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Opposition leader and defeated presidential candidate Jean Ping says he plans to attempt to halt the constitutional reform proposal that the Conseil des ministres (CdM) (council of ministers) approved in September and the government plans to pass by a vote in the Assemblée Nationale (lower chamber of parliament). The public prosecutor's office summons Senate vice president and senator for Oyem Province, Jean Christophe Owono Nguéma, in relation to statements on French public television critical of the constitutional reform proposal. The International Monetary Fund (IMF) completes a review visit under the three-year \$642m extended fund facility (EFF). Local media report that the Paris Club of creditors sent a letter to the Gabonese government at the end of October demanding payment of \$350m in debt arrears.

Opposition vows to halt constitutional reform proposal

Opposition leader and defeated presidential candidate **Jean Ping** on 4 November said that he plans to attempt to halt the constitutional reform proposal, which the **Conseil des ministres (CdM)** (council of ministers) approved in September and the government plans to pass by a vote in the **Assemblée Nationale** (lower chamber of parliament).¹ Ping's statement is likely to raise the profile of the issue among members of the opposition, and increase anti-government sentiment.² Ping said,

*"We must make sure that this constitutional revision fails... because it contains the sprouts of the liquidation of the republic [Gabon] and the instatement of a kingdom in Gabon... [The constitutional reform proposal] is a violation of the principles of separation of power... If we mobilise, day and night, throughout the country, this constitutional revision will not pass."*³

According to Ping, the proposal would determine the cohabitation relations between the president and the government, strengthen parliament's powers, and create a court of justice.⁴ Ping believes that the proposal violates the **Dialogue Politique National** (national political dialogue) that ended in May.⁵ Several leaders of opposition parties such as the **Union Nationale (UN)** and the **Union du Peuple Gabonais (UPG)** have supported Ping's claims.⁶ President **Ali Ben Bongo Ondimba's** (2009-present) government claims that the proposed constitutional reform will implement the requests of the opposition, which did not include Ping, after the May political accord.⁷ The signatories of the political accord had requested several specific changes to government, such as:

- The introduction of a double ballot system – first round with all candidates and run-off elections between the two top candidates;
- Maintaining presidential terms at seven years, indefinitely renewable;
- The introduction of a vice-president in the executive branch of government;

¹ AFP, 4 Nov 2017.

² Source, Gabon analyst, United Kingdom

³ Multiple sources: AFP, 4 Nov 2017; Gabon Review, 5 Nov 2017.

⁴ AFP, 4 Nov 2017.

⁵ AFP, 4 Nov 2017.

⁶ Source, journalist, Libreville

⁷ AFP, 4 Nov 2017.

- A maximum 30m **West African** francs (FCFA) (\$51,380) in funding for a ruling majority candidate's presidential election campaign, and FCFA 20m (\$34,253) for an opposition candidate.⁸

Local commentators believe that the constitutional reform proposal will go against the opposition's wishes for a more responsive democracy,

*"The constitutional reform such that the government would like to initiate is seeking to establish a monarchy in Gabon. It is the wish of Bongo and his friends, who would like to maintain power in the long term, and to manipulate the results of all future elections in Gabon. This initiative has arisen since the international community, and above all **France** and the **European Union (EU)**, did not have the courage to nullify the 2016 presidential election results."*⁹

... as the police service summons Senate vice president for criticising the proposal

The **Bureau du Procureur de la République** (public prosecutor's office) on 30 October summoned Senate vice-president and senator for **Oyem Province, Jean Christophe Owono Nguéma**.¹⁰ Although the public prosecutor's office did not state the reason for the summons, Nguéma claims it is in relation to statements he made in a televised interview on French state-owned **TV5Monde** on 19 October.¹¹ In the interview, Nguéma had criticised the proposed constitutional reform, which the **Conseil des ministres (CdM)** (council of ministers) approved in September and ahead of a vote in the *Assemblée Nationale*.¹² Nguéma said that the constitutional reform is the wrong method to achieve political consensus, after continuing tensions between the ruling government and the opposition,

*"Only France can resolve the [political] conflict: she must resolve the contract with Bongo."*¹³

Bongo's continued crackdown of critical voices may lead to increased tension between the government and opposition.¹⁴ According to the public prosecutor, **Steeve Ndong Essame Ndong**,

*"Nguéma called on the Gabonese population to descend into the streets to confront the defence and security forces, and to revolt against the state's authority. These statements could constitute a blatant offence under Gabonese criminal law, and justify, according to the abovementioned Article 38, the summoning of this senator, so that he is heard by legal police officers acting under my direction."*¹⁵

