

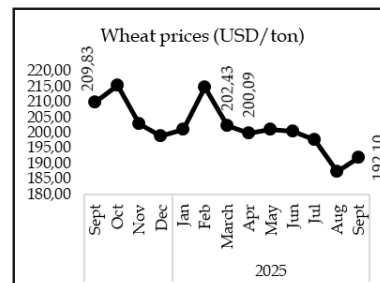
Monthly Economic Review

N° 004 August & September 2025

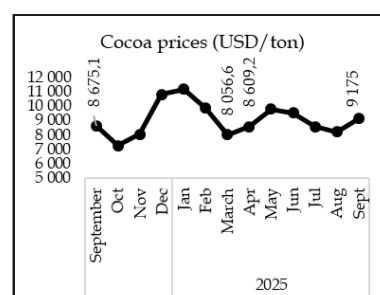
By  GECAM

1. PRICES OF MAJOR COMMODITIES

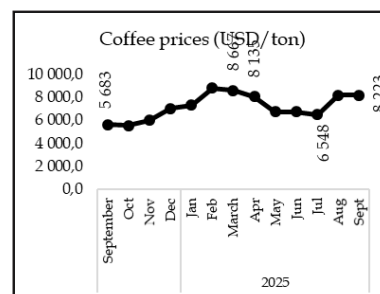
Wheat. In September, wheat prices rebounded after a sharp decline in August. The price per ton was \$192.1, up 3% from August after a 6% decline. While the forecast for increased production explains the downward trend since March 2025, the slight upturn at the end of September was due to concerns about the availability of new production in certain countries (notably France). Geopolitical factors also played a role, such as occasional tensions in the Black Sea region due to the Russian-Ukrainian conflict.



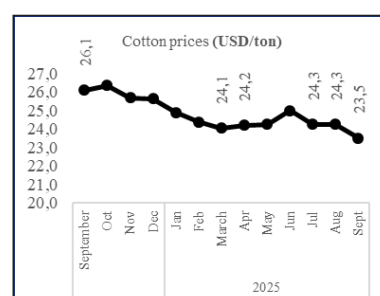
Cocoa. Cocoa prices are rising after a downward trend since June 2025. While the decline was the result of positive production prospects, the September increase reflects a resurgence of fears about production, due in particular to the inability of the «intermediate season» (April to September) to replenish global stocks.



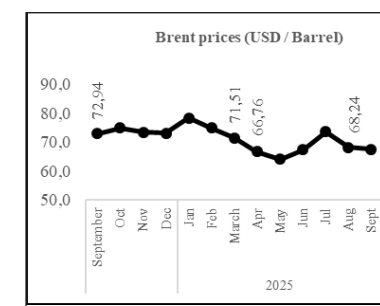
Coffee. Tensions in this market remain high, with prices continuing their upward trend over the past 12 months. The price is now \$8,223 per ton, compared to \$5,683 per ton 12 months earlier.



Cotton. Cotton prices have shown a general downward trend, with moderate fluctuations since the fourth quarter of 2024. From February 2025 onwards, prices continued to fall, reaching \$23.5 in September. This downward fluctuation may be influenced by increased production, which can be explained by Chinese investment in agricultural technologies and improved practices boosting their production capacity; the adoption of new varieties and modern agricultural techniques by Brazil; and the adoption of advanced agricultural practices and production subsidies in the United States.



Oil. Daily quotes reveal that the price of Brent crude oil is showing significant fluctuations, with a general downward trend after peaking in January 2025. This downward trend is the result of a combination of economic, geopolitical, and seasonal factors, the most recent of which is the fear of a recession in the United States following the current trade war and the geopolitical crisis in the Middle East.



2. SUB-REGIONAL ECONOMIC NEWS

Sub-regional economic dynamics, the BEAC's outlook following the monetary policy committee meeting

On September 29, 2025, the CEMAC monetary institution held a monetary policy committee meeting, which provided an opportunity to present the dynamics of macroeconomic indicators from its perspective and the implications for monetary policy.

On the macroeconomic and financial front, forecasts are as follows:

- A slight slowdown in economic growth is expected in 2025, at 2.6% compared to 2.7% in 2024, as a result of an expected 1.5% decline in oil production. The non-oil sector will grow by +3.2%.
- A continued easing of inflationary pressures, with a projected rate of 2.6%, compared to 4.1% in 2024, thus falling below the EU threshold of 3%.
- A 10.4% increase in the money supply to 23,088.1 billion.
- A 2.6% decline in foreign exchange reserves, standing at 7,101.7 billion as of December 31, 2025, corresponding to an external currency coverage ratio of 73.2%, down from 74.9% at the end of 2024. In terms of months of imports of goods and services, foreign exchange reserves would represent 4.59 months at the end of 2025, compared with 4.82 in 2024.

Considering the overall positive dynamics of these indicators, the BEAC intends to keep unchanged

- The tender interest rate at 4.50%;
- The marginal lending facility rate at 6.00%;
- The deposit facility rate at 0.00%;

reserve requirements at 7.00% on demand deposits and 4.50% on time deposits.

