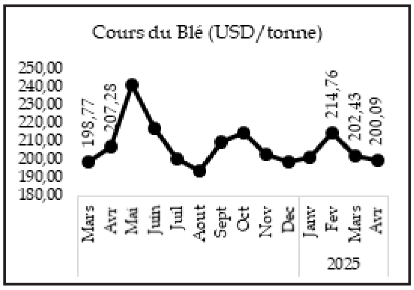
MONTHLY ECONOMIC REVIEW

N° 003 March & April 2025

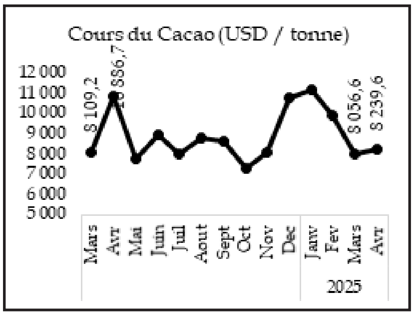
By GECAM

1. MAIN RAW MATERIALS PRICES

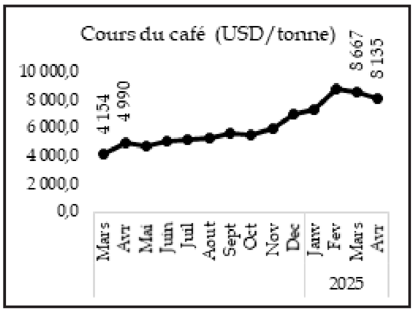
Wheat. Wheat prices have been on a downward trend since March. In fact, the peak of $214.76 seen in February is gradually fading back to the stable trend seen since October 2024. This trend can be explained by falling demand, combined with a favourable production outlook. The fall in demand is due in particular to the upward revision of wheat stocks in the United States, while the return of favourable rainfall conditions in the northern hemisphere justifies the expected increase in supply...



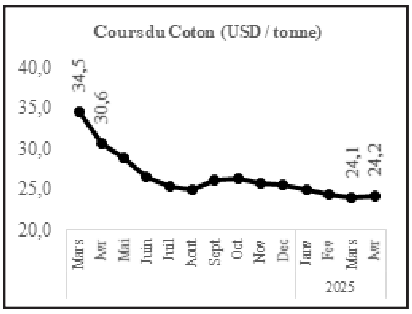
Cocoa. The price remains at the high level reached in 2024, at an average of $8,000 per tonne. The fall in production in the leading cocoa-producing countries (Côte d'Ivoire and Ghana) due to unfavourable weather conditions and crop disease explains this trend.



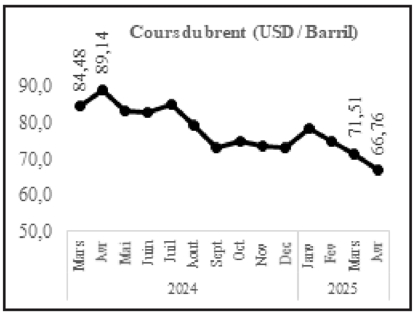
Coffee. The daily trend in coffee prices stabilised in March, in contrast to the previous month, reflecting a decline in speculation on supply, which has had the effect of amplifying the tensions already present on this market. The price therefore remains well above its level of a year ago, as a result of production underperformance combined with growing demand.



Cotton. The price of cotton has been relatively stable since February, following the downward trend observed since the third quarter of 2024. This stability is justified by growing supply, with an anticipated increase of almost 7% for the 2024-2025 season. The increase in production is due in particular to the expansion of cultivated areas in China, Brazil, the United States and Australia. Estimates of lower production in India and Pakistan could explain the slight increases seen in April.



Petroleum. Daily quotations show that oil prices reached their lowest level since 2021 in April. This downward trend is the result of a combination of factors, the most recent of which is the fear of a recession in the United States as a result of the current trade war. This is in addition to rising oil production in non-OPEC countries and falling demand, particularly from China, which is undergoing an energy transition.



2. SUB-REGIONAL ECONOMIC NEWS

Economic activity showed positive momentum in the 3rd quarter of 2024

This is what emerges from the BEAC's recent publication of the change in the CEMAC Composite Index of Economic Activities (ICAE) for the 3rd quarter of 2024. The CAEI rose by 6.2% year-on-year in 3Q2024, after 5.7% in 2Q2024 and 1.0% a year earlier. This momentum was driven by hydrocarbons; mining, supported by the good performance of manganese; and construction and public works.

