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OVERVIEW

After the rebound in economic activity in 2021, especially after a particularly difficult year in 2020 due to the COVID-19 pandemic, the global economy was particularly disrupted in 2022 by: (i) widespread inflation that reached levels not seen for several decades; (ii) a tightening of financial conditions in most parts of the world; (iii) armed conflict between Russia and Ukraine; and (iv) economic and financial sanctions against Russia by the United States, Great Britain, European Union countries and other developed countries. In addition, there are continuing outbreaks of COVID-19 contamination and disruption of supply chains. These factors have led to a significant drop in the volume of world trade in goods since the beginning of 2022.

In Cameroon, a 49% increase in exports in value was recorded over the first nine months of the year 2022, resulting in particular from the good performance of hydrocarbon sales, which increased by 80% (including +64.8% for crude oil and +137.5% for liquefied natural gas). This evolution is essentially attributable to the surge in prices of these products due to the conflict in Ukraine. There was also an increase in exports of non-hydrocarbon crude products (+7.1% in value), as well as of the main manufactured products (+33.9%).

As regards non-hydrocarbon raw products, during the first nine months there was a favourable dynamic for bananas (+10.2% in volume), cotton (+7.6%), rubber

(+17%), cocoa beans (+5.1%) and raw aluminium (+17.5%). Raw products whose export volumes fell include (i) coffee (-33.5%), due to the low competitiveness of this product in terms of improving producers' incomes compared to other crops; (ii) palm oil (-95.4%), due to the freeze on exports imposed by the government in order to promote better supplies to households and local processing industries; (iii) wood logs (-29.8%), due to the gradual adaptation of operators in the sector in view of the forthcoming ban on wood log exports by all Congo Basin countries.

With regard to exports of the main processed products, the performance is particularly satisfactory for cocoa processing products (cocoa butter (+40% in volume), cocoa paste (+10%)), beer and soft drinks (+16.7%), and products of the first and second processing of wood logs (sawn wood (+31.9%), wood veneer sheets (+31.6%), etc.).

In terms of prospects, Cameroon's export dynamics should increase at the end of 2022. Indeed, the uncertainties surrounding the conflict in Ukraine should continue to support hydrocarbon prices and encourage an increase in export revenues. Also, the measures put in place by the government to guarantee the availability of raw materials locally and to reduce the financing constraints of companies should boost exports of processed products.

Evolution of exports of Cameroon's main products

Products	Jan-Sept 2021		Jan-Sept 2022		Evolution (in %)	
	Q	V	Q	V	Vol	Val
Hydrocarbons		854.5		1 537.7	-2.8	80.0
Crude petroleum oils	2 669.4	675.9	2 553.8	1 113.6	-4.3	64.8
Gas	927.4	178.6	946.6	424.2	2.1	137.5
Non-hydrocarbon crude products		432.7		463.4	-0.3	7.1
Banana	146.2	20.2	151.5	21.3	3.6	5.7
Coffee	12.0	10.2	8.0	10.7	-33.5	5.7
of which arabica coffee	.5	.8	.6	1.5	26.3	81.3
and robusta coffee	11.5	9.1	7.3	9.0	-36.4	-0.4
Cocoa beans	128.6	159.3	135.1	174.2	5.1	9.3
Palm oil	3.0	2.7	.1	.1	-95.4	-97.3
Rubber	28.2	21.8	33.0	30.0	17.0	37.4
Raw cotton	121.1	111.5	130.4	136.2	7.6	22.2
Wood logs*	.7	75.7	.5	54.7	-29.8	-27.7
Aluminium	27.6	31.3	32.5	36.2	17.5	15.6
Manufacturing products		265.4		355.4	21.5	33.9
Cocoa paste	33.1	49.2	36.5	80.3	10.3	63.3
Cocoa butter	15.8	27.0	22.1	42.4	40.0	57.1
Chocolate and other preparations bases on cocoa	2.5	4.8	2.6	4.9	3.3	3.4
Beers and soft drinks	8.2	3.9	9.6	4.5	16.7	15.2
Sugar confectionery not containing cocoa	2.1	2.9	2.4	3.5	13.5	21.6
Preparation for soup and broths	3.5	4.9	3.5	4.9	0.0	0.2
Cement	2.2	.2	6.6	.6	194.7	190.6
Lumpy household soaps	38.6	19.3	34.4	22.0	-10.9	14.2
Sawn timber	.7	120.0	.9	152.0	31.9	26.6
Veneer sheets	35.8	15.9	47.1	19.9	31.6	24.6
Cans, bottles and flasks	9.0	3.5	11.4	4.8	27.0	34.4
Paper boxes and cartons	.4	.3	.4	.4	13.7	37.4
Iron or steel bars	25.0	11.3	24.5	12.4	-1.9	10.1
Aluminium sheets	1.3	2.2	1.2	2.9	-5.0	27.6
Total main exported products		1 552.5		2 356.5	1.4	51.8
Other exported products		117.2		130.9		11.7
of which Fuels and lubricants	26.5	7.7	16.9	11.4	-36.4	48.3
Total main products		1 669.7		2 487.4		49.0

Source: Q Quantities in tonnes, V Values in billions of CFA francs, * Quantities in m3 DAPE calculations based on DGD/MINFI data (2022)

+10.2%

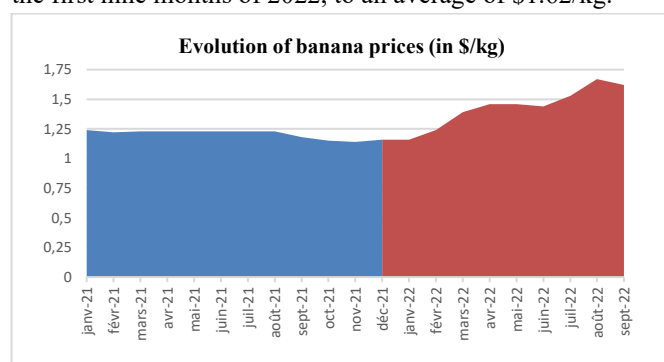


Banana exports are picking up.
+10.2% in volume over the first nine months



Since the beginning of 2022, the international banana market has been faced with a supply shortage due to (i) the significant drop in production in the main South American producing countries, which are gradually recovering from the damage caused by bad weather and hurricanes; and (ii) the rise in sea freight costs.

This particularly difficult context has led to a 17.7% year-on-year increase in world prices for this product over the first nine months of 2022, to an average of \$1.62/kg.



