

PETROLEUM IN COMOROS ISLANDS 2004

1. POSSIBLE OIL RESERVES IN THE MOZAMBIQUE CHANNEL

The small island republic of Comoros has no oil or gas production, either onshore or offshore. Its downstream oil industry is wholly dependent on refined petroleum products imported from Tanzania and other mainland African countries.

The Comoros Ministry of Planning regulates the industry. Distribution and marketing of fuels products is carried out by the state owned oil company, Societe Comorienne des Hydrocarbures (SCH), the only oil company in the Comoros. The company owns 2 products storage depots.

With a population of 585,000 people and an economy based largely on fishing and tourism, its consumption of petroleum products is small. Oil-derived products supply 91.5% of the islands' commercial energy needs.

In 1999 Assoumani seized power in a coup. Limited democratic progress has being made in terms of an all-party agreement signed in February 2001. The President of the Comoran Union Azali Assoumani, is at loggerheads with the three autonomous leaders, Abdout Soule Elbak of Grande Comore, Mohamed Bacar of Anjouan and Mohamed Said Fazul of Moheli, who accuse him of hogging the power and more importantly the slim pickings, mainly from customs revenues.

South Africans is interested to get influence in this geopolitical zone. The Comoros still owes South Africa \$50-million of a soft loan for hotel building during the apartheid era.

Mired in debt, Comoros has no chance of repaying the South African loan, which constitutes half of its annual repayments to other creditors. The South African embassy closed nine years ago but there are plans to reopen a mission later this year.

France has always been the leader in this region. China is also showing an increased interest in these volcanic islands that eke out an existence from exports of vanilla cloves, ylang ylang and perfume oil.

Morocco, which has a thriving cottage industry in farming out the troops that King Mohamed VI is too scared to keep at home, is preparing to deploy a group here as presidential guard to Assoumani.

A new interest in the Comoros and the Indian Ocean islands is that of Libyan leader Moammar Gadaffi. Gadaffi is determined to make his influence felt in new fields. Libyan and other interest here fuels growing speculation that there is oil in the Mozambique channel.

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