

Home market: South Africa – KwaZulu-Natal Province



Realistic Export Opportunity Analysis Report on:

Target country: **Cameroon**

Region

Middle Africa

Applicable Trade Block(s):

ECCAS/CEMAC

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1. Macro-economic and overall trade context of Cameroon

The following information provides information regarding the macro-economic size and position of the country in the global context, as well as South Africa's overall trade with this trading partner.

Figure 1: Relative location in the world



Figure 2: Country map



Source: CIA World Factbook

Cameroon is in Central Africa, bordering the Bight of Biafra, between Equatorial Guinea and Nigeria. The country has a total surface area of 475,440 square kilometres. The country by size is at number 54 in the world.

Cameroon's market-based, diversified economy features oil and gas, timber, aluminium, agriculture, mining and the service sector. Oil remains Cameroon's main export commodity, and despite falling global oil prices, still accounts for nearly 40% of exports. Cameroon's economy suffers from factors that often impact underdeveloped countries, such as stagnant per capita income, a relatively inequitable distribution of income, a top-heavy civil service, endemic corruption, continuing inefficiencies of a large parastatal system in key sectors, and a generally unfavourable climate for business enterprise.

Since 1990, the government has embarked on various IMF and World Bank programs designed to spur business investment, increase efficiency in agriculture, improve trade, and recapitalize the nation's banks. The IMF continues to press for economic reforms, including increased budget transparency, privatization, and poverty reduction programs. The Government of Cameroon provides subsidies for electricity, food, and fuel that have strained the federal budget and diverted funds from education, healthcare, and infrastructure projects, as low oil prices have led to lower revenues.

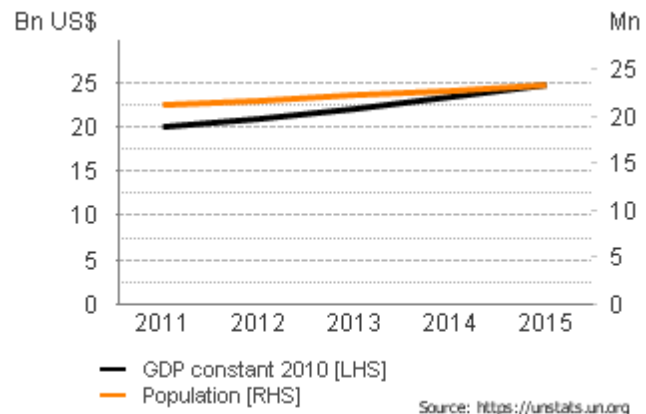
Cameroon devotes significant resources to several large infrastructure projects currently under construction, including a deep seaport in Kribi and the Lom Pangar Hydropower Project. Cameroon's energy sector continues to diversify, recently opening a natural gas-powered electricity generating plant. Cameroon continues to seek foreign investment to improve its inadequate infrastructure, create jobs, and improve its economic footprint, but its unfavourable business environment remains a significant deterrent to foreign investment.

Source: CIA World Factbook

1.1. Macro-economic context of Cameroon

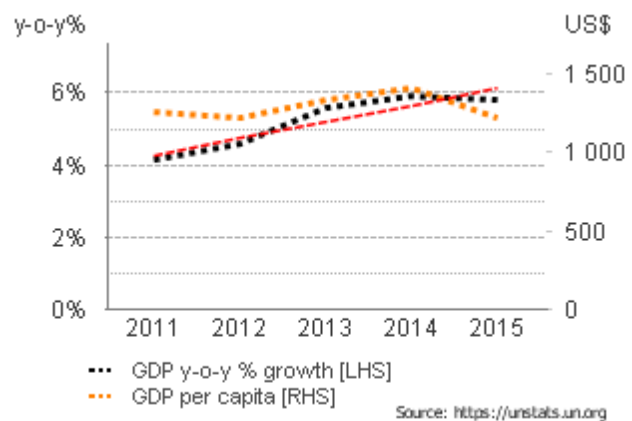
Cameroon's economic size measured in terms of gross domestic product (GDP) was 25 billion US dollars in 2015, ranked at number 93 in terms of world GDP accounting for 0.0410% per cent of total world GDP. The size of the country's estimated population in 2015 was 23.3 million persons.

