Journal of
Economics and Political Economy
www.kspjournals.org
Volume 6 September 2019 Issue 3

The behaviour of imports in Cameroon: An analysis through the equilibrium and disequilibrium models

By Elie NGONGANG †

Abstract. We have attempted, in this paper, to evaluate the structure and determinants of the demand for imports in Cameroon at the aggregated and disaggregated levels, using an equilibrium and disequilibrium models. It emerges from econometric estimation that real income, the real exchange rate and the variable capacity to importand industrialization were the determining factors in Cameroon imports. The degradation of imports illustrates the elastic or inelastic nature of imported products. Cameroon must reshape her development strategies towards industrialization in order for them to achieve a progressive reduction of their imports. This imperative situation would be a means that cannot be ignored by the Cameroon if it wants to attract foreign direct investment which is a source for the development of firms and for boosting productivity.
Keywords. Structure, Imports, Development of firms, Industrialization, Cameroon.
JEL. C20, F20, F30.

1. Introduction

Since the end of the year 1986, Cameroon has been confronted with an unprecedented economic crisis, although these days reflation is announced. Because of this, Africa and particularly Cameroon have put in place programs designed to stamp out this economic stagnation under the impetus of the Bretton Wood institutions and other international organizations (OECD, WOC, GATT, etc.). The undoubtedly major phenomenon these countries must face is that of their adaptation to the process of liberalization of World trade which was sanctioned by the signature of the final Act of Marrakech, and the creation of the World Trade Organization (WTO) in January 1995. In the context of Cameroon, measures favouring the liberalization of the economy were adopted. The abolition of the stabilization fund of agricultural products constitutes a major fact with regard to the place agriculture takes up in the economies of the country.

Thus, as in most of the countries of the Franc Zone, programs have been successively applied apparently without great success, since Cameroon did not get out the bottleneck. The situation has reached a proportion such that

†Department of Quantitative Techniques University of Yaounde II Cameroon, Faculty of Economics andManagement, Cameroon.
☎. +237 717 918 41 ✉. ngongother@yahoo.fr

for the first time, the authorities have ceased the regular payment of their internal and external commitments since 1989-94.

Between other corrective measures recommended by financial backers and other specialized organizations, appear the reductions of government expenditures, the disengagement of the State from many sectors of economic activity by yielding them to the private sector which is capable of generating internal resources, and the promotion of exports with a view to increasing the takings in foreign currency necessary for the payment of imports.

The lack of foreign currency due to the drastic fall in the prices of basic products (coffee, cocoa, cotton etc.), has forced some countries of the sub-region to a rigorous control of foreign exchange and to a reduction of imports during a period of liberalization.

In this context of crisis, French-speaking SSA countries and particularly Cameroon have been relying on their Operations Accounts at the French Treasury to import vital goods such as food, industrial products and the intermediary products (inputs) used in agricultural and industrial production. But France cannot continue to accept the debit balances of the Operations Accounts, for the simple reason that since the year 2000, they have been putting pressure on the Euro, and hence on its position in relation to the European single currency.

Hence the suggestion made by international institutions to the Cameroon State: to manage his low levels of available foreign exchange funds better; to control among others, imports because of the inability to attract foreign currencies through the exports of classical products such as coffee, cocoa, cotton, wheat etc., and which must incorporate the principles of the WTO.

Consequently, the main objective of this paper is:

* To highlight in greater detail, the structure and the origins of Cameroon imports;

* To evaluate the determinants of the demand for imports of Cameroon at both the aggregated and disaggregated levels using an equilibrium and disequilibrium models;

From all this development, and considering the reform introduced in international trade by the WTO, and relative to the structure of imports in Cameroon a question emerges, namely:

Can the determinants of Cameroonian imports be evaluated through the equilibrium and disequilibrium models?

Several methods may be envisaged to answer this question. A possible method would consist of adopting OLAP functions and the clause Window of fenestration SQL (2003) which regroups two types of functions and data subsets.

