

REPUBLIC OF CAMEROON

Peace - Work - Fatherland

**MINISTRY OF SMALL AND MEDIUM
ENTERPRISES, SOCIAL ECONOMY AND
HANDICRAFTS**



REPUBLIQUE DU CAMEROUN

Paix - Travail - Patrie

**MINISTÈRE DES PETITES ET MOYENNES
ENTREPRISES, DE L'ÉCONOMIE SOCIAL ET
DE L'ARTISANAT**

ECONOMIC REPORT

2ND TERM 2021

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Abbreviations and acronyms

BC	Trade balance
BEAC	Bank of Central African States
BPW	Buildings and public works
CEMAC	Economic and Monetary Community of Central Africa
CFA	African Financial Community
COVID-19	corona virus
CPM	Monetary Policy Committee
DEPP	Division of Studies, Projects and Prospective
CASE	Special Assignment Account
IMF	International Monetary Fund
ICAE	Composite Indicator of Economic Activities
ICCPB	Composite Commodity Price Index
NSI	National Institute of Statistics
ME/IM	Medium Enterprise / Medium Industry
MINPMEESA	Ministry of Small and Medium Enterprises, Social Economy and Handicrafts
SSO	Social Economy Organization
UN	United Nations
PE	Small business
GDP	Gross domestic product
SME	Small and medium enterprises
PMEESA	Small and Medium Enterprises, Social Economy and Crafts
SND-30	National Development Strategy 2020-2030
TPE	Very Small Business

Introduction

With the opening of borders which restores the possibilities of movement of goods and people, and despite the continuous mutation of the Covid-19 virus, economic activities have improved compared to the situation at the start of the pandemic. However, this recovery is likely to be less noticeable due to the rising inflation observed in the domestic market.

In order to assess the economic situation of SMEs in this economic context, MINPMEESA carried out a survey of certain SMEs over the period from July 15 to September 15, 2021 covering the activities of the 2nd term 2021. Also, high-level statistical data frequency available in the administrations, were used to refine the explanation of the economic situation of SMEs in the 2nd term of the year 2021. The data collection carried out by the Project Studies and Forecasting Division focused on the activities of the SMEs, the evolution of their turnover, the employment situation, the level of production and sales, the cash position and the investments made, and finally the measurement of the effects of the Covid-19 pandemic on economic activity of SMEs. Thus, in the context of this economic report, the data analyzed come from 340 companies that responded to the planned questionnaire on time, i.e. a response rate of 68%.

This economic report for the 2nd term 2021, which collects the perceptions of business leaders, relates to (I) economic activity in the CEMAC sub-region; (II) level of activity and employment status; (III) their cash position; (IV) and the impact of the Covid-19 pandemic on Small and Medium Enterprises.

Chapter 1: Economic activity in the CEMAC sub-region

This chapter addresses the economic situation in the CEMAC sub-region during the 2nd term 2021 and its impact on the Cameroonian economic situation.

1. Macroeconomic situation

▪ In the CEMAC zone

In 2020, the massive and brutal shock produced by the Covid-19 pandemic and by the measures to halt activity taken to curb it plunged the world economy into a serious recession. Among other things, the economy in the CEMAC zone has not been on the sidelines of this infectious crisis with disastrous appearances. This shock occurred in a situation of improving national economic performance. Indeed, after experiencing a boom in economic activity, the sub-region sank into a severe recession, leaving a GDP growth rate of 2.1% in 2019 to -1.7% in 2020. This recession is also observable in Cameroon.

In most CEMAC countries, due to the persistence of the pandemic and the need to maintain health

intervention and economic support measures, total expenditure has increased, the note explains.

With the gradual resumption of activities, the increase in oil revenue and measures to support the economy, coupled with the continued efforts to consolidate public finance management, the budget balance in several countries has improved. Thus, the execution of public finances in the CEMAC zone during the period under review resulted in an overall deficit of about 36.7 billion against deficits of about 384.6 billion three months earlier and 239.1 billion a year earlier, informs the same source.

Note that the BEAC forecasts positive economic prospects with a community growth rate of real gross domestic product (GDP) of 1.6% in 2021 and 3.3% in 2022.

In the second term 2021, the CEMAC Composite Indicator of Economic Activities (ICAE) rose by 8.0% year-on-year at the end of June 2021, against -5.9% a year earlier. This performance is explained by the fact that in the second term 2021, the CEMAC economies are operating with relatively more flexible health measures, allowing for more dynamic economic activity at the end of the semester. On the other hand, following a relatively

sad first term, the ICAE maintained an unfavorable momentum reflected by a further decline of 0.1% in the 2nd term 2021, compared to a decline of 2.5% in the previous term. All of the CEMAC economies thus contributed positively to the rise in the ICAE in the 2nd term 2021, with the exception of the Central African Republic, which suffered from the negative repercussions of the security tensions recorded in the 4th term 2020.

Based on the above, BEAC estimates indicate a year-on-year real GDP growth rate for CEMAC in the 2nd term 2021 of 3.9%, compared to -4.0% a year earlier. In quarterly variation, CEMAC GDP recorded an increase of 0.3% in the 2nd term 2021, against -1.5% at the end of March 2021.

