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Vision 2035 and the Kribi Deep Seaport:
An analysis of the Economic Impacts for Cameroon

Charlotte Fiskén

Academic Director: Christiane Magnido
Academic Supervisor: Dr. Willibroad Dze Ngwa
Yaoundé, Cameroon
Social Pluralism and Development, SIT Study Abroad
Spring 2013

Pomona College
International Relations

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Abstract

The purpose of this study was to determine whether the effects of the Kribi Deep Seaport project will be positive for economic development in Cameroon, and how the Port will affect Cameroon's regional and global role. The study was conducted over a one-month period and was primarily qualitative in nature. The principal method of inquiry was interviews, which were complemented by quantitative secondary source research. Although most informants asserted that the project was a positive step for the country, the information they provided led me to conclude that the project was undertaken prematurely and will not promote sustainable economic development in Cameroon. There were several findings that led me to this conclusion. First, the lack of adequate educational infrastructure in the country, excluding most Cameroonians from taking advantage of the employment opportunities generated. Second, the lack of transparency and the demonstrated inability of the government to effectively utilize revenues, meaning that natural resource wealth would be wasted. The final result that led to my conclusion was the negative implications of the expansion of the relationship with China that the Port entails. Ultimately, the Port is a good project in principle, but the current circumstances will nullify the potential benefits.

Résumé

Le but de ce projet était de déterminer si les effets du Port en Eau Profonde a Kribi seront positifs pour le développement économique du Cameroun, et comment le Port va changer le rôle du Cameroun régionalement et globalement. L'étude était fait pendant un mois et c'était principalement qualitatif. La méthode principale était les entretiens, qui étaient complétés par les ressources secondaires quantitatifs. Malgré le fait que la plupart des participants pensaient que le Port sera une bonne chose pour le pays, l'information qu'ils m'ont donnés a indiqué que le Port ne va pas promouvoir le développement durable du Cameroun. Il y a trois faits principaux qui supportent cette conclusion. En premier lieu, il y a l'absence d'une infrastructure de formation professionnelle au Cameroun, qui excluent la plupart des Camerounais de tirer profit des emplois que seront générés. Deuxièmement, il y a le manque de transparence et l'incapacité du gouvernement d'utiliser convenablement les recettes. Le dernier fait qui appuie ma conclusion et les impacts négatifs de la relation croissante avec le Chine, que le Port encouragera. Enfin le Port est un bon projet en principe, mais les circonstances qui existent au Cameroun vont détruire les bénéfices potentiels.

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I'd like to thank my host family in Yaoundé, the Onguene family, for their support and for providing a wonderful home during this project. My host mother in Kribi, Veronique, was also invaluable to the success of my research, and provided me with a

plethora of resources. The staff at SIT was incredibly helpful as always, as were many of the people I interviewed. Finally, I'd like to thank my parents at home, who made this all possible and motivated and supported me throughout. Love you.

I. Introduction

Key Terms & Background

The most important term to understand for this study is what a “deep sea port” consists of, and how it differs from a regular port. Cameroon already has the Port of Douala, which receives heavy regional and global traffic. However, because this is an estuary Port it has to be dredged every year in order for even moderately large ships to dock. Many ships cannot enter at all, which means they have to anchor offshore while their contents are ferried to the Port.¹ In contrast, the Port currently being built in Kribi will be capable of accepting the largest ships in the world. Additionally, the Kribi Deep Sea Port Complex is planned as more than just a maritime center, but also an entire industrial complex and city. Light rail, roads, agro-industry, and research and development are among the many projects to be undertaken. The Port Complex Master Plan also describes the plans for an entirely modern residential city, intended to grow around the Port industrial areas.² Officials project that this residential community will exceed 100,000 inhabitants by 2040.³

Given the extensive nature of this project, Cameroon lacked the funds and technical expertise to take it on alone. Although they had initially collaborated with France, when Europe was hard hit by the financial crisis in 2008 France no longer had the means to fund it. Cameroon then turned to the East, and in 2008 the government agreed

¹ Amougou, Roland. Personal Interview. 22 April 2013. Port direction office; Kribi.

² Royal Haskoning. “Spatial Master Plan.” March 2012. p. 13.

³ Amougou. Interview. 22 April 2013.

to a 207 billion CFA concessionary loan with the Chinese Export-Import (EXIM) Bank to finance the project. A Chinese company, China Harbour Engineering Corporation (CHEC), was designated by EXIM bank to perform the pre-construction studies and the construction itself. A U.S.-based construction consultancy, Louis Berger, won the contract for the technical assistance and supervisory role. The odd aspect of this project is that the same company, CHEC, performed both the initial studies and the construction. Normally, an outside group performs all pre-construction studies, to determine everything from environmental impacts to what the thickness of the concrete in the walkways should be. The construction company then follows those plans under the guidance and inspection of the technical assistant group. In this case the Chinese company is following plans that they drew up themselves, so checks and balances have been limited.⁴

The Port is scheduled to accept the first ship in 2014, and there are numerous stakeholders that have plans for how the Port will be used. United States enterprises are hoping to exploit Cameroon's rich oil resources, joining the French company GDF-Suez that already has a contract for extraction near the Port.⁵ CamIron, an affiliate of the Australian Company Sundance resources, is planning to build a railway between their iron-mining site and the Port, and handle all their exports through Kribi. The Port will be a hub of trade for the entire region, and will also serve Chad and the Central African Republic. In the current port of Douala each of these countries has its own terminal, but so far the logistics of dividing the Kribi Port have yet to be determined.⁶ Yet even a minister from nearby oil-exporter Equatorial Guinea has purportedly visited Cameroon to

⁴ Musoles, Fernando. Personal Interview. 11 April 2013. Louis Berger Yaoundé office.

⁵ Mamadou. Interview. 11 April 2013. United States Embassy.

⁶ Amougou, Roland. Interview. 22 April 2013.

discuss a stake in the Port. All initial signs indicate that the Kribi Port will indeed become a crowded hub of international commerce.

Yet for many Cameroonians, the Kribi Deep Sea Port remains a vague concept with no visible link to their lives. In a country where 30 percent of the population lives on less than two dollars a day, and 29 percent are illiterate,⁷ big infrastructure has minimal significance for many citizens. However, according to Paul Biya's Vision 2035 goals, the "grands realisations" big infrastructure projects that the government is undertaking will improve the lives of Cameroonians at every socioeconomic level. As the focal point of the "grands realisations" strategy, the Kribi Deep Sea Port is the linchpin of the Vision 2035 goals.⁸ These goals include reducing poverty to less than 10 percent by 2035, and increasing the economic growth rate to 10 percent by 2017.⁹ It may seem incongruous to build a multi-million dollar Port complex in a country where many people lack access to clean water and adequate medical resources. Yet in theory these projects will attract foreign investment in those areas, provide funds to the government to serve the population, and give Cameroonians the skills needed to spearhead these projects domestically. This chain of events is intended to elevate Cameroon to middle-income country status by 2035.

The Kribi Port is not set to open its berths until 2014, so it is impossible to determine the full extent of the impacts at this point. However, several micro-level impacts are already clear. Local populations are being displaced to make room for the Port, and though they are receiving compensation to relocate, many of them have protested that

⁷ Revenue Watch Institute. "Cameroon: Country Data." New York, NY. 2012.

⁸ Nsomotto, Daline-Louise. Personal Interview. 15 April 2013. Port office; Yaoundé SNI.

