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Economic Commission for Africa

COUNTRY PROFILE

2016



CHAD



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2016



CHAD

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Abbreviations and acronyms

| | |
|---------|---|
| BDEAC | Central African States Development Bank |
| BEAC | Banque des États de l'Afrique centrale – Bank of Central African States |
| CEMAC | Economic and Monetary Community of Central African States |
| CEN-SAD | Community of Sahel-Saharan States |
| ECA | Economic Commission for Africa |
| ECCAS | Economic Community of Central African States |
| ECOSIT | Enquête sur la consommation et le secteur informel au Tchad – Survey on Consumption and the Informal Sector in Chad |
| IDA | International Development Association |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| INSEED | <i>Institut National de la Statistique, des Etudes Economiques et Démographiques</i> |
| OECD | Organisation for Economic Co-operation and Development |
| SME/SMI | Small and medium-sized enterprises/small and medium industries |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| WB | World Bank |

Acknowledgements

Country Profiles is a series published annually by the Economic Commission for Africa (ECA). The aim of the series is to disseminate country- and region-specific policy analyses and recommendations for economic transformation, with an emphasis on promoting sustainable growth and social development, strengthening regional integration and facilitating development planning and economic governance. The present series is the result of the close collaboration of the subregional offices of ECA and the African Centre for Statistics. Specific contributions were provided by relevant programme areas of ECA, in particular, the Macroeconomic Policy Division, the Regional Integration and Trade Division, and the Social Development and Policy Division.

The country profile on Chad was prepared under the overall coordination and substantive guidance of Giovane Biha, Deputy Executive Secretary of ECA for Knowledge Delivery, and the direct leadership of Antonio Pedro, Director of ECA Subregional Office for Central Africa. The members of the editorial team, coordinated by Ghitu-I-Mundunge, were Mamadou Malick Bal and Laurent d'Aronco, Economic Affairs Officer of the Subregional office.

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Chad at a glance

| General information | | Index | Position | Out of a total of | Year | Source |
|---|-----------------------|-------------------------------------|----------|-------------------|------|----------------------------|
| Subregion | Central Africa | Human development index | 185 | 188 | 2015 | UNDP |
| Official language | French, Arabic | Gender inequality index | 153 | 155 | 2014 | UNDP |
| Currency | CFA franc | Ibrahim index of African governance | 51 | 54 | 2015 | Mo Ibrahim Foundation |
| Capital | N'Djamena | Doing Business Index | 185 | 189 | 2015 | World Bank |
| Membership of regional economic communities | ECCAS, CEMAC, CEN-SAD | Corruption Perceptions Index | 147 | 167 | 2015 | Transparency International |



Economic growth

Real gross domestic product (GDP) growth fell from 6.8 per cent in 2014 to 2.5 per cent in 2015, owing partly to poor performance in the construction and non-market production sectors, which were affected by the slump in oil prices and the deteriorating security situation. The small proportion of GDP attributable to manufacturing industry (2.4 per cent in 2015), compared with agriculture (16.6 per cent), oil (13.4 per cent) and livestock (6.4 per cent), shows the constraints on structural transformation in the Chadian economy. GDP growth in real terms is predicted to be negative (-3 per cent) in 2016, in a situation still marked by security risks from the activities in West Africa of the terrorist group Islamic State in Iraq and the Levant.



Fiscal policy

Total revenue, which had accounted for 18.7 per cent of GDP in 2014, was reduced, falling to 13.9 per cent of GDP in 2015, while total expenditure fell from 20.8 per cent to 15.7 per cent of GDP over the same period. The reduced fiscal revenue is due to the reduction in both oil and non-oil revenues, while the fall in public spending is due to declining investment expenditure. The budget deficit (commitments excluding aid grants) accordingly stood at 1.8 per cent of GDP in 2015, compared with 2.1 per cent in 2014. It is predicted to rise to 4.2 per cent of GDP in 2016. Outstanding public debt fell by 4.6 per cent to 1,503.922 billion CFA francs as at end December 2015, compared with 1,576.728 billion one year before.



Inflation and monetary policy

Inflation rose to a yearly average of 3.7 per cent in 2015, from 1.7 per cent in 2014; the increase was associated with increased food prices due to a reduction in the supply of cereals. In 2016, inflation is likely to be around 3 per cent, on a par with the rest of the Community States, since the supply of agricultural products on the goods and services market has improved. In April 2016, the Committee on Monetary Policy of BEAC decided to reduce the reserve coefficients applicable to commercial banks by 50 per cent. According to the Governor of the Bank, this decision was taken in view of the reduction in bank deposits which had been observed, and will release between 500 and 600 billion CFA francs for the benefit of banks in the CEMAC zone. It aims to stimulate financing of the economy in a situation of general decline in export revenues.



Current account

The current account deficit has increased, from 11.7 per cent of GDP in 2014 to 16.9 per cent in 2015. This situation results from the deterioration of the balance of trade due to the fall in exports of oil and agricultural and livestock products. The reduction in the current account balance is expected to continue for the whole of 2016, with a deficit of 19 per cent of GDP associated with the continuing decline in exports.



Foreign direct investment

Net flows of foreign direct investment totalled 576 billion CFA francs in 2015, compared with almost zero in 2014. They are still concentrated in the oil and infrastructure sectors, although there are realistic prospects in modern services such as telecommunications and banking. Although most foreign-funded businesses in Chad are originally French, more and more investors from Canada, China, Nigeria and Saudi Arabia are active in the country.



Demographic dynamics

The population of Chad was estimated at 10,015,591 in 2011, 51.5 per cent female and 48.5 per cent male. The population mainly lives in rural areas (81.6 per cent) and is young; in 2011, 52.3 per cent were under 15 years of age and 43.6 per cent between 15 and 59 years.



Poverty

The incidence of poverty in Chad was 46.7 per cent in 2011. It increases with increasing distance from urban centres (20.9 per cent), rising to 52.5 per cent in rural areas. Households headed by men are more exposed to poverty (47.4 per cent) than those headed by women (42.6 per cent).



Employment

Unemployment fell significantly between 2003 and 2011. From 11.9 per cent in 2003, it fell to 5.7 per cent in 2011. Unemployment is still higher among men (6.8 per cent) than women (4.2 per cent), with the exception of N'Djamena, where it is 10.4 per cent for women and 8.1 per cent for men.



Health

Life expectancy at birth was estimated at 52.9 years in 2015. In 2009 it was 52.4 years, an improvement over the 1993 figure, when it was 50.3 years. Life expectancy among women (53.4 years) was higher than among men, for whom the figure for 2009 was 51.6 years. Infant and child mortality fell from 194 per 1,000 live births in 1996-1997 to 133 per 1,000 live births in 2014-2015. In 2014-2015, infant mortality fell sharply, to 72 per 1,000 live births. Maternal mortality fell significantly in 2014-2015 to 860 per 100,000 live births, compared with 1,099 per 100,000 live births in 2009.



Education

In 2015, the literacy rate in the Chadian population aged 15-24 years was estimated at 50.1 per cent. Women, with a literacy rate of 35.3 per cent, were more likely to be illiterate than men, at 64.8 per cent.



Gender equality

Survival rates for girls and boys under 5 years of age were equivalent. There are inequalities between men and women, to the disadvantage of the latter, among senior managers and in the ownership of businesses. Women are more poorly represented in parliament than men, and only 17.4 per cent of ministerial posts are occupied by women.*

** The data used to assess performance in gender issues are taken from the most recent available national data sources. These sources include: the General Enterprise Survey (RGE) 2014; Multi-Indicator Demographic and Health Survey 2014-2015; Multiple Indicator Cluster Survey 2010; ECOISIT3 2011; General Population and Housing Survey 2009; Beijing +20 report; and Decree No. 216 of 17 February [no year stated] on the nomination of members of the Government of Chad.*

Overview

Despite the 9.1 per cent increase in the primary sector, the real GDP growth rate in Chad fell from 6.9 per cent in 2014 to 2.5 per cent in 2015; this is due to the decline in activity in the secondary and tertiary sectors, amounting to 5 per cent and 1 per cent, respectively. The situation is not expected to improve in 2016. The real GDP growth rate is expected to be -3 per cent, affected by poor performance in all sectors. The shortage of foodstuffs on the markets, due to poor rainfall and the security crisis in the region, caused inflation to increase to 3.7 per cent in 2015, which is above the Community average of 3 per cent. In the area of management of public finances, the budget deficit (commitments excluding aid grants) stood at 1.8 per cent of GDP in 2015, compared with 2.1 per cent in 2014. The current account deficit has increased, from 11.7 per cent of GDP in 2014 to 16.9 per cent in 2015.

Social conditions have not improved to any great extent. The poverty rate, which stood at 46.7 per cent in 2011, remains high, albeit lower than the rate of 55 per cent recorded in 2003. However, unemployment has fallen from 11.9 per cent in 2003 to 5.7 per cent in 2011, although there are still inequalities in access to employment: women continue to experience more problems than men for cultural and social reasons.

The weakness of social development indicators in Chad raises questions about the country's growth model, which is mainly based on exploitation of unprocessed raw materials. The main challenge of more inclusive growth is to create a more highly diversified production structure, including the development of activities in the most productive sectors and those most likely to generate sufficient decent employment for women and young people. The Chadian authorities have recognized the economic development opportunities offered by the livestock sector, with its potential for products obtained from meat, milk, leather, etc. Nevertheless, despite efforts supported by technical and financial partners, the contribution of this sector to the GDP of Chad has not increased in recent years. It will therefore be important to develop the necessary infrastructure and equipment for processing livestock products and strengthen the processing capacity of economic operators in this sector.

