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International Science and Technology Institute, Inc.

PROJECT PROFILES
FOR THE
CAMEROON TRADE AND INVESTMENT MISSION
TO THE UNITED STATES

Including

- ° An Overview of the Cameroon Trade and Investment Mission
- ° Cameroon Investment Climate Summary

Prepared for:

Office of Private Enterprise
Bureau for Africa
Agency for International Development
and
USAID/Cameroon
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I. INTRODUCTION

International Scientific and Technical Institute (ISTI) was retained under a USAID Purchase Order on behalf of the Office of Private Enterprise of the African Bureau (AFR/PRE) to review projects pre-selected by the US Embassy, Cameroon and the Cameroon Ministry of Trade and Industry in connection with the Trade and Investment Mission (TIM) to the United States. The objective of the assignment was to prepare project profiles from a list of projects received from Cameroonian authorities and pre-screened in Cameroon by Mr. Albert Lincoln, an American business consultant resident in Cameroon.

The assignment was undertaken by Mr. Arnold F. Lessard, a senior business consultant, with extensive private sector experience in Africa and the Middle East. Mr. Lessard met with key USAID personnel in Washington and was briefed by the ISTI team which had recently completed an Investment Climate survey in Cameroon. He met with and was briefed by Ambassador Myles Frechette and USAID Mission Director Jay Johnson in Yaoundé on August 23-29. He spent the period September 2-13 in Douala interviewing project sponsors and preparing project profiles. He was provided assistance and office space by the Chamber of Commerce of Industry and Mines of Cameroon which has a major role in organizing private sector participation in TIM. All contacts and interviews with project sponsors were made through the official channels of the Chamber.

Mr. Lessard returned to Yaoundé on September 16 for reviews with Embassy and USAID staff and meetings with the Ambassador and the USAID Mission Director. Following his return to Washington, he debriefed with the responsible executives of AFR/PRE and submitted his final report.

The report which follows contains, in addition to the Project Profiles, an Aide Memoire on the TIM prepared at Ambassador Frechette's suggestion, and a summary Investment Climate statement suitable for use in briefing US businessmen participating in the TIM.

1. The Aide Memoire Attempts To Assess The Cameroon Government's Total Objectives For The TIM And How These Objectives Can Be Utilized In Promoting USAID's Private Sector Initiatives.

The Cameroon Government appears to have its own agenda and objectives for TIM -- apart from the private sector projects which have been developed. The Aide Memoire suggests that USAID can take advantage of TIM in initiating and furthering a range of private sector development and divestment and privatization ideas and projects during and after the TIM mission.

2. The Investment Climate Summary Statement Was Developed As A Briefing Document For US Businessmen Participating In The TIM.

The consultant found widespread agreement among Embassy and USAID staff in Cameroon that the draft survey report on the Investment Climate in Cameroon carried out recently with AFR/PRE support was not -- in

its current form -- suitable for general distribution to the US business community. It was felt that a more "balanced" and briefer presentation would be useful in telling the Cameroon story. The statement in this report reflects the comments and suggestions of Embassy and USAID staff in Douala and Yaoundé who reviewed the draft document.

3. The Project Profiles Are Based On Personal Interviews With Cameroonian Sponsors, Selected Plant Visits and Reviews of Project Pre-Feasibility Studies Where They Existed.

All project sponsors were interviewed. Visits were made to the sponsor's plants or offices where appropriate. All documentation was reviewed in detail and discussed with the sponsor.

- O The majority of the projects are small -- \$.5-\$1.5 million -- based on simple technologies involving processing of imported raw materials. These projects all seek approval under Regime C of the Cameroon Investment Code (Small and Medium Sized Local Businesses which limits foreign equity to 35%).
- O Several projects involve various aspects of poultry raising and distribution and feed mill plants -- from production of one-day old chicks to national distribution of poultry products. These too seek Regime C Investment Code coverage.
- O There are two major projects deserving careful attention. A soya bean oil processing plant and a soluble coffee processing facility. While both proposers state that financing is not at issue, both would be seriously interested in "package deals" -- financing, equity, equipment and raw material supply, marketing and technical assistance.
- O Almost all sponsors are willing to talk about outside investment -- preferably with individuals or companies who know the industry and have something more to offer than pure financing.
- O Most project sponsors see the TIM as an opportunity to make initial contacts, obtain sources of information, assess sources of supply, and take the temperature of US business interest in Cameroon.
- O All project sponsors are willing to consider used equipment as an alternative to purchase of new plant and equipment.

4. Project Sponsors Without Exception Are Highly Qualified By Education And/Or Experience.

Many of the projects are natural extensions of existing businesses. Where the project is a new departure, the sponsor in almost every case is an experienced and successful businessman-entrepreneur who has built his own business from the ground up. A number of the sponsors hold graduate and post-graduate degrees from foreign universities.

AIDE MEMOIRE

AN OVERVIEW OF THE CAMEROON TRADE AND INVESTMENT MISSION TO THE U.S. - AND ITS IMPLICATIONS FOR A PRIVATE SECTOR DEVELOPMENT STRATEGY FOR USAID/CAMEROON

This brief statement grows out of the author's attempt to understand the role of the Cameroonian private sector project proposals as only one of the Cameroon Government's objectives in the forthcoming Trade and Investment Mission (TIM).

During a general discussion of this issue with Ambassador Myles R. R. Frechette and USAID Mission Director, Jay P. Johnson in Yaounde on August 28, 1985, the author was encouraged to submit his ideas in an informal manner as possible prelude to further consideration.

This Aide Memoire is the result.

1. The Cameroon Government Appears To Have Several Objectives In Organizing The TIM To the U.S.

The review with U.S. businessmen of Cameroonian private sector projects seems to be only one aspect of the forthcoming TIM - at least in the Government's mind.

- Provide a tangible signal of increased and serious interest in strengthening U.S.-Cameroon trading, investment and political relationships.
- Stage a major and highly visible public relations initiative - at home and abroad - to demonstrate the growing stature of Cameroon as a stable, farsighted and reliable business partner and a West African leader dedicated to free enterprise.
- Continue or initiate discussions with U.S. companies on major oil and gas-related and hotel projects.
- Obtain a direct and first-hand look at U.S. capabilities, interests and seriousness of purpose in helping Cameroon build a strong private-sector oriented economy.
- Provide the private sector participants on the TIM with a chance to broaden their horizons, assess opportunities for U.S. investment, joint ventures, technology transfers, and as suppliers of equipment, raw materials and technology.

2. The Government's Objectives For TIM All Play To USAID's Private Sector Development Initiatives

Each of the Government's TIM objectives can be important in furthering private sector development in Cameroon.

- Focus the Government's thinking on local private sector involvement - supported by U.S. investment, technology and management - in their long-range planning for the major long term and highly important downstream oil and gas developments.
- Encourage the Government to "build in" the local private sector - again with U.S. private support - in the short-to-medium term projects now in the planning stage.
- Continue the dialogue to convince the government to "roll back" public sector participation in business activities via clear investment and privatization policies and programs which utilize the private sector.
- Continue efforts to identify projects of private sector entrepreneurs and to encourage U.S. private sector involvement.

Exhibit I which follows lists these same four objectives, identifies specific project areas for possible local private sector involvement and outlines the possible content of meetings with U.S. companies during the TIM.

Exhibit I

CAMEROON TRADE AND INVESTMENT MISSION TO U.S.
MISSION OBJECTIVES, PROJECT PRIORITIES AND PURPOSE OF BUSINESS CONTACTS

MISSION OBJECTIVES	INVESTMENT PROJECT PRIORITIES	PURPOSE OF U.S. BUSINESS CONTACTS
<ul style="list-style-type: none"> - Make general business contacts and stimulate U.S. business interest in Government's priority long-term private sector targets. - Limit new growth of public sector business activities by "planning-in" private sector participation in major short-to-medium term government investment priorities. - Cut back current levels of government's direct involvement in business activities via divestment and privatization. - Enhance U.S. private sector investment and/or technical management or supply assistance to Cameroonian private sector entrepreneurs. 	<ul style="list-style-type: none"> - Government's stated long range priority investment segments: agri-business, gas and oil based chemicals and products, construction and building systems (pre-fab). - Short-to-medium term government investment priorities: gas-based fertilizers, asphalt plant, agri-business production and distribution, meat and dairy production and distribution, pineapple production and export, hotels. - Partial or total divestment or technical and management assistance for designated parastatals: sugar, forest products and plywood, wheat supply, TV/electronic assembly, banking, fisheries, fertilizer distribution. - Cameroonian private sector originated projects: coated papers and films, beauty products, poultry raising and feed complexes, household detergents, soy bean oils, fruit juices and drinks, salt, shrimp breeding. 	<ul style="list-style-type: none"> - "Meet the experts." General discussions. Plant walk-through and demonstrations. Assess potential interest in segments for follow-on visits and discussions such as the 1986 OPIC Mission. - Assess specific interest of U.S. private sector in investment and/or management-technology participation. - Assess interest of U.S. private sector in investment and/or management participation in priority divestment-privatization projects. - Various <ul style="list-style-type: none"> -Investment and/or technical and management assistance -Equipment procurement-installation and process technology -Raw material supply -Assessment of state of the art in manufacturing and processing technology.

The foregoing suggests a general approach for USAID's continuing private sector strategy.

1. Private Sector Projects Can Be Identified From Several Sources

The Government can be encouraged to "think" private sector in major long-range projects, in divestment-privatization of existing parastatals, and in facilitating entrepreneurial project proposals. All sources can result in specific project statements and pre-feasibility studies for local private sector involvement and for soliciting U.S. private sector participation.

2. Implementation of All Classes Of Private Sector Projects Can Follow a Similar Process

While the scale, scope and timing of the projects will differ markedly, a similar approach can be used in bringing them to realization.

Approved project statements can move to pre-feasibility, partner-investor-technical assistance search, technico-economic feasibility study, project financing, and implementation. Exhibit II portrays this graphically.

