The Importation of Second Handed Vehicles and their Effects on Cameroon’s Economy and Environment

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ABSTRACT

This paper examines the importation of second handed vehicles and their effects on Cameroon’s economy and environment. Although the legal environment has been unfavorable towards the importation of second handed vehicles in Cameroon, the quantity of used vehicles being imported in to Cameroon is still alarming. In recent years, Cameroon can even be considered a dumping ground for European used and weary vehicles. This study made used of semi-constructed questionnaires, interviews, field observations and the review of empirical literature. The findings showed that Cameroonians prefer to import used vehicles over new ones, which explains why over 80% of vehicles used in the country are second handed or used vehicles. The study also identifies the alarming effects of second handed vehicles on the economy and on the environment of Cameroon. We recommend amongst other things that the government could subsidize the cost of importing new vehicles in such a way that it could be preferred over used vehicles. If the price of importing a new vehicle is the same or just a little higher than that of importing a second handed vehicle, then the importation of second handed vehicles is going to drop significantly. The effects on the economy and the environment will also reduce in consequence.

KEYWORDS: Importation, Second Handed Vehicles, Economy, Environment

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1. INTRODUCTION

Importation and exportation are the elements which define a 21st century economy. Whether a country imports more and exports less or vice versa is what strengthens its economy as well as its relationship with other countries. Importation has almost become a way of life not only to Cameroonians but to Africans as a whole. Starting from what they eat, what they wear and almost every other aspect of their day to day life dwells on import. It will be unfair to say that they are always at the receiving end given that they export a great deal themselves.

Cameroon is a country in the central part of Africa. She shares borders with the Central African Republic, Chad, the Republic of Congo, Nigeria, Equatorial Guinea, and Gabon¹. Before colonization which led to the modernization of the way of life of the inhabitants of the territory by its colonial masters, Cameroonians were used to the local methods of transportation which was on foot and animal backs. It was a thing of honour and prestige for one to own a car, but these days, it has become a necessity to the 21st century Cameroonians. The Europeans introduced the use of vehicles to facilitate their movement within the territory. Even after the independence of Cameroon, Cameroonians maintained some European old practices like the wearing of singlets, drinking liquor and also the use of vehicles.

Since Cameroon at the moment has not got what it takes to manufacture its own vehicles, a vehicles used in the country are assembled from imported vehicle parts from European countries. To get these vehicle parts as well as other whole vehicles, Cameroonians are forced to import them. This is why one can hardly talk about the circulation of vehicles in Cameroon without talking about its importation. To this effect, Cameroon has ports like the port of Kribi used chiefly for the exportation of wood, the Port of Garoua which is a seasonal river port active from July to September and the Douala Sea Port which is the biggest and busiest of them all and where this study is carried out².

The Cameroon economy is suffering greatly from the importation of used vehicles because it appears to be the dumping ground for European scrapes, and the purpose of this paper is to look at the effects which this has on the Cameroon economy and environment. Cameroon being a third world country still cannot effectively produce its own vehicles. Even those which are being assembled locally are nowhere near satisfying the demands of the general public. Therefore, Cameroonians rely on importation to satisfy their unending want for the material. In this quest, Cameroon


tends to import a lot of low standard vehicles. Some of the so-called second handed vehicles are as old as 20 years of age at the time of importation. For instance, Mercedes Benz MB100 that was first manufactured in 1981 is still being imported in to Cameroon in the name of cargo. There is also the case of taxis whose manufacturing dates are between 1980 and 1990 but are still being imported in to Cameroon. The environmental impact of air pollution resulting from imported second hand vehicles is by far greater than what could have been if the vehicles were unused.

This paper emphasises on the fact that, in the second hand market, the volume of trade due to specialization increases with imperfect sustainability. It goes further to state that a good provides high quality when it is new and low quality later in its life. This explains further why the case of importation of second handed vehicles in Cameroon is bad because the used vehicles which are imported are now in the point in their life where their quality is very low as explained by this theory. The volume of trade increasing in law quality goods is sure to have a negative effect on the economy and on the environment, reason for the study of these effects caused by the importation of second handed vehicles. But recently, Pelletiere and Reinert analyzed the used automobile exports of the United States, highlighting various positive factors. For the importing countries, cheap used vehicle imports offer low income households the possibility of vehicle ownership and a high level of personal mobility, increasing social welfare benefits. In addition, lengthening the life time of durable goods, i.e., postponing scrapping, contributed to industrial ecological objectives.

