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The Influence of China's Investment in Cameroon in the Infrastructural Sector

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Abstract: One of the investment relationships that traces its origin from 1950s regards the China-Africa relationship ties. The ties involved trade agreements that saw China come to an agreement with Africa on trade and investment issues. The interest of our study is the contribution to the study of international trade. China, becoming the first economic power, leaves no one indifferent because it has been fully acknowledged in sub-Saharan Africa, and especially Cameroon. Emphasizing the relationship of interest between China and sub-Saharan Africa, specifically Cameroon, makes it possible to put into perspective the goals and means that use as realists assume. The research on this project will help to analyze the importance of China's investment in the infrastructural sector of Cameroon through qualitative methodology by the use and empirical articles to collect data. Data analysis has been mostly descriptive, since the topic is looking at identifying the impacts of Chinese investment in infrastructure and prospect for new business ventures. The purpose of this research is to study the impact of Chinese investment in the industrial sector of Cameroon. Specific objectives will be to find solutions for the major problems of infrastructural development of Cameroon. The findings of this study present a good record of Chinese investment in the infrastructural sector of Cameroon since it helps to boost Cameroonian economy by creating employment, transfer of technology and innovation, improves tax revenues, decreases poverty and modernizes trade.It would be optimistically be helpful to the Sino-African evolution of trade and the expansion of investment activities between China and Cameroon.

Keywords: Economic impacts, China's investment, Infrastructural sector, Influence of Chinese investment, Opportunities, China-Africa relations.

1 Introduction

1.1 Research Background

Until the end of the 1970s China's trade largely reflected government to government relations rather than comparative advantage. However, following Mao's death and two years of political uncertainty, Deng Xiaoping took power and embarked on a spectacularly successful reform program to transform China into a market economy open to international competition.Though there was a 3 years consecutive decline on global foreign investment, China still has the power to attract foreign investment. In this era, FDI into the Chinese mainland expanded 7.3 percent year on year to 533.14 billion yuan (about 75.9 billion U.S. dollars), and FDI in July alone reached 54.82 billion yuan, up 8.7 percent year on year, according to China's Ministry of Commerce. The opening of China to the world had a very big positive impact on trade. We can see from here that China gives more confidence, assurance and opportunities to investors from abroad therefore they are more attracted to China for their investments. The opening was gradual, beginning with the establishment of four Special Economic Zones in the southern provinces (Guangdong and Fujian) in 1978-1979. China's trade increased rapidly, notably with support from the local Chinese governments that were given very strong incentives to promote exports. The spread of trade liberalization to the rest of the country resulted in a marked increase in imports. Despite criticisms from conservatives in China, the essence of the process was no longer challenged. Trade became responsive to market forces, although protection of the domestic market remained very strong, with extensive use of tariffs, quotas, and licenses (Lardy, 2002). WTO accession further motivated China to lower its protectionist barriers.

The Cameroonian government wants to build a competitive and prosperous economy by boosting investment and savings.Foreign direct investment in Cameroon and other countries reflects the foreign ownership of production facilities. To be classified as foreign direct investment, the share of the foreign ownership has to be equal to at least 10 percent of the value of the company. The investment could be in manufacturing, services, agriculture or others sectors. It could have originated as green field investment (buying an existing company) or joint venture (partnership). An overview of China's FDI in Cameroon reveals that the first stage of economic relationship between China and Cameroon is characterized by technical cooperation through the construction of public infrastructures. In 2002, a number of agreements on economic and commercial cooperation contributed to enhance bilateral trade between the 2 countries. Such, the structure of Cameroon's exports to China concerns a few raw products: crude oil, wood and cotton.Acknowledging the discrepancies of China's FDI flows in Africa and the low performance of Cameroon's in attracting FDI, an analysis of the key motives of Chinese investors pointed out that the Chinese government encourages Chinese entrepreneurs to go abroad through financial support. These enterprises are led by the profit maximization indifferently their status of State-owned enterprises or private enterprises notwithstanding the fact they are resource-seeking or market-seeking. Also, the abundant natural resources in Cameroon and its strategic position in Central Africa predispose the country to stand for considerable FDI inflows. But to some extent these endowments' factors tend to be insufficient in terms of attracting important stock of China's FDI.

In Cameroon, infrastructure plays a great role in attracting investment. It is located on the Gulf of Guinea with its main seaport in Douala that serves for the transit of goods in and out of the territory. However, this is an estuary port that has to be excavated every year to favorize the larger ships to harbor or anchor the port since they usually anchor offshore and their goods ferries to the port thus creating the need for other seaports. Being considered as an OECD country, Cameroon needs investors to industrialize the country and boost its economy. To fuel this growth, China has poured massive amounts to finance projects in Cameroon and bring development. They want more focus on improving living standards through a win-win cooperation with Cameroon.

1.2 Objectives of study

The study has been conducted with the purpose of determining the potential of sea ports in Cameroon, to raise the need for a deep seaport that could be utilized to improve FDI in Cameroon and improve trading activities. Chinese firms are involved in the construction sector in Cameroon. One recent phenomenon is that of Chinese firms bidding for construction contracts. The research paper will reflect the positive influence of China's investment since Chinese financial resources and domestic expertise could contribute a bunch to this sector.

1.3 Research questions:

1. Reasons why Cameroonian government choose Chinese financing for the selected infrastructure projects when alternative sources of finance from Multinational Development Banks were available in the same period?
2. Why China chose the Bollore as partner to elaborate this project?
3. How do China and Cameroon both exploit chances for their economic growth?
4. What are the opportunities linked to the implication of China in infrastructure development in Cameroon?
5. What are the perspectives of the Cameroonian government to attract Chinese investors in field?

1.4 Significance of the study

The project will contribute to the socio-economic development of Cameroon. Its objective is to satisfy the demand of new port infrastructure. The trade between Cameroon and other countries could increase if there was a deep-sea port to anchor larger ships and containers thus promoting FDI.

1.5 Research methodology

The study of this project will help to understand the importance of Chinese investment in the infrastructural sector in Cameroon and the influence of this aid to the economy by the use of empirical articles and qualitive methodology. In this paper the researcher examined the economic cooperation between China and Cameroon on two aspects which are infrastructure and investment. In order to obtain authentic information, the researcher relied on primary mode of data to generate update existing data on Sino-Cameroon economic relations. The primary data was gotten from questionnaires concerning China's presence in Cameroon and their foreign aid investment using semi-structured but flexible questions and secondary data was gotten from empirical reviews and scholars' previous studies in order to acquire an understanding of the genesis of China-Cameroon relations (trade and investment relations) by the use of articles, books and publications.

