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REPUBLIC OF CAMEROON
Peace- Work- Fatherland

FIRST QUARTER 2024 ECONOMIC OUTLOOK BULLETIN



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Acronyms and Abbreviations

BEAC: Bank of Central African States

CEMAC: Economic and Monetary Community of Central Africa

HPSF: Hydrocarbons Prices Stabilisation Fund

DF: Division of Forecasts

DGD: Directorate General of Customs

IMF: International Monetary Fund

IS: Corporate Income Tax

EP: English Pound

MINFI: Ministry of Finance

GDP: Gross Domestic Product

NTP: Net Treasury Position

NGP: Net Government Position

OECD: Organisation for Economic Cooperation and Development

NHC: Cameroon's National Oil Refining Company

STPP: Special Tax on Petroleum Products

VAT: Value Added Tax (VAT)

OVERVIEW

International economic environment

In the first quarter of 2024, global economic activity is marked by the continued surge in prices resulting from geopolitical tensions (particularly in the Middle East and Ukraine); the raising of key interest rates by central banks to combat inflation; the stagnation of the property market in China and its repercussions on other sectors of activity.

According to the OECD, in the group of advanced countries, economic growth stood at 0.3%, after 0.4% in the previous quarter. In emerging and developing countries, economic conditions were marked by contrasting trends in GDP growth.

For the **year 2024** as a whole, the IMF estimates global growth at 3.2%, as in 2023. In developed countries, growth should accelerate to 2.7% in 2024 after 1.6% in 2023. In the United States, growth is expected to stand at 2.7% after 2.5% in 2023; in the Eurozone, 0.8% after 0.4%; in the United Kingdom, 0.5% after 0.1%; and in Japan, 0.9% after +1.9%.

In the group for emerging and developing countries, growth should decelerate to 4.2% after 4.3% in 2023. In the main economies of the group, growth should be 4.6% after 4.3% in China, and 6.8% after 7.8% in India.

In sub-Saharan Africa, growth should accelerate to 3.8% after 3.4% in 2023, driven by Nigeria (+3.3% after +2.9%) and South Africa (+0.9% after +0.6%). In the CEMAC zone, growth is expected to be 3.1% in 2024, after 3.4% in 2023.

In terms of prices, the IMF estimated that the inflation rate for the world economy as a whole will be 5.9%, after 6.6% in 2023. This rate is expected to be 2.6%, after 4.6% in 2023 in the group of advanced countries, and 8.3% as in 2023 in the group of emerging and developing countries. In sub-Saharan Africa, inflation is expected to be 4.9% after 5.9% in 2023.

With regard to commodity prices, the average prices of the main raw materials exported by Cameroon rose overall in the first quarter of 2024 compared with the previous quarter. However, crude oil prices dropped by 1% to 83.0 dollars/barrel. Year-on-year, they rose by 2.1%.

National economic situation

Growth and prices

Overall business sales in the first quarter of 2024 decreased by 2.6% compared to the previous quarter, driven by declines in sales in the primary (-3.6%) and tertiary (-4.8%) sectors. By contrast, sales in the secondary sector increased by 1.9%. Overall, there was also a decline in the wage bill (-1.1%) and in the number of employees (-3.8%). Among the main concerns of business leaders are security and climate-related challenges. Similarly, the high level of inflation, with its effects being felt in several sectors, is a concern for the Government. GDP growth is estimated at 4.1% in 2024, after 3.3% in 2023.

In terms of prices,, the household final consumption price index rises by 0.8% compared to the previous quarter. This trend is mainly attributable to the increase in the cost of "transport" (+5.2%) and those of "housing, water, gas, electricity and other fuels" (+0.8%). Year-on-year, this index rises by 5.0%, in line with the rise in prices for almost all consumer goods, particularly food (+5.6%) and transport (+14.3%). Over the year as a whole, inflation is estimated at around 7%, after 7.4% in 2023.

External sector

In the first quarter of 2023 and year-on-year, the current account deficit in the balance of payments increased by 159 billion to 37.3 billion, as a result of: (i) the deterioration in the deficit on goods (-152.7 billion) and services (-92.7 billion), and; (ii) the reduction in the secondary income surplus (-45.5 billion). The services and primary income deficits are narrowing and the secondary income surplus is widening.

External financing recorded net inflows of 380 billion, after 345.8 billion in the previous quarter and 38 billion in the first quarter of 2023.

The overall balance of all foreign transactions in the first quarter of 2024 recorded a surplus of 19.8 billion, after 129.2 billion in the fourth quarter of 2023 and a deficit of 150.7 billion in the first quarter of 2023.

Public finances

In the first quarter of 2024, domestic revenue collected totalled 1,195.2 billion, a decline of 22.0 billion (-1.8%) compared to the first quarter of 2023. This decline is reflected in oil revenues (-81.8 billion), which stood at 167.4 billion.

On the other hand, non-oil revenues, valued at 1,027.8 billion, were on the rise by 59.8 billion. This increase was driven by tax revenues (+66.9 billion) and non-tax revenues (+4.8 billion). As for customs revenues, they dropped by 11.9 billion.

Disbursed loans and grants totalled 266.3 billion, an increase of 50.3 billion (+23.3%) annually. They included 67.4 billion in project loans, 47.7 billion in net public securities issues and 20 billion in grants.

Total budgetary expenditure and net loans based on scheduling amounted to 1,432.5 billion compared to 1,451.5 billion in the first quarter of 2023, representing a decline of 19 billion (-1.3%).

Current expenditure increased by 111.9 billion to 699.4 billion, including 343.3 billion in personnel costs and 261.6 billion in transfers and pensions. Investment expenditure amounted to 144.7 billion, a decrease 38.6 billion compared to the first quarter of 2024.

Actual public debt servicing amounted to 508.7 billion, a decrease by 129.7 billion. It is made up of 253.2 billion in external debt and 255.5 billion in domestic debt.

Monetary situation

At the end of March 2024, and compared to the end of December 2023, the monetary situation is marked by a decrease in net foreign assets (-6.9%) and an increase in domestic credit (+6.5%), with the two aggregates standing at 2,773.2 billion and 7,757.8 billion respectively.

Reflecting changes in its counterparts, the money supply (M2) grew by 5.6% to stand at 8,734.0 billion. This is made up of 20.5% banknotes and coin, 45.4% scriptural money and 34.3% quasi money.

Year-on-year, the monetary situation increased by 9.2% following a 6.9% drop in net foreign assets and.

INTERNATIONAL ECONOMIC ENVIRONMENT

Economic growth and inflation

In the first quarter of 2024, global economic activity is marked by the continued surge in prices resulting from geopolitical tensions (particularly in the Middle East and Ukraine); the raising of key interest rates by central banks to combat inflation; and the stagnation of the real estate market in China and its repercussions on other sectors of activity. According to the OECD, these difficult economic conditions were reflected in weaker performances in both advanced, emerging and developing countries.

In the group of advanced countries, GDP slows to 0.3% after 0.4% in the fourth quarter of 2023. However, there are disparities in the pace of growth between the countries in the group.

In the United States, economic activity decelerated to 0.4% from 0.8% in the previous quarter. This slowdown is linked to the drop in net exports and investment in the inventory of companies. However, there was an acceleration in household consumption and public spending.

In the Eurozone, GDP rebounded to 0.3%, against a contraction of 0.1% in the previous quarter. This recovery is attributable to the acceleration in household consumption, the rebound in investment and the rise in net exports. In the zone's main economies, growth accelerated in France (+0.2% after +0.1%) and Italy (+0.3% after +0.1%), remained stable in Portugal (+0.7% as in the previous quarter), Belgium (+0.3%) and Spain (+0.7%), and improved in Germany (+0.2% against -0.5%).

In the United Kingdom, GDP growth bounced back to 0.6%, against -0.3% in the fourth quarter of 2023. This rebound was mainly underpinned by growth in household consumption and public spending. This performance can be explained, among other things, by the improvement in household purchasing power, supported by the drop in inflation and the significant rise in wages, which helped to bolster British consumer confidence. However, there was a decline in business investment and imports of goods.

In Canada, economic growth accelerated to 0.6% after 0.2% in the previous quarter. This was the result of an acceleration in household consumption expenditure and gross fixed capital formation, and a slowdown in business inventory accumulation. The increase in household spending (+0.7%) was the main driver of GDP growth, driven by spending on services (+1.1%), particularly telecommunications, housing and air transport services.

In Japan, growth contracts to -0.5% after the 0.0% recorded in the fourth quarter of 2023. This downturn was driven mainly by a fall in household consumption (-0.7%), exports of goods and services (-5.1%) and business investment (-0.3%). This under-performance in economic activity can be attributed in particular to : (i) the difficulties encountered in the local automotive industry, leading in particular to the temporary closure of car production units belonging to Daihatsu, a Toyota subsidiary, against the backdrop of a safety scandal; (ii) the devastating earthquake of 1 January 2024 on the Noto peninsula, with its

repercussions on economic activity; (iii) persistent inflationary pressures and the weakness of the yen, accentuated by the Bank of Japan's accommodating monetary policy, which also weakened household purchasing power.

In emerging and developing countries, economic conditions were marked by contrasting trends in GDP growth in the Group's various economies.

In China in particular, GDP growth accelerated to 1.6% after 1.2% in the fourth quarter of 2023. On the one hand, this is due to the resilience of household consumption and manufacturing investment, and on the other hand, to the upturn in exports as a result of increased global demand. However, the stagnation of the real estate sector, which has long been one of the engines of growth and a major source of employment, continues to be a major constraint on economic activity, and its aftershocks are being felt in several sectors.

In the other countries in the group, growth accelerated in Turkey (+2.4 after +1.0%), South Korea (+1.3% after +0.5), Mexico (+0.3% after +0.0%) and recovered in Brazil (+0.8% after -0.1%). Conversely, growth slowed down in India (+1.9% after +2.1%), and contracted in South Africa (-0.1% against +0.3%).

