RESTRICTED

WT/TPR/S/445

16 August 2023

(23-5551)

Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

COUNTRIES OF THE CENTRAL AFRICAN ECONOMIC AND MONETARY COMMUNITY (CEMAC)

This report, prepared for the second Trade Policy Review of the countries of the Central African Economic and Monetary Community (CEMAC) that are Members of the WTO, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from CEMAC on its trade policies and practices.

Any technical questions arising from this report may be addressed to Mr Jacques Degbelo (Tel.: 022739 5583); Mr Arne Klau (Tel.: 022 739 5706); Mr Pierre Latrille (Tel.: 022 739 5266); Mr Mukela Luanga (Tel.: 022 739 6328); Mr Michael Kolie (Tel.: 022 739 5931); Ms Alya Belkhodja (Tel.: 022 739 5162) and Ms Marie-Bel Martinez-Hommel (Tel.: 022 739 5201).

Document WT/TPR/G/445 contains the policy statement submitted by the CEMAC countries.

CONTENTS

CHARTS

TABLES

APPENDIX TABLES

SUMMARY

1. Of the six countries of the Central African Economic and Monetary Community (CEMAC), five are Members of the WTO and are covered by this report prepared for their second joint trade policy review, namely Cameroon, the Republic of the Congo, Gabon, the Central African Republic (CAR) and Chad. The sixth country, Equatorial Guinea, submitted its request for accession to the WTO in 2007 and the process is still ongoing. The six CEMAC countries form a market of 65 million people spread over an area of 3 million km^2, with vast natural resources. They do not all have the same level of economic development, but they do face several of the same challenges, including low levels of human development, food insecurity and a heavy reliance on commodities.

2. The regional economy has a very low degree of diversification and depends heavily on natural resources, including oil and timber. Oil activities attract the majority of private investment, including foreign investment, in the region, with the exception of the Central African Republic. Oil accounted for around a quarter of CEMAC's gross domestic product (GDP), some two thirds of total exports and 42% of budgetary revenues in 2019, figures which were down compared to 2012. Most of the oil production occurs in Congo (40.4%), Gabon (21.5%) and Equatorial Guinea (16.7%). With the exception of Chad, timber remains the most important export of the other countries. A lack of investment means that other natural resources are underexploited.

3. The sharp drops in oil revenues, caused by falling prices and production over the last decade, have weakened the regional economy and contributed to lower foreign-exchange reserves. The consequences of the COVID-19 health crisis and the war in Ukraine have also played a role in slowing CEMAC economic activity and fuelling inflation. However, CEMAC's trade balance has remained in surplus, oil exports continue to be substantial, and exports of timber and gold, particularly to Asia, have increased significantly. As for intra-CEMAC trade, it remains low (3.5% in 2019) due, in part, to the structure of exports, the countries' weak industrial fabric, underdeveloped transport and communication infrastructure, non-tariff barriers, and the States' failure to implement certain Community provisions.

4. The services sector accounts for close to 50% of the GDP of CEMAC, followed by the mining and energy sector (nearly 20%), the agricultural sector (around 12%) and the manufacturing sector (11%). Despite its small contribution to GDP, the agricultural sector is still significant as it employs between 29% and 69% of the labour force. Structural weaknesses persist and explain, not only the lack of sectoral integration within the economy, particularly for processing local raw materials, but also, at the regional and global levels, why the region basically only exports commodities. These weaknesses stem largely from the unfavourable business climate, and inadequate institutional framework, infrastructure, public services, financial markets and regional integration.

5. The CEMAC countries continue to submit very few notifications to the WTO of their trade policies and practices. They have never been involved in a WTO dispute, either as a complainant or as a respondent. Non-payment of contributions is a factor limiting the effective participation of some of these countries in the activities of the WTO.

6. The six CEMAC countries also belong to the Economic Community of Central African States (ECCAS), the integration process of which has stalled since it was founded in 1983. All the CEMAC countries have signed and ratified the Agreement Establishing the African Continental Free Trade Area (AfCFTA). They have also all signed the Economic Partnership Agreement (EPA) with the European Union, although to date only Cameroon has ratified it.

7. In an effort to attract more private investment, including foreign investment, the CEMAC Investment Charter seeks to create a business-friendly environment by implementing competition regulations, protecting intellectual property and developing support services. It provides for a reduction in registration fees linked to company formation, capital increases, mergers, or transfers of stocks and shares. Pursuant to the Charter, the CEMAC States undertake to grant foreign investment the same treatment as domestic investment, and to adapt domestic law and judicial policy to CEMAC's rules and provisions.

8. The common external tariff (CET) of CEMAC countries comprises 6,064 10-digit lines and five bands (0%, 5%, 10%, 20% and 30%), with an average rate of 18.3%. This relatively high average inhibits competition and, therefore, does nothing to encourage efforts to improve

competitiveness or to allocate resources efficiently. All in all, the CET, with its mixed escalation and high rates, together with economies' structural weaknesses, is not conducive to the vertical diversification of products or the integration of the countries and the region into global value chains. Moreover, the CET is subject to numerous exceptions which the countries grant unilaterally, further complicating the tariff's real structure.

9. The CEMAC countries have individually made tariff-binding commitments within the multilateral trading system which the CET does not always respect. In addition, the CET rates applied on some products are higher than the commitments undertaken by Congo, Gabon and the Central African Republic. Since the last review and as part of a renegotiation under Article XXVIII of the GATT, Gabon has significantly reduced the number of rates applied that are higher than its commitments.

10. Agriculture (as defined in ISIC, Rev. 2) remains the most protected sector (23.6%), followed by manufacturing (17.9%), and mining and quarrying (11.2%). The products with the highest levels of tariff protection include apparel (30%), coffee and tea (28.5%), beverages and tobacco (27.5%), and fruit, vegetables and plants (26.7%). Overall, the CET displays mixed escalation: negative for unprocessed to semi-finished products, and positive for semi-finished to finished products.

11. Within CEMAC, each country is free to choose its standard VAT rate from within a range of 15% to 19%. A zero rate is applicable to exports, their accessories and international transport. The VAT directive establishes a list of goods and services eligible for exemption. This includes, in particular, local products, imports of duty-free goods (in accordance with the provisions of the Customs Code), certain goods and services regarded as basic necessities, and some pharmaceutical products and medical equipment. The directive prohibits any relief or exemption measure not on this list, including in the form of incentives to start up a business or to invest. However, CEMAC member countries may levy a lower VAT rate (between 5% and 10%) on certain products.

12. A directive adopted in 2019 sets out a list of products on which excise duty may be levied. Each country is free to draw up its national list based on the directive list. However, the national list must necessarily include tobacco, alcoholic beverages and passenger vehicles.

13. Within CEMAC, with the exception of the free trade zone requirements, there are no provisions on export support and promotion. The CEMAC Customs Code grants member States the right to establish industrial or commercial free zones outside the customs regime. Goods admitted to commercial free zones shall be allowed to undergo operations necessary for their preservation, to improve their packaging or marketability, or to prepare them for transport. On the other hand, the processing operations applicable to goods in industrial free zones are covered by national legislation.

14. The CEMAC Investment Charter provides for the establishment of a standardization, metrology and certification system in each country, as well as at the Community level. At the national level, the countries are at different stages of setting up and putting into operation the national body responsible for quality or standards. Sanitary and phytosanitary (SPS) regulations are not yet harmonized within CEMAC. However, there is a CEMAC regulation on pesticide approval. The CEMAC countries lack the resources to implement their SPS provisions effectively.

15. The CEMAC countries are members of the African Intellectual Property Organization (OAPI), which provides them with the legal framework for the protection of intellectual property rights on patents, utility models, trademarks and service marks, industrial designs, trade names, geographical indications, copyright and related rights, as well as protection against unfair competition. Within CEMAC, most of the patent and trademark applications were made by residents of Cameroon.

16. Apart from a few service sectors, sectoral policies have not been harmonized within CEMAC. Thus, agricultural policies continue to be set nationally and their trade components are mainly governed by the CET, with the notable exception of sugar, imports of which are highly regulated. The sector does not have the same economic importance in all the CEMAC countries and, in general, receives very limited support. Agricultural value added as a percentage of GDP varies significantly from one country to another, from 17% in Cameroon to 50% in Chad. Agriculture employs a substantial proportion of the population in most CEMAC countries, ranging from 29% in Gabon to 69% in Chad. However, the sector accounts for only around 14% of export earnings, due to the relatively greater weight of oil exports.

17. Livestock farming remains a key sector and is one of the pillars underpinning CEMAC's efforts to accelerate economic growth and achieve the objectives set in its Regional Economic Programme (PER). The region has around 44.7 million head of cattle, 46 million head of sheep, 56 million goats, 3.5 million pigs, and 75 million head of poultry. Between 35% and 40% of the population in the north of the region (Chad, Cameroon and the Central African Republic) are involved in livestock farming activities.

18. With the exception of the Central African Republic, all the CEMAC countries are oil exporters. In 2021, subregional production (excluding Equatorial Guinea) was estimated at 35.4 million tonnes of crude. The oil industry is generally open to foreign investment. The oil sector no longer has the same weight in the economies of the region. Meanwhile, the CEMAC economic policy aims to exploit the region's energy potential and to interconnect the electricity networks in order to create a regional electricity market by 2025. Access to electricity remains limited in the CEMAC region, with rates ranging from 11% of the population in Chad to 92% in Gabon, and electricity prices are generally high.

19. The region's manufacturing sector remains underdeveloped. The industrial fabric is located mainly in Cameroon. The tariff structure and the relatively high rates are not conducive to promoting the growth of the manufacturing sector as they push up the costs of imported components/inputs and, consequently, hinder the sector's integration into global value chains. Moreover, the industries' high nominal tariff protection does not encourage them to become more competitive.

20. CEMAC is developing a horizontal approach to the liberalization of services. A directive adopted in 2021 calls on member States to simplify procedures and regulations governing service activities. In order to facilitate trade in goods and the movement of people between the countries, a CEMAC transport policy for 2035 was approved in 2017. Among the obstacles to the development of regional transport (particularly road transport) identified are the issues of infrastructure and tracasseries (petty harassments), including extortion, along the transport corridors which increase the costs of regional trade. In 2019, the countries finally abandoned the plan they had launched in 2001 for a Community airline. The telecommunications sector is largely liberalized within CEMAC. Conversely, the tourism sector is struggling to grow despite all the region's advantages in this area.

21. Forming primarily a monetary union with an issuing institution, the Bank of Central African States (BEAC), and a common currency, the franc of the Financial Community of Africa (FCA) which is pegged at par with the euro, the CEMAC countries have a common banking regulation stemming from Convention establishing the Central African Banking Commission (COBAC), which oversees compliance with the regulation. All financial activities within CEMAC are controlled by the BEAC. Since the last joint TPR, the number of banks has increased and the banking sector has grown a little faster than the real economy. However, the overall financial situation of the sector has deteriorated. The share of outstanding debts in total credits has increased, their cover rate has fallen and a significant proportion of banks are not yet fully compliant with their prudential requirements, as the transposition of the latest Basel Committee standards has not been completed.

22. With regard to the insurance services sector, its regulations emanate from the Inter African Conference on Insurance Markets (CIMA) at the continental level and the Regional Commission for Insurance Supervision at the CEMAC level. The insurance services sector remains embryonic with very low penetration rates.

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. The members of the Central African Economic and Monetary Community (CEMAC) are Cameroon, the Republic of the Congo, Gabon, Equatorial Guinea, the Central African Republic, and Chad. CEMAC's main mission is to promote peace and the harmonious development of its member States by establishing an economic union and a monetary union. CEMAC represents a market of around 65 million people spread over an area of more than 3 million km^2. Nearly half of the population (46.7%) is located in Cameroon, which is also responsible for a substantial proportion of regional GDP (28.6%) (Table 1.1). More than half of the population live in rural areas.

Table 1.1 Basic economic indicators, 2012-2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Miscellaneous										
GDP at current market prices (in billions of FCFA)[a]	51,805.3	52,071.8	53,857.0	49,004.8	47,293.8	49,882.3	53,171.7	55,143.6	51,453.5	57,970.8
GDP at current market prices (in billions of USD)[a]	101.5	105.4	109.1	82.9	79.8	85.9	95.7	94.1	89.4	104.5
Growth rate (real GDP)	7.3	1.3	4.0	1.6	-1.4	0.7	1.8	2.0	-1.8	1.7
including the oil industry	0.7	-7.1	2.9	0.0	-6.7	-5.6	1.2	2.2	-4.2	-7.2
including the non-oil industry	9.7	4.1	4.4	2.1	0.1	2.4	1.9	1.9	-1.2	3.8
The oil industry's contribution to real growth	0.2	-1.8	0.7	0.0	-1.5	-1.2	0.2	0.4	-0.8	-1.4
The non-oil industry's contribution to real growth	7.1	3.1	3.4	1.6	0.1	1.9	1.5	1.5	-1.0	3.1
Population growth rate (average)	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Inflation (consumer price, annual average, December)	3.8	2.0	3.2	2.5	1.1	0.9	2.3	2.4	2.3	1.6
Population (in millions)	47.9	49.3	50.7	52.2	53.7	55.3	56.9	58.5	60.2	62.0
GDP per capita (in USD)	2,119.1	2,138.5	2,150.7	1,588.0	1,485.4	1,553.5	1,683.6	1,607.8	1,486.0	1,687.0
Crude oil price, average (USD/barrel)	105.0	104.1	96.2	50.8	42.8	52.8	68.3	61.4	41.3	69.1
National accounts at current prices (% of GDP)[a]										
Consumption	55.6	62.9	67.4	74.5	77.9	72.0	67.1	68.8	73.4	70.8
Public (Government)	13.1	14.0	14.1	14.6	15.3	15.2	13.1	12.7	14.2	14.1
Private	42.5	48.9	53.3	59.9	62.6	56.8	53.9	56.1	59.2	56.7
Gross investments	30.3	30.4	30.9	34.1	28.5	26.4	26.2	26.3	25.2	27.0
Gross fixed capital formation	29.3	29.2	30.2	33.7	28.8	26.8	25.9	26.0	24.8	26.8
Change in inventories	1.1	1.2	0.7	0.3	-0.3	-0.4	0.3	0.2	0.4	0.3
Net exports	14.1	6.7	1.7	-8.5	-6.5	1.6	6.8	4.9	1.4	2.1
Exports of goods and non-factor services	48.2	42.1	38.6	30.9	26.7	32.6	34.2	33.1	24.5	28.5
Goods	45.4	38.8	35.4	27.4	23.1	27.7	30.0	29.3	21.2	25.0
Crude oil	33.8	29.8	27.2	19.0	14.8	16.8	21.4	20.8	13.5	17.9
Other	11.5	9.0	8.3	8.4	8.3	11.0	8.6	8.6	7.7	7.1
Non factor services	2.8	3.3	3.2	3.6	3.6	4.8	4.2	3.8	3.3	3.5
Imports of goods and non-factor services	-34.1	-35.4	-36.9	-39.5	-33.1	-30.9	-27.5	-28.2	-23.0	-26.4
Goods	-21.0	-21.8	-22.4	-25.0	-22.3	-19.0	-17.4	-17.6	-15.6	-15.9
Non factor services	-13.1	-13.5	-14.5	-14.5	-10.8	-11.9	-10.1	-10.5	-7.4	-10.5
Sectoral distribution (% of nominal GDP at factor cost)[a]										
Agriculture, livestock, hunting and fisheries	9.1	9.8	10.0	11.6	12.5	11.8	11.5	11.4	12.9	12.0
Forestry	1.0	1.1	1.2	1.6	1.6	1.7	1.6	1.6	1.8	1.8

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mining and quarrying	33.6	29.3	26.7	18.4	14.3	16.3	20.5	19.8	13.6	17.8
Manufacturing	8.0	8.0	8.2	9.9	10.9	11.0	10.4	10.6	11.3	10.9
Construction and public works	7.6	8.1	7.7	8.1	5.8	5.3	4.9	5.6	6.1	5.7
Services	36.0	38.8	41.0	46.9	51.3	49.9	47.4	47.7	51.5	48.5
Others	4.7	5.0	5.2	3.6	3.6	4.0	3.9	3.4	2.9	3.4
Public finances (% of GDP)[a]										
Total revenue	24.6	23.7	23.2	19.0	15.9	15.7	17.3	17.7	15.5	15.8
Oil revenue	16.2	14.5	12.9	7.7	5.4	5.6	7.3	7.1	5.2	5.9
Non-oil revenue	8.4	9.1	10.3	11.3	10.6	10.1	10.0	10.6	10.3	9.8
Total expenditure	25.8	25.6	27.7	26.1	23.8	20.1	18.1	18.5	18.7	17.6
Current expenditure	11.6	12.8	14.0	14.4	14.7	13.6	12.5	13.1	14.1	13.7
Capital expenditure	14.2	12.9	13.7	11.6	9.1	6.5	5.7	5.4	4.5	3.8
Budgetary balance, commitments basis, excluding grants (deficit -)	-1.2	-2.0	-4.4	-7.1	-7.8	-4.5	-0.9	-0.8	-3.1	-1.8
Budgetary balance, commitments basis, including grants (deficit -)	-0.7	-1.6	-3.8	-6.4	-7.2	-3.7	-0.2	-0.1	-2.0	-1.3
External sector (% of GDP unless otherwise indicated)										
CFAF per USD (annual average)	510.6	493.9	493.8	591.2	592.6	580.7	555.4	585.9	575.6	554.5
Real effective exchange rate (% change)[b]	-3.1	2.9	2.0	-5.9	1.7	0.5	2.8	-1.4	3.6	-0.9
Exports of goods and non-factor services	48.2	42.1	38.6	30.9	26.7	32.6	34.2	33.1	24.5	28.5
Imports of goods and non-factor services	-33.4	-34.5	-36.2	-38.5	-34.4	-28.7	-27.4	-28.2	-23.0	-26.4
Current account balance	4.6	0.1	-4.1	-11.8	-10.2	-1.3	-2.6	1.1	-0.6	-1.4
Outstanding foreign debt/GDP	12.4	14.5	19.0	22.5	26.5	30.0	30.1	32.1	36.2	34.5

a Estimated figures for 2019, 2020 and 2021.
b A minus sign indicates depreciation.

Note The CEMAC aggregates include Equatorial Guinea, a country that is not a Member of the WTO but has observer status. The CFA franc (CFAF), which is the common currency of CEMAC countries, is pegged to the euro at a rate of: EUR 1 = 655.96.

Source: Information provided by the authorities (BEAC); IMF, International Financial Statistics. Viewed at: https://www.imf.org/en/Data. World Bank, commodity markets. Viewed at: https://www.worldbank.org/en/research/commodity-markets.

1.2. Even though all CEMAC countries, with the exception of the Central African Republic and Chad, are classified as middle-income countries, per capita GDP figures mask high levels of income inequality. In economic terms, Gabon, with 3.9% of the Community's population, accounts for 19.3% of its GDP, while the Central African Republic, with 8.6% of the population, contributes only 2.5% to regional GDP.

1.3. Oil is still the main source of income for CEMAC economies, with the exception of the Central African Republic's economy. In 2019, the most recent year with available figures, regional crude-oil production was estimated to stand at 48 million tonnes, amounting to 8.5% of African production. The main producers are the Republic of the Congo (40.4%), Gabon (21.5%) and Equatorial Guinea (16.7%). Petroleum accounts for around a quarter of CEMAC's GDP, two thirds of its total exports, and around 42% of its budgetary revenues.

1.4. Agricultural value added as a percentage of GDP varies significantly from one country to another, from 17% in Cameroon to 50% in Chad. However, agriculture employs a substantial proportion of the population in most CEMAC countries, ranging from 29% in Gabon to 69% in Chad. The region's industrial sector is still in its infancy and is seemingly being spearheaded by Cameroon. The services sector contributes to the formation of more than 40% of GDP.

1.5. The heterogeneous nature of CEMAC's economies is also apparent when viewed through the prism of human development. According to the human development index (HDI), in 2021, Gabon had a high level of human development, coming 112th out of 189 countries or territories. Cameroon and Congo were classified as average, ranking 151st and 153rd, respectively. The Central African

Republic and Chad, which were deemed to have a low level of human development, were ranked 188th and 190th, respectively.

1.6. Poverty is still a major problem in the subregion. Around 45% of CEMAC's population is undernourished and 10% of this group are facing extreme food deficits.[1] Economic growth during the review period was nowhere near enough to have a sustained impact on poverty and development indicators. In addition, the population growth rate is still very high in the subregion, standing at almost 3% per year.

1.7. The region's weak economic structures mainly stem from the following factors: a poor business climate; weak governance and high levels of corruption; poor infrastructure and utilities; weak financial-market development and financial inclusion; and limited regional integration.[2]

1.8. The CEMAC countries pursue common monetary and foreign exchange policies within the framework of the Central African Monetary Union (UMAC). As members of the franc zone, since 1972 they have maintained a monetary cooperation agreement with France. The Bank of Central African States (BEAC) is the issuing institution for the common currency, the CFA (Financial Cooperation in Central Africa) franc. It is responsible for defining and conducting monetary policy, conducting foreign exchange policy, holding and managing official foreign exchange reserves, and promoting the smooth functioning of the payment and settlement systems. Where monetary policy is concerned, its objective is to guarantee monetary stability through a low inflation rate and adequate coverage for the currency. For this purpose, it uses two types of instruments: refinancing policy and a policy of imposing reserve requirements.

1.9. Under the common foreign exchange regulations, movements of capital in CFA francs between member States are free. The other countries of the franc zone are treated on the same footing as the CEMAC countries, except for transactions relating to gold, some loans, borrowings and direct investments, and foreign securities, together with export operations and the repatriation of the earnings. For movements of capital outside of the franc zone, administrative controls are applied to some lending and borrowing operations and to transactions involving foreign securities with a value of more than CFAF 10 million, for which a preliminary declaration must be made to the Ministry responsible for finance.

1.2 Recent economic developments

1.10. The subregion was hit hard by the fall in petroleum prices between 2013 and 2016. The sharp and protracted fall in oil prices, from USD 120 per barrel in 2014 to USD 40 in May 2016, was a major economic blow for CEMAC, with a huge negative impact on growth, state revenues, public spending and trade balances. As a result, GDP per capita in the region fell from more than USD 2,000 in 2012 to less than USD 1,500 in 2016. In 2017, the IMF entered into financial support arrangements with four of the six countries in the zone (Gabon, Chad, Cameroon and the Central African Republic)[3] in return for reforms.

1.11. The funding from the IMF, and the recovery in oil prices from 2017, boosted foreign exchange reserves. At the same time, the improved economic climate in 2018 and the regional strategy adopted in 2017 helped to stabilize the region's economic situation through a huge range of measures, from fiscal consolidation to monetary tightening and international financial support.[4] Its international investment position improved and foreign exchange reserves increased. Inflation remained low during the review period, standing at around 2%.

1.12. Despite the economy recovering since 2018, non-oil growth has still been too weak to create enough jobs and generate enough income for its young and fast-growing population. Little progress has been made around diversifying the economy, with lower-than-forecasted non-oil budgetary revenues. The pandemic and a further fall in petroleum prices have also resulted in weaker economic recovery since 2020.

[1] FAOSTAT.
[2] IMF (2019b), World Bank (2018).
[3] IMF. Viewed at: https://www.imf.org/en/Blogs/Articles/2017/08/01/a-common-cause-for-sustainable-growth-and-stability-in-central-africa.
[4] IMF (2019).

1.13. CEMAC's reserves have plummeted since 2012 and are still far below levels generally viewed as adequate for precautionary purposes.

1.14. The most notable balance-of-payment development was the large current account deficit in 2015 and 2016, mainly caused by low petroleum prices and the resulting decline in exports (Table 1.2). Imports peaked in 2014, standing at over USD 25.5 billion, before falling to under USD 13.6 billion in 2020. The services deficit fluctuated between USD 5.2 billion and USD 12.4 billion during the review period.

