

# REPORT: State of Entrepreneurship in Cameroon (2024/2025)

*Advancing Economic Freedom in Cameroon.*



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— THE ESSENCE OF CHANGE —

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## Who is CEPI and Why does this Report Matter?

**Mission:** The Cameroon Economic Policy Institute (CEPI) is an independent non-partisan think tank of the Henri Kouam Foundation who is accelerating economic development through fact-based research, policy advocacy and trainings to boost entrepreneurship and free market ideas.

**Vision:** Our vision is for a *free and prosperous society* driven by *Free Market Ideas* to Improve the Livelihoods of Cameroonians

### *Why this Report?*

This report is designed to provide a periodic snapshot of the drivers, challenges and opportunities associated with entrepreneurship. It is the first periodic report that outlines how policies and programs hurt or hurt entrepreneurship in Cameroon. It allows a formal and regular communication with policymakers. At least 100 policymakers receive this report every year and we are happy at the growing number of policymakers who receive it every year.

## Foreword

As a Cameroonian parliamentarian for Mezam Centre, I am honored to present this foreword for the **State of Entrepreneurship Report: Cameroon (2024/2025)**. This report arrives at a pivotal moment in our nation's journey toward economic emergence, offering a data-driven roadmap to harness the immense potential of our people and *illustrates CEPI's inclusive approach to development*.

Entrepreneurship is the lifeblood of Cameroon. With over 444,000 registered enterprises, our citizens demonstrate a resilient and dynamic spirit every day. However, we must be honest about the structural duality that persists. While the informal sector supports over 90% of our working population, it remains a "buffer of survival" with low productivity. Conversely, our formal SMEs and emerging start-ups—though smaller in number—are the true engines of innovation, documented employment, and the national tax base.

The findings in this report underscore the "friction of doing business" that we, as legislators and policymakers, must address. From the disproportionate tax burden on formal firms to the persistent lack of access to credit for 75% of our SMEs, the barriers to growth are clear. It is no longer enough to celebrate our entrepreneurial intent; we must dismantle the regulatory and infrastructural bottlenecks that stifle it.

I want to highlight the critical importance of the strategic recommendations that will surely be applied

- **Regulatory Reform:** *We must simplify and digitize business registration and tax payments to encourage formalization.*
- **Infrastructure & Innovation:** *Investing in reliable energy and opening our telecommunications sector to global competition—including the urgent approval of Starlink—is essential for lowering costs and boosting competitiveness.*
- **Inclusive Finance:** *Advance modern credit scoring models that leverage mobile money data to unlock funding for the informal economy.*
- **Security & Stability:** *Addressing regional crises head-on is a prerequisite for the socio-economic certainty our investors and youth deserve.*

As representatives of the people, we recognize that "value creation" is the cornerstone of a prosperous society. By implementing these recommendations through consensus and action, we will transition Cameroon from low-productivity trade to high-value manufacturing and services. Let this report serve as a call to action. Together, we will build an ecosystem where every Cameroonian entrepreneur has the tools, the capital, and the freedom to succeed.

**Hon. Nestus Fru Manju, Member of Parliament,**

Mezam Centre, National Assembly of Cameroon

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## List of Abbreviations

Small and Medium Sized Enterprises -----SMEs

Very Small and Medium Sized Enterprises -----VSMEs

Gross Domestic Product ----- GDP

Enterprise Creation Procedure Centers ----- ECPC

African Continental Free Trade Area -----AfCFTA

General Business Census ----- GBC 2

Enterprise Creation Procedure Centers----- ECPC

Social Economy organizations-----SEOs

Handicraft Production Units -----HPU

## EXECUTIVE SUMMARY

Entrepreneurship lies at the core of Cameroon's economic and social fabric. In 2024, the country counted over [444,000 registered enterprises](#), reflecting a dynamic entrepreneurial spirit largely driven by necessity, demographic pressure, and limited formal employment opportunities. However, this apparent dynamism conceals a deep structural duality. On one hand, a vast informal sector, employing [over 90%](#) of the working population and contributing approximately 40% of GDP, acts as a social safety net and buffer against unemployment. On the other, a small but strategic formal sector and a nascent start-up ecosystem, generates the bulk of documented jobs, tax revenues, and innovation-led growth.

The entrepreneurial landscape can be segmented into three categories:

- (i) **Informal micro-enterprises** focused on subsistence and survival;
- (ii) **Formal SMEs**, which represent only [about 12% of](#) businesses but contribute 36% of GDP and form the backbone of the registered economy; and
- (iii) **Start-ups**, still limited in number but increasingly influential in high-value sectors such as FinTech, HealthTech, AgriTech, and digital services.

Formal SMEs and very small enterprises are the primary generators of sustainable, documented employment. Between 2015 and 2022, they created [nearly 70,000 formal jobs per year](#), with Very Small Enterprises accounting for over [55% of modern formal employment](#). Meanwhile, the informal sector absorbs the majority of labor, but is characterized by low productivity, limited scalability, and weak fiscal contribution.

**Taxes are slowing formal-sector development:** Cameroon's overall tax-to-GDP [ratio remains low](#), reflecting the narrowness of the tax base and the exclusion of informal activity. This places a disproportionate fiscal burden on formal firms, raising compliance costs and discouraging formalization. Furthermore, **access to finance** remains a binding constraint: fewer than [25% of SMEs](#) and only about 15% of start-ups have access to formal funding, largely due to collateral requirements, archaic credit scoring models that do not consider important data from mobile money transactions, and perceived risk.

**Strong potential for Agri-businesses:** Agri-business and value addition offer strong potential for job creation and export diversification, particularly under the African Continental Free Trade Area (AfCFTA).

**Entrepreneurship in Cameroon is constrained by structural bottlenecks.** Regulatory and administrative burdens remain high, with lengthy and costly business registration, complex tax compliance, and weak contract enforcement encouraging informality. Infrastructure deficits, particularly *unreliable electricity*, high data costs, and *inefficient logistics*, *inflate operating costs* and reduce competitiveness. Finally, governance risks, including corruption and *insecure property rights*, further undermine investor confidence and access to credit, especially in fragile regions affected by security challenges.

## Strategic Recommendations for Ecosystem Growth

### For Policymakers:

- Simplify and digitize business registration and tax payments, and adopt a **national Start-up Act** to reduce regulatory friction.
- Invest in reliable energy, and transport infrastructure, particularly in secondary cities.
- Open up the communications and telecoms sector to external competition. We *Urgently* and *Explicitly* call for *Starlink's application to be approved in Cameroon in 2026*.
- Support skills development through vocational training aligned with private sector needs and promote gradual formalization.
- Address the Anglophone security crisis head-on to create political and socio-economic certainty.

### For Financial Institutions and the Central Bank:

- Deepen financial intermediation through *credit guarantee schemes*, risk-sharing instruments, but expand this to include microfinance institutions (MFIs).
- *Use mobile-money data to design new and inclusive credit scoring models* for the largely informal economy. Commercial banks should increasingly create transparent scoring models to support decision making that supports credit for informal production units. By using data such as payment of bills, savings, use of funds, they can build better models to support true and verifiable financial inclusion.

