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French authorities detain businessman Seydou Kane in Paris (France) as part of a continuing bribery investigation into a military uniforms contract in 2005. The investigation implicates Kane and cabinet director in the presidency, Maixent Accrombessi, both allies of President Ali Bongo Ondimba (2009 - present). The Gabonese government opens an investigation into illegal hardwood trafficking. The investigation includes several government officials at differing levels and Chinese nationals. Central African regional central bank Banque des États de l'Afrique Centrale (BEAC) revises regional economic growth rate due to the collapse of international oil prices and increased terrorist threats.

French authorities detain Bongo's ally in corruption probe

French authorities continue to pursue a corruption investigation into President **Ali Bongo Ondimba's** (2009 - present) allies. On 18 November French authorities detained for 48 hours **Seydou Kane**, a Gabonese businessman of **Senegalese-Malian** origin with close ties to Bongo and the ruling **Parti Démocratique Gabonais (PDG)**, upon his arrival in **Charles-de-Gaulle Airport in Paris** (France).¹ Kane's detention is the most recent development in the French public ministry's judicial inquiry that opened on 3 August, targeting foreign agents' active and passive corruption, and abuse of corporate assets.²

As part of the same investigation, French authorities detained Bongo's cabinet director in the presidency, **Maixent Accrombessi**, a key personality within Bongo's administration, in August on suspicion of corrupting a foreign public official and money laundering (see *ARC Briefing Gabon August 2015*). While French authorities released Accrombessi – following a hostile letter from the Gabonese presidency asserting his diplomatic immunity – they continued to build on their case. The **Office Central de Lutte Contre la Corruption et les Infractions Financières et Fiscales (OCLCIFI)**, which leads this investigation, accuses Accrombessi of accepting a bribe from **Philippe Belin**, chairman of French military uniforms manufacturer **Marck**, to help secure a €7m (\$7.7m) contract in 2005.³ The inquiry cites suspicious transfers to bank accounts in **Monaco** as evidence.⁴ Subsequently, Bongo has faced pressure to remove Accrombessi from office and rumours circulate in **Libreville** of his imminent replacement:

"It is not ruled out that Bongo keep Accrombessi within his same functions but under a different form, such as a special advisor to the president."⁵

The OCLCIFI questioned Kane regarding an alleged €300,000 (\$329,000) transfer on 7 June 2006 to a Monaco bank account belonging to the **Consortium International de Travaux Publics (CITP)**, a Gabonese construction company that Kane owns.⁶ Kane has denied any wrongdoing.⁷ The allegations have created nervousness and malaise in the Gabonese political context, as Kane represents an avid and militant personality for the ruling PDG party, and is known also to be an associate of

¹ RFI, 19 Nov 2015.

² RFI, 19 Nov 2015.

³ See *ARC Briefing Gabon August 2015*

⁴ See *ARC Briefing Gabon August 2015*

⁵ Source, journalist, Gabon

⁶ Le Monde, 23 Nov 2015.

⁷ Gabon Actus, 22 Nov 2015.

Accrombessi.^{8,9} Correspondingly, the names of Kane and his “friend” Accrombessi are linked to several real estate companies domiciled in Paris.¹⁰

Kane also acted as a financier of Senegalese president **Macky Sall’s** (2012-present) successful presidential campaign in 2012. Kane provided \$187,000 for seven armoured **Tundra** vehicles for Sall.¹¹ Kane – a holder of Senegalese, Malian and Gabonese diplomatic passports – reportedly received assistance from the Senegalese embassy in Paris following his detention.¹² A Senegalese embassy agent reportedly received Kane at the airport in Paris.¹³

Kane ran unsuccessfully in December 2013 local elections as a PDG candidate for Libreville’s 2nd *arrondissement*.¹⁴ Nonetheless, Kane maintains a limited public persona in Gabon, engaging in philanthropic activity through his **Fondation Seydou Kane** which is predominantly tied to his engineering and construction company, **Société des Travaux et d’Équipements de Construction (SOTEC)**.¹⁵

Kane returned to Gabon after French judges ordered him to deposit a €2m (\$2.19m) judicial surety and he remains under judiciary control.¹⁶ The local press claims that Bongo – who travelled to Paris during December for the **United Nations Conference on Climate Change (COP21)** – personally assisted Kane in this matter.¹⁷