Table 1.2 Balance of payments, 2012-2021

(in CFAF)

	2012	2013	2014	2015[a]	2016[a]	2017[a]	2018[a]	2019[a]	2020[a]	2021[a]
Current account balance (including official transfers)	4,694	99	-4,509	-9,820	-8,151	-1,088	-2,477	1,073	-571	-1,416
Foreign trade balance (goods)	25,438	18,918	13,381	1,858	1,898	8,362	11,523	12,523	6,155	10,008
Exports, f.o.b.	46,031	40,952	38,937	22,550	18,949	23,073	29,529	27,792	19,736	26,486
Imports, f.o.b.	-20,593	-22,033	-25,556	-20,692	-17,051	-14,711	-18,006	-15,269	-13,581	-16,478
Services balance	-10,481	-10,934	-12,443	-9,694	-6,544	-5,458	-8,584	-7,526	-5,202	-8,670
Income balance	-10,362	-7,706	-5,386	-2,327	-3,120	-4,410	-5,354	-4,626	-2,330	-3,459
Current transfers balance	100	-180	-61	343	-384	419	-62	702	806	705
including: public (net)	325	76	71	172	72	601	-351	356	457	396
private (net)	-225	-255	-133	171	-456	-182	288	347	349	309
Capital and financial account	-366	1,745	5,666	4,139	2,621	1,075	3,330	-592	615	-1,709
Capital account	480	305	492	444	189	283	458	435	410	429
Financial account	-847	1,440	5,175	3,695	2,432	791	2,871	-1,027	204	-2,138
Direct investment (net)	3,833	4,516	7,192	5,471	4,473	899	3,541	-1,535	-1,359	564
Portfolio investments (net)	-10	824	-6	885	98	459	611	285	131	226
Other investments (net)	-4,669	-3,900	-2,011	-2,661	-2,140	-567	-1,281	223	1,432	-2,928
Errors and omissions	-3,128	-2,191	-1,905	672	-515	-564	-98	-204	-1,478	2,112
Overall balance	1,200	-347	-748	-5,010	-6,045	-577	754	276	-1,435	-1,013
Financing	-1,200	347	748	5,010	6,045	577	-754	-276	1,435	1,013
Changes in off. reserves (decrease +)	-1,217	200	554	3,674	5,559	222	-1,178	-577	1,149	846
Exceptional financing	17	147	194	1,336	487	355	424	301	286	167
Changes in foreign arrears (decrease -)	-105	73	17	-6	399	3	182	125	-78	-256
Debt reorganization	118	74	160	1,340	88	344	242	176	363	423
Other	4	1	17	2	0	9	0	0	0	0

a Estimate.

Note: The CEMAC aggregates include Equatorial Guinea, a country that is not a Member of the WTO but has observer status.

Source: Information compiled by the WTO Secretariat, based on annual reports (2019-21) published by the BEAC; and information provided by the authorities.

1.3 Developments in trade and investment

1.3.1 Trends and patterns in merchandise and services trade

1.15. International trade plays a major role in all CEMAC countries. However, little progress has been made around diversifying their economies. With the exception of Cameroon, oil is the main export of the other producing countries, with its share of total exports running up to 88% in Chad (Table A1.1). Timber is the Community's second largest export product and, apart from Chad, the other four countries derive substantial export earnings from it. Other exports include metals (aluminium, gold and manganese), diamonds, and cotton (country annexes).

1.16. Focussing on the destination of CEMAC exports, there was sustained growth towards the Asian market, most notably to China and India, while the share of merchandise and services exported to America and Europe fell between 2012 and 2018 (Table A1.2). Overall, exports to Africa are still low. Imports are dominated by manufactured goods and come mainly from Europe, Africa and Asia (Tables A1.3 and A1.4).

1.17. Intra-Community trade is still modest. Trade between CEMAC's six countries accounts for only 3.5% of the total transactions recorded in the subregion. However, the official statistics do not reflect informal trade, which is highly prevalent in border areas. This low level of intra-Community trade is partly attributable to the nature of the exports (mainly raw materials), the weak industrial base in the countries, and the poor transportation and communications infrastructure. Numerous non-tariff barriers and a failure to apply certain Community provisions are other major barriers to trade.

1.18. International services trade is dominated by imports, mainly oriented towards the petroleum and mining sectors (country annexes). CEMAC is a net importer of services.

1.3.2 Trends and patterns in FDI

1.19. Foreign investment in the region is still heavily concentrated in mining, particularly petroleum, and has remained low in other sectors. A relatively unappealing business climate, including recurrent political instability, is partly to blame for this situation.

1.20. Outward investment flows are still very low. However, at an intra-Community level, there has been some investment by Cameroonian operators in the other countries.

1.4 Outlook

1.21. In the medium term, the economic and financial situation is still expected to improve gradually. For the years 2023 and 2024, the IMF is forecasting growth rates of 3.3% and 2.9% and inflation rates of 4.9% and 4.0%.[5]

1.22. Downside risks include, in particular, the implementation of reform programmes potentially being undermined and a deteriorating security situation, which are offset by favourable factors, including rising petroleum prices and stricter enforcement of foreign exchange regulations having a more significant impact on reserves.

[5] IMF, Regional Economic Outlook, Sub-Saharan Africa, April 2023.

2 TRADE AND INVESTMENT REGIMES

2.1 CEMAC

2.1.1 CEMAC's organizational and institutional framework

2.1. The Central African Economic and Monetary Community (CEMAC) is an organization of Central African States created in 1994 by Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea, and Chad to promote economic integration. CEMAC actually started its activities in June 1999. It notified the WTO on 21 July 1999 under the Enabling Clause. From the outset, emphasis was placed on promoting intra-community trade and industrial cooperation. Consequently, the countries adopted elements of its common trade policy, including provisions on a common external tariff (CET), rules of origin, and a single tax on products of community origin. The Treaty establishing CEMAC was revised in 2008.[6]

2.2. CEMAC has set up five institutions and several bodies. The institutions include: the Central African Economic Union (CAEU), the Central African Monetary Union (CAMU), the Community Parliament, the Court of Justice, and the Court of Auditors. Each of these institutions is governed by a convention. CEMAC's main decision-making bodies are the Conference of CEMAC Heads of State, the CAEU Council of Ministers (Council of Ministers); the CAMU Ministerial Committee (Ministerial Committee); the CEMAC Commission; the Bank of Central African States (BEAC); the Development Bank of Central African States (BDEAC); and the Central African Banking Commission (COBAC). Table 2.1 shows the various bodies and specialized agencies of CEMAC.

Table 2.1 CEMAC specialized bodies and institutions

Name	Acronym	Location	Website
Community Parliament	PC	Malabo	http://www.parlement-cemac.org
Community Court of Justice	CJC	N'Djamena	https://www.cemac.int/cour_justice
Court of Auditors	CC	N'Djamena	
CEMAC Commission	C-CEMAC	Bangui	www.cemac.int
Bank of Central African States	BEAC	Yaoundé	www.beac.int
Development Bank of Central African States	BDEAC	Brazzaville	www.bdeac.int
Central African Banking Commission	COBAC	Libreville	www.sgcobac.org
Central African Financial Market Supervisory Commission	COSUMAF	Libreville	www.cosumaf.org
Specialized institutions			
CEMAC School of Hotel Management and Tourism	EHT	Ngaoundere	http://eht.cemac.int
of Central Africa Pesticides Committee	CPAC	Yaoundé	http://cpac.cemac.int
International Commission of the Congo-Ubangi-Sangha Basin	CICOS	Kinshasa	www.cicos.int
Organization for the Coordination of the Fight against Endemic Diseases in Central Africa	OCEAC	Yaoundé	http://oceac.cemac.int
Inter-State Customs School	EIED	Bangui	http://eied.cemac.int
Central African Police Chiefs Committee - INTERPOL	CCPAC	Yaoundé	http://ccpac.cemac.int
Economic Commission on Cattle, Meat and Fish Resources	CEBEVIRHA	Ndjamena	http://cebevirha.cemac.int
CEMAC pink card	Pink Card	Bangui	http://carterose.cemac.int
Regional Centre of Applied Research for the Development of Agricultural Systems in Central Africa	PRASAC	Ndjamena	http://prasac.cemac.int
Multisectoral Subregional Institute of Applied Technology, Project Planning and Evaluation	ISTA	Libreville	http://ista.cemac.int
Subregional Institute of Statistics and Applied Economics	ISSEA	Yaoundé	http://issea.cemac.int

[6] Viewed at: https://cemac.int/institutions-organes/.

Name	Acronym	Location	Website
Institute of Economics and Finance - Regional Hub	IEF - Regional Hub	Libreville	http://ief.cemac.int
Agency for the Supervision of Aviation Safety in Central Africa	ASSA-AC	N'Djamena	http://assa-ac.cemac.int
Inter-State Centre for Higher Education in Public Health in Central Africa	CIESPAC	Brazzaville	https://www.ciespac.org/
Central African Action Group against Money Laundering	GABAC	Libreville	https://gabac.org/

Source: CEMAC. Viewed at: http://www.cemac.int/institutions_organes.

2.3. The objectives of the CAEU are: (1) to harmonize rules that help to improve the business environment; (2) to ensure convergence through the coordination of economic policies; (3) to create a common market based on the free movement of goods, services, capital and persons; and (4) to establish coordination of national sectoral policies.

2.4. The Community Parliament is responsible for democratic oversight of the bodies and institutions involved in the Community's decision-making process.[7] It consists of 30 members, five from each State. Members are elected by direct universal suffrage under the conditions laid down by each State. The Parliament was set up in April 2010 at its headquarters in Malabo, Equatorial Guinea.

2.5. The Court of Justice is responsible for ensuring observance of the law in the implementation of the CEMAC Treaty and the various conventions, while the Court of Auditors controls the institutions' budgets and accounts.[8]

2.6. CAMU is based on a common currency, the CFA franc, and a common central bank, the BEAC (Section 1.1).[9] It operates under the supervision of the Ministerial Committee. In addition to ensuring financial stability, it is involved in multilateral surveillance, including coordinating economic policies and bringing national budgetary policies into line with the common monetary policy.

2.7. A CEMAC macroeconomic surveillance system has been in place since 2000. It is based mainly on four convergence criteria: a positive or zero underlying budget balance-to-GDP ratio; an annual inflation rate of less than 3%; a public debt ratio less than or equal to 70% of GDP; and the non-accumulation of arrears on current management. Should these criteria not be met, the Council of Ministers may call on the country concerned to implement an appropriate adjustment programme. However, the powers to impose sanctions are limited. The Council of Ministers can issue a communiqué accompanied by information on the situation in the country or publicly announce the withdrawal of any support that the country might be receiving. To date, the sanctions system has never been applied.

2.8. The harmonization and control of banking activities is the responsibility of the Central African Banking Commission (COBAC). In carrying out its work, CAMU also relies on other specialized institutions, including the Central African Financial Market Supervisory Commission (COSUMAF), and the Central African Action Group against Money Laundering (GABAC) (Section 4.4.4)

2.2 CEMAC in practice

2.9. The CEMAC vision is structured around the Regional Economic Programme (PER), the objective of which is to make CEMAC "an emerging integrated economic area, where security, solidarity and good governance reign", by 2025. The PER governs economic development as a whole and presents an emergence agenda (2010-25) in three five-year phases for the achievement of Vision 2025. It can be broken down into 5 themes, 12 strategic objectives, 29 programmes and 86 projects.

2.10. In principle, according to the CEMAC Customs Code, goods in transit benefit from the suspension of duties, taxes, prohibitions and other economic, fiscal or customs measures that may

[7] Convention governing the Community Parliament, 25 June 2008.
[8] Convention governing the Community Court of Justice, 30 January 2009.
[9] Convention governing the Central African Monetary Union (CAMU), 25 June 2008. Viewed at: https://www.beac.int/wp-content/uploads/2016/11/ConvUMAC-rev.pdf.

apply. Counterfeit publications and goods "bearing directly, or on their packaging, marks of a nature such as to lead a person to believe that they were manufactured or originated in a member State or in a State with which a relevant agreement has been signed" are banned from transit (Articles 156 and 157 of the Customs Code). Goods in transit must be declared and must be covered by a bond valid in all the States. Where non-prohibited goods are concerned, instead of a bond it is possible to deposit the duties and taxes, which are refunded on presentation of a certificate of discharge, issued by the consular authorities of the member States or by the customs authority in the country of destination.

2.11. The Customs Code distinguishes between ordinary transit, which is available to all users, and international transit, which is reserved for certain approved carriers. For ordinary transit, a detailed declaration must be filed and the goods must be examined under the same conditions as in the case of goods declared for home use. Subject to sealing formalities, a summary declaration may be file for goods shipped in containers. The operator must carry out the transit operation under the conditions laid down by the customs authorities, in particular as regards security, time limits and routes.

2.12. The Land Freight Management Bureau (BGFT) is responsible for managing transit, in cooperation with the corresponding administrations in the Central African Republic and Chad. The company providing the transport may have foreign capital, but must be approved by CEMAC through the ministry responsible for transport.

2.13. At the customs union level, a common external tariff has been adopted but is subject to numerous exceptions which the countries have granted unilaterally (Section 3.13. and country annexes). Generally, non-tariff barriers are not harmonized.

2.14. Under the Community transit regime, any operation declared under the Community transit procedure must be covered by a guarantee valid for all member States.[10] The guarantee must cover the whole of the debt that could be incurred if the goods were released for consumption in the country of departure. The guarantee may consist of a cash deposit left with the customs office of the place of departure or a bond. The bond must be taken out in the country in which the guarantee is provided and approved by its customs authorities.

2.15. The regulations also provide for simplified transit formalities for operators who regularly use those procedures. This includes the possibility of providing an international guarantee, being exempted from the guarantee requirements, or being granted the status of an authorized consignor or consignee. However, these measures are only available to operators established in one of the member States of the Community, provided that they have not committed any serious or repeated breaches of the customs or tax legislation. An international guarantee is granted by the customs authorities of the State in which the operator is established. It can be used within the limits of a reference amount, estimated as the debt that could be incurred by the operator's Community transit operations in the course of one month. Depending on their status, the operator's guarantee may be reduced or even waived.

2.16. The status of authorized consignor or consignee is granted by the CEMAC Commission following a proposal by the customs authorities of the country of establishment. The status of authorized consignor allows the operator to transport their goods in the Community transit system without having to make a transit declaration or to produce the goods at the customs office of the place of departure. This status is only granted to operators with an international guarantee or for whom the guarantee requirement has been waived, and is only valid for operations starting in the country where the authorization is granted. The status of authorized consignee allows the holder to receive goods in Community transit without having to produce them at the customs office of the place of destination. However, they are required to inform the office of the arrival of the goods and to await its authorization before proceeding to unload them. It applies only in the State in which the authorization is granted.

2.17. A Transit Committee, composed of two representatives per member State, together with experts from the CEMAC Commission, is responsible for overseeing the correct application of the

[10] Regulation No. 07/10-UEAC-205-CM-21 of 28 October 2010 adopting the regulations on the Community transit regime and the single guarantee mechanism.

new transit regulations, making recommendations and issuing technical opinions on transit procedures and security.[11]

2.18. The CEMAC Transport-Transit Facilitation Project aims to facilitate regional trade among the member States and improve the access of the Central African Republic, the Republic of Cameroon and the Republic of Chad to global markets: (1) by helping to implement the CEMAC Customs Union; and (2) by reducing physical and non-physical barriers along the Douala-N'Djamena and Douala-Bangui corridors (Section 4.4.2).

2.19. International trade is, however, still seriously hampered by the excessive taxation of imports and the consequent smuggling. Goods traded within CEMAC are still taxed at every border crossing and customs post, regardless of the administrative procedure (including duty-free entry). The transit procedures are expensive, do not work well and are not accessible to all operators. This is driving a large proportion of inter-State trade into the hands of informal traders or bootleggers, as evidenced by the low level of declared trade (Section 1.3.1).

2.20. "Petty" harassments or *"tracasseries"*, a form of corruption consisting of many small payments to officials without cause or receipt[12], are widespread in the CEMAC region and are a significant factor in regional trade costs.[13] For example, for a 20-tonne truck making the journey from Abang-Minko (Cameroon) to Libreville (Gabon), 44 different checkpoints were counted, causing a total delay of more than 15 hours and a total average cost of CFAF 1,980,000.[14] Women agricultural producers and traders are disproportionately affected by trade barriers.

2.21. Since 2013, CEMAC has made substantial progress in the area of free movement of persons. In June 2013, the Conference of Heads of State adopted an Act abolishing visas for all CEMAC nationals circulating within the community area.[15] The Act guarantees free movement within the Community for stays of less than three months. In October 2017, Equatorial Guinea, Gabon, Congo and the Central African Republic finally ratified the abolition of visas for CEMAC nationals.

2.3 Trade agreements and arrangements

2.3.1 WTO

2.22. With the exception of Equatorial Guinea, all the CEMAC countries are former Contracting Parties to the GATT 1947. However, they joined the WTO at different times: Cameroon, Gabon and the Central African Republic acceded in 1995, Chad in 1996, and Congo in 1997. Equatorial Guinea applied for accession in February 2007 and has observer status.[16]

2.23. All CEMAC countries grant at least MFN treatment to all their trading partners. They are not parties to any of the plurilateral agreements concluded under the aegis of the WTO.

2.24. The CEMAC countries have never been involved in a WTO dispute as a complainant or respondent.

2.25. Generally speaking, the CEMAC countries continue to submit very few notifications of their trade policies and practices. The notifications made between January 2013 and March 2020 are listed in Table 2.3.

Table 2.2 Status of submissions of customs tariffs and foreign trade statistics, 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Customs tariffs										
Cameroon	Yes	Yes	No	No	No	No	Yes	No	No	No

[11] Regulation No. 09/10-UEAC-205-CM-21 of 28 October 2010 establishing a Transit Committee.
[12] These include to the police, army, *gendarmerie*, weighbridge officials, and road traffic officers.
[13] World Bank (2018). World Bank field investigations found a universal perception along the corridors that, regardless of whether all the paperwork is in order, payments are still required.
[14] World Bank (2018).
[15] Additional Act No. 01/13/CEMAC-070 U-CCE-SE of 25 June 2013.
[16] The WTO General Council set up a working party to examine Equatorial Guinea's application in February 2008. At the time of writing this report, Equatorial Guinea had submitted a memorandum on its foreign trade regime in December 2022, and the working party had not yet met.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Congo	Yes	Yes	Yes	No	No	No	No	No	No	No
Gabon	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Central African Republic	Yes	No	Yes	Yes	No	No	No	No	No	No
Chad	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Imports										
Cameroon	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Congo	No	No	No	No	No	No	No	No	No	No
Gabon	No	Yes	Yes	Yes	Yes	No	No	No	No	No
Central African Republic	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	No
Chad	Yes	Yes	Yes	Yes	No	No	No	No	No	No

Note: "No" means there was no submission.

Source: WTO Integrated Database (IDB) and UN Comtrade Database.

2.26. Regarding foreign trade statistics, data for the period between 2013 and 2018 are available for Cameroon and the Central African Republic (Table 2.2). For Congo, these data are available for all years except 2015 and 2016. No information is available for Gabon and Chad. The MFN customs tariffs statistics are also incomplete, with the most recent data being those for 2018 (Cameroon and Central African Republic). No data have been communicated concerning Chad since 2014.

Table 2.3 Notifications made to the WTO by CEMAC member countries, 2013-April 2023

Agreement and provision	Country/entity	Reference	Date
Agreement on Agriculture			
Article 18.2 - No domestic support provided	Cameroon	G/AG/N/CMR/11 G/AG/N/CMR/9 G/AG/N/CMR/8 G/AG/N/CMR/5 G/AG/N/CMR/3	23 October 2019 21 February 2018 31 May 2016 20 April 2015 13 August 2014
Article 18.2 - No domestic support provided	Congo	G/AG/N/COG/5-9 G/AG/N/COG/3-4 G/AG/N/COG/1	4 January 2021 6 January 2016 24 April 2014
Article 18.2 - No domestic support provided	Gabon	G/AG/N/GAB/7 G/AG/N/GAB/5	23 March 2017 29 April 2013
Article 18.2 - Domestic support provided	Chad	G/AG/N/TCD/2	21 September 2015
Article 18.2 - No export subsidies provided	Cameroon	G/AG/N/CMR/12 G/AG/N/CMR/10 G/AG/N/CMR/7 G/AG/N/CMR/6 G/AG/N/CMR/4	23 October 2019 21 February 2018 31 May 2016 20 April 2015 13 August 2014
Article 18.2 - No export subsidies provided	Congo	G/AG/N/COG/10-13 G/AG/N/COG/4 G/AG/N/COG/2	4 January 2022 6 January 2016 25 April 2014
Article 18.2- No export subsidies provided	Gabon	G/AG/N/GAB/8 G/AG/N/GAB/6	23 March 2017 28 April 2013
Article 18.2 - No export subsidies provided	Chad	G/AG/N/TCD/3 G/AG/N/TCD/1	10 April 2017 20 May 2015
Agreement on Implementation of Article VI of the GATT 1994			
Articles 16.4 and 16.5 - Notification	Cameroon	G/ADP/N/193/CMR	18 July 2013
Articles 18.5, 32.6 and 12.6 - Laws and regulations	Cameroon	G/ADP/N/1/CMR/2 G/SCM/N/1/CMR/2 G/SG/N/1/CMR/2	18 February 2022
Articles 18.5, 32.6 and 12.6 - Laws and regulations	Cameroon	G/ADP/N/1/CMR/2/Suppl.1 G/SCM/N/1/CMR/2/Suppl.1 G/SG/N/1/CMR/2/Suppl.1	23 February 2022
Articles 18.5, 32.6 and 12.6 - Laws and regulations	Cameroon	G/ADP/N/1/CMR/2/Suppl.2 G/SCM/N/1/CMR/2/Suppl.2 G/SG/N/1/CMR/2/Suppl.2	24 February 2022
Articles 18.5, 32.6 and 12.6 - Laws and regulations	Congo	G/ADP/N/1/COG/1 G/SCM/N/1/COG/1 G/SG/N/1/COG/1	6 May 2014
Agreement on Import Licensing Procedures			

Agreement and provision	Country/entity	Reference	Date
Article 7.3 - Regulations	Cameroon	G/LIC/N/3/CMR/7 G/LIC/N/3/CMR/6 G/LIC/N/3/CMR/5 G/LIC/N/3/CMR/4	10 April 2017 31 May 2016 24 September 2015 29 November 2013
Article 7.3 - Regulations	Gabon	G/LIC/N/3/GAB/1	10 April 2017
Articles 5 and 7.3 - Regulations and procedures	Chad	G/LIC/N/2/TCD/1 G/LIC/N/3/TCD/3	3 October 2013
Articles 1.4 (a) and 8.2 (b) - Regulations	Cameroon	G/LIC/N/1/CMR/2 G/LIC/N/1/CMR/3	29 November 2013 3 March 2015
Articles 1.4 (a) and 8.2 (b) - Regulations	Gabon	G/LIC/N/1/GAB/3	4 June 2013
Replies to Questionnaire	Cameroon	G/LIC/N/3/CMR/8	1 October 2019
Agreement on Preshipment Inspection			
Article 5 - Laws and regulations	Congo	G/PSI/N/1/Rev.2	9 October 2014
Article 5 - Laws and regulations	Central African Republic	G/PSI/N/1/Rev.4/Add.5	14 January 2021
Agreement on Subsidies and Countervailing Measures			
Article XVI:1 and Article 25.2 - No subsidies	Cameroon	G/SCM/N/25/CMR, G/SCM/N/38/CMR, G/SCM/N/48/CMR, G/SCM/N/60/CMR, G/SCM/N/71/CMR	10 July 2013
Article XVI:1 and Article 25.2 - No subsidies	Cameroon	G/SCM/N/95/CMR, G/SCM/N/123/CMR, G/SCM/N/155/CMR, G/SCM/N/186/CMR, G/SCM/N/220/CMR, G/SCM/N/253/CMR	10 July 2013
Article XVI:1 and Article 25.2 - No subsidies	Congo	G/SCM/N/95/COG, G/SCM/N/123/COG, G/SCM/N/155/COG, G/SCM/N/186/COG, G/SCM/N/220/COG, G/SCM/N/253/COG	6 May 2014
Article XVI:1 and Article 25.2 - No subsidies	Congo	G/SCM/N/25/COG, G/SCM/N/38/COG, G/SCM/N/48/COG, G/SCM/N/60/COG, G/SCM/N/71/COG	7 May 2014
Article XVI:1 and Article 25.2 - No subsidies	Congo	G/SCM/N/284/COG	15 January 2016
Article XVI:1 and Article 25.2 - No subsidies	Gabon	G/SCM/N/284/GAB G/SCM/N/315/GAB	6 April 2017
Article XVI:1 and Article 25.2 - No subsidies	Gabon	G/SCM/N/220/GAB G/SCM/N/253/GAB	29 April 2013
Articles 25.11 and 25.12 - No actions (countervailing duties)	Cameroon	G/SCM/N/202/CMR	18 July 2013
Articles 25.11 and 25.12 - No actions (countervailing duties)	Congo	G/SCM/N/202/COG	13 August 2013
Articles 25.11 and 25.12 - No actions (countervailing duties)	Gabon	G/SCM/N/202/GAB	29 March 2017

