



REPUBLIC OF GABON FACT SHEETS

Highlights

- 19th economy in sub-Sahara
- Oklo - nuclear reactor zone of sandstone, granite, and uranium ore
- One of the highest urbanization rates in Africa
- 5th largest oil producer in Africa

INTRODUCTION

Gabon, country lying on the west coast of Africa, astride the Equator. A former French colony, Gabon retains strong ties to France and to the French language and culture. The capital is Libreville. Gabon is bordered by Equatorial Guinea and Cameroon to the north, the Republic of the Congo to the east and south, and the Atlantic Ocean to the west, the islands of Sao Tome and Principe are situated off the coast. Gabon has an equatorial climate, with year-round high temperatures and humidity. Except for a few thousand Pygmies, Gabon's 40 or so peoples speak Bantu languages that are classified into 10 linguistic groups. The Myene group (including the Mpongwe and Orungu), the Fang, the Sira (including the Punu), the Nzebi, and the Mbete, who together form about one-third of the population, the Benga and Seke in the far northwest, the Kota and Teke in the east, and the Vili along the far southern coast. A large majority of Gabon's population is Christian, of which Roman Catholics account for more than two-fifths. The Gabonese economy depended on timber and manganese until oil was discovered offshore in the early 1970s. The oil sector now accounts for more than 50% of gross domestic product (GDP). Gabon continues to face fluctuating prices for its oil, timber, and manganese exports.

Population	2,322,825
Land Area	267,667 km ²
Official Language(s)	French
Capital	Libreville
Head of State	Ali Bongo Ondimba
Currency	Central African CFA franc
Major Trade Partners	China, India, Singapore, South Korea, Australia

Political Context: Gabon gained independence from France in 1960 and was ruled by Omar Bongo for more than 40 years until his son, Ali Bongo Ondimba, became president in 2009. Opposition leaders accused the Bongo family of electoral fraud to ensure dynastic succession. Bongo secured his second seven-year term in disputed 2016 elections. Despite an apparent stroke in 2018, he continues to govern, and his ruling party won a strong majority in the 2018 legislative elections.

Ali Bongo ran the country much the way his father had done by cooperating with foreign investors and multinational corporations, using rents from the extractive industries to maintain clientelistic patronage systems and buttress his regime, which maintained the formal appearance of electoral democracy behind the thin veneer of the Parti Démocratique Gabonaise's (PDG) single-party rule. Since Ali Bongo ruled in the neo-patrimonial style, as a

personal ruler who controlled all important decisions, his stroke in late 2018 made the machinery of government ineffective and raised serious questions about whether or not he was even fit to rule, which led to a crisis of legitimacy. Since 2009, Ali Bongo has attempted several reforms under the rubric of an ambitious development program, Gabon Emergent . One of the first major reforms Ali Bongo implemented upon assuming office was the requirement for foreign lumber firms to process timber domestically in order to avoid foreign firms simply exporting raw unstripped logs. He also rewrote the country's petroleum code in order to increase the state's share in the profits. He created a duty-free port at Owendo and aggressively sought out new foreign investors to reduce the country's dependence on France, attracting Chinese companies to invest in Gabon's mining and oil sectors, and Singapore's Olam group to invest in palm oil plantations.

Economic context: Gabon is an upper-middle-income country. The fifth largest oil producer in Africa, it has had strong economic growth over the past decade, driven by its production of oil and manganese. The oil sector has accounted for 80% of exports, 45% of GDP, and 60% of fiscal revenue on average over the past five years. However, as the country is facing a decline in its oil reserves, the Gabonese government has decided to diversify its economy.

Gabon's economic growth accelerated from 2017 through 2019, turned negative in 2020, and rebounded in 2021. Economic freedom has stagnated over the past five years. Dragged down by lower scores for rule of law indicators (property rights, judicial effectiveness, and government integrity), Gabon has recorded a 2.8-point overall loss of economic freedom since 2017 and remains stuck in the "Mostly Unfree" category. Scores for government spending and fiscal health are strong, but business freedom and labor freedom lag.

The Gabonese economy was hit hard by the global economic slowdown linked to the COVID-19 pandemic. Real GDP contracted 2.7% in 2020, after growing 3.9% in 2019 reflecting a 21% drop in national oil production, a fall in oil prices and a slowdown in nonoil sector activity that resulted from measures to contain the spread of COVID-19. Inflation increased to 3% in 2020 from 2% in 2019, largely due to supply disruptions.

The deterioration of the economic situation caused a decline in public revenues, and the pandemic boosted spending on health and social protection expenditures. As a result, the country had a budget deficit of 5.2% of GDP in 2020, compared with a surplus of 1.4% in 2019. The current account deficit widened to 9.5% of GDP in 2020 from 0.3% due to falling oil prices and disruptions in supply chains.

Selected development indicators

Development Indicators	2020	2021	2022
GDP per capita (current USD)	6,869	7,111	7,361
Population Growth (%)	2.77	2.10	3.10
Goods: Export (fob) (\$B)	4.84	5.89	6.36
Total Imports (cif) (\$ B)	2.85	3.04	3.16

Data on Mining and Mineral Resources

In the 1970s, uranium was mined in Gabon to supply the French nuclear power industry. During this time, the Oklo reactor zone was discovered. Oklo was active around two billion years ago and is the only natural nuclear fission reactor on Earth. The mining sector in Gabon is mainly focused on the exploitation of manganese. It represents approximately 6% of the country's GDP and exports. In addition to manganese and gold, iron ore, of which Gabon has abundant reserves, is one of the country's strategic natural resources.

