

Chad settles tax dispute with foreign oil firms

N'DJAMENA - Chad, one of the African countries hit hardest by the drop in oil prices, announced that it had reached an accord with a group of foreign energy companies ending a tax dispute.



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The deal, signed by the government and a consortium led by Esso, a unit of US energy giant ExxonMobil, extends the group's operating licence in the Doba basin until 2050.

It also calls for the development of polymer injection technology to increase oil extraction, Chad's oil minister, Bechir Madet, told *AFP*.

In October a Chadian court had imposed heavy fines on the consortium over unpaid taxes, claiming \$75bn.

No financial details of the agreement were disclosed, though Madet denied that the consortium would pay the government \$200m.

"We are very happy with these agreements which will allow us to relaunch the consortium's operations in Chad," said Christian Lenoble, a spokesman for the group.

The consortium also includes Malaysia's Petronas, and once included Chevron of the US, which has since been replaced

in the group by Chad's national oil company.

As one of Africa's poorest countries, Chad relies heavily on revenue from oil sales, though President Idriss Deby has pledged to diversify the economy to protect it from sudden price drops.

"We are pursuing economic diversification," Madet said, adding: "Producing more oil creates more wealth and jobs. That is going to help our economy."

Source: *AFP*

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