Access to bank credit

The real cost of credit, measured by the Average Effective Annual Rate (AEAR), rose significantly in the second quarter of 2025, reaching 11.8% compared with 10.2% in the previous quarter. This increase is mainly due to higher commissions and ancillary fees rather than the nominal interest rate. The increase in the APR has a negative impact on SMEs, reducing their ability to invest or consume, as it increases the financial burden on borrowers. The BEAC reduced its liquidity supply to banks from CFAF 600 billion to CFAF 550 billion in September 2025. This decision follows a period in which banks were unable to fully absorb the initial supply, indicating fluctuating but still high demand.

Growth in non-performing loans in the CEMAC region up 8.9%

Non-performing loans in the CEMAC microfinance sector increased by CFAF 14 billion, or 8.9%, reaching CFAF 178 billion year-on-year (BEAC, 2025). This deterioration in the portfolio of microfinance institutions (MFIs) in the sub-region is mainly attributable to financial institutions operating in Cameroon, which account for 81% of non-performing loans, while those in Congo and Gabon contribute 9% and 7% respectively. Cameroon's high contribution is explained by the fact that it is home to 384 of the 521 MFIs in the sub-region, or 73.7% of the total. By comparison, Chad has 59 MFIs, Congo 46, Gabon 18, the Central African Republic 12, and Equatorial Guinea 2. Non-performing loans consist mainly of frozen loans, unpaid loans, and doubtful loans.

To remedy this worrying situation, on June 22, 2025, the Business Upgrading Office (BMN) and the president of the Professional Association of Credit Institutions of Cameroon (APECCAM) signed a partnership agreement aimed at significantly reducing its rate of non-performing loans. This initiative aims to support companies in the MFI portfolio that are in difficulty in restructuring their debts, while supporting those in the BMN portfolio in implementing their upgrading plans.

Inflation rate projected at 2.6% at the end of 2025

According to projections by the BEAC Monetary Policy Committee (MPC) published on September 29, 2025, the inflation rate in the CEMAC zone is expected to stand at 2.6% by the end of 2025, which is below the community threshold of 3%. This threshold had been significantly exceeded since 2022. Based on this forecast, inflationary pressures are expected to ease by 1.5% year-on-year, compared to the 4.1% rate recorded in 2024. This projection is more optimistic than those of previous quarters, which predicted 2.8% after reaching 3.2% at the end of March 2025.

The BEAC attributes this improvement to several economic factors, including the expected good harvest in Chad and Cameroon, as well as the stabilization of fuel prices at the pump in several member countries. However, the situation remains mixed across countries. Cameroon, which accounts for 52% of the sub-region's overall consumption, has an inflation rate of 4.3%, making it the main contributor to overall CEMAC inflation, with a contribution of 65.3 points, according to the central bank. Despite this worrying indicator, the BEAC seems to find some satisfaction in the easing of inflationary pressures, with an expected rate of 2.6% by the end of 2025, after reaching 4.1% in 2024, thus moving closer to the community norm.

BEAC keeps key rates unchanged despite expected economic slowdown

According to the BEAC's Monetary Policy Committee (MPC), key interest rates will remain unchanged. The tender interest rate remains set at 4.50%, while the marginal lending facility rate is maintained at 6.00%. In addition, the deposit facility rate remains at 0.00%. The reserve requirement ratios are also maintained at

7.00% for demand deposits and 4.50% for time deposits.

This decision to maintain rates comes as the BEAC forecasts a slowdown in growth, which is expected to reach 2.6% in 2025, compared to 2.7% in 2024. This decline is mainly attributable to a contraction in oil and gas activities, estimated at -1.5%, which offsets the strength of non-oil activities, expected to grow by +3.2%.

Despite this slowdown, the public finance situation requires increased vigilance. The budget deficit (excluding grants) is expected to widen from -1.0% of GDP in 2024 to -1.3% in 2025. At the same time, the current account deficit is expected to deteriorate, reaching -2.2% of GDP in 2025, compared with -0.2% in 2024 (BEAC, 2025). Although the BEAC's foreign exchange reserves are considered "comfortable," they are expected to decline to CFAF 7,101.7 billion by the end of 2025, representing 4.59 months of imports of goods and services, down from 4.82 months in 2024. As a result, the currency's external coverage ratio would fall from 74.9% to 73.2% (BEAC, 2025).

The maintenance of interest rates reflects the BEAC's caution in the face of an uncertain environment, marked by regional economic fragility and persistent security tensions in some countries in the zone, which could lead to a return of inflationary pressures.

Competition distortions are causing significant potential growth to be lost

According to data from the National Institute of Statistics (INS) on informal cross-border trade in 2024, Chad is the leading destination for Cameroonian exports, absorbing 50.6% of flows, or CFAF 108.8 billion. This dominant position is mainly due to the country's geographical location, which is landlocked and heavily dependent on external supplies.

