

Mining sector offers wealth of investment openings

Ministry of MINMINDT plans to turn natural assets into real industrial opportunities

Rich in natural resources thanks to its vast mineral deposits such as gold and diamonds, Cameroon is taking advantage of its mineral wealth with the help of foreign investors, including numerous companies from Asia.

The Cameroonian government has identified the development of the mining industry as a priority in the short, medium and long term as the country strives to hit key economic goals by 2035.

Despite the global economic slowdown that affects Western countries currently, the government is determined to make the mines and geology sector a core pillar of economic growth and sustainable development. Ignored by previous administrations, the fledgling mining sector has yet to contribute much to GDP or socio-economic development, but that is now set to change with dozens of new projects in the pipeline.

The new pro-business mining code has resulted in the issuing of 100 exploration licenses and foreign direct investment is starting to flow into the sector. However, like other industries, several difficult challenges lie ahead, including limited transport network and energy supply on site.

Of course, confidence is high and all these goals will be achieved with the help and support of international investors who are eager to exploit large reserves of gold, diamonds, cobalt, iron ore, bauxite, nickel, alumina and uranium.

According to official government data, Cameroon has a billion tons of bauxite and at least the same quantity of iron ore. Titanium reserves are estimated at 300 million tons and cobalt, nickel and manganese deposits at 225 million tons.

In addition, Cameroon has oil and gas reserves that are thought to total 250 million barrels and 187 billion cubic metres of natural gas. The aggregate value of all these natural resources is more than \$100 billion and at least 200,000 direct and indirect jobs could be created by their exploration, extraction and related activities. In order to attract substantial FDI to develop the sector, the government is pumping hundreds of millions of dollars into transport and energy infrastructure such as highways, ports, railways and power plants.

The Ministry of Mines, Industry and Technological Development, is responsible for developing strategies for industrial development by enhancing natural resources and mines.

Headed by Emmanuel Bonde, the ministry is reforming, developing and implementing a nationwide industrialization plan. The minis-



Emmanuel Bonde,
minister of MINMINDT

tatives from around the world, the event included presentations and speeches from leading mining figures and government officials and highlighted areas that need substantial FDI to enable exploration. More than half of the country remains

“My ministry has developed a program to implement technological poles over the territory corresponding to the competitive advantages of each region.”

EMMANUEL BONDE, MINISTER OF MINMINDT

try is also facilitating geological prospecting and mining activities, local processing of agricultural products and promotion of private investment.

With support from the World Bank, MINMINDT organized the Second Forum of Cameroon Mining in Yaoundé from May 29 to 31, 2012, to discuss the best way for the country to maximize its mining potential. Attended by 400 industry represen-

unexplored and this untapped potential needs investors in order to be revealed.

Cameroon has applied to the Extractive Industries Transparency Initiative to structure its mining industry with international standards. The request shows the determination of Cameroon's government to boost transparency over payments by mining and energy companies to public departments and agencies.

Ministry of Mines, Industry and Technological Development

P.O. Box 812 - Yaoundé - CAMEROON

Telephone: +237 22 22 17 38 | Fax: +237 22 22 17 40 | www.spm.gov.cm/fr/administrations-publiques/mines-et-industrie



PHOTOS PROVIDED TO CHINA DAILY

With billions of tons of mineral reserves, Cameroon is enticing many international investors.

Following a series of recent sector reforms, the government's role is more focused on the organization, regulation, promotion and control of mining and petroleum activities. These forward-thinking changes were characterized by the recent establishment - with assistance from the World Bank - of modern legislative and institutional frameworks in a comprehensive new mining code.

The code offers generous tax breaks to mining investors while ensuring that Cameroon gets a fair share of the billions of dollars of minerals over the coming decades. Companies wishing to mine in the central African nation will need to prove they have adequate financing or permits will not be granted.

Meanwhile, in a further sign of the importance of the mining sector to state leaders, Cameroon recently joined the Kimberley Process on diamond certification in move that will enable production to commence at a major deposit discovered in 2008.

“Transactions in diamonds can only be possible with countries that are participants to the Kimberley accord,” Minister Bonde commented during a ceremony to mark the occasion.

In an earlier speech focused on Cameroon's massive mineral wealth, Minister Bonde said: “We plan to turn these natural assets into real industrial opportunities, through a policy of integration of the industrial landscape, an increased level of processing resources locally and the establishment of basic infrastructure support such as energy and communication networks. Our target is to boost the industry to a contribution 25 percent of GDP in forthcoming years.”

“My ministry has developed a program to implement technological poles over the territory corresponding to the competitive advantages of each region. Sino-Cameroonian cooperation deserves to be more diversified and strengthened; the private sector will find reliable guaran-

tees through our investment charter and sectoral codes. Cameroon is a host of foreign productive investment, reflecting the institutional stability, an economy in constant progress and an open and democratic society.”

This highly positive view is echoed by his ministerial colleague Alamine Ousmane Mey, Cameroon's Minister of Finance, who is putting in place all the various legal and regulatory frameworks that will allow mining companies to operate effectively and efficiently.

“Cameroon is well on track for development and is a country that offers peace, security and stability,” Minister Mey said, “and so offers very suitable ground for fruitful investments. Our current rate of economic growth gives investors a very profitable rate of return compared to many other places in the world.”

InFocus provided the story

Local firms help build a 21st century nation

Diversification is the watchword for the companies making Cameroon modern

A host of ancillary companies are lining up to engage in Chinese investment in their development projects.

Gulfin, a major transporter of bulk liquids, is one of them. As part of its diversification strategy, the company is planning to open at least 10 new gas stations by the end of next year.

Deputy Director Edouard Edmond Bateky said: “We try to develop partnerships to cover different geographical areas with other recognized transport companies. We thus offer our ships to major and other international traders to transport from and to Africa, Europe and the Americas.”

