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Interior minister Lambert-Noel Matha announces an electoral list revision exercise to run from 15-29 June amongst other measures to ensure legislative elections take place. Members of opposition party Union & Solidarité and its youth branch, Mouvement des Jeunes Upégistes, defect to form a new party, Pour le Changement. France-based Veolia expresses its desire to pursue a negotiated settlement with respect to the ongoing dispute over the cancellation of its Société d'Energie et d'Eau du Gabon contract. The Direction Générale des Douanes et Droits Indirects (general directorate of customs of by-laws) reports that China is now Gabon's largest trade partner. Norway-based BW Offshore successfully discovers exploitable hydrocarbons reserves at the Tortue Field, located within Dussafu Licence offshore Gabon.

Gabonese authorities take concrete steps towards organising legislative elections

Interior minister **Lambert-Noel Matha**, in a 25 May interview, stated that Gabon will host legislative elections before the end of the year.¹ Gabon has failed to organise elections on three successive occasions. Legislative elections were initially set to take place on 4 December 2016, 29 July 2017 and 30 April 2018.² The most recent failure to hold legislative elections led the **Cour Constitutionnelle** (constitutional court) to instruct the prime minister, **Emmanuel Issoze-Ngondet**, and his cabinet to resign (see *ARC Briefing Gabon May 2018*).³ This court made the directive on the basis that the government had failed to take the necessary steps to organise elections.⁴

The new cabinet, appointed on 4 May, has been tasked with ensuring legislative elections take place before the end of the year.⁵ Matha did not provide a date for the elections, saying this is the responsibility of the **Centre Gabonais des Élections (CGE)**, as provided by the constitution.⁶ The CGE held a week-long tripartite meeting with the ministry of interior and the constitutional court that ended on 21 May.⁷ CGE president **Moïse Bibalou Koumba** said the CGE would announce the date of the legislative elections at its next tripartite meeting, the date of which is yet to be set.⁸ Koumba confirmed that the municipal elections would not be held at the same time as the legislative elections.⁹ There are rumours that the two-round legislative elections could be held on 7-21 July, 14-28 July or 21 July and 4 August.¹⁰ However,

¹ Gabon Review, 25 May 2018

² Gabon Review, 25 May 2018

³ Jeune Afrique, 1 May 2018

⁴ Jeune Afrique, 1 May 2018

⁵ Jeune Afrique, 8 May 2018

⁶ Gabon Review, 25 May 2018

⁷ Gabon Review, 21 May 2018

⁸ Gabon Review, 21 May 2018

⁹ Gabon Review, 21 May 2018

¹⁰ Gabon Review, 21 May 2018

the CGE must nominate and install provincial, departmental, municipal and district commissioners 30 days before the election date.¹¹

The interior ministry has started assessing election material and electoral registration software, and is carrying out voter sensitisation campaigns.¹² In addition, at the 31 May cabinet meeting, the government adopted the interior ministry's decree to establish 99 local electoral commissions.¹³ These include 21 commissions in President **Ali Bongo Ondimba's** (2009-present) home province of **Haute Ogooué**. There will be 18 commissions in the **Estuaire Province**, which hosts the capital **Libreville** and an estimated 50% of Gabon's population.¹⁴

Matha announced on 13 June that the interior ministry will conduct an electoral list revision exercise from 15-29 June.¹⁵ The registration process will allow new voters to register and will remove the names of deceased persons from the voters' roll.¹⁶ The interior ministry estimates there will be 20,000-25,000 new voters.¹⁷ Matha said the ministry hopes to transfer the revised electoral lists to the CGE by the end of August. This means legislative elections can only take place from September.¹⁸

The interior ministry has not yet resolved its dispute with **France**-based **Gemalto**, which is supposed to put in place a biometric voting system. Gemalto suspended its cooperation with the Gabonese government, due to non-payment of services.¹⁹ The inability to resolve the issue may hamper the government's ability to organise, free, fair and credible elections.

