Report by Nsaikila Melaine December 17, 2019

Investment Decision-Making in Cameroon

Introduction / Problem Statement:

A Chinese investment firm has won a mining contract in Cameroon. Far from being the only activity they want to be engaged with, these investors also have an intention to cash-in on other opportunities within the 15-year period they will be in Cameroon.

To do so, they need to know the 3 top most common business ventures in each of the regional capital cities in Cameroon. While the ministry of trade and industry has some data and has provided the data to the Chinese investors, the investors think this data is largely insufficient to provide the required information. They then approach **Melaine Nsaikila**, a data scientist based in Cameroon's political capital of Yaoundé to help explore and provide the relevant information they need.

Description of the Data

The sole source of data for this project is Foursquare data. For each of the 10 regional headquarters, the foursquare 'explore' option is used to collect data and return venues within 50 km or 50,000 meters from the city center.

For each of the cities, the four variables returned by exploring foursquare within the set radius of the defined latitude and longitude of the city are venue **name**, **categories**, **latitude** and **longitude**. Given that the objective is to count venue categories and rank them based on their frequency in the city, a **City** variable is added to the data of each city when it is scrapped from foursquare. In the end, we have a combined dataset consisting of all the venues scrapped for the 10 regional capitals of Cameroon.

Getting the Venues

1) Yaoundé: Center Regional Capital

For Yaoundé, the Foursquare explore returns a total of 51 venues. This is shown by the tail of the dataset below, bearing in mind that the index count starts from zero (0).

yde_venues.tail()								
	City	name	categories	lat	Ing			
46	Yaounde	Odza	Outdoors & Recreation	3.805311	11.533938			
47	Yaounde	Carrefour Nsam	Plaza	3.825237	11.508088			
48	Yaounde	Marché Etoudi	Department Store	3.916250	11.525102			
49	Yaounde	Carrefour Tropicana	Plaza	3.817459	11.526640			
50	Yaounde	carrefour lle educative	Plaza	3.926502	11.525925			
	46 47 48 49	City 46 Yaounde 47 Yaounde 48 Yaounde 49 Yaounde	City name 46 Yaounde Odza 47 Yaounde Carrefour Nsam 48 Yaounde Marché Etoudi 49 Yaounde Carrefour Tropicana	Citynamecategories46YaoundeOdzaOutdoors & Recreation47YaoundeCarrefour NsamPlaza48YaoundeMarché EtoudiDepartment Store49YaoundeCarrefour TropicanaPlaza	Citynamecategorieslat46YaoundeOdzaOutdoors & Recreation3.80531147YaoundeCarrefour NsamPlaza3.82523748YaoundeMarché EtoudiDepartment Store3.91625049YaoundeCarrefour TropicanaPlaza3.817459			

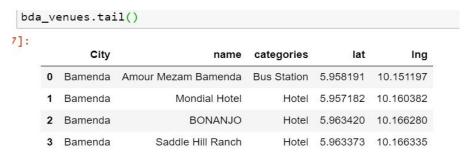
2) Douala: Littoral Regional Capital

Foursquare returns a total of 51 venues. The tail is shown below bearing in mind that the index count starts at zero (0).



3) Bamenda: North West Regional Capital

Foursquare returns a total of 4 venues in Bamenda. The tail is shown below.



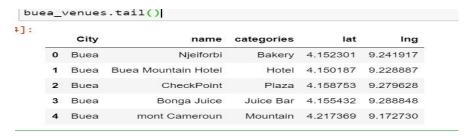
4) Bafoussam: West Regional Capital

Foursquare returns a total of 7 venues as show below by the dataset 'tail' end.



5) Buea: South West Regional Capital

A total of 6 venues are returned for the city of Buea as shown below.



6) Bertoua: Eastern Regional Capital

Three venues are returned for the city of Bertoua. This is shown below.



7) Maroua: Extreme North Regional Capital

Two venues are returned for Maroua as shown below.



8) Garoua: North Regional Capital

Three venues are returned for the city of Garoua as shown below.