## CHAPTER 1: DEFINITION, SCOPE, AND ECONOMIC CONTRIBUTION

Entrepreneurship occupies a central place in Cameroon's economy, serving both as a driver of growth and a key pillar for employment and social inclusion. This chapter establishes the conceptual and analytical foundations of the report by clarifying the definition and scope of entrepreneurship within the Cameroonian context, taking into account formal and informal dynamics, sectoral diversity, and firm size. It further examines the economic contribution of entrepreneurial activity to Gross Domestic Product (GDP), job creation, innovation, and regional development. By situating entrepreneurship within Cameroon's broader development strategy and structural transformation agenda, this chapter provides the necessary framework for understanding its changing role, constraints, and potential as a catalyst for inclusive and sustainable economic growth.

### 1.1. Entrepreneurship in the Cameroonian Context.

Entrepreneurship is a defining feature of the Cameroonian economy due to its highly informal economy powered by micro-SMEs such as road-side restaurants, shop owners, cobblers and communication services such as communication transfer and mobile money services. According to the [Oxford Dictionary](#), Entrepreneurship is defined as the activity of setting up a business or businesses, taking on financial risks in the hope of profit.

[Entrepreneurship](#) is the process of creating new businesses to deliver innovative products and services while managing uncertainty and financial risk. It involves optimizing production to improve customer lives, generate wealth and add societal value. The meaning of the term entrepreneurship has evolved since the [Middle Ages](#) but has been associated to the work of Joseph Schumpeter in the mid-twentieth century, who made significant contributions to the theory of entrepreneurship. Entrepreneurship can therefore be defined as the process of creating value by bringing to together a unique combination of resources to match an opportunity. The key component of entrepreneurship is “*value creation*” where there was none before by leveraging various resources such as human capital, finance and networks.

In Cameroon, entrepreneurship is driven by unemployment, which is a significant issue among the youths. Official statistics place Cameroon's unemployment rate at [3.5% in 2023](#), but [youth unemployment is 39.3% and 90% of jobs](#) are locked in the informal sector. In reality, the unemployment rate is much higher as most unemployed people who perform informal and irregular jobs do not report to the *National Fund of Employment* .

Meanwhile, the formal sector does not create sufficient jobs to absorb the ballooning youth population and new graduates. This is why the [informal sector](#) creates durable employment for most citizens despite remaining vulnerable to external shocks like pandemics and lack of social safety nets. Furthermore, [7 out of 10 women \(68.3%\)](#) work independently, compared to 48.2% of men, making them particularly prone to exogenous events.

### 1.1.1. Differentiation: Formal SMEs, Start-ups, and the Informal Sector

Cameroon's economy is underpinned by a fascinating blend of survival, stability, and aspiration, differentiated by three distinct categories of enterprises: the **Informal Sector**, **Formal SMEs**, and growing **Start-up** ecosystem. The following sections provide a better snapshot of these enterprises.

#### The Informal Sector is the Economic Buffer of Survival

The Informal Sector is driven by a vast network of unregistered, family-run and individual operations that are primarily driven by subsistence. Over [90% of the working age population](#) (Proparco, 2020; NIS, 2010) relies on the informal sector that contributes about 40% of Cameroon's GDP. However, this dominance appears to be double-edge as productivity is low even as the sector serves as a buffer that absorbs the majority of the working age population into activities that sustain their livelihoods. Furthermore, the average turnover is low – about [CFAF 3.8 million \(approx. \\$6,200\)](#) for informal production units (Proparco, 2020) - as they are driven by survival rather than expansion. According to [Mandiefe et al \(2015\)](#), most informal sector actors lack administrative registration and formal accounts, excluding them from formal loans and pushing them to rely on informal networks like informal saving networks. At present, only [14% of Cameroonians](#) own formal bank accounts – reinforcing this trend. Their low contributions create a significant shortfall for the state, putting a disproportionate tax burden on the formal economy.

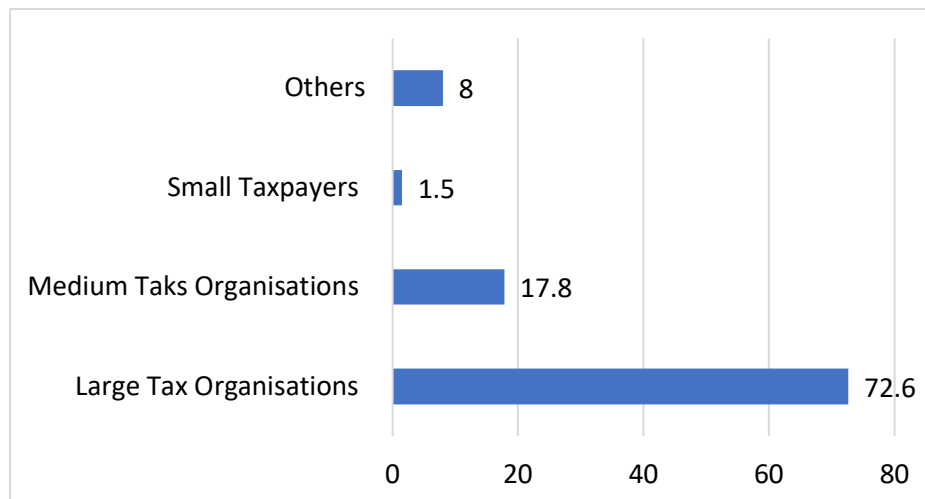
#### Formal SMEs: The Backbone of the Registered Economy

Conversely, Formal *Small and Medium-sized Enterprises (SMEs)* are the backbone of the Cameroonian economy as they tend to be registered, despite only representing 12% of all businesses. They are an engine of stability as they create formal jobs and support the middle

class in Cameroon. The Ministry of Small and Medium Sized Enterprises finds that SMEs make up **99%** of the economic stock and contribute about **36%** of national GDP.

Unlike their informal counterparts, formal SMEs maintain legal registration, keep standardized accounts, and are the intended beneficiaries of government support programs. However, slow adoption of technology and digital tools is holding back their growth and productivity accentuated by a persistent lack of finance. The total tax rate for SMEs was 35% for SMEs, which was too high. In 2023, we advocated for a lower rate and policy makers lowered the corporation tax rate for SMEs to 25% and 30%. It is important to note that large companies account for 73% of the total tax receipts while SMEs contribute 19%. (Figure 1).

**Figure 1: Who Pays What? Taxpayers Contributions to Total**



Source: DGI & Authors Calculations

### Start-ups: The Vanguard of Scalable Innovation

Start-ups are the newest and most dynamic operators in Cameroon’s entrepreneurial ecosystem. While they can be small, they are formally registered and have a specific focus on innovation, technology, and rapid scalability. Indeed, they are very few start-ups when compared to other types of businesses, with Cameroon ranking 2<sup>nd</sup> in Central Africa with 45 start-ups according to start-up blink ([StartupBlink, 2025](#)). Despite being small, their potential far exceeds their size. Currently, there are companies in the FinTech, HealthTech, and AgriTech spaces (like PaySika or Waspito) that are leveraging widespread mobile coverage—where over 57% of mobile devices are smartphones — to deliver services across

the country. Their funding model is different from traditional businesses as they seek external, institutional investment (Venture Capital, Seed Funding) to achieve exponential growth, though only about 15% of Cameroonian startups had access to formal funding in 2021 ([Nkafu Policy Institute, 2024](#)). They are a strategic bet on the future and are already disrupting traditional markets and are leapfrogging development challenges by applying technology while offering a blueprint for high-value, digital-first economy that is far removed from subsistence model of the informal sector.

