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Assemblée Nationale (national assembly) president Guy Nzouba-Ndama resigns, announcing he will run as an independent candidate in the presidential elections in August or September this year. Parti Démocratique Gabonais (PDG) stalwart and former deputy president of the national assembly Richard Auguste Onouviet takes his place. Nine members of parliament resign from the PDG and join the PDG Héritage et Modernité (PDG-HM) breakaway party. France-based Eramet meets with the mining ministry to push for the launch of the Mabounié mine, despite its financial struggles. The Africa Finance Corp (AFC) announces an investment of \$140m in the Gabon Special Economic Zone (GSEZ), acquiring an unconfirmed equity stake.

Assemblée nationale president resigns

National assembly president **Guy Nzouba-Ndama** resigned on 31 March, following almost 20 years in the position, and announced he will run for president.¹ Nzouba-Ndama's announcement is indicative of increasing dissent within the ruling **Parti Démocratique Gabonais (PDG)** party, as president **Ali Bongo Ondimba** (2009-present) faces infighting and resistance to his candidacy for re-election in August/September (see *ARC Briefing Gabon March 2016*).

Nzouba-Ndama was considered an aging vestige of the administration of Bongo's father, former president **Omar Bongo Ondimba** (1967-2009). His role as one of Omar Bongo's most loyal supporters ensured he maintained his position during the transition to his son in 2009.² Ali Bongo had reportedly sought to discuss the apparent tension between himself and Nzouba-Ndama over his re-election campaign on three occasions since September 2015, in order to get his verbal commitment to support his candidacy.³ However, Nzouba-Ndama repeatedly declined this invitation.⁴ Bongo announced that he would run for the presidency two weeks before the PDG officially supported his candidacy (see *ARC Briefing Gabon March 2016*).

*"Nzouba-Ndama is an 'ethnic' unifier in the **Ogooué Lolo** and **Haut-Ogooué** regions. However, the **Front de l'Opposition pour l'Alternance (FOPA)** that **Jean Ping** leads is ahead of all other opposition candidates... The majority of the supposed supporters of runners such as **Pierre-Claver Maganga Moussavou** of the **Parti Social-Démocrate (PSD)** actually support Ping."⁵*

"All of the candidacies that are stirring up the PDG and even the opposition should, when the moment presents itself, rally behind Ping. If everyone supported Ping, the opposition would have a strong chance to win the elections."⁶

Nzouba-Ndama leads a growing group of defectors within the PDG. Many of its members increasingly oppose Bongo's candidacy ahead of the presidential elections.⁷ Nzouba-Ndama had reportedly acted "defiantly" towards Bongo for several months; however, his presidential candidacy was unexpected.⁸

¹ RFI, 1 Apr 2016.

² RFI, 1 Apr 2016.

³ Jeune Afrique, 5 Apr 2016.

⁴ Jeune Afrique, 5 Apr 2016.

⁵ Source, journalist, Libreville

⁶ Source, journalist, Libreville

⁷ RFI, 1 Apr 2016.

⁸ RFI, 1 Apr 2016.

Nzouba-Ndama wrote to Bongo expressing his disappointment with the PDG government's course since Ali Bongo's accession, and explaining his opposition towards its practice,

*"I believe that the current regime has certain shortcomings, even certain failings ... Certain individuals in the regime have not ceased to drag my name through the mud. This public lynching has lasted four years... [I seek to] restore the soiled honour of MPs and the Gabonese parliament... I have chosen to take on a discourse that leans on truth."*⁹

Nzouba-Ndama will distance himself from the PDG but aims to tap into its support base.¹⁰ There is no indication that he will run under the **PDG Héritage et Modernité (PDG-HM)** banner – the PDG breakaway party that former oil minister **Alexandre Barro Chambrier** formed on 10 March¹¹ – even though Nzouba-Ndama and Chambrier are reportedly on good terms with each other.¹²

*"The appearance of such candidacies would never have been taking place while Omar Bongo was in power, as the fear of daring to defy the patriarchy was overbearing. What this means is that the party has lost its sparkle, and president Ali Bongo's power is waning... This outbreak against authority puts the internal ruling of the party into question, and it also gives rise to new currents of thought from within its core."*¹³

