

GABON

Fast forward emergence

Oil has made the small, sparsely populated state of Gabon one of the wealthiest in Africa, but with production in decline new ways of securing the future must be found

A nation of just 1.5 million people, oil-rich Gabon enjoys a per capita income four times that of most nations of sub-Saharan Africa. One of Africa's largest producers of petroleum, it pumps out around 250,000 barrels of oil per day.

Gabon Emergent is the strategy initiated by President Ali Bongo Ondimba to create an emerging economy. Resting on three pillars – Green Gabon, Service Gabon and Industrial Gabon – it aims to reduce reliance on oil production, im-



When President Ali Bongo traveled to Washington in early March 2010, Secretary of State Clinton articulated U.S. support of Gabon's efforts to diversify its economy

prove standards of governance, eliminate corruption, and modernize the workforce.

"We have deliberately focused on driving reform in key strategic areas to deliver

meaningful and lasting change for the country," the President has said. "One of our principal areas of focus is on reform to encourage and facilitate investment."

Increased spending by the government is aimed at consolidating growth, with priority being given to agriculture and infrastructure. One of the most significant moves has been the banning of the export of raw timber, which President Bongo wants to see processed locally to add value to forest and wood products before export. At the same time, there is strong emphasis on environmental sustainability.

Other changes include the introduction of a longer work-

ing day and the establishment of a national oil company to consolidate the government's stakes in the oil fields and manage revenues.

Gabon has been aggressively pursuing private investment from abroad, and getting it not just from France, its former colonial master and leading investor, but also from Asia.

Huge new manganese mines are being built as a result of deals signed last year. One is with the French metals company Eramet, which previously had a monopoly

on extracting manganese, but the other is with Huazhou Mining, a subsidiary of China's CITIC group. Chinese timber and logging companies are also very interested in Gabon's timber.

Last year, which marked the fiftieth anniversary of Gabon's independence, saw a series of deals with companies in India and Singapore. Contracts worth US\$4.5 billion have been signed for the construction of roads, housing units and a refinery, and to expand timber and palm oil production.

Moves to develop the economy appear to be paying off. The IMF recently revised its growth projections following Gabon's faster-than-expected recovery from a setback in 2009 caused by the global crisis and low oil prices. Highlighting increased public investment and the rebound in mining, the IMF raised its growth forecast for 2010 from 5.1% to 5.7%, and for 2011 from 4% to 5.6%.

President Bongo says the case for investing in Gabon is strong. "Above all, we want to create an environment where the question is no longer why invest in Gabon, but how will we invest in Gabon? The answer is responsibly, and for the long term. Gabon is open for business and it is open to all."

A UNITED WORLD
SUPPLEMENT PRODUCED
IN GABON BY:
Clementine Hazeran and
Jeremie Godreche

This report is available at
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CGC ensures trade fluidity that is safe, fast and guaranteed

The Conseil Gabonais des Chargeurs (CGC), or Gabonese Loader Council, supervises the nation's trade and freight sector to guarantee secure goods transportation

A new entrepreneurial spirit is pervading the nation's business sectors, unleashing a wealth of opportunities for any enterprise looking to invest in Gabon. The country is now more than ever predisposed to welcome all types of investments, with the President creating a liberal business environment and throwing open Gabon's trading doors to the global business community. As such, international exports and imports are both on the rise.

Optimizing the commercial flow is the raison d'être of the Conseil Gabonais des Chargeurs (CGC), a regulating entity that takes care of supervising all the players in the trade and freight sectors. Its main

GABON THIRD TRIMESTER EXPORTS

ZONE	Tonnage	%
CENTRAL AFRICA	146 272.18	4.08
CENTRAL AMERICA	328 343.81	9.16
NORTH AMERICA	1 607 699.45	44.85
ASIA	719 616.19	20.08
EUROPE	579 598.13	16.17

partners are OPRAG and GPM, since 90% of the trade is done via Gabon's maritime ports, but it also interacts with aviation, rail and road companies to support the remaining 10% need for transportation.

