

AFRICA RISK CONSULTING

Gabon Monthly Briefing July 2023

Gabon Summary 5 July 2023

Centre gabonais des élections (CGE) (election centre) announces on 25 June that the presidential, legislative, departmental and local elections will take place on 26 August, a decision the government approves on 27 June. President Ali Bongo Ondimba (2009-present) has yet to state whether he will run for a constitutionally allowed third term. However, it is highly unlikely that this close to the elections he will make such an announcement. Not running would leave the ruling Parti Démocratique Gabonais (PDG) without a candidate and there is no clear successor to Bongo. Gabon hosts the 23rd ordinary summit of the Economic Community of Central African States (ECCAS) on 1 July. Gabon holds the rotating presidency of ECCAS, increasing pressure on it to be more decisive in its actions on regional issues. The World Bank publishes its Gabon Economic Update Report on 20 June, with special focus on reforming fuel subsidies. The report highlights that the economy, government revenues and exports have benefited from the higher global oil and commodity prices, allowing Gabon's economic recovery to accelerate in 2022. However, it also notes that the current fuel subsidy has created a "fiscal burden" for Gabon.

Election date set

The **Centre gabonais des élections (CGE)** (election centre) announced on 25 June that the presidential, legislative, departmental, and local elections will take place on 26 August, a decision the government approved on 27 June. The CGE provided the full schedule for the elections as follows:

- 11 July: deadline for declaration of candidacy for the presidential, legislative, departmental and municipal elections;
- 11 August: opening of the electoral campaign for the single round of the presidential election;
- 16 August: opening of the electoral campaign for the single round of the legislative, departmental and municipal elections;
- 25 August: Closing of all electoral campaigns;
- 26 August from 7am – 6pm: voting.¹

President **Ali Bongo Ondimba** (2009-present) has not confirmed if he will run for a constitutionally allowed third term; however, it is highly unlikely that this close to the election he will make such an announcement. Not running would leave the ruling **Parti Démocratique Gabonais (PDG)** without a candidate and there is no clear successor to Bongo. The PDG has called Bongo its "*natural candidate*" and thrown support behind a third-term bid.² Adding to the likelihood of Bongo running for a third term is his campaigning over the last several months. Bongo has undertaken several tours around the country in recent months under the guise of his presidency. While each tour has taken a tone of campaigning, this could not officially be called campaigning as this only opens officially on 11 August.³

Bongo's likelihood of winning has been boosted by an unorganised opposition. Instead of throwing weight behind a strong challenger, nearly all opposition parties have submitted a candidate to run. There are already 15-20 candidates who have announced their intention to run, pending CGE

¹ Direct Infos Gabon, 26 Jun 2023

² France24, 27 Jun 2023

³ France24, 27 Jun 2023

approval.⁴ Opposition **Rassemblement pour la Patrie et la Modernité (RPM)** leader **Alexandre Barro** is considered one of Bongo's toughest challengers, but is yet to declare his candidacy.⁵ The Bongo family has ruled Gabon for 55 years, and for this to change, the opposition will need to bolster its efforts and organisation, and potentially join forces to present a stronger opposition.⁶

Citizens have also taken matters into their own hands. A team of researchers, economists and other volunteers conducted a ten-month study on the achievements of the government under Bongo since his second-term election in 2016.⁷ Bongo campaigned on a programme called *Mon Engagement Pour un Gabon Emergent* (my commitment to an emerging Gabon), which contained 105 election promises. According to the writers of the study, only 13 of these promises have been fulfilled. The results show that 59% of the election promises have not been fulfilled, 20% very partially fulfilled, 11% partially fulfilled and 1% not evaluated.⁸ While the study may expose the failures, PDG spokesperson **Frédéric Massavala Maboumba** said it is of no concern to the party and affirmed that Bongo will be the candidate running in the election.

Gabon hosts ECCAS summit

Gabon hosted the 23rd ordinary summit of the **Economic Community of Central African States (ECCAS)** on 1 July, chaired by Bongo. Bongo took over the rotating presidency of the ECCAS from **Democratic Republic of the Congo (DRC)** president **Felix Tshisekedi** (2019-present) in February.⁹ Other member states include **Angola, Burundi, Cameroon, Chad, Central African Republic, Republic of Congo, Equatorial Guinea, Rwanda** and **Sao Tome and Principe**.