The BEAC estimates that the global real effective exchange rate (REER) fell by 0.8% at end-June 2021 quarter-on-quarter, after rising by 1.9% at the end of the previous quarter. This gain in CEMAC's competitiveness is explained by the appreciation of the nominal exchange rate (+0.06%) and by the improvement in competitiveness on the export and import front.

In the 2nd term 2021, the energy product price index rose by around 12.2%. This increase is explained by the growth in the price of a barrel of oil (13.1% in quarter No. 2 2021) and natural gas prices (5.7% in the 2nd term 2021). With regard to non-energy products, the price index increased by 2.8% in the 2nd term 2021. This change is explained by the growth observed in the prices of metals and minerals (10.8%), agricultural products (1.8 %), fish products (1.2%) and forest products (1.0%).

▪ In Cameroon

In the CEMAC zone, Cameroon is the second country to have recorded a positive contribution from the ICAE at the end of the 2nd term 2021. Despite lower hydrocarbon production in the second quarter of 2021 in Cameroon, the latter contributed positively to the dynamics of the ICAE year-on-year in the CEMAC at the end of June 2021. Overall demand in this country experienced a relative upturn, in line with the good performance of exports of cash crops (cocoa, manganese, wood and oil palm oil, in particular), a recovery in industries, construction and telecommunications, as well as greater public demand than in the first quarter of 2021.

▪ Economic outlook in the CEMAC zone for the year 2021

Economic activity is expected to continue its slow recovery in the second half of 2021. BEAC estimates for end-September 2021, year-on-year, expect the CEMAC ICAE to increase by 4.2% (vs. -3.3 % one year earlier). This momentum should be maintained to a lesser extent in the 4th term 2021, with a year-on-year change in the ICAE CEMAC at the end of December of 0.4% (compared to 1.4% a year earlier). This renewed dynamism anticipated at the CEMAC level for the second half of 2021 is to be credited to (i) the excitement of the organization of the African Football Cup in Cameroon in early 2022 which would lead to renewed dynamism in services, trade, transport (air transport in particular) and the hotel and catering industry in Cameroon, (ii) a favorable trend in construction, particularly in Cameroon and Gabon, (iii) greater execution of public budgets, contributing to support a still fragile domestic demand, (iv) good progress in forestry production as well as (v) the relative good performance of cotton production in Cameroon and Chad. However, this favorable dynamic could be constrained by the emergence of new variants of SARS-COV2 likely to compromise the economic recovery efforts of the sub-region.

Regarding the short-term inflation forecasts, they expect inflation to be stable at the end of September 2021 compared to the end of June 2021; the inflation rate should remain at an annual average of 2.9% and increase to 3.6% year on year, against 1.9% and 2.8% respectively a term earlier.

Over the whole of 2021, BEAC services project: i) a real GDP growth rate of +1.6% against -1.7% in 2020, resulting from the dynamics of activities in the sector excluding oil, ii) an easing of inflationary pressures to 2.0% in 2021, against 2.4% a year earlier, iii) a reduction in the budget balance deficit on a commitment basis, including grants, by 2.0% of the GDP in 2020 to 1.7% of GDP in 2021, and iv) a decline in the current account deficit to 3.6% of GDP from 4.8% of GDP a year earlier. In terms of money, the money supply would grow by 11.5% while net foreign assets would fall by 21.4%.

2. Household standard of living

▪ In the CEMAC zone

In the second term 2021, the general price level in CEMAC maintained its upward trend. Annual average inflation rose to 2.1% at the end of June 2021, against 1.6% a year earlier. At the end of June 2021, the analysis of inflation on a year-on-year basis according to the contributions of the various consumption functions shows that the change in the general level of prices was strongly impacted mainly at the end of June 2021 by the functions: "food and non-alcoholic beverages", "transport" and "alcoholic beverages and tobacco".

At the end of the second term 2021, the evolution of final consumer prices of CEMAC households is mainly due to the following factors, namely: a significant rise in food prices. Another factor is latent pressure from imported inflation and sea freight costs, as well as speculative practices of certain merchant-distributors (BEAC, 2021). On the other hand, the BEAC estimates that the stability of global demand as well as government practices to control certain prices of basic necessities, contributed to containing inflationary pressures in the CEMAC in the second term 2021.

▪ **In Cameroon**

According to the National Institute of Statistics (INS), prices in Cameroonian markets soared by 2.2% between June 2020 and June 2021. Quarter-on-quarter inflation increased by 0.8% in the second quarter of 2021 compared to the first term 2021. Compared to the same period of 2020, Cameroon recorded a 2% increase in consumer prices. This growth in inflation on the Cameroonian market concerns food products. The latter records an upward trend in consumer prices in Cameroon over the last 12 months. At the end of June 2021, the country recorded a surge in the inflation rate of 3.7% after +3.2% a year earlier and +1.9% in 2019. In detail, the price increase is : fruits by +6.0% after +9.2% a year ago, vegetables by +6.9% after +7.4% a year ago, breads and cereals by +5.1 % after +2.3% in the same period of 2020.

