



# Chad

## Chad: Scenarios

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## Chad: Scenarios

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### Briefly

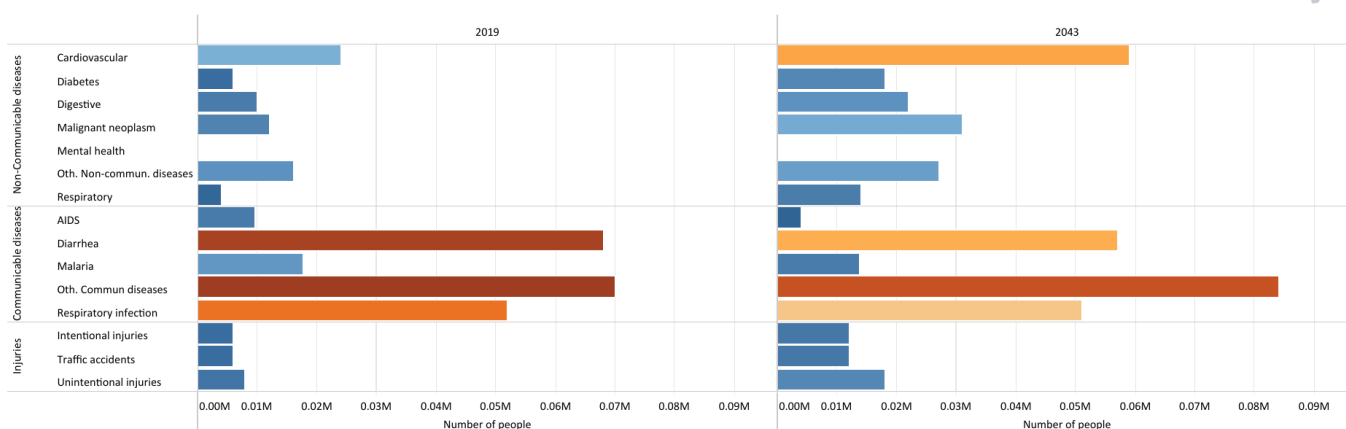
Chart 10: Relationship between Current Path forecast and scenario

Chart goes here

The eight sectoral scenarios as well as their relationship to the Current Path and the Combined scenario are explained in the [About Page](#). Chart 10 summarises the approach.

# Demographics and Health scenario

Chart 11: Mortality distribution in the Current Path, 2019-2043



Source: IFs 8.22 initialising from IHME data

Chart 11 presents the mortality distribution in the Current Path for 2023.

There are strong interactions between population and health. The status of a country's health influences levels of fertility, mortality and morbidity. At the same time, high population growth contributes to an increased need for basic necessities for life, such as nutrition and health.

Access to basic health care is limited in Chad due to many reasons such as conflict, low readiness of health facilities to deliver quality care, and the cost associated with health services.<sup>[1]</sup> Access to care is provided through four main mechanisms: direct payment, free access to selected services, health insurance and health mutual. The out-of-pocket payment is the most common healthcare financing mechanism, representing about 50% of total health expenditure. Private health insurance, used by less than 2% of the population, is provided as part of contracts by large corporations to benefit employees.<sup>[2]</sup>

The country has a high prevalence of malnutrition, malaria and outbreaks of disease. Communicable diseases such as malaria, diarrhoea and lower respiratory infections are the primary causes of death among the children and the youth in Chad. Nearly the entire population of Chad is at risk of malaria, with 1.8 million confirmed cases and over 2 500 inpatient deaths recorded in 2022. The country ranks 13th in the world for **malaria mortality**, with children under five years old making up nearly 60 percent of these deaths.

Non-communicable diseases such as cardiovascular and diabetes remain the leading causes of death among the elderly (Chart 11). Poor access to safe drinking water, improved sanitation and lack of hygiene has caused significant number of deaths in the country. Poor access to safe drinking water, improved sanitation and lack of hygiene kills and sickens many people, especially children, in the country. Chad has one of the lowest rates of access to safe drinking water and sanitation services in the world. While this is improving in urban areas, children in rural areas are almost always at risk from water- and sanitation-related diseases.

However, Chad has made some progress in improving key health outcomes in recent years. The stunting rate among children under the age of five has significantly declined from 44.4% in 2004 to 28% in 2022, six percentage points above the average for low-income Africa. Chad is on track to achieve the SDG target of 25% by 2030. On the Current Path, the stunting rate among children below five will decline to 23% by 2030 and 17% by 2043.

Maternal mortality has declined from 1 450 per 100 000 live births in 1990 to 956 in 2023, the second highest in Africa after South Sudan. This high maternal mortality rate indicates a need for improved access to healthcare services and higher quality care, particularly in reproductive health.

Child (under 5) mortality has also declined from 113 deaths per 1 000 live births in 1990 to 68 deaths in 2023, while life expectancy has increased from 53.7 years to 61 years over the same period.

Despite this progress, Chad is not on track to meet the SDG targets related to infant and maternal mortality. On the Current Path, the maternal mortality rate will likely decline to 798 deaths per 100 000 live births by 2030 and 500 per 100 000 live births by 2043, significantly above the SDG targets of less than 70 per 100 000 live births. Infant mortality will also decline to 61 deaths per 1 000 live births by 2030 and 45 deaths by 2043, a far cry from the SDG target of 12 deaths per 1 000 live births by 2030.

The Government and development partners should strengthen their support for improving the health system. Public health expenditure represented less than 2% of GDP in 2023, below the average of 2.3% for low-income African countries.

The Demographics and Health scenario therefore envisions ambitious improvements in child and maternal mortality rates, enhanced access to modern contraception, and decreased mortality from communicable diseases (e.g., AIDS, diarrhoea, malaria, respiratory infections) and non-communicable diseases (e.g., diabetes), alongside advancements in safe water access and sanitation. This scenario assumes a swift demographic transition supported by heightened investments in health and water, sanitation, and hygiene (WaSH) infrastructure.

Visit the themes on [Demographics](#) and [Health/WaSH](#) for more detail on the scenario structure and interventions.

Chart 12: Infant mortality rate in the Current Path and Demographics and Health scenario, 2019-2043

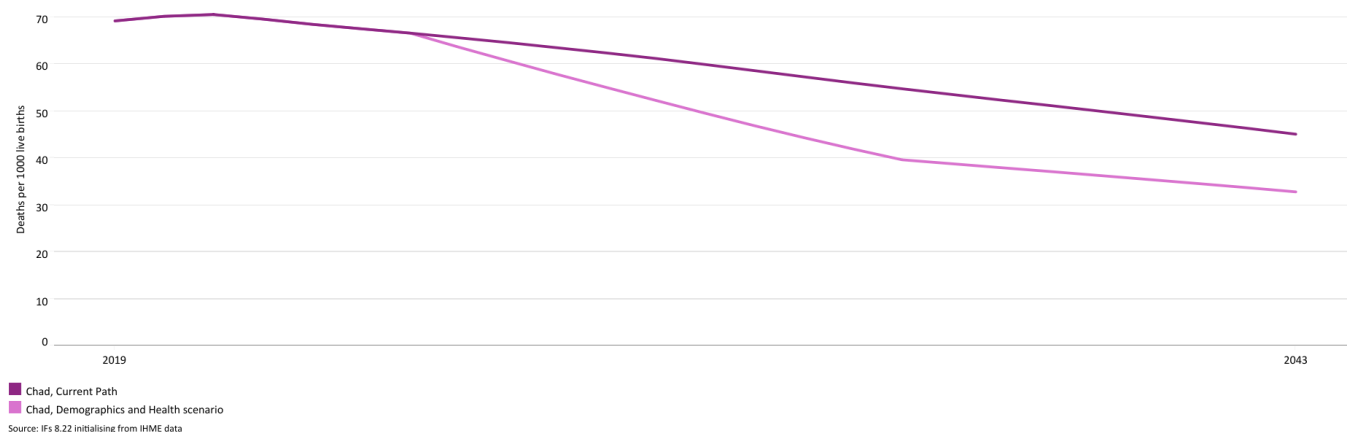


Chart 12 presents the infant mortality rate in the Current Path and in the Demographics and Health scenario, from 1990 to 2043.

The infant mortality rate is the probability of a child born in a specific year dying before reaching the age of one. It measures the child-born survival rate and reflects the social, economic and environmental conditions in which children live, including their health care. It is measured as the number of infant deaths per 1 000 live births and is an important marker of the overall quality of the health system in a country.

Child (under 5) mortality has declined from 113 deaths per 1 000 live births in 1990 to 68 deaths in 2023. On the Current

Path, infant mortality will continue to decline to 45 deaths per 1 000 lives births by 2043. The interventions in the Demographics and Health scenario see Chad's infant mortality rate drop even further by 2043 to 33 deaths. While this is a significant improvement, the country still lags behind the average for low-income Africa that sees a reduction to 22 deaths by 2043 in the Demographics and Health scenario (Chart 12).