Over the year as a whole, and according to the IMF's World Economic Outlook (April 2024), global growth is estimated at 3.2% in 2023 and should maintain the same rate in 2024 and 2025. Trends continue to vary by country and group of countries.

In the group of advanced economies, growth should accelerate to 2.7% in 2024 after 1.6% in 2023. This is mainly due to the acceleration in growth in the United States (2.7% after 2.5% in 2023). **In the Eurozone**, growth is forecast at 0.8% after 0.4% in 2023, driven by stronger household consumption, as the effects of the energy price shock fade and a deceleration in inflation supports real income growth. However, growth is expected to slow down in France (+0.7% after +0.9%), Italy (+0.7% after +0.9%) and Spain (+1.9% after +2.5%), and to pick up in Germany (+0.2% after -0.3%). In the other economies of the group, growth is expected to accelerate in the United Kingdom (+0.5% after +0.1%) and **Canada** (+1.2% after +1.1%), and to decelerate in **Japan** (+0.9% after +1.9%).

In the group of emerging and developing countries, growth is expected to slow to 4.2% in 2024 after 4.3% in 2023. In the Group's main economies, growth should accelerate in China (+4.6% after +4.3%) and Russia (+2.8% after +2.1%), and decelerate in Brazil (+2.2% after +2.9%), Mexico (+2.4% after +3.2%), Turkey (+3.1% after +4.5%) and India (+6.8% after +7.8%).

In sub-Saharan Africa, growth is expected to reach 3.8% in 2024 after 3.4% in 2023, driven by Nigeria (+3.3% after +2.9%) and South Africa (+0.9% after +0.6%). It is worth noting that Niger and Senegal are among the countries in the zone that are expected to post the strongest growth in 2024 (with rates of 10.4% and 8.3% respectively), thanks to the commissioning of gas and oil projects. In the CEMAC zone, growth is expected to be 3.1% in 2024, after 3.4% in 2023.

In terms of prices, the IMF forecasts a global inflation rate of 5.9% in 2024, after 6.6% in 2023. **In the advanced countries**, inflation is expected to decelerate to 2.6% in 2024

from 4.6% in 2023, in line with the expected deceleration in the United States (+2.4% after +3.6%), the Eurozone (+2.9% after +5.4%) and Japan (+2.3% after +3.3%). **In emerging and developing countries**, inflation is expected to be stabilised at 8.3%. In particular, inflation is expected to be 0.1% after 0.2% in 2023 in China; 4.6% after 5.4% in India; 6.9% after 5.9% in Russia; 4.1% after 4.6% in Brazil; and 59.5% after 53.9% in Turkey.

In sub-Saharan Africa, inflation is expected to be 4.9% in 2024, after 5.9% in 2023. There are likely to be disparities between countries in the region, due in particular to: (i) the heavy dependence of some countries on oil and food imports; (ii) the risks of disruption to global supply chains; (iii) frequent climatic shocks; (iv) sharp currency depreciations; (v) increased political instability and security crises. The inflation rate is expected to be 23.0% in Nigeria after 26.3% in 2023, and 4.5% in South Africa after 4.9%. In the CEMAC zone, inflation is expected to rise to 4.5% after 5.1% in 2023.

Commodity prices

In the first quarter of 2024, compared to the previous quarter, average prices for the main commodities exported by Cameroon were on the rise globally.

Crude oil prices stood at 83.0 dollars/barrel, a decline of 1% compared to the previous quarter. The slowdown in global demand and the increase in non-OPEC supply are the main causes of this reduction. Year-on-year, prices increase by 2.1%.

Raw cocoa prices stood at USD 6,148.7 per ton, representing an increase of 54.1% compared to the fourth quarter of 2023. Year-on-year, they increase by 129.5%. These developments are attributable to the drop in production, linked to unfavourable weather conditions.

Coffee prices were 32.2% higher than in the previous quarter. This increase was mainly due to disruptions in supply chains. Year-on-year, Robusta and Arabica coffee prices rose by 52.6% and 9% respectively.

Palm oil prices rose by 8.1% compared to the previous quarter, in line with the reduction in supply. Year-on-year, however, they dropped by 6.5%.

Raw cotton prices rose by 5.3% compared to the previous quarter. This trend is the result of consumption growing faster than production. Year-on-year, prices are virtually stable.

Aluminium prices are virtually stable compared to the fourth quarter of 2023. Year-on-year, however, they dropped by 8.3%.

Rubber prices are 6% higher than in the fourth quarter of 2023. This trend is due to lower stocks. Year-on-year, prices increase by 12.1%.

Table 1: Trends in the price of exported raw materials

period	1 st quarter 2023	4 th quarter 2023	1 st quarter 2024	Changes (in %)	
TITLE	a	b	c	c/b	c/a
Aluminium (US\$/metric ton)	2398.6	2189	2199.1	0.5	-8.3
Arabica coffee (US cents per pound)	173.8	175.4	189.4	8	9
Cocoa (US\$/metric ton)	2678.9	3990.6	6148.7	54.1	129.5
Cotton (US cents per pound)	97.2	92.2	97.1	5.3	-0.1
Palm oil (\$ US/metric ton)	905.6	783.2	846.4	8.1	-6.5
Robusta coffee (US cents per pound)	102.1	125.5	155.8	24.2	52.6
Crude oil (\$ US/barrel)	81.2	83.8	83	-1	2.1
Rubber (US cents per pound)	137.3	145.3	154	6	12.1

Sources : INSEE, MINFI

Nominal exchange rate

In the first quarter of 2024, compared to the previous quarter, the CFA franc appreciated against the currencies of our main trading partners. This appreciation was mainly against the Chinese Yuan (2.6%), the South African Rand (1.6%), the Japanese Yen (1.3%) and the US dollar (0.9%). The Pound Sterling depreciated by 1.2%.

Year-on-year, the CFA franc also appreciated against the currencies of Cameroon's main trading partners. This appreciation is more significant against the Japanese Yen (11.9%).

Table 2: Nominal exchange rate of the CFAF versus the main currencies

Period	1 st Qtr. 2023	4 th Qtr. 2023	1 st Qtr. 2024	Variations	
TITLE	a	b	c	c/b	c/a
US Dollar	610.65	609.06	603.49	-0.91	-1.17
Japanese Yen	4.62	4.12	4.06	-1.35	-11.93
Pound Sterling	741.91	755.98	765.28	1.23	3.15
South African Rand	34.38	32.48	31.95	-1.63	-7.07
Chinese Yuan	89.26	86.16	83.95	-2.56	-5.95

Source : Bank of France, MINFI

REAL SECTOR

The Ministry of Finance's business survey for the **first quarter of 2024** shows that overall business sales declined by 2.6% compared to the previous quarter. This decline was driven by sales in the primary and tertiary sectors, dropping by 3.6% and 4.8% respectively. Conversely, turnover in the secondary sector rose by 1.9%. Overall, there has also been a drop in the wage bill (-1.1%) and in the number of employees (-3.8%).

Security and climate challenges are the main concerns cited by business leaders. Similarly, the high level of inflation, with its effects felt in several sectors, remains a concern for the Government. GDP growth is forecasted at 4.1% in 2024, after 3.3% in 2023.

Primary sector

In the first quarter of 2024, this sector continues to be affected by climate change challenges and the high cost of agricultural inputs. Sales are on the decline by 3.6% compared to the previous quarter. This situation is explained by the decline in production in several agricultural sectors. The number of staff is almost stable because of the cumulative effect of the end of the contract of temporary staff in the enterprises at the end of the marketing year and the recruitment in those which are in full harvest. Growth in this sector is estimated at 3.7% in 2024 after 2.5% in 2023.

In industrial and export agriculture, the first quarter corresponds to the recovery in the production cycle of certain speculations, notably crude palm oil and cotton. On the other hand, it corresponds to the period of production decline for rubber, cocoa and bananas.

Crude palm oil production increased by 207.7% compared to the previous quarter, in line with the plant's vegetative cycle. Year-on-year, crude palm oil production increased by 19.3%, driven by the dynamism observed among all operators in the sector. The sector benefited from a good rainfall recorded in the fourth quarter of 2023 which favoured the development of the bunches and a good sunshine in the first quarter which allowed a better ripening of the bunches.

Banana production decreased by 12.8% compared to the previous quarter, in line with the plant vegetative cycle. Year-on-year, it increased by 1.4%, in line with favourable weather conditions and the continued rehabilitation of CDC plantations.

Cotton fibre production increased by 123.8% compared to the previous quarter. This surge is explained by the period of great campaign, attributable to the cycle of production of the plant. Year-on-year, cotton production increased by 9.5%, in line with the increase in cultivated areas and the improvement in the production conditions of the farmers by SODECOTON. In 2023, the company invested nearly \$6 billion to renew production tools and motorised equipment.

Natural rubber production recorded a decline by 37.3% compared to the previous quarter, due to the combined effect of adverse weather conditions, aging trees and the plant's vegetative cycle. Year-on-year, rubber production increased by 3.2%. The main

company in the sector, HEVECAM, continues to implement its 5 billion investment plan focused on the regeneration of plantations and the renewal of equipment.

In forestry and logging, log production decreased by 2.1% compared to the previous quarter. Year-on-year, the production of logs dropped by 40.1%, due among other things to a reduction of orders and the Government's decision to overtax these products, in order to encourage the 1st and 2nd processing sectors. Indeed, the rate of exit duty applicable to logs and similar has risen from 50% in 2022 to 60% in 2023 and 75% in 2024.

