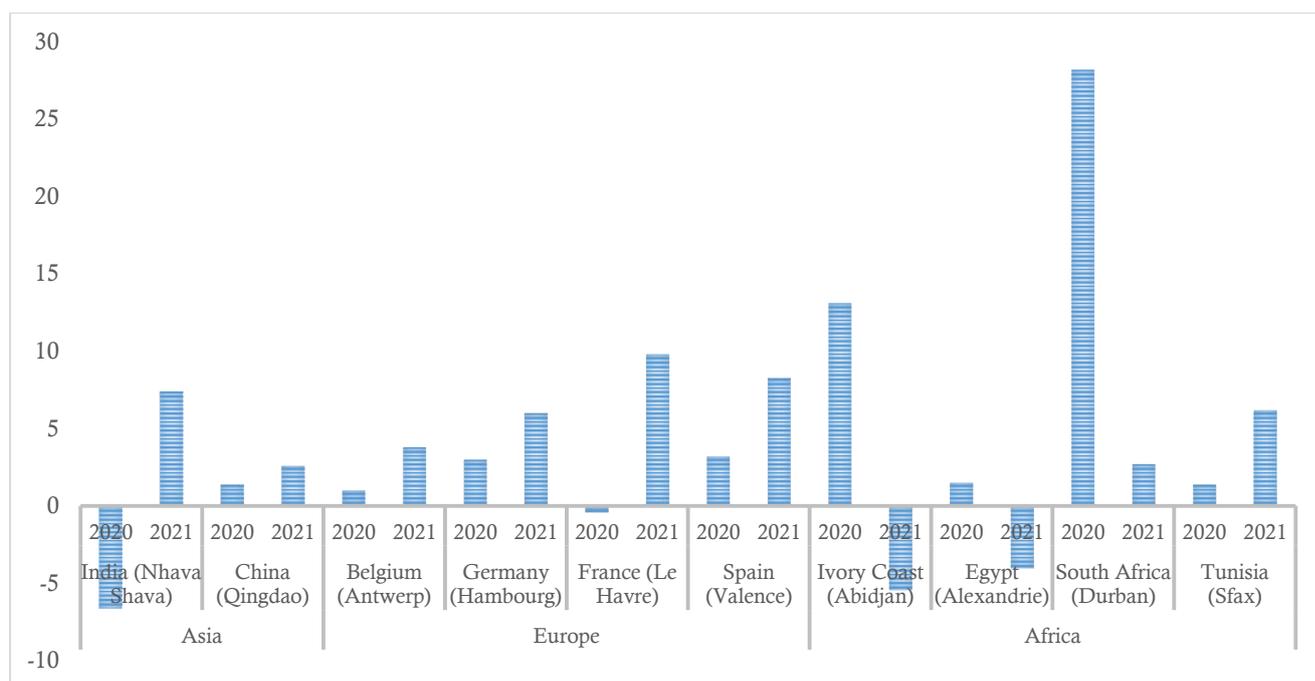
3.2.1. Sea freight costs

Sea freight costs are a determining factor for the competitiveness of enterprises in the sense that they affect input supply costs, and consequently, production costs. As containerised traffic represents more than 60%¹⁸ of overall traffic, only the freight rate per Twenty Foot Equivalent Unit (TEU) shall be considered here. These containers come essentially from Asia (47%), Europe (36%) and Africa (10%). The ports included in this analysis account for at least 60% of the TEUs of their respective continents.

The graph below shows that the average freight rate of a TEU in 2020 has soared in the main ports of Asia and Europe, as well as in some African ports. To mitigate the effects of this surge in freight costs on business competitiveness, the freight amount to be included in the customs value of goods imported via the sea shall be discounted by 80% of the total amount actually paid or payable for shipping goods from November 2021 to February 2022.

Graph 21: Trend in TEU freight rate growth in 2020 and 2021

¹⁸ According to the National Shippers' Council of Cameroon (NSCC)



Source: Based on NSCC data

3.2.2. Costs of starting a business

The World Bank publishes in the World Development Indicators the costs of starting a business in different countries, expressed as a percentage of gross national income (GNI) per capita.

Table18: Cost of starting a business in 2019 (as % of GNI per capita)

Country	Cost
Cameroon	24.8
Morocco	3.6
Ghana	12.3
Nigeria	26.1
Côte d'Ivoire	2.7
Ethiopia	45.4
Rwanda	0.0*

Source: World Bank, World Development Indicators *negligible

The most recent data available are those of 2019, showing that the costs of starting a business are relatively lower in Cameroon (24.8% of GNI per capita) than in Nigeria (26.1%) and Ethiopia (45.5%).

They are, however, higher than in Côte d'Ivoire (2.7%), Morocco (3.6%), Ghana (12.3%) and Rwanda (almost 0%).

Business creation has been facilitated in Cameroon with the establishment of Centres of Business Creation Formalities (CBCF) since 2010. However, the cost gap with some African countries suggests that there is room for improvement.

3.2.3. Mobile money transaction rates

Many money transaction operators are active in Cameroon among which Orange Money and Mobile Money. These operators are present in several other African countries including Côte d'Ivoire, Rwanda, Morocco and Ghana.

Apart from Morocco, the costs of withdrawal operations are less competitive in Cameroon (2% on average) than in Côte d'Ivoire (1% on average) and Rwanda (0%).

Table19: Money transaction rates by MTN in selected countries (in CFA francs)

Operator	Cameroon	Côte d'Ivoire	Rwanda	Ghana
Withdrawal	2% Min 50 - Max 3 500	1% Max: 5000	0	0.75% +1.5% duty fee Max: 596+1.5% duty fee
Transfer	0.5% Max 500	0F	7.22%	

Source: Competitiveness Committee from operator's websites¹⁹

The cost of sending money is relatively low in Cameroon, averaging 0.5% compared to Morocco (1% average) and Rwanda (7.2% average). In Côte d'Ivoire, remittance operations are free.

Table20: Money transaction rates by Orange in some countries (in CFA francs)

Operator	Cameroon	Côte d'Ivoire	Morocco
Withdrawal	2% Min 50 - Max 3 500	1%	2%
Transfer	0.5% Max 500	0	1%

Source: Competitiveness Committee from operator's websites²⁰

3.2.4. Time and cost of transit of goods through the port

Import transit times at the port of Douala have been reduced over the period 2015-2021, from 25.6 to 10.6 days. Meanwhile, export transit times improve relatively less, falling from 10.6 days in 2015 to 10.2 days in 2021.

Graph 22: Trends in container transit times in the port of Douala (in days)



Source: Based on data of the Port Authority of Douala (PAD)

¹⁹ <https://mtn.cm/fr/>, Accessed on 21/07/2022

²⁰ <https://www.orange.cm/>, Accessed on 21/07/2022

PAD has reduced the price of weighing goods by 25% for Chad and the Central African Republic (CAR). It thus grants a preferential weighing rate of 250 FCFA/tonne (excluding tax) to goods in transit to or from these two countries via Douala port.

Overall, factor and transaction costs continue to be relatively high in Cameroon, even though efforts are underway to reduce them. Besides, external inputs generally constitute a dominating part of the cost structure of enterprises. It is therefore important to pursue actions aimed at producing them locally and reducing imports, whose costs are burdened by those of logistics. Plans to reduce the costs of specific factors (energy, land, capital, etc.) also seem to be an option worth exploring.

Chapter 4: Cameroon's competitiveness through international indicators

This chapter provides an overview of Cameroon's competitiveness on a global scale. It is based mainly on data from the World Economic Forum (WEF), but also from other international benchmarking institutes such as FM Global, Heritage Foundation, the World Intellectual Property Organisation, and Transparency International. The dimensions of competitiveness considered are: institutions, infrastructure, innovation, human capital, financial market, labour market, competition, business buoyancy and resilience. The competitiveness of the tourism sector and ports shall be examined as well.

4.1. Institutions

Institutions include the fundamental rules (constitution, laws, and regulations) that define the respective place of the State, individuals and organisations in society as well as property rights.

Assessing the institutions dimension involves the WEF Institutions Pillar, the Heritage Foundation's Index of Economic Freedom and Transparency International's Corruption Perceptions Index.

WEF Institutions Pillar

Overall, looking at the Institutions Pillar as a whole, Cameroon's score or rating improved by four (04) points between 2019 and 2021, from 44.01 to 48.05. Between 2020 and 2021, Cameroon made progress in all these sub-dimensions. The sub-dimension 'independence of the judiciary' recorded a leap of 11.9 points to 44.5 points. The sub-dimension 'effectiveness of the legal framework for challenging regulations' has seen a steady increase since 2018, gaining over 13 points to 47.

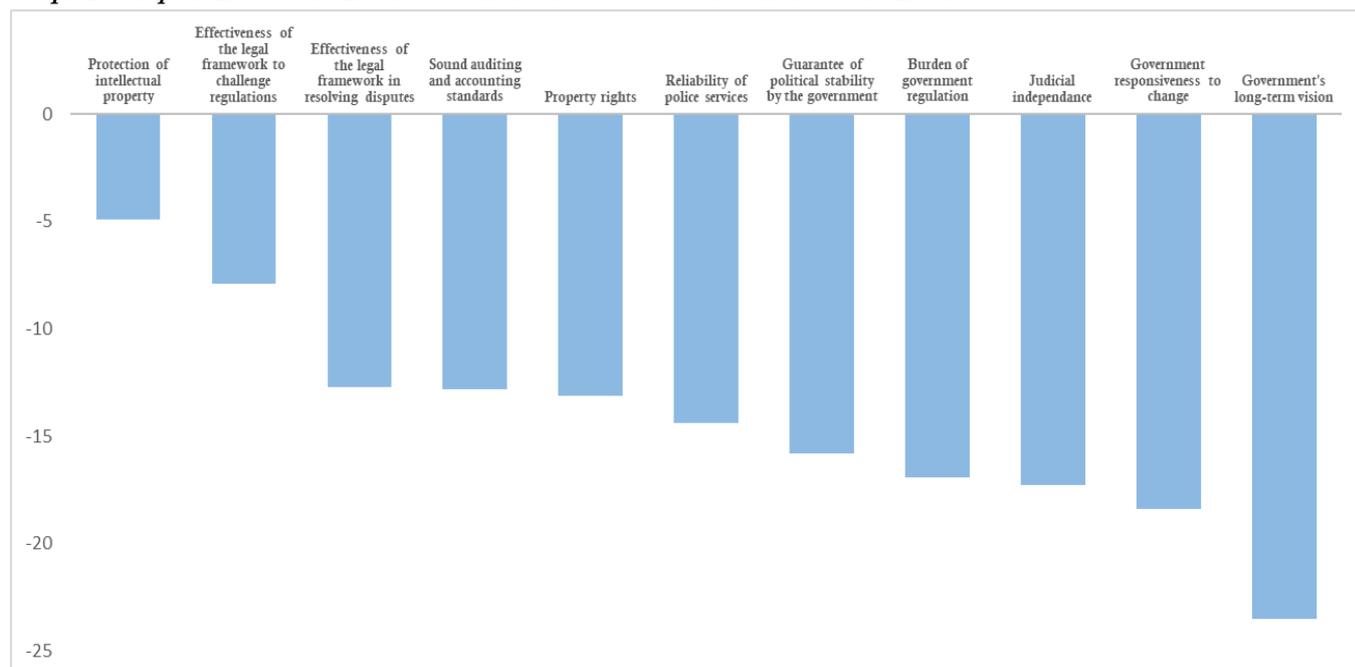
Table 21: Scores in the sub-dimensions of the Institutions pillar

