

AFRICA RISK CONSULTING

Country briefing – Gabon

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1 Summary

President Ali Bongo Ondimba (2009 - present) reshuffles government under prime minister Daniel Ona Ondo. He promotes Régis Immongault Tatangani from the mines ministry to the economy and planning. Christophe Akagha Mba - a friend of Bongo - moves from economy and planning to the mines ministry. The hardline opposition calls for a constitutional amendment that will limit presidential mandates to two terms. The size of the 2015 draft budget increases 8% on 2014 and is in line with Bongo's economic diversification and reform plan, Gabon Emergent. Mining is a key focus of Gabon Emergent, as the government positions state mining company Société Equatoriale des Mines (SEM) to play a greater role in the sector. Gabon slips three places from 24th to 27th out of 52 countries on the 2014 Ibrahim Index of African Governance (IIAG).

1.1 Minor cabinet reshuffle...promoting Tatangani

President **Ali Bongo Ondimba** (2009 - present) slightly modified the government on 3 October. Prime minister **Daniel Ona Ondo** remained in place. The key change in the reshuffle to the 34-member government was **Régis Immongault Tatangani**'s move from the mines ministry to the economy, investment promotion and planning ministry. Tatangani had held the mining role since February 2012. He exchanged positions with **Christophe Akagha Mba**, who becomes mines, industry and tourism ministry (see below). **Etienne Dieudonné Ngoubou** remains in charge of the oil ministry.

Tatangani's appointment is viewed as a "*promotion*" and cements his rise as an influential figure close to Bongo.¹ Prior to his role as mines minister he was energy and water minister between 2009 and 2012 in Bongo's first government. Tatangani was educated in Gabon and **France** before his appointment to the treasury in 1989 until 1999. Following, he held positions within the then

¹ Source, journalist, Gabon

economy, finance, budget and privatisation ministry and the office of the minister of state in charge of relations with international financial institutions. As mines minister Tatangani promoted Gabon's mining potential and commitment to international regulatory standards.²

The political class expected a "*wider reshuffle*".³ The forced resignation of education minister **Leon Nzouba** in September triggered the reshuffle. Nzouba faced widespread criticism for his handling of a crisis in the education sector in which 900 students failed high school exams.⁴ The students challenged their grades and said they were penalised by recent sector reforms. The students went on a prolonged hunger strike.

In the reshuffle Bongo continues to appoint technocrat ministers to improve government performance. However, he did remove some of his allies (including Nzouba): "*The other lesson of this reshuffle is that proximity to Bongo is not sufficient protection from the wrath of the presidential palace.*"⁵ In a press interview in early September, Bongo offered a mixed assessment of the government's record. He said that the government "*could do better*" and "*must do better.*"⁶

Several of the newly appointed ministers come from the south east of Gabon, Bongo's electoral stronghold.⁷ They include **Jean-Pierre Oyiba**, a former director of cabinet under Bongo's father, **Omar Bongo Ondimba** (1967 – 2009), who becomes health and social welfare minister. Oyiba was previously implicated in a scandal involving misappropriation of funds from the **Banque des Etats de l'Afrique Central (BEAC)** in 2009. He is close to Bongo.⁸

1.2 ... as Christophe Akagha Mba takes over mining ministry

New mines minister Christophe Akagha Mba is a friend of Bongo.⁹ He had held the role of economy and planning minister since January 2014. From the start of his rein Akagha Mba was handed the task of billing **Total Gabon** with \$805m in overdue taxes following an audit.¹⁰ Total disputed the claim and remains in negotiations with the government to resolve the dispute. Like Tatangani, Akagha Mba has a background in Gabon's treasury. Following, in 2009 he was appointed CEO of state-owned **Société**

² Source, journalist, Gabon

³ Source, journalist, Gabon

⁴ Source, analyst, Gabon

⁵ Source, journalist, Gabon

⁶ Jeune Afrique, 20 Oct 2014.

⁷ Source, journalist, Gabon

⁸ Source, journalist, Gabon

⁹ Africa Intelligence, 26 Feb 2014.

¹⁰ See previous briefings



Gabonaise d'Entreposage de Produits Pétroliers (SGEPP), in charge of storage, transportation and distribution of petroleum products in Gabon.

Akagha Mba is a national committee member of the ruling **Parti Démocratique Gabonais (PDG)**. As one of several freemasons in the government he is a member of the **Grand Lodge of Gabon**.¹¹ While at SGEPP Akagha Mba worked alongside Bongo's powerful chief of staff **Maixent Accrombessi** devising the oil strategy and helping resolve a period of labour strikes in the sector in 2013. He was born in 1957 in **Kango, N'sile, Estuaire Province** (Libreville) and attended university in France.

1.3 The opposition demands two-term presidency and electoral reforms

The **Union des Forces pour l'Alternance (UFA)** – that brings together many radical opposition parties in Gabon – have called for a constitutional amendment that will limit presidential mandates to two terms. Bongo's father removed presidential term limits in 2003. The UFA leaders organised a press conference in the capital, **Libreville** on 26 September. **Jules Aristide Bourdes Ogoulinguendé**, president of the **Congrès pour la Démocratie et la Justice (CDJ)**, is a key figure calling for the two-term presidential limit.

