

# THE MINERAL INDUSTRY OF CAMEROON

By Philip M. Mobbs<sup>1</sup>

Crude oil production continued to be of major economic importance to Cameroon, accounting for the bulk of the nation's foreign exchange earnings. In the previous decade, world oil prices enabled the petroleum sector to account for about 45% of total Government revenues. However, production from existing oilfields continued to decline. Without new commercial hydrocarbon discoveries, Cameroon could become a net energy importer by the turn of the century.

The legal system of Cameroon is modeled after French civil law. The mineral policy of Cameroon is based on the Mining Code, Law 64-LF-3 of April 6, 1964, and Decree 64-DF-163 of May 26, 1964. Other pertinent legislation is the Mining Taxation Code, Law 64-LF-13 of November 18, 1968, and the decree regulating oil companies, Law 82-20 of November 26, 1982. During 1995, the Government enacted Law No. 95/13 to encourage development of marginal (smaller than 21 million barrels) and deepwater prospects.

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

Additionally, the Government enterprise Fonds de Soutien aux Hydrocarbures assisted oil exploration and production; and Société Nationale de Raffinage (Sonara) was the state owned company that managed the oil refining facilities. SNH held a 20% equity share of the Sonara refinery.

Crude petroleum remained the major mineral commodity of Cameroon. However, for the past several years, it has become increasingly difficult to obtain Government statistics on the mining industry because the Ministry of Mines, Energy, and Water Resources and the Ministry of Planning and Regional Development's Department of Statistics and National Accounts were unable to publish mineral production statistics owing to financial difficulties. (*See*

*table 1.*)

The most prolific crude oil-producing regions were the offshore Rio del Rey Basin, northwest of Victoria, and the adjacent Lokélé concession about 35 kilometers (km) offshore. The main petroleum operators in Cameroon were France's Société Nationale Elf Aquitaine subsidiary Elf Serepca (Elf), Pecten International Co. (Pecten), a subsidiary of Shell Oil of the United States, and Perenco of the United Kingdom. Pecten and Elf accounted for about 80% of Cameroon's oil production. After a slight increase in output in 1994, production dropped by more than 20% in 1995.

The aluminum smelter at Edea was managed by Compagnie Camérounaise de l'Aluminium (Alucam). Alucam's equity ownership was by Pechiney of France (58%) and the Government (42%). The smelter had a design production capacity of 85,000 metric tons per year and utilized alumina imported from Guinea. Capacity expansion of the Edea smelter remained in the planning stages, constrained by power availability. Cameroon had installed generating capacity of 719 megawatts (MW), which was provided by three hydroelectric stations. An additional 200-MW plant was proposed for the Sanaga River. A portion of the power generated from the new plant could allow an expansion of the Edea smelter.

The small-scale mining of cassiterite appeared to have all but ceased, and the proposed development of bauxite resources at Minim-Martap and Ngaouanda remained on the drawing board.

SERAK, a joint venture of La Source Compagnie Minière of Australia and France, Consolidated Rutile Ltd. of Australia, and the Government of Cameroon, was evaluating the rutile deposits near Akonolinga, 120 km east of Yaounde.

According to World Bank estimates, recoverable crude oil reserves in Cameroon's mature oilfields were about 210 million barrels. Reserves of natural gas were considerable, estimated at 100 billion cubic meters. Cameroon hosted a variety of mineral deposits, reported by the Government to include the following: bauxite, chrome, cobalt, copper, dimension stone, gemstones, gold, iron ore, lead, nickel, phosphate, salt, tin, titanium, and uranium.<sup>2</sup> However, few have been commercially exploited; and the development of a viable and diversified mineral industry was hampered by inadequate infrastructure, insufficient electrical power, and a dearth of financing.

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<sup>1</sup>Text prepared Aug. 1995 by Thomas P. Dolley, revised Apr 1996 by Philip M. Mobbs.

<sup>2</sup>Ministry of Mines, Water, and Energy Resources. Mineral and Energy Potential of Cameroon. Mar. 1995.

Yaoundé, Cameroon  
Telephone: (237) 22-34-00  
Fax: (237) 22-61-77

### **Major Source of Information**

Ministere des Mines, de l'Eau et de l'Energie  
P.O. Box 955

TABLE 1  
CAMEROON: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity 2/	1991	1992	1993	1994	1995 e/
Aluminum metal, primary	82,516	82,500	86,500	81,100 r/ e/	78,400
Cement, hydraulic e/	622,000	620,000	620,000	620,000	620,000
Gold, mine output, Au content e/	kilograms 10	10	10	10	1,000
Petroleum, crude	thousand 42-gallon barrels 55,480	50,370	42,705	47,140 r/	36,400
Pozzolana e/	130,000	130,000	130,000	130,000	130,000
Stone: e/					
Limestone	57,000	57,000	57,000	57,000	57,000
Marble	200	200	200	200	200
Tin, ore and concentrate: e/					
Gross weight	kilograms 4,300	4,300	4,300	3,000 r/	2,000
Sn content	do. 3,050	3,050	3,000	2,300 r/	1,500

e/ Estimated. r/ Revised.

1/ Includes data available through Apr. 24, 1996.

2/ 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, and available information is inadequate to make estimates of output levels.