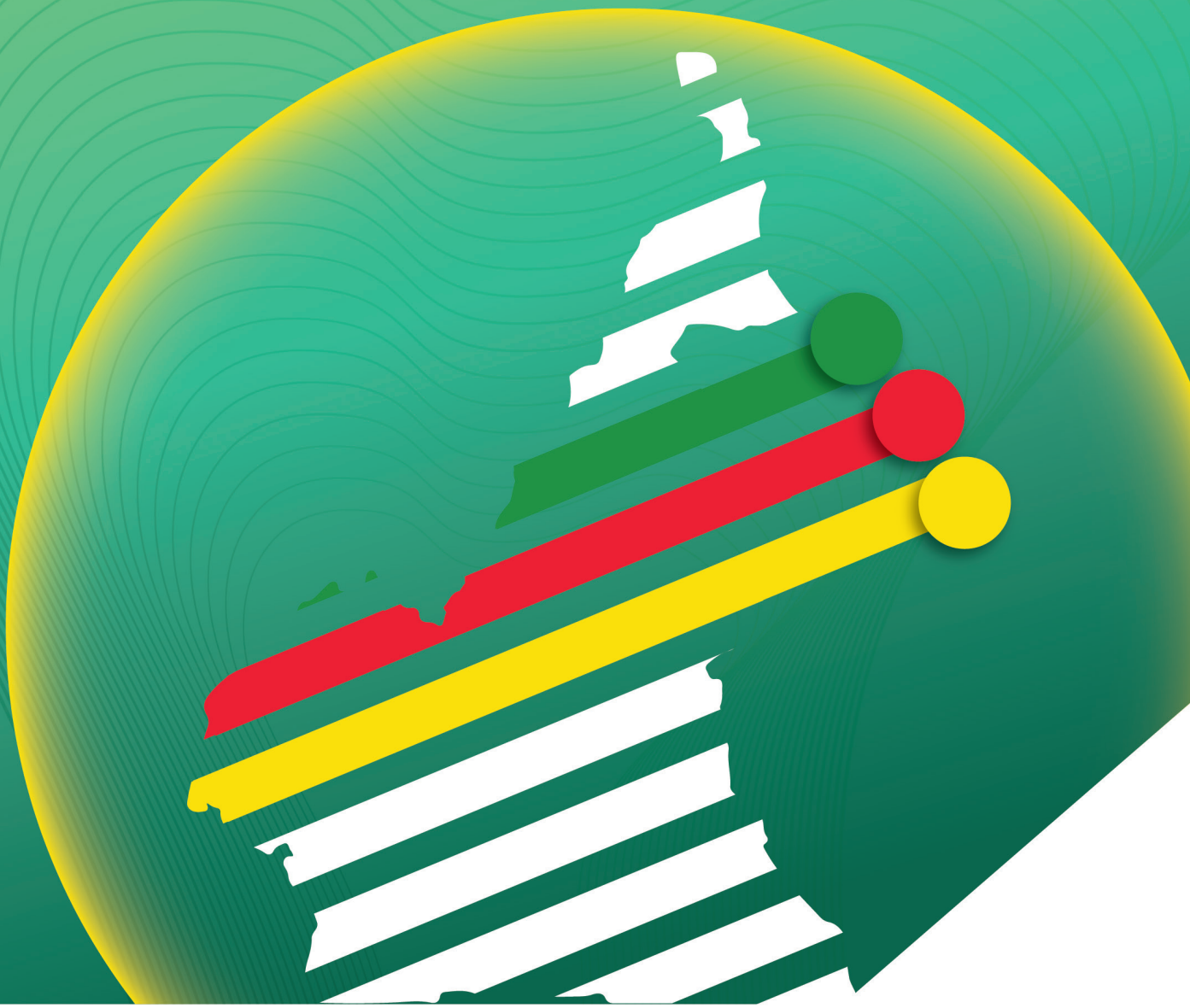
REPUBLIC OF CAMEROON
Peace - Work - Fatherland

OSSP-CMR
PRIVATE SECTOR SUPPORT OPERATION IN CAMEROON



Impact of shocks (COVID-19 and crisis in Ukraine) on enterprises, 2023

Benchmarking survey

INSTITUT NATIONAL DE LA STATISTIQUE
NATIONAL INSTITUTE OF STATISTICS

Survey to assess the socioeconomic impact of the covid-19 pandemic and conflict in Ukraine on very small, small and medium-sized enterprises in Cameroon

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Content

List of abbreviations and acronyms

BADEA	Arab Bank for Economic Development in Africa
CAPI	Computer Assisted Personal Interviewing
CAWI	Computer Assisted Web on Interviewing
CIG	Common Initiative Group
COVID-19	Coronavirus Disease 2019
EISC-CMR	Survey to Assess the Socio-economic Impact of Crises in Cameroon
IPU	Informal Production Unit
ME	Medium Enterprise
MINADER	Ministry of Agriculture and Rural Development
MINEPIA	Ministry of Livestock, Fisheries and Animal Industries
NIS	National Institute of Statistics
OSSP-CMR	Cameroon Private Sector Support Operation
SE	Small Enterprise
SME	Small and Medium-sized Enterprise
UNDP	United Nations Development Programme
VSE	Very Small Enterprise

LIST OF TABLES

EXECUTIVE SUMMARY

1.OBJECTIVES AND EXPECTED RESULTS

The main objective of the study is the assessment of the socio-economic impacts of the COVID-19 pandemic and other exogenous shocks on very small, small and medium-sized enterprises in Cameroon, taking into account gender aspects. Specifically, this involves: (i) reviewing the various studies conducted as part of the assessment of the effects of the pandemic and other shocks in Cameroon; (ii) conducting an in-depth analysis of the transmission channels of the economic and social impacts of the pandemic and other shocks on very small, small and medium-sized enterprises in Cameroon by sector, with particular emphasis on SMEs in the agricultural and agri-food sectors; (iii) measuring the extent of the short and medium-term consequences of the pandemic and other exogenous shocks on the economic activity of SMEs and the social welfare of entrepreneurs, while highlighting disparities by sectors and branches of activities, region, gender and age of the entrepreneur, by enterprise size; (iv) identifying the vulnerability factors of SMEs to shocks and examining how enterprises' coping strategies and capacities to respond to the effects evolve, as well as the gaps relating to these strategies; (v) based on the evidence produced, developing support measures and future actions to be conducted by the Government and Technical and Financial Partners to strengthen the resilience and recovery of SMEs in the face of shocks.

2.METHODOLOGY USED

The survey covered the activities of the agri-food sectors, especially those retained as part of the structural transformation of the economy, taking into account production units in the agricultural sector, start-ups in the digital economy, as well as enterprises that have benefited from support measures in the fight against COVID-19. Due to the priority targets of the project, a significant part of the sample was allocated to enterprises in agriculture and agri-food processing. The sample of Modern SMEs was constructed from the Cameroon enterprise statistical register updated on a yearly basis with Statistical and Tax Returns (STRs) which constitutes the main sampling frame. The data files of enterprises in the agricultural sector available at the Ministry of Agriculture and Rural Development (MINADER) and Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) were also used, particularly for the selection of Cooperatives/CIG.

The sample of IPUs surveyed was created through identification. It consisted in an interviewer first unfolding in the chronological order: questions (enterprise registered in an administrative file (taxes, court registry, MINADER, MINEPIA, and others), written accounts keeping by the enterprise , production of an STR or an activity report) making it possible to determine whether the enterprise in question is an IPU or not.

Data collection in the field took place throughout the territory over the period from 16 October to 26 November 2023. Data collection was conducted with a CAPI type application, which made it possible to conduct primary clearances in the field.

Depending on sectors of activity and the enterprise sizes, analysis focuses on the enterprise performance and operating cycle; short-term sales forecasts; perception of business leaders on the policies and support measures taken by the Government and the adjustment mechanisms implemented to deal with the situation.

The collection sample was comprised of 640 Modern SMEs and 514 informal Production Units, i.e. 1,154 enterprises in total.

By region, the two large cities of Yaounde and Douala accounted for almost half of the units surveyed. Nearly 15% of enterprises reported themselves as start-ups. By size, Very Small Enterprises (VSE) accounted for 22%, followed by Small Enterprises (SEs) with 20%, and Medium Enterprises with 13%. Furthermore, 45% of the sample was comprised of Informal Production Units (IPUs). By main activity undertaken, the food industry stood out as the predominant sector, encompassing a significant part of the sample (42.81%). The livestock and agriculture sectors followed respectively with 16.98% and 14.30% of the sample.

This survey report is structured around nine key axes, namely: **(i)** assessment of the overall impact of recent crises, especially the COVID-19 pandemic and the crisis between Russia and Ukraine; **(ii)** transmission channels; **(iii)** vulnerability factors; **(iv)** enterprise coping strategies; **(v)** investment needs; **(vi)** Government measures, **(vii)** business climate; **(viii)** enterprise economic performance, and (ix) emerging opportunities.

3. MAIN RESULTS OBTAINED

The sample collected was comprised of 640 Modern SMEs and 514 Informal Production Units, thus totaling 1,154 enterprises. By region, the two large cities of Yaounde and Douala account for almost half of the units surveyed. Approximately 15% of enterprises reported being start-ups. In terms of size, Very Small Enterprises (VSE) account for 22%, followed by Small Enterprises (SEs) with 20% and Medium Enterprises with 13%. Furthermore, Informal Production Units make up 45% of the sample. A predominance of sole proprietorships (58%) should be noted. The food industry stands out as the predominant sector, encompassing a significant part of the sample (42.81%). The livestock and agriculture sectors follow respectively with 16.98% and 14.30% of the sample. Regarding the promoter's and main manager's profile, almost 8 in 10 enterprises are managed by the promoter themselves. The vast majority of managers are men (78.6%).

The COVID-19 pandemic has had consequences on enterprises in Cameroon, adversely affecting nearly nine in ten enterprises, resulting in a significant decrease in sales and production. The sectors of activity most affected are those of telecommunications and IT, trade, food industry and livestock. Analysis of the persistence of these effects over time shows that in 2023 compared to 2020, six in ten enterprises continued to be impacted by the effects of this crisis. Examining this impact on staffing showed significant adjustments, with 53% of enterprises reporting having reduced their workforce in response to the pandemic.

Overall, 82% of enterprises reported a negative impact of the crisis between Russia and Ukraine on their activities, with significant repercussions on production, particularly in the trade, food industry and livestock sectors. Examining the impacts on staffing shows that most enterprises kept their workforce, salaries and working hours unchanged despite the crisis.

Regarding input supply for production, dependence on the national market is predominant, with 87% of enterprises sourcing exclusively locally. Supply difficulties in 2022, reported by 53% of enterprise managers, have led to order cancellations, particularly affecting enterprises in enterprise services, fishing and aquaculture, trade and the food industry.

Inputs coming mainly from China underlines the vulnerability of enterprises to disruptions in international supply chains, especially with the crisis between Russia and Ukraine. These difficulties prompted 26% of enterprises to diversify their sources of supply by increasing the use of local suppliers, meanwhile more than the majority reported having made no changes to their operations.

Assessment of the transmission channels of external shocks in 2022 compared to 2020 shows a predominantly negative perception of enterprise managers. Difficult access to raw materials, high prices, more difficult financing, and the drop in local demand are all factors contributing to a situation considered more complex than during the COVID-19 pandemic in 2020. The crisis between Russia and Ukraine is identified as the main cause of these difficulties.

Regarding financing difficulties, lack of equity capital, high interest rates and refusal of financing from banks are the main hurdles reported by business leaders.

Regarding factors that make enterprises vulnerable to shocks, managers' perception of enterprise size plays a significant role, with only 10% believing that their enterprise is larger than their competitors. Even among medium-sized enterprises, 85% believe they are less important than their competitors. With regard to market share, only 9% believe they have a larger share than their competitors. This trend is similar across all activities and enterprise categories, with 86% of medium-sized business leaders believing they have a lower market share than their competitors.

Diversification of product/service offerings is practiced by 63% of enterprises, thus providing some protection against shocks affecting a main product. This practice is more significant in enterprise services and trade. Diversification of raw material supply sources is adopted by 56% of enterprises, offering better cost control and protection against the risks of localized shortages. Food trade and industry enterprises stand out by sourcing from at least four locations. Supplier diversification is also a strategy adopted by 72% of enterprises, thus reducing vulnerability to stock shortages from a main supplier. Enterprise services and trade are the sectors most inclined to diversify their suppliers.

The promoter's equity remain the main source of financing used by enterprises (86%). Small enterprises are more likely to use tontines, meanwhile medium-sized enterprises are more likely to borrow from banks. Access to banking services is perceived as difficult by 61% of enterprises, with a more negative perception among telecommunications and IT enterprises as well as those providing services to other enterprises.
Regarding the coping strategies implemented by enterprises to deal with the consequences of the COVID-19 pandemic and the war between Russia and Ukraine, it appears that digital technology has been adopted by a significant proportion of enterprises ; by activity, especially those in the enterprise services sector (60%). By activity, the sectors "services provided to enterprises and other" (60%), "fishing and aquaculture" (47%) and, "telecommunications and IT" (28%), are those where emphasis has been the more significant since the outbreak of the COVID-19 pandemic.

In addition to the use of digital technology, several other measures were taken by enterprises to curb the harmful consequences of COVID-19, in particular, the use of the enterprise's equity and borrowing from financial institutions. Regarding the measures taken to deal with the consequences of the war between Russia and Ukraine, the use of local raw materials and diversification of supply sources are the main ones.

Non-financial investment needs are diversified, with particular emphasis on the search for new suppliers (55%) and search for outlets (45%). Although the need for support in recruiting qualified workforce is less common, it remains an important issue for 35% of enterprises. Regarding investment needs in intangible assets, the need for commercial funds is the most expressed (67%). Activities such as fishing and aquaculture have higher proportions in this category.

Overall, the general finding shows that most Cameroon SMEs have failed to transform the COVID-19 crisis into an opportunity, with only one in ten enterprises managing to develop new activities relating to the pandemic. Enterprises in the enterprise services and telecommunications sectors showed better adaptation capacity, accounting for 20.0% and 16.7% respectively. Regarding the crisis between Russia and Ukraine, only 8.4% of SMEs have developed activities related to this event. VSEs and SEs have, once again, showcased greater agility than MEs in their ability to adapt to this specific crisis. Emerging opportunities, seized by SMEs to cope with these shocks, mainly focus on adaptation to new consumer behaviours and diversification of products and services.

Development of new supply methods is a strategy adopted by one in four enterprises, in response to tensions in the supply of raw materials, resulting from the COVID-19 pandemic and the crisis between Russia and Ukraine. Regarding new methods of financing, only 16.7% of production units have developed such initiatives between 2020 and 2023. Equity, borrowing from financial institutions and tontine are the main means of financing to which enterprises have resorted to.

Despite the fact that most business leaders reported that the enterprise environment was bad, according to their perception, the enterprise environment may be improved by the implementation of mechanisms to facilitate access to subsidies and/or or financial aid from the State and reduction in input prices. The NEF and the Cameroon Bank for SMEs are the management structures best known to business leaders. Agricultural and livestock projects and programmes are the strategies best known to business leaders. Finally, the main factors identified as hurdles to entrepreneurship are taxation and financing problems.

INTRODUCTION

CONTEXT OF THE STUDY

Since the start of the COVID-19 pandemic, the economic and social impacts were felt around the world. Small and Medium-sized Enterprises (SMEs) were particularly affected, with significant revenue losses and major challenges to their survival and development. In May 2022, almost four in ten enterprises (40%) reported a decline in the level of sales, compared to the same period of 2019 (before the pandemic). This ratio was 76% in July 2021. Cameroon also faced the devastating effects of the crisis between Russia and Ukraine.

The impact of the COVID-19 pandemic on Cameroon SMEs has been significant, with job losses and reduced revenues for enterprises. The Government's restrictive measures have affected enterprises in all sectors of the economy, and disruptions in supply chains have caused delivery delays and revenue losses. SMEs have had to showcase creativity and adaptability to face these unprecedented challenges.

The Cameroon Government has taken measures to help SMEs cope with the economic effects of the COVID-19 pandemic. In particular, it implemented a financial support programme for SMEs affected by the pandemic, providing low-interest loans to help enterprises maintain their activity. The Government also implemented measures to facilitate SMEs' access to financing, such as suspending loan repayments for a given period.

The conflict in Ukraine has also affected Cameroon SMEs, particularly those dependent on product imports from Ukraine or Russia. Economic sanctions imposed by some Western countries have also had an impact on Cameroon enterprises, especially those that have commercial relations with the two belligerent countries.

Faced with these challenges, Cameroon SMEs have had to adapt quickly to ensure their survival and long-term development. Some have implemented strategies to diversify their activities, others have opted for increased digital transformation to maintain their activity remotely.

To better understand the socio-economic impact of these crises on SMEs, it was necessary to conduct a study through a survey of SMEs in Cameroon, focusing on the specific challenges they faced, the strategies they used to cope and the measures taken by the Government to support them. This study will also make it possible to establish the baseline situation for the "Cameroon private sector support operation" project, financed by the Arab Bank for Economic Development in Africa (BADEA) with technical support from UNDP.

OBJECTIVE OF THE SURVEY

The main objective of the mission is the assessment of the socio-economic impacts of the COVID-19 pandemic and other exogenous shocks on very small, small and medium-sized enterprises in Cameroon, taking into account gender aspects.

Specifically, this study aims to:

- Review the various studies conducted as part of the assessment of the effects of the pandemic and other shocks in Cameroon;
- Conduct an in-depth analysis of the transmission channels of the economic and social impacts of the pandemic and other shocks on very small, small and medium-sized enterprises in Cameroon by sector, with particular emphasis on SMEs in the agricultural and agri-food sectors;
- Measure the extent of the short and medium-term consequences of the pandemic and other exogenous shocks on the economic activity of SMEs (change in productivity and turnover, sales volume, workforce and employment, etc.) and entrepreneurs' social welfare, while highlighting the disparities by sectors and branches of activity, by region, gender and age of the entrepreneur, by enterprise size ;
- Identify the vulnerability factors of SMEs to shocks and examine how enterprises' strategies and coping capacities to respond to the effects evolve, as well as the gaps relating to these strategies;
- Identify the current financial and non-financial investment needs of SMEs, as well as the constraints by sectors and branches of activity, by region, gender and age of the entrepreneur and the enterprise size, to better refine the response under the OSSP-CMR project;
- Based on the evidence produced, formulate support measures and future actions to be conducted by the Government and Technical and Financial Partners to strengthen the resilience and recovery of SMEs in the face of shocks.

EXPECTED RESULTS

At the end of this study, the following are expected:

- A complete review of the results of existing studies complementary to the present study is available;
- Channels of transmission of the economic and social impacts of the pandemic and other shocks on Cameroon SMEs are known;
- The extent of the consequences of the pandemic on the economic activity of SMEs and the social welfare of entrepreneurs is measured, according to disparities, by sector of activity, region, gender and by the size of the SME;

The vulnerability factors of SMEs to shocks and adaptive measures to cope are identified and analyzed;

The financial and non-financial investment needs of SMEs are identified, as well as the conditions relating to their satisfaction, for better targeting of OSSP-CMR Project interventions;

Accompaniment, support and recovery measures for the economic activities of SMEs are developed to strengthen their resilience and recovery in the face of shocks.

METHODOLOGICAL SUMMARY

The survey covered the activities of the agri-food sectors, especially those retained as part of the structural transformation of the economy, taking into account production units in the agricultural sector, start-ups in the digital economy, as well as enterprises that have benefited from support measures in the fight against COVID-19.

Due to the priority targets of the project, a significant part of the sample was allocated to enterprises in agriculture and agri-food processing. To this end, the sample of Modern SMEs was constructed from the Cameroon enterprise statistical register updated each year with the Statistical and Tax Returns (STRs) which make up the main sampling base. The data files of enterprises in the agricultural sector available at the Ministry of Agriculture and Rural Development (MINADER) and Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) were also used, particularly for the selection of Cooperatives/CIG.

The sample of IPUs surveyed was created through identification. It consisted in an interviewer first unfolding in the chronological order: questions (enterprise registered in an administrative file (taxes, court registry, MINADER, MINEPIA, and others), written accounts keeping by the enterprise, production of an STR or an activity report) making it possible to determine whether the enterprise in question is an IPU or not.

Data collection in the field took place across the territory over the period from 16 October to 26 November 2023. In total, 1,154 enterprises were successfully surveyed, i.e. 640 Modern SMEs and 514 Informal Production Units. Data collection was conducted with a CAPI type application, which made it possible to carry out primary audits in the field.

The database obtained at the end of collection was subject to secondary audits. Consistency and internal control tests (on data, on variables) were conducted to systematically detect erroneous data to correct them. Treatment of missing and/or aberrant data was done using appropriate statistical imputation techniques.

Tabulation consisted in extracting tables (simple and cross-tabulations) from the database for analysis purposes. It came after a maximum of data processing work. These tables made it possible to produce the survey report, which presents the results obtained in a descriptive manner.

CHARACTERISTICS OF THE COLLECTION SAMPLE

The collection sample was comprised of of 640 Modern SMEs and 514 Informal Production Units, i.e. 1,154 enterprises in total. By region, the two large cities of Yaounde and Douala accounted for almost half of the units surveyed. Approximately 15% of enterprises reported themselves start-ups. By size, Very Small Enterprises (VSEs) accounted for 22%, followed by Small Enterprises (SEs) with 20%, and Medium-sized Enterprises with 13%. Furthermore, 45% of the sample was comprised of Informal Production Units (IPUs).

Results show a predominance of sole proprietorships (58%). The food industry stands out as the dominant sector, encompassing a significant portion of the sample (42.81%). The livestock and agriculture sectors follow respectively with 16.98% and 14.30% of the sample.

Table 1: Distribution of sample enterprises by main activity undertaken

	Frequency	Percentage
Agriculture	165	14.3
Livestock	196	16.9
Fishing and aquaculture	86	7.45
Food industry	494	42.8
Trade	109	9.45
Telecommunications and IT	53	4.5
Services provided to enterprises and others	22	1.9
Off-scope activities	29	2.5
Total	**1.154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By promoter's and main manager's profile, nearly 8 in 10 enterprises are managed by the promoter. The vast majority of managers are men (78.6%).

Table 2: Distribution of sample enterprises by gender of promoter and main manager

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Male	683	73.4	103	78.6
Female	248	26.6	28	21.4
Total	**931**	**100.0**	**131**	**100.0**

Source : Rapport 2023 EISC-CMR, INS-MINEPAT/PNUD

This analysis will be deployed across nine key axes. We will begin by assessing the overall impact of recent crises, especially the COVID-19 pandemic and the crisis between Russia and Ukraine. Next, we will explore the transmission channels and vulnerability factors that exacerbated these impacts. Enterprise coping strategies, investment needs, Government measures, business climate, enterprise economic performance, and emerging opportunities will also be discussed.

1. CRISES OVERALL IMPACT

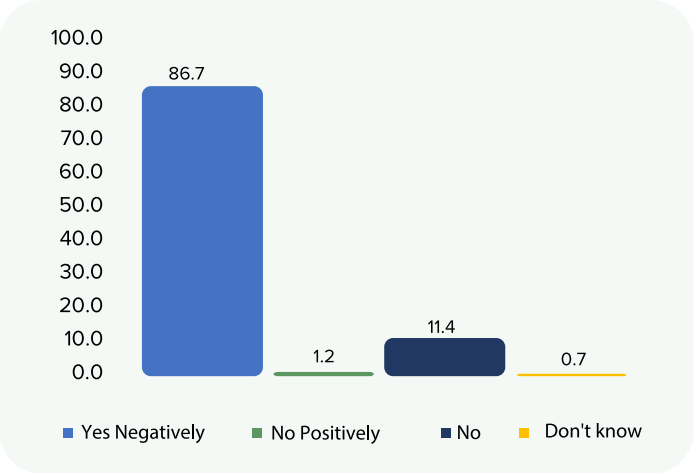
This section is dedicated to an in-depth assessment of the overall impact of two recent major crises, namely the COVID-19 pandemic and the crisis between Russia and Ukraine, on enterprises. The first part focuses on the overall impact of the COVID-19 pandemic on enterprise activities and personnel. Specifically, it explores noticeable trends relating to sales, production, staff numbers, salaries and working hours. The second part, for its part, examines the impact of the crisis between Russia and Ukraine on enterprises, by looking at the same indicators.

1.1 OVERALL IMPACT OF THE COVID 19 PANDEMIC

1.1.1 ACTIVITES DES ENTREPRISES

Assessment of the overall impact of the COVID-19 pandemic revolves around enterprise activities, focusing on the analysis of sales and production, and personnel of these enterprises, by examining the workforce, salaries and working hours.

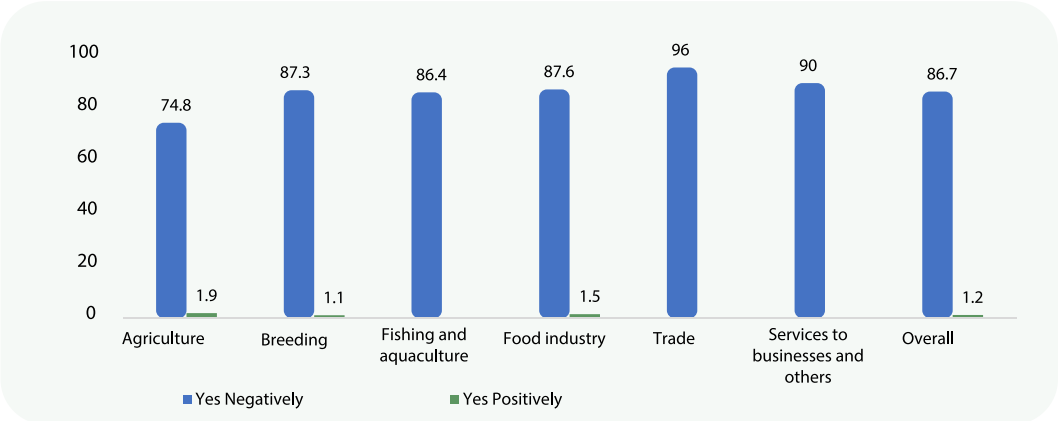
Figure 1: Perception of business leaders on the overall impact of the Covid-19 pandemic on activities (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Although this negative trend is the same for all activities, it is more significant in enterprises that undertake their activities in trade (96%), enterprise services (90%), food industry (88%) and livestock (87%).

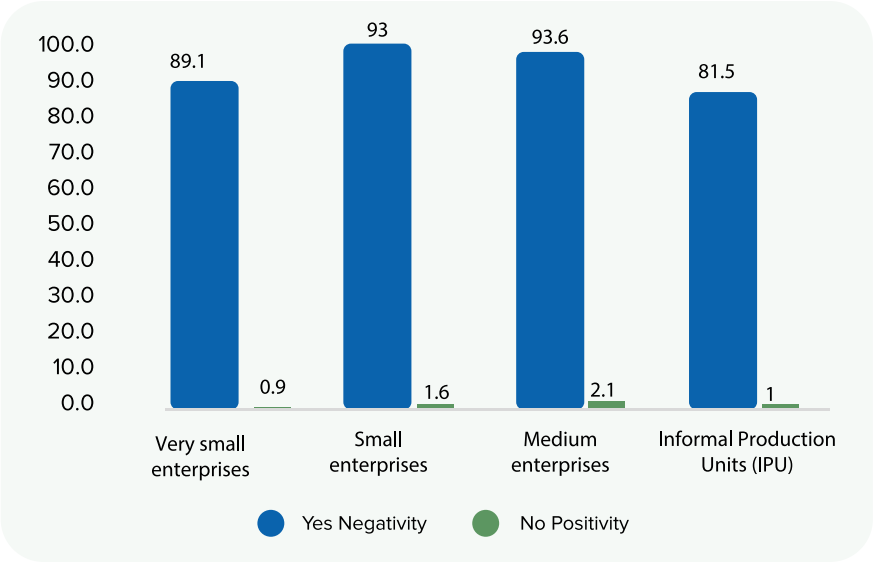
Figure 2: Perception of business leaders on the Impact of the Covid-19 pandemic on activities by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By enterprise size, the impact of the shock due to the Covid-19 pandemic increases with the enterprise size for Modern SMEs. In contrast, a little more than 8 Informal Production Units (IPUs) out of 10 are affected by this phenomenon. It appears that less structured production units were more able to adapt to the shock.

