

U.S. Country Commercial Guides



Chad

2017

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Market Overview

- Chad is a large, landlocked country with a population of 11,412,107 (July 2014 est.) and a per capita gross domestic product (GDP) of USD 2,500 at purchasing power parity (PPP) in 2014.
- Oil and agriculture drive Chad's economy. Oil generates the bulk of export revenues. A majority of Chad's population relies on subsistence farming and livestock. Cotton, cattle, and gum Arabic are Chad's primary non-oil exports. The government plans to diversify the economy, increase export of value-added products, and develop the formal economy by 2030.
- China supplies the largest share of Chad's imports at 20.2 percent, followed by Cameroon at 18.2 percent, France at 16.1 percent, Saudi Arabia at 5.6 percent, and the United States with 4.2 percent. U.S. exports to Chad in 2014 were valued at \$66.5 million, up 60 percent from 2013. Principal imports from the United States in 2014 were machinery (\$17 million), computer and electronic products (\$11 million), fabricated metal products (\$9 million), and electrical equipment, appliances & components (\$7 million). Other imports include construction materials and machinery, foodstuffs, pharmaceuticals, and soap.
- The United States receives 81 percent of Chad's exports, which are primarily petroleum. Most other exports are to China, France, Germany, Portugal, and regional trading partners. The U.S. and Chad have no trade or investment agreements. However, Chad is eligible for the African Growth and Opportunity Act (AGOA), receiving trade preferences including quota and duty-free entry for certain goods.

Market Challenges

- Chad's economy remains heavily dependent on extractive industries, primarily oil, and unprocessed agricultural commodities, which leaves the country vulnerable to external factors, such as world oil prices, food prices, and drought. For example, economic growth slowed in 2016 due to low oil prices and increased spending on security.

- Chad's investment climate is challenging. Its bureaucracy, though in the midst of reform, is cumbersome. Corruption is common in both business and government, and modern infrastructure, including transportation and telecommunications, is still developing. Skilled labor is limited. Companies often bring experts for projects, but the Chadian government puts strict limitations on the employment of foreigners.
- Chad's capital market is underdeveloped. Less than ten percent of personal and small business financial transactions pass through formal banking systems.

Market Opportunities

- Chad's ongoing development presents opportunities for medium and large scale projects in oil exploration, mining, road and building construction, livestock, agribusiness, pharmaceuticals, telecommunications, and electric power generation and distribution.
- There are also opportunities in niche markets, including natural products such as gum Arabic, shea butter, spirulina, and moringa, as well as opportunities to develop value-added products, such as meat products and other processed agricultural goods.
- The Government of Chad's 2008 Investment Charter offers investment incentives to foreign companies establishing operations in Chad, including tax-free status for up to five years. In addition, the Government of Chad's National Investment and Exporting Agency (ANIE) has a "one-stop-shop" (*Guichet Unique*) for registering international and national businesses.

Market Entry Strategy

- There is a small U.S. business community, concentrated in the oil and power generation sectors. There is no American Chamber of Commerce.
- Companies interested in investing in Chad should thoroughly research the business environment and legal and regulatory frameworks. Investors find consultations with established U.S. and other foreign firms useful. Interested

U.S. firms should also visit Chad and meet potential business partners and key players in the government.

- Prospective investors may contact the National Agency for Investment and Exports (ANIE), Chadian Ministry of Industrial and Commercial Development and Private Sector Promotion, or the Chamber of Commerce for information and guidance on investing in Chad.
- U.S. firms should consider placing a representative, agent, or attorney in Chad throughout negotiations to solidify contracts and establish a presence. Such an individual must speak French; Chadian Arabic is also helpful.

Political Environment

Political Environment

Chad is in a period of political stability; however, instability from neighboring countries and the Nigeria-based terrorist group Boko Haram's activities threaten Chad's security.

President Idriss Déby Itno has been in office since 1990, and was re-elected for a fifth five-year term in April 2016. Chad is a multiparty democracy, but the President's party, Patriotic Salvation Movement (MPS), and its allies dominate the political process.

A former French colony, Chad gained independence in 1960 and maintains strong political, economic, military, and cultural ties with France.

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

[State Department on Chad](#)

Selling US Products & Services

Using an Agent to Sell US Products and Services

While not legally required, it is advisable for foreign firms to retain a representative in Chad to help navigate the Chadian market. A local agent should be fluent in French and possess thorough knowledge of the local economy. Chadian Arabic is also helpful. For products requiring maintenance, it is important for an agent to assure after-sales support and to stock a reasonable supply of spare parts. Local agents/distributors are not exclusive and carry many product lines, but they may sometimes request exclusive distribution rights.

Contact your U.S. Department of Commerce district office to inquire about the Agents Distributor Service (ADS). If Commerce records do not already contain suitable prospects, the office will ask the U.S. Embassy in N'Djamena for support.

Establishing an Office

To establish offices in Chad, a company must provide the following documents to the Formalities Center (*Centre de Formalité des Entreprises*) at the Chadian Chamber of Commerce:

- Copy of articles of incorporation or bylaws, and annexes;
- Decision of the General Assembly or decision of the Board of Directors (SA);
- Proof of identity of company executives/owners
- Criminal records or affidavit;
- Residence permit (for foreigners)
- Lease or title
- Three color photos of the Chief Executive Officer
- Notary and registration fees of approximately \$280 plus 1.5 to 5 percent of capital

A lawyer or notary public is usually necessary in preparing these documents and may reduce delays caused by missing documentation. The Formalities Center will then forward all documents to the Guichet Unique, a one-stop shop registration service located at the National Agency for Investment and Exportation (ANIE). Three days are required to process an administrative authorization to establish a business. Fees for processing vary according to the size of the company. There are five main types of companies in Chad:

- Corporation (Société Anonyme, SA): A "Société Anonyme" has the same characteristics as a "Société Anonyme Française." There must be at least seven shareholders. Financial responsibility of shareholders is limited to each individual's capital contribution.
- Limited Liability Company: (Société à Responsabilité Limitée, SARL): This category corresponds to the French SARL. A SARL requires a minimum of two individual partners. SARL partners cannot cede ownership without consent of 3/4 of the association.
- Affiliate or Branch Office (Succursale): A foreign company may start a business in Chad as a branch office either independently or with a Chadian partner.
- Economic Cooperative (Groupement d'Intérêt Economique): A formal relationship between a group of businesses or organizations for the purpose of increased competitive advantage. Common among agricultural producers and artisans.
- Sole Proprietorship (Entreprise individuelle): A private business owned by one individual with unlimited liability. Foreigners require a residence permit issued within the previous three months and a copy of a commercial lease to qualify.

Registration fees vary by company type. The following fee amounts are based on an exchange rate of 600 Franc CFA to \$1:

- Corporation (Société Anonyme: SA): \$183
- Limited Liability Company (Société à Responsabilité Limitée: SARL): \$133
- Corporate affiliate or Branch Office (Succursale): \$550
- Economic Cooperative (Groupement d'Intérêt Economique): \$142
- Individual Enterprise (Entreprise individuelle): \$ 63

Franchising

Some international car rental companies (e.g., Avis) and hotel chains (e.g., Hilton) currently operate in Chad under franchising agreements. There are potential opportunities for franchising in food and beverage and services.

Direct Marketing

There are no restrictions on foreign firms directly marketing products in Chad. Direct marketing is uncommon, although Internet and catalog marketing are developing as Internet access increases. Direct marketing by traditional mail services is not common due to lack of adequate postal services.

Joint Ventures/Licensing

Chadian law provides for joint venture partnerships. There are currently U.S. joint ventures in the oil, construction, and hotel sectors. Joint ventures may be particularly useful when medium- and long-term maintenance services are required for capital equipment or for projects requiring significant local investment.

Commercial licensors may have difficulty finding prospective Chadian licensees with suitable manufacturing and marketing capabilities. Patents and licensing agreements are available but not well enforced. The Office of Intellectual Property Rights, Trademarks, and Patents registers patents. However, very few companies have registered products.

Selling to the Government

U.S. firms interested in selling directly to the government should ensure that the Government of Chad's budget has appropriated funds for the goods/services intended for sale.

The Chadian government publishes procurement tenders in the local press and occasionally in the international press. The Ministry requesting the procurement issues the tender, in collaboration with the Public Procurement Office, which is part of the Prime Minister's office. The Government Secretary General (SGG) may also receive and approve tenders on behalf of the requesting Ministries.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Distribution & Sales Channels

Except for Coca-Cola, which distributes a complete range of products in Chad (Coke, Fanta, Sprite, etc.) under a licensing agreement with a domestic company, most U.S. products sold in Chad are marketed through agents. Most importers are N'Djamena-based, although potential partners exist in Moundou, Sarh, and Abéché. Import-export companies usually serve as agents or wholesale distributors for the products they import. Retailing is predominately informal.

Improved road conditions facilitate distribution of goods within Chad. Retailers in N'Djamena and other major cities distribute durable goods such as new vehicles, machinery, and household appliances. Wholesale agents and retailers in N'Djamena distribute imported consumer goods through informal retailers. Many Chadian retailers procure goods in neighboring Libya, Cameroon, Sudan, and Nigeria, while others import from Europe, China, India, Saudi Arabia and other Middle Eastern countries, and North America. Most imported goods transit the port of Douala (Cameroon), with some passing through Cotonou (Benin).

Express Delivery

Local deliveries are made through DHL and logistics companies throughout the country.

Selling Factors & Techniques

Chadian culture emphasizes personal contact to build mutual trust and develop personal relationships before doing business. U.S. companies should make efforts to visit Chadian clients in person, understand traditions, and learn the commercial environment.

English is not widely spoken in Chad. Companies should prepare all sales material in French and/or Arabic. Even if an interpreter is not required to conduct business, it is helpful to learn simple pleasantries in French or Chadian Arabic. Internet connectivity is rising in Chad, but telephone and personal contact are more effective means of communications than e-mail.

eCommerce

Overview

Since the launch of a fiber-optic cable in 2012 linking N'Djamena to international connections through Cameroon, Internet service in Chad has been increasingly reliable although it remains expensive. Low bandwidth and slow speeds hamper Internet entrepreneurs and shoppers. Thus, to date E-commerce has not been a practical means of conducting business. However, as Chad becomes more connected to international fiber-optic cables, Internet penetration is estimated at 10 percent of the total population, rising to over 40 percent in urban areas.