Article 38 of the Gabonese constitution, to which Ndong refers, states that,

*"All members of parliament cannot, for the duration of the sessions, be pursued, investigated or detained in relation to criminal, correctional or simple police matters, only with the authorisation of the relevant chamber bureau, except in the case of a blatant offence or a definitive sentencing."*¹⁶

Ndong said that according to this definition, whether or not an infraction comprises a blatant offence depends on its seriousness.¹⁷ Ndong specified that for the moment, the government has not filed a legal case against Nguéma.¹⁸ Ndong said that the out-of-court hearing would enable the government and police to determine the severity of Nguéma's alleged intentions.¹⁹ However, Nguéma on 30

⁸ Source, Gabon analyst, United Kingdom

⁹ Source, journalist, Libreville

¹⁰ Gabon Review, 29 Oct 2017.

¹¹ Gabon Review, 29 Oct 2017.

¹² RFI, 31 Oct 2017.

¹³ TV5Monde, 20 Oct 2017.

¹⁴ Source, Gabon analyst, United Kingdom

¹⁵ Gabon Review, 29 Oct 2017.

¹⁶ Gabon Review, 29 Oct 2017.

¹⁷ Gabon Review, 29 Oct 2017.

¹⁸ Source, Gabon analyst, United Kingdom

¹⁹ Gabon Review, 29 Oct 2017.

October ignored the request to appear before the **Direction Générale des Recherches (DGR)** (national intelligence agency).²⁰ Ndong had threatened that if Nguéma fails to meet with the DGR, the police would then “*have the prerogatives of public power.*”²¹ Nguéma on 30 October told the French press that he would not accede to the public prosecutor’s request, employing an opposing interpretation of Article 38 of the constitution as his justification.²² Local commentators have commended Nguéma’s vocal criticism of the constitutional reform,

*“The young senator Nguéma, also a member of the [opposition] UN (see above), had the courage to denounce the constitutional reform proposal and even said it during an interview on **France 24** (French public news station), calling for Gabon to become a protectorate of France and that Gabon should be considered a French department such as in the 1950s-1960s. It is these statements that led to the police summoning Nguéma.”*²³

Other opposition senate members, such as former prime minister and senator for the 2nd district of **Libreville, Jean Eyeghe Ndong**, believe that the summoning is illegal,

*“No member of parliament can be pursued, investigated, detained or judged in regard to his opinions or votes emitted whilst in his functions.”*²⁴

Gabon’s political environment remains sensitive. The opposition is distrustful of Bongo’s government after what they allege is a fraudulent re-election in August 2016 (see *ARC Briefing Gabon September 2016*); they believe the introduction of a constitutional reform proposal is divisive. Bongo has been slow in pushing for implementation of the conclusions from the May political dialogue, and a reformed constitution that does not include the points contained within the political dialogue’s written conclusions. This would indicate that Bongo’s intentions for reconciliation are not sincere. Furthermore, the apparent pursuit of Nguéma as a result of statements made on France 24 highlights the Bongo government’s sensitivity to perceived criticism and the intensity of friction between ruling power and the opposition.

The IMF completes EFF review visit ...

The **International Monetary Fund (IMF)** on 1 November completed a review visit under the three-year \$642m extended fund facility (EFF) signed in June.²⁵ The IMF will use the conclusions from the visit to support a decision on the first review, which it will present to the IMF executive board in mid-December.²⁶ The IMF mission head, **Alex Segura-Ubierno**, said that the IMF team had reached a staff-level agreement with the government with regards to the required economic policy implementation to allow for a second programme disbursement of approximately \$98.8m, after the initial disbursement of the same amount.²⁷ The second disbursement would bring total disbursements to \$197.6m.²⁸ The IMF stressed that the short-term economic outlook continues to be challenging, forecasting just 0.8% gross domestic product (GDP) growth in 2017.²⁹ The IMF said that the domestic arrears were the most pressing short-term economic challenge, especially unpaid bills to state suppliers.³⁰ According to the IMF, this is having a negative impact on private sector operators.³¹ Furthermore, the IMF noted that the commercial and services sectors are weak, as bank deposits and

²⁰ RFI, 31 Oct 2017.

²¹ RFI, 31 Oct 2017.

²² RFI, 31 Oct 2017.

²³ L’Union 2 Nov 2017.

²⁴ L’Union, 10 Nov 2017.

²⁵ IMF Press Release, 1 Nov 2017.

²⁶ IMF Press Release, 1 Nov 2017.

²⁷ IMF Press Release, 1 Nov 2017.

