

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Chad Profile



A soldier in a land of insecurity. A poor landlocked country surrounded by neighbours in conflict, Chad's army is currently mobilised against Boko Haram terrorists from Nigeria. Ethnic violence has also flared in eastern Chad.



Image courtesy of U.S. Department of Defense



CHAD



OVERVIEW ANALYSIS

The largest of Africa's landlocked countries, Chad's central location in the Sahel offers unique cultural and scenic attractions for a future tourism industry. However, that same location allows the country to be a waypoint for illegal immigrants, armaments and other dangerous groups. From independence in 1960 until 1990, civil war rendered the state ungovernable. Democratic institutions today are threatened by external terror groups. Chadians, four out of ten of whom live in poverty, are poorly educated and suffer from other low societal amenities. Chad's landlocked nature and few natural resources are disadvantages to commerce. Chad descended one country position in ACBR 2019's overall scores, from 48 to 49, with the score of 33.65 achieved in the last survey now lowered to 35.73.

KEY OPPORTUNITIES

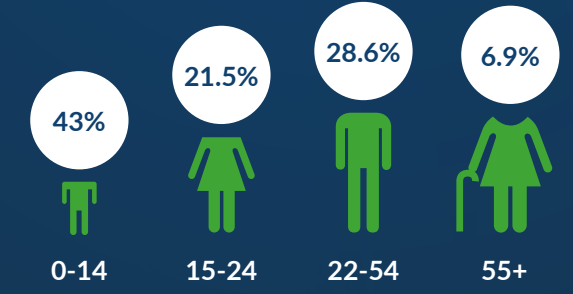
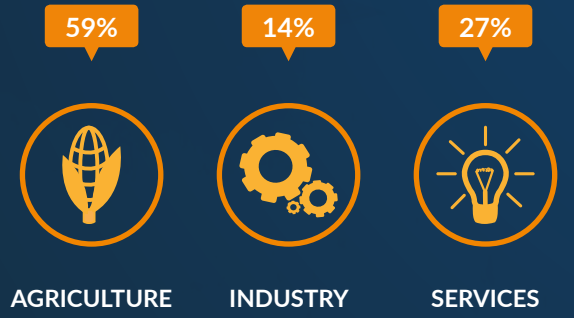
- Chad's physical infrastructure is a fraction of what is required to serve the country's immense size
- Unique Sahel wildlife present tourism attractions
- Chad's relation with neighbours and the AU are strong

KEY CONCERNS

- Porous borders and poor security offer transit to illegal immigration
- Chad has few natural resources besides oil
- An entrenched and corrupt government has little need for reform

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Islam	PREDOMINANT LANGUAGE French	POPULATION WITHOUT ELECTRICITY 91.2% (#53) ▼ ¹	LITERACY RATE 22.3% (#53) ▼ ⁸	PRIMARY ELECTRICITY SOURCE Oil
IMPORT/EXPORT Machinery/ Petroleum	EXTERNAL DEBT US\$ 1.268 billion (#42) ▼ ⁵	ACTIVE CONFLICT No	LAND SIZE 1,284,000 km ² (#5)	INTERNET PENETRATION 5% (#48) ▲ ³



Term:
04/12/1990 - present
5 years (no term limits)

Political Party:
Patriotic Salvation Movement

Recent Electoral Information:
10/04/2016
2 219 352 Votes
61.56%
Voter turnout: 76.11%



