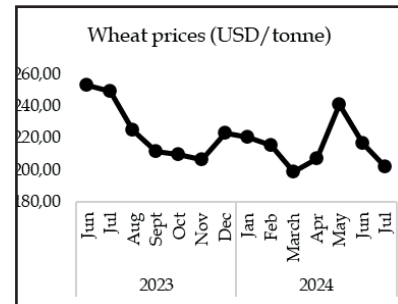
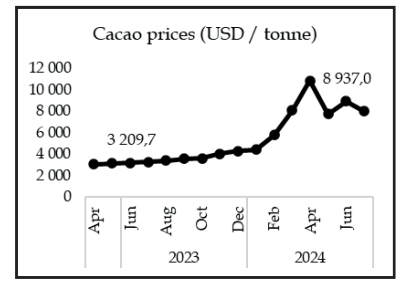


1. Major commodity prices

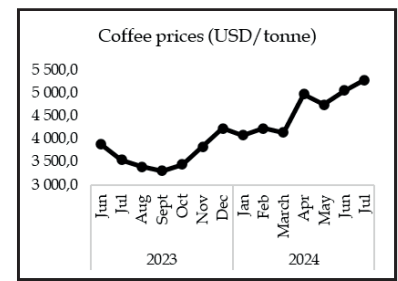
Wheat. Wheat prices remained on the same down trend in July. They averaged coast around \$202.3/tonne, down by 7% on June and 19% on the same period in 2023. The decrease is the result of abundant supply, which is in fact allowing a gradual return to the average flows between August 2023 and March 2024, i.e. close to \$214/t.



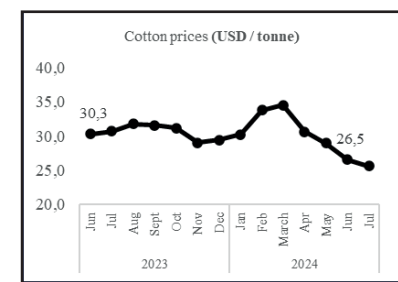
Cocoa. The cocoa prices fell by 10% in July compared with June, to \$7,999.3/tonne. However, it is still well above the level seen in 2023 at the same period, i.e. \$3290. per tonne.



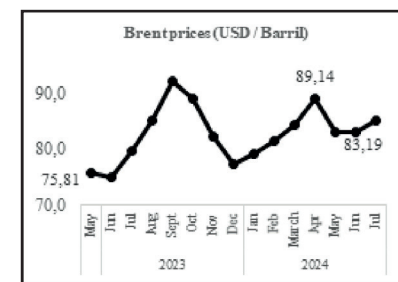
Coffee. Unlike cocoa, the coffee price keeps its upward momentum, with a further monthly average rise of 4% in July and an annual rise of 49%. Adverse climatic conditions in the main producing countries (Vietnam in particular, with 40% of supply) are behind the uptrend in prices since the end of the year 2023.



Cotton. The cotton prices has been on a downward trend since April 2024, after reaching a peak of \$34.5/t in March and \$25.6/t in July, compared with \$26.5/t in June (down 4%) and \$30.7/t in July 2023 (down 12%).



Oil prices. In July 2024, the price of crude oil rose by 2.4% month-on-month to \$85.06/barrel. This level is still below the turning point experienced in March (89.14), but significantly higher than in July 2023 (79.57%).



2. Sub-regional Economic News

1. Foreign exchange reserves: dependence on fuel imports impacts the level of reserves

According to data from the BEAC, expenditure on fuel imports cost nearly CFAF 976 billion. One of the immediate consequences is the deterioration in the stock of CEMAC reserves, which decreased from CFAF 7,617.7 to CFAF 6,642 billion in one year.

Cameroon, for example, saw its net transfer balance dropped to CFAF-225.9 billion, while Equatorial Guinea and Chad also experienced alarming declines.

Increasing oil production within the community through the rehabilitation or modernization of existing refineries is thus becoming a decisive factor for the stability of the monetary zone.

Monetary regulation: The BEAC alternates between injecting and reducing liquidity from banks

On 2 July 2024, the BEAC injected CFAF 165 billion into the CEMAC banking sector. The operation resulted in a subscription rate of 233% (i.e. CFAF 385 billion that could have been absorbed).

This injection operation was followed between 8 and 22 July by successive attempts to withdraw liquidity totalling 150 billion through the issuance of securities with a maturity of 14 to 28 days and an interest rate of 2.5%. The low subscription rate (36%) reflected the reluctance of the banks and may indicate an insight from banks of an opportunity in the economy that supports the choice of taking risks rather than rely on BEAC securities.

Nigeria : \$1.3 billion to stimulate the economy

In response to the continuing deterioration in the country's macroeconomic indicators, the Nigerian President has rolled out a stimulus package worth N2,000 billion, or \$1.3 billion. The Nigerian economy is suffering the consequences of the restrictive fiscal policy that has been put in place, namely the removal of fuel subsidies, which has led to a significant fall in the value of the naira.

