

# Foreign Agricultural Investment Country Profile

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## Cameroon



REGION	sub-Saharan Africa
INCOME GROUP	Lower middle income
POPULATION	20 million
TOTAL AREA	475 440 km <sup>2</sup>
CAPITAL	Yaoundé
LARGEST CITY	Douala
GNI PER CAPITA	US\$1 190
OFFICIAL LANGUAGE	English, French
MAJOR EXPORTS	petroleum, lumber, cocoa, aluminium, coffee, cotton,
MAJOR IMPORTS	machinery, transport equipment, fuel, food, electrical equipment, industrial inputs.



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## Acronyms

API	Investment Promotion Agency
CDC	Cameroon Development Corporation
CEMAC	Economic and Monetary Community of Central Africa
CFA	Central African CFA franc
ECOWAS	Economic Community of West African States
FDI	Foreign Direct Investment
GESP	Growth and Employment Strategy Paper
GNI	Gross National Income
HDI	Human Development Index
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFZ	Industrial Free Zone
OHADA	Organization for Harmonization of Business Laws in Africa
PSAE	Agricultural and Livestock Sector Programme
SADC	Southern African Development Community
SME	small- and medium-sized enterprise
SNI	National Investment Corporation of Cameroon
TEC	Common External Tariff

# 1 General information

## 1.1 Foreign Direct Investment (FDI) in Cameroon

FDI inflow into Cameroon was very low in the early 1990s but picked up in the latter half of the decade, peaking in 1998 at US\$215 million when privatization increased and price controls were abolished. FDI subsequently fell to US\$73 million in 2001, but rose to its highest level ever in 2002 at US\$602 million, reflecting the sale of the national power company, SONEL, and the Chad-Cameroon oil pipeline project. Inflows have maintained an average US\$300 million for the 2003–2009 time period.

**FDI inflows and stock annual data (US\$ millions)**

	Year												
	1990	1995	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>FDI inflows</b>	-113	7	215	159	73	602	383	319	225	309	284	270	337
<b>FDI stock</b>	1 044	1 062	1 457	1 600	1 673	2 275	2 658	2 978	3 202	3 511	3 796	4 065	4 403

Source: UNCTAD Stat

While France is normally seen as the main investor nation, French investment is currently smaller than that of the United States, whose role is particularly strong in the energy and petroleum sectors.<sup>1</sup> Aside from investing in SONEL through AES Corporation, United States investment in the Chad-Cameroon oil pipeline is the largest United States investment in sub-Saharan Africa, estimated at US\$4.4 billion. Despite its declining investment role, France is still a major economic partner in Cameroon. French interests are present in sugar production plants, telecommunications, logistics and transportation. Furthermore, South Africa, China, South Korea, Morocco and India are increasingly investing in Cameroon. South African firms bought shares in a state-owned mobile telephone company, and have also acquired the Cameroon Development Corporation's (CDC) tea sector, now known as Cameroon Tea Estates (CTE).<sup>2</sup>

Cameroon's primary investment law was the 1990 Investment Code (Ordinance No. 90/007). Its incentives were identical for foreign and domestic investors and provided 14 basic guarantees to investors, including property ownership, ability to repatriate capital and income, prior compensation in case of expropriation, freedom of movement within Cameroon and free egress for personnel.<sup>3</sup> In 2002, the National Assembly rewrote the Code and adopted the Investment Charter, which is largely based on the one adopted by the Economic and Monetary Community of Central Africa (CEMAC) in 1999. The Charter substantially strengthens the advantages and legal guarantees accorded to companies wishing to invest in Cameroon.<sup>4</sup>

<sup>1</sup> UNCTAD FDI in brief: [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_ib\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_ib_cm_en.pdf)

<sup>2</sup> US Dept. of State, 2010 Investment Climate Statement, Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2010/138046.htm>

<sup>3</sup> Africa Asia Business Forum, Cameroon Investment Guide: [http://www.aabf.org/cameroon\\_inv\\_guide.htm](http://www.aabf.org/cameroon_inv_guide.htm)

<sup>4</sup> WTO Trade Policy Review, Cameroon Government Report: [http://www.wto.org/english/tratop\\_e/tp\\_r\\_e/tp288\\_e.htm](http://www.wto.org/english/tratop_e/tp_r_e/tp288_e.htm)

The Charter allows for a period of 5 years (from its enactment) for the adoption of sectoral codes and regulations on the operation of the institutions envisaged. According to the authorities, this period has been extended by 2 years. During this period, the regimes already existing under the repealed legislation remain in place.<sup>5</sup> The Charter establishes three bodies to facilitate investments and exports: the regulation and competitiveness board; the investment promotion agency; and the export promotion agency.<sup>6</sup> L'Agence de Promotion des Investissements du Cameroun (API) was created in 2005 and became functional in February 2010, although full operation is still limited. In the Doing Business 2011 summary data for Cameroon, the overall Ease of Doing Business status ranks the country 168th out of 183 economies. The table below lists the rankings by each topic and the following displays the enterprise surveys results for perceived constraints to firm investment.

### Doing business (DB) rankings by topic

Topic rankings	DB 2010 rank	DB 2011 rank	Change in rank
Starting a business	165	131	↑34
Dealing with construction permits	122	118	↑4
Registering property	145	149	↓-4
Getting credit	135	138	↓-3
Protecting investors	119	120	↓-1
Paying taxes	169	169	No change
Trading across borders	149	155	↓-6
Enforcing contracts	174	173	↑1
Closing a business	142	141	↑1

Source: World Bank, Doing Business: <http://www.doingbusiness.org/data/exploreeconomies/cameroon>

### Top 10 business environment constraints for firms

Business environment constraints	Percentage of firms
Practices informal sector	24.80
Tax administration	19.40
Access to finance	16.60
Electricity	13.60
Corruption	7.40
Crime, theft and disorder	5.10
Tax rates	3.80
Customs and trade regulations	3.40
Political instability	2.00
Access to land	1.20

Source: Enterprise Surveys: <http://www.enterprisesurveys.org/Graphing-Tool>

<sup>5</sup> WTO Trade Policy Review, Cameroon, Secretariat Report, Summary Observations (2007): [http://www.wto.org/english/tratop\\_e/tp\\_r\\_e/s187-00\\_e.doc](http://www.wto.org/english/tratop_e/tp_r_e/s187-00_e.doc)

<sup>6</sup> Law No. 2002/004 Instituting the Investment Charter: [www.ambacamriyad.org.sa/images/doc/investment\\_charter.doc](http://www.ambacamriyad.org.sa/images/doc/investment_charter.doc)

## 1.2 Agriculture sector and FDI

Cameroon's diverse natural resource base shapes the agriculture, mining, forestry, fishing, oil and gas sectors on which the economy depends.<sup>7</sup> The Cameroonian economy is relatively diversified but continues to be dominated by agriculture: 48 percent of the working population still depends on agricultural and pastoral activities for their livelihood<sup>8</sup> and agriculture is responsible for 19 percent of GDP (2007).<sup>9</sup> Cameroon is characterized by a low gross domestic product (GDP) per capita of US\$ 1 122 (2010), with 40 percent of the population living below the poverty line and concentrated primarily in rural areas.<sup>10</sup>

Often described as "Africa in miniature" because of the diversity of flora and fauna, and variations in climate and landscape, Cameroon covers a total area of about 47.3 million ha (475,400 km<sup>2</sup> of land).<sup>11</sup> FAO estimates its arable land potential at 5.9 million ha, out of which only around 1.2 million are currently cultivated.<sup>12</sup> With about 20 million ha of forest, covering an estimated 46 percent of total land area, Cameroon ranks second only to the Democratic Republic of the Congo in Africa for timber reserves.<sup>13</sup> Despite rainfall which supports production, and waterfalls and rapids which offer much hydropower potential, little agricultural land is irrigated (0.4 percent of cultivated land).<sup>14</sup>

