



The African Investment Corporation

**The African Investment Corporation (AiC)
presents:**

**INVESTor's Roadshow CAMEROON
FY08
Presenting Investment opportunities and projects**



Cameroon at a Glance

- **Full name:** Republic of Cameroon
- **Population:** 16.6 million (UN, 2005)
- **Capital:** Yaounde
- **Area:** 465,458 sq km (179,714 sq miles)
- **Major languages:** French, English, languages of Bantu, Semi-Bantu and Sudanic groups
- **Major religions:** Christianity, Islam, indigenous beliefs
- **Life expectancy:** 45 years (men), 46 years (women) (UN)
- **Monetary unit:** 1 CFA (Communaute Financiere Africaine) franc = 100 centimes
- **Main exports:** Crude oil and petroleum products, timber, cocoa, aluminium, coffee, cotton
- **GNI per capita:** US \$1,010 (World Bank, 2006)
- **Internet domain:** .cm
- **International dialing code:** +237

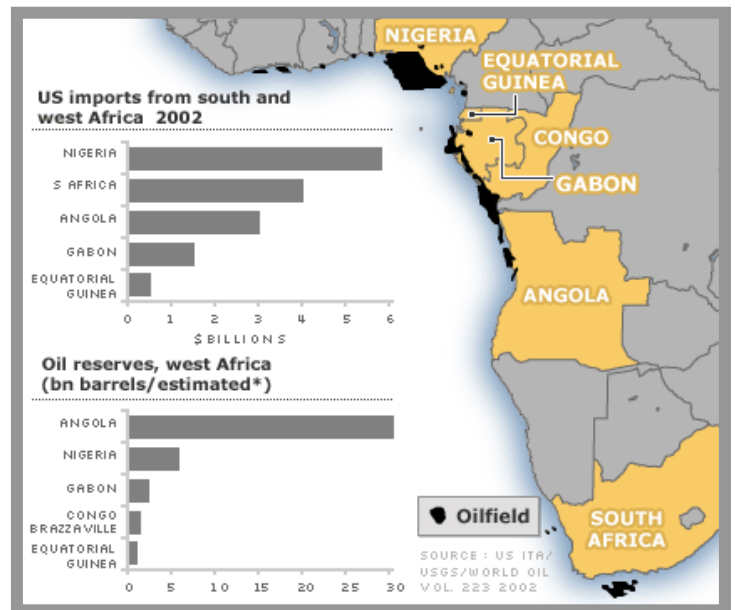


Cameroon the Gateway to the oil rich Gulf of Guinea

Cameroon is the gateway to Central Africa and the Gulf of Guinea. It shares borders with 6 different countries, **Nigeria, Chad, Central Africa, Congo, Gabon and Equatorial Guinea**. In addition to this Cameroon is a bilingual country (French & English) this facilitates business transactions between English speaking Nigeria in the West and French speaking Chad in the North.

The US imports two thirds of its oil needs. About 15% of that amount comes from West Africa and that figure is projected to rise to 25% in the next 10 years.

The oil sector in Sub-Saharan Africa is one of the fastest growing in the world. Production has taken off in the Gulf of Guinea which includes Nigeria, Equatorial Guinea, Cameroon, Gabon, Angola and Congo.



Overview

The African Investment Corporation and the US Embassy Cameroon organized the 3rd Annual Investment Forum on projects and financing from **April 22-27 2007 at the North Bethesda Marriott Conference Center Bethesda, MD.** This forum presented business opportunities in Cameroon in various sectors and there were 25 companies represented from Cameroon. The key companies present at this year's forum were;

1. SNI (National Investment Corporation)
2. Credit Foncier
3. SIC
4. Urban Council of Yaounde
5. FEICOM

These companies presented projects in various sectors; housing, energy, infrastructure and banking. This INVESTor's Roadshow will serve as a follow up to this forum in addition to an opportunity for US Companies to bid on or invest in these opportunities presented at the forum.