The most exported products to this market include wheat flour (17.5%), husked rice (14.2%), soaps and detergents (11.4%), and firewood (8.0%). Wheat flour retains its status as the flagship product, despite a slight decline compared to 2023. Rice and soap, meanwhile, confirm their importance due to their central role in daily consumption. Although firewood also accounts for a significant share of 8.0%, this is showing a downward trend.

Overall, Cameroon's informal exports to its neighboring countries amounted to CFAF 214.98 billion in 2024. They are mainly based on some 20 agricultural, agri-food, and manufactured products, which account for 80.6% of the total value. Among the most significant are cocoa beans (19.3%), wheat flour (9.2%), husked rice (8.8%) and soaps and detergents (6.5%), highlighting the predominant role of these everyday consumer goods in cross-border trade.

Suspension and then resumption of fuel sales in Naira by the Dangoté refinery

After a brief suspension that raised questions about

national supply, the Dangoté refinery has resumed fuel sales in local currency (naira). This pause occurred at the end of September 2025, due to difficulties in supplying sufficient crude oil under the oil-for-naira mechanism. This mechanism, which is a barter agreement whereby the state supplies the refinery with crude oil and the refinery sells the refined gasoline on the domestic market in local currency rather than dollars, aims to preserve foreign exchange reserves and stabilize the value of the naira while ensuring domestic supply. The suspension highlighted the refinery's dependence on local supplies, which remain volatile, and the fragility of the system. When stocks available through the Nigerian National Petroleum Company (NNPC) run out, the refinery can turn to the international market, but sales in naira will then be suspended. Although the intervention of the "naira for crude" technical committee has restored local currency transactions, allowing distributors to obtain supplies without resorting to foreign currency, stakeholders remain cautious. As long as the refinery depends on bartering with the NNPC and energy and social tensions persist, the stability of supplies and the naira will remain vulnerable.

3. MAJOR ECONOMIC DEVELOPMENTS AT THE NATIONAL LEVEL

OVERALL MACROECONOMIC OUTLOOK

Resilient economic growth.

In its September economic report, the Ministry of Economy (MINEPAT) maintained its real GDP growth forecast at 4.0% for 2025. This performance is based almost exclusively on the dynamism of the non-oil sector, which is estimated to grow by 4.5%, supported by services (telecommunications, finance), construction, and agribusiness. In contrast, the oil sector continues to experience structural contraction, with production expected to decline by 6% for the year.

Although the overall figure of 4.0% is a positive sign, reflecting the intrinsic vitality of the private sector, it masks a growing vulnerability. The national economy operates on a two-speed model: a private (non-oil) engine that is growing but must compensate for the decline of a struggling extractive sector, which is weighing on the state's finances.

Preparation of the 2026 Budget and Pressure on Revenues

The tax burden is expected to reach 14.4% of GDP, while the state faces high borrowing costs on the public securities market. Non-tax revenues are also expected to increase. The recent period has been marked by preparatory work on the 2026 Finance Act. The Prime Minister's circular confirms the objective of optimizing non-oil revenues, thereby putting increased pressure on formal businesses. At the same time, civil society organizations are speaking out about delays in domestic debt payments, reflecting an increasingly strained cash flow situation for SMEs that are government contractors.

Inflation

After an acceleration in inflation following the Covid-19 health crisis, a downward trend is emerging, although supply chain disruptions and geopolitical constraints continue to be felt. The overall price level fell from 7.4% in 2023 to 4.5% in 2024, a drop of 2.9 percentage points, and to 4.1% in June 2025, representing a decrease of nearly 1.6 points compared to the level observed in June 2024.

Inflation rates vary considerably from one region to another, ranging from 2.2% in Bertoua to 5.9% in Maroua. The least affected cities include Bertoua (2.2%), Garoua (3.0%), and Ngaoundéré (3.4%), while Maroua (5.9%), Bamenda (4.9%), Buea (4.4%), Douala (4.3%), Bafoussam (4.2%), and Ebolowa (4.1%) are among the most affected. These regional disparities are mainly due to variations in transportation costs, product availability, and the specific characteristics of each region's supply chains.

Despite this decline in the overall price level, it remains high and exceeds the 3% community threshold set in the CEMAC subregion. This inflation is mainly fueled by rising food prices (6.5%) and transportation costs (7.4%) (INS, 2025). In addition, prices for local products rose by 4.3%, compared with a 3.5% increase for imported products, suggesting inflationary pressure generated by internal factors such as rising production costs, tensions on local supply, and sustained domestic demand.

FINANCING THE ECONOMY

Public finances

The budget deficit (excluding grants) is expected to rise from -1.0% of GDP in 2024 to -1.3% of GDP in 2025, marking a deterioration in public finance the region. This deterioration is mainly due to the slowdown in oil and gas activity, which is weighing on tax revenues, while the non-oil sector remains dynamic (expected to grow by 3.2% in 2025). The current account deficit (including grants) is expected to widen significantly, from -0.2% of GDP in 2024 to -2.2% of GDP in 2025, reflecting a deterioration in the region's external position. To offset the decline in oil revenues, governments may be tempted to intensify pressure and controls on taxpayers in the non-oil sector. A tightening of tax practices is to be expected.