Production of sawn timber decreased by 6.1% compared to the fourth quarter of 2023. Year-on-year, it dropped by 9.2%. One of the reasons for this decline was a reduction of orders, particularly from Asia

Table 3: Growth rate of production of certain types of speculation in the primary sector (%)

Products	1Q2024/ 4Q2023	1Q2024/ 1Q2023
Rubber	-37.3	+3.2
Banana	-12.8	+1.4
Cotton fibre	+123.8	+9.5
Crude palm oil	+207.7	+19.3
Logs	-2.1	-40.1
Sawn timber	-6.1	-9.2

Source : DF/MINFI business survey

Secondary sector

The secondary sector continues to be marked by rising energy costs, mainly electricity, natural gas and fuels. This situation increases production costs. Moreover, the difficulties of supplying electricity and the lack of road infrastructure are among the concerns of business leaders.

Turnover in the sector rose 1.9% compared to the previous quarter. Growth in this sector is estimated at 3.3% in 2024 after 2.2% in 2023. This increase is mainly supported by the "construction" (+5.5%), "agri-food industries" (+4.4%), "other manufacturing industries" (+5.2%) and "electricity generation and distribution" (+4.6%). However, activity declined in the «Extractive industries» (-4.7% after -1.9%) in line with the decline in oil production

Table 4: Growth rate in the secondary sector in %

Headings	2023	Estimates 2024
Secondary sector	2.2	3.3
Extractive Industries	-1.9	-4.7
Agri-food industries	3.9	4.4
Other manufacturing industries	3.0	5.2
Production of electricity distribution	4.4	4.6
Water supply and sanitation	3.1	3.8
Building and Construction	4.1	5.5

Source : MINFI/DF, Framework Committee

Manufacturing industries include agri-food industries and other manufacturing industries.

In the first quarter of 2024 and compared to the previous quarter, production activity was dynamic in the **agri-food industries**, supported by the increase in production in the branches «Cocoa, coffee, tea and sugar» (+32.3%), "Oilseed and feed industries" (+32.2%), "Grain processing and manufacture of starch products" (+5.9%). At the end of 2024, value added growth in the agri-food industries is projected at 4.4%.

By sector of activity, the following trends can be observed:

In the **“meat, fish and fishery products production, processing and conservation industries”**, meat production dropped by 10.0% in the first quarter of 2024 compared to the previous quarter, in connection with the drop in demand after the end-of-year festivities. Year-on-year, meat production increased by 7.0%. The year-end projections are for a 10.3% increase in meat production. This development is based, among other things, on the construction of fattening centres, the production of 50 ha of fodda fields and the acquisition of market spaces through the Value chain development project in livestock and fish farming.

In the **“grain milling and starch manufacturing”** segment, activity rose by 5.9% in the first quarter of 2024 compared to the fourth quarter of 2023, in line with the increase in demand for flour, whose production increased by 5.6%. Year-on-year, production in the sector increased by 36.2% due to the availability of wheat and the commissioning of a new wheat flour production unit in Kribi. The operators in the sector forecast an increase in flour production of 7.2% at the end of 2024.

In the **“cocoa, coffee, tea and sugar industries”**, the branch’s production increased by 32.3% in the first quarter of 2024 compared to the previous quarter, due to the 49.5% increase in sugar production, the first quarter of which is the recovery period. Year-on-year, rubber production increased by 0.6%. At the end of the year, production in the sector is expected to increase by 1.5%.

Production of **cocoa mass and cocoa butter** rose by 2.1% and 5.2% respectively in the first quarter of 2024, following an increase in orders. Year-on-year, cocoa mass production dropped by 8.7% and cocoa butter production rose by 0.8%. Year-end projections forecast a 28.6% drop in cocoa mass production and a 22.2% rise in cocoa butter production. Tea production dropped by 31.4% in the first quarter of 2024, due to unfavourable weather conditions. On a year-on-year basis, however, it rose by 38.9%, due to the resumption of production at the Ndu plantations in the North-West region. At the end of the year, tea production is expected to increase by 1.8%.

In the **“oilseed and animal feed industries”**, production rose by 32.2% in the first quarter of 2024, due to better availability of crude palm oil, the main raw material for manufacturers in the sector. Refined oil production rises by 24.5%. Year-on-year, production in the sector is on the rise by 13.5%. Companies in the industry are facing financial difficulties that are hampering the renewal of production tools and the acquisition of raw materials.

In the **“manufacture of cereal-based products”** sector, production of biscuits and pasta dropped by 2.5% in the first quarter of 2024. Year-on-year, it dropped by 22.7%, reflecting

the fall in demand, particularly from Chad. At the end of the year, production is expected to drop by 3.4% compared to 2023.

Production in the “Beverages industry” dropped by 3.3% in the first quarter of 2024 compared to the previous quarter, due to the drop in demand after the end-of-year festivities. Year-on-year, production remains virtually stable. At the end of the year, production should increase by 1.2%.

Table 5: Growth rate in agri-food production (%)

TITLE	1Q24/ 4Q23	1Q24/ 1Q 23	Projection 2024
Production, processing and preservation of meat, fish and fishery products	-10.0	7.0	10.3
Grain processing and manufacture of starch products	5.9	36.2	7.4
Manufacture of cocoa, coffee, sugar and tea	32.3	0.6	1.5
Manufacture of cereal-based products	-2.5	-22.7	-3.4
Oilseed and animal feed industries	32.2	13.5	18.3
Manufacture of beverages	-3.3	0.3	1.2

Source : MINFI/DF business survey

In the first quarter of 2024, output in the “**Other manufacturing industries**” was buoyant compared to the previous quarter, reflecting the good level of activity, particularly in the “Wood industries excluding furniture manufacture” (+32.4%), the “Textile and clothing industries” (+86.3%) and the “Manufacture of other non-metallic mineral products and construction materials” (+10.5%). Year-on-year, activity dropped, due in particular to the fall in production in the “Wood industries excluding furniture manufacture” (-7.4%), “Chemicals and chemical products” (-26.5%) and “Manufacture of other non-metallic mineral products and construction materials” (-4.8%). Over 2024 as a whole, growth in “**Other manufacturing**” is projected to be 5.0% higher than in 2023.

Table 6: Output growth rates in other manufacturing industries (%)

TITLE	1Q24/ 4Q23	1Q24/ 1Q23	2024/2023
Textile and clothing industries	86.3	-3.0	10.2
Manufacture of wood products, except furniture	32.4	-7.4	0.3
Manufacture of chemicals and chemical products	-13.5	-26.5	-5.4
Production of rubber and manufacture of rubber and plastic products	-10.6	2.1	-5.2
Manufacture of other non-metallic mineral products	10.5	-4.8	12.5
Manufacture of basic metals	0.1	20.8	0.0

Source : MINFI/DF business survey

In the “**Textile and clothing industries**”, production rose by 86.3% in the first quarter of 2024 compared to the fourth quarter of 2023, in connection with the International Women's Day festivities. Year-on-year, it dropped by 3%. It should be noted that CICAM continues to face technical and financial difficulties.

Activity in the **“Manufacture of wood products excluding furniture”** sector rose by 32.4% in the first quarter of 2024, in line with the increase in orders. Year-on-year, production is dropped by 7.4%. Over the year as a whole, wood production is likely to remain virtually stable compared to 2023.

In the **“Chemical Industries and Manufacture of Chemical Products”** sector, production dropped by 13.5% in the first quarter of 2024, due to a 15.4% drop in soap production. Year-on-year, production dropped by 26.5%, as a result of difficulties in supplying raw materials and the technical and financial difficulties encountered by some operators in the sector. At the end of the year, production would drop by 5.4%.

In the **“Rubber Production and Manufacture of Rubber Products”** sector, production dropped by 10.6% compared to the previous quarter, due to the 37.3% decline in natural rubber production. Year-on-year, production in this sector increased by 2.1%. It is expected to drop by 5.2% at the end of 2024.

In the **“Manufacture of other non-metallic mineral products”** sector, production rose by 10.5% in the first quarter of 2024 compared to the fourth quarter of 2023, driven by a 14.1% increase in cement production. Year-on-year, production is dropped by 4.8%. By the end of the year, cement production is expected to rise by 12.5%, thanks in particular to the commissioning of the Figuil cement production plant. In the first quarter of 2024, Cimencam successfully lit the cement kiln at its new production plant.

Activity in the **“manufacture of basic metals and fabricated metal products (except machinery and equipment)”** sector remained virtually stable in the first quarter of 2024. Year-on-year, production increased by 20.8%, due to higher demand.

In the **“generation and distribution of electricity”** sector, electricity production is made up of production from the dams and power stations managed by Eneo, which accounts for about 70% of total production, and production purchased by Eneo from independent operators (about 30% of total production).

In the first quarter of 2024, electricity production and distribution rose by 5% compared to the fourth quarter of 2023. Year-on-year, production rose by 6.4%, mainly due to the commissioning of the plant at the foot of the Lom-pangar dam. At the end of the year, it is expected to increase by 7.4%, mainly due to the commissioning of the Natchigal dam and the plant at the foot of the Lom-pangar dam. The sector is forecasted to experience growth of 4.6% in 2024.

In the **“Production and distribution of water and waste water services”** sector, the waste collection business recorded a 1.0% increase in production in the first quarter of 2024 compared to the previous quarter. Growth in the sector is projected at 3.8% in 2024, sustained among other things by the completion of the project to supply the city of Yaounde and its surroundings with water from the Sanaga river (PAEPYS).

Tertiary Sector

In the first quarter of 2024, tertiary sector revenue dropped by 4.8% compared to the previous quarter. This trend is attributable to the fall in revenue in almost all sectors. Year-on-year, the sector’s revenue dropped by 2.6%. The tertiary sector is suffering from

inflation on certain products, mainly petroleum products, catering products and the price of KWH of electricity. Growth in this sector is projected at 4.8% in 2024. By sector of activity the following can be noted :

In the field of telecommunications, revenues dropped by 6% in the first quarter of 2024 compared to the fourth quarter of 2023, due to the slowdown in business after the end of 2023. However, the number of subscribers rose by 2.6% to 25,463,705. Year-on-year, revenues and subscriber numbers rose by 5.5% and 8.9% respectively. These developments are attributable, among other things, to the maintenance of marketing activities. The extension of the network and strong use of internet and money transfer services are also contributing to this upturn.