### 1.1.2. Entrepreneurial Intent vs. Necessity-Driven Entrepreneurship

Entrepreneurial intention and necessity-driven entrepreneurship are two fundamental motivations for entrepreneurship, but they differ in their origins, consequences, and implications for the economy. Understanding this distinction is particularly relevant in the Cameroonian context, where strong socioeconomic constraints cause these two dynamics to coexist ([MINPMEESA, 2025](#)).

#### Cameroonians are Generally Entrepreneurial

Entrepreneurial intention is defined as an individual's deliberate desire to start a business even before the opportunity arises. It is generally motivated by positive factors such as the recognition of a market opportunity, the desire to innovate, the ambition to create value, or the desire to increase professional autonomy. Academic studies on entrepreneurial intention show that it is influenced by education, employment prospects, social support, and entrepreneurial skills ([Neneh, 2014](#)).

In the Cameroonian context, although local empirical data is less abundant than international studies, academic research shows that young graduates often [have relatively high entrepreneurial intent](#), but that this intent faces significant obstacles (lack of financing, insufficient skills, weak institutional support).

Opportunity-driven entrepreneurial intent is associated with potentially more innovative, formal, and sustainable businesses, as it is often motivated by a strategic vision rather than immediate constraints. These entrepreneurs are more inclined to structure their activities, seek financing, formalize their units, and integrate into formal value chains.

## Entrepreneurship out of necessity: constraint and economic survival

In contrast, necessity entrepreneurship occurs when individuals start a business not as a strategic choice but because they lack formal employment options or stable income. In Cameroon, this phenomenon is widespread and often associated with difficult socioeconomic conditions: high unemployment and a limited formal labor market. In Cameroon, a substantial part of the informal sector is made up of necessity entrepreneurs who operate small commercial, craft, or service activities without registration, without social rights, and with often precarious incomes. These activities are not driven by a desire for innovation or expansion, but by the [immediate need to generate income to support their families](#).

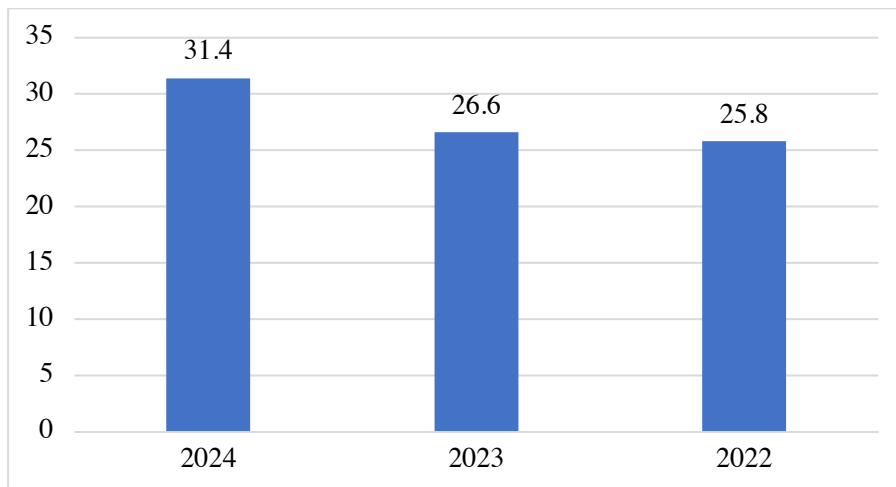
Necessity entrepreneurship can provide a socio-economic safety net by enabling vulnerable households to avoid extreme poverty. However, it has limitations in terms of overall economic growth, productivity, and competitiveness in formal markets. These businesses are often constrained by [limited access to formal finance](#), technology, management skills, and markets.

### 1.1.3. Development of Entrepreneurship by Sector

According to the second General Business Census (GBC 2), the estimated stock of businesses in 2024 was **444 302**, including **443 524 SMEs**, with a predominance of such businesses operating in the tertiary sector that accounts for 77.2% of SMEs. One-man businesses (OMB/ETS) account for 97% of the business stock. Meanwhile, the majority of SMEs (57.4%) are located in major cities like Yaoundé and Douala. Finally, the majority of founders are male (62.2%), with a high concentration in the 30-40 age group (39.8%), followed by the 20-30 age group (28.4%).

Additionally, 21,132 new SMEs were registered nationwide, compared with 19,651 in 2023 across all Enterprise Creation Procedure Centers (ECPC). The majority of newly registered companies were in the tertiary sector (18,029 - 85.4%), while 17,320 (82%) very small businesses, and 11,523 (54.7%) establishments were created in 2024. In addition, the majority of founders (68.6% in 2024) were male under the age of 35 (44.9%) even as women have been experiencing an upturn in recent years. In fact, 31.4% of businesses were created by women in 2024, compared with 26.6% in 2023, and 25.8% in 2022.

**Figure 2: More Women are Starting businesses**



Source: MINPMESSA & Authors

As far as Social Economy organizations (SEOs) are concerned, about 3,909 were created in 2024, compared with 3,865 in 2023. Their activities are mainly in the primary sector (59.5%), and are overwhelmingly focused on agriculture (40.3%) with the largest numbers of SEOs registered in the South region (31.1%).

Another sector that has progressed is the Handicrafts sub-sector. In 2024, 3,602 new Handicraft Production Units (HPU) were registered in Craftspeople Council Offices (CCOs), a 1.3% increase when compared with 2023 (3,556 registered HPUs). The positive trend in the registration of women-owned business units observed in recent years has continued, with 53.7% of business units owned by women in 2024, compared with 51.2% in 2023.

## 1.2. Quantitative Contribution to the Economy

### 1.2.1. Share of GDP and Contribution to National Tax Base

The quantitative contribution of Cameroon's enterprise sector presents a stark contrast between employment volume and fiscal impact. The informal sector – the primary source of livelihoods – tends to underperform from a tax contribution standpoint. The share of the informal sector was [30% in 2017](#) (Business in Cameroon), but qualitative evidence suggest that it has shrunk to 20%. Given productivity is very low, this sector tends to alleviate extreme forms of poverty rather than drive any meaningful economic transformation.

Crucially, the informal sector's legal opacity results in significant shortfalls in tax revenue. This unrecorded segment operates largely outside the national tax net, compelling the state to continually increase levies on the small, structured formal sector. The lack of compliance also places heavy fiscal burdens on formal SMEs and large companies as seen in Figure 1. Furthermore, efforts to broaden the tax base are aimed explicitly at better integrating the informal economy into the tax system ([MINFI, 2025](#)).

The low overall tax burden relative to GDP was projected at 12.6%, reflecting a major challenge of converting economic activity into revenues (African Development Bank Group, 2024). This is especially driven by its size and the tax-exempt nature of the informal economy, which is difficult to capture in official statistics. Furthermore, a difficult business environment makes it harder for businesses to survive for over three years. As a result, creating an enabling business environment for entrepreneurs and micro-SMEs is indispensable for acceptable levels of taxation and will form the backbone of a prosperous economy.

### 1.2.2. Net Job Creation by Entrepreneurial Firms (Formal Sector)

Job creation in Cameroon tends to exhibit a dual structure, where the majority of jobs are created in low-productivity informal sectors while the formal firms are the source of documented and formal employment. Data from the Third General Business Centre (RGE3) reveals that formal job market adds about 69,826 permanent jobs every year between 2015 – 2022 ([Business in Cameroon, 2025](#)). The total number of formal jobs rose 88.2% over an eight-year period to reach 1,178,043 in 2022 ([The Guardian Post, 2025](#)). This growth can be attributed to the growing number of formal businesses that more than doubled from 209,482 in 2016 to 438,893 in 2023.