As interesting as it may be, this method has a limit. It restricts the study of two types of distinct functions of goods operating on specific data sets called “window of data», and it is made up of data subsets of the global request. It is for this reason that it is reasonable to envisage the aggregate

demand function as a continuous function. It only changes slightly and makes it possible to integrate the statistics of goods better. It facilitates the interpretation of data and the harmonization of cycles of revision for all the programs. This study is in line with this perspective.

The interest of this study is double. First, it throws some light on a specification of adjustments which integrates the possibility time lags in the model, then to outline the orientations of economic policies in an environment dominated by market mechanisms.

The structuring of the study will be based on two axes: in the first part, we deal with the composition and quantitative explanation of the demand for imports in Cameroon, and then in the second part, we carry out the econometric analysis of the imports sector in Cameroon and the perspectives.

2. The composition and quantitative explanation of the demand for imports in Cameroon

Here, the objective for us is to describe the origin and structure of imports in the geographic space.

2.1. The imports of Cameroon: Origin in the geographic space

The economy of Cameroon has been subjected to structural changes during the 1990s, which have affected the mode or "pattern" of the foreign trade of the country.

In the period following the independences (the 1960s) of the Cameroon, two thirds of the foreign trade was carried out with European countries (of which France, England, Germany etc.) and this trade was mainly concentrated on products).

Starting from the year 1992, two essential characteristics of the exports emerged: agricultural exports were diversified by the production of products such as coffee, cocoa, cotton, natural rubber, woods, palm oil, wheat etc., and certain agro-industrial products. The level of exports witnessed an increase of more than 130 %[2].

As concern geographic orientations, changes occurred on the destination of exports. The exports previously dispatched exclusively to France and England was increasingly oriented to other countries of the European Union (80%) against only 12 % to African countries. As an illustration, the share of exports to France and England fell from 45.99 % in 1993 to 18 % in 2014[3].

These trends are also observed at the level of imports. 60% of the imports came from European countries, Africa providing 19% of Cameroonian imports.

[2]Statistics of the BEAC (2015), BECEAO (2015) and Afristat (2013).
[3] Statistical Reports of the World Bank (1997-2016), and of the IMF (2016).

1.2. Imports of Cameroon: Their demand structure in the geographic space

The demand for imports has witnessed an average increase of about 24% per year. This growth is much more due to world inflation than to the very sensitive rise in the volume of these imports, which increased at the average rate of 13% per year or nearly at a rate of 4% above the growth rate of the entire economy at the end of the year 2016.

The structure of imports has witnessed a significant evolution: the proportion of the imports of food products, drinks and tobacco has decreased from 58 % of total imports in 1971 to 39 % in 2013. This evolution is the result of gains in foreign currency which will promote the purchase of intermediary goods necessary to investment which is a vector of economic growth. In order to determine the composition and evolution of imports better, the components of imported goods are classified into five main categories:The imports of food products, drinks and tobacco are incorporated in the variable IPABT which represents these imports whose volume is expressed in terms of tons or values.The imports of energy and lubricants, raw products of animal and vegetable origins. Theirrelative share in total imports has decreased (see Table1). These imports are represented by the variable ELPBOAV, and their volume expressed in terms of tons or values. The imports mineral products and half-products. These products are gathered in the variable PMPP and their volume is expressed in terms of tons or values.

This category is made up of materials of transport and tractors, agricultural and industrial equipment. It comprises machines and mechanical tools, materials of land transport. This import category is grouped together in the MTTEAI variable and its volume is expressed in terms of quantity and value.

The last category is made up of the consumption goods of households and firms which are used as inputs in the industry of imports substitutions. It also comprises manufactured products, and these imports are gathered together in the variable CME expressed in terms of quantity or value.

The preceding classification follows the presentation made by the Ministries of the Economy and Finance and the NIs[4]. Table1 illustrates the different components of imports as a proportion of total imports in terms of value.

