

AFRICA RISK CONSULTING

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Gabon Summary 13 November 2024

Council of ministers passes a bill setting the constitutional referendum date for 16 November. Despite expected falls in global oil prices, Gabon's oil sector continues to attract international investment. A conference on 14 October chaired by prime minister Raymond Ndong Sima places the spotlight on Gabon's civil service, confirming that Gabon has at least 9,000 'ghost' civil servants weighing down the already bloated wage bill.

Constitutional referendum date set

Gabon's council of ministers passed a bill on 17 October approving the new proposed constitution, allowing the junta-led government to set the constitutional referendum date for 16 November. The drafting of the new constitution began with an inclusive national dialogue process in April which allowed the **Comité constitutionnel national (CCN)** (national constitutional committee) to begin the drafting process (see *ARC Briefing Gabon Jul 2024*). The draft constitution was completed on 15 June. Lawmakers began discussions on the new constitution in early September before approving it on 17 October.¹

Some of the key changes in the constitution, which has 173 articles and was made public on 21 October, include:

- A change from a semi-presidential to a presidential regime (removing the prime minister post). The president will be seconded by a vice president;
- Limiting the number of terms a president can serve to two terms, seven years each;
- Recognition of **French** as a working language generally;
- A proposal for mandatory military service;
- Enshrining that marriage is a union between two persons of the opposite sex;
- Requiring a presidential election candidate to have at least one Gabonese parent, to have been born in Gabon, and to be between the ages of 35 and 70. If married, the candidate's spouse must be Gabonese. The candidate is required to have lived in Gabon for three uninterrupted years prior to the election, speak one national language and submit to a health check;
- The spouse and descendants of a president cannot stand as candidates for succession.²

The new constitution seeks to differentiate itself from the 1991 constitution adopted under former president **Omar Bongo** (1967-2009), which was changed several times by Omar Bongo and his son, former president **Ali Bongo Ondimba** (2009-2023).³ There is a clear focus in the draft constitution on not returning to a family succession. The addition of a health check is also directed at the former regime; Ali Bongo's health came into the spotlight following his October 2018 stroke, amid rumours that he was often unable to sign documents in the latter years of his presidency and relied on his family to help him.⁴

Most political parties and political figures have voiced their support for the new constitution, including prime minister **Raymond Ndong Sima's Alliance patriotique**. It should be noted that Sima

¹ RFI, 20 Oct 2024

² Anadolu Agency, 7 Nov 2024

³ Jeune Afrique, 12 Nov 2024

⁴ ARC Briefing writer

and vice prime minister **Alexandre Barro Chambrier** cannot stand in the presidential election as they have taken up roles in the transition.⁵ Former vice president **Pierre Claver Maganga Moussavou** has said he will reject the constitution, but this is likely driven by the fact that Moussavou – who has run in five presidential elections – is 72 and therefore, cannot stand again in terms of the proposed constitution. Former prime minister **Alain Claude Bilie-By-Nze** has also called the proposed constitution anti-democratic.

Some Gabonese feel the process has been rushed.⁶ Government has distributed copies of the draft constitution online, but approximately a third of Gabon's population does not have internet access. The draft constitution was only made available on 21 October, and the referendum is taking place less than a month later. Campaigning for the referendum began on 6 November but it is unclear if other events have been organised to explain to citizens the basics of the new constitution before asking them to vote on it.

While not a perfect process, the constitutional referendum is a key step in the transition and return to civilian rule. If the constitution is adopted, the next step in the transition will be the reform of the electoral code and electoral list ahead of the presidential election, which is tentatively scheduled for August 2025.⁷ Interior minister **Hermann Immongault** confirmed on 25 October that international observers have been authorised to monitor the constitutional referendum to strengthen its credibility.⁸

Oil sector set for 2025 boom

Gabon's oil sector has continued to attract additional investment, with several new announcements over the last month. The petroleum ministry on 31 October awarded a consortium comprising **Bermuda**-headquartered **BW Energy**, **Norway**-headquartered **Panoro Energy** and **United States (US)**-headquartered **Vaalco Energy**, two new oil exploration permits for the **Niosi** and **Guduma Marin** blocks offshore.⁹ The consortium has committed to investing up to \$100m over an eight-year period on these blocks.

Just prior to this announcement, Vaalco Energy Gabon's managing director, **Viannet Okuma**, confirmed that the company plans to launch a new drilling campaign for several oil wells in 2025 on the **Étame-Marin** offshore field at an investment of between \$250m and \$300m.¹⁰ If successful, Vaalco Energy is hoping it will double its production in Gabon from its current 15,000 – 16,000 barrels per day (bpd).

On 18 October, oil minister **Marcel Abéké** signed two exploration and production sharing agreements with local producer **Business Oil Africa** for the offshore **Konzi** fields. Konzi was left shut down by a former operator but is still operational.¹¹ On 8 November, **United Kingdom**-headquartered **Perenco SA** also announced that it plans to spend three-quarters of its planned \$2 billion investment next year on its **Africa** operations, including Gabon. Gabon accounts for almost a quarter of Perenco's production and will garner a significant amount of this investment to help build pipelines across the country that will connect to the planned **Cap Lopez** LNG terminal.¹² The terminal is set to start production in 2026 with a capacity of 700,000 tonnes of LNG per year.

