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President Ali Bongo Ondimba (2009-present) makes several public appearances in order to dispel rumours about his health and refute the claims of civil servant trade union leader Jean Remy Yama that he has died. The government plans to launch a 100 billion FCFA (\$169.8m) bond issue during the second semester of 2019. France-based metallurgical group Eramet announces it will invest \$725m over the next five years to increase production at the Moanda manganese project, which is operated by its local subsidiary, Compagnie Minière de l'Ogooue (Comilog). The expansion aims to increase production capacity at the mine from its current output of 4.3m tonnes to 7m tonnes in 2023.

Speculation over President Bongo's health continues

President **Ali Bongo Ondimba's** (2009-present) rehabilitation from the stroke he suffered in October continues to be a prime topic of discussion in **Gabon**. Despite recent evidence that Bongo's health has improved (see *ARC Briefing Gabon June 2019*), opposition and civil society organisations continue to insist that Bongo is unfit for his presidential duties. **Jean Remy Yama**, president of Gabon's largest civil servant trade union **Dynamique Unitaire**, went so far as to allege on 2 July that President Bongo was dead.¹ Yama made the claim on the basis that Bongo had been absent from the public eye and subsequently requested an enactment of the vacancy of power as stipulated in the constitution:² Yama said,

*"This requirement makes sense because only the president of the republic has the power to resolve workers' demands. To declare the vacancy of power is to solve the problem of institutional vacuum, by providing workers with a legal and privileged interlocutor to guarantee social justice and peace."*³

In response to Yama's allegations, interior and justice minister **Edgar Anicet Mboumbou Miyakou** announced on 3 July that Yama would be prosecuted for spreading false news.⁴ Miyakou accused Yama of having "*a clear desire to create confusion in the minds of the people*", creating uncertainty amongst development partners and affecting the business environment, public order and social cohesion.⁵ Miyakou described Yama's statements as a violation of freedom of association and expression and a "*clear desire to challenge the authority of the state*".⁶ Anti-Bongo pressure group **Appel a Agir** (call to action) denounced the government's threats and intimidation against Yama and called for respect of Yama's civil and political rights:⁷

*"As long as medical expertise does not attest to the capacity of President Bongo to carry out presidential duties ... there will always be people like the president of Dynamique Unitaire to ask questions for the Gabonese people."*⁸

In a statement released on 4 July, Dynamique Unitaire reaffirmed its belief that President Bongo is dead.⁹ Dynamique Unitaire vice-president **Simon Ndong Edzo** alluded to the fact that President

¹ Gabon Review, 2 Jul 2019

² Gabon Review, 2 Jul 2019

³ Gabon Review, 2 Jul 2019

⁴ Gabon Review, 4 Jul 2019

⁵ Gabon Review, 4 Jul 2019

⁶ Gabon Review, 4 Jul 2019

⁷ Gabon Review, 4 Jul 2019

⁸ Gabon Review, 4 Jul 2019

Bongo had made few public appearances since his definitive return to Gabon in March and suggested the possibility of a clone being used to give the impression Bongo was still in power.¹⁰ Edzo criticised the entry of intelligence service security agents from the **Direction Générale de la Recherche (DGR)** (director general of research) into Yama's home and accused the DGR of attempting to kidnap Yama.¹¹ The opposition **Union Nationale (UN)** has called on the **Cour Constitutionnelle** (constitutional court) to intervene and consider enacting a vacancy of power.¹² The government has maintained its stance that Yama should be punished for his declarations. The **Haute Autorité de Communication (HAC)** (high communication authority) hosted a plenary session on 4 July to analyse Yama's statement.¹³ The HAC acknowledged the public's right to access to information but condemned Yama's statement as "*malicious*" and a threat to national unity and social cohesion.¹⁴

In an apparent attempt to dispel rumours of his demise, President Bongo made his first public appearance since his 8 June speech to the nation, on 4 July.¹⁵ Bongo was photographed in an audience with forestry minister **Lee White**, sports and culture minister **Franck Nguema**, as well as Singapore-based agribusiness **Olam Africa** CEO **Gagan Gupta**.¹⁶ On 11 July, Bongo was seen taking a tour of the capital, **Libreville**, accompanied by his chief of staff, **Brice Laccruche Alihanga**, and his half-brother **Fabrice Ondimba Bongo**, the director general of budget and public finance.¹⁷ President Bongo also received his counterpart from **Equatorial Guinea**, **Teodoro Obiang Nguema** (1979-present), in a visit to strengthen bilateral ties and discuss developments concerning the CFA Franc.¹⁸ Bongo also chaired a cabinet meeting on 18 July for the second consecutive month.¹⁹

