

# GABON BUSINESS MISSION FACT SHEET 2010-2011



<b>BUSINESS OPPORTUNITIES IN GABON.....</b>	<b>3</b>
<b>GENERAL INTRODUCTION .....</b>	<b>4</b>
<b>COUNTRY FACTS.....</b>	<b>5</b>
<b>ECONOMIC FACTS .....</b>	<b>5</b>
<b>ECONOMIC SITUATION .....</b>	<b>6</b>
GDP GROWTH, ANNUAL PERCENTAGE CHANGE .....	7
POLITICAL SITUATION .....	7
<b>FOREIGN AID.....</b>	<b>8</b>
<b>FOREIGN INVESTMENT.....</b>	<b>9</b>
INVESTMENT CLIMATE.....	9
<b>TRADE.....</b>	<b>10</b>
<b>OIL AND GAS.....</b>	<b>13</b>
INCENTIVES .....	13
STRENGTH .....	13
OPPORTUNITIES .....	13
THREAT .....	14
USEFUL CONTACTS (KEY PLAYERS IN THE INDUSTRY) .....	14
<b>MINING.....</b>	<b>15</b>
STRENGTH .....	15
OPPORTUNITIES .....	15
USEFUL CONTACTS.....	16
<b>AGRICULTURE .....</b>	<b>17</b>
FISHING .....	17
<i>Opportunities</i> .....	18
ANIMAL HUSBANDRY .....	18
FORESTRY .....	19
<i>Effects of forestry on environment</i> .....	19
<i>Useful contacts</i> .....	19
<b>TOURISM.....</b>	<b>20</b>
USEFUL CONTACTS .....	21
<b>ICT &amp; INFRASTRUCTURE .....</b>	<b>21</b>
OPPORTUNITIES .....	22
KEY PLAYERS.....	22
<b>CONCLUSION:.....</b>	<b>23</b>
<b>APPENDIX .....</b>	<b>23</b>
DOING BUSINESS REPORT: .....	23
STRENGTH AND WEAKNESS OF GABON .....	24
<i>Strength of Gabon</i> .....	24
<i>Weakness of Gabon</i> .....	24
BUSINESS ETIQUETTES IN GABON .....	24

## Business opportunities in Gabon

- The primary sector provided 60.6 per cent of GDP in 2008 and the oil sub-sector 87.9 per cent of this contribution. Mining came next with 9.7 per cent, then agriculture, livestock and fisheries (5.3 per cent), other mining products (4 per cent) and forestry (1.9 per cent). The economy is still heavily dependent on oil, which supplies 65.5 per cent of government revenue and 82 per cent of export earnings.
- **Oil and Gas:** Gabon is a moderately wealthy country with diverse natural resources. It is also sub-Saharan Africa's fourth largest oil producer whilst holding the third largest oil reserves in the region. As such the upstream oil industry plays a critical role in the economy, representing approximately 80% of the country's export revenues.
- **Agriculture:** Since independence, the dominant position of the petroleum sector has greatly reduced the role of agriculture in Gabon. Only 1.9 percent of the total land area is estimated to be under cultivation, and agriculture contributes only about 8 percent of the GDP on the average.
- **Tourism:** The government of **Gabon** is giving priority to the development of the local tourism industry so that the country can win its fair share of the millions of visitors each year from around the world who want to experience first hand some of the very special places that abound on the African continent.
- **ICT and infrastructure:** Gabon is one of only two countries in the central African region that possesses a connection to the WASC/SAT3 through sea cable, which links Europe to Asia by skirting the African continent. Since international communication using this cable is 10 times cheaper than by satellite, this puts Gabon at an advantage and places the country in a leading position for future telecommunications platforms in the entire sub-region.
- **Mining:** The mining sector is expanding very fast and its GDP contribution rose 84 per cent between 2007 and 2008. Known reserves (manganese, iron, and niobium) could earn XAF 384.1 billion a year.

## **General introduction**

Until recently, Gabon has been ruled by two autocratic leaders since its independence from the French in 1960. Gabon also had one of the most long serving presidents, the late El Hadj Omar BONGO Ondimba.

Gabon was a one-party state until violent protests in 1990 forced Bongo to permit a multi-party system. Bongo has won all elections since that time. He amended the constitution in 2003 to remove limitations on the number of terms a president can serve.

Gabon is situated in central Africa, bordering the Atlantic Ocean at the Equator, between Republic of the Congo and Equatorial Guinea. A small population and oil and mineral reserves have helped Gabon become one of Africa's wealthier countries; in general, these circumstances have allowed the country to maintain and conserve its pristine rain forest and rich biodiversity.