It emerges from Table Graphic1 below that the imports of the consumption goods of households and firms constitute the most important component of imports in spite of a proportion that is deceasing: going from 41.1 % in 1971 to the high point of 70.8% in 2016 after going through 53.1 % in 1995 during the study period.

[4] The National Institutes of the different countries of the CEMAC and UEMOA zones

This proportion has witnessed changes over the years without necessarily decreasing below the threshold of 31.1 %, the lowest level in 1998.

By and large, this proportion witnessed a downward trend at the beginning the year 98: this may be explained by the fact that industrial products were from then on being increasingly manufactured locally in the context of the imports substitution policy. The importation of materials of transports and tractors - agricultural and industrial equipment constitutes the second component of total imports. Actually, Cameroon imports a significant share of their means of transport due to a developing heavy industry. Despite the big efforts made to produce mineral products and semi-products at the domestic level, the imports continue to rise, going from 14.8 % in 1971 to 40.1 % total imports in 2016. This suggests that domestic production did not have a significant impact in the reduction of total imports.

We must also mention the fact that the relative share of imports of energy, lubricants and raw products of animal and vegetable origins witnessed a serrated evolution with a downward trend, going from 7 % in the 1971s to 16% in the 1981 to reach the level of 6.1 % in 1998, 2000 and 2001, 9% in 2008, and 11% in 2016.

Food imports - drinks – tobacco make up a share that has remained quite small and stable from 1971 to 1994 at the average level of 8 %. But this share increased from 1994 to a level of 19.1 % in 1996, after having reached 21.1 % in 1995, 22% in 2006 and 25% in 2016.

As to the origins of imports, a great diversification must be noted. The countries of the European Union (EU) are the main suppliers of imports with 60 % (the predominant position of France having eased to the profit of other countries) against 18% for African countries. For example, the share of Cameroon' imports of French origin decreased to 78 % in 1986, to 48 % in 1995 and 37.2 in 1998, and reached 46 % in 2008 and 45% in 2016.

At the African level, the imports from neighbouring countries do not cease to increase over the years, going from 9.3 % in 2010 to the level of 18.$ % in 2013. In addition, According to the statistics of Afristat (2016) and of the general managements of customs of the countries under study, the imports of Cameroon amounted to 6402 billion of CFA Francs in 2016 against 3918 billions in 2008, which is a relative increase of about 58.6 %.