Additionally, the majority of these formal jobs originate from the smaller end of the spectrum, demonstrating the entrepreneurial dynamism of the formal sector. Very Small Enterprises (VSEs) – that make up the majority of business stock – are responsible for the lions' share – thereby providing 55.6% of all modern formal jobs ([MINPMESSA, 2024](#)). While the informal sector provides most jobs, the most sustainable, documented and socially protected jobs are being created by formal VSEs and SMEs – especially the dominant ones in the tertiary sector (78%) sector, primarily commerce ([Business in Cameroon, 2025](#)).

### 2.2.3. International Benchmarking: Cameroon's Rank in Global Indices (e.g., Ease of Doing Business, Global Entrepreneurship Monitor)

Cameroon's performance in major international indices consistently highlights the difficulty of operating within its formal economy. A key factor that pushes enterprises into informality and impedes the growth of start-ups.

#### *World Bank's Ease of Doing Business Index*

Prior to discontinuing the World Bank's Ease of Doing Business index, Cameroon's entrepreneurial landscape was already changing. In the 2019 report, Cameroon ranked fifth – 167<sup>th</sup> out of 190 countries – falling behind one place from its previous rating. This low ranking signals a regulatory environment that is not conducive to business operation and entrepreneurship. The country's performance was particularly weak across almost ten indicators, showing only positive improvements in “access to credit”. The difficulty – which is persistent after the World Bank Doing Business Index – such as business registration involves multiple steps and cost equivalent to a high percent of income per capita. This leads to the proliferation of the unconstrained informal sector ([ResearchGate, 2015](#)).

#### *Global Entrepreneurship Monitor (GEM) and Corruption Perception*

While not explicitly covered by the GEM reports, Cameroon's entrepreneurial ecosystem is influenced by global indices. The country's ranking on the Corruption Perception Index (CPI) is a crucial indicator of the business environment. In recent years, Cameroon has ranked poorly – scoring 26 out of 100 and placing it 140<sup>th</sup> in the world ([Trading Economics, n.d.](#)). High levels of corruption coupled with a complex regulatory environment as noted in the *Ease of Doing Business* introduces higher informal transaction costs. This discourages entrepreneurs from formalizing their businesses, diverting resources and stifling investment for businesses and high-growth start-ups that are dependent on a transparent legal framework.

## Conclusion

Furthermore, the overall economic performance, as tracked by major institutions like the World Bank, underpins the entrepreneurial challenges. Despite a projected real GDP of about 3.7%, Cameroon's growth remains insufficient to alleviate poverty or meet the ambitious

targets set in the National Development Strategy. Weak job growth and high informality contribute to a higher number of people living below the poverty line.

The challenge is for entrepreneurial firms who operate in a difficult environment where the majority of individuals are employed in the informal sector. These firms do not have the opportunity to integrate formal value chains and participate in the AfCFTA because policies target formal firms and requirements for producers to have formal verification mechanisms of suppliers make it challenging for informal production units. This weak job-intensive growth contributes to an increased number of people living well-below the poverty line. Another challenge for entrepreneurial firms is that they tend to operate within a market where high overall employment is not supported by a population that is locked in the informal sector and cannot afford high value-added goods and services. While the number of registered businesses is increasing, this is not creating enough jobs in the formal sector. As a result, it is important for Cameroon to transition from low-productivity trade to higher value-added manufacturing and services.

## CHAPTER 2: THE ENTREPRENEURIAL ECOSYSTEM ANALYSIS

Walking through the market places of Douala or the emerging hubs of Yaoundé and Buea – often called silicon mountain – it is clear that Cameroonians are entrepreneurial. However, entrepreneurs continue to face specific challenges linked to the business environment. The biggest hurdles are not its bustling informal sector but the system that governs capital, talent and network. This chapter provides an overview of Cameroon’s entrepreneurial ecosystem ranging from access to finance and capital mobilization, skills, training and infrastructure that underpin entrepreneurial activities.

### 2.1. Access to Finance and Capital Mobilization

The journey from a promising idea to a scaled business in Cameroon is first access to capital. In Cameroon, finance is not obtained by sleek pitches and quick projections. Access to finance is a complex tapestry woven from traditional collateral, diaspora grit and a few fleeting glimpses of high-risk appetite. In the following sections, we outline the various types of financing that are accessible by a growing number of start-ups and businesses.

#### 2.1.1. Venture Capital and Angel Investment: Landscape, deal flow, and funding gaps

The world of **Venture Capital (VC) and Angel Investment** in Cameroon is new but buzzing with potential, driven by a growing class of young, tech-savvy founders. Cameroon’s startup ecosystem is anchored around technology in places like Buea and Douala over 100 technology start-ups that indicate a vibrant but small pool of investors (GSMA, 2025).

However, the “funding gap” is evident. While African Angel networks are maturing and becoming more professional, they tend to invest smaller checks or [77% of deals](#) between **2022 and 2024 were below US\$25,000**. However, Cameroonian startups consistently struggle to secure larger, follow-on funding rounds due to risk perception, the pace of business expansion among others. Compared to regional hubs like Nigeria, where VC flows are monumental, Cameroon is still building its institutional investor base.

This funding gap is also driven by the absence of a national **Startup Act**, which could streamline bureaucratic hurdles and offer tax breaks, leaving the ecosystem exposed to persistent regulatory friction, discouraging both local and international funds from establishing a heavy presence.

The deal flow is there, but the funds for "*Series A*" and beyond often require founders to look outward, to investors who understand the risks of an emerging market but need assurance of regulatory stability. Such stability can only be got from a Start-up Act.

### 2.1.2. Traditional Bank Lending: Requirements, collateral issues, and interest rate environment

When you talk to a formal SME owner in the industrial zones of Douala or the commercial areas of Yaoundé, the frustration with **Traditional Bank Lending** is palpable. For the mainstream commercial banks, the mantra is risk aversion but newer models that look at sales and market potential are opening up at some commercial banks like Afriland First Bank (Cameroon Economic Policy Institute, 2025).

Commercial banks prefer to deal with established, asset-backed businesses, leaving the vast majority of SMEs and nearly all startups on the outside looking in. The core barrier is the requirement for **physical, registered collateral**, typically real estate or land, which most young or informal businesses simply do not possess. This means that an enterprise, no matter how profitable its cash flow, can be deemed "*unbankable*" because of an institutional mismatch between their needs and the bank's security requirements. Even so, banks are becoming more sensitized and are moving towards newer model that consider factors other than collateral.

However, this is changing due to the engagement from international partners. Thanks to injections of funds from international institutions like the International Finance Corporation (IFC) and Proparco, local banks have been able to ease credit conditions for some SMEs. For example, in Q3 2024, the average bank loan rate for SMEs reportedly dropped significantly, from 12.24% to 8.98%—a rate now lower than that for individual borrowers (Business in Cameroon, 2025). This is also driven by the interest rate ceiling that the central bank – Bank of Central African States (BEAC)

However, this *availability* of cheaper loans doesn't solve the *accessibility* problem; the underlying collateral requirements remain largely in place, meaning this relief primarily benefits the already-established, formal SMEs, while the high-growth, asset-light tech ventures and the millions of small, registered businesses are still largely excluded.

