

# *Emmanuel de Tailly*

**« OUR PRIMARY COMMITMENT IS TO MAINTAIN JOBS AT ALL COST, AND TO PRESERVE OUR BUSINESS MODEL... »**

**Appointed Managing Director of Société anonyme des brasseries du Cameroun (SABC) from a Board of Directors' meeting in Paris on december 7, 2016, Emmanuel de Tailly has been presiding over the destiny of one of the biggest agro-industrial units in Cameroon's history for nearly 4 years. With her 6 500 direct jobs distributed in 9 factories, 42 distribution centres, in which over 1000 vehicles take turns transporting 3 million bottles per day, SABC lays claim to 100 000 indirect jobs and a turn over of 650 Billion CFAF. 6 000 local cultivators annually supply 30 000 tons of sugar and 10 000 tons of maize to this agro-alimentary Group, that also produces mineral water and packages. It is with the principal manager of this colossus whose value chain irradiates so many domains of the Cameroonian economy, that we are trying to decipher the impact of covid-19 on enterprises.**

Interview conducted by Brice R. Mbodiam and Idriss Linge

**Owing to the fact that the brewery sector is an activity of contact from production, distribution as well as consumption : what are the internal and external measures taken by SABC in this context characterised by the coronavirus ?**

You should first of all understand that at the internal level we have double certification : ISO 9001 and FSSC 22000. These drastic hygiene, quality and food safety norms imposed by the Castel Group as well as Coca Cola and Heineken that we

represent, are the first formidable protective barrier that is audited 3 to 4 times yearly. Concerning the specific management of crises, they are identified beforehand in an itemised cartography with some measures referred to as compensatory

that are automatically applied once a certain level of alert is released. During major crises, these measures are contained in an activity continuity plan (ACP), ACP that we have elaborated since march 1 2020 for COVID 19 with a health section that comprises 3 levels of alert (measures of reinforced vigilance, measures of confinement on the spot, measures of evacuation and stoppage of activity) managed by a crises committee (COSECUR) extended to the regions with high decision making power, and give account to the SABC Group Management (CODIR/COMEX).

At the moment of this interview, we are at level 1. It principally consists of securing our establishments (restrictions entry/exit, temperature control, footbath...), staff management (sending non indispensable staff on leave, confinement of vulnerable staff, online work for others...), individual equipment of workers present on sites (mandatory wearing of masks, overall, spectacles, and gloves for certain workers...), the integrity of our staff (washing of hands, sensitisation of staff on preventive measures, medical follow-up...) and our products (increased control, identification of additional risks...). Concerning external measures, we have supported our ecosystem of transporters, distributors and point of sales in sensitisation about preventive measures and the integrity of workers.

We have equally mobilised within the Cameroon Alcohol Producers Association (CAPA) to jointly agree on collective measures concerning the management of pubs in order to reduce points of contact by not only giving priority to purchase- carry operation, but also putting in place mechanism for sensitisation and support about preventive measures.

Permit me emphasise here that CAPA's total ecosystem comprises 14 factories, 60 distribution centres, 130 000 points of sale, 400 distributors that directly and indirectly employ 2 million persons and greatly contributes to the budgetary receipts of the state, with a fiscal incidence of about 55%, on an activity that generates upstream / downstream a turnover estimated at over 2 000 billion CFAF all taxes included- about 8% of the GDP of Cameroon. It is equally 70 000 tons of Camerounian raw materials. Ignoring this reality will be endangering a very important part of the Cameroonian economy.

**Many enterprises have chosen to make donations in hundreds of millions, but in the SABC Group you have chosen another strategy to foster solidarity, like the act of maintaining personnel despite the NOSO crisis in the anglophone regions, and establishments operating below their production capacity : are these efforts understood by all both internally and externally ?**

Our primary engagement is to maintain jobs at all cost, to preserve our business model of 9 factories, 42 distribution centres and 6 000 collaborators. This patrimony that dates back to 1948, crisis after crisis has been strongly moving on and constantly improving, re-inventing itself within the dynamics of continuous development. The DNA of our Group consists of transforming threats into an opportunity and considering that anything that is difficult is interesting. In this DNA is equally inscribed our social responsibility (CSR) on our 5 axes of education, health, arts and culture, the protection of the environment

and the promotion of sports. That's why we have oriented all our CSR actions in the domains of health and social actions in favour of communities, with a first budget of 300 million CFAF for the provision of equipments for 33 hospitals, 28 prisons and 100 public markets, 22 orphanages and 40 schools not forgetting our points of sales.

