

IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Gabon Profile



Sounding the horn for political stability, which has been more greatly achieved in Gabon than other Central African nations. However, an autocratic government has been the cost.



Image courtesy of DoD News



GABON

#10

GABON

OVERVIEW ANALYSIS

Gabon's economy is based on oil, and like other African countries blessed by this natural resource, the challenge is to ensure all the country's people benefit from oil revenue. Oil accounts for 50% of GDP, 70% of government revenues and nearly 90% of exports. However, Gabon has an autocratic leadership that, while offering stability to the country, undercuts national prosperity and equality with corruption. The victor of a dubious 2016 election, current President Ali Bongo Ondimba is perpetuating the rule of his father, El Hadj Omar Bongo Ondimba. Together, they have controlled Gabon since 1967. Overall, the Business and Economics quadrants have compensated for Gabon's political shortcomings, allowing the country to rise by two positions from 12th in ACBR 2017 to 10th place in ACBR 2019.

KEY OPPORTUNITIES

- Political stability is among the firmest in Central Africa
- Exploitation of oil reserves has ensured a strong if single-commodity economy
- Support services for the energy sector are doing well

KEY CONCERNS

- Over-dependence on oil has made the country vulnerable
- An autocratic regime in power for five decades is hording governance control
- Gabon may lose the dispute with Equatorial Guinea over offshore territory

COUNTRY HIGHLIGHTS

PREDOMINANT
RELIGION

Christianity

PREDOMINANT
LANGUAGE

French

POPULATION
WITHOUT
ELECTRICITY8.96%
(#9) —LITERACY
RATE83.2%
(#11) —PRIMARY
ELECTRICITY
SOURCE

Hydroelectric

IMPORT/
EXPORTMachinery/
PetroleumEXTERNAL
DEBTUS\$ 5.599
billion
(#22) ▲²ACTIVE
CONFLICT

No

LAND
SIZE267,667 km²
(#30)INTERNET
PENETRATION48.1%
(#7) ▲⁸

4.5%



AGRICULTURE

44%



INDUSTRY

51.5%



SERVICES

41.9%



0-14

20.5%



15-24

29.5%



22-54

8.1%



55+



Term:
16/10/2009 - present
7 years (no term limit)



Political Party:
Parti Démocratique Gabonais



Recent Electoral Information:
27/08/2016
177 722 Votes
49.8%
Voter turnout: 59.5%