	2017	2018	2019	2020	2021	Change
'effectiveness of the legal framework for challenging regulations'	39.2	34.9	40.7	43.7	47.0	↑
Effectiveness of the legal framework in dispute resolution	44.8	43.3	43.1	46.2	52.9	↑
Burden of government regulation	39.7	41.4	42.3	42.0	50.9	↑
Property rights	51.0	52.1	48.9	49.2	56.4	↑
Intellectual property protection	58.7	54.6	52.4	55.6	60.3	↑
Reliability of police services	54.0	52.3	50.7	52.6	60.8	↑
Soundness of auditing and accounting standards	46.1	47.0	48.8	46.9	51.2	↑
Judicial independence	34.3	33.0	32.5	32.6	44.5	↑
Guarantee of policy stability by the government	54.0	49.9	47.3	49.3	55.7	↑
Government responsiveness to change	42.2	41.1	39.8	42.0	50.7	↑
Long-term vision of the government	44.1	44.6	47.3	47.8	53.3	↑

Source: Based on WEF 2021 data

Singapore ranks as the best country in the Institutions pillar with a score of 86.6. The leading African country, Rwanda, ranks 25th in the world, with a score of 71.0.

Graph 23: Gaps in Institutions Pillar sub-dimension scores between Cameroon and Rwanda



Source: Based on WEF 2021 data

The gap review shows that there is a 22-point variation in the sub-dimension “long-term vision of the government”. This is followed by the sub-dimensions “government responsiveness to change” and “independence of the judiciary”.

Index of Economic Freedom

This index is published by the American Heritage Foundation and covers 184 countries. It is composed of 11 sub-dimensions grouped into four (04) categories, namely

- Authority of the Law: property rights, judicial efficiency and governmental integrity;
- Government Boundaries: fiscal health, tax burdens and government spending;
- Regulatory efficiency: business freedom, labour freedom and monetary freedom;
- Market Openness: trade freedom, investment freedom and financial freedom.

Cameroon's score (53.4 points) stands below the African average (55.7). The Heritage Foundation 2021 Report also identifies areas where countries should make significant efforts to improve their economic freedom rankings. The “Rule of Law” category gives Cameroon's weakest performance, with a score of 21.0 out of 100 for government integrity and 27.2 out of 100 for judicial efficiency. The report states that property rights are recognised by law, notwithstanding the weakness of the judicial system which leads to sporadic enforcement and common land disputes.

Cameroon performed poorly (scoring below the African average) in the category ‘Regulatory Efficiency’, in relation to freedom of business and freedom to work. This is revealed by the costly management of driving licences, the informality of labour agreements and the low level of labour regulation. In the “Market Openness” category, the sub-dimension “Freedom to Invest” performs the worst with a score of 30.0.

In 2021, Singapore topped the list with a score of 89.7, followed by New Zealand and Australia. The leading African country is Mauritius, ranked 13th in the world, followed by Rwanda and Botswana. Cameroon is ranked 144th in the world (up from 145th in the previous report), 32nd in Africa and second in the CEMAC sub-region.

Table22: Ranking of selected countries based on the index of economic freedom, 2021

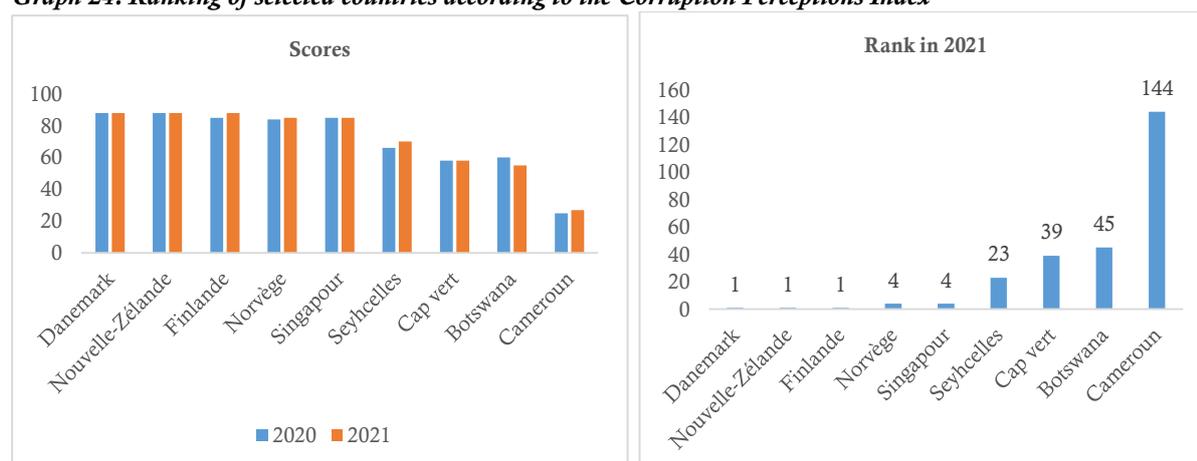
	Rank	Scores	Changes in the score
Singapore	1	89.7	+0.3
New-Zealand	2	83.9	-0.2
Australia	3	82.4	-0.2
Mauritius	13	77.0	+2.1
Rwanda	47	68.3	+0.5
Botswana	51	67.6	-2.0
Cameroon	144	53.4	-0.2

Source: Index of Economic Freedom 2021

Corruption Perceptions Index

The Corruption Perceptions Index ranks countries according to the level of perceived corruption in the public sector. The scale of this index ranges from zero (highly corrupt) to one hundred (minimally corrupt).

Graph 24: Ranking of selected countries according to the Corruption Perceptions Index



Source: Corruption Perception Index 2021

With a score of 27 out of 100 in 2021, Cameroon ranks 144th, an improvement of 8 points compared to 2019. It was 149th in 2020. The least corrupt country in 2021 as in 2020 remains Denmark, tied with New Zealand and Finland (with a score of 88 out of 100). They are followed by Norway and Singapore. The Seychelles is the least corrupt country in Africa (23rd in the world with a score of 70). It is followed by Cape Verde (39th) and Botswana (45th).

Overall, the “Institutions” dimension reveals a continued commitment to the process of strengthening governance and transparency. However, there are still considerable delays in government regulation, with a focus on corruption.

4.2. Infrastructure

This pillar reports on the quality and density of transport infrastructure (road, railway, maritime and aeronautical), the quality and sustainability of utility infrastructure, and the level of internet connectivity in the countries. Indeed, the density and quality of infrastructure are factors supporting the competitiveness of countries. Infrastructure development reduces connectivity delays between different points in the economic space and facilitates the integration of different markets.

Assessment of the “Infrastructure” dimension focuses on the WEF Infrastructure pillar.

Cameroon remained weakly competitive in the infrastructure pillar for several years. Nevertheless, its score has increased by 17 points compared to 2020, mainly due to the infrastructure projects carried out during AFCON. Areas where Cameroon performs poorly include the efficiency of rail and air transport services, and the digitalisation of the economy, in particular the use of digital platforms for the provision of social services (health, education).

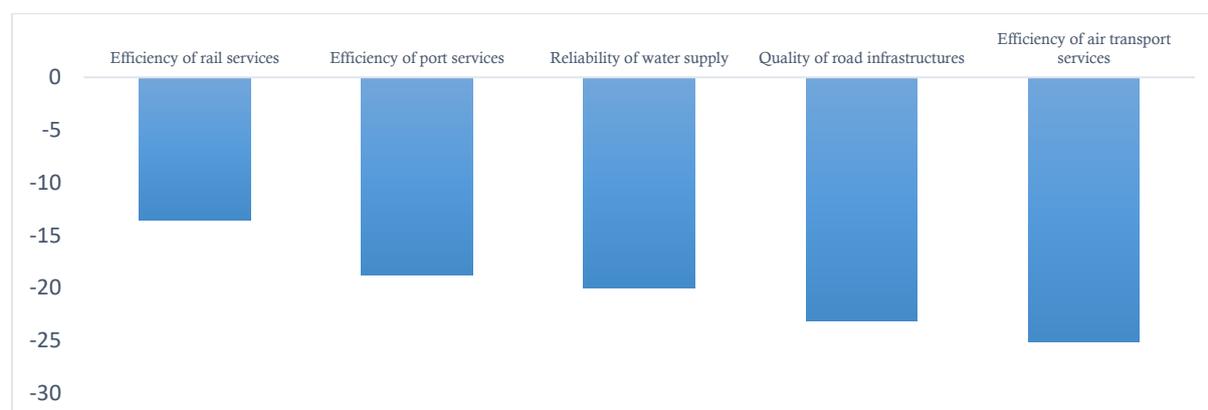
Table23: Scores in the sub-dimensions of the Infrastructure pillar

Headings	2017	2018	2019	2020	2021	Change
Quality of road infrastructure	26.0	30.1	24.1	28.4	45.0	↑
Efficiency of rail services	27.6	30.8	28.8	27.8	41.2	↑
Performance of air transport services	31.7	37.1	37.6	35.0	42.9	↑
Performance of port services	32.8	35.6	34.6	35.1	47.1	↑
Reliability of water supply	22.0	28.8	26.8	26.9	43.2	↑

Source: Based on WEF 2021 data

In comparing Cameroon's scores with those of Egypt, the leading country in Africa for the infrastructure pillar, there are substantial gaps between the two countries. These differences are more pronounced in terms of the efficiency of air transport services and the quality of road infrastructure.

Graph 25: Gaps in the sub-dimensions scores of infrastructure pillar between Cameroon and Egypt



Source: Based on WEF 2021 data

The “Infrastructure” dimension is still the one in which Cameroon is the least rated. Slight improvements have been recorded in the quality of road infrastructure, the efficiency of port services, and the reliability of water supply. However, significant efforts are still to be made for reducing the gaps with the leading countries in Africa in these areas.