Cameroon: Projects & Opportunities in Cameroon's Priority Sectors:

Housing is a top priority in Cameroon and in Africa

Housing is a key source of household wealth, savings, and security in retirement. If housing finance is out of reach for the world's poor, rapid urbanization will bring widening inequalities, sprawling slums, and exacerbate constraints on economic, social, and labor mobility.

While the greatest demand for housing finance services is in emerging markets, the discussion on how to provide services in these contexts is relatively new. Improving access to housing finance requires a multi-pronged approach that responds to the key challenges presented by development contexts and reflects the lessons learned in serving the poor. Key ingredients include sensible land use rules, efficient registration of property titles, legal frameworks for long term mortgage markets, viable housing finance institutions, credit insurance systems for lenders, and effective subsidy systems that reach the very poor.

Traditional development approaches have placed exclusive emphasis on home ownership. The reality of the contemporary world and changing demographics, however, means that a significant portion of the global population will seek out rental housing at some point in their lives. Rental housing is not simply a common alternative to ownership; it is a critical part of the housing equation. Policymakers must recognize both the benefits of regulating and supporting rental markets as a complement to ownership, as well as the dangers of ignoring a largely informal and unregulated industry. Source World Bank

The Cameroonian Housing Market

The Cameroonian housing market is facing a huge shortage. The approximate number of homes needed to meet the current demand is roughly 500,000. The demand increases by 10% every year.

A critical means to transfer technology in the housing market is to make sure we are looking at putting together strong partnerships in the market;

1. Strong technical and business partnerships
2. Government financial support in social housing market
3. Equipment providers are critical for supporting technology
4. Transferable, innovative and inexpensive housing technology e.g. pre fab housing...



Business Opportunities in Housing:

Limbe Shipyard Housing	Construction of 3,500 homes for shipyard workers	\$ 100M
SIC: Social Housing	Construction of 300 homes	\$45M
Housing	Production of prefabricated cement blocks roughcasts, concrete gutters, cobblestones, balusters and slabs.	\$1.5M
Construction of Public Amenities	Construction of schools, libraries, health centers	\$4.5M

Business Opportunities in Construction & Renovation:

Project Title	Project Description	Project Cost (Approx)
Marriott Hotel	Construction of a 4 start hotel in Douala	\$ 30M
Mont Febe Hotel	Privatization and renovations of the hotel	\$5M
Atlantic Beach Hotel	Privatization and renovations of the hotel	\$2M
Buea Mountain Hotel	Privatization and renovations of the hotel	\$2M
Campement de Waza	Privatization and renovations of the hotel	\$1.5M

Who are the key players in the Housing market?

Le Credit Foncier: Cameroon's #1 Mortgage bank

Is the top mortgage bank in Cameroon. Their focus is allotting funds for the construction of social housing in Cameroon.

The BUILDING AND LOAN ASSOCIATION OF CAMEROUN is a Cameroonian financial institution, charged to apply the governmental policy of housing to the Cameroonian territory. Created by order of Council on May 13, 1977, the BUILDING AND LOAN ASSOCIATION OF CAMEROUN to finance vast programs of housing in several large Cameroonian cities: Yaounde, Douala, Garoua, Bafoussam, Bertoua, Kribi, etc.

The resources of the BUILDING AND LOAN ASSOCIATION OF CAMEROUN are made up mainly by the contributions of paid (1% of the wages) and of Cameroonian employers (3, 5% of the wage bill).

They are interested in guaranteeing U.S. Loans for housing projects in Cameroon.

<http://www.lecreditfoncier.com/CFC/cfc.nsf/Content?openform&About>

SIC (Societe Immobilier Cameroun)

Is in charge of the construction of social housing and the development of the real estate market for the Government of Cameroon.

