

AFRICA RISK CONSULTING

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Gabon Summary 10 October 2022

Police arrest opposition party Les Démocrates leader and former Assemblée nationale (national assembly) president Guy Nzouba Ndama upon his 17 September return from Republic of Congo, potentially risking his chance to run in the 2023 presidential election. Direction générale des Douanes et des Droits indirects (DGDDI) (general directorate of customs) data published between 31 August and 11 September indicate that Gabon's foreign trade doubled in the first quarter (Q1) of 2022, reflecting its economic recovery. United Kingdom (UK)-headquartered oil and gas company Perenco announces it will invest \$1 billion in a second liquefied natural gas (LNG) production plant in Cap Lopez along the Gabonese coastline, which could be online by 2026 and see Gabon become the seventh largest producer of LNG in Africa.

Opposition leader arrested

Members of the **Gabonese** gendarmerie arrested opposition party **Les Démocrates** leader and former **Assemblée nationale** (national assembly) president **Guy Nzouba Ndama** on 17 September on his return from **Republic of Congo**. Nzouba-Ndama was carrying suitcases of cash containing 1.19 billion FCFA (\$1.8m), which given the amount, would have required him to provide proof of the source of the money.¹ It is legal to move cash between countries that are members of the **Central African Economic and Monetary Community (CEMAC)**; however, any amount above 1m FCFA (\$1,484) must be declared to customs.² A video of the arrest shows that Nzouba-Ndama refused to submit his luggage to customs.

Nzouba-Ndama was released on 19 September but was re-arrested by the **Direction générale des recherches (DGR)**, the intelligence arm of the gendarmerie.³ Nzouba-Ndama was presented before a judge on 20 September on charges of criminal association, money laundering, intelligence with a foreign power, and attempted bribery before being released on bail but remains under house arrest with his passport surrendered to authorities.⁴ If found guilty, he faces a year in jail and a fine of 2.3 billion FCFA (\$3.4m), and would be ineligible to run in the 2023 presidential election.⁵

Nzouba-Ndama is considered a potential challenger to incumbent president **Ali Bongo Ondimba** (2009-present).⁶ Nzouba-Ndama was loyal to Ali Bongo's father, former president **Omar Bongo Ondimba** (1967-2009), but fell out with President Bongo in 2016, resigning from the national assembly and joining the opposition. Les Démocrates was founded in 2017; in the 2018 legislative elections it became the second-largest party behind Bongo's **Parti Démocratique Gabonais (PDG)** after winning 11 seats in the national assembly.⁷

Speculation about the source of Nzouba-Ndama's money remains. Opposition and civil society figures in Republic of Congo have accused President **Denis Sassou Nguesso** (1997-present) of sponsoring

¹ Direct Infos Gabon, 18 Sep 2022

² Le Monde, 19 Sep 2022

³ Gabon Review, 19 Sep 2022

⁴ RFI, 20 Sep 2022

⁵ Gabon Review, 19 Sep 2022

⁶ ARC Gabon analyst

⁷ Le Monde, 19 Sep 2022

opposition parties such as Les Démocrates, in Gabon.⁸ There has been no official comment by Republic of Congo or Nguesso on the matter.

Locally, opposition parties have rallied behind Nzouba-Ndama, accusing the gendarmerie of violating his rights and staging the arrest, which could rule him out of the presidential race.⁹ Bongo, his family and the PDG have dominated the political scene in Gabon for decades, often by disrupting the activities of opposition parties and potential opposition candidates.¹⁰ Nzouba-Ndama's arrest, while requiring significant organisation and effort if staged, cannot be ruled out as a strategy to weaken the opposition ahead of the 2023 presidential election.

Trade doubles in Q1...

The **Direction générale des Douanes et des Droits indirects (DGDDI)** (general directorate of customs) published data between 31 August and 11 September indicating that Gabon's foreign trade doubled in the first quarter (Q1) of 2022, a reflection of a recovering economy. Trade doubled from 597.4 billion FCFA (\$886m) in the Q4 2021 to 1,276.5 billion FCFA (\$1.8 billion) in Q1 2022.¹¹ These figures have helped Gabon to improve its trade balance, which remains firmly in a surplus with exports rising by 113.7% while imports increased by 20.4% to 360.1 billion FCFA (\$534m) in Q1.¹² The largest import increase was in capital goods, linked to the increase in investment in the mining and oil sectors.

