

# **Cameroon Small Business Intelligence Report**

**(CAMSBIR)**

April to June 2019

**Economic Emergence Institute**

**Friends of Emergence Initiatives**

*Douala, Cameroon*

*2019*

 Friends of Emergence Initiatives

**Economic Emergence Institute**

# **Cameroon Small Business Intelligence Report (CAMSBIR) - April to June 2019**

July 2019

**ei** Friends of Emergence Initiatives

**Economic Emergence Institute**

## **About the Small Business Intelligence Report**

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## Acronyms and Abbreviations

BC- PME	Banque Camerounaise des Petities et Moyennes Entreprises (Cameroon Bank for Small and Medium Size Enterprises)
CAMSBIR	Cameroon Small Business Intelligence Report
CDC	Cameroon Development Corporation
ECPC	Enterprise Creation Procedure Centre
EU	European Union
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
IDPs	Internally Displaced Persons
INS	Institute Nationale de Statistiques
MINPMEESA	Ministry of Small and Medium Size Enterprises, Social Economy and Handicrafts
NIS	National Institute of Statistics
SB	Small Business
SBs	Small Businesses
SMEs	Small and medium size enterprises
SONARA	Societe Nationale de Raffinage (National Refining Company)
SW	South West
UN	United Nations

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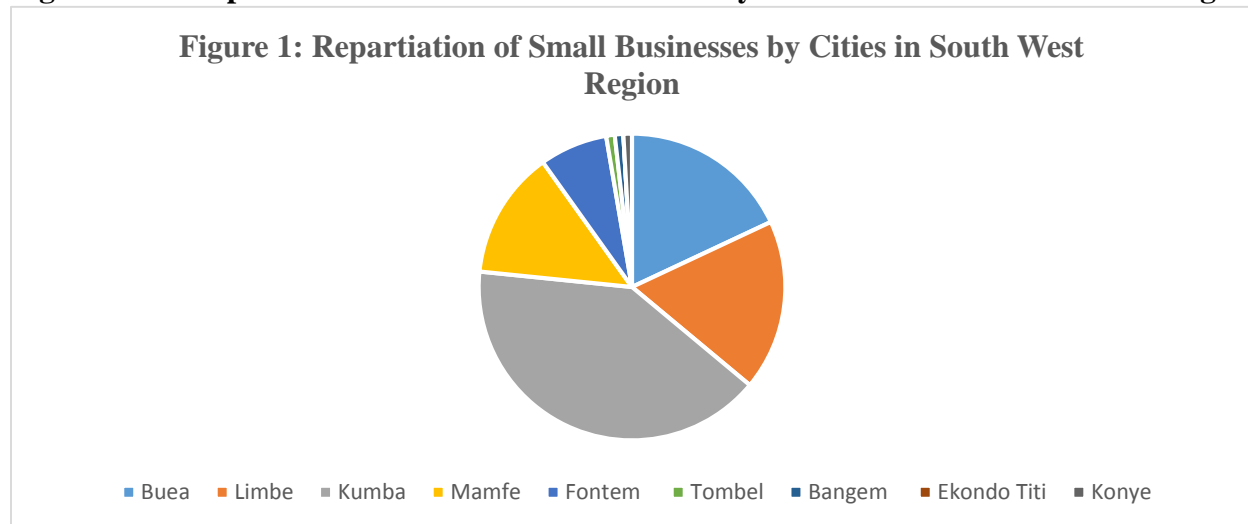
## Executive Summary

This study supports; entrepreneurship, economic development and Cameroon`s vision of reaching emergence by 2035. It advocates efforts that would fast-track the realization of emergence.