Figure 3: Market size and population



Overall wealth in this economy has declined with per capita income in 2011 at 1 258.9 (in US dollar terms) declining to 1 217.3 (in US dollar terms) by 2015. The GDP growth of the country has increased over the last 5 years with 2015 growth at 5.8 per cent.

Figure 4: GDP growth and per capita



The ratio of trade (imports plus exports) to GDP is an indicator of trade "openness". Trade openness for most trading nations has increased because of globalisation and trade liberalisation. From an exporter's perspective the more open an economy is the more likely it is that the target country will be accessible as a new market. More specifically, the higher the ratio of imports to GDP for a target market, the more opportunity exists for an exporter to get product into such a market. In 2015 more than 80 per cent of economies in the world had an import to GDP ratio of more than 32 per cent.

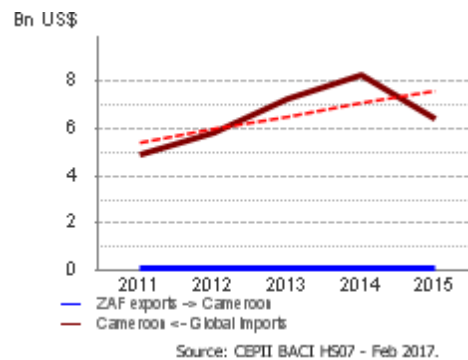
In this context Cameroon's import ratio relative to GDP is slightly above the 32 per cent mark at 33.2 per cent. This means that the country does import to meet its domestic demand.

While a high ratio of imports to GDP is indicative that a country may import more, it is not a guarantee that specific products from specific exporting markets will be able to access this market. For this purpose the TRADE-DSM approach provides a scientific approach to also take into consideration more specific aspects of the target market and product(s) in question.

1.2. South Africa's overall trade with Cameroon

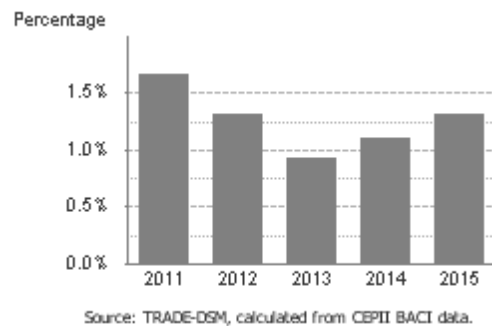
Total imports into Laos averaged close-on \$6.08bn over the period 2011-15, with overall imports declining in 2015. South Africa's exports to Cameroon were negligible relative to total imports from other markets over the said period, as represented by the horizontal blue line.

Figure 5: Total exports from South Africa relative to total imports of Cameroon



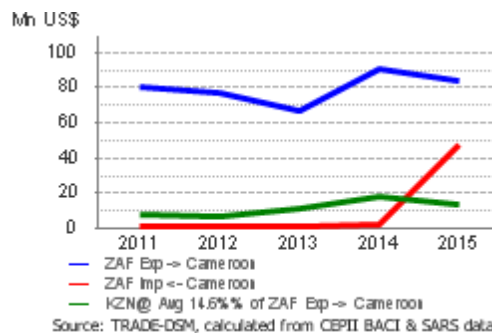
Imports from South Africa into Cameroon in terms of relative market share declined during the period under review, falling from 1.5% in 2011 to around 1.3% in 2015.

Figure 6: South Africa share of Cameroon's imports



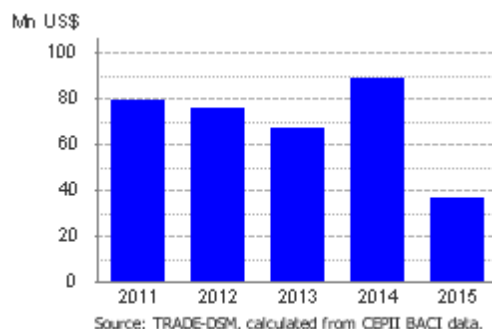
In turn, South African imports from Cameroon (red line) rose in 2015 to approximately \$50m. South African exports to Cameroon was relatively steady at around \$80m. The province is projected to have accounted for 15% of South African exports to Cameroon over the said period.