President
Idriss Deby

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

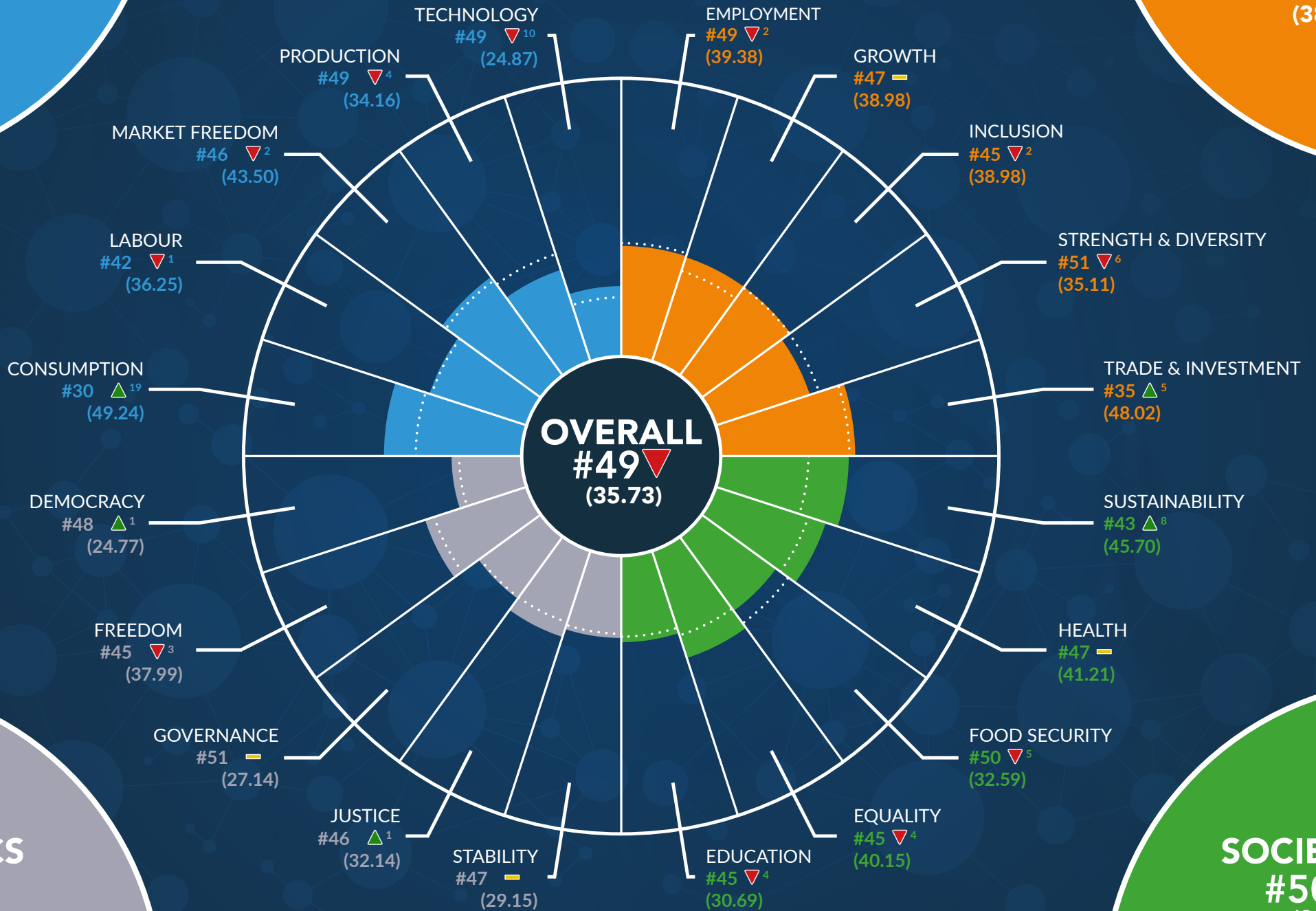
BUSINESS

#49
(37.60)

CHAD PERFORMANCE OVERVIEW

ECONOMICS

#49
(38.42)



POLITICS

#47
(30.24)

SOCIETY

#50
(36.66)

▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

CHAD BUSINESS ANALYSIS



BUSINESS OVERVIEW

The export of about 100,000 barrels of oil provides nearly two-thirds of Chad's export revenue. Other than oil and some raw agricultural products, like wool and gum arabic, Chad is export bereft. Value-added industries for export do not exist and would logically provide the basis for investment when the economy diversifies from oil.

The absence of electricity and the red tape imposed on businesses by a corrupt or apathetic bureaucracy are two encumbrances to investment. Only 14% of the country has access to electricity. While telecommunications is one sector that has attracted investment in recent years, use of technology and the conducting of normal business activities are limited by electricity shortages.