Chart 13: Demographic dividend in the Current Path and the Demographics and Health scenario, 2019-2043

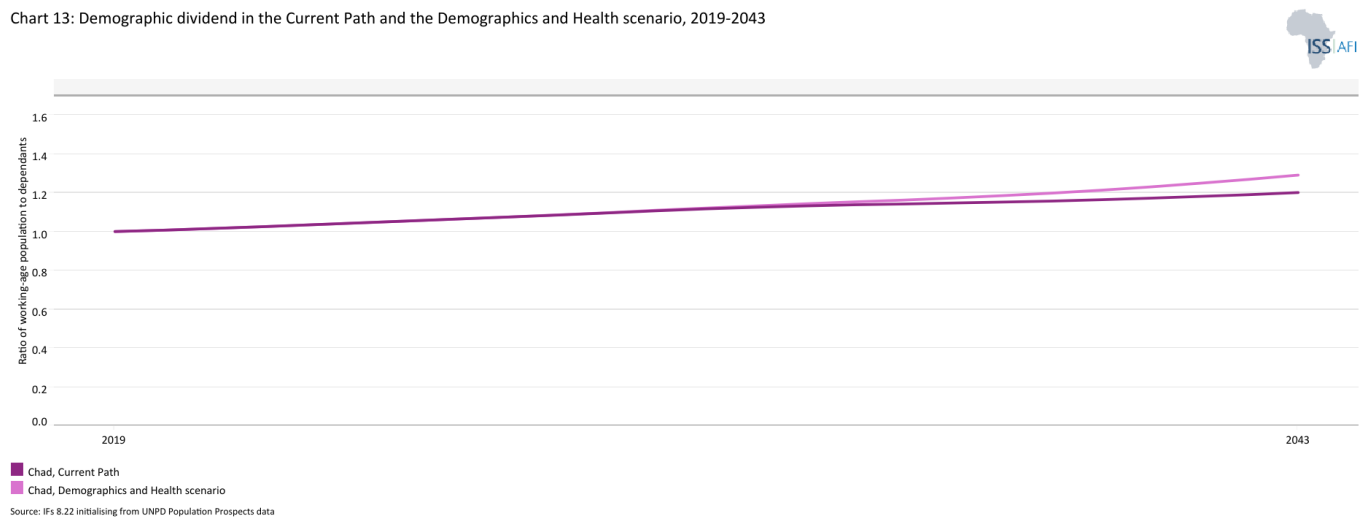


Chart 13 presents the demographic dividend in the Current Path and in the Demographics and Health scenario, from 2019 to 2043.

The demographic dividend is the economic growth generated by change in a country's demographic structure. It generally materialises when the ratio of working-age persons to dependents (children and elderly) increases to at least 1.7. However, this is not straightforward, the labour force need to be properly skilled and productively integrated into the economy.

In the Demographics and Health scenario, the ratio of the working-age population to dependants will only be at about 1.3 by 2043 (Chart 13), below the minimum ratio of 1.7 required for a country to reap the demographic dividend. However, the Demographics and Health scenario will still be an improvement from the projected ratio of 1.20 in the Current Path. Given Chad's youthful population, the country will require more time beyond the intervention horizon of 2043 to see a meaningful change in its population structure and to benefit from the gains that can be accrued from a large working-age population relative to dependants.

## Agriculture scenario

Chart 14: Crop production and demand in the Current Path, 1990-2043  
Area chart show demand less production

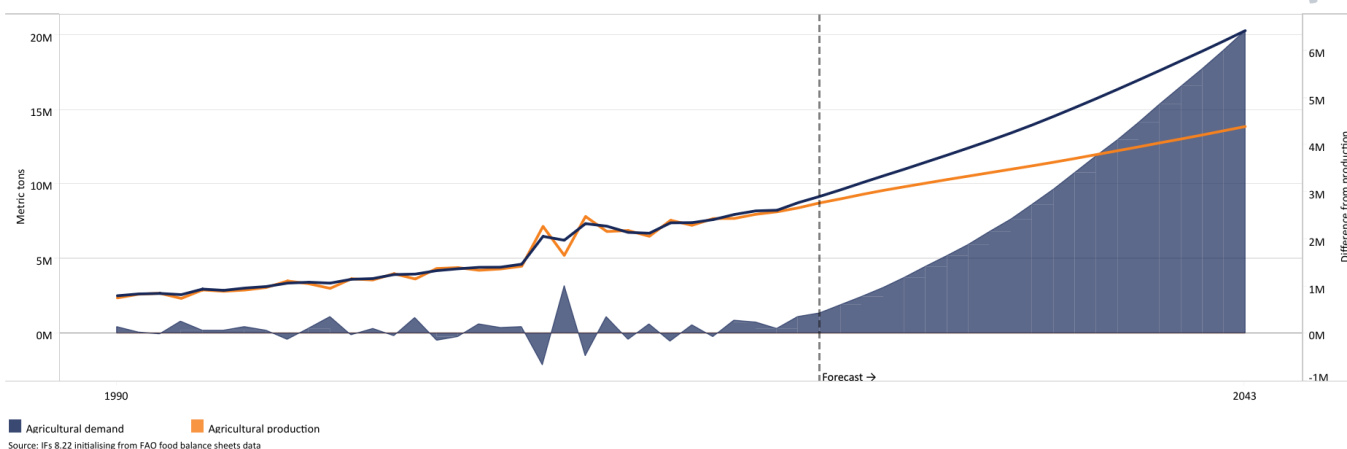


Chart 14 presents crop production and demand in the Current Path from 1990 to 2043.

Chad boasts substantial agricultural potential, and agriculture remains the main economic activity in rural areas. With an estimated 39 million hectares of cultivable land and sufficient water resources to irrigate over 5 million hectares of land, Chad could substantially increase **agricultural production**. It is estimated that, with appropriate infrastructure and support, one-third of Chad's land area could be used to grow crops.

However, the country's agricultural potential is underexploited. Only 7000 hectares of farmland are irrigated; the sector is characterised by a high prevalence of subsistence agriculture with low productivity. Agriculture generates 30% of GDP while employing 80% of the workforce. Millet, sorghum and rice are the main staple foods.

Chad has one of the lowest average crop yields per hectare in Africa. With an estimated 1.4 tons per hectare in 2023, the country ranked 47 out of 54 countries in Africa. On the Current Path, the average crop yields per hectare will marginally increase to 1.8 tons by 2043, far below the projected average of 3.6 tons for low-income countries in Africa in the same year.

This low **agricultural productivity** stems from various factors. These include climate variations such as extreme rainfall, drought, and floods, insufficient public investment, inadequate extension services, and a lack of advanced skills, all of which contribute to the limited adoption of new technologies. Additionally, poor water and land management impede efforts to boost yields and mitigate climate-related risks. The lack of integration within up- and downstream value chains, limited connectivity to local and international markets, and insecure land tenure further exacerbate the situation.

Going forward, feeding the growing population under such conditions will be one of the country's biggest challenges. In 2023, an estimated 7.2 million metric tons of crops were produced, a significant increase from the two million metric tons produced in 1990. On the Current Path, crop production will increase to about 11 million metric tons by 2043, while crop demand is set to increase from 7.6 million metric tons in 2023 to about 17 million metric tons by 2043, a deficit of 6 million metric tons (Chart 14). The Current Path paints a picture of a growing gap between domestic food production and demand, a situation that will exacerbate Chad's agricultural trade deficit with food import dependency of 37.5% of total demand by 2043 compared to 6% in 2023.



The Agriculture scenario envisions an agricultural revolution that ensures food security through ambitious yet feasible increases in yields per hectare, thanks to improved management, seed, fertiliser technology, and expanded irrigation and equipped land. Efforts to reduce food loss and waste are emphasised, with increased calorie consumption as an indicator of self-sufficiency and prioritising it over food exports. Additionally, enhanced forest protection signifies a commitment to sustainable land use practices.

Visit the theme on [Agriculture](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 15: Import dependence in the Current Path and Agriculture scenario, 2019-2043