Figure 7: South Africa imports and exports with Cameroon



South Africa recorded a trade surplus with Cameroon throughout the period under review, albeit that this surplus eased sharply in 2015. At the highest level, this implies that the value of South African exports to Cameroon exceeded the associated costs of imports from Cameroon throughout the said period.

Figure 8: South Africa trade balance with Cameroon



1.3. Realistic export opportunities identified

The map provides a geographic representation of South Africa's realistic export opportunities for Cameroon subject to the selected filters applied (see appendix). The map shows the relative 'untapped' potential of the market opportunity in red bubbles. In total 15 of the products associated with Cameroon passed the applied filters. These products represent approximately 2.00 (in million US dollar terms) in 'untapped' potential based on the average value of the top 6 supplying countries (excluding South Africa). More details are provided in the following sections.

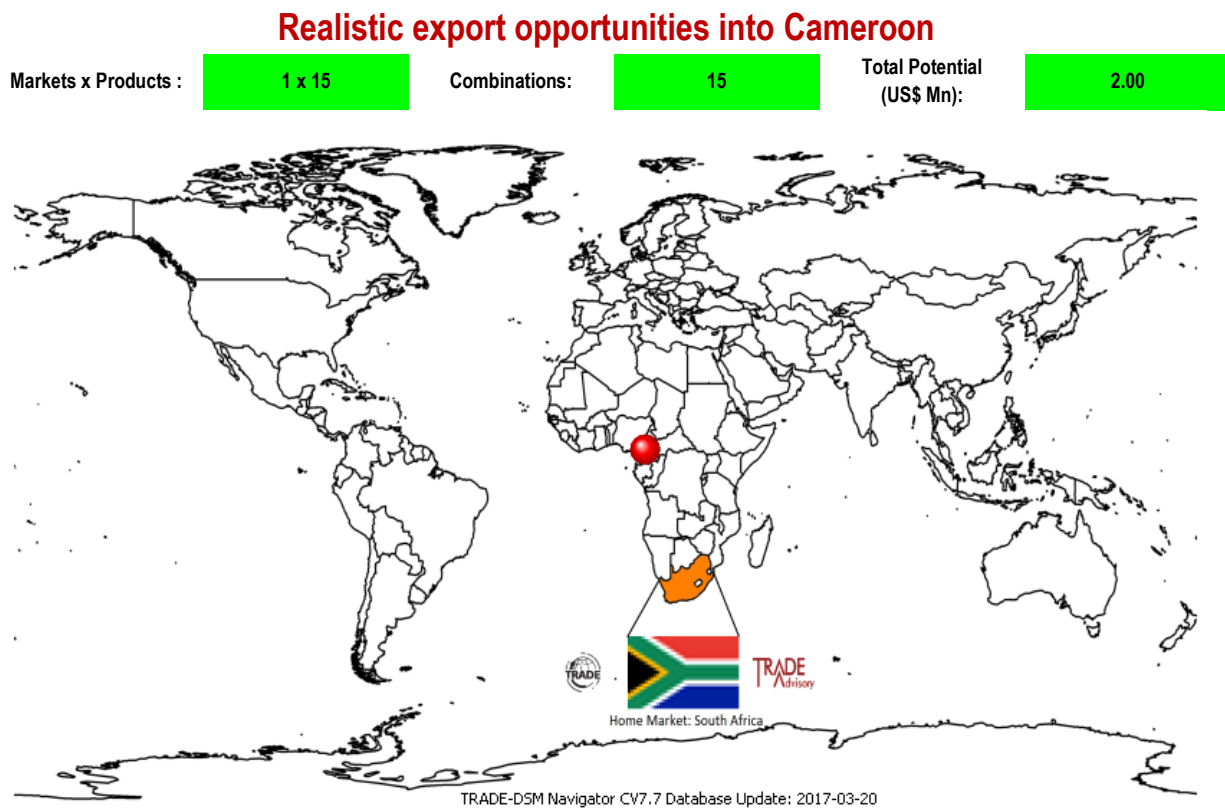