Consumer prices for oils and fats increased by +3.4% against a drop of -1.1% year-on-year. The same for milk, cheese and eggs with an increase of +2.0% after +0.6% in the first term 2020, meats of +1.3% after +5.2% and fish and seafood of +0.8% after -0.5%. As well as those of sugars, jam, honey,

chocolate and confectionery, after +3.3%, increased by +0.3%.

In view of the economic context in which Cameroonian businesses and households and therefore SMEs have evolved, it is appropriate to question its impact on the activities of Cameroonian SMEs during the 1st term 2021.

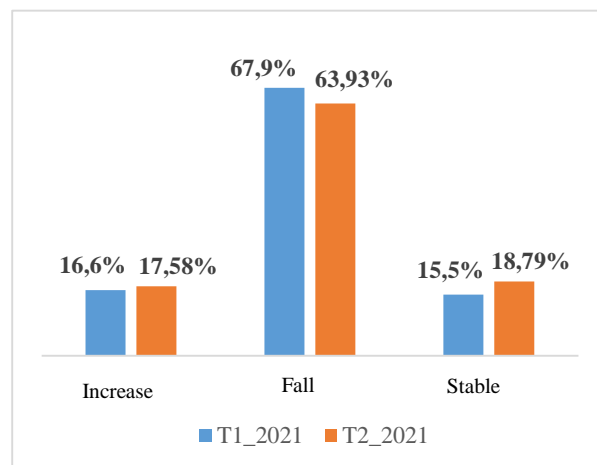
Chapter 2: Activity and employment

This chapter focuses on the analysis of the volume of activity, the level of production and sales achieved by SMEs and the employment situation during the 2nd term 2021.

1. Activity level

During the 2nd term 2021, activities for nearly 63.64% of SMEs are down compared to the 1st quarter of 2021. This level of activity concerns 82.38% of companies in the tertiary sector, in this case general trade & provision of services (74.75%). The forecasts made by business leaders during the survey carried out for the 1st term 2021 on the level of activity for the 2nd term 2021, have not been achieved. Indeed, only 17.58% achieved a turnover higher than that obtained in the previous quarter.

Chart 1: Perception of business leaders on the level of their activities



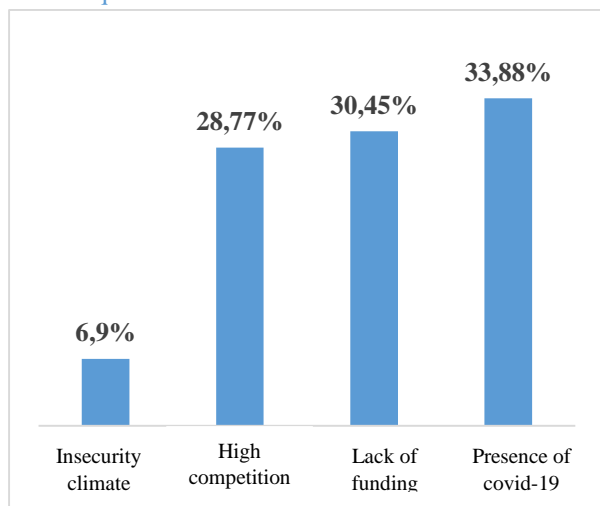
Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

The proportion of business leaders whose turnover fell during the 2nd term 2021 decreased by 2.97% compared to the proportion observed in the previous term.

The collection of the Covid-CASE Funds for the 2020 financial year by the beneficiaries (whose payment began in March 2021), enabled 42.86% of the beneficiaries surveyed in the context of this situation to relaunch their activity during the 2nd term 2021. This funds also enabled 42.86% to maintain a stable situation.

The presence of Covid-19 explains 33.88% of the drop in turnover; lack of funding at almost 30.45% and strong competition at 28.77%.

Chart 2: Main reasons for the level of activity during the 2nd quarter of 2021



Source: Economic Survey Q2_2021, Our calculations on Excel

Business leaders justify the decline in their activity less by the presence of the still relevant Covid-19. Indeed, the proportion of business leaders whose drop in turnover was justified by the Covid was 45.59% during the 1st term of 2021.

On the other hand, compared to the previous quarter, the proportion of business leaders whose strong competition had negatively impacted their activity increased by 15.92% during this quarter.

The lack of targeted protectionist measures to make Cameroonian companies competitive and face competition is becoming increasingly worrying given that Cameroon is in an open economy.

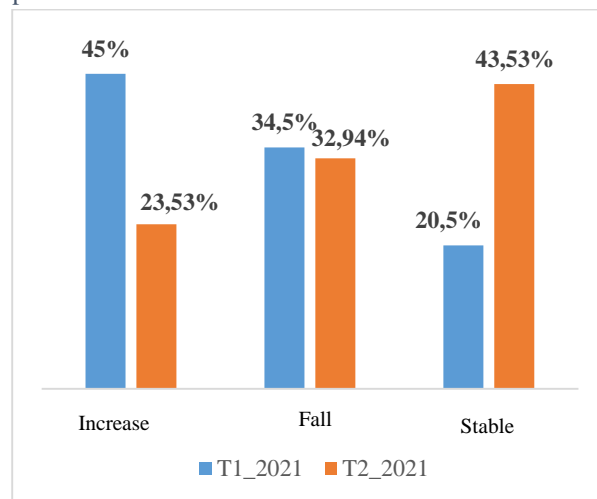
This situation suggests the need for mastery of the elements of competitiveness by Cameroonian companies. Also, the lines of financing coming from TFPs and available in the Banks (Société Générale, BGFI, CBC, etc.) in favor of SMEs could make it possible, on condition of making them bankable, to improve the competitiveness of the latter.