This recovery should improve the budget balance, although still in deficit, and foreign exchange reserves, which should increase by 4.0% to CFAF 7,584.9 billion, covering 4.8 months of imports of goods and services

Financing the economy:

Bank loans grew by 10.6% in the 3e quarter of 2024…

Also, according to the BEAC, the 3e quarter of 2024 was marked by an increase in loans, which rose from FCFA 10,837.7 billion to FCFA 11,983.9 billion, an increase of 10.6% year-on-year. This momentum mainly benefited agro-industries, telecoms operators and trading companies.

… BEAC's liquidity injections increased by 21.2% at the end of September 2024…

At the end of September 2024, BEAC's liquidity injections reached FCFA 1,037 billion compared with FCFA 855.8 billion the previous quarter. This trend is in response to a sharply rising bank liquidity deficit, with the gross reserves of the CEMAC banking system falling by 13.3% in three months, from FCFA 915.3 billion to FCFA 775.9 billion.

This rise in liquidity injections was mainly driven by the increase in the main injection operation, whose average outstanding amount jumped by 81%, from FCFA 126.1 billion to FCFA 228.3 billion. Advances via the marginal lending facility rose slightly by 2.6% to 708.2 billion from 690.2 billion. On the other hand, advances granted via the special refinancing window fell by 3%, from 120.6 billion to 116.9 billion.

This massive injection of liquidity comes at a time when the number of required reserves to be built up by banking institutions has increased by 16.4 billion in three months, reaching CFAF 1,098.6 billion in September 2024. At the same time, the average amount of free reserves outstanding has fallen, representing only 65% of required reserves, compared with 85.8% a year earlier.

… A slowdown in the growth of outstanding on the securities market…

At the end of 2024, on the BEAC's Public Securities market, despite an increase in outstandings to CFAF 7,437.2 billion, the smallest change in relative value since 2018 was observed, with an increase of 16% compared with 20.7% in 2023 and 84.3% in 2019. In addition, the overall average cost of resources rose from 6.82% to 7.66% between 2021 and 2024, partly as a result of the restrictive monetary policy. On the equity side, a fall of 6.42% has been noted, compared with 3.28% in 2023 and an increase of 4.2% in 2022.

… A financing requirement of FCFA 162 billion on the BEAC public securities market…

This need is expressed by four countries: Cameroon (50 billion), Congo (20 billion), Gabon (77 billion) and CAR (15 billion). Cameroon wishes to raise CFAF 50 billion through an issue of 3-year Assimilable Treasury Bonds (OTAs) maturing at the end of March 2025. With a financing requirement estimated at nearly CFAF 145 billion over maturities ranging from 3 to 7 years and rates of up to

7.5%, the Cameroonian Treasury is relying on the zero-weighting assigned to it by COBAC. For its part, Gabon is seeking to raise FCFA 77 billion through the issue of Assimilable Treasury Bonds (BTA) with a 26-week maturity for an amount of FCFA 30 billion and OTAs for an amount of FCFA 47 billion. Congo is aiming to raise CFAF 20 billion through a 3-year OTA paying 5.75% interest. The Central African Treasury is looking to raise 15 billion via a 26-week Treasury bond issue.

… BEAC lowers its main key rates for the first time in two years…

Following the meeting of the Monetary Policy Committee (MPC) on 24 March 2025, the BEAC decided to lower its main key rates for the first time in over two years. The interest rate on tenders will fall by 0.5 percentage points from 5% to 4.5%. The marginal lending rate was cut from 6.75% to 6%. On the other hand, the deposit facility remains unchanged at 0% and the minimum reserve ratios have been set at 7% for sight deposits and 4.5% for term deposits.

The BEAC justifies this decision by the favourable economic climate, marked by the fall in inflationary pressures, the recovery, albeit timid, in economic activity, the improvement in the budget balance and the increase in foreign exchange reserves.

… On the financial market (BVMAC), a massive sale of shares in companies operating in Cameroon.

During the listing session on 12 March 2025 on the Central African Stock Exchange (BVMAC), more than 3,000 shares were offered for sale, including more than 1,000 shares in companies based in Cameroon (Bulletin official de la cote of 12 March 2025).

Governance of Public Enterprises (PEs): the CEMAC Commission wishes to adopt a community text making it compulsory for PEs to produce annual reports.