Source: IndexMundi.com

Cameroon has been able to take advantage of this upturn in the dessert banana market in 2022. Indeed, since the second half of 2020 and the gradual resumption of activities by the Cameroon Development Corporation (CDC), the *number 2 on the market*, national production has been on an upward trend.

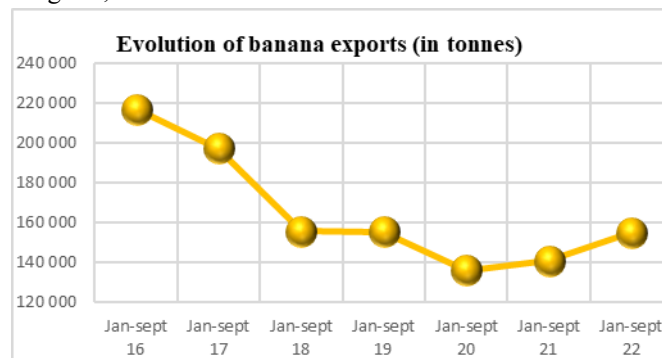
Between January and September 2022, dessert banana exports stood at 155 136 tonnes compared to 140 731 tonnes over the same period in 2021, an increase of 10.2%. For the year 2021 as a whole, these exports increased by 5.7% compared to the year 2020, to 198,634 tonnes.

Furthermore, it should be noted that exports had reached 217 thousand tonnes over the same period in 2016, before declining between 2017 and 2020 due to the security crisis in the South-West region and the disruption caused to CDC's activities. This situation forced the company to stop its activities in September 2018.

This performance in 2022 is due in particular to the entry into production of new plantations at Plantations du Haut Penja (PHP) and Boh Plantations Plc (BPL), as well as the gradual rehabilitation of the CDC plantations that were

previously abandoned due to the security crisis (in 2021, 520 ha of banana plantations were rehabilitated). It should also be noted that since the beginning of 2022, PHP has been marketing its bananas at a slightly higher price due to the fact that the company is Fairtrade certified. Thus, the minimum price of its exports has risen from 8.75 to 9.3 euros per standard box (18.14 kg), if the producer is himself an exporter of its merchandise (FOB price); and from 6.45 to 6.8 euros (ex-factory price), if the producer goes through intermediaries.

In terms of destination, these exports are mainly directed towards certain European Union countries, namely Belgium, France and Great Britain.



Source: ASSOBACAM (2022)

In the future, the production dynamic should continue to increase, due in particular to the continuation of rehabilitation work on the CDC plantations, and the tax incentives put in place by the Government. Indeed, in the 2022 Finance Law, specific tax incentives have been included for a period of 7 years, with a view to accelerating the revival of activities in this sector in the long term. In particular, we can note: (i) exemption from the business license/tax contribution; (ii) exemption from VAT on the acquisition of goods and services; (iii) exemption from registration fees on real estate transfers; (iv) exemption from the tax on land ownership; (v) exemption from VAT on the acquisition of inputs for production; (vi) exemption from corporate income tax, including exemption from the corresponding monthly instalments and minimum collection; etc.

Evolution of banana exports (in tonnes)											
Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	April 22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
17 842	19 430	20 631	18 394	16 525	22 604	18 247	16 505	17 816	13 203	15 733	16 109

Source: ASSOBACAM (2022)

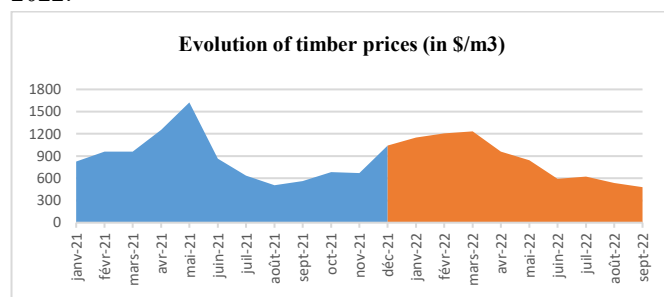


Processed wood exports accelerate Sawn timber (+31.9% in volume), wood veneer (+31.6%) and logs (-29.8%) in the first nine months



Since the beginning of 2022, the international timber market has been marked by a slowdown in demand for construction timber, in contrast to the momentum seen in 2021 as a result of the strong post-Covid-19 economic recovery. This slowdown is supported in particular by the continuation of restrictive measures in China, due to the zero Covid policy, as well as the consequences of the sanctions imposed on Russia and the tightening of monetary policy in several advanced countries with a view to curbing the inflationary pressures generated by the conflict in Ukraine.

In addition, due to favourable weather conditions in several basins in South America, East Asia and Africa, global supply has been much stronger, resulting in an abundance on the market with a consequent 6.9% year-on-year decline in timber prices between January and September 2022.



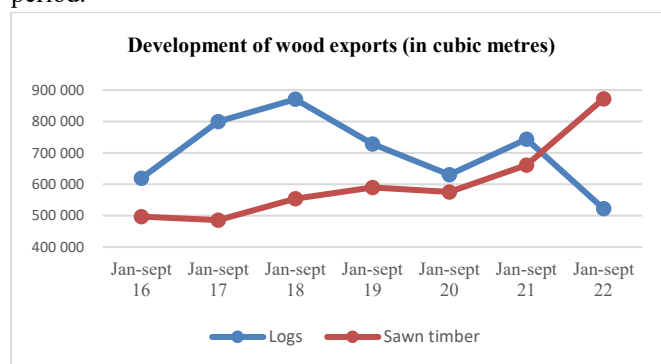
Source: <https://fr.investing.com/commodities/>

At the national level, the activity took place in a context marked by the prospects of the entry into force on 1st January 2023 of the ban on wood log exports by the CEMAC countries (Cameroon, Congo, Gabon, CAR, Equatorial Guinea and Chad) and the support of operators for the installation of 1st, 2nd and 3rd wood processing industries.

This context has notably favoured an acceleration of the local wood processing process. Thus, during the first nine months of the year 2022, there was a significant increase in the volume of exports of sawn timber (+31.9%) and wood veneer (+31.6%). On the other hand, exports of wood logs fell by 29.8% year-on-year.

Overall, exports of wood and wood products increased by 9.3% in volume and 7% in value. This less proportional development in the value of exports of wood and wood products compared to the increase in volumes is mainly explained by the 2% drop in average sales prices.

Furthermore, it appears that the implementation of the sub-regional policy aimed at strengthening local wood processing is bearing fruit in Cameroon. To this effect, the share of locally processed logs rose from 69.6% between January and September 2016 to 82.7% in 2022 over the same period.



Source: DGD (2022)

In terms of destination, log exports are mainly directed towards China and Vietnam, while sawn timber exports are mainly directed towards European Union countries (Belgium, France, Italy, Spain, Great Britain, etc.).

