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## **⚠️ CLIENT ALERT**

**TARGETED. ACCOUNTABLE.  
TRANSFORMATIVE: INSIDE  
CAMEROON'S 2025 INVESTMENT  
INCENTIVE OVERHAUL**

# CAMEROON



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On July 18, 2025, the President of Cameroon, His Excellency Paul Biya, signed Ordinance No. 2025/002, marking a defining shift in the country's approach to investment promotion. This is not merely a policy update- it's a strategic repositioning of the country's investment landscape from blanket generosity to intentional, performance-based incentives.

### From Blanket Incentives to Targeted Accountability

Cameroon's previous regime offered broad tax holidays and customs waivers with minimal conditions. While this attracted investors in volume, it lacked the depth and accountability needed to drive sustainable, inclusive growth.

Ordinance No. 2025/002 changes that paradigm. It replaces automatic exemptions with a smarter, modular framework where benefits must be earned. Investors are now required to deliver measurable economic outcomes.

New projects must satisfy at least two of five defined eligibility criteria, such as:

- Creating one Cameroonian job per 50 million FCFA invested
- Using 50% local raw materials (excluding utilities)
- Selling at least 40% Cameroonian-origin products (for distribution infrastructure)
- Achieving at least 30% value addition
- Generating 25% of turnover through exports of locally manufactured goods

Expansion projects must demonstrate a 20% increase in both production and workforce, relative to pre-investment levels.

### A Two-Phase, Time-Limited Incentive Structure

The framework introduces a dual-phase structure with firm time caps:

- **Installation Phase (up to 5 years)**
  - Exemptions from import duties, VAT, property taxes, and land registration fees
- **Exploitation Phase (up to 5 years, extendable to 7 years in Special Economic Zones)**



- Reduced customs duties (as low as 5%)
- Tax credits from 25% to 80%, scaled according to investment size and economic impact

Importantly, these benefits are no longer renewable. The intent is clear: incentivize rapid implementation and discourage dependency.

### Sectoral Focus: Strategic Over Broad

The ordinance also narrows its focus to sectors critical to national development:

- Agro-industry, livestock, fisheries
- Energy, water, heavy industry, and manufacturing
- Health and education
- Digital infrastructure
- Transport, tourism, and large-scale distribution

Petroleum, mining, and general commerce are not covered under the new scheme, as they fall under distinct regulatory regimes. This targeted exclusion reflects a deliberate policy shift- ensuring incentives are reserved for sectors with the greatest potential for broad-based economic impact

### A Modular, Scaled Approach to Benefits

Investment thresholds now play a central role in determining the level of incentives. Projects are categorized as:

- Less than XAF 1 billion
- Between XAF 1-5 billion
- More than XAF 5 billion

Each bracket is linked to proportionate benefits, aligning tax expenditure with potential return and incentivizing larger, transformative projects.



### Snapshot Overview: Key Shifts in Cameroon's 2025 Investment Incentive Framework

For investors and advisors seeking clarity, the table below presents a simplified comparison of the 2025 reforms against the former system, highlighting the most significant changes in eligibility conditions and policy direction.

#	Eligibility Measure	Old Regime	New 2025 Regime	What's Different
1	Minimum conditions for eligibility	Only one of four optional requirements had to be met	At least two out of five must now be satisfied, along with supporting documentation	A more rigorous entry bar for incentives
2	Employment requirement	1 job per 5–25 million FCFA investment, limited to project setup phase	1 job per 50 million FCFA during both setup and operational phases; sub-contracting considered	More demanding, longer-term employment expectations
3	Local input sourcing	Between 10% and 25% of inputs needed to be sourced locally	For industrial projects, at least 50% local sourcing required, excluding energy, water, telecoms, and labor	Local content requirement significantly tightened
4	Export performance	10%–25% of turnover from exports, excluding VAT	At least 25% of net turnover must come from export of locally manufactured goods	Higher minimum export requirement, with stricter product focus
5	Value addition	Added value contribution between 10% and 30%	Minimum 30% added value	Baseline for value creation raised
6	New obligation	None	Retail distribution projects must sell at least 40% of goods sourced in Cameroon	New, sector-specific local sourcing target





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## Policy Rationale: : Discipline, Efficiency, and Measurable Impact

At the heart of this reform is a simple principle: fiscal incentives must deliver value. With mounting concerns about the cost and inefficiency of past exemptions, the government, backed by the International Monetary Fund (IMF) and local stakeholders like GECAM, has made a firm commitment to discipline and accountability.

Incentives are no longer blank cheques. They are development tools. Cameroon is putting results first: job creation, local value chains, exports, and real economic transformation.

## What this Means for Investors

The country is sharpening its offer. Investors who understand the local context, build with local materials, train local talent, and contribute to the economy will find not just fiscal benefits, but strong alignment with Cameroon's national development ambitions.

Delivering lasting impact in Cameroon requires investment approaches that extend beyond immediate financial returns. Success depends on harmonizing business goals with the nation's development agenda, anticipating regulatory and market changes, and ensuring accountability is built into every stage of investment.

By integrating local workforce development, resource sourcing, and measurable economic impact into their projects, investors can turn Cameroon's revamped incentive framework into a platform for sustainable growth and mutually beneficial outcomes.



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For personalized support, reach out to our team of expert lawyers and business advisors at CLG via [info@clgglobal.com](mailto:info@clgglobal.com).

We are dedicated to seamlessly guiding our clients through Africa's vast and promising investment landscape.



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