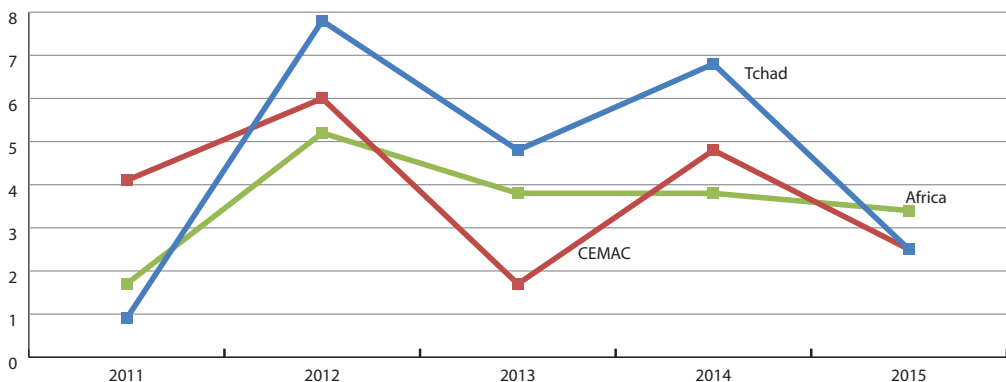
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National and subregional context

Economic activity was affected in 2015 by falling international oil prices and the deterioration in the security situation caused by the terrorist group Islamic State in West Africa (Boko Haram). Against this background, real GDP growth fell to 2.5 per cent, on a par with the average for the CEMAC countries¹ but below the African average (3.4 per cent²). Economic activity continued to slow in 2016 in line with the continuing fall in oil prices and the negative effect of the deteriorating security conditions on trade and transport.

Chad is a member of the Economic Community of Central African States (ECCAS), CEMAC and the Community of Sahel-Saharan States (CEN-SAD). The country's membership of CEMAC restricts it in respect of the macroeconomic convergence criteria set by the organization, namely: i) a positive underlying-budget-balance-to-nominal-GDP ratio; ii) a ratio of outstanding internal and external debt to nominal GDP equal to or less than 70 per cent; iii) non-accumulation of internal or external arrears; and iv) inflation kept below 3 per cent.

Figure 1: GDP growth in Chad, in the CEMAC zone and in Africa overall (2011-2015, percentage)



Sources: BEAC, 2016; ECA, 2016.

1 Source: BEAC, 2016, press release from the National Monetary and Financial Committee of Gabon, dated 6 July 2016.

2 Source: ECA Africa Statistics Flash, June 2016.

As regards security, Chad participates actively in international action against the Islamist sect Boko Haram; for instance it has deployed the army to maintain peace and stability in the subregion. In the humanitarian field, it is hosting hundreds of thousands of refugees and displaced persons from neighbouring countries which have been adversely affected by the security crisis. As regards transport, a multimodal transport corridor has been set up between Douala and N'Djamena to open up the country, and this is now operational. This corridor, 1,850 km in length (1,830 km on Cameroonian territory and 20 km on Chadian territory), facilitates trade between Chad and its major trade partners. Chad and Cameroon have also recently agreed on the final route for the proposed Cameroon-Chad railway, construction of which was due to commence in 2016.

Box 1: Africa Regional Integration Index - Chad

The Africa Regional Integration Index is designed to measure how well each country in Africa is meeting its commitments under the pan-African integration frameworks, including Agenda 2063 and the Abuja Treaty.

The index is a joint project of ECA, the African Development Bank and the African Union Commission (2015). The index covers the following dimensions: free movement of persons, trade integration, productive integration (development of regional value chains), regional interconnections and infrastructure and macroeconomic policy convergence. The following section gives highlights on selected indicators in the index. F

Overall rank:

Fourth in the ECCAS ranking (Score: 0.51) Best performer in the ECCAS ranking is Cameroon (Score: 0.66) Nineteenth in the CEN-SAD ranking (Score: 0.33).*

| Free movement of persons: | Trade integration | Productive integration | Infrastructure | Financial integration and macroeconomic policy convergence |
|--|--|--|--|--|
| Fourth in the ECCAS ranking (Score: 0.45) Nineteenth in the CEN-SAD ranking (Score: 0.32) | Fourth in the ECCAS ranking (Score: 0.75). Best performer in the ECCAS ranking is Cameroon (Score: 0.98). Twenty-fourth in the CEN-SAD ranking (Score: 0.04) | Sixth in the ECCAS ranking (Score: 0.2). Best performer in the ECCAS ranking is Burundi (Score: 0.84). Seventeenth in the CEN-SAD ranking (Score: 0.17). | Eleventh in the ECCAS ranking (Score: 0.2). Best performer in the ECCAS ranking is Congo (Score: 0.69). Twenty-first in the CEN-SAD ranking (Score: 0.14). | Second in the ECCAS ranking (Score: 0.98). Best performer in the ECCAS ranking is Gabon (Score: 1). Fourth in the CEN-SAD ranking (Score: 0.98). |

The overall ranking of Chad is moderate to poor: fourth of eleven countries in ECCAS and nineteenth of twenty-seven countries in CEN-SAD.

Free movement of persons: The ranking of Chad is moderate to poor (fourth in the ECCAS ranking, nineteenth in the CEN-SAD ranking). The country has ratified the relevant ECCAS instruments on free movement of persons, right of establishment and free movement of workers, but has not yet ratified the CEN-SAD equivalents. Only 35

* A continent-level ranking system in which the performance ratings of all African countries in terms of regional integration are compared is currently under development and will be included in future updates of this country profile.

per cent of nationals of other ECCAS Member States and 29 per cent of nationals of other CEN-SAD Member States may enter Chad without a visa.

Trade integration: The ranking of Chad is moderate to poor (fourth in the ECCAS ranking, twenty-fourth in the CEN-SAD ranking). The country applies average import duties of close to zero per cent on imports from ECCAS countries (2014 figures). This is the lowest figure in the Community. Trade (as a percentage of GDP) with the rest of the Community varies. Between 2010 and 2013, imports from the other ECCAS countries accounted for only 4.5 per cent of the GDP of Chad, statistically the second lowest figure ever for an ECCAS Member State, and imports from other CEN-SAD countries accounted for 1.6 per cent of GDP — thirteenth of the twenty-four countries for which data were available. Exports to other ECCAS countries, as a percentage of GDP, averaged 0.15 per cent over the same period — the lowest figure for any ECCAS country. Over the same period, exports to CEN-SAD countries accounted for 0.36 per cent of GDP, seventeenth of the twenty-four Member States.

Productive integration: The ranking of Chad is weak (sixth in the ECCAS ranking, seventeenth in the CEN-SAD ranking). It is only moderately well integrated into regional value chains. Its trade poorly complements that of its partners. The complementarity index for trade in goods, at 0.11 per cent (2013 figures) shows the weak correlation between exports and the general structure of ECCAS imports.

Infrastructure: The ranking of Chad is poor (eleventh in ECCAS, twenty-first in the CEN-SAD ranking). It ranked eleventh among ECCAS countries in the infrastructure development index of the African Development Bank between 2010 and 2012. Approximately 25 per cent of international flights to and from Chad are flights within ECCAS — the lowest figure of any of the ECCAS countries — and 31 per cent of flights are within CEN-SAD (twenty-first of the twenty-seven CEN-SAD countries). Intra-African mobile telephony roaming is relatively expensive in Chad, with the fourth-highest roaming charges among the ECCAS countries for which data were

Financial integration and macroeconomic policies: The ranking of Chad is good (second in the ECCAS, fourth in the CEN-SAD ranking). Inflation, at 0.2 per cent, is the lowest and the next-to-lowest, respectively, in the two communities, ECCAS and CEN-SAD. Overall, Equatorial Guinea has scores that range from average to poor, with better results for financial integration and macroeconomic policies and average to poor scores for trade integration, productive integration, the free movement of persons and infrastructure. To improve its performance, Equatorial Guinea might consider other macroeconomic policies, such as the ratification of ECCAS instruments on the free movement of persons and the waiving of visa requirements for nationals of a greater number of countries within the Community, as well as other measures to boost intraregional trade in goods and services, particularly integration in regional value chains.

Overall, Chad is ranked moderate to poor, with its best performance in financial integration and macroeconomic policy convergence, but moderate to poor performance in free movement of persons, trade integration, productive integration and infrastructure. For specific measures which could boost its performance, Chad could look to other macroeconomic policies, including ratifying the CEN-SAD instruments on free movement of persons and according entry visa exemptions to nationals of more countries of the region, and consider other measures which could boost trade in goods and services within the region, especially integration into regional value chains.

Economic performance

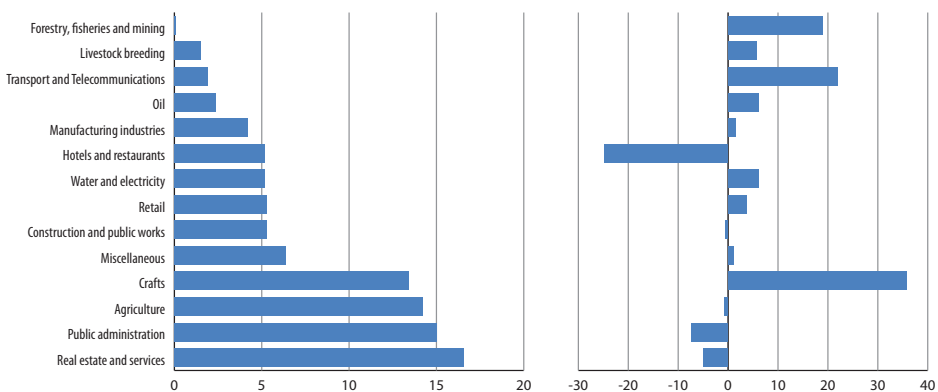
3.1 Economic growth and sectoral performance

The Chadian economy in 2015 operated in the context of strong performance by the oil production sector, boosted by new oilfields, on the one hand, and a poor agricultural season, due to a lack of rain, on the other. In 2015, economic growth stood at 2.5 per cent, compared with 6.8 per cent in 2014, reflecting both the 35.8 per cent growth in the oil sector due to the recovery in oil production and the 2.7 per cent fall in activity in the non-oil sector, due to the decline in cereals production and activities in certain sectors, e.g. construction.