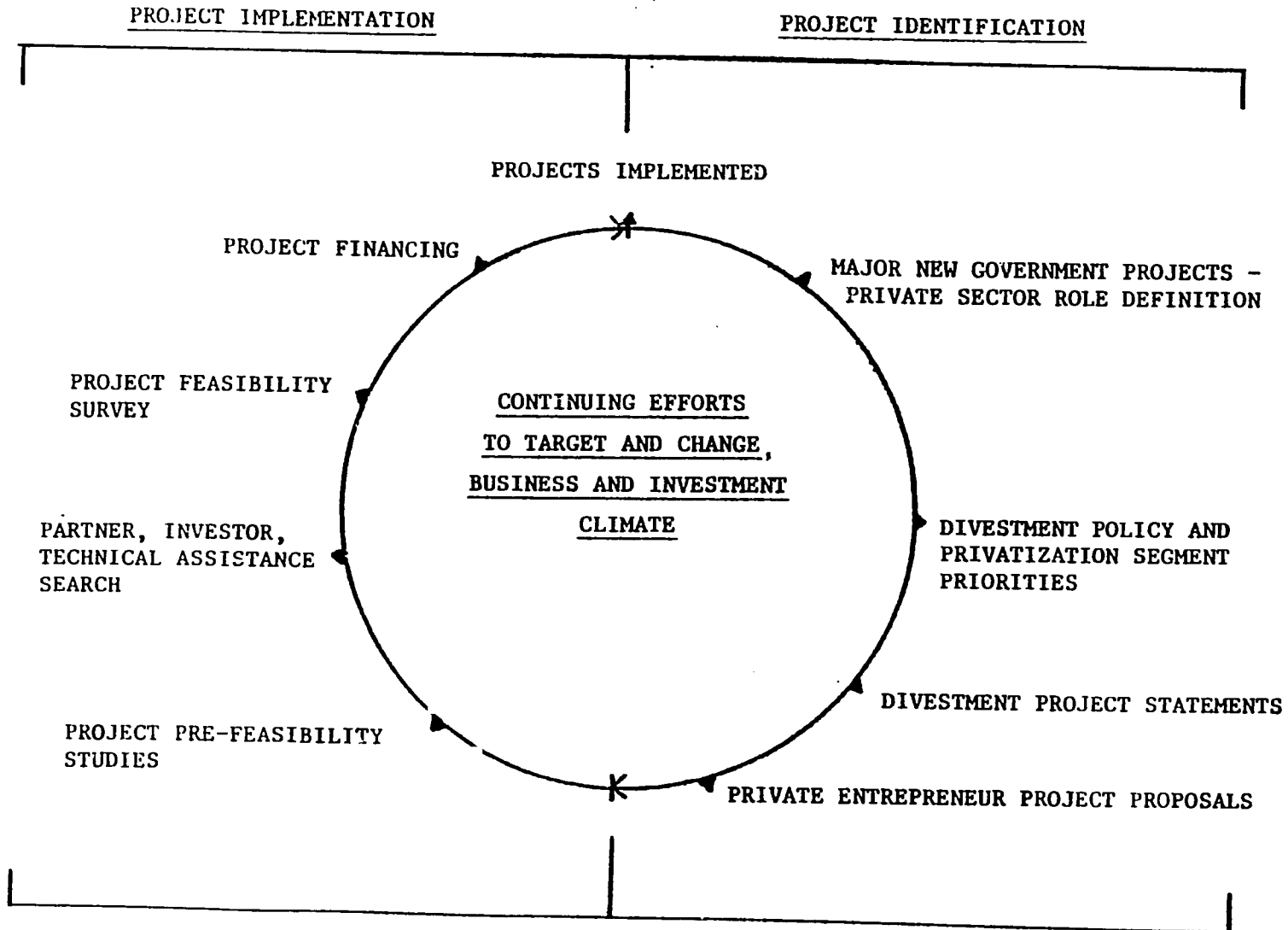
3. The Private Sector Development Process Would Be Accompanied By A Continuing Effort To Obtain Changes In Cameroon's Investment Climate

The recently completed Investment Climate Survey of Cameroon and the outstanding "Tortoise Walk" policy report contain an agenda of improvements required in the business and investment climate which can build on the existing very solid foundation of Cameroon's economic and political stability and dedication to a private sector policy - the bedrock on which any investment decision will be made. The Ambassador and the AID Mission Director can jointly plan a continuing campaign to influence changes in certain of the negative climate issues reflected in the above two reports.

EXHIBIT II

PRIVATE SECTOR DEVELOPMENT PROCESS

- AN ACTION MODEL -



I believe that there is outlined in this Aide Memoire at least an initial going-in outline for a U.S. private sector strategy for Cameroon which could serve as basis for review and discussion, and the subsequent development of a fleshed-out strategic plan for private sector development over the next several years.

Arnold F. Lessard
Yaounde, Cameroon
August 29, 1985

CAMEROON TRADE AND INVESTMENT MISSION

INVESTMENT CLIMATE SUMMARY

This summary of the investment climate in the Republic of Cameroon is based on USAID surveys conducted in the country during the period 1983-85 to assess private sector development and investment opportunities. A number of the key business climate factors of interest to any businessman considering Cameroonian investments, sales or exports are summarized below. A Country Fact Sheet follows this page.

GOVERNMENT STABILITY

Cameroon has been independent since 1960. It has a single party political system. The Government is organized along traditional French lines. The legal system is based on French civil law with some common law influences. Two strong leaders have governed since independence with a pre-planned succession. Ahmadou Ahidjo, 1960 to 1983 and Paul Biya since 1983. The current Government was successful in containing a coup attempt in 1984 and has since markedly strengthened its position. The country has a record of stability, conservatism, firm political leadership, private sector orientation and good relationships with neighboring countries.

ECONOMIC POLICY

Consistent policies since 1960 are reflected in successive five year national plans. Economic policy goals stress: Balanced economic growth among regions and ethnic groups. Order and stability via strong central direction. Mixed economic controls which place very heavy emphasis on private sector execution. A prudent and conservative approach to economic development -- a "slow but sure" philosophy. Major efforts are being made to avoid a "gold rush" impact on the economy following recent oil and gas discoveries -- a policy of building cash reserves and concentrating on urgent infrastructure expenditures. Government spending over the next several years will continue to focus on essential infrastructure building and social welfare investments.

EXCHANGE AND BANKING POLICIES

Cameroon shares a common currency with other members of the African Financial Community (CFA) with the CFA franc pegged to the French franc (CFA 50 = FF 1). Currency is for all practical purposes convertible. International payments and overseas remittances of profits and investments are not restricted, but are subject to normal approval procedures. Exchange restrictions and currency conversion prohibitions do not exist for all practical purposes.

Three U.S. deposit-taking commercial banks have established local branches in recent years: Chase Manhattan, Bank of America and First Boston. While they have minority Government participation, there is little or no interference in their operations. Money supply is adequate and banks are seeking to place reserves. Creditworthy new projects are scarce. Medium term

CAMEROON TRADE AND INVESTMENT MISSION

COUNTRY FACT SHEET

SIZE AND LOCATION	475,000 sq. kilometers. Larger than California. Major ocean outlets to Gulf of Guinea. Common borders with Nigeria, Chad, Central African Republic, Congo, Gabon and Equatorial Guinea.
POPULATION	8.9 million with an estimated growth rate of 2.3% pa. Population concentrated in north and south with 40% living in urban areas. A "young" population with 52% classified as economically "active."
MAJOR CENTERS	Douala. Major port and primary industrial-commercial center with population of 500,000. Yaoundé. The capital with a population of 350,000.
GDP	1982-83 \$6,873 million. Current estimated per capita GDP of \$880 places Cameroon in a "middle income" developing country range. Consistent GDP growth since 1960.
MAJOR EXPORTS	Coffee, cocoa, tropical woods, petroleum. Estimated 1983 petroleum production of 130,000 bpd. Petroleum contribution to GDP which started in 1978 grew from 11% in 1980-81 to 13.5% in 1982-83. US is major buyer of crude.
MERCHANDISE EXPORTS AND IMPORTS	1982-83 merchandise exports estimated at \$1,500 million. 1982-83 merchandise imports estimated at \$1,170 million. Country essentially self-sufficient in food.
CURRENCY	Member of African French Franc zone. Currency pegged to French Franc at 1FF = 50F/CFA. Currency fully convertible and transferable.
DEBT	External public debt of \$1,910 million in 1983. A moderate debt-service ratio of 15% (current export value) in 1982 is estimated to be higher for 1985.
LANGUAGES	English and French are the official languages. French required in most dealings with business and government. Many local dialects. Literacy estimated at 65%.
INFLATION	Official inflation rates are running at 9-14% although unofficial estimates place it somewhat higher.
MINIMUM WAGES	Detailed minimum wage regulations apply - which are low. Current monthly minimum wage of 17,000 F/CFA compares with 33,000 in the Ivory Coast and 64,000 in Gabon.
INTERNATIONAL AGREEMENTS	<ul style="list-style-type: none"> - Central African Customs and Economic Union UDEAC - Signatory of Convention providing duty free entry to European Common Market - Member of GATT - Eligible for OPIC coverage and loans and guarantees from major export credit agencies such as EXIM, COFACE, HERMES, ECGD - Recipient of IBRD-IFC loans and grants and aid from US, France, Germany, Canada and OPEC

interest rates are administered and in recent years have been kept relatively low to encourage investment and keep down public debt service payments. Commercial bank lending is currently primarily short term with preference given to established customers.

INDUSTRIALIZATION POLICY

Cameroon's industrialization policy is based on short-medium term satisfaction of local market needs and longer term exploitation of UDEAC country markets -- the regional trading and customs union of nearby countries which could develop into an interesting market for Cameroon's products in the years ahead. The need to reduce earlier import substitution protection measures to ensure cost and quality competitive export products is recognized. The Government is attempting to achieve a trade balance -- exports to imports -- without considering oil export receipts.

Industrial policy objectives can be summarized as follows:

- achieve higher levels of value added for local raw material resources;
- supply the domestic market competitively and efficiently;
- generate employment;
- promote Cameroonian entrepreneurship and small businesses;
- improve in-country distribution of economic activity;
- encourage diversified foreign investment.

A major incentive element in achieving these goals is the Investment Code. This Code provides for certain protection from foreign competition -- once capability to produce is demonstrated -- and a range of incentives to stimulate production in domestic and regional markets. Major features of the Code: exemption from customs duties on capital equipment and imported raw materials, grace periods on taxes on profits, access to credit, favorable export policies and many small but potentially important programs. The primary focus of the recently revised Code is on small and medium sized local businesses, although foreign investments in priority sectors are encouraged. The Code should be consulted for details.

AGRICULTURAL POLICY

Agriculture employs 73% of the active population, and provides 30% of GDP, two-thirds of foreign exchange earnings and one-third of total tax returns. Private small holder farming dominates, accounting for over 90% of production and employing 2.3 million people on family farms averaging 2 hectares.

The Government is addressing very real problems of yields and productivity, particularly in coffee and cocoa. It is also taking steps to strengthen incentives to producers by raising the price to growers for export crops to world price levels, by reducing taxes and by direct supports for agricultural extension and research facilities. USAID is providing important assistance in this latter area.

