

ANNEX 3 GABON

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1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. With a surface area of 267,667 km², more than three quarters of which is covered by forest, Gabon has a population of only 1,587,685, with an annual growth rate of 2.5%. The Gabonese population is relatively young, with around half aged under 15. Approximately 75% of the population live in urban areas, in Libreville and Port-Gentil in particular.¹ The country is experiencing a significant influx of immigrants, who represented around 15% of the population in 2008.²

1.2. Gabon has a rent-based economy founded on oil, which accounts for more than half of GDP and around 80% of export earnings. Per capita income, driven up by the abundant oil revenues, was estimated at US\$11,114 in 2001, making Gabon a middle-income country according to the World Bank classification based on gross national income (GNI). However, the fundamentals of the economy are those of a country with a low level of development. Leaving aside the locally refined oil, the production base, including exports, remains strongly focused on low value-added products (wood, manganese) and a few manufactures intended for the domestic or regional market. As a consequence Gabon remains vulnerable to external shocks, especially fluctuations in the price of oil and the other raw materials it exports.

1.3. Weak infrastructure, difficulties with obtaining access to credit for SMEs, and the small size of the market in a context of limited regional integration, are all factors that are holding back the diversification of the Gabonese economy. The World Bank's *Doing Business 2013* report ranks Gabon 170th out of 185 economies, or five places lower than in 2012. The report reveals a deterioration in, among other areas, obtaining credit, protecting investors, border trade and the granting of construction permits. There have been improvements in access to electricity and resolving insolvency.

1.4. The share of total trade in GDP is very high (more than 85% on average since 2007), because of exports of petroleum products and the strong import demand for consumer goods and equipment, sustained by relatively high incomes among urban populations. The socio-economic indicators remain unfavourable when compared with per capita income. According to UNDP's *Human Development Report 2011*, Gabon is still a medium human development country, with an HDI of 0.674.³ Some 33% of the population is still living below the poverty line, and the MDG target of 13.5% by 2015 appears unattainable.⁴ These indicators are evidence of a very unequal distribution of national income.

1.5. Gabon has accepted the obligations of Article VIII, Sections 2, 3 and 4 of the IMF's Articles of Agreement. However, the tax it applies to all wire transfers, including for making payments and transfers for current international transactions, constitutes an exchange restriction.⁵ Responsibility for the formulation and implementation of the monetary and exchange policy lies with the (BEAC) (common report, Chapter 1).

1.2 Recent economic trends

1.6. Whereas in 2007 the GDP growth rate was 5.6%, between 2007 and 2009 this figure declined significantly, and the Gabonese economy sank into a recession in 2009 with a 1.4% contraction in GDP (Table 1.1). Although the slump in external demand was the principal cause of this negative trend in domestic production, technical problems in the refining industry and the social unrest in August 2009 also affected the performance of the oil subsector. Changes in the fiscal balance have, in general, mirrored the performance of the mining and oil industries. Oil revenue fell from 21.1% of GDP to 17.7% in 2009. This contraction, combined with the exceptional expenditure occasioned by the early elections in 2009 as well as the scale of public investment, was a major factor in the decline of the fiscal surplus, which fell from 11.6% of GDP to 1.9% in 2010.

¹ Gabonese Government (2011).

² World Health Organization (2009).

³ UNDP (2011).

⁴ United Nations Economic Commission for Africa (2011).

⁵ IMF (2011).

Table 1.1 Basic economic indicators, 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Miscellaneous							
Nominal GDP (CFAF billion) ^a	4,571	4,992	5,546	6,507	5,169	6,537	8,046
Nominal GDP (US\$ billion)	8.7	9.5	11.6	14.5	10.9	13.2	17.1
Nominal GDP (€ billion)	7.0	7.6	8.4	9.9	7.8	10.0	12.2
Real growth rate (US\$ prices [2000], %)	3.0	1.2	5.6	2.3	-1.4	6.6	4.8
Population (million)	1.4	1.4	1.4	1.5	1.5	1.5	1.5
GDP per capita (US\$)	6,322	6,832	8,128	10,018	7,409	8,768	11,114
GDP per capita (€)	5,082	5,441	5,930	6,812	5,312	6,614	7,984
Share of GDP at current prices							
	(% of GDP)						
Agriculture	4.9	4.9	4.9	4.1	5.4	4.1	3.9
Mining and quarrying	53.8	53.6	52.1	57.1	44.5	52.4	55.6
Manufacturing industries	4.6	4.5	4.6	3.9	4.5	4.0	3.7
Electricity, gas and water	1.2	1.2	1.3	1.3	1.7	1.5	1.5
Construction and public works	1.7	1.8	1.9	1.8	2.2	2.1	2.0
Wholesale and retail trade, restaurants and hotels	5.6	5.6	5.5	5.2	6.8	5.7	5.2
Banking, insurance, real estate business	11.3	11.2	11.2	10.4	13.4	10.8	10.0
Transport and communications	4.6	4.6	5.1	4.6	5.2	4.2	3.8
Public administrations and defence	6.6	6.7	7.3	6.7	9.9	8.4	8.0
Other services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minus financial intermediation services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus indirect taxes/taxes on products, minus subsidies	5.7	5.8	6.2	5.2	6.5	6.8	6.3
National accounts (current market prices)^b							
	(% of GDP)						
Gross domestic expenditure	65.5	65.1	64.7	59.1	72.5	..	..
Consumption	43.2	42.2	42.1	37.5	47.2	..	..
Public (State)	8.2	8.2	8.9	8.1	10.4	..	..
Private	35.0	34.0	33.2	29.4	36.9	..	..
Gross investment	22.3	23.0	22.6	21.6	25.3	..	..
Gross fixed capital formation	22.0	22.6	22.4	21.3	25.0	..	..
Public (State)	3.4	4.7	4.4	4.5	6.1	..	..
Private (enterprises and households)	18.5	18.0	17.9	16.8	18.9	..	..
of which oil sector	8.4	7.9	7.5	6.6	6.7	..	..
non-oil sector	10.1	10.1	10.4	10.2	12.3	..	..
Variation in inventory	0.3	0.3	0.3	0.3	0.3	..	..
Net exports	34.5	34.9	35.3	40.9	27.5	..	..
Exports of goods and non-factor services	63.6	63.4	62.6	66.2	52.7	..	..
Goods	61.8	61.9	61.1	64.9	51.2	..	..
Crude oil	51.5	51.2	48.6	49.6	41.2	..	..
Other	10.4	10.6	12.5	15.3	10.0	..	..
Non-factor services	1.8	1.5	1.4	1.3	1.5	..	..
Imports of goods and non-factor services	-29.1	-28.5	-27.3	-25.3	-25.2	..	..
Goods	-15.5	-15.9	-14.7	-14.2	-14.3	..	..
Oil sector	-4.2	-2.6	-4.7	-3.9	-2.9	..	..
Other	-11.3	-13.3	-10.0	-10.3	-11.4	..	..
Non-factor services	-13.6	-12.6	-12.6	-11.1	-11.0	..	..
Domestic savings	56.8	57.8	57.9	62.5	52.8	..	..
Resource gap	34.5	34.9	35.3	40.9	27.5	..	..
Factor income	-18.2	-15.8	-15.5	-15.9	-11.9	..	..
Capital income (net)	-18.0	-15.6	-15.3	-15.8	-11.9	..	..
Labour income (net)	-0.2	-0.2	-0.2	-0.1	-0.1	..	..

	2005	2006	2007	2008	2009	2010	2011
National savings	38.6	42.0	42.4	46.6	40.8	..	..
of which: public administrations	13.1	14.3	13.5	16.4	15.7	..	..
of which: private sector	25.5	27.7	28.9	30.2	25.1	..	..
Public finances^c	(% of GDP)						
Total revenue and grants	31.3	31.7	29.5	31.9	32.1	26.7	..
Oil revenue	19.8	20.3	17.3	20.9	16.0	14.4	..
Non-oil revenue	11.5	11.4	12.2	11.0	16.1	12.3	..
Grants	0.0	0.0	0.0	0.0	0.0	0.0	..
Total expenditure	21.9	22.5	21.0	20.4	22.4	26.6	..
Current expenditure	18.4	17.7	16.6	15.8	15.9	12.9	..
Wages and salaries	5.0	5.1	5.4	5.0	7.2	5.9	..
Goods and services	3.4	3.3	3.4	3.2	3.9	2.5	..
Interest	2.8	2.3	2.1	1.8	1.9	1.9	..
External debt	2.2	1.8	1.7	1.3	1.6	1.5	..
Domestic debt	0.6	0.5	0.5	0.5	0.3	0.4	..
Transfers and subsidies	7.3	7.0	5.6	5.9	3.0	2.7	..
Capital expenditure	3.5	4.8	4.5	4.6	6.5	13.7	..
Primary balance (IMF: revenue - total non-interest expenditure)	12.2	11.6	10.6	13.3	11.6	1.9	..
Overall balance including grants (commitments basis)	9.4	9.2	8.5	11.5	9.7	0.1	..
Variation in arrears (reduction)	-1.6	-0.7	-0.7	-1.8	-2.4	-0.3	..
Domestic (principal and interest)	-1.6	-0.7	-0.7	-1.8	-2.4	-0.3	..
External (principal and interest)	0.0	0.0	0.0	-0.1	0.0	0.0	..
Overall balance (cash basis)	7.8	8.6	7.8	9.7	7.3	-0.3	..
Total financing	-7.8	-8.6	-7.8	-9.7	-7.3	0.3	..
External	-2.9	-3.4	4.4	-13.2	-1.2	1.9	..
Domestic	-4.8	-5.2	-12.1	3.5	-6.1	-1.6	..
Residual gap	0.0	0.0	0.0	0.0	0.0	0.0	..
Prices and interest rates							
Inflation (CPI, % change)	3.7	-1.4	5.0	5.3	1.9	1.5	1.3
Discount rate (annual percentage)	5.5	5.3	5.3	4.8	4.3	4.0	4.0
Interest rate (term deposit)	4.9	4.3	4.3	3.8	3.3	3.3	3.3
Exchange rates							
CFA Franc/US\$ (annual average)	527.5	522.9	479.3	447.8	472.2	495.3	471.9
Nominal effective exchange rate (CPI Index, 2005 = 100)	100.0	99.98	102.1	104.1	103.3	99.8	100.1
Real effective exchange rate (CPI Index, 2005 = 100)	100.0	96.4	101.0	104.5	105.3	101.3	99.9
External sector	(% of GDP unless otherwise indicated)						
Current account balance (including official transfers)	14.6	17.4	17.7	23.3	14.8	..	..
Current account balance (excluding official transfers)	15.1	18.0	18.3	23.8	15.4	..	..
Outstanding external debt/GDP	35.3	28.8	30.9	11.0	12.1	..	..
Debt servicing to export of goods and non-factor services ratio	10.8	10.0	10.0	25.6	8.0	..	..
Debt servicing to GDP ratio	5.1	6.8	6.7	9.8	11.7	..	..
External reserves (in months of imports c.i.f.)	3.3	4.6	4.4	6.5	7.8	..	..

