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President Ali Bongo Ondimba (2009-present) lifts a ban on the Union Nationale (UN) opposition party, which divides the opposition and weakens the position of his main opponent for the 2016 presidential election, Jean Ping. The government promulgates the new mining code. The new law remains investor friendly, but is in line with the resource nationalism trend across the region. The judiciary system continues to obstruct the development of the mining sector. An indefinite public sector strike disrupts public services and further slows the economy.

Bongo lifts ban on Union Nationale ...to weaken Ping

President **Ali Bongo Ondimba** (2009-present) has lifted a ban on the **Union Nationale (UN)** opposition party in an attempt to further divide the opposition in the lead up to the 2016 presidential election. On 4 February the interior ministry lifted a ban on the UN, and will allow the party to register a candidate to run against Bongo in the 2016 presidential election.¹ The UN draws its support from the majority **Fang** ethnicity in Gabon and therefore has “*strong capacity to mobilise*”.²

*“The rehabilitation of the UN is the culmination of a long process led by the international community, which placed strong pressure on Bongo. The heads of state of the **Central African sub-region (Republic of Congo, Cameroon, Chad, Equatorial Guinea, Central African Republic)** and several embassies in Gabon have played a crucial role.”³*

The UN formed following the disputed 2009 presidential election that brought Bongo to power after the death of his father, ex-president **Omar Bongo Ondimba** (1967-2009). **André Mba Obame** established the UN in 2010 as a union of three opposition parties: **Union Gabonaise pour la Démocratie et le Développement**, the **Mouvement Africain pour le Développement** and the **Rassemblement National des Républicains**. Like most prominent political players, Obame was previously close to Bongo’s father. However, Obame ran against Bongo in the 2009 presidential election. After the election officials announced Bongo the winner of the election, Obame refused to concede defeat and accused Bongo of rigging the election. He declared himself president, which eventually led to the government ordering the dissolution of the UN on 26 January 2011 and accusing Obame of treason. Since 2013 Obame has remained in exile in **Niger**, and according to various reports, suffers from debilitating health conditions.⁴ The 57-year-old’s last public appearance was on a visit to **Rome** in April 2014, during which he was photographed looking frail in a wheelchair.⁵

Obame’s illness has “*created a power vacuum*” in the UN and no clear alternative leader has emerged.⁶ Obame remains at the head of the party. However, he is not expected to run in the election and would be unlikely to pass a medical examination – as required by the **Constitutional Court** – in order to run as a candidate in the election.⁷ **Mike Jocktane**, Obame’s campaign manager in the 2009 election, said the party will appoint a presidential candidate for the 2016 election based on a “*democratic process*”.⁸

¹ Gabon Actu, 4 Feb 2015.

² Source, journalist, Gabon

³ Source, journalist, Gabon

⁴ Jeune Afrique, 4 Feb 2015.

⁵ Jeune Afrique, 20 Jan 2015

⁶ Jeune Afrique, 20 Jan 2015

⁷ Jeune Afrique, 20 Jan 2015

⁸ Jeune Afrique, 20 Jan 2015

He said the party would hold a conference in the coming weeks and would address the leadership issue.⁹ Jocktane dismissed suggestions that **Jean Ping**, the former **African Union** commission president who joined the opposition in 2014, would be a “*natural candidate*”.¹⁰ Ping is not a member of the UN, but some UN figures formed the **Front de l’Opposition pour l’Alternance (FOPA)** opposition grouping in July 2014.¹¹ Several local sources said the UN cadres are unlikely to appoint Ping to the head of the party and as their presidential candidate.

Lifting the ban on the UN is expected to fragment the opposition vote and therefore weaken Ping.¹²

“Bongo and his entourage did their calculations. By rehabilitating the UN they hope to weaken Ping because Ping has less chance of being chosen as the sole opposition candidate for the 2016 presidential election. Ping will have to adhere to the UN and hope to participate in the UN party leadership contest later in 2015 when the presidential candidate will be chosen. It is also now possible for Bongo to divide and weaken the UN that brings together former friends of the presidential majority.

