



# Chad

## Chad: Current Path

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Chart 2: Population structure in the Current Path, 1990-2043

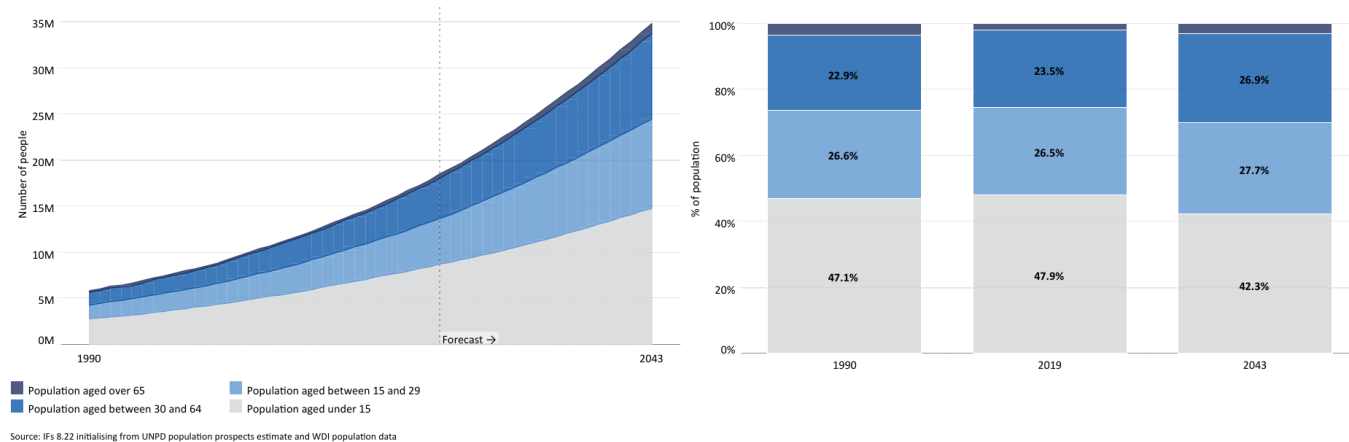


Chart 2 presents the Current Path of the population structure, from 2019 to 2043.

The characteristics of a country's population can shape its long-term social, economic, and political foundations; thus, understanding a nation's demographic profile indicates its development prospects.

The Chadian population is culturally diverse, with many ethnic communities, languages and religions. The country has over 120 languages and dialects, with French and Arabic as the official languages, and Islam is the predominant religion.

The population of Chad is growing rapidly at about 3% per year. In 2023, Chad's population was estimated at 18.5 million, and on the Current Path, it will almost double to reach 34.9 million people by 2043. This represents about 16 million more people over the next 20 years.

As a result of ongoing conflict in the region, Chad hosts more than one million forcibly displaced people, including 580 000 refugees from conflicts in neighbouring Sudan, the Central African Republic and Cameroon. More than 125 000 **refugees and asylum seekers** from the Central African Republic have fled to Chad escaping different waves of violence since 2005.

With a fertility rate estimated at 6.2 children per woman in 2023, Chad has the second-highest fertility rate in Africa after Niger and above the average of 4.8 children per woman for low-income countries in Africa in the same year. On the Current Path, Chad's fertility rate will decline slightly to 4.8 children per woman by 2043, the highest in Africa by then.

Due to the high fertility rates and low life expectancy, Chad's population is very youthful. With a median age of about 16.3 years in 2023, Chad has the fourth-youngest population globally, and its median age will only be 18.6 years by 2043, making it the third-youngest population in the world.

Due to this youthful age structure, the dependency ratio is high, as a large portion of the population depends on the small workforce to provide for its needs — this constrains savings and investment in human and physical capital.

As of 2023, about 47% of the country's population was under 15. On the Current Path, the population under 15 years will decline but will still constitute about 42.3% in 2043. The share of the elderly (65 and above) has been stable over time — at about 2.2% in 2023 — and it will reach 3.1% in 2043.

