

## AFRICA RISK CONSULTING

### Gabon Monthly Briefing August 2019

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#### Gabon Summary 21 August 2019

*The Cour d'Appel Judiciaire de Libreville (Libreville court of judicial appeals) rejects a motion to set aside the request to appoint a medical expert to assess the ability of President Ali Bongo Ondimba (2009-present) to perform presidential duties. The interior and justice ministry suspends Cour d'Appel Judiciaire de Libreville president Paulette Ayo Mba Akoli after she rejects the motion. President Bongo makes his third public address and first live broadcasted public appearance since suffering a stroke in Saudi Arabia in October 2018. Gabon signs two exploration contracts with Malaysia-based Petrolian Nasional Bhd (Petronas), the first exploration contracts signed in five years and the first since the new hydrocarbons code came into effect.*

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#### Courts to decide whether medical experts should assess Bongo's health

In a surprising display of judicial independence, the **Cour d'Appel Judiciaire de Libreville** (Libreville court of judicial appeal) has rejected a motion to set aside a request to appoint a medical expert to assess President **Ali Bongo Ondimba's** (2009-present) ability to perform presidential duties.<sup>1</sup> Cour d'Appel Judiciaire de Libreville president **Paulette Ayo Mba Akoli** ruled against the motion by President Bongo's legal counsel on 12 August and the court found itself competent to judge the case.<sup>2</sup> However, in an apparent rebuke of Mba Akoli's judgment, the justice and interior ministry suspended her from her position from 19 August to 30 September saying that she had not respected the decision by the **Cour de Cassation** (cassation court) on 26 July to challenge the jurisdiction of the court of appeal in this case.<sup>3</sup>

The ruling followed a request by **Appel a Agir**, a pressure group composed of 12 opposition and civil society members, to the **Tribunal de Première Instance de Libreville** (Libreville court of first instance) in July to appoint a medical expert to ascertain whether Bongo is fit to hold presidential office.<sup>4</sup> In May, the Tribunal de Première Instance de Libreville had found the application inadmissible on the grounds that only the two legislative chambers can approach the **Cour Constitutionnelle** (constitutional court) to assess if the head of state can pursue presidential duties and declare definitive incapacity.<sup>5</sup> The hearing was set to take place on 15 July at the Cour d'Appel de Libreville but was adjourned until 29 July because the court registrar had not informed President Bongo about the court proceedings.<sup>6</sup> The case was heard on 29 July, but dismissed following a motion for annulment by President Bongo's defence team.<sup>7</sup> The Cour de Cassation was asked to withdraw the case files from the Court of Appeal on the grounds that Bongo is the head of state.<sup>8</sup> In her ruling, Mba Akoli described the request from President Bongo's legal team as "*pure malice and against the law*" and requested both parties to appear before the court on 26 August.<sup>9</sup>

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<sup>1</sup> Gabon Review, 12 Aug 2019

<sup>2</sup> Gabon Review, 12 Aug 2019

<sup>3</sup> Jeune Afrique, 21 Aug 2019

<sup>4</sup> RFI, 13 Aug 2019

<sup>5</sup> Jeune Afrique, 5 May 2019

<sup>6</sup> Gabon Review, 15 Jul 2019

<sup>7</sup> Gabon Review, 12 Aug 2019

<sup>8</sup> Gabon Review, 12 Aug 2019

<sup>9</sup> Gabon Review, 12 Aug 2019

Appel a Agir described the presiding judge's decision as "*courageous*".<sup>10</sup> Appel a Agir member **Franck Ndjimbi** said the judgment was

*"... a message sent to all those who no longer believe, and rightly so, in the capacity of the Gabonese justice to say right ....today the president of the court of appeal has taken this responsibility. I hope it will lead to the triumph of the rule of law and the well-being of Gabon."*<sup>11</sup>

When Appel a Agir first filed the request to have a medical expert examine President Bongo's fitness to carry out presidential duties, former interior minister **Lambert Mbatha** accused the group of trying to "*destabilise institutions*".<sup>12</sup>