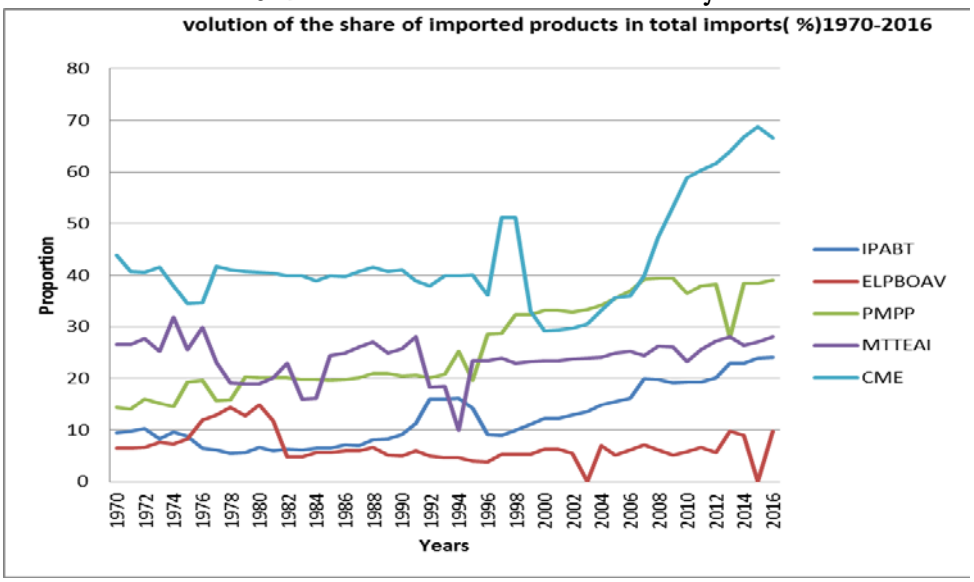

Figure 1. *Evolution of the share of imported products in total imports (%) 1970- 2016*
Sources: Our calculations from syntheses of the statistical data of the National Institutes (NIs) (1968-2016), Customs Managements in the CEMAC and UEMOA zones (1970-2016) and the statistical bulletins of the BEAC and BCEAO (1975-1016).

At the level of Africa, countries of the Franc Zone have quite a small share of Cameroonian imports which amounts to only 3.5 %. This is a good indication of the nature of trade between Franc Zone countries, which are not very developed or diversified.

Despite the efforts made to diversify both the origins of imports and the destinations of exports, Cameroon remains strongly attached to the Franc Zone in the area of trade.

3. Econometric analysis of the imports sector of Cameroon

This part of the study attempts to provide an explanation of the behaviour of imports in Cameroon based on the descriptions of the preceding data. Thus we will first examine the imports sector at two levels: the aggregated level, and the disaggregated level using two types of models: the "equilibrium" model and the "disequilibrium" model.

The equilibrium model assumes that there are no lagged variables in the system. Thus, the prices and the quantities imported adjust instantaneously to their respective equilibrium level. With available annual times-series data, this means that all the adjustments are realized within a year.

The disequilibrium model admits the possibilities of adjustment lags. In other terms, this means that the adjustment of current values to equilibrium values takes some time.

To integrate this possibility of a lag in the model, we used the "stock adjustment" approach which was developed by Koyck (1954), Nerlove (1958) and applied by Arize (1987), and then was revisited by Van Der Ploeg & De Zeeuw (1990), M'Bet (1992, 1996), Schul (1985) and Tsirimokos (2011), all this at the aggregated level.

Next, we will examine each sector at a disaggregated level to highlight the behaviour of the imports of products or class of specific products better.

And finally, in a second step, we examine theorientations of the imports of Cameroon under the effect of WTO mechanisms.

3.1. The demand for imports at the aggregated level: The Equilibrium and disequilibrium models

Two continuous aggregated demand functions to express precisely. A choice that is justified by the fact that they change only slightly.

3.1.1 The Aggregated Imports Demand Function: the Equilibrium Model

The demand for imports is specified as a function in the log-linear form as follows:

$$\log M_t = x_0 + x_1 \log TCR + x_2 \log PIBR_t + x_3 \log\left[\frac{RX}{PM}\right]_t + \varepsilon_t$$

Where,

M_t = quantities of imported goods,

TCR = the real exchange rate defined according to the classical approach of purchasing power parity, for example, as the nominal exchange rate multiplied by the external price divided by the internal price,

RX = exports receipts,

$PIBR$ = real gross domestic product,

$\left[\frac{RX}{PM}\right]$ = the capacity to pay for imports (see Turnovsky, 1968, 1987, 2003 and 2011),

ε_t = error term,

t = year.

In addition, all the logarithms are natural. The model is used according to different specifications to integrate additional variables into the basic equation according to their pertinence.

$$\log M_t = x_0 + x_1 \log TCR + x_2 \log PIBR_t \quad (1)$$

We use this procedure to avoid multicollinearity between (RX/PM) and PIBR. However, since the deflators are different from the consumer price index of real GDP, we have estimated the impact of the capacity to import on the imports demand function. The results of the "equilibrium» are the following:

Specification 1: The basic equation (OLS)

$$\log M_t = 1.41 - 0.008 \log TCR + 1.52 \log PIBR_t$$

(0.9) (-0.05) (12.36)

Adjusted R^2 = 0.93: DW = 1.81: F (3: 30) = 146.3.