In line with this, Cameroon would experience an accelerated achievable emergence by 2030 and capably reverse in a short time the imminent economic lunacy facing the nation (due to the sociopolitical situation) if the findings of this study – obtained via the utilization of a mixed method - are carefully considered;

1. Addressing and resolving on time the sociopolitical situation would stabilize the growth of the SMEs sector in Cameroon that represents 95% of the country`s economic fabric. With the exception of CDC, the country`s second largest employer after the state, SMEs in the restive areas are by far the largest employers.
2. Tackling and accounting for the informal sector would double the contribution of SMEs to the nation`s GDP from 36% to 72%.
3. Resolving; SMEs number 1 constraint (taxes) and SMEs informal sector situations, and addressing informal payments and harassments could boast SMEs tax contribution from 30% to 60% of the country`s total taxes revenue.
4. Combating regional and international trade barriers would help eliminate unfair competition, make SMEs competitive, improve access to markets and boast exports, thus impacting the nation`s balance of payment positively.
5. Implementing Cameroon`s Bank for SMEs nationwide branch network banking objective by 2022. Starting the branch network rollout process with the South West region, the competitive third position of the nation`s formal SMEs in records. The partition of SMEs by cities in the region is shown in Figure 1 below.

**Figure 1: Repartition of Small Businesses by Cities in South West Region**



Source: Analysis of Field Data



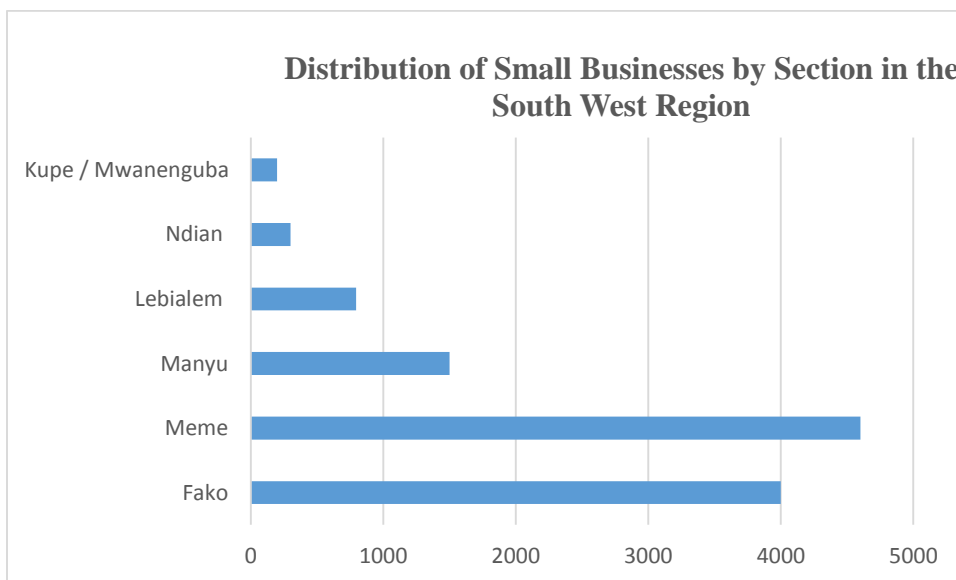
## 1. Introduction

Small and medium sized enterprises (SMEs) in this study referred as small businesses (SBs) play important role in economic development in every country. SBs are jobs creation units and through the jobs created, they increase; the employment rate of a country, promote and improve the population`s economic and social welfare.

A former minister affirmed, that SMEs contribute to a total of 36% of the country`s gross domestic product (GDP) and that Cameroon would emerge should the total output of SMEs contribution to the nation`s GDP significantly moved to 50%. This statement would be true, although subjected to constraints that SBs face. One of such constraints, would be to address the number of informal small businesses and make them formal. Albeit the 36% GDP contributed by SMEs might have statistically not include (all) the contribution of the informal sector small businesses. The United Nations (UN) report in 2013 attests to underemployment and the informal sector being dominant forces in the economy of Cameroon. The National Institute of Statistics (NIS) in 2018 recounted that 88.6% of the jobs in Cameroon are created by the informal sector. These facts go to reassure the dominance of the informal sector. The informal sector small businesses is growing faster, and accelerated measures are needed to revamp the sector. The sector could yet stand unconverted, because of the benefits it offers to both parties; – the business owners and the state (government) employees. The informal sector witnesses high corruption practices and it saves time for a small business owner (SB) going through tight administrative procedures to become formal.