When the ratio of the working-age population to dependant is 1.7 or more, countries often experience more rapid growth, known as the demographic dividend, provided the workforce is appropriately skilled and absorbed in the labour market. Currently, the private sector's limited capacity, combined with the constrained ability to expand payroll budgets, makes it challenging to accommodate the large number of generally unskilled young job seekers in the country.<sup>[1]</sup>

Chad is unlikely to reap its demographic dividend across the Current Path forecast horizon. The ratio of the working-age population to dependants stood at 1.03 in 2023 — almost one working-age person for each dependant. It will only be at 1.2 in 2043, slightly below the average of 1.4 for African low-income countries but far below the threshold of 1.7 that a country needs to expect to reap the demographic dividend. Chad only gets to this positive ratio at around 2074, indicating the slow demographic transition. It also implies that Chad will achieve its demographic dividend almost two decades later than the average for low-income Africa.

Chad also has a large youth bulge at 51%. Youth bulge is the percentage of the population between 15 and 29 years old relative to those aged 15 and above. It will get to 48% by 2043. In addition to the requirement for more spending on education, health services and job creation, large numbers of young adults can lead to positive political change in a country through youth activism, but they can also carry the seeds for socio-political instability in the absence of economic opportunities.

Chad authorities must design and implement sound policies to accelerate the demographic transition for economic prosperity and decent human development.