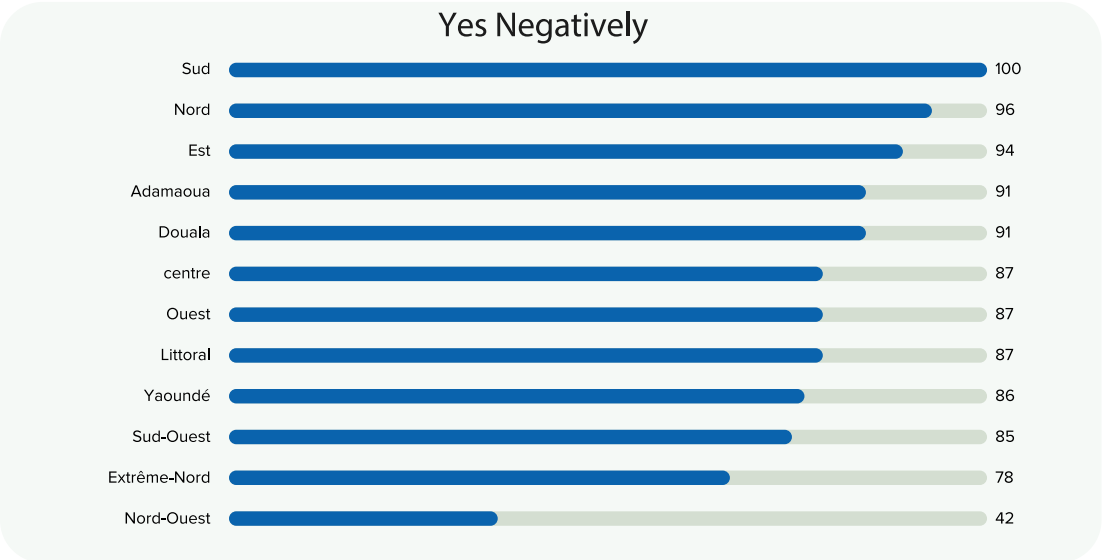
Figure 3: Perception of business leaders on the Impact of the Covid-19 pandemic on enterprise activities by enterprise size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

In most survey regions, enterprises were adversely impacted by Covid 19. This phenomenon is particularly more significant in the South, North, East, Adamawa and Douala where the percentages of enterprises affected negatively are the highest. A more detailed observation shows that, in the North of the country, the effects are more significant among Informal Production Units (IPUs), with a percentage of 74%, mainly involved in the food industry (63%). This observation is repeated in Adamawa, where 79% of IPUs, also active in the same sector, are impacted (68%). In contrast, in the South, the impact is more significant in Informal Production Units in fishing and aquaculture (100%), as well as in modern Small and Medium-sized Enterprises (SMEs) in the food industry (50%) and livestock (40%).

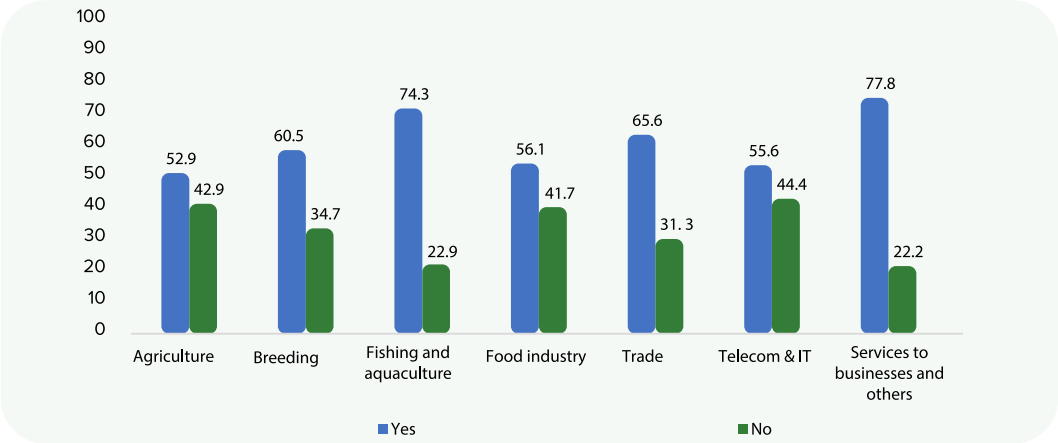
Figure 4: Perception of business leaders on the negative impact of the Covid-19 pandemic on enterprise activities by survey region (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

In 2023 compared to 2020, overall, nearly 6 in 10 enterprises continued to be impacted by the effects of the pandemic. This proportion is down by almost 3 points, suggesting a resumption of activities. By activity, operators in the sectors of services provided to enterprises (78%) and fishing and aquaculture (74%) reported the lingering negative impacts of the pandemic on their activities. In contrast, agriculture, telecommunications and IT, and the food industry appear more resilient, with a significant share indicating activity resumption.

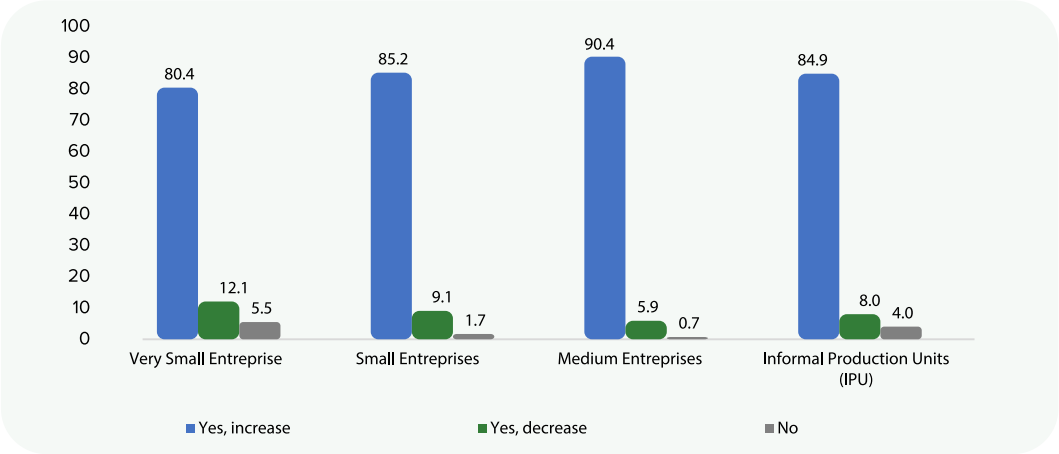
Figure 5: Perception of business leaders on the lingering effects of the Covid-19 pandemic on activities by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The lingering effects of Covid increase with the enterprise size for Modern SMEs. It is 80% for VSEs, 85% for SEs, 91% for MEs. Furthermore, 85% of IPUs reported that they would continue to be impacted by the Covid 19 pandemic in 2023 compared to 2020.

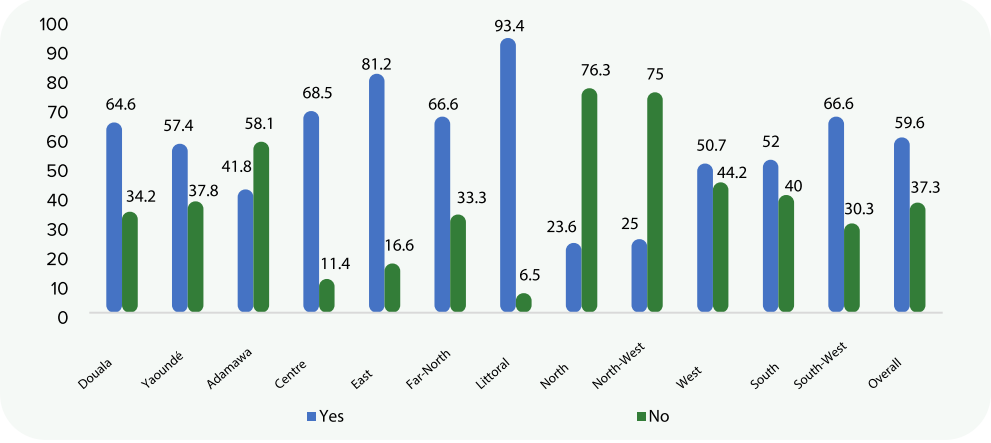
Figure 6: Perception of business leaders on the lingering effects of the Covid-19 pandemic on activities by enterprise size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The lingering effects of Covid 19 in 2023 compared to 2020 are more noticeable in the Littoral excluding Douala and in the East with respectively 94% and 81% of enterprises declaring that they will continue to be impacted. Cross-analysis of enterprises in these regions with the branch of activity and category of SME shows that most of these enterprises are Informal Production Units (60%) which undertake their activities in agriculture (38%), livestock (24%), fishing and aquaculture (17%) and the agri-food industry (17%).

Figure 7: Perception of business leaders on the lingering effects of the Covid-19 pandemic on activities by region (%)

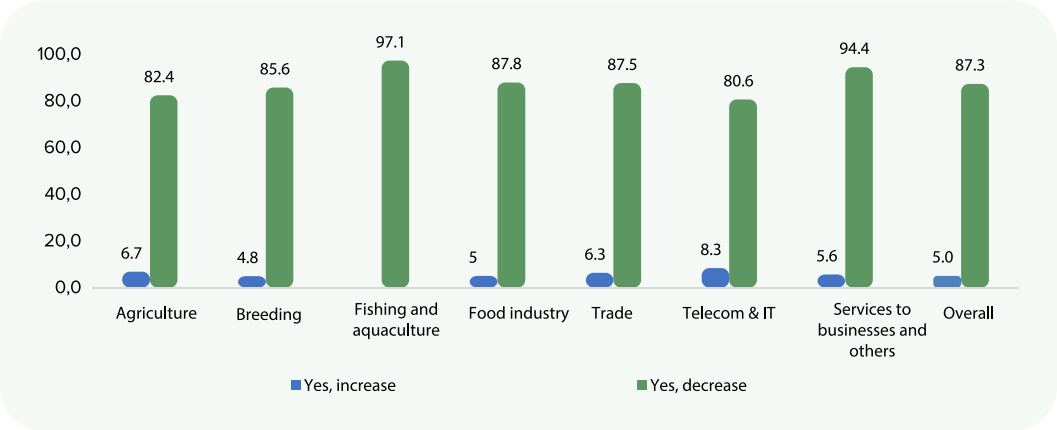


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

A. ENTERPRISE SALES

Overall, nearly nine in 10 enterprises report experiencing a drop in sales as a result of the COVID-19 pandemic. By activity, it was observed that all enterprises recorded a drop in their sales, regardless of the activity undertaken. In particular, fishing and aquaculture enterprises (97%) and enterprise services (94%) are more affected by this phenomenon.

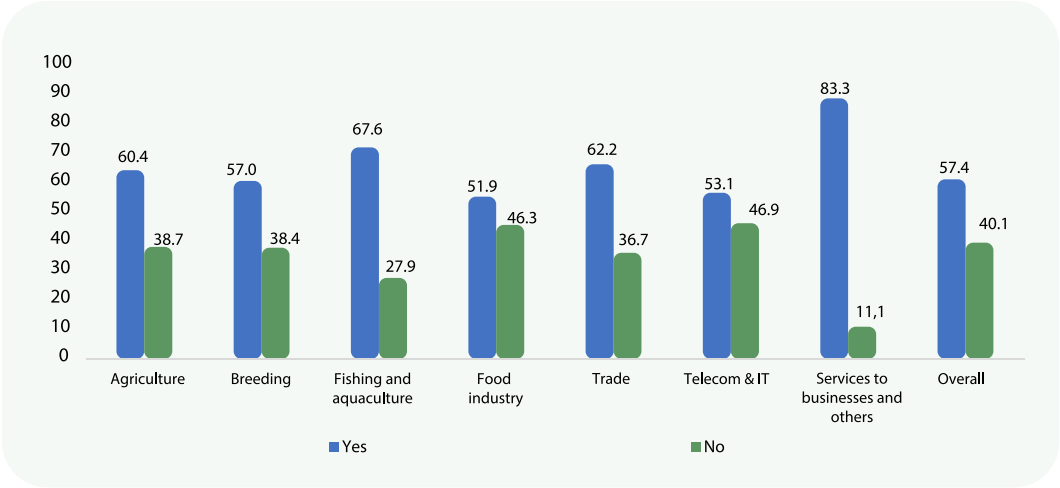
Figure 8: Perception of business leaders on the Impact of the Covid-19 pandemic on enterprise sales by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Regarding the persistence of these effects over time, 57% of enterprises reported that they still feel this impact, indicating a drop in sales of almost 3 points in 2023 compared to 2020 overall.

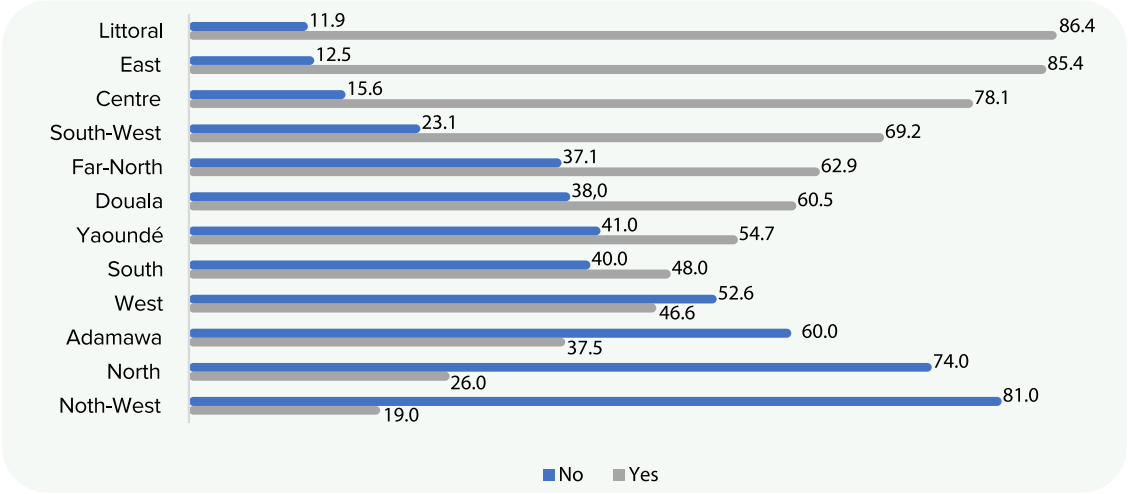
Figure 9: Perception of business leaders on the lingering impact of the Covid-19 pandemic on enterprise sales by sector of activity (%)



Source : Rapport 2023 EISC-CMR, INS-MINEPAT/PNUD

In 2023 compared to 2020, the impact of Covid 19 continued to be more significant in the Littoral (86%), East (85%) and Centre (78%) regions. By the OSSP Project's implementation regions, this observation is also visible in the South-West (69%) and Far-North (63%). For the South-West region, enterprises that produce livestock are more predominant (39%). In the Far-North, this mainly concerns the food industries (69%).

Figure 10: Perception of business leaders on the lingering impact of the Covid-19 pandemic on enterprise sales by survey region (%)

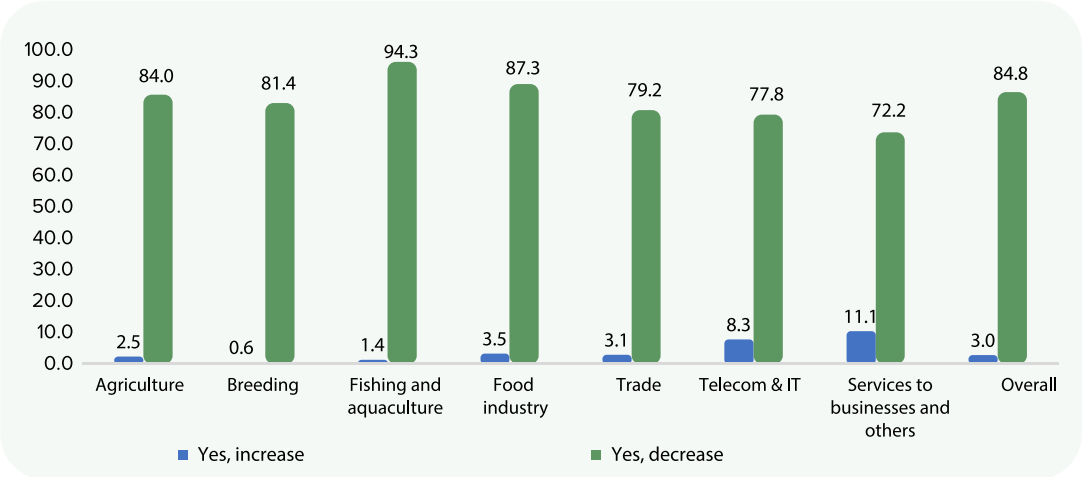


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

B. ENTERPRISE PRODUCTION

Overall, 85% of enterprises reported having suffered a negative impact on their production. Analyzing by sector, it was observed that fishing and aquaculture (94%), food industry (87%), agriculture (84%) and livestock breeding (81%) are the most affected.

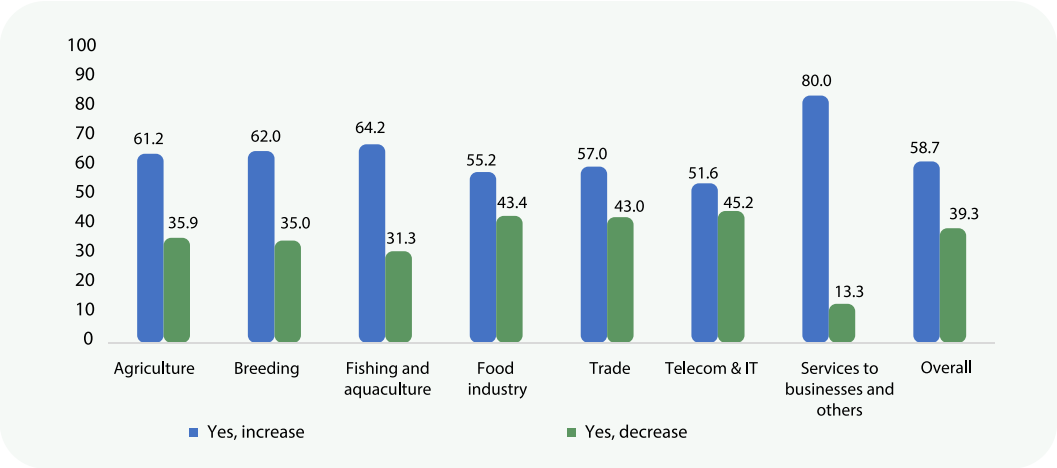
Figure 11: Perception of business leaders on the Impact of the Covid-19 pandemic on production by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

As in overall activity and sales, nearly 6 of the enterprises hold that their production continues to suffer the impact of the pandemic in 2023 compared to 2020, i.e. a drop in production of 2.6 points reflecting a resumption of activities.

Figure 12: Perception of business leaders on the lingering Impact of the Covid-19 pandemic on production by sector of activity (%)



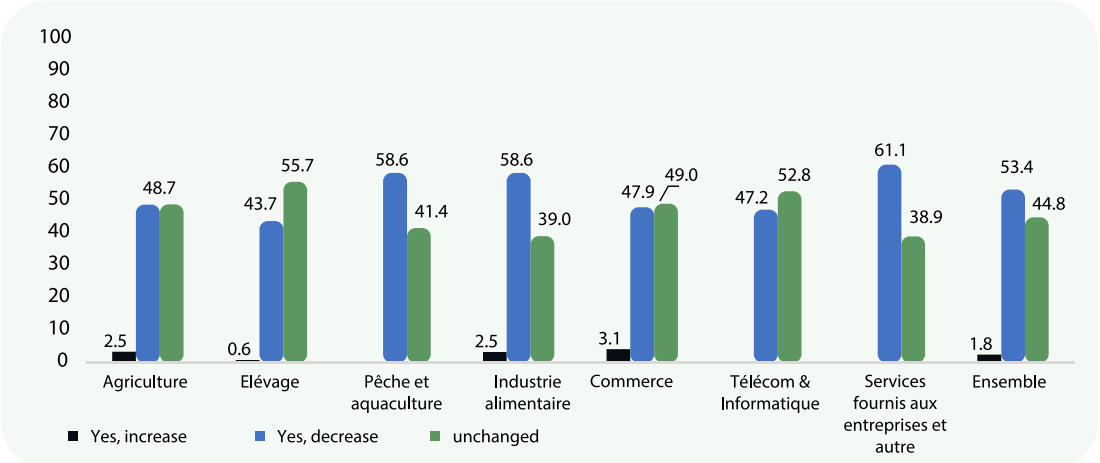
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

1.1. 2 ENTERPRISE STAFF

A. WORKFORCE

The figure below examines the adjustments made to enterprise staff numbers in 2020 in response to the COVID-19 pandemic, distinguishing between an increase, a decrease or no change. Overall, 53% of enterprises reported having reduced their staff numbers.

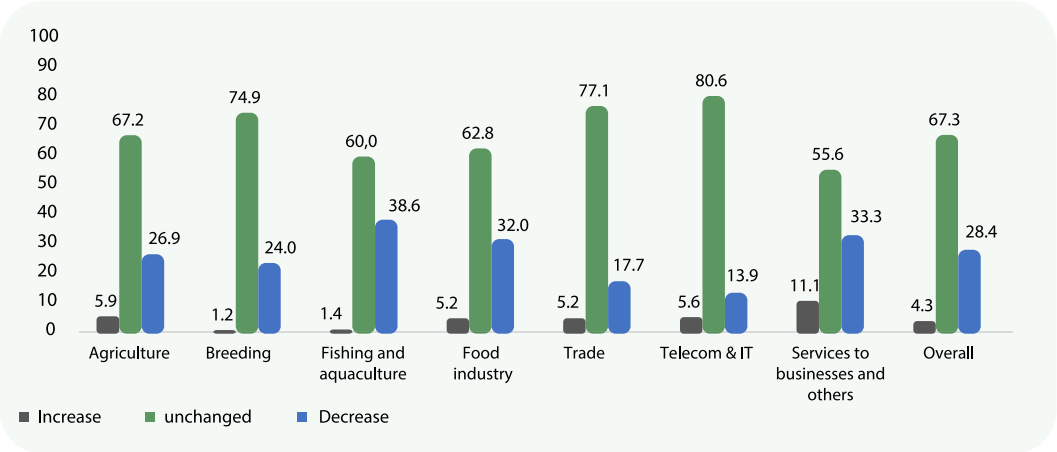
Figure 13: Perception of business leaders on the Impact of the Covid-19 pandemic on the number of staff by sector of activity (%) in 2020



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

In 2021 compared to 2020, nearly 7 in 10 enterprises said they had kept their workforce unchanged. By activity, this trend is more visible in telecommunications and IT (80%), trade (77%) and livestock (75%).

Figure 14: Perception of business leaders on the lingering effects of the Covid-19 pandemic on the number of staff by sector of activity (%)

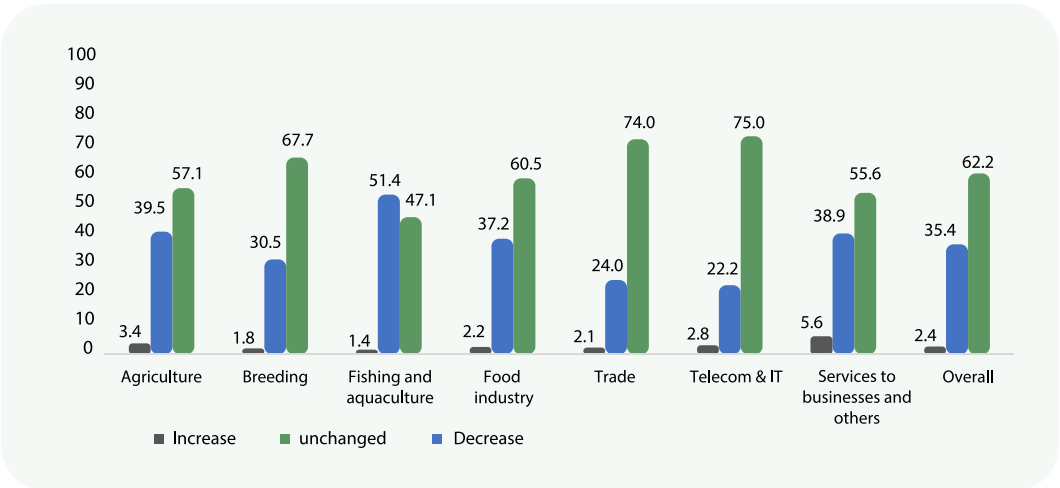


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

B. SALARIES

Overall, 62% of enterprises kept their salaries unchanged. This mainly concerns enterprises which undertake their activities in telecommunications and IT (75%), trade (74%) and livestock (68%).

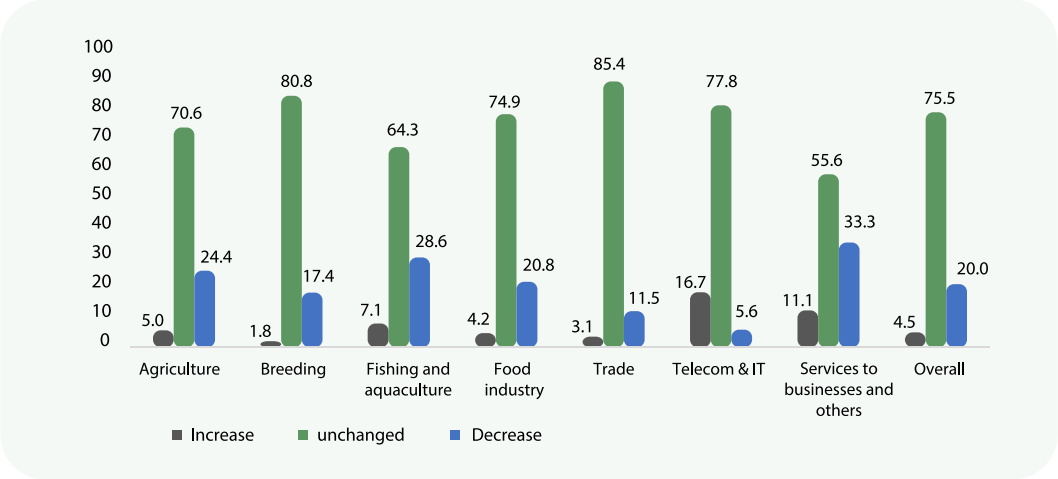
Figure 15: Perception of business leaders on the impact of the Covid-19 pandemic on staff salaries by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

In 2021 compared to 2020, a little more than 3 in 4 enterprises said they kept the salaries of their staff unchanged.

Figure 16: Perception of business leaders on the lingering overall impact of the Covid-19 pandemic on staff working hours (%)



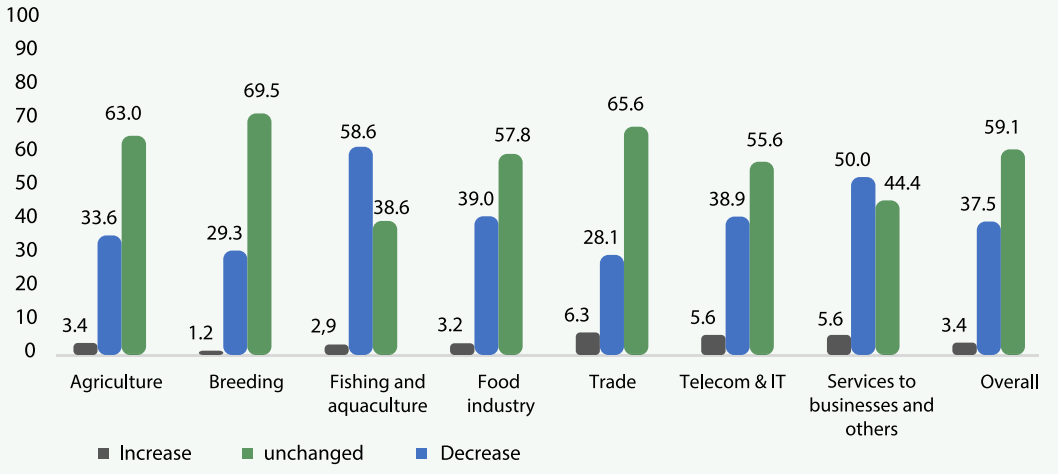
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

C. WORKING HOURS

Faced with the consequences of the COVID-19 pandemic in 2020, a significant proportion of enterprises chose to keep their working hours unchanged (59%). In 2021, this proportion increased by one point.

