

### **III. TRADE POLICIES AND PRACTICES BY MEASURE**

#### **(1) OVERVIEW**

1. Cameroon's trade policies and practices are, to a large extent, determined by its participation in CEMAC/UDEAC. Cameroon's trade regime has not undergone major changes since its previous Trade Policy Review in 1995; nevertheless some further liberalization has taken place.

2. The tariff, which is determined by CEMAC regulations, is Cameroon's main trade policy instrument at the border. Imports are also subject to several additional charges. Import restrictions are relatively few and involve measures aimed at ensuring security, and protecting public health and the environment. Cameroon has legislation regulating the use of contingency measures, but no such measures were applied during the period under review. Customs procedures have been streamlined through the opening of a single-window facility.

3. The export regime has been further liberalized. At present, export licences apply only to "sensitive" goods (e.g. gold and diamonds); while exports of coffee and cocoa require a quality certificate. As in the case of imports, export prohibitions are in place for health and environmental reasons. All export taxes, except those levied on logs, have been removed. Exports of logs are also subject to quotas. Cameroon does not grant any specific assistance to exporters other than tax incentives, which are not sector specific. Tax incentives are also provided to promote industrial development, encourage exports, raise value added and create employment. These incentives are not sector specific but are contingent upon export performance and, in certain instances, on the use of domestic inputs.

4. Cameroon has introduced new legislation on government procurement in order to enhance transparency. Intellectual property legislation at the regional level has been revised to ensure compliance with the TRIPS Agreement. However, its enforcement in Cameroon appears to need improvement. The process of privatization, which started in 1990, has continued; however, state monopolies remain in some utility sectors (water and electricity). Services provided by state monopolies are subject to price controls, as are some basic goods.

#### **(2) MEASURES DIRECTLY AFFECTING IMPORTS**

##### **(i) Procedures**

##### **(a) Registration and documentation**

5. Importers must be registered in the trade registry, pay an annual subscription of CFAF 10,000 to Cameroon's National Shippers' Council (CNCC), and hold a valid importer's licence.<sup>1</sup> Importers are required to submit a customs declaration through a customs broker (Commissionnaire en douane agréés) or receive an authorization to clear goods from customs (autorisation de dédouaner).<sup>2</sup> According to the authorities, foreigners may also register as customs brokers.

6. The customs declaration, as well as other necessary documents to be furnished, are common to UDEAC members. The customs declaration must be submitted to customs within three days of the

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<sup>1</sup> GATT (1995).

<sup>2</sup> Certification requirements for customs brokers are listed in Article 113 of the UDEAC Customs Code.

arrival of the merchandise.<sup>3</sup> It must contain a detailed description of the goods, specifying the value of each item and the customs regime under which they are imported (e.g. transit, temporary entry, drawback, etc.).

7. The customs declaration must be accompanied by the following documents: bill of lading; licences and permits to import controlled goods; required customs documents (e.g. certificate of origin or transit, temporary admission permit or technical endorsement or certificate of conformity signed by the competent technical Ministry, etc.); documents necessary under specific regulations (sanitary certificate, public health, preservation of fauna and flora, quality or packaging control, etc.); and authorization for minimum tariff regime, if appropriate.

8. A single window for customs procedures became operational in December 2000; all documents have to be submitted to this window within 48 hours of the shipment's arrival. It has been estimated that through the use of a single window 80% of all import formalities would be completed with a maximum delay of 48 hours for imports and six hours for exports.<sup>4</sup>

(b) Preshipment inspection

9. Most imports valued at more than CFAF 1 million f.o.b. are subject to a compulsory quality and quantity inspection and price comparison by the Société Générale de Surveillance (SGS).<sup>5</sup> Preshipment inspection involves both a physical inspection and a price comparison of the goods. The purpose of such inspection is to ensure that the price charged by the exporter reflects the true value of the goods, to prevent substandard goods from entering the country, and to deflect attempts to avoid payment of customs duties.<sup>6</sup>

10. Cameroon is a contracting party to the IMO Facilitation Convention and the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention). In addition, with support from SGS, a selective system of documents control and physical inspection before and after releasing goods was to be applied by end-October 1999, while reinforcing ex post control structures and training activities.

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<sup>3</sup> The customs procedures are covered in detail in section 3 of Title V (Articles 122 through 127) of the Customs Code.

<sup>4</sup> IMF (2000f).

<sup>5</sup> Exceptions include objects of art, precious stones and metals, gold, used personal and household effects, used tourism motor vehicles, explosives and pyrotechnic products, periodicals, non-commercial parcel post, samples, gifts and imports for diplomatic entities and for U.N. organizations, live animals, crude oil and equipment used for oil drilling, and vaccines and serums (SGS online information. Available at: <http://www.sgs.ch/internet/eadnet.nsf/> [23 June 2000]).

<sup>6</sup> Preshipment inspection is initiated by SGS upon receipt of the Inspection Order from either the appropriate government agency or the seller. SGS undertakes a preliminary price verification. SGS carries out the physical inspection and notifies the seller of the result. Shipments may proceed if the result is satisfactory. The final invoice is submitted to SGS together with other required documents (e.g. bill of lading or air waybill). SGS then finalizes the price verification, customs classification, and verification of import eligibility. It also issues the necessary documents to the seller and, when required, the customs office. SGS has been supplying its services in Cameroon since 1989; its exclusive contract with the Government was renewed on 1 January 1998, (SGS online information. Available at: <http://www.sgs.ch/sgsgroup.nsf/pages/TanzCam.html> [23 June 2000]).

**(ii) Customs valuation and rules of origin****(a) Customs valuation**

11. Cameroon continues to apply the Brussels Definition of Value. Cameroon availed itself of the five-year delay period for the application of the WTO Customs Valuation Agreement. Implementation of the Agreement was foreseen as of 13 December 2000.<sup>7</sup> However, on 3 January 2001, the Government of Cameroon requested a further delay, under paragraph 1 of Annex III of the Agreement on Customs Valuation, to implement it as of 1 July 2001.<sup>8</sup> Cameroon also notified the delay of the application of the computed value method for a period of three years from the date of application of all other provisions of the Agreement. Cameroon had notified reservations concerning the reversal of the sequential use of the deductive and computed value methods, and the application of Article 5(2) whether or not the importer so requests.<sup>9</sup>

12. Since Cameroon continues to apply the Brussels Definition of Value, duties are assessed on the "normal" price of the merchandise at the time of entry. Transactions must be undertaken under competitive conditions and between independent parties so that the invoice price can be considered the "normal" price.<sup>10</sup> However, Cameroon fixes the dutiable value for certain items through regulation; the official price list (valeurs mercuriales) is published.<sup>11</sup> For instance in 1995, import taxes for food and textiles were calculated on the basis of minimum values fixed by law.<sup>12</sup> Cameroon notified that it would apply minimum prices for a transition period of three years.<sup>13</sup> Traders may appeal customs decisions both through an administrative procedure or in the courts.

13. In 1998, the UDEAC established a revised regulatory framework for customs valuation in Member countries.<sup>14</sup> The objectives of the revised legislation are to adopt new regulations on customs valuation based on the "transaction value", to establish an appeals procedure, and to determine a procedure for the release of goods in the event of doubt as to their value.<sup>15</sup>

**(b) Rules of origin**

14. Cameroon has made no notifications to the WTO regarding preferential or non-preferential rules of origin.<sup>16</sup> Cameroon does not seem to apply non-preferential rules of origin.

15. UDEAC's management committee (le Comité de Direction de l'UDEAC) establishes the rules to be followed to determine the origin of imported goods.<sup>17</sup>

<sup>7</sup> WTO document G/VAL/W/25, 24 April 1998.

<sup>8</sup> WTO document G/VAL/W/80, 11 January 2001.

<sup>9</sup> WTO document WT/LET/41 of 20 November 1995.

<sup>10</sup> A full definition of "normal" price and "independent" parties is found in Article 23 of the UDEAC Customs Code.

<sup>11</sup> Article 25 of the UDEAC Customs Code.

<sup>12</sup> GATT (1995).

<sup>13</sup> A complete list of products subject to minimum values is found in WTO document G/C/W/245/Add.2, 29 March 2001.

<sup>14</sup> UDEAC Acts No. 2/98, 3/98 and 4/98 of 21 January 1998.

<sup>15</sup> WTO document G/VAL/N/GAB/1, 15 October 1999.

<sup>16</sup> WTO document G/RO/47, 20 December 2000.

