



Doing Business in Gabon:

2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Gabon

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Market Overview

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- Gabon is located on the Gulf of Guinea in Africa and has a population of approximately 1.4 million.
- President Ali Bongo Ondimba launched a reform plan for Gabon after years of corruption and infrastructure neglect. The “Emerging Gabon” initiative focuses on sustainable development, services, and manufacturing.
- Gabon’s largest industries are petroleum, minerals (mostly manganese), and timber. It is also developing its agricultural sector and improving its national infrastructure.
- The economy remains heavily dependent on oil, but the government is committed to diversifying to other sectors.
- Gabon’s gross domestic product (GDP) was estimated at \$17.3 billion in 2012, up from \$16 billion in 2011 (International Monetary Fund).
- Gabon’s per capita income was the second highest in sub-Saharan Africa, after Equatorial Guinea, in 2012 at \$11,114. However, its income distribution is extremely skewed and its ranking on human social indicators is well below its ranking by GDP per capita.
- Gabon belongs to the Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire de l’Afrique Centrale*, CEMAC). As a CEMAC member, it uses the Central African franc (CFA), which is pegged to the euro ($CFA\ 656 = \text{€ } 1$).
- President Ali Bongo Ondimba, has been in office since his election in 2009. His father, former president Omar Bongo, led the country for 42 years.
- Gabon is a multiparty democracy, but the ruling Gabonese Democratic Party (PDG) controls nearly every seat in parliament and most provincial and local offices. Presidential elections will take place in 2016..
- A former French colony, Gabon gained independence in 1960, but maintains strong economic, political, and cultural ties with France.

Market Challenges

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- The economy remains heavily dependent on the extractive industries, including oil, manganese, and timber.
- Gabon has serious capacity constraints that impede diversification efforts.

- Gabon's lack of modern infrastructure makes doing business across the country costly and time-consuming, if not impossible in some remote areas.
- Gabon's bureaucracy, though in the midst of reform, is cumbersome and challenging.
- Gabon's dependence on the export of raw materials leaves it vulnerable to external factors, such as the current worldwide economic recession.

Market Opportunities

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- The petroleum sector provides opportunities for U.S. companies. In particular, Gabon is engaged in direct consultations with oil companies interested in offshore exploration oil permits.
- The timber and forest sector has been drastically altered due to the government's 2009 decision to prohibit the export of untreated wood and raw timber in support of local production of wood products to encourage a wood-based manufacturing sector. In September 2011, President Bongo Ondimba officially inaugurated the Nkok Special Economic Zone (SEZ), a joint initiative between the Gabonese Government and Olam International, for timber processing and other manufacturing.
- Olam is also developing rubber and palm-oil plantations and a chemical fertilizer plant in different locations throughout the country. These projects also include infrastructure development in the form of roads, the construction of a palm-oil refinery and the possible development of a port at Mayumba in the southwest.
- There are opportunities for U.S. mining support companies to provide cranes, draglines, trucks and tractors. Manganese is the main mining activity but other firms have obtained prospecting/exploration licenses for iron ore, copper, gold, diamonds, and other minerals. There will be opportunities for mining in the area surrounding the Belinga iron ore deposit, believed to be the largest iron ore deposit in the world. The Gabonese government is currently conducting an internal audit of the mine.
- As Gabon modernizes and improves existing infrastructure, there are opportunities for U.S. firms in housing, water and waste treatment, healthcare technology, aviation infrastructure and maintenance, road construction, and education.
- Opportunities may exist within the telecommunications sector as Gabon is connected to a fiber optic cable designed to increase bandwidth and competition among internet service providers.
- An opportunity also exists for the creation of a regional helicopter repair and service station at the Libreville Airport. Senior Gabonese officials have expressed specific interest in this project.

Market Entry Strategy

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- There is a small but growing U.S. business community in Gabon, concentrated in the oil, infrastructure, telecommunications, and accounting sectors, which led to the creation of the American Business Association of Gabon in 2012.
- Consulting with established U.S. firms in Gabon has proven useful for interested U.S. investors.

- It is imperative for interested U.S. firms to consider placing a negotiator in Gabon throughout the negotiations to obtain contracts and establish a presence, and that individual must speak French.
- Visiting the country and meeting key players in the government are vital to doing business in Gabon, as is having a presence on the ground during often lengthy contract negotiations.
- Gabon is a member of the World Trade Organization (WTO), the Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire de l'Afrique Centrale*, CEMAC), and the CEMAC's Bank of Central African States (*Banque des Etats de l'Afrique Centrale*, BEAC).

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COUNTRY FACT SHEET: GABON

PROFILE

Population in 2011 (Millions): 2

Capital: Libreville

Government: Republic

ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	10.9	13.2	16.0
Nominal GDP Per Capita (Current \$US)	7,421	8,820	10,518
Real GDP Growth Rate (% change)	-1.4	6.6	6.6
Real GDP Growth Rate Per Capita (% change)	-2.8	5.1	5.1
Consumer Prices (% change)	1.9	1.4	1.3
Unemployment (% of labor force)			
Economic Mix in 2011: 60.6% All Industries; 3.1% Manufactures; 35.6% Services; 3.7% Agriculture			

FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Gabon Exports to World	5,356	0	0
Gabon Imports from World	2,501	0	0
U.S. Exports to Gabon	171	243	204
U.S. Imports from Gabon	1,231	2,212	4,567
U.S. Trade Balance with Gabon	-1,060	-1,969	-4,362
Position in U.S. Trade:			
Rank of Gabon in U.S. Exports	129	115	132
Rank of Gabon in U.S. Imports	72	62	48
Gabon Share (%) of U.S. Exports	0.02	0.02	0.01
Gabon Share (%) of U.S. Imports	0.08	0.12	0.21

Principal U.S. Exports to Gabon in 2011:

1. Machinery, Except Electrical (37.1%)
2. Transportation Equipment (14.8%)
3. Food & Kindred Products (14.7%)
4. Computer & Electronic Products (8.9%)
5. Fabricated Metal Products, NesoI (7%)

Principal U.S. Imports from Gabon in 2011:

1. Oil & Gas (97.2%)
2. Minerals & Ores (2.2%)

FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Gabon (US \$Millions)		460	
FDI in U.S. by Gabon (US \$Millions)	-1.0	-4.0	-3.0

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 170 of 185

Heritage/WSJ 2012 Index of Freedom Rank: 113 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Gabon Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2826.htm>

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Using an Agent or Distributor

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There are local companies that act as agents or distributors for US companies. Contact a U.S. Department of Commerce district office to find an agents/distributors service (ADS). If Commerce records do not already contain suitable prospects, the office will ask the U.S. Embassy in Libreville for information.

Establishing an Office

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The Agency for Investment and Export Promotion (APIEX) and the Center for Company Development (CDE) have replaced the former Agency for the Promotion of Private Investment (APIP) and aim to simplify procedures for establishing offices in Gabon. APIEX works to attract foreign companies to invest in Gabon and to support Gabonese exports while the CDE ensures the development of professional and private investors in all the African, Caribbean, and Pacific (ACP) country members. The CDE is designed to serve as a 'single window' where foreign investors and domestic companies can acquire the necessary paperwork to do business in Gabon, but as a practical matter, this system has many deficiencies and there is generally poor coordination within the Gabonese government that often results in lengthy delays for firms seeking approval for their projects and the necessary approvals to implement projects on schedule and on budget. The CDE has representation of government services, including Immigration and utilities and has also deployed offices in several provinces of Gabon. CDE and APIEX also encourage foreign companies to invest in Gabon.

For more information contact:

APIEX l'Agence de Promotion des Investissements et des Exportations

General Manager Ms. Nina Abouna
Tel. +241-07-65-31-40
<http://www.apiex.ga/>

Center for Company Development (CDE)
Tel. +241-06-22-38-10

Direction Général du Commerce
Ministère du Commerce
B.P. 561, Libreville, Gabon
Tel. +241-76-83-03; +241-74-59-25
Fax +241-72-15-40

Direction Générale des Impôts
Ministère du Finance
B.P. 165, Libreville, Gabon
Tel. +241-01-79-53-76
Fax +241-01-76-59-74

Caisse Nationale de Sécurité Sociale (Social Security Administration)
B.P. 134, Libreville, Gabon
Tel. +241-01-70-27-38; +241-01-72-03-61

Franchising

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There are currently no U.S. franchises in Gabon and opportunities are limited. U.S. and European soft drinks and beers are produced in Gabon under license.

Direct Marketing

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There are no restrictions on foreign firms directly marketing products in Gabon.