A region like, South West (SW), contributes and competes within the top 4 positions in the total number of formal SMEs in the country. One could claim that, the number of informal SMEs is at least twice the formal ones in the region. The same situation could be evident nationwide. The distribution of formal SBs by sections in the South West region is shown in Figure 2 below.

**Figure 2: Distribution of Small Businesses by Sections in the South West Region**



Source: Analysis of Field Data

## 2. About SMEs in Cameroon

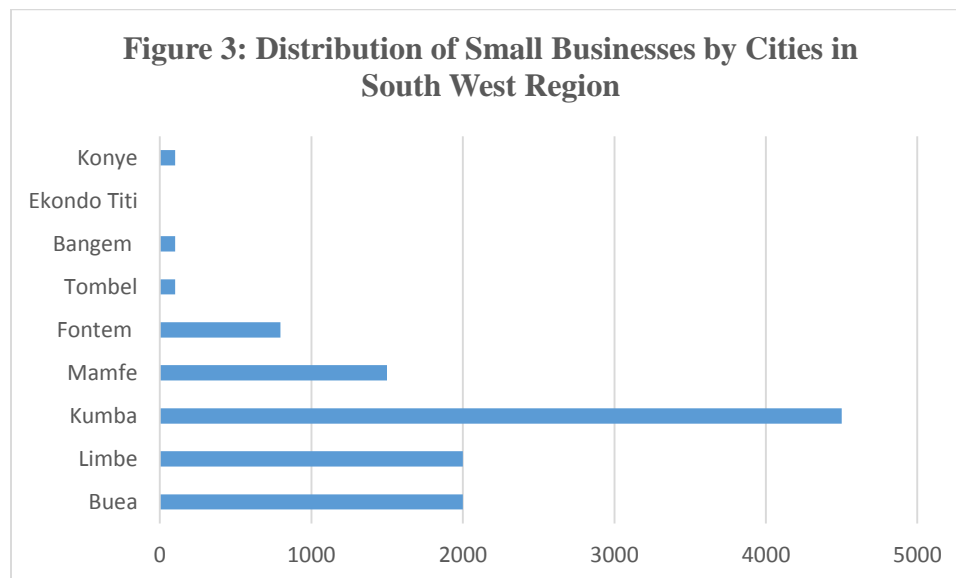
In Cameroon the official definition of SMEs is derived from Law No. 2015/010 of 16 July 2015. This law amended and supplemented some provisions of Law No. 2010/001 of 13 April, 2010, on the promotion of Small and Medium size Enterprises (SMEs) cited World Bank, (2013). Micro (very small) enterprises refers to those that hire at most 5 persons with an annual revenue of 15 million Frs. CFA (\$30,000). While small business firms refer to those that employ between 6 to 20 employees with an annual turnover of between 15 million to 100 million Frs. CFA (between \$30,000 and \$200,000). Medium size enterprises are businesses that employ from 21 to 100 people and have an annual turnover from 100 million to 1 billion Frs. CFA (that is about from \$200,000 to \$2,000,000).

The SMEs sector amasses businesses from primary – agricultural firms, secondary – processing firms and tertiary industries – services firms such as financial firms, insurance brokers, education and training institutions, hotels and tourism services firms. One can't exempt any of these industries to be made up of completely formal or registered business firms.

Alongside overcoming informality in the SMEs sector in Cameroon, other key constraints are; electrical power supply, access to finances, high taxes and corruption, technology cost and availability, and lack and insufficient training remarked one researcher.

According to reports from The MINPMEESA in the year ending 2018 there were 202,988 registered (formal) small businesses in the country. These formal businesses are mostly distributed in the country's main cities, with the cities of Douala, Yaoundé, Kumba, Bafoussam, Limbe, Garoua, Maroua, Bamenda, Buea, Mamfe and Kumbo featuring in the mass. The distribution of small businesses by cities in the South West region is shown in figure 3 below.

**Figure 3: Distribution of Small Businesses by Cities in South West Region**



Source: Analysis of Field Data

## 2.1 Doing Business in Selected Cities in Cameroon

To have an idea on the general welfare of small businesses in Cameroon it is imperative to review business activities in selected cities of the country. To help make concrete recommendations, this section examines the lifestyles of small businesses in; Yaoundé, Limbe, Muea and Muyuka.