### 2.1.3. Microfinance and Seed Funding: Role of state programs and non-bank institutions

For the majority of entrepreneurs—especially those in the informal sector and small-scale operators across the ten regions—**Microfinance Institutions (MFIs)** and non-bank state programs are the financial lifelines. The MFI sector is critical for mobilizing rural savings and providing credit with simplified, culturally sensitive procedures, often involving social proximity as collateral. With over 400 of them across central Africa, Institutions like the Credit Union (CAMCCUL) have a long history, dating back to 1963, in addressing the acute financing gap where commercial banks refuse to tread.

However, MFIs are not a panacea for growth-oriented informal sector enterprises. Only a small percentage of microenterprises, about 9.4%, have access to formal finance with MFIs accounting for about 6.5% of this small slice. Furthermore, a significant portion of MFI loans go towards consumption smoothing, rather than productive business investment ([FinDev Gateway, 2012](#)). On the state side, there have been numerous programs aimed at supporting entrepreneurs even as these seem arbitrary at present. The government launched a FCFA 200 billion guarantee fund to support bank lending to SMEs. Even so, these are equally plagued by bureaucratic delays, political patronage, and a lack of consistent, robust financing. The focus needs to shift from mere loan provision to a *coaching and grant-matching* model, similar to diaspora-linked initiatives that provide both capital and crucial business skills, to truly move entrepreneurs beyond subsistence.

## 2.2. Talent, Skills, and Human Capital

Any entrepreneur understands that money is useless without the right people to execute the vision. In Cameroon, the human capital story is one of paradox: a highly educated youth population grappling with a profound mismatch between academic training and the practical, modern skills the market desperately needs, especially in the digital economy

### 2.2.1. The Role of Universities and Technical Schools in Fostering Innovation

Cameroon's higher education system, which is comprised of public universities in cities like Yaoundé and Buea, alongside numerous private and technical schools, produces a massive number of graduates.

However, the system is deeply entrenched in a [rigid, traditional model](#). The focus is on theoretical knowledge and passing exams, rather than the practical, problem-solving, and critical thinking skills required by a dynamic innovation ecosystem ([Wouapi et al., 2025](#)). Many institutions lack the strong [industry-university partnerships](#) that are fundamental to modern innovation clusters. As a result of this, most entrepreneurs have the theoretical knowledge but may lack the technical skills to problem-solve when it comes to real-world solutions.

Nevertheless, [privately-owned institutions and technical training centers](#) are increasingly recognizing the imperative to become "job creators" rather than "job seekers". Specialized hubs, often outside the official university structures, are emerging to fill the gap, focusing on in-demand competencies like cybersecurity, digital marketing, and software development. The challenge is scaling this practical, hands-on approach across the national system to ensure that a graduate leaving the University of Dschang has the same industry-ready skills as one coming out of a specialized tech school in Douala.

### 2.2.2. Availability and Cost of Skilled Digital and Technical Labor

Cameroon is rightly recognized as offering a **multilingual, skilled, and cost-effective labor pool**, making it an attractive destination for outsourcing across Central Africa. The digital economy, while nascent, is a key engine for growth, with a reported increase in direct jobs created through ICT use from **1,000 in 2016 to 50,000 in 2020** (Digital Cameroon Strategic Plan) This indicates a growing supply of technical talent. Unfortunately, potential alone is unlikely to boost the competitiveness of the ICT sector.

However, the availability of *highly skilled* labor—especially at the senior levels of digital design, AI engineering, and specialized data analysis—remains constrained. Unemployment, particularly among youth, is high, yet there is a simultaneous shortage of skills matching the demands of the Fourth Industrial Revolution (Mua et al, 2025).

This paradox means that while costs of labor may remain low, competent talent is expensive and competition increases the need to train and upskill new graduates. Bridging this "training-employment gap" is essential for turning the vast youth population from a demographic challenge into a competitive advantage over the long run.

### 2.2.3. The Impact of Diaspora Networks and Remittances on Knowledge Transfer

The Cameroonian **Diaspora** is perhaps the most undervalued asset in the entire entrepreneurial ecosystem. For years, the diaspora was viewed with suspicion by the state but this is shifting as they have emerged as a vital source of financing and capacity building. Remittances reached \$299 million in 2020, which is staggering given Cameroon's small economy. Beyond money, however, is the **knowledge transfer** (KT). Diaspora members often seasoned engineers, doctors, and entrepreneurs who have worked in North America and Europe return or partner remotely, bringing back international best practices, technical expertise, and crucial governance standards. Initiatives like the [GIZ-backed WIDU Africa](#) are capitalizing on this link, using a digital approach to match diaspora funds with local micro and small businesses, often providing coaching and grants up to \$5,000. This model is highly effective because it transfers both *financial capital* and *human capital* simultaneously and ensures that businesses have the right tools to thrive in a very competitive entrepreneurial landscape.

Yet, the full potential is held back due to a lack of coordinated organization among the diaspora and persistent gaps in the investment policy. However, this has been updated and we judge it to be appropriate as we called for better verifiability of jobs and skills transfer in exchange for tax incentives for international investors. The diaspora appears to be the bridge connecting Cameroon to global standards.

## 2.3. Infrastructure and Connectivity: The Friction of Doing Business

The infrastructure landscape in Cameroon is poorly developed and causing friction for entrepreneurs across all sectors. It acts as a constraint for growth, competitiveness and scalability. While some sectors, particularly digital connectivity, have seen rapid improvements, energy and logistics are highly challenging for businesses to navigate. This creates a paradox of advanced development in the digital economy despite the archaic limitations.

### 2.3.1. Cost and Reliability of Energy Supply for Businesses

For formalized SMEs and industrial start-ups, the cost and reliability of electricity are existential as it increases the cost of business due to lost stock or low productivity. The

national power utility, ENEO, struggles with chronic supply-demand imbalances, leading to persistent, unpredictable load shedding, especially outside the major cities. **While up to 70%** of the population is reported to have access to electricity, power outages are frequent and are impacting businesses.

**The official average power outage in Cameroon was estimated to be around 14.5 hours per month in 2023** (World Bank Enterprise Survey, 2024), a significant reduction from previous years but still high enough to disrupt production schedules. This poor reliability forces businesses to rely heavily on costly backup generators, significantly inflating operational expenses. This erodes the margins of manufacturing companies and reduces their competitiveness against international peers.

### 2.3.2. Digital Connectivity: Broadband access, mobile money penetration, and data costs

The digital sector is the clear success story in Cameroon's infrastructure narrative, driven by massive mobile phone adoption and the exponential growth of mobile money. Digital connectivity is revolutionizing the informal and start-up sectors but has not created tangible development gains as most jobs are informal (Road side communication operators) as opposed to high tech businesses and innovative/accessible services.

- **Mobile Money Penetration:** The penetration rate of mobile money services is exceptionally high, used by nearly **70% of the adult population in 2024**, up from approximately **60% in 2021** ([GSMA, 2024](#)). This provides the informal sector with a financial channel that bypasses the traditional banking sector and allows e-commerce for micro-entrepreneurs to thrive.
- **Data Costs and Broadband:** While fiber optic infrastructure is expanding, data costs remain a significant challenge for tech start-ups and digital commerce. **In 2023, the cost of 1GB of mobile data was still considerably higher than some more advanced African countries**, though prices have trended downwards (Ookla, 2024). This high cost of internet impedes remote work and digitization. Some tech companies are unable to fully integrate the market as most consumers still judge the internet cost to be too expensive – directly impacting the scalability of software start-ups . Despite this, **broadband penetration (fixed and mobile) reached 45% in 2024**, compared to about

35% in 2022, showing rapid uptake driven by competitive mobile operator pricing ([DataReportal, 2025](#)).

