CHAD

By Philip M. Mobbs

The mineral industry was poised to become a significant segment of Chad's economy as the Doba Basin project got underway. Subject to crude oil price fluctuations, the country could receive up to \$2 billion of revenue associated with petroleum production during the 30-year life of the Doba Basin project (Africa Energy & Mining, 2000; World Bank, 2000). In 2001, the change in the nation's gross domestic product (GDP) was estimated to be 8.9% (International Monetary Fund, 2002, p. 164). GDP had been estimated to be \$1.4 billion in 2000 (World Bank, 2001§¹). By 2004, when exportation of crude oil was scheduled to begin, Government income was expected to increase significantly with the revenue from petroleum development to be funneled into investment in the building, education, health, and transportation sectors.

Mineral production in the Republic of Chad included gold produced from Afko Corea Ltd.'s mine at Ganboké and placer deposits in the Mayo Dala Départment (formerly the Mayo Kebbi Préfecture); gravel, sand, and silt from the Chari and the Logone Rivers; limestone from the Louga quarry; natron (soda ash) from Lake Chad south and east of Liwa; and crushed rock from the Mani quarry at Dandi. Clay was mined from numerous pits to manufacture brick. Salt was mined from various locations. The country's undeveloped mineral resources included bauxite near Guidara; columbium (niobium)-tantalum in the Tibesti region; diatomite at Faya Largeau and at Koro Toro; graphite at Gabil and near Waya Waya; kaolin near Kelo and near Abou Déïa; limestone near Baoaré and in the north; marble at Dolko, Teubara, and in the Ouaddaï region; soapstone near Léré; and tin and tungsten deposits in the Tibesti region. Additionally, occurrences of chromite, copper, diamond, iron, lead, nickel, titanium, uranium, and zinc were reported (Mining Journal, 2000; European Union, 1998§; Direction de Recherches Géologiques et Miniéres, written commun., [undated]).

In 2001, Afko began production at its \$20 million gold mine at Ganboké, about 300 kilometers (km) south of N'Djamena. Conflicting reports place the mine's output in a range from 5 to 200 metric tons per day of ore (U.S. Embassy, N'Djamena, Chad, 2000; Africa Mining Intelligence, 2001).

The Esso Exploration and Production Chad, Inc. (EssoChad) (40% equity interest), Petroliam Nasional Bhd. (35%), and Chevron Overseas Petroleum Inc. (25%) consortium continued their Chad/Cameroon export pipeline and Doba Basin oilfield development project. The Doba Basin accounted for most of Chad's recoverable crude oil resources, which were estimated to be 1 billion barrels (U.S. Energy Information Administration, February 2000§). In 2001, the consortium's first drilling rig was reassembled and commissioned. In December, the rig spudded a test well near Nya. At Komé, construction of the field's pumping and treatment facilities commenced. Brush and tree clearance began along the right of way for the 1,070-km

Chad-Cameroon export pipeline (Esso Exploration and Production Chad, Inc., [undated]§). In December, the first segments of the pipeline were welded together and laid in a 2meter-deep trench near Belabo, Cameroon.

Controversy continued to dog the Doba Basin development and export pipeline project. In 2001, the World Bank investigated allegations of the diversion by the Chadian Government of a portion of a \$25 million bonus paid by the EssoChad consortium in May 2000 (which was prior to the World Bank's approval of a loan to finance the Government's interest in the Doba Basin Development) to buy armament instead of routing the funds from the oil project through the proposed oil revenue oversight committee (Africa Energy Intelligence, 2000, 2002a). The Government subsequently established the World Bank-approved College de Control et de Surveillance des Revenus Petrolliers to oversee the use of the oil project's funds.

Another petroleum development project in Chad included the redevelopment of the Sedigui oilfield; the laying of a 317-km pipeline from the field to a planned oil refinery at Farcha, near N'Djamena; the construction of the proposed 5,000-barrel-perday-capacity refinery; and the construction of a 16-megawatt powerplant at Farcha. The project stalled in 2001, as the construction contractor (Concorp International Ltd. of Sudan) failed to complete the pipeline and the refinery facilities (Africa Energy Intelligence, 2001a, b, 2002b).

References Cited

- Africa Energy Intelligence, 2000, Chad—How to use oil dividend: Africa Energy Intelligence, no. 287, November 22, p. 5.
- Africa Energy Intelligence, 2001a, Chad—Has Concorp tossed in towel?: Africa Energy Intelligence, no. 311, November 28, p. 3.
- Africa Energy Intelligence, 2001b, Chad—Vivendi counting on Sedigui: Africa Energy Intelligence, no. 301, June 20, p. 1.
- Africa Energy Intelligence, 2002a, Chad—A flap at World Bank: Africa Energy Intelligence, no. 317, February 27, p. 4.
- Africa Energy Intelligence, 2002b, Chad—Inquiry into IPP project: Africa Energy Intelligence, no. 315, January 30, p. 6.
- Africa Energy & Mining, 2000, Chad/Cameroon—Fallout from oil projects: Africa Energy & Mining, no. 284, October 11, p. 4.
- Africa Mining Intelligence, 2001, First gold mine inaugurated: Africa Mining Intelligence, no. 13, April 25, p. 3.
- International Monetary Fund, 2002, World economic outlook—Recessions and recoveries: Washington, DC, International Monetary Fund, 225 p.
- Mining Journal, 2000, Chad: Mining Annual Review 2000, v. 1.0, CD-ROM.
- U.S. Embassy, N'Djamena, Chad, 2000, Gold mining in Chad: U.S. Department of State Telegram 001775, November 14, 2 p.
- World Bank, 2000, World Bank Group approves support for Chad-Cameroon petroleum development and pipeline project: Washington, DC, World Bank news release 2000/395/AFR, June 6, 3 p.

Internet References Cited

Esso Exploration and Production Chad, Inc., [undated], Supporting documents—Section 1—Project overview, accessed April 7, 2001, via URL http://www.essochad.com/eaff/essochad/documentation/english/ sd_v1_toc.html.

¹References that include a section twist (§) are found in the Internet References Cited section.

- European Union, 1998, Country profile—Chad—Section 4—Geology and mineral deposits, accessed August 25, 1998, at URL http://www.mines98.com/country/td/index.htm.
- U.S. Energy Information Administration, 2000 (February), Chad—Energy overview, Country Analysis Briefs, accessed November 2, 2000, at URL http://www.eia.doe.gov/emeu/cabs/chad.html.
- World Bank, 2001 (September 2), Chad at a glance, accessed May 15, 2002, via http://www.worldbank.org/data/countrydata/countrydata/html/.

Major Sources of Information

Direction de Recherche des Mines et de la Géologie Ministère des Mines, de l'Energie et du Petrole B.P. 906 N'Djamena, Chad Telephone: +(235) 51-2-66 Fax: +(235) 51-5-330 Direction de Petrole Ministère des Mines, de l'Energie et du Petrole B.P. 94 N'Djamena, Chad Telephone: +(235) 52-38-50 Fax.: +(235) 52-25-65