

AFRICA RISK CONSULTING

Gabon Monthly Briefing April 2023

Gabon Summary 11 April 2023

Gabon's oil and gas sector continues to thrive, with several developments in the past month resulting in increased investment and interest. The senate passes a bill on 1 April, based on the recommendations reached during political consultations, relating to the upcoming August general elections and amending the constitution for the third time in five years. Transport minister Brice Paillat resigns from the government on 16 March, a week after the Esther Miracle ferry sinks, leaving at least 30 people dead and several missing. Paillat's resignation has left the government without a transport minister, alongside an empty foreign affairs ministerial position following the death of Michael Moussa-Adamo in January. No replacements have been announced, increasing the likelihood of a cabinet reshuffle.

Oil and gas remain number one

Gabon's oil and gas sector continues to thrive, with several developments in the past month resulting in increased investment and interest. The **China National Offshore Oil Corporation (CNOOC)** met with oil minister **Vincent de Paul Massassa** on 6 March to confirm it had completed drilling of its BC9 and BC10 oil wells off **Port-Gentil**, noting that it would produce satisfactory results compelling the company to seek to acquire new oil blocks in Gabon.¹ CNOOC expressed interest in acquiring additional blocks in October, but the latest drilling results have affirmed its interest in Gabonese oil fields.

France-headquartered **Maurel & Prom** confirmed on 14 March that it would invest \$85m to develop its activities in Gabon, an increase from the \$67m it invested in 2021.² Maurel & Prom is aiming to produce 26,200 barrels per day (bpd) this year, with approximately 15,600 bpd coming from Gabon alone. The company also confirmed its plans to invest in a 3D seismic shoot in the **Ezanga** field this year, in which it holds an 80% stake.

Norway-headquartered **BW Energy** revealed on 3 April that it had finished drilling and completion operations at its DHIBM-3H well, the first production well of the **Hibiscus/Ruche Phase 1** development campaign.³ The first oil from the well was produced on 10 April, with current production at approximately 6,000 bpd. By early 2024, an additional 30,000 bpd is expected.

The increased interest and investment in the sector seems to have caught the attention of **United States (US)** investors. Massassa received a US delegation on 23 March which expressed interest in increasing investment in Gabon's oil and gas sector.⁴ Massassa noted that Gabon is in a phase of energy transition and encouraged the delegation to consider opportunities within the gas sector specifically. Prior to this meeting, US oil services company **Schlumberger** expressed its desire to strengthen its presence in Gabon's oil sector, highlighting that it has implemented a new corporate social responsibility policy that would see it increase its involvement in community projects, a likely bid to make it a preferred partner.⁵

¹ Agence Ecofin, 19 Mar 2023

² North Africa Post, 16 Mar 2023

³ Offshore Energy, 3 Apr 2023

⁴ Le Nouveau Gabon, 24 Mar 2023

⁵ Le Nouveau Gabon, 16 Mar 2023

While oil remains the focus for many companies in Gabon, Massassa's push to the US delegation to focus on gas indicates the government's acknowledgement that oil reserves are depleting and a change in direction is required to ensure revenues from the sector remain high.

Constitutional revisions passed

The senate passed a bill on 1 April amending the constitution for the third time in five years. The council of ministers ratified the bill presented to the national assembly on 3 March, which was based on the political consultations that President **Ali Bongo Ondimba** (2010-present) held with opposition parties in February.⁶ The opposition **Union nationale (UN)** was not present at the political discussions, as Ondimba had limited the number of representatives from the ruling party and opposition parties to 30, leaving some parties without representation.⁷ The national assembly voted on the series of constitutional revisions on 23 March, with 113 votes for, six against and three abstentions. Although opposition parties **Parti social-démocrate (PSD)**, **Rassemblement pour la modernité (RPM)** and the UN voted against the bill, it passed through the lower house with ease given the ruling party's majority in the national assembly.