1.6 Research framework

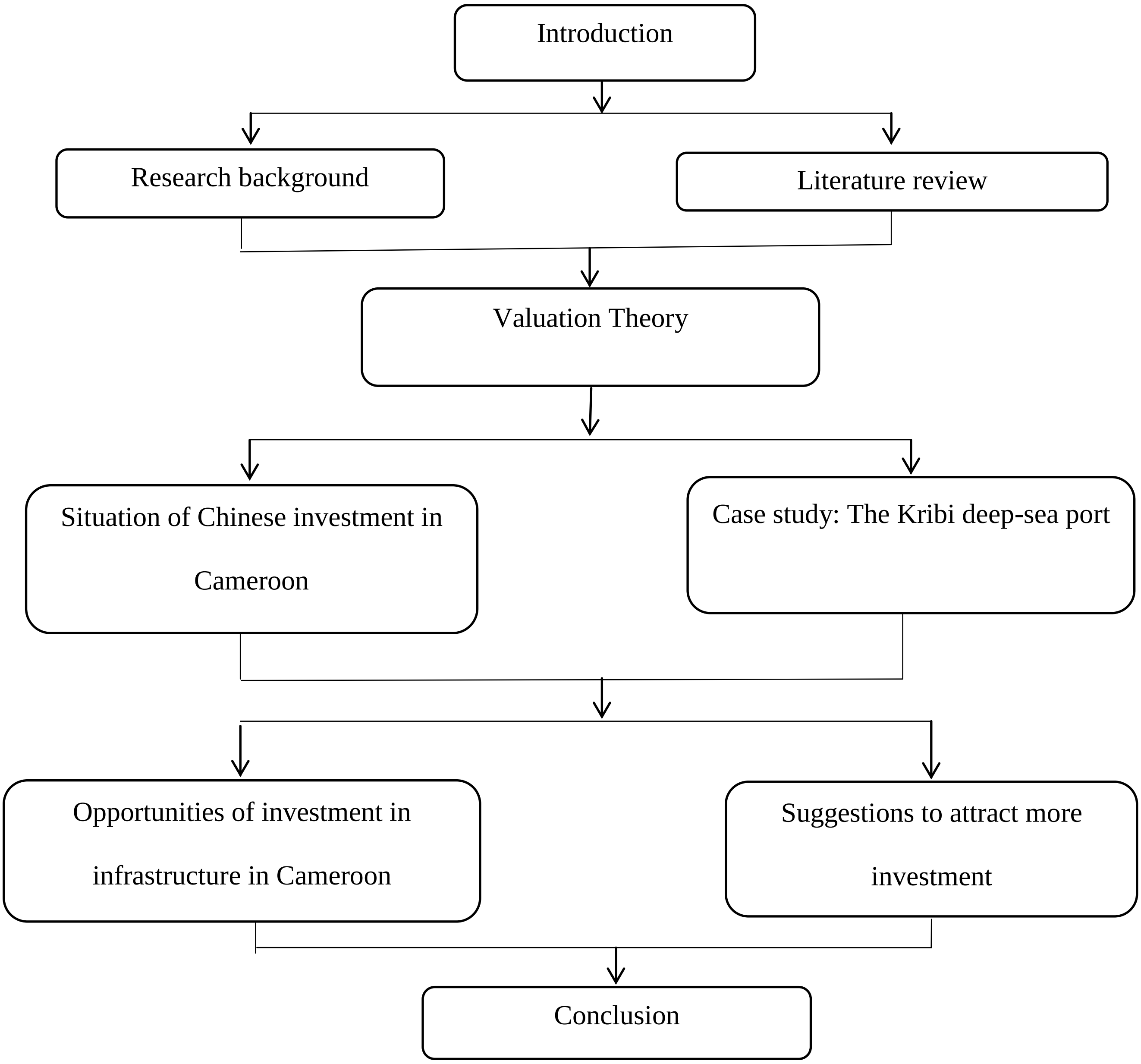

Figure 1: The research framework

2 Literature Review & Related Theory

2.1 Literature Review

Lindhahl (2013) explained that Africa stands out as one of the global destination points in regards to trade and commerce. Several years back, Africa was viewed by the Western and Eastern powers as the cradle of minerals and raw materials for industries. Before the Industrial revolution period, many European countries maintained distance with the continent due to their perception that the continent lacked sufficient materials they needed for survival. However, this perception changed by the end of the 18th Century and caused European countries to expand their trading network overseas and beyond.

Djeri-Wake Nabine (2012) in a publication reiterated that one of the most supreme aspects of investment activities between China and Africa regards the fact that the African countries agreed on the platform of some reserve percentage. It implies that China would offer the host countries a percentage of their investment as a sign of benefit from their natural resources. Furthermore, China undertook to offer employment opportunities to the African citizens especially in the infrastructural sector.

China has been predicted to overhaul the US as the largest economy by 2017 in Purchasing Power Parity (PPP) terms and by 2027 in market exchange rate terms (World in 2050: The BRICs and beyond: prospects, challenges and opportunities, PwC Economics, January 2013). The fast growth of China has also been paralled by its emergence as a major trading power in the world and has the potential of becoming the world's top exporter in the next decade due to increasing FDI, high domestic savings and improved productivity (Hong 2006).China's presence in Africa is fast growing and the commitment to economic development through "South-South" cooperation is bringing important changes to African economies. He Shi (2010, p 213) ascertained after evaluation of China's involvement in Africa emphasized that on one hand, "the positive impact of China's presence on African development will be limited in the long run because of a huge conflict of interest between China and Africa" by noticing the evolution of trade between China, Africa and India and on the other hand argues that this trade explosion offers sub-Saharan Africa an aptitude for development. It is not only the main interest of Africa in terms of its economic development but also the economic prosperity of China. The increasing focus on productive sectors in high-growth countries illustrates that there could be opportunities for Chinese investments to create jobs, supply local markets and create linkages and knowledge spillovers to local firms.

Trade developed rapidly following the 1987 exemption from customs duties of raw materials and components destined for re-export. China has drawn heavily on the Southeast Asian development model, where components are first imported, then assembled, and finally re-exported, either for further processing or directly to markets in developed countries. This trade was boosted by increases in foreign investment in the 1990s, aided by the establishment of Special Economic Zones and the role of Hong Kong and the Chinese Diaspora.

Sino-African cooperation highlights China and the African continent and particularly Cameroon. It is on the one hand of China, which is a great emerging power thus showing great success on the economic plan and on the other hand of Africa more precisely Cameroon.Her traditional economic partners have been European countries, and top among them has been France, the former colonial power. Economic interaction with Asia and especially China has been very low, but is increasing rapidly. China will soon rival France as the main source of imports, and a number of Chinese financed infrastructural projects are important landmarks in Cameroon today. The level of economic interaction between the two countries is rising rapidly. Beyond its strategic location on the African continent, its diversity and its natural human and cultural complexity, the country offers a most enviable geographical and climatic panorama, capable of making it a priority tourist destination in Africa. If we decided to analyze Sino-Cameroonian cooperation, it is because Cameroon stands out for its political stability, the advantages of the local economic environment for trade, the flexibility of the vast domestic market (from 20 million potential consumers), huge contracts signed with China, offset by the many natural resources available to Cameroon and its important seafront. It is located for its south-western country, in the Gulf of Guinea.