An analysis of the sectoral distribution of GDP shows the dominance of the primary sector, and hence the limits of structural transformation in the Chadian economy. Taken together, the agricultural, livestock, forestry, logging, fisheries and oil sectors accounted for almost 40 per cent of GDP in 2015, compared with 2.4 per cent for manufacturing industries, which are the ones with recognized potential for structural transformation in an economy.

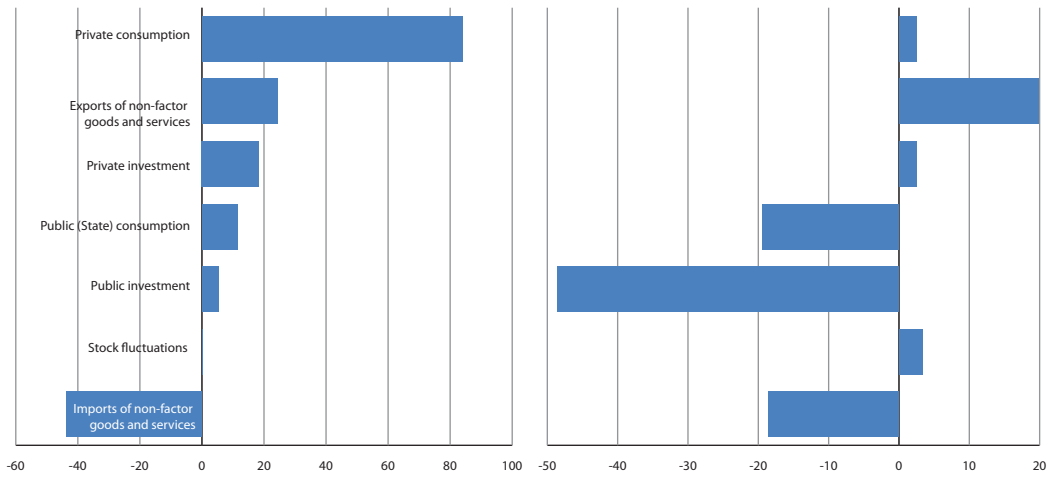
The primary sector contributed to growth (4.6 per cent), unlike the secondary and tertiary sectors, which showed poor performance (-1.5 and -0.8 per cent, respectively).

Figure 2 Sectoral shares of GDP and growth rates in the main subsectors in 2015



Source: BEAC, 2016.

Figure 3: Relative shares and growth rates of aggregates of demand, percentage of GDP, 2015



Source: BEAC, 2016.

Despite a 6.3 per cent fall in food production, the primary sector grew by 11 per cent, mostly due to an increase of 35.8 per cent in oil production and 4.2 per cent in cash crops. Food production suffered from the erratic rainfall, while livestock breeding and fisheries were affected by the deteriorating security situation.

Growth in the secondary sector fell by 10.7 per cent owing to the 11 per cent reduction in activity in the construction sector, due to reduced public investment and, to a lesser extent, to a fall of 0.9 per cent in petroleum products.

Despite growth of 3.8 per cent in transport and telecommunications and 5.7 per cent in hotels and restaurants, the tertiary sector declined by 1.8 per cent as a result of a 7.4 per cent downturn in non-market production combined with the reduction in current expenditure by the State.

Of the aggregates of demand, the proportions of GDP attributable to private consumption, exports and private investment were 84.1 per cent, 24.3 per cent and 18.4 per cent, respectively, in 2015, compared with 11.4 per cent for final consumption expenditure by the Government and 5.2 per cent for public investment.

GDP growth benefited from strong external demand, driven by the 19.8 per cent increase in exports and the 18.5 per cent fall in imports. As for internal demand, public consumption fell by 19.4 per cent and private consumption increased by 2.5 per cent. Gross fixed capital formation fell by 23.6 per cent, alongside the 48.5 per cent fall in public investment combined with the 2.5 per cent fall in private investment.

According to the Directorate of Research and Forecasting of the Ministry of Finance and Budget of Chad, the real GDP growth rate is expected to be -3 per cent in 2016. This deterioration in economic activity will be due to reduced activity in the oil and non-oil sectors, amounting to 5.5 per cent and 2.7 per cent, respectively. The primary sector is expected to achieve an increase of 4 per cent, driven by strong activity in cash crops, livestock breeding and food production. Oil extraction is expected to fall as a result of natural ageing of oil wells and a reduction in the number of drilling installations in use by some oil companies. The secondary and tertiary sectors are expected to decline by 5.6 per cent and 8.9 per cent, respectively. The poor performance of the secondary sector is likely to be mainly due to the slowdown in construction caused by interruption of public works projects because of a lack of internal financing. In the tertiary sector, a slowdown is predicted in almost all areas, including non-market activities, hotels and restaurants, owing to the fall in public expenditure and internal demand.

Box 2: Comparative analysis of forecasts for Chad

Economic forecasting is an essential tool to aid decision-making in both the public and the private sectors. Forecasts are made by both national agencies and international organizations. International organizations include the African Development Bank, the Economist Intelligence Unit, the International Monetary Fund (IMF) and the World Bank. The forecasts produced by these organizations are often very similar, but they were different by around 6.5 percentage points in the period 2008-2016 (see figure A). On average, the IMF produced the most optimistic forecasts over the period 2008-2016, predicting a growth rate of 5.7 per cent. For the future, the most optimistic prediction of growth rates for 2016 is that of the Economist Intelligence Unit (6 per cent), followed by the African Development Bank (5 per cent), the IMF and the World Bank (4.9 per cent).

Accuracy of the forecasts is a serious consideration, so ECA has conducted evaluations to assess their reliability. This analysis is based on measures related to the root mean square error and mean absolute error. Generally, the higher these measures are over the period in question, the less reliable the predictions are.* The ECA analysis of forecasts for the period 2008-2014 show that the IMF forecasts are relatively accurate, followed by the African Development Bank forecasts, while the Economist Intelligence Unit and World Bank forecasts feature relatively large forecasting errors (see figure B).

Figure A: Forecast GDP growth rates

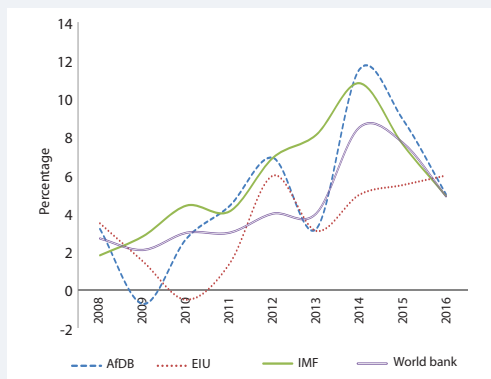
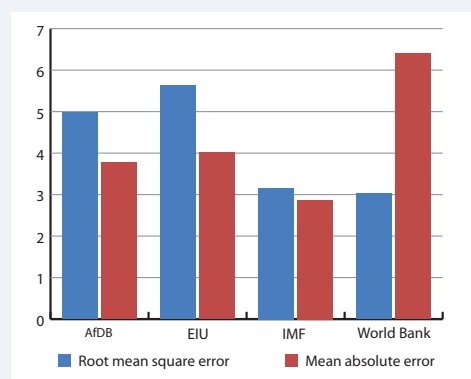


Figure B: Forecast error (2008-2014)



Source: ECA, 2015.

* For more information on these terms and the ECA approach to evaluating the accuracy of forecasts, see ECA (2015).

3.2 Fiscal policy

The fall in international oil prices affected the public finances of Chad in 2015: total revenue, which had accounted for 18.7 per cent of GDP in 2014, fell to 13.9 per cent of GDP in 2015, while total expenditure fell from 20.8 per cent to 15.7 per cent of GDP over the same period.

The fall in fiscal revenue is due to the reduction in both oil and non-oil revenues compared with 2014. Falling oil prices deprived the State of considerable resources, amounting to around 142 billion CFA francs. Oil revenues amounted to 133.3 billion CFA francs, although the predicted sum in the related amending finance law was 286 billion CFA francs.

The fall in fiscal revenues obliged the authorities to reduce public spending. Although social expenditure was protected, investment expenditure fell by over 40 per cent between 2014 and 2015, and no new projects were begun.

As a result, according to BEAC, the budget deficit (commitments excluding aid grants) stood at 1.8 per cent of GDP in 2015, compared with 2.1 per cent in 2014.

In 2016, significant liquidity problems due to falling oil prices obliged the Chadian authorities to undertake new fiscal adjustments. The amending finance law for 2016 is based on very prudent assumptions and provides for further reductions in public expenditure, while maintaining social expenditure. An emergency plan was also developed in case the anticipated revenue from disposal of oil assets, included in the budget, did not materialize. The budget deficit (commitments excluding aid grants) is predicted to increase to 4.2 per cent of GDP in 2016.

Table 1: Public finances (percentage of GDP)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 Estim. |
|---|------|------|------|------|------|----------------|
| Total revenues | 17.6 | 23.0 | 19.4 | 16.6 | 18.7 | 13.9 |
| <i>Oil revenues</i> | 11.9 | 17.6 | 14.4 | 10.3 | 8.3 | 5.5 |
| <i>Non-oil revenue</i> | 5.7 | 5.4 | 5.0 | 6.3 | 10.4 | 8.4 |
| Total expenditure | 21.7 | 24.0 | 23.0 | 20.8 | 20.8 | 15.7 |
| <i>Current expenditure</i> | 12.3 | 12.7 | 10.5 | 12.0 | 11.6 | 10.5 |
| <i>Capital expenditure</i> | 9.3 | 11.2 | 12.4 | 8.8 | 9.2 | 5.2 |
| Primary fiscal balance (deficit -) | -1.5 | 3.7 | 0.2 | -1.6 | 1.0 | 1.1 |
| Underlying budget balance | -1.8 | 3.1 | -0.2 | -2.2 | 0.4 | 0.2 |
| Budget balance (commitments excluding aid grants) | -4.1 | -0.9 | -3.6 | -4.2 | -2.1 | -1.8 |
| Budget balance (commitments including aid grants) | -2.5 | 1.2 | -1.2 | -2.8 | -0.3 | -0.3 |

Source: BEAC, 2016.