Agreement and provision	Country/entity	Reference	Date
Agreement on Technical Barriers to Trade			
Article 10.6 - Regulations on the production, importation, marketing and use of plastic sacks, bags and film	Congo	G/TBT/N/COG/1	16 September 2013
Article 10.6 - Elimination of the cement price approval system and market liberalization	Congo	G/TBT/N/COG/2	16 September 2013
Article 10.6 - Child welfare	Congo	G/TBT/N/COG/3	16 September 2013
Article 10.6 - Protect health and safety, and guarantee quality and national security	Gabon	G/TBT/N/GAB/1	25 June 2015
Article 10.6 - Conditions for the application of conformity assessment	Gabon	G/TBT/N/GAB/2	25 June 2015
Notification under paragraph C of the Code of Good Practice	Gabon	G/TBT/CS/N/188	4 April 2017
Article 10.6 - Contract for the provision of conformity assessment services	Central African Republic	G/TBT/N/CAF/11	8 January 2021
Agreement on the Application of Sanitary and Phytosanitary Measures			
Notification - Ban on the importation of poultry and poultry products	Central African Republic	G/SPS/N/CAF/3	15 March 2016
Notification - Ban on the marketing of spoilt or toxic food	Central African Republic	G/SPS/N/CAF/2	29 July 2015
Notification - Control of live animals and products of animal origin	Central African Republic	G/SPS/N/CAF/1	13 July 2015
Agreement on Rules of Origin			
Article 5 and paragraph 4 of Annex II - non-preferential and preferential rules of origin	Cameroon	G/RO/N/99	18 September 2013
Article 5 and paragraph 4 of Annex II - non-preferential and preferential rules of origin	Congo	G/RO/N/118	18 September 2014
Regional trade agreements			
United Kingdom and Cameroon Agreement	Cameroon	WT/REG418/N/1	7 January 2021
United Kingdom and Cameroon Agreement	Cameroon	WT/REG418/N/1/Add.1	30 April 2021
Trade-Related Aspects of Intellectual Property Rights			
Contact point (Article 69)	Congo	IP/N/3/COG/1	26 May 2014
Responses to questions concerning civil and administrative procedures and remedies	Gabon	IP/N/6/GAB/1	3 October 2017
Article 63.2 - Laws and regulations	Central African Republic	IP/N/1/CAF/1-3	11 May 2021
General Agreement on Trade in Services			
Articles III:4 and IV:2 (contact point)	Cameroon	S/ENQ/78/Rev.16	22 April 2016
Articles III:4 and IV:2 (contact point)	Congo	S/ENQ/78/Rev.15	4 February 2015
Articles III:4 and IV:2 (contact point)	Gabon	S/ENQ/78/Rev.17	7 June 2018
Article III:3 - Government Procurement Code	Gabon	S/C/N/887	13 April 2017
Article III: 3 - Business incubators and industrial estates	Gabon	S/C/N/886	29 March 2017
Article III:3 - SME/SMI promotion policy	Gabon	S/C/N/885	29 March 2017
Article III: 3 - Application of Law No. 005/2000 of 12 October 2000	Gabon	S/C/N/884	29 March 2017
Article III:3 - Mining Code	Gabon	S/C/N/883	29 March 2017
Article III:3 - Timber marketing procedures	Gabon	S/C/N/882	29 March 2017
Article III:3 - Regulations for the marketing of undressed timber for export	Gabon	S/C/N/881	29 March 2017
Article III:3 - Forestry Code	Gabon	S/C/N/880	29 March 2017

Agreement and provision	Country/entity	Reference	Date
Article III:3 - Creation of the Postal and Electronic Communications Regulatory Agency	Gabon	S/C/N/879	29 March 2017
Article III:3 - Regulation of the telecommunications sector	Gabon	S/C/N/878	29 March 2017
Article III:3 - Reorganization of the postal and telecommunications sector	Gabon	S/C/N/877	28 March 2017
Article III:3 - Commercial Code	Central African Republic	S/C/N/915	19 June 2018
Agreement on Trade Facilitation			
Notification - Category A, B and C	Cameroon	WT/PCTF/N/CMR/1	27 May 2016
Notification - Category A	Congo	WT/PCTF/N/COG/1	6 August 2014
Measures	Congo	G/TFA/N/COG/2	5 October 2022
Notification - Categories A and C	Gabon	WT/PCTF/N/GAB/1	17 December 2014
Notification - Category A, B and C	Central African Republic	G/TFA/N/CAF/1/Add.3 G/TFA/N/CAF/1/Add.2 G/TFA/N/CAF/1/Add.1 G/TFA/N/CAF/1	8 July 2022 20 December 2019 4 June 2019 26 July 2018
Notification - Categories A, B and C	Chad	WT/PCTF/N/TCD/1/Add.2 WT/PCTF/N/TCD/1/Add.1 WT/PCTF/N/TCD/1	11 August 2022 24 February 2021 19 February 2020 18 November 2016
Measures	Central African Republic	G/TFA/N/CAF/2	4 March 2020
Notification - Contact point	Central African Republic	G/TFA/N/CAF/3	5 July 2022
Notification - Contact point	Chad	G/TFA/N/TCD/2	24 February 2021

Source: WTO, Central Registry of Notifications.

2.27. In the area of trade negotiations, the five CEMAC countries that are Members of the WTO collectively belong to the following groups: the African, Caribbean and Pacific countries (ACP), the African Group, the G-90, and the W52 sponsors. In principle, they coordinate their positions with those of the other countries that are members of these groups. Depending on their trade interests, the CEMAC countries also associate themselves with other groups. As such, Cameroon and Congo are among the paragraph 6 countries[17]; Congo is part of the G-33[18]; Chad and the Central African Republic belong to the least-developed country (LDC) group; and Chad to the Cotton-4 countries (C-4) Group. The CEMAC members have not yet established a framework for the coordination of their positions in the WTO. The five CEMAC countries that are Members of the WTO each have a mission in Geneva.

2.28. CEMAC has observer status with the WTO Committee on Trade and Development. However, it is not represented in Geneva, making it difficult for it to participate effectively in the activities of this Committee.

2.29. Administrative measures linked to the non-payment of contributions have also limited the effective participation of some of the CEMAC countries in the activities of the WTO. As at 10 July 2023, the Central African Republic and Chad were in Category III while Congo was in Category I. As at that date, Cameroon and Gabon were not subject to administrative measures resulting from the accumulation of outstanding contributions.[19]

2.30. All CEMAC countries which are Members of the WTO participated in the Tenth WTO Ministerial Conference in Nairobi in 2015, and in the Twelfth WTO Ministerial Conference in Geneva in 2022. Cameroon and Chad participated in the Eleventh WTO Ministerial Conference in Buenos Aires in 2017. The statements of these delegations at the plenary session reflected common as well as individual concerns. Thus, they recalled the importance of the Doha Round, lamented the slow pace

[17] A group of 12 WTO Members with less than 35% of non-agricultural products covered by legally bound tariff ceilings.

[18] The G-33 is a group of 47 developing countries, Members of the WTO, pressing for flexibility to enable them to undertake limited market opening in agriculture. This group is also called "Friends of Special Products".

[19] WTO document WT/BFA/W/473 of 7 March 2019.

of the negotiations, argued for development issues to be taken into account in the negotiations, and stressed the importance of the Aid-for-Trade Initiative.[20]

2.3.2 Regional and preferential agreements

2.3.2.1 African Union and the African Continental Free Trade Area

2.31. The CEMAC countries are founder members of the African Union (AU).[21] Launched at the Durban Summit in 2002, the aims of the AU include accelerating the political and socio-economic integration of the continent. For this purpose, it relies on the African Economic Community (AEC) established by the Abuja Treaty.

2.32. Adopted in 2013, Agenda 2063 is the AU's blueprint and master plan for transforming Africa into the global powerhouse of the future.[22] It identifies key flagship programmes to boost Africa's economic growth and development, and lead to the rapid transformation of the continent. In the area of international trade, the African Continental Free Trade Area (AfCFTA) is a flagship initiative of Agenda 2063.

2.33. Launched at the 18th Ordinary Session of the AU Assembly in 2012, the AfCFTA is a free trade area project, which seeks to bring together a total of 55 States. The AfCFTA aims to boost intra-African trade by providing a comprehensive and mutually beneficial trade agreement between member States, covering trade in goods and services, investment, intellectual property rights, and competition policy. On 21 March 2018, 44 countries became signatories at a summit in Rwanda. On 29 April 2019, the ratification threshold of 22 States was reached. All CEMAC countries are signatories to and have ratified the Agreement.

2.34. The AfCFTA project is accompanied by an Action Plan for Boosting Intra-African Trade.[23] The Action Plan contains seven clusters, the implementation of whose programmes and activities is aimed at addressing the key constraints and challenges of intra-African trade. The clusters cover: (1) trade policy; (2) trade facilitation; (3) productive capacity; (4) trade-related infrastructure; (5) trade finance; (6) trade information; and (7) factor market integration. Under each of these clusters, the Action Plan provides, in broad terms, an indicative list of programmes and activities that need to be implemented in the short to long term at the national, regional and continental levels.

2.35. On 20 July 2021, the CEMAC Commission filed an initial common list with the AfCFTA Secretariat of commitments by member States of the Customs Union and CEMAC for the liberalization of trade in services in five priority sectors. This list contains far broader commitments than the multilateral commitments of CEMAC countries under the GATS.

2.36. The list submitted by the CEMAC Commission to the AfCFTA includes:

- broad horizontal commitments on the movement of natural persons (business visitors, intra-corporate transferees, specialists, managers, graduate trainees, service sellers, contractual service suppliers and independent professionals)
- sector-specific commitments on virtually all business services,
- commitments on all communications services (postal and courier services, telecommunications and audiovisual services);
- commitments on all financial services (insurance, banking, securities and related services);

[20] WTO document WT/MIN(17)/ST/68 of 4 January 2018.
[21] The Constitutive Act of the African Union was adopted at the summit held in July 2000 at Lomé (Togo).
[22] Commission of the African Union (2015).
[23] African Union (2012)

- commitments on all transport services (for all modes of transport as well as services auxiliary to these modes of transport);

- commitments on all tourism services (with the addition to the GATS of tourist guides services for Chad).

2.37. These commitments do not cover all modes of delivery and include reservations, in particular, on approval procedures. However, overall they result in a bound level of liberalization *vis-à-vis* other members of the AfCFTA comparable to that offered by developed countries through their GATS commitments.

2.3.2.2 Economic Community of Central African States (ECCAS)

2.38. The CEMAC countries are all members of the Economic Community of Central African States (ECCAS), a subregional organization established in 1983. In addition to the CEMAC countries, ECCAS includes Angola, Burundi and the Democratic Republic of the Congo, Rwanda, and Sao Tome and Principe. ECCAS was charged with creating a customs union after a minimum of 12 years, through the elimination of customs duties and the abolition of quantitative restrictions.

2.39. Like CEMAC, ECCAS has a preferential tariff regime, a transit regime, and its own rules of origin.

2.40. Based on the CEMAC common external tariff (CET), a preliminary common external tariff was proposed for ECCAS with three rates:

- basic necessities and capital goods for investment (5%);

- raw materials, intermediate goods and other capital goods (10%); and,

- daily consumer goods and luxury goods (20%).

2.41. The intra-ECCAS transit regime has not yet come into effect. Normally, intra-ECCAS transit is governed by the Protocol on Transit and Transit Facilities annexed to the ECCAS Treaty. Pursuant to this Protocol, member States undertake to grant freedom of transit through their territories, not to levy any import or export duties on transit traffic, and to take measures to simplify transit and warehousing procedures in respect of landlocked member countries. All transit goods and means of transport must be covered by bonds guaranteed by banks or other approved institutions. The transit document is the Inter-African transit carnet (TIA (ECCAS) Carnet), which is valid, in principle, in all the member States.

2.42. The rules of origin criteria for the ECCAS countries are set out in a protocol annexed to the Treaty establishing ECCAS (Annex 1 to the Treaty establishing ECCAS). They differ from those of CEMAC, particularly as regards the percentage of local added value for manufactured products, which must be at least 45% of the ex-factory price, compared to 30% for CEMAC. This threshold can be lowered to 25% if the product is "of special importance", and 30% if the product is found to be in short supply. As with goods wholly produced within ECCAS, Community origin is conferred only if Community nationals constitute a majority of the firm's management and hold at least 30% of the share capital. A certificate of origin based on the ECCAS model has been adopted as documentary evidence for the movement of Community goods (even though CEMAC continues to use its movement certificate). For product approval, a standard dossier and procedures have been adopted.

2.3.2.3 Community of Sahel-Saharan States (CEN-SAD)

2.43. Chad and the Central African Republic are members of CEN-SAD, a community created in 1998 at the initiative of six countries of the Sahel-Saharan region. Today, CEN-SAD has 24 members. Its main objective is to establish a "comprehensive economic union" based on a development plan in line with the national development plans. Specifically, CEN-SAD aims to implement joint infrastructure projects in the areas of transportation and telecommunications, to develop trade between the member States, and to "eliminate all obstacles impeding the unity of its member States by adopting measures that may facilitate the free movement of individuals and capital in line with the interests of citizens of the member States, and the freedom of residence, work, ownership and economic activity.

2.3.3 Other agreements and arrangements

2.44. In general, the CEMAC countries are eligible for the Generalized System of Preferences (GSP) regimes of some developed and developing countries. However, only Cameroon participates in the Global System of Trade Preferences among Developing Countries (GSTP).

2.45. The CEMAC LDCs (Central African Republic and Chad) are eligible for the European Union's "Everything But Arms" initiative, which allows them to export all products, except arms, to the bloc duty- and quota-free.

2.46. The CEMAC countries are participating in the Economic Partnership Agreement (EPA) negotiations between the ACP States and the European Union. Negotiations for an EPA with all Central African countries were launched in October 2003. In Central Africa, the negotiations are being conducted within the CEMAC framework extended to include Sao Tome and Principe and the Democratic Republic of the Congo. To date, only Cameroon has signed and ratified the Agreement. It has been provisionally applied since 4 August 2014 (Cameroon annex). Other countries of the region are currently studying the possibility of joining Cameroon and acceding to the interim agreement.

2.47. The CEMAC countries that are Members of the WTO are eligible for the US African Growth and Opportunity Act (AGOA) initiative to further open the US market to products from a number of sub-Saharan African countries. Eligible countries enjoy duty- and quota-free access to the US market for various goods, including certain agricultural and textile products, except apparel. For the latter, there is a special provision relating to apparel made of third-country fabrics, as well as provisions on handmade (so-called "Category 9") articles and articles made from ethnic-printed fabrics.

2.48. Cameroon and Chad are also covered by the "Third-Country Fabric" provision. Under this provision, they are not obliged to use fabric produced locally or in the subregion for their apparel exports to qualify for the advantages of the AGOA. However, this provision is not being used by Chad and is used very little by Cameroon.

2.4 Investment regime

2.49. The CEMAC Investment Charter[24], adopted in 1999, reaffirms the States' commitment to create a business-friendly environment by implementing competition regulations, protecting intellectual property, and developing services to support the strengthening of productivity and competitiveness. Pursuant to the Charter, States undertake to grant foreign investment the same treatment as domestic investment, and to adapt domestic law and judicial policy to CEMAC's rules and provisions, as well as guarantee the application of the procedures and decisions of the Community's judicial bodies.

2.50. The CEMAC countries are all parties to the main international investment guarantee arrangements. They are all members of the World Bank's Multilateral Investment Guarantee Agency (MIGA). With the exception of Equatorial Guinea, the CEMAC countries are also signatories to the Convention establishing the International Centre for Settlement of Investment Disputes (ICSID).

2.51. All CEMAC countries are signatories to the Treaty on the Harmonization of Business Law in Africa (OHADA), which aims to harmonize business law in the 17 member countries. The OHADA Uniform Acts constitute the legal framework for business life and commercial activities, including by elaborating and adopting simple, modern and common rules adapted to the situation of the economies concerned, setting up appropriate judicial procedures, and promoting arbitration as a means of settling contractual disputes. Harmonization of the legal framework for business requires

[24] Regulation No. 17/99/CEMAC-020-CM-03 of 17 December 1999 on the CEMAC Investment Charter.

the implementation of the Uniform Acts adopted by the Council of Ministers. As of 2020, 10 Uniform Acts were in force.[25]

2.52. All the OHADA Uniform Acts are directly applicable. The Common Court of Justice and Arbitration (CCJA) is the court of cassation for all disputes related to uniform law and hears appeals on points of law against the appellate decisions of national courts.

2.53. The OHADA Uniform Act relating to General Commercial Law defines the status of traders and middlemen such as commission agents and brokers, and includes common provisions governing commercial sales. Company law is also harmonized, with consequences in terms of commercial presence: thus, foreign companies wishing to operate in CEMAC member States are required to locate their registered office in the territory of one of those States and to domicile their accounts there. However, these companies may, as first step, set up branches for a maximum of two years in those countries. At the end of this period, the branches must be attached to a company of one of the member States. The common commercial legislation also deals with securities and arbitration. This has made it possible to promote arbitration as a judicial means of settling commercial disputes. Some countries have set up an arbitration centre within the Chamber of Commerce.

2.54. One Uniform Act applies specifically to contracts for the carriage of goods by road in the territory of an OHADA State party. The OHADA law is supported by accounting standards (SYSCOA), mandatory in member States.

2.55. The mechanism used to finance OHADA consists of a levy imposed at the customs border of each member country, fixed at 0.05% of the value of imports.

2.56. In accordance with the Community provisions, newly formed companies in the agricultural, industrial, mining or forestry sectors may qualify for an exemption from corporation tax during their first three years of operation. Although the investment amortization rates are fixed at the Community level, these companies may choose degressive or accelerated amortization.[26] During the first years of operation, companies are authorized to carry losses over to subsequent years. Tax reduction measures are also available when profits are reinvested. The methods of application vary from country to country (see country annexes).

2.57. Companies with subsidiaries may, under the following conditions, deduct income from shares or ownership interests in those subsidiaries from their taxable profits: the two companies must have their registered offices in the Community, while the parent company must hold at least 50% of the subsidiary's capital and must retain its holdings for at least two consecutive years.

2.58. The Investment Charter offers additional advantages. It provides for a reduction in registration fees in the following cases: company formation, capital increases, mergers, or transfers of stocks and shares. It encourages the countries to introduce additional measures into legislation relating to the mining, tourism and forestry sectors. It also encourages States to take appropriate measures to limit the reporting obligations and reduce the administrative burden of micro-enterprises and informal sector operators. States may also take measures to encourage enterprises to invest in landlocked or relatively underdeveloped regions (see country annexes). The authorities have indicated that the Investment Charter is being revised.

2.59. Despite this harmonized framework, the CEMAC region is still considered to be the region of the world where it is most difficult to do business because of the cumbersome and costly regulations. According to the *Doing Business 2020* report (Table 2.4), starting a business can take up to 58 days in Chad and requires 8 procedures (compared to 53 days and 11 procedures in 2012). The number of hours required to ensure documentary compliance for an export transaction varies from 48 (Central African Republic) to 120 (Congo).

[25] These include Acts on: General Commercial Law, Commercial Companies and Economic Interest Groups (EIG) (revised in 2014), Organizing Securities Law, Organizing Simplified Recovery Procedures and Measures of Execution, Insolvency Law (revised in 2015), Arbitration Law (revised in 2017), Contracts of Carriage of Goods by Road, Cooperative Societies Law, Accounting Law and Financial Information (revised in 2017), and Mediation (new act adopted in 2017).

[26] Directive relating to corporation tax (annex to Directive No. 02/01/UEAC-050-CM-06 revising Act No. 3/72-153-UDEAC of 22 December 1972 introducing the corporation tax).

2.60. A separate report on doing business in OHADA member States, produced by the World Bank in 2017, concluded that there was still room to improve their economic performance, compared with the rest of sub-Saharan Africa, and that OHADA's best practices are not always globally competitive.[27]

2.61. Corruption also remains a serious problem in all CEMAC countries. In the Transparency International 2022 index, Gabon remains the best ranked country in the subregion, placed 136th out of 180 countries or territories. Congo and Chad were perceived to be highly corrupt, ranking 164th and 167th, respectively.

2.62. Adding to high trade costs and cumbersome procedures, the security situation in the region and the frequent political crises are further impacting trade in the region by increasing risks taken by traders and informality.

Table 2.4 Trends in various indicators relating to the business environment, 2012 and 2020

	Cameroon		Congo		Gabon		CAR		Chad	
	2012	2020	2012	2020	2012	2020	2012	2020	2012	2020
Ease of doing business (ranking[a])	161	167	183	180	170	169	185	184	184	182
Starting a business										
Ranking[a]	125	104	180	179	157	96	170	180	181	186
Procedure - Men (number)	6	5	11	10	10	7	8	10	11	8
Time - Men (days)	16	13	158	49	54	10	22	22	53	58
Procedure - Women (number)	7	6	12	11	10	7	8	10	11	8
Time - Women (days)	17	14	159	50	54	10	22	22	53	58
Trading across borders										
Ranking[a]	157	186	181	183	135	170	182	164	180	173
Time to export: Documentary compliance (hours)	..	66	..	120	..	60	..	48	..	87
Time to import: Documentary compliance (hours)	..	163	..	208	..	120	..	120	..	172
Time to export: Border compliance (hours)	..	202	..	276	..	96	..	141	..	106
Time to import: Border compliance (hours)	..	271	..	397	..	84	..	122	..	242
Cost to export: Documentary compliance (USD)	..	306	..	165	..	200	..	60	..	188
Cost to import: Documentary compliance (USD)	..	849	..	310	..	170	..	500	..	500
Cost to export: Border compliance (USD)	..	983	..	1.975	..	1.633	..	280	..	319
Cost to import: Border compliance (USD)	..	1.407	..	1.581	..	1.320	..	709	..	965
Documents to export (number)	11	..	11	..	6	..	9	..	7	..
Time to export (days)	23	..	50	..	20	..	54	..	75	..
Documents to import (number)	12	..	10	..	8	..	17	..	10	..
Time to import (days)	25	..	62	..	22	..	62	..	101	..

.. Not available.

a The rankings for 2012 and 2020 are based on 183 and 190 countries and economies, respectively.

Source: World Bank, Doing Business 2012 and 2020. Viewed at: https://www.doingbusiness.org/en/doingbusiness.

[27] World Bank (2017).

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The customs procedures applicable at Community level are defined in the CEMAC Customs Code, last revised in 2019.[28] The Code is aimed at harmonizing the national provisions concerning the organizational framework of the customs service and customs regimes and procedures.

3.1.1.1 Registration

3.2. In the CEMAC countries, any operator wishing to carry out an import or export transaction must have importer/exporter status and be in possession of a trader's professional card.[29] Local courts generally deal with enrolment in the trade and personal property credit register, and the trader's card is issued by the foreign trade directorate or chamber of commerce of the country concerned. However, the card is not valid from one State to another.

3.1.1.2 Preshipment inspection

3.3. There is no Community legislation on preshipment inspection. However, some member States use private companies to carry out preshipment or destination inspections (country annexes). Inspections focus on the quality, quantity and value of the imports.

3.4. The inspection conditions vary according to the country. In general, products admitted free of duty and taxes, and products with a value below a certain threshold are exempt. That threshold varies according to the country. In each country, this operation is delegated to a private company and governed by an agreement binding the State to that company. The inspection fees are between 0.60% and 1% of the f.o.b. value of the goods, with a minimum levy. After inspection, the company issues a verification certificate which is required when the goods are cleared. The list of companies and the inspection fees are shown in Table 3.1.

3.5. The authorities have indicated their intention to scrap the requirement for preshipment or destination inspections carried out by private companies, in view of the costs that they entail for economic operators. Inspection fees are not proportional to the services rendered, raise the cost of imported goods and make customs clearance more cumbersome.

Table 3.1 Preshipment inspection companies and related fees

Country	Cameroon	Congo	Gabon	CAR	Chad
Inspection company	SGS	Cotecna	n.a.	Bureau Veritas	Bureau Veritas
Exemption threshold (CFAF)	2,000,000	1,000,000	n.a.	500,000	2,000,000
Fees (% of f.o.b. value)	0.95	0.60	n.a.	1.00	0.90
Minimum fees (CFAF)	110,000	65,000	n.a.	140,000	100,000
Import value corresponding to minimum fees (CFAF)	11,578,947	7,222,222	n.a.	14,000,000	11,111,111
Rate corresponding to the flat fee (% of exemption threshold)	5.5	2.2	n.a.	28	5

n.a. Not applicable.

Source: Data obtained from the national authorities.

[28] The Customs Code currently in force stems from the CACEU Customs Code adopted in 1965 and amended several times. The latest revision was adopted by Regulation No. 05/19-UEAC-010 A-CM-10 of 8 August 2019 revising the CEMAC Customs Code.

[29] The status of trader in the OHADA member countries is governed by the Uniform Act relating to General Commercial Law, in force since 1998 and revised in 2010.

3.1.1.3 Customs declaration

3.6. The import procedure is triggered by filing an import declaration (intention to import or preliminary import declaration, as the case may be). According to the country, this is issued by the national trade directorate or the preshipment inspection company (see country annexes).

3.7. Depending on the national regulations, some goods may be subject to special authorization or restrictions, which may involve obtaining an import licence or a certificate of conformity. For goods eligible for preferences, the operator must obtain and transmit the certificates of origin. For products of CEMAC origin, this certificate confers exemption from import duties and taxes.

