REPUBLIC OF CAMEROON
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MINISTRY OF SMALL AND MEDIUM-SIZED ENTERPRISES
SOCIAL ECONOMY AND
HANDICRAFTS
****

MINPMEESA

REPUBLIQUE DU CAMEROUN
PAIX- TRAVAIL- PATRIE
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MINISTÈRE DES PETITES ET MOYENNES
ENTREPRISES, DE L'ÉCONOMIE SOCIALE ET DE
L'ARTISANAT
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2024 STATISTICAL YEARBOOK ON SMESEHs

ANALYSIS REPORT

14th EDITION

STUDIES, PROJECTS AND FORCASTS DIVISION

May 2025

FOREWORD

With a view to accelerate the realisation of the " mix import-substitution and export promotion " strategy set out in the NDS30, the Government has launched a new operational tool: the Agro-pastoral and Fisheries Import-Substitution Plan (PIISAH). Covering the period 2024-2026, this ambitious plan aims to significantly boost local production and processing, in order to increase Manufacturing Value Added (MVA) to 25% by 2030.

This new strategic tool comes in at a transition period between 2022-2024 MINPMEESA Strategic Performance Framework (SPF) and its current update for the 2026-2028 period and requires better identification of resilient sectors and promotion of synergies between the various players. The integration of new analysis factors, such as business incubators, support structures, local value chains and initiatives for transition to the formal economy, will enrich the statistical analysis and better reflect the changes underway in the national productive fabric. In this dynamic, SMEs, social economy players and Handicraft Production Units (HPU) have a key role to play in the development of local value chains, particularly in high-potential sectors such as agro-industry, forestry-wood and cotton-textile-leather-confection.

Almost 99.8% of our production base is made up of SMEs, of which 79.3% are Very Small Enterprises (VSEs), 19.4% are Small Enterprises (SEs) and only 1.3% are Medium Enterprises (MEs). In terms of sectors, 77.2% of these structures operate in the tertiary sector; 22.7% in the secondary sector; and a tiny proportion of 0.1% in the primary sector. To achieve the target set by the SND30 of increasing MVA to 25% by 2030, it will be crucial to step up action in the primary and secondary sectors. This means stepping up local production, stimulating industrial processing and significantly reducing imports of everyday consumer goods. In keeping with this approach, throughout 2024 my Ministerial Department continued its efforts to modernise and transform production units. The objective is clear: supply the national and international markets with competitive, high-quality consumer goods.

Despite the many turbulences (disruption of global supply chains, persistent inflationary pressures, security instability in some regions), there was an increase in SMESEH activities in 2024. There are around 443,524 SMEs, an increase of 12.8% compared with 2023. In terms of new creations, ECPCs have recorded 21,132 SMEs. Regarding SEOs,3 909 have been created in 2024 nationwide. Additionally, 3 602 Handicrafts Production Units (HPU) were recorded in Craftspeople Council Office (CCO). This 14th edition of of the Statistical Yearbook of Small and Medium-Sized Enterprises, Social Economy Organisations and Craftspeople is now available. It is an invaluable tool for assessing the public policies implemented in favour of our targets, while marking out the path for the structural transformation of our economy.

The Minister of Small and Medium Enterprises,
Social Economy and Handicrafts

Achille BASSILEKIN III

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ACRONYMS AND ABBREVIATIONS

APME	Small and Medium-sized Enterprises Promotion Agency
CCO	Craftspeople Council Office
BC-PME	Cameroon Bank for Small and Medium-sized Enterprises
BSTP	Subcontracting and Partnership Stock Exchange
CEMAC	Economic and Monetary Community of Central Africa
ECPC	Enterprise Creation Procedure Centre
AMC	Accredited Management Centre
CIAY	Yaounde International Handicraft Centre (CIAY)
COVID-19	Coronavirus disease 2019
SPF	Strategic Performance Framework
CTD	Regional and Local Authorities
EMPRETEC	Entrepreneurs Capacity building Programme to improve the competitiveness of local enterprises, VSEs and SMEs in terms of product and service delivery
EESI3	Third Survey on Employment and the Informal Sector
ETS	Establishments
CFAF	Franc of Financial Cooperation in Africa
LC	Large Company
NIS	National Institute of Statistics
ME	Medium-sized Enterprise
MINPMEESA	Ministry of Small and Medium-Sized Enterprises, Social Economy and Handicrafts
SEO	Social Economy Organisation
SE	Small Enterprise
SMEs	Small and Medium-sized Enterprises
SMESEH	Small and Medium-Sized Enterprises, Social Economy and Handicrafts
NDS30	National Development Strategy 2020-2030
VSE	Very Small Enterprise
HPU	Handicrafts Production Unit
UPI	Informal Production Unit
AV	Added Value
RHV	Regional Handicrafts Village
MVA	Manufacturing Value Added
AfCFTA	African Continental Free Trade Area

INTRODUCTION

The year 2024 marks the end of the implementation of the 2022-2024 Strategic Performance Framework (SPF 2022-2024), drawn up as part of the structural transformation of the economic fabric driven by the 2020-2030 National Development Strategy (SND30). Through this strategic framework, MINPMEESA is committed to promoting entrepreneurship and supporting SMEs to transform and modernise their production units. As part of the implementation of this SPF, MINPMEESA has placed particular emphasis on the development of SMEs in the agro-industry, forestry-wood and cotton-textile-leather-confection sub-sectors. These high value-added sub- sectors are seen as levers that can trigger the development of other sub-sectors. It is therefore appropriate to analyse the results obtained through the actions carried out in favour of SMEs over the period under review.

To this end, the data collected as part of the preparation of the Ministry's 2024 Statistical Yearbook will make it possible to assess the level of performance achieved during the period of implementation of this SPF.

This analysis report is intended as a tool for explaining the data collected and is structured around 4 chapters: the first presents an analysis of the statistical data on SMEs, the second looks at the situation of the informal sector, the third highlights the contribution of SMEs to the country's economy and the fourth chapter presents the challenges and prospects in the field of SMEs for the year 2025 and beyond.

CHAPTER 1: ANALYSIS OF DEMOGRAPHIC DATA ON SMESEH

Knowledge of the demographics of SMEs, Social Economy players and craft workers is fundamental to the definition of effective public policies in their favour. This chapter presents a descriptive analysis of the statistical data collected on SMEs, SEOs and HPUs.

1. Statistical data on SMEs

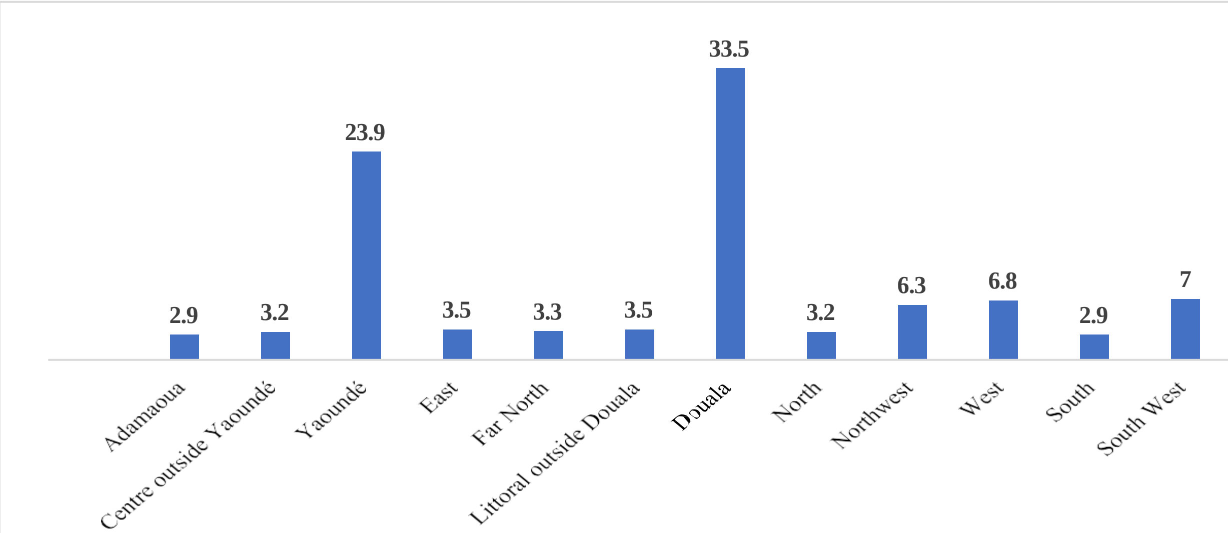
This section presents the estimated stock of businesses in Cameroon in 2024 and an analysis of its evolution over the period 2016-2024. It also analyses the dynamics of the creation of small and medium-sized enterprises (SMEs) at the Enterprise Creation Procedure Centre (ECPC).

1.1 Estimated stock of companies in 2024

Estimates of the stock of businesses operating in Cameroon were made on the basis of a Dynamic Computable General Equilibrium Model (DCGEM) including a number of fundamental assumptions (**Appendix 1**).

In 2024, the stock of businesses in operation in Cameroon is estimated at 444,302 units, including 443,524 SMEs and 778 Large Compagnies (LC). Year-on-year, the stock of SMEs will increase by 12.8%. Over the period of implementation of the SPF 2022-2024, there has also been a 26.8% increase in the stock of SMEs, reflecting the vitality of entrepreneurship and the stability of the economic environment. In addition, the stock of SMEs rose from 287,376 in 2019 to 443,524 in 2024, a growth rate of 54.3% over the period.