Cameroon offers China undeniable economic advantages and is therefore an entry point to all of Central Africa. According to Ewangue, (2009: 308) Cameroon, because of its demographic weight and its diversified economy Cameroon is seen as a potential rising power in Central Africa. Chinese infrastructure projects are becoming boundless and predominant around Africa, one consequence of the country's "going global" policy that has seen the internationalization of its largest State-Owned Enterprises (SOEs). China's infrastructure projects and broader investments in the infrastructure and extractive sectors have been a source of controversy. Western Non-Governmental Organizations and advocacy groups have criticized China's apparent disregard for negative social and environmental impacts, as well as its relative lack of transparency. The increasing focus on productive sectors in high-growth countries suggests that there could be opportunities for Chinese investment to create jobs, supply local markets and create linkages and knowledge spillovers to local firms. A new strand of research (Brautigam et al. 2017, Abebeet al.2017) is beginning to address the latter; it demonstrates some positive synergies between Chinese and local manufacturing firms in Cameroon. In new research (Brautigam et al. 2017), we aim to present a balanced view on what we know about Chinese investment in Cameroon in the infrastructural sector and what it means for economic growth.European and American Companies had always been known to be the dominant powers in the construction industry of Africa and Cameroon for that matter. Yet, a recent World Bank study on the infrastructural situation in Africa hints that there is an annual US$ 22 billion infrastructural backlog on the continent. Consequently, creating opportunities for newcomers and actors in the industry is of supreme importance. Therefore, the emergence of Chinese construction firms on the continent brings the appropriate and the much-needed competition into the industry. The Cameroonian government considers these Chinese firms an alternative choice especially in the construction industry and accordingly welcomes their participation, as the competitive advantages of these Chinese firms have become prominent and obvious. They offer comparable quality standards and most importantly for Cameroon and in fact Africa, lower costs with in-time execution and delivering of projects. As expected, the competing companies (mostly

Western), failing to win majority of contracts, accuse China and the Cameroonian authority of manipulations and corruption in the bidding processes. So far, the Cameroonian authority seem to care little about this situation as it continues to demonstrate absolute trust and confidence in its deals with China. In fact, it appears to believe and rely on the ability of China to adequately deal with and transform the poor infrastructural situation of Cameroon.

According to Nyaosi (2011), FDI provides new technologies and improves the efficiency of existing technologies and brings financial resources to host countries. Foreign Direct Investment also facilitates access to international markets and plays a major role in the development and strengthening the export capabilities of the host economies. FDI has the potential to lead to change in management and corporate governance, enhance domestic competences and transfer modern and "cleaner" technologies in the host country. The importance given to FDI in updating.innovating, employment, income growth and development process pushed several Sub-Saharan African countries to introduce strategies to attract and promote FDI. However, Sub-Saharan African countries are not performing well than other region in the world in FDI attractiveness process (UNCTAD 2018). FDI does not accrue mechanically, national policies such as development of human capital and infrastructure, macroeconomic and politic stability, financial development matter for attracting FDI in the SSA countries and for reaping the full gain of foreign investment for development.

The availability of infrastructures such as telecommunications, railways, airports, ports and roads reduce operational costs, tariffs and facilitate access to new markets in a specific country. The competitive position of a country is determined by its transportation costs, tariffs and access to a new market (Rehman et al. 2011). Poor infrastructure limits access to both local and international markets which ultimately impede FDI growth in SSA countries. Several studies focusing on the determinant of FDI concluded that infrastructures have a positive impact in captivating FDI.In these studies, infrastructure is differentiated between hard and soft infrastructure (Bakar et al., 2012; and Seetanah, 2009). Hard means physical infrastructure (such as roads, telephone connections, airports, roads, fast distribution networks, electricity transmissions, and railroads) and soft infrastructure implies market- oriented institutions, governance structures and such. Using annual time series data and multiple regressions analysis, researchers such as Jaiblai and Shenai (2009) found that improved transport, communication, water and waste infrastructure are very salient and predominant in the FDI inflows of Africa.To encourage Chinese private enterprises to find their "way to Africa" the Chinese government established trade centers in several African states (Nigeria, Ghana, Tanzania, Mozambique and Kenya) including Cameroon to provide strategic and holistic support for Chinese companies intending to invest in Africa. It financed several infrastructural projects in Cameroon through many of its SOEs; hence impacting positively in almost all areas of life.Fung et al. (2005) examined which type of infrastructure (hard or soft) draws the attention of foreign investors and attracts FDI to China. The factual results shows that both soft and hard infrastructure have a positive and significant effect on FDI inflows although soft infrastructures outpace hard infrastructure in attracting FDI. They also found that soft infrastructure was found to be the main factor for attracting investment in Cameroon.China has served as a development model for Africa and an alternative source of trade and finance from Africa's traditional development partners. China is offering precious support and assistance to Cameroon in different ways like road construction. Inspite of strong cultural particularities, the result of the study will also portray the capacity to deal with institutional hierarchies and ameliorate cooperation.Investment in infrastructures like hydropower was thought of as part of macroeconomic policy, and only secondarily as an object of industrial policy. (Cambridge English Corpus).Negotiating with China is a relatively new practice for some African governments.According to a study by the China Research Center (2007), the majority of Chinese construction companies operating in Africa are public groups such as Chinese Overseas Engineering Corporation, Chinese Road and Bridge Construction, and Chinese Railway Construction. As a result, they benefit from significant government support, especially at the political and financial level, within the framework of official development support. To win bids, these companies first rely on price competitiveness that is 30% lower than their competitors due to their low labor costs and imported equipment.If we exempt South Africa, Chinese groups do not have fierce competition due to the weak technical and financial capabilities of local companies and the lack of skilled labor. This also limits the motivation for establishing joint venture partnerships with African companies, thereby restraining the transfer of knowledge and know-how. In order to carry out various infrastructure projects in Africa, Chinese construction companies rely heavily on labor imported from China. On average, 48% of Chinese workers, 51% of African workers, and 1% of other workers from diverse countries. Chinese infrastructure projects are becoming boundless and predominant around Africa, one consequence of the country's "going global" policy that has seen the internationalization of its largest State-Owned Enterprises (SOEs). Chinese construction firms are increasingly competing for international contracts as China's domestic infrastructure markets become saturated, and many of these international projects are supported by concessional loans and financing from China's policy banks. China's infrastructure projects and broader investments in the infrastructural, energy and extractive sectors have been a source of controversy.

The import of Chinese equipment has made it possible to finance the construction of roads and stadiums and communication network, but also to finance the creation of a factory for the production of mobile phones, to create hospitals and health centers as well as a higher training institute for Cameroonian and foreign executives. Chinese public groups engaged in infrastructure projects in Central Africa through Chinese development assistance are forced to raise the level of knowledge of the countries where they invest to improve the transfer of technology and know-how in direction of these countries. As far as Cameroon is concerned, it has been open to negotiations and amelioration of its economy for a while by the use of Chinese aid. They should take every opportunity to share experiences and good practices. Trade with China has increased significantly over the past few years. China's investment in infrastructure will play an increasingly important part in supplying economic development in rural areas of Cameroon as rapid response to changes in demand. EXIM Bank, is a Chinese government bank that plays a significant role as it provides export credits, finances both Chinese private investors and joint venture projects with private foreign firms, and grants concessional loans on behalf of the Chinese government.These days, the world and its people have greater concern about the economy, environment and population, where by the construction of roads, hospitals, schools and stadiums is one of the measures to guarantee a quick emergence and economic growth of countries like Cameroon.