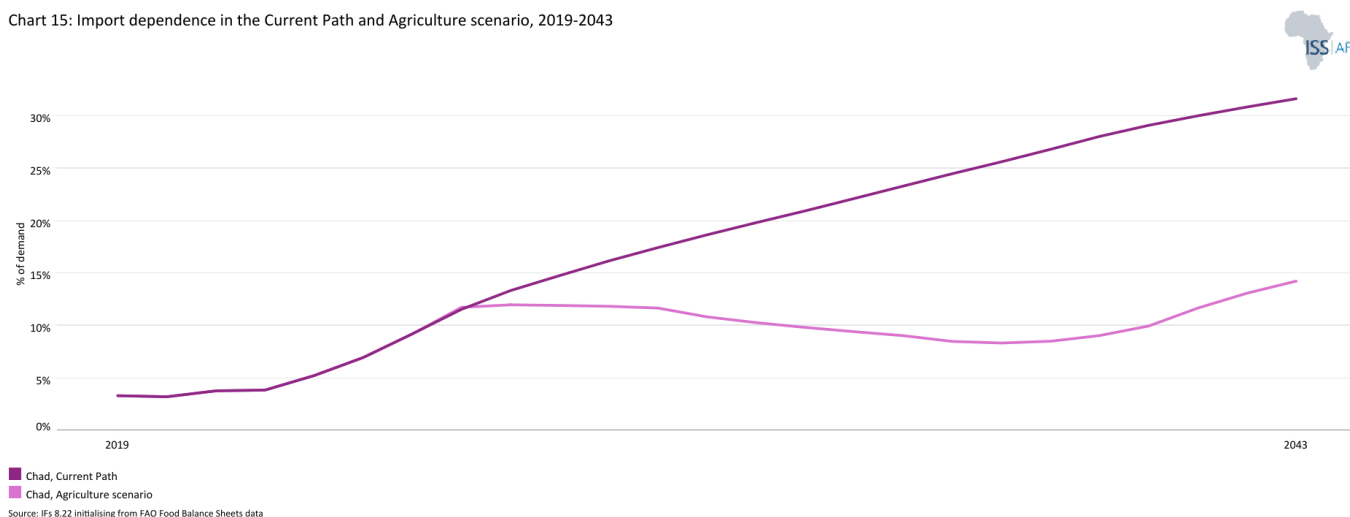


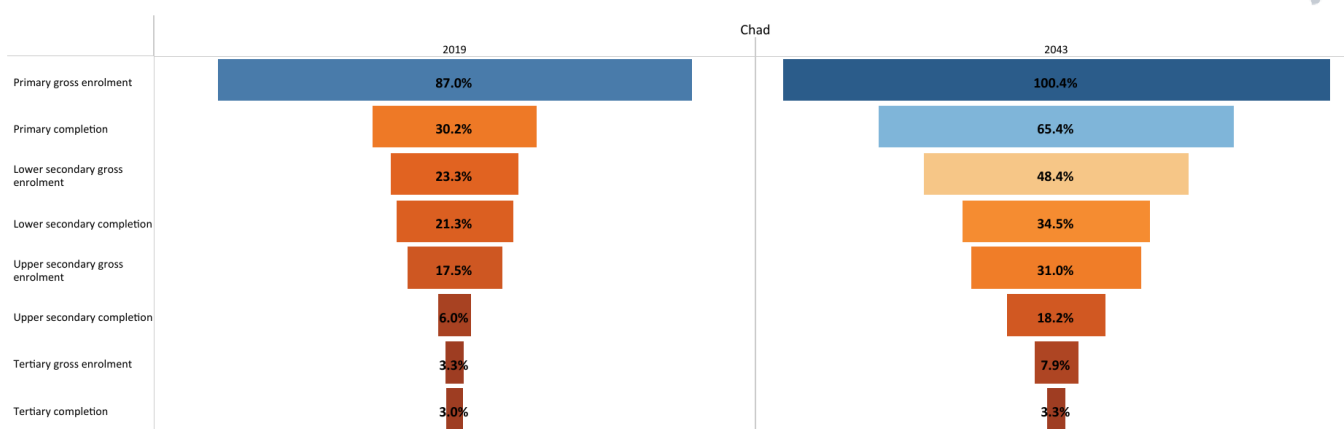
Chart 15 presents the import dependence in the Current Path and the Agriculture scenario, from 2019 to 2043.

The Agriculture scenario will benefit Chad by increasing yields, reducing vulnerable rain-fed crops through irrigation schemes, reducing post-harvest losses and tapping into Chad’s agricultural potential. In this scenario, crop production will be 5.6 million metric tons more by 2043 than in the Current Path. This will result in a lower import dependency of 17% of total demand compared with 37% in the Current Path and below the average of 33% for low-income Africa.



## Education scenario

Chart 16: Progress through education funnel in the Current Path, 2023-2043



Source: IFS 8.22 initialising from Barro-Lee data

Chart 16 depicts the progress through the educational system in the Current Path, for 2023 and 2043.

Although education is a priority for Chad, the country remains faced with a real challenge to achieve Goal 4 of the Sustainable Development Goals (SDG). The educational system is characterised by a low level of schooling, with one out of two school-age children out of school.

Chad has one of the lowest literacy rates globally. In 2023, the adult literacy rate (population aged 15 years and older) stood at 27.4%, the second lowest in Africa after Somalia. Higher literacy rates are important to improve employment prospects for the poor, and hence, an opportunity to get themselves out of extreme poverty. On the Current Path, the literacy rate in Chad will likely increase to 73.6% by 2043.

Chad has made progress in primary gross enrolment, which stood at 77.5% in 2023, slightly below the average of 78.8% for African low-income countries. However, the completion rate remains very low: 37% in 2023 compared with an average of 61.2% for low-income countries. Because of low completion and transition rates right from the primary level, fewer students are eligible for subsequent education levels and the resultant outcomes get poorer (Chart 16), which in turn reduces human capital accumulation. The gross tertiary enrollment rate is just about 3%. The mean educational attainment for adults (15+ years of age) is a good indicator of the stock of human capital in a country but Chad has one of the lowest in the world, at 3.5 years in 2023. The country ranked 51th in Africa (out of 54).

One of the root causes of low educational outcomes in the country is financial constraints. Families often struggle to pay for their childrens' registration fees, contributions and the cost of school supplies, uniforms, food, and transportation. Dropouts due to failure are also a reason.

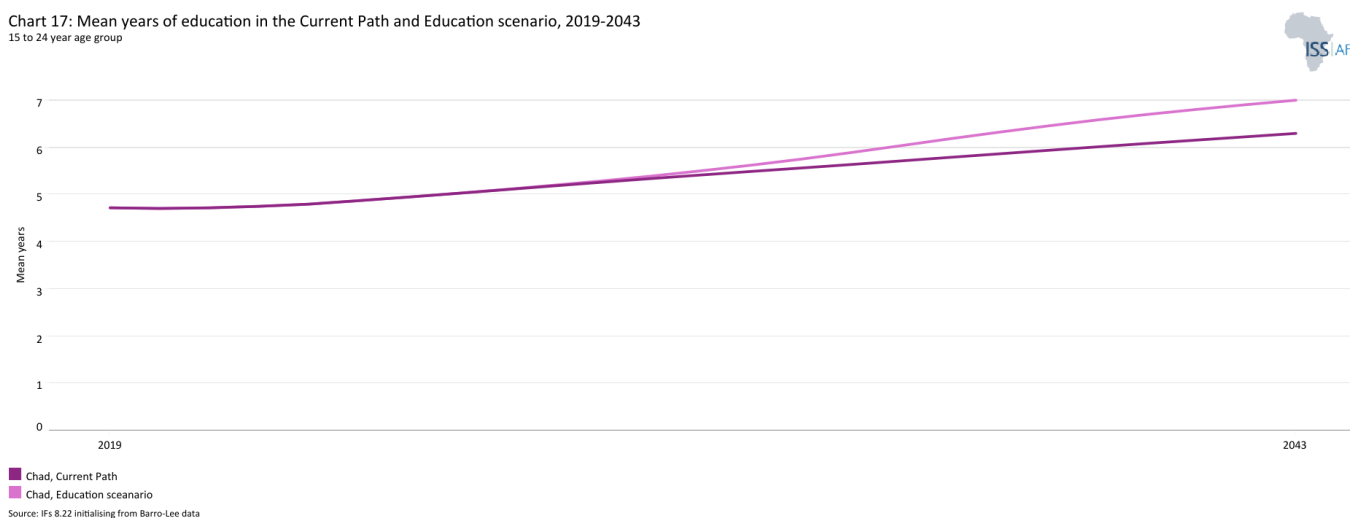
Female education in Chad has experienced some improvements, especially at primary level, but the gap between female and male education persists. For instance, the parity ratio in primary gross enrolment increased from 0.4 in 1990 to 0.8 in 2023. The parity ratio in secondary education was 0.5 in 2023, up from 0.2 in 1990 while the parity ratio at tertiary level improved from 0.17 in 2000 to roughly 0.28 in 2023. The gender disparities in educational access are driven by social norms that prioritise investing in boys' education and emphasise young women's reproductive roles over their potential as income earners as they reach adolescence. Consequently, the proportion of primary and secondary school-aged children who cite family refusal as the main reason for not attending school is more than twice as high for girls compared to boys.

Although the country has made some progress in getting more children into school, the quality of education they receive is poor. This remains one of the major challenges facing the [education system](#). Most children who finish their primary school studies have poor foundation in reading and maths in the two classroom languages, French and Arabic. Learners in Chad score 333 out of 625 on the Harmonised Test Scores; 625 represents advanced attainment while 300 represents minimum attainment.

The Education scenario represents reasonable but ambitious improved intake, transition and graduation rates from primary to tertiary levels and better quality of Education at primary and secondary levels. It also models substantive progress towards gender parity at all levels, additional vocational training at the secondary school level and increases in the share of science and engineering graduates.

Visit the theme on [Education](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 17: Mean years of education in the Current Path and Education scenario, 2019-2043  
15 to 24 year age group



The average years of education in the adult population aged 15 to 24 is a good first indicator whether the stock of education in society is changing. The mean educational attainment for adults aged 15 to 24 in Chad is low. It stood at 4.8 years in 2023 and will reach about 6 years in 2043. The implementation of the Education scenario would improve the mean years of education for adults aged 15 to 24 in Chad to 7 years by 2043 (Chart 17).

Low-skilled and poorly educated workers make up most of the labour force in Chad. Due to the low economic complexity, the labour market tends to require more unskilled labour but over time as the economic complexity increases there will be a growing demand for more skilled labour, particularly in the formal sector. Given the current weak education system, Chad remains ill-prepared to produce relevant skills for the job market, which could hamper competitiveness and productivity.