Graph 1: Breakdown of SME stock in 2024 by region (%)

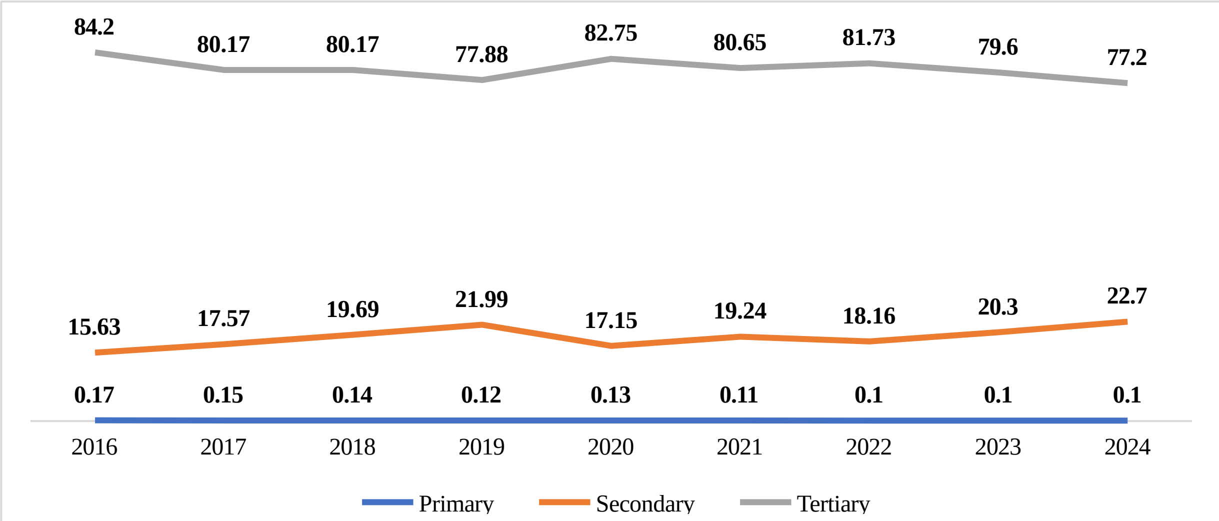


Source: MINPMEESA / (e) our estimates

According to these estimates, the majority of SMEs are concentrated in the cities of Douala (33.5%) and Yaoundé (23.9%), representing 57.4% of the estimated stock of SMEs in Cameroon. The low representation of SMEs observed in the Centre region outside Yaoundé (3.2%) and in the Littoral region outside Douala (3.5%) is evidence of a strong migration of SMEs from the peripheries to the capital cities. This situation could be due to opportunities for easy access to administrative services, access to markets and insufficient access to production factors (electricity, water, road infrastructure, etc.).

The North-West and South-West regions will account for 13.3% of the stock of SMEs in operation in 2024, despite the continuing security situation in these areas. The same applies to the Far North region (3.2%).

Graph 2: Change in the stock of SMEs by sector of activity from 2016 to 2024 (%)

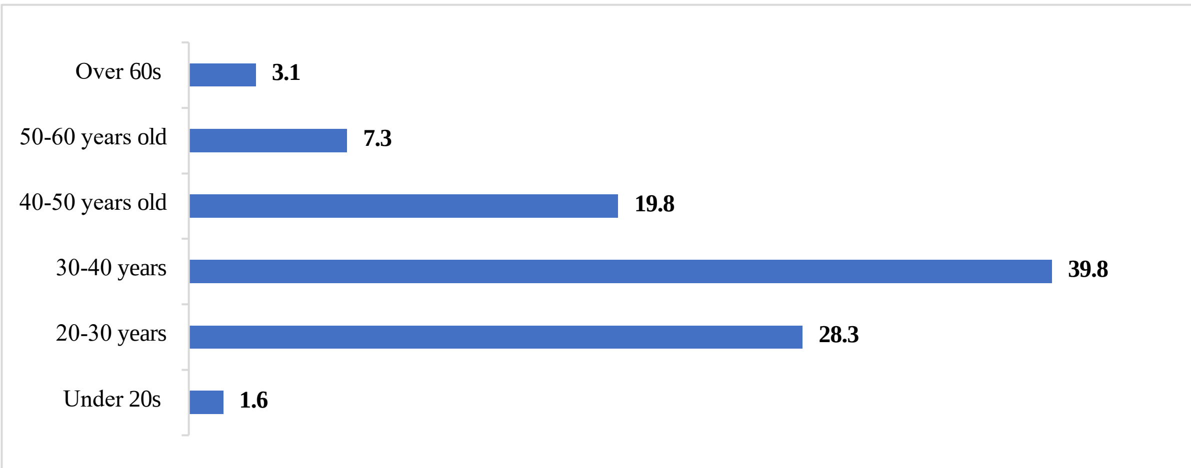


Source: MINPMEESA / (e) our estimates

According to the representativeness of the stock of SMEs by sector of activity, the majority of SMEs operate in the tertiary sector (77.2% in 2024). However, there is a downward trend over time in the proportion of SMEs in this sector, to the benefit of SMEs in the secondary sector. In fact, between 2016 and 2024, the proportion of tertiary-sector SMEs fell by 7 percentage points in favour of secondary-sector SMEs. The proportion of SMEs in the primary sector will remain virtually stable between 2016 and 2024.

Over the period 2022-2024, there has also been an increase in the share of SMEs in the secondary sector, which has risen from 18.16% in 2022 to 22.70% in 2024. The same dynamic was observed over the period 2019-2024, where this share rose from 21.99% in 2019 to 22.70% in 2024.

Graph 3: Breakdown of SME stock in 2024 by promoter age group (%)



Source: MINPMEESA / (e) our estimates

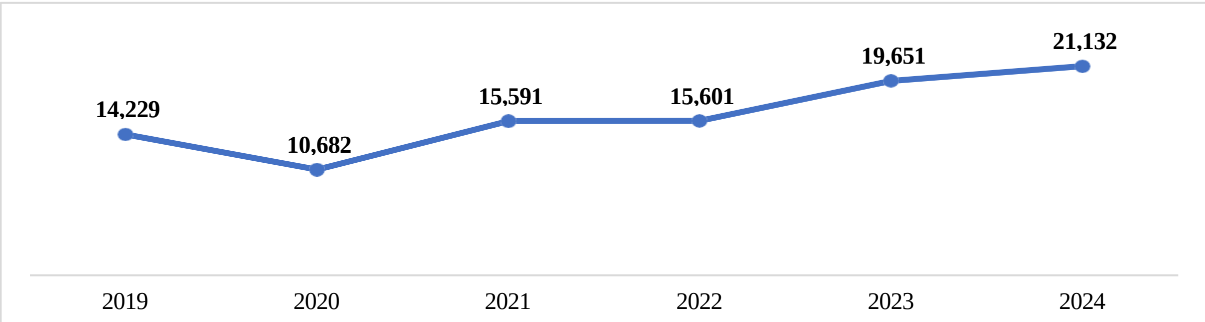
The data analysed show that the most entrepreneurial age group is between 30 and 40 years old, representing 39.8% of SME managers in 2024, with 69.7% of these promoters being young people under the age of 40. This testifies to the dynamism of Cameroon's youth in entrepreneurship, and consequently to the relevance of intensifying specific actions in favour of young people in order to encourage and promote the entrepreneurial spirit.

Furthermore, data from the latest business census carried out by the NIS puts the number of formal businesses in the strict sense at 62,902, or just 14.6% of the stock of businesses, i.e. those that comply with regulations and legal obligations, have operational management tools at their disposal, and carry out long-term and permanent activities. In other words, these are companies that are well structured. Of this category, 62,124 are SMEs, which means that only 14% of SMEs are well structured and make a statistical and tax declaration of their activities. Hence the need to step up support for SME structuring.

1.2 Evolution of SMEs creation

In 2024, the Enterprise Creation Procedure Centre (ECPC) registered 21,132 new SMEs nationwide. This represents an increase of 7.5% compared with 2023, and 35.4% compared with 2022.

Graph 4: evolution of SMEs set up at ECPCs from 2019 to 2024

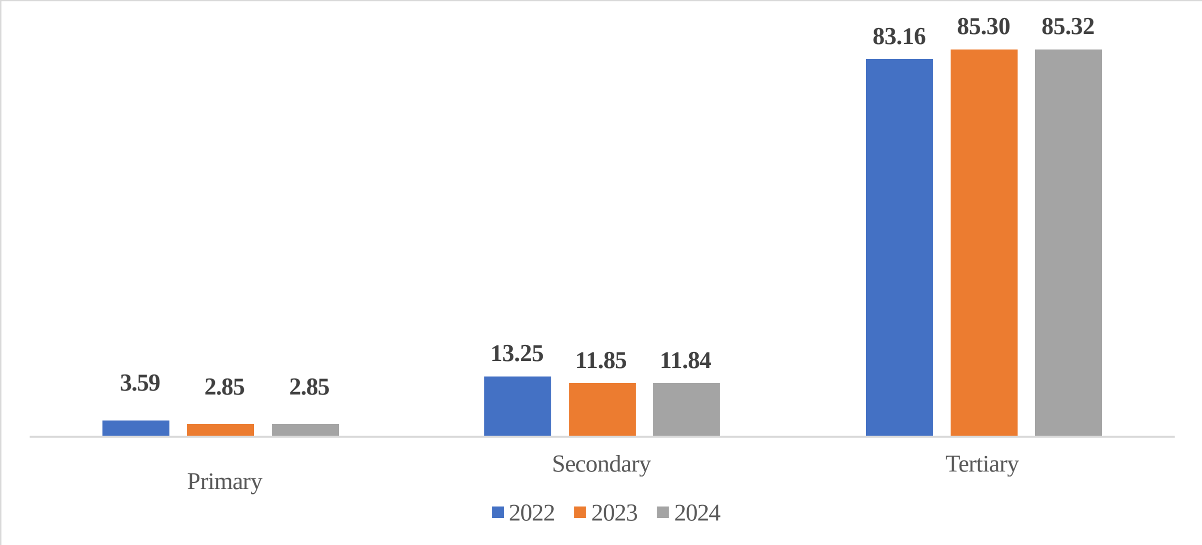


Source: MINPMEESA / ECPC 2018-2024

Over the period 2019-2024, there will be a sharp increase in the number of SMEs at ECPCs, rising from 14,229 in 2019 to 21,132 in 2024, a growth rate of 48.5%.