The increase in activity declared by 17.6% of the business leaders surveyed mainly concerns the sectors of agro-industry (14%) and general trade & provision of services (68%) [See Appendix 1]. This level of activity compared to the previous quarter is justified by the improvement in the quality of service (27.48%), the increase in activity (25.68%), the increase in investments (27.29%) and the opportunities of the presence of Covid-19 (19.55%).

2. Production cost

During the 2nd term 2021, business leaders (43.53%) declared a stability in the level of expenditure related to their activities compared to the previous term. According to these company managers, production costs have not fundamentally changed from the 1st quarter to the 2nd term 2021.

Chart 3: Perception of business leaders on the cost of production

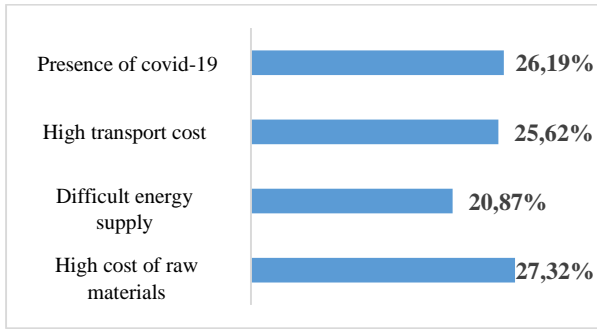


Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

The proportion of business leaders whose production costs increased during the 2nd term 2021 fell by almost half (21.47%) compared to the proportion observed in the previous quarter.

The increase in the cost of production is mainly observed in formal units operating in general trade & services (39.22%), followed by those in the agro-industry branch (25.49%) [See Appendix 2].

Chart 4: Main reasons for the high level of production expenditure



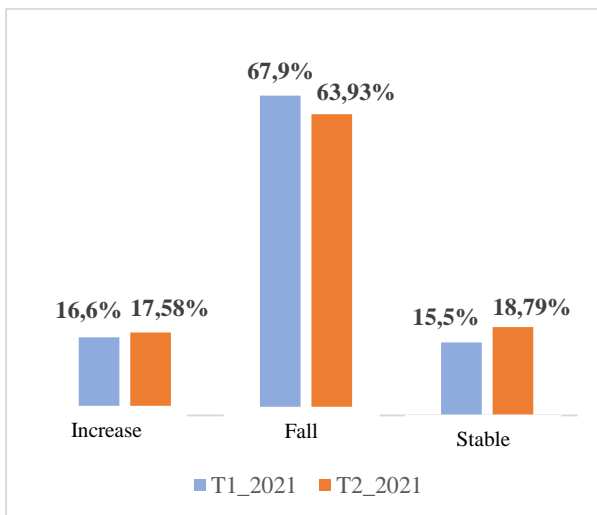
Source: Economic Survey Q2_2021, Our calculations on Excel

The high prices of raw materials concern the sectors of Agro-industry (30%) and General trade & Services (33.33%). Nearly a quarter (22.12%) of energy supply difficulties concern agro-industry, mainly for its needs for the conservation of raw materials and production.

3. Sales level

Regarding the level of sales, the perception of business leaders in the second quarter (Q2) is not very different from that which was observed in the first quarter (Q1), as illustrated in the graph below. Indeed, in T2 the general trend indicates that the level of sales is down 63.93% compared to T1 where the proportion was 67.9%, i.e. a decrease of 3.97%. This decrease may result in the start of a relaunch of activities, despite the health crisis, the effects of which seem to be fading.

Chart 5: Perception of business leaders on the level of sales

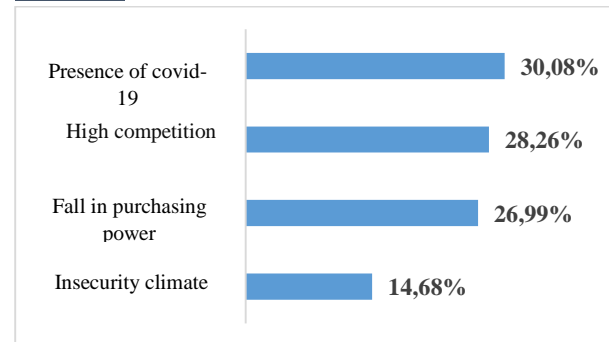


Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

According to the opinions of the business leaders surveyed, this drop in the selling price is explained by the drop in purchasing power (26.99%), strong competition (28.26%), the climate of insecurity in

the North-West, the South-West and the North (14.68%), as well as the presence of the Covid-19 pandemic which is still relevant.