The Education scenario could contribute to addressing these challenges. The share of science and engineering students in tertiary graduates in Chad will increase to 21% by 2043 in the scenario, five percentage points higher than 16% on the Current Path in 2043. Also, the share of vocational students in total students at the upper-secondary level is 11.5% in 2043 compared to only 5.2% on the Current Path in the same year.

## Manufacturing scenario

Chart 18: Value-add by sector as % of GDP in the Current Path, 2019-2043

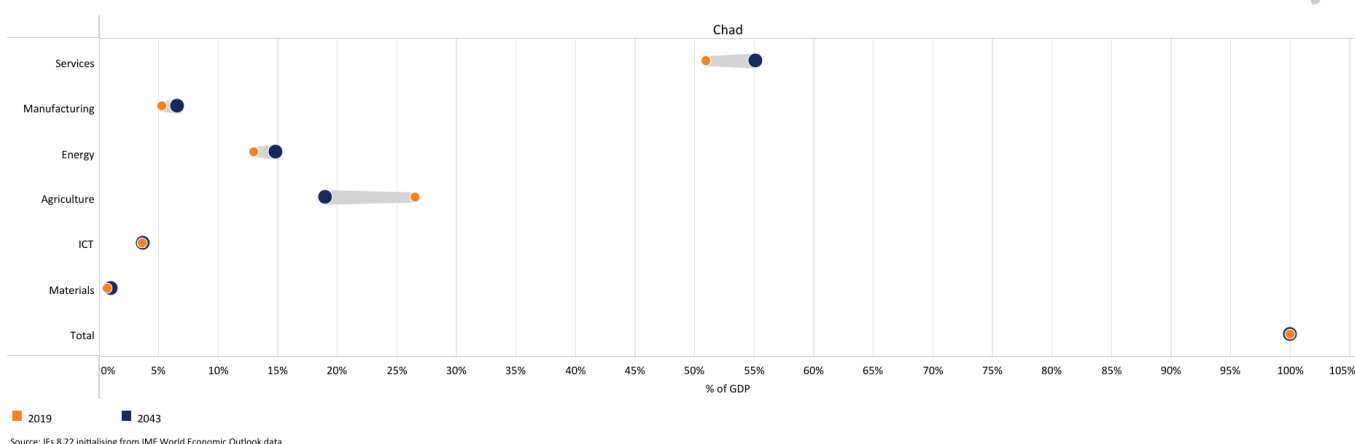


Chart 18 presents the value-add by sector as share of GDP in the Current Path, for 2023 and 2043.

The continued reliance on oil has led Chad's economy undiversified and vulnerable to exogenous shocks. Manufacturing forms only a small part of the economy. It is limited to small-scale processing of cotton, textiles and sugar with its contribution to GDP ranging between 2% to 3% since 2012, after reaching about 10% in the 1980s and 1990s. Chad is currently one of the least industrialised countries in Africa. In 2022, it ranked 44 of 52 countries on the African Development Bank's [African Industrialisation Index](#), which measures African progress on industrialization. On the Current Path, the share of the manufacturing sector in Chad's GDP will likely increase marginally to 6.5% by 2043, far below the projected average of 20.5% for low-income Africa (Chart 18).

The manufacturing sector faces significant challenges, including [low consumer purchasing power](#), a difficult business and investment climate, and limited private sector financing due to an underdeveloped domestic financial market. Chad's business environment is particularly challenging, with private sector growth hampered by poor transport infrastructure, a shortage of skilled labour due weak education system, minimal and unreliable electricity supply, limited telecommunications infrastructure, excessive government bureaucracy, weak contract enforcement, corruption, and high tax burdens on private enterprises. Despite the already limited availability of skilled labour, companies attempting to bring in foreign experts for projects encounter stringent restrictions on the employment of foreigners.

Like in other African countries, many impoverished individuals in Chad find themselves entrenched in low-productivity agriculture and informal service-based activities. Boosting the manufacturing sector will generate inclusive growth by facilitating the transition of low-income individuals from these sectors to higher productivity areas. This structural shift not only boosts incomes but fosters a positive cycle wherein the growth of productive employment, capacities and earnings mutually reinforce one another, propelling economic expansion and poverty reduction.

However, industrialization is a long-term process. It requires constructive relationships between the state that encourages and supports the private sector. Firms need a state that has strong capabilities in setting an overall economic vision and strategy, efficiently providing supportive infrastructure and services, maintaining a regulatory environment conducive to entrepreneurial activity, and making it easier to acquire skilled labour and new technology and enter new economic activities and markets.

The Manufacturing scenario models the impact of the manufacturing push in Chad. A reasonable but ambitious growth in

manufacturing is envisaged through increased investment in the sector, research and development (R&D), and improved government regulation of businesses. This aims to enhance total labour participation rates, particularly among females and is accompanied by increased welfare transfers to unskilled workers to mitigate the initial rises in inequality typically associated with structural transformation. Structural transformation may have a tendency—in the absence of policy intervention—to put upward pressure on income inequality.

Visit the theme on [Manufacturing](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 19: Value-add by the manufacturing sector in the Current Path and Manufacturing scenario, 2019-2043

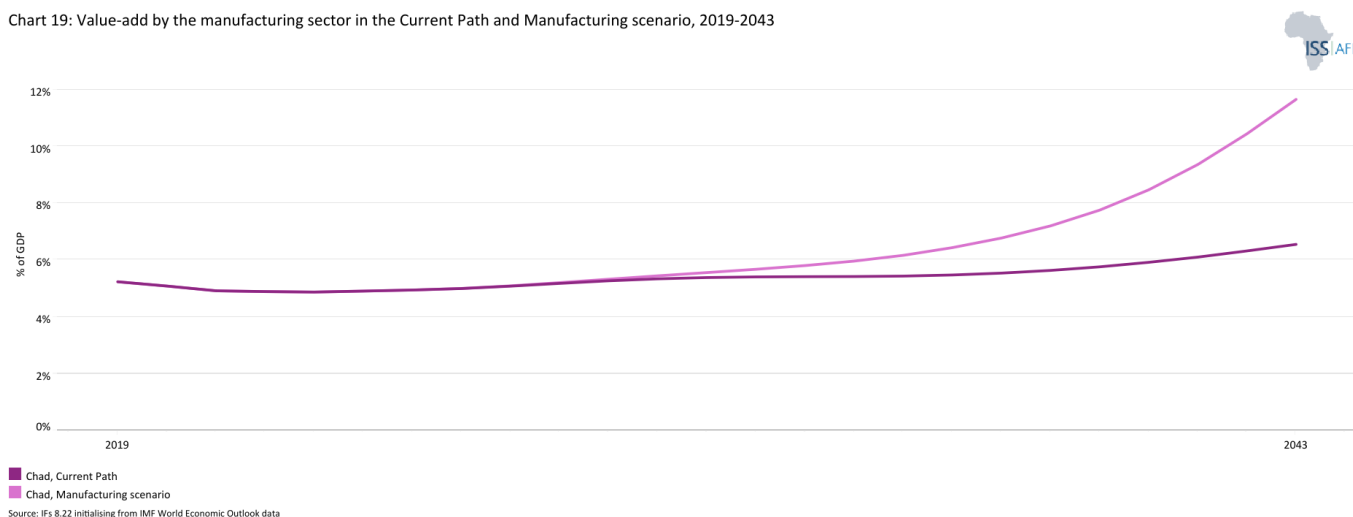


Chart 19 presents the contribution of the manufacturing sector to GDP in the Current Path and in the Manufacturing scenario, from 2019 to 2023. The data is in US\$ and % of GDP.

There is an urgent need for Chad to diversify its economy away from oil. Improving light manufacturing (light agro-processing) will be instrumental. On the Current Path, the share of the manufacturing sector in Chad's GDP will likely increase marginally to 6.5% by 2043, far below the average of 20.5% for low-income Africa. However, the implementation of the Manufacturing scenario could push the share of the manufacturing sector in GDP to 11.6% by 2043 (Chart 19) comparable to its level in the 1980s and 1990s, but almost half of the average for low-income Africa.

