

AFRICA RISK CONSULTING

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Gabon Summary 13 September 2024

Transitional president General Brice Oligui Nguema (2023-present) celebrates the first anniversary of the coup he led on 30 August 2023 that overthrew former president Ali Bongo Ondimba (2009-2023). Anniversary celebrations culminate in a ceremony that sees the handing over of the draft constitution. Gabon and China sign investment agreements worth \$4.3 billion during a bilateral economic forum ahead of the 9th Forum on China-Africa Cooperation (FOCAC). The United States is reportedly preparing a financial and military package for Gabon to counter Chinese influence. Nguema on 23 August orders an audit of state-owned Société d'énergie et d'eau du Gabon (SEEG) (Gabon water and energy company) following the exposure of a financial scandal and rolling power cuts in Libreville before opting to place it under provisional administration on 27 August.

Gabon celebrates first coup anniversary

Transitional president General **Brice Oligui Nguema** (2023-present) celebrated the first anniversary of the coup he led on 30 August 2023 that overthrew former president **Ali Bongo Ondimba** (2009-2023) with several inaugurations and a large military parade. Nguema gave a speech to the nation on 29 August, detailing all the junta has done since the coup – which he called a “*courageous decision*” – and highlighted other promises including the aid of 63 billion FCFA (\$106.5m) to the provinces and the construction of 2,591km of roads across the country by 2030.¹ As part of the ‘festivities’, Nguema inaugurated several infrastructure projects, took part in a military parade, and oversaw the hosting of a concert, a football match between government members and parliamentarians and a fireworks display.²

Ending the celebration on 31 August was a ceremony in which institutional reform minister **Murielle Minkoué** submitted the final version of the draft constitution to Nguema. The constitutional referendum is expected before the end of 2024. Notable points of the constitution include:

- Adoption of a presidential regime;
- Election of the president for a seven-year term, renewable once;
- Abolition of the prime minister post in favour of a vice president appointed by the president;
- Any sitting president who wants to revise the constitutional term limits could be found guilty of high treason;
- Any presidential candidate must have both parents born in Gabon and have exclusive Gabonese nationality;
- The president may dissolve parliament;
- Parliamentarians and senators can dismiss the president in the event of high treason, violation of oath or the constitution;
- Elevation of the soldiers who helped to overthrow the Bongo regime to the ranks of ‘heroes’ and protection under an amnesty law;
- Introduction of compulsory military service;

¹ Jeune Afrique, 31 Aug 2024

² AFP, 30 Aug 2024

- French will remain the official language of Gabon;
- Marriage is considered a union between two people of the opposite sex (same-sex relationships were decriminalised in 2020).³

Members of parliament (MPs) met on 12 September to begin discussions on the new constitution, which will continue until 22 September, according to a decree published by the junta. The constitution is a key step in the planned two-year transition, with significant progress in the run-up to the August 2025 election. However, transitions are notorious for delays, and Nguema's reported ambitions to run in the presidential election means he may delay approving any constitution that does not favour him.

Gabon gains big from China

The economy ministry announced on 3 September that Gabon and **China** had signed investment agreements worth \$4.3 billion during a bilateral economic forum ahead of the 9th **Forum on China-Africa Cooperation (FOCAC)** held in **Beijing** (China) from 4-6 September. Nguema led a delegation to the bilateral forum as well as to FOCAC. He also met with China's President **Xi Jinping** (2013-present) on 4 September during FOCAC.

