

COUNTRY PROFILE

**SAMPLE
FOR DISCUSSION**

COUNTRY PROFILE

CAMEROON

MARCH 2015



United Nations
Economic Commission for Africa

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Layout and Graphics: Yaphet Lijalem

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Notes on data source classifications

Data sources for the “At a Glance” summary page and data forecast table have been classified as “good,” “satisfactory,” and “needs improvement”. They are colour coded accordingly.

Data sources in the “At a Glance” summary page have been evaluated for transparency and accessibility for each statistic. The evaluation took into consideration data timeliness, reproducibility, citation, and availability in the public domain. For timeliness, we checked whether the latest year’s data are available. For reproducibility, we evaluated the data based on whether methodologies were available by the source, and whether metadata were sufficient for researchers to comprehend how these statistics were produced. Citation criteria evaluated the clarity of the data source, be it from the national statistical offices or international institutions. Finally, public domain criteria evaluated whether data were in an easily accessible, open-access database.

We have also provided a numerical index indicating the source of each statistic.

The data forecast table has been classified by data transparency, accessibility and forecasting accuracy for each selected international institution. The scores take into consideration the data reproducibility, timeliness, history, source, format, availability in the public domain, and forecasting accuracy.

Cameroon at a glance

General information

Region	Central Africa
Official language	French, English
Currency	CFA
Capital city	Yaoundé
REC membership	ECCAS

Rankings

HDI	152/187 (2013)	17
Gender Inequality Index	138/152 (2013)	17
Ibrahim Index of African Governance	34/52 (2013)	11
Ease of Doing Business	158/189 (2014)	8
Corruption Perceptions	136/174 (2014)	12

Key demographic indicators

Population (millions)	23.4 (2015)	4
Child (0-14 years)	9.9 (2015)	4
Adult (15-64 years)	12.7 (2015)	4
Aged (65+ years)	0.8 (2015)	4
Annual average growth rate	2.5 (2014)	4
Urban (%)	55.4 (2015)	4
Crude birth rate (0/00)	37.5 (2014)	4
Crude death rate (0/00)	11.9 (2014)	4
Total fertility rate	4.8 (2014)	4
Life expectancy at birth	54.9 (2014)	4

Education and employment

Literacy rate (15-24) %	81.8 (2011)	1
Net enrolment ratio in primary%	91.5 (2012)	13
Employment to population% ratio (total)	67.4 (2013)	14
Unemployment rate %	4 (2013)	14
Youth unemployment rate %	7.4 (2013)	14
Population below International poverty line (\$2/day) %	55.1 (2007)	1

Health

Percentage of children under-5 underweight	14.6 (2011)	1
Prevalence of Undernourishment (%)	10.5 (2014)	3
Under 5 mortality rate per 1,000	94.5 (2013)	15
Infant mortality rate per 1,000	60.8 (2013)	15
Neo-natal mortality rate per 1,000 live births	28.2 (2013)	15
Maternal mortality ratio per 100,000 live births	590 (2013)	5

Economic performance and inflation

GDP, Current - billion USD	29.6 (2013)	1
Real GDP Growth rate (%)	5.6 (2013)	1
Inflation - Annual change (%)	1.9 (2014)	1

Money and finance

Total reserves (includes gold) million USD	3,381 (2012)	7
Total external debt, million USD	2,831 (2013)	8

Government finance

Total Revenues and Grants - (% of GDP)	21.6 (2013)	1
Total Expenditures and Net Lending (%of GDP)	22.3 (2013)	1
Overall deficit (-) / Surplus (+) (%of GDP)	-0.7(2013)	1

External sector

Exports, Total, billion CFA	2,231 (2013)	1
Imports, Total, billion CFA	3,285 (2013)	1
Net ODA, million USD	737 (2013)	9
Net FDI Inflows, million USD	572 (2013)	7

Top three crops production

Cassava (thousand tonnes)	4,596 (2013)	3
Plantain(thousand tonnes)	3,692(2013)	3
Palm oil (thousand tonnes)	2,450 (2013)	3

Top two mining productions

Crude petroleum(millions of Barrels)	242,75 (2013)	1
Gold ore and concentrates (Kilograms)	600 (2007)	1

Use of new information and communication technologies

Mobile cellular subscription (per 100 people)	70.4 (2013)	16
Individuals using the Internet (%)	6.4 (2013)	16

Environment

Forest area (% of land area)	41.7 (2011)	6
CO2 emission (1000 metric tons) Per capita (metric tons)	7,229 (2010)	6
Energy consumption per capita (kg oil equivalent)	0.4 (2010)	6
	121.0.(2010)	6

* Dollar/CFA average exchange rate for 2013 is 494.1

Data Source Code Index:

- | | | | |
|---------------------------|---------------|--------------------------------|--|
| 1. National official data | 6. UNSD | 11. MO Ibrahim foundation | 15. UN inter-agency group for child mortality estimation |
| 2. ASYB 2014 | 7. IMF | 12. Transparency International | 16. ITU |
| 3. FAO | 8. World Bank | 13. UNESCO | 17. UNDP |
| 4. UN Population Division | 9. OECD | 14. ILO | |
| 5. WHO | 10. UNCTAD | | |

● Good ● Satisfactory ● Needs improvement



Overview

In 2014, economic activities boosted the GDP growth rate to 6.1 per cent. This rate is forecast to drop slightly by 0.3 points to 5.8 per cent in 2015, at a time of declining oil and gas prices on the international market and weak national oil production. This good economic performance has not, however, translated into a substantial reduction in poverty, since almost 40 per cent of the population is still living under the poverty line. The majority of Cameroonians are also enduring inequalities on a daily basis. Cameroon must therefore work to ensure sustained growth in its non-oil GDP by stepping up the local processing of some exports, such as timber and cocoa. This would create greater added value for these products and help not only to stimulate growth but also to strengthen the industrial fabric. However, these measures must be accompanied by an adequate supply of quality electrical power.

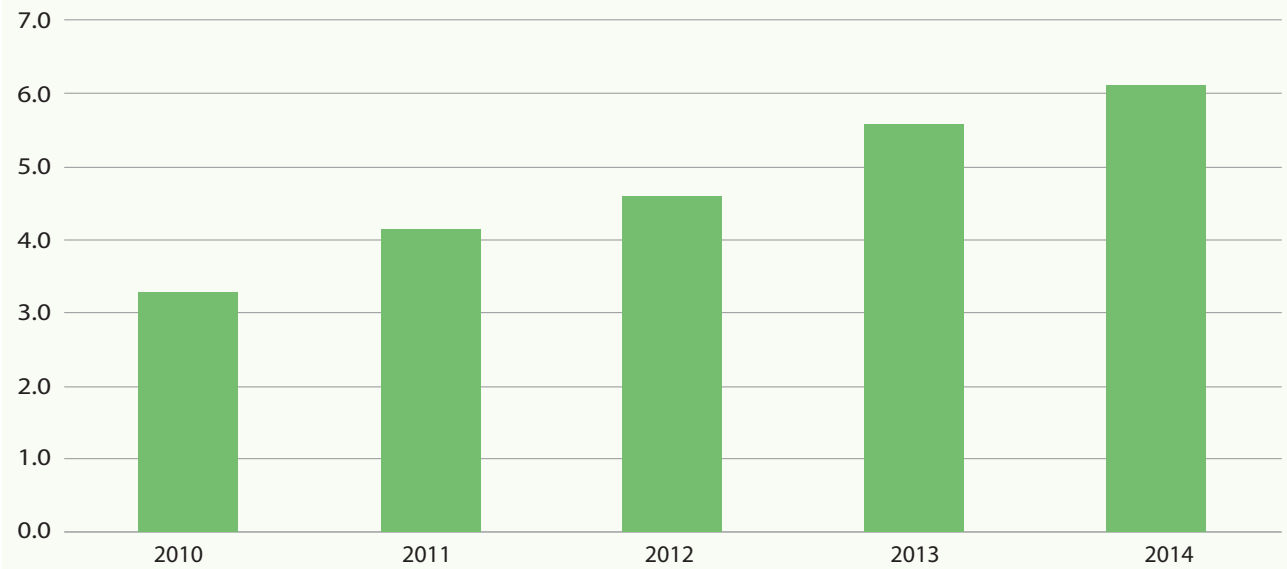
Macroeconomic performance

Economic growth

The upturn in national economic activity that began in 2010 has been continuing. Economic growth was estimated at 6.1 per cent in 2014, compared with 5.6 per cent in 2013, with growth in the non-oil sector estimated at 5.4 per cent.