This good dynamic has continued over the period 2022-2024 with more significant results, reflecting the efforts made to support business creation in Cameroon. It is therefore necessary to continue implementing and strengthening support measures in order to increase the number of SMEs created per year and to make them viable. It should also be noted that in Cameroon, the ECPCs are still not the only sources of business start-ups. Promoters use other existing sources (notaries) to set up their businesses, and these data are not included in this analysis.

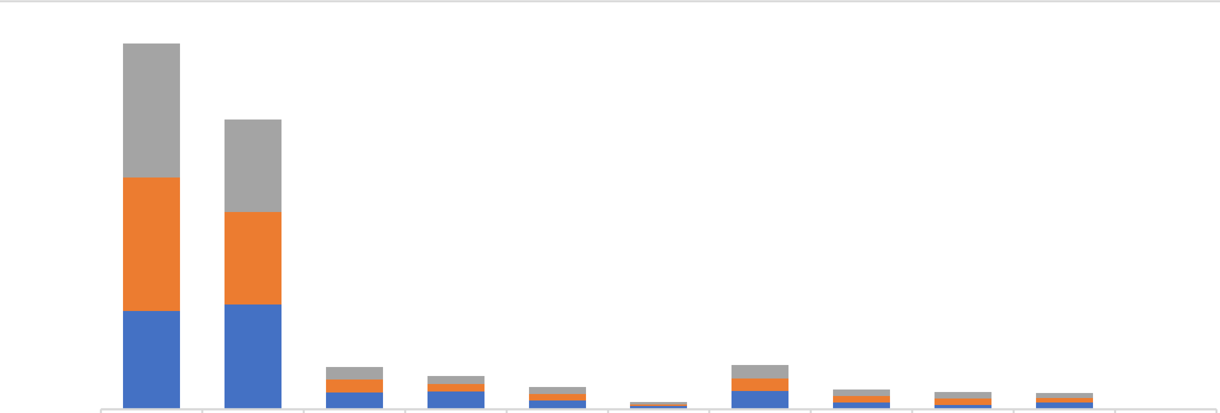
Graph 5: Breakdown and change in the proportion of SMEs created in ECPCs by sector of activity from 2022 to 2024 (%)



Source: MINPMEESA / ECPC 2022-2024

In 2024, the concentration of SMEs created in the tertiary sector persisted (85.4%). The secondary sector accounts for 11.8%, while the primary sector accounts for 2.8%. Over the period 2022-2024, although the proportion of SMEs created in the secondary sector fell by 1.47 percentage points, from 13.2% in 2022 to 11.8% in 2024, the number of SMEs created in the secondary sector rose from 2,067 in 2022 to 2,501 in 2024, a growth rate of 21%. This timid trend in the creation of SMEs in the secondary sector does not converge with the objectives of structural transformation of the economy. To this end, over the next few years it will be necessary to promote investment opportunities in certain high value-added industries, such as agro- industry, wood processing and clothing, leather and textiles, in order to encourage the creation of businesses in these sub-sectors.

Graph 6: Breakdown and change in the proportion of SMEs set up in ECPCs by region from 2022 to 2024 (%)



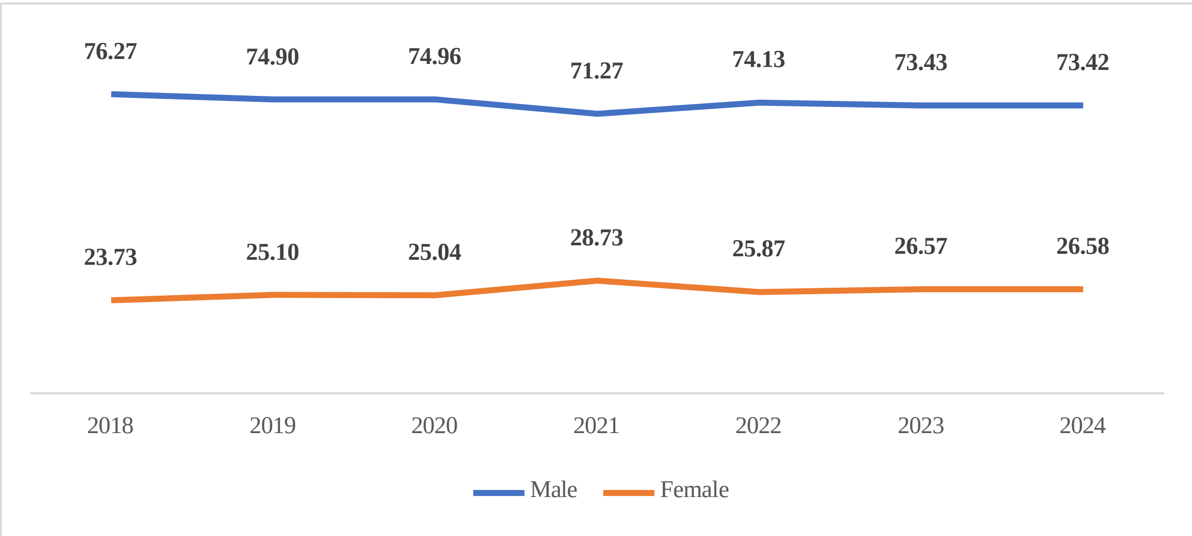
	Yaoundé	Douala	Bafoussam	Garoua	Bamenda	Ebolowa	Leaf blade	Maroua	Bertoua	Ngaoundéré	EDEA
2024	46.6	32.2	4.4	2.7	2.4	0.7	4.6	2.2	2.2	1.7	0.2
2023	46.7	32.3	4.4	2.7	2.4	0.7	4.6	2.2	2.2	1.7	0.2
2022	34.3	36.6	6.0	6.1	3.0	1.2	6.3	2.4	1.7	2.4	0.0

2022 2023 2024

Source: MINPMEESA / ECPC 2022-2024

In 2024, the dynamic of SME creation remains concentrated in Yaoundé (46.6%) and Douala (32.2%). These two cities recorded an increase in the number of SMEs created over the period 2022- 2024: the Yaoundé ECPC rose from 5,358 SMEs created in 2022 to 9,858 in 2024; and the Douala ECPC rose from 5,717 SMEs created in 2022 to 6,815 in 2024. The ECPCs in the other towns, namely Garoua (2.7%), Bamenda (2.4%), Ebolowa (0.7%), Maroua (2.2%), Bertoua (2.2%), Ngaoundéré (1.7%) and Edéa (0.2%), recorded insignificant levels of SME creation in 2024. What is more, the Garoua and Ebolowa ECPCs recorded a drop in the number of start-ups over the period 2022-2024: the Garoua ECPC fell from 954 SMEs created in 2022 to 579 in 2024; and the Ebolowa ECPC fell from 183 SMEs created in 2022 to 142 in 2024. The case of the South region, which has shown very timid results since 2018, merits specific analysis in order to better understand the lack of enthusiasm in terms of creation, given the opportunity offered by the Autonomous Port of Kribi (PAK) for the development of SME activities, particularly in the agri-food and services sectors.

Graph 7: Change in the proportion of SMEs created in ECPCs, by promoter gender (%)



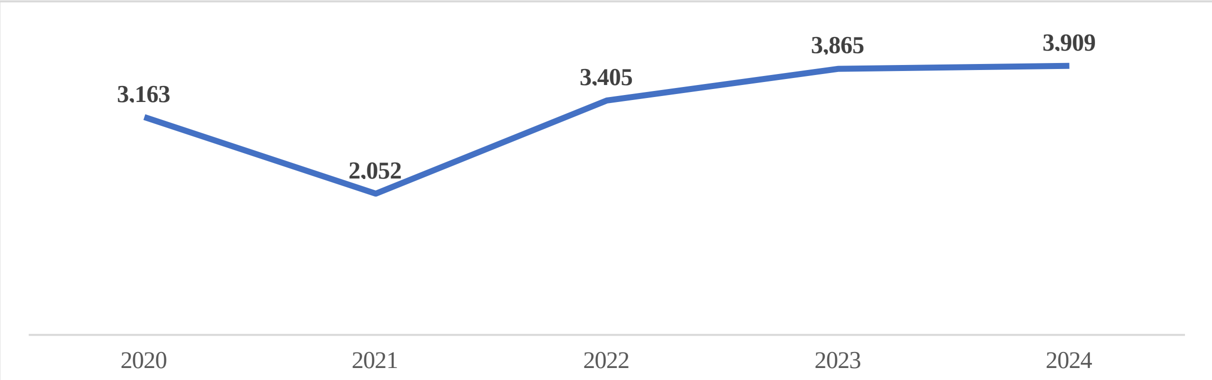
Source: MINPMEESA / ECPC 2018-2024

In 2024, the dynamic of SME creation by women (26.58%) was observed, although men remained in the majority with 73.4%. Over the period 2022-2024, there was a slight improvement in the proportion of SMEs created by women, with a gain of 0.71 percentage points. However, it should be noted that the number of SMEs created by women rose from 3,572 in 2019 to 5,616 in 2024, an increase of 57.2% over the period, reflecting the efforts made in terms of policy to support female entrepreneurship.

2. Statistical data on SEOs

This section is dedicated to the analysis of data on the creation of Social Economy Organisations (SEOs) by sector and by typology.

