

AFRICA RISK CONSULTING

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Gabon Summary 9 May 2023

President Ali Bongo Ondimba (2009-present) reshuffles his cabinet on 27 April, appointing three new ministers and notably replacing mines minister Elvis Ossindji. Gabon publishes its 2021 Extractive Industries Transparency Initiative (EITI) report on 20 April, covering all revenues, production and exports from the extractive sector in 2021. EITI membership makes Gabon, which is heavily reliant on the extractive sector, a more attractive investment destination for companies. Bongo arrives in China on 18 April for a 72-hour state visit, where he and his counterpart, Xi Jinping (2013-present), sign seven memoranda of understanding to further bilateral cooperation in agriculture, communication, environment, housing, investment, as well as economic and development cooperation.

Cabinet shuffle

President **Ali Bongo Ondimba** (2009-present) reshuffled his cabinet on 27 April, appointing three new ministers into government and notably removing **Elvis Ossindji** as mines minister.¹ The reshuffle follows the resignation of transport minister **Brice Constant Paillat** in March (see *ARC Briefing Gabon Apr 2023*). **Sylvestre Chen Mezui M'Obiang** replaces Ossindji as mines minister, while **Roger Bibaye Itandas**, a former armed forces general, replaces Paillat. **Jean-Claude Ivala** has taken over as minister delegate to the interior ministry. This latest shuffle comes only four months after Bongo shuffled his cabinet on 9 January, where he appointed energy and water resources minister and deputy prime minister **Alain-Claude Bilie-By-Nze** as prime minister (see *ARC Briefing Gabon Jan 2023*).

The replacement of Ossindji was somewhat unexpected. It is reportedly related to the award of a licence for the **Bakamba** granitoid quarry, which the mines ministry had awarded to **SGTP Mines** but retracted a few months later for no apparent reason. **China**-based **Sinohydro** was then found operating the quarry, which was considered illegal as it did not have a licence to do so.² The situation caught the attention of observers and the media. Rumours began circulating of corruption, which Bongo would have wished to quash as soon as possible, particularly with Gabon having just published its 2021 **Extractive Industries Transparency Initiative (EITI)** report (see below).

The shuffle comes a few months ahead of the presidential election, scheduled for the second half of the year. Bongo has yet to confirm his candidacy but an expected trip to his political stronghold **Haut-Ogooué** at the end of May indicates he has already begun his re-election campaign. Shuffling his cabinet to remove those who are 'stirring the pot' this close to elections is a calculated move, as he will be presenting what he considers to be a strong cabinet at election time.

Gabon publishes EITI report

Gabon published its 2021 Extractive Industries Transparency Initiative (EITI) report on 20 April, covering all revenues, production and exports from its extractive sector in 2021. EITI promotes open and accountable management of extractives, namely oil, gas and mineral resources. Countries that join EITI commit to disclose information regarding their extractive sector value chain and agree to a

¹ Le Nouveau Gabon, 27 Apr 2023

² Gabon Media Time, 22 Mar 2023

common set of rules governing what is disclosed and when.³ EITI suspended Gabon in 2013 for non-transparency in the governance of its extractive industries but re-instated it as a member in October 2021.⁴

The report reveals information related to the development of Gabon's extractive industry, including authorisations granted. The report notes that in 2020 and 2021, Gabon granted 19 authorisations to operate sand quarries for three years to 13 operators. Companies receiving these authorisations include **Société d'exploitation du Transgabonais (Setrag)**, **Xiang Wei Gabon**, France-based **Maurel and Prom** and **Assala Gabon**.⁵ The report also notes that the mines ministry granted seven exploration permits for iron ore between 2012 and 2021 to five operators including **Reminac Gabon**, Singapore-based **AKM Kango Minerals**, **Azingo Gabon**, **Kimin Gabon** and South Africa's **Havilah Consolidated Resources**.⁶ Furthermore, the mines ministry awarded 21 gold prospecting licences to operators between 2017 and 2021 including **United Kingdom (UK)**-headquartered **Global Mine Development**, **Yinhe Mining**, **Agil Gabon**, **Alpha Centauri Mining** and **A+ Mining**. Gold has become a growing export for Gabon, with exports of 8.4 billion FCFA (\$14.05m) in 2021 versus 1.6 billion FCFA (\$2.67m) in 2020.⁷