With respect to supply, all sectors of activity contributed to economic growth in 2014. The primary sector achieved high levels of growth owing to the agropastoral potential in Cameroon. Growth in this sector was estimated at 4.3 per cent, led by the following sub-sectors: agricultural foodstuffs (+4.1 per cent), industrial and export-based agriculture (+4.8 per cent), and animal husbandry and hunting (+4.3 per cent). Growth in the secondary sector seemed more vigorous. It was estimated at 9.3 per cent in 2014, driven by: (i) an

Figure 1
Real gross domestic product growth rate from 2010 to 2014



Source: Ministry of Finance / Department of Economic Affairs (MINFI/DAE).

improvement in the supply of electrical power and its impact on manufacturing companies; (ii) the strength of the buildings and public works sub-sector; and (iii) an increase in oil and gas production. In the tertiary sector, growth was estimated at 5.3 per cent, spurred by the upswing in the primary and secondary sectors upstream. The expansion in the tertiary sector is driven by the transportation, warehousing and telecommunications sub-sector, following investments made to maximize the use of fibre optics and improve the quality of services, and the start-up of a third mobile telephone operator in the country.

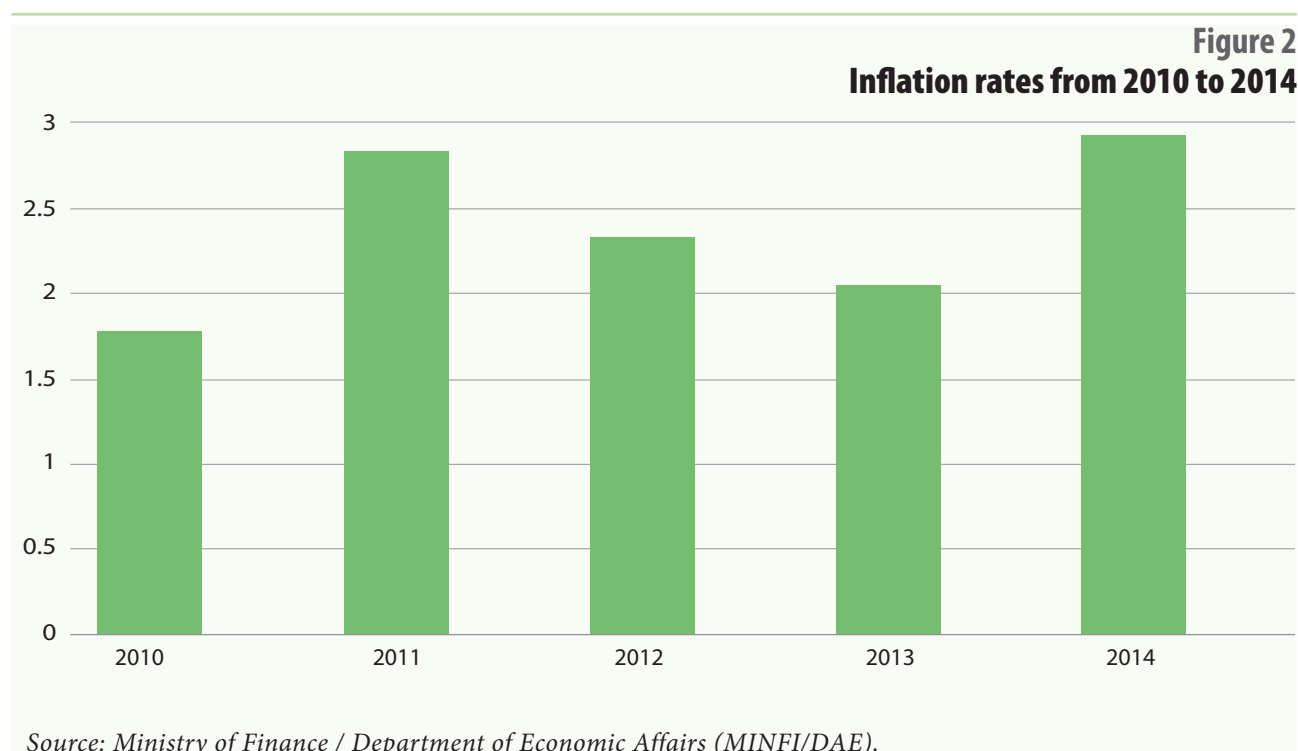
Regarding demand, growth was attributable primarily to domestic demand, which was itself fuelled by final consumption. With an estimated weighting of 86.7 per cent, of which 74.5 per cent is private consumption and 12.2 per cent is public consumption, domestic demand remains the principal component of GDP. The investment rate is estimated at 19.9 per cent, of which 17.3 per cent is private investment. Efforts

must continue to be made to increase the investment rate to about 25 per cent, the level empirically required for the economy to take off and grow by 6 to 8 per cent.

Inflation and monetary policy

Despite rising prices in the transport goods and services sector, leading to an upward revision of the price of petrol at the pump since 1 July 2014, inflation appears to be under control. It should not exceed the threshold set as the community standard and should hit 3 per cent for the year, versus 2.1 per cent in 2013.

In July 2014, the Monetary Policy Committee of the Bank of Central African States (BEAC) revised downwards the main interest rates on the money markets. It reduced the interest rate on calls for tenders by 30 basis points to 2.95 per cent. It also lowered the repurchase rate and the rate on credits to the Treasury from 5 per cent to 4.7 per cent and from 3.25 per cent to 2.95 per cent, respectively. With respect to bank conditions, the minimum borrowing rate for client deposits has fallen



by 30 basis points and is currently at 2.45 per cent. The bank legal reserve ratio for Cameroon banks has not changed since 2009. It is set at 11.75 per cent for cash deposits and 9.25 per cent for term deposits. Remunerated at a rate of 0.05 per cent, outstanding legal reserves stood at 298.1 billion CFA francs at the end of June 2014.

At the end of November 2014, the monetary position was balanced in terms of intakes and outlays, at 3,825 billion CFA francs, up 7.7 per cent since the end of 2013. Over the same period, net foreign assets rose by 4.2 per cent to 1,616.9 billion CFA francs, due to an increase in the net foreign assets of banks. In relation to the end of 2013, domestic credit rose by 10.3 per cent, to 2,208.1 billion CFA francs, owing to a 6.8 per cent increase in claims on the private sector, despite a 19.1 per cent decline in State receivables. Money supply (M2) rose by 4.5 per cent to 3,425.9 billion CFA francs, 16.6 per cent of which was in paper currency, 45 per cent was in bank money and 38.4 per cent was in quasi-money.

Public finances

In recent years, financial laws have reflected the determination of the Government to increase the public investment budget in order to promote sustainable growth and employment. During the first eight months of 2014, government receipts amounted to 2,236.6 billion CFA francs, including 1,856.6 billion in domestic revenue and 380 billion in loans and grants, representing a collection rate of 67.5 per cent. By the end of the year, government revenue of 3,447.7 billion CFA francs was expected, with 705.7 billion in oil revenue, 2,050 billion in non-oil revenue and 692 billion in loans and grants. This represents a surplus of 125.7 billion CFA francs, due to higher-than-expected domestic revenue and project loans. Expenditure reached 2,180.2 billion CFA

