

Information for business cooperation Gabon

1. Name of country: Gabon

2. Population: 1.5 millions

3. Area: 267,667 sq km

4. Overview on the Gabonese economy:

a. Number of chambers of commerce and industry: 1, named Chamber of Commerce, Industry, agriculture and mines of Gabon.

b. Role of the Chamber of Commerce and Industry: boosting the economic development in the private sector; significantly contributing to the improvement of the business climate and to the overall economic improvement in Gabon.

c. Kinds of crop that can be grown in the country: cocoa, coffee, sugar, palm oil; rubber; okoume (a tropical softwood); for cash crops production. However, Contrary to other African countries, agriculture's contribution is less than 10% (50-60% for other sub-Saharan African countries). Consequently, large quantities of foodstuffs are imported from neighboring countries like Cameroon and Europe

d. Animal wealth available in the country: In Gabon, there is a huge potential for animal wealth especially for domestic animals. The livestock rearing is based on cattle ranching.

e. Water resources: The country is endowed with fishery products. Fishing intake off Gabon's coastline are evaluated to 32,000 metric tons per year and can be increased to cater for the needs of landlocked Central Africa and Chad countries. However fishing industries, while making strong contributions to the national economy, are not yet fully and efficiently exploited and need private investments for their development.

f. Industrial Production: food and beverage; textile; lumbering and plywood; cement; petroleum extraction and refining; manganese, uranium, and gold; chemicals; ship repair.

g. Kinds of mineral wealth available in the country: The main mineral resources are: manganese, phosphate, uranium, gold, timber, iron ore. However, Oil plays the biggest part in Gabon economy and often accounts for up to 60% of the GNP and 80% for exports. Indeed, Gabon is the fourth-largest crude oil producer in sub-Saharan Africa and the 37th-largest in the world. But oil production is dwindling since 1998(13 million metric tons output for 2003) to a point that, for the first time since 25 years, 2004's national budget exposes less contribution from oil than non oil contributing items. Consequently, the GNP is contracting since 2001-02.

Gabon's political authorities are seeking a way to compensate for the decline of oil's

production and boost the production and industrial transformation of other abundant mineral resources. Indeed, unless new oil fields are discovered, Gabon's policy-makers are now confronted with the challenge to finding economic alternatives to oil to boost the economy. Otherwise, the country will slowly enter into economic "recession" when existing oil fields dried out. Nevertheless, the potential for future growth exists and is considerable for the exportation market, for example:

- The forestry exploitation as forests cover 85% of the national territory offering 12.5m ha of logging potential.

- Timber exploitation (4,340,000 to 5 million logs per year) may garner more profits if necessary measures taken for diversification into manufacturing and selling value added products such as house flooring, wooden made house kits for African and international market; furniture production - instead of exporting only logs and plywood.

- In its efforts to diversify its economy, Gabon highlights to promote and develop tourism. There are hotels equipped to international standards in Libreville, Port Gentil, Masuku (Franceville), Mouila, Lambaréné, Oyem, Koulamoutou, Makokou and Tchibanga but, like most of the accommodation in Gabon, they are expensive. Tourist facilities, including comfortable accommodation, are being established throughout the country, especially along the coast and in towns close to the National Parks. There are hotels in other major cities and towns.

- Also the country tries to build food security in light of the fact that Gabon currently imports more than 85% of its food products.

However the economic growth and diversification in Gabon is limited by the problems of low and skilled labor force and high operating costs.

Gabon's political authorities try to negotiate with international financing bodies (IMF and World Bank) to obtain additional financial means. But these institutions request drastic macroeconomics measures. That is why private investments are strongly encouraged especially the foreign investments. Gabon's competitive advantages are that apart from its abundant mineral and natural resources, the country belong to CEMAC, a sub-regional economic community representing a market of 30 million consumers. Business law is modern and harmonized with the Organization for the Harmonization of the Law in Africa (OHADA); Gabon boasts a strong telecommunications network; an Investment Charter has been established to structure relationships with investors and ensure transparency and accountability; Gabon's banking sector is viable and the tax system is attractive to businesses and individuals and finally the country enjoyed continuous political and social stability ever since independence 50 years ago.