2.2 Valuation Theory

It is described most easily as the evaluation of something's worth. In finance items that are valued are usually financial assets and liabilities. Valuations are done when we consider the worth of assets such as stocks, business enterprises, trademarks or liabilities like bonds issued by companies. In an investment analysis we need valuation to make business analysis, acquisition transactions, tax liability and capital budgeting. In our work, the absolute value model can be used in the analysis to determine the present value of an asset's expected returns in cash flows. This model can be separated into two types such as the discounted cash flow model (multi-period model) or the Gordon model (single-period model). This theory is useful to our research paper because by investing in Cameroon, China makes it a win-win trade relationship through which it supports Cameroon in choosing its own path of development and speeding up its process of evaluation thus making China more reputable and to gain more markets. Both Cameroon and China will reap benefits from this cooperation ties.

3 Situation of Chinese Investments in Infrastructure Sector in Cameron

Cameroon became independent in 1960 and established its first diplomatic relations with China in 1971 and trade agreement the following year. In 1977 an agreement for the reciprocal protection of investments was signed and in 2002, an agreement for economic and commercial cooperation. So far as infrastructure investment is concerned, the earliest dam construction project was realized by China between 1977 and 1982 for irrigation and electricity generation purposes. Furthermore, China Harbour Engineering Corporation was one of the 16 contractors listed in 2008 for a USD 655 million contract to build a new deep seaport in Kribi (Southern Cameroon) as part of the new Kribi Ports Complex. The project will be tailored to handle larger ships than the Douala port which currently handles 95% of transports of goods to Cameroon, Chad and Central African Republic. Still in the infrastructural sector, China should be mentioned as one of the financiers for the USD 200 million project of the construction of the Lom Pangar Dam. The majority of the previous studies found that the quality of infrastructure is positively related to FDI since it represents the best long-term opportunities for foreign investors. The quality of infrastructure significally and positively affects the economy of the host country. China's urge to intensify relations with developing countries like Cameroon has been attributed to the need to secure raw materials for its booming economy and markets for its manufactures. China however insists its relationship is based on "sincere friendship", "equality", "reciprocal benefit", and "win-win cooperation".China and Cameroon are both "old" trading partners and one of the biggest sector of Chinese investment is in infrastructure. Their trade ties can be seen by their traditional channels of investment, aid and trade flows. Economic cooperation with China therefore carries a huge potential benefit to Cameroon. Since China is reputed for their expertise in construction, they mostly came as investors in the said sector to help boost Cameroon's economy.Chinese companies participate in the construction industry in Cameroon thus, bidding for construction contracts. When China Road and Bridge Corporation (CRBC) won the bid to build a 13-kilometer road in Douala, the economic capital of Cameroon, it was unparralled. CRBC won 18 million U.S. dollars and won a competitor that demanded 30 million U.S. dollars. The construction was successfully completed one month ahead of schedule, and was appreciated by the Douala municipal government and the World Bank, which also participated in the project. Chinese firms have been involved in construction projects in Cameroon since 1973 with the construction of roads, schools, stadiums, conference centres and dams such as the Lagdo Hydroelectric dam.

There are other sectors in which China has invested in Cameroon and one of such sectors is the agricultural sector especially in the cultivation of rubber, cassava and cotton. Shanxu State farms through its subsidiary Sino-Cam IKO Ltd has a land of 10,000 hectares to develop agricultural activities. They signed a USD 120 million investment agreement with the government of Cameroon in 2006.In the forestry sector, the only company involved is the Sino-French company VICWOOD Group. This company has seven (7) management units in Cameroon with subsidiaries that cover an approximate total of 429,069 hectares which represents 7.6 % of the total forest concession areas in Cameroon.

3.1 Chinese investments in infrastructure

The Cameroonian government considers cooperation with China as an alternative best choice especially in the construction industry and welcomes its participation as the competitive advantage of Chinese firms have become obviously needed.They offer quality standards at a low cost in time execution and delivery of projects. Other sectors in which China has invested in Cameroon are agriculture, forestry and oil sector but down below are going to be so examples of infrastructure projects realized by China:

3.1.1 Telecommunications:

Since 2007, China has been routing to help Cameroon to settle internet issues by helping Camtel in setting a commercial telephone service known as the Citiphone which allowed citizen to have quality access to internet at affordable cost and also mobile phones and fixed lines to ameliorate communication in the country. Thefirst phase of optic fiber construction was launched by the Cameroonian government in 2011, to ensure the supply of high-speed internet at low cost. China later invested in the project of optic fiber by constructinga 3200 Km optical fiber backbone network by Huawei / China road and Bridge Corporation in Cameroon (phase 2). This project was aimed at building a modern telecommunication network going through 30 towns and helping the population to benefit from this new infrastructure.Cameroon and China are financing several loop construction projects to improve connectivity in Ngaoundéré, Bamenda, Ebolowa, Bafoussam,Bertoua and even Garoua. In 2015, the third phase of the project was launched and the total optic fiber reached 10,600 km and 12,000 km deployed across the national territory.Huawei has been working closely with Camtel for more than 14 years to develop the ICT level and help ordinary residents to benefit from rapid network and helped more than 400 citizens to participate in the Huawei ICT talent program in 2018 which would help them to find jobs later on.The ICT sector only consists of 3.5 % of GDP in Cameroon and requires a considerable development for the country to make better use of digital economy therefore, China is willing to bring an aid to Cameroon by investing in this sector.

3.1.2 Water supply:

River Sanaga is the largest river in Cameroon with its origin from LomandDjerem confluence, 650 km from the Atlantic Ocean. Given its good water quality, the large river flow and local population density, low pollution from domestic sources makes it a good site for potable water supply to the country. Potable water being a major problem in Yaoundé because of lack of good infrastructure to supply the demand of the population, China signed an investment project with the Cameroonian government to help Cameroon's economy to grow. This is another fruit of the Sino-Cameroon alliance for the ambitions on the emergence of Cameroon in 2035. The contract deadline for the project was three years. The water project was to supply Yaoundé with 400,000m3 from Sanagariverper day. Exim Bank and Sinomach were the main partners involved in this contract, 85% was co-financed by China and 15% by the Cameroonian government. An agreement of USD 678.3 million was signed in 2014 and the project is still in process. The project includes Nachtigal, Emana-Batchenga and Elon sites on the Sanagariver. This project should accommodate over 8000 pipes that are being manufactured in China and progressively transported to Cameroon. For the time being the Paepys project is continuing in the areas concerned and is at 78% complete.