The CGC works with major transportation companies, such as Maersk and CMA CGM, as well as with the government. Its activities act as reliable indicators for the Gabonese economy. Indeed, while gathering

extended economic data on the country's exports and imports, the organization transfers reliable, up-to-date and decisive data in real time to the government and shipping companies, providing statistics and figures that help them to anticipate and manage trade traffic.

As regulators, the CGC targets trade fluidity throughout the country and makes sure the transportation chain is safe, fast and guaranteed.

Sogatra's new fleet will be a boost for public transport

Following years of being overlooked, investing heavily in public transport is now a government priority

Almost immediately upon entering office, President Ali Bongo Ondimba made good on his pre-election promise to revive the state-owned public transportation company Sogatra by rapidly allocating significant new funds to provide better equipment and around 100 new buses in his first year as head of state.

"What is being done today at Sogatra in such an extremely short time is something that we have never witnessed before," says Aloise Bekale Ntoutoume, managing director of Sogatra. "In all, we will need at least 250 to 300 buses in the long term to fully satisfy the demand."

Sogatra's air-conditioned fleet is also available for pri-



Sogatra's secure transportation services are key to improving urban life

ivate hire, ideal for large functions such as weddings and seminars.

Created in 1997 to initially provide urban and inter-urban public transportation in Libreville and Owendo, Sogatra now

also connects the capital city with Ntoum, Kango and Lambaréné. Its plans to spread further afield into the hinterland will see its services soon arrive in Port-Gentil, Franceville, Oyem and Mouila.

Africa's 1st universal healthcare

The Gabonese government is fighting poverty and social exclusion through broader access to healthcare

The Health Insurance and Social Guarantee Office, or CNAMGS, was created in August 2007 in an effort to tackle poverty and the obstacles many families have in accessing healthcare. Currently, the majority of the population in Gabon spends the better part of their income on health services (an average of 52.1% of household income, according to

the World Health Organization). This situation causes global impoverishment that acts like a vicious cycle, crippling the economy and slowing development.

Over the past two years, CNAMGS has been in charge of ensuring health and welfare coverage for 'Economically Weak Gabonese' (EWG), and in the coming year, it will spread coverage over to state workers and the private sectors. "At the end of this process, Gabon will be the first country in sub-Saharan Africa to settle a com-

pulsory universal healthcare insurance," says Michel Mboussou, managing director of CNAMGS.

This new national health insurance will improve access to health for nearly all social strata of the population by lightening individual charges, while providing healthcare institutions with assured financial means. This mechanism is a clear indication of Ali Bongo Ondimba's social policy, which is based on the principle of "everyone contributes according to his means, but receives according to his needs."

Upgrading Gabon's main access to world markets

Because Gabon's economy depends on exports of raw materials – chiefly oil, wood and minerals – Gabon's ports are vital to the country's development

The macro-economic analysis has shown that ports were Gabon's real economic lungs. As proof, 90% of the country's total trade passes through the ports. For this reason, Gabon's port authority (OPRAG) has developed a strategic vision, in line with the President's Emergence Plan, that could be summed up in five points: the reinforcement of the State's role and power, the will to be aligned to the international norms, the improvement of the ports' infrastructure, the development of the internal competencies to be more competitive, and to become a regional hub. To implement this vision they have different projects in the pipelines.

Rigobert Ikambouyat Ndéka, CEO of OPRAG, details

some of the planned improvements. "On the site of Owendo, we plan to increase the quay length: we will extend our current quays up to 300 linear meters," he says. "These quays will be equipped with container cranes and should be delivered at the beginning of 2013."

"In the meantime, one of our priority actions is to overcome the absence of modern handling equipment with the acquisition and operation, by June 2011, of two 100-ton mobile cranes. Another project is the construction of a truly modern port authority building. This new office will be equipped with an electronic documents transmission system which should significantly reduce the [current] stopover

delays. In order to complete these operations, logistics zones have been created to benefit the industries."