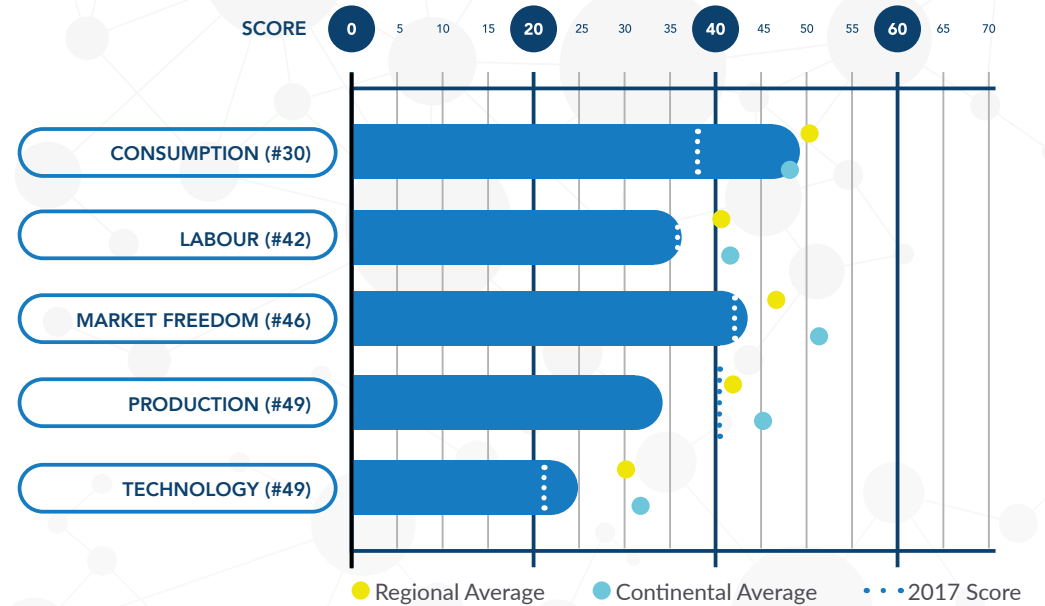
Chad is a rural country, with only 20% of the population living in urban areas, which limits the labour pool available to businesses. An inadequate road transportation network makes some parts of the country virtually inaccessible.

Of Chad's 40,000 km of roads, only 206 km are paved in urban areas. Clearly a construction boom awaits the country if financing should emerge. Currently, government depends on foreign assistance to meet their annual budget and cannot finance economic stimulus initiatives. Chad's low country position in ACBR 2019's business quadrant, at 49, is unchanged from 2017.

BUSINESS DATA COMMENTARY

<p>Chad data availability 76.92%</p>	<p>REGIONAL AVERAGE 62.64%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #30</p>
	<p>The current score for business data availability in Chad is 76.92%, thus ranking 30th on the continent. This stands above the regional average for Central Africa, which currently stands at 62.64%, and slightly below the continental average of 77.78%. Due to its predominantly rural economy, business data in Chad remains relatively scarce. However, representation from regional and global multilateral institutions, such as the African Development Bank and World Bank, is seeing slow but sure improvements.</p>		

BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS

<p>% POPULATION IN URBAN CENTRES</p> <p>23.1% (#48)</p>	<p>LABOUR FORCE IN MILLIONS</p> <p>5.65 million (#26)</p>	<p>INDUSTRIAL PRODUCTION GROWTH</p> <p>0.5% (#50)</p>	<p>PRIME LENDING RATE</p> <p>16% (#30)</p>
<p>% ADULTS WITH A BANK ACCOUNT</p> <p>21.76% (#36)</p>	<p>ANNUAL AIR PASSENGERS</p> <p>0.03 million (#38)</p>	<p>MOBILE SUBSCRIPTIONS</p> <p>42.70 per 100 (#46)</p>	<p>NATIONAL 3G COVERAGE</p> <p>22% (#48)</p>

CHAD ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

A combination of Chad's low population, given the country's geographic size, and the lucrative nature of the country's top export, oil, is responsible for a per capita GDP of US\$ 2,300. While this figure is down from 2017's review due to a decline in the oil price, the amount is a good one for a Sub-Saharan African country.