The upward trend in exports of various types of wood is expected to continue despite the postponement of the entry into force of the ban on log exports by CEMAC countries. Indeed, in order to promote this change and encourage local processing, Cameroon has, as part of the 2022 finance law, raised the rate of exit duty applicable to timber exported in the form of logs from 35% to 50%. Also, the country has exempted from all import duties and taxes, imported appliances, equipment, materials and tools intended for the development of local wood "advanced processing" activities.

Development of exports of wood products and its derivatives (in tonnes, *in thousands of m3)												
	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	April 22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Wood logs*	57 443	6 025	59 439	34 085	56 781	66 458	71 909	49 948	60 383	46 624	65 728	70 276
Sawn timber	82 923	16 741	76 430	42 558	96 736	86 028	74 565	88 198	189 995	82 526	117 473	94 300
Veneer sheets	4 754	2 343	4 867	3 021	5 690	6 605	4 060	6 012	6 007	4 793	6 041	4 912

Source: DGD (2022)

+10.3%

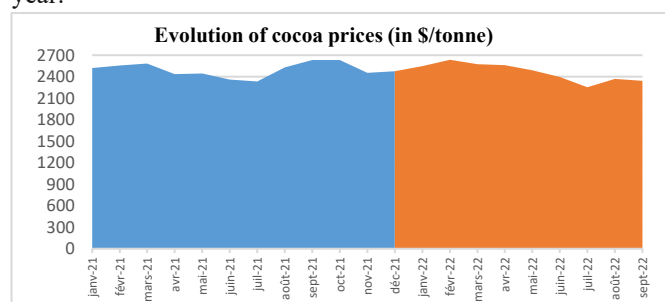


Exports of processed cocoa products are consolidating

Butter (+40% in volume), paste (+10.3%) and beans (+5.1%) in the first nine months



The 2021/2022 cocoa season was marked by a 6.8% decline in world production, due in particular to a 9.9% drop in production from Africa. This African underperformance is mainly attributable to the drop (-31%) in Ghanaian production, due to poor weather conditions. Ghana, the world's second largest producer, saw its production fall to 689,000 tonnes, the lowest level for 12 years. This drop in world supply led to a slight (+2.0%) increase in the price of this product on the international market during the first nine months of 2022 compared to the same period of the previous year.



Source: <https://investir.lesechos.fr/>

At the national level, cocoa production stood at **295163 tonnes** during the 2021/2022 season, compared to **292471 tonnes** for the previous season, representing an increase of 0.9%. This favourable trend observed for nearly three years is due in particular to the strengthening of producer support, the increase in field purchase prices and the gradual revival of cocoa production in the South-West Region.

Indeed, due to the security crisis in the South-West, the volume of marketed production from this basin fell from **111087 tonnes** during the 2015/2016 season to **74574 tonnes** for the 2019/2020 season (-33%). However, with the improvement in the security situation since 2020 in this region, there has been a gradual recovery in marketed cocoa production. Similarly, thanks to the strengthening of support for producers, **the production of sustainable and certified cocoa in Cameroon** has risen from **89729 tonnes** in the 2020/2021 season to **130562 tonnes** in the 2021/2022 season, an increase of 45.5%. As for average field prices,

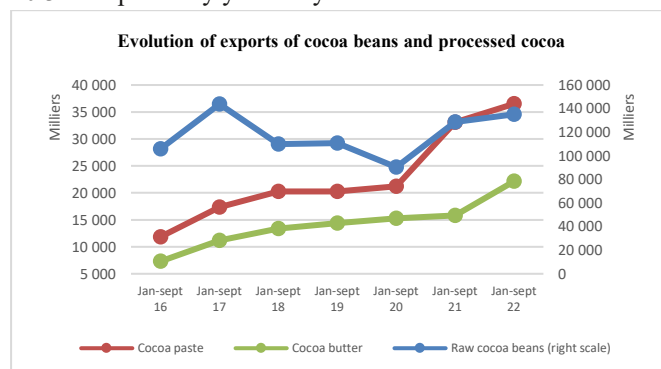
they have increased in all regions.

With regard to local bean processing, it is noted that the volumes processed increased significantly (+28.1%) during the 2021/2022 season to **86850 tonnes**. This performance is linked in particular to the strong increase in local processing capacity brought about by two new units (ATLANTIC COCOA and NEO INDUSTRY).

In general, it is noted that during the first nine months of 2022, exports of cocoa and processed products increased by 10.3% in volume and 26.1% in value. The country benefited from the increase in prices for this product.

As for the volume of beans exported during the first nine months of 2022, it amounts to **135119 tonnes** against **128621 tonnes** for the same period in 2021 (+5.1%). Exports in value terms are up by 9.3%.

With regard to processed products, the upward trend that began in 2017 accelerated in 2022. Thus, exported volumes of cocoa butter and cocoa paste rose by 40% and 10.3% respectively year-on-year over the first nine months.



Source: DGD (2022)

Exports of beans go to the Netherlands, Malaysia and Indonesia, while processed products (cocoa butter and paste) go mainly to the United States and the European Union.

The upward trend in national production is expected to continue during the 2022/2023 cocoa season and could well exceed 300000 tonnes, due in particular to the start of production in the new orchards of the Cocoa Development Corporation (SODECAO) and the acceleration of the recovery of agricultural activities in the South-West.

Evolution of cocoa exports (in tonnes)

	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	April 22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Raw cocoa	14 076	28 600	42 538	32 847	35 061	29 536	12 277	6 540	4 604	4 260	4 965	5 030
Cocoa paste	5 254	5 264	5 737	4 611	3 613	5 264	2 785	4 516	3 642	4 621	3 815	3 637
Cocoa butter	2 448	2 536	2 818	2 476	2 493	2 073	3 267	2 312	2 075	3 036	2 378	2 026

Source: DGD (2022)



The coffee industry is dying and exports are at a standstill...

