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OVERVIEW

The year 2022 was strongly marked internationally by the consequences of the Russian-Ukrainian conflict and the continuation of the zero-covid-19 policy in China. In particular, this has contributed to a slowdown in global economic activity and to maintain the rise in the prices of the main raw materials exported.

This increase in prices has, in particular, sustained the increases in value observed on certain main products exported by Cameroon, such as oil, including the index *unit values* saw a 56.7% year-on-year increase in Gas (+138.4%), coffee (+35.7% for Robusta and +33.9% for Arabica), raw cotton (+12.1%) and raw rubber (+13.4%).

Thus, **Cameroonian export revenues** recorded in 2022 an increase of 45.5% year-on-year to CFAF 3,483.3 billion. This performance was driven in particular by a significant increase in hydrocarbon exports, including crude oil (+56.3%) and natural gas (+148.8%).

As for the other groups of exported products, apart from the decline (-21.6%) in exports of logs, foreign sales of products from agriculture and livestock products, and local industries have become more consolidated.

Agricultural and livestock products exported are valued in 2022 at nearly 400 billion CFAF, up 14.8% compared to 2021. The increase in these products, which are not processed locally, is driven by the increase in exports of cocoa beans (+10.1% in volume and +18.1% in value).

In 2022, exports of agri-food products amounted to nearly 208,1 billion CFAF compared with 163.1 billion CFAF in 2021, an increase of 27.6%. This is due to increased foreign sales of confectionery and chocolate, cocoa butter and pasta, and beer and soft drinks..

Exports of wood industry products are estimated at 237.7 billion CFAF in 2022, compared with 193.7

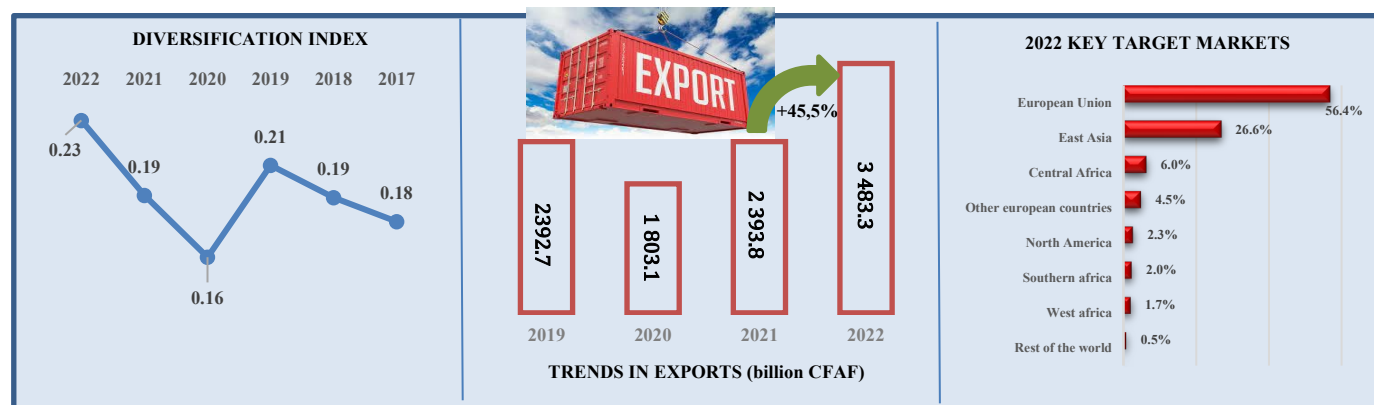
billion CFAF in 2021, an increase of 22.7%. This performance is due in particular to the sharp increase in exports of sawn timber (+33.1% in volume and +24.2% in value). This situation can be explained by the willingness of operators in this sector to gradually comply with the sub-regional measure banning the export of logs, which is due to be implemented in the short term.

Chemical, rubber and plastic products exports are estimated to have risen by 36.6% year-on-year, to reach 104.4 billion CFAF in 2022. This growth is being driven in particular by the strong performance of exports of household soaps in pieces (+14.2% in volume and +54.5% in value) and raw rubber (+16.6% and +30.0%).

Exports of metallurgical products increase by 12% year-on-year to reach 92.6 billion FCFA in 2022. This growth is mainly driven by the significant increase in exports of raw aluminium (+27.9%) and aluminium sheet (+21.8%).

As regards **the diversification of exported products** (calculated from the Herfindah index), it is noted that it deteriorated in 2022 due to the high concentration of export value around a small number of products. Similarly, the weight of manufacturing products in the structure of exports fell by 2 percentage points compared with 2021, to 12.2%, due to the significant rise in the price and value of hydrocarbons. On the other hand, at constant prices, the weight of manufacturing exports has risen by 2.7 percentage points to 18.2%.

As for the **geographical orientation**, Cameroon's main customers remain the countries of the European Union and East Asia. Indeed, 83% of exports in 2022 were directed towards these destinations.



