

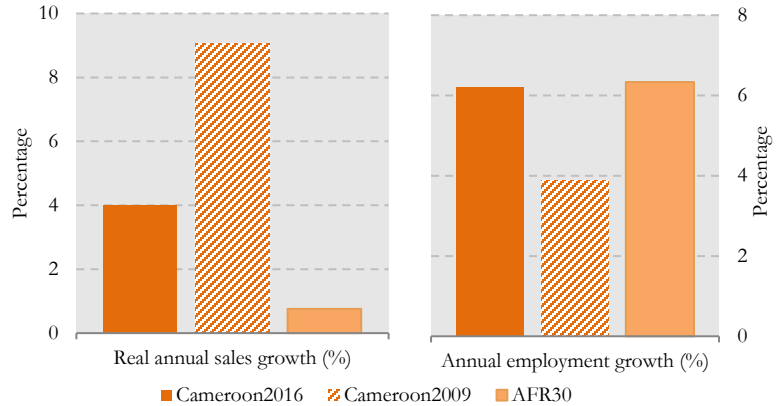


# COUNTRY HIGHLIGHTS Cameroon 2016

The World Bank Group conducted face-to-face interviews with top managers and business owners of 361 enterprises in Cameroon from July 2016 through November 2016. The Enterprise Survey (ES) sample is representative of Cameroon’s formal private sector. The ES covers several aspects of business environment along with measures of firm performance. Below are the main highlights from the survey.

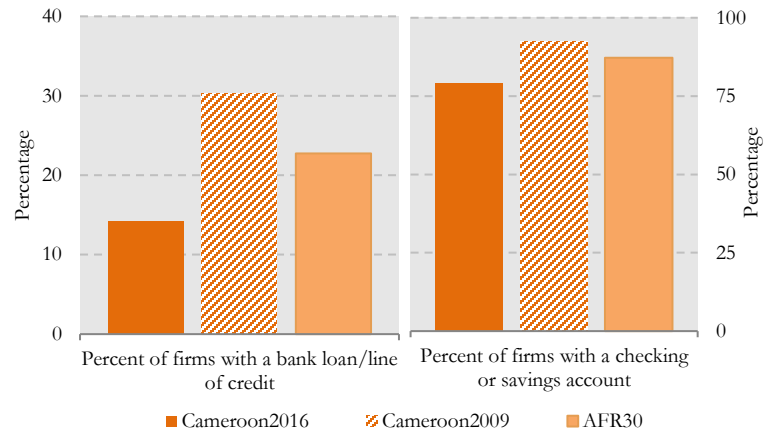
### Firm performance in Cameroon is positive and higher than regional comparators

Between 2013 and 2015 firms in Cameroon experienced positive real annual sales growth (4%). Despite the positive performance, the annual sales growth rate was lower than in the period covered by the previous ES (2005-2008) when sales grew at an annual rate of 9.1%. Annual employment growth was also positive and increased from 3.9% during the period 2005-2008 to 6.2% in 2013-2015. For real annual sales, Cameroon outperformed the average for firms in the 30 Sub-Saharan African countries (AFR30) for which ES data are available.



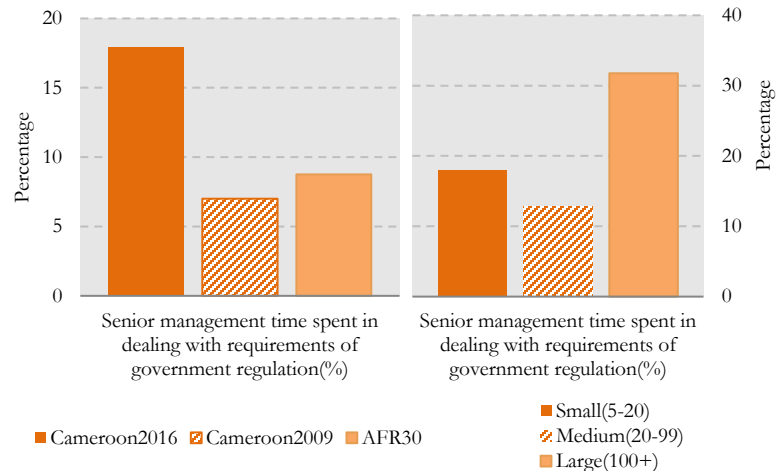
### However, the use of financial services by private firms has decreased since 2009

Fewer firms used financial services in 2016 than in 2009. The share of firms that have a loan or line of credit has declined from 30% in 2009 to 14% in 2016. The percentage of firms using a checking or savings account also fell from 93% 2009 to 79% in 2016. On average, firm in Cameroon have less access to finance than the average for firms in regional comparators. The percentage of firms with a bank loan or line of credit in Sub-Saharan African countries is 23%. The percent of firms using a checking or savings account in the Africa region is 87%.