.. Not available.

a Data estimated from 2009 onwards.

b 2009 data estimated.

c 2009 data estimated and 2010 data forecast.

Source: BEAC online information. Viewed at: <http://www.beac.int/index.php/statistiques>; African Statistical Yearbook 2012; World Bank, *World Development Indicators*, viewed at: <http://databank.worldbank.org/ddp/home.do>; and IMF, *International Financial Statistics*, viewed at: <http://elibrary-data.imf.org>.

1.7. Gabon experienced economic recovery in 2010. In addition to the upswing in the global demand for, and prices of, exports, the new Government launched sustained programmes of investment in public infrastructure. The preparations for the football Africa Cup of Nations, co-hosted by Gabon in 2012, included major public investment for the construction and rehabilitation of road infrastructure and stadiums, causing the GDP growth rate to rise to relatively high levels (6.6% in 2010 and 5.8% in 2011).

1.8. Although oil reserves are gradually running out, they continue to play a decisive role in Gabon's domestic production. To a great extent the level of economic activity fluctuates with performance in the oil subsector, which is itself dependent on world prices.

1.9. The sectoral distribution of GDP has not changed during the review period. The extractive industries still account for the largest share of production in Gabon (averaging more than 52% during the review period), followed by the services sector (approximately one third of GDP), particularly banking, insurance and real estate services. The agricultural and manufacturing sectors still contribute only to a marginal degree (with average contributions of less than 5%), and this is indicative of the challenges facing Gabon where economic diversification is concerned.

1.10. Inflation, which is generally moderate as a result of the prudent monetary policy implemented at regional level by the BEAC (common report, Chapter 1), has risen sharply (Table 1.1), presumably because of the rise in domestic demand (public and private). The increase in the price of foodstuffs on the international market has also helped to drive inflation up.

1.11. Fiscal policy is the Government's main economic policy tool. In essence, since 2010 it has been supporting the Government's efforts towards the diversification of the economy through an appropriate provision of basic economic infrastructure. Oil revenue has enabled the fiscal balance to remain in surplus, albeit at fluctuating levels. The level of current expenditure has fallen gradually during the review period, in contrast to capital expenditure. Whereas government spending has traditionally been dominated by current expenditure, which in 2007 for example was four times higher than capital expenditure, in 2010 the ratio shifted considerably in the direction of capital expenditure.

1.12. In 2010 the Government raised the minimum wage, which increased from CFAF 80,000 to CFAF 150,000. There is a risk that these high labour costs, combined with low labour productivity caused by a shortage of qualified labour in the sectors offering diversification potential, could affect the competitiveness of the economy. Efforts are being made, through improvements in the economic infrastructure and the social sectors, to control the cost of living more effectively.

1.13. The current account remains in surplus as a result of the high level of goods exports (Table 1.2); the current account balance increased from 17.7% of GDP in 2007 to 23.3% in 2008, before falling back to 14.8% in 2009. The services balance continues to record a deficit, with only slight fluctuations. External reserves have risen steadily since 2007, representing some eight months of imports in 2009.

1.14. The 2010 ban on the export of logs reflects the authorities' desire to promote industrial development in the country. However, a fully designed industrial policy offering incentives, including a decrease in transaction costs, would be more suited to attracting investors and ensuring the development of local processing. The removal of logs, and their processing, are hampered by the poor state of the road network and unreliable energy supplies. Between 2007 and 2009, the outstanding external debt fell gradually from 30.9% to 12.2% of GDP. In order to guarantee the sustainability of its external debt, in 2010 the Government established a Directorate with responsibility for the external debt. The Directorate has been charged with formulating the country's debt policy. A government debt strategy has been published for the year 2013. It focuses on rational management based on debt indicators such as the debt ratio and the pressure that debt service places on budgetary revenue.

Table 1.2 Balance of payments, 2005-2009
(US\$ million)

	2005	2006	2007	2008	2009 ^a
Current account balance (including official transfers)	1,266.2	1,659.6	2,042.8	3,386.5	1,621.2
Current account balance (excluding official transfers)	1,304.3	1,722.2	2,113.9	3,461.3	1,688.3
External trade balance	4,080.1	4,495.7	5,373.5	7,467.2	4,313.5
Exports, f.o.b.	5,450.1	6,056.2	7,077.7	9,565.9	5,978.4
Petroleum	4,535.5	5,014.4	5,633.1	7,312.1	4,812.5
Manganese	349.6	365.1	543.8	1,404.0	470.2
Wood	400.1	513.1	609.7	507.6	442.2
Miscellaneous	164.9	163.7	291.1	342.1	253.5
Imports, f.o.b.	-1,370.0	-1,560.6	-1,704.3	-2,098.7	-1,664.9
Services balance (non-factor)	-1,039.3	-1,084.6	-1,287.9	-1,437.2	-1,107.0
Income balance	-1,601.7	-1,548.2	-1,796.8	-2,340.5	-1,393.9
Current transfers balance	-172.9	-203.3	-246.0	-303.0	-191.4
of which: official (net)	-38.1	-62.5	-71.2	-74.8	-67.1
: private (net)	-134.8	-140.8	-174.8	-228.2	-124.3
Capital and financial operations account	-926.3	-1,026.6	-1,620.5	-2,080.4	-1,089.0
Capital account	0.0	0.0	0.0	267.5	0.0
Financial account	-926.3	-1,026.6	-1,620.5	-2,347.9	-1,089.0
Direct investment (net)	321.2	-29.5	-192.6	209.0	32.9
Portfolio investment (net)	0.0	0.0	0.0	0.0	0.0
Other investment (net)	-1,47.5??	-997.2	-1,427.9	-2,556.9	-1,121.9
Errors and omissions	-153.9	-263.9	-419.6	-734.3	-522.3
Overall balance	186.0	369.1	2.7	571.8	9.9
Financing	-186.0	-369.1	-2.7	-571.8	-9.9
Changes in off. reserves (decrease +)	-319.9	-370.9	-7.6	-828.6	-9.9
Changes in ext. arrears (decrease -)	-3.7	-0.6	0.0	-10.7	0.0
Exceptional financing	137.6	2.4	4.9	267.5	0.0
Residual gap	0.0	0.0	0.0	0.0	0.0

a Estimates.

Source: BEAC online information. Viewed at: <http://www.beac.int>.

1.3 Trade and investment performance

1.3.1 Trade in goods and services

1.15. The structure of Gabonese exports is still characterized by a preponderance of primary products, averaging more than 95% of total exports since 2007. Products of the extractive industries (ores and fuels) account for more than 85% on average. Agricultural products, as the other primary products export, make a varying contribution. Exports of manufactures remain of minor significance (Chart 1.1 and Table A1.1).

1.16. Imports are a little more diversified, and their level has remained stable during the review period. Manufactures make up around three quarters of the total, with machinery and transport equipment strongly dominant (Chart 1.1 and Table A1.2).

1.17. The United States is the destination of more than half of exports (essentially petroleum products). The European Union (EU), principally France, is the second-ranked destination of exports, followed by China (Chart 1.2 and Table A1.3). Exports to African countries are still of minor significance, with an estimated average share of less than 5% for the period 2006-2010.

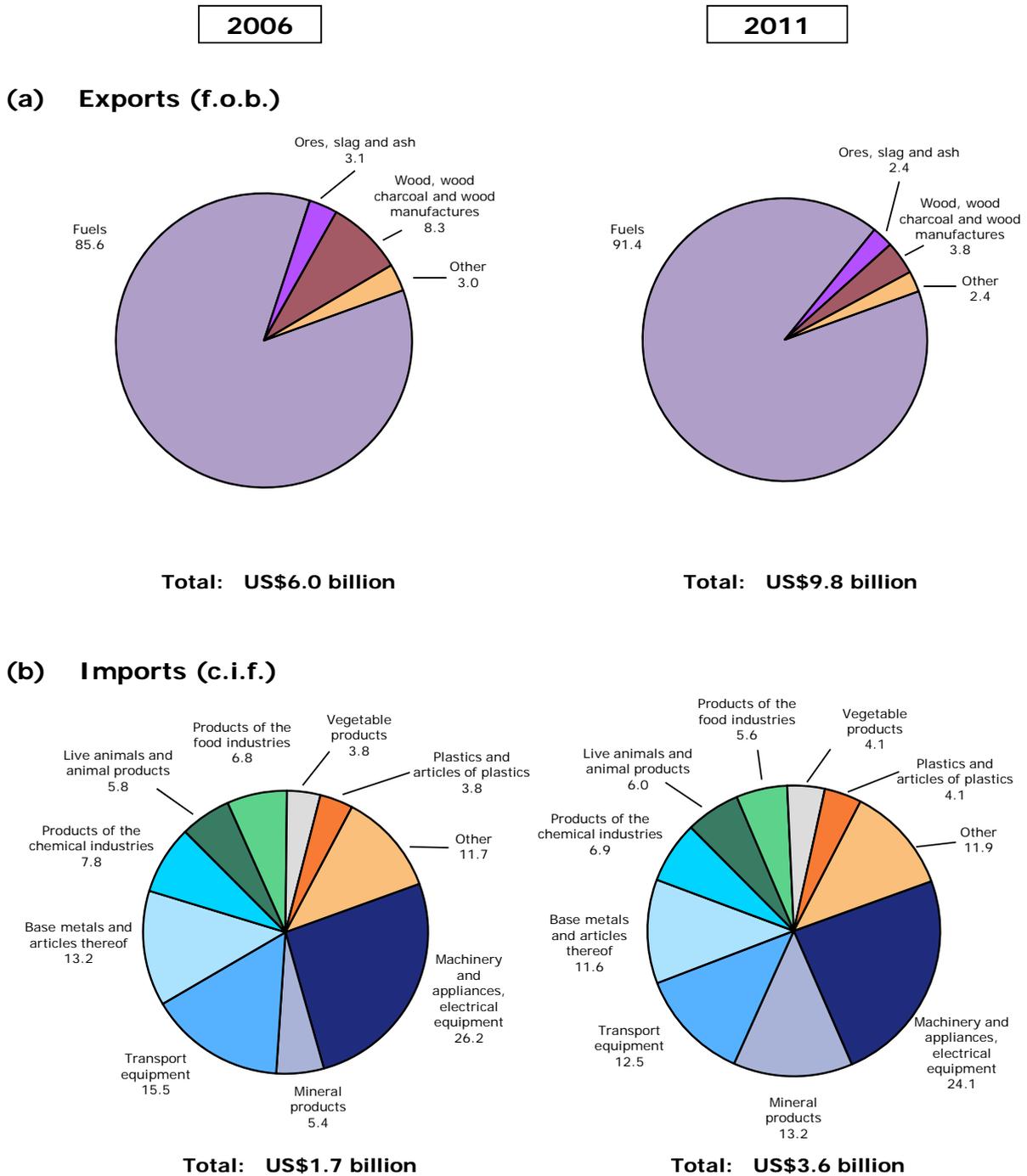
1.18. The EU (especially France) is the major supplier to the Gabonese market, accounting for almost two thirds of imports. Almost 10% of imports come from African countries, in particular Cameroon, Morocco and South Africa (Chart 1.2 and Table A1.4).