3.8. Under the CEMAC Customs Code, a detailed declaration must be filed for all imported goods. The declaration is made on a standardized form, the single administrative document[30], and contains the information needed to apply the customs procedure and compile foreign trade statistics. In some countries, depending on the value of the goods (Chad) or their nature (Gabon), it is possible to make a simplified declaration that allows for rapid clearance (see country annexes). For goods declared for home use, a separate value declaration is required, which makes the import procedure more cumbersome.

3.9. Imports and exports can only be declared by the owners of the goods or by approved customs clearing agents (Article 112). However, member States can restrict this right to approved customs clearing agents only. The declaration may be made electronically, in writing or orally. For online registration, the CEMAC countries use the ASYCUDA World system. A project to interconnect customs administrations electronically has been underway since 2009.

3.10. The ability to make electronic declarations at customs offices varies from country to country (see country annexes). However, it is possible at the main customs offices. In the Central African Republic and Chad, other customs offices continue to encounter numerous difficulties relating to the operation and deployment of ASYCUDA, in particular, the networking of the IT equipment, the availability of an Internet connection, and the lack of trained personnel.

3.11. The customs procedures concerned are clearance for home use, transit (Section 2.2.2), warehousing, temporary admission, inward processing, drawback, "processing of goods for home use"[31], and transhipment.

3.12. With the exception of Chad, the countries collect a non-standardized fee (so-called IT fee) for declarations processed automatically (see country annexes).

3.13. Once the declaration has been registered, the customs administration checks the documents submitted, verifies the particulars, and determines the duties and taxes payable. A physical inspection of the goods may prove necessary. The importer has a set time period to pay the duties and remove the goods. This period varies according to the country (see country annexes). Once the period has expired, the goods are placed in a customs warehouse.

3.14. Payment for imports with a value of more than CFAF 5 million must be domiciled with an authorized resident intermediary, if they come from a country outside the franc zone.[32] For imports whose value exceeds CFAF 100 million, the payment must undergo a more rigorous process of verification by the financial intermediary, the aim being to "ensure the satisfactory outcome of the operation". Payment cannot be made until the import documents have been checked and countersigned by the customs service.

---

[30] Regulation No. 04/03-UEAC-110-CM-09 of 9 January 2003 adopting the Single Administrative Document in the Community.

[31] "Processing of goods for home use" means the customs procedure under which imported goods may be manufactured, processed or worked, before clearance for home use and under Customs control, to such an extent that the amount of the import duties and taxes applicable to the products thus obtained is lower than that which would be applicable to the imported goods. This procedure shall also be granted to imported goods already placed under another customs procedure.

[32] Regulation No. 02/00/CEMAC/UMAC/CM of 29 April 2000 harmonizing the foreign exchange regulations in the CEMAC member States.

3.15. Imports by sea must be accompanied by an electronic cargo tracking note (ECTN) This note is not covered by a Community regulation. It is generally produced by the ministry responsible for transport in each country and has to be filed with the national shippers' councils (see country annexes). The fees for issuing this document vary from one country to another and can give rise to discriminatory treatment depending on the point of loading of the goods imported. The authorities recognize the challenge of harmonizing ECTN costs at the regional level and are proposing a range of tariffs to offset discriminatory treatment depending on the imported goods' point of loading. A project to harmonize ECTN tariffs is therefore under discussion within CEMAC.

3.16. Where customs valuation is concerned, the CEMAC Customs Code incorporates the provisions of the Agreement on Implementation of Article VII of the GATT 1994. Articles 26 to 33 of the Code define how the customs value of imported goods is to be determined. In principle, the transaction value constitutes the primary basis for determining the customs value of the goods. The Code prohibits the use of minimum, arbitrary or fictitious values. Where there is reasonable doubt as to the truth or accuracy of the value declared by the importer, it is recommended to use reasonable means consistent with the principles and general provisions of Article VII of the GATT. However, some countries continue to use minimum values in practice (see country annexes).

3.17. Despite the existence of common rules, it has been observed that border clearance requirements and formalities lack clarity, consistency and transparency.[33] For example, formalities and related costs can vary from one site to another, and frequently involve a margin of discretion related to the individual judgment of the official on duty.

3.18. All the CEMAC countries that are WTO Members have ratified the Agreement on Trade Facilitation. They have also ratified their Category A, B and C obligations under the Agreement (see country annexes).

3.1.2 Rules of origin

3.19. The CEMAC countries do not apply non-preferential rules of origin.

3.20. Regulation No. 21/07-UEAC-1505 U-CM-16 of 18 December 2007 establishes the legal bases for determining the origin of imported goods.[34] Community origin is granted to local products and traditional handicraft products. For industrial products, Community origin is granted if the products are recognized as having been manufactured on the territory of the Union and if one of the following conditions is found to have been met:

- the product is wholly obtained from raw materials of Community origin;
- community raw materials account for at least 40% of the value of the raw materials used; or
- the local value added is equal to at least 30% of the ex-factory value.[35]

3.21. This rule does not apply to products resulting from assembly, packaging or preserving operations, or to products resulting from inward or outward processing procedures.

3.22. A CEMAC "Origin Committee" was set up in 2008[36], but does not meet regularly. It is responsible for approving products of CEMAC origin manufactured by subregional enterprises and for issuing technical opinions on disputes relating to these products.

---

[33] World Bank (2018). "The enforcement of CEMAC provisions also appears to be irregular at best, despite users (including both border officials and traders) being often aware of them".

[34] These rules of origin have been notified by Cameroon (WTO document G/RO/N/99 of 18 September 2013) and Congo (WTO document G/RO/N/118 of 18 September 2014).

[35] The modalities for determining the local value added are set out in Circular No. 179/CEMAC/SE/DMC/SDAD of 24 October 2003 and its Corrigendum No. 027/CEMAC/SE/DMC/SDAD of 11 February 2004.

[36] Regulation No. 07/08-UEAC-193-CM-17 establishing an Origin Committee.

3.23. To obtain approval, the operator must submit an application dossier, based on a model defined by the CEMAC Commission, to the ministry responsible for industry or trade.[37] A national approval committee determines the Community origin of the products in question. If the application for approval is accepted, the dossier is referred to the Origin Committee, which examines it and recommends a decision to the Council of Ministers. To date, national committees have been set up in Cameroon, Gabon and the Central African Republic (see country annexes).

3.24. Community origin is certified by means of a movement certificate issued by the customs authorities. In the case of local products, all customs offices are competent to issue movement certificates. For manufactured products, they can be issued only by the customs offices of the place in which the enterprise is situated.

3.1.3 Tariffs

3.1.3.1 Common External Tariff

3.25. The CEMAC countries have been applying a common external tariff (CET) to imports from third countries since 2000. Updated in accordance with the 2022 version of the Harmonized System, the CET consists of 6,064 10-digit lines and is *ad valorem* for all lines. It has five bands defined as follows: certain cultural and aviation-related products (0%), basic necessities (5%), raw materials and capital goods (10%), intermediate and miscellaneous goods (20%), and daily consumer goods (30%). Nearly half (45.5%) of the tariff lines are subject to the 10% rate, while 37.1% are subject to the 30% rate (Chart 3.1). CEMAC does not apply tariff quotas.

3.26. The rates are moderately dispersed with a coefficient of variation of 0.5 from the average of 18.3% (Table 3.2). The overall level of customs duties remains very high, hampering productivity growth, and preventing the efficient allocation of resources and diversification of CEMAC countries and their integration into global value chains. Thus, the high level of tariff protection hinders the region's competitiveness, poses an obstacle to development and is detrimental to the fight against poverty.

3.27. Tariff analysis reveals a very high level of protection for apparel (30%) and some agricultural products (WTO definition) such as coffee and tea (28.5%), beverages and tobacco (27.5%), and fruit, vegetables and plants (26.7%) (Table 3.3). On the other hand, cotton and oil are at the other end of the spectrum with a protection rate of 10% on all products.

3.28. Agriculture, as defined in ISIC (Rev. 2), remains the most protected sector with an average tariff rate of 23.6% (Table 3.3). In fact, 65.9% of the tariff lines relating to agricultural products are subject to the 30% rate (Chart 3.1). The extractive industries sector, on the other hand, is the least protected: 90.0% of the tariff lines are subject to the 10% rate.

3.29. Only 0.7% of the tariff lines are subject to the 0% rate. As a result, many basic and essential products are subject to a rate of 5% or more. For example, this is the case for pharmaceuticals and mosquito nets, which can hinder the fight against diseases such as malaria.[38]

Table 3.2 Structure of the CEMAC CET, 2013 and 2023

	CEMAC CET 2013	CEMAC CET 2023
Simple average of the MFN rates applied	18.1	18.3
Agricultural products (WTO definition)	22.4	22.8
Non-agricultural products (WTO definition)[c]	17.4	17.5
Agriculture, hunting, forestry and fishing (ISIC 1)	23.6	23.6
Mining and quarrying (ISIC 2)	11.2	11.2
Manufacturing (ISIC 3)	17.8	17.9
Duty-free tariff lines (% of all tariff lines)	0.6	0.7
Simple average of rates (dutiable lines)	18.2	18.4

[37] Regulation No. 19/08-UEAC-010 H-CM-18 relating to the approval procedure for products of CEMAC origin.
[38] Klau (2017).

	CEMAC CET 2013	CEMAC CET 2023
Non-*ad valorem* duties (% of all tariff lines)	0.0	0.0
Tariff quotas (% of all tariff lines)	0.0	0.0
Domestic tariff peaks (% of all tariff lines)[a]	0.0	0.0
International tariff peaks (% of all tariff lines)[b]	48.1	49.0
Overall standard deviation of applied rates	9.6	9.7
Change in coefficient	0.5	0.5
"Nuisance" applied rates (% of all tariff lines)[c]	0.0	0.0

a Domestic tariff peaks are defined as rates three times higher than the overall simple average of applied rates.
b International tariff peaks are defined as rates above 15%.
c Nuisance rates are those that are greater than zero, but less than or equal to 2%.

Note: The 2013 tariff consists of 5,493 tariff lines (10-digit, in accordance with the HS 2007 nomenclature).
The 2022 tariff consists of 6,064 tariff lines (10-digit, in accordance with the HS 2022 nomenclature).
Calculations are based on the national tariff line level (8-digit).

Source: WTO Secretariat calculations, on the basis of data provided by CEMAC.

Table 3.3 Summary analysis of the CEMAC CET, 2023

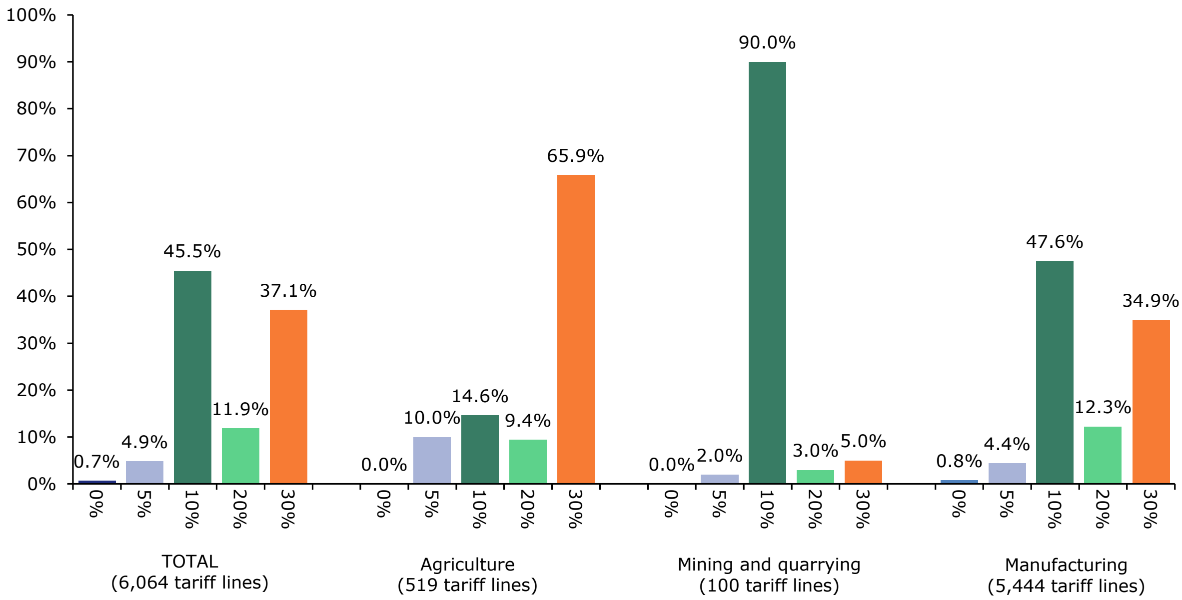
	Number of lines	Simple average of rates (%)	Range of rates (%)	Change in coefficient
Total	**6,064**	**18.3**	**0-30**	**0.5**
Harmonized System (HS)				
Chapters 1 to 24	1,092	24.2	5-30	0.4
Chapters 25 to 97	4,972	17.0	0-30	0.6
WTO definition				
Agriculture	**899**	**22.8**	**5-30**	**0.4**
Products of animal origin	117	19.3	5-30	0.5
Dairy products	29	26.2	10-30	0.2
Fruit, vegetables and plants	243	26.7	5-30	0.3
Coffee, tea	81	28.5	5-30	0.2
Cereals and other preparations	106	21.0	5-30	0.5
Oil seeds, fats and oils	89	20.0	5-30	0.5
Sugars and sugar confectionery	19	21.6	10-30	0.5
Beverages and tobacco	67	27.5	5-30	0.2
Cotton	7	10.0	10	0.0
Other agricultural products	141	16.6	5-30	0.6
Non-agricultural products	**5,165**	**17.5**	**0-30**	**0.5**
Fish and fishery products	261	25.6	10-30	0.2
Metals and mineral products	962	17.0	5-30	0.5
Chemicals	1,025	11.2	5-30	0.5
Wood, paper, etc.	406	23.0	0-30	0.4
Textiles	608	19.4	0-30	0.4
Apparel	210	30.0	30	0.0
Leather, footwear, etc.	158	20.8	0-30	0.5
Non-electrical machinery	589	12.2	0-30	0.5
Electrical machinery	280	16.5	10-30	0.5
Transport equipment	225	16.8	0-30	0.6
Other manufactured articles n.e.c.	418	22.4	0-30	0.4
Petroleum oil	23	10.0	10	0.0
By ISIC[a] sector				
Agriculture, hunting, forestry and fishing	519	23.6	5-30	0.4
Mining and quarrying	100	11.2	5-30	0.4
Manufacturing	5,444	17.9	0-30	0.5

	Number of lines	Simple average of rates (%)	Range of rates (%)	Change in coefficient
By degree of processing				
Raw materials	902	20.6	5-30	0.5
Semi-finished products	1,947	14.7	0-30	0.5
Finished products	3,215	19.8	0-30	0.5

a International Standard Industrial Classification of All Economic Activities (Rev.2), electricity, gas and water excluded (one tariff line).

Source: WTO Secretariat calculations, on the basis of data provided by CEMAC.

Chart 3.1 MFN duties by sector, 2023



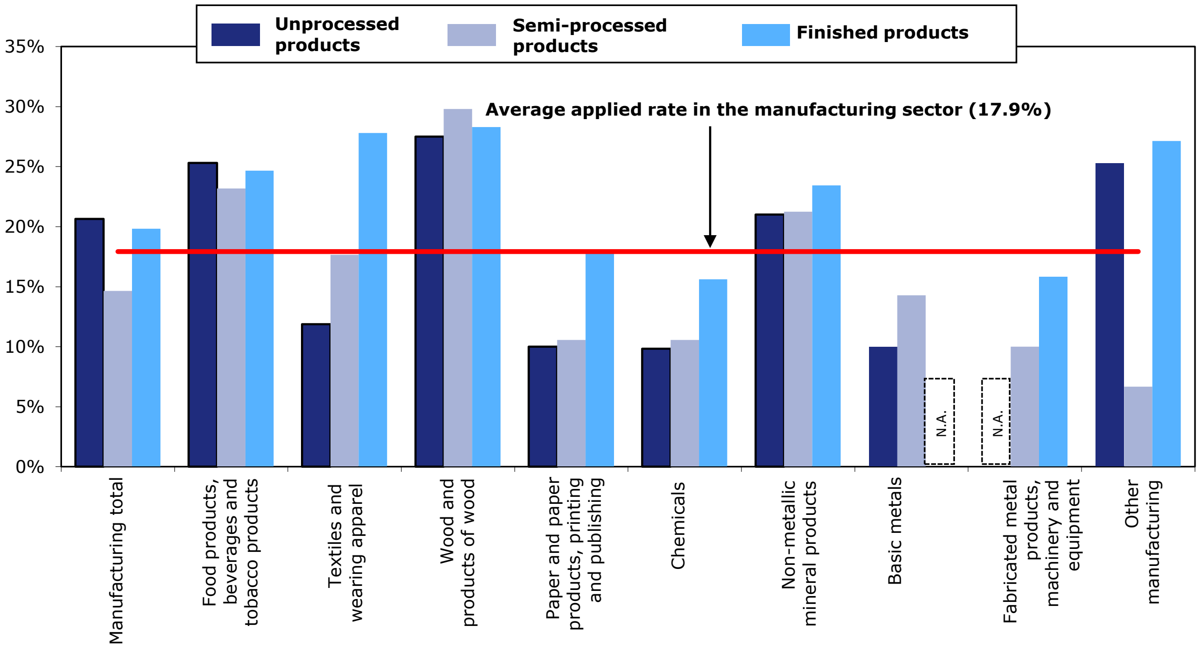
Note: International Standard Industrial Classification of All Economic Activities (Rev.2), electricity, gas and water excluded.

Source: WTO Secretariat calculations, on the basis of data provided by the CEMAC Commission.

3.30. The CET is proving difficult to apply due to the numerous waivers and "safeguard" measures in place in the member countries. Exemptions and relief from duties and taxes are governed by Articles 331 and 332 of the revised CEMAC Customs Code. Each country continues to apply the CET with exceptions specific to that country. Derogations generally derive from measures to tackle the "high cost of living", or to implement establishment agreements and free-trade agreements such as the EPA between Cameroon and the EU, and the EPA between Cameroon and the United Kingdom.

3.31. Overall, the CET displays mixed escalation: negative for unprocessed to semi-finished products, and positive for semi-finished to finished products (Chart 3.2). This overall tariff structure is similar to that for food products, beverages and tobacco products, and for "other manufacturing". However, the tariff escalation is positive in the "textile and wearing apparel", "paper and paper products, printing and publishing", "chemical", "non-metallic mineral products", and "fabricated metal products, machinery and equipment" industries. In the "wood and products of wood" industry the tariff escalation is mixed (positive for unprocessed to semi-processed products and then negative, with average rates of more than 20%).

Chart 3.2 CEMAC CET rate escalation, 2023



Note: The product groups are defined by ISIC to two-digits.

Source: WTO Secretariat calculations, on the basis of data provided by CEMAC.

3.32. The CET revision initiative is the responsibility of the Nomenclature and Tariff Committee. However, apart from its transposition to HS 2017, the CET has not been revised since its adoption in 2000.

3.1.3.2 Bound tariff

3.33. The CEMAC countries have individually made tariff-binding commitments within the multilateral trading system (Table 3.4 and country annexes). With the adoption of the CEMAC CET, the rates applied are, for some products, higher than the commitments undertaken by Congo, Gabon and the Central African Republic. As part of a renegotiation under Article XXVIII of the GATT, Gabon has significantly reduced the number of rates applied that are higher than its commitments since the last review (Gabon annex).[39]

Table 3.4 National tariff bindings

	Cameroon	Republic of the Congo	Gabon	CAR	Chad
Bound tariff lines (% of total lines)	14.0	16.8	100.0	61.6	14.3
Simple average of the bound rates	79.9	27.4	23.7	35.8	79.9
Range of bound rates (%)	50-80	5-30	5-60	20-70	75-80

Note: Final bound rates are based on the consolidated tariff schedules (CTS) in the nomenclature of HS 2017 for all member States, with the exception of Gabon (HS 2012). The calculations are based on the bound (including partially bound) tariff lines.

Source: WTO Secretariat calculations, on the basis of data provided by the WTO, Consolidated Tariff Schedule Database.

3.1.3.3 Duty and tax concessions

3.34. Relief and exemptions from duties and taxes are governed by Act No. 13/65-UDEAC-35 of 14 December 1965 establishing the conditions for the application of Article 241 of the CACEU

[39] WTO documents G/MA/TAR/RS/446 of 23 September 2016 and G/MA/TAR/RS/446/Add.1 of 22 February 2017.

Customs Code and its successive revisions.[40] Customs and tax benefits are governed by Articles 332 and 333 of the revised CEMAC Customs Code. These regulations lay down a list of products and equipment eligible for relief, together with the conditions for granting relief. Pursuant to these regulations, the following may be admitted free of import duties and taxes[41]:

- goods being returned to the customs territory (provided they are imported within two years of being exported);
- consignments sent in the framework of international State-to-State relations and diplomatic privileges and immunities (subject to reciprocity);
- household effects imported when transferring residence (excluding motor vehicles, motorcycles, aircraft, and sports or pleasure craft);
- inherited goods;
- educational supplies and wedding trousseaux;
- consignments of a non-commercial character;
- products and objects intended for the Red Cross or similar organizations providing assistance and relief (the list of which is drawn up by the Minister responsible for public health);
- vestments, products, instruments and objects used for the performance of religious ceremonies (addressed directly to the officials of the religious groups in question);
- products and equipment imported by the Agency for Air Navigation Safety in Africa and Madagascar (ASECNA) within the context of its activities;
- certain products and equipment imported by airlines for use in the context of their activities inside an international airport; and
- educational, scientific and cultural materials imported by institutions (the list of which is drawn up by the Minister responsible for finance).

3.35. The suspensive customs procedures (temporary admission, inward processing, etc.) allow certain economic operators to introduce material and equipment duty-free. With regard to the temporary admission procedure, the list of eligible products and equipment is drawn up at the Community level. Such a list exists for equipment used to explore for and exploit hydrocarbons.[42] The national customs authorities can also authorize temporary admission for the introduction of technical equipment provisionally imported by mining and oil companies for research and prospecting purposes (see country annexes).

3.36. In 2008, with a view to combating soaring food prices, the Council of Ministers adopted a regulation authorizing the countries to derogate from the Community rules, for an initial period of six months, regarding the application of import duties and VAT on animal, vegetable and fish products.[43] Thus, the countries took measures that included, in particular, capping the prices of imported products, and reducing or suspending import duties and taxes, including VAT.

[40] Mainly Acts No. 2/92-UDEAC-556-CD-SE1, No. 8/93-UDEAC-556-CD-SE1, No. 28/94-UDEAC-556-CD-56, and No. 18/96-UDEAC-556-CD-57.

[41] The authorities have indicated that a draft revision of this regulation is under preparation, which is expected to extend the exemption to donations to non-governmental organizations.

[42] It is annexed to Directive No. 1/99/CEMAC-028-CM-03 of 17 December 1999 harmonizing the member States' legislation on value added tax (VAT) and excise duty, and its revising Directive No. 07/11-UEAC-028-CM-22.

[43] Regulation No. 06/08-UEAC-180-CM-17 of 20 June 2008 on derogation measures in favour of the CEMAC member States.

3.37. The authorities have indicated that the draft revised CEMAC Customs Code contains new provisions and innovations providing a framework for all suspensive and economic arrangements.

3.1.3.4 Tariff preferences

3.38. Products recognized as originating in the Community can circulate in the subregion duty-free. However, in the absence of free circulation, goods cleared for home use in a CEMAC country are subject to import duties and taxes whenever they cross the border between member States.

3.39. There are no reliable statistics on intra-Community trade that could serve as a basis for calculating the loss of income. The authorities recognize the need to speed up the process of setting up an appropriate mechanism to put an end to double taxation.

3.1.3.5 Other import duties and taxes

3.40. To CET payments there should be added the levies intended to finance certain Community initiatives and various national levies. At the Community level, these include:

- the Community integration tax (TCI), levied at the rate of 1% on imports from countries outside the CEMAC zone and intended to finance the area's integration process;
- the Community integration contribution (CCI), levied at the rate of 0.4% on imports from outside ECCAS and intended to finance ECCAS and its institutions (currently being collected by Congo, Gabon, the Central African Republic and Chad); and
- the OHADA levy, charged at the rate of 0.05% on imports from non-member countries and intended to finance the Organization for the Harmonization of Business Law in Africa (OHADA).

3.41. Other national levies, such as the statistical fee and the IT fee, are applied at rates that vary from country to country (see country annexes).

3.42. These various duties and taxes levied at the Community and national levels are inconsistent with the multilateral commitments of Congo, the Central African Republic and Chad.

3.1.4 Internal taxes

3.43. All the CEMAC countries apply value added tax (VAT) and excise duty. The regimes for these taxes were harmonized by a directive adopted in 1999 and revised in 2011.[44] However, the rates in force vary depending on the country.