However by activity, the telecommunications and IT sector shows a higher proportion of increases in working hours, perhaps indicating a growing demand for digital services.

Figure 17: Perception of business leaders on the overall impact of the Covid-19 pandemic on staff working hours (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

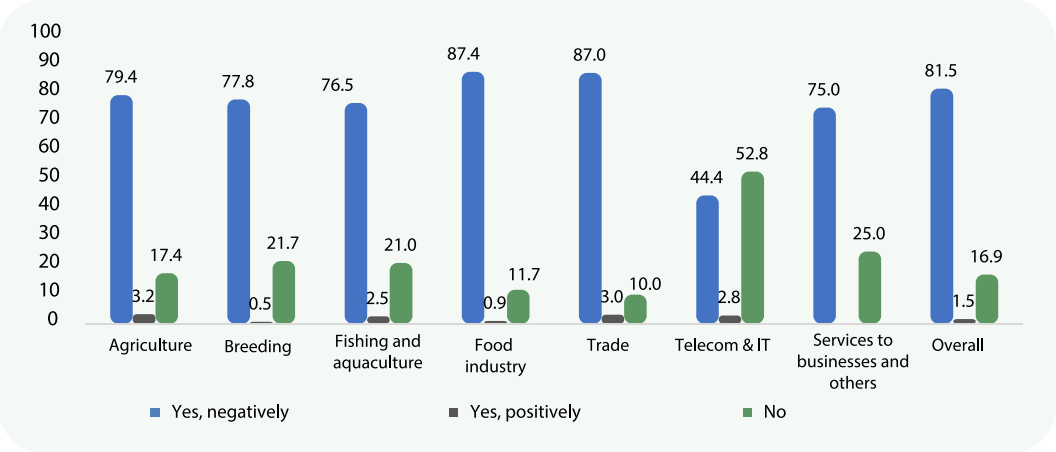
1.2 OVERALL IMPACT OF THE CRISIS BETWEEN RUSSIA AND UKRAINE

Assessment of the overall impact of the pandemic of the crisis between Russia and Ukraine is structured on the one hand around the activities of enterprises, focusing on the analysis of sales and production, and on the other hand on the personnel of these enterprises, by examining the number of employees, salaries and working hours.

1.2.1 ENTERPRISE ACTIVITY

Assessment of the impact of the crisis between Russia and Ukraine on enterprise activities shows that, overall, most enterprises (82%) reported a negative impact, highlighting the extent of the economic repercussions of this crisis. This trend persists regardless of the sector of activity considered. However, trade (87%), the food industry (87%), agriculture (79%) and livestock (78%) were more affected by this phenomenon.

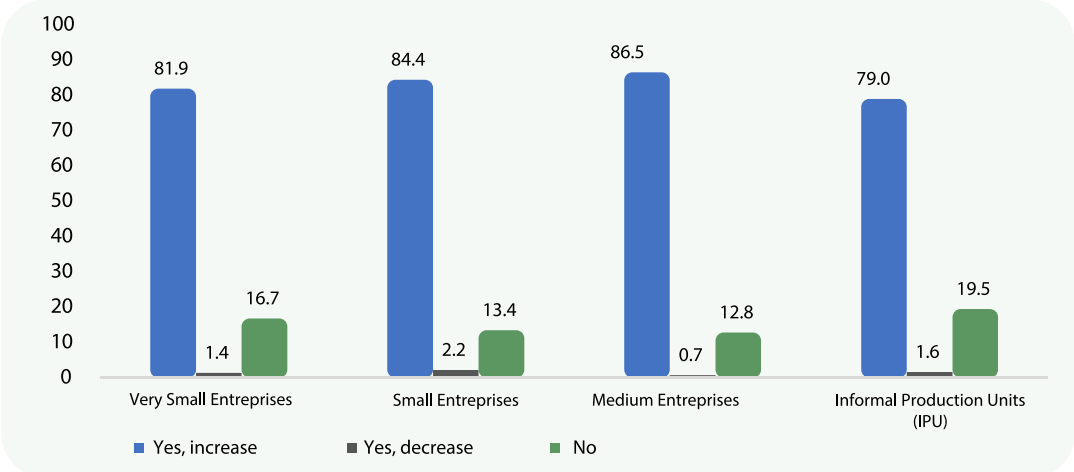
Figure 18: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on enterprises by activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The magnitude of the impact increases with enterprise size for Modern SMEs. Although negative, it is of less importance for IPUs.

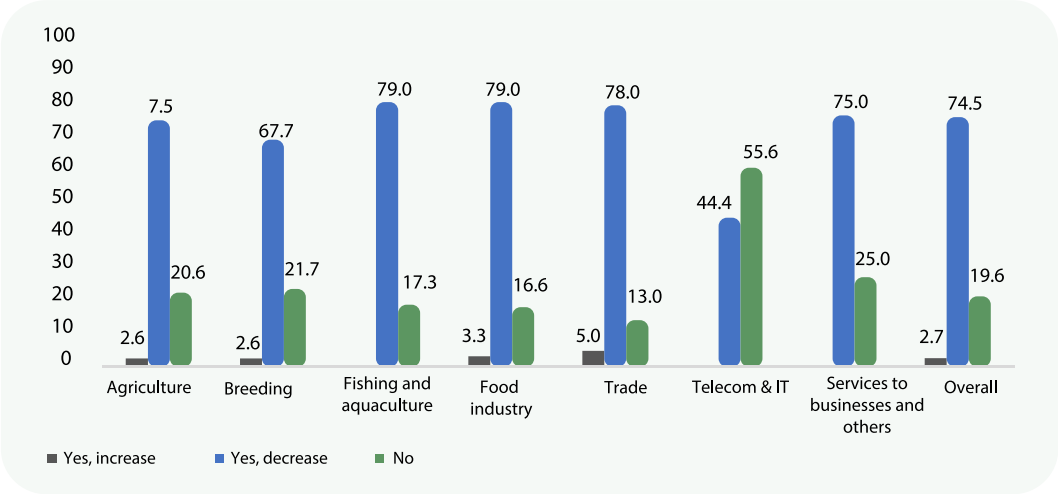
Figure 19: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on enterprises by enterprise size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Regarding the repercussions of the crisis between Russia and Ukraine on enterprise production, overall, it appears that most enterprises recorded an unfavorable impact on their production (74%). By sector of activity, the food industry (79%), fishing and aquaculture (79%), as well as trade (78%) are among the most affected by the scale of this shock. In contrast, the telecommunications and IT sector appears to have relatively higher resilience, with only 44% of enterprises reporting a negative impact.

Figure 20: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on enterprise production by activity (%)



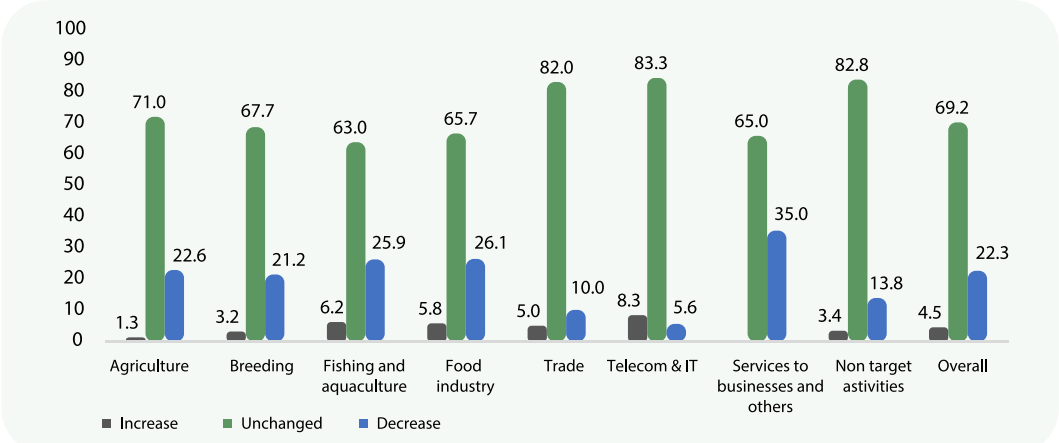
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

1.2.2 ENTERPRISE STAFF

A. WORKFORCE

Results of this study show that in 2022 compared to the previous year, nearly 7 in 10 enterprises reported having kept their workforce unchanged. When examining the sectors of activity, the observed trend remains constant. However, it was observed that the telecommunications and IT sector is the one that had retained its workforce the most, with a percentage of 83%, followed by trade (82%) and agriculture (71%). The largest declines were in enterprise services, the food industry and fishing and aquaculture.

Figure 21: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on the number of staff by activity (%)



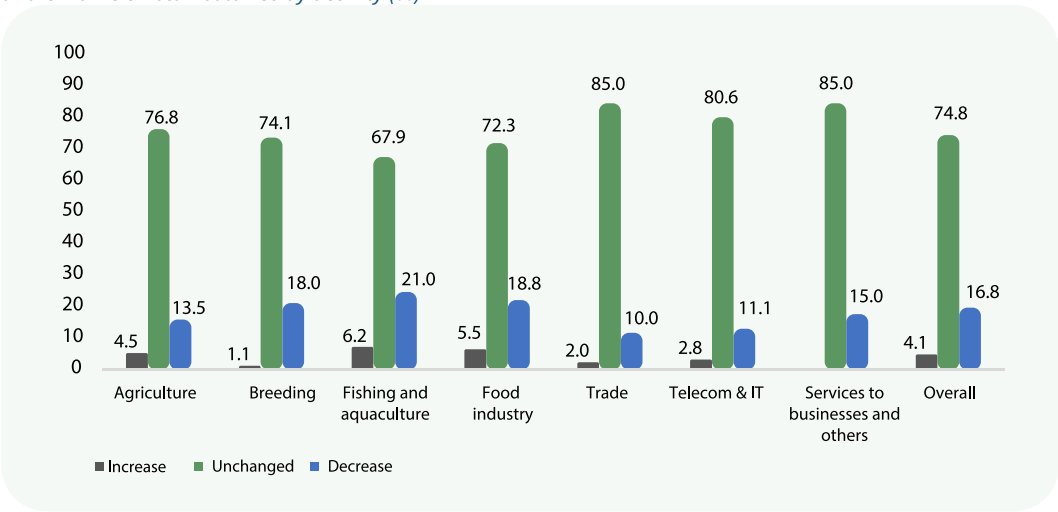
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

B. SALARIES

On a global scale, results regarding salary trends during 2022 show a general trend towards stability, with 75% of enterprises indicating unchanged salaries.

Nearly 2 in 10 enterprises have reduced the salaries of their staff due to the Covid-19 pandemic. By activity, this is mainly the case for enterprises involved in fishing and aquaculture (21%), the food industry (19%) and livestock (18%).

Figure 22: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on staff salaries by activity (%)



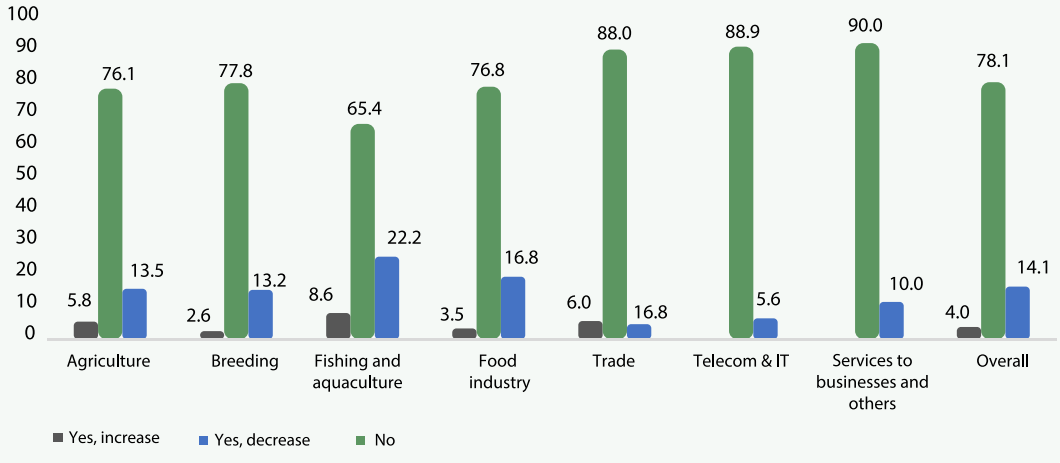
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

C. WORKING HOURS

Results show that, overall, most enterprises (78%) maintained their working hours unchanged during the year 2022, compared to 2021. Looking at the activities, services provided to enterprises (90%), telecommunications and IT (89%) and trade (88%) stand out with the highest proportions of enterprises having kept working hours unchanged.

Overall, reduction in working hours as a result of the Covid 19 pandemic occurred in very few enterprises (14%). It was mainly observed in fishing and aquaculture (22%), the food industry (17%), agriculture and livestock (13%) respectively.

Figure 23: Perception of business leaders on the overall impact of the crisis between Russia and Ukraine on staff working hours by activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

2. TRANSMISSION CHANNELS

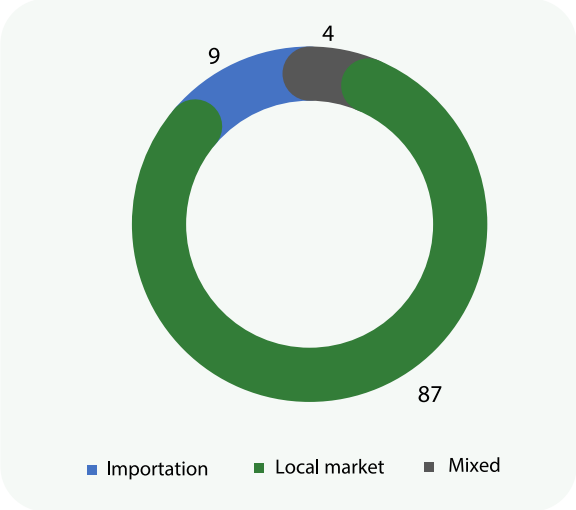
This section, which reports on transmission channels, is focused around 3 points mainly: **(i)** the supply of inputs for production, **(ii)** the assessment made by enterprises of the transmission channels of crises on their activities and **(iii)** financing difficulties.

2.1 SUPPLY OF INPUTS FOR PRODUCTION

2.1.1 ORIGIN OF INPUTS

Most enterprises (87%) source their raw materials exclusively from the national market, meanwhile some source their supplies on the national market and on the international market (9%). Only 4% of enterprises purchase their raw materials exclusively on the international market (imports).

Figure 24: Origin of raw materials (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The data in the table shows that the national market is the main source of supply of raw materials, regardless of the enterprise size. Very Small Enterprises (VSEs) mainly depend on the national market, with a share of 88%. Small Enterprises (SMEs) display a similar dependence on the national market, accounting for 80% of their supplies, but they also have a slightly higher proportion of raw materials of mixed origin (16.1% compared to 8.1% for VSEs). In contrast, Medium-sized Enterprises, although they also depend on the national market, have a more significant use of mixed (21%) and imported (13%) materials.

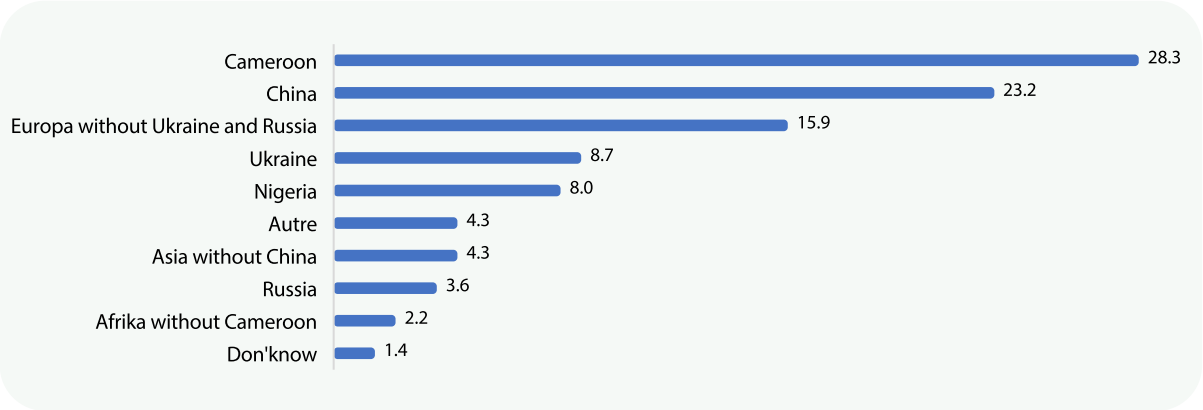
Table 3: Origin of raw materials by enterprise size (%)

		Origin of raw materials			
Enterprise size		Imports	National market	Mixed	Total
	Very Small Enterprises (VSEs)	4.1	87.8	8.1	100.0
	Small Enterprises (SEs)	4.3	79.6	16.1	100.0
	Medium-sized Enterprises (MEs)	12.8	66.7	20.6	100.0
	Informal Production Units (IPUs)	1.4	94.9	3.7	100.0
	Total	**4.0**	**87.0**	**9.0**	**100.0**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

For enterprises that source from the international market, the main raw material comes from China (23%) followed by Europe excluding Ukraine and Russia. The third country of origin of raw materials is Ukraine (9%). Raw materials from Russia supply 4% of enterprises.

Figure 25: Country of origin of raw materials (%)

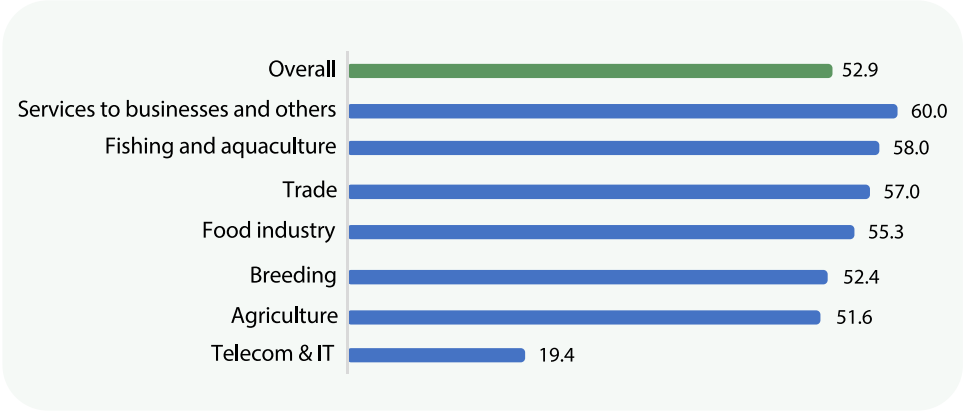


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

2.1.2 DIFFICULTIES IN SUPPLYING INPUTS

In 2022, enterprises experienced difficulties in supplying inputs. In fact, 53% of enterprise managers interviewed reported that they had canceled customer orders due to insufficient production inputs. This situation is the same for virtually all the activities selected except for enterprises in the telecommunications and IT sector where order cancellations by suppliers only affected 19% of enterprises. Likewise, order cancellations were reported across all types of enterprises (MEs, SEs, VSEs and IPUs). However, the proportion is a little lower for SMEs (48%).

Figure 26: Percentage of enterprises having canceled orders due to insufficient inputs by activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

To cope with these difficulties in supplying inputs, almost half of enterprise managers declared that they had not made any changes to their operations. They are just waiting for the situation to improve. In contrast, 26% of managers interviewed reported that they are increasing the number of local suppliers. The third adaptation measure mentioned by enterprises (12%) is to better control stocks by keeping larger stocks.

Particularly for enterprises that have decided to increase the number of local suppliers due to difficulties in supplying inputs, the data shows that the food industry is the sector most concerned about these problems, with a high percentage of 53 10% of enterprises having decided to increase the number of local suppliers.

Table 4: Percentage of enterprises having decided to increase the number of local suppliers in the face of supply difficulties by main activity (%)

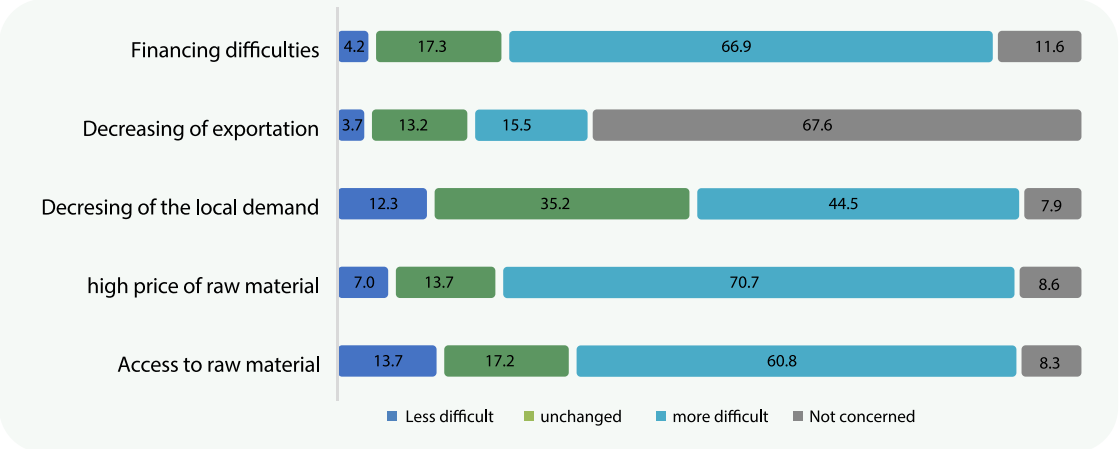
	Percentage
Agriculture	6.9
Livestock	11.
Fishing and aquaculture	9.6
Food industry	53.1
Trade	15.8
Telecommunications and IT	0.6
Services provided to enterprises and others	2.7
Total	**100**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

2.2 OPINION ABOUT THE TRANSMISSION CHANNELS OF EXTERNAL SHOCKS IN 2022 COMPARED TO 2020

In the opinion of most enterprise managers, the situation in 2022 was more difficult than during the period of the pandemic in 2020. Thus, 61% of them declared that access to raw materials is more difficult than During the COVID period, 71% said raw material prices are higher and 67% said financing is more difficult. Opinions are more nixed regarding the drop in local demand. In fact, 45% of enterprise managers declared that the drop in local demand was felt more in 2022 compared to 2020, meanwhile 35% reported the opposite.

Figure 27: Opinion of enterprise managers how difficulties evolved in 2022 compared to 2020 (%)

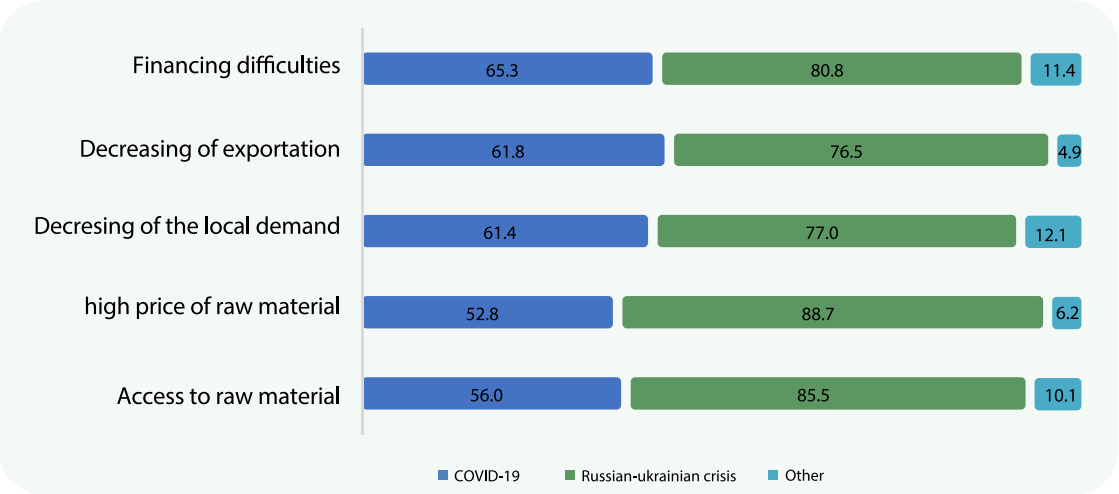


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Persons interviewed in the enterprises hold that the difficulties evolved in 2022 compared to 2020 mainly as a result of the crisis between Russia and Ukraine and also of the lingering effects of COVID-19 although controlled on the health level. Indeed, for over 85% of the persons interviewed, the difficulties in supplying raw materials and the high prices of the latter can be accounted for by the crisis between Russia and Ukraine. Likewise, 81% of these persons attribute the financial difficulties of enterprises in 2022 to this same crisis.

It therefore appears that for those interviewed in enterprises, the COVID-19 pandemic reached local enterprises through the channels of raw materials (availability and price), financing, national demand and exports. The effects of this pandemic still persist in enterprises. The crisis between Russia and Ukraine has therefore added to this situation and exacerbated it because it uses the same transmission channels.

Figure 28: Opinion of enterprise managers about how difficulties evolved in 2022 compared to 2020 (%)

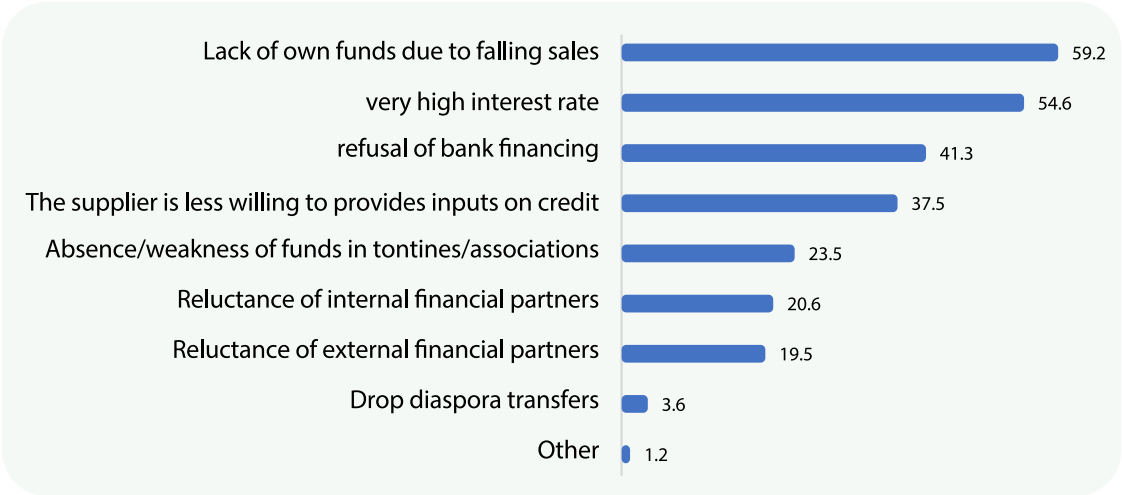


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

2.3 FINANCING DIFFICULTIES

Business leaders who reported that financing was more difficult in 2022 than in 2020 specified the types of financial difficulties they are encountering. It was noted that 59% of them face a lack of equity in 2022 due to the drop in sales. The too high interest rate was mentioned by 55% of respondents. The third cause mentioned is the refusal of financing from banks (41%). The environment makes suppliers less willing to provide inputs on credit.

Figure 29: the different types of persistence of financial difficulties (%)



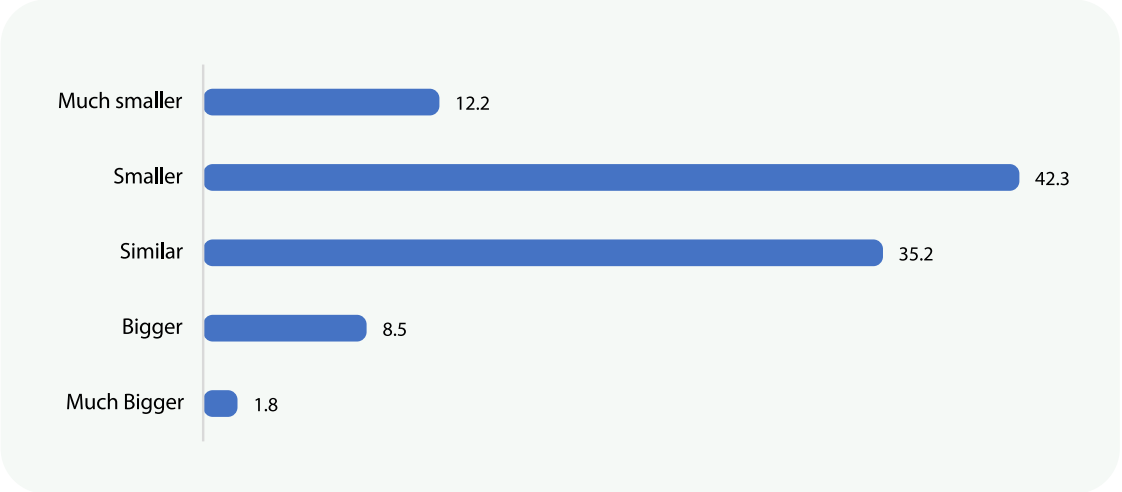
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3. FACTORS OF VULNERABILITY TO SHOCKS

3.1 ENTERPRISE SIZE COMPARED TO COMPETITORS

The perception that enterprise managers have of the relative size of their structure on the market can influence the decisions made. Survey results show that barely 10% of those interviewed believe that their enterprise is larger than competing enterprises. This observation is valid for all activities and different types of enterprises. It was also observed that even managers of medium-sized enterprises (85%) believe that their enterprises are smaller than those of the competition.

