

AFRICA RISK CONSULTING

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Gabon Summary 21 April 2021

Gabon begins its Covid-19 vaccination roll out and orders an additional 215,000 vaccine doses. The Direction Générale de l'Economie et de la Politique Fiscale (DGPEF) (directorate-general for the economy and fiscal policy) says Gabon's public debt rose by 17.2% from 5,346.5 billion FCFA (\$9.7 billion) in 2019 to 6,264.9 billion FCFA (\$11.3 billion) in 2020. The DGPEF reports that gross domestic product (GDP) fell by 10.7% from 9,887 billion FCFA (\$18.8 billion) in 2019 to 8,825.5 billion FCFA (\$16.2 billion) in 2020 due in large part to a significant decline in oil revenue. Gabon produced a record 8.448 million tonnes of manganese in 2020, a 25.2% increase on its 2019 production of 6.8 million tonnes.

Gabon starts Covid-19 vaccination roll out

Gabon has commenced its **Covid-19** national vaccination rollout after receiving 100,000 doses of the **China**-manufactured **Sinopharm** Covid-19 vaccine in early March (see *ARC Briefing Gabon March 2021*).¹ Prime minister **Rose Christiane Ossouka Raponda**, accompanied by health minister **Dr. Guy Patrick Obiang Ndong**, presented the long-awaited national vaccine plan to President **Ali Bongo Ondimba** (2009-present) on 22 March.² Ossouka Raponda said the government would launch a communication campaign to educate the population about the vaccine roll out but gave no further details.³ The health ministry has set up 114 vaccination centres.⁴

Bongo noted that Gabon would receive vaccines produced by different laboratories, in addition to the Sinopharm vaccine, in the coming weeks.⁵ The first phase of the vaccine roll out will prioritise healthcare workers, defence and security personnel, the elderly, and individuals with underlying health conditions.⁶ Bongo noted that vaccination is not compulsory but strongly recommended that people get vaccinated, stating on **Twitter** his own intention to be vaccinated.⁷ Bongo recommended that the population rely on “*scientific research*” for information regarding vaccines, rather than “*rumours and conspiracy theories*”.⁸

Ossouka Raponda posted a message on **Facebook** on 23 March announcing that all members of government will receive the Covid-19 vaccine.⁹ The prime minister said Covid-19 vaccination would help to reduce hospitalisation, lead to the removal of Covid-19 restrictive measures and allow a return to “*normal life*”.¹⁰ In a bid to ensure full popular support for vaccination, Ossouka Raponda hosted a meeting with a delegation of religious leaders on 24 March to provide assurance regarding the safety and reliability of the vaccines.¹¹ Delegation spokesperson **Pastor Michel Francis Mbadinga** said the meeting aimed to get answers from the government and relay them to their

¹ Gabon Media Time, 12 Mar 2021

² Gabon Review, 22 Mar 2021

³ Gabon Review, 22 Mar 2021

⁴ Gabon Media Time, 24 Mar 2021

⁵ Gabon Review, 22 Mar 2021

⁶ Gabon Review, 22 Mar 2021

⁷ Gabon Review, 22 Mar 2021

⁸ Gabon Review, 22 Mar 2021

⁹ Gabon Review, 23 Mar 2021

¹⁰ Gabon Review, 23 Mar 2021

¹¹ Gabon Media Time, 24 Mar 2021

communities, to stress the importance of vaccination.¹² Obiang Ndong on 25 March called on senators to encourage their constituents to receive the vaccine.¹³

The health ministry provided a list of individuals who should not be vaccinated, including:

- Persons who tested positive for Covid-19 during the last three months
- Individuals with allergic reactions
- Those with blood clotting diseases
- Persons suffering from chronic diseases
- All individuals under 18 years of age.¹⁴

The **Comité National de Vaccination Covid-19 (Copivac)** (Covid-19 national vaccination committee) reported on 31 March that 1,108 individuals had received a dose of the vaccine in the first week of the rollout from 23 -31 March.¹⁵ The 15 April update noted that the second phase of the vaccine plan had begun.¹⁶ Vaccination has also commenced in the economic capital of **Port Gentil**.¹⁷ Presidential spokesperson **Jessye Ella Ekogha** said Gabon had ordered an additional 200,000 Sinopharm vaccines as well as 15,000 doses of the **Russia**-manufactured **Sputnik V** vaccine.¹⁸