Cameroon is essentially self-sufficient in its local food supply, producing rice, corn, traditional vegetables, palm oil, nuts, millet, tea, sorghum, bananas and livestock. It has some of the better reserves of timber lands in Africa. Both the food and forest products areas are receiving increased attention in the current Plan.

PUBLIC INVESTMENT

The Government leads the way in encouraging -- and making investment in -- activities in which the private sector is unwilling or unable to invest. While the Government holds equity positions in a number of enterprises it does not directly engage in production. Policy is exercised primarily via investment promotion and development banking institutions which facilitate private investment. A number of parastatal corporations, however, have been created, although this sector is under current and critical review. Divestment actions are now reported to be underway in unprofitable parastatal companies.

PRIVATE SECTOR DEVELOPMENT OPPORTUNITIES

Many opportunities exist for private sector investment. A recent USAID-sponsored survey rates over 60 sectors of the Cameroon economy and placed priority on the following segments as possible areas of private investment. Meat and dairy production, processing and distribution. Road transport. Road construction and repair. Food production, processing and packaging. Agricultural fertilizers supply and distribution. Communications equipment supply, installation and maintenance. Prefabricated housing. Metal working. Textiles and consumer products. Cement manufacturing.

Major large scale investment and supply opportunities exist in the emerging oil and gas industry in exploration, production and processing and related oil industry services -- and are considered high priority sectors by the Government. Projects such as gas-based fertilizers and petrochemical feedstocks, asphalt plants, and submarine pipelines are currently in discussion. Financial, technical, management and marketing packages for such projects utilizing highly respected American oil industry-related technologies will be seriously considered. Major US oil companies have been active in the country and the US Embassy reports the presence of some 50 US companies which have made investments and have permanent presence -- almost all in banking, insurance, petroleum, construction and computers. Another 80 US companies have established agent-distributor-representative relationships.

AVAILABILITY OF LOCAL TECHNICAL AND FINANCIAL SERVICES

Major international engineering design, project management and construction companies operate in Cameroon and have branch offices. US commercial banks, insurance companies and international public accounting firms able to provide accounting, audit, insurance and taxation counsel and services and handle local currency, short and medium term financing, trade financing and collection-remittances are readily available.

BARRIERS TO INDUSTRIAL DEVELOPMENT

The Government has recognized a number of constraining influences -- many common to developing countries in the earlier stages of their development -- which stand in the way of economic development. Each has been identified and specific efforts are underway to attempt to reduce, neutralize or eliminate them.

- an over-complicated and sometimes onerous tax system;
- over-bureaucratic and slow government response time on approvals and payments to contractors and suppliers;
- undersupply of skilled workers, technicians and managers although local workers have proven to be willing, trainable and conscientious;
- lack of creditworthy private sector development projects;
- inadequate road and communications infrastructure;
- lack of timely and accurate economic and marketing information.

US businessmen considering undertakings in Cameroon should acquaint themselves with the realities of doing business in a developing economy which can prove slow moving, frustrating and unfamiliar -- particularly for those with little previous experience in such countries.

SUMMARY

Cameroon is a stable and economically viable nation which for almost a generation has had internal peace and good relations with its neighbors. It is considered as the most successfully managed economy in West Africa and can take its place as a leader among free enterprise oriented countries in the developing world.

There has been consistent acceleration in the rate of investment facilitated by cautious fiscal and monetary policies. The Government has not intervened in economic areas where such intervention would have been likely to do harm. It has supported strong private sector initiatives -- on behalf of both local and foreign private investors. It has a highly favored status among international lending institutions.

Cameroon has several rare and important assets:

- The ability to manage sustained and strong GDP growth which averaged 2.8% in the 60's and 70's and with the impact of oil discoveries growing to levels of 6% to 7% in the early 80's.
- No balance of payment problems nor as yet significant debt burden overhangs.
- Availability of large and increasing oil revenues to assist in financing a shift from import substitution to export-oriented diversified industrialization and infrastructure building.
- A working philosophy of a cautious approach to economic change and the demonstrated ability to avoid making major mistakes.
- Availability of local sources of credit in a freely convertible currency at attractive rates.
- A free enterprise orientation with a strong and dynamic local trading tradition and a demonstrated desire to broaden trading and business relationships outside traditional European channels -- in particular with the US.

The Government and the private sector both recognize and agree that much remains to be done in improving the investment climate. The Government has proven to be its "own best critic." Current concerns: eliminate time consuming and frustrating bureaucratic procedures; develop a modern transport and communications infrastructure; train and develop human resources; simplify taxation and import-export regulations and administration.

Potential US investors and suppliers of goods and services must be prepared to deal with these sometimes serious shortcomings, accept doing business in the French language, and pursue a strategy of building solid and long term relationships in association with local businessmen. US businessmen entering Cameroon for the first time must make the distinction between a favorable regulatory and economic environment and the daily problems of doing business where a short term trading mentality and morality dominates business practices, communications and transport can be very real problems, and skilled personnel are in short supply.

CAMEROON Foreign Economic Trends and Their Implications for the US, International Marketing Information Series. Published annually, International Trade Administration, US Department of Commerce.

The Tortoise Walk: Public Policy and Private Activity in the Economic Development of Cameroon. USAID Private Sector Evaluation Special Study Number 10. March 1983. USAID, Washington, DC.

IV. PROJECT PROFILES

Project profiles have been prepared for the projects which private sector businessmen -- all members of the Cameroon Trade and Investment Mission -- have developed and which have or will be submitted for approval under the advantageous terms of the Cameroon Investment Code.

These projects should be reviewed bearing in mind the following:

- o The projects have no formal approval nor are they specifically recommended by the Governments of Cameroon or the United States.
- o All data contained in the project profiles are as submitted by the project proposer. No independent evaluations or research were undertaken as part of the development of project profiles.
- o The listing of the projects in no way reflects preferential ordering or priorities.
- o All project sponsors are independent businessmen who are solely responsible for their own decisions and commitments.
- o No test was made of the financial status of any of the project sponsors.
- o The projects are at various stages of development. Some are supported by well-prepared feasibility studies. Others are essentially conceptual proposals.

US businessmen seriously interested in developing business relationships or investments should refer to a number of agencies able to provide advice on economic developments, business practices, loans and loan guarantees, risk insurance and a broad range of other important business issues. Highly recommended are the Trade and Development Office and the Africa Bureau of USAID, OPIC, EXIM, FCIA, the IBRD and the Department of Commerce.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE PRODUCTION OF CHEMICALLY TREATED PAPER AND FILMS USED IN HELIOGRAPHIC REPRODUCTION OF ARCHITECTURAL AND ENGINEERING DOCUMENTS, PLANS AND MAPS

PROJECT SUMMARY

De novo creation of a processing plant to produce diazo compound coated paper, transfer paper and coated polyester films used in heliographic reproduction of plans, drawings and maps used primarily in cartography, public works, building construction, engineering design and industrial applications. A company called PACAF HELIO S.A. located in Yaoundé, the capital of Cameroon, will be established.

The local and regional markets for the proposed range of products are expanding. All products are currently imported. There is no local production. The shelf life of the imported products is about four months and the products cannot bear the cost of air freight. Shipped by sea, the products have a short useful life and spoilage-wastage rates are high.

The project proposer is an importer-retailer currently active in the Cameroon market for these products. His market surveys indicate the possibility of capturing major market share in Cameroon and in nearby Central African countries associated with Cameroon in the UDEAC -- a customs and trading union which includes Gabon, Congo and Central African Republic.

A well-documented business proposal has been prepared.

SPONSORSHIP

The project sponsor is Mr. David YAKAP, BP 4517, Yaoundé, Cameroon. Tel: 23-28-71. He is Manager-Owner of CACIR-CAMEROON, an importer-retailer supplying 30% of the local market with heliographic materials. He is an accountant with an MA level degree in economics. Associated with him in the proposed venture are thirteen other local shareholders who will hold 34% of the shares with the remaining 66% in Mr. YAKAP's hands. The shareholders are planning to invest in a modest start-up operation aimed at the local market, but they are willing to relinquish 35% of the equity to an investor prepared to invest an additional \$500,000 which would permit establishment of a larger scale operation with capacity to address the UDEAC market.

GOVERNMENT SUPPORT

A formal application for Government approval and benefits under the Investment Code has been filed and has been approved. The company will be protected from import competition under the Code once it demonstrates its ability to meet local demand, and be granted preferential tax, lending and import treatment.

PRODUCTS, MARKETS AND SALES FORECASTS

The basic production process involves the application of diazonium salt solutions to paper and film which has been initially treated with a pre-coating and back-coating. The finished products will be the normal films, papers and card stocks used in the preparation of heliographic reproductions of plans, drawings and maps.

Demand for such products is linked to the growth in the volume of private and public sector construction and industrialization which is growing at the rate of 10% pa in Cameroon. Current import levels of the three major products to Cameroon follow:

1. DIAZO Paper	1,600,000 M2
2. Transfer Paper	50,000 M2
3. Polyester Film	30,000 M2

Estimates of total consumption in the UDEAC market are 3,500,000 M2.

The market is currently 100% supplied from abroad. Major problems of spoilage are encountered. A local product would have the major advantage of maximum shelf life.

Sales are forecast to grow from a year one total of 512,465,000 F/CFA (500 F/CFA = 1 FF) to 1,555,000,000 F/CFA by year five -- an annual growth rate of about 30%.

CAPITAL COST SUMMARY

Initial investments are estimated at 425,000,000 F/CFA, of which 300,000,000 is for purchase of machinery and equipment and 125,000,000 for land and building costs. A detailed list of equipment and start-up supplies is available.

WORKING CAPITAL SUMMARY

The company will begin operating with a total payroll of 17 growing to 19 by year five -- 26,334,000 F/CFA to 33,601,000.

Total operating costs less depreciation will grow from a year one total of 345,715 F/CFA to 1,164,800 in year five. The proposer estimates going-in working capital needs of about 50,000,000 F/CFA.

PROFITABILITY SUMMARY

Profitability forecasts indicate net profits before taxes including depreciation of 8.6% of 130,000,000 F/CFA in year one rising to 353,000,000 in year five. Profits after taxes have been calculated on two assumptions: with and without relief from taxes which have been granted under the Investment Code.