Current Market Trends

Due to low penetration rates, there is very little eCommerce in Chad. The Government of Chad has been working to improve fiber optic connectivity via Cameroon and Sudan, and recently joined an effort to create a “trans-Saharan backbone” connecting Chad to a fiber optic cable via Algeria. The government

has not proposed or passed any laws or regulations specifically affecting online business.

Domestic eCommerce (B2C)

The country's only online marketplace, MossoSouk, was launched in 2016 and offers car rentals and small items for purchase. The service is currently limited to Ndjamenana.

Cross-Border eCommerce

There is currently no cross-border eCommerce in Chad.

B2B eCommerce

There is currently no B2 eCommerce in Chad.

eCommerce Services

There are currently no eCommerce services available in Chad.

eCommerce Intellectual Property Rights

Intellectual property rights with respect to eCommerce have not yet been codified.

Popular eCommerce Sites

Chad's only eCommerce portal is MossoSouk.com.

Online Payment

Online payment is not yet available in Chad.

Mobile eCommerce

Tigo Cash and Airtel allow consumers to pay their electric bills using mobile telephony.

Digital Marketing

Some digital advertising and marketing are done through social media sites.

Major Buying Holidays

There are no major buying holidays in Chad.

Social Media

Social media sites such as Facebook and WhatsApp are popular in Chad, though the vast majority of Chadians (well over 90 percent) access social media through mobile phones.

Trade Promotion & Advertising

Chad's advertising sector is developing. There are several daily and weekly publications circulated in N'Djamena and other major Chadian cities, a majority of which are in French. Newspapers are limited in circulation. The most widely-read weekly papers are: N'Djamena Bi-Hebdo, L'Observateur, Le Temps, Notre Temps, La Voix, l' Union, l'Info, Abba Garde, and La Nation. The sole daily paper is Le Progrès, published Monday through Friday. Tchad & Culture is a popular monthly publication.

Chad has three television stations: Tele Al-Nasr, Tele Tchad, and Electron TV, although stations may go off air for varying lengths of time. These stations broadcast domestically and internationally via satellite. Radio remains the most effective means to reach a large audience. Billboards are common in major cities and are a cost-effective means of reaching a wide audience. A small percent of the population has Internet access; however, Internet access and usage is growing. Blogs are increasingly popular and most have advertisements.

Pricing

Prices in Chad are comparatively high for the region. International and domestic transportation costs, scarcity, and sales taxes contribute to high prices. Goods imported to Chad are subject to a universal 18 percent value-added-tax (VAT), two percent statistical tax, and additional excise taxes of up to 100 percent, depending on the classification of the goods.

Aside from western-style shops in N'Djamena, prices are not normally set. As in many African countries, informal retailers normally present an exorbitant price and eventually reduce it during spirited bargaining with the buyer.

Sales Service/Customer Support

Providing sales service and customer support may offer a competitive advantage. Currently some imported construction equipment, vehicles, computer hardware, software, office equipment, air conditioners, and major household appliances offer technical support. After-sales support is important, and stocks of spare parts should be available. Vendors should provide service manuals in French and Arabic.

Protecting Intellectual Property

The Ministry of Economy, Commerce, and Tourism's Office of Intellectual Property Rights, Trademarks, and Patents handles patents and copyrights in Chad. Chad is a member of the African Intellectual Property Office (OAPI), based in Yaoundé, Cameroon. OAPI aims to ensure the publication and protection of patent rights, encourage creativity and transfer of technology, and create favorable conditions for research. Under OAPI, Chad acceded to a number of international agreements on patents and intellectual property, including the Paris Convention, the Berne Convention, and the Convention Establishing the World Intellectual Property Organization (WIPO).

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

IP Attaché Contact for Chad

There is currently no IP Attaché for Chad. For inquiries, please contact the Economic & Commercial Section at the U.S. Embassy in N'Djamena at [Ndjamena-Commercial@state.gov](mailto:Ndjamenacommercial@state.gov).

Due Diligence

U.S. companies should perform thorough due diligence on business partners and agents before entering into any business agreements. For government contracts, U.S. companies should follow formal public procurement procedures. It is advisable to contact ranking individuals in the procuring Ministry to verify the project. Companies interested in selling directly to the Government of Chad should verify that there is an open call for tender and an accompanying budget allocation for the contract.

Embassy N'Djamena's Economic and Commercial Affairs Section can provide basic background information on Chadian government Ministries and large Chadian private enterprises.

Local Professional Services

Retaining an attorney or notary public is not required, but a local representative is helpful. A list of local attorneys is available at the Embassy N'Djamena's consular section or through the website of the U.S. Embassy in N'Djamena. [Embassy N'Djamena's website](#). There are also local accounting services, including branches of international firms.

Principle Business Associations

The Chadian National Council of Business Owners (CNPT, *Conseil National du Patronat Tchadien*) serves as an interface between competent government authorities and employers and business owners. It participates in collective bargaining with representatives of workers' organizations, designates Employer representatives in the organizations in which employers' representation is desired, and conducts studies on general economic and social issues in Chad.

The Chamber of Commerce, Industry, Agriculture, Mines and Crafts (CCIAMA, *Chambre de Commerce, d'Industrie, d'Agriculture, des Mines et d'Artisanat*) is dedicated to facilitating and improving administrative procedures for business creation, improving the security environment, monitoring market prices, and facilitating tax collection, with the eventual goal of transitioning the informal economy to the formal economy. CCIAMA was instrumental in establishing ANIE, creating a ministry dedicated to small- and medium-sized enterprises, creating a forum for public-private dialogue (FODEP), and adoption of a National Investment Charter.

Limitations on Selling US Products and Services

There are no limitations on the sale of US products and or Services

Web Resources

[National Agency for Investment and Exports \(ANIE\)](#)

[U.S. Embassy N'Djamena's List of Local Attorneys](#)

[MossoSouk.com](#)

Leading Sectors for US Exports & Investments

Chad's leading sectors offering opportunities to U.S. export and investment:

- Mining, Quarrying, and Oil and Gas Extraction;
- Construction;
- Information/Telecommunications;
- Wholesale Trade/Pharmaceuticals;
- Agriculture, particularly the sub-sectors of crop farming (cotton, gum Arabic, sesame, peanuts, shea butter, hibiscus, moringa, spirulina) and animal production (poultry and livestock and associated products);
- Energy.

Mining, Quarrying, and Oil and Gas Extraction

Overview

Chad ranks as the tenth-largest oil reserve holder among African countries, with 1.5 billion barrels of proven reserves as of January 1, 2013. Petroleum is Chad's primary source of public revenue, contributing approximately 60 percent of the national budget. Chad's petroleum exports are produced primarily by the Esso Exploration & Production Chad Inc. (EEPCI) consortium and the China National Petroleum Company in Chad (CNPCIC). The Esso consortium began extracting oil from southern Chad in 2003. The 1,100 km Chad-Cameroon pipeline carries Chadian oil exports through Cameroon to the port of Douala. In 2016, Canadian, British, Taiwanese, Russian, and Nigerian companies owned oil blocks and exploration rights. These companies are currently working towards exporting oil from their respective fields via the consortium's Chad-Cameroon pipeline. A joint venture between the Government of Chad's state-owned oil company, Société des Hydrocarbures du Tchad (SHT), and the CNPCIC refines petroleum for export and domestic consumption at a 20,000 barrel per day refinery 40 km outside N'Djamena.

Chad's mining sector is underdeveloped and the country's mineral resources are under-explored. The only mineral currently exported from Chad is

sodium carbonate, also known as natron. According to a 2010 geologic survey by the Government of Chad, Chad may contain deposits of gold, silver, diamonds, quartz, bauxite, granite, tin, tungsten, uranium, limestone, sand, gravel, kaolin, and salt. The Government of Chad is in the process of rewriting the mining code.

Chad’s natural gas sector is also largely underdeveloped. Less than 1 percent of Chad’s 999.5 billion cubic meters of proven natural gas reserves are exploited for domestic consumption, Chad is not an exporter of natural gas.

	2014	2015	2016	2017 (Estimated)
Total Local Production	112 bpd	130 bpd	180 bpd	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US	N/A	N/A	N/A	N/A
Total Market Size				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in oil and gas exploration include: geological surveying; maintenance of oil facilities; oil drilling rigs and accessories; oil exploration; pipeline construction/maintenance; security fences and other security measures; seismic mapping; storage tanks; and trucks, cranes, and related equipment. In addition, some U.S. companies have expressed in interest in fuel market and distribution.

Opportunities

There are opportunities for petroleum producers. Companies interested in oil exploration in Chad should contact the Ministry of Oil, Mines, and Energy

directly with a detailed proposal and evidence of past experience. There are also opportunities to contract for various stages of production. There are also opportunities in Chad’s underdeveloped mining and natural gas sectors.

Web Resources

[CIA World Fact Book on Chad](#)

[U.S. Geological Survey 2012 Report on Chad](#)

[Ministry of Energy and Petrol](#)

[Chad International Oil, Mining, and Energy \(CIOME 2015\)](#)

Construction

Overview

Most of Chad’s construction is government-financed investment in infrastructure funded by oil revenues. Many of these projects were cancelled or put on hold in 2016 due to the fall in government revenues in the wake of the drop in global oil prices. There is also some ongoing private construction. French, Chinese, and Egyptian construction companies, along with a number of local firms and contractors, are building roads, bridges, hotels, hospitals, universities, public housing, and government offices in N’Djamena and other major cities. Waste management and water management services are embryonic. The U.S. Embassy in N’Djamena will relocate to a newly constructed New Embassy Complex (NEC) in 2017. Prices of concrete and other building materials are high and most construction materials must be imported from neighboring countries.

	2014	2015	2016	2017 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US				

	2014	2015	2016	2017 (Estimated)
<u>Total Market Size</u>				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in construction include: architectural design and engineering for large projects (hotels, office buildings); concrete mixers and trucks; construction management and contracting services; cranes, bulldozers, and other heavy machinery; electrical services; landscaping design services; pre-fabricated home construction; road and bridge engineering and construction; road paving equipment; scaffolding; waste, and water treatment.

Opportunities

Priority sectors for the government are transportation, housing, public facilities, tourism, hospitals, schools, and other large infrastructure projects. Projected projects include improving the road network, housing, renovating government facilities, and urban initiatives in N'Djamena. The Chadian government publishes construction tenders in local and occasionally international media. Multilateral lending institutions also finance large projects and issue their own requests for proposals (RFP's).