Despite ambitions to diversify the economy and an increased number of mining licences granted, hydrocarbons still dominate Gabon's revenues. The report notes that the extractive sector generated 812.7 billion FCFA (\$1.35 billion) in revenues in 2021, of which 90.4% came from the hydrocarbons sector.⁸

UK-headquartered **Moore Insight**, which compiled the report, raised several issues and recommendations upon delivery. The firm noted that there is doubt over the reliability of data as five companies did not comply with the reliability procedure, and government entities did not certify their reporting forms.⁹ The firm's recommendations include improving the quality of data on exports, monitoring the government's participation in the extractive sector, monitoring revenues not accounted for in the state budget, improving the information on the artisanal and informal mining sector as well as establishing a public register of beneficial owners of extractive companies.¹⁰ Many of these recommendations align with EITI's aims. State director general of mines and geology **Didier Revandine** noted at a seminar on 19 April that Gabon would meet requirement 2.4 of EITI's 2019 standards – the disclosure of oil, gas and mining contracts to the public – by July 2024.

Gabon's publication of its 2021 report, in addition to re-joining EITI, shows a commitment to transparency in the extractive sector. Industry players, such as **Australia**-based **Genmin** operating in Gabon, viewed Gabon's bid to re-join EITI as a positive step. Even if Gabon diversifies away from oil, it will remain heavily reliant on the extractive sector, and, being a member of EITI will make it a more attractive investment destination for companies.

Bongo takes on China

President Bongo arrived in China on 18 April for a 72-hour state visit. He and his counterpart, **Xi Jinping** (2013-present), signed seven memoranda of understanding to further bilateral cooperation in agriculture, communication, environment, housing, investment, and economic cooperation, as well as development cooperation.¹¹ This marked Bongo's fifth visit to China since assuming office.

³ Eiti.org

⁴ Le Nouveau Gabon, 24 Apr 2023

⁵ Le Nouveau Gabon, 4 May 2023

⁶ Le Nouveau Gabon, 26 Apr 2023

⁷ Le Nouveau Gabon, 25 Apr 2023

⁸ Direct Infos Gabon, 23 Apr 2023

⁹ Gabon Review, 23 Apr 2023

¹⁰ Gabon Review, 23 Apr 2023

¹¹ Gabon Review, 14 Apr 2023

The signed agreements include a memorandum of understanding (MoU) between the agricultural ministries of both countries, the environment ministries focused on climate change, and the creation of an investment and economic cooperation working group. An agreement was also signed with the **China International Development Cooperation Agency** to promote development cooperation between the two countries.¹² Xi and Bongo also agreed to elevate relations from a comprehensive cooperative partnership to a comprehensive strategic cooperative partnership, the highest level of bilateral relations for China.¹³

Diplomatic ties between China and Gabon date back to 1974 and have led to China becoming Gabon's largest trading partner. Gabon's foreign affairs ministry noted ahead of the visit that the trade volume between the two reached \$4.55 billion in 2022, up 50.8% year-on-year.¹⁴ Exports comprised mainly crude oil (60.8%), manganese ores (31.7%) and sawn wood (6.8%).¹⁵ While China is not heavily reliant on Gabon for oil or wood, it imports 22% of its total manganese ore from Gabon.

As Gabon seeks to diversify its economy away from oil, China could play an important role. Given the volume of ore China demands from suppliers, Gabon has the potential to become a preferred supplier. Gabon also often turns to China for loans for development projects, including most recently two hydroelectric dams and a road project.¹⁶ The elevation of bilateral relations with Gabon marks the 11th **African** country with which China has done this, highlighting the important role China plays on the continent and in Gabon.