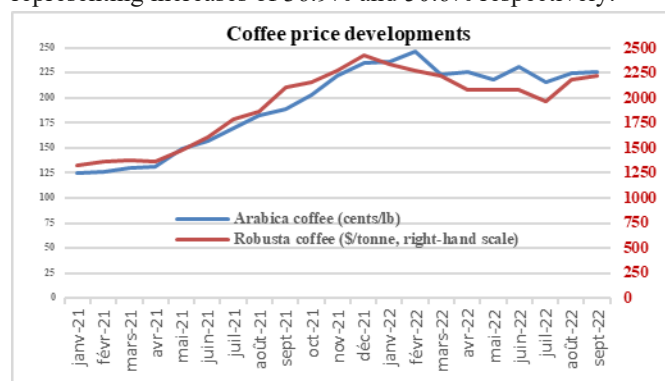
Robusta coffee (-36.4% by volume), Arabica (+26.3%) in the first nine months of 2022

-31.4%



At the global level, the 2021/2022 coffee season has been marked by unfavourable weather conditions, particularly in Brazil for Arabica coffee. According to the International Coffee Organization, a 2.1% drop in world coffee production is expected for the entire 2021/2022 season. This drop would be driven by Arabica coffee, which would fall by 7.1%, while Robusta would increase by 5.1%. On the other hand, world demand for coffee would increase by 3.3%.

In these circumstances, the upward trend in world coffee prices observed throughout the 2020/2021 crop year continued in the first nine months of 2022. Robusta and Arabica coffee prices averaged US\$2159.6/tonne and 227.6 cents/lb respectively compared to US\$1588.4/tonne and 151.1 cents/lb over this period between 2022 and 2021, representing increases of 36.9% and 50.6% respectively.



Source : <https://investir.lesechos.fr/>

Despite this favourable international context, marketed coffee production in Cameroon fell drastically during the 2020-2021 season, reaching its lowest level in the last five seasons. According to the balance sheet drawn up by the National Cocoa and Coffee Board (ONCC), this production stood at 12157 tonnes, down by 12534 tonnes in absolute terms compared to the 2019-2020 season, thus a decline of 50.7%.

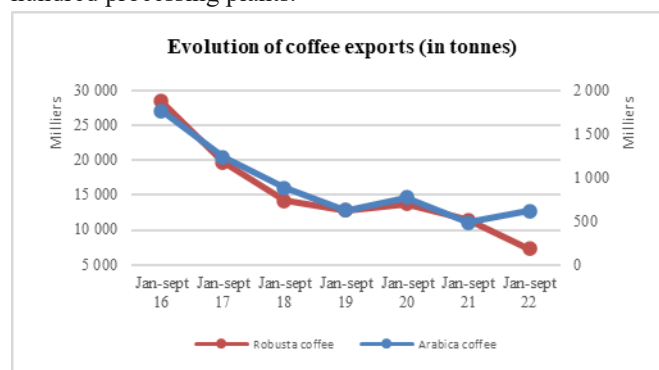
This underperformance is justified by the fact that this sector has been facing for several years an ageing of orchards, a lack of interest from young people, and an abandonment of plantations due to the low profitability of this speculation compared to other agricultural activities.

In general, it appears that the volume of coffee

exported during the first nine months of the year 2022 fell by 31.4%. In contrast, exports in value terms increased by 6.4% due to the good performance of prices for these products, induced by unfavourable weather conditions in the main producing countries.

In the case of Robusta coffee, which constitutes the bulk of national production, the volume exported during the first nine months of 2022 was 7290 tonnes compared to 11470 tonnes during the same period in 2021, a decline of 36.4%. For Arabica coffee, exports were 616 tonnes between January and September 2022 compared to 488 tonnes in 2021, an increase of 26.3% year-on-year.

The low volume of beans exported compared to national production is explained in particular by the strong demand from local roasters. Indeed, the country has nearly a hundred processing plants.



Source: DGD (2022)

In terms of destination, coffee exports are directed towards Algeria and European Union countries such as Belgium, France, Portugal and Italy.

In perspective, despite the rise in world coffee prices, domestic production is unlikely to improve due to the persistence of existing structural constraints and higher production costs due to the Russian-Ukrainian conflict.

However, it should be noted that MINADER has accelerated the rehabilitation of coffee seed fields by making available to nurserymen 13000 tonnes of certified Arabica coffee seeds and 96 million Robusta coffee cuttings. In addition, a one-stop shop for producers was created with a budget of CFAF 6.5 billion.

Evolution of coffee exports (in tonnes)												
	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	April 22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Arabica	82	56	103	20	96	0	0	0	38	89	193	41
Robusta	1338	1417	2035	1298	837	49	37	10	0	36	534	1295

Source: DGD (2022)

+17.0%



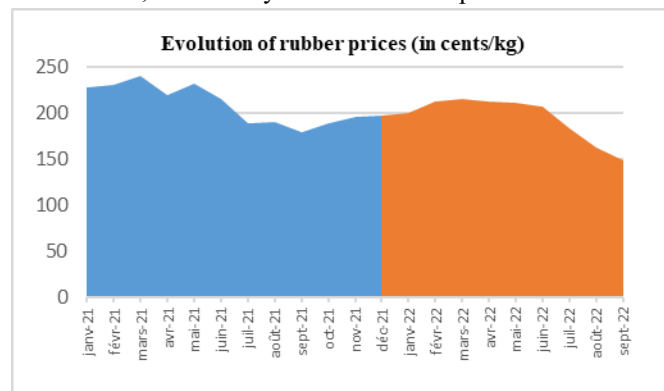
Increase in rubber exports
+17% increase in export volumes in the first nine months



Like most markets, the rubber market is not immune to the consequences of geopolitical and economic tensions caused by the conflict in Ukraine, the slowdown in the global economy, the tightening of monetary policy and the disruption of supply chains. As a result, global demand for this product has been gradually slowing since the beginning of the second quarter of 2022, after a particularly dynamic 2021 due to the strong post-Covid recovery, while global supply is expected to grow by 3.6% over the whole of 2022.

To this effect, the production surplus already observed on the market is expected to gradually worsen given the risks that continue to weigh on the manufacturing industry in China, in connection with the zero covid policy (this country represents about 42% of the world demand for natural rubber).

This particularly difficult and uncertain context has led to a downward trend in the price of this product since March 2022, after nearly five months of upward trend.

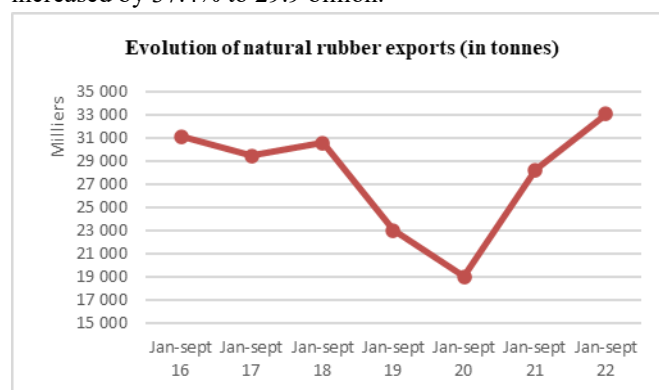


Source: <https://investir.lesechos.fr/>

At the national level, production activity should remain particularly sustained after the upturns observed over the last two years, during which the country produced more than 70 thousand tonnes of rubber in 2021, compared to 60 thousand tonnes in 2020 and 45 thousand tonnes in 2019. This performance can be explained in particular by: (i) the gradual resumption of the activities of the Cameroon Development Corporation (CDC), in which several units had

been closed due to the security crisis in the South-West Region; (ii) the entry into production of new plantations of the Hevea Company of Cameroon (HEVECAM) and its association with small village planters to ensure the processing of their production. Several years ago, this company launched a programme to regenerate its 40-year-old plantations in order to improve yields.

