



# Gabon

## Time to fight the "oil curse" for Africa's fifth largest producer



When the French captured a shipload of slaves and freed them at the mouth of the Komo river in Gabon in 1849, the joyous former captives settled and named their new town Libreville, or Free Town. Not many cities on earth were born out of an ideal of freedom and brotherhood, and many Gabonese proudly tell this story to foreign visitors who otherwise would only see in Libreville a developed, modern town, where much of the shiny and clean high-rise buildings lining the streets are branded with the names of major oil multinationals.

A small country about the size of Colorado, with a population of only 1.4 million, Gabon is tucked in the Gulf of Guinea, one of the planet's most oil-rich regions. Oil has been for the past thirty years the number one source of income

for the country, now Africa's fifth largest oil producer. It is also an important, if not leading, provider for the United States.

Oil revenues make up 65 per cent of the government's budget, 43 per cent of GDP and 81 per cent of total exports. Thanks to oil, the Gabonese enjoy one of the highest GDP per capita rates in the region (\$7,200 according to the US State Department). This figure, however, does not reflect the skewed distribution of income and the fact that about a third of the population lives in poverty. But oil production has declined by about a third since it reached a peak in 1996, and in spite of increased oil prices, government revenues have fallen. The government of Omar Bongo - one of the world's longest serving chiefs of state who has presided over Gabon since 1967 - is now faced with the need to diversify and reform the economy, following the International Monetary Fund's recommendations for privatisation, spending cuts and industrial diversification. Minister of commerce and

**"The Americans are doing themselves a disservice by not considering sectors outside of oil"**

industrial development, Paul Biyoghe Mba, believes that Gabon's future lies in the logging, fishing, tourism, mining and agriculture sectors. Also, the government is looking to further strengthen trade ties with the US, with whom it has had excellent bilateral relations for years. Mr Mba aims to take full advantage of this friendship: negotiations are already underway to develop an American investment protection programme. By improving the Gabonese business cli-



Omar Bongo, *President of Gabon*

mate and promoting foreign investment, Mr Mba plans to attract more foreign capital in industries other than oil. Just under half of the country's oil exports and 53 per cent of its total exports are destined for America. However, Mr Mba cautions that "the Americans are doing themselves a disservice by not considering sectors outside of oil."

Gabon may not be the African Kuwait people thought it would become at the onset of the oil boom three decades ago. True, there is an air of Sunday morning blues in Libreville, no longer the world's highest consumer of champagne. On the other hand, the Gabonese have now, like it or not, the opportunity to reform and open up. Mr Bongo's government has major assets to manage the transition adroitly, in particular the country's remarkable stability in a volatile region, and a wealth of non-oil resources. ●

## Securing Gabonese wellness

As Gabon's private national social security company, we guarantee a reliable social protection system, answering to the expectations of employees, assignees and retirees.

Our services include retirement insurance, family welfare and professional risks coverage.

The year 2005 marked the beginning of the company's restructuring and all processes, from collection to redistribution, have been modernized. Moreover, the quality of our customer service has considerably improved, both in the efficiency of our services and the warmth and hospitality of our environment, thereby confirming our desire to provide a proximity service for the good of Gabon.



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LA POSTE

## The future lies in...the post

The Gabonese postal service has received a serious makeover. In late 2006, the government replaced the former ailing Gabon Poste with the brand-new La Poste.

Alfred Mabika, the new general manager, is a former government minister with ample experience in management. He has solid plans to transform La Poste into a profitable, efficient and reliable business. Some strategies include universal letter and parcel distribution, and the launching of financial services. Mr. Mabika recognizes the accessibility afforded to the Gabonese by the 55 post offices around the country, as well as the potential profits a postal bank could bring. The latter is of utmost importance if La Poste is to become self-sufficient.