3.1.3 Power generation:

Cameroon devotes significant resources to large infrastructure projects such as construction of hydropower projects which will help to generate energy in the whole country. The hydroelectric dams are mostly used as a form of renewable energy since it produces no direct waste and has a considerably lower output level of greenhouse gas carbon dioxide. Hydropower plays a positive role in Cameroon's economic growth because it is used to undertake flood control, urban and rural life, aquaculture, tourism and exportation to neighboring countries such as Chad and Central African Republic. The LomPangar Dam water reserve was the first hydropower project realized by China in 2010 by China Water and Electric Corporation (CWE) , followed by the Memve'ele hydropower dam in 2011 by SINOHYDRO CORP, Mekinhydrower Dam in 2011 by China National Electric Engineering Corporation and the construction of the Menchum hydropower dam in 2013 by China International Water & Electric Corporation (CWE). Most of the world's most famous dams are located in China but Chinese constructions have increased with the "Going-out" policies.China's investment in hydropower plays an important role in supplying electrivity in rural areas of Cameroon as a rapid response to changes and growth in demand. Exim Bank is a Chinese government bank that financed these projects and has a significant role as it provides export credits, finances both Chinese private investors and joint venture projects with private and foreign firms, and grants concessional loans on behalf of the Chinese government.

4 Case Study: The Kribi Deep-Sea Port Infrastructure Review

4.1 Project background

Country	Cameroon
Department	Ocean, Kribi 1
Chinese stake in CFA billion	225
Type of project	Port of commerce
First involvement of financiers	2010
Loan signing date	Dec 2010
Beginning of construction	2012
Project completion	2035-2040
Anticipated completion	2035
Total cost of project	6500 billion FCFA
Financing body	EXIM Bank
Area of surface	2600 hectares
Activities	Commercial activities
Draught	14.5- 21m3
Contract type	Engineering, procurement& construction
Contactor	China Harbour Engineering Company (CHEC)

Table 2: Project description

Cooperation in this project mainly concerns Chinese companies and those from developed Western countries which are expanding a market in developing a market in third countries. This is not only a type of strategic alliance but also a mode of international cooperation particularly suited to the strategy of the new Silk Roads. The Chinese company encountered some difficulties and thus causing them to sign cooperation agreements with the government of France, Canada, South Korea, Australia and Japan for this project. This was very advantageous because it combines the strength and knowledge of Chinese companies with that of developed countries since Chinese companies are efficient in manufacturing and adaptability of products, while companies in developed countries are vigorous in techniques and components. It therefore will compensate for the shortcomings of Chinese companies in the project.

The Kribi port project is one with 3 parts. At completion, the port will include a multipurpose terminal, an aluminum and LNG and natural gas liquefaction terminal, a container terminal and an industrial fishing port as well as a naval base. CHEC is a 100% subsidiary of China Communications Construction Co. They are mainly specialized in the construction of transport infrastructure in more than 70 countries. CHEC was supposed to be the sole terminal operator but unfortunately the operator was unable to act on its own causing them to choose the French company Bollore (the largest logistics company in the world) and CMA-CGM (they are two world-class companies well placed in the value chain of the port economy) as partners. It is certain that CHEC had to fulfill an important mission alongside the two French companies firmly established in Africa for a long time. The Kribi deep container terminal construction started in June 2011 and ended in March 2015 with a contractual value of USD498 million.

The presence of CHEC effectively guarantees the construction of the port, its participation will also enable the Export-Import Bank of China to finance projects in Cameroon under the principle of limited buyer credit. In other words, China Harbor’s participation in the container terminal management consortium is an additional dividend for port financing. In fact, the other two shareholders of the Kribi Terminal Holding Group (Bolloré and CMA-CGM) will be borne by the other two shareholders (Bolloré and CMA-CGM).

The preeminence of the CHEC promised project financing from China Exim bank, as part of the agreement this project will also conduct the construction of the Yaoundé-Douala autoroute and the phase 2 of the deep-water port through the takeover of the Mbalam mineral project and the start of financing negotiations on dam projects.

The expansion of this project will be carried out between 2010-2040 with an approximate total expense of 6.5 billion FCFA. It will create around 2000 direct jobs and many indirect jobs. The establishment of the deep-water port in Kribi began on December 2020 with the construction of earthworks and the elaboration of facilities to elaborate the onshore port of Mboro. To achieve tis goal, 60 hectares of forest were deforested. The first phase of the project was received in 2015 as a 350,000 TEU (twenty-foot equivalent) for the recipience of ships and a multi-purpose terminal with an annual capacity of 1,500,000 tonnes. CHEC as a construction and civil engineering company was the first of its kind to build a port with a quay of 350 m and a depth of 15 m.

The second phase of the project will be delivered within a maximum period of 5 years by the Bollore group with the construction of a new quay of 700 m.

In due time, the port of Kribi will be larger than that of Douala and will consist in profit from greater sea depth to anchor larger ships. It will include the establishment of specific terminals like the aluminum, hydrocarbon, mineral and liquefied natural gas terminals.Such cooperation based on complementary assets will lead to the simultaneous development of the two parties.

The tables below can illustrate the financial expenses on the first phase of the Kribi port and the concession for the container terminal that has already been achieved.

Table 3; Financing of the construction of the port of Kribi

Loans from China EXIM Bank covering 85% of the cost of the project:	Loan conditions:
Phase 1: \$ 674 million (around € 600 million) Phase 2: \$ 423 million (around € 375 million)	2% interest rate Deferred for 7 years
In the case of phase 2, the 15% counterpart due to the Cameroonian government was covered by the operators.	Repayment over 13 years

Source : Port autonome de Kribi, http://www.pak.cm/ingenierie-de-financement-du-port-de-kribi/

Table 4; concession for the container terminal.

Duration of the concession	25 years from 2017
Operator	Kribi Container Terminal (around 77 million euros) acts as a project company (special purpose vehicle or SPV): -Kribi Terminal Holding: 60.45% (around 48 million euros) split between Bolloré (51%) and CMA-CGM (49%) -Wide Resources Ltd: 20% (around 16 million euros) -Cameroonian shareholders: 19.55% (around 15 million euros)
Financial commitments	- Entrance fee: 77 million euros. -Fixed annual fee: 33 million euros. -Variable annual fee: 23% of turnover. -Exceptional annual fee: 0.4 million euros from the secondyear. -Firm and planned investments: around 140 million euros. -Funding of phase 2: payment of the State's counterpartCameroonian government by 15% (around 66 million euros)

Source : Port autonome de Kribi, http://www.pak.cm/jour-de-triomphe-sur-les-quais-de-mboro/.

