Good quality or low price? Competition between Cameroonian and Chinese traders

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Abstract

In the past couple of decades, the variety of affordable trade goods in African markets as well as the number of both African and Chinese traders who import such goods from China have grown gradually. Through interviews with travelling traders and observations made in Cameroonian markets, this article examines the trajectories of Cameroonian traders who travel to China, and other Asian countries; it also studies their experiences of rivalry with Chinese traders in Cameroon whom they accuse of unfair competition. This article argues that different categories of Cameroonian traders experience this competition with a different intensity and that travelling traders who are not yet fully established in the local market feel mostly challenged by the competition with Chinese traders. To improve their situation, all traders argue that the Cameroonian government ought to intensify its efforts in regulating trade and reducing customs fees and taxes.

Introduction

Like in other African countries, the availability of affordable goods for consumption has increased immensely in Cameroon since the 1990s. Clothing, shoes, handbags, accessories, household goods, electronic devices, motorbikes and many other items are found in urban and rural markets at low prices. These cheap trade goods, of which many come from China, transformed the product landscape in Cameroon. With their arrival, lifestyles have also changed and consumers learned to choose between different brands and qualities of products. Previously, such products were
out of reach for the majority of the population, as imports from Europe, North America or Japan were much more exclusive. In contrast, the prices of many locally-manufactured goods have risen due to the devaluation of the currency in 1994. In Cameroon in the 1980s, for example, locally brewed bottled beer was much cheaper than in the 1990s and 2000s (Röschenthaler, 2010). The sales of printed wax cloth from Europe and Cameroon radically dropped because consumers preferred cheap imitations from China. Hence, many Cameroonian traders abandoned the trade with expensive wax cloth and acquired ready-to-wear clothing, hitherto mainly available in the form of second hand clothing from Europe.

This evolution took place in the context of the liberation of African markets in the 1990s and the gradual expansion of the Chinese economy due to which prices for imported Chinese consumer goods rapidly decreased in Africa. As the structural adjustment programmes of the 1980s led to widespread unemployment and subsequently diminished the buying power of Africans (Ferguson, 2006; Konings, 2011), affordable Chinese goods satisfied the demand of African consumers. The downside of this evolution, however, included the weakening of local industries that had begun to prosper in the 1990s as they were not prepared to compete with the cheap Asian productions. Good examples of these industries are the shoe and clothing industries in Nigeria and Kenya (Meagher, 2010; Ikhuoria, 2010; Kamau, 2010). From the 2000s onwards the fresh flower production in Cameroon also lost many customers to affordable and more durable Chinese plastic flowers. Not only does local African production have to compete with cheaper low-quality Chinese products, but African traders who import such goods from abroad are also presently competing with Chinese traders importing similar products from China. Additionally, they also have to cope with the increasing number of Chinese migrants who invest in African countries, with to-date unknown implications for local economies (Lee, 2014).

For some years now, scholars have studied the role of Chinese traders in African countries. Most of them examined the more recent Chinese migration to Africa, including Chinese business networks (Bräutigam, 2003) and private small and medium-sized enterprises (Gu, 2009); Chinese migrants as agents of development
(Mohan and Tan-Mullins, 2009); Chinese wholesalers in Namibia (Dobler, 2005) and Senegal (Scheld, 2010); small traders and merchants in Mali and Senegal (Kernen and Vuillet, 2008); Chinese private traders in Burkina Faso (Khan Mohammad, 2014); Chinese street hawkers in Lomé and Bamako (Lyons and Brown, 2010); and Chinese business people in Cape Verde (Haugen and Carling, 2005). These studies have a strong focus on the role of Chinese businesses and only a few explicitly study both African and Chinese economic activities (Haugen, 2011), including their interaction in Ghana and Nigeria (Lampert and Mohan, 2014); Senegal and Ghana (Marfaing and Thiel, 2011); and Angola (Schmitz, 2014); as well as Chinese shop owners with Ghanaian street sellers (Giese, 2016), illustrating that there is not only competition but also co-operation between Chinese and African small-scale traders.

Reflecting on the implications of Chinese migrants in Africa, the interaction between Africans and Chinese, and the differences in their approaches to business and competition between the two groups, some scholars insist that success is not based on ethnic characteristics but on the capacity of innovation (Kohnert, 2010); while others argue that the political culture in a specific African society is a decisive factor and influences the extent to which Chinese migrants are perceived as beneficial or threatening (Lampert and Mohan, 2014; Mohan and Tan-Mullins, 2009). Others point to the importance of local imaginaries and rumours about migrants that have a strong influence on how Chinese traders are imagined (Thiel, 2016). On the basis of import statistics, Alena Thiel illustrates that despite rumours saying the contrary, the amount of goods that Chinese traders bring into the country is by far smaller than that of African traders (see also Marfaing, 2016; Marfaing and Thiel, 2011).

These studies focus on Chinese traders in African countries and their co-operation with Africans. However, the ventures and experiences of African traders who import trade goods from Asian countries to Africa have remained underexposed. Thus, this article explores the experiences, strategies and concerns of one category of African traders, the itinerant traders, who regularly travel to different Asian countries to import trade goods. The traders studied in this contribution are Cameroonians who travel to China, but also to other Asian countries, including the UAE, India, Japan,
Malaysia, South Korea and Thailand and some of them who additionally import from markets in other African countries, Europe and North America.