### i) Doing Business in Yaoundé: An assessment of the lifestyles of small businesses in Yaoundé

Growth is an important opportunistic concept to small businesses given that the goal of every business is to maximize profit. To objectively assess SBs in Yaoundé, identifying the opportunities and constraints faced would be commended. Yaoundé city, principally an administrative capital city should be among the top 2 cities in Cameroon with the highest number of SMEs. There are about 54,720 SMEs in the Centre region in total, of which the Yaoundé main city has 48,312 on its books, paradoxically the region has the lowest survival rate with 8.02%, while the country's overall survival rate for SMEs is 27.76%.

**Table 1: Small businesses Opportunities and Constraints in Yaoundé**

Opportunities	Constraints
✓ Near and access to firsthand information from the Ministry of Small and Medium Size Enterprises, Social Economy and Handicrafts	✓ High and unavoidable taxes with insufficient clarity on the tax burden on and of SMEs
✓ A host of local and international NGOs, embassies & agencies, offering trainings, grants, information and supports to SMEs	✓ High transport, transportation and communication costs
✓ Near and access to financial information and financing from the Cameroon Bank for Small and Medium Size Enterprises and others non state owned financial institutions and banks	✓ Most business owners viewed business capital and funds to be unsatisfactory
✓ The growing population and the available internally displaced persons (IDPs) make a ready market for high demand for goods and services	✓ Electricity or power failure
✓ A higher employed population make purchasing power and demand to be high	✓ The ongoing national sociopolitical instability borders businesses & customers psychologically
✓ Availability of anticorruption agencies and institutions help to calm corruption	✓ Timid corruption, extra payments, tracasseries and informal practices

Source: Economic Emergence Institute field survey 2019

Should SMEs and policy makers in the city reduce the constraints and improve the management of the opportunities factors, the city has the potential to be in the top cities in Cameroon with the highest number of SMEs. The major concern to and in the nation as a whole would be addressing those constraints that seemingly are not particular to the city of Yaoundé alone and rather severe and spread in the nation's territory.

## **ii) Doing Business in Limbe: Limbe Small Business Intelligence Assessment**

Limbe famously known as Victoria Island, is the divisional headquarter of Fako Division locked in a sea land and outskirt leading to Nigeria and Equatorial Guinea by sea. Its location meant that road transport vehicles all empty their passengers from neighbouring cities (Mutengeneng, Tiko and Buea etc.) there in Limbe. The sea site, beaches and botanic garden couple with the office locations of SONARA and CDC together with other gas, minerals and petroleum firms make the city an attractive touristic site in the Fako Division. In total there are some 2,000 (two thousands) formal small businesses in Limbe, the highest in the division match to Buea with similar figures.

Limbe, because of its cosmopolitan nature, it's quite an expensive city to commercialize trading activities and living standards. With recent developments in the country, movements of goods from there to and fro neighbouring cities are affected and these should have an adverse effect on living and business activities and cycles. The net resulting effects include; business down sized, business closure, business temporally standby, momentarily and constant rise in the price of goods and commodities and insecurity. Insecurity which is severe in the restive areas in the SW region.

The fairer stability in the area permits business activities to be conducted on fairer grounds, not too unstable population size also permitted a slight alteration in the demands of goods and services and a major increase in the demand of food stuffs for precautionary reasons. Fashion and textile goods have suffered a slight drop in demand and supply in an almost equitable magnitude making it not significantly noticed in the lively and flamboyant city.

The high demands on food stuffs have accumulated a spontaneous and acute shortage and scarcity in their availability. The low productivity of rural (agricultural) products and the drop in the number of farmers caused by the imminent displaced for their life saving, security and welfare contribute to the short supply of food stuffs experienced in the area. In economic terms putting such factors together create a drastic raise in the prices of items in an already expensive city that harbours one of the national football stadia earmarked to host international football matches.

The opportunities the situation creates could help attract fast-foods firms into the city and well deserving shopping malls and super markets as small firms that could barely manage to deliver such services stand to maximize gains, grow and compete comfortably in an adverse situation.