Increase in non-tax revenues collected by around 50% in four years

The Treasury collected only CFAF 331 billion in non-tax revenues in 2024. This amount represents just over 50% of an estimated potential of CFAF 600 billion per year, highlighting significant untapped fiscal space according to the AfDB (2025). Despite this room for improvement in Cameroon's collection of non-tax revenues, which represented 1% of GDP in 2024, after 1.1% in 2023, the country is performing better than many CEMAC countries (1.1% of GDP in the Central African Republic, 0.9% in Equatorial Guinea, 0.7% in the Republic of Congo, and 0.7% in Gabon).

The government intends to increase this volume of non-tax revenue collected by around 50% in four years, bringing it to CFAF 450 billion in 2028 (MINFI, 2025) by introducing new sources of revenue, including a levy on visa fees of 5% of the amount of fees and employment contracts for foreign experts, and penalties on non-regularized contracts by imposing a penalty equivalent to three months' gross salary or 5% of the fees concerned. In addition, a fine of up to one million CFA francs or 2% of the value of the market concerned is also being considered for sanctioned operators who wish to resume their activities in public procurement.

In addition, any application to open a vocational training center will be subject to an approval fee of 150,000 CFA francs. The exploitation of cinematographic works will be subject to a payment of 200,000 CFA francs per year. Electronic certificates issued by the Ministry of Public Procurement will be subject to a fee of 100,000 CFA francs per year.

An investment of 70.2 billion CFA francs to revive cotton processing in Cameroon

The government plans to invest 70.2 billion CFA francs to revive the activities of the Cotonnière Industrielle du Cameroun (CICAM). This investment aims to increase CICAM's cotton processing capacity sixfold by 2030, in line with government initiatives focused on developing national value chains.

Currently, CICAM holds only 5% of the local cotton-textile-clothing market, down sharply from nearly 80% in the past. This decline is due to the invasion of the market by cheap Chinese and West African fabrics and clothing, often imported through smuggling, as well as the explosion of the second-hand clothing market.

The aim of this investment is to increase the production of the Cotton Development Corporation (SODECOTON) to 600,000 tons per year, compared to 350,000 tons currently, while aiming to process 50% of this production locally by 2030. To achieve this ambitious goal, it will be essential to develop a clothing manufacturing and garment industry. This approach is part of a public order for clothing and clothing equipment, particularly for the military, police, sports and civil sectors, with the requirement to incorporate at least 60% Cameroonian cotton.

World Bank concerns about the banking sector in Cameroon

In its 2025 report on Cameroon's economic situation, the World Bank sounds the alarm. It warns of the growing vulnerability of the national and regional banking system to the risks associated with public debt, in a context where CEMAC states are increasingly turning to financial markets to finance their deficits. Indeed, banks' claims on the states of the sub-region represent more than a third of their total asset t the end of 2023, compared with only 10% in 2015 (WB, 2025). This spectacular increase reflects the growing dependence

of public treasuries on local commercial banks, which absorb most of the bond issues launched on the regional market.

The World Bank is concerned about these institutions that purchase securities issued by Cameroon and other countries in the subregion. They are thus exposed not only to the fiscal uncertainties of the Cameroonian government, but also to those of their neighbors, which significantly increases the risk of contagion in the event of a macroeconomic shock.

IMF concerns about the banking sector in Cameroon

The World Bank's concern is shared by the IMF, which indicated in its July 2024 report that Cameroon is the fourth country in sub-Saharan Africa where banks are most exposed to sovereign risk. Despite this ranking, which reflects the banking sector's increased vulnerability to public finances, the World Bank also points to structural imbalances that amplify these risks. It deplors the maturity mismatch caused by banks financing medium- and long-term government securities while relying heavily on demand deposits for their resources. This maturity mismatch creates liquidity vulnerabilities, especially as the government securities market remains illiquid, limiting the possibilities for rapid resale in the event of stress.

Concentration of sovereign risks

Following the alert issued by the IMF in July 2024, COBAC implemented a new regulatory framework aimed at strengthening regulations on sovereign risk concentration in October 2024. This mechanism introduces a modulation of risk weights on government bonds, based on countries' compliance with regional convergence criteria, including average inflation below 3%, public debt not exceeding 70% of GDP, a balanced budget, and no arrears.

This regulatory tightening has led to a decline in banks' participation in government bond issues, which fell to 22.3% in January and 16.1% in February 2025, compared with 25.3% a year earlier and 31.0% in February 2023. In the same vein, the BEAC and member states now require banks to sell a minimum share of their sovereign bonds to other private economic actors. This measure aims to diversify the investor base and reduce risk concentration.