Similarly, the downward trend in natural rubber exports has faded. In the first nine months of 2022, the volume of exports of this product stood at 33 036 tonnes compared to 28 228 tonnes between January and September 2021, an increase of 17%. In terms of export value, they increased by 37.4% to 29.9 billion.



Source: DGD (2022)

In terms of destination, exports of raw rubber are mainly directed towards the United States and the countries of the European Union (Germany, France, Belgium, Spain, Italy, etc.).

The upward trend in natural rubber production in Cameroon is expected to continue with the gradual start-up of new plantations by both Cameroon Hevea and the Cameroon Development Corporation, as well as the capitalisation of village production.

Therefore, prices are expected to remain at a high level despite the declines in recent months due to weak competition from synthetic rubber because of relatively high crude oil prices.

Evolution of rubber exports (in tonnes)											
Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug 22	Sept. 22
3 908	3 814	4 995	3 732	3 521	4 280	2 245	964	3 974	4 617	4 273	5 430

Source: DGD (2022)



Good performance of the cotton sector and cotton exports

+7.6% of export volumes of cotton fibre over the first nine months

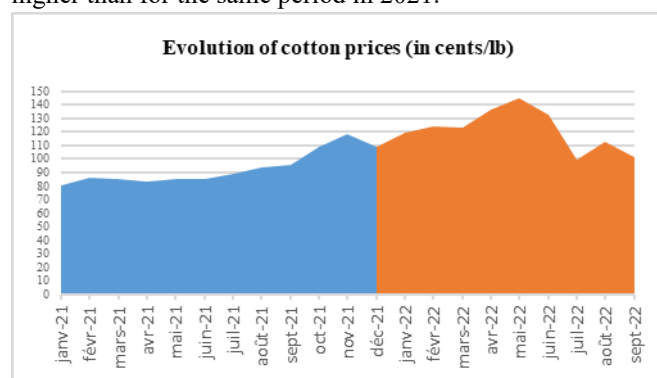
+7.6%



The world cotton market has been particularly marked since the beginning of 2022 by sustained demand in connection with the strong post-covid recovery of the world economy. To address this demand, in a context of container shortages, traders have sometimes been forced to return to shipping cotton in bulk.

However, since the second half of 2022, cotton, like several commodities and assets, has entered a turbulent zone dictated in particular by restrictive monetary policies, inflation, China's zero Covid policy and fears of a prominent global recession. As a result, demand for cotton has been falling, with mills in Asia already operating below capacity. Also, consumer orders for clothing are slowing down in the face of declining purchasing power.

In view of this situation, it appears that prices for this product, which had been on an upward trend since January 2021, have begun to decline. However, the average price for the first nine months of 2022, at 121.7 cents/lb, is still 39.7% higher than for the same period in 2021.

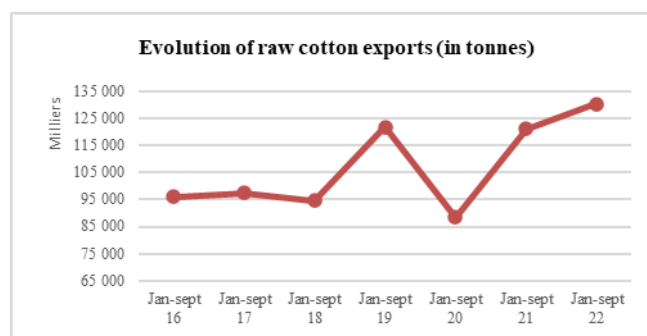


Source : <https://investir.lesechos.fr/>

At the national level, seed cotton production during the 2021-2022 season stood at nearly 370 thousand tonnes, up 3.6% compared to the previous season. National production has been on an upward trend for the last five seasons. This performance is due in particular to the implementation of a recovery plan for the country's only cotton company (the Société de Développement du Coton - SODECOTON). Thus, the company's ginning capacity has increased from 50% to 90%, and that of the oil mills from 62% to 95%, between 2018 and 2021. It has also benefited

from some fifteen generators to compensate for the lack of electricity supply, rolling stock for the transport of seed cotton, and civil engineering equipment (bulldozers, graders, tankers, dump trucks, loaders and handling equipment). In addition, producers have benefited from an increase in the purchase price per kilogram of seed cotton.

As regards cotton fibre export volumes, they increased by 7.6% during the first nine months of 2022, compared to the same period in 2021. To this end, exports rose from 121 132 tonnes to 130 366 tonnes. This product is mainly sent to Asian countries such as Bangladesh, Vietnam, Pakistan, China...



Source: DGD (2022)

In terms of prospects, the upturn observed for several years in the cotton sector in Cameroon should continue with the completion of the implementation of SODECOTON's recovery plan. Indeed, this company is currently negotiating with certain donors for financing for the construction of an 11th ginning unit in Godola, near Maroua, in the Far North region. Also, for the 2022-2023 season, the price per kilogram of seed cotton has been increased by 14%.

Similarly, the company has agreed with producers on the prices of agricultural inputs for this season, in order to mitigate the effects of the price increase caused by the conflict in Ukraine. Thus, a 50kg bag of NPKSB fertilizer will be sold to farmers at 21500 FCFA, compared to 10750 FCFA for a 25kg bag; urea (46%N) will be sold at 20500 FCFA per 50kg bag. It should be remembered that these inputs are generally sold on credit to farmers by SODECOTON and paid for at the end of the harvest.