3.1.4.1 Value added tax

3.44. VAT is applicable to goods and services whether locally produced or imported. For local products, the tax base is the ex-factory value. For imports, it comprises the customs value, as defined in the CEMAC Customs Code, customs duties and excise duty. Each country is free to choose the rate of VAT from an initial range of 15% to 19%. A zero rate is applicable to exports, their accessories and international transport.

3.45. The VAT directive establishes a list of goods and services eligible for exemption.[45] This includes, in particular, local products, imports of duty-free goods (in accordance with the provisions of the Customs Code), certain goods and services regarded as basic necessities (Annex 2 to the directive), and some pharmaceutical products and medical equipment (Annex 2 to the directive). The directive prohibits any relief or exemption measure not on this list, including in the form of incentives to start up a business or to invest. In practice, the individual countries diverge from the Community list (see country annexes).

---

[44] Directive No. 1/99/CEMAC-028-CM-03 of 17 December 1999 harmonizing the member States' legislation on value added tax (VAT) and excise duty, and its revising Directive No. 07/11-UEAC-028-CM-22.

[45] Directive No. 07/11-UEAC-028-CM-22.

3.46. According to Annex 4 to the directive, CEMAC member countries may levy a lower VAT rate (between 5% and 10%) on the following products: other medical and surgical furniture; imported insecticides and pesticides; imported fertilizer; imported flour and wheat; imported meat and poultry; imported milk and cream, not concentrated, containing added sugar or other sweetening matter; imported milk and cream, concentrated, containing added sugar; and books (other than textbooks).

3.1.4.2 Excise duty

3.47. Adopted in 2019, Directive No. 03/19-UEAC-010A-CM-33 sets out a list of products on which excise duty may be levied. Each country is free to draw up its national list by choosing products from the Community list. However, the national list must necessarily include tobacco, alcoholic beverages and passenger vehicles. Petroleum products are not covered by the Community directive.

3.48. The directive establishes compulsory minimum *ad valorem* rates on goods, leaving member States free to apply their own specific taxation (see country annexes).

3.1.5 Import prohibitions, restrictions, and licensing

3.49. According to Article 13 of the Convention governing the Central African Economic Union (CAEU), the establishment of the common market provides for the elimination of quantitative restrictions on the entry of goods. Consequently, member countries undertake not to introduce new restrictions and measures with equivalent effect other than "for reasons of public morality, public order, public safety, protection of human, animal or plant life or health, protection of cultural, historical or archaeological heritage, and protection of intellectual property" (Article 16).

3.50. Under the CEMAC Customs Code, goods may generally be imported freely. However, gold is subject to special regulations. Consequently, the products covered by such regulations vary from country to country (see country annexes). Generally speaking, importing animal products requires a sanitary certificate, and importing plant products requires a phytosanitary certificate. Certain products, such as sugar, pharmaceuticals and weapons, are subject to specific regulations.

3.51. According to the notifications received by the WTO, Cameroon and Gabon no longer have import licences, while Chad's import licensing regime applies to sulphur and other explosive products.[46] Import licences and/or quotas are applied to certain products in Congo and the Central African Republic.

3.1.6 Anti-dumping, countervailing and safeguard measures

3.52. Under the CAEU Convention, at the request of a member State, the Council of Ministers may authorize a State, for a limited period, to take protective measures intended to deal with serious difficulties in one or more economic sectors. Article 22 of the Convention stipulates that in the event of a sudden economic crisis affecting, in particular, the balance of payments, a member State may, "as a precaution, take the necessary safeguard measures", but without further clarifying the nature of these measures. However, the measures must cause the least possible disturbance in the functioning of the common market, must not last for more than six months (possibly renewable), and must be endorsed by the Council of Ministers. The latter may also decide to amend, suspend or abolish them.

3.53. The anti-dumping and countervailing duty arrangements are governed by the CEMAC Customs Code. Article 12 of the Code specifies the conditions under which these duties can be imposed. One prerequisite is that the goods in question "are causing or threatening to cause material injury to domestic producers of identical or directly competitive products of a member State". In the case of countervailing duties, they are applicable only if the goods benefit from a foreign " incentive or subsidy, directly or indirectly, regardless of its nature, origin or method of allocation". Anti-dumping duties can be applied to goods for which the price paid or payable is less than the comparable price charged by the supplier for like products in the country of origin or in any transit country. The procedures for applying these duties and the duty rates are determined by the

[46] WTO documents G/LIC/N/3/CMR/7 of 10 April 2017 (Cameroon), G/LIC/N/1/GAB/3 of 4 June 2013 (Gabon) and G/LIC/N/3/TCD/3 of 3 October 2013 (Chad).

Council of Ministers. The authorities have indicated that the draft texts for the application of these duties have been drawn up and will be submitted to the CAEU Council of Ministers for adoption.

3.2 Measures directly affecting exports

3.2.1 Registration and customs procedures

3.54. All exports must be declared in detail in accordance with the provisions of the CEMAC Customs Code and national regulations.

3.55. Only economic operators with importer/exporter status are authorized to engage in an export activity (Section 3.1.1.2). For statistical purposes, a detailed declaration is required for any export operation. The customs procedures applicable are simple exit, re-exportation, and the customs procedures with economic impact.

3.56. The export procedure generally begins with obtaining an export declaration. Depending on the nature of the goods, a sanitary or phytosanitary certificate, an authorization or a permit may be required. Then comes preshipment inspection, where appropriate, and the collection of export revenues. Exports to destinations outside the franc zone are subject to domiciliation with an approved intermediary if their value is found to exceed CFAF 5 million, to ensure repatriation of export earnings.

3.2.2 Export taxes, charges and levies

3.57. Article 14 of the Community Customs Code allows each member State to set export duties and taxes. The rates and products covered by such duties vary from country to country (see country annexes).

3.58. Products and materials granted an import duty or tax concession (Section 3.1.3.3) are also eligible for exemption from exit duties and taxes if exported for similar reasons.

3.2.3 Export prohibitions, restrictions, and licensing

3.59. Under Article 16 of the Convention governing the CAEU, member States may prohibit or restrict exports where such prohibitions or restrictions are justified for reasons of public morality, public order, public safety, protection of human, animal or plant life or health, protection of cultural, historical or archaeological heritage, and protection of intellectual property. However, the products covered by such regulations vary from country to country (see country annexes).

3.60. The CEMAC countries are all signatories to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Accordingly, the export of these species is prohibited or subject to authorization (see country annexes).

3.2.4 Export promotion and free zone regime

3.61. With the exception of the free trade zone requirements, there are no Community provisions on export support and promotion.

3.62. The CEMAC Customs Code grants member States the right to establish industrial or commercial free zones outside the customs regime.[47] Goods admitted to commercial free zones shall be allowed to undergo operations necessary for their preservation, to improve their packaging or marketable quality, or to prepare them for shipment. On the other hand, the processing operations applicable to goods in industrial free zones are covered by national legislation.

3.63. On leaving the free zone, goods destined for abroad may transit under customs escort or under the general Community transit conditions. Article 9 of the CEMAC Customs Code provides that "when goods from free zones are introduced into CEMAC, they are eligible for either a suspensive procedure or clearance for home use, subject to the payment of import duties and taxes". The

[47] Act No. 2/96-UDEAC-1297-57 of 1 July 1996 adopting the regulations on the operation of the free zone in the CACEU.

Customs Code leaves it to the States to determine the volume of goods that can be cleared for home use on exiting a free zone. Cameroon, Congo and Gabon have supplemented these regulations with national legislation (see country annexes).

3.2.5 Export finance, insurance, and guarantees

3.64. There are no Community provisions concerning export finance, insurance, and guarantees.

3.3 Measures affecting production and trade

3.3.1 Standards and other technical requirements

3.65. The CEMAC Investment Charter provides for the establishment of a standardization, metrology and certification system in each country, as well as at the Community level. This system must comply with international rules, including the provisions of the WTO and the International Organization for Standardization. The Central African subregional metrology organization (CEMACMET), established in 2011 and attached to the CEMAC Commission, is intended to promote metrology and related activities with a view to facilitating trade.

3.66. At the national level, the countries are at different stages as regards the status of the national body responsible for quality or standards (see country annexes). They also have different status within the ISO. Cameroon and Gabon, which have member body status, are authorized to participate, with full voting rights, in the drafting of any important standard. Congo, the Central African Republic and Chad are not members. Cameroon, Congo and Gabon are members of the African Regional Organization for Standardization (ARSO).

3.67. With regard to pharmaceutical products, the Organization for the Coordination of the Fight against Endemic Diseases in Central Africa (OCEAC), the statute for which was adopted in 2014[48], steers the process of harmonizing national pharmaceutical policies. It has drawn up a text that defines, among other things, the criteria for drug approval, pharmaceutical inspection and quality control. Cameroon's National Drug Quality Control and Expertise Laboratory (LANACOME) has been identified to serve as a benchmark.

3.68. Other Community initiatives include the introduction of a quality programme for agrifood products (CEMAC quality system) and a "CEMAC Infrastructure-quality" chapter intended to promote activities relating to standards, certification and accreditation.

3.3.2 Sanitary and phytosanitary requirements

3.69. Sanitary and phytosanitary (SPS) regulations are not yet harmonized within CEMAC. National measures regulate the importation of certain goods that might pose a risk to public health or safety or are simply of strategic interest.

3.70. The Economic Commission on Cattle, Meat and Fish Resources (CEBEVIRHA), a specialized CEMAC agency created in December 2014[49], aims to improve the health of livestock and fishery resources in the region.

3.71. ECCAS has a regional SPS committee, a focal point on plant health and a focal point on animal health.[50] A Codex Alimentarius focal point is still missing. A number of projects have been implemented in the framework of the Comprehensive Africa Agriculture Development Programme (CAADP). These include the "African Veterinary Governance Programme" (which led to the creation of the Central African Regional Animal Health Centre), and the two phases of the "Participation of African Nations in Sanitary and Phytosanitary Standard-setting Organizations".

3.72. In the area of plant health, a CEMAC regulation on pesticide approval has been in force since 2004. It defines the approval criteria and gives the competent authorities of the member States

[48] Regulation No. 7/14_UEAC-OCEAC-CM-28 of 22 December 2014.
[49] Regulation No. 6/14_UEAC-OCEAC-CM-28 of 22 December 2014.
[50] WTO document G/SPS/GEN/1718 of 5 July 2019.

discretion to control the importation, exportation, marketing, utilization and destruction of approved pesticides.

3.73. The Pesticides Committee of Central Africa (CPAC) is responsible for the common approval of pesticides in the CEMAC zone.[51] It has initiated a process of regionalization of approvals and published a list of pesticides approved at the regional level (Table 3.5). CPAC is also planning to set up a subregional laboratory for the analysis of pesticides and pesticide residues in foodstuffs in Central Africa.

Table 3.5 Pesticides approved in the CEMAC zone

Trade name	Name and content of active ingredient(s)	Restrictions
Insecticides		
SUPER 12 EC	Cypermethrin 12 g/l	- Wear personal protective equipment (PPE); - Use away from watercourses and beekeeping areas; - Respect the 14-day pre-harvest period
SUPER 50 EC	Cypermethrin 50 g/l	- Wear PPE; - Use away from watercourses and beekeeping areas; - Respect the 14-day pre-harvest period
Herbicides		
GLYCOL 41% SL	Glyphosate 480 g/l	- Wear PPE
GLYCOL 680 WDG	Glyphosate 680 g/kg	- Wear PPE; - Use away from watercourses
SUPER KILLER 680 WDG	Glyphosate 680 g/kg	- Wear PPE; - Use away from watercourses
Fungicides		
AGREB 80 WP	Maneb 800 g/kg	- Wear PPE; - Use away from watercourses; - Respect the 7-day pre-harvest period
Public health products		
BOXER 10 WP	Lambda-cyhalothrin 100 g/kg	- Wear PPE, especially goggles; - Use away from watercourses

Source: Secretariat of the Central African Pesticide Approval Commission, *List of Pesticides Approved in the CEMAC Zone*, May 2017.

3.74. In April 2019, CPAC adopted decisions (1) prohibiting the importation, distribution and storage of 54 active substances[52]; (2) regulating the importation, distribution, use, and storage of three other substances (alachlor, tributyltin compounds and monocrotophos)[53]; and (3) setting fees for the review of dossiers for the regional approval of pesticides.[54]

3.75. As regards rules governing the production, quality control, certification and marketing of plant seeds and seedlings in the zone, CEMAC began assembling a Catalogue of Plant Species and Varieties (CEVAC) in 2014.[55] The Catalogue contains a restrictive list of varieties or varietal types whose seed may be produced and marketed within the Community. It comprises all the varieties of species of Community interest approved in the member States.

3.76. With regard to pharmaceutical products, in 2002 CEMAC designated the OCEAC as its specialized public health body. Accordingly, this Organization is overseeing the process of harmonizing national pharmaceutical policies. Thus, it developed a draft common pharmaceutical policy in April 2013. Among other things, this text defines the criteria for drug approval, pharmaceutical inspection and quality control. LANACOME has been identified to serve as a benchmark.

3.77. Due to the lack of testing equipment, prescribed protocols and training, SPS inspections in the region often remain purely visual, and low-risk products are treated in the same way as high-risk

[51] Additional Act No. 07/CEMAC-CCE-11 of 25 July 2012, which establishes CPAC as a specialized institution of the Central African Economic Union.
[52] Decision No. 013 /CEMAC/CPAC/DG/DS.
[53] Decision No. 014 /19/CEMAC/CPAC/DG/DS.
[54] Decision No. 002 /CEMAC/CPAC/DG/2019.
[55] Regulation No. 002/14-UEAG-224-CM-27 of 20 October 2014.

ones. As a result, it has been pointed out that SPS certification, as currently practiced, is more a matter of revenue collection than protection against food, phytosanitary and veterinary risks.[56]

3.3.3 Competition policy and price controls

3.78. The Community competition regime comprises the Competition Rules[57], and the Rules on the Procedure for the Application of Competition Rules.[58] The Regional Competition Council (CRC) is the body responsible for monitoring the application of the rules.

3.79. A revision of the competition rules was adopted in April 2019, addressing anti-competitive business practices attributable to companies and state practices affecting trade between member States. The regulations concern three types of practice, namely certain unlawful agreements, certain mergers, and abuses of dominant position. The Community regulations give a non-exhaustive list of practices considered to be unlawful, including, fixing, directly or indirectly, purchase or selling prices or any other trading conditions; limiting or controlling production, markets, technical development or investment; sharing markets or sources of supply; and applying dissimilar conditions to equivalent transactions with other trading partners. However, agreements which are considered to make an effective contribution to the development of economic efficiency, or to give consumers or users a certain benefit or advantage, and agreements deemed indispensable for achieving economic efficiency are not prohibited.

3.80. Where mergers are concerned, the regulations do not seek to prohibit them but rather to prevent operations that might have an adverse effect on competition.[59] The regional competition monitoring body must be notified before any operation with a Community dimension is carried out. A concentration is said to have a Community dimension when the common market turnover of at least two of the undertakings concerned is more than CFAF 10 billion each, or the parties to the merger together hold 30% of the regional market.[60] The regulation defines the procedures to be followed for such notifications.

3.81. Under the regulations, any monopoly or situation conducive to the acquisition of a market share of 30% or more constitutes a dominant position. Abuse of such a position is a punishable offence.

3.82. The regulations on government practices that affect trade between member States address matters such as state aid for enterprises, the situation of enterprises with legal monopoly status, and competition for government contracts. State aid can take various forms, including, subsidies, tax exemptions, exemptions from parafiscal charges, interest rebates, loan guarantees on especially favourable terms, provision of goods on preferential terms, and coverage of operating losses. This aid is deemed to be incompatible with the common market when it distorts or threatens to distort free competition.[61]

3.83. Enterprises with legal monopoly status must make sure to avoid abusive practices such as tied selling, the unjustified imposition of discriminatory conditions of sale, refusal to sell, the practice of unjustifiably breaking off commercial relations, or using income from monopoly activities to subsidize sales in other sectors.[62]

3.84. Community competition law is implemented by a Community competition monitoring body, a Community court, and national competition control agencies. The regional body has not yet been set up.

[56] World Bank (2018).
[57] Regulation No. 06/19-UEAC-639-CM-33 of 7 April 2019 on competition.
[58] Regulation No. 000350 of 25 September 2020 on the procedure for applying competition rules.
[59] With the exception of mergers that affect the legitimate interests of the member States (Article 14).
[60] Article 6 of Regulation No. 1/99-UEAC-CM-639 of 25 June 1999 regulating anti-competitive business practices.
[61] With the exception of aid of a socio-cultural nature, such as social assistance, aid for the victims of natural disasters, aid for underdeveloped regions and aid intended to promote culture, preserve heritage or protect the environment.
[62] Unless justified on grounds of public policy, public security or public health.

3.85. The Community legislation does not rule out the adoption of national competition legislation. To date, Cameroon, Gabon and the Central African Republic each have specific laws on competition. With the exception of Cameroon, national competition control agencies are not yet operational.

3.86. Directive No. 02/19-UEAC-639-CM-33, harmonizing consumer protection within CEMAC, was adopted on 8 April 2019. It sets out the fundamental rights of the consumer and establishes the general framework for consumer protection in the member States.

3.3.4 State trading, state-owned enterprises, and privatization

3.87. Pursuant to Article 8 of the regulations on government practices that affect trade between member States, member countries may grant exclusive rights to a private or public company to operate a public service or to produce goods and services. However, companies with a legal or *de facto* monopoly are subject to the rules on anti-competitive practices, and in particular those relating to the abuse of a dominant position, unless exempted on grounds of public policy, public security or public health.

3.88. There are no Community provisions concerning privatization.

3.3.5 Government procurement

3.89. There have been no changes in Community procurement legislation since the last Trade Policy Review in 2013; government procurement is governed by the regulation on state practices affecting trade between member countries adopted in 1999.[63]

3.90. In principle, government contracts are awarded by open tender and published in the official journals of the Community or the member States. However, there are situations in which restricted invitation to tender or negotiated procedures may be considered. A restricted invitation to tender may be launched in urgent situations or when justified by the nature or certain special characteristics of the contract. It is also acceptable in the case of highly specialized projects or programmes or for contracts of major importance.

3.91. In order to promote the broader participation of Community nationals, the regulation provides for regional preference measures. It defines the margin within which each State is free to set the threshold for this preference. For works, supply or service contracts, the regional preference must be fixed within a margin ranging from zero to 20% of the bids. In the case of supply contracts, the margin is widened to 30% for bids containing products at least 40% of which are of Community origin.

3.92. Negotiated procedures are acceptable when it is urgent or for short-term technical cooperation purposes; for operations that supplement or are necessary to complete other operations already in progress; when performance of the contract is exclusively reserved for the holders of patents or licences governing the use, processing or importation of the articles concerned; or, following an unsuccessful open tendering procedure, after a new invitation to tender.

3.93. The Regional Competition Council (CRC) is the body responsible for monitoring the application of the rules on government procurement. If a breach of the rules is established, the Council may order the party in breach to fulfil their obligations and, where necessary, suspend the contract award procedure or the performance of the contract. If the party in breach disregards the Council's injunctions or the matter is brought before the Council after the signature of the contract, the dispute is referred to the Community Court of Justice.

3.94. No CEMAC country is party to the plurilateral Agreement on Government Procurement. Cameroon has observer status.

[63] Regulation No. 4/99/UEAC-CM-639 of 18 August 1999 regulating state practices affecting trade between member States.

3.3.6 Intellectual property rights

3.95. As signatories to the Bangui Agreement (1977), the CEMAC countries are members of the African Intellectual Property Organization (OAPI), which currently has 17 member States. This Agreement was revised on 24 February 1999, in order to, among other things, bring its provisions into line with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).[64] It covers patents (Annex I); utility models (Annex II); trademarks and service marks (Annex III); industrial designs (Annex IV); trade names (Annex V); geographical indications (Annex VI); copyright and related rights (Annex VII); and protection against unfair competition (Annex VIII).

3.96. The terms of protection established by this Agreement are defined in accordance with the WTO TRIPS Agreement (Table 3.6).

Table 3.6 Subject matter and terms of protection under the Bangui Agreement

Subject matter	Bangui Agreement (1999)
Patents	20 years
Utility models	10 years
Trademarks and service marks	10 years, renewable every 10 years
Industrial designs	5 years, may be extended for 2 periods of 5 years
Trade names	10 years, renewable every 10 years
Geographical indications	n.a.
Appellations of origin	n.a.
Literary and artistic property	
Copyright	Life of the author + 70 years after his/her death
Films, radio and audiovisual programmes	25-70 years
Photographic works (works of applied art)	25 years
Related rights for performances	50 years
Related rights for phonograms	50 years
Related rights for broadcasts	25 years
Protection against unfair competition	
Layout designs (topographies) of integrated circuits[a]	10 years
Plant variety protection	25 years

n.a. Not applicable.

a The revised Bangui Agreement is not in force.

Source: WTO Secretariat.

3.97. In principle, the revised Bangui Agreement (1999) prohibits parallel imports where patents are concerned.[65] However, a non-voluntary licence may be granted where a patents is of vital interest to the economy of the country, public health or national defence.[66]

3.98. The OAPI serves as the national industrial property service for each of its member States and provides a common system of administrative procedures for registering related rights. The registration procedure begins with the filing of an application accompanied by supporting documents. The application may be filed with the national liaison office or sent directly to the OAPI. Applicants who are not resident in one of the member States must send their application directly to the OAPI, through an approved agent.[67] The certificates issued by the OAPI guarantee protection in all the member States.

3.99. Between 2013 and 2019, the number of patent applications filed by CEMAC country residents rose from 32 to 56, while trademark applications rose from 409 to 436 (Table 3.7). Most of these applications were made by residents of Cameroon.

[64] The revised Bangui Agreement (1999) was notified to the WTO and was examined by the TRIPS Council at its session held on 27 and 28 November 2001. WTO document IP/Q/GAB/1; IP/Q2/GAB/1; IP/Q3/GAB/1 and IP/Q4/GAB/1 of 18 May 2004.

[65] Annex I (Article 7) to the revised Bangui Agreement (1999).

[66] Article 56 of the revised Bangui Agreement (1999).

[67] A list of these agents can be found on the OAPI website. Viewed at: http://www.oapi.int/index.php/fr/component/k2/item/295-liste-des-mandataires-agrees-aupres-de-l-oapi.

Table 3.7 Number of patent and trademark applications from CEMAC member States filed with the OAPI, 2013–2018

Applications	2013	2014	2015	2016	2017	2018
Patents:	**32**	**45**	**42**	**57**	**38**	**56**
Cameroon	27	25	29	48	31	41
Congo	1	9	5	1	2	1
Gabon	2	5	1	4	2	3
Equatorial Guinea	0	0	0	0	0	0
CAR	0	4	2	1	2	3
Chad	2	2	5	3	1	8
Trademarks:	**409**	**317**	**337**	**401**	**312**	**436**
Cameroon	312	259	274	341	245	333
Congo	65	20	28	20	20	36
Gabon	24	20	29	13	30	48
Equatorial Guinea	0	0	0	2	8	5
CAR	5	2	0	4	2	7
Gabon	3	16	6	21	7	7

Source: Data provided by the OAPI.

3.100. With respect to literary and artistic property, the revised Bangui Agreement covers copyright, related rights and cultural heritage. The OAPI is responsible for promoting the protection of these rights and creating national agencies in the countries that are still without one.

3.101. In the CEMAC Investment Charter[68], the countries regard counterfeiting as a serious impediment to their economic development and undertake to combat it. The Customs Code also contains provisions on counterfeiting, denying entry and admission to customs warehouses to all counterfeit foreign goods.

[68] Regulation No. 17/99/CEMAC-20-CM-03 of 17 December 1999 relating to the CEMAC Investment Charter.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, livestock, forestry and fisheries

4.1.1 Introduction

4.1. The agricultural sector employs around 64% of the working population in the CEMAC zone and contributes 25% of the subregion's GDP, although this figure varies greatly from one country to another. However, agriculture accounts for only around 14% of export earnings, due to the relatively greater weight of oil exports. Agricultural imports account for around 16% of total imports. Most regional agricultural trade in CEMAC takes place through informal channels and is not recorded in official statistics.

4.2. Spread over more than 3 million km^2, the CEMAC region is endowed with a diverse climate and substantial land resources that make it particularly suited to the development of agropastoral activities. Despite this natural potential, however, the agricultural sector remains largely underdeveloped. This potential is not being achieved primarily because of weak links between farmers and markets, poor market-related infrastructure, and high trade costs due to corruption along regional trade corridors.[97] Furthermore, for many crops, the lack of application of improved farming techniques deprives producers of benefiting from the added value of their products.

4.3. Harvests of the main food products have generally seen an upward trend since 2012 (Table 4.1). Sugar, cotton, forestry and livestock products are important for generating foreign currency (Section 4.1.3).