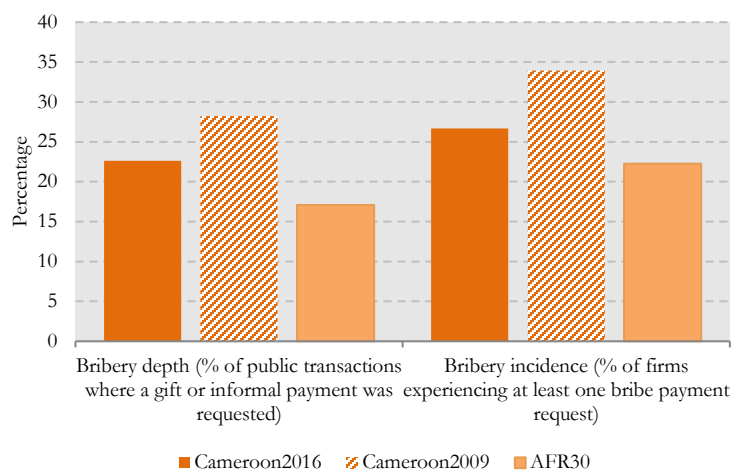
### And the regulatory environment is more cumbersome for firms in Cameroon, particularly among large-sized firms

In 2016 firms in Cameroon spent more time dealing with government regulations and obtaining licenses than in 2009. The percent of senior management’s time spent dealing with regulations (“time tax”) increased from 7% in 2009 to 18% in 2016. Furthermore, this figure is much higher than the average for firms in AFR30 (9%). There is variation by firm size. Senior management in large firms spend far more time dealing with regulations than small or medium firms. “Time tax” is 32 % among large-sized firms, 13% for medium-sized firms, and 18% for small-sized firms.



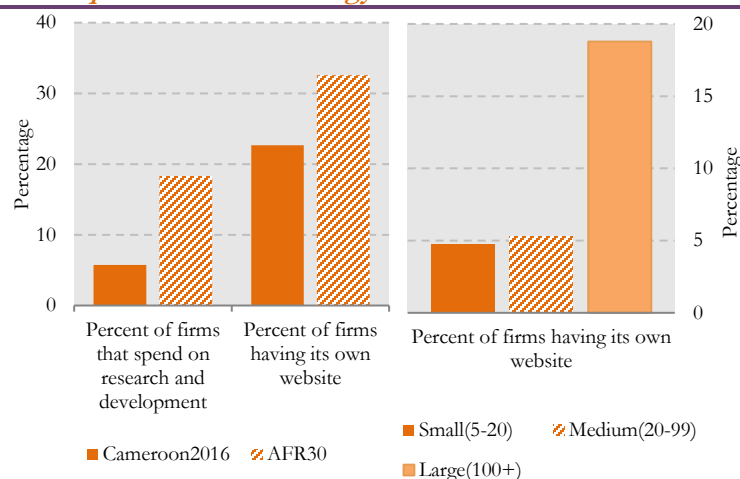
### Corruption has declined in Cameroon, but remains higher than in the regional comparators

The share of public transactions that was accompanied by the request of a gift or informal payment (**bribery depth**) decreased from 28% in 2009 to 23% in 2016. The bribery incidence (i.e. the share of firms that experienced at least one bribe payment request across six transactions involving access to utilities, permits, licenses, and taxes) also decreased, from 34% in 2009 to 27% in 2016. Despite this improvement, corruption is higher for firms in Cameroon than in regional comparators, where bribery depth was 28% and bribery incidence 23%.



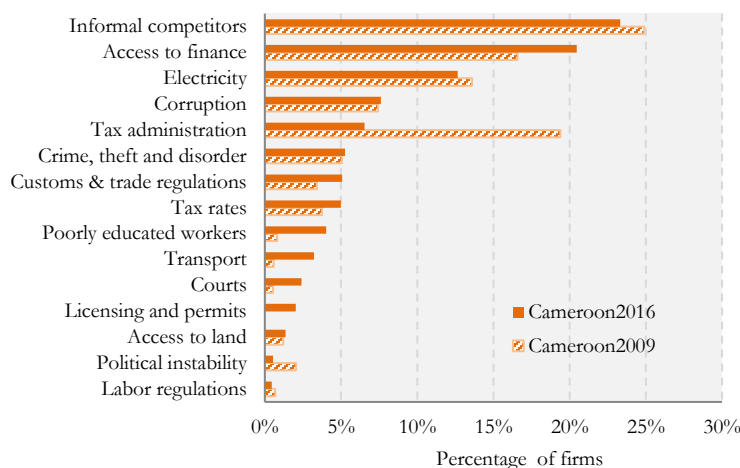
### Cameroonian firms are falling behind their regional comparators on technology and innovation investments

Firms in Cameroon spend less on **research and development** and are less likely to have their own website than firms in the 30 Sub-Saharan African countries for which ES data are available. Only 6% of firms in Cameroon spend on research and development and only 23% of firms have their own website as compared to an average of 18% and 33%, respectively in the regional comparators. As expected, large firms are more likely to have their own websites; 55% of firms compared to 15% of small firms and 42% of medium firms.



### Informal competition is biggest obstacle facing firms in Cameroon

Among 15 areas of the business environment, 23% of firms in Cameroon chose informal competitors as the **biggest obstacle** to their daily operations. Access to finance and electricity are the second-most and third-most frequently cited top obstacle among 20% and 13% of firms respectively. In 2009, informal competitors were yet again the most frequently cited biggest obstacle facing firms (25%). Tax administration was identified as the second most frequently cited obstacle among firms in Cameroon in 2009 (19%).



The Enterprise Analysis Unit is a joint World Bank and IFC team of economists, survey experts specialized in private sector development. Surveys implemented by the team reveal what businesses and firms experience across the world by interviewing representative samples of the formal, non-agricultural, non-extractive, private sector with 5 employees or more. The resulting globally comparable firm-level data is used to construct business environment indicators and measure firm performance. The findings and recommendations help policy makers identify, prioritize, and implement policy reforms that support efficient private economic activity.

For more information on the survey visit <http://www.enterprisesurveys.org>