## AfCFTA scenario

Chart 20: Export and imports as % of GDP in the Current Path, 2000-2043

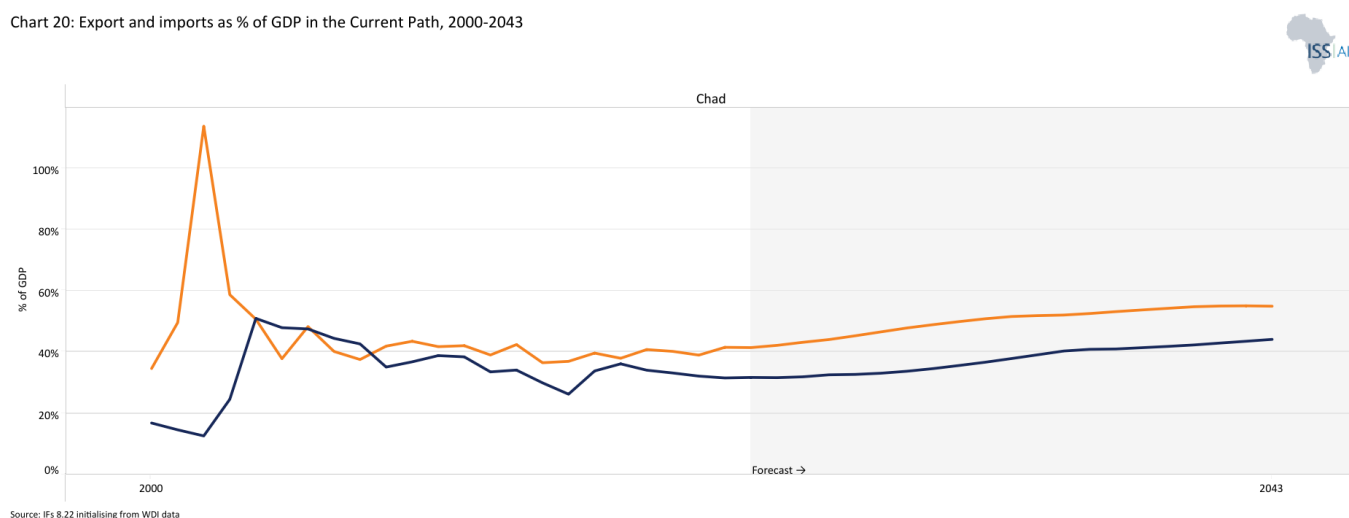


Chart 20 depicts exports and imports as a percentage of GDP, from 2000 to 2043, in the Current Path.

Chad has among the highest trade costs, with the nearest port in Douala, Cameroon 1,800 kilometres away. And, the country has an economy largely dependent on oil means the country is vulnerable to terms-of-trade shocks, which can have an outsized impact on its impoverished population. The trade pattern of Chad is similar to that of many other African countries that rely on a few key commodity exports while importing higher-value manufactured goods, consumer items and foodstuffs.

Chad is open to trade with a foreign trade (export plus import)-to-GDP ratio of 90.76% in 2022, above the average of 38.14% for low-income Africa.

Chad's top exports are Crude Petroleum, Gold, Oily Seeds, Insect Resins, and Raw Cotton, which it exports mostly to Germany, China, the United Arab Emirates, Chinese Taipei, and France. In 2022, oil accounted for 76% of Chad's total export value, while gold accounted for 20%. African destinations of Chad export account for less than 2% of Chad's total exports, owing in part to its excessive dependence on crude oil exports and other primary commodities.

Chad's top imports are Vaccines, blood, antisera, toxins and cultures, Jewellery, Electric Generating Sets, Broadcasting Equipment, and Packaged Medications, mostly from China, the United Arab Emirates, France, the United States, and Belgium. Its leading African trade partners are Cameroon, Côte d'Ivoire, Nigeria, and Senegal, which account for 91.5 percent of its total intra-African trade.

In 2023, the total import value was estimated at 41.5% of GDP while the total export represented 31.7%. On the Current Path, the value of imports will continue to remain above Chad's exports. By 2043, Chad's import value will represent 55% of GDP against 42.7% for its exports in the same year (Chart 20).

The Free Trade (AfCFTA) scenario models the impact of fully implementing the African Continental Free Trade Agreement by 2034. The scenario increases exports in manufacturing, agriculture, services, ICT, materials and energy exports. It also includes improved multifactor productivity growth from trade and reduced tariffs for all sectors.

Visit the theme on [AfCFTA](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 21: Trade balance in the Current Path and AfCFTA scenario, 2019-2043

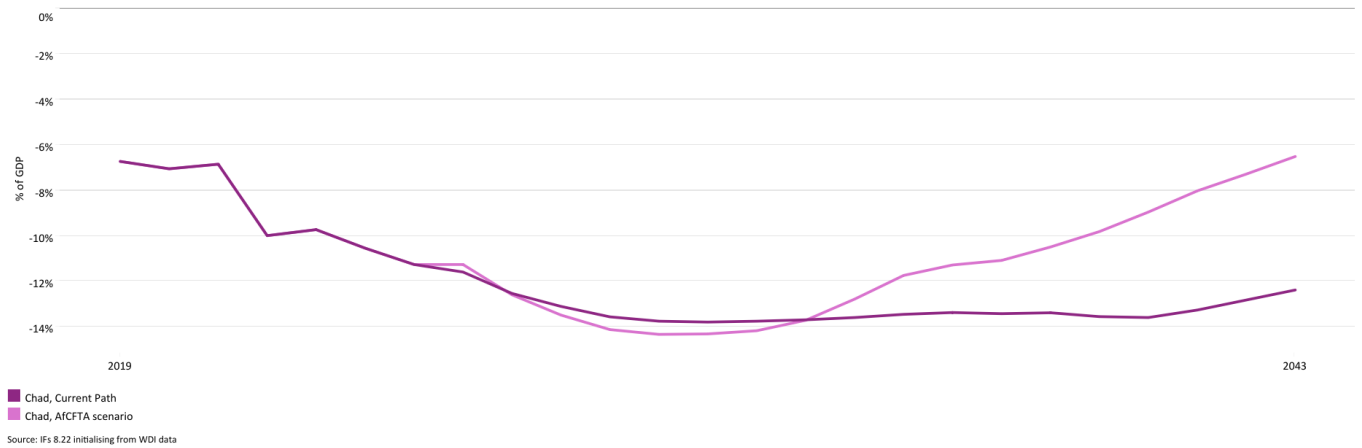


Chart 21 presents the trade balance in the Current Path and in the AfCFTA scenario, from 2019 to 2043 as a percentage of GDP.

Chad’s trade balance is structurally in deficit— a trend which is likely to persist over the forecast horizon. On the Current Path, the trade deficit will likely be equivalent to 12.4% of GDP by 2043, which is significantly higher than its level of 9.7% in 2023. In the AfCFTA scenario, where trade restrictions are loosened and productivity is increased, Chad would not record a trade surplus or be a net exporter; however, its trade deficit could significantly improve from a projected deficit equivalent to 12.4% of GDP in the Current Path by 2043 to only 6.5% of GDP. The AfCFTA represents a major opportunity for African countries, including Chad, to overcome the constraints of narrow domestic markets to boost exports. In the AfCFTA scenario, the value of Chad’s total export is about US\$1.8 billion larger than the Current Path in 2043. These gains will, however, require major efforts to reduce the burden on businesses and traders to cross borders quickly and safely and with minimal interference by officials.

## Large Infrastructure and Leapfrogging scenario

Chart 22: Electricity access: urban, rural and total in the Current Path, 2000-2043

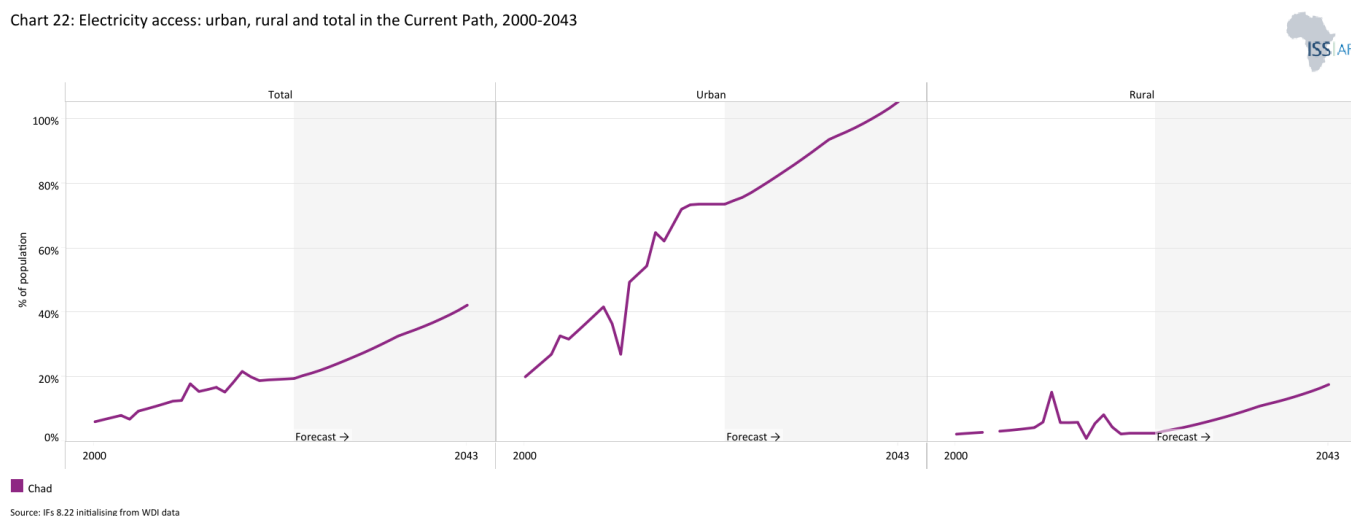


Chart 22 presents the Current Path of access to electricity for urban, rural and the total population from 2000 to 2043.