President Bongo's lead counsel, **Aimery Bhongo-Mavoungo**, claimed there is no legal basis to pursue the case:<sup>13</sup>

*"The case is in cassation and does not allow the Court of Appeal to go further with proceedings."*<sup>14</sup>

The appeal court's decision will motivate the presidential camp to take further steps to convince the general public that Bongo is responding well to rehabilitation efforts (see below). Despite regular accusations that the Gabonese judiciary is not independent, this is the second time in just over a year that the judicial system has taken a landmark decision against the government. In April 2018, constitutional court president **Marie Madeleine Mborantsuo** ordered the prime minister and his cabinet to resign, due to their failure to organise local elections (see *ARC Briefing Gabon May 2018*).<sup>15</sup>

### **Bongo makes first public appearance since March**

President Bongo has made his third public address and first live broadcast public appearance since suffering a stroke in **Saudi Arabia** in October.<sup>16</sup> However, despite his seemingly improved health, questions remain as to whether he is fit to perform presidential duties. Bongo laid a wreath at the mausoleum of Gabon's founding president, **Leon M'ba** (1960-1967), on 16 August, the eve of Gabon's 59<sup>th</sup> anniversary.<sup>17</sup> This was Bongo's third address to the nation since his stroke, and his first public appearance since his definitive return to Gabon in March, which was filmed outside of the presidency and by media organs that are not controlled by the presidency or government communications.<sup>18</sup> During the ceremony, Bongo appeared visibly weak, used a walking cane, and was assisted by his aide-de camp.<sup>19</sup>

Following the wreath-laying ceremony, Bongo read the traditional national day speech, noting that his role as president is to be the guarantor of the nation.<sup>20</sup> Bongo said that all Gabonese have the right to dignified living conditions and that the government would formulate initiatives to address youth employment and skills development, particularly in the domains of agriculture, health and the services.<sup>21</sup> He announced the start of construction in September on the 780 km **Transgabonaise Highway** linking the capital, **Libreville**, with **Franceville**, the capital of Bongo's home province of **Haute Ogooué** in south-east Gabon.<sup>22</sup> Bongo also promised to accelerate the decentralisation process, noting the slow impact of the **Fonds d'Initiatives Departementales** (departmental initiative

<sup>10</sup> Gabon Review, 12 Aug 2019

<sup>11</sup> Gabon Review, 12 Aug 2019

<sup>12</sup> Jeune Afrique, 13 Aug 2019

<sup>13</sup> RFI, 13 Aug 2019

<sup>14</sup> Gabon Review, 13 Aug 2019

<sup>15</sup> Jeune Afrique, 1 May 2019

<sup>16</sup> Gabon Review, 16 Aug 2019

<sup>17</sup> Gabon Review, 16 Aug 2019

<sup>18</sup> Jeune Afrique, 16 Aug 2019

<sup>19</sup> Gabon Review, 16 Aug 2019

<sup>20</sup> Gabon Review, 16 Aug 2019

<sup>21</sup> Gabon Review, 16 Aug 2019

<sup>22</sup> Direct Infos Gabon, 18 Aug 2019

fund), which was launched in April 2018 (see *ARC Briefing Gabon April 2018*). Bongo concluded by acknowledging the progress that Gabon has registered under the **International Monetary Fund's (IMF)** economic reform package, saying that Gabon's public debt had reduced from 64% to 60% and that economic growth was set to reach 3.5% in 2019.<sup>23</sup> The following day, Bongo attended national day celebrations and arrived with the **Garde Republicaine** (republican guard), in his capacity of chief of the armed forces.<sup>24</sup>