NET PROFITS AND ROI (000 F/CFA)		YEAR				
		1	2	3	4	5
NO TAX	NPAT	130,000	82,588	145,590	371,155	353,450
	% ROI	36	22	40	102	97
TAX	NPAT	79,950	50,792	79,538	238,261	217,372
	% ROI	22	14	22	65	60

The return on investment (ROI) has been calculated on the basis of equity capital of 365,000,000 F/CFA.

FINANCIAL STRUCTURE

The financing for the proposed venture is summarized below (500 F/CFA = \$1)

	<u>F/CFA</u>	<u>\$US</u>
1. Cameroon Shareholders	140,000,000	280,000
2. US Shareholder	225,000,000	450,000
3. Bank Credit - Medium Term	<u>110,000,000</u>	<u>220,000</u>
	475,000,000	\$950,000

PURPOSE OF DISCUSSION IN US

Locate source of financing preferably with company which can source and supply raw materials and provide technical assistance.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE PRODUCTION AND DISTRIBUTION OF COSMETIC, HAIR AND SKIN CARE PRODUCTS

PROJECT SUMMARY

A new business would be created -- Cameroon Chemicals -- to manufacture, promote and distribute a range of perfumes, hair and skin care and cosmetic products for sale primarily in Cameroon. Starting from a base product line of beauty care products, the line would be gradually expanded to a selection of products in four major lines: perfumes and toilet water, hair care products, skin creams and cosmetics.

SPONSORSHIP

The project sponsor is Mr. Jean Jacques EKINDI who is currently the President and General Manager of a group of trading companies. B.P. 2500, Douala, Cameroon. Tel. 42-94-96. He holds diplomas from the Polytechnique of Paris and the School of Mines of Paris. He has previous experience in the import, marketing and distribution of beauty and health care products such as Johnson, Revlon and L'Oréal.

GOVERNMENT SUPPORT

The Government severely limits the importation of beauty products. Import licenses are difficult to obtain and import duties and taxes can attain a level of 200% CIF. Mr. EKINDI has applied for Government approval and benefits under the Investment Code which provides protection from imports, tax holidays, preferential lending and import duty treatment for qualified small-medium sized Cameroonian businesses.

PRODUCTS AND MARKETS

The market is currently supplied by six local firms who share a market estimated at 5,600,000,000 F/CFA -- \$11.2 million (500 F/CFA = \$1). The market has grown at the rate of 20% pa over the past five years. Local competition is strong except in two major market niches:

1. Products which require some technical sophistication in handling, mixing or stabilizing. Such products are in heavy demand and are all imported.

2. Top-of-the-line products which require guaranteed quality, high packaging costs and major marketing expenditures.

Local manufacturers, as a result, have not attempted to target the growing middle class consumer for quality medium priced products.

The table which follows this page summarizes the proposed product line and major market characteristics.

CAPITAL COST SUMMARY

A total investment of 740 million F/CFA (\$1.48 million) is planned. One third is allocated for plant and equipment.

PURPOSE OF DISCUSSIONS IN THE US

The sponsor is primarily interested in professional and business contacts, trade information, know-how, technical support and possible raw material sources. He would also like to explore a relationship with a cosmetics company with a view to trademarks/patent licensing permitting him to produce and market known brand name products.

While his primary objective is not financing, the possibility is held open for discussion, particularly if licensing and a long-term relationship were involved.

PROPOSED PRODUCT LINES - CAMEROON CHEMICALS		
PRODUCT GROUP	PRODUCT LINE	MARKET CHARACTERISTICS
PERFUMES	1 PERFUME 4 EAU DE TOILETTE	<ul style="list-style-type: none"> o Muslim population are large consumers o Climatic conditions favorable to expanded use o Growing concern over personal body care
HAIR CARE	1 HAIR CARE CREAM 1 DECURLING CREAM 4 SHAMPOOS 1 CONDITIONING CREAM 1 HAIR LOTION	<ul style="list-style-type: none"> o A recent but growing market following similar developments in the US o Simple hair hygiene products have potential interest for 90% of the population o Hair care and treatment products have market appeal for over 50% of the population
SKIN CARE	1 CLEANSING CREAM 1 SKIN CREAM 1 HAND LOTION	<ul style="list-style-type: none"> o A more limited market than hair care products but market is developing o Two niches: baby care and special cleansing creams
COSMETICS	<ul style="list-style-type: none"> o LIPSTICKS IN SIX COLORS o NAIL POLISH IN SIX COLORS o ROUGE IN TWO TONES o EYELASH MAKEUP IN THREE COLORS o BASE MAKEUP IN THREE TINTS 	<ul style="list-style-type: none"> o Market is growing but per capita use is small compared to Europe-USA o Niche market is newly urbanized and educated customers o Choice of colors and tints very important o Only a few products in this group have consumption levels justifying local production
OTHER	<ul style="list-style-type: none"> o VASELINE o GLYCERINE o DISSOLVANTS o POLISHES 	

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

FEEDER MILL FOR POULTRY COMPLEX AND EXPANSION OF
DAY-OLD CHICK PRODUCTION

PROJECT SUMMARY

The promoter is the owner and General Manager of COMAVIC, a successful poultry operation of 35,000 laying hens, incubators and hatchery producing 60,000 day-old chicks per week which are sold to chicken growers in Cameroon. He is expanding his operations and plans to install a feed mill to meet his internal needs as well as to supply the local market. He is also interested in securing a source of supply for the raw material feed inputs of corn, soya and pre-mix and breeder stocks. COMAVIC currently employs twenty-five people including two expatriates in charge of operations and marketing.

SPONSORSHIP

Mr. Georges TAGNY is the founder-owner and General Manager of COMAVIC. Following his secondary education he completed studies at the Pan African Institute of Development in business management. He spent eight years in evangelical and church affairs in rural areas. He developed a strong awareness of the dietary needs of rural populations particularly the need for sources of protein. This led him into the poultry farming business. He found that all day-old chicks were imported from Europe -- with the attendant problems of high mortality rates and costs. He has extensive first-hand experience in successfully managing modern poultry operations.

GOVERNMENT SUPPORT

The feeder mill project has obtained Government support and approval under terms of Cameroon's Investment Code which provides preferential treatment on taxes, import duties and loans. Food production is a high priority development area.

PRODUCTS AND MARKETS

No formal feasibility study has been prepared since Mr. TAGNY believes he understands the local market intimately, and that the feed mill is a logical and long-planned addition to his existing enterprise.

At current levels of production, the feed mill will annually process 4,000 tons of corn, 1,200 tons of soya and 1,300 tons of pre-mix. Shipments are normally received on a quarterly basis. The plant will be sized to permit for future internal and external demand growth.

COMAVIC estimates that it has a 12-15% share of Cameroon's day-old chick market. Holland and France continue to air-supply large quantities. While one French company exists in Gabon, there are no other competitors in Cameroon or in the nearby UDEAC countries -- a regional trading and customs union in which Cameroon participates and in which participants share a common convertible currency pegged to the French franc. Governments in all the UDEAC countries are stressing local self-sufficiency in food production and encouraging local production of growing stocks.

COMAVIC sells direct at its plant and delivers to remote areas by air and road transport.

Competing imports of chicks and frozen chicken are permitted. Recent movements of large quantities of Brazilian frozen chickens had a temporary negative effect on the local market producers, but there are indications that local consumers prefer fresh chickens and the local market is strengthening. Local producers under such competitive import threats are becoming highly competitive.

Possibilities are excellent for large-scale increases in one-day chick production. While some small local producers are in the market, there do not appear to be major new competitors entering the market.

FINANCIAL STRUCTURE

The sponsor estimates that additional investments of F/CFA 225,000,000 -- \$US 450,000 (500 F/CFA = \$1) will be required for the food mill. He is not seeking investment assistance since financing is available from cash flow and local bank credits.

PURPOSE OF DISCUSSIONS IN US

The sponsor believes that the US is the leader in the industry. He wishes to explore closer connections in terms of technology and sources of supply. He believes that the Cameroon and regional markets for day-old chicks are very large. He would, therefore, be willing to enter discussions for the sale of 25% of the equity in a major new facility to address this market. The preferred investment partner would bring technical and management expertise and sources of supply for breeding stock and feeds -- in addition to capital investments. He would also like to discuss the possibilities of longer term expansion into frozen chicken products, regional cold stores and smoked chicken products.

Mr. TAGNY is primarily interested in contacts with small and medium sized family-type businesses which operate on a scale and under conditions similar to those in Cameroon. He has little interest in visiting large-scale, industrial-scale operations.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

PRODUCTION AND DISTRIBUTION OF HOUSEHOLD DETERGENTS

PROJECT SUMMARY

This project would create a new Douala-based company for the manufacture of household detergents. The product would be manufactured from imported chemicals, packaged in a limited range of sizes with 75% of its production sold in nearby high population centers on the coast and in central and south Cameroon. The project sponsor is an experienced soap and detergent chemist who has held senior production positions with foreign detergent companies including UNILEVER.

SPONSORSHIP

The sponsor is Dr. Nicholas EPO whose undergraduate and graduate degrees have been in the field of chemistry with specialties in the chemistry of fats, soaps, detergents and cosmetics. He holds a Ph.D. from the Faculty of Science of Paris. His practical work assignments included assignments at UNILEVER plants in Europe manufacturing oils, margarines, soaps and detergents. He served as Director of Production for the Cameroon Chemical Company (CCC) from 1978-83, responsible for production of soaps and detergents. He is now devoting full time to the launching of the proposed project.

GOVERNMENT SUPPORT

A detailed project feasibility study has been completed and was submitted for approval in January 1985. No problem is expected and once approved, the new company will benefit from a variety of benefits including duty-free importation of equipment and raw materials.

PRODUCTS, MARKETS AND SALES FORECASTS

Expanding economies such as Cameroon all experience increase in the use of soap powders over conventional bar soap products. Bar soaps which use vegetable oils also have a tendency to increase in price since there exists growing competitive pressures to use edible oil raw materials for dietary purposes. Chemical detergents use no natural raw materials. The large imports of edible oils signal that this process is happening in Cameroon.

The market for detergents is estimated at 4,400 tons in 1984 with imports of 900 tons. With a 22% per year growth in consumption, 1990 consumption is forecast at 12,000 tons. Local production of 3,500 tons is produced in five sizes, with the 420 gram size making up 50% of the market. The proposed plant will initially produce one size -- 420 grams. Prices for imported detergents in the 420 gram size are in the 772 F/CFA range. Local products sell for 524 F/CFA. The proposed plant will produce to sell at 424 F/CFA with a production cost of 375 F/CFA.