Chart h 6: Main reasons for the level of sales



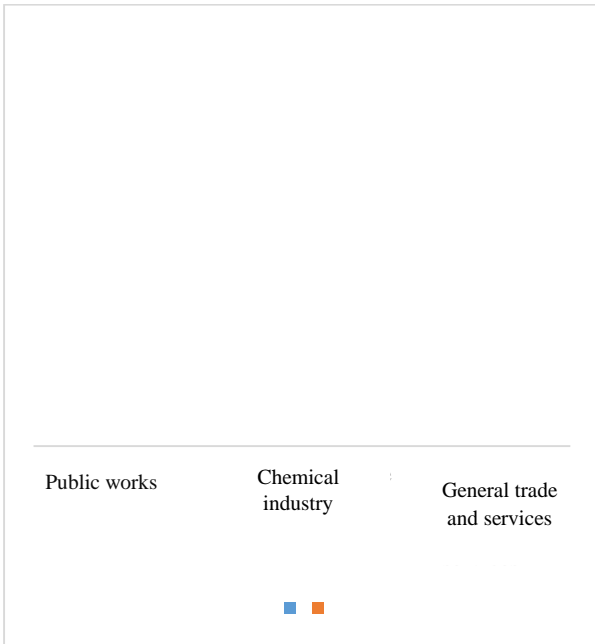
Source: Economic Survey Q2_2021, Our calculations on Excel

With regard to the strong competition decried by 28.26% of business leaders, it is worth pointing out the pressure from foreign companies setting up in the country. Also, since the 1st term 2021, the consumer price index has evolved and the level of income is becoming more and more difficult. The high cost of food during these quarters leads to an increase in household consumption expenditure. Business leaders whose main activity is general trade & services (81.63%) deplore the effects of this drop in purchasing power on their level of sales.

The level of activity and sales sufficiently testify to the net result obtained by the business leaders surveyed for the 2nd term 2021. Indeed, at the end of this term, the trends in the perceptions of business leaders on their results obtained are similar to those of the level of activity and sales.

During the survey quarter, the proportion of business leaders having obtained a negative net result is down compared to that of the previous quarter. There is also an increase of 7.58% in the proportion of companies having obtained a zero net result during this quarter. This raises questions about the profitability of their activities.

Chart 7: Perception of net income



Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

4. Employment Status

As in the 1st term 2021, 85% of business leaders surveyed said they had not recruited additional salaried staff. The efforts undertaken are for the most part, with the new opening of the world economy, focused on the stability of their activities, which have been badly shaken by the advent of Covid-19.

Nevertheless, the jobs created during the quarter concerned by the survey mainly concern 4 branches of activity, in particular Agro-Industry (2.38%), Chemicals and Pharmaceuticals (9.52%), General trade & services (85.71%) and the digital economy (2.38%) [See Appendix 3].

Despite this additional staff, activity is down by a third of them during this quarter. The contribution of these new jobs could be capitalized during the 3rd term 2021.

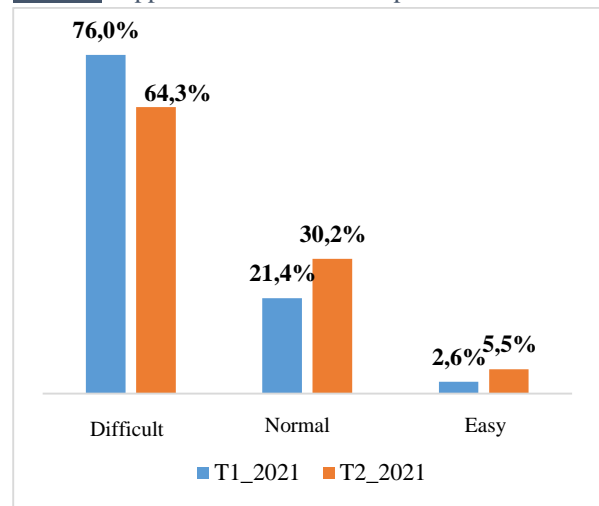
Chapter 3: Current cash position

This chapter addresses the cash position of the companies surveyed and the level of investment made during the 2nd term 2021.

1. Apprehension of current cash

Business leaders fear a difficult cash flow in the 2nd term 2021 (64.3%). This situation has improved compared to the first term 2021 when the level of apprehension was set at 76%.

Chart 8: Apprehension of the cash position



Source: Economic Survey Q1_2020, Q2_2021, Our calculations on Excel

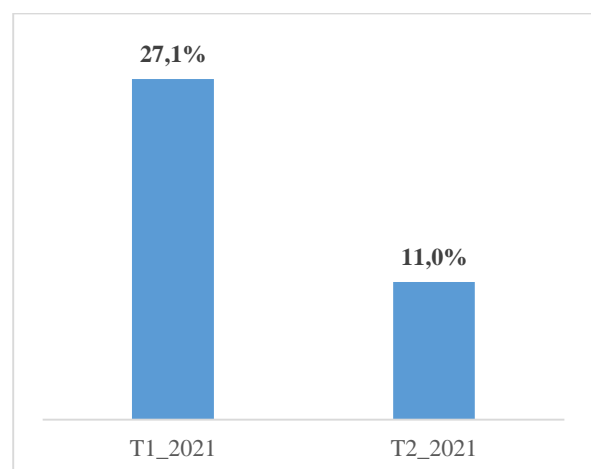
The apprehension of cash is not far from that of the level of activity where the proportion of business leaders whose level of activity is up in the 2nd term compared to the previous quarter has improved m

According to the 76% of business leaders surveyed whose cash flow situation was not easy during the 1st term 2021, the drop in activity would explain their cash flow situation for 29.72% of them, and 28.37% attribute it to poor selling.