⁹ Cameroon Vision 2035. "Working Paper. Republic of Cameroon: Ministry of the Economy, Planning, and Regional Development." 2009. p. 4.

they cannot adjust to life in a city, nor do they have the skills to find work there. This is particularly poignant in the case of the indigenous Bagyeli population, a forest dwelling people who have lived off hunting and gathering in the area for hundreds of years. A heavily traveled gravel construction road to the Port has been built right alongside a Bagyeli camp. They watch with interest as the trucks roll by, because they have not yet realized that the ever-increasing noise and pollution is driving out the animals that they rely on for their livelihood.¹⁰ Many fishermen in the area will also be forced to turn to other trades, and the biodiversity of the region, including the nearby Campo-Ma'an national park, will suffer.¹¹ Kribi city is expected to become about five times larger than it currently is.¹² With that comes increased crime, as well as a sense of anonymity that some long-time Kribi residents I spoke with have already begun to notice.

After that introduction, it may seem that my mind is made up about the Port project. Yet the aspects discussed above are not the impacts this study examines in depth, because the negative impacts at the local and environmental level are already clear. With any huge undertaking like the Port, there will be upheaval in the local community, and things will be lost. Spending time with affected populations and hearing their stories would have been an incredible experience, but focusing on their stories alone would be ignoring the full story. Thus, my research focuses primarily on the macro-level economic impacts of the Port. The purpose of the inquiry was to determine whether the micro-level negatives are negligible when compared to the greater good that the Port will do for the country and the region. This is a question that has been largely unexplored, except in black and white

¹⁰ Bagyeli Camp visit and discussion. 17 March 2013. Kribi.

¹¹ Bove, Abel. Personal Interview. 20 March 2013. World Bank Yaoundé office.

¹² Amougou. Interview. 22 April 2013.

terms by various promoters and detractors of the Port. This paper will attempt to offer a unbiased picture of how the Port will impact economic development in Cameroon.

Research Questions & Hypotheses

My initial research led me to focus my inquiry on two questions:

1. Will the Kribi Deep Sea Port contribute positively to sustainable economic development in Cameroon?
2. How will the Kribi Deep Sea Port project impact Cameroon's trade relationships with CEMAC countries and foreign partners?

Hypothesis 1: It will bring increased revenues to the state, and provide some employment, but ultimately will not create sustainable development. The Port project will focus the economy on sectors that are infamously corrupt and unsustainable, thus most Cameroonian citizens are unlikely to feel the effects of the revenues it generates.

Hypothesis 2: Relationships among the CEMAC countries will be largely unchanged, because although they will all use the Port, the focus will be on exporting their goods abroad, not trading with one another. I think the Port will give China and the United States the opportunity to exploit Cameroonian resources, while contributing comparatively little to the domestic economy.

II. Methodology

Site & Subject Selection

My site selection process was straightforward. It was important to spend time in both Kribi and Yaoundé, because it was crucial to see the actual construction site and speak to employees there. Yet given that the project is primarily directed from Yaoundé, it was equally important to talk to the relevant government agencies, embassies, NGOs,

and professors in the capital. Spending 2.5 weeks in Yaoundé and 1.5 weeks in Kribi gave me enough time to accomplish my goals in each area. My Yaoundé interviews took about 1.5 weeks, because there was minimal adjustment time given my previous familiarity with my homestay family, the city, and transportation. In Kribi, it took several days to orient myself and figure out logistics, followed by a week of interviews and observation.

Subject selection was more complicated, and it was a process that continued throughout my research. My target population was people with knowledge and opinions relevant to the Kribi Port Project, which included individuals from a variety of fields. Using “expert” informants made my research more difficult in some respects but easier in others. On the negative side, it was often difficult to gain access to these people, as they had busy schedules and limited free time. Others were simply not interested in talking because they were worried about revealing privileged information to a researcher. It was sometimes difficult to establish rapport and gain trust because of the sensitive nature of the subject. On the other hand, these individuals had wealth of knowledge to share. Every participant had something relevant to say, and sometimes informants would go so far as to mentor me on how to conduct my research and frame my inquiry. They generally understood the nature of academic research, which also eased the interview process. Although there were occasionally difficulties of trust, with many informants I was able to develop great working relationships because of their interest in my research.

Data Collection, Coding, & Reliability

My data consisted of 20 interviews, 3 lectures, extensive secondary source research, and one day of observation at the Port site. These were the most effective tools

for me because my research questions did not lend themselves to surveys. My field research was primarily qualitative, but was complemented by more quantitative secondary source research. The informants consisted of 7 Cameroonian government employees, 3 embassy representatives, 3 NGO representatives, 3 corporate representatives, representatives of the IMF and the World Bank, a Port construction worker, and a professor of politics. Only one of these, a Cameroonian ministry worker, was a woman. Only in a few cases did informants permit me to record interviews, so instead I took extensive notes as they spoke. The data is reliable because the research was based on a combination of opinions and perceptions, which do not need to be checked. Any facts given were crosschecked with secondary sources.

The interviews were stored by category (Government, NGO, Corporate, etc.) in my electronic research journal. Following that, each interview was analyzed to extract important themes and make observations. The themes and observations were noted in a separate section of the research journal. There were many recurring themes, which made coding a straightforward process. The data lent itself naturally to analysis, because unlike raw numbers or survey responses, it was in the form of personal analysis of the subject done by my informants. My role was to link these ideas with secondary sources to form a coherent narrative, and finally to analyze that narrative.

Strengths & Limitations of my Research

One limitation of my research was time. There are many stakeholders in the Kribi Port Project whose insights are not included here. However, given the patterns present in the responses, it is possible to predict what those additional informants may have contributed. The more significant limitation of my project was the lack of access to

sensitive information about the Port, because it is such an important project for the government. Due to my major ethical concern – misrepresenting the nature of my research – participants were always informed of my doubts concerning the efficacy of Kribi Port project. Although this was necessary because ethical research was of primary importance in this study, it limited what some informants were willing to share. My final limitation was language. When interviews were conducted in French, it was sometimes difficult to formulate questions about the complicated issues the paper addresses. Thus, responses did not always correspond to the intended question. This was not a huge obstacle, because it was usually possible to rephrase the question in a comprehensible manner.

Overall, the strengths of my research were more significant than the limitations. The first factor that contributed to my success was that the majority of my interviews were conducted in English. It was easier and more efficient to analyze information given in English than in French. The supportive and work-conducive environments in both of my host families also contributed immeasurably to my success. My host parents in Yaoundé gave me rides to the ministries in the morning, and helped me locate elusive government offices. My host mother in Kribi was very well connected in the government and NGO community, and exposed me to obscure and valuable sources. Finally, several informants were extremely helpful, and went above and beyond what was asked of them. Several people sent me relevant articles after interviews for further reference, suggested other possible contacts, and offered to respond to further questions via email. This superlative level of cooperation made the research process much easier and more enjoyable.

III. Stakeholders and Expectations

The original idea for the Kribi Port Complex was born under the leadership of Ahidjo, between 1980 and 1982. It remained a peripheral goal for the government until 2005, when the idea was brought to the fore and feasibility studies began. Finally, in 2008 the funding was secured from ExIm Bank, and after almost thirty years the project became tangible.¹³ The success of the Cameroon Vision 2035 goals hinges directly on the success of the Port, which is seen as the linchpin in the government's effort to develop Cameroonian infrastructure. Now, as the Port's projected 2014 opening date nears, the "selling" stage is in full swing. A round table investment summit is planned for June of this year, and intended guests include ambassadors and corporate representatives from all the major Western powers, as well as China and neighboring CEMAC countries. The expectation is that many parties will be vying for the rights to undertake the infrastructure projects like the roads and light rail intended to surround the Port. The coordinators also believe that foreign companies will invest in industrial projects in the vicinity of the Port, in sectors as diverse as agricultural and electricity. The vision for the Port is not as a simple entry and exit point for goods, but as a global trade hub, and a new city that will surpass Douala as the economic capital of the country by 2040.¹⁴

When asked how the Kribi Port would be a positive step for the economic development, the first thing that nearly all of my informants mentioned was the minimal capacity of the Port of Douala. Those who believe that foreign investment will catalyze economic growth in Cameroon see the lack of a deep-water port as a major impediment

¹³ Nsomotto. Interview. 15 April 2013.