The AfDB is providing CFAF 89 billion in financing for employability and entrepreneurship in the Far North

The African Development Bank is providing approximately CFAF 89.21 billion in financing for the Building Capacities and Skills for Employability and Entrepreneurship in the Far North Region of Cameroon (CAP2E) program. This program aims to transform and strengthen the socio-economic resilience of this region, in particular through the development of technical and vocational skills among young people and women,

the promotion of entrepreneurship and productive employment, and improved access to basic social infrastructure that is gender-sensitive and resilient to climate change.

In response to the challenges of professional integration and the creation of decent jobs, as prescribed by the SND30, the government is investing through this program in human capital and the development of income-generating activities in a particularly vulnerable region. Indeed, the Far North, the second most populous region in the country with nearly 4 million inhabitants, has a poverty rate of 74% and faces increased pressure on its infrastructure and public services, exacerbated by massive internal displacement and the influx of refugees.

In this context, the CAP2E program aims to strengthen the region's economic and climate resilience by improving infrastructure, developing skills, and promoting entrepreneurship (AfDB, 2025).

CDC financing of 51.7 billion for the installation of palm oil, margarine, and rubber production units

By presidential decree, the Cameroon Development Corporation (CDC), which is gradually recovering from a difficult period, will receive two grants from Standard Chartered Bank in London for the supply and installation of palm oil, margarine, and rubber production units. In this context, MINEPAT has signed a commercial loan agreement with this lender for approximately CFAF 4.669 billion. A second loan, amounting to CFAF 47.064 billion, will be signed in due course, accompanied by a guarantee from the French public investment bank (BPI).

The installation of these production units represents an important step towards promoting import substitution. Indeed, CDC has already produced 8,960 tons of rubber, of which 6,566 tons have been processed, as well as 49,143 tons of harvested palm nuts and 9,721 tons of palm oil, despite the difficulties caused by the security crisis in the southwest.

This financial support should therefore promote the long-awaited revival of the CDC, the first signs of which are already visible with the project to rehabilitate a production unit.

Construction

A new cement plant in EDEA

On September 19, the Minister of Mines, on behalf of the Prime Minister, announced the creation of Central Africa Cement, which plans to produce one million tons of cement per year. This industrial facility will incorporate local raw materials such as pozzolan and limestone into its production process. The aim is to generate added value locally while making building materials more accessible to a wide audience at affordable prices.

PRODUCTIVE SECTORS

Pharmaceutical industry

A pharmaceutical plant worth 530 billion CFA francs soon to be built in Yaoundé

With the aim of strengthening local capacity in the supply of pharmaceuticals and medical devices, plans are underway to build a industrial production plant for essential medicines and medical devices in Mevo, on the outskirts of Yaoundé. Announced on September 16, 2025, this project, the result of a Sino-Cameroonian partnership, is part of a policy to replace drug imports in order to transform the pharmaceutical system in Cameroon and Central Africa. Estimated at 530 billion CFA francs, the project will be rolled out in three phases:

- The construction of a drug manufacturing facility, financed to the tune of 10 billion CFA francs without recourse to bank loans, between 2025 and 2027.
- The expansion of the industrial site and the construction of an ultra-modern hospital complex for an investment of 250 billion CFA francs between 2027 and 2029.
- Sub-regional expansion between 2031 and 2035, including the establishment of a network of large pharmacies, a research and development center, and a regional distribution system.

In a context where Cameroon spent 169.9 billion CFA francs to import 29,472 tons of pharmaceutical products in 2024, and 166.6 billion CFA francs for 29,833 tons in 2023, this project will contribute significantly to reducing drug imports and creating 3,000 jobs (MINEPAT, 2025).

Cocoa-coffee

The cocoa-coffee sector is already 99% ready to comply with the European Union (EU) regulation on deforestation (EUDR).

With just a few months to go before the regulation comes into force in January 2026, aimed at ensuring that products exported to the EU have not contributed to deforestation or forest degradation after December 30, 2020, 99% of cocoa and coffee production areas in Cameroon are already covered by geolocation and traceability systems (MINCOMMERCE, 2025). Cameroon hopes to achieve 100% compliance before the deadline for this regulation, thanks to the implementation in June 2025 of the Sustainable Agriculture For Forest Ecosystems (SAFE) project, funded to the tune of 2.6 billion CFA francs. This project aims to help producers comply with the new European rules against deforestation.

Compliance with this regulation is crucial for Cameroon, the world's fifth largest cocoa producer, which exports 78% of its cocoa production and 87% of its coffee

production to the European Union. The requirements include respect for land use rights, environmental protection, respect for third-party rights, labor rights, and human rights as protected by international law. In addition, it is imperative to guarantee the principle of free consent regarding the rights of indigenous peoples, as well as compliance with regulations on taxation, anti-corruption, trade, and customs.

