



2008 Minerals Yearbook

CONGO (BRAZZAVILLE)

THE MINERAL INDUSTRY OF CONGO (BRAZZAVILLE)

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High international oil prices in early 2008 resulted in a significant boost to the economy of the Republic of the Congo, also known as Congo (Brazzaville). The petroleum sector output was estimated to account for about 94% of the country's exports, about 87% of Government revenues, and about 68% of the country's gross domestic product. In 2008, Congo (Brazzaville) ranked eighth among African crude oil producers (BP p.l.c., 2009, p. 8; International Monetary Fund, 2009, p. 17, 18).

Mining is regulated by the Code Minier (law No. 4-2005). The petroleum sector is regulated by the Code des Hydrocarbures (law No. 24-1994). Congo (Brazzaville) was a participant in the Kimberley Process Certification Scheme (Kimberley Process) and, in February, was accepted as a candidate country by the Extractive Industries Transparency Initiative.

Production

Most of Congo (Brazzaville)'s hydrocarbons were produced from offshore fields. Most of the natural gas produced was flared because of the lack of gas-gathering infrastructure.

Significant increases in diamond and liquid petroleum gas (butane and propane) output were posted in 2008. Official diamond production and trade had been proscribed between 2004 and November 2007 when Congo (Brazzaville) was readmitted as a participant in the Kimberley Process and allowed to resume trade of diamond with Kimberley Process participant nations (which accounted for about 98% of the international diamond trade). The notable decrease in refined petroleum product in 2008 was attributed to maintenance and renovation of the crude oil refinery of state-owned Congolaise de Raffinage (CORAF).

Structure of the Mineral Industry

The mineral sector is under the jurisdiction of the Ministère des Mines, des Industries Minières et de la Géologie. Most mining activity is artisanal. The Ministère des Hydrocarbures regulates the hydrocarbon sector. State-owned Société Nationale des Pétroles du Congo (SNPC) manages the Government's interest in petroleum and natural gas, and international oil companies operate many of the oilfields.

Commodity Review

Metals

The updated (2005) mining law and high international mineral prices in 2008 resulted in a surge in mineral exploration interest in Congo (Brazzaville). Century Aluminum Congo S.A., which was a subsidiary of Century Aluminum Co. of the United States, continued its evaluation of bauxite deposits. The Société de Recherche et d'Exploitation Minière, which was a subsidiary

of Gerald Metals, Inc. of the United States, started exploration for copper, lead, and zinc, as did the local subsidiary of Sanu Resources Ltd. of Canada. Compagnie Minière du Chaillu, which was a subsidiary of Mexivada Mining Corp. of Canada, continued its exploration for diamond and gold. Companies that explored for iron ore included Congo Iron S.A., which was subsidiary of Sundance Resources Ltd. of Australia; Congo Mining Ltd., which was a subsidiary of Geominex Resources Ltd. of the United Kingdom; DMC Iron Congo S.A.R.L., which was subsidiary of DMC Mining Ltd. of Australia; IDG Resources, which was a subsidiary of Industrial Development Group of South Africa; and Mining Projects Development Congo S.A., which was a subsidiary of Mining Projects Development of the United Kingdom.

Magnesium.—In 2008, MagMetals Inc., which was a division of MagIndustries Corp. of Canada, acquired the rights to use Norsk Hydro ASA's electrolytic magnesium extraction technology at its planned 60,000-metric-ton-per-year (t/yr)-capacity magnesium smelter, which was to be built adjacent to the Kouilou fertilizer plant. MagMetals also acquired equipment from Hydro's Bécancour magnesium plant in Quebec, Canada, which was closed in 2007 (MagIndustries Corp., 2008a).

Industrial Minerals

Cement.—Société Nouvelle des Ciments du Congo at Loutete was unable to satisfy domestic demand for cement. In 2008, the Government contracted for the construction a second cement plant. The new 500,000-t/yr-capacity plant would be located at Madingou (AfricanEconomicOutlook.org, undated).