Cameroon has five agro-ecological zones: i) the Sudano-Sahelian zone with low rainfall, desert and savannah scrub vegetation (in the north and extreme north regions); ii) the High Guinea Savannah (which includes a stretch of highlands, the Adamawa plateau, Mbam department in the centre region, and Lom-et-Djerem in the east region); iii) the Western Highlands zone (regions of west and northwest); iv) the Monomodal Humid Forest zone (littoral and southwest); and v) the Bimodal Humid Forest zone (centre, south and east regions).<sup>15</sup> The southern part of the country is ideal for the cultivation of tubers. The more arid north is primarily where cotton and rainfed subsistence cereal crops are grown (corns, sorghum, millet, groundnut, beans, wheat) and where nomadic and semi-nomadic pastoralists raise cattle. Between the semi-arid north and southern rain forests is an intermediary zone where coffee, cocoa, root crops and plantains are cultivated. The coastal zones instead are characterized by high rainfall, forests and fertile soil that support palm oil, rubber and horticultural crop production.<sup>16</sup>

The agriculture sector is comprised of cash crop and food crop cultivation. Cocoa and coffee are grown on smallholdings, normally on cleared forest land. Other commodities (palm oil, rubber, tea, bananas) are grown on larger plantations, initially concentrated primarily in the southwest and along the coast, and now increasingly established in the central and south-central regions as well. The

<sup>7</sup> IFAD Rural Poverty Portal, Cameroon: <http://www.ruralpovertyportal.org/web/guest/country/geography/tags/cameroon>

<sup>8</sup> FAO Country Brief: <http://www.fao.org/countries/55528/en/cmr>

<sup>9</sup> World Bank, World Development Indicators, Cameroon: <http://data.worldbank.org/country/cameroon>

<sup>10</sup> IFAD Rural Poverty Portal, Cameroon: <http://www.ruralpovertyportal.org/web/guest/country/home/tags/cameroon>

<sup>11</sup> FAO Country Brief: <http://www.fao.org/countries/55528/en/cmr/>

<sup>12</sup> FAO Cameroon Information Note (2011): [http://countrybriefs.fao.org/TO/project\\_download.asp?FileName=11207\\_user](http://countrybriefs.fao.org/TO/project_download.asp?FileName=11207_user)

<sup>13</sup> Société Nationale d'Investissement du Cameroun (SNI): <http://www.sni.cm/en/investir22.php?id=10>

<sup>14</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010):

<http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

<sup>15</sup> Institute of Agricultural Research for Development, IRAD: [http://www.irad-cameroon.org/carte\\_us.php](http://www.irad-cameroon.org/carte_us.php)

<sup>16</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010):

<http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

state-owned CDC is the largest agribusiness operating in Cameroon on about 41 000 ha of land and employing 16 000 people.<sup>17</sup> Agriculture value added in 2007 was US\$3 924 million, an increase from the 2004 value of US\$2 992 million. The average growth rate for 2004–2007 was 3.5 percent.<sup>18</sup>

The value of agricultural exports in 2008 was US\$962 million, increasing from US\$604 million value of 2005. The average growth rate of exports from 2005 to 2008 was 17.7 percent. The main agricultural exports in terms of value are cocoa beans, banana, natural dry rubber, cotton lint and green coffee.<sup>19</sup>

The value of agricultural imports in 2008 was US\$624 million, an increase from the 2005 value of US\$459 million. The average growth rate of imports from 2005 to 2008 was 11.7 percent. The main agricultural imports in terms of value are wheat, milled rice, food preparations, malt and whole dried milk.

Cameroon's Vision 2035<sup>20</sup> links a long-term development strategy to the Growth and Employment Strategy Paper (GESP) for 2010–2020, which envisages significant investment in infrastructure; seeks productive increases in agriculture, livestock, mining and key value chains (timber, ICT, tourism); and aims at improvements in economic growth, governance, formal sector employment, poverty and business climate.<sup>21</sup>

The agricultural sector remains strategic in Cameroon's development. The budget allocated to this sector is constantly rising. The directives of a major agricultural policy were reaffirmed by the head of state at the opening of the agricultural show "Comice Agropastoral" in January 2011. They are: i) to establish a fertilizer production unit; ii) to set up an assembly plant for agricultural machinery at Ebolowa; iii) to improve seed farms; iv) to prepare land reform to adapt to the needs of second-generation agriculture; v) to strengthen the system of rural finance by opening the Agricultural Bank and a bank for small- and medium-sized enterprises and industries (SMEs/SMIs).<sup>22</sup>

In addition, the Ministry of Agriculture and Rural Development (MINADER) and the Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) have elaborated a national rural development strategy: the Agricultural and Livestock Sector Program (Programme Sectoriel Agriculture et Elevage, or PSAE).<sup>23</sup>

## Infrastructure

**Electricity:** Total production of 5 601 gigawatt hour (2010),<sup>24</sup> majority being hydroelectric and the rest thermal. Along with the Democratic Republic of the Congo, Cameroon has the greatest potential for hydroelectric power in Africa. Over 110 possible sites have been identified, with a combined potential capacity of 500 000 megawatts. The two main hydrostations, Edea and Song-Loulou, are located on the Sananga River.<sup>25</sup>

<sup>17</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010):

<http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

<sup>18</sup> World Bank, World Development Indicators:

[http://databank.worldbank.org/ddp/home.do?Step=2&id=4&ActiveDimensionId=WDI\\_Ctry](http://databank.worldbank.org/ddp/home.do?Step=2&id=4&ActiveDimensionId=WDI_Ctry)

<sup>19</sup> FAOSTAT: <http://faostat.fao.org/site/535/DesktopDefault.aspx?PageID=535#ancor>

<sup>20</sup> The principle objectives of Vision 2035 are to reduce poverty to less than 10 percent; to become a middle-income, industrialized nation; and to consolidate democracy and national unity. Cameroon Vision 2035:

<http://www.camerounenmarche.com/download/?lang=fr&strMode=getDoc&id=31>

<sup>21</sup> Specifically, the GESP establishes the following targets: raise the average annual growth rate to 5.5% over the 2010–2020 period; cut the underemployment rate from 75.8% to under 50% in 2020 by creating tens of thousands of formal sector jobs annually for the next 10 years; and reduce the income poverty rate from 39.9% in 2007 to 28.7% in 2020.

<http://www.camerounenmarche.com/download/?lang=fr&strMode=getDoc&id=31>

<sup>22</sup> African Economic Outlook, Cameroon: <http://www.africaneconomicoutlook.org/en/countries/central-africa/cameroon/>

<sup>23</sup> FAO, Cameroon Information Note (2011): [http://countrybriefs.fao.org/TO/project\\_download.asp?FileName=11207\\_user](http://countrybriefs.fao.org/TO/project_download.asp?FileName=11207_user)

<sup>24</sup> CIA, World Factbook, Cameroon: <https://www.cia.gov/library/publications/the-world-factbook/geos/cm.html>

<sup>25</sup> UNECA, Cameroon: <http://www.uneca.org/sros/ca/news/Mid%20January/Cameroon%20Energy.pdf>

**Roads:** Cameroon has a road network of around 50 000 km, of which 5 000 km are paved.<sup>26</sup> Despite road transportation representing 70 percent of the overall transport activity, road maintenance is inadequate; 10.2 percent of surfaced roads are in good condition; 31.9 percent in normal condition; and 37.9 percent in mediocre or poor condition.<sup>27</sup>

**Sea:** The major port is Douala, with smaller ports in Limbe, Garoua and Kribi. To improve efficiency, the government made the port administration autonomous in 2000.<sup>28</sup>

**Rail:** Recently privatized CAMRAIL serves passengers and freight transportation. There are three passenger links: Western link (Douala-Kumba); TRANSCAM 1 link (Douala-Yaoundé); and TRANSCAM 2 link (Yaoundé-Ngaoundere).<sup>29</sup>

**Air:** Three international airports in Yaoundé, Douala and Garoua, along with 50 small airports or airstrips, comprise Cameroon's air transport potential. Domestic passenger and cargo air service is largely dominated by the national airline, Cameroon Airlines (Camair).<sup>30</sup>

#### For additional information on FDI in general and in Cameroon's agriculture sector:

UNCTAD Stat <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>

UNCTAD World Investment Report 2010 <http://www.unctad.org/wir>

UNCTAD FDI in brief [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_ib\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_ib_cm_en.pdf)

UNCTAD Country Factsheet [http://www.unctad.org/sections/dite\\_dir/docs/wir10\\_fs\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_dir/docs/wir10_fs_cm_en.pdf)

UNCTAD Country Profile [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_cm_en.pdf)