Web Resources

[Chad Ministry of Infrastructure and Transportation](#)

Information/Telecommunications

Overview

Chad's telecommunications market is still developing. Penetration rates in all market sectors are telephony at 40.2% and Internet at 18%.

Chad’s mobile sector is growing fast because of competition between two foreign-owned networks – Bharti Airtel (formerly Zain), and Millicom (Tigo). The national telecom and fixed-line operator, Sotel Tchad, operates the country’s third mobile network. The mobile networks offer basic mobile data services using GPRS and EDGE technology as well as 3G/4G.

Maintaining cellular networks in Chad is difficult and expensive due to harsh weather conditions and erratic electricity. The market for handsets and tablets has not kept up with growing demand. Inexpensive handsets from Asia sold on the informal market are most common. Informal imports of Apple, Android, and Windows products from France, Saudi Arabia, and the United States are increasingly common.

	2014	2015	2016	2017 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US	N/A	N/A	N/A	N/A
Total Market Size				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in information/telecommunications include: mobile phone service providers; mobile network maintenance; satellite communications service providers; Internet service providers; and low-cost, high-quality mobile handsets, tablets, and computers

Opportunities

There are opportunities for American companies in mobile networks, Internet service providers, and fixed line operators. Engineers and technical experts are in demand. There are also market opportunities for authorized retailers of consumer electronics.

Web Resources

[Agency for the Development of Information and Communication Technologies](#)

Wholesale Trade/Pharmaceuticals

Overview

The public pharmaceutical sector in Chad is supplied by the Pharmaceutical Purchasing Centre (CPA) which has been operational since December 1996. The CPA ensures proper coordination and better management of the supply of essential medicines in the public sector. It is administered by a 9 member Management Committee consisting of two representatives of the State (appointed), 4 representatives of development partners (elected) and 3 representatives of health centers management committees (elected). It is financed by a credit from the World Bank worth 4.8 million US dollars.

For several years, the GOC has been regularizing the pharmaceutical sector, which has heretofore seen unregulated products of inferior quality, and sometimes counterfeit products, often sold in the informal economy. A mission composed of three multidisciplinary teams coordinated by the General Inspectorate of the Ministry of Health checks the regularity of medical establishments, including pharmacies, vis-à-vis the regulations. The results of the monitoring mission has shown that many of the private health facilities sometimes work without qualified personnel or without authorization from the Ministry of Public Health. Drugs dispensed in some institutions come from different therapeutic classes and all are sold in drug stores. Of the 286 private health facilities monitored, 106 were illegal: 88 were permanently closed and the other 18 ordered to regularize their situation before reopening.

Only physicians may establish pharmacies or medical offices, by law. Chad has about fifty trained pharmacists, of which more than half are located in the capital. With an estimated population of about 12 million people, the ratio is one pharmacist for 240,000 inhabitants, compared to the international standard of one pharmacist to 20,000 inhabitants. In addition to the accessibility of pharmaceuticals, there are serious problems with refrigeration as pharmacies struggle to maintain their products in the face of frequent power cuts. According to the president of the College of Pharmacists of Chad, the solution is the construction of a drug manufacturing plant in Chad.

The importation of medical equipment to Chad is regulated by the Ministry of Public Health. There are a limited number of private hospitals operating in Chad, and most medical equipment importation is managed through the Ministry of Public Health’s Directorate of Pharmacies and Laboratories to ensure compliance to quality standards.

	2014	2015	2016	2017 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US	N/A	N/A	N/A	N/A
<u>Total Market Size</u>				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in wholesale trade/pharmaceuticals include: pharmaceuticals and medical equipment.

Opportunities

The CPA regularly publishes requests for tender for the purchase of pharmaceuticals, often in the international press. They would welcome bids from U.S. pharmaceutical companies and suppliers, but have yet to receive any responses. There are also opportunities to supply local and regional pharmacies directly.

Web Resources

[Ministry of Public Health](#)

Agriculture

Overview

Chad's primary non-oil exports include cotton, gum Arabic, and livestock. By most estimates, 80 percent of Chad's population relies on agriculture, livestock, or fishing. The market is primarily domestic. There is little value-added production of agricultural products. However, the Government of Chad has prioritized industrialization of agriculture and boosting exports in its 2016 – 2020 national development plan in order to diversify the economy to reduce its dependence on oil exports and increase tax revenue.

	2014	2015	2016	2017 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US	N/A	N/A	N/A	N/A
Total Market Size				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in agriculture include: farm tractors; fertilizers; seeds; farming implements; irrigation systems; harvesting equipment; gum Arabic; cotton; livestock and livestock products; sesame seeds; peanuts, cashews, dates, and dried fruit; and shea butter, moringa, spirulina, and other natural products.

Opportunities

The Government of Chad is determined to improve agricultural production in Chad through modernization and mechanization. There is demand for agricultural equipment and inputs from both the government and private sector. Lack of access to capital is a constraint in this area.

Chad is the second largest global producer of premium grade gum Arabic. Chadian producers currently sell to intermediaries and wholesalers to export to the United States, China, and Europe. Producers are interested in exporting directly to the United States.

Livestock, including cattle, camels, and goats, present manifold opportunities for investment, particularly construction of feedlots and slaughterhouses meeting the standards of the World Organization for Animal Health, as well as improving laboratories and resuscitating Chad's capacity to produce animal vaccines. The Chadian poultry industry poses opportunities in the areas of pharmaceuticals and nutrition.

Chad is one of the largest suppliers of sesame seed. White and black sesame seeds are grown in southern and central Chad. Other foods, e.g. mangos, cashews, peanuts, and dates, are widely grown in Chad but are not packaged, processed, or exported. This presents an opportunity for U.S. investment.

There is a growing market for natural products from Chad. At least one U.S. company is exporting Chadian shea butter to the United States and China. There is small-scale production of moringa, spirulina, karaya gum, hibiscus, and other natural products. Chadian producers and intermediaries seek new

markets for these goods, and there are opportunities for export and investment in value-added processing and packaging.

Web Resources

[Chad Ministry of Agriculture](#)

Energy

Overview

Sufficient electric power generation continues to be a major challenge for the Government of Chad. Chad does not have a robust nation-wide electrical grid, nor has it developed and promulgated a national electric power strategy. Consequently, power generation remains highly localized.

	2014	2015	2016	2017 (Estimated)
Total Local Production	N/A	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A	N/A
Imports from the US	N/A	N/A	N/A	N/A
Total Market Size				
Exchange Rates				

(total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Leading sub-sectors in energy include power generation and distribution.

Opportunities

U.S. companies are already pursuing projects in renewable energy (solar, wind, and biomass), as well as power plants fired by natural gas piped in from the oil extraction projects. There are also opportunities in collaborating with the GOC on developing a national power strategy as a way of getting in on the ground.

Power Africa: Launched in 2013, Power Africa is a market-driven, U.S. Government-led public-private partnership to double access to electricity in sub-Saharan Africa. It also serves as a one-stop shop for private sector entities seeking tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act unanimously passed both houses of Congress and was signed into law, institutionalizing Power Africa and establishing two goals; to add 20,000 MW of generation capacity and expand electricity access to 50 million people in sub-Saharan Africa by 2020. In bringing together more than 140 of the world's top companies, development institutions, and financial entities, Power Africa employs a transaction-centered approach to directly address key constraints to project development and investment in the power sector. These interventions aim to de-risk investments and accelerate financial transaction -- from facilitating project bankability with financing and risk mitigation, to providing technical and transaction support, to engaging with host-government counterparts. Learn more about the full [Power Africa Toolbox](#) or other opportunities offered by [USAID Power Africa](#).

[Web Resources](#)

Energy projects fall under the purview of the Ministry of Petroleum and Energy. Renewable energy projects are managed by the Ministry's Agency for Development of Renewable Energy (ADER). Contact the U.S. Embassy in N'Djamena at Ndjamena-Commercial@state.gov.

Customs, Regulations & Standards

Trade Barriers

Chad does not have quantitative restrictions on imports, tariff protections, or import licensing requirements.

Import Tariff

Chad applies the CEMAC Common External Tariff (CET). Like other CEMAC countries, Chad collects the Community Integration Levy (TCI), the Organization for Harmonization of Business Laws in Africa (OHADA) levy, and the Community Integration Contribution (CCI). These charges amount to 1.45 percent of import value. Other levies include the 0.4 percent Community Preference Levy (TPC) on fish, meat, dairy, and other animal products; Advance Corporation Tax (IS) or Personal Income Tax (IRPP) of four percent of import value; and the Rural Intervention Fund (FIR) duty of 1–4 percent on agricultural products.

Products imported from outside the CEMAC region are subject to customs duties falling under four tariff rate categories:

- Products of First Necessity (e.g. flour, rice, etc.): 5 percent
- Primary Materials and Equipment: 10 percent
- Intermediate Goods (e.g. tools, tires, etc.): 20 percent
- Consumer Goods (e.g. canned foods, electronics, etc.): 30 percent.

In addition to the above customs duties, there are other supplementary taxes, including excise taxes of 20 percent on luxury products (such as televisions, audiovisual equipment, air conditioners, automobile radios, CD laser discs, home appliances, etc.), 25 percent on alcoholic beverages and tobacco, and 51 percent on new automobiles.

The GOC applies an 18 percent VAT to all local and imported goods and services.

There are VAT exemptions for inputs for livestock breeding and fishery products used by producers; materials, equipment and services needed to produce and export

cotton; materials, equipment and services for the production and distribution of water and electricity; locally-made fired bricks; and interest on real estate loans granted by financial institutions.

The GOC applies a two percent “statistical tax” to all goods entering or leaving Chad.

Import Requirements & Documentation

The following documents must be filed with the Ministry of Economy, Commerce, and Tourism prior to importation of goods:

Commercial Invoice: Four copies, preferably in French or with a French translation and description of the goods. All invoices must contain the names of the exporter(s), consignee(s), the product name(s), quantity of each unit, declared value of each unit, gross weight, net weight, and total declared value.

Certificate of Origin: Two copies, preferably in French or other language with the French translation. The certificate of origin must be issued or notarized and certified by an official Chamber of Commerce in the country of the products origin, or by the local Chadian branch of the foreign Chamber of Commerce. If applicable, the Chadian consulate in the manufacturing country could legitimize the certificate of origin.

Packing list: Packing lists should include the number and quantity per carton, and be in numeric series. A packing list is not required, but if it is missing, customs clearance may be delayed.