As for its performance under the Community convergence criteria, Chad abided by the Government debt ratio criterion in 2015 with a figure of 21.06 per cent and the criterion of non-accumulation of arrears in day-to-day operations.

As at the end of December 2015, data from the Directorate for Research and Forecasting indicate that outstanding public debt fell by 4.6 per cent to 1,503.922 billion CFA francs, compared with 1,576.728 billion CFA francs the previous year, comprising 801.183 billion CFA francs of external debt and 702.739 billion CFA francs of internal debt. Outstanding public debt as at end December 2015 is made up of 325.160 billion CFA francs owed to multilateral creditors, 395.840 billion CFA francs owed to bilateral creditors and 80.181 billion CFA francs owed to commercial creditors. Chad reached its completion point under the Enhanced Heavily Indebted Poor Countries Initiative in April 2015, and was able to reduce its external debt burden by at least 756 million US dollars in the same year, according to the IMF. This sum is made up of debt relief granted by the International Development Association and the African Development Bank, forgiveness of debt by the IMF and the cancellation of 100 per cent of the debt of Chad to the Paris Club.

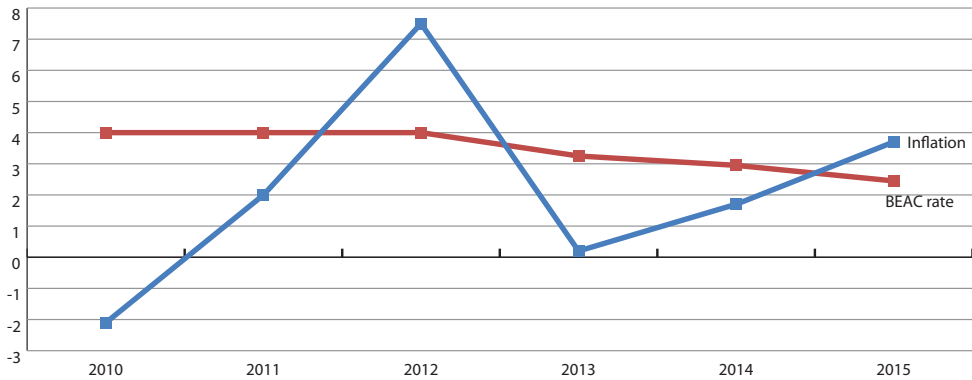
Outstanding internal debt as at end December 2015 is made up of 615.065 billion CFA francs of rescheduled debt (*dettes conventionnées*), 83.756 billion CFA francs of other debt and 3.916 billion CFA francs in treasury arrears (*arriérés comptables*). Note that the regular issuance by the Chadian authorities of Treasury bonds on the CEMAC market throughout 2015, to a total value of 156 billion CFA francs, has contributed to the increase in internal debt.

3.3 Inflation and monetary policy

The average annual inflation rate was 3.7 per cent in 2015, compared with 1.7 per cent in 2014, which is above the Community average of 3 per cent. This increase mainly reflects the resurgence of inflationary pressure beginning in April 2015 and continuing to the end of that year. The decline in cereals production, due to poor rainfall in some areas, and difficulties in supplying markets due to disruption of trade with neighbouring countries, especially Cameroon, Nigeria and Libya, led to increased food prices. The main categories concerned are foodstuffs, non-alcoholic drinks and the categories “alcoholic drinks and tobacco”, “health”, “transport”, “clothing and footwear”, “leisure and culture”, “education” and “miscellaneous goods and services”.

According to the Directorate for Research and Forecasting, inflation is likely to fall to a similar level to that of the other Community States in 2016, i.e. around 3 per cent, since the supply of agricultural products on the goods and services market has improved.

The monetary policy of the CEMAC zone, implemented by BEAC, of which Chad is a member, aims to ensure monetary stability. The aim is to achieve an external monetary coverage rate of at least 20 per cent and ensure only a slow rise in overall price levels, capped at 3 per cent in accordance with the convergence criteria. BEAC considered the trends in the various

Figure 4: Inflation (percentage)

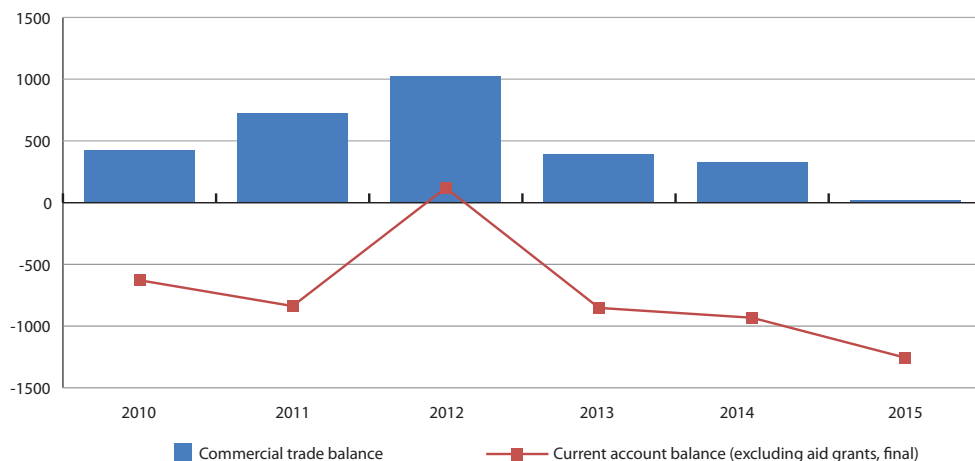
Source: BEAC, 2016.

factors influencing monetary and financial stability in the short term and decided to relax monetary policy in the CEMAC zone over the last few years, successively lowering its main reference rate by 50 points in July 2013, by a further 25 points in November 2013, then by 30 points in July 2014 and 50 points in July 2015, meaning that the rate fell from 4 per cent to 2.45 per cent over that entire period. The repo rate and rate of advances to the Treasury, which before July 2013 stood at 5.75 per cent and 4.0 per cent, respectively, were also successively reduced, most recently in July 2015, which brought them down to 4.20 per cent and 2.45 per cent, respectively. At the level of the banks, the minimum loan rate for client deposits has remained unchanged since the last reduction in July 2014, at 2.45 per cent. In this context, monetary aggregates in December 2015 showed the following features: i) a decrease in the money supply of 6.3 per cent compared with December 2014; ii) a drop in net foreign assets of 83.1 per cent; iii) a 44.8 per cent growth in internal credit, associated with the increase of 319.2 per cent in net claims on central government and a 9.3 per cent increase in lending to the economy. At an extraordinary meeting on 6 April 2016, the Committee on Monetary Policy of BEAC analysed recent liquidity trends in the CEMAC banking system and decided to reduce the obligatory reserve coefficients applicable to CEMAC commercial banks, and hence those in Chad, by 50 per cent.

3.4 Current account

The current account deficit has increased, from 932.5 billion CFA francs (11.7 per cent GDP) in 2014 to 1,255.8 billion CFA francs (16.9 per cent of GDP) in 2015, according to BEAC.

This deficit derives from the deterioration of the balance of trade due to a 14.5 per cent fall in exports of goods and services, especially oil and agricultural and livestock products, and a 1.6 per cent increase in imports. Crude oil sales have declined owing to the fall in international prices for this raw material. Exports of agricultural and livestock products have been affected by insecurity at the borders. Security problems caused by the Boko Haram group in the subregion have disrupted trade with neighbouring countries, including Cameroon, Niger and

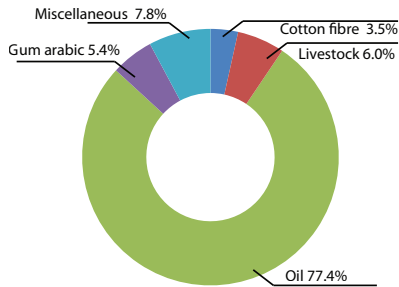
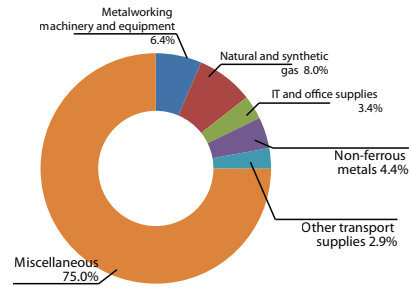
Figure 5: Current account balance (2010-2015, percentage of GDP)

Source: BEAC, 2016.

Nigeria. The reduction in the current account balance is expected to continue for the whole of 2016, with a deficit of 19 per cent of GDP associated with the continuing decline in exports.

Chad is extremely vulnerable to fluctuations in oil prices, since oil still accounts for a large proportion of total exports, although it is getting slightly smaller (82.7 per cent in 2013 compared with 79.1 per cent in 2014 and 77.4 per cent in 2015). The persisting dominance of oil shows the shortcomings of the structural transformation of the economy, all the more so since, apart from oil, exports are concentrated in a number of sectors including livestock, cotton and gum arabic, which accounted for shares of total exports of 6 per cent, 3.5 per cent and 5.4 per cent, respectively, in 2015.

In order to limit external shocks, Chad will need to reduce the proportion of commodity exports over time and increase exports of manufactured products. A greater emphasis on processing of raw materials will not only maximize profits by adding value, but will also bring in more foreign currency. The Chadian authorities should be commended for the priority they have accorded to livestock and agriculture, which they believe has considerable potential for the development of agribusinesses.