The government has taken significant steps to ensure that the population has confidence in the vaccine and is aware of the national vaccine strategy.¹⁹ The move is prudent, given the amount of trust it lost following the protests in February against Covid-19 measures, which led to at least two deaths.²⁰ **Cour Constitutionnelle** (constitutional court) president **Marie-Madeleine Mborantsuo** admitted that the restrictive measures curtailed several individual freedoms but noted they were necessary in order to save lives and reduce pressure on the public healthcare system.²¹

Gabonese authorities remain vigilant about the possibility of cases spreading further. Bongo on 7 April ordered the extension of the national health state of emergency for 45 days.²² Since Gabon confirmed its first Covid-19 case on 12 March 2020 (see *ARC Briefing Gabon March 2020*),²³ as of 21 April it has recorded 22,032 positive cases, 22,560 recoveries and 136 deaths in its population of 2.1 million people.²⁴

Growth in public debt causes concern ...

Gabon's public debt experienced a 17.2% year-on-year increase in 2020, according to the most recent sectoral report published in March by the **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (directorate-general for the economy and fiscal policy).²⁵ International credit rating agencies, multilateral financial institutions and President Bongo have all highlighted Gabon's rising debt as a source of concern, noting that it could negatively affect the country's economic recovery and development efforts. The DGPEF noted that by the end of 2020, public debt had risen to 6,264.9 billion FCFA (\$11.3 billion) from 5,346.5 billion FCFA (\$9.7 billion) in 2019.²⁶ Externally contracted debt amounts to 4,052 billion FCFA (\$7.4 billion) or 64.7% of the debt ratio.²⁷ The remaining 35.3%

¹² Gabon Media Time, 24 Mar 2021

¹³ Gabon Media Time, 25 Mar 2021

¹⁴ Direct Infos Gabon, 25 Mar 2021

¹⁵ Direct Infos Gabon, 31 Mar 2021

¹⁶ Direct Infos Gabon, 16 Apr 2021

¹⁷ Direct Infos Gabon, 16 Apr 2021

¹⁸ Direct Infos Gabon, 16 Apr 2021

¹⁹ ARC Gabon analyst

²⁰ Africanews, 18 Feb 2021

²¹ Gabon Review, 19 Mar 2021

²² Gabon Media Time, 8 Apr 2021

²³ Gabon Review, 12 Mar 2020

²⁴ Worldmeter, 21 Apr 2021

²⁵ Gabon Media Time, 12 Apr 2021

²⁶ Gabon Media Time, 12 Apr 2021

²⁷ Gabon Media Time, 12 Apr 2021

constitutes domestic debt of 1,470.9 billion FCFA (\$2.6 billion), a 35% increase compared to 2019.²⁸ Gabon has now surpassed the 70% debt-to-GDP ratio benchmark set for members of the **Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC)** (economic and monetary community of Central Africa).²⁹

The **Direction Générale de la Dette (DGD)** (general directorate for debt) provided reasons for the sharp rise in Gabon's public debt.³⁰ External debt increased due to the \$1 billion **Eurobond** issue undertaken in February 2020³¹ (see *ARC Briefing Gabon February 2020*) as well as loans obtained from the **African Development Bank (AfDB)** and **International Monetary Fund (IMF)**, which were used to provide budget support.³² Domestic debt rose due to the reconsolidation of the state's commitment to **BGFI Bank** and the assumption of the debt stock due to **Ecobank Gabon**, a branch of **Togo-based Ecobank Transnational Inc.**³³

Gabon's precarious public debt situation was a recurring topic in 2020. Credit rating agencies including **United States (US)**-based **Fitch Ratings** and **Moody's**, as well as US-based financial services provider **Goldman Sachs**, had on separate occasions alluded to the possibility of Gabon defaulting on its debt payments due to its rising debt and an unfavourable economic climate (see *ARC Briefing Gabon November and December 2020*). In August 2020, the IMF warned that Gabon's debt-to-GDP ratio could reach 75%, due in large part to the accumulation of internal debt arrears, the fall in oil prices, and increased borrowing as a result of the Covid-19 pandemic (see *ARC Briefing Gabon September 2020*).³⁴