Joint Ventures/Licensing

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Joint ventures and licensing agreements are limited in Gabon. The state reserves the right to invest in the equity capital of ventures established in certain sectors (petroleum, mining, etc.).

Selling to the Government

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U.S. firms interested in selling directly to the government should ensure that funds have been appropriated in the Gabonese budget for the items they wish to sell.

Distribution and Sales Channels

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Except for Coca-Cola, which produces a complete product range locally (Coke, Fanta, Sprite, etc.) under a licensing agreement with a domestic company, most U.S. products sold in Gabon are marketed through Gabonese agents. Examples include Tractafric (selling Caterpillar heavy equipment) and SOGAFRIC (selling General Electric products). Small local firms sell other U.S. products.

Selling Factors/Techniques

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English is not widely spoken. Companies should prepare all sales material in French and be prepared to hire translation services for negotiations with the government and local partners.

Electronic Commerce

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Internet service in Gabon is unreliable and expensive. At this time, e-commerce is not widely used and not a practical means of doing business in the country because of the only slowly improving quality of internet connection and poor internet penetration rates among the population. Internet usage is expanding but lack of bandwidth and extremely slow speeds hamper internet entrepreneurs and shoppers.

However there are some positive developments. The government unveiled a digital plan in 2011 and Gabon connected to a fiber optic cable (ACE cable) in 2012 that will improve bandwidth and lead to increased competition between internet providers. The ACE Cable is in place and is under the management of the newly created National Digital and Frequency Infrastructure Agency (ANINF) but it is not yet in use. The government has pledged it's committed to increasing it e-government services once the ACE cable is up and running.

Trade Promotion and Advertising

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The general public obtains its information through various types of media:

Radio 75%

Television 45%

Newspapers 60%

Some of the major news organizations in Gabon are:

L'Union (newspaper)

B.P 3849 Ancien Sobraga

Libreville, Gabon

Tel. +241-01-73-58-61

unionplus@internetgabon.com

Gabon Matin (newspaper)

B.P 168

Libreville, Gabon

Tel. +241-01-44-35-07

gabmat@agpgabon.ga

Africa No. 1 (radio)

B.P. 1 Boulevard Triomphal

Libreville, Gabon

Tel. +241-01-76-00-01

Gabon Television (television)

B.P. 150 Nkembo

Libreville, Gabon
Tel/Fax +241-01-73-25-00

TV+ Chaîne 3 (television)
B.P. 8334 Bord de Mer
Libreville, Gabon
Tel. +241-01-72-92-04

TELEAFRICA (television)
B.P. 814 Avenue Bouet
Libreville, Gabon
Tel. +241-01-72-49-22

RTN (television)
B.P. 9563, 304 Rue Usine Sotega
Libreville, Gabon
Tel. +241—01-76-88-63

RTG II (radio and television)
B.P. 2229
Présidence de la République
Libreville, Gabon
Tel. +241-01-76-32-91/ +241-01-76-02-00/ +241-01-72-34-02

CNBC AFRICA
Quartier Glass, Entre BGFIOcéan et Bureau Moderne Gabon
BP 857 Libreville, Gabon
Mobile : +241-04-44-39-93
Email: cnbcgabon@gmail.com
Websites: <http://www.abndigital.com/>; <http://www.abn360.com/>

Pricing

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Prices in Gabon are among the highest in the world. International and domestic transportation costs can be a considerable factor in selling goods.

Sales Service/Customer Support

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Good customer service, follow-up services and inventories can confer a significant competitive advantage.

Protecting Your Intellectual Property

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The Ministry of Commerce handles patents and copyrights in Gabon. Gabon is a member of the African Intellectual Property Office (OAPI) based in Yaoundé, Cameroon. OAPI aims to ensure the publication and protection of patent rights, encourage creativity and transfer of technology, and create favorable conditions for research. As a member of OAPI, Gabon acceded to a number of international agreements on patents and intellectual property, including the Paris Convention, the Berne Convention, and the Convention Establishing the World Intellectual Property Organization.

Protecting Your Intellectual Property in Gabon:

Several general principles are important for effective management of intellectual property (“IP”) rights in Gabon. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Gabon than in the U.S. Third, rights must be registered and enforced in Gabon, under local laws. Your U.S. trademark and patent registrations will not protect you in Gabon. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Gabonese market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Gabon. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Gabon law. The U.S. Commercial Service can provide a list of local lawyers upon request (http://libreville.usembassy.gov/attorneys_gabon.html).

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Gabon require constant attention. Work with legal counsel familiar with Gabonese laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both in Gabon or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce

- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Gabon at: www.trade.gov.

Due Diligence

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All U.S. companies are advised to exercise due diligence before doing business in

Gabon. On the ground investigation into respective sectors and legal requirements is highly recommended. The U.S. Embassy stands ready to provide perspectives on the overall business climate and to help facilitate trade and investment as appropriate.

Local Professional Services

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Retaining an attorney is not required, but a local attorney may be best placed to handle many of the routine problems that may arise. A list of local attorneys may be picked up at the U.S. Embassy's consular section or through the Embassy's website at http://libreville.usembassy.gov/legal_information.html.

Web Resources

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Gabonese Presidency: <http://www.en.legabon.org/index.php>

Gabonese Government: <http://www.gouvernement.ga/site2/index.html>

Ministry of the Economy, Business, Industry and Tourism: <http://www.economie.gouv.ga/>

Ministry of Budget: <http://www.budget.gouv.ga/2-ministere/>

Economic and Monetary Community of Central Africa: <http://www.cemac.int/>

Ministry of the Technical Education and Vocational Training: <http://www.education-nationale.gouv.ga/>

Ministry of Economy reports:

http://www.dge.gouv.ga/index.php?option=com_content&view=article&id=50&Itemid=64

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APIEX l'Agence de Promotion des Investissements et des Exportations

<http://www.apiex.ga/>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Agricultural Sectors

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(Petroleum)

Overview

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Gabon is currently the fourth largest producer of oil in sub-Saharan Africa and petroleum is the primary source of public revenue in Gabon, making up 63% of the national budget and 51% of GDP in 2011. In 2012, Gabon's oil production unexpectedly gained 5%% to 12.7 million barrels due mainly to improved efficiency of oil producers. In 2010, the oil sector accounted for 78% of exports, 38% of GDP, and 45% of government revenue. This increase in the share of GDP from 2010 to 2011 was due to a decrease in timber exports in 2011

The Gabonese government set up two new companies in 2011, the Gabon Oil Company (GOC) and Gabon Equatorial Mining Company (EMC), with the objective to improve the judicial, financial, and fiscal transparency of Gabon and to fight against corruption in the oil and mining sectors. President Bongo Ondimba recruited top-notch Gabonese managers, with proven international experience in the oil and mining sectors, to lead the new companies. The aim of the companies is to ensure transparency in the government's investment and revenues from natural resources. The GOC continued to staff up in 2012 and acquired office space in Libreville. The GOC has been granted a few exploration permits and is looking for investment partners.

Gabon has purportedly concluded the revision of its oil and mining codes but has not yet released the documents publically nor ratified it with the Senate. While the aim of the reformed oil and mining codes are to develop a more attractive regulatory framework to draw investors to Gabon's extractive industries, the significant delay to publishing the codes may be slowing down foreign investment, especially in the oil sector.

There are approximately seven American companies (one producer and the others are service companies) currently active in Gabon's petroleum industry, which is concentrated in Port Gentil. With the new data on off-shore potential in Gabon, there are several more U.S. oil companies interested in the market and currently in discussions with the Gabonese government.

Gabon was a candidate for the Extractive Industries Transparency Initiative (EITI) since 2007. Gabon did not approve, publish and submit to the EITI Board a final EITI validation report by the deadline of December 9, 2012. Due to the non-respect of deadlines and the non-performance of the National EITI Committee, the International Council of the EITI voted on February 27, 2013 to exclude Gabon from the application process. While Gabon is no longer an EITI candidate country, they have the ability to re-apply in the future. Furthermore, the EITI Board President did note Gabon's progress on transparency and reforms in natural resource management, despite its failure to meet the required EITI demands.

Sub-Sector Best Prospects

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There are opportunities for oil sector services companies, especially as new entrants come into the market for deep off-shore exploration.

Opportunities

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Gabon has 42 additional offshore deepwater and ultra-deepwater oil blocks available for exploration by international investors. A disappointing bid round in 2010 did not attract desired private sector interest. However, in 2011, Gabonese authorities released seismic data and began negotiating directly with potentially interested oil companies. Gabon is currently in discussions with major international oil companies and is expected to reach a decision on its offshore deepwater blocks in mid 2013.