President
Ali Bongo Ondimba

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

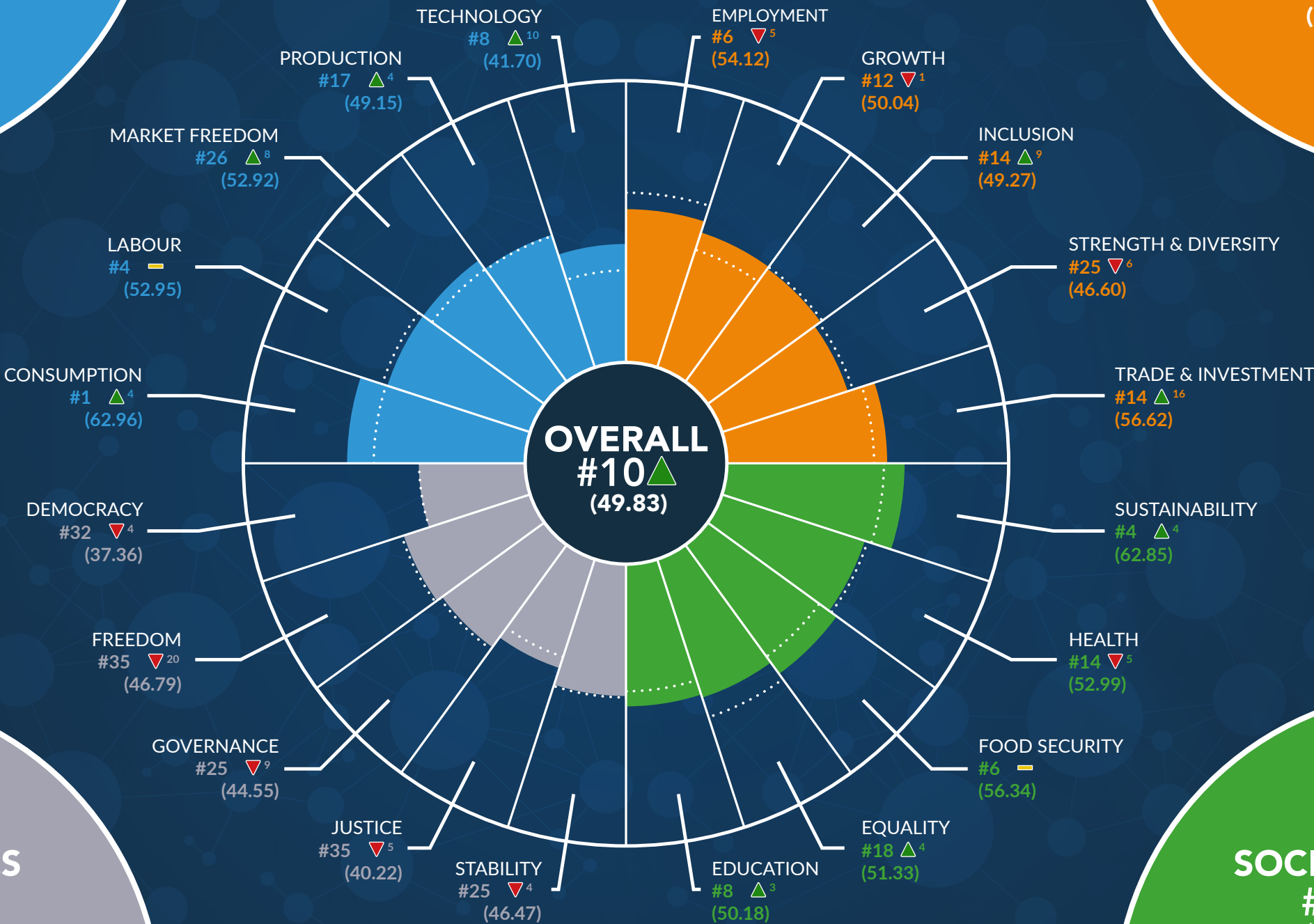
BUSINESS

#7
(51.94)

GABON PERFORMANCE OVERVIEW

ECONOMICS

#13
(50.15)



POLITICS

#31
(43.07)

SOCIETY

#9
(54.15)

GABON BUSINESS ANALYSIS



BUSINESS OVERVIEW

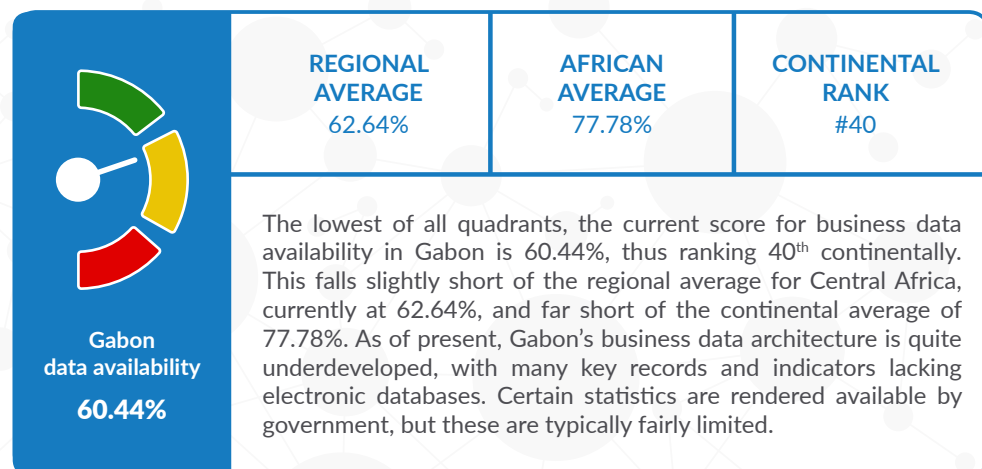
Mining and timber were once Gabon's major industries and are now important secondary industries. Like oil, the value of their production is dependent on world commodity prices. Value-added industries are few. Agriculture, which is engaged in by a majority of the country's population on the subsistence level, constitutes only 5% of GDP.