President Bongo stated during his 31 December year-end speech that Gabon's spiraling public debt must be brought under control. Bongo and the economy ministry set a medium-term target of lowering debt to 50% of gross domestic product (GDP) (see *ARC Briefing Gabon January 2021*).³⁵ However, the latest DGPEF figures suggest the debt-to-GDP ratio oscillates around 80%.³⁶ This is likely to make it more difficult for Gabon to achieve its objective of lowering the ratio to 50%, let alone reaching the IMF's predicted debt reduction mark of 60.2% by 2025.³⁷

Gabonese authorities have nevertheless taken noteworthy steps to address the growing debt. In June 2020, a presidential task force was created to carry out an audit of domestic debt that the government owes to small and medium-sized enterprises (SMEs) and service providers (see *ARC Briefing Gabon October 2020*).³⁸ By November, the task force, headed by Bongo's son and presidential affairs coordinator, **Nourredin Valentin Bongo**, had uncovered 440 billion FCFA (\$797.2m) in unverified debt claims (see *ARC Briefing Gabon November 2020*).³⁹ Furthermore, Gabon settled 1,178.7 billion FCFA (\$2.1 billion) of its debt in 2020, a 48.6% year-on-year increase.⁴⁰ External debt payments were equivalent to 795.5 billion FCFA (\$1.4 billion), while 383.2 billion FCFA (\$701.7m) was disbursed for internal debt settlements.⁴¹

...as oil revenue drop hits GDP ...

The directorate-general for the economy and fiscal policy reported in March that Gabon's GDP fell by 10.7% to 8,825.5 billion FCFA (\$16.2 billion) in 2020, down from 9,887 billion FCFA (\$18.8 billion) in

²⁸ Gabon Media Time, 12 Apr 2021

²⁹ ARC Gabon analyst

³⁰ Direct Infos Gabon, 7 Apr 2021

³¹ Jeune Afrique, 4 Feb 2020

³² Direct Infos Gabon, 7 Apr 2021

³³ Direct Infos Gabon, 7 Apr 2021

³⁴ Gabon Review, 31 Aug 2020

³⁵ Gabon Media Time, 5 Jan 2021

³⁶ Direct Infos Gabon, 7 Apr 2021

³⁷ Direct Infos Gabon, 4 Jan 2021

³⁸ Jeune Afrique, 21 Oct 2020

³⁹ Financial Afrik, 15 Nov 2020

⁴⁰ Direct Infos Gabon, 7 Apr 2021

⁴¹ Direct Infos Gabon, 7 Apr 2021

2019.⁴² The dip in GDP is another manifestation of the economic downturn Gabon experienced in 2020, which saw the economy contract by 2.7%, according to the AfDB (see *ARC Briefing Gabon March 2021*).⁴³

Gabon's sharp decline in GDP resulted from the slowdown of primary sector economic activity and the effects of the Covid-19 restrictive measures.⁴⁴ According to the DGPEF's March sectoral report, primary sector contribution to GDP fell by 26% and amounted to 2,140.1 billion FCFA (\$3.9 billion).⁴⁵ Primary sector activity saw a simultaneous drop in crude oil production and revenue in 2020.⁴⁶ Crude oil production decreased by 1.2% from 79.69 million barrels in 2019 to 78.7 million barrels in 2020.⁴⁷ The DGPEF noted that the contraction in production volume was due to output quotas set by the **Organisation of the Petroleum Exporting Countries (OPEC)** to ensure an increase in oil prices, which averaged \$40.23 per barrel over the year.⁴⁸ Oil exports fell from 77.12 million barrels in 2019 to 72.37 million barrels in 2020.⁴⁹ Oil revenue generated reached 536.4 billion FCFA (\$982.3m) in 2020, which was 15.7% above the 463.5 billion FCFA (\$848.8m) initially forecasted.⁵⁰ These results are due in large part to positive performances registered by US-based **Vaalco Energy** and Bermuda-registered **BW Energy**, which carry out exploration activities in the **Etame** offshore oil deposit.⁵¹ On average, Gabon derives 80% of exports, 45% of GDP, and 60% of fiscal revenue from the oil sector, making it one of the country's most strategic economic domains.⁵²

Gabon's secondary sector also witnessed a drop, from 2,303 billion FCFA (\$4.2 billion) in 2019 to 2,012.3 billion FCFA (\$3.6 billion) in 2020.⁵³