The results of my research confirm that the situation of traders largely depends on the trade policies in a country and the priorities that a government pursues in its negotiations with China. However, I argue that traders should not be seen as a unified group of economic actors but that the various categories of traders experience the Chinese presence in different ways. In Cameroon, the male and female traders who regularly travel to Asian countries and are not yet able to fill an entire container on their own, are those who complain most about the Chinese competitors. Nevertheless, those established businesspeople and the informal street vendors interviewed for this study noted growing complications but did not express fears of dropping out of business with the same intensity. This article examines the opinions and trajectories of travelling traders, due to whose agency a large part of the Chinese goods are imported and distributed to African consumers as well as the challenges that they have to face when they carry out their activity. I interrogate the conditions under which traders import goods to Cameroon and their approaches to cope with the competition from Chinese traders. Competition was a term that indeed came up in many conversations with Cameroonian traders. On the one hand, they appreciated competition as forming part of a healthy market activity, yet on the other hand, when traders came to discuss the Chinese practices that they defined as unfair competition (*concurrence déloyale* in Francophone Cameroon),\(^1\) it evoked feelings of discontent and annoyance.

The article primarily draws from semi-structured interviews with 33 travelling Cameroonian traders in Yaounde, Douala and Bamenda, cities which are known in the country for their influential markets.\(^2\) The interviewees were selected by a snowball system and also by approaching traders in their market offices where the sale of Chinese products was most evident. They were asked for their biography, business history and profile, their journeys to Asia, marketing strategies and experiences with Chinese traders in the country. Among the 33 traders of our sample, four are women and 29 are men; seven travel to Dubai only and 26 to China; among the 26 China-sojourners, six additionally also travel, or travelled in the past,
to Dubai, seven to other Asian countries (Hong Kong, India, Japan, Malaysia, Singapore, South Korea and Thailand), six to other African countries (Benin, Democratic Republic of Congo [DRC], Mali, Nigeria and Sudan), two to Europe (Italy, France) and one to the United States (US).

The interviews with the travelling traders were complemented by informal conversations with street vendors and extensive observations in different markets. The study also benefited from earlier research on trade in Cameroon and Nigeria since 1987 as well as from interviews with African traders, company owners and community leaders in Hong Kong, China and Kuala Lumpur (2013–2016). The interviews carried out in Hong Kong and China confirm the tendency that many traders regularly explore other markets to enlarge their transnational network of suppliers, intermediaries and clients (see also Marfaing and Thiel, 2014; Röschenthaler and Jedlowski, forthcoming).

The article begins by providing background information on the Cameroonian market and local understandings of the different categories of traders. It continues with the experiences of traders who travel to Asia, mainly China, to buy products that they later sell in Cameroon. The following sections discuss the competitive situation that emerged due to the arrival of Chinese migrants in Cameroon and the opinions of the travelling traders. Finally, the article examines the suggestions of the traders on how their situation could be ameliorated and where they see the origin of their problem.

**Cameroon’s economic landscape**

Cameroon is one of the African countries that quickly became prosperous after independence in 1960. At the time, it had a well-functioning system of state employment with pension schemes and social welfare, state-owned and private plantations of tea, cocoa, coffee and oil palms. While the state remained the largest economic actor until the 1990s, few private firms were able to establish and grow at its side (Konings, 2011). Among them were those of Lebanese and Greek migrants, including the Tsekenis family who owns large supermarkets, as well as local Douala and Bamileke entrepreneurs with plantations, companies and enterprises (Warnier, 1993, 1995; Geschiere and Konings, 1993). An increasing number of local traders
also became active in importing goods from abroad, mainly Europe and North America at the time. The fall of the world market prices in the 1980s, the subsequent structural adjustment programmes, and the devaluation of the Franc de la communauté financière africaine (FCFA) by 50 per cent disrupted the prospering economy. Eventually the liberalisation of the market turned around the economic situation in the country (Konings, 2011).

Between independence and the 1990s, Asians (above all Japanese, South Koreans and Chinese) arrived in Cameroon mainly in the frame of development projects (Ateba Eyene, 2012; Röschenthaler and Socpa, forthcoming; Tedié, 2014). In the 1970s, Cameroon invited the Chinese government to establish medical and infrastructure projects in the country. In the mid-1990s the Sino-Cameroonian co-operation intensified and the number of Chinese projects grew. Also, in the 1990s, the Chinese government increased the number of scholarships for Cameroonian students to study in China, and soon these students were followed by a growing number of Cameroonian traders travelling to China to purchase trade goods for sale in Cameroon (Konings, 2011: 191; Pokam, 2015: 13; Röschenthaler and Socpa, forthcoming). Accordingly, between the 1970s and 1990s, the number of private Chinese traders in Cameroon remained low and from the 1990s onwards a growing number of small-scale and large-scale traders began to settle in the country; at the beginning they mainly provided services to Chinese workers in development projects but after an explicit invitation of the Cameroonian government, they gradually expanded their activities to the various economic sectors in the country.

For the understanding of Cameroon’s complex political and economic history, it is important to keep in mind that major political actors in the struggle for independence⁴ and later in the 1990s for establishing a political opposition came from the Cameroon Grassfields and the Littoral Region around Douala (Mbembe, 1996; Shinn and Eisenman, 2012). This constellation, and the fact that Ahmadou Ahidjo, Cameroon’s first president (1960–1982), came from the north, persistently influenced the decisions of the present government (dominated by Boulou-Beti from the Central Region) in its attempt to maintain the delicate balance between economic and political actors in the country. These considerations have also motivated the
outcome of negotiations between the Cameroonian government and China.

Making things happen: traders in Cameroonian markets

In Cameroon in the 1990s, the number of local traders has generally increased due to growing youth unemployment and the new opportunities of selling cheap Chinese trade goods, in addition to local products. A number of local terms have emerged for the various traders, with regional variations in the Anglophone and Francophone parts of the country. Note that these terms have local meanings that do not literally translate from French to English. Our interviewees grouped these local traders into several categories. Among the small-scale traders are the *petit vendeur* or small-scale trader, the *debrouillardeur* (a street vendor who announces his trade goods with a loud voice), the *attaqueur* (a street trader who never rests but always looks for new markets) and the *porte-a-porte* (a street vendor or hawker who goes from door to door). Some of these small-scale traders carry their trade goods in their hands or on their head; others use a cart (*pousse-pousse*) (Picture 1).