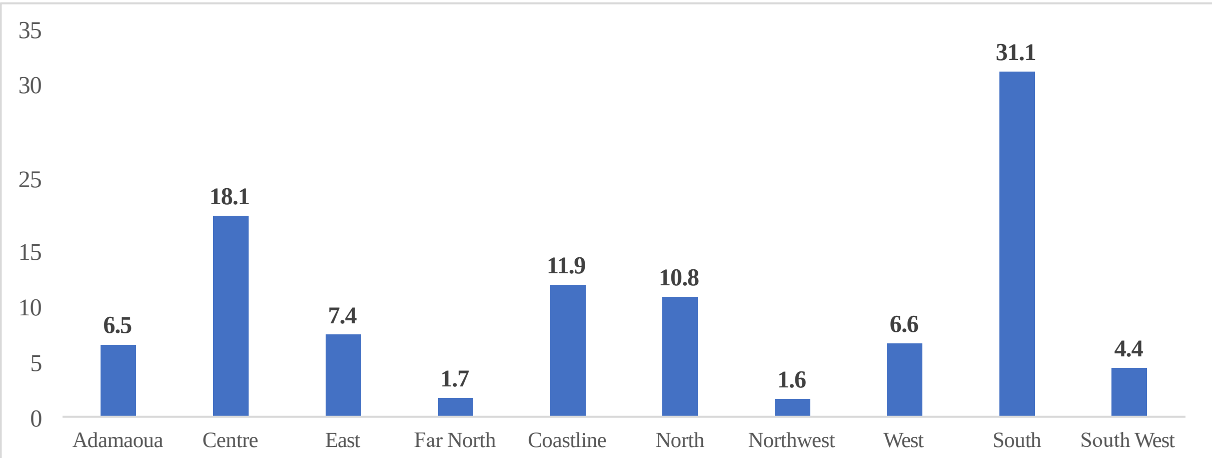
Graph 8: Number of SEOs created between 2020 and 2024



Source: MINPMEESA

In 2024, there were 3,909 new Social Economy Organisations created throughout the country, compared with 3,865 in 2023, an increase of 1.1%. Over the period 2022-2024, there has been a steady increase in the number of SEOs created. The number of SEOs created rose from 3,405 in 2022 to 3,909 in 2024, an increase of 14.8%, reflecting the results of efforts made to develop the social economy, in particular the setting up of social economy networks in the territories. These social economy networks, set up with the support of the Ministry, will increase from 350 in 2023 (292 RELESS, 49 REDESS, 9 RERESS) to 389 in 2024 (326 RELESS, 54 REDESS, 9 RERESS). These networks are a major lever for structuring and energising players in the social economy.

Graph 9: Breakdown of SEOs created in 2024 by region (%)

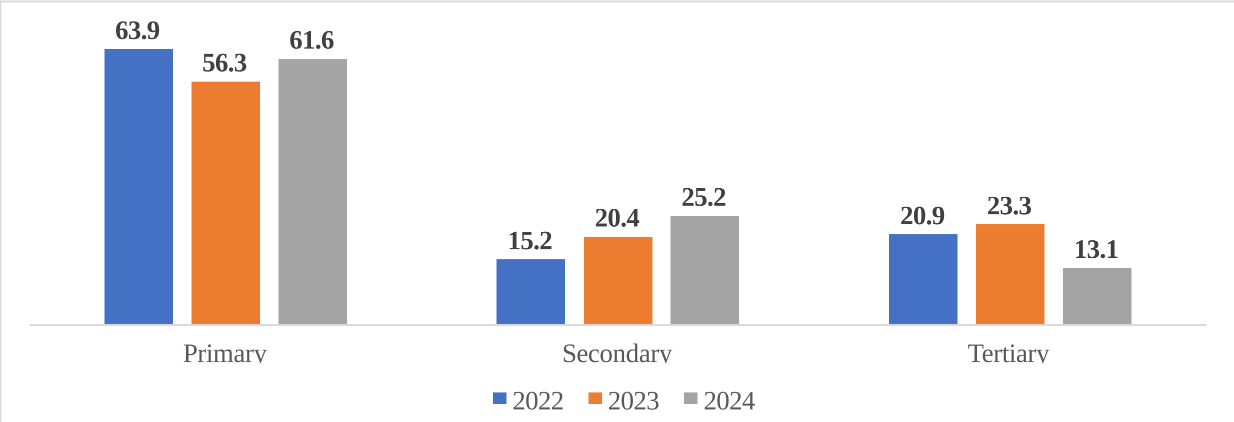


Source: MINPMEESA

In 2024, the creation of SEOs will continue to be concentrated in the South (31.10%), Centre (18.1%), Littoral (11.9%) and North (10.8%) regions. These four regions account for 71.9% of the SEOs created in 2024. The North-West and Far-North regions have the lowest proportions (1.6% and 1.7% respectively).

The regions of Adamaxa (6.5%), East (7.4%) and North-West (1.6%), although they have great potential in the agro-pastoral sector, which is a privileged sector for the development of the social economy, show a timidity in social entrepreneurship. Targeted action needs to be taken to boost this social economy sector, which is a real lever for development in these regions.

Graph 10: Breakdown and change in the proportion of SEOs created by sector of activity from 2022 to 2024 (%)



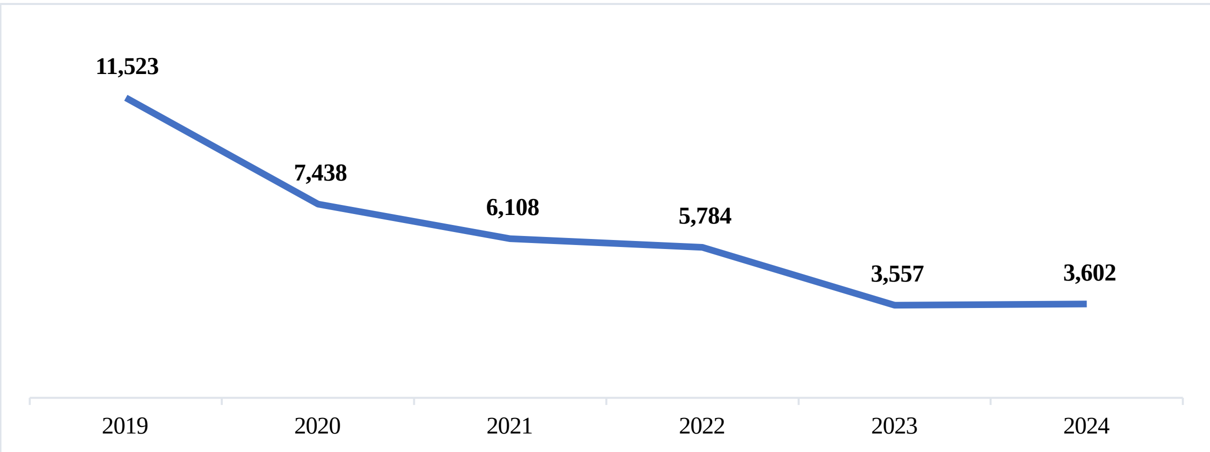
Source: MINPMEESA

In 2024, the concentration of SEOs created in the primary sector persisted (61.6%). However, there was a strong move towards the processing sector (25.2%), despite difficulties in accessing processing equipment and other tools. Over the period 2022-2024, the proportion of SEOs created in the secondary sector has improved by 10.02 percentage points, rising from 15.2% in 2022 to 25.33% in 2024. Furthermore, in 2024, the activities of SEOs are concentrated around Agriculture (48.0% compared with 42.82% in 2022) and Livestock (33.7% compared with 20.5% in 2022).

3. Statistical data on HPUs

In 2024, the Craftspeople Council Office (CCO) registered 3,602 Handicraft Production Units (HPU), compared with 3,557 in 2023 and 5,784 in 2022.

Graph 11: Growth in the number of HPUs registered in CCOs from 2019 to 2024

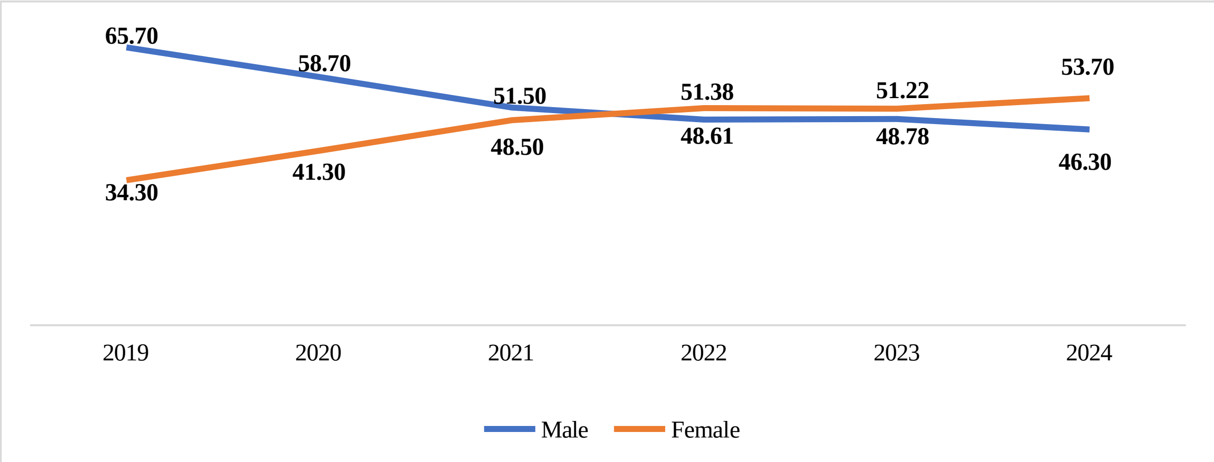


Source: MINPMEESA

Since 2019, there has been a sharp drop in registrations of HPUs in the Craftspeople Council Office (- 68.74%). This could be explained by a lack of ownership of the powers transferred to the DTCs in terms of promoting the craft industry. Despite the implementation of BCAs in the country's 360 communes, it should be noted that difficulties persist in mobilising artisans to formalise their activities through registration. Specific action needs to be taken with regard to the Decentralised Territorial Collectivities to ensure that they take greater ownership of the supervision of artisans.

In addition, the craft villages (CIAY, 9 VAR, 3 VAS) set up by the Ministry in the 10 regions should contribute further to the emergence and densification of the craft industry in each region, in line with local potential.

