

AFRICA RISK CONSULTING

Gabon Monthly Briefing February 2024

Gabon Summary 13 February 2024

The International Monetary Fund (IMF) completes an Article IV mission in Gabon between 24 January and 6 February following a period of uncertainty surrounding Gabon's programme with the institution in the wake of the August coup d'état. The presidency confirms on 17 January that there has been a slight reshuffle of the government with the most notable change being the appointment of Alexandre Barro Chambrier as deputy prime minister. Angola's foreign affairs ministry reports on 19 January that a "serious diplomatic incident" has taken place at the home of Economic Community of Central African States (ECCAS) president Gilberto da Piedade Verissimo in Libreville on 17 January.

IMF Article IV mission

The **International Monetary Fund (IMF)** completed an **Article IV** mission in **Gabon** between 24 January and 6 February following a period of uncertainty surrounding Gabon's programme with the institution in the wake of the August 2023 coup d'état. In July 2021, the IMF executive board approved a 36-month **Extended Fund Facility (EFF)** that would enable Gabon to access \$553.2m. There have been three successful reviews of the arrangement since, but the last Article IV mission took place in December 2019.¹ Article IV missions usually occur annually and allow the IMF to collect economic and financial information and discuss developments with the relevant authorities.²

However, following the coup, **United States**-headquartered rating agency **Fitch** downgraded Gabon's Long-Term Foreign-Currency and Local-Currency Issuer Default Ratings to "rating watch negative" in September, adding that it is unlikely that its IMF programme would resume.³ On 26 January, Fitch removed Gabon from rating watch negative, stating that political uncertainties following the coup have eased, and affirmed Gabon's outlook as stable, but did not comment further on the IMF programme.⁴ Despite this, the mission taking place is a positive sign that the IMF is still ready to engage with Gabon and more importantly, that the transitional government is keen to continue its engagement with the IMF in the hope of receiving much-needed funding.⁵

The IMF has not released an official report on its mission findings; however, following the visit, IMF administrator **Facinet Sylla** noted that in a few months "a lot of progress has been made", citing improvements in the mobilisation of revenues, inflation being brought down and increased transparency in data.⁶ However, deficits in the economy still need to be addressed – namely settling debt and ensuring a balanced budget in light of the transition. Fitch in its January ratings action reported debt as 56% of GDP in 2023 but forecasts that it will fall to 52.2% of GDP by 2025 if there is no large fall in oil prices.⁷ Sylla added:

"When there is a change, everyone wants to benefit from it, it will require a lot of spending."⁸

¹ Reuters, 22 Jan 2024

² IMF.org, accessed 14 Feb 2024

³ Fitch, 5 Sep 2023

⁴ Fitch, 26 Jan 2024

⁵ ARC Briefing Gabon analyst

⁶ RFI, 8 Feb 2024

⁷ Fitch, 26 Jan 2024

⁸ RFI, 8 Feb 2024

Gabon's transition will result in largely unexpected costs that would naturally not have been accounted for when the IMF programme was approved or in previous national budgets. The transitional government now faces the challenge of ensuring it meets all debt repayment deadlines, and bolsters revenue mobilisation to ensure debt continues declining while financing the transition. Recent positive developments in the mining sector, including the awarding of a 20-year permit to **Australia**-headquartered **Genmin** by mines minister **Hervé Patrick Opiangah**, may indicate that the junta is looking to focus on diversifying the economy away from oil and gas and tapping into the country's mineral reserves in a bid to bolster revenues.

Government reshuffle

The presidency confirmed on 17 January that there had been a slight reshuffle of the government with the most notable change being the appointment of **Alexandre Barro Chambrier** as deputy prime minister. The **Rassemblement pour la patrie et la modernité (RPM)** party leader was a candidate in the presidential election before withdrawing in favour of **Albert Ondo Osso**.⁹ Chambrier served in various ministerial roles under **Omar Bongo** (1967-2009) but left the former ruling **Parti démocratique gabonais (PDG)** in 2016 after a disagreement with the PDG over various issues, including the misuse of public resources, and chose to support **Jean Ping** in the 2016 elections. Chambrier will serve under prime minister **Raymond Ndong Sima**, also an opposition leader, who has been placed in the transitional government as transitional president **Brice Clotaire Oligui Nguema** (2023-present) seemingly works to ease longstanding tensions with the opposition.

However, a key provision of the transition charter is that those who have held high office cannot contest future elections. This could change as the national dialogue, slated for April, begins, but as matters stand, Chambrier and Sima would be unable to run in the planned August 2025 elections.¹⁰ Chambrier noted:

"Regarding the question relating to my participation in the 2025 presidential election for which my entry into the government prohibits me from taking part, I will simply say that I made the choice of Gabon. I prioritise my country to which I want to be useful."¹¹

Other changes in the government include the appointment of **Nadine Natale Awanang Anato** as social affairs minister and General **Bonjean Frederick Mbaza** as the digital economy and ICT minister. Another key change was the replacement of **Hervé Patrick Opiangah** as mines minister with **Gilles Nembe**. Opiangah is a former advisor in the presidency and was considered a close friend to deposed president **Ali Bongo Ondimba** (2009-2023). Following his appointment as mines minister in the transitional government, a petition garnered 12,000 signatures asking for his removal.¹² Given that the new government aims to rid Gabon of issues such as corruption that plagued the former administration, Opiangah's appointment was likely just temporary.

Diplomatic tensions with Angola

Angola's foreign affairs ministry reported on 19 January that a "serious diplomatic incident" had taken place at the home of **Economic Community of Central African States (ECCAS)** president **Gilberto da Piedade Verissimo** in Gabon's capital, **Libreville**, on 17 January. According to the Angolan ministry, five armed men broke into Verissimo's official residence and "psychologically assaulted" him and his assistant, adding that some of the intruders were wearing Gabonese armed forces uniforms.¹³ The interior ministry responded on 19 January, confirming that an investigation had been opened and called the incident regrettable.