![Cart of a street vendor selling toothpaste from China, Yaoundé, 2013 (Photo: Ute Röschenthaler)](Picture 1)

When the street vendors have accumulated sufficient capital, they will rent a more stable place to sell such as a kiosk or a shop they share with fellow traders, which enables them to enlarge the number of regular customers until they manage to rent their own shop and become the *buyam-sellam* or retailer. Other small-scale traders
advance from street vendors to travelling traders who bridge larger distances and profit from the price margins in different regions or countries from where they acquire trade goods. Some travel between villages and towns, others cross borders to Nigeria (to purchase car spare parts for example), to Benin and Mali (for cloth), or to Dubai or China for a wide range of products. These itinerant traders who import trade goods call themselves *travellers* or *voyageurs*.

The itinerant traders travel to destinations of various distances, but travelling abroad or “making the line (*faire la ligne*)” does not yet make somebody “big”, as one shoe trader in Douala (February 2014) explained, who is ten years in business and began to travel to China two years ago: “I am not an *homme d’affaire* [an entrepreneur who might do dubious business as well]. I am not yet a *commerçant* [businessman, wholesaler]. I am no longer a *vendeur* [retailer]. I am somewhere between *bon vendeur* [successful retailer] and a *commerçant* […] because I still buy before I sell [I am a *buyam-sellam*] but I have already taken much risk”. He can not yet import an entire container on his own. He still acquires his trade goods for sale to individual clients because he does not yet have enough capital to purchase trade goods in a sufficient quantity which would allow him to distribute them to smaller wholesalers and retailers only. He is one of those *voyageurs* who do both wholesale and retail.

Significant is the amount of capital a trader can work with that makes someone big and able to “make things happen” (Röschenthaler, 2011: 414–417), have real agency (Gadzala, 2015) and take risks, which is actually also a characteristic feature of entrepreneurs, especially in the African context (Röschenthaler and Schulz, 2016). The local traders, however, did not use the term “entrepreneur” but businessman, *commerçant* or *homme d’affaire*. These different traders constitute a universe of big and small economic actors who play an important role in the acquisition and distribution of trade goods for consumption in Cameroon and neighbouring countries.

The travelling traders in our sample began their careers either as informal street vendors or were trained in a trader’s family, but at the time of the interview they all had created companies that were registered, i.e. they had reached a formal stage.
About one third of the voyageurs we talked to have studied at universities (electronics, communication, physical sciences and biomedicine, among other disciplines), found no job and eventually decided to become a trader. When asked about their opinion from where the successful traders who travel to China and other countries come from, our interviewees more or less univocally estimated that roughly half of them were Bamileke (mostly from the towns of Bafoussam, Baham, Bangangté and Mbouda) in the West Region (forming part of the Cameroon Grassfields), one quarter came from the two northern regions, and one quarter from the remaining regions or from other African countries, resident in Cameroon, such as Nigerians, Malians, Senegalese etc. In our sample, 16 voyageurs are Bamileke, two are from the north, two from Bamenda, and 13 did not indicate their origin. Of these traders, 12 were established commerçants and 21 vendeurs.

The majority of the Cameroonian trade barons such as the Fokou, Fotso, Kadji and Quifeurouge indeed are Bamileke who own big supermarkets, companies, factories and import/export businesses. They have become the model for numerous other traders: wholesalers, retailers and street vendors. These big business people have their companies, store houses and factories in Douala, which has become Cameroon’s economic capital and largest city due to its strategic situation at the Atlantic coast. At its port, most of the foreign trade goods arrive in the country. The city attracts numerous local and foreign traders intending to acquire imported trade goods. These traders arrive from the political capital Yaounde, from towns in the West Region and other hinterland cities of Cameroon and of neighbouring African countries such as Gabon and Equatorial Guinea as well as from Chad and the Central African Republic who do not have access to ports. In a contrary movement, Cameroonian merchants in Douala expand their businesses and create branch companies and outlets in other cities in the country and abroad to distribute the trade goods they have imported from China and other Asian countries mentioned earlier.

The traders in our sample began either as hawkers or street vendors and learned trading by accompanying friends. When these traders had learned how street vending worked they asked a family member or a friend for a small sum of money as credit, acquired trade goods and began to sell them. Another important source of trade
capital was membership in informal saving and credit associations. Young women or men who were born into a family of traders were trained by family members. Sometimes the person who trained them accumulated their salary and handed it over to these trainees when they were ready to trade on their own. As they gained experience, these traders made their capital grow. One of the mobile phone traders in Douala emphasised, however, that in order to become successful and stay in the business, it was not enough to be creative and persevering, it was necessary to have survived hard times. A trader selling electronic devices in Yaounde, emphasised that money also did not solve all the problems:

If you have big brothers or a rich father, he can give you capital. But experience has shown that if you just receive the money, you will not spend it well, because you have not experienced suffering. If you start with nothing and begin as a hawker (tu commences comme attaquant), and then start to travel (tu brules les étapes), you gain a lot of experience compared to someone who just receives the money, opens a shop and begins to sell. […] If you start from zero, you master many things (March 2014).

One trader (a Bamileke, who sells school equipment in Yaounde), told me how he first began with hawking small items, then he travelled between Bafoussam in the West Region of Cameroon and Onitsha in Nigeria to buy car spare parts and other iron ware; he then met one of his “older brothers” in Douala, one of the first generation travellers to Hong Kong, Thailand and China, and worked with him for several years. He distributed his brothers’ products in the various markets of Yaounde, and began to travel for him to China. Presently, this seller of school equipment has become an independent businessman in Yaounde who regularly travels four times a year to Yiwu – a growing city for export trade mainly to Africa and the Middle East (Cissé, 2015) – and imports equipment for school children, office materials, medical products, building materials and other items that are seasonal in demand. During each journey he is able to import three to four containers full of trade goods. He already constructed two living houses, a warehouse, and has further plans for investment. He trains his children and family brothers to acquire the
necessary knowledge for travelling to China and other destinations as well (Yiwu March 2013, Yaounde June 2015). Indeed, almost all of the voyageurs in our sample trained youths in their businesses in order to prepare them for travelling to different countries and enlarge their international trading network. These youth who are now being trained will be the new businesspeople in the future.