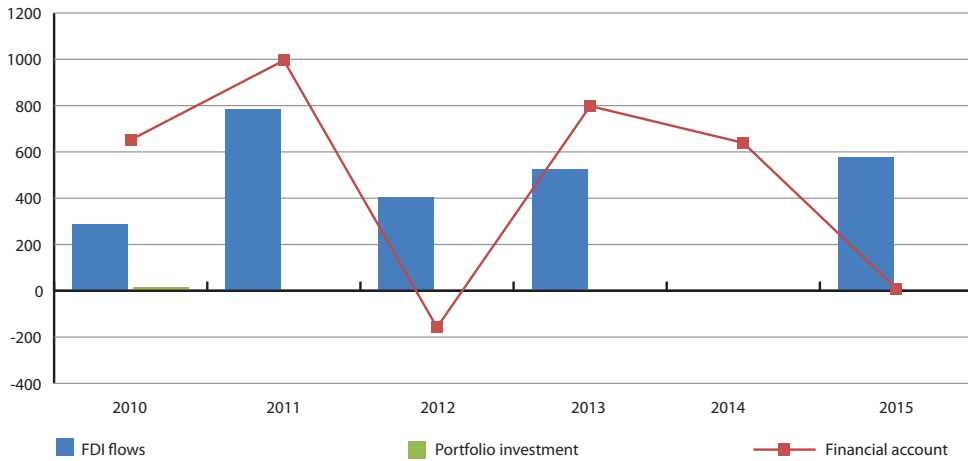
Figure 6: Structure of external trade (2015)**Distribution of exports by product
(percentage of total exports)****Distribution of imports by product
(percentage of total imports)**

Source: BEAC 2016, INSEED 2016/AYB 2016.

3.5 Capital account, foreign direct investment and flows of development assistance

The surplus capital balance improved slightly, reaching 531 billion CFA francs in 2015 compared with 100 billion CFA francs in 2014. This increase reflects, inter alia, the upturn in foreign direct investment, with net flows of 576 billion CFA francs in 2015, compared with almost zero in 2014, the year when the State acquired some parts of Chevron, the country's largest oil consortium.

Although foreign direct investment is currently concentrated in the oil and infrastructure sectors, there are realistic prospects in the service sector, given foreign operators' renewed interest in investing in telecommunications and banking. Most foreign-funded businesses, and thus most foreign direct investment, in Chad are originally French. However, more and more investors from Canada, China, Nigeria and Saudi Arabia are active in the country. The Chadian Government has taken steps to create a favourable environment for the development of the private sector, thereby promoting foreign direct investment. These steps are mainly intended to simplify the administrative measures involved in setting up a business and to reduce the administrative burden, through: (i) establishment of the National Agency for Investment and Exports; (ii) creation of a one-stop shop; (iii) establishment of a Business Formalities Centre; (iv) consolidation of good-governance methodology; (v) establishment of a ministry for small and medium-sized enterprises and industries; (vi) establishment of the Forum for Public-Private Dialogue; (vii) creation of a national investment charter; and (viii) signature of a number of strategic partnership agreements. To give some examples, in March 2014, Algeria and Chad signed a memorandum of understanding on the promotion of external trade and a

Figure 7: Financial account (2010-2015, billions of CFA francs)

Source: BEAC, 2016.

cooperation agreement between the Algerian Chamber of Commerce and Industry and the Chamber of Commerce, Industry, Agriculture and Crafts of Chad. Also, in June 2014, two cooperation protocols were initialled with Tunisia, the first between the Export Promotion Centre and the Chadian Agency for Investment and Exports, and the second providing for the creation of a Business Council bringing together the Tunisian Union for Industry, Commerce and Crafts and the Chadian Chamber of Commerce, Industry, Agriculture, Mining and Crafts.

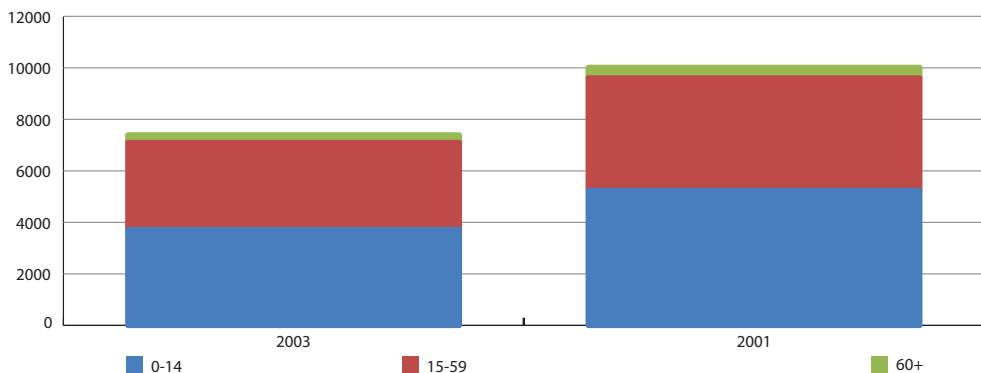
4

Social development

4.1 Demography

According to the third Survey on Consumption and the Informal Sector in Chad (ECOSIT3), published in June 2013, the population of Chad in 2011 was estimated at 10,015,591, of whom 51.5 per cent were female and 48.5 per cent male. In 2003, the figures were 51.6 per cent for females and 48.4 per cent for males (ECOSIT2). The rural population accounts for 81.6 per cent of the total. In rural areas, there are fewer males than females (sex ratio 93.1 males per 100 females), while in urban areas the sexes are relatively evenly represented (99.8 males per 100 females). The Chadian population is a young one: in 2011, 52.3 per cent were under 15 years of age and 43.6 per cent between 15 and 59 years (ECOSIT3). This predominance of young people in the population is attributable to the high total fertility rate, estimated by the National Institute of Statistical, Economic and Demographic Studies at seven children per woman in 2016, which makes Chad one of the two countries with the highest fertility rates in the world. This situation deserves particular attention, since failure to control fertility will limit the gain in fiscal space which could be achieved by cutting spending on health and education as a result of a lower birth rate and smaller numbers of young people. Moreover, the resulting increase in the number of dependants per working person limits the possibilities for saving, productive investment and investment in human capital which will be required for structural transformation of the economy.

Figure 8: Population by age group (thousands of persons)



Source: National Institute of Statistical, Economic and Demographic Studies 2006, 2013.

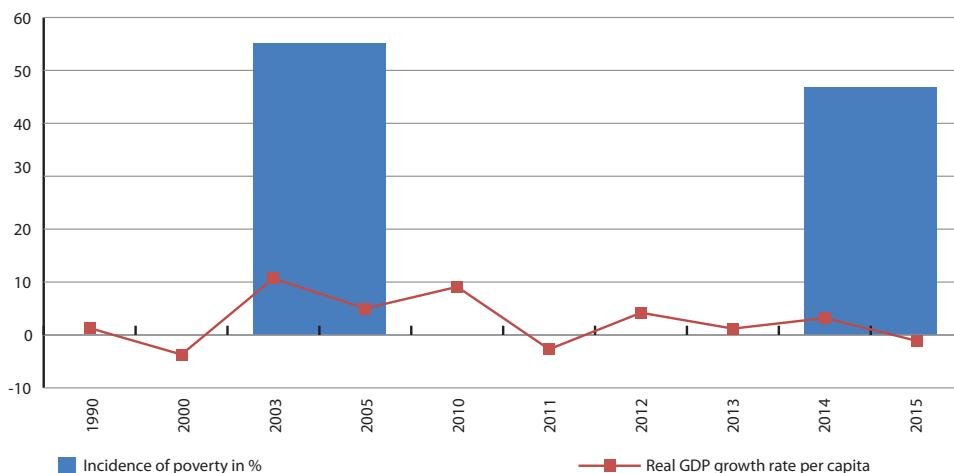
4.2 Poverty and employment

According to the ECOSIT3 study cited above, the incidence of poverty in Chad was 46.7 per cent in 2011. This poverty rate, although high, is lower than the 55 per cent recorded in 2003 (ECOSIT2). The incidence of poverty increases with increasing distance from urban centres. It is only 20.9 per cent in urban areas, but rises sharply to 52.5 per cent in rural areas (ECOSIT3). Households headed by men are more exposed to poverty than those headed by women. The incidence of poverty is 47.4 per cent in households headed by a man, compared with 42.6 per cent for those headed by a woman.

With reference to the labour market in Chad, the working-age population increased considerably between 2003 and 2011 (INSEED/ECOSIT2&3). The figure was estimated at 5,920,776 in 2011, up from 3,676,307 in 2003, which is an average annual increase of 6.1 per cent. This growth rate, which is much higher than that of the population as a whole (3.4 per cent), as calculated from the latest census in 2009, highlights the magnitude of the challenge of job creation and vocational training which lies ahead.

Unemployment fell significantly between 2003 and 2011. From 11.9 per cent in 2003, it fell to 5.7 per cent in 2011, i.e. a fall of around six percentage points. Unemployment is still higher among men (6.8 per cent) than women (4.2 per cent), with the exception of N'Djamena, where it is 10.4 per cent for women and 8.1 per cent for men (ECOSIT3). This level of unemployment, higher for women than for men in the capital, is explained by the difficulty women experience in finding employment for cultural and social reasons. Although they are well educated, most women take on household tasks, which reduces the time they have available for seeking employment and holding down a job effectively.

Figure 9: Poverty rate and real GDP growth per capita



Source: National Institute of Statistical, Economic and Demographic Studies 2003, 2011; BEAC 2016.