Total production capacity for the proposed plant will be 500 tons -- less than 15% of total national consumption. The plant will operate at 40% capacity in year 1, increasing to 97% in year 5. Sales are estimated to be 447,095,000 F/CFA -- \$US 900,000 (500 F/CFA = \$1) in year one rising to 1,722,185,000 -- \$US 3,444,370 in year five.

The plant will have a start-up manpower of 39 rising to 75 in year five.

CAPITAL COST SUMMARY

Total first year start-up and production costs are estimated at 445,000,000 F/CFA -- \$US 890,000. Capital costs are estimated at 333,000,000 F/CFA -- \$US 660,000. Working capital funds are estimated at 80,000,000 F/CFA -- \$US 160,000.

The proposed company will be profitable in year one but will have negative cash flow until year four. Short term credit will fill the cash flow gap.

PROFITABILITY SUMMARY

The chart shown below summarizes in dollars the forecast for the first five years of operation (500 F/CFA = \$1).

ITEM	1	2	3	4	5
SALES	894,000	1,577,324	2,243,284	2,795,132	3,444,370
COST OF SALES	798,400	1,058,636	1,268,728	1,520,010	1,737,444
GROSS PROFIT	95,600	518,688	974,556	1,275,122	1,706,926
TAXES (38.5%)	36,878	19,9694	375,204	490,920	657,166
NET PROFIT	58,722	318,994	599,352	784,202	1,049,758
CASH FLOW	(135,938)	(184,220)	(45,060)	163,714	451,632

FINANCIAL STRUCTURE

Total financial requirements to launch the venture as proposed total 445,000,000 F/CFA -- \$US 890,000. The proposer will cover 100,000,000 F/CFA -- \$US 200,000 or 22% of the amount required. He is seeking a combination of equity investment and medium term credits for the balance . He believes he has successfully completed the basic financing and is not seeking further financing.

PURPOSE OF DISCUSSIONS IN US

The proposer's primary objective is to meet companies or individuals in the business, assess technical developments and determine possible US sources of supply for equipment -- possibly used -- and raw materials. He would be prepared to talk equity investment should there be an appropriate merging of interests with investors interested in long-term development of West African markets for detergents and related products.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

PREPARATION, FOIL PACKAGING AND DISTRIBUTION OF
FRUIT-BASED DRINKS AND TOMATO JUICE

PROJECT SUMMARY

The project proposes the creation of a plant for production of fruit-based sweet drinks and tomato juice by reconstituting dry and wet concentrates. Over a five year period, a line of orange, grapefruit, pineapple, guava and tomato juices would be introduced to the Cameroon market. A key element in the proposal is in the packaging. Plastified aluminum disposable containers would be utilized. The proposers believe that such throw-away packaging would have significant advantages over bottles which are costly and difficult to collect and return in Cameroon conditions. Preliminary studies indicate that foil packaging will be 50-60% cheaper than glass and metal containers. Market surveys indicate that fruit-based drinks are preferred over soda-type drinks and consumption would rise dramatically if prices to the consumer could be brought down. The objective is a quality fruit-based product at the lowest possible price.

SPONSORSHIP

The sponsor is Dr. Nicholas EPO whose undergraduate and graduate degrees are in the field of food chemistry with specialization in the chemistry and production of fats, soaps, detergents and cosmetics. He holds a Ph.D. from the Faculty of Science of Paris. His practical work assignments included assignments at UNILEVER plants in Europe manufacturing oils, margarines, soaps and detergents. He served as Production Manager for the Cameroon Chemical Company (CCC) from 1978-83, producing soaps and detergents.

GOVERNMENT SUPPORT

A feasibility study has been prepared and submitted for approval by the Government under terms of the new Investment Code which offers significant benefits via reduced taxes, duties and fees. No problem is expected in obtaining approval for the project.

PRODUCTS AND MARKETS

The proposal is based on the fact that fruit-based drinks have high appeal for Cameroonian consumers -- fruit juices are always served first at important social occasions before sugared soda drinks. The relatively high price of the fruit-based drinks compared to sugared soda drinks limits consumption. Very few of the products now sold can truly be called fruit juices.

Consumption of sweet drinks -- with or without gas -- was estimated at 1,300,000 hectoliters in 1983-84. Brands such as Fanta, Coca Cola, Orange Schweppes and many others are found in the local market. Sugared soda drinks sell in the range of 100-160 F/CFA per 33 centiliter bottle (including price for return of bottle). Locally produced fruit flavored drinks sell in the range of 200-350 F/CFA. Imported fruit juice drinks sell for 300-400 F/CFA in the 33 centiliter size.

The four major importers of fruit juices landed 237,000 hectoliters of products in 1983-84. The market for such products is estimated at 450,000 hectoliters by 1990. Imports of tomato juices were in the range of 363 million to 550 million F/CFA respectively in the years 1982 through 1984. The proposed plant would produce 20,000 hectoliters of fruit juices in year one equal to 50% of plant capacity. The first products introduced would be orange and grapefruit, the locally preferred flavors -- equal to 6 million aluminum foil 33 centiliter packets.

The packing plant would employ aluminum-plastic film containers of proven design which have shown an ability to stand up to rough handling and are impermeable to light.

The objective is to sell the 33 centiliter foil package at 170 F/CFA in direct price competition with soda drinks and well under the price of competing fruit-based drinks.

Sixty to seventy-five percent of the plants production would be sold in nearby Littoral and Central and South Cameroon high population centers. Special pricing would be offered to the larger fruit juice importers and to major wholesalers, distributors and retail outlets. Direct delivery would be made from the plant by company-owned trucks. The other parts of the country would be serviced by licensed distributors.

The production process is a simple reconstitution of dry and wet concentrates by dilution, the addition of glucose, citric and ascorbic acids followed by pasteurization. Containers would be made and filled in a continuous operation. Well water sources have been proven. Production personnel will grow from 69 in year one to 94 in year five. A one-shift operation is anticipated in years 1-3, two shifts in years 4-5, and three shifts in year 6.

INVESTMENT REQUIREMENTS

Investments of 477,266,000 F/CFA -- \$US 954,532 are required of which 287,350,000 F/CFA -- \$US 574,200 are for going-in capital costs.

PROFITABILITY SUMMARY

The following tables summarize sales, operating costs, net profits and cash flow:

F/CFA (000)

ITEM	1	2	3	4	5
SALES	1,680,000	2,318,400	3,814,090	5,751,000	7,595,000
COST OF SALES	1,498,224	1,937,446	2,670,654	3,402,304	4,342,032
NET PROFIT	181,776	380,954	1,143,436	2,348,696	3,252,968
CASH FLOW	(158,790)	(399,600)	(265,894)	385,104	1,347,302

FINANCIAL STRUCTURE

The sponsor will personally invest in equity and current account loans 21% of the total going-in capital requirements of 477,266,000 F/CFA. Other investors and medium term loans at 9.5% interest with 7 year repayment can be obtained.

PURPOSE OF DISCUSSIONS IN THE US

The sponsor is interested in meeting equipment, foil packaging materials and juice concentrates suppliers. While he is not primarily seeking investors, he would be open to discussions of possible "package" purchases involving equity investment with tied-in supply. He is willing to consider used equipment.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

SOYA BEAN OIL PRODUCTION AND DISTRIBUTION

PROJECT SUMMARY

This project would create a soya bean extraction plant to produce edible oil for sale in Cameroon and for export to nearby UDEAC countries and Nigeria. The proposal is based on a major Government campaign to introduce into western Cameroon the cultivation of soya beans, and the fact that almost all edible oils used in the regional UDEAC market -- including Cameroon -- are imported from Europe. The preliminary studies indicate that soya bean oil produced in a plant close to the western Cameroon growing areas could easily displace these exports. Soya oil is already well accepted by local consumers.

SPONSORSHIP

Dr. J.O. ONOBIONE is the project sponsor, BP 1105, Douala, Cameroon. Tel: 42-49-19 and 42-49-06, Telex 5751KN. He has a Ph.D. in mathematics from the University of Paris. He is the founder and President of SITIBAC, a major cigarette manufacturer and distributor with invested capital of 3,200,000,000 F/CFA = \$US 6,400,000 (500 F/CFA = \$US1) of which he is a 65% shareholder. He is also founder and majority shareholder in FAEM, a manufacturer-assembler of air conditioners, freezers, refrigerators and stoves with invested capital of 1,100,000,000 F/CFA F/CFA -- \$US 2,200,000. He is a major shareholder in an important public works and building company, BAREC, with turnover in excess of 2 billion F/CFA -- \$US 4 million. He is a leading and highly respected businessman. His banking references include Chase Bank Cameroon, a branch of the Chase Manhattan Bank.

GOVERNMENT SUPPORT

The proposed project qualifies for preferential treatment as a new enterprise under Cameroon's Investment Code. The Code provides for major reductions in taxes, import duties on capital equipment and raw materials, and various business fees for periods of ten years. Because of the importance of this project in terms of use of local raw materials, employment and reduction in imports the project will undoubtedly receive approval once the formal proposal is submitted.

PRODUCTS AND MARKETS

Preliminary studies indicate that 30,000 tons of edible oils are consumed annually in Cameroon. Approximately 10,000 tons are locally produced, leaving 20,000 tons which are imported. Local palm oil production of 9,000 tons is used almost exclusively for soap manufacturing. The sponsor believes that a processing plant of 10,000 tons p.a. will find a certain market and provide acceptable levels of return on investment. The proposed project would produce seed oil cakes for sale as animal feed in local and nearby foreign markets.

The sponsor has commissioned a detailed economic and technical feasibility survey which will be completed prior to his arrival in the US.

There is no competitive local producer of soya bean oil. Edible oils sold in Cameroon are imported by ten large importers-distributors-wholesalers.

PURPOSE OF DISCUSSION IN THE US

Preliminary surveys indicate that capital equipment for the project can be acquired at highly competitive prices in Italy. The sponsor does not anticipate any difficulty in raising the preliminary estimate of capital investment of 800,000,000 F/CFA -- \$US 1,600,000 (500 F/CFA = \$US 1).

His primary purpose for visiting the US is based on his belief that the greatest fund of know-how in the soya bean industry resides there. He wants to meet oil processors and visit plants.

He is prepared under the appropriate circumstances to offer minority participation in the proposed company's equity to a partner who could bring technical and production expertise and knowledge of world soya bean markets.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

IMPORT, PROCESSING, PACKAGING AND DISTRIBUTION OF SALT PRODUCTS

PROJECT SUMMARY

The project promoter has purchased the assets of a foreclosed salt processing plant. Overhaul of the equipment and building has not been possible due to major salt corrosion problems. A completely new facility will be constructed in the Douala area which will receive crude salt imports, clean, process and package the refined salt, and warehouse and distribute the finished product throughout Cameroon.