U.S. Dept. of State 2010 Investment Climate Statement – Cameroon

<http://www.state.gov/e/eeb/rls/othr/ics/2010/138046.htm>

World Bank Private Sector at a Glance [http://devdata.worldbank.org/PSD/cmr\\_psd.pdf](http://devdata.worldbank.org/PSD/cmr_psd.pdf)

World Bank Investing Across Borders

<http://iab.worldbank.org/Data/Explore%20Economies/Cameroon>

World Bank Business Environment Snapshot

<http://rru.worldbank.org/BESnapshots/Cameroon/default.aspx>

Enterprise Surveys Snapshot Report (2009)

<http://www.enterprisesurveys.org/ExploreEconomies/?economyid=34&year=2009>

Business in Cameroon, The Investment Portal for Cameroon <http://www.businessincameroon.com/>

<sup>26</sup> CIA, World Factbook, Cameroon: <https://www.cia.gov/library/publications/the-world-factbook/geos/cm.html>

<sup>27</sup> African Economic Outlook, Cameroon 2011: <http://www.africaneconomicoutlook.org/en/countries/central-africa/cameroon/>

<sup>28</sup> Cameroon Embassy, The Netherlands: <http://www.cameroon-embassy.nl/index.php/en/economy-and-finance.html>

<sup>29</sup> CAMRAIL: [http://www.camrail.net/en/transp\\_voyageurs.html](http://www.camrail.net/en/transp_voyageurs.html)

<sup>30</sup> Cameroon Embassy, The Netherlands: <http://www.cameroon-embassy.nl/index.php/en/economy-and-finance.html>

## 2 Information on specific areas

### 2.1 Legal and regulatory framework<sup>31</sup>

Cameroon is bi-jural: two different legal systems operate in different parts of the country *vis-à-vis* national law. English common law applies in northwest and southwest regions while French civil law applies in the eight remaining regions. The 1996 Constitution applies nationally as does investment, commercial and other national legislation.<sup>32</sup> Until full implementation of the 2002 Investment Charter, the Investment Code of 1990 remains the main law governing both local and foreign investment.

#### 2.1.1 Major laws and regulations affecting foreign investment

##### **Investment Code Ordinance No. 90/007, 1990 (amended by Investment Charter Law No. 2002/004)**

<http://www.businessincameroon.com/conditions-dinvestissement/55-ci-2/85-code-des-investissements> (French)

The 1990 Investment Code offered a number of benefits to investors under five special incentive regimes, provided guarantees of protection from undue government interference. The Code also established a "one-stop shop" for investment approval procedures and dispute resolution: the Investment Code Management Unit (ICMU), which was later replaced by the Investment Promotion Agency. Although repealed by the Investment Charter Law, portions of this Code remain in effect until the Charter is fully implemented.

##### **Investment Charter Law No. 2002/004, 2002**

<http://www.minee.cm/uploads/pdf/Charte/electricite/LOI%2019%20Avril%202002%20Portant%20Charte.pdf> (French);

[http://www.ambacamriyad.org.sa/images/doc/investment\\_charter.doc](http://www.ambacamriyad.org.sa/images/doc/investment_charter.doc) (English)

In 2002, Cameroon enacted its new Investment Charter Law No. 2002/004. Unlike the Investment Code, the Investment Charter will not discriminate with regard to equity ownership and will simplify procedures for obtaining land titles. The new legislation provides guarantees to both foreign and domestic investors that are in good compliance with internationally recognized norms. The Charter also establishes the Investment Promotion Agency (API), created in 2005. However, the Charter is yet to be implemented fully and the president signed a decree in May 2009 to postpone the implementation deadline of some provisions to 2014.<sup>33</sup>

##### **Presidential Decree No. 2005/310, 2005 on the creation and functions of API**

<http://www.spm.gov.cm/en/documentation/laws-and-statutory-instruments/laws-and-statutory-instruments/article/decret-n-2005310-du-01-septembre-2005-portant-organisation-et-fonctionnement-de-lagence-de-promot.html> (French)

<sup>31</sup> This section provides information on laws and regulations recognized during the preparation of this paper and does not provide a comprehensive list of laws and regulations related to agricultural investment in Cameroon.

<sup>32</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010): <http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

<sup>33</sup> Business Anti-Corruption Portal, Cameroon Country Profile: <http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/cameroon/general-information/>

The Investment Promotion Agency (l'Agence de Promotion des Investissements du Cameroun – API) is charged with receiving and forwarding investment applications for the issuance of business licences, assisting enterprises in their business operations, guaranteeing that the rules and regulations governing investment are respected, suggesting measures for creating viable sectoral investment codes, and overall creating a more favourable investment climate in Cameroon. The management was appointed in February of 2010, however it is yet to be fully functional.<sup>34</sup>

## Other relevant laws

### **Law No. 2010/001 to promote small- and medium-sized enterprises, 2010**

[http://www.minpmeesa.cm/uploads/pdf/SME\\_LAW.pdf](http://www.minpmeesa.cm/uploads/pdf/SME_LAW.pdf)

The Law lays down general rules for the promotion of small- and medium-sized enterprises (SMEs) in accordance with the Investment Charter. SMEs must register in the National SME File, a database listing SMEs operating in Cameroon, under one of three categories: very small enterprises (VSEs), small-sized enterprises (SEs) and medium-sized enterprises (MEs), depending on the number of permanent employees and annual turnover. Registration in the National SME File gives entitlement to benefits provided by government programs for SMEs.

### **Law No. 2010/020 on the organization of leasing, 2010**

[http://mfoundi.minduh.gov.cm/index.php?option=com\\_docman&task=doc\\_details&gid=30&Itemid=200007&lang=en](http://mfoundi.minduh.gov.cm/index.php?option=com_docman&task=doc_details&gid=30&Itemid=200007&lang=en) (French)

The Law defines new lease regulations for businesses. The Law includes the leasing of capital machinery and land to be used for business purposes. The lessor, whether a credit business or other, maintains the property's legal ownership while the lessee is obliged to pay rents as specified under the leasing contract. As such, businesses now have the right to purchase land or equipment, including vehicles, buildings, engines, power generators, production and other equipment to run business operations with greater ease.<sup>35</sup>

### **Law No. 90/031 regulating commercial activity, 1990**

[http://www.minee.cm/uploads/pdf/Charte/petrole\\_gaz/90\\_031%20du%2010-08-90.pdf](http://www.minee.cm/uploads/pdf/Charte/petrole_gaz/90_031%20du%2010-08-90.pdf) (French)

The Law clarifies the conditions underlying commercial activity in Cameroon while fostering the development of a healthy and fair competitive climate between retailers and consumers so as to secure consumer protection.

### **Competition Law No. 98/013, 1998**

<http://www.minee.cm/uploads/pdf/Charte/electricite/Loi%20du%2014%20Juillet%201998%20.pdf> (French)

Provisions of this Law apply to all sectors of the national economy and all production operations and/or marketing products and services provided on Cameroonian territory by locals or public or private licensed institutions.

<sup>34</sup> Business Anti-Corruption Portal, Cameroon Country Profile:

<http://www.business-anti-corruption.com/country-profiles/sub-saharan-africa/cameroon/general-information/>

<sup>35</sup> Cameroon Today, December 2010 Article:

<http://news.cameroon-today.com/cameroon-business-new-leasing-law-for-doing-business-in-cameroon-africa/3108/>

**Labour Code Law No. 92/007, 1992**

<http://www.ilo.org/dyn/natlex/docs/WEBTEXT/31629/64867/E92CMR01.htm>

Labour Laws were revised to meet standards of liberalization set by the Investment Code. It sets the standard on trade unions and employers' associations, contracts, wages, conditions of employment, safety and hygiene, and the institutional framework for which this Code shall be implemented.

**Free Zone Regime Ordinance No. 90/001, ratified by Law No. 90/023, 1990**

<http://onzfi.org/CONTENTS.pdf>

In 1990, the Government of Cameroon enacted Industrial Free Zone (IFZ) legislation to promote industry. To qualify, the goods and services produced by an enterprise must not have detrimental effects on the environment and must be intended for export. The IFZs are located throughout the country.

