

PRESS RELEASE

2021: Already more than 213 billion FCFA of additional costs for Companies

The consultation meeting organized at GICAM on December 9, 2021 between companies exposed to the general rise in world prices of raw materials and the explosion in sea freight shows the following:

- Following the GICAM press release of November 9, 2021, the Government's Decision on neutralizing part of the freight increase in the calculation of customs duties, although appreciable, only has a very limited impact. In the case of clinker, for example, it represents only 10% of the additional costs, which amount to 1,500 CFA francs per bag of cement, including tax. For raw materials already exempt from customs duties, the impact of the measure on the production costs of by-products is 0%.
- The discussions between GICAM and the government have led to the organization of specific consultations with stakeholders in certain sectors (brewing industry, palm oil industry, milling industry, metallurgical industry, etc.). However, these consultations have not yet resulted in clear and precise perspectives on the support measures and assistance requested by companies.
- The inflationary drift observed in commodity prices and sea freight is increasing. As a result, the situation of companies continues to deteriorate; their cash flow is particularly affected, resulting in the risk of supply disruptions and business stoppages.
- In addition to the additional costs borne by companies, they are facing additional difficulties such as the generalization of the Pre-Shipment Conformity Assessment program, PECAE, to all products. Many suppliers are experiencing difficulties in meeting the new inspection procedures and this is already resulting in order cancellations.

The evaluation made for a group of twenty (20) inputs from six (06) industrial sectors (Brewing industries, Cement factories, Fertilizers and phyto products, Packaging, Milling industries, Metallurgical industries), shows that the additional costs borne by companies already amount to more than 213 billion CFA francs compared to the year 2020.

In the absence of support measures commensurate with the stakes, some companies have been forced to make "survival" adjustments to their selling prices in order to maintain jobs and ensure regular supply to the market, while others are inexorably heading towards a production stoppage.

In the end, the situation remains so difficult and worrisome that GICAM and companies renew their call for a sacred union by sharing efforts between the Government, companies and the population.


Célestin TAWAMBA
President



Done in Douala, on December 09, 2021

Le Patronat Camerounais