Despite these attempts to show that President Bongo's health has improved, pressure groups continue to take steps to prove the contrary. Appel a Agir was set to have its application heard on 15 July at the **Cour d'Appel de Libreville** (Libreville court of appeal) for the appointment of a medical expert to examine whether President Bongo is fit to hold office.²⁰ Appel a Agir had lodged a similar complaint at the **Tribunal de Première Instance de Libreville** (Libreville court of first instance) in May, but the presiding judge found the application inadmissible on the grounds that only the two legislative chambers can approach the Constitutional Court to assess if the head of state can pursue presidential duties and declare definitive incapacity.²¹ Court of appeal judge **Jean Paul Moubembe** disallowed the 15 July hearing on the grounds that the court registrar had not informed President Bongo about the court proceedings. The audience was adjourned until 29 July.²² Appel a Agir member and former spokesperson for opposition leader **Jean Ping, Jean Gaspard Ntoutoume Ayi**, called on Gabonese to attend the independence day parade on 17 August, noting that the military parade – during which President Bongo is required to stand for two hours – will give the public an opportunity to see that Bongo is not well.²³

Continued speculation about Bongo's health is likely to send negative signals to the investor community. However, if the presidency maintains its characteristic silence about the state of the president's health, opposition and pressure groups will continue to make speculative declarations about the president's health.

⁹ Gabon Review, 4 Jul 2019

¹⁰ Gabon Review, 4 Jul 2019

¹¹ Gabon Review, 4 Jul 2019

¹² Gabon Review, 5 Jul 2019

¹³ Gabon Review, 4 Jul 2019

¹⁴ Gabon Review, 4 Jul 2019

¹⁵ Gabon Review, 4 Jul 2019

¹⁶ Gabon Review, 4 Jul 2019

¹⁷ Gabon Review, 11 Jul 2019

¹⁸ Gabon Review, 12 Jul 2019

¹⁹ Gabon Review, 18 Jul 2019

²⁰ Jeune Afrique, 12 Jul 2019

²¹ Jeune Afrique, 5 May 2019

²² Gabon Review, 15 Jul 2019

²³ Gabon Review, 17 Jul 2019

Gabon set to launch bond issue

The Gabonese government is set to launch a 100 billion FCFA (\$169.8m) bond issue during the second semester of 2019.²⁴ This announcement underlines the improving state of Gabon's economy, following the implementation of **International Monetary Fund (IMF)**-instructed structural reforms. On 25 June, prime minister **Julien Nkoghe Bekale** appointed **Cameroon**-based financial asset management company **Attijari Securities Central Africa (ASCA)** to coordinate the operation.²⁵ ASCA is a subsidiary of **Morocco**-based **Attijariwafa Bank** and has the mandate to structure, centralise and invest the public securities that will be issued.²⁶ The state plans to offer the bonds at an interest rate of 6.25% with a maturity of five years.²⁷

The bond issue comes as the three-year budget support provided by the IMF is set to conclude in 2020.²⁸ The IMF support has created conditions that have improved Gabon's macroeconomic state and overall economic prospects, prompting the decision to carry out the bond issue.²⁹ These include the implementation of structural reforms that have led to a reduction of the budget deficit, facilitated economic diversification, and fostered greater inclusive growth.³⁰

These improvements have not gone unnoticed – **United States (US)**-based credit ratings agency **Moody's** upgraded Gabon's outlook from stable to positive on 14 June as a result of the state's effort to ensure fiscal consolidation.³¹ However, Moody's noted that this scenario might be jeopardised if Gabon accumulates more debt, especially as the IMF support programme nears an end.³² The **Direction Générale de la Dette** (director general for debt) reported that public debt rose to 5.142 billion FCFA (\$8.8 billion) during the first quarter of 2019.³³ This indicates an 8% increase compared to the same period in 2018.³⁴ Moody's also cited political uncertainty regarding President Bongo's health (see above) as a possible cause for a future downgrade.³⁵