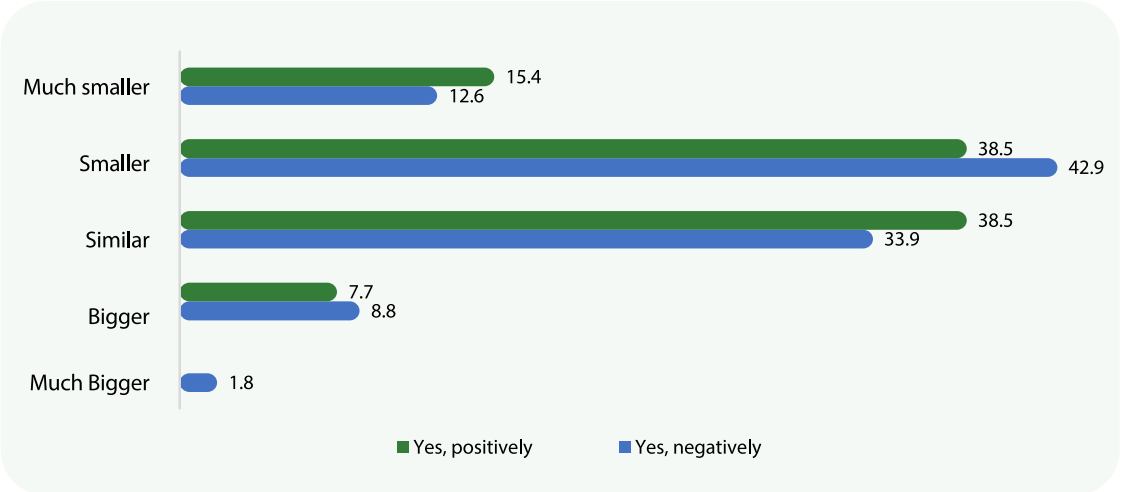
Figure 30: Perception of enterprise size compared to that of main competitors (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Cross-analysis of the perception that enterprise managers have of the size of their enterprise compared to that of their main competitors with the impact of Covid 19 on the activity of their enterprise shows that enterprises perceived as smaller and similar to that of competitors have suffered the most from the impact of the pandemic with 43% and 34% respectively.

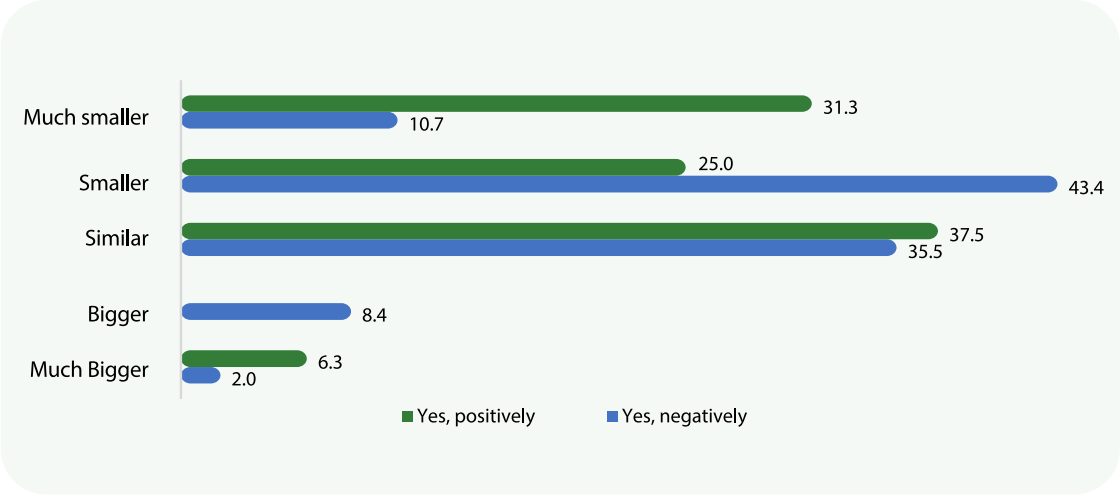
Figure 31: Perception of the enterprise size compared to that of main competitors by the impact of Covid 19 on the enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The trend observed when analyzing the impact of the crisis between Russia and Ukraine is similar to the impact of Covid 19. Indeed, business leaders who perceive the size of their structure as smaller (43%) and similar (35%) to that of their competitors are those who declared that they suffered the effects of this shock the most.

Figure 32: Perception of the enterprise size compared to that of the main competitors by the impact of the crisis between Russia and Ukraine on the enterprise activity (%)

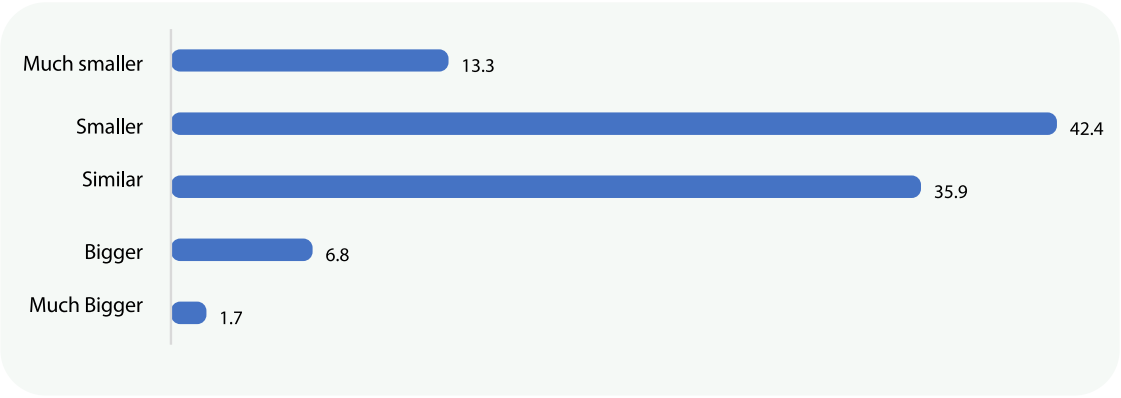


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.2 MARKET SHARE

In this part, the respondents were asked to assess the market share of their enterprises compared to their competitors. Results show the same trend as above. In fact, 9% of the persons interviewed think that their enterprise has more market share than competing enterprises. This observation is valid for all activities and different types of enterprises. As before, it was observed that even the majority of managers of medium-sized enterprises (86%) believe that their enterprises have less market share than the competition.

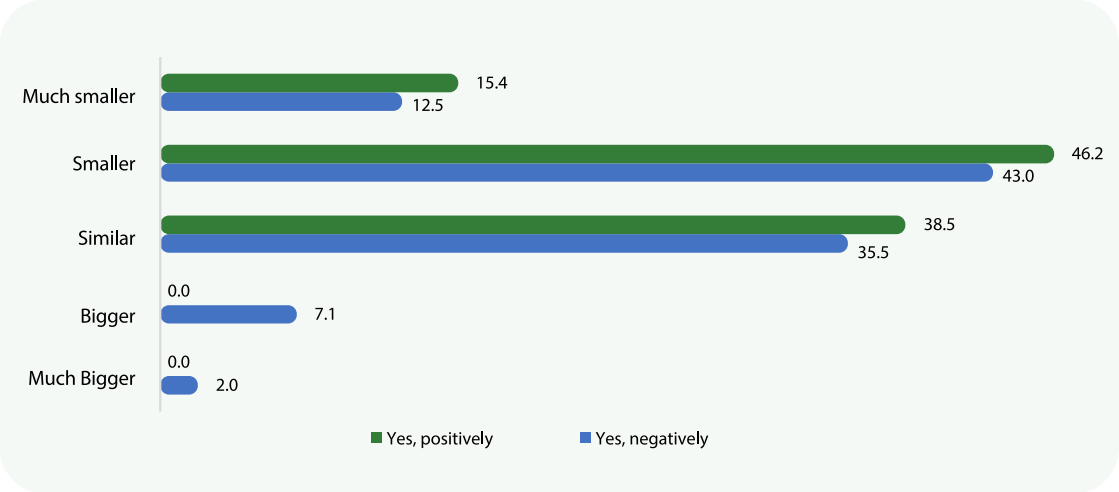
Figure 33: Perception of market shares of enterprises compared to that of main competitors (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Companies whose market shares are perceived to be smaller than those of their competitors have suffered the most from the negative effects of the pandemic. In fact, a little more than 4 in 10 enterprises were impacted by the phenomenon. In contrast, this impact is less pronounced among enterprises whose managers estimate that their market shares are greater than those of their competitors (7%).

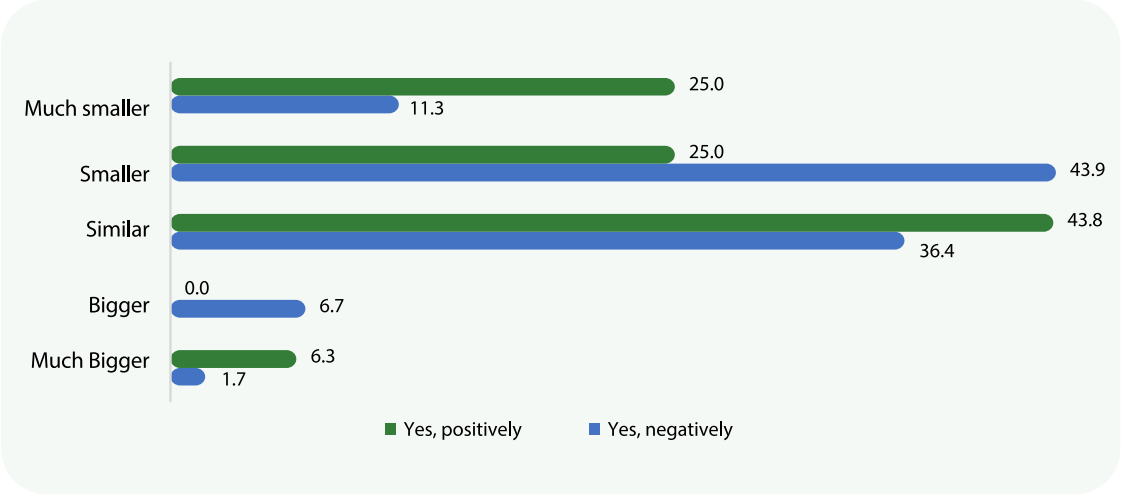
Figure 34: Perception of market shares of enterprises compared to that of main competitors by the impact of Covid 19 on the enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The trend is similar when the impact of the crisis between Russia and Ukraine is analyzed on this same issue.

Figure 35: Perception of market shares of enterprises compared to that of main competitors by the impact of the crisis between Russia and Ukraine on the enterprise activity (%)

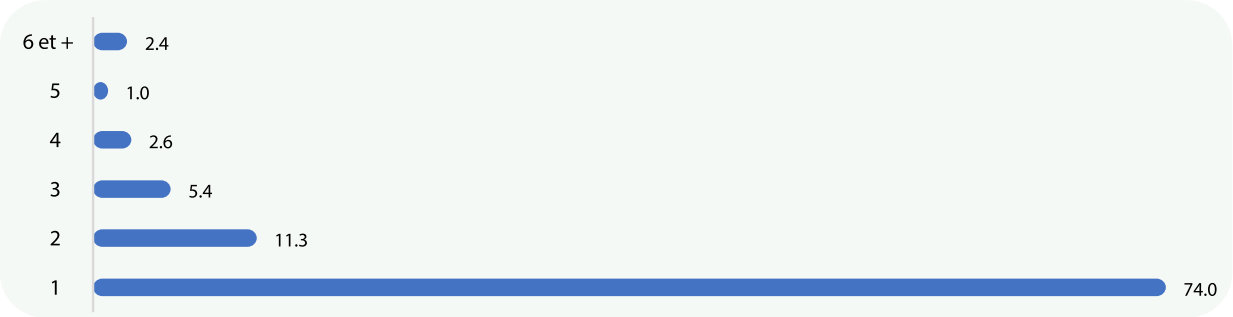


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.3 NUMBER OF ESTABLISHMENTS/POINTS OF SALE

As was to be expected, most enterprises only have one establishment or point of sale. These are therefore enterprises in which the activity takes place on a single site which also houses the head office. There are 11% of enterprises surveyed which have 2 establishments or points of sale. Barely 2% of units have more than 6 establishments/points of sale. By activity undertaken, telecommunications enterprises appear to have a strong propensity to own more than 6 establishments. MEs are sufficiently distinguished from other types of enterprises because in this category, 40% of enterprises have at least 2 establishments or points of sale. This figure is 33% for small enterprises, 24% for very small enterprises and 13% for informal production units.

Figure 36: Distribution of enterprises (%) by the number of establishments/points of sale

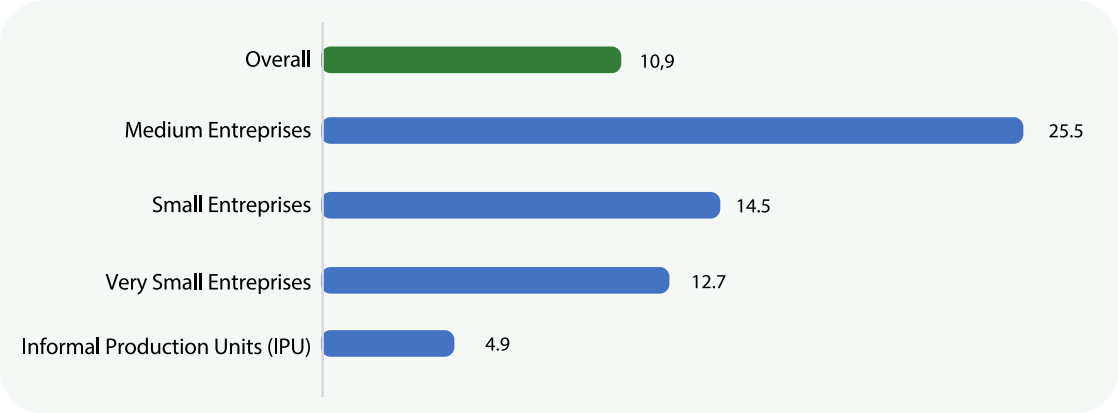


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.4 MEMBERSHIP OF AN ENTERPRISE GROUP

Very few enterprises interviewed (11%) belong to an enterprise group. This percentage increases with the enterprise size. In fact, 5% of informal production units belong to a group. This figure is 13% for VSEs, 15% for SEs and 26% for MEs. The enterprise group makes it possible to share a certain amount of information which makes it possible to pool certain risks and therefore to better resist shocks. Small enterprises therefore seem alone in the face of shocks compared to medium-sized enterprises.

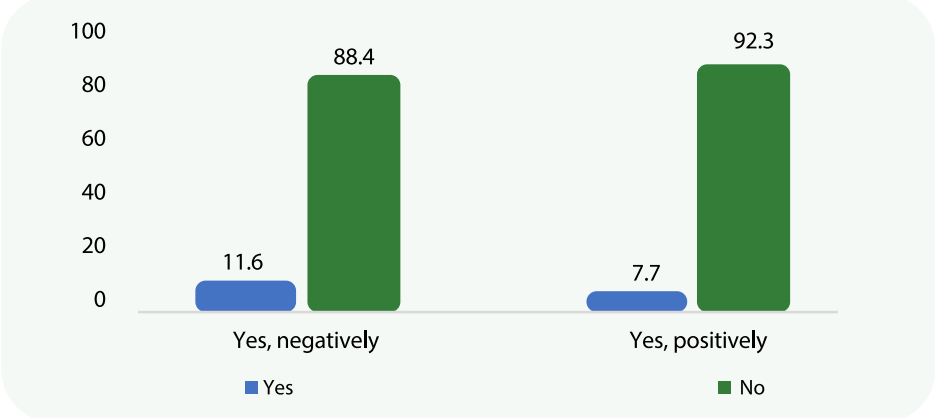
Figure 37: Distribution of enterprises belonging to an enterprise group by enterprise size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

When the impact of Covid 19 on enterprises that belong to an enterprise group is analyzed, it is observed that they were less vulnerable to the shock. Indeed, 88.7% of enterprises belonging to an enterprise group were adversely impacted by Covid 19 compared to 92.3% for those not belonging to it.

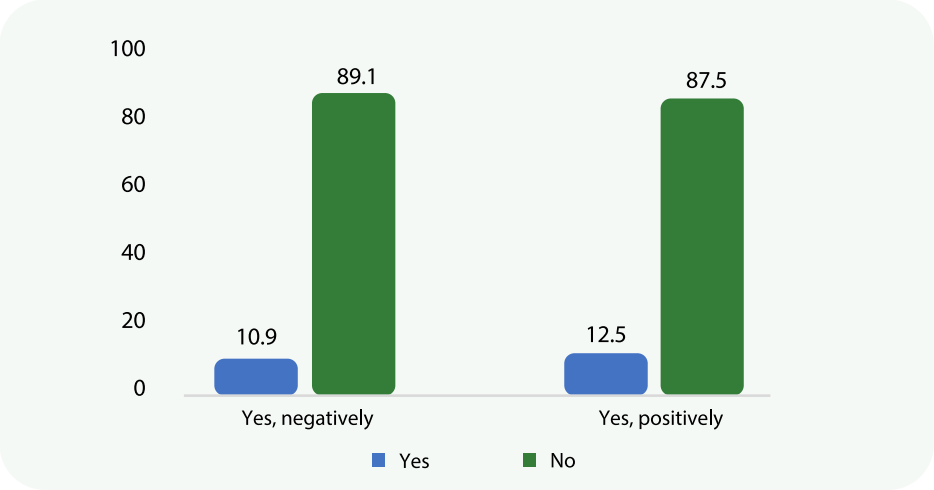
Figure 38: Distribution of enterprises belonging to an enterprise group by the impact of Covid 19 on the enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Contrary to the trend observed for Covid 19, the crisis between Russia and Ukraine had a greater impact on enterprises belonging to a group (89.1% compared to 87.5%).

Figure 39: Distribution of enterprises belonging to an enterprise group by the impact of Covid 19 on the enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.5 DIVERSIFICATION OF THE PRODUCT/SERVICE OFFERING

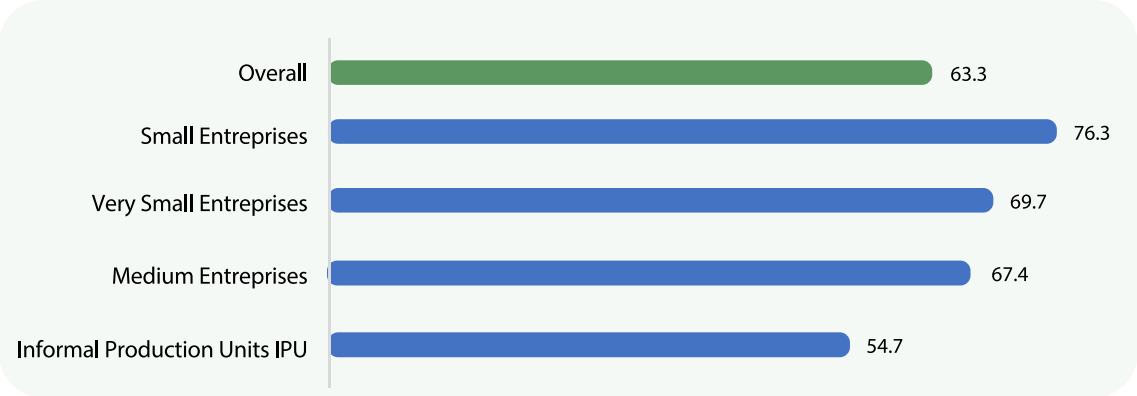
Product diversification is a practice that allows an enterprise to be less vulnerable to a shock to its main product. Survey results show that 63% of the persons interviewed said that their enterprise offers more than one product/service. This observation is valid in all services with some nuances. Indeed, this figure is 85% for services provided to enterprises, 69% in trade. The lowest figure is recorded in livestock enterprises.

Figure 40: Distribution of enterprises offering more than one product/service by the activity undertaken (%)

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis by enterprise size shows that IPUs diversify little compared to Modern SMEs.

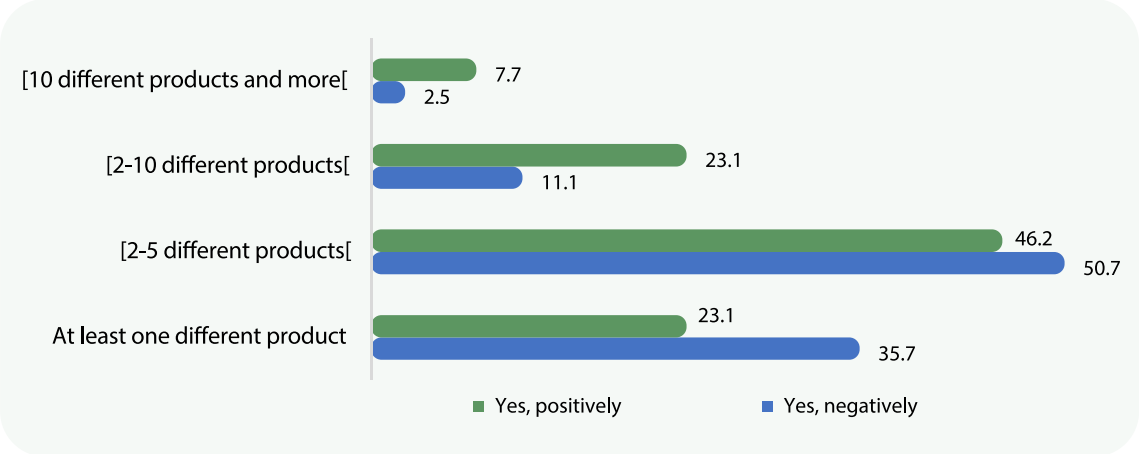
Figure 41: Distribution of enterprises offering more than one product/service by size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The figure below shows that the negative impact of the pandemic is less significant in enterprises that diversify their product offerings little. In fact, only 2.5% of those who offer at least 10 different products said they had been negatively impacted by the pandemic. In contrast, 86.4% of those offering less than 5 different products declared having suffered this impact.

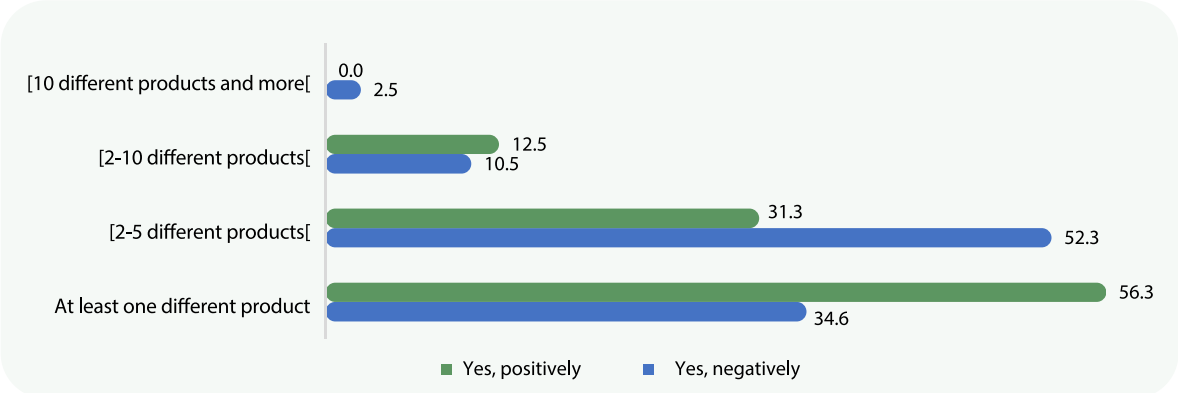
Figure 42: Distribution of enterprises offering different products by the impact of Covid 19 on the enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis of the impact of the crisis between Russia and Ukraine highlights similar trends because 87% of enterprises offering less than 5 different products declared having suffered this impact.

Figure 43: Distribution of enterprises offering different products by the impact of the crisis between Russia and Ukraine on the enterprise activity (%)

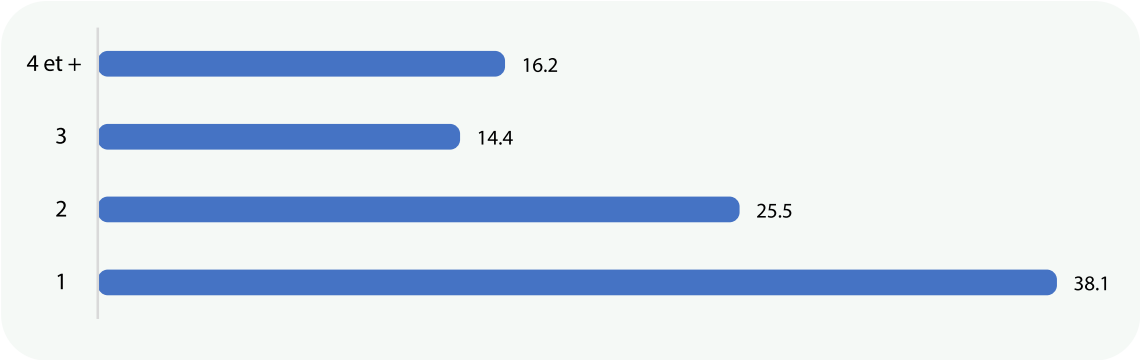


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.6 NUMBER OF AREA/PLACE OF SUPPLY OF RAW MATERIALS

By diversifying supply places, the enterprise better controls purchase prices and also protects itself from the risk of localized shortages. Examination of the survey results shows that 56% of those interviewed stated that their enterprise sources from at least two locations or areas. Better still, 16% of them said that their enterprise sources its supplies from at least 4 areas.

Figure 44: Distribution of enterprises by the number of places of supply of raw materials (%)

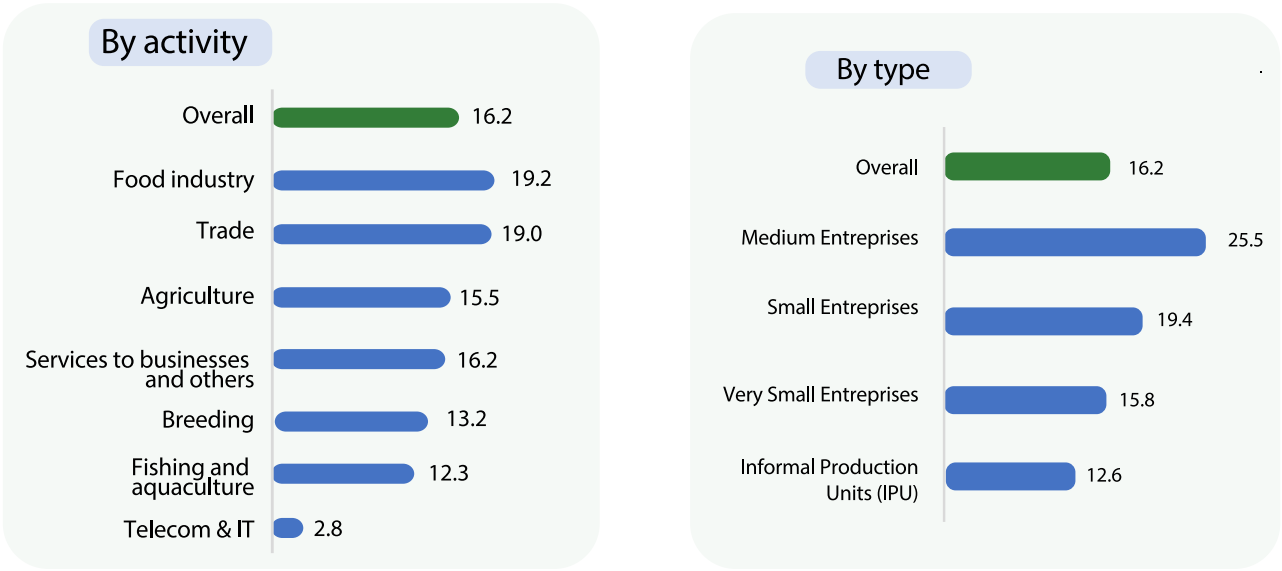


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Trade (19%) and food industry (19%) enterprises are those who source the most supplies from at least 4 locations. Concerning the type, it was observed that the number of enterprises sourcing from at least 4 locations increases with the size of the enterprise.