BREAKDOWN OF EXPORTS BY CATEGORIES

AGRICULTURE AND LIVESTOCK



400.3 billion Cfaf

By the end of 2022



+14.8%

Compared to 2021

FORESTRY AND LOGGING

98.5 billion Cfaf

By the end of 2021



-21.6%

77.2 billion Cfaf

By the end of 2022



HYDROCARBONS

1 514.8 billion Cfaf

By the end of 2022

+56.3%

Compared to 2021



631.5 billion Cfaf

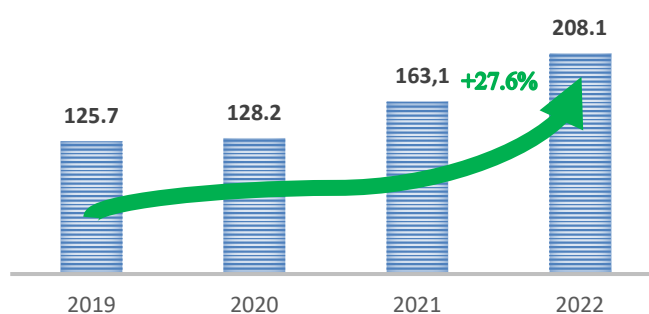
By the end of 2022

+148.8%

Compared to 2021



FOOD PROCESSING INDUSTRY



BREAKDOWN OF EXPORTS BY CATEGORIES

CHEMICAL, RUBBER AND PLASTIC INDUSTRY



104.4 billion CFAF

By the end of 2022

+36.6%

Compared to 2021



METALLURGICAL INDUSTRY



92.6 billion CFAF

By the end of 2022

+12.0%

Compared to 2021



TRENDS IN EXPORTS BY CATEGORY

	2017	2018	2019	2020	2021	2022	2022/2021
HYDROCARBONS	822.2	1 061.9	1 292.1	825.1	1 238.2	2 163.8	74.7
AGRICULTURE AND LIVESTOCK	312.7	313.3	348.0	307.4	348.6	400.3	14.8
FOOD INDUSTRY	103.0	102.2	125.7	128.2	163.1	208.1	27.6
WOOD INDUSTRY	179.4	185.8	194.2	178.8	193.8	237.7	22.7
CHEMICAL, RUBBER AND PLASTIC INDUSTRY	105.0	74.2	71.5	67.0	76.4	104.4	36.6
METAL INDUSTRY	104.4	98.5	95.0	88.1	82.7	92.6	12.0
OTHER MANUFACTURING INDUSTRIES	149.9	149.9	176.6	143.6	189.8	195.0	2.7
FORESTRY	113.8	121.2	85.8	75.0	98.5	77.2	-21.6
OTHER	6.1	5.2	4.0	2.7	2.8	4.3	53.6
TOTAL	1 896.6	2 112.4	2 392.7	1 815.9	2 393.8	3 483.3	45.5

Source : DGD/MINFI (2023). in billions of CFAF

+8.8%



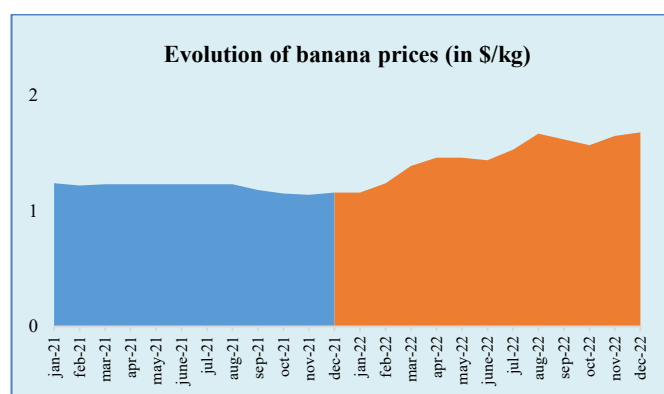
Continued recovery of the sector

+8.8% increase in quantities exported in 2022



In 2022, the international banana market was characterised by a significant drop in supply, due in particular to adverse weather conditions in the main producing countries, as well as high cost of fertiliser and sea freight. Indeed, the quantities of bananas exported worldwide have fallen by almost 19 million tonnes in 2022.

In this context, world banana prices recorded in 2022 an increase of 23.5% year-on-year compared to 2021 to reach \$1.5/kg. This development was much more pronounced in the second half of the year, with a year-on-year increase of 36.3%.



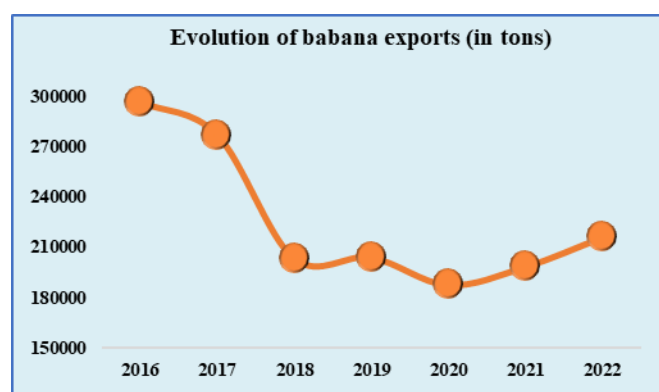
Source : World Bank (2023)

In Cameroon, the recovery of the banana sector started in 2020 continued in 2022, in connection with the gradual resumption of activities by the Cameroon Development Corporation (CDC). This situation is also maintained by government measures relating on the granting of subsidies for the purchase of equipment, the adoption of modern production technologies, and tax and customs incentives. As an illustration, the 2022 Finance Law granted specific tax benefits for a period of seven (07) years to the main operators in this sector operating in economic disaster areas. These include exemption from: (i) business licence contributions; (ii) VAT on the purchase of goods and services; (iii) VAT on the purchase of production inputs; and (iv) corporate tax. The tax debt of these operators has also been

frozen for a period of 03 years.

Exports of dessert bananas increased by 8.8% in 2022, from 198 634 in 2021 to 216 103 tons. This increase is mainly due to the good performance of the two main operators in the sector (PHP and CDC). *Plantations du Haut Penja (PHP)* increased its export volumes by 7.1%, while CDC saw exports rise by 48.2% to 21224 tonnes. These developments were mainly due to the start-up of new plantations and the gradual resumption of activities by CDC, which for several years had to cease operating certain plantations because of the security crisis in the South-West.

In addition, we note that in 2022 Cameroonian bananas continued to be sold mainly in Europe, and more particularly in the countries of the European Union (EU). Indeed, nearly 80% of this product was sold in the EU and the rest in other European countries.



Source : ASSOACAM (2023)

In perspective, banana prices should maintain an upward trend due to persistent inflationary pressures on agricultural input costs. At the national level, the good performance of the sector should be confirmed due to the maintenance of the support incentives put in place by the Government. In addition, production in the affected areas is expected to continue to increase as tensions ease and the public authorities continue with the reconstruction.

Evolution of banana exports (in tons)

Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
18 394	16 525	22 604	18 247	16 505	17 816	13 203	15 733	16 109	17 930	18 574	24 463

Source : ASSOACAM (2023)



Acceleration of wood processing

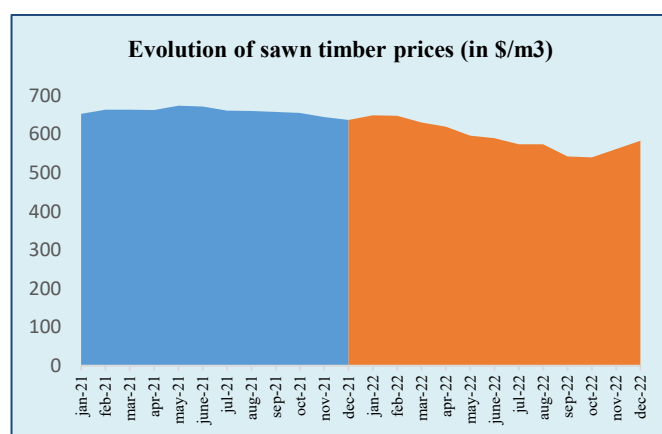
+33.1% of sawn timber exported by 2022
-22.1% in log exports

+33.1%



The international timber market in 2022 was mainly marked by a decline in demand for timber, in conjunction with the decline in real estate activity mainly in China, the United States and Europe. This is mainly due to China's zero-Covid policy, European and American economic difficulties, induced by the consequences of the conflict in Ukraine and the tightening of monetary policies to combat inflationary tensions.