Investment is required to modernise the agricultural sector to boost production for export and create value-added agribusinesses also aimed at export. With a small population of 1.8 million people, Gabon does not offer a large domestic market for locally made goods. However, some means of job creation is required to provide employment opportunities for

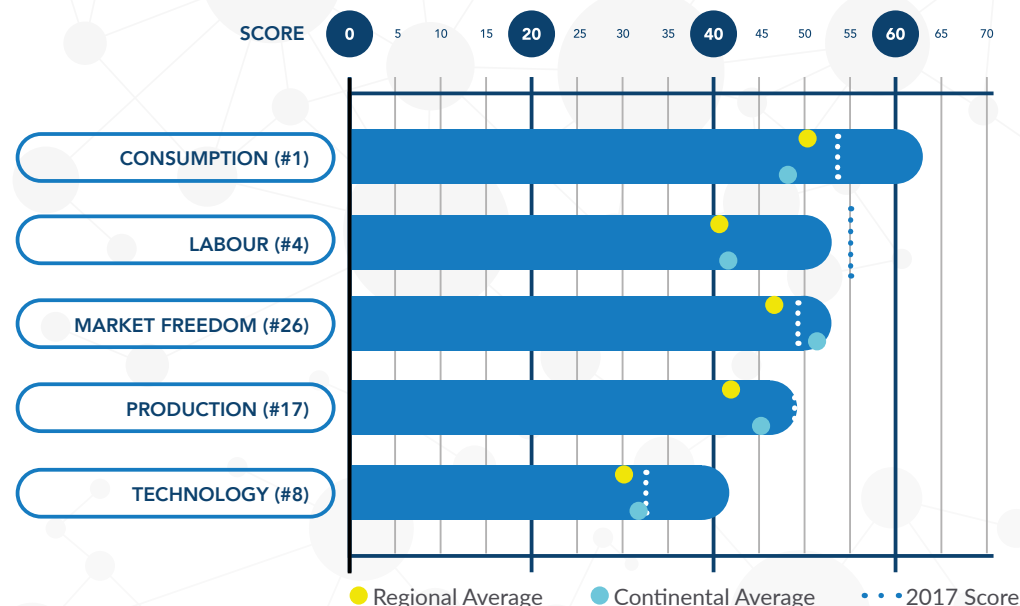
nearly two-thirds of the population who are under the age of 23. If not attended to, high youth unemployment will lead to social unrest.

Gabon scored well in the Technology segment, rising 10 ranks to 8th place, which brought their overall Business quadrant rank up to 7th place. Increases in segment scores were seen in Consumption, Market Freedom and Production. These segments show a business environment that is becoming more technologically advanced. However, more investment is needed in the domestic energy sector. Power outages continue to plague businesses. Even though 97% of urban areas have access to electricity, versus a low 38% of rural areas, electricity supplies are not reliable.

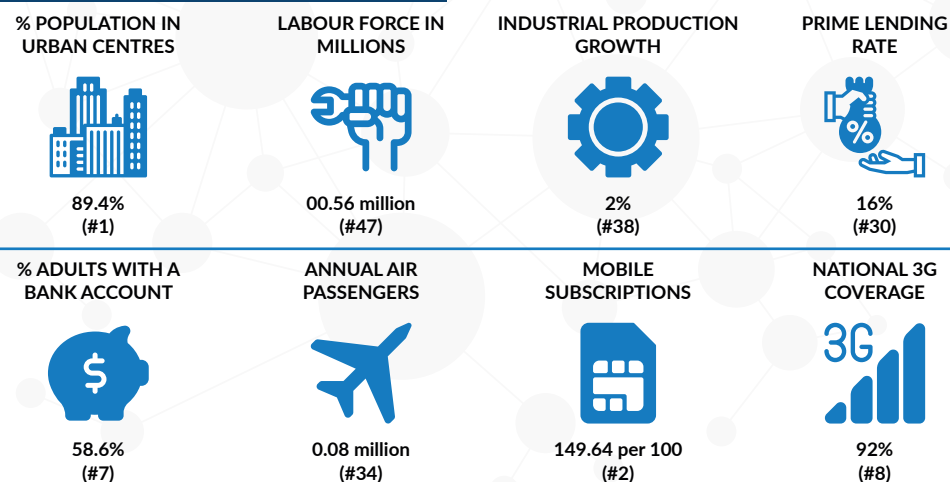
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