The plan, which will run for the next 6 months, aims to improve food security, healthcare, social welfare, energy production and electricity supply.

Health and social protection will receive a total of N350 billion, while N500 billion will be allocated to agriculture and food security. The energy/electricity sector and the private sector will receive N500

Important economic events at national level

Global macroeconomic outlook

The World Bank warns of a rise in extreme poverty in Cameroon by 2026

According to its CEMAC Economic Barometer, the World Bank forecasts that nearly 8 million Cameroonians could fall into extreme poverty by 2026 as a result of a downward trend in economic performance. Proposals to remedy this situation focus on stimulating private sector-led economic growth with a more favourable business environment. This means in particular:

- Improving sector governance;
- Reduce input costs such as energy, transport and telecommunications;
- Increase the skill level of the workforce;
- Manage public expenditure more strategically and efficiently.

As part of this support approach, the Institution has announced the establishment of a new partnership framework with Cameroon, based on two objectives, with particular attention to the challenges of climate change, fragility and the promotion of gender equality.* The new framework, which will focus on creating more and better jobs and more efficient and inclusive service delivery institutions, will run from 2025 to 2029. The World Bank plans to provide more than \$2 billion in financing over the fiscal years 2025 to 2029, on top of \$4.2 billion in ongoing commitments.

Trade: Cameroon records a surplus of CFAF 20 billion in the 1st quarter of 2024

According to BOP statistics published by MINFI, while the trade balance remains in deficit, Cameroon's overall BOP recorded a surplus of CFAF 19.8 billion in the first quarter of 2024, compared with a deficit of CFAF 150.7 billion for the same period in 2023. This performance is the result of a financial inflow, with the financial account recording a surplus of CFAF 360 billion, compared with a surplus of CFAF 5.2 billion for the same period last year.

Food products: rising food prices.

According to the NSI report, household final consumption prices rose by 0.4% at the end of June, following a 0.3% increase in May. This increase is mainly due to the rise in food prices of 0.8% between June and May, 5.1% between June 2023 and June 2024 and 7.4% between July 2023 and July 2024. This increase in food prices can be explained mainly by the increase in pump prices.

Source: NSI July 2024

Ex factory prices up by 0.9% in the first quarter of 2024.

The ex factory prices rose by 0.9% year-on-year in the first quarter of 2024, driven mainly by the wood working industry (+12.5%) and the textile industries (+9%). This increase was partially "cancelled out" by falls in the furniture manufacturing industry (-7.6%) and the printing sector (-8%) (NSI, 2024). The increase in source prices in the wood and textiles industries could potentially exert inflationary pressure on retail prices. This inflationary pressure is partly attributed to a difficult international environment, increased due to the price of raw materials on the world market and the breakdown of supply chains, which has led to a soaring transportation costs. This trend has weighed on companies' production costs, and is reflected on sales prices to keep the balance. Compared with June 2023, the general level of prices on Cameroonian markets rose by 4.3% year-on-year at the end of June 2024.

PUBLIC FINANCES

Public administration performance: support from South Korea.

An agreement on grants totalling USD 39.35 million, or approximately CFAF 23.21 billion, signed between MINEPAT and the Ambassador of South Korea, aimed at improving public services, access to basic services and capacity building of Cameroonian institutions, thereby contributing to the country's sustainable development. Specifically, these include:

- (i) Project to develop the Master Plan and e-procurement system in Cameroon Phase II (CFAF 3.428 billion, which will enable the digitisation of the public procurement system to be pursued with a view to greater transparency and efficiency);
- (ii) The Cameroon Water Supply Project (CFAF 3.65 billion, which will help to improve the rate of access to drinking water in the communes of MATOMB, MASSOCK, EBEBDA and KOUTABA);
- (iii) The National Civil registry system Computerisation Pilot Project with BUNEC (CFAF 2.813 billion);
- (iv) The set up Project of a SMART CAMPUS to promote e-Government in public administration establishments (CFAF 4.64 billion);
- (v) The strengthening of the Emergency Medicine System Project (CFAF 8.4 billion).

It should be noted that the overall volume of Korea's portfolio of projects in Cameroon is valued at USD 159.858 million, or approximately CFAF 92.717 billion, of which almost 45% in donations.

Public debt : Additional 616 billion authorised by the President of the Republic

Following on from the adjustment of the Finance Law in June, a decree from the Head of State has authorised MINFI to borrow a total of CFAF 616 billion on behalf of the State of Cameroon. The resources will be used to finance development projects included in the Republic of Cameroon's Finance Law for the 2024 financial year, and to clear outstanding debts (invoices pending at the Treasury)".