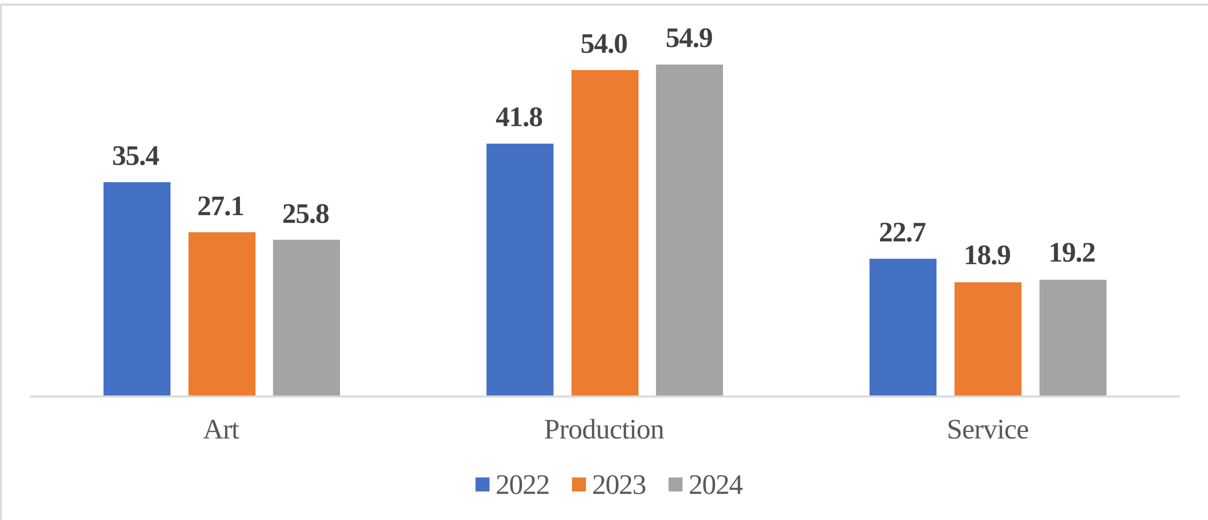
Graph 12: Change in the proportion of HPUs registered in CCOs by promoter gender from 2019 to 2024 (%)



Source: MINPMEESA

In 2024, there was a good dynamic in the registration of HPUs run by women (53.7% compared with 46.3% of HPUs run by men). This trend was also observed over the period 2022-2024, rising from 51.38% in 2022 to 53.7% in 2024.

Graph 13: Breakdown of the proportion of HPUs registered by type of craft and by region (in %)



Source: MINPMEESA

In 2024, the concentration of registered HPUs in the production sector persisted (54.90%). Arts and crafts accounted for 25.80% of registered HPUs in 2024, while service crafts accounted for 19.20%. Over the period 2022-2024, the proportion of registered HPUs in the production sector has improved by 13.10 percentage points, rising from 41.80% in 2022 to 54.90% in 2024**.**

CHAPTER 2: ANALYSIS OF STATISTICAL DATA ON THE INFORMAL SECTOR

The informal sector is an essential component of Cameroon's economic fabric, accounting for more than 80% of productive activity. This sector makes a significant contribution to the Gross Domestic Product (58% of GDP), in line with other sub-Saharan African countries where this contribution ranges between 25% and 60% of GDP. This chapter explores the potential of this sector in Cameroon, while proposing the measures needed to facilitate the migration of high-potential Informal Production Units (IPUs) to the formal sector, in the light of the results of the third Employment and Informal Sector Survey (EESI3) carried out by the National Institute of Statistics (NIS).

1. Importance of the Informal Sector in the Cameroonian Economy

The informal sector in Cameroon accounts for a significant proportion of economic activity and employment. Estimates based on the last 3 censuses of the informal sector put the number of players in this sector at 3.7 million informal production units in 2024, compared with just under 600,000 formal units. The number of these players is up by 8.8% compared with the last figure published in 2022 by the National Statistics Institute (NIS) as part of the EESI3 (3.4 million). The informal sector continues to dominate, although without making an effective contribution to wealth creation. According to the NIS, the level of registration of IPUs in the administrative registers is low. 95.7% do not have a tax number, 97.4% are not registered in the trade register, 97.5% do not have a business card and 99.5% are not affiliated to the CNPS.

Despite this situation, the informal sector remains an opportunity for employment and support for the country's growth and economic resilience. It is characterised by a diversity of activities, ranging from agriculture and crafts to trade and services. This flexibility enables it to adapt quickly to economic change and respond effectively to market needs.

The entry into force of the law on local taxation calls on decentralised local authorities to invest more in structuring the informal sector and supporting its formalisation in order to guarantee the sustainability of the activities of these players, who are also a source of income for local authorities.

2. Key indicators for the informal sector

The production structure of the IPUs shows that trade, which accounts for 48.8% of turnover in the informal sector, generates 26.7% of total production. The services sector generates 36.5% of turnover and accounts for half of total output. Finally, industry has both the lowest level of turnover (14.7%) and the lowest share (21.0%) of total output. Access to the banking system to finance IPUs' capital is almost non-existent. A large proportion of IPUs' capital is financed by individual savings, gifts or inheritances, and tontines. In addition, working conditions and jobs in the informal sector are precarious, with a low rate of salaried employment. According to the NIS in its report on phase 2 of the EESI3, only 6 out of every 100 workers in the informal sector are salaried, and this level is even lower in certain sectors such as industry.

3. The informal sector as a source of economic resilience

During periods of crisis (covid-19), the informal sector has shown remarkable resilience, enabling the Cameroonian economy to continue to function optimally in an environment of global containment. It offers an economic alternative to exogenous shocks and is a source of economic resilience. Several factors can explain the strength of this sector:

- **Economic diversification**: The informal sector contributes to the diversification of the Cameroonian economy, which can help to absorb external and internal shocks.
- **Flexibility**: Informal businesses often have greater flexibility to adapt to changes in the market, as they are not bound by the same regulations as the formal sector.
- **Employment**: It provides employment opportunities for those who might otherwise be out of work, particularly in urban areas where emergency cash transfer programmes have been set up.
- **Financial inclusion**: Mobile money and other forms of informal financial services can improve access to financial services for people not served by the traditional banking sector.
- **Crisis response**: The informal sector can react quickly to crises, as was seen in the response to the negative economic repercussions of the COVID-19 pandemic.

4. Migration to the formal sector: opportunities and challenges

Given the density and vitality of the informal sector, Cameroon should have a potential of around 2,000,000 formal SMEs. It should be remembered that in 2024 the stock of SMEs is estimated at 443,524. Supporting the formalisation of a critical mass of informal production units will undoubtedly make it possible to take up the challenge of offering decent jobs, creating wealth and horizontally broadening Cameroon's tax base. This vital action could generate the following benefits:

- **Increased tax revenues**: Formalisation can increase tax revenues, as formal businesses are subject to taxation. This could help finance essential infrastructure and public services.
- **Improved competitiveness**: Formal businesses can benefit from easier access to credit, training and markets, which can improve their competitiveness.
- **Social protection**: Workers in formalised units could benefit from better working conditions and social protection, thereby contributing to a better quality of life.
- **Economic development**: Formalisation can stimulate economic development by bringing more players into the formal economy, which can lead to more inclusive growth.
- **Poverty reduction**: By improving access to services and increasing productivity, formalisation can help to reduce poverty and improve living standards.

However, it is important to note that formalisation must be accompanied by appropriate policies to ensure that it does not penalise the most vulnerable and that it is sustainable in the long term. To encourage formalisation, it is crucial to adopt a holistic approach that includes:

- simplification of administrative and tax procedures to reduce migration costs.
- the introduction of financing mechanisms tailored to small businesses.
- training and consultancy services to improve entrepreneurial skills and business management.

CHAPTER 3: ANALYSIS OF THE CONTRIBUTION OF SMESEH TO THE ECONOMY

This chapter analyses the contribution and importance of SMEs in the Cameroonian economy. It shows their contribution to growth and employment by sector of activity.

1. Summary of Cameroon's economic situation in 2024

In 2024, the Cameroonian economy recorded an improvement compared with 2023. The growth rate was 0.6 percentage points higher in 2024 than in 2023 (3.2%), standing at 3.8%. This growth has been boosted by an increase in national gas production, higher world prices for cash crops (cocoa, coffee), the continued dynamism of the tertiary sector (services and trade), and good performances in agriculture, construction and public works, and certain processing industries.

In terms of household living standards, the country recorded an inflation rate of +4.5% for 2024, sustained by the rise in food prices (+5.6%) and transport costs (+12.3%). Over the period 2022-2024, cumulative inflation reached 19.3%, well above the 17.5% recorded over the nine- year period 2013-2021, highlighting the scale of the inflationary shock to household purchasing power.

In terms of foreign trade, Cameroon benefited from relatively favourable terms of trade in 2024. Commodity exports (crude oil, liquefied natural gas, wood, cocoa, etc.) benefited from higher prices on the international market.

However, Cameroon's trade remained vulnerable to the international shocks inherent in the trade war between China and the USA, the continuing Russian-Ukrainian conflict and tension in the Gulf countries. In 2024, Cameroon continued to import a large proportion of food products, capital goods and refined fuels. In 2024, the bill for these imports (more than FCFA 2,800 billion) continued to unbalance the country's trade balance.

In this context, Cameroon has continued to accelerate the structural transformation of its economy, with particular emphasis on boosting the primary and secondary sectors. Ongoing evaluation of the implementation of this objective has led to the development of the Initial Impetus Plan (P2I) and the Integrated Plan for Import-Substitution of Agri-food and Fisheries (PIISAH 2024-2026), with a view to giving impetus to the effective materialisation of the import-substitution policy.