The agreements focus on several sectors and are indicative of the strong ties between the two countries. One agreement is for the development of a 50MW hydroelectric project and another 600MW hydroelectric project with interconnection transmission lines, worth \$2.5 billion.⁴ A memorandum of understanding (MoU) was also signed for the exploration and exploitation of iron ore in **Mont Mbilan** by the **Zhongning Mining Company** and another for the exploration and exploitation of low-grade iron and manganese with **Shanghai Milestone Technology**.⁵ Gabon also obtained funding of \$1.4 billion for the project to build a new capital – **Libreville 2** – in **Andem (Moyen-Ogooué Province)**. The project was launched on 29 April but has required additional funding.⁶

Gabon and China mark 50 years of diplomatic relations this year, with the two elevating ties to a comprehensive strategic cooperative partnership in April 2023.⁷ China has been Gabon's main trading partner for 15 years. China's ambassador to Gabon, **Ping Zhou**, confirmed in September that in the first half of 2024, trade between the two countries reached \$2.07 billion and could reach a new record this year.⁸ Trade stood at \$4.55 billion in 2022. In addition to trade, Gabon and China agreed in 2023 that China would build a Chinese naval base in Gabon, which could result in a permanent base. This would be China's second military base on the continent.

On 6 September, media reported that the **United States (US)** is planning an economic and security assistance package for Gabon to prevent China from establishing a military base in the country. The package would reportedly include training for Gabon's special forces and \$5m in funding for the transition.⁹ This is a turnaround in the US attitude towards Gabon; the US suspended Gabon from the **Africa Growth and Opportunity Act (AGOA)** preferential trade programme in January citing a lack of political pluralism and rule of law. However, the US was asked to leave **Niger** and has since been seeking to bolster its presence elsewhere in the region. US deputy secretary of state **Kurt Campbell** visited Gabon in July, and in August, US assistant secretary of state for **African** affairs, **Molly Phee** confirmed that US president **Joe Biden** (2021-present) had formally invited Nguema for an official visit. It is believed that during this visit, Biden will present the proposed package. However, its value is low compared to China's pledges and existing investment and is unlikely to be enough to sway Gabon.

³ Direct Infos Gabon, 2 Sep 2024; Le Nouveau Gabon, 11 Sep 2024

⁴ Direct Infos Gabon, 5 Sep 2024

⁵ Direct Infos Gabon, 5 Sep 2024

⁶ Direct Infos Gabon, 5 Sep 2024

⁷ CGTN, 20 Apr 2024

⁸ Le Nouveau Gabon, 9 Sep 2024

⁹ Bloomberg, 6 Sep 2024; Africa Confidential, 10 Sep 2024

SEEG placed under administration

Nguema on 23 August ordered an audit of state-owned **Société d'énergie et d'eau du Gabon (SEEG)** (Gabon water and energy company) following the exposure of a financial scandal and rolling power cuts in **Libreville**, before opting to place SEEG under provisional administration on 27 August. SEEG has blamed the power cuts in Libreville on the failure of two turbines at the **Tchimbélé** hydroelectric plant and the reduction in water levels during the dry season, which it claims has limited operational capacity.¹⁰

However, SEEG is also facing several financial difficulties. On 21 August, **United Kingdom**-headquartered **Aggreko**, which supplies 30% of the electricity distributed by SEEG, issued the company with an ultimatum – shut off its power plant or be paid the 15 billion FCFA (\$25.35m) the Gabonese state owes it.¹¹ SEEG general director **Joël Lehman Sandoungout** confirmed on 22 August that the utility had mobilised the funds, but the fact that Aggreko had to issue such an ultimatum highlights the extent of its financial difficulties. In June, Sandoungout revealed that the city of Libreville owes the company 72 billion FCFA (\$121.72m). This equates to 28.8% of all unpaid bills owed to the utility.

SEEG has been in a precarious financial situation for several years. At the end of 2023, the company's debt was over 250 billion FCFA (\$422.64m).¹² This is a drastic increase from its debt of 64 billion FCFA (\$108.19m) at the end of 2019. SEEG has maintained that the debts owed to it are to blame for its lack of service delivery. SEEG was a subsidiary of **French** company **Veolia** but the Gabonese government nationalised it in 2018. Since then, Sandoungout has been its eighth director general.

Aggreko's ultimatum came amid ongoing investigations into large-scale embezzlement at the utility. SEEG's lawyer, **Anges Kavin Nzigou**, estimates the value of the embezzlement at several billion francs but the exact amount remains unknown.¹³ Investigations are ongoing.

