

HEAD OF STATE'S NEW YEAR 2011 MESSAGE TO THE NATION

Yaounde, 31 December 2010

Fellow Cameroonians,

My Dear Compatriots,

In many ways, the year 2010 which is drawing to an end was a year like no other for Cameroon. First, it was marked by a memorable event: the celebration of the fiftieth anniversary of our country's accession to independence. It also saw the beginning of implementation of our ten-year growth and employment strategy, the first phase of our journey towards emergence. Lastly, it showed that our country can play a significant role on the international scene.

Let us, if you wish, look at things more closely.

The golden jubilee celebration afforded us the opportunity to assess the ground covered since 1960. Above all, it made us more aware that we had undoubtedly become one Nation and that over the years, we have successfully established institutions that have the key characteristics of a democratic State: representative institutions, civic rights and freedoms, access to education and health care, among others.

Such hindsight also enabled us to take stock of our shortcomings and what remains to be done in order to become a modern Nation. For many of us, especially the young ones, I believe this exercise was beneficial, since it can only make us determined to meet the new challenges facing us. In this regard, the reflection initiated on the fiftieth anniversary at the Yaoundé International Conference will go down in our annals. AFRICA 21, which was a resounding success, was indeed an opportunity for eminent personalities to ponder Africa's post-independence era, but also and above all, to consider ways and means of making our continent take its rightful place in world affairs.

2010 was also the first year of the implementation of our growth and employment strategy. The launching of the strategy took place in a context still characterized by the delayed effects of the global economic crisis. Hence, on the whole, the primary sector of our economy which is essentially agriculture was somewhat sluggish. The secondary sector, notably industry was on the uptrend but clearly suffered from energy shortage. The tertiary sector, in other words services, especially trade, telecommunications and transport was the most dynamic.

This relative slowdown in domestic economic activity like in the global economy, except in emerging countries, was not without consequences on the balance of our public finances which recorded a drop in revenue due to the decline in proceeds from taxes and customs duties, while at the same time public spending was increasing. Under such circumstances, we could not but make spending cuts which applied essentially to recurrent expenditure. Investment credits were not to be affected. It was not merely adapting our fiscal system to the situation but also maintaining our credibility with our partners. I take this opportunity to recall once again that in the present circumstances under-consumption of credits is incomprehensible.

As you know, our strategy involves the implementation of major agricultural, mining, industrial, energy and infrastructure projects. Even though consultations with the investors concerned continued, we must acknowledge that the crisis and – one must say - a certain passiveness of some officials have had a delaying effect on their start-up. Nevertheless, several projects are on track, such as the Memve'ele and Lom Pangar hydroelectric dams as well as the Kribi gas liquefaction plant. For the others, negotiations are under way with interested groups and we hope they will soon be concluded.

Faced with this situation and to save time, the decision was taken to issue a major bond loan of 200 billion CFA francs to primarily finance structuring projects. The State thus intends to set the example, as shown by the recent establishment of HYDROMEKIN, a state-owned company which will be responsible for the construction of a dam and a power plant on the River Dja with the cooperation of the People's Republic of China. Other projects, such as the Kribi port, road infrastructure and agricultural projects could benefit from such funding whereby we can mobilize domestic savings and take advantage of current overliquidity of banks.

The crisis also impacted on our external trade balance. In fact, while our exports stagnated, our imports continued to increase rapidly. Excluding oil, our trade balance would show a significant deficit. We know why. The well-known statement that "Cameroon produces what it does not consume and consumes what it does not produce" shows clearly that our economy is still outward-looking. I have often spoken on this issue, advocating increased agricultural production so that we avoid importing large quantities of food that we ourselves could produce.

We can therefore only make a qualified assessment of the evolution of our economy, which is still affected by the crisis, over the past twelve months. The fundamentals remain good and most of the measures we have taken to get over this bad spell have been approved by international financial institutions. In addition, medium-term forecasts are more favourable with the recovery of prices of our major export products and a projected improvement in the growth rate in CEMAC zone.

Our diplomatic action was for its part, rather positive. I can safely affirm that Cameroon's voice is henceforth better heard and understood. Indeed, I have on several occasions and in different forums had the opportunity to comment on issues concerning developing countries and especially African countries. In general, I championed the cause of better consideration of their interests at the global level and greater solidarity with them. I will be coming back in greater detail to what we might call the "rebirth" of our diplomacy. Right now however, I wish to pay tribute to the work accomplished by our representations abroad and our Diaspora who portray our country as serious and dynamic.

After this overview, let us together see what we can expect in the New Year.

It will not be an ordinary year either.

Indeed, we will in 2011 be celebrating the 50th anniversary of our reunification. Having been separated for long as a result of colonization, the two parts of our country, which had been under French and British trusteeship, reunited on 1 October 1961. Cameroon then decided to fully assume its past, its unity in diversity, its independence and its political identity. It was a great adventure. Nobody believed in it, we alone believed in it. We succeeded. Today, we are a Nation, a great Nation, a Nation united, proud of its cultural and linguistic diversity which is its wealth, a Nation that looks to the future with confidence. Beyond being a powerful symbol, reunification should be viewed as an extraordinary stage in our country's march towards integration, through which our diversity will become our strength that will enable us to achieve our common goals.