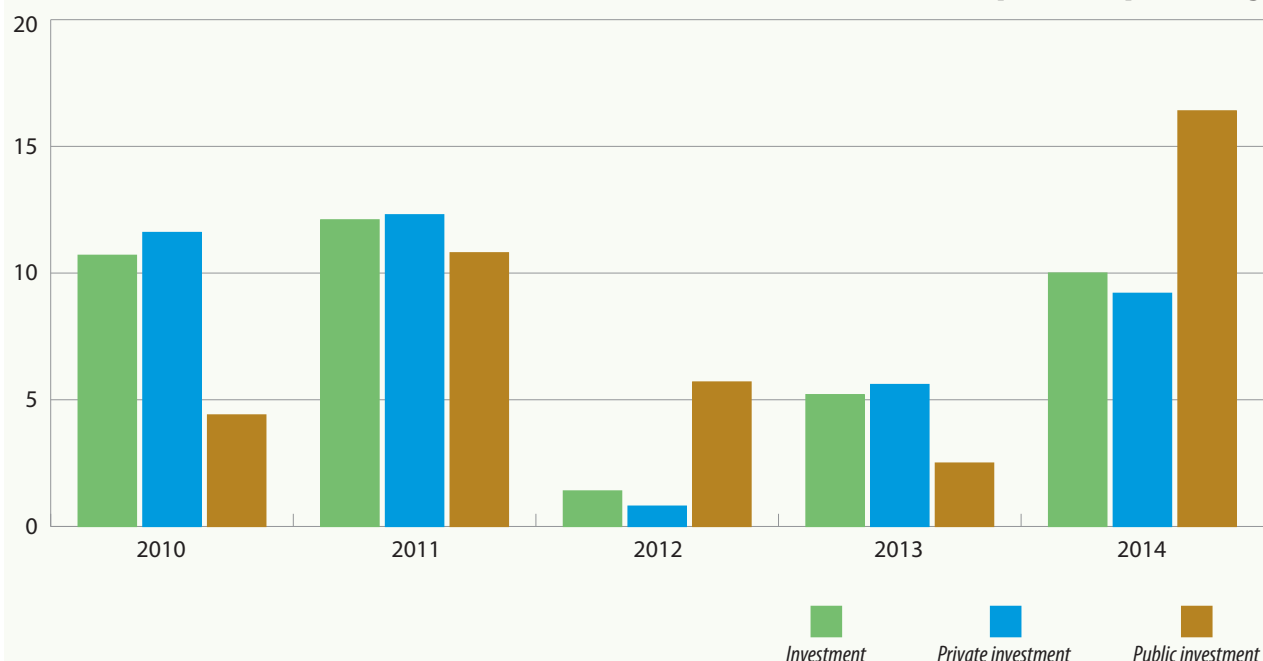
francs, representing an execution rate of 65.8 per cent and an increased of 8.2 per cent over the same period in 2013. At the end of the 2014 financial year, government expenditure was estimated at 3,397 billion CFA francs, of which 2,009.2 billion CFA francs was current expenditure, 1,085 billion was investment expenditure and 302.8 billion was debt servicing. The budgetary expenditure amount was 85 billion CFA francs more than forecast, due to an improvement in the absorption of external financing for public investment projects. It should be noted that the objective of increasing the public investment budget to at least 30 per cent of the total budget was achieved during the 2014 financial year. The share of the public investment budget increased from 17.4 per cent in 2008 to 30.2 per cent in 2014. Meanwhile, the basic primary budget deficit decreased by 3.9 per cent of GDP in 2013 to 2.7 per cent in 2014.

Investment

After the downturn in 2012, investment increased by 5.2 per cent in 2013. Its contribution to GDP growth was 1.1 point, versus 0.4 point in 2012. This increase was due to dynamic private investment, which grew from 0.8 per cent in 2012 to 5.6 per cent in 2013, with its contribution to GDP growth rising from 0.2 point to 1.1 point over the same period. This increase followed a recovery in corporate investment programmes, in particular those for the acquisition of audio-visual equipment, agricultural equipment, construction equipment, transportation equipment and furniture. The growth in private investment is supported by foreign direct investment, primarily in the oil, manufacturing industries, and commerce and hospitality sectors. Public investment declined in 2013, with a growth rate of 2.5 per cent compared with 5.7 per cent in 2012, owing to the low level of implementation of the public



Figure 3

Growth in investment and its components (percentage)

Source: National Statistics Institute and Ministry of Finance/Department of Economic Affairs.

investment budget, due mainly to: (i) low rate of project maturity; (ii) slow uptake of programme budgeting; and (iii) reform of the public procurement system.

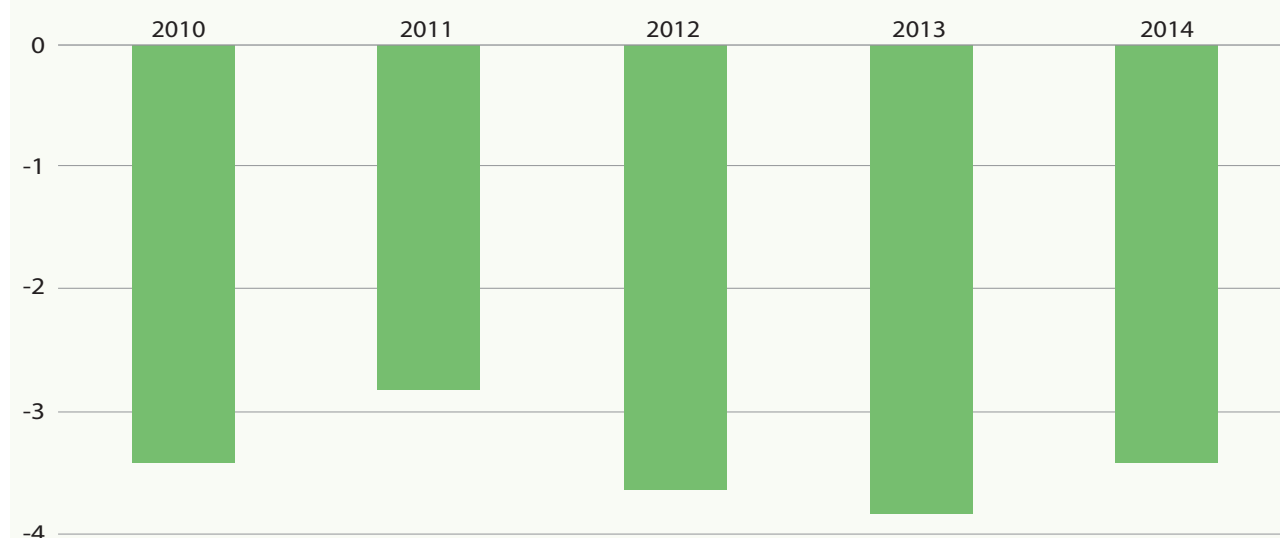
In 2014, investment was estimated to have increased by 10 per cent and the contribution of investment to growth was estimated at 2.2 points. The investment rate was estimated to have risen from 19.5 per cent of GDP in 2013 to 20 per cent of GDP in 2014, and private investment from 9.2 per cent to 17.4 per cent of GDP, as businesses continued with their investment programmes in 2013, in particular for the maintenance and renewal of production capacity. Public investment was estimated to have grown by 16.4 per cent and to account for 2.6 per cent of GDP in 2014.

External trade and balance of payments

In 2014, the balance of payments showed a surplus of 95.5 billion CFA francs, as opposed to a deficit of 43.9 billion CFA francs in 2013, owing. This surplus was due to a fall in the current account deficit from 557.2 billion CFA francs in 2013 to 544.8 billion CFA francs in 2014, representing 3.4 per cent of GDP from 3.8 per cent in the previous year.

The trade deficit increased from 97.5 billion CFA francs in 2013 to an estimated 251.7 billion CFA francs in 2014, owing to a rise in imports, the implementation of structuring and large construction projects, and falling commodity prices, an important component of exports from Cameroon.

Figure 4
Current account balance from 2010 to 2014



Source: Ministry of Finance, Department of Economic Affairs.

Economic outlook in 2015

According to forecasts by the Department for Economic Affairs of the Ministry of Finance of Cameroon (MINFI/DAE), in 2015, real GDP growth would drop by 0.3 point in relation to 2014 to 5.8 per cent, with 5.4 per cent relating to oil sector GDP and 5.8 per cent relating to non-oil sector GDP. On the supply side, all sectors of activity would contribute to that increase. With a projected growth rate of 4.2 per cent in 2015, the primary sector would benefit from good performance in the agropastoral sector, boosted by the distribution and dissemination of high-yielding seeds and plants, the continued recovery in the tree planting and forestry sector on the back of stronger local processing activity. Growth in the secondary sector would contract from 9.3 per cent in 2014 to 6.4 per cent in 2015, due to a fall in oil production. The tertiary sector would benefit from strong growth in the primary and secondary sectors upstream and grow by 6.2 per cent.

