

THE MINERAL INDUSTRY OF CHAD

By Philip M. Mobbs¹

The mineral industry did not play a significant role in the Republic of Chad's economy. Natron (soda ash) and salt were the only mineral commodities produced, primarily for domestic consumption, and only on a small scale.

The Government actively encouraged foreign investment, but the landlocked geography and lack of suitable infrastructure in addition to the lack of process water remained impediments to foreign companies' participation. Chad's investment code allowed for 100% foreign ownership of companies, with the exception of those involved in national security and strategic industries. Mining legislation in Chad was based on Mining Code No. 7/PC/TP/MH of January 18, 1962, and Petroleum Code No. 7/PC/TP/MH of February 3, 1962. The Government continued to support a mineral policy centered on the exploration and development of domestic hydrocarbons.

Late 1980's mineralogical research programs by Chad's Direction de Recherches Géologiques et Minières (DRGM) funded by the United Nations Development Program (UNDP) identified tin, tungsten, and uranium mineralization in the Tibesti massif in the northwestern part of the country. In the southwest, the UNDP/DRGM had studied the bauxite deposit at Koro de Laï, an estimated 7 million metric tons (Mt) grading 57% Al₂O₃, as well as gold at Mayo-Kebbi and Lere. Diatomite, dolomite, granite, kaolin, limestone, and marble deposits were also reported.²

Chad had no significant hydrocarbon production. However, crude oil was discovered in Chad in 1974 at Sedigi, north of Lake Chad, about 300 kilometers from N'Djamena. Esso Exploration and Production Chad, a consortium of Exxon of the United States (40%), Royal Dutch/Shell of the Netherlands and the United Kingdom (40%), and France's Société Nationale Elf Aquitaine (20%) had recently confirmed the presence of crude oil there and had proposed to begin production. Esso Chad was also exploring the Doba basin in the southwestern part of the country.

The original proposal to construct an oil pipeline from Sedigi to a 3,000-barrel-per-day refinery in N'Djamena and

then to extend the pipeline to an export terminal in Cameroon was revised. Instead, negotiations for a pipeline from the Doba basin, which included the Bolobo, Kome, and Miandoum Fields, through Cameroon to the coast, were underway. Esso Chad held 80% of the export pipeline project with the Société Nationale des Hydrocarbures of Cameroon (15%) and the Government of Chad (5%) holding the rest of the equity in the project.

Petroleum products consumed in Chad were exclusively imported from Nigeria and Cameroon. Lacking railway or pipeline facilities, importation of petroleum in Chad was by trucks, which were privately owned and operated. Much of the nation's commerce relied heavily on roadways, although some mineral trade moved via the Logone River.

Traditional fuels such as wood were still heavily utilized in Chad. All electrical power was produced by diesel generators utilizing imported fuel. Total installed electric generating capacity, managed by Société Tchadienne d'Energie Electrique, amounted to 38 megawatts. Only the major cities of N'Djamena, Moundou, and Abéché possessed electric power, and they were not interconnected. The communications network infrastructure was embryonic.

Civil War, drought, famine, lack of infrastructure, and recurrent political instability remained detrimental to foreign investment in Chad.

¹Text prepared Aug. 1995 by Thomas P. Dolley, revised Apr. 1996 by Philip M. Mobbs.

²Mining Journal. Chad Country Supplement. V. 325, No. 8345, Sept. 22, 1995, 12 pp.

Other Source of Information

Ministry of Mines, Energy, and Petroleum
B.P. 815
N'djamena, Chad
Telephone: (235) 51-61-57
Fax: (235) 51-25-65