Evolution of cotton fibre exports (in tonnes)											
Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
13 429	11 481	8 867	6 659	8 203	14 353	14 952	15 859	26 112	11 053	21 104	12 070

Source: DGD (2022)

-95.4%

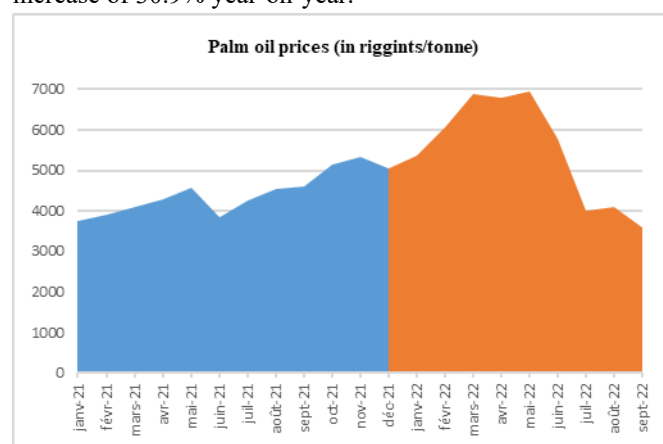
Tension in the palm oil sector and freeze on exports

-95.4% of export volumes in the first nine months



Since the beginning of 2022, the global palm oil market has been on the rise due to increasing demand. This is due in particular to: (i) This significant decrease in the value of palm oil compared to soybean and sunflower oils, which encourages buyers to purchase it; (ii) the rebound in energy prices, which have become even more expensive following the decision of major oil producers to reduce their production, thus making palm oil even more attractive for biofuel production. Moreover, global supply, although increasing, is not sufficient to meet this demand.

To this effect, prices for this product performed very well throughout the first half of 2022. However, since the beginning of the second half of the year and the risk of a recession in the global economy, there has been some contraction in demand, resulting in a gradual decline in world prices. However, the average palm oil price for the first nine months of the year is 5505.8 ringgit per tonne compared to 4206.5 ringgit per tonne for the same period in 2021, an increase of 30.9% year-on-year.

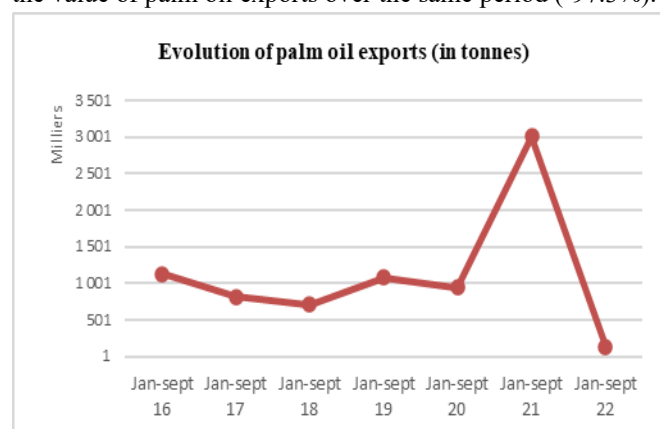


Source: <https://investir.lesechos.fr/>

At the national level, Cameroon continues to face a structural deficit between local supply and demand for palm oil due to a significant increase in the processing capacity of this product over the last 10 years. Indeed, the sector has seen the installation of new units as well as the increase in capacity of existing units.

This deficit increased in 2022 and the government was forced not only to restrict exports of this product, but also to grant import permits to supply local industries. Since the beginning of 2022, these authorizations have covered a volume of 143000 tonnes.

As a result of this restriction, the volume of palm oil exported fell drastically from 3,000 tonnes between January and September 2021 to 139 tonnes over the same period in 2022, thus a year-on-year decline of 95.4%. It should be noted that these palm oil exports are mainly directed towards certain Central African countries. This significant drop in volumes also led to a pronounced year-on-year decrease in the value of palm oil exports over the same period (-97.3%).



Source: DGD (2022)

In perspective, the supply of palm oil at the national level should continue to improve as a result of the government's efforts to support the sector. To this effect, the agro-industry Camvert S.A., which specialises in the production of palm oil and palm kernel, has obtained from the State a 50000 hectare exploitable area in the South Region (Campo and Niete). Also, the palm oil production companies CDC and PAMOL installed in the South-West Region, which were in a state of virtual cessation of activity, should progressively continue their recovery and reach the level they had before the security crisis.

Evolution of palm oil exports (in tonnes)											
Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
340	450	273	6	10	17	73	5	5	10	3	11

Source: DGD (2022)



Renewed activity in the aluminium sector +17.5% of exports in the first nine months

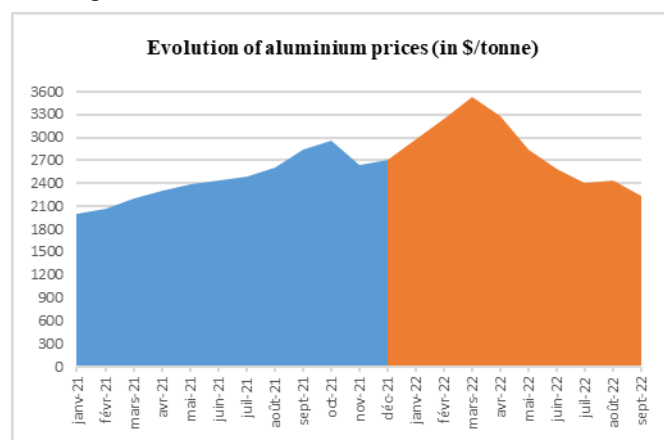
+17.5%



The aluminium market was marked during the first quarter of 2022 by strong demand from the aerospace, construction, automotive and signaling equipment sectors. This situation has contributed to a further strengthening of world prices for this product, which has reached a record level of 4000 dollars per tonne.

In addition, since April 2022, there has been a tightening of financial conditions, a resurgence of covid-19 cases in China, and an explosion in gas and energy prices, linked to the conflict in Ukraine. In this context, some energy-intensive European smelters have been mothballed and Chinese sites are also idling, due to the zero Covid policy that imposes new restrictions. As a result, global demand has been dragged down significantly and international prices have weakened. This situation could continue with the risk of a recession in the global economy.

However, it is noted that in the first nine months of 2022, aluminium prices increased by 19.8% from USD 2369.1 per tonne in 2021 to USD 2838.0 in 2022.



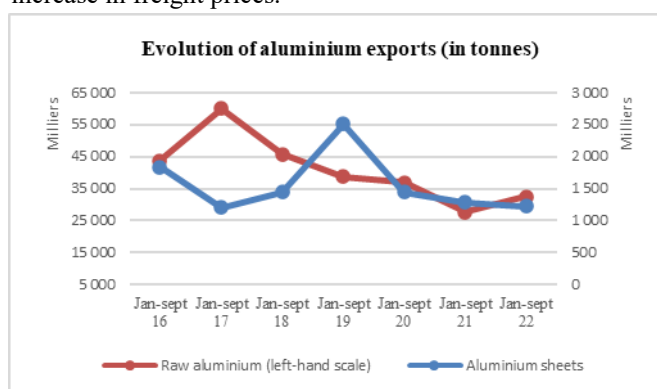
Source : <https://investir.lesechos.fr/>

At the national level, the aluminium production sector was marked by the merger of SOCATRAL with ALUCAM, with a view to guaranteeing the sustainability of the latter, which had been experiencing difficulties for several years. This merger, which allows for the reduction of production

costs, also presents an opportunity for development through the deployment of a new business model oriented towards the manufacture and sale of high value-added products as well as the local transformation of the said product. Also, in order to strengthen ALUCAM's competitiveness and viability, the State of Cameroon took over its debt to ENEO in April 2021 for an amount of 33.6 billion FCFA.

