

# THE MINERAL INDUSTRY OF CAMEROON

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Production of Cameroon's two main mineral commodities, crude petroleum and aluminum, declined significantly in 1994. The former commodity production decline was due, in large part, to declining productivity in existing oilfields; the latter's attributed to the importation of 100% of the alumina used at the smelter and international agreements to reduce aluminum production.

Cameroon remained sub-Saharan Africa's fifth largest petroleum producer following Nigeria, Angola, Gabon, and Congo. Crude oil production continued to be of major economic importance to Cameroon and accounts for the bulk of the Nation's foreign exchange earnings in any given year. In the previous decade, more favorable world oil prices enabled the oil sector to account for about 45% of total Government revenues. However, extant oilfields continued to decline, a trend which has developed in the past several years. Without further petroleum discoveries, Cameroon could become a net energy importer by the turn of the century.

Cameroon's estimated gross domestic product for 1993, the last year for which data were available, was \$19 billion.<sup>2</sup> A lack of sufficient infrastructure continued to hamper the development of a viable mineral industry in Cameroon. Additionally, political strife continued to plague the country in 1994.

The legal system of Cameroon is modeled after French civil law. The mineral policy and legislation of Cameroon is based on the Mining Code, Law 64-LF-3 of April 6, 1964, and Decree 64-DF-163 of May 26, 1964. Other pertinent legislation is the Mining Taxation Code, Law 64-LF-13 of November 18, 1968, and the decree regulating oil companies, Law 82-20 of November 26, 1982.

The primary mining organization in Cameroon was the Government's Ministry of Mines, Energy, and Water Resources. The Government actively promoted investment in the mining sector, and foreign companies were usually involved in joint ventures with Cameroonian partners. Société Nationale des Hydrocarbures (SNH) was the state-owned company involved in hydrocarbon exploitation. SNH consulted with the Ministry of Mines, Energy, and Water Resources in the awarding of exploration permits and production concessions. Under current agreements, the Government was entitled to 60% to 70% of total domestic crude petroleum production from the existing operators, depending on the production levels.

Additionally, the parastatal (government-controlled

company) Fonds de Soutien aux Hydrocarbures was formed to aid oil exploration and production. Compagnie Camérounaise de l'Aluminium (Alucam), and the Société Nationale de Raffinage (Sonara) were the state-owned companies that managed the aluminum smelting and oil refining facilities, respectively. SNH held a 20% equity share of the Sonara refinery.

Crude petroleum remained the major mineral commodity of Cameroon in 1994. The small-scale mining of cassiterite appeared to have ceased, and the mining of bauxite and rutile resources remained in the planning stages. In the past several years, it became increasingly difficult to obtain Government statistics on the mining industry. The Ministry of Mines, Energy, and Water Resources, along with the Ministry of Planning and Regional Development's Department of Statistics and National Accounts, were unable to publish mineral production statistics owing to financial difficulties. (*See table 1.*)

The most prolific crude oil-producing regions were the offshore Rio del Rey Basin, northwest of Victoria, and the adjacent Lokélé concession about 35 kilometers offshore. The two main petroleum operators in Cameroon were Pecten International Co. (Pecten), a subsidiary of Shell Oil of the United States, and France's Société Nationale Elf Aquitaine subsidiary Elf Serepca (Elf). Pecten and Elf accounted for about 80% of Cameroon's oil production. Elf was the operator of the Rio del Rey concession with equity ownership of 26% by Elf, 24% by Pecten, and 50% by SNH. Pecten was the operator of the Lokélé concession with equity ownership of 40% by Pecten, 10% by Elf, and 50% by SNH. The Rio del Rey concession went into production in 1977 and Lokélé in 1983. These mature oilfields were experiencing declining production, and both operators were beginning to utilize natural gas reinjection to obtain a more productive life out of the fields. Natural gas reinjection was more environmentally favorable than the traditional natural gas flaring. To comply with sound environmental practices, both Pecten and Elf were attempting waste minimization programs and the monitoring of oil and grease produced at their wellheads.

The existing aluminum smelter at Edea was managed by Alucam and has a design production capacity of 85,000 metric tons per year (mt/a); however, the actual production capacity was somewhat lower. Alucam's equity ownership was by Pechiney of France (58%) and the Government

(42%). The plant utilized alumina imported from Guinea. Capacity expansion of the Edea smelter to 160,000 mt/a remained in the planning stages.

According to World Bank estimates, recoverable crude oil reserves in Cameroon's mature oilfields were about 210 million barrels. Cameroon's reserves of natural gas were considerable, estimated at 100 billion cubic meters. Cameroon hosted a variety of mineral deposits, but few have been commercially exploited. The development of a viable mineral industry in Cameroon was delayed owing to

inadequate infrastructure, insufficient electrical power, and a lack of financing. Additionally, the Government was hoping that the recent devaluation of the Communauté Financière Africaine franc would attract much-needed foreign investment in the country's development projects.

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<sup>1</sup>Text prepared Aug. 1995.

<sup>2</sup>Where necessary, values have been converted from Communauté Financière Africaine francs (CFAF) to U.S. dollars at the rate of CFAF555.20=US\$1.00.

TABLE 1  
CAMEROON: PRODUCTION OF MINERAL COMMODITIES 1/ 2/

Commodity 3/		1990	1991	1992	1993	1994 e/
Aluminum metal, primary	metric tons	93,300	82,500	82,500	86,500	78,000
Cement, hydraulic	do.	624,000	622,000	620,000	620,000	620,000
Gold, mine output, Au content e/	kilograms	10	10	10	10	10
Petroleum, crude	thousand 42-gallon barrels	64,600	55,500	50,400	42,700	34,600
Pozzolana e/	metric tons	130,000	130,000	130,000	130,000	130,000
Stone: e/						
Limestone	do.	57,000	57,000	57,000	57,000	57,000
Marble	do.	200	200	200	200	200
Tin, ore and concentrate: e/						
Gross weight	kilograms	4,300	4,300	4,300	4,300	4,300
Sn content	do.	3,050	3,050	3,050	3,000	3,050

e/ Estimated.

1/ Previously published and 1994 data are rounded by the U.S. Bureau of Mines to three significant digits; may not add to totals shown.

2/ Includes data available through Aug. 1995.

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