4.2 Influence of Chinese investment in the deep-sea port of Kribi on Cameroon's economy

4.2.1 Transfer of technology and innovation

The access to technology is most often one of the benefits sought by a country's government by encouraging MNEs to invest in their countries.Investment enables efficient and fast transfer diffusion of clean technologies. The transfer in technical experience will ensure sustainability to better address infrastructure needs in future. The existence of knowledge and new practices in an economy is a great factor for investment in that it enables the development of strong research and development capacity and it represents the best way to penetrate high demand markets. The Organization for Economic Cooperation and Development (OECD) highlights that technologies are transferred by FDI are generally more modern and cleaner from an environmental point of view,that those that are locally available. It brings more knowledge to the host country as the subject of an interactive process. Indeed, a high level of human capacities will attract FDI thus, have more impact on Cameroon's economy through training and skill transfer from foreign firms. This improvement of skills can be a turn on factor for attractiveness of foreign capital.

4.2.2 Creation of employment

According to the work of Barro and Lee 18, Boreinsztein, De gregorio and Lee 19 (1998) which states that in countries where the level of human capital is very low, the effects of FDI will be negative. Studies have shown that MNEs are responsible for 50% of global research and development spending. On one hand, to attract the skilled workforce, the country needs to bring in the spirit of the company, attract investment and improve its productivity. On the other hand, both countries benefit from job creation since China benefits from indirect jobs by providing jobs for Cameroonian citizens, the importance of which depends on the labor productivity. This can be done by recruiting ex-employees of the subsidiary with better work practice alongside the new trained local workers. The greatest part of Cameroon's population is ageing so there is an importance to train youth that can serve as a good labor force in Chinese companies. By so doing, the economy benefits from technical knowledge by working together and learning from Chinese workers.

4.2.3 Improve tax revenues

FDI generally stimulate tax revenues through the broadening of corporate income tax base through the various entries of foreign firms and increase in new investments from foreign investors. The investment in the construction of the port of Kribi can represent an important financing source for capital investment. By promoting the increase in wage income, the state broadens the tax base to enable it to conduct its policy of major works and ensure security in the country. This is the reason why Cameroon remains committed to ensure that China invests in its economy. Chinese investment reduces the vulnerability of capital flows and increases the development of local firms through backward and forward linkages.Besides the port and other infrastructural projects, the government of Cameroon also works with the World Bank Group and other development partners to provide its citizens with reliable, and affordable energy projects.Value Added Tax (VAT) is most predominant when foreign direct investment supplies financial resources to conduct activities in the formal sector and support industrial promotion and fervor or increase agricultural productivity. By improving exports and promoting market access or supply, China's investment in the construction of the port of Kribiwill increase international tax resources for trade.

4.2.4 Poverty reduction

The direct channel through which this project can contribute to poverty reduction is through the creation of direct and indirect jobs. Countries with developed institutions and financial sytems will see the impact of foreign aid and foreign investment on poverty faster than countries with good institutions and financial systems. This project enlarges trade in the country and inject more money into Cameroon's economy by creating new opportunities for regional integration. It will also help in the development of other sectors in Cameroon such as the Chad-Cameroon pipeline and the construction of roads around the site that will give the economy a big boost.

4.2.5 Win-win cooperation

Both China and Cameroon have treated each other equally with respect and support on issues concerning core interest and major concerns since the two have forged diplomatic ties for 47 years already. China supports Cameroon in choosing its own path of development and speeding up its process of industrialization. This long-term assistance to Cameroon has promoted Cameroon's economic development and directly benefited the country. China's investment in the port infrastructure will help promote more trade with its neighboring countries. China and Cameroon will both benefit since they will have more markets each.

4.2.6 Modernization of trade

Mundell R.A is one of the first to have studied the international investments within the framework of the theory of the international exchange. China introduces a difference in technology by investing in this project. Through the trade here is not in goods but in services, it brings innovation, modernization and diversity to Cameroon. In Cameroon, the traditional system was not designed to meet the trade standards since the Douala port was not a deep-sea port and could not grant the demand and supply of the whole country. The project should have the ability to optimize grid operations and resources, rapidly detect disturbances and integrate diverse generation sources both on the demand and supply sides. As the ageing infrastructures will be replaced, it will bring a solution to good trade among countries and meet national goals in infrastructure.

4.2.7 Growth in infrastructure

Through this project, the government has been including massive investment programs including roads in order to achieve Cameroon's plan to double digit economic growth. The projections of this road is that it will join the Edea-Kribi motorway thus helping vehicles to reach the deep sea water port of Kribi from Douala, the economic capital of Cameroon. The cost of this highway project was estimated at FCFA 250 billion with 86% of the funding by Exim bank of China and 15% from Cameroonian government.

4.2.8 Fast growing investment

As the economic fortunes keep growing in Africa and Cameroon, investors' interest also picks up. Therefore, brings up this strategy for growth of Multi-National Enterprises (MNEs). Cameroon is known as a country that have had a long period of political stability under the regime in place.It has a low cost of labor and abundant natural resources for a diversified export economy. With the help of loans and investments, many ongoing infrastructure modernization projects are being put in place.

5 Opportunities of Investment in Infrastructure in Cameroon

Several opportunities exist as a result of the Sino-Cameroon partnership. The existence of these opportunities has led to the existence of new trade patterns between China and other countries. Furthermore, these opportunities have fortified the progress and growth of China's investment in Cameroon. This paper seeks to outline a number of opportunities to boost investment and its impact on Cameroon's economy, the profusion of which can be seen below:

5.1 Support from the Cameroonian government

For any trading activity to be conducted successfully between countries, the host country should support and collaborate with its trading partners. The support here stretches from economic, social, political and financial or any other factors that are necessary to conduct an investment effectively. Before engaging in any trading activities, China signed agreements with Cameroon to ensure cooperation and acceptance, to ensure that Cameroon will remain committed towards investment agreements. Since Cameroon is a country with many resources but lack of material, China had to bring their own equipments and Cameroon will ensure the easy access to borders and smooth running of materials and personnel from China to aid in the advancement of infrastructural projects. Cameroon provided China with more accommodative and conductive environment by liberalizing the taxation and custom policies causing a promotion in investment on the territory.

5.2 Availability of resources

Studies revealed that any economic investment which seeks progress must depend on the availability of resources.One of the major factors that helps promote Chinese investment in Cameroon is the presence of raw materials but lack of adequate technology to be exploited. The tables below display some ongoing and forth coming projects

Table5: Ongoing Projects Financed with Chinese aid

Projects	Recipient sector	Value (USD million)
Renovation and extension of the Buea Hospital	Health	5.20
Renovation of the Yaoundé Conference Centre	Culture	4.00
Construction of the Yaoundé Sports Palace	Culture (Sports)	30.00
Construction of houses for personnel of the Gynecological-Obstetrical and Pediatric Hospital	Health	3.0
Construction of a Primary School in Mvomeka	Education	
Modernization of Telecom network between CAMTEL & HUAWEI	Telecom	45.20

Table6: Forthcoming Projects Financed with Chinese aid

Projects	Recipient sector	Value (USD million)
Rehabilitation of water supply system in Douala	Water	27.60
Construction of 1000- 1500 social accommodations	Social work	50.00
Agreements on projects to be defined by both parties n future		9.20
Exchange of letter construction of a Gynecological-Obstetrical and Pediatric Hospital in Douala	Health	0.90
Exchange of letters of construction of 2 primary schools	Education	
Exchange of letters of the supply of equipment to the Gynecological-Obstetrical and Pediatric Hospital in Yaoundé	Health	0.13

5.3 Improved technology

Since the end of the 19th Century and the beginning of the 20th Century technology in Africa and mostly Cameroon has increased. In the past, China used to bring their own technological reliance and expertise to work on the various projects of investment. This was because in the past China solely relied on its own technology and workmanship in performing economic activities and trade in order to achieve quality and the best product desired. Nowadays this perception has changed because many Cameroonians travelled to China and were educated and trained in various fields of studies and came back to Cameroon with those qualities to assist Chinese companies in the territory. Nevertheless, Chinese knowledge and technology remains higher on various perspectives. These technological advancements in Cameroon gave the opportunity to citizens to find jobs as professional engineers in the construction of the Kribi deep-sea port depending on their level of expertise.