In the first quarter of 2024, revenues in the **“trade and repair”** sector fell by 9.1% compared to the previous quarter, reflecting the decline in sales after the year-end period. Compared to the first quarter of 2023, revenue dropped by 3.3%.

Revenue in the **“hotel management and restauration”** sector dropped by 1.2% compared to the previous quarter, due to the decline in business following the end-of-year festive period. The number of overnight stays and the room occupancy rate dropped by 3.3% and 7% respectively. Year-on-year, revenue rose by 13.5%. The hotel sector continues to suffer from cross-border insecurity in the northern zone, as well as security unrest in the North-west and South-west regions.

In the **“transport and storage”** sector, revenue rose by 4.4% in the first quarter of 2024 compared to the fourth quarter of 2023. Compared to the same period in 2023, revenue rose by 10.9%. Trends by type of transport were as follows:

In maritime transport, revenues and overall traffic at the Autonomous Port of Douala (PAD) rose by 30.0% and 10.9% respectively compared to the previous quarter. The good level of overall traffic at the PAD can be explained by the 8.8% increase in the tonnage of goods imported and the 19.7% increase in the tonnage of goods exported. The number of ships docking at the Port of Douala was 263, compared to 265 in the previous quarter. Year-on-year, maritime transport revenue and freight tonnage dropped by 1.3% and 1% respectively. **Rail transport** revenue increased by 1.3% compared to the previous quarter. However, business was characterised by a 9.5% increase in the tonnage of goods transported, mitigated by a 24.4% drop in passenger traffic. Year-on-year, revenue rose by 10.8%. In **air transport**, Camair-co's revenues dropped by 10.9% compared to the previous quarter. Year-on-year, revenue rose by 10.7%. As concerns pipeline transport, revenue dropped by 19.8% compared to the previous quarter. Year-on-year, it is virtually stable.

Household final consumption prices

In the first quarter of 2024, the household final consumption price index rose by 0.8% compared to the fourth quarter of 2023. **This trend is mainly attributable to the increase in “transport” costs (+5.2%) and “housing, water, gas, electricity and other fuels” (+0.8%).** The rise in transport costs is due in part to the increase in road passenger transport prices, due in particular to the adjustment of fuel prices at the pump. The rise in "housing, water, gas, electricity and other fuels" was mainly due to higher prices for solid fuels.

Prices rose by 0.6% for “clothing and footwear”, “miscellaneous goods and services” and “alcoholic beverages, tobacco and narcotics”, and by 0.5% for “furniture, household goods and routine household maintenance”.

Conversely, prices of “food and non-alcoholic beverages” dropped by 0.6%, due to lower prices for vegetables (-3.2%), oils and fats (-2.9%), “fish and seafood” (-0.3%) and “milk, cheese and eggs” (-0.1%).

Spatially, the regional capitals with price rises above the national average are: Buea (+2.1%), Bamenda (+1.5%), Garoua (+1.3%), Ngaoundéré (+1.1%) and Douala (+0.9%). In Yaounde and Ebolowa, prices rose by 0.8% and 0.6% respectively. Whereas prices remained stable in Bertoua, they dropped in Maroua (-0.4%) and Bafoussam (-0.2%). Prices of local and imported products rose by 0.6% and 1.2% respectively.

Year-on-year, the household final consumption price index rose by 5.0%. This increase is due to the rise in prices for almost all consumption functions, notably 5.6% for food prices and 14.3% for transport costs.

Table 7: Trend in the harmonised index of consumer prices (Base 100 year 2022)

Expenditure items	weight	1 st qtr. 2023	4 th qtr. 2023	1 st qtr. 2024	Changes (in %)	
		(a)	(b)	(c)	(c)/(b)	(c)/(a)
I - Evolution according to consumption functions						
Food and non-alcoholic beverages	3 182	107.0	113.7	113.0	-0.6	5.6
Alcoholic beverages and tobacco	136	101.9	104.1	104.7	0.6	2.8
Clothing and footwear	984	102.5	105.7	106.3	0.6	3.7
Housing, water, gas, electricity and other fuels	1,289	102.2	104.5	105.3	0.8	3.0
Furniture, household goods and routine household maintenance	510	105.8	108.0	108.5	0.5	2.6
Health	478	100.6	101.0	101.2	0.2	0.6
Transport	1,127	108.5	117.9	124.1	5.2	14.3
Communication	459	100.4	100.4	100.4	0.0	0.0
Leisure and culture	335	101.2	102.6	102.6	0.0	1.4
Education	307	102.3	104.5	104.5	0.0	2.2
Restaurants and hotels	669	103.9	105.8	106.2	0.4	2.3
Miscellaneous goods and services	524	104.0	106.3	106.9	0.6	2.8
General index	10,000	104.8	109.1	110.0	0.8	5.0
II - Trends according to product origin						
Local products	6,785	105.3	110.0	110.7	0.6	5.1
Imported goods	3,215	103.8	106.7	108.0	1.2	4.1
III - Trends by regional capital						
Yaounde,		104.8	108.8	109.6	0.8	4.6
Douala		104.9	109.8	110.8	0.9	5.6
Bafoussam		103.8	110.1	109.9	-0.2	5.8
Bamenda		105.3	108.5	110.0	1.5	4.5
Garoua		104.6	108.3	109.8	1.3	4.9
Maroua		105.0	108.8	108.4	-0.4	3.2
Ngaoundere		105.1	108.7	110.0	1.1	4.6
Bertoua		104.3	110.9	110.9	0.0	6.3
Buea		104.7	109.3	111.6	2.1	6.6
Ebolowa		104.6	106.8	107.5	0.6	2.7

Source : NIS, MINFI

Other socio-economic informations

On 1 January 2024, the Government increased electricity tariffs for medium-voltage customers. This change, which affects about 2,500 customers, excluding hospitals, universities and households, was made by consumption band. Prices for the 0 to 3 megawatt band rose by 5%, and those for the 3 to 10 megawatt band by 10%.

On 3 February 2024, fuel prices at the pump were raised again, one year after the last increase, from 730 to 840 francs for super and from 720 to 828 francs for diesel. Following this increase, Ministerial Order No. 0039/MINCOMMERCE of 26 February 2024 set harmonised fares for urban, suburban and interurban transport throughout the country. Urban taxi fares have been increased from 300 to 350 francs for daytime pick-ups and from 350 to 400 francs for night-time pick-ups (after 10pm).

Following presidential decrees signed on 21 February 2024, family allowances were raised to 4 500 francs per dependent child, and basic monthly salaries for civil and military personnel were increased by 5% with effect from February.

Following group sales of cocoa organised by producer cooperatives with Government support, the price per kilogram of cocoa rose from 1,500 francs on 7 September 2023 to 4,225 francs on 5 March 2024, particularly in Abong-Mbang (East region). In some localities, it reached 5,100 francs. This upturn can be explained by the good quality of the cocoa beans and the shortfall in world production.

Annual tax return of personal income: a call to good tax citizenship

On 7 March 2024, the Minister of Finance signed a press release reminding the public of certain provisions relating to personal income tax (IRPP). He calls on the attention of professional taxpayers, individuals who receive income not directly linked to their professional activities, that they are now required to file an annual recapitulative return of their income to their local tax center near-by, not later than the 30th June of each year. Taxable income generally includes wages, salaries, pensions and life annuities, income from transferable securities (dividends, interest), income from property, non-professional capital gains and, in general, all passive income, i.e. income not derived from the exercise of a professional activity. In the same vein, taxpayers who are natural persons carrying on a commercial, industrial, craft, liberal or agricultural activity are also required to submit their annual summary income tax return, as are non-professional taxpayers liable for payment of property tax, in accordance with the provisions of article 74 bis of the General Tax Code.

This IRPP reform concerns all recipients of income, whether active income (salaries, bonuses, profits, capital gains, etc.). If annual income is not declared, the taxpayer is liable to penalties, including: (i) a late payment penalty of 10% for each month of delay, not exceeding 30% if the return is filed after the 30 June deadline; (ii) automatic taxation by the tax authorities, who will take the place of the taxpayer to reconstitute his income and draw a profit that may be exaggerated, and their taxation will be increased by 100%, if the non-professional taxpayer who has been given formal notice to declare has not filed his return within seven days of receiving this formal notice; (iii) the automatic removal from

the file of active taxpayers of the defaulting non-professional taxpayer in the event of failure to file a return for a financial year, making it impossible for the taxpayer to generate his physical compliance certificate (ACF).

EXTERNAL SECTOR

Balance of payments : Widening of the current account deficit year-on-year

Current account

In the first quarter of 2024, compared to the previous quarter, the current account deficit widened by 138.7 billion to 367.3 billion. This development is mainly attributable to the deterioration of the goods deficit. The services and primary income deficits are reducing. The surplus on secondary income increases.

The goods deficit deteriorated by 289.2 billion to stand at 327.7 billion. This trend is the result of a drop in fob export receipts (-152.5 billion) and an increase in fob import expenditure (+136.7 billion).

The services deficit narrowed by 60.6 billion to 82.1 billion, mainly as a result of travel receipts (+106 billion) outstripping travel expenditure (+34 billion). The primary income deficit dropped by 33.8 billion to 85.2 billion, due to a drop in dividend payments to foreign investors. The surplus on secondary income improved from 71.6 billion to 127.7 billion.