Figure 9: South Africa exports and imports for the identified REOs to Cameroon

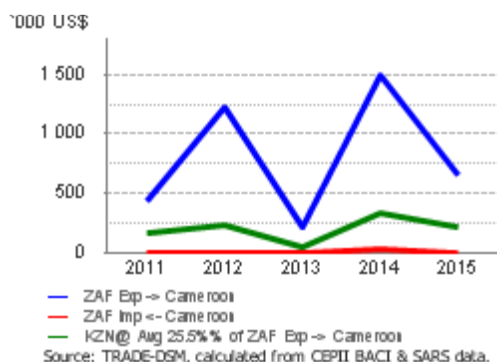
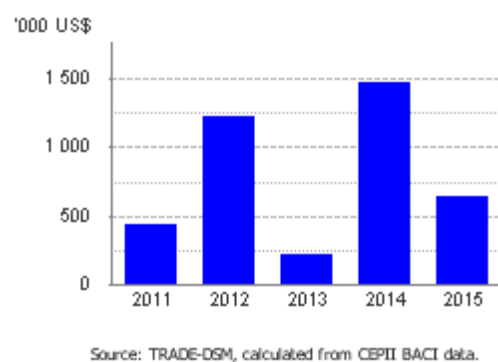


Figure 10: South Africa trade balance for the identified REOs to Cameroon



The value of South African exports to Cameroon (blue line) fluctuated sharply over the period 2011 to 2015. Based on the province's contribution (green line) to South Africa's national exports for the group of products selected, it is evident that the province is a significant exporter of this group of products.

While South Africa recorded a positive trade balance with Cameroon over the period 2011 to 2015.

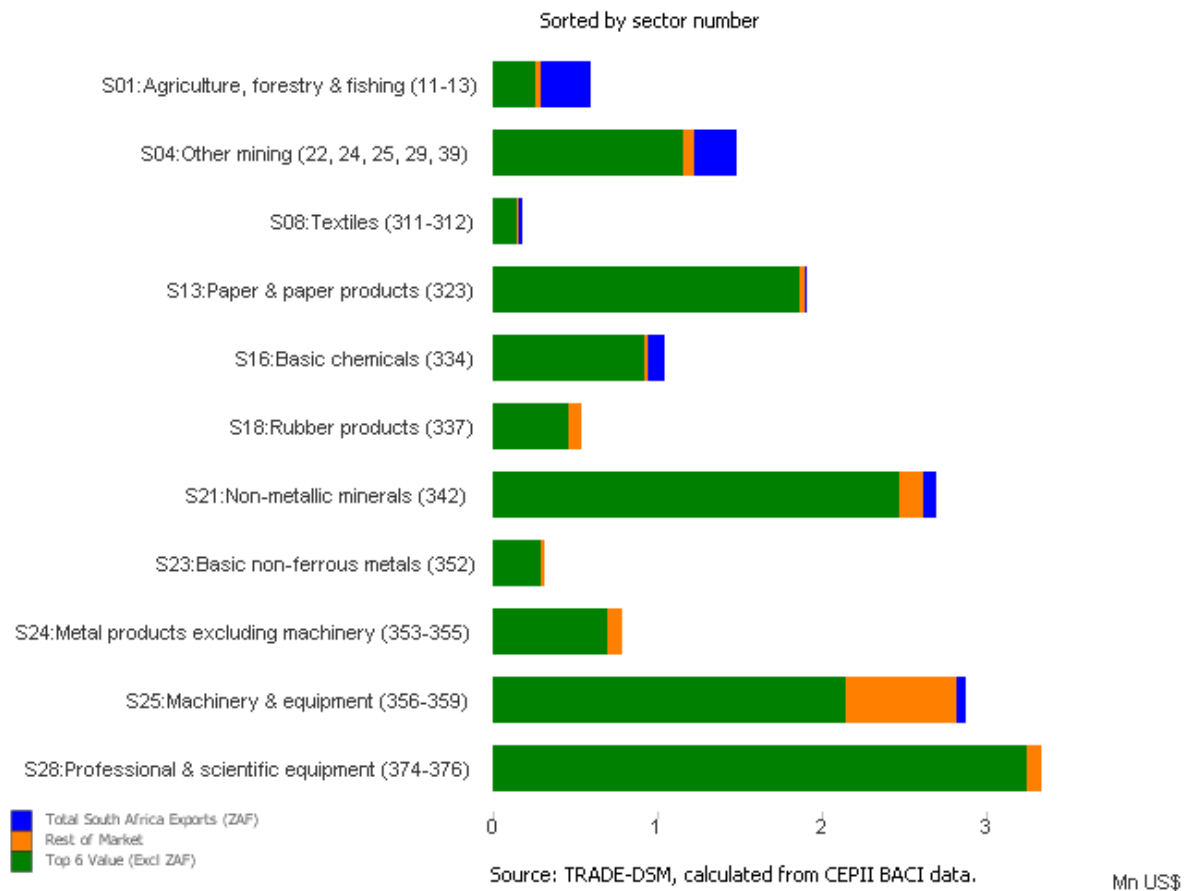
The set of products are classified into realistic export opportunities as described in the method section (**Error! Reference source not found.**). The following tables provide an overview of the distribution of number and 'untapped' potential value share for the set of REOs. The detail per product provided in Table 3 also provides the REO classification for each of these opportunities.