5.4 Ready markets

A ready market is one in which there are legitimate buy and sell offers. Every entrepreneur, investor and economics should consider the state of the market before investing.This is because it will determine the significance of the product and the investment decision. In the past, so many industries collapsed because of lack of ready markets during the industrial revolution. Notwithstanding the presence of technology, raw materials and expertise to produce particular products, every country needs to have a wider market to ease the sales of its products.China has a modern strategy as far as ready markets are concerned because there exists a well-drawn trade pattern that has influenced the trade network between China and Cameroon. China continues to grant loans and aid to promote diplomatic agreements and in view of more diversified, highly efficient and high-quality products, Cameroon supports China since the probability of market for the goods and services produced by two countries increase when there in a good trading bond.

5.5 Cameroon's expected growth rate

Based on the vibrant secondary and tertiary industries, Cameroon's economic activity is expected to gradually recover from 2021. The trade balance is expected to ameliorate, reflecting the enlargement in exports and the adjustments in terms of trade. Consequently, the current account deficit is expected to drop from 4.6% in 2020 to 3.4% of GDP in 2021, and then outstretch 2.3% of GDP in 2023.Higher oil production and prices, service supply, and improvements in the industrial sector and external demand will translate into increased consumption and private investment as seen in the table below:

	2018	**2019**	**2020e**	**2021f**	**2022f**	**2023f**
Real GDP growth, at constant market prices	4.1	3.7	-2.1	2.1	2.7	3.8
Private consumption	5.7	4.5	1.5	2.2	4.3	6.0
Government Consumption	-0.2	1.8	2.3	1.4	1.1	-1.4
Gross Fixed capital Investment	7.9	8.1	-3.6	4.5	5.1	2.1
Exports,Goods and Services	1.8	5.1	-19.7	2.8	2.8	9.8
Imports, Good and services	8.1	10.5	-5.4	4.9	8.1	8.6
Real GDP growth, at constant factor prices	4.1	3.6	-2.1	2.1	2.7	3.8

Agriculture	5.1	2.8	-0.2	4.1	4.8	5.6
Industry	3.1	3.6	-3.6	4.3	4.6	4.7
Services	4.4	3.9	-1.8	0.5	1.3	2.8
Inflation (Consumer Price Index)	1.1	2.5	2.5	2.5	2.5	2.5
Current Account Balance (% of GDP)	-3.6	-5.0	-4.6	-3.4	-2.8	-2.4
Fiscal Balance (% of GDP)	-2.3	-3.3	-3.8	-3.5	-2.9	-2.0
Debt (% of GDP)	39.3	42.8	43.4	43.6	43.2	42.9
Primary Balance (% of GDP)	-1.4	-2.3	-2.9	-2.5	-1.9	-1.2
International poverty rate ($1.9 in 2011 ppp)	24.7	24.5	25.3	25.3	25.2	25.0
Lower middle-income poverty rate ($3,2 in 2011 ppp)	45.9	45.7	46.4	46.4	46.3	46.2
Upper middle-income poverty rate ($5.5 in 2011 ppp)	69.4	69.1	70.2	70.3	70.1	69.9

5.6 Fast growing FDI

Many investors' interest has picked up as Cameroon offers a unique opportunity to MNEs as part of their strategy for a quick economic growth. Cameroon has experienced a fast growth rate of private Foreign Direct Investment (FDI) into emerging markets to build up infrastructural projects. Africa is becoming a breeding ground for Chinese business which takes into account the mobility of populations with differentiation and worker habits in the countries concerned, particularly Cameroon, both in terms of quality and quantity thus, giving a big boost to the Cameroonian economy.These agencies could provide information (type, sector, location and financial criteria) on investment opportunities and international markets and creating awareness on investment queries.

6 Suggestions to Attract More Investment in Infrastructure in Cameroon

6.1 Building cordial relationships with competitors

The Cameroonian government wants to build a competitive and prosperous economy by boosting investment and savings.Foreign direct investment in Cameroon and other countries reflects the foreign ownership of production facilities. To be classified as foreign direct investment, the share of the foreign ownership has to be equal to at least 10 percent of the value of the company. The investment could be in manufacturing, services, agriculture or others sectors. It could have originated as green field investment (buying an existing company) or joint venture (partnership).Cameroon and its strategic position in Central Africa predispose the country to stand for considerable FDI inflows.

Concerning the Kribi deep sea port construction China and France are both competitors but they kept a cordial relationship to ensure the smooth running of the project. For well-organized trade relations, the parties involved should build cordial relationships with competitors and Western countries should make a two-way agreement to show their real intensions and encourage foreign direct investors from diaspora members. These are also more likely to generate linkages to domestic firms and contribute to the internationalization of the country.

6.2 Good analysis of market strategy

To carry out a successful investment, investors should take note of their marketing strategy, the value proposition which will be to be aware of the product, place, price and promotion to achieve more opportunities in trade. Even though both China and Cameroon are considered as developing countries, investment is advised because both countries benefit from it since it develops Cameroonian economy and gives China more markets in Africa and worldwide. Entrepreneurs have to analyze the cause marketing, relationship marketing, scarcity marketing and undercover marketing. As for cause marketing, investors should look for means to link their companies to the products they want to invest in, create a customer retention relationship through innovation and good service to increase loyalty, limit scarcity in order to avoid their partners to avoid looking for competitors in case of shortages. China being famous for its innovative and trust-worthy products create stealth marketing and this attracts more countries to have partnerships with her.

6.3 Creation on more Investment Promotion Agencies

In order to attract more investors, the Cameroon government should create significant programs like an Investment Promotion Agency to act as a "linking ground" for foreign investors. The investors should not only invest in projects but also contribute in running the activities on the field to raise the sense of responsibility of

Chinese companies vis-à-vis Cameroon. To do this they should first be able to identify the sector of investments and identify the challenges and the cost of labor in relation to this project.By so doing it will provide employment and indirectly boost productivity of domestic firms.