Table 4.1 Main agricultural products, 2012–2021

(1,000 tonnes)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cassava	6,785	7,133	7,323	7,283	7,533	7,356	7,774	7,828	7,880	8,055
Plantains	4,028	4,175	4,972	5,169	5,345	5,179	5,025	5,026	5,046	5,500
Palm nut oil	2,169	2,171	2,271	2,277	2,478	2,578	2,678	2,577	2,647	2,799
Maize (corn)	2,420	2,242	2,423	2,555	2,756	2,608	2,686	2,686	2,664	2,613
Sorghum	2,417	2,099	2,102	2,066	2,220	2,176	2,218	2,204	2,218	2,159
Taro	1,851	1,789	1,936	1,996	2,045	2,089	2,042	2,061	2,064	2,058
Yams	1,632	1,682	1,732	1,789	1,794	1,792	1,792	1,793	1,792	1,792
Groundnuts in shell	2,131	1,815	1,546	1,501	1,809	1,562	1,582	1,560	1,535	1,512
Bananas	1,698	1,829	1,298	1,318	1,426	1,346	1,372	1,386	1,372	1,379
Tomatoes, fresh	894	880	954	1,025	1,186	1,055	1,089	1,110	1,084	1,094
Vegetables, fresh	947	980	1,005	1,024	1,038	1,041	1,047	1,039	1,043	1,047
Millet	966	674	814	711	846	782	880	839	809	744
Sweet potatoes	858	651	518	502	623	611	678	646	627	620
Rice, paddy	416	585	473	535	632	538	609	640	634	620
Main crops	**29,213**	**28,706**	**29,368**	**29,750**	**31,731**	**30,715**	**31,472**	**31,396**	**31,415**	**31,994**

Source: FAOSTAT.

4.4. The main trade policy instruments in the agricultural sector are border duties and taxes, including the common external tariff (CET) (Tables 3.2 and 3.3), followed by internal taxes, in this case VAT. CET and other duties and taxes afford agriculture a high level of tariff protection (Section 3.1). Import duty and VAT exemptions have been introduced in a number of member countries to facilitate imports of basic agri-food products, and agricultural inputs and equipment. The Commission is currently working on harmonizing those exemptions, which differ substantially from one country to another.

4.1.2 Community agricultural policies

4.5. Since 2012, the CEMAC Commission has continued its efforts to effectively coordinate the agricultural policy objectives and instruments of the CEMAC member States, in a context of very limited resources that considerably handicaps the scope of its actions. In particular, the Commission has worked to identify certain obstacles to trade in agricultural products, such as problems relating to the application of SPS measures.

[97] World Bank (2018).

4.6. Where the coordination of national policies in the agriculture, livestock and fisheries sectors is concerned, CEMAC intends: (i) to increase productivity in these sectors; (ii) to ensure the profitability of the subsectors; (iii) to stabilize markets; (iv) to assure the availability of supplies; and (v) to ensure that supplies reach consumers at reasonable prices (CAEU Convention, Article 35).

4.7. The Common Agricultural Strategy (SAC) adopted in 2003 seeks to promote trade in agricultural products and ensuring food security. It is based five priority pillars:

a. stepping up agricultural and food production: the measures identified seek to improve agricultural production through research, the dissemination of farming techniques and agricultural equipment, and product processing;

b. conquering national, regional and international markets: priority is being given to opening up rural areas, then to building capacities to preserve, process and package food products, and improving market access conditions.

c. mobilizing and strengthening civil society: the idea is to involve civil society more widely in the development and implementation of agricultural and environmental protection policies, and to support the NGOs operating in the sector;

d. carrying out the necessary institutional reforms in the areas of research and access to credit; and,

e. contributing to rural poverty reduction efforts, through measures such as promoting income-generating activities for the poor, establishing strategic food reserves, etc.

4.1.2.1 The Common Agricultural Strategy

4.8. The Comprehensive Africa Agriculture Development Programme (CAADP) is one of the flagship programmes implemented by ECCAS in Central Africa. Its implementation has led to the reframing of the regional Common Agricultural Policy (PAC), as well as a set of strategies and programmes needed to achieve the PAC's objectives. These include the Regional Agricultural Investment Programme for Food and Nutrition Security (PRIASAN), the Regional Development Strategy for the Cotton and Coffee Sectors, the Agricultural Productivity Programme and the Reinforcing Veterinary Governance in Africa (VET-GOV) programme.

4.9. The Regional Applied Research Centre for the Development of Agricultural Systems in Central Africa (PRASAC) is the CEMAC specialized agricultural research institution. PRASAC seeks to create synergies among the national agricultural research institutions with a view to finding answers to local needs and building local intervention capacities. Nearly 350 researchers in the region are listed on its database.

4.10. The mission of the Economic Commission for Cattle, Meat and Fishery Resources (CEBEVIRHA), a CEMAC implementing agency, is to contribute to the sustainable development of the livestock, animal industries, fisheries and aquaculture sectors, and to boost trade.

4.11. As part of CAADP, a Regional Animal Health Centre was set up in N'Djamena in February 2019.[98] The centre is expected to facilitate veterinary governance in terms of vaccination schedules, and improve epidemiological surveillance through the creation of an early warning system.

4.12. Since the last review, the CEMAC countries have harmonized their pesticide approval procedures (see Section 3.3.2). The use and marketing of pesticides are subject to their approval by the Inter-State Pesticides Committee of Central Africa (CPAC).

4.13. A Regional Seed Council (CRS) was established in 2014.[99] Its mission is to assist the Commission in implementing current regulations on production, quality control, certification and

[98] Decision No. 41/CEEAC/XVI/CCEG/15 of 25 May 2015.
[99] Regulation No. 03/14-UEAG-224-CM-27 of 20 October 2014.

marketing of seeds and seedlings. It is also responsible for ensuring that rules and standards on production, quality control, certification and marketing of seeds and seedlings are observed.

4.1.2.2 Food security programmes

4.14. The food situation in the CEMAC region remains very worrying, even though the situation varies considerably from one country to another. Around 45% of the population is undernourished, of which 10% are suffering from an extreme food deficit.[100] Undernourishment is most widespread in the Central African Republic and Chad, but is less prevalent in Gabon and Cameroon (see country annexes).

4.15. The CEMAC Regional Food Security Programme (PRSA-CEMAC), drawn up with the support of FAO and adopted in 2002, remains the reference document on food security matters. It has two components: one concerns cross-cutting regional activities; the other, support for national programmes. A round table of donors is currently being organized to mobilize resources for its implementation.

4.1.3 Policy by subsector

4.1.3.1 Cotton

4.16. Cameroon, the Central African Republic and Chad are the three CEMAC cotton-producing countries. In these countries, the cotton sector is generally organized around majority state-owned companies with a *de facto* monopoly. These are the Société de développement du coton (Cameroon), the Société cotonnière centrafricaine (Central African Republic) and the CotonTchad Société Nouvelle (Chad). These companies buy seed cotton from the producers and take care of the ginning and marketing. Downstream there are a few processing plants that produce textiles for the local market. However, most of the cotton fibre produced is exported to Asia and Europe.

4.17. Cameroon is the largest producer in the subregion. According to FAO statistics, its cotton fibre production was 260,000 tonnes during the 2020 season. Chad's production is assessed at 80,000 tonnes, and that of the Central African Republic at 18,000 tonnes. (See annexes on Cameroon, the Central African Republic and Chad.)

4.18. Regulation No. 11/06-UEAC-168-CM-14 of 11 March 2006 established a Subregional Committee for the Coordination and Monitoring of Cotton Subsector Policies in the CEMAC zone. A strategy covering the cotton-textile-clothing chain was drawn up in 2011. It seeks to develop the subsector by pursuing the following five strategic objectives: (i) boosting cotton production (seed and fibre); (ii) improving and guaranteeing the quality of the cotton; (iii) supporting and developing fibre processing; (iv) stepping up the promotion and marketing of the subregion's cotton and textiles; and (v) developing and improving the cotton seed by-products recovery processes. The objective for 2020 is to triple seed cotton yield (1,200 kg/ha) and to achieve an output of 350,000 tonnes of cotton fibre, 100 million litres of oil and 200,000 tonnes of cake.

4.19. Chad is one of the four African countries behind the Sectoral Initiative for Cotton (C-4).[101] The C-4 continued to be a driving force at the WTO on the issue of cotton, both in agricultural negotiations and with regard to the development component. The following outcomes have been adopted on cotton in recent years: the Ministerial Decision on Cotton adopted in Bali in December 2013 and the subsequent establishment of dedicated biannual discussions on trade-related aspects of cotton; the Ministerial Decision on Cotton adopted in Nairobi in December 2015, acknowledging efforts to accelerate the elimination of export subsidies for cotton and welcoming Members' efforts towards providing duty-free, quota-free market access for cotton products originating from LDCs; the launch of the Cotton Portal at the Buenos Aires Ministerial Conference in December 2017; the launch, in November 2018, of a joint WTO, ITC and UNCTAD initiative on cotton by-products; and the launch of World Cotton Day at the WTO on 7 October 2019.[102]

---

[100] Less than 300 calories per person per day.
[101] The C-4 countries are Benin, Burkina Faso, Chad and Mali.
[102] WTO document JOB/AG/165 and TN/AG/SCC/GEN/21, 10 October 2019.

4.1.3.2 Sugar

4.20. A set of common market regulation strategies proposed by the Common Market Organization for Sugar (OCM-Sucre-CEMAC) was adopted by the Council of Ministers in 2007.[103] These strategies protect Community production, in particular, by guaranteeing the free movement of locally produced or refined sugar; implementing a Community supply plan; tightening tariff measures; and combating fraud, smuggling and counterfeiting. However, none of these strategies has been implemented since their adoption.

4.21. In each of the countries, there is generally a single company responsible for processing sugar cane. These companies are all subsidiaries of the Société d'organisation de management et de développement des industries alimentaires et agricoles (SOMDIAA), a majority French-owned agrifood group. The companies in question are Compagnie sucrière du Tchad (CST), Société agricole de raffinage industriel du sucre (SARIS Congo), Société sucrière du Cameroun (SOSUCAM), Sucrerie Africaine du Gabon (SUCAF Gabon), and the sugar management company of the Central African Republic. They are all part of an association called the Sugar Industry Group (GPS-CEMAC), financed by the members' annual subscriptions.

4.22. Sugar production in the CEMAC zone has increased slightly since the last review (Table 4.2).

Table 4.2 Sugar production, 2012 and 2020

(1,000 tonnes)

Country	Sugar cane production 2012	Sugar cane production 2020	Refined sugar production 2010	Refined sugar production 2020
Cameroon (SOSUCAM)	1,200	1,219	110	116
Congo (SARIS)	641	686	48	70
Gabon (SUCAF)	273	288	28	26
CAR (SUCAF)	99	129	10	12
Chad (CST)	432	380	35	31
Total	**2,645**	**2,702**	**231**	**254**

Source: FAOSTAT and information compiled by the WTO Secretariat from sources listed in the table.

4.1.3.3 Livestock

4.23. Grazing land covers around one third of the region's area. Over 35% of the population in Cameroon and 40% in Chad are involved in livestock farming. Chad, Cameroon and the Central African Republic are the main cattle producers in the subregion. Livestock farming is an important means of subsistence for rural populations, and is therefore of great strategic importance for nutritional and food security.

4.24. Central Africa has a large livestock population, most of which is located in Chad. It has been estimated at around 44.7 million head of cattle in 2021, compared with 17.9 million in 2012.[104] The populations of other species are estimated at 46 million head of sheep, 56 million goats, 3.5 million pigs, and 75 million head of poultry.

4.25. Consequently, livestock farming is one of the pillars underpinning the Community's efforts to accelerate economic growth and achieve the objectives that it has set itself in its Regional Economic Programme (PER) (see Section 2, Box 2.1).

4.26. CEBEVIRHA is CEMAC's implementing agency for livestock. Its objectives are to implement a policy to improve livestock production conditions; improve the health of cattle; carry out checks of sites where cattle are prepared for market; add value to livestock products; boost trade; coordinate the livestock policies in member States' development plans; and organize training in the sectors concerned. Each year, CEBEVIRHA holds a consultation meeting on the livestock, fisheries and aquaculture sectors. These meetings provide a framework for the exchange of views within which the various actors in these sectors can discuss problems and seek solutions.

---

[103] Regulation No. 19/07-UEAC-166-CM-16 of 18 December 2007 adopting strategies for the regulation of the CEMAC zone common sugar market.

[104] FAO Stat.

4.27. However, livestock farming did not feature prominently in phase 2 of the PER from 2017 to 2021.[105]

4.1.3.4 Forestry sector

4.28. The CEMAC region is partly covered by the forests of the Congo Basin, the world's second-largest tropical forest, which has exceptional levels of biodiversity. With the exception of Chad, all the CEMAC countries have, to a greater or lesser extent, considerable forest resources, and export wood products.[106] Exports of forest products from the region were valued at around USD 1.8 billion in 2021. China has become the biggest market for wood from the region's forests.

4.29. However, the maintenance and sustainability of these forest areas remains generally uncertain, the main threats being illegal or uncontrolled logging, the opening up of the massif with roads and tracks, commercial hunting (meat and trophies), and the settlement of populations along new roads, around mines and logging operations.

4.30. At present, there are no Community regulations governing the forestry sector at the CEMAC level. At the ECCAS level, the Commission of Central African Forests (COMIFAC) is responsible for coordinating subregional initiatives for the conservation and sustainable management of forest ecosystems.

4.31. Cameroon, the Central African Republic, Congo and Gabon are members of the International Tropical Timber Organization (ITTO). The ITTO is an intergovernmental framework for consultation and cooperation on matters relating to the international trade in tropical timber and the sustainable management of its resource base. It is governed by the International Tropical Timber Agreement (ITTA), concluded in 1983 and revised in 1994. The objectives of the ITTA are "to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests".

4.1.3.5 Fisheries

4.32. With its favourable ecological and edaphic conditions, CEMAC is a major freshwater reservoir, as well as a conducive environment for the development of inland and marine fisheries and aquaculture production.[107] With some 1,752 km of coastline and 554,000 km^2 of exclusive economic zone (EEZ), the CEMAC countries have an estimated sustainable fish production potential of around 800,000 tonnes. However, the contribution of the fisheries and aquaculture sector to GDP and export earnings remains insignificant and below its full capacity.

4.33. In 2020, cumulative fish and seafood production for all the CEMAC countries, with the exception of Equatorial Guinea, was 522,000 tonnes, compared with 450,000 tonnes in 2012 (Table 4.3). Cameroon accounts for 55% of that production. Post-catch losses and wastage could amount to 25-30% of production. Aquaculture production remains marginal.

Table 4.3 Fishery sector indicators, 2012 and 2020

Indicator	Cameroon		Congo		Gabon		CAR		Chad		Total[a]	
Physical characteristics												
EEZ (km^2)	14,500		31,017		213,000		0		0		258,517	
Shoreline (km)	402		170		800		0		0		1,372	
Fish and aquaculture (tonnes)												
	2012	**2020**	**2012**	**2020**	**2012**	**2020**	**2012**	**2020**	**2012**	**2020**	**2012**	**2020**
Production	199,840	285,186	81,555	71,537	36,548	29,060	32,182	29,219	100,030	107,105	450,155	522,107

[105] CEMAC (2017).

[106] According to statistics compiled by the Central African Forests Observatory (OFAC) for 2010, the forested area is estimated at 18.6 million hectares for Cameroon; 17.1 million for Congo; 22.3 million for Gabon; and 6.9 million for the Central African Republic.

[107] Viewed at: http://www.fao.org/africa/news/detail-news/fr/c/1194094/: *"La FAO et la CEBEVIRHA en conclave à Libreville pour la relance des activités du projet de promotion de pêche continentale et d'aquaculture en zone CEMAC"*.

Indicator	Cameroon		Congo		Gabon		CAR		Chad		Total[a]	
Imports	189,618	200,040	16,287	43,940	15,972	28,038	5,387	6,311	716	806	227,980	279,134
Exports	3,313	3,372	153	13,067	1,225	887	0	98	56	67	4,747	17,491

a CEMAC States Members of the WTO.

Source: FAOSTAT. Viewed at: http://www.fao.org/fishery/statistics/fr.

4.34. CEBEVIRHA is also the CEMAC implementing agency for fisheries and aquaculture. Its objectives are to implement a fisheries policy, improve fish health and control the fish environment. It has implemented the Promotion of Inland Fisheries and Aquaculture Project (PPCA), with a budget of CFAF 5.1 billion. The project seeks to ensure sustainable management of the region's fishery resources and better harness the potential of the subregion's aquatic environments. The project is expected to contribute to improving the governance and management frameworks for inland fisheries and aquaculture, and to support the activities of small-scale fishers and fish farmers, and their organizations, by enabling them to move from subsistence activities to profitable, market-oriented activities.

4.35. The CEMAC countries are signatories to the international Code of Conduct for Responsible Fisheries.

4.36. At the ECCAS level, the Gulf of Guinea Regional Fisheries Commission (COREP) is the specialized body in charge of fisheries matters. COREP's objective is to develop the exploitation of fishery resources in the exclusive economic zones of the member countries. It has adopted a strategic action plan based on the Code of Conduct for Responsible Fisheries and is also in charge of implementing the ACP Fish II programme, a European Union project aimed at improving fishery management in the ACP countries.

4.2 Mining and energy

4.37. The region's mineral wealth includes significant deposits of oil, natural gas, gold, diamonds, manganese, iron, bauxite and uranium.

4.38. A Standing Commission on Energy and Mining (COPEM) was established in March 2006 but has never been fully operation.[108] An ad hoc energy committee was also set up which has participated in meetings organized within the framework of CEMAC's electrification and energy planning projects. It is composed of national electricity company executives and the directors-general responsible for energy from the ministries.

4.39. According to the CEMAC Customs Code (Articles 166 and 171), the national customs authorities may authorize temporary admission for the entry of technical equipment imported provisionally by mining and oil companies for research and prospecting purposes. A list of eligible products and equipment under those provisions has been drawn up at the Community level for equipment used to explore for and exploit hydrocarbons.[109]

4.40. Cameroon, Congo and Chad are parties to the Extractive Industries Transparency Initiative (EITI). Gabon and the Central African Republic were suspended in 2013.

4.2.1 Petroleum and gas products

4.41. With the exception of the Central African Republic, all the CEMAC countries are oil exporters (see Section 1 and country annexes). The CEMAC zone is heavily dependent on oil, which accounted for around 66% of the Community's exports in 2018, compared with 75% in 2012. Proven oil reserves in the CEMAC countries stand at around 7.5 billion barrels. In 2021, subregional production

[108] Regulation No. 12/06-UEAC-171-CM-14 of 11 March 2006 establishing the Standing Commission for Energy and Mining (COPEM).

[109] It is annexed to Directive No. 1/99/CEMAC-028-CM-03 of 17 December 1999 harmonizing the legislations of the member States on value added tax (VAT) and excise duty, and its revising Directive No. 07/11-UEAC-028-CM-22.

(excluding Equatorial Guinea) was estimated at 35.4 million tonnes of crude. The oil industry is generally open to foreign investment.

4.42. The sharp and prolonged slump in oil prices, from USD 120 per barrel in 2014 to USD 40 in May 2016, had a significant adverse impact on growth across the region (Section 1).

4.43. The oil sector did not feature prominently in phase 2 of the PER from 2017 to 2021, unlike phase 1, from 2009 to 2015.[110]

4.2.2 Other mining products

4.44. There are no Community regulations governing the mining sector. A project to draft a mining code for the subregion has been underway since 2016.

4.45. The contribution of other mining products to the region's GDP remains limited; only in Gabon and the Central African Republic does it exceed 2%. One of the main reasons for investors' reluctance to mine these minerals is the lack of infrastructure, particularly that of a rail network, for transporting them. Added to this is the weakness of public institutional capacity to support the mining sector, the lack of transparency in the allocation of mining permits and the length of time it takes to obtain them.

4.2.3 Energy

4.46. Access to electricity remains limited in the CEMAC region, with rates ranging from 11% of the population in Chad to 92% in Gabon. Electricity prices are generally high, and transmission and distribution losses are considerable. Peri-urban electrification is often inadequate, and, outside of Cameroon and Gabon, rural electrification remains almost non-existent.

4.47. In the electricity mix, hydroelectric infrastructure generates the bulk of the region's electricity, while thermal power plants account for only a small share of installed capacity. Liquefied petroleum gas (LPG) and kerosene for cooking are little used and remain confined to big cities. The vast majority of the rural population use charcoal and firewood, which is gathered without any concern for their replacement and burnt in unhealthy conditions. Despite great potential, especially for decentralized applications, the role of solar and wind energy is still limited.

4.48. CEMAC has an estimated hydroelectric potential of 33 GW. The goal of the Regional Economic Programme (PER) is to exploit the strong potential and interconnect the power networks of the member States to create a regional electricity market by 2025.[111] In fact, development of the region's energy production and its interconnection are one of the strategic pillars of the PER (Section 2).

4.49. The energy strategy of the CEMAC zones revolves around the Central African Power Pool (CAPP), which implements the region's energy policy and brings together both States and power companies. Through CAPP, the CEMAC countries have established a legal framework including a Central African Regional Electricity Market Code and an Operating Code for Interconnected Electricity Networks.

4.50. In recent years, the installation of new infrastructure has enhanced the region's energy capacity.[112] In addition, a dozen hydroelectric projects with a capacity of over 100 MW are currently under construction, notably in Cameroon and Congo (see country annexes). However, the level of interconnection in the region remains low. To facilitate interconnection, the Central African Regional Electricity Regulatory Commission (CORREAC) has been set up to ensure infrastructure

[110] CEMAC (2009) and (2017).
[111] CEMAC (2017).
[112] These include the 19 MW Liouesso (2016) and 120 MW Imboulou (2012) hydroelectric dams in Congo, the 160 MW Grand Poubara (2013) hydroelectric dam in Gabon, and the 200 MW Djibloho (2015) and 15 MW Mekin (2016) hydroelectric dams in Cameroon.

standardization, particularly for electricity transmission and distribution.[113] Under the 2017–21 phase of the PER, several interconnection projects are planned (Table 4.4).

Table 4.4 Electrical infrastructure projects planned under the Regional Economic Programme, 2017–2022

Projects	Km	Countries involved	State of progress
1. Chollet hydroelectric power plant and associated transmission lines	..	Congo, Cameroon	Project management set up by both States
2. Dimoli and associated lines (Dimoli-Chollet; Dimoli-Bangui (450 km); Dimoli-Bouar (260 km); Nola-Ouesso (270 km))	..	Central African Republic, Cameroon, Congo	Feasibility studies in progress
3. Mongomo-Oyem interconnection	42	Equatorial Guinea, Gabon	Financial feasibility studies finalized; final design and CAD studies in progress
4. Djibloho and Edea-Menve'éle-Mekin interconnection	360	Cameroon, Equatorial Guinea	Financial feasibility studies finalized; final design and CAD studies in progress
5. Grand Poubara-Imboulou interconnection	580	Gabon, Congo	Financial feasibility studies finalized; final design and CAD studies in progress
6. Moundjel, Ngaoundéré and N'Djamena interconnection	720	Cameroon, Chad	Financial feasibility studies finalized; final design and CAD studies in progress

.. Not available.

Source: CEMAC (2017)

4.51. An assistance programme, financed by the European Union, aims to accelerate the implementation of the regional electricity market. The programme ran from 2018 to 2022, and targeted the development of regional infrastructure projects, the harmonization of legal and technical tools required for the operation of interconnected systems, the development of the CAPP energy information system, and the financial autonomy of the CAPP.

4.3 Manufacturing

4.52. Manufacturing in the CEMAC zone remains in an embryonic state. The industrial fabric is located mainly in Cameroon and to some extent in Congo (Table 4.5). Compared with 2012, the manufacturing sector's value added as a percentage of GDP declined in Cameroon and Congo, but rose in Gabon, the Central African Republic and Chad. Manufacturing goods traded between the CEMAC countries consist mainly of food industry products (pasta, sugar, flour, tomato sachets), chemical products (matches, soaps, detergents, insecticides), and building materials (sheet metal, nails, cement).

Table 4.5 Manufacturing value added, 2000-2021

(% of GDP at constant 2015 prices)

	Cameroon	Congo	Gabon	CAR	Chad	CEMAC[a]	SSA	Africa	World
2000	14.7	3.5	3.7	..	8.6	7.6	13.9	12.1	18.2
2005	15.0	6.4	12.9	..	0.2	8.7	12.4	11.6	16.3
2010	14.5	5.3	17.1	18.4	1.0	11.3	9.8	11.0	15.9
2011	15.2	5.2	19.2	20.0	1.7	12.3	9.7	11.1	16.0
2012	15.5	4.3	16.5	23.7	2.1	12.4	9.5	11.0	16.0
2013	15.2	5.9	17.2	21.1	2.7	12.4	9.9	10.8	15.8
2014	14.5	6.0	17.4	17.4	2.7	11.6	10.1	10.9	15.9
2015	14.4	7.9	16.7	19.7	2.8	12.3	10.0	10.7	16.4
2016	13.8	10.6	17.5	19.5	3.0	12.9	9.8	11.0	16.2
2017	13.7	11.0	17.6	18.4	2.9	12.7	9.8	11.1	16.3
2018	13.7	7.6	18.9	18.1	2.9	12.2	10.6	11.2	16.4
2019	12.8	8.1	18.8	17.8	2.9	12.1	11.0	11.1	16.0

[113] The CEMAC countries do not all use the same electrical voltage standards and types of electrical equipment. For example, three-phase voltage is 400 V in Congo and 300 V in the other countries.