2. Materials and Methods
2.1. Source of data collection
This study made use of two sources of data collection; the primary and the secondary data collection methods. The primary data was obtained from respondents from the field while secondary data was gotten from Cameroon Customs Web Site, One-stop shop, Trade office and data from libraries and the internet sources.

2.2. Instrument of data collection
The semi-constructed interview was the main instrument used for data collection. The researcher constructed this instrument with the help of the field supervisor and information from literature. The questions were different in the three cases making it three different set of questions, since the level of understanding of the three groups of people was different from each other. The Content Analytical Technique was used to analyze data collected from the interviews. To conduct content analysis, data was systematically collected from a set of text, written, oral, visual then categorized or coded words. The data was represented by the use of table and percentages.

3. Findings
3.1. Demographic distribution of the respondents
This research work as carried out in the Douala municipality in which a total of 42 vehicle importers, “Transit Cameroun” employees and clearing agents were used as the sample and acted as respondents. Their sex, ages, and level of education contributed a lot in the responses which they gave when asked questions related to the subject matter. The more educated people as seen in the ash and orange area on the pie chat gave more rational answers and the men were seen to be more experienced in the field than the women in most of the answers given. The demographic representation was as follows in figure 1.

![Figure 1: The level of education of the respondents](image)

Initially, 12 of the people interviewed only knew that the government was against the importation of second handed vehicles but they didn’t care to know why. To some, the government places high taxes on second handed vehicles because it seemed to be what was frequently imported in to the economy. They thought the taxes levied on them were only for the purpose of yielding income for the state. So, they could not tell the gravity of the matter on ground. But the reality on ground is that, the Cameroon government has tried in several ways to discourage the importation of old vehicles like using a higher percentage in calculating the custom duties to be paid in the case of old vehicles than in new vehicles. This still did not stop the importation of over used vehicles thus the introduction of the 2011 financial law only permitting the entry of cars with a maximum of 7yrs of age.

With regard to Decree 100/ 2016/NDC-CP, instead of cost insurance freight pricing as used before on second handed vehicles since July 1\textsuperscript{st}, special consumption tax calculation prices for cars have to add a portion of profits, and freight cost from the importer to the dealer, thus increasing the cost of importing a second handed car. The 2011 finance law of the country only permit’s the entry of cars with a maximum of 7yrs of age in case of it being fairly used. This is due to the numerous effects which come with importing over used vehicles.

A particular importer said “the state might have put in place taxes on the importation of used vehicles but it is not against the importation of the vehicles but merely for the collection of government revenue. Alongside these laws, another respondent explained that, the government has engaged in providing a percentage discount in the import duties in the importation of new vehicles to some of its citizens. The percentages vary from 40-60% in the form of “abatement” granted from the Directorate General of Customs at Bastos.
Yaoundé. This, to him, is an attempt to limit the importation of used vehicles and encourage the importation of new vehicles.

When the importers were asked the question on how second hand vehicles are imported to Cameroon, out of 13 of them interviewed, 9 of them said they have colleagues abroad who do all the formalities and simply send them the customs and transport documents alongside the vehicle. They had no idea of anything which happens before the vehicle reaches Cameroon for clearance procedure to take place. Once they receive the documents, they hand it over to a clearing agent upon granting him the power of attorney. So all they did was have their name on the documents.

One upon being asked the question simply said “the exporter takes care of it all” while the others explained the concept of International commercial terms also known as INCOTERMS, which are a set of 11 internationally recognized rules which define the responsibilities of sellers and buyers during international trade. Respondents explained that the international commercial term they use allows them to be free from all responsibilities until the vehicle reaches Cameroon. One however said “I think you first find a vessel going to your destination, pay for the freight, insurance and inspection fees, load the vehicle onboard the vessel and the thing is good to go”. He also added that he didn’t think there existed a difference between importing a second handed car and a new car except with their respective freight rates and similar monetary differences. This view was supported by the other 5 importers.

When we asked the respondents what they did when they got in to contact with the law enforcement authority, even before finishing the question, one quickly answered “I simply grease his/her palm”. Amongst the 34 who admitted to existing laws against the importation especially the Finance law, 23 said they do nothing because the law is not being implemented. So the offence goes unnoticed even to the customs, gendarmeries and other port authorities. The remaining 11 where talking about pleading, bribing, act ignorant in some cases and many other excuse.