At Gabon's ports, OPRAG works in partnership with Gabon Port Management, a subsidiary of Singapore's Portek International, which was awarded the concession of port operations in 2007.

Philippe Gery, CEO of Gabon Port Management, describes the idea behind the ambitious upgrades to the Port of Owendo: "The idea is to make the port evolve from a poor condition, just reaching the demand of the Gabonese economy, to a situation where we will be way ahead of future projections, and should be fully able to meet all the demand in about two and a half years."

Social security for all a top priority

As the cost of providing pensions and disability support is rising, the state is encouraging the large percentage of Gabonese workers and employers in the grey economy to contribute

As in a number of other countries, the viability of Gabon's social security system is being undermined by demographic change. The cost of providing pensions and disability support is rising as people live longer, and is becoming too heavy a burden for the workforce in a nation with a low birth rate.

At the same time, a large percentage of Gabonese are making no contributions to the system at all – and receiving no benefits – as they work in the grey economy. Only around 120,000 people, some 10% of the population, currently benefit from the present system. The government's goal is to provide cover for everybody.

Gabon's existing social security system was one of the first to be established in Africa. As things stand, however, it is neither sustainable, fair, nor widely inclusive, so a series of reforms is being introduced to make it more effective and of greater benefit to the Gabonese people.

"Even though our country benefits from quite a developed social system, the needs of our people are growing, and we need to develop and modernize our services along with the nation's emergence," says Maxime Ngozo Issondou, Minister for Labor, Employment, and Social Security.

Several approaches to modifying the social security code are currently under consideration. Reforms are likely to include increasing contributions, creating different types of pension for different types of employment and formalizing the official age of retirement at 60.

A key objective, albeit a long-term one, is to integrate much larger numbers of Gabonese into the system, so they can both contribute to it and benefit from it. The size of Gabon's informal sector is by definition difficult to quantify, but an educated guess might include more than 50% of the working population; statistics from International Labor Organization suggest the figure in Sub-Saharan Africa is around 72%.

"We cannot let the formal sector alone ensure the effort of solidarity," says Dr. Marie Therese Vane Ndong Obiang, CEO of the National Social Security Fund (CNSS). "It is not a fair situation."

She argues that social security systems can be formidable weapons in the fight against poverty and in improving productivity. Efforts are being made to persuade employers that – beyond the compulsory aspect and penalties for non-compliance – operating inside the system is a morally required act of citizenship and national solidarity.

"I am convinced that if this awareness is shared, the rate of recovery will be boosted," says Dr. Obiang. However, there is no intention of relying on an appeal to good conscience alone, and further effort will be put into supervising employers in order to increase revenues.

CNSS reception centers are being modernized and new facilities built across the country. "We are committed to be as close as we can get to our users," Dr. Obiang says.

In the meantime, CNSS is instituting changes to put its own house in better order. Created more than 40 years ago, it is one of the oldest institutions in Gabon. In addition to administering contributions and benefits, it has also been managing hospitals.

Improvements have been made in recent years in the efficiency with which benefit payments are made, in computerization, and in staff motivation. Now a five-year plan is being implemented to further reorganize and professionalize the institution, to improve accountability, efficiency, and service.

That includes improving the management of CNSS's financial resources. Apart from the traditional direct contributions that make up its main resources, CNSS has property assets that exceed those of the Real Estate National Company, the main public operator in the field of so-



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cial housing construction. Yet these assets have been failing to bring in significant revenue in rents, for which Dr. Obiang blames poor management. CNSS is also investing in refurbishing its properties in order to increase their renting value.

One of the most important recent changes is the decision that CNSS should withdraw from running hospitals, which are now being transferred to state management. This is a simple matter of economics, as the income from these units, which were designed to serve all Gabonese regardless of social status, is insufficient to maintain them.

"Most of the time we were compelled to take contributions dedicated to other branches to run this activity," explains Dr. Obiang. "The hospitals were gradually becoming millstones. That is why the decision is timely. We need to readjust CNSS in the current services of social security, which were its original mission as stated by the law that created it."