Specification 2: Sum of the variable "capacity to pay for imports (RX/PM)".

$$\log M_t = 7.88 - 0.19\log TCR_t + 0.41\log PIBR_t + 0.49\log\left[\frac{RX}{PM}\right]_t$$

(2.85) (- 1.39) (1.16) (2.80)

Adjusted $R^2 = 0.96$; DW = 1.99; F (4; 30) = 148.7.

The coefficients x_1 and x_2 are respectively the price and income elasticities of the demand for imports.

From the theoretical point of view, x_1 is negative, x_2 and x_3 positive. This means that an increase in the prices of imported products reduces the quantity to import, and an increase in real income or exports receipts increases the demand for imports.

The estimates of coefficients in Specification 1 above show that their signs are correct. However, the statistical criteria express the fact that only real income is significant; the real exchange rate has the expected sign without necessarily being significant.

R^2 adjusted to the degrees of freedom, is very high to characterize a performing model. The value of the Durbin Watson (DW) statistic indicates the absence of autocorrelation in the stochastic term.

An increase of 10 % in real income leads to an increase of 15.2 % in imports.

The coefficient estimates of Specification 2 are, on the other hand, statistically satisfactory. A rise of 10 % in the capacity to import leads to rise of 4.9 % in the demand for imports, while a 10 % increase in real income leads to a rise in imports of 4.1 %.

3.1.2 Aggregated Imports Demand Function: The Disequilibrium Model

We consider in the disequilibrium model that the change in imports is linked to the difference between the demand for imports during period t and real imports at period t-1. This means that the current demand for imports adjusts through a constant (c) to the deviations of the actual equilibrium demand. In concrete terms, the equation is written as follows:

$$\log M_t - \log M_{t-1} = c\log M_t - \log M_{t-1} \quad (2)$$

Where $0 < c < 1$; c, is considered as the speed of adjustment. In the form of a log-linear function, the basic disequilibrium model is the following:

$$\log M_t = y_0 + y_2\log TCR_t + y_3\log M_{t-1} + k_t \quad (3)$$

The variable imports capacity is adjusted as in Section 2.1.1 above. The estimation results are the following (see Specifications 3, 4 and 5 below):

Specification 3:

$$\log M_t = -0.7 + 0.190\log TCR_t + 0.64\log PIBR_t + 0.69\log M_{t-1}$$

(- 0.43) (1.47) (2.49) (5.01)

Adjusted $R^2 = 0.97$; y = 2.70; F (4; 30) = 288.1

As concerns the sum of the import capacity variable and, in the order to check for autocorrelation, the iterative technique of Cochran-Orcutt is used as a correction process. We obtain:

Specification 4:

$$\log M_t = 1.35 + 0.16\log TCR_t + 0.43\log PIBR_t + 0.30\left[\frac{RX}{PM}\right]_t + 0.66\log M_{t-1}$$

(0.67) (1.00) (1.18) (1.11) (5.6)

Adjusted $R^2 = 0.97$; $z = 1.95$; $F(5; 30) = 167.1$;
$RH0 = -0.42$
(- 1.53)

Next the sum of the import capacity variable lagged one year.

Specification 5:

$$\log M_t = 4.01 + 0.08\log TCR_t + 0.46 LogPIBR_t + 0.451og\left[\frac{RX}{PM}\right]_{t-1} + 0.41\log M_{t-1}$$

(1.95) (0.42) (1.65) (2.73) (1.56)

Adjusted $R^2 = 0.99$ $Z = 2.66$; $F(5; 30) = 298.1$

The estimation of the basic disequilibrium equation illustrates quite well, the fact that real income and the dependent variable lagged one year have a significant positive impact on the demand for imports. The real exchange rate has a positive impact that is quite weak. The real exchange rate has an impact that is almost nil when the import capacity variable is summed up. This expresses the nature of the inelasticity of the demand for imports. The lagged dependent variable has quite a significantly positive impact. On the other hand, when we estimate the equation with the coefficient of the import capacity variable being lagged one period (Specification 5), all of the independent variables keep their signs, but the variable capacity to import lagged one period has a more significant positive impact. On the whole, all the different specifications through the statistical series are satisfactory at the conventional level.

