Sovereign Debt News Update No. 161: Discrepancies in Cameroon's Gold Trade Trigger a National Response to Illicit Financial Flows

By:

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Cameroon's gold sector has become emblematic of the country's broader struggle with illicit financial flows (IFFs), particularly those linked to smuggling and revenue loss to global trading hubs. Cameroon's mining sector is dominated by artisanal and small-scale mining operations (ASM), which include both traditional artisanal mining and semi-mechanized operators, as defined in the country's mining code. While ASM accounts for most recorded gold output, it operates largely outside effective regulatory and fiscal oversight, making it especially vulnerable to informal trading networks and illicit export routes. Recent disclosures under the Extractive Industries Transparency Initiative (EITI) have been critical in exposing these discrepancies by comparing national export data with international trade statistics. These findings have reframed gold smuggling as a systemic governance and fiscal challenge and have

prompted renewed policy attention on curbing IFFs, strengthening traceability, and improving revenue capture in Cameroon's gold sector. This update examines how EITI-exposed discrepancies in Cameroon's gold export data have brought illicit financial flows into sharp focus, triggered government enforcement measures, and highlighted the role of global trading hubs, particularly the UAE, in facilitating revenue losses from Africa's extractive sectors.

Background

For years, discrepancies between official export figures and international import data have revealed that vast quantities of Cameroonian gold are leaving the country without proper documentation or taxation. This has major ramifications for public revenue, economic sovereignty, and long-term fiscal stability. The 2023 Extractive Industries Transparency Initiative (EITI) report exposed a staggering gap in Cameroon's gold export figures. According to EITI, while official customs data recorded just 22.3 kilograms exported in 2023, international data attributed 15.2 tonnes of gold to Cameroonian imports by foreign partners. More than 90% of this unaccounted gold was linked to the United Arab Emirates (UAE), underlining how deeply institutional weaknesses in domestic governance are tied to global market pathways that facilitate IFFs. According to one source, around one tonne of gold from formal production and 30 kilogrammes of industrial gold do not appear in official export records. The same source establishes that these gaps are not new. For example, in 2022 mirror data showed 4.8 tonnes of gold imported by trading partners, compared with only 47.879 grams officially declared as exports by Cameroon. This misalignment between domestic reporting and global trade data has made Cameroon a case study in the intersection of poor mineral governance, opaque supply chains, and lost state revenues.

Government Responses: Site Closures and Regulatory Tightening

Responding to the EITI revelations, Cameroon's Ministry of Mines announced a set of measures aimed at reining in IFFs originating in the gold sector. In December 2025, the government disclosed plans to close non-compliant artisanal and small-scale mining (ASM) sites starting January 2026. These plans target operations that do not maintain closed-loop ore processing systems

critical for accurate tracking of production and output. Mines Minister Fuh Calistus Gentry framed these closures as *part of a broader effort to regain state control over gold production and marketing and to shift the sector toward regulated industrial mining, which offers better traceability and tax compliance*. Recognising that current ASM practices often occur with minimal oversight, the closure policy also reflects an attempt to disrupt the upstream entry points of illicit flows that eventually reach destinations like the UAE without proper documentation. At the same time, the government now has a similar policy that strengthens the role of the state-owned mining company SONAMINES as a central purchaser of domestic gold; a strategy intended to reduce reliance on informal buyers who often act as intermediaries for smuggled exports.

Institutional Weaknesses and the Governance Imperative

The scale of the governance challenge in Cameroon's gold sector reveals structural weaknesses that go beyond technical regulation. Artisanal mining accounts for nearly all reported gold production, yet it operates largely outside the formal economy, with minimal feasibility requirements, poor record-keeping, and weak enforcement capacity. These conditions do not only limit state visibility over production but also create fertile ground for sophisticated smuggling networks that can exploit porous borders, operate without licence, and document exports inaccurately. Evidence from regional law-enforcement reports and United Nations investigations shows that gold mined in neighbouring Central African states, particularly the Central African Republic, is frequently smuggled into Cameroon and enters export channels without proper origin documentation, complicating oversight and contributing to illicit financial flows. The case underscores the importance of coherent institutional coordination between customs, mining authorities, security services, and national purchasing entities to effectively disrupt IFF pathways.

Linking Illicit Financial Flows to Cameroon's Debt Situation

Cameroon's illicit gold trade and associated revenue losses cannot be viewed in isolation from the country's broader fiscal challenges, particularly its rising public debt. As of September 2025, Cameroon's public debt was reported to be around CFA 14.59 trillion (approximately US$26 billion), representing roughly 43.9% of GDP, with significant portions owed externally to multilateral lenders.

This rising debt burden comes at a time when effective domestic resource mobilisation is critical for financing public investments and debt servicing obligations. The gap between potential revenue from legally reported gold exports and the actual fiscal benefit captured by the state exacerbates the pressure on public finances, compelling the government to increasingly rely on debt instruments to fill budgetary gaps. In this context, closing revenue leakages through better governance of natural resources becomes not just an economic imperative but a debt sustainability and economic justice issue. If even modest shares of the unaccounted gold revenues were captured, they could contribute meaningfully to reducing reliance on debt markets and strengthening fiscal space for development programmes.