2. Financing and investments

Considering all the structures surveyed, around 89 out of 100 companies say they have made no new investments during the 2nd term 2021 compared to 73% during the previous term.

Chart 9: Proportion of business leaders having made new investments



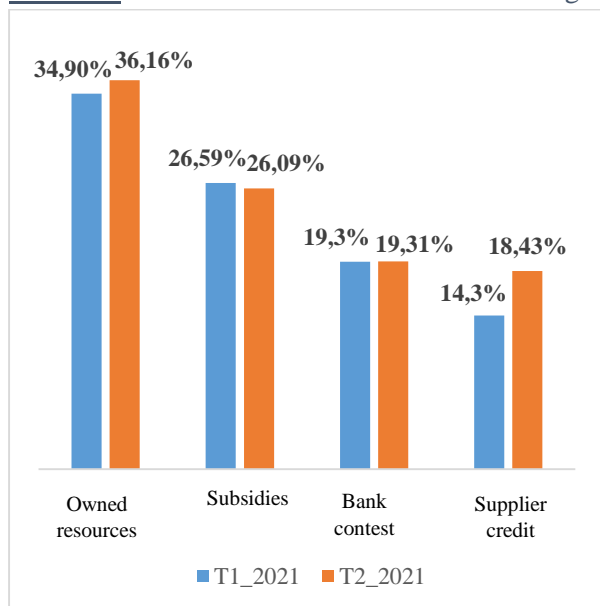
Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

These companies having made new investments mainly concern the sectors of agro-industry

(20.69%), chemicals and pharmaceuticals (24.14%), the clothing industry (10.34%) and general trade & service provision (24.14%). Considering the type of company, VSEs and SEs represent respectively 63.64% and 27.27% of companies having made new investments.

Various sources of funding have been mobilized for the implementation of these investments.

Chart 10: Main sources of investment financing



Source: Economic Survey Q1_2021, Q2_2021, Our calculations on Excel

During the 2nd term 2021, the proportion of business leaders using various sources of financing did not change with the exception of supplier credit, which was requested the most during this quarter compared to the previous one.

Among the companies that made investments during this quarter, 36.36% benefited from CAS Covid-19 Fund support. And 35.93% of these beneficiaries declare having used their own resources to carry out the investments; only 27.8% used the grant.

By focusing on the type of business, regardless of size, SMEs finance their activity mainly through their own resources. Medium-sized enterprises and those of small sizes have recourse to the resources specific to bank loans. Nevertheless, very small enterprises have recourse in the second place to subsidies to carry out their investments (See Appendix 4).

Chapter 4: Effects of the Covid-19 pandemic on the economic activity of SMEs

This chapter addresses the situation of SMEs whose activity has been impacted by the effects of Covid-19, also emphasizes government support for economic resilience.

1. Effects on activities and employment

Like all other countries, the health crisis has impacted the Cameroonian economy, in particular through the resilience measures taken to limit the spread of the disease. The effects of limiting the movement of goods and people have been more accentuated in countries where the economy is extroverted. Cameroonian SMEs, mainly in the tertiary sector (84.2%) and more particularly made up of traders, are the most affected by this crisis. Also, the country's dependence on the outside with regard to the supply of raw materials has not allowed companies in this sector to saturate the national market with substitute products for imported products.

To cope with this decline in activity due to the application of health resilience measures, promoters have been forced to restructure their business to promote their recovery and resilience in the face of the Covid-19 crisis. In order to ensure the viability of their activity and to strengthen occupational safety and health measures, some promoters have decided to partially or completely stop their activity.

Nevertheless, from the analysis of data from the economic survey of the 2nd term 2021, the coronavirus pandemic is less and less considered as a major factor in the level of activity of Cameroonian SMEs. The economic performance of players in the field of textiles and pharmaceutical chemicals, which had been able to find an opportunity in taking health resilience measures through the manufacture and sale of artisanal masks and hydro-alcoholic gels is less and less perceptible.

2. Government support to deal with the crisis

Since the application of health resilience measures to deal with the coronavirus crisis that occurred in March 2020, the activities of the mainly extroverted Cameroonian economy have been

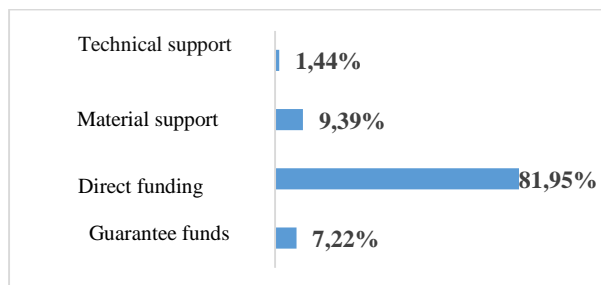
damaged. The Government has set up a Fund to support the economy and limit the spread of the disease.