⁹ Jeune Afrique, 17 Jan 2024

¹⁰ RFI, 18 Jan 2024

¹¹ Gabon Media Time, 20 Jan 2024

¹² Jeune Afrique, 3 Nov 2023

¹³ The Africa Report, 29 Jan 2024

The incident has occurred against a background of simmering tensions between the two countries, with Angola the only ECCAS member that Nguema has not visited.¹⁴ Gabon was suspended from the bloc after the coup and it was decided during the ECCAS summit on 15 December that it would remain suspended and that ECCAS would maintain regional sanctions imposed on Gabon until a return to constitutional rule. Following the summit, Gabon recalled its ambassador to Angola for consultations.¹⁵

Planner

2024 **(Gabon)** General census

Jan 2024 **(Gabon)** International Monetary Fund (IMF) mission

1-30 Apr 2024 **Libreville (Gabon)** National dialogue

Jun 2024 **(Gabon)** New constitution expected to be submitted to parliament

Nov 2024 **(Gabon)** Expected referendum on new constitution

Mar 2025 **(Gabon)** Expected adoption of a new electoral code

Aug 2025 **(Gabon)** General elections

Chronology

13 Feb 2024 **Libreville (Gabon)** *Gabon Review*. Transitional national assembly president **Jean-François Ndongou** meets with **Morocco's** foreign affairs minister, **Nasser Bourita**, to discuss bilateral relations, reiterating Gabon's support for Morocco's sovereignty over **Western Sahara**;

11 Feb 2024 **Libreville (Gabon)** *RFI*. Government says it plans to raise the retirement age of civil servants from 60 to 62 with civil servants celebrating the move as it will allow them to earn salaries for longer but young unemployed graduates have lamented the decision citing that youth unemployment is close to 40%;

8 Feb 2024 **Libreville (Gabon)** *Sika Finance*. **Australia**-headquartered **Genmin** says it will raise approximately \$18.4m in financing to help develop the **Baniaka** iron deposit;

8 Feb 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. The transitional government announces the creation of **Fly Air Gabon Holding** which will be responsible for acquiring stakes in companies in the transport sector;

7 Feb 2024 **Libreville (Gabon)** *Sika Finance*. The junta-run government announces a construction programme of 6,000 social housing units between 2024 and 2026 at a cost of 111 billion FCFA (\$182.19m) aimed at increasing affordable housing options for citizens;

8 Feb 2024 **Libreville (Gabon)** *Africa Intelligence*. The transitional government has reportedly decided to place deposed president **Ali Bongo's** mansion in **Paris (France)** up for sale;

2 Feb 2024 **Libreville (Gabon)** *RFI*. Constitutional court annuls the appointment of its former head, **Marie-Madeleine Mborantsuo**, as honorary president, stating that several defects in the deliberation resulted in her being awarded the position in the first place;

2 Feb 2024 **Libreville (Gabon)** *Jeune Afrique*. Opposition leader **Gervais Oniane** calls on transitional president **Brice Clotaire Oligui Nguema** to stand for president in the 2025 election;

29 Jan 2024 **Libreville (Gabon)** *Agence Ecofin*. **Société d'énergie et d'eau du Gabon** (Gabon energy and water company) CEO **Joël Lehman Sandoungout** says Gabon loses between 30 billion FCFA (\$49.523m) and 50 billion FCFA (\$82.58m) every year due to fraud in its electricity and water distribution networks;

¹⁴ RFI, 20 Jan 2024

¹⁵ The Africa Report 29 Jan 2024

27 Jan 2024 **Libreville (Gabon)** *Fitch*. **United States (US)**-headquartered **Fitch Ratings** affirms Gabon's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B-' and removes its rating watch negative, assigning a stable outlook;

26 Jan 2024 **Libreville (Gabon)** *Sika Finance*. Gabon plans its return to the **Eurobond** market, seeking approximately \$778m with a 30-year maturity, marking a return to the international debt market after a three-year absence;

25 Jan 2024 **Libreville (Gabon)** *Gabon Media Time*. **French** ambassador to Gabon **Alexis Lamek** meets with transitional president **Brice Clotaire Oligui Nguema** to discuss French support for Gabon during the transition;

18 Jan 2024 **Libreville (Gabon)** *Direct Infos Gabon*. Oil minister **Marcel Abéké** meets with representatives of **Swiss** oil group **Mocoh** who have expressed interest in investing in Gabon;

18 Jan 2024 **Libreville (Gabon)** *Afrimag*. **Burundi's** President **Evariste Ndayishimiye** visits the **Nkok Special Investment Zone** as part of his visit to Gabon, lauding the zone as part of Gabon's economic transformation;

17 Jan 2024 **Paris (France)** *RFI*. The court of appeal confirms the indictment of **Pascaline Bongo**, daughter of former president **Omar Bongo**, in a case of corruption;

17 Jan 2024 **Libreville (Gabon)** *Gabon Media Time*. Transitional president **Brice Clotaire Oligui Nguema** arrives in **Senegal** ahead of a meeting with President **Macky Sall**;

17 Jan 2024 **Libreville (Gabon)** *Direct Infos Gabon*. Energy minister **Jeannot Kalima** meets with a **World Bank** delegation to discuss 100 billion FCFA (\$163.23m) in financing for various infrastructure projects;

16 Jan 2024 **Libreville (Gabon)** *North Africa Post*. Transitional government agrees to implement a decision of the former administration, made in 2025 but never implemented, to grant armed and security forces a risk premium for their work;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)