In fact, there are 13% of IPUs which get their supplies from at least 4 different places. This figure is 16% for VSEs, 19% for SEs and 26% for MEs.

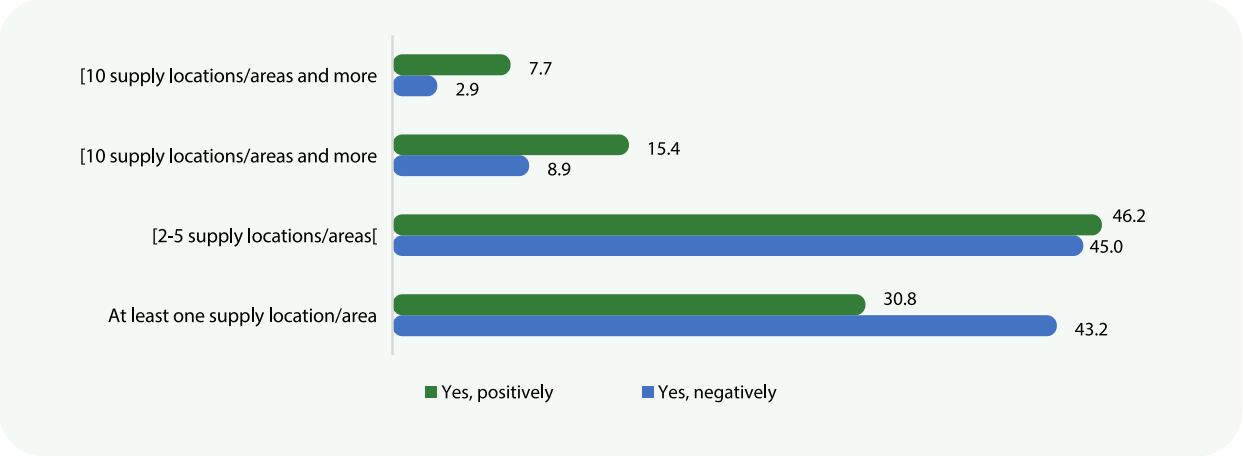
Figure 45: Distribution of enterprises with at least 4 places of supply of raw materials (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Enterprises that source raw materials from at least 5 different places/areas have proven to be more resilient in the face of the Covid 19 pandemic. In contrast, nearly 9 in 10 enterprises reporting being negatively impacted by Covid 19 have fewer than 5 raw material supply places/areas.

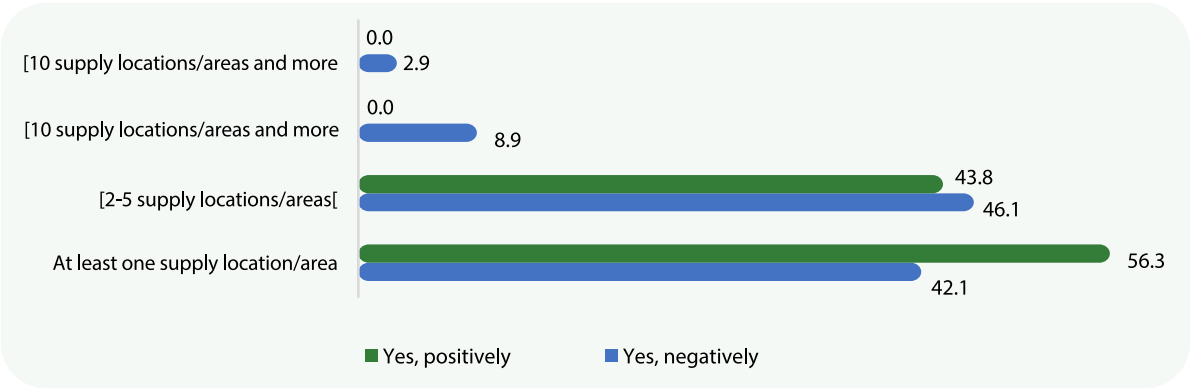
Figure 46: Distribution of enterprises number of places of supply of raw materials and impact of Covid 19 on enterprise activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Regarding the impact of the crisis between Russia and Ukraine, the trend is the same as that observed for Covid-19.

Figure 47: Distribution of enterprises by number of places of supply of raw materials and impact of the crisis between Russia and Ukraine on enterprise activity (%)



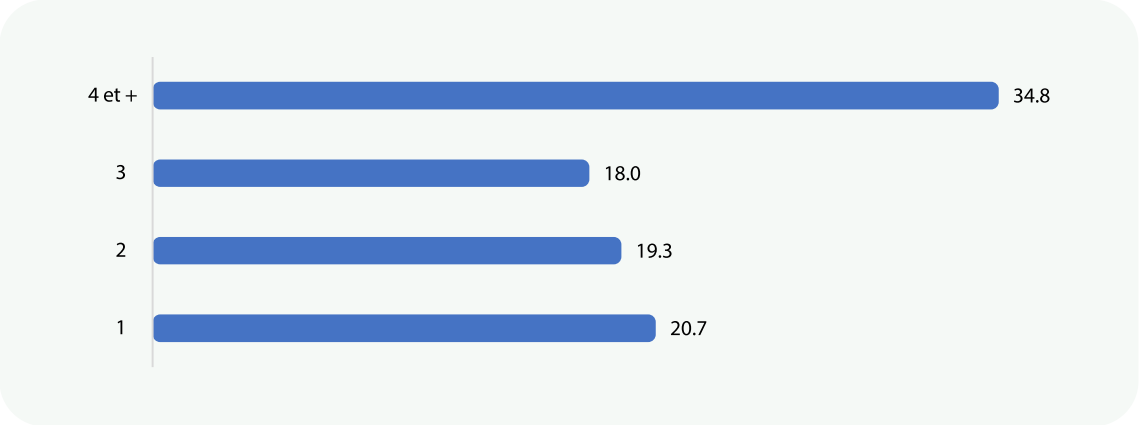
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.7 SUPPLIER DIVERSIFICATION

Supplier diversification allows the enterprise to be less vulnerable to a shock or stock shortage that could occur with its main supplier.

Looking at the results of the survey, it may be said that enterprises are observing the adage which requires not putting all your eggs in one basket. In fact, 72% of the persons interviewed reported that their enterprise has at least 2 suppliers of raw materials. It is interesting to note that 35% of respondents stated that their enterprise has at least 4 suppliers of raw materials.

Figure 48: Distribution of enterprises by number of suppliers (%)

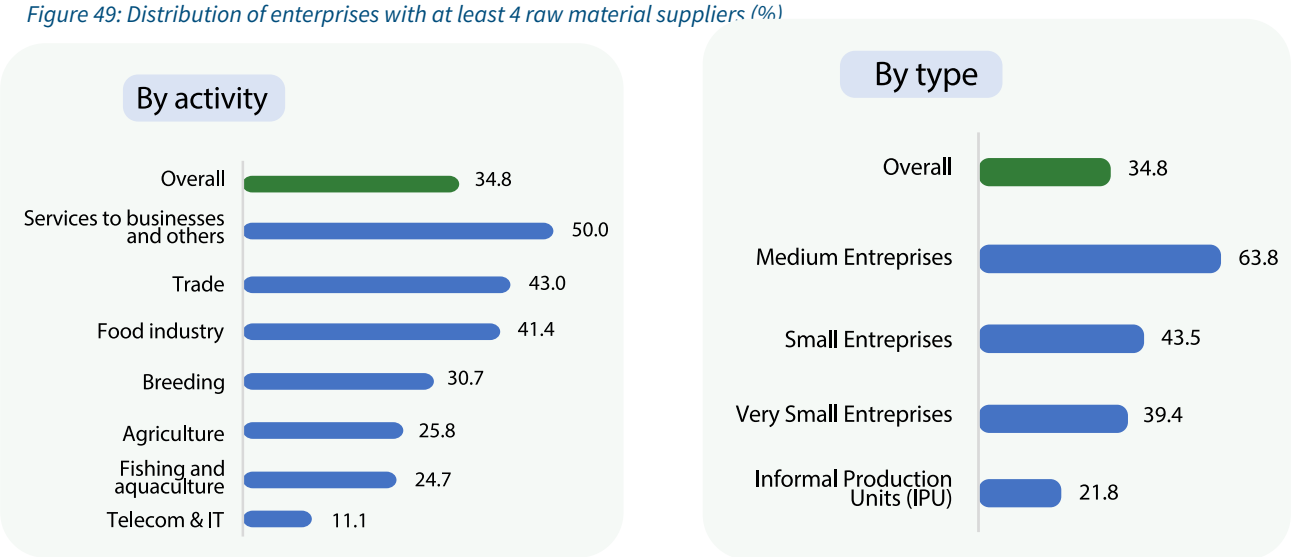


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis by activity shows that enterprises providing enterprise services (50%), trade (43%) and the food industry (41%) are those that which diversify the most suppliers of raw materials. In contrast, telecommunications enterprises do it less.

Concerning the type, analysis made previously on the number of places of supply remains valid for the number of suppliers. It was noted that the number of enterprises sourcing from at least 4 suppliers varies with the enterprise size. In fact, there are 22% of IPUs that obtain their supplies from at least 4 suppliers. This figure is 39% for VSEs, 44% for SEs and 64% for MEs.

Figure 49: Distribution of enterprises with at least 4 raw material suppliers (%)

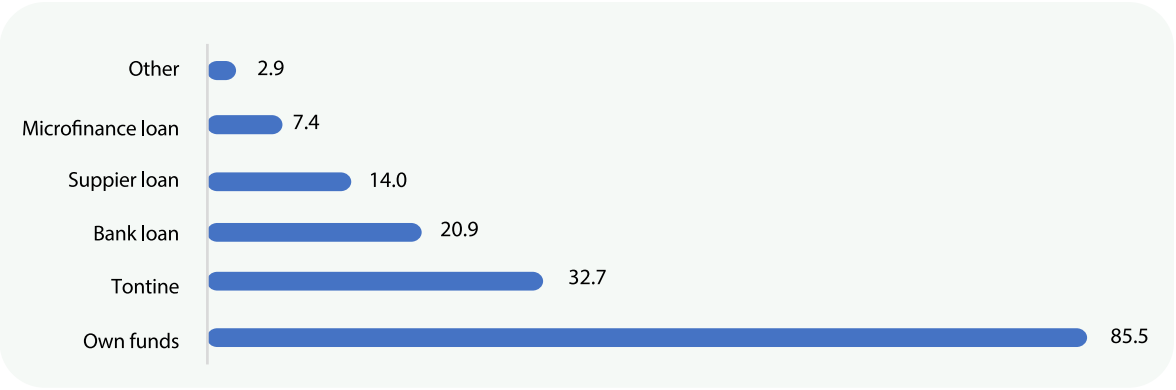


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

3.8 SOURCES OF FINANCING

As previous studies on the subject have already shown, the main source of financing for enterprise activities is the promoter's own funds. In fact, 86% of the persons interviewed said that their enterprise's activities are financed with their own funds. The second source of financing is tontines (33%) followed by bank loans (21%). Very few enterprises (7%) use microfinance to finance their activities.

Figure 50: Distribution of enterprises by source of financing activities (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The observation is the same for all activities. However, it was observed that the proportion of enterprises using equity capital is particularly high for livestock (91%) and fishing and aquaculture (90%) enterprises.

Table 5: Distribution of enterprises by source of financing and main activity (%)

	Own funds	Bank loan	Microfinance loan	Tontine	Supplier loan	Other
Agriculture	86.1	14.5	4.2	31.5	8.5	4.8
Livestock	91.3	23.5	6.6	35.7	12.8	3.6
Fishing and aquaculture	89.5	11.6	4.7	19.8	17.4	
Food industry	83.2	22.5	8.1	34.6	17.0	2.8
Trade	88.1	27.5	8.3	32.1	12.8	0.9
Telecommunications and IT	67.9	20.8	13.2	34.0	9.4	
Services provided to enterprises and others	81.8	27.3	4.5	27.3	9.1	9.1
Total	**85.5**	**20.9**	**7.4**	**32.7**	**14.0**	**2.9**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Concerning the type of enterprise, it was observed that IPUs stand out from the others. In fact, recourse is made to equity capital to finance the activity (92%) in this type of enterprise the most. This is also the category that uses tontines the most (38%). In contrast, IPUs make the least use of bank loan (7%) and microfinance (4%).

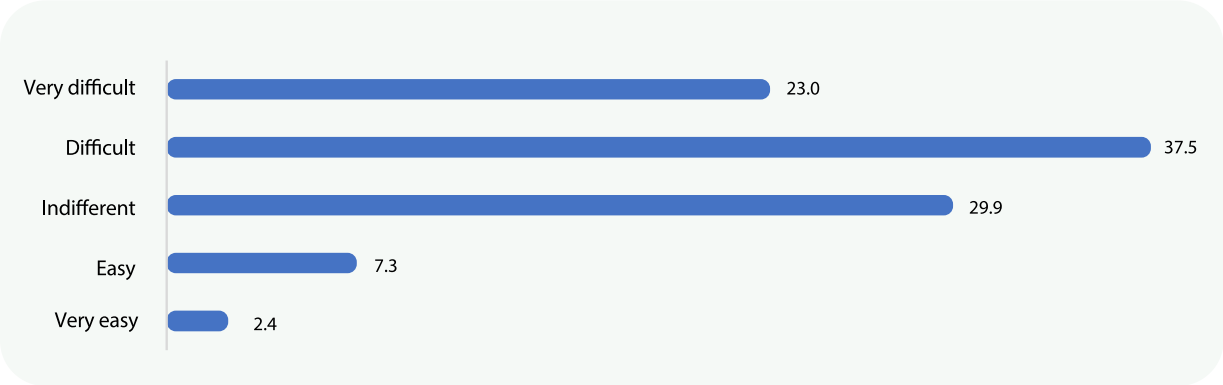
Table 6: Distribution of enterprises by source of financing and enterprise type (%)

	Own funds	Bank loan	Microfinance loan	Tontine	Supplier loan	Other
Very Small Enterprises (VSEs)	83.5	35.4	7.9	32.3	13.0	3.1
Small Enterprises (SEs)	73.6	25.1	10.0	25.5	16.9	0.9
Medium-sized Enterprises (MEs)	84.5	31.0	14.2	25.8	20.0	1.9
Informal Production Units (IPUs)	92.2	8.8	3.9	38.1	11.5	3.9
Total	**85.5**	**20.9**	**7.4**	**32.7**	**14.0**	**2.9**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Particularly regarding access to banking services, most persons interviewed (61%) held that it is difficult or even very difficult for their enterprise to access bank or microfinance financing.

Figure 51: Opinion about the ability of enterprises to access bank or microfinance financing (%)

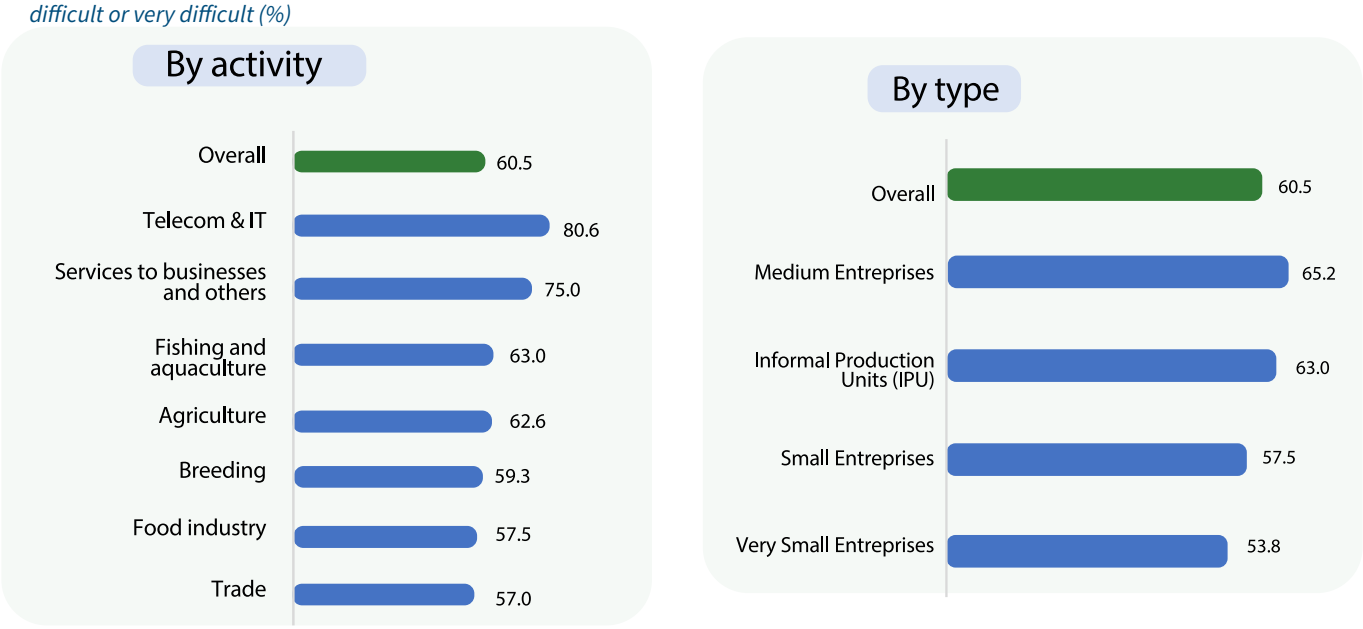


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The observation is the same for all activities. However, more telecommunications and IT enterprises (81%) held that it is difficult for them to access bank or microfinance financing. Next come enterprises providing services to other enterprises (75%).

Concerning the types of enterprises, it was observed that medium-sized enterprises are more numerous (65%) to find access to bank financing or microfinance difficult or very difficult.

Figure 52: Percentage of enterprises considering the ability of enterprises to access bank or microfinance financing to be difficult or very difficult (%)



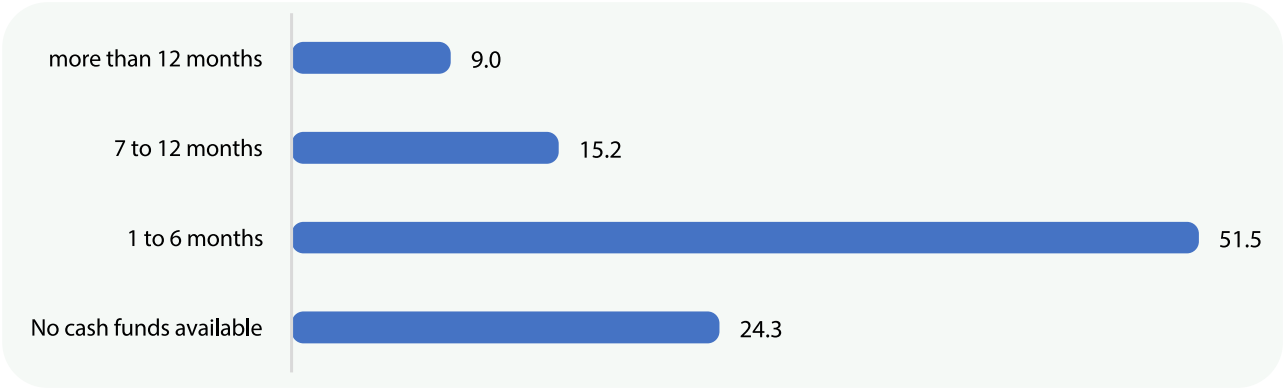
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis made above remains valid with regard to enterprises' opinion about access to raw materials on credit from suppliers.

3.9 ENTERPRISE RESILIENCE CAPACITY

Survey results show that enterprises are certainly resilient, but their ability to remain so is undermined. Indeed, it was observed that 24% of enterprises do not have cash funds, i.e. they live “day to day” without any reserves. Additionally, 52% of enterprises can cover costs and payments for 1 to 6 months with currently available cash flow funds.

Figure 53: Length of time enterprises can continue to cover costs and payments with current cash flow funds without other specific assistance (%)



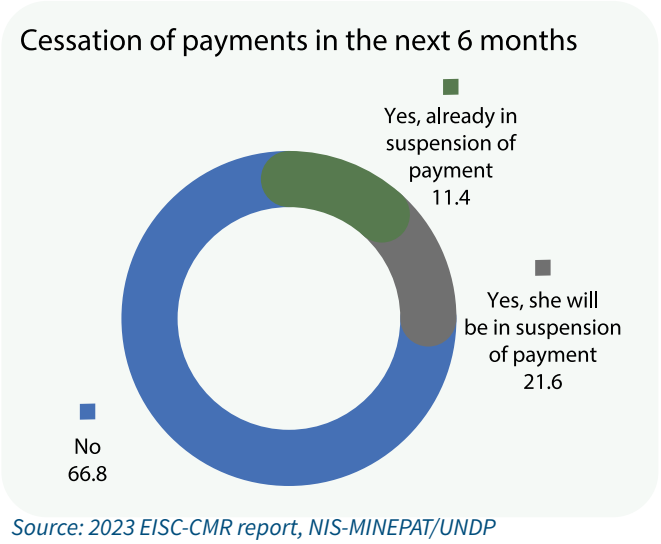
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

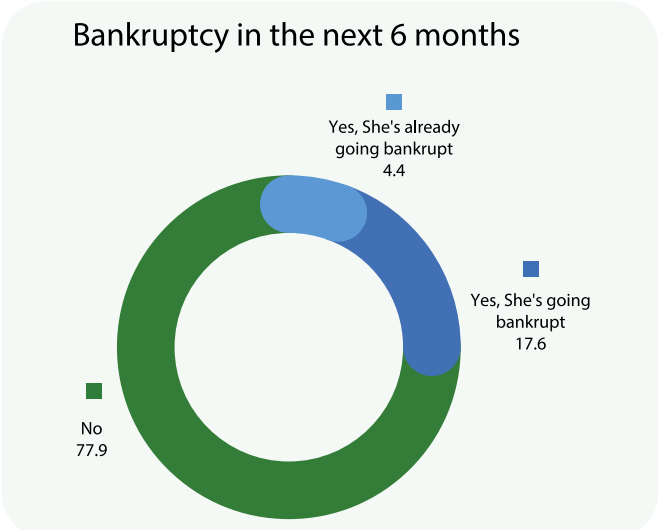
Thus, the forecasts for enterprise cessation of activity or bankruptcy in the next 6 months are quite pessimistic for a good number of enterprises. In fact, 11% of enterprises declared that they had already stopped paying suppliers and/or their debts. In addition, 22% of enterprises planned to do so in the next 6 months.

Concerning the risks of bankruptcy, 4% of enterprises reported that they were already bankrupt and 18% expected to be bankrupt in the next 6 months if nothing was done. It is still reassuring to note that 78% of the persons interviewed do not expect their enterprise to go bankrupt in the next 6 months.

With regard to customer difficulties, 18% of respondents said their enterprise’s customers are already late on payments or already have arrears. It was also observed that 18% of respondents anticipated that their customers would be late with payments within the next 6 months.

Figure 54: Forecast (%) of enterprises on:





Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

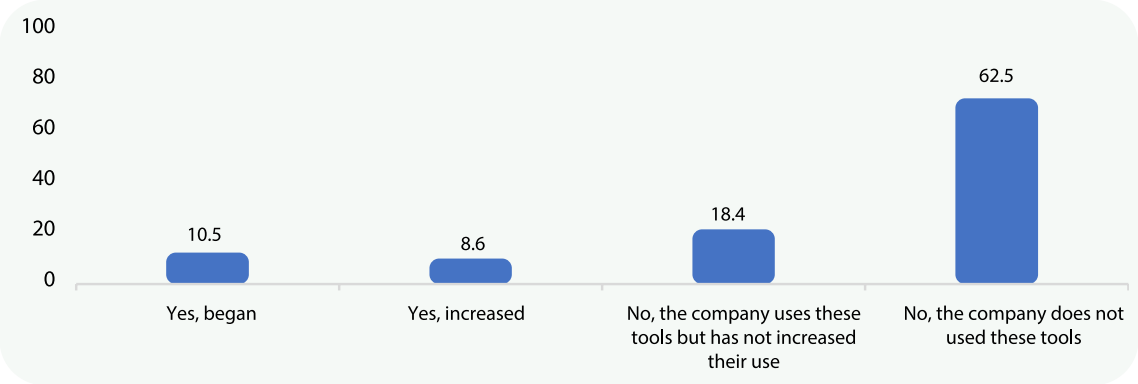
4. COPING STRATEGIES

This part focuses on the coping strategies implemented by enterprises to cope with the effects of the COVID-19 pandemic and the war between Russia and Ukraine. It is comprised of four points: use of digital technology, investment in digital technology, measures taken to deal with the COVID-19 pandemic and finally measures taken to deal with the crisis between Russia and Ukraine.

4.1 USE OF THE INTERNET, SOCIAL MEDIA, SPECIALIZED APPLICATIONS OR DIGITAL PLATFORMS IN RESPONSE TO COVID-19

Overall, 19% of the enterprises surveyed have focused on the use of digital technology (Internet, social media, specialized applications or digital platforms) since the outbreak of the COVID-19 pandemic. Among these enterprises, nearly 11% started using digital technology at the onset of the pandemic, meanwhile approximately 9% increased the level of digital use.

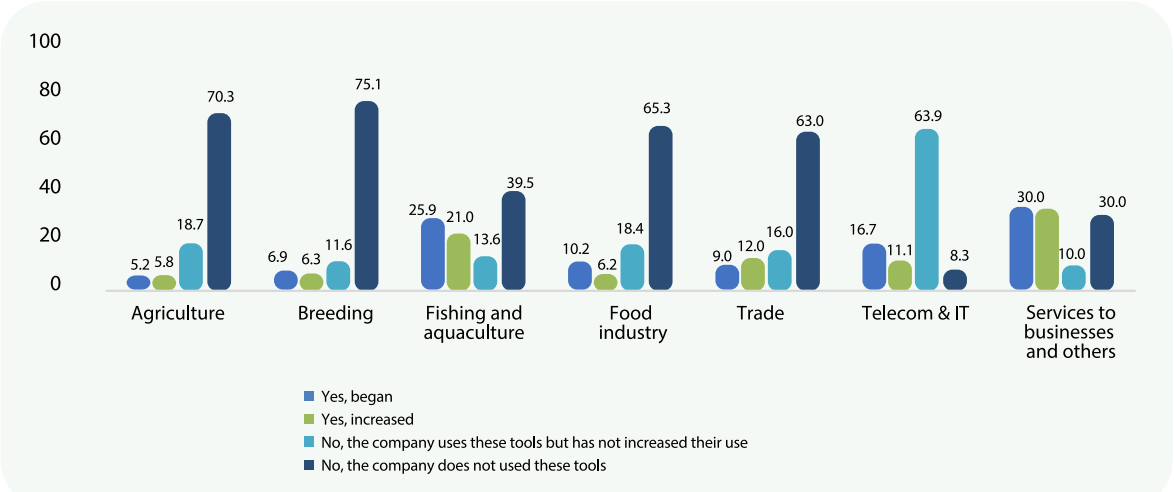
Figure 55: Perception of enterprises on the status of digital technology use since the outbreak of the COVID-19 pandemic (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The use of digital technology is one of the measures taken in all enterprise sectors to deal with the consequences of COVID-19. However, the sectors “services provided to enterprises and other” (60%), “Telecommunications and IT” (28%), “Fishing and aquaculture” (47%) are those where the emphasis (Yes, has started; Yes, increased) has been the largest since the outbreak of the COVID-19 pandemic.