Gabon enjoys a per capita income four times that of most sub-Saharan African nations, but because of high income inequality, a large proportion of the population remains poor. Gabon depended on timber and manganese until oil was discovered offshore in the early 1970s.

Gabon's economy depends heavily on oil revenues, which accounted for 50.7 percent of gross domestic product (GDP) in 2005. According to the International Monetary Fund, Gabon's economy is highly vulnerable to fluctuations in oil prices, and in the past has also been mismanaged, with wasteful public investments, including overspending on the Transgabonais railway. In 2006, the government prepared its first Poverty Reduction Strategy Paper designed to improve infrastructure, basic social services and governance, and stimulate employment.

## Country facts

<b>Area</b>	<b>Total</b>	267,667 sq km
	<b>Land</b>	257,667 sq km
	<b>Water</b>	10,000 sq km
<b>coastline</b>		885 km
<b>Terrain</b>		narrow coastal plain; hilly interior; savanna in east and south
<b>Land use</b>	<b>Arable land</b>	1.21%
	<b>Permanent crops</b>	0.64%
	<b>Other</b>	98.15% (2005)
<b>Irrigated land</b>		70 sq km (2003)
<b>Population</b>		1,514,993
<b>Population growth rate</b>		1.934% (2009 est.)

Source: CIA fact book.

## Economic facts

Subject	Unit	2004	2005	2006	2007	2008	2009	2010	2014
<b>GDP Constant Price</b>	<b>Annual percentage change</b>	<b>1.1</b>	<b>3</b>	<b>1.2</b>	<b>5.6</b>	<b>2.3</b>	<b>-1.0</b>	<b>2.6</b>	<b>2.8</b>
<b>GDP Current Price<sup>1</sup></b>	<b>Billion US dollars</b>	<b>7.178</b>	<b>8.666</b>	<b>9.546</b>	<b>11.571</b>	<b>14.519</b>	<b>10.045</b>	<b>11.319</b>	<b>-</b>
<b>GDP per Capita, current price<sup>2</sup></b>	<b>US dollars</b>	<b>5395.25</b>	<b>6354.50</b>	<b>6829.24</b>	<b>8075.91</b>	<b>9986.66</b>	<b>6810.14</b>	<b>7563.43</b>	<b>-</b>
<b>Inflation rate, consumer price</b>	<b>Annual percentage change</b>	<b>0.4</b>	<b>1.2</b>	<b>-1.4</b>	<b>5.0</b>	<b>5.3</b>	<b>2.6</b>	<b>3.8</b>	<b>3.0</b>
<b>Current account balance<sup>3</sup></b>	<b>Billion US dollars</b>	<b>-0.10</b>	<b>0.196</b>	<b>0.675</b>	<b>1.807</b>	<b>1.552</b>	<b>2.727</b>	<b>-</b>	<b>-</b>
<b>Current account balance</b>	<b>Percentage of GDP</b>	<b>11.2</b>	<b>22.9</b>	<b>10.4</b>	<b>13.7</b>	<b>17.1</b>	<b>2.8</b>	<b>6.8</b>	<b>4.1</b>

<sup>1</sup>[http://www.economywatch.com/economic-statistics/Gabon/GDP\\_Current\\_Prices\\_US\\_Dollars/](http://www.economywatch.com/economic-statistics/Gabon/GDP_Current_Prices_US_Dollars/)

<sup>2</sup>[http://www.economywatch.com/economic-statistics/Gabon/GDP\\_Per\\_Capita\\_Current\\_Prices\\_US\\_Dollars/](http://www.economywatch.com/economic-statistics/Gabon/GDP_Per_Capita_Current_Prices_US_Dollars/)

<sup>3</sup>[http://www.indexmundi.com/gabon/current\\_account\\_balance.html](http://www.indexmundi.com/gabon/current_account_balance.html)