Potash.—MagMinerals Inc., which also was a division of MagIndustries, completed the feasibility study of the Kouilou potash mine in 2008 and subsequently was granted a 25-year potash mining license. The capital cost of the 600,000-t/yr-capacity solution-mining project was estimated to be \$723 million. The mine was projected to produce a magnesium- and potassium-rich brine, which would be used to produce granular potash fertilizer. Congo Potash Co. of Canada acquired a research permit to explore for potash in the Tchizalamou area, which is located near MagMinerals' Kouilou project (MagIndustries Corp., 2008b).

Mineral Fuels

Petroleum.—The joint venture of Total Exploration & Production Congo (53.5%); Chevron Overseas (Congo) Ltd. (31.5%); and SNPC (15%) started production from the 90,000-barrel-per-day-capacity Moho-Bilondo field, which was Congo (Brazzaville)'s first deepwater oilfield. Crude oil from the field, which was located about 80 kilometers offshore, was piped back to the onshore Djeno terminal, and the natural gas was piped to the offshore Nkossa platform (Snieckus, 2008, p. 35).

ENI SpA acquired Burren Energy PLC in 2008. Burren's assets in Congo (Brazzaville) included 30.6% interest in the onshore M'Boundi field, which had been held by its subsidiary Tacoma Resources Ltd., and interest in the Tchikatanga tar sands. Tullow Oil plc of the United Kingdom divested its 11% interest in the onshore M'Boundi field, which had been held by its subsidiary Energy Africa Congo Ltd., to Korean National Oil Co.

Outlook

The Government's proposed repaving of the highway from Brazzaville to Point Noire, the renovation of the Chemin de Fer Congo Océan rail line from Brazzaville to its coastal terminal at Point Noire, and DMC Mining's planned rehabilitation of the railroad from Mbinda to Dolisie (near Loubomo, where it would connect to the Chemin de Fer Congo Océan), are expected to significantly enhance the movement of ores, mineral-based products, and other bulk materials in southern Congo (Brazzaville).

The petroleum sector is expected to remain the cornerstone of the country's economy for the immediate future. Output from Total's offshore Moho-Bilondo field, which started production in 2008, is expected to account for nearly 30% of the country's crude oil output by 2010. Output from the deepwater Azurite prospect also is expected to increase national oil production significantly. CORAF's renovation would allow the refinery to

process crude oil from the Moho-Bilondo field, which would reduce the country's dependence on imported refined petroleum products.

In addition to exploration activity in the petroleum sector, prospecting and reconnaissance-stage exploration continued for diamond and metal ores. The redevelopment of coastal potash deposits is expected to result in the resumption of potash production in 2012.

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TABLE 1
CONGO (BRAZZAVILLE): ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

Commodity ³		2004	2005	2006	2007	2008
Cement	metric tons	--	100,000	100,000	100,000	100,000
Diamond	carats	50,000	-- ⁴	-- ⁴	22,000 ^{r,5}	110,000 ⁵
Gold, mine output, Au content	kilograms	160	120	100	100	100
Lime	metric tons	400	400	400	400	400
Liquid petroleum gas ⁶	thousand 42-gallon barrels	919 ⁵	766 ⁵	2,960 ⁵	1,016 ^{r,5}	1,610 ⁵
Petroleum:						
Crude	do.	82,069 ⁵	92,550 ⁵	93,261 ⁵	81,700 ⁵	85,037 ⁵
Refined	do.	2,700	3,000	3,500	3,500	2,500

¹Revised. do. Ditto. -- Zero.

²Estimated data are rounded to no more than three significant digits.

³Table includes data available through January 20, 2010.

⁴In addition to the commodities listed, crude construction materials (for example, clay, sand and gravel, and stone) were produced, but available information is inadequate to make reliable estimates of output. Natural gas is also produced, but output is flared, reinjected, or vented.

⁵No official diamond production was reported. Artisanal production and diamond exploration continued.

⁶Reported figure.

⁷Includes butane and propane.