Figure 56: Perception of enterprises on the status of digital technology use since the outbreak of the COVID-19 pandemic by activity (%)

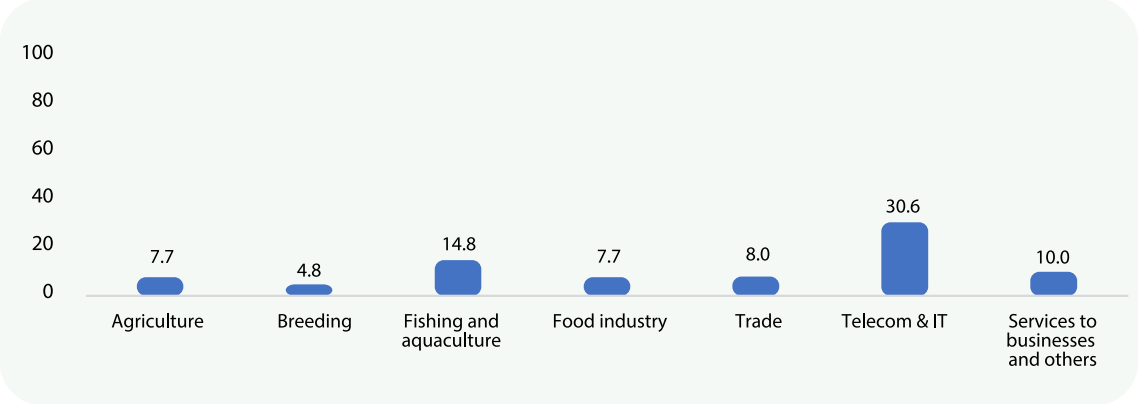


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

4.2 INVESTMENT IN DIGITAL TECHNOLOGY TO DEAL WITH COVID-19

Overall, nearly 9% of the enterprises surveyed said they had invested in digital to deal with the consequences of COVID-19. However, the results show some disparity by sector of activity. “Telecommunications and IT” (31%), “Fishing and aquaculture” (15%) are the sectors of activity with higher proportions of enterprises having declared having invested in digital technology to cope with the consequences of the COVID19 pandemic.

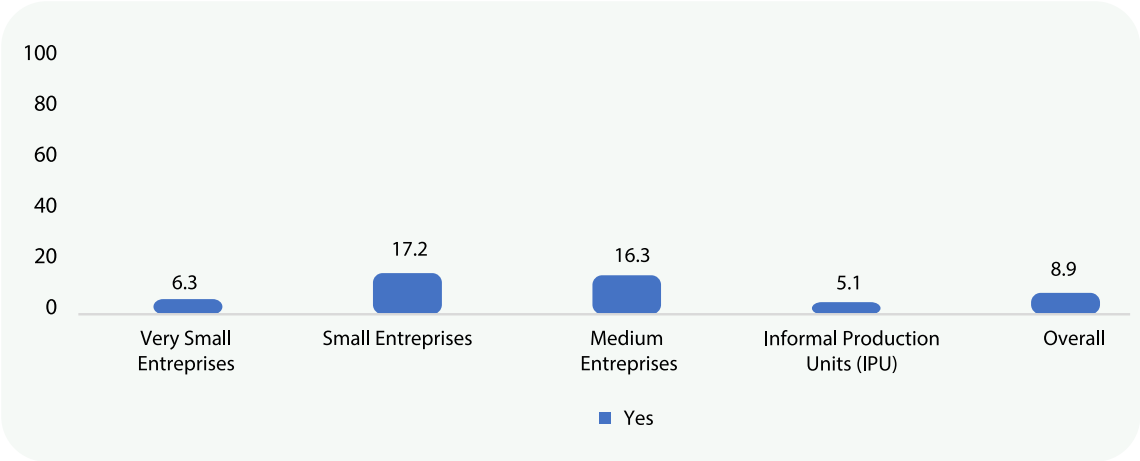
Figure 57: Percentage of enterprises that believe that investing in digital technology would make it possible to cope with the consequences of the COVID-19 pandemic by main activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By enterprise size, the data show that Small Enterprises (SEs) and Medium-sized Enterprises (MEs) with respective proportions of 17.2% and 16.31% are those which bring together the largest proportion of enterprises that declared having invested in digital technology to cope with the consequences of COVID-19.

Figure 58: Enterprise perception of investment in digital technology to deal with the consequences of the COVID-19 pandemic by size (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

4.3 MEASURES TAKEN TO RESPOND TO THE COVID-19 PANDEMIC

Several measures were taken by enterprises to deal with the consequences of the COVID-19 pandemic.

Measures regarding input supply

Results showed that almost 27% of enterprises reported canceling orders made by customers only during the COVID-19 pandemic, meanwhile approximately 16% reported applying these measures so far.

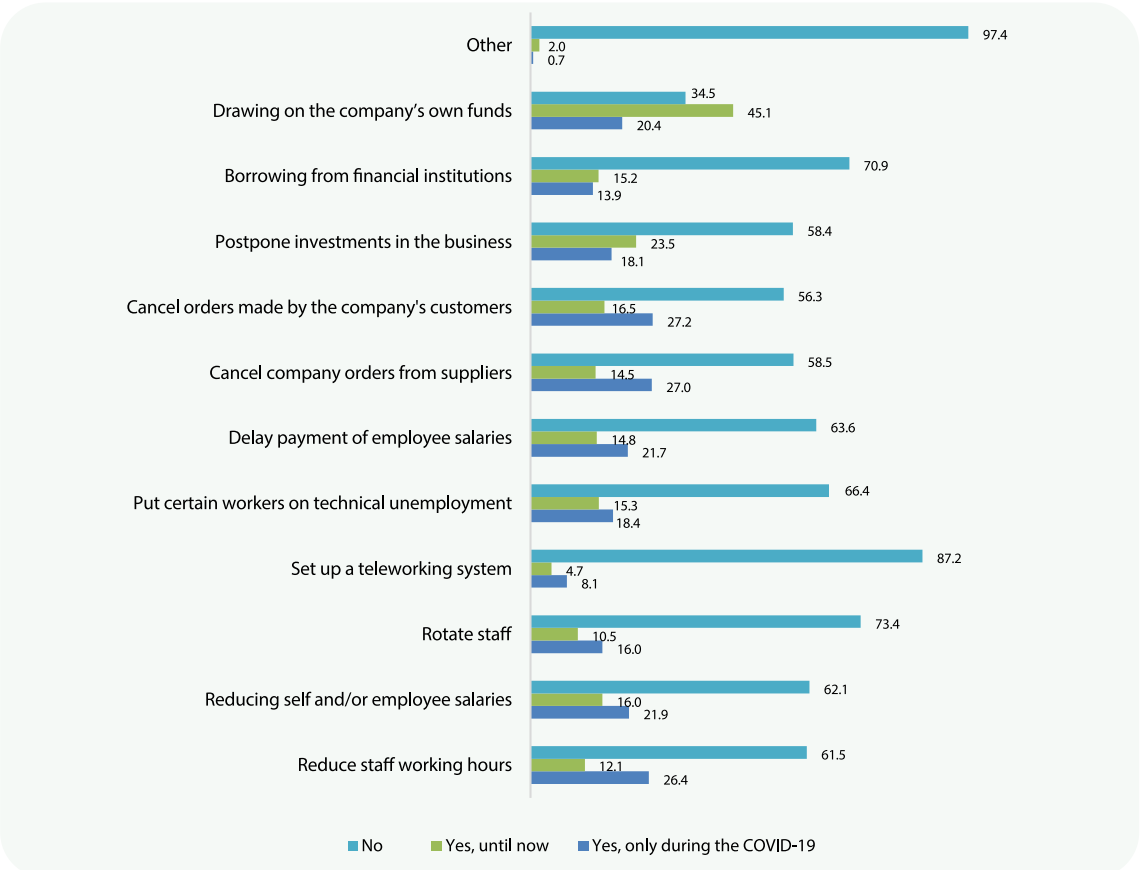
Measures concerning staff management in enterprises

Regarding staff management in enterprises, results show that almost 22% of enterprises reported having "delayed payment of employees' salaries" only during the COVID-19 pandemic, meanwhile only about 15% of enterprises have reported applying these measures so far. Similarly, almost 22% of enterprises have reduced salaries only during the COVID-19 pandemic, meanwhile only almost 12% have implemented this measure so far.

Financial measures

Financial measures are those that have been used in most enterprises until now. In fact, the proportion of enterprises that have applied financial measures only during the pandemic period is almost around 20% with regard to the use of enterprise equity and approximately 14% with regard to borrowing from financial institutions. The proportion of enterprises that apply these measures so far is approximately 45% for the use of enterprise equity and 15% for borrowing from financial institutions.

Figure 59: Enterprise perception of the measures taken by enterprises to deal with the consequences of the COVID-19 pandemic (%)

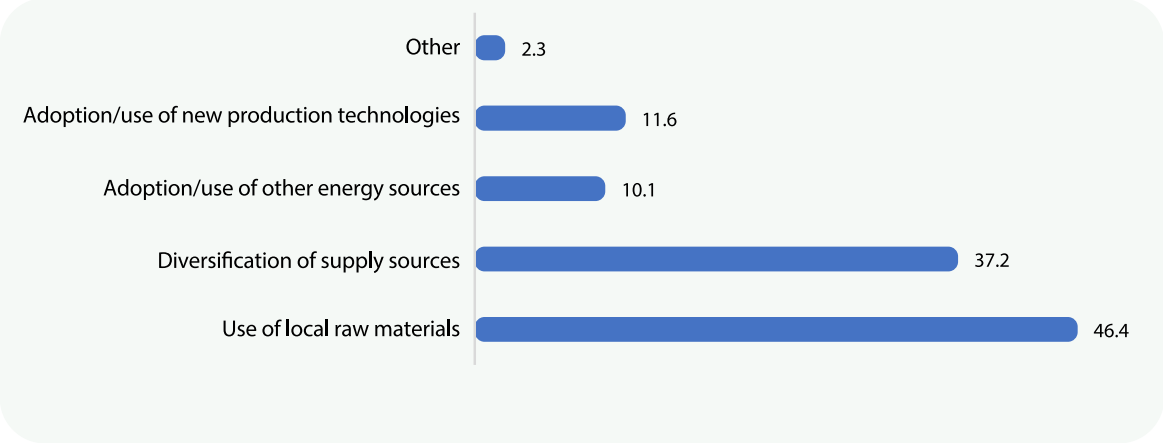


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

4.4 MEASURES TAKEN TO DEAL WITH THE CRISIS BETWEEN RUSSIA AND UKRAINE

Results of the study show that overall, two measures were mainly used by the enterprises surveyed to deal with the consequences of the crisis between Russia and Ukraine. These are: the use of local raw materials (46%) and diversification of supply sources (37%).

Figure 60: Enterprise perception of the measures taken by enterprises to deal with the consequences of the crisis between Russia and Ukraine (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

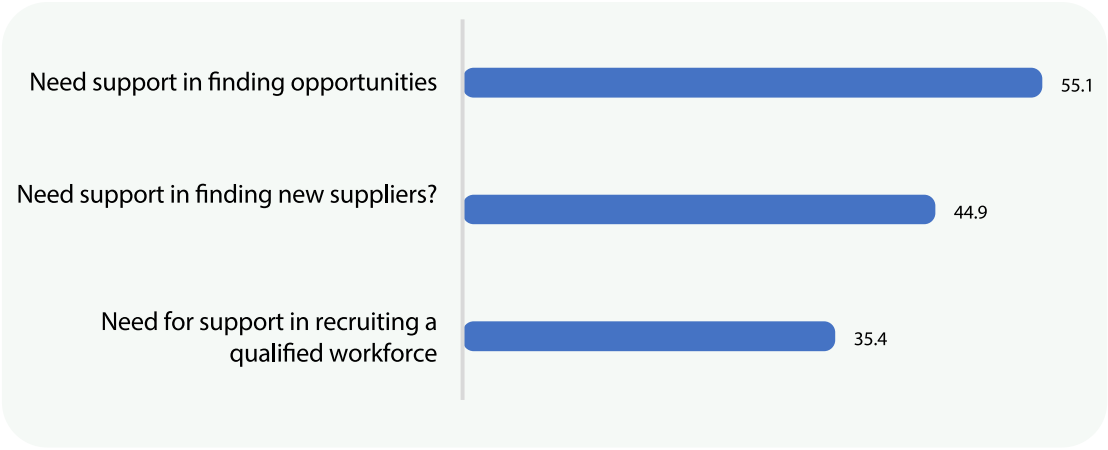
5. FINANCIAL AND NON-FINANCIAL INVESTMENT NEEDS

This part devoted to financial and non-financial investment needs reviews the following points: (i) non-financial investment needs; (ii) investment needs in intangible assets: (iii) investment needs in tangible assets; (iv) investment needs in financial assets and (v) working capital needs.

5.1 NON-FINANCIAL INVESTMENT NEEDS

The non-financial investment needs expressed by entrepreneurs are: the search for new suppliers to support activity recovery (55%) and the search for outlets (45%). The need for support in recruiting a skilled workforce is a request less present than the others among the enterprises surveyed (35%).

Figure 61: Non-financial investment needs expressed by business leaders (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The business leaders interviewed mainly expressed a need for support in the search for new suppliers, regardless of the main activity undertaken by the enterprise. This proportion is higher in fishing and aquaculture (65%) and agriculture (60%).

Table 7: Non-financial investment needs expressed by business leaders by activity (%)

Activity (%)	Need support in workforce recruitment	Need support in finding new suppliers	Need support in finding an opportunity
Agriculture	45.2	60.0	37.4
Livestock	33.3	45.5	41.8
Fishing and aquaculture	40.8	65.4	56.8
Food industry	33.0	56.0	47.1
Trade	27.0	55.0	46.0
Telecom and IT	33.3	44.4	38.9
Services provided to enterprises and others	50.0	60.0	55.0
Total	**35.2**	**55.0**	**45.2**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By size, it appears that 35% of the IPUs surveyed need support in recruiting skilled workforce. In Modern SMEs, SEs are the most concerned (43%). Regarding the search for opportunities, small enterprises are also the most concerned (66%) for Modern SMEs. Finally, regarding the search for new suppliers, it was observed that the trend is the same.

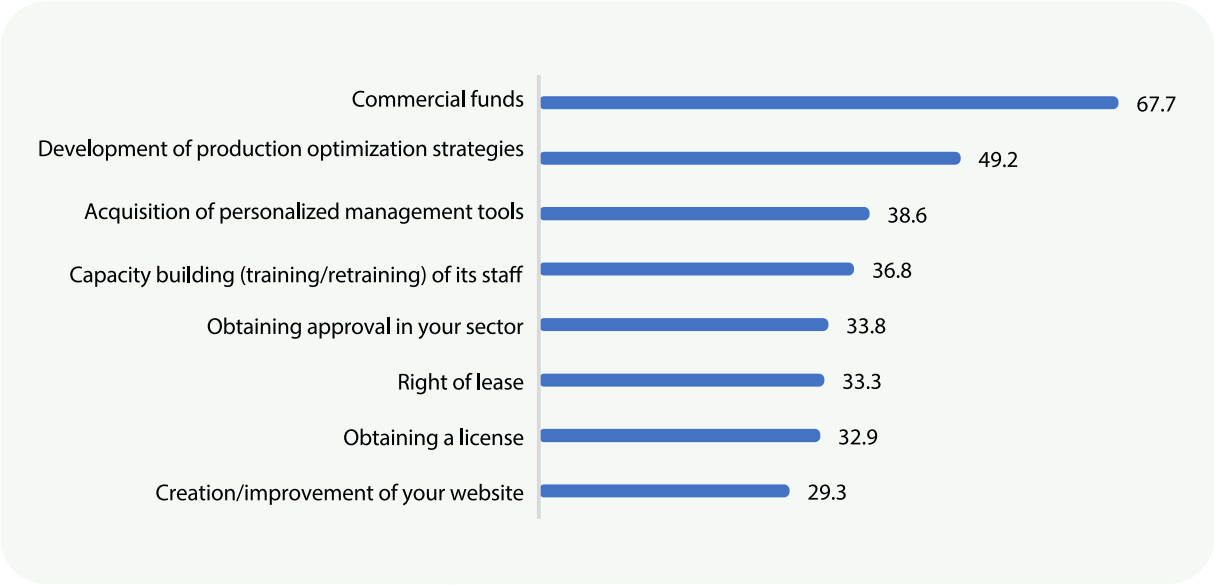
Figure 62: Non-financial investment needs expressed by business leaders by enterprise size (%)

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

5.2 INVESTMENT NEEDS IN INTANGIBLE ASSETS

The need for trading capital (68%) and the need to invest in production optimization strategies (49%) were most mentioned by business leaders when asked about the needs investments in the intangible assets of their enterprises.

Figure 63: Investment needs in intangible assets expressed by business leaders (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Whatever the activity, the need for investment to finance trading capital is predominant. However, it was observed that this proportion is higher in fishing and aquaculture (82%), livestock (72%) and agriculture (70%).

Table 8: Investment needs in intangible assets expressed by business leaders by activity (%)

	Creation/im-provement of your website	Obtaining a license	Right of lease	Obtaining authorization in your sector	Staff capacity building	Customized manage-ment tools	Development of production optimization strategies	Trading capital
Agriculture	25.8	32.9	27.7	34.2	39.4	34.8	52.3	70.3
Livestock	24.3	42.3	40.2	40.2	37.0	38.6	48.7	72.0
Fishing and aquaculture	48.1	38.3	29.6	42.0	40.7	46.9	64.2	81.5
Food industry	25.4	28.3	32.3	29.2	34.5	37.4	47.4	64.6
Trade	30.0	36.0	31.0	37.0	30.0	32.0	44.0	64.0
Telecommunications and IT	44.4	19.4	33.3	27.8	41.7	55.6	41.7	55.6
Services provided to enterprises and others	50.0	30.0	30.0	25.0	55.0	45.0	50.0	55.0
Total	**28**	**32.8**	**32.7**	**33.6**	**36.4**	**38.2**	**49.2**	**67.6**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The need for trading capital financing was strongly expressed in all enterprises, regardless of their size. However, the study data show that small enterprises expressed this need the most. In Modern SMEs, the proportion of business leaders concerned decreases with the enterprise size. It is 69% for VSEs and 59% for MEs. For IPUs, in contrast, it stands at 72%.

Table 9: Investment needs in intangible assets expressed by business leaders by enterprise size (%)

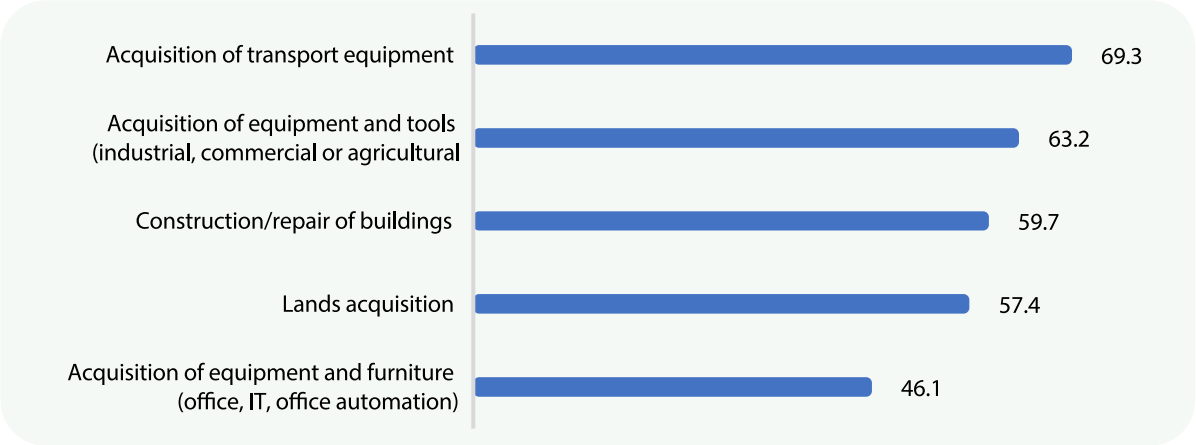
enterprise size	Creation/ improve-ment of your website	Obtaining a license	Right of lease	Obtaining authorization in your sector	Staff capacity building	Customized management tools	Development of production optimization strategies	Trading capital
Very Small Enterprises (VSEs)	32.1	28.5	35.2	31.2	30.3	38	47.9	68.7
Small Enterprises (SEs)	41.9	19.8	27.9	25.2	45.1	48.9	56.9	60.2
Medium-sized Enterprises (MEs)	29.7	23.4	32.6	27.6	45.3	39.7	54.6	58.8
Informal Production Units (IPUs)	23.3	42.	34.6	39.6	34.2	34.8	45.5	72.3
Total	**29.8**	**32.8**	**33.3**	**33.8**	**36.8**	**38.6**	**49.2**	**67.7**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

5.3 INVESTMENT NEEDS IN TANGIBLE ASSETS

Entrepreneurs needs for investments in tangible assets mainly relate to the acquisition of transport equipment (69%), acquisition of equipment and tools (industrial, commercial or agricultural) (63%), construction/repair of buildings (60%) and land acquisition (57%).

Figure 64: Investment needs in tangible assets expressed by business leaders (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By main activity, disparities appear. Acquisition of transport equipment is much more prevalent in fishing and aquaculture (85%) and agriculture (77%). Regarding the acquisition of equipment and tools, fishing and aquaculture and agriculture (79%) also dominate. In contrast, the construction/repair of buildings is required by enterprises that offer enterprise services. Finally, acquisition of land is much more requested by enterprises that offer enterprise services (70%), those in agriculture (66%), and those in fishing and livestock (62%).

Table 10: Investment needs in tangible assets expressed by business leaders by activity (%)

Activity (%)	Acquisition of equipment and furniture (office, IT, office automation)	Acquisition of land	Construction/ repair of buildings	Acquisition of equipment and tools (industrial, commercial or agricultural)	Acquisition of transport equipment
Agriculture	36.1	65.8	43.2	78.7	77.4
Livestock	32.8	61.9	60.8	58.7	62.9
Fishing and aquaculture	59.2	61.7	70.3	79	85.1
Food industry	46.9	53.9	61.9	59.5	69
Trade	54	52	57	61	65
Telecommunications and IT	66.6	44.4	63.8	47.2	36.1
Services provided to enterprises and others	80	70	85	55	75
Total	**45.6**	**57.6**	**59.6**	**63.4**	**69**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

5.4 INVESTMENT NEEDS IN FINANCIAL FIXED ASSETS

The need for investment in financial assets is less requested by business leaders. In fact, only 18% of them have a need for shareholders/financial investors and 13% have a need for bondholders/financial creditors.

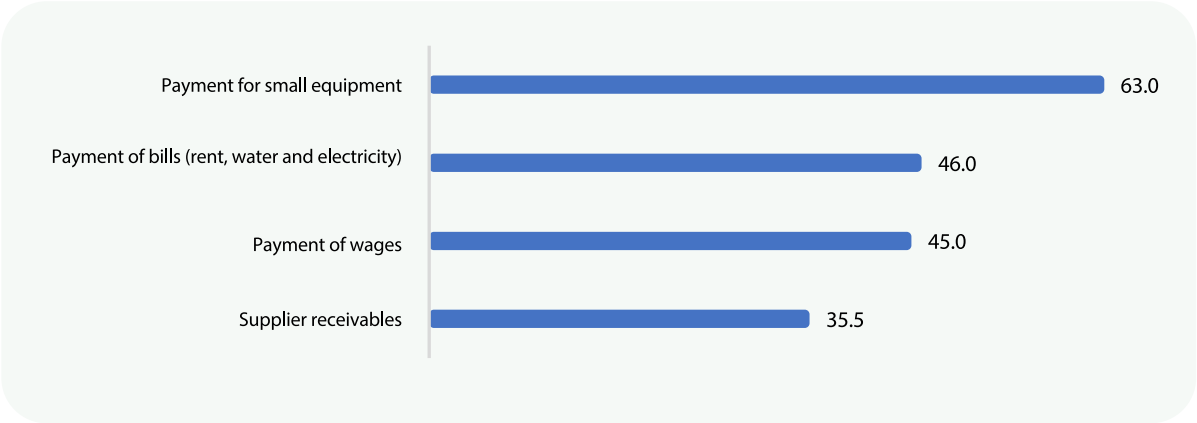
Figure 65: Investment needs in financial assets expressed by business leaders (%)

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

5.5 WORKING CAPITAL NEEDS

Results show that 63% of the enterprises surveyed need support for the acquisition of small equipment, 46% for the payment of bills (rent, water and electricity), 45% for the payment of salaries and 36% for the payment of receivables.

Figure 66: Working capital investment needs expressed by business leaders (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By activity, the need for working capital to pay for small equipment is more significant in telecommunications and IT (70%), fishing and aquaculture (67%) and agriculture (64%).

Table 11: Working capital investment needs expressed by business leaders by activity (%)

Activity (%)	Supplier receivables	Payment of salaries	Payment of bills (rent, water and electricity,	Payment for small equipment
Agriculture	25.1	48.3	40.00	63.8
Livestock	37.5	43.3	44.4	60.8
Fishing and aquaculture	41.9	51.8	51.8	66.6
Food industry	38	43.1	47.5	62.6
Trade	27.00	50.00	41.00	63.00
Telecommunications and IT	36.1	41.6	66.6	69.4
Services provided to enterprises and others	55.00	35.00	50.00	55.00
Total	**35.5**	**45.1**	**46.2**	**62.9**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

By enterprise size, IPUs records the lowest percentage (59%) of enterprises having expressed the need for working capital to pay for small equipment. For Modern SMEs, VSEs and SEs are the most concerned with 66% and 69% respectively.

Table 12: Working capital investment needs expressed by business leaders by size (%)

Enterprise size	Supplier receivables	Payment of salaries	Payment of bills (rent, water and electricity,	Payment for small equipment
Very Small Enterprises (VSEs)	32.5	53.3	38	66
Small Enterprises (SEs)	37.6	45.7	48.9	68.8
Medium Enterprises (MEs)	43.9	53.9	52.4	65.2
Informal Production Units (IPUs)	33.6	38.7	46.5	58.9
Total	**35.5**	**45**	**45.9**	**62.9**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

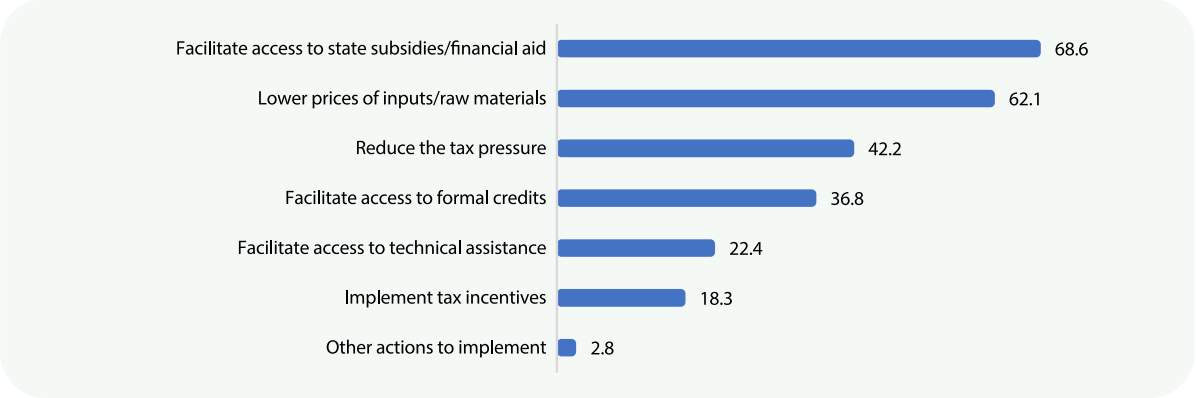
6. BUSINESS CLIMATE

This part is comprised of seven main points. In particular, the actions to be implemented to facilitate resilience in the face of crises; then knowledge of the management structures; opinion about the enterprise environment; knowledge of public strategies; opinion about the capacity of strategies to facilitate resilience to shocks; hurdles to entrepreneurship and finally the opinion about enterprise-public relations since the onset of the crises.

6.1 ACTIONS TO IMPLEMENT TO FACILITATE RESILIENCE IN THE FACE OF CRISES

Facilitating access to subsidies or financial aid from the State, lowering input prices and reducing tax burden are the main actions identified as those that could enable the enterprises surveyed to cope with COVID-19 and the crisis between Russia and Ukraine.