Forecasts for the rate of growth in Cameroon in 2015 by the Bank of Central African

States, the International Monetary Fund, the African Development Bank and the Economist Intelligence Unit are 6.2 per cent, 5.2 per cent, 5.1 per cent and 4.4 per cent, respectively. These forecasts are therefore at variance with the 5.8 per cent estimated by the Ministry of Finance, Department of Economic Affairs of Cameroon. These differences can be attributed in part to uncertainties about the impact of falling oil prices on the Cameroon economy.

According to the forecasts by the Department for Economic Affairs of the Ministry of Finance of Cameroon on other macroeconomic indicators, the inflation rate would be 3 per cent, while the primary balance would be -2.7 per cent, both unchanged from 2014. The balance of payments would show a surplus of 246.6 billion CFA francs, mostly due to the increase in external financing. The current account deficit will be about 544.3 billion, or 3.5 per cent of GDP, as a result of a deficit of 335.4 billion in the balance of trade, a deficit of 214.8 billion in the balance of services, and a deficit of 228 billion in the balance of

Table 1
Forecast evaluation using Theil's decomposition method (2009-2013)

	EIU			IMF			ADB			UNDESA		Bank of Central African States		
	GDP growth	Inflation rate	Current account balance/GDP	GDP growth	Inflation rate	Current account balance/GDP	GDP growth	Inflation rate	Current account balance/GDP	GDP growth	Inflation rate	GDP growth	Inflation rate	Current account balance/GDP
Root Mean Square Error (RMSE)	1.62	1.78	2.22	1.37	0.66	1.36	1.30	1.76	2.81	0.82	0.77	1.84	1.05	3.49
Decomposition of MSE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.99	1.10	1.00	1.00
Bais	0.00	0.63	0.46	0.00	0.03	0.02	0.36	0.12	0.25	0.69	0.11	0.10	0.02	0.38
Variance	0.00	0.17	0.02	0.04	0.14	0.35	0.11	0.07	0.09	0.11	0.36	0.01	0.03	0.35
Covariance	1.00	0.19	0.52	0.96	0.83	0.63	0.53	0.81	0.65	0.20	0.51	0.99	0.95	0.28
Effet Joint	0.00	0.81	0.48	0.04	0.17	0.37	0.47	0.19	0.35	0.80	0.48	0.11	0.05	0.72

Source: Calculations by the Economic Commission for Africa and the African Union Commission using data from the International Monetary Fund World Economic Outlook (2003–2013), Economist Intelligence Unit country reports, the Bank of Central African States, the African Development Bank (African Economic Outlook 2009–2014) and the United Nations Department of Economic and Social Affairs (2009–2014).

revenues, despite a surplus of 234 billion in current transfers.

The main risks of uncertainty surrounding these forecasts concern the continuing decline in the price of oil on international markets and terrorist attacks in northern Cameroon.

Accuracy and realism in macroeconomic forecasts

In order to facilitate decisions by African countries on economic policy, the Economic Commission for Africa has assessed macroeconomic forecasts by various institutions, with a view to determining the institutions with the most accurate forecasts in relation to actual performance. For the purposes of the present country profile on Cameroon, Theil's bias, variance and covariance method of decomposition (1966) was chosen for a scientific evaluation of the accuracy of the annual forecasts of growth rates, inflation rates and current account balances made by the Economist

Intelligence Unit, the International Monetary Fund, the African Development Bank, the United Nations Department of Economic and Social Affairs and the Bank of Central African States over the period 2009-2013. This method is used to evaluate the accuracy of forecasts by observing the joint effect corresponding to the sum of the bias and variance values.

Considering that the smaller the joint effect, the more accurate the forecast, the results presented in the table above show that, aside from those of the Economist Intelligence Unit (0.00) and the International Monetary Fund (0.04), the growth forecasts of the Bank of Central African States (0.11) are considerably more accurate than those of the African Development Bank and the United Nations Department of Economic and Social Affairs. However, with respect to inflation, the forecasts of the Bank of Central African States (0.05) are much more accurate than those of any other institution. This is logical, since the Bank of Central African States, as

an issuing institution, has an important role to play in controlling inflation. With regard to the current account balance, the forecasts of the Bank of Central African States (0.72) are much less accurate than those of the African Development Bank (0.35), the International Monetary Fund (0.37), and the Economist Intelligence Unit (0.48) and the United Nations Department of Economic and Social Affairs (0.48). The fact that all of the institutions forecast a dual effect (bias + variance) above 30 per cent demonstrates the extreme difficulty in forecasting with certainty this indicator, which is dependent on the international climate, which is characterized by strong volatility in commodity prices.

By comparing the number of forecasts that are above, below or at par with the values actually recorded with the total number of forecasts made between 2009 and 2013, it is possible to determine whether the forecasts of growth rates, inflation rates and the current account provided by the Economist Intelligence Unit, the International Monetary Fund, the Bank of Central African States, the United Nations Department of Economic and Social Affairs and the African Development Bank on Cameroon are optimistic, pessimistic or realistic.

This review shows that three institutions out of the five (the Economist Intelligence Unit, the International Monetary Fund and the United Nations Department of Economic and Social Affairs) had pessimistic forecasts for the growth rate, with four forecasts out of five coming in below the values actually recorded for each of these institutions, while the African Development Bank and the Bank of Central African States were more optimistic, forecasting growth rates above the values actually recorded.

The forecasts for the rate of inflation of four institutions (the Economist Intelligence Unit, the International Monetary Fund, the African Development Bank and the Bank of Central African States) were higher than the rates actually recorded and therefore pessimistic. The United Nations Department of Economic and Social Affairs was the only institution that was both realistic and optimistic, with two forecasts out of five that were below or at par with the values actually recorded. The current account results show that the Economist Intelligence Unit and the African Development Bank were optimistic, while the International Monetary Fund and the Bank of Central African States were rather pessimistic, the latter having forecast a higher current account deficit than was actually recorded, four times out of five.

Measuring regional integration dynamics and processes

Regional integration trends

The Economic Commission for Africa has developed an African regional integration index to measure the level of integration of each African country into the rest of the continent in relation to other countries. The data collection phase is currently under way and the results of the index are expected to be presented some time in 2015. Although the data from the index are not yet available, Cameroon has made progress in regional integration, as evidenced by its level of trade with other Central African countries and the development of the transport infrastructure linking the country with other member countries of the Economic and Monetary Union of Central Africa, (CEMAC).



Concerning trade integration, a study carried out by the Economic Commission for Africa Subregional Office for Central Africa in 2012 showed that Cameroon had the highest level of exports to other countries in Central Africa, accounting for between 36 and 50 per cent of total exports in the subregion. Cameroon exports to all the member countries of the Economic Community of Central African States (ECCAS), but in different proportions. Its principal export markets in the ECCAS zone between 2005 and 2009 are, in descending order, Chad (32.7 per cent), Gabon (32.2 per cent), the Democratic Republic of the Congo (23.3 per cent), Equatorial Guinea (19.7 per cent), Republic of the Congo (12.7 per cent), Central African Republic (8.6 per cent), Angola (3.05 per cent), Sao Tome and Principe (0.094 per cent) and Burundi (0.003 per cent). In addition, Cameroon was the largest importer within ECCAS from 2005-2009, with an estimated total of \$1,077.2 million, representing 21.5 per cent of all ECCAS imports. More than three quarters of Cameroon imports from ECCAS member countries come from Equatorial Guinea (76 per cent). Congo is the country's second-largest exporter to Cameroon in the subregion over the period studied. It accounts for close to 13 per cent of its imports from ECCAS member countries, with Gabon accounting for close to 5 per cent of these imports. Imports from other countries in the subregion are insignificant. Cameroon is also the main supplier of exports in the Central African subregion, being the principal supplier of 11 of the most-sought-after products among ECCAS countries.