Richard Auguste Onouviet was named Nzouba-Ndama's replacement as the incoming national assembly president on 8 April.¹⁴ Onouviet was, until his appointment, the deputy president of the national assembly, a position he had held since 2009.¹⁵ He is a PDG party stalwart, considered loyal to first Omar Bongo and then Ali Bongo. Onouviet held the role of water and environment minister from 1999-2002; oil, mining and energy minister from 1999-2007; planning minister from 2007-2009; and urban policy minister, briefly in 2009.¹⁶ Certain analysts had tipped Onouviet as a possible replacement for former president Omar Bongo.¹⁷ However, he was an important player in Omar Bongo's campaign to secure re-election in 2005, and provided the same level of loyalty for Ali Bongo's campaign in 2009.¹⁸

Despite Onouviet's loyalty to the PDG, his political stature declined after Omar Bongo suspended him from the party for six months in 2008 for alleged indiscipline.¹⁹ Onouviet's subsequent appointment as urban policy minister was seen as a rebuke, significantly jeopardising his future and standing within the party.²⁰ Onouviet's current promotion to national assembly president indicates his political rehabilitation. Bongo needs to consolidate his parliamentary support amid increasing infighting ahead of the elections.

... and nine MPs follow suit

Concurrent with Nzouba-Ndama's resignation, nine members of the ruling PDG resigned their seats in the national assembly on 31 March in protest against Bongo's refusal to hold PDG primaries.²¹ The nine members of parliament (MPs) announced their allegiance to Chambrier's newly formed PDG-HM (see above and see *ARC Briefing Gabon March 2016*).

⁹ Reuters, 31 Mar 2016.

¹⁰ RFI, 6 Apr 2016.

¹¹ RFI, 6 Apr 2016; see *ARC Briefing Gabon March 2016*.

¹² Jeune Afrique, 5 Apr 2016.

¹³ Source, journalist, Libreville.

¹⁴ L'Union, 9 Apr 2016.

¹⁵ L'Union, 9 Apr 2016.

¹⁶ L'Union, 9 Apr 2016.

¹⁷ Africa Confidential, 21 Jan 2005.

¹⁸ L'Union, 13 Oct 2005.

¹⁹ GabonEco, 13 Jul 2009.

²⁰ Gabonews, 14 Jan 2009.

²¹ RFI, 2 Apr 2016.

“We would like to inform the national and international population of our collective resignation from the assemblée nationale, whilst at the same time reaffirming our unflinching commitment to the political heritage of the PDG, to which we remain viscerally attached ... The situation is serious ... Despite the warning signals we expressed, we have witnessed the same persistent abuses.”²²

The move highlights significant discontent and division within the ruling PDG, which increasingly is contesting Ali Bongo’s leadership, especially his move to run for president for a second term.²³ Bongo is particularly vocal against these dissenters and defectors, who he claims will “*destroy the nation’s unity*”.²⁴ On 9 March Bongo expelled Chambrier and his two fellow PDG-HM leaders, **Michel Menga M’Essonne** and **Jonathan Ignoumba**.²⁵ This in turn led to the more radical opposition to their former chief, through the formation of their party.²⁶ Chambrier’s influence is strong within the PDG, with several senior members of the party following him to the PDG-HM:

- **Jean François Ntoutoume Emame** – former prime minister and mayor of **Libreville**;
- **Jacques Adiahénot** – former PDG secretary general and former minister;
- **Casimir Oyé Mba** – former prime minister and governor of the **Banque des États de l’Afrique Centrale (BEAC)**.

Bongo’s position ahead of elections nevertheless remains strong. The main opposition coalition, the FOPA, faces its own internal fractures, some of which allegedly stem from Bongo himself (see *ARC Briefing Gabon February 2016*).

“The PDG maintains its majority in the assemblée nationale. The decision to expel the dissenters was deemed completely arbitrary. This takes the total to 12 of MPs aligning themselves behind Chambrier.”²⁷

Having a single round election will favour Bongo’s re-election, which will become even more likely if there are additional fractures in the opposition.²⁸ He may also derive some benefit from the support of the **Convention Républicaine de Soutien au Candidat Ali Bongo Ondimba (CRESCABO)** comprising 15 opposition parties.²⁹ However,

“...these are in fact small parties with an ill-defined electorate and whose impact on the elections is near non-existent.”