The opposition parties have also called for a two-round presidential election. The president, **Assemblée Nationale**, municipal councilors and senators are currently elected in a one-round poll. The radical opposition parties are also calling for reform of the electoral body, **Commission Electorale Nationale Autonome et Permanente (CENAP)**.

Some segments of the opposition see **Jean Ping's** move into the opposition as an opportunity to mount pressure on the ruling PDG. Ping is the former **African Union (AU)** chairman, ex-foreign minister and former PDG stalwart. Despite lukewarm support in the electorate and among many opposition figures, Ping has the backing of a former member of the now dissolved – but formerly influential – opposition party **Union Nationale**:

"Mr. Ping is an exceptional politician, known for his competence. Despite his age [71], he is almost 'virgin' [in the political scene] to the extent that, for ten years he was absent from the domestic political debate, because of his duties with the AU."

"...With his age, he should not want to remain in power for long, and would keep to the constitutional limit of two presidential terms for five years each. Also Mr. Ping comes from a

¹¹ Source, investigator, Gabon

minority ethnic group. In the Gabonese context, characterised by the polarisation between the North and the South, this is a definite asset.”

1.4 Draft budget in line with Gabon Emergent and promotion of mining

On 10 October the council of ministers announced a \$6.2 billion (CFA 3,188.7 billion) draft budget for 2015. This is an 8% increase on the 2014 budget of \$5.7 billion (CFA 2,954.6 billion).¹² Public investment will increase \$129m (CFA66.4 billion) to \$1.3 billion (CFA693.5 billion), accounting for 22% of the budget. The increase in mining and oil production is the main reason for the enlarged budget. Oil still accounts for 46% of GDP and 80% of export revenue. The slight increase to the current 240,000 barrels of oil per day (bpd) followed a fall in oil production in 2013 to 220,000 bpd, the lowest production since 1989.¹³ The 2015 budget signals a continuation of Bongo’s reform plan, **Gabon Emergent**, which aims to diversify the economy away from oil and to an industry and services based economy.

Increasing mining activity is a focus of Gabon Emergent. Manganese and gold production is increasing and prospecting new minerals including iron ore, titanium, copper, phosphates and potash will diversify value-added and non-hydrocarbons activity in the economy. Under Gabon Emergent the government aims to increase the contribution of the mining sector to GDP to the same as oil (46%). In 2013 mining accounted for 6% of GDP.¹⁴

The government is positioning state mining company **Société Equatoriale des Mines (SEM)** to play a greater role in the sector – through management of the state’s interest in projects – and to increase government revenue. On 2 October the government announced the transfer of its 28.45% stake in manganese producer **Compagnie Minière de l’Ogooué (COMILOG)**, a subsidiary of France-based **Eramet**, to SEM.¹⁵ SEM said in a press statement, *“This reorganisation aims to strengthen the position of the state, through the SEM.”* SEM was formed by presidential decree in 2011 following a revision of the regulatory regime. In 2013 COMILOG’s production increased 22% to 3.7m tonnes.¹⁶

¹² APA, 11 Oct 2014.

¹³ Statistics department of the planning ministry

¹⁴ Jeune Afrique, 2 Oct 2014.

¹⁵ Jeune Afrique, 2 Oct 2014.

¹⁶ Jeune Afrique, 2 Oct 2014.

1.5 Gabon slips on the 2014 Ibrahim Index of African Governance (IIAG)

Gabon slipped three places from 24th to 27th out of 52 countries on the **2014 Ibrahim Index of African Governance (IIAG)**. The index is a programme of the **Mo Ibrahim Foundation**, created by **Sudanese** businessman **Mo Ibrahim**, and benchmarks governance performance on four pillars: safety and rule of law; participation and human rights; sustainable economic opportunity; and human development. Despite the fall in ranking, in 2014 Gabon retains premier position in the central Africa sub-region, above **Cameroon** (34th), **Republic of Congo** (41st) and **Equatorial Guinea** (45th). Gabon marginally improved on safety and rule of law, but within this category it fell significantly on accountability. Gabon also recorded falls for participation and human rights; and for the business environment within the sustainable economic opportunity category.

2 Implications

With the reshuffle Bongo aims to improve government performance with two years remaining until the 2016 presidential election. Ping's move into the opposition has shifted the focus towards the 2016 election. Bongo is under increasing pressure from the electorate due to the sluggish economy and poor public service provision, notably in the education and health sectors, which have seen significant strike action in the last year.

The opposition has sought to capitalise on these grievances, however it remains fractured. Ping has provided the opposition impetus, although there is no clear indication that a majority of opposition figures would support him as a sole candidate in the 2016 election. In addition, bringing Jean-Pierre Oyiba, a former ally of Bongo's father Omar Bongo Ondimba, back into government will also counter support for Ping among the disgruntled PDG stalwart's from Omar Bongo's era.

While the Gabonese economy still depends on oil, the government has earmarked mining for growth. The appointment of Bongo's ally Akagha Mba will ensure that the president – together with his influential chief of staff Accrombessi – is focused on developing the sector and will promote a generally investor-friendly environment.

The 2015 IIAG index shows that Gabon remains a stable country in the volatile central Africa sub-region. However, the slip in governance indicators, particularly in the business environment indicates the lack of government action to create a more investor-friendly environment.