

Presentation of the Minister in charge of Forestry and Wildlife

**Theme: Opportunities and Potentials of investing
 in the Forestry Sector in Cameroon**

**Honourable ministers,
Honourable members of Parliament,
Resident Representatives of the Diplomatic corps,
Distinguished Guests,
Ladies and Gentlemen.**

I have the onerous privilege to address you this afternoon within the framework of the common wealth investment Forum. My presentation is on the existing opportunities and potentials of investing in the forestry sector in Cameroon.

May I express my gratitude to the organisers of the forum for their decision to involve my ministerial department in their programme.

Ladies and gentlemen,

The 1994 law on forestry, wildlife and fisheries which is an emanation of the forestry policy of 1993 lays down the strategy by which that policy is to be applied thus:

- (1) the sustainable management of forestry resources: sustainable exploitation of production forest within the framework of reforestation;**
- (2) participative management: consultation with the civil society and the private sector, involving the rural populations and permanent dialogue with the international community;**
- (3) preservation of biodiversity through the creation of a network of protected areas; and**
- (4) the reinforcement of the private sector in the area of production.**

All these strategies aim at improving the forestry sector's contribution to the national economy to alleviate poverty.

To that end, my presentation will comprise of two major areas:

- **a brief over view of the current forestry situation, and;**
- **the opportunities and potentials of investing in the sector.**

I – BRIEF OVER VIEW OF THE FORESTRY SECTOR

Cameroon is host to a high forestry and wildlife potential that generates substantial income to the national economy, as a result, it has placed emphasis in the development and reinforcement of all initiatives and activities that ensure the sustainable management of these natural resources. Statistics show that the forestry domain covers a total surface area of about 22m hectares from which 17.5m hectares can be exploited.

The floral potential is very rich and diversified. It is made up of well over 300 species of trees that can be commercialised, out of which only about 60 have so far been exploited.

National statistics show that the southern forested area covers about 14,011,065 hectares that have been elaborated and made functional by decree n° 95/466/PM of 18th December 1995. This decree specifies the modalities for the use of the southern forested area.

The forestry law of 1994 divides the forestry domain into two parts:

- **Permanent forestry domain with a surface area of about 12m hectares meant for the production of lumber and conservation;**
- **Non permanent forestry domain or multi purpose forestry domain which covers about 8.5m hectares. This is the surface area in which all agro pastoral production activities in the rural area are carried out.**

A- PERMANENT FORESTRY DOMAIN

113 forest management units have been identified and these cover 7,574,280 ha, 98 of the forest management units which have already been attributed to exploiters, 68 have approved management plans, with a surface area of 4.905.367 ha and the management process is on going on the other 45 that cover a surface area of 2.668.913 ha. Six (6) council forests have been classified and 18 others are in the process.

With regard to the non permanent domain, at the level of community forests, out of 404 applications from the communities, we have made reservations on 336, 178 simple management plans

have been approved and 147 conventions have been signed covering a total surface area of 636,752 ha. It is important to note that the resources that are generated from these community forests belong entirely to the population of those communities. Since the beginning of the year 19 standing volumes (vente de coupe) have been in full activity.

For the business investor, the forestry sector offers a variety of opportunities for investment. These opportunities are found in two main areas:

- wood production (logging); and
- wood processing (transformation).

(a) Wood Production (logging)

This activity involves primarily the logging of raw timber by the cutting of different species of wood. In this activity logging companies must fulfil certain conditions to access the domain. These conditions are:

- an agreement (licence)
- a tender for a forest concession and other legal, administrative and fiscal requirements. So far, over 600 companies are involved, amongst which are about 125 expatriates. The total production stands at 2.3 m3 for the last ten years.

(b). Wood Processing in Cameroon

The wood transformation sector in Cameroon can be divided into two main parts:

- primary transformation;
- Secondary and tertiary transformation.

Primary transformation is carried out by three types of enterprises:

- 1- Artisanal wood exploiters that use engine-saws produce about 30%; they operate in the informal sector mostly.
- 2- Artisanal mobile exploiters are those that are recognized and they produce about 30%. They have the advantage that they do not destroy the forest through the construction of roads and loading and off loading.
- 3- Factories that have fixed sawmills produce about 35%, with the best quality products.

Secondary and tertiary transformations lead to finished products which are destined for the national and Sub-Regional markets. These include:

- **Redimensioned sawed timber**
- **Furniture and other wood objects.**

In general, the processing sector is made up of about 100 operators who are basically involved with primary processing. Almost all of their products are destined for the international market. That is why this sector was the first to be hard hit by the international monetary crises.

It is worth noting that the processing sector has:

- **294 registered processing units, and**
- **132 wood exporters.**

A close look at the existing data and particularly with regard to logs, the average volume of exports for the last five years stand at 227,600 m³, i.e. 10% of the total production which stands at 2.3m m³.

With regard to sawed wood exports are at 657.000 m³ for the year 2008, while special products stand at 1600 m³.

Globally, the forestry sector produces about 20.000 direct jobs and a minimum of 170.000 indirect jobs, all of which produce at least 500 billion Frs. CFA per annum.