1.19. Gabon is a net importer of services (Table 1.2). The services balance deficit is essentially a function of the level of activity within the petroleum products subsector. Imports of services consist largely of freight services and engineering services for mining enterprises.

1.20. The modest income from trade in services consists of business tourism services (Chapter 4).

Chart 1.1 Structure of trade in goods, 2006 and 2011

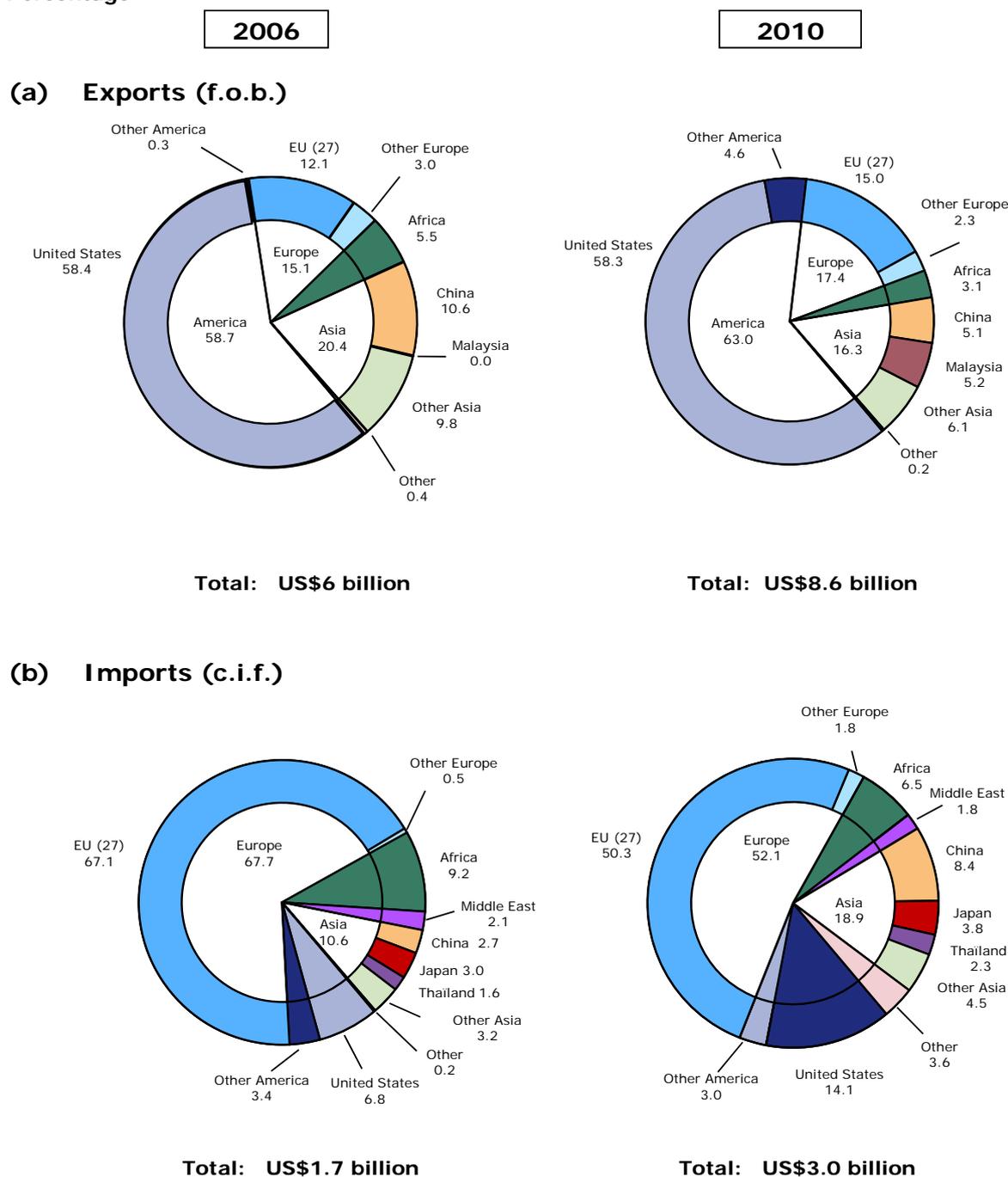
Percentage



Source: Information provided by the authorities.

Chart 1.2 Direction of trade in goods, 2006 and 2010

Percentage



Source: WTO Secretariat calculations, based on data provided by the authorities.

1.3.2 Direct investment

1.21. The oil industries are the main beneficiaries of foreign direct investment (FDI). The Government's efforts towards diversifying the economy are directed primarily at making the other economic sectors attractive to FDI. Despite Gabon's major assets, including the high level of per capita income and the availability of certain inputs such as oil, the country remains relatively unattractive to FDI because of the limited size of the market, red tape, poor productivity reflected in low-skilled, high-cost labour, and weak infrastructure.

1.22. The global economic and financial crisis had a significant impact on FDI flows, which stood at US\$33 million in 2009 (Table 1.3). However, a recovery has been under way since 2010 because of the healthy outlook in the oil sector. The wood processing sector is also attracting increasing amounts of FDI; in particular, a number of processing plants have been built since the ban on log exports.

Table 1.3 Foreign Direct Investment, 2009-2011

Foreign Direct Investment	2009	2010	2011
FDI inflows (US\$ million)	33	531	728
FDI stock (US\$ million)	1,267.4	1,798.4	2,526.4
Performance index ^a (ranking out of 181 economies)	166	155	131
Potential index ^b (ranking out of 177 economies)	-	-	87
Number of Greenfield investments ^c	4.0	5.0	3.0
Inward FDI (as a % of GFCF ^d)	1.4	19.8	15.8
FDI stock (as a % of GDP)	8.2	9.6	10.5

- a The UNCTAD performance index is based on a ratio of the country's share in global FDI inflows and its share in global GDP.
- b The UNCTAD potential index is based on 12 economic and structural variables such as GDP, foreign trade, FDI, infrastructures, energy use, R&D, education and country risk.
- c Greenfield investment is the ex-nihilo creation of subsidiaries by the parent company.
- d Gross fixed capital formation (GFCF) is an indicator measuring the total amount of (essentially physical) investment over a one-year period.

Source: UNCTAD - latest available data.

1.4 Outlook

1.23. 2012 saw the official launch of Gabon's strategic development plan, *Gabon Émergent* (Emerging Gabon). The plan sets out the development ambitions for transforming Gabon into an emerging economy by 2025. In view of the depletion of the country's mining and oil resources, the strategic plan aims to diversify the country's production base while promoting sustainable development. The pillars of the strategy are the development of agricultural resources, industrial activities and services. In order to implement it successfully, the Government intends to improve the business climate by strengthening the public-private partnership framework, fostering a credible and transparent legal framework, and providing economic infrastructure.

1.24. The steady recovery of the global economy and the rally in the prices of the raw materials that Gabon exports mean that the outlook for economic growth is good. In addition, the "Emerging Gabon" strategic plan offers the prospect of sustained economic development. The various phases of the plan, if they come to fruition, should make it possible to diversify Gabon's economic base and increase its resilience to international shocks in demand and price. The Directorate-General responsible for the economy is forecasting good short and medium-term growth performance. The GDP growth rate should be 7.3% in 2013, with more moderate growth projected for the following year (6.5%). Nevertheless, this positive progress is expected to continue until 2016, with rates of 7.7% and 8.1% in 2015 and 2016 respectively. GDP growth is expected to flow primarily from the construction and public works subsector and the forestry subsector, as well as from the wood industries.

1.25. However, the projections for Gabon's economic performance are still subject to some risk. Failure to maintain the impetus behind the current economic reforms could dent the confidence of potential investors and, eventually, jeopardize the flow of investment. In addition, lack of progress with the regional integration process would restrict low-cost access to neighbouring markets and limit the opportunities for domestic production.

2 TRADE AND INVESTMENT REGIMES

2.1 Introduction

2.1. Gabon's legal environment has not changed substantially since 2007. However, 2011 saw a constitutional amendment. The separation of powers is explicitly declared in the 1991 Constitution (as revised in 2011). The President of the Republic, and the parliamentarians, are elected by direct universal suffrage. There are 120 seats in the National Assembly and 102 in the Senate (91 prior to the amendment). Judicial power is exercised by the Constitutional Court, the Court of Cassation (the highest court in civil, commercial, social and criminal matters), the Council of State (the highest authority for administrative matters), the Court of Auditors, the Courts of Appeal, the ordinary courts, the High Court of Justice and other special jurisdictions. Commercial litigation between economic operators is heard in the ordinary courts. Judges are appointed by the Supreme Council of the Judiciary, under the presidency of the President of the Republic.

2.2. The Constitution remains the highest legal authority, coming before laws, ordinances, decrees and orders. International treaties and agreements have force of law once signed and ratified, subject to their implementation by the other parties. Subject to authorization from Parliament, the President of the Republic may take measures by ordinance which normally require legislation. Ordinances are adopted by the Council of Ministers, following a ruling by the Constitutional Court. They enter into force upon publication, but expire if they are not ratified by Parliament at its following session.

2.3. Generally speaking, policies are drawn up and implemented by means of laws, decrees or ordinances. Each ministry is charged with formulating policies in its area of responsibility, and with drawing up the relevant draft laws. This process takes place in consultation with the other ministries and public services which may be affected by the measures under consideration. In addition, the Economic and Social Council is consulted about all legislative provisions of a fiscal, economic, social or cultural nature, and may be involved, at an earlier stage, in their preparation. To be adopted, draft laws must be approved by each of the two chambers of Parliament (the Senate and the National Assembly). The President of the Republic promulgates draft laws that have been passed by the Parliament. The laws are then published in the Official Journal of the Gabonese Republic.

2.4. The President of the Republic signs and promulgates international treaties and agreements. In principle they must be ratified by the National Assembly, except when a treaty or agreement is signed without reservation as to ratification, as was the case for the WTO Agreement (section 2.3.1). As soon as international treaties and agreements are signed they have force of law, subject to implementation by the other party to the treaty or agreement. They are applicable as law in Gabon as soon as they are ratified and are automatically binding. Under this system, the WTO Agreement may be invoked directly in Gabonese courts, although this has never yet happened.

2.5. The Ministry of Trade has responsibility for technical questions relating to the formulation and implementation of trade policy, including WTO-related matters, and all bilateral or plurilateral trade agreements. Other ministries are also involved in formulating and implementing trade policy, in particular the Ministry of Finance and the ministries responsible for sectoral matters. The authorities have indicated in the framework of this Review that in July 2008, Gabon adopted its principal commercial law (the Single Commercial Code). The Code incorporates the OHADA rules and most of the legislation governing commercial activities, the objective being to foster private sector development. There are a number of laws, ordinances and regulations governing trade policies and practices in Gabon (Table 2.1).

2.6. Employers' and trade-union organizations are consulted on an ad hoc basis on the formulation of trade policy; however, there is still no permanent arrangement for consultations between the State and the private sector.

