

# Doing business in cameroon

Business



The geographical coordinates of the country are 6 00 N and 12 00 E. The climate of Cameroon also depends on the physical geography of the country. The climate of the coastal region is different from that of the mountains. The two distinct climate area of this country are the northern and the southern regions. Cameroon Climate shows that the average temperature of the coastal plain ranges from 22 degree to 29 degree C. The coastal area receives 250 to 400 CM rainfall, while the inland area receives 150 to 250 CM rainfall.

The Mat. Cameroon receives 600 to 900 CM rainfall in a year. According to the climate In Cameroon the southern part has got two dry seasons from November to March and June to August. The climate of the northern part is comparatively comfortable. The temperature varies from 23 degree to 26 degree C. This central late receives 150 CM to 60 CM rainfall a year. The dry season of this region continues from October to March. 3) General literacy level and country's educational structure and finding.

Two separate systems of education were used in Cameroon after Independence: East Cameraman's system was based on the French model, West Cameraman's on the British model. At the time, the architects of independence perceived the policy as a symbol of national integration between West and East Cameroon The two systems were merged by 1976, but studies suggest that the two systems still didn't blend together shortly after the independence, French was insider the main language of the country, but with the rising of English as first commercial language In the world, the balance switched to the latter.

Christian mission schools have been an important part of the education system, but most children cannot afford them and are forced to choose state-run schools. The country has Institutions for teacher training and technical education. There is, however, a growing trend for the wealthiest and best-educated students to leave the country to study and live abroad, creating a brain drain. According to data available for 2011, 47.7 percent of girls and 56.7 percent of boys attended primary school. The low school enrolment rate was attributed to cost, with girls' participation further reduced by early marriage, sexual harassment, unwanted pregnancy, and domestic violence. A 2004 government study found there is a large gap between the capacity of the schools and the number of potential students. According to the study, preschools served only 16% of the potential student population.

Within the school system, the Northern provinces were the most underprivileged, with only 5.7% of all teachers working in the Damme, North, and Extreme North provinces combined. The study showed that elementary schools only had enough seats for 1.8 million students, although 2.9 million attended school. After these findings, the Cameroonian government launched a three-year program to construct and renovate schools, improve teacher competency, and provide instructional materials, which was apparently renewed in 2010.

Still problems are not to be considered resolved: embezzlement of education funds is considered the main problem in primary education; half of the state primary schools in the sample reported problems with their buildings (only 19% of schools have working toilets, 30% have access to a water tap, and

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barely 30% have enough tables and benches for students absenteeism of teachers and poor implementation and enforcement of rules and regulations. The educational system in Cameroon is divided into primary (six years, compulsive), middle school (five years), secondary (high school, two years), and tertiary (University).

The academic year runs from September to June, at which time, end-of-year-examinations are always written. The General Certificate of Education (ICE), both Ordinary and Advanced levels, are the two most qualifying exams in the Anglophone part of Cameroon. There are two separate secondary schooling systems, depending on whether the French or British colonial models apply. In broad terms though, the secondary phase comprises a lower (middle school) and an upper level (high school).

For the majority of young people this distinction remains academic, because their parents are unable to afford secondary school fees at all. Students who graduate from a five-year secondary school program have to sit for the ICE Ordinary Level, and those who graduate from a two year high school program have to sit for the ICE Advanced Level. So far, the ICE advanced level and the Baccalaureate (the French equivalent of academic attainment) are the two main entrance qualifications into institutions of higher learning.

After secondary school, there is the possibility of undertaking studies," courses aimed to unemployed people under the responsibility of the Ministry of employment. 5) Common areas of the economy that can attract international businesses into the country. The Cameroonian Government wants to attract investment from international corporations and individuals

to spur Cameroon's economy. The law governing investments in Cameroon is the 1990 investment code that is attractive on paper.

Its incentives are identical for foreign and domestic investors and provide 14 basic guarantees to investors, including property ownership, ability to repatriate capital and income, prior compensation in case of expropriation, freedom of movement within Cameroon and free egress for personnel.

However, the code's application has been perverted by arbitrary application in the administration and courts as well as 1994 tax changes that have annulled all the tax benefits arising from some special investment schedules.

The 1990 code is being rewritten and will be trade preferences aimed at increasing trade flows within the Central African Economic and Monetary Community (ECMA) region. General benefits of the investment code are available to all new and existing enterprises in Cameroon which process goods for export or use inputs from the local or regional markets of ECMA. In addition to these general benefits, firms may qualify for one of five special investment formulae that offer more advantages.