Table 8: Balance of payments (in billion)

HEADINGS	1Q2023**	4Q2023**	1Q2024*	Changes	
	(a)	(b)	(c)	(c)-(b)	(c)-(a)
I- CURRENT BALANCE	-208.2	-228.6	-367.3	-138.7	-159.0
1- Balance of Goods	-175.0	-38.5	-327.7	-289.2	-152.7
2- Balance of services	10.3	-142.8	-82.1	60.6	-92.4
3- Primary Income Balance	-216.7	-118.9	-85.2	33.8	131.6
4- Secondary Income Balance	173.2	71.6	127.7	56.1	-45.5
II- EXTERNAL FINANCING	38.0	345.8	380.0	34.2	341.9
1- Non-bank private sector	-28.6	260.9	337.3	76.4	365.9
Foreign Direct Investment (FDI)	122.6	135.9	129.2	-6.7	6.6
Portfolio Investments and Financial Derivative Products	-3.2	-157.6	-180.1	-22.4	-176.9
Net draws (excluding FDI and IPF)	-148.0	282.7	388.2	105.5	536.2
2- Public administration	-0.3	97.5	7.4	-90.1	7.7
Project grants (including C2D)	25.8	14.5	19.9	5.4	-5.9
Net drawings on bond loan	0	0.0	0.0	0.0	0.0
Net drawings (excluding treasury bonds)	-26.1	83.0	-12.5	-95.5	13.6
3- Money creating banks	66.9	-12.6	35.3	47.9	-31.6
III- ERRORS AND OMISSIONS	19.5	12.0	7.1	-4.9	-12.4
IV - OVERALL BALANCE	-150.7	129.2	19.8	-109.4	170.5

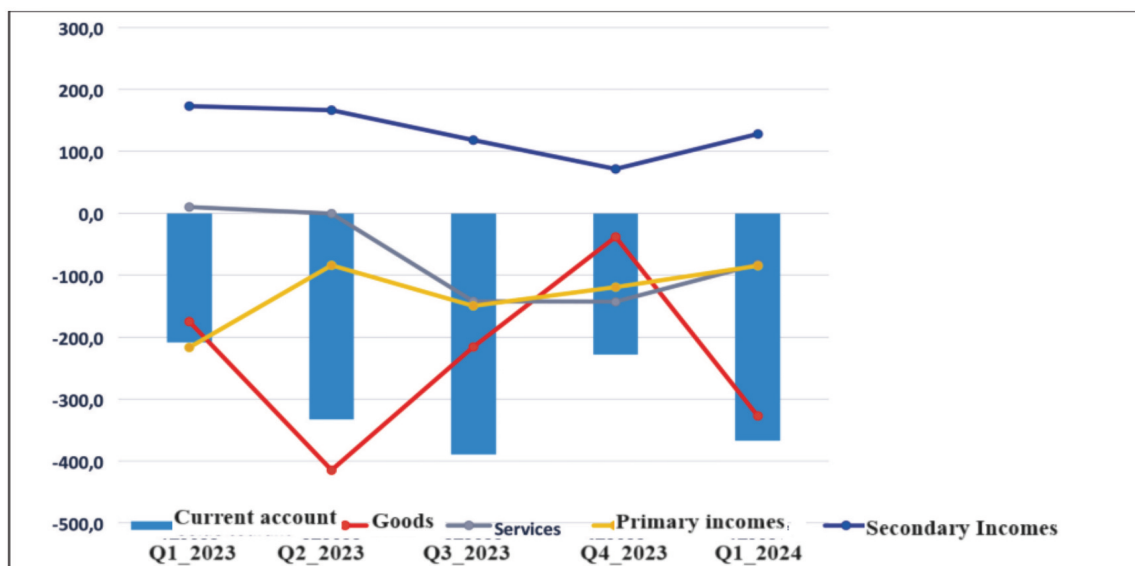
Source : MINFI/DF; * Estimations ** Updated data

Year-on-year, the current account deficit widened by 159 billion, mainly as a result of the widening deficit in goods and services on the one hand, and the shrinking surplus in secondary income on the other. As for the primary income deficit, it is narrowing.

The goods balance deteriorated by 152.7 billion, mainly as a result of the drop in fob export receipts (-28.3 billion) coupled with the rise in fob import expenditure (+124.4 billion). The widening of the services deficit was mainly due to the rise in freight expenditure and the drop in travel receipts.

The primary income deficit dropped by 131.6 billion, reflecting the drop in dividend payments to foreign investors. The surplus on secondary income dropped by 127.7 billion

Graph 1: Evolution of the main current account balances (in billion)



Source : MINFI/DF

External funding

In the fourth quarter of 2024, external financing was characterised by net inflows of 380 billion after 345.8 billion in the previous quarter. The non-bank private sector recorded net inflows of 337.3 billion, representing an increase of 76.4 billion. These inflows consisted mainly of foreign direct investment flows (+129.2 billion) and net drawings (+388.2 billion). Net inflows from the public sector dropped by 90.1 billion, due to a reduction in net drawings. The banking sector recorded net inflows of 35.3 billion, against net outflows of 12.6 billion.

Year-on-year, net external financing increased by 341.9 billion. This was mainly due to an increase in net external assets of commercial banks and a drop in net external assets of the non-bank private sector.

The overall balance of all external transactions in the first quarter of 2024 was a surplus of 19.8 billion, after 129.2 billion in the previous quarter. This trend was the result of an increase in external financing that outweighed the widening of the current account deficit. On a year-on-year basis, the overall surplus improved by 170.5 billion.

Table 9: Balance of payments of 4Q2023, 3Q2023 and 4Q2023 (in billion)

HEADINGS	1Q2023**	4Q2023**	1Q2024*	Changes	
	(a)	(b)	(c)	(c)-(b)	(c)-(a)
I- CURRENT BALANCE (including public transfers)	-208.2	-228.6	-367.3	-138.7	-159.0
CURRENT BALANCE (including public transfers)	-224.2	-233.8	-374.7	-140.9	-150.5
1- Balance of Goods	-175.0	-38.5	-327.7	-289.2	-152.7
Export of goods FOB	982.7	1106.8	954.3	-152.5	-28.3
Including customs Export FOB	764.5	868.6	788.4	-80.1	23.9
Imports of goods FOB	-1157.7	-1145.3	-1282.0	-136.7	-124.4
Including customs imports CAF	-1244.0	-1212.3	-1377.5	-165.2	-133.5
2- Balance of services	10.3	-142.8	-82.1	60.6	-92.4
Transport	-81.3	-77.1	-115.2	-38.1	-34.0
Insurance	-16.5	-18.2	-17.8	0.4	-1.3
Travel	91.5	-27.5	44.5	72.0	-47.0
Other services	16.4	-20.0	6.3	26.4	-10.1
Including Technical assistance and miscellaneous services	-31.3	-20.1	-31.3	-11.1	0.0
3- Primary Income Balance	-216.7	-118.9	-85.2	33.8	131.6
REVENUE	45.6	33.9	40.7	6.8	-4.9
Expenditure	-262.3	-152.9	-125.9	27.0	136.4
Payment of employees	-6.9	-3.7	-10.3	-6.6	-3.4
Direct investments	-202.1	-109.3	-51.0	58.2	151.1
Portfolio investments	-0.8	-0.5	-0.6	-0.1	0.2
Other investissements	-52.6	-39.4	-63.9	-24.6	-11.4
Including interest on foreign public debt	-51.6	-35.0	-63.9	-28.9	-12.3
4- Balance of secondary income	173.2	71.6	127.7	56.1	-45.5
II- CAPITAL AND FINANCIAL ACCOUNT	38.0	345.8	380.0	34.2	341.9
1- Capital Account	32.8	18.8	19.9	1.1	-12.9
Public administrations	25.8	14.5	19.9	5.4	-5.9
including : (PPTE, C2D, IADM) Grants				0.0	0.0
Other sectors	7.0	4.3	0.0	-4.3	-7.0
2- Financial operations account	5.2	326.9	360.1	33.1	354.9
Direct investments	122.6	135.9	129.2	-6.7	6.6
Output	2.8	0.4	0.0	-0.4	-2.8
Portfolio investments	-3.2	-157.6	-180.1	-22.4	-176.9
Commitments (drop -)	-0.7	0.0	0.0	0.0	0.7
Other investments	-114.2	348.7	411.0	62.3	525.2
Public administrations	-26.1	83.0	-12.5	-95.5	13.6
Including Commitments	-26.1	83.0	-12.5	-95.5	13.6
- Drawings	146.6	206.5	168.5	-38.0	21.9
- Amortisation	-172.6	-123.5	-181.0	-57.5	-8.4
Banks and financial institutions	66.9	-12.6	35.3	47.9	-31.6
Assets (drop +)	-271.1	-87.5	-74.5	13.0	196.6
- Deposits	-259.9	16.4	-73.0	-89.4	186.9
- Other assets	-11.2	-103.9	-1.5	102.4	9.7
Commitments (drop -)	338.0	74.8	109.8	34.9	-228.2
- Deposits	242.4	57.0	79.1	22.1	-163.3
Other liabilities	95.6	17.9	30.6	12.8	-64.9

HEADINGS	1Q2023**	4Q2023**	1Q2024*	Changes	
	(a)	(b)	(c)	(c)-(b)	(c)-(a)
Private non-banking sector	-155.0	278.3	388.2	109.8	543.2
Assets (drop +)	-157.4	212.9	388.2	175.3	545.5
III- ERRORS AND OMISSIONS	19.5	12.0	7.1	-4.9	-12.4
IV - OVERALL BALANCE	-150.7	129.2	19.8	-109.4	170.5
V- FINANCING	150.6	-137.4	-19.8	117.6	-170.4