The summit's agenda included ECCAS' finances, the regional integration process, institutional reforms and the security situation in member states such as the DRC.¹⁰ The summit was preceded by a quadripartite summit held in **Luanda** (Angola) on 27 June among ECCAS, the **Southern African Development Community (SADC)**, the **East African Community (EAC)** and the **International Conference on the Great Lakes Region (ICGLR)**.¹¹

Despite its membership of ECCAS alongside DRC, Gabon has often remained silent on DRC's security issues. Holding the rotating presidency adds pressure on Gabon to voice its opinions and solutions to the DRC's security situation, with the DRC's envoy noting that ECCAS is too often neutral on the issue. During the summit, Bongo stepped up by pledging \$500,000 to support peace efforts in the DRC.¹²

Being head of ECCAS during an election year could offer Ondimba an opportunity to shore up support regionally for his third term bid, especially as local tensions are possible after the vote.

World Bank economic update

The **World Bank** published its *Gabon Economic Update Report* on 20 June, with a special focus on reforming fuel subsidies. The report highlighted that the economy, government revenues and exports have benefited from higher global oil and commodity prices, allowing Gabon's economic recovery to accelerate in 2022.¹³ Gabon also benefited from increased demand from its main trading partner, **China**. As a producer of oil, wood and manganese, Gabon's economy grew by an estimated 3.1% in 2022. This growth also bolstered the fiscal balance, which grew from a deficit of 1.9% of GDP in 2021 to a surplus of 3% of GDP in 2022, and total revenues, which grew from 15.8% of GDP in 2021 to 18.65% of GDP in 2022.

⁴ Africanews, 27 Jun 2023

⁵ Africanews, 27 Jun 2023

⁶ ARC Briefing Gabon analyst

⁷ RFI, 5 Jul 2023

⁸ RFI, 5 Jul 2023

⁹ North Africa Post, 21 Jun 2023

¹⁰ RFI, 1 Jul 2023

¹¹ Le Nouveau Gabon, 26 Jun 2023

¹² Gabon Media Time, 3 Jul 2023

¹³ World Bank, 20 Jun 2023

Total government debt decreased from 60.7% of GDP in 2021 to 52% of GDP in 2022 and is forecast to continue declining. The **International Monetary Fund** noted in its July 2022 debt sustainability analysis that public debt was still sustainable, but questioned for how long, as the country has continued to accumulate external debt through the first half of 2023.¹⁴

The report also discussed the maintenance of measures to mitigate the increasing cost of living as well as the long-term impact on the more positive gains mentioned above. The lingering impacts on supply chains from the **Covid-19** pandemic coupled with **Russia's** invasion of **Ukraine** pushed headline inflation up from 1.1% in 2021 to 4.3% in 2022, as Gabon is heavily dependent on food imports.¹⁵ To offset this, the government has subsidised and imposed price ceilings on fuel, flour and other food staples.

The World Bank has noted that the fuel subsidy has created a "*fiscal burden*" for Gabon.¹⁶ The government spends approximately 100 billion FCFA (\$165.89m) (0.7% of GDP) on fuel subsidies, equal to two-thirds of total spending on public health and over half of the allocated education budget.¹⁷ Maintaining this subsidy means that the socially vulnerable are losing out as spending is allocated to a fuel subsidy that many vulnerable people may not use. The World Bank is advocating for the removal of the fuel subsidy sooner than later but notes that the government would need a strong mitigation strategy to support the vulnerable population, observing that wealthier households are likely to be able to absorb the price increase.

