



## *Casa África – Business Opportunities*

### **Republic of Cameroon**

The COVID-19 health crisis could affect the country's economy in many ways. These include the fall in prices of domestically produced raw materials such as oil and wood, combined with a global drop in demand for these products; the postponement of foreign direct investment; and instability in regional and international financial markets, which will make access to financing more costly. If the crisis persists, it could reduce growth, generate a severe shock to public finances and erode the country's internal and external accounts. Compared to the forecasts prior to the pandemic, the loss of growth in 2020 is expected to be between 4.8% and 6.2%, and a slight increase in inflation is projected for 2020-2021. The economic perspectives continue to depend largely on the scope and duration of the crisis; also, growth is expected to rebound in 2021 and reach between 4.0% and 2.6%, depending on the pace of recovery of the world economy and the support provided to national economic agents, particularly the most vulnerable households. The 2020 budget - based on a growth rate of 4% and a budget deficit of 2.4% of GDP - should be reviewed in view of the negative effects generated by the pandemic.

Cameroon plays a central role in the Central African Economic and Monetary Community (CEMAC), holding almost 40 per cent of its money supply. In the period 2014-2017, its share of intra-community trade amounted to 24.7%, helped by the relative diversification of its economy and the existence of roads with all CEMAC countries and Nigeria.

In relation to other countries in the region, Cameroon enjoys a diversified and tertiarized economy, with the primary sector accounting for 23% of GDP, a secondary sector occupying 24% and a service sector accounting for 53% of GDP. It is a relatively open economy, but has the typical features of a developing country. Its exports are mainly concentrated in hydrocarbons, followed by timber and its derivatives and cocoa. Imports are based mainly on petroleum products, as well as machinery and mechanical and electrical equipment. With data from 2018, China is positioned as the main supplier and customer of Cameroon. Italy and France are the second and third largest customers, while France, the country's traditional trading partner, is in second place as a supplier.

Significant security problems persist in the country, especially in the far north, and socio-political tensions are affecting the country's economy, with transport, hospitality, telecommunications and commercial agriculture recording significant material and financial losses; the security costs generated by these tensions together with the closure of the national oil refinery in 2019 have weakened the country's fiscal positions and current account. Limitations remain in education, health, poverty and employment, and this prevents the country from capitalizing on the potential of the demographic dividend; therefore, training the workforce, one of the country's greatest challenges, is of great importance. In 2019, the government initiated a national dialogue to address these challenges. On the other hand, the implementation of major value chain projects in the agro-forestry, pastoral and fisheries sectors is expected to help strengthen the economy.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

AEO (Suplemento COVID-19): <https://www.afdb.org/en/documents/african-economic-outlook-2020-suplement>

MAEC: [http://www.exteriores.gob.es/Documents/FichasPais/CAMERUN\\_FICHA%20PAIS.pdf](http://www.exteriores.gob.es/Documents/FichasPais/CAMERUN_FICHA%20PAIS.pdf)

**ANEXO: Tablas económicas**

**Tabla 1: Indicadores Macroeconómicos**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (p)</b>
<b>Crecimiento real del PIB</b>	3,5	4,1	4,1	4,0
<b>Crecimiento real del PIB per cápita</b>	0,9	1,4	1,3	1,5
<b>Inflación</b>	0,6	1,1	2,4	2,0
<b>Saldo presupuestario (% PIB)</b>	-3,8	-2,5	-2,3	-2,4
<b>Cuenta corriente (% PIB)</b>	-2,7	-3,7	-2,7	-2,6

Fuente: African Development Bank, (p) previsiones anteriores al COVID-19