CFAF 280 billion will have to be raised on the domestic market, compared with

CFAF 336 billion on the international market. To this end, a Eurobond issue worth €550 million with a seven-year maturity and an interest rate of 10.75% has already been carried out. Citigroup Global Markets Ltd was the sole placement agent for the bond transaction and acted as arranger alongside Cygnum Capital Middle East.

Public debt: Cameroon's public debt amounts CFAF 13,070 billion in the first quarter of 2024. (+0.8% quarter-on-quarter.)

According to the CAA's monthly Economic Outlook, public debt rose by 0.8% quarter-on-quarter and 4.9% year-on-year. It stands at CFAF 13,070 billion, of about 43.3% of the country's gross domestic product (GDP) (CAA, 2024). External debt accounts for 67.5% compared with 32.5% for domestic debt. The note also shows that the direct external debt of public enterprises and establishments amounted to CFAF 493.9 billion at the end of June 2024, down 2.5% on an annual basis. 95.5% of this outstanding debt is attributed to SONARA (CFAF 410.2 billion) and Camair-Co (CFAF 61.6 billion).

Public securities: Cameroon repays nearly CFAF 50 billion

According to data from the central bank, this financial package was used to pay for funds raised through issues of 26-week maturity Treasury bills. On 10 July, Cameroon's Treasury paid out a total of CFAF 47.9 billion in interest and main funds raised through issues of 26-week maturity

Treasury bills (BTAs) satisfied on the BEAC government securities market, which had reached maturity. This payment will enable Cameroon to enhance the credibility of its signature on the market. Upon closing of this transaction, the order book was 106.4% oversubscribed, i.e. CFAF 128 billion offered by investors for the BTAs with a maturity of 26 weeks. The over-subscription recorded was not fully retained during the unwinding of this transaction.

FINANCING THE ECONOMY

CDEC and COBAC: differences of opinion on transfers of idle bank funds

Since 11 July, the COBAC SG has instructed banks operating in Cameroon to suspend all transfers of dormant funds to the CDEC. The reason given is the absence of a specific Community regulatory framework governing these transfers, warning of the operational risks and potential disputes. Faced with these concerns, and although rebutting COBAC's competence on an issue not governed by Community texts, the CEO of CDEC nonetheless wished to reassure people about the measures planned to ensure the viability of the banking system. In this case, the decree laying down the procedures for transferring funds to CDEC is concerned with securing unclaimed assets while maintaining the stability of the financial sector, by offering credit and microfinance institutions specific procedures for managing transfers in the event of financial fragility. In particular, it allows credit and microfinance institutions to obtain special terms and conditions in the event of financial fragility or risks of exposure to non-compliance with certain ratios. In addition, again according to the CDEC, recent reports on Cameroon's banking system do not indicate any serious threat to financial stability.

Reform of Cameroon's National Investment Corporation (SNI)

In two decrees dated 10 July 2024, the President of the Republic decided to change the status of the SNI as part of the State's investment strategy. The first decree changes SNI's status from that of a public establishment to that of a public company now endowed with its own legal personality, in accordance with the provisions of Laws 2017/010

and 2017/011 of 12 July 2017 on the general status of public establishments and public companies. In terms of accounting, the SNI will now be subject to the regulations of the OHADA uniform act, which requires this category of entity, as is the case for private companies, to produce external audits by approved statutory auditors.

On an operational level, its share capital will be increased by CFAF 200 billion in four successive annual instalments of CFAF 50 billion from the current year 2024. The decree also provides for the dissolution of three public entities whose all assets will be transferred to the SNI: the Technical Committee for the Rehabilitation of the public and semi-public sector (TCR), the Technical Commission for the Privatization and Liquidation of public and semi-public sector and the Cameroonian Enterprises Upgrading Office (BMN).

From now on, SNI will be responsible for mobilising and directing funding to encourage productive investment, particularly in the industrial, agricultural, mining, financial, commercial and service sectors.

The new entity is therefore endowed with missions that should enable it to have a greater impact on the economy and investment.

Business financing: Factoring to the rescue of local VSEs/SMEs

On 11 July, the Minister of Small and Medium-sized Enterprises, Social Economy and Handicrafts (Minpmeesa) launched a factoring operation, as part of the BluPass project. The aim of the mechanism, governed by the law of 23 April 2014, is to facilitate the financing and recovery of receivables from VSEs and SMEs.

The operational framework provides for pre-identified companies to draw up a list of SMEs eligible for the factoring operation, whose pending invoices will be forwarded to Société Camerounaise d'Équipement (SCE). The SMEs selected will be the service providers of the companies identified and whose profile will be deemed acceptable on the basis of a number of criteria. Nine companies have been identified for this phase: Tradex Cameroun; Total Cameroun; Ola Cameroun; Cimen-cam; CIMAF; Boissons du Cameroun; Union Bank of Cameroon (UBC); CMACGM and l'Aluminium du

Cameroun (Alucam).