4.3. Financial market

This pillar covers four sub-dimensions associated with the financial conditions of an economy and that are conducive to productivity growth: depth of the financial system, access to finance, stability of the banking system, macroeconomic stability.

The assessment of the Financial Market dimension focuses on the Financial Market pillar of the WEF.

Cameroon scored 34.0 out of 100 in the Financial Market pillar, up by 0.5 points from 2020. There is a persistent under-financing of SMEs, and a venture capital segment that is slow to emerge. In these two sub-dimensions, Cameroon's scores are below 50 out of 100. The very weak momentum observed in the venture capital segment penalises the emergence of start-ups and the emergence of a class of SMEs capacity to drive structural transformation in accordance with the NDS-30.

Table24: Scores in the sub-dimensions of the “Financial Market” pillar

	2017	2018	2019	2020	2021	Change
Strength of banks	43.5	41.1	41.5	41.8	41.8	↑
Availability of risk capital	23.8	24.4	26.6	26.3	26.7	↑
SME financing	32.3	32.0	31.8	34.0	33.6	↓

Source: Based on WEF 2021 data

Comparing relative performance between Cameroon and Mauritius (the best African performer) highlights a gap of about 20 points in relation to bank soundness and SME financing.

Table25: Comparison of Cameroon and Mauritius scores (out of 100) in 2021

Sub-indices	Country		Gap
	Egypt (1)	Cameroon (2)	(2)-(1)
Strength of banks	61.4	41.8	-19.6
Availability of risk capital	42.3	26.7	-15.6
SME financing	52.8	33.6	-19.2

Source: Based on WEF 2021 data

4.4. Commodities segment

The competitive environment is one of the necessary inputs for growth. The efficiency of markets depends on the nature of state control and the volume and size of demand. Cameroon's performance on commodities market functioning is improving. However, the sub-dimensions ‘Competition in network services’, ‘Extent of market leadership’ and ‘Prevalence of non-tariff barriers’ experienced a deterioration in their ratings.)

Instead, “Distorting effect of taxes and subsidies on competition” and “Competition in professional services” have improved by about two points between 2020 and 2021. This reflects the Government's efforts to reduce tax differentials, which are viewed as improving

business competitiveness, but are still below expectations according to companies. The upside of these tax distortion reductions on both taxes and subsidies is the incentive for tax optimisation behaviour.

Table26: Scores in the sub-dimensions of the “Commodities segment” pillar

	2017	2018	2019	2020	2021	Change
Distorting effect of taxes and subsidies on competition	37.6	38.1	35.6	36.1	38.6	↑
Prevalence of non-tariff barriers	38.4	42.3	41.9	42.5	42.0	↓
Extent of market leadership	38.6	36.9	39.3	40.2	39.6	↓
Competition in professional services	42.4	44.7	41.8	43.5	45.2	↑
Competition in retail services	49.2	50.7	50.7	53.1	50.6	↓
Competition in network services	44.2	44.0	42.8	42.7	41.4	↓

Source: Based on WEF 2021 data

An assessment of the sub-dimensions shows that Cameroon is underperforming compared to Egypt (the leading African country), particularly in terms of the extent of market leadership, competition in professional services and competition in network services.

Table27: Comparison of Cameroon's scores with Egypt's in 2021

Sub-dimensions	Country		Gap
	Egypt (1)	Cameroon (2)	(2)-(1)
Distorting effect of taxes and subsidies on competition	44.3	38.6	-5.7
Prevalence of non-tariff barriers	47.6	42.0	-5.6
Extent of market leadership	46.9	39.6	-7.3
Competition in professional services	54.2	45.2	-9.0
Competition in retail services	56.9	50.6	-6.3
Competition in network services	54.0	41.4	-12.6

Source: Based on WEF 2021 data

4.5. Labour Market

The assessment of the Labour Market dimension focuses on the WEF Labour Market Pillar and the WEF Human Capital Competitiveness Index.

WEF analyses how the labour market works through productivity aspects. The more flexible this market is, the greater the tendency for a good distribution of labour between sectors of activity, with a consequent tendency to improve productivity gains.

An insight of the behaviour of the labour market across its sub-dimensions shows an overall decline, despite a slightly higher rating in the sub-dimensions of internal labour mobility, flexibility, salary determination, salary and productivity, and co-operation in industrial relations.

However, more efforts are needed in the area of *career management within enterprises, recruitment and dismissal facilitation*, all of which affect the productivity of enterprises.

Table28: Scores in the sub-dimensions of the “Labour Market” pillar

Headings	2017	2018	2019	2020	2021	Change
Professional career management practice	33.7	34.9	37.5	38.2	37.5	↓
Ability to recruit and dismiss	39.1	39.9	38.8	39.6	39.2	↓

Labour relations cooperation (respect for collective agreements and trade unions, etc.)	39.8	39.4	38.2	39.6	40.7	↑
Salaries and efficiency	32.6	32.6	34.6	37.1	37.3	↑
Ability to recruit foreign workers	43.7	43.4	43.7	42.9	41.9	↓
Domestic mobility of the workforce	40.1	38.3	38.4	42.1	44.4	↑

Source: Based on WEF 2021 data

Rwanda is the leading African country on the “labour market” pillar. Apart from internal labour mobility, Cameroon underperforms Rwanda in the other sub-dimensions. The most significant gaps are recorded in the areas of *professional career management practice* and *cooperation in industrial relations*

Table 29: Comparison of Cameroon's scores with those of Rwanda in 2021

Sub-dimensions	Country		Gaps
	Rwanda (1)	Cameroon (2)	(2)-(1)
Professional career management practice	50.4	37.5	-12.9
Hiring and dismissing practices	44.0	39.2	-4.8
Cooperation in labour practices	46.7	40.7	-6.0
Wages and productivity	38.8	37.3	-1.5
Ease of hiring foreign labour	43.5	41.9	-1.6
Internal labour mobility	49.5	44.4	-5.1

Source: Competitiveness Committee based on WEF data

4.6. Human capital

The assessment of the Human Capital dimension covers the WEF Skills and Public Health pillars

WEF skills pillar

This pillar assesses both the quality and accessibility of education in countries. To meet the growing need for performance, companies need to access and better manage competency skills.

In 2021, Cameroon in average scored 53.5 in the “Education and skills” pillar, an increase of 2 points compared to 2020. The leading countries in this pillar at global and African level are Switzerland (80.5) and Botswana (64.0) respectively. The lowest score was obtained by Angola (34.7).

Table 30 : Cameroon and comparator countries' scores in the Skills pillar in 2021

Country	Scores
Switzerland	80.5
Botswana	64.0
Cameroon	53.5
Angola	34.7

Source: Based on WEF data, 2021

Although the gaps observed between Cameroon and the leading country in Africa are not significant, when compared to the best in the world, there are considerable gaps (of nearly 30 points) in the quality of the education system (education and vocational training) as well as the acquisition of entrepreneurial skills, and those of innovation and creativity after

school period. This reflects the inadequacy of the reforms (content and quality) undertaken to improve the education and training system to make it more relevant with regards to economic needs.

Public health

The need to introduce the “public health” pillar as an explanatory factor for competitiveness was further justified by the direct impact that Covid-19 has had on the competitiveness of companies and economies.

Looking at the “public health” pillar scores by country, Switzerland is presented as having the best performance in public health policy worldwide. In Africa, Rwanda is presented as the best performer in this pillar, while Angola is the worst performer. Cameroon recorded a score below average (49.27).

Table 31 : Cameroon and comparator countries' scores in the Public health pillar

Country	Scores
Switzerland	83.53
Rwanda	65.32
Cameroon	49.27
Angola	34.60

Source: Based on WEF data, 2021

WEF, in a bid to assess the performance of the public health policy in relation to its contribution to competitiveness, has constructed an indicator based on 7 sub-dimensions. The “use of digital platforms to deliver health services” and “access to mental health care” sub-dimensions have the lowest scores, although the “competition in health services” sub-dimension registered a 63.2 score. Indeed, the multiplication of health structures in the country still does not guarantee the quality of patient care and therefore points to the urgent need to continue improving technical facilities by capitalising on the investments made to support the emergency plan and the experience built up in the fight against COVID-19. In addition, the “buyer sophistication on health and well-being”, with a score of 50.9, shows that Cameroonian buyers are not very demanding on the quality and origin of health products.

Table 32 : Sub-dimensions of the “public health” pillar

Designation	2021
Accessibility of physical health services	51.0
Use of digital platforms to provide health services	39.4
Competition in health services	63.2
Sophistication of buyers on health and well-being	50.9
Consideration of the impact of the production process on health and well-being	47.0
Consideration of the impact of the supply policy on health and well-being	49.8
Access to mental health services	41.3

Source: Based on WEF data, 2021

4.7. Business dynamism

Business dynamism refers to the capacity of businesses to develop relationships with their suppliers, subcontractors and contractors. Data show that in 2021, there was a disincentive to business creation compared to 2020. The score dropped from 4.0 in 2020 to 3.74 in 2021. Compared to 2020, Cameroon improved its score with regards to the growth of innovative companies (+2.2 points), but there is a drop as for the adoption of disruptive ideas (-1.2 points), probably due to the difficulties of companies or start-ups with these ideas to better integrate into the entrepreneurial ecosystem in Cameroon.

There is also a concentration of power within firms that continues to affect the ability of firms to perform, with the score deteriorating marginally from 3.7 in 2020 to 3.6.

Table 33: Scores in the “Business Dynamism” pillar sub-dimensions

Designation	2017	2018	2019	2020	2021	Variation
Attitudes towards entrepreneurial risk	36.0	36.8	38.6	40.2	37.4	↓
Growth of innovative companies	33.0	33.0	33.2	34.1	34.8	↑
Businesses are adopting disruptive ideas	31.4	31.8	33.3	34.7	34.3	↓
Willingness to delegate authority	36.3	36.3	37.9	37.0	35.9	↓

Source: Based on WEF data, 2021

Egypt holds the top rank in the “Business Dynamics” pillar. Cameroon lags behind this leading African country in all four sub-dimensions. The gap is most pronounced in the growth of innovative enterprises and the willingness to devolve power.

Table 34: Comparison of Cameroon scores with Egypt's in 2021

	Country		Gaps
	Egypt (1)	Cameroon (2)	(2)-(1)
Attitudes towards entrepreneurial risk	41.9	37.4	-4.5
Growth of innovative companies	48.6	34.8	-13.8
Businesses are adopting disruptive ideas	42.4	34.3	-8.1
Willingness to delegate authority	45.7	35.9	-9.8

Source: Based on WEF data, 2021

4.8. Innovation

Assessment of the “Innovation” dimension focuses on the WEF Innovation Pillar and the Global Innovation Index.