Faced with these challenges, Nguema decided to place SEEG under provisional administration. He also confirmed plans to overhaul the company's organisation to focus on "*efficiency, simplicity and control with technical profiles*".¹⁴ As part of this overhaul, Nguema plans to reduce the number of SEEG directors from 51 to 14 with 21 divisional managers. He also confirmed that a new security and anti-fraud department will be established, headed by a member of the ruling **Comité pour la transition et la restauration des institutions (CTRI)**. On 3 September, the council of ministers chose **Jean Liévin Idoundou Manfoumbi**, former chairman of the SEEG board of directors, to lead the provisional administration. In addition to executing Nguema's plans for the company, Manfoumbi will have to renegotiate SEEG's debt. Without this, the utility is likely to continue underperforming, which will lead to greater discontent among citizens. SEEG is considered a failure of the Bongo era and the junta will be keen to rectify this as it continues to shore up support for its transition.

¹⁰ Jeune Afrique, 23 Aug 2024

¹¹ Jeune Afrique, 22 Aug 2024

¹² Jeune Afrique, 20 Jun 2024

¹³ Jeune Afrique, 22 Aug 2024

¹⁴ Le Nouveau Gabon, 27 Aug 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

9 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. **China's** ambassador to Gabon, **Ping Zhou**, reveals trade between the two countries reached \$2.09 billion in the first half of 2024, and could reach a new record this year;

4 Sep 2024 **Libreville (Gabon)** *AFP*. Electrical utility **Société d'énergie et d'eau du Gabon (SEEG)** says it will schedule power cuts due to low water levels at its hydro-electric plants;

3 Sep 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Gabon signs agreements worth \$4.3 billion during the **Gabon-China Economic Forum**, including three agreements worth 242 billion FCFA (\$407.16m) with **Chinese** investors and government for the development of the mining sector;

1 Sep 2024 **Libreville (Gabon)** *Africanews*. In an official ceremony, a draft version of the constitution is presented to transitional president **Brice Oligui Nguema**;

1 Sep 2024 **Libreville (Gabon)** *Reuters*. The junta relaxes rules around logging of the rare kevazingo tree, allowing logging under certain conditions;

31 Aug 2024 **Libreville (Gabon)** *Sika Finance*. Transitional president General **Brice Oligui Nguema** approves a bill rectifying the budget for the 2024 financial year, increasing it by 331 billion FCFA (\$560m);

30 Aug 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Transitional president General **Brice Oligui Nguema** announces the **Gabon Oil Company (GOC)** will begin exploitation of two new oil wells shortly;

27 Aug 2024 **Libreville (Gabon)** *Direct Infos Gabon*. Local media report the state bought two luxury aeroplanes worth 20 billion FCFA (\$33.72m) for government use;

27 Aug 2024 **Libreville (Gabon)** *Direct Infos Gabon*. **Direction générale des impôts (DGI)** (general directorate of taxes) says it has collected 258 billion FCFA (\$439.27m) in tax revenue in three months since the launch of the **DIGITAX** platform;

26 Aug 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Transitional president **Brice Oligui Nguema** calls for an audit of state-owned water and electricity company **Société d'énergie et d'eau du Gabon (SEEG)**;

26 Aug 2024 **Port Gentil (Gabon)** *AFP*. Authorities arrest at least 30 people in Port Gentil after protests against unemployment turned violent;

24 Aug 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. Gabon confirms its first case of mpox;

20 Aug 2024 **Libreville (Gabon)** *BBC*. Transitional president General **Brice Oligui Nguema** bars members of the transitional government from taking holidays abroad and limits them to one week of holiday leave;

19 Aug 2024 **Libreville (Gabon)** *Agence Ecofin*. Gabon's new state-owned airline, **Fly Gabon**, confirms its inaugural flight is scheduled for 31 August;

19 Aug 2024 **Libreville (Gabon)** *Le Nouveau Gabon*. The **Plan national de développement pour la transition (PNDT)** (national development plan for the transition) outlines that the state plans to invest 21.6 billion FCFA (\$36.49m) in the development of the tourism sector by 2026;

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