**Finance Law No. 2009/18, 2009**

<http://www.impots.cm/uploads/pdf/circulaires/2011/Circulaire%20Loi%20de%20Finances%202011.pdf> (English)

This Law institutes the latest General Tax Code delineating the various types of taxes in Cameroon and the Manual of Tax Procedures. Six new fiscal measures have been taken in an effort to ease private sector creation and growth and attract foreign investment. These are: free establishment and renewal of taxpayers' cards to facilitate the creation of companies; abolition of the one month difference for Value Added Tax deductions in order to guarantee the neutrality of the Tax on the cash flow of companies; abolition of the certification of Statistical and Tax returns in order to diminish company expenses; rationalizing control procedures; reinforcing the rights and guarantees of taxpayers via the communication of control results within well-defined time limits; and restructuring the Special Income Tax option for petroleum contractors.<sup>36</sup>

**OHADA Uniform Acts**

The 14 member states that form the Organization for the Harmonization of Business Laws in Africa (OHADA), including Cameroon, have adopted a series of texts that constitute the basis of common modernized economic legislation for the countries of the Economic and Monetary Community of Central Africa (CEMAC) and those of the Economic Community of West African States (ECOWAS). OHADA issues Uniform Acts on particular areas of law. The Uniform Acts of OHADA, which include commercial/transport regulations, harmonization of business law, and arbitration measures, are directly applicable in all member states and supersede previous national legislations on the same area of law in each country. The Uniform Acts can be found at the following webpage: <http://www.ohada.com/textes.php>

**Law No. 2004/003 on urbanism, 2004**

<http://faolex.fao.org/docs/texts/cmr50066.doc> (French)

This Law governs urban planning and construction on the entire Cameroonian territory. It lays down the general rules for urban land use; defines expectations and rules for urban planning; manages operations for land development and the relationship between different urban actors.

<sup>36</sup> allAfrica, 6 May 2010 Article: <http://allafrica.com/stories/201005060699.html>

## 2.1.2 Agriculture and related laws / regulations

### **Ordinance No. 74/1 on land tenure, 1974 (amended by Laws No. 80/21 of 1980 and No. 19 of 1983)**

<http://faolex.fao.org/docs/pdf/cmr1139.pdf> (French)

The legal framework for land in Cameroon is constituted by Ordinances No. 74/1 and 74/2 of 1974, and laws/decrees to amend and implement them. This primary land law, Ordinance No. 74/1, establishes land tenure rules following the 1972 unification of the country. Its associated law, Ordinance No. 74/2, addresses the governance of state lands. Together, the ordinances create a tenure system based on land registration, thus requiring all privately owned land to be registered.<sup>37</sup>

### **Decree No. 76/166 on the national domain, 1976**

<http://faolex.fao.org/docs/pdf/cmr1270.pdf> (French)

This regulates the management of “national” land. Land from the public domain not occupied or used may be given in concession by the state. This Decree sets the modalities and lays down the terms and conditions of such land concessions.

### **Land Registration Decree No. 76/165, 1976 (amended by Decree No. 2005/481, 2005)**

<http://faolex.fao.org/docs/pdf/cmr1239.pdf> (French)

Decree No. 2005/481 of 2005 modifies and complements provisions of Decree No. 76/165, setting conditions for obtaining land titles and land registration. The Decree forms the institutional framework for the implementation of the land legislation in force.

### **Seed Law No. 2001/014, 2001**

<http://faolex.fao.org/docs/texts/cmr26636.doc> (French)

This Seed Law establishes the conditions surrounding the seed business in Cameroon. It aims to promote agricultural development through the use of agricultural research on seed varietal improvement; protection of the seed sector against unfair competition; guaranteeing the quality of seeds; protection against counterfeiting; and preservation of national plant genetic resources.

### **Fertilizer Law No. 2003/007, 2003**

[http://www.minep.gov.cm/index.php/fr/textes-juridiques/textes-legislatifs/doc\\_download/65-loi-sur-les-activites-du-sous-secteur-engrais](http://www.minep.gov.cm/index.php/fr/textes-juridiques/textes-legislatifs/doc_download/65-loi-sur-les-activites-du-sous-secteur-engrais) (French)

The Law governs the fertilizer sub-sector. It aims to increase farm productivity and agricultural production and enhance the sustainable management of natural resources. Its scope covers the following activities: production, import, export, packaging, distribution and use of fertilizers.

### **Law No. 96/12 on the environment, 1996**

<http://faolex.fao.org/docs/pdf/cmr19578.pdf> (French)

The Law establishes the general legal framework for the management and protection of the environment in Cameroon. The fundamental principles are prevention, precaution and polluters pay principle.

<sup>37</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010): <http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

**Law No. 94/01 on forestry, wildlife and fisheries, 1994**

<http://faolex.fao.org/docs/pdf/cmr4845.pdf>

This Law regulates the management of forests, wildlife and fisheries to ensure the sustainable conservation and use of those resources and diverse ecosystems.

**Law No. 98/005 on water management, 1998**

<http://faolex.fao.org/docs/texts/cmr33974.doc> (French)

This Law constitutes the general legal framework for water management in accordance with the principles of environmental protection and public health in Cameroon.

**Law No. 75/12 on animal health, 1975**

<http://faolex.fao.org/docs/pdf/cmr2574.pdf> (French)

This Law regulates animal health and inspection.

**For more information and additional laws:**

FAO FAOLEX <http://faolex.fao.org/>

Cameroon Prime Minister's Office, Laws and Statutory Instruments

<http://www.spm.gov.cm/en/documentation/laws-and-statutory-instruments.html>

World Bank Doing Business Law Library <http://www.doingbusiness.org/Law%20library/>

Lexadin Law Guide <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwecmr.htm>

## 2.2 Registration and approval procedures

The procedures for setting up a business in Cameroon have recently been revised and simplified. Different types of business enterprises may be established, the most common being the Public Company (S.A.) and the Limited Liability Company (S.A.R.L.).<sup>38</sup>

### 2.2.1 Investment application

According to the decree creating the Investment Promotion Agency (API), Cameroon's API first receives and orientates all investors on the steps to follow for setting up a business. Those wishing to invest in Cameroon should thus contact API, which then forwards applications for the issuance of investment licences.<sup>39</sup> Application for business registration must be submitted to the Registrar of Companies in the area where the company will be established, along with the necessary prescribed incorporation documents.

<sup>38</sup> Cameroon, Ministry of External Relations, Setting up a company in Cameroon and privileges of establishment: <http://www.diplocam.cm/spip.php?article332>

<sup>39</sup> API has only recently become fully operational. Hence, exact business procedures are difficult to define.

A business licence is obtained from the Ministry of Economy and Finance and a trade licence from the Trade Register. Depending on the type of enterprise and based on expected turnover (with corresponding differences in fees), different categories of business licences are issued.<sup>40</sup>

In February 2010, pilot centres for one-stop shops were created in Yaoundé, which aims to simplify the process for registering a business. Theoretically, it should decrease from 30 days to 72 hours, although in practice the process is taking one to two weeks, according to sources.<sup>41</sup>

#### *Procedures for the National Investment Corporation of Cameroon (SNI)*

Investors may also choose to submit projects to the SNI. SNI's objective is to mobilize national savings and other national and international financial resources. SNI will purchase shares in private ventures and provides loans in case of need. There is no standard application format for funding or for submitting a project to the SNI. All private national or foreign investors may contact the SNI directly after preparing a business plan that describes the project in detail. For more information, consult the following SNI webpage: <http://www.sni.cm/en/projet.php?id=17#>

## 2.2.2 Required documentation

The following documents comprise the application file required for approval in one of the special incentive schemes of the Investment Code, and must be submitted to the Registrar of Companies:

- An application with a stamp respecting the rate in force;
- A certified true copy of the National Identity Card, a passport or any other identification document officially recognized;
- Copy of the Articles of Association of the company (body corporate);
- Attestation of registration in the trade register;
- The taxpayer number of the firm or company;
- A project feasibility study comprising: a market study; a technical study (describing the activity including the investments program, list of products to manufacture, raw materials, manufacturing process, environmental impact of the activities); a financial study; job description and wage forecasts; staff training plan and other social measures considered;
- Title deed (land certificate or any other recognized document of the proposed project site);
- Communal attestation serving as compliance certificate of the proposed project site.<sup>42</sup>

## 2.3 Tax schemes

Tax administration in Cameroon is the responsibility of the General Tax Directorate (Direction Générale des Impôts) and Directorate General of Customs (Directeur Général des Douanes), both falling under the Ministry of Economy and Finance. The government has recently established three Certified Taxation Management Centres to facilitate the management, supervision and payment of