GABON ECONOMIC ANALYSIS

#13

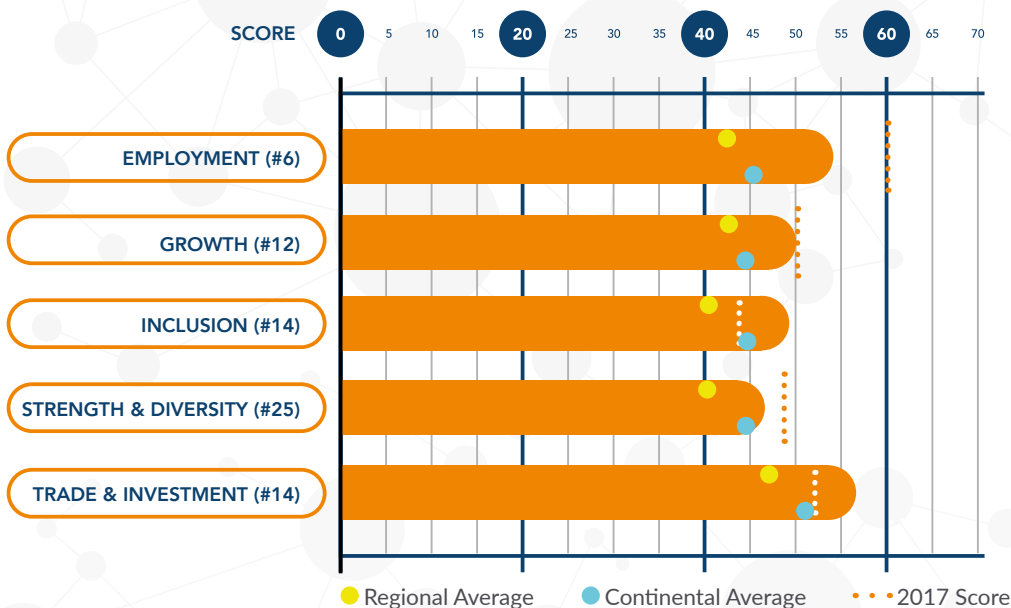
ECONOMIC OVERVIEW

As offshore oil reserves are discovered, Gabon and neighbouring Equatorial Guinea have reignited territorial disputes, particularly a decades-old dispute over ownership of a trio of islands in the Gulf of Guinea. The two countries agreed to United Nations (UN)-mediation. Thanks to oil, Gabon has a per capita GDP that dwarfs that found elsewhere in Sub-Saharan Africa. However, as evidenced by the 34% of Gabonese living in poverty, economic inequity is considerable. The top 10% of Gabon's income earners control a third of the country's wealth. The bottom 10% of Gabonese control 2.5% of national wealth. For the sake of a sustainable economy, economic diversification is required. Prior to the discovery of oil, manganese was Gabon's main mineral export, and ore still