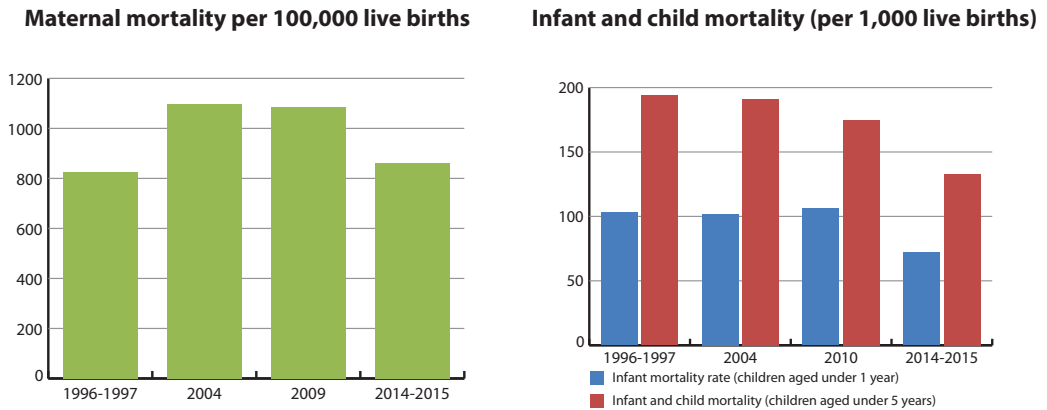
4.3 Health

According to the National Institute of Statistical, Economic and Demographic Studies population projections, life expectancy in 2015 was 52.9 years. Life expectancy at birth was 52.4 years in 2009 (General Population and Housing Survey, RGPH2), an improvement over the 1993 figure, when it was 50.3 years (RGPH1). Life expectancy for women (53.4 years) was higher than for men, which stood at 51.6 years in 2009.

There has been some progress in reducing child mortality. According to data from the Chad Demographic and Health Surveys in 1996-1997 and 2004, Multiple Indicator Cluster Survey 2010 and Multi-Indicator Demographic and Health Survey 2014-2015, infant and child mortality increased from 194 per 1,000 live births in 1996-1997 to 133 per 1,000 live births in 2014-2015. The fall in infant and child mortality over this period is noteworthy, resulting from health measures adopted by the Government. The infant mortality rate fluctuated between 1996-1997 and 2014-2015. It fell slightly from 103 per 1,000 live births in 1996-1997 to 102 per 1,000 live births in 2004, rising again to 106 per 1,000 live births in 2010. In 2014-2015, infant mortality showed a distinct downwards trend, falling to 72 per 1,000 live births.

Maternal mortality rose between 1996-1997 and 2009, from 827 to 1,099 per 100,000 live births. However, it fell significantly in 2014-2015, to 860 per 100,000 live births. This improvement is explained by the increased number of births attended by skilled health personnel.

Figure 10: Maternal mortality, infant mortality and infant and child mortality (per 1,000 live births)



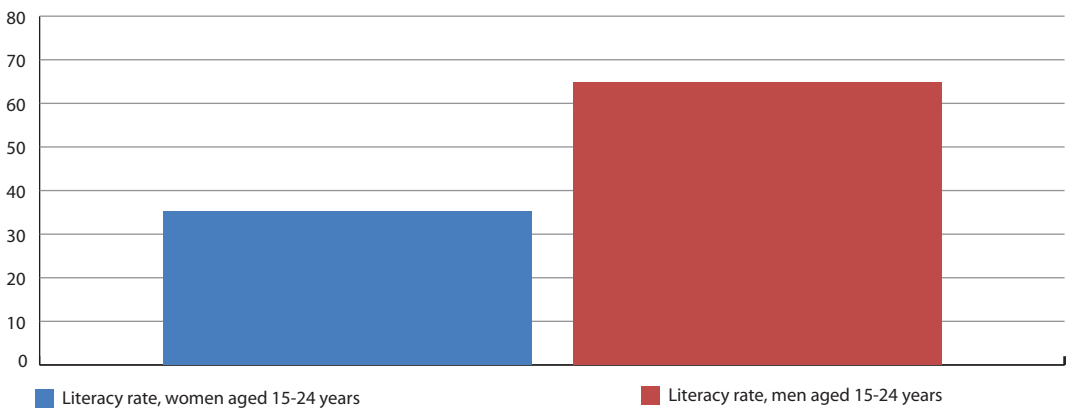
Source: National Institute of Statistical, Economic and Demographic Studies, 2015.

With reference to HIV/AIDS control, Ministry of Public Health data indicate that HIV/AIDS prevalence among young people aged 15-24 years was 4.9 per cent in 2011, 3.4 per cent in 2012, 3.3 per cent in 2013 and 2.5 per cent in 2014. Prevalence is steadily decreasing as a result of awareness-raising campaigns and the Government's efforts to control this serious problem.

4.4 Education

In respect of education, the literacy rate in the Chadian population aged 15-24 years was estimated at 50.1 per cent in the Multi-Indicator Demographic and Health Survey 2014-2015. This figure conceals the inequalities between males and females. Women, with a literacy rate of 35.3 per cent, are more likely to be illiterate than men (literacy rate: 64.8 per cent).

Figure 11: Literacy rate, people aged 15-24 years



Source: National Institute of Statistical, Economic and Demographic Studies 2015.

4.5 Status of gender equality and women's empowerment

The status of gender equality and women's empowerment is measured in terms of the key areas indicated in the circular chart below. These areas are important for the improvement of women's lives and their contribution to sustainable and inclusive growth in Africa.

The calculation for the scoring is based on Gender Status Index (GSI) data. GSI is one of the components of AGDI. For each key indicator, the score is calculated as an unweighted arithmetic average by taking the female to male ratio of the indicator values, multiplying it by 10 and rounding the result off to the nearest whole number. A score of zero represents the highest level of inequality, five shows middle parity level and 10 represents perfect parity. Parity levels exceeding 10 represent situations in which women have outperformed men, irrespective of the level of development of the area being assessed.

Most data used to calculate scoring are drawn from the latest nationally available data sources. However, for a few indicators where the country has no disaggregated data, international data are used. The data used to assess the performance of Chad were taken from the most recent

available national data sources. These sources are diverse: General Enterprise Survey (RGE) 2014; Multi-Indicator Demographic and Health Survey 2014-2015; Multiple Indicator Cluster Survey 2010; ECOISIT3 2011; General Population and Housing Survey 2009; Beijing +20 report; and Decree No. 216 of 17 February [no year stated] on the nomination of members of the Government of Chad.

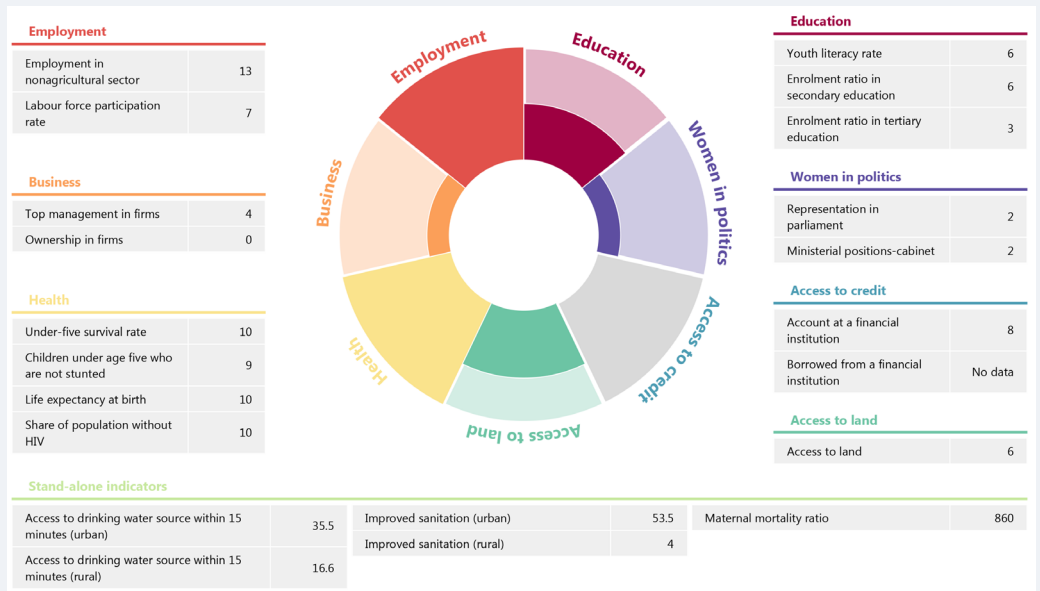
Box 3: Gender equality and women’s empowerment – Chad

Data for Chad show that survival rates for girls and boys under 5 years of age are equivalent. Life expectancy at birth for females (53.4 years) is almost two years greater than for males.

There are inequalities between men and women among senior managers and in the ownership of businesses. Although 97 per cent of businesses are owned by men and only 3 per cent by women, 27.9 per cent of senior management posts are occupied by women, compared with 72.1 per cent occupied by men. At the same time, the workforce participation rate is higher among men (74.6 per cent) than women (48.5 per cent).

Women in Chad are poorly represented in parliament; there are only 28 women out of a total of 188 members, i.e. 14.9 per cent. Only 17.4 per cent of ministerial posts are occupied by women.

Twenty-three per cent of women have access to credit from financial institutions, compared with 29.8 per cent of men. In addition, 37.6 per cent of women have access to land, compared with 59.6 per cent of men.



Source: African Union Commission and ECA, 2015.