The National Investment Corporation (SNI)

The National Investment Corporation of Cameroon (SNI) was set up in 1964 as a public corporation, with the State as sole shareholder, for the mobilization and orientation of national savings and any other national and international financial resources. It has a capital of 22,000 million CFA F.

The SNI is a public establishment, whose share capital is held solely by the State, with a key mission to promote the economic and social development of Cameroon.

For over forty years, the SNI has effectively contributed to the economic and social development of Cameroon and encouraged private investment.

As a public establishment, as well as a financial and banking institution, the SNI is a secular arm of Cameroon's economic, social and cultural development policy. In this capacity, it makes economic, financial, social and cultural investments in the industrial, agricultural, commercial and financial sectors, as well as the services and hotel sectors.

The SNI uses various financial instruments, from acquiring shares to granting low-interest loans, as it participates in setting up and financing economically viable projects. The sectors in which it operates include private projects in the production, services and hotel sectors. The SNI establishes

financial and technical partnerships with other organizations and contributes, in conjunction with its supervisory institutions, to the creation of wealth and to national economic growth.

Business opportunities in the Energy Sector:

Despite an impressive endowment of energy and water resources, and hydro-electric potential, the access rate to potable water and modern forms of energy in Cameroon is still low: the national averages for electricity and potable water are 48 % and 22% respectively, whereas the national vision for sustainable development sets an ambition for attaining at least 85% by year 2020 – this has the implication for huge and investment requirements.

The GoC in its poverty reduction strategy and economic reform program both supported by international community and Breton Woods institutions (the World Bank and the International Monetary fund), recognizes that energy and water are basic but strategic sectors that provide support to development and economic growth.

The new Government policy is to ensure reliable provision of those two basic services to all users through competitive and sustainable management of the supply side. In this regard, the Government of the Republic of Cameroon (GoC) has liberalized and opened both sectors to private operators.

Within this new policy, the institutional setting is organised around three main groups of actors including: (i) the Ministry of Energy and Water in charge of policy formulation, planning, monitoring and evaluation; (ii) private operators carrying out the sectors related commercial activities; (iii) regulatory and promotional bodies.

The following information provides the current state of both energy and water sectors, their corresponding development plans and investment requirements.

Energy sector

Electricity supply - The GoC is also seeking support to increase private capital in electricity supply market. In the sector reform, generation, transmission and distribution activities have been unbundled, and various license schemes have been envisaged to attract private sector involvement. The first experience with privatisation of electricity supply market is the involvement of US company, AES-Corp (see annex for short summary of performance since 2001).

Cameroon has impressive indigenous energy resources such as hydropower (2nd largest potential in Africa, and 18th on the World scale), natural gas, biomass residues, for generation and supply of electrical energy to various consumers at national and sub regional levels (via export).

The captive market for electricity consumption in Cameroon is expected to grow tremendously in the next 10 years, via committed industrial investments and fast growing demand by semi-industrial and household loads (peak to grow from 700 MW in 2005 to 1,800 MW in 2015; and corresponding triple from present energy consumption). The implication is increased investment needs for generation, upgrade in transmission and distribution systems, and management information systems, and increased penetration on new technologies.

On key expectation of the GoC is that private capital will participate in developing the niche and attractive market. For example, the GoC in its reforms of the sector has envisaged the entry of Independent Power Producers (IPPs) and independent network operators (transmission system), as well as ESCOs ranging from distribution companies (DISCOs), to well rural electricity supply companies.

Downstream Oil and gas

Activities in this area comprise refining of crude oil, storage, transportation, distribution and retail. Supply of refined products is from national and external sources. Most of these activities are currently marketed by State-owned companies. The latter structures have been listed for privatisation.

Renewable Energy

There are enormous opportunities for productive use of energy supplied by renewable sources – solar, small hydropower, biomass residues. Rural electrification and development of ecotourism and small enterprises can greatly benefit from renewable energy supplies. Also RES can provide electricity into nearby electricity grids, and their development can earn carbon emission reduction credits under the Kyoto Protocol of the United Nations Framework Convention on Climate Change.