With regard to licenses or better say recognised forest exploiters, 55% are nationals while 45% are foreign professionals.

WILDLIFE SECTOR AND PROTECTED AREAS

With regard to the wildlife sector there are:

- **409 species of mammals**
- **183 species of reptiles;**
- **849 species of birds;**
- **190 of amphibians, and**
- **39 species of water flies.**

Cameroon has laid a lot of emphasis in the area of wildlife preservation; this is clearly seen from national surface area of protected areas for wildlife which stands at 18.08% i.e. 3,523,109 ha divided as follows:

- **15 national parks;**
- **06 wildlife reserves;**
- **04 sanctuaries;**
- **3 zoological gardens;**

- **68 wildlife interest zones from which 46 have been attributed to wildlife exploiters while 22 are exploited by local populations.**

Hunting zones contribute about 500m Francs to the national economy through direct taxes.

Ladies and gentlemen,

That is a brief picture of the forestry and wildlife sector. And with this presentation, the question for any potential investors must necessarily be: What are the opportunities?.

OPPORTUNITIES ANDF POTENTIALS

In the forestry domain, there are opportunities of investment in the 15 remaining forest management units that cover a surface area of about 1m ha. May I use this opportunity to announce that tenders to that effect will be published in the days ahead.

In other to respect the principles of transparency at the national level and re-assert our commitment to the practices of good governance with the international community, the strategy for the award of licences was introduced at the same time with the new procedures whose criteria require that all attributions must be subject to a tender to ensure equitable competition.

Opportunities of investment may also be got from the contracts with the councils for the exploitation of council forests.

In the non permanent forest domain, 54 standing volumes (vente de coupe) are also in the process of being made available to bidders and these also represent enormous investment potential.

It is also important to note that in there exist the opportunities of salvaging wood in the Lom Pangar dam area in which 30 pockets of forest have been identified with a surface area of 60,000ha.

Of course opportunities are also available in the community forests; you may want to carry out community development projects or exploit wood in these types of forest.

You may also want to know that many opportunities exist in the development of special products like the ebony, the cane, and abo in the non timber related domains in what is called special products (these include gnetum, pygeum, gomme, kola.

THE PROCESSING AND THE WOOD INDUSTRY

Export data also show that the national production of timber logs and products of primary processing are mostly dependent on the

international market. So far Cameroon does not have a real wood processing industry of the secondary and tertiary level, except for the production of plywood and a few other items by a few operators. The volume of sawed wood shows and clearly that the wood sector has a great potential for investment, the creation of jobs and wealth.

It is true that the law prohibits the export of logs however, certain species of the secondary category are still being exported for purposes of promotion and to raise the awareness that they exist in Cameroon. In spite of the strong will of the government of Cameroon to raise the level of wood processing to the 100%, we are sorry to say that, even the primary transformation has not yet gone beyond 80%. As a result the possibilities and potentials of investment in this sector can be done in two majorways:

- the establishment of factories for secondary and tertiary transformation to produce finished products;**
- Partnership agreements with the holders of processing licences of transformation units.**

As an incentive to investors in the sector, the government of the Republic of Cameroon has put in place mechanisms that would facilitate on the spot transformation of wood. These measures include:

- Exoneration of entry into factory tax for all wood which is destined for secondary and tertiary processing;**
- Reduction of the annual surface area tax (RFA);**
- Lowering of the mercurial; FOB**
- Exoneration of machines tax that are used for secondary and tertiary processing.**

WILDLIFE SECTOR

In the domain of wildlife and protected areas the following possibilities of investment exist:

- the exploitation of licensed wildlife zones which are managed by the communities;**
- the revamping of protected areas for touristic attractions;**
- the revamping of touristic sites;**
- the improvement of hotels and other accommodation structures in the national parks for tourists;**
- the construction of paths inside protected areas, and**
- the improvement of the surroundings of lakes for tourism.**

Problems in the Sector

- (1) Corruption**
- (2) Non respect for the rules**
- (3) Slow treatment of files by some staff**
- (4) Recycling and training of staff**
- (5) The under-utilisation of logs: 35% used against 65% wasted**
- (6) Non utilisation of wood waste (saw dust etc)**
- (7) The existence of too many un-professionals in the sector**

CONCLUSION

It may not be superfluous that the forestry and wildlife sectors have great potentials and possibilities of investments. While we invite you to invest in these areas, the following choices are open to you:

- forestry exploitation;**
- secondary and tertiary wood transformation,**
- conditioning and finishing wood As you may choose;**
- improvement of the quality of special forestry products;**
- exploration and exploitation of the vast array of non timber products(including pharmaceutical plans), and**
- the improvement of protected areas in view of developing tourist infrastructure.**

Ladies and Gentlemen

From all indications, Cameroon among other areas but more so in the area of forestry is an undoubtful investment mine. The forestry administration is fully committed to the sustainable and transparent management of its forests resources that guarantee the preservation of its ecological, economic, cultural and social functions. In this regard, I am convinced that Cameroon, Africa in miniature offers great opportunities to all investors in the forestry domain and every one is welcome.

Thank you for your kind attention.