Gabon is looking to produce 1.1 million tonnes of oil in 2025, a slight decrease of 2.1% on expected production at end 2024. The draft finance law expects that oil will sell at \$75 per barrel in 2025 from \$79 in 2024. Overall, oil revenues are expected to drop by 35% by 2026 due to this lower production

⁵ Jeune Afrique, 12 Nov 2024

⁶ VOA, 23 Oct 2024

⁷ Jeune Afrique, 12 Nov 2024

⁸ Gabon Actu, 26 Oct 2024

⁹ Le Nouveau Gabon, 5 Nov 2024

¹⁰ Le Nouveau Gabon, 30 Oct 2024

¹¹ Direct Infos Gabon, 21 Oct 2024

¹² World Oil, 8 Nov 2024

and lower prices. Norway-based **Rystad Energy**'s oil analysts also recently published a report indicating that global crude oil prices could drop to around \$60 per barrel by 2027 as overall demand for oil continues to decline. The **World Bank** expects oil to sell at \$73 per barrel in 2025 and \$72 in 2026.¹³ Oil is one of the most volatile commodities, and while there is increased focus on green energy sources and demand is seen to be dropping now, there is a chance that oil prices could peak again. Gabon's continued investment and promotion of the sector is required to ensure it continues earning the country necessary foreign exchange, but emphasis also needs to be placed on diversifying the economy.

Civil service audit reveals issues

Prime minister Raymond Ndong Sima chaired a conference on 14 October focused on Gabon's largest employer, the civil service. Gabon's civil service has long been problematic. The wage bill has ballooned amid what Sima described in his address as "*unsatisfactory performance*" of civil servants.¹⁴ Gabon's civil service wage bill increased by 12% to 771 billion FCFA (\$1.24 billion) between 2023 and 2024 to pay 109,267 registered civil servants.

The conference highlighted the significant problem of 'ghost' civil servants. An official audit in September revealed that there are at least 13,000 public officials who no longer work in the civil service but continue to receive their salary.¹⁵ Following the removal of those who have died, retired or been struck off the register, 9,000 'ghost' public officials remain. This has been an ongoing problem; in 2013, it was reported that Gabon had 3,000 fake civil servants receiving salaries.¹⁶ Budget minister **Charles M'Ba** said in the conference that the government could save up to 8 billion FCFA (\$12.96m) by removing these ghost civil servants.

Following the conference, it was required that all civil servants physically present themselves on 25 October to collect their salaries as a way to start removing ghost civil servants from the payroll.

¹³ World Bank, 5 Nov 2024

¹⁴ RFI, 15 Oct 2024

¹⁵ Jeune Afrique, 27 Oct 2024

¹⁶ The Guardian, 6 Sep 2013

Planner

16 Nov 2024 **(Gabon)** Constitutional referendum
 2024 **(Gabon)** General census
 Mar 2025 **(Gabon)** Expected adoption of a new electoral code
 Aug 2025 **(Gabon)** General elections
 2026 **(Gabon)** **Cap Lopez** LNG terminal to start production

Chronology

11 Nov 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. The **2025 Finance Bill**, currently under examination by parliament, outlines the introduction of corporate tax exemptions for companies operating in the hotel, tourism and social housing development sectors, for the first three years of their activity;

11 Nov 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **Compagnie minière de l'Ogooué (Comilog)**, a subsidiary of **French** mining giant **Eramet**, announces resumption of its manganese production activities at its **Moanda** site in the **Haut-Ogooué Province** following a suspension on 15 October due to a sharp drop in steel production in **China**;

7 Nov 2024 **Libreville (Gabon)** *Business Insider Africa*. **United Kingdom**-headquartered **Perenco SA** plans to invest three-quarters of its \$2 billion budget in **African** countries, including Gabon, in 2025, aiming to target natural gas in the country;

7 Nov 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Government announces it will pay civil servants 35 billion FCFA (\$56.81m) in back pay on 12 November, a third of the 106 billion FCFA (\$172.06m) trade unions say is owed;

6 Nov 2024 **Libreville (Gabon)** *Gabon Review*. Transitional president **Brice Oligui Nguema** meets the head of the **United States' Africa Command**, General **Michael Langley**, to discuss military cooperation;

5 Nov 2024 **Libreville (Gabon)** *Gabon Review*. Gabon says it has removed its flag from 30 ships flying the Gabonese flag that are actually suspected to belong to **Russian** ships seeking to circumvent sanctions;

31 Oct 2024 **Libreville (Gabon)** *OE Digital*. **Bermuda**-headquartered **BW Energy** has signed production sharing contracts for offshore zones **Niosi Marin** and **Guduma Marin** in partnership with **Norway**-headquartered **Panoro Energy** and **United States (US)**-headquartered **VAALCO Energy** to look for oil in the 4,918 km² area;

31 Oct 2024 **Libreville (Gabon)** *Reuters*. The presidency announces that Gabon plans to buy back 50% of its \$600m **Eurobond** that is maturing next June;

31 Oct 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **France** pledges \$60m to Gabon to strengthen the protection of its forests during the ongoing **United Nations Biodiversity Conference (CBD COP16)**;

30 Oct 2024 **Libreville (Gabon)** *APA News*. Prime minister **Raymond Ndong Sima** meets with a delegation from **China Railway 20** which presents a project aimed at increasing Gabon's mining production;

30 Oct 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **United States**-headquartered **Vaalco** announces plans to launch a new drilling campaign for several oil wells in 2025, investing approximately \$200m;

18 Oct 2024 **Libreville (Gabon)** *Agence Ecofin*. State-owned **Gabon Oil Company (GOC)** acquires a 15% share in the **Baudroie** oil field, previously held by **France's TotalEnergies**;

18 Oct 2024 **Libreville (Gabon)** *Direct Infos Gabon*. France-headquartered oil company **Maurel & Prom** reports turnover of \$341m in the first nine months of 2024, up 3% compared to the same period in 2023;

14 Oct 2024 **Libreville (Gabon)** *Jeune Afrique*. The former ruling **Parti démocratique gabonais (PDG)** holds a meeting to encourage members to vote in favour of the draft constitution in the referendum as it seeks to pivot in Gabonese politics since the overthrow of **Ali Bongo Ondimba**;

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