Crucially, Ali Bongo has support amongst key office holders who could play a role should he rely on electoral fraud, namely: interior minister **Pacôme Moubelet-Boubeya**, president of the constitutional court **Marie-Madeleine Mborantsuo**, electoral commission chair **René Aboghe Ella**, justice minister **Séraphin Moundounga** and defence minister **Mathias Otounga Ossibadjouo**.³⁰

Eramet calls for launch of Mabounié deposit

France-based mining and metallurgy company **Eramet** on 16 March reiterated its aim to commence operations at the **Mabounié** polymetallic deposit – one of Gabon’s most significant mining prospects, valued at over \$3.36 billion.³¹ The French government is a minority shareholder in Eramet, holding close to 30% of the company’s equity.³² **United States**-based management consultancy and technical

²² RFI, 2 Apr 2016.

²³ RFI, 2 Apr 2016.

²⁴ AFP, 12 Mar 2016.

²⁵ Africa Confidential, 1 Apr 2016.

²⁶ Africa Confidential, 1 Apr 2016.

²⁷ Source, journalist, Libreville.

²⁸ Source, journalist, Libreville.

²⁹ Source, journalist, Libreville.

³⁰ Africa Confidential, 1 Apr 2016.

³¹ www.gouvernement.ga

³² www.eramet.com

advisor **McKinsey & Company** conducted the feasibility study and reported the potential for profitability on the project.³³ Eramet had frozen its investments in November 2015 due to the impact of the commodities slump.³⁴ In February Eramet announced that the company posted an \$812m loss over the last year.³⁵ During meetings between the French economy ministry and the **Duval** family (Eramet's largest shareholder) it was concluded that the company would have to dilute its investments in nickel, which is considered the main reason for the company's capital constraints, including at Mabounié.³⁶ Eramet shares lost 15% in 2016, and 61% in 2015.³⁷

The launch of the project would increase diversified mineral exports for Gabon as the mine has niobium, rare earth elements, tantalum and uranium reserves.³⁸ **Maboumine**, a subsidiary **La Compagnie Minière de l'Ogooué (COMILOG)**, holds the mining exploration licence for the Mabounié deposit.³⁹ COMILOG is the world's second largest manganese producer⁴⁰ and has operated in Gabon for over 50 years.⁴¹ The Mabounié deposit discovery is the most recent major discovery for the company.⁴² Eramet is majority shareholder (63.7%) of COMILOG, with the Gabonese state holding the largest minority share (28.9%).⁴³

A delegation from Eramet – including its consultant McKinsey – met with mines minister **Martial-Rufin Moussavou** and COMILOG representatives on 16 March to review the project, whose development has slowed down due to government fiscal constraints.⁴⁴ Eramet was dissatisfied with the Gabon government's commitment. The project has been considered as logistically and technically problematic, due to the geological complexity of the deposit, with over 20 economically viable minerals.⁴⁵ Moussavou apologised for delays in progress:

*"Despite our will and investment granted from COMILOG, we have not been able to find a technical process which would make the project viable in terms of profitability."*⁴⁶

The two parties came to an agreement with regard to the need to find new technical and financial solutions, which would take the form of one or two more partners to launch the project more definitively, and ensure profitability as it is expands.⁴⁷

*"Both parties have entered negotiations which are still to be concluded. There remain important administrative obstacles before the project will be able to take off."*⁴⁸

AFC bolsters Gabon Special Economic Zone vision

The **Nigeria**-based infrastructure development financing structure, the **Africa Finance Corp (AFC)**, has announced a \$140m equity investment in the **Gabon Special Economic Zone (GSEZ)**.⁴⁹ The AFC

³³ Multiple sources: Jeune Afrique, 5 Nov 2015; www.gouvernement.ga.

³⁴ Multiple sources: Jeune Afrique, 5 Nov 2015; www.gouvernement.ga.

³⁵ Reuters, 4 Apr 2016.

³⁶ Reuters, 4 Apr 2016.

³⁷ Reuters, 4 Apr 2016.

³⁸ www.eramet.com

³⁹ www.eramet-comilog.com

⁴⁰ www.eramet-comilog.com

⁴¹ Jeune Afrique, 5 Nov 2015.