“Making the line (faire la ligne)” or travelling to the dragon’s den: Cameroonians in China

Since the late 1990s, more and more African traders decided to travel to Asia. First, traders went to Dubai, because Arab traders were already importing from China to Dubai; then African traders themselves went to Asian countries such as Thailand, Singapore, India, Malaysia, or Hong Kong, from where they purchased local and Chinese trade goods via local intermediaries (Bertoncello, 2007). After the financial crisis in the late 1990s, African traders advanced to get nearer to the source of the cheap trade goods (Le Bail, 2009; Bertoncello and Bredeloup, 2009; Marfaing and Thiel, 2011). The city to go to was Guangzhou in Guangdong Province, which had historically been the starting point of the Silk Road, and in whose hinterland more recently numerous factories had been created. Suppliers in China quickly reacted to the demands from abroad, produced trade goods in great numbers and opened trade fair-like markets in an increasing number of Guangzhou’s neighbourhoods. As the scale of trade expanded, in the mid-2000s the city of Yiwu in Zhejiang Province emerged as a second popular trade centre with trade fairs and exhibitions all year round (Cissé, 2015).

When Cameroonian traders began to “make the line” and import trade goods from China, only a few other Africans went there as well and there was not yet much competition. These Cameroonian first generation traders are currently the big businesspeople in Douala. Until the Olympic Games in 2008, it was not difficult for Africans to obtain Chinese visas. Most African traders purchased trade goods in Guangzhou and then returned home to sell them. Others renewed their visas and remained in China. Some of them were former students at Chinese universities, had learned Chinese and were able to translate for itinerant African traders (Haugen,
2013). Other Africans moved to Guangzhou from their trading posts in other Asian countries and still others arrived directly from their home countries and tried to create a business in China (Bredeloup, 2012). Chinese immigration laws, however, did not allow foreigners to stay permanently in the country nor obtain Chinese citizenship, which would have provided them with more security related to their economic investments. Hence, Africans had to repeatedly renew their visas, constantly facing the quandary of being expelled.

Despite the complicated regulations and often racism experienced, some of the Cameroonians – as well as other Africans – managed to stay in the country, to act as intermediaries, and establish companies such as cargo agencies for itinerant traders. This was made possible either with sufficient capital, by marrying a Chinese woman or by creating a branch company in China and employing Chinese workers.

Word quickly spread to African countries that there was money to make in China, and also banks responded to African needs (Picture 2). Despite the difficulties, numerous traders went to China in the following years to try their luck and establish a business. However, travelling requires contacts and knowledge of where to go in a city like Guangzhou. Cameroonian traders stated on their first journey they were surprised to arrive in such a large city, with big highways and an extensive public transport system; they had to cope with the language barrier and the Chinese food, which they were not used to. A mobile phone trader in Douala (January 2014) explained that it was like arriving from a small town in a city: “It is something very new, it is like if you leave Nkongsamba [a town in the Cameroon Grassfields] for Douala, it’s the same excitement” and an apparel trader stated:

First of all I was startled by the beauty of the town, all the skyscrapers, the buildings; you are in the 11th floor of a house and the cars pass by in front of you, the roads are very spacious, there are flyovers on four levels. The transport is marvellous, the metro […], and I noticed old people are not paying bus fares (Douala, February 2014).
Nearly all traders in our sample explained that it was very helpful to call on the support of a friend at the beginning in China, otherwise money was easily lost:

These are big cities, you can only know with a companion where to go. You have to change money. You have to calculate. They tell you that it is five Yuan. You need to know how much that is in FCFA. Then you begin to search for what you want to buy, and to negotiate the price. They do not speak French or English. You need a translator (TV-trader, Yaounde, March 2014).

The Cameroonian traders explained that those who knew the language definitely had advantages. Without mastering the language, one needed the help of a Chinese or an African intermediary, and these brokers would know how to secure their own profit in multiple ways. Stovel and Shaw (2012) also mention that brokers are usually paid twice, by each of the parties they connect. Cameroonian traders particularly suspected Cameroonian intermediaries to exploit them, except when they were their good friends with whom they worked together earlier. Hence, a shoe trader in
Douala (January 2014) stated with admiration:

If you see a Cameroonian, or any other black person who has a shop in China, show him due respect! There are shops for which you pay 20 millions FCFA [about EUR 30,000] per year; that is 1.6 million FCFA [about EUR 2,400] each month for the rent. […] And it is very difficult to find a Cameroonian who is able to get to the source [of the trade goods].

Until China’s Zhejiang Normal University created a Mandarin language teaching centre in Yaounde in 1997, there was no way for Cameroonians to learn Chinese in advance (Röschenthaler and Socpa forthcoming). Only recently, language schools have been created in Cameroon and some traders now send their children to these schools to learn Chinese (shoe trader, Douala, January 2014).

Some Cameroonian traders were disappointed by the complicated situation in China and no longer went to this destination but purchased their trade goods in Dubai, even though in Dubai the profit was lower because trade goods were more expensive. They argued that the Arabs in Dubai were trustworthy whereas one never could be sure that the Chinese would not exchange the trade goods they had selected for lower quality goods in the container (for Cameroonians in Dubai, see Pelican, 2014).