Undoubtedly, the fiscal implications of this illicit trade are profound. EITI's detailed analysis quantifies potential tax and royalty losses from unreported gold exports at around CFA 165 billion (approximately US$274 million), a figure that represents a substantial drain on a government striving to meet development financing needs amid growing debt burdens. These losses reflect not only unpaid taxes but also the erosion of the state's ability to plan, invest, and deliver public services. This problem is made more acute by the fact that mineral revenues, if properly captured, could meaningfully alleviate budgetary pressures. To address these systemic issues, EITI has recommended establishing joint mechanisms between the national mining company and customs to ensure production traceability, tightening export monitoring, and conducting dedicated research into artisanal mining leakages. This emphasis on transparency as a basis for enforcement marks a shift toward evidence-based policy responses rather than reactive or ad hoc regulation.

The UAE's Central Role in African Gold Smuggling and Its Broader Continental Impact

The prominence of the UAE, and especially Dubai, as a destination for Cameroonian gold is not incidental but a reflection of broader patterns of African gold smuggling to the Gulf. Dubai has emerged as one of the largest gold trading hubs globally, with hundreds of tonnes of African gold passing through its refineries and markets annually. Independent estimates by Swiss civil society organisations suggest that the UAE imported 748 tonnes of African gold in 2024 alone, much of it linked to artisanal and informal sources,

including from Cameroon and other African producer states plagued by looser regulatory controls. This phenomenon has major implications for IFFs across the continent because it allows exporters and intermediaries to bypass national reporting systems, under-invoice shipments, or misrepresent the origin of minerals—effectively facilitating capital flight from resource-rich countries. The UAE's role is significant not only for Cameroon but for countries across West, Central and Southern Africa that face similar patterns of export under-declaration and revenue leakage tied to gold flows.

Cameroon's struggle with gold-related IFFs reflects patterns observed in other African countries confronting similar smuggling and revenue leakage issues. Examples of Zimbabwe, Kenya and South Sudan and the Democratic Republic of Congo (DRC) can be cited. Analyses by independent civil society organisations note that billions of dollars' worth of African gold are smuggled annually to the UAE, undermining tax bases and facilitating capital flight. For African states, confronting this problem requires not only domestic policy reforms but also engagement with importing jurisdictions and refiners to enhance global supply chain due diligence and accountability. The UAE's role in this dynamic, as one of the world's largest gold hubs with thousands of traders and multiple refineries, highlights the need for cooperative regulatory frameworks and shared responsibility for transparent commodity trade. Without such international cooperation, national effort will struggle against the incentives and structural pathways that enable IFFs on a transnational scale.

Bringing Artisanal Miners into the Picture

Beyond enforcement and regulatory reforms, addressing illicit financial flows in Cameroon's gold sector also requires a stronger emphasis on inclusive, multi-stakeholder collaboration that brings artisanal and small-scale miners into the governance framework rather than treating them solely as compliance risks. Artisanal miners are often women, migrants, and other marginalised populations who operate under precarious conditions and are largely excluded from formal support systems, despite their central role in gold production. One argument that has been forwarded is that by expanding Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI) programmes to actively engage these groups, mining companies and state institutions can provide targeted training, access to safer equipment, environmental

management support, and formalisation pathways that improve traceability and reduce reliance on informal trading networks. Evidence from artisanal and small-scale mining governance initiatives shows that when miners are equipped with skills, resources, and institutional recognition, they are better positioned to operate safely, sustainably, and transparently, while taking greater ownership of their economic livelihoods. Integrating artisanal miners into CSR and CSI frameworks therefore strengthens social outcomes while also contributing to improved revenue capture, reduced illicit flows, and more effective mining sector governance.

Conclusion

Cameroon's policy shift, driven by the EITI's revelation of systemic discrepancies in gold export data, underscores the critical role of transparency initiatives in diagnosing and catalysing action on illicit financial flows. By exposing the depth of gold sector opacity and prompting concrete policy responses such as site closures, regulatory tightening, and enhanced traceability, EITI has provided a governance framework that aligns domestic reform with global standards. However, translating policy into measurable reductions in IFFs will require sustained commitment, cross-institutional coordination, and international engagement, particularly with major trade partners like the UAE. Further, curbing illicit financial flows in Cameroon's gold sector will depend not only on enforcement and transparency mechanisms such as EITI, but also on inclusive development approaches that empower artisanal miners as governance actors rather than informal bystanders. Strengthening Corporate Social Responsibility and Corporate Social Investment programmes offers a complementary pathway to improve traceability, safeguard livelihoods, and align mining governance with broader fiscal and debt sustainability objectives. For Cameroon, the stakes are high: reclaiming lost revenue not only strengthens fiscal sovereignty but also supports long-term debt sustainability and equitable development.

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