Despite Bongo's public appearance, the public broadcaster did not show images of him reviewing the troops or climbing steps to the grandstand.<sup>25</sup> The parade lasted for about an hour, which is shorter than normal.<sup>26</sup> Bongo's chief of staff, **Brice Laccruche Alihanga**, claimed that Bongo's appearance during the national day celebrations demonstrated that he is fully in control of the country.<sup>27</sup> On 19 July, spokesperson at the presidency **Ike Ngounoui** had organised a press conference in which he insisted that Bongo is making all presidential decisions and assured that Bongo would address a press conference "*when the time is right*".<sup>28</sup>

President Bongo and his inner circle have increasingly taken steps to reassure the public that Bongo's health is improving and that he is exercising his presidential duties. Contrary to the first months of his recovery when information or images regarding Bongo's health were rarely released, government communications now appear more comfortable disseminating these. Bongo has been active of late, having received foreign dignitaries including **Togo's** President **Faure Gnassingbé** (2005-present), **Cote d'Ivoire's** President **Alassane Ouattara** (2010-present), **Chad's** head of state, **Idriss Deby** (1990-present), and **Rwanda's** president **Paul Kagame** (1994-present).<sup>29</sup> Bongo also had an audience with **United States** actor **Samuel L. Jackson** and has presided over cabinet meetings since June.<sup>30</sup> Nonetheless, these activities have not convinced the opposition and civil society, which continue to take steps to prove Bongo is not in a physical state to hold presidential office.

### Petronas signs two exploration contracts with Gabon

Petroleum, gas and hydrocarbons minister **Noel Mboumba** has signed two exploration contracts with **Malaysia-based Petrolian Nasional Bhd (Petronas)**.<sup>31</sup> These are the first exploration contracts signed in Gabon in five years and the first under the new hydrocarbons code, which President Bongo promulgated on 16 July.<sup>32</sup> The new hydrocarbons code and the arrival of Petronas signal the increasing interest in Gabon's oil and gas sector. Mboumba and Petronas strategic and commercial manager **Aziz Hozman** signed the exploration agreement on 3 August.<sup>33</sup> In terms of the contract, Petronas will acquire the **Yitu** (F12) and **Meboum** (F13) offshore oil concessions, located near **Magamba** off the coast of Southern Gabon, and covering a total surface area of more than 4,300 square kilometres.<sup>34</sup>

Petronas already had a presence in Gabon, having made an oil and gas discovery in deep water **Boudji** in March 2018.<sup>35</sup> The contract for exploration and production sharing (CEPP) increases its assets in

<sup>23</sup> Direct Infos Gabon, 18 Aug 2019

<sup>24</sup> RFI, 17 Aug 2019

<sup>25</sup> Gabon Review, 17 Aug 2019

<sup>26</sup> Gabon Review, 17 Aug 2019

<sup>27</sup> Gabon Review, 19 Aug 2019

<sup>28</sup> La Tribune Afrique, 20 Aug 2019

<sup>29</sup> Jeune Afrique, 13 Aug 2019

<sup>30</sup> Jeune Afrique, 13 Aug 2019

<sup>31</sup> Jeune Afrique, 5 Aug 2019

<sup>32</sup> Jeune Afrique, 5 Aug 2019

<sup>33</sup> Direct Infos Gabon, 3 Aug 2019

<sup>34</sup> Jeune Afrique, 5 Aug 2019

<sup>35</sup> [www.rigzone.com](http://www.rigzone.com), 5 Mar 2018

Gabon to three.<sup>36</sup> Gabon's petroleum and hydrocarbons ministry predicts that Petronas' concessions can produce upwards of 200,000 barrels of oil per day when fully developed.<sup>37</sup>

Mboumba attributes Petronas' interest in Gabon's hydrocarbons sector to the enactment of the new hydrocarbons code:<sup>38</sup>

*"The old hydrocarbons code was not attractive enough from a taxation and economic point of view. It has been a drag on the development of our sedimentary basin. Petronas was waiting for the promulgation of this new code to be able to sign the CEPP."*<sup>39</sup>

