

Head of State's New Year message to the Nation

Yaounde, 31 December 2014

**Fellow Cameroonians,
My dear compatriots,**

It was our hope, following a period of intensive political activity, that as 2014 was not an election year, we would be free to devote ourselves primarily to reviving our economic growth which, as you are aware, is a prerequisite for improving the living conditions of our populations.

Such was not exactly the case owing to the escalation of attacks against our national territory by the Boko Haram sect. Besides this, there were the criminal activities of armed gangs on our border with the Central African Republic.

Initially, the Boko Haram terrorist organization carried out raids to seize isolated hostages or loot public or private property.

Buoyed by their grip on north-eastern Nigeria, the so-called "jihadists" launched major attacks on the Far-North Region of our country, for instance, the attack on the workers' camp of a Chinese company at Waza and the raid on Kolofata, resulting in several deaths and the abduction of many hostages.

This could not be tolerated. We therefore set up a response and prevention mechanism which quickly proved its worth. Since then, Boko Haram has suffered heavy human and material losses in each of its attacks. It is hoped that they would learn their lesson.

At this juncture, I would like to pay glowing tribute to our defence forces whose valour has been demonstrated in recent fighting.

I have had occasion to say that the Nation as a whole ought to mobilize and rally behind its defence forces.

Such seems to be the case by all accounts from our regions. I have most particularly appreciated the stance of our Muslim compatriots. They, like all the other Cameroonians, have clearly understood that this war is by no means based on religion. They have clearly understood that it is a response to external aggression by a terrorist organization that does not subscribe to the values of a fraternal society.

My dear compatriots,

The growing threats on our borders have prompted us to take measures to safeguard against their effects on our internal security. Such is the purport of the law on the suppression of terrorism which Parliament recently passed by a large majority. It is far

from serving as a pretext for restricting civil liberties, as claimed by some ill-intentioned people. Besides, the instrument is very clear on this point.

Furthermore, faced with an upsurge in terrorist activities, most leading democratic countries have in recent years passed new laws to prevent terrorism. By so doing, they have complied with the recommendations of international organizations, particularly the United Nations and the African Union. Such is what we deemed appropriate to do. Therefore, our objective is to safeguard against any terrorist-related risk as far as possible. Every State not only has the right, but also the duty to protect its citizens. I am convinced that the vast majority of our compatriots do understand.

I would also like to recall here that Cameroon is not the only country facing this threat which knows no boundaries. Some of our neighbouring countries, namely Benin, Chad, Niger and Nigeria, are collaborating with us to form a united front against Boko Haram.

The United Nations Organization and several big powers, particularly the United States of America, Germany, France, Russia and China, also back us. I will be revisiting this issue before long.

It goes without saying that mobilizing the required resources for our defence means additional spending. As you are aware, the situation in the Central African Republic also warrants our vigilance on our eastern border. We are forced to host tens of thousands of refugees from this brotherly country. I take this opportunity to commend the valuable assistance we are receiving from humanitarian organizations. It is clear that our duty-bound solidarity has an impact on the budget. But, we must also understand that security has a price.

My dear compatriots,

As I said at the onset, we were obliged to prioritize the defence of the national territory, for, there can be no peace without security and no development without peace. Nonetheless, we have not relented in our efforts to revive growth. Now that our democratic institutions are fully functional, growth is the focus of our policy. As I stated earlier on, our growth is a prerequisite for a strong economy and, hence, our capacity to roll back poverty and progress towards emergence.

A quick evaluation of our economic programme shows that our first-generation major projects are either completed, nearing completion, or on track. Such is the case, in particular, for the Kribi Gas-fired Plant and Port, dams and hydroelectric power plants, as well as some road and various infrastructure projects.

Thanks to these projects, there is renewed activity in various sectors of our economy. The impact on employment and the improvement of living conditions is also

visible. The year 2015 should therefore be characterized by the launching of second-generation projects in the energy, water, road and highway and transport sectors.

My dear compatriots,

Most of the major undertakings announced in my address on 31 December 2013 have been fulfilled.

We celebrated the FIFTIETH ANNIVERSARY OF CAMEROON'S REUNIFICATION last February in Buea with all the necessary pomp and solemnity. The town of Buea, which has been provided with various infrastructure, has been completely transformed. The impact of this celebration was also felt in neighbouring towns. This key moment of national unity is a milestone in our history.

