

Trade Cooperation between China and Cameroon under the One Belt One Road

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Abstract: *The Cameroon-China relationship is seen as creating solid dependence on China for its Production field. Isolated views and opinions have been flowing in both scholarly and political circles concerning China's veritable goal and its quality in African nations and Cameroon in particular. This paper examines how the one belt one road initiative project of president Xi Jinping influences the financial, infrastructures, and social circumstances of Cameroon from a residential perspective. Meetings of key partners were led and statistical data from the past years were also reviewed. An overview was likewise attempted regarding the general factors affecting this long-time trade between the two friendly nations. Our discoveries show that both nations are introducing acceptable records on the acknowledgment of the exchange of goods in various economic sectors in both countries. However, there are a few restrictions that should be tended to, to improve the effectiveness of undertakings and lead to a shared and reasonable China-Cameroon trade through the One Belt One Road initiative for a considerable length of time to come. Furthermore, the study analyses Cameroon's trade structure and evolution, with a specific focus on China's contribution; examines the evolution of Cameroon's and China's trade balance, concerning market access conditions. China's share of imports (essentially manufactured goods) to Cameroon grew substantially between in the last decade, whereas exports (a few primary products) to China have been declining and aggravating Cameroon's trade deficit. This trade pattern would undermine the industrial sector and lock Cameroon in primary import and export activities with China. Many city dwellers (60% of respondents) perceive welfare losses if Chinese goods were to be banned in Cameroon. In general, Chinese goods are having a positive impact on Cameroon's trade portfolio, especially those at the lower strata in the distribution of income.*

Keywords: Cameroon, Cooperation, China, One Belt One Road

1. Introduction

The world has been undergoing profound changes in international relations, the most striking of which are Sino-African relations. As a rising force in both political and economic terms, China continues to strengthen and expand its relations of friendship and cooperation with African countries. This implies significant effects in the evolution of the international order. Very early, China showed great interest in Africa at the Bandoeng conference (Indonesia) in 1955. It was with the advent of independence that African states began to establish diplomatic relations with this giant in Asia (China). China is proving to be a great power in the world economy. Its imposing industrial development has been a continuous and significant demand for oil and raw materials, which largely explains the sharp rise in the price of oil and other basic products that we are currently seeing.

Since that he became the secretary general of the Chinese Communist Party in 2012 and then president in 2013, Xi Jinping has launched a series of strategic initiatives both inside the country and abroad. All aim to guarantee the country's political stability and economic growth, while positioning China as a new major player at the international level. The most notable step is probably the strategic vision of a new Silk Road, now more commonly referred to as the One Belt Initiative, One Road, renamed Belt and Road Initiative (BRI) in 2015 (NDRC 2015). Relying on the historic imagery of the ancient Silk Road, the BRI project includes the construction of massive infrastructure linking China to the rest of the world. The goal is to strengthen trade and improve connectivity between China and Africa, Eurasia, Europe, the Middle East, and South and Southeast Asia. However, the desire for connectivity captures the

attention of the international community. Countries, businesses and people along the proposed routes are attracted by the colossal means that the route will bring according to Beijing speeches that will be mobilized to realize this vision. At the same time, they remain alert to the geopolitical consequences of becoming a node on these China-oriented routes.

Africa on the other hand having a diversified market-based economy, that is; oil and gas, timber, aluminium, agricultural products, mining and the services sector (telecommunication, Health). Overall, trade is very important for the economic development of the continent. Open to foreign markets, the Chinese government has since 1990 launched various programs of the IMF and the World Bank to promote business investment, increase the efficiency of agriculture, improve trade and recapitalize the banks of Africa (Africa development Bank).

Considering a nation like Cameroon also known as African miniature with a wide range of diversified resources, As indicated by World Bank's 2019 Working together Report Cameroon's positioning is 166th out of 190 nations and Straightforwardness Global 2018 Defilement Recognitions Record 152nd out of 175 nations precisely mirror a business atmosphere developing progressively troublesome. The most significant components that influence the business atmosphere are dysfunctions inside open organization, defilement, and poor framework. In recent years, the country has experienced economic growth, in part due to the relative diversification of its economy and political stability. Cameroon has modest oil and gas resources and significant potential in energy and mining resources. In addition of being a member of the Commonwealth, it is also part of the

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Africa (CEMAC), which is a positive factor that reduces the volatility of currencies. According to *le Figaro* (a French journal), China is one of the major partners of Cameroon when it comes to international trade. It should however be noted that, the United States has been in this position for decades. But today, the throne of the world's leading power is occupied by China.