Normally, the slight reduction in the population could have impact on the turnover of SMEs in the area. However in the other side of viewing a coin, there are two ways persons could have been displaced internally, inward displacement and outward displacement and only a statistical report could confirm where the net displacement of the population flow lies whether inwards or outwards. This could go a long way to explain the small businesses and buyers behaviours in the area.

### **iii) Doing Business in - Muea and Muyuka - at the middle of sociopolitical difficulties**

The ongoing sociopolitical difficulties that started way back in 2016 in the South West and North West regions of the Republic of Cameroon have destabilized businesses in the area and other areas too. Businesses in Muea and Muyuka being in the Fako area might not have been exempted from the shakes. Doing business during in these areas whose core business activities are; agriculture, provision shops, fashion and cosmetics have a great challenge functioning properly. The notable changes have been in the prices of goods. Some goods prices went up while other goods prices went down in a short run. Goods that experienced a downward shift in prices are mostly agricultural and farms products such as; corn, garri, plantains and tomatoes. Fashion, jewels and cosmetics goods prices went up as small businesses offering these products try to adjust to the fall; in demand, purchasing power and available consumers due to the momentarily displaced persons.

Cocoa, coffee, rubber, pineapples, tomatoes, cassava, maize, plantains and bananas farmers have to adjust to the fall in the supply of labour force thus forcing low outputs and harvests. Such action exposes farmers and households depending on farms, crops and agricultural products to hardship. Interviewing one farmer, he attests to have no dollar savings left with him, thus he couldn't even think of leaving the area for lack of transport funds to and basic accommodation wants and needs in a potential destination with the stability of transport cost within the area not guaranteed from not going awake. The economic effect of this is high living cost which have adverse effects on retail small businesses with non-basic and biological needs like food, clothes and security. Some rural farms business owners resulted to auctioning goods at low prices at the time but in a long run scarcity drives prices of goods and commodities up.

Printing houses, documentation and cyber centers and businesses would eventually go out of market without demands and available consumers. Thus return on such investments are hard to be profitable in a shaking environment and market.

Overall small businesses sales turnovers are affected which have a consequence on the businesses to liquidate their taxes payments due. This if true would affect government tax revenue collections in the areas affected. The sales turnover challenge is justified with one small business owner stating that she couldn't think of projecting monthly sales. 'It is an unsurmountable mission', she stated.

## **2.2 Small Business Statistics in South West Region of Cameroon**

Our staff visited the service under the Republic of Cameroon's Ministry of Small and Medium size Enterprises, Social Economy and Handicrafts called Enterprise Creation Procedure Centre (ECPC) in Limbe and collected the following statistics about small businesses in the South West regions of Cameroon.

### **i) Small Business Statistics by Selected Cities**

From table 2, there are 11,395 (eleven thousand three hundred and ninety-five) official registered (formal) small businesses in the South West region of Cameroon. The city of Kumba, with 4,500 SMEs has the highest number of formal small businesses in SW region of Cameroon followed by Buea and Limbe cities with 2,000 small businesses each and Mamfe city with 1,500 small businesses.

**Table 2: Small Business Statistics by Selected Cities**

S/N	City	Number of Small Businesses
1	Buea	2 000
2	Limbe	2 000
3	Kumba	4 500
4	Mamfe	1 500
5	Fontem	795
6	Tombel	100
7	Bangem	100
8	Ekondo Titi	300
9	Konye	100
	Total	11 395

Source: Enterprise Creation Procedure Centre (ECPC)

### ii) Small Business Statistics by Divisions

The partition of small businesses in the six (6) Divisions (sections) in the region is classified in table 3 below. Meme Division (with Kumba city as it's headquarter) has the highest number of formal small businesses of 4,600 in the region. Fako Division with Limbe and Buea cities in the pile second with 4,000 small businesses. Third in the list is Manyu Division with the city of Mamfe as it's headquarter with 1,500 small businesses. The sum of the SBs portfolio in Lebialem, Ndian and Kupe Mwanenguba is 1,295.