Bill of lading/airway bill: Documents should include the name and address of the consignee/importer of the goods. Identification numbers on bills of lading, airway bills, and invoices must be full and correct.

Halal Certificate: Certificate that states that the fresh or frozen meat or poultry products were slaughtered in accordance with Islamic law. Certification by an appropriate Chamber of Commerce is required.

Special Requirements for Pharmaceuticals: Special import certification may be required for pharmaceuticals. CEMAC's public health body, the Organization for Coordination of the Fight against Endemic Diseases in Central Africa (OCEAC), is overseeing the process of harmonization of national pharmaceutical policies. A draft policy that defines the criteria for drug approval, pharmaceutical inspection, and quality control is currently under review. Up-to-date health and pre-shipment inspection regulations are available at the Ministry of Public Health, Social Action, and National Solidarity.

Labeling/Marking Requirements

There is no specific requirement for products to be labeled with the country of origin nor are there regulations on language markings on imported or local food products

U.S. Export Controls

There are currently no U.S. sanctions on trade with Chad. For complete and up-to-date information on U.S. export controls, please visit the following websites:

[U.S. International Trade Administration](#)

[U.S. Department of Commerce, Bureau of Industry and Security](#)

[U.S. Trade Representative](#)

Temporary Entry

The Ministry of Economy, Commerce, and Tourism requires completion of GOC Form D18 "Request for Temporary Admission," for temporary entry of goods. Permission is granted for one year and can be extended for an additional year.

Prohibited & Restricted Imports

Under Chadian regulations, several products are ineligible for import or subject to import restrictions:

- Arms and munitions
- Pornography
- Narcotics
- Illicit drugs and explosives

- Charcoal
- Plastic bags (there is currently a ban on plastic bags in N'Djamena)

Live animals require vaccination and must be accompanied by international or national proof of vaccination.

Customs Regulations

For more information on customs regulations, please contact :

- Direction Générale de la Douane et des Droits Indirects
B.P: 144 Ndjamen, Tchad
Tel: (235) 22 51 54 94 / (235) 22 51 44 22 / (235) 22 51 90 82 / (235) 22 52 23 04
- N'Djamena Airport Customs
Tel: (235) 22 52 56 14, (235) 22 52 35 19

Standards for Trade

Overview

The metric system is used for weights and measures. Norms usually follow French/European standards and ISO 9000 series of standards. Inspection Certificates are not required.

Standards

Norms usually follow French/European standards and ISO 9000 series of standards.

Testing, inspection and certification

Chad's only testing organization is the Center for Quality Control of Foodstuffs (CECOQDA, *Centre de Contrôle de la Qualité des Denrées Alimentaires*). Currently, no U.S. businesses directly export foodstuffs to Chad, but certification requirements would not likely pose undue burdens on them.

Publication of technical regulations

Not applicable to Chad.

Contact Information

CECOQDA

Contact the U.S. Embassy in N'Djamena.

Ministry of Finance, Customs Office

B.P. 144 Avenue Félix Eboué, N'Djamena, Chad

Tel: (235) 22 51 54 94 / (235) 22 51 44 22

N'Djamena Airport Customs

Tel: (235) 22 52 56 14, (235) 22 52 35 19

N'Djamena Airport Health Control Office:

Tel: (235) 22 52 20 74.

Ministry of Environment and Agriculture:

B.P. 441, N'Djamena, Tchad

Tel: (235) 22 52 21 48/ 6683-9515

Fax: (235) 22 52 51 19

Ministry of Public Health, Social Action, and National Solidarity

B.P. 898, N'Djamena, Tchad

Tel: (235) 22 51 48 21/6629-5099

Trade Agreements

Chad is a member of the Central African Monetary and Economic Community, CEMAC, which was formerly the Customs and Economic Union of Central Africa (UDEAC). Chad is a member of the World Trade Organization (WTO).

Licensing Requirements for Professional Services

U.S. professional services companies wishing to establish an office in Chad should register with ANIE in order to obtain and file the necessary legal forms.

Web Resources

- [Central African Monetary and Economic Community \(CEMAC\)](#)
- [The Economic Community of Central African States \(CEEAC\)](#)
- [The World Trade Organization](#)
- [National Agency for Investment and Exports\(ANIE\)](#)

Investment Climate Statement

Executive Summary

Chad is one of Africa's largest countries, with a land area of 1,284,000 square kilometers that encompasses three agro-climatic zones. Chad is a landlocked country bordering Libya to the north, Sudan to the east, Central African Republic (CAR) to the south, and Cameroon, Niger, and Nigeria on the west (with which it shares Lake Chad). The nearest port, Douala, Cameroon, is 1,700 km from the capital, N'Djamena. Chad is one of six countries that comprise the Central African Economic and Monetary Community (CEMAC), a common market.

Chad's human development is low according to the Human Development Index (HDI), and poverty continues to afflict a large proportion of the population. Since oil production began in 2003, the petroleum sector has dominated economic activity and has been the largest target of foreign investment. However, agriculture and livestock breeding are important economic activities that employ the majority of the population, and the government has prioritized these sectors in an effort to diversify the economy and to maximize non-petroleum tax receipts in the wake of the drop in global oil prices.

The Government of Chad (GOC) has focused on improving internal economic and social conditions, although its efforts have been constrained by regional instability arising from the continued threat of terrorist attacks by Boko Haram, an influx of refugees along the Chad-Sudan-Central African Republic (CAR) border, and dramatic reductions in oil revenues, which make up 70 percent of government revenue, due to the fall in global oil prices. This triple threat has forced the GOC to adopt a tight 2017 budget that accounts for both the drop in oil revenues and government austerity measures implemented in the fall of 2016. The GOC is favorably disposed to foreign investment, with a particular goal of attracting North American companies. There are opportunities for foreign investment in agriculture, construction, building and heavy equipment, architecture, engineering, automotive, ground transportation, education, energy, mining, environmental technologies, food processing and packaging, health technologies, industrial equipment and supplies, information and communication, and services.

Chad's business and investment climate remain challenging. Private sector development is hindered by poor transport infrastructure, lack of skilled labor, unreliable energy, weak contract enforcement, corruption, and high tax burdens on private enterprises.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2016	159 of 175	Transparency Rankings
World Bank's Doing Business Report "Ease of Doing Business"	2016	180 of 190	Doing Business Rankings
Global Innovation Index	2016	Not ranked	Global Innovation Index
U.S. FDI in partner country (\$M USD, stock positions)	2015	N/A	BEA Factsheet
World Bank GNI per capita	2015	USD 880	World Bank Data

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment

The GOC's policies towards foreign direct investment (FDI) are generally positive. There are few formal restrictions on foreign trade and investment. Since 2011, Chad's foreign investment inflows have been increasing, largely due to investments in the oil sector. According to the United Nations Conference on Trade and Development (UNCTAD)'s most recent figures, Chad's FDI in flows totaled USD 761 million in 2014.

Chad's laws and regulations encourage FDI. The National Investment Charter of 2008, a set of guidelines promulgated by the National Agency for Investment and Exports (ANIE, *Agence Nationale des Investissements et des Exports*), an agency of the Ministry of Industrial and Development and Private Sector Promotion, offers incentives to foreign companies establishing operations in Chad, including up to five years of tax-exempt status. Under Chadian law, foreign and domestic entities may establish and own business enterprises. The National Investment Charter permits full foreign ownership of companies in Chad. The only limit on foreign control is on ownership of companies deemed related to national security. The National Investment Charter guarantees both foreign companies and individuals equal standing with Chadian companies and individuals in the privatization process. In principle, tenders for foreign investment in state-owned enterprises (SOEs) and for government contracts are conducted through open international bid procedures.

Limits on Foreign Control and Right to Private Ownership and Establishment

There are no limits on foreign ownership or control. There are no sector-specific restrictions that discriminate against market access for U.S. investors.

Other Investment Policy Reviews

The World Trade Organization (WTO) last published a trade policy review for Chad, Cameroon, Republic of Congo, Gabon, and Central African Republic in July 2013. [The full report and Annex 5 regarding Chad.](#)

Neither the Organization for Economic Cooperation and Development (OECD) nor the United Nations Committee on Trade and Development (UNCTAD) has published any investment policy reviews (IPR) of Chad.

Business Facilitation

Foreign businesses interested in investing in or establishing an office in Chad should contact ANIE, which offers a one-stop shop for filing the legal forms needed to start a business. The process officially takes 72 hours and is the only legal requirement for investment. [ANIE's website](#) provides additional information. Online business registration is not yet available via the [Global Enterprise Registration website](#) or the [Business Facilitation Program](#). However, ANIE aims to join these initiatives in the near future.

In 2016, the World Bank ranked Chad 182 out of 184 countries for ease of starting a business.

Contracts are tailored to each investment and often include additional incentives and concessions, such as permissions to import labor or agreements to work with specific local suppliers. Some contracts are confidential. Occasionally, government ministries attempt to change the terms of contracts or apply new laws broadly, even to companies that have pre-existing agreements that exempt them. Chad's judicial system is weak, and rulings, including those relating to contract disputes, are susceptible to government interference. There is limited capacity within the judiciary to address commercial issues, including contract disputes. Parties usually settle disputes directly or through arbitration provided by the Chamber of Commerce, Industry, Agriculture, Mining, and Crafts (CCIAMA) or through an outside entity, such as the International Chamber of Commerce (ICC) in Paris. The Ministry responsible for trade has intervened in a number of out-of-court settlements.

Outward Investment

The GOC does not offer any programs or incentives encouraging outward investment, although there are no restrictions on domestic investors who might have the means and the interest in investing abroad.

Bilateral Investment Agreements and Taxation Treaties

Chad does not have a bilateral investment treaty (BIT) with the United States. Chad has signed bilateral investment treaties with Benin, Burkina Faso, China, Egypt, Germany, Guinea, Italy, Lebanon, Mali, Mauritius, Morocco, Qatar, and Switzerland.

Chad has not signed a Free Trade Agreement (FTA) with the United States but is eligible for tariff exemptions under the African Growth and Opportunity Act (AGOA). The GOC created an AGOA oversight committee in 2002. The bulk of Chad's total exports under AGOA is crude oil. Chad is eligible for the Special Rule for Apparel.

Chad does not have a bilateral taxation treaty with the United States.