2. Analysis of the contribution of SMEs to growth and employment

2.1 SMESEH's contribution to growth in 2024

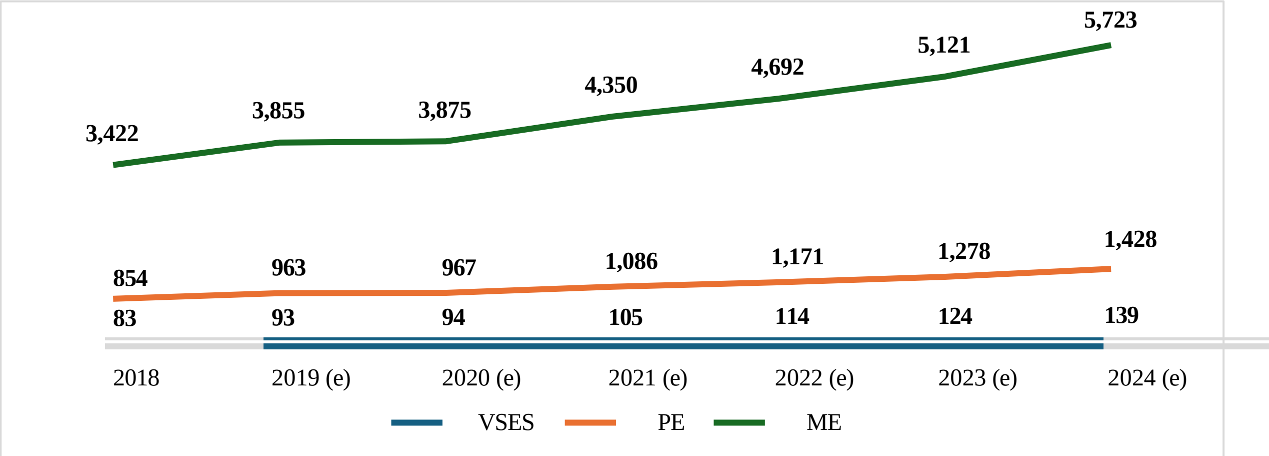
SMEs make up 99.8% of businesses in Cameroon, and their sheer numbers mean that they play a significant role in the country's economic dynamic. The latest census of businesses carried out by the INS puts the turnover generated by all the businesses listed in Cameroon at 19,886 billion CFA francs, representing around 70% of total GDP. Taking these figures into account, turnover generated by SMEs represents CFAF 5,109 billion, or 25.7% of total turnover generated by businesses. This contribution represents 17.61% of total GDP, compared with Côte d'Ivoire, where SMEs contribute 23% of GDP. This level of contribution can be explained by the mapping of Cameroonian SMEs, which is made up of 87.1% VSEs, 11.7% PEs and only 1.3 MEs. On the other hand, 77.2% of these SMEs are in the tertiary sector, much more in commerce; 22.7% in the secondary sector and 0.1% in the primary sector. This structure is not conducive to the optimal creation of added value.

In fact, the Value Added (VA) generated by SMEs is estimated at FCFA 7,291 million in 2024. It should be noted that this aggregate has been rising since 2018. This increase reflects the combined impact of support policies, the gradual structuring of production units and increased concentration on strategic sectors. The VA generated is mainly driven by SMEs (78.5%), followed by small businesses (19.6%) and very small enterprises (1.9%).

Depending on the sector of activity, SMEs in the tertiary sector make the largest contribution to VA, with 78.3% of VA generated, compared with 20.3% for the secondary sector, and barely 1.4% for the primary sector. This highlights the need, emphasised in the NDS30, to revitalise the primary and secondary sectors in order to achieve the objectives of structural transformation of the country's economic fabric. It is also important to remember that although the tertiary sector contributes the majority of GDP, growth in this aggregate follows the same trajectory as that of the secondary sector.

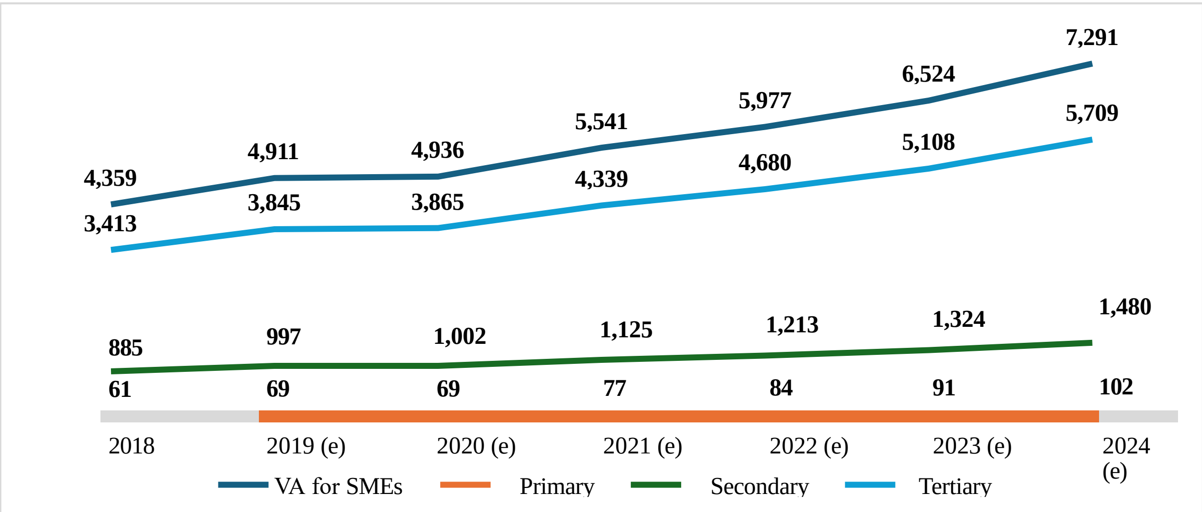
Over the period 2022-2024, the VA of SMEs has increased by 21.97%, rising from CFAF 4,692 million in 2022 to CFAF 5,723 million in 2024, as a result of the measures taken by MINPMEESA to support SMEs.

Graph 14: Change in VA of SMEs between 2018 and 2024 by type



Source: MINPMEESA/ our estimates

Graph 15: Change in VA of SMEs between 2018 and 2024 by sector of activity



Source: MINPMEESA/ our estimates

Over the period 2019-2024, the VA generated by SMEs increased by 48.46%, from FCFA 4,911 million in 2019 to FCFA 7,291 million in 2024. Over the period, SMEs have always contributed the majority to the creation of VA (78.5%) and the tertiary sector has been the sector that has created the most VA (78.3%).

2.2 Analysis of the contribution of SMESEH to employment in 2024

In 2024, SMEs created in the ECPCs reported around 105,984 projected jobs, with a high concentration in the metropolises of Yaoundé (64,492 jobs) and Douala (22,807 jobs). These two cities alone account for more than 82% of projected jobs.

Depending on the type of business, VSEs continue to dominate the entrepreneurial dynamic (nearly 55% of new jobs created), absorbing a large proportion of the workforce. The SEOs, with their local roots, play a role in social and economic regulation in rural areas, particularly through agricultural cooperatives, while the HPUs make a major contribution to self- employment and the promotion of cultural heritage. By 2024, more than 53% of newly registered HPUs were run by women, consolidating their role in creating inclusive jobs.

Other public initiatives are also contributing to employment. The Subcontracting and Partnership Exchange (BSTP-CAM), through its matchmaking activities, contributed to the creation of 1,219 jobs in 2024. Similarly, the structures incubated by the National Pilot Enterprises Nursery (NPEN) generated 115 jobs. In 2024, there were 21,132 new SMEs created, 3,909 OESs created and 3,602 HPUs registered. These new creations led to the creation of 142,160 forecast jobs, 75.5% of which were created by new SMEs, 22% by new SEOs and 2.5% by new HPUs. In addition, 1,219 jobs will be created in 2024 by companies supported by the BSTP and 115 jobs by companies incubated at the National Pilot Enterprises Nursery in Edéa. In all, 143,494 new jobs have been generated by MINPMEESA's support.

In 2024, the total number of jobs generated by businesses is estimated at 1,489,254. 62.7% of these jobs will be created by SMEs (40.7% by VSEs, 14.9% by SMEs and 7.1% by MEs).

The structure of Cameroon's SME fabric shows that VSEs are in the majority (87.1%). These very fragile and precarious players also account for the largest share of job creation (64.89%) and make only a small contribution to the creation of VA (1.9%). Hence the need to define actions to support the development of VSEs and SMEs with a view to scaling up.

3. Analysis of the contribution of public policies to the development of SMESEH

As part of its remit and in accordance with the guidelines of the NDS30, MINPMEESA has set itself two major objectives for the three-year period 2022-2024, which will be achieved through the implementation of two operational programmes: (i) Promotion of entrepreneurship and (ii) Transformation and modernisation of local production units. The first aims to increase the density of the economic fabric while ensuring the sustainability and viability of the new businesses created. The second focuses on improving the contribution of SMEs to the implementation of the "import-substitution and export promotion" policy mix.

3.1 Analysis of results in terms of promoting entrepreneurship

MINPMEESA has implemented a number of initiatives aimed at increasing the density of the entrepreneurial ecosystem by acting on different fronts, in particular the dissemination of entrepreneurial culture, support for formalisation and support for structuring.

Disseminating entrepreneurial culture :

- The Ministry has taken action to help young people, women and senior citizens to boost self-employment through entrepreneurship. In 2024, the Ministry approved 13 incubation structures, giving the entrepreneurial ecosystem 91 incubators (22 public and 69 private) to support project holders in maturing their projects and implementing them through the creation of their companies. These incubators facilitate innovation by playing a central role in the maturing of innovative projects. They enable project leaders to benefit from a range of services that will help them not only to set up their business, but also to launch and develop their projects under the best possible conditions, in order to boost their sales. The regulations governing the formalisation of incubators now allow them to be specialised. As a result, the range of specialised incubators has expanded, with 27 specialising in the priority sub-sectors of the SND30 (cotton-textile, agri-food, wood, digital) and 02 in women's entrepreneurship. To strengthen the management capacities of public incubators, MINPMEESA provided financial support for 03 public incubators (UIT bois in Mbalmayo, College of Technology of Buea, ENSET in Ebolowa) in 2024.
- more than 10,000 people have been made aware of entrepreneurship through promotional activities organised by the ministry during 2024.
- An international colloquium on the dissemination of entrepreneurial culture in Cameroon was organised in October 2024 at IRIC with the participation of more than 2,000 people and more than 50 national and international academic experts. The symposium laid the foundations for accelerating the dissemination of entrepreneurial culture at all levels of education in order to promote self-employment and boost the entrepreneurial ecosystem.