This was the outcome of the regional workshop on strengthening the governance and monitoring of Public Enterprises (PEs) held in March 2025. This text will make it compulsory to monitor the performance of PEs, to produce annual reports, and to define concepts and perimeters with a view to harmonisation. This initiative stems from recommendations made following the report by the Technical Commission for the Rehabilitation of Cameroon's Public and Para public Sector Enterprises, published in 2019, which revealed that the 50 public enterprises analysed recorded an overall loss of 59.5 billion CFA francs. This initiative represents a major step forward in the reform of public enterprises, whose level of performance varies considerably from one country to another in the sub-region. It stresses that, this harmonisation

is a requirement of good governance that must be accompanied by the political will of leaders if it is to be effective

3. MAJOR ECONOMIC EVENTS AT NATIONAL LEVEL

GLOBAL MACROECONOMIC OUTLOOK

The Cameroonian economy has continued to recover, but growth remains moderate.

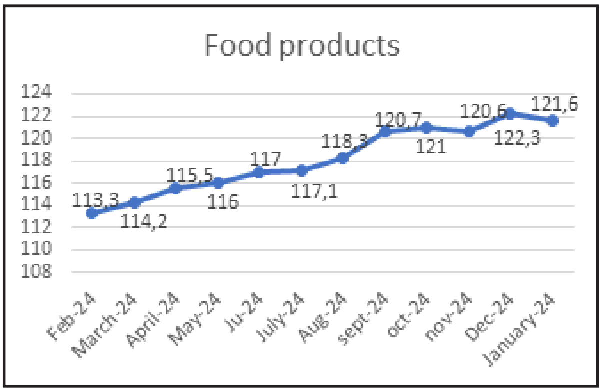
These are the findings of the report on the seventh review of the financial programme between Cameroon and the IMF. The report gives a generally positive medium-term outlook, while drawing attention to risks that could compromise the objectives. The authorities are called upon to maintain fiscal discipline and integrity by limiting expenditure approved by exceptional procedure, accelerating governance reforms, pursuing reforms of public enterprises and the energy sector, and deepening the domestic financial market to promote inclusive, private sector-led growth. All this is essential to ensure fiscal sustainability and macroeconomic resilience in Cameroon.

Le spectre du surendettement demeure malgré une dette viable. « Il est important de faire progresser la restructuration de la raffinerie de pétrole et de mettre en œuvre des réformes dans le secteur de l'électricité et dans d'autres entreprises publiques afin de limiter les passifs éventuels et d'améliorer la qualité des services publics ».

Consumer prices down 0.2%

According to INS statistics, household consumer prices fell by 0.2%, following a rise of 0.6% the previous month. This decline was mainly due to a 0.5% fall in food prices and a 0.3% fall in transport costs. At the same time, prices for clothing and footwear, as well as those in the leisure and culture category, also showed a downward trend, contributing to the fall in the general price level. On the other hand, prices for "furniture, household goods and routine maintenance", "housing, water, gas, electricity and other fuels" and "restaurants and hotels" rose by 0.3%, 0.2% and 0.3% respectively (NSI, 2025).

The fall in food prices is mainly the result of lower prices for certain food products such as fresh vegetables. This trend has been reinforced by lower prices for fruit, meat and seafood, which have also helped to ease inflationary pressures. Year-on-year inflation reached 5.3% in January 2025, up from 5.0% in December 2024. The annual average inflation rate is 4.5%, exceeding the 3% threshold set by the CEMAC, largely due to the 5.9% increase in food prices and the 11.8% rise in transport costs.



Source: based on NIS 2025 data

COOPERATION

Cameroon-World Bank: a loan of CFAF 240 billion to support economic resilience...

The World Bank Group has approved two loans totalling around CFAF 240 billion for Cameroon to support economic resilience, improve budget transparency and strengthen the mobilisation of fiscal resources. The first financing is for development policies for fiscal sustainability and inclusive and sustainable growth, aimed at stabilising public finances, helping the country to carry out bold reforms to ensure fiscal sustainability, and improving the provision of social services while laying the foundations for the development of sustainable infrastructure. The second financing package focuses on improving performance, accountability and transparency, and aims to optimise the mobilisation of domestic resources by strengthening the transparency and efficiency of public spending, particularly in the priority sectors of health and access to drinking water.

... Cameroon-EU: CFAF 1.3 billion invested to finance 12 micro-projects in the digital sector in Cameroon...