Again, The Government of Cameroon is seeking the services of a qualified US engineering consulting firm to assist in elaborating a renewable energy supply master plan and strategy, along with an adequate level of US financing for this study.

Energy Efficiency

Energy consumption by Cameroon's economy shows attractive potential for energy savings and a market for efficient goods and services. Secondly, the cost and demand for electricity supply can be reduced by local manufacture of materials and equipment, which manufacturing will also serve the sub regional market. Past studies show big potentials in secondary and tertiary sectors, with high yields arising from true energy supply costs.

The Government of Cameroon is also seeking the services of a qualified US engineering consulting firm to assist in elaborating an Energy Efficiency strategy, along with an adequate level of US financing for this study.

Water Resources

The Ministry of Energy and Water Resources seeks to produce a sector Master Plan that will guide an effective and sustainable water supply strategies, that will enable to Cameroon to meet at least-cost, the needs of the diversified segments of the market including urban and rural communities and industrial users. The strategy shall also integrate externalities and associated response strategies such as climate change impacts, and adaptation, particularly for food security.

With regard to that, the Government is looking for a qualified US Engineering consulting to assist in elaborating a long term Water Supply Master Plan and Strategy Study, along with an adequate US financing source for this study.

In all, the Government of Cameroon is seeking the services of a group of qualified US engineering firms that will work in a team and under the coordination of the Ministry of Energy and Water to prepare comprehensive and long term master plans and strategies for energy supply, and adequate funds from US financing source. The output of the master plan and strategies shall include infrastructure projects and capacity building for energy and water sector institutions and actors. **These studies will assist government in obtaining the best value for divestiture and the same time providing incentives for private capital on return for equity invested as well as providing services to consumers.**

Opportunities in the Energy Sector:

Project Title	Project Description	Project Cost
Kribi Power Project	Kribi Power project (KPP) Gas to Power (; gas wells + 12 km offshore undersea gas pipeline + onshore gas treatment plant + 150/200 MW gas turbines; and 100 km HV transmission line;	all for US\$ 140 – 150 million): Share capital and part financing (as debt) for special purpose vehicle (SPV)
Lom Pangar Dam Reservoir	Lom Pangar dam reservoir (FSL = 7 billion m ³) with option for future power plant at foot of the reservoir (scalable to 96 MW) – dam + environmental and social action plan without power plant	US\$160 million and + 28% including power plant
Oil Refinery	Downstream: Refinery and derivatives: <ul style="list-style-type: none"> ➤ Expansion and modernization of existing Refinery, and survey opportunity for a second (new and export-oriented) oil refinery ➤ Upgrade feasibility study for a grassroots plant for manufacture of bitumen/road-grade asphalt: 	<ul style="list-style-type: none"> ➤ Upgrade Market study on supply of and demand for refined products -US\$150k ➤ Strategic study for security of supply (25 year vision) – US\$ 500k ➤ Project financing and guarantees for infrastructure (upgarde of brown sites and development of greensites): ➤ Technological revamp of existing oil refinery – US\$60M
Storage Systems	Refined products: <ul style="list-style-type: none"> ➤ Expand and modernize refined products storage facilities; ➤ Expand capacities of existing storage facilities and create many other storage sites Joint ventures for investment in transportation and secondary storage depots/retail businesses	
Finance Energy Sector Development	<ul style="list-style-type: none"> ➤ Establish a fund for increasing access to modern forms of energy and for productive use (rural electrification, access to and use of LPG, promoting 	<ul style="list-style-type: none"> ➤ Institutional review of sector and technical standards for improved synergy, coordination and share of information and resources (US\$ 250k)