The question on why second hand vehicles are imported more than new vehicles was a general question to both importers, clearing agents and Transite Cameroun staff i.e. all 42 respondents. All the responses where around the idea that second handed vehicles are cheaper in all aspects. To the importers it was cheaper to import and to the clearing agent it was cheaper to clear. A staff at Transite Cameroun explained that “most second hand vehicles which are imported are scrapes or vehicles which are no longer in fashion abroad so it is sold at a very cheap price and when it is imported, cleared a 2011 finance law possibly sold, it leaves the importer with a lot of profit.” To him, a new vehicle cost a lot abroad and the entire importation and clearing process will increase its price which make it too expensive to an average Cameroonian.

When the respondents were asked the impacts which used vehicle importation could have on the economy, their responses ranged were as follows in figure 2:

- Increase living standards by creating a variety to choose from.
- Creating jobs to importers and clearing agents
- Cause accidents due to their poor state
- Cause pollution due to bad engines
- Slows the growth of the economy

Increase government revenue through taxes etc. their response had the following implications;

**Figure 2: Increase Government Revenue through Taxes**

When respondents were asked what could be done to limit the importation of second handed vehicles, 34 of them said all or some of the following:

- Taxes should be increased on the importation and clearance of second handed vehicles
- Local automobile industries should be subsidized so that their vehicles should be affordable to the average Cameroonian
- Taxes should be reduced on the importation of new vehicles

The remaining 8 said the economy was okay the way it was; that, anymore changes will complicate issues. A particular importer said that “if the importations of second handed vehicles want to be limited, people should start by limiting the rate at which they fly abroad for health care and stick to what their country has to offer. Why capitalize on the importation of used vehicles?”

4. Discussions of Findings

We realize that a total of 30 males than 12 female, most of who are in their early 40s were clearing agents. The job is mostly a male job given its strenuous nature of moving from one office to the other under the scorching sun. This makes the women to sometimes feel it is a job for the men and most of those who actually succeed in it are those who stay in transit offices working on the customs software and other related office work.

The most educated of the vehicle importers had an A-level certificate. We think that is the reason why 9 out of the 13 of them couldn’t tell how the importation process went yet they claim to be importers. Nevertheless, the justification for the other 4 was good given that the INCOTERM used leaves them with little or no responsibilities. The lack of knowledge on things like this makes us think that the professionals in the field are not really professionals after all so why expect more from them?
13 out of the 19 clearing agents were aware of the 7 years maximum age put in place by the finance law but could not stop clearing vehicles which are relatively older than the stated time. This was because, even with this law in place, the old vehicles could still find their way out of the park simply after bribing one or two people and at times none at all. Two third of the correspondents were in possession of “Taux cumules au regard de la loi de finances 2019” which generally stated that, the younger the vehicle, the lesser its imposable duties and taxes. A clearing agent even offered us a copy. Even though this study is not about the corruption of the customs body, a distinction can rarely be made between the corruption and the importation of second handed vehicles. This is because, at one point or the other, settlements have to be made. If the taxes and duties on the “Taux cumules au regard de la loi de finances 2019” were respected to the latter, we would see that the importation of second handed vehicles would be relatively expensive which was the aim of that law. But given the corrupt nature of things at the port, importing a second handed vehicle is still cheaper and Cameroonians do not want to cease from something which is seemingly profitable to them. They are more concerned about short term pleasure than long-term.

Respondents where all aware of the fact that second handed vehicles where imported more than new vehicles. To them, the reason for this is that the importation of second handed vehicles is cheaper. While some respondents made some very good contributions to the effects of the importation of second handed vehicles in the economy, to some, if the importation of used vehicles was so dangerous, then the vehicles should be apprehended at the port like contrabands for if they are listed on manifest, they are going to be cleared form the park eventually.