✚ WEF Innovation pillar

Cameroon remains weakly competitive (with a score of 51.2 out of 100) with regards to the “Innovation” pillar. However, its score improved from 2016. With this score, Cameroon makes it to the 9th rank among African economies, behind Egypt which tops the ranking with a 58.6 score.

This score results from an overall improvement in various sub-dimensions. Buyer sophistication, which measures the requirements of buyers in terms of product sophistication, is the area where the largest score increase was noted (+17.2 points).

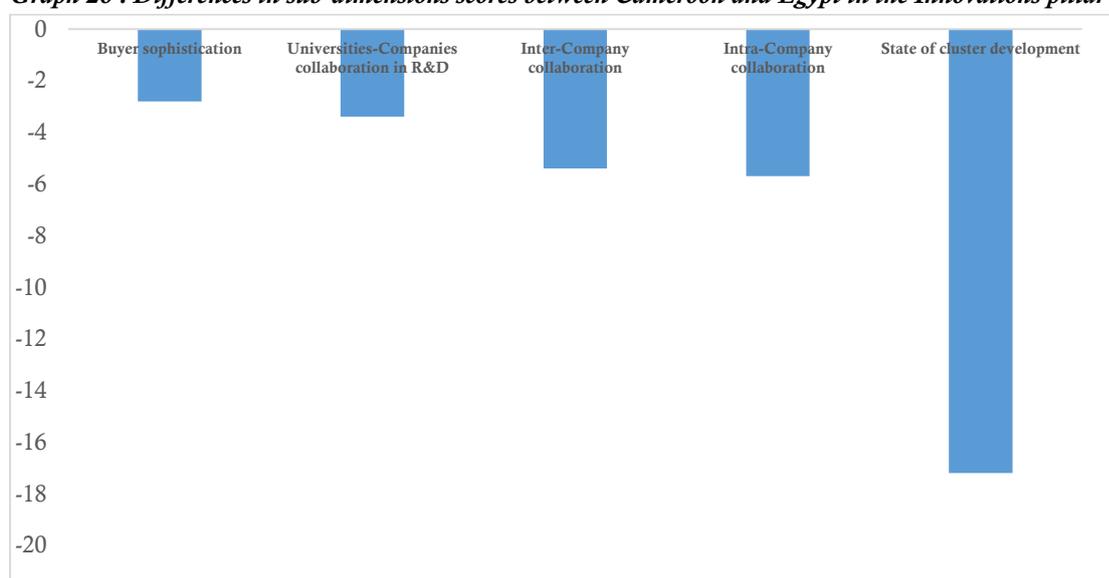
Table 35: Scores in the sub-dimensions of the “Innovative capacity” pillar

	2017	2018	2019	2020	2021	Variation
University-Businesses in R&D collaboration	37.6	38.4	40.5	40.0	49.8	↑
Buyer sophistication	28.4	30.0	33.1	35.1	52.3	↑
Development status of clusters	36.0	35.3	40.0	42.0	49.7	↑
Collaboration within a business	52.9	50.1	50.6	54.3	58.7	↑
Collaboration between businesses	33.0	32.1	37.4	37.8	46.9	↑

Source: Based on WEF data, 2021

The leading African country in the “innovation capacity” pillar is Egypt. Cameroon lags behind this leading African country in all six sub-dimensions. The gap is most pronounced with regards to the status of cluster development and intra- and inter-business collaboration.

Graph 26 : Differences in sub-dimensions scores between Cameroon and Egypt in the Innovations pillar



Source: Based on WEF data, 2021

Global Innovation Index

The Global Innovation Index (GII), developed and published by the World Intellectual Property Organisation, reports on the performance of innovation ecosystems and tracks the latest global trends in this area. The fundamental role of innovation for competitiveness and economic prosperity being widely shared, the GII understands innovation in a broad sense and thus takes into account multiple facets to present a comprehensive picture of innovation. It highlights the strengths and weaknesses of innovation and specific disparities in innovation indicators.

In several countries, this tool helps different innovation stakeholders, including policy makers and business leaders, to design effective policies for innovation, creativity and targeted investment.

The overall GII index is based on two sub-dimensions: “Innovations Inputs” (institutions, human resources and research, infrastructure, market sophistication and business

environment sophistication) and “Innovations Outputs” (knowledge and technology, creativity) of the innovation system, both of which are equally weighted in the overall index. 80 indicators are used in its calculation, including investment in research and development, international patent and trademark applications, the creation of mobile phone applications, and high-tech exports. It also examines the economic context of countries.

In the GII's 2021 report, Cameroon ranks 123 out of 132 countries in the world with a score of 19.7 out of 100. Cameroon has dropped 4 ranks compared to 2020. The world ranking is led by Switzerland (65.5) ahead of Sweden (63.1), the United States (61.3), the UK (59.8) and South Korea (59.3). Mauritius is the first African country occupying rank 52 in the world.

Table 36: Ranking of selected countries in the Global Innovation Index

<i>Country</i>	<i>2021</i>	
	<i>Rank</i>	<i>Score</i>
Switzerland	1	65.5
Sweden	2	63.1
USA	3	61.3
France	11	55.0
Mauritius	52	35.2
South Africa	61	32.67
Kenya	85	27.5
Cameroon	123	19.7

Source: Competitiveness Committee based on the “Global Innovation Index” report 2021

Cameroon's underperformance is the result of particularly low scores on the following indicators: creativity (9.6 out of 100), knowledge and technology (12.9); human resources and research (18.2) and infrastructure (25.8). The low score on the creativity indicator is attributable to the low capacity to produce new goods and services (5.3 out of 100). This result is corroborated by the very low level of investment in research and development by both public institutions and private companies.

4.9. Global Resilience Index

Published in the annual report of FM Global (a US mutual insurance company), the Global Resilience Index analyses territorial resilience in relation to a disruption of the business supply chain. Increased resilience allows companies located in that territory to better protect themselves against a potential supply chain disruption and to rebound more quickly. These disruptions relate to risks such as geopolitical tensions, commodity price volatility and natural hazards.

The FM Global 2021 Resilience Index compiles data on the economy (productivity, political risk, oil intensity of the economy, urbanisation rate); risk quality (exposure to natural hazard risks, risk management in case of natural hazards, fire risk management, cyber risk) and supply chains (control of corruption, quality of infrastructure, corporate governance, supply chain visibility) of 130 countries and territories (including 24 African countries of which 3 ECCAS countries) to assess global resilience.

Global results

In 2021, Denmark, the most resilient country, recorded a score of 100 out of 100. Norway, which was the most resilient country in 2020, is second with a score of 98.1 out of 100 in 2021. Luxembourg had the best score on economic factors (with 100 out of 100) and the United States is the centre of risk quality with 100 out of 100. Singapore topped scores on supply chains.

South Africa is the African country with the highest score of 62.1 out of 100. It is followed by Botswana (56.9 out of 100) and Mauritius (56.3 out of 100), which are the only countries with a score above the world average of 54.5 out of 100.

Out of the ECCAS member countries, Rwanda had a good score (50 out of 100), followed by Cameroon and Chad. Almost all African countries facing internal conflicts scored below 30 out of 100.

Table 37: Global Resilience Index scores for selected African countries

<i>Country</i>	<i>Score</i>
Egypt	46.9
Morocco	42.8
Kenya	39.9
Côte d'Ivoire	38.5
Nigeria	27.9
Mozambique	24.3
Mali	22.6
Ethiopia	19.2
Chad	18.9

Source: FM-Global Resilience Index 2021

Results of Cameroon

Cameroon scored 26.7 out of 100 in 2021 compared to 27.7 in 2020, down by 1 point. However, Cameroon has improved its score in all three sub-categories compared to 2020.

Apart from the sub-indices “Political risk” (where it drops by 15.2 points) and “Quality of infrastructure”, Cameroon has improved its score in the other 14 sub-indicators of the three resilience factors.

Table 38: Trend of Cameroon scores on the three resilience factors between 2020 and 2021

	Score in 2021	Score in 2020	Variation
Supply chain	21.1	20.9	+0.2
Risk quality	42.8	38.3	+4.5
Economic performance	28.4	23.4	+5

Source: FM-Global Resilience Index 2020 and 2021

Economic performance: the political risk negatively influences the score

For the productivity sub-indicator, Cameroon's score has barely moved compared to 2020; in other words, weak productive capacity and large income gaps persist.

Political risk refers to the likelihood that the government will be destabilised or overthrown by unconstitutional or violent means. The 17.7 score out of 100, down by 15 points from 2020, reflects the need for continued reforms to ensure a peaceful institutional environment

and the deployment of offensive economic diplomacy, which are major assets for attracting foreign investors.

Oil intensity reflects the disruptive exposure due to an oil shock score (92.4 out of 100). In view of Cameroon's score in 2021, the WEF considers that the country has a low vulnerability to disruption from an oil shock. (Shortages, disruptions, price increases).

The urbanisation rate provides information on the average annual rate of urbanisation. Cameroon scored almost the same as in 2020 (54.4 vs. 54.3 out of 100).

Table 39: Trend of Cameroon scores in the sub-indices of the "economic performance" factor

	Score in 2021	Score in 2020	Variation
Productivity	2.4	2.1	+0.3
Political risk	17.7	32.9	-15.2
Oil intensity	92.4	85.4	+7.0
Rate of urbanisation	54.4	54.3	+0.1

Source: FM-Global Resilience Index 2020 and 2021

Risk quality: status quo in fire risk quality

The risk quality factor measures the relative risk to commercial and industrial property in countries. It comprises three factors from FM Global (natural hazard exposure, natural hazard risk quality and fire risk quality) and a fourth factor that captures the cyber-attack inherent in a country.

The natural hazard exposure indicator captures the percentage of a country's land area devoted to economic activities that is exposed to at least one natural hazard: earthquake, wind or flood. Cameroon scored 90.4 out of 100 in 2021 compared to 85.4 in 2020. The zoning of economic activities shows that these locations are resilient to natural hazards. This is a competitive advantage to sell to potential foreign investors.

The quality of natural hazard risk is the indicator of the quality and enforcement of a country's building code. It takes into account the degree to which building processes and standards are enforced and adds the negative effect that non-enforcement of these rules could have in the event of a natural hazard. For this sub-indicator, Cameroon's score improved by 3.6 points to 7.6 out of 100. Non-compliance with construction standards and procedures persists considering Cameroon's performance. There is a need to enhance controls and sanctions in the construction industry.