## **Economic situation**

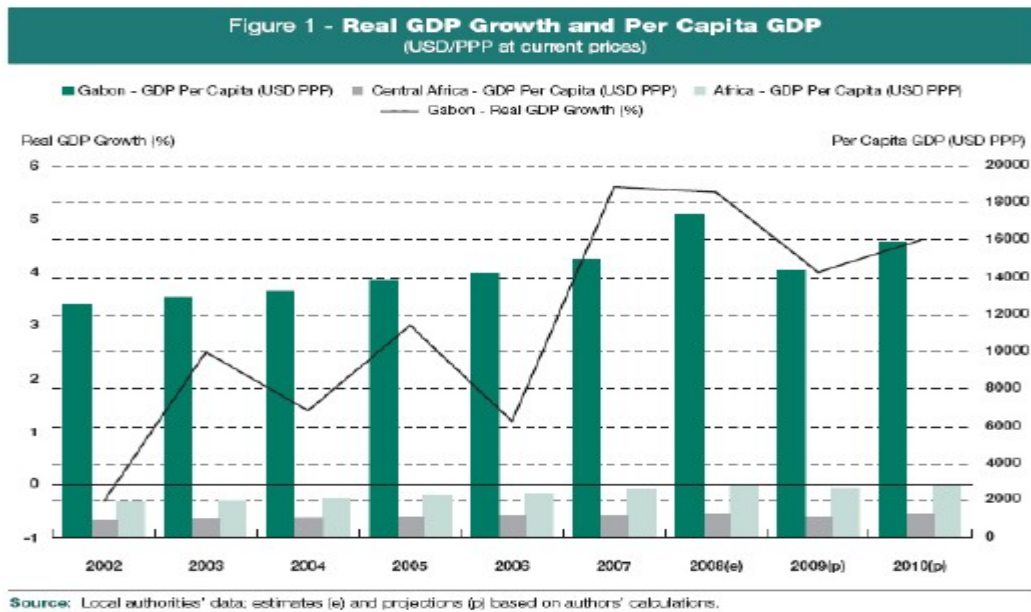
Gabon enjoys a per capita income four times that of most sub-Saharan African nations, but because of high income inequality, a large proportion of the population remains poor. Gabon depended on timber and manganese until oil was discovered offshore in the early 1970s.

The oil sector now accounts for more than 50% of GDP. Gabon continues to face fluctuating prices for its oil, timber, and manganese exports. Despite the abundance of natural wealth, poor fiscal management hobbles the economy. In 1997, an IMF mission to Gabon criticized the government for overspending on off-budget items, over borrowing from the central bank, and slipping on its schedule for privatization and administrative reform.

The rebound of oil prices since 1999 have helped growth, but drops in production have hampered Gabon from fully realizing potential gains, and will continue to temper the gains for most of this decade. In December 2000, Gabon signed a new agreement with the Paris Club to reschedule its official debt. A follow-up bilateral repayment agreement with the US was signed in December 2001. Gabon signed a 14-month Stand-By Arrangement with the IMF in May 2007, and received Paris Club debt rescheduling later that year.

During the 1970's, Gabon enjoyed a relatively long period of political stability coupled with the discovery of rich minerals such as oil and gas which has enhanced the Gabonese economy up to date. The Gabonese enjoys a relatively high GDP compared to other African countries and higher than the continent's average but not withstanding, a majority of Gabonese live below poverty line.

## GDP growth, annual percentage change



## Political situation

Gabon has long been ruled by one president since independence by Omar Bongo. During his tenure, only 2 presidential elections were organized that is in 1993 and 1998 of which he won both. Principle opposition leader Piere Maboundou of the Gabonese people Union GPU was the main rival to Omar Bongo in the 1998 elections.

The death of the Gabonese president, Omar Bongo Ondimba on 06-08-2009, plunged the country into a period of political uncertainty. His son and president-elect, Ali Bongo Ondimba became the new president after an election was held with main rival Piere Maboundou. Not withstanding, the Gabonese have a witnessed a long period of stable political atmosphere.

## Foreign aid

The Bank's Country Assistance Strategy (CAS) 2005-2009, is aligned with the PRSP and the national prospective study: "Gabon 2025".

Currently, there are three active projects in Gabon.

- 1) The Natural Resource Management Development Policy Loan (US\$15 million) was approved in November 2005.

Aim: Improving the efficiency of natural resources management in Gabon, increasing its impact on poverty alleviation, protecting environment, and reducing the country's dependence on declining oil resources. It covers renewable natural resources forests, fisheries, biodiversity, and environment as well as the country's mining (mostly manganese) and oil sectors.

- 2) GEF grant (US\$10 million)

Aim: Help the country strengthen its capacity for managing national parks and protect its biodiversity.

- 3) A Local Infrastructure Development loan (US\$25 million) was also approved in March 2006.

The EU's strategy during the 2008-2013 period covered by the 10<sup>th</sup> EDF (European Development Fund 2008-2013) aims to reduce poverty by promoting sustainable economic and human development. This is based first and foremost on the pillars laid down by Gabon in its Growth and Poverty Reduction Strategy (GPRS) document, adopted in 2006.

The Cooperation Strategy Document and the 10<sup>th</sup> EDF (European Development Fund 2008-2013) National Indicative Programme, amounting to a total of € 49 M, has prioritized the following sectors<sup>4</sup>:

- **Infrastructure and public facilities:** most importantly sanitation and public health, as well as road maintenance; and
- **Education and training:** the two major concerns are basic education and technical education / vocational training.