In favor of Decree No. 2020/3221/PM of July 22, 2020 setting the distribution of the endowment of the Special National Solidarity Fund for the fight against the coronavirus and its economic and social repercussions, MINPMEESA benefited from an envelope of 2 billion CFA Francs for SMEs with high potential affected for SMEs (up to 1.5 billion CFA Francs) and craftsmen and OES manufacturing artisanal masks and hydro-alcoholic gels (up to 500 million Francs CFA).

The period of March 2020 marks the start of the payment of the beneficiaries selected by the Specialized Payroll Fund CAS-Covid. From the analysis of data from the economic survey for the 2nd term 2021, the latter represent 13.82% of all respondents. 93.33% of the latter declare that this support has enabled them to relaunch their activity. The turnover for 85.71% of these beneficiaries is either up or stable compared to the 1st quarter of 2021. The provision of support and its use have enabled them to maintain their stable activity and recorded growth compared to the previous quarter.

The appreciation of this subsidy remains mixed by the beneficiaries. 18.9% of them appreciate it on the other hand 29.27% denounce a slowness in the effective transfer of funds. However, in addition to ongoing support measures, they offer financial and technical assistance, and the establishment of a Guarantee Fund to facilitate their access to credit and improve their competitiveness.

Chart 11: Proposal of accompanying measures in favor of SMEs



Source: Economic Survey Q2_2021, Our calculations on Excel

The SMEs surveyed during the 2nd term, although for the most part the economic activity was

sluggish, plan to increase their activity during the next quarter.

Chapter 5: Outlook for the 2nd quarter of 2021

This chapter focuses on the analysis of the projections made by companies for the 3rd term 2021 with regard to the economic context in which they operate.

1. Outlook announced by SMEs for the 2nd term of 2021

Given the level of activity achieved during the 2nd quarter of 2021 by the companies surveyed, business leaders remain optimistic about the situation during the 3rd term 2021.

Around 55.5% of the business leaders surveyed plan to resume their activity during the 3rd quarter of 2021. These companies are mainly in the field of General Trade & Services (79.39%). These optimistic companies posted a positive net result during the 2nd term 2021 (29.48%). What is a result leaves one to wonder about the effectiveness of the resumption of activity during the 3rd term 2021.

The outlook based on the net result shows that most business leaders (38.82%) report that the economic activities of the 3rd term will lead to positive net results. Having not achieved their target for the 2nd term (61.5% expected to obtain a positive net result), business leaders are more realistic about the projections for the 3rd term 2021.

It is important to note that the 48.53% of business leaders who obtained a negative net result during the 2nd term 2021, almost half (48.53%) remain less optimistic about their result at the end of this period. of the 3rd term 2021, and 44.24% hope to obtain a positive net result.

2. Outlook with regard to the activity carried out and the economic context

The companies surveyed as part of this economic report are for the most part less optimistic about the level of activity to be achieved during the 3rd quarter of 2021. This perception could be explained by reading the current economic environment.

This context reinforces the strong competition faced by Cameroonian SMEs. Also, since the

elements of competitiveness are not controlled by them, the economic activity of these players may be negatively impacted during the 3rd term 2021.

Conclusion

The slowdown in the activities of SMEs induced by this pandemic observed during the 1st term 2021 is less and less perceptible by the heads of companies surveyed in the context of the economic situation in the 2nd term 2021. Strong competition and the decline in purchasing power are important causes of the economic activity of the 2nd term 2021 of the SMEs surveyed. This observation is a reflection of the situation of the national economy during this quarter. Indeed, since the first term of 2021 the CEMAC zone has been marked by a general increase in prices. Inflation in Cameroon increased by 0.8% in the 2nd term 2021 compared to the 1st term of 2021. Cameroon also recorded an increase in consumer prices of 2% compared to the same period of the previous year, and at the end of the 2nd term 2021, a surge in the inflation rate of 3.7% is recorded. This situation had an impact on companies' production costs, their sale, and consequently on the result and level of cash obtained at the end of the term. The competitiveness of SMEs is therefore called into question given the current situation, the pressure from large companies and the effects of the implementation of free trade agreements.

With regard to job creation, the SMEs surveyed (85%) did not place particular emphasis on the recruitment of new salaried employees during the 2nd term of 2021. This could be explained by the perception of these SMEs of their activity, which at least did not change significantly during this term. As for the beneficiaries of CAS Covid support (13.82% of the SMEs surveyed), the collection and use of this support enabled 93.33% of them to relaunch their activity after suffering the horrors of the effects of Covid-19.

In view of the current economic situation, in particular the level of commodity prices and the decline in purchasing power, a question is raised about the cost of the effective implementation of the Strategic Objectives of the National Development Strategy 2020-2030 (NDS-30) which imposes the structural transformation of the national economy, given the growth of the inflation rate and the decline in household purchasing power.