The fire risk quality indicator provides information on the respect of fire prevention standards in the design and construction of buildings. On this aspect, the country scores 27 out of 100 compared to 26.5 out of 100 in 2020.

The inherent cyber risk indicator informs on the vulnerability to a cyber-attack combined with the country's ability to recover; captured by internet penetration and civil liberties. Cameroon improved its score by 5 points from 2020 to 55.8 out of 100 in 2021.

Table 40: Trend of Cameroon scores in the sub-indices of the “Risk quality” factor

	Score in 2021	Score in 2020	Variation
Exposition to natural risks	90.4	85.4	+5.0
Quality of risks related to natural disasters	7.6	4	+3.6
Quality of risks related to fire	27	26.5	+0.5
Risks related to cyber attacks	55.8	50.8	+5.0

Source: FM-Global Resilience Index 2020 and 2021

Supply chain: *the quality of infrastructure impacts Cameroon score*

The third supply chain resilience factor has four indicators: control of corruption, quality of infrastructure, corporate governance and supply chain visibility.

The “control of corruption” indicator captures the manner in which public power is exercised for private gain (the extent to which elites use state prerogatives for their private interests). For this sub-indicator, Cameroon scores 8.2 out of 100, compared to 6.7 in 2020.

The “infrastructure quality” indicator provides information on transport, telephone and energy infrastructure. Cameroon’s score dropped from 20.1 in 100 to 2020 in 19.2.

The corporate governance indicator looks at compliance with auditing and accounting standards, management of conflicts of interest and choice of manager. Regarding this sub-dimension, the country has not really improved its score and remains below the global and even African average. This ranking indicates the magnitude of reforms needed to bring companies up to speed in adopting modern management rules in order to compete and avoid bankruptcy.

Supply chain visibility measures the ability to track and trace shipments in a country's supply chain. Cameroon scored 20.9 out of 100 as in 2020. This poor ranking indicates the lack of transparency in management of transactions. The acquisition of modern technologies and the streamlining of procedures could contribute to a better ranking for Cameroon.

Table 41: Trend of Cameroon scores in the sub-indices of the “supply chain” factor

	Score in 2021	Score in 2020	Variation
Corruption control	8.2	6.7	+1.5
Quality of infrastructure	19.2	20.1	-0.9
Corporate governance	35.2	34.3	+0.9
Supply chain visibility	20.9	20.9	0

Source: FM-Global Resilience Index 2020 and 2021

4.10. Travel and Tourism Development Index (TTDI)

The World Economic Forum published its seventh edition of the Travel and Tourism Report 2022. It uses the Travel and Tourism Development Index (TTDI) which is a direct trend of the Travel and Tourism Competitiveness Index (TTCI) published every two years for the past 15 years. The TTDI compares and measures “the set of factors and policies that enable the sustainable and resilient development of the travel and tourism (T&T) sector, which in turn contributes to a country's development”.

The index provides a strategic benchmarking tool for businesses, governments and international organisations to develop the travel and tourism sector. It provides unique information on the strengths and areas of development of each country to support their efforts in improving the long-term growth of their sector. The index is composed of 5 sub-indices, 17 pillars and 112 individual indicators, distributed across the different pillars.

Japan, the United States, Spain, France, Germany, Switzerland, Australia, the United Kingdom, Singapore and Italy occupy the top ten ranks in the Travel & Tourism Development Index 2021 successively. The ten last ranks are occupied by Venezuela, Malawi, Nigeria, Lesotho, Cameroon, Angola, Sierra Leone, Mali, Yemen and Chad. The report shows that travel and tourism development is dependent on economic performance with a few exceptions. It is therefore argued that the success of the tourism sector is dependent on the development of the economy as a whole.

Table 42: Scores and ranks of Cameroon and selected countries in the Travel and Tourism Development Index

	2019		2021		% difference in score	Variation	Change of rank
	valeur	Rang	valeur	Rang			
Venezuela	3,075	107	3,061	108	-0,45%	↓	-1
Malawi	3,018	108	3,024	109	0,21%	↓	-1
Nigeria	3,002	111	3,019	110	0,58%	↑	1
Lesotho	3,005	109	2,959	111	-1,53%	↓	-2
Cameroon	2,892	112	2,938	112	1,61%	↔	0
Angola	2,845	113	2,923	113	2,75%	↔	0
Sierra Leone	2,722	115	2,763	114	1,49%	↑	1
Mali	2,761	114	2,747	115	-0,50%	↓	-1
Yemen	2,551	116	2,619	116	2,68%	↔	0
Chad	2,456	117	2,488	117	1,28%	↔	0

Source: WEF

Although Cameroon maintains rank 102nd on 117 countries (20th out of 24 African countries ranked) with a 1.61% score improvement, an examination of the TTDI sub-indices shows that despite an improvement in its scores on the majority of sub-indices, the ranking does not improve.

However, Cameroon performs better in terms of ranking in three pillars: environmental sustainability (4th on 24), natural resources (4th on 24) and T&T demand pressure and impact (5th on 24). Poor performance is recorded in the following pillars: International Openness (23rd out of 24), Travel Prioritisation and Tourism (23rd out of 24), ICT Readiness (22nd out of 24), Safety and Security (21st out of 24)

4.11. Container Port Performance Index

Published in the World Bank's annual report in partnership with S&P Global Market Intelligence, the Container Port Performance Index (CPPI) is based on the total number of hours a ship spends in port, i.e. the time between its arrival in port and its departure from the berth, once the cargo exchange has been completed. It is calculated using two approaches, namely an administrative approach and a statistical approach on a sample of 370 ports.

At the individual port level, the variables measured include the average time spent for the different steps, under different categories (1) different call size ranges; and (2) berth-to-berth. The actual values of these variables are determined by a small number of unobserved factors, such as the availability and quality of infrastructure, the layout of the port, the expertise of employees, the available depth in the channel and at the quay.

The best performing port in 2021, according to both approaches, was King Abdullah Port in Saudi Arabia, which ranked 2nd in 2020. It is followed by the ports of Salaah in Oman, Hamad in Qatar and Yangshan in China.

In Africa, the port of Tangier Med (6th in the world) in Morocco is the best performing port, followed by the ports of Saïd (15th in the world), Damietta (58th in the world) and El Dekheila (139th in the world) all located in Egypt.

In Cameroon, the port of Douala occupies a world position far removed from its African peers (340th in the world and 30th in Africa out of 45 ports). However, it performs better than the port of Kribi (355th worldwide and 36th in Africa).

Table 43: CPPI 2021 of Cameroon ports and comparison ports

Ports	CPPI
King Abdullah	217.91
Salaah	197.67
Hamad	194.82
Yangshan	183.55
Tanger Med	178.09
Saïd	141.33
Damiette	72.70
El Dekheila	21.70
Douala	-106.20
Kribi	-174.47
Lagos	-188.31
Abidjan	-216.13
Pointe-Noire	-320.28
Durban	-386.09
Cape	-410.74

Source: CPPI 2021

This chapter has shown that the competitiveness of Cameroon's economy is progressing less than proportionally compared to the average for Africa. Efforts to improve the scores of certain indices or indicators have been noticeable, but to a fairly limited extent. Moreover, the evolution of sub-dimensions scores remains unstable, which reflects the absence of a regular approach to correcting shortcomings in a structural manner. The causes of this unsatisfactory performance remain mainly structural and related to the fundamental pillars of competitiveness, namely institutions, infrastructure and research and development, which should have a knock-on effect on the other pillars of competitiveness.

Chapter 5: Competitiveness enhancement initiatives

Improving results with regards to competitiveness of the economy and of enterprises requires cleaning up the overall framework in which economic activities are carried out and building productive capacity. This chapter reviews the initiatives implemented by the Government in 2021 to enhance competitiveness. Particular attention is paid to initiatives relating to: (i) the promotion of production sectors and the strengthening of SME capacities, (ii) support for exports, (iii) the protection of local businesses, (iv) reforms of the business environment and (v) achievements in infrastructure.

5.1. Policies to support production

5.1.1. Post-COVID recovery plan 2021-2023

Given the negative effects of the COVID 19 crisis on the productive sector, the challenge in 2021 was to support the resilience of businesses. To this end, a post-COVID 2021-2023 recovery plan was drawn up and annexed to the 2021 Finance Law with a budget of 871.8 billion. This plan is divided into four main areas:

- Support for the production and processing of consumer products (80 billion)
- Facilitating access to financing for businesses through credit lines opened in credit institutions (709 billion)
- Support for growth sectors (50 billion);
- Strengthening the competitiveness of companies (21 billion)

5.1.2. Measures adopted by Parliament

Several measures have been taken by the government in 2021 after adoption by Parliament to reduce the production costs of companies. These include specific fiscal and customs measures and direct or indirect subsidies. The agro-pastoral and fisheries sectors as well as the pharmaceutical industry benefit from VAT exonerations on the purchase of pesticides, fertilisers and inputs as well as equipment and materials for agriculture, livestock and fisheries under the fiscal and customs measures.

The above-mentioned inputs include:

- ✚ animal seeds (adult broodstock, larvae and fry of tilapia/carp/clarias, etc.), which are in addition to agricultural seeds (potato, rice, wheat, maize, soya beans, live cocks and hens
- ✚ processing materials and equipment such as gins, grain dryers and grinders;
- ✚ small agricultural and livestock equipment and machinery including fish feed production machinery, fish processing equipment, electric choppers and hatchery vaccination machines;
- ✚ fishing equipment such as factory ships and other vessels for processing or canning fishery products and outboard motors for propelling boats;
- ✚ hatchery equipment such as fish egg incubation equipment, hatcheries, fish egg counting and sorting equipment, feed mill line and fish premix.

The pharmaceutical industry benefits in addition to the exoneration from VAT, from a customs duty or Common External Tariff of 5% on imported capital goods.

There has also been an 80% reduction in the freight rate to be taken into account in determining the customs value of goods imported by sea. This decision was taken in November 2021 and will expire in February 2022.

5.1.3. Ad hoc support for certain producers

As part of the promotion of production sectors, actions have been carried out particularly in the agricultural, animal and fisheries sectors. In the agricultural sector, a subsidy of 3.3 billion euros was granted to SEMRY to renew its technical facilities. SODECOTON, for its part, has benefited from financing of about CFAF 64 billion from the Islamic Development Bank, for the purchase of agricultural inputs such as fertilisers, pesticides, herbicides as well as raw materials such as seed cotton and soya.