<sup>17</sup> Article 22 of the UDEAC Customs Code. Goods considered as UDEAC products are: raw materials, live animals, and food products. To be considered as UDEAC goods, manufactured goods must be wholly produced with raw materials from the region, or industrial products with at least 40% regional content (50% by 1 January 2003, and 60% by 1 January 2008), or with a value added of at least 30% of the factory price (40% by

(iii) **Tariffs**

16. As a member of the UDEAC, Cameroon applies the UDEAC Common External Tariff (CET) on imports originating from non-member countries. The CET is established according to four tariff rates:

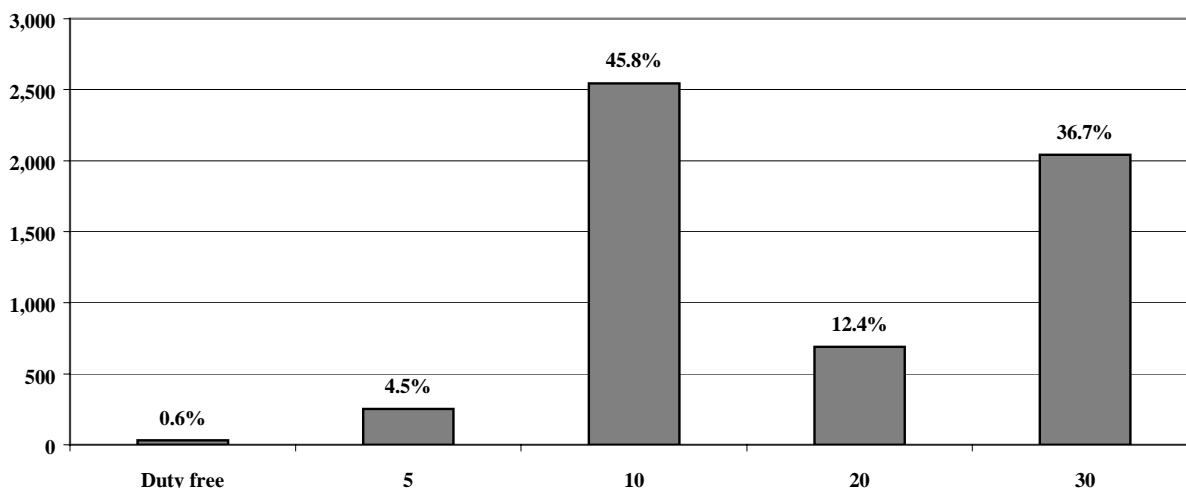
- (i) basic necessities (5%);
- (ii) raw materials and capital goods (10%);
- (iii) intermediate goods (20%); and
- (iv) consumption goods (30%).

(a) **Tariff structure**

17. The current MFN tariff applied in Cameroon has 5,577 lines at the HS (1996) eight-digit level.<sup>18</sup> All tariffs are ad valorem, applied on the c.i.f. value of imported goods. They apply throughout the year, with no seasonal variation. The applied tariff has five tiers, comprising rates from 0% to 30%. In principle, basic goods bear a rate of 5%, raw materials and capital goods 10%, intermediate goods 20%; and final consumption goods 30%. Some 46% of all tariff lines bear a tariff of 10%, and 36.7% a rate of 30%. Around 0.6% of tariff lines are duty free (Chart III.1). Most of the goods subject to a zero rate are aircraft, spacecraft and parts thereof (HS Chapter 88) (Table AIII.1).<sup>19</sup>

**Chart III.1**  
**MFN frequency distribution, 2000**

Number of lines



**Note:** The HS 8-digit tariff contains 5,577 lines. The frequency distribution is based on 5,560 lines as no rates were provided for 17 lines.

**Source:** WTO Secretariat calculations, based on online data available at: [http://www.izf.net/izf/TEC/afrique%20centrale/index\\_ac.htm](http://www.izf.net/izf/TEC/afrique%20centrale/index_ac.htm).

1 January 2003, and 50% by 1 January 2008). Act No. 7/93-UDEAC-556-CD-SE1 of 21 June 1993 [Online]. Available at: [www.izf.net](http://www.izf.net) [18 January 2001].

<sup>18</sup> The tariff analysis is based on data obtained from Izf online information, available at: <http://www.izf.net>. The Cameroonian authorities have confirmed that this is the dataset applied in the country.

<sup>19</sup> Other goods bearing a tariff rate of 0% are included in HS Chapters 40, 48, 49 and 84 (Table AIII.1).

18. The simple average applied MFN tariff (18.3%) has remained stable since 1994 showing only a slight decline from 18.8%<sup>20</sup>; tariff dispersion has not changed.<sup>21</sup> The average tariff for agricultural goods (WTO definition) is 22.5% and for non-agricultural goods (excluding petroleum) 17.6% (Table III.1). Production of, inter alia, vegetables, fruit, coffee, meat, and cocoa (HS Chapters 07, 08, 09, 16, and 18) continues to be protected by tariffs substantially above the sector's average. Amongst manufactured goods, textiles, clothing, and apparel (HS Chapters 57, 61, 62, 65, 66, and 67) bear an average tariff protection of 30% (Table AIII.1).

**Table III.1**  
**Applied MFN tariffs, 2000**  
(percent)

	Frequency (number)	Simple average <sup>a</sup>	Standard deviation	Range
<b>Total</b>	<b>5,577</b>	<b>18.3</b>	<b>9.6</b>	<b>0.0-30.0</b>
WTO Agriculture <sup>b</sup>	836	22.5	9.7	5.0-30.0
WTO Non-agriculture (excluding petroleum)	4,722	17.6	9.4	0.0-30.0
Petroleum	19	10.0	0.0	10.0
HS Chapters 01-24	879	23.7	8.9	5.0-30.0
HS Chapters 25-97	4,698	17.3	9.4	0.0-30.0

a The HS 8-digit tariff is 5,577 lines. The simple average is based on 5,560 lines as no rates were provided for 17 lines.

b Annex 1 of the WTO Agreement on Agriculture defines the scope of agriculture as HS Chapters 01 to 24 less fish and fish products (Chapter 03), plus selected items from Chapters 29, 33, 35, 38, 41, 43, 50, 51, 52 and 53.

Source: WTO Secretariat calculations, based on online data available at: <http://www.izf.net>.

(b) Tariff escalation

19. Tariff escalation continues to show an atypical pattern, although to a lesser degree than at the time of the previous Trade Policy Review. Semi-processed manufactured products face a lower average rate (14.7%) than products in the first stage of processing (19.2%), and fully processed goods (20.2%).<sup>22</sup> Industrial sectors dedicated to the production of intermediate goods appear to carry the brunt of the escalation distortion.

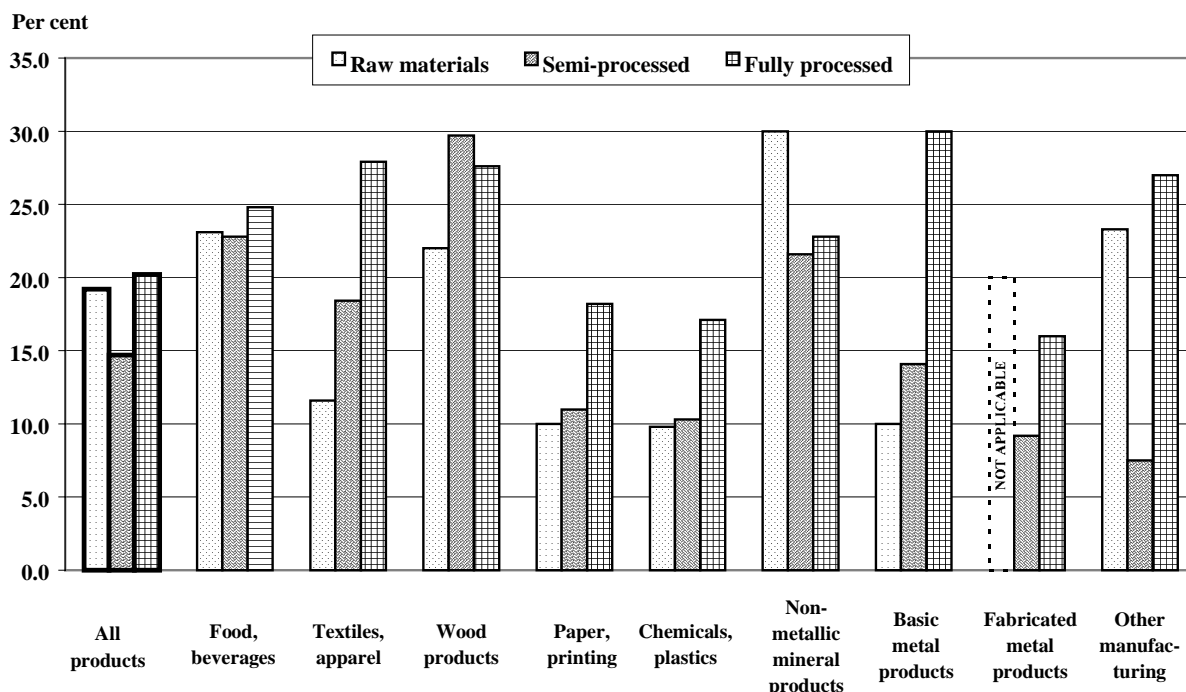
20. A detailed sectoral analysis by ISIC sectors shows the more typical pattern in a series of industries, notably textiles and apparel; paper and printing; chemicals and plastics; and basic metal products (Chart III.2). Exceptions continue to appear in the wood products sector, where the local production of semi-processed products enjoys higher protection, while the reverse holds for non-metallic mineral and other manufacturing products.