As a result of this unfavourable international environment, sawn lumber prices fell in 2022 by nearly 10.9% compared to the previous year.



Source : World Bank (2023)

At the national level, the activity took place in a context marked by a desire of the public authorities to further strengthen the local wood processing. To this effect, the 2022 Finance Law introduced an increase in the export duties of logs from 35% to 50%. This approach also aims to prepare the operators of this sector for the imminent entry into force of the ban on log exports by the CEMAC countries. In addition, the Government continues its support for the promotion of the industries of 1st, 2nd and 3rd wood processing.

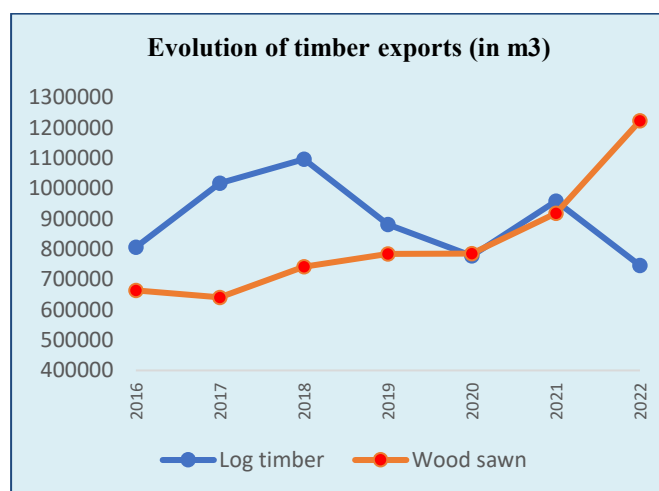
According to external trade statistics, the dynamics of wood processing are accelerating. In fact, log wood exports fell by 22.1% in volume in 2022. Exports of sawn wood, on the other hand, increased by 33.1% in volume in 2022 compared to 2021, to nearly 1,223,217 cubic metres.

Similarly, the volume exports of other wood products (veneer sheets in wood (+15.0%) and plywood (+12.7%)) were also buoyant.

In value terms, total log exports were also down 21.6%, while sawn wood, wood veneer and plywood exports were up 24.2%, 11.9% and 5.6% respectively.

With regard to the destinations of these products, it should be noted that most of the wood in logs (97.4%) was exported to East Asia (China (52.6%), Viet Nam (40.6%) and Bangladesh (4.6%)), while sawn timber exports were directed 50.2% towards the European Union and 27.1% towards East Asia. The other destinations being other European countries (6.4%), West Africa (6.8%) and North America (5.7%).

In addition, it should be noted that the share of locally processed logs in total exports of this product has increased steadily since 2016. It rose from nearly 70% in 2016 to about 82% in 2022.



Source : DGD (2023)

In perspective, the upward trend observed in wood processing is expected to continue, in line with the ban on log exports envisaged by the countries of the sub-region in the coming years. In addition, the country has exempted from all customs duties and taxes on imports of imported machinery, equipment, materials and tools for the development of local “advanced wood processing” activity.

Evolution of timber exports (in tons, *in 1000 m3)												
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Log wood*	36	69	71	84	56	77	55	75	74	49	30	71
Sawn wood*	48	103	88	75	90	203	104	111	109	108	76	108
Vener sheets	3021	5690	6605	4035	6012	6007	4793	6041	4912	4235	2452	4046

Source: DGD (2023)

+10.2%



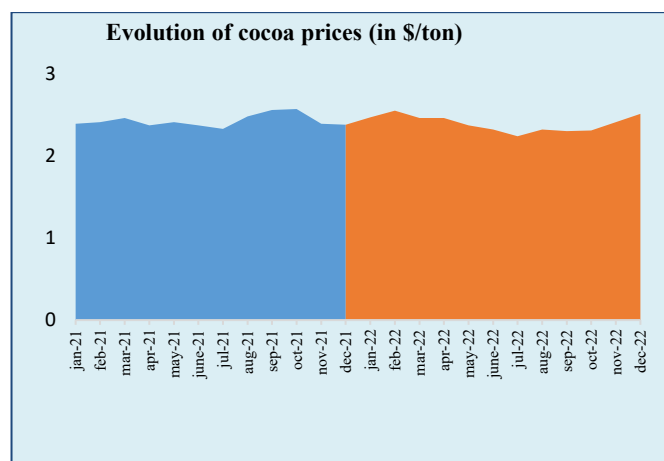
Intensifying local production and processing in 2022

+ 10.2% of exported quantities of cocoa beans
+ 24.9% of cocoa butter quantities



During 2022, the global cocoa market faced an estimated 181 000 tons of supply shortfall, due to a 6% drop in world production compared to the previous year. This decrease is mainly due to a 9.9% drop in production on the African continent, in connection with the difficult climatic conditions, especially in Ghana (2nd world producer) where production fell by 31%.

At the same time, global demand grew by about 2% mainly driven by the continued recovery in the airline sector and the resumption of seasonal festivities conducive to chocolate consumption. However, this demand has not been strong enough to maintain the upward trend in world cocoa prices observed since 2020. In fact, these prices were down slightly by 1.4% compared to 2021, to \$2.4 per ton.



Source : World Bank (2023)

At the national level, the 2021/2022 campaign took place in a context marked by: (i) the decline in insecurity in the South-West Region which is one of the main production basins; (ii) the continuation of the improvement of the quality of Cameroonian cocoa, in particular the creation of post-harvest centres of excellence; (iii) the pursuit of efforts to raise purchasing prices on the farm. Thus, the maximum and minimum prices paid to producers increased in the last marketing year by 80 and 50 CFAF respectively. In addition, average prices on the farm in the production basins where the centres of excellence are located reached CFAF 1640.

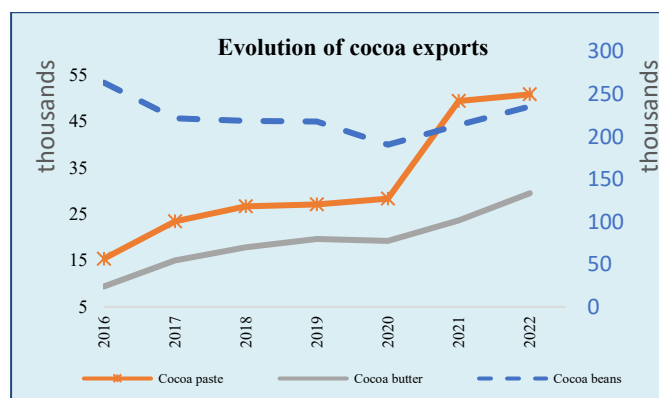
This has led to a revival of cocoa production and

marketing activities. Thus, the cocoa production marketed was 295163 tons in the 2021/2022 season compared to 292471 for the previous season, an increase of 0.9%.

