# CONGO BRAZZAVILLE

*By Gavin Bowyer*

President Denis Sassou Nguesso and his supporters won the 1997 civil war after Angola intervened on their side and the opposition leader Bernard Kolelas fled into exile. Since then the country has been moving gradually back to stability. In December 1999, a peace accord was signed in Pointe-Noire between the government and the rebel militias. In August 2000, the President set out a timetable for normalisation. A new draft constitution was approved by the transitional parliament in September 2001, followed by a referendum on its adoption and subsequent two-stage elections, in May and June 2002. The Parti Congolais du Travail, the party of President Denis Sassou-Nguesso's party won 53 seats, the Forces Démocratiques Unies 30 seats, with the rest of the seats spread between the minor parties and independent candidates.

These elections were disrupted by an attack on the capital and the southern Pool region by the Ninjas, one of the rebel militias. However, in March 2003, the Rev. Frederic Bitsangou, alias Pasteur Ntoumi, agreed to end hostilities, disarm his fighters, and enables the restoration of state authority in Pool. At the same time, Minister of State Isidore Mvouba said the government would guarantee an amnesty offered to the rebels. He said ex-combatants would be re-integrated into the national army and included in a special committee to be formed to establish peace in Pool.

The economy is slowly improving. The IMF and World Bank have offered funding dependent on various reforms including greater disclosure and transparency by the government on the uses and distribution of revenue from the oil industry, which provides the majority of the revenue of Congo Brazzaville. In 2001, real GDP grew by an estimated 3.4% and consumer price inflation dropped to 1.5%, owing to restoration of cheaper local food supplies. But GDP was expected to decline to 2.7% in 2002 due to a slight decline in projected oil output.

Crude oil production, mostly from offshore wells, accounts for 60% of the GDP. The country's proven recoverable reserves of oil are estimated at some 140 Mt and are expected to rise. The oilfields are mainly offshore. Crude oil production levels average 270,000 bbl/d but these are declining and were expected to fall to some 255,000 bbl/d in 2002. Production is not expected to rise back up until the Moho and Bilondo fields come into production. Chevron and Total Fina Elf expect a decision soon on the development of these fields, which could produce at some 50,000 bbl/d, by 2004 to 2005. The French Elf Aquitaine Group, Elf, is the major company in the sector responsible for some 65% of total production, with Agip (of Italy) responsible for much of the remaining 35%. Production is mainly from the N'Kossa field, which averages some 55,000 bbl/d, about half its planned production level. Elf is also the company, planning to bring the Moho Marine 1 field, discovered in 1995, into production. Exxon, Elf and Agip have announced new exploration projects. Agip is going to develop the recently discovered Kitira field.

In November 2002, the governments of Congo Brazzaville and of Angola signed an agreement to set up an interstate body for the development of the 14K and A-IMI oil field in Angolan waters and the A-IMI field on the Congolese side. Oil reserves in the field are estimated at some 700 million to 1 billion barrels. In December 2002, the two governments plus the companies working in the oilfield signed a binding agreement, which completed the creation of this joint extraction zone. The main operator will be Chevron-Texaco.

In the mineral sector, the major project is the planned production of magnesium by Magnesium Alloy Corp. (MAC) of Canada. The company plans to mine the extensive carnallite deposits of the coastal region. The solution-mining technology to be used, has been developed by Kavern Bau-und Betriebs-GmbH. Magnesium will be recovered by an electrolytic process developed by the Russian National Aluminium-Magnesium Institute and the Ukrainian Titanium Magnesium Institute.

The project has been the subject of a feasibility study by Salzgitter Anlagenbau GmbH. It is expected to be to a low-cost producer at a cash operating cost of US$0.55/lb at an initial annual production of 60,000 t/y. The capital cost is estimated at some US$525 million, with a further US$200 million required for a power project. The electrolytic process consumes large amounts of electricity. MAC has an option to develop a hydro-electric project in the Sounda Gorge on the Koilou River. Initially, it may take power from the Inga Dam in the Democratic Republic of the Congo, with back-up from a gas-fired plant at Pointe Noire. In 2001, MAC reached an agreement with the Amphora Group of Luxembourg to form a joint venture, with Amphora arranging the funding. In the short term, an initial US$30 million is sought. Also, MAC has an agreement with Siemens, who would participate in the project as a technical but not an equity partner.

In 2002, MAC continued to secure finance and to negotiate other agreements, These include an agreement in principle with Stinnes Metall GmbH, whereby Stinnes will purchase and market up to 100% of the high-purity magnesium and magnesium alloys produced by the project. Also, MAC has signed a Memorandum of Understanding with Eskom Enterprises (Pty) Ltd of South Africa, jointly to establish a long-term power contract, with regional impacts, for the delivery of low-cost electrical energy This power delivery will be developed in co-operation with the authorities and electricity commissions in the Democratic Republic of Congo and the Republic of Congo.

Elsewhere, a Portuguese company, has been reportedly granted a large diamond-mining concession in the north, close to the border with the Central African Republic. SEMI, an Italian company is operating a gold mine in the Sangha region.

Most other projects are on hold or suspended because of the civil war and subsequent rebel activity. These projects include a base metals project of

Afriore, in, the Yanga Koubanza and the Boko Songho. At Yanga Koubanza, there has been estimated to be an indicated mineral resource of 5.52 Mt at 8% Pb, 7% Zn and 1.9% Cu (above a cut-off of 14% Pb equivalent). At Boko Songho, earlier investigations by Hansa GeoMin Consult GmbH of Germany outlined a drill indicated mineral resource of some 2 Mt at 4.5% Cu. Also, there has been exploration for gold, by Samax Gold in the Dimonika, Kakamoeka and Ngongo districts in the Mayombe gold belt, and by Panorama Resources on its Moussendjo concession in the Mayoko and Zanaga greenstone belts.

 