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Direction Général des Hydrocarbures
Ministère des Mines, du Pétrole, et des Hydrocarbures
B.P. 576
Libreville, Gabon
Tel. +241-01-77-31-68
Protocol +241-05-12-25-53

Gabon Oil Company (GOC)
Serge Brice Toulekima, Director General
Tel. +241-07-10-40-15

Union Pétrolière Gabonaise/UPEGA (Association of Petroleum Companies)
B.P. 146
Port Gentil, Gabon
Tel. +241-55-83-03
Fax +241-55-80-55
upegga@inet.ga

Extractive Industries Transparency Initiative
www.eitigabon.org

(Mining)

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Gabon has the second largest deposit of manganese in the world and is currently the world's third largest producer. Manganese is Gabon's second largest export product, roughly accounting for 6% of Gabon's total exports and 4.6% of GDP in 2011. La Compagnie Minière de l'Ogooue (COMILOG), a subsidiary of the French company ERAMET, is the largest and principal company currently producing manganese in Gabon. COMILOG produced 3.8 million tons of manganese in 2012. Comilog is currently working on a manganese processing plant in the country that could produce 85,000 MT a day starting in 2014.

Demand for manganese (a component of some forms of steel) has been significantly affected by the international economic crisis. Plummeting consumption and production in the construction and automobile industries led to a substantial decline in demand for steel.

The government also is seeking to diversify the mining companies operating in Gabon. Other companies in the exploration or prospecting phase for manganese include the Brazilian company CVRD. BHP Billiton recently pulled out of Gabon. A number of other companies also have prospecting or exploration permits for iron, copper, diamonds, and other minerals.

In 2006, the government signed an initial agreement with the China National Machinery and Equipment Import and Export Corporation (CMEC) for the development of the Belinga iron ore deposit in northeastern Gabon. This project, which includes extensive related infrastructure projects (roads, hydroelectric dam, railway, deep water port), is valued at U.S. \$3.6 billion. Due to performance, environmental, and financial concerns, the Gabonese government had put the project on hold and is currently conducting an audit to revalue the project. Other international mining companies have expressed interest in Belinga and are in communication with the government as well. The Gabonese government has indicated they would be satisfied led by a joint exploitation of the permit with a major international mining company.

Sub-Sector Best Prospects

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Mining sector services also may provide an opportunity for U.S. investment and U.S. exports in the form of equipment.

Opportunities

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The government is eager to diversify the mineral sector and has recently issued prospecting/exploration permits for iron, copper, diamonds, and other minerals. Mining equipment, such as cranes, draglines, trucks and tractors, also provides an opportunity for U.S. suppliers. In the past, local suppliers of U.S. equipment have competed successfully, relying on quality and competitive pricing.

The government also has set up the Gabon Equatorial Mining Company to improve the judicial, financial, and fiscal transparency of Gabon in the mining sector. The

government has recruited top-notch Gabonese managers with international experience to run the company and is looking for joint-venture opportunities with global mining companies.

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Direction General des Mines et de la Géologie (DGMG)
Ministère de l'Industrie et des Mines (Ministry of Industry and Mining)
B.P. 576
Libreville, Gabon
Tel. +241-01-76-47-13

Gabon Mining Company (Compagnie Minière Equatoriale)
Fabrice Nze-Bekale, Director General
Tel: +241-07-10-40-15

SYSMIN
<http://www.sysmin-gabon.org/index.php>

Comilig
<http://www.erafmet-comilog.com/>

Extractive Industries Transparency Initiative
www.eitigabon.org

(Forestry)

Overview

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Timber exports are Gabon's third main export after oil and manganese. Approximately 10.7 million hectares of Gabon's 21 million hectares of rainforest are allocated as concessions for commercial timber production. Okoume, a light hardwood used for plywood, is the most commercially viable, but some two dozen species are marketed. Some 86% of the Gabonese timber production is exported to China.

In 2010, the government banned the export of unprocessed wood to encourage local processing and export of finished goods. As a result, the timber sector's proportion of Gabon's GDP has risen from 4.5% in 2009 to 8% in 2012. There are currently 114 transformation facilities compared to 81 in 2009. Gabon has already started negotiating with the European Union to implement by 2013 the FLEGT (Forest Law Enforcement, Governance and Trade) guidelines which will introduce measures to curb illegal timber and to increase the demand for responsible wood products.

The Special Economic Zone (SEZ) at Nkok is a major project envisioned to increase wood processing in Gabon. It is a joint project between the government and Singaporean private sector company OLAM and is a "one-stop shop" for companies to process and then export wood products. This partnership is intended to support local production of wood products to encourage a wood-based manufacturing sector. The SEZ in theory will provide single-window business services to participants and provides new investors with beneficial fiscal incentives, including tax-free operation for ten years, no custom duties on imported machinery and parts, and 100% repatriation of funds. Gabonese, French, Malaysian, Chinese, Indian, Singaporean, Cameroonian, and Ghanaian companies are all investing in the SEZ. The forest code is currently being revised in order to simplify procedures for foreign companies investing in the SEZ to negotiate forest concessions. The SEZ has been slow to deliver on its promises of efficiency gains for doing business in Gabon, as the government's internal decision-making processes remain slow and opaque. The government has also not yet created the infrastructure necessary to support the entire value chain necessary for a successful SEZ, as road and port facilities that connect the SEZ to international markets are inadequate to support robust production.

In January 2012, the Gabonese National Timber Company (SNBG), a state-run company, obtained \$18 million to build a plant to treat timber at Libreville's Owendo port. The complex at Owendo will consist of three factories and a workshop for cutting and laminating wood products. In the long term, it will create an estimated 450 jobs. Unlike the SEZ, the SNBG does not operate in a free trade zone and, therefore, does not offer tax incentives to foreign investors. The goal of these measures is to boost Gabon's domestic transformation of lumber while at the same time ensuring more control of the exploitation of Gabon's forestry resources.

Sub-Sector Best Prospects

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Wood-processing and equipment.

Opportunities

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There are opportunities for U.S. firms in wood processing and forest waste to energy activities. The World Bank and the International Monetary Fund (IMF) are currently working with the government to reform its timber industry to improve and enforce transparency, simplify the tax code, and improve responsible logging practices. The government is also in the process of reforming the forest code to increase transparency and sustainable business practices and to improve the business climate for foreign companies looking to operate in Gabon.

Web Resources

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African Timber Organization (Organisation Africaine du Bois, OAB)
B.P. 1077
Libreville, Gabon
Tel. +241-01-73-29-28

SEZ OLAM Gabon
BP 13559, Libreville, Gabon
Tel. +241-01-72-23-37
<http://www.olamonline.fr>

Equatorial Wood Company
Batterie IV, Libreville, Gabon
Tel: +241-06-63-37-73
<http://www.gmdu.net/corp-110119.html>

Gabonese National Timber Company (SNBG)
BP 67, 99 Libreville, Gabon
Tel: +241-01-79-99-03
<http://www.snbg-gabon.com>

(Infrastructure)

Overview

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Since 2009, the Gabonese government has taken several measures to strengthen public investment management and has launched a multi-year plan to improve its infrastructure. A national agency, the National Infrastructure Agency (ANGT), was set up to manage the identification, planning, management, and implementation of large public infrastructure projects. ANGT's mission is to build projects that add value, complete identified existing projects, and develop new projects within the agreed schedule and budget. The agency provides a mechanism for the government to screen and follow projects from start to finish. U.S. company, Bechtel, was hired to develop an overall infrastructure plan and to manage the ANGT.

Sub-Sector Best Prospects

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Pre-fabricated home construction, waste and water treatment, equipment providers, road construction.

Opportunities

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Bechtel is providing ANGT with technical expertise. Priority sectors for the government are transportation, housing, public facilities, tourism, ports, hospitals, schools, and other large infrastructure. Past projects focused on infrastructure preparations for the 2012 African Cup of Nations (CAN) successfully hosted in Gabon. Current priorities include improving the road network, housing, renovating the government facilities for future conferences and convening opportunities, and launching urban planning initiatives in Libreville.