Travelling for trade to far-away destinations requires sufficient capital. To be able to “make the line” to China, Cameroonian traders suggested that a minimum of five to ten million FCFA (about EUR 7,500 to 10,000) was initially required, roughly half of which was needed for purchasing goods and the other half were travel costs, fees and taxes (see Marfaing, 2016, for a similar estimation of costs of Senegalese traders). The journeys have to be accomplished in two to three weeks, which corresponds to the time their visas were valid, and many traders complained that this time span was too short in case the trade goods they wanted to purchase were not in stock, but had to be ordered from a factory. Therefore, traders who needed large amounts of goods ordered them in advance with a payment by bank transfer or Western Union. They travelled to China when the goods were ready for shipping to check the cargo and then pay the rest, research the markets and return home. After
45 days or two months, the container normally arrived in Douala.

At this point it is important to look at the quantity of goods that traders purchase, which determines the profits that they are able to make. The small voyageurs buy only a few items of various trade goods that are sent directly to a shipping agent who packages them in parcels and organises their shipping to the destination. Traders who buy more trade goods might decide to get together with fellow traders from the same country, sometimes twenty or thirty, to share a container together (groupage). This saved them from individually negotiating with shipping agents and reduced the fees. In contrast, the big traders or commerçants purchased quantities of goods that filled one or more containers. One container filled with the same type of trade goods allows them to get better conditions for customs duties and taxes, and consequently this enhances their profit margin.

Coping with the competition from Chinese traders in Cameroon

Cameroonian traders stated that they had travelled to China to import Chinese trade goods long before Chinese traders came to Cameroon to do the same and turn into their competitors. Between the 1990s and 2007, only few private Chinese migrants arrived in Cameroon and during that time, the Cameroonian traders made considerable profit margins.

However, when in 2007 the Chinese government negotiated with Cameroon the facilitation of migrants’ settlement in the country, the number of Chinese migrants quickly increased (Konings, 2011: 191; Pokam, 2015: 50; Röschenthaler and Soepa, forthcoming; Rotberg, 2008: 4). These migrants were searching to make a living and began to venture into nearly all economic sectors of the country. In the course of the 2000s entire markets in Douala (Picture 3) and some streets around the Marché Central in Yaounde became occupied by Chinese shops. Many of them imported similar trade goods as Cameroonian traders had purchased from China, but the Chinese traders were able to sell their trade goods at cheaper prices (Picture 4).
The Cameroonian vendeurs in our sample were of the opinion that concomitant with the arrival of the Chinese traders their profits have reduced considerably: “We have to sell cheaper; people no longer have money to dress well” (shoe trader, Yaounde,
March 2014). Not only had the prices in China doubled, in Cameroon, the prices also had gone down, so that the profit margin was reduced to one quarter of its former amount.

Cameroonian traders tended to attribute the reasons for their difficulties to the unfair competition by the Chinese traders. Their situation, they felt, was even supported by the Cameroonian government. They explained that they did not have the same opportunities as the Chinese traders. The Chinese traders were able to get conducive credit from Chinese banks, had direct access to factories in China, were able to purchase at factory prices, enjoyed favourable customs duties in China and in Cameroon, and could therefore sell at lower prices. Whereas Cameroonian traders would buy in China as well but had to purchase trade goods more expensively and later faced the Chinese traders in Cameroon selling similar products for less than the price that Cameroonians had paid for them in China. Furthermore, the Chinese traders would not limit themselves to wholesale – as other foreign traders had done before – but engaged in the entire range of wholesale, retail and even street hawking, which would make it very difficult for Cameroonian traders to make any profit. Cameroonian traders complained that for them it was completely arbitrary how the Chinese traders fixed their prices, which suggested that they made huge profits, whereas Cameroonians could hardly regain their expenses.

The competitive advantage of the Chinese traders who were able to offer cheaper prices than Cameroonians when they sold similar items, forced Cameroonians to find market niches in which they had more knowledge or extensive networks than Chinese traders. For example, when Chinese traders began to sell cheap clothing, Cameroonian traders noticed that the Chinese traders did not have any knowledge about local fashion. A jeans trader in Douala explained:

> We can sell the things that Cameroonians are looking for; we know exactly what our customers love, but the Chinese are stumbling with this. They can only sell electric items, small gadgets, plastic shoes, but not really clothing. The Cameroonian clothing style is very complicated. Cameroonians have a specific taste for clothing; indeed, and Chadians don’t dress like Gabonese
or Cameroonians. Hence, the Chinese cannot really know which Jeans or shirts Cameroonians like (January 2014).

Cameroonian voyageurs counted on the desire of their customers to get the clothing they wanted and pay more for it. They insisted that they would try to import at least medium good quality from China, whereas the Chinese traders only imported the lowest quality. This competitive advantage of Cameroonian traders, however, could be very short-lived, as Chinese traders research the market and copy fashionable products, which they ordered from China and sold a few weeks later in their own shops for a much cheaper price. This would force the Cameroonian traders to also lower their prices. Therefore, Cameroonian traders suggested that it was best to refrain from selling similar product categories than the Chinese traders would offer or, alternatively, sell one’s goods quickly before the Chinese traders were able to copy them.

Some of the traders directly brought samples from China to show to their customers whom they encouraged to reserve a specific quantity, so that when these goods arrived in Cameroon, they were already sold. These traders were also confident that the Chinese traders did not have the same choice of products. One of the commerçants, for example, imported tyres from five different countries, whereas Chinese traders would only import from China. Another strategy was to be accommodating and caring towards customers, offer good quality and give them a fair price. Some voyageurs noted that the situation even spurred their creativity and innovative spirit as they constantly had to search for new strategies and product varieties.

Cameroonian traders regularly discussed their observations about Chinese traders among themselves. They highlighted that the Chinese traders in the country did not openly talk to them to explain their ideas, that they were not interested in friendship but only in money and that local traders never knew what action they were planning next. The vendeurs were ready to accept that local and Chinese traders could each have their specific clientele. Cameroonians could sell more expensive medium- to high-quality products, while the Chinese would sell cheap low-quality goods (see
Picture 5) for a clientele with a low budget. However, what disturbed them was this uncomfortable feeling of being subject to unfair competition, not only because the Chinese traders copied the goods of local traders to sell them cheaper and pretend that they were of the same quality, but they also felt disadvantaged in comparison to the Chinese traders in their own country.