Summing up the overall effects of the changes being made, he says the aim is to offer better care for the Gabonese people through sharing the benefits of the improved economic growth that the government is working to achieve.



Currently only around 10% of the population contribute to, and benefit from, the social security system



In each moment of your life



CAISSE NATIONALE DE SECURITE SOCIALE



A port city on the Komo River, Libreville has experienced a huge surge in population: in 1960 there were just 32,000 inhabitants. Today, more than 800,000 call Libreville home

Restoring Libreville's former splendor

The city to which former slaves returned is now undergoing a new transition: City Hall is infusing new life into projects that will boost the economy and raise the quality of life

Libreville is Gabon's capital and largest city. Once an elegant capital, Libreville has long been the country's hub for tourism, education and business. Today, it is home to more than 800,000 people, over half of the population of Gabon, and is growing at the rate of 3% a year. In addition, new projects such as the Nkok Special Economic Zone and a new port and airport are likely to attract an increasing number of international visitors to Libreville, as the city remains cleaner and far more secure than many others in central Africa.

Unfortunately, over the last

decade Libreville has fallen somewhat into disrepair, with its crumbling official buildings, poor roads, unregulated public areas, and garbage-filled streets as well as insufficient public services for the local population. All of these factors have worsened the quality of life of Libreville's residents.

The city's mayor, Jean-François Ntoutoume Emame, a former prime minister, is intent on restoring Libreville to its past glories. Since he became mayor in 2008 he has initiated a series of public works projects to improve the city. With a tight budget, however, City Hall is calling

for outside investment, as well as for skilled foreign workers to come to assist on infrastructure projects in Libreville in areas such as health and education. As an example, two public medical centers have just been built in Libreville and the mayor intends to establish two medical centers in each district in the city, each with a doctor and two nurses. Meanwhile, the city's pre-school centers need permanent nurses to help the fight against infant mortality. Libreville's projects will boost the economic development of Gabon as a whole.

Libreville means "Free

Town", named for the released slaves who arrived there in about 1800. One of City Hall's plans is to restore the historical dimension of Libreville with monuments around the city to commemorate the people's history.

The city used to be drowned under trees, plants, and flowers in its rich parks and gardens. As these have not been always maintained, the city is also focusing strongly on restoring the beauty of Libreville's public spaces such as gardens, squares, and traffic circles. Libreville's markets are unregulated and sprawling and

are run to benefit a few private individuals rather than the public sector. A large new municipal market and several smaller markets are now being established which will clean up the public areas and revive local business.

Another challenge for Libreville to address in coming years is a shortage of social housing, caused by the rapid urbanization. In order to meet the growing demand, many real estate companies have large development projects underway, and the state has committed to building 5,000 new units of social housing every year.

Libreville will be on show to the rest of Africa and beyond in 2012, when it will host several matches of the Africa Cup of Nations soccer tournament, including the final. The mayor is confident that visitors will find themselves warmly welcomed into a safe city.

"Gabon is a very friendly country and for some of our ethnic groups, if a foreigner dies in our premises, it is a curse!" he explains. "When we are just little kids we are taught the sacred art of welcoming a foreigner and protecting him by all possible means. Even at the cost of one's own life."

INTERVIEW WITH THE MAYOR OF LIBREVILLE

'Libreville is a friendly and pleasant place that we try to protect'

Jean-François Ntoutoume has ambitious plans to turn his city into one of Africa's cleanest and most beautiful and prosperous places to live

Jean-François Ntoutoume Emame came to the mayor's office in 2008 after a long, successful run in the national government as Prime Minister, presidential advisor, Minister for Commerce, as well as Minister for Civil Aviation.

He shares with us his plans and vision for Libreville, Gabon's most important city politically, commercially, and culturally.

First of all, how is Libreville's fate interconnected with that of the country? And, what projects are underway here that will help boost the national economy?