Web Resources

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National Infrastructure Agency (ANGT)
Jim Dutton, General Manager
BP: 23765, Libreville, Gabon
Tel. +241-07-49-18-04
info@angtmedia.com
<http://www.angtmedia.com/english.html>

Bechtel
BP: 23765 Libreville, Gabon
Tel. +241-04-59-98-39
<http://www.bechtel.com/gabon.html>

The Gabonese agricultural sector includes food crops, rubber, and palm oil and employs around 35% of the population. However, the sector's contribution to GDP was only 5.1% in 2012. Gabon also relies heavily on food imports, which account for about 90 percent of domestic food consumption. Imported foodstuffs come mainly from France, South Africa, and Cameroon. In 2010, Gabon launched the National Food Security Program over a five year period, which will enable the country to achieve food self-sufficiency. Gabon has 22 million hectares of forest, one million hectares of arable agricultural land, and over 800 kilometers of coastline. The government has set up an Agricultural Program for Food Security and Growth (PASAC) that aims to create "a competitive agricultural sector through expanded local production, increased export its, improved access to financing and a focus on underdeveloped rural zones". Food price inflation was stabilized in 2012 following policy interventions by the Gabonese government that reduced taxes on major basic goods.

Northern Gabon is a prime location for rubber plantations, considering rubber trees have been grown in the region for decades by local villagers. In early 2012, Olam began laying the groundwork for a rubber plantation, located near the city of Bitam in the northern Woleu Ntem province. The plantation is on 20,000 hectares of recently cleared forest and will include 500,000 rubber plant seedlings. Olam is using rubber clones from Cote d'Ivoire and Malaysia and grafting onto locally produced stems and the produced rubber is destined for export to Asia.

Gabon signed a \$236 million contract in 2010 with Olam to develop 50,000 hectares of palm groves. The aim is eventually to develop 300,000 hectares of palm groves and to become the top producer of palm oil in Africa. Palm oil will be sold on the domestic market and exported to other African countries and to Asia. In 2012, Olam started the first phase of its palm oil project which includes a 50,000-hectare palm oil plantation and crushing mill. They are implementing international practices throughout the entire supply chain by adopting the Roundtable on Sustainable Palm Oil (RSPO) principles.

Ministry of Agriculture
B.P. 2087
Tel: +241-01-76-09-78

Olam
<http://olamonline.com/>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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Gabon and its neighbors follow the import tariff structure of Central Africa. Import tariffs include:

- General Systems of Preference – no import tariffs for goods produced within a CEMAC-member country.
- Common External Tariff – 5% for Category One products (e.g., basic products), 10% for Category Two (e.g., raw materials), 20% for Category Three (e.g., intermediate products such as most food), and 30% for Category Four (all other products).
- Processing Fee (*Redevance d'utilisation du systeme informatique*, RUSID) – can vary from 2%-80% of the cost of insurance and freight (CIF).

Value Added Tax (VAT) is generally 18%. A reduced VAT of 10% is applicable to mineral water, cement, sugar, and chickens produced in Gabon. The following products: milk products, butter, margarine, cereals, medicine and medical supplies, and fertilizer are exempt from VAT.

Trade Barriers

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All categories of products may be imported into Gabon with two exceptions – sugar and eggs. The domestic sugar industry (SUCAF) is protected to grant it time to improve its competitiveness. Other products such as soap, cooking oils, and flour are heavily taxed to protect domestic production.

There are few barriers in the petroleum sector, where the majority of U.S. firms in Gabon operate. In the past, there have been problems related to customs duties imposed on exploration equipment and taxes imposed on exports. These problems were eventually resolved without outside mediation. There are labor requirements, however, and only 10% of a firm's workforce can be foreign. In the past, this law has not always been implemented but currently there is heavy pressure by the labor unions to enforce it in the

oil sector and labor disputes are frequent. Gabon's labor code is heavily skewed in favor of workers and termination can be an arduous and costly endeavor. Labor disputes can effectively stall operations for even large firms for indefinite periods.

Import Requirements and Documentation

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A bill of lading and an invoice must accompany all goods entering Gabon. Import permits and sanitary certificates are required for farm produce (including meat and poultry) and permits must also be secured for hazardous products (weapons, explosives, chemical products). Gabon does not require an import license for other products.

U.S. Export Controls

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Information unavailable.

Temporary Entry

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Some goods enter Gabon duty free on a temporary basis. For certain sectors, such as P.M.T (Petroleum, Mining and Tourism), the law suspends custom duties in the form of temporary admission (up to ten years) or exemptions on all entry taxes/duties for the importation of material required in its operations. Seismic boats and drilling equipment in the petroleum sector are examples of exempted goods.

Labeling and Marking Requirements

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French labeling is required, but not strictly enforced. However, non-French labeling is a disadvantage in Gabon's market. There are no other special labeling or marking requirements.

Prohibited and Restricted Imports

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All categories of products may be imported into Gabon with two exceptions – sugar and eggs. The Ministry of the Interior regulates the private import of all firearms and munitions.

Customs Regulations and Contact Information

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Gabon belongs to a free trade zone through CEMAC. Member countries include Cameroon, Central African Republic, Chad, Congo-Brazzaville, Equatorial Guinea, and Gabon.

For more information contact:

Customs Office (*Direction Generale des Douanes et Droits Indirect*)
Ministry of Finance
B.P. 40
Libreville, Gabon
Tel. +241-01-79-53-72 / 73
Fax +241-76-59-66

Standards

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Overview

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Gabon generally follows French standards, but has no central standards or regulatory agency.

Standards Organizations

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As a member of the Economic and Monetary Community of Central Africa (CEMAC), Gabon follows the organization's general standards. As a member of the World Trade Organization (WTO), it is required to adhere to the Agreement on Technical Barriers to Trade (TBT).

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Gabon does not have a conformity assessment body; the country tends to follow European conformity assessments or private company decisions.

Product Certification

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Telecommunication equipment providers are required to obtain a certificate from ARTEL, Gabon's telecommunications regulating agency.

Accreditation

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Gabon does not have an accreditation body; the country tends to follow European accreditation decisions.

Publication of Technical Regulations

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Official Journal of the Gabonese Republic
<http://en.io.gov.mo/Links/record/80.aspx>

Labeling and Marking

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There are no special labeling or marking requirements

Contacts

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Ministry of Commerce
Mr. Barthelemy Ngoulakia Deputy Director
B.P. 561
Libreville, Gabon
Tel. +241-01-76-09-91/ +241-01-74-59-25
Fax +241-01-76-58-38

Trade Agreements

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Gabon is a member of the WTO. It is also a member of CEMAC, and that organization's free trade area. Gabon has bilateral investment treaties with the following countries: Belgium and Luxembourg, China, Egypt, France, Germany, Italy, Lebanon, Mali, Morocco, Portugal, Sao Tome and Principe, South Africa, Spain, and Turkey.

Web Resources

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Ministry of Finance: <http://www.finances.gouv.ga/>
Economic and Monetary Community of Central Africa (CEMAC):
<http://www.cemac.cf/>
Economic Community of Central African States (ECCAS): <http://www.ceeac-eccas.org/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Gabon is actively encouraging foreign investment across a range of sectors; however the time it takes for many new entrants to finalize deals can be an impediment to increased U.S. private sector participation in the country. Foreign firms are active in the country's three main sources of income and exports: petroleum, mining and timber. The Gabonese government is taking a more pro-active role to ensure transparency within these extractive industries through the creation of public-private partnerships and proposed revised mining, oil, and forest codes. However, investors are still waiting for key reforms to be established in law and in practice. Several factors continue to constrain foreign investment in the extractive and non-extractive industries, including: a limited capacity and decision-making authority, a lack of a clearly-established and consistent process for companies to enter the market, high production costs, a small domestic market, rigid labor laws, limited and poor infrastructure (transportation, telecommunications, etc.), a cumbersome judicial system, and inconsistent application of customs regulations. Lack of transparency in administrative processes and lengthy bureaucratic delays, often without explanation, raise questions for companies about fair treatment and the sanctity of contracts. Gabon's commercial ties with France remain very strong but the government is actively looking to diversify its sources by courting Asian and Anglophone investors.

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. Foreign investment in Gabon is subject to local law that is in many instances unsettled or unclear, and in certain cases Gabonese law may require local majority ownership of businesses. The state reserves the right to invest in the equity capital of ventures established in certain sectors (e.g., petroleum and mining). There are no known systemic practices by private firms to restrict foreign investment, participation, or control.

