

COUNTRY PROFILE

Quarterly update

July 2016



United Nations
Economic Commission for Africa

CAMEROON

Introduction

The main objective of this document is to provide an update to the 2015 Cameroon Country Profile, with a particular focus on the recently released annual data for 2015.

Recent developments: Key highlights

- Domestic economic activity in the second quarter of 2016 was affected by an outbreak of avian influenza, which had a significant impact on poultry production in Cameroon, especially in the west of the country.
- “Brexit”, the decision of British voters to leave the European Union in June’s national referendum, could affect the funding Cameroon receives through the European Development Fund.
- Nevertheless, Brexit will not have an immediate impact on foreign trade and does not threaten the planned entry into force on 4 August 2016 of the interim agreement signed by Cameroon and the European Union in the framework of the Economic Partnership Agreements (EPAs).

Economic performance

Economic growth and sector performance¹

Growth remained strong in 2015. According to the Bank of Central African States, growth stood at 5.9

per cent, the same level as in 2014, despite the global economic slowdown and lower oil prices. On the supply side, this performance is mainly due to strong activity in the non-oil sector, which contributed 4.8 basis points to real gross domestic product (GDP) growth. The oil sector contributed just 1.1 basis points to growth, as increased oil production was offset by lower global oil prices. As for demand, private consumption continued to drive growth. It contributed 2.7 points to GDP growth in 2015. Public consumption contributed 0.7 points, public investment 1.1 points, and private investment -1.8 points. According to the latest forecast produced by the Bank of Central African States, GDP growth of 5.2 per cent is expected in 2016, as a result of the continuing fall in oil prices.

Fiscal policy

In 2015, budgetary revenues grew faster than expenses, rising by 11 per cent, mainly as a result of higher non-oil revenues. Public spending grew by just 1.1 per cent, while capital expenditure fell. The budget deficit (on a commitment basis, excluding grants) narrowed to 2 per cent of GDP in 2015, down from 3.8 per cent in 2014. In 2016, the situation is expected to deteriorate, with the fiscal balance set to fall to -4.6 per cent of GDP, as a result of stagnant public revenue and increased public spending. Owing to the increase in the number of infrastructure projects undertaken, the State’s commitment rate under

by the Bank of Central African States, as the National Institute of Statistics will not publish the national accounts for 2015 until the third quarter of 2016.

1 The data used in this section are estimates provided

the investment budget reached 59 per cent at the end of June 2016, up 7.4 per cent compared to 2015. According to data from the autonomous amortization fund of Cameroon, external debt stocks increased from 14.6 per cent of GDP in 2014 to 23.3 per cent in 2015, and are expected to reach 24.7 per cent in 2016.

Inflation and monetary policy

After falling for three consecutive years, consumer prices began to rise again in 2015 (up by 2.7 per cent, against 1.8 per cent in 2014), mainly as a result of the soaring price of alcoholic beverages and tobacco (up by 8.9 per cent), transport (7.5 per cent) and hotels and catering services (5.9 per cent). Between January and February 2016, prices were almost static in Yaoundé (-0.1 per cent), mainly due to the 0.3 per cent fall in food prices, while in Douala prices rose by 0.2 per cent, driven by an increase of 1.1 per cent in food prices, as well as catering and hotel services. On 6 April 2016, after analysing recent developments in the liquidity of the banking system in the

CEMAC region, the monetary policy committee of the Bank of Central African States decided to reduce by 50 per cent the reserve requirements for commercial banks in countries belonging to CEMAC, including, therefore, banks in Cameroon.

Current account

In 2015, the current account deficit stood at 4.4 per cent of GDP, unchanged from 2014, in a context marked by a sharp deterioration in the terms of trade owing to falling oil prices. The trade balance deficit increased as a result of a greater drop in exports (-3.2 per cent) than imports (-1.3 per cent). According to the Bank of Central African States, in 2016, the current account deficit is expected to increase to around 5.2 per cent of GDP.

Macroeconomic performance

	Value	Year
Nominal GDP (in billions of CFA francs)	16,723.9	2015
Real GDP growth rate (%)	5.9	2015
Average annual inflation (%)	2.7	2015

Fiscal policy

% of GDP	Value	Year
Total revenue	18.4	2015
Total expenditure	20.4	2015
Recurrent expenditure	13.9	2015
Capital expenditure	6.5	2015
Primary fiscal balance (- = deficit)	1.3	2015
Fiscal balance, commitment basis, excluding grants (- = deficit)	-2	2015
Fiscal balance, commitment basis, including grants (- = deficit)	-2	2015
Underlying fiscal balance (- = deficit)	0.9	2015

2 Bank of Central African States, July 2016.

References

Bank of Central African States (2016a). *Communiqué de presse du CPM du 12 juillet 2016*.

_____ (2016b). *Données du cadrage macroéconomiques au 12 juillet 2016*.

Caisse Autonome d'Amortissement du Cameroun (2016). *Note de conjoncture trimestrielle de la dette publique du Cameroun*, no. 16, May 2016.

National Institute of Statistics of Cameroon (2016a). *Les comptes nationaux trimestriels, 4ème trimestre 2015*.

Current account

% of GDP	Value	Year
Imports	29	2015
Exports	25	2015
Trade balance	-4	2015
Current account balance	-4.4	2015

_____ (2016b). *Note sur l'évolution des prix à la consommation finale des ménages à Yaoundé en février 2016: Baisse de 0,3 % des prix des produits alimentaires*.

_____ (2016c). *Note sur l'évolution des prix à la consommation finale des ménages à Douala en février 2016: Hausse de 1,1 % des prix des produits alimentaires et des services de restauration et hôtels*.