The non-focal sector includes:

- **The development and sustainable management of renewable natural resources:** support for the conservation of renewable natural resources, management of national parks and development of communal tourism; and
- **Strengthening of private and public sector capacity,** especially in the fields of regional integration and the EPA.

---

<sup>4</sup>[http://ec.europa.eu/development/geographical/regionscountries/countries/country\\_profile.cfm?cid=ga&type=short&lng=en](http://ec.europa.eu/development/geographical/regionscountries/countries/country_profile.cfm?cid=ga&type=short&lng=en)

## **Foreign Investment**

The UN conference on trade and development stated that the foreign direct investment of Gabon in 2005 stood at \$300 million (compared to \$323 million in 2004). Most of Gabon's foreign investment is concentrated in the oil and manganese industry and France is the biggest foreign investor in Gabon in these sectors. According to the World Bank 2010 doing business report, Gabon ranks 158<sup>th</sup> out of 183 which imply it's an attractive country for foreign investors.

Major companies in Gabon include Total, Shell, Marathon Oil, Perenco, Vaalco, and COMILOG.

In June 2006, Gabon signed an agreement with a Chinese consortium for the development of the Belinga iron ore deposit that includes the development of the mine, a railway, a hydroelectric dam, and a deep-water port. Total planned investment for the Belinga project is estimated at \$3 billion over the next four years.

### **Investment climate**





















Gabon is generally open to foreign investment, with foreign firms controlling the country's three main sources of income and exports: petroleum, manganese and timber. However, several factors constrain foreign investment in the non-extractive industries. These include a small domestic market, high production costs, a rigid labor market, limited and deteriorating infrastructure (transportation, telecommunications, etc.), and an unpredictable judicial system.

Gabon is affiliated to the Organization for Business Law Harmonization in Africa (OHADA). Legislation allows foreign investors to choose freely from a wide selection of legal business structures, such as a private limited liability company or public limited liability company. The distinctions arise primarily from the minimum capital requirements and the conditions under which shares may be re-sold. There are no restrictions on foreign investment in Gabon, but the state reserves the right to invest in the equity capital of ventures established in certain sectors (e.g., petroleum and mining).

## Trade











Through the African Growth and Opportunity Act (AGOA), Gabon has quota and duty-free access to the United States. Gabon also benefit from the EVD PSI programme which is aimed at stimulating durable economic development. PSI reimburses 60% of your investment, with a maximum of €825,000 per project. On certain conditions, advances can be paid so as not to disrupt your cash-flow.

Below is a table showing the main exporters of Gabon<sup>5</sup>

Global Exports by Gabon		Market Value: 18,019 (millions)		
<u>Exports To</u>	<u>Trade Value</u>	<u>Share</u>	<u>Growth</u>	
	(thousands)	(%)	(% 5yr)	
 United States	10,543,725	58.51	145.78	
 China	1,907,446	10.59	488.24	
 France	1,275,924	7.08	131.44	
 Singapore	955,066	5.30	450.12	
 Switzerland	469,136	2.60	292.69	
 India	385,112	2.14	43.62	
 Thailand	381,000	2.11	16,490.20	
 South Africa	353,430	1.96	122.49	
 Spain	247,246	1.37	489.93	
 United Kingdom	223,019	1.24	2,948.21	
 Italy	203,122	1.13	149.04	
 Ghana	131,265	0.73	86,874.01	
 Senegal	129,862	0.72	131.24	
 Netherlands	66,424	0.37	32.58	
 Norway	60,572	0.34	152.09	
 Morocco	58,533	0.32	72.49	
 Ukraine	53,655	0.30	1,847.22	
 Greece	53,118	0.29	403.50	
 Congo Kinshasa	48,687	0.27	96.31	
 Congo	44,260	0.25	182.71	

<sup>5</sup> <http://globaledge.msu.edu/countries/Gabon/tradestats/>

## Top Import partners of Gabon

Global Imports by Gabon		Market Value: 5,100 (millions)	
<u>Imports From</u>	<u>Trade Value</u>	<u>Share</u>	<u>Growth</u>
	(thousands)	(%)	(% 5yr)
 France	2,054,196	40.28	54.15
 Belgium	732,994	14.37	558.44
 United States	379,629	7.44	NA
 Cameroon	169,935	3.33	NA
 Japan	156,651	3.07	NA
 Netherlands	144,741	2.84	7.45
 China	135,312	2.65	NA
 Spain	124,102	2.43	21.12
 Germany	104,443	2.05	11.09
 United Kingdom	98,124	1.92	8.91

The table below shows top products exported by Gabon.