The processing of local beans, it increased significantly by (+28.1%) in the 2021/2022 season to 86850 tons. This performance is mainly due to the increase in local processing capacity resulting from the commissioning of new units (ATLANTIC COCOA, NEO INDUSTRY, etc.).

Despite this increase in local processing, the volume of cocoa beans exported in during 2022 season increased by 10.2% from 2021 to 235,551 tons.

As for processed products (cocoa paste, cocoa butter, etc.), the upward trend initiated since 2017 has consolidated. Export volumes of butter and cocoa paste were up 24.9% and 3.0% respectively compared to 2021. These products were mainly oriented towards the European Union (59.4% in for cocoa paste and 94.6% for butter) and the United States of America (29.7% and 4.2%). As for raw cocoa beans, 80% went to the EU and 16% to East Asia.



Source : DGD (2023)

In perspective, the upward trend in domestic production is expected to continue during the 2022/2023 cocoa season due in particular to the introduction of new orchards by the *Société de Développement du Cacao* (SODECAO), the acceleration of the resumption of agricultural activities in the South-West and the further strengthening of the capacities of producers and other government support.

Evolution of cocoa exports (in tons)												
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Raw cocoa	33 348	35 061	29 536	12 277	6 542	4 604	4 258	4 965	5 030	14 381	36 245	49 304
Cocoa paste	4 899	3 613	5 760	2 785	4 516	3 642	4 621	3 815	3 637	3 431	4 549	5545
Cocoa butter	2 476	2 493	2 073	3 267	2 312	2 075	3 036	2 378	2 026	1 834	2 649	2 516

Source: DGD (2023)



Continued decline in coffee exports

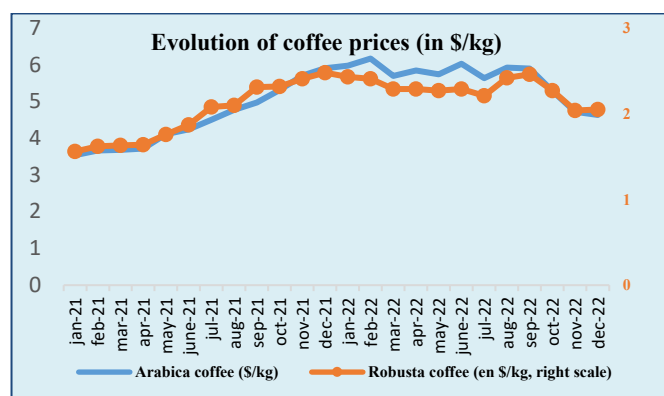
- 28.7% of exported quantities from Robusta coffee
+5% of exported quantities of arabica

-27.1%



The international coffee market distinguished itself during the 2021/2022 season by a combination of crises and climatic hazards in some major producer countries. For example, there has been a decline in world production of arabica coffee due to drought and crop freezing in Brazil, the main producer of this product. In addition, the Niña phenomenon that caused an abundance of rains impacted the flowering of arabica coffee (yields and harvests) in Colombia (-12% of production) and Central America. Robusta coffee, on the other hand, saw an increase in production volume driven by Vietnam (the leading producer). This country recorded an increase of 14.9% in production.

In addition, global demand has remained relatively stable, leading to higher world prices for this product in 2022. Robusta and Arabica coffee prices averaged \$2,285.8 and \$5,630.8 per ton respectively in 2022, up from \$1,981.6 and \$4,510.8 per tonne in 2021, up 15.3% and 24.8%.



Source : World Bank (2023)

Despite this favourable world price dynamic, the downward trend in coffee production in Cameroon continued. According to the National Cocoa and Coffee Board (NCCB), marketed production recorded a decrease of 4.92% (599 tons) in 2022 to 11557 tons, or 10579 tons for robusta and 978 tons for arabica.

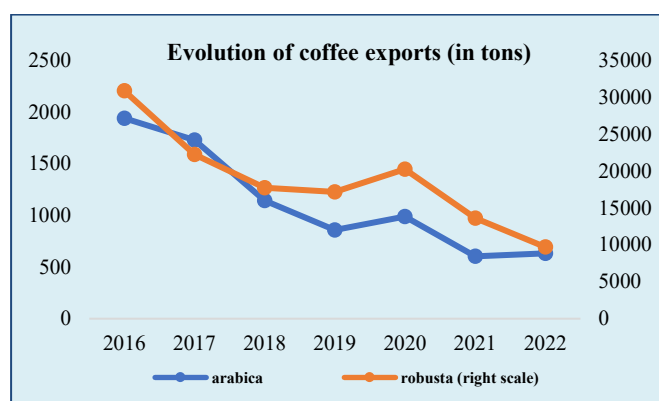
This season is qualified by the actors of the worst campaign chain «in the last 50 years». The development of this sector remains undermined by the ageing and low productivity of orchards, the disinterest of young people in

coffee growing because of its low profitability and the hard work, and competition from other more lucrative sectors.

With regard to coffee exports in volume, they amount for the year 2022 to 9,720 tonnes and 634 tonnes for robusta and arabica respectively against 13,640 tonnes and 604 tonnes in 2021. That is a drop of -28.7% for robusta coffee and an increase of 5.0% for arabica coffee.

This sharp decline in robusta coffee exports compared to production is explained by a greater supply from local roasters to the detriment of outsiders. Indeed, after a 20% increase over the 2020/2021 campaign in volumes processed to reach 1,014 tonnes, the 28 roasters identified in the production areas in 2022 have once again increased their demand by 3%, thus bringing to 1,046 tons the total volume processed locally.

However, this decline in export volume was offset by the significant rise in prices and led to an 8.3% increase in value. Furthermore, coffee exports were mainly sold in the European Union (73.3%) and North Africa (14.5%)



Source : DGD (2023)

In prospect, global production is expected to rebound in the 2022/2023 campaign and coffee prices are expected to fall. Indeed, the strong Brazilian production forecast for the year 2023 is likely to create a global surplus and lower market prices. On the other hand, global demand could increase due to new niches such as China or Africa that consumed little or no coffee. At the national level, the implementation of certain actions such as the distribution of inputs, financial means, and certified plant material to coffee growers would contribute to the revival of activities in the sector.