The 1998 investment code conforms to Central African Economic and Monetary Community (CEMAC) investment regulations, providing the same rights to foreign companies operating in Gabon as to domestic firms. Businesses are protected from expropriation or nationalization without appropriate compensation, as determined by an independent third party. Certain sectors have specific investments codes, such as mining, forestry, petroleum, agriculture and tourism, which encourage investment through customs and tax incentives. The government is in the process of updating several of these codes to improve transparency, increase the benefit to the Gabonese people, and attract foreign investment. Gabon has purportedly concluded the revision of its oil and mining codes but has not yet released the documents publically nor ratified it with the Senate. While the aim of the reformed oil and mining codes are to develop a more attractive regulatory framework to draw investors to Gabon's extractive industries, the significant delay to publishing the codes may be slowing down foreign investment, especially in the oil sector. Note: several U.S. oil companies are trying to finalize exploration contracts with the government of Gabon. In one case, a major U.S. oil company has been negotiating for over 18 months. The Petroleum Minister has publically stated that no deals will be signed until the oil code is ratified. End Note.

In 2011 the Gabonese government created two entities to increase efficiency and foreign direct investment: The Investment and Export Promotion Agency (APIEX), which assists Gabonese companies to invest and promote their businesses overseas, and the Center of Enterprises Development (CDE), which provides a one-stop shop for companies to register on the domestic market. APIEX ramped up activities in 2012 culminating in a high-level investment promotion event in London targeted to UK companies headlined by Gabonese President Ali Bongo Ondimba. While APIEX is very strong at promoting the Gabonese market, the agency is not yet functional at supporting interested investors in finalizing deals.

In theory, the President's Cabinet reviews foreign investment contracts after ministerial-level negotiations are completed. However, there are instances in practice where the Presidency gets involved to push along stalled negotiations at the ministerial-level. The Presidency takes a very active role in meeting with investors and ensuring that investments are made in a strategic and coherent manner, in line with the government's "Emerging Gabon" initiative. Note: this initiative focuses on sustainable development, services, and manufacturing. End Note. The lack of a standardized procedure for new entrants to negotiate deals with the government can lead to confusion and time-consuming negotiations. Moreover much of the decision-making functions are centralized among a few key Presidential advisors who are exceedingly busy and often traveling with the President. As a result new entrants find the process of finalizing deals time-consuming and at times difficult to navigate.

Priority sectors for the government are transportation, housing, public facilities, tourism, energy, education, health, ports, and other large infrastructure projects. Regarding infrastructure investments, U.S. engineering firm, Bechtel is providing technical expertise to Gabon's National Infrastructure Agency (ANGT). ANGT's mission is to build projects that add value, complete and inspect identified existing projects, and develop new projects within agreed schedules and budgets.

Although progress was made in several major international indices in 2011, Gabon fell back in several rankings in 2012. One potential explanation for this slide is a lack of notable progress on a number of transparency reforms in 2012, despite public pledges by the government.

Measure	Year	Index/Ranking
TI Corruption Index	2012	102
Heritage Economic Freedom	2012	113
World Bank Doing Business	2012	165
MCC Gov't Effectiveness	2009	153
MCC Rule of Law	2012	95
MCC Control of Corruption	2012	100
MCC Fiscal Policy	2012	139
MCC Trade Policy	2012	135
MCC Regulatory Quality	N/A	N/A
MCC Business Start Up	2012	157
MCC Land Rights Access	2012	135
MCC Natural Resource Mgmt	N/A	N/A

Conversion and Transfer Policies

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Gabon is a member of CEMAC and the Bank of Central African States (BEAC). The other members in these organizations are Cameroon, the Central African Republic, Congo-Brazzaville, Equatorial Guinea, and Chad. Gabon's currency is the franc of the Communauté Financière Africaine (CFA). The CFA is convertible and tied to the euro; 1 euro equals 657 CFA and 1 dollar is roughly equivalent to 500 CFA.

Foreign investors have the option of opening local bank accounts in CFA, dollars, or euros. There is no difficulty obtaining foreign exchange, with the three main commercial banks providing currency exchange services at non-prohibitive rates. Under Gabonese law, documentation is required to substantiate the need for any foreign exchange over one million CFA (approximately USD \$2,300).

There are no legal restrictions on converting or transferring funds associated with an investment, including the inflow or outflow of funds for remittances of investment capital, earnings, profits, etc. CEMAC regulations require banks to record and report the identity

of customers engaging in transactions over \$10,000. Additionally, financial institutions must maintain records of large transactions for five years. CEMAC regulations do not stipulate a threshold amount for transactions to be reported. Under Gabonese law, however, documentation is required to substantiate the need for any foreign exchange over one million CFA (approximately \$2,300). Transfers within the CEMAC zone are not restricted.

In August 2008, the BVMAC (Bourse des Valeurs Mobilières de L'Afrique Centrale), a Central African regional stock exchange created in 2003, was officially launched in Libreville. Overall authority for Gabon's exchange control system rests with the Department of Economic Control and External Finance within the Ministry of Economy. It currently operates using public financing from the government, with a value of 100 billion CFA (about \$200 million). In November 2009, the International Finance Corporation (IFC), the World Bank's private sector lender, launched a \$43 million Central African bond which was listed on the Central African regional stock exchange in Libreville as well as the Douala Stock Exchange in Cameroon.

On average, the delay for remitting investment returns is between three and six months, depending on the type of contract that is signed. There is no limitation on inflow or outflows. An investor is authorized to remit on a legal parallel market so long as they justify the reasons for the transaction and respect the signed contract.

Expropriation and Compensation

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Foreign firms established in Gabon operate on an equal basis with national companies. Under Gabonese law, business investments that are expropriated must first be compensated as determined by an independent third party. The Gabonese government has not exhibited any recent tendency to discriminate against U.S. investments, companies, or representatives in expropriation, nor have there been any indications or reports of incidences of "creeping expropriation," such as through confiscatory tax regimes.

There are no recent examples of property being expropriated. However, there is an example of a Chinese company being asked to renegotiate a mining permit. In June 2006, the government awarded the China National Machinery and Equipment Import and Export Corporation (CMEC) the permit for the Belinga iron ore mine. In 2011 the Gabonese government asked CMEC to come up with a new proposal for the Belinga project due to environmental and transparency concerns and lack of performance on existing elements of the project. In 2012 the Gabonese government decided to put the project on hold in order to complete a thorough year-long audit of the mine. A contract for exploitation of the mine is not moving forward until the audit is completed and next steps are decided.

In 2012 the Gabonese government continued audits of foreign oil companies. These audits, performed by U.S. firm Alex Stewart, are not favorably viewed by many oil companies, including French firms Perenco, Maurel & Prom, and Total. In some cases the government did not renew oil permits due to results of the audit. In November 2012 Chinese company Addax lost their rights to the Obangue field, one of their largest production permits. Furthermore, as a result of the Alex Stewart audit, the Gabonese government is pressuring Addax to pay back \$250 million. Addax has proposed paying \$50 million and has initiated a court case in the United States.

There is no general requirement for local participation in investments. Many businesses find it useful to have a local partner who can help navigate the subjective factors in the business environment.

Dispute Settlement

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There have been instances of disputes with U.S. firms, but most disputes are resolved before going to outside arbitration. Both settlements and monetary judgments are usually made in the currency on which the business contract was based, whether CFA or the foreign investor's currency.

Gabon's legal system is based on the French model, with a written code of commercial law. Commercial disputes are handled by the regular court in compliance with the Organization for Business Law Harmonization in Africa (OHADA). The law is not consistently applied and delays are frequent in the judicial system. Lack of transparency in administrative processes and lengthy bureaucratic delays, often without explanation, raise questions for companies about fair treatment and the sanctity of contracts. Moreover judicial capacity is weak and many government contacts underscore the need for specialized training in technical issues such as money laundering and environmental crimes. Foreign court and international arbitration decisions are accepted, but enforcement may be difficult.

Gabon is a member of the International Center for the Settlement of Investment Disputes (ICSID) and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. However, Gabon has not adopted specific legislation to enforce awards resulting from ICSID or New York Convention decisions. Gabon is also a party to the World Trade Organization (WTO), the Multilateral Investment Guarantee Agency (MIGA), and the OHADA, which provides an International Court of Justice and Arbitration (CCJA) common to its 16 member countries for the settlement of conflicts related to business law implementation.

Performance Requirements and Incentives

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There are no specific performance requirements imposed as a condition for establishing, maintaining, or expanding investment. There are no requirements for investors to buy local products, to export a certain percentage of output, or to invest in a specific geographical area. There is no blanket requirement that nationals own shares in foreign investments in Gabon, that the share of foreign equity be reduced over time, or that technology be transferred on certain terms. Nonetheless, many investors find it useful to have a local partner who can help navigate the subjective factors in the business environment.