As part of the project to promote research, innovation and digital culture in Central Africa (PRICNAC), the European Union (EU) has invested around CFAF 1.3 billion to fund 12 micro-projects in Cameroon over 4 years (AUF, 2025). With a total cost of around CFAF 3.3 billion for 17 mini-projects in 8 ECCAS countries, PRICNAC was financed 15% by the Organisation of African, Caribbean and Pacific States (OEACP), and 85% by the EU under the ACP innovation fund and its research and innovation programme. This funding is intended to strengthen research and innovation capacities in the countries of Central Africa by consolidating innovation ecosystems and creating productive synergies between entrepreneurship, digital technology and innovation policies to promote sustainable development and reduce poverty. Of this total funding, Cameroon has concentrated 70% of the 17 PRICNAC mini-projects and consumed 60.48% of its budget.

... Cameroon-EU: 120 billion announced for the financing of the Yaoundé bypass road...

The EU, through the European Investment Bank (EIB), is planning to grant a loan of around CFAF 120 billion for the construction of the Yaoundé bypass (Nkozoa- Minkoameyos section, 22.8 km long, estimated at CFAF 175 billion). This funding will improve regional transport by bypassing Yaoundé's congestion and promoting more sustainable urban development in Yaoundé. It will enable progress to be made on this infrastructure, the total cost of which is estimated at 794 billion FCFA.

Cameroon-AfDB: Two financing agreements worth CFAF 216 billion signed for the reconstruction of the Ngaoundéré-Garoua road

Cameroon and the African Development Bank (AfDB) have signed two financing agreements worth CFAF 216 billion for the reconstruction of a 242 km stretch of road linking the Adamaoua and Northern regions (the Ngaoundéré-Garoua road). This key corridor linking Douala to N'Djamena is currently in a very poor state of repair, making it difficult to use and considerably increasing transport costs and time for users.

Cameroon-IMF: IMF approves CFAF 73 billion in disbursements to Cameroon

The IMF has approved the seventh review of Cameroon's Economic and Financial Program 2021-2025 supported by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), and at the same time, the second review of the agreement supported by the Resilience and Sustainability Facility (RSF). It also approved disbursements to Cameroon amounting to some CFAF 73 billion.

PUBLIC FINANCE

Cameroon raises interest rates to raise CFAF 145 billion in one month

Cameroon is to issue assimilable Treasury bonds (OTAs) on the BEAC public securities market from 17 March 2025 to 31 March 2025 in order to mobilise financing of CFAF 145 billion from investors (MINFI, 2025). The government plans to issue six OTAs (long-term securities), each worth between FCFA 20 billion and FCFA 25 billion, with maturities ranging from 3 to 7 years and interest rates of between 6% and 6.75% for securities with maturities of 3, 4 and 5 years, and 7.5% for securities with a maturity of 7 years (MINFI, 2025). These rates on short-term securities more than doubled between 2020 and 2024, rising on average from 2.67% in 2020 to 6.33% in 2024, an increase of more than 100%. While the average cost of medium- and long-term issues stood at 7.2% in September 2023, the highest average cost since the launch of the BEAC securities market in 2011. These high rates proposed for this new issue are in line with the reality of a market that has become increasingly demanding in terms of investor remuneration since the implementation of a rigid monetary policy to dry up banks at the end of 2021, in order to combat galloping inflation.

Debt: Since 2010, Cameroon has raised more than CFAF 8,600 billion on the capital markets.

Since December 2010, when the Government of Cameroon began to diversify its sources of financing by launching the first ever bond issue on the Douala Securities Exchange (DSX), the country has already raised CFAF 8646 billion on the capital markets (MINFI, 2025). Over the past 15 years, Cameroon has raised CFAF 1,206.2 billion on the Central African Stock Exchange (BVMAC), CFAF 1,235.7 billion on international financial markets through Eurobond issues and private placements, and CFAF 6,204 billion on the BEAC public securities market. The money market has thus become the main source of funds for Cameroon's Treasury.

Cameroon's borrowings on the BEAC market to rise by 20.4% in 2024, despite a difficult environment

Financing raised by the Cameroonian government on the BEAC public securities market reached CFAF 1,153.9 billion in 2024, up 20.4% year-on-year. This increase in Cameroon's government bonds in a difficult context marked by the tightening of market conditions, in particular the increase in the cost of financing public debt and the shortening of the average maturity of sovereign securities, is relatively linked to the increase in the remuneration of assimilable Treasury bills (BTA) issued by Cameroon, rising from 2.67% in 2020 to 6.33% in 2024, an increase of more than 100%. Similarly, the rate of coverage of financing demand expressed by the Cameroonian Treasury has also fallen, from 206.9% in 2020 to just 69% in 2024 (MINFI, 2025).