“We are ready to develop a partnership with China in particular and Asia in general by signing a contract of affreightment for the transportation of crude oil, the main advantage being that our ships are based in the Gulf of Guinea, near large deposits.

Regarding our distribution network, we seek partnerships on lubricants, with foreign companies willing to expand in Africa.

“We can offer them a network that is constantly improving to meet international standards and the maximum requirements in environment, safety and hygiene.”

Tradex, Cameroon's crude oil and petroleum products export and trading company, boasts a network of 35 service stations across the whole country, and a market share of nearly 10 percent. It demonstrates the best marketing efficiency ratio per station in Cameroon and is a leading importer of petroleum products.

A shining example of a forward-thinking company, Tradex is trying to diversify its offering to cover all aspects of the distribution.

“Tradex's strategy relies on expanding our network, improv-

ing our services and innovating our products,” general manager Perrick Jean Nyodog explained. “Naturally, our sub-regional expansion remains a pivotal axis of development. We watch every opportunity that arises in the sub-region to enhance our network and diversify.”

On the move

Fast-growing transport company Socatur is also playing a strategic role in Cameroon's modernization. Established in 2001, it operates a public transport network in Douala, the country's largest city with a population of around two million.

In the early days, it had a fleet of just 15 buses, but has grown exponentially and now operates around 100, all of them third generation. As part of its ambitious expansion program, Socatur's management is now looking to partner with Chinese



Jean Ernest Masséna Ngalle Bibehé,
president director general of Socatur

operators and build an assembly line for vehicle production. As well as reducing production costs, it would ease access to spare parts and technical assistance.

Jean Ernest Masséna Ngalle Bibehé, president director general of Socatur said: “We need 30 lines to cover the entire network of Douala, but to do so we need a fleet of 300 buses. This will take two or three years at least, but that would enable us to cover the entire city. “After this, we intend to deploy our services to other cities in Cameroon and serve as a focal point in the sub-region.”

The company, which is 67 percent privately owned, is a member of the International Association of Public Transports and the African Union of Public Transport.

“We have reinvented urban transportation. We contribute to improv-

ing the living conditions of the local populations, and facilitate urban mobility,” Ngalle Bibehé says.

“Today Socatur employs 300 people, it is an integrated center with 100 buses, including 40 in permanent operation, and the rest make up the technical storage. To operate a bus, you need between 6 and 8 people. So if you buy 100 buses, you will recruit 700 people. If you buy 300, you'll recruit about 3,000 people. In turn, these people support entire families with their wages, so the list of social benefits is long.”

“Our main target is primarily the most disadvantaged population, that is to say pupils, students, people on low incomes. We have an eminently social role to play, and believe that urban mass transportation in a city like Douala must grow, to develop the country.”

Expanding infrastructure

The fast pace of construction in Cameroon has called for robust standards and procedures to be drawn up. With its broad expertise, well-trained engineers and strong global network, Labogénie is the leading geotechnical research institute in this field and as such is tasked with quality control for structures such as dams, bridges and roads.

“We also deal with other activities, like the supervision of public works for new structures and upgrades, and the inspection of finished works, to verify compliance,” said Philippe Nouanga, general manager.

Meanwhile, Labogénie's counter-

part, Matgénie is responsible for the acquisition, maintenance, renewal and rental of equipment for the construction of all roads. In December 2011, it received brand new civil engineering materials thanks to Chinese cooperation, enabling its continued contribution to progress.

“We are working with several of the key ongoing projects,” said Niwa Long Othon, general manager.

Created in 2007, Cam Iron SA is the country's leading iron ore mining company. Ninety percent owned by Sundance Resources Ltd, the company plans to develop integrated mine, rail and port projects.

“The one thing that is missing in Cameroon is infrastructure,” Chairman Giulio Casello explained. “Our Mbalam project has the power to unlock the region and create much value locally as we propose to build rail and port infrastructure for the export of iron ore from the region.”

One of the best iron ore assets in Africa, the project aims to mine 35 million tons per annum of direct shipping ore-quality High Grade Hematite for 10 years at an estimated operating cost of \$21.2/ton. The second stage will see the continued 35 mpta of concentrate product from Itabirite for a further 15 years, at an ETO of \$40/ton.

The project, which is expected to last between 40 and 50 years, has a net present value of \$4 billion over 25 years with a payback period of between four and five years.

InFocus provided the story

Creolink: Setting the standard in service

Dynamic and ambitious, Creolink Communications is the industry pioneer setting the standard for innovation and excellence in Cameroon's emerging telecoms sector. Since its launch in 2001 by CEO Joseph Mbock, Creolink Communications has built a reputation for first class customer service and was the first telecoms company in sub-Saharan Africa to offer clients triple play services - telephone, television and Internet.

Incredible annual growth of 30 percent has allowed Creolink Communications to ring up substantial revenues and open 30 comfortable Cyberlink centers that give people broadband Internet access.

Given the outstanding success of its business model, it's no surprise to see Creolink Communi-

cations growing its reach outside the domestic market with a foray into Chad and the Central African Republic. Creolink Communications' young and vibrant 150-strong workforce is a key asset as are the knowledge, skill and experience of entrepreneur Mbock who worked in the US for several years.

“We are a young company, but have the maturity, execution skills and vision as to where we want to go,” he explains. “We did all of that through internal investment and we managed to grow all the company this way. We created our own market and are providing services no other company currently provides. The market is at its very beginning; Cameroon has 20 million people and penetration is only two percent so there are huge opportunities”



Joseph Mbock,
founder and CEO,
Creolink Communications



www.creolink.com

Ensemble, Allons plus Loin
Together, Let's go further

GULFIN