Infrastructure shortage is one of the significant constraints to the modernisation of the Chadian economy. In 2020, Chad ranked 51 out of 54 African countries on the [African Infrastructure Development Index \(AIDI\)](#). Chad, Niger, South Sudan and Somalia continuously occupy last place on the index. Poor infrastructure coverage and low quality in Chad increase transaction costs and lower the return on capital and work, discouraging domestic and foreign investment and constraining economic growth. It is estimated that the cost of addressing the country's infrastructure needs by 2030 would be more than 50% of its 2021 GDP. Even if major potential efficiency gains are achieved and domestic revenue can be increased from its current low levels, Chad would still face important infrastructure funding gaps that would need to be financed by innovative and non-traditional financing sources.

The exorbitant cost and scarcity of electricity pose a major obstacle to Chad's economic development. Despite the endowment of fossil fuels and solar resources, Chad has Africa's third-lowest electricity access rate, only ahead of Burundi and South Sudan. As of 2021, only 11.3% of the country's total population had access to electricity compared to about 37% for the average for low-income Africa. Access to electricity is also skewed in favour of urban areas, especially in N'Djamena, the capital city. In 2021, 43% of the population in urban areas had access to electricity, while it stood at only 1.3% of the people in rural areas. Even for those connected to grid power, supply remains unreliable mainly. Electricity demand significantly exceeds capacity due to deficient governance, inadequate tariffs, high production costs, and lack of policies to enable private investments in off-grid access. On the Current Path, the national electricity access rate will improve modestly to 18.5% by 2043 with 7% in rural areas and 48% in urban areas (Chart 22).

Chad transport infrastructure is also inadequate. The country mainly depends on road transport for the transportation of goods and services and has a crumbling road network of about 40 000 km, of which about 1% is paved. Travelling on dirt roads is slow and extremely difficult during the rainy season, isolating many communities and limiting trade. On the Current Path, 15% of the total road network will likely be paved over the next 20 years to 2043.

In sum, the infrastructure deficit, especially poor access to electricity and the lack of a good road network are cited as some of the most significant obstacles to expanding the small private sector in the country.

The Large Infrastructure and Leapfrogging scenario, therefore, addresses these issues. It involves ambitious investments in road and renewable energy infrastructure, improved electricity access and accelerated broadband connectivity. It



emphasises adopting modern technologies to enhance government efficiency and the rapid formalisation of the informal sector, incorporating significant investments in major infrastructure projects like rail, ports, and airports while highlighting the positive impacts of renewables and ICT.

Visit the themes on [Large Infrastructure](#) and [Leapfrogging](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 23: Cookstove usage in the Current Path and Large Infra/Leapfrogging scenario, 2019-2043

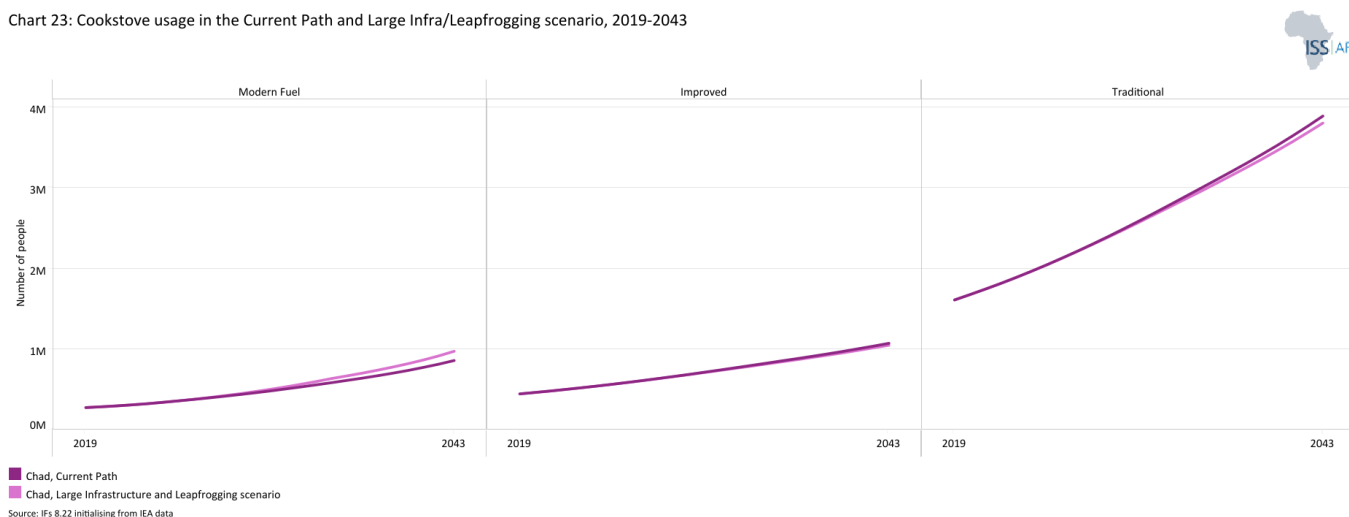


Chart 23 presents the number of people using cookstoves in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2019 to 2043.

Due to limited electricity access, especially in rural areas, the bulk of the households continue to rely on inefficient energy sources for cooking. Wood and charcoal (traditional cookstoves) provide 83% of the energy consumed in Chad.

This poses a risk to the environment with the acceleration of deforestation. It also affects the health of infants and children by causing respiratory problems. It also limits study hours for girls because the daily collection of firewood, which sometimes involves young girls, may deprive them of time that could be devoted to education.

However, in the Large Infrastructure and Leapfrogging scenario, the percentage of households that use traditional cookstoves could be 65%. The share of households using modern fuel cookstoves is 16.7% by 2043, compared to the Current Path of 14.7% in the same year. These findings imply that increasing access to energy/electricity and/or off-grid renewable energy solutions, especially in rural areas, could contribute to reducing emissions by shifting households away from traditional cooking methods to modern ones.

Chart 23: Cookstove usage in the Current Path and Large Infra/Leapfrogging scenario, 2019-2043

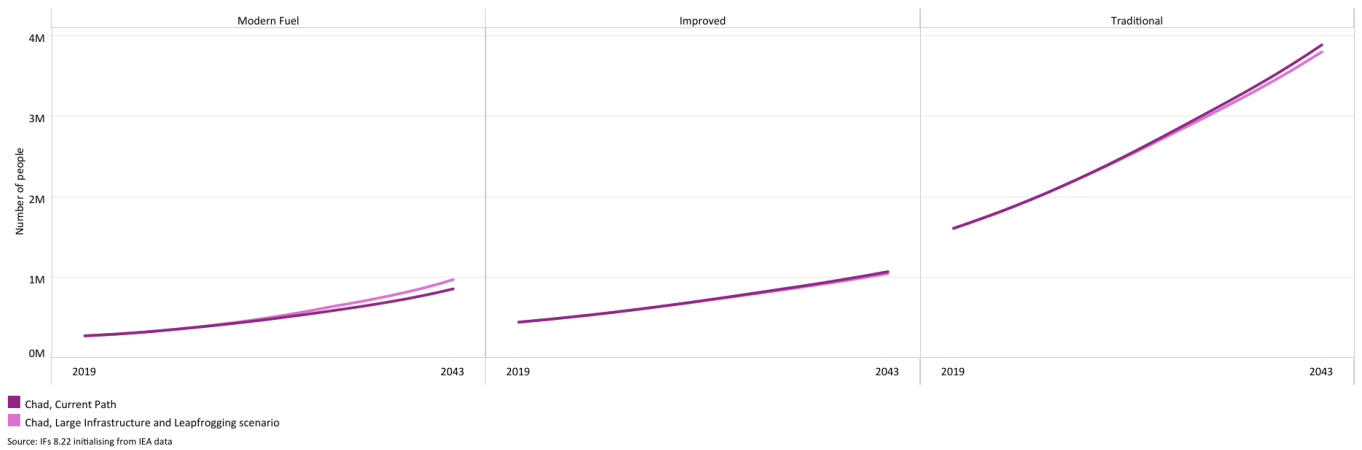


Chart 24 presents the percentage of the population and number of people with access to mobile and fixed broadband in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2019 to 2043. The user can toggle between mobile and fixed broadband.

Limited access to and poor quality of digital connectivity also limits Chad's growth potential. The mobile broadband subscriptions per 100 people were at about 7.3 in 2021, against an average of 27 for low-income Africa. It will be at 129.7 by 2043.

Fixed broadband provides faster internet access speeds with more secure connections and is important for high value-add service sectors. However, fixed broadband penetration in Chad is strikingly low, with a subscription rate of 0.002 per 100 people, on the Current Path, fixed broadband subscriptions are forecast to be 18.5 per 100 people by 2043. In the Large Infrastructure and Leapfrogging scenario, fixed broadband subscriptions will reach 28 per 100 people by 2043.