### 2.3.3. Logistics and Transport Challenges for Supply Chains (Road and Port Access)

Physical logistics is a major challenge for businesses operating in all sectors. The absence of refrigerated transport, which is inaccessible to some businesses remains a major challenge. Our research finds that the **dilapidated state of secondary and tertiary road networks** is impeding trade especially where less than 10% of roads are paved. This forces high reliance on the major axes linking cities like Douala, Yaoundé, and Bafoussam and the poor road quality leads to:

- **Increased Delivery Times and Damage:** Freight times from the port of Douala to inland regions are often doubled when compared to regional standards. This increases the cost of goods for businesses – the majority of whom trade inland ([World Bank, 2024](#)).
- **Port Congestion:** Despite significant expansion efforts at the Port of Douala and the new Port of Kribi, there are persistent operational inefficiencies and bureaucratic red tape. While Kribi aims to relieve Douala, **reports indicate that average vessel turnaround time in Douala was still 4.5 days in 2024**, which remains uncompetitive and adds friction to the entire import-export supply chain (Port Authority Report, 2024). This increases the cost of trade and discourages international trade.

These logistics challenges increase the cost of trade through high internal tariffs, shielding the informal sector from competition in remote markets but isolating the business sector from more competitive global supply chains. Addressing this requires public investment in multimodal transport that extends beyond trade corridors. We repeatedly suggest that 1500km of national roads and 500 km of regional roads are graded each year.

## CHAPTER 3: SECTORAL PERFORMANCE AND GROWTH DRIVERS

The Cameroonian economy is experiencing dynamic growth driven by several key sectors, including the digital economy, agribusiness, and creative industries. The emergence of FinTech and Agri-Tech solutions, combined with the growing adoption of e-commerce, is opening up new opportunities for local entrepreneurs, despite challenges related to consumer confidence and delivery logistics. The technology hubs of Yaoundé and Douala play a central role in incubating innovative start-ups. At the same time, food processing and agricultural exports offer vast opportunities, provided that international standards are met. Cultural sectors such as cinema, music, and fashion are booming, although they face challenges related to intellectual property and piracy.

### 3.1. The Digital Economy and Tech Start-ups

#### 3.1.1. Growth in FinTech and Agri-Tech Solutions

FinTech is increasingly critical for financial inclusion, leveraging widespread mobile phones and mobile money services to extend financial functions beyond traditional banking channels. Mobile money platforms like MTN Mobile Money and Orange Money have dramatically increased digital transactions, offering secure payment, transfer, and savings tools for individuals and SMEs.

Although precise volume figures vary, digital financial services continue to expand as mobile penetration exceeds 86 % of the population ([DataReportal, 2025](#)). Simultaneously, Agri-Tech solutions are emerging to support farmers with mobile advisory services, market price alerts, weather forecasting and supply-chain linkages. These technologies improve productivity, reduce risk, and enhance farmers' responsiveness to market conditions. However, both fintech and agri-tech adoption are constrained by uneven internet coverage, high data costs, and limited digital skills in rural areas, calling for targeted infrastructure and education investments ([CSEA, 2024](#)).

#### 3.1.2. E-commerce Adoption and Challenges (Trust, Last-Mile Delivery)

E-commerce is growing gradually, driven by urban internet access and widespread use of digital payments. Online marketplaces increasingly attract consumers and small businesses, though precise market size remains difficult to quantify.

Trust remains a major barrier: concerns about online payment security, product authenticity, and delivery reliability continue to deter many potential users, particularly beyond major cities. Last-mile delivery challenges, irregular logistics, high costs, and unpredictable delays, reduce competitiveness for local platforms. Cash-on-delivery is still prevalent, reflecting the public's reluctance to fully embrace digital payments. [Strengthening consumer protection frameworks](#), modernizing logistics systems, and promoting digital literacy would unlock broader e-commerce adoption, especially among SMEs seeking access to national and regional markets.

### 3.1.3. The Role of Hubs and Incubators in Yaoundé and Douala

[Hubs and incubators](#) in Yaoundé, Douala, and the Silicon Mountain ecosystem are essential in structuring Cameroon's innovation landscape. They offer mentorship, business training, co-working spaces, and networking opportunities, creating bridges between entrepreneurs, investors, and technical partners.

Public and private initiatives have led to the emergence of several recognized incubators supporting start-ups in sectors such as digital services, agritech, and creative technology. Notable hubs—including [ActivSpaces and ZixtechHub](#)—serve as important nodes where young firms develop prototypes and refine business models. Access to funding remains the main constraint, limiting the number of start-ups that advance beyond early development. [Stronger linkages](#) among hubs, financial institutions, and industrial actors, supported by a more conducive regulatory environment, would accelerate the transformation of innovation into scalable economic value.

## 3.2. Entrepreneurial Opportunities in Food Processing and Export

Entrepreneurs have considerable opportunities in food processing, given the country's agricultural diversity. Products such as chocolate, fruit juices, cassava flour, vegetable oils, and packaged staples offer higher margins than unprocessed exports. Cameroon's 2019 ratification of the AfCFTA opens access to a market of more than 1.2 billion consumers, with attractive tariff advantages for [value-added goods](#). However, access to international markets nevertheless requires strict compliance with quality norms and Sanitary and Phytosanitary standards (SPS) standards, which remains difficult due to limited accredited laboratories and certification services. Shared processing facilities and cooperative models help reduce entry

costs for smaller firms. We are certain that [stronger export promotion efforts](#) and better connections with regional buyers would improve the competitiveness and visibility of Cameroonian products.

### 3.2.1. Addressing Scale and Quality Standards for International Markets

Achieving scale in agri-business and accessing high-value global markets require strict adherence to international standards and transparent traceability. Many local processors lack access to accredited certification services, restricting their entry into demanding destinations such as the European Union. Strengthening national certification agencies, upgrading laboratories, and promoting shared processing centers would significantly reduce the costs associated with compliance.

[Digital traceability solutions](#)—including QR code systems and blockchain-enabled tracking—can reinforce buyer confidence. Public–private partnerships are crucial for financing these upgrades and training operators. If these are implemented, Cameroonian agribusinesses can expand production volumes, improve quality consistency, and secure access to premium export markets.

### 3.2.2. Innovations in Sustainable Agriculture and Farming Technology

The transition to more sustainable agriculture is becoming a priority in rural areas. Innovations such as drip irrigation, precision fertilization, and mobile advisory platforms are helping farmers optimize resource use and improve yields. [Digital tools](#) (Agri Tech, AgroHelp, etc.) providing weather forecasts, market information, and pest control advice are strengthening resilience at the farm level.

Although comprehensive national adoption data remains limited, these technologies are increasingly incorporated into pilot programs run by mobile operators and development partners. Their diffusion is still constrained by equipment costs, inconsistent connectivity, and limited energy access ([CSEA, 2024](#)). Facilitating adapted financing mechanisms, expanding extension services, and forging partnerships with digital service providers would support broader adoption. These combined approaches can enhance food security, strengthen value chain integration, and boost rural livelihoods.