<sup>20</sup> The simple average is based on 5,560 lines since no tariff rates were provided for 17 lines.

<sup>21</sup> GATT (1995).

<sup>22</sup> The high average tariff applied to agricultural products, some of which are in fact final consumption items, inflates the average tariff rate for raw materials as a group.

**Chart III.2**  
**Tariff escalation, 2000**



Source: WTO Secretariat estimates, based on online data available at: [www.izf.net](http://www.izf.net).

(c) Tariff bindings

21. As a result of the Uruguay Round, Cameroon bound all agricultural products (WTO definition) at a ceiling rate of 80%. Tariff bindings for non-agricultural products are limited. Only three non-agricultural products were bound at a rate of 50%: raw jute; single yarn of jute; and multiple yarn of jute. At that time, Cameroon also bound other charges, committing to a maximum level of 230% for agricultural products (WTO definition), 80% for raw jute, and 150% for the other two jute derivatives.

(d) Tariff preferences

22. All imports from UDEAC countries enter Cameroon duty free (since 1 January 1998). The liberalization of merchandise trade within UDEAC was achieved gradually, in three stages, in 1994, 1996 and 1998.

23. Under the framework of an agreement signed by Cameroon and Senegal on 10 January 1974, which is being renegotiated, imports from Senegal benefit from tariff preferences.

(e) Tariff concessions

24. The UDEAC Management Committee is responsible for granting tariff concessions (minimum or intermediate) on a reciprocal basis to trading partners. It is also responsible for granting tariff exemptions or special treatment to imports from particular trading partners that substantially contribute to the country's economic development. At present, commercial samples; scientific,

educational, and cultural material; goods to be used by diplomatic missions, international organizations, and religious institutions; and material and products used in technical projects, such as mining and oil exploration, are subject to tariff concessions.<sup>23</sup>

25. Goods imported by the Government are exempt from all duties and charges. Products to be used in projects financed by international organizations may also be exempt from customs duties, as are goods imported by non-governmental organizations.<sup>24</sup> Goods to be used in mining and oil research projects can be imported exempt of all duties and taxes.<sup>25</sup>

26. Imports into the Industrial Free Zones (IFZs) or the free point, with the exception of motor vehicles for the transport of passengers, and gasoline, are exempt from customs duties and taxes.<sup>26</sup>

**(iv) Other charges affecting imports**

27. Up to 1 July 2000, a temporary import surcharge of up to 30% could be levied, for a period of three years, on products that were previously subject to quantitative restrictions.<sup>27</sup> Cement, flour, iron reinforcement bars for concrete (fer à béton), and polypropylene bags, were subject to the temporary surcharge until June 2000.

28. In addition, the UDEAC Customs Code provides for the application of a complementary tax (taxe complémentaire) on certain imported goods to be consumed in one or several countries of the Union.<sup>28</sup> The authorities noted, however, that this tax was eliminated at the time of the fiscal reform in 1993.

29. Until 2000, imports were subject to a number of fees, charges, and levies, which according to the authorities were eliminated by the Budget Law of 2000/2001. These included: the import inspection fee of 0.95% on the c.i.f. value of imports in excess of CFAF 1 million, with a minimum charge of CFAF 110,000; a computer user fee (redevance informatique) of 1.5% of the c.i.f. value of imports, used to finance activities of the national computer office (CENADI); and a levy of 0.3% collected on river and maritime freight by the Conseil National des Chargeurs du Cameroun (CNCC) (Cameroon National Shippers' Council), products carried by sea originating in and imported from UDEAC States were exempt.

30. All goods, including imports, are subject to VAT, which is calculated on the c.i.f. value of the imports plus the import duty.<sup>29</sup> The general rate is 17% plus a communal tax of 10% of the VAT, resulting in an overall 18.7% tax. Products that qualify for a reduced rate are determined by administrative decision and pay 8% plus a communal tax of 10% of the VAT, or an overall 8.8% tax. Some goods, such as basic consumption goods, pharmaceuticals, and health-related products are exempted from VAT by Ministerial ordinance (Table AIII.2). The VAT on imported goods must be paid to the Treasury prior to the removal of goods from customs.

<sup>23</sup> Act No. 2/92 - UDEAC-556-SE1 of 30 April 1992.

<sup>24</sup> GATT (1995).

<sup>25</sup> Annex 4 of Directive No. 1/99 – CEMAC-028-CM-03 [Online]. Available at: [www.izf.net](http://www.izf.net) [18 January 2001].

<sup>26</sup> Cameroon notified part of the content of the new Investment Code (Ordinance 90/001 of 29 January 1990) in WTO document G/SCM/N/3/CMR of 29 December 1996.

<sup>27</sup> The surcharge was eliminated by Article 5 of the Budget Law for 2000/2001, No. 2000/08 of 30 June 2000, in conformity with Act 7/93-UDEAC-556-SE1 of 4 June 1993.

<sup>28</sup> Chapter 4, Textes D'Application, Code des Douanes.

<sup>29</sup> The VAT was introduced on 1 January 1999.

31. An excise tax is levied on selected imported and locally produced merchandise, including inter alia, alcoholic beverages, cigarettes, cosmetics, and jewellery (Table AIII.3). As of 1 January 1999, the excise tax rate was 25% for both domestic and imported goods, thus at the highest rate allowed by CEMAC.<sup>30</sup> On imports, the excise tax is based on the c.i.f. value plus import duty. Excise taxes on imports are collected at the border.

32. Imports of bovine, ovine, caprine, and pork meat are subject to a fixed tax of CFAF 100 per 100 kg.; live animals, fresh products and salted, dried, smoked, preserved and semi-preserved products are subject to an ad-valorem or specific veterinary inspection tax (Table AIII.4).<sup>31</sup> Customs services must collect this tax.

**(v) Import licensing, prohibitions, and other restrictions**

33. Cameroon notified its decision to delay for a period of two years the application of provisions on automatic import licensing of the Agreement on Import Licensing Procedures. However, this delay period has expired. Cameroon has not yet replied to the questionnaire on Import Licensing Procedures (Article 7.3), nor has it notified any legislation regarding import licensing.<sup>32</sup>

34. According to the authorities, all forms of import licensing requirements have been eliminated.<sup>33</sup> The import licensing system was simplified in 1994, when licences were eliminated for 90% of imports and later replaced by the import declaration.<sup>34</sup>

35. A list of products subject to a technical visa, for security, health, or environmental reasons is published by the Ministry of Industrial and Commercial Development in the Programme Général des Echanges.<sup>35</sup> These products are subject to technical control and approval by the competent Ministry for health, sanitary, and phytosanitary reasons (Table AIII.5). Import prohibitions are also applied for environmental and security considerations (Table AIII.6). Cameroon applies the trade prohibitions enacted under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

36. In addition, at any time, for security, public order, health, environmental, and emergency reasons, imports of selected goods can be regulated (i.e. subject to prior authorization) or prohibited.<sup>36</sup>

37. According to the authorities, all quantitative restrictions previously affecting imports have been eliminated.<sup>37</sup>

**(vi) Contingency measures**

**(a) Anti-dumping and countervailing duties**

38. Law No. 98/012 of 14 July 1998 regulates the imposition of anti-dumping and countervailing duties. According to this legislation, dumping occurs when the sale price of the imported good is

<sup>30</sup> The permissible range is established between 0% and 25% in Directive N° 1/99/CEMAC-028-CM-03 of 17 December 1999, Article 57; and Law No. 98-009 (Budget Law), 1 July 1998.

<sup>31</sup> Section II, Chapter I, Textes d'Application, Code des Douanes.

<sup>32</sup> WTO document G/LIC/W/14, 26 September 2000.

<sup>33</sup> WTO document WT/MIN(96)/ST/99 of 12 December 1996.

<sup>34</sup> Dun & Bradstreet Information Services (2000).

<sup>35</sup> Dun & Bradstreet Information Services (2000).

<sup>36</sup> Article 16, Traité Instituant la Communauté Economique et Monétaire de L'Afrique Centrale (WTO document WT/COMTD/24, 29 September 2000).

