INTRODUCTORY STATEMENT BY THE MINISTER OF TRADE ON THE OCCASION OF THE PRESENTATION OF THE 2022 DRATF PROGRAMME BUDGET OF HIS MINISTRY TO THE FINANCE AND BUDGET COMMITTEE OF THE NATIONAL ASSEMBLY

Yaoundé, 30 November 2021
Madam Chair of the Finance and Budget Committee,
Honourable Members of the National Assembly,

It is with equal pleasure that I once more, this year again, find myself speaking to your august committee, to defend the draft budget of my Ministry, for the 2022 financial year. But before I do so, allow me once again to thank you for your kind welcome, which inevitably cheers us up.

Madam Chair,
Honourable Members of the National Assembly,

I would like, if you agree, to structure my presentation, as in the past financial years, around three (03) main chapters, namely:

1) the reminder of the Ministry of Trade's strategic objective;
2) the context and state of implementation of the Programmes during the year 2021;
3) the prospects and budget request for the 2022 financial year.

It should be recalled that, under Decree No.2011/408 of 09 December 2011 to organise the Government, the Ministry
of Trade shall be responsible for formulating and implementing government policy in the area of trade.

In addition, it shall liaise between the Government and the World Trade Organisation (WTO) and shall be the technical supervisory Authority of the following entities:

- the Consumer Product Supply Regulatory Authority (MIRAP);
- the Hydrocarbon Prices Stabilization Fund (HPSF);
- the National Cocoa and Coffee Board (NCCB).

The following entities also fall within the scope of the Ministry of Trade:

- the National Competition Commission (CNAC);
- the National Consumer Council (CONACO).

I. A REMINDER OF THE MINISTRY OF TRADE'S STRATEGIC OBJECTIVE

The missions that have just been mentioned are translated, in line with the National Development Strategy 2020-2030 (NDS30), in a strategic objective, which aims to contribute to export development, ensure domestic market regulation and participate in stabilizing the national economic space. To achieve this, the Ministry of Trade, as part of aligning the
strategic performance frameworks of administrations with the NDS30, has seen its programme mapping evolve from three (03) to four (04) programmes, including three (03) operational programmes and one (01) support programme, which is intended to contribute to the achievement of the objectives targeted by the three previous ones. The four (04) Programmes are as follows:

- the Export Development Support Programme;
- the Domestic Market Regulation Programme;
- the “Promoting Metrology, Standards Watch and Fair Pricing” Programme;
- the Governance and Institutional Support Programme.

Allow me to point out here that the actions carried out by my Ministry during the year that is ending, as well as the prospects for the coming year, are in line with the government’s blueprint, the NDS30, and are aligned with the Medium-Term Expenditure Framework for the 2022-2024 three-year period.
II. THE CONTEXT AND STATE OF IMPLEMENTATION OF THE PROGRAMMES DURING THE YEAR 2021

II.1. Contextual elements

The implementation of the Chapter 21 Programmes during the 2021 financial year took place in a very uncertain global environment, characterised by the following key elements

**At the international level**

The economic situation remained particularly unfavourable, as it had been since the beginning of the COVID-19 pandemic. It even worsened from February 2021 onwards, compared to the year 2020.

This has resulted in, inter alia:

- unprecedented deregulation of international market supply chains;

- an increase in the price of commodities on the market, due to insufficient supply and the implementation of restrictive export policies by the main producing countries to protect their domestic market; The prices of most consumer products thus rose by between 30 and 200%.
- a manifestly insufficient supply of logistics in terms of maritime transport, resulting in a major hike in transport costs, which has a severe and lasting effect on product prices. Sea freight, as far as bulk is concerned, increased by 180% and container transport by 400%.

This two-fold phenomenon has resulted in widespread product price inflation in most countries in the world, as shown by the following figures:

- Cameroon: +2%/+2.2%;
- Turkey: +19.89 %;
- Nigeria: +15.99 %;
- Ghana: +11 %;
- Brazil: +10.67 %;
- USA: +6.22 %;
- South Africa: +5.05 %;
- Canada: +4.65 %;
- Ivory Coast: +4.5 %;
- India: +4.41 %;
- United Kingdom: +3 %;
- France: +2.62 %;
- China: +1.50 %;
- Etc.
This justifies the cry of alarm that I sent to the Director General of the World Trade Organisation, in a letter dated 2 September 2021, which reads as follows:

"Your Excellency, Madam Director General,

Since the outbreak of the COVID-19 pandemic in the first quarter of 2020, international market supply chains have been experiencing serious disruptions and dysfunctions that seem to have accelerated since the beginning of 2021, characterised in particular by the rise in the price of raw materials, the dramatic rise in the price of food products and the explosion in the cost of maritime freight.

For example, between January and June 2021, the prices of clinker, concrete iron and gypsum shot up by 100%, 95.54% and 60% respectively compared to the same period in 2020, while those of wheat, soybeans and corn increased by 31.6%, 73% and 98.4%, and the cost of maritime freight tripled.

While some analysts at one time suggested that African countries were the only ones affected by this phenomenon, it is now clear that almost no country in the world has been spared.

In view of the major risks of social upheaval that could result from this situation, the World Trade Organisation, pursuant to the objectives contained in the Preamble to the Marrakech Agreement, cannot stand by and do nothing.

In this respect, I suggest that strong initiatives be rapidly taken by the Organisation towards a certain number of
institutions and bodies in charge of the world economy, such as the International Monetary Fund, the World Bank or the G20, with a view to seeking ways and means of counteracting the devastating effects of this emerging cataclysm.

I remain available for any possible contribution and would ask you to accept, Your Excellency, Madam Director General, the renewed expression of my high consideration*.

**At the national level**

It is worth pointing out that the persistent security crisis in the North-West and South-West Regions, as well as in the Far-North, which are areas of high agricultural production and also home to important agro-industrial activities, has had a damaging effect on the national economy, contributing to deepening the imbalance between supply and demand and causing price inflation

❖ Madam Chair,
❖ Honourable Members of the National Assembly,

After briefly presenting these contextual elements, I would like to make a rough assessment of the implementation of the Chapter 21 programmes during the 2021 financial year.
II.2. State of implementation of the Programmes during the 2021 financial year

At this juncture, I will focus on the activities carried out at the dual level of external and domestic trade.

II.2.1. With regard to external trade

The achievements of my ministerial department during the year that is ending have mainly consisted of:

- the support for twelve (12) companies in the chemical and agri-food sectors in the process of obtaining approval for the CEMAC Preferential Regime, with the aim of allowing the customs duty-free movement of the products concerned in this community area;

- the organisation of 11th edition of the CEMAC Cross-Border Fair (FOTRAC), from 19 to 29 August 2021 in Kyé-Ossi, Ntem Valley Division, in line with the regional integration process in Central Africa and beyond. The said event was mainly marked by the presence of foreign delegations from Gabon, Equatorial Guinea, Central African Republic, Congo, Togo, Benin, Ghana, Senegal, Gambia, Angola, Burkina Faso, Burundi, Niger, Sao
Tome and Principe and the Democratic Republic of Congo;

- the conduct, as part of making external trade procedures paperless, from 21 to 30 April 2021, of the study on the optimisation of the procedure for registration in the importers' and exporters' files (FIMEX) on the whole national territory;

- the participation of our economic operators, under the aegis of the Ministry of Trade, in trade fairs abroad, with the aim of improving the visibility of our products and services on foreign markets. This is the case of (i) the 2nd edition of the Intra-African Trade Fair (IATF2021), organised by the African Export-Import Bank (AFREXIMBANK), in collaboration with the African Union and the Secretariat of the African Continental Free Trade Area (ACFTA), from 15 to 30 November 2021 in Durban, South Africa (ii) the 4th edition of the China International Import Expo in Shanghai (CIIE), which took place from 05 to 10 November 2021, with the Illustrious Promoter of this event being the President of the People's Republic of China in person, as part of his policy of opening the Chinese market to African products. It is
Indeed a fair dedicated exclusively to products that can be imported into China from African countries;

- the establishment of the National Commercial Intelligence System, with the conduct of a preliminary study on trade information and intelligence systems, which led to the definition of the architecture and functional specification of the National Commercial Intelligence System.

In addition, with a view to optimising and streamlining the implementation of the African Continental Free Trade Area (AfCFTA), operational since 1 January 2021, several activities were carried out at the continental, regional and national levels. These included:

- the evaluation, as part of the 5th Meeting of the AfCFTA Council of Trade Ministers, of the state of progress of the negotiations on the outstanding issues, at the end of which the Ministers took note of the terms of reference for the creation of the Dispute Settlement Body and authorised the constitution of an indicative list of members of the Special Group in charge of setting in motion the process of formal resolution of the disputes;
- the validation, during the meeting of CEMAC Trade Ministers, held on 16 February 2021, under the chairmanship of the Cameroonian Minister of Trade, of community legal instruments on trade in services, with the aim of establishing a mechanism to facilitate the exercise of the freedom of establishment of service providers between Member States and the free movement and investment in services, while guaranteeing a high level of quality and a regime of mutual recognition of professional qualifications that is fair, transparent and coherent;

- awareness, information and training, during the dedicated meetings, which were organised on 14 January 2021 in Douala, under the aegis of the Ministry of Trade, of the business community as well as civil society on the stakes and opportunities of the African Continental Free Trade Area (AfCFTA).

At the same time, actions were carried out during the year under study to improve our cocoa quality, with the following convincing results:
- the payment of a quality premium of 70 FCFA/kg to 5,309 producers who marketed Grade I cocoa during the 2017/2018 season, i.e. a total amount of seven hundred and twenty-one million one hundred and twenty-three thousand six hundred and twenty (721,123,620) CFA F;

- the launch, on 1st June 2021, in the Massok-Songloulou Sub Division, Sanaga Maritime Division, of the "Rural Women Involvement in Cocoa Farming Programme", an operation which witnessed the participation of a strong delegation of chocolate makers from France, Colombia and Belgium;

- the signing of a Memorandum of Understanding on the the fixing of a farmgate purchase price of 1,640 FCFA/kg for Cameroon's premium cocoa for the 2021/2022 season;

- the signing, for the 2021-2022 season, of a Memorandum of Understanding under which the Cocoa Valley Company, a chocolate factory based in the Haute Savoie Département, France, guarantees a minimum price of FCFA 1,800/kg to Cameroonian producers of cocoa known as "Golden Cocoa";
- the signing, on 21 January 2020, of the roadmap for deforestation-free cocoa, with a view to meeting export market sustainability requirements;

- the commissioning, in July 2021, of the Ngoro Cocoa Post-Harvest Processing Centre of Excellence, the eleventh of its kind.

II.2.2. With regard to domestic trade

❖ Madam Chair,
❖ Honourable Members of the National Assembly,

Despite the general increase in commodity prices on the domestic market of most, if not all, countries in the world, which I have just mentioned, the inflation rate in our country has been curbed at around 2%/2.2%, below the CEMAC convergence criterion of 3%. The following main actions have contributed to this performance:

- the permanent organisation of consultations with economic operators in sensitive sectors (wheat, beef, concrete iron, roofing sheets, cement, refined oils, rice). In
the same vein, the Ministry of Trade organised, on 22 September 2021, a strategic meeting bringing together the stakeholders in the logistic chain, first and foremost the maritime companies, which made it possible to deepen the diagnosis and to confirm the panic, at the global level, about the prices of maritime transport;

- as part of the modernisation of distribution channels, funds were transferred to municipalities during the reference period for the construction of fifteen (15) additional market facilities, with the aim of promoting the concentration of supply and the availability and accessibility of products. At the same time, the policy of promoting and facilitating access to supermarkets for large numbers of citizens continued with the opening of the DJOUF INTER Commercial Complex in Nkoabang, Mefou and Afamba Division, on 17 September 2021.

- the intensification, in collaboration with Corporate Citizens, of the organisation of mobile trailers for the direct sale of staple products to consumers;

- an increase in market surveillance operations, set in motion as part of improving the national economy, with a view to reducing fraud in terms of legal metrology,
prices, competition, product quality, standards and after-sales service.

With regard to the promotion of the consumption of local products, the following should be noted:

- the organisation of and/or participation in local fairs, namely the Douala International Development Fair (DIDF) and the Christmas Market;

- support for initiatives by Cameroonian entrepreneurs aimed at promoting and popularising the "made in Cameroon" label, following the example of the ASENIA, MADIKA, ANPIAT and RAPEC groups, which have specific "made in Cameroon" spaces in the cities of Yaoundé and Douala;

- the implementation of a "made in Cameroon" showcase in Mvog-Betsi, Yaounde, at a place called Carrefour MEEC, which is operational to date, with more than seven hundred (700) references from the local processing of our products, which are displayed and sold there every day.
In this regard, the Minister of Trade, during a dedicated meeting, facilitated the establishment of relations between the promoters of the said products, in this case the collectives of operators of the agri-food, cosmetic and pharmaceutical sectors as well as the professionals of the credit and microfinance institutions, with the Guarantee and Economic Cooperation Fund (FAGACE), a multilateral financial institution, whose objective is to contribute to the economic development of the Member States by favouring the access of SMEs to financing.

With regard to the promotion of fairness in trade transactions, as regards the metrology, 1,065 large-, medium- and small-range instruments have undergone calibration checks or are in the process of being approved.

With regard to prices, the activities carried out resulted in 2,877 validations of the prices of goods and services not referenced in the official price list, with the aim of streamlining public procurement and improving the quality of public spending.

**II.2.3. With regard to Governance and Institutional Support**
Madam Chair,
Honourable Members of the National Assembly,

During the 2021 financial year, the following actions were mainly carried out:

- the gradual extension of the Cameroon Market Information System (CAMIS), whose pilot phase began on 15 December 2020, to all regions. The optimisation and rationalisation of this system are underway, with the process of interconnecting the information system of the Directorate General of Customs, the Cameroon Customs Information System (CAMCIS) with that of the Ministry of Trade, the Cameroon Market Information System (CAMIS), which will make it possible to have real-time data on external trade;

- the updating of the "Cameroon Trade Information Portal" platform, which is a guide to good practices for economic operators wishing to establish trade relations with foreign partners;
- the continued implementation of the IT Master Plan, a strategic plan for the management of IT development within the Ministry of Trade;

- the continued production, while enhancing the content, of the Trade Statistics Yearbook, a reference document, not only for administrations and professionals, but also for students and researchers.

III. **Outlook and budget request for the 2022 financial Year**

✧ Madam Chair,

✧ Honourable Members of the National Assembly,

Turning now to the 2022 fiscal year, I would like to point out that the budget allocated to my Ministry for this period amounts to seven billion nine hundred and fifty-eight million (7,958,000,000) CFA francs, including six billion seven hundred and twenty-eight million (6,728,000,000) CFA francs for current expenditure and one billion two hundred and thirty million (1,230,000,000) CFA francs for capital expenditure, against a nominal amount voted by Parliament of seven billion four hundred and eighty-five million (7,958,000,000). 000) CFA francs in capital expenditure, against a nominal amount voted by Parliament of seven
billion four hundred and ninety-six million (7,496,000,000) CFA francs in 2021, including six billion two hundred and ninety-six million (6,296,000,000) CFA francs for recurrent expenditure and one billion two hundred million (1,200,000,000) CFA francs for investment, i.e. an increase of four hundred and sixty-two million (462,000,000) CFA francs, in absolute terms, and 06.16%, in relative terms.

The use of this budgetary envelope will be underpinned by a macro-economic environment that is unfortunately more degraded than in 2021, if we are to believe the experts’ forecasts, with the persistence of the consequences of the COVID-19 pandemic on the world economy.

❖ Madam Chair,
❖ Honourable Members of the National Assembly,

In this context, my Ministry will get down, as circumstances permit, to optimally implement the following activities, divided into four (4) Programmes:
III.1. EXPORT DEVELOPMENT SUPPORT PROGRAMME

This programme has a budget of three hundred and eighty-one million one hundred and forty-two thousand (381,142,000) CFA francs, intended for:

- coaching export companies (institutional support for obtaining Community Preferential Regime Approvals, implementation of the "Certified Cameroon Origin" label, optimisation of making external trade procedures paperless), whose budget stands at sixteen million (16,000,000) CFA francs;

- providing support to economic operators to participate in various promotional events abroad, such as the China International Import-Expo in Shanghai, the Dubai World Exhibition, the Lagos Fair, for a total cost of forty-four million (44,000,000) CFA francs;

- support for the organisation of the 13th edition of the CEMAC Cross-Border Fair (FOTRAC), in Kye-Ossi, Ntem Valley Division, with a special emphasis on
women's entrepreneurship, whose budget amounts to seventeen million (17,000,000) CFA francs;

- the finalisation of the process of setting up a commercial intelligence mechanism in order to anticipate export market trends.

It will also be a question of taking full advantage of the new opportunities offered by a greater opening of export markets, in a global manner and, more specifically, of the African Continental Free Trade Area, in particular by intensifying economic operator awareness, information and training, for an amount of sixteen million six hundred thousand (16,600,000) CFA francs.

With regard to cash crops, the following actions will be undertaken in conjunction with the Industry Sector:

- extending the programme for the construction of Cocoa Post-Harvest Processing Centres of Excellence.

- contributing to the implementation of the joint ACP-EU programme entitled: "Supporting business-friendly and inclusive national and regional policies,
strengthening productive capabilities and value chains", with a focus on the coffee sector;

- implementing a new programme on the optimisation of cocoa marketing and the consumption of its by-products.

## III-2/ **DOMESTIC MARKET REGULATION PROGRAMME**

The allocation for the Domestic Market Regulation Programme amounts to three billion one hundred and ten million six hundred and three thousand (3,110,603,000) CFA francs and is as follows:

- **capital expenditure:** nine hundred and fifty two million nine hundred and eight thousand (952,908,000) CFA francs in payment appropriations also corresponding to commitment authorisations;

- **current expenditure:** two billion one hundred and fifty-seven million six hundred and ninety-five thousand (2,157,695,000) CFA francs.

The activities planned here are, inter alia, as follows:
- the reinforcement and consolidation of the process of improving the national economic space, notably through the increase in the means of intervention of the control units, for an amount of one hundred and fifty-three million two hundred and seventeen thousand (153,217,000) CFA francs;

- the intensification of the setting up of market infrastructure with a view to encouraging the concentration of the supply of products and optimising supplies, through the construction, via the municipalities, of fourteen (14) new covered markets, to the tune of five hundred and thirty million (530,000,000) CFA francs;

- the reinforcement of the programme for the organisation of events aimed at boosting the consumption of local products, including the International Coffee Festival (FESTICOFFEE), the International Cocoa Festival (FESTICACAO), the Mfou Agropastoral Fair (CFAF 4,000,000), the Bikok Agropastoral Fair (CFAF 4,000,000), the Christmas Market (CFAF 4,000,000 FCFA), the Yaoundé International Business, SME and Partnership Show,
PROMOTE (CFAF 70,000,000), the Douala International Development Fair, DIDF (CFAF 4,000,000), the Douala International Business and Trade Fair, FIAC (CFAF 60,000,000) and the Yaoundé International Agri-food Fair, SIALY (CFAF 4,000,000);

- the fitting out of three (03) showcases for the display and marketing of "made in Cameroon" products, respectively in Douala, Maroua and Bafoussam, for a total cost of two hundred and eighty-five million (285,000,000) CFA francs;

- the organisation of mobile trailers for the promotional sale of staple products and other dedicated events (Commercial Start, Christmas for All, Consumer Day), for a total budget of sixty-five million (65,000,000) CFA francs;

- support for the modernisation of the commercial space, by encouraging the establishment of new commercial shops, as part of a network that is no longer limited to the heart of the major cities, but also integrates the outskirts. In this respect, the first quarter
of 2022 will see the inauguration of the Ekoudou Carrefour Shopping Centre in Yaoundé, the largest shopping mall of its kind in Sub-Saharan Africa.

III-3/ "PROMOTING METROLOGY, STANDARDS WATCH AND FAIR PRICING" PROGRAMME

The budgetary allocation for this programme amounts to four hundred and ninety-four million seven hundred and fifty-nine thousand (494,759,000) CFA francs, broken down as follows:

- capital expenditure: eleven million seven hundred and eighteen thousand (11,718,000) CFA francs;

- current expenditure: four hundred and eighty-three million forty-one thousand (483,041,000) CFA francs.

The main actions to be undertaken as part of this programme are as follows:

- the carrying out of metrological works (initial and periodic verifications of measuring instruments), to the tune of seventy-three million nine hundred thousand (73,900,000) CFA francs;

- the reinforcement of the metrological stock, through the acquisition of standard gauges, a mass
comparator, standard masses and electronic scales, with a view to enabling the consumer to pay the fair price, for an amount of eleven million seven hundred and eighteen thousand (11,718,000) CFA francs;

- the preparation and dissemination of the official price list, in order to contribute to the improvement of the efficiency of public expenditure, for an amount of forty-five million (45,000,000) CFA francs.

III-4/ GOVERNANCE AND INSTITUTIONAL SUPPORT PROGRAMME

This Programme, which is intended to support the implementation of the other three Programmes, will have a budgetary allocation of three billion nine hundred and seventy-one million four hundred and ninety-six thousand (3,971,496,000) CFA francs, including:

- capital expenditure: two hundred and sixty-five million three hundred and seventy-four thousand (265,374,000) CFA francs in payment appropriations also corresponding to commitment authorisations;
- current expenditure: three billion seven hundred and six million one hundred and twenty-two thousand (3,706,122,000) CFA francs.

This allocation is intended, primarily, to cover staff costs and charges.

It will also be used to cover the following expenses:

- the acquisition of computer equipment, office furniture and rolling stock, for a total cost of two hundred and sixty-five million three hundred and seventy-four thousand (265,374,000) CFA francs

- the production of the Trade Statistics Yearbook, at a cost of thirty-four million (34,000,000) CFA francs;

- staff capacity building, for an amount of seventy-four million seven hundred thousand (74,700,000) CFA francs;

- the rehabilitation of the offices of the Central and Deconcentrated Services, for an amount of fifty million five hundred and twenty-four thousand (50,524,000) CFA francs.
Madam Chair,

Honourable Members of the National Assembly,

These are the necessary clarifications for a proper reading of the 2022 draft budget of my Ministry.

Of course, I am at your disposal to provide you with additional information if need be.

Thank you for your kind attention.

Yaoundé, 30 November 2021