<sup>40</sup> Cameroon, Ministry of External Relations, Setting up a company in Cameroon and privileges of establishment: <http://www.diplocam.cm/spip.php?article332>

<sup>41</sup> US Dept. of State, Investment Climate Statement, Cameroon 2011: <http://www.state.gov/e/eb/rls/othr/ics/2011/157252.htm>

<sup>42</sup> Cameroon, Ministry of External Relations, Documents required: <http://www.diplocam.cm/spip.php?article333>

fiscal obligations, primarily for small- and medium-sized enterprises, in an effort to improve the business climate.<sup>43</sup>

### 2.3.1 Taxpayer identification

New business enterprises must obtain a Taxpayer ID Card from the Ministry of Economy and Finance.<sup>44</sup>

### 2.3.2 Major taxes relevant to FDI<sup>45</sup>

#### Personal Income Tax

Personal Income Tax rates vary by income bracket and are charged between 10 and 35 percent, with a 10 percent surcharge added to the final tax amount. The rates based on net income are:

- CFA 0 to 2 000 000: 10%
- CFA 2 000 001 to 3 000 000: 15%
- CFA 3 000 001 to 5 000 000: 25%
- Above CFA 5 000 000: 35%

#### Corporate Tax

Corporate Tax consists of a base rate of 35 percent with additional municipal surcharge of 10 percent.

#### Value Added Tax (VAT)

VAT is charged on all sales and imports of consumer goods and services in Cameroon. It is assessed on the CIF value plus duties, and levied on most products at a base rate of 17.5 percent for transactions within the country. Additional municipal taxes bring the total rate to 19.25 percent.

#### Capital Gains

Capital Gains are treated as ordinary business income and taxed at normal corporate tax rates.

#### Excise Tax

The Excise Tax covers specific categories of goods listed on a ministerial decree. There are two rates: 12.5 percent for passenger cars; and 25 percent for other imported and local products such as: alcoholic and certain non-alcoholic drinks, tobacco products, precious stones and metals, jewellery and other luxury products.

#### Stamp Duty<sup>46</sup>

Various Stamp Duties apply to contractual obligations and transfers or leases of property at rates ranging from 1 to 15 percent. Fixed Stamp Duties are levied on motor vehicle licences, advertising materials, passports, visas and bills of lading.

<sup>43</sup> Cameroun, Direction Générale des Impôts: <http://www.impots.cm/index.php?page=les-centres-de-gestion-agrees&hl=fr>

<sup>44</sup> Cameroun, Direction Générale des Impôts, Procédures afférentes aux nouvelles entreprises  
<http://www.impots.cm/index.php?page=procedures-afferentes-aux-nouvelles-entreprises&hl=fr>

<sup>45</sup> Cameroun, Direction Générale des Impôts, Impôts et Taxes: <http://www.impots.cm/index.php?page=impots-et-taxes&hl=fr>

<sup>46</sup> Deloitte, Cameroon Highlights 2010:

[http://www.deloitte.com/assets/DcomGlobal/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt\\_tax\\_highlight\\_2011\\_Cameroon.pdf](http://www.deloitte.com/assets/DcomGlobal/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt_tax_highlight_2011_Cameroon.pdf)

**Property Tax**<sup>47</sup>

Property Tax is payable annually on real estate for which an ownership certificate or an administrative or judicial order has been issued. Tax is charged at 0.1 percent of the assessed property value, with the usual 10 percent local surcharge.

**Alternative Minimum Tax**<sup>48</sup>

A Minimum Tax is payable annually at 1 percent of the turnover of the company. A local surcharge of 10 percent brings the effective rate to 1.1 percent of turnover. The alternative Minimum Tax is applicable where a company posts a tax loss or where 1.1 percent of turnover amounts to more than 38.5 percent of taxable profits.

**Withholding Tax**<sup>49</sup>

- Dividends – A Withholding Tax of 16.5 percent (10 percent local surcharge) applies to dividends paid to residents and non-residents. The rate may be reduced under an applicable tax treaty.
- Interest – A Withholding Tax of 16.5 percent (10 percent local surcharge) applies to interest paid to non-residents. The rate may be reduced under an applicable tax treaty.
- Royalties – Royalties paid to non-residents are subject to a 15 percent Withholding Tax (the 10 percent local surcharge is not applied). The rate may be reduced under an applicable tax treaty. However, when such amounts are paid to a firm located outside CEMAC that helps manage a Cameroon firm in which it holds shares, the royalties will be considered as sums accruing from the distribution of profits and taxable to Withholding Tax at a 16.5 percent rate.

**CEMAC's Common External Tariff (TEC)**

As a member of CEMAC, Cameroon undertook a regional reform in 1994 to synchronize excise and customs duties, and outlined six different tariffs and taxes associated with the importation of goods from non-CEMAC countries: the TEC, the temporary surcharge,<sup>50</sup> the Excise Tax, the VAT and other service taxes.

CEMAC's TEC groups merchandise into four categories:

- CAT 1 – Essential commodities, rate 5%;
- CAT 2 – Raw materials and equipment, rate 10%;
- CAT 3 – Intermediary (semi-processed goods), rate 20%;
- CAT 4 – Finished products (consumer goods), rate 30%.<sup>51</sup>

<sup>47</sup> Deloitte, Cameroon Highlights 2010: [http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt\\_tax\\_highlight\\_2011\\_Cameroon.pdf](http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt_tax_highlight_2011_Cameroon.pdf)

<sup>48</sup> Deloitte, Cameroon Highlights 2010: [http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt\\_tax\\_highlight\\_2011\\_Cameroon.pdf](http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt_tax_highlight_2011_Cameroon.pdf)

<sup>49</sup> Deloitte, Cameroon Highlights 2010: [http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt\\_tax\\_highlight\\_2011\\_Cameroon.pdf](http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Intl%20Tax%20and%20Business%20Guides/2011/dtt_tax_highlight_2011_Cameroon.pdf)

<sup>50</sup> The temporary surcharge is a tax aimed at protecting the national economy. It comprises only some categories of merchandise and ranges from 0 to 3 percent.

<sup>51</sup> Assocaborg, Foreign Investment: <http://www.assocaborg.org/cameroon/foreign-investment/>

Agricultural products are subject to a higher taxation than non-agricultural products (simple average of 22.6 versus 18.6 percent).<sup>52</sup>

## 2.4 Land procedures<sup>53</sup>

Cameroon's legal framework for land tenure and property rights, enacted through a 1974 reform, launched a system for land registration and private property ownership. Though the law is well written and supported by multiple decrees and other legal documents, the implementation of the institutional framework is still to be resolved. Land is classified as private, public or national. Private land can be owned by individuals, groups, corporate entities, or the state. To be considered private, the land must be titled and registered. Public land (highways, parks, waterways, etc.) is land held by the state. All remaining land is classified as national land, which includes most unoccupied land, unregistered land, communal land held under customary law, informal settlements and grazing land. Only a small percentage of the population has registered land rights.<sup>54</sup>

The majority of the population still uses the customary or traditional system to acquire land, particularly in the rural areas. Cadastral information is still incomplete and multiple land registration can occur on the same piece of land.

Cameroon's formal law recognizes the following tenure types: ownership, usufruct rights and leaseholds.

The Ministry of State Property and Land Tenure (Ministere des Domaines et des Affaires Foncières – MINDAF) has overall responsibility for land allocations, land development and land surveys. In 2010, the ministry opened an office dedicated to supporting commercial investors. At the prefect level, decentralized Land Consultation Boards were instituted in 2005 to make recommendations on land use and review applications for use rights. The Boards are also responsible for supervising the demarcation of land, evaluating rights to land and resolving land disputes.