Table 2.1 Gabon's principal trade-related laws and regulations, 2013

Sector	Instrument/law
Customs legislation	CEMAC Customs Code, Gabonese Customs Tariff Decree No. 917/PR/MFEBP-CP of 24 June 1997 Law No. 10/2000 of 12 October 2000
Status of trader, industrialist or craftsman	Ordinance No. 10/89 of 28 September 1989 Commercial Code 2008 (see references)
Value added tax, excise duties, and levies at the customs cordon	Tax Code, Law No. 027/2008 of 22 January 2009
Import prohibitions and licences	Decree No. 000455/PR/MCD/MEFBP of 14 June 1999
Technical standards and regulations	Ordinance No. 3/PR/2005 of 11 August 2005 Decree No. 000103/PR/MCDIN of 25 January 2008
Sanitary and phytosanitary measures	Law No. 2/6565 of 5 June 1965 Law No. 015/2005 of 8 August 2005 Law No. 15/65 of 12 December 1965 Law No. 2/65 of 5 June 1965 Ordinance No. 50/78 of 21 August 1978 Decree No. 000665/PR/MEFBP of 9 August 2004 Ordinance No. 1/95 of 14 January 1995 Decree No. 000820/PR/MSPP of 19 July 2001 Order No. 00340 of 20 July 1999
Investments	Law No. 15/98 of 23 July 1998
Promotion of SMEs and SMIs	Law No. 16/2005 of 20 September 2006
Mandji Island free zone	Law No. 10/2000 of 12 October 2000
Procedures and regulations for the establishment of private commercial enterprises	Seven uniform acts of the Organisation for the Harmonization of Business Law in Africa (OHADA)
Protection of patents, industrial designs, trademarks, new plant varieties	Bangui Agreement (1999) Law No. 14/2003 of 28 January 2003
Protection of copyright and related rights	Law No. 1/87 of 29 July 1987
Competition and price control	Law No. 14/98 of 23 July 1998 Decree No. 000665/PR/MEFBP of 9 August 2004 Orders Nos. 0138 and 0139/MEEDD/CABMIN/DGCC of 14 August 2012 Order No. 0140/MEEDD/CABMIN/DGCC of 14 August 2012
Privatization of State-owned enterprises	Law No. 1/96 of 13 February 1996
Government procurement	Decree No. 0254/PR/MEEDD of 19 June 2012
Environment	Law No. 16/93 of 26 August 1993
Forestry	Law No. 16/2001 of 31 December 2001 Law No. 4/2010 of 9 February 2010
Agriculture	Law No. 23/2008 of 10 December 2008 Law No. 14/63 of 8 May 1963 Law No. 15/2005 of 8 August 2005 Council Decision 2006/788/CE of 7 November 2006
Mining	Law No. 5/2000 of 12 October 2000
Hydrocarbons	Law No. 14/74 of 21 January 1974 Law No. 14/82 of 24 January 1983
Electricity	Law No. 8/1993 of 7 April 1993 Decree No. 628/PR/MMEP of 18 June 1997
Water	Law No. 8/1993 of 7 April 1993 Decree No. 628/PR/MMEP of 18 June 1997
Civil aviation	Law No. 7/65 of 5 June 1965 CEMAC Civil Aviation Code of 21 July 2000
Telecommunications	Law No. 6/2001 of 27 June 2001
Postal services	Law No. 4/2001 of 27 June 2001
Tourism	Ordinance No. 2/2000 of 12 October 2000 Law No. 004/2000 ratifying Ordinance No. 002/PR of 12 February 2000 on the regime applicable to tourism investments Law No. 016/2001 Decree No. 649/PR of 25 May 2001
Exchange rate regime	Regulation No. 02/00/CEMAC/UMAC/CM
Banking and microfinance services	Bank of Central African States (BEAC) and Central African Monetary Union provisions
Insurance	Insurance Code of the Inter-African Conference on Insurance Markets (CIMA)

Source: Gabonese authorities.

2.7. Efforts are being made to address the numerous governance problems. In addition to the adoption, in 2012, of a Government Procurement Code to foster transparency and strengthen government procurement control mechanisms (Chapter 3), recently adopted measures include: auditing of the civil service; effective application of the principle that members of the government and senior officials must declare their assets; and an audit of the oil sector to gain a better understanding of the financial flows from this industry. The country has made progress since joining the Extractive Industries Transparency Initiative (EITI) in 2005. Based on the validation report submitted to the EITI Board in October 2010, Gabon has attained the status of a country which is "close to compliance".⁶

2.2 Trade policy objectives

2.8. In 2006 Gabon adopted the GPRSP, which identifies five objectives: consolidation of the macroeconomic framework; growth by means of economic diversification and regional integration; human development and the fight against poverty; territorial planning and the preservation of the environment; and consolidation of the rule of law, administrative reform and regional integration. These objectives are backed by a programme of macroeconomic stabilization and structural reform, supported by the International Monetary Fund since May 2007.

2.9. In 2012, the Government officially launched its national development strategy in the form of the "Emerging Gabon" strategic plan. The aim is to achieve inclusive growth which is strong, sustainable and diversified by unlocking the country's potential in the areas of energy, mining, forestry, tourism, agriculture and agro-industry. To this end, the authorities intend to reconcile economic diversification with sustainable development by: improving the business climate for private sector development; strengthening infrastructure to support growth centres outside the oil subsector; and ensuring the conservation of natural resources.

2.10. In terms of trade policy, the objective of the "Emerging Gabon" strategic plan is the sustainable integration of Gabon into subregional and global trade.

2.11. With assistance from the European Union through the Trade Support Programme for the Gabonese Republic (PROGACOM), the authorities are planning to develop the private sector, especially Gabonese SMEs/SMIs, and build the institutional capacities of the Ministry responsible for trade (development of a trade strategy and enhanced implementation of trade agreements).

2.3 Trade agreements and arrangements

2.3.1 World Trade Organization (WTO)

2.12. Gabon is a founding Member of the WTO (common report, Chapter 2). The concessions made by Gabon at the conclusion of the Uruguay Round are contained in Schedule XLVII as regards goods and in document GATS/SC/34 as regards services. Having breached its tariff bindings (Chapter 3.1.3), Gabon is currently taking the necessary steps to renegotiate them. In the framework of the multilateral trade negotiations, Gabon is a member of the following groups: ACP, African Group, G-90 and "W52" sponsors.

2.13. Gabon is continuing to experience difficulties with the implementation of the WTO Agreement on Customs Valuation, and has reiterated the need for technical assistance in this area.

2.14. According to the authorities, the Ministry responsible for trade has introduced a notification mechanism identifying the focal points in all the relevant administrations. However, few notifications have been made to the WTO during the review period (Table 2.2). This may be attributable in part to poor coordination between the focal points and certain technical services. This is, for example, the case for the adoption and notification of technical regulations in the field of wood processing (Chapter 3).

⁶ African Development Bank (2011).

Table 2.2 Notifications, 2007-2013

Requirement	WTO document	Content
Article XXVIII:5 of the GATT	G/MA/218 of 12 November 2008	Invocation of paragraph 5 of Article XXVIII
Trade-related aspects of intellectual property rights	IP/N/3/Rev.11 of 4 February 2010	Notification of contact points under Article 69 of the Agreement
Anti-dumping practices	G/ADP/N/193/GAB of 29 June 2010	Notification under Articles 16.4 and 16.5 of the Agreement
Subsidies and countervailing measures	G/SCM/N/186/GAB of 12 July 2010	New and full notification pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures
Agriculture	G/AG/N/GAB/4 of 13 July 2010	Notification
Agriculture	G/AG/N/GAB/3 of 13 July 2010	Notification
Rules of origin	G/RO/N/65 of 3 August 2010	Notification under paragraph 4 of Annex II to the Agreement on Rules of Origin
Anti-dumping practices, subsidies and countervailing measures, safeguards	G/ADP/N/1/GAB/1; G/SCM/N/1/GAB/1; and G/SG/N/1/GAB/1 of 26 October 2010	Notification of laws and regulations under Articles 18.5, 32.6 and 12.6 of the Agreements
Anti-dumping practices, subsidies and countervailing measures, safeguards	G/ADP/N/1/GAB/2; G/SCM/N/1/GAB/2; G/SG/N/1/GAB/2 of 3 March 2011	Notification of laws and regulations under Articles 18.5, 32.6 and 12.6 of the Agreements

Source: WTO (2012) Central Registry of Notifications online information. Viewed at: http://docsonline.wto.org/GEN_CRNsearch.asp [6 March 2013].

2.15. In July 2008, Gabon conducted an evaluation of its trade facilitation needs. This exercise, in which all national stakeholders participated, made it possible to take stock of the situation where trade facilitation was concerned and rank the priorities. In 2012, the development of a trade facilitation implementation plan was initiated by UNCTAD. The authorities intend to undertake a series of actions in accordance with this plan, including in particular the effective implementation of pre-arrival processing and the streamlining of the number of actors at the port of entry.

2.3.2 Other trade arrangements

2.16. In addition to the CEMAC trade preferences, Gabon is granted trade preferences by the EU and the United States (common report, Chapter 2).

2.4 Investment

2.17. No significant changes have been made to the investment regime since the previous Review. As a general rule, responsibility for investment policy rests with the Ministry responsible for industry or the ministries responsible for the relevant economic sectors where technical issues are concerned, and with the Ministry responsible for finance where financial issues are concerned.

2.18. The primary regulatory framework for all investment in Gabon is the 1998 Investment Charter⁷, supplemented by specific regimes for the exploitation of natural resources, such as the Mining Code and the regime for oil prospecting and exploration. Gabon has a regime for the promotion of SMEs and SMIs in all sectors of activity.⁸ However, difficulties with its effective implementation remain.

2.19. The Investment Charter provides guarantees to all foreign investors, irrespective of nationality. It reaffirms: that every investor is free to engage in business; the right to property, including intellectual property; the right to repatriate capital invested and profits realized, as well as savings made on salaries by expatriate staff; the right to access to foreign exchange and free movement of capital; and transparent application of business law and labour law.

⁷ Law No. 15/98 of 23 July 1998.

⁸ Law No. 16/2005 of 20 September 2006.

2.20. The Enterprise Development Centre (CDE), formerly the Private Investment Promotion Agency (APIP), is responsible for dealing with administrative formalities for investors. The average period of time needed to set up an enterprise in Gabon has decreased from 60 days at the time of the previous Review to around 9 days (whereas the Charter stipulates a period of 48 hours). In Gabon all direct investment must also be declared in advance, with completion of the operation taking place within the following 20 days; a report must be sent to the Ministry responsible for finance within the same time-frame.

2.21. Fiscal and customs incentives are not provided for in the Charter, but are contained either in various regulations or in agreements between the investor and the Gabonese State. Under the Tax Code, new enterprises engaged in industrial, mining, agricultural or forestry activities are entitled to certain incentives upon application to the Ministry responsible for finance. In addition, the regime for the promotion of SMEs and SMIs is available for enterprises that meet the stipulated criteria and have obtained approval from the Ministry responsible for SMEs and SMIs (Table 2.3). Foreign investors in Gabon may only benefit from this regime by going into partnership, as minority shareholders (with a maximum of 49% of the equity), with Gabonese nationals.