**Table 3: Small Business Statistics by Divisions**

S/N	Divisions	Number of Small Businesses
1	Fako	4 000
2	Meme	4 600
3	Manyu	1 500
4	Lebialem	795
5	Ndian	300
6	Kupe / Mwanenguba	200
	Total*	11 395

Source: Enterprise Creation Procedure Centre (ECPC)

The total number of formal SBs in the region under investigation, would in actual sense be higher than 11,395 if the portfolio of small businesses in all the major cities in the region are accounted for. For example small businesses portfolio in: Fako area; Tiko, Mutengene, Ekona and Muyuka; for Manyu area; Eyumojock, Ekok, Mfuni, Besongabang, Nchang, Kembong, Ossing, Akwayah, Afab, Okoyong and Bachio etc. are all not included in the data collected.

The case of unaccounted small businesses portfolio is same in all the many cities in the region of South West province of Cameroon. It is thought that putting together both the formal and informal small businesses portfolio could be around 34,185.

Kumba city remains the economic mainstay of the region followed by Mamfe city. The oil rich Victoria Island called Limbe is a famous ground for touristic attraction and alongside the National Refining Company known by its French acronym SONARA also harbours the head office of the largest employer in Cameroon after the government, Cameroon Development Corporation (CDC).

Manyu area which has the largest land surface area in the region and just like other areas in the region is graced with fertile soil and land and a vast virgin forest that has been one of the main supplier of timber for exportation despite the generally bad and in some areas nonexistence of motorable roads making small business development activities a difficult task. The large forest and its wildlife boasted the second touristic attraction (in the past) in the region.

The South West region has the potential on generating prosperous businesses in the country, considering its richness in natural resources, possible seaport, and airport and linking rivers leading to neighbouring Nigeria and Equitorial Guinea, and its closeness to Douala, Republic of Cameroon's economic capital city whose Littoral region boast a total of 75,396 SMEs with a survival rate of 58.65%.

## 2.3 Small Business Profile

**Table 4: Small Business Profile**

Registered Name:	Societe EINA INTERNATIONAL Sarl
Area of Activity:	Filtration and Purification specialist
Number of Years of existence:	5
Office location:	Douala, Cameroon
Contacts:	(237) 657 02 56 14 / (237) 620 07 53 00
Email:	info@einaltd.com
Website:	www.einaltd.com
Target Client Sectors:	Food and Beverage, Bottling and Home Water Purification, Pharmaceutical, Petrochemical, Food service, Mining and Automotive
Key Products and Brands:	Filter Cartridge, Filter Housing, Filter Bag, Filter Sheet, Perlite and Filter aid, Water plant installation and treatment
Vision Message:	Filtration and Purifications everywhere, every application

### 3. Interviews with Small Business Owners and Staff

This section presents the results of the interviews conducted on some small businesses in Yaoundé, Douala and Buea. The questions were kept fixed and open ended for all the interviewees to get wide opinion on the facts under study. The businesses and owners names have been withdrawn.

#### i) Interview with Small Business operating in Yaoundé

**Table 5: Interview results from a Small Business Operating in Yaoundé**

S/N	Questions	Responses
1	Please what is your name and that of your Business	[Withdrawn]
2	Is your business registered	No
3	How many years have you been in business and with the business operating	2 Years
4	What are the activities that your business deal with	- Fashion and textile - E-business instant delivery on call
5	Is your Business a sole trader or partnership	Sole trader (very small or micro)
6	What are the difficulties you've as a business man	- High taxes - Buying from Douala due to bad road - Insufficient business capital
7	What is your advice to small businesses in your area and in Cameroon	Doing business is good depending on the type of business
8	How do you think small businesses in Cameroon can better be helped	By giving them capital to meet up with customer demands and also organized seminars to empower them intellectually

Source: Economic Emergence Institute field survey 2019

#### ii) Interview with Small Businesses operating in Douala

**Table 6a: Interview results from a Small Business Operating in Douala**

S/N	Questions	Responses
1	Please what is your name and that of your Business	[Withdrawn]
2	Is your business registered	Yes
3	How many years have you been in business and with the business operating	10 Years
4	What are the activities that your business deal with	Mixed commodities: Fashion, Cosmetics and Fabrics
5	Is your Business a sole trader or partnership	Sole trader (very small or micro)