Foreign companies hoping to access land in Cameroon can either lease or buy privately or publicly held land. Most acquire land from the state as part of an investment package. The lease contract can be of an unlimited duration and grants the lessee the right to sublease, subdivide or mortgage the leased land. There are also no restrictions on the amount of land that may be leased.<sup>55</sup> The process for obtaining a land right certificate includes an administrative phase (assessment of land occupation and development), a technical phase (physical description of the land) and a legal phase that analyses the conditions of access to property rights. The registration process requires obtaining a copy of the property deed at the Land Registry, having various drafts and final versions notarized, and registering with the tax authorities.<sup>56</sup>

<sup>52</sup> WTO, Trade Policy Review, Cameroon (2007): [http://www.wto.org/english/tratop\\_e/tpr\\_e/s187-00\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/s187-00_e.doc)

<sup>53</sup> African Development Bank, Cameroon – Diagnostic Study for Modernization of the Lands and Surveys Sector, 2009: [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Cameroon\\_Etude%20sur%20le%20cadastre\\_english\\_001.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Cameroon_Etude%20sur%20le%20cadastre_english_001.pdf)

<sup>54</sup> USAID Land Tenure and Property Rights Portal, Cameroon Country Profile 2010: [http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon/cameroon\\_country\\_profile.pdf/at\\_download/file](http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon/cameroon_country_profile.pdf/at_download/file)

<sup>55</sup> Afrbiz, Starting a Foreign Business in Cameroon: <http://www.afrbiz.info/content/starting-a-foreign-business-in-cameroon>

<sup>56</sup> USAID, Land Tenure and Property Rights Portal, Cameroon Country Profile (2010): <http://usaidlandtenure.net/usaidltp/products/country-profiles/cameroon>

## 2.5 Investment benefits and incentives

Investment incentives are likely to change as the 2002 Investment Charter is fully implemented. Until then, incentives specified under the 1990 Investment Code remain in effect. Companies may qualify for one of four special incentive regimes. In addition, businesses that qualify for the Industrial Free Zone (IFZ) regime receive general incentives.<sup>57</sup>

The IFZ regime can apply to any location and grants broad tax and regulatory exemptions. To qualify, the enterprise must follow the IFZ ordinance and the production or service must be exclusively intended for export.<sup>58</sup> Qualified firms receive a 10-year exemption from taxes and are subject only to a flat tax of 15 percent on corporate profits beginning in the eleventh year. They have a right to tax-free repatriation of all funds earned and invested in Cameroon and are exempt from foreign exchange regulations. They are also exempt from existing and future customs duties and taxes, including those on locally purchased production inputs.<sup>59</sup>

### 2.5.1 Incentive regimes<sup>60</sup>

Depending on size and nature of the investment, investments fall under one of the following four regimes, each of which has specific eligibility and performance requirements.

- i. Basic regime;
- ii. Small and medium-sized enterprise (SME) regime;
- iii. Strategic enterprise regime;
- iv. Reinvestment regime.

#### i. Basic regime

Under the basic regime, the start-up phase is 3 years and the operational phase 5 years. Firms must meet the following requirements: export at least 25 percent of their annual production; use local natural resources for at least 25 percent of the value of their inputs; and create at least one local job for every 10 million CFA francs invested. During the start-up phase, the major benefits are: exemption from most of the normal registration fees, except for company registration fees; a restriction compensated in practice by subsequent increases in the company's capital without levies; 50 percent reduction in company tax from the first year of taxation; exemption from transfer tax, from the minimum lump-sum tax and the special company tax. During the operational phase, major benefits are: 50 percent reduction in company tax, industrial and commercial tax and proportional tax on earnings from transferable securities; charging to trading results over the next five financial years of any deficit resulting from depreciation normally taken into account during the first three financial years; 0.5 percent reduction, without carryover, on the taxable income from the FOB value of manufactured goods; reduction from the company's taxable income, without carryover, of 50 percent of effective transport costs, when the company is located away from major urban centres; and exemption from tax on insurance contracts and the special company tax.

<sup>57</sup> US Dept. of State, *Investment Climate Statement 2011 Cameroon*: <http://www.state.gov/e/eb/rls/othr/ics/2011/157252.htm>

<sup>58</sup> Free Zone Regime, Ordinance No.90/001, 1990

<sup>59</sup> US Dept. of State, *2010 Investment Climate Statement, Cameroon*: <http://www.state.gov/e/eb/rls/othr/ics/2010/138046.htm>

<sup>60</sup> SNI, Political and Legal Framework: <http://www.sni.cm/en/investi22.php?id=11>

## ii. SME regime

To qualify, at least 35 percent of the capital must be held by Cameroonians<sup>61</sup> and total assets must be of less than 1.5 million CFA francs.<sup>62</sup> The benefits during the start-up phase (3 years) are the same as in the basic schedule. During the operational phase (7 years), in addition to those of the basic schedule, firms are granted the right to deduct from the company's taxable income 25 percent of the wage bill of Cameroonian employees during the financial year under consideration.

## iii. Strategic enterprise regime

The benefits are the same as those of the SME schedule with additional benefits during the longer operational phase of 12 years. Firms must export at least 50 percent of their annual production, use natural resources of at least 50 percent of the value of their inputs, and create at least one local job for every 20 million CFA francs invested.<sup>63</sup>

## iv. Reinvestment regime

To qualify for exemption from registration fees and lower company or personal income tax, reinvestments must be in the agricultural, tourism, industrial, mining, forestry, information technology or communications sectors, and total value must be at least CFA francs 25 million. The tax reduction is granted on the basis of 50 percent of the reinvestment allowed, but may not exceed half of the profit declared during the fiscal year in question.<sup>64</sup> The benefits to the company are for a three-year period.

## 2.5.2 Investment guarantees and settlement of disputes

Cameroon provides identical incentives to both domestic and foreign investors, guarantees property ownership, income and capital repatriation, and compensation in case of property expropriation.<sup>65</sup> It also accepts binding international arbitration of investment disputes and other agreements through the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards; the International Centre for Settlement of Investment Disputes (ICSID); the Multilateral Investment Guarantee Agency (MIGA); the OHADA Treaty regarding the field of business law; and the Code CIMA (Conference Interafricaine Des Marches D'Assurances) on regional insurance regulations.<sup>66</sup>

In 1997, Cameroon's Council of Business Managers and Professional Associations (GICAM), an association representing 70 percent of all formal sector business activity in the country, created its own arbitration centre to handle business disputes.<sup>67</sup>

## 2.6 Restrictions and requirements

It is still unclear how the Investment Charter will change, clarify and/or enforce performance requirements for foreign firms. For now, each of the four special incentive regimes maintains its own eligibility and performance requirements.

The Investment Charter abolishes several limitations to foreign equity ownership that existed under previous regulations and permits 100 percent foreign equity ownership. However, once the Charter becomes fully operational, it will establish three procedures for government screening of both foreign and domestic investments. The "automatic regime" will permit investment without prior government

<sup>61</sup> WTO, Trade Policy Review, Cameroon, p 23: [http://www.wto.org/english/tratop\\_e/tpr\\_e/s187-02\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/s187-02_e.doc)

<sup>62</sup> US Dept. of State, Investment Climate Statement 2010, Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2010/138046.htm>

<sup>63</sup> US Dept. of State, Investment Climate Statement 2010, Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2010/138046.htm>

<sup>64</sup> WTO, Trade Policy Review 2007, Cameroon p. 23 : [http://www.wto.org/english/tratop\\_e/tpr\\_e/s187-02\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/s187-02_e.doc)

<sup>65</sup> UNCTAD Country Profile (2006): [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_cm_en.pdf)

<sup>66</sup> WTO, Trade Policy Review, Cameroon Government Report (2007): [http://www.wto.org/english/tratop\\_e/tpr\\_e/g187\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/g187_e.doc)

<sup>67</sup> Africa-Asia Business Forum, Cameroon Investment Guide: [http://www.aabf.org/cameroon\\_inv\\_guide.htm](http://www.aabf.org/cameroon_inv_guide.htm)

approval. The “returns regime” will permit investment after an application and the passage of two days without government objection, while the “approval regime” will permit investment after an application and the passage of 15 days. Pending issuance of implementing provisions, it is uncertain which procedure will apply to which kind of investment.<sup>68</sup>

FDI and transfers of foreign currency exceeding 100 million CFA francs or more must be declared to the Ministry of Finance (MINFI). It takes an average of 12 days to obtain authorization.<sup>69</sup> Investors can transfer abroad dividends, capital returns, interest and principal on foreign debt, lease payments, royalties, management fees, and returns on liquidation. Liquidation of FDI must also be declared to the MINFI and the Banque des Etats de l'Afrique Centrale (BEAC) 30 days in advance.<sup>70</sup>