	Cameroon	Congo	Gabon	CAR	Chad	CEMAC[a]	SSA	Africa	World
2020	13.2	..	18.4	17.7	3.2	13.1	11.1	11.1	15.9
2021	13.1	..	23.6	17.5	..	18.1	11.5	11.9	16.6

.. Not available.

a CEMAC States Members of the WTO.

Note: SSA = Sub-Saharan Africa.

Source: World Bank, World Development Indicators. Viewed at: https://databank.worldbank.org/source/world-development-indicators#.

4.53. The average common external tariff for the manufacturing sector is 17.9%. This high level of protection makes imported components more expensive and, consequently, hinders the sector's integration into global value chains.

4.54. The industrialization of the CEMAC economies is being held back by a relatively unattractive business environment. The sector faces a number of obstacles, including weak regional infrastructure (transport, electricity); generally high customs duties; corruption and *tracasseries* (petty harassments). As a result, the sector's productivity remains low and it continues to be unable to allocate resources efficiently or to diversify.

4.55. Launched in 2015 and funded by the European Union, the Industrial Restructuring and Upgrading Programme (PRMN) aims to help strengthen productive capacities in Central Africa. As part of this project, each country will have to identify priority sectors in order to support target companies in those areas during the pilot phase.

4.4 Services

4.4.1 Horizontal liberalization of services at regional level

4.56. Since its foundation CEMAC has adopted various sectoral policies to harmonize and liberalize services that it has now supplemented by developing a horizontal approach to liberalization. On 8 December 2021 the CEMAC Council of Ministers adopted Directive No. 02/21-UEAC-639-CM-37 "on services in the CEMAC Common Market".[114] The Directive "lays down general provisions enabling service providers to exercise freedom of establishment and allowing the free movement of services while ensuring high service quality". Its scope does not include services of general economic interest or financial, telecommunication, audio-visual, health, transport, social, security or justice services. The Directive calls on member States to simplify the procedures and regulations governing service activities and lays down a requirement for a single window to that effect. It encourages the use of electronic procedures, prohibits discriminatory criteria in procedures authorizing the establishment of a provider, and restricts the authorization regime to matters where authorization is justified by an overriding reason relating to the public interest.

4.57. The Directive lays down authorization criteria and provides that, except for specifically listed exemptions, authorizations must not be time-limited. It lays down rules on transparency, appeals in procedures relating to authorization processes and the selection of candidates for authorizations. It gives an exhaustive list of the conditions that providers must satisfy and prohibits, in principle, economic needs tests. It lists a series of requirements related to market access limitations under the GATS (quantitative or territorial limitations, limitations on the type of legal entity, requirements concerning company ownership and minimum numbers of staff) as well as other *sui generis* requirements (fixed minimum or maximum tariffs, requirement to provide services other than the primary service), and calls on the member States to consider whether their legislation contains such requirements and, if so, whether it states that those requirements must be implemented only where strictly necessary and in a non-discriminatory, proportionate fashion.

4.58. The directive also sets forth the principle of freedom to provide services, gives an restrictive list of exemptions in that regard (including services of general economic interest, as well as postal, electricity, gas, water and sewage services) and states the requirements to which providers may be

[114] Information viewed at: https://www.cemac.int/sites/default/files/Textes%20Officiels/Dir%20N per centC2 percentB0%2002%20Relative%20aux%20services%20dans%20le%20march%C3%A9%20commun%20de%20la%20CEMAC.pdf.

subject along with requirements that are prohibited. In return for their newly acquired freedoms, service providers are subject to customer information requirements that the member States are responsible for implementing. Lastly, the Directive sets up a monitoring committee. Overall this lengthy text (which runs to more than 45 pages) is analogous to the GATS and the WTO disciplines on domestic regulation that are still in the process of being agreed. It is a genuine charter for the future liberalization of trade in services in the subregion.

4.4.2 Telecommunications services

4.59. The penetration rates of the various types of telecommunications services (fixed, mobile and Internet) and their prices are described in detail for the CEMAC member States in each country annex up to 2021.

4.60. Although considerable progress was made in access to telecommunications services during the review period, fixed-line penetration remains very low in all countries. In contrast, mobile telecommunications have achieved strong market penetration, although there are wide disparities among member States. Internet use remains very limited, except in Cameroon and Gabon.

4.61. In regulatory terms, the sector has generally been liberalized in the CEMAC region to differing degrees as evidenced in Table 4.6, which shows the extent of liberalization by subsector in the latest year for which figures are available.

Table 4.6 Degree of exposure to competition of various types of telecommunications services in CEMAC member countries, 2020

	Cameroon	Congo	Gabon	Central African Republic	Chad
Cable modems	C	..	C	..	M
Cable television	C	C	.C	C	..
Data	M	C	C	C	C
Long-distance fixed domestic lines	M	M	C	C	M
Fixed satellite services	M	M	C	C	C
Fixed broadband	M	C	C	C	C
Global mobile personal communication by satellite (fixed satellite services/mobile satellite services)	C	..	C	C	C
International mobile telephony (3G and 4G)	P	C	C	..	C
International gateways	P	C	C	C	M
International fixed long-distance lines	M	M	C	..	M
Internet services	M	C	C	C	C
Leased lines	M	C	C	..	C
Wireless local loop	M	C	C	..	C
Local fixed lines	M	C	C	M	M
Mobile	P	C	C	C	C
Mobile satellite service	P	C	.C	C	C
Paging	C	C	C	C	..
VSAT satellite	C	C	C	C	C
Digital subscriber lines	M	C	C	..	M

.. Not available.

Note: M = monopoly, P = partial competition, C = full and open competition.

Source: ITU ICT-Eye data portal. Viewed at: http://www.itu.int/icteye.

4.62. International fixed long-distance lines are the only services where monopolies are still in place in four of the five States. Services where monopolies remain widespread are long-distance fixed domestic lines (three of the five States – Cameroon, Congo, Chad), local fixed lines (three States – Cameroon, CAR, Chad), followed by fixed satellite services (two States – Cameroon, Congo) and digital subscriber lines (two of the four States for which this information is available – Cameroon and Chad).

4.63. Other services that are still controlled by one company are monopolies in just one country and are variable. One service has been fully liberalized by all five States, namely very small aperture terminal (VSAT) satellites, while another service, global mobile personal communication by satellite (GMPCS), has been fully liberalized by the four States for which this information is available (Cameroon, Gabon, CAR, Chad). Partial liberalization is relatively uncommon; in countries where services have been liberalized they are generally fully liberalized. Beside maintaining the monopoly on all types of fixed lines, it is difficult to see why liberalization varies across the CEMAC member States.

4.64. The bulk of the CEMAC policy instruments are contained in the 2008 telecommunications package discussed in detail in the previous TPR.[115] In terms of implementation at the Community level, the Technical Committee for the Regulation of Electronic Communications (CTR) provided for in Decision No. 45/08-UEAC-133-CM-18 is in place. Implementation of the package in individual member States is described in detail in the country annexes.

4.65. The only new regulatory element adopted during the review period is Directive No. 10/11 "harmonizing procedures for setting and controlling tariffs for electronic communications services in the CEMAC member States".

4.66. One objective identified in regional consultations on CEMAC zone integration projects in July 2019 was a CEMAC digital single market to be implemented by means of four instruments: (a) the Central African Backbone optical fibre network; (b) the Central African Satellite; (c) the abolition of roaming charges; and (d) regional regulations on mobile banking.

4.67. Progress in these projects varies. The Central African Backbone project was launched in 2015, co-financed by the World Bank and various multilateral and regional institutions including the Development Bank of Central African States, but the full network rollout, originally scheduled for end-2019, is not yet complete. The Central African Satellite project is at the feasibility study stage and has not yet been presented to donors.

4.68. In so far as roaming charges are concerned, the second extraordinary session of the Steering Committee on the Economic and Financial Reform Programme (PREF-CEMAC) decided in October 2019 that roaming charges would no longer be applied to outgoing calls in the five CEMAC countries as from January 2020. Regulation No. 04/20-UEAC-CM-35 was drawn up to that end and entered into force on 8 September 2020. The regulation postponed the abolition of roaming charges to 1 January 2021. But that date was not met. In November 2021, the various CEMAC zone regulators signed a series of bilateral protocols to bring the abolition into effect. However, in May 2022, PREF-CEMAC directed the CEMAC Commission "*to monitor the steps required for the effective entry into force of the protocols on the abolition of roaming fees in the CEMAC zone*".

4.69. Lastly, regulations on mobile banking services have recently been adopted (Section 4.4.5).

4.70. The latest regulatory development to date is a project for closer cooperation between the Assembly of Telecommunications Regulators of Central Africa (ARTAC) and the CEMAC Secretariat. The foundations of the project were laid at a meeting in September 2022 in Brazzaville to draw up a regional harmonized regulatory environment for telecommunications and information technology.

4.4.3 Transport services

4.71. At its session of 19 October 2017 the *ad hoc* Council of Ministers for Transport and Public Works approved a CEMAC transport policy for Central Africa for 2035. The policy was subsequently adopted by the Council of Ministers and the CEMAC Conference of Heads of State at their meetings at end-October 2017. The aim of the policy is to "ensure the smooth flow of trade in goods and movement of persons between the countries of Central Africa by means of a transport policy covering

[115] Directives No. 08/08-UEAC-133-CM-18 and No. 10/08-UEAC-133-CM-18 on tariff setting and supervision, Directive No. 09/08-UEAC-133-CM-18 on the activities regime, Directive No. 07/08-UEAC-133-CM-18 on user protection, Directive No. 06/08-UEAC-133-CM-18 on universal service and Regulation No. 21/08-UEAC-133-CM-18 on network regulation policies, cf TPR/S/285, pp. 66-68 and Box 4.3.

all modes and components of the transport system in order to achieve sustainable economic and social development in the region". It is based on an unflinching seven-point analysis of the transport situation in the subregion:

- inadequate transport infrastructure and falling investment;
- high additional costs unrelated to infrastructure;
- inadequate involvement of transport in land-use planning;
- inadequate development and management of finances;
- the real risk of increased environmental damage caused by transport and the need for security and safety improvements;
- inadequate regional governance of transport;
- inadequate stakeholder training and lack of professionalism in the transport sector.

4.4.3.1 Air transport services

4.72. The members of CEMAC are still bound by the 1999 Libreville Agreement. Its provisions are much more liberal (unlimited 3rd, 4th and 5th freedom rights, principal place of business, multi-designation, free pricing, pre-determination of aircrafts' frequencies but not individual capacities) than those of other bilateral agreements between CEMAC member States and third States. Its Weighted Air Liberalization Index under the WTO QUASAR methodology[116] is 37 out of 50, whereas the weighted index of the agreements between each of the CEMAC member States and third States is between 8 and 10 out of 50.[117]

4.73. However these liberal provisions have had barely any effect on intra-CEMAC traffic because it accounted for only 0.1% of total air traffic in all CEMAC member States in 2011, the last year for which the underlying data of the WTO QUASAR database are available. It is unlikely that the figure has changed significantly in the intervening years, especially in view of the fact that a number of CEMAC airlines that were active in 2011 have subsequently ceased trading. The low percentage can be explained by the absence of traffic in the trading area, and where potential traffic exists, by the absence of local airlines capable of providing the service.

4.74. Air navigation services continue to be provided in all member States by the pan-African Agency for Air Navigation Safety in Africa and Madagascar (ASECNA). The developments specific to each member State with regard to bilateral agreements with third States, airport services and ground handling services will be discussed in the relevant country annex.

4.75. The only significant development at the Community level during the review period is the fact that, in 2019, CEMAC finally abandoned the plan it had launched in 2001 for a Community airline. By Additional Act No. 02/19-CEMAC-066-CCE-14 the Conference of CEMAC Heads of State repealed Additional Act No. 02/01-CEMAC-066-CE-03 of 8 December 2001 establishing a Community air transport company in the CEMAC zone.

4.4.3.2 Maritime transport and port services

4.76. The last revision of the Community Merchant Marine Code dates from July 2012. The market access provisions are unchanged from previous versions, namely national and subregional cabotage is reserved to vessels flying the flag of a member State, save for reasoned exemptions agreed by each competent maritime authority on a case-by-case basis. In order to obtain the nationality and therefore the flag of a member State, the vessel must meet the following conditions:

---

[116] For further details on this methodology, see WTO document S/C/W/270/Add.1 of 30 November 2006, p. I.14.

[117] For a detailed analysis of the Libreville Agreement, see WTO document S/C/W/270/Add.2 of 28 September 2007, pp 71-77.

- if it is owned by natural persons, at least 20% of equity must be owned by CEMAC nationals or nationals of a third State with which a reciprocal arrangement is in place;

- if it is owned by a company, the place of establishment of that company must be in the territory of the member State concerned and at least one of the officers (President, Director-General or Chief Executive) of the board of directors, executive board or any other management body as appropriate, is a national of the flag State, or of another State that has reciprocal arrangements with the flag State;

- additionally, where the company is a partnership or corporation other than a public limited company (*société anonyme*), at least 20% of its equity must be held by CEMAC nationals or nationals of States recognized as having equivalent entitlement under reciprocal arrangements.

4.77. There are still no Community regulations on cargo tracking notes (known as "*bordereaux de suivi des cargaisons*" (BESC) in CEMAC countries) for imports. However the Union of African Shippers' Council (UASC) is currently discussing the name of the BESC, delivery costs, etc. with a view to the regional harmonization of the costs inherent in the proposal for a tariff bracket and to mitigate discriminatory treatment arising as a result of the point of loading of the imported goods.

4.78. Harmonization should be facilitated by the fact that the legislation and practices of the member States in this area are broadly similar. All the member States, including those that are landlocked, have introduced the requirement for imports arriving by sea to be accompanied by an inspection form or cargo tracking note. The note is generally produced by the ministry responsible for transport in each country and has to be filed with the national shippers' councils. The charges for issuing this document vary from one country to another and can give rise to discriminatory treatment depending on the point of loading of the imported goods. After inspection, the company issues an inspection declaration which is required for customs clearance.

4.79. This legislation is rooted in the United Nations Code of Conduct for Liner Conferences of 1974, which was originally intended to reserve cargo to African national fleets that have since disappeared. They are still sharply criticized by multilateral institutions, particularly the World Bank, because they impose costs on imports from the countries concerned without offering any identifiable overall benefit, apart from providing support to shippers' councils that generally do not pass their receipts on to the general State budget.

4.4.3.3 Land transport infrastructure and services

4.80. The Integrated Economic Programme (PER) adopted by the Conference of the CEMAC Heads of State in 2010 contained 27 programmes structured around 107 projects carried out over three five-year periods: 2011-15, 2016-20 and 2020-25. The programmes and projects were to be financed partly by the "Emergence Fund" based on a levy on receipts from oil and other raw materials, and by the Community Development Fund (FODEC).

4.81. The implementation of phase 1 (2011-15) of the PER was delayed by the absence of feasibility studies for some of the projects and by the failure to finalize the mechanism to finance the Emergence Fund, combined with unsatisfactory collection of the community integration tax (less than one third of expected revenue) which was to be fed into FODEC.

4.82. In view of these challenges, CEMAC decided instead to focus implementation of the first phase on a few select programmes including the road and rail infrastructure master plan and eight "road integration projects".

4.83. The road and rail infrastructure master plan for 2025 and 2035 was approved in October 2017 by the *ad hoc* Council of Ministers for Transport and Public Works. It was adopted by the Council of Ministers and the Conference of CEMAC Heads of State at end-October 2017. The plan was based on road and rail projects set out in Operational Plan phase 1 of the CEMAC PER, and projects in the ECCAS/CEMAC Consensual Master Plan on Transport in Central Africa (PDCT-AC). It covers 75 projects for roads and seven for rail.

4.84. The eight priority road integration projects are to be financed by the member States, by their technical and financial partners (TFP) or jointly by the member States and the TFPs. The projects are at different stages: some have been completed, whereas others await additional funding so that work can begin or be completed. Some projects are subject to oversight by the Steering Committees of member States and donors. It is against that background that coordination difficulties have arisen with the projects that were prioritized by the member States.

4.85. In view of those difficulties, CEMAC decided to revise the PER downwards, taking account funding issues and new challenges such as security. This delayed implementation of the second phase of the PER accordingly. In an attempt to step up the pace, in July 2019, CEMAC decided to focus on 11 major infrastructure "integration projects" costed at EUR 4.1 billion. Seven of the 11 projects involve road infrastructure in the broad sense (including the construction of two dry ports).

4.86. A Round Table for financing the CEMAC integration projects was held in Paris on 16 and 17 November 2020. When the Round Table closed, the organizers announced they had received EUR 3.8 billion in finance commitments from six donors (including EUR 710 million that had already been mobilized), namely BDEAC, AfBD, AFREXIMBANK, World Bank, SX Capital Holdings and CCA in Scandinavia.

4.87. Held in Brazzaville in February 2023, the outcome of the 6th meeting of the Technical Committee with responsibility for overseeing financial mobilization and implementation of CEMAC's 11 priority integration projects indicated, first, that work had started on 70% of the projects presented to the Paris Round Table in 2020 and, second, that the Monitoring Committee had selected 15 further integration projects as candidates for inclusion in the second CEMAC programme for priority integration projects (2023-28) – and a Round Table on financing those projects is planned for November 2023.

4.88. In 2007 the World Bank approved a Transport and Transit Facilitation project in the amount of USD 276 million with a scheduled completion date of 30 June 2020.[118]

4.89. There were no developments in common transport service policy during the review period and none have come about since the Additional Act to the CACEU Convention No. 05/96 of 1996 regulating the conditions for pursuit of the profession of inter-State general road haulage operator.

4.4.4 Tourism services

4.90. During the review period CEMAC adopted a common tourism policy and, on 28 December 2021, the organization adopted Directive No. 09/21 on the freedom of movement and freedom of establishment of any national of a CEMAC member State who is established in the territory of another member State to open tourism agencies and organize travel[119]; the Regulation liberalizes this activity for Community nationals across Community territory.

4.91. The CEMAC report *Vers une intégration accélérée pour une CEMAC émergente, renouveau communautaire 2012-2017* ("Towards accelerated integration for an emerging CEMAC, Community renewal 2012-17") notes that in 2012-17 as part of initial training, the Community awarded 272 diplomas in hotel and restaurant management and tourism services to nationals of the six CEMAC member States, as part of courses leading to the award of a *brevet d'études professionnelles* (a vocational diploma), a *brevet de technicien* (a technical diploma), or *brevet de technicien supérieur* (an advanced technical diploma).

[118] For further details on this project see *inter alia*: https://projects.banquemondiale.org/fr/projects-operations/project-detail/P079736.

[119] For the full text of the Directive, see: https://www.cemac.int/sites/default/files/Textes%20Officiels/DIRN09~1.PDF.

4.4.5 Financial services

4.4.5.1 Insurance services

4.92. Table 4.7 uses the indicator for total life and non-life insurance premiums taken by insurance companies to illustrate change in the insurance sector in the CEMAC zone countries during the review period.

Table 4.7 Total life and non-life insurance premiums in the CEMAC zone, 2011, 2015 and 2020

(USD million, except where calculated in CFAF)

	2011	2015	2020	Change 2011-20
Cameroon	272	304	388	47%
Congo	75	159	112	54%
Gabon	179	198	195	12%
Central African Republic	7	5	11	61%
Chad	16	24	28	78%
CEMAC total	549	690	734	33.6%

Source: Inter-African Conference on Insurance Markets (CIMA)

4.93. As this table shows, the sector grew throughout the zone during the period as a whole but peaked in Congo and Gabon in 2015, before declining in those countries thereafter. There are wide disparities between the member States, as illustrated by the highly variable volume of premiums from country to country.

4.94. Overall the sector is in its infancy and penetration rates are low, even by African standards. This is shown in Table 4.8, which sets out the premium amounts, density, penetration rate and the numbers of companies and their employees in 2020.

Table 4.8 Insurance sector indicators in the CEMAC zone, 2020

	Premiums (USD million)	Density (USD)	Penetration rate	Number of companies	Employees
Cameroon	388	15	0.95%	28	1,252
Congo	112	20	1.1%	8	271
Gabon	195	88	1.27%	10	389
Central African Republic	11	2	0.46%	1	41
Chad	28	1	0.26%	3	116

Source: CIMA. Information viewed at: https://cima-afrique.org/.

4.95. The common regulations that apply in the CEMAC member States in insurance matters emanate from a body that is geographically broader in scope than CEMAC, namely the Inter-African Conference on Insurance Markets (CIMA), which to date covers 14 countries in West and Central Africa. Founded pursuant to an intergovernmental treaty of 1992, the way this institution operates is comparable to that of CEMAC or the Bank of Central African States (BEAC). It has a Council of Ministers that is able to make regulations and decisions. One of its bodies, the Regional Commission for Insurance Supervision, is tasked with supervising insurance companies and its decisions are final.

4.96. The regime governing the establishment of insurance companies, as set out in the CIMA Code, has not undergone any significant developments during the review period. Establishment must first be approved by the Minister in charge of insurance in each of the countries of establishment, subject to the favourable opinion of the Regional Commission for Insurance Supervision (CRCA).

4.97. Foreign companies are treated in the same way as domestic companies, apart from having to produce a few additional documents. In particular, foreign companies must appoint a general agent or a natural person able to speak for the company at the local level, and produce a certificate attesting to the fact that the company has been established and is operating in its country of origin in accordance with the laws of that country.

4.98. During the review period CIMA's regulatory activity focused on technical aspects[120] and did not affect the regime governing access to the reinsurance market.

4.99. In 1991, the CIMA countries founded a public reinsurance company, the Compagnie Commune Africaine de Réassurance (CICA-RE), which benefits from the cession of all reinsurance contracts signed in the zone. A decision of the CIMA Council of Ministers of 10 October 2019 reinforced mandatory cession, stating that it applies "with no minimum threshold":

- to all insurance and reinsurance bodies established under national law operating in the CIMA zone, except those engaged exclusively in reinsurance operations, at a rate of 10% of the reinsurance contracts signed by them;
- to all insurance and reinsurance companies operating in the CIMA zone, except those engaged exclusively in reinsurance operations, at a rate of 5% of life insurance savings premiums.

4.100. Moreover, discussions are still under way regarding the establishment of a CEMAC-specific reinsurance company.

4.4.5.2 Banking and other financial services

4.4.5.2.1 Economic and institutional characteristics of the sector

4.101. Table 4.9 shows how the position of CEMAC banks' balance sheets changed during the review period.

Table 4.9 Leading balance sheet aggregates of banks in the CEMAC zone, 2012 and 2016-2020

(CFAF million)

	December 2012	December 2016	December 2017	December 2018	December 2019	December 2020
Customer deposits	8,675,000	9,426,115	9,339,476	9,878,027	10,394,378	11,478,884
Gross loans	5,424,000	8,503,793	8,465,529	8,761,739	8,442,075	9,033,282
Outstanding debts	495,000	1,267,407	1,446,874	1,856,174	1,782,982	1,914,753
Provisions for claims	377,000	716,844	843,170	995,854	992,775	1,129,492
Net credit	5,047,000	7,786,949	7,622,359	7,765,885	7,449,300	7,903,790
Capital funds	999,000	1,478,180	1,534,303	1,664,743	1,795,081	1,917,133
Capitalized assets	586,000	1,027,706	1,110,788	1,102,999	1,266,667	1,461,694
Cash surpluses/deficits	4,142,000	2,200,017	2,312,568	2,871,674	3,701,773	4,235,109
Total balance sheet	**9,775,000**	**13,074,116**	**12,685,060**	**13,475,648**	**14,092,776**	**15,213,309**

Source: Cerber. Viewed at: https://cima-afrique.org/.

4.102. In its report No. 22/208 of July 2022 *Central African Economic and Monetary Community – Common Policies in Support of Member Countries Reform Programs*, the IMF considers that aggregate solvency in the CEMAC banking system is solid but is marked by a large heterogeneity across countries and between private and public banks, and by sizable capital shortfalls, provisioning needs, and numerous prudential breaches. The IMF recommends that dividend distributions should be limited, especially for banks that are close to the capital adequacy regulatory minimum, until asset quality and profitability uncertainties have abated, and more robust determinations of capital adequacy can be made using on-site inspections and stress tests.