Our ambition as agro-industrial leader is to be in conformity with our vision, our mission and our values which are summarised in our latest corporate campagne catchphrase « the SABC Group is YOU ». Thus, we are giving back a greater part of the confidence of our consumers on our products in these CSR community actions and it is just normal. Internally, we are very proud to assume this role since the beginning and may be we will ask the question to our consumers at the end of this crisis, if we had met their aspirations thus respecting our societal engagements. The first testimonies go towards this direction and are encouraging us to do more for the benefit of our communities ; while all our collaborators are mobilised in very difficult conditions. They are somehow heroes on daily basis...

**In Cameroon where you dominate the beverage market notably the alcoholic beverages, many have not failed to think of significant pressure on your part concerning the re-opening of bars after 6 pm. That said, what has been the impact of the temporary confinement measures (6pm to 8am) on your activity ? Has the softening of the measures assured a return to Business as Usual ?**

We are not absolutely and definitely at the origin of the softening mea-



*“25 billion CFA to reimburse VAT credits is already a start but not enough compared to internal debts estimated at 1900 billion CFA”*

asures taken by the Prime Minister who had wished to respond – as he stated- to economic and social preoccupations while insisting on the respect of preventive measures. These measures have had beneficial effect to our activity that has moved from -20 in april to -10 in May 2020. We are thus in decline like a great majority of activities in the country but at a level that permits us limit

our losses such as maintaining our factories and jobs and the functioning of our ecosystem that largely depends on us. All the difficulty in this arbitration lies in rationally finding the best option between a health crisis and a possible economic and social crisis. This oblige us to more responsibility in implementing these decisions that manifest great lucidity and real political courage.

**What are the principal impacts of coronavirus on your activities, and in your different scenarii, had you been expecting a shock of this nature ?**

From one crisis to another, we are becoming a more agile and performant enterprise, and that which doesn't destroy renders you stronger. The shocks are enormous but worth hailing since they permit us to

permanently adapt, and as Darwin said « it is not the strongest and most intelligent that survive, but those whose adaptation capacity is strongest ». Together with my team, we have taken the engagement to come out of this crisis with more solidarity, stronger, agile et innovative.

**You have started 2020 with fiscal challenges that have forced you immobilise an important portion of finances, which has added to your normal financial needs : how and under what conditions are you financing your activities at this moment ?**

It is effectively difficult. Though, we are lucky to belong to a great Group which is indeed feeling the impact, but whose financial backing still permits and can continue for some time again to cushion the shock. Our obligation is to continue to pay the State, our suppliers and only temporarily suspend those obligations directly concerned with decisions on stoppage of some activities of our non essential services at the moment (publicity, service provision, subcontracting not linked to our principal business).

**Within the framework of her first phase of budgetary response, the government has decided to accord a temporal tax moratorium for enterprises. For you involved in major production enterprises as well as SME and VSME, thanks to your range of suppliers and distributors, do you think this seems to be a measure that will help ?**

It is an important measure. The essential measure that is being awaited is that contained in a plea of the Cameroon employers' Union (GICAM), which consists of support-

ing the funds of companies through loans guaranteed by the State at improved rates. Reimbursement of internal debts also seems to me a measure that can reconcile the two opinions, but at a larger scale. 25 billion reimbursement of VAT is already a start but not enough compared to internal debts estimated at 1900 billion CFAF. Its securisation also seems to us a good way to study in medium term ; since it will permit the re-financing of enterprises by giving them financial « oxygen ». Finally economic patriotism and functioning of the circular economy is an important aspect, where the State can guarantee priority areas while avoiding massive importation of products.

**As a transversal Group, if you were to give a contribution concerning the management of the economic consequences of covid-19, what would you propose to the Authorities, in other words what are you much afraid about the effects of this pandemic ?**

It is time to institute strong englobing, sincere public- private dialogue so that together we can objectively analyse the consequences of the crisis. In face of a declining regional oil economy, we have to render the economy of Cameroon more resilient by founding its base in agro-industry, competitive products on export, basic infrastructure (health, education, roads, energy, communication) and a tax policy that stimulates job creation, attracts integrated development environment (IDE) and creates value essentially from Cameroonian raw materials and services ; with a revision of taxation on non deductible health expenditures considered as advantages in nature ; which constitutes an aberration. Time for taxa-

tion on turn over for me is past and have to give way to inciting, stable taxation that favours the creation of value and perpetual resources. From then, transparent publication of the contribution of each actor per domain will be the beginning of a principle of reciprocity with the tax administration, while total transparency is required on our management. Finally we need a strong secondary sector, based on dynamic agriculture that produces what we consume and consumes what we produce. We need a Cameroonian economy that focuses not only on the world but also on the sub region by offering electricity, roads, railways and services, to facilitate sub regional exchanges. Cameroon has to definitely be that sub regional ambitious and innovative locomotive as the head of state recently reminded us.