Textiles

The Cameroonian army begins reducing imports thanks to an industrial workshop in Yaoundé

The Central Clothing Workshop for the Armed Forces and Gendarmerie will be inaugurated on September 25, 2025. This industrial workshop, which is part of the import substitution policy, will have a production capacity of 700 to 1,000 outfits per day. It marks a decisive turning point and a paradigm shift within the Cameroonian defense and security forces, moving them from a buyer to a producer.

This initiative comes at a time when the government is planning to relaunch the Cotonnière Industrielle du Cameroun (CICAM) by negotiating with Arise IIP to grant it exclusivity on a captive market estimated at between 24 and 30 billion CFA francs per year for police, hospital, and school uniforms. With the exception of army and gendarmerie uniforms, this exclusivity is in addition to that of the production of the March 8th loincloth.

The project to modernize CICAM and restructure the integrated textile sector covers the entire value chain, from raw cotton production to final manufacturing. It includes a partnership with Sodecoton for cotton supply, as well as with CICAM for processing and market. Arise IIP has an investment plan of 200 billion CFA francs to modernize factories, install new production lines, and recapitalize the company to make it more competitive in the face of increasingly aggressive foreign competition.

With only 5% of the national cotton-textile-clothing market, CICAM is heavily impacted by massive imports of second-hand clothing (61,221 tons of second-hand clothing imported in 2023) and Chinese textiles, which control nearly 80% of the Cameroonian clothing market. This recovery objective is fully in line with the 2020-2030 National Development Strategy (SND30), which aims to increase national cotton production to 600,000 tons per year and increase local processing of the fiber by 50% by 2030.

Textile industry struggling on the local market

Despite a very promising national textile market, the country's leading textile company, CICAM, has controlled only 5% of the cotton-textile-clothing market for many years. In 2024, Cameroon exported products from the textile and clothing industry worth approximately 59.4 billion CFA francs, compared to 57.1 billion CFA francs in 2023 (INS, 2025).

The weakness of this cotton processing giant in the CEMAC zone has allowed the market to be flooded with products from China and West Africa, as well as massive imports of second-hand clothing. While the government aims to produce 600,000 tons of cotton per year and process 50% of this production, 61,221 tons of used clothing were still imported in 2023, representing approximately 30.2 billion CFA francs, or 35% of CEMAC's used clothing imports. At the same time, Chinese imports control nearly 80% of the textile and clothing market.

SODECOTON plans to build an 11th ginning plant in Godola, near Maroua.

Following the completion of the 10th ginning factory in Gouna, near Garoua, the Cotton Development Corporation (SODECOTON) is negotiating new financing to establish this 11th ginning unit. This project, costing 25 billion CFA francs, is part of the 2017-2023 Recovery Plan, currently being implemented. It aims to ensure sufficient processing capacity for an expected annual production of 400,000 tons of cotton by the end of 2025.

Despite steadily increasing production and the sustained commitment of producers, the current processing capacity of this joint venture, which oversees approximately 200,000 cotton producers, is limited to 320,000 tons of seed cotton. Production forecasts stand at 350,000 tons of seed cotton, despite a slow start to the rainy season, resulting in a tighter agricultural calendar for the 2022-2023 season.

Energy

Gas: Construction of the 225 KV high-voltage line connecting the Kribi gas power plant to the 225 KV transformer station currently under construction at the port of Kribi

On August 6, 2025, the Minister of Water and Energy officially launched the construction of the 225 kV high-voltage line connecting the Kribi gas power plant (216 MW) to the 225 kV transformer station currently under construction at the port of Kribi (MINEE, 2025). The delivery of this project, scheduled for the end of 2026, will provide electricity exclusively to manufacturers located in the Kribi industrial port zone. This new substation will meet immediate needs estimated at 100 MW and future needs estimated at between 330 and 400 MW, which are necessary for the optimal operation of the industries to be established in the future integrated industrial zone of Kribi.

To ensure seamless connectivity in this zone, the substation will be connected to the Memve'ele (211 MW), Nachtigal (420 MW), Songloulou (384 MW), and Edéa (276 MW) power plants via other existing relay substations. It will also provide a solution for the evacuation of energy produced at Nachtigal to high-consumption industrial zones. The completion of the construction of the transformer station and the transmission line connecting this infrastructure to the Kribi gas power plant will mark a decisive step in the development of the

Kribi industrial port zone, positioning it as Cameroon's leading industrial energy hub.

A refinery in the pipeline in the Kribi industrial port area

While the country is still awaiting the rehabilitation of SONARA, the National Hydrocarbons Company (SNH), Tradex, and the Ariana/RCG consortium are launching the construction of a modular refinery with a capacity of 30,000 barrels per day, which will be located on 250 hectares in the industrial port area of Kribi. This project, costing 115 billion CFA francs (49% for Ariana Energy, 31% for Tradex, and 20% for SNH), will be carried out over 18 months, with commissioning scheduled for June 2028. It will also include a fuel storage terminal (diesel, gasoline, jet A1, kerosene, HFO) with a capacity of 250,000 to 300,000 m³.