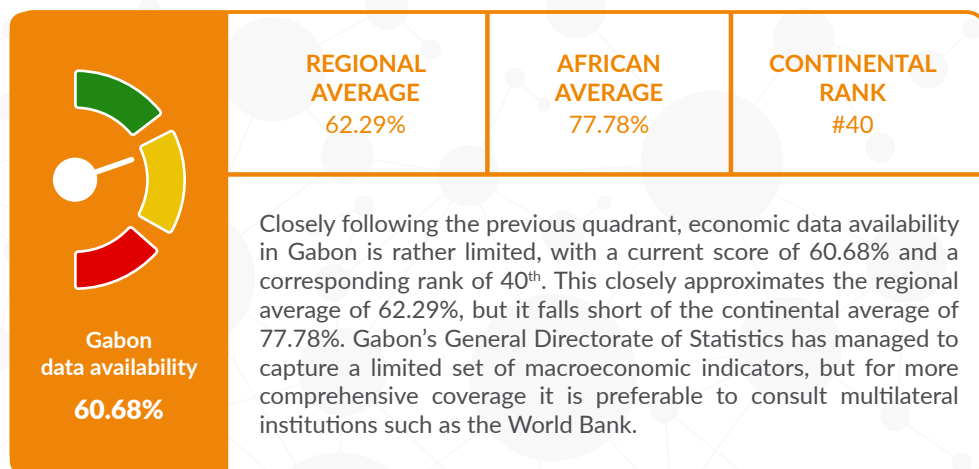
dominates the mining sector. Because revenue from raw minerals is determined by world commodity prices, investment in value-added industries for export is necessary for long-term economic health. Thanks to petroleum exports, Gabon has established solid trade ties all over the world. China purchases 15.5% of Gabon's exports, Italy purchases 7.3%, Trinidad and Tobago 7.2%, Australia 7%, Spain 6.2%, South Korea 5.4%, and the Netherlands 5%, all of which can become markets for other Gabonese exports.

Although Gabon dropped two country positions in the Economics quadrant, from 11 in 2017, its position of 13th based on a score of 50.15 is good relative to other West African countries.

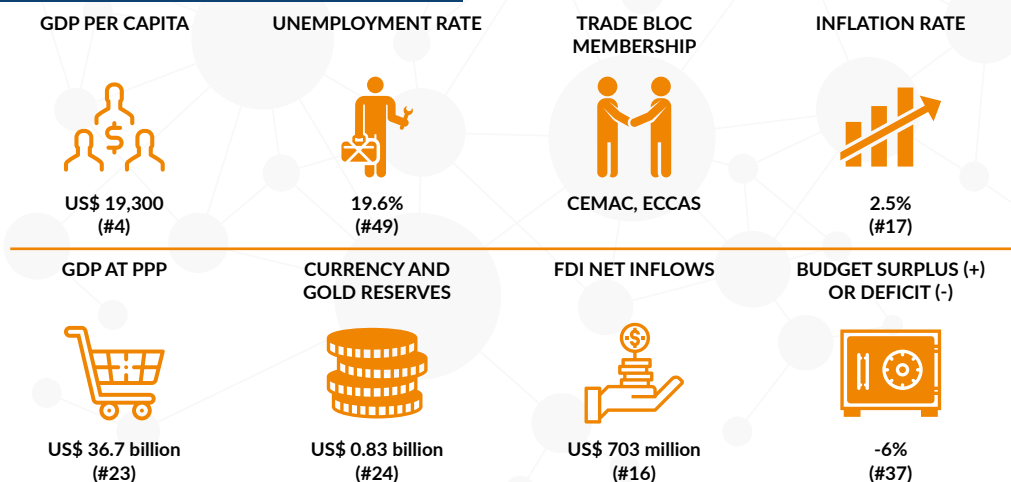
ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY



ECONOMIC STATISTICS



GABON POLITICAL ANALYSIS

#31

POLITICAL OVERVIEW

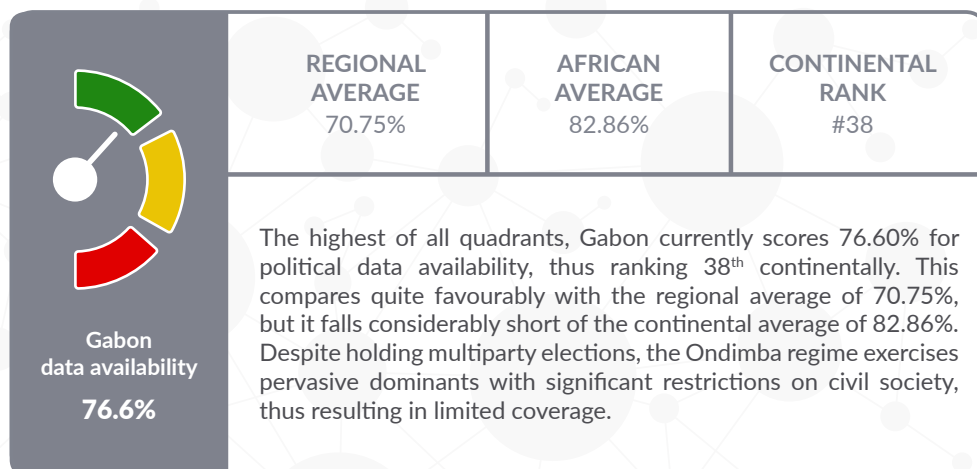
While Gabon's principal governance asset is stability, this has come at the price of subjecting the country's citizens to a corrupt and autocratic regime. In power from 1967 until his death in 2009, El Hadj Omar Bongo Ondimba was one of the world's longest-ruling heads of state. Upon his death, power was yielded to his son. A disputed 2016 presidential election was resolved in Ali Bongo's favour by a constitutional court, widely believed to be under his control and which extended his rule until at least 2023.

Widespread corruption has been recorded by observers of Gabon. Prized government positions are reserved for Ali Bongo's Bateke ethnic group. The military and the elite presidential Republic Guard are

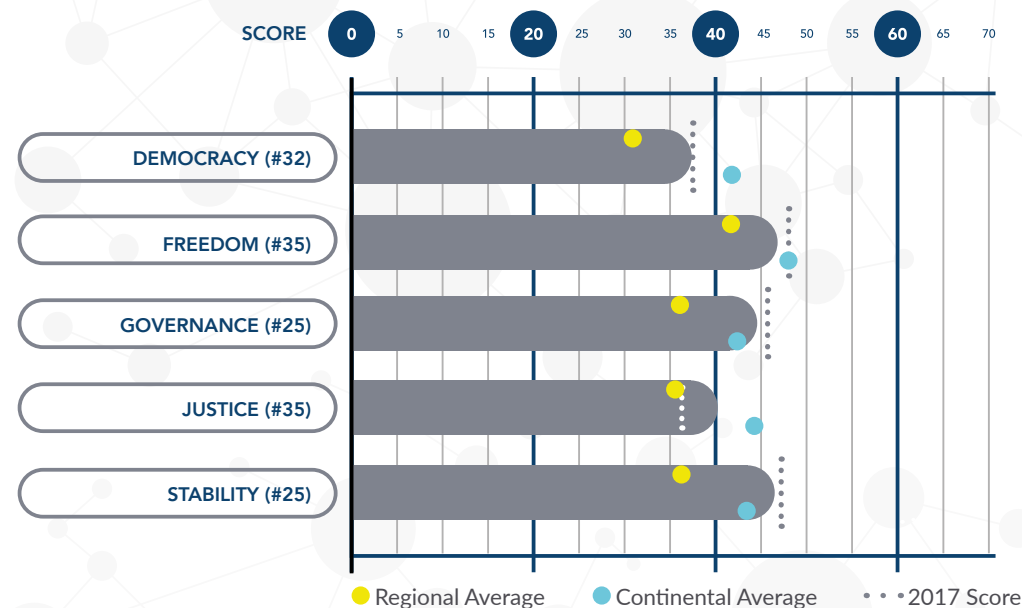
largely led by officers and generals of Bateke origin. Other ethnic groups have been agitating for greater positioning in governance. The president's power allows him to dissolve the national assembly and call new elections. Ali Bongo may also rule by presidential decree, governing without a national assembly.

Because of the inherent authoritarianism of Gabonese governance under Ali Bongo and no political reform under consideration, Gabon dropped seven ranks in the Politics quadrant, falling to 31st place. Among individual Politics segments, Gabon dropped a significant 20 positions in Freedom and nine in Governance.