²⁸ IMF Press Release, 1 Nov 2017.

²⁹ IMF Press Release, 1 Nov 2017.

³⁰ IMF Press Release, 1 Nov 2017.

³¹ IMF Press Release, 1 Nov 2017.

credit are declining.³² The IMF also highlighted the weaknesses that persist in non-oil revenue collections and the pressures on the public wage bill.³³ The IMF says the government has committed to pursuing public sector reforms in order to achieve these targets of reducing the public wage bill and increasing non-oil tax revenue.³⁴

However, the IMF noted that the recovery in world commodities prices has benefitted the oil sector and other primary resources such as manganese, timber and agri-business.³⁵ According to the IMF, this recovery led to an increase in exports from the extractive industries of 38% year-on-year in June 2017.³⁶ The IMF cited an “*overperformance*”³⁷ in the government’s application of the fiscal adjustment programme, with a strong correlation to larger-than-expected oil revenues.³⁸ As a result, the IMF expects the fiscal deficit to decline to 3.6% of GDP for 2017, against the previous year’s 6.6% of GDP.³⁹ The IMF also forecasts that the fiscal deficit will drop further to 2.3% of GDP.⁴⁰ Similarly, the IMF expects public debt to decrease to 59% of GDP in 2017, down from an earlier estimate of 64.2% of GDP.⁴¹ The IMF said that the improvement in public debt is in part due to an appreciation in exchange rates.⁴² The euro, to which the FCFA franc is pegged, has appreciated 10% against the dollar since the beginning of 2017.⁴³

A local commentator believes that the Gabonese government must regain trust with the IMF, in order to persuade it that it is serious about meeting its stipulated objectives,

*“Today, Gabon is no longer considered a good student of the IMF or even the **World Bank**. Investors are no longer fighting to access the market, and France’s support is no longer sufficient to change the mentalities of business owners... Gabon today has an obligation, not only to readjust, but also to progressively diversify its economy in order to escape the oil trap.”⁴⁴*

... as Paris Club demands government pay \$350m in arrears

According to local media reports from 13 November, the **Paris Club** of creditors sent a letter to the Gabonese government at the end of October demanding payment of \$350m in debt arrears.⁴⁵ ARC has not seen the letter, which makes the story difficult to corroborate.⁴⁶ If the report is confirmed, it would have negative implications for the government’s debt profile.⁴⁷ The arrears appear to be linked to the Paris Club’s \$716m debt treatment agreement approved in May 2004, which has a repayment over 12 years, with three years’ grace (final repayment in 2019).⁴⁸ According to the Paris Club’s website, the objective of the debt treatment was to reduce debt servicing.⁴⁹ The original agreement stated that by July 2017, 83% of the total \$716m should be repaid, or \$594.3m excluding interest, leaving the remaining 17%, or \$121.7m excluding interest, to be made by January 2019.⁵⁰ The government appears to have paid just 41.1% of its repayment obligations to date, or \$244.3m

³² IMF Press Release, 1 Nov 2017.

³³ IMF Press Release, 1 Nov 2017.

³⁴ IMF Press Release, 1 Nov 2017.

³⁵ IMF Press Release, 1 Nov 2017.

³⁶ IMF Press Release, 1 Nov 2017.

³⁷ IMF Press Release, “IMF Staff Completes Review Visit to Gabon,” www.imf.org, 1 Nov 2017.

³⁸ IMF Press Release, 1 Nov 2017.

³⁹ IMF Press Release, 1 Nov 2017.

⁴⁰ Multiple sources: IMF Press Release, 1 Nov 2017; XE, 8 Nov 2017.

⁴¹ Multiple sources: IMF Press Release, 1 Nov 2017; XE, 8 Nov 2017.

⁴² Multiple sources: IMF Press Release, 1 Nov 2017; XE, 8 Nov 2017.

⁴³ Multiple sources: IMF Press Release, 1 Nov 2017; XE, 8 Nov 2017.

⁴⁴ Source, journalist, Libreville

⁴⁵ Direct Infos, 13 Nov 2017.

⁴⁶ Source, Gabon analyst, United Kingdom

⁴⁷ Source, Gabon analyst, United Kingdom

⁴⁸ Club de Paris, 14 Nov 2017.

⁴⁹ Club de Paris, 14 Nov 2017.