Top Products Exported by Gabon		Market Value: 11,467 (millions)	
<u>Product</u>	<u>Trade Value</u>	<u>Share</u>	<u>Growth</u>
	(thousands)	(%)	(% 5yr)
2709 - Crude Oil	3,113,509	27.15	47.42
2602 - Manganese Ores	338,062	2.95	133.91
4408 - Veneer Sheets	102,276	0.89	76.67
4403 - Lumber	100,193	0.87	(74.46)
4407 - Wood Sawn > 6 mm	47,167	0.41	43.84
4001 - Natural Rubber	26,921	0.23	2,453.59
4412 - Plywood	24,322	0.21	36.22
0306 - Shell Fish	20,883	0.18	46.04
2710 - Non Crude Oil	16,433	0.14	(18.30)
2402 - Cigars & Cigarettes	5,837	0.05	NA

The table below shows top products imported by Gabon.

Top Products Imported by Gabon		Market Value: 4,504 (millions)		
Product	Trade Value	Share	Growth	
	(thousands)	(%)	(% 5yr)	
8431 - Parts For Fork Lifts, Bulldozers & Graders	74,675	1.66	34.82	
8704 - Trucks	60,665	1.35	187.15	
8703 - Passenger Vehicles	54,027	1.20	74.94	
2710 - Non Crude Oil	52,096	1.16	278.64	
7304 - Seamless Iron & Steel Tubes & Pipes	47,140	1.05	521.01	
3004 - Medicines in Doses	40,672	0.90	49.68	
8429 - Heavy Construction Equipment	27,354	0.61	184.50	
8481 - Taps, Cocks & Valves	22,509	0.50	193.99	
8708 - Motor Vehicle Parts	20,151	0.45	75.44	
0207 - Chicken	20,112	0.45	61.03	

## **OIL AND GAS**

According to the 2008 BP Statistical Energy Survey, Gabon had proved oil reserves of 1.995 billion barrels at the end of 2007 or 0.16 % of the world's reserves. For the same period, Gabon produced an average of 230 thousand barrels of crude oil per day, 0.29% of the world total and a change of -2.1 % compared to 2006.

Gabon is a moderately wealthy country with diverse natural resources. It is also sub-Saharan Africa's fourth largest oil producer whilst holding the third largest oil reserves in the region. As such the upstream oil industry plays a critical role in the economy, representing approximately 80% of the country's export revenues. The country is almost wholly dependent on oil revenues to fund its economy. Exports of crude oil account for approximately 60% of the government's budget and more than 40% of GDP. Natural gas is a relatively unexploited natural resource in Gabon.

Gabon's largest oil field is the Shell operated Rabi-Kounga oilfield, with estimated reserves of 440 million barrels and production of 150,000 bpd which accounts for 40% of national output. The second largest field is the Gamba-Ivinga field, also operated by Shell with production rates of 10,000 to 15,000 bpd.

At the beginning of 2005 the IEA announced that without the discovery of new fields current production will deplete Gabon's oil reserves by 2012. Over half of Gabon's crude oil shipments are exported to the United States. Much of the rest of Gabon's crude oil goes to Western Europe and occasionally the Far East.

Plans to exploit rich iron deposits north-east of Makokou are foreseen to begin in 2012.

### **Incentives**

- Exploration phase can comprise either two periods of five years, or three periods comprising an initial five years followed by two 2-year terms. This is based on the location of the block and the work programme.
- There is a 10% minimum state participation and 5% minimum Royalty payment
- Signature bonuses are recoverable after 10 years.

### **Strength**

- Gabon now occupies equal second place in BMI's updated Upstream Business Environment rating, alongside Nigeria and Republic of Congo

### **Opportunities**

- The fact that African regional oil use of 2.98mn barrels per day (b/d) in 2001 rose to 3.60mn b/d in 2008. It should average 3.58mn b/d in 2009 and then rise to around 3.96mn b/d by 2013 provides good investment opportunities for Dutch oil companies.

## **Threat**

- Between 2008-2018, there shall be a decrease in Gabon oil and gas liquids production of 3.95% according to publisher forecasting.
- Inflation

## **Useful contacts (Key players in the Industry)**

- Addax Petroleum
- Total Gabon
- Shell Gabon
- Marathon Oil
- Maurel & Prom
- Vaalco Energy
- Perenco
- Totalfinaelf
- Africa energy
- Agip Gabon/ENI

The main operators in the Gabon oil sector are the French corporation Total and the Anglo-Dutch Shell.

## **Mining**

The mining sector is expanding very fast and its GDP contribution rose 84 per cent between 2007 and 2008. Known reserves (manganese, iron, niobium) could earn XAF 384.1 billion a year. Mining's real added value increased 5 per cent in 2008 and this growth should continue in 2009 with the announced return of the French uranium firm Areva, which was drawn by the rise in the metal's price in the first half of 2008.