Figure 67: Opinion of business leaders about the actions to be implemented to facilitate resilience in the face of crises (%).



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

The trend observed at the global level is the same as that observed by sectors of activity and by enterprise size. Nevertheless, results show that enterprises in the food industry sector lean first towards actions aimed at reducing the costs of raw materials (69%), then towards actions aimed at facilitating access to subsidies (66%). The other sectors' first choice is actions aimed at facilitating access to subsidies.

Table 13: Opinion of business leaders about the actions to be implemented to facilitate resilience in the face of crises by sector of activity (%).

	Facilitate access to state subsidies/ financial aid	Facilitate access to formal loan	Reduce the tax burden	Implement tax incentives	Facilitate access to technical assistance	Lower prices of inputs/raw materials	Other actions to implement
Agriculture	76.9	32.7	29.7	10.3	23.6	62.4	1.2
Livestock	64.2	31.1	37.2	11.2	16.3	55.6	3.5
Fishing and aquaculture	84.8	39.5	38.3	19.7	38.3	68.6	4.6
Food industry	65.7	39.4	46.9	20.8	20.8	69.4	3
Trade	67.8	34.8	44	19.2	15.6	66.9	3.6
Telecom & IT	52.8	32	39.6	22.6	24.5	13.2	0.00
Services provided to enterprises and others	81.8	50.00	63.6	36.3	45.4	59	0.00
Total	**68.5**	**36.4**	**41.7**	**17.7**	**21.9**	**62.8**	**2.8**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 14: Opinion of business leaders about the actions to be implemented to facilitate resilience in the face of crises by enterprise size (%).

	Facilitate access to state subsi-dies/financial aid	Facilitate access to formal loan	Reduce the tax burden	Implement tax incentives	Facilitate access to technical assistance	Lower prices of inputs/raw materials	Other actions to implement
Very Small Enterprises (VSEs)	66.5	36.6	44.8	20	23.6	57.4	2.7
Small Enterprises (SEs)	64	36.8	51.9	22.9	27.7	51	3.4
Medium-sized Enterprises (MEs)	74.1	47.7	63.8	29	23.2	62.5	3.8
Informal Production Units (IPUs)	70	33.6	29.9	12	19.2	69.2	2.1
Total	**68.6**	**36.8**	**42.2**	**18.2**	**22.4**	**62.1**	**2.7**

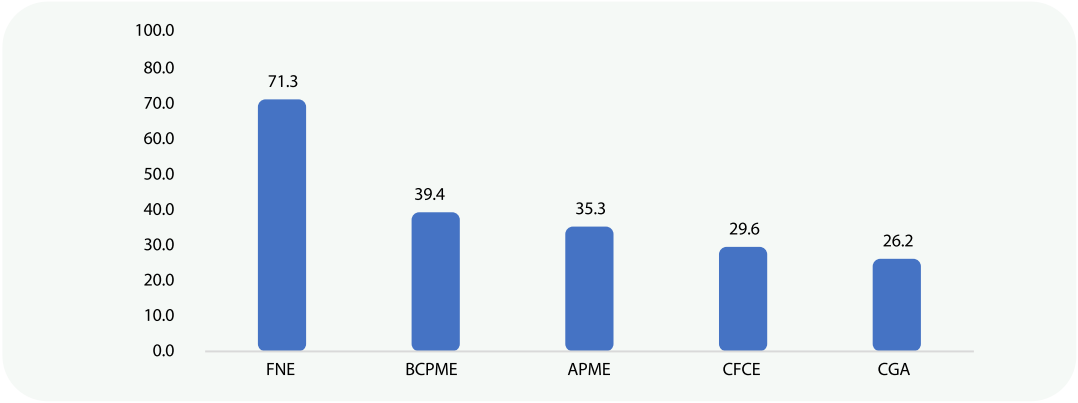
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.2 KNOWLEDGE OF SUPERVISORY STRUCTURES

Overall, the National Employment Fund (NEF) is the best-known supervisory structure (71%), followed by the Cameroon Bank for Small and Medium Enterprises (Cameroon Bank for SMEs) (39%) and the SMEs Promotion Agency (APME) (35%).

Analysis by survey regions shows that the Adamawa, North-West and South-West are the regions where the overall level of knowledge of supervisory structures is the lowest.

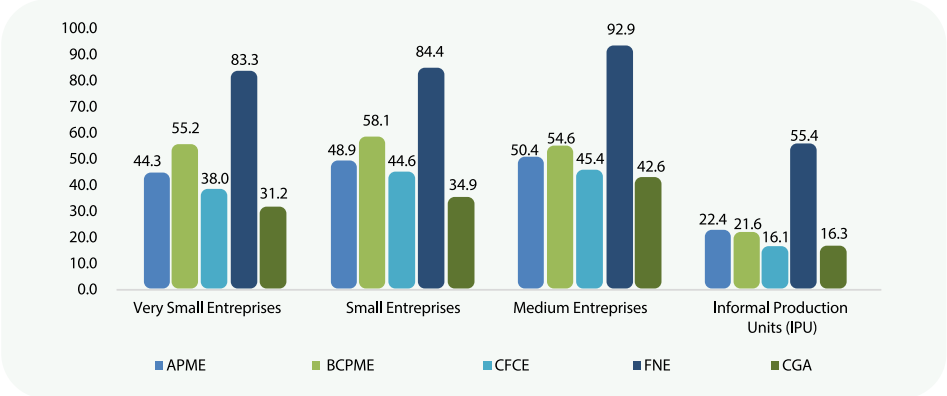
Figure 68: Opinion of business leaders about their knowledge of management structures (%).



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Although the trend observed at the global level is the same as that observed by the enterprise size, the IPUs represent the group where the level of knowledge of the supervisory structures is the lowest.

Figure 69: Opinion of business leaders about the knowledge of supervisory structures by enterprise size (%)

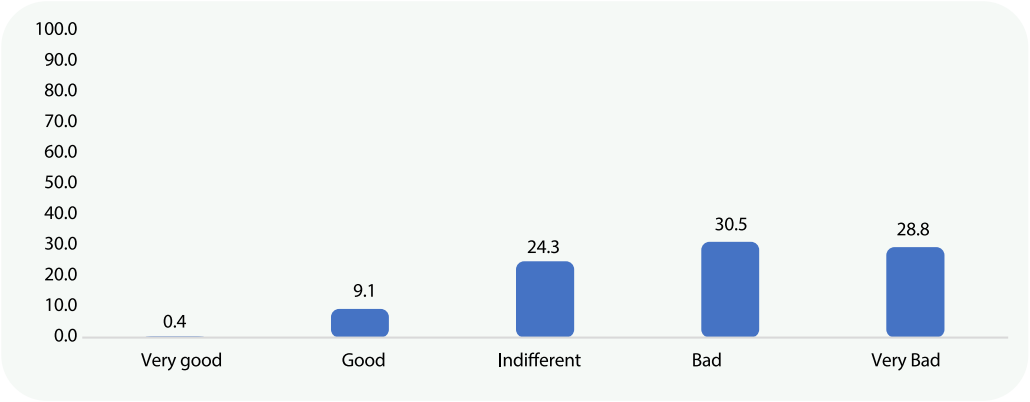


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.3 OPINION ABOUT THE ENTERPRISE ENVIRONMENT

Most respondents reported that the enterprise environment is not conducive for their activities (59%).

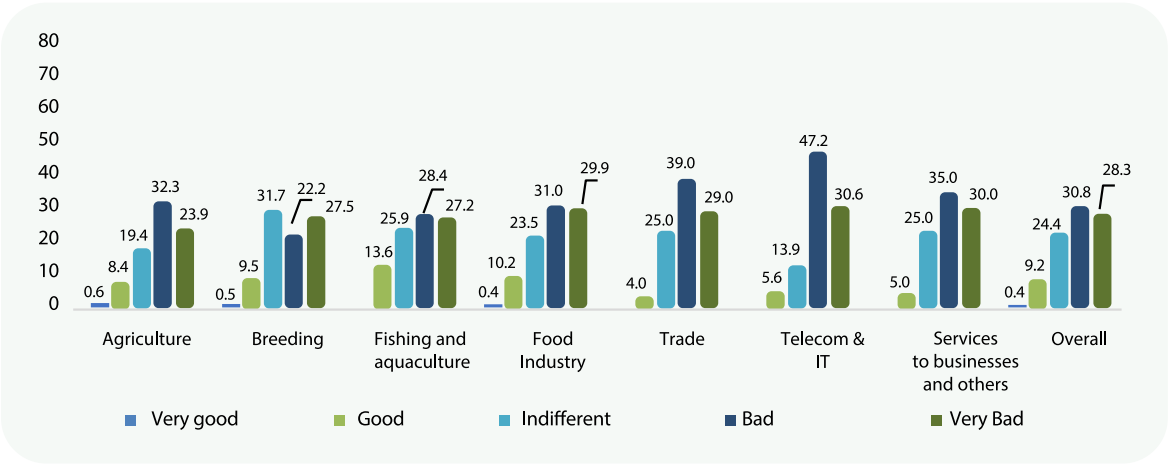
Figure 70: Opinion of business leaders about the enterprise environment (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

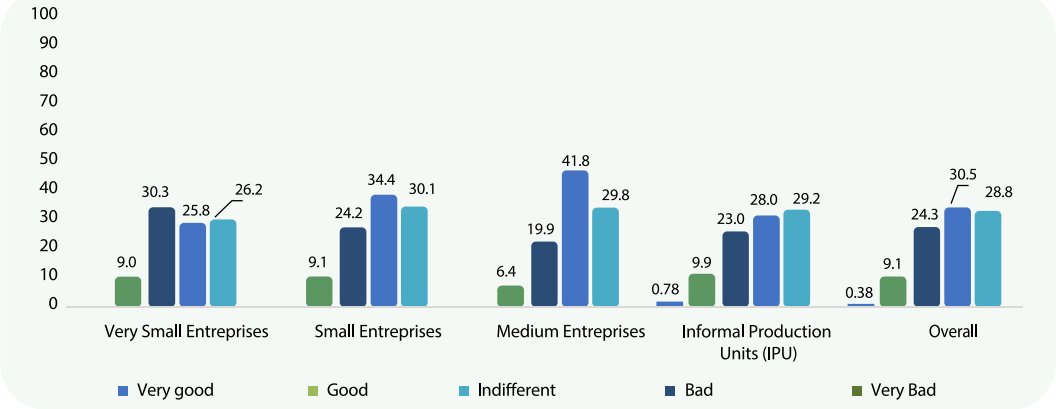
Like at the overall level, results by sector of activity and by enterprise size show that very few respondents find the enterprise environment to be conducive. However, a significant proportion of respondents remain indifferent. The share of respondents who are indifferent is the majority for livestock enterprises (32%) and for very small enterprises (30%).

Figure 71: Opinion of business leaders about the enterprise environment by sector of activity (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Figure 72: Opinion of business leaders about the enterprise environment by enterprise size (%)

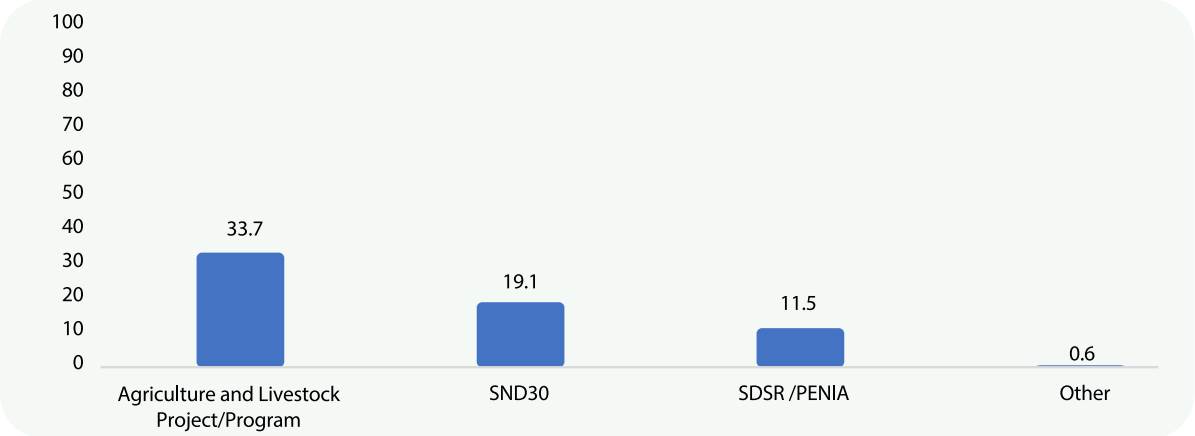


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.4 KNOWLEDGE OF PUBLIC STRATEGIES

Agriculture and livestock projects/programmes (34%) are the public strategies best known by enterprises. Generally speaking, the level of knowledge of public strategies is higher in the Far-North, South and South-West regions.

Figure 73: Opinion of business leaders about their knowledge of public strategies (%)

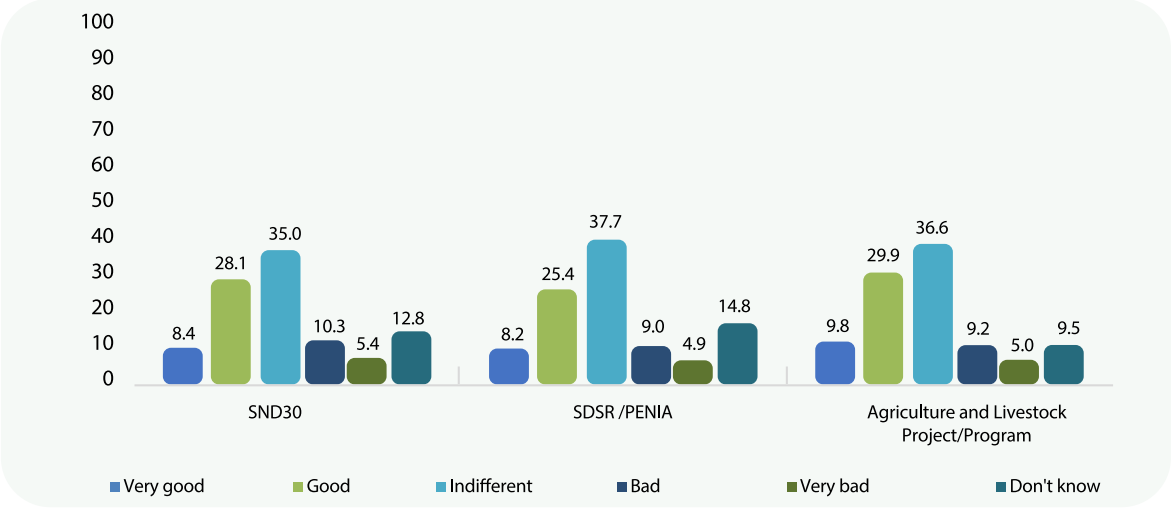


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.5 OPINION ABOUT THE CAPACITY OF STRATEGIES TO FACILITATE RESILIENCE TO SHOCKS

Overall, entrepreneurs believe that the public strategies implemented promote their resilience to shocks. Indeed, nearly 36% find that the capacity of the NDS30 to protect against shocks is appreciable (good or very good), for the same assessment, results give a proportion of nearly 34% for the SDSR /PENIA and nearly 40% for agriculture and livestock projects/programmes.

Figure 74: Opinion of business leaders about public strategies (%)

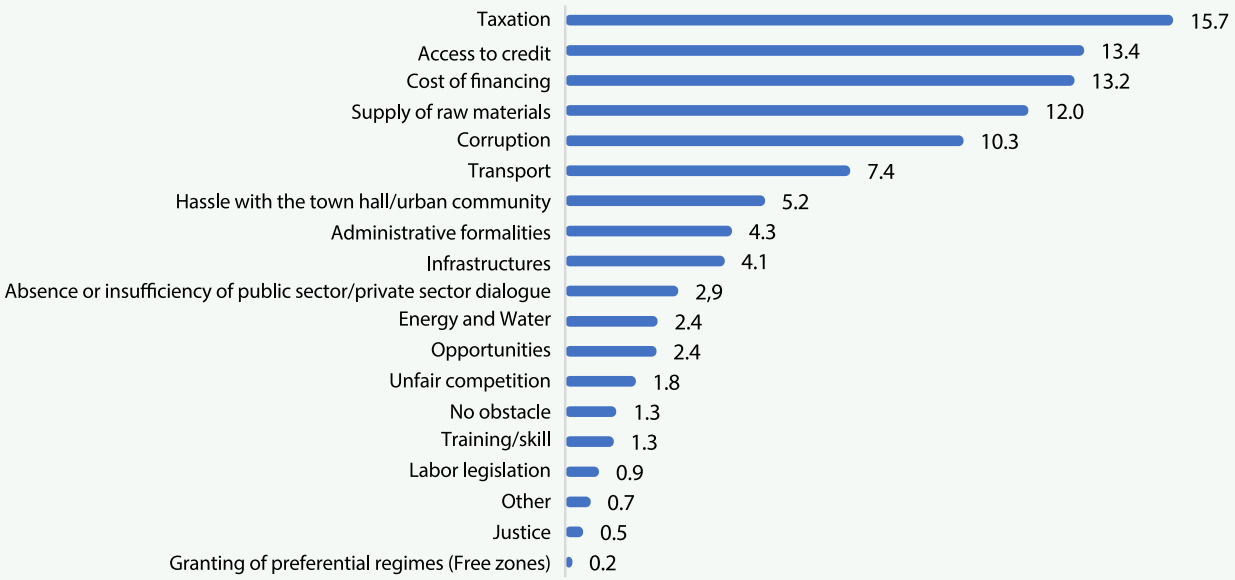


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.6 HURDLES TO ENTREPRENEURSHIP

The first hurdle reported by economic operators is taxation with nearly 16% of opinions, followed by financing problems, especially access to loans (13%); cost of financing (13%), supply of raw materials (12%) corruption (10%). Transport (7%) and hassle with council or city council officials (5%) are also hurdles reported by business leaders.

Figure 75: Opinion of business leaders about hurdles to entrepreneurship (%)



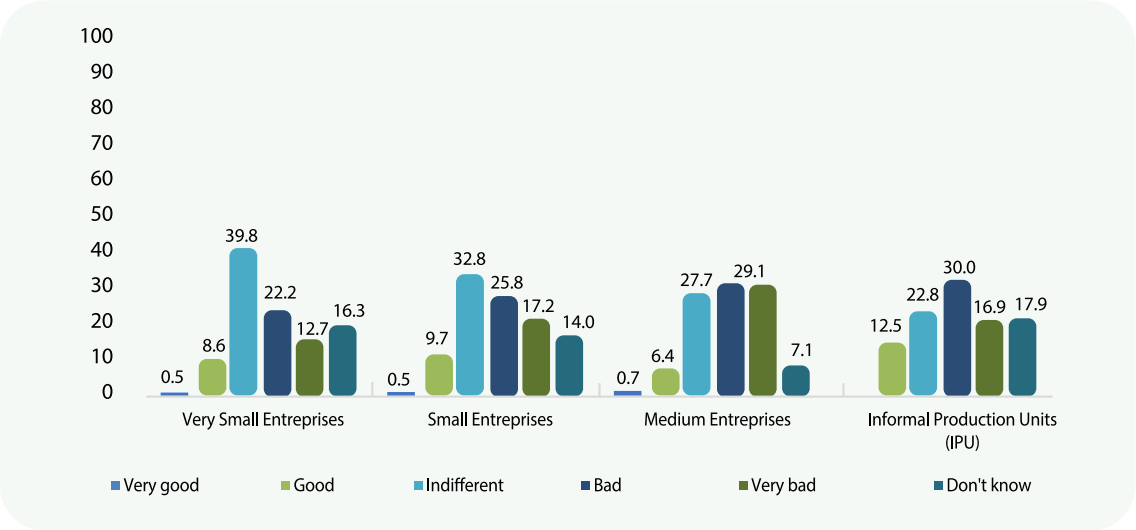
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.7 OPINION ABOUT THE RELATIONSHIP BETWEEN ENTERPRISES AND PUBLIC AUTHORITIES

6.7.1 SINCE THE OUTBREAK OF THE COVID-19 PANDEMIC

Overall, business leaders believe that their relationship with public authorities since the outbreak of covid-19 is not good. In fact, 45% of them have a negative opinion about it. By enterprise size, the negative assessment is more significant in SMEs (58%) than in IPUs (47%).

Figure 76: Opinion of business leaders about the relationship between enterprises and public authorities since the outbreak of the COVID-19 pandemic (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

6.7.2 SINCE THE OUTBREAK OF THE CRISIS BETWEEN RUSSIA AND UKRAINE

Overall, business leaders believe that their relationship with the public authorities since the outbreak of the crisis between Russia and Ukraine is not good. In fact, 45% of them have a negative opinion about it.

Figure 77: Opinion of business leaders about the relationship between enterprises and public authorities since the onset of the crisis between Russia and Ukraine (%)

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

7. ENTREPRISE ECONOMIC PERFORMANCE

7.1 TURNOVER TRENDS

Turnover is the amount of sales and revenue, excluding taxes, made by an economic unit with third parties as it undertakes its normal professional activity. It corresponds to the sum of sales of goods, manufactured products, work and provision of services, and income from ancillary activities.

In 2020, the turnover of Very Small Enterprises, Small Enterprises (SEs) and Medium-sized Enterprises (MEs) undertaking the activities concerned by the study recorded an average drop of approximately 2.2% compared to 2019. Between 2020 and 2021, an increase in activities with a growth rate of 29.6% was recorded. The year 2022, however, recorded a sudden drop in turnover of approximately 38.3% compared to the previous year.

Table 15: Turnover trends between 2019 and 2022 by survey region (%)

Survey region	Turnover 2020	Turnover 2021	Turnover 2022
Douala	-1.5	22.9	-16.5
Yaounde	-1.6	17.6	-42.2
Adamawa	-25.6	8.2	-66.4
Centre	77.9	66.6	-60.3
East	-22.0	15.5	-82.9
Far-North	-28.3	54.6	-54.4
Littoral	-10.5	17.7	-58.3
North	-8.6	187.0	-62.8
North-West	20.4	10.3	-80.6
West	-13.7	42.2	-27.1
South	-2.5	25.9	54.9
South-West	3.6	68.8	-36.2
Total	**-2.2**	**29.6**	**-38.3**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

1 Activities concerned : agri-food sectors, especially those retained as part of the structural transformation of the economy, taking into account production units in the agricultural sector, start-ups in the digital economy, as well as enterprises that have benefited from support measures as part of the fight against COVID-19 (Agriculture, Livestock, Hunting, Fishing and Aquaculture, Meat and fish industry, Grain processing and manufacturing of starchy products, Cocoa industry, coffee, tea and sugar, Oilseed and food industry, Manufacture of cereal products, Milk, fruit and vegetable and other food products industry, Beverage industry, Wholesale trade of raw agricultural products and of live animals, Information and telecommunications activity, Activities provided mainly to enterprises).

With the exception of SMEs in the agri-food industry, all others recorded a decrease in 2020, an increase in 2011 and a decrease in 2022 in their turnover. Special cases concern SMEs in agriculture which recorded an increase of 41.2% in 2021 and a decrease of 63.9% in 2022. The same was true for SMEs in livestock farming, fishing and aquaculture which also experienced strong downward and upward variations between 2020 and 2021 on the one hand and between 2021 and 2022 on the other hand.

Table 16: Turnover trends between 2019 and 2022 by main activity (%)

	Turnover 2020	Turnover 2021	Turnover 2022
Agriculture	-2.9	41.2	-63.9
Livestock	-4.3	69.7	-62.6
Fishing and aquaculture	-27.7	93.7	-33.4
Food industry	2.3	18.2	-30.4
Trade	-0.5	48.3	-18.9
Telecommunications and IT	-19.3	28.9	-0.4
Services provided to enterprises and others	-11.4	-1.1	-19.6
Total	**-2.2**	**29.6**	**-38.3**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

VSEs and SEs recorded a variation in turnover of -14.4% and -3.8% respectively between 2019 and 2020. In 2021, the performance of VSEs and SEs significantly improved with growth rates of 48.6% and 52.3% respectively. The year 2022 was also marked by an increase in turnover compared to 2021 (3.7% for VSEs and 20.8% for SEs). With regard to MEs, turnover trends were marked by an increase of 3.1% in 2020, 14.2% in 2021 and 7.6% in 2022. It was therefore observed that the effects of COVID-19 have had a greater impact on the turnover of VSEs and SEs, meanwhile MEs have showcased more resilience. An increase in activities in the post-COVID-19 phase and a drop in the growth rate between 2021 and 2022 was also observed in all these enterprises.

Table 17: Turnover trends between 2019 and 2022 by enterprise type (%)

	Turnover 2020	Turnover 2021	Turnover 2022
Very Small Enterprises (VSEs)	-14.4	48.6	3.7
Small Enterprises (SEs)	-3.8	52.3	20.8
Medium-sized Enterprises (MEs)	3.1	14.2	7.6
Total	**-2.2**	**29.6**	**-38.3**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis of the effect of COVID-19 on SMEs by SME's legal form shows that Cooperatives/CIGs were more affected (-8.6%). Sole proprietorships' performance was down in 2020 by 2.4%. In 2021, SMEs in the scope of the study recorded better performance than in 2020, with turnover growth rates ranging from simple to more than double.

Table 18: Turnover trends between 2019 and 2022 by legal form (%)

	Turnover 2020	Turnover 2021	Turnover 2022
Limited Liability Company	-5.2	22.5	19.2
Limited Company	11.0	28.2	10.1
Single-shareholder limited liability company / Single Member Limited Liability Company	-1,0	176,7	-16,2
Sole proprietorship	-2.4	23.9	-68.7
Cooperative/CIG	-8.6	99.8	-33.2
Others	0.0	284.4	-65.4
Total	**-2.2**	**29.6**	**-38.3**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

7.2 NET INCOME TRENDS

The net result, which is the difference between all income and all expenses, was in deficit in the majority of the branches of activity concerned over the period 2019 to 2022. In 2019, only SMEs in the branch of services provided enterprises recorded a positive net result. In 2020 and 2021, all SMEs recorded negative results.

Table 19: Trends in the growth rate of net profit from 2020 to 2022 by sector of activity (%)

	Net income sign				Net income growth rate		
	2022	2021	2020	2019	2020	2021	2022
Agriculture	-	-	-	-	-72.6	16.3	-57.6
Livestock	-	-	-	-	5.441.9	-44.1	-34.4
Fishing and aquaculture	+	-	-	-	612.5	5.4	-103.4
Food industry	-	-	-	-	4.0	6.1	12.3
Trade	+	-	-	-	65.3	19.3	-134.0
Telecommunications and IT	+	-	-	-	14.2	-31.0	-128.1
Services provided to enterprises and others	-	-	-	+	-1.023.6	26.9	58.7
Total					**-10.2**	**5.0**	**-20.5**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 20: Trends in the growth rate of net profit from 2020 to 2022 by enterprise size (%)

	Net income sign				Net profit growth rate		
	2022	2021	2020	2019	2020	2021	2022
Very Small Enterprises (VSEs)	-	-	-	-	-36.4	60.4	21.7
Small Enterprises (SEs)	-	-	-	-	76.4	-42.8	-21.9
Medium-sized Enterprises (MEs)	-	-	-	-	-23.7	9.2	111.4
Total					**-10.2**	**5.0**	**-20.5**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

7.3 JOB TRENDS

The strategies adopted to deal with the COVID-19 crisis and the crisis between Russia and Ukraine varied from enterprise to enterprise by the main activity and the type of SME, ranging from reducing working hours to the reduction of the number of employees by moving to lower salaries.

Survey results show that the number of employees employed in SMEs in the scope of the study experienced a drop of 3.1% between 2019 and 2020, then an increase of 2.8% in 2021 compared to 2020 and finally an increase of 1.4% in 2022 compared to 2021.

By SME's main activity, the average number of employees in the agricultural sector fell by 8% in 2020, compared to 2019. Still in the agriculture branch, the number of employees decreased by 1.5% between 2021 and 2020, meanwhile in 2022, an increase of 5.5% was recorded.

SMEs in Telecommunications and IT as well as those in services provided to enterprises were the most resilient to COVID-19 (3.6% and 2.8% respectively in 2020). These SMEs were also characterized in 2021 by high growth rates in employee numbers (13.2% and 11.9% respectively). In general, the year 2022 was marked by an increase in the number of employees in almost all branches of activity, with the exception of the trade branch which recorded a drop of 2.1%.