Mr. Mabika believes that exploiting the Internet can add value to their profit-making services. Moreover, technology has the potential to bring knowledge to both urban and rural areas, thus improving education and helping to eradicate poverty. Alfred Mabika's La Poste may be just what Gabon's economy and people need. ●



NATIONAL DEPARTMENT OF SOCIAL SECURITY

## Building a future through solidarity



**CNSS is Gabon's social security organisation, working for the Gabonese people and aware that a healthy and educated population is vital to a country's stability and long-term prospects**

"Gabon is seen as a haven of peace and stability, and without this national solidarity, without well managed social affairs, peace and stability would never exist," states Louis Gaston Mayila, vice prime minister and minister for social affairs, national solidarity, welfare and the fight against poverty. In Gabon, where government opposition is permitted a voice rather than being threatened with exile, prison or death, peace and stability are backed up by a progressively comprehensive social welfare system that ensures that citizens have access to education, health services, jobs, shelter and drinking water.

The National Department of Social Security (CNSS) is the company that guarantees reliable social protection for private sector employees. Though private, the CNSS is under state supervision and deals with a variety of services ranging from pensions to disability allowances

and health care. Antoine Dangouali Yalanzele has been managing director since 2004, when he was appointed by president Bongo and entrusted with a mission to turn around what was then an ailing organisation. Some of his first reforms were to restructure the entire company, modernise management, retrain employees in new working methods and improve the state of its services.



**Antoine Dangouali Yalanzele**  
Managing Director  
CNSS

"When we arrived, there were no more hospitals. Then we noticed that retired people were sparingly paid," Mr Yalanzele recalls. Today, payments are made within five days and the health care system is much more extensive, with seven social and medical units, two out-patient clinics and three hospitals. The CNSS also offers "proximity service," meaning pensions and medical care are delivered directly to the homes of those who are unable to collect them. The reforms accomplished within the organisation have been significant for the Gabonese people, and have been lauded by the IMF. As Mr Yalanzele states, "It is undeniable that the existence of an effective social security system is a powerful leverage to fight against social discrimination and poverty." ●

**Breathing Life into Gabon's Forests.**

Société Nationale des Bois du Gabon is responsible for the preservation of Gabon's forests, and the first point of reference for those who are fascinated by forests and the future of humankind.

As the leading company in Gabon's second most important industry, SNBG promotes responsible exploitation while remaining the nation's largest employer. SNBG breathes life into Gabon's forests. Gabon's forests respond in kind.

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## GABONESE NATIONAL SOCIETY OF FORESTS

# The roots of good governance



**The government's new diversification strategy aims to decrease reliance on oil and fortify other sectors, particularly logging. In Gabon, a country with zero deforestation, this is an evergreen business**

Gabon is more than three-quarters forest with 400 different species of trees, 100 of which are suitable for industrial use. Naturally, timber was king until 1968 when it was replaced by oil. Following the government's new diversification policies, the Gabonese National Society of Forests (SNBG) is assuming its role as a key player in the process and is going to great lengths to rekindle activity in the sector.

Run as a private business, SNBG is 51 percent state-owned, with the remainder owned by employees and other forestry companies. It was in 1975 that the state took a majority interest in the company in order to help the sector survive the worldwide



**Eugène Capito**  
*General Manager  
SNBG*

timber crisis, keep pace with fierce competition from southern Asia and meet rising production costs. Furthermore, SNBG received the rights to monopolise the commercialisation of okoumé and ozigo wood. The former is a highly valued hardwood used to make plywood and decorative surfaces for panelling and furniture.

Eugène Capito, a former ministry of finances employee, was hand picked by the government in 2005 to lead the company. His plans for SNBG include the development of a vertically integrated business in which the company will be involved in all stages, from exploitation to commercialisation and finally to industrial transformation. Mr Capito would also like to find US partners to take better advantage of the industry and further develop it in a responsible way. "Gabon is a country where there are several opportunities to develop sectors such as the forestry industry. In this sector, the opportunities are still intact; we can still do things in a way that supports sustainable development in a real and positive way," he says. Emile Doumba, minister for forest economy, water, fishery and national parks, agrees that US involvement would be beneficial to all:

"Here there is an environment where American talent is welcome and might be mutually rewarding for both American and Gabonese investors," he says. ●