However, considerable economic inequity means that in reality the average Chadian lives on far less than his or her share of GDP. Chad is one of Africa's most impoverished countries. Poor transportation, meagre energy infrastructure and a landlocked location featuring a harsh climate lower Chad's prospects for trade. Services account for about a third of GDP, a low figure due to the financial inability of many

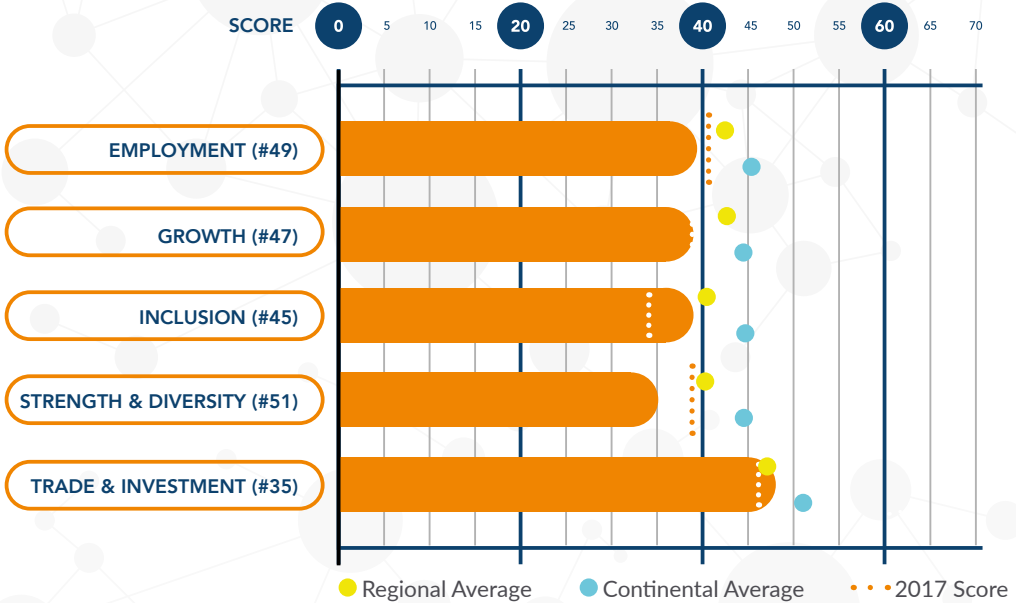
Chadians to use services. The country could exploit their remoteness, culture and environment for tourism. While of little value as an export, camel breeding is an important local agricultural business and a primary business for some nomadic tribes. However, Chad's camels have a value as a cultural tourism attraction.

Chad ranks at country position 49, unchanged from 2017's evaluation, in ACBR 2019's Economics quadrant. While Chad's ranking in Growth has not changed from last year, the country saw a decline in Employment, Inclusion and particularly Strength and Diversity as oil dependence continues to dominate the economy.

ECONOMIC DATA COMMENTARY

<p>Chad data availability 76.92%</p>	<p>REGIONAL AVERAGE 62.29%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #31</p>
	<p>Due to its relatively underdeveloped state, economic data for Chad remains somewhat scarce. The current score for economic data availability in Chad is 76.92%, thus ranking 31st continentally. Once again, this too stands above the regional average for Central Africa, which currently stands at 62.29%, and falls slightly below the continental average of 77.78%. This deficit is partly attributable to the difficulty involved in sourcing data from the informal sector, rural areas and nomadic groups.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 2,400 (#31)</p>	<p>UNEMPLOYMENT RATE</p> <p>5.9% (#22)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>CEMAC, ECCAS</p>	<p>INFLATION RATE</p> <p>0.2% (#2)</p>
<p>GDP AT PPP</p> <p>US\$ 28.6 billion (#29)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 0.07 billion (#39)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 560 million (#22)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-3.5% (#20)</p>

CHAD POLITICAL ANALYSIS



POLITICAL OVERVIEW

Chad's security vulnerabilities have evolved from internal threats from decades of civil war to external ones. Today's security threats come in the form of attacks by Nigeria's terror group Boko Haram, which has carried out bombings in Chad's capital, N'Djamena. The terror group is also responsible for the existence of more than 8,000 Nigerian refugees in Chad. Human and armament smugglers also move more easily through the country because of terrorism.