... and manganese production soars

Despite the contraction in Gabon's GDP and the underwhelming performance of the oil sector, manganese continues to play an increasingly important role in the Gabonese economy. Gabon produced a record 8.448 million tonnes in 2020, a 25.2% increase on the 2019 total of 6.8 million tonnes.⁵⁴ The significant improvement was due to sustained activity at the **Moanda** and **Franceville** concessions as well as the commission of the **Okandja** deposit.⁵⁵ The figure would have been higher if production at the **Ndjolé** concession had not been disrupted due to technical problems.⁵⁶ Exports and sales improved by 31.3% and 31.7% respectively, due largely to **Chinese** demand for steel, despite market disruptions caused by Covid-19.⁵⁷ The **Compagnie Minière de l'Ogooue (Comilog)**, a branch of **France**-based metallurgical firm **Eramet** and China-based manganese producer **Commerciale des Mines de Huazhou (CICMHZ)**, a subsidiary of China-based **Citic Dameng Mining Industries Ltd**, have led the increased production.⁵⁸

Promoting the development of the manganese sector would enable Gabon to take an important step towards diversifying its economic structure and reducing its dependence on the oil sector.⁵⁹ Economic diversification is one of the main objectives of the **Plan d'Accélération de la Transformation (PAT)**

⁴² Gabon Media Time, 14 Apr 2021

⁴³ African Economic Outlook, 12 Mar 2021

⁴⁴ Gabon Media Time, 14 Apr 2021

⁴⁵ Gabon Media Time, 14 Apr 2021

⁴⁶ Direct Infos Gabon, 14 Apr 2021

⁴⁷ Sika Finance, 12 Apr 2021

⁴⁸ Sika Finance, 12 Apr 2021

⁴⁹ Sika Finance, 12 Apr 2021

⁵⁰ Direct Infos Gabon, 14 Apr 2021

⁵¹ Gabon Media Time, 11 Apr 2021

⁵² World Bank, 20 Apr 2021

⁵³ Gabon Media Time, 14 Apr 2021

⁵⁴ Gabon Media Time, 13 Apr 2021

⁵⁵ Gabon Media Time, 13 Apr 2021

⁵⁶ Gabon Media Time, 13 Apr 2021

⁵⁷ Gabon Media Time, 13 Apr 2021

⁵⁸ Gabon Media Time, 13 Apr 2021

⁵⁹ ARC Gabon analyst

(transformation acceleration plan), Gabon's recently adopted national economic agenda, which will run from 2021-2023 (see *ARC Briefing Gabon February, March 2021*).

In order to achieve this goal, Gabon needs to significantly improve its local business and investment climate.⁶⁰ Investment promotion minister **Carmen Ndaot** launched an investment promotion task force on 16 April with the mandate of formulating new investment policies and reorienting Gabon's current investment strategy to make it a more attractive investment destination for both domestic and foreign investors.⁶¹ The creation of the platform is timely; the DGPEF reports that after registering 2,197.6 billion FCFA (\$4 billion) in investments in 2019, a 6.6% increase compared to 2018, investments fell to less than 1,693.5 billion FCFA (\$3.1 billion) in 2020.⁶² Oil sector investments fell by 30% to 677.1 billion FCFA (\$1.2 billion) in 2020 against 956.4 billion FCFA (\$1.7 billion) in 2019, while non-oil sector activities generated 830 billion FCFA (\$1.5 billion). Public investment reached 186.4 billion FCFA (\$341.4m) in 2020, a 16.5% drop from 2019.⁶³ **Agence Nationale pour la Promotion** director general **Ghislain Moandza Mboma d'Investissement (ANPI)** (national investment promotion agency) will head the new task force.⁶⁴

Planner

2021 (**Gabon**) Deadline for tender submissions for 12th round of petroleum licences, scheduled for April, new date TBA

Jul 2021 **Montpellier (France)** France-Afrique summit

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

Chronology

21 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale des Douanes et des Droits Indirects (DGDI)** (general customs directorate) reports Gabon imported 970.2 billion FCFA (\$1.7 billion) worth of merchandise in 2020 against 1,049.2 billion FCFA (\$1.9 billion) in 2019;