2. Related Literatures

2.1 Ambassador Wang Yingwu: Second Summit "Belt and Road" International Cooperation Forum

On May 8, 2019, Wang Yingwu, Ambassador to Cameroon, published a signed article entitled "Building the "One Belt and One Road" for a Better Future" in the *Cameroonian Official Tribune*. The full text is as follows:

From April 25 to 27, the second "Belt and Road" International Cooperation Summit Forum was successfully held in Beijing. The forum was held under the theme of "Building the Belt and Road Initiative and Creating a Better Future Together". The forum held an opening ceremony, a leader round table summit, a high-level meeting, 12 sub-forums and an entrepreneur conference. Chinese President Xi Jinping and the heads of state and government of 37 countries, the Secretary-General of the United Nations, the President of the International Monetary Fund, and more than 6,000 guests from 150 countries and 92 international organizations participated in the forum.

Against the background of the current weak economic growth in the world and the rise of protectionism and unilateralism, the Summit Forum played the main theme of building an open world economy and reached broad consensus on high-quality joint construction of the "Belt and Road".

President Xi Jinping pointed out in his keynote speech that the joint construction of the "Belt and Road" must adhere to the principles of mutual consultation, joint construction and sharing, adhere to the concept of openness, greenness and integrity, and strive to achieve high standards, benefit people's livelihood and sustainable goals. The key to jointly building the "Belt and Road" is interconnection. It is necessary to build a global interconnection partnership to achieve common development and prosperity. Infrastructure is the cornerstone of connectivity, and it is necessary to build high-quality, sustainable, risk-resistant, affordable, and inclusive infrastructure; to promote trade and investment liberalization and facilitation, stand against protectionism, and promote economic globalization. More open, inclusive, inclusive, balanced, and win-win development; we must seize the opportunities of digital, networked, and intelligent development, and explore new growth momentum and development paths; we must strengthen international development cooperation to create more for developing countries. To develop opportunities and space, get rid of poverty, and achieve sustainable development; we must

actively build bridges between different civilizations and learn from each other, and form a diverse and interactive cultural exchange pattern.

President Xi's speech resonated widely. The leaders of all parties have jointly demonstrated a clear attitude against protectionism and unilateralism, and reached a political consensus to vigorously promote interconnection, tap the economic growth momentum, and promote sustainable development. All parties generally believe that high-quality joint construction of the "Belt and Road" should focus on deeper and more pragmatic cooperation, more open joint development, and wider mutual benefit and win-win results. Focus on high-quality infrastructure construction and industrial cooperation to solve financial support, investment environment, risk management and control, and people's hearts, and other key issues. At the same time, we must establish a working mechanism for this, improve supporting system, and form more visible results.

The "Silk Road Economic Belt" and the "21st Century Maritime Silk Road" are cooperative initiatives put forward by Chairman Xi Jinping in 2013, and are also important contents of Xi Jinping's diplomatic thought. At present, 127 countries including Cameroon and 29 international organizations have signed "One Belt, One Road" cooperation documents with China. The relevant cooperation concepts and propositions of the "Belt and Road" have also been written into the outcome documents of important international mechanisms such as the United Nations, the G20, APEC, and the Shanghai Cooperation Organization.

To jointly build the "Belt and Road", we must continue to adhere to the concepts of mutual respect, equal consultation, openness and tolerance, and mutual benefit and win-win results, and further strengthen the connection with the development plans of the United Nations and other countries to achieve common development and allow more people to share the "Belt and Road Initiative". China will further deepen reforms and expand opening up, and work together with all parties to promote the continuous construction of the "Belt and Road" along the direction of high quality.