### **Chart 3: Population distribution map, 2023**

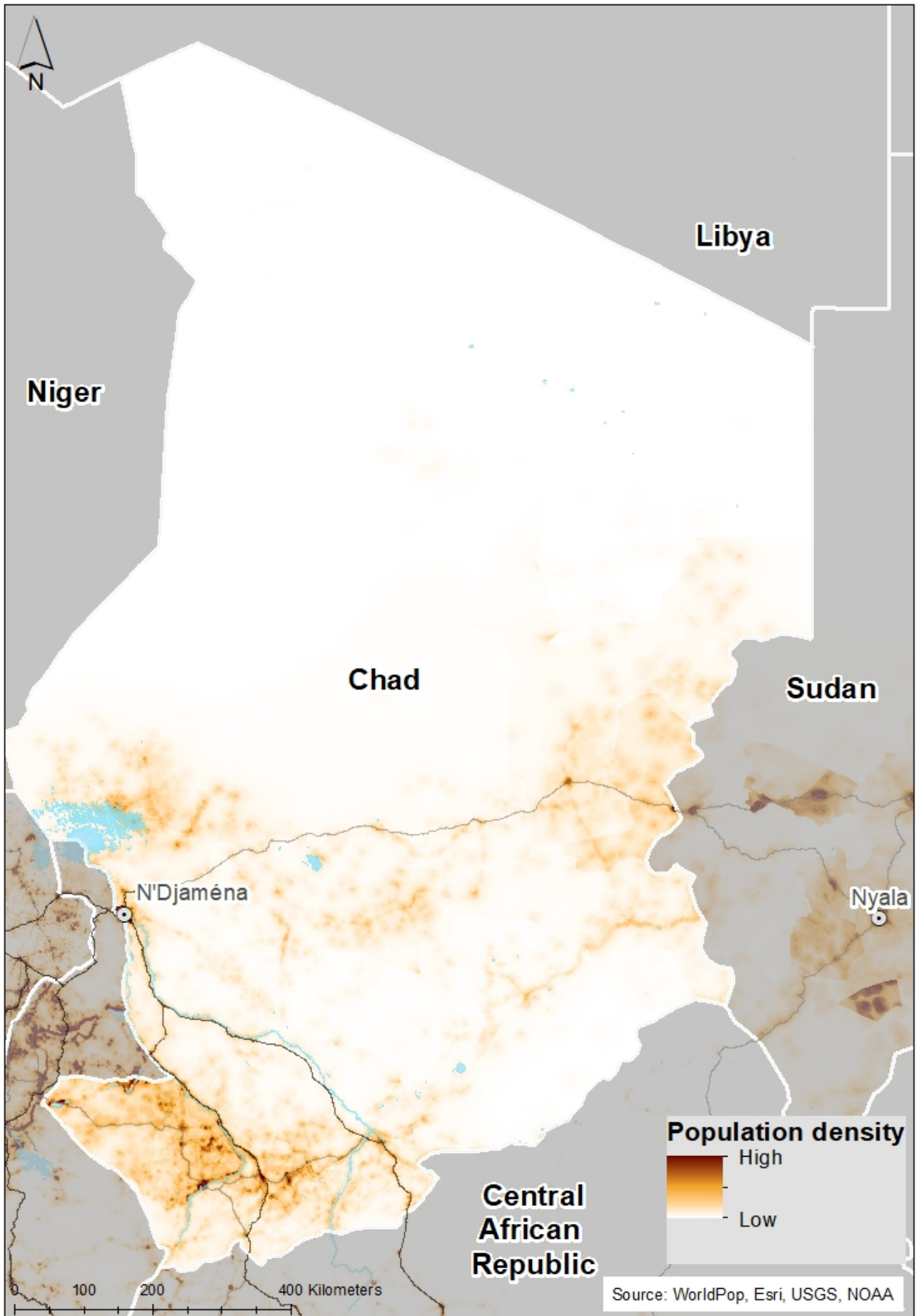


Chart 3 presents a population distribution map for 2023.

The population distribution of Chad is closely linked to its physical geography and climate. The harsh dry climate in the north is characterised by very low population densities and few inhabitants, while the southern regions with distinct rainfall seasons, forests and perennial rivers are home to the vast majority of the population. The highest population densities are located in the Logone Occidental Region and the capital of N'Djamena.

Chart 4: Urban and rural population in the Current Path, 1990-2043

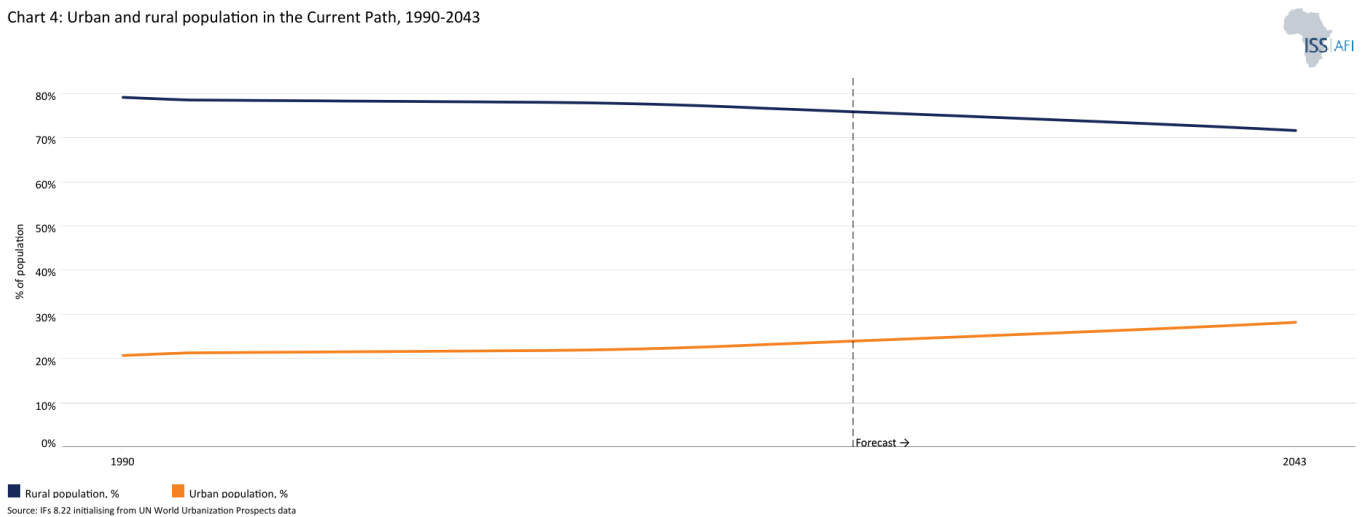


Chart 4 presents the urban and rural population in the Current Path, from 1990 to 2043.