SONARA has been shut down since the fire in May 2019, resulting in the country's total dependence on imports of finished products, despite domestic production of around 72,000 barrels of crude oil per day. Although the country continues to import, its current storage capacity is 270,000 m³ for an annual demand of 1.9 million metric tons. This capacity is well below regulatory requirements, which mandate security stocks of approximately 470,000 m³ for 30 days of consumption, as well as commercial stocks for 15 days.

This CSTAR project, currently in development, represents a structural alternative to the alarming situation in Cameroon, an oil-producing country, which could reduce fuel imports by 30%, resulting in annual savings of nearly 400 billion CFA francs (SNH, 2025). In addition, this initiative promises to create 2,000 direct jobs and 5,000 indirect jobs.

Fuel

Projections for a 94.2% reduction in subsidies

According to the African Development Bank (AfDB), consumer subsidies for petroleum in Cameroon are expected to fall sharply by 94.2% in 2025. Subsidies and transfers, which account for about 13% of budget expenditures, are expected to decrease by 23.9%, including this significant reduction in subsidies on pump prices. This level of reduction, which reinforces the government's promise not to increase prices in 2025, follows two successive increases in February 2023 (15% for premium gasoline, 25.2% for diesel, and 36.5% for industrial oil) and February 2024 (15% for premium gasoline and diesel). After several years of price freezes, the government has been forced to increase the prices of petroleum products over the past two years to reduce the subsidy envelope, which had reached around 700 billion CFA francs in 2022. These increases have also contributed to pushing inflation in the country well above the community norm of 3%.

Furthermore, with the military escalation in the Persian Gulf, marked by Israeli bombings and Iranian retaliation, global oil markets are on alert, placing Cameroon in a delicate position between opportunities

and vulnerabilities. This crisis is unfolding on a shipping route that accounts for between 20% and 30% of the world's oil shipments. As a result, oil prices jumped by more than 4% in June 2025, propelling Brent (benchmark oil) to \$76.45 per barrel.

Given that Cameroon is both a producer of crude oil, with an average volume of 72,000 barrels per day in decline, and a net importer of refined products since the shutdown of its refinery in 2019, the authorities must closely monitor the effects of this geopolitical escalation on oil prices. Admittedly, the increase in prices is benefiting Cameroon's crude oil export revenues, marketed by the SNH (Société Nationale des Hydrocarbures) at discounts of 30 to 50% compared to Brent, but a rise in prices could increase the cost of imports of refined petroleum products.

Energy Pact

Through its Energy Pact, Cameroon is committed to a resolute transition to renewable energies, promoting inclusive universal access and sustainable development based on partnerships and ambitious reforms aimed at building a low-carbon future.

On September 24, 2025, 17 African governments signed a commitment to implement concrete reforms and plans to improve access to electricity as part of Mission 300. This ambitious partnership, led by the World Bank Group and the African Development Bank Group, aims to connect 300 million Africans to electricity by 2030. For Cameroon, this involves putting in place concrete master plans that guide public spending, encourage reforms, and attract private capital. In addition to creating jobs, opportunities, and economic growth, the Mission 300 project is forging sustainable reforms that reduce costs, strengthen public services, and attract private investment. Although 30 million people are already connected and more than 100 million are waiting, promoting reliable, affordable, and accessible energy is the most effective multiplier for small and medium-sized enterprises, agricultural transformation, digital work, and industrial value creation.

Minim Martap bauxite: Afriland First Bank invests 25.80 billion CFA francs to acquire a stake in Canyon Resources Limited

The mining company Canyon Resources Limited, responsible for developing the Minim Martap bauxite project in Adamaoua, announced on September 23, 2025, that it had raised 25.80 billion CFA francs (70 million Australian dollars) in capital from Afriland First Bank, through its subsidiary Afriland Bourse & Investissement. This transaction, which will enable Afriland to become a 10.1% shareholder, is still subject to approval by the regional regulatory authorities (BEAC and COSUMAF) and the Cameroonian government. This fundraising is part of a total financing package of nearly 90 billion CFA francs, intended to bring the project to the production phase by 2026. The remainder of the financing will be provided by the majority shareholder,

Eagle Eye Asset Holdings (EEA), which will increase its stake to 56.5% with a commitment of CFAF 4.054 billion.

Aluminum processing: substantial savings on imports

A new industrial complex is under construction on an area of approximately 72,000 square meters in the Douala Bassa industrial zone. This factory, owned by Pro Alu, a subsidiary of the Prometal group specializing in the processing of aluminum and copper products for the local and sub-regional market, will produce 60,000 tons of aluminum sheet coils per year, including 30,000 tons of pre-coated coils, as well as other derivative products. It will also manufacture 8,000 tons of electrical cables each year, including 2,000 tons of aluminum and 6,000 tons of copper, bringing the market supply of derivative products to a total of 70,000 tons.