China and Cameroon are good brothers, good friends and good partners. Under the framework of the "Belt and Road", the two countries have successively launched a series of cooperative projects such as ports, highways, hydropower stations, transmission and transformation lines, fiber optic backbone networks, urban water supply, rural well drilling, social housing, education and health care. Development and improvement of people's livelihood played an active role

2.2 Belt and Road: Cameroon, Breakthrough through Education

According to the Embassy Culture Teacher of July 15 2019, On the summer vacation of July 9, 2019, Beijing Digital Lingxiu Technology Co., Ltd. under the Embassy Business Culture Network organized the training of nearly 200 elementary and middle school students from Zhejiang and other places as Chinese digital culture ambassadors to visit the Cameroon Embassy in China to carry out "Belt and Road

Study Cameroon" promotes the Belt and Road people-to-people, policy, information and digital future leaders in practice, promotes the establishment of a closer community of human destiny between China and Africa, and establishes a model of exchange and cooperation in digital culture and education. The Digital Future Leadership activity integrates the content of international understanding of textbooks, the interaction of digital cultural exchanges and public diplomacy, and the content of global digital research and social practice activities, so that students' existing knowledge is integrated into research and specific practical activities, allowing students to personally Experience less time for knowledge, so as to stimulate students' internal needs and interest in absorbing new knowledge, experience the exploration of self-potential innovation ability in the process of practice, and the establishment of self-confidence and the grasp of the general direction of life in this process.

The activities of the Belt and Road Research Youth Digital Culture International Exchange Practice Activity Curriculum System and the socialization research practice evaluation system of this activity are: the combination of textbook knowledge content, public diplomacy interactive activities, and globalized digital research social practice activities, let Students personally experience the lack of time for knowledge, so that the students' existing knowledge can be integrated into the specific research and practice involved, thereby inspiring students' self-confidence in accepting the new knowledge's internal needs and experiencing self-potential innovation ability.

Youth education in the new era must be based on the new changes and new realities that have taken place in the main contradictions of our society. Taking the cultivation of young people in the new era who can play a major role in the great rejuvenation of the Chinese nation as the fundamental focus, and training and cultivating young talents for the great rejuvenation of the Chinese nation The correct direction for the growth of young people is to promote the overall development of young people and the overall progress of society.

3. Merits of the One Belt One Road Agreement on Cameroon Development

3.1 China Investment and Aid in Cameroon

Chinese foreign direct investment (FDI) to Cameroon had been of great significant in the development process of the country and being in line with the vision of the Chinese President Xi Jinping on the One Belt One Road, Cameroon through its president Paul Biya did not leave China empty-handed on his visite of March 22 to 24 2018 in Beijing. According to the state-owned Cameroon Tribune, which quoted the Cameroonian Minister of the Economy, Alamine Ousmane Mey, the state visit made by the Cameroonian president to Beijing was an opportunity to get Chinese financial support in the amount of 400 billion CFA francs. According to the Minister, the donation is spread over three years, or 334 billion for the year 2018 and the rest for the years 2019 and 2020. For Alamine Ousmane Mey, this

donation is only the implementation of one of the five conventions signed by Beijing and Yaoundé during Paul Biya's stay as part of their cooperation.

According to the website of the Cameroonian presidency, the successes achieved by the Cameroonian president in Beijing do not stop there. Apart from these conventions, it is announced that China has promised the cancellation of part of the country's debt. Even if no amount or any significant details have been officially communicated, in Yaounde, it is firmly believed that this procedure should give new life to relations between the two countries, which have been faltering in recent times.

We still remember the statements of the Cameroonian Minister of Economy during the stay of the Chinese Vice-Minister of Trade, Yu Jianhu, in December 2017. Mey had stressed that relations with China remain confronted with d 'enormous difficulties. Despite this, China remains today Cameroon's first trading partner and the first investor in the country in carrying out development projects.

According to sources from the Cameroonian ministry in charge of foreign trade, in 2016, the volume of trade between the two countries reached a record figure of 1,510 billion CFA francs. The Middle Kingdom is present in several areas in the country, in particular, in road and port infrastructure, hydroelectricity, social housing, telecommunications and civil aeronautics.

3.2 Construction of valuable and durable Infrastructures

China's contribution through the one belt one belt one Road to Cameroon can be seen, touched, and felt. This sense of reality is very important to us." On the shore of the Kribi Deepwater Port, which was built by the Chinese company China Harbor Engineering Compagny (CHEC) is chosen to carry out the project works on the basis of an Engineering contract which started in 2011.