Major policy challenges

Analysis of the socioeconomic situation of Chad over recent years shows that the country is extremely vulnerable to fluctuations in international prices for raw materials because of the predominance of the primary sector in the economy (41.5 per cent in 2015). To increase the resilience of Chad to external shocks, the authorities began to promote economic diversification in an ambitious development strategy for the period 2016-2030 entitled "Vision 2030, the Chad we want". According to the Ministry of Economy, Planning and Development (2016), this strategy is intended not only to consolidate the gains arising from the faster pace of economic and structural reform, but also to achieve strong, sustainable growth in the interests of harmonious economic and social development. Various challenges have been considered in the formulation of political and strategic guidance for the implementation of Vision 2030, including: (i) consolidating the democratic process, further strengthening national unity and honouring traditional laws and customs; (ii) controlling demographic growth and the demographic transition; (iii) achieving the status of middle-income country more quickly and becoming an emerging economy by 2030; (iv) diversifying and promoting competitive and healthy economic growth; (v) creating infrastructure to support production; (vi) increasing literacy levels and training competent and competitive senior personnel. The decision was taken to structure the strategy into five-year plans. The five-year plan for the period 2016-2020 has thus replaced the 2013-2015 national development plan.

The livestock sector is prominent among the sectors considered likely to promote the structural transformation of the Chadian economy. Industrialization of this sector is one of the current priorities of the department responsible for the livestock sector. This seems advisable in view of the export potential created by the growing demand for meat in the countries of the subregion, Africa as a whole and the Near and Middle East. Hence it will be necessary i) to prepare an assessment of the existing ways of improving the exploitation of livestock products in Chad; ii) to assess the relevance of policies and strategies, already in place or proposed, to meet the agreed objectives; iii) to identify the main barriers to adding value to products.

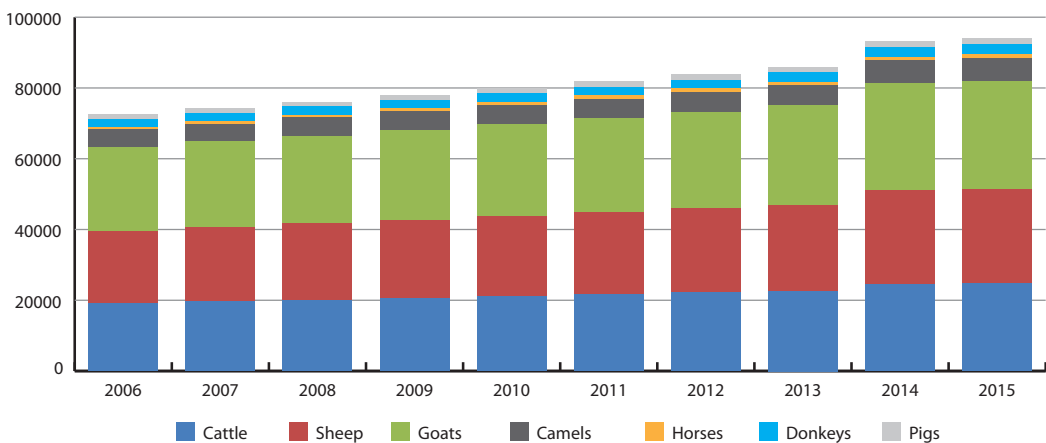
5.1 Assessment of the livestock sector in Chad

BEAC data indicate that the value added by the livestock sector rose from 382.2 billion CFA francs in 2006 to 467.7 billion CFA francs in 2015. As shown in the graphic below, this increase should be seen in the light of the 30 per cent increase in numbers of animals of all species during the same period.

The livestock census carried out in Chad from January 2013 to the first quarter of 2015 showed a large livestock population, made up of 24.8 million head of cattle, 26.5 million sheep, 30.8 million goats, 6.4 million camels, 1.1 million horses, 2.8 million donkeys/mules and 1.7 million pigs. All these species offer, to a greater or lesser extent, real potential for diversification because of the variety of products and services derived from them. The beef sector, for example, produces milk, live animals, meat, leather, hides, manure and animal-powered traction. Milk, in turn, can be processed into fermented whole milk, fermented skim milk, liquid butter and cheese. This proves that processing units in the livestock sector can add value in the course of their activities, for instance by processing products for the food and crafts sectors.

In Chad, particularly, derivatives from the livestock sector have low added value, since they are normally the product of first-level processing. This means that they cannot be sold on the world markets, which are quite demanding when it comes to quality standards and procedures. These products supply a number of industries, restricted to the local market and neighbouring countries. For instance, an export chain for live cattle mainly supplies Nigeria, milk, dairy-products and meat outlets supply local markets, and networks for the collection and treatment of leather and hides export primary products to Nigeria, Sudan, Cameroon and sometimes Europe. Most derivatives are exported in a virtually raw state, although processing would add value to them.

Figure 12: Trends in livestock numbers, Chad, 2006-2015



Source: BEAC, 2016.

Opportunities to exploit the potential of the Chadian livestock sector are limited by poor infrastructure, inadequate warehousing capacity and low production capacity among private operators in the meat, dairy and leather and hides sectors. In the meat sector, for example, there are only a few private slaughterhouses and some food outlets. The processing system is made up of refrigerated abattoirs based in N'Djamena and Sarh, bush dryers and abattoirs and slaughtering facilities. As well as fresh meat, there is grilled or dried meat, produced in small facilities using traditional methods. As for milk, there are only around 20 small dairies throughout the country, mostly in the city of N'Djamena, which produce cheese and yoghurt, among other products. Most production and processing is done on a small scale. Thirty per cent of all leather and hides are unusable, according to the Support Project for the Pastoral Livestock System (PASEP), because the curing and tanning techniques in use are traditional and inefficient. They do not meet technical standards and contribute to the poor quality of leather and hides. There are no modern facilities for treatment and processing before the products are exported to other countries, which deprives the entire sector of a major source of revenue.

Overall, product treatment, processing and packing are still underdeveloped in Chad.

5.2 Measures to enhance livestock breeding in Chad

In 2008, the Ministry of Livestock and Animal Resources highlighted a number of reasons for the failure to add value to livestock products in the National Livestock Sector Development Plan (2009-2016). These included: i) fluctuations in the volume of production of some animal products; ii) the high cost of equipment and energy; iii) competition from imported products; and iv) the lack of credit facilities. The question is: how far did the strategies adopted by the Chadian authorities take these shortcomings into account?

It can be seen from the National Livestock Sector Development Plan 2009-2016 and the Priority Action Plan 2016-2019 that some action has been taken to increase processing of livestock products and increase the contribution of the livestock sector to GDP which has, however, fallen to 6.4 per cent in 2015, compared with 9.6 per cent in 2006.

The National Livestock Sector Development Plan was validated by the Ministry of Pastoral Development and Animal Production in June 2008. The aim was to increase the contribution of the livestock sector to national economic growth, poverty reduction and action to combat food insecurity. Specifically, this involved: i) developing the marketing and export of products using new processing and preservation methods; ii) providing the livestock sector with substantial regular funding for its promotion; and iii) strengthening the capacity of technical services and livestock professionals.

To achieve these aims, a programme was created for the development of production systems to increase the productivity of the livestock sector, emphasizing improved management of pastoral resources and the development of the subsectors. It consists of a subprogramme for development of the subsectors intended to increase animal production by improving

breeding yields for the various species and improving pastoral practices, on the one hand, and boosting breeders' incomes by means of a more efficient system of marketing and processing, on the other. Specifically, it involved: i) improving leather and hide quality by supporting the establishment of a training centre for leatherworking; ii) improving the conditions for marketing of livestock products and by-products; and iii) gaining access to the markets of the CEMAC zone, African coastal countries and the Arab-Persian Gulf region.

The implementation strategy was based, among other measures, on the processing of livestock products and by-products. The aim was to help operators to gain access to modern processing units, increase their professionalism through mentoring and training, and obtain credit. The strategy included: i) creating a "showcase" or leather processing centre and tannery to promote development in this subsector; ii) increasing the theoretical processing capacity of small-scale dairy units; iii) applying hygiene measures and correctly observing processing procedures; and iv) creating more processing units in order to broaden the range of processed dairy products. The expected results included: i) construction of four abattoirs with leather processing units; ii) construction of 10 dairy-product processing units; iii) 10 training sessions on meat-drying techniques for groups of women; iv) the establishment of a processing centre for leather and hides; and v) the establishment of 58 dairy units.

Besides the action provided for in the National Livestock Sector Development Plan, which came to an end in 2016, support to improve the distribution of livestock products and by-products is included in the priority action plan for 2016-2020. One of the aims of this project, which extends over four years, is to promote the sectors of the meat processing and packing industry, strengthen the operational capacity of the small-scale butchery/charcuterie sector and bring about sustainable improvement in the availability and quality of livestock by-products, including leather and hides.

5.3 Main challenges impeding improved exploitation of the livestock sector in Chad

In line with the National Livestock Sector Development Plan, the Government of Chad has opted for modernizing the livestock sector by building modern refrigerated abattoirs. Industrialization of the sector has begun with the construction of first-generation industrial complexes such as the abattoirs in the cities of Moundou, Abéché, Ati and Amdjarass. Further action to improve exploitation of the livestock sector has been conducted with the support of technical and financial partners. For example, the European Union has provided support under the Project to Support the Beef Sector. This project, which ran from 2009 to 2013, was intended to achieve a sustainable increase in the value and volume of products in this subsector, both sales of live animals and sales of processed products – meat, hides and leather. By the end of the project, four tanneries and five slaughtering facilities had been established and professional capacities in slaughtering and tanning techniques had been strengthened. In addition, BDEAC had provided financial support for the construction of

a modern industrial complex and tannery in Djarmaya and an industrial dairy complex. In September 2015, Chad also launched a support project for value chains in the livestock sector with financial support from the World Bank. The project has been set up to improve the registration of businesses and cross-border trade, the creation of value chains for meat and milk, supplying of internal markets by the private sector and the competitiveness of the latter on regional or international markets. It has funding of \$10 million and is targeted at 600 small and medium-sized enterprises in N'Djamena and the surrounding area. Finally, with the support of Italy and the Enhanced Integrated Framework,³ a footwear production chain was opened in June 2014 at the training unit of the crafts centre in N'Djamena.⁴ Under this project, a complete, fully automatic and standardized production chain has been set up and put into operation, producing shoes and sandals for men, women and children. To date, electrically powered machines and manually operated machines have been installed. This project brings together all actors in the leather value chain, supplying raw materials for the footwear manufacturing process and integrating the leather and hides sector into the process. Over 80 professionals from associations of livestock breeders, butchers and tanners in Chad, upstream of the production process, benefit from the project. The programme has also enabled butchers at the Farcha abattoir to receive training in techniques for skinning carcasses, as well as equipment so enable them to guarantee the quality of the meat while keeping the hides intact.