Eramet to invest \$725m in Moanda manganese project

France-based metallurgical group **Eramet** has announced that it will invest 419 billion FCFA (\$725m) over the next five years to increase production at the Moanda manganese project, which is operated by its local subsidiary, **Compagnie Minière de l'Ogooue (Comilog)**.³⁶ The announcement indicates that there is significant potential in the Gabonese extractive industries beyond oil and gas exploration. Eramet announced on 24 June that Gabonese authorities had issued the company with a certificate of conformity and an operating licence.³⁷ Eramet said the results of the technical, economic, environmental and social impact studies indicated that the project has high value creation potential.³⁸ This will allow the company to carry out an expansion project at the **Moanda** manganese mine increasing production capacity from its current output of 4.3m tonnes to 7m tonnes in 2023.³⁹

Comilog's success in the past few years has provided the motivation for the expansion project. In 2016, production stood at 3.5m tonnes, increasing to a record output of 4.3m tonnes in 2018, and expected to reach 5.3m tonnes in 2019.⁴⁰ However, a drop in prices during the last few weeks has

²⁴ Gabon Actu, 26 Jun 2019

²⁵ Gabon Actu, 26 Jun 2019

²⁶ Direct Infos Gabon, 25 Jun 2019

²⁷ Direct Infos Gabon, 25 Jun 2019

²⁸ La Libreville, 25 Jun 2019

²⁹ La Libreville, 25 Jun 2019

³⁰ La Libreville, 25 Jun 2019

³¹ Moody's, 14 Jun 2019

³² Moody's, 14 Jun 2019

³³ Direct Infos Gabon, 11 Jul 2019

³⁴ Direct Infos Gabon, 11 Jul 2019

³⁵ Moody's, 14 Jun 2019

³⁶ Gabon Review, 24 Jun 2019

³⁷ Direct Infos Gabon, 25 Jun 2019

³⁸ Direct Infos Gabon, 25 Jun 2019

³⁹ Agence Ecofin, 28 Jun 2019

⁴⁰ La Tribune Afrique, 30 Jun 2019

raised concerns from Eramet-Comilog regarding the possibility of lost profits.⁴¹ The expansion is expected to lower the production cost by around 20%.⁴² Eramet CEO **Christel Bories** noted that the expansion project will be "*a very important factor for the profitability of the company*" and will make it possible to raise production and reduce production costs.⁴³ Regarding milestones for the commencement of the project, Bories stated that "*prerequisites have yet to be validated before the final investment decision*".⁴⁴ These prerequisites include funding, legal and technical details.⁴⁵ However, if funding is secured, work can begin during the fourth quarter of 2019.⁴⁶

Comilog surpassed the local subsidiary of France-based **Total, Total Gabon**, as the most profitable private company in Gabon in 2018.⁴⁷ Comilog's board of directors reported that in 2018, Comilog experienced a 46% rise in net profits to 155 billion FCFA (\$236.2m).⁴⁸ Turnover was 741.2 billion FCFA (\$1.1 billion) in 2018 compared to 634.5 billion FCFA (\$967.2m) in 2017, a 16.8% improvement.⁴⁹ This trend is set to continue in 2019, as first quarter results show a 15.5% increase in production compared to the same period last year.⁵⁰ Overall output stands at 1.2m tonnes and has been encouraged by increased demand from **North America** and **China** as well as record production at the Moanda and **Franceville** mines, according to the **Direction Générale de l'Economie et Politique Fiscale** (general directorate for the economy and tax policy).⁵¹ The company hopes that the expansion project will help to raise Comilog's market share to 25% from its current 15% share.⁵²

Eramet's decision to make a significant investment in the manganese sector is a positive development for the Gabonese economy. Gabon is currently the world's second largest producer of high-grade manganese ore.⁵³ With the underperforming state of the petroleum sector, historically the mainstay of Gabon's economy, increased interest in this domain will help Gabon to diversify its economic activity. The IMF has encouraged Gabon to develop non-petroleum sector activities, in particular mineral extraction ventures (see *ARC Briefing Gabon July 2018*).⁵⁴ The IMF attributed Gabon's recovery from its economic slump to increased activity in the mining sector in 2018.⁵⁵ However, the monetary and finance committee of the **Banque des Etats de l'Afrique Centrale** (bank of central African states) decided on 10 July that all mining and oil companies must repatriate 70% of export earnings to the country of origin.⁵⁶ This directive will have direct implications for current as well as potential actors in this field.