The results obtained show that an increase of 10 % in the current exports receipts of Cameroon leads to a rise of 3 % in the imports, whereas a 10 % increase in the variable real exports receipts leads to a rise of 5.1 % in imports

The disequilibrium model helps determine the long-term elasticity coefficients. The coefficients y_1, y_2 in Specification 3 are interpreted as short-term elasticity coefficients. When the lagged dependent variable is eliminated while in addition y_3 lies between 0 and 1, the long-term elasticity coefficients are estimated in the following manner:

$c_1 = \frac{Y_1}{1-Y_3}$ and $c_2 = \frac{Y_2}{1-Y_3}$. The ratio $c_3 = \frac{Y_3}{1-Y_3}$, is the average length of the adjustment period.

We summarize the different short- and long-terms coefficients in Table 1 below.

Table 1. *Elasticity Coefficients of the Short and Long Terms Demand for Imports*

Period	Specification 3			Specification 4			Specification 5		
	Short term	long term	AAP (month)	Sort term	long term	AAP (month)	Short term	long term	AAP term (month)
Real exchange rate	0.19	0.41	24	0.16	0.16	16	0.08	0.14	4
Real income	0.64	1.48	24	0.42	0.79	16	0.43	0.46	4
Capacity to import	-	-	-	0.30	0.35	16	0.51	0.75	4

NB: AAP = Average adjustment period (months)

Sources: Our calculations using the syntheses of the statistics of the BEAC (2013), BECAO (2012), and Afristats (2016).

The coefficients of Table 1 above display two orientations. Income elasticity coefficients increase from the short term to the long term, respectively for the different specifications. But the long-term income elasticity decreases from 1.48 in Specification 3 to 0.79 in Specification 4 to reach 0.46 in Specification 5.

In other words, part of the income effect is captured by the variable capacity to import. In addition, the long-term elasticity coefficients of the variable capacity to import increases from 0.35 to 0.75.

The second observation concerns the impact of the real exchange rate. The increase of this coefficient from the short term to the long term is small, and the long-term elasticity drops from 0.16 to 0.14 in Specification 5.

This means that when export receipts are deflated by the unit import price and are integrated in the model, the imports become insensitive to changes in the exchange rate. The average length of the adjustment period is about 2 or 24 months. This average falls with the slope of the variable of current export receipts. This expresses the fact that imports respond to the export receipts of the previous period. This result is valid from the empirical point of view, but ever since the crises of the years 1990-1994, an almost inverse behaviour is observed.

3.2. The import demand function: The disaggregated disequilibrium model

From the preceding development, the structure of imports illustrates that they are classified by the products that we may present in three large sub-groups: (*1*) the imports of food-drinks- tobaccos products (*MPATB*); (*2*) the imports of energy-lubricants-raw products of animal and vegetable origins; mineral products and semi-products (*MELPBOV*), and (*3*) materials of transport- tractors-agricultural-industrial equipment's, and consumption goods (*MTEAIBC*). Synthetically, the general equation for estimating the model is of the form:

$$M_t = M(TCR, PIBR)M_t \quad (4)$$

We adjust to this basic equilibrium equation, the dependent variable lagged for a period in order to obtain the disequilibrium model. The latter makes it possible to obtain the long-term coefficients. The ordinary least squares (OLS) estimation method is used and the autocorrelation is corrected according to the stage. The estimation results are presented in Table 2 below.

Table 2. *Estimated Coefficients of the Disaggregated Import Demand: the Equilibrium Model*

Constant	log *TCR*	log *PIBR*	adjusted R^2	DW	F	
Log *MPATB*	8.89	- 0.80	0.98	0.92	2.4	82
	(3.98)	*(-3.75)*	*(7.27)*			
Log *MTEAIBC*	7.30	-0.48	1.38	0.77	2.44	25
	*(1.43)***	*(-1.14)***	*(5.73)*			
Log *MELPBOV*	- 6.9	0.55	2,38	0.92	1.65	110
	(-2.45)	*(1.86)***	*(16.18)***			

Note:** Significant at the 10% level.