¹² Le Nouveau Gabon, 20 Apr 2023

¹³ The Diplomat, 24 Apr 2023

¹⁴ Le Nouveau Gabon, 14 Apr 2023

¹⁵ The Diplomat, 24 Apr 2023

¹⁶ The Diplomat, 24 Apr 2023

Planner

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

Chronology

8 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Voter registration for the 2023 presidential election begins on 9 May for a period of 30 days;

5 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **Siat Gabon** and **Olam Rubber** increase natural rubber production by 66.7% in 2022, with the sector's turnover rising from 5.1 billion FCFA (\$8.54m) in 2021 to 9.8 billion FCFA (\$16.4m) in 2022;

4 May 2023 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** arrives in **London (United Kingdom)** for the coronation of **King Charles III**;

4 May 2023 **Libreville (Gabon)** *Gabon Review*. Investment promotion minister **Hugues Mbadinga Madiya** receives a delegation of **Turkish** businessmen and discusses potential investment opportunities in the infrastructure sector and construction of an international conference centre in Gabon and a 5-star hotel complex;

4 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **United Kingdom**-headquartered **Tullow Oil** says it wants to invest \$1.4 billion in Gabon's oil sector over the next four years to increase its activities;

4 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Gabon signs an agreement to establish the **Fund for the Development of Exports in Africa**, part of the **African Export-Import Bank (Afrexim)** which will allow Gabon to benefit from long-term capital loans for industrialisation, intra-**African** trade and value-added exports;

3 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Unidentified perpetrators kidnap three members of the **Grebe Bulker** ship which was anchored off the coast of Gabon after leaving **Nigeria**;

2 May 2023 **Libreville (Gabon)** *Gabon Review*. The first forum on the industrialisation of the tuna sector is set to take place in Libreville from 11-13 May, focusing mainly on the presentation of Gabonese fisheries and the sharing of experiences with friendly countries;

2 May 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. President **Ali Bongo Ondimba** hosts **Côte d'Ivoire's** President **Alassane Ouattara** in Libreville, where the two confirm the third joint commission session between Gabon and Côte d'Ivoire will be held this year;

28 Apr 2023 **Libreville (Gabon)** *Gabon Review*. Local subsidiary of oil and gas exploration company **Tullow Oil** and that of the **Franco-British Perenco** sign an asset swap agreement, aiming to optimise Tullow's interest in key fields in Gabon through a cashless asset swap involving the proposed exchange of interests held by the two parties in certain licences;

27 Apr 2023 **Libreville (Gabon)** *Gabon Review*. The government, through its national parks agency, intends to ramp up efforts to make the western gorilla a leading attraction for international tourists;

24 Apr 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Gabon's 2021 **Extractive Industries Transparency Initiative (EITI)** indicates the extractive sector generated over 812.7 billion FCFA (\$1.36 billion) in 2021, of which 735 billion FCFA (\$1.23 billion) came from hydrocarbons;

24 Apr 2023 **Libreville (Gabon)** *Gabon Review*. National assembly adopts a bill amending and supplementing provisions of the election code ahead of the planned presidential elections;

23 Apr 2023 **Libreville (Gabon)** *Gabon Review*. Energy and hydraulic resources minister **Oswald Séverin Mayounou** and his colleague, **Camélia Ntoutoume Leclercq**, assess the level and quality of execution of water network extension works at national high schools to ensure the execution of various projects of the **Libreville Integrated Drinking Water Supply and Sanitation Program (PIAEPAL)**;

23 Apr 2023 **Libreville (Gabon)** *Gabon Review*. Agriculture ministry receives an allocation of 285,000 hectares of land for agricultural production, to help end Gabon's high reliance on imported products;

20 Apr 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. Gabon publishes its 2021 **Extractive Industries Transparency Initiative (EITI)** report covering all revenues, production and exports from the sector in 2021 as part of Gabon's bid to improve transparency in the sector;

16 Apr 2023 **Libreville (Gabon)** *Gabon Review*. The **Council of Ministers** and government announce they have examined and adopted a draft text aimed at creating and strengthening the operational and technical organisation mechanisms of the gold sector, planning to resume artisanal gold mining in a sustainable and more supervised way;

14 Apr 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. President **Ali Bongo Ondimba** appoints former prime minister **Julien Nkoghe Bekale** as the new president of the **Conseil économique, social et environnemental (Cese)** (economic, social and environmental council);

13 Apr 2023 **Libreville (Gabon)** *Gabon Review*. Prime minister **Alain-Claude Bilie-By-Nze** speaks with the citizens of **Ogooué-Ivindo** province, calling for support for President **Ali Bongo**;

13 Apr 2023 **Libreville (Gabon)** *Sika Finance*. **Gabon Power Company (GPC)** and **Anglo-French** oil and gas company **Perenco** sign an agreement to construct a 74 billion FCFA (\$123.2m) natural gas thermal power station, which will provide 250 megawatts of electricity;

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