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Appendices

Appendix 1: Survey coverage

SMEs to be surveyed	500
SMEs that responded to the questionnaire	340
Coverage	68%

Appendix 1: Breakdown of the sample surveyed

Variables	Proportion (%)
Region	
Adamawa	3.83
Center	7.08
East	4.72
Far North	49.85
Littoral	9.44
North	5.6
North West	12.09
West	7.37
South	3.83
South West	7.08
Business typology	
ME/IM	4.41
PE	20.59
TPE	75
Sectors / Branches of activity	
Primary	5.14
Agriculture & Livestock	3.22
Agro industry	0.32
construction	0.64
General Trade & Services	0.64
Wood processing industry	0.32
Secondary	13.50
Agro industry	7.40
construction	1.29
Chemistry Pharmacy	0.96
General Trade & Services	1.29
Bronze processing industry	0.32
Wood processing industry	2.25
Tertiary	81.35
Agro industry	0.96
construction	0.64
Chemistry Pharmacy	2.25
General Trade & Services	69.77
Digital Economy	1.61
Hotel and catering	2.89
clothing industry	2.89
Bronze processing industry	0.32

Appendix 2: Summary of the apprehension of business leaders surveyed about their activity during the 2nd quarter of 2021 (in %)

	Volume of activity			Production cost			Sales level			Net profit		
	Rise	Decrease	Steady	Rise	Decrease	Steady	Rise	Decrease	Steady	Positive	Negative	Bad
Business typology												
TPE	12.12	50	13.33	14.51	29.41	33.73	6.71	39.02	30.18	15.88	40.88	18.24
PE	4.85	11.52	4.24	8.24	3.53	7.84	4.88	7.62	7.62	7.65	6.76	6.18
ME/IM	0.61	2.12	1.21	0.78	0	1.96	0.61	0	3.35	0.88	0.88	2.65
Sectors of activity / Branches of activity												
Primary	0	3.3	0	0.42	3.80	0	0	2.3	0.99	0	2.89	0.32
Agriculture & Livestock	0.00	3.3	0	0.42	3.8	0	0	2.3	0.99	0	2.89	0.32
Secondary	4.62	9.9	4.95	11.39	3.38	10.55	5.26	5.26	9.87	5.14	7.07	8.36
Agro industry	2.31	3.3	1.65	5.49	1.27	4.22	3.29	1.97	3.62	2.25	3.54	2.89
construction	0.00	2.31	0.33	0.84	0.42	1.69	0	0.99	0.99	0.96	0.64	0.96
Chemistry Pharmacy	0.33	1.65	1.32	0	0.84	2.53	0	0.99	2.3	0.64	0	2.57
clothing industry	1.32	0	1.65	2.11	0	1.69	1.32	0	1.64	1.29	0	1.61
Bronze processing industry	0	0.66	0	0.84	0	0	0.66	0	0	0	0.64	0
Wood processing industry	0.66	1.98	0	2.11	0.84	0.42	0	1.32	1.32	0	2.25	0.32
Tertiary	11.88	51.49	13.86	9.70	26.58	34.18	6.91	40.79	28.62	19.94	39.55	16.72
General Trade & Services	11.22	48.84	12.54	8.44	26.58	32.07	6.58	40.13	25	19.29	37.94	14.47
Digital Economy	0.66	0.99	0	0.84	0	0	0.33	0.66	0.66	0.32	0.96	0.32
Hotel and catering	0	1.65	1.32	0.42	0	2.11	0	0	2.96	0.32	0.64	1.93
Grand total	16.50	64.69	18.81	21.52	33.76	44.73	12.17	48.36	39.47	25.08	49.52	25.4

Appendix 3: Proportion of companies having recruited additional staff by branch of activity

Industry	Proportion (in %)
Agro industry	2.38

Chemistry Pharmacy	9.52
General Trade & Services	85.71
Digital Economy	2.38
Grand total	100

Appendix 4: Proportion of companies having made an investment by branch of activity

Industry	Proportion (in %)
Agro industry	20.69
construction	3.45
Chemistry Pharmacy	24.14
General Trade & Services	24.14
Digital Economy	6.90
Hotel and catering	3.45
clothing industry	10.34
Wood processing industry	6.90
Grand total	100

Appendix 5: proportion of business leaders using sources of financing by type of business (in %)

	ME/IM	PE	TPE
Own Resources	60	46.67	55.14
Subsidies	0	20	24.3
Supplier credits	20	20	9.35
Bank competition	20	13.33	11.21
Total	100	100	100

Appendix 7: List of people involved in the process of preparing the note on the situation ^{2nd} quarter 2021

1. STEERING AND ORIENTATION

Mr. ACHILLE BASSILEKIN III, MINPMEESA

2. GENERAL COORDINATION

Mr. JOSEPH TCHANA, SG MINPMEESA

3. TECHNICAL COORDINATION

Mr. BOBBO MAMOUDOU, DEPP MINPMEESA

4. TECHNICAL SECRETARIAT

Mrs. TCHANA SYLVIE, CELSTAT MINPMEESA

5. TECHNICAL TEAM

Mrs. NGAFFO Manuela, DEPP executive

Mrs. IHOULI Francine, DEPP executive

Mr. NONGNI DONFACK Abednego, DEPP executive

Mr. MBAZOA ZEBAZE Hervais, DEPP Executive