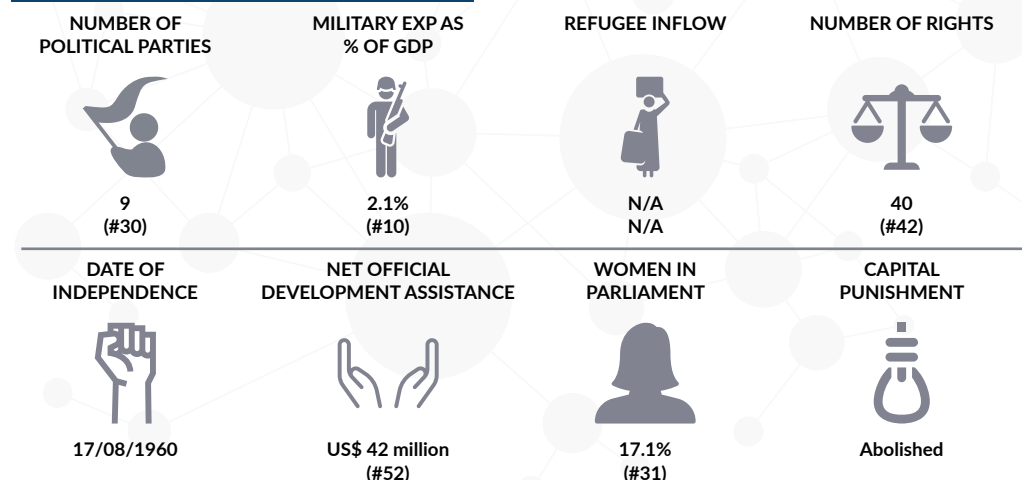
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



GABON SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

Gabon's small population affects their Society quadrant scores. While 34% of the population live in poverty, in absolute numbers for a country of 1.8 million people, this demographic is small relative to other African countries. However, with the average Gabonese woman giving birth to 4.39 children, population growth will put pressure on the country's resources.

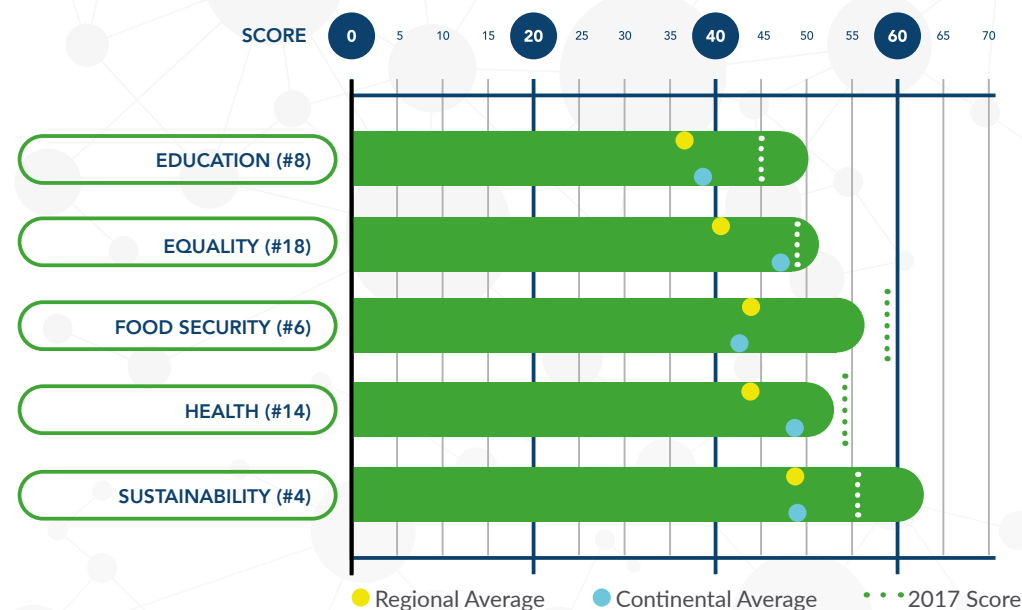
Gabon has been at peace since independence. Their one international problem is human trafficking, and some men are subjects of forced labour on Gabonese cattle farms. Expenditure on education is also quite low, at 2.7% of GDP. Access to clean drinking water is high, at 97% of the urban population in a highly urbanised country. Given the country's

relative affluence, the very low access to improved sanitation facilities, which only 43% of Gabonese have, is inexcusable.