### 3.3. Creative and Cultural Industries

#### 3.3.1. The Economic Potential of Film, Music, and Fashion

Cameroon has significant economic potential in the creative and cultural industries, particularly in film, music, and fashion, which account for approximately [3% of the national GDP](#) and generate thousands of jobs, mostly in the informal economy. In film, events such as the [Écrans Noirs festival](#) enhance the visibility of local productions, while works like The Planter's Plantation achieve international recognition, illustrating a growing yet still under-structured market. Cameroonian music, rich in both traditional and contemporary styles, includes [over 15,000 artists](#), providing a significant creative base for exporting cultural content, although rights management and industry organization remain weak.

Finally, [the fashion sector](#) leverages local textiles and supports entrepreneurship, with designers participating in regional fashion weeks, offering revenue diversification and export opportunities. Despite these strengths, the lack of robust institutional frameworks and effective monetization mechanisms still limits the full realization of this potential.

#### 3.3.2. Challenges related to Intellectual Property Protection and Piracy

Intellectual property (IP) protection remains a critical obstacle constraining the growth of creative industries in Cameroon. Stakeholders estimate that between 70 % of revenues generated by creative works escape both creators and governments due to weak rights management systems, undermining incentives for investment and professionalization ([Investir au Cameroun, 2025](#)). According to UNESCO's mapping of copyright and piracy issues, losses from piracy in audiovisual production may range from 75% to 100% of potential earnings, reflecting widespread unauthorized use of creative content ([UNESCO, 2023](#)). Though Cameroon is a member of the World Intellectual Property Organization, gaps remain in enforcement and industry awareness of legal frameworks.

#### 3.3.3. Market Access and Monetization Strategies

In Cameroon's evolving economy, improving *market access* and effective *monetization strategies* are pivotal for private sector growth. The formal business landscape remains dynamic: over 21,000 new SMEs were created in 2024, reflecting robust entrepreneurial activity despite structural constraints ([Le Financier d'Afrique, 2025](#)).

However, export-oriented firms still contend with a trade deficit (about 1 747 billion FCFA in 2024), even as exports improved by nearly 8.8 % year-on-year ([INS, 2025](#)).

Digital banking, especially mobile money, have transformed transaction ecosystems, with Cameroon accounting for 24.8 million mobile money accounts and over 100,000 billion FCFA in transactions in 2023, far exceeding regional counterparts ([Djotié, 2025](#)). Such platforms enable SMEs and informal actors to access broader markets and reduce dependence on cash. Strategic monetization further relies on *digital integration* of services and diversification, as the services sector now constitutes [55 % of value added](#) and benefits from rising consumer demand.

### 3.4. Gender and Youth Entrepreneurship

#### 3.4.1. Analysis of Female-Led Enterprise Growth and Sectoral Concentration

Entrepreneurship in Cameroon is heavily driven by youth and women, yet both groups face persistent barriers that limit their contribution to economic development. Young people aged 18–35 represent a significant share of the entrepreneurial population, with many turning to self-employment in response to high unemployment and limited formal job opportunities. ([DataCameroon, 2025](#)).

Women, while increasingly present in entrepreneurial activities, often operate in smaller enterprises; an INS report shows that 37.5 % of top management are women, and a majority of female-led firms employ fewer than five people ([INS, 2023](#)). Female entrepreneurs face structural constraints related to financing, market access, and formalization, which impede their ability to scale.

#### 3.4.2. Specific Challenges Faced by Youth Entrepreneurs (Access to Start-up Capital)

Only about 10% of young entrepreneurs can access formal financial services, underscoring the stark exclusion of youth from mainstream banking channels ([Organic Pace, 2023](#)).

Traditional banks often require strong credit histories, substantial collateral, and proven business performance — conditions rarely met by young founders — which severely limits their eligibility for loans.

Informal savings, personal funds, and informal group lending thus remain primary sources of start-up financing ([CAMERCAP-PARC, 2025](#)). In response, government-linked mechanisms such as Fogajeune offer targeted support, with direct financing windows providing up to CFA 25 million at preferential rates and guarantee structures up to CFA 100 million to facilitate credit access ([Business in Cameroon, 2025](#)). Despite these initiatives, the uptake remains modest, and most youth continue to struggle with stringent requirements and limited awareness of available programs.

## CHAPTER 4: BARRIERS, RISKS, AND POLICY GAPS

Despite Cameroon's entrepreneurial and sectoral potential, numerous structural obstacles continue to hamper private initiative and investment. High regulatory and administrative burdens, complex registration procedures and tax regimes, and difficulties in enforcing contracts increase compliance costs, particularly for small and medium-sized enterprises. These constraints are compounded by institutional and governance risks, including corruption, insecurity of property rights, and weaknesses in the collateral system. Political and security risks in certain regions increase uncertainty, limit economic expansion, and undermine investor confidence.

### 4.1. Regulatory and Administrative Burdens

#### 4.1.1. Time and Cost of Business Registration, Licensing, and Permits

The time and cost required to register and license a business in Cameroon represent a substantial barrier for entrepreneurs. According to global indicators, the average entrepreneur in Cameroon must complete 13 procedures over 37 days to register a business, with total costs exceeding 129% of GNI per capita, far above international benchmarks ([World Bank, 2025](#)). In addition to basic registration fees, which include publication, registration and notarial costs, sector-specific licenses and permits often incur further charges ranging from FCFA 50,000 to over FCFA 500,000 depending on industry and activity ([Cameroon Marketplace, 2025](#)). These direct costs are compounded by indirect expenditures such as time lost, opportunity costs, and informal payments.

Entrepreneurs routinely report that “red tape” and duplicated administrative requirements delay operations and increase the risk of bureaucratic discretion ([Tomasi & al, 2023](#)). Moreover, substantial paperwork remains manual in many jurisdictions, inhibiting faster electronic processing and discouraging potential investors. The high initiation costs and delays thus skew incentives toward informal operations, weakening formal economic reporting and limiting revenue mobilization.

#### 4.1.2. Complexity of the Tax Regime for Small Businesses (Compliance Costs)

Cameroon's tax regime poses significant compliance challenges for small and medium enterprises (SMEs). The OECD and World Bank data show that businesses in Cameroon

make 41 tax payments per year, requiring approximately 1,400 hours of compliance effort annually, which is among the highest in the region ([World Bank, 2025](#)). These figures reflect the multiplicity of tax types—corporate tax, labor taxes, and other levies—that SMEs must manage without commensurate administrative support.

While new companies benefit from exemptions, many fail to transition effectively due to the complexity of filing, record-keeping and frequent changes in regulations, discouraging formalization. The total tax rate for businesses is also high, reaching nearly 52% of profit, further constraining reinvestment capacity ([World Bank, 2025](#)). This heavy compliance burden disproportionately affects smaller firms, which lack dedicated tax professionals and are forced to divert scarce resources to non-productive administrative tasks.

#### **4.1.3. Challenges to Contract Enforcement and Dispute Resolution**

Contract enforcement and dispute resolution are frequently cited as problematic, with prolonged timelines and perceived unpredictability undermining business confidence. Weak enforcement mechanisms and legal backlogs often delay the adjudication of commercial disputes, increasing the cost and uncertainty of entering contracts ([GECAM, 2025](#)).