¹⁴ Idem.

to development.¹⁵ A director in the Ministry of Commerce explained that Cameroon hopes to replicate the experience of the East Asian “Tigers,” whose maritime-based trade helped lift them from poverty. Many also cited the fact that the Port will serve an important purpose for the CEMAC region, particularly for landlocked countries like Chad and the Central African Republic who need a means of exporting their plentiful raw materials. Cameroon is the most politically stable country in the region, and the de facto leader of the CEMAC regional organization. Stakeholders hope that the Port will cement Cameroon’s leadership role in the region, while bringing investment and positive externalities to its neighbors as well.

The Port Direction committee hopes that foreign partners will recognize the vast potential of Kribi as an industrial city, which will generate competition among investors, and lead to favorable terms of investment.¹⁶ Terms of investment are a key issue in economic development, and according to a representative in the Yaoundé IMF office, poorly negotiated terms of trade and investment have been responsible for much of the economic stagnancy in Cameroon and across Sub-Saharan Africa. The IMF encourages the government to engage in fastidious cost-benefit analysis before undertaking big projects with any partners.¹⁷ If the draw of the Port can improve Cameroon’s bargaining capacity with foreign partners, it will serve an important purpose. The Port Direction Committee also reports that any investments in infrastructure projects surrounding the Port will be required to be joint ventures with Cameroonian companies.¹⁸ It is unclear how this will transpire given the lack of large-scale enterprise in Cameroon, but joint

¹⁵ Mbanga, Valentin. Personal Interview. April 2013. Ministry of Commerce Yaoundé office.

¹⁶ Nsomotto. Interview. 15 April 2013.

¹⁷ IMF anonymous representative. Personal Interview. 16 April 2013. IMF Yaoundé office.

¹⁸ Nsomotto. Interview. 15 April 2013.

ventures would be a good way to ensure that some revenues stay in the country and a transfer of technology takes place. Currently the majority of Cameroonian enterprise is low-skill, low value-added, and in 2005 less than 10% of exports were manufactured goods. According to the United Nations Industrial Development Organization (UNIDO), the best way to remedy Cameroon's negative progress in export performance over the past several years is through foreign direct investment, which the Port will promote.¹⁹

The Cameroonian economy consists of nine principal sectors that contribute to its GDP: manufacturing, tourism, industry, energy, services, mining, finance, timber, and agriculture. In order to analyze the cumulative effects that the Port will have on economic development in Cameroon, one needs to identify which sectors the Port project will have a measurable effect on. The five sectors that will be most directly affected are Mining, Energy, Manufacturing, Industry, and Tourism. In the following sections I will delineate how these sectors will be affected, and analyze whether those effects will contribute positively or negatively to sustainable economic development.

IV. Mining Impacts

The Port will impact the mining sector on every level. The Kribi port is designed as primarily a mineral Port, and there is a terminal specifically for raw minerals, as well as terminals for aluminum and iron.²⁰ This will reduce costs at every level for importers and exporters of Cameroonian minerals, encouraging investment in Cameroon's rich natural resources.²¹ Mining currently accounts for only two percent of Cameroon's GDP, but many companies are in the early stages of their projects and are just beginning the

¹⁹ United Nations Industrial Development Organization. *Industrial Performance and Capabilities of Cameroon: Analysis of the Industrial Sector*. December 2005. p. 6.

²⁰ Amougou. Interview. 22 April 2013.

²¹ Mamadou. Personal Interview. 11 April 2013. United States Embassy Yaoundé.

extraction phase, so this percentage is expected to increase considerably in the coming years.²² An executive with GeoVic, an American company working in Cameroon, asserted that the uptick in mining investment has little to do with the Port, and is based on when they discover minerals and find the investors to start projects.²³ Yet even if cause-and-effect is not directly distinguishable, the Port is clearly linked to the mining industry. Two men I spoke to at the Ministry of Mines noted that the Port has been crucial in encouraging foreign investment in Cameroonian natural resources, and the number of companies that have come to invest in mining projects in Cameroon has increased substantially since the Port began construction.²⁴

This new foreign investment means that the Port will augment revenues in the mining sector, and increase the percentage of GDP that mining accounts for. This means an increase in revenues for the state, which typically receives twenty percent of the mining revenues generated in Cameroon, through taxation and their shares in private companies.²⁵ Mining revenues will certainly benefit the state, but the question remains whether or not the mining industry is a good way to promote sustainable economic development in Cameroon. When I posed this question to a GeoVic executive at the Yaoundé office, he laughed quietly and did not respond affirmatively. Instead, he answered with suggestions for how the industry could be improved to make it more beneficial to the country. He pointed out that the industry is almost exclusively foreign-controlled, and there are few Cameroonians who have the expertise to work in mining.²⁶

While his response was telling, to gain a general understanding of the economic

²² Revenue Watch Institute. "Cameroon Country Data." 2012.

²³ GeoVic anonymous director. Personal Interview. 11 April 2013. GeoVic Yaoundé office.

²⁴ MINMIDT anonymous 1. Personal Interview. 8 April 2013. Ministry of Mines Yaoundé.

²⁵ GeoVic. Interview. 11 April 2013.

²⁶ GeoVic. Interview. 11 April 2013.

development impacts one has to examine three categories: sustainability, employment opportunities, and revenue destinations.

By their very nature the extractive industries are not sustainable – eventually, natural resources in Cameroon will run out. Thus, sustainability in the mining sector is based on the government’s aptitude in long-term financial planning. Revenues need to be reinvested in sustainable development projects in order for mining to contribute to the long-term economic development of the country. Although it is impossible to predict how the revenues will be used, based on previous problems with transparency in the extractive industries in Cameroon there is reason to doubt that revenues will be saved or invested in development projects. Money from mining contracts has often been misappropriated in the past, at both the government and corporate level.²⁷

Cameroon also has notoriously poor communication between ministries, which makes long term planning difficult.²⁸ I was told by a director in the Ministry of Commerce that the Ministry of finance would handle mining revenues, but no one in that ministry or on the corporate side could tell me how they determine spending priorities for extractive industry revenues. The lack of communication and transparency in the government is also an obstacle to the success of the mining sector because of the resulting issues with overlapping land-use permits. Almost every company dealing with natural resources in Cameroon has to deal with competing land claims at some point. This is an obstacle that the government should have addressed before the construction of

²⁷ Bisil, Eric. CED environmentalist. Lecture. 21 March 2013. SIT office Yaoundé.

²⁸ Schwartz, Brendan & Hoyle, David. “Emerging trends in land use conflicts in Cameroon: Overlapping natural resource permits threaten protected areas and foreign direct investment.” *CED, WWF*. April 2012. p. 9.

the Port, because it will continue to limit the attractiveness of investing in Cameroon, despite the convenience of the Port.²⁹

Finally, mining is an industry that is foreign controlled on every level. According to the executive I spoke with at GeoVic, 50 to 60 percent of revenues ultimately leave Cameroon. They go back to investors in countries like the United States and Australia, who are certainly not spending that money in Cameroon. More importantly, mining is also foreign-dominated in that it employs relatively few Cameroonians, even as compared to other foreign-controlled industries. While some African countries have legislated for minimum levels of local participation in foreign companies, Cameroon is not among them.³⁰ Women in particular are completely shut out of the industry, which is detrimental for a country that is purportedly trying to better utilize the capacity of the female work force.³¹ The lack of domestic involvement is a significant problem with the industry, according to the director of GeoVic, a rare Cameroonian for whom mining has provided a reliable income. He proposes that foreign-owned companies should be required to contribute to the formation of mining schools in Cameroon, such as the one currently being formed in Northern Cameroon. He says that the major problem with mining is that Cameroon lacks engineers that can do skilled work for these companies, let alone start their own enterprises.³²

Thus, it seems that as long as the extractive industries are foreign and state controlled, they will be neither sustainable, nor good for job creation. The African

²⁹ GeoVic. Interview. 11 April 2013.