In the first nine months of 2022, the volume of raw aluminium exported is 32457 tonnes compared to 27632 tonnes for the same period in 2021, an increase of 17.5%. As for the value of exports over the period, it will increase by 15.6% to 36.2 billion in 2022.

Exports of aluminium sheet volumes fell by 5% year-on-year between January and September 2022. This development is the consequence of a refocusing on the local market of the main operator in order to compensate for the increase in freight prices.



Source: DGD (2022)

In perspective, the production dynamic should follow an upward trend in line with the new development model of the main operator ALUCAM and the improvement of its financial situation. However, risk factors exist due to the effects of rising global energy costs and geopolitical risks between developed countries, China and Russia.

Evolution of aluminium exports (in tonnes)												
	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Raw aluminium	2 962	2 181	1 568	2 791	2 861	2 809	2 002	2 250	3 219	2 942	9 543	4 040
Aluminium sheets	94	142	130	218	403	48	96	28	9	138	204	78

Source : DGD (2022)

+2.1%



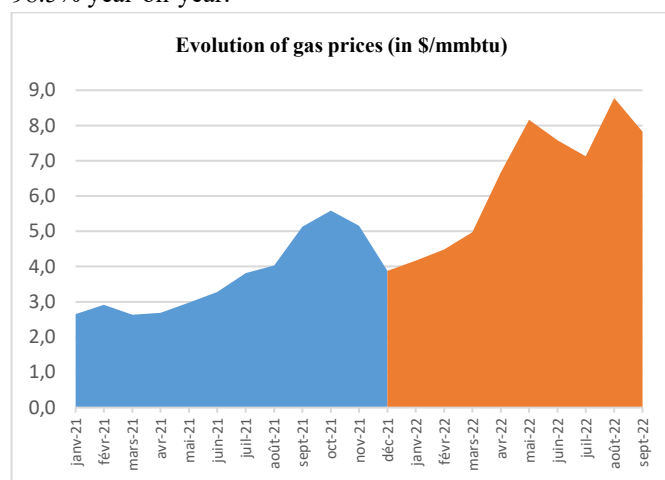
Liquefied natural gas exports remain strong in an inflationary environment +2.1% of exports in the first nine months



The global gas market was particularly disrupted in 2022 due to the conflict in Ukraine and the sanctions imposed on Russia by the West. Gas prices, which had been on an upward trend since the beginning of 2022, accelerated after Russia's invasion of Ukraine, reaching record levels during the month of August.

Furthermore, due to geopolitical tensions between EU countries and Russia over gas, there was an explosion in demand for LNG (liquefied natural gas) in 2022 to replace Russian gas, the volumes of which were gradually declining in Europe.

This has led to volatile gas prices, which averaged \$6.6/mmbtu in the first nine months of 2022, an increase of 98.5% year-on-year.

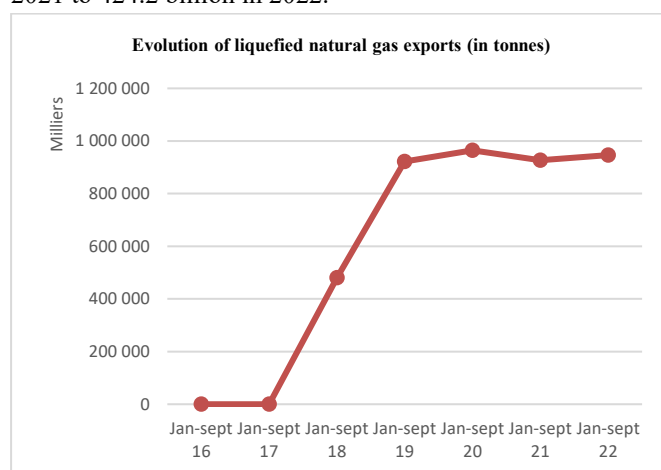


Source: <https://investir.lesechos.fr/>

At the national level, LNG production remained dynamic, in line with the increase in international demand and the production capacity of the floating liquefaction plant

at Hilli Episeyo. Thus, the country exported nearly 2 million cubic metres of liquefied natural gas between January and September 2022, up by 2.1% compared with exports over the same period in 2021.

Furthermore, thanks to the surge in the price of this product on the international market due to the Russian-Ukrainian conflict, the value of liquefied natural gas exports increased by 137.5% between January and September 2022 compared to the same period in 2021. Thus, export revenues from this product rose from 178.6 billion over this period in 2021 to 424.2 billion in 2022.



Source: SNH (2022)

For future prospects, the favourable situation in this sector observed in 2022 is expected to continue. Also, due to the growing uncertainties on the world market for Russian gas, the stalemate in the Russian-Ukrainian conflict, and the difficulties in supplying European industries with gas, it is highly likely that prices for this product will remain strong over the next three years.

Development of liquefied natural gas exports (in tonnes)

	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Liquefied natural gas	75 360	109 144	109 253	118 947	89 451	151 571	75 580	149 063	147 064	71 146	68 976	74 782

Source: DGD (2022)



Crude oil exports fall amidst inflation

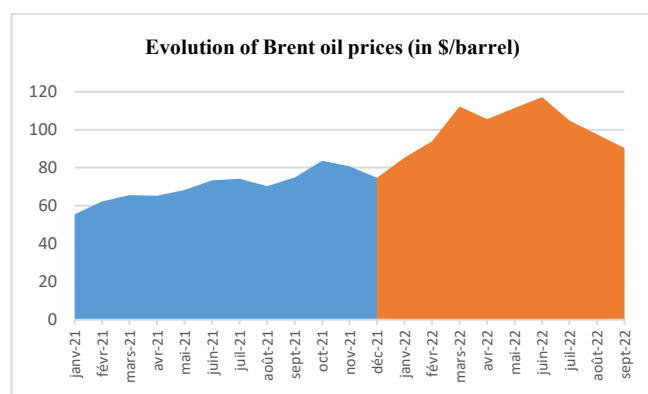
-4.3% of exports in the first nine months

-4.3%



Since the beginning of the year 2022, the international oil market has been experiencing major disruptions due to the conflict in Ukraine and the embargo on oil imports from Russia imposed by the United States, Great Britain and the European Union.