2.22. Many bilateral agreements on investments are in force in Gabon. In addition, trade-related bilateral agreements have been signed with a number of countries, including Argentina, Brazil, China, Colombia, Egypt, France, Germany, Japan, Kuwait, Lebanon, Morocco, Nigeria, Philippines, Portugal, Russia, Sao Tome and Principe, Senegal, South Africa, Spain, Thailand and the United States. Gabon is a member of, or signatory to, several international treaties and agreements concerning investment (common report, Chapter 2).

Table 2.3 Investment incentives, 2012

Regime for new agricultural, industrial or mining enterprises	
Eligibility requirements:	
-	at the end of the third fiscal year, the activity must have required fixed and permanent assets equal to ten times the amount of the profits realized during that same year
-	it must not merely be the development of one or more existing activities
-	the main objective of the new enterprise must not be to compete with activities satisfactorily performed in the territory by existing enterprises
-	the enterprise must keep proper accounts in accordance with OHADA accounting standards
Tax benefits:	
-	exemption from corporation tax (IS) or personal income tax for two years and deductions on taxable profits for the following four years
SME/SMI regime	
Approval requirements:	
-	the headquarters must be located in Gabon
-	the objective must be the production, processing or distribution of goods or the supply of services
-	a minimum of 51% of the equity of the enterprise must be held by Gabonese nationals who are also responsible for its management
-	capital must not exceed CFAF 1 billion
-	annual turnover must not exceed CFAF 2 billion
-	at least 50% of permanent employees must be Gabonese nationals
-	an investment programme must exist involving in particular at least one of the following: the establishment, take-over, modernization, rehabilitation, restructuring or expansion of the activities or further training for the staff of an enterprise; or an improvement in working conditions and the quality of work

Regime for new agricultural, industrial or mining enterprises

Range of benefits:

- access to government SME/SMI funding agencies
- priority access to the government procurement market
- exemption from profits tax and customs taxes on inputs for five years
- preferential prices for petroleum products and preferential rates for the transport of materials, equipment and certain products
- preferential rates for assistance from any authorized State body
- State subsidization of interest rates

Source: Law No. 027/2008 of 22 January 2009.

3 TRADE POLICY BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Registration and procedures

3.1. The registration requirements for importers have not changed since the last Review of Gabon's trade policy. All importers must obtain a "*fiche circuit*" (trader's card) issued by the Single Window Service in the Enterprise Development Centre (CDE). The CDE also takes care of the formalities for operators to be listed in the commercial register and registered with the Directorate-General of Taxation.⁹ These requirements are the same for natural and legal persons, whether Gabonese nationals or foreigners; for nationals, however, the fees are lower.¹⁰ Traders must also present their business licence fee (*patente*) receipt.¹¹

3.2. An import declaration (DPI) issued by the Directorate responsible for external trade is required for all imports. In addition, payments in respect of imports with an f.o.b. value of CFAF 5,000,000 or more must be domiciled with an approved bank.

3.3. Generally speaking, Gabon's Customs procedures are governed by the CEMAC Customs Code. However, Gabon does not apply Article 113 of the Code, which allows the owners of goods to complete customs formalities for imports themselves. These formalities must be completed on the importer's behalf by an approved customs agent. Gabon requires a deposit of CFAF 25 million for exercise of the profession of approved customs agent. Under Regulation No. 11/10-UEAC-207-CM-21, the fees collected are subject to approval by the CEMAC Commission, after the national chambers of commerce have been consulted. They consist of a flat-rate amount and a variable component.

3.4. An expedited clearance scheme allows certain operators to benefit from rapid customs clearance. The eligibility criteria for this scheme relate, *inter alia*, to the operator's contribution to fiscal revenue and the origin and country of last export of the goods.

3.5. There is also a fast-track clearance procedure (PAD) under which goods can be cleared on submission of the simplified import declaration (DSI); the customs authorities allow access to this procedure on an annual renewable basis.¹² The DSI must be supplemented by the definitive declaration within 15 days. This procedure meets the needs of perishable products. As at 31 December 2012, 38 enterprises had access to the PAD.

3.6. According to the authorities, the average clearance time is 24 hours after the customs declaration has been submitted, accompanied by all the requisite documents.

3.7. Gabon has been using the Automated System for Customs Data (ASYCUDA++) since 2 June 2003. Apart from one customs office, all the others (more than 99% of goods) are computerized. However, there is no risk management system. All containers imported into Gabon are scanned, apart from those which are specifically exempted, and the associated costs are borne by the importer.

3.8. All imports must be the subject of a "detailed declaration" accompanied by: the original invoice; the bill of lading, i.e. the contract between the consignor and the carrier; the packing list, which provides a full description of the contents of the shipment; the insurance certificate; the cargo identification note (BIC) issued by the Gabonese Shippers' Council, the fees for which vary depending on the origin of the imports (from €30 for France to US\$120 for the United States); the certificate of origin (the EUR 1 form for products of European Union origin); for agrifood products, a certificate that they are free of radioactive contamination; a phytosanitary certificate for products of plant origin; and a sanitary certificate for products

⁹ Ordinance No. 10/89 of 28 September 1989.

¹⁰ The fees are as follows: for individual undertakings, CFAF 45,000 for Gabonese nationals and CFAF 95,000 for foreigners; for companies, CFAF 95,000 for Gabonese companies and CFAF 200,000 for foreign companies.

¹¹ Annexes I and II to the General Tax Code define the professions and set out the fees for the related licences.

¹² Order No. 362/MFBP/DG.DDI/DG of 29 October 1987.

of animal origin. The duties and taxes are paid either by means of a clearing credit or by direct payment (in cash or by certified bank cheque).

3.9. The provisions of the WTO Agreement on Customs Valuation are reproduced unchanged in the CEMAC Customs Code.¹³ However, Gabon is experiencing difficulties with the application of the Agreement (no value index, use of reference values, use of guide list values for motor vehicles). Gabon is seeking technical assistance in order to build its capacity in this respect.

3.10. For customs disputes, Gabon applies the relevant provisions of the CEMAC Customs Code. If the amount involved does not exceed CFAF 50 million, the matter is referred to the Director General of Customs. For higher amounts, the Minister responsible for finance takes care of the settlement of the dispute. Disputes which remain unresolved are referred to the National Arbitration Commission. Judicial review is the final avenue of appeal. Disputes involving two or more CEMAC countries are referred to the CEMAC Arbitration Commission for arbitration. If the latter's decision is contested, the matter goes to the CEMAC Council of Ministers. If it still has not been resolved to the satisfaction of the parties, an appeal may be made to the judicial authorities of the Community.

3.1.2 Customs levies

3.1.2.1 MFN applied tariff

3.11. Gabon is still applying the CEMAC's CET (common report, Chapter 3), but 163 tariff lines carry rates which differ from those in the CET. Gabon applies rates that are lower than those in the CET to 141 tariff lines, for the most part covering food products, pharmaceutical products, and optical instruments and apparatus. It applies rates which are higher than those in the CET to 22 tariff lines, mostly covering products of the textile, metal and chemical industries. These derogations from the CEMAC's CET appear to be a response to social concerns or requests by economic operators, and consist mainly of declassifications.

3.1.2.2 Other import duties and taxes

3.12. Other import duties and taxes are imposed on the c.i.f. customs value of imported goods. These are the 1% Community integration tax (TCI) collected on behalf of CEMAC, which is applicable to imports originating in non-CEMAC countries; the 0.4% ECCAS Community integration contribution (CCI), applicable to imports originating in non-ECCAS countries; the fee for use of the customs ADP system (RUSID), which is proportional to the amount of time actually spent on the system; and the 0.05% OHADA levy (common report, Chapter 3). In addition, the authorities have indicated that under the 2013 Finance Law, a scanning fee (RDS) of CFAF 85,000 per TEU has been introduced for containers which are scanned.

3.1.3 Bindings

3.13. Gabon has bound all its tariff lines at a ceiling of 60% for agricultural products; and 15% for non-agricultural products, with the exception of a few tariff lines bound at 60%. The average bound rate is 22%.

3.14. "Other duties and taxes" are bound at a ceiling of 150%.

3.15. For 2,058 tariff lines (38.6% of Gabon's tariff), the applied rates are still higher than the bound rates. This is the case for many non-agricultural products in particular, for which the applicable rates are either 20% or 30%, thus higher than the bound rate of 15%. The authorities are currently taking steps to renegotiate them.

¹³ CEMAC Customs Code.

3.1.4 Internal taxes

3.16. A new Tax Code arising out of Law No. 027/2008 was adopted in 2009, but this did not result in any significant changes to the indirect taxation regime applicable to imports. In general, Gabon applies the harmonized (at Community level) elements of the VAT and excise duty regimes (common report, Chapter 3).

3.17. Imports, like goods and services produced locally, are subject to VAT at the standard rate of 18%. The General Tax Code lists the commodities (which may be imported or locally produced) which are exempt from VAT. The list is made up primarily of certain essential food products, agricultural equipment and inputs, medicines, books and newspapers. In addition, imports of goods which are zero-rated under the CEMAC Customs Code, namely fishing vessels and aircraft, are exempt from VAT. Some local products remain exempt from VAT, unlike imports of those products (Table 3.1).

3.18. Other imported or locally produced goods are subject to a reduced VAT rate of 10%. These include, *inter alia*: mineral waters produced in Gabon; imported meat and poultry; imported chickens; imported table oil; sugar; imported groundnuts; cement; washing powder; concrete reinforcing rods; fishing equipment; outboard motors; spare parts for automobiles; automobile axles; building tiles; steel tips; raincoats; tomato concentrate; and canned dried vegetables, green vegetables and fruit. In January 2011, a reduced rate of 5% was introduced for certain fast-moving consumer products in order to alleviate excessive increases in their price. The products concerned are cement, water and electricity for the underprivileged (a reduced rate of 10% on water and electricity consumption has been introduced for the rest of the population). Exports are subject to the zero rate regime.

Table 3.1 Differences in internal taxation of imported and local products, 2013

Product	VAT (local products)	VAT (imports)
Groundnuts	0	10
Coffee	0	18
Cocoa	0	18
Pork, beef, mutton and other meat	0	10
Chicken	0	10
Duck and poultry	0	10
Eggs	0	18
Fresh, frozen, smoked, salted fish	0	18
Cassava	0	18
Plantains	0	18
Bananas	0	18
Yams, taro, potatoes	0	18
Various fruits and vegetables	0	18
Table oil	0	10
Mineral waters	10	18

Note: Does not include VAT exemptions or the lower VAT rate for products made by local companies under customs taxation agreements (for example, SIGALI, SIAT-Gabon, SUCAF-Gabon, etc.).

Source: General Tax Code, 2011 edition.

3.19. Gabon continues to levy excise duties on alcoholic beverages, perfumes and cosmetics, and cigarettes and tobacco. The rates are: 20% on local or imported beer, 25% on local or imported wine, 32% on champagne and other alcoholic beverages; 25% on perfumery and cosmetic products; 25% on caviar, foie gras and salmon; and 30% on cigarettes, cigars and tobacco. It should be noted that the tax base for locally produced products is the ex-factory price before tax, with a 30% deduction, whereas the tax base for imported products is the customs value plus the duties and taxes collected at the customs cordon, with the exception of VAT.