Evolution of coffee exports (in tons)												
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Arabica	0	0	38	89	193	41	162	90	2	18	0	0
Robusta	37	10	0	36	534	1 619	1 434	1 848	2 096	1 203	485	417

Source: DGD (2023)

+16.6%



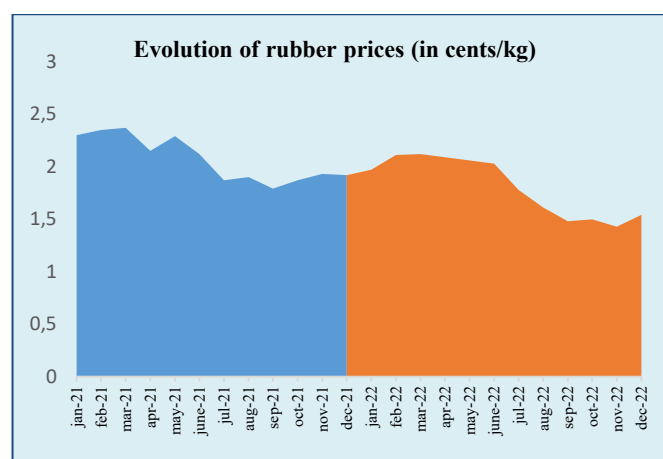
Trend increase in rubber production and exports

+16.6% of exported quantities in 2022



In 2022, the international rubber market did not escape the economic consequences of the Russo-Ukrainian conflict. Indeed, while global production has recovered (+3.6%) following the disruptions caused by the Covid-19 crisis in the main production basins (labour shortages), global demand for rubber was less robust in 2022 (+1.5% compared to the previous year). China (the world's largest consumer) experienced processing difficulties in the first half of the year as a result of its zero-Covid policy.

Against this backdrop, global prices fell to 1.8 cents/kg in 2022 from 2.1 cents/kg in 2021, a decline of 12.6%.

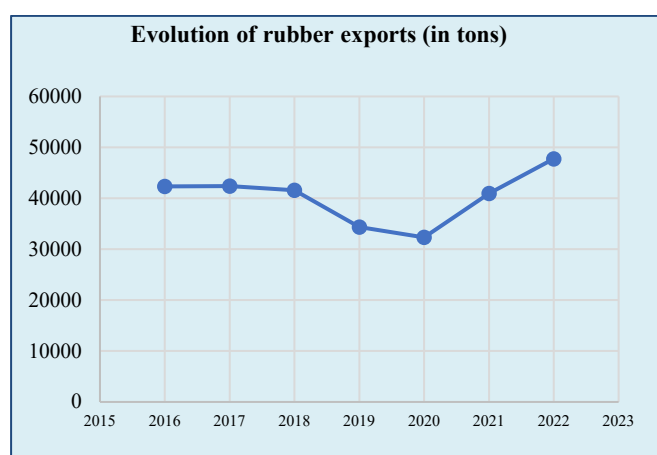


Source : World Bank (2023)

At the national level, production activity has remained on an upward trend since 2019, due to the strengthening of the supervision of small village farmers, and the gradual entry into operation of the new plantations of the main operator, after the implementation of its rehabilitation and regeneration programme. Rubber production in 2022 was approximately 76667 tons, compared to 70000 tons in 2021, 60000 tons in 2020 and 45,000 tons in 2019.

As a result, exports of this product have also increased in recent years. In 2022, rubber exports were 47,759 tonnes,

up 16.6% from 2021. In value, these exports increased significantly by 30%. The main destination countries for this product are the countries of the European Union (Germany, France, Belgium, Spain, Italy, etc.) where 68% of sales are directed, and the United States (16.4%). East Asia and other European countries only represent respectively 5.4% and 4.6% of said sales.



Source : DGD (2023)

In perspective, the economic recovery in China (the world's largest consumer) after the end of the zero-Covid policy, should help to bend the global price curve for this product and set it on an upward trend in 2023. At the national level, the increase in rubber production and exports is expected to continue due in particular to: (i) the gradual resumption of the activities of the Cameroon Development Corporation, which have been severely disrupted by insecurity in the South-West Region; (ii) continued entry into production of plantations rehabilitated by HEVECAM; and (iii) the continuation of the supervision of village plantations and the development programme of Hevea.

Evolution of rubber exports (in tons)											
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
3 732	3 521	4 280	2 245	964	3 974	4 617	4 273	5 430	5 047	5 744	3 851

Source : DGD (2023)



Underperformance of the cotton sector in 2022

-3.6% of cotton fibre exports in 2022

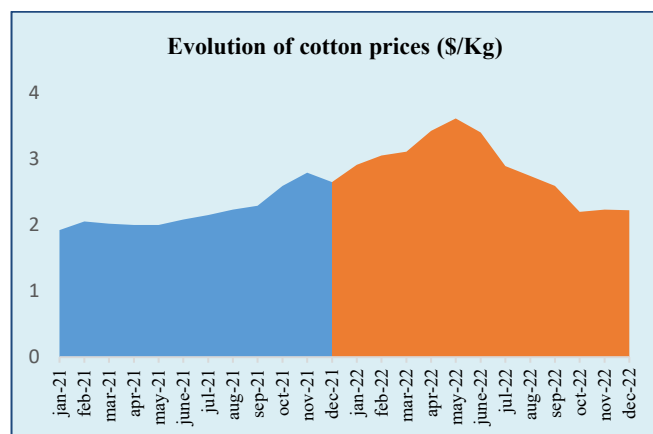
-3.6%



At the international level, the production and trade of raw cotton were disrupted in 2022 by three main factors: (i) rising input costs due to the inflationary environment, (ii) adverse weather conditions in almost all major producing countries, and (iii) supply chain bottlenecks.

Demand was strongly constrained by the overall slowdown in activity caused by the conflict in Ukraine, and the decline in demand in China (maintaining the zero-Covid policy), India and Pakistan. These countries are the main importers of this product.

This led to a high volatility in world prices over the period under review, with a 24.2% decline in the second half of the year compared to the first six months of 2022, during which a trend increase was recorded. However, global white fibre prices rose 28.4% over 2021 in 2022 to 2.9 cents/lb.