## **Strength**

- Gabon is the largest producers and exporters of manganese in the world. Gabon holds 25 percent of the world's manganese reserves.

## **Opportunities**

- Following the different mining exploration works, 900 varied ore deposits and potential sites have been listed, including the following:
- *Iron*: the deposits in the Bélinga district in the north-east of Gabon are the largest. In 2003, the geological reserves were estimated at more than one billion tons with 60% iron content.
- *Diamonds*: diamonds seem to be extremely widespread across Gabon. Diamond prospecting has already been carried out in a quarter of the country, meaning that very large areas have yet to be explored, mainly in the north of the country and the Chaillu massif (central south).
- *Niobium and phosphates*: a niobium deposit has been discovered in Mabounié in the Moyen-Ogooué province, upstream from Lambaréné. The phosphate reserve is estimated at 140 million tons.
- *Lead/zinc*: in the Nyanga syncline in Kroussou. Mineralisation with average contents between 8 and 10%. Reserves estimated at 6,600 tons.
- Also talc, barytes, potassium and magnesium salts.

## **Useful contacts**

### **Directorate General of Mines and Geology (DGMG)**

B.P. 576 Libreville Gabon

Tel : (241) 76 35 56

Fax : (241) 72 49 90

### **Directorate of Geology and Mining Exploration (DGRM)**

B.P. 284 Libreville Gabon

Tel : (241) 73 36 42

Fax : (241) 72 49 90

### **Directorate of Mines and Quarries (DMC)**

B.P. 576 Libreville Gabon

Tel : (241) 74 73 04

Fax : (241) 72 49 90

### **Directorate of the Economy and Mining Property (DEPM)**

B.P. 576 Libreville Gabon

Tel : (241) 76 39 20

Fax : (241) 72 49 90

### **Directorate of Geological Mining Documentation (DDMG)**

B.P. 576 Libreville Gabon

Tel : (241) 76 64 98

Fax : (241) 72 49 90

## **AGRICULTURE**

Since independence, the dominant position of the petroleum sector has greatly reduced the role of agriculture in Gabon. Only 1.9 percent of the total land area is estimated to be under cultivation, and agriculture contributes only about 8 percent of the GDP on the average.

Gabon relies heavily on other African states and Europe for much of its food and other agricultural needs

In 2004, Gabon produced about 230,000 tons of cassava, 155,000 tons of yams, 61,800 tons of other roots and tubers, 270,000 tons of plantains, 35,410 tons of vegetables, and 31,000 tons of corn. Sugarcane production was about 235,000 tons. Cocoa production in 2004 was 600 tons.

A state-owned 7,500 hectare (18,500 acre) palm oil plantation near Lambaréné began production in 1986. Palm oil production was 6,400 tons in 2004. A 4,300 hectare (10,600 acre) rubber project was being developed; rubber production in 2004 was 11,000 tons.

Agriculture's share of GDP is declining and was only 3.2 per cent in 2008 (down from 4.1 per cent in 2001) but volume production is rising thanks to a revival of horticulture, cacao and coffee. The sector grew 4.2 per cent in 2008 (4 per cent in 2007). This trend should hold up in 2009 and 2010 if government restructuration plans are implemented.

### **Fishing**

While there have been recent improvements in the fishing industry, it is still relatively undeveloped. Traditional fishing accounts for two-thirds of total catch. The waters off the Gabonese coast contain large quantities of fish. Gabonese waters are estimated to be able to support an annual catch of 15,000 tons of tuna and 12,000 tons of sardines.

Plans for a cannery, fish-meal factory, and refrigerated storage facilities are underway. The total catch in 2003 was 44,855 tons, 80 percent from the Atlantic. By international agreement and Gabonese law, an exclusive economic zone extends 200 miles off the coast, which prohibits any foreign fishing company to fish in this zone without governmental authorization. However, since Gabon has no patrol boats, foreign trawlers (especially French and Spanish) often illegally capture tuna in Gabonese waters.

## Opportunities

- **Manufacture of Value Added Fish Products** such as canned fish, fish sausages, fish soups and breaded fish products
- **Local and Regional Cold Distribution Chain** - Refrigeration facilities are required to enable distribution of fish to the local and regional market.
- **Dry/Smoked Fish:** Demand for dry/smoked fish is high within the region including the European Union. Equipment for hot smoking, capable of producing 200 metric tonnes per year costs about US\$ 200,000.
- **Industrial fishing and vessels**

## Animal husbandry

This sector of the Gabonese agriculture is being hampered by the presence of tsetse fly. For this reason, the Gabonese government imported tsetse fly resistant cattle from Senegal. In 2005, there was an estimate of about

- 212 000 hogs
- 195 000 sheep
- 90 000 goats
- 35 000 head of cattle and
- 3.1 million Chicken.