³⁰ Moyo, Dambisa. (2009). *Dead Aid*. New York: Farrar, Strauss, and Giroux. p. 145.

³¹ International Monetary Fund. *IMF Concludes 2012 Article IV consultation with Cameroon*. <http://www.imf.org/external/np/sec/pn/2012/pn1283.htm>

Public Information Notice 12/83. 19 July 2012.

³² GeoVic. Interview. 11 April 2013.

Development Bank has noted that the primary commodity and extractive industries “are not generating the employment opportunities that would allow the majority of the population to share in the benefits...This is in marked contrast to the Asian experience, where the growth of labor-intensive manufacturing has helped lift millions of people out of poverty.”³³ As long as minerals are not transformed in Cameroon, the employment opportunities that the mining sector generates will be minimal. Although the Vision 2035 goals involve expanding the secondary and tertiary sectors of the economy, there is no indication that they have taken steps to develop the skilled workforce and attract the investment that mineral transformation requires.³⁴

V. Energy, Manufacturing, Industry, and Tourism Impacts

As another branch of the extractive industries, the energy sector faces similar corruption issues. The Cameroonian national oil refining company SNH is controlled directly by the executive branch, and is notorious for its lack of transparency.³⁵ Oil companies in Cameroon are joint ventures between foreign companies and the state-owned company SONARA. Independently, Cameroon still lacks the ability to add value to a significant percentage of their raw crude oil. An example of an obstacle to domestic transformation is the SONARA oil refining plant, built in 1973 in Limbe. It currently functions at ten percent of capacity, because the refinery was constructed for a type of oil that Cameroon does not actually have very much of. This means they have to import oil in order to refine it – not an efficient business model.³⁶ Thus, it continues to be the

³³ Sanusi, Lamido. “Africa must get real about Chinese ties.” *Financial Times*. 3 April 2013.
<http://www.ft.com/intl/cms/s/0/562692b0-898c-11e2-ad3f-00144feabdc0.html#axzz2NKPcieuI>.

³⁴ Bove, Abel. Personal Interview. 20 March 2013. World Bank office Yaoundé.

³⁵ Bisil, Eric. Lecture. 21 March 2013.

³⁶ Djoum, Dr. Serges. Economics professor; University of Yaounde 1. Lecture. April 3 2013.

foreign-operated companies that dominate the oil sector. According to the U.S. embassy, the presence of the Kribi Port will encourage United States investors to look more closely at Sub-Saharan Africa as a source of oil. Currently U.S. companies remain hesitant about Sub-Saharan Africa, while they invest heavily in the Middle East and other regions. The presence of the Port will encourage them to give Cameroon and the entire CEMAC region a second look.³⁷ Yet the foreign power who will most obviously benefit from the Port project is France. Plans have already been made for an industrial park in which the French company GDF-Suez will work with collaborate with SNH to transform natural gas into liquefied gas for export. There will be an entire terminal devoted to the export of liquefied gas, and the government is expecting this project to generate significant revenue.³⁸

These Port-based projects will contribute to the economic development of the country, in that growth in the oil sector will bring increased revenues to the state. Oil production expanded by about nine percent in 2012, due to significant exploration and increased exploitation of oil resources. Private operators were responsible for the majority of this increased production. However, the main drivers of economic growth over the past several years have been in the non-oil economy. Growth in the tertiary sector is actually estimated to have contributed the most to the expansion of economic activity.³⁹ Additionally, the oil industry suffers from the two main problems of the mining industry; it creates few new jobs compared to secondary and tertiary level

³⁷ Mamadou. Interview. 11 April 2013.

³⁸ Amougou. Interview. 22 April 2013.

³⁹ World Bank. "Cameroon Economic Update: mitigating poverty, vulnerability, and risk." Issue 5. January 2013. p. 3.

industries, and lacks transparency.⁴⁰ The revenues from oil go straight to the coffers of the executive branch, and from there are exceedingly difficult to trace.⁴¹ Creating employment is a major priority for Cameroon at this point, so it is important to diversify and invest in high-employment industries alongside the low-employment industries like mining and oil.⁴²

The manufacturing sector will also be affected by the development of the Kribi Port Complex, but in a slightly different way. One important goal of Vision 2035 is for manufacturing to eventually account for 23 percent of GDP compared to the current 11 percent.⁴³ Yet the most direct effect on manufacturing will be the influx of cheap goods from abroad. Several ministry representatives pointed out how lowered transaction costs would lower the costs of imported goods, and thus increase imports. They cited this as a benefit of the Port, and a way to lower the cost of living in the country.⁴⁴ Yet there are negative side effects of cheap imports, which can already be seen to some extent with the flood of Chinese goods into Cameroon.⁴⁵ First, as many informants pointed out, the goods coming into the market are low quality, because China maintains different standards of production for different export markets.⁴⁶ Cameroonians frequently refer to something as “Chinese” to insult its quality.

⁴⁰ International Monetary Fund. “Oil Revenue has power to Transform Economies of Central Africa.” *IMF Survey Magazine: Energy Resource Management*. <http://www.imf.org/external/pubs/ft/survey/so/2012/car100312a.htm>. 3 October 2012.

⁴¹ Bove, Abel. Personal Interview. 20 March 2013. World Bank Yaoundé office.

⁴² Mamadou. Interview. 11 April 2013.

⁴³ “Cameroon Vision 2035.” 2009. p. 2.

⁴⁴ Mbanga. Interview. April 2013.

⁴⁵ MINMIDT Informant 2. Personal Interview. April 2013. Ministry of Mines Yaoundé.

⁴⁶ Mamadou. Interview. 11 April 2013.

The second problem is that these goods are sold so cheaply that domestic Cameroonian manufacturers are put out of business, unable to compete with Chinese prices. Thus, increased imports will further inhibit Cameroon from developing a diverse manufacturing base, which is essential to sustainable economic development.⁴⁷ It is worth noting that output, employment, and investment in Cameroon all grew more during the protectionism phase than the liberalization phase. The United Nations Industrial Organization currently cites competition from imports, weaknesses in output, and technology acquisition as three major obstacles to Cameroon's economic success. In 2005, less than ten percent of Cameroon's exports were manufactured goods.⁴⁸ While I am not advocating that Cameroon turn it's back on the global economy, it does seem worthwhile for the government to further explore import-substitution possibilities, which the Port will not promote.

The fourth affected sector is industry – the most obviously linked to the Kribi Port Complex, which will be an industrial park if all goes as planned. The Port will facilitate rapid industrialization if the plans for the surrounding infrastructure projects are realized. The master plan for the Port includes almost every industrial sector than currently exists in the country, including agro-industry and electricity. Some of these types of industrialization are more beneficial than others, and ministry representatives in the Ministry of Mines expressed their hope that the Port would draw in foreign investment in agro-industry. If this were to happen it could create significant employment opportunities for Cameroonians, because agro-businesses typically employ more Cameroonians than

⁴⁷ Djoum, Dr. Serges. Economics professor University of Yaounde 1. Lecture. April 3 2013.

⁴⁸ UNIDO anonymous representative. Personal Interview. 16 April 2013. UNIDO Yaoundé.

the extractive industries.⁴⁹ Ultimately, the Port will support the development of industry in Cameroon, and the percentage of GDP that industry creates will increase.⁵⁰ This will be a positive thing for the country if it comes with a transfer of technology and employment opportunities.