SPONSORSHIP

The project sponsor is El Hadj Adamou Soulé, a well-known importer, trader and distributor of textiles, table oils, food products and salt. He sells primarily to wholesalers from distribution points in Douala and Yaounde. He is owner and General Managing Director of SODAFILS s.a.r.l. CAMEROON - and other companies. The proposed venture would be created as a separate shareholder-owned company. Mr. Soule has banking relationships with PARIBAS and First Boston's Cameroon Branch.

GOVERNMENT SUPPORT

The proposed project has received support from government development banks and loan guarantee agencies who have assisted in preparation of marketing and business plans. The project has obtained approval under the Cameroon Investment Code and will be granted taxation and import duty relief, investment assistance, and over the longer term will benefit from salt import restrictions once the new plant demonstrates ability to meet national needs.

PRODUCTS, MARKETS AND FORECASTS

There are no local sources of crude salt in Cameroon or in the surrounding UDEA countries - a regional customs and trading union of which Cameroon is a member. All salt is imported. The proposed plant will import crude sea salt from Egypt. Contracts for supply have been signed with the El Nasr organization.

Crude bulk salt will enter Douala port and be transported to the nearby plant. The processing involves washing and cleaning, granulation, drying and packing in 9 and 18 kilo containers. End products will include table salt, cattle salt licks in blocks and industrial salt.

The potential market includes all current salt importers, distributors and major users. Once an import ban is in effect the proposed plant will exercise an effective monopoly until such time as a competing processing facility comes on stream. No new projects for salt conversion are known at this time. Distribution will be effected via distribution points in Douala and at a site to be selected in Northern Cameroon. The company will also be able to export its products via overland connections to other member countries of UDEA.

CAPITAL COST SUMMARY

The proposer estimates the following initial capital expenditure requirements (conversion at 500 F/CFA = \$1)

	<u>F/CFA</u>	<u>\$U.S.</u>
1. Machinery and Equipment	400 million	800,000
2. Building, office and transport equipment	<u>500 million</u>	<u>1,000,000</u>
	900 million	1,800,000

The land will be leased from the government - a contract has been signed.

FINANCIAL STRUCTURE

The shareholders will invest F/CFA 800,000,000 - \$1,600,000. They are seeking medium term financing from government lending agencies in the amount of F/CFA 500,000,000 - \$1,000,000. Equipment purchases of F/CFA 400,000,000 - \$800,000 will be financed under medium term supplier credits.

PURPOSE OF DISCUSSIONS IN THE U.S.

The sponsor is not seeking U.S. investors. He is interested in U.S. processing systems and equipment and in medium term supplier financing. He is also considering European sourcing for the equipment.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

SHRIMP FARMING, PROCESSING AND DISTRIBUTION

PROJECT SUMMARY

The project is still in the conception stage. A feasibility survey will be commissioned in the very near future. The project envisages a step-by-step entry into integrated hatchery, growing, farming, cleaning, freezing and distribution operations. The internal market will be the initial target with export to follow. The local Cameroonian shores have been enormous producers of shrimp in the past. The country takes its name from the Portugese word for shrimp. The local diet includes shrimp products as an important element of food and seasoning. The project will be based on man-made growing areas utilizing a sea-water growing environment.

SPONSORSHIP

The project sponsor is Mr. Samuel KONDO who has owned and operated successful trading ventures in Europe and is currently the successful owner-operator of several Cameroon businesses. He is highly regarded as a successful businessman. He is President Director General and principal shareholder of SOCARTO, an important paper importer and converter manufacturing and distributing a wide range of industrial multi-ply Kraft paper bags and paper for printing and office uses. Investments in SOCARTO total 1,100,000,000 F/CFA -- \$US 2,200,000 (500 F/CFA = \$US 1). He is also Chairman of SGCAC an insurance company in association with French private interests and SOCALOG, a freight forwarding and logistics company in association with Canadian shareholders. He holds investments in other Cameroonian businesses, is President of the Cameroon Industrial Syndicate and Member of the Central Committee of the Cameroon Peoples Democratic Movement.

Mr. KONDO will be accompanied on his visit to the US by Mr. Ramond Arrey who is Commercial Manager of SOCARTO and business advisor to Mr. KONDO. Mr. Arrey is a graduate in business administration from Washington University at Saint Louis.

GOVERNMENT SUPPORT

The proposed project meets all criteria for preferential treatment under Cameroon's new Investment Code. Mr. Kondo plans to submit the project for formal approval under the provisions of the Code once the forthcoming feasibility survey has proved the business validity of the concept. The Code provides for taxation, duty and business fee benefits for up to 10 years.

PRODUCTS AND MARKETS

Preliminary market assessments indicate substantial imports of fish and shrimp are required to satisfy local market needs. A large internal market for shrimp and shrimp by-products remains to be satisfied from local sources of production. Current local prices for shrimp are very high because of supply shortfalls.

The proposed project would supply fresh, frozen and dried shrimp products -- the latter a staple in the local diet. Production would be based on locally available species of shrimp. Distribution inside Cameroon would be handled through a network of cold stores for on-selling to distributors, wholesalers, retailers and large users. Such systems used for frozen fish distribution are already in successful operation in the country.

The sponsor has advertized for consulting assistance in the US and is in correspondence with several specialist firms whom he plans to contact while in the US. He plans to authorize the technical and economic feasibility study before the end of the year, and if the results are positive, he will apply for Investment Code certification.

CAPITAL, COST AND PROFITABILITY DATA

There is no basis as yet on which to estimate financial requirements or profitability for the total venture. A limited phase one start-up has been estimated in the range of 500-700 million F/CFA -- \$US 100,000-140,000 (500 F/CFA = \$US1). The proposed feasibility survey will address these issues.

PURPOSE OF DISCUSSIONS IN THE US

The sponsor plans to follow up with US companies who have expressed interest in carrying out the initial feasibility studies. Ability to work in the French language will be an important element in selection.

Funds for the first stages of the proposed project are available. Minority equity participation of a risk taking partner able to bring technology and project management is possible and is open for discussion.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE PRODUCTION AND DISTRIBUTION OF GALVANIZED IRON SHEET
PROFILES

PROJECT SUMMARY

The sponsor proposes to establish a factory for the profiling of roofing and siding sheets processed from imported coils. He would initially address the local Cameroon markets supplying the galvanized sheeting needs of industrial, commercial and residential construction. He believes substantial additional markets exist in nearby UDEAC countries - the regional customs and trading union of which Cameroon is a member

SPONSORSHIP

The project sponsor is Mr. Oscar ENOW. Street Five Terminus, Tiko, Cameroon. B.P. 73. Tel: 35 11 94. TELEX: 5823 KN, and B.P. 8381, Douala, Cameroon. Mr. ENOW is a graduate mechanical engineer and is founding Managing Director of STEELCAM, engineering and building contractors specialized in the erection of a wide variety of industrial and commercial structures, and the supply of building and plumbing equipment. Prior to forming his own company, Mr. ENOW was Chief of Works for an industrial company. It is his first-hand experience in the use of profiles in the building trades that led to the development of this project.

GOVERNMENT SUPPORT

The economic and technical feasibility survey for the proposed project will be submitted for Government approval when completed in September 1985. Since the project will qualify under the Investment Code and since it proposes to replace imported galvanized steel sheet profiles, there is every reason to believe that the project will be approved for the taxation, duty and fee benefits provided for in the Code.

PRODUCTS, MARKETS AND SALES

Preliminary research indicates that a profitable local market exists for a range of corrugated galvanized iron and profiled products all of which are currently imported. Although imports of such products have declined in 1984 due to the start up of a major new Cameroonian aluminium plant producing aluminium roofing and cladding sheets, the sponsor believes that even the reduced volume of imports provides an ample market for the proposed production. He is also convinced that his product which will benefit from major reduction in import duties over imported sheeting will be able to be sold at 40% below the price of comparable aluminium sheets. The price sensitivity in a low per capita income country such as Cameroon will, he believes, ensure a growing and profitable market. Galvanized iron sheeting has been the country-standard for many years and there is little question of market acceptance.

His equipment will also be capable of processing aluminium coils to meet market requirements. Locally produced aluminium coil sheeting is available.

The proposed plant will be sited at the Ombe Industrial Park in Tiko Sub Division. The Park is close by the major port facilities, has existing energy and water connections, and is close to large population concentrations. The initial phase will include two metal forming and cutting machines fed from imported steel sheet coils. Initial production is estimated at 3 million sheets, 2 meters in length.

Distribution will be made from the plant in western Cameroon and from a distribution point in the north. Customers will be current importers, distributors, contractors and retailers.

PRELIMINARY CAPITAL AND OPERATING COST AND PROFITABILITY ESTIMATES

Preliminary estimates for a two stand production plant capable of producing 3 million 2 meter profile sheets including land, machinery, factory and office buildings, and associated equipment is \$353,000. The initial start-up consignment of 250 tons of coiled steel is \$131,000. Sales will be made on a cash-and-carry basis which is common business practice in Cameroon. While preliminary estimates show the project to be profitable and able to earn an attractive return on invested capital, the feasibility survey now nearing completion will provide more definitive forecasts of profitability and ROI.

FINANCIAL STRUCTURE

The sponsor is still in the process of securing local equity investors and bank financing. He is interested in seeking foreign investors interested in growing with the project and who might have tie-in interests in supplying raw materials and process machinery.

PURPOSE OF DISCUSSIONS IN U.S.

The sponsor is seeking investors interested in a minority equity position in the proposed company on the basis of an equity-loan package. Investors would probably be companies interested in providing raw materials and equipment and utilizing the sponsor's existing business for the export of building and plumbing supplies to Cameroon. The sponsor would consider the purchase of second hand forming equipment. The sponsor will have the completed feasibility survey for review with interested parties.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE PRODUCTION OF BICYCLE AND MOTORCYCLE TIRES AND INNER TUBES

PROJECT SUMMARY

The promoter is a successful importer and manufacturer of bicycles and wheeled vehicles. He wishes to extend the range of his local manufacturing activities to include tires and tubes which he now imports. The project is far along in the planning and implementation stage, but needs an infusion of capital and technical assistance to move it into the production phase.