Chad's urbanisation rate is very low; the population is largely rural at about 75.9% in 2023, above the average of 67% for low-income Africa. On the Current Path, the rural population will only reduce by 4.2 percentage points to reach 71.7% by 2043. This means the urbanisation rate only marginally increases from about 24% in 2023 to 28.3% by 2043. The capital city, N'Djamena is one of the few urban areas in Chad.

If well planned, **urbanisation** can be critical to economic growth and development, as it fosters entrepreneurship and increases productivity. However, limited supply of energy, infrastructure deficit, limited skills, poor business regulation system and low access to finance impede the productivity potential of Chad's urban areas. The newly elected government of Chad needs to address these shortfalls while curbing unplanned informal development to reduce flood risks in urban areas.



Chart 4: Urban and rural population in the Current Path, 1990-2043

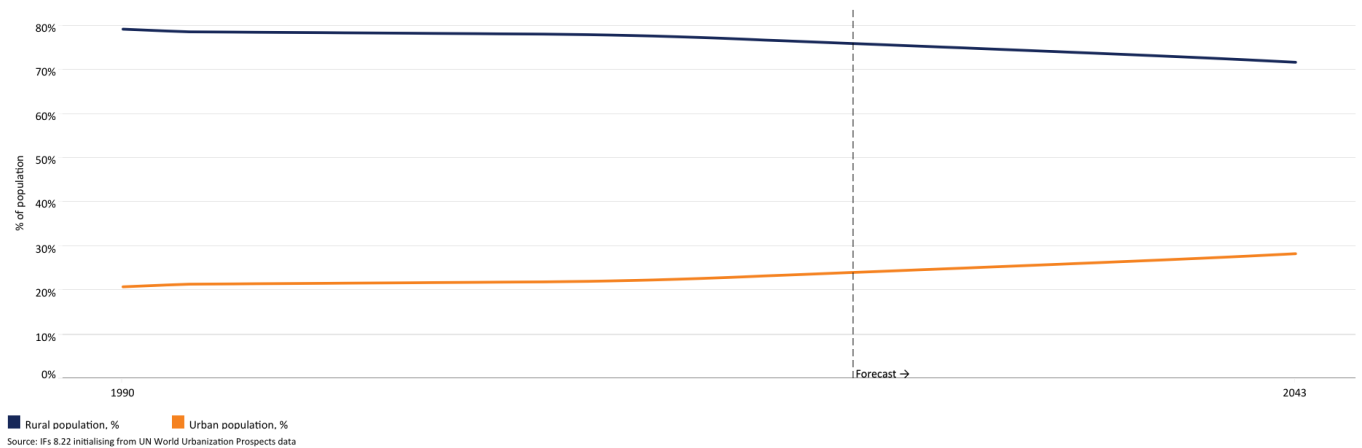


Chart 5 presents GDP in market exchange rates (MER) and growth rate in the Current Path, from 1990 to 2043.

In the 1990s, Chad began its journey toward economic and political transformation following a devastating civil war, successfully completing an enhanced structural adjustment facility through the IMF.

The economy's dependence shifted from agricultural commodities like cotton and cattle to oil when the country joined the ranks of oil-producing countries in 2003, and it has been dependent on oil since then. Despite initial hopes of substantial socioeconomic improvement from oil exploitation, Chad failed to achieve meaningful development and economic diversification.

Apart from challenges related to oil price shocks, Chad's economy also generally suffers due to its geographical remoteness, conflict and insecurity in the region, lack of investment in infrastructure, a harsh climate and poor business environment.

Efforts to restore public finances in Chad have also been challenging. The country's public debt, at 56% of GDP in 2021, became unsustainable with the Covid-19 pandemic, volatility in oil prices, heightened insecurity, and a food crisis. Chad was the first country to reach an agreement with its creditors under the [G20 Common Framework for Debt Treatment](#), and the debt service-to-revenue ratio was projected to average 17% in 2022-23, before gradually declining to below 14% from 2024 onward.

