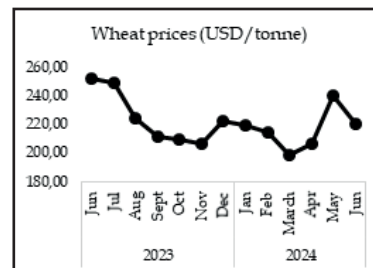
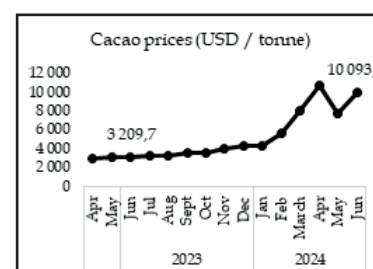


1. Major commodity prices

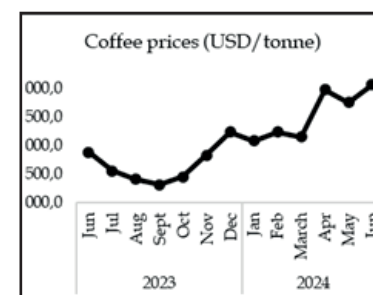
Wheat. In June, wheat prices stood at 226.3 dollars/t. On a monthly basis, they experience a slowdown of 6% and 11% on an annual basis. However, it remains above the average value observed between August 2023 and March 2024, i.e. almost \$214/t.



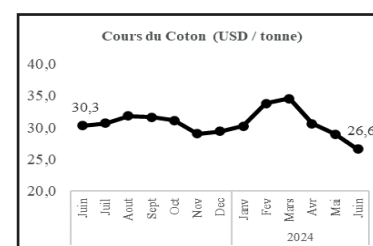
Cacao. Following a dip in May, cocoa prices rose by almost 18% in June. This year, the average price for a tonne of cocoa in June was \$10,093/tonne, almost 3 times the price in June 2023. The lower production by the main producers (Côte d'Ivoire and Ghana) is behind this inflationary dynamic. According to the forecasts of the International Cocoa Organization, production is expected to be down by 11% over 2023/2024.



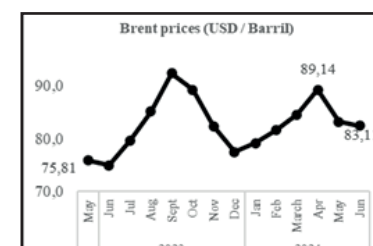
Coffee. A tonne of coffee was trading at \$5071/tonne in June, up 30% year-on-year and 6% on May. Since January, the price of coffee has risen by a monthly average of 3%. Adverse climatic conditions in the main producing countries (Vietnam in particular, with 40% of supply) are behind the uptrend in prices since the end of the year 2023.



Cotton. The price of cotton has been on a downtrend since April 2024. After peaking at \$34.5/t in March, a tonne of cotton traded at \$26.6 in June, a drop of 8% compared to May 2024 and 12% compared to June 2023.



Oil prices. Oil prices have fallen again, but smaller than in the previous month. This is the result of the US demand declining (who questioned about the supply outlook) and the dollar's depreciation vis-à-vis other currencies. The price was \$82.4 in June 2024, compared to \$83.1 in May and \$74.9 in June 2023.



2. Sub-regional Economic News

CEMAC Economic outlook: Second session of the BEAC's Monetary Policy Committee in June 2024

At the end of the second session of the Monetary Policy Committee, the macroeconomic and financial outlook for the CEMAC records growth of 3.3% in 2024 compared with 2.3% in 2023, sustained with solid performance of non-oil activities (3.8% compared with 3.0% in 2023) and a recovery in oil activities (1.0% after -1.1% in 2023). BEAC forecasts that inflationary pressures will persist, albeit to a lesser extent, with average annual inflation forecast at 3.9% in 2024, compared with 5.6% in 2023. Public finances are improving, with the budget balance rising from -0.2% of GDP in 2023 to +0.5% in 2024.

Regional integration: Interstate joint committee set up to promote free trade in the CEMAC region

The decision has been made in June 2024 in Bangui during an extraordinary session of the EUAC Council of Ministers. It was prompted by the ongoing barriers between the six countries of the sub-region, preventing people living within the community from moving freely. The aim is to enhance competitiveness and boost the diversification of economies in the CEMAC zone. This would also facilitate a sound economic and political balance in the sub-region.

Bank refinancing: BEAC revives the open market

Suspended since February 2023 with the aim of reducing the proportion of monetary inflation to 20%, the BEAC resumed liquidity provision operations in the banking system in June. The intent is to increase the banks' capacity to finance the economy and is based on a forecast of a lower inflation rate. It has therefore carried out three liquidity provision operations. While the subscription rate for the first operation (120 billion) was only 45%, for the second (65 billion) the demand expressed by the banks accounted for more than 449% of the financial package proposed by the BEAC and 350% of the package for the third operation (90 billion). This enthusiasm of banks bears witness to an ever-increasing need for liquidity on the part of CEMAC banks.