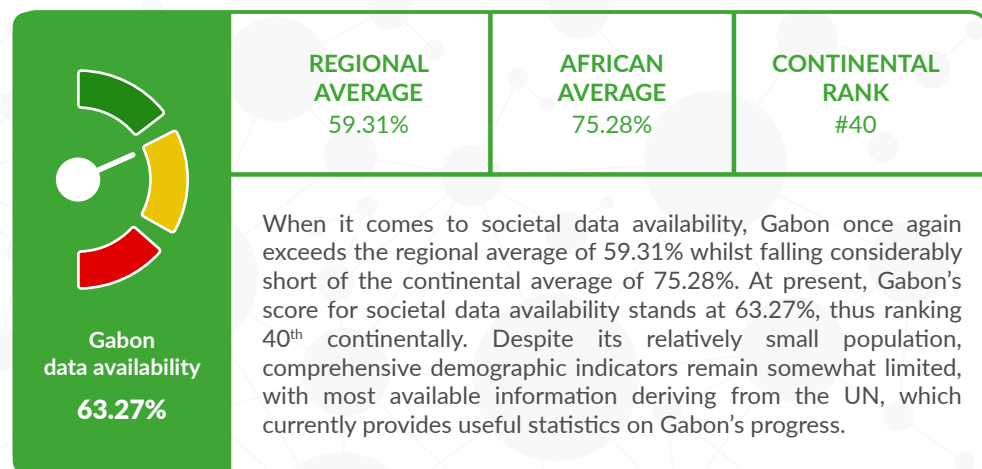
In the Society quadrant, Gabon rose by one rank to 9th place, reflecting the better access to social services enjoyed by a population that is 90% urban. A drop of five placements in Health displays that government can afford to spend more than 3.4% of GDP on the health sector.

Gabon rose four country positions in the segments of Equality and Sustainability, the former reflecting a growing middle class. Gabon has also improved in Education yet remained steady in Food Security.

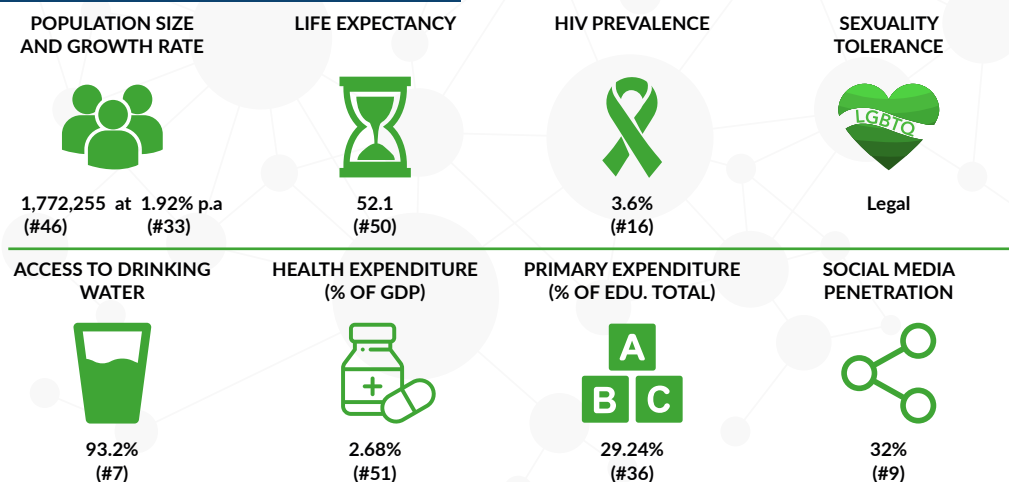
SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



SOCIETAL STATISTICS



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