¹⁴ World Bank, 20 Jun 2023

¹⁵ World Bank, 20 Jun 2023

¹⁶ World Bank, 20 Jun 2023

¹⁷ ESI-Africa, 21 Jun 2023

Planner

- 11 Jul 2023 **(Gabon)** Deadline for declaration of candidacy for the presidential, legislative, departmental and municipal elections;
- 11 Aug 2023 **(Gabon)** Opening of electoral campaign for presidential election;
- 26 Aug 2023 **(Gabon)** Local, national assembly and presidential elections

Chronology

- 5 Jul 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **United Nations** sub-committee for the prevention of torture announces it will visit Gabon in the first half of 2023 to assess the treatment of prisoners;
- 3 Jul 2023 **Libreville (Gabon)** *Agence Afrique*. Gabon and the **Central African Republic** sign a military cooperation agreement aimed at promoting security and stability in the region;
- 29 Jun 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **Australian** mining company **Fortescue Metals** says it will ship the first tonnes of high-grade iron ore from its **Belinga** project by the end of 2023;
- 28 Jun 2023 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba**, also president in office of the **Economic Community of Central African States (ECCAS)**, takes part in the **Quadripartite Summit** on the coordination and harmonisation of regional responses to the conflict in the eastern **Democratic Republic of the Congo**, with ECCAS contributing \$500,000 to support peace efforts in the region;
- 26 Jun 2023 **Libreville (Gabon)** *Direct Infos Gabon*. Council of ministers adopts a bill authorising the government to contract a 'blue loan' for an amount of \$500m to help restructure its debt on international financial markets;
- 22 Jun 2023 **Paris (France)** *Le Nouveau Gabon*. **Gabon's** President **Ali Bongo Ondimba** meets French president **Emmanuel Macron** on the side lines of the **Summit for a New Global Financial Pact** to discuss issues including the climate;
- 20 Jun 2023 **Libreville (Gabon)** *Gabon Review*. **International Economic Cooperation Agency** head **Yang Shengyan** announces that as part of the cooperation relations that unite **China** and Gabon, China aims to build a technical training establishment specialising in agriculture;
- 16 Jun 2023 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** will take part in the **Paris Summit** focusing on new financing mechanisms to fight climate change for the benefit of the least-developed countries;
- 16 Jun 2023 **Libreville (Gabon)** *Sika Finance*. **India** and Gabon pledge to build a 30 billion FCFA (\$50m) 20,000-hectare agricultural free zone;
- 16 Jun 2023 **Libreville (Gabon)** *Le Nouveau Gabon*. **Compagnie Minière de l'Ogooué (Comilog)**, subsidiary of **French** mining firm **Eramet**, posts a net profit of 197 billion FCFA (\$328.23m) in 2022, up from 89 billion FCFA (\$148.29m) in 2021;
- 15 Jun 2023 **Libreville (Gabon)** *Gabon Review*. **Ogooué Mining Company (Comilog)**, a subsidiary of the **Eramet Group**, reports increased turnover of 60% in 2022, allowing the company to maintain its status as the world's leading manganese producer;
- 13 Jun 2023 **Libreville (Gabon)** *Gabon Review*. **Australia's Havilah Consolidated Resources**, through its subsidiary **Havilah Mining Gabon**, announces plans to resume operations at the **Milingui** iron deposit, the second largest in Gabon;
- 11 Jun 2023 **Libreville (Gabon)** *Gabon Review*. The **National Union of Magistrates (SYNAMAG)** opts to continue a strike it began on 8 June;
- 11 Jun 2023 **Libreville (Gabon)** *Gabon Review*. Electoral enrolment processes continue after planned closure of electoral registers at 6pm on 11 June following a last-minute rush of registrations;

8 Jun 2023 **Libreville (Gabon)** *Gabon Review*. The government seizes an opportunity to finance and develop electricity transmission lines via a public-private partnership agreement signed with the **Africa50 Investment Forum** during the "*Invest in Gabon*" session organised as part of the **Africa CEO Forum** in **Abidjan (Côte d'Ivoire)**;

7 Jun 2023 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** and prime minister **Rose Christiane Rapondo** open the "*Invest in Gabon*" session at the 2023 edition of the **Africa CEO Forum** in Abidjan;

6 Jun 2023 **Libreville (Gabon)** *Gabon Review*. Prime minister **Rose Christiane Ossouka Raponda** opens the "*Invest In Gabon*" session at the 2023 edition of the **Africa CEO Forum** in Abidjan, highlighting Gabon's economic potential;

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