



Sudan, Chad, Oil and Genocide

Posted by [Dave Cohen](#) on April 17, 2006 - 11:01am

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Update [2006-4-17 16:2:1 by Dave]: From Reuters [Chad eases threats on oil, Darfur refugees](#). "Chad on Monday softened threats to stop sheltering Sudanese refugees and halt oil production following rebel attacks as the United States offered to broker a solution to a dispute with the World Bank."

This is the first in a series of posts I hope to complete about oil-related conflicts in regions of the world that TOD does not often pay sufficient attention to. Viewing geopolitics through the lens of oil is not always right, but as Michael Klare's book [Blood And Oil](#) makes clear, there is often a connection. A good case can be laid out that Chad and the Sudan are in turmoil right now over oil and who controls it. Another case can be laid out that the cause of the [Genocide in Darfur](#) has its root causes not only in ancient ethnic/tribal and religious rivalries that have been going on since Sudan's independence in the 1950's, but also has most recently been exacerbated in disputes over who will control the oil in the regions. This genocide is being carried out by the [Janjaweed](#) militias supported by the Sunni Muslim government of Sudan based in Khartoum against the Christian and indigenous Africans of the Darfur provinces. First, we'll start with a map of the region to get everyone situated.



Eastern Africa -- Sudan and Chad

In this post we'll analyze the situation in some of its aspects but particularly from the perspective

oil production. Perhaps many of you think this issue not important. I hope to persuade you that this tragic situation is illustrative of our global geopolitical future. So, let's look at recent developments in Eastern Africa.

Perhaps this quote from David Morse's [War of the Future: Oil Drives the Genocide in Darfur](#) will persuade you that these issues are worth thinking about.

With the signing of the treaty last January, and the prospect of stability for most of war-torn Sudan, new seismographic studies were undertaken by foreign oil companies in April. These studies had the effect of doubling Sudan's estimated oil reserves, bringing them to at least 563 million barrels. They could yield substantially more. Khartoum claims the amount could total as much as 5 billion barrels. That's still a pittance compared to the 674 billion barrels of proven oil reserves possessed by the six Persian Gulf countries -- Saudi Arabia, Iraq, the United Arab Emirates, Kuwait, Iran, and Qatar. **The very modesty of Sudan's reserves speaks volumes to the desperation with which industrial nations are grasping for alternative sources of oil.**

The rush for oil is wreaking havoc on Sudan. Oil revenues to Khartoum have been about \$1 million a day, exactly the amount which the government funnels into arms -- helicopters and bombers from Russia, tanks from Poland and China, missiles from Iran. Thus, oil is fueling the genocide in Darfur at every level. This is the context in which Darfur must be understood....

And what can we say about Southern Darfur? You guessed it--oil has been discovered in the region. From the [Sudan Watch](#) blog.

KHARTOUM, Sudan -- Sudan said Saturday initial oil drilling operations in the troubled Darfur region indicate there is abundant oil in the area.

Sudan Energy Minister Awad al-Jaz told reporters in Khartoum an oil field was found in southern Darfur and it is expected to produce 500,000 barrels of oil per day by August.

Most of the country's oil production comes from oil fields in southern Sudan, where a peace treaty was recently signed between the government and rebels.

In fact, Enver Masud in [Sudan, Oil, and the Darfur Crisis](#) (writing on August 7, 2004) goes so far as to say

The situation in Darfur is tragic, but it is not genocide - oil may be the real target of those seeking military intervention....

Renewed fighting broke out at the very moment when a peace agreement was about to be signed which would have ended 21 years of conflict between the government of Sudan, and the Sudan People's Liberation Army (SPLA) in southern Sudan.

Darfur's tribes rebelled against the government complaining that the Sudan government had failed to develop the area. It is alleged that the rebels, aware of the terms of the

proposed peace agreement between the government of Sudan and the SPLA, hoped to strike a favorable deal for themselves.

Southern Darfur, like southern Sudan, is rich in oil. The Chinese National Petroleum Corporation holds the large oil concession in southern Darfur. Chinese soldiers are alleged to be protecting Chinese oil interests.

I recommend this article since it gives some background to the Darfur conflict and some references. I couldn't possibly cover all the details of civil war there in the short space I have here.

And it's not just the Chinese. [India](#) (October 30, 2005) is negotiating with this guy



*The Sudanese minister
of energy and mining,
Awad al-Jaz*

for oil contracts with Sudan. Here's a map of oil concessions in Sudan from [Human Rights Watch](#).



Oil Concessions in Central and Southern Sudan as of August 2002

So, as you can see, the oil blocks are there, the pipeline is in place and the genocide in Darfur is no deterrent to doing business. But let's turn to [Chad](#) and then bring recent events into focus using our oil lens for understanding geopolitical events.

The CBS News story [Chad Threatens To Cut Off Oil Pipeline](#) brings us up to date.

In January, the World Bank froze an escrow account with \$125 million in oil royalties in London, [Chad's Oil Minister Mahmat Hassan] Nasser said. It also cut \$124 million in financial assistance after Chad changed an oil revenue law passed in 1999 as a condition for the World Bank's support for the pipeline.

Nasser said the funds must either be released or the operators of the pipeline must compensate the Chadian government.

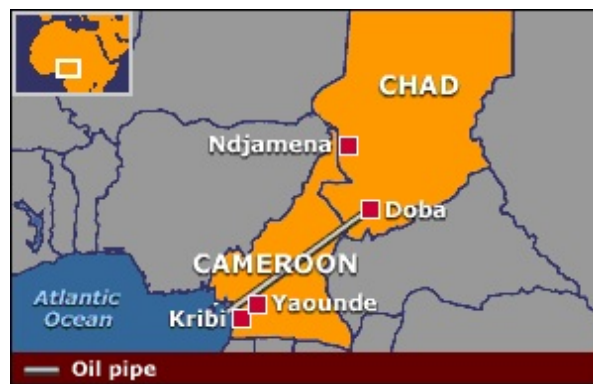
The law required two-thirds of oil revenues to go toward improving living standards in one of the world's poorest countries. It also required 10 percent of proceeds to go into a

savings fund to be used when Chad's oil reserves are exhausted.