Table 1: Number of realistic export opportunities per category

	1-Small Market Share (0% ≤ s < 5%)	2-Intermediate Small Market Share (5% ≤ s < 15%)	3-Intermediate Large Market Share (15% ≤ s < 25%)	4-Large Market Share (25% ≤ s)	Total
2-Growing Market (Short & Long term)	10	2	1	2	15
Total	10	2	1	2	15

The set of products classified into realistic export opportunities grouped by broad economic sector is provided in Figure 11.

Figure 11: Identified REOs to Cameroon according to economic sectors



The potential REOs for the target market by sectoral grouping is depicted in the chart above. Not all sectors will be present, as not all economic sectors (which are based on economic activity while the REOs are based on traded products) are relevant for products.

Sectors where a large blue component appears are where the home market already provides a large share of this sector's imports into the target market.

Note that the sectors are listed in descending order according to sector sequence as opposed to potential or import values.

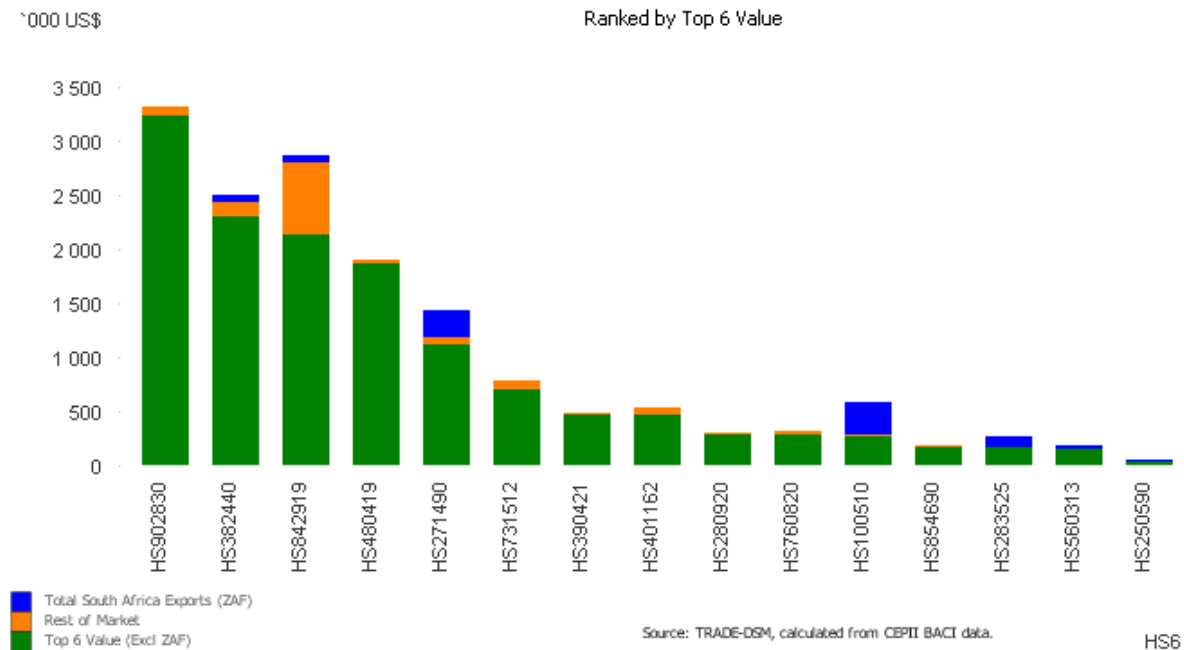
Table 2: Detail of realistic export opportunities per high level economic sector