Gabon's leading trade partner remains **China**, with a trade volume of 497.6 billion FCFA (\$738m) purchased in Q1. Gabon's other main export destinations include:

- **India** – 194.4 billion FCFA (\$287.9m);
- **Spain** – 98.1 billion FCFA (\$145m);
- **South Korea** – 91.5 billion FCFA (\$135m);
- **Vietnam** – 78.8 billion FCFA (\$116m);
- **North Korea** – 50.1 billion FCFA (\$74m).¹³

India's position as Gabon's second-largest trade partner reflects its recent push to improve bilateral cooperation and ties with Gabon. India's vice-president, **Venkaiah Naidu**, led a delegation of parliamentarians and entrepreneurs to **Libreville** on 30 May-1 June to discuss strengthening trade ties between the two countries across several sectors while establishing closer business ties (*see ARC Briefing Gabon June 2022*). India imported products worth 477.7 billion FCFA (\$779m) from Gabon in 2021, making it the second-largest importer of Gabonese products. Prime minister **Rose Christiane Ossouka Raponda** signed two agreements with Naidu, which could help to reach the goal of increased trade.¹⁴

International credit agencies have noted Gabon's economic recovery. In August, **United States**-based credit rating agency **Fitch Ratings** revised Gabon's Long-Term Foreign-Currency Issuer Default Rating (IDR) to positive from stable and affirmed its IDR at 'B-' (*see ARC Briefing Gabon Sep 2022*). This adjustment reflected Gabon's improved fiscal trajectory, as seen in the above data.

Higher trade volumes can also be attributed to the war in **Ukraine**, which has increased the demand and price for crude oil and the price of raw materials such as sawn wood and manganese, both of which Gabon exports.¹⁵ Gabon is likely to continue to benefit from higher commodity prices and demand, which will continue to positively impact its trade balance through 2022.¹⁶

⁸ La Libreville, 25 Sep 2022

⁹ RFI, 21 Sep 2022

¹⁰ Freedom House: Gabon, 2022

¹¹ Direct Infos Gabon, 11 Sep 2022

¹² Direct Infos Gabon, 11 Sep 2022

¹³ Direct Infos Gabon, 11 Sep 2022

¹⁴ Gabon Media Time, 1 Oct 2022

¹⁵ Gabon Media Time, 1 Oct 2022

¹⁶ ARC Gabon analyst

... as Gabon turns to gas with Perenco's help

United Kingdom (UK)-headquartered oil and gas company **Perenco** announced on 14 September that it will invest \$1 billion in a second liquefied natural gas (LNG) production plant in **Cap Lopez**, along the Gabonese coastline.¹⁷ The plant could be online by 2026 and see Gabon become the seventh largest producer of LNG in **Africa**.¹⁸ The project would not only allow Gabon to be self-sufficient in gas but also to become a gas exporter. Perenco Africa director **Denis Chatelan** and Perenco Gabon general manager **Adrien Broche** made the announcement during a presentation attended by oil and gas minister **Vincent de Paul Massassa**.¹⁹ Massassa committed to Perenco that he would facilitate the necessary authorisations for the project, describing it as a “win-win partnership”:

“Through this project, Perenco is embarking on the drilling and production works of the gas fields it owns. We are now looking at the feasibility of this large-scale project at the Cap Lopez terminal.”²⁰

The **Batanga** gas production plant, located near Gabon's seaport, **Port-Gentil**, is under construction and has been funded by Perenco at a cost of approximately \$47.5m.²¹ Massassa confirmed during a visit to the site on 29 September that Batanga is expected to come online in the second half of 2023 and produce 15,000 tonnes of gas per year.²² While not large, this will be a strong starting point for Gabon and its economy, which is largely reliant on oil exports. Gabon is estimated to hold proven natural gas reserves of 28.3 billion cubic metres.²³

¹⁷ Direct Infos Gabon, 18 Sep 2022

¹⁸ Direct Infos Gabon, 18 Sep 2022

¹⁹ Le Nouveau Gabon, 16 Sep 2022

²⁰ Le Nouveau Gabon, 16 Sep 2022

²¹ Le Nouveau Gabon, 3 Oct 2022

²² Gabon Review, 3 Oct 2022

²³ Le Nouveau Gabon, 3 Oct 2022

Planner

11 Nov 2022 **(Gabon)** Elections for governance bodies of **Chamber of Commerce, Agriculture, Industry, Mines and Crafts**