The results indicate that real income has a positive and highly significant impact. The real exchange rate has a negative impact which is expected, except for energy and lubricants - raw products of animal and vegetable origins – mineral products - semi-products.

In the equilibrium model for example, an increase of 10% in real income would lead to a 8.89 % rise in the imports of food-tobacco-drinks products, and a 13.8 % and 23.8 % increases in the imports of transport materials, agricultural-industrial tractor-equipment and energy-lubricants, raw products of animal- vegetable origins, and mineral products respectively. The impact of income is significant at the conventional level. Energy products and lubricants seem to respond more strongly to the increase in income.

Table 3.*Estimation of the Disaggregated Demand for Imports: the Disequilibrium Model*

Constant	log *TCR*	log *PIBR*	log *VDR*	adjusted R^2	DW	F	
Log *MPATB*	8.7	- 0.48	0.65	0.21	0.94	2.41	86
	(2.50)	*(-2.27)***	*(3.8)*				
Log *MTEAIBC*	2.91	- 0.39	0.98	0.21	0.73	2.33	16
	(0.93)	*(- 0.66)*	*(1.94)***	*(0.63)*			
Log *MELPBOV*	– 3.67	0.45	0.43	0.90	0.95	2.1	120
	(-1. 45)	*(1.74)*	*(1.71)***	*(0.89)*			

Note. Log VDR = log of the lagged dependent variable; it is significant at the10 % level.
Sources: Results obtained from estimated equations.

The results of the estimates obtained change remarkably with the disequilibrium model.

The sign of the real income effect is always positive as expected, but it is reduced. For instance, a rise of 10 % in real income leads to an increase of

6.5 % in food – drinks – tobacco products, a rise of 4.3% in energy products – lubricants – raw products of animal and vegetable origins – imported mineral products and a 9.8 % rise in the materials of transport and tractors-agricultural –industrial equipment's, and the imported consumption goods of firms and households.

The real exchange rate still has the expected negative sign, except for the sign of the energy products - lubricants- raw products of animal and vegetable origins. This expresses the inelastic nature of these last products. By taking account of these estimates, Table 4 presents the calculated short and long terms elasticity coefficients by group of products.

Table 4. *Short and Long Terms Imports Elasticity Coefficients.*

	Period			
	Short term		Long term	
Variables	relative price	income	relative price	income
MPATB	- 0.48	0.65	- 0.80	0.98
MTEAIBC	- 0.39	0.98	- 0.51	1.39
MELPBOV	0.45	0.43	0.60	2.3

Sources: Calculated from Tables 2 and 3

The figures in Table 4 highlight interesting trends. Short-term elasticities are lower than those of the long term, in conformity the capacity to adjust.

As concerns energy products-lubricants- raw products of animal and vegetable origins – mineral products and materials of transport and tractors –agricultural and industrial equipments, the long-term income elasticity coefficients are higher, thus making these goods sub-classes of luxury goods.

For energy- lubricants- raw products of animal and vegetable origins-mineral products, the long-term income elasticity coefficient is 2.3. A rise of 10 % in real income leads to an increase of 22 % in the imports of these products. This corroborates with he fact that when the income of individuals increases, they devote a significant part of it to the consumption of energy – lubricants – mineral products. Moreover, the price elasticity coefficient of energy - lubricants- raw products of animal and vegetable origins is positive by opposition to the prediction of economic theory. This sign shows the inelastic nature of the products concerned.

4. Conclusion

The purpose of this paper was firstly to study the behaviour, evolution, and the spatial origins of the imports of Cameroon from 1970 to 2016. Secondly, it emerges from the examination of the data in the first part of the study that the share of the European Union countries (with a high percentage for France) has decreased. This results from a greater diversification of the suppliers of Cameroon. However, Europe still takes up the first place.

