

## AFRICA RISK CONSULTING

### Gabon Monthly Briefing October 2024

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#### Gabon Summary 14 October 2024

*Transitional president General Brice Oligui Nguema (2023-present) visits the United States (US) to attend the United Nations (UN) General Assembly and meet with US government officials as part of a working visit. Economy ministry publishes its report for the period September 2023 to August 2024, offering an assessment of the economy post-coup. Gabon and Equatorial Guinea meet in the International Court of Justice (ICJ) on 30 September to resolve a dispute over the sovereignty of potentially oil rich Mbanié Island and two smaller islets, located approximately one kilometre off Gabon's coast.*

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#### Nguema visits US and France ...

Transitional president General **Brice Oligui Nguema** (2023-present) visited the **United States (US)** to attend the **United Nations (UN) General Assembly**, held in **New York** between 20 and 27 September, and to meet with US government officials as part of a working visit. During his visit, Nguema met with US secretary of state **Antony Blinken** on 1 October.<sup>1</sup> Following their meeting, Blinken said:

*"The US is looking forward to partnering with Gabon throughout the country's transition to democracy and elevating our bilateral relationship across sectors, including development, environment and security."<sup>2</sup>*

Following the coup in August 2023, the US suspended most of its assistance to Gabon, and US President **Joe Biden** (2021-present) confirmed on 30 October 2023 that Gabon would no longer have access to the preferential **African Growth and Trade Opportunity Act (AGOA)** trade programme from 1 January 2024 (see *ARC Briefing Gabon Nov 2023*). However, to address its waning influence in the region, the US is returning to Gabon with new impetus. Following the visit, the US announced a planned visit by the US **International Development Finance Corporation (DFC)** to assess investment opportunities beyond the \$500m it will invest to support marine conservation, plans for technical cooperation to help Gabon understand its critical mineral potential better and an additional \$2m in funding for the national parks agency.<sup>3</sup>

Nguema also attended a business roundtable with the US **Chamber of Commerce** during his visit, appealing to the US private sector to increase investment in Gabon. US ambassador to Gabon, **Vernelle Trim FitzPatrick**, also took the opportunity to highlight what she called a "*can-do spirit*" under Gabon's junta and noted that the transitional government has taken tangible steps to improve socioeconomic conditions.<sup>4</sup>

Nguema's trip to the US was a diplomatic offensive and served as an opportunity for him to assert to partners that Gabon's transition remains on track. During the UNGA, he made it clear that Gabon is keeping to its transitional timeline and will have a constitutional referendum in the coming months allowing the electoral register to be compiled and the electoral code to be adopted. The transition is still on track to end in August 2025.

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<sup>1</sup> The Africa Report, 4 Oct 2024

<sup>2</sup> The Africa Report, 4 Oct 2024

<sup>3</sup> Direct Infos Gabon, 8 Oct 2024

<sup>4</sup> The Africa Report, 4 Oct 2024

Nguema thanked national and international partners and donors for supporting Gabon's transition.<sup>5</sup> He left the US to attend the **Organisation internationale de la francophonie (OIF)** (international organisation of the Francophonie) summit held in **Villers-Cotterêts** and **Paris (France)** on 4 and 5 October, Nguema's third visit to France since the coup. Nguema has kept his options open on the diplomatic front, also attending the **Forum on China-Africa Cooperation (FOCAC)** held in **Beijing (China)** from 4-6 September, which has ensured a steady flow of investment from various partners. Nguema is likely to be a candidate in the August 2025 election, and shoring up support from diplomatic partners and attracting investment from abroad bodes well for any potential election campaign.

### ... as economy ministry publishes one-year post-coup report

30 August marked one year since the coup in which Nguema took power. On 23 September, the economy ministry published its report for the period September 2023 to August 2024, offering an assessment of the economy post-coup.

In the report, the ministry highlights that one of its major goals was to increase tax and customs revenues. The ministry has modernised the customs regime and launched the customs automation system **Sydonia World**, which is widely used in the region and was developed by the **United Nations Trade and Development (UNCTAD)**.<sup>6</sup> The government has also modernised the tax system, launching the **DIGITAX** system in April. Tax revenue has reached 258 billion FCFA (\$429.51m) since the platform's launch, and 1.12 trillion FCFA (\$1.86 billion) from September 2023 to August 2024. Customs revenues reached 483.19 billion FCFA (\$804.09m) for the same period.<sup>7</sup>

The transitional government has also focused on reducing the cost of living, with tangible results. A butane gas bottle costs 1,000 FCFA (\$1.66) less than a year ago, the cost of certain materials such as cement and reinforced steel has dropped, and free public transport has been maintained.<sup>8</sup>