The new hydrocarbons code replaces the legislation that had been in effect since 2014.<sup>40</sup> The most notable changes include a reduction in state shareholding in oil and gas concessions as well as a decrease in taxes. The old framework allowed the state to own 20% of the share capital of concessions.<sup>41</sup> The new framework stipulates that the state is allowed a maximum of 10% of share capital in any oil and gas concession.<sup>42</sup> The state's interest in oil contracts will be managed by the national oil company, **Gabon Oil Company (GOC)**.<sup>43</sup> Corporate tax, which amounted to 35%, has been scrapped and the proportional mining royalty clause has also been significantly reduced.<sup>44</sup> Mboumba has set a target for Gabon to reach a production capacity of 300,000 barrels per day by 2020/2021.<sup>45</sup> Current production stands between 200,000 to 225,000 barrels per day.<sup>46</sup>

The Petronas CEPP signing is a welcome development for Gabon's hydrocarbons sector, which has a significant impact on the economy. Gabon is the fifth largest oil producer in **Africa** with oil accounting for 80% of its exports, 60% of fiscal revenue, and 45% of its GDP.<sup>47</sup> Gabon is also a member of the **Organization of Petroleum Exporting Countries (OPEC)**.<sup>48</sup> The drastic fall in global oil prices that commenced in 2014 has impacted Gabon negatively.<sup>49</sup> The previously unfavourable regulatory environment also discouraged new players from helping to develop the sector.<sup>50</sup> Major industry players demonstrated growing disinterest in Gabon's hydrocarbons sector with **Netherlands**-based **Royal Dutch Shell** selling its assets to **United Kingdom**-based **Assala Energy** in 2017, while **France**-based **Total** sold some of its assets to the **Anglo-French** oil and gas company **Perenco**.<sup>51</sup> Oil production has also fallen over the last few years. Gabon experienced a peak production of 18 million barrels in 1997.<sup>52</sup> In 2017, production stood at 198,000 barrels per day but fell by 6% in 2018 to 187,000 barrels.<sup>53</sup>

However, the new code, which was drafted in consultation with oil and gas industry stakeholders and the IMF, appears to be reaping rewards.<sup>54</sup> Former petroleum and hydrocarbons minister **Pascal Houangni Ambouroué** announced in April that 35 oil and gas blocks had been put up for sale (see

<sup>36</sup> Jeune Afrique, 5 Aug 2019

<sup>37</sup> Jeune Afrique, 5 Aug 2019

<sup>38</sup> Direct Infos Gabon, 3 Aug 2019

<sup>39</sup> Direct Infos Gabon, 3 Aug 2019

<sup>40</sup> Jeune Afrique, 25 Jul 2019

<sup>41</sup> Jeune Afrique, 25 Jul 2019

<sup>42</sup> Jeune Afrique, 25 Jul 2019

<sup>43</sup> Jeune Afrique, 25 Jul 2019

<sup>44</sup> Jeune Afrique, 25 Jul 2019

<sup>45</sup> Direct Infos Gabon, 3 Aug 2019

<sup>46</sup> Direct Infos Gabon, 3 Aug 2019

<sup>47</sup> World Bank, Mar 2018

<sup>48</sup> World Oil, 4 Aug 2019

<sup>49</sup> Jeune Afrique, 5 Aug 2019

<sup>50</sup> Jeune Afrique, 5 Aug 2019

<sup>51</sup> Jeune Afrique, 25 Jul 2019

<sup>52</sup> World Bank, Mar 2018

<sup>53</sup> Gabon Eco, 5 Apr 2019

<sup>54</sup> Jeune Afrique, 25 Jul 2019

ARC Briefing Gabon April 2019).<sup>55</sup> Of the 35 blocks concerned, 23 are deep offshore and 12 are shallow offshore.<sup>56</sup> The hydrocarbons ministry is no doubt hoping that the new code will facilitate the sale of these blocks, raise production levels, and increase badly needed jobs and state revenue.