	Renewable energy, etc) ➤ Establish, where appropriate, subsidy delivery mechanisms (e.g. OBA, GEF, etc); ➤ Draw benefits from global Environmental finance (e.g. CDM, GEF) ➤ Provide risk guarantees to private capital Increase the quality and efficiency of financial intermediaries for increasing access and attracting private capital	➤ Needs assessments for rural electricity markets (US\$ 100K) ➤ establish RE access rules and fund mechanism ➤ co-venture capital to establish durable fund mechanism to accelerate access : business development, collateral finance - local microfinance and banks/cooperatives (caex + opex) train and tool local operators to operate rural energy markets
Energy	➤ Production of energy in Secondary towns	➤ \$10M

Special Support Fund for Local Authorities (FEICOM):

FEICOM is a public corporation created in 1974 which went operational in 1977. It is administered by a Board of Directors with two supervisory ministries:

- The Ministry of Economy and Finance (MINEFI)
- The Ministry of Territorial Administration and Decentralization (MINATD).

Its main functions include;

- Financing local investment projects which are geared towards improving the standard of living of the population.
- The centralization and redistribution of Additional Council Taxes, (ACTS).

www.feicom.com

Business opportunities:

Project Title	Project Description	Project Cost (Approx)
Stone Crushing Company	Taking over or setting up a quarry to produce granite	\$3.5M
Water supply Secondary Towns	Supplying water for more than 200 secondary towns	\$10M
Construction materials	Pre-fabricated construction chipboards	\$1.2M
Public Amenities	Libraries, secondary schools, health centers	\$4.2M
Solid Waste Processing Co.	Process sewage, sludge and other types of solid waste into manure, biogas and/or bio-energy.	\$16M

Visit Kribi Beach

Participants will be treated to a weekend in Cameroon's most popular beach Kribi.

Located in southwestern Cameroon or west-central Africa. It lies at the edge of the tropical rain forest zone, on the Gulf of Guinea of the Atlantic Ocean. Ivory, cocoa, timber, and coffee are exported from the port, which is also a trade centre for local agricultural products and fish. Beautiful beaches and the Campo game reserve to the south attract tourists. Kribi is served by an airfield and has...



LOGISTICS: Cameroon

FEE: \$5,500 (Cameroon trip only)

Includes: Food & local transportation

Hotels:

Le Meridian Douala: Rates per night \$150-\$175 per night

35 Avenue des Cocotiers · PO Box 3232 · Douala · Cameroon

Phone: (237) (3) 343 5000

<http://www.starwoodhotels.com/lemeridien/property/overview/index.html?propertyID=1804>

Hilton Hotel Yaounde

Boulevard du 20 Mai, Yaounde, Cameroon

Tel: 237-2-223 36 46 Fax: 237-2-222 32 10

http://www1.hilton.com/en_US/hi/hotel/YAOHITW-Hilton-Yaounde-hotel/index.do;jsessionid=3F90965629FFFA88E8E70173CF84665E.etc13?brand_id=HI&brand_directory=/en/hi/&xch=98154796,MHQM0IHMNSOSWCSGBIWM22Q

Hotel ILomba Kribi

B.P. 305 Kribi

Kribi, Cameroon

Tel: 237 99 91 29 23

Travel Documents & miscellaneous:

1. **Visa:** Cameroon Embassy US - \$100
2. **Vaccination Certificate Immunizations:** Yellow fever and malaria mandatory (See doctor for shots and medication). Yellow immunization card also mandatory.
3. **Passport & Photo ID:** Make a photo copy of your passport and all documentation
4. Umbrella
5. Adapters or converters 220 v
6. Small flashlight
7. First aid kit including aspirin
8. Sun block
9. Insect repellent
10. Long sleeve t shirts
11. Emergency contact list
12. Medications
13. Workout wear
14. Sunglasses
15. Register at the State Department and US Embassy Cameroon.
16. Notify credit card companies and let them know of travel to Africa.
17. Cash, preferably \$100 bills no traveler's checks.