Chad recorded an average growth rate of 9.4% over the period 2001-2014, a period characterised by an initial major positive shock — the onset of oil production — and the oil super cycle. As a result, the GDP increased from US\$3.1 billion in 2000 to US\$10.7 billion in 2014. However, Chad's continued reliance on oil has left the economy less diversified and more vulnerable to exogenous shocks.

Chad's economic growth has been slow since 2015, averaging -0.2% over the period 2015-2022, due to oil price shocks, socio-political instability, volatile security and the COVID-19 pandemic. These factors have prevented the country from reducing poverty and improving development outcomes.

In 2023, the size of Chad's economy was US\$10.9 billion; by 2043, it will reach only US\$22.5 billion. In the Current Path, the average annual growth rate between 2023 and 2043 will be about 3.7%. This projected slow growth reflects the expected decline in oil production in the near future due to a modest proven petroleum reserve, long distance from infrastructure, security risks, and commercialisation challenges.

Investments in critical sectors such as education, health, infrastructure and agriculture are urgently needed to boost the economy's structural transformation and build resilience against future shocks.

Chart 6: Size of the informal economy in the Current Path, 2019-2043

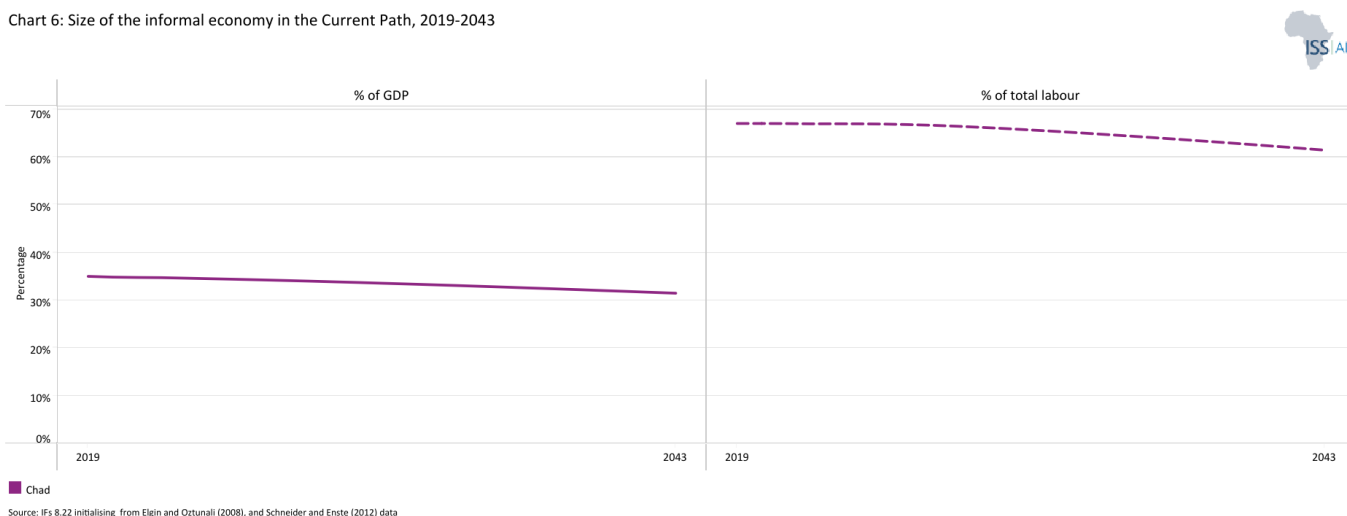


Chart 6 presents the size of the informal economy as per cent of GDP and per cent of total labour (non-agriculture), from 2019 to 2043. The data in our modelling are largely estimates and therefore may differ from other sources.

An informal economy (informal sector or shadow economy) is the part of any economy that is neither officially taxed nor monitored. Countries with high informality have a whole host of development challenges such as low revenue mobilisation. Economic growth tends to be below potential in countries with high levels of **informality**.

With limited formal sector opportunities, most of Chad's workforce is employed in the low-value-added informal sector. The size of Chad's informal economy was estimated at 34.6% of GDP in 2023, above the average of 29.3% for low-income Africa. On the Current Path, the level of informality will likely decline to 31.5% of GDP by 2043, still above the projected average of 27% for low-income Africa in the year.