⁴² Jeune Afrique, 5 Nov 2015.

⁴³ www.eramet-comilog.com

⁴⁴ www.gouvernement.ga

⁴⁵ www.gouvernement.ga

⁴⁶ www.gouvernement.ga

⁴⁷ www.gouvernement.ga

⁴⁸ Source, journalist, Libreville

⁴⁹ Jeune Afrique, 11 Apr 2016.

joins **Singapore**-listed agro-industrial company **Olam International** (market capital \$4.76 billion)⁵⁰ as a private shareholder in the GSEZ, founded in 2010.⁵¹

Until AFC's investment, Olam held a 60% stake in the project, and the Gabon government the remaining 40%.⁵² Although the initial shareholders' joint investment was for \$240m, the project has gained traction with additional loans of \$100m from the **World Bank** and \$86m from the **Banque de Développement des États de l'Afrique Centrale (BDEAC)** (development bank of Central African states) respectively.⁵³ These loans aim respectively to facilitate local vocational training and the construction of a mineral port at Ali Bongo's flagship **Port of Owendo**. The latter is expected to be completed in mid-2016, ahead of the presidential election, with a total capacity of 10 million tonnes (see *ARC Briefing Gabon January 2016*). Despite the fact that the AFC's investment would comprise close to 37% of the total investment outside of loan financing, there is no indication that AFC would acquire a stake greater than that of either the Gabon government or Olam.

The AFC's contribution will go towards developing the SEZ at **Nkok** and will support financing of the mineral port and a commercial port.⁵⁴ This includes a water pipe to **Port-Gentil** with a daily capacity of 120 million litres of water, and the construction of a 1,870 kilometre high-tension electricity distribution network, and a 451 kilometre low-tension electricity distribution network.⁵⁵ This will reportedly connect over 300 villages to the national grid.⁵⁶

Bongo's aim, seemingly with the objective of completion before the elections, is to cultivate the business and trade triangle between Libreville, **Owendo** and Nkok.⁵⁷ The GSEZ plans to inject \$1.7 billion of foreign direct investment (FDI) into the economy, servicing 500 hectares of tax favourable industrial, commercial and residential space.⁵⁸ The Nkok SEZ will allow 0% tax on dividends, land properties and income for the first 10 years, as well as heavily subsidised electricity and other utilities.⁵⁹

Implications

The divisions within the PDG in March follow a similar increase in opposition candidate numbers in February. The consensus is that the more candidates running for the presidential elections, the higher the chance that Bongo will be re-elected. The infighting is the result of both the economic downturn, and a party that has lost confidence in its leader. Omar Bongo's legacy seems increasingly fragile. His stalwarts who remained in positions of political power are beginning to be disillusioned with Ali Bongo's competency and believe that his leadership has discredited the party. It is uncertain whether the opposition will be able to capitalise on the discontent to Bongo's candidacy.

Eramet's financial woes and international market conditions have delayed the launch of Maboumié, a vital project for Gabon's much-needed diversification. However, it appears that there is evidence of bad management at the mining ministry level, as Eramet and McKinsey have both complained of its approach towards the project's launch. It would appear that Eramet's larger shareholders will have sway over the speed with which this project could launch, depending on the extent of cutbacks implemented at the group level. Nonetheless, its launch would undoubtedly be a boost to Bongo's election hopes, as it could – albeit marginally – offset the economic downturn.

⁵⁰ Reuters, 13 Jan 2016.

⁵¹ Jeune Afrique, 11 Apr 2016.

⁵² www.marathondugabon.com

⁵³ Multiple sources: InfosGabon, 8 Feb 2016; Le Nouveau Gabon, 11 Jan 2016; www.marathondugabon.com

⁵⁴ Jeune Afrique, 11 Apr 2016.

⁵⁵ Jeune Afrique, 11 Apr 2016.

⁵⁶ Jeune Afrique, 11 Apr 2016.

⁵⁷ www.gsez.com

⁵⁸ www.gsez.com

⁵⁹ www.gsez.com

The GSEZ is Ali Bongo's pet project, and his strategy to attempt economic stimulation ahead of elections. He is likely to strive for its completion, and the attraction of as many international investors as possible, before August/September. Having secured further financing is a positive step towards this aim.

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