Over the last month, Gabonese authorities have taken important steps to make sure legislative elections take place. The cooperation and engagement between the CGE, constitutional court and ministry of interior is a positive development. However, despite the commencement of the revision of the electoral list, there is still much uncertainty surrounding the elections due to the CGE's failure to announce an election date.

Union & Solidarité opposition party experiences leadership defection

The **Mouvement des Jeunes Upégistes (MJU)**, the youth branch of opposition party **Union & Solidarité (US)**, accuses US president **Jean de Dieu Moukagni-Iwongou** of contravening party rules.²⁰ Moukagni-Iwongou is currently minister of higher education, a position he accepted on 4 May (See *ARC Briefing Gabon May 2018*).²¹ According to article 48 of US party rules, the US can expel Moukagni-Iwongou for accepting a position in government.²² MJU president **Elza Boukandou** took the matter to the **Chambre Civile du Tribunal de Première Instance de Libreville**. The judge ruled against the MJU on 30 May, and referred the case back to Union & Solidarité.²³ Boukandou resigned from her position as MJU president, as did the US third and fourth vice-presidents, **Ange Nzigou** and **Nicolas**

¹¹ Gabon Review, 21 May 2018

¹² Gabon Review, 25 May 2018

¹³ Gabonews, 1 Jun 2018

¹⁴ Gabonews, 1 Jun 2018

¹⁵ Gabon Review, 13 Jun 2018

¹⁶ Gabon Review, 13 Jun 2018

¹⁷ Jeune Afrique, 14 Jun. 2018

¹⁸ Gabon Review, 13 Jun 2018

¹⁹ Gabon Review, 13 Jun. 2018

²⁰ Gabon Review, 15 May 2018

²¹ Jeune Afrique, 8 May 2018

²² Gabon Review, 15 May 2018

²³ Gabon Review, 30 May 2018

Nguema.²⁴ Boukandou, Nzigou and Nguema launched a new party called **Pour le Changement** on 31 May, hoping to draw members from the US.²⁵

The split in the US is symbolic of an increasingly fragmented opposition. Over the past year, many prominent opposition members have accepted cabinet positions. This has been due in large part to the government's delay in holding legislative elections. However, this may also highlight opposition politicians' opportunism. Many have occupied positions in government in the past and, with increasing divisions in the opposition camp and a drop in support, more defections are possible over the ensuing months.

Veolia seeks to negotiate an end to SEEG saga with Gabonese government

France-based **Veolia** CEO **Antoine Frérot** stated on 23 May that Veolia is willing to negotiate with the Gabonese government to end the dispute between the two parties.²⁶ The disagreement stems from the water and energy ministry's decision in February to cancel Veolia's joint venture contract with Gabon-based **Société d'Énergie et d'Eau du Gabon (SEEG)** (see *ARC Briefing Gabon March 2018*).²⁷ The basis of the cancellation was complaints of poor service delivery and allegations that SEEG was responsible for environmental pollution.²⁸ Since the decision to cancel the contract, both sides have issued communiqués blaming each other for the fallout.²⁹

Veolia registered a case for arbitration at the **International Centre for Settlement of Investment Disputes (ICSID)** on 30 March in regard to the matter.³⁰ It appears Veolia wants to take advantage of the 90-day period of conciliation enacted by ICSID in an attempt to find common ground with Gabonese authorities.³¹ It is expected that Veolia will claim €681m (\$791m) from the Gabonese government, equivalent to the 51% stake it had in SEEG.³² The government, in turn, is expected to ask Veolia to pay €300m (\$347m) for pollution-related damages.³³

There are media reports that negotiations may start at a possible SEEG general assembly.³⁴ Water and energy minister **Patrick Eyogo Edzang** authorised the SEEG on 29 May to host its general assembly.³⁵ After Edzang announced that SEEG director general **Marcellin Akendengue** would not organise the assembly, Veolia chief executive for Africa and Middle East **Patrice Fonlladosa** expressed his displeasure at the authorisation of the assembly.³⁶ Edzang cancelled the event, providing no further details.³⁷

Veolia may be seeking to negotiate in order to avoid lengthy and costly court proceedings.³⁸ The company recently lost a case at the ICSID Tribunal in which it claimed €147m (\$202m)

²⁴ RFI, 31 May 2018

²⁵ RFI, 31 May 2018

²⁶ Gabon Review, 23 May 2018

²⁷ Jeune Afrique, 16 Feb 2018

²⁸ Jeune Afrique, 27 Feb 2018.

