

# Chad leader says Glencore oil contract was irresponsible

PARIS - Chad President Idriss Deby said on Sunday his country had been "irresponsible" in striking oil for cash deals with Swiss commodities giant Glencore, given the subsequent slump in crude prices.



[123rf.com](http://123rf.com)

"We thought it was opportunity -- but it was a fool's bargain," Deby said in an interview with Radio France International, Le Monde and broadcaster TV5 Monde.

"It was an irresponsible step. I realise that today.

"There was insider trading and an investigation is under way," Deby, who has ruled the poverty-stricken nation since 1990, said of a 2013 deal which saw Glencore acquire 100 percent of the Chad state's stake in its oil business -- equivalent to 16 percent of GDP for one of the world's poorest countries.

He said state lawyers were looking into the terms of the deal.

NGOs have been critical of links between foreign business and the oil trade in African states, suggesting that the cash flowing from deals in a lucrative sector does not trickle down to society.

On Saturday, the SwissAid NGO said it had removed from its website a critical report published on June 12 into Glencore

activities in Chad, which became an oil exporter in 2003.

SwissAid said it took the move on security grounds after N'Djamena charged that the report, which criticised a lack of transparency in Glencore dealings in the country, was harmful to Chad's image.

A summary of the report appeared in Swiss daily Le Temps with its author Lorenz Kummer slamming a lack of transparency at state oil company SHT which he dubbed "opaque (and) a structure which does not publish its accounts and is not subject to any external audit."

The report also criticised the lack of reform of the oil sector and hinted at nepotism in the industry benefiting the ruling family.

Adding to Chad's oil woes is the steep drop in oil prices which have slashed the country's chief source of revenue, and Deby said that in its dealings with Glencore "to be honest we should have done better."

He added that the country had concentrated too much on oil rather than looking at diversifying, while a crude assets-based loan deal struck with Glencore in 2014 has lost its shine after the steep price falls of the commodity.

**Source:** *AFP*

For more, visit: <https://www.bizcommunity.com>