“The actions of Seydou Kane and Maixent Accrombessi have seriously tarnished the Gabonese state’s image – and particularly that of Ali Bongo Ondimba – abroad, and as such, Ali Bongo’s credibility has become more fragile in the national political sphere. The weight of these various blunders on the country’s politics and economy will certainly hang in the balance during the 2016 presidential elections.”¹⁸

Illegal hardwood trafficking investigation implicates several officials

The government has opened an investigation into some 30 people suspected of links to illegal trafficking of the precious **Kevazingo** hardwood near **Makokou** in Gabon’s north-east **Ogooué-Ivindo** region.¹⁹ An unnamed government source confirmed on 27 November that the **Direction Générale des Recherches (DGR)** is undertaking the investigations into several officials.²⁰ The source stated that the **Woleu Ntem** and Ogooué-Ivindo provinces in the north are the “*epicentre of a huge forestry crime racket*”.²¹ The government has established a special court to rule on the abuse of protected wildlife resources, which has established a “*preliminary enquiry*” into the illegal exports of Kevazingo.²² The non-government organisation (NGO) **Eco Activists for Governance and Law Enforcement (EAGLE)** brought the issue to the attention of the judiciary, making it one of few such cases on the continent.²³

Following the start of the investigation, on 30 November protection of the environment minister **Flore Mistoul** decided to “*suspend temporarily – and as a preventive measure – the exploitation of*

⁸ RFI, 19 Nov 2015.

⁹ Jeune Afrique, 18 Nov 2015.

¹⁰ Le Monde, 23 Nov 2015.

¹¹ Gabon Libre, 21 Nov 2015.

¹² DakarActu, 25 Nov 2015.

¹³ DakarActu, 25 Nov 2015.

¹⁴ RFI, 19 Nov 2015.

¹⁵ Gabon Libre, 13 Dec 2015.

¹⁶ Gabon Libre, 4 Dec 2015.

¹⁷ Gabon Libre 4 Dec 2015.

¹⁸ Source, journalist, Gabon.

¹⁹ RFI, 4 Dec 2015.

²⁰ AFP, 27 Nov 2015.

²¹ AFP, 27 Nov 2015.

²² AFP, 27 Nov 2015.

²³ RFI, 4 Dec 2015.

Kevazingo across the whole territory".²⁴ Mistoul has also announced plans for an inventory of the Kevazingo.²⁵

*"Gabon is without doubt the first country to tackle this hard... We hope that this becomes an example for the rest of the country but also for other countries... that it will become a new starting point to dissuade illegal traffickers and their eventual accomplices... The application of the law is often too weak."*²⁶

The investigations led to a DGR raid on the water and forests ministry offices in Libreville, during which DGR agents brought at least 12 officials into custody.²⁷ A press source claimed that **Nelson Messone**, an adviser to president Ali Bongo Ondimba and former environment minister, was among those the DGR has taken into custody.²⁸ Bongo appointed Messone a presidential adviser in September. The accused also include two representatives of the water and forests ministry, an official in the vice-president of the departmental council, and five **Chinese** nationals.²⁹

*"[Officials] do not close their eyes to this business for free... Some of them have gone as far as organising the exports themselves with the exploiters."*³⁰

*"It would seem that president has chosen to abandon some of his trusted men."*³¹

The investigations also indicate tensions between the presidency and Chinese companies.

*"The twist in the Kevazingo case sounds like a war between the presidency and Chinese companies that exploit this species in the forest of north-eastern Gabon. The Chinese had obtained two licences, for 100,000 hectares (ha) and another for 380,000 ha in Ogooué-Ivindo province. The granting of licences was taken at the top of the state."*³²

*"The judiciary has not yet settled anything on this case which involves Chinese companies **Tropical Timber Industry Board (TTIB)** and **Transport Bois et Négoce International (TBNI)**, and local company **Société Gabonaise de Prestation et de Transformation du Bois (SGPTB)**."*³³