## Financial Flows scenario

Chart 25: FDI, foreign aid and remittances as % of GDP in the Current Path, 1990-2043  
Data on remittances for Chad unavailable between 1995-2018

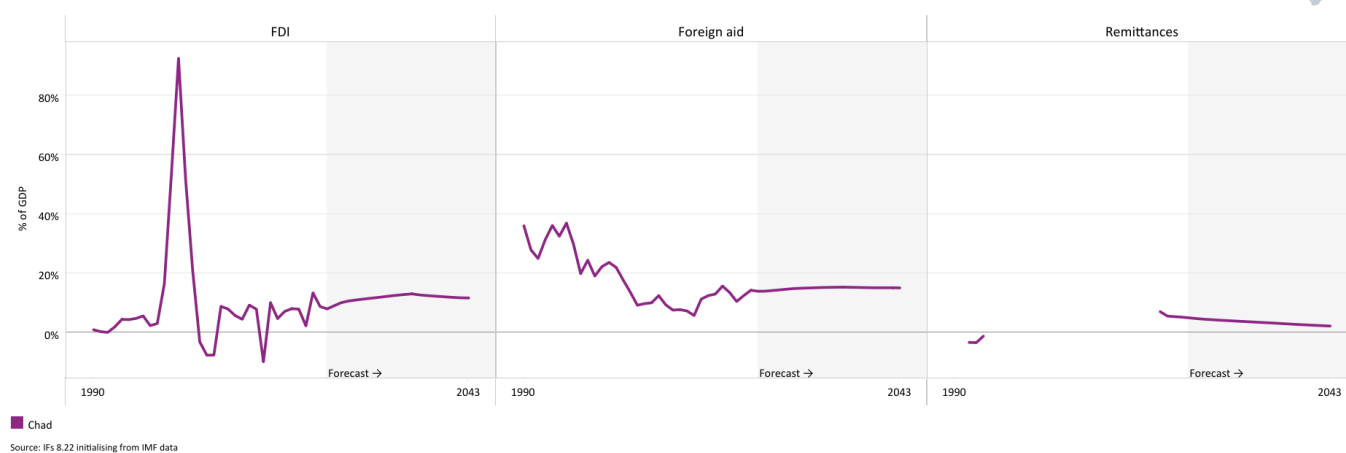


Chart 25 presents the trends in FDI, aid and remittances in the Current Path and in the Financial Flows scenario as a percentage of GDP, from 1990 to 2043.

Chad receives significant foreign aid, especially humanitarian aid. The country has become a refugee sanctuary to citizens of neighbouring countries such as Sudan, Central African Republic, and Nigeria providing shelter for about 480 000 refugees and almost 300 000 internally displaced people. The EU is one of the main humanitarian aid donors to Chad. In 2023, the EU allocated more than €56 million in humanitarian assistance to help the most vulnerable in the country.

With net foreign aid representing about 7% of GDP in 2023, Chad ranked 13th in Africa for aid received as a percentage of GDP. On the Current Path, aid flows to Chad as a percentage of GDP will revolve around 7% across the forecast horizon (see Chart 25).

In addition to aid, the Government of Chad is generally seeking to attract foreign investment to promote economic growth and industrialization. Since oil production began in 2003, the petroleum sector has dominated economic activity and has been the largest target of foreign investment to the country. FDI inflows represented about 46.3% in 2002, the highest ever, driven by foreign investment related to oil production.

Chad's business and investment environment remains difficult. Foreign investment faces obstacles such as inadequate transport infrastructure, a shortage of skilled labour, unreliable electricity supply, weak contract enforcement, pervasive corruption, and high tax burdens on private enterprises. Nonetheless, Chad offers opportunities for targeted investment in key sectors like agribusiness, agriculture, construction, education, energy and mining, environmental technologies, food processing and packaging, health technologies, information technology, industrial equipment and supplies, information and communication, and services. To encourage investment in these target sectors, the Government of Chad introduced tax credits, discounts, and exemptions for investments in agriculture, animal husbandry, solar and wind energy, information technology, oil, and plastics in the 2021 Finance Law.

As of 2022, FDI flows to Chad represented about 4.5% of GDP. On the Current Path, these will reach about 5.2% of GDP (Chart 25).

Many Chadians who live abroad also send money back home (remittances). Remittances are a crucial lifeline for many

households in Chad. A recent study by the [International Organization for Migration \(IOM\)](#) surveyed over 800 households in N'djamena, the capital city of Chad, to understand the utilisation of remittances from family members living abroad. The study found that the average remittance amount exceeds the average monthly salary. Households receiving remittances reported an average monthly amount of 125,302 CFA francs (US\$131), which surpasses the average monthly income of 113,807 CFA francs (US\$119). The study also indicated that remittances are primarily spent on general household expenses, followed by food, social reasons, health, and education. Only 10% of respondents reported using remittances for investment purposes. Remittances, therefore, serve as a private source of capital that helps households escape poverty and improve their living conditions in Chad.

In 2023, remittances represented 2.5% of GDP, and, on the Current Path, will decline to about 1.1% of GDP by 2043.

In addition to their contribution to poverty reduction and human development, remittances tend to be less volatile to economic downturns than FDI and Portfolio Investment, and hence may help mitigate balance of payment difficulties if encouraged and facilitated.

An increase in foreign financial flows can bring considerable economic benefits to Chad and reduce its persistent balance of payment difficulties. The Financial Flows scenario represents a reasonable but ambitious increase in inward flows of worker remittances, aid to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows. We reduce outward financial flows to emulate a reduction in illicit financial outflows.

Visit the theme on [Financial Flows](#) for our conceptualisation and details on the scenario structure and interventions.

Chart 26: Government revenue in the Current Path and Financial Flows scenario, 2019-2043

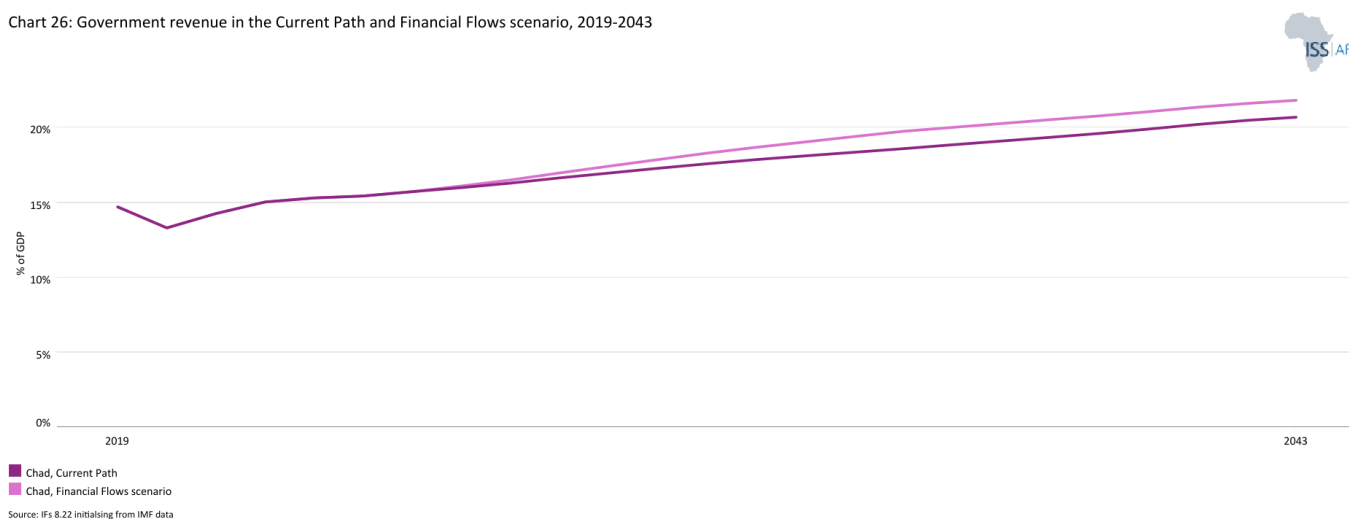


Chart 26 presents government revenue in the Current Path and in the Financial Flows scenario, from 2019 to 2043. The data is in US\$ 2017 and % of GDP.

In the Financial Flows scenario, government revenue increases across the forecast horizon to reach 21.8% of GDP by 2043 (US\$5.1 billion), up from 15.3% in 2023. This is 1.1 percentage points of GDP above the Current Path in 2043.

Several pathways might explain the positive association between capital inflows and government revenue. The first is direct because more aid means more revenue for the government to provide public services. Another is indirect: higher inflows are associated with higher tax revenue because foreign direct investors tend to have good tax compliance habits or are subject to natural resource taxes. Or higher inflows could be associated with higher economic growth and, therefore, higher government revenues.