Local courts are [under-resourced and lack specialized knowledge in commercial law](#), leading to inconsistent rulings and extended case durations. These systemic inefficiencies drive many businesses to rely on private negotiation or informal resolution methods, which may disadvantage smaller firms lacking negotiating leverage. Moreover, rights enforcement is complicated where property and collateral disputes are involved, as informal land holdings dominate and formal titles are scarce, adding further layers of uncertainty in securing and enforcing agreements.

## **4.2. Institutional and Governance Risks**

### **4.2.1. Impact of Corruption on Business Operations and Licensing**

Corruption in Cameroon’s public administration continues to distort market mechanisms and raise operational costs for businesses. [Transparency International](#) and commercial risk assessments consistently identify bribery, embezzlement, and abuse of office as prominent impediments to fair competition and licensing processes.

Cameroon's ranking near the bottom on corruption indices indicates frequent informal payments are expected to obtain licenses, permits, or even simple administrative approvals ([Trade.gov, 2024](#)). These unofficial demands inflate transaction costs, delay project implementation and deter both local entrepreneurs and foreign investors. Bribery demands in procurement, judiciary interactions, and regulatory inspections contribute to inefficient resource allocation and erode trust in public institutions. The cost of corruption is not only financial; it increases uncertainty and reduces predictability in business operations

#### **4.2.2. Property Rights and Collateral Issues: Insecurity of titles for land/assets**

Insecure property rights are a notable barrier to economic formalization and investment in Cameroon. Less than 2% of land in the country is formally registered, with the majority held through customary or informal arrangements that lack legal certainty ([Bertelsmann Stiftung, 2024](#)). This lack of formal title documentation severely limits the ability of entrepreneurs to use land as collateral, a primary constraint to accessing formal credit. The absence of reliable land records also [contributes to disputes](#), increases vulnerability to expropriation, and undermines investor confidence. In rural regions, property conflicts frequently arise due to overlapping claims and unclear tenure regimes.

#### **4.2.3. Political and Security Risks in Peripheral Regions**

Political instability and security risks, particularly in peripheral regions such as the Northwest, Southwest and parts of the Far North, significantly disrupt entrepreneurial activity and deter investment. Ongoing conflicts and periodic lockdowns have resulted in infrastructure damage, reduced mobility, and heightened operational risk for businesses in affected provinces ([ACAPS, 2025](#)). These security challenges drive up costs for logistics, insurance and risk management, while discouraging skilled labour from engaging in enterprise activities in unstable zones.

The Anglophone crisis, for instance, has led to intermittent school closures, reduced economic output, and a climate of uncertainty that suppresses consumer demand. This is aggravated by political risk is further compounded by inadequate government presence and weakened public services in these regions, creating uneven development conditions across the country.

## CONCLUSION AND RECOMMENDATIONS

Cameroon's entrepreneurial landscape exhibits a complex duality, characterized by a vast informal sector and a small but dynamic formal economy. While [over 444,000 enterprises](#) were registered in 2024, the bulk of employment remains concentrated in low-productivity, informal businesses that provide subsistence-level income. The formal SMEs, representing 12% of businesses but contributing 36% - 40% of national GDP, offer a more sustainable and structured source of employment, particularly for urban populations in Yaoundé and Douala. Meanwhile, start-ups, though few in number, are the vanguard of innovation, leveraging mobile technology, FinTech, HealthTech, and AgriTech solutions to deliver high-value services. Yet, access to finance remains a pervasive barrier, with only about 15% of start-ups obtaining formal funding, and collateral requirements exclude many small and young firms. Talent availability is improving through technical schools and diaspora networks, but gaps in digital skills and entrepreneurial know-how persist, constraining scalability.

The ecosystem's fragility is compounded by regulatory and administrative bottlenecks. Business registration, licensing, and tax compliance impose high time and cost burdens; enforcement of contracts is slow and unpredictable, and corruption inflates transaction costs. Infrastructure deficiencies, including unreliable energy supply and dilapidated transport networks, further reduce competitiveness. Nevertheless, digital penetration, mobile money adoption, and the emergence of innovation hubs like ActivSpaces and ZixtechHub demonstrate tangible progress. These institutions provide mentorship, prototyping spaces, and networking channels that are beginning to bridge the gap between informal entrepreneurship and scalable, high-growth

### Policy Recommendations

- **Tax Reforms and Simplification:** Reduce the compliance burden for SMEs and start-ups through streamlined tax filing and digital reporting, especially for high-growth, innovation-driven ventures. Popularize targeted tax holidays and investment incentives for early-stage start-ups in strategic sectors like ICT, agritech, and creative industries.
- **Regulatory Streamlining:** Introduce a national Start-up Act to clarify legal procedures, fast-track registration, and simplify licensing. Harmonization of sectoral regulations under OHADA frameworks will improve predictability, reduce corruption opportunities, and encourage formalization.

- **Infrastructure Investments:** Prioritize reliable electricity and broadband expansion, particularly in secondary cities and industrial zones. Accelerate road and logistics improvements to connect inland producers to ports (grade 1500km of roads every year), easing trade costs.
- **Innovation-Focused Institutions:** Continue support incubators, accelerators, and co-working hubs through grants, matching funds, and technical support, reinforcing their capacity to nurture start-ups and foster connections with investors and technical partners.

### Recommendations for the Private Sector and Investors

- **Expand Venture Capital and Angel Networks:** Private investors should scale their engagement, providing seed and Series A funding. Leveraging diaspora networks can bridge local financing gaps while facilitating knowledge and technology transfer.
- **Adopt Risk-Sharing Mechanisms:** Encourage co-investment funds or credit guarantee schemes, such as Cameroon's FCFA 200 billion SME Guarantee Fund, to mitigate lending risks for start-ups and SMEs lacking traditional collateral.
- **Strengthen Corporate-Startup Linkages:** Established firms can partner with young ventures for R&D, technology integration, and market access, fostering joint value creation while accelerating adoption of innovation in traditional sectors. All subsidies should have objectives or goals attached to them to ensure that firms are investing properly and the economy can benefit from innovations over the long run.
- **Promote Professionalization:** Investors and private sector actors should prioritize capacity-building programs on financial management, digital skills, and IP protection to ensure sustainable scaling and revenue capture.

### The Path Forward

Transforming Cameroon's entrepreneurial ecosystem requires cultivating a culture of high-growth, innovation-led entrepreneurship. Beyond capital and infrastructure, a mindset shift is essential: from subsistence-oriented, necessity-driven businesses toward scalable ventures capable of job creation and value addition. Education and training programs must integrate practical, problem-solving, and digital competencies, aligned with industry needs.

Public recognition and incentives for successful entrepreneurs can reinforce positive role models, while the media, universities, and civil society can amplify narratives that celebrate

innovation, risk-taking, and ethical business practices. Embedding entrepreneurship early in curricula and promoting youth participation through targeted programs like Foga jeune will expand the talent pipeline.

Finally, collaboration among government, private investors, incubators, and diaspora networks is pivotal. Coordinated action can ensure access to finance, mentorship, and market channels, enabling high-growth firms to scale domestically and internationally. By addressing systemic bottlenecks and supporting innovation in a quantifiable and verifiable manner, Cameroon can transition toward a vibrant, sustainable entrepreneurial economy capable of generating inclusive growth and resilience against structural economic shocks.

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