The final affected industry is tourism. Although this is a local level effect, it is relevant to the national economy because Kribi is one of the most important tourist destinations in the country. The Port will have significant transformative effects on the area, planned and unplanned. Kribi and Campo, the towns on either side of the Port, are projected to grow to about five times their current sizes.⁵¹ The Southern Regional director of the Ministry of Tourism reported that he expects the tourism industry to grow as a result of the Port's presence, with the influx of people and international hotel chains. He explained that the major obstacle to attracting foreign tourists to Kribi is the lack of world-class hotels. Instead there are many small hotels that do not meet Western standards.

However, he also emphasized ecotourism as the future of tourism in the region. He explained that they are in the process of establishing host structures in villages and Bagyeli camps so that tourists can experience traditional life.⁵² This is problematic, because the Port is in fact displacing many of these local people and destroying their villages. The Port will certainly bring in more people, more money, and thus more need for leisure activities. Tourism will increase, but it is not likely to be in the ecotourism

⁴⁹ IMF anonymous representative. Interview. 16 April 2013.

⁵⁰ Mamadou. Interview. 11 April 2013.

⁵¹ Amougou. Interview. 22 April 2013.

⁵² Minister of Tourism: Southern region. Personal Interview. 23 April 2013. Ministry of Tourism, Kribi.

direction.⁵³ Statistics released by the ministry of economy show that 5,000 people have already been forced from their homes, and according to the current plan the Port complex will use at least 27,000 hectares of forestland. This is not only an environmental but also an economic impact, because as one of Kribi's two mayors Sabikanda Guy Emmanuel pointed out "the disappearance of our forest means losing out on an important part of revenue from logging for our council budget, especially in the short run, and this is quite disturbing."⁵⁴ The goal of ecotourism is to mitigate the impacts of tourism on the land and local people, while the presence of the Port will increase the impacts on the land and the people. Additionally, to date no official environmental impact assessment has been done, because of the government's desire to start the project as quickly as possible.⁵⁵ Environmentalist Eric Bisil of the CED pointed out that this fact alone could support the argument that it is too early for the Port project to be undertaken.⁵⁶

V. Effects on CEMAC

When addressing the economic development effects of the Kribi Port on the CEMAC regional group, I have to qualify my analysis by explaining my view on regional economic groups. I believe that developing countries should adhere to the structuralist theory of how to equalize North-South trade. This would involve instituting higher tariffs while they develop the weak areas of their economies. This kind of import-substituting development, along with increased intra- regional trade, is the best solution to their current inability to compete on the global market. Instead of competing with the highly

⁵³ Ormeno, Santiago. Personal Interview. 23 April 2013. J&J's Restaurant, Kribi.

⁵⁴ Ngalame, Elias. "Cameroon: investment plans endanger forest reserves." CERUT. Yaoundé: 2011. <http://www.cerut.org/documents/Forest%20reserves.pdf>. p. 5.

⁵⁵ Ormeno, Santiago. Personal Interview. 23 April 2013. J&J's Restaurant, Kribi.

⁵⁶ Bisil, Eric. Personal Interview. 30 April 2013. CED Yaoundé office.

subsidized farmers and cheap imports from abroad, they would be competing and trading with their neighbors who have more similar means of production and government funding. Developing countries that have already increased intraregional trade through successful agreements are faring better with free trade than their counterparts who rely on Northern markets.⁵⁷ This theory is in line with what Kenichi Ohmae posits in “The End of the Nation State,” where he writes that the focus of economic development should be shifted “away from nations and back toward regions.”⁵⁸ However, I am not alone in placing great importance on regional trade. The Vision 2035 goals also note the importance of increased regional and sub-regional exchange.⁵⁹

CEMAC is already a well-integrated regional group in some ways, given that they share a common currency and a central bank (BEAC). The principal challenges to further integration are posed by the instability and poverty that are present in several member states, notably Chad and the Central African Republic. This leads to a lack of infrastructure in those states that inhibits intraregional exchange.⁶⁰ The Kribi Port will be an important addition to the infrastructure of all CEMAC countries, because they will all use it. Even nearby Equatorial Guinea, who does not currently use the Port of Douala, has sent an emissary to look into securing access to the Deep Sea Port. These countries will benefit from easier access to foreign markets via the Port, particularly in the case of landlocked CEMAC member states like Chad and the CAR. This will raise the global profile of the CEMAC region, and create new trade relationships between member states and foreign partners. However, because the Port will emphasize global connections and

⁵⁷ Spero and Hart. *The Politics of International Economic Relations*. (6th edition). 2002. p. 31.

⁵⁸ Ohmae, Kenichi. *The End of the Nation State: The Rise of Regional Economies*. 1995. p. 74.

⁵⁹ “Cameroon Vision 2035.” 2009. p. 6.

⁶⁰ IMF anonymous representative. Personal Interview. 16 April 2013. IMF Yaoundé office.

raw material exports, it may direct attention away from regional exchange. This would continue the current economic trend in the region, of increasing dependence on mineral exports and decreasing capacity to export industrial products.⁶¹ However according the US embassy representative this is not necessarily a bad thing, because it is important to maintain diverse trade strategies.⁶²

The most significant positive regional effect of the Port is the potential positive externalities that it may bring. While these cannot be predicated with complete accuracy, one can look to history to extrapolate how things may unfold. One important example is Chad-Cameroon Pipeline. There were many clear drawbacks to this project, but one positive outcome is often overlooked: the construction of a high bandwidth fiber-optic cable that runs along the Pipeline, giving Chad internet access to a degree that would have been impossible otherwise, and linking Chad to Cameroon.⁶³ As I mentioned, one of the biggest challenges facing CEMAC is the lack of intraregional transportation infrastructure. Roads and railways will likely be built in order for countries to transport their goods to the Kribi Port, because foreign companies will be willing to invest in infrastructure to increase trade efficiency.⁶⁴ Although the goal of these routes will be to transport goods for export, these new transport routes could also potentially increase intraregional trade and connections, which would be very beneficial to the Cameroonian economy.

Finally, the access to a world-class seaport will potentially allow the CEMAC countries to boost their economies through foreign investment and create new

⁶¹ CEEAC. *Annuaire statistique du commerce des etats de l'Afrique Centrale*. Centre du commerce international. Yaoundé: 2011. p. 53.

⁶² Ekom, Christopher. Personal Interview. 11 April 2013. United States Embassy Yaoundé.

⁶³ Mamadou. Interview. 11 April 2013.

⁶⁴ Idem.

employment. One thing that some scholars criticize about CEMAC is that the region lacks free movement of labor. However, this is a case where an economic principle that applies to many regions does not make sense. With huge unemployment rates in most CEMAC countries, it is naïve to expect that allowing jobless people into other countries that lack jobs would stimulate the economy. However, if the Port can encourage investment and employment in Cameroon's neighbors, it could boost their economies enough so that eventually free flow of labor in CEMAC may be a viable option. This would strengthen the regional economy in a sustainable manner. Ultimately, the potential benefits to the CEMAC region are some of the most important benefits that the Port will bring, if they are harnessed effectively.

VI. The Cameroon – China Partnership

The Kribi Port Complex will impact Cameroon's relationships with its foreign partners, namely China, France, and the United States. The question is, do their interests align with Cameroon to create truly "gagnant-gagnant" partnerships? Or is there a point at which the interests of these industrial giants are at odds with those of Cameroon; a country where human development indicators have remained largely stagnant despite decades of aid and investment from the West. Representatives from all three governments have confirmed that the Kribi Port will promote greater involvement between Cameroon and these countries, but the partner mostly directly linked to the project is China.

China has a clear stake in the Port and what it will bring for their relationship, because it is a Chinese state-owned company that designed and built the Port.⁶⁵ They also have a long trading history with Cameroon. In 2002, the Agreement for Economic and

⁶⁵ Musoles. Interview. 13 April 2013.