"We are really challenged": unfair competition, unequal conditions and too many importers

Notwithstanding, most traders of our sample depicted a complex picture of their situation. They looked at the Chinese presence from various vantage points even though they might have exaggerated some aspects. They complained about unfair competition but also emphasised the positive aspects of competition.

They also acknowledged that the presence of Chinese traders did not necessarily have the same disruptive impact on all traders. The Chinese presence was “good for all those who can profit from their presence as petty traders; it is good for the debrouillardeur who does not have the means to travel and who takes his trade..."
goods from the Chinese […] and sells them with some profit with which he feeds his family” (seller of sports dresses, Douala, January 2014). This seller of sports dresses understood that the Chinese presence was above all a problem for those voyageurs who were not yet commerçants (big wholesales), who were not able to import large quantities and had to pay high customs fees, In contrast, the Chinese traders imported large quantities and were able to do this because they were not forced to sell their products quickly, as their prices were low and nobody copied their goods to sell them cheaper. At the beginning, they tried to get into diverse economic sectors, but due to resistance from the population in support of local trade, they refrained from certain activities not to create too much tension.

The Cameroonian traders were aware that the Chinese traders were not their only competitors. Cameroonians also competed among themselves and among the traders from other countries, which contributed to their difficulties to find their niche and their profit. They also noted that the low profit margins might be related to the growing number of young traders who travelled to China who were too many compared to the number of consumers. The traders were also cognizant of the fact that the Chinese presence did not affect the big businesspeople to the same extent that those who were still vendeurs. The shoe trader in Douala (January 2014) noticed that “among the Cameroonians, jealousy easily becomes the problem”, and that the big businesspeople would do everything to keep the others small so that they had hard times to survive, whereas the big business continued to prosper easily. Nevertheless, the shoe trader thought that the Chinese traders penetrating their markets were the bigger problem.

Some of the traders also advocated the need to organise themselves into an interest group. The Chinese traders had a traders’ association that defended their interests. Via their traders’ association, the Chinese traders had managed to ask the Cameroonian government for better conditions, less harassment from police controls, and the payment of less customs duty. However, most Cameroonian traders did not favour the idea of a traders’ association, fearing that they would end up paying even more taxes (Röschenthaler and Socpa, forthcoming).
Careful analysis of the traders’ arguments reveals that the vendeurs are disadvantaged in comparison to the big traders who are able to import one or several containers all with the same trade goods. This reduces not only the price of purchase in China but also the customs duties in Douala that are less when only one category of trade goods is imported, which subsequently can be sold at a cheaper price. However, this regulation does not apply to the travelling vendeurs who are not yet able to order an entire container with the same type of product: “If you buy ten cartons and mix the products, and calculate your profits, it is not easy to gain something. But if you buy one container of air conditioners, the duties at customs are lower accordingly and allow someone to get their goods out with less than three or four million FCFA (about EUR 4,500 or 6,000). Hence, the more diversified your products are the higher is the customs fee” (trader of electronic devices, Douala, February 2014). This fact counteracts the strategy of the traders to diversify their products in case one product does not sell well and for these traders the journey is a risky venture.

Particularly those voyageurs who are still working hard to establish themselves in the market, felt that it was hard to compete with both the big Cameroonian entrepreneurs and the Chinese traders. The big traders, who are able to import several containers on their own, also have much less difficulties obtaining visas and they also have contacts to suppliers that are nearer to the source. Moreover, they can buy large quantities of goods, have more favourable customs fees and can sell to almost the same conditions than the Chinese traders. They also complained less about Chinese competition. They, too, are earning less than before, but can no longer be easily pushed from the market. They have sufficient capital and space to store their trade goods. The small traders in contrast, have less capital, less storage space, they need more intermediaries and have less favourable conditions for transport and customs, and they cannot sell at the same conditions as the big entrepreneurs and the Chinese traders.

It is understandable that Cameroonian traders have mixed feelings about the Chinese traders and that they also advocate for regulations by the government. The narratives they construct of the Chinese traders as competitors have to be seen against this
backdrop, and seem to corroborate the observations made by Thiel (2016) in Ghana, although figures for Cameroon are not available. Based on her own calculations, Thiel shows that between 2005 and 2011 Ghanaians imported far more Chinese consumer goods to Ghana than Chinese traders did. The quantities that Chinese traders imported remained the same during that time frame, whereas those of Ghanaian traders have risen (Thiel, 2016: 352; see also Marfaing and Thiel, 2014).

Long term observations are necessary to interpret the situation in a specific country, as the situation evolves with time, as one Cameroonian trader stated: “If there are now more and more Chinese coming here, and Cameroon is a country rich in resources, it means more money in their pockets and less money in ours. We need more regularisation. The conditions are not equal from the beginning. And now they are trying to prevent Cameroonian traders from going [to China] to buy trade goods” (trader of sports dresses, Douala, January 2014). Indeed, recently visa applications have become more difficult for the Cameroonian vendeurs.

“There is no magic, only hard work”: traders’ solutions to ameliorate their situation

My research illustrates that the travelling vendeurs were hard-working, that they were not afraid to make sacrifices and that the Chinese presence urged them to be inventive, despite the numerous challenges and even though they made less profit than before. Many traders seem to have given up travelling to China, and it is difficult to estimate to which extent traders exaggerate the competitive threat. Nevertheless, traders were struggling, restless and stubborn, as a trader of building materials (Douala, February 2014) argued: “There is no magic, only hard work”. Many vendeurs expressed the desire to expand their businesses, to continue investing, and create branch companies in different Cameroonian cities and abroad. As, a female trader of children’s dresses (Douala, February 2014) explained: “Your only dream is to get big”. Cameroonian traders insisted that they had the creativity to meet the challenges, the knowledge of local trends and a wide network of trade contacts in their country and abroad, and that the Chinese traders lacked such advantages and had little knowledge about the country in which they settled (for a
similar estimation, see Giese, 2016).