More than half of the total Gabonese population lives in Libreville. The country is almost completely depopulated in its inner lands. Thus, if one wants to promote the development, it has to be done through the development of the cities and particularly of the capital city Libreville. It is crucial to solve the problems in Libreville so that it can be not only the political capital of the country but beyond that, the economic engine of Gabon.

Libreville is also the largest port in the country, and we are about to construct another deep water port in Santa Clara (on the estuary, very close to Libreville), soon another port in Owendo will be used as a secondary port for Libreville. The government has planned to build a world-class airport on the plain of Oyane (also in the region of Libreville). Soon a free economic zone will be ready to host multinationals in various sectors of activity.

What are the major improvements that would be necessary to improve the life standards of Libreville's population?

We are waiting to have consequent budgets to achieve our

goals and complete our projects because a budget of 15 or 16 billion CFAF [US\$30.2-32.3 million] is definitely not enough for our high ambitions.

But Libreville's problems are not only linked to the financial situation. We have a huge problem of human resources. Gabonese people have been studying in France, Morocco, United States, Canada. We have engineers, financial advisors, etc. and we need to provide jobs to come up to their qualifications.

Another issue an American could get involved in is waste management. Some poor areas in town do not have any access to the collections of waste. We need more financial means and professional solutions to compensate this lack. In order to keep our city clean, I have launched an operation of waste collection.

There are also problems of infrastructure (80% of our roadways are in a deplorable state), public transport, public hospitals, pre-school centers, and social security that we're currently addressing. Given that CAN soccer matches will be held here in 2012, we hope that for the year 2011 we will have more financial means to realize all the projects we have in the pipelines.

With the demographic growth that Libreville is experiencing, one sees the appearance of some shantytowns. What is your strategy to find necessary financing for social housing?

The town hall has many communal lands. We have the ambition to arrange housing estate/subdivisions with the financial assistance of banks or financial institutions to build the lodging. Initially, we want to build residences for our



Jean-François Ntoutoume Emame, Mayor of Libreville

agents and then if there are spare houses, they will be rented out or rented with a sale option. We want to make sure our employees have a decent home with decent utilities. If not, how can we expect them to excel at work?

You recently called Swiss company Webcor to rehabilitate markets. Please tell us more about this project.

Markets are a significant contributor to the small economy. We will build the largest mar-

ket of central Africa and Black Africa. Webcor is a financial and agro-alimentary group from Switzerland. They are investing 26.27 billion CFAF in Libreville. The area of Peyrie is being leveled and cleared so they can build a large market with infrastructures affordable for every farmer. No more sale of pepper or manioc in the dust and mud of the roads.

What is being done in Libreville regarding the President's Green Gabon initiative?

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'WE HAVE ENGINEERS, FINANCIAL ADVISORS, ETC. AND WE NEED TO PROVIDE JOBS TO COME UP TO THEIR QUALIFICATIONS'

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In 2008, I created a General Direction for the Environment and for risks prevention, parks and gardens. It is crucial that we try to transmit this wealth to the next generation and that we teach them that this green heritage must be not only preserved but also renewed. Thus, we have launched the 'Green Libreville Operation', in which we've replanted palm trees. Man must use his genius to correct nature, to embellish nature, to replant the trees when they disappear.



The real winners? The host nation

Gabon is revving up to enter the limelight as a co-host of the continent's most important sporting event: the African Cup of Nations (CAN)

CAN 2012 will be a huge occasion for Gabon, as the soccer tournament will highlight the country in the eyes of not just Africa but the world. However, no matter how long the euphoria stays afloat after the matches, the real long-lasting effects will be the ones that will help Gabon to develop its economy.

"The African Nation Cup is a unique opportunity for a country," says Rene Adiaheno, President of the Organizing Committee of the African Nation Cup (CO-CAN) in Gabon. "It is a real development project. We take advantage of the immediate need of infrastructure and sport facilities to develop. Gabon will have now two stadiums of 40,000 places each, Franceville will have one, we will have training centers. CAN is also building or renovating our road network, modernizing our communication equipment, and offering more choice and better standards in terms of accommodation."