Structural reforms have also taken place, including the launch of the **Banque pour le Commerce et l'Entrepreneuriat du Gabon (BCEG)** (bank for commerce and entrepreneurship of Gabon) with capital of 4 billion FCFA (\$6.65m), creation of the **Société de Construction et de Restauration des Edifices Publics (SOCOREP)** (state-owned real estate management company) and **Direction Générale des Participations** to manage the state portfolio. The report also highlights the launch of the national carrier, **Fly Gabon**.<sup>9</sup>

While these ambitious changes have seen success, Gabon's economy still faces several challenges including high debt levels. The **International Monetary Fund (IMF)** has projected that debt could rise from 73.1% of GDP in 2024 to 78% in 2025.<sup>10</sup> The public accounts ministry's data indicate that debt is only 54.68% of GDP. However, public accounts minister **Charles M'ba** has said this discrepancy is due to a lack of transparency under former president **Ali Bongo Ondimba** (2009-2023), noting that following the coup in August 2023, a taskforce found that debt levels were far higher than disclosed under the previous administration.<sup>11</sup> The IMF warns debt could exceed 8 trillion FCFA (\$13.25 billion) in 2024.<sup>12</sup>

### Gabon and Equatorial Guinea meet to resolve island dispute

Gabon and **Equatorial Guinea** met in the **International Court of Justice (ICJ)** on 30 September to resolve a dispute over the sovereignty of **Mbanié Island** and two smaller islets, located

<sup>5</sup> Jeune Afrique, 5 Oct 2024

<sup>6</sup> Gabon Review, 23 Sep 2024

<sup>7</sup> Gabon Review, 23 Sep 2024

<sup>8</sup> Gabon Review, 23 Sep 2024

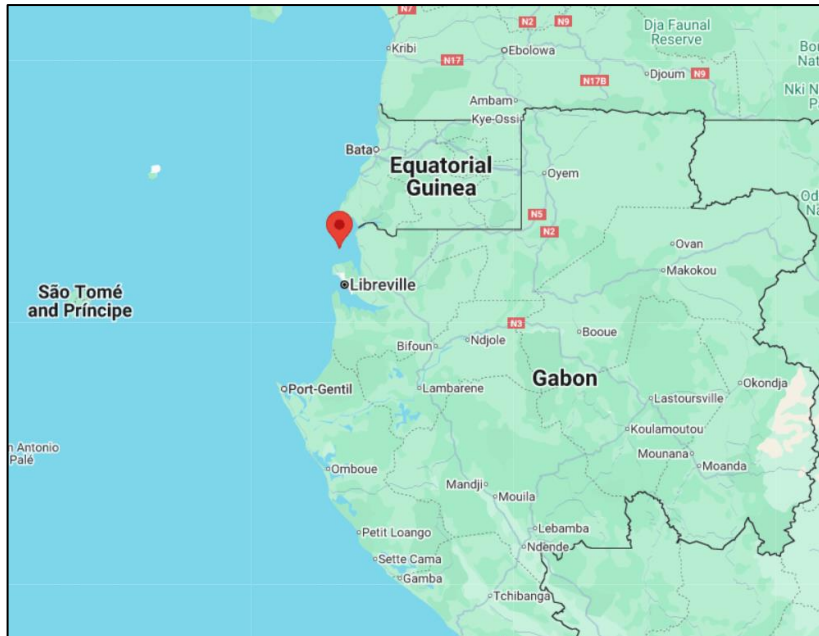
<sup>9</sup> Gabon Review, 23 Sep 2024

<sup>10</sup> Le Monde, 8 Jul 2024

<sup>11</sup> Le Monde, 8 Jul 2024

<sup>12</sup> Le Monde, 8 Jul 2024

approximately one kilometre off the coast of Gabon. The dispute dates to 1972 when Gabon's army drove Equatorial Guinea's army from the island, which remains largely uninhabited.<sup>13</sup>



Source: Google Maps

In the early 2000s, interest in oil prospects near the island prompted claims from both sides. Equatorial Guinea believes it has a claim to the island because of the **Treaty of Paris (1900)**, which divided French and **Spanish** colonial assets in **West Africa**, and the island falls in its remit. Gabon believes the judgement should be based on the **Bata Convention**, signed in 1974, which Equatorial Guinea says is unsigned and not original.<sup>14</sup> By 2016 there was no resolution and the two countries agreed to let the ICJ decide. A decision is expected in 2025.