Addressing informality is essential to promote inclusive wealth creation in Chad. However, systematic attacks on the sector motivated by the view that it generally operates illegally and evades taxes will be counterproductive. The process should be gradual as the informal sector is currently the only viable income source for millions of people. Improving access to quality education, job creation, and financial inclusion are some policies that tackle informality.

Chart 7: GDP per capita in Current Path, 1990-2043

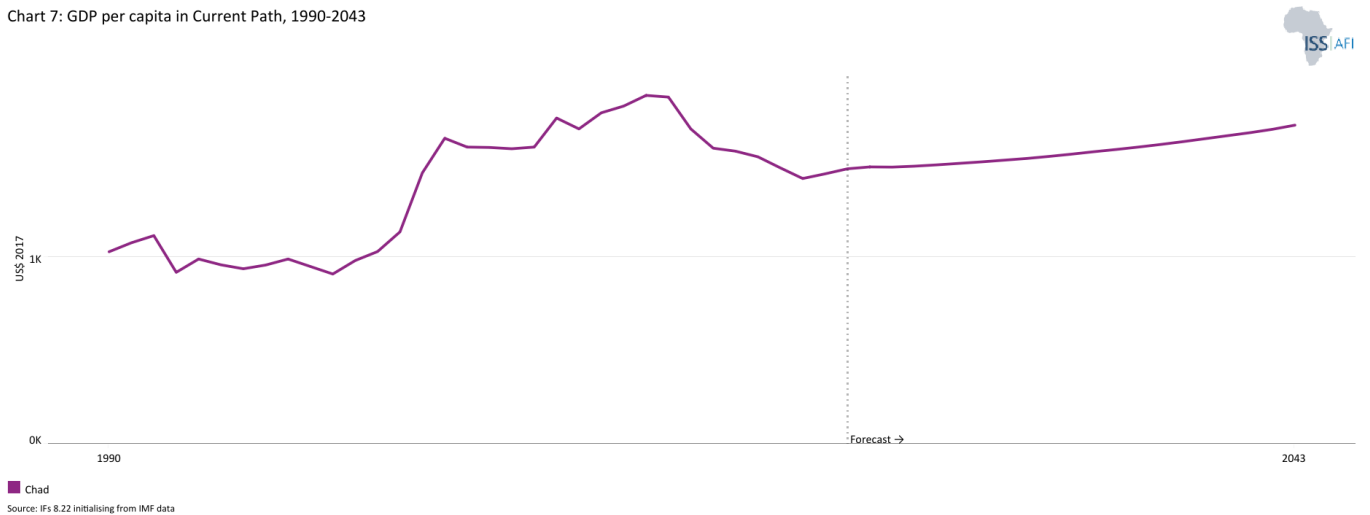


Chart 7 presents GDP per capita in the Current Path, from 1990 to 2043, compared with the average for the Africa income group.

One of the least-developed countries in the world, Chad's GDP per capita increased by about 90% between 2001 and 2014 due to strong economic growth generated by oil production and high oil prices. This helped the country reduce the large income gap with the rest of sub-Saharan Africa. GDP per capita (PPP, and constant 2017 US\$) increased from US\$980 in 2001 to US\$1 862 in 2014, compared to the average of US\$1 744 for low-income Africa.

However, GDP per capita has contracted since 2015 amid economic contraction due to oil price shocks, climate shocks and renewed insecurity. Chad's GDP per capita was US\$1 562 in 2019 and US\$1 413 in 2022, down significantly from US\$1 862 in 2014 and lower than the average of US\$1 853 for low-income African countries in 2022.

In the Current Path, the country will reach a GDP per capita of US\$1 701 (Chart 7) by 2043, still below its peak of US\$ 1 862 in 2014. Chad's economy will continue to grow much slower than other African low-income countries. It will drop to 19th in terms of GDP per capita by 2043 among Africa's 22 low-income countries, significantly above its 6th in 2014. On the Current Path, Chad will likely recover its 2014 GDP per capita only in 2051, indicating a significant loss in the population's well-being.