Improvement of livestock production systems and enhancing the value of derivatives have thus been the focus of national attention, judging by these actions. These combined efforts, while commendable, have not succeeded in creating the necessary conditions for structural transformation in Chad by increasing the contribution of the livestock sector to GDP, reducing poverty or improving food security. To obtain the maximum added value and gain access for derivatives to national and international markets, it would be desirable, other things being equal, for Chad to have not only modern abattoirs and tanneries, but also robust processing industries, making it possible both to produce canned meat and to manufacture leather footwear, bags and gloves. Ethiopia, which has just adopted a livestock master plan and has a large leather industry providing materials for footwear manufacturing, could be a model here.

Besides the need to take forward the implementation of the PNDE after the end of the plan in 2016, Chad will have to face two major challenges if it is to increase processing in the livestock sector, thereby speeding up the process of structural transformation of the economy. The first is to develop the necessary infrastructure and equipment for processing livestock products. The aim is to increase the value added to products in the livestock subsector by considerably increasing investment and developing internal marketing and export of these products. Action

3 The EIF is a multi-donor programme which helps least developed countries to be more active in the world trade system and overcome supply-side barriers to trade.

4 EIF (2015), Chad: Mobilizing support for trade to move up the leather value chain. Available from <http://www.enhancedif.org/fr/publication/2015-04/tchad-mobiliser-lappui-au-commerce-pour-monter-dans-la-chaine-de-valeur-du-cuir>.

should concentrate on: i) setting up and/or modernizing abattoir infrastructure; ii) setting up processing units for abattoir by-products; iii) improving equipment for the collection and preservation of local milk; and iv) setting up and equipping livestock markets and other livestock products. The second challenge in achieving a considerable increase in productivity in the livestock sector is that of capacity-strengthening for the actors involved. It is necessary, as stated by the Organisation for Economic Co-operation and Development (2011) to reorganize and professionalize the sector by strengthening capacity among actors, including those in the leather sector, before considering a sectoral strategy to promote exports. The aim is to equip professional actors with the human and material resources they need to undertake the processing of products in the livestock subsector efficiently, including increasing productivity and ensuring higher quality of leather products on the market. The proposed action should focus on: i) training of economic operators in marketing and export techniques for livestock products; ii) training of economic operators in order to improve product quality; iii) training of actors in planning, monitoring and evaluation of their activities; iv) establishment of a guarantee fund and credit line for the financing of processing activities.

6. Evaluation of the quality of national data

Methodological note: The quality of national data sources for key indicators in the country profiles was evaluated. The results are presented in colour codes, with green indicating that the data source is “good”; yellow, “satisfactory”; and red, “needs improvement”.

The evaluation focused on the transparency and accessibility of the national data sources, while taking into account the periodicity of the published data based on the timeliness and frequency of the data updates in accordance with international standards. It measured the comparability of the data series based on length, definition and standard units of measurement. Also reviewed were the accessibility of the data to the general public, the format of the data and the ease with which the data can be downloaded and shared. In addition, data citations, together with references to primary or secondary sources, were assessed. Lastly, the completeness of metadata for data release and the clarity of documentation and notes were evaluated.

Comments: It should be noted that most of the data used here, albeit approved by the national authorities, were obtained from BEAC. Access to exclusively national official statistics is a challenge for all the actors concerned: the public, economic operators and civil society.

| Demography | Value | Evaluation |
|---------------------------------------|-------------|------------|
| Population (millions) | 10,0 (2011) | 1 |
| Children (0-14 years, %) | 52,3 (2011) | 1 |
| Adults (15-49 years, %) | 43,6 (2011) | 1 |
| Elderly people (60 years and over, %) | 4.1 (2011) | 1 |
| Annual mean growth rate | - | 1 |
| Urban population (%) | 18,4 (2011) | 1 |
| Life expectancy at birth | 52,9 (2015) | 1 |

| Macroeconomic and sectoral performance | Value | Evaluation |
|--|---------------|------------|
| Current GDP (billions CFA francs) | 7274,7 (2015) | 2 |
| Real GDP growth rate (%) | 2,5 (2015) | 2 |
| Annual inflation rate (%) | 3,7 (2015) | 3 |

| Economic trends and performance indicators | Value | Evaluation |
|---|---------------|------------|
| Exports of goods and services — total (billions CFA francs) | 1770,6 (2015) | 2 |
| Imports of goods and services — total (billions CFA francs) | 3169,3 (2015) | 2 |
| Gross fixed capital formation (% of GDP) | 23,5 (2015) | 2 |
| Inflows of foreign direct investment (billions CFA francs) | 576 (2015) | 2 |

| Education and employment | Value | Evaluation |
|--|-------------|------------|
| Literacy rate, people aged 15-24 years (%) | 86 (2014) | 4 |
| Incidence of poverty (%) | 85 (2014) | 1 |
| Unemployment rate (%) | 87.8 (2014) | 1 |

| Health | Value | Evaluation |
|---|---------------|------------|
| Under-five mortality (per 1,000) | 133 (2014/15) | 4 |
| Infant mortality (per 1,000) | 72 (2014/15) | 4 |
| Maternal mortality (per 100,000) | 860 (2014/15) | 4 |
| HIV/AIDS prevalence rate in people aged 15-24 years (%) | 2.5 (2014) | 4 |

Codes for data sources

1. INSEED
2. BEAC
3. Directorate of Research and Forecasting of the Ministry of Finance and Budget
4. EDS-MICS 20145-2015

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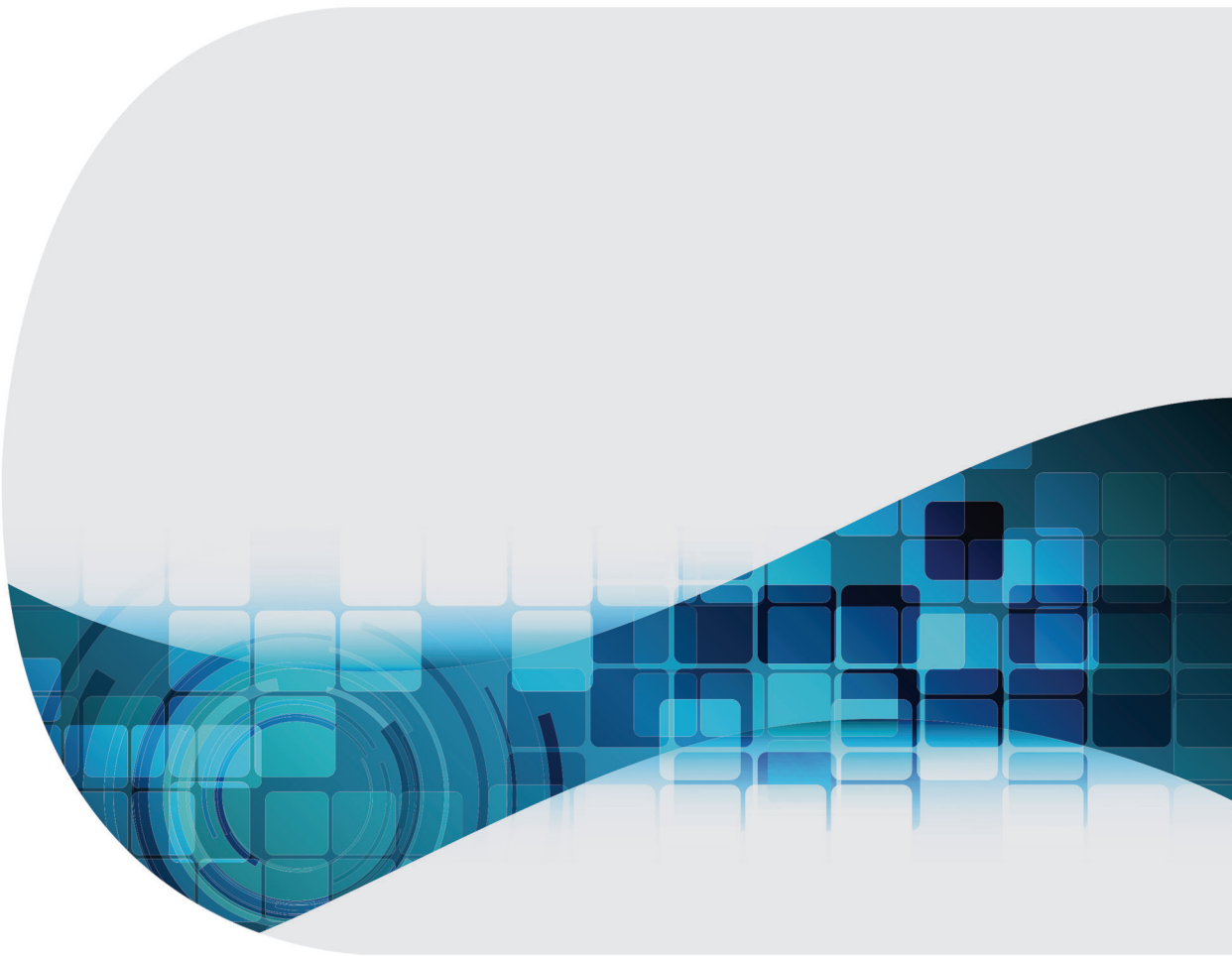
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