According to Louis-Paul MOTAZE (President of the Steering Committee), the deep water port of Kribi "is of major importance for Cameroon and Central Africa; it will indeed accelerate economic development through the creation of industries, urban development, development of transport infrastructure ports, roads, railways and energy, communication and telecommunications infrastructures and eventually easily link many countries worldwide for a fast and fluent exchange of Goods and services.

Cameroon will accelerate its industrialization by exploiting its many natural resources such as iron and bauxite, whose import and export operations require very large ships. On the sub-regional level, this port will facilitate integration by inter-state transport flow, through the Kribi-Bangui-Kisangani transport and development corridor adopted within the framework of the Consensual Transport Master Plan in Central Africa.

Again, The Chinese company China Shanxi Construction Engineering won a public contract in Cameroon. Worth

more than 5.5 Million USD, this new contract is part of the construction of the Cameroonian civil aviation headquarters building in Yaounde.

The 18-month contract consisted of building, as a first step, a Civil Aviation Training Center and its various support equipment. It was planned to erect a five-storey building on a surface of 3,400 m² (to house classrooms, library, projection room and canteen) and a three-storey building on a floor area of 1,000 m².

The latter must house the Air Search and Rescue Center.

Moreover, one of the most important transport infrastructures that Cameroon has entrusted to Chinese expertise is the Yaounde-Douala highway, which is approximately 215 km long. China First Highway Engineering Co, in charge of works on this project, will deliver the first phase of the highway by 2020 "if all the conditions were met". About 60 km long, this phase is estimated at 494 million USD. On the construction site of the Yadu highway connecting the capital Yaounde and the economic center Douala, the reporters were amazed by the quality of road construction. According to the Cameroon Tribune, the official daily newspaper of Cameroon, "The thickness of the pavement of Yadu Expressway is impressive, and the person in charge of the Chinese side actually said that another layer will be laid! It is completely real material."

4. Empirical Results

4.1 China-Cameroon Trade: An Unbalanced Trade Relationship in Favor of Beijing

According to DG. Tresor in his publication of 2018, with the advent of various contract signed by Yaounde and Beijing, China has been Cameroon's leading supplier since 2013. The amount of products imported by Cameroon from China amounted to more than 1 billion USD in 2016 (more than a fifth of the total), almost double the amount reached in 2010. Conversely, China does represent only the fifth client of Cameroon with a total of 150 M USD of products exported in 2016 (i.e. 7% of the country's exports). The trade structure is therefore very unbalanced, to the benefit of China. Chinese imports are mainly concentrated on raw materials: two-thirds of them concern wood, cotton and cocoa. In exchange, China mainly exports electronic devices (telephones, televisions, solar panels), ferrous materials (bars, rolled products) and mechanical devices (in particular hydraulic turbines).

Table 1: Main products exchanges between Cameroon and China in 2016

Main products exported to China	Value (in Millions USD)	Main products imported from China	Value (in Millions USD)
Wood, charcoal, wooden articles	106	Electrical appliances and materials	300
Cotton	38	Cast iron, iron and steel	121
Cocoa	3	Articles of cast iron, iron or steel	109
Copper	1	Machinery, mechanical apparatus and machines	63
Total of exports	151	Total of imports	1046

Source: International trade center

In addition to bilateral trade, China is asserting its presence in Cameroon through its many companies that carry out major infrastructure projects or are positioned in strategic sectors. This is the case of the oil company Addax Petroleum (subsidiary of the giant Sinopec), the second producer of crude oil in Cameroon with 30% of the market share, or of the manufacturer China Harbor Engineering Corporation (CHEC), builder of the port of Kribi and also contractor of the container terminal in the consortium made up of Bolloré Africa Logistics and CMA-CGM since 2015. According to the last census by the National Institute of Statistics published in 2018, 172 Chinese companies are installed in Cameroon, which makes China the most non-continental country in terms of number of establishments.

4.2 China, Cameroon's Largest Donor, Finances Large-Scale Projects in all Sectors

Cameroon benefited from debt cancellation as part of the Heavily Indebted Poor Countries initiative in 2006. Between 2007 and 2017, the amount of Chinese funding reached 3,282 billion FCFA (or 5 billion EUR) according to the Cameroonian Ministry Economy, Planning and Spatial Planning (MINEPAT), making China the country's largest financial backer. This amount is broken down into 459 billion FCFA in concessional loans, 1,092 billion FCFA in commercial loans, and 1,732 billion FCFA in "preferential" loans. The amount of contracts won by China has increased since 2010 thanks to the conclusion of major contracts for the construction of large infrastructures in the hydroelectricity, transport and telecommunications sectors. The financing scheme favored by China is the intervention of one of its export banks (Eximbank, ICBC, Bank of China) for the provision of almost all the funds necessary for the realization of projects.