## Governance scenario

Chart 27: Government Effectiveness score in the Current Path, 2002-2043

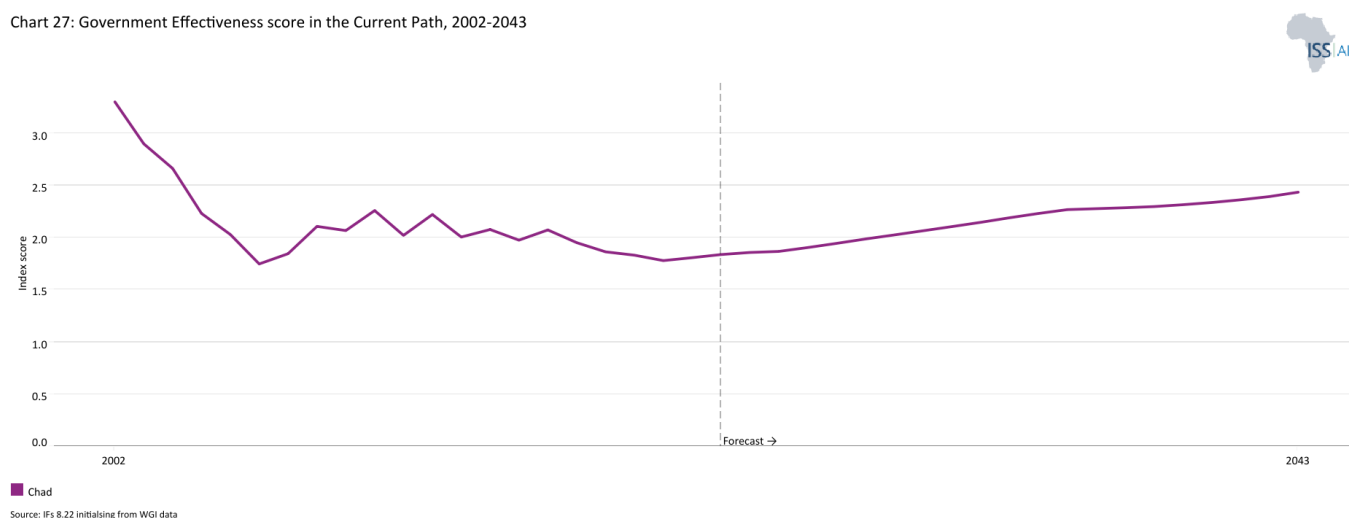


Chart 27 presents the Current Path of government effectiveness comparing the country to the average for the Africa income group, from 2002 to 2043.

Good governance is key to economic progress. Greater security and stability at the national level creates an enabling environment for domestic and foreign investment. It also creates conditions in which governments can pursue effective sustainable development strategies.

Bad governance, high levels of corruption and a highly conflictive society have stunted development progress in Chad. Chad's recent history has been characterised by insecurity, endemic corruption and a deeply entrenched patronage system which permeates all sectors of society. According to the 2022 [Ibrahim Index of African Governance \(IIAG\)](#) report, Chad is one of the countries with the biggest governance challenges in Africa. With a score of 34.5 out of 100 - where 100 indicates the full provision of political, social and economic public goods and services that a citizen expects from his/her government and the state has responsibility to deliver to its citizens - it ranked 47th of 54 African countries. Chad's score is lower than the African average (48.9) and lower than the regional average for Central Africa (39.1).

Major international governance indicators suggest persistent, widespread and endemic forms of [corruption](#), permeating all sectors of Chadian society, with little evidence of progress made in anti-corruption in recent years. Even newly constructed roads degrade after a short period due to corruption within the ruling elite during the commissioning process. According to the global [Corruption Perceptions Index \(CPI\) 2023](#) by Transparency International, Chad, with a score of 20 out of 100, occupies 162th position out of the 180 countries surveyed. This high level of corruption, along with limited public administration capacity, a concentration of resources and decision-making in the capital city, low levels of revenues, and the country's large size and sparse population density undermine government effectiveness in service delivery.

Approximately 55 per cent of civil servants are stationed in N'Djamena, with nearly all financial resources managed at the central ministry level. Although decentralisation efforts began in 2012, they remain mostly in the planning phase. The transfer of resources and responsibilities has been minimal, and the expansion of these transfers is hindered by inadequate local capacity and poor central resource management institutions. These institutions struggle with formulating, planning, and executing public policies, as well as managing crises. As a result, there is a significant disconnect between policy planning, implementation, and the service delivery needs of citizens.<sup>[3]</sup>

With a score of 0.9 out of a maximum of 5 in 2023, Chad ranked 47 of 54 countries in Africa in terms of government effectiveness as measured by the World Bank. On the Current Path, the governance effectiveness score will slightly increase to 1.03 (out of 5) by 2043, below the projected average score of 1.75 for low-income African countries (Chart 27).

The Governance scenario assumes better governance: stability, capacity, and inclusion. It measures a state's progress using the average of these three indices. To this end, it includes an index (0 to 1) for each dimension, with higher scores indicating improved outcomes.

Visit the theme on [Governance](#) for a full conceptualisation and details on the scenario structure and interventions.

Chart 28: Composite governance index in the Current Path and Governance scenario, 2019-2043

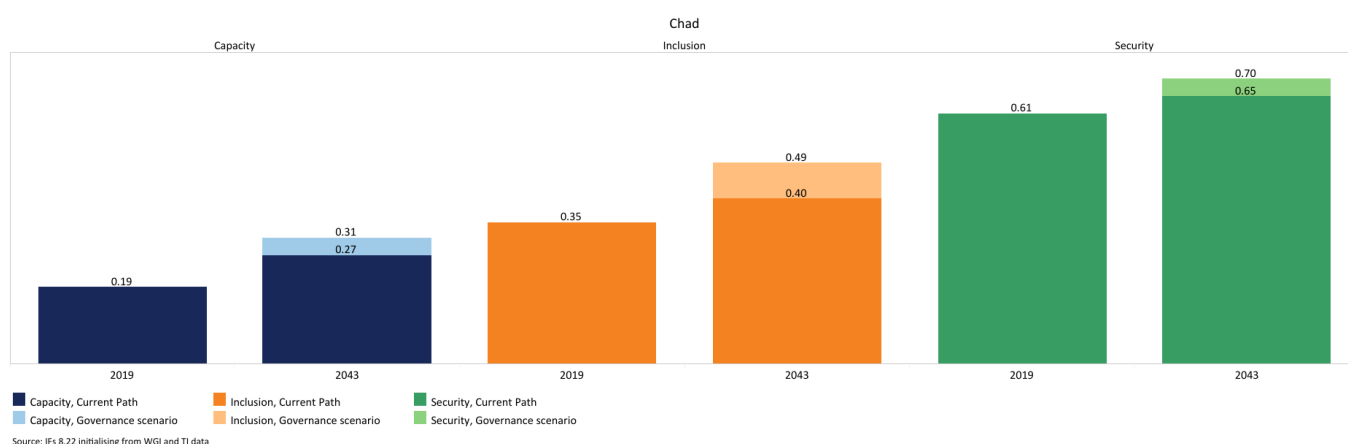


Chart 28 presents security, capacity and inclusion index for the Current Path versus the Governance scenario, for 2023 and 2043.

In our modelling, governance is conceptualised along three dimensions – security, capacity and inclusion – reflecting the traditional sequencing of the state formation process. The score for each dimension of governance ranges from zero (bad) to one (good). The security dimension measures the probability of intra-state conflict and the general level of risk. The second dimension, capacity, is related to government revenue, corruption, regulatory quality, economic freedom, and government effectiveness. The third dimension, inclusiveness, measures the level of democracy and gender empowerment.<sup>[4]</sup>

Chad performs poorly in terms of capacity compared to other dimensions of governance with a score of 0.19 out of 1. This reflects the low level of government revenue, endemic corruption, poor regulatory quality, and weak government effectiveness. For instance, Chad's tax-to-GDP ratio in 2021 (10%) was lower than the average for sub-Saharan Africa (15.6%) by 5.6 percentage points. The worsening security situation in Chad and the Sahel has also resulted in a higher portion of government spending being directed towards national defence. Chad is a key player in the regional fight against extremist groups. However, this shift has diminished the limited public resources available for other sectors, including critical pro-poor social sectors like education and health. Additionally, the influx of refugees from neighbouring countries has further strained the already overburdened public service providers <sup>[5]</sup>.

Chad performs better in terms of security (0.6 out of 1) compared to other dimensions of governance. However, it remains vulnerable to

localised conflicts and violence. Since 2016, violent conflicts in neighbouring countries—including Libya to the north, the

Central African Republic to the south, and Nigeria to the southwest—have posed a significant security threat to Chad. This threat became a reality in April 2021 when a rebellion originating at the Libyan border resulted in the death of President Idriss Déby, who had been reelected for a sixth term.

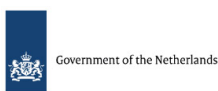
On the Current Path, Chad will make progress in all three dimensions of governance. As a result, the country's score on the composite governance index, which is a simple average of the three dimensions of governance mentioned above, will be about 17% higher in 2043 than its level in 2023 (Chart 28). In the Governance scenario, the overall governance performance of Chad is nearly 11.2% higher than on the Current Path for the same year.



## Endnotes

1. J Azétsop and M Ochieng, the right to health, health systems development and public health policy challenges in Chad, Philos Ethics Humanit Med. Feb. 2015
2. J Azétsop and M Ochieng, the right to health, health systems development and public health policy challenges in Chad, Philos Ethics Humanit Med. Feb. 2015
3. The World Bank, the Republic of Chad: systematic country diagnostic, March, 2022
4. For the purposes of modelling and measuring governance in IFs, Hughes et al use modernisation theory and the notion that governance historically develops through three sequential transitions: a security transition, followed by a capacity transition, and finally a transition towards greater inclusion. Although Africa did not follow this pattern of state formation, the three transitions provide a useful analytical lens through which to view governance. To this end, IFs includes an index (0 to 1) for each dimension, with higher scores indicating improved outcomes. A composite governance index is a simple average of the three. BB Hughes, DK Joshi, JD Moyer, TD Sisk and JR Solórzano, Patterns of Potential Human Progress: Strengthening Governance Globally, Boulder: Oxford University Press, 2014, 6
5. The World Bank, the Republic of Chad: systematic country diagnostic, March, 2022

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