<sup>37</sup> WTO document WT/MIN(96)/ST/99, 12 December 1996.



lower than that "normally" charged in the country of origin or other export destinations with similar characteristics. Once significant injury has been established by an Antidumping and Subsidies Committee created to that effect, the Minister in charge of prices (i.e. the Minister of Economy and Finance), imposes an anti-dumping duty whose rate should not exceed the price difference and should be in place only for the time necessary to compensate injury. The authorities noted that since 1998 no anti-dumping investigations have been initiated. Where subsidized imports are found by the Antidumping and Subsidies Committee to inflict injury to local producers, a compensatory duty may be applied.<sup>38</sup> The authorities noted that since 1998 no such investigations have been initiated.

39. As of end 2000, Cameroon had not notified its legislative and regulatory framework regarding anti-dumping or countervailing measures to the WTO. No semi-annual reports regarding anti-dumping or countervailing measures have been submitted by Cameroon.<sup>39</sup>

40. The UDEAC Customs Code also allows for the imposition of anti-dumping and countervailing duties. Thus, if imports threaten or cause significant damage to the national production of an identical or competing good, the following can be applied:

- (i) a countervailing duty, where foreign production benefits from a grant or a subsidy;
- (ii) an anti-dumping duty where, *inter alia*, the price is either (a) lower than that charged under competitive conditions in the country of origin or transit (excluding duties or other charges therein); or (b) lower than the estimated or real cost of production in the country of origin including reasonable sale and profit margins.<sup>40</sup> The authorities noted that no such measures have ever been applied.

41. The terms of the application of countervailing and anti-dumping duties are set through decisions by UDEAC Management Committee. These duties may apply to the entire Union's territory or part of it. The countervailing or anti-dumping duties, which cannot exceed the subsidy or the dumping margin, are to be paid at customs.<sup>41</sup>

(b) Safeguards

42. Law No. 98/012 also regulates the imposition of safeguard measures in Cameroon. Under the Law, if a product is imported in such a quantity, relative to domestic production, as to cause or threaten to cause a serious injury to the domestic industry that produces similar goods, a safeguard measure may be applied. Where a quantitative restriction is used, the average of the last three years serves as a benchmark, except when clear justification of a stringent measure is deemed necessary. If delays are likely in the investigation and the injury is evident, a temporary safeguard measure may be imposed for no longer than 200 days through an increase in customs duties (which are reimbursed if no injury is found). Safeguard measures are applied for a maximum of four years (with the possibility of one renewal). According to the authorities no safeguards have been put in place.

43. As of early 2001 Cameroon had not notified this legislation to the WTO.<sup>42</sup>

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<sup>38</sup> Subsidies are considered to be those listed in the WTO Agreement on Subsidies and Countervailing Measures (Law No. 98/012, Chapter III, Article 10).

<sup>39</sup> WTO documents G/L/404, 8 November 2000, and G/L/408, 23 November 2000.

<sup>40</sup> Article 13 of UDEAC Customs Code.

<sup>41</sup> Article 14 of UDEAC Customs Code.

<sup>42</sup> WTO document G/SG/M/16, 18 January 2001.

44. UDEAC members may impose a special safeguard measure for a maximum period of six months for balance-of-payments reasons.<sup>43</sup> The authorities noted that no such measures have been applied since 1995.

(c) Other measures

45. Under Article 12 of the UDEAC Customs Code, the Management Committee may allow the imposition of a surtax of up to twice the rate of the general tariff or the value of the merchandise, to imports originating in countries that apply either a surtax or high duties to goods originating in any of the member countries; or to countries that grant less than MFN treatment to goods originating in any of the member states. Duties could be increased to up to 50% for goods that entered duty free. A duty, a tax, or other trade measures could be applied under reciprocity considerations.<sup>44</sup>

**(vii) Standards and technical requirements**

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

46. As of April 2001, Cameroon had made no notifications under Article 15.2 of the WTO Agreement on Technical Barriers to Trade (TBT). Cameroon's enquiry point for TBT matters, as foreseen in Article 10 of the Agreement, is the Committee for Standardization and Quality (Cellule de la Normalisation et de la Qualité), under the Ministry of Industrial and Commercial Development.<sup>45</sup>

47. Cameroon has encountered a number of difficulties in implementing the TBT Agreement because of, inter alia, the absence of a practical code and national legislation in that area; the lack of a standardization, regulation, and conformity assessment body; the lack of modern equipment by which to apply international standards and guidelines; and the difficulties of adapting to the technical regulations of other Members.<sup>46</sup> The insufficiency of human, institutional, and financial resources is of concern.

48. The Directorate of Industrial Development, through the Committee for Standardization and Quality, is responsible for standards in Cameroon.<sup>47</sup> The National Normalization and Quality Control Commission, which is being restructured, plays a consultative role in matters related to standards, quality control and the environment.<sup>48</sup> Nevertheless, according to the Government, standardization in Cameroon is still embryonic and unregulated. In practice, imports are admitted into the country with little reference to standards<sup>49</sup>; except in cases where a product is suspected of being, or is declared to be, dangerous. The authorities then take the necessary measures to control its import and sale within the country.<sup>50</sup>

49. At the time of the last TPR review of Cameroon, the authorities noted that international standards were adapted to the national context. Given the absence of national standards, Cameroon has adopted international standards such as ISO 9000.

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<sup>43</sup> Article 22 of the Traité Instituant la Communauté Economique et Monétaire de L'Afrique Centrale (WTO document WT/COMTD/24, 29 September 2000).

<sup>44</sup> Article 12 of the UDEAC Customs Code.

<sup>45</sup> WTO document G/TBT/ENQ/17, 4 October 2000.

<sup>46</sup> WTO document G/TBT/W/146, 3 October 2000.

<sup>47</sup> U.S. Department of State (2001), Section K, "Standards" (last updated on 27 October 1999).

<sup>48</sup> GATT (1995).

<sup>49</sup> USTR (2000).

<sup>50</sup> GATT (1995).

50. The Société Générale de Surveillance (SGS) and other recognized institutions are in charge of testing, when required; nevertheless laboratories in exporting countries may also be recognized and approved.

(b) Labelling

51. As of 1 September 2001, the labelling requirements for food stipulated in Decree No. 0018/MINDIC/DDI/CML (of 21 November 2000), will be compulsory for both imported and domestically produced goods. For food and pharmaceutical products, the expiry date, manufacturer's name, date of manufacture, and national mark of conformity are required. All cartons, cases, crates, and packages must bear marking identifying the country of origin. The marking must be legibly and indelibly written in French. Marks of origin, either in English or French, are also required on the labels of products exported to Cameroon.<sup>51</sup> Except for beers and wine containing less than 13% alcoholic content by volume, all bottles and other containers of alcoholic beverages must be labelled with the degree of alcohol.<sup>52</sup>

52. It is compulsory to pre-label cigarettes that are to be sold in Cameroon, this label must specify, inter alia, the country of origin and the identification number of the economic operator.<sup>53</sup> An importer of cigarettes must pay this label, in the form of a fiscal stamp, before shipping the merchandise.<sup>54</sup> A variety of products are subject to stamp requirements in order to control smuggling (Table. III.2).<sup>55</sup>

**Table III.2**  
**Products subject to stamp and labelling requirements**

HS No.	Product Name
2204.10.00 – 2208.90.33	Alcoholic beverages (Champagne, whisky, gin)
3402.20.00	Detergents in powder form
3605.00.00	Matches
3808.10.10	Insecticides in the form of aerosol sprays and spirals
4202.11.00	Travel goods with outer surface of leather
4202.12.00	Travel goods with outer surface of textile materials or of plastics
4202.19.00	Other travel goods
4202.21.00	Handbags with outer surface of leather
4202.22.00	Handbags with outer surface of plastics or textile materials
4202.29.00	Handbags of other materials
4202.31.00	Articles of a kind normally carried in the pocket or in handbags with exterior surface of leather
4202.32.00	Articles of a kind normally carried in the pocket or in handbags of plastic or textile materials
4202.39.00	Articles of a kind normally carried in the pocket or in handbags of other materials
4202.91.00	Other products under No. 42-02 with outer surface of leather (school bags, various types of executive-cases, etc.)
4202.92.00	Other products under No. 42-02 with outer surface of plastic or textile materials

**Table III.2 (cont'd)**

<sup>51</sup> USTR (2000).

<sup>52</sup> GATT (1995).

<sup>53</sup> Decree No. 98/270, 3 September 1998.

<sup>54</sup> Country Commercial Guide (last updated on 27 October 1999) [Online]. Available at: <http://www.state.gov> [11 January 2001]; and Dun & Bradstreet Information Services (2000).

<sup>55</sup> Order No. 012 /MINDIC/MINFI, 18 February 1993.