In terms of support for formalisation :

- In 2024, the Ministry continued to strengthen the capacities of the ECPCs in the country's 10 regions to improve the effectiveness of business start-up support. By optimising the ECPCs, 21,132 new SMEs were created in these centres in 2024. Over the three-year period 2022-2024, there will be a 35.3% increase in the number of SMEs set up in ECPCs.
- actions to support migration from the informal to the formal sector have resulted in 3,602 new artisans being registered in the CCOs set up in the communes.
- initiatives to support the structuring of social economy players through the local social

economy networks set up (389) have led to the creation of 3,909 new Social Economy Organisations in 2024.

Support for structuring :

- Around 2,000 SMEs received support in 2024 to strengthen their managerial, organisational and technical capacities through the APME, Empretec, SheTrades and KAIZEN programmes.
- 359 SMEs have been profiled by BSTP to strengthen their subcontracting and partnership capabilities.
- 50 SMEs have been helped to draw up their business plans and prepare their financing applications by the PAD-PME programme.
- 679 SMEs were mobilised as part of the caravan to raise awareness among SMEs with a view to their joining CGAs in 2024. These centres offer SMEs and craft businesses support with tax procedures. In addition to the tax advantages offered by these centres, the beneficiary structures improve their accounting. To date, 43 CGAs are operational, including 20 in the Centre (19 in Yaoundé), 19 in Douala, 1 in Bafoussam, 1 in Foumbot, 1 in Ngaoundéré and 1 in Maroua.
- In 2024, 17 SMEs benefited from an acceleration programme at the Edéa NPEN. This programme enabled the promoters of these SMEs to acquire the tools and skills they needed to develop their businesses.
- the Ministry organised the very 1st African Forum on the Social Solidarity Economy (FORA'ESS), the aim of which was to encourage a multi-stakeholder continental debate on the construction and transformation of the Social Solidarity Economy in order to share, support and accompany the different SSE models in different contexts. The event brought together some 2,000 people of 32 nationalities. Among the key resolutions were the creation of a pan-African Social Economy incubator and the setting up of a Pan-African Coordination Committee to support national efforts to promote the Social Solidarity Economy.
- 389 social economy networks, including 9 regional networks, 54 departmental networks and 326 local networks, have been set up to support the structuring of social economy players.
- MINPMEESA supported 200 social economy players at the cooperative market organised in Douala in December 2024.
- MINPMEESA, as part of the structuring of the HPUs, has craft villages in the country's 10 regions, including the Yaounde International Handicraft Centre (CIAY), 9 Regional Handicrafts Villages (RHV) and 3 Special Handicrafts Villages (VAS). Activities in the Artisanal Villages, ongoing training and participation in promotional events have all helped to raise the profile of craftspeople and modernise their practices.
- the establishment of the Nomenclature of Craft Trades in Cameroon (NMAC) (Cameroon's Nomenclature of Craft Trades) has made it possible to identify 3 craft sectors, 10 sectors, 45 industry sectors and 301 crafts professions. This structure makes it possible to define targeted policies for the development of high-potential sectors.

3.2 Analysis of transformation and modernisation results for production units

With a view to strengthening the contribution of SMESEHs to the implementation of the import-substitution policy and the promotion of exports, MINPMEESA has stepped up its support for SMESEHs in manufacturing industries in high-potential sectors, improving the quality of processed products and facilitating access to finance.

Supporting SMEs in manufacturing industries in high-potential sectors:

- The Ministry has launched an initiative to set up collective processing units to enable as many players in the social economy as possible to process their products, organised around the Decentralised Territorial Collectivities. As part of this initiative, a study was carried out to identify 10 areas where these units could be set up, along with the potential crops to be processed. These are the communes of Ngaoundéré 3 (processing of yams, potatoes and cereals into flour), Bertoua 2 (processing of plantain and cassava into flour), Mokolo (processing of sorghum/millet into flour, processing of soya, sesame and sunflower into oil), Ngong (processing of groundnuts into oil and cereals into flour), Bamboutos (processing cereals and potatoes into flour), Bafia (processing maize and cassava into flour), Nkongsamba (processing plantain and cassava into flour), Ambam (processing cassava into flour), Ndop (processing maize and potatoes into flour).
- the implementation of the SME Development Support Programme (PAD-PME), the aim of which is to contribute to the development of a fabric of modern, competitive SMEs for the processing and preservation of local products. Specifically, this programme will facilitate access for around 500 SMEs to modern processing and preservation equipment through the leasing financing mechanism, while strengthening their organisational and technical capacities.
- Maturation of the programme for the development of specialised wood-processing industrial parks in three municipalities (Lomié, Edéa and Sangmelima). This programme has been the subject of exchanges and expressions of interest from the World Bank as part of the "Frontier Economies of the Cong Basin - Multi-phase Programmatic Approach" programme.
- The Ministry has undertaken initiatives to support the Adamaoua Regional Council in setting up a capacity-building programme for players in the leather industry. The aim of the programme is to structure and strengthen the technical capabilities of 300 leather craftsmen in the Adamaoua region.
- A support initiative to set up a specialised cotton production and processing economic zone integrating SMEs and Social Economy Actors in the communes of Nganha, Mbé and Ngaoundéré 3è has been launched.

Improving product quality:

- In 2024, almost 970 SMEs were supported in the standardisation and certification process, and in mastering production, labelling and packaging processes, with the aim of increasing the visibility of their products and their competitiveness on local and international markets.
- In collaboration with LANACOME, ANOR and other partners, initiatives have been undertaken to strengthen government support for the standardisation and certification of products processed by SMEs. These initiatives are aimed at reducing the costs of the standardisation and certification process, which are still very high for SMEs.

In terms of financing, MINPMEESA is committed to mobilising lines of financing at subsidised rates from Technical and Financial Partners in favour of SMEs. These include :

- The Islamic Development Bank (IDB), as part of its support to SMEs for post-covid- 19 recovery, for CFAF 9 billion to enable more than 100 SMEs to acquire production and processing equipment.

- the Arab Bank for Economic Development in Africa (BADEA) within the framework of the Private Sector Support Operations (OSSP) for an amount of CFAF 10.9 billion. This operation is aimed at providing technical support and financing for 1,500 SMEs in the three economically devastated regions (North-West, South-West and Far-North), the Littoral, West and Centre.
- the European Investment Bank (EIB), which has opened lines of credit totalling FCFA
- 33.3 billion with three banks: Société Générale Cameroun (FCFA 10 billion), Commercial Bank Cameroon (FCFA 7.9 billion), Pro-PME (FCFA 4.5 billion) and Crédit Communautaire d'Afrique (FCFA 9.9 billion).
- the International Finance Corporation (IFC), which has opened a financing line for SMEs totalling FCFA 37 billion to Afriland First Bank.

In addition to these financing lines mobilised by the above-mentioned TFPs:

- In 2024, the Cameroon SMEs Bank (BC-PME), the State bank for SME financing, granted CFAF 1.95 billion to finance 85 SME projects, out of a total demand of CFAF 3.24 billion. A sectoral analysis shows a concentration of loans granted in services (public works, etc.) and agribusiness.
- In addition, MINPMEESA has signed agreements with BLUPASS and SCE to set up a factoring system to deal specifically with certain cash flow problems and access to production equipment.
- A partnership agreement signed between MINPMEESA and Bange Bank to provide financial support at subsidised rates to agri-food SMEs.
- The Ministry has transferred CFAF 720 million to 180 communes as part of the powers transferred for the development of income-generating activities by social economy organisations. As a result, 370 SEOs received financial support through the DTCs in 2024.

CHAPTER 4: CHALLENGES AND PROSPECTS FOR SMEs

The implementation of the SPF 2022-2024 has achieved a number of significant results in terms of promoting entrepreneurship and increasing the density of the productive fabric. Despite these significant results, challenges remain in terms of unleashing the potential of SMEs so that they can make a greater contribution to the structural transformation of the Cameroonian economy. New areas of intervention should be explored to optimise the Ministry's work with these targets. It is with this in mind that the Ministry's Strategic Performance Framework is being updated.

1. Major challenges facing SMEs

1.1 Formalisation and structuring

- Cameroon's informal sector has great potential (an estimated 3.7 million players), but is very poorly structured. ***The challenge remains to structure this sector properly to enable them to carry out their activities more effectively, and to support the formalisation of a critical mass with great potential***.
- The structure of our SME fabric shows that 87.1% are VSEs, 11.7% PEs and only 1.3 MEs. As a result, more than 80% of these SMEs are not well structured and do not make statistical and tax declarations of their activities. ***The challenge remains to define effective actions to support the development of VSEs and SMEs with a view to scaling them up***.
- The low representation of SEOs in regions with high agro-pastoral potential is a handicap to accelerating local production, particularly in livestock and agriculture. These are the most skilful and appropriate players in the production of the raw materials that are essential for small and medium-sized processing units. ***The challenge is to increase the density and development of the social economy in the above-mentioned regions through support for structuring and facilities for formalising social economy units***.
- Despite the implementation of the CCOs in the country's 360 communes, it should be noted that difficulties persist in mobilising artisans to formalise their activities through registration. ***The challenge remains for the DTCs to take ownership of the powers transferred to them to promote the craft industry.***
- ***In addition, the craft villages (CIAY, 9 RHV, 3 SHV) set up by the Ministry in the 10 regions should contribute further to the emergence and densification of the craft industry in each region, based on local potential***.