In the area of livestock and animal industry development, we can mention among others: (1) the acquisition of 164 Montbeliarde heifers for the development of milk production in the framework of livestock development; (2) the construction of 41 animal health intervention parks, 39 pastoral boreholes, 337 km of cattle tracks and 75 hectares of restored pastures; (3) the creation of 64 new zootechnical veterinary centres; (4) the financing of 93 projects in the field of livestock, fisheries and fish farming for an amount of CFAF 488,215,089; (5) the construction of 5 zootechnical centres, 5 deticers' baths, 2 veterinary control posts, 5 veterinary clinics, 11 sales halls, 5 livestock markets and 27 boreholes in the North-West region; (6) the provision of 6 million fingerlings to fish farmers in the North-West region.

SODEPA has acquired new equipment (forestry grinders, balers, sprayers) that will allow for large-scale production of hay, to help boost cattle production. Its employees have also been trained in the use of this new equipment.

The Livestock and Fish Farming Value Chain Development Project (PDCVEP) was officially launched in April 2021. With a cost of 65 billion, it is financed by an ADB loan of 55 billion and the state's own funds of 10 billion. Over the next five years, the PDCVEP aims to increase the competitiveness of beef, pork and fish products and improve the incomes of stakeholders as well as create new jobs in the three value chains. The project will produce and distribute 15 million straws of bovine seeds, 1,000 frozen embryos for the production of 500 calves, fodder seeds, high performance piglets, etc. The training of breeders in artificial insemination techniques and cattle fattening is also envisaged. These three sectors have strong margins for progress to meet the sub-sector's production objectives.

In October 2021, the integrated pork production and marketing project of Westend Farms was officially inaugurated. This farm houses an 11,000-head pig farm (including 700 sows), built on an area of 1.5 hectares, and 350 hectares of maize for the production of animal feed.

5.1.4. Actions undertaken in other production sectors

On 18 May 2021, the very first factory specialising in the transformation of stones into modern construction materials was inaugurated in Yaoundé, covering an area of 2,500 m². In addition to tiles, the Chinese company also intends to produce paving stones, tombstones, interior and exterior cladding materials, etc. These are intended for both the local and foreign markets. The installation of this Chinese company is the result of the agreement signed with the Investment Promotion Agency in 2019. The construction of the factory, which began in September 2019, was completed in January 2021.

In addition, actions have been undertaken with a view to structuring the pharmaceutical industry sectors, notably through the consolidation of the short-term action plan and the structuring of these sectors with a view to setting up the inter-profession; and the drawing up and signing of specifications with companies in the pharmaceutical sector.

5.1.5. Capacity building for SMEs

The government has set up an economic recovery fund for the productive sector through support for businesses. The “business support” activity has been allocated 10 billion francs. Four (4) specific financing mechanisms adapted to the different categories of companies have been defined and the sectors of activity identified. The said mechanisms concern: (a) a guarantee fund for medium-sized enterprises with an allocation of 4 billion francs; (b) a support fund for very small and small enterprises with an allocation of 2 billion francs; (c) a support fund for start-ups and innovative enterprises with an allocation of 1 billion francs; and (d) direct support for enterprises with an overall allocation of 2.6 billion francs.

In 2021, 2291 operators of informal production units migrated to the formal sector. In addition, 180 SMEs benefited from profiling by the Subcontracting and Partnership Exchange (SPX). Under the TRANSFAGRI programme, 642 income-generating SMEs have benefited from non-financial technical support. In addition, the Government supported the establishment of the agri-food industrial complex in Kaele.

5.2. Export support policies

The government has continued to implement the National Export Strategy through the Export Development Support Programme. This strategy is based on four actions: *(i) the supervision of export companies, (ii) the development of cross-border trade infrastructures, (iii) the promotion of Cameroonian products abroad and (iv) the development of commercial intelligence.* The following achievements are recorded in 2021:

- Support for ten (10) companies in the chemical and agri-food sectors to obtain approval for CEMAC and ECCAS preferential regimes, for a total of 223 products;
- Support to the reinforcement of the visibility and the presence of the made in Cameroon products on the markets via the participation of the economic operators in the Cross-border Fair of the CEMAC (FOTRAC), marked the participation of the economic actors of about ten countries of which Gabon,

Equatorial Guinea, Central African Republic, Congo, Togo, Benin, Ghana, Senegal, Gambia, Angola, Burkina Faso, Burundi, Niger, Sao Tome and Principe and the Democratic Republic of Congo at the Dubai 2020 World Expo; the insertion of “made in Cameroon” products in large commercial outlets, etc.

- The sensitisation, information and training of the business community as well as civil society on the stakes and opportunities of the African Continental Free Trade Area (ACFTA);
- The setting up of an exhibition and marketing showcase for “made in Cameroon” products in Yaounde, where more than seven hundred (700) references resulting from the local transformation of local products are accessible;
- The granting of CEMAC/CEEAC Preferential Tariff approvals to 210 Cameroonian industrial products which facilitates their circulation within the community space without customs barriers.
 - Exemption from exit fees for locally manufactured products (soaps, refined oils, cosmetics, etc.)
 - In addition, beyond measures such as the exemption from exit duty on locally manufactured products (soaps, refined oils, cosmetics, etc.), the abolition of excise duties on locally produced cosmetics (Article 142) taken and applied in 2021, specific actions likely to promote the conquest of external markets have been taken.

On 1 June 2021, the “Rural Women in Cocoa Programme” was launched, with the participation of a large delegation of chocolate makers from France, Colombia and Belgium. In addition, the eleventh Centre of Excellence for Post-Harvest Cocoa Processing was commissioned in July 2021 in Ngoro.

The Government has facilitated the linking of promoters of “made in Cameroon” products (collectives of operators in the agri-food, cosmetics and pharmaceutical sectors, as well as professionals from credit and microfinance institutions) with the Guarantee and Economic Cooperation Fund (FAGACE), whose mission is to contribute to the economic development of Member States by promoting access to financing for SMEs.

To improve transparency in foreign trade procedures, the FIMEX system (import and export files) was implemented to facilitate the processing of import and export files for goods.

In addition, the government continued the process of dismantling tariffs on imports of products from the European Union.

5.3. Policies to protect local industries

The application of excise duties on certain imported products at a rate of:

- 25% for products such as wood works and furniture, soaps and detergents, plastic articles and packaging, synthetic and artificial fibre fabrics, toothpicks, etc;
- 5% for corn grits, mayonnaise.

5.4. Business environment reforms

The reforms presented in this section are those relating to the improvement of the business environment.

The 2021 Finance Law adopted the replacement of the Taxpayer Card by the Attestation of Taxpayers Registration, which will now have an unlimited duration. In addition, on-line payment has been adopted as a compulsory method of payment of taxes for large companies. These innovations have made it possible to reduce the average time spent by taxpayers in completing their tax operations by about 30%.

In the area of public procurement, the government has worked to modernise the public procurement system and to strengthen, monitor, control and execute public procurement, in particular through:

- The online programming on the COLEPS platform of 7654 projects that can be freely consulted and downloaded;
- The award of 77 contracts online, bringing the ratio of contracts awarded online to 37% compared to 22% in 2020;
- Publication of 5339 tender notices and 4676 contract award decisions online;
- The issuance of 135,000 certificates of non-exclusion from public contracts, for the benefit of 4,000 companies.

Regarding the quality of services, the tax administration has completed the process of digitalisation of tax operations. These innovations have made it possible to reduce the average time spent by taxpayers in completing their tax operations by about 30%.

The customs administration has continued to implement measures to simplify foreign trade measures, which will reduce time and costs to support economic competitiveness.

With regard to customs governance, the fight against illicit trade has been enhanced and, as at 31 December 2021, several seizures of various kinds had been made, the total value of which is estimated at around 8 billion francs.

5.5. Densification of the infrastructure offer

During the year 2021 and in relation to the energy component, works on the project to strengthen and stabilise the electricity networks in the city of Yaoundé were executed up to 72%. The connection of certain agro-industrial units through the Electricity Sector Development Fund (FDSE) to the tune of CFAF 7 billion has been registered. In addition, and as an extension of the actions started previously, we note and without being exhaustive (i) the continuation of the construction work of: - the land plant with a capacity of 30 Megawatts (MW) and a 90 kilovolt (KV) transmission line for the evacuation of energy between Lom Pangar and Bertoua - the Memve'ele energy transmission line and hydroelectric development - a 222KV electricity transmission line between Nkongsamba-Bafoussam and Yaounde-Abong-Mbang; (ii) the Natchigal upstream hydroelectric development.

In the transport infrastructure sector, the length of asphalt roads increased by at least 118 km in 2021 and over 136 km of roads were rehabilitated. Similarly, the balance sheet

shows that over 1,200 km of dirt roads have been maintained, combined with the construction (410 m) and rehabilitation (532.4 m) of engineering structures, much of which is intended to facilitate the opening up of agricultural production areas,

5.6. Other initiatives

Companies subject to the real estate regime can now benefit from a tax credit for research and innovation expenditure. The research and innovation expenditure eligible for the tax credit includes the acquisition of exploitation rights for inventions by Cameroonian researchers.

Conclusion

Overall, considering the competitiveness indicators analysed in this report, Cameroon made progress in 2021, but still struggles to keep up with the average for Africa.

Despite the international context marked by the continuing repercussions of the COVID-19 pandemic, the Cameroonian economy has shown resilience. Thus, Cameroon scored a 3.5% growth rate in 2021 following a significant drop to 0.5% in 2020. In addition, inflation has been contained at 2.3%.

In terms of trade, the value of Cameroon's trade in goods and services increased by 10.8% in 2021, compared with a 22.5% drop the previous year. On the external market, Cameroon occupies the 113th position on the in the world export market ranking, that is a leap of one position compared to 2020. The country has maintained its position in the market for certain products, notably bananas, cocoa and coffee. However, large parts of the domestic market for most products continue to be imports driven. For example, local producers occupy 19.2%, 54% and 56.3% of the rice, fish and sugar markets respectively.

Furthermore, the costs of the main production and transaction factors did not reduce significantly in 2021, and remain relatively high overall. Sea freight has particularly hampered the competitiveness of firms, since inputs are largely imported.

The scrutiny of international benchmarking indicators of competitiveness reveals that efforts to improve are noticeable in the areas of institutions, infrastructure and even innovation. Overall, the country is making progress, but still struggles to keep up with the dynamism of other leading countries.

The picture of competitiveness thus presented, showcases the main strengths and weaknesses of the national economy's competitiveness at the end of 2021. It is also a call for proposals for solutions not entirely addressed in this report. Nevertheless, a few guidelines are given below although specific work will allow for more in-depth measures on each of the aspects mentioned in the report.