8 out of the 42 correspondents only saw positive effects of the importation of second handed vehicles, but others saw the negative side of it. It is true that the importation of second handed vehicles ensure an affordable life for all, since those who can afford expensive vehicles can go for them and those who can’t can go for cheaper ones, It also leads to increase in living standards by creating a variety to choose from, creating jobs to those involved in the import and clearance process just to name these. One cannot refuse the fact that like every other economic activity, the importation of used vehicles has its advantages. It is quite obvious from the actions of the governments towards the subject and the earlier reviewed empirical literature that the practice causes more harm than good. The pollution rate of second handed vehicles is second to none. The number of lives they claim through accidents are alarming, slows Cameroons growth by limiting its citizens to the use of scrapes and which makes them stay in their seemingly comfort zone, and causes her to depend on foreign countries for products. In addition to the fact that these vehicles cost a lot to maintain, when its owner can no longer maintain it, they dump it at road sides given that the life span of a second hand vehicle is as short as the price it cost. 

4.1. The Effects of the Importation of Second Handed Vehicles on the Cameroonian Environment

4.1.1. The health of the masses

The air pollution associated with the emissions from automotive vehicles exhausts are mainly nitrogen oxides, carbon monoxide, unburned hydrocarbons, and particulates (lead, soot and sulphates). The engine exhaust is the source of nitrogen oxides (NO and NO2) and carbon monoxide (CO) emissions. Numerous studies have been undertaken in Europe to determine the impact of car emissions on human health and the environment. The results are alarming. In Europe, the report on Health costs due to road traffic-related air pollution revealed that car-related pollution kills more people than car accidents in the three European countries where the study took place which were Austria, France, and Switzerland. Note should however be taken that these gasses are produced more by vehicles when they are getting older.

The old vehicles in this case are not even in the European countries. When these countries manufacture their new vehicles, people from underdeveloped countries like Cameroon buy their old ones and bring them in to their countries as second handed vehicles. Therefore, it is logical to say that the effects of the toxic emission in Cameroon will be double of that in France, Austria or Switzerland. Long-term exposure to air pollution from cars in adults over 30 years of age caused an extra 21,000 premature deaths per year from respiratory or heart disease. This is more than the total annual deaths from road traffic accidents in the countries studied (9,900). Each year, air pollution from cars causes 300,000 extra cases of bronchitis in children, plus 15,000 hospital admissions for heart disease, 395,000 asthma attacks in adults and 162,000 attacks in children.

Figure 3 shows some toxic emission of vehicles. It should be noted that second handed vehicles pollutes three times more that newer vehicles.

4.1.2. Road traffic accidents

93% of the world’s fatalities on the road occur in low and middle income countries. Even though these countries have approximately 60% of the world’s vehicles. The relationship between road traffic accidents and service of used cars is alarming as a result of the importation of used vehicles. Importation through the Douala sea port has seen some of the second handed vehicles which are as old as 20 years of age, although the 2011 finance law of the country only

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6The World Health Organization, (1999). “Road traffic injuries” Key facts related to road traffic injuries, the socioeconomic status, risk factors and what can be done. Published by WHO


8World Health Organization, (2020). “Road traffic injuries” Key facts related to road traffic injuries, the socioeconomic status, risk factors and what can be done. Published by WHO
permits the entry of cars with a maximum of 7yrs of age. With the age of these vehicles, it is almost impossible for them to perform effectively while on the road. During the first few years of its use, it can work fairly well but as the years go by, in addition to other causes of road accidents, the poor state of the vehicle contributes greatly to numerous road accidents these days.

4.1.3. Effects on urban planning and sustainability
It is suggested that over 80% of the vehicle stock in Peru was originally imported as used vehicles from the US or Japan and this is not far from the truth in Cameroon. All over the country, old and ugly looking vehicles are stationed at one point or the other, especially at road sides because that is where they must have given up. These vehicles now cause an environmental nuisance littering the environment. This would not have been the case if it were new vehicles being imported. When it is a used vehicle, people have the means to import a lot of unnecessary vehicles to begin with, due to its cheap nature.

4.2. The Effect of the Importation of Second Handed Vehicles on the Cameroon Economy
4.2.1. Effect on the importation of new cars
According to statistics, more legally old imported cars are used other than new. Cameroon being one of the practitioners of this theory seems to be doing it so well. Just 30% of vehicles imported in to Cameroon happen to be new ones. The vehicles mounted locally by the automobile companies are barely sold locally at times they are given out for rent during festive periods, due to lack of customers10. This makes us think whether Cameroon is preparing for the future or for the past. While European countries are moving forward in technology, Cameroonians seem to be receiving their left overs which keeps them always ahead.