⁴¹ La Tribune Afrique, 30 Jun 2019

⁴² Agence Ecofin, 28 Jun 2019

⁴³ La Tribune Afrique, 30 Jun 2019

⁴⁴ La Tribune Afrique, 30 Jun 2019

⁴⁵ La Tribune Afrique, 30 Jun 2019

⁴⁶ Gabon Review, 24 Jun 2019

⁴⁷ Direct Infos Gabon, 1 Jul 2019

⁴⁸ Direct Infos Gabon, 1 Jul 2019

⁴⁹ Direct Infos Gabon, 1 Jul 2019

⁵⁰ Direct Infos Gabon, 11 Jul 2019

⁵¹ Direct Infos Gabon, 11 Jul 2019

⁵² Agence Ecofin, 28 Jun 2019

⁵³ Direct Infos Gabon, 1 Jul 2019

⁵⁴ IMF, 25 Jun 2018

⁵⁵ IMF, 1 Aug 2018

⁵⁶ Direct Infos Gabon, 14 Jul 2019

Planner

30 Sep 2019 **Libreville (Gabon)** *Direct Infos Gabon*. Deadline for tender submissions for the 12th round of petroleum licences

Late 2020/early 2021: **Gabon** Senate elections

2023 **Gabon** local and national assembly elections

Chronology

21 Jul 2019 **Libreville (Gabon)** *Gabon Review*. A by-election for cancelled results from the October 2018 municipal and legislative election will take place on 10 August;

19 Jul 2019 **Libreville (Gabon)** *Agence Ecofin*. Gabon intends to increase its electricity production by 500 MW within the next three years and favour hydroelectric production over thermal methods;

15 Jul 2019 **Libreville (Gabon)** *Agence Ecofin*. The **Direction Générale de l'Economie et Politique Fiscale** (directorate for economy and tax policy) says Gabon registered a 56% increase in palm oil production during the first three months of 2019 compared to the same period in 2018;

11 Jul 2019 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de la Dette** (directorate general for debt) reports that public debt increased by 8% to 5.142 billion FCFA (\$8.8 billion);

11 Jul 2019 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale des Hydrocarbures** (general directorate for hydrocarbons) announces that petroleum production rose by 11.4% by the end of March;

10 Jul 2019 **Libreville (Gabon)** *Direct Infos Gabon*. Prime minister **Julien Nkoghe Bekale** announces that Gabon aims to attract 500,000 tourists per year by 2025;

9 Jul 2019 **Libreville (Gabon)** *Gabon Review*. **Australia-based Infinity Lithium** intends to sell its potash assets in Gabon for 1.7 billion FCFA (\$2.89m);

9 Jul 2019 **Libreville (Gabon)** *Gabon Review*. Petroleum, gas and hydrocarbons minister **Noel Mboumba** says President **Ali Bongo Ondimba** will promulgate the new hydrocarbons code within a week;

2 Jul 2019 **Libreville (Gabon)** *Gabon Review*. Finance minister **Roger Owono** says the Gabonese government spent 700 billion FCFA (\$1.1 billion) on petroleum product subsidies from 2015 to 2018;

27 Jun 2019 **Libreville (Gabon)** *Gabon Review*. Prime minister **Julien Nkoghe Bekale** says Gabon will register 2.9% economic growth in 2019, lower than initial predictions;

27 Jun 2019 **Libreville (Gabon)** *RFI*. Gabonese government announces compulsory certification will be in place by 2022, in the wake of timber trafficking scandal;

25 Jun 2019 **Libreville (Gabon)** *Direct Infos Gabon*. The state is preparing to launch a new bond issue of 100 billion FCFA (\$172.7m) in international financial markets;

25 Jun 2019 **Libreville (Gabon)** *Direct Infos Gabon*. **France-based Eramet** intends to invest 420 billion FCFA (\$725.1m) in order to increase manganese production to 7m tonnes per year by 2023;

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