Legal Regime

Transparency of the Regulatory System

Chad is currently implementing effective laws to foster competition and establish clear rules based on Uniform Acts produced by the [Organization for the Harmonization of Business Law in Africa](#) (OHADA, *Organisation pour l'Harmonisation en Afrique du Droit des Affaires*). However, in the current climate, certain Chadian and foreign companies in some sectors may encounter situations in which competition with other well-established companies is difficult.

Regulations and financial policies generally do not impede competition in the financial sector. Legal, regulatory, and accounting systems pertaining to banking are transparent and consistent with international norms. Chad began using OHADA's accounting system in 2002, bringing its national standards into harmony with accounting systems throughout the region. Several international accounting firms have offices in Chad. However, while accounting, legal, and regulatory procedures are consistent with international norms, some local firms do not use generally accepted standards and procedures in their business practices.

There are no informal regulatory processes managed by nongovernmental organizations or private sector associations. Proposed laws and regulations are not published in draft form for public comment. The GOC occasionally provides opportunities for local associations, such as the National Council of Employers (CNPT, *Conseil National du Patronat Tchadien*) or the CCIAMA to comment on proposed laws and regulations pertaining to investment.

Chad is not yet listed on [Business Facilitation](#).

International Regulatory Considerations

As indicated above, Chad is a member of OHADA. It is also a member of the [Central African Economic and Monetary Community](#) (CEMAC, *Communaute Economique et Financiere de l'Afrique Centrale*) and OHADA. Chad is currently implementing business

and economic laws and regulations based on CEMAC standards and OHADA Uniform Acts. Chad's banking sector is regulated by COBAC (*Commission Bancaire de l'Afrique Centrale*), a regional agency.

Legal System and Judicial Independence

Chad's legal system and commercial law are based on the French Civil Code. The constitution recognizes customary and traditional law if it does not interfere with public order or constitutional rights. Chad's judicial system rules on commercial disputes in a limited technical capacity. The Chadian President appoints judges without National Assembly confirmation, and thus the judiciary may be subject to executive influence. Courts normally award monetary judgments in local currency, although it may designate awards in foreign currencies based on the circumstances of the disputed transaction.

In addition to independent courts, such as the ICC, Chad's constitution recognizes customary and traditional law as long as it does not interfere with public order or constitutional rights. As most businesses operate in the informal sector, customary and traditional law function as alternative dispute resolution (ADR) mechanisms when parties are from the same tribe or clan and express their desire to settle outside of the formal court.

Chad's commercial laws are based on standards promulgated by CEMAC, OHADA, and the [Economic Community of Central African States](#) (CEEAC, *Communaute Economique des Etats de l'Afrique Centrale*). The Government and National Assembly are currently in the process of adopting legislation to comply fully with all these provisions.

Specialized commercial tribunal courts were authorized in 1998 but not operational until 2004. These tribunals exist in five major cities but lack adequate technical capacity to perform their duties. The Commercial Tribunal in N'Djamena has heard disputes involving foreign companies. Firms not satisfied with judgments in these tribunals may appeal to OHADA's regional court in Abidjan, which ensures uniformity and consistent legal interpretations across its member countries and several Chadian companies have done so. OHADA also allows foreign companies to utilize tribunals outside of Chad, generally in Paris, France, to adjudicate business disputes. Finally, CEMAC established a regional court in N'Djamena in 2001 to hear business disputes, but this body is not widely used.

Contracts and investment agreements can stipulate arbitration procedures and jurisdictions for settlement of disputes. If both parties agree and settlements do not violate Chadian law, Chadian courts will respect the decisions of courts in the nations where particular agreements were signed, including the United States. This

principle also applies to disputes between foreign companies and the Chadian Government. Such disputes can be arbitrated by the International Chamber of Commerce (ICC). Foreign companies frequently choose to include clauses in their contract to mandate ICC arbitration.

Bilateral judicial cooperation is in effect between Chad and certain nations. In 1970, Chad signed the Antananarivo Convention, covering the discharge of judicial decisions and serving of legal documents, with eleven other former French colonies (Benin, Burkina Faso, Cameroon, CAR, Congo-Brazzaville, Gabon, Cote d'Ivoire, Madagascar, Mauritania, Niger, and Senegal). Chad has similar arrangements in place with France, Nigeria, and Sudan.

Laws and Regulations on Foreign Direct Investment

The National Investment Charter encourages foreign direct investment. Chad is a member of the [Central African Economic and Monetary Community](#) (CEMAC, *Communauté Economique et Financière de l'Afrique Centrale*) and the [Organization for the Harmonization of Business Law in Africa](#) (OHADA, *Organisation pour l'Harmonisation en Afrique du Droit des Affaires*). Chad is currently implementing business and economic laws and regulations based on CEMAC standards and OHADA Uniform Acts.

Foreign investors using the court system are not generally subject to executive interference. In addition, the OHADA Treaty allows foreign companies to utilize tribunals outside of Chad, e.g., the ICC in Paris, France, to adjudicate any disputes. Companies may also access the OHADA's court located in Abidjan, Cote d'Ivoire.

Competition and Anti-Trust Laws

Regulation of competition is covered by the OHADA Uniform Acts that form the basis for Chadian business and economic laws and regulations. The Office of Competition in Chad's Ministry of Industrial and Commercial Development and Private Sector Promotion reviews transactions for competition-related concerns.

Expropriation and Compensation

Chadian law protects businesses from nationalization and expropriation, except in cases where expropriation is in the public interest. There were no government expropriations of foreign-owned property in 2016. There are no indications that the GOC intends to expropriate foreign property in the near future.

Article 41 of Chad's Constitution prohibits seizure of private property except in cases of urgent public need. A 1967 Land Law prohibits deprivation of ownership without due process, stipulating that the state may not take possession of expropriated properties until 15 days after the payment of compensation. The government

continues to work on reform of the 1967 law. A draft law encourages foreign companies to own property instead of leasing.

Dispute Settlement

ICSID Convention and New York Convention

Chad has been a signatory and contracting state of the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (“ICSID Convention”) since 1966.

Chad is not a contracting state of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (“New York Arbitration Convention”).

Investor-State Dispute Settlement

Chad is signatory to an investment agreement among the member states of CEMAC, CEEAC, and OHADA. The OHADA Investment Arrangement, with provisions for securities, arbitration, dispute settlement, bankruptcy, recovery, and other aspects of commercial regulation, has defined the commercial rights of several economic stakeholders, e.g., the Chadian Treasury, and provides for the enforcement of foreign arbitral awards. Chad has no Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with an investment chapter with the United States.

There is no formal record of the government’s handling of investment disputes. Some U.S. and other foreign investors have been involved in disputes with the GOC, particularly over issues regarding taxes and duties, though there are no official statistics. Investment disputes involving foreign investors are frequently arbitrated by an independent body.

International Commercial Arbitration and Foreign Courts

Specialized commercial tribunal courts were authorized in 1998 and became operational in 2004. These tribunals exist in five major cities, but lack adequate capacity to perform their duties. The Commercial Tribunal N’Djamena has heard disputes involving foreign companies.

Foreign investors using the court system are not generally subject to executive interference. In addition, the OHADA Treaty allows foreign companies to utilize tribunals outside of Chad, e.g., the ICC in Paris, France, to adjudicate any disputes. Companies may also access the OHADA’s court located in Abidjan, Cote d’Ivoire.

Bankruptcy Regulations

Chad’s bankruptcy laws are based on OHADA Uniform Acts. According to Section 3, Articles 234 – 239 of OHADA’s Uniform Insolvency Act, creditors and equity shareholders may designate trustees to lodge complaints or claims to the

commercial court collectively or individually. These laws criminalize bankruptcy and the OHADA provisions grant Chad the discretion to apply its own sentences.

The World Bank's 2017 Doing Business Report ranks Chad's ease of resolving insolvency at 146 of 189. This is an improvement of 3 positions over 2016. [Doing Business' Report](#).

Industrial Policies

Investment Incentives

The Chadian tax code (CGI, *Code General des Impots*) offers incentives to new business start-ups, new activities, or substantial extensions of existing activities. Eligible economic activities are limited to the industrial, mining, agricultural, forestry, and real estate sectors, and may not compete with existing enterprises already operating in a satisfactory manner (Articles 16 and 118 of the National Investment Charter). Under these conditions, operators can obtain a five-year exemption from the following taxes and charges: company tax (IS), in March 2015 reduced from 40 percent to 35 percent, personal income tax (IRPP), real estate levies on developed land, real estate levies on undeveloped land, tax on the rental value of professional premises, the flat rate levy (*taxe forfaitaire*) and the apprenticeship levy, self-employment tax for small businesses, and the minimum fiscal levy.

Foreign investors may also ask the GOC for other incentives through investment-specific negotiations. Large companies usually sign separate agreements with the government, which contain mutually negotiated incentives and obligations. The possibility of special tax exemptions exists for some public procurement contracts, and a preferential tax regime applies to contractors and sub-contractors for major oil projects. The government occasionally offers lower license fees in addition to ad hoc tax exemptions. Incentives tend to increase with the size of a given investment, its potential for job creation, and the location of the investment, with rural development being a GOC priority. Investors may address inquiries about possible incentives directly to the Ministry of Industrial and Commercial Development and Private Sector Promotion, or the Ministry of Petroleum and Energy.

Foreign Trade Zones/Free Ports/Trade Facilitation

There are currently no foreign trade zones in Chad. The Chadian Agency for Investment and Exportation (ANIE) is currently examining the possibility of creating a duty-free zone.

Performance and Data Localization Requirements

Chad does not follow forced localization, the policy in which foreign investors must use domestic content in goods or technology.

Foreign companies are legally required to employ Chadian nationals for 98 percent of their staff. Firms can formally apply for permission from the Labor Promotion Office (ONAPE) to employ more than two percent expatriates if they can demonstrate that skilled local workers are not available. Most foreign firms operating in Chad have obtained these permissions. Foreign workers require work permits in Chad, renewable annually. Prior to 2009, work permit fees for foreign employees were approximately USD 1,200 per year. In 2009, President Déby Itno signed two decrees significantly raising these fees. The first decree stipulates that work permit fees be equivalent to one month's salary for foreign workers. The second decree requires firms to demonstrate that local skilled workers are unavailable. Companies must present personnel files of local candidates not hired to the GOC for comparison against the profiles of foreign workers. Multinational companies and international non-governmental organizations routinely protest these measures. The Ministry of Labor applies the new fees to companies with previously-established special agreements with the government that exempt them from such fees. However, many foreign companies operating in Chad have individually negotiated paying lower fees than those prescribed in those presidential decrees.

