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Institutions

Presidency of Cameroon



Silk Invest: " The investors start to realize that the African savings have changed "

Tuesday, 22 June 2010 10:00 | | |

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Silk Invest is one of the latest investment funds created in London, in March, 2009, which focuses particularly on Africa and on the Middle East. Les Afriques Magazine met with Baldwin Bergès, one of the managers of this investment fund. Interview...

With its dynamism on the Asian and African markets, Silk Invest wants to recreate this "silk route" which formerly connected the three continents. Within two years of activities, Silk Invest has turned out to be very undertaking, and sometimes audacious, but measuring its risks before moving its pawns to settle down on new markets ...

LA: In one of its last weekly reports, Silk Invest mentioned a high growth rate for Africa. Do you have any elements to confirm this statement?

Baldwin Bergès: The growth is effectively sustained and, in many countries, this growth has kept increasing, despite the world economic recession in 2009. There are several reasons for this: first, an increase of the foreign direct investment, which facilitated a long-lasting local economy. And these foreign direct investments come from various sources: India, China, Europe and countries of the Gulf, and even sometimes from other African countries. The most important is, that during these last years, this growth was spectacular and had a very positive effect on the economy. The increase of the population supports the growth of the industries producing mass consumer goods, such as foodstuffs, real estate, telecommunications, banking system, etc. The countries of North Africa produce more and more goods for the export towards Europe, which makes them more competitive.

Business in Cameroon

INVESTMENT CONDITIONS



Code des investissements (french)

Taxation: balancing revenue growth and procedural streamlining

The land process was reformed to facilitate the access to property

High-quality human resources

Code général des Impôts

La Lettre Economique du Cameroun (MINEPAT)

CEMAC: investing for growth

BUSINESS ENVIRONMENT



OHADA applied to the courts

Working environment: negotiation first and foremost

Telecoms : clarification of the Cameroonian market

BANKING AND FINANCE



Banking sector

Douala Stock Exchange scores points



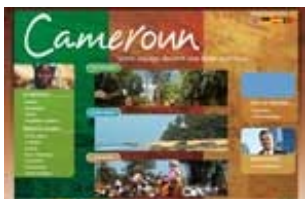
The Government portal



CEMAC and the regional integration



Tourism Info



LA: Are there really new investments in "Frontiers Markets" as in Africa? It seems that the economic crisis keeps going on?

BB: Many of these markets are still underestimated, and have not been discovered yet by the foreign investors...These Market Frontiers are seriously lagging behind emerging markets such as Brazil, Russia, India and China, even if they have basic similitudes. The only explanation we have, it is that investors still need to get familiar with these economic systems. They try to understand them more and more before investing. In our opinion, sooner or later they will be interested in these markets.

LA:what is the importance of Angola in your various investment portfolios in Africa? Is there really good perspectives of growth in Angola?

BB: At the moment, we have no investment in the share funds Angola because the country still has no foreign exchange market. But we know that the perspectives of economic growth in Angola are good.



The new COSUMAF Regulation is favorable to foreign investors

Cameroon: four new African Banks

AGRICULTURE AND AGRIBUSINESS



An agricultural country above all
Coffee: "Cameroon plans to triple production"

MINES AND HYDROCARBONS



Mineral resources with high potential
Code minier (french)
Important reserves of oil and gas
Code petrolier (french)
Code gazier (french)

Cameroon: Mysterious diamond deposit

REAL ESTATE AND CONSTRUCTIONS



Real estate: some good opportunities in spite of a too heavy tax system
The Cost of Construction

ECCAS: 8000 billion FCFAfor roads

TOURISM



Investments in accommodations
Tourism: the new start

BUSINESS SERVICES



Business Services sufficiently

Cameroon Embassy The Netherlands



OHADA



MINEPAT



Statistics



LA: why has Senegal got a " B +"? What does it mean in economic terms for a country?

BB: the S*P (Editor's note: Standard and Poor, international institution of notation of countries) gave to Senegal this notation of B + after a positive report of the IMF. last year, while the country had previously negative notations. To sum up, regarding the economic perspectives of Senegal, we expect a light bounce of the growth of the GD in 2010, after a deceleration in 2008. The tourism, which suffered from a weak European demand, should lead this bounce. Some projects of key infrastructures are going to be essential to help Senegal reaching a satisfactory long-term growth rate, at the very moment when the president, now old, becomes a risk, with a perceptible rivalry for his succession during the next presidential elections planned in 2012.

LA: Do you invest in North Africa? In Morocco or in Egypt, maybe?

BB: yes, in particular in Egypt, in Morocco and in Tunisia.

LA: what are the challenges to invest in Africa?

BB: For the investors, the biggest challenge, it is to have a local perspective on every market and to understand what happens exactly, and that is why, at Silk Invest we facilitate this local expertise. Our portfolios are managed by region specialists who understand the realities. The lack of liquid assets in the small markets can also be another challenge, but it can be minimized by diversifying the portfolio through several African markets.

LA: For you, does the CFA zone in Africa represent an interesting zone to invest?

BB: the CFA zone , with the BRVM, the regional stock exchange, is not really, for us, at the moment, a zone of big interest, because of its low liquidity. There are some interesting companies. But we follow the evolution of this market closely, and probably, one day we will intervene on this market, but not really in the short term, rather in the middle term.

LA: Two or three years ago, there was a lot of enthusiasm for the investment in Africa, but because of the world recession it almost disappeared. Is Africa really a fashionable continent within the community of the investors?

BB: As we just mentioned it, these markets are new for foreign investors. They have to learn to know better the African market. Until recently, they did not really have time, nor financial means, to estimate these opportunities, because they were not only trying to understand the crisis which took place at home, but also because they tried to invest in more developed emerging markets such as : Brazil, Russia, India and China, and even in Latin America, because the growth remained in these countries, contrary to the world developed countries suffering from recession. We believe that the investors start to realize that the African savings have changed and are growing at a sustained pace. We also believe that more and more investors will settle down on this market. More and more persons call us on the opportunities of investment in this African space.

Interview by Charles Bambara



diversified

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