3.20. By discriminating against imported products in its levying of VAT and excise duty, Gabon is breaching the WTO principle of national treatment. According to the authorities, the aim of these measures is to encourage domestic production.

3.1.5 Preferences

3.21. In principle, Gabon grants preferences under the CEMAC generalized preferential tariff (TPG) (common report, Chapter 3).

3.1.6 Duty and tax exemptions and concessions

3.22. The duty and tax exemptions and concessions regime has not changed since the previous Review. Gabon grants exemptions from customs duties and taxes under the CEMAC Customs Code. The suspensive customs regimes provided for in the Code include: transit; regular or special temporary admission¹⁴; and in-bond warehousing. The processing or suspensive economic regimes are: inward processing; outward processing; and drawback (common report, Chapter 3).

3.23. In addition, exemptions from customs duties and taxes are still granted to approved enterprises under the special SME/SMI regime, the Forestry Code and the regime applicable to investment in tourism, as well as to companies engaged in oil prospecting and exploration operations, and to various companies under customs taxation agreements.

3.24. The shortfall generated by exemptions rose from around CFAF 85 billion in 2007 to almost CFAF 228 billion in 2012.

3.1.7 Prohibitions, quantitative restrictions and licensing

3.25. The import prohibition and restriction measures have not changed since the previous Review.

3.26. There is still a ban on importing weapons of war, ammunition for such weapons, and narcotics. An authorization from the President of the Republic is required to import sidearms, and imports of hunting weapons and ammunition must be authorized by the Ministry of the Interior.

3.27. For reasons of sanitary protection, a sanitary or phytosanitary certificate, as appropriate, must be obtained for imports of a list of food and pharmaceutical products (common report, Chapter 3).

3.28. Gabon continues to impose prohibitions and restrictions pursuant to the multilateral environmental agreements it has signed.¹⁵ Within the country, hunting permits must conform to the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and according to the authorities this rule consequently also applies to official exports of hunting trophies. At the customs cordon, Gabon applies control measures on ozone-depleting substances in accordance with the common framework adopted by the CEMAC member countries (common report, Chapter 3). It also applies the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Chemical Weapons Convention. Implementation of the Stockholm Convention on Persistent Organic Pollutants is under way. Gabon ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 2010. The authorities have indicated that there is also a ban on imports of non-recyclable plastics.

¹⁴ Special temporary admission requires the payment of customs duties and taxes according to the time during which the material and equipment concerned are used in Gabon, plus an interest rate (Article 167 of the CEMAC Customs Code).

¹⁵ Environmental Treaties and Resource Indicators (ENTRI).

3.29. Although Gabon has notified the WTO of the abolition of all quantitative import restrictions, except those on sugar for which the time-limit was the end of 2004¹⁶, the import of sugar into Gabon remains prohibited. In addition, CIMGABON holds the monopoly on the import of cement.

3.1.8 Standardization, accreditation and certification

3.30. Gabon has not made any notifications to the WTO regarding its standardization regime (including its notification authority and enquiry point), or its accreditation and certification procedures. However, it appears that the Ministry of Trade and Industry is the notification authority, and the Standardization and Technology Transfer Agency (ANTT) is the enquiry point.

3.31. In principle the ANTT's mission is, *inter alia*, to provide standardization, accreditation and certification services in Gabon. It is also responsible for the promotion of quality in production activities and the establishment of an appropriate framework for metrology development.¹⁷

3.32. The authorities have indicated that a draft law on the organization of the standardization process is under preparation. At present, standardization may be initiated by the Government, by consumer associations or by economic operators (producers). The ANTT coordinates all activities related to the adoption of standards/technical regulations. On receipt of a request for the introduction of a standard, it forwards the files to the relevant technical committee. In 2012 there were three technical committees, dealing with agri-foods, construction and civil engineering, and tourism and related activities. In fields where there is no technical committee, the ANTT can set up an ad hoc technical committee to deal with a request for the development of a standard. The technical committees are responsible not only for developing standards, but also for withdrawing them should the need arise. Draft standards undergo a public enquiry stage, during which amendments are sought from the relevant stakeholders. They are, in principle, published on the ANTT website.¹⁸ Following this stage, the standards are adopted by the technical committees. Finally, they are published in the Official Journal by an order of the Minister responsible for industry.

3.33. As at 31 December 2012, Gabon had 11 (voluntary) standards in the fields of: agri-foods, construction and civil engineering, and tourism and related activities. According to the authorities, on the same date there were 24 standards at the public enquiry stage and almost 150 others at the final stage of the adoption process. All of them are based on international standards.

3.34. No technical regulations originating in the ANTT are in force in Gabon. In the absence of a centralized framework for adopting technical regulations, some public administrations have done so with no legal basis *per se*. Thus, the Ministry of Water Resources and Forests has recently adopted mandatory standards on wood processing. To some extent, this situation is contributing to the weakness of the WTO notification system. The ANTT indicated, in the context of this Review, that its services do not know of any duly adopted technical regulations in force in Gabon. However, the various ministries that have adopted technical regulations are responsible for conformity checks, and there is a risk that this will lead to increased numbers of officials operating at entry points.

3.35. On 21 February 2013, Gabon adopted a decree establishing a national system for the assessment of conformity to standards¹⁹, although it has yet to be implemented. A mutual recognition agreement on conformity assessment has been signed with Turkey.

3.36. Gabon's ANTT has drawn up a programme of work for the period 2012-2014. It has been a member of the International Organization for Standardization (ISO) since 1 January 2012.

¹⁶ WTO document G/LIC/N/1/GAB/2 of 13 March 2002.

¹⁷ Decree No. 000103/PR/MCDIN of 25 January 2008.

¹⁸ Online information. Viewed at: <http://www.antt.ga>.

¹⁹ Decree No. 0341/PR/MIM of 28 February 2013.

3.1.9 Sanitary and phytosanitary (SPS) measures

3.37. Gabon is a member of the World Health Organization, the FAO/WHO Codex Alimentarius Commission, the International Plant Protection Convention (IPPC) and several other African and global conventions.

3.38. The legal and institutional framework for food safety controls is characterized by the presence of many actors with no real coordination, and the existence of a large number of laws and regulations which overlap. As a result, the sanitary control system remains ineffective and costly for economic stakeholders. Better coordination of food control activities was one of the aims of the creation of the Gabonese Food Safety Agency in 2011.²⁰

3.39. The main provisions regulating food quality control are contained in Ordinance No. 50/78 of 21 August 1978, which applies to all the economic stakeholders involved in trade in food products (producers, carriers, sellers, importers and exporters). Under this ordinance, controls must be carried out on the basis of the national and international standards adopted by Gabon.

3.40. The Directorates-General responsible for agriculture and livestock conduct controls on food products of vegetable or animal origin. Order No. 00340 of 20 July 1999 sets out the costs and fines related to quality controls on foodstuffs. At importation, a fee of CFAF 2 per kilogram is levied on non-manufactured food products, CFAF 1 on manufactured food products (canned foods, beverages, confectionery, etc.) and CFAF 0.50 per kilogram on fast-moving consumer products (rice, flour, etc.). In respect of production and local marketing, a fee of CFAF 10,000 is payable for each inspection report drawn up. Fines for violations of the food safety requirements range from CFAF 100,000 to CFAF 500,000.

3.41. In addition, under Law No. 015/2005 the Directorate-General of Fisheries and Aquaculture, through its quality and health inspection service (SQIS), is responsible for monitoring the quality of fisheries products. On the basis of Decree No. 000665/PR/MEFBP of 9 August 2004, the Directorate-General of Competition and Consumption takes samples of all food products on the market, for laboratory analysis. Pursuant to Ordinance No. 1/95 of 14 January 1995 and Decree No. 000820/PR/MSPP of 19 July 2001, the Institute of Public Hygiene and Sanitation checks hygiene conditions in premises where foodstuffs are stored, produced and sold, as well as conducting controls on all the processes involved in food production. Municipality and local authority public hygiene and sanitation inspection services carry out foodstuff control operations within their own geographic areas. The controls are frequently directed at perishable products (visual inspection, use-by date, etc.). Certificates of conformity are issued on completion of the controls.

3.42. The same sanitary regulations apply to domestic products and imports and exports of any type of food product.²¹ These ban the sale of any food that has passed its use-by date or is adulterated or toxic, as well as food that does not meet the technical regulations in force (for example, the sale of non-iodized salt). In principle, a product inspected and certified abroad is not inspected again in Gabon unless there are doubts concerning its quality. The Control and Quality Laboratory undertakes this task for foodstuffs. Gabon has also introduced technical regulations concerning animal health²², a sanitary inspectorate for their enforcement²³, and sanitary technical regulations on meat, the slaughter of animals, and fish products.²⁴ There is a phytosanitary inspectorate for imports and exports of plants and the packaging used to transport them.²⁵ The importer must pay the inspection and control costs.

²⁰ Decree No. 0292/PR of 18 February 2011.

²¹ Ordinance No. 50/78 of 21 August 1978.

²² Law No. 15/65 of 12 December 1965.

²³ Law No. 73/77 of 15 December 1977.

²⁴ Law No. 15/65 of 12 December 1965.

²⁵ Law No. 2/65 of 5 June 1965.

3.43. Foodstuffs of avian or porcine origin and their by-products are subject to a special procedure in order to prevent the outbreak of avian influenza.²⁶ They must be the subject of a prior import declaration, and are inspected without charge within a period not exceeding 48 hours after their arrival in Gabon. Gabon suspended, until 2011, the importation of meat products and their by-products from countries declared by the World Organisation for Animal Health to be infected with avian influenza. Order No. 129/06/MEFBP/CABME/SG/DGCC of 22 February 2006 lays down the conditions for suspending imports of food products and foodstuffs if an epizootic outbreak or other animal or plant disease is declared.

3.1.10 Packaging, marking and labelling requirements

3.44. In Gabon, eggs must be marked. All perishable foodstuffs, cosmetics and pharmaceutical products sold must also bear a label in French showing their origin, their use-by date and the specification of the substances used.²⁷

3.1.11 Contingency measures

3.45. Gabon has never taken contingency measures. Moreover, it has no national legal framework in this respect.²⁸ Nevertheless, the relevant Community framework applies and Law No. 14/98 of 23 July 1998 addresses certain issues relating to trade defence measures. In principle the Government may, after hearing the opinion of the Competition Commission (which is not yet in place), take contingency measures or impose surcharges on products whose importation threatens to cause injury to an existing domestic industry or jeopardizes the start-up of a domestic industry.

3.2 Measures directly affecting exports

3.2.1 Customs procedures

3.46. The registration formalities applicable to the import of goods for commercial purposes also apply to export (section 2 above). All exports require a customs declaration. Expedited clearance under the simplified export declaration (DESE) scheme is available to certain exporters. A document showing the foreign exchange commitment, endorsed by the bank with which the transaction is domiciled, is required for all export transactions. According to the authorities, the average time for customs procedures at export is 24 hours.