MINFI forecasts CFAF 110 billion to clear the tax and customs debt of public entities by 2025

As part of the debt repayment programme for financially autonomous public entities, such as decentralised local authorities, companies, establishments and other public service bodies, the government has earmarked a budget of CFAF 110 billion for 2025. This represents a 120% increase on the CFAF 50 billion released in 2024 (MINFI, 2025). According to MINFI, payment decisions for other debts, such as commercial debt (CFAF 121 billion), rental debt (CFAF 9 billion), academic debt (CFAF 16 billion) and social debt (CFAF 5.5 billion), totalling CFAF 261 billion, are currently being drawn up. Although clearing this debt may lead to budgetary pressures in the short term, it may boost the confidence of domestic and foreign investors, as a controlled level of debt is often perceived as a sign of economic solidity, which may lead to an increase in foreign direct investment and more favourable interest rates on future loans.

Cameroon has repaid almost CFAF 7,000 billion in loans since 2010

Since the launch of the State of Cameroon's very first bond issue in December 2010, the Treasury has repaid CFAF 6899.7 billion in loans contracted on various capital markets, by issuing public securities (MINFI, 2025). These repayments, made on the agreed due dates, reflect growing confidence in Cameroon's signature on the capital markets, and the attractiveness of its financial instruments. In fact, since 2010, Cameroon has raised a total of CFAF 8,646 billion on the various capital markets by issuing public securities. This total is made up of 1206.2 billion raised through bond issues launched on the BVMAC, CFAF 1,235.7 billion raised on the international financial markets through euro bond issues and private placements, and CFAF 6,204 billion borrowed on the BEAC public securities market. This financing enabled the State to manage occasional tensions in the public treasury through issues of assimilable Treasury bills (BTA), and to finance several infrastructure projects through issues of assimilable Treasury bonds (OTA) at the BEAC, Treasury bonds (OT) at the BVMAC, and euro bonds on the international market.

COBAC makes it easier for Cameroon to borrow in 2025, by lifting the 90% weighting requirement

In view of Cameroon's performance in repaying its borrowings, COBAC is granting a zero weighting on Cameroon's government securities for the year 2025 (MINFI, 2025). It thus creates an incentive framework enabling Primary Dealers (SVTs) to participate more actively in auctions, invest more and strengthen the depth of Cameroon's financial market. This decision repeals the provisions of the COBAC circular letter of October 2024 requiring banks to apply weighting rates ranging from 80 to 100% (80% for Congo, 85% for CAR and Equatorial Guinea, 90% for Cameroon and Chad, and 100% for Gabon) on all loans granted to CEMAC States on the public securities market, to cover credit risk (CPBAC, 2024). It also facilitates operations by the Treasury to raise financing on the sub-regional securities market, where the State of Cameroon aims to raise CFAF 380 billion by 2025.

FEICOM proposes financing of 300 to 500 million CFA francs to support CTDs affected by flooding

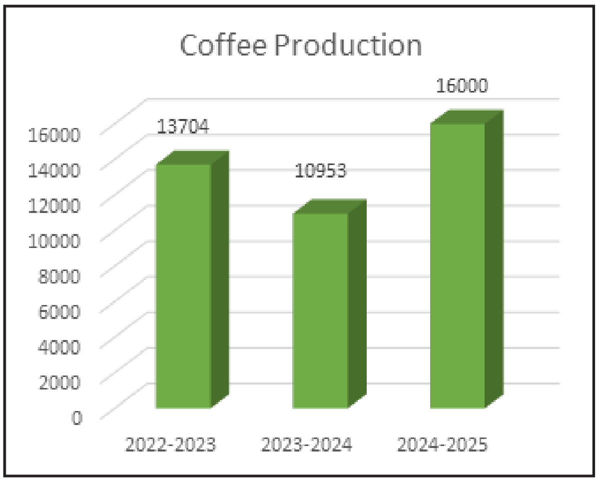
The Special Fund for Intermunicipal Equipment and Intervention (FEICOM) is offering project-based funding aimed at flood risk management and reduction, as well as the protection of populations and infrastructure. This funding is intended for decentralized local authorities (CTDs) that have been affected by floods over the past five years. The funding offer consists of a 15% self-contribution and an 85% solidarity grant, capped at 300 million CFA francs for a municipality or urban community, and 500 million CFA francs for a region. An increase of 30% is granted if municipalities or regions join together in an intermunicipal or interregional partnership to submit joint projects.