4.103. Banks' sovereign exposure almost doubled during the last five years, to reach 25.6% in the first quarter of 2022, reflecting the public financing needs during the COVID-19 pandemic. The IMF

[120] For an overview of the technical regulations in question, see: http://cima-afrique.net/reglements-du-conseil-des-ministres/.

considers that concentration limits and non-zero risk weights on sovereign exposure should be enforced to remedy the situation.

4.4.5.2.2 General regulatory framework governing banking activities

4.104. The Central African Banking Commission (COBAC) established pursuant to a 1990 Convention is the common regulatory body responsible for bank regulation and supervision the CEMAC zone. In terms of supervision of the banks in the zone it has:

- administrative powers: it issues approvals in individual licensing and authorization procedures – the procedures themselves remain the prerogative of the national monetary authorities – and the temporary administration and liquidation of establishments whose authorization has expired;

- regulatory powers: it defines the accounting plan and procedures applicable to credit institutions, and prudential management standards such as the solvency, liquidity, risk diversification, conversion, and equity-to-assets ratios;

- supervisory powers, on- and off-site; and

- sanctioning powers: it can impose disciplinary sanctions such as a warning, reprimand, prohibition on the execution of certain operations or any other limitation in the exercise of banking activities, the suspension or compulsory resignation of the senior managers responsible and, lastly, the withdrawal of the establishment's authorization.

4.105. During the review period, COBAC adopted several regulations[121] seeking to bolster banking supervision using an approach based on risk assessment and dealing with distressed banks including Regulations Nos. R-2013-04 on the liquidity of credit institutions; R-2016-01 on conditions and arrangements for issuing licences; R-2016-02 on changes of situation in credit institutions; R-2016-03 on the net equity of credit institutions; R-2016-04 on internal controls; R-2018-01 on loan classification, accounting and provisioning; R-2018-02 on procedures for the calculation of penalties imposed for failure to comply with injunctions; R-2018-03 on the identification and supervision of systemically important institutions; R-2018-04 on procedures for obtaining authorization as a credit institution for a subsidiary opened under the single authorization regime; R-2018-05 on the composition of the banking and non-banking segments; R-2019-02 on prudential standards applicable to payment institutions; R-2019-03 on the procedures for the application and collection of pecuniary penalties by the Central African Banking Commission; and R-2020-01 on risk diversification in credit institutions.[122]

4.106. In 2016, COBAC also supplemented and updated its mechanism for combating money laundering and financing of terrorism (AML/CFT) by adopting Regulation No. 01/16/CEMAC/UMAC/CM on the prevention and suppression of money laundering and the financing of terrorism and proliferation in Central Africa. It also continues to manage the Deposit Guarantee Fund in Central Africa (FOGADAC) established in 2004.

4.107. Additionally, to address the consequences of the COVID-19 pandemic, COBAC took two decisions to relax regulations, in particular prudential regulations, that apply to bodies subject to its supervision (COBAC Decision D-2020/027 establishing temporary derogations from certain requirements in the regulations applicable to institutions supervised by COBAC, and COBAC Decision D-2020/104 introducing measures modifying the prudential regulations applicable to institutions supervised by COBAC). Both emergency mechanisms were gradually phased out in 2022.

4.108. After the delays caused by the COVID-19 pandemic, COBAC has resumed its work agenda on implementing risk-based prudential and anti-money laundering and countering financing of terrorism (AML/CFT) supervision, modernizing the regulatory framework in line with the Basel framework implementation plan. Progress has been made on implementing the liquidity coverage ratio (LCR). The IMF advised COBAC to prioritize the revision of solvency requirements and steadily

[121] The COBAC decisions and regulations referred to in this section were viewed at the following address: http://41.159.136.90/jcms/mbm_6633/fr/reglementation.
[122] Text viewed at: https://www.beac.int/wp-content/uploads/2016/10/reglement_cobac_r-2018-03_relatif_a_lidentification_et_a_la_surveillance_des_etablissements_dimportance_systemique.pdf.

improve banks' governance, risk management frameworks, AML/CFT compliance, and cybersecurity. The IMF reiterated the importance of strengthening COBAC's resources and upgrading its supervisory capacity (including IT solutions), given the large number of banks and microfinance companies under its supervision, as well as the emergence of new topics and activities, including a possible future regulatory framework for cryptoassets.

4.4.5.2.3 Microfinance institutions (MFI)

4.109. At end-September 2021, the aggregated balance sheet was CFAF 1,340 billion. Deposits taken in CEMAC rose from CFAF 977 billion at 31 December 2020 to CFAF 1,007 billion at end-September 2021. Gross loans stood at CFAF 695 billion. At end-September 2021 the bulk of outstanding performing loans (CFAF 582 billion), which represented 84% of gross lending, comprised short-term loans (44%), long-term loans (31%) and medium-term loans (25%).

4.110. During the review period, COBAC finalized the regulations on microfinance institutions (MFI) that were worked on between 2002 and 2010.[123]

4.111. The adoption of Regulation No. 1/17 CEMAC/UMAC/COBAC of 27 September 2017 on the conditions governing the exercise and control of microfinance activities in CEMAC modernizes the microfinance framework, in particular in relation to the organization of the activity, the conditions of access to the profession, minimum registered capital, changes in legal situation, governance, internal controls, AML/CFT, and prudential standards without affecting market access conditions. In particular, the Regulation does not lay down any nationality requirement for natural or legal persons in relation to ownership or control of MFIs.

4.112. The main features of the updated regime are as follows:

- With the exception of money transfers, all operations carried out by microfinance institutions are restricted to within the State where the institutions are established. For external operations, microfinance institutions may avail themselves of the services of a bank from the same State.

- The main operations that microfinance institutions are authorized to perform include collecting savings, granting credit and providing customers with access to and the means to manage payment methods, including money transfers.

- The maximum outstanding amount of loans that a microfinance institution can extend to a member or customer as lines of credit or signature loans is capped at an amount set by COBAC regulation.

4.113. The adoption in January 2018 of Regulation COBAC EMF 2018-01 on the liquidation of small MFIs (namely MFIs whose total deposits are less than CFAF 1 billion) completed the regulatory mechanism.

4.4.5.2.4 Financial markets

4.114. The main development in financial markets during the review period was the merger in July 2019 of the former Douala Stock Exchange (DSX) and the Central African Stock Exchange (BVMAC) (in Libreville, Gabon). The new exchange is in Cameroon but has retained the name BVMAC, whereas the body regulating it, the Central African Financial Market Supervisory Commission (COSUMAF), is based in Libreville, Gabon.

4.115. Despite this rationalization, the financial markets of Central Africa are still in their infancy and are essentially driven by member States issuing government bonds that are listed on the primary and secondary markets. Share capitalization and the number of companies listed is still very low despite modest growth during the review period.

[123] Details of the regulations concerned can be viewed at: https://www.beac.int/supervision-bancaire/microfinance/reglements-de-microfinance/.

4.4.5.2.5 Credit bureaux

4.116. In December 2018, COBAC adopted Regulation No. 03/18/CEMAC/UMAC/CM on conditions for the pursuit, oversight and supervision of the activities of credit bureaux (BIC) in CEMAC. The Regulation does not lay down any nationality requirement for natural or legal persons in relation to ownership or control of such institutions. Instead, it provides for a number of requirements in relation to domicile, authorization and type of share ownership:

- A BIC must be incorporated as a closed-end public limited company (*société anonyme à capital fixe*) and have its head office in the territory of one of the CEMAC member States.
- It must have a minimum amount of share capital as laid down in a BEAC instruction. The share capital must be fully paid up on the day of the licensing application. The shares issued by the BIC must be registered shares;
- The suppliers and users of credit information may acquire shares in a BIC individually, either directly or indirectly, up to a limit of 5% of the capital stock;
- The aggregate of shares held, directly or indirectly, in the capital stock of a BIC by suppliers and users of credit information may not exceed 49% of that capital stock;
- A licensed BIC may be authorized by the BEAC to open representative offices, branches or subsidiaries in CEMAC member States other than that in which its head office or place of operations is located.

4.4.5.2.6 Payment systems

4.117. During the review period, COBAC supplemented the regulatory framework drawn up in 2008 and 2010 governing payment systems to bring it into line with recent developments in technology. Regulations Nos. 04/18/CEMAC/UMAC/COBAC on payment services and COBAC R-2019/01 on licensing and changes in situation of payment service providers determine the conditions governing the exercise and control of payment service activities. They apply to payment service providers operating in CEMAC countries, their technical partners and their distributors, not including payment transactions made in cash directly from the payer to the payee, without any intermediary intervention, and payment transactions performed by a central bank, national treasury or financial services arm of the post office.

4.118. The main features of the updated regime are as follows:

- First, these regulations do not lay down any nationality requirement for natural or legal persons in relation to ownership or control of such institutions;
- Authorized or licensed credit institutions, microfinance institutions and payment institutions are authorized to operate as payment service providers;
- Payment institutions may neither make available nor manage means of making foreign-exchange payments: cheques, promissory notes, bills of exchange or documentary credit; neither may they take deposits;
- Payment service providers are not authorized to provide credit services in any form whatsoever within the framework of issuing and managing electronic money, nor to pay interest on funds collected in exchange for electronic currency units issued. However, funds from a loan granted to a client by a credit or microfinance institution may be used to acquire electronic currency units;
- Payment institutions are authorized to provide the following related services: (a) investment of resources, drawn from their own funds, in one or more types of secure, liquid, low-risk assets and accounts as defined by COBAC regulation; (b) exchange of currency with a view to making a payment in CFA francs into a payment account; (c) guarantee the execution of payment transactions on behalf of other payment service providers; (d) management and operation of automated payment systems and payment

terminals; and (e) safekeeping activities and the storage, and processing of data on behalf of other payment service providers;

- Provision by a payment service provider of a payment service not referred to in its licence (change or extension of activity) is subject to prior authorization by COBAC. The institution may provide the new service only from the date of issue of COBAC's prior authorization. A payment service provider must inform COBAC in advance about any new technical solution that the provider would like to use for a service it is already authorized to provide. The service provider may use the technical solution only from the date of issue of a no objection notice from COBAC.

4.119. Lastly, Regulation No. 01/20/CEMAC/UMAC/COBAC of 3 July 2020[124] lays down specific obligations that payment service providers must comply with in respect of consumer protection.

[124] Information viewed at: http://kalieu-elongo.com/wp-content/uploads/2020/11/4_5856993111384786764.pdf.

5 APPENDIX - TABLES

Table A1.1 Structure of exports (extra-CEMAC), 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	**14,620**	**17,635**	**15,752**	**14,346**	**10,648**	**12,286**	**15,877**	**10,720**	**9,287**	**9,187**
	(percentage share)									
Total primary products	**89.4**	**85.7**	**74.4**	**60.8**	**47.1**	**67.4**	**91.2**	**92.2**	**90.0**	**85.8**
Agriculture	10.5	9.3	11.1	13.1	16.8	13.9	11.3	17.1	19.1	23.3
Food	4.8	4.1	5.5	7.2	9.0	5.8	4.5	7.4	8.4	10.5
Agricultural raw materials	5.8	5.2	5.6	5.9	7.8	8.1	6.7	9.8	10.7	12.8
Mining	78.9	76.4	63.3	47.6	30.3	53.5	79.9	75.0	70.9	62.5
Ores and other minerals	0.6	0.3	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.2
Non-ferrous metals	0.5	0.4	1.0	0.9	1.1	2.6	1.5	1.8	1.5	2.1
Fuel	77.8	75.6	62.0	46.4	28.9	50.5	78.4	73.2	69.3	60.3
Manufactures	**10.2**	**13.9**	**24.5**	**38.7**	**51.3**	**31.4**	**7.9**	**5.4**	**7.6**	**5.7**
Iron and steel	0.2	0.2	0.3	0.2	0.1	0.7	0.1	0.1	0.1	0.1
Chemicals	0.4	0.3	0.3	0.2	0.4	0.3	0.2	0.3	0.3	0.3
Other semi-manufactures	0.8	0.7	0.6	0.5	1.0	1.0	0.7	0.8	0.6	0.8
Machinery and transport equipment	8.5	12.6	23.0	37.5	49.3	28.9	6.7	3.9	6.3	4.3
Power-generating machinery	0.0	0.0	0.1	0.1	0.1	0.3	0.1	0.1	0.0	0.1
Other non-electrical machinery	0.6	0.6	0.8	0.7	1.4	0.8	0.5	0.7	0.3	0.6
Office machines and telecommunications equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Other electrical machinery	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Automotive products	0.1	0.1	0.1	0.5	0.5	0.6	0.1	0.2	0.1	1.4
Other transport equipment	7.6	11.8	22.0	36.1	47.2	27.1	5.8	2.8	5.7	2.0
Textiles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Articles of apparel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other consumer goods	0.3	0.2	0.4	0.4	0.5	0.5	0.2	0.2	0.2	0.2
Other	0.4	0.4	1.1	0.5	1.6	1.1	0.9	2.5	2.4	8.5

Note: The data refer to the CEMAC States Members of the WTO.
Owing to the lack of detailed data, trade in Gabon has not been taken into account for the period 2012-21 in the calculations.

Source: WTO Secretariat estimates based on data from the UNSD Comtrade database and the International Trade Centre Trade Map database, data provided by the authorities, and data obtained from Comtrade, mirror statistics.

Table A1.2 Destination of exports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	**14,620**	**17,635**	**15,752**	**14,346**	**10,648**	**12,286**	**15,877**	**10,720**	**9,287**	**9,187**
	(percentage share)									
America	**24.6**	**19.9**	**18.5**	**14.2**	**10.9**	**8.6**	**6.5**	**5.8**	**4.9**	**2.4**
United States	22.9	18.0	17.7	11.7	10.8	7.3	5.4	5.2	2.6	1.4
Other America	1.7	1.8	0.7	2.5	0.1	1.3	1.1	0.6	2.4	0.9
Europe	**37.7**	**28.1**	**25.6**	**30.0**	**41.1**	**34.0**	**22.4**	**24.3**	**28.9**	**35.7**
EU (27)	35.8	24.1	22.8	27.4	39.4	29.6	21.1	22.7	25.4	33.2
Germany	0.3	0.4	0.2	0.3	0.9	0.4	0.6	1.1	3.3	12.2
Netherlands	10.5	4.5	3.7	5.0	4.9	4.7	5.1	7.1	3.6	7.7
France	9.1	4.6	3.2	2.7	4.0	4.8	2.9	2.4	5.3	4.1
Italy	2.5	1.1	5.2	4.0	5.0	6.4	8.0	5.4	3.6	3.7
Spain	5.1	4.7	7.1	7.8	21.7	9.9	2.8	4.0	6.8	3.0
Belgium	1.3	1.1	1.0	1.4	2.0	1.6	1.0	1.3	1.5	2.2
EFTA	0.2	0.5	0.4	1.3	0.2	0.2	0.6	0.1	1.0	0.2
Other Europe	1.8	3.5	2.4	1.2	1.4	4.1	0.7	1.6	2.5	2.3
Türkiye	0.2	0.3	0.3	0.3	0.5	0.6	0.4	0.5	1.4	1.7
Commonwealth of Independent States (CIS)[a]	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Africa	**11.2**	**10.7**	**14.3**	**21.8**	**17.5**	**12.0**	**5.4**	**3.6**	**4.0**	**6.9**
Côte d'Ivoire	0.3	0.6	0.8	0.4	1.1	0.5	0.4	0.2	0.0	2.4
Togo	0.4	0.1	0.1	6.7	0.4	0.3	0.6	0.1	1.0	1.9
Middle East	**0.6**	**0.6**	**1.4**	**0.7**	**2.6**	**1.7**	**1.7**	**3.3**	**2.8**	**10.0**
United Arab Emirates	0.4	0.5	1.4	0.6	2.5	1.2	1.2	2.5	2.5	9.5
Asia	**25.8**	**40.7**	**35.2**	**28.2**	**18.2**	**40.0**	**63.8**	**62.9**	**59.3**	**45.1**
China	17.0	26.1	18.4	13.8	11.2	30.0	50.6	42.4	45.5	26.1
Japan	0.3	1.1	1.9	1.8	0.7	0.0	0.0	0.2	0.0	0.1
Other Asia	8.6	13.5	15.0	12.7	6.3	10.0	13.2	20.3	13.8	18.9
Chinese Taipei	0.7	0.3	0.9	0.5	0.7	0.2	0.1	0.3	2.6	5.5
India	1.7	2.2	3.7	7.8	1.6	2.9	5.2	13.4	3.8	5.4
Bangladesh	0.1	0.1	0.3	0.7	0.5	0.7	0.8	1.2	1.3	1.9
Viet Nam	0.3	0.4	0.6	1.2	0.8	1.1	0.9	1.0	1.3	1.3
Malaysia	1.8	2.1	0.8	0.9	1.0	0.8	1.4	1.5	1.7	1.1
Other	**0.0**	**0.1**	**5.0**	**5.1**	**9.6**	**3.8**	**0.2**	**0.1**	**0.0**	**0.0**
Memo:										
EU-28	37.1	26.9	25.0	28.2	40.4	30.7	21.4	23.7	26.5	33.9

a Commonwealth of Independent States, including certain associate and former member States.

Note: The data refer to the CEMAC States Members of the WTO.

Owing to the lack of detailed data, trade in Gabon has not been taken into account for the period 2012-21 in the calculations.

Source: WTO Secretariat estimates based on data from the UNSD Comtrade database and the International Trade Centre Trade Map database, data provided by the authorities, and data obtained from Comtrade, mirror statistics.

Table A1.3 Structure of imports (extra-CEMAC), 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	**13,686**	**15,030**	**18,931**	**17,742**	**17,045**	**10,418**	**10,378**	**10,098**	**8,847**	**10,596**
	(percentage share)									
Total primary products	**30.2**	**27.4**	**24.4**	**22.0**	**15.3**	**30.1**	**36.6**	**41.4**	**39.9**	**38.3**
Agriculture	14.4	15.6	11.9	11.3	10.4	20.2	19.9	21.5	24.3	24.2
Food	13.5	14.7	11.2	10.6	9.8	19.0	18.5	20.2	22.7	22.8
Agricultural raw materials	1.0	0.9	0.7	0.7	0.7	1.2	1.4	1.3	1.5	1.3
Mining	15.8	11.8	12.5	10.7	4.8	9.9	16.7	19.9	15.6	14.1
Ores and other minerals	0.7	0.6	0.6	0.8	0.5	1.1	1.6	1.1	0.9	1.0
Non-ferrous metals	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Fuel	14.9	11.0	11.6	9.7	4.1	8.5	14.8	18.5	14.4	12.8
Manufactures	**69.5**	**72.2**	**75.4**	**77.3**	**84.4**	**69.3**	**62.7**	**58.0**	**59.7**	**60.8**
Iron and steel	3.2	3.3	3.2	4.2	2.3	4.3	4.2	3.4	4.7	5.3
Chemicals	7.5	7.5	6.5	6.8	5.9	9.9	12.1	12.9	14.5	14.9
Other semi-manufactures	6.7	7.4	6.8	7.4	7.2	10.0	8.1	9.2	9.0	9.2
Machinery and transport equipment	45.7	48.7	54.1	53.8	64.4	39.4	32.4	25.6	24.2	22.7
Power-generating machinery	1.3	1.1	0.9	1.2	0.9	1.1	1.4	1.3	1.1	1.1
Other non-electrical machinery	8.9	8.5	8.1	7.2	5.8	8.6	9.0	7.8	6.9	6.6
Office machines and telecommunications equipment	2.0	2.3	2.6	1.9	2.9	2.8	3.5	3.3	3.8	2.7
Other electrical machinery	2.3	2.9	2.2	2.7	2.6	3.3	2.9	3.3	3.1	2.8
Automotive products	4.6	4.5	4.2	3.7	3.3	5.8	4.6	4.5	4.9	6.1
Other transport equipment	26.7	29.6	36.1	37.0	48.9	17.7	10.9	5.3	4.4	3.4
Textiles	0.6	0.6	0.5	0.9	0.6	1.0	0.9	1.2	1.4	1.4
Articles of apparel	0.4	0.3	0.3	0.2	0.4	0.5	0.4	0.5	0.6	1.3
Other consumer goods	5.4	4.4	3.9	4.1	3.6	4.2	4.7	5.2	5.3	5.9
Other	0.3	0.4	0.2	0.6	0.4	0.6	0.7	0.6	0.5	0.9

Note: The data refer to the CEMAC States Members of the WTO.
Owing to the lack of detailed data, trade in Gabon has not been taken into account for the period 2012-21 in the calculations.

Source: WTO Secretariat estimates based on data from the UNSD Comtrade database and the International Trade Centre Trade Map database, data provided by the authorities, and data obtained from Comtrade, mirror statistics.

Table A1.4 Origin of imports, 2012-2021

(USD million and %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
World (USD million)	**13,686**	**15,030**	**18,931**	**17,742**	**17,045**	**10,418**	**10,378**	**10,098**	**8,847**	**10,596**
	(percentage share)									
America	**9.1**	**8.3**	**14.0**	**11.7**	**14.9**	**7.8**	**7.2**	**8.2**	**8.1**	**6.9**
United States	3.3	3.2	4.0	6.3	7.7	3.4	3.9	5.0	4.9	3.4
Other America	5.8	5.0	10.0	5.4	7.2	4.4	3.3	3.2	3.1	3.6
Brazil	4.2	2.7	1.0	1.0	0.6	1.3	1.3	0.9	0.9	1.5
Europe	**32.8**	**33.7**	**40.1**	**32.7**	**35.7**	**36.6**	**36.5**	**36.5**	**39.6**	**35.3**
EU (27)	29.1	30.1	30.1	24.7	23.3	29.9	29.5	30.2	31.4	28.1
France	11.7	11.8	8.7	8.7	8.6	10.4	10.4	10.5	11.2	10.1
Belgium	4.3	3.7	1.4	1.3	1.3	5.2	4.2	6.4	5.8	4.9
Germany	1.8	2.3	2.4	2.7	2.3	2.4	2.3	2.2	2.4	2.7
Netherlands	2.6	2.8	7.3	1.7	1.2	2.4	3.5	2.8	2.9	2.6
Italy	3.7	2.5	3.5	3.4	2.1	3.1	3.6	2.5	2.6	2.3
Spain	2.4	4.7	1.6	2.6	2.5	2.5	2.2	2.3	2.6	2.1
EFTA	0.6	0.5	6.3	4.0	5.5	3.7	2.2	0.9	2.1	1.0
Norway	3.1	3.1	3.7	4.1	6.9	3.1	4.8	5.4	6.1	6.3
Other Europe	1.4	1.1	1.0	1.3	1.5	1.5	2.0	2.9	3.5	3.3
Türkiye	0.1	0.3	0.1	0.0	0.0	0.0	0.6	0.8	1.4	1.9
Ukraine	0.4	0.3	0.3	0.3	0.6	1.6	1.9	2.0	2.7	5.5
Commonwealth of Independent States (CIS)[a]	0.4	0.3	0.3	0.3	0.6	1.6	1.9	2.0	2.5	5.5
Africa	**35.4**	**33.1**	**14.1**	**13.7**	**7.0**	**22.0**	**18.3**	**19.8**	**12.3**	**11.6**
Middle East	**1.9**	**1.6**	**2.0**	**2.2**	**1.3**	**2.3**	**3.4**	**3.8**	**4.7**	**6.0**
United Arab Emirates	1.3	1.2	1.7	1.8	1.1	1.7	2.3	3.1	3.8	4.4
Asia	**20.2**	**22.9**	**29.4**	**39.4**	**40.5**	**25.3**	**32.0**	**29.7**	**32.6**	**34.5**
China	8.7	11.6	13.2	13.4	12.3	13.4	17.7	16.8	19.6	19.5
Japan	1.3	1.1	1.8	3.2	4.4	1.5	1.4	1.3	1.3	1.7
Other Asia	10.1	10.1	14.3	22.7	23.8	10.4	12.9	11.6	11.7	13.3
India	2.5	3.1	2.5	2.3	2.0	2.8	3.0	3.2	4.7	6.3
Thailand	1.6	1.4	1.6	1.5	1.4	3.3	2.8	3.4	2.0	1.6
Korea, Republic of	0.4	0.4	0.5	4.2	11.4	0.6	1.0	1.1	0.6	1.5
Singapore	1.0	0.9	4.0	8.1	3.0	1.1	2.9	0.4	1.1	1.4
Other	**0.1**	**0.0**	**0.1**	**0.0**	**0.0**	**4.5**	**0.7**	**0.0**	**0.0**	**0.0**
Memo:										
EU-28	30.7	31.8	31.6	26.5	26.6	31.4	31.6	31.8	32.6	29.0

a Commonwealth of Independent States, including certain associate and former member States.

Note: The data refer to the CEMAC States Members of thees WTO.
Owing to the lack of detailed data, trade in Gabon has not been taken into account for the period 2012-21 in the calculations.

Source: WTO Secretariat estimates based on data from the UNSD Comtrade database and the International Trade Centre Trade Map database, data provided by the authorities, and data obtained from Comtrade, mirror statistics.