Nigeria: Plagued by 34% inflation

In May 2024, general inflation reached 33.95% in Nigeria, driven by food prices, which were 40.66% higher than in 2023. This is the highest rate in 30 years for this economy. It is due in particular to the depreciation of the Naira against the Dollar in 2023.

3. Important economic events at national level

Global macroeconomic outlook: Outcomes of the Sixth Review of the Economic and Financial Programme with the IMF

According to the IMF's report on its review of economic fundamentals and public finances, the outlook for Cameroon's economy remains positive, subject to continued reforms and a favourable external environment. Economic growth should reach around 4% in 2024. Inflation will fall gradually, given the downward trend of the second increase in pump prices at the beginning of 2024, and will be at 5.5% by the end of the year.

PUBLIC FINANCES

Adjustment to the 2024 Finance Act: New debts to settle old ones

An order issued on 20 June increased the State budget by CFAF 533 billion, from 6,740.1 to 7,278, an increase of 7.9%. A summary analysis of the amending law shows that:

- The additional expenditures are devoted mainly to financing the financial costs of the debt, amounting to nearly 480 billion in current expenditure and 84 billion in capital expenditure;
- Spending on goods and services, which account for a portion of public procurement and benefit VSEs, decreased 81.5 billion (-7.6%);

The increase in revenue is mainly (91.5 %) driven by a debt strategy readjustment up to 488 billion, increasing from 1489.4 to 1977.4 billion of debt forecast in budget increase. It also provides for a reduction in indebtedness on the sub-regional financial market for foreign financial institutions.

BEAC Fungible Treasury Bills (BTAs), an additional financing tool.

The government used this new instrument in June, raising CFAF 125 billion through an issue of short-term government securities (up to one year of extension). The issue results in an average interest rate of 6.58%, one of the lowest on the market today. This is a BEAC economic financing instrument, also open to the private sector.

A new disbursement agreement with the IMF

The Government has obtained the disbursement of 55.2 million SDRs (\$73 million) for the programme supported by the ECF and the EFF, and 34.5 million SDRs (\$45.6 million) under the RSF.

However, according to IMF experts, there are still adjustments to be made to the public finance management. One of the major weaknesses remains the substantial level of extra-budgetary spending in 2023, which resulted in overruns on current expenditure that limited the resources earmarked for priority growth-enhancing investments.

Fuel supply: The impact on public finances

The Cameroonian government has spent a staggering CFAF 1713 billion on fuel since the SONARA disaster. This annual bloodletting of 350 billion is ruining public finances.

Fiscal impact of EPAs: A negative balance sheet over the past 7 years.

The implementation of the EPA has resulted in a tax loss of CFAF 70.5 billion over seven years. In addition to the tax side, the agreements have not contributed to the development of SMEs through access to European markets, as expected at signing. Large companies are still the only real beneficiaries of these agreements, when it comes to the supply of raw materials for industry or exports for the banana agro-industry in particular. Under these conditions, the expected results on growth, job creation and therefore improved living conditions are far from being achieved. In response, MINEPAT is proposing that consideration be given to renegotiating the rendez-vous clauses on trade in services and investments.

FINANCING THE ECONOMY

Deposit and Consignment Office: Fund transfers by banks are escalating.

Under the provisions of the law of 14 April 2008 governing deposits and consignments, the CDEC is to receive funds previously held by financial institutions in the form of guarantees of all kinds (on rents, water, electricity, etc.) or interest-bearing term deposits. Following formal notice, the financial institutions have begun transferring the expected funds. To date, these include BEAC (3.9 billion), BICEC (6 billion), Standard Chartered Bank and Crédit Foncier du Cameroun (3.5 billion). In the long term, CDEC is expected to sum up good practices to help finance the economy through specialised structures within the competences assigned to it.

Financial sector development: Launch of the national strategy (SNDSF).

This is the culmination of a process conducted with the support of the BEAC through the CNEF. The aim is to address the shortcomings identified in the development of the financial sector in Cameroon. In particular, the SNDSF recommends: (i) entity restructuring such as CFC, SRC, SNI and BCPME to boost financing for micro, small and medium-sized enterprises; (ii) setting up a guarantee fund management company for micro, small and medium-sized enterprises (MSMEs); (iii) implementing a law on mortgage credit to boost credit and the property market.

Its implementation will require the mobilisation of CFAF 86,100 billion by 2030 and, according to the public authorities, will result in a gain of 2.3 growth points/year and additional fiscal revenue of CFAF 105 billion per year, or CFAF 630 billion over the period 2025-2030.

Attractiveness and competitiveness of the economy

Towards an air transport agreement between Cameroon and Canada.

The aim of this project is to strengthen cooperation between Cameroon and Canada in the field of air transport and related sectors such as tourism, business and logistics. The agreement concluded

in 2022 and is awaiting ratification, will reduce financial constraints by eliminating double taxation and facilitating the granting of customs duties and other fees. Canada is home to one of the Central African country's largest diasporas. Some 14,000 Cameroonians live in Quebec, according to figures from the Quebec Ministry of Immigration, Francization and Integration, making it the 3rd largest foreign community after the French and the Chinese.