**What impacts have the measures to limit the spread of the coronavirus in Cameroon and neighbouring countries had on fraudulent importation of can drinks on the cameroonian market ?**

Since 2005, the fiscal laws have obliged us to increase our prices by 30%, we have been witnessing a steady increase in the fraudulent importation of drinks in cans from neighbouring countries. The decision to close the borders and the down trend of the economy during this pandemic has also had a toll on this fraudulent activity. We are however expecting an acceleration once the borders will be re-opened and importation recommence. We are pleading within CAPA for the competitiveness of our sector, with a taxation based on valorisation of local raw materials, the creation of added value, re-investments (vs dividends) and societal responsibility. That will permit us reduce our selling



« We are definitely and surely not the source of the easing measures issued by the Prime Minister ».

prices and reconquer – budgetary contribution and additional employment to follow- our market shares in the informal sector so as to be prepared for the future Zleca (African continental free trade zone) that will be operational in June of this year. If not, we will be exposing our activity to a progressive but slow death due to absence of re-investments and sufficient competitiveness to maintain agro-industrial and socio- generous business models. Finally, our ambition, is to be considered as national champions on whom –and it is the case at this moment- the state can count on to contribute on her budget and develop her agro-industry which is one of the backbones of the economy of Cameroon with phenomenal roll out.

**Anonymous messages shared on social media foretelling the spread of the coronavirus in Cameroon via products of the Castel Group that notably controls SABC. How do you react to this type of fantasy that can however tarnish the image and even the activity of your Group ?**

It is pure fantasy and untrue declarations that usually receive penal complaints on our part and that we are following up to obtain definite convictions. It is finally the expression of a deep malaise in Cameroon where the number of « fake news » is fearsomely very high without receiving heavy convictions. Expressed on substance rather than on form would in this context be a collective obligation, and on this I hail media

organs like yours ; because they make meaningful contribution to factual and objective information. Finally I will add that consumer associations regularly visit our installations that are often open to the public in-order for everyone to ascertain the level of exigency of our production based on international standards. It is often after such visits that we make real ambassadors of our Group. On this subject, I am inviting ANOR (the Agency for norms and Quality) to once more legislate on norms applicable to our products in order to regulate our market by qualitative barriers. On this title, the clarification of terms like « eau de source » (spring water), mineral water, re-mineralised water and others will be welcome...



« I think the time has passed for turnover tax. This tax must be replaced by an incentive and stable tax that favors the creation of value and long-term wealth »

**Employers associations are snubbing the first governmental measures aiming at supporting enterprises against the negative repercussions of the coronavirus on their activities. As agro-industrial giant in Cameroon, what appreciation do you make of these measures taken by the state ?**

I am oppurtune to be the 2nd vice President of Gicam who sits besides president Tawamba, who is a great entrepreneur and a formidable president of our Union. We are not snubbing in any way. But we have a great ambition for our economy and her private sector, why we are mul-

tipling pleas about this englobing, strong and sincere public-private dialogue. Examples of this type of partnership in ivory Coast, Senegal, Rwanda, Ghana show wishfully that « alone one may be going faster, but together one definitely goes further ». This crisis should offer the opportunity for courageous decisions to be taken concerning taxation, internal debts, the business environment, in order to make our country, my country by adoption, a major regional economic power for our general wellbeing ; but equally for Africa that is in great need of her locomotives for her inclusive development.

In 2050, a quarter of the world's population will be African, owing to her youthful and fertile population, her incredible biodiversity and formidable opening to the world. This pandemic has highlighted the courage, vitality and ingenuity of millions of African women and men, who did not yield to panic but bravely faced the virus everyday in extreme conditions. This is the moment to capitalise on that courage, that resilience to make in our own time a resilient economy for our fellow citizens and compatriots. Africa is finally as the future of a formidable human, courageous world bearer of hope...