

Local Business Development

Fourth quarter Project spending on purchases of goods and services from local suppliers was down from previous quarters. Spending in the first three quarters held steady in the vicinity of 30 billion FCFA (\$46.2 million), followed by a significant decline in the fourth quarter. Project spending declined by roughly one-third in the fourth quarter, primarily due to the continued decline in Project construction.

- In Chad, the Project's fourth quarter spending fell 31% compared to the previous quarter, dropping to 13.2 billion FCFA (\$20.4 million).
- In Cameroon, quarter-on-quarter local business spending by the Project declined by 36% to 7.4 billion FCFA (\$11.4 million).



The Project follows rigorous standards for ethical business practices, such as prohibitions on accepting monetary favors from vendors. The rules are aimed at preventing corruption and strictly prohibit bribery. In December, a series of Business Practices Review sessions was completed. Every Project employee was required to attend one of the sessions, conducted by a member of the Controller's staff and an attorney. Following the sessions the employees sign an attestation that they understood the rules.



This bicycle factory in Moundou, Chad, has been doing steady business with the Project, manufacturing items for the land use compensation program. The factory has sold the Project a range of items such as bicycles, handcars, and ox carts, making the frames and some other parts in house, and importing items such as spoked wheels from India, Cameroon, Nigeria, and France. Factory administrator Mbaigolmem Bekoutou Azor inspects the work (bottom right) on a bicycle just off the assembly line and destined to go as compensation to a Chadian farmer.



Despite the decline in construction activity, members of the vegetable growing Cooperative Vent des Produits Marecheres still sell some of their output to Project caterers. President Rosalie Asyom Tourngar says the cooperative produces 9 or 10 tonnes of vegetables per year and have in the past had to add produce bought from other sources in order to fill Project orders. The 50 member cooperative is based in the village of Monkon, about 30 kilometers away from their main market opportunity in Moundou.

This Moundou, Chad, hardware store is one of three such businesses that supply the Project's oilfield area needs for construction materials, personal protective equipment, and similar supplies. The owner of Quincaillerie Djarabé, Aboubakar Malloum Ousmane, says between 10% and 30% of his business comes from the Project





The employment agency Emploi Service was one of the pioneer hiring services in Cameroon. Founder Colette Minka says the pipeline construction made it possible to put her business on solid financial footing and fund a major expansion. It also gave her business the credibility it needed to acquire accounts with large corporate accounts that were previously reluctant to use a labor management company. She has 32 employees with about 1,500 workers under management for various companies. Construction of her new building in Douala (left), and a new field office under construction near Pump Station 2 (right), has been financed by proceeds from Project business.



Two Cameroonian construction companies have the contract for repairs and improvements at the Project's terminal at the Douala airport. The company CIACC has been performing the cement work and GENERFOP has been doing the roof work, employing about 50 people at the peak of the construction.



The Cameroonian construction company Fokou Foberd has finished about 20% of its one year contract to maintain and repair 437 kilometers of Project-funded road upgrades between Ngaoundal and the M'bére River Bridge at the border between Cameroon and Chad. Project manager Peter Nkwetesting says he has 42 permanent staff on the job with as many as 60 casual labors added to the workforce as needed.

Annual Summary: Local Business Development

Since construction started, the Project has purchased over 622 billion FCFA (\$957 million) in goods and services from Chadian and Cameroonian businesses.

◀ Project Spending with Local Businesses
(In Billions of FCFA and Millions of US Dollars)

	1st Qtr 2004	2nd Qtr 2004	3rd Qtr 2004	4th Qtr 2004	Qtr-Qtr Change	Project to Date
Chad	20.0 FCFA (\$30.7)	20.7 FCFA (\$31.9)	19.2 FCFA (\$29.5)	13.2 FCFA (\$20.4)	-31%	321.4 FCFA (\$494.6)
Cameroon	9.6 FCFA (\$14.8)	8.5 FCFA (\$13.1)	11.6 FCFA (\$17.8)	7.4 FCFA (\$11.4)	-36%	300.8 FCFA (\$462.8)
Project Total	29.6 FCFA (\$45.5)	29.2 FCFA (\$45.0)	30.7 FCFA (\$47.3)	20.6 FCFA (\$31.8)	-33%	622.2 FCFA (\$957.4)

This table was prepared using the latest available data. Data for previous quarters has been updated to include late reported data.

◀ Trend of Project Spending with Local Businesses Compared to Project Activity (Indicated by Total Project Workers on the Job)