Source : MINFI/DF; * Estimations ** Updated data

PUBLIC FINANCES

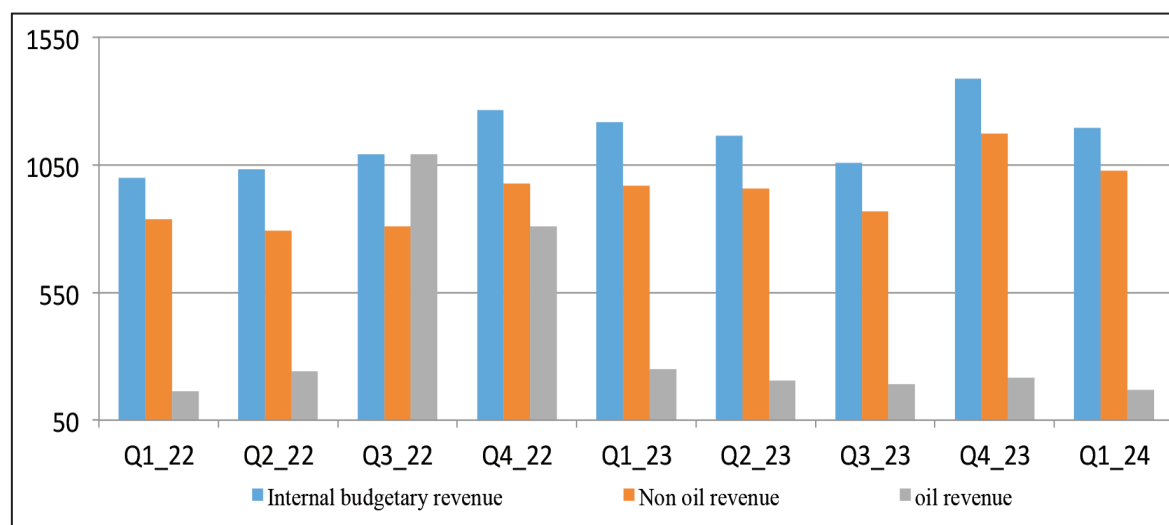
During the first quarter of the 2024 financial year and compared with the same period in the previous financial year, the following was recorded: (i) an increase in total resources, following an increase in loans and grants; (ii) a decrease in total expenditure.

Budgetary resources

Total budgetary resources mobilised during the first quarter of 2024 amounted to 1,461.5 billion, representing an increase of 28.3 billion (+2%) compared with the first quarter of 2023. This is composed of 1,195.2 billion in domestic revenues and 266.3 billion in loans and grants. The increase was driven by loans and grants.

Domestic budgetary revenues were collected to the tune of 1,195.2 billion, down by 22 billion (-1.8%). This decrease mainly concerned oil revenues.

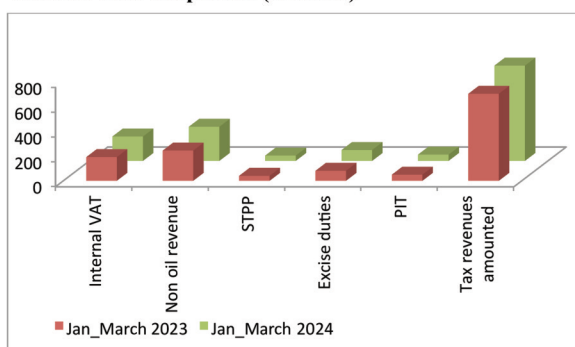
Graph 2: Evolution of domestic budgetary revenues and their components(in billion)



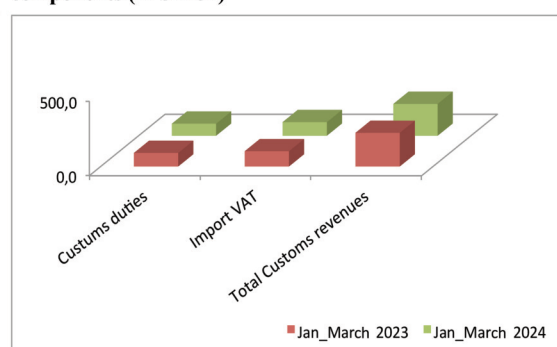
Source : MINFI

Oil revenues amounted to 167.4 billion, down by 81.8 billion (-32.8%) compared with the first quarter of 2023. They are broken down into 127.4 billion in NHC oil royalties and 40.0 billion in tax on oil companies.

Non-oil revenues rose from 968 billion to 1027.8 billion, thus recording an increase of 59.8 billion (+6.2%). This increase is attributable to : (i) tax and duty revenues, which rose by 66.9 billion (+9.5%) to 767.5 billion; (ii) non-tax revenues, which increased by 4.8 billion (+11.9%) to 45.0 billion. On the other hand, customs revenues dropped by 11.9 billion (-5.2%) to 215.3 billion.

Graph 3: Evolution of tax and duty revenues and their main components (in billion)

Source : MINFI

Graph 4: Evolution of Customs revenues and their main components (in billion)

Source : MINFI

Disbursed loans and grants totalled 266.3 billion in the first quarter of 2024. They consisted of 67.4 billion in project loans, 20.0 billion in grants, 47.7 billion in net public securities issues and 131.2 billion in other borrowings. They are up by 50.3 billion (+23.3%) year-on-year.

Table 10: Evolution of State budgetary resources (in billion)

Item	1st quarter 2023	1st quarter 2024	Variations	
	(a)	(b)	Relative (in %)	Absolute (b-a)
A-DOMESTIC REVENUES	1217.2	1195.2	-1.8	-22.0
I-Oil revenues	249.2	167.4	-32.8	-81.8
1-NHC Royalties	215.8	127.4	-41.0	-88.4
2- Oil corporate tax	33.4	40.0	19.8	6.6
II- Non oil revenues	968.0	1027.8	6.2	59.8
1- Tax revenues	927.8	982.8	5.9	55.0
a- Levies and tax revenues	700.6	767.5	9.5	66.9
Amongst which -IRPP	49.4	50.8	2.8	1.4
-VAT	190.8	196.7	3.1	5.9
- Non oil corporate tax	243.2	275.2	13.2	32.0
-Excise duties	80.5	88.1	9.4	7.6
-Registration and stamp duties	31.1	46.9	50.8	15.8
- TSPP	39.9	43.0	7.8	3.1
b-Customs revenue	227.2	215.3	-5.2	-11.9
of which - import duty	91.7	81.5	-11.1	-10.2
-VAT import + VAT import duty	103.2	92.1	-10.8	-11.1
-Import excise duties	14.2	12.6	-11.3	-1.6
- Exit rights	11.2	14.6	30.4	3.4
2- Non tax revenues	40.2	45.0	11.9	4.8
B- LOANS AND GRANTS	215.9	266.3	23.3	50.3
- Project loans	119.3	67.4	-43.5	-51.9
-Grants	36.7	20.0	-45.5	-16.7
- Budget support	23.3	0.0	-100.0	-23.3
- Net issuance of government securities	36.6	47.7	30.2	11.1
- Other borrowings (including PARPAC and DTS)	0.0	131.2	-	131.2
TOTAL BUDGETARY RESOURCES	1433.1	1461.5	2.0	28.3

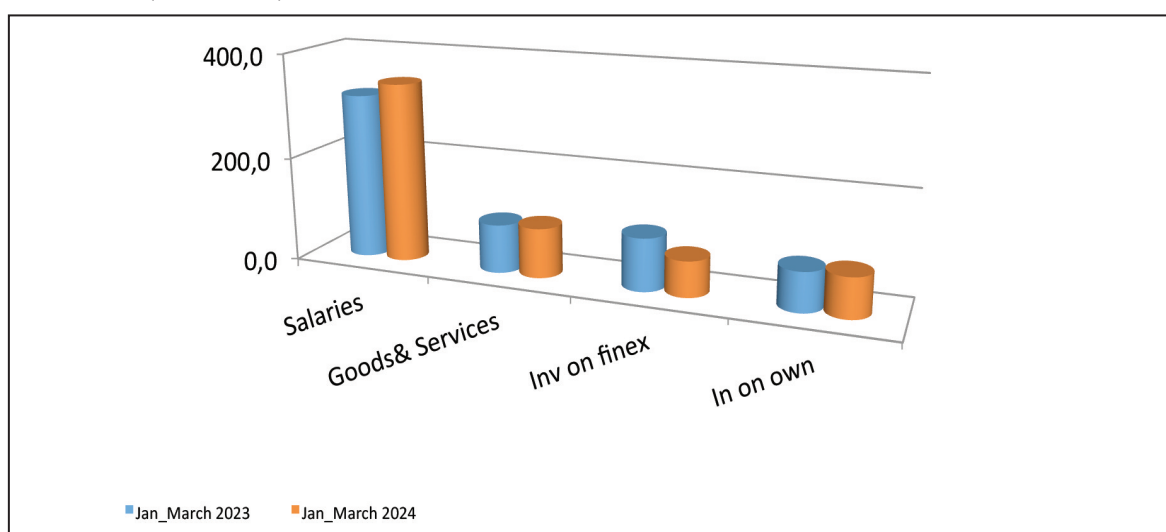
Source : MINFI

Public expenditures

Total budgetary expenditure based on ordinances amounted to 1,432.5 billion in the first quarter of 2024 compared with 1,451.5 billion in the first quarter, representing a decrease of 19 billion (-1.3%). This decline was observed in public debt servicing and capital expenditure.