Foreign investors must recruit and train Gabonese citizens to gradually take on their own responsibilities, particularly at the executive level. Accordingly, hiring foreigners is subject to prior authorization from the Ministry of Labor. The hiring company must provide evidence prior to employing a foreigner that there are no qualified Gabonese to fill the position. Foreign firms have stated that there is a lack of qualified Gabonese workers, requiring companies to often request authorization to hire foreigners. Non-Gabonese Africans find it increasingly difficult to obtain employment authorization; non-

African expatriates have less difficulty. Chinese industry in Gabon historically imports its labor force and management. There is a law pending that would limit foreign workers to 10% of all sectors; the law has not yet been ratified. In the petroleum sector, the Gabonese labor union (ONEP) is particularly focused on ensuring that foreign workers only occupy 10% of the labor force and continually pressure the government to implement and enforce the law.

Gabon's main industries, petroleum, mining and timber, encourage investment through customs and tax incentives. For example, oil and mining companies are exempt from customs duty on imported working equipment. The government has attempted to promote tourism in the past with the Tourism Investment Code of 2000, which provides tax exemptions to foreign tourism investors during the first eight years of operation, tax-free imports, and other administrative incentives. The Gabonese authorities continue to work on developing the country's ecotourism landscape and recently signed deals with some high-end hotel chains, including the high-end Aman Resorts Group of Singapore. To date ecotourism exists only on a small-scale and is very expensive. In 2011, the Ministry of Tourism implemented a classification of hotels and restaurants across the country in preparation for the 2012 African Cup of Nations (CAN), allocating stars to hotels and restaurants based on quality of service and conditions of the establishment.

President Ali Bongo Ondimba outlawed the export of unprocessed wood in 2009 in order to boost Gabon's capacity to enjoy more domestic benefits from one of its top exports. The government and Singaporean-based firm Olam have set up a Special Economic Zone (SEZ) to process timber and other products. The SEZ provides several single-window business services to participants and provides new investors with beneficial fiscal incentives, including tax-free operation for ten years, no custom duties on imported machinery and parts, and 100% repatriation of funds. According to a 2000 timber decree, companies can benefit from VAT suspension for imported materials used to build wood transformation factories. The forest code is currently being revised in order to simplify procedures for foreign companies investing in the SEZ to negotiate forest concessions.

Gabon's agriculture code of 2008 gives tax and customs incentives to agricultural operators with a particular focus on small and medium-sized enterprises. Land which is used for agriculture and farm exploitation are exonerated of fiscal tax. All imported fertilizers and food for ranch exploitation are additionally exempt from custom duties.

As a member of CEMAC, Gabon's trade with other member countries (Cameroon, Central African Republic, Chad, Congo-Brazzaville, and Equatorial Guinea) is subject to low or no customs duties.

Right to Private Ownership and Establishment

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Any legal entity or person wishing to do business in Gabon must request prior permission from the Ministry of Economy. Foreign investors are largely treated in the same manner as their Gabonese counterparts with regard to the purchase of real estate, negotiation of licenses, and entering into commercial agreements. There may be requirements for majority local ownership of certain enterprises or properties.

Protection of Property Rights

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Secured interest in property is recognized, and the recording system is fairly reliable. Under the 1998 investment code, no investment can be expropriated without prior just compensation as determined by an independent third party. As a member of CEMAC and the Economic Community of Central African States (ECCAS), Gabon adheres to the laws of the African Intellectual Property Office (OAPI). Based in Yaounde, Cameroon, OAPI aims to ensure the publication and protection of patent rights, encourage creativity and transfer of technology, and create favorable conditions for research. As a member of OAPI, Gabon acceded to a number of international agreements on patents and intellectual property, including the Paris Convention, the Berne Convention and the Convention Establishing the World Intellectual Property Organization. As a member of the World Trade Organization (WTO), Gabon is also a signatory of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). U.S. firms do not raise intellectual property rights concerns with the U.S. Embassy in Gabon.

Transparency of Regulatory System

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Government policies and laws often do not establish "clear rules of the game" and foreign firms can have difficulty navigating the bureaucracy. Efforts are being made to modernize and make the Gabonese government more efficient, but hurdles and red tape remain, especially at the lower and mid levels of the ministries. Lack of transparency in administrative processes and lengthy bureaucratic delays, often without explanation, raise questions for companies about fair treatment and the sanctity of contracts. Lack of French language skills can put American or non-Francophone firms at a disadvantage. Over time this should improve for Anglophone companies as Gabon announced in October 2012 that it will adopt English as its second official language.

Tax, environment, health, and safety laws and policies are transparent and consistent with international norms, and do not impede investment. Labor laws, on the other hand, are considered by many investors to be unusually weighted toward workers' interests, which tend to impede investment.

There are no informal or non-governmental regulatory procedures in place. Proposed laws and regulations are not published in draft form for public comment.

Efficient Capital Markets and Portfolio Investment

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The Bank of the Central African States (BEAC), headquartered in Cameroon, regulates the banking system. Overall authority for Gabon's exchange control system rests with the Ministry of Budget. Gabon's banking system includes one development bank, the Gabonese Development Bank (BGD), and five commercial banks. The BGD normally lends to small and medium-sized companies. The International Gabonese and French Bank (BGFI) is the principal bank in Gabon and the first investment group in the CEMAC zone. Their total assets totaled over \$2 billion in 2010. There is one American bank (Citigroup) present in Gabon.

Commercial banks offer most corporate banking services, or can procure them from overseas. Local credit to the private sector is limited and expensive but available to both foreign and local investors on equal terms. The country's main economic actors, the oil companies, finance themselves outside Gabon. Commercial banks have transferred excess liquidity to correspondent banks outside the region.

The Central Africa Regional Stock Exchange (BVMAC) began operation in August 2008, but is still in its embryonic stage.

Competition from State Owned Enterprises

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Gabonese SOEs are managed by civil servants appointed by Gabonese authorities and work primarily in the energy, extractive industries, and social sectors. While private enterprises are allowed to compete with public enterprises under open market access conditions, SOEs often have a competitive advantage in the sectors in which they operate. This is because public enterprises may be granted priority over private enterprises, and typically private enterprises will pay more and wait longer for the same services and licenses. There are no specific laws or rules that offer preferential treatment to SOEs.

The budget of each SOE is prepared and submitted each year by the corresponding ministry in each sector. Gabon has two type of SOEs - the Para-SOEs and the SOEs. The management of these two types of SOEs depends on the division of shares. There are no limits of participation of private enterprise. There is no statutory list or prohibited sectors to private investment.

Corporate governance of SOEs usually consists of a board of directors who are under the authority of the related ministry. The members of the board are chosen by each ministry. The board seats are allocated not specifically to government officials, and can be chosen from the general public. The SOEs often consult with their ministry before undertaking any important business decisions. SOEs are audited each year by an independent audit. Usually the audit is done by well known international companies such as Price Waterhouse or Ernest and Young, according to international standards. Their reports are not publicized, but submitted to the related ministry.

In December 2012, the Gabonese Budget Minister took action to increase control of the management of SOEs. This came as a result of an audit which showed mismanagement of funds. The audit uncovered abuses such as 80% of funds being used as overhead and considerable expenses on high salaries and luxury cars. The Budget Minister has decided to conduct an audit every quarter, rather than every year, to better control SOEs. Concerned SOEs will have to define their objectives and demonstrate how the funds are used before getting their next allocated funding. If the funds are not managed well and not allocated properly, the entities will be closed and those who managed the funds will face legal action.

In 2011, the Gabonese government created two SOEs: Gabon Oil Company (GOC) and Equatorial Mining Company (EMC) to build domestic capacity in the extractive industries and to introduce more transparency into these sectors. Both entities have been stood up by well-accomplished Gabonese expatriates experienced in the private sector. The GOC and EMC have not been visibly active in 2012 and extractive industries firms have struggled to determine their exact role in contract negotiations. In December 2012, GOC signed an exploration and production sharing agreement for an oil permit with the Gabonese Petroleum Ministry. Details of the agreement have not been shared publically.

Since 1998, Gabon maintained a reserve account at the BEAC to be used as a fund for future generations. In 2010, Gabon converted it to a Sovereign Wealth Fund (SWF) called the Sovereign Fund of the Gabonese Republic. The fund amounts to about \$10 million and is managed by a presidential decree. In 2011, Gabon set up a stimulus fund to carry funds for capital projects over into the next budget year to improve the oversight and quality of spending and release resources for growth-enhancing and social projects. The government reserves these funds for strategic projects in line with the “Emerging Gabon” economic agenda.