There are no requirements for foreign IT providers to turn over source code and/or provide access to surveillance (backdoors into hardware and software or turn over keys for encryption). There are no rules on maintaining a certain amount of data storage within Chad. The GOC has enacted four laws covering cybersecurity and cyber-criminality.

Protection of Property Rights

Real Property

The Chadian Civil Code protects real property rights. Since 2013, landowners may register land titles with the One-Stop Land Titling Office (*Guichet Unique pour les Affaires Fonciere*). However, enforcement of these rights is difficult because a majority of land owners do not have a title or a deed for their property.

The office of Domain and Registration (*Direction de Domaine et Enregistrement*) in the Ministry of Finance and Budget is responsible for recording property deeds and mortgages. In practice, this office asserts authority only in urban areas; rural property titles are managed by traditional leaders who apply customary law. Chadian courts frequently deal with cases of multiple or conflicting titles to the same property. In cases of multiple titles, the earliest title issued usually has precedence. Fraud is common in property transactions. By law, all land for which no title exists is owned by the government, and can only be given to a separate entity by Presidential decree. There have been incidents in which the government has

reclaimed land for which individuals held titles, which government officials granted to individuals without the backing of Presidential decrees. Many of these individuals have filed legal cases that are currently under adjudication.

The GOC does not provide clear definitions and protections of traditional use rights of indigenous peoples, tribes, or farmers.

The World Bank's 2015 Doing Business Report ranks Chad 157 of 189 in ease of registering property. The report cites the high cost of eight to 15 percent to of property value plus other associated costs for registering property as the major impediment. Time and number of procedures are on par with the rest of Sub-Saharan Africa.

Intellectual Property Rights

Chad is a member of the African Intellectual Property Organization (OAPI) and the World Intellectual Property Organization (WIPO). Chad ratified the revised Bangui Agreement (1999) in 2000 and the Berne Convention in 1971. The GOC adheres to OAPI rules within the constraints of its administrative capacity.

Within the Ministry responsible for trade, the Department of Industrial Property and Technology, addresses intellectual property issues. This department is the National Liaison Unit (SNL) within the OAPI, and is the designated point of contact under Article 69 of the TRIPS Agreement. As of 2012, the unit has received about 90 deposits of different intellectual property instruments.

Counterfeit pharmaceuticals and artistic works, including music and videos, are common in Chad. Counterfeit watches, sports clothing, footwear, jeans, cosmetics, perfumes, and other goods are also readily available on the Chadian market. These products are not produced locally, and are generally imported through informal channels. Despite limited resources, Chadian customs officials make occasional efforts to enforce copyright laws, normally by seizing and burning counterfeit medicines, CDs, and mobile phones.

Chad does not regularly track and report on seizures of counterfeit goods. Occasionally, Chadian authorities will announce such a seizure in the local press. Customs officers have the authority to seize and destroy counterfeit goods *ex officio*. The Government pays for storage and destruction of such goods.

Chad is not listed on the USTR's 2015 Out-Of-Cycle Review of Notorious Markets, nor in the Special 301 Report. For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO's Country Profile](#).

For additional information about national laws and points of contact at local IP offices, please see [WIPO's country profiles](#).

Financial Sector

Capital Markets and Portfolio Investment

Chad's financial system is underdeveloped. There are no capital markets or money markets in Chad. A limited number of financial instruments are available to the private sector, including letters of credit, short and medium term loans, foreign exchange services, and long-term savings instruments.

Credit is available from commercial banks on market terms, often at rates of 16 to 25 percent for short-term loans. Medium-term loans are difficult to obtain, as lending criteria are rigid. Most large businesses maintain accounts with foreign banks and borrow money outside of Chad. There are ATMs in some major hotels, N'Djamena airport, and in some neighborhoods of N'Djamena.

There is no effective regulatory system to encourage or facilitate portfolio investments. Although there is no stock market in Chad, there are two nascent stock markets in the region. A small regional stock exchange, known as the Central African Stock Exchange, in Libreville, Gabon, was established by CEMAC countries in 2006. Cameroon, a CEMAC member, launched its own market in 2005. Both exchanges are poorly capitalized.

Money and Banking System

Chad's banking sector is small and continues to streamline lending practices and reduce the volume of bad debt. Chad's four largest banks have been privatized. The former Banque Internationale pour l'Afrique au Tchad (BIAT) became a part of Togo-based Ecobank, the former Banque Tchadienne de Credit et de Depot was reorganized as the Societe General Tchad, the former Financial Bank became part of Togo-based Orabank, and the former Banque de Developpement du Tchad (BDT) was reorganized as Commercial Bank Tchad (CBT), in partnership with Cameroon-based Commercial Bank of Cameroon. There are two Libyan banks in Chad, BCC (formerly Banque Libyenne) and Banque Sahelo-Saharienne pour l'Investissement et le Commerce (BSCIC), along with one Nigerian bank (UBA, United Bank for Africa).

Chad shares a common central bank system with the members of the CEMAC – the Banque des Etats de l'Afrique Centrale (BEAC).

The only restriction on a foreigner's ability to establish a bank account is the establishment of legal residency.

Foreign Exchange and Remittances

Foreign Exchange

Chad, as a CEMAC member, shares a central bank with Cameroon, Central African Republic, Republic of Congo, Equatorial Guinea, and Gabon – the Central African Economic Bank (BEAC, *Banque des Etats de l’Afrique Centrale*), headquartered in Yaounde, Cameroon. The government does not restrict converting funds associated with an investment (including remittances of investment capital, earnings, loan repayments, lease payments, royalties) into a freely usable currency at legal market-clearing rates. There are no restrictions on repatriating these funds, although there are some limits associated with transferring funds. Individuals transferring funds exceeding USD 1,000 must document the source and purpose of the transfer with the local sending bank. Companies and individuals transferring more than USD 800,000 out of Chad need BEAC authorization to do so. Authorization may take up to three working days. To request authorization for a transfer, companies and individuals must submit contact information for the sender and recipient, a delivery timetable, and proof of the sender’s identity. There were no reports of other capital outflow restrictions in 2016. Businesses can obtain advance approval for regular money transfers.

Chad is a member of the African Financial Community (CFA) and uses the Central African CFA franc (FCFA) as its currency. The FCFA is pegged to the euro at a fixed rate of one euro to 655.957 FCFA exactly (100 FCFA = 0.152449 euro). In 2016, the CFA/USD exchange rate fluctuated between 590 and 655 FCFA as a function of the performance of the USD against the euro. There are no restrictions on obtaining foreign exchange.

Remittance Policies

There are no recent changes to or plans to change investment remittance policies. There are no time limitations on remittances, dividends, returns on investment, interest, and principal on private foreign debt, lease payments, royalties, or management fees.

Chad does not engage in currency manipulation.

Chad is a member state of the Action Group against Money Laundering in Central Africa (GABAC), which is in the process of becoming a Financial Action Task Force (FATF)-style regional body. On the national level, the National Financial Investigation Agency (ANIF) has implemented GABAC recommendations to prevent money laundering and terrorist financing.

Sovereign Wealth Funds

The GOC does not currently maintain a Sovereign Wealth Fund. In 2016, it indicated intentions to create a “stabilization fund” funded by additional taxes on diesel fuel and Jet A-1 fuel. However, to date there has been no progress on establishing the fund.

State-Owned Enterprises

All Chadian State Owned Enterprises (SOEs) operate under the umbrella of government ministries. SOE senior management reports to the minister responsible for the relevant sector, as well as a board of directors and an executive board. The President of the Republic appoints SOE boards of directors, executive boards, and CEOs. The boards of directors give general directives over the year, while the executive boards manage general guidelines set by the boards of directors. Some executive directors consult with their respective ministries before making business decisions, but others do not.

The GOC operates SOEs in a number of sectors, including Energy and Mining, Agricultural, Construction, Building and Heavy Equipment, and Information and Communication. GOC also operates SOEs in water supply and cement production. The GOC has not published a full list of SOEs. There is no uniform definition of SOEs. The percentage SOEs allocate to research and development (RandD) is unknown. However, it appears to be less than private sector competitors.

There were no reports of discriminatory action taken by SOEs against the interests of foreign investors in 2016, and some foreign companies operated in direct competition with SOEs. Chad’s Public Tender Code (PTC) provides preferential treatment for domestic competitors, including SOEs. However, the GOC is in the process of reviewing and removing provisions that conflict with WTO obligations.

SOEs are not subject to the same tax burden and tax rebate policies as their private sector competitors. SOEs are often afforded material advantages such as preferential access to land and raw materials. SOEs receive government subsidies under the national budget. However, in practice SOEs do not respect the budget. State and company funds are often comingled.

Chad is not a party to the Agreement on Government Procurement within the framework of the WTO. In addition, Chadian SOE practices are not consistent with the OECD Guidelines on Corporate Governance for SOEs.

The GOC aims to privatize a number of SOEs, but wishes to remain a major player in extractive industries.

Privatization Program

Foreign investors are permitted and encouraged to participate in the privatization process. There is a public, non-discriminatory bidding process. Having a local contact in Chad to assist with the bidding process is important. Foreign investors should also be aware that corruption remains common in Chad. To combat corruption, the GOC has recently hired private international companies to oversee the bidding process for government tenders. Despite the GOC's willingness to privatize loss-making SOEs, there remain several obstacles to privatization.

Chad is still considering privatization of companies in the following sectors:

- Agribusiness (Cotontchad)
- Information and Communication (SOTEL Tchad)
- Food Processing and Packaging (juice, meat processing)
- Travel (Air Toumai Tchad)

The GOC has not published a timeline for these privatizations.

Responsible Business Conduct

There is general awareness of Responsible Business Conduct (RBC) among firms in Chad. Most Western firms operating in Chad engage in RBC, particularly those in the petroleum and telecommunications sectors. For example, Esso Exploration and Production Chad, Inc. (EEPCI), the main oil producer, has implemented Environmental Management Plans (EMP), a rigorous program that espouses, *inter alia*, prioritizing hiring local residents and local purchase of goods and services, establishing international safety standards, and protecting biodiversity. A critical part of EMP has been the Land Use Management Action Plan (LUMAP) that compensates individuals and communities for land used by the project. To date, LUMAP has distributed approximately \$1.7 million in cash, in-kind goods, and training. EMP's efforts are also complemented by the ExxonMobil Foundation, which supports projects to improve girls' education and fight malaria.