No	Sector	Sector Description	No. of REO xy	Kwa-Zulu Natal avg. share of national ZAF Exports of product(s) %	Kwa-Zulu Natal share of ZAF Exports [B] to Target Market '000 US\$	[A] Realistic 'untapped' Export Potential to Target Market(s) '000 US\$	[B] Total Exports from ZAF to Target Market(s) '000 US\$	[C] = [B] / [G] Total Exports from ZAF / Target Market(s) Total Imports %	[D] = [B] / [A] Total Exports from ZAF / Realistic 'untapped' Export Potential %	[E] Target Market(s) Imports from top 6 Competitors (Excl ZAF) '000 US\$	[F] Target Market(s) Imports from Rest (Excl ZAF) '000 US\$	[G] Target Market(s) Total Imports '000 US\$
1	S01	Agriculture, forestry & fishing (11-13)	1	23.2%	69.65	43.89	300.13	50.9%	683.8%	263.35	25.70	589.17
2	S04	Other mining (22, 24, 25, 29, 39)	2	19.3%	36.94	192.93	257.82	17.5%	133.6%	1 157.55	61.78	1 477.15
3	S08	Textiles (311-312)	1	96.6%	28.16	25.23	29.15	16.1%	115.5%	151.39	0.94	181.49
4	S13	Paper & paper products (323)	1	85.2%	8.09	310.91	9.49	0.5%	3.1%	1 865.45	32.64	1 907.58
5	S16	Basic chemicals (334)	3	65.3%	70.69	166.56	105.80	10.1%	63.5%	918.92	19.59	1 044.32
6	S18	Rubber products (337)	1	18.4%	0.45	76.83	2.44	0.5%	3.2%	460.95	72.34	535.73
7	S21	Non-metallic minerals (342)	2	40.2%	9.02	411.75	75.64	2.8%	18.4%	2 470.50	144.90	2 691.04
8	S23	Basic non-ferrous metals (352)	1	99.4%	0.00	47.99	0.00	0.0%	0.0%	287.91	29.74	317.65
9	S24	Metal products excluding machinery (353-355)	1	16.1%	0.00	115.60	0.00	0.0%	0.0%	693.61	95.66	789.27
10	S25	Machinery & equipment (356-359)	1	11.9%	7.06	357.14	59.29	2.1%	16.6%	2 142.85	668.81	2 870.95
11	S28	Professional & scientific equipment (374-376)	1	53.1%	0.77	539.73	1.45	0.0%	0.3%	3 238.39	87.41	3 327.25
		Total - all REOs	15	47.9%	230.83	2 288.55	841.22	5.3%	36.8%	13 650.89	1 239.49	15 731.59

Source: TRADE-DSM

The detailed outcomes per product are displayed in Figure 12 ranked in descending order based on relative size of 'untapped' potential (average of the green bars). While a maximum 20 opportunities are shown in the chart to keep the outcomes concise, more detail for these opportunities can be found in Table 3.