The government of President Idriss Déby is stable, even if their democratic credentials are questionable. Déby came to power in a 1990 military coup and has won five subsequent elections, the most recent in 2016. International election observers

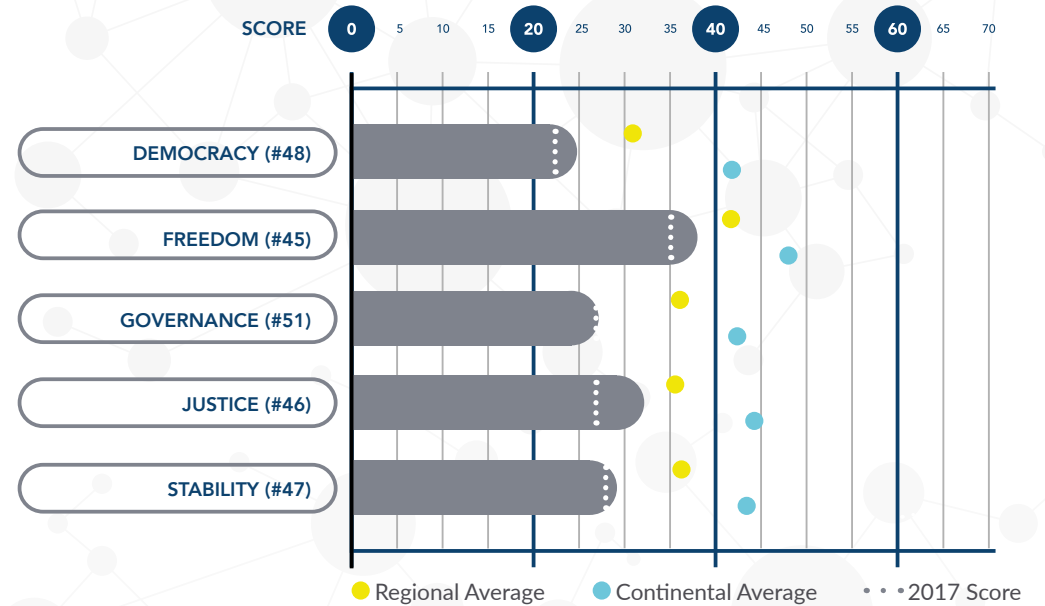
describe his most recent election as flawed. Like other African 'Presidents for Life', Déby has had his ruling party rewrite the national constitution so that he may stay in office unfettered by term limits.

The environmental crisis of the Lake Chad Basin that offers livelihood and a home to millions has brought a diplomatic initiative by Chad and other Basin countries, like Nigeria. In 2018, Chad's Minister of Foreign Affairs Moussa Faki Mahamat concluded his term as Africa's top diplomat as Chairperson of the Commission of the AU. Chad rose one country position in the politics quadrant of ACBR 2019, to 47 from the previous year's 48. Amongst individual political indicators, Chad dropped in only one category, Freedom.

POLITICAL DATA COMMENTARY

<p>Chad data availability 75.18%</p>	<p>REGIONAL AVERAGE 70.75%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #39</p>
	<p>Of all quadrants, Chad scores the worst on political data. The current score for political data availability in Chad is 75.18%, thus ranking 39th continentally. Admittedly, this stands above the regional average for Central Africa, which currently stands at 70.75%, but it falls substantially short of the continental average of 82.86. One of the main reasons for this deficit lies in political instability stemming from heightened social tension and autocratic governance, thus limiting overall transparency.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>12 (#22)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>2.1% (#10)</p>	<p>REFUGEE INFLOW</p> <p>444,674 (#27)</p>	<p>NUMBER OF RIGHTS</p> <p>44 (#38)</p>
<p>DATE OF INDEPENDENCE</p> <p>11/08/1960</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 624 million (#29)</p>	<p>WOMEN IN PARLIAMENT</p> <p>12.8% (#37)</p>	<p>CAPITAL PUNISHMENT</p> <p>Permitted</p>

CHAD SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

The basis of conflict in the past is Chad's 19 major ethnic groups, but this multiplicity is now the bedrock for cultural diversity as democracy takes hold. The largest group, the Sara people, comprise 26% of the population. The small percentage indicates that no single group has majority status, so no one group could be transferred into political dominance on a continent where political parties are often founded on ethnicity or religion.