The five formulae are: The basic regime The small and medium-size enterprise regime The strategic enterprise regime The reinvestment regime The free zone regime The code sets out in detail the specific criteria a firm must meet to qualify for each regime as well as the benefits accorded there under. Foreign investment is not screened, and foreign equity ownership is subject to limitation only in the small and medium size enterprise regime. Programs financed jointly by international financial institutions (IF's) and the Government are open to unrestricted competition.

Cameroon is propagating some state companies which will eliminate public-sector monopolies within the next two years. Except for the aluminum sector, foreign firms may not invest directly in ventures defined as "strategic" by the Government of Cameroon, but they may provide equipment and services to the parastatals that have jurisdiction over such activity. Buyers of some privatized former state monopolies enjoy concessions that limit the entry of competitors into the sector for specified periods. The Government has revised exploration codes for the hydrocarbons and forestry sectors.

Cameroon has a special preference agreement with France, which has only recently been implemented. The convention, also applicable in the other former French colonies in Africa, accords several advantages to French companies that maintain branches or agents in Cameroon. Among the advantages are exemptions from the 15 percent special tax applicable to other enterprises operating in Cameroon and tax deductions for "technical assistance" costs. The Communitaire Financier Francine (SFA) franc is the common currency Cameroon shares with fourteen other African member states of the SFA zone.

The French treasury ensures convertibility of the SFA franc into French francs; the SFA franc is pegged to the French franc. In 1994, the exchange rate parity was reduced by 50 percent to a fixed parity of 100 SFA francs to one French franc. Since late 1993, Central African SFA bank notes are no longer accepted in the eight countries that use the currency of the West African SFA. The regional central bank (BEAOC) no longer allows the purchase of SFA notes abroad; travelers from Cameroon may carry a

maximum of only 20, 000 SFA francs (about US \$35) out of the country without prior authorization.

Travelers' checks can be drawn on any available foreign currency, but the ministry of economy and finance (MINIFIED) authorizes such purchases. No ceilings have yet been placed on how much foreign foreign exchange business transfers. These authorizations are routinely granted if they conform to the specified incentives of the investment and fiscal codes. Dividends, return of capital, interest and principal on foreign debt, lease payments, royalties and management fees, returns on liquidation, etc. , Can all be remitted abroad.

It takes an average of 12 days to obtain a foreign exchange transfer authorization. Foreign and domestic investors receive legal guarantees that substantially comply with international norms, including full and prior compensation, in the event of expropriation in the public interest. There are no confiscatory tax regimes or laws that could be considered detrimental to American or other investments. Undeveloped land is more at risk for local expropriation than developed property; Cameroon law does not require local ownership of land.

Cameroon has bilateral investment and/or commercial agreements with the following countries: Austria, Belgium, Canada, China, Denmark, France, Germany, Greece, Italy, Japan, Russia, South Korea, Spain, Switzerland, the United Kingdom, and the United States. Similar agreements also exist with other countries in Africa, Asia, Latin America, and Eastern Europe. The bilateral investment agreement between Cameroon and the United States

was ratified in 1986 and entered into force in 1989. While the original time frame for the agreement was 10 years, tacitly it was renewed. The U. S. Invoked the bit in one case in 1997 and Cameroon has ostensibly acquiesced in the case through non-implementation of legislation contrary to the treaty. Cameroon has no foreign trade zones or free ports at this time but it has an industrial free zone (IFS) regime that is applicable to all locations through " industrial park" or " single-factory" zones. This was created in 1990 to promote internationally competitive export industries. It creates conditions for the IFS investor to operate virtually outside of the restriction of the country's established legal and regulatory systems.

The only eligibility requirements to qualify for IFS status are production of goods or services at least 80 percent of which are export- bound and which do not have deleterious effects on the environment. The National Office for Industrial Free Zones (INFIX) is the non-profit regulatory body established to oversee and administer Cameroon's IFS program. The licensing process was suspended in 1996, pending an audit of past operations. Faced with possible lawsuits by enterprises previously granted free zone status, the

Government of Cameroon released the suspension for those companies only in late 1999. While awaiting the publication of the new investment charter, the actual status of the industrial free zone is unclear. Direct foreign investment (DIF) plays a key role in the Camerawoman economy. However, neither the Government nor the chamber of commerce has compiled a comprehensive list of foreign investments in Cameroon or estimated of current values. Flow data on DIF, disaggregated by country, is not available and there are no statistics on Cameroon's direct investment abroad.

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