19 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. **Malaysia**-based oil company **Petronas** will invest 14 billion FCFA (\$25.7m) in the drilling of an exploration well in the deep-water block **F13**, off the coast of Gabon, which will be undertaken by **Singapore**-registered **Maersk Viking**;

16 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. President **Ali Bongo Ondimba** inaugurates a 6.4 billion FCFA (\$11.7m) water production plant, which will give an additional 200,000 inhabitants of the capital Libreville access to potable water;

16 Apr 2021 **Libreville (Gabon)** *Gabon Media Time*. Gabon experienced a 25% drop in investments in 2020, falling from 2,197.6 billion FCFA (\$4 billion) in 2019 to 1,693.5 billion FCFA (\$3.1 billion) in 2020 according to the **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (director-general for the economy and fiscal policy);

15 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (director-general for the economy and fiscal policy) reports the **New Owendo International Port** registered turnover of 89.5 billion FCFA (\$164.6m) in 2020, an 8.1% year-on-year increase in revenue. The port also handled 9.8 million tonnes of cargo in 2020, a 15.8% improvement compared to 2019;

14 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (director-general for the economy and fiscal policy) reports Gabon generated 536.4 billion FCFA (\$982.3m) in oil revenue in 2020, a 28.2% decrease compared to 2019;

⁶⁰ ARC Gabon Analyst

⁶¹ Gabon Media Time, 16 Apr 2021

⁶² Gabon Media Time, 16 Apr 2021

⁶³ Gabon Media Time, 16 Apr 2021

⁶⁴ Gabon Media Time, 16 Apr 2021

14 Apr 2021 **Libreville (Gabon)** *Gabon Media Time*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (directorate-general for the economy and fiscal policy) says Gabon's gross domestic product (GDP) fell by 10.7% from 9,887 billion FCFA (\$18.8 billion) in 2019 to 8,825.5 billion FCFA (\$16.2 billion) in 2020;

12 Apr 2021 **Libreville (Gabon)** *Sika Finance*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (directorate-general for the economy and fiscal policy) reports that Gabon produced 78.7m barrels of oil in 2020, a 1.2% drop compared to 2019 production of 76.69m barrels;

11 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (directorate-general for the economy and fiscal policy) reports Gabon produced 8.449 m tonnes of manganese in 2020, a 25% year-on-year increase;

11 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. Agriculture minister **Biendi Maganga Moussavou** reports that Gabon imports 450 billion FCFA (\$815.6m) worth of frozen food products annually;

7 Apr 2021 **Libreville (Gabon)** *Gabon Media Time*. The **Direction Générale de l'Economie et de la Politique Fiscale (DGPEF)** (directorate-general for the economy and fiscal policy) reports Gabon's hotel sector generated 8.3 billion FCFA (\$15m) turnover in 2020, a 52% drop compared to 17.2 billion FCFA (\$31.1m) in 2019;

7 Apr 2021 **Libreville (Gabon)** *Direct Infos Gabon*. The **Direction Générale de la Dette (DGD)** (general directorate for debt) says Gabon settled 383.2 billion FCFA (\$694.5m) of its internal debt in 2020, a 16.7% year-on-year increase;

2 Apr 2021 **Libreville (Gabon)** *Gabon Media Time*. Prime minister **Rose Christiane Ossouka Raponda** launches the 75 billion FCFA (\$135m) renewal and extension of the water network in Libreville, which will be undertaken by **China First Highway Engineering Co. Ltd (CFHEC)**;

29 Mar 2021 **Libreville (Gabon)** *Direct Infos Gabon*. Gabon inaugurates the **Exploitation Forestière et Exportation** timber transformation factory at **Owendo**, which cost 4 billion FCFA (\$7.1m) and will have a monthly production capacity of 6,000m³;

25 Mar 2021 **Libreville (Gabon)** *Gabon Review*. **Total Gabon**, a subsidiary of France-based hydrocarbons firm **Total**, reports net profit of \$87m in 2020 compared to \$50m in 2019;

24 Mar 2021 **Libreville (Gabon)** *Direct Infos Gabon*. Prime minister **Rose Christiane Ossouka Raponda** announces 114 vaccination centres will be set up in line with Gabon's **Covid-19** national vaccination plan;

23 Mar 2021 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** receives **Covid-19** vaccine;

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