Hydropower is a key sector for Chinese companies that have built several buildings. The Lom Pangar reservoir dam, the largest of its type in Cameroon, was built by the company China Water and Electricity (CWE) and commissioned in 2015. A foot plant is currently under construction on this site, the works are carried out by the Chinese Camc Engineering. The Mekin dam, awarded in 2010 to the company China National Electric Engineering Group and financed up to 85% by the Chinese bank Eximbank, was to be completed in 2017. However, the first tests revealed malfunctions and the commissioning have been delayed. The Memvé'élé dam, which was expected to be operational in 2018, became operational in 2019 due to delays in the installation of power lines. The infrastructure was carried out

by the Chinese Sinohydro with funding from Eximbank (50% of the total amount).

Chinese companies are also building transport infrastructure, including highways like the one connecting Yaounde and Nsimalen Airport, the construction of which started in 2013 or the one between Kribi and Lolabé (port location). The deep water port of Kribi has also been 85% funded by Eximbank.

In the telecommunications sector, the China Unicom, Huawei Marine and Camtel consortium completed the laying of the first submarine fiber optic cable connecting Brazil to Cameroon in September 2018.

In water sanitation, the PAEPYS project (Yaoundé city drinking water supply project), totaling CFAF 400 billion (or EUR 600 million) was funded by China to the tune of 85 %. Finally, Huawei technologies is currently installing photovoltaic solar systems in more than 350 localities in Cameroon. The first phase of the project was 85% funded by the Chinese group. The second phase of the project, whose loan agreement was signed in June 2017, reaches a total of 68 billion FCFA, fully funded by the Bank of China.

4.3 Cameroon's Level of Debt: Incompatible with to Launch New Projects

As a result, China is now by far the largest creditor in Cameroon. According to data communicated by the Autonomous Amortization Fund, in charge of debt management in Cameroon, the outstanding amount of Chinese debt amounted to 2.7 billion USD in August 2018 (i.e. more than 30 of the total outstanding external debt), up 17.2% compared to the end of 2016 and 10.0% compared to the end of 2017. Although Cameroon is showing better resistance than other CEMAC countries, it has accumulated large arrears on its domestic debt and debt service has reached a level that is difficult to sustain. The IMF has classified the country at high risk of debt distress.

President Biya's last visits to China (March 2018, September 2018) provided an opportunity to address debt renegotiation issues. Discussions have already started with Eximbank China for the cancellation of half of the debt owed to this bank and the rescheduling of the other half. The total amount of this debt would be around 695 Million USD. However, no official confirmation has been communicated

5. Conclusions

In a nutshell, Contrary to what a number of Western critics suggest, the relationship between China and Cameroon is far from being a dupe market to the detriment of the Africans. Cameroon gets the quality capital it needs to finance its investments, create jobs and boost growth.

Since the fall of the Berlin Wall and the collapse of the Communist bloc, Western headquarters have watched the accelerated conversion of the world's largest Communist state to a market economy, not without concern. Because China is no longer content to be "the factory of the world".

China does strategically provide scientific, financial, economic, technological and diplomatic resources. The influence of his power strategy is now visible in Africa perhaps more than elsewhere in the world.

Located at the bottom of the Gulf of Guinea, Cameroon interests the Middle Kingdom, both by its history, its political stability, the sociology of its population, its economic weight, its arable land, the riches of its subsoil, and its hospitality, only by its geostrategic situation and its diplomatic posture. All of these motives are more than enough to justify the fact that for thirty years, the Middle Kingdom has been using "Africa in miniature" as the test tube of its African conquests and passage for the one belt one road of president Xi Jinping project. With a few exceptions, China tends, in fact, to reproduce in the sub-Saharan whole what it has already tested in Cameroon. This reading grid gives hope that subsequent analyzes on the Yaoundé-Beijing axis will shed light on aspects that have remained in the shade within the framework of the present work and, thus, contribute to the construction of a more fruitful relationship between China and Cameroon.

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