Both countries are oil producers and are seeking new resources to tap into. Gabon's oil production is expected to fall by 2.1% next year, and by 2026, oil revenues are expected to drop by 35%.<sup>15</sup> New oil wells will help the country continue to bring in revenue from its most established sector while it continues diversifying its economy.

<sup>13</sup> RFI, 30 Sep 2024

<sup>14</sup> Reuters, 30 Sep 2024

<sup>15</sup> Direction Générale de l'Économie et de la Politique Fiscale (general directorate of economy and fiscal policy), 1 Oct 2024

## Planner

2024 **(Gabon)** General census  
 2024 **(Gabon)** Expected referendum on new constitution  
 Mar 2025 **(Gabon)** Expected adoption of a new electoral code  
 Aug 2025 **(Gabon)** General elections

## Chronology

11 Oct 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Draft finance law indicates that the government expects oil production to reach 11.1 million tonnes in 2025, a 2.1% decrease compared to production forecasts for 2024, and a 5.1% drop in oil price - \$75 per barrel versus the \$79 forecast in the 2024 draft law;

7 Oct 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Communication and media minister **Laurence Ndong** suspends **La Poste SA** chairman and CEO **Jean Eric Raynald Ndama** over alleged opaque management of the parastatal;

9 Oct 2024 **Libreville (Gabon)** *Direct Infos Gabon*. Gabon issues nine new treasury bonds on the **Bank of Central African States (BEAC)** public securities market in a bid to raise 122.5 billion FCFA (\$204.48m);

4 Oct 2024 **Libreville (Gabon)** *Sika Finance*. **Australia**-headquartered **Genmin** announces it has initiated a public offering of shares to raise funds for its **Baniaka** iron ore project in Gabon, raising approximately \$6.8m;

3 Oct 2024 **Paris (France)** *Gabon Review*. **Gabon's** transitional president, General **Brice Oligui Nguema**, attends the **Francophonie Summit**;

3 Oct 2024 **Libreville (Gabon)** *Direct Infos Gabon*. **United States (US) International Development Finance Corporation (DFC)** indicates it will mobilise \$300m to support marine conservation and the construction of a specialised mineral and bulk terminal at the **Port of Owendo**;

1 Oct 2024 **Libreville (Gabon)** *Direct Infos Gabon*. **Direction Générale de l'Economie et de la Politique Fiscale** (general directorate of economy and fiscal policy) reports manganese production increased slightly by 1.2% in the second quarter of 2024 compared to the first quarter, with year-on-year growth of 26.2%;

27 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Economy ministry indicates Gabon exported 4.3 million tonnes of manganese in the first six months of 2024, a 5.9% increase compared to the same period in 2023;

25 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Economy ministry reports that after five consecutive quarters of increase, oil production fell by 10.8% in the second quarter of 2024 due to operational incidents;

25 Sep 2024 **Libreville (Gabon)** *Gabon Review*. Petroleum minister **Marcel Abeke** receives a delegation from **Chinese** oil company **Sogapec** to discuss opportunities;

23 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **France**-headquartered **Maurel & Prom** says it will invest 6 billion FCFA (\$10.17m) in a new oil block over the next eight years;

21 Sep 2024 **Libreville (Gabon)** *Direct Infos Gabon*. A coalition of civil society groups accuses the mines ministry of refusing to publish the contract with **Australia**-headquartered iron ore mining company **Fortescue** for the exploitation of the **Belinga** iron ore deposit;

20 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **United Nations Development Program (UNDP)** grants Gabon \$200m for economic and infrastructure development in rural areas;

19 Sep 2024 **Libreville (Gabon)** *Business Insider Africa*. Former president **Ali Bongo Ondimba** says he will be withdrawing from politics and any political ambitions;

16 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Transitional president **Brice Oligui Nguema** meets with **African Union (AU) Commission** president **Faki Mahamat** to discuss Gabon reintegrating into the AU;

15 Sep 2024 **Libreville (Gabon)** *North Africa Post*. Rail operator **Setrag** signs a deal to upgrade the railway connecting **Port of Owendo** to **Franceville** for \$600m, with the government contributing \$220m and the remainder coming from international partners;

13 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Transitional president **Brice Oligui Nguema** announces that local banks will make available 100 billion FCFA (\$167.57m) to support the struggling **Société d'énergie et d'eau du Gabon (SEEG)** (Gabon energy and water company);

13 Sep 2024 **Libreville (Gabon)** *Jeune Afrique*. Parliament meets to discuss the draft constitution before its submission to transitional president **Brice Oligui Nguema**;

12 Sep 2024 **Libreville (Gabon)** *AFP*. Parliament meets to begin discussing the country's proposed new constitution;

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