Corporate Social Responsibility

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There is a general awareness of Corporate Social Responsibility (CSR) among both producers and consumers. Many international companies in Gabon are involved in CSR projects and continue to look for ways to contribute to Gabon’s social sector. The British/Dutch oil company Shell funds work by the Smithsonian Institution in southern Gabon which is undertaking conservation and biodiversity programs, and also invests in programs to fight the spread of HIV/AIDs. Total, a French oil company, continues to work on several CSR projects in Gabon in 2012, including renovating the Port Gentil airport and investing in the underground cable which will allow Gabon to increase internet speed and reduce costs. Other firms, including Bechtel, conduct similar CSR projects. The government is actively encouraging CSR programs among foreign investors.

Political Violence

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Violence related to politics is rare in Gabon. President Bongo Ondimba exercised extreme restraint when André Mba Obame, former Interior Minister and Secretary General of the opposition party Union Nationale, proclaimed himself President of Gabon in January 2011 in violation of the Constitution. Mba Obame named a government, held cabinet meetings, and occupied the headquarters of the United Nations Development Program for over one month. During this, his supporters were responsible for several outbreaks of violence that resulted in the death of a police officer and property destruction. The Union Nationale was dissolved for violating the Constitution and laws regulating political parties and Mba Obame was allowed to leave the country for medical treatment. The Gabonese government continued to exercise restraint upon the return of Mba Obame to Gabon in August 2012. An August 15 rally resulted in property destruction and one accidental death from tear gas, when party supporters clashed with security forces. However, subsequent rallies of Union Nationale and other opposition parties were conducted peacefully. Legislative elections were held without incident on December 17, 2011.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an

effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption

instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial

Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

The government continues to take steps to identify and root out corruption in its own bureaucracies, contracting and procurement system, and in the security forces. The government has sought the technical expertise of international organizations and corporations, including the International Monetary Fund, the World Bank, the IFC, Olam, Bechtel, and Alex Stewart to audit procurement processes, make recommendations to enhance transparency, and advise on procedures to entice foreign investment. Gabon is aware of its existing capacity constraints and wants to ensure a sound, well-sequenced, and cost-efficient implementation of its plan. The government is seeking to implement anti-corruption measures and to change the way of doing business after former President Omar Bongo's 40 year rule of patronage and non-transparent management of natural resources. While the Presidency is committed to doing business in a transparent way, U.S. firms do at times report difficulty in dealing with lower levels of

various ministries and in finding responsive interlocutors with which to negotiate and finalize agreements.

Since his election in 2009, President Bongo Ondimba has launched a number of reforms aimed at reducing corruption, including cutting the size of the cabinet in half, demoting or stripping ministers of responsibilities when corruption allegations surfaced, arresting several high profile officials for corruption, conducting an audit of all government ministries to identify ghost workers, consolidating miscellaneous "slush" funds from ministries into the central treasury, and increasing oversight of government infrastructure projects. He is auditing the oil sector (though results have still not been published several years into the audit), and reshuffled his cabinet in February 2012 to drop corrupt or ineffective ministers.

The Commission to Combat Illicit Enrichment (CNLCEI), established in 2004 and charged with publishing quarterly and annual reports on its activities, has done little to increase transparency. Corruption is rarely if ever prosecuted in Gabon. In 2011 CNLCEI had 100 cases of illicit enrichment whereas in 2012 they have identified 42 cases, but to date no one has been brought to trial. While the CNLCEI's leadership maintains that they are making strong progress on corruption they do not release details of the corruption cases they are investigating.

Gabon was a candidate for the Extractive Industries Transparency Initiative (EITI) since 2007. At its meeting in Amsterdam in June 2011, the EITI International Board decided to renew Gabon's EITI Candidate status for 18 months (until December 2012), by which time Gabon was required to have completed an EITI Validation that demonstrates compliance with the 2011 edition of the EITI Rules. Gabon did not approve, publish and submit to the EITI Board a final EITI validation report by the deadline of December 9, 2012. Due to the non-respect of deadlines and the non-performance of the National EITI Committee, the International Council of the EITI voted on February 27, 2013 to exclude Gabon from the application process. While Gabon is no longer an EITI candidate country, they have the ability to re-apply in the future. Furthermore, the EITI Board President did note Gabon's progress on transparency and reforms in natural resource management, despite its failure to meet the required EITI demands.

As a BEAC country, the government of Gabon has a National Financial Investigations Agency (ANIF). ANIF serves to investigate domestic corruption and money laundering issues while maintaining contact and collaboration with its regional counterparts. In June 2012, Gabon joined the Egmont Group, an international network of Financial Intelligence Units. Gabon is a signatory to the United Nations Convention against Corruption.

No international or regional watchdog organizations operate in Gabon and local civil society lacks capacity to play a significant role in highlighting cases of corruption. However, during the past year, there has been a slight uptick in anti-corruption activities by civil society. Several local non-governmental organizations have targeted alleged corruption on the part of high-level government officials, including several Ministers.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department’s annual Human Rights Report available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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As of January 2013, the United States has no bilateral investment or taxation treaty with Gabon. However, BIT negotiations were re-launched in September 2012 and technical talks are scheduled for the first quarter of 2013. Gabon can take advantage of the African Growth and Opportunity Act (AGOA), a framework for U.S. trade, investment and development policy for sub-Saharan Africa. Gabon has bilateral investment agreements with the following countries: Belgium, Luxembourg, China, Egypt, France, Germany, Italy, Lebanon, Mali, Morocco, Portugal, Sao Tome and Principe, South Africa, Spain and Turkey. There is a bilateral investment agreement among CEMAC member countries as well.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) is open to providing services to U.S. investors in Gabon and has done so in the past. Gabon is also a member of the Multilateral Investment Guarantee Agency (MIGA), which guarantees foreign investment protection in cases of war, strife, disasters, or expropriation. MIGA is a branch of the World Bank Group. The U.S. Government's Export-Import Bank provides finance facilities to both the public and private sectors in Gabon.

Gabon's currency is the franc of the Central African Communauté Financière Africaine (CFA), which is convertible and tied to the euro; 1 euro equals 657 CFA and 1 dollar equals approximately 500 CFA. (The Central African CFA is also used in Cameroon, the Central African Republic, Congo-Brazzaville, Equatorial Guinea and Chad.) We do not anticipate any inconvertibility problems for the CFA as long as the peg to the euro remains.

Labor

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Gabon's population is approximately 1.4 million, of which as many as 25% are foreigners (mostly Africans from neighboring countries). Foreign firms report a shortage of highly skilled Gabonese labor. Chinese industry in particular imports the majority of its workers from China. Authorization from the Ministry of Labor is required in order to hire foreigners. Non-Gabonese Africans find it increasingly difficult to obtain employment authorization; non-African expatriates have less difficulty. Non-Gabonese Africans take up most positions requiring unskilled labor. Skilled labor costs are high and are kept so by a labor code inspired by a French model that strongly defends the rights of Gabonese workers. U.S. firms present in Gabon report challenging labor conditions. In 2012, at least two U.S. firms dealt with internal strike issues (one in the oil sector and one in the banking sector).

Labor unions and confederations are active. There is a law pending that would limit foreign workers to 10% of a company's workforce, but the law has yet to be ratified. In particular, the Gabonese oil workers' labor union (ONEP) is pressuring the government to implement the law quickly. At present, about 5,000 Gabonese are employed in the oil sector. To date, ONEP considers that none of their demands to the government have been met. The trade union recently informed the Gabonese government that they will not take any action prior to their February 2013 General Assembly. At that time however, a general strike is likely with the goal of increasing pressure on the Gabonese

government to ratify the law. The labor code is heavily skewed in favor of workers and termination, even for cause, can be arduous and costly. Labor strikes and other disputes can paralyze operations for indefinite periods.

Foreign-Trade Zones/Free Ports

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The Gabonese government inaugurated a Special Economic Zone (SEZ) focused on wood transformation in September 2011 at Nkok near Libreville. The construction is a joint partnership between the government of Gabon and Olam, a Singapore-based corporation with interests in Gabonese timber, palm oil, and rubber. Olam has completed the infrastructure phase for the Nkok SEZ and are encouraging investors to begin building their manufacturing facilities Olam has plans to build two more SEZs: one in Port Gentil focused on chemical engineering and another in Franceville for agriculture products. All the SEZs will offer tax and customs incentives to attract foreign investors. The SEZs still have not delivered on their promised of efficiency gains in the speed and cost of doing business in Gabon due to opaque government processes and authorities.