Source : World Bank (2023)

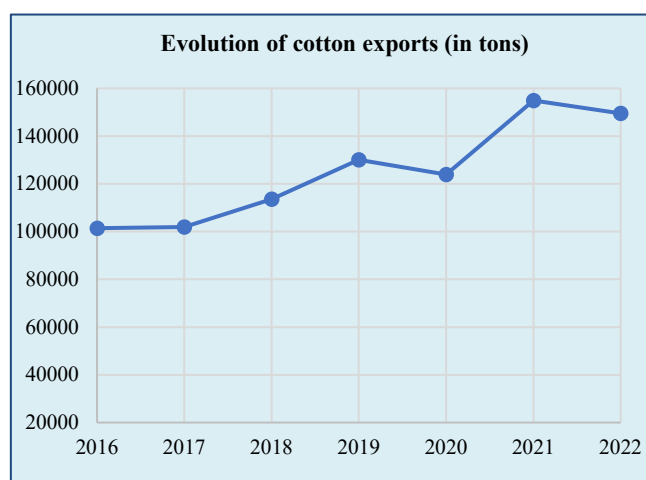
At the national level, the 2021-2022 cotton season saw an 8.8% drop in annual production to 329 021 tons. This reversal can be explained in particular by harsh weather condition.

Similarly, export volumes were down 3.6% in 2022 to 149 332 tons. It should nevertheless be noted that the resurgence of certain areas of security tensions in the northern regions favoured fraudulent exports during the year under review.

However, the significant increase in the average prices of this product made it possible to offset the drop in

volumes and to record in 2022 an increase of 8.5% in the value of raw cotton exports.

With regard to the geographical destinations of raw cotton exports, it can be noted that most of the sales are intended for Eastern Asia (97.1%). The two main client countries are Bangladesh (80% of exports to this area), India (11%) and Pakistan (3.4%).



Source : DGD (2023)

In perspective, the world prices of this product could once again be part of an upward dynamic in line with the increase in world demand induced by the suspension of the zero-covid policy by China.

As for the national supply, it should improve during the next campaign (2022-2023) due to the continuation of the numerous actions undertaken by the State and its partners to support the sector. It's in particular the recovery plan of SODECOTON, within the framework of which it is planned in 2023 the entry into production of new ginning factories. Indeed, this company obtained funding of 26.5 billion from the French Development Agency and the European Union with a view to not only upgrading seven of the nine existing ginning factories, but also to build a new one in the locality of Godola.

Evolution of cotton fiber exports (in tons)										
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
6 659	8 203	14 362	14 977	15 859	26 116	11 071	21 104	12 070	8 134	6 165
										4 788

Source: DGD (2023)

-83.9%

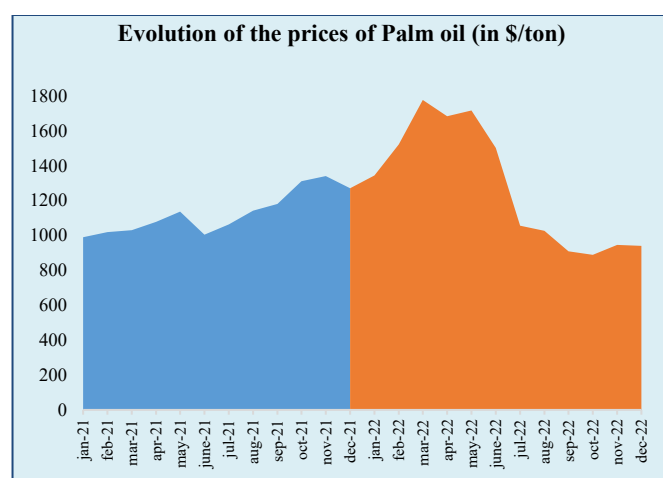
Increase in palm oil production and freeze on exports

-83.9% reduction in export volumes by 2022



In 2022, the international palm oil market was marked by a severe shortage, due to the decision by Indonesia (the world's largest producer of red oil) to suspend its exports in order to satisfy its domestic consumption. Thus, this situation deprived the world market of at least 40% of supply, while demand remained strong at the beginning of the year due to the continuation of the post-covid economic recovery in several major countries, notably India (the world's largest consumer).

As a result, the upward trend in global palm oil prices continued throughout the first quarter of 2022. However, due to the slowdown in global economic activity following the Russian-Ukrainian conflict, demand contracted sharply from the second quarter of 2022, with the result that prices of this product fell significantly over the rest of the year. In addition, the average price of palm oil in 2022 increased by 12.9% compared to 2021.



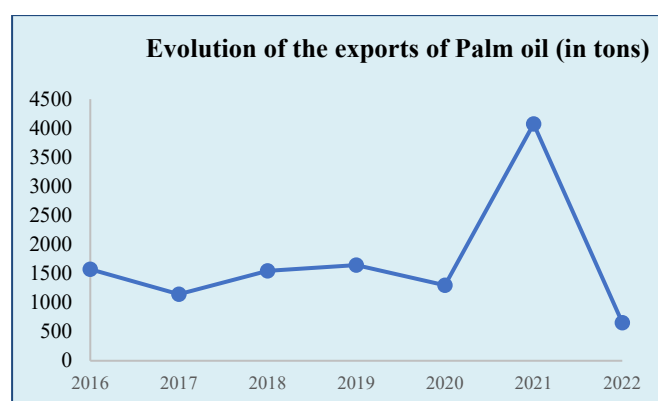
Source : World Bank (2023)

At the national level, the supply of this product has remained steadily increasing due to: (i) the gradual resumption of activities in the Southwest regions; and (ii) the Government's accompanying efforts to facilitate the production of new palm oil farms. At the end of 2022, national

production increased by 30,000 tonnes (+8.1%) to around 400,000 tonnes.

However, despite this performance, the oilseed sector continues to face a supply deficit due in particular to a pronounced development of the chemical industries (soap factories and oil mills). This forced the Government in 2022 to limit red oil exports and increase the import quota by 143,000 tons (+43%) in order to supply local industries. As a result, red oil exports in volume fell by 83.9% to 657 tons against 4,074 tons in 2021. In value terms, the decline was 80.6% to CFAF 714 million.

Furthermore, it should be noted that this product was mainly exported to the countries of Central Africa (98% on average annually) and more particularly to Gabon.



Source : DGD (2023)

In perspective, exports of this product could continue to be disrupted due to the growing deficit recorded at the local level for meet the demand of industries and the consumption of households. Also, national palm oil production should continue to rise in the coming years thanks in particular to the continuation of the project led by the public authorities which targets the rehabilitation of 1,550 hectares of palm groves at the CDC for a budgetary cost of nearly 3 billion FCFA.