Many foreign firms commit to extensive local staff training efforts, purchase local goods, and donate excess equipment to charities or local governments. Internet companies Airtel and Tigo, as well as some banks, continue to engage in RBC focused on public awareness campaigns countering violent extremism, and promoting social cohesion.

While work safety and environmental protection regulations exist, the government does not always enforce, and companies do not always adhere to, these regulations. There are a number of local NGOs, particularly in the southern oil-producing

regions, which monitor safety and environmental protection in the oil sector, and which have held government and private companies publically accountable. EEPCI adheres to U.S. Occupational Safety and Health Administration (OSHA) guidelines for recording accidents and injuries, and implements a rigorous program of safety procedures and protocols.

Corruption

Corruption in Chad remains a significant deterrent to U.S. persons and businesses interested in investing in Chad. Corruption is most pervasive in: government procurement, award of licenses or concessions, dispute settlement, regulation enforcement, customs, and taxation.

In 2015, the GOC established an independent Court of Auditors (*Cours des Comptes*), equivalent to a supreme audit institution (SAI), to enhance independent oversight of government decisions, although its members are nominated by Presidential decree. Concurrently, the GOC created a General Inspectorate for State Control within the Presidency to oversee government accountability. No reports have been published, however. In 2016, the President also announced the creation of an “economic crimes tribunal,” though it has not yet been formally launched. In addition to these bodies, the National Assembly’s Finance Committee carries out verifications of the GOC’s annual financial statement. No audits have been made publicly available during the reporting period.

A February 2000 anti-corruption law stipulates penalties for corrupt practices. As in other developing countries, low salaries for most civil servants, judicial employees, and law enforcement officials, coupled with a weak state system and culture of rent seeking, have contributed to corruption. Charges against those indicted are often dropped for “lack of evidence.” In 2014, the Chadian government launched investigations of several high-ranking officials, including cabinet ministers. All charges were eventually dropped and the ministers were reappointed to other positions within the GOC. Still, public acceptance of corruption has dropped significantly in the past several years. President Déby, in public addresses to the nation, pledges to continue the campaign to eliminate corruption from Chadian public life, has often criticized the practice of taking liberties with public goods, and promises prosecution of those who accept kickbacks or demand bribes. In 2016, two former governors from the Lake Chad region were detained for corruption following an investigation by the General Inspectorate.

A prominent local NGO, the Alternative Group for Petroleum Research and Monitoring – Chad (GRAMP-TC, *Groupe Alternative de Recherche et de Monitoring de Petrole – Tchad*) tracks government expenditures of oil revenue. There are no

indications that anti-corruption laws are enforced more or less stringently against foreign investors than against Chadian citizens.

Chad is not a signatory country of the UN Convention Against Corruption (UNCAC). Chad is not a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“the OECD Anti-Bribery Convention”).

Resources to Report Corruption

Government agency contact responsible for combating corruption:

Inspection General d’Etat

Présidence de la République

Ndjamena, Chad

+235 22 51 51 39 / 22 51 44 37

Contact at watchdog organizations:

Gilbert Maoundonodji

Coordinator

GRAMP-TC

Po Box 4021, N’Djamena, Chad

+235 22 51 95 55

maogilmagi@gmail.com

Political and Security Environment

Chad has enjoyed political stability since 2008. There have been no reported incidents in recent years involving politically-motivated damage to projects and/or installations. The latest national Presidential election occurred in April 2016 and parliamentary elections are scheduled for 2019. socio-economic conditions occasionally spark demonstrations and protests against the Government. Notably, in 2016, protests and strikes focused on non-payment of salaries to public functionaries and failure to pay student stipends, as well as austerity measures imposed to reduce government spending, including cuts to net public sector compensation. In most cases, the government either denied permits for demonstrations, or suppressed them using tear gas, arresting participants and organizers.

Regional violent extremist organizations continue to threaten Chadian and Western interests. Boko Haram's violence has choked off vital trade routes with Nigeria and the road between Douala, Cameroon, the principal port serving Chad, and N'Djamena. This has increased costs for imports and decreased exports due to border closures.

For up-to-date information on political and security conditions in Chad, please refer to the [Consular Affairs Bureau's Travel Warning and Country Specific Information](#). The Embassy encourages all U.S. Citizens visiting Chad to register with the Embassy upon arrival or online via the STEP program.

U.S. businesses and organizations in Chad are also welcome to inquire at the Embassy about joining the Overseas Security Advisory Committee (OSAC).

Labor Policies and Practices

Chad has a shortage of skilled labor in most sectors. Although there is an increasing pool of university graduates able to fill entry-level management and administrative positions, skilled workers still represent a very small percentage of the total labor pool. Eighty percent of the Chadian labor force is estimated to be engaged in subsistence activities including fishing, farming, and herding. Unskilled and day laborers are readily available. Few Chadians speak English, although an increasing number of university graduates and business professionals have English skills. Acceptable translators and interpreters are available. Some government ministries and SOEs provide job-related trainings to their employees.

Chad has ratified all eight Fundamental Conventions of the International Labor Organization. International labor rights such as freedom of association, the elimination of forced labor, child labor employment discrimination, minimum wage, occupational safety and health, and weekly work hours are recognized within the labor code. However, gaps remain in law and practice. Chadian labor law derives from French law and tends to provide strong protection for Chadian workers and priority is given to Chadian nationals. Labor unions operate independently from the government and, in fact, often challenge the government. The two main labor federations, the Confederation Libre des Travailleurs du Tchad (CLTT) and the Union des Syndicats Tchadiens (UST), to which most individual unions belong, are the most influential, and have been instrumental in persuading the GOC to engage in social dialogue regarding the 2016 austerity measures. Most Chadian businesses operate in the informal economy. The Ministry of Labor and Employment is in the process of reviewing the current labor code, which will include provisions for the informal economy, although no progress was reported in 2016.

The labor court is the labor dispute mechanism in Chad. In case of a dispute, the aggrieved party contacts a labor inspector directly or through the labor union to settle the dispute or lodge a complaint with the labor court.

Labor unions practice collective bargaining, and the labor code monitors labor abuses, health, and safety standards in low-wage assembly operations. The enforcement of the code is not effectively conducted; most disputes are based on contract termination.

Child labor remains a problem. Approximately 53 percent of children in Chad are engaged in child labor, particularly in domestic service, cattle herding, and agriculture. Chadian cattle are included on the U.S. Government's List of Goods Produced by Child Labor or Forced Labor.

In December 2016, the GOC enacted a new law restricting the right of public sector workers to strike. The labor unions are currently negotiating with the GOC.

The GOC may provide incentive for foreign businesses, but no laws are waived to attract or retain investment as the Chadian labor law strongly supports workers.

OPIC and Other Investment Insurance Programs

Chad is a member of the Multilateral Investment Guarantee Agency (MIGA), and the U.S. Overseas Private Investment Corporation (OPIC) has provided political risk investment insurance to U.S. companies in Chad. The French investment guarantee agency Compagnie Francaise d'Assurance pour le Commerce Exterieur (COFACE) has also guaranteed a number of investments in Chad. The annual average exchange rate is approximately 590 – 655 FCFA = 1 USD. Given that the FCFA is pegged to the euro, devaluation or depreciation of the rate reflects changes in the euro/USD rate.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product	N/A	N/A	2015	\$10.89 billion	World Bank Country Profiles

	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
(GDP) (\$M USD)					
Foreign Direct Investment	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	N/A	N/A	N/A
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	N/A	N/A	N/A
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	N/A

Data on FDI and Foreign Portfolio investment for Chad is limited. World Bank and IMF data is drawn from data provided by the National Statistical Office of Chad, thus local and international statistics do not differ significantly. Data on American FDI in Chad is not published to prevent disclosure of data of individual companies.

Table 3: Sources and Destination of FDI

Data not available.

Table 4: Sources of Portfolio Investment

Data not available.

Contact for More Information

Economic and Commercial Officer

U.S. Embassy N'Djamena,

Avenue Felix Eboue, BP 413

N'Djamena, Chad

+235 2251-7009 Ext 4294

NDjamena-Commerical@state.gov

Trade & Project Financing

Methods of Payment

Chad has a cash-based economy. Credit cards and personal or company checks will generally not be accepted as methods of payment. Traditional financial instruments, including letters of credit, collections, and funds transfers, are available within Chad or in conjunction with foreign banks. Short, medium, and long-term financing is available through commercial banks. Multilateral lending institutions, i.e., the World Bank, African Development Bank (BAD), European Development Fund (FED), and Islamic Development Bank, finance public sector investment.

Banking Systems

Chad is a member of the CFA (Communauté Financière Africaine) zone, as well as the Central African Monetary Union (CEMAC), which guarantees the convertibility of the CFA Franc (FCFA) into Euro at a fixed rate of one Euro to 655.957 FCFA. Exchange rates with the USD therefore vary according to the strength of the dollar versus the Euro. The average exchange rate in 2016 was 592 FCFA per U.S. dollar.

Chad's banking system is limited in size and available services. Financial instruments available to the private sector include: letters of credit; short, medium and long term loans; foreign exchange operations; and some long-term savings instruments. The banking sector is regulated by COBAC (Commission de Banque de l'Afrique Centrale), a regional banking agency.

There are currently nine commercial banks operating in Chad. Credit is available from commercial banks on market terms, which average 16 to 25 percent for short-term loans.

Foreign Exchange Controls

There are no restrictions on the transfer of funds into Chad. Individuals transferring more than \$1,000 out of Chad should provide documentation of the source and purpose of the transfer to the bank. Additional requirements exist for companies transferring more than \$800,000 out of the country. Approvals are routine, although the Central Bank has occasionally temporarily restricted capital outflows.

US Banks & Local Correspondent Banks

There are no U.S. banks currently operating in Chad. Several local banks have correspondent banks in the U.S. and Europe and can facilitate international transfers. The following banks have Society for Worldwide Interbank Financial Telecommunication (SWIFT) identification codes and have arrangements with correspondent banks:

Société Générale des Banques –SGB (former BTCD)

Correspondents: Société Générale of New York; Standard Chartered Bank of New York; the Bank of New York;

Banque Commerciale du Chari –BCC

Correspondents: Arab Intercontinental Bank (French: Banque Intercontinentale Arabe), Paris; Union des Banques Arabes et Françaises, Paris

Ecobank Tchad

Correspondents: NATXIS, Paris; Citibank, New York

Orabank (former Financial Bank Tchad)

Correspondents: NATXIS, Paris; Credit Agricole, Paris; ING, Belgium, UBS, Barclays London, Bank of Montreal,

Commercial Bank Tchad (CBT), former Banque de Développement du Tchad (BDT)

Correspondents: Citibank, New York; the United Bank for Africa (UBA)

Banque Agricole et Commerciale

Correspondents: Citibank, New York; the United Bank for Africa (UBA)

Banque Sahelo Saharienne pour L'investissement et le Commerce (Tchad) S.A.