There are no requirements for technology transfer or to locate in specific geographic areas but general employment requirements relative to the amount of invested capital apply depending on incentive regime. Visa, residence and work permit requirements also do not discourage foreign investment. Foreign firms cannot invest directly in goods or services defined as “strategic” by the government, which include electricity, water, mining, public transportation, telecommunications, cooking gas, pharmaceuticals, schoolbooks and portside activities.<sup>71</sup>

## 2.7 Investment opportunities

Cameroon is the largest economy in CEMAC and enjoys vast market access through its geographic location between large markets in Nigeria and other central African states. The country’s range of natural resources and climate have endowed it with a rich and diversified agricultural potential, yet to be fully exploited. According to the SNI, agricultural production is experiencing a surge, both in traditional crops grown for domestic consumption and non-traditional crops deemed for export. Furthermore, both the processing of animal products, especially the dairy industry, and the fishing sector are fast-growing with good potential for investment. Cameroon’s priority sectors and activities that offer business opportunities that remain to be explored include:

- Processing of agricultural, animal and fisheries produce;
- Tourism;
- Logging and wood processing;
- Hydrocarbons and mining resources;
- ICT sector;
- Storage and preservation of food products;
- Operating hospitals and clinics, as well as clinical laboratories;
- Public works and civil engineering equipment manufacturing;
- Equipment maintenance, manufacturing of spare parts;
- Shipyard activity.<sup>72</sup>

<sup>68</sup> US Dept of State, Investment Climate Statement 2011 Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2011/157252.htm>

<sup>69</sup> WTO, Trade Policy Review, Cameroon: [http://www.wto.org/english/tratop\\_e/tpr\\_e/s187-02\\_e.doc](http://www.wto.org/english/tratop_e/tpr_e/s187-02_e.doc)

<sup>70</sup> US Dept of State, Investment Climate Statement 2011 Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2011/157252.htm>

<sup>71</sup> US Dept of State, Investment Climate Statement 2011 Cameroon: <http://www.state.gov/e/eb/rls/othr/ics/2011/157252.htm>

<sup>72</sup> SNI, Priority Sectors: <http://www.sni.cm/en/investir22.php?id=9>

## 2.8 Investment and trade agreements

Cameroon is a signatory to the 1998 treaty between the states of the CFA franc zone to harmonize business laws in Africa (OHADA); is a member of and serves as the headquarters to the African Intellectual Property Organization (OAPI); has signed the Charter on a Regime of Multinational Industrial Enterprises (MIEs) in the Preferential Trade Area for Eastern and Southern African States; and is a member of the World Trade Organization (WTO). Cameroon is also party to several treaties on regional cooperation. It is a dominant member of CEMAC; and also part of the Common Market for Eastern and Southern Africa (COMESA); the Southern African Development Community (SADC); and the East African Community (EAC). Cameroon enjoys special trading advantages with the European Union (through the Cotonou Agreement) and benefits from the United States market access initiative: the African Growth and Opportunity Act (AGOA).<sup>73</sup>

Cameroon has signed a number of bilateral treaties for the promotion and protection of investment and select double taxation treaties.

### **Bilateral investment treaties (BIT)**

Belgium and Luxembourg 1980; Egypt 2000; Germany 1962; Guinea 2001; Italy 1999; Mali 2001; Mauritania 2001; Mauritius 2001; Morocco 2007; Netherlands 1965; Romania 1980; Switzerland 1963; United Kingdom 1982; United States 1986.<sup>74</sup>

### **Double taxation treaties (DTT)**

Canada 1982; France 1976; Tunisia 1999; United Kingdom 1982.<sup>75</sup>

<sup>73</sup> UNCTAD Country Profile (2006): [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_cm\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_cm_en.pdf)

<sup>74</sup> UNCTAD Bilateral Investment Treaties (BIT) database: [http://www.unctad.org/sections/dite\\_pcbb/docs/bits\\_cameroon.pdf](http://www.unctad.org/sections/dite_pcbb/docs/bits_cameroon.pdf)

<sup>75</sup> UNCTAD Double Taxation Treaties (DTT) database: [http://www.unctad.org/sections/dite\\_pcbb/docs/dtt\\_Cameroon.PDF](http://www.unctad.org/sections/dite_pcbb/docs/dtt_Cameroon.PDF)

## 2.9 Authorities and contact points

<p><i>National Investment Corporation of Cameroon (Société Nationale d'Investissement – SNI)</i> Place Ahmadou Ahidjo BP 423 Yaoundé Tel: +237 2222 4422 / 2223 3409 / 2223 4095 Fax: +237 2222 2001 / 2223 1332 Email: <a href="mailto:sni@sni.cm">sni@sni.cm</a> Website: <a href="http://www.sni.cm/fr/">http://www.sni.cm/fr/</a></p>	<p><i>Ministry of Agriculture and Rural Development (Ministère de L'Agriculture et du Développement Rural – MINADER)</i> BP 1060 Yaoundé Tel: +237 3222 5166 Fax +237 3222 5091 Website: <a href="http://www.minader.cm/">http://www.minader.cm/</a></p>
<p><i>Ministry of Commerce (Ministère du Commerce)</i> Immeuble Rose Yaoundé Tel: +237 3223 0216 Fax: +237 3222 0070 Email: <a href="mailto:contact@mincommerce.cm">contact@mincommerce.cm</a> Website: <a href="http://www.mincommerce.cm">http://www.mincommerce.cm</a></p>	<p><i>Ministry of Finance (Ministère des Finances – MINFI)</i> <i>Direction Générale du Trésor, de la Coopération Financière et Monétaire</i> Tel: +237 2222 3521 Fax: +237 2222 6280 Email: <a href="mailto:contact@dgctcm.net">contact@dgctcm.net</a> Website: <a href="http://www.dgctcm.net/">http://www.dgctcm.net/</a></p>
<p><i>Ministry of Environment (Ministère de l'Environnement – MINEP)</i> Boulevard du 20 Mai, Immeuble Ministériel No. 2 BP 320 Yaoundé Tel: +237 2223 3423 Fax: +237 2223 6051 Email: <a href="mailto:celcomminep@yahoo.fr">celcomminep@yahoo.fr</a> Website: <a href="http://www.minep.gov.cm">http://www.minep.gov.cm</a></p>	<p><i>Ministry of Economy, Planning and Regional Development (Ministère de l'Economie, de la Planification et de l'Aménagement du Territoire – MINEPAT)</i> Yaoundé Tel: +237 3222 2512 Fax: +237 3222 9489 Website: <a href="http://minepat.gov.cm/">http://minepat.gov.cm/</a></p>
<p><i>Ministry of Energy and Water Resources (Ministère de l'Energie et de l'Eau – MINEE)</i> BP 70 Yaoundé Tel: +237 2222 6182 Fax: +237 2222 6177 Email: <a href="mailto:contact@minee.cm">contact@minee.cm</a> Website: <a href="http://minee.gov.cm">http://minee.gov.cm</a></p>	<p><i>Ministry of Urban Development and Housing (Ministère du Développement Urbain et de l'Habitat – MINDUH)</i> Yaoundé Tel: +237 3222 2512 Fax: +237 3222 9489 Website: <a href="http://www.minduh.gov.cm/">http://www.minduh.gov.cm/</a></p>
<p><i>Ministry of Forestry and Wildlife (Ministère des Forêts et de la Faune – MINFOF)</i> Yaoundé Tel: +237 3222 9483 Fax: +237 3222 9489 Website: <a href="http://www.minfof.gov.cm">http://www.minfof.gov.cm</a></p>	<p><i>Ministry of Livestock Fisheries and Animal Industries (Ministère de L'Elevage, des Pêches et des Industries Animales – MINEPIA), Direction des Services Vétérinaires du Cameroun</i> Yaoundé Tel: +237 2231 6048 Email: <a href="mailto:contact@dsvcameroun.org">contact@dsvcameroun.org</a> Website: <a href="http://www.dsvcameroun.org">http://www.dsvcameroun.org</a></p>
<p><i>Ministry of Territorial Administration and Decentralisation (Ministère de L'Administration Territoriale et de la Décentralisation – MINATD)</i> BP 13799 Yaoundé Tel: +237 3221 4606 Fax: +237 3221 4606 Website: <a href="http://www.minatd.gov.cm">http://www.minatd.gov.cm</a></p>	<p><i>Ministry of Labour and Social Security (Ministère du Travail et de la Sécurité Sociale – MINTSS)</i> Yaoundé Tel: +237 3223 0004 Fax: +237 3223 0004</p>
<p><i>Chambre de Commerce, d'Industrie, des Mines et de l'Artisanat</i> Rue de Chambre de Commerce BP 4011 Douala Tel: +237 342 6855 / 42 6787 Fax: +237 342 5596 Website: <a href="http://www.ccima.net">http://www.ccima.net</a></p>	<p><i>Ministry of Industry, Mines and Technological Development (Ministère de l'Industrie, des Mines et du Développement Technologique – MINIMDT)</i> Colline des Ministeres Yaoundé Tel: +237 3222 4352 Fax: +237 3222 2704</p>