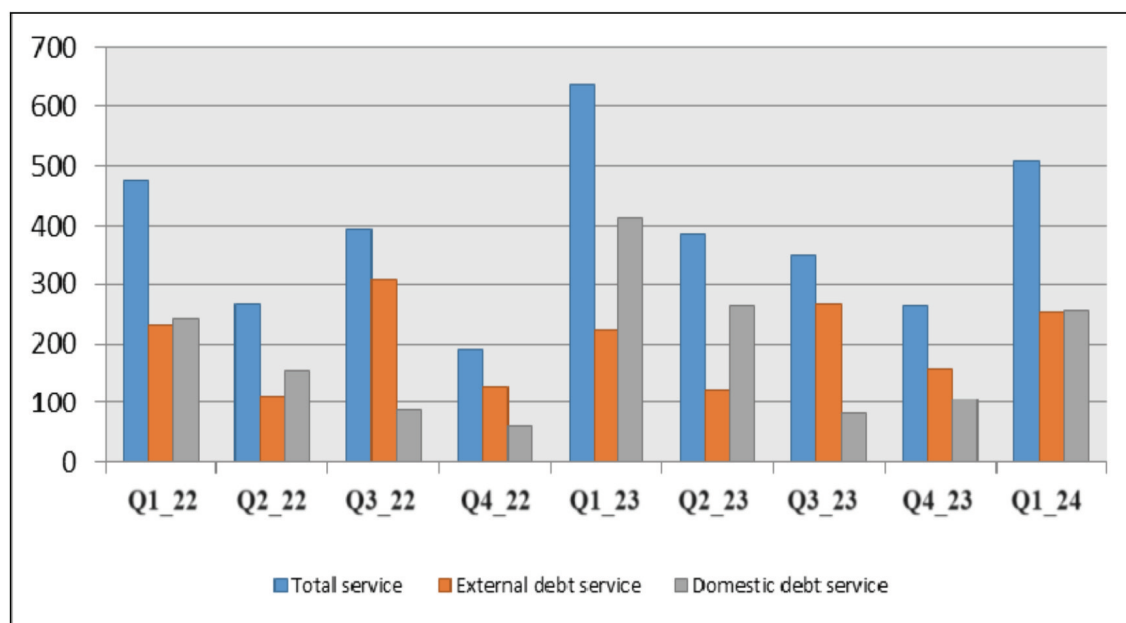
Current expenditure increased by 111.9 billion (+19%) to 699.4 billion. In terms of sub-headings, staff expenditure increased by 27 billion (+8.5%) to 343.3 billion. Expenditure on goods and services increased by 2 billion (+2.1%) to 94.5 billion. Expenditure on transfers and pensions stands at 261.6 billion 2024, up by 82.9 billion (+46.4%).

Graph 5: Evolution of the main components of expenditure excluding debt servicing (in billion)



Source : MINFI

Capital expenditure amounted to 144.7 billion in the first quarter of 2024, down 38.6 billion (-21%) compared with the first quarter of 2023. Expenditure on investment financed from external sources amounted to 67.8 billion, down by 32.4 billion (-32.3%). Capital expenditure from own resources amounted to 75.6 billion, virtually unchanged from the first quarter of 2023. Expenditure on restructuring and rehabilitation fell by 7.2 billion (-85.1%) in the first quarter of 2024, to 1.3 billion.

Graph 6: Evolution of the public debt service (in billion)

Source : MINFI

Current public debt servicing amounted to 508.7 billion, down by 129.7 billion (-20.3%). It includes 253.2 billion in external debt and 255.5 billion in domestic debt.

Current external debt servicing increased by 28.9 billion (+12.9%) to 253.2 billion. This comprises 184.5 billion in principal repayments and 68.7 billion in interests.

Payments relating to domestic debt fell by 158.6 billion compared with the first quarter of 2023, to 255.5 billion. They are broken down into 25.6 billion in interest, 14.2 billion in principal repayments, 5.2 billion in VAT credit repayments and 210.5 billion in domestic arrears.

Table 11: Public expenditure (in billion)

<i>HEADINGS</i>	1st Qtr. 2023	1st Qtr. 2024	absolute changes	
	(a)	(b)	(b/a) in %	(b- a)
<i>I-Current expenditure*</i>	587.5	699.4	19.0	111.9
Staff expenditure	316.3	343.3	8.5	27.0
Exp. Goods and services	92.5	94.5	2.1	2.0
Transfers and pensions	178.7	261.6	46.4	82.9
<i>II- Capital expenditure.</i>	183.3	144.7	-21.0	-38.6
On external funding	100.2	67.8	-32.3	-32.4
On own resources	74.6	75.6	1.4	1.0
Restructuring expenditure	8.5	1.3	-85.1	-7.2

HEADINGS	1st Qtr. 2023	1st Qtr. 2024	absolute changes	
	(a)	(b)	(b/a) in %	(b- a)
III- Miscellaneous expenditure to be adjusted	42.4	79.7	88.1	37.3
V- Public debt servicing	638.3	508.7	-20.3	-129.7
External debt	224.2	253.2	12.9	28.9
Principal	51.6	68.7	33.1	17.1
Interests	172.6	184.5	6.9	11.9
Domestic debt	414.1	255.5	-128.6	-158.6
incl - Interest	23.2	25.6	10.0	2.3
- principal amortization	86.8	14.2	-83.6	-72.5
- VAT credit repayment	7.0	5.2	-25.9	-1.8
- domestic arrears	297.1	210.5	-29.2	-86.6
TOTAL BUDGET EXPENDITURES	1451.5	1432.5	-1.3	-19.0

Source: MINFI *excluding interest on debt

Budget balances and financing flows

At the end of the first quarter of the 2024 financial year, the overall balance based on orders stood at 191.9 billion. The primary balance on the basis of ordinances stood at 286.2 billion, and the non-oil primary balance at 118.8 billion.

External financing flows showed a balance of 14.1 billion at the end of March 2024. This resulted from new drawdowns on external borrowings amounting to 198.6 billion, and amortisation of the principal of the external debt amounting to 184.5 billion.

With regard to domestic funding, the Treasury's Net Position vis-à-vis the banking system (PNT) improved by 202.4 billion at the end of March 2024, as a result of a 104 billion improvement in the position vis-à-vis commercial banks, a 99.8 billion improvement vis-à-vis the BEAC, and a 1.4 billion deterioration in the position vis-à-vis the IMF.

Table 12: Budget balances (in billion)

BUDGET BALANCE	End of March 2023	End of March 2024
OVERALL BALANCE BASED ON PRESCRIPTIONS (NET*)	358.9	191.9
PRIMARY BALANCE (NET*)	433.7	286.2
NON-OIL PRIMARY BALANCE (NET*)	184.7	118.8

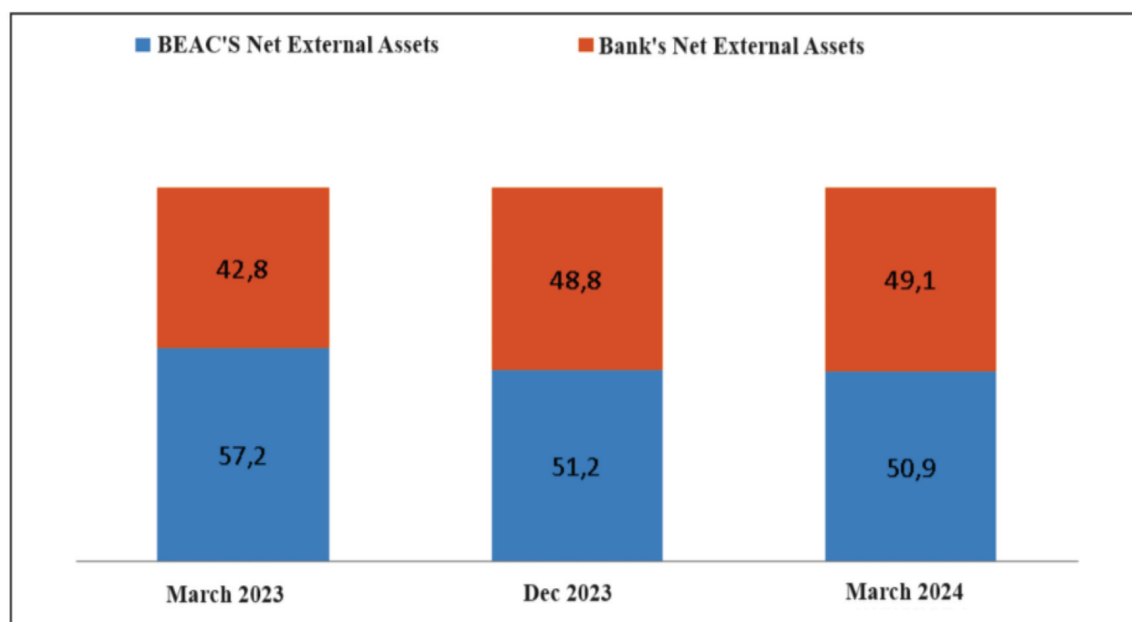
Source: MINFI *Excluding VAT refunds

MONETARY SITUATION

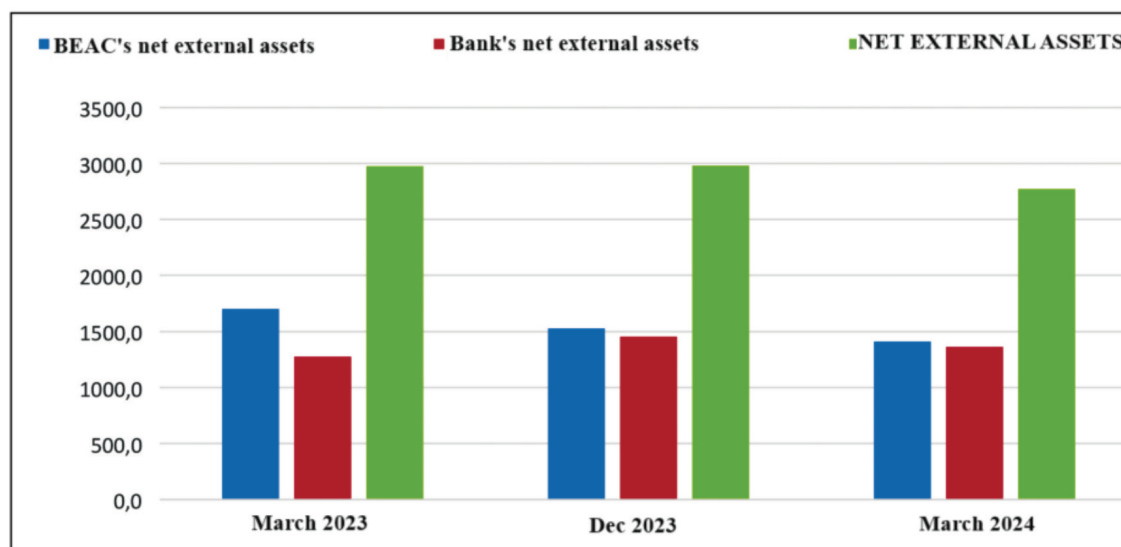
At the end of March 2024, the monetary situation was balanced in terms of resources and uses at 1,0531 billion, up by 2.6% compared with the end of December 2023. This change is linked to the strengthening of lending to the economy. On the other hand, net foreign assets and net claims on the State declined. OYear-on-year, the monetary situation rose by 10.2%.