Figure 12: Top REOs ranked by relative potential



The top products displayed in the chart (based on descending potential value) are:

- 1) HS902830: REO1,2: Electricity meters, incl. calibrating meters therefor.
- 2) HS382440: REO1,2: Prepared additives for cements/mortars/concretes
- 3) HS842919: REO1,2: Self-propelled bulldozers & angledozers (excl. track laying)
- 4) HS480419: REO1,2: Kraftliner, uncoated, other than unbleached, in rolls/sheets (excl. of 48.02/48.03)
- 5) HS271490: REO2,2: Bitumen & asphalt, nat.; asphaltites & asphaltic rocks
- 6) HS731512: REO1,2: Articulated link chain other than roller chain, of iron/steel
- 7) HS390421: REO1,2: Poly (vinyl chloride), non-plasticised, in primary forms (excl. of 3904.10)
- 8) HS401162: REO1,2: New pneumatic tyres, of rubber, having a herring-bone/sim. tread, of a kind used on construction/industrial handling vehicles & machines & having a rim size not >61cm
- 9) HS280920: REO1,2: Phosphoric acid & polyphosphoric acids, whether chemically defined
- 10) HS760820: REO1,2: Tubes & pipes of aluminium alloys
- 11) HS100510: REO4,2: Maize (corn), seed
- 12) HS283525: REO4,2: Calcium hydrogenorthophosphate (dicalcium phosphate)
- 13) HS854690: REO1,2: Electrical insulators of any mat. other than glass & ceramics
- 14) HS560313: REO2,2: Nonwovens, whether or not impregnated/coated/covered/laminated, of man-made filaments, weighing >70g/m2 but not >150g/m2

-
- 15) HS250590: REO3,2: Natural sands other than silica & quartz, whether or not coloured, other than metalbearing sands of Ch.26

A maximum 50 opportunities are listed in Table 3 based on the set of filters applied as well as prioritisation according to largest to smallest 'untapped' potential. Refer to the appendix for details on which filters were applied to produce the set of results.

Table 3: Detail of realistic export opportunities per category

No	HS6	HS6 Description	REO xy	Kwa-Zulu Natal avg. share of national ZAF Exports of product(s) %	Kwa-Zulu Natal share of ZAF Exports [B] to Target Market '000 US\$	[A] Realistic Export Potential to Target Market(s) '000 US\$	[B] Total Exports from ZAF to Target Market(s) '000 US\$	[C] = [B] / [G] Total Exports from ZAF / Target Market(s) Total Imports %	[D] = [B] / [A] Total Exports from ZAF / Realistic 'untapped' Export Potential %	[E] Target Market(s) Imports from top 6 Competitors (Excl ZAF) '000 US\$	[F] Target Market(s) Imports from Rest (Excl ZAF) '000 US\$	[G] Target Market(s) Total Imports '000 US\$
1	HS902830	Electricity meters, incl. calibrating meters therefor	REO 1,2	53.07%	0.77	539.73	1.45	0.0%	0.27%	3 238.39	87.41	3 327.25
2	HS382440	Prepared additives for cements/mortars/concretes	REO 1,2	11.93%	9.02	383.80	75.64	3.0%	19.71%	2 302.79	132.52	2 510.94
3	HS842919	Self-propelled bulldozers & angledozers (excl. track laying)	REO 1,2	11.91%	7.06	357.14	59.29	2.1%	16.60%	2 142.85	668.81	2 870.95
4	HS480419	Kraftliner, uncoated, other than unbleached, in rolls/sheets (excl. of 48.02/48.03)	REO 1,2	85.21%	8.09	310.91	9.49	0.5%	3.05%	1 865.45	32.64	1 907.58
5	HS271490	Bitumen & asphalt, nat.; asphaltites & asphaltic rocks	REO 2,2	13.89%	34.37	187.01	247.39	17.3%	132.29%	1 122.07	61.48	1 430.94
6	HS731512	Articulated link chain other than roller chain, of iron/steel	REO 1,2	16.07%	0.00	115.60	0.00	0.0%	0.00%	693.61	95.66	789.27
7	HS390421	Poly(vinyl chloride), non-plasticised, in primary forms (excl. of 3904.10)	REO 1,2	32.73%	0.00	77.88	0.00	0.0%	0.00%	467.27	15.71	482.98
8	HS401162	New pneumatic tyres, of rubber, having a herring-bone/sim. tread, of a kind used on construction/industrial handling vehicles & machines & having a rim size not >61cm	REO 1,2	18.39%	0.45	76.83	2.44	0.5%	3.18%	460.95	72.34	535.73
9	HS280920	Phosphoric acid & polyphosphoric acids, whether or not chemically defined	REO 1,2	96.25%	0.00	48.47	0.00	0.0%	0.00%	290.79	3.88	294.67
10	HS760820	Tubes & pipes of aluminium alloys	REO 1,2	99.39%	0.00	47.99	0.00	0.0%	0.00%	287.91	29.74	317.65
11	HS100510	Maize (corn), seed	REO 4,2	23.21%	69.65	43.89	300.13	50.9%	683.79%	263.35	25.70	589.17
12	HS283525	Calcium hydrogenorthophosphate (dicalcium phosphate)	REO 4,2	66.81%	70.69	40.21	105.80	39.7%	263.10%	160.86	0.00	266.66
13	HS854690	Electrical insulators of any mat. other than glass & ceramics	REO 1,2	68.42%	0.00	27.95	0.00	0.0%	0.00%	167.72	12.38	180.10
14	HS560313	Nonwovens, whether or not impregnated/coated/covered/laminated, of man-made filaments, weighing >70g/m2 but not >150g/m2	REO 2,2	96.61%	28.16	25.23	29.15	16.1%	115.53%	151.39	0.94	181.49
15	HS250590	Natural sands other than silica & quartz, whether or not coloured, other than metalbearing sands of Ch.26	REO 3,2	24.69%	2.57	5.91	10.42	22.6%	176.18%	35.49	0.29	46.20
		Total - all REOs	15	47.91%	230.83	2 288.55	841.22	5.3%	36.76%	13 650.89	1 239.49	15 731.59