4.2.2. Kills productivity
Cameroon vehicle industry in 2016 recovered 15% after the previous year shortfall. The automotive sector is growing fast for near 95% is fueled by very old pre owned vehicles, while the new vehicle market is still very slow. The vehicles mounted in Cameroon are facing low sales due to the over importation of second handed vehicles which is seemingly cheaper. These companies are infant industries and can barely face the competition from their mother competitors abroad. So, what more of the seemingly dumping practices of second handed vehicle importation? This discourages the Cameroonian automobile industries and if not checked can consequently lead to them shutting down.

4.2.3. Increases dependency
Cameroon like any other country should place more value on its locally produced goods. But the rate at which the second handed vehicle importation is going, Cameroonians are basically depending on the crumbs falling from the table of the European countries and if the European countries stop letting the crumbs fall on their tables, the Cameroonians will suffer a great deal. This generally stunts the growth of an economy.

Hutchinson, 2011

4.2.4. Huge maintenance cost
When old vehicles are imported, a good number of them are mostly in poor physical conditions and need a lot of maintenance for it to be able to work. The rationale behind the importation of second handed vehicles is that Cameroon is home to cheap labour (man power). So when the vehicles are imported in their poor state, the Cameroonian labour force makes sure it looks as good as it possibly can, but it doesn’t stop there. These vehicles tend to pay a lot of visits to the garage than would normally be the case with a new vehicle of the same mark, reasons being that the parts of the vehicle are “tired”.

5. Recommendations
The recommendations proposed are drawn from the findings of this research. These are the proposed solutions to the problem of the study.

The pre shipment road worthiness assessment should be strengthened.

Used vehicles which enter Cameroon should be made to pass through an approved emission test to demonstrate that their emission control equipment is functioning as intended. This is in order to avoid the vehicles with a high polluting capacity from entering the country.

A public and consumer awareness campaign can be held especially at the port areas to enlighten the public especially importers and clearing agents on the effects of used vehicles in the economy, given the fact that some of them have little or no idea on the harm they are causing to themselves as well as to the economy and the environment.

Vehicle inspection centers should also be setup to test and certify compliance. Of course there exist some of these centers already but more of them would go a long way to combat the situation.

Worthy of note is the fact that there are a few vehicle assembling companies in Cameroon which many know nothing about. This is because their products appear to be very expensive due to the high cost of production. If the government could subsidize these companies and possibly create more, then Cameroonians will tend to use vehicles produced locally other than old and weary imported second handed vehicles. This will also go a long way in increasing the country’s productivity and many other advantages that come with it.

Also, one reason for the high demand for personal vehicles in Cameroon is the poor quality of the present transport system. The government could strengthen the public transport area so that many individuals should not feel the need to own a vehicle which will lead to them demanding old vehicles which is obviously within their means.

The government could also subsidize the cost of importing new vehicles in such a way that it could be preferred over old vehicles. If the price of importing a new vehicle is the same or just a little higher than that of importing a second handed vehicle, then the importation of second handed vehicles is going to grope significantly because the gap will no longer be as wide as it is now and the pain of importing a new vehicle not felt.
These are a few measures which if put in place by the state and the citizens will better the vehicle importation condition of Cameroon and if applied in other similar African countries going through this ordeal will make the world a less toxicity place.

6. Conclusion
Consumers in low income countries like Cameroon tend to show a preference for used vehicles. This preference is driven by the primary factors: Limited new offerings, price differentials, and differing depreciation rates. First, only a limited number of new vehicles whether domestically produced or imported, are offered for sale in most developing countries. So, a consumer in a developing country like Cameroon may find an imported used vehicle of a particular type more easily than a new one. Also, imported used vehicles tend to be less expensive than new ones even with all the duties and taxes imposed on them. Given all the laws discouraging the importation of used vehicles, its importation should be very expensive but due to the corruption level of the country, most of the laws remain theoretical. The problem of the over importation of used vehicles in to Cameroon is a problem faced by almost all African countries. Cameroon being one of the developing countries face this problem due to other malpractices which they carryout making it just one of the so many problems to tackle. The government of Cameroon has done a reasonable amount of work to combat this practice even though not enough but individuals also have to make safety of the environment and the economy their concern as well. If this is done, greenhouse gases and other harmful substances will be reduced in the atmosphere. The rate of road accidents will also significantly drop, lesser vehicles are going to be dumped at road sides (sustainable development) and Cameroon would generally be a better place.

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