At the end of March 2024, and compared with the end of December 2023, external assets fell by 6.9% to 2,773.2 billion, as a result of a contraction in the net external assets of the BEAC (-7.5%) and banks (-6.3%). The decline in the BEAC's net external assets is linked to the slowdown in the repatriation of export earnings. The decrease in banks' net foreign assets is due to the fall in the value of commercial banks' investment securities.

Graph 7: Evolution of the weight of the components of net foreign assets (in %)



Sources: MINFI, BEAC

Graph 8: Net foreign assets and their components (in billion)

Sources: MINFI/BEAC

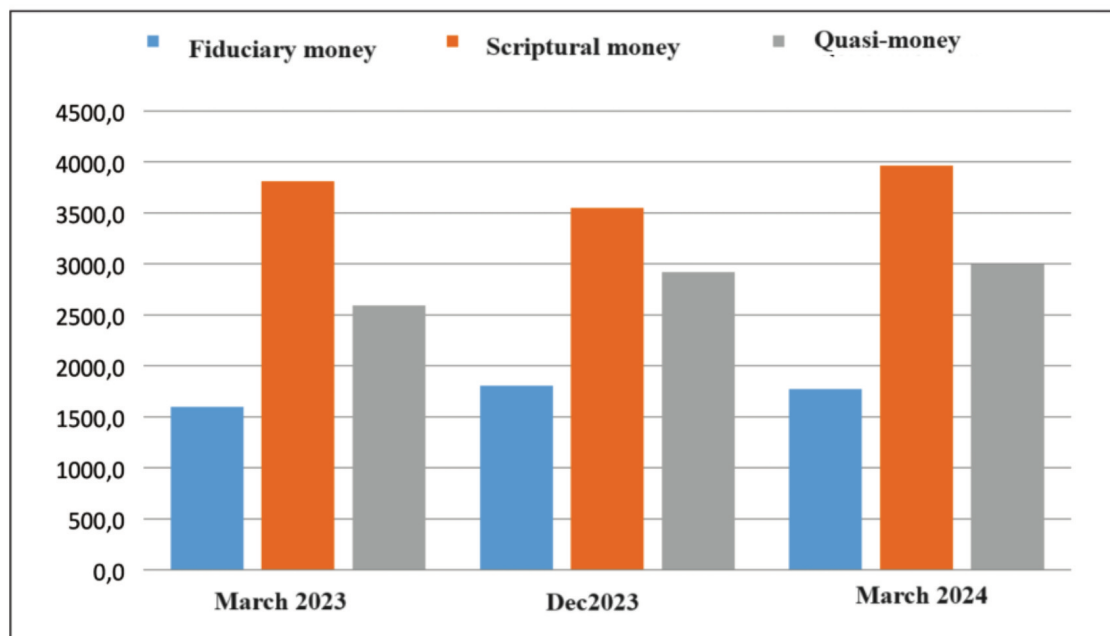
At the end of March 2024, domestic credit stood at 7,757.8 billion, up by 6.5% compared with the end of December 2023. This trend is the result of an increase in loans to the economy (+9.6%) and a fall in net loans to the State (-0.5%).

Net claims on the State increased from 2,262.9 billion at the end of December 2023 to 2,252.5 billion at the end of March 2024. Reflecting this trend, the Net Government Position (NGP), *defined as the difference between loans granted to the State by the BEAC, banks and the IMF, on the one hand, and total government deposits, on the other*, contracted to 2,269.6 billion. This contraction is due to the reduction in government deposits with banks and the BEAC. The NGP vis-à-vis the BEAC falls from 310.8 billion at the end of December 2023 to 208.2 billion at the end of March 2024. Similarly, the NGP vis-à-vis the banks falls from 901.6 billion at the end of December 2023 to 876.1 billion at the end of March 2024, in line with the reduction in subscriptions by banks to government securities issues. NGP vis-à-vis the IMF stabilised at 1,184.5 billion, fuelled by budgetary support.

Loans to the economy increased by 9.6% compared with the end of December 2023, to 5,505.3 billion. This increase was driven by loans to the non-financial private sector (+9.4%) and loans to public enterprises (+7.1%).

The breakdown of loans to the economy by maturity shows that short-term loans predominate (52.1%). Medium-term loans accounted for 45.0% and long-term loans 2.9%.

Reflecting changes in its counterparts, the money supply (M2) grew by 5.6% to reach 8,734.0 billion at the end of March 2024. It is made up of 20.5% banknotes and coins, 45.4% cashless money and 34.3% quasi money

Graph 9: Components of money supply (in billion)

Sources: MINFI/BEAC

At the end of March 2024, compared with the end of March 2023, the monetary situation was up by 10.2%. It is characterised by: (i) the rise in loans to the economy (+21.0%) and net claims on the State (+10.9%); (ii) the fall in net foreign assets (-6.9%). The fall in net foreign assets was driven by the fall in BEAC's net foreign assets (-17.2%).

Reflecting the trend in receivables from the State, NGP increased by 10.8%, following the rise in NGN vis-à-vis the BEAC and banks. Lending to the economy was driven by loans to the non-financial private sector (+21.5%) and public enterprises (+14.7%).

The external coverage ratio of the currency, defined as the ratio between gross official foreign currency assets and total Central Bank sight liabilities, is well above the regulatory threshold. It stands at 72.9% compared with 71.3% a year ago. Cameroon's official foreign exchange reserves are valued at 2,809 billion, compared with 3,061.2 billion a year ago. They represent 43% of CEMAC reserves and can cover five (05) months of imports of goods and services.

Table 13: Broad monetary position at end-March 2024 (in billion of CFA francs)

	March - 2023	Dec- 2023	March - 2024	Change (%)	
	A	B	c	c/b	c/a
TOTAL MONETARY SYSTEM MATCHING RESOURCES	9559.8	10,265.7	10,531.0	2.6	10.2
NET FOREIGN ASSETS	2977.8	2,979.0	2,773.2	-6.9	-6.9
BEAC's net foreign assets	1703.6	1525.7	1411.1	-7.5	-17.2
incl: Transaction account	2,492.1	2,134.9	1962.5	-8.1	-21.3
Foreign currency assets	491.7	734.0	795.0	8.3	61.7
Recourse to IMF loans	818.5	870.7	861.0	-1.1	5.2
MCBs' net foreign assets	1,274.2	1,453.3	1,362.1	-6.3	6.9
DOMESTIC CREDIT (a+b)	6,582.1	7,286.7	7,757.8	6.5	17.9
NET RECEIVABLES FROM THE STATE (a)	2032.0	2,262.9	2,252.5	-0.5	10.9
Government's net position	2047.7	2,395.6	2,269.3	-5.3	10.8
OTHER NET RECEIVABLES FROM THE STATE	-15.7	-59.1	-16.8	-84.5	7.1
CLAIMS ON THE ECONOMY (b)	4,550.1	5,023.8	5,505.3	9.6	21.0
Banking Institutions in Liquidation	0.0	0.0	0.0	6.3	21.4
Other banking institutions not eligible for BEAC refinancing	9.6	11.5	12.0	4.9	25.0
Non-banking financial institutions	25.5	12.0	36.2	202.8	42.4
Non-Financial Enterprises	453.9	486.5	520.8	7.1	14.7
non-financial sector	4,061.1	4,513.9	4,936.2	9.4	21.5
TOTAL RESOURCES OF THE MONETARY SYSTEM	9,559.8	10,265.7	10,531.0	2.6	10.2
FIDUCIARY CURRENCY	1,596.8	1,802.3	1,773.4	-1.6	11.1
SCRIPTURAL MONEY:	3,809.8	3,548.4	3,963.6	11.7	4.0
BEAC	5.5	2.6	3.6	42.0	-33.6
Money-Creating Banks	3,774.0	3,516.1	3,933.7	11.9	4.2
Other banking institutions eligible for BEAC refinancing	26.8	26.2	26.2	0.0	-2.2
POSTAL CHEQUE CENTRE (CCP)	3.5	3.5	0.0	-100.0	-100.0
CASH AT BANK AND IN HAND	5,406.6	5,350.7	5,737.0	7.2	6.1
CASH EQUIVALENTS	2,590.4	2,919.1	2,997.0	2.7	15.7
Money-Creating Banks	2,556.8	2,884.4	2,962.3	2.7	15.9
Other banking institutions eligible for BEAC refinancing	33.6	34.7	34.7	0.0	3.5
CASH AND CASH EQUIVALENTS	7,997.0	8,269.8	8,734.0	5.6	9.2
OTHER NET ITEMS	1,562.8	1,995.9	1,797.0	-10.0	15.0

Sources: BEAC, MINFI

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