HS No.	Product Name
4202.99.00	Other products under No. 42-02 with outer surface of other materials, school bags, various types of briefcases
4820.20.00	Articles of stationery, folders, perforated sheets
4820.20.00	Exercise books, registers, note books, desk pads, manifold business forms, elasticated folders
4820.30.00	Reams of duplicator paper
4820.30.00	Reams of onionskin (flimsy) paper
4820.40.00	Reams of blank paper
5212.15.00	Fabrics of more or less 200 gr/m <sup>2</sup>
5212.15.00	Printed fabrics (Wax) of more or less 200 gr/m <sup>2</sup>
8506.11.00 – 8506.90.00	Primary batteries R20, R14, R6
9613.10.00	Disposable cigarette lighters (non-refillable)

Source: Order No. 12/MINFI/MINDIC, 18 February 1993.

(c) Sanitary and phytosanitary regulations

53. In April 2001, in the context of its transparency obligations, Cameroon notified its enquiry point as provided in paragraph 3 of Annex B of the Agreement on the Application of Sanitary and Phytosanitary Measures, as well as a notification authority as provided in paragraph 10 of Annex B of the Agreement.<sup>56</sup>

54. Cameroon has requested technical cooperation on a broad range of topics (e.g. notification procedures, equivalence, risk analysis, quality control, certification and accreditation) concerning the application of the SPS Agreement.<sup>57</sup> Cameroon is in the process of drafting a sanitary and phytosanitary law, which would, inter alia, regulate quarantine and the use of pesticides.

55. One of the objectives of Cameroon's policy is to ensure that products distributed in Cameroon comply with hygiene and sanitation regulations.<sup>58</sup> Importers of medicines, vaccines, viruses and toxins, unnamed medicinal compounds, and antibiotics require prior authorization from the Ministry of Health.<sup>59</sup>

56. Animal products must undergo veterinary or sanitary inspection prior to delivery for consumption. The inspection is undertaken by the Veterinary Services. If products do not correspond with the established sanitary requirements they could be destroyed.<sup>60</sup>

57. A sanitary certificate is required under UDEAC quarantine regulations for the importation of various plant products, including banana plants, cocoa plants, coffee plants, sugar cane, and raw cotton, cottonseeds, and cotton plants, and of containers holding earth or composts.

58. Cameroon is a member of the International Office of Epizootics (OIE), the International Plant Protection Centre (IPPC) and the CODEX Alimentarius.<sup>61</sup>

<sup>56</sup> WTO document G/SPS/ENQ/11, 2 November 2000 and G/SPS/NNA/, 1 November 2000.

<sup>57</sup> WTO document G/SPS/GEN/192, 5 July 2000.

<sup>58</sup> General Trade Schedule of 1994, Part III, 3-3, 4 (GATT 1995).

<sup>59</sup> Dun & Bradstreet Information Services (2000).

<sup>60</sup> Law No. 2000/017, 19 December 2000.

<sup>61</sup> WTO document G/SPS/GEN/49, 11 February 1998.

**(viii) Government procurement**

59. Cameroon was an observer to the Tokyo Round Agreement on Government Procurement but did not renew its status after the Uruguay Round. The authorities have recently expressed interest in joining the Agreement on Government Procurement. In addition, the Government has stated its intention to fight corruption and favour transparency.

60. Up to 1 July 2000, Cameroon did not have a central registry for government procurement. Thus, the authorities were unable to supply the Secretariat with detailed information regarding the overall value, and main categories, of purchases, or on the share of imports in government procurement.<sup>62</sup>

61. Current legislation regulating government procurement in Cameroon dates back to 1995.<sup>63</sup> Following an audit of the procurement system by a private firm, two Decrees were signed on 30 June 2000 to supplement the existing legislation.<sup>64</sup> The amended legislation, *inter alia*, introduced new procurement thresholds, created an independent monitoring body (the Independent Agency to Regulate Government Procurement, Agence de Regulation des Marchés Publiques), set up a system of fines, and introduced a posteriori audit system for large contracts.<sup>65</sup>

62. While no registration requirements are in place for foreign suppliers, submitting tenders through a local agent is preferred for providing services. The rationale is to promote the transfer of technology. In order to qualify for bidding on public contracts, all bidders are required to provide, *inter alia*, a solvency certificate, a certificate of bank domiciliation, and a tender-security related to the project size, which can be produced either by the bidder itself or by its bank.<sup>66</sup> The authorities are entitled to favour nationals by reserving for them certain projects financed locally or certain sub-contracts, by replacing the required bonds or securities by a legal mortgage.<sup>67</sup>

63. Single tendering is allowed in specific situations. For instance, if supplies are covered by a patent or are available only from a single source, if no bids were received on the competitive contract or if, for technical reasons, the work can only be entrusted to a specific contractor or supplier.<sup>68</sup> However, since 1995/96 the percentage of contracts awarded through single tendering has declined substantially, from 22% to 10% between 1997 and 2000. The same procedures apply to purchases by state enterprises and local and regional authorities.

64. Preference is still given to local products in government procurement contracts, provided that the local product conforms with international technical regulations and/or standards and that its price does not exceed the c.i.f. price plus a 20% margin of the same imported product.<sup>69</sup> However,

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<sup>62</sup> According to the authorities, the centralized registry became operational on 1 July 2000; hence this type of data would be available as of the present budget year (2000/2001).

<sup>63</sup> Decrees No. 95/101 (on the regulation of government procurement) and 95/102 (on the functioning of government procurement) of 9 June 1995.

<sup>64</sup> Decree No. 2000/155, 30 June 2000 and Decree 2000/156, 30 June 2000.

<sup>65</sup> Decree No. 2000/155 of 30 June 2000 introduced an *ex post* control of contracts exceeding CFAF 500 million and 25% of contracts ranging from CFAF 30 to 500 million by an independent internationally known auditing firm selected through a call for tenders. Article 68 of Decree No. 95/101, 9 June 1995 modified by Decree No. 2000/155, 30 June 2000 and Circular No. 006/CAB/PM of 4 August 2000 [Online]. Available at: [http://www.spm.gov.cm/TEXTES/marches/C00\\_006f.htm](http://www.spm.gov.cm/TEXTES/marches/C00_006f.htm) [14 August 2000].

<sup>66</sup> Article 34, Decree No. 95/101, 9 June 1995.

<sup>67</sup> Article 19, Decree No. 95/101, 9 June 1995.

<sup>68</sup> Article 40, Decree No. 95/101, 9 June 1995.

<sup>69</sup> Article 14, Decree No. 95/101, 9 June 1995.

according to the authorities, since local suppliers usually do not participate in tenders, these preferences are not granted. Goods imported by the Government are exempt of duties.

65. Contracts are awarded by the National Commission and four other types of Commission: ministerial, provincial, special, and internal. Contracts below CFAF 30 million are awarded by internal commissions. Ministerial, provincial and special commissions award contracts above CFAF 30 million but below CFAF 500 million for civil engineering projects, CFAF 300 million for supplies and service markets, and CFAF 200 million for project evaluation (*marchés d'études*).<sup>70</sup> The National Commission awards all other contracts above these thresholds. Awards should go to the best global offer (i.e. the combination of best price, best technical offer, and shortest delivery time).

66. In 1999, UDEAC Members agreed to harmonize their national legislation on government procurement, and subject tenders in excess of an agreed threshold to public and competitive bidding.<sup>71</sup> Member States may grant a regional preference of up to 20% in labour contracts, up to 30% for furnishing contracts (of at least 40% regional content), and up to 20% for comparable service contracts.<sup>72</sup> In general, contracts are subject to public tendering and have to be published in the Official Journal. A public tender will not take place when a contract is urgent, of a highly specialized nature, requires pre-selection (and thus is subject to limited tendering of at least three months), is part of a technical co-operation project, or when the competitive bidding was unsuccessful.<sup>73</sup> The Competition Regional Council (CRC), may intervene (prior to the end of the contract) in cases of non-compliance with procurement regulations; the Council may impose sanctions.<sup>74</sup> All government procurement contracts are to be notified within a year to the CRC.<sup>75</sup>

#### **(ix) State-owned enterprises**

67. As at April 2001, Cameroon had made no notifications regarding state trading activities.<sup>76</sup> However, the authorities noted that two state enterprises remained in place, namely SNH (*Société nationale des hydrocarbures*) and SNI (*Société nationale d'investissements*).

68. The level of state involvement in Cameroon's economy continues to decline either through privatization or through the introduction of competition. Privatization efforts have been concentrated in the services (e.g. telecommunications, transport, banking, and insurance) and utilities (e.g. electricity and water) sectors; but also in agriculture (e.g. sugar, oleaginous products, bananas) (Table III.3). Areas, such as the supply of water (SNEC) and electricity (SONEL), and the production of cotton (SODECOM), which at the time of the previous review were reserved to the public sector are in the process of being privatized. Bids for the privatization of the water company, the electricity company, and the fixed telephone company (CAMTEL) have been launched; the mobile telephone system has been liberalized and competition introduced. In the agriculture sector the privatization of the rubber company (HEVECAM) and the palm oil company (SOCAPALM) has been completed. Foreign capital has played a key role in the process of privatization.