In an effort to reduce Gabon's reliance on meat imports, the government set aside 200,000 hectares (494,000 acres) in Gabon's unpopulated Savannah region for three ranches at Ngounie, Nyanga, and Lekabi. Currently, however, frozen imports are the most important source of beef, costing four times less than locally produced beef. Poultry production satisfies about one-half of Gabon's consumption demand. Typical annual production of poultry amounts to 3,600 tons.

## **Forestry**

The forest offers enormous potential for the regional ecosystem and stands as a real economic asset for Gabon. It covers 200,000 km<sup>2</sup>, in other words 85% of the country, representing the second largest forest potential in Africa. It is home to more than 400 species of tree. Its ecological value is priceless and its market potential remains to be developed. Today, it is estimated at 400 million m<sup>3</sup> (including 130 million m<sup>3</sup> of okoumé).

Forest cover: 22 million hectares

Logging potential: 12.5 million hectares

Production of boules, dressed timber and by-products: 2,700,000 m<sup>3</sup> in 2003 / 3,034,100 m<sup>3</sup> in 2001

Almost all of the forest production is exported as boules. A low proportion (7%) is converted locally.

Exports: 1,600,000 de m<sup>3</sup> every year

2% of the world market for tropical timber.

Forestry slumped sharply in 2008. It only accounts for 1.2 per cent of GDP but is the country's second biggest employer after the government. Gabon is 85 per cent forested, 40 per cent of it virgin, and 0.1 per cent is lost each year. The sector perked up in 2007 but flagged in 2008 due to lower Asian demand, higher freight costs and problems supplying small sawmills. But good results in secondary and tertiary processing should help the sector weather the crisis.

### **Effects of forestry on environment**

- Erosion
- Pollution
- Ravaging of resources
- Poaching

### **Useful contacts**

- Société Nationale des Bois du Gabon (SNBG)
- Leroy-Gabon.

## TOURISM

The government of **Gabon** is giving priority to the development of the local tourism industry so that the country can win its fair share of the millions of visitors each year from around the world who want to experience first hand some of the very special places that abound on the African continent.

The tourism industry in Gabon is serviced by both local and international operators. The capital city is served by international airlines. Some airports also provide charter services allowing visitors to access remote parts of the country not serviced by scheduled airlines. While the cost of getting to Gabon from Europe, Asia or America is relatively high, local travel costs range from very cheap to deluxe on international scales. International car rental companies are represented.

Some of the large American and European hotel chains have a foothold in Gabon. Standards of establishments and service range from international six star ratings to, quite simply, primitive. New tourism and leisure facilities are being developed. Gabon has diplomatic representation from several countries.

By working in national parks and surrounding buffer zones and production landscapes the Gabon Strengthening Capacity for Managing National Parks and Biodiversity Project adopts an integrated approach to biodiversity conservation. Implementation of concrete on-the-ground activities will strengthen organizational and operational capacities of national parks and wildlife authorities. There are four project components.

- Strengthens Institutions of National Agency of National Parks.
- Expands Gabon's protected area coverage.
- Provides direct support to selected national parks.
- Finances wildlife management in production landscapes (the Loango, Mukalaba and Mayumba national parks and their buffer zones, and the buffer zones of Lopt and Bateke).<sup>6</sup>

The most developed park is Loango. Here is where the largest variety of whales and dolphins after South Africa can be found. Loango has 100 kilometres of unspoiled coastline where elephants and buffalo roam. There is a main lodge overlooking a lagoon and five satellite camps on open savannah, beach and river locations.

---

<sup>6</sup>[http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000350881\\_20090810145052&searchMenuPK=64187283&theSitePK=523679](http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000350881_20090810145052&searchMenuPK=64187283&theSitePK=523679)

## Useful contacts

### **Ministry of tourism and cottage industries**

Tourism General Management

Tel.: (241) 76 46 59

Fax: (241) 77 58 97

### **Gabonese Centre for Promoting Tourism - Gabon tour**

Tel.: (241) 72 85 04 – 72 39 49

Fax: (241) 72 85 03

[www.gabontour.ga](http://www.gabontour.ga)

### **the agency for the promotion of private investment**

BP 1370 Libreville

Tel.: (241) 76 87 62

## ICT & INFRASTRUCTURE

Gabon and Cameroon are the only two countries in the central African region that possesses a connection to the WASC/SAT3 through sea cable, which links Europe to Asia by skirting the African continent. Since international communication using this cable is 10 times cheaper than by satellite, this puts Gabon at an advantage and places the country in a leading position for future telecommunications platforms in the entire sub-region.