Table 21: Trends in the number of employees employed between 2019 and 2022 by main activity (%)

	Employee headcount growth rate		
	2020	2021	2022
Agriculture	-8.0	-1.5	5.5
Livestock	-1.8	-2.3	4.0
Fishing and aquaculture	-5.7	-6.8	2.7
Food industry	-2.9	3.5	1.1
Trade	-2.3	6.2	-2.1
Telecommunications and IT	3.6	13.2	3.1
Services provided to enterprises and others	2.8	11.9	0.0
Total	**-3.1**	**2.8**	**1.4**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Analysis by enterprise type shows that IPUs were more hit by COVID-19 in terms of employment, with a drop of 8.7% in the number of employees in 2020. They are followed by the VSEs (-3.5%) and MEs (-2.7%). In 2021, only IPUs experienced a drop in employee numbers compared to 2020 (-7.2%). In contrast, SEs recorded the largest increase (5.5%), followed by MEs (4%).

Table 22: Trends in the number of employees between 2019 and 2022 by enterprise type (%)

	Employee headcount growth rate		
	2020	2021	2022
Very Small Enterprises (VSEs)	-3.5	3.9	1.7
Small Enterprises (SEs)	-0.1	5.5	-0.3
Medium-sized Enterprises (MEs)	-2.7	4.0	1.6
Informal Production Units (IPUs)	-8.7	-7.2	4.3
Total	**-3.1**	**2.8**	**1.4**

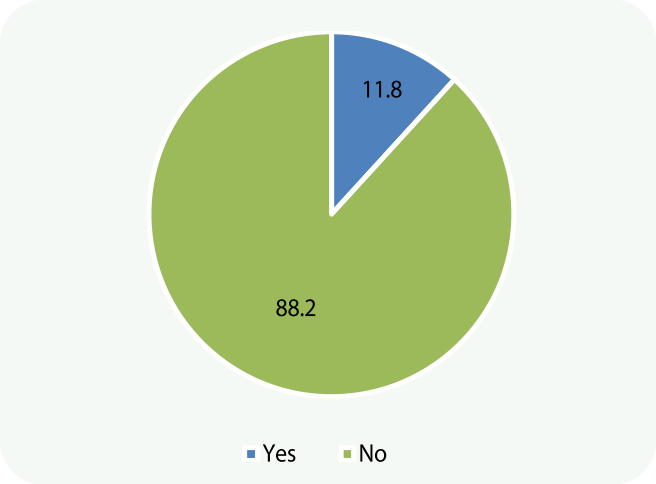
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

8. EMERGING OPPORTUNITIES

8.1 DEVELOPMENT OF ACTIVITIES BETWEEN 2020 AND 2021 IN CONNECTION WITH THE COVID-19 PANDEMIC

Generally speaking, Cameroon SMEs have not transformed the crisis into an opportunity to develop new activities relating to COVID-19. Only one enterprise in ten has been able to become agile.

Figure 78: Proportion of enterprises that declared having developed activities in connection with the COVID-19 pandemic (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

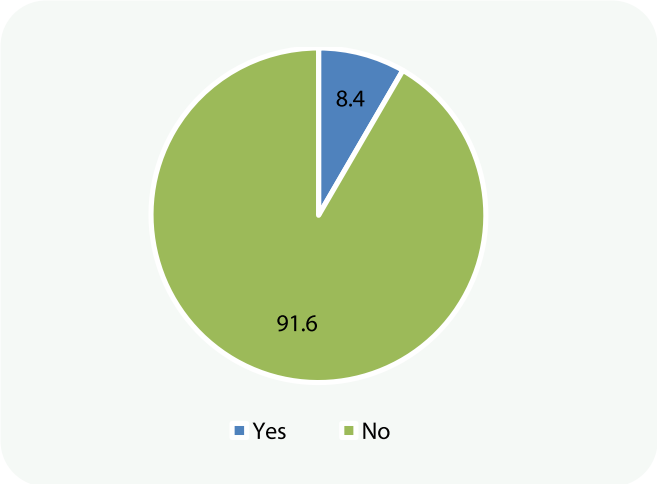
Regarding the sector of activity, enterprises in enterprise services (20.0%) and telecommunications (16.7%) are those which have adapted best to COVID-19; meanwhile the food industries remained cautious.

By enterprise size, caution increased with size. Indeed, 14.9% of VSEs developed COVID-19 related activities between 2020 and 2021 as against only 5.7% of Medium-sized Enterprises (MEs).

8.2 DEVELOPMENT OF ACTIVITIES BETWEEN 2022 AND 2023 IN CONNECTION WITH THE CRISIS BETWEEN RUSSIA AND UKRAINE

Only 8.4% of SMEs have developed an activity in connection with the crisis between Russia and Ukraine.

Figure 79: Proportion of enterprises which declared having developed activities in connection with the crisis between Russia and Ukraine (%)



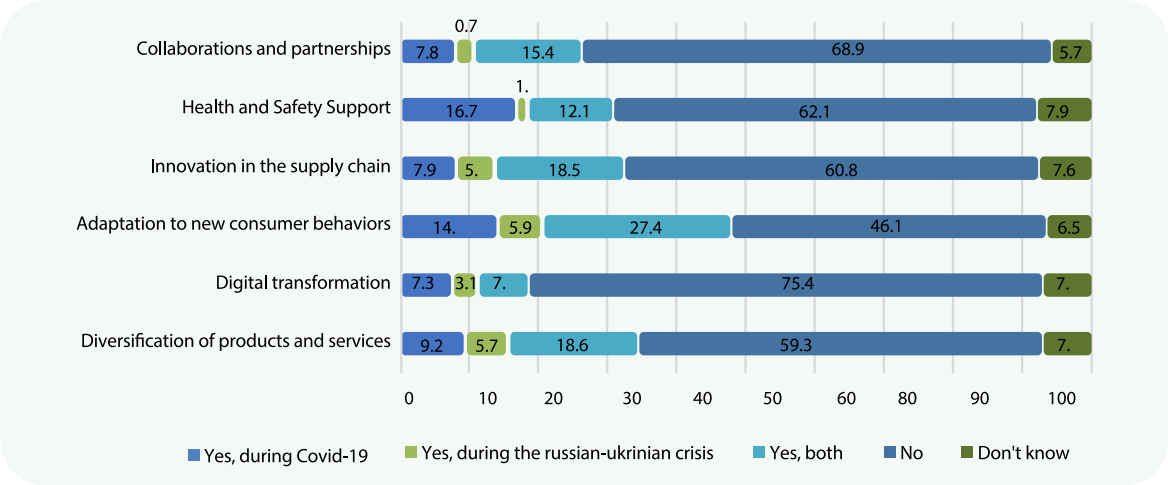
Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Just as in the case of the COVID-19 pandemic, VSEs and SEs have adapted more to the crisis between Russia and Ukraine compared to MEs.

8.3 EMERGING OPPORTUNITIES

To seize opportunities relating to the outbreak of the COVID-19 pandemic and the crisis between Russia and Ukraine, SMEs mainly adapted to new consumer behaviours and diversified products and services. Furthermore, it should be noted that digital transformation was the least used opportunity.

Figure 80: Emerging opportunities expressed by business leaders (%)

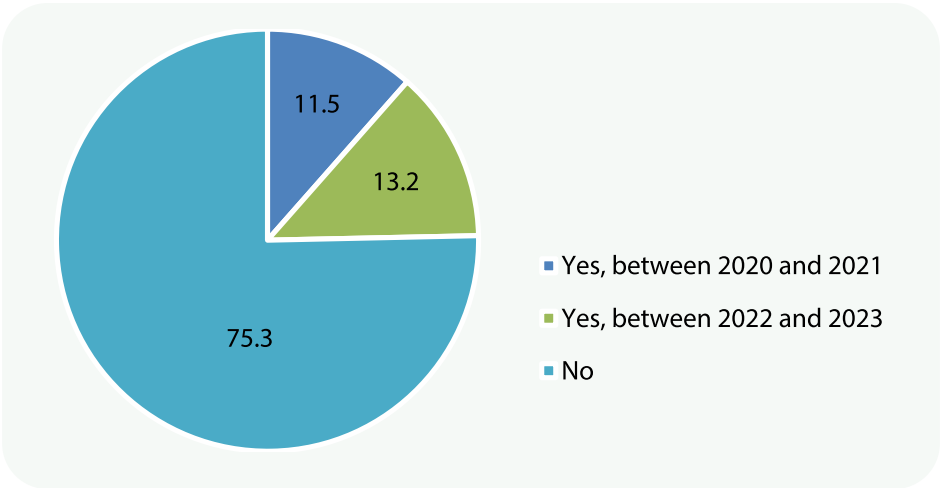


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

8.4 DEVELOPMENT OF NEW SUPPLY METHODS

Tensions in the supply of raw materials and freight of goods, following the outbreak of the COVID-19 pandemic and reinforced by the crisis between Russia and Ukraine, significantly affected enterprises. To cope with this, one in four enterprises has developed new supply methods since 2020.

Figure 81: Opinion of business leaders about the development of new supply methods (%)

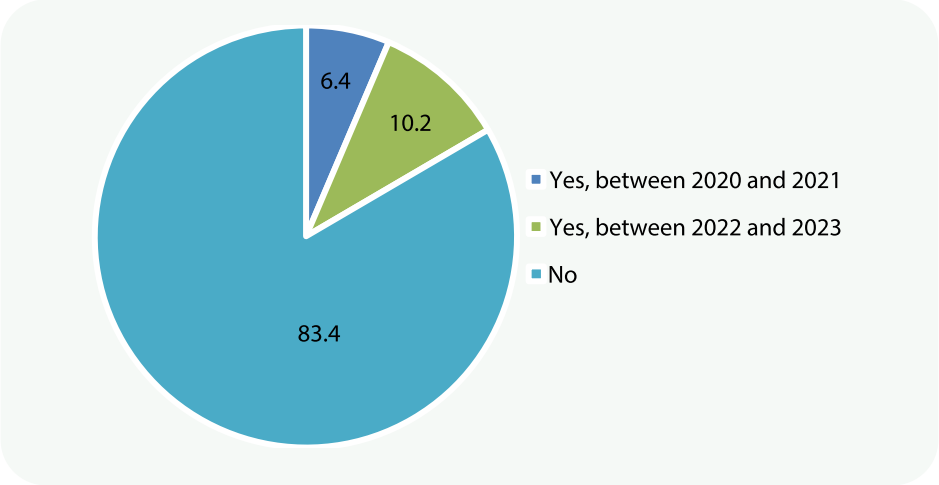


Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

8.5 DEVELOPMENT OF NEW FINANCING METHODS

Only 16.7% of production units have developed new methods for financing their activities between 2020 and 2023.

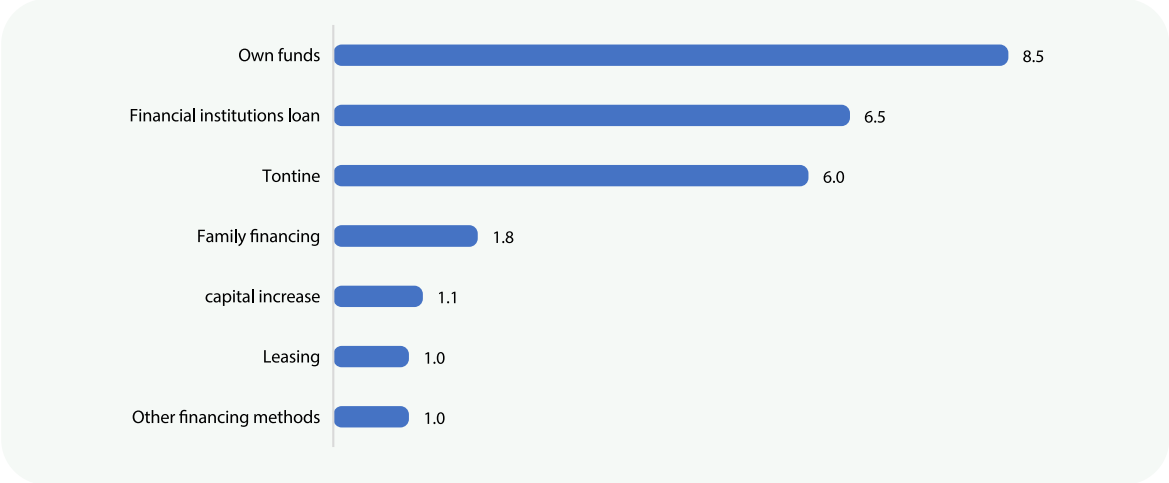
Figure 82: Opinion of business leaders about the development of new financing methods (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Specifically, the financing methods that enterprises used are in order of importance: their own funds (8.5%), borrowing from financial institutions (6.5%) and tontine (5. 9%).

Figure 83: New financing methods that enterprises have used (%)



Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

CONCLUSION

It is clear that both the COVID-19 pandemic and the crisis between Russia and Ukraine have had repercussions on enterprises in Cameroon. Regarding the COVID-19 pandemic, an in-depth analysis of enterprise operations showed that 87% of them were adversely affected, with a significant decline in sales and production. Enterprises in the telecommunications and IT sectors, trade, food industry and livestock were particularly affected. In 2023 compared to 2020, overall, nearly 6 in 10 enterprises continued to be impacted by the effects of the pandemic. This proportion is down by almost 3 points, suggesting a resumption of activities. Looking at the impact on staffing showed significant adjustments, with 53% of enterprises reporting they had reduced their workforce in response to the pandemic. However, a number of enterprises kept their workforces unchanged and also preserved salaries, showcasing some resilience. As for the crisis between Russia and Ukraine, 82% of enterprises reported a negative impact on their activities, with significant repercussions on production, especially in the trade, food industry and livestock sectors. The impacts on personnel were also analyzed, showing that the majority of enterprises kept their workforce, salaries and working hours unchanged despite the crisis between Russia and Ukraine.

Regarding the supply of inputs for production, dependence on the national market was predominant, with 87% of enterprises sourcing exclusively locally. However, supply difficulties in 2022, reported by 53% of enterprise managers, have led to order cancellations, particularly affecting enterprises in enterprise services, fishing and aquaculture, trade and food industry. The origin of inputs mainly from China underscores the vulnerability of enterprises to disruptions in international supply chains, in particular with the crisis between Russia and Ukraine. These difficulties prompted 26% of enterprises to diversify their sources of supply by increasing the use of local suppliers, meanwhile more than the majority of them reported having made no changes to their operations.

The assessment of the transmission channels of external shocks in 2022 compared to 2020 shows a predominantly negative perception of enterprise managers. Difficult access to raw materials, high prices, more difficult financing, and the drop in local demand are all factors contributing to a situation considered more complex than during the COVID-19 pandemic In 2020. The crisis between Russia and Ukraine was identified as the main cause of these difficulties, exacerbating the lingering effects of the pandemic on enterprises.

Regarding financing difficulties, lack of equity, high interest rates and refusal of financing from banks are the main hurdles reported by business leaders. These financial difficulties largely resulted in the drop in sales, illustrating the direct impact of crises on enterprise financial health.

Regarding enterprise vulnerability factors to shocks, it clearly appeared that several elements influenced their resilience. Managers' perception of enterprise size plays a significant role, with only 10% believing their enterprise is larger than their competitors. Even among medium-sized enterprises, 85% believe they are less important than their competitors. With regard to market share, only 9% believe they have a larger share than their competitors. This trend is similar across all activities and enterprise categories, with 86% of medium-sized business leaders believing they have a lower market share than their competitors.

Diversification of product/service offerings is practiced by 63% of enterprises, thus providing some protection against shocks affecting a main product. This practice is more significant in enterprise services and trade. Diversification of raw material supply sources is adopted by 56% of enterprises, offering better cost control and protection against the risks of localized shortages. Food trade and industry enterprises distinguish themselves by sourcing from at least four locations. Supplier diversification is also a strategy adopted by 72% of enterprises, thus reducing vulnerability to stock shortages from a main supplier. Services to enterprises and trade are the sectors most inclined to diversify their suppliers.

Regarding the source of financing, the promoter's own funds remain the main source (86%). Small enterprises are more likely to use tontines, meanwhile medium-sized enterprises are more likely to borrow from banks. Access to banking services is perceived as difficult by 61% of enterprises, with a more negative perception among telecommunications and IT enterprises as well as those providing services to other enterprises. Finally, enterprise resilience capacity shows that 24% do not have cash funds, 52% can cover costs and payments for 1 to 6 months, but 22% expect to be in default of payments in the next 6 months. Regarding bankruptcy, 4% are already bankrupt, 18% plan to be bankrupt in the next 6 months, meanwhile 78% do not expect bankruptcy in this period.

Regarding the coping strategies implemented by enterprises to deal with the consequences of the COVID-19 pandemic and the war between Russia and Ukraine, it appears that digital technology has been adopted by a significant proportion of enterprises. By activity, the sectors "services provided to enterprises and other" (60%), "Fishing and aquaculture" (47%) and, "Telecommunications and IT" (28%), are those where emphasis has been the more significant since the outbreak of the COVID-19 pandemic.

In addition to the use of digital technology, several other measures were taken by enterprises to curb the harmful consequences of COVID-19, in particular, the use of the enterprise's own funds and borrowing from financial institutions. Regarding the measures taken to deal with the consequences of the war between Russian and Ukraine, the use of local raw materials and diversification of supply sources are the main ones.

This analysis shows that non-financial investment needs are diversified, with particular emphasis on the search for new suppliers (55%) and search for outlets (45%). Although the need for support in recruiting skilled workforce is less common, it remains an important matter for 35% of enterprises. With regard to financial investment needs, priority appears to be commercial fund financing, with 67% of enterprises reporting this need. Activities such as fishing and aquaculture have higher proportions in this category. Examining the need for financial investments in intangible assets highlights specific requirements, such as creating or improving websites, obtaining licenses, and building staff capacity. As for financial investments in tangible assets, acquisition of transport equipment dominates, with 69% of enterprises expressing this need. Sectoral variations indicate different priorities, such as the acquisition of equipment and tools for agricultural enterprises. In the area of financial investments in financial assets, the purchase of bonds (13%) and shares (18%) are the preferred choices of

entrepreneurs. Finally, with regard to working capital needs, enterprises mainly request support for the acquisition of small equipment (63%), followed by the payment of invoices (46%) and salaries (45%). Geographical disparities in these needs are observed, especially with an increased priority to paying bills in certain regions.

Despite the fact that most business leaders declared that the enterprise environment is bad, according to their perception, the enterprise environment can be improved by the implementation of mechanisms to facilitate access to subsidies and/or or financial aid from the State and the reduction in input prices. The NEF and the Cameroon Bank for SMEs are the supervisory structures best known to business leaders. Regarding knowledge of public strategies, agriculture and livestock projects and programmes are the best known. Finally, the main factors identified as hurdles to entrepreneurship are taxation and financing problems.

Overall, the general finding shows that most Cameroon SMEs have failed to transform the COVID-19 crisis into an opportunity, with only one in ten enterprises managing to develop new activities in connection with the pandemic. Enterprises in the enterprise services and telecommunications sectors showed better adaptation capacity, accounting for 20.0% and 16.7% respectively. Regarding the crisis between Russia and Ukraine, only 8.4% of SMEs have developed activities in connection with this event. VSEs and SEs have, once again, showcased greater agility than MEs in their ability to adapt to this specific crisis. Emerging opportunities, seized by SMEs to cope with these shocks, mainly focus on adaptation to new consumer behaviours and diversification of products and services. Development of new supply methods is a strategy adopted by one in four enterprises, in response to tensions in the supply of raw materials, resulting from the COVID-19 pandemic and the crisis between Russia and Ukraine. Regarding new methods of financing, only 16.7% of production units have developed such initiatives between 2020 and 2023. Equity, borrowing from financial institutions and tontine are the main means of financing to which enterprises have resorted to.

APPENDICES

APPENDIX 1: METHODOLOCIGAL APPROACH

APPENDIX 2: DESCRIPTIVE TABLES

APPENDIX 1: METHODOLOCIGAL APPROACH

Sample of Modern SMEs

The sampling frame of Modern SMEs was constituted from the Cameroon enterprise statistical register, updated from the Second General Census of Enterprises, and updated each year with the Statistical and Tax Returns (STRs) which makes it possible to identify enterprises, to locate them, and to classify them by main activity undertaken and size; data files of enterprises in the agricultural sector available at the Ministry of Agriculture and Rural Development (MINADER) and at the Ministry of Livestock, Fisheries and Animal Industries (MINEPIA). In total, the sampling frame contains 804 enterprises.

The following tables break down SMEs producing STRs by region, main activity and enterprise type.

Table 23: Breakdown of the sampling frame by survey region

Survey region	Number
Douala	324
Yaounde	173
Adamawa	16
Centre excluding Yaounde	37
East	8
Far-North	8
Littoral excluding Douala	50
North	24
North-West	12
West	111
South	17
South-West	24
Total	**804**

Source: EISC-CMR study methodology document

Table 24: Breakdown of the sampling frame by main activity undertaken by the enterprise

Main activity undertaken	Enterprise workforce
Agriculture	95
Livestock and hunting	75
Fishing and aquaculture	26
Food industries	442
Trade	60
Information and telecommunications	71
Activities provided to enterprises	35
Total	**804**

Source: EISC-CMR study methodology document

The number of units contained in the sampling frame being low, a survey of all enterprises will be conducted. In contrast, any SME identified and whose activity falls within the sectoral scope of the study and which does not appear in the sample will have to be surveyed in the field to overcome the problems of refusal and non-location of certain SMEs.

Sample of IPUs

Given the sectoral scope to be surveyed, the files likely to constitute sampling frames, namely the list of IPUs of the Employment and Informal Sector Survey, or the georeferenced base of Census Areas (CAs) obtained during the 2nd General Census of Enterprises and updated during the 3rd General Census of Enterprises mapping work are not adapted to this study.

The Employment and Informal Sector survey is more adapted to observable units in households and does not provide good targeting of units within the framework of the project. CAs can be used to identify observable IPUs, i.e. those that operate in a fixed professional premises or a developed site. However, the sectoral scope restricted mainly to agricultural and industrial activities makes the choice of CAs to have units per sector of activity complex. To overcome this pitfall, 560 IPUs will be collected across the country according to the following quotas by region and by sector of activity.

Table 25: Sample of IPUs by survey region

Survey region	Activity						Overall
	Agriculture	Livestock	Fishing	Industrie alimentaire	Commerce	Services fournis aux entreprises	
Douala	0	0	25	21	20	20	86
Yaounde	35	25	10	30	25	20	145
Adamawa	19	11	0	0	0	0	30
Centre excluding Yaounde	30	12	0	11	0	0	53
East	18	10	10	0	0	0	38
Far-North	15	10	0	7	0	5	37
Littoral excluding Douala	15	0	0	15	5	5	40
North	9	7	0	6	0	0	22
North-West	8	12	0	13	0	0	33
West	9	6	0	5	6	0	26
South	0	0	29	0	0	0	29
South-West	9	5	0	8	0	0	22
Total	**167**	**98**	**74**	**116**	**61**	**50**	**560**

Source: EISC-CMR study methodology document

The activity as shown in Table 3 conforms to the sectoral scope defined above.

LOCATION OF UNITS

Modern SMEs

To identify Modern SMEs, the location variables available in the sampling frame will be used, namely the enterprise city, street and telephone number. The taxpayer file of the Directorate General of Taxation can also be used to refine the location of the units.

Informal Production Units

IPUs are identified by interviewers in their collection region. To identify IPUs, the interviewer asks the following three questions chronologically to determine whether the enterprise in question is an IPU or not.

1. Is your enterprise registered in an administrative file (taxes, court registry, MINADER, MINEPIA, and others)? If he answers no to this question, it is an IPU; you must administer the questionnaire, it is an IPU. If, in contrast, he answers Yes to this question, you ask the second question.

2. Does the enterprise keep written accounts? If he also answers yes to the second question, you should ask the third question directly. If, in contrast, he answers no to this question it is an IPU, you must administer the questionnaire.

3. Does the enterprise produce an STR or an activity report? If he also answers yes to the third question then it is not an IPU. However, if he answers no, you can administer the questionnaire.

In summary, an IPU is an enterprise which is not registered in an administrative file, which can keep written accounts but without this necessarily resulting in the establishment of an STR or an activity report.

The IPUs surveyed are visible in a fitted out premises or on a fitted out site. Furthermore, in the case where the unit surveyed is formal and part of the sectoral field, if it does not appear in the sample of Modern SMEs, interviewers will automatically have to survey them.

APPENDIX 2 : DESCRIPTIVE TABLES

Table 26: Category of SME

	Frequency	Percentage
SME completing an STR	640	55.46
IPU	514	44.54
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 27: Survey region

	Frequency	Percentage
Douala	342	29.64
Yaounde	199	17.24
Adamawa	49	4.25
Centre	41	3.55
East	50	4.33
Far-North	49	4.25
Littoral	72	6.24
North	60	5.20
North-West	57	4.94
West	161	13.95
South	29	2.51
South-West	45	3.90
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 28: Is the enterprise a start-up?

	Frequency	Percentage
Yes	167	14.47
No	886	76.78
Does not know	101	8.75
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 29: Enterprise size

	Frequency	Percentage
Very Small Enterprises (VSEs)	254	22.01
Small Enterprises (PEs)	231	20.02
Medium-sized Enterprises (MEs)	155	13.43
Informal Production Units (IPUs)	514	44.54
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 30: Legal form

	Frequency	Percentage
Limited Liability Company	338	29.29
Limited Company	30	2.60
Single-shareholder limited liability company / Single Member Limited Liability Company	11	0.95
Sole proprietorship	674	58.41
Cooperative/CIG	90	7.80
Others	11	0.95
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 31: Main activity

	Frequency	Percentage
Agriculture	165	14.30
Livestock	196	16.98
Fishing and aquaculture	86	7.45
Food industry	494	42.81
Trade	109	9.45
Telecommunications and IT	53	4.59
Services provided to enterprises and others	22	1.91
Off-scope activities	29	2.51
Total	**1,154**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 32: Is the promoter of this enterprise also the main manager?

	Frequency	Percentage
Yes	931	87.66
No	131	12.34
Total	**1,062**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 33: Promoter's and main manager's gender

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Male	683	73.36	103	78.63
Female	248	26.64	28	21.37
Total	**931**	**100.00**	**131**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 34: Promoter's and main manager's marital status

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Single	106	11.39	20	15.27
Common law	78	8.38	11	8.40
Married	697	74.87	96	73.28
Divorce	9	0.97	1	0.76
Separated	12	1.29	1	0.76
Widower/widow	29	3.11	2	1.53
Total	**931**	**100.00**	**131**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 35: Promoter's and main manager's age

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Under 25	12	1.29	3	2.31
[25-30 years [	60	6.44	12	9.23
[30-35 years [	80	8.59	15	11.54
[35-40 years [	138	14.82	23	17.69
[40-50 years [	307	32.98	50	38.46
[50-60 years [	220	23.63	20	15.38
60 years and more	114	12.24	7	5.38
Total	**931**	**100.00**	**130**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 36: Promoter's nationality

	Frequency	Percentage
Canada	1	0.11
Greece	3	0.32
France	2	0.21
China	1	0.11
India	2	0.21
Guinea Conakry	1	0.11
Chad	2	0.21
Cameroon	913	98.07
Congo	1	0.11
Sudan	1	0.11
Lebanon	2	0.21
Other	1	0.11
Undeclared	1	0.11
Total	**931**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 37: Main manager's nationality

	Frequency	Percentage
France	1	0.76
Cameroon	130	99.24
Total	**131**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 38: Promoter's or main manager's educational level

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Uneducated	35	3.76	4	3.05
Primary	152	16.33	13	9.92
Secondary	395	42.43	38	29.01
University	349	37.49	76	58.02
Total	**931**	**100.00**	**131**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 39: Professional training attended

	Promoter		Main manager	
	Frequency	Percentage	Frequency	Percentage
Yes	310	33.30	62	47.33
No	621	66.70	69	52.67
Total	**931**	**100.00**	**131**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

Table 40: Enterprise activity duration

	Frequency	Percentage
Less than 5 years old	46	4.33
[5-10 years [	571	53.72
[10-15 years[	187	17.59
[15-20 years[	105	9.88
20 years and more	154	14.49
Total	**1,063**	**100.00**

Source: 2023 EISC-CMR report, NIS-MINEPAT/UNDP

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