Source: TRADE-DSM

2. Summary



The information presented in this report is to be supplemented with further research so as to understand the trends that have been shown in this report. It is also advised that the company clarifies that the HS code utilized in the data analysis is correct and descriptive of the intended purpose of the company's products or service. It is suggested that after a review of this report, a further consultation could be arranged to gain insight into the company's market access strategy and approach to entering new markets. This should then assist in crafting an action plan for market access activities, supplemented with the appropriate resources.

3. Appendix

The following filters were applied in the production of the outcomes discussed in this report:

DSM Filters	
F1: Econ Size & Commercial Risk	Yes
Country	Cameroon
F2: Size & Growth	Yes
F2: Positive Growth	<input type="radio"/>
F3.1: Concentration	Yes
F3.2: Accessibility	Yes
F4.1: Maturity Proxy (RCA \geq 0.7)	Yes
F4.1: Maturity Proxy (RCA \geq 1)	Yes
F4.2: Production Proxy (RTA $>$ 0)	Yes
Revealed Absence (RATB \geq 0.95)	0
Concentration Index (HH)	<input type="radio"/>
RCA	<input type="radio"/>
RTA	<input type="radio"/>

The following selections were applicable for this report:

Country		<input checked="" type="radio"/>	Cameroon
F2:Size & Growth		<input checked="" type="radio"/>	Yes
F31:Concentration		<input checked="" type="radio"/>	Yes
F32:Accessibility		<input checked="" type="radio"/>	Yes
RCA \geq 1		<input checked="" type="radio"/>	Yes
RTA $>$ 0		<input checked="" type="radio"/>	Yes
Province Share		<input checked="" type="radio"/>	$>$ 10.0

Interpretation notes:

a) If a cell is 'greyed' [] it means that the current set of filters did not result in a specific outcome uniformly applicable to all the underlying HS 6 digit products evaluated. Therefore the set of results contains items for which the outcome is a mix of 'Yes' or 'No', or a variety of values (if the filter relates to a specific value such as a country or numeric value).

b) When a cell have a specific outcome such as a 'Yes' or a 'No' or a specific value (whether the cell is highlighted in green or not), it implies that a "common" outcome uniformly applicable to all the underlying HS 6 digit products evaluated resulted from the applied set of filters.

c) Green highlighted cells indicate that a filter was explicitly selected by the analyst, while a cell with a value in without green highlighting means the value is an outcome of the other explicitly selected ('green') filters.

***** END OF REPORT *****