Gabon Telecom is pursuing an active densification policy of its network to cover rural areas mainly by using VSAT links. It is also planning to extend the optical fibre link from Libreville to Port-Gentil in the south of the country.

Recently, the technological progress and the liberalization of the telecommunication market have stimulated the development of the telecommunication sector as illustrated by the following figures:

- 40,000 fixed telephone lines
- 350,000 mobile telephone subscribers
- 55,000 Internet users (5% of the population);
- 210 cyber cafés
- 25,000 computers in service.

Gabon had more than 45,000 subscribers to fixed telephone lines in 2005, with a fixed-line telephone density of 2.86%, but it's the cellular phone market that is expanding more quickly with 500,000 subscriptions in 2004 covering 36.2% of the population.

For the Internet, three services provide share the market:

- Gabon Telecom (Inet)
- SOLSI (Online Services and Computer Systems)
- INTERNET GABON

## Opportunities

There are a wide range of opportunities. The privatization of Gabon Telecom and the rapid development of the mobile telephony market, the **liberalization of the sector** are aimed at placing Gabonese telecommunications in pole position at Central African level by:

- Developing **high-speed Internet** services,
- Improving the quality and **accessibility of telecommunications services** and the **interconnection** of national networks,
- Developing national and transnational **service activities** relating to the new information and communication technologies,
- Forming a **training centre** for these technologies
- School computerization: By targeting the development of ICT skills and the improvement of the efficiency of the educational system, the Ministry of Education of Gabon is putting information technologies at the core of a national strategy for helping all students to leapfrog into the knowledge society.
- Internet providers

## Key Players

Mobile telephony operator:

- **Celtel Gabon**, an 80%-owned subsidiary of MSI Cellular Investments (Netherlands), began its marketing activities in June 2000. Note that Celtel claims top position in the mobile telephony market (42.2% market share), which it holds by way of the total number of subscribers. The Celtel network covers 17 towns in seven provinces.
- Libertis, a subsidiary of Gabon Télécom, represents a market share of more than 40% and provides the highest rate of coverage, including in rural areas.
- Telecel-Gabon (16% market share): almost all of Telecel-Gabon's shares were sold in 2002 by the Egyptian group Orascom to Atlantique Télécom, an Ivory Coast group.

Internet Access Providers:

- Internet Gabon
- Solsi
- Gabon Télécom (since 1997)

## Conclusion:

Gabon being a relative small country with a very few population of approximately 1.6 million people has an economy that enjoys from very rich natural resources such as oil and gas and agriculture. Gabonese economy depends mostly on its oil and gas exports. , Gabon had proved oil reserves of 1.995 billion barrels at the end of 2007 or 0.16 % of the world's reserves. Beside that, the government is also involved in developing its agricultural and tourism sector in order to attract foreign investors.

## Appendix

### Doing business report:

Doing business	Rank 2010	Rank 2009	change
Doing Business	158	151	-7
Starting a Business	152	147	-5
Dealing with Construction Permits	63	60	-3
Employing Workers	165	166	+1
Registering Property	130	123	-7
Getting Credit	135	131	-4
Protecting Investors	154	151	-3
Paying Taxes	107	104	-3
Trading Across Borders	135	131	-4
Enforcing Contracts	150	147	-3
Closing a Business	137	136	-1

## **STRENGTH AND WEAKNESS OF GABON**

### **Strength of Gabon**

- The business climate has benefited from an active reform programme and a regional economic boom.
- Egypt boasts diversified sources of foreign exchange (the Suez Canal, tourism, private transfers, and oil and gas exports).
- Foreign exchange reserves are high.
- The country enjoys the political and financial support of Western countries.

### **Weakness of Gabon**

- The interest on public debt and the cost of subsidies weighs on public finances limiting the capacity for infrastructure development.
- The banking system is not yet capable of meeting the economy's needs.
- The tourism sector, whose revenues are of fundamental importance to the current account balance and economic growth, remains vulnerable to the terrorist menace

### **Business etiquettes in Gabon**

Gabonese are very communal. Personal space is neither needed nor respected. When people are interested in something, they stare at it. It is not rude to call something what it is, to identify someone by his or her race, or to ask someone for something that is wanted. Foreigners are often offended by this. They may feel personally invaded by having someone stand in their space, insulted at being called white, and put off by people who ask them for their watch and shoes. None of these things are meant in a negative way, however, as they simply reflect the up-front nature of the Gabonese. Conversely, celebrity figures are treated with incredible respect. They are the first to sit, and the first to be fed, and are catered to with detail, regardless of their moral standing in society.