...Bongo can also multiply the number of opposition presidential candidates through providing funding, as was the case with his father.”¹³

In a move to reduce political tensions, Bongo also reinstalled the **Conseil National de la Démocratie** in February. Bongo has used the council to organise meetings with the opposition and is expected to use it as a vehicle to start political dialogue in the coming weeks.¹⁴

The new mining code comes into play

The government has promulgated the new mining code. At the 2015 **African Mining Indaba** in **Cape Town (South Africa)** on 9-12 February **Fabrice Nze-Bekale**, CEO of state-owned **Société Equatoriale des Mines (SEM)**, confirmed that Bongo signed the new mining code into law on 30 January.¹⁵ The new law will come into effect when published in the national gazette “*in the coming days*”, according to Nze-Bekale. It will replace the mining law that has not changed since 1962. Nze-Bekale reiterated that the government aims to increase the sector’s contribution to gross domestic product (GDP) economic growth from the current 6% to 25% in the coming 15-20 years.¹⁶

Government officials have attended several mining conferences to state that the new law is investor friendly, but it is in line with the resource nationalism trend across the region. The key elements include:

- Through SEM, the new state-owned sector champion, the government will have a 10% stake in all projects in the production phase. It also has the option to acquire an additional 25% at market value, but this applies to future projects only.
- Corporate tax remains at 35% percent of profit.
- Royalty rates shift to a series of flexible tax bands (for different minerals). The rate for gold is 3-7% depending on the project, from 5% previously. “*The most difficult projects will have a lower level of taxation*” according to Nze-Bekale.¹⁷

During the Indaba, Nze-Bekale said the process to certify the **Belinga** iron ore project reserves would take another 18-24 months.

⁹ Jeune Afrique, 4 Feb 2015.

¹⁰ Jeune Afrique, 20 Jan 2015

¹¹ See ARC Gabon, Aug 2014 Briefing

¹² Reuters, 4 Feb 2015.

¹³ Source, journalist, Gabon

¹⁴ RFI, 5 Feb 2015.

¹⁵ Reuters, 10 Feb 2015.

¹⁶ Reuters, 10 Feb 2015.

¹⁷ Reuters, 10 Feb 2015.

*"Then we are going to auction the permits out to two or three strategic partners but it has to be big companies because we don't think junior companies have the skills to develop such projects... We are having discussions with a lot of big listed companies, the big names. **Glencore** and **Rio Tinto** for example have shown interest."*¹⁸

Despite the new code bringing the regulatory framework further in line with international standards, the judicial system in Gabon remains an obstacle to the development of the sector.

*"The Gabonese judicial system is not conducive to settlements of conflicts because there's no separation of powers in the country. Bongo remains the president of the **Conseil Supérieur de la Magistrature** (a higher judicial council). Several businessmen engaged in conflicts in the courts of Gabon have waited many years to reach a judgment. The Gabonese judicial system is corrupt and judges do not always apply the law as they should."*¹⁹

Public sector strike disrupts education and health sectors

An indefinite public sector strike has disrupted public services and further slowed the economy. On 9 February **Dynamique Unitaire**, an umbrella grouping of up to 50 unions, announced a general strike after an eight-day strike notice submitted on 24 January had expired.²⁰ The unions have demanded a considerable pay rise, including increasing the minimum monthly wage from CFA80,000 (\$139) to CFA300,000 (\$521). The demand is significantly above the regional average, and ten times the current minimum wage in Cameroon. Local reports confirm the strike has disrupted the education and health sectors.²¹ Prime minister **Daniel Ona Ondo** opened talks with unions on 10 February, however they have yet to reach an agreement.²² The strike follows several other strikes in recent months. A six-week oil sector strike came to an end in January.²³

Implications

The removal of the ban on the UN is a calculated move from Bongo to weaken Ping and fracture renewed opposition cohesion in recent months which had culminated in the 20 December protest.²⁴ The move has broken the opposition's – and Ping's – momentum. Further, it demonstrates Bongo's upper hand due to his financial strength, which will allow him to manipulate the opposition in the lead up to the 2016 vote. Crucially, the current electoral system does not allow a second round presidential vote, eliminating the threat of the opposition supporting a single candidate in a run-off vote.

The new mining code will increase certainty around the regulatory framework. However, the government will struggle to attract mining investment in at least the first half of 2015 due to the global mining downturn. The lack of independence and other problems in the judicial system will also reduce the investor attractiveness of the sector.

The public sector strike highlights the worsening economic situation, primarily due to falling oil revenues. The strike is also part of a wider trend of increasing union activity and unrest in Gabon. Further labour and other unrest will probably follow, particularly if, as expected, the government is forced to revise downwards 2015 budget spending and remove some state subsidies.

¹⁸ Reuters, 10 Feb 2015.

¹⁹ Source, journalist, Gabon

²⁰ RFI, 9 Feb 2015.

²¹ Reuters, 11 Feb 2015.

²² Gabon Eco, 190 Feb 2015.

²³ See ARC Briefing for Gabon, Jan 2015

²⁴ See ARC Briefing for Gabon, Dec 2014