Commercial Cooperation codified the existing preferential trade relationship between Cameroon and China. The volume of trade between them had been steadily increasing since 1995, but rose markedly after the 2002 agreement and shot up to a new level in 2008 when Cameroon began exporting more oil to China. Their trade relationship is reminiscent of colonialism in that Cameroon exports raw materials like oil, wood, and cotton, and imports primarily manufactured goods such as vehicles, clothing, and leather products.⁶⁶ China's significant investment in Africa is part of their "going global" strategy, which began in 1988 when they started establishing special economic zones around the world, after 20 years of focusing on bringing foreign investment into China. The goal was to find new markets for Chinese goods and services, gain access to raw materials, and increase their global political power.⁶⁷ African countries comprise a large voting bloc in settings like the United Nations, which makes them beneficial allies for China. A secondary goal of "going global" was to circumvent the restrictions that some states have on Chinese exports by producing goods in other countries and exporting from there. These economic benefits are part of the reason why China has "generously" cancelled 66 million USD of Cameroonian debt to China over the past 15 years.⁶⁸

The question of why countries like Cameroon accept this seemingly colonial trade relationship has a fairly straightforward answer. Unlike the Western states and organizations that offer conditional aid and investment, China does not care about the political practices of its trading partners. This makes it a perfect trading partner for

⁶⁶ Alden, C. (2007). *China in Africa*. London, UK: Zed Books. p.25.

⁶⁷ Farole, T. & Akinci, G. (2011). *Special Economic Zones: progress, emerging challenges, and future directions*. Washington, D.C.: The World Bank. p.70.

⁶⁸ Pant, H.V. (2011). *China's rising global profile: the great power tradition*. Portland, Oregon: Sussex Academic Press. p.28.

autocratic presidents like Paul Biya, who are looking to legitimize their regimes through mega-projects that China is willing to finance. Biya can justify the partnership to the public because it has socio-historical roots. Whereas Western involvement in the continent is often seen as neo-colonial and paternalistic, China refers to itself as “the world’s largest developing country”⁶⁹ and has never tried to impose cultural or political norms on African states. China even helped finance some of the nationalist wars of liberation in the 1960s.⁷⁰

Given the history of their relationship, the fact that China was invited to construct the Kribi Port Complex is not surprising. However, what is more interesting is that France was originally intended to provide the funds, and a French company was set to design the Port. A French company had even drawn up initial plans for the Port – Cameroon was willing to put aside any resentment of their former colonizer to collaborate on the project. However, all of this changed with the global financial crisis in 2008. Almost overnight, it became very difficult to procure funds in the Western world. France had to back out of the project, leaving Cameroon to turn to China, who remained largely unscathed by the financial collapse. China was eager to step in. Cameroon negotiated a 207 billion CFA concessionary loan with the Export-Import (Exim) Bank for the project, and the bank designated CHEC, a state-owned company, for the design and construction of the Port.

This begs the question: given the history of China’s presence in Cameroon, how will their increasing links with the country impact sustainable economic development? According to the Chinese embassy in Cameroon, the Port will not directly affect their

⁶⁹ Zafar. “The Growing Relationship between China and Sub-Saharan Africa: macroeconomic, trade, investment and aid links.” 2007. p.105.

⁷⁰ Shen & Blanchard, *Multi-dimensional diplomacy of contemporary China*. 2010. p.32.

trade relationship, except by making it easier for Cameroon to export commodities. As the representative pointed out, they are already engaged in a high level of trade, even without the Port, and they plan to continue to exchange the same types of goods. The significant change in their relationship will not be in terms of trade, but in the level of Chinese involvement and investment in Cameroonian infrastructure. The embassy confirmed that the same company who is building the port, CHEC, hopes to win the contract to manage the Port, as well as to build the roads and railways that are planned to link it to major cities and extraction sites. If China succeeds in securing these contracts, they will far surpass any other investor in their level of investment in Cameroon.⁷¹ These investments will certainly contribute to the creation of more sophisticated infrastructure in Cameroon, which will contribute to the country's "Doing Business" ranking, something several informants mentioned as an important consequence of the Port.⁷²

Many people I spoke to, from Cameroonian bureaucrats to corporate representatives, have pointed out that just like any trade partner, China is driven by its own interests. It would be a mistake to perceive their relationship with Cameroon as anything like a friendship.⁷³ So what makes this trade relationship better or worse than any other? First, China is notorious for bringing in their own workers for their projects abroad. The Chinese embassy representative responded to this by saying that while they were doing their utmost to hire more Cameroonians, the lack of skilled labor in Cameroon often hindered their efforts.⁷⁴ This means that very little transfer of technology takes place, which the United Nations Industrial Development Organization

⁷¹ Embassy of the People's Republic of China. Personal Interview. 15 April 2013. Chinese embassy.

⁷² MINMIDT Informant 2. Interview. 8 April 2013.

⁷³ MINMIDT Informant 1. Interview. 8 April 2013.

⁷⁴ Embassy of the People's Republic of China. Interview. 15 April 2013.

representative cited as one of the most important factors in promoting sustainable economic development. While Cameroon needs financial investment, he pointed out that what are more important are long-term technological investments.⁷⁵ History suggests that the Chinese are not going to be the ones to do this. An article in the China Daily pointed out that a benefit of doing business in Cameroon is that they have “an investment charter that allows investors to repatriate profits.”⁷⁶ In this case, it appears that China intends to repatriate both the literal and figurative profits. Not only will they earn direct revenues from their projects, but their workforce will also gain skills and experience that they can bring back to China. According to Lamido Sanusi, governor of the Central Bank of Nigeria, China is “a significant contributor to Africa’s deindustrialization and underdevelopment,” and Africa “must encourage a shift from consuming Chinese-made goods to making and consuming our own.”⁷⁷ For Cameroon, the ultimate goal of foreign investment is for Cameroonians to eventually gain the skills and technology needed to coordinate something like the Kribi Port project domestically; it is worth noting that this remains a distant dream despite over a decade of heavy Chinese investment in the country.⁷⁸

VII. Personal Analysis and Predictions

As readers may have ascertained, I have many reservations about the Kribi Deep Sea Port project. The project first appeared to be a demonstration and reinforcement of President Paul Biya’s personal power. The Port is being built in the region where he

⁷⁵ UNIDO anonymous representative. Interview. 16 April 2013.

⁷⁶ China Daily. “Resource-rich country prime for investment.” 14 April 2013.
http://www.chinadaily.com.cn/cndy/2012-09/25/content_15779671.htm.

⁷⁷ Sanusi, Lamido. “Africa must get real about Chinese ties.” *Financial Times*. 3 April 2013.

⁷⁸ UNIDO anonymous. Interview. 16 April 2013.

holds the most power,⁷⁹ and his face is all over the “grands realisations” posters in every ministry. It is no doubt an impressive feat orchestrating the construction of a multi-million dollar Port, thus it seemed like a natural tool to reinforce his power. Yet it has become clear that it is much more than that. In fact, almost all my informants at every level – government, corporate, and NGO – believe that it will be a positive step for the economy. There will certainly be economic benefits for many actors involved. However, I believe the project has been undertaken prematurely. It strikes me as an example of Rene Dumond’s argument in his book *L’Afrique noir est mal parti*: a developing country skipping the necessary steps of development and moving straight to large-scale industrialization. There are several development steps that need to be taken in Cameroon before the full benefits of a project like the Port can be reaped. Under the current circumstances, the natural resource wealth of Cameroon will be used up before there are mechanisms in place to ensure that its benefits go to the Cameroonian people.