Correspondents: ING Belgium SA; Commerzbank, Germany; BNP Paribas, Switzerland; British Arab Commercial Bank Ltd

United Bank for Africa (UBA) Tchad

Correspondents: NATXIS, Paris; United Bank for Africa (UBA), New York, London and Paris

Banque de l'Habitat du Tchad

This bank just received accreditation from the COBAC and will start operations in 2017. It will provide traditional banking services with a focus on home loans. It is backed by the Government of Chad (50 percent), the national oil company (SHT, *Société des Hydrocarbures Tchad*)(25 percent), and the national social security agency (CNPS, *Caisse Nationale de Prévoyance Sociale*)(25 percent).

Project Financing

Foreign investors can obtain local financing for investment and trade purposes on non-discriminatory terms. However, most foreign investors borrow from foreign sources due to Chad's comparatively high interest rates. Because local sources of financing are limited and expensive, competitive credit terms may be more appealing to a potential buyer than other factors.

Project financing is sometimes available through multilateral financial institutions. The World Bank has a resident representative in N'Djamena, and its affiliate, the International Finance Corporation (IFC), maintains a regional office in Douala for borrowers in Central Africa. The African Development Bank (AfDB) and the African Development Fund (ADF) have financed agricultural, industrial, and infrastructure projects in both the public and private sectors. The Overseas Private Investment Corporation (OPIC) can insure and finance investments in which the U.S. stake is 25 percent or above.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the [African Development Bank](#) and the [World Bank](#).

Financing Web Resources

[Commercial Liaison Office to the African Development Bank](#)

[Commercial Liaison Office to the World Bank](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

[African Development Bank](#)

[Islamic Development Bank](#)

Business Travel

Business Customs

Chadians appreciate an opportunity to “get to know” potential partners before beginning concrete discussions. Meetings usually begin with polite inquiries about personal and family health before getting down to business. It is helpful in Chad to supplement written communication with as many face-to-face contacts as possible. Patience and persistence are necessary to do business in Chad. In professional settings, Chadians normally dress in business or traditional attire. In adherence with cultural sensitivities, women should dress conservatively for business meetings in Chad.

French and Arabic are the official languages of Chad. Business correspondence, brochures, and advertising materials should all be prepared in French. Translation of materials into Arabic can also provide an advantage. Business calls are generally in French, but for some discussions, an interpreter who speaks Chadian Arabic may be necessary.

The use of the Internet is still very limited and few companies have websites.

Travel Advisory

For up-to-date travel advisories, consult the [State Department Travel page](#).

Visa Requirements

U.S. citizens require a visa to enter Chad. Travelers must obtain a Chadian visa in advance and should not count on obtaining a visa at the airport upon landing. U.S. visitors must register with the National Police at the Commissariat Central on Rue du Colonel Moll in N’Djamena within 72 hours after arrival. Travelers are advised to carry their passports at all times, since authorities often request identification. Long-term visas (*Visa de Long Séjour*) are also available, valid for up to one year.

U.S. travelers can obtain tourist, business, and diplomatic visas from the Embassy of the Republic of Chad, 2002 R Street, NW, Washington, D.C. 20009. Telephone: (202) 462-4009; fax: (202) 265-1937. Entry visas are also available at Chadian embassies or consulates in Algeria, Belgium, Benin, Burkina Faso, Cameroon,

Central African Republic, China, Republic of Congo, Cote d'Ivoire, Democratic Republic of the Congo, Egypt, Ethiopia, Equatorial Guinea, France, Gabon, Germany, India, Italy, Kuwait, Libya, Niger, Nigeria, Saudi Arabia, South Africa, Sudan, Russia, United Arab Emirates, and Qatar.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are an interagency process, and travelers should apply for the necessary visa as soon as possible.

Currency

Chad uses the CFA Franc (FCFA), which is pegged to the Euro at a fixed rate of one Euro to 655.957 FCFA. Exchange rates with the USD therefore vary according to the strength of the dollar versus the Euro. The average exchange rate in 2016 was 592 FCFA per U.S. dollar.

Telecommunications/Electric

Chad's telecommunications markets are still developing. Penetration rates as of 2014 were telephony at 40.2% and Internet at 18.1% (well over 90% of Chadians access the Internet via their mobile phones). Chad's mobile sector is growing quickly through competition between two foreign-owned networks – Bharti Airtel (formerly Zain), and Millicom (Tigo). The national telecom and fixed-line operator, Sotel Tchad, operates the country's third mobile network. Mobile phone handsets are expensive in Chad; smartphones are scarce. It is advisable for business travelers to bring a GSM capable phone or smartphone to Chad. SIM cards for all of the carriers are relatively inexpensive and easy to purchase.

Transportation

Chad is a landlocked country with challenging transportation links between major cities and neighboring countries. The nearest port is Douala, Cameroon, 1,800 km (1118 miles) from N'Djamena.

N'Djamena International Airport is administered by the International Agency for Air Navigation Security in Africa (ASECNA). Thirteen international carriers serve N'Djamena: Air Côte d'Ivoire, Air France, ASKY Airlines, Camair-Co, CEIBA

Intercontinental, EgyptAir, Ethiopian Airlines, Karinou Airlines, MAF (an air charter service), Royal Air Maroc, Sudan Airways, Turkish Airlines, and the UN Humanitarian Air Service (UNHAS). Additionally, there are several cargo routes and charter carriers. Air travel from Chad to other African countries can be costly and time-intensive. Several small companies offer chartered flights to domestic cities and the Zakouma National Park in southeast Chad. Others offer cargo service to Dubai (United Arab Emirates) and Saudi Arabia.

Road conditions in Chad and the region are challenging. In N'Djamena, main roads are paved; other roads are highly variable, normally dirt and sand. During the rainy season (mid-June to mid-September) many roads become impassable or are restricted by flooding. It is imperative to watch for pedestrians, bicyclists, motorcyclists, and livestock, as they may not be visible until they are in very close proximity.

In cities, motorists share the roads with bicycles, motor scooters, pedestrians, and non-motorized carts. Rush hours are generally 7:00 a.m. - 9:00 a.m. and 3:00 p.m. - 6:00 p.m. Monday - Thursday; 7:00 a.m. - 9:00 a.m. and 11:00 a.m. - 12:30 p.m. on Friday. Drivers are urged to be particularly observant at these times. There are only a few traffic lights in N'Djamena that are often out of service. Drivers yield to traffic on their right, particularly when entering traffic circles.

In rural areas, drivers should watch for livestock crossing the roads, and for large birds that rest on the roads. Drivers should be alert to older trucks, which do not always have functioning headlights.

Emergency services are poor, so drivers should exercise extreme caution. Travelers should always wear seat belts. When traveling by car, be sure to carry a spare tire. Professional roadside service is not available. When traveling outside the capital, it is imperative to carry sufficient quantities of drinking water. Drivers should ensure that their gas tanks are at least half-full at all times, as gas stations are not widely available. Gas may be purchased in an emergency from roadside stands, but it is of poor quality.

Travelers on roads in all areas of the country are subject to attack by armed bandits. Please refer to the Department of State’s [Road Safety](#) page for more information.

Language

French and Arabic are the official languages of Chad. Chadian Arabic varies considerably from Classical Arabic. Chadians may be able to understand the latter, speakers of Classical Arabic may have difficulty understanding Chadian Arabic. Although there is a growing number of English speakers in the government and business communities, proficiency in French remains important.

Health

With the exception of a few international clinics, health facilities in Chad are not up to western standards. A valid U.S. passport and international health certificate indicating recent yellow fever and cholera immunizations are required for entry into Chad. Vaccinations against typhoid, tetanus, diphtheria, meningitis, and hepatitis are recommended. Malaria is common; malaria prophylaxis is strongly recommended.

Local Time, Business Hours and Holidays

Chad lies entirely in the West African time zone (WAT), which is one hour ahead of Greenwich Mean Time (GMT+1). Chad observes the following public holidays:

HOLIDAY	DATE
New Year’s Day	January 1
Maouloud–Al Nebi (M)	Variable
Easter Monday	Variable
Labor Day	May 1
Eid–Al–Fitr (M)	Variable
Chad Independence Day	August 11
Eid–Al–Adha (Tabaski)(M)	Variable

All Saint's Day	November 1
Proclamation of the Republic	November 28
Freedom & Democracy Day	December 1
Christmas Day	December 25

Note: (M) - Muslim holidays are based on the lunar calendar, and the exact dates may vary in different countries. Travelers may want to confirm the dates of these holidays before traveling.

For government offices, working time is usually Monday through Thursday from 7:00 AM to 3:30 PM, with a 30-minute break at 12:00, and Friday from 7:00 AM to 12:00 PM. Commercial working hours vary but in general are from 8:00 AM to 12:30 PM and from 4:00 to 8:00 PM. Offices close Friday afternoons. Offices are closed on Sundays, but markets and some restaurants are open seven days a week.

Temporary Entry of Materials or Personal Belongings

Articles such as clothing and other personal effects along with professional tools and devices, musical instruments, and other personal items may be allowed duty free entry for short and long term residents. Foreigners wishing to import personal vehicles have two alternatives:

(1) Those intending to stay for a predetermined length of time can obtain a Form D18 from the Chadian customs office. The form allows for temporary admission of a vehicle for up to two years. The vehicle will receive temporary transit tags along with an assigned validity date; the vehicle must then be re-exported at the end of the stipulated period.

(2) Those intending to stay in Chad for a longer period must present their vehicles to Customs, who will determine duty based on the invoice value or, in the absence of an invoice, the estimated value calculated by the Customs office. Customs duties are based on the following duty schedule: 30 percent Import Tariff; VAT Tax 18 percent, two percent for a license fee ("redevance") and four percent Income Tax. Upon

payment of duties, the vehicle is inspected by the Bureau of Transportation and receives a tag number.

Travel Related Web Resources

For up-to-date travel information, consult the [State Department Travel page](#).