<p><i>Cameroon Council of Business Managers and Professional Associations – (GICAM)</i>                  Bonanjo, Vallée de Ministres                  BP 829                  Tel: +237 3342 3141 / 3342 6499                  Fax: +237 3343 3880                  Email: gicam@legicam.org                  Website: <a href="http://www.legicam.org/">http://www.legicam.org/</a></p>	<p><i>Centre d'Arbitrage de GICAM</i>                  Immeuble GICAM Bonanjo                  BP 829, Douala                  Tel: +237 342 3141 / 342 6499                  Fax: +237 343 3880                  Email: gicam-dla@camnet.cm</p>
<p><i>Cameroon Development Corporation – (CDC)</i>                  Bota, Limbe, South West Region                  Tel: +237 333 2251; 3343 1883                  Fax: +237 3333 2680; 3343 146                  Email: info@cdc-cameroon.com                  Website: <a href="http://www.cdc-cameroon.com/">http://www.cdc-cameroon.com/</a></p>	<p><i>General Tax Directorate                  (Direction Générale des Impôts)</i>                  Tel: +237 2222 2215                  Email: angoyves@gmail.com                  Website: <a href="http://www.impots.cm">http://www.impots.cm</a></p>

## Appendices

### Social and economic indicators

<b>Population</b>	
Total population (millions) (2010)	20.0
Population growth (annual %) (2009)	2.2
Life expectancy at birth (years) (2009)	51.4
Rural population (%) (2010)	42
Employment in agriculture (% of total employment) (2001)	60.6
Rural population growth rate (annual %) (2009)	0.3
Unemployment (% of total labour force) (2007)	2.9
Proportion of undernourished in total population (%) (2005–07)	21
Dietary energy consumption (cal/person/day) (2005–2007)	2 259
Mortality rate, under 5 (per 1 000) (2009)	154.3
Mortality rate, infant (per 1 000 live births) (2009)	94.6
Adult literacy rate (%) (2007)	70.7
HDI value (2010)	0.460
HDI rank (out of 169) (2010)	131
<b>Land and input</b>	
Total area (1 000 ha) (2009)	47 544
Land area (1 000 ha) (2008)	47 271
Agricultural area (1 000 ha) (2008)	9 163
Arable land (1 000 ha) (2008)	5 963
Permanent crops (1 000 ha) (2008)	1 200
Pastures (1 000 ha) (2008)	2 000
Forest area (1 000 ha) (2010)	19 916
Irrigated land (1 000 ha) (2008)	29
Share in total water (%) use by:	
- Agricultural (2000)	76.1
- Industrial (2000)	7.1
- Municipal (2000)	16.8
Fertilizer consumption (tonnes) (2008)	51 128
Tractors (number per 1 000 ha of arable land)	n.a.
<b>Economic</b>	
GDP (current US\$ billions) (2009)	22.2
GDP per capita (current US\$) (2009)	1 136
GDP growth (annual %) (2009)	2.0
GNI per capita, Atlas method (current US\$) (2009)	1 190
Inflation, consumer prices (%) (2009)	3.0
Agriculture, value added (% of GDP) (2007)	19.5
Value of agricultural exports (US\$ millions) (2008)	962
Share of agricultural exports (% of total exports) (2008)	22.4
Value of agricultural imports (US\$ millions) (2008)	624
Share of agricultural imports (% of total imports) (2008)	14.0
Crop production index (1999–2001=100) (2009)	117

Sources: FAO, World Bank, UNDP

## Agricultural production and trade data

<b>Production of major agricultural commodities</b>		
	Major crops (2008)	Value (International \$1 000)
	Plantains	321 247
	Bananas	303 609
	Cassava	271 025
	Major crops (2008)	Quantity (tonnes)
	Cassava	2 882 730
	Plantains	1 555 990
	Sugar cane	1 450 000
	Yield (2008)	Yield (hg/ha)
	Cassava	139 999
	Maize	19 999
	Plantains	74 668
	Rice paddy	9 999
	Sorghum	10 000
	Sugar cane	100 000
	Wheat	11 992
	Livestock (2008)	Number of live animals
	Chickens	33 000 000
	Cattle	6 000 000
	Goats	4 400 000
	Sheep	3 800 000
	Pigs	1 350 000
	Meat production (2008)	Quantity (tonnes)
	Cattle meat	93 544
	Game meat	62 075
	Chicken meat	30 000
<b>Imports of major agricultural commodities (2008)</b>		
	Commodity	Value (current US\$1 000)
	Wheat	125 619
	Rice, milled	85 000
	Food preparations	43 121
	Commodity	Quantity (tonnes)
	Wheat	320 186
	Rice, milled	185 418
	Malt	52 367
<b>Exports of major agricultural commodities (2008)</b>		
	Commodity	Value (current US\$1 000)
	Cocoa beans	339 356
	Bananas	251 591
	Rubber, natural dry	91 629
	Commodity	Quantity (tonnes)
	Bananas	280 760
	Cocoa beans	171 835
	Cotton lint	55 000

Source: FAOSTAT

**For overviews of Cameroon:**

FAO Country Profile <http://www.fao.org/countryprofiles/index.asp?lang=en&ISO3=CMR>  
FAO Country Brief <http://www.fao.org/countries/55528/en/cmr/>  
Cameroon Prime Minister's Office Website <http://www.spm.gov.cm/index.php?L=1>  
African Economic Outlook Country Profile  
<http://www.africaneconomicoutlook.org/en/countries/central-africa/cameroon/>  
IFAD Rural Poverty Portal  
<http://www.ruralpovertyportal.org/web/guest/country/home/tags/cameroon>  
World Bank Country Brief <http://go.worldbank.org/I7KMKA50S0>  
African Development Bank Country Profile <http://www.afdb.org/en/countries/central-africa/cameroon/>  
CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/cm.html>  
US Dept. of State Background Note <http://www.state.gov/r/pa/ei/bgn/26431.htm>

**For additional development data for Cameroon:**

FAO CountrySTAT <http://www.countrystat.org/cmr>  
UNDP Human Development Indicators <http://hdrstats.undp.org/en/countries/profiles/CMR.html>  
World Bank World Development Indicators <http://data.worldbank.org/country/cameroon>  
UN Millennium Development Goals Indicators <http://unstats.un.org/unsd/mdg/Data.aspx>  
World Bank Cameroon at a Glance [http://devdata.worldbank.org/AAG/cmr\\_aag.pdf](http://devdata.worldbank.org/AAG/cmr_aag.pdf)

**For additional statistics on agriculture and production:**

FAOSTAT for statistics on agricultural production, trade, food supply, prices, agricultural resources and other <http://faostat.fao.org/>  
World Bank Agriculture & Rural Development Statistics  
<http://data.worldbank.org/topic/agriculture-and-rural-development>  
USDA Agricultural Production, Supply and Distribution (PSD) database  
<http://www.fas.usda.gov/psdonline/psdQuery.aspx>  
FAO Rural Income Generating Activities (RIGA) database <http://www.fao.org/economic/riga/en/>

**For information on food security in Cameroon:**

FAO Food Security Statistics  
[http://www.fao.org/fileadmin/templates/ess/documents/food\\_security\\_statistics/country\\_profiles/eng/Cameroon\\_E.pdf](http://www.fao.org/fileadmin/templates/ess/documents/food_security_statistics/country_profiles/eng/Cameroon_E.pdf)  
Global Information and Early Warning System (GIEWS) on food and agriculture Country Brief  
<http://www.fao.org/giews/countrybrief/country.jsp?code=CMR>