The first obstacle is the lack of an adequately educated workforce. Engineers, doctors, and scientists are in short supply in Cameroon, and these are the professions that drive industry. The Port project will bring in foreign investment and foreign companies that will theoretically engage in joint ventures with Cameroonians, but it is unclear how this will be logistically possible given the lack of Cameroonians available to fulfill roles requiring technical skills. Cameroon currently ranks 63rd of a list of 74 developing countries in terms of the intensity of technical skill development in the country. In the

⁷⁹ Dr. Dze Ngwa. Personal Interview. 6 April 2013. ANICHRRA office Yaoundé.

same sample they rank in the bottom ten countries in the percentage of their industries that are medium or high tech as opposed to resource-based.⁸⁰

Even the Kribi Port project steering committee admitted that at least in the first few years, the lack of skilled Cameroonian workers would be a problem. Their belief is that the government will realize this problem and invest in educational infrastructure, and high-tech skill creation in particular.⁸¹ Yet even if this is the case, this is evidence of the premature nature of the project; it will create jobs before there are workers who can fill them. Economist Dambisa Moyo notes that foreign direct investors looking to have a long term presence in a country seek out governments that are “keen on investing in their infrastructure...notably education.”⁸² Thus, the lack of initiative the government has shown in the area of education could even deter the foreign investment that the Port is meant to attract. As far as the assertion that the government will address the problem of inadequate education structures, one informant pointed out that the Port project was conceived of over 30 years ago, in which time the government could have, but has not, put in place any measures to increase professional skill creation.⁸³

The lack of educated Cameroonians to fill these professional jobs is detrimental at two levels. Not only do Cameroonians miss out on employment opportunities, but it means that companies will have to bring in workers from abroad. These skilled professionals will come with purchasing power, leading prices for basic commodities to increase.⁸⁴ Several ministry workers cited a reduced cost of living as a positive impact of

⁸⁰ UNIDO. *Industrial performance and capabilities*. 2005. p. 6.

⁸¹ Nsomotto. Interview. 15 April 2013.

⁸² Moyo, Dambisa. *Dead Aid*. 2009. P. 102.

⁸³ Bisil, Eric. Personal Interview. 30 April 2013.

⁸⁴ Idem.

the Port, because of the associated reduction in import costs.⁸⁵ Yet due to the negative externality associated with the influx of foreign labor, the Port may have the opposite effect. Rather than making goods affordable, it will further the divide between those who can keep up with the increase in prices and those who cannot. The rich and educated population will get richer and benefit from new jobs, while the uneducated will be excluded from the economy – what amounts to a condemnation of the poor.⁸⁶

The second reason why the Port is a premature project is that the inconvenience of having a sub-optimal Port is not as significant as many of the economic development challenges in Cameroon. Business executives operating in Cameroon, both Cameroonian and foreign, tend to agree. In a 2010 study, executives were asked to make a list of the most important obstacles to doing business in the country. The four most commonly listed were fiscal regulation (59%), corruption (50%), access to credit (38%), and administrative formalities (36%). Transportation and infrastructure were both listed by less than twenty percent of respondents.⁸⁷ This suggests that the Port, which is designed to benefit corporate interests, does not actually address their current priorities. Additionally, in a 2009 study on obstacles to doing business, executives from the mining and oil sectors cited the fewest number of obstacles, and the greatest ease of operations.⁸⁸ It appears that they are already faring better in the country than other enterprises already, yet they are the ones who will reap the majority of the benefits from this project.

My third hesitation is that the Port will not encourage diversification, both in terms of trade relationships and domestic economic development. Investing so much in the

⁸⁵ Mbanga. Personal Interview. 10 April 2013.

⁸⁶ Bisil, Eric. Personal Interview. 30 April 2013.

⁸⁷ Institut national de statistique. “Recensement general de entreprises.” 2011. p. 43.

⁸⁸ *ibid.*

relationship with China is risky, because according to the World Bank there is a possibility of an abrupt downturn in Chinese demand and “a disorderly unwinding of China’s unusually high investment rate.” If CHEC does, as they expect to, win the contracts for developing the infrastructure for the entire Port Industrial Complex, Cameroon will be hugely indebted and indelibly linked to China. If China suddenly demands the repayment of a loan, or even stops forgiving loans to Cameroon as regularly as it has in the past, it could be a huge blow to Cameroon. These problems are not only specific to China – agreeing to long term spending commitments is a risky endeavor for a commodity-exporting country like Cameroon, given the volatility of the global market.

The specific problem with the Chinese partnership is the lack of transfer of technology. Even if my informants had not raised this issue time and time again, it would have been apparent to me upon visiting the Port worksite. The evidence of segregation was glaring. On one side of the construction site, there are the Chinese dorms. In this area there is a soccer field, basketball courts, and roughly an acre devoted to the growing of Chinese produce. The signage was almost exclusively in Chinese. On the other side of the site, there are the dorms for the Cameroonian workers. They do not eat in the Chinese cafeteria, and frequent small bars and roadside establishments instead. Several workers reported in informal conversations that they rarely talk to the Chinese workers, even at work. They explained that they have different responsibilities, the Chinese working every day, while the Cameroonians are called in for physical labor. When asked if they had learned any skills or understood how the project was being directed, they replied that they learned how to operate some different machinery but were not privy to the details of the project. One expressed the belief that after the Port was completed, the Chinese would

leave and Cameroonians would run it.⁸⁹ I did not correct him, but according to the Cameroonian government this will not be the case. When their two-year contract expires,⁹⁰ these laborers will have to start again from square one. Economist Dambisa Moyo, along with many others, cites job creation and technology transfer as the two biggest benefits of foreign direct investment.⁹¹ In their relationship with China, Cameroon is not deriving either of these benefits.

Finally, the most significant reason why the Port is a premature project will come as no surprise to anyone familiar with Cameroonian politics: the lack of transparency. My government contacts unfailingly referred me to some other ministry or individual when asked how Port revenues would be used to promote the development of the country. When asked whether corruption would be a problem with the new influx of revenues to state, their replies ranged from laughter to explanations of how corruption was being combatted. No one offered a hint of where the money was headed, and no one assured me that this time it would get there. Cameroon has never suffered particularly economically, and GDP has been growing steadily over the past five years (if not quite as fast as other oil-producing nations). The figures that remain startlingly stagnant are the human development indicators, which have never corresponded to national income.⁹²

It is commonly accepted that corruption is to blame. Public health is a good example. Cameroon spends USD 61 per capita per year on health, yet has the indicators of a country spending around USD 10 to 15 per capita per year. In a 2009 budget-tracking exercise by the World Bank, they found that 35-40 percent of funds allocated for local

⁸⁹ Port project employee. Interview. 19 April 2013. Port construction site; Kribi.

⁹⁰ Port project employee. Interview. 19 April 2013.

⁹¹ Moyo, Dambisa. *Dead Aid*. 2009. p.102.

⁹² Mamadou. Interview. 11 April 2013.

health units never reached their intended recipients. These are disheartening figures, and no amount of natural resource extraction and exportation can create honest politicians. The incredible centralization of the state, combined with a weak system of checks and balances, makes it easy to skim money off the top. The administration lacks the capacity to regulate and monitor mining activities, and no system for tracing mining revenues currently exists.⁹³ The danger of the Port is that bringing in all this foreign investment now means that resource wealth may be exhausted whilst Cameroon still suffers from rampant corruption, and Cameroon will be left with nothing to show for its natural gifts.

Even if direct embezzlement does not take place, the lack of bureaucratic transparency means that ministries are not required to publicly specify where funds are going, or create long-term spending plans. This is of the utmost importance with revenues from natural resources. Yet the kind of collaboration that responsible financial planning requires has not been demonstrated by the Cameroonian government. Even among those working in ministries, there is a sense of apathy about the destination of the revenues from Port-related projects. When asked about what the revenues might be used for, two young men in the ministry of Mines indicated that they would not see any impacts because they were too low in the bureaucratic hierarchy.⁹⁴ Another informant in the Regional Commerce ministry in Kribi indicated that he had very little information about the Port and how it might impact the local economy or local development.⁹⁵ These were striking comments, and led me to wonder, if these men working in the government will not feel the effects of the revenues, how will the 30 percent of Cameroonians living in poverty feel the effects? In my opinion, it is too early to undertake a project like this

⁹³ Bove, Abel. Personal Interview. 20 March 2013. World Bank Yaoundé office.