Cameroonian traders, however, quickly weighed this home advantage against a “home disadvantage”. Almost all of the traders had the impression that their success was obstructed by their own government, that officials preferred to punish them instead of the foreigners, whom they allowed to pass at controls whereas citizens were stopped instead, and that government fostered the foreigners at the expense of its own traders and its own industry (shoe trader, Yaounde, March 2014). These traders argued that the Cameroonian government should not allow foreign migrants to come into the country in an unregulated manner. A shoe trader in Douala stated (January 2014): “It is unreasonable that the Chinese who have advantages at home have also advantages here, whereas we do not have such advantages in their country”. Foreign traders in China were not allowed to open a shop and sell products as retailers, and when they had managed to create a company, they had to employ Chinese workers, whereas Chinese traders in Cameroon could freely create companies, import products, do wholesale, large and small retail, and even street vending.

Indeed, Chinese traders in Cameroon have advantages that Africans do not have in China. As mentioned earlier, Cameroonian traders get visas for China only for a few weeks, and have to regularly renew these visas, even when they are married to a Chinese citizen and have a family with children (Haugen, 2012). In contrast, Chinese citizens in Cameroon do not need to renew their visas constantly, they do not even need a work permit, they can freely open a business and employ Chinese workers (Konings, 2011; Röschenthaler and Socpa, forthcoming). One trader of electronic devices (Yaounde, March 2014) highlighted the resulting inequalities when he stated: “The business co-operation that we signed with the Asian countries is working perfectly to their own advantage and not to that of Cameroonians”. Some traders even suggested that price controls, as in earlier times, when the state used to regulate the prices of products, would also be a solution, at least the government should make a law to prevent Chinese traders from selling below the price at which Cameroonian traders were able to sell.
Most traders straightforwardly suggested that the Cameroonian government needed to regulate the market: “The solutions are simple. The Ministry of Trade should prohibit the Chinese to carry out retail trade. They can import, but only do wholesale trade” (shoe trader, Yaounde, March 2014). Cameroonian traders suggested that the government should oversee the Chinese migrants, the quality of their products and lower the customs duty for Cameroonians, otherwise not only the travelling vendeurs would suffer but the entire economy, as suggested by a trader of electronic devices (Yaounde, March 2014). Not all traders, however, were so critical, but still insisted in the government’s duty to regulate, as a trader of electronic devices (Douala, February 2014) acknowledged: “Personally, I haven’t seen how they [the Chinese] are spoiling business in Cameroon. This does not mean that the government should continue to allow them to come in numbers as we now find them here in Cameroon. ... But if they [the Chinese] continue to come in very large numbers, then conflicts will emerge from anywhere”. None of the traders asked for more liberties, instead they asked for more regulation from the state and had expectations towards the state’s functioning.

What could the reason be that a government decides to support foreigners at the expense of its own economic actors, as so many Cameroonian interviewees have complained? Other governments such as Angola, Morocco, or Ethiopia (Gadzala, 2015; Gu, 2009) have managed to negotiate better conditions for their economies. It seems to have something to do with the Cameroonian predicament that government fears the financial power of the traders from the Grassfields and the north and prefers to favour the Chinese economic actors instead. Supporting the Chinese traders might keep the local traders at a distance and Chinese engagement in development projects could secure the support of large parts of the population. However, this same politics of the Cameroonian government has conflicting implications. On the one hand, the government is interested in co-operating with China and furthering the development of its country, and on the other, this same co-operation weakens the local industry and makes it dependent on the Chinese collaboration by importing from abroad, attracting Chinese migrants and making the local youth leave the country. An alternative measure of the Cameroonian government towards its established big
traders and entrepreneurs has been to advise them to become active in politics (Socpa, 2016) in an attempt to encourage their support of the ruling party (which has a stronghold among the Boulou-Beti ethnic group) in exchange for peace with the state’s tax collectors.

Arguing in support of local trade and industries, the Cameroonian travelling vendeurs advocated that instead of importing products from China, or allowing Chinese traders to create factories and plantations in Cameroon, the government should support Cameroonian entrepreneurs to create products produced by Cameroonians in their own country. One trader of electronic devices (Douala, February 2014) suggested that it would have been very helpful for the economy if the products that he sold were fabricated in Cameroon. Otherwise

we are perpetual consumers and not producers. … We have to bring in changes by producing more quality goods and services. National or home-based companies should try and meet up with the demands of the Cameroonian consumers because if the government bans the importation of some goods and services [it can] protect the local companies from losing out in competition with imported goods.

Indeed, during research in China focusing on African traders I met several Africans with successful companies in China who planned to invest in their home countries and begin industrial production there. In this regard, the institutional support from their governments will be essential for the realisation of their ventures.

Conclusion

This article intended to portray Cameroonian traders who travel to China and their experience of competition with Chinese traders in Cameroon. It outlined the different partially overlapping local categories of traders in Cameroon, with a particular focus on those traders (voyageurs) who travel to China, among other Asian countries, to import trade goods for sale in Cameroon. Among these voyageurs local traders distinguish between vendeurs who still do retail and commerçants who no longer do retail but only distribute to smaller wholesalers and retailers. Based on the
examination of these local categories, it was possible to articulate the divergent ways in which different Cameroonian traders experience the competition with Chinese migrants in the country.

When Chinese migrants began trading in Cameroon, local traders were already travelling to Asian countries, including China, to import trade goods. Among these first generation travellers are those who are at present the big commerçants in Cameroon, whereas all those second-generation traders who were trained by them or began as street vendors are the majority of those from our sample of which some have become commerçants but the majority are still vendeurs.