In terms of physical integration, the short-term objective of the Central African Consensual Transport Master Plan (PDCT-AC) was to have a fully tarred highway connecting all capitals by 2010. Cameroon is included in the following five segments

of the consensual Central African highway out of the fourteen segments linking various capitals: (i) Yaoundé-Libreville, 895 km in length; (ii) Yaoundé-Bata, 501 km in length; (iii) Yaoundé-N'Djamena, 1,592 km in length; (iv) Yaoundé-Bangui, 1,151 km in length; and (v) Yaoundé-Brazzaville, 1,558 km in length. A study conducted in 2010 by the Economic Commission for Africa Subregional Office for Central Africa shows that Cameroon is involved in the two fully tarred road segments linking capitals in Central Africa: the road between Yaoundé and Libreville and the road between Yaoundé and Bata. Work is under way on the Yaoundé-N'Djamena segment. Similarly, of the 1,151 km between Yaoundé and Bangui, only 54 km in the Central African Republic remain to be tarred, but that segment is still unfunded. The Brazzaville-Yaoundé segment will finally be open to traffic upon completion of the road between Ketta and Djoum, which is already at an advanced stage. In addition, the rail networks in Cameroon and Angola are the only ones to have undergone significant improvements.

Social transformation in Cameroon

Social trends

Achieving the Millennium Development Goals

Based on the current situation, it would be difficult for Cameroon to achieve all of the Millennium Development Goals by 2015. The possibility of achieving the goal of eradicating extreme poverty and hunger (Millennium Development Goal 1), including reaching a poverty level of less than 25.1 per cent, is uncertain given current levels of economic growth. In the education sector (Millennium Development Goal 2), the Government's efforts in



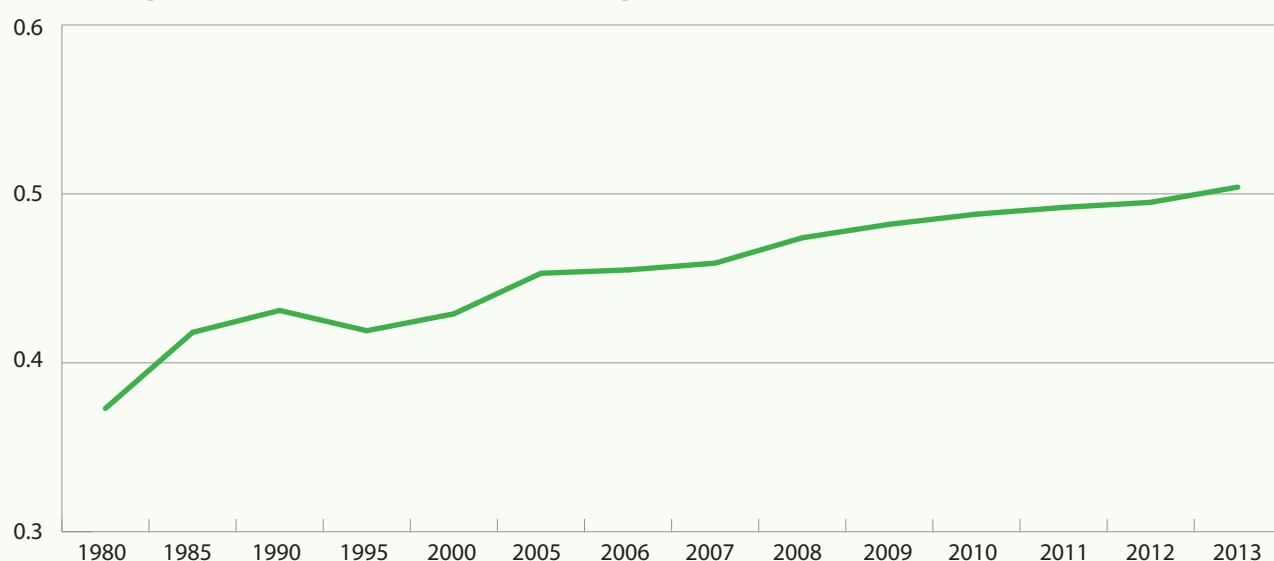
recent years to achieve universal primary education have been successful and the goal of providing primary education for all is in the process of being realized. With respect to the goal of promoting gender equality and empowering women (Millennium Development Goal 3), the trend is positive overall, especially in relation to gender equality in education. Despite its best efforts, Cameroon might not be able to achieve the goal of reducing the under-5 child mortality rate (Millennium Development Goal 4) in 2015. The target of reducing maternal mortality by three quarters (Millennium Development Goal 5) between 1990 and 2015 is compromised and requires strong measures, including improved obstetric and neonatal emergency medical care. Even though it seems unlikely that Millennium Development Goal 6 will be achieved in 2015, considerable progress has been made especially in the fight against HIV/AIDS and malaria. With respect to Millennium Development Goal 8, the integration of the principles of sustainable development in national policies and programmes is increasingly effective in Cameroon. Access

to safe drinking water and basic sanitation has also improved significantly, although it remains insufficient. More than half of the people live in modern housing. With respect to global partnership for development (Millennium Development Goal 8), the diversification of partners has been improving gradually, as positive relations have been formed with other countries in the African subregions and the emerging countries of Asia and Latin America. Having reached the completion point in April 2006, Cameroon was able to bring its debt down to reasonable levels. Ownership of information and communications technology tools (telephones, radio, computers, Internet connection) is also growing steadily.

Human development

Despite the considerable progress achieved, the score on the Human Development Index has been increasing by 0.916 per cent on average per year, going from 0.354 in 1980 to 0.504 in 2013. Nevertheless, Cameroon continues to rank low on the Human Development Index. These figures, taken with those from the third household survey

Figure 5
Cameroon performance on the Human Development Index between 1980 and 2013



Source: United Nations Development Programme.

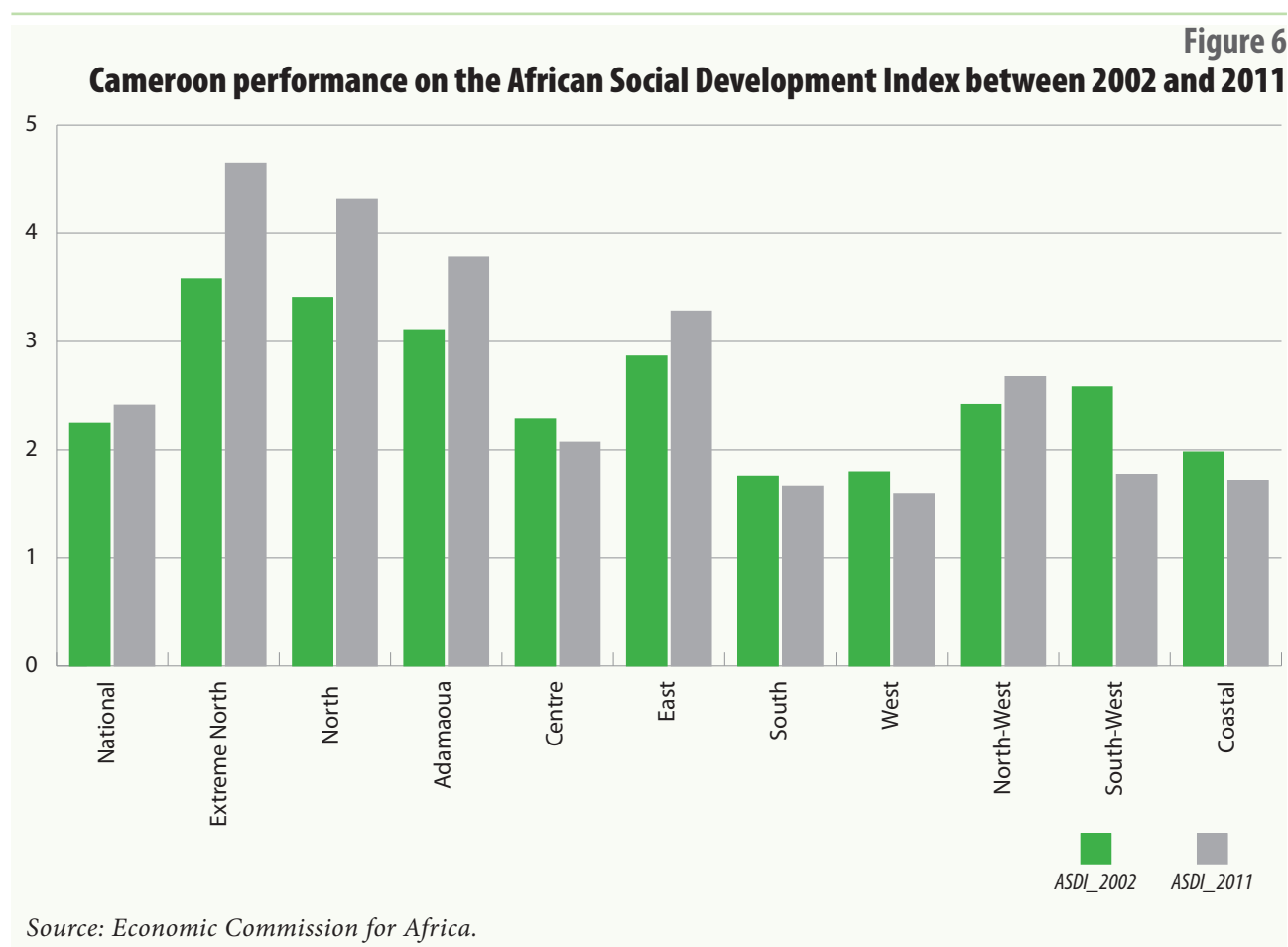
in Cameroon, conducted in 2007, and the latest general population and housing survey, highlight the poverty that continues to define the daily lives of Cameroonians, 39.9 per cent of whom live on less than \$2 per day, a level that is almost identical to the one recorded six years earlier (40 per cent in 2001).