The second part of the study has quantitatively evaluated the determinants of the imports demand function in Cameroon. Real income, the real exchange rate, and the variable capacity to import, were the determining factors of Cameroonian imports. The degradation of imports illustrates the elastic or inelastic nature of imported products.

References

Afristat, (2010). *Common Minimum Statistical Program*, 2012, PROSMIC.

Afristat, (2016). *Annual Statistical Reports*, 2016.

Afristat, (2012). *2012 Annual Statistical Reports: Integration and Political Stability in West Africa*. ECOWAS 2012 Annual Report, Abuja, December2012. [Retrieved from].

Arize, A. (1987). The supply and demand for imports and exports in a simultaneous model, *Applied Economics*, 19(9), 1233-1247. doi. 10.1080/00036848700000070

Banque des États de l'Afrique Centrale (BEAC), (1992, 1997 & 2013). *Études et Statistiques.* Yaoundé, Cameroun.

Banque Centrale des États de l'Afrique de l'Ouest (BCEAO), (1995, 1999 & 2013). *Études et statistique*s. Dakar, Sénégal.

BEAC, (2013). *Statistical Report of the BEAC.* Yaounde.

International Monetary Fund, (2013), *Annual Report 2013*: Promoting a More Secure and Stable Global Economic. [Retrieved from].

Koyck, L.M. (1954). Distributed lags and investment analysis. *The Economic Journal* 65(259), 523-525. doi. 10.2307/2227337

M'Bet, A. (1996). L'impact de la réforme du secteur financier sur l'épargne, sur l'investissement et le développement du système financier en Afrique francophone: le cas de la Côte d'Ivoire. *African Development Review*, 4, 47-58.

M'Bet, A. (1992). L'analyse du comportement des importations de la Côte-d'Ivoire en période d'ajustement structurel, *Fontaine*, 92. Réformes du commerce extérieur et politiques de développement.- Presses Univ. De, France.

National Institute, (2013). *Nis: Bilan du commerce extérieur: 2004.* Yaoundé, Cameroun. [Retrieved from].

Nerlove, M., & Harold, W.W. (1958). Distributed lags and demand analysis for agricultural and other commodities. *Journal of Farm Economics*. 41(1), 151-153. 10.2307/1235214

Schul, E.G. (1985). International capital market as a source of instability in international markets, *International Association of Agricultural Economists*, [Retrieved from].

Tsirimokos, C. (2011). Stabilization theory and policy: 50 years after the Phillips Curve. *Economica*, 78(309), 67-88. doi. 10.1111/j.1468-0335.2009.00807.x

Tsirimokos, C. (2011). Price and income elasticities of crude oil demand: A case of ten IEA countries, *Swedish University of Agricultural Sciences, Master Thesis*, No.705. [Retrieved from].

Turnovsky, S.J. (1968). International trading relationships for a small country: The case of New Zealand. *The Canadian Journal of Economics*, 1(4), 772-790. doi. 10.2307/133705

Turnovsky, S.J. (1968). *Macroeconomic Analysis and Stabilization Policy*, Cambridge U. Press.

Turnovsky, S. (1993). Macroeconomic policies, growth, and welfare in a stochastic economy. *International Economic Review*, 34(2), 953-981. doi. 10.2307/2526974

Turnovsky, S. (2000). *Methods of Macroeconomic Dynamics.* 2nd Edition. MIT Press: Cambridge.

Van der Ploeg, F., & De Zeeuw, A. (1990). Perfect equilibrium in a model of competitive arms accumulation. *International Economic Review*, 31(1), 131–146. doi. 10.2307/2526633

World Bank, (1997-2016), *World Bank Africa Database: 2007-2013*, The World Bank, Washington.

WTO, (1997), *Annul Report of WTO*, [Retrieved from].