The mining pole containing the largest reserves of manganese in the country is located in the province of Haut-Ogooué and is served by the railway (Transgabonais) from Franceville to Owendo (Port of Libreville) on nearly 700km. A number of other companies have or are exploring obtaining prospecting or exploration permits for iron, copper, diamonds, and other minerals. A new mining code was signed into law in January 2015.

Manganese: Gabon has the second largest deposit of manganese in the world and is currently the world's third largest producer. Manganese is Gabon's second largest export product, accounting for roughly 11% of Gabon's total exports. La Compagnie Minière de l'Ogooue (COMILOG), a subsidiary of the French company ERAMET, is the largest company currently producing manganese in Gabon. Currently, Gabon manganese reserves are estimated to be around 250 million tons with a metal content of between 48% and 52%. Production is limited to 2.8 million tons per annum, which corresponds to the capacity of the local cableway used to transport the mined manganese to the Congo nearby. The government is seeking to diversify the mining companies operating in Gabon. The Directorate General of the Economy and Tax Policy (DGEPT) revealed that Gabon had produced 1.109 million tons of manganese in the first quarter of 2018, compared to 827,551 tons during the same period in 2017, an increase of 27.2%.

Gold: Over 350 gold deposits have been reported in Gabon. This includes three types of geological groups. These deposits have tremendous potential for mining and manufacturing, but a lack of adequate infrastructure prevents major exploration from taking place.

Iron Ore: Several iron ore deposits exist around Gabon, including the substantial Belinga and Mekambo deposits as well as Lobi-Lobi, Monts M'bilan, Mebaga-Ngama and Koumbi Magnima. The iron fields of Belinga and Mekambo are considered as some of the wealthiest in the world. There are estimated reserves of as much as a billion tons with an ore content of up to 65%. This could potentially yield 20 million tons of iron ore per year. Again, a lack of infrastructure prevents the industry from reaching its full potential. In 2006, the government signed an initial agreement with the China National Machinery and Equipment Import and Export Corporation for the development of the Belinga iron ore deposit in northeastern Gabon.

Mineral Reserves, 2021

Minerals	Unit	2021
Gold	tons	40
Iron Ore	billion tons	2
Manganese	million tons	250
Lead - Zinc	Thousand tons	22,44

Mining Business Climate

Challenge and opportunity in the mining sector: The poor quality of Gabon's business climate is a major barrier to the diversification of its economy. Gabon ranked 169 out of 190 countries in the Doing Business 2018 report . One of the key obstacles to the development of resources in Bélinga and other remote deposits is the lack of requisite infrastructure and the high cost of developing it. Obtaining loans, establishing a new business, connecting to electricity and water, and transferring company ownership are frequently difficult. The labor code, inspired by the French, is complex, rigid, and not conducive to a dynamic labor market.

The government is eager to diversify the mineral sector and has recently issued prospecting/exploration permits for iron, copper, diamonds, and other minerals. Mining equipment, such as cranes, draglines, trucks and tractors. The government set-up the Gabon Equatorial Mining Company to improve the judicial, financial, and fiscal transparency of Gabon's mining sector. The government recruited top-notch Gabonese managers with international experience to run the company and is looking for joint-venture opportunities with global mining companies.

In order to multiply by four (4) the contribution of the mining sector to the GDP in 15-20 years, the Gabonese State has proceeded to the revision of its Mining Code by making it more attractive to the foreign investments, while addressing environmental protection and social responsibility concerns, with many financial benefits, such as:

- An exemption from corporation tax for the first financial year over the first 3 years for companies eligible for specific codes (Mines, Agriculture, Wood).
- A reduction of 50% for the 2nd beneficiary year.
- Total exemption from VAT and customs duties on the import of equipment / machinery and spare parts, etc.
- A free carry of 10% for the state in all new production projects, and an optional cash participation of 25%.
- A sliding royalty rate that varies with the type of metal or mineral and the project's complexity in terms of geology, location and associated infrastructure development.
- New and more clearly defined obligations in terms of environmental protection, corporate responsibility, investment in social programs for local communities and local content requirements.
- Simplified procedures for the granting of exploration permits; and greater protection of foreign investor's rights.

Major Mining Companies

Company Name	Mineral produced	Mines
Nouvelle Gabon Mining	Manganese	Franceville
Managem S.A.	Gold	Eteke
Gabon	Iron	Belingo
Genmin Ltd.	Iron	Baniaka
BHK Mining Corp.	Manganese	Ndjole
Armada Metals Ltd.	Nickel, Copper	Nyanga
ERAMET S.A.	Manganese	Moanda
South Manganese Invt Ltd. Ningbo Huazhou Mining Inv Co	Manganese	Bembele

Outlook

A small population, abundant natural resources, and considerable foreign support have helped Gabon become one of the more prosperous and stable African countries . The discovery and exploitation of Gabon's unquestionably significant mineral and metal resources will depend on the development of the requisite transport and power supply infrastructure.

It will also require the future legislative and regulatory framework to be set out clearly. The timeframe for wider production, in turn, will hinge largely on two things a potential up-turn in global commodity prices and demand growth outside China. Improving Gabon's transport infrastructure will be key to effectively exploiting the country's various mineral reserves.

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