Slowdown in Foreign Direct Investment (FDI).

According to UNCTAD's 2024 report on Foreign Direct Investment, FDI decreased by 15.87% in 2023. It declined from \$889 million in 2022 to \$799 million in 2023. At the CEMAC level, Cameroon will close the top 3 of FDI destinations in 2023, far behind Gabon and Chad. Hence, while the volume of Foreign Direct Investment declined in Cameroon in 2023 yoy, it will rise by \$46 million in Gabon, and soars by almost \$300 million in Chad.

Increase in the global competitiveness index

The competitiveness score for the Cameroonian economy is 25.9 in 2023, compared with 24.5 in 2022, an increase of 1.4 points. With this change, the country moves up from 119th to 118th position in the world ranking. This improvement in the overall competitiveness index would have potentially positive consequences on the economy if associated by tangible reforms and investments.

Foreign trade: the gap is growing by 40.3%

According to figures published by the Institut National de la Statistique for the 2023 financial year, the trade balance deficit amounts to CFAF 2.004 billion in 2023 compared with CFAF 1.428 billion in 2022, an increase of 40.3%. This marked deterioration is the result of a drop in export revenues of CFAF 495 billion (-14.2%), combined with an increase in import expenditure of CFAF 81 billion (+1.7%). As the Cameroonian economy depends greatly on crude oil and natural gas, which account for 52% of export revenues, the trade balance excluding crude oil remains heavily in deficit at CFAF 3,131 billion, a deterioration of CFAF 188.2 billion (6.4% compared with 2022).

MINPMEESA publishes statistics on business start-ups in 2023:

According to the Statistical Yearbook on SMEs, 19,651 small and medium-sized enterprises were

created in 2023 in Cameroon, **15,591 SMEs created in 2021 and 15,601 in 2022**, leading their total active in the country to 393,166, i.e. 377 SMEs in the primary sector, nearly 80,000 in the secondary sector and more than 312,000 in the tertiary sector. The country's two largest cities, Douala and Yaoundé, the capital, account for 57.4% of SMEs, with 33.5% and 23.9% respectively. 97% of SMEs are sole proprietorships.

They have generated almost 137,847 new jobs, mainly in agriculture, fishing, mining, trade and services.

They also benefited from CFAF 7 billion in financing from the SME Banks, 51% of which in the buildings and public works sector, and 43% to services and ICTs. Agro-industry, which is vital field for the national economy, only received 1% of this funding, along with energy and textiles.

Productive sectors

Agriculture: A project to develop 15,280 hectares of hydro-agricultural land in the departments of Mbéré, Vina and Faro-et-Déou, in the Adamaoua region.

This is the first phase of a government programme to develop 35,000 hectares of arable land. It includes the construction of irrigation systems, 100 km of roads, the creation of several production units and the purchase of diversified agricultural equipment. The FCFA 50 billion financing agreement was concluded with the Standard Chartered Bank of the British group as a buyer credit, under the three-year Emergency Plan for the acceleration of economic growth in Cameroon (Planut) in its section "Land use planning".

Industries: A manufacture plant for gas cylinders is being built.

The Progaz plant entered production this June in the town of Douala. With an investment cost of 18 billion, the plant is positioned in the section of the valorisation of local ores, in this case iron from the exploitation of Mbalam and Grand Zambé iron project. It will save 8 billion a year on the annual cost of importing gas cylinders, i.e. 450,000 cylinders/year. The plant has a production capacity of 600,000 gas cylinders a year and will create 250 direct and indirect jobs.

ACRONYMS AND ABBREVIATIONS

EPA	: Economic Partnership Agreement
BCPME	: Cameroonian Bank of Small and Medium Enterprises
BEAC	: Bank of Central African States
BTA	: Fungible Treasury Bills
CDEC	: Deposit and Consignment Office
CEMAC	: Economic and Monetary Community of Central Africa
CFC	: Crédit Foncier du Cameroun
CNEF	: National Economic and Financial Committee
UNCTAD	: United Nations Conference on Trade and Development
SDRs	: Special Drawing Rights
ECF	: Extended Credit Facility
IMF	: International Monetary Fund
RSF	: Resilience and Sustainability Facility
FDI	: Foreign Direct Investments
ECF	: Extended Credit Facility
MINEPAT	: Ministry of Economy, Planning and Regional Development
MINPMEESA	: Ministry of Small and Medium-sized Enterprises, Social Economy and Handicrafts
MSMEs	: Micro, Small and Medium Enterprises
PLANUT	: Three-year Emergency Plan
SMEs	: Small and Medium Enterprises
NDSFS	: National Development Strategy for the Financial Sector
SNI	: National Investment Corporation of Cameroon
SRC	: Debt Recovery Agency of Cameroon
ICTs	: Information and Communication Technologies
UEAC	: Economic Union of Central Africa