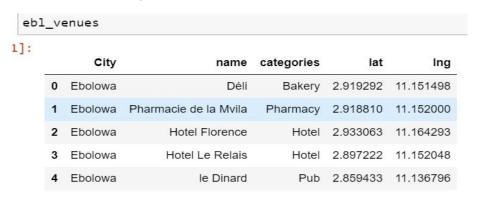
9) Ngaoundere: Adamawa Regional Capital

Four venues were returned for the city of Ngaoundere as shown below.



10) Ebolowa: South Regional Capital

Five venues are returned for the city of Ebolowa.



At every stage of the scrapping the data, we combined the data into one full dataset. At the end, all the collected data was merged into one full dataset with all the cities and the different variables together into one dataset called **cmr_venues_data**

We then grouped the data to return the different categories and realized that a total of **50 venues** categories are returned with the most frequent being **Bakery**, **Hotel**, **Hotel**, **Bar**, **Plaza**, **Lounge** and **Restaurant**.

Discussion

Using onehot encoding, I create dummies for the different categories and then group the data based on the mean frequency of each of the categories across the different cities.

	City	African Restaurant	Airport	Arepa Restaurant	Asian Restaurant	Athletics & Sports	BBQ Joint	Bakery	Bar	Beer Garden	Big Box Store	Bus Station	Café	c
0	Bafoussam	0.000000	0.000000	0.000000	0.142857	0.000000	0.000000	0.000000	0.142857	0.000000	0.000000	0.142857	0.000000	0.0
1	Bamenda	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.250000	0.000000	0.0
2	Bertoua	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.333333	0.000000	0.000000	0.333333	0.000000	0.0
3	Buea	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.200000	0.000000	0.000000	0.000000	0.000000	0.000000	0.0
4	Douala	0.039216	0.000000	0.019608	0.000000	0.019608	0.000000	0.117647	0.019608	0.019608	0.039216	0.000000	0.019608	0.0
5	Ebolowa	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.200000	0.000000	0.000000	0.000000	0.000000	0.000000	0.0
6	Garoua	0.000000	0.333333	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.0
7	Maroua	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.0
8	Ngaoundere	0.000000	0.250000	0.000000	0.000000	0.000000	0.000000	0.000000	0.250000	0.000000	0.000000	0.000000	0.000000	0.0
9	Yaounde	0.039216	0.000000	0.000000	0.000000	0.000000	0.019608	0.156863	0.058824	0.000000	0.000000	0.000000	0.019608	0.0

Following this step, I then run functions to tabulate in a pandas dataframe the first three most frequent venues in each city as seen below. The data is then handed to the Chinese investors to compare with whatever they have and make their business decisions.

6]:

	City	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue
0	Bafoussam	Snack Place	Shopping Mall	Asian Restaurant
1	Bamenda	Hotel	Bus Station	Turkish Restaurant
2	Bertoua	Bus Station	Resort	Bar
3	Buea	Mountain	Hotel	Bakery
4	Douala	Bakery	Ice Cream Shop	Lounge
5	Ebolowa	Hotel	Bakery	Pub
6	Garoua	Airport	Hotel	Fast Food Restaurant
7	Maroua	Hotel	Turkish Restaurant	Casino
8	Ngaoundere	Steakhouse	Airport	Bar
9	Yaounde	Bakery	Hotel	Bar

Shortcomings

It should be noted however that there are some shortcomings with the information that makes it more risky to base any investment decisions solely on it. These are;

- 1) Apart from Douala and Yaoundé with 50 venues each, no other city has more than 10 venues reported. As a resident of Cameroon and having lived in Douala and Yaounde, I can attest that there is definitely more than is on Foursquare.
- 2) Secondly, given that some cities have as low as three venues with different categories and bearing in mind that there could be more not available on foursquare, the ranking of those

three are automatic but in no way should be solely used for investment decisions until ground work has been done. Garoua and Bertoua are such examples.

Takeaways

The unavailability of venue data on Foursquare is indicative or suggests a lot of things which may need further investigation. The use of Foursquare within business premises in Cameroon and the availability and penetration of internet within the country.

The former might be encouraged by business owners through the provision of WiFi within their business premises.

If internet penetration is the issue, then business owners might not have much to do. Rather, public authorities, to boost the business climate and help in marketing the nation's private sector, must step up to provide the relevant infrastructure for internet access.