Chart 8: Extreme poverty in Current Path, 2019-2043

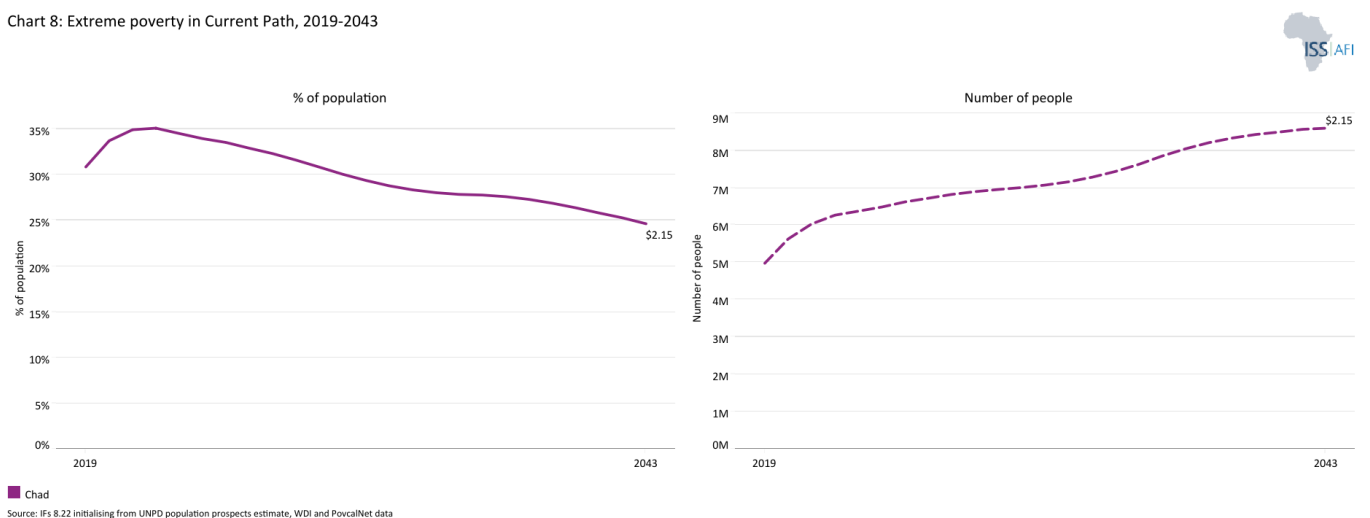




Chart 8 presents the rate and numbers of extremely poor people in the Current Path from 2019 to 2043.

In 2015, the World Bank adopted US\$1.90 per person per day (in 2011 prices using GNI), also used to measure progress towards achieving Sustainable Development Goal (SDG) 1 of eradicating extreme poverty. In 2022, the World Bank updated the poverty lines to 2017 constant dollar values as follows:

- The previous US\$1.90 extreme poverty line is now set at US\$2.15, also for use with low-income countries.
- US\$3.20 for lower-middle-income countries, now US\$3.65 in 2017 values.
- US\$5.50 for upper-middle-income countries, now US\$6.85 in 2017 values.
- US\$22.70 for high-income countries. The Bank has not yet announced the new poverty line in 2017 US\$ prices for high-income countries.

Monetary poverty in Chad has significantly declined over the last two decades but remains high, and progress has even slowed in recent years. The poverty rate measured at the international extreme poverty line of US\$2.15/day (per capita, 2017 PPP) declined from 57.8% in 2003 to about 26.5% in 2015. According to the World Bank data, in addition to the decline in the share of the population living in extreme poverty, the depth and severity of poverty also declined, meaning that those who remained in poverty got closer to the poverty line, and inequality between people experiencing poverty declined.<sup>[2]</sup>

However, the poverty rate has increased since 2015 amid economic recession and other shocks such as food inflation. It stood at 30.8% in 2019. In 2023, the poverty rate at 34.5% (6.3 million people). This is however, 6.4 percentage points lower than the average for African low-income countries. **Extreme poverty** in Chad is primarily concentrated in rural areas, where 47.4 % of the population is extremely poor, highlighting significant regional disparities.