3.2.2 Export duties and taxes

3.47. Gabon has abolished most of its export duties and taxes. However, manganese is subject to an export tax of 3.5% of its reference value. A felling tax of 1.5% of the f.o.b. value is levied on processed or semi-manufactured wood at export. Since January 2012, specific taxes have been levied on exports of wood at different levels of processing:

- CFAF 300,000/m³ on peeled and sliced veneers;
- CFAF 400,000/m³ on sawn timber of the following woods: Kevazingo, Padauk, Wengé, Pau Rosa, Doussié, Sapelli, Sipo;
- CFAF 200,000/m³ on sawn timber of Okoumé and other miscellaneous woods;
- CFAF 228,000/m³ on plywood, friezes, mouldings, door frames and furniture; and
- CFAF 210,000/m³ on other categories of processed wood.

3.2.3 Prohibitions, quantitative restrictions, export controls and licensing

3.48. Gabon banned all log exports in 2010 to promote the local processing of wood.

²⁶ Presidential Decree of 28 October 2005.

²⁷ Article 30, Law No. 14/98 of 23 July 1998.

²⁸ WTO documents G/ADP/N/1/GAB/2; G/SCM/N/1/GAB/2; and G/SG/N/1/GAB/2 of 3 March 2011.

3.49. There are special formalities for the export of certain products. Thus, a hunting permit is required to export the carcasses and trophies of common game hunted. The holders of permits for operating hydrocarbon deposits may export their output freely. Pursuant to the Mining Code and its implementing decree²⁹, mining products may be freely exported if the mining company holds an operating permit or a concession for the mining product concerned; if this is not the case, an export authorization issued by the Minister responsible for mining is required. The export of precious substances requires a certificate of origin issued at a cost of CFAF 50,000 for diamonds and CFAF 25,000 for other precious substances, as well as endorsement by the customs authorities.

3.2.4 Export subsidies, promotion and assistance

3.50. Responsibility for implementing the policy for the promotion of Gabonese exports lies with the Investment and Export Promotion Agency (APIEX). The Agency's principal function is to provide support to Gabonese exporters in the context of international trade fairs and exhibitions, as well as in economic forums. Within APIEX, the AGOA Resource Centre helps Gabonese exporters to benefit from the trade preferences granted under the AGOA scheme.

3.51. The authorities have indicated that APIEX plans to introduce a capacity building programme for exporters, as well as assistance with bringing export products into line with international standards.

3.52. Since 2008, enterprises that export plywood to the European Union have been granted a corporation tax credit equivalent to 50% of the customs duties paid.

3.53. Exports are eligible for the zero VAT rate regime. VAT on inputs is refunded at the request of the economic operators concerned; the repayment period is three months. Under the CEMAC Customs Code, customs duties may be suspended for export-oriented activities under the inward processing regime, and the same applies to materials and equipment under the temporary admission procedure (common report, Chapter 3). The drawback regime allows full or partial refund of import duties and taxes levied on inputs used in goods exported.³⁰

3.54. The Mandji Island free zone (ZFI) envisaged at the time of Gabon's first Trade Policy Review has still not started to operate. However, the authorities have indicated in the context of this Review that the adoption of the legal act concerning the ZFI has entered its final phase.

3.3 Measures affecting production and trade

3.3.1 Incentives

3.55. Gabon's most recent notification to the WTO on subsidies and aid covers the period from 2001 to 2010, and indicates that no aid or subsidies contrary to its obligations under the Agreement on Subsidies and Countervailing Measures were granted during that period.³¹

3.56. Around 20% of the State's annual budget goes to finance "transfers and aid", including CFAF 327,194 billion in subsidies in 2011 (CFAF 27,472 billion for SOGARA) and CFAF 247,014 billion in 2012 (CFAF 28 billion for SOGARA).

3.57. Other support measures are provided to companies approved under the SME/SMI regime, the Forestry Code, the Mining Code, the oil prospecting and exploration regime, or the special regime for tourism investment. Public services such as electricity, water, urban transport services and postal services also receive State support (Chapter 4).

²⁹ Law No. 05-2000 of 12 October 2000, as amended; and the decree implementing the Mining Code.

³⁰ Law No. 10/2000 of 12 October 2000.

³¹ WTO document G/SCM/N/186/GAB of 12 July 2010.

3.3.2 Competition and price control

3.58. Competition in Gabon is still regulated by Law No. 14/98 of 23 July 1998. This law prohibits anti-competitive practices such as unlawful understandings or abuse of a dominant market position, as well as certain trade practices (selling at a loss, refusal to sell, sales subject to conditions, discriminatory selling, etc.). Understandings accounting for no more than 5% of the domestic market are not covered by the scope of this law; the same applies where the turnover of participating companies does not exceed the threshold of CFAF 150 million. Economic concentration must be notified to the Minister responsible for the economy, who may decide, after having sought the opinion of the Directorate-General of Competition and Consumption (DGCC), to prohibit it or accept it under certain conditions. The threshold for such concentration is 25% of sales, purchases or transactions on the domestic market for the product or service in question.

3.59. Within the Ministry responsible for the economy, the DGCC was set up in 2004, *inter alia* to implement the Government's policy on the regulation of competition and price control.³² The most recent violations of the competition rules have been in the petroleum products distribution, bakery flour distribution and mobile telecommunications subsectors. These were mainly cases of discriminatory selling.

3.60. In principle, the two main instruments for regulating competition at the Community level are the regulation of anti-competitive practices and the regulation of government practices affecting trade between the member States (common report). However, the relevant provisions have not yet been implemented.

3.61. Gabon's price control regime is based on the 1998 competition law, which lays down the general principle of free pricing and free trade within Gabon; prices must be transparent and an invoice must be prepared and issued to the buyer. The Government may control the price of goods and services if competition is distorted, particularly in sectors where monopolies have been established. Thus, it reserves the right to monitor prices set by economic operators for water and electricity (for which the formulas used to modify prices are determined in the concession agreement with the Gabon Energy and Water Company (SEEG)) (Chapter 4.3), textbooks and rent. The same applies to goods that are the subject of a monopoly, for example, sugar sold by the private law company SUCAF-Gabon, cement sold by the private law company CIMGABON, and flour (weighing 1 kg) sold by the SMAG.

3.62. The Government may also take any measures needed to prevent excessive price increases in crisis situations or if the market is not operating normally. The regime is administered by the Directorate-General of Competition in the Ministry responsible for the economy. Thus, the Ministry has recently introduced a series of regulatory acts aimed at establishing a "controlled pricing" regime for food crops and other local products, and for imported staple products. Under this regime, prices are subject to monthly approval, the DGCC being responsible for setting the price caps.³³ In addition, Provincial Price Committees have been set up to monitor price trends in their administrative areas and keep the DGCC informed.³⁴ Moreover, the prices of transport services are fixed by the Government.

3.3.3 State trading, State-owned enterprises and privatization

3.63. Gabon has not notified the WTO of any State-trading enterprises within the meaning of Article XVII of the GATT.³⁵ However, the State hold shares in a number of enterprises operating in all sectors of the economy (Table 3.2); some of them enjoy monopolies or exclusive rights, as do certain private enterprises.

³² Decree No. 000665/PR/MEFBP of 9 August 2004 concerning the establishment, functions and organization of the DGCC.

³³ Orders Nos. 0138 and 0139/MEEDD/CABMIN/DGCC of 14 August 2012.

³⁴ Order No. 0140/MEEDD/CABMIN/DGCC of 14 August 2012.

³⁵ WTO document G/STR/9 of 2 November 2012.

Table 3.2 State holdings in the capital of companies, 2013

Sector of activity	Enterprise	Percentage of equity shares owned by the State	Total State equity shares (in local currency)
Agriculture/livestock	SMAG	34.00	510,000,000
Timber	CFA	1.00	50,000
	EGG	0.60	..
	ROUGIER GABON	1.23	14,790,688,5
	SBL	1.00	4,000,000
	SEFO	1.00	2,000,000
	SNBG	51.00	2,040,000,000
	THANRY CEB	4.10	63,037,500
Mining	COMILOG	25.00	10,202,898,125
Hydrocarbons	MOBIL OIL	10.00	54,650,000
	TOTAL GABON	25.00	10,710,000,000
	TOTAL MARKETING	10.00	26,500,000
	SGEPP	25.00	225,000,000
	SOGARA	25.00	300,000,000
	PIZOLUB	52.83	464,338,000
	SHELL GABON	25.00	3,750,000,000
	FORAID GABON	10.00	1,000,000
	PIZO SHELL	10.00	187,500,000
Automobiles	CFAO GABON	2.00	42,801,800
	TECHNOTO	10.00	..
Transport	ADL	26.50	540,600,000
	DHL	10.00	1,000,000
	HELI GABON	10.00	3,000,000
	SAM GABON	10.00	40,000,000
	SNAT	51.00	306,000,000
	SETRAG	special share	..
	ASECNA NATIONALE	100.00	..
	Gabon FRET	40.00	..
	OPRAG	100.00	..
	CNI	100.00	5,000,000
	PSM	100.00	10,000,000
	SDV	3.00	135,450,000
Public works	COLAS GABON	10.00	8,100,000
	DRAGAGES	10.00	122,500,000
	SOBEA GABON	10.00	5,000,000
	SITRAM	10.00	10,000,000
	SNGE	30.00	15,000,000
Trade/industry/services	GABOSEP	10.00	2,000,000
	GABON MECA	10.00	40,000,000
	PHARMACIE LES FORESTIERS	10.00	12,000,000
	SRMG	10.00	1,000,000
	CHIMIE GABON	10.00	15,100,000
	COGIMEX	9.64	1,600,240
	GPL	30.00	118,800,000
	NESTLE GABON	10.00	34,400,000
	(SUCAF)	53.81	..
	(SIAT)	93.70	..
	SMAG	34	..
	SIFRIGAB	99.75	..
	SIFRIGAB Pêche	49.00	..
	SOCIGA	10.00	33,500,000
	SOVINGAB	10.00	5,000,000
	SOGAMAR	10.00	2,000,000
	BERNABE GABON	10.00	100,000,000
	DAVUM GABON	6.45	14,190,000
	MATERIAUX DU GABON	20.00	44,000,000
	MIAG SA	10.00	6,000,000
	CIM BATON	25.00	4,750,000,000
	LBTPG	100.00	..
	CECA-GADIS	9.10	79,873,885

Sector of activity	Enterprise	Percentage of equity shares owned by the State	Total State equity shares (in local currency)
Commercial banks	BGFI	8.00	2,005,230,080
	BICIG	26.35	362,000,000
	UGB	26.90	1,990,600,000
Development banks	BGD	69.01	17,390,520,000
Insurance companies	AXA GABON	7.97	43,041,985
	GRAS SAVOYE	7.30	6,664,900
	OGAR	8.52	78,384,000
Other finance companies	ALIOS Finance	12.17	132,691,944
Post and telecommunications	GABON TELECOM	49.00	..
	LA POSTE	100.00	..
Social services	CNSS	100.00	..
	CNGS	100.00	..
Other	AFRICA No1	35.00	..
	GABON INFO	73.59	..
	SONAPRESS	73.00	..
	SNI	70.14	876,750,000

Note: Excludes real estate and State infrastructure that is the subject of a concession.