Public revenue: Debt service consumed almost half of public revenue.

The public finance statistics for the first quarter published by MINFI once again highlighted the weight of debt service on public finances. There by, 45.7% of first-quarter expenditure was devoted to debt repayment, compared with just 10% for public investment. Under these conditions, it is obviously very difficult to plan calmly achieving the goals of the development strategy. In concrete terms, the country generated revenue of CFAF 1,195.2 billion in the 1st quarter of 2024, down 1.8% year-on-year, including CFAF 167.4 billion in oil revenue. At the same time, CFAF 544.6 billion was used to repay maturing loans, including CFAF 94.3 billion in interest. Public investment expenditure (CFAF 144.7 billion) accounted for less than 10% of expenditure.

Bank: Africa Golden Bank, Cameroon's 19th bank, announces the opening of its first five branches

In July, Cameroon's 19th bank, Africa Golden Bank, with a subscribed share capital of €10 billion, opened its doors with its first five branches, three in Douala and two each in Yaoundé and Bafoussam. This makes it the 8th nationally-owned credit institution alongside Afriland First Bank, CCA Bank, La Régionale, BCPME, CBC, UBC and NFC

INFRASTRUCTURE

Edéa-Kribi road: Updated feasibility studies

Thanks to a financing agreement between the State of Cameroon and the African Development Bank (ADB), the government has just contracted the engineering office ACE Group Ingénieur Conseils/Alpha Consult to carry out the complete project management for the rehabilitation work on the 110 km Edéa-Kribi road: Edéa/Kribi-Pont Bivouba crossroads section. This would involve first reviewing and then updating the Environmental and Social Impact Assessment (ESIA), which was issued around three years ago.

Energy mix: a 6 km gas pipeline between the Bipaga treatment centre and the Keda Ceramics tile factory.

This is the result of a gas delivery agreement signed in 2022 with Société Nationale des Hydrocarbures (SNH) as part of a 20-year purchase agreement. The Bipaga gas processing centre in Cameroon has transported its first shipment of gas to the Keda ceramic plant, via a 6 km pipeline built by the Société nationale des hydrocarbures (SNH) and independent oil and gas producer Perenco. The recipient of the project, is the largest ceramic plant in the region and will use gas to power the generators and furnaces at the plant. This will produce approximately 20 million m² of ceramic tiles once the plant is fully operational.

Once fully operational, the plant will use up to six million cubic feet of gas per day to power its operations, creating 2,000 direct and indirect jobs in the Kribi region. The gas will be supplied under a 20-year agreement signed in September 2022 with Perenco and SNH.

Camina SA which will operate. The firm has asked the government to develop the road leading to the site to ease the transportation of equipment as well as supply in natural gas. It has 3 research licences for 2 years to explore iron ore and related substances covering a total area of 938 km². The Ngoyayang mine has a mineral reserve estimated at 800 million tonnes, with iron reserves estimated at between 100 and 300 million tonnes at an average grade of 35 %.

The project includes 3 main components: the mining phase, the iron production unit and a pipeline transport system to the port of Kribi. According to the authorities, it is expected to generate 2 000 direct jobs during the building stage and 1000 others during operations, more 20 000 indirect jobs created in the associated value chain.

Natural gas: Cameroon joins the world ranking of natural gas producers.

Cameroon has just been included the 2024 ranking of the world's liquefied natural gas (LNG) producing countries. With an annual production of 2,4 million tonnes, approved in the first quarter of 2024, thanks to the gradual increase in the production unit's capacity, the country is ranked 20th.

Wood industry: 12,5 % rise in production costs in the wood processing sector.

Production costs in wood processing industry increased by 12.5% year-on-year in the first quarter of 2024. This sharp rise was double the increase recorded in the previous quarter (+ 6.2% year-on-year). On a quarterly basis, these prices increased by 6.1%. " This sharp increase is linked to the rise in fuel prices at the pump since February 3, 2024. Because industrial units permanently use generators to cope with power cuts. These generators use diesel, whose price has doubled over the 2 past years. This cost has clearly had an impact on the production costs of wood processors. With this increase in production costs, factory output prices increased by 0.9% year-on-year in the industrial sector.

Competition: CEMAC Justice Court approves Castel Group's acquisition of Guinness Cameroon

The Court of Justice of the Economic and Monetary Community of Central Africa (CEMAC) has published its decision on the case between the brewer Union Camerounaise des Brasseries (UCB), a subsidiary of the Kadji group and the Castel group. It definitively dismissed UCB's action and declared its appeal inadmissible for lack of standing.

**ACRONYMS
AND**

REVIATIONS

		Economic Partnership Agreement
EPA		
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
ICT	:	Information and Communication Technology
UEAC	:	Economic Union of Central Africa