6.4 Facilitating the creation of enterprises

The areas towards which China wishes to acclimatize its cooperation with African countries coincide with the Cameroon national development priority lines such as infrastructural build-up of Cameroon because it has always been known as a country with a long period of political stability. To promote investment, there should be an easier way of creating enterprises in diversified sectors but not forgetting their priority sectors by reducing restrictions on FDI, providing open conditions for all kinds of firms, whether foreign or domestic. There should be an ease of doing business, access to imports, relatively flexible labor markets and protection of intellectual property rights.

In the same light, the promotion of entrepreneurship is also a key point to attract investment.It can be done by building a convenient social climate, by providing easy access to small business loans, by creating a professional bond between employees and employers,boosting the youths to pursue their passion and prone intrapreneurship.

6.5 Adequate transportation facilities for investors

Developing the transport sector is one of the most acute problems facing policy in Cameroon. In Cameroon, the roads and railway transport linking production centers and market are in deplorable conditions. Conditions as poor as this in basic infrastructures facilities hinders industrial development in general and steady flow of FDI in particular.As long as the road network in Cameroon remains in the state in which it is, there are little or no prospects of an increase in FDI, therefore attention should be given to the road construction maintenance and repairs. Also, transnational organizations in charge of foreign affairs should ensure adequate and reliable provision of skilled workforce, facilities for vocational training of specialized workers and volunteers, ideally designed in cooperation for the investors. National transport organizations should provide transport facilities and accommodation for potential investors.

6.6 Training of local workers and breaking the language barrier

Cameroon only has two (2) official languages known as English and French. Athird language will only be beneficial on the territory because it will ease communication between Chinese investors and Cameroonian workers.China has already established many languages school like the Confuciuscenter in IRIC. More school and training centers should be created to help Cameroonian citizens to familiarize themselves with Chinese language in order to find jobs on Chinese construction sites and others. The training of local workers will also be beneficial to China because it will lower the cost of transport to import labor force from China to Cameroon.

6.7 Investing in adequate logistics

In many developing countries, investment can be boosted by taking a close look to the importance of the adequate logistics which are supported by both physical (infrastructure) and managerial assets.Flexible supply chains have become more complex due to globalization and thus involves logistics from the transformation to the distribution of goods and services in trade. The outcome of investing in logistics will mainly increase integration with global trade and a better utilization of transport assets.There should be an infrastructure integration on facilities such as the containers to efficiently ship trucks to railing the project studied in this paper. In order to maximize efficiency, China could apply a commercial integration by exploiting outsourcing and cooperating with other countries or a third party to invest and realize more projects.

7 Conclusion

This study explores the determinants of Chinese Foreign Direct Trade on the infrastructure development sector of Cameroon. The cordial Sino-Cameroonian relationship has expanded from level to level in the past decades. It has been marked by several official visits involving top government officials from both countries, summits, equality and diplomatic cooperation to fortify these ties through signing of several cooperation agreements. China's aid to Cameroon is a great boost to its economy since Exim Bank is a Chinese governmental bank that plays a significant role of providing export credits, finances both Chinese private investors and joint venture projects with private foreign firms, and grand concessional loans on behalf of the Chinese government. The KribiDeep Sea port will inject more money in the economy through the increase in inflow of goods in and out of the country and create a new opportunity for employment and regional integration. For its surrounding countries, it will be extremely beneficial through the development of relevant sectors since it is carried out with transparency. The government will increase educational fundings to adapt and prepare more citizens for professional employment, increase regional links and combat poverty. The port will not only serve as a means to improve import and export but also as a touristic siteKribi Ports Complex), but also as an oil extraction site, a gas liquefaction terminal, a fishing port and a naval base.

This paper uses qualitative methodology by studying market research for new investors and service demonstrations. This investment has helped in the construction of roads, the creation of direct and indirect jobs but also to through some light on ongoing and forthcoming projects. As portrayed in this paper, the EXIM bank's investment has many positive sides since the demand of ports infrastructure is growing but lacks investors. Questions were raised on how they are working to import the transportation of goods to ensure imports and exports in Cameroon.The gas-fired plant of Kribi will also help to generate electricity in Cameroon in order to remedy to the large demand in the country.

Impacts of this investment are transfer of technology, creation of employment, improve tax revenues, poverty reduction, win-win cooperation, modernization of trade, growth in infrastructure and fast growth in investment. This paper also studies the various opportunities of more investments in Cameroon like the support of the Cameroonian government, the availability of resources, improved technology, ready markets, Cameroon's expected growth rate and fast growing FDI. From these factors we studied the various ways through which investors can find many opportunities to invest in infrastructure and other sectors in Cameroon. Some suggestions to attract more investors are to build cordial relationships with competitors, to have a good analysis of market strategy, the creation of more Investment Promotion Agencies (IPA), facilitate the creation of enterprises, adequate environment for investors, training of local workers and breaking language barriers.

Future research warrants the expansion of the study as to how investment impacts economic growth and other broad factors but adding demographic, socio-political and economic policies may help to better attract more investment in the territory and identify channels through which such factors may influence Chinese FDI. This might be important for better strategy forecasting and understanding the evolution of FDI in Cameroon overtime.

Cameroon also known as "Africa in miniature" is a recommended destination for Chinese investors since it is known for its diversified resources, low cost of labor and a fruitful ground for investments in various sectors.

7.1 Key findings

Chinese investment has a general positive impact on Cameroon's economy because of all the innovations it brings in various sectors. Cameroon is the breeding ground for Chinese investment which takes into account the mobility of populations with differentiation and the habits of citizens both in terms of quality and quantity. International order and the most important role of the diasporas with the effects of transnationalities and taking into account diversified transfers (capital transfers, purchase of equipment and devices. Findings also indicate that FDI to GDP ratio in Cameroon was sensitive to economic growth conditions and resource prices. Chinse investment in the deep-sea port of Kribi will boost the economy on one hand by increasing transportation flux of goods overseas but act as competiton to other countries. China has become a prominent trade and financial partner to Cameroon because of its availability and affordable products and services. It creates employment for local citizens which range from working on the port site, road construction, telecommunication experts, forest exploitation and retailing of a wide variety of cheap goods imported from China thus, reduces poverty, improves tax revenues, modernizes international trade and it's a win-win cooperation for both countries. There is no argument as to whether china's engagement adds to or detracts from Cameroon's economic growth. Measuring from the economic and social impact it is difficult. Chinese manufacturing operations contribute to the country's GDP but offer strong competition for local producers.

7.2 Limitations

The poor working conditions in which this project was undertaken was a limitation to this study because of the lack of many local citizens on the site to carry out the questionnaire smoothly. 60% of the workers were Chinese and the language barrier hindered the researchers to proceed with the questionnaire. A few categories of workers are working without contracts and generally receive lower wages.

Also, time and budget are the main factors needed to accomplish these tasks. Some sectors in Cameroon have not been completely utilized or exploited because of lack of adequate infrastructure and funding. So far as projects are concerned, both China EXIM bank as well as traditional multilateral donors have been active financiers in the infrastructural sector.

There was a constraint in collecting data because the related companies were not really available due to the sanitary conditions worldwide therefore, we ended up using empirical articles and qualitative methodology.

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