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<sup>70</sup> Articles 4-6, Decree No. 2000/156, 30 June 2000.

<sup>71</sup> Title IV, Regulation 4/99/UDEAC-CM-639, 18 August 1999.

<sup>72</sup> Article 12, Regulation 4/99/UDEAC-CM-639, 18 August 1999.

<sup>73</sup> Articles 13-15, Regulation 4/99/UDEAC-CM-639, 18 August 1999.

<sup>74</sup> Articles 17 and 18, Regulation 4/99/UDEAC-CM-639, 18 August 1999.

<sup>75</sup> Article 19, Regulation 4/99/UDEAC-CM-639, 18 August 1999.

<sup>76</sup> WTO document G/L/418, 21 November 2000.

Table III.3  
Privatization process

Name	Characteristics
<b>COMPLETED</b>	
Banque International du Cameroun pour l'Épargne et le Crédit (BICEC)	Groupes Banques Populaires acquired 52.5% of the capital in February 2000
CAMRAIL (formerly REGIFERCAM)	Concession of public railway service and infrastructure to a private consortium in May 1998
Cameroun Sugar Company (CAMSUCO)	Company awarded to its former competitor and neighbour CAMSUCO, of the French SOMDIAA group, for F 110,000,000
Les Contre-plaqué du Cameroun (COCAM)	Privatized
Société d'HEVEA du Cameroun (HEVECAM)	Privatized
Régie Nationale de Chemin de Fer du Cameroun (RNCFC)	RNCF has been awarded to SDV of the French BOLLORE group for F 110,000,000
Société Camerounaise de Métallurgie (SCDM)	Privatized
Société Camerounaise de Manutention et d'Acconage (SOCAMAC)	Privatized
Office de la Banane du Cameroun (OCB)	Privatized
Société d'Exploitation des Parcs à Bois	Privatized
Société des Palmeraies du Cameroun (SOCAPALM)	A tender from the PALCAM/COGEPART Group was declared provisionally successful in February 1999
<b>UNDER WAY</b>	
Cameroon Development Corporation (CDC)	Agro-industrial company producing tea, palm tree oil and bananas Second biggest employer after the State Privatization due to take place under the programme agreed with the IMF
Caisse Nationale de Réassurance (CNR)	Notice of an international call for tenders issued on 6 July 1998
CEPER	New procedure established for calls for tenders, bought out in September 1998
Société Camerounaise d'Assurance et de Réassurance (SOCAR)	The tender from Chanas & Privat Assurances was declared provisionally successful at the end of 1999
Société d'Electricité du Cameroun (SONEL)	A provisional decision on tenders is expected by the end of November 2000
Société de Coton du Cameroun (SODECOTON)	The privatization process is under way and has not yet reached the stage of a call for tenders
Société Nationale des Eaux du Cameroun (SNEC)	Operation of the supply of drinking water
Cameroun Airlines (CAMAIR)	Many problems remain. A call for tenders was issued in September 1999
Télécommunications du Cameroun (INTELCAM), now CAMTEL	Second mobile telephone operator's licence awarded to France Cable Radio in April 1999 Privatization of fixed telephone services is still due to take place. A call for tenders is expected to be issued in June 2000

Table III.3 (cont'd)

Name	Characteristics
<b>UNDER WAY</b>	
CAMTEL MOBILE	Licence awarded to the South African MTN group
Public Transport	International call for tenders for the concession of public transport services
Société Camerounaise des Dépôts de Pétroliers (SCDP)	Under consideration
CAMTENAIR	..
Office de la Loterie Nationale du Cameroun (LONACAM)	In preparation stage
Road Tollbooths	Privatization of 37 tollbooths is due under the 1998 to 1999 national budget
Office National des Ports due Cameroun (ONPC)	Regulations setting up the National Port and Autonomous Ports Authority were published on 15 June 1999
Office National de Développement de l'Agriculture et du Petit Bétail (ONDABP)	Notice was issued of a call for tenders in 1999

.. Not available.

Source: Camnet online information. Available at: <http://www.camnet.cm/ingeni/privat.htm> [8 August 2000]; and izf.net online information. Available at: <http://www.izf.net/izf/Opportunities/privatisations/cameroun.htm> [17 July 2000].

69. State monopolies remain in the production of cement (65% state ownership) and aluminium (40% state ownership). Government participation in petroleum production continues through the state hydrocarbons corporation, Société nationale des hydrocarbures (SNH). SNH grants contracts to private firms for exploration, production, and export activities. There are no plans to privatize SNH. The oil storage company (SCDP), a semi-public company, continues to have a monopoly over oil storage and transportation, and thus a de facto monopoly on imports of oil.<sup>77</sup> The SCDP is in the process of being privatized. In contrast, the monopoly of the national oil refinery (SONARA) over the supply of petroleum products was suppressed.

### (3) MEASURES DIRECTLY AFFECTING EXPORTS

#### (i) Registration and documentation

70. Exporters must be registered as traders at the Ministry of Industrial and Commercial Development. Bank domiciliation for the repatriation of proceeds is still required.<sup>78</sup> Cameroon's export registration requirements are similar to those of the UDEAC. As with imports, a customs declaration is demanded by the UDEAC customs law. The customs declaration must be accompanied by sanitary certificates and certificates of origin, if required by the importing country. Export formalities are now processed through a single window, which has been operational since December 2000.

71. Specific regulations remain in place for a few exports considered "sensitive", and for coffee, cocoa, and timber (see below).

<sup>77</sup> GATT (1995).

<sup>78</sup> IMF (2000g); and GATT (1995).



**(ii) Export taxes, charges and levies**

72. The UDEAC customs law allows for the application of export taxes by Member countries. In Cameroon, export taxes on eight agri-industrial products: cocoa, cotton, medicinal plants, sugar, and rubber (15%); coffee (25%); palm oil (30%); and bananas (CFAF 6,500 per tonne) were eliminated by the 1999/2000 Budget Law.<sup>79</sup> Since July 1999 only exports of forestry products have been subject to taxes.<sup>80</sup> In 2000, export taxes on dressed and semi-dressed timber were also eliminated, but not on logs.<sup>81</sup> An export tax (*droit de sortie*) of 17.5% is levied on the f.o.b. value of log exports and 3% or 4% for transformed forestry products.<sup>82</sup> The progressive surtax on logs was eliminated by the 1999/2000 Budget Law. Official reference prices are still in use to compute the export tax on logs. Taxes on logs remain in place to encourage local processing of wood and, hence, value added.

73. Export taxes on agricultural products were seen as an alternative to taxing farmers; however, they created serious distortions in the structure of incentives and were considered a major constraint to export. Thus, as they are phased out and replaced by a more efficient mechanism to collect revenue, an increase in Cameroon's export competitiveness should be expected.

74. Until July 2000, exports of cocoa, coffee, medicinal plants, timber, palm oil, and bananas were also subject to an inspection fee of 0.95% of their f.o.b. value.<sup>84</sup> Exports of fish, meat, and cattle are subject to a sanitary inspection fee of 1%.

75. All exports are also subject to an embarkment fee of 0.25% on the f.o.b. value of exports. This tax is used to fund the Port Authority. Exports are subject to a zero VAT rate.<sup>85</sup>

**(iii) Minimum export prices**

76. Cameroon does not apply minimum export prices. Official reference prices continue to be used to compute the export tax on logs.

**(iv) Export prohibitions, restrictions, and licensing**

77. Cameroon maintains few prohibitions or quantitative restrictions on its exports. Export licences for cocoa, coffee, and cotton were eliminated in July 1994. Coffee and cocoa exports must be accompanied by a quality grade certification from the National Cocoa and Coffee Office (Office National du Cacao et du Café, ONCC) prior to exportation.<sup>86</sup> Exporters of cocoa and coffee also need to submit to the Ministry of Industrial and Commercial Development: a stamped application; a trade registration; a registration number; a list of operating facilities required by the Conseil Interprofessionnel du Cacao et Café (CICC); a commitment to comply with CICC rules; and a bank certificate of financial adequacy. A registration certificate must be obtained to export timber; the certificate is to ensure that 70% of production is processed on site and only 30% of the annual harvest is exported as logs.

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<sup>79</sup> Ordinance No. 95/01, 5 January 1995.

<sup>80</sup> Article 5, Law No. 99/007, 30 June 1999.

<sup>81</sup> Budget Law 2000/2001.

<sup>82</sup> Article 5, Law No. 2000/008, 30 June 2000.

<sup>83</sup> Budget Law 2000/2001.