Construction work on this complex, which began on September 12, 2025, is an effective and timely response to the import substitution policy. This project comes at a time when Cameroon is spending around 8 billion CFA francs per year on imports of coils and nearly 19 billion CFA francs on electrical cables. The new industrial unit is expected to reduce the trade deficit by around 30 billion CFA francs per year, while creating nearly 1,550 direct and indirect jobs.

In addition, it will generate more than 2 billion CFA francs in corporate taxes and collect more than 6 billion CFA francs in value-added taxes. This project will promote technology transfer, create significant local added value, and consume 15 megawatts of electrical power and 800,000 cubic meters of gas per year. It represents a decisive step in the process of industrialization geared towards the local production of construction materials in sufficient quantities and at affordable costs, as part of the operationalization of the African Continental Free Trade Area (AfCFTA).

SERVICE SECTORS

Hospitality Sector

The PAD is mobilizing 160 billion CFA francs to build a 5-star hotel

On August 1, 2025, the Director General of the Port Authority of Douala (PAD) signed a public-private partnership (PPP) agreement for the construction of a 5-star hotel complex on the PAD's private property in Bonanjo. Named Hotel Muayé (meaning "light" in the Duala language), this project is scheduled to begin in January 2026 and will be entirely financed by Leilak Estates Corporation to the tune of 160.3 billion CFA francs. The partnership is a BOT (Build-Operate-Transfer) type and will span 28 years, including 6 months of studies, 30 months of construction, and 25 years of operation, before being transferred back to the PAD.

The complex will cover an area of 11,000 m² and will have 21 floors and 282 rooms, including diplomatic suites and conference facilities. The hotel is expected to

generate 650 direct and indirect jobs, while the PAD will receive a fixed annual fee of 24,000 CFA francs per m², or approximately 264, million CFA francs, supplemented by a variable fee of 3% of turnover. This project, which is part of a strategy to boost and diversify the PAD's resources, is also in line with the PAD's 2020-2050 development master plan. It fulfills the development mission conferred upon it by the presidential decree of January 24, 2019, granting it full control over its land assets, inherited from the former National Ports Authority of Cameroon (ONPC), including public and private property, infrastructure, and port facilities.

Transport

The World Bank's Container Port Performance Index (CPPI), based on data from the Automatic Identification System (AIS) for ships, confirms the chronic underperformance of Cameroon's port platforms in 2024. This indicator, which assesses container ship turnaround time, cargo handling speed, port infrastructure quality, and land connectivity efficiency, scored -97 in 2024, compared to -80 in 2023. The Port Authority of Douala (PAD) fell ten places in the global ranking, from 370th to 381st out of 403 ports assessed, and from 32nd to 41st in Africa (WB, 2025). This decline is even more pronounced for the deep-water port of Kribi (PAK), whose score

fell from -62 to -199, causing it to drop 31 places from 366th to 397th in the world-. Although the methodology of this indicator is criticized by the PAD, the report does not provide detailed explanations for these poor performances.

The trend is similar elsewhere in the sub-region, with the Port of Pointe-Noire (Congo) posting the worst score (-283), ranked 401st globally and 40th in Africa. In contrast, the Equatorial Guinean ports of Bata (260) and Malabo (285) fare better, while the Port of Owendo (Gabon) slightly improves its score from -50 to -30, ranking 331st. Compared to some West African countries, the Port of Dakar (Senegal) performed well, with its score rising from -82 in 2023 to +23 in 2024.

Taxation

BEAC recommends tax reform in the cocoa sector

The BEAC recommends that the Cameroonian government overhaul the tax and parafiscal framework applied to Cameroonian cocoa exports. This information was made public on September 10, 2025, in the central bank's June 2025 economic and statistical bulletin, which emphasizes that, despite the significant revenues generated by this sector, reforms are necessary

ACRONYMS AND ABBREVIATIONS

BDEAC	: Banque de Développement des Etats de l'Afrique centrale
BVMAC	: Bourse de Valeurs Mobilières de l'Afrique Centrale
CCA	: Caisse Autonome d'Amortissement
CEMAC	: Communauté Economique et Monétaire d'Afrique Centrale
CUD	: Communauté urbaine de Douala
DGD	: Direction Générale des Douanes
DSCE	: Document de Stratégie pour la Croissance et l'Emploi
FEC	: Facilité Elargie de Crédit
FMI	: Fonds Monétaire International
FRD	: Facilité pour la Résilience et la Durabilité
PAD	: Port autonome de Douala
PIISAH	: Plan Intégré d'Import-Substitution Agropastoral et Halieutique
PIB	: Produit Intérieur Brut
PPP	: Partenariat Public-Privé
OTA	: Obligations du Trésor Assimilables
RAP	: Restes à payer
SFI	: Société Financière Internationale
SDB	: Société de Bourse
SND30	: Stratégie Nationale de Développement 2020-2030
SNH	: Société nationale des hydrocarbures
TVA	: Taxe sur la Valeur Ajoutée
UMAC	: Union Monétaire de l'Afrique Central