Kevazingo, known locally as the sacred **Bubinga** tree, has high demand in **Asia** (particularly China and **Japan**) due to its large trunk (reaching up to 2 metres in diameter), vibrant red colour, weight and durability that make it suitable for luxury solid wood furniture.³⁴ Demand has increased significantly in recent years and Gabon currently exports around 18,000 cubic metres of Kevazingo annually, despite production being under strict supervision.³⁵ It is estimated to be worth between €1,500-3,000 (\$1,649-3,298) per cubic metre once within Chinese territory.³⁶ The extent of illegal Kevazingo trafficking is estimated at several million dollars per year.³⁷

Since 2010, the Gabonese government has made it mandatory to transform wood locally before export. This has resulted in several local producers – without the capital means for the required investments – to relinquish their forestry permits, often to foreign ownership.³⁸ Today, Asian companies hold 60% of Kevazingo permits in Gabon.³⁹

²⁴ AFP, 27 Nov 2015.

²⁵ AFP, 27 Nov 2015.

²⁶ RFI, 4 Dec 2015.

²⁷ Jeune Afrique, 27 Nov 2015.

²⁸ Jeune Afrique, 27 Nov 2015.

²⁹ RFI, 4 Dec 2015.

³⁰ Reuters, 9 Dec 2015.

³¹ Source, journalist, Gabon

³² Source, journalist, Gabon

³³ Source, journalist, Gabon

³⁴ AFP, 27 Nov 2015.

³⁵ Jeune Afrique, 18 Nov 2015.

³⁶ Jeune Afrique, 18 Nov 2015.

³⁷ Jeune Afrique, 18 Nov 2015.

³⁸ Jeune Afrique, 18 Nov 2015.

³⁹ Jeune Afrique, 18 Nov 2015.

Central Africa regional bloc revises growth forecast, with interest rates unaltered

The **Banque des États de l'Afrique Centrale (BEAC)**, the central bank of regional bloc **Communauté Économique et Monétaire de l'Afrique (CEMAC)**, has maintained interest rates at 2.45%.⁴⁰ At the monetary policy committee meeting in **Yaoundé (Cameroon)** on 26 November, BEAC governor **Lucas Abaga Nchama** also reduced the 2015 growth forecast for the CEMAC region to 2.5% from 2.8%.⁴¹ In March, the BEAC forecasted growth of between 4.2 and 4.3% for 2015.⁴² It recommended member states sustain “increased vigilance” with regard to subdued growth, which is the result of:

*“...the underperformance of the oil sector with its effects on external demand, combined with the impact of harms of the Islamist sect **Boko Haram** in certain CEMAC member countries.”⁴³*

Five of the six member countries are oil producers, making it the most oil dependent regional community on the continent.⁴⁴ As well as Gabon, CEMAC includes Cameroon, **Central African Republic, Chad, Republic of Congo** and **Equatorial Guinea**.⁴⁵ Countries will often use the BEAC as a platform for smaller regional bond emissions, the most recent of which was on 27 November, when Gabon issued a 2-year treasury bond of between \$4.1 - 8.2m, with a 4.5% nominal yield.⁴⁶

Implications

The detention of Kane and continuing French investigation into the military uniforms contract in 2005 further tarnishes the image of the Bongo administration. Those implicated include key allies of the president, notably Accrombessi. The French investigation will bring further local and international scrutiny on the Bongo administration. The investigation will negatively influence public opinion leading up to the presidential elections in 2016, particularly as they are being directed at cabinet-rank officials and illuminate government involvement in allegedly corrupt business dealings.

International monitors and activists have applauded the government investigation into illegal trafficking of precious hardwood and temporary ban on the trade. However, the extent of judicial proceedings will determine the Bongo administration’s resoluteness to tackle the issues.

The CEAC’s monetary policy committee outcomes reflect only a greater long-term struggle across the region: overcoming the repercussions of low commodity prices – vulnerabilities that continue to stagnate most Central African economies and perpetuate socio-economic inertia.

⁴⁰ Reuters, 27 Nov 2015.

⁴¹ Reuters, 27 Nov 2015.

⁴² Le Magazine du Manager, 2 Dec 2015.

⁴³ Le Magazine du Manager, 2 Dec 2015.

⁴⁴ Jeune Afrique, 22 Jul 2015.

⁴⁵ Reuters, 27 Nov 2015.

⁴⁶ Gabonese Public Treasury, 20 Nov 2015.

About Africa Risk Consulting:

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