Evolution of Palm oil exports (in tons)											
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
70	10	17	73	5	5	175	8	62	144	12	76

Source : DGD (2023)



An improvement in activity in the aluminium sector

+27.8% increase in exports by 2022

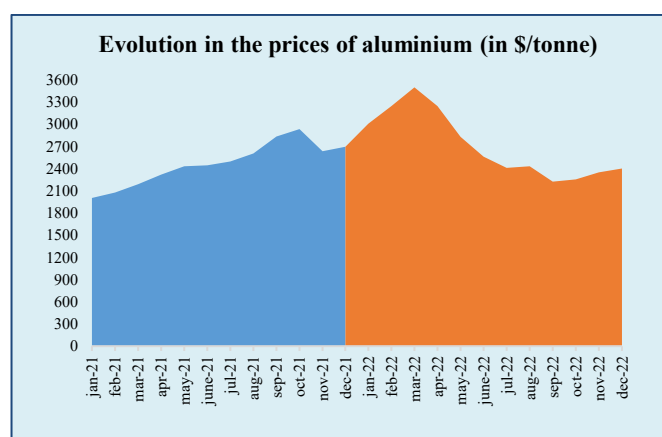
+27.8%



At the beginning of 2022, there was acceleration in world crude aluminium prices due to strong demand from the aerospace, construction, automotive and signalling equipment sectors. These prices reached a record high of \$4,000 per tonne in March.

However, with the Ukrainian conflict, the tightening of international financial conditions and the continuation of the zero-Covid-19 policy in China, there has been a significant drop in global demand, resulting in a drop in prices for this product. In fact, the tonne of aluminum fell from about \$3,005 in January 2022 to \$2,400 by the end of December of the same year, recording a 20% decrease over the period.

Over the year as a whole, the average price per tonne of aluminium was \$2,705 in 2022, up from \$2,472.8 in 2021, a year-on-year increase of 9.4%.



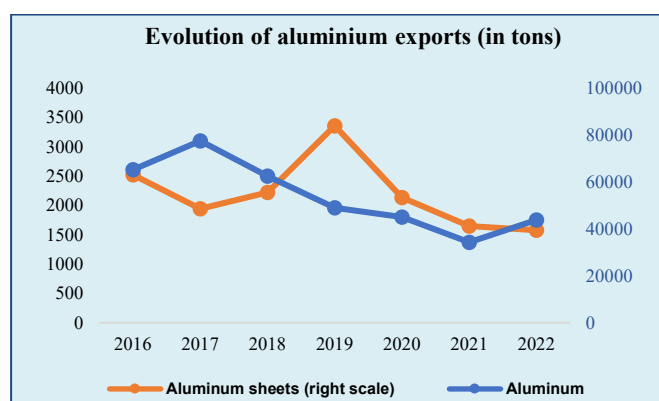
Source : World Bank (2023)

At the national level, the aluminium sector has been doing rather well since the fusion-absorption of SOCATRAL by ALUCAM. Indeed, this merger allows the reduction of production costs and the development of an economic model oriented towards local transformation. As a result, ALUCAM's production increased in 2022, although the company is still experiencing difficulties with (i) the supply of raw materials, particularly alumina, and (ii) the rehabilitation

of its equipment, marked by the operation of 169 tanks out of the 274 possible. Volumes of raw aluminium exported in 2022 were 43879 tons, up from 34343 tons in 2021, an increase of 27.8%. This situation breaks with the downward trend that has been observed since 2018. Similarly, exports in value terms rose by +27.9% to CFAF 48.8 billion.

Regarding the exported volumes of aluminum sheets, they fell by 4.5% compared to the previous year, due to the increase in domestic demand.

As for the geographical orientation of raw aluminum exports, it is noted that the European Union continues to be Cameroon's main customer. In 2022, 97% of sales of this product were sent to this area.



Source : DGD (2023)

The outlook for aluminium production and exports is expected to show an upward trend, due in particular to the improvement of the financial situation and the restoration of ALUCAM's production capacity. Indeed, Cameroon has signed with the Islamic Bank for Development a financing agreement worth \$15 million, or about CFAF 9.9 billion, to resolve the company's difficulties. Moreover, the combined effects of the recovery in global demand, particularly in China, and the policy in favour of the energy transition should support the good performance of global prices in 2023.

Evolution of aluminium exports (in tons)												
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Raw aluminium	2 791	2 861	2 809	2 002	2 250	3 219	2 942	9 543	4 040	4 572	3 786	3 065
Aluminium sheets	218	403	48	96	28	9	138	204	78	2	203	152

Source : DGD (2023)

+10.4%

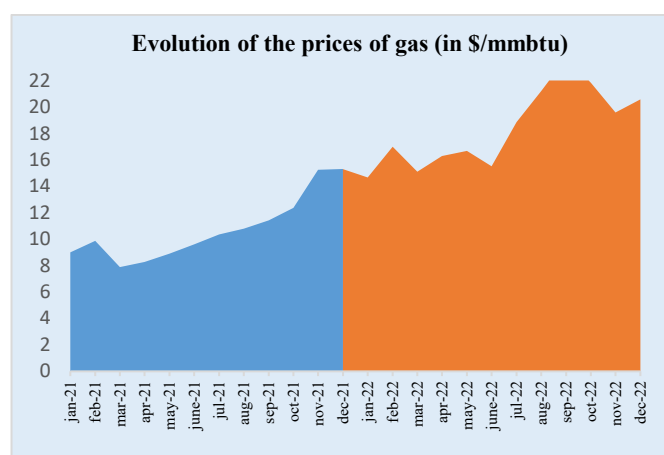


Rise in liquefied natural gas exports

+10.4% of exports in 2022



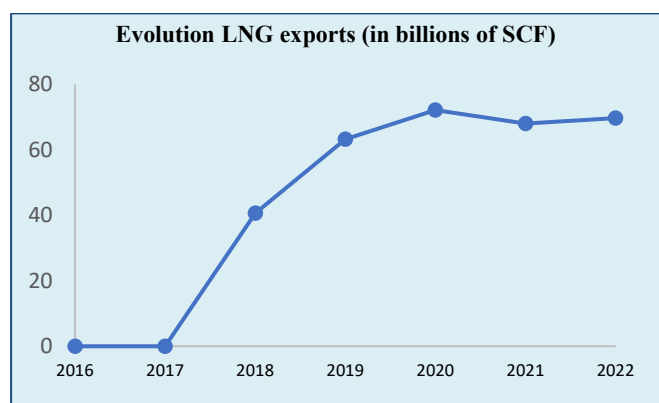
Following the Russian invasion of Ukraine, the global Liquefied Natural Gas (LNG) market was marked by a sharp increase in demand from European countries for American production, which was born out of the latter's desire to substitute Russian gas supplies. To this effect, LNG imports to Europe surged by 63% in 2022. This situation notably pushed up gas prices. Global gas prices averaged \$18.4/mmbtu compared to \$10.8/mmbtu in 2021, an increase of 71.2%. Moreover, it should be noted that prices accelerated particularly in the beginning of the second half of 2022 reaching a peak in September (\$23.7/mmbtu) in particular in connection with stock-building activities for the arrival of cold periods.