I also promised substantial improvements in the health domain. These are now realities. Malaria treatment for children aged below five is now free. Our health map now comprises three new referral hospitals: the Yaounde National Emergency Centre, the Douala Gynaecology, Obstetrics and Paediatric Hospital and the Sangmelima Referral Hospital.

The employment spin-offs of our growth policy which I referred to a while ago have been confirmed. In 2014, 283 443 new jobs were created against 250 000 projected, as you would recall.

You would also recall that I underscored the need for Cameroon to have a viable emergency plan for the coming years. This announcement as well has been translated into reality. The said plan was adopted and launched during the Council of Ministers meeting held on 9 December. I will come back to this later.

My dear compatriots,

Should we be content with these results which can objectively be considered positive? Substantial progress has been achieved as confirmed by the recent triennial appraisal report on the implementation of the Growth and Employment Strategy Paper. That being the case, I will simply say that we can and should do even better. I am convinced, as I pointed out last year under the same circumstances, that we must increase our growth rate at all costs. Are we sure we have done all we can?

Take the case of investment for instance, which has so far been largely initiated by the State and reserved especially for anchor and social projects. Public Investment Budget allocations have increased considerably in recent years. In 2014, they represented about one-third of the overall budget, or approximately CFAF 1 000 (one thousand) billion. This is commendable. However, in terms of execution, there are hurdles and project implementation is often slowed down. I decried such under-utilization of budgetary appropriations. As you know, our needs are obvious and urgent. I am pleased to note that this year, there has been a marked improvement in contract execution rates which should increasingly match commitment rates.

Although in 2013 the public authorities, through Parliament, adopted major incentives for private investment, the latter still seems unable to take over from the State. However, there seems to be progress in this direction among local and foreign entrepreneurs thanks largely to awareness-raising campaigns by investment promotion bodies. This is proven by the recent signing of 13 agreements in the Ministry of Industry, worth CFAF 180 billion.

I want to believe this is just the beginning. We do need an ambitious industrial policy. There can be no great country without industry. Even agriculture, which I love to say is the principal source of our wealth, is also expected to go “industrial”. It is understandable that the implementation of our major iron and bauxite mining projects, whose ultimate goal also is industrialization, is dragging as such projects are complex. Conversely, there is no plausible reason for our slowness in developing industries to process our agricultural commodities.

Besides the benefits we could derive in terms of value added and employment, local processing will contribute towards rebalancing our foreign trade which is showing a structural deficit.

In fact, our trade balance is characterized by a significant import surplus against exports which largely depend on the sale of three or four commodities whose prices are unstable. Our imports, for their part, mostly concern manufactured products, notably capital goods for our major projects. Obviously, it is difficult for us to restrict our purchase of capital goods. That, we understand. On the other hand, we should be able to limit the importation of the commodities we are able to produce.

These remarks which I am compelled to make once more reflect the difficulty we are facing moving from a State-dominated economy to a more liberal system which is now the rule. The situation is such that sometimes we suffer the disadvantages of both systems. This, to me, explains the resistance to structural reforms which is stifling our growth revival efforts.

Some of these reforms concern our governance, particularly public finance. Significant progress has been made in this area and needs to be consolidated by ensuring budget sustainability, reducing subsidies as much as possible and reviewing the tax base. On the whole, our administration would stand to benefit by streamlining its procedures and, as I said recently and instructed, cutting down on its spending.

My dear compatriots,

To jumpstart our growth, I have instructed the Government to implement a three-year “emergency plan”. Its objective is to achieve visible progress and measurable improvements in vital areas such as urban development, health, agriculture, roads, energy, low-cost housing and security. I expect the said plan to meet the most urgent needs of our populations nationwide.

This initiative is different from our Growth and Employment Strategy which will continue to be implemented by the Government. About CFAF 1 000 (one thousand) billion will be allocated to the plan. The implementation of this plan will determine whether we are capable of meeting the challenge whose outline and timeframe we have ourselves defined. Of course, it is crucial for our country to meet this challenge. We have the wherewithal.

My dear compatriots,

In a few hours, you will be happily celebrating New Year's Day. However, before that, let us spare a thought for our soldiers who have fallen defending our Fatherland. Let us spare a thought for those securing our borders, their grieving or anxious families and our compatriots who are suffering physical and psychological pain.

I would now like to extend to you all my best wishes for good health and happiness in the New Year.

Happy and prosperous New Year 2015!