- The development and implementation of a national scheme for logistics and input supply;
- The continuation of efforts to increase the quality and quantity of the economic infrastructure offer;
- The implementation of a programme for the development of spaces dedicated to economic activities with sectoral specificities ;
- The continuation of efforts to improve the business environment (land reform, reduction of regulatory compliance costs).

Bibliographic references

- Centre Technique de l'Agro-alimentaire** (2022), Rapport d'activités 2021
- Comité de Compétitivité** (2021), Rapport sur la compétitivité de l'économie camerounaise en 2020
- Comité National Économique et Financier** (2022), TEG moyens 4^e trimestre 2021 et seuils d'usure premier semestre 2022
- Conseil National des Chargeurs du Cameroun** (2022), Note de Conjoncture du quatrième trimestre 2021
- Fonds Monétaire International** (2022), Perspectives Economiques Régionales : Afrique Subsaharienne, Avril
- Institut National de la Statistique** (2022), Evolution de l'inflation au Cameroun de 2016 à 2021
- Institut National de la Statistique** (2022), Comptes nationaux du quatrième trimestre 2021
- MINADER** (2022), Rapport annuel de performances 2021
- MINEPIA** (2021), Situation de la production et des importations du sous-secteur élevage, pêches et industries animales
- Loi des Finances de la République du Cameroun 2021 (2020)
- MINFI/DP** (2022), Tableau de bord des finances publiques à fin décembre 2021
- MINPMEESA** (2022), Rapport annuel de performances 2021
- MINTP** (2022), Rapport annuel de performances 2021
- Port Autonome de Douala** (2022), Tableau du secteur maritime
- République du Cameroun (2020)**, Stratégie Nationale de Développement 2020-2030, Yaoundé, Cameroun.
- World Bank, S&P Global** (2022), The container port performance index 2021
- World Economic Forum** (2022), Travel & Tourism Development Index 2021 Rebuilding for a Sustainable and Resilient Future
- World International Property Organization** (2021), Global Innovation Index 2021

Websites

- <https://www.intracen.org/itc/analyse-marche/statistiques-du-commerce/>
- <http://www.fao.org/faostat/fr/#data>
- https://fr.globalpetrolprices.com/gasoline_prices/
- <https://www.heritage.org/index/>
- <https://www.fmglobal.fr/research-and-resources/tools-and-resources/resilience-index>
- <https://blog.iese.edu/vcpeindex/>

Report of the competitiveness status of Cameroon's Economy in 2021

<https://www.globalinnovationindex.org/Home>

<https://www.4icu.org/>

<https://mtn.cm/fr/>

<https://www.orange.cm/>

<https://www.imf.org/en/Data>

<http://www.hubrural.org/L-Association-cotonniere-africaine.html?lang=fr>

<https://databank.worldbank.org/source/world-development-indicators>

<https://ins-cameroun.cm/>

Glossary

Real effective exchange rate

The monetary competitiveness of a country is analysed with respect to each trading partner or with respect to all trading partners. While the real exchange rate measures bilateral competitiveness, the real effective exchange rate assesses the price competitiveness of a country vis-à-vis all trading partners. These rates compare, in the same currency, the price of a representative basket of consumer or producer goods of one country with that of another country or group of partners.

For this purpose, the real effective exchange rate is the relative domestic price compared to the average price of the partners. It helps evaluate the extent to which changes in exchange rates, prices or costs in different trading partners influence the competitiveness of the country concerned.

Given the role of real effective exchange rate in economic performance and the methodologies that vary from one producer to another, the Competitiveness Committee is equipped with a tool to monitor and analyse the evolution of Cameroon's price competitiveness.

Relative investment ratio

A country's investment efforts are measured by the investment rate. This rate indicates the gross fixed capital formation of all economic agents as a percentage of GDP. To analyse a country's investment efforts in a comparative way, the relative investment ratio is used. This is the domestic investment rate in relation to that of the main reference countries expressed as a percentage. Its evolution makes it possible to assess the potential competitiveness of the country in question.

Foreign penetration rate

The foreign penetration rate measures the degree of competition between domestic and foreign producers on the domestic market. An increase in the foreign penetration rate could indicate a decline in the ability of domestic (national) firms to compete with foreign suppliers. A decreasing penetration rate may result from increased competitiveness of domestic suppliers (with import substitution) or from investments (or technology transfers) by foreign firms in the domestic economy. Its successive decline reflects a favourable competitive position acquired in the domestic market by local firms.

¹ Ratio between imports and domestic demand (or absorption).

Annexes

Table 44 : Annual Percentage Rate applied by banks (%)

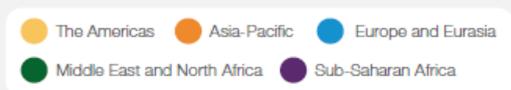
Categories	2019	2020	2021
1. SME loans	11.09	10.52	
Cash loans, other than overdraft	11.96	12.74	13.84
Discoveries	11.38	10.79	12.41
Bill discounts	20.72	16.32	11.33
Medium-term loans	12.08	14.98	10.74
Long-term loans	10.12	-	-
Leasing	20.97	15.26	27.79
Factoring	12.68	8.86	7.03
Bonds	2.40	1.89	2.36
2. Loans to Large Businesses	6.46	5.56	
Cash loans, other than overdraft	6.44	6.14	8.39
Discoveries	7.85	7.53	8.43
Bill discounts	12.77	9.02	7.84
Medium-term loans	7.73	12.15	9.1
Long-term loans	7.92	-	-
Leasing	16.77	9.75	20.68
Factoring	6.80	5.34	6.28
Bonds	2.12	1.65	1.37
3. Loans to legal entities other than SMEs and Large Enterprises	7.10	6.41	
Consumer loans, other than overdraft	7.25	8.92	18.93
Discoveries	14.51	13.48	16.94
Bill discounts	19.17	-	-
Medium-term loans *	6.92	8.85	16.30
Long-term loans *	-	-	-
Leasing	17.51	-	-
Bonds	5.02	2.89	2.4

Source: National Economic and Financial Committee (CNEF) of BEAC

Report of the competitiveness status of Cameroon's Economy in 2021

Table 45 : Scores and ranks of countries in the Travel and Tourism Index

Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)	Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)	Rank	Economy	Score ²	Change since 2019 ³		Diff. from TTDI Avg. (%)
			Rank	Score					Rank	Score					Rank	Score	
1	Japan	5.2	1	0.7%	31.8%	40	Mexico	4.3	-6	-1.2%	7.4%	79	Cambodia	3.6	3	1.1%	-9.2%
2	United States	5.2	-1	-1.0%	30.7%	41	Bulgaria	4.3	-2	-0.4%	7.3%	80	Tunisia	3.6	-3	-0.5%	-9.2%
3	Spain	5.2	2	0.0%	29.5%	42	Lithuania	4.3	3	0.6%	7.2%	81	Tanzania	3.6	5	2.6%	-10.2%
4	France	5.1	2	-0.2%	28.8%	43	Qatar	4.3	-2	-0.2%	7.0%	82	Cape Verde	3.6	1	1.4%	-10.2%
5	Germany	5.1	-1	-1.8%	27.3%	44	Georgia	4.3	3	1.4%	6.8%	83	Pakistan	3.6	6	2.9%	-10.2%
6	Switzerland	5.0	1	-2.1%	26.0%	45	Turkey	4.2	4	1.3%	6.4%	84	Mongolia	3.6	-8	-2.1%	-10.6%
7	Australia	5.0	1	-1.3%	25.6%	46	Croatia	4.2	-4	-0.6%	6.4%	85	Trinidad and Tobago	3.6	0	1.5%	-10.7%
8	United Kingdom	5.0	-5	-4.5%	24.8%	47	Israel	4.2	-7	-1.0%	6.2%	86	Kuwait	3.5	-7	-1.8%	-11.0%
9	Singapore	5.0	0	-1.4%	24.6%	48	Latvia	4.2	0	0.6%	5.9%	87	North Macedonia	3.5	-3	-0.3%	-12.1%
10	Italy	4.9	2	0.8%	23.9%	49	Brazil	4.2	3	2.3%	5.2%	88	Namibia	3.5	0	0.0%	-12.6%
11	Austria	4.9	0	0.4%	23.6%	50	Costa Rica	4.2	1	1.2%	4.5%	89	Rwanda	3.5	1	0.7%	-12.7%
12	China	4.9	3	2.3%	23.5%	51	Egypt	4.2	6	4.3%	4.4%	90	Kyrgyz Republic	3.4	3	1.9%	-13.9%
13	Canada	4.9	-3	-2.1%	22.9%	52	Vietnam	4.1	8	4.7%	4.1%	91	Bolivia	3.4	5	1.6%	-14.5%
14	Netherlands	4.9	0	0.2%	22.3%	53	Romania	4.1	-3	-0.7%	3.6%	92	Tajikistan	3.4	-1	-0.3%	-14.6%
15	Korea, Rep.	4.8	4	1.9%	21.4%	54	India	4.1	-8	-2.6%	3.6%	93	Lao PDR	3.4	1	0.7%	-15.0%
16	Portugal	4.8	-3	-2.1%	19.8%	55	Uruguay	4.1	6	3.6%	3.0%	94	Lebanon	3.4	-7	-3.1%	-15.1%
17	Denmark	4.7	-1	-1.5%	18.9%	56	Slovak Republic	4.1	-3	0.2%	2.9%	95	Bosnia and Herzegovina	3.4	-3	-0.7%	-15.2%
18	Finland	4.7	-1	-2.2%	17.3%	57	Bahrain	4.1	-2	1.0%	2.1%	96	El Salvador	3.3	2	1.7%	-16.1%
19	Hong Kong SAR	4.6	-1	-3.0%	16.3%	58	Colombia	4.0	4	2.3%	1.6%	97	Guatemala	3.3	-2	-0.6%	-16.1%
20	Sweden	4.6	1	-1.9%	16.0%	59	Argentina	4.0	-5	-1.2%	0.6%	98	Zambia	3.3	1	1.7%	-16.3%
21	Luxembourg	4.6	2	-0.5%	15.4%	60	Panama	4.0	-2	0.5%	0.3%	99	Paraguay	3.3	2	2.1%	-17.1%
22	Belgium	4.6	3	-0.6%	14.4%	61	Armenia	4.0	4	1.9%	-0.2%	100	Bangladesh	3.3	3	2.0%	-17.6%
23	Iceland	4.5	-1	-1.8%	14.2%	62	Mauritius	4.0	-6	-0.9%	-0.5%	101	Ghana	3.3	-1	0.9%	-17.6%
24	Ireland	4.5	-4	-3.9%	13.9%	63	Azerbaijan	4.0	-4	-0.3%	-0.6%	102	Nepal	3.3	0	1.8%	-17.8%
25	United Arab Emirates	4.5	1	0.7%	13.9%	64	Jordan	3.9	-1	-0.6%	-1.8%	103	Benin	3.2	3	4.0%	-18.7%
26	Czech Republic	4.5	1	0.3%	13.3%	65	Peru	3.9	4	2.1%	-2.1%	104	Nicaragua	3.2	-7	-2.0%	-19.1%
27	New Zealand	4.5	-3	-2.5%	12.6%	66	Kazakhstan	3.9	0	0.3%	-2.3%	105	Senegal	3.2	0	0.4%	-20.2%
28	Greece	4.5	0	0.2%	12.1%	67	Montenegro	3.9	-3	-0.7%	-2.6%	106	Honduras	3.1	-2	-2.1%	-21.5%
29	Estonia	4.4	2	-0.6%	10.7%	68	South Africa	3.8	0	-0.3%	-3.8%	107	Côte d'Ivoire	3.1	3	2.6%	-22.6%
30	Poland	4.4	3	0.8%	10.6%	69	Dominican Republic	3.8	3	2.6%	-3.9%	108	Venezuela	3.1	-1	-0.5%	-23.1%
31	Cyprus	4.4	-1	-0.8%	10.5%	70	Serbia	3.8	0	1.3%	-3.9%	109	Malawi	3.0	-1	0.2%	-24.0%
32	Indonesia	4.4	12	3.4%	10.3%	71	Morocco	3.8	-4	-2.1%	-4.8%	110	Nigeria	3.0	1	0.6%	-24.1%
33	Saudi Arabia	4.3	10	2.3%	9.3%	72	Albania	3.8	-1	1.0%	-5.0%	111	Lesotho	3.0	-2	-1.5%	-25.6%
34	Chile	4.3	4	0.9%	9.1%	73	Ecuador	3.8	1	1.0%	-5.7%	112	Cameroon	2.9	0	1.6%	-26.2%
35	Malta	4.3	-3	-1.9%	9.0%	74	Sri Lanka	3.7	1	1.4%	-6.0%	113	Angola	2.9	0	2.8%	-26.5%
36	Thailand	4.3	-1	0.2%	8.8%	75	Philippines	3.7	-2	0.1%	-6.3%	114	Sierra Leone	2.8	1	1.5%	-30.6%
37	Hungary	4.3	0	0.3%	8.7%	76	Botswana	3.7	2	3.0%	-6.6%	115	Mali	2.7	-1	-0.5%	-31.0%
38	Malaysia	4.3	-9	-3.0%	8.4%	77	Moldova	3.6	4	1.2%	-8.6%	116	Yemen	2.6	0	2.7%	-34.2%
39	Slovenia	4.3	-3	-0.7%	7.8%	78	Kenya	3.6	2	0.5%	-9.1%	117	Chad	2.5	0	1.3%	-37.5%