29 Aug – 1 Sep 2022 **Libreville (Gabon)** African Climate Week 2022

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

Chronology

9 Oct 2022 **Libreville (Gabon)** *La Libreville*. Environment minister **Lee White** reveals that Gabon is targeting a value of \$6.5 billion for 90 million carbon credits out of the 187 million it plans to sell on the offset market by the **2022 United Nations Climate Change Conference (COP27)**;

9 Oct 2022 **Cape Town (South Africa)** *Le Nouveau Gabon*. **China National Offshore Oil Cooperation (CNOOC)** intends to invest in six new oil blocks by December after meeting with officials during **Africa Oil Week** held from 3-7 October;

7 Oct 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. **Gabon** may reduce oil production in line with the recent decision by the **Organisation of Petroleum Exporting Countries (OPEC)** to reduce production to 2 million barrels per day;

6 Oct 2022 **Libreville (Gabon)** *Gabon Review*. President **Ali Bongo Ondimba** will be in **London** on 18 October for the flag-raising ceremony that will mark **Gabon's** entry into the **Commonwealth**;

4 Oct 2022 **Libreville (Gabon)** *Gabon Review*. Energy minister **Alain-Claud Bile-By-Nze** begins negotiations between state-owned energy and water company **Société d'énergie et d'eau du Gabon (SEEG)** and **Equatorial Guinea's Société d'électricité de Guinée équatoriale (Segesa)** for the purchase and sale of electricity;

4 Oct 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. Mines minister **Elvis Ossindji** negotiates an agreement between management and employees of **Compagnie Minière de l'Ogooué (Comilog)** to defuse strike action;

3 Oct 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. **Gabon** has assumed the presidency of the **United Nations Security Council** for the duration of October;

30 Sep 2022 **Batanga (Gabon)** *Le Nouveau Gabon*. Petroleum minister **Vincent de Paul Massassa** visits the **Batanga** gas production plant currently under construction, announcing government's plans to be self-sufficient in domestic gas, and an exporter of gas, by 2026;

27 Sep 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. **Australian** mining company **Equatorial Potash** sells its potash development project in **Banio** to **United States**-based mining company **Black Mountain Gold**;

27 Sep 2022 **Libreville (Gabon)** *Direct Infos Gabon*. **Direction générale des Douanes et des Droits indirects (DGDI)** (general directorate of customs) indicates that palm oil exports increased by 141.8% in quarter one, producing revenue of 11.7 billion FCFA (\$17.4m);

26 Sep 2022 **New York (United States)** *Gabon Review*. **China** reiterates its commitment to working with **Gabon** on the side lines of the 77th **United Nations General Assembly**;

24 Sep 2022 **Libreville (Gabon)** *Gabon Review*. The 600 families affected by the construction of the **Libreville Airport** bypass project will receive financial compensation from October;

23 Sep 2022 **New York (United States)** *Le Nouveau Gabon*. **Gabon** joins the **United Nations Arms Trade Treaty**, which regulates the international trade in conventional arms, during the 77th **United Nations General Assembly**;

23 Sep 2022 **Libreville (Gabon)** *Gabon Media Time*. **Organization of the Petroleum Exporting Countries (OPEC)** data indicates that **Gabon** produced 212,000 barrels of oil per day in August,

making it the seventh largest **African** producer and outperforming initial forecasts for 2022 of production being slightly higher than 185,000 barrels per day;

20 Sep 2022 **Libreville (Gabon)** *MSN*. **Public Prosecutor's Office** opens investigation into former parliament speaker **Guy Nzouba Ndama**, an opponent of the current government, who was arrested on 17 September with three suitcases containing 1.19 billion FCFA (\$1.8m);

17 Sep 2022 **Libreville (Gabon)** *Direct Infos*. Opposition **Les Démocrates** party president **Guy Nzou Ndama** is arrested upon return from the **Republic of Congo** with 1.19 billion FCFA (\$1.8m) in cash in his suitcases;

15 Sep 2022 **Libreville (Gabon)** *Gabon Review*. Government places a price cap on 48 imported products, including meat, poultry, fish and other goods, to assist in fighting the rising cost of living;

13 Sep 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. President **Ali Bongo Ondimba** dissolves the public works ministry, assigning its responsibility to prime minister **Rose Christiane Ossouka Raponda** after citizens complain of deteriorating road networks;

13 Sep 2022 **Libreville (Gabon)** *Le Nouveau Gabon*. President **Ali Bongo Ondimba** allocates 2 billion FCFA (\$2.9m) to each province to help fund local development projects;

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