SPONSORSHIP

Mr. Michel DJAMBONG is the founder and President Director General of SOCAMCY, a manufacturer of bicycles and wheeled vehicles, B.P. 5823, Douala-Akwa, Tel: 42 20 49, 42 33 44, Telex: 5584 KN. His annual production is 4000 bicycles and 6000 two wheeled vehicles in 4 models used for land transport of a wide range of materials. He owns 53% of SOCAMCY which has an invested capital of 493,000,000 F/CFA - \$1 million and 75% of DJAMBONG & Company capitalized at 224,000,000 F/CFA - \$500,000. His banking references include BIAOC and Chase Manhattan Cameroon in Douala.

SOCAMCY has increased local content of its products over the years. Today all bicycle and vehicle frames are built from imported tubing with accessories including tires and tubes imported from various European and Asian suppliers. The products are well accepted in local marketplaces and are sold nationally via agents in various parts of Cameroon who have long standing relationships with SOCAMCY. Local over-the-road transportation of assembled vehicles and spare parts is available at competitive prices. There is no importation of assembled bicycles. SOCAMCY is also a major supplier of after-market spare parts including tires and tubes. SOCAMCY products have also been sold in nearby UDEA countries - the regional West African trading and customs union of which Cameroon is an important member. SOCAMCY sales are estimated at 500,000,000 F/CFA - \$US 1 million out of an estimated market of 4,000,000,000 - \$US 8 million.

GOVERNMENT SUPPORT

The project to manufacture tires and tubes initially received Government Investment Code approval in 1976 which has since expired. The sponsor plans to reapply under the new Investment Code regulations recently published which places heavy emphasis on Government support of small and medium sized local companies. The new Investment Code provides for a broad range of assistance to such companies including favorable terms and exemptions from taxes, duties and fees. Government support and approval for the project is expected and essentially assured.

PRODUCTS AND MARKETS

The tire and tube project was conceived in 1975. Following Investment Code approval in 1976, work began on the construction of a factory building and infrastructure requirements. Today, a modern metal factory building of 100 meters by 60 meters has been completed, water well drilled and electrical connections prepared on a company-owned site on the outskirts of Douala, located on a paved road with direct access to the nearby port. Workers are readily available as are key expatriate specialists who will initially supervise operations and train the force. A second building has been erected on the site (15 meters by 60 meters) to house the bicycle manufacturing facility which will be transferred from its current location in central Douala. These facilities are debt free.

The original project was carefully studied in 1980 and a feasibility study exists. The sponsor recognizes that much of the market and cost data are no longer valid and plans to update the study.

The equipment for the tire and tube plant was purchased from a Taiwanese company which has a 15% share in the equity. The project ran into serious cost overruns and the sponsor has to date been unable to raise additional capital to install the equipment - which is already on site - and move into start-up. While the sponsor has taken precautions to protect the stored equipment, a careful survey will be required to assess possible deterioration. Local engineers have been contacted who would take charge of installation and start-up with back-up assistance from the equipment suppliers.

The project plans to utilize and process local rubber as the primary raw material.

Products would be sold via SOCAMCY's existing agency network which would be enlarged, replace SOCAMCY's imported tires and tubes, be marketed to other wheeled vehicle manufacturers, and sold to wholesalers for after-market replacement sales. A sales network would be established in selected UDEA member countries.

One competing tire manufacturer is in production. The sponsor estimates that the proposed project would reach sales in the 2,500,000,000 F/CFA - \$5 million range following successful start up and development of the distribution channels.

The sponsor proposes to operate the plant on a three shift basis with total production manpower of 150, total employees 200. He estimates he could eventually supply 50% of the local market.

FINANCIAL STRUCTURE

The sponsor is seeking loans and/or equity participation which will permit completion of the final installation and start-up phase. He estimates requirements of 300 to 400 million F/CFA - \$US 600,000 to 800,000 for the estimated four to five month installation-start up period. He believes that local working capital funds will be readily available once the plant is ready for production. The business would operate on a short cash flow turnaround basis since medium or long term credit to agents is not required.

PURPOSE OF DISCUSSIONS IN THE U.S.

The sponsor is seeking contacts with potential U.S. investors. He believes that individuals or companies in the wheeled vehicle and tire and tube business could possibly tie investment, parts supply, technical assistance and/or licensing into a comprehensive agreement. He believes that the regional market for his line of wheeled vehicle products which are well adapted to local needs and conditions plus the growing after-market possibilities represent an opportunity for a company interested in West African markets which are today primarily supplied from abroad, but will increasingly be supplied from local sources protected from import competition.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

ASSEMBLY AND MANUFACTURE OF ELECTRICAL
APPLIANCES AND DEVICES

PROJECT SUMMARY

This project seeks to create a small factory for the assembly and limited manufacturing of fans, florescent light fixtures, and a variety of electrical plugs, switches and fittings. Major components would be imported, but limited manufacturing of molded plastic parts and sheet metal pieces and winding of stators would be undertaken. The project's feasibility is based on growing levels of local consumption, almost 100% importation, and high levels of duties and taxes on these imports.

SPONSORSHIP

The sponsor is Christophe Weladji who is the founding Director General of ATAC, an electrical contracting firm. Mr. Weladji is President of Cameroon's association of contractors (UNECAM) and Chairman of Cameroon Trading EXIM, an import-export company. Mr. Weladji's company has carried out major electrical contracting assignments for both the public and private sectors including major underground cable and high and low tension electrical projects.

GOVERNMENT SUPPORT

The sponsor has completed a technical and economic feasibility study which was submitted to the Government in July 1985 for approval under provisions of the Cameroon Investment Code. Approval is expected shortly and will provide a range of privileges including exemption for import duties on imported parts and favorable treatment in other tax and fee areas.

PRODUCTS MARKETS AND SALES

The project has three main product groups: fans, florescent light fixtures and a range of relays, circuit breakers, junction boxes, plugs, control panels, resistors and related products. Local value-added assembly and manufacturing activities proposed involve winding, wiring, plastic molding, metal cutting, stamping and drilling, cleaning, painting and heat treatment.

Official statistics indicate import values of \$12 million (500CFA=\$1.00) primarily from France, U.S. and other European sources. The import of electrical products apart from domestic appliances make up for over \$US 10 million of this amount. Duties and taxes on imports are currently 61% on appliances and 45% on electrical fittings and supplies. The project sponsors seek to obtain a 7% share of the local market by year five with sales of just under \$1 million based on 1984 input levels. The market, however, has been growing at 20-25% each year.

The market is currently organized by a number of importer/wholesalers who sell to other wholesalers, retailers, contractors and builders. These same channels would be exploited by the proposed company. Terms of sale are payment on delivery.

CAPITAL REQUIREMENTS AND PROFITABILITY ESTIMATES

Capital costs for start-up are estimated at 227,300,000 FCFA - \$US 454,600. Year one operating costs are estimated at 244 million FCFA - \$US 488,000 rising to 371 million FCFA in year five - \$US 742,000. Breakeven will occur after year two, with after-tax returns on invested capital of 10% in year five.

The feasibility study contains detailed financial breakouts for the first five years.

FINANCIAL STRUCTURE

The proposer is prepared to personally invest 163,000,000 FCFA - \$US 326,000 with an additional amount of 20,000,000 FCFA - \$US 40,000 coming from small shareholders. Bank loans of 80,000,000 FCFA - \$US 160,000 complete the going-in financing.

PURPOSE OF DISCUSSIONS IN THE US

Mr. Weladji wants to visit electrical parts manufacturing companies. He is interested in an association with a company who could be attracted to a long term relationship in developing a west African base for assembly and manufacturing of appliances and electrical fittings for sales in Cameroon and nearby regional markets. While he is not seeking equity capital for his going-in venture he is open to discussions involving equity participation by a US company as a first-step business relationship in creating a major regional business.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

INTEGRATED POULTRY COMPLEX

PROJECT SUMMARY

The project proposer is in the early stages of assessing the feasibility of an integrated poultry project which will eventually include incubated hatchery, chicken and egg production, slaughter house, cold stores and a feed mill. He has been in contact with U.S. consultants who are in the process of preparing a technical and economic feasibility survey. He is seeking a joint venture with a U.S. company

SPONSORSHIP

The sponsor is Mr. Donald A. NAUNDAM, P.O. Box 566, Limbe, Cameroon. Tel: 33 24 31, 33 22 34. TELEX: 5280 KN and 5507KN. He is a registered pharmacist who received his education at Howard University, Washington, D.C. He is in his own private business as a pharmacist in Limbe.

Mr. NGUNDAM has made a decision to enter the chicken farming business because of his conviction that there is a great dietary need among the local population - particularly children - for chicken meat and eggs as basic protein sources. He has already launched a chicken raising operation and has plans to reach a level of 25,000 layers and 25,000 broilers in 1985. He is now engaged in the conduct of a feasibility study utilizing U.S. consultants.

GOVERNMENT SUPPORT

Mr. NGUNDAM plans to file for Investment Code approval under the provisions of the small and medium sized business category. His project qualifies for such treatment and there is little doubt that the project will receive approval which provides for preferential treatment of income tax, import duties and various business fees.

PRODUCTS

The project over the long term envisages a full line of poultry products: day-old chicks, laying stock, eggs, broilers - all supported by a modern feed mill utilizing local raw materials to the maximum extent possible.

PURPOSE OF DISCUSSIONS

The sponsor wishes to make contacts with potential investors who could also provide technical assistance, equipment and sources of raw materials for breeding stock and feeds. He is interested in visiting small hatchery and chicken production operations which will be of a scale of operations similar to what he plans in Cameroon. He is willing to provide investors with equity participation in the venture. He will participate with his own equity investments and local sources of credit. His pharmacy business provides him with adequate cash flow to finance and support his share of the enterprise. The going-in scale of the venture will depend on the level of investor support.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

PRODUCTION AND DISTRIBUTION OF TISSUE PAPER

PROJECT SUMMARY

The long-term objective of this project is to produce tissue paper stock in Cameroon from imported and local raw materials for processing into toilet paper and household paper products. It is conceivable that the first phase of the project would be the importation of the paper stock for cutting, rolling, wrapping, packing and transport for sales through an existing network of Cameroonian agents and distributors. The initial target markets are western Cameroon and nearby Equatorial Guinea which is easily accessible by coastal trading vessels.

SPONSORSHIP

The project sponsor is Mr. Michael N. ATABONG, owner and General Manager of Atabong Enterprises, P.O. Box 19, Limbe, Cameroon. Tel.: 33 22 58 or 33 32 14. Telex: 5813 KN. He is a major importer and distributor of Firestone and Michelin tires and building materials with annual turnover of 1,300,000,000 F/CFA - \$US 2,600,000. He is also an exporter of ebony to European markets. Atabong Enterprises has four wholly owned distribution outlets in Western Cameroon which sell at both wholesale and retail. Mr. Atabong is an important importer and distributor with experience in both Nigeria and Cameroon as an accounting and shipping clerk before establishing his own business in 1960. He has four children studying in the U.S.