But the National Assembly amended the law in December. It doubled the money going to the government's general budget, freed money in the savings fund and added security — buying arms and equipment for the military and other security forces — to the programs that received over two-thirds of the royalties.

Nasser said Chadian officials met twice with World Bank representatives seeking to unfreeze the funds, but without success. He said that without payment, the government would have to shut down the pipeline, which flows through Cameroon to the Atlantic Ocean.

Here's how the oil flows--"Chad's oil exports — 160,000 barrels per day — are small by international standards and have a high sulfur content, reducing their value."



Oil Exports from Chad go through Cameroon

Stuart called our [attention](#) to a Washington Post story [Chad Threatens to Cut Off Oil Pipeline](#) from which we learn that "... an Exxon Mobil-led consortium exported 133 million barrels of oil from Chad between October 2003 and December 2005" using this pipeline and further that this consortium paid \$4.2 billion to build it.

The president of Chad, [Idriss Deby](#), is an "elected leader" but of course he is a despot running a kleptocracy--hence the dispute with the World Bank and the change of law enacted by Chad's National Assembly mentioned in the previous quote, which Deby controls. Read the CBS article and [Chad set for oil production debut](#) (2002 from the BBC) for some background.

So, how do Sudan, Chad, oil and genocide all connect up with each other? As we find out from [Chad cuts diplomatic ties with Sudan](#) (sorry, long quote--but this sums it up very nicely).

Well there's been rebel activity on the border between Chad and Sudan for about the last six months, and the [Chadian] rebels have gradually been advancing on the capital, N'Djamena.

And they reached the capital this week, or the outskirts at least, and started attacking there.

The rebels are the United Front for Change and they're a loose grouping of eight anti-government groups, and the Chadian Government believes, basically, that they're being funded and armed by the Government of neighbouring Sudan.

They've been basing themselves in Darfur. And so for that reason the President of Chad has now said he'll cut all diplomatic ties with Sudan and is also threatening to actually evict all the Sudanese refugees who are living on the Chadian side of the Sudanese border.

Unfortunately there are about 200,000 refugees along the border between Chad and Sudan on the Chad side.

Obviously they're people who fled the conflict in Sudan's western region of Darfur. Now there's already two to three million displaced people in Darfur itself; the situation is worsening inside Darfur and has been for about the last six months.

Agencies there already can't cope, there are about 14,000 aid workers. They can't get aid to people because of the worsening conflict because of hijacking of trucks of food, that type of thing.

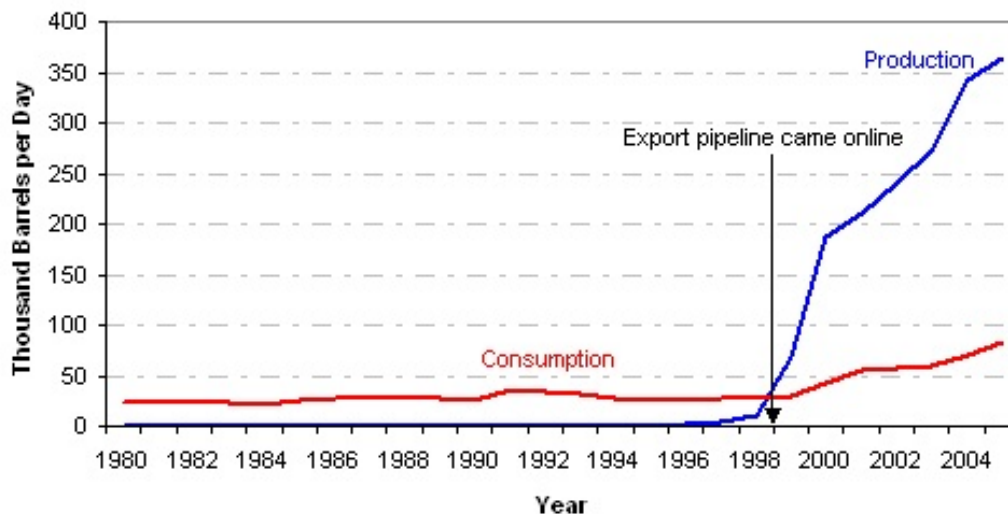
So any move to move those refugees on the Chadian side back into Darfur would be absolutely disastrous.

Reading further, we find that the United Front for Change believe Debi is corrupt (he is) and since Chad is an "oil-rich country" (that's debatable), "They're essentially saying that the President's been skimming that oil revenue. They're also calling him a dictator and ... they're making no secret of the fact that they want to overthrow him."

So, the entire situation only makes sense through the lens of oil and who controls it. I'll finish off by giving you the EIA data from both countries. From the [Cameroon and Chad](#) EIA data.

and the [Sudan](#).

Sudan's Oil Production and Consumption, 1980-2005



Source: International Energy Annual, IPM

All together, folks, that looks like about 610/kbpd (that's *thousand barrels a day*) of production from Cameroon, Chad and the Sudan. Yet, consider the situation there, the killing, the chaos, the

starvation, the corruption, the disease, the *suffering*. And why? Because Oil Is King. Blood and Oil. Further information can be found from any of the sources I cite. This concludes my report in what I hope will be a continuing series on geopolitical hotspots in the world related to energy and the riches and ruin it can bring.



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