.. Not available.

Source: Gabonese authorities.

3.64. In addition, there are still some monopolies held by private law companies in Gabon. The private law Gabon Energy and Water Company (SEEG) holds a monopoly within its concession areas (namely the capital and urban centres) on the transport, distribution, import and export of electricity (the production of electricity has been liberalized), and on the production, transport and distribution of water (Chapter 4.3 and 4.4). The authorities have indicated that a process of calling for expressions of interest was launched in 2012, in order to bring Gabon Télécom's monopoly on the supply of basic telecommunications services to an end.

3.65. Other monopolies are still in existence, especially in the areas of petroleum refining and imports of petroleum products (SOGARA); the production of beer and aerated beverages (SOBRAGA); importing wheat and producing flour (SMAG); the production of edible oils, as well as the import and marketing of edible oils of non-CEMAC origin (SIAT GABON); the production and marketing of sugar in Gabon (SUCAF-Gabon); and the marketing of cement (CIMGABON). In addition, the private law company EAULECO has a de facto monopoly on mineral water production in Gabon.

3.66. The institutional framework for the privatization of Gabon's State-owned enterprises is still based on Law No. 1/96 of 13 February 1996. In principle, the Government lays down a privatization programme each year, in a decree by the Council of Ministers which is appended to the Finance Law, listing the State-owned enterprises to be privatized and setting out the implementing arrangements. An Interministerial Privatization Commission and a Privatization Committee are responsible for the execution of the programme. In addition to the tasks assigned to it under Law No. 1/96, in 2009 the Privatization Committee was charged with periodically reviewing the accounting and financial situation of enterprises in the semi-State sector.³⁶

³⁶ Ministry of the Economy, Trade and Tourism, Decision No. 0958 of 29 March 2010.

Table 3.3 List of enterprises privatized/undergoing privatization since 2006

Enterprise	Year privatized	Date set up	State's share pre-privatization	Mode of privatization	Share sold to main investor
Companies					
SMAG	In progress	1968	39%	Sale of shares	29.13%
Air Gabon	2006	1978	80%	Liquidation	100%
AGRIPOG	In progress	1976	55%	Sale of assets	
SNAT	In progress	1976	51%	In progress	80%
SOGATRA	In progress	1997		Restructuring	
SNBG	In progress	-	51%	Restructuring	
SGEPP	Withdrawn	-	25%		
SNI	Withdrawn	-	77%		
SOGARA	To be scheduled		25%		
BGD	To be scheduled		69%		
SONAPRESSE	To be scheduled		73%		
Public institutions of an industrial and commercial nature					
CNI	In progress			Restructuring	
LBTPG	To be scheduled				
OGAPROV	To be scheduled				
PROMOGABON	To be scheduled				
Gabon/Poste	2006/creation	2001		Liquidation	
Gabon Télécom	2007	2001		Sale of assets	51%

Source: Gabonese authorities, Privatization Committee.

3.67. In general, privatizations are carried out by sale of shares, share exchange, merger-demerger, or any system of asset securitization. They may also take the following forms: management mandate (lease-management contract), concession (leasing), or dissolution (liquidation). The regulations in force provide that where privatization takes the form of a transfer of ownership, some stock must be reserved for Gabonese holders, and especially for employees of the enterprises which have been privatized.

3.68. The main privatizations which have taken place in Gabon in recent years were in the areas of water and electricity (SEEG); post and telecommunications (Gabon Télécom); transport (OPRAG, Air Gabon, SETRAG (formerly OCTRA)); agriculture (AGROGABON); and industry, trade and services (Ciments du Gabon, CFG).³⁷

3.3.4 Government procurement

3.69. Gabon's government procurement regime has evolved considerably since the last TPR, with the adoption in 2012 of a new Government Procurement Code.³⁸ The main advances in the new Code include a stronger control system, more systematic emphasis on the free play of competition, and the establishment of a regulatory body.

3.70. The Code applies mainly to purchases by the State, local authorities, public institutions, State bodies whose resources come from government funds (with the exception of the Ministry of Defence), and enterprises in which the State has a majority financial stake, provided that the contract amount is equal to or greater than the thresholds fixed by the law. The threshold applicable depends on the beneficiary of the purchase and the nature of the contract.

3.71. For procurement by the State, public institutions and State-owned companies, the thresholds are: CFAF 35 million for works; CFAF 20 million for supplies; and CFAF 15 million for services and intellectual services. For procurement by local authorities and local public institutions, the thresholds for the same operations are, respectively, CFAF 20 million, CFAF 10 million and CFAF 5 million. The new legal framework for government procurement prohibits, *inter alia*, collusion among bidders and the splitting of contracts.

³⁷ Privatization Committee (2012).

³⁸ Decree No. 0254/PR/MEEDD of 19 June 2012.

3.72. The new Government Procurement Code makes a distinction between the awarding, controlling and regulatory bodies. The person responsible for the procurement (designated by the representative of the contracting body), assisted by a commission for the assessment of bids, conducts the procedure for the award of the contract up to the designation of the successful bidder and the final approval of the award.

3.73. Where control is concerned, the Directorate-General of Government Procurement (DGMP) is responsible for controlling the award and performance of procurement contracts; the Award of Contracts Unit examines all contract award operations from the planning phase to the award of the contract; and, subject to authorization from the Director General of Government Procurement, Provincial Procurement Delegations control the procedures for awarding contracts within the limits of their territorial competence.

3.74. The Government Procurement Regulatory Agency (ARMP) is responsible for regulating the government procurement framework. Its remit includes: independent technical audit and the penalizing of any irregularities uncovered; non-judicial settlement of disputes arising out of the contract award procedures; and participation in the framing of laws and regulations on government procurement.

3.75. Under the legal framework in force until 2012, the DGMP was responsible for ensuring compliance with the regulations and, if necessary, for supplementing them.³⁹ To that end, the DGMP was responsible for creating a database on the methods for awarding procurement contracts, and controlling procurement of over CFAF 30 million and under CFAF 500 million. The DGMP also settled disputes. The National Government Procurement Commission (CNMP) was responsible for approving government procurement exceeding CFAF 500 million.⁴⁰

3.76. In principle, procurement contracts are awarded through an open invitation to tender. However, the contracting authority may exceptionally use one of the alternative methods of invitation to tender, under legally specified conditions.

3.77. Thus, the open invitation to tender may be preceded by prequalification in the case of major works, complex equipment or specialized services, or highly complex contracts which are to be awarded on the basis of performance criteria rather than detailed technical specifications. Where a design service is to be delivered (area planning, town planning, architecture, etc.), the invitation to tender may take the form of a contest.

3.78. A selective invitation to tender may be issued by the contracting authority, only in cases where there is a limited number of suppliers able to execute the contract because of its nature. In this eventuality, all candidates with the necessary expertise and qualifications must be invited to tender.

3.79. Procurement contracts may exceptionally be awarded under the direct negotiation or private agreement procedure (without invitation to tender), subject to special authorization by the DGMP and in certain specified circumstances, relating, *inter alia*, to the expertise of the provider, intellectual property rights issues, and military secrecy.

3.80. Notices of invitation to tender, together with any decision to award a contract (following validation of the outcome by the DGMP), must be published in the Government Procurement Journal (or any other national or international publication). They may also be published online, on a dedicated government procurement website.⁴¹

3.81. The new Code provides for the possibility of national and Community preferences. In the case of procurement by invitation to tender or direct negotiation, priority is given, when bids are equivalent, to enterprises which have one of the following statuses: incorporated under Gabonese law; engaged in economic activity on Gabonese territory; an SME whose share capital is owned wholly by Gabonese nationals or persons incorporated under Gabonese law; a group of companies with which Gabonese enterprises are associated or which provides

³⁹ Decree No. 1102/PR/MEFBP of 4 October 2003.

⁴⁰ Decree No. 1044/PR/MEFBP of 1 October 2003.

⁴¹ Online information on government procurement. Viewed at: <http://www.marchespublics.gouv.ga>.

considerable subcontracting to Gabonese nationals. There is a 10% national preference margin for works contracts, and a 15% preference margin for supplies contracts.

3.82. In the regional context, Community preference may be granted to any bidder whose fiscal residence is within CEMAC, where, in the case of suppliers, manufactured goods containing at least 30% of value added in a CEMAC country will be supplied; in the case of building, public works and industrial facilities contractors, at least 30% of the inputs or 30% of the personnel employed are of Community origin; and in the case of service providers and consultants, at least 50% of the value of the service supplied is of Community origin.

3.83. Disputes concerning government procurement may be brought before the person responsible for the procurement or the Government Procurement Regulatory Agency. Bidders who believe they have been treated unfairly may lodge a complaint within 5 working days following the date of publication of the award decision, or within 10 days prior to the date set for the submission of tenders. The decisions of the ARMP may be appealed before the competent administrative court.

3.84. Gabon is neither a party nor an observer to the WTO Plurilateral Agreement on Government Procurement.

3.3.5 Protection of intellectual property rights

3.85. Gabon is a member of the African Intellectual Property Organization (OAPI), set up by the Bangui Agreement. Accordingly, Gabon's intellectual property rights regulations are based on the relevant provisions of the Agreement (common report, Chapter 3). The Industrial Property Centre of Gabon (CEPIG) (within the Ministry responsible for industry) acts as the national structure for liaison (SNL) with the OAPI.⁴² The administrative procedure for registering industrial property rights commences with the filing of an application, which must be submitted to CEPIG.

3.86. Where copyright and related rights are concerned, Gabon has national legislation in addition to the revised Bangui Agreement (1977).⁴³ Decree No. 00452/PR lays down the general regulations on the administration of copyright and related rights, and Decree No. 453/PR fixes the amount of the corresponding royalties.

3.87. Although its primary mission is the promotion of cultural works, the National Agency for Promotion of the Arts and Culture (ANPAC) has traditionally been responsible for administering and protecting copyright and related rights. The authorities have stated that ANPAC has never had the means to discharge this copyright protection role. Consequently, the Gabonese Copyright and Related Rights Office (BUGADA) was set up in 2012 to overcome the shortcomings of ANPAC. Apparently, regulations are being drawn up with a view to making the Office operational.

3.88. According to the authorities, trademarks and trade names are the categories of intellectual property rights that are frequently violated.

3.89. Counterfeiting affects, in particular, the foodstuffs area (primarily beverages), tobacco, household appliances, mobile telephones, batteries, automobile parts, pharmaceutical products, luxury goods and clothing. Within the Customs Directorate, the customs research and intelligence service, which is part of the customs enforcement and litigation department, is responsible for punishing intellectual property rights violations. It acts at the request of the right holders.⁴⁴

3.90. The sanctions in the event of IPR violations are those provided for by the Bangui Agreement. However, they are almost never applied.

⁴² Law No. 14/2002 of 28 January 2003.

⁴³ Law No. 1/87 of 29 July 1987.

⁴⁴ African Industrial Association (2008).

4 TRADE POLICY BY SