

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) INTRODUCTION

1. Cameroon generally applies CEMAC decisions with regard to customs. Barring a few exceptions, its customs tariffs are always based on the CEMAC Common External Tariff (CET); all the rates are *ad valorem*. The simple average customs tariff is 19.1 per cent. Cameroon binds tariffs at a ceiling rate of 80 per cent for agricultural products and 50 per cent for three non-agricultural products, i.e. only 14.0 per cent of tariff lines. Other tariffs and taxes are bound at 80, 150 or 230 per cent according to product category. The taxable base that Cameroon uses for value added tax (VAT) on imports creates a problem of compatibility with the principle of national treatment.

2. In general, imports of CFAF 2 million or more are subject to the programme for guaranteeing customs revenue (PSRD), and as such must be inspected by the *Société Générale de Surveillance* before shipment. Inspection fees must be paid by the importer at the official rate of 0.95 per cent of the c.i.f. value. In practice, however, flat-rate taxation means that the fee can be as high as 5.5 per cent. For some products, and for imports from Asia, Cameroon uses minimum values, which the authorities justify by the difficulties in implementing the WTO Customs Valuation Agreement. Imports of petroleum products are a de facto monopoly of the Cameroon Petroleum Depot Company (SCDP). Cameroon has laws on contingency measures, but the institution dealing with investigations, which was set up in 1998, was still not functioning at mid 2007. Cameroon has not notified any sanitary or phytosanitary measures, or technical regulations to the WTO.

3. An export duty is levied on all exports. Exports of cocoa and coffee are also subject to various fees. Prohibitions apply to exports of logs of certain species for economic reasons. With a view to encouraging exports, different regimes allow importation with suspension of duties and taxes. Tax benefits for exports are granted under the Industrial Free Zone (ZFI) regime. However, according to the new Investment Charter, the ZFI regime should be terminated by the end of 2009 at the latest.

4. Some products and services are still subject to price approval. In two cases (frozen fish and wheat flour), approval applies only to imported products. New temporary price control measures were also introduced in 2006. The National Commission on Competition (CNC), which was originally due to be founded in 1998, was finally set up in 2006 and became operational in 2007. Implementation of the privatization programme has slowed down, with only one company privatized since 2001.

5. The Cameroon intellectual property regime was harmonized with the TRIPS Agreement when the revised Bangui Agreement (1999) came into force in 2002. Several new copyright collection societies specializing in specific fields were set up in 2003. However, various products are often counterfeited. A new Government Procurement Regulatory Agency was set up in 2001 and a new Government Procurement Code adopted in 2004. National preference margins of 10 per cent for works contracts and 15 per cent for supplies contracts are provided for in the new legislation.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Registration and preshipment inspection

6. Importers and (exporters) must be registered with the Commerce and Personal Property Credit Register¹ and with the list of importers (and exporters) held at the Ministry of Trade. To register, importers must pay the Cameroon National Shippers' Council (CNCC) an annual fee of CFAF 10,000, pay the revenue officer of the Directorate of Trade CFAF 15,000, and hold a valid importer's licence.²

7. All imports (goods or services) must be declared in advance for statistical purposes, and those with a value of over CFAF 2 million must be domiciled with an approved intermediary. Specific exchange regimes apply to petroleum and mining imports. Imports with an f.o.b. value CFAF 2 million or more (except those expressly exempted) are subject to the programme for guaranteeing customs revenue (PSRD) and therefore to preshipment inspection. Cameroon thus continues to use preshipment inspection, notified to the WTO in 2001³, as provided under the PSRD.

8. Since Cameroon's last Trade Policy Review, the minimum (f.o.b.) value of imports subject to inspection has been raised from CFAF 1 million to 2 million. Imports whose value is less and imports of certain products, such as live animals, crude oil and oil exploration and exploitation equipment or used motor vehicles, are exempted.⁴ Goods whose f.o.b. value is between CFAF 1 and 2 million must be notified in a prior declaration to the *Société générale de surveillance* (SGS). Preshipment inspection is also applied to imports from other CEMAC countries.

9. Preshipment inspection is carried out by the SGS, which checks quality, quantity, customs valuation, customs classification and import eligibility.⁵ An inspection and control tax of 0.95 per cent of the f.o.b. value of the imports is charged, with a minimum amount of CFAF 110,000⁶ per delivery or shipment.⁷ Since January 2003, under the Identification Control of Imported Second-hand Vehicles Programme (CIVIO), the SGS inspects such vehicles on arrival. An inspection tax of CFAF 25,000 is charged per vehicle. Preshipment inspection, including fees (especially fixed fees) charged to importers, increases the level of protection for similar goods or their locally made substitutes.

10. For goods whose value is greater than CFAF 1 million (including those subject to preshipment inspection), the importer must apply to SGS for an import declaration. The following documents must be submitted: a copy of the pro forma invoice, the order form, and the confirmation

¹ Registration must be accomplished during the first month of business or in the month during which corporate bodies are formed.

² WTO document G/LIC/N/3/CMR/1 of 17 December 2004.

³ WTO document G/C/W/245/Add.2 of 29 March 2001.

⁴ Other products are exempted such as: works of art, precious stones and metals, used personal objects, explosives and fireworks, vaccines and serums, periodicals, non-commercial postal parcels, trade samples, imports brought in by diplomatic bodies and United Nations agencies, gifts in kind made to the State or foundations by foreign governments or international bodies, or imports made under the free zone regime, except for forestry equipment.

⁵ SGS (2006).

⁶ With a rate of 0.95 per cent, the minimum (fixed) fee of CFAF 110,000 should in principle be paid on imports worth CFAF 11.6 million (a relatively large amount for individual imports to Cameroon). In other words, in practice, imports subject to inspection are mostly worth less than this amount and so pay fee rates of more than 0.95 per cent, 5.5 per cent (i.e. the fixed fee of CFAF 110,000 on imports of CFAF 2 million) being the maximum.

⁷ Decree No. 94/505/PM of 5 October 1995.

telex or any other equivalent document stating the f.o.b. value. The original together with four copies of the import declaration issued by the SGS are given to the importer or freight agent, and the SGS issues inspection orders for goods submitted. After inspection, an internal report is sent to the SGS liaison office, which issues the corresponding Import Inspection Declaration (AVI). Imports worth less than 1 million or exempted from preshipment inspection are directly submitted to customs procedures.

(ii) Customs procedures

11. Cameroon's authorities began a customs administration reform and modernisation programme in 1999, with the help of the IMF and the World Bank. The main steps taken include starting up a Single Window for Foreign Trade Operations and securing the PAGODE system (a semi-computerized customs operations management system set up in 1984). In 2002, Cameroon decided gradually to replace the PAGODE system by the Automated Customs System (ASYCUDA ++).⁸ The new system came on stream on 1 January 2007 in the Autonomous Port of Douala (PAD) and in other customs offices in the country. ASYCUDA is supposed to reduce customs clearance times substantially, increase customs revenues, provide foreign trade statistics, help to combat customs fraud, smuggling and counterfeiting.⁹ A National Committee coordinating operations to combat fraud, smuggling and counterfeiting has been operational since 2005¹⁰ and coordinates the activities of regional committees.

12. The Single Window for Foreign Trade Operations (GUCE), set up for customs procedures in the PAD, has been operational since December 2000. The GUCE brings together services of banks, the PAD, the SGS, Customs, the Treasury, exchange offices, the National Office of Cocoa and Coffee (ONCC), and the phytosanitary services.¹¹ Its main aim is to reduce the length of import procedures to seven days and export procedures to two days.¹² In May 2007, the average times were 19 days on average for imports (seven days pour "citizens' companies" (*entreprises citoyennes*)¹³, and five days on average for exports. However, there are operational difficulties, due in particular to interface problems between the GUCE and some institutions. Cameroon is a member of the World Customs Organization (WCO). It is a contracting party to the Convention on Facilitation of International Maritime Traffic of the International Maritime Organization (IMO), and the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention).

13. Customs procedures are governed by the CEMAC Customs Code, and administered at the national level by the Customs Directorate, under the Ministry of the Economy and Finance. Generally speaking, for customs clearance, the following documents are required: the final invoice, freight invoice, insurance certificate, bill of lading or airway bill, and if necessary, the import declaration, SGS inspection report or certificate of exemption from duties and taxes. An insurance contract with a local company is mandatory for imports worth CFAF 500,000 or more. Other documents may be

⁸ Letter No. 02/00443/MINFI/CAB of 19 November 2002.

⁹ The main products affected by smuggling and/or fraud are African print fabrics, cigarettes, sugar, flour, fuel, electric batteries, vehicle spare parts, pharmaceutical products and cultural works.

¹⁰ Decree No. 98/270/PM of 15 February 2005.

¹¹ GUCE participants have undertaken to provide their services within the following time-limits: Customs – 1h 20 mins (including possible inspections); PAD – 15 mins; ONCC – 30 mins; banks – 15 mins; SGS – 8h 30 mins; Treasury – 15 mins; exchange offices – 30 mins; and phytosanitary service – 8h.

¹² GUCE (undated).

¹³ The period needed for import formalities has gone from 16 to 22 days with the introduction of ASYCUDA and the use of scanners; with adaptation to the new environment, the periods are starting to be reduced once more. To be deemed "citizen", companies must "accept to pay the right price in Customs; ban practices of fraud, smuggling and counterfeiting; abandon all influence peddling; and denounce any deviant behaviour to customs officials" (Cameroon customs (undated a)).

required if necessary, for example to comply with particular regulations (certificate of origin or EUR 1 certificate of movement, sanitary or phytosanitary certificate, fumigation certificate, certificate of conformity or certificate of health, temporary admission authorization, importer's trading licence). Special authorizations are required for importing goods such as pharmaceutical products (a marketing authorization delivered by the Minister of Public Health¹⁴, together with a "health transit visa" from the provincial delegation of public health); and weapons and ammunition (import authorization from the Ministry of Territorial Administration).

14. For imports whose value is less than CFAF 1 million, and those exempted from preshipment inspection, the customs declaration must be submitted to the competent customs service together with the following documents: a copy of the commercial invoice, the contract, the letter of contract or the registration document (if it is a vehicle); a copy of the exemption from inspection tax (if necessary); and a receipt for CFAF 1,000 or 3,000 delivered by the revenue officer of the Directorate of Trade (depending on whether or not the operator is registered on the list of importers).

15. Customs clearance must be handled by approved customs agents. However, government authorities, diplomatic missions, international bodies and importers of second-hand vehicles may themselves declare their goods at customs if they are for their own use.¹⁵ In 1999, a "green channel" for rapid customs clearance was set up in the port of Douala.¹⁶ It is reserved for containers bearing security seals that have been inspected by and marked in the presence of SGS officials before shipment. The goods must be sent by one supplier to one importer. On arrival at Douala, Customs must within 12 hours check the documents, the signature on the release order and, if in doubt, the conformity of the seal.

16. A simplified clearance procedure known as "on-site customs clearance" (*dédouanement à domicile*) was set up in 2000 in the port of Douala for industrial enterprises. To join the system, companies must show that they have a large and regular number of transactions abroad involving raw materials, equipment and accessories; that their solvability is both established and recognized; that they are of good character, and are accordingly not in Customs' fraud file.¹⁷ On-site customs clearance is handled by approved customs agents. For every simplified declaration that companies admitted to the scheme submit, they must provide an application for "legal extra work" (*travail extra légal*) (i.e. overtime) which they themselves must finance in addition to costs for transport and, as necessary, for accommodation and meals for officers inspecting their goods.¹⁸

17. After Cameroon availed itself of the five-year delay period granted to developing countries to implement the WTO Customs Valuation Agreement¹⁹, in January 2001 the authorities requested a new delay period on the basis of Paragraph 1 of Annex III of the Agreement, until 1 July 2001.²⁰ The CEMAC Customs Code has also been revised, with the insertion of decisions and regulations incorporating therein the WTO Customs Valuation Agreement. At the national level, these

¹⁴ Decree No. 98/405/PM of 22 October 1998 laying down the approval and market authorization procedures for pharmaceutical products.

¹⁵ Cameroon customs (undated c).

¹⁶ Ministerial Instruction No. 060/CF/MINEFI/DO of 1 November 1999 setting up the green channel in the port of Douala.

¹⁷ Various categories of goods are excluded from this procedure: goods in transit and commercial companies' and individuals' imports, and goods that have not been inspected prior to shipment, except when the Director General of Customs issues a special dispensation.

¹⁸ Ministry of Trade (2006).

¹⁹ WTO document G/VAL/W/25 of 24 April 1998.

²⁰ WTO document G/VAL/W/80 of 11 January 2001.

arrangements were implemented by Law No. 2001/008 of 30 June 2001.²¹ Cameroon had delayed application of the computed value method for a period of three years from the implementation date of all other provisions of the Agreement.²² In principle, since July 2001 Cameroon has applied the WTO Customs Valuation Agreement, with exceptions.

18. In fact, the provisions of the Agreement are not applied to goods subject to reference prices or minimum values, and used goods.²³ In 2001, Cameroon notified that it would apply minimum values (the official price list – "*valeurs mercuriales*") for a transition period of three years.²⁴ However, up to May 2007 minimum values still apply to goods such as second-hand tyres, second-hand clothing, second-hand goods, fabrics, and all imports from Asia.²⁵ Minimum values apply to imports from Asia and vary between CFAF 12,000,000 and 12,600,000 for a 20-foot container, and between CFAF 23,000,000 and 23,400,000 for a 40-foot container. Minimum values are also established for products such as textiles, meat and offal, biscuits, salt, imported sugar, alcoholic beverages and cigarettes.²⁶ Reference values for frozen fish were eliminated in September 2006.²⁷ A list of products and services whose prices and tariffs are subject to the prior approval procedure has been established (section (4)(iii)(b) below).²⁸

19. Importers can appeal against decisions of the Customs Administration. Two types of appeal are provided for: ordinary appeals, addressed to the Director General of Customs; and appeals dealing with disputes on the type, origin, value, quantity or weight of goods, addressed to the President of the Appeal Committee.²⁹ To submit a case to the Appeal Committee³⁰, all the statutory means of redress to entities processing declarations must have been exhausted, and the heads of the units involved have three days in which to give an opinion. Cases are submitted to the Appeal Committee by the customs broker (*Commissionnaire en douanes*) or his principal, who is required to be present when the case is examined. The Committee meets at least once a month.³¹

(iii) Customs levies

20. Goods imported under the delivery for consumption regime are subject to the following import duties and taxes: import duty (DDI), community integration tax (*taxe communautaire d'intégration* (TCI)), computer user fee (*redevance informatique* (RI)), the OHADA (Organization for

²¹ The law was completed by Ministerial Instruction No. 0246/MINEFI/DD of 30 June 2001.

²² WTO document WT/LET/41 of 20 November 1995.

²³ Cameroon Customs (undated c).

²⁴ WTO document G/C/W/245/Add.2 of 29 March 2001.

²⁵ Values for these goods are established by Service Note No. 008/MINEFI/DGD of 17 January 2007, modifying Service Note No. 110/MINEFI/DGD of 14 April 2005 establishing minimum taxable values of certain imported goods.

²⁶ Order No. 03685/MINEFI/CAB of 6 November 2000, on certain textile products; Decision No. 654/MINEFI/CAB of 28 December 2004 on meats and offal, and biscuits; Decision No. 655/MINEFI/CAB of 28 December 2004, on meats, offal, biscuits and salt; Decision No. 658/MINEFI/CAB of 29 December 2004, on imported sugar; Decision No. 659/MINEFI/CAB of 29 December 2004, on alcoholic beverages; and Decision No. 660/MINEFI/CAB of 29 December 2004, on cigarettes.

²⁷ Ordinance No. 2006/001 of 28 September 2006, revising taxation applicable to certain basic necessities.

²⁸ Order No. 16/A/MINDIC/SDEC/SLR of 24 January 2004.

²⁹ The Committee was set up by Ministerial Decision No. 071/CF/MINEFI/DD of 30 December 1999.

³⁰ Service Note No. 023 MINEFI/DD2/CR of 17 January 2005, modifying and completing the dispositions of Note No. 111/MINEFI/DD/SDR of 17 October 2000, setting out the functioning of the Appeal Committee.

³¹ Information obtained on: <http://www.douanescustoms.gov.cm>.

Business Harmonization in Africa) tax on imports from outside CEMAC, and preshipment inspection fees (section (b) below).

21. If it can be shown with documentary support that goods of non-CEMAC origin imported from a CEMAC State have gone through customs clearance in the first importing country, such goods are subject to payment of valued added tax (section (f) below), the differential of duties and taxes levied in the first State where clearance was made, and all the national tariff duties and taxes not paid in the first State where clearance was made.³² Otherwise, Cameroon is considered as the first State importing a good into CEMAC.

22. In 2006, duties and taxes levied on imports amounted to approximately CFAF 273 billion (about US\$522 million), representing approximately 2.8 per cent of GDP, 33.2 per cent of non-oil fiscal revenue (Table III.1), and 16.6 per cent of the value of imports. The average collection rate for all duties and taxes (including domestic taxes) on imports amounted to approximately 23 per cent over the whole of the period under consideration. The number and cumulated effect of these duties and taxes are such as to encourage tax evasion.

Table III.1
Key components of government revenues, 2002-06
(CFAF billion)

	2002	2003	2004	2005	2006
Total revenues and gifts	1,303.1	1,360.8	1,328.5	1,600.9	1,396.4
I - Total revenues	1,283.7	1,321.1	1,319.6	1,590.0	1,369.7
I.1 Petroleum revenues	368.9	324.1	337.8	439.2	474.8
SNH fees	295.1	272.2	275.4	368.0	407.8
Oil company tax	73.8	52.0	49.8	71.2	67.0
I.2 Non-oil revenues	913.3	997.0	973.5	1,150.8	895.0
I.2.1 Tax receipts	937.3	958.2	963.1	1,101.1	833.7
I.2.1.1 Tax receipts	643.1	646.4	653.1	752.4	557.3
Salaries	41.5	49.6	34.3	55.1	42.7
Progressive surtax	42.9	36.9	28.1	1.3	0.0
Tax on movable capital income	12.8	11.8	15.5	21.6	17.0
Tax on remunerations paid abroad	20.7	17.7	16.3	19.2	19.1
Tax on non-oil companies	102.2	87.7	98.3	146.3	124.7
VAT	183.8	207.2	210.9	234.8	191.9
Excise duties	31.6	33.7	36.4	42.8	36.8
Taxes on sales of oil products	68.2	67.4	71.6	69.3	56.8
Forest revenues	15.2	22.4	22.8	20.7	16.9
Other tax revenues	24.6	28.6	35.6	17.9	10.2
Registration revenues	25.9	31.6	21.0	46.1	36.8
Registration fees	11.7	12.6	4.2	19.4	15.6
Registration tax	2.1	1.7	2.0	3.7	3.5
Axle tax	..	0.9	..	..	..
Property tax	..	0.4	..	..	..
Tax and vehicle stamp duty.	10.6	14.0	13.4	23.1	17.7
Airport stamp	1.8	1.7	2.1	2.3	1.9
Vehicle stamp	1.2	2.5	2.8	4.8	4.1
Other registration revenues	..	..	..	..	..

Table III.1 (cont'd)

³² Service Note No. 096/MINEFI/DD of 11 April 2005, on the regime of taxation of imports of third-party goods coming from a CEMAC State.

	2002	2003	2004	2005	2006
I.2.1.2 Customs revenues	294.2	311.8	310.0	348.7	276.4
Customs duties on imports	142.4	165.6	171.3	181.6	146.1
VAT on imports	126.6	134.2	131.5	150.1	119.5
Excise duties on imports	2.9	1.9	0.0	2.1	3.6
Export duties	3.6	0.3	0.5	1.7	0.6
Export duties on logs	..	..	..	..	..
Levies/exports	..	..	..	..	..
Computer tax	14.4	4.5	4.1	2.8	2.2
Other customs revenues	4.1	5.4	2.7	3.2	1.2
I.2.2 Non-tax receipts	367.0	339.9	350.9	493.2	61.5
Revenues from the state domains	2.6	4.9	1.0	1.9	2.1
Service revenues	32.9	24.0	25.5	26.6	8.6
Computer tax	..	..	..	..	..
Other non-tax receipts	36.4	38.8	49.0	58.5	25.2
Privatization	..	..	..	..	..
I.2.3 Revenues to be classified	3.5	2.4	0.0	0.0	0.0
II - Gifts	19.4	39.7	8.9	10.9	26.7

.. Unavailable.

Source: Information provided by the Cameroonian authorities.

(a) Most-favoured-nation tariff (MFN)

23. In principle Cameroon applies the CEMAC CET, which is entirely *ad valorem* and is made up of five rates: zero rate, applied mainly to certain pharmaceutical preparations and articles, books and brochures, and aviation products (0.7 per cent of tariff lines)³³; 5 per cent, applied to staple goods (3.7 per cent of tariff lines); 10 per cent, applied to raw materials and capital goods (42.7 per cent of tariff lines); 20 per cent, applied to intermediate goods (12.2 per cent of tariff lines); and 30 per cent on wage goods (40.7 per cent of tariff lines). The version of the CET applied by Cameroon (import duty (DDI)) is made up of 6,251 ten-digit lines of HS 2002. As in the CET, all the rates are *ad valorem* (zero, 5, 10, 20 and 30 per cent). However, the DDI rates differ from the CET rates for about 300 tariff headings.

24. The simple average DDI is 19.1 per cent (Table III.2), showing a rise of 0.8 percentage points compared to 2001. The average tariff protection through all the import duties and taxes (i.e. the computer fee, the OHADA tax, and the TCI (section (b) below) is nonetheless 20.6 per cent. The coefficient of variation of 0.5 depicts moderate dispersion of DDI rates. Agricultural products (WTO definition) are subject to higher taxation (simple average of 22.6 per cent) than non-agricultural products (simple average of 18.6 per cent). Following the ISIC definition (revision 2), agriculture remains the most protected sector (with an average tariff of 25.1 per cent), followed by the manufacturing sector (18.6 per cent) and the mining sector (11.3 per cent). The highest DDI rates are applied to products such as fruit and vegetables, beverages and alcohols, wood and its products, dairy products, and coffee, tea, cocoa and sugar (Table III.3).

³³ The products belong to the following tariff sections: HS 2403, 3001, 3005, 3006, 4011, 4801, 4901, 4902, 4903, 4904, 4905, 8407, 8409, and 8802-8805.

Table III.2
Structure of customs duties, 2006

	2006		Uruguay Round
	Tariffs	Total import duties	
1 Bound lines (percentage of total lines)	14.0	14.0	n.a.
2 Duty free lines (percentage of total lines)	0.7	0.0	0.0
3 Duties other than <i>ad valorem</i> (percentage of total lines)	0.0	0.0	0.0
4 Tariff quotas (percentage of total lines)	0.0	0.0	0.0
5 Duties other than <i>ad valorem</i> without AVE (percentage of total lines)	0.0	0.0	0.0
6 Simple average of rates	19.1	20.6	79.9
Agricultural products (WTO definition) ^a	22.6	24.2	80.0
Non-agricultural products (WTO definition) ^b	18.6	20.1	65.0
Agriculture, hunting and logging (ISIC 1)	25.2	26.7	79.9
Mining (ISIC 2)	11.3	12.8	n.a.
Manufacturing (ISIC 3)	18.6	20.1	79.9
7 National tariff peaks (percentage of total lines) ^c	0.0	0.0	0.0
8 International tariff peaks (percentage of total lines) ^d	53.0	53.0	100.0
9 Overall standard deviation of applied duties	9.7	9.7	1.8
10 Nuisance tariffs (as a percentage of total lines) ^e	0.0	0.7	0.0

n.a. Not applicable.

a WTO Agreement on Agriculture.

b Not including oil.

c National tariff peaks are those duties whose rate is three times greater than the simple average of all applied rates (indicator 6).

d International tariff peaks are duties greater than 15 per cent.

e Nuisance tariffs: rates above but not more than 2 per cent.

Note: Indicators do not take into account lines under quota. Indicators 6 to 10 are calculated on the basis of the lines for which it was possible to take into account an *ad valorem* rate.

Source: WTO Secretariat calculations based on data provided by the Cameroonian authorities and CEMAC.

25. All together, DDI shows mixed escalation, negative raw materials (with a simple DDI average of 21.0 per cent) to semi-processed products (with a DDI average of 16.5 per cent), and positive for finished products with a simple DDI average of 20.3 per cent.

Table III.3
Summary analysis of MFN tariff, 2007

Designation	Number of lines	Rates applied in 2006 (not including taxes)				CV	Imports 2005 (US\$ million)
		Number of lines used	Simple average duty	Duty range	Standard deviation		
Total	6,251	6,251	19.1	0-30	9.7	0.5	2,737.4
By WTO definition^a							
Agriculture	871	871	22.6	0-30	9.7	0.4	438.8
Live animals and animal products	104	104	21.5	5-30	7.3	0.3	17.4
Dairy products	28	28	26.1	10-30	6.3	0.2	26.7
Coffee, tea, cocoa, sugar, etc.	205	205	25.8	5-30	8.3	0.3	121.9
Cut flowers and plants	40	40	10.0	5-30	5.1	0.5	3.8
Fruit and vegetables	175	175	29.6	5-30	3.3	0.1	8.1
Cereals	27	27	14.3	5-30	10.2	0.7	213.9
Oilseed and fats	73	73	20.1	5-30	10.5	0.5	24.5
Beverages and alcohol	69	69	28.8	5-30	4.4	0.2	13.0
Tobacco	14	14	19.3	0-30	11.4	0.6	3.7
Other agricultural products	136	136	13.1	5-30	8.3	0.6	5.9

Table III.3 (cont'd)

Designation	Number of lines	Number of lines used	Rates applied in 2006 (not including taxes)			CV	Imports 2005 (US\$ million)
			Simple average duty	Duty range	Standard deviation		
			(per cent)				
Non-agricultural products (excluding petroleum)	5,358	5,358	18.6	0-30	9.6	0.5	1,610.3
Fish and fish products	133	133	20.0	5-30	9.0	0.5	63.5
Minerals, precious stones and precious metals	345	345	18.7	5-30	10.5	0.6	173.9
Metals	631	631	15.3	10-30	7.7	0.5	163.8
Chemicals and photography supplies	907	907	12.0	0-30	6.7	0.6	357.4
Leather, rubber, footwear and travel goods	170	170	21.4	0-30	10.0	0.5	62.9
Wood, wood pulp, paper and furniture	826	826	26.8	0-30	7.6	0.3	99.0
Transport equipment	216	216	17.0	0-30	9.2	0.5	228.7
Non-electrical machinery	553	553	12.2	0-30	5.5	0.4	193.5
Electrical machinery	255	255	16.9	10-30	7.7	0.5	127.3
Non-agricultural products, n.e.s.	453	453	22.0	0-30	9.5	0.4	50.3
By ISIC sector^b							
Agriculture, hunting, forestry and fishing	642	642	25.1	5-30	8.8	0.3	86.4
Mining and quarrying	113	113	11.3	5-30	5.3	0.5	671.7
Manufacturing	5,495	5,495	18.6	0-30	9.5	0.5	1,979.4
By stage of processing							
Raw materials	991	991	21.0	5-30	10.3	0.5	1,008.2
Semi-processed goods	2,105	2,105	16.5	0-30	8.8	0.5	519.2
Finished goods	3,155	3,155	20.3	0-30	9.7	0.5	1,210.0

a 22 tariff lines on petroleum products have not been included.

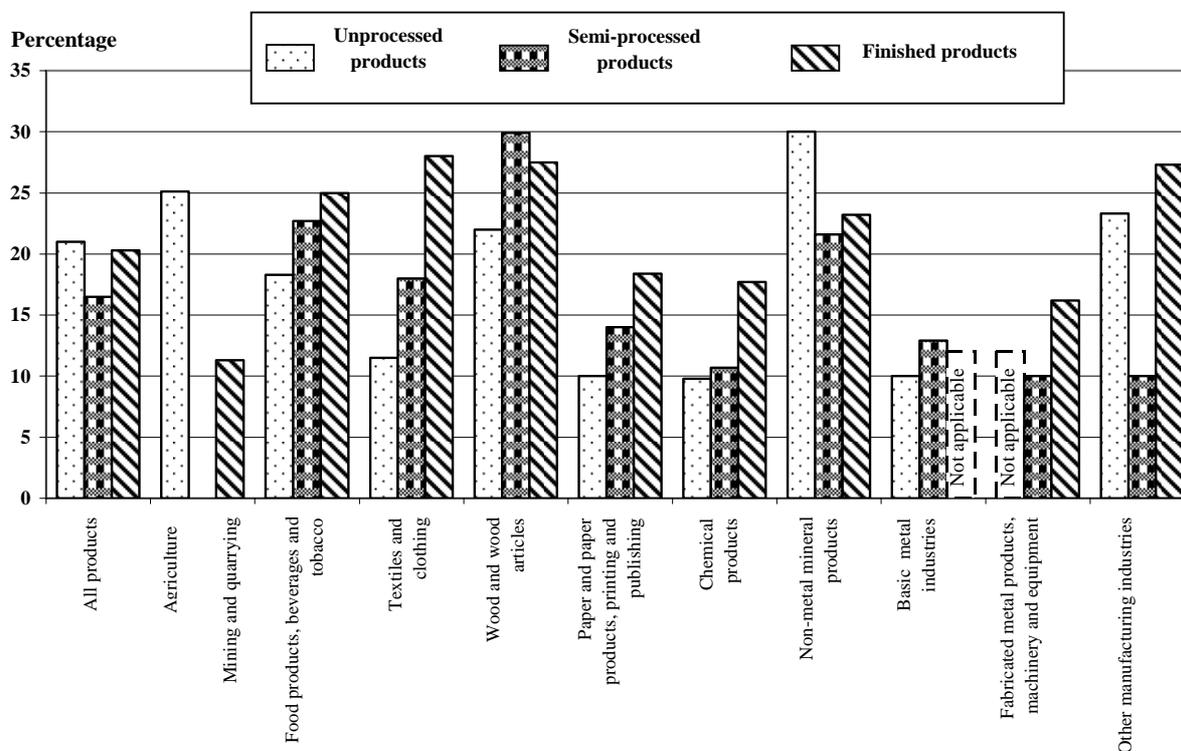
b International Standard Industrial Classification, of all Economic Activities (Rev.2). Electricity, gas and water excluded (one tariff line).

Note: CV = coefficient of variation.

Source: WTO Secretariat calculations based on data provided by the Cameroonian authorities and CEMAC; and UN Statistics Division Comtrade database for 2005 imports.

26. Based on the two-digit ISIC classification, negative escalation from raw materials to intermediate products is notable in the non-metal mineral products industry and "other manufacturing industries" (Chart III.1). Similarly, tariff escalation is negative from intermediate goods to finished goods in the wood articles industry. DDI escalation is positive from raw materials via semi-processed products to finished products in the following industries: food, textiles and clothing, paper and paper articles, and chemical products. DDI escalation is only positive from raw materials to intermediate products in the wood and metal industries; and from intermediate products to finished products in the non-metal mineral products and fabricated metal products industries, among others.

Chart III.1
Tariff escalation, 2007



Note: Product groups are defined by the ISIC two-digit classification.

Source: WTO Secretariat calculations based on data provided by the Cameroonian authorities.

27. Overall, the tariff structure is not such as to encourage local processing. The heavy taxation on inputs (in particular in non-metal mineral product industries) increases production costs and thereby reduces the competitiveness of the finished products. Moreover, the strong (positive) escalation of duties in other industries hides a relatively high level of actual protection, which provides little incentive for local producers to try to make their products competitive on international markets.

28. DDI revenues amounted to CFAF 146.1 billion in 2006 (about US\$228.5 million) (Table III.1), i.e. 8.9 per cent of imports. The average rate of DDI collection over the period under consideration was 12.0 per cent.

(b) Other duties and charges collected exclusively on imports

29. Apart from DDI, several other duties and taxes are levied exclusively on imports.³⁴ In 2001, the community integration tax (*taxe communautaire d'intégration* (TCI)) was introduced to provide the CEMAC Secretariat with the funds required for its operation. The TCI has been applied since

³⁴ The other duties and taxes have not been notified to the WTO.

2002 at the rate of 1 per cent of the c.i.f. value of imports from countries that are not CEMAC members.³⁵

30. Other duties and taxes applied to the c.i.f. value of imports include: the OHADA tax of 0.05 per cent, applied to imports from outside CEMAC; the computer fee of 0.45 per cent on imports whose declarations are processed in computerized offices, irrespective of their origin; and, where relevant, phytosanitary taxes (*taxes phytosanitaires* (TPS)) or sanitary/veterinary inspection taxes (section (vii)(c) below), and storage fees.

31. An inspection and monitoring tax is levied for services provided by the SGS (section (i) above).

(c) Bindings

32. At the end of the Uruguay round, Cameroon bound its tariffs at a ceiling rate of 80 per cent on all agricultural products (WTO definition), and at a ceiling rate of 50 per cent on only three non-agricultural products: raw jute, single yarn of jute and multiple yarn of jute. As a consequence, only 14.0 per cent of tariff lines are bound. Cameroon has also bound its other duties and taxes at a ceiling rate of 230 per cent on agricultural products (WTO definition), 80 per cent on raw jute and 150 per cent on the two other by-products of jute.

(d) Duty and tax exemptions and concessions

33. The CEMAC Customs Code provides for suspensions under several customs regimes of duties and taxes on imports, the most commonly used of which are: transit, temporary admission and in-bond warehousing. Duties may also be suspended under the following regimes: inward or outward processing, drawback or processing before importation. Goods under a suspensive customs regime must (unless there is exemption) be covered by a bond-note whose amount is set out on the basis of the relevant customs duties.

34. The UEAC Council of Ministers is responsible for designating the goods that may enter under the normal temporary admission regime. However, the National Director of Customs may authorize temporary customs operations in such cases as the entry of technical equipment imported provisionally by mining and oil companies for research and prospecting.

35. The CEMAC Customs Code also allows for duty-free entry on goods returning from abroad; gifts to Heads of State; materials and products provided free of charge to member States; goods sent to diplomatic and consular services and to foreign members of some international bodies set up in member States; and goods sent to charities with national status. However, duty-free entry in these cases may be subject to reciprocity from foreign countries.

36. The Investment Code of 1990 provides for different regimes with general and specific incentives (Chapter II(4)). The Investment Charter, adopted in 2002, provides for exemptions from customs duties for companies operating in the research and development sector, occupational training and protection of the environment sectors, the main condition being that these companies invest and produce for export. Some tax concessions are allowed for environmental purposes. For example, industrial companies which import equipment allowing them to eliminate greenhouse gases in their manufacturing processes or products or to reduce all types of pollution, benefit from a proportional reduction of the customs tariff of the equipment and period of time stipulated in the Finance Law.

³⁵ Additional Decision No. 03/00-CEMAC 046-CM-05 establishing an autonomous financing mechanism of the Community, 14 December 2000.

Natural or legal persons undertaking to promote the environment benefit from a reduction on taxable profit.

37. Duty and tax exemptions may also be given to imports under agreements between the investors and the State. Moreover, products imported under the Industrial Free Zone (ZFI) regime are generally exempt from duties and taxes (section (3)(vi) below).

38. The authorities reckon that considerable revenue is foregone through exemptions. The main industries benefiting from exemptions are manufacturing, agriculture and services.

(e) Tariff preferences

39. Cameroon grants duty-free entry for products from the other CEMAC countries, provided that the rules of origin are respected (section (iv) below). However, the principle of single entry is not applied within the Community, with the result that a product made available for consumption in one CEMAC country and then exported to another member country generally no longer benefits from duty-free status. Such products imported from third countries may thus be taxed at least twice (at entry point into CEMAC and in other member countries where they are re-exported). Cameroon claims that it is an exception to this practice.

(f) Domestic duties and taxes

Value added tax (VAT)

40. The levy of VAT by CEMAC member countries is laid down by a directive of 1999.³⁶ VAT is applied by each member State at a rate of between 15 and 18 per cent and at the reduced rate of zero. The zero rate applies to international transport and exports. The directive contains a list of products that may be exempted from VAT, and explicitly forbids exemption in the context of incentives for setting up companies or for investment, measures aimed at particular sectors, and specific agreements. However, member States may defer or suspend taxation for the mining, petroleum and forestry sectors.

41. VAT in Cameroon is applied to all imported or locally produced goods and services. VAT on imports is calculated on the c.i.f. value, to which are added customs and excise duties (this constitutes a problem *vis-à-vis* the WTO national treatment rule), and must be paid to the Treasury during customs clearance. VAT on locally produced goods is levied on the ex-factory value. In 2005, Cameroon increased the general rate of VAT from 17 to 17.5 per cent. Together with the VAT of 17.5 per cent, a communal tax, the "additional centime" equivalent to 10 per cent of VAT, is also levied, bringing the overall VAT plus tax rate to 19.25 per cent. Some products that are considered to be basic necessities³⁷, and a certain number of transactions³⁸, are exempt from VAT. Some

³⁶ Directive No. 1/99/CEMAC-028-CM-03 harmonising the laws of member States with regard to value added tax and excise duties.

³⁷ Milk (including powdered, not concentrated and concentrated in liquid form); eggs; wheat (hard wheat); husked rice; other rice, whether semi-milled or milled, polished or glazed; preparations for children's food using products from HS 0401 to 0404 not containing cocoa powder; bread; wheat, corn and meslin flour; unrefined, non-iodized salt; pharmaceutical products; insulin and its salts; antibiotics; plates and films for X-ray; fertilizers; insecticides; fungicides; herbicides; disinfectants; books and brochures; cocks and hens; edible meat and offal, fish; sugar; flour and fish meal, shellfish, meat and offal that unsuitable for human consumption; bran, sharps and other residues of rice, wheat, other grains and leguminous plants; oil-cakes of soya-beans, linseed, sunflower seed, rape/colza seed, coconut or copra, and oil-cake and other solid residues of other vegetable oils and corn; animal feed preparations (no more than 2 per cent concentrate); kerosene and domestic gas (Tax Code, as amended by the Finance Law (No. 2005/008 of 29 December 2005) for fiscal year

government procurement contracts financed from abroad such as the ADB/CAMEROON Programme³⁹, are exempt from VAT (section (4)(iv) below).

42. In 2006, revenue from VAT on imports amounted to CFAF 119.5 billion (approximately US\$228.5 million) (Table III.1), i.e. 7.3 per cent of imports.

Excise duties

43. In accordance with CEMAC provisions, member countries may levy excise duties on a list of goods drawn up at the Community level.⁴⁰ National lists must include tobacco and beverages. The excise duty rate is freely fixed by each member State within a range of 0 to 25 per cent. The tax base for imports includes the customs value and other import duties and taxes. On locally produced goods, the tax base is the ex-factory price.

44. In Cameroon, excise duties are 25 per cent for the following (imported and local) products: fruit juices, aerated beverages, mineral waters, malt beers, vermouths and other wines from fresh grapes, other fermented beverages (cider, perry, mead), eaux-de-vie, whiskies, rum, gin and spirits (excluding undenatured ethyl alcohol), cigars, cigarillos and cigarettes, chewing tobacco and snuff, other fabricated tobacco products, foie gras, caviar and its substitutes, salmon, precious stones and metals, and jewellery.⁴¹ A reduced rate of 12.5 per cent was introduced in 2006 for private motor vehicles with a capacity of 2,000 cm³ or more. Excise duty on imported products is levied at the border.

45. In 2006, excise duties from imports alone amounted to CFAF 36.8 billion (US\$6.9 million) (Table III.1), i.e. 2.2 per cent of imports.

Other taxes

46. An advance ("*précompte*") of 1 or 5 per cent (depending on whether the trader has a taxpayer's card) is levied on traders' imports and purchases from industrialists, wholesalers and semi-wholesalers. For those subject to corporate tax (or personal income tax), the advance becomes an

2006 and Ordinance No. 2006/001 of 28 September 2006 on the revision of taxation applicable to certain basic necessities).

³⁸ Transactions subject to specific taxation, excluding turnover tax, such as the sale of mining products; real-estate transactions made by non-professionals; interests paid on deposits in credit or financial establishments (by non-professionals); transfers of real estate and business rights; transactions relating to international high sea traffic, lifeboats, aircrafts and vessels for maintenance and refuelling, and inter-state transit operations; importation or sale by the State of fiscal and postal stamps and stamped papers; monies paid by the Treasury to the Central Bank, together with the products of Central Bank transactions; schooling and boarding fees charged by teaching institutions; sales of aircraft by companies whose head office is in Cameroon; the so-called social part of household consumption of water (up to 10 m³ per month) and electricity (up to 110 kW. per month); operations pertaining to the composition, printing, importing and sale of newspapers and periodicals, excluding advertising revenues, inputs and capital goods for these operations; imports of goods exempted under Article 241 of the CEMAC Customs Code; examinations, consultations, treatment, hospitalization, analyses and medical biology work and provision of prostheses; life-assurance and medical insurance contracts; and equipment used in combating HIV/AIDS (Ministry of Trade (2006 a)).

³⁹ African Development Bank.

⁴⁰ Directive No. 1/99-CEMAC-028-CM-03 on the harmonization of legislations of member States with regard to value added tax and excise duty, Annex 2. Accessed on: http://www.izf.net/izf/Documentation/JournalOfficiel/AfriqueCentrale/DIR1_99_annex2.htm.

⁴¹ Tax Code, as modified by the Finance Law (Law No. 2005/008 of 29 December 2005) for fiscal year 2006.

instalment on the final amount of tax to be paid. The advance is not supposed to be part of the cost price; purchases of raw material made by industrialists for the needs of their enterprises are not subject to advances.⁴²

(iv) Rules of origin

47. Cameroon does not have rules of origin for non-preferential purposes. However, as a member of the CEMAC Customs Union, it does have the Community's rules of origin for preferential purposes. These rules can, in principle, also be applied for non-preferential purposes. Cameroon has not notified the WTO of any rules of origin, whether preferential or non-preferential.⁴³

48. Community origin status is given to: products that are entirely obtained in the CEMAC member countries⁴⁴; local raw materials; products made in CEMAC territory.⁴⁵ To be considered as such, manufactured products must be made from raw materials of community origin whose value is at least 50 per cent of the total of all raw materials used⁴⁶; or must contain domestic added value that is at least 40 per cent of the ex-factory price.⁴⁷

49. Once the Generalized Preferential Tariff (GPT) of the Economic Community of Central African States (ECCAS) is operational, other rules of origin will enter into force, in principle at CEMAC level, and will reduce the incorporation threshold for raw materials of community origin to 35 per cent.⁴⁸

50. In Cameroon, the Chamber of Commerce, Industry, Mines and Handicrafts (CCIMA) is responsible for issuing certificates of origin of goods for export (with the exception of specific provisions resulting from international obligations). For the purposes of applying the CEMAC GPT, community origin is attested by the CEMAC Movement Certificate.⁴⁹

(v) Import licensing, prohibitions, and other restrictions

51. In 2004, Cameroon notified its replies to the questionnaire on import licensing procedures to the WTO.⁵⁰ According to this notification, Cameroon has no import licensing regimes.

52. For reasons of health or security, imports of the following products are subject to authorization (or to a "technical visa" or "import permit", depending on the administration involved) from the competent ministries: edible meat and offal, livestock and fishery products, food products for animals, pharmaceutical products, cooking salt, medical soaps, weapons and munitions, prepared explosives other than propellant powders, pyrotechnic products, minerals and precious stones,

⁴² Circular No. 0011/ MINEFI/DI/LC/L of 25 July 1997.

⁴³ WTO Document G/RO/63 of 3 November 2006.

⁴⁴ For example, minerals mined from the land or seabed; products of agriculture, fishing or hunting; and products made in a company managed or run by one or several citizens of one or several member States by exclusively using the products of hunting or fishing.

⁴⁵ CEMAC Customs Code and Decision No. 7/93-UDEAC-556-CD-SE1, modified by Decision No. 1/98-UDEAC-1505-CD-61.

⁴⁶ Up to 1 January 2003, the percentage was 40 per cent, and will be raised to 60 per cent on 1 January 2008.

⁴⁷ Up to 1 January 2003, the percentage was 30 per cent, and will be raised to 50 per cent on 1 January 2008.

⁴⁸ Decision No. 03/CEEAC/CCEG/XI/04.

⁴⁹ Chapter III of Decision No. 7/93-UDEAC-556-SE1.

⁵⁰ WTO Document G/LIC/N/3/CMR/1 of 17 December 2004.

radioactive substances, kerosene, fuels (petrol and gas), gas cartridges, transceivers and other receivers, approved pesticides, and certain chemical compounds.

53. Certain products are, in addition, prohibited for import for environmental, health or security reasons.⁵¹ Quantitative restrictions are maintained on imports of poultry (Chapter IV(2)).

(vi) Contingency measures

54. At February 2007, Cameroon had not notified any contingency trade measures to the WTO. Since Cameroon's last Trade Policy Review, its legislation has not been modified in this respect. The application of anti-dumping duties, countervailing duties and safeguard measures is governed by Law No. 98-12 of 14 July 1998 and regional regulations (sections (a) and (b) below). The institution responsible for investigations into the existence of injury or adverse effects on domestic production is the Anti-dumping and Subsidies Committee, set up by Law No. 98-12. However, at May 2007, the functioning of this Committee had not yet been regulated and the domestic laws have never been applied. Nonetheless, a draft decree setting out the composition of the Anti-dumping and Subsidies Committee and procedures for its operation and the submission of cases has been drawn up. The Ministry of Trade decides whether or not to apply contingency measures, and the Ministry responsible for Finance decides on the nature of the actual measures.

(a) Anti-dumping duties and countervailing duties

55. According to the provisions of Law No. 98-12 of 14 July 1998, dumping occurs when the sale price of the imported good is lower than that "normally" charged by the supplier of the product or a like product in the exporting country or a third country. Once injury to domestic production has been established by the Anti-dumping and Subsidies Committee, an anti-dumping duty, whose rate must not exceed the margin of dumping and which may be in place only for the time necessary to offset the dumping, may be imposed.

56. Countervailing duties may be imposed on subsidized imported products whose distribution threatens or causes adverse effects to the domestic industry because of the price difference between the imports and the domestic products, the aim being to remove the adverse effects.⁵²

57. The provisions of the WTO Agreement on Anti-Dumping and Countervailing Duties have been incorporated into the CEMAC Customs Code. The procedures for implementation and the rates of countervailing or anti-dumping duties are established by decisions of the UEAC Council of Ministers. According to the authorities, no countervailing or anti-dumping duty has been applied by CEMAC during the period under consideration.

(b) Safeguards

58. According to Law No. 98/012, a safeguard measure may be applied if a product is imported in increased quantities such as to threaten or cause serious injury to the domestic production of the like or directly competing product. Such measures may take the form of quantitative restrictions or the

⁵¹ Imports of the following products are prohibited: "Ibéro" and "Turkey Brand" vegetable oils; "McRay" whisky; non-iodized salt; certain cosmetic creams and lotions; certain soaps; certain pharmaceutical products; certain agricultural pesticides; certain insecticides; toxic waste and other industrial waste; counterfeit products; and products and equipment using substances that weaken the ozone layer (SGS (undated)).

⁵² Subsidies are such as defined in the WTO Agreement on Subsidies and Countervailing Measures (Article 10 of Law No. 98-012).

suspension of concessions or other obligations. If a quantitative restriction is used, the average of the three previous years' imports serves as a benchmark, unless a more stringent measure is necessary.

59. If the time-limit set for completion of an investigation causes damage that is difficult to repair, a provisional safeguard measure may be imposed for no longer than 200 days in the form of an increase in customs duties (refunded in the event of a no injury finding). The safeguard measures are applied only for the period needed to prevent or repair the injury and facilitate adjustment of the domestic industry. The period may not exceed four years (including the temporary measures). However, it may be extended once if it is established that the injury has not been repaired or that the adjustments to the domestic industry have not been completed.

60. UEAC members may apply a safeguard measure for six months (renewable) in the event of a sudden economic crisis affecting the balance of payments, *inter alia*.⁵³ Safeguard Measures must be approved as to both duration and content by a qualified majority vote of the Council of Ministers.

(vii) Standards and technical requirements

61. Cameroon has notified the WTO of the Committee for Standardization and Quality replaced in 2005 by the Division of Standardization and Quality (DNQ), under the Ministry of Industry, Mines and Technological Development (MINIMIDT), as being the national enquiry point for all questions concerning technical barriers to trade⁵⁴ and sanitary and phytosanitary measures, and as the body dealing with notification procedures.⁵⁵ The DNQ is also the national contact for the International Standardization Organization (ISO). The Ministry of Trade (MINCOM) also has a standardization committee, the Committee for Standardization and Consumer Protection (CNPC), which oversees application. Cameroon has made no notifications to the WTO regarding standards and technical requirements, or sanitary and phytosanitary measures.

(a) Standards, technical regulations, testing, and certification

62. The MINIMIDT, through the DNQ, is responsible for standardization in Cameroon (including drawing up regulations in collaboration with the relevant departments, quality control and the accreditation of offices responsible for standardization and bodies responsible for certification). It includes the Committee on Standards and Certification (CNC), the Committee for Promotion and Assistance, and the Centre for Analyses and Tests.⁵⁶ The CNPC, for its part, is responsible for metrology, and the dissemination of standards on products put on the consumer market, particularly labelling, quantity and quality.

63. Standardization is regulated by Law No. 96-117 of 5 August 1996, which established the National System of Standardization and the National Quality Mark. The following operations are typically part of standardization: certification of conformity; approval of test laboratories, quality control bodies and standardisation bodies or offices; and quality control. However, the implementing decree which should, *inter alia*, establish the procedures for conformity certification, has not yet been adopted. The authorities have indicated that in practice, quality control is carried out by various ministries.

⁵³ Convention on the Central African Economic Union (UEAC), Article 22.

⁵⁴ WTO Document G/TBT/ENQ/28, 27 October 2006.

⁵⁵ WTO Documents G/SPS/ENQ/20, 6 October 2006 and G/SPS/NNA/9, 25 January 2006.

⁵⁶ Decree 2005/260 of 15 July 2005 on the organization of the Ministry of Industry, Mines and Technological Development.

64. The developing of standards is based on an annual programme that takes into account the needs identified by the economic players (the State, producers, exporters, importers, distributors, laboratories, researchers, unions, and civil society). Generally speaking, priority is given to adopting standards that are likely to generate savings at the national level; that deal with products or services that may threaten the health or safety of the population; that concern products for export; and that are required in order to protect the environment and control pollution. Standards are developed by 20 technical committees, chaired by the private sector and bringing together all the relevant technical ministries, the subsector's economic players (including laboratories), experts and members of civil society (in particular consumers' associations).⁵⁷ The 20 committees are subdivided into 60 subcommittees. According to the authorities, the standards are developed in accordance with the rules and stages prescribed in the ISO Code of Good Practice for the Preparation, Adoption and Application of Standards. After preparation, the preliminary draft standard (or the introductory note if it is an international standard) is submitted to the Committee's board, then circulated for public enquiry and observations. Once the study and enquiry have been carried out, the preliminary draft is submitted to the relevant technical committee for approval.

65. Standards may be transformed into technical regulations by order of the ministry responsible for standardization (i.e. the MINIMIDT) and, if necessary, by a joint order from the ministry responsible for standardization and the ministry responsible for applying the particular standard, for reasons such as: public order and security; national defence; protection of health and the environment, protection of human and animal life; preservation of plants; protection of national treasures of artistic, historical or archaeological value; or for reasons related to fiscal or customs control, commercial transactions and consumer protection.⁵⁸ However, should a technical regulation be difficult to apply, waivers may be granted.⁵⁹

66. Between 1996 and August 2006, 253 standards were developed and published, covering various sectors and dealing with consumer protection and the guaranteeing of exports.⁶⁰ According to the most recent statistics available, during the period 2004-2005, 23 standards were adopted (five in 2005 and 18 in 2004), 22 companies were audited within the framework of technical regulation control and 116 certificates of conformity were issued (50 in 2005 and 66 in 2004).⁶¹ According to the authorities, standards and regulations are generally based on international provisions. In principle, Cameroon also applies ISO 9000 standards.

67. About 30 standards have been transformed into technical regulations (26 since 2001) and deal with food products (wheat flour, durum wheat meal, bread, yoghurt, thermally treated products, powdered milk and cream, concentrated milk (unsweetened or sweetened), fruit juices and nectars, sugars, jams and jellies, non-alcoholic beverages, cereal-based alcoholic beverages, wine, spirits, wine-based aperitifs, natural mineral waters, and drinking water for human consumption), labelling of prepacked foodstuffs, jute bags, LPG gas bottles, cement, aluminium alloy or steel-coated sheets, reinforcing steels, wire fasteners, and welded netting. Certain supplementary standards (mainly dealing with agro-food products) might be transformed into technical regulations, as might the standard on quality and security management in bus transport.⁶² No notification regarding technical regulations has been submitted to the WTO since 2001.

⁵⁷ Ministry of Trade (2006a).

⁵⁸ Law No. 96-117 of 5 August 1996, Article 7.

⁵⁹ Law No. 96-117 of 5 August 1996, Article 9.

⁶⁰ Ministry of Industry, Mines and Technological Development, Division of Standardization and Quality, Committee on Standards and Certification (2006).

⁶¹ Ministry of Planning, Programming, Development and Territorial Planning (2006b).

⁶² Ministry of Commerce (2006a).

68. No body has express approval for conformity certification. In practice, certificates are issued by the DNQ. They give the right to display the national mark.⁶³ In principle, every product (whether local or imported) is put through quality control and conformity control before being marketed.⁶⁴ The control is certified by an authorization for delivery for consumption, issued by the ministry responsible for monitoring standardization and quality (i.e. the MINIMIDT). For medicines, pharmaceuticals and phytosanitary products, the certificate approving product formulation or the marketing authorization in theory serves as an authorization for delivery for consumption. However, according to the authorities, the standards for pharmaceutical products have not yet been developed.

69. The importing of products subject to technical regulations is conditional on the presentation of a certificate of conformity before collection from the customs office.⁶⁵ The SGS and other institutions established in Cameroon are responsible for carrying out tests. In particular, the importation (and the manufacturing and marketing) of breast milk substitutes is in principle subject to quality control by the Ministry of Public Health.⁶⁶ However, the authorities have indicated that this requirement has not yet been applied.

70. Standardization in Cameroon is still faced with a certain number of constraints, for example the involvement of numerous players whose roles are not clearly defined, legislation that is too general, insufficient human and financial resources, and the fact that the laboratories responsible for analyses and quality control offer only partial services and information on standardization is not widely enough disseminated.⁶⁷ As part of its industrial policy the Government aims to develop the National System of Standardization and Quality Control in order to protect consumers and the environment, and to promote exports. A strategic plan known as the "Framework plan for developing standardization", was being finalized in May 2007.⁶⁸ The legislation setting up the Agency of Standards and Quality has also been drawn up.⁶⁹ This agency's task will be to work with the relevant departments and public and private bodies on setting out, developing, implementing and monitoring government policy on standardization and quality in Cameroon. It will be responsible, *inter alia*, preparing the regulations on standardization, for the analytical quality control of products subject to technical regulations, for accrediting certification bodies and for dealing with certification of conformity.⁷⁰

71. According to the authorities, Cameroon has not as yet, signed any mutual recognition agreements and does not accept foreign tests and certifications.

(b) Labelling, marking and packaging

72. Since 1 September 2001, there have been mandatory prescriptions for the labelling of imported and local food products.⁷¹ The packaging of all perishables must indicate the expiry date. For food, the following information (in French and English) is also required: name of producer,

⁶³ Law No. 96-117 of 5 August 1996, Article 10.

⁶⁴ Order No. 0014/MINCOMMERCE of 13 June 2006, laying down the procedures for the technical inspection of quality and conformity to standards of products for local consumption or export.

⁶⁵ Cameroonian Customs (undated c).

⁶⁶ Decree No. 2005/5168/PM of 1 December 2005, regulating the marketing of breast milk substitutes.

⁶⁷ Ministry of Industry, Mines and Technological Development, Division of Standardization and Quality, Committee on Standards and Certification (2006).

⁶⁸ Ministry of Industry, Mines and Technological Development, Division of Standardization and Quality, Committee on Standards and Certification (2006).

⁶⁹ Ministry of Planning, Programming, Development and Territorial Planning (2006b).

⁷⁰ Revision of Article 4 of the draft decree on the setting up, organization and functioning of the Agency of Standards and Quality.

⁷¹ Decree No. 0018/MINDIC/DDI/CML of 21 November 2000.

production date and national conformity mark. Pharmaceutical products must give the expiry date and directions for use (in French and English). All boxes, cases, crates, and packages must bear marking identifying the country of origin. Except for beer and wine containing less than 13 per cent alcoholic content by volume, all bottles and other containers of alcoholic beverages must be labelled with the degree of alcohol. Foreign food products which bear neither the name of the place of production nor the name of the country of origin and the word "Imported" in clearly legible characters are prohibited.

73. The labelling (in French and/or English) of breast milk substitutes is subject to certain specific requirements, and must provide information on the necessary precautions to avoid contamination, the minimum age for using the product, the storage conditions and information stating that breast feeding is better than artificial milk.⁷²

74. It is compulsory to pre-label cigarettes that are to be sold in Cameroon; the label must specify, *inter alia*, the country of origin and the identification number of the economic operator.⁷³ The importer must pay for the label before the merchandise is shipped. In addition, cigarette packets must carry a health warning. Imported cigarettes and a variety of other imported products⁷⁴ must bear the phrase "for sale in Cameroon" in order to combat fraud, smuggling and counterfeiting.

(c) Sanitary and phytosanitary measures

75. Cameroon joined the FAO International Plant Protection Convention on 5 April 2006.⁷⁵ It is also a member of the FAO/WHO Codex Alimentarius Commissions; and of the World Animal Health Organization (OIE). At the national level, considerable efforts have been made with legislation for phytosanitary measures since Cameroon's last Trade Policy Review, with a law on phytosanitary protection⁷⁶; decrees establishing procedures for phytosanitary protection⁷⁷, procedures for carrying out plant quarantine operations⁷⁸; conditions for approval and control of phytosanitary products⁷⁹; and the decree on the organization of the National Phytosanitary Council.⁸⁰ Cameroon has made no notifications to the WTO regarding sanitary and phytosanitary measures since 2001.

76. The competent authority for sanitary protection is the Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) and for phytosanitary protection, the Ministry of Agriculture and Rural Development (MINADER). In 2005, a National Phytosanitary Council was set up in order, *inter alia*, to advise the Government in this field, to comment on draft legislation or regulations (and on general measures under consideration) and comment on the implementation of phytosanitary policy.

⁷² Decree No. 2005/5168/PM of 1 December 2005 regulating the marketing of breast milk substitutes.

⁷³ Decree No. 98/270 of 3 September 1998.

⁷⁴ These are: products such as detergents in powder form; disposable lighters; granulated white sugar; sugar lumps; biscuits; pepper; tea; pasta; vegetable oils; spirits; stationery items, folders, perforated paper, reams of duplicator paper, reams of onionskin (flimsy) paper; Fancy Print cotton Africa prints and extension; wax Africa prints; terry cloth fabrics; hydraulic cement; other Portland cements; wheat flour; jute bags; matches; R20, R14 and R6 batteries; insecticides in the form of aerosol sprays and spirals; exercise books, registers, note books, desk pads, manifold business forms, elasticated folders; and mineral waters (Order No. 00031/MINCOMMERCE/MINEFI of 28 September 2005, establishing the stamping and marking of certain imported products, Annexes Nos. 1 and 2).

⁷⁵ Consulted at: <http://www.fao.org/legal/Treaties/004s-f.htm> [24 September 2006].

⁷⁶ Law No. 2003/003 of 21 April 2003.

⁷⁷ Decree No. 2005/0770/PM of 6 April 2005.

⁷⁸ Decree No. 2005/0771/PM of 6 April 2005.

⁷⁹ Decree No. 2005/0772/PM of 6 April 2005.

⁸⁰ Decree No. 2005/0769/PM of 6 April 2005.

77. According to current legislation, imports of plants, plant products, soil or growing media require a phytosanitary certificate.⁸¹ Moreover, the Minister of Agriculture publishes annually a regulation listing regulated harmful organisms. The list contains the plants, plant products, soils or growing media whose production, importing or exporting are prohibited in Cameroon; another list identifies the products subject to a declaration of production, importation and exportation.

78. The importing of plants, regulated plant products or biocontrol agents also requires a permit. Plants and plant products for which a permit is required may only be imported via the entry point stipulated in the permit. These products and materials may be subject to prior control in a quarantine station in an intermediate country or in the country of origin. The phytosanitary certificate and import permit are issued by the agencies responsible for phytosanitary policing (such as the Ministries of Agriculture or Health) and are paid for by the person applying for the permit. Verification of phytosanitary conformity is carried out by the laboratories of the department responsible for quality control and phytosanitary regulation, or by any other laboratory approved by the Ministry of Agriculture. The authorities have indicated that there are no national legal provisions on genetically modified organisms (GMO).

79. Only phytosanitary products⁸² that have been approved or been given a temporary sales authorization may be imported into Cameroon. All importers of phytosanitary products must have received prior approval.

80. Live animals must travel with the international or national vaccination card (for all vaccines).⁸³ Before delivery for consumption, products of animal origin must be submitted to veterinary or sanitary inspection.⁸⁴

81. The phytosanitary tax (TPS) amounts to CFAF 50 per tonne, the maximum tax being CFAF 15,000, and the veterinary and sanitary inspection tax (ISV) is 3 per cent (for fish, shellfish, leather and raw hides and skins) or 2 per cent (for tanned leather and skins and other products), or a specific rate fixed per head. For imports the latter tax varies between CFAF 4 per head (for day-old chicks), CFAF 5 for eggs, CFAF 2,000 per head for bovine animals, and CFAF 6,000 per head for wild cats. For local trade, this tax is lower and ranges from CFAF 0.5 for eggs, CFAF 1 per head for chicks, and CFAF 200 per head for bovine animals.⁸⁵

(viii) Other measures

82. There are provisions in force specifying local content ratios. Companies must respect the criteria set out in the certificate of approval such as the requirement to use services provided in Cameroon at a ratio of at least 25 per cent of inputs.⁸⁶ Furthermore, use of raw materials of Cameroonian origin is one of the eligibility criteria for obtaining the status of free enterprise (section (3)(vi) below). With regard to government procurement, when the price or offer are equivalent, priority may be accorded to the bidder whose offer provides for the most local content

⁸¹ At the CEMAC level, phytosanitary certificates are mandatory pursuant to CEMAC quarantine regulations for importing various plants and plant products, including banana plants, cocoa plants and coffee plants, sugar cane, raw cotton, cotton plants, and containers holding earth and/or composts.

⁸² Pesticides and other substances to be used as plant growth regulators, defoliant, desiccator agents, fruit-thinning agents or agents to prevent fruits from falling prematurely, and substances applied to crops, either before or after harvest to protect them from deterioration during storage or transport.

⁸³ Dun and Bradstreet (2004).

⁸⁴ Law No. 2000/017 of 19 December 2000.

⁸⁵ Annex 1 of the Finance Law No. 89/001 of 1 July 1989.

⁸⁶ WTO document GATS/SC/15 of 15 April 1994.

(section (4)(iv) below). To benefit from the SME regime under the Investment Code of 1990, at least 35 per cent of equity ownership must be Cameroonian (Chapter II(4)).

83. With regard to countertrade, the authorities have indicated that the debt to China has been partially reimbursed in kind.

84. No agreement seems to have been signed with foreign governments or companies in order to influence the quantity or value of goods and services exported to Cameroon. Similarly, no such agreements appear to exist between Cameroonian and foreign companies.

85. The National Hydrocarbons Corporation (SNH) is required to maintain stocks for security purposes corresponding to 30 days of consumption (Chapter IV(3)(i)). The Cereals Office is responsible for maintaining buffer stocks of cereals for the northern region. In July 2005, the Prime Minister ordered the Ministry of Agriculture and Rural Development (MINADER) to constitute food stocks for security purposes in the towns and villages hit by famine in the far north of the country.⁸⁷

86. Cameroon takes part in international trade sanctions adopted by the UN Security Council and regional bodies of which it is a member.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Procedures

87. The formalities for registering traders that must be completed in order to import goods are also applicable to exporters (section (2)(i)). Customs formalities are defined by common CEMAC rules, with certain specific national features. Since December 2000, export formalities are dealt with by a single window.

88. A customs export declaration must be filled out for all goods. Until recently, certain goods (pineapples, bananas and rubber) could be exported by means of a provisional declaration. This was eliminated with the introduction of ASYCUDA in 2007. Exported goods can only be declared by an approved customs agent. However, oil companies are authorized to make their own customs declarations for crude oil.⁸⁸

89. The other documents required for exports are the order form, the final domiciled invoice, the EUR1 certificate for exports to the European Union or the movement certificate for exports to CEMAC member countries, the stuffing certificate (for exports in containers), the application or order for statutory overtime, and sanitary certificate and/or certificate of origin (if required by the importing country) (sections (2)(vii)(c) and (iv)). For some products, additional documents must be presented, such as an authorization from the Ministry of Culture for exports of works of art or the CITES permit for protected species.

90. Export transactions worth more than CFAF 5 million must be domiciled in a CEMAC-approved bank.⁸⁹ Export revenues must be recovered and repatriated within 30 days following the

⁸⁷ Republic of Cameroon, Prime Minister's Office, "Declaration by the Minister of Communications following the Cabinet meeting of 1 July 2005". Consulted at: http://www.spm.gov.cm/detail_art.php?id_document=256&id_art=676&type=doc&lang=fr.

⁸⁸ Law No. 2003/017 of 22 December 2003 on the Republic of Cameroon's Finance Law for the year 2004.

⁸⁹ Regulation No. 02/00/CEMAC/UMAC/CM of 29 April 2000, on the harmonization of exchange regulations in CEMAC member States.

date stipulated in the contract (or for services 30 days after the due for payment date) unless a waiver has been issued by the Ministry of Economy and Finance.

91. For exports worth CFAF 500,000 or more, the exporter must obtain from the SGS an export declaration using the form F1 with a bank domiciliation. The export file must be delivered to the SGS at least 72 hours before shipping, and must also contain such documents as the packing list. An inspection and control tax of 0.95 per cent of the f.o.b. is levied. The SGS is responsible for sending copies of the export declaration to the exporter's bank, and to the relevant departments (including Customs).⁹⁰

92. Some goods are subject to the rules of the Export Sectoral Monitoring Programme (PSSE). These are: coffee, cocoa, logs and medicinal plants (section (iv) below). The PSSE pursues the same objectives as the Import Verification Programme (PVI) (section (2)(i) above), over and above that of controlling the repatriation of foreign currency generated by exports. Special requirements and conditions remain in force for a small number of other exports considered to be "sensitive", such as fishery, handicraft and livestock products (including eggs).

(ii) Export taxes

93. The CEMAC customs regime allows member countries to levy export taxes. Cameroon applies export taxes (*droits de sortie*) of 2 per cent of the f.o.b. value of exported goods, with the exception of logs, which are subject to a higher rate. Thus local products – from the soil (such as hevea, cocoa, coffee, bananas or cotton) and from the subsoil – are not subject to any export taxes.⁹¹ However, exports of wood (raw or semi-processed logs) are subject to an export tax of 17.5 per cent of the f.o.b. value.⁹² A surtax is also applied to logs (Chapter IV(2)(e)). Export taxes on logs have been imposed to encourage processing and hence local added value.

94. Exports of cocoa and coffee are subject to various fees, totalling CFAF 25 per kilogramme, to the benefit of certain institutions. These are fees of CFAF 6.5 per kilogramme paid to the National Cocoa and Coffee Office (ONCC) (of which CFAF 1.5 is paid for quality control), CFAF 1.5 per kilogramme as fees to the Cocoa and Coffee Interprofessional Council (CICC), and CFAF 2 per kilogramme as dues to international organizations monitoring international agreements on cocoa and coffee – the International Coffee Organization (ICO) and International Cocoa Organization (ICCO).⁹³ A fee of CFAF 15 per kilogramme exported is levied on behalf of the Cocoa and Coffee Subsector Development Fund.

95. Exports are in principle subject to zero-rate VAT (section (2)(iii)(f) above). However, to fight fictitious exports, sales free of turnover tax and VAT made by production units to intermediaries responsible for carrying out export operations are prohibited⁹⁴; the appropriate VAT being levied by the suppliers. Given the lack of a clearing house at the CEMAC level, the refund of invoiced VAT may take the form of credit notes issued to suppliers, to be settled against justification of exports

⁹⁰ Ministerial Instruction No. 00268 MINEFI/CAB of 15 December 1995, on the setting up of the Programme for guaranteeing customs revenue.

⁹¹ Cameroonian Customs (undated b).

⁹² Ministry of Trade (2006a).

⁹³ Order No. 0015/MINCOMMERCE of 30 August 2006, establishing the fees to the National Cocoa and Coffee Office and the Cocoa and Coffee Interprofessional Council and the dues to international cocoa and coffee organizations.

⁹⁴ Instruction No. 0106/CF/MINEFI/DI/DD of 31 July 1996

effectively made. In the absence of justification, the VAT is paid to the tax office of the territory concerned.⁹⁵

96. Exports worth CFAF 500,000 or more are subject to the inspection and control tax (section (i) above). Exports of fish and meat are subject to a sanitary inspection tax at the same rate as imports (section (2)(vii)(c) above).

(iii) Minimum export prices

97. Cameroon does not apply minimum export prices. Official reference prices continue to be used to compute the export tax on logs⁹⁶, steel and iron (HS 720410-720450). For other products, the export tax is levied on the ex-factory value.

(iv) Export prohibitions, restrictions, and licensing

98. In principle, quantitative restrictions (including prohibitions) and controls in force on exports derive for the most part from treaties to which Cameroon is party (Basel Convention on the Control of Transborder Movements of Hazardous Waste, CITES, or Chemical Weapons Convention *inter alia*). Restrictions are, however, maintained on exports of logs for economic reasons (Chapter IV(2)(iii)(e)). Mandatory quality controls are applied to exports of cocoa and coffee (Chapter IV(2)(iii)(b)).⁹⁷

99. Following the adoption of Ordinance No. 99/001 in 1999, Cameroon has set about gradually prohibiting exports of logs in order to promote the processing industry.⁹⁸ From 1999 until the prohibiting of log exports in 2004, a certificate of registration had to be obtained to export timber, which was intended to ensure that 70 per cent of production was processed locally and only 30 per cent of the annual harvest exported as logs. However, the Ordinance also provides for log exports to continue, subject to a surtax, with the aim of promoting certain species (Chapter IV(2)(iii)(e)). The export of two species (Sapelli and Ayous) is subject to quantitative restrictions with exporters being given quotas proportionate to the efforts invested in processing or exporting the species being promoted⁹⁹ which may be exported as logs.¹⁰⁰ Individual export quotas are decided by the Ministry of Forestry. However, according to the authorities, the loss brought about by prohibiting exports of most logs has not been offset by an increase of processed timber.¹⁰¹

100. The export of certain products is subject to specific requirements. For coffee and cocoa, over and above quality certification from the ONCC¹⁰², exporters of cocoa and coffee also need to submit to the Ministry of Trade a stamped application, a trade registration, a registration number, the list of "operating facilities" required by the CICC, and a commitment to comply with CICC rules. Approval

⁹⁵ Information consulted at: http://www.impots.gov.cm/cadre_organisation.htm.

⁹⁶ Cameroonian Customs (undated b).

⁹⁷ Respectively, Decree No. 2005/1212/PM of 27 April 2005 regulating the packaging and marketing of cocoa beans, and Decree No. 2005/1213/PM of 27 April 2005 regulating the packaging and marketing of green coffee.

⁹⁸ Ordinance No. 99/001 of 31 August 1999, completing certain provisions of Law No. 94/01 of 20 January 1994, on the forest, fauna and fishery regime.

⁹⁹ There are two lists of essences to be promoted, one for first category essences and the other for second category essences.

¹⁰⁰ Ministry of Trade (2006a).

¹⁰¹ Ministry of Trade (2006a).

¹⁰² In August 1997, the Government licensed the Société Générale de Surveillance (SGS), La Cordeler Cameroun, SA, and L'Observatoire Camerounais de la Qualité (OCQ) to control the quality of Cameroon's coffee and cocoa prior to exportation.

from the Ministry of Forestry or the Ministry of Mines is mandatory for timber, precious stones and substances.¹⁰³

101. Special licences are still required to export "strategic" goods such as gold and diamonds, and for ecologically sensitive items (governed by the CITES Convention) such as live animals, birds, and medicinal plants.

(v) Export subsidies, promotion and assistance

102. The CEMAC Customs Code provides for different regimes allowing importation with suspension of duties and taxes in order to encourage exports; these are, *inter alia*, the drawback regime or the inward processing regime. The list of products that may be admitted under the drawback regime is drawn up by decision of the UEAC Council of Ministers. As well as these regimes, there are other provisions that aim to encourage exports. These are, *inter alia*, exemption from export duties and insurance taxes on manufactured products, and the reduction of taxable revenue by 0.5 per cent of the f.o.b. value of the exported manufactured products.

103. Tax concessions for exports are granted under the free zone regime (section (vi) below). Pursuant to Annex VII(b) of the Agreement on Subsidies and Countervailing Measures, Cameroon is authorized to maintain the concessions until such time as its gross per capita GDP in constant 1990 dollars value is above US\$1,000 based on the most recent World Bank figures, over a three year period.¹⁰⁴ According to the most recent estimation (2004), this indicator for Cameroon amounts to US\$951.

104. The Ministry of Trade (which in 2004 replaced the Ministry of Industrial and Commercial Development) is responsible for promoting exports through its Directorate of Foreign Trade.¹⁰⁵ The main measures for promoting exports include taking part in trade fairs, providing information about foreign markets, organizing for exporters' meetings with other countries, and promoting exports through the embassies. The new Investment Charter of 2002 also provides for the setting up of an export promotion agency which, in May 2007, had not yet been founded.

105. The Chamber of Commerce, Industry, Mines and Handicrafts (CCIMA) was set up in 2001 to replace the Cameroon Chamber of Commerce, Industry and Mines (CCIM).¹⁰⁶ The CCIMA still has responsibility for promoting exports, in particular by taking part in trade fairs, international exhibitions and other commercial events, and in commercial and economic meetings outside the country.¹⁰⁷

106. Cameroon does not have an export finance mechanism in place. Access to finance continues to be a major constraint for exporting, especially for small and medium-size enterprises.

(vi) Industrial free-zone regime

107. Cameroon's Industrial Free Zone (ZFI) Programme, with its various benefits for exports (section (v) above)¹⁰⁸, has been notified to the WTO. The ZFI regime has, in principle, been

¹⁰³ Ministry of Trade (2006a).

¹⁰⁴ WTO document G/SCM/110/Add.3/Corr.1, 14 November 2006.

¹⁰⁵ Decree No. 2004/320 of 8 December 2004, on government organization and Decree No. 2005/089 of 29 March 2005, on the organization of the Ministry of Trade.

¹⁰⁶ Decree No. 2001/380 of 27 November 2001.

¹⁰⁷ Ministry of Trade (2006a).

¹⁰⁸ WTO documents G/SCM/N/3/CMR and G/SCM/N/16/CMR of 29 November 1996.

abolished by the new Investment Charter¹⁰⁹, with a maximum transition period of five years starting from its promulgation in 2002, to make way for new regulations. According to the authorities, the transition period has been extended by two years. The ZFI regime should thus be abolished by 2009 at the latest. During the transition period, current regimes (including the ZFI regime) remain in force (Chapter II(4)). However, companies that benefited from this regime before its abolishment keep their advantages. Since the grouping together of free zones that was provided for in the ZFI regime has never become operational, in practice all companies (except for three in the MAGZI Bassa free zone)¹¹⁰ covered by in the regime were approved as "free points".¹¹¹ In May 2007, there were 24 industrial free points in Cameroon (against 44 in June 2000), 12 of which were operational and 12 being set up.

108. The ZFI regime aims to promote investment¹¹², exports, and employment. However, according to the authorities, the regime has not proved its worth; it has in fact exempted part of the economy from tax without producing the results originally expected, i.e. the creation of companies and new jobs.¹¹³

109. Firms established in the free zones have to produce goods or services destined essentially for export. Nevertheless, 20 per cent of their production may be sold on the domestic market, when authorized by the Minister of Industry. Merchandise exported from ZFIs is exempt of all duties and taxes; goods exported into the Cameroonian customs territory are treated as imports and are subject to the duties, taxes and procedures in force.¹¹⁴ The benefits granted to industries established in the free zones have not changed since 2001 (Table III.4).

Table III.4
Some of the benefits provided under the Industrial Free Zone Regime (ZFI)

<p>Customs benefits</p> <p>Imports and exports of ZFI companies are exempt from all customs duties and taxes and from all other direct and/or indirect duties and taxes^a</p> <p>Exemption from the import verification programme</p> <p>Tax benefits</p> <p>Tax exemption on company tax (IS) for 10 years, then a fixed rate of 15 per cent</p> <p>Total exemption from all other direct and/or indirect taxes</p> <p>Unlimited carrying forward of losses to the following tax period for the purposes of calculating tax</p> <p>Exemption from transfer tax on sales of immovable property and the tax on foreign exchange transfers</p> <p>Sales by domestic firms to companies in the free zones are exempt from tax, including turnover tax</p> <p>Labour regulations</p> <p>Work permits may be obtained automatically for foreign workers^b</p> <p>Service benefits</p> <p>The right to obtain electricity or water at preferential rates, and to benefit from preferential port charges for the services of the Cameroonian National Ports Office (ONPC)</p> <p>The right to install private electrical generating equipment and telecommunications networks^c</p>
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Table III.4 (cont'd)

¹⁰⁹ Law No. 2002-004 of 19 April 2002, modified by Law No. 2004-20 of 22 July 2004.

¹¹⁰ Mission to develop and manage industrial zones (MAGZI).

¹¹¹ "Free point" status is granted preferentially to enterprises that, *inter alia*, use domestic raw materials, and are installed close to the source of supply for these materials or, in the case of existing enterprises, guarantee the export of their entire production not later than one year after they are granted such status.

¹¹² Ordinance No. 90/001 of 29 January 1990, creating the free zone regime, ratified by Law No. 90/023 of 10 August 1990; and Order No. 51 /MINDIC/IG1 of 28 December 1990, setting the provisions for the implementation of the free zone regime in Cameroon.

¹¹³ Ministry of the Economy and Finance (undated).

¹¹⁴ WTO (2001).

Other benefits

Rationalization of administrative procedures (authorization to set up and operate a company in the free zone, customs inspection) under the single window

Exemption from all licences, authorizations and quota limitations for imports and exports

Freedom from any state monopoly regulation, including the shipping requirements of the Cameroon Shipping Lines (CAMSHIP)/CNCC and CAMAIR

No price controls or profit margin controls

No restrictions on the buying or selling of currency or the right to transfer abroad profits made and capital invested in Cameroon.

Possibility of selling part of annual production on the domestic market, subject to payment of taxes and customs duties in force.

- a Motor vehicles for the transport of passengers, and carburants are not exempt.
- b However, by the end of the company's fifth year of operation, Cameroonians must constitute at least 80 per cent per occupational category of company staff.
- c Telecommunications equipment becomes state property.

Source: Ordinance No. 90/001, 29 January 1990; Ministry of Trade (2006), *Guide du commerce extérieur du Cameroun*.

(vii) Other provisions

110. In principle, Cameroon does not apply voluntary export restraints. As a member of the Association of Coffee-Producing Countries, Cameroon has, in the past, restricted its coffee exports (Chapter IV(2)).

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) State trading, State-owned enterprises and privatizations

111. Up to February 2007, Cameroon had made no notifications about state trading.

112. Under its economic and financial recovery programme, Cameroon is setting out to rationalize the management of public and semi-public enterprises¹¹⁵, by means of reforms leading to the restructuring, liquidation or privatization of a number of these enterprises.¹¹⁶ Cameroon has thus decided progressively to withdraw from the production sectors. A rehabilitation unit for enterprises in the public and semi-public sector is responsible for assisting the Head of State in setting and evaluating policy in this area.¹¹⁷ It has an Interministerial Committee that makes proposals on the enterprises to rehabilitate or privatize, the arrangements for restructuring, privatizing and/or liquidating enterprises, and the choice of potential buyers. The committee is assisted by two technical

¹¹⁵ The general statute governing state institutions and public and semi-public enterprises is contained in Law No. 99/016 of 22 December 1999.

¹¹⁶ The main legislation on privatization is: Decree No. 86/656 of 3 June 1986, setting up a rehabilitation unit for enterprises in the public and semi-public sector (PSS); Decree No. 89/010 of 4 January 1989, on the extending of the rehabilitation unit for enterprises in the PSS; Law No. 89/030 of 29 December 1989, authorizing the President of the Republic to define by ordinance a privatization regime for enterprises in the PSS; Ordinance No. 90/004 of 22 June 1990, on the privatization of public and semi-public enterprises, with the various implementing decrees; Decree No. 90/1423 of 3 October 1990, on the privatization of some PSS enterprises; Decree No.94/125 of 14 July 1994, allowing some PSS enterprises to proceed with privatization; Decree No. 94/138 of 21 July 1994, setting up a Ministry of the Economy and Finance, functions of the Ministry of the Economy and Finance and organization of its departments; Decree No. 94/139 of 21 July 1994, amending and supplementing certain provisions of the Decree of 26 November 1992 on government organization; Decree No. 95/056 of 29 March 1995, reorganizing the rehabilitation unit for enterprises in the PSS; and the government general policy declaration on PSS enterprises.

¹¹⁷ Decree No. 95/056 of 29 March 1995, on the reorganization of the rehabilitation unit for enterprises in the PSS, such as modified.

commissions, one responsible for privatizations and liquidations, and the monitoring of privatized enterprises, the other for rehabilitation.¹¹⁸

113. The privatization of a company is initiated by the Ministry of the Economy and Finance on the basis of a Presidential decree. The Privatization Committee is instructed to engage consultants to evaluate the company. An information memorandum about the company is prepared for potential buyers. An invitation to tender is published in the national and international press and in other media if necessary. Bids are opened in the presence of representatives of all the bidders. A negotiating team addresses various aspects with the bidders and tries to encourage them to improve their offers. The Technical Commission on Privatization and Liquidation (CTPL) addresses a report on the negotiations to the Interministerial Committee, for decision. The selection procedure may use the two-envelope tender system (one technical offer and the other financial). In such cases, the first selection is made on the basis of the technical offers, and the financial offers are opened only for the bidders selected on the basis of the technical tenders. The one offering the best price among the latter will be chosen.¹¹⁹ According to the authorities, the selection criteria for company privatization include the nature of its activity (i.e. if the activity is already carried out by the private sector), the need for investment and the financial situation of the company, and the general objectives of the State. According to the authorities, the invitation to tender method is systematically used for all privatizations in order to ensure competition.

114. Since 2001, only one company has been privatized and none liquidated.¹²⁰ The tea subsector of the plantation company, Cameroon Development Corporation (CDC), was privatized in November 2005 and an invitation to tender for the concession of the Sonel electricity company was issued in 2001. Other services have been awarded under long term concessions (The Douala Autonomous Port container terminal) or on a temporary basis (Camtel). All of Cameroon's completed privatizations have in principle been carried out on the basis of buyers' own funds or through external financing. Foreign capital continues to play a decisive role in the privatization process.

115. The companies undergoing privatization in May 2007 were already in the process of privatization at the time of Cameroon's last Trade Policy Review (Table III.5). In November 2006, 29 companies were in the process of being liquidated.¹²¹ This stagnation can be explained by various difficulties the privatization process has to address, including the choice of companies to privatize, the deficiencies of the financial system and the lack of adequate resources.¹²² Moreover, the assets of the companies in question are mostly indivisible.

¹¹⁸ Decree No. 97/003 of 3 January 1997, on the organization and functioning of the Technical Commission of Privatization and Liquidation of enterprises in the public and semi-public sector; and Decree No. 97/002 of 3 January 1997, on the organization and functioning of the Technical Commission on the rehabilitation enterprises in the public and semi-public sector.

¹¹⁹ MINEFI, Technical Commission on Privatization and Liquidation (2007).

¹²⁰ All in all, from the beginning of the privatization programme at the end of the 1980s up to the beginning of 2005, about 20 companies had been privatized.

¹²¹ At the end of November 2006, 82 companies had been liquidated since the beginning of the process at the end of the 1980s.

¹²² Kanté (2002).

Table III.5
Privatizations under way, May 2007

Enterprise	Sector of activity	Legal capital (CFAF million)	Percentage held by the State and semi-public enterprises	Turnover, December 2006 (CFAF million)	Work-force	Privatization strategy
Cameroon Telecommunication (CAMTEL)	Fixed telephone service	50,000	100	50,945	2,017	Sale of shares and concession
Société de développement du coton (SODECOTON)	Agro-industry (cotton, cottonseed oil)	4,529	59	89,321	1,780	Sale of shares
Cameroon Development Corporation (CDC)	Agro-industry (bananas, rubber, palm oil)	15,626	100	23,804	14,718	Sale of subsidiaries
Société Camerounaise de dépôts pétroliers (SCDP)	Storage of hydrocarbons	6,000	51	2,611	250	Sale of shares
Cameroon Airlines (CAMAIR)	Air transport	6,000	96	35,216	1,300	Foundation of new private company
Société nationale des eaux du Cameroun (SNEC)	Production and distribution of water	6,500	95	36,163	1,592	Leasing
Cameroon Container Transportation (CAMTAINER)	Container transit and transport	360	70	400	56	Sale

Source: MINEFI (2007), 2007 Agenda of the Technical Commission of Privatization and Liquidations.

116. The State still has significant holdings in the Cameroonian economy. Over and above its holdings in joint ventures (Table AIII.1), the State holds 100 per cent of the equity of 25 enterprises in various economic sectors (Table III.6). An endowment fund for government involvement in enterprises was set up in 1998. The fund grants loans in order to help enterprises to restructure and improve their balance sheets in order to function both autonomously and competitively.¹²³

Table III.6
Enterprises with public capital, July 2006

Sector of activity	Enterprises
Agriculture	Société de développement de la cacaoculture (SODECAO)
Agricultural services	Société d'exploitation et de modernisation de la riziculture de Yagoua (SEMRY)
	Centre national d'études et d'expérimentation du machinisme agricole (CENEEMA)
Agro-industry	Unité de traitements agricoles par voie aérienne (UTAVA)
	Cameroon Development Company (CDC)
Livestock raising	Laboratoire national vétérinaire (LANAVET)
	Société de développement et d'exploitation des productions animales (SODEPA)
Forestry	Agence nationale d'appui au développement forestier (AFANOR)
Fisheries	Mission de développement de la pêche artisanale maritime (MAGZI)
Hydrocarbons	Société nationale des hydrocarbures (SNH)
	Caisse de stabilisation des prix des hydrocarbures (CSPH)
Financial services	Société nationale d'investissement (SNI)
	Crédit foncier du Cameroun (CFC)
	Société de recouvrement de créances du Cameroun (SRC)
	Caisse autonome d'amortissement (CAA)
	Caisse nationale de prévoyance sociale au Cameroun (CNPS)
Telecommunications	Cameroon Telecommunications (CAMTEL)

Table III.6 (cont'd)

¹²³ Circular No. 032 of 9 January 1998, on the financial involvement of the State in public enterprises.

Sector of activity	Enterprises
Communication	Cameroon Radio and Television (CRTV) Imprimerie nationale (IN) Société de presse et d'édition du Cameroun (SOPECAM)
Postal services	Cameroon Postal Services (CAMPOST)
Hotel business	AYABA hôtel, Central Hotel, Hôtel des députés (and others)
Public buildings and works	Laboratoire national de génie civil (LABOGENIE) Parc national de matériel de génie civil (MATGENIE)
Housing/real estate	Mission d'aménagement et d'équipement des terrains urbains et ruraux (MAETUR) Mission d'aménagement des zones industrielles (MAGZI) Société immobilière du Cameroun (SIC)
Culture	Palais des congrès (PC)

Source: Ministry of the Economy and Finance (2007), "Liste des établissements publics, sociétés à capital public et sociétés d'économie mixte", July.

117. The oil storage company (SCDP), a semi-public enterprise, continues to have a monopoly over oil storage and transportation, and thus a de facto monopoly on imports of oil. The SCDP has been added to the list of potential companies for privatization. The *Société nationale des hydrocarbures* (SNH), which awards exploration, production and export contracts to private firms, is not on the privatization list.

(ii) Incentives

118. Pursuant to the Investment Charter adopted in 2002¹²⁴, technical or financial support may be given to promote investment, with the aim of promoting sustainable growth and creating employment. Support is given notably for setting up and taking over companies, and for developing exports. According to the authorities, SOSUCAM (Chapter IV(2)) currently benefits from support awarded under the Charter. The Charter, together with sectoral codes, also provides for specific incentives (Chapters II(4) and IV). The Charter guarantees that moderate customs duties will be applied and adheres to the principle that they will be reduced. Tax incentives are given to exports (section (3)(v) above).

(iii) Competition policy and price regulation

(a) Competition policy

119. Law No. 98/01, promulgated in 1998¹²⁵, still regulates competition. The National Commission on Competition (CNC), provided for by the law, was only finally set up in 2006, after adoption of the necessary provisions¹²⁶; it became operational in 2007. Pending completion of the CNC's establishment, the role of the Ministry of Trade¹²⁷ was to guarantee competition on the domestic market.¹²⁸ However, the delays in setting up the CNC have considerably slowed down effective application of the law. According to the authorities, the cases most frequently submitted to the Ministry concern abuses of dominant position (discriminatory sales).

120. Moreover, the various regulatory agencies (such as the Electricity Regulatory Agency (ARSEL), the Rural Electrification Agency (AER), the Telecommunications Regulatory Agency

¹²⁴ Law No. 2002/2004 of 19 April 2002, on the Investment Charter in the Republic of Cameroon.

¹²⁵ Law No. 98/013 of 14 July 1998, abolishing and replacing Law No. 90/031 of 10 August 1990.

¹²⁶ Decree No. 2005/1363/PM of 6 May 2005, establishing the composition and functions of the CNC, and the order establishing the composition of the CNC, signed in March 2006.

¹²⁷ According to the authorities, there has always been a body responsible for competition, whether under the former Ministry of Industrial and Commercial Development, or today's Ministry of Trade (Directorate of Consumption and Competition).

¹²⁸ Ministry of Trade (2006b).

(ART), and the Civil Aviation Authority of Cameroon (AACC)) are responsible for applying the law on competition in their respective sectors, a situation which, according to the authorities, in practice has already given rise to disputes about jurisdiction.¹²⁹

121. The CNC is attached to the Ministry of Trade. It is responsible for competition matters and oversees the implementation of competition legislation. Its duties include seeking out, prosecuting and penalizing anti-competitive practices, and providing the necessary expert opinions for judicial decision-making. It may open an investigation *ex officio* or at the request of a party. By way of sanctions, it may order a firm to terminate the offending practices, dissolve a merger or require an enterprise to sell some of its assets or shares. The conclusion of agreements or arrangements (see below) and failure to comply with sanctions may lead to a fine amounting to up to 50 per cent of the firm's profits or 20 per cent of its turnover realized on the Cameroonian market during the previous tax year.

122. The Law on Competition applies both to state and to private enterprises. It also applies when the effects of anti-competitive practices by companies abroad are felt in Cameroon itself, subject to agreements and treaties between Cameroon and the host countries of the enterprises concerned. The Law prohibits any practices that might prevent, distort or significantly restrict competition on the domestic market. In more specific terms, it prohibits agreements or arrangements on prices or that aim to influence prices, or that seek to impede market access or restrict competition, unless the CNC considers that they are profitable for the economy and allow efficiency gains which would otherwise not be possible. An enterprise which has a dominant position may not use this position to prevent another enterprise from setting up on the market or to supplant it, put pressure on distributors or cause an increase in competitors' production costs. However, no sanctions should be taken if the anti-competitive practice aims to improve economic efficiency. Only abuses of dominant position that are less than 24 months old may be brought before the CNC.

123. Mergers and acquisitions are allowed if they do not reduce competition. Those that do reduce competition are nonetheless allowed if the transaction secures efficiency gains (for the national economy) that would otherwise not be possible. Mergers and acquisitions that result in an entity that has a turnover above a threshold (not as yet determined) pre-established by the minister in charge of competition must be notified in advance to the CNC. Mergers and acquisitions that significantly affect competition may be challenged before the CNC only if they are less than 24 months old.

124. There is also regulation of regional competition at the CEMAC level, under which any concerted practices between companies in different member countries liable to restrict or distort competition are prohibited.¹³⁰ However, such practices may be allowed for reasons of economic efficiency or if they are of benefit to consumers or users. This regulation also applies to mergers and acquisitions. A monopoly, or any situation encouraging acquisition of a share of the common market amounting to 30 per cent or more, constitutes a dominant position, misuse of which is prohibited. The Competition Monitoring Body (OSC) is responsible for supervising application of regional rules.¹³¹ The OSC may hear cases of practices deemed contrary to these rules, either *ex officio* or upon application by States, enterprises or consumer organizations. The sanctions may consist of a fine in an amount not exceeding 5 per cent of the turnover (before tax) realized in the common market during the previous tax year, or 75 per cent of the profit realized during the prohibited operation. According to the authorities, no sanction has been imposed on Cameroonian companies at the CEMAC level.

¹²⁹ Ministry of Trade (2006b).

¹³⁰ Regulation No. 1/99/UDEAC-CM-639 of 18 August 1999. Consulted at: http://www.izf.net/izf/Documentation/JournalOfficiel/AfriqueCentrale/REG_1_99.htm.

¹³¹ Regulation No. 1/99/UDEAC-CM-639 of 18 August 1999. Consulted at: http://www.izf.net/izf/Documentation/JournalOfficiel/AfriqueCentrale/REG_1_99.htm.

125. At the CEMAC level, companies with a legal or de facto monopoly are subject to the rules on competition unless exempted for reasons of public order, security or public health.¹³² Monopolies must avoid tied sales, discriminatory sales conditions, denials of sale, unjustified cessation of trade relations, and cross-subsidization. All legal monopolies must be notified to the Regional Council on Competition (CRC) within one year. According to the authorities, this legislation is not applied.

(b) Price regulation

126. A number of products and services offered by monopolies, subsidized by the State or subject to persistent inflationary tension are still subject to price approval. The list has been somewhat modified since 2001; in May 2007, it included some imported products (imported frozen fish and wheat flour).¹³³ New temporary price control measures were also introduced in 2006. At the end of 2006, the Government signed agreements in order to stabilize the prices of some products.

127. The first such agreement dealt with the poultry subsector and involved the Ministry of the Economy and Finance, the Ministry of Trade and the representative of the subsector. Its aim was to guarantee market supplies of poultry products at "reasonable prices"¹³⁴, for the end-of-year holidays (2006) and first quarter of 2007. The protocol should have been revised by 1 April 2007 at the latest, "as soon as it is been established that the measures reducing taxes on inputs in the subsector have had their full effect".¹³⁵ The authorities have indicated that the agreement has been tacitly renewed and that in May 2007 it was still in force. According to the authorities, this policy is meant neither to control nor to assist; its aim is educational (i.e. to introduce sales).

128. Another agreement was signed involving supermarket suppliers and distributors dealing with certain mass consumption products. The parties had agreed to organize a sales promotion campaign from 15 December 2006 to 15 January 2007. The agreement covered rice, sugar, pasta, milk, table oil, soft drinks, and wines and spirits, and set the prices applicable in the shops party to the agreement.¹³⁶ In return the Ministry of Trade provided material support, particularly with regard to advertising. At the beginning of 2007, discussions were being held about other products, such as building materials.

¹³² Regulation No. 4/99/UDEAC-CM-639 of 18 August 1999, Title III. Consulted at: http://www.izf.net/izf/Documentation/JournalOfficiel/AfriqueCentrale/REG_4_99.htm.

¹³³ The list also contains products and services (imported or local) such as water, auxiliary maritime transport services, the services of Cameroon's autonomous ports, public transport (road/rail), domestic gas, hospital medicines and consumables, Portland cement, reinforcing steel, sugar, school books, raw palm oil, industrial and medical gas, services offered by hotels and tourism facilities, social housing, school and university lodgings (Order No. 00035/MINCOMMERCE/CAB of 8 November 2005, establishing the list of products and services whose prices and tariffs are subject to prior approval).

¹³⁴ According to the agreement, the following prices have been established (in CFAF): meat-producing poultry between 1.8 and 2 kg., between 1,800 and 2,500, depending on whether they are bought from a farm or on the retail market; breeding cocks between 2.2 and 3 kg. – 2,500; meat-producing breeding hens of 4 kg.: 2,500 or 3,500, depending on whether they are bought from a farm or on the market; meat-producing breeding cocks of 6 kg., between 3,000 and 4,500; and breeding hens for laying of 1.5 kg. – 1,500.

¹³⁵ Fankam (2006).

¹³⁶ The following prices were set (in CFAF): sugar – 630 per kg. (instead of 760); rice – 3,350 per 6 kg. sack of Nelissa Joaslin rice (instead of 5,000), 175 a bag of 250 g (instead of 270) and 3,150 a bag of 5 kg. (instead of 3,500); wines and spirits – 1,000 for a carton of Gandia (instead of 1,450), 1,750 for Pastis méridional (instead of 3,000), and 1,650 a bottle of Castillo de Liria (instead of 1,900).

(iv) **Government procurement**

129. During tax year 2004, total government procurement volume amounted to nearly CFAF 340 billion (US\$643.6 million), i.e. about 4.1 per cent of GDP and 25.4 per cent of total public expenditure. Cameroon has not signed the Government Procurement Agreement, but it has the status of observer.

130. Since 2001, Cameroon has continued with the reforms begun in 1995 with the creation of the Government Procurement Regulatory Agency (ARMP) in 2001¹³⁷, and the introduction of new regulations.¹³⁸ The reforms led to the publication of the Government Procurement Code in 2004¹³⁹, which established rules for the signing, executing and monitoring of government procurement contracts for work, supplies, services, and intellectual services. The Code applies to all state orders worth CFAF 5 million or more. In principle¹⁴⁰ government procurement contracts are signed inclusive of all taxes.¹⁴¹ The splitting of a contract is considered to be a violation of the regulations.¹⁴² According to the authorities, there remain problems of implementation due in particular to the fact that the sanctions for infringement of the regulations are not operational.¹⁴³

131. The ARMP is under the supervision of the Presidency and is responsible for regulating and monitoring the government procurement system. Its functions include: preparing model documents and procedure handbooks; publication of the Government Procurement Journal (*Journal des marchés publics*); monitoring the application of regulations; collecting statistics. It may take preventive and remedial steps to improve performance of its functions.¹⁴⁴

132. The notice of invitation to tender together with any decision to award government procurement contracts must appear in the Government Procurement Journal, published weekly. Moreover, other means of publicizing such as radio, the press, hoardings and electronic means, may be used.

133. The invitation to tender may be national or international, open or restricted (i.e. invitation to tender preceded by prequalification). For technical, aesthetic or financial reasons, the tendering (whether open or restricted) may be competitive. The national tendering is recommended for

¹³⁷ Decree No. 2001/048 of 23 February 2001, on the setting up, organization and functioning of the Government Procurement Regulatory Agency (ARMP).

¹³⁸ These include: Order No. 032/CAB/PM of 28 February 2003, establishing the application of procedures for requests for price quotation; Order No. 070/CF/A/MINFI/B of 20 June 2003 on the delegation of the ARMP Director General's powers as commissioner; Decree No. 2003/651 of 16 April 2003, establishing the modalities for the application of the Government Procurement Tax and Customs Regime, and Order No. 004/CAB/PM of 7 January 2005, setting up the commission empowered to sign government procurement contracts with certain ministerial departments.

¹³⁹ Decree No. 2004/275 of 24 September 2004, on the Government Procurement Code; and Circular No. 004/CAB/PM of 30 December 2005, on the Government Procurement contract signing procedure.

¹⁴⁰ African Development Bank Programme contracts are before tax (VAT and special tax on the sale of petroleum products (TSPP)), according to Note No. 057/CF/MINEFI/DI/ of 20 July 1999. A similar situation exists for all other contracts signed in the same conditions with the State (Ministry of the Economy and Finance, Directorate-General of Taxes, "*Présentation de la Direction générale des impôts*". Consulted at: http://www.impots.gov.cm/cadre_organisation.htm).

¹⁴¹ Decree No. 2003/651/PM of 16 April 2003, on the modalities for the application of the tax and customs regulation of government procurement.

¹⁴² Order No. 004/CAB/PM of 30 December 2005, on the application of the Government Procurement Code.

¹⁴³ ARMP (2006).

¹⁴⁴ Decree No. 2001/048 of 23 February 2001.

government procurement contracts for work or supplies which are unlikely to interest foreign companies, for various reasons, such as the sums involved are too small; the work is spread over a long time-period or is labour intensive; or the goods or work can be supplied locally at lower cost. An international invitation to tender is recommended for service and intellectual service contracts of more than CFAF 100 million or when the skills required cannot be found locally. Contracts must not be split solely to justify national tendering.¹⁴⁵

134. A restricted invitation to tender may only be used for specific large-scale or complex work or equipment and for specialized supplies and services. Prequalification is initiated following a public invitation to submit a tender or an expression of interest. In the case of intellectual services (including studies, project management and computer services), the winner of the contract is selected from among the competing prequalified candidates. Contracts of lesser importance, for supplying goods and services that do not require technical tenders, use the price quotation request method, i.e. a simplified procedure for consulting companies in which a price quotation is requested by means of an open invitation to tender. The contracts for which this method may be used are principally: supplies, consumables and equipment of various types; furniture and fittings; upkeep of buildings; and cantonage. The contract is awarded to the bidder whose tender complies for the most part with the technical specifications and quotes the lowest price.¹⁴⁶

135. Government procurement contracts may exceptionally be awarded using the single tendering procedure (i.e. without invitation to tender), following special authorization from the Prime Minister, and for reasons of competence, urgency or intellectual property.¹⁴⁷ Certain contracts (i.e. "special" contracts) contain secrecy clauses for reasons of security or strategic state interest; they concern only acquisitions linked to national defence, security and strategic state interest. The time-frame for each stage of the contracting process is established by government order.¹⁴⁸

136. Invitations to tender for government procurement concessions must be competition-based, always with a prequalification phase. A concession contract is awarded on the basis of different criteria such as the proposed specification and performance standards, tariffs imposed on users or paid back to the State, to regional or local authorities, or to state institutions or enterprises; any other revenues that the equipment will bring in for the delegating authority, the cost and amount of financing proposed, and the retrocession value of the installations.

137. The criteria for awarding a contract are: the price of the services or the cost of their utilization; their technical and functional value, the operation and maintenance requirements, and the potential lifespan of the works, supplies and services; the candidates' competence and professional capacity; and the deadline for execution or delivery. However, when bids are technically equivalent, priority is given to: a Cameroonian person or entity; a person or entity engaged in economic activity in Cameroon; a small or medium-sized enterprise in Cameroon whose share capital is 100 per cent

¹⁴⁵ Order No. 004/CAB/PM of 30 December 2005, on the application of the Government Procurement Code.

¹⁴⁶ Order No. 032/CAB/PM of 28 February 2003 establishing procedures for requesting price quotations.

¹⁴⁷ More particularly in the following cases: work, supplies and services carried out for purposes of research, study, trial, experiment or finalizing, and that can only be given to companies or others specialized in the field, or with specialized knowledge or aptitudes; to find urgent replacement for companies or suppliers that have defaulted; work, supplies or services which, in the event of absolute urgency brought about by unpredictable circumstances, cannot be subject to the time-limits of an invitation to tender; where requirements can only be satisfied by using a patent covering an invention, a process, a skill, or a management and marketing company.

¹⁴⁸ Order No. 004/CAB/PM of 30 December 2005 on the application of the Government Procurement Code.

owned by Cameroonian natural or legal persons; and groups of companies with which Cameroonian enterprises are associated or which provide considerable subcontracting to national bodies. When a contract involves services able to be supplied by the persons mentioned above, these services must be indicated in the documents constituting the invitation to tender. When tenders are deemed to be equivalent in terms of price and content, priority is given to the bidder proposing the largest proportion of such services in terms of value. There is a 10 per cent national preference margin for work contracts, and a 15 per cent preference margin for supplies contracts. There is no national price preference for contracts involving intellectual services.

138. The Government Procurement Code provides for four types of guarantee: the bid or temporary bond, which guarantees the bidder's offer; the performance bond, which guarantees that the services will be carried out in full; the holdback guarantee ensuring that the contract will be properly executed and any monies the bidder may owe recovered; and the optional start-up or supplies advance guarantee. This may be replaced by a bank guarantee, but some contract holders may be exempted from the requirement.

139. The Government Procurement Code has introduced several mechanisms with a view to monitoring the procedures for awarding contracts, for example specialized commissions under the responsibility of the Prime Minister oversee contracts whose value is above the specified thresholds.¹⁴⁹ The Code also provides for independent observers to be recruited for contracts with an aggregate value of CFAF 30 million or more.¹⁵⁰ An independent auditor carries out ex-post audits on a sample of contracts worth more than CFAF 500 million and for 25 per cent of contracts worth between CFAF 30 and 500 million.

140. Disputes resulting from government procurement contracts may be settled out of court. Complaints may be lodged either with the main contractor or its delegate, or directly with the authority responsible for government procurement. Breach of the provisions of the Government Procurement Code is considered to be damaging to national assets and offenders are liable to sanctions, without prejudice to the invalidation of the contracts or any applicable disciplinary or legal proceedings.¹⁵¹

141. In 1999, CEMAC members agreed that pending full harmonization of government procurement regulations, they would subject tenders equal to or above an agreed threshold to public and competitive bidding.¹⁵² A regional preference may be granted of up to 20 per cent in work contracts, 30 per cent in supplies contracts (with at least 40 per cent regional content), and 20 per cent in service contracts. Contracts should be subject to public tendering and published in the Official Journals of the Community and member States. However, restricted tendering may be used when a contract is urgent, its nature or certain characteristics justify such treatment, or if it is of a highly specialized nature, or if it is a contract of "great importance". Single tendering is possible for urgent cases, for technical cooperation of short duration or involving supplementary work to complete

¹⁴⁹ The thresholds are fixed at CFAF 1 billion for the Specialized Commission Monitoring Roads Contracts; CFAF 500 million for the Specialized Commission Monitoring Buildings and Community Facilities Contracts; CFAF 150 million for the Specialized Commission Monitoring General Supplies Contracts; and at CFAF 100 million for the Specialized Commission Monitoring Services and Intellectual Services Contracts.