6	What are the difficulties you've as a business man	Slow turnover, especially after salary payout. Borrowers and bad fate customers, Customers wants high quality products but are not willing to pay. Insufficient or stagnated business capital due to slow turnover.
7	What is your advice to small businesses in your area and in Cameroon	Persistence in business, use of new strategies to advertise business and products. Try branding and packaging options, Be open to new ideas from customers so to satisfy them. Work for little profits, to attract more customers.
8	How do you think small businesses in Cameroon can better be helped	By organizing business seminars

Source: Economic Emergence Institute field survey 2019

**Table 6b: Interview results from a Small Business Operating in Douala**

S/N	Questions	Responses
1	Please what is your name and that of your Business	[Withdrawn]
2	Is your business registered	No, the business is not registered but we pay council tax
3	How many years have you been in business and with the business operating	I have been in business for the past 10 years since I left the management of an uncle's SB and took full responsibility of mine
4	What are the activities that your business deal with	Mixed commodities: cosmetics; like body lotion, mother care, diapers, babies cloths: Provisions; like food stuffs and building materials instruments like cements, building rods and household utensils
5	Is your Business a sole trader or partnership	Sole trader (very small or micro)
6	What are the difficulties you've as a business man	Firstly, some of the difficulties I face as a business man is that there is too much credit sale which at times makes it very difficult to recover. Secondly, untimely delivery of orders by suppliers which intend leads to a fall in sales and limited capital to grow business size

7	What is your advice to small businesses in your area and in Cameroon	I will advise SBs in Cameroon and in Douala to get registered because there are some subventions given to people who have small businesses in other for them to overcome the challenges they are going through in business and also help them grow in business size, strength and help to better the life of small businesses and owners in general
8	How do you think small businesses in Cameroon can better be helped	I think SBs in Cameroon can be better if they are informed about the benefits they will get if they registered and also make them acquire their official business operating documents. Secondly, we advise the government should put in measures to fight corruption and tribalism (unfair competition) in the ministries and government offices dealing with business registrations and tax payment duties because some people are favoured. Also I proposed that training should be organized in order to sensitized and train people on how to improve their businesses management and leadership skills on a weekly or monthly basis.

Source: Economic Emergence Institute field survey 2019

### iii) Interview with Small Businesses operating in Buea

**Table 7a: Interview results from a Small Business Operating in Buea**

S/N	Questions	Responses
1	Please what is your name and that of your Business	[Withdrawn]
2	Is your business registered	No
3	How many years have you been in business and with the business operating	1 year

4	What are the activities that your business deal with	Principally I have been involved with conception and drafting of building plans; a) Architecture b) Structural Analysis in partnership with some members of the national order c) Building Construction. d) Soil Analysis in partnership with Soil labs e) Fabrication and utility of Interlocking Bricks in building construction f) Processing of Site Plans. g) Design and implementation of Bio-gas latrines.
5	Is your Business a sole trader or partnership	Sole trader (very small or micro)
6	What are the difficulties you've as a business man	a) Finance has been a major difficulty. b) Machinery and equipments to utilize technology c) The instability in the South West too.
7	What is your advice to small businesses in your area and in Cameroon	SBs in Buea should consider relocating for the meantime Generally, I advise SBs nationwide; to register their firms, advertise their product(s) on internet, solicit assistance & partner with government institutions & stakeholders, make use of seminars & other forms of training.
8	How do you think small businesses in Cameroon can better be helped	Cameroon can better be helped in areas of funding; creation of platforms where the business can benefit from training seminars and conferences.