TABLE 2
CONGO (BRAZZAVILLE): STRUCTURE OF THE MINERAL INDUSTRY IN 2008

(Thousand 42-gallon barrels unless otherwise specified)

Commodity		Major operating companies and and major equity owners	Location of main facilities	Annual capacity ^c
Cement	metric tons	Société Nouvelle des Ciments du Congo (Société National Chinoise des Travaux des Ponts et Chaussées, 56%, and Government, 44%)	Loutete	250,000
Diamond	carats	Artisanal production	Kouilou, Lekoumou, Likouala, Niari, and West Cuvette regions	50,000
Gold	kilograms	do.	Various locations	100
Liquefied petroleum gas		Total Exploration & Production Congo, 51%; Chevron Overseas (Congo) Ltd., 20%; Société Nationale des Pétroles du Congo (SNPC), 15%; Energy Africa Congo Ltd., 4%	Nkossa field, offshore	3,000
Petroleum:				
Crude		Total Exploration & Production Congo, 53.5%; Chevron Overseas (Congo) Ltd., 31.5%; Société Nationale des Pétroles du Congo (SNPC), 15%	Moho-Bilondo field, offshore	32,000
Do.		Total Exploration & Production Congo, 51%; Chevron Overseas (Congo) Ltd., 20%; Société Nationale des Pétroles du Congo (SNPC), 15%; Energy Africa Congo Ltd., 4%	Nkossa field, offshore	25,000
Do.		Total Exploration & Production Congo, 65%, and Eni Congo S.A., 35%	Kombi, Likalala, Tchibeli, and Tchibouela fields offshore	25,000
Do.		Eni Congo S.A., 74%; Korea National Oil Co., 11%; Société Nationale des Pétroles du Congo (SNPC), 8.8%	M'Boundi field, onshore	20,000
Do.		Eni Congo S.A., 35.75%; Société Nationale des Pétroles du Congo (SNPC), 35%; Chevron Overseas (Congo) Ltd., 29.25%	Kitina field, offshore	15,000
Do.		Eni Congo S.A., 65%, and Total Exploration & Production Congo, 35%	Zatchi field, offshore	12,000
Do.		Total Exploration & Production Congo, 55.25%; Eni Congo S.A., 29.75%; Société Nationale des Pétroles du Congo (SNPC), 15%	Sendji and Yanga fields, offshore	9,500
Do.		Eni Congo S.A., 65%, and Société Nationale des Pétroles du Congo (SNPC), 35%	Djambala, Foukanda, and Mwafi fields, offshore	7,300
Do.		Congorep [Perenco Group, 51%, and Société Nationale des Pétroles du Congo (SNPC), 49%]	Emeraude and Yombo fields, offshore	6,500
Do.		Likouala S.A., 65%, and Eni Congo S.A., 35%	Likouala field, offshore	3,800
Do.		CMS NOMECCO Congo [Société Nationale de Recherche et d'Exploration Pétrolière (SNPC), 50%; Perenco Group, 25%; Nuevo Congo Co., 18.75%; Kuwait Foreign Petroleum Exploration Co. (K.S.C.), 6.25%]	Yombo field, offshore	3,600
Do.		Total Exploration & Production Congo, 65%, and Eni Congo S.A., 35%	Tchendo field, offshore	3,000
Do.		Eni Congo S.A.	Kouakouala field, onshore	500
Do.		do.	Ikalou-Ikalou Sud field	NA
Do.		Prestoil Kouilou, 45%; Société Nationale des Pétroles du Congo (SNPC), 35%; Zetah Maurel & Prom Congo S.A., 20%	Tilapia field, offshore	100
Do.		Société Africaine Oil Corp.	Pointe-Indienne field, onshore	50
Refined product		Congolaise de Raffinage (CORAF) [Société Nationale des Pétroles du Congo (SNPC), 100%]	Pointe Noire	7,600

^cEstimated; estimated data are rounded to no more than three significant digits. Do., do. Ditto. NA Not available.

