

# THE MINERAL INDUSTRY OF CENTRAL AFRICAN REPUBLIC

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The Central African Republic's mining industry remained dominated by the production and export of alluvial diamonds of gem quality and the production and export of gold. The mining sector of the Central African Republic historically has contributed about 4% of the Nation's gross domestic product and accounted for 40% to 50% of export earnings. Increased production and export of diamonds were due partly to the Government's recent administrative and regulatory reforms with regard to the diamond sector. The Government actively encouraged foreign investment in the mineral sector.

Mining legislation in the country was based on the Mining Code, law No. 61/208, of April 11, 1961. The law was subsequently modified, beginning in 1979. Additional amendments have been made to the law to provide guidelines for the ownership, exploitation, possession, and marketing of gold and raw diamonds. Permission of the Ministry of Mines was required for mining and purchasing of precious stones and minerals. Three types of mining permits existed, a prospecting and reconnaissance license, an exploration license, and a mining license.

Hydrocarbon legislation was based on the Petroleum Code, Ordinance No. 73/016, of February 10, 1973. Rewritten in 1990, the Central African Republic's Investment Code encouraged foreign investment through guarantees against nationalization, expropriation, and freedom from political or economic interference under certain circumstances.

The export market of the country was dominated by diamonds, followed by cotton, coffee, tobacco, and livestock. In general, accurate production and export figures for both diamonds and gold were unavailable due to widespread smuggling. Additionally, official statistics may be underreported, attributable perhaps to diamond miners' attempts to avoid the 10% export tax. (*See table 1.*)

Gold was recovered primarily by artisanal miners. However, at yearend, Canada's United Reef Petroleum Ltd. was negotiating for a concession at Roandji, which had been the hub of gold mining activity earlier in the century. Additionally, the nation's two relatively unexplored Archaean greenstone belts, the Bandas and the Bogoin-Boali, were significant gold exploration targets.<sup>2</sup>

Diamond production supported an artisanal labor force of about 40,000, primarily in the riverbeds surrounding Carnot and Berberati, where the stones were more abundant, but of lower quality. Additionally, diamonds were mined at Bria. Diamond

mining cooperatives were active as well as United Reef, which through its local subsidiary, Howe Centrafrique Ltd., was the sole foreign company actively mining diamonds.

Howe Centrafrique opened the Bamingui River recovery plant in June. By July, the plant was processing gravel at its nominal capacity, 30 tons per hour according to the Northern Miner. Howe Centrafrique continued exploration drilling at the Bamingui River concession and secured the Boungou River exploration permit from United Reef's former joint-venture partner, Belore Mines Ltd. At the beginning of the year, Ateba Mines Inc. of Canada had obtained the right to 2.25% of the gross proceeds from the Bamingui River operation.

An official diamond exchange was opened in 1995 for small-scale producers and licensed dealers.

The Central African Republic had no crude petroleum or natural gas production and no hydrocarbon refining capacity. All petroleum needs were imported by the parastatal (State-owned or controlled) Petroca. However, a large percentage of petroleum products were smuggled and sold illegally. Seismic exploration was conducted between 1975 and 1985, but a wildcat well, drilled at Aoukale, near the Chadian border, between 1985 and 1986, revealed no significant hydrocarbons.

Other minerals reported in the Central African Republic include copper, iron ore, limestone, manganese, and uranium. A lack of adequate transportation and industrial infrastructure, including the absence of a railway system, continues to hinder the Nation's development of a viable mineral industry. However, easily transported, high-value minerals, such as diamond and gold were expected to benefit from further Government administrative and regulatory reforms.

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<sup>1</sup>Text prepared June 1995 by Thomas P. Dolley, revised Apr. 1996 by Philip M. Mobbs.

<sup>2</sup>Harris, J. M. Central African Republic: gold potential. *Mining Journal*, v. 326, No. 8362, Jan. 26, 1996, p. 45.

## Other Source of Information

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TABLE 1  
CENTRAL AFRICAN REPUBLIC: PRODUCTION OF MINERAL COMMODITIES 1/

(Carats unless otherwise specified)

Commodity 2/	1991	1992	1993	1994	1995 e/
<b>Diamond:</b>					
Gem	296,320 3/	307,442 3/	370,000 e/	400,000 e/	400,000
Industrial	82,323 3/	106,522 3/	125,000 e/	131,000 e/	130,000
Total	378,643 3/	413,964 3/	495,000	531,000	530,000
Gold	176	155	180	87	90

e/ Estimated. r/ Revised.

1/ Includes data available through Apr. 24, 1996.

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/ Whereas these numbers are the same as those published in The Mineral Industry of the Central African Republic-1993, this data is different from that published in The Mineral Industry of the Central African Republic-1994, as the 1994 numbers were rounded.