1. Index results represent the latest data available at the time of collection (end of 2021).
 2. Overall scores range from 1 to 7 where 1 = worst and 7 = best.
 3. Change since 2019 refers to 2019 results using new index framework and methodology.

Source: WEF

Table 46 : Scores and ranks of Cameroon in the Global Innovation Index

Output rank	Input rank	Income	Region	Population (mn)	GDP, PPP\$ (bn)	GDP per capita, PPP\$	GII 2020 rank
117	124	Lower middle	SSF	26.5	97.0	3,710	119
				Score/ Value			Score/ Value
				Rank			Rank
Institutions				49.9	113		
1.1	Political environment			40.2	118		
1.1.1	Political and operational stability*			55.4	112	⊖	10.9 108
1.1.2	Government effectiveness*			32.6	119		
1.2	Regulatory environment			48.0	110		
1.2.1	Regulatory quality*			21.9	120		
1.2.2	Rule of law*			17.2	127	⊖	106
1.2.3	Cost of redundancy dismissal			19.9	84		
1.3	Business environment			61.4	103		
1.3.1	Ease of starting a business*			86.3	80		
1.3.2	Ease of resolving insolvency*			36.6	110		
Human capital and research				18.2	105		
2.1	Education			35.7	103		
2.1.1	Expenditure on education, % GDP			3.1	93		
2.1.2	Government funding/pupil, secondary, % GDP/cap ⊖			17.8	60	●	
2.1.3	School life expectancy, years ⊖			12.1	91		
2.1.4	PISA scales in reading, maths and science			n/a	n/a		
2.1.5	Pupil-teacher ratio, secondary ⊖			19.3	94		
2.2	Tertiary education			19.0	96		
2.2.1	Tertiary enrolment, % gross			14.3	104		
2.2.2	Graduates in science and engineering, % ⊖			21.3	66		
2.2.3	Tertiary inbound mobility, %			2.8	69		
2.3	Research and development (R&D)			0.0	[123]		
2.3.1	Researchers, FTE/mn pop.			n/a	n/a		
2.3.2	Gross expenditure on R&D, % GDP			n/a	n/a		
2.3.3	Global corporate R&D investors, top 3, mn US\$			0.0	41	⊖	
2.3.4	QS university ranking, top 3*			0.0	74	⊖	
Infrastructure				25.8	115		
3.1	Information and communication technologies (ICTs)			34.2	120		
3.1.1	ICT access*			34.4	117		
3.1.2	ICT use*			13.5	124	⊖	
3.1.3	Government's online service*			47.1	110		
3.1.4	E-participation*			41.7	111		
3.2	General infrastructure			24.1	87		
3.2.1	Electricity output, GWh/mn pop.			342.1	114		
3.2.2	Logistics performance*			25.5	91		
3.2.3	Gross capital formation, % GDP			27.2	32	●	
3.3	Ecological sustainability			19.2	108		
3.3.1	GDP/unit of energy use			9.4	76		
3.3.2	Environmental performance*			33.6	108		
3.3.3	ISO 14001 environmental certificates/bn PPP\$ GDP			0.2	118		
Market sophistication				26.1	129		
4.1	Credit			28.2	112		
4.1.1	Ease of getting credit*			60.0	74		
4.1.2	Domestic credit to private sector, % GDP ⊖			15.2	119		
4.1.3	Microfinance gross loans, % GDP			0.7	28	●	
4.2	Investment			15.6	[127]		
4.2.1	Ease of protecting minority investors*			28.0	124	⊖	
4.2.2	Market capitalization, % GDP			n/a	n/a		
4.2.3	Venture capital investors, deals/bn PPP\$ GDP			n/a	n/a		
4.2.4	Venture capital recipients, deals/bn PPP\$ GDP			0.0	73		
4.3	Trade, diversification, and market scale			34.5	128		
4.3.1	Applied tariff rate, weighted avg., %			15.5	131	⊖	
4.3.2	Domestic industry diversification			n/a	n/a		
4.3.3	Domestic market scale, bn PPP\$			97.0	86		
Business sophistication				20.4	93		
5.1	Knowledge workers			23.7	[88]		
5.1.1	Knowledge-intensive employment, %			⊖	10.9	108	
5.1.2	Firms offering formal training, %			⊖	37.6	35	●
5.1.3	GERD performed by business, % GDP			n/a	n/a		
5.1.4	GERD financed by business, %			n/a	n/a		
5.1.5	Females employed w/advanced degrees, %			⊖	2.0	106	
5.2	Innovation linkages			18.6	76		
5.2.1	University-industry R&D collaboration†			40.0	75		
5.2.2	State of cluster development and depth†			42.0	96		
5.2.3	GERD financed by abroad, % GDP			n/a	n/a		
5.2.4	Joint venture/strategic alliance deals/bn PPP\$ GDP ⊖			0.0	102		
5.2.5	Patent families/bn PPP\$ GDP			0.0	91		
5.3	Knowledge absorption			18.8	99		
5.3.1	Intellectual property payments, % total trade			0.0	117	⊖	
5.3.2	High-tech imports, % total trade			⊖	5.7	102	
5.3.3	ICT services imports, % total trade			1.6	45	●	
5.3.4	FDI net inflows, % GDP			2.3	71	●	
5.3.5	Research talent, % in businesses			n/a	n/a		
Knowledge and technology outputs				12.9	98		
6.1	Knowledge creation			7.2	95		
6.1.1	Patents by origin/bn PPP\$ GDP			0.3	85		
6.1.2	PCT patents by origin/bn PPP\$ GDP			0.0	90		
6.1.3	Utility models by origin/bn PPP\$ GDP			0.0	62		
6.1.4	Scientific and technical articles/bn PPP\$ GDP			14.3	61	●	
6.1.5	Citable documents H-index			7.4	89		
6.2	Knowledge impact			26.1	[81]		
6.2.1	Labor productivity growth, %			1.3	37	●	
6.2.2	New businesses/th pop. 15-64			n/a	n/a		
6.2.3	Software spending, % GDP			0.1	81		
6.2.4	ISO 9001 quality certificates/bn PPP\$ GDP			0.7	116		
6.2.5	High-tech manufacturing, %			n/a	n/a		
6.3	Knowledge diffusion			5.5	118		
6.3.1	Intellectual property receipts, % total trade			0.0	71		
6.3.2	Production and export complexity			6.8	119	⊖	
6.3.3	High-tech exports, % total trade			⊖	0.2	107	
6.3.4	ICT services exports, % total trade			1.3	70	●	
Creative outputs				9.6	124		
7.1	Intangible assets			13.3	122		
7.1.1	Trademarks by origin/bn PPP\$ GDP			6.3	118	⊖	
7.1.2	Global brand value, top 5,000, % GDP			0.0	80	⊖	
7.1.3	Industrial designs by origin/bn PPP\$ GDP			0.4	93		
7.1.4	ICTs and organizational model creation†			42.4	107		
7.2	Creative goods and services			5.3	[103]		
7.2.1	Cultural and creative services exports, % total trade			0.6	45	●	
7.2.2	National feature films/mn pop. 15-69			n/a	n/a		
7.2.3	Entertainment and media market/th pop. 15-69			n/a	n/a		
7.2.4	Printing and other media, % manufacturing			n/a	n/a		
7.2.5	Creative goods exports, % total trade			⊖	0.0	121	
7.3	Online creativity			6.2	116		
7.3.1	Generic top-level domains (TLDs)/th pop. 15-69			0.2	119		
7.3.2	Country-code TLDs/th pop. 15-69			1.2	81		
7.3.3	Wikipedia edits/mn pop. 15-69			21.2	118		
7.3.4	Mobile app creation/bn PPP\$ GDP			n/a	n/a		

Source: World International Property Organisation