

10 key points about Cameroon

- 1 > *Exceptional geographical and human potential*
 - 2 > *Energy, ore, precious metal and gem enriched subsoil*
 - 3 > *Economic motor of Central Africa*
 - 4 > *Stable political situation*
 - 5 > *Increase in public investment*
 - 6 > *National currency tied to the Euro*
 - 7 > *Legal framework conducive to business development*
 - 8 > *Attractive tax regime*
 - 9 > *Young population*
 - 10 > *Unexploited tourist potential*
- + > **Code of Conduct / How to act during your first meeting.**

1 *Exceptional geographical and human potential*

Cameroon is a country with an area of 475 000 km², located in the heart of Africa with an Atlantic coastline. The official languages are French and English. Its main cities are Yaoundé, Douala, Bafoussam, Limbé, Nkongsamba, Garoua and Maroua. Its population is estimated at over 18 million and life expectancy is around 50. The youth are well-educated, especially in colleges and universities. The Polytechnic School of Yaoundé, the **Medicine Faculty at the University of Yaoundé I** and the **Catholic University of Central Africa** figure among the best colleges and universities in Africa. The country also has thousands of students educated in American and European countries.

2 *Energy, ore, precious metal and gem enriched subsoil*

Cameroon has a rich subsoil, containing oil, diamonds, gold, iron, etc. It also has one of the largest forests in Africa. It contains tree species including *iroko*, *tali*, *ilinga*, mahogany and *bété*. Several large rivers cross the country where several hydroelectric power stations have been built. To meet the high current demand, the country has commissioned the construction of new thermal power plants (KRIBI and LIMBE).

3 *Economic motor of Central Africa*

By virtue of its geographical position, its population and its natural resources, Cameroon is the engine of the Central African Economic and Monetary Community (CAEMC). Its GDP is the highest of any country in the CAEMC, amounting to €16.3 billion in 2008, the national average in Africa being €0.85 billion. CAEMC aims to integrate economies by facilitating the movement of goods and people between the Central African Republic, the Congo, Gabon, Equatorial Guinea and Chad. Cameroon's average rate of inflation is around 4 % and its growth rate is 3.3 % (2007). Its main sources of revenue are oil (50.5 %) and wood (13.3 %). Cameroon's top commercial partner is France.

4 *Stable political situation*

Cameroon is a stable country where the political tensions that arose post-independence have been brought under control. The party in power is working to develop a culture of peace, by including people from all factions in the national construction effort, and a culture of transparency, by creating the National Anti-Corruption Commission, the National Agency of Financial Investigation and adhering to the Extraction Industries Transparency Initiative. It is to be noted that Paul Biya has been in power since 1982, and that Cameroon is placed just 141st out of 180 on the Corruption Perception Index produced by **Transparency International**.

5 *An increase in public investment*

Cameroon was classified as a **HIPC** (Heavily Indebted Poor Country) at the end of 2006 and obtained significant relief from its external debt via substitution mechanisms such as the HIPC funds (BIRD) and the C2D contracts (France). Since then, numerous projects to revamp the road network have been commissioned across the country, agricultural projects have been implemented and important investments have been planned: the hydroelectric dam (MEMVE'ELE) on the River Ntem, the LOM PANGAR and NACHTIGAL dams on the River Sanaga, the construction of a deep-water port at KRIBI, the 270 km GAROUA-BOULAI-NGAOUNDERE road, etc. Cameroon also has 12 fibre-optic cables running along the CHAD-CAMEROON oil pipeline and 14 exit points are in the process of being activated.

6 *National currency tied to the Euro*

Cameroon's national currency benefits from being tied to the Euro. One Euro is equal to 655.957 CFA francs. The risks of foreign exchange losses are thus zero for EU countries with the exception of the UK. To this significant benefit is added that of belonging to the CFA zone which covers, in addition to the CAEMC countries, Benin, Burkina Faso, the Ivory Coast, Mali, Niger, Togo and Senegal. The CAEMC zone has a central bank and a banking commission which regulates the banking sector, in terms of liquid money. It gave rise to a rate band of 7% to 13%.

7 *Legal framework conducive to business development*

In order to become an emerging country, Cameroon is working to create an appealing business environment with an attractive legal framework.

Cameroon is thus part of l'**Organisation pour Harmonisation en Afrique du Droit des Affaires** (Ohada) and as such its corporate and accounting law are common to sixteen other countries in Francophone Africa and have similarities with French regulation.

8 *Attractive tax regime*

Cameroon is equipped with an Investment Charter which establishes privileged tax regimes for SMEs and strategic companies. It has signed a double taxation agreement with France. Corporation tax is 38.5 % and dividends are taxed up to 16.5 %. Tax on human capital is reasonable with the average employer's contribution within the rate band of 19 to 23 %. Attractive tax provisions exist for those companies who want to raise capital by becoming publicly listed on the stock exchange (**Douala Stock Exchange**).

9 *Young population*

The population of Cameroon is one of the youngest in the region, with 60 % under the age of 30. The literacy rate is 80 % which is one of the highest in the region. Educated in the numerous State or private universities or even in Europe, they make a high quality workforce. All the more so as a greater number of foreign educated students are choosing to return to the country. Save for the managing and financial directors, it is not necessary to call on expatriates to staff a local office.

10 *Unexploited tourist potential*

Officially Cameroon has 120 tourist sites and two sites of natural beauty classified as world heritage sites. Nevertheless, the country is still barely open to tourists and there is precious little hotel infrastructure. Given that French and English are the two official languages in administration, there is unexploited potential in this area.

Code of Conduct

How to act during your first meeting.

Those left cold by football quickly change their minds before they move to Cameroon. The country is represented on the international stage by the Indomitable Lions. Do not look wide-eyed and vacant at the mention of Roger Milla. Cameroon's leading light led his team to the quarter finals of the 1990 World Cup. In sum, make sure you have a solid football knowledge base and follow the news because the Indomitable Lions are the number one discussion point in the country. When you meet someone, after having shaken his hand in greeting, start by talking about sport. You will already have his attention.

Concerning negotiation itself: stay calm, take your time and don't rush your interlocutor. You will have to find levers to exert pressure for certain proposals to be accepted. It is also important to conduct the negotiation with precision throughout, making sure not to neglect any detail and to finalise the contract at the end of the discussion. You must also define in the contract the *modus operandi* for changing clauses. And be careful, the local concept of time is flexible. Some Cameroonians are not punctual and it is not unusual for meetings to be cancelled. In this case there is no use digging your heels in; better just to organise another meeting.