Social exclusion

The Economic Commission for Africa has just developed the African Social Development Index in response to a request made during the second session of the Committee on Human and Social Development in 2011. Taking into account all stages of life, the Index focuses on five key aspects of human exclusion: health, education, work, means of subsistence, and decent life. The approach adopted is innovative in that it picks up on manifestations of exclusion throughout an individual's life, measuring the cumulative

effects of exclusion from infancy until old age, using key aspects of social development. Cameroon is one of five countries that are currently participating in the pilot phase of the project in Africa, along with Kenya, Morocco, Senegal and Zambia. The African Social Development Index is operated by national teams comprising experts from the ministries of economic affairs and finance, planning and social affairs, and national statistical offices. The index is being deployed in Africa by national implementation teams in the five pilot countries, with technical support from the Economic Commission for Africa.

The preliminary results of the exercise in Cameroon demonstrate a deterioration in the Social Development Index and hence an increase in social exclusion between 2002 and 2011. As indicated in figure 6 below, the northern regions contributed the most to this



underperformance, while improvements were perceptible in five regions: Central, South, Littoral, West and South-West.

The disadvantaged regions are characterized by a harsh climate; isolated locations; weak infrastructure; and far distance from large cities. As indicated in the graph, there is a marked disparity in terms of contribution.

Unemployment

The second survey on the informal sector in Cameroon, conducted in 2010, supplies the most up-to-date information on unemployment. Based on that survey, the unemployment rate, as defined by the International Labour Office, is estimated at 3.8 per cent for persons aged 10 years and over. The regions of Yaoundé (10.0 per cent) and Douala (9.1 per cent) have the highest unemployment rates. Overall, the situation has improved in relation to 2005, when the rate was 4.4 per cent. On the whole, unemployment affects young people and women the most, and unemployment rate increases with age. In the 15-34 age group, unemployment stands at 6 per cent compared with 1.7 per cent among those aged over 35. In addition, young people in urban areas have a higher unemployment rate of 11.2 per cent than those in rural areas (2.5 per cent). Overall, women are more affected by unemployment than men, with a 4.5 per cent unemployment rate compared with 3.1 per cent for men.

Inequalities

Despite some improvements, inequalities between men and women persist. In general, inequalities are more pronounced in rural areas. With respect to education, since 2001, the gender parity rate in primary education in Cameroon has considerably improved. It rose from 94 girls enrolled in school for every 100 boys in 2001 to 99 girls for every 100 boys in 2010. This parity has remained

fairly stable in urban areas (99/100), but has increased by 7 points in rural areas (from 91 to 98). In secondary education, however, the situation appears to have worsened. The parity between girls and boys dropped 2 points between 2001 and 2010, from 95 to 93 girls for every 100 boys aged 12-18 enrolled in school. In terms of employment and participation in economic activity, regardless of place of residence, men participate more in economic activity than women. The labour force participation rate is 71.1 per cent for men compared with 61.2 per cent for women. Rural women are less affected than those living in urban areas and the gap between men and women is more marked in urban areas. In the public sector, 35.2 per cent of employees are women and 64.8 per cent are men. In the formal private sector, these proportions are 24.5 per cent and 75.5 per cent, respectively. In addition, women are paid less than men (a gap of more than 20 per cent in the formal sector and 50 per cent in the informal sector). Rural women are less well paid (40 per cent less) and more affected by underemployment (13 per cent more) than those in urban settings. In terms of participation in political life, the situation has improved considerably, but inequalities persist between men and women. Only 31 per cent of members of parliament are women (55/180), only 20 per cent of senators are women (20/100) and only 10 per cent of members of Government are women.

Strategy for development of social services

Public investment

In 2014, 680.2 billion CFA francs were allocated to social sectors, representing 20.5 per cent of the State budget. These resources were used to finance the following activities: (i) providing universal education and strengthening vocational training; (ii) improving people's health, particularly



with regard to maternal and child health; (iii) promoting gender equality and empowerment of women; (iv) providing social protection for young children and marginalized persons; and (v) promoting youth, employment and social housing. The education sector received an overall envelope of 456.5 billion CFA francs, representing 13.8 per cent of the budget, compared with 5 per cent of the budget allocated to the Ministry of Health.

Priority sectors

The national policy for the enhancement of social services is part of the overall development framework for Cameroon, set out in the Growth and Employment Strategy Paper. The aim of this framework is to create both a structured environment that promotes growth and enhanced economic competitiveness, and the conditions for people to participate in this growth, while placing emphasis on increasing their income and access to basic social services, thereby improving their living conditions. In this connection, the strategy for the enhancement of social services contributes to the achievement of the Millennium Development Goals concerning the provision of social services. To this end, the strategy hinges on the Government's determination to: (i) reduce poverty to a socially acceptable level; (ii) promote inclusive sustainable development; (iii) make Cameroon a medium-income country; (iv) strengthen national unity and consolidate democracy and the state of law by promoting the ideals of peace, liberty, justice, social progress and national solidarity. It covers several areas, such as health, education and vocational training, gender equality and social protection.

Health

In the area of health, the Government intends to improve the health of the population by implementing an updated

health sector strategy in conformity with the Millennium Development Goals. The basic aim of the strategy is to ensure access to quality universal health care and services by improving supply and financing demand. These goals will be achieved through strong measures designed to stimulate demand, such as a health insurance scheme through the promotion of health insurance companies and coverage of more than 40 per cent of the population through a shared health insurance system.

Education and vocational training

The Government intends to focus on training human capital, including through : (i) quality education covering primary and secondary schools; (ii) quality high school education with a strong balance between general and technical training and preparation for higher education in priority development areas; (iii) vocational training in a modern and strengthened setting to provide graduating students from basic and secondary training schools with the knowledge and know-how required for the job market and prepares them for job creation; (iv) professional university education; (v) continuing education within a system that allows them to gain work experience; and (vi) highly qualified personnel, which is indispensable for quality education; this will require a system to regulate labour flows in a transparent and credible manner, stronger counselling services in schools, and an upgrading of salary scales for technical professions.

Measures for the development of education and vocational training include: (i) improving access to basic education; (ii) improving the quality of teachers and their working conditions; (iii) choosing appropriate programmes; and (iv) ramping up the maintenance of school infrastructure. While improving school



coverage in rural areas, the State will ensure rational and effective management to ensure that schools are built on developed sites that have other services (water, energy, sanitation, telephone) and that teachers work in acceptable conditions.

The main challenges faced by the education and training system in Cameroon and which require an urgent response are as follows: significant deterioration in the quality of education, as demonstrated by the levels of educational aptitude (45 per cent of pupils in year 5 of primary school can neither read nor calculate); irrelevance of training offered in technical secondary schools, vocational training schools and higher education institutions; weak leadership and governance throughout the education system, leading to an uneven distribution of inputs and to inefficiencies in their utilization; persistent disparities linked to gender, region of residence and income, which become more pronounced as children progress through school. The current strategy focuses on three areas: (i) access and equity; (ii) quality and relevance; and (iii) management and governance.