¹⁵⁰ Order No. 032/CAB/PM of 28 February 2003 establishing the procedures for requesting price quotation.

¹⁵¹ These include: Law No. 73/7 of 7 December 1973 on the Treasury's right to safeguard national assets and Law No. 74/18 of 5 December 1974 on the monitoring of commissioners, administrators and managers of public funds and state enterprises, as amended by Law No. 76/4 of 8 July 1976.

¹⁵² Title IV of Regulation No. 4/99/UDEAC-CM-639 of 18 August 1999.

current contracts, when the contract is reserved for patent or licence holders, or following an unsuccessful invitation to tender.

(v) **Intellectual property rights**

(a) Overview

142. Cameroon is a member of the World Intellectual Property Organization (WIPO), and the African Intellectual Property Organization (OAPI), set up by the Bangui Agreement adopted on 2 March 1977 and revised by the Bangui Act of 1999. The revised Bangui Agreement recommends that its members abide by certain arrangements, treaties and international agreements, but Cameroon has not as yet fully complied in this respect (Table III.7). Cameroon has also been a contracting party to the Convention on Biological Diversity since 11 September 2003. In principle, Cameroon has applied the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) since 1 January 2000.

Table III.7
Status of Cameroon with regard to certain intellectual property protection treaties administered by WIPO and UPOV, May 2007

Treaty	Commitment to joining treaties under the Bangui Agreement of 1999	Entry into force
Protection of intellectual property		
WIPO Convention	Yes	3 November 1973
Berne Convention	Yes	21 September 1964
Brussels Convention	No	n.a.
Film Register Treaty	No	n.a.
Madrid Agreement (source)	No	n.a.
Nairobi Treaty	Yes	n.a.
Paris Convention	Yes	10 May 1964
Patent Law Treaty (PLT)	No	n.a.
Phonograms Convention	No	n.a.
Rome Convention	Yes	n.a.
Trademark Law Treaty (TLT)	No	n.a.
Washington Treaty (IPIC)	No	n.a.
WCT	No	n.a.
WPPT	No	n.a.
International Convention for the Protection of New Varieties of Plants	Yes	n.a.
Global Protection System		
Budapest Treaty	Yes	n.a.
Hague Agreement	Yes	n.a.
Lisbon Agreement	Yes	n.a.
Madrid Agreement (marks)	No	n.a.
Patent Cooperation Treaty (PCT)	Yes	24 January 1978

n.a. Not applicable.

Source: WTO Secretariat, based on information from WIPO and from the Preamble to the Bangui Agreement (1999).

143. Cameroon's international obligations with regard to intellectual property rights are governed by the revised Bangui Agreement, ratified by Cameroon in July 2000.¹⁵³ The revision of the Bangui Agreement aimed in particular to bring its provisions into line with certain intellectual property treaties, including the TRIPS Agreement (Table III.8). The revised Bangui Agreement is directly applicable to Cameroon by virtue of its Constitution (Chapter II(1)). Cameroon also has domestic legislation on copyright and related rights.

¹⁵³ Decree No. 2000/216 of 28 July 2000.

144. In 2001, Cameroon notified its legislation on intellectual property rights to the WTO.¹⁵⁴ The TRIPS Council finished examining Cameroon's legislation in 2003. Cameroon has not yet notified to the WTO its contact point in accordance with Article 69 of the TRIPS Agreement.

Table III.8
Subjects and terms of protection under the Bangui Agreement (1977) and its revision (1999)

Subjects	Bangui Agreement (1977)	Revised Bangui Agreement (1999)
Patents	10 years, renewable for a maximum of two further periods of 5 years	20 years
Utility models	5 years	10 years
Trademarks or service marks	10 years, renewable every 10 years	10 years, renewable every 10 years
Industrial designs	5 years	5 years, renewable for two further periods
Trade names	10 years, renewable every 10 years	10 years, renewable every 10 years
Geographical indications	n.a.	n.a.
Copyright and related rights		
Literary and artistic works in general	Life of author + 50 years	Life of author + 70 years
Films, radio and audiovisual programmes	50 years	70 years
Photographs	25 years	25 years
Related rights for performances	n.a.	50 years
Related rights for phonograms	n.a.	50 years
Related rights for broadcasts	n.a.	25 years
Layout-designs (topographies) of integrated circuits ^a	n.a.	10 years
Protection of new plant varieties	n.a.	25 years

n.a. Not applicable.

a The regime under the revised Bangui Agreement is not in force.

Source: WTO (2006), *Trade Policy Review: Republic of Congo*.

145. When the main text of the revised Bangui Agreement came into force in 2002, its Annexes I to VIII also took effect. These cover: patents (Annex I), utility models (Annex II), trademarks or service marks (Annex III), industrial designs (Annex IV), trade names (Annex V), geographical indications (Annex VI), copyright and related rights (Annex VII), and protection against unfair competition (Annex VIII). Annex X on new plant varieties came into force on 1 January 2006. Owing to a lack of the competence necessary to examine applications for protection, the OAPI Administration Council has deferred the entry into force of Annex IX on layout-designs (topographies) of integrated circuits, which should be protected under Part II, Section 6 of the TRIPS Agreement.

146. In principle, the revised Bangui Agreement does not allow parallel imports.¹⁵⁵ It does allow the granting of ex officio licences for patents and layout-designs when it is a matter of the vital interests of the country's economy, of its public health or national defence.¹⁵⁶ Compulsory ("non voluntary") licences may be awarded for non-working of patents and layout-designs and for dependent patents.¹⁵⁷ According to the authorities, no ex officio or compulsory licences have been awarded up to May 2007.

(b) Industrial property

147. The provisions of the revised Bangui Agreement regulate the term and conditions of protection in the following areas, *inter alia*: patents, utility models, trademarks or service marks,

¹⁵⁴ WTO document IP/N/1/CMR/1 of 17 May 2004.

¹⁵⁵ Article 7 of the revised Bangui Agreement (1999).

¹⁵⁶ Article 56 of the revised Bangui Agreement (1999) and Article 32 of Annex IX.

¹⁵⁷ Article 46 of the revised Bangui Agreement (1999) and Article 23 of Annex IX.

industrial designs, trade names, and geographical indications. For each member State, the OAPI plays the role of national office for industrial property, providing a common system of administrative procedures for registering the various rights. For applicants domiciled outside OAPI, registration is possible only through an agent chosen in one of the member States¹⁵⁸, or through the procedures set up by the international systems of protection administered by WIPO. For persons domiciled in Cameroon, applications are filed with the Industrial Property Department of the Ministry of Industry, Mines and Technological Development (MINIMIDT). Following reception of the application by its Director General, OAPI initiates the procedure, and registers and examines the application. Rejection of an application may be challenged before the High Commission of Appeal, whose decision is final. For certain instruments such as the patent, the rights remain in effect subject to payment to the OAPI of the applicable fees.

148. Cameroon is one of the most active members of OAPI, with 27 applications for patents made in 2004 (latest year available) (of which 25 were subsidized, as they were made by "economically weak" inventors), 104 applications to register trademarks, 87 applications to register industrial designs, and 94 applications to register trade names.¹⁵⁹

(c) Copyrights and related rights

149. Over and above the provisions contained in the Bangui Agreement, copyright and related rights are protected under Law No. 2000/011 of 19 December 2000 and its implementing regulation.¹⁶⁰ The Ministry of Culture is responsible for the protection of copyright and related rights. The National Copyright Company (SOCINADA), which was responsible for registering these rights, ceased activities in 2003. It has been replaced by four companies responsible for the collective management of rights in: literature and the dramatic arts – *Société civile des droits de la littérature et des arts dramatiques* (SOCILADRA) (also responsible for computer programs); copyright and related rights in the plastic and graphic arts – *Société civile de droit d'auteur et droits voisins des arts plastiques et graphiques* (SOCADAP); multimedia (photography and audiovisual works) – *Société civile des auteurs multimédia* (SCAP); and the Cameroon Music Corporation (CMC).

150. The legislation in force applies to all Cameroonian literary and artistic works (including computer programs, tapestries and objects created by the artistic professions), whatever their mode, value, genre or destination. For joint holders to benefit from protection under Law No. 2000/011, one of the holders must be Cameroonian. Protection granted to foreigners is subject to reciprocity. Thus in Cameroon, foreigners benefit from the copyright or related right protection they hold on the condition that the law of the State of which they are nationals, or in whose territory they have their domicile, head office or establishment protects the rights of Cameroonians. However, the provisions of the law apply to works that are entitled to protection under an international treaty to which Cameroon is party.

151. Copyright holders have the exclusive right to exploit or allow exploitation of their work for financial gain. This right is protected during the author's life and for 50 years after his death. For collaborative works, it also continues for all persons entitled to rights and successors in title during the year of the death of the last surviving collaborator and the 50 following years. The holders of related rights (which include the rights of performers, producers of phonograms or videograms, or firms specializing in audiovisual communication) enjoy protection of their economic rights for a period of 50 years.

¹⁵⁸ The lists of approved agents are available on: <http://www.wipo.oapi.net>.

¹⁵⁹ OAPI (2004).

¹⁶⁰ Decree No. 2001/956/PM of 1 November 2001.

152. The law provides for limitations and exceptions to the exclusive rights granted to authors and holders of related rights. With regard to copyright, the exceptions include: private copying (under certain conditions); analyses and press reviews; the use of literary or artistic works to illustrate teaching; parody, pastiche and caricature; the temporary reproduction of a work; free use for information purposes; free use of images of works located permanently in public places; and ephemeral recordings by broadcasting bodies. Related right holders may not prohibit, *inter alia*, private copies; analyses and short quotations; press reviews; free use for means of information; and parody, pastiche and caricature. The exception with regard to private copying does not apply (save some exceptions) to the reproduction of data bases and software.

(d) Enforcement

153. The Cameroonian authorities have notified the WTO that an ad hoc Commission responsible for monitoring and implementing the TRIPS Agreement in Cameroon has been set up within the Ministry of Industrial and Commercial Development.¹⁶¹ This Commission, which is made up of representatives from the public and private sectors, has not been operational since the Ministry of Industrial Development and Trade (MINDIC) was split into two in 2005. According to the authorities, the Commission's results were mixed, as the aims were not met (with regard either to training or the control of counterfeiting) for various reasons, including the lack of financing. Cameroon has not yet provided the WTO with the answers to the list of questions concerning its means of enforcing intellectual property rights.

154. The revised Bangui Agreement (1999) contains provisions on sanctions for infringement of intellectual property rights; the national authorities are responsible for implementing them. Fines for counterfeiting have been raised to make them more dissuasive (Table III.9).¹⁶² If offences are repeated, terms of imprisonment ranging from one to six months are applicable. Penalties may be imposed only upon a complaint by the injured party. However, the CEMAC Customs Code prohibits the import of all apparent counterfeit goods, and all foreign products bearing a trademark, a name, sign or indication of any type giving reason to believe that they were produced in or come from a State with which an agreement in the field has been signed.¹⁶³

155. The legislation on copyright and related rights provides for penalties for infringement including imprisonment from five to ten years and/or a fine of CFAF 500,000 to 10,000,000. These penalties are doubled when the perpetrator is a co-contractor of the holder of the infringed right. The court can in any event order the seizure of counterfeited objects, material used to commit the infringement and any proceeds to the offender. The import (or export) of goods may be suspended by the customs authorities at the request of a copyright holder or related rights holder who suspects that such importing (or exporting) violates his rights; such a request is addressed to the Minister responsible for Customs or the President of the Court.

¹⁶¹ WTO document IP/Q/CMR/1, IP/Q2/CMR/1, IP/Q3/CMR/1 and IP/Q4/CMR/1 of 7 June 2004.

¹⁶² Under the Bangui Agreement (1977), no sanction could be applied if, five years after a patent was granted, it was not worked. This condition was removed from the revised Bangui Agreement (1999).

¹⁶³ CEMAC Customs Code, Article 51*bis*.

Table III.9
Fines and prison sentences under the Bangui Agreement (1977) and its revision (1999)

Violation	Bangui Agreement (1977)	Revised Bangui Agreement (1999)
Infringement of patents	Fine from CFAF 30,000 to 50,000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months	Fine from CFAF 1,000,000 to 3,000,000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months
Infringement of utility models	Fine from CFAF 30,000 to 180,000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months	Fine from CFAF 1,000,000 to 6,000,000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months
Unlawful exploitation of registered trademarks	Fine from CFAF 50,000 to 150,000 and/or a term of imprisonment of 1 month to 1 year	Fine from CFAF 1,000,000 to 3,000,000 and a term of imprisonment of 3 months to 2 years
Unlawful use of compulsory marks and prohibited signs	Fine from CFAF 50,000 to 100,000 and/or a term of imprisonment of 2 weeks to 6 months	Fine from CFAF 1,000,000 to 2,000,000 and a term of imprisonment of 2 weeks to 6 months
Infringement of industrial designs	Fine from CFAF 50 000 to 300 000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months	Fine from CFAF 1,000,000 to 6,000,000 and, if the offence is repeated, a term of imprisonment of 1 to 6 months
Infringement of rights in trade names	Fine from CFAF 50 000 to 300 000 and/or a term of imprisonment of 3 months to 1 year	Fine from CFAF 1,000,000 to 3,000,000 and/or a term of imprisonment of 3 months to 2 years
Infringement of rights in geographical indications	Fine from CFAF 50 000 to 300 000 and/or a term of imprisonment of 3 months to 1 year	Fine from CFAF 1,000,000 to 6,000,000 and/or a term of imprisonment of 3 months to 1 year
Layout-designs (topographies) of integrated circuits ^a	n.a.	Fine from CFAF 1,000,000 to 6,000,000 and/or a term of imprisonment of up to 6 months
Protection of new plant varieties	n.a.	Fine from CFAF 1,000,000 to 3,000,000 and/or a term of imprisonment of 1 to 6 months

n.a. Not applicable.

a The revised Bangui Agreement is not in force.

Source: WTO (2006), Trade Policy Review: Republic of Congo.

156. Enforcement of the legislation on intellectual property rights continues to be problematic. A number of products, such as books (and cultural works generally)¹⁶⁴, medicines¹⁶⁵, and also cosmetic, agricultural and textile products and electrical household appliances are frequently counterfeited. According to the authorities, African print fabrics, cigarettes and vehicle spare parts are among the main imported counterfeit products. The authorities also indicate that the legislation has been poorly enforced largely because little has been invested in training and consciousness-raising. To remedy this, an intellectual property training centre (CFPI), "*Centre de Formation Denis Ekani*", was set up in 2004 under the auspices of OAPI and could become operational in the course of 2007.

¹⁶⁴ Cameroon Link, "Contrefaçon: des faux codes de procédure pénale en circulation", 26 January 2007. Consulted at: <http://www.Cameroonlink.net/fr/news.php?nid=27489>.

¹⁶⁵ United Nations, Economic Commission for Africa (2004).