

THE MINERAL INDUSTRY OF CENTRAL AFRICAN REPUBLIC

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The Central African Republic was essentially an agrarian nation; agriculture accounted for about 54% of the nation's gross domestic product (GDP), estimated to be \$1 billion (World Bank, October 1, 1998, Central African Republic at a glance, accessed April 20, 1999, at URL <http://www.sangonet.com/FichiersRessources2/CAR-StatsBanqueM97.html>). The mining sector, dominated by the production and export of diamond, historically contributed about 4% of the country's GDP. In 1997, the latest year for which data are available, diamond exports of \$67 million accounted for 39% of the nation's export earnings, down from 48% in 1996 (World Bank, October 1, 1998, Central African Republic at a glance, accessed April 20, 1999, at URL <http://www.sangonet.com/FichiersRessources2/CAR-StatsBanqueM97.html>).

Mineral legislation was based on French mining law. The Mining Code, law No. 61/208, of April 11, 1961, was under administrative review. Hydrocarbon legislation was based on the Petroleum Code, Ordinance No. 73/016, of February 10, 1973, and the Investment Code of 1990 encouraged foreign investment through guarantees against nationalization, expropriation, and freedom from political or economic interference under certain circumstances. The country was a member of the Union Douanière et Economique de l'Afrique Centrale and a member of the Organization pour l'Harmonization du Droit des Affaires en Afrique (OHADA); OHADA was instituted to reconcile the commercial laws of the 16 member nations.

Gold was recovered by artisanal miners. In 1997, Arafrique S.A.R.L., a subsidiary of Asquith Resources Inc. of Canada, acquired the prospecting and exploration permit for the Roandji gold concession from Howe Centrafrique S.A.R.L., the local subsidiary of United Reef Ltd. of Canada. United Reef retained a 3% net smelter returns royalty on the concession in the Bandas greenstone belt, approximately 320 kilometers east-northeast of Bangui. Arafrique extensively explored the Agoudou-Manga area on the Roandji permit during 1997. The results from Agoudou-Manga were not encouraging, leading Arafrique to begin the exploration of the Ndassima area in mid-1997. Additional geochemical surveys and percussion drilling on the property were done in 1998.

Artisanal diamond production supported a labor force estimated between 40,000 and 80,000. Diamond mining cooperatives were active. During 1997, Howe Centrafrique operated a 30-metric-ton-per-hour-capacity diamond-and-gold recovery plant at Mbala, on the Bamingui River for the joint venture of Trans Hex International Ltd. of Canada (47.1%), a subsidiary of the Trans Hex Group Ltd. of South Africa; United

Reef (32.9%); and local nationals (20%). In 1997, Howe Centrafrique drilled and evaluated alluvial terraces along the Bamingui, the Bangoran, and the Goumbiri Rivers. On the basis of the drilling program's limited increase of diamond reserves on the property and the political unrest in the country at the time, Trans Hex declined to contribute funds for additional operations (Trans Hex International Ltd., 1998). Despite the lack of Trans Hex support, Howe Centrafrique began mining at Mbala in May 1997. Decreasing diamond recovery in September and October led to the suspension of operations on October 15, 1997. Howe Centrafrique had produced more than 8,500 carats of diamond from the concession during exploration, pilot plant, and mining operations. Subsequent review of the operation by the joint-venture partners led to the decision in March 1998 to close the operation, to reclaim the mining area, and to sell the mining plant. The planned 1998 exploration of the Boungou concession by the Trans Hex-United Reef joint venture's Belafrique S.A.R.L. subsidiary was postponed.

Radisson Mining Resources Inc. of Canada had ceased funding its Central African Republic subsidiary, Radisson Centrafrique, by the beginning of 1997.

The lack of adequate transportation and industrial infrastructure, including the absence of a railway system, hindered the development of the nation's mineral industry. Security outside Bangui, the capital, was problematic. Shipments of diamond from the mines to Bangui have been robbed (Africa Energy & Mining, 1997). The military mutinies of 1996 and 1997 resulted in the insertion during April 1998 of an United Nation's (U.N.) peacekeeping force into Bangui. The U.N. forces were scheduled to leave the country in early 1999 (U.S. State Department, January 11, 1999, Central African Republic—Consular Information Sheet, accessed April 14, 1999, at URL http://travel.state.gov/central_african_republic.html).

Two greenstone belts, the Bandas and the Bogoin-Boali, outcrop in the Central African Republic and are the focal point of the nation's artisanal gold activity. Little of the country's 400,000-square-kilometer Precambrian terrane has been explored with modern techniques, leaving significant potential for the country to become an intriguing target for gold exploitation. Other mineral occurrences in the Central African Republic reported by the Direction Générale des Ressources Minérales included clay, copper, graphite, ilmenite, iron ore, lignite, limestone, manganese, monazite, rutile, tin, and uranium (Ministère des Ressources Énergétiques et Minérales, 1995).

References Cited

- Africa Energy & Mining, 1997, Security pact for mines: Africa Energy & Mining, no. 200, March 5, p. 7.
- Ministère des Ressources Énergétiques et Minérales, 1995, The mineral sector of the Central African Republic—An introduction: Bangui, Central African Republic, Ministère des Ressources Énergétiques et Minérales, 38 p.
- Trans Hex International Ltd., 1998, 1998 annual report: Toronto, Trans Hex International Ltd., 28 p.

Major Source of Information

Ministère des Ressources Énergétiques et Minérales
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TABLE 1
CENTRAL AFRICAN REPUBLIC: ESTIMATED PRODUCTION OF MINERAL COMMODITIES 1/

(Carats unless otherwise specified)

Commodity 2/	1994	1995	1996	1997	1998
Diamond	531,940 3/ 4/	530,000	470,000	500,000	530,000
Gold kilograms	138 3/	97 r/ 3/	90	90	100

r/ Revised.

1/ Includes data available through April 16, 1999.

2/ In addition to the commodities listed, modest quantities of unlisted varieties of crude construction materials (clays, gravel, sand, and stone) presumably are produced, but output is not reported, and available information is inadequate to make estimates of output levels.

3/ Reported figure.

4/ About 75% of total diamond production in 1994 was reported as being of gem quality.