

Four decades of social and political turmoil and internal and external conflicts have weighed heavily on the development of the industrial sector in Chad and marked the country's economic profile. The damage inflicted by this instability has prevented the country from building its industrial base, from consolidating and from making it prosper. The industrial sector is made up of a widespread and dynamic informal sector and a formal sector in its very early stages, which is having trouble finding its feet in a physical and institutional setting that does little to encourage it. Its contribution to growth has remained weak given Chad's potential. The share of added value of the manufacturing industry as a percentage of GDP has recorded modest progress over the last 55 years, rising from 9.5% of GDP in 1960 to nearly 15% in 2015. Industry in Chad is made up of a few large companies belonging to the oil sector and to that of primary processing, such as cotton, which account for more than 95% of the manufacturing added value and the formal jobs of this activity. Few small and medium-sized industries, and even fewer very small firms play an active role in generating manufacturing added value in Chad. If they were given more means to be able to develop, these enterprises would make an active contribution to generating jobs and providing decent incomes in this sector in addition to that of agriculture, which basically remains a subsistence activity in Chad.

To pave the way towards a more rapid industrialisation and for Chad to become an emergent nation by 2030 a national development plan, *Plan national de développement* (PND), covering the period from 2013 to 2015, was implemented, emphasising economic diversification through development of the private sector. The plan followed up on two previous national poverty reduction strategies, *Stratégies nationales de réduction de la pauvreté* (SNRP 1 and 2), which had mixed results in terms of economic and social outcomes. For example, the informal sector has continued to be the chief provider of jobs and incomes, accounting for 90% of the country's economic activity. Given the constraints inherent to Chad's landlocked geography and the country's inadequate infrastructure, forestry, agricultural and livestock products have not been subjected to intensive processing. Chadian exports are therefore characterised by unprocessed products with little added value such as gum arabic, groundnuts, live cattle, sesame, and fur and leather. The new PND, which is being finalised and derives from the long-term development plan "*Vision 2030 : le Tchad que nous voulons*", proposes different actions intended to increase processing of national production further. Its key strategy areas do not differ greatly, however, from those of the 2013-15 PND, in particular because of the country's major structural constraints. By implementing this plan, the government intends to pursue its policy of economic diversification through greater support to different existing production sectors and by starting new sectors that are rich in added value and sources of new jobs. The plan is targeting in particular the mining sector, in which major indicators of deposits have been found, and agro-industry, to develop gum arabic, groundnuts, rice products, shea nuts, spirulina weed, and fisheries, meat and dairy products.

To speed up the process of industrialising the country, the government also intends to further encourage the private sector to play a role in the economy, in particular by improving the business climate but also by developing public-private partnerships and by integrating certain economic activities into regional, continental and global value chains. The aim is to boost trade and increase economic growth. For this structural transformation to succeed there will have to be a much greater presence of economic operators, especially entrepreneurs, in Chad's industrial landscape, which is far from being the case as things stand. The national institute of statistics, *Institut national de la statistique, des études économiques et démographiques* (INSEED), identified 30 761 business units in 2014, almost half based in the capital, N'Djamena. An analysis of their legal status revealed that 97.9% of them were private non-financial unincorporated enterprises, 1.7% were limited liability companies and 0.4% limited liability companies.



The tertiary sector predominates, accounting for nearly 89.6% of the total activity of all business units, followed by the secondary sector with 10.3% and the primary sector with 0.1%. INSEED also found that six sectors accounted for 96% of the activities of business units: trade with 76.2%, manufacturing (9.7%), hotels and restaurants (5.4%), information and communications (1.1%), education (1.1%) and other activities (2.2%). An analysis of the heads of the business units showed that the average age was 37.8 and that 97% were male (hence 3% female). As for their marital status 88% were married, 10.5% single and 0.5% divorced. About 70% had no educational qualification while 7.4% had undertaken university studies and 5.3% had at least one degree. For the policy of structural transformation in Chad to be made more inclusive and a dynamic and vigorous private sector driven by effective economic actors to emerge, it is important that gender inequalities be reduced, and the level of education and training of economic operators be enhanced. Such developments would contribute to greater empowerment for women and young people, a better control of resources and a more efficient implementation of government policy in entrepreneurship and industrialisation. Deepening the industrialisation process by developing entrepreneurship also requires support policies, in particular addressed to women and young people, and increased funding. Lastly, for the industrial sector to take off effectively, the government needs to pay greater attention to: i) improving the administrative, legal and judicial environment; ii) providing high quality services to business; iii) promoting greater awareness of the culture of entrepreneurship; iv) establishing a forum for regular meetings about issues of concern to the private sector; and v) setting up a permanent framework to review decisions that have been taken to solve problems related to the development of the industrial sector.