²⁹ Jeune Afrique, 21 Feb 2018

³⁰ ICSID Case No. CONC/18/1

³¹ Direct Infos Gabon, 23 May 2018

³² Gabon Review, 23 May 2018

³³ Gabon Review, 23 May 2018

³⁴ Direct Infos Gabon, 23 May 2018

³⁵ Jeune Afrique, 7 Jun 2018

³⁶ Jeune Afrique, 7 Jun 2018

³⁷ Jeune Afrique, 7 Jun 2018

³⁸ Direct Infos Gabon, 23 May 2018

from the **Egyptian** government over its minimum wage increase.³⁹ The ICSID Tribunal made its decision on 25 May on a case that lasted six years.⁴⁰ Veolia may thus have more to lose than the Gabonese government by not seeking a quick resolution to the SEEG case.

The outcome of the SEEG case is likely to have an impact on how French firms operate in Gabon. **Pierre Gattaz**, the head of France-based business syndicate **Mouvement des Entreprises de France (MEDEF)**, raised concerns in February about whether French companies are still welcome to do business in Gabon.⁴¹ **Bouygues Energies & Services SA** left Gabon in October, with state debts to the company reportedly exceeding FCFA 80 billion (\$143.5m) (see *ARC Briefing Gabon October 2017*).⁴² The government announced in January that it will not renew the **Libreville** airport operating concession of France-based **Egis et Aeroports de Marseille-Provence**.⁴³ The recent spotlight on the activities of France-based logistics company **Groupe Bolloré** in **Guinea** (see *ARC Briefing Guinea April, May 2018*) could also represent the beginning of a major series of investigations into corruption by French companies in Africa.

China becomes Gabon's largest trading partner

The **Direction Générale des Douanes et Droits Indirects** (general directorate of customs and by-laws) released figures on 2 June showing that **China** was Gabon's largest commercial trade partner in 2017.⁴⁴ Trade between the two countries amounts to just over €1.5 billion (\$1.7 billion).⁴⁵ Gabon has a positive trade balance with China, with exports of €1.1 billion (\$1.2 billion) in 2017.⁴⁶ The products traded with the highest value are petroleum, manganese and timber.⁴⁷ Gabon's second largest trade partner is France, with which it generated €698m (\$809m) in trade in 2017.⁴⁸

The growing impact of **Asian** firms in Gabon demonstrates that Gabonese authorities are keen to diversify their economic partnerships away from historically dominant players such as France-based **Total** and **Groupe Bolloré**.⁴⁹ In a sign of increasing Chinese economic interest in Gabon, China-based construction firm **Herman Guoji Industry** announced plans on 6 June to build 1,000 housing units in Gabon in a \$696m project.⁵⁰ **Singapore-based Olam International Group** revealed on 28 May that it has attracted €304m (\$353m), in foreign direct investment since the creation of the **Gabon Special Economic Zone (GSEZ)** public-private partnership in 2011.⁵¹ The GSEZ has helped to diversify the Gabonese economy, leading to the establishment of 78 firms involved in agro-industry, construction, metallurgical works and pharmaceuticals, and generating 3,000 jobs.⁵²