Gender equality

In order to promote gender equality, the Government will continue to raise awareness among parents and in the community, especially in rural areas where traditional customs prevail, of the need for girls to have equal access to education. The State and the community will also ensure that girls are equitably represented in all sectors, including in vocational training, higher education and access to employment.

Social protection

In a bid to consolidate the gains made with regard to social security and to widen coverage in that area, the Government

intends to reform the main social protection system in Cameroon. The objective will be to gradually include all social categories that have hitherto been on the margins of the system. A legal framework should soon be established to rapidly redefine the principles, institutions and mechanisms of coverage and financing of the social security system in Cameroon.

The challenge will be to ensure basic health coverage or access to health care for all segments of society. Above all, it will be a challenge to extend social protection to all informal workers, to rural communities and to other social categories. It will also be necessary to propose old age, disability and life insurance for all social groups that have the capacity to contribute. However, to achieve all that, the appropriate means to finance social security must be mobilized.

Thematic analysis: electricity power supply in Cameroon

Cameroon aims to become an emerging country by 2035. It will achieve this status by developing and consolidating its industrial fabric. This will require adequate production and distribution of energy, which are considered indispensable for businesses to function, for the economy to operate effectively, and for people's living conditions to improve.

In this respect, Cameroon has enormous energy potential. Indeed, owing to its geographic location, it is the second-largest producer of hydroelectric power in sub-Saharan Africa, behind the Democratic Republic of the Congo. This potential remains only to be developed in order



to respond to ever-increasing demand and to reduce instability in the sector. Accordingly, the authorities have launched a vast programme to improve and increase the supply of electrical power by building several hydroelectric dams (the Lom-Pangar, Memve'ele and Mekin dams) and a gas power station in Kribi, drilling to produce thermal power, and even resorting to new and sustainable energy sources.

The aim in this section is to assess the impact and scope of the different projects by reviewing the supply of and demand for electrical power.

Electrical power supply

In Cameroon, electrical power is principally generated by hydroelectric and thermal power stations. Production of renewable energy is in its infancy.

Hydroelectric power plants

The three hydroelectric power plants currently in operation have a total installed capacity of 732 MW. They are: (i) the Songloulou power station, which was commissioned in 1991, with an installed capacity of 384 MW; (ii) the Edea power station, composed of three parts which were commissioned in 1957, 1958 and 1975, with a combined installed capacity of 276 MW; and (iii) the Lagdo power station, commissioned in 1983, with an installed capacity of 72 MW.

For many years, electric power was rationed through what were commonly known as "power outages". This situation has led to a significant drop in the living conditions of households and disrupted economic activity, particularly in the secondary sector. In fact, with limited power supply, many industries could not operate to full capacity and investors were not motivated to set up operations in the country.

In order to find a sustainable solution to this problem and thus support and nurture economic growth in the country, Act No. 2011/022 was passed on 14 December 2011, with a view to better organizing, modernizing and developing regulating the electricity sector. In addition, a wide-ranging programme to improve the supply of electrical energy was launched.

In that connection, several hydroelectric power stations are being built, including: (i) the Mekin power station, with an installed capacity of 15 MW, which is scheduled to be commissioned in 2015; (ii) the power Lom-pangar power station, with an installed capacity of 30 MW, which is scheduled to be commissioned in the fourth quarter of 2015; and (iii) the Menvé-ele power station, with an installed capacity of 211 MW, which is scheduled to be commissioned in January 2017.

In addition to these projects, some of which are in the finishing stages, several hydroelectric power stations are awaiting construction or are in the study phase, including: (i) the Menchum power station, with an installed capacity of 84 MW; (ii) the Bini à Warak power station, with an installed capacity of 60 MW; (iii) the Song Dong power station, with an installed capacity of 316 MW, which is in the study phase; and (iv) the Kpep power station, with an installed capacity of about 550 MW, which is also in the study phase.

Thermal power stations

The existing thermal power stations, which use either heavy fuel oil or light fuel oil, are spread across the country. They have a combined capacity of about 341 MW. In April 2013, a new thermal station powered by natural gas was built in Kribi. It has a generating capacity of 216 MW which has significantly strengthened the electrical



power supply. Thermal power stations, with a generating capacity of almost 557MW, should therefore not be overlooked. Power supply from thermal stations could further be improved with the commissioning by 2016 of an extension to the gas-powered Kribi station, which would provide additional power of 114 MW.

Supply of renewable energy

Cameroon is actively exploring renewable energy production, with a significant amount of power expected to come from solar energy. Indeed, several solar power stations, with a total generating capacity of 500 MW, are expected to be built as part of the Cameroon 2020 Photovoltaic Power Project. Construction of some of these power stations has already started, including the Maroua 1 power station, with a generating capacity of 60MW. However, this amount of solar energy should not be taken into account in electrical power supply estimates, as the technology is still at the pilot stage in Cameroon.

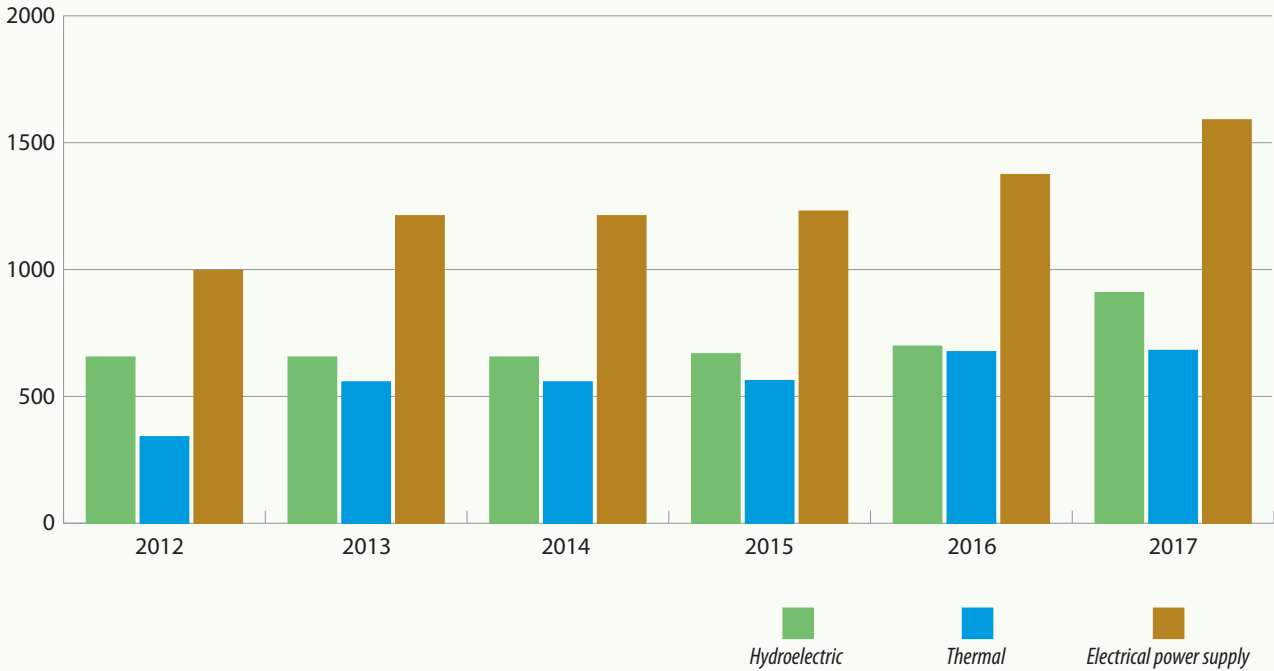
The graph below shows the status of electrical power supply, estimated based on a count of all hydroelectric and thermal power plants that are in existence or under construction.

Electrical power demand

The demand for electrical power is based on forecasts made by the company that generates, transports and distributes electricity in Cameroon, namely AES Sonel, which became ENEO in 2014. These demand forecasts take into account both the timing of consumption and the following assumptions:

- The demand of high-voltage lines is based on the realization of certain energy-intensive projects, such as the project to double the generation capacity of the aluminium company ALUCAM which will increase two-fold by 2017, and the project to expand the national oil refinery company SONARA.