The New Year will also be that of elections, particularly the presidential election, a crucial moment in our democracy. For it to have its full meaning, it is important that voter turnout be as high as possible. That is why I am urging you to get registered on the electoral roll. The right to vote, you must remember, is one of the fundamental rights of a citizen who has a duty to exercise it.

For this election to be indisputable, I am counting very much on ELECAM which will benefit from the necessary support of the administration and political parties during electoral operations. I have every reason to believe that ELECAM will be able to put finishing touches to its mechanism on the ground in the coming months. We will of course have an opportunity to revisit all these issues.

What are our economic prospects in the months ahead? Even though they are inevitably influenced by the global context, they should confirm the encouraging signs I have just mentioned. With increased production and

domestic consumption, we can hope for a return to the pre-crisis level of growth. Of course, this is not enough and we will surely not be contented with it.

Indeed, it is good to consume, but it is better to produce. We are therefore going to revive our agricultural production, which is within our reach, first, by stimulating our food crops that are constrained by communication problems. Next, by encouraging our cash crop production which for twenty years now, has been on the decline, whereas prices are recovering. Lastly, by revitalizing our export-oriented industrial agriculture which has untapped potentialities. Moreover, this sector has the dual advantage of generating employment and wealth.

We will also strive to develop our processing industries which generate value-added in the sectors of timber, certain agricultural products, light metallurgy, and when our mining projects take off, primary processing.

I know these projects are facing credit and energy supply hurdles. Regarding the first problem, I believe that donor and banking sector requirements are becoming more favourable and financing more accessible. Concerning energy, I am determined to revive many files that have been in abeyance for too long. I would also like to be sure that our major projects are being systematically monitored.

On the other hand, it is obvious that whatever the circumstances, the Government will pursue its social action.

The State's efforts in the education sector at all levels are already quite significant. The steadily growing number of pupils and students warrants this. The number of school and university infrastructure is also on the increase. We will continue to the very end.

The same applies to the health sector. New care centres are being opened each year. Hospitals are under construction or planned. Doctors and health workers are being trained and recruited. The technical capacity of hospitals is improving. Immunization programs are being implemented. The fight against major pandemics is not slowing down. In this regard, I am pleased to announce that I have decided to cancel charges for treatment of uncomplicated malaria in children under five years of age, which is one of the main causes of mortality in this segment of our population. We will continue on this path.

Is this enough? Surely not, but, State resources are not inexhaustible. If recovery is strong, we will then have more resources to allocate to the social sectors.

The living conditions of our people remain our main concern. I believe that access to water should improve with the commissioning of infrastructure under construction, especially in urban centres. Regarding electricity shortage which affects not only companies but also each of you, I have expressed my determination to get things done. The lack of low cost housing is also one of the scourges of our society. I intend to reopen this issue that has led to unacceptable abuses. We will have to make up for lost time.

Lastly, there is unemployment, which, with the slowdown in economic activity has tended to worsen. It is clear - I repeat – that until our economy returns to its normal level, we will find it hard to curb unemployment. The problem is the same worldwide. With the means available, we have however created jobs in the civil service, mainly in education, health and the security forces. Obviously, these measures will not solve the overall problem of employment whose solution lies in reviving growth, which remains our main concern.

In the coming months, the Government will also focus its attention on many other issues:

- Persistent insecurity, despite law enforcement officers' efforts. As much as possible, more human and material resources will be made available to them.
- Speculation on food products which affects the most vulnerable social segments and which for this reason is wrong. Controls should be strengthened.
- Corruption, yet again, which is constantly reinventing itself and which apparently, has extended to public contracts. We will stop at nothing to track it down.
- Unsafe roads which every year claim many lives. If our appeal to reason goes unheeded, we will definitely resort to stricter sanctions.
- Lastly, the state of road networks in our towns, including the biggest ones. Wherever such networks are most severely degraded, they will be rehabilitated.

These problems which are affecting your day-to-day lives should be monitored strictly and solutions constantly sought.

My dear compatriots,

On 17 May last, just before our National Day and the 50th anniversary of our Independence, I said “we were going to enter a new era”. I was trying to

say that having laid the foundations of our State, it was high time we gave it the economic and social content expected by the people. Indeed, the various crises that we have experienced, like most developing countries, have somewhat delayed this development.

Now that the skies of the global economy seem to be clearing, I would like to affirm my determination to resume our onward march. Of course, to do so, I will need your support which has never failed me. We could therefore embark on the path to emergence, with our undeniable assets.

Fellow Cameroonians,

My dear compatriots,

It is now time for me to extend to you all, my most sincere wishes for health and happiness in the New Year.

Happy New Year 2011!

Long live Cameroon!