Source : World Bank (2023)

In Cameroon, LNG production increased by 5% in 2022 compared to 2021, due to ongoing work to increase production capacity at the Hilli Episeyo floating liquefaction plant. Thus, LNG exports in 2022 increased by 10.4% compared to 2021. And thanks to the significant increase in world prices for this product, export revenues recorded an increase of 148.8% to reach 631.5 billion FCFA.

With regard to the geographical destinations of Cameroonian LNG, it should be noted that this product which was in the past mainly exported to East Asia (90% on average annually) experienced in 2022 a reorientation towards the countries of the European Union (France, Belgium, Spain and the Netherlands). Indeed, the share of LNG exported to the EU by Cameroon has increased from 0% in previous years to 59% in 2022. This situation can be explained by the consequences of the conflict in Ukraine and the decision of the countries in the EU zone to gradually suspend gas supplies from the Russian Federation.



Source : SNH (2023)

In perspective, the upward momentum in production observed in the gas sector would be consolidated in 2023, particularly in connection with the continuation of the investments announced as part of the work to increase national production capacity. As for world gas prices, they could experience a decline due to the stabilization of sources of supply from European Union countries, despite the stalemate in the Russo-Ukrainian conflict. Indeed, international gas demand is expected to decline, due in particular to the rapid recovery of European stocks, which was favoured by rather mild weather conditions in the second part of 2022.

Evolution of LNG exports (in tons)											
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
118.9	89.5	151.6	75.6	149.1	147.1	71.1	69.0	74.8	118.4	141.3	142.1

Source: DGD (2023)



Decline in crude oil exports in an inflationary environment

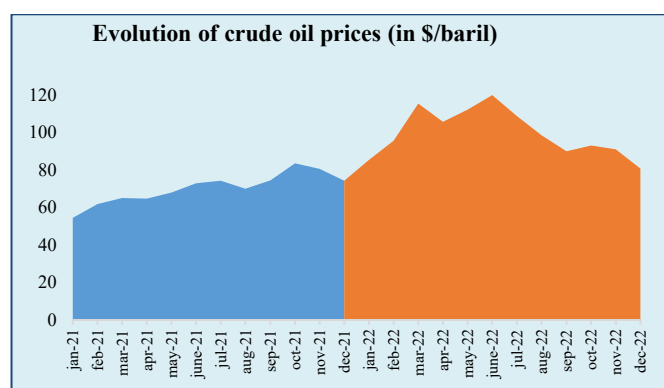
-0.4% of exports in 2022

-0.4%



The international crude oil market was particularly turbulent in 2022 due to the outbreak of the conflict in Ukraine, which led to an embargo imposed by the United States, Great Britain and the countries of the European Union on imports from Russia.

As a result, world Brent crude oil prices were highly volatile over the year, but remained on an uptrend. A barrel of Brent soared to almost \$130 in early March, only to fall back to \$76 in early December. On average over 2022, the price of a barrel of Brent crude oil has risen from USD 70.8 in 2021 to USD 99.8, an increase of 41.7%.



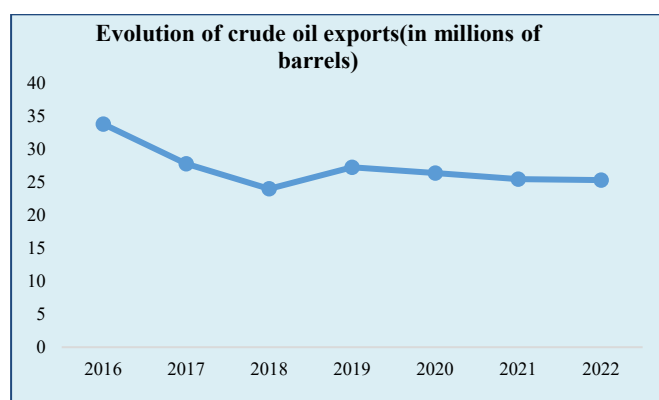
Source : World Bank (2023)

In Cameroon, oil production continued its downward trend observed for several years, due to the gradual depletion of oil wells, the obsolescence of equipment and the still unsatisfactory results of exploration operations. For the year 2022, this production amounted to 24.951 million barrels, down 2.6% year-on-year.

With regard to exports, they recorded a slight drop of 0.4% in volume compared to the previous year to stand at 25.262 million barrels. However, due to the good performance of world prices of this product and the appreciation of the

dollar against the euro, export earnings rose by 56.3% compared to 2021 to stand at CFAF 1 514.8 billion.

As for the geographical orientations of crude oil exports, it is noted that the share directed toward the European Union has increased considerably from 31.1% in 2021 to 65.5% in 2022. On the other hand, the shares directed toward the East Asia and North America fell from 62% and 6.9% respectively in 2021 to 25.6% and 2.2% in 2022. This situation was notably supported by the commitment of the EU countries to reshape their source of oil supply while reducing those coming from the Russian Federation.



Source : SNH (2023)

In prospect, domestic production is expected to continue its downward trend as a result of the lack of new oil fields. However, uncertainties about the evolution of current geopolitical tensions, the economic situation especially in China, and the decision of OPEC countries to reduce daily oil production to support prices, should keep world prices high. Thus, despite the decline in export volumes, the country could continue to generate significant financial gains in exports.

Evolution of crude oil exports (in tons)											
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
222.9	404.2	228.1	240.0	331.8	236.3	235.5	423.9	231.2	363.8	287.8	365.3

Source: DGD (2023)

BOX 1 : PRODUCT SELECTION METHODOLOGY

With a view to highlighting the degree of transformation of our raw products, our resilience to fluctuations in commodity prices, as well as the risks to the mobilization of export earnings, In this bulletin we analyse the dynamics of our main export products. These products include agricultural products (wood, bananas, cotton, coffee, rubber, palm oil), mining products and metals (crude oil, gas and aluminium). They accounted for over 94.1% of exports by value in the 2020.

BOX 2 : DIFFERENTES SOURCES DE DONNEES

- ✓ The data on banana exports come from the statistics of the Banana Association of Cameroon (ASSOBACAM);
- ✓ Data on other exported products come from official External Trade statistics produced by the Directorate General for Customs;
- ✓ The data on commodity prices come from the main websites dedicated to invest.lesechos.fr and indexMundi.com;
- ✓ Other sources of information are also used, including those of the International Tropical Timber Organization (ITTO), the International Cocoa Organization (ICCO), the National Cocoa and Coffee Board (NCCB), the Association of Natural Rubber Producing Countries (ANPRC), the National Hydrocarbons Corporation (SNH), the Organisation of Petroleum Exporting Countries (OPEC).



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