By 2043, Chad's poverty rate will decline to 24.7%, however, poverty rate will decline more slowly than population growth, resulting in an increase in the absolute number of poor Chadians to 8.6 million people by 2043, 2.2 million additional poor people compared to 2023.

Monetary poverty only tells part of the story, however. The global **Multidimensional Poverty Index (MPI)** measures acute multidimensional poverty by measuring each person's overlapping deprivations across 10 indicators in three equally weighted dimensions: health, education and standard of living.

On the **Multidimensional Poverty Index**, 84.2% of the Chadians are multidimensionally poor, about 50 percentage points higher than the monetary poverty rate. An additional 10.7% of the population is also classified as vulnerable to multidimensional poverty.

The binding constraints to poverty reduction and shared prosperity in Chad are weak access to infrastructure, low agricultural productivity, limited access to education and health, increasing insecurity, and

climate change issues, challenges in managing oil revenue volatility, low access to formal employment, low inclusion of women in the economy, slow demographic transition and weak public administration.<sup>[3]</sup>

## Chart 9: National Development Plan of Chad



Chart 9 depicts the National Development Plan of Chad.

Since the advent of democracy in 1990, Chad has not adopted a long-term framework for planning and development. Development planning was guided by short- and medium-term perspectives, resulting in poor coordination between the different development plans and strategies. Drawing lessons from the implementation of the previous plans and strategies, the Government decided to carry out a forecasting, which led to the elaboration of *Vision 2030*.

The Chad National Development Plan, titled “Vision 2030, the Chad We Want,” embodies the country's commitment to fulfilling the legitimate aspirations of its people. This plan highlights the government's dedication to long-term development, aiming to transform Chad into an emerging country by 2030. The vision focuses on two primary objectives: (1) strengthening the foundations of good governance and the rule of law while enhancing national cohesion, and (2) creating the conditions for sustainable development.

To achieve these goals, four strategic axes have been identified:

### *Axis 1: Strengthening National Unity*

#### *Sub-axes:*

- Promoting a culture of peace and national cohesion

- Promoting cultural values and redefining the role of culture as a lever for inclusive development

*Axis 2: Strengthening Good Governance and the Rule of Law*

*Sub-axes:*

- Promoting performance and motivation in public administration
- Promoting good economic governance
- Strengthening a genuine democratic culture as a mode of governance
- Enhancing security as a development factor

*Axis 3: Developing a Diversified and Competitive Economy*

*Sub-axes:*

- Fostering a diversified and rapidly growing economy
- Ensuring economic financing primarily through domestic savings and foreign private capital
- Using infrastructure as a lever for sustainable development

*Axis 4: Improving the Quality of Life for the People of Chad*

*Sub-axes:*

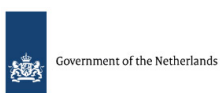
- Ensuring a healthy environment with preserved natural resources
- Creating an environment conducive to the flourishing and well-being of the Chadian people

In summary, Vision 2030 is built around two key objectives: consolidating good governance and the rule of law while strengthening national cohesion, and establishing the conditions for sustainable development. The plan is supported by four pillars: strengthening national unity, enhancing good governance and the rule of law, developing a diversified and competitive economy, and improving the quality of life for the Chadian population.

## Endnotes

1. The World Bank, the Republic of Chad: systematic country diagnostic, March, 2022
2. The World Bank, the Republic of Chad: systematic country diagnostic, March, 2022
3. The World Bank, the Republic of Chad: systematic country diagnostic, March, 2022

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## About the authors

Dr Kouassi Yeboua currently is a senior research consultant to the African Futures and Innovation programme in Pretoria. In his prior role as staff senior researcher, he recently served as lead author on ISS studies on the long-term development prospects of the DR Congo, the Horn of Africa, Nigeria and Malawi. Kouassi has published on various issues relating to foreign direct investment in Africa and is interested in development economics, macroeconomics, international economics, and economic modelling. He has a PhD in Economics.

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