The six constitutional reviews modify articles 4,9,10,11,15 and 111, which relate to suffrage, the age of eligibility, duration of the president's mandate, persons eligible for the role of president, the appointment of prime minister and other members of government, and the organisation of the **Conseil économique social et environmental** (economic, social and environmental council) and the designation of its members.⁸ Most notably, the election will now be conducted in a single round, and the duration of the president's mandate, along with all political mandates, has been revised down to five years. In terms of age eligibility, the age was revised up from 18 to 30 in order to run for president, while for senators it was revised down from 40 to 35.⁹

Despite the president insisting that the recommendations from the political consultations be enacted into law, the opposition's main demand – a limitation on the number of terms a president can have – was barely discussed. Although Ondimba has not declared his candidacy for the August general elections, the political class has all but accepted he will run for a third term, and the lack of discussion around the term limits is yet another indication of this.

Transport minister resigns following ferry disaster

Transport minister **Brice Paillat** resigned from the government on 16 March, a week after the sinking of the ferry, **Esther Miracle**, which left at least 30 people dead and several missing. The ferry was carrying 161 passengers from **Libreville** to **Port-Gentil** on 9 March after an accident caused it to sink.¹⁰ Canoes, fishermen, an oil barge and a navy patrol boat helped rescue 124 survivors, with reports that the ship's crew members were not proactive in guiding passengers during the evacuation.¹¹

Administrative and judicial investigations were opened following the accident. On 19 March, public prosecutor **Andre Patrick Roponat** confirmed that 33 people had been arrested under a criminal investigation into the accident. Among the people arrested were officials from the transport ministry, the owner of the ferry, **Royal Cost Marine**, and officials from the merchant marine and maritime affairs administration.¹²

Prime minister **Alain-Claude Bilie-By-Nze** condemned the incident. During an address to the transport ministry on 17 March, he declared that *"complacency, laxity, conflicts of interest and personal*

⁶ Gabon Review, 23 Mar 2023

⁷ Le Journal de la Afrique, 24 Feb 2023

⁸ Gabon Review, 23 Mar 2023

⁹ Gabon Media Time, 24 Mar 2023

¹⁰ Africa News, 13 Mar 2023

¹¹ Africa News, 17 Mar 2023

¹² Africa News, 20 Mar 2023

interest are evils that weaken our public service mission".¹³ He also noted in his address that the preliminary investigation indicated that there had been several flaws in the administrative management of the ministry, effectively holding this government organ responsible for the accident. Bilie-By-Nze announced on 25 March that each survivor would receive 3m FCFA (\$4,988) to help support them and their families.¹⁴ The preliminary investigation concluded by 7 April, with 21 people charged with manslaughter, involuntary injury, failure to provide assistance, forgery and use of forgery and endangering the lives of others.¹⁵

The tragedy and Paillat's subsequent resignation have left the government without a transport minister, alongside an empty foreign affairs ministerial position following the death of **Michael Moussa-Adamo** in January. Thus far, no replacements have been announced, increasing the likelihood of a cabinet reshuffle a mere two months after the January reshuffle that saw Ondimba appoint Bilie-By-Nze as prime minister.

Planner

August 2023 (**Gabon**) Local, national assembly and presidential elections

Chronology

7 Apr 2023 **Libreville (Gabon)** *Gabon Review*. Economy and recovery minister **Nicole Jeannine Lydie Roboty-Mbou** launches the first phase of the 2023 population and housing census;

6 Apr 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Government exempts nations of the 43-member countries of the **G20** from requiring entry visas for Gabon;

6 Apr 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Government, **French-headquartered Perenco Oil & Gas** and the **Gabon Power Company (GPC)** sign a memorandum of understanding for the development of a 21-megawatt (MW) power plant in **Mayumba (Nyanga)**;

3 Apr 2023 **Franceville (Gabon-k)** *Mining Review*. **Australia-based Genmin** CEO **Joe Ariti** confirms the company is focused on achieving first production in mid-2024 of its **Baniaka** iron ore project;

30 Mar 2023 **Libreville (Gabon)** *Gabon Review*. The **Central African Financial Market Supervisory Commission** sets up new headquarters in the centre of Libreville;

30 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Passenger trains will resume operations on the **Transgabonais** after three months of suspensions;

29 Mar 2023 **Libreville (Gabon)** *Gabon Review*. **Sierra Leone's** foreign affairs minister, whose country chairs the **Committee of 10 African Heads of State** on the reform of the **United Nations Security Council (C10)**, asks Gabon for the organisation of the next **C10 summit**;

27 Mar 2023 **Libreville (Gabon)** *Gabon Review*. The **Arab Bank for Economic Development in Africa (Badea)** has granted a \$50m loan for the benefit of the Gabonese State for the materialisation of construction sites in the health and infrastructure sectors;