High population growth has contributed to poverty, abetted by Chadian parents who see multiple children as a safeguard against destitution. The average age for a Chadian woman to give birth is 17-years-old. Infant and maternal mortality rates are high. Life expectancy is a low 50.6 years. With so much youth and with poverty widespread,

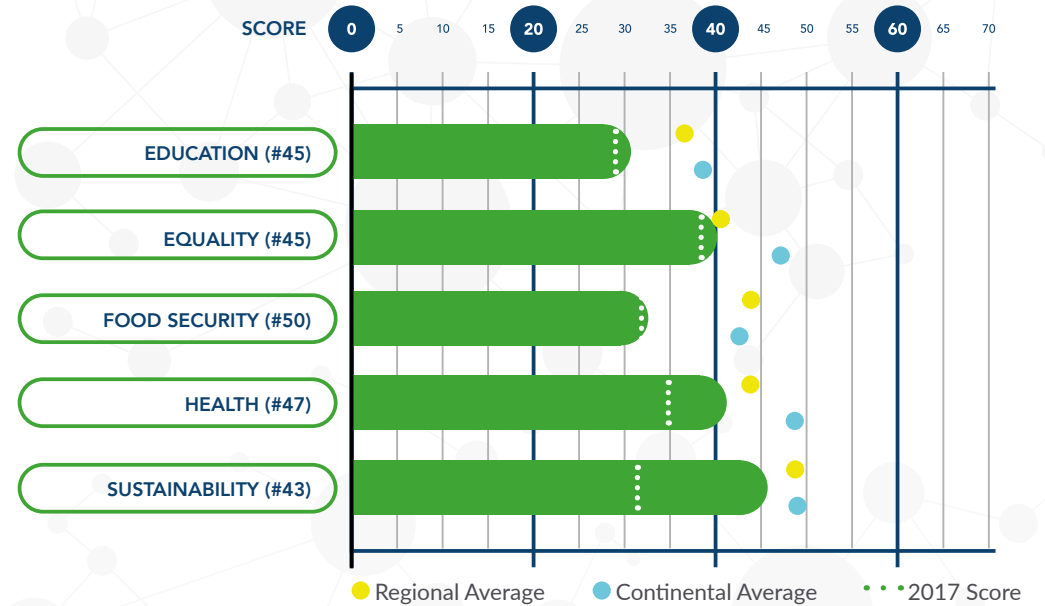
child labour is rife, as demonstrated by the nearly half (48%) of Chadian children who are labourers.

About 46% of the population lives in poverty, and two-thirds of Chadians are below the age of 24. Government's inability to provide basic social services means inadequate healthcare and education. Only 22% of Chadians are literate, with only 14% of female Chadians able to read and write. Chad dropped two country positions in ACBR 2019's Society quadrant, to 50 from the previous instalment's 48. The country is inadequately improving poor social services. Among societal indicators, Chad saw its largest drop in Food Security, a worrisome development as the population struggles to feed itself.

SOCIETAL DATA COMMENTARY

<p>Chad data availability 75.51%</p>	<p>REGIONAL AVERAGE 59.31%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #33</p>
	<p>Due to widespread underdevelopment, Chad remains largely dependent on international aid for basic service provision. Consequently, much of Chad's societal data stems from UN agencies and regional multilateral organizations, such as the African Development Bank. That said, the current score for societal data availability in Chad is 75.51%, thus ranking 33rd continentally. This stands far above the regional average for Central Africa, which currently stands at 59.31%.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>12,075,985 at 1.86% p.a (#26) (#34)</p>	<p>LIFE EXPECTANCY</p> <p>50.6 (#53)</p>	<p>HIV PREVALENCE</p> <p>1.3% (#30)</p>	<p>SEXUALITY TOLERANCE</p> <p>Legal</p>
<p>ACCESS TO DRINKING WATER</p> <p>50.8% (#51)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>4.58% (#37)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>46.7% (#18)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>1% (#51)</p>

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