<sup>84</sup> The fee was eliminated by the 2000/2001 Budget Law.

<sup>85</sup> Law No. 2000/08, 30 June 2000 (Budget Law 2000/2001).

<sup>86</sup> In August 1997, the Government licensed the Société Générale de Surveillance (SGS), La Cordeler Cameroun, SA, and L'Observatoire Camerounais de la Qualité (OCQ) to control the quality of Cameroon's coffee and cocoa prior to exportation.

78. Export licences are still required to export "strategic" goods such as gold and diamonds, and for ecologically sensitive items (governed by the CITES Convention) such as live animals, birds, and medicinal plants. In 1998, petroleum and hydrocarbons were removed from the list of sensitive products subject to prior price assessment procedures by the Government.<sup>87</sup>

79. Export prohibitions apply to hazardous products or to products that contribute to pollution or environmental degradation; these include any product that has been withdrawn from sale, and industrial and toxic waste whose shipment abroad is regulated.

80. Exports of some types of logs (23 types of timber) have been prohibited since January 1999.

**(v) Voluntary restraints**

81. Cameroon does not generally apply measures to voluntarily restrain its exports. The only case of an export restraint concerns coffee. In May 2000, an agreement to limit coffee supplies and increase world prices was signed by Cameroon and other world producers, including members and non-members of the Association of Coffee Producing Countries.<sup>88</sup> In June 2000, Cameroonian producers agreed to retain 20% of the quantity to be exported.<sup>89</sup>

**(vi) Export assistance**

**(a) Export subsidies**

82. Cameroon does not subsidize its exports or export-related activities.

**(b) Duty and tax concessions**

83. The UDEAC Customs Code allows for the partial or total exemption of taxes and duties levied on goods imported to produce goods for export.<sup>90</sup> Under the drawback regime, duties and taxes levied on imports to be used in the production of exports may be totally or partially reimbursed.<sup>91</sup> The UDEAC Managing Committee (Comité de Direction de l'UDEAC) determines which goods may benefit from duty and tax concessions.

**(c) Export-processing free-zone regime**

84. The Industrial Free Zone (ZFI) regime, which has not changed since the previous Trade Policy Review of Cameroon in 1995, was notified by Cameroon pursuant to Article XVI.1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures.<sup>92</sup> The aim of the regime is to promote investment, exports, and employment. The regime allows for the establishment of industrial free zones (free-zone parks) and industrial free points (single-factory industrial free zones). The establishment requirements are the same for an export-processing free zone (*zone franche industrielle*) and for a free point (*point franc industriel*), which is a single-factory free zone; in both cases a conformity certificate issued by the ONZFI is necessary.

<sup>87</sup> U.S. Department of State (2001).

<sup>88</sup> *Financial Times*, 19 May 2000.

<sup>89</sup> L'Agence française de Développement, "Café: laborieuse application du plan de rétention" [Online]. Available at: <http://www.afd.fr/produitdoc> [29 January 2001].

<sup>90</sup> Chapter VII, Section 1, UDEAC Customs Code.

<sup>91</sup> Chapter VII, Section 2, UDEAC Customs Code.

<sup>92</sup> WTO document G/SCM/N/3/CMR, 29 November 1996.

85. Firms established in the free zones must agree to produce exclusively for export. Nevertheless, 20% of each type of good produced by enterprises located in ZFIs may be sold in Cameroon. Merchandise exported from ZFIs is exempt of all duties and taxes; merchandise exported into the Cameroonian customs territory is treated as any other import. Benefits to industries established in the free zones have not changed since 1994 (Table III.4). The same benefits apply to the free points. Exports entering a free zone or point are subject to taxes.

**Table III.4**  
**Benefits provided under the Industrial Free Zone Regime**

<b>Customs benefits</b>
Imports by ZFI enterprises are exempt from all customs duties and taxes <sup>a</sup>
<b>Tax benefits</b>
Tax exemption on company profits for 10 years
Exemption from transfer tax on sales of immovable property and the tax on foreign exchange transfers
Sales by national firms to enterprises in the free zones are exempt from tax, including turnover tax
<b>Labour regulations</b>
Work permits may be obtained automatically for foreign workers <sup>b</sup>
<b>Service benefits</b>
Enterprises in the free zones may install their own electric power units or water -treatment equipment
Enterprises in the free zones are entitled to obtain electricity or water at preferential rates
Enterprises in the free zones may use their own telecommunications equipment <sup>c</sup>
<b>Other benefits</b>
Free zone enterprises are free from any state monopoly regulation
Restrictions on the transport of exported and imported goods do not apply to free zone enterprises
Price controls do not apply to free zone enterprises
Controls on buying and selling foreign exchange and repatriating funds do not apply to free zone enterprises

a Motor vehicles for the transport of passengers, and gasoline are not exempt.

b By the end of the enterprise's fifth year of operation, foreign workers may not exceed 20% of the total number of employees.

c This equipment becomes state property.

Source: WTO document G/SCM/N/3/CMR, 29 November 1996.

86. "Free point" status is granted preferentially to enterprises that, *inter alia*, use domestic raw materials, and are installed close to the source of supply for these materials or, in the case of existing enterprises, guarantee the export of their entire production not later than one year after they are granted such status.<sup>94</sup>

87. As of June 2000 one free zone and 44 industrial free points were operational in Cameroon.

#### (vii) Export finance, insurance, and guarantees

88. Cameroon does not have an export finance mechanism in place. In fact, according to the Government, access to finance is a major constraint for exporting, especially for small and medium-size enterprises.

<sup>93</sup> Reglementation sur le Fonctionnement de la Zone Franche, 1 July 1996.

<sup>94</sup> WTO document G/SCM/N/3/CMR, 29 November 1996.

**(viii) Export promotion and marketing assistance**

89. The Chamber of Commerce, Industry and Mines remains in charge of promoting exports through, *inter alia*, the participation in international trade fairs, the organization of missions for businessmen, and the provision of information for exporters. These efforts are somewhat limited by a lack of resources.

**(4) MEASURES AFFECTING PRODUCTION AND TRADE**

**(i) Incentives**

90. The Government grants fiscal incentives to promote investment. The objective of the Investment Code of 1990 was to promote investment, value added, and employment in Cameroon through the provision of tax incentives. Tax incentives are available for the establishment of medium-scale and small enterprises; strategic enterprises; export-oriented firms (free-zone regime); and for reinvestment in existing enterprises. Benefits vary in duration from three to 12 years depending on the regime and on whether the investment is classified as "start-up" or operational (Chapter II(4)). Incentives are not sector specific, but they are contingent on export performance and on the use of local inputs.

**(ii) Protection of intellectual property rights**

91. Cameroon is member of the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Patent Cooperation Treaty, and the African Intellectual Property Organization (Organisation Africaine de la Propriété Intellectuelle, OAPI).<sup>95</sup>

92. Intellectual property rights in Cameroon are regulated by the Bangui Agreement of 1977.<sup>96</sup> The Agreement's objective is to promote and protect industrial property. It establishes a system for the single filing of applications for patents, registration of utility models, trade marks, service marks and other intellectual property rights, recognized by all the countries participating in the Agreement.<sup>97</sup> The Bangui Agreement was revised in 1999 to bring its provisions into line with the WTO TRIPS Agreement. However, the revised version is not yet in force, since only five members (Cameroon, Gabon, Guinea, Côte d'Ivoire, and Mali) have ratified it.<sup>98</sup> The revised Agreement will become effective once it has been ratified by two thirds of the members.

93. Under the revised Bangui Agreement protection would be extended to plant varieties and layout designs of integrated circuits; the length of protection for the different categories would be extended, and penalties for the infringement of property rights would be increased (Table III.5).

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<sup>95</sup> WTO document IP/C/W/155/Add.4, 19 October 1999. Cameroon has not yet notified information relating to the contact point established for the purposes of Article 69 of the TRIPS Agreement of the WTO.

<sup>96</sup> This agreement was ratified by Cameroon on 2 March 1997.

<sup>97</sup> Other signatories of the Bangui Agreement are: Bénin, Burkina Faso, Central African Republic, Chad, Congo, Côte d'Ivoire, Gabon, Guinea, Guinea-Bissau, Guinea-Equatorial, Mali, Mauritania, Niger, Senegal and Togo.

<sup>98</sup> Cameroon ratified the revised Bangui Agreement (1999) on 28 July 2000 through Decree No.2000/216.

