

JEUNE AFRIQUE ÉCONOMIE

Cameroon Renationalises Power Utility Eneo Into New State Entity Socadel

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Cameroon is restructuring its electricity sector with the transformation of Eneo — the country's dominant power utility — into Socadel, the Société Camerounaise de l'Électricité. The move marks a decisive shift back toward state control after years of mixed private-public management under the Actis-backed Eneo framework, and signals that Yaoundé is prepared to take direct ownership of the country's chronic energy challenges.

Eneo has long struggled to meet Cameroon's electricity demand, beset by ageing infrastructure, persistent load-shedding, and insufficient generation capacity to support industrial growth. The utility's difficulties have been compounded by structural underfunding, revenue losses from technical and commercial losses on the grid, and the inability to mobilise the capital investment needed to expand capacity meaningfully. By reabsorbing the entity into the public fold under the Socadel banner, the government is betting that executive-level political backing will unlock resources and decision-making authority that a privately-operated concessionaire could not access.

The critical question now is whether the name change and ownership restructuring will be accompanied by substantive reforms. Analysts and sector observers note that Cameroon's power problems are fundamentally tied to underinvestment in generation — particularly in hydropower, which accounts for a dominant share of the country's installed capacity — as well as inadequate transmission and distribution networks.

Socadel will inherit these structural deficits intact. Without a credible capital expenditure programme, reinforced by sovereign guarantees or multilateral financing, the new entity risks replicating Eneo's operational limitations under a different letterhead.

The government's ability to mobilise international partners and financing institutions will therefore be the decisive variable. Cameroon has significant untapped hydropower potential along the Sanaga River basin and elsewhere, and latent demand from both industrial consumers and a large unelectrified rural population. Gas-to-power development, drawing on Cameroon's domestic natural gas resources and the existing Kribi gas power plant infrastructure, also represents a credible expansion pathway if commercial frameworks can be stabilised under the new ownership model.

For the broader investment community tracking Central Africa, the Socadel transition is both a signal and a test. State-led energy sector consolidation can accelerate large project decisions when political will is genuine, but it equally introduces procurement and counterparty risk considerations that private developers and equipment suppliers must factor carefully. How Yaoundé structures Socadel's commercial relationships, tariff framework, and capital raise over the next 12 to 24 months will determine whether this restructuring represents a genuine inflection point or a short-term political manoeuvre ahead of longer-term reform.

Why this matters to partners and clients of Saga

Norwegian service companies with exposure to gas-to-power, small-scale LNG, and energy infrastructure in Central Africa should monitor the Socadel transition closely, as a stabilised state utility with executive backing could accelerate Cameroon's gas-to-power projects — particularly around Kribi — and open procurement windows for well services and gas processing. Companies active in power infrastructure financing and EPC contracting may find early engagement with the new entity strategically valuable as Socadel defines its capital programme. For now, the recommended posture is to monitor and prepare rather than commit, pending clarity on Socadel's governance structure and financing arrangements.

PARTNER ANGLES

- **LNG/Gas Processing:** Cameroon's gas-to-power ambitions at Kribi and beyond create a potential opening for Norwegian companies with small-scale LNG and gas processing expertise if Socadel accelerates domestic gas utilisation.
- **Drilling/Well Services:** Increased domestic gas demand to feed Socadel's generation portfolio could revive upstream drilling activity in Cameroon's onshore and shallow-water gas fields, benefiting well services providers.
- **Subsea/FPSO:** If gas-to-power expansion draws on offshore Cameroon gas reserves, subsea tie-back and production infrastructure opportunities may emerge for Norwegian subsea contractors.
- **Pipeline:** Expanding gas supply to new or upgraded power plants under Socadel will require pipeline infrastructure investment, a segment where Norwegian engineering firms carry relevant competence.
- **Service:** Norwegian consultancies and O&M service providers could position for technical advisory or asset management contracts as Socadel seeks to modernise inherited Eneo infrastructure.

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