This situation has created a great deal of uncertainty in the crude oil market and generated a global deficit, which has resulted in a significant increase in world crude oil prices. Crude oil prices averaged \$102 per barrel in the first nine months of 2022 compared to \$67.7 per barrel in the same period a year earlier, an increase of 50.7% year-on-year.

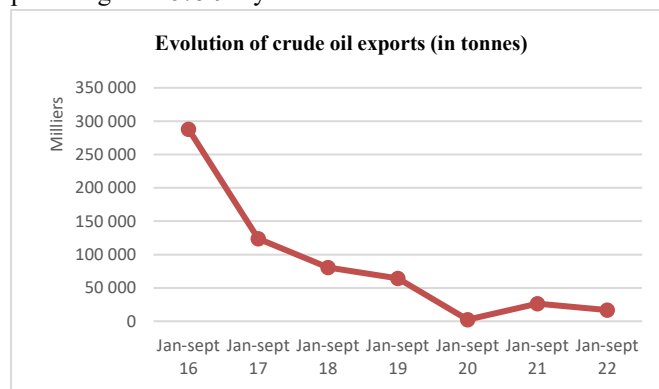


Source: <https://investir.lesechos.fr/>

At the national level, oil production in 2022 continued its downward trend observed for several years due to the gradual decline in yields from fields in operation. To this end, national oil production as at 31 October 2022 stood at 20.8 million barrels, down by 2.8% compared with the same period of the previous year.

Export volumes fell by 4.3% in the first nine months

of 2022 compared with the same period in 2021. However, due to the sharp rise in the average selling price of Cameroonian oil (+72.2%), export revenues increased by 64.8% year-on-year between January and September 2022. Thus, the said revenue amounted to 1 113.6 billion over this period against 675.9 a year earlier.



Source: SNH (2022)

The outlook for domestic oil production is likely to continue its downward trend over the next few years in the absence of new large-scale fields coming on stream. However, the country could continue to generate financial gains from exports despite the drop in volumes, due in particular to uncertainties over the evolution of current geopolitical tensions, the energy crisis, the continuation of the zero Covid policy by China, and the decisions of OPEC countries. With regard to the latter in particular, they decided on 5 September 2022 to reduce their oil production by 2 million barrels per day from November of that year, in order to support prices in the face of fears of recession. This is the first time in more than a year that drastic cuts have been made due to the Covid-19 pandemic.

Evolution of crude oil exports (in tonnes)												
	Oct-21	Nov-21	Dec 21	Jan-22	Feb-22	March 22	Apr-22	May-22	June-22	Jul-22	Aug. 22	Sept. 22
Crude oil	358 661	184 512	373 103	222 924	404 181	228 110	239 959	331 835	236 271	235 478	423 854	231 184

Source: DGD (2022)

BOX 1: PRODUCT SELECTION METHODOLOGY

With a view to highlighting the degree of processing of our raw products, our resilience to fluctuations in raw material prices, as well as the risks that weigh on the mobilisation of export earnings, we analyse in this bulletin 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 more than 94.1% of exports in value during the year 2020.

BOX 2: DIFFERENT DATA SOURCES

- ✓ The data on banana exports come from the statistics of the Association Bananière du Cameroun (ASSOBACAM);
- ✓ Data on other exported products are taken from official foreign trade statistics produced by the Directorate General of Customs;
- ✓ The data on commodity prices come from the main dedicated websites, namely investir.lesechos.fr and indexmundi.com ;
- ✓ Other sources of information are also used, including the International Tropical Timber Organisation (ITTO), the International Cocoa Organisation (ICCO), the National Cocoa and Coffee Board (ONCC), the Association des Pays Producteurs du Caoutchouc Naturel (ANPRC), the National HydroCarbons Corporation (SNH), and the Organisation of Petroleum Exporting Countries (OPEC).

BOX 3: METHODOLOGY FOR CALCULATING THE UNIT VALUE INDEX (UVI)

The unit value index (UVI) of exports measures the average evolution of export prices of goods traded between Cameroon and the rest of the world. This indicator makes it possible to assess the specific evolution of prices for Cameroonian products, which can sometimes differ from world prices.

An aggregate (sub-group and higher) unit value index is calculated from the elementary indices determined on the main export products. The unit value index that we consider and interpret in this work is the Fisher index. This index reflects the evolution of prices as well as possible, and takes into account the advantages noted in the calculation of the Laspeyres index as well as in the calculation of the Paasche index. It is calculated from the Laspeyres and Paasche indices

$$\text{Laspeyres index } I_L = \frac{\sum_{i \in k} p_t^i q_{a-1,m}^i}{\sum_{i \in k} p_{a-1,m}^i q_{a-1,m}^i} \times 100 \quad \text{Paasche index } I_P = \frac{\sum_{i \in k} p_t^i q_t^i}{\sum_{i \in k} p_{a-1,m}^i q_t^i} \times 100$$

q_t^i the quantity of product i ($i=1, 2, 3, 4, 5$) exported, by $p_t^i q_t^i$ its value and by p_t^i its average price in period t

The Laspeyres index shows how much the price level moves if the basket from the previous period remains unchanged until the current period.

The Paasche index shows how much the price level would change if the basket in the current period had also been valid in the previous period.

$$\text{Fisher index } I_F = \sqrt{I_L \times I_P}$$

This index is an intermediate variant between Laspeyres and Paasche. It compensates for the tendency of the Laspeyres index to overestimate price developments and that of the Paasche index to underestimate them.

$$\text{Value Index } I_{nom}^k = \frac{P_t^k Q_t^k}{P_{a-1,m}^k Q_{a-1,m}^k} \times 100$$

The nominal index of a group k (or value index), I_{nom}^k , indicates the change in value between two periods.

$$I_{réel}^k = \frac{I_{nom}^k}{I_F^k} \times 100$$

Volume index

The real index of a group k (or volume index), $I_{réel}^k$, shows the real or inflation-free development of foreign trade. It is a residual quantity derived from the ratio of the value index to the average value index.

BOX 4: CHOICE OF BASE YEAR

The calculation of the unit value and volume indices requires the choice of a base year. For this purpose, the base year chosen is 2019. Indeed, from July 2018, there was a change in the structure of foreign trade with the marketing of liquefied natural gas by Cameroon. Moreover, there were no major internal or external shock that could considerably affect external trade in 2019, unlike in 2020 with the occurrence of the corona virus pandemic.



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