**Table III.5**  
**Intellectual property protection under the Bangui Agreement (1977)**  
**and Revised Bangui Agreement (1999)**

Agreement	Protection period	Penalty of infringement	
		Fine	Other
I. Bangui Agreement (1977)			
Patents	10 years	CFAF 30,000-50,000	Prison sentence of between 1 and 6 months for a repeat offence
Utility models	5 years	CFAF 30,000-180,000	Prison sentence of between 1 and 6 months for a repeat offence
Trade marks and service marks	10 years, renewable every 10 years	CFAF 50,000-150,000	And/or prison sentence of between 1 and 12 months
Industrial designs	5 years	CFAF 50,000-100,000	And/or prison sentence of between 15 days and 6 months
Trade names and unfair competition	10 years, renewable every 10 years	CFAF 50,000-300,000	And/or prison sentence of between 3 months and one year
Appellations of origin	n.a.	CFAF 50,000-300,000	And/or prison sentence of between 3 months and one year
Literary and artistic property and related rights			
Copyright	Author's lifetime + 50 years		
Films, broadcasting and audiovisual programmes	50 years		
Photos	25 years		
II. Revised Bangui Agreement (1999)			
Patents	20 years	CFAF 1,000,000-3,000,000	Prison sentence of between 1 and 6 months for a repeat offence
Utility models	10 years	CFAF 1,000,000-6,000,000	Prison sentence of between 1 and 6 months for a repeat offence
Trade marks and service marks	10 years, renewable every 10 years	CFAF 1,000,000-3,000,000	And/or prison sentence of between 3 months and 2 years
Industrial designs	5 years	CFAF 1,000,000-6,000,000	Prison sentence of between 1 and 6 months for a repeat offence
Trade names	10 years, renewable every 10 years	CFAF 1,000,000-3,000,000	And/or prison sentence of between 3 months and 2 years

**Table III.5 (cont'd)**

Agreement	Protection period	Penalty of infringement	
		Fine	Other
II. Revised Bangui Agreement (1999) (cont'd)			
Geographical indications	n.a.	CFAF 1,000,000-6,000,000	And/or prison sentence of between 3 months and 1 year
Literary and artistic property and related rights			
Copyright	Author's lifetime + 70 years		
Audiovisual works	70 years		
Works of applied art	25 years		
Layout designs (topographies) of integrated circuits	10 years	CFAF 1,000,000-6,000,000	And/or prison sentence of up to 6 months
New plant varieties	25 years	CFAF 1,000,000-3,000,000	And/or prison sentence of between 1 and 6 months

n.a. Not applicable.

Source: WTO Secretariat, based on WTO (2001), Trade Policy Review - Gabon (forthcoming).

94. Layout designs of integrated circuits are protected under the revised Bangui Agreement for a period of ten years. Protection is granted as of the date of the first commercial use, wherever it takes place, provided that an application for protection has been submitted to the African Intellectual Property Organization (OAPI). If there is no commercial use, protection starts as of the registration date.<sup>99</sup> Plant varieties would be protected through a *certificat d'obtention végétale*. This certificate grants the holder exclusive right to exploit and prohibit its exploitation by anyone else. Plant varieties may be protected for 25 years.<sup>100</sup>

95. The OAPI, with headquarters in Yaoundé, is responsible for administering the Bangui Agreement. Cameroon's liaison with OAPI is carried out by the Sub-Directorate of Industrial Property (SIP), within the Ministry of Industrial and Commercial Development. The SIP is in charge of centralizing and transmitting OAPI declarations of innovations carried out in the territory of Cameroon. The SIP is involved in the protection of industrial property rights and the settlement of disputes concerning them. It receives an annual contribution from OAPI, which issues industrial property titles.

96. Copyrights and neighbouring rights are protected in Cameroon through Law No. 2000/011 of 19 December 2000, and are under the purview of the Ministry of Culture. The civil courts are in charge of ensuring that the Copyright Law is respected in Cameroon. A licensed copyrights company,

<sup>99</sup> Annex IX of the revised Bangui Agreement (1999).

<sup>100</sup> Annex X of the revised Bangui Agreement (1999).

the Société civile nationale des droits d'auteurs (SOCINADA), registers copyrights for all types of publications, including music, books and periodicals, paintings, theatrical productions, etc.<sup>101</sup>

### (iii) Competition policy and regulatory issues

97. In 1997, a new law to regulate competition policy was adopted in Cameroon.<sup>102</sup> It applies to both private and public enterprises.<sup>103</sup> The Commission Nationale de la Concurrence (CNC), attached to the Ministry of Economy and Finance, is in charge of competition policy. The CNC oversees the implementation of competition legislation. It is authorized to prosecute and penalize non-competitive practices, and assists the judiciary in questions related to competition matters.<sup>104</sup> Investigations led by the Commission are initiated by the Commission itself or by individuals.

98. The law forbids any agreements aimed at fixing prices, hindering entrance to the market, or at reducing competition in any way, unless the CNC considers the agreement to be beneficial to the economy and that efficiency gains could not be reached in the absence of such agreement.<sup>105</sup> If a company has substantial market power, it cannot be used to prevent entry into the market or to eliminate existing competition, to exert pressure on distributors, or to cause an increase in competitors' cost of production. However, no action should be taken against non-competitive behaviour if it can be demonstrated that those practices benefit consumers, or if the abuse dates back to more than 24 months.<sup>106</sup>

99. Mergers or acquisitions are allowed if they do not substantially reduce competition.<sup>107</sup> Mergers and acquisitions that reduce competition are allowed if it can be proven that the transaction will increase efficiency in the economy in a way not possible without the operation.<sup>108</sup> Mergers that result in an entity having a turnover above a predefined threshold have to be notified to the CNC. The threshold is determined by the Minister in charge of competition, based on a proposal by the CNC, and differs according to sector.<sup>109</sup> In all instances the CNC has the authority to investigate and/or prevent a merger.

100. The CNC may impose sanctions. It may order a firm to abolish forbidden practices, dissolve a merger or force an enterprise to sell some of its assets. Non-compliance with the sanctions may lead to a tax penalty amounting to up to 50% of the firm's profit or 20% of the turnover.

101. There is also legislation at the regional level that regulates competition practices among member countries. This regulation prohibits any collusive practices among enterprises located in different member countries that may diminish competition.<sup>110</sup> It also regulates mergers and

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<sup>101</sup>Strategis, "Cameroon - Investment Climate" [Online]. Available at: <http://strategis.gc.ca/SSG/> [26 September 2000].

<sup>102</sup> Law No. 98/013, 14 July 1998 replaced Law No. 90/031, 10 August 1990.

<sup>103</sup> Article 2, Law No. 98/013, 14 July 1998.

<sup>104</sup> Article 22, Law No. 98/013, 14 July 1998.

<sup>105</sup> Article 6, Law No. 98/013, 14 July 1998.

<sup>106</sup> Articles 12 and 13, Law No. 98/013, 14 July 1998.

<sup>107</sup> Article 14, Law No. 98/013, 14 July 1998.

<sup>108</sup> Article 17, Law No. 98/013, 14 July 1998.

<sup>109</sup> Article 18, Law No. 98/013, 14 July 1998.

<sup>110</sup> Article 3, Regulation No. 1/99/UEAC-CM-639, 18 August 1999 [Online]. Available at: <http://www.izf.net> [16 January 2001].

acquisitions. A monopoly is defined as any enterprise that holds at least 30% of the market (i.e. the common market). The abusive use of market power is prohibited.<sup>111</sup>

102. Under another CEMAC regulation, a monopoly may be deemed legal when it provides some social benefits.<sup>112</sup> Legal monopolies are subject to the competition regulatory framework, unless exempted for reasons of public order, national security or public health. Legal monopolies should avoid tied sales, discriminatory sales conditions, denial of sale, unjustified cessation of service, and cross-subsidization.<sup>113</sup> A Regional Council for Competition (CRC) monitors the compliance with these principles, notifies the concerned governments, and requests permission to apply any measure aimed at reaching compliance. All legal monopolies are to be notified to the CRC within a year.<sup>114</sup>

**(iv) Pricing and marketing arrangements**

103. Most price controls were abolished in 1998; controls remain only on a few products and services such as electricity, water distribution, public transportation (road/rail), telecommunications, cooking gas, pharmaceuticals, school books, and port-side activities (stevedoring, etc.). Utility charges will be further liberalized under the privatization programme targeted at these sectors.<sup>115</sup>

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<sup>111</sup> Article 16, Regulation No. 1/99/UEAC-CM-639, 18 August 1999 [Online]. Available at: <http://www.izf.net> [16 January 2001].

<sup>112</sup> Title III, Regulation No. 4/99/UEAC-CM-639, 18 August 1999[Online]. Available at: <http://www.izf.net> [16 January 2001].

<sup>113</sup> Article 8, Regulation 4/99 [Online]. Available at: <http://www.izf.net> [6 July 2000].

<sup>114</sup> Article 19, Regulation 4/99 [Online]. Available at: <http://www.izf.net> [6 July 2000].

<sup>115</sup> U.S. Department of State (2001), and IMF (1999b).