### Planner

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

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

2023 **(Gabon)** local and national assembly elections

### Chronology

19 Aug 2019 **Libreville (Gabon)** *Jeune Afrique*. Interior and justice ministry suspends **Cour d'Appel Judiciaire de Libreville** (Libreville court of judicial appeals) president **Paulette Ayo Mba Akoli** who rejected the appeal by President **Ali Bongo Ondimba's** legal team to prevent the appointment of a medical expert to examine his fitness to carry out presidential duties;

18 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. Forestry and environment minister **Lee White** announces that the government has earmarked for auction 125 containers that were part of a hardwood trafficking syndicate and have an estimated value of 45 billion FCFA (\$76m);

16 Aug 2019 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** announces that construction on the **Transgabonaise** highway, stretching from **Libreville** to **Franceville** (780km) will start in September;

16 Aug 2019 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** addresses the nation for the third time since his stroke in October 2018;

15 Aug 2019 **Libreville (Gabon)** *Agence Ecofin*. Gabon-based **Alpha Centauri Mining** has launched a new gold production line at its **Ndjole** site near **Lambaréné**;

13 Aug 2019 **Libreville (Gabon)** *Gabon Review*. **BW Energy Gabon**, a branch of Norway-based **BW Offshore**, and its partner, United Kingdom-based **Panoro Energy**, launch the drilling of six exploration wells on the **Hibiscus Updip** prospect in the **Dussafu Marin** permit off the coast of Gabon;

12 Aug 2019 **Libreville (Gabon)** *Gabon Review*. The **Cour d'Appel Judiciaire de Libreville** (Libreville court of judicial appeals) rejects the appeal by President **Ali Bongo Ondimba's** legal team, to prevent the appointment of a medical expert to examine if he is fit to carry out presidential duties;

9 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. Gabon intends to sell the 250 containers of kevazingo hardwood that were illegally logged and led to the dismissal of several government officials;

9 Aug 2019 **Libreville (Gabon)** *RFI*. Judicial police agents arrest former prime minister **Jean-François Ntoutoume Emame** without giving a reason for his arrest;

9 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. **Emerging Africa Infrastructure Fund (EAIF)** announces it has organised a long-term debt mobilisation of €305m (\$341.3m) for the rehabilitation of the **Owendo International Port**;

<sup>55</sup> RFI, 5 Apr 2019

<sup>56</sup> RFI, 5 Apr 2019

- 6 Aug 2019 **Libreville (Gabon)** *Jeune Afrique*. Gabon-based **E-Doley Finance** and **BGFI Bank** will appear before the **Tribunal de Commerce de Paris** (Paris commerce tribunal) on 20 September, with E-Doley Finance is claiming €7m (\$7.8m) from BGFI Bank;
- 6 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. **United Arab Emirates**-based waste collection firm **Arveda** suspends activities in Libreville, due to a 10 billion FCFA (\$17m) unpaid debt from the city of Libreville;
- 4 Aug 2019 **Libreville (Gabon)** *RFI*. Government announces ban on night travel by road to reduce motor accidents;
- 3 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. **Malaysia**-based **Petronas** signs two contracts for exploration and shared production of the **Yitou** and **Meboun** offshore blocks;
- 1 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de la Comptabilité Publique et du Trésor (DGCPT)** (general directorate of public accounting and treasury) reports that public investment decreased by 30% during the first semester of 2019;
- 1 Aug 2019 **Libreville (Gabon)** *Direct Infos Gabon*. The ministry of economy, finance and national solidarity says commercial trade between **China** and Gabon amounted to 1,000 billion FCFA (\$1.6 billion) in 2018
- 29 Jul 2019 **Libreville (Gabon)** *Agence Ecofin*. Investment promotion and public-private partnerships minister **Jean-Fidèle Otandault** announces Gabon will set up a one-stop shop for foreign investors;
- 24 Jul 2019 **Libreville (Gabon)** *Gabon Review*. The **Haute Autorité de Communication (HAC)** (higher communication authority) suspends 30 locally-based media organs for non-conformity with the communication code;

### About Africa Risk Consulting:

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