PRODUCTIVE SECTORS

Coffee: Cameroon Targets 16,000 Tons (+45%) Production for the 2024-2025 Season

Cameroon aims to reverse the decline in coffee production observed between the 2023-2024 and 2022-2023 seasons, during which volumes dropped by 24%, from 13,704 to 10,953 tons. This decline was largely due to difficult climatic conditions and insecurity in the Northwest and Southwest regions.

For the 2024-2025 season, the goal is to achieve a production of 16,000 tons, representing a 44.9% increase compared to 2023-2024. This ambition is based on strengthening "field schools" through improved pre- and post-harvest practices introduced for the 2024-2025 season.



Source: 2025 MINADER data base

Despite the decline in production for the 2023–2024 season, coffee export revenues saw a significant increase, generating 25.88 billion CFA francs, compared to 18.76 billion during the 2022–2023 season. This increase was supported by the positive trend in global coffee prices. Exporters sold 10,161 tons of robusta coffee compared to 12,551 tons during the 2022–2023 season, yet they generated 25.88 billion CFA francs versus 18.76 billion in the 2022–2023 season — an increase of 7.1 billion in absolute value and a 38% growth in relative value. Arabica coffee exports amounted to 286.2 tons.

INFRASTRUCTURES

Road Infrastructure: Nearly 2,000 billion CFA Francs Invested in Cameroon over 5 Years (MINTP)

Over the past five years, Cameroon has allocated 1,957.11 billion CFA francs to the development and rehabilitation of its road infrastructure (MINTP, 2025). The investments made are the result of active cooperation with international financial institutions, notably the Bank

the African Development Bank (AfDB), the World Bank (WB), the Islamic Development Bank (IsDB), the Japan International Cooperation Agency (JICA), the French Development Agency (AFD), the European Union (EU), and the Development Bank of Central African States (BDEAC).

276 billion CFA Francs to Build 300 Mini Drinking Water Supply Networks in Northern Cameroon
According to MINEPAT and MINEE, Cameroon needs 276 billion CFA francs to fund the construction of 300 mini drinking water supply networks in rural areas of the Far North. This project, which aims to deliver 41,000 m³ of potable water daily to over one million Cameroonians by 2050 (35 liters per person per day, compared to just 20 liters currently in rural areas), seeks to increase rural access to drinking water by 6% and the coverage rate by 7% (MINEE, 2025). Each network will include a water intake system, treatment and pumping stations, automated infrastructure, storage facilities, a distribution network, and public standpipes. These installations will be powered by photovoltaic solar energy, ensuring a sustainable and environmentally friendly solution.

TAXATION / PARA-FISCAL CHARGES

The National Port Authority Introduces Fees to Increase Revenue at the Port of Garoua

A decision approving the tax-exempt service rates at the Port of Garoua applies to vessel owners and owners of goods transiting through the port facilities. This decision introduces a **docking fee**, charged upon arrival at the main quay: 30,000 CFA francs for a vessel between 3 and 30 meters, 50,000 CFA francs for a vessel between 31 and 100 meters, and 100,000 CFA francs for a vessel over 100 meters. In addition, a **berthing fee** applies when the vessel remains at the quay beyond the regulatory 24-hour period after docking: 500 CFA francs per hour for a vessel between 3 and 30 meters, 1,000 CFA francs per hour for a vessel between 31 and 100 meters, and 1,500 CFA francs per hour for a vessel over 100 meters. The **loading and unloading fee** apply when goods are loaded or unloaded: 1,000 CFA francs per drum for fuel and lubricants, and 5 CFA francs per kilogram for other goods. A **transit fee** is charged on vessels crossing the main quay on both the inbound and outbound journeys, at a rate of 10,000 CFA francs per vessel. Finally, a departure fee is collected before the vessel depart, Calculated at the same rates as the docking fee.

ACRONYMS AND ABBREVIATIONS

BDEAC: Development Bank of Central African States
BVMAC: Central African Stock Exchange
CEMAC: Economic and Monetary Community of Central Africa
CUD: Urban Community of Douala
DGD: Directorate General of Customs
DSCE: Growth and Employment Strategy Paper
FEC: Extended Credit Facility
IMF: International Monetary Fund

FRD: Resilience and Sustainability Facility

MINADER: Ministry of Agriculture and Rural Development.

PIISAH: Integrated Agropastoral and Fisheries Import-Substitution Plan
GDP: Gross Domestic Product
PPP: Public-Private Partnership
OTA: Fungible Treasury Bonds
IFC: International Finance Corporation
SDB: Brokerage Firm
SND30: National Development Strategy 2020-2030
VAT: Value Added Tax
UMAC: Central African Monetary Union