⁵⁰ Club de Paris, 14 Nov 2017.

excluding interest.⁵¹ The agreement allows for debt swaps, which could enable the Gabonese government to restructure the debt in order to meet or amend its repayment schedule.⁵² Reportedly, the alleged debt arrears to the Paris Club could lead to delays in disbursements of Gabon's three-year \$642m EFF signed in June with the IMF.⁵³

According to local media reports from 13 November, Gabon's public debt increased 26.1% from FCFA 3,259 billion (\$5.87 billion) in the first half of 2016 to FCFA 4,110 billion (\$7.4 billion) in the first half of 2017.⁵⁴ The level of increase in Gabon's public debt is indicative of the adverse effects of sustained low crude oil prices, which have forced the government to borrow more in order to uphold its spending.⁵⁵ The Gabonese economy remains dependent on oil, which represents over 80% of Gabon's exports, 45% of GDP and 60% of government revenue.⁵⁶ An economy ministry statement showed that public debt in the first half of 2017 stood at 76% external debt and 24% domestic debt, against 87.8% external debt and 12.2% internal debt in the first half of 2016.⁵⁷ The economy ministry said that domestic debt therefore increased 147% over this period, comprising the bulk of the increase in public debt over the past year.⁵⁸

The increase in public debt is a significant concern for the government. If reports of the Paris Club demanding repayment of arrears are true, there could be negative implications for Gabon's sovereign credit rating. Fortunately, as the government is under an IMF programme, it could redeem its reputation among creditors and investors if it adheres to the IMF's policy reform requirements.

Planner

Apr 2018 **(Gabon)** *RFI*. Gabon holds legislative elections;

Mar 2018 **(Gabon)** *Pouvoirs Afrique*. The agreed reduction with the **Organization of Petroleum Exporting Countries (OPEC)** of 9,000 barrels of oil production ends;

25 Nov 2017 **Libreville (Gabon)** *Press Release*. The **Radisson Blue Okoume** hosts the **Corporate Awards Gabon 2017**;

20 Nov 2017 **Libreville (Gabon)** *Press Release*. The 4th edition of the **Salon de l'Economie et du Développement Durable** (economy and sustainable development forum) begins;

Chronology

13 Nov 2017 **(Gabon)** *Nouveau Gabon*. Public debt reportedly increases 26.1% year-on-year in the first half of 2017;

13 Nov 2017 **(Gabon)** *Gabon Infos*. According to local media reports, the **Paris Club** group of creditors sends a letter to the Gabonese government at the end of October demanding payment of \$350m in debt arrears;

9 Nov 2017 **Libreville (Gabon)** *L'Union*. The government launches an anti-fraud operation within the customs services;

4 Nov 2017 **Libreville (Gabon)** *AFP*. Opposition leader **Jean Ping** says he wants to make a planned constitutional reform programme fail, after the council of ministers passed the proposal;

1 Nov 2017 **Libreville (Gabon)** *Press Release*. The **International Monetary Fund** completes a review visit to Gabon, holding a 0.8% GDP growth outlook for 2017;

⁵¹ Club de Paris, 14 Nov 2017.

⁵² Club de Paris, 14 Nov 2017.

⁵³ Direct Infos, 13 Nov 2017.

⁵⁴ Le Nouveau Gabon, 13 Nov 2017.

⁵⁵ Source, Gabon analyst, United Kingdom

⁵⁶ Source, Gabon analyst, United Kingdom

⁵⁷ Le Nouveau Gabon, 13 Nov 2017.

⁵⁸ Le Nouveau Gabon, 13 Nov 2017.

31 Oct 2017 **Libreville (Gabon)** *RFI*. **Senate** vice-president **Jean Christophe Owono Nguéma** fails to present himself at the **Direction Générale des Recherches** (information services), after the public prosecutor's office summons him for enquiry in relation to a press interview in which Nguéma called for public protest;

24 Oct 2017 **Libreville (Gabon)** *AFP*. The **International Monetary Fund** begins a two-week visit to Libreville to evaluate the economic impacts of the oil price downturn;

23 Oct 2017 **Libreville (Gabon)** *Jeune Afrique*. The government removes visa requirements for other members of the **Communauté Économique et Monétaire d'Afrique Centrale** (Central African economic and monetary union);

23 Oct 2017 **Libreville (Gabon)** *Jeune Afrique*. Government spokesperson **Alain-Claude Bile By Nzé** announces that the government will not partake in "any request for an international inquiry" into post-electoral violence after the August 2016 presidential election;

20 Oct 2017 **(Gabon)** *RFI*. The **European Union** calls for an independent inquiry into post-electoral violence following the August 2016 presidential election;

20 Oct 2017 **(Congo, DRC, Gabon)** *AfricTelegraph*. **South African Airways** cancels flight itineraries to Gabon, Congo and DRC;

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