The Cameroonian traders experienced numerous challenges with the arrival of the Chinese traders who began to compete with local traders on all levels, from street selling to wholesaling, at cutthroat prices. Cameroonian traders labelled this as unfair competition because the Chinese traders would sell products wholesale, retail and on the street all for the same price, and cheaper than a local trader, be it a commerçant or a vendor, was ever able to sell. Among the local traders, however, the vendeurs have suffered most under this unfair competition, as their expenses were highest and the potential gains lowest.

The vendeurs suffered most due to a concurrence of several circumstances: the growing number of traders, complications to be granted a visa, getting good prices in China, high customs duties, the loss of local customers’ purchasing power and the difficulties of customers to identify the different qualities of products. Conversely, this challenge also pushed them to persistently invent new strategies to survive: find products that the Chinese traders were unable to sell or copy, sell products of better quality, have available what Cameroonians preferred to wear, be more friendly to their customers, diversify their selection and offer products that are attractive to potential customers. Nevertheless, they greatly feared to give up their business, and complained about unfair competition by Chinese traders, the lack of support from the local big commerçants and the neglect by their government who rather supported Chinese migrants and not its local economic actors. During the interviews, local traders urged the Cameroonian government to find solutions and regulate migration.
and trade in favour of local traders and industries.

The reluctance of the Cameroonian government to negotiate favourable policies with the Chinese traders regarding its own economy and provide more support to its local traders, as other African governments have done, might indeed have to do with Cameroon’s political history and its effort to keep the Boulou-Beti ethnic group in power, align the big economic actors with the politics of the ruling party and keep the rest of the traders the majority of which comes from the economically strong West Region at a safe distance. In turn, instead of forming a traders’ association to defend their interests and pressurise the government for more favourable conditions, these traders prefer not to get into the limelight because they fear that the government would respond with imposing higher taxes on them.

In conclusion, traders should not be seen as one monolithic category, as each of them has its individual trajectory, and it depends on the stage to which they have advanced, as well as at a specific time in which they face particular challenges. Also, the various categories of traders have developed different perspectives on their situation that can vary considerably as to the challenges of competition. These perspectives are related to the rapidly changing economic landscape and the trade policies of a country. In Cameroon trade policies obviously favour the large local importers, including the Chinese traders, who both profit from customs reductions. Whereas the different categories of street vendors feel less challenged by the competition with Chinese traders and also largely remain in the informal economic realm, the vendeurs who travel to China and who struggle to make enough profit to survive as retailers experience the competition with more intensity.

Endnotes

1. For a good definition of unfair competition as a legal concept that was widely discussed at the beginning of the 20th century in the US when, as a consequence of industrial production, fraudulent methods of competition emerged between different American economic actors, see Haines (1919).
2. Research was carried out in Cameroon (from 1987 to the present) and more recently also in China (2013-2016) in the frame of the project “Africa’s Asian Options” (AFRASO), supported by the German Ministry of Foreign Affairs and the Goethe University Frankfurt. Research for the AFRASO project was carried out in co-operation with Antoine Socpa (Université de Yaounde I) and several Cameroonian assistants. I am grateful for comments from Clement Takang, Inès Neubauer and two anonymous reviewers.

3. The FCFA is the currency of the African Financial Community made up by a majority of the former French colonies in West and Central Africa. It has a fixed exchange rate to the Euro (formerly to the French Franc).

4. At the time, in the late 1950s, China was supporting the Cameroonian independence movement against the French colonisers (Shinn and Eisenman, 2012).

5. In January 2007, the Ministry of Agriculture implemented huge agricultural projects in the Cameroon’s Centre and West Regions, which required Chinese migrants as workers, and attracted numerous other Chinese migrants as they were able to obtain longer-term visas even without being in the possession of a work contract (Konings, 2011). The actual number of Chinese in Cameroon is difficult to ascertain. According to the Chinese embassy in Yaounde, there were 1,500 Chinese in Douala and 2,000-3,000 in Yaounde in 2009 who came mainly from Fujian and Zhejiang Provinces (Konings, 2011: 191). In 2013, another source mentions 4,000 Chinese in Cameroon (Mutations 27 March 2013 cited in Pokam, 2015: 14). Others estimate their number between 20,000 and 30,000 or even much higher (Konings, 2011: 191).

6. The Chinese traders were of the opinion that customs duty was particularly high in Cameroon. See also the observations of Gu (2009: 578) in Ghana, Nigeria and Madagascar, where Chinese companies noted that the most important constraints they faced were first customs and trade regulations, second the unreliable electricity system and third transport, inflation and exchange rates.
7. However, it seems that Chinese companies were for some time exempted from paying taxes and customs.

8. The import and export statistics of 2014 state that the total exports from China to Cameroon were 1,877,425 (value in US dollar thousand) and the total imports of Cameroon from China were 1,358,520 (value in US dollar thousand). The difference is 518,905 and might be due to divergent declarations, the exclusion of certain commodities, informal trading activities and smuggling. The statistics do not differentiate between trade goods imported by Chinese and Africans. The actual volume of trade might still be much higher due to informal suitcase trade (see also Haugen, 2011; Thiel, 2016). The source of the statistical data is from ITC calculations based on COMTRADE statistics until 2015. Imports of Cameroon from China (at Chinese customs): http://www.trademap.org/tradestat/Bilateral_TS.aspx and exports of China to Cameroon: http://www.trademap.org/tradestat/Bilateral_TS.aspx?nvpm=1|156||120||TOTAL||2|1|1|2|2|1|1|1|1|1 (both accessed on 30 May 2016).

9. Successful pressure has been reported from traders’ associations, for example, in Zambia, Uganda, and South Africa (Mohan and Tan-Mullins, 2009), and also from Cameroonian female market traders who fought against European imports of cheap meat (Johnson, 2011).

Bibliography