27 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **African Development Bank (AfDB)** and economy minister **Nicole Mbou** open consultations for Gabon's 2023–2027 strategy paper;

26 Mar 2023 **Libreville (Gabon)** *Gabon Review*. **Commission nationale contre l'enrichissement illicite** (national commission for the fight against corruption and illicit enrichment) president **Nestor Mbou** meets with a delegation from the **African Development Bank** focusing on the development of the 2023-2027 country strategy document for Gabon;

¹³ Gabon Review, 17 Mar 2023

¹⁴ Le Nouveau Gabon, 27 Mar 2023

¹⁵ Le Nouveau Gabon, 7 Apr 2023

25 Mar 2023 **Libreville (Gabon)** *Sika Finance*. France-headquartered **TotalEnergies** announces a net profit of \$340m for its Gabon operations in 2022, up 930% from the \$33m net profit earned in 2021;

24 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Petroleum minister **Vincent de Paul Massassa** receives a delegation from the **United States (US)** led by special envoy to the economic and commercial affairs office **Syed Dilawar**, as the US seeks increased investment in Gabon, especially in the hydrocarbons sector;

22 Mar 2023 **Libreville (Gabon)** *Gabon Review*. Australian company **Azingo Gabon** confirms discoveries of iron and rare earths, nickel and lithium in the towns of **Minvoul** and **Bitam**, which could enhance the mining potential of **Woleu-Ntem** province;

21 Mar 2023 **Libreville (Gabon)** *Gabon Review*. Fisheries and maritime minister **Pascal Houangni Ambouroué** unveils an action plan to increase the fisheries and maritime sector's contribution to gross domestic product (GDP) by 15%, and make it one of the main pillars of the Gabonese economy;

21 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Investments ministry indicates government plans to increase electricity production from its current 725-megawatts (MW) to 1,200 MW by 2024;

20 Mar 2023 **Libreville (Gabon)** *Direct Infos Gabon*. Anglo-French oil company **Perenco** puts its 40% stake in the **Atora** field, which it shares with **United Kingdom**-headquartered **Assala Energy**, up for sale for \$50m, reportedly to avoid doing business with the potential buyer of Assala Energy;

16 Mar 2023 **Libreville (Gabon)** *Direct Infos Gabon*. Government refinery **Sogara** and **Groupement professionnel des pétroliers (GPP)** (professional petroleum association) sign an agreement for 212 billion FCFA (\$346.3m) to prevent the pump price from increasing;

16 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Transport minister **Brice Constant Pailat** resigns following the sinking of the ship **Esther Miracle** with citizens accusing him of showing negligence in the commission of the ship in November;

15 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **United States**-headquartered **Schlumberger** says it wants to strengthen its presence in Gabon's oil sector and implements a new corporate social responsibility policy that will see greater involvement in community projects in **Port-Gentil**;

15 Mar 2023 **Libreville (Gabon)** *Gabon Review*. Investment promotion minister **Mbadinga Madiya** meets with international financial institution **African Guarantee and Economic Cooperation Fund (FAGACE)** director general **Ngueto Tiraina Yambaye**, with discussions focused on the challenges of Gabon's imminent accession to FAGACE, which specialises in the establishment of guarantee tools for the private sector and states;

11 Mar 2023 **Libreville (Gabon)** *Gabon Review*. **National Assembly** asks government to ensure the improvement of the services offered by Gabon's public transport companies following the sinking of the ferry **Esther Miracle** on 9 March, in which at least six people died;

9 Mar 2023 **Libreville (Gabon)** *Gabon Review*. Cost of living minister **René Ndemezo'o Obiang** meets with economic operators in the distribution sector to take stock of the cost of living, the process of improving the living conditions of Gabonese and to jointly define techniques to provide relief to households;

8 Mar 2023 **Libreville (Gabon)** *Gabon Review*. Gabon-based airline **Afrijet** says it aims to add **DRC**, **Nigeria**, **Senegal** and **South Africa** as destinations after recently signing a loan agreement with **BGFIBank Gabon**;

8 Mar 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **China National Offshore Oil Corporation** confirms it has completed drilling of two wells – BC9 and BCD10 – which have produced satisfactory results, as the company looks to acquire more wells in Gabon;



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