GOVERNMENT SUPPORT

This project is eligible for support by Cameroon's new Investment Code which provides majority-owned Cameroon businesses with a broad range of concessions on income taxes, import duties and fees. The location of the project in the Limbe area would receive very favorable consideration.

PRODUCTS, MARKETS AND SALES FORECASTS

The project is still in its formative stages and the forecasts of the market size, investment costs and profitability must be considered as indicative and preliminary. Detailed feasibility studies would be required.

The initial target market is Western Cameroon which has a population of 2 million of the country's total population of 8.6 million. Like all countries moving up rapidly in GNP, the consumption of paper products is rising rapidly. Such products are imported. Four companies in central Cameroon import raw material paper stocks primarily from Europe where it is locally rolled, cut and packaged. Each is estimated to import 400 tons of raw materials yearly.

Estimates of the total market size is extremely difficult due to unregistered imports across the Nigerian-Cameroon border.

The project sponsor plans to locate his plant at Ombe which is close to the major port city of Limbe. The area has ample manpower resources, excellent sources of water and electricity, and a major oil refinery.

Preliminary production estimates indicate a year end production of 450 tons growing to 1,500 tons in year five. The sponsor believes that sales of \$3,000,000 per year are possible.

CAPITAL AND PROFITABILITY SUMMARY

The sponsor's preliminary estimates call for start-up capital costs of \$1,055,000 with operating capital of \$388,000 - a total of \$1,443,000. The sponsor is prepared to invest in land, buildings and cash in the amount of \$350,000. He is willing to provide up to 35% of the equity in the proposed venture to a foreign investor-partner.

Preliminary estimates of profitability made by the sponsor show pre-tax profits of \$700,000 on sales of \$3,000,000 - 23% on sales. On the basis of a going-in equity investment of \$750,000 leveraged by \$900,000 in long term local bank loans, the return on investor's capital before taxes would be 107% when in full operation. The company would benefit by highly favorable taxes on profits during the first ten years.

The sponsor recognizes that the above figures are highly speculative. A detailed technical and economic feasibility study will have to be undertaken.

PURPOSE OF DISCUSSIONS IN THE UNITED STATES

The sponsor is interested in making contacts with potential investors with direct experience in the manufacture and marketing of tissue paper products. He will require assistance in the development of feasibility studies, equipment purchase, supply sourcing and technical counsel.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

PRODUCTION OF DAY-OLD CHICKS AND SUPPORTING VETERINARY AND FEED COMPLEX

PROJECT SUMMARY

The proposed project would create AGROCAM S.A., an agro-industrial shareholding company with headquarters in Douala. Its primary objective is to produce day-old chicks for sale in the local market. Almost all day-old chicks are currently imported by air reaching a level of 2,700,000 in 1982-83 through Douala airport alone. Imports have risen 7%, 10%, 18% and 28% respectively over the period 1978-79 - 1982-83. The supply is not regular, wastage and mortality is high and recovery time is relatively long. AGROCAM would also undertake the manufacture of feeds both for chickens and other animals. Imported and local materials such as cereals, oil cakes from soya, peanuts, cotton, palm and copra, brewing industry by-products, shells and rice milling residue would be employed plus necessary additives and premixes would be utilized. A veterinary medical service in support of a network of growers would be developed.

Markets would be sought in the Cameroons, within the UDEA customs and trading union, and in Nigeria.

A detailed technical and economic feasibility study dated May 1984 is available from the sponsor.

SPONSORSHIP

The sponsor is Mr. Jean-Samuel NOUTCHOGUIN. He is a Delegate to the Chamber of Commerce of Industry and Mines, the President Director General of Societe des Provenderies du Cameroon and Chairman of the Board of Directors of ICRAFON, manufacturer and distributor of BIC writing products, B. P. 77, Bafoussam, Cameroon. Tel: BAFOUSSAM 44 13 69. B.P. 2040 Douala, Tel: Douala 42 19 69, Telex: 7025KN. He is a well-known and highly respected businessman.

GOVERNMENT SUPPORT

Local production of day-old chickens and animal feeds and the establishment and servicing of a subsidiary network of local chicken farmers has received strong Government support. The sponsor has applied for and received approval for Investment Code privileges which provide a range of reduced taxes, duties and fees on business operations.

PRODUCTS, MARKETS AND SALES FORECASTS

Market demand for day-old chicks is extremely large and can only be satisfied by large air imports from Europe. The local market is essentially "wide open," nearby country markets can be readily supplied from Douala by air.

The first objective is the construction and operation of a modern hatchery eventually able to produce all its laying stock and eggs. The second objective is the construction and operation of a major animal feed plant to produce feed for the poultry operations of AGROCAM, but eventually to supply animal feed for pigs, lambs, cattle, goats, rabbits and fish. The third objective is to provide a range of veterinary, management and distribution services to farmers.

The sales projections are considered confidential but are treated in detail in the feasibility study.

FINANCIAL AND CAPITAL STRUCTURE AND PROFITABILITY PROJECTIONS

AGROCAM would have a start-up capital of 150,000,000 F/CFA - \$300,000 (500 F/CFA = \$1). Majority shareholders are Cameroonian entities and individuals. A foreign minority shareholder will provide technical assistance and foreign supply support.

The confidential feasibility survey contains detailed equipment, installation and production specifications. Ten-year forecasts of revenue, expenses and before-and-after-tax profitability have been made. The company will achieve breakeven in year two and profitability in year three.

PURPOSE OF DISCUSSIONS IN THE U.S.

Mr. Noutchogouin is interested in meeting with owners of small to medium sized hatcheries of a size comparable to his planned operations in Cameroon. He is also interested in meeting feed equipment and raw material suppliers to the hatchery and chicken farming industry. He is not seeking financing for his current project, but could be interested in discussing investments in future expansions.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE SOURCE OF SUPPLY FOR CAMEROONIAN PRODUCER OF AGRICULTURAL CHEMICALS

SUMMARY

DIANA-SICAC is an established Cameroon importer of a wide range of agricultural chemicals, pesticides, fungicides, herbicides and fertilizers originating from DIANA-EUROPE. It's sales in 1981-82 were in excess of 2,500,000,000 F/CFA - \$US 5,555,000 (450 F/CFA = \$1), with profits of 642,000,000 F/CFA - \$US 1,426,600. The company is entering a new phase of operations and will have in place in 1986 a local plant for the production of a range of products now imported.

The new plant will have a total annual production capacity of 12,500 tons with the following year one production:

PRODUCTION PRODUCT	YEAR ONE CAPACITY	YEAR ONE PRODUCTION	YEAR FIVE PRODUCTION
Insecticides	3,000	1,720	2,950
Fungicide-Liquid	4,000	2,000	3,900
Herbicide	2,000	750	1,800
Fungicide-Powder	1,000	500	950
Oil	500	-	350
Fertilizer	2,000	-	1,000

The project has now been organized and financing secured. The sponsor is now seeking sources of raw material supply and is interested in contacting producers interested in meeting the new plant's requirements.

Among the company's banks is CHASE BANK-CAMEROON.

RESPONSIBLE EXECUTIVE

Mr. Francis BELIBI-ONANA is the Director General of DIANA-SICAC S.A., Douala, Cameroon, B. P. 2494, Tel: 42 27 28, Telex: 5319. Mr. BELIBI-ONANA has his undergraduate degree in economics and an MBA from INSEAD. He has held sales engineering and operations management positions with Sperry-Rand and IBM, France.

CAMEROON TRADE AND INVESTMENT MISSION

PROPOSED PROJECT SUMMARY

PROJECT TITLE

SPRAY DRIED SOLUBLE COFFEE PLANT

PROJECT SUMMARY

World consumption of soluble coffee was 270,800,000 kilograms in 1983. The U.S. led the major consuming countries with 95,000 tons. World markets continue to be strong with world consumption increasing. The markets are dominated by Brazilian producers, Nestle and General Foods. This project proposes to establish a soluble coffee plant - and later a decaffeination line - to produce 850 tons of soluble coffee per year based on Cameroon-produced coffee beans. The sponsor's contacts in the market indicate that this level of production will find a ready market.

SPONSORSHIP

The project sponsor is Mr. Francois BELIBI-ONANA. President Director General designate for the proposed company, SOCATOM S.A., B.P. 2994, Tel: 42 78 28, Telex: 5254 KN. Mr. BELIBI-ONANA pursued his secondary and university studies leading to a degree in economics. He received his MBA from INSEAD in Switzerland. He served as a sales engineer for Sperry Rand France prior to joining IBM-France where he held positions of increasing managerial responsibility in both marketing and operations. He is currently Director General for DIANA-SICAC, a major Cameroonian importer of agricultural chemicals.

GOVERNMENT SUPPORT

This project is seeking Government support as a "Regime D" project under The Investment Code, a category reserved for large scale projects which have strategic importance for the national plan. The sponsor is also seeking the deferment of coffee taxes on exports of coffee beans as a primary means of financing the project. For details see the proposal document developed by the sponsor.

PRODUCTS AND MARKETS

The cost estimates are based on the use of broken and rejected beans from local Cameroon production at an estimated cost at factory of 320 F/CFA per kilogram - \$US .71 (450 F/CFA = \$1) - a level competitive with raw material prices of Brazilian producers. The production process uses 2.7 kilograms of coffee beans to produce 1 kilogram of soluble coffee with a current market price of \$6.50. The sponsor's contacts in the market indicate several potential buyers willing to take the plant output.

INVESTMENT AND PROFITABILITY PROJECTIONS

The capital cost of an 850 ton plant has been estimated at \$US 8,705,000. The sponsor has detailed estimates available of site preparation, process plant equipment and utilities costs. Construction will be carried out over an 18-month period with a 6 month commissioning period.

Profitability is closely tied to the purchase price of raw materials. The sponsor believes that negotiations for the purchase of Cameroon produced coffee beans - broken and rejects - can successfully obtain a local purchase price competitive with Brazilian producers. Provisional estimates of profitability are available concerning the first five years of operation.

PURPOSE OF DISCUSSIONS IN THE U.S.

The sponsor is familiar with U.S. soluble coffee operations. He has also had close contacts in developing the project with European and Asian equipment suppliers and buyers of soluble coffee. While he is primarily interested in contacting buyers, he is willing to discuss "package" deals involving financing, equipment supply, technical assistance and product off-take. Equity participation is a possibility. Used equipment would be considered.