³⁹ ISDS, 4 Jun 2018

⁴⁰ ISDS, 4 Jun 2018

⁴¹ Jeune Afrique, 6 Mar 2018

⁴² Source, journalist, Libreville

⁴³ Le Nouveau Gabon, 21 Mar 2018

⁴⁴ Direct Infos Gabon, 2 Jun 2018

⁴⁵ Direct Infos Gabon, 2 Jun 2018

⁴⁶ Direct Infos Gabon, 2 Jun 2018

⁴⁷ Direct Infos Gabon, 2 Jun 2018

⁴⁸ Direct Infos Gabon, 2 Jun 2018

⁴⁹ Jeune Afrique, 2 Jun 2018

⁵⁰ Direct Infos Gabon, 6 Jun 2018

⁵¹ Gabon Review, 28 May 2018

⁵² Direct Infos Gabon, 28 May 2018

BW Offshore discovers new hydrocarbons deposits

Norway-based **BW Offshore** announced on 14 May that it has successfully completed an appraisal well at **Tortue Field**, located within **Dussafu Licence** offshore Gabon.⁵³ The exploration exercise confirms the presence of oil and indicates the potential for the discovery of additional hydrocarbon-bearing reserves.⁵⁴ Norway-based **Panoro Energy** carried out successful exploration activity at Dussafu Licence earlier in May (see *ARC Briefing Gabon May 2018*).⁵⁵ BW Offshore CEO **Ken Arnet** says they will drill an additional appraisal well with the aim of identifying additional resources in the greater **Ruche** area, within Dussafu Licence offshore Gabon.⁵⁶ The cost of the well is estimated at around \$20m.⁵⁷

The **Direction Générale des Hydrocarbures** (hydrocarbons directorate) said on 5 June that Gabonese oil production had dropped to 10.5 million tonnes in 2017, an 8.5% reduction.⁵⁸ This was the result of declining oil reserves and a slowdown in activities by major oil firms such as Total and **Netherlands-based Shell**.⁵⁹

BW Offshore's discovery of hydrocarbon reserves indicates there is still room for oil exploration in Gabon. With oil prices hitting \$80 per barrel on 17 May (and \$73 per barrel at time of writing), this may indicate the return of relatively high oil prices, which would mean higher returns for actors in the sector.⁶⁰ In addition, the **Organization for Petroleum Exporting Countries (OPEC)** is seeking to implement measures that would allow oil prices to fluctuate between \$75-\$85 per barrel.⁶¹ Gabon would be an ideal market to look into for possible investment in this domain.

⁵³ BW. Offshore, 14 May 2018

⁵⁴ Offshore Energy, 14 May 2018

⁵⁵ Direct Infos Gabon, 16 May 2018

⁵⁶ BW Offshore, 14 May 2018

⁵⁷ BW Offshore, 14 May 2018

⁵⁸ Direct Infos Gabon, 5 Jun 2018

⁵⁹ Direct Infos Gabon, 5 Jun 2018

⁶⁰ The Globe and Mail, 15 Jun 2018

⁶¹ CNBC, 15 Jun 2018

Planner

December 2018 **Gabon**. Municipal elections (to be confirmed);
 September 2018 **Gabon**. Legislative elections (to be confirmed);

Chronology

13 June **Libreville (Gabon)** *Gabon Review*. Interior minister **Lambert Matha** announces an electoral list revision will run from 15-29 June;

6 June 2018 **Libreville (Gabon)** *Direct Infos Gabon*. **Direction Générale des Douanes et Droits Indirects** reports **China** is Gabon's largest trading partner, with commercial exchange between the two countries reaching \$1.5 billion in 2017;

1 June 2018 **Libreville (Gabon)** *Gabon Review*. Members of opposition **Union & Solidarité** and its youth branch **Mouvement des Jeunes Upégistes** defect to form a new opposition party, **Pour le Changement**;

24 May 2018 **Libreville (Gabon)** *Gabon Review*. **Togolese** president **Faure Gnassingbé** undertakes a 24-hour visit to Gabon and discusses security issues with President **Ali Bongo Ondimba**;

23 May 2018 **(Gabon)** *Gabon Review*. **Veolia** CEO **Antoine Frérot** expresses desire to negotiate an end to ongoing dispute with Gabonese over **Société d'Energie et d'Eau du Gabon** contract cancellation;

14 May 2018 **Libreville, (Gabon)** *BW Offshore press release*. **BW Offshore** announces successful appraisal well, leading to the discovery of hydrocarbon bearing reserves;