Figure 7
Estimate of the overall supply of electrical power in Cameroon in KW



Source: AES SONEL.

- For mid-voltage lines, the demand takes into account the average annual growth rate in the real sector of 4 per cent, the commissioning of the deep-water port in Kribi, the construction of an agrifood complex and the establishment of some mining industries.
- With respect to the low-voltage lines, the demand takes into account an average annual GDP growth rate of over 5 per cent and the construction of 5,000 social housing units throughout the territory by 2025, assuming a population growth rate of 2.6 per cent per year and an increase in the rate of urbanization to 54 per cent by 2025.

Based on these assumptions, the demand for electrical power was estimated after separating the demand for electrical power by ALUCAM, the largest consumer of electrical power in Cameroon, from the demand by other users.

It can be observed that, by 2017, the demand for electricity could grow by about 26 per cent, primarily as a result of the ALUCAM expansion, the first phase of which is scheduled for 2017.

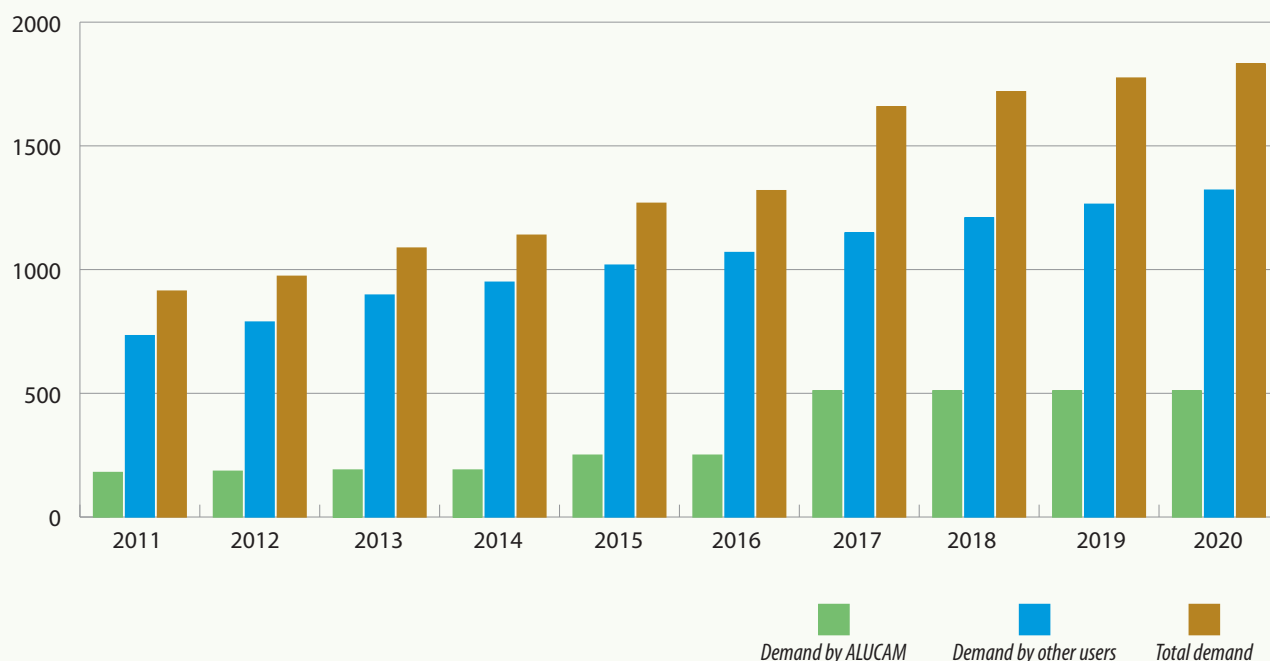
Comparison of supply and demand in respect of electrical power

Having assessed and forecast the supply of and demand for electrical power, a comparison of the two components is necessary to better assess not only the efforts made, but, mostly importantly, the challenges to be taken up.

As shown in graph 9 below, from 2011 to 2014, the electrical power supply was sufficient to cover demand as a result of the emergency thermal energy programme which had allowed for the rehabilitation of a good number of thermal power stations.

In 2013, the gap between supply and demand grew as a result of the commissioning of the

Figure 8
Total demand for electricity in KW



Source: AES SONEL.



gas-powered thermal power station in Kribi, boosting the supply of electrical power by 216 MW. This increase stimulated activities in the secondary sector, which grew by an estimated 9.3 per cent in 2014 compared with 5.7 per cent in 2013. This renewed industrial growth is expected to lead to an increase in demand for electrical power, which will gradually absorb the excess supply. Thus, from 2015 to 2016, there is a fear that the electrical power supply will be just sufficient to satisfy ever-growing demand. In 2017, with the planned expansion of ALUCAM, if nothing is done, the energy supply will not be sufficient to cover the energy needs of this energy-intensive project.

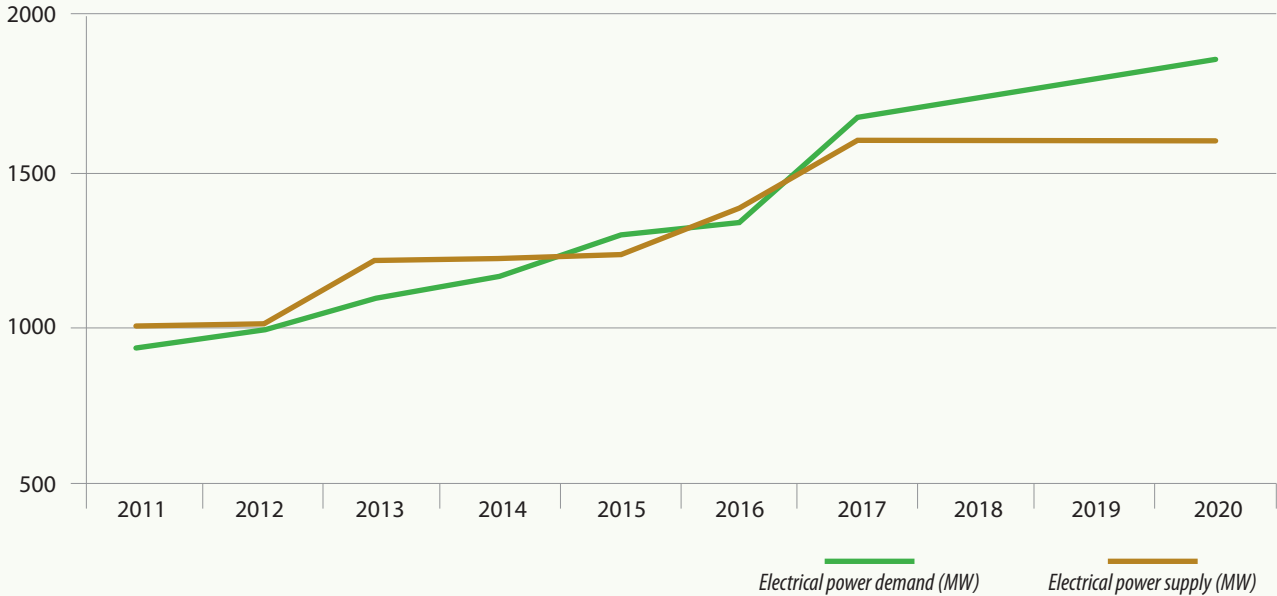
Nevertheless, it should be noted that since 2011, the electrical power supply in Cameroon has improved considerably. However, this supply remains insufficient to support economic growth over the long haul and accompany the country on its journey towards emergence. It will therefore be necessary, if not indispensable, not only to

finish the projects that are currently under way, but also to begin construction of the hydroelectric power stations mentioned above, which are either awaiting construction or are in the study phase. Furthermore, the implementation of the Cameroon 2020 Photovoltaic Power Project, which is based on the construction of several solar power plants, is now an imperative.

It should also be noted that, in addition to the construction of these power stations, appropriate means of transmission and distribution must be developed. It is therefore necessary to establish a State company for the transmission of electrical power, as provided for in the new law on electricity enacted in December 2011.

In summary, despite noteworthy efforts to increase the supply of electrical power in Cameroon, much remains to be done in order to support growth in the country and to improve the living conditions of its people.

Figure 9
Electrical power supply and demand in Cameroon



Source: AES SONEL.