Source: Economic Emergence Institute field survey 2019

**Table 7b: Interview results from a Small Business Operating in Buea**

S/N	Questions	Responses
1	Please what is your name and that of your Business	[Withdrawn]
2	Is your business registered	No
3	How many years have you been in business and with the business operating	4 Months
4	What are the activities that your business deal with	Business suits; promotes business startups
5	Is your Business a sole trader or partnership	Partnership

6	What are the difficulties you've as a business man	The instability in the SW, economic and social crisis
7	What is your advice to small businesses in your area and in Cameroon	Working hard
8	How do you think small businesses in Cameroon can better be helped	Easy access to finance, financial assistance and aid relocation plan

Source: Economic Emergence Institute field survey 2019

### 3.1 Small Business Challenges

The overall low survival rate of SMEs in the country which is around 27.76% is an indication of the impact of SBs challenges encountered by business owners and management in growing and sustaining their firms. Some of the widespread constraints are tabulated below. The data was obtained from existing literature that surveyed the opinions of businesses owners and managers on their perception of the constraints SMEs face. Their opinions are ranked as at the year 2016 in table 8 below.

**Table 8: Ranking of SMEs Challenges**

SMEs Challenges	Ranking as at the Year 2016
Taxes	1
Procedures, administrative formalities and tracasseries	2
Access to finance and financial cost	3
Insufficient business opportunities	4
Corruption	5
Electricity and water	6
Infrastructures	7
Unfair Competition	8
Transport	9
Absence or insufficient dialogue between public and / private sector actors	10
Procurement, purchasing and supply difficulties	11
Justice, legal processes and procedures	12

Source: INS/RGE-1, RGE-2

## **4. Recommendations and Conclusion**

This section advocates areas for action based on the analyses of the study.

### **4.1 Recommendations**

Addressing the sociopolitical situation that has been evident in the country since the year 2016 would give a new business growth and prosperous opportunities for SMEs in the nation. As SMEs have been affected much, sampling the opinions and engaging the SMEs owners in the country restive area in inclusive peaceful discussions could offer initiatives for moving out of the situation.

Creating an enabling environment for SMEs to export goods to neighbouring countries and abroad. This will entails breaking down regional trade barriers as well as international trade barriers. Engaging in the Africa free trade initiative and making use of the benefits. These actions could help resolve unfair competition and provide business opportunities for the SMEs sector.

Enforcing and empowering programmes and institution(s) to tackle the high informal sector. Statistics holds that there are more than 400,000 companies in total in the informal sector and around 396,000 of that number are SMEs. It simply means addressing the SMEs informal sector would help the contribution of SMEs in the GDP to double from 36% to 72% GDP.

The South West region, ranked third, in the highest number of formal SMEs followed by West and North West regions, The MINPMEESA and other agencies should enable the region institutionally and with programmes. The region contributes at least the third share of the country's gross national product (GNP) and income (GNI). One of such institutionally development should be the opening of branch(es) by Cameroon Bank for SMEs (BC-PME) in Limbe, Kumba, Buea, and Mamfe.

### **4.2 Conclusion**

The classification (definition) of SMEs in Cameroon in terms of; number of employees and turnover could be taxes motives driven. This could be one of the reasons SBs viewed taxes as one of the principal constraints. In the European Union (EU), the EU Commission classified SMEs based on three variables; number of employees, annual turnover and / or total balance sheet value. This classification is based on grants and other incentives offered to SMEs and not on SMEs tax assessment exclusively. The balance sheet value compelled SMEs to at least keep basic accounting records and information for reasons to access grants, schemes and other incentives objectively. Very few SBs in Cameroon can boast of maintaining basic financial records, thus the tax assessments and payments of most SMEs is subjective. Subjective tax assessment and payment has it's demerits in that, it is not accurately assessed and priced. This gives room for all sorts of tax payment harassments of the SMEs. This arrangement is worth reviewing considering that SMEs contributes significantly around 30% of the country's tax revenue.

Cameroon Bank for SMEs known in French as "Banque Camerounaise des Petities et Moyennes Entreprises" (BC- PME), operational since 2015, have as one of its objectives to be a national banking leader in SMEs Banking and Financing. Such objective could only be ascertained with a nationwide branches and branch network in all regions and the regions' main cities with high level of SMEs concentration. This could; improve SMEs access to finance, reduce the cost of financing for most if not all formal SMEs, make SMEs more competitive and sustainable by 2022.

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