Foreign Direct Investment Statistics

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According to the UN Conference on Trade and Development (UNCTAD) Country Fact Sheet on Gabon, the total value of inward foreign direct investment (FDI) in place in Gabon in 2011 was \$2.5 billion (compared to \$1.8 billion in 2010). Annual direct investment into Gabon in 2011 was \$728 million (compared to \$531 million in 2010).

The UNCTAD Gabon Fact Sheet also indicates that the total value of Gabonese direct investment abroad in 2011 was \$750 million (compared to \$663 million in 2009.) Annual direct investment capital flow out of Gabon in 2011 was \$88 million (compared to \$81 million in 2010).

Most foreign investment comes from France and is concentrated in petroleum (Total) and manganese (COMILOG/ERAMET). According to the French Ministry of Economy/Commerce, France is the main supplier of goods to Gabon, and Gabon is the second largest recipient of French FDI in Africa. Most foreign investment (including that of the U.S.) is concentrated in the oil sector. Major foreign companies in Gabon include Total, Shell, Olam, Perenco, VAALCO, Bechtel, and COMILOG.

President Bongo Ondimba brought in U.S. engineering firm Bechtel in 2010 to manage Gabon's infrastructure plans and the National Agency for Infrastructure (ANGT). The ANGT was set up to review and approve all government infrastructure projects to prevent individual ministers from taking bribes and to put a stop to white elephant projects inconsistent with the country's strategy. ANGT also provides monitoring and oversight of projects from start to completion to ensure good quality, respect for regulations, and adherence to international tendering processes and standards.

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Chapter 7: Trade and Project Financing

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- [Project Financing](#)
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How Do I Get Paid (Methods of Payment)

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Payment is usually made by irrevocable letters of credit.

How Does the Banking System Operate

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The Bank of the Central African States (BEAC), headquartered in Cameroon, regulates the banking system. Within the BEAC is the Banking Commission of Central African States (COBAC), which ensures the legality of the operations carried out by financial institutions. BEAC issues the currency and controls liquidity within the zone. The interest rate structure is common to all member countries of the zone. Within the CEMAC zone, the CFA franc circulates freely and may be freely converted to other currencies through the banking system.

Overall authority for Gabon's exchange control system rests with the Ministry of Budget. Gabon's banking system includes one development bank, the Gabonese Development Bank (BGD), and five commercial banks. The BGD normally lends to small and medium-sized companies. The International Gabonese and French Bank (BGF) is the principal bank in Gabon and the first investment group in the CEMAC zone. Its total assets totaled over \$4.1 billion in 2011. There is one American bank, Citigroup, present in Gabon.

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Credit cards are used infrequently. Foreign-issued credit cards may not work in Gabon. VISA is the most universally accepted, but there is no guarantee that U.S.-issued card chips will be compatible with local vendors.

Foreign-Exchange Controls

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CEMAC regulations require banks to record and report the identity of customers engaging in large transactions. Additionally, financial institutions must maintain records of large transactions for five years. CEMAC regulations do not stipulate a threshold

amount for transactions to be reported. A Gabonese law passed in July 2005 requires documentation for any foreign exchange transaction over one million Central African Francs (CFA) (approximately USD 2,000) for individuals or five million CFA (approximately USD 10,000) for companies.

U.S. Banks and Local Correspondent Banks

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Citigroup is the only U.S. bank operating in Gabon.

Citigroup N.A.
810 Boulevard Quaben & Rue Kringer
B.P. 3940
Libreville, Gabon
Tel. +241-01-73-03-83
Fax +241-01-73-37-86

Project Financing

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Projects may be financed through national or international institutions. The Gabonese Development Bank (BGD) and the African Development Bank-financed Fund for Development and Expansion (FODEX) provide financing to small and medium sized companies. Project financing through FODEX has not been successful and is not very active.

The Overseas Private Investment Corporation (OPIC), a U.S. government agency, offers project financing in Gabon. The International Finance Corporation (IFC), part of the World Bank Group, recently provided financial assistance for the private development of oil fields in Gabon.

Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Chapter 8: Business Travel

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Business Customs

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Gabon inherited the French legal system after independence in 1960. Business law is mostly based on French law, and business customs are similar to those in France.

Travel Advisory

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In Gabon, muggings and burglaries are the most common types of crime. U.S. citizens should maintain security awareness at all times and utilize all security equipment available such as locks, alarms and guards. More information on traveling to Gabon may be obtained through the Consular Information Sheet at http://travel.state.gov/travel/cis_pa_tw/cis/cis_1120.html.

Visa Requirements

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A passport and visa are required for entry into Gabon. Proof of yellow fever vaccination is required for entry. Visas must be obtained in advance, as airport visas are no longer available. Travelers should obtain the latest information and details from the Embassy of Gabon, 2034 20th Street, N.W., Washington, D.C. 20009, telephone: (202) 797-1000, fax: (202) 332-0668. Travelers may also contact the Gabonese Consulate at 18 East 41st St., Ninth Floor, New York, NY 10017, telephone (212) 683-7371. Information may also be obtained by contacting the Gabonese Mission to the U.N. at (212) 686-9720. Overseas, inquiries should be made to the nearest Gabonese embassy or consulate.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

http://libreville.usembassy.gov/visa_services.html

Telecommunications

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Telecommunications are generally adequate and reliable. Local and long distance telephone service is available 24 hours a day. Cellular service is offered in Libreville and the interior. Telephone rates are much higher than those in the U.S. Local connection to the Internet is available through Gabon Telecom (the state company recently acquired by Maroc Telecom) and a few private local providers (Internet Gabon, Digicom, IPI9, Airtel, Solsi, wify). Broadband internet is now available to companies.

Transportation

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International airlines serving Libreville are Asky, Air France, Air Mali, Air Burkina, Ethiopian Airlines, Kenya Airways, Lufthansa, Royal Air Maroc, Rwandair, South African Airways, and Turkish Airlines. There are no direct flights to the United States. Direct flights to Paris are available seven times per week. Flights are also available to Frankfurt five times per week. There are also direct flights to capitals in Central and West Africa, as well as to Addis Ababa, Casablanca, Istanbul, and Johannesburg. Libreville International Airport is ten to 40 minutes from the city center, depending on traffic.

Gabon has a poor road network, but airports can be found in all provincial capitals –Port Gentil, Franceville, Oyem, Gamba, etc. Various airlines provide domestic flights, including Allegiance, 2AG, Afrijet and La Nationale. Rail service is available between Libreville and Franceville only but is often delayed.

Taxis are available in Libreville. Car rental is available but expensive. The major hotels offer shuttle service to and from Libreville airport for international flights.

Language

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French is Gabon's official language. English is not widely spoken. Hotels may arrange for translators/interpreters.

Health

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Medical facilities are limited. A list of doctors may be obtained through the Embassy's consular section or at http://libreville.usembassy.gov/medical_information.html. Malaria is endemic in Gabon. Malaria suppressants are strongly recommended and should be begun prior to arrival. Travelers should drink only bottled water or bottled drinks. Hygiene at restaurants varies, but at more expensive restaurants is generally good.

Local Time, Business Hours, and Holidays

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Local time is GMT+1.

Business hours: 7:30 AM –3:30 PM

Gabonese Holidays in 2013 are:

January 1	New Year's Day
April 1	Easter Monday

May 1	Labor Day
May 9	Ascension
May 20	Whit Monday
August 15	Assumption
August 17	Independence Day
TBD	Aid el Fitr
TBD	Aid el Adha
November 1	All Saints Day
December 25	Christmas Day

The U.S. Embassy also observes U.S. federal holidays.

Temporary Entry of Materials and Personal Belongings

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No restrictions but customs pays close attention to electronics and high-value items.

Web Resources

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State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

American Embassy Libreville: http://libreville.usembassy.gov/visa_services.html

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Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

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American Embassy Libreville/

Chargé d'Affaires a.i. – Dante Paradiso
Economic/Commercial Officer – Mark Hitchcock
Economic/Commercial Assistant (Gabon) – Cedric Pehoua
Economic/Commercial Assistant (Sao Tome and Principe) – Nelson de Assuncao

U.S. Mailing Address:
2270 Libreville Place
Washington, DC 20521-2270

Local Address:
Sablière B.P. 4000
Libreville, Gabon
Tel: (241) 01-45-71-00
<http://libreville.usembassy.gov/index.html>

American Business Association of Gabon
<http://abagabon.com/>

U.S. Commercial Service
<http://www.trade.gov/cs/services.asp>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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