1.2 Moderate economic growth and low contribution from the secondary sector

A fundamental challenge lies in the still insufficient contribution of SMEs to the structural transformation of the national economy. Despite past initiatives, these players are struggling to make an optimum contribution to growth. Although the actions carried out under the SPF 2022- 2024 have led to some progress, they have not succeeded in significantly altering the overall economic trajectory, given that other ministries work alongside MINPEESA in the Industry and Services Sector. The noticeable slowdown in the secondary sector, which is dependent on the priority given to the Industry and Services Sector, will result in growth of only 2.3% in 2023, compared with a projection of 5.8%. The limited contribution of manufacturing SMEs also bears witness to this difficulty in stimulating robust endogenous industrialisation. This sectoral underperformance is reflected in the continuing deterioration in the trade balance, with the deficit widening to reach FCFA 1,192.5 billion in 2023, underlining persistent dependence on imports and weak export competitiveness.

The major challenge remains to boost the density of the local industrial fabric by promoting small and medium-sized processing units, facilitating access to processing equipment, and access to standards and certification for processed products.

1.3 Limited, insecure and low value-added job

In socio-economic terms, the labour market remains saturated, with an overwhelming predominance of the informal sector. High demographic pressure, with more than 300,000 young people entering the labour market every year, comes up against a very limited supply of formal jobs. As a result, the informal sector, characterised by low productivity and job insecurity, absorbs the majority of the working population. According to estimates, all other things being equal, there will be an average informality rate of 88.4% over the period 2025- 2030. This widespread informality is contributing to overall economic growth that is described as moderate and below the country's real potential, hovering around 5.1% on average per year. As a result, job creation is limited and precarious, inadequate to the aspirations of young people, and does not contribute to a sustainable improvement in living conditions.

The challenge remains to step up initiatives to promote entrepreneurship among young people and women and to structure the informal sector to improve productivity and job security.

1.4 Insufficient productive investment in SMEs

The level of investment remains insufficient in terms of the acquisition of equipment to strengthen the production and processing capacities of SMEs. This situation is the result of difficulties in accessing finance, the high cost of capital, and the lack of structuring in value chains.

The major challenge remains to support these financially limited players in transforming and modernising their production and processing units.

1.5 Local production and trade imbalances

Improving the performance of SMEs depends on their level of production to meet the needs of local consumers and, to a lesser extent, to explore sub-regional and international markets.

Controlling production processes helps to improve the efficiency and performance of companies and enables players optimise their profits. This key to increasing production requires the mobilisation of the necessary resources at each link in the production chain. It is a question of putting each player in his role (sector activity) and at his optimum production level.

Ensuring the quality of the products marketed by SMEs is a key factor in competitiveness, particularly in terms access to markets and finance, in order to take advantage of the opportunities offered by the Economic Partnership Agreements (EPAs) and the African Continental Free Trade Area (AfCFTA).

The challenge remains to strengthen government support for standardisation and certification of products processed by SMEs.

2. Prospects for enhanced action by MINPMEESA

The updating of the Ministry's Strategic Performance Framework for the period 2026-2028 provides an opportunity to consider more ambitious prospects for altering the trend in our economy observed since 2020, which is not converging towards the targets of the NDS30. With this in mind, MINPMEESA intends to strengthen high-impact actions as part of the implementation of its two operational programmes, namely: "Promotion of entrepreneurship" and "Transformation and modernisation of production units".

With regard to Programme 043 "Promoting entrepreneurship", priority actions should be directed towards :

- strengthening support for the creation and viability of SMEs;
- structuring the informal sector and strengthening support for migration to the formal sector;
- streamlining the entrepreneurial ecosystem ;
- strengthening the entrepreneurial culture in the education system ;
- strengthening the structure of the social economy ;
- strengthening the operation of local craft offices;
- optimising the regulatory framework for SMEs.

With regard to programme 044 "Processing and modernisation of production units", priority actions should be directed towards :

- improving access to equipment and technology for SMEs;
- supporting the development of SMEs to help them scale up;
- revitalising handicraft villages;
- Structuring local value chains and supporting the integration of SMEs in these value chains;
- increased support for the standardisation and certification of products processed by SMEs;
- Strengthening the competitiveness of SMEs in national, regional and international markets;
- improving SMEs' access to finance tailored to their needs

CONCLUSION

In 2024, despite the continuing effects of the Russo-Ukrainian crisis and inflationary pressures, the Cameroonian economy recorded an upturn compared with 2023. This situation has been relatively favourable to the entrepreneurial dynamic observed since 2020, bringing the stock of SMEs to 443,524 in 2024. A good dynamic has also been observed in terms of the creation of SEOs and artisans.

Although these results are encouraging, major challenges remain in terms of sustaining the gains made and improving the competitiveness of production units to enable SMEs to contribute effectively to the creation of value and decent jobs. These include

- the proper structuring of players in the informal sector to enable them to carry out their activities more effectively, and support for the formalisation of a critical mass with great potential;
- defining effective actions to support the development of VSEs and SMEs with a view to scaling up.
- the densification and development of the social economy in regions with high agropastoral potential, through support for structuring and facilities for formalising social economy units.
- the appropriation by the DTCs of the powers transferred to them to promote the craft industry;
- Strengthening the contribution of craft villages to the development and expansion of the craft industry in each region, based on local potential;
- Densifying the local industrial fabric by promoting small and medium-sized processing units, facilitating access to processing equipment, and access to standards and certification for processed products;
- stepping up measures to promote entrepreneurship among young people and women, and structuring the informal sector to improve productivity and job security;
- support for SMESEH in transforming and modernising their production and processing units;
- increased government support for standardisation and certification of products processed by SMEs.

In response to these challenges, MINPMEESA is planning to step up its efforts to promote entrepreneurship, transformation and the modernisation of production units, in particular :

- strengthening support for the creation and viability of SMEs;
- structuring the informal sector and strengthening support for migration to the formal sector;
- streamlining the entrepreneurial ecosystem ;
- strengthening the entrepreneurial culture in the education system ;
- strengthening the structure of the social economy ;
- strengthening the operation of local craft offices;
- optimising the regulatory framework for SMEs;
- improving access to equipment and technology for SMEs;
- supporting the development of SMEs to help them scale up;
- revitalising handicraft villages;
- Structuring local value chains and supporting the integration of SMEs in these value chains;
- increased support for the standardisation and certification of products processed by SMEs;
- Strengthening the competitiveness of SMEs in national, regional and international markets;
- improving SMEs' access to finance tailored to their needs

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ANNEX

Annex 1: Methodology to estimate the stock of SMEs in 2024

Model used

The method used to estimate the stock of SMEs is the DCGEM (Dynamic Computable General Equilibrium Model). The benefit of this method is that it models the economy as a whole, providing a coherent and interdependent framework of economic agents as well as production factors held by them, and assesses the potential impact of supply and demand policies on the economy as a whole. This model also takes into account the impact of various shocks on the economy.

Considerations :

- Sectors of activity evolution in 2024;
- Link between growth in the GDP rate and the total stock of enterprises of the three sectors of activity;
- GDP evolution between 2009 and 2023;
- SMEs evolution between 2009 and 2024.

Hypotheses taken into account

- The impact of the Covid-19 is gradually fading through both the demand and supply channels as a result of the measures taken by the Government;
- The repercussions of the war between Russia and Ukraine on economic activities in Cameroon;
- Total labour supply is exogenous and depends on population growth rate;
- Capital supply in each industry is exogenous and declines over time;
- Transfers between agents are hypothetically exogenous, and the level of government expenditures as well.

Data used :

2009 social accounting matrix	Foreign trade
Standard matrix of Cameroon's economy in 2019 (Macro-SAM)	Cameroon's financial and monetary situation
Table of Financial and Economic Operations	Table of Resource and Employment and data from Cameroon's national accounts in 2019
- Balance of payment	Targets figures of the NDS30 by 2030

Results from this model are obtained by solving a system of 28 equations presented in the annex.

This model will help achieve the desired increase in the number of enterprises up to 2030. Proportions are applied to the stock of businesses surveyed in the 2016 GBC-2 in order to obtain figures (number of enterprises) over the identified periods. The breakdown of this stock by legal form, typology and region results from the GBC-2.

Annex 2: Methodology for estimating the number of informal production units

The number of informal production units in Cameroon in 2024 was estimated from data available for 2010 (2.5 million according to EESI2) and 2021 (3.4 million according to EESI3)

The interpolation/extrapolation method based on average annual growth was used. It assumes stable linear exponential growth, with no major economic, political or regulatory shocks.

This method has the advantage of being simple and quick to implement. It makes efficient use of available data and provides clear, consistent short-term estimates.

1. **Estimated average annual growth rate in the number of IPUs (TCAM)**

$$TCAM = \left(\frac{V_{2021}}{V_{2010}}\right)^{1/n} - 1$$

Avec $V_{2021} = Number\ of\ IPU\ in\ 2021$

$V_{2010} = Number\ of\ IPU\ in\ 2010$

n = Number of years between the two dates

2. **Estimated number of UPIs in 2024.**

The previously calculated rate is applied to the 2021 value over three (03) years.

$$IPU_{2024} = V_{2021} \times (1 + TCAM)^3$$

NB : This method does not take into account possible formalization or increased structuring policies in the informal sector, nor does it take into account GDP, the working population, the regulatory environment, etc.

Outlook for estimating the stock of informal production units in future years:

In order to refine future estimates of the stock of informal production units, it would be appropriate to set up a rational system based on more robust modelling using an econometric approach incorporating explanatory variables such as GDP growth, changes in the working population, urban dynamics and the regulatory and fiscal environment. This analytical framework will not only improve the accuracy of projections, but also enable us to better anticipate the impact of public policies on the structuring of the informal sector.

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