⁹⁴ MINMIDT informant 2. Personal Interview. 8 April 2013. MINMIDT Yaoundé.

⁹⁵ Regional Ministry of Commerce representative. Interview. Ministry of Commerce; Kribi.

when the only visible changes one can expect are a few more Prados appearing in the driveways of recently constructed mansions.

IX. Conclusion

The Kribi Deep Sea Port and resulting investments will inject more money into the Cameroonian economy, and create new opportunities for employment and regional integration. These are positive impacts, and the project is not ill conceived. For many countries it would be extremely beneficial, and if the development of the relevant sectors is handled efficiently and transparently, the government increases education funding to prepare more Cameroonians for professional employment, and the increasing regional links are effectively exploited it could certainly help Cameroon combat poverty. However, in the current political environment these positive impacts are not likely to be realized.

The objective of this paper was to answer two questions. First:

1. Will the Kribi Deep Sea Port contribute positively to sustainable economic development in Cameroon?

My original hypothesis was: The Port will bring increased revenues to the state, and provide some employment, but ultimately will not create sustainable development. The Port project will focus the economy on sectors that are infamously corrupt and unsustainable, thus most Cameroonian citizens are unlikely to feel the effects of the revenues it generates.

My research has led to me to confirm this hypothesis, yet for different reasons than those provided. I no longer believe that the extractive industries are inherently unsustainable, because the wealth they provide can be invested in sustainable

development projects. The chief reasons why I have confirmed this hypothesis are detailed in the preceding section: government corruption, poor coordination and long-term planning in the government, the lack of technology transfer in Chinese investment, and the lack of an appropriate professional education infrastructure in Cameroon, which means that new employment opportunities will widen the gap between rich and poor.

The second question I sought to answer was:

2. How will the Kribi Deep Sea Port project impact Cameroon's trade relationships with CEMAC countries and foreign partners?

My original hypothesis was: Relationships among the CEMAC countries will be largely unchanged, because although they will all use the Port, the focus will be on exporting their goods abroad, not trading with one another. The Port will give China and the United States the opportunity to exploit Cameroonian resources more easily, while contributing comparatively little to the domestic economy.

My research has led me to reject my hypothesis regarding this question. While relationships among CEMAC countries may be initially unchanged, I think that the increases in the global profile, wealth, and infrastructure of the region will lead to increased links between its member states. They will certainly be exporting their goods abroad, but prior to my research I had not considered the potential positive externalities of this trade. As regards the exploitation of resources, I do not think this will be a major detrimental effect of the Port. Extraction of natural resources in Cameroon would occur with or without the Port; the Chad-Cameroon pipeline would still be in use, and foreign companies would still direct mining operations in the country. The Port will facilitate exploitation, but will not change the dynamics of those sectors significantly.

The major impact the Port will have on Cameroon's foreign partnerships is to encourage investment in the country. It is likely that more American companies, particularly in the oil sector, will invest in Cameroon. China, as described above, will become an even bigger player in the Cameroonian economy. The specific effects of these increased links are impossible to determine, but it is clear that for Cameroon to derive benefits from these relationships, the most important thing is their capacity to effectively negotiate the terms of trade. China, the United States, and Europe, are looking at Cameroon not as a charity case, but as a means to serve their own interests. The Cameroonian government must determine where overlapping points of interest lie.

Finally, while there is adequate information to accept and reject, respectively, my hypotheses, none of the predictions given here can be taken as fact. The predictions are based on an analysis of the facts, the historical precedents, and the various accounts of Port stakeholders – yet this does not mean that circumstances cannot change. I can only hope that the many intelligent and energetic people who have contributed to my research will devote some part of their energies to disproving my findings, and ensuring that the Port is a success felt by all Cameroonians. It may be rife with obstacles, but it is not a lost cause.

There are some things that will certainly be lost to history: the town of Kribi, and the incredible human and animal diversity of the immediate Port region. No matter how rich the country becomes, these are things that cannot be retrieved. It is partly because of this significant loss that the success of the Port project is so important. Cameroon is paying a high price by giving up this part of its beauty and heritage, so it is vital that the benefits to the country are made to outweigh the substantial costs it is incurring.

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Appendix A: Contacts

1. Eric Bisil, CED extractive industries: ebisil@CED.org
2. Santiago Ormeno, UNIDO: Santiago.ormeno@gmail.com
3. Daline-Louise NSOMOTTO, Port direction committee Yaoundé.
dnsomotto@kribiport.cm ; 99.91.87.80
4. Roland AMOUGOU, Port Direction committe in Kribi: 77.11.88.75; 77.18.67.48

Appendix B: Interview Questions

US Embassy

Will the Port be a positive step for Cameroonian economic development?

Does the United States hope to benefit from the use of the Port? If so, for what purposes?

How will the Port affect the relationship between the United States and Cameroon, if at all?

Did the US offer a loan to build the port? Why or why not?

Ministry of Commerce

Comment est-ce que le Port va changer les systèmes d'échange dans la région et le monde?

Est-ce que le Port va changer les relations entre Cameroun et ses partenaires d'échanges?

Quels produits seront les exports primaires du Port?

Quels produits seront les imports primaires?

Quels pays étrangers vont utiliser le Port?

Quels seront les destinations pour les revenus qui sont créés par ces nouveaux échanges?

Comment est-ce que l'échange va affecter les industries domestiques? Par exemple les industries extractive, et l'industrialisation?

Louis Berger

What does your company do?

How did the project get started, what was the process of recruiting companies like? How did your company get chosen?

GeoVic

What does your company do?

Roughly what percentage of the employees in Cameroon are Cameroonian?

Are most mining companies in Cameroon based in other countries?

Do you think the Kribi Port will affect your business at all? If so, how?

Is the Port an incentive for mining companies to expand or for investors to come to Cameroon?

Does the government support the mining industries in Cameroon? How?

So how much of the revenue leaves the country?

Is mining a good industry to invest in for the economic development between Cameroon?

People often talk about the lack of transparency in the extractive industries – what exactly does that mean?

I've read some things about overlapping land-use permits being an issue? Has your company faced this?

Chinese Embassy

How will the Port benefit Cameroon and China, and their trade relationship?

Is CHEC, the company constructing the Port, state-owned?

What does China hope for the future of their relationship with Cameroon?

What does China hope to export to Cameroon using the port?

What does China hope to import from Cameroon using the port?

How did the idea for the Port originate?

Do you know how and when Cameroon is planning to pay back the loan to ExIm Bank?

Why Cameroon?

General Interview Questions: used in multiple interviews

What does your office/organization/ministry do in Cameroon?

Have your offices had any role, or done any advising, on the Port project?

Do you think the Port will be a good thing for economic development in Cameroon? Why or why not?

Do you think focusing on the extractive industries is a good way to promote economic development in the country?

Do you think the Port will increase China's influence in the country? If so, is this a good or a bad thing?

Where will the revenues be directed?

What is your personal opinion about the Port project?

Is the Port meant to promote regional exchange between CEMAC countries, or to focus on trade with external powers like China and the U.S?

Which companies will be spearheading the surrounding infrastructure and industrial projects? (agro, electronic, roads etc.)

How will the Port impact the mining and oil sectors?

How will the Port impact tourism in Kribi?

Will ordinary Cameroonians, including those living in poverty, feel the benefits of the Port?

Who will benefit the most from the Port?