

THE MINERAL INDUSTRY OF

CONGO

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Crude petroleum production in the Republic of Congo remained at a steady state in 1994, compared with 1993. Despite difficult economic problems in 1994, crude petroleum production and export remained the most important economic activity in the Congo. In any given year, crude petroleum and natural gas generate approximately 90% of Congo's export earnings. Congo's gross domestic product (GDP) was about \$7 billion² in 1993, the last year for which data were available.

New hydrocarbon discoveries were in the development stages and will eventually contribute to overall production. More than 90% of oil production came from offshore sources. The production of other minerals, specifically copper, gold, lead, and zinc, had declined or been terminated for an indefinite period. Small private firms involved in gold mining were closing and exploration remained at a standstill, which was one reason for the mining downturn. Gold production is currently localized and at an artisanal level.

During the year, the Government continued with economic austerity measures, including bureaucratic streamlining. Privatization of parastatals (government-controlled industries) was in an embryonic stage. The Government actively encouraged foreign investment. The investment code of 1992 should facilitate increased business activity and profit reinvestment through tax breaks and easing the bureaucratic process. Mining legislation in Congo was based on law 29-62 of June 1962. The law was amended several times, most recently with Decree No. 86/814 of June 11, 1986. In general, mining was carried out by the state or through joint-venture agreements. Created in 1979, the Government parastatal Société Congolaise de Recherche et d'Exploitation Minière was involved with the exploitation of all nonfuel ores and minerals. Hydro-Congo was the state-owned petroleum company, and Société de Cimenterie du Congo was the parastatal charged with cement production and sales.

Historically, the United States and France have been major importers of Congolese crude oil. Congo exported about 903,000 barrels of crude oil to France in 1994. In past years, France supplied about 50% of Congo's imports, which included heavy machinery, vehicles, clothing, medicines, consumer goods, business equipment, and foodstuff. Owing predominantly to transport costs, the United States accounted for only 2% to 4% of Congo's total imports.

Congo was not a member of the Organization of Petroleum

Exporting Countries (OPEC) and not subject to OPEC-imposed production quotas. Foreign companies and expertise played a primary role in the continuing development of the hydrocarbons sector. Two main companies managed the vast majority of petroleum production in Congo. France's Société Nationale Elf Aquitaine (Elf), operating through its subsidiary Elf-Congo, was the primary petroleum producer, with about 71% of Congo's total crude oil output in 1993, the last year for which data were available. Elf's most prolific oilfield in Congo was the offshore Tchibouela Field. In 1994, Elf sold a 7.5% share of its stake in the offshore N'Kossa Field to Engen Exploration Ltd. of South Africa. Hydro-Congo will maintain its 15% interest in the project. The N'Kossa Field represented Congo's deepest offshore development and was anticipated to produce a total of 100,000 barrels per day (bbl/d) of crude oil and natural gas liquids upon completion in 1996.

Accounting for much of the remaining 29% of Congo's 1993 oil production was Italy's Azienda Generali Italiana Petroli S.p.A. (Agip-Congo). Agip-Congo's most prolific oilfield in Congo was the offshore Zatchi Field. In mid-1994, Agip-Congo signed three agreements for exploration and production-sharing for the offshore Kitina, Marine VI, and Marine VII oilfields. Total throughput petroleum refining capacity in Congo was 21,000 bbl/d at one refinery.

According to the *Oil and Gas Journal*, estimated petroleum reserves in Congo totaled 1.3 billion barrels; however, this figure could increase pending new oilfield discoveries and enhanced recovery techniques. Reserves of natural gas have been estimated at 77 billion cubic meters. In the past, mineral surveys have been conducted in Congo, but remain largely incomplete. The Government's Ministry of Mines stated that exploitable minerals in Congo include copper, diamonds, gold, and platinum. Coastal deposits of phosphate and potash have yet to be fully exploited. Additionally, deposits of bentonite, granite, gypsum, kaolin, marble, and talc also were found in Congo. One of the largest impediments to mineral development in Congo was the embryonic state of the transportation infrastructure. By yearend 1993, the Ministry of Mines was seeking interested companies to conduct a mineral survey of Congo.

Environmentally, the Congo has experienced some offshore oil spills, natural gas flaring, and a decline in forest ecosystems in recent years. Unregulated logging has destroyed some forest animal habitats. Congo is second only to Zaire in its range of tropical forests, accounting for 62%

of the country's territory. (See table 1.)

¹Text prepared Apr. 1995.

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

Major Source of Information

Ministry of Mines

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

Commodity 3/	1990	1991	1992	1993	1994 e/	
Cement, hydraulic	metric tons	90,300	103,000	115,000	114,000	114,000
Gas, natural: e/ Gross	million cubic meters	368	368	360	360	360
Marketed	do.	350	350	350	350	350
Gold, mine output, Au content	kilograms	7	12	5	5	5
Lime	metric tons	298	300	240	240	240
Petroleum, crude	thousand 42-gallon barrels	58,800	56,600	58,000	67,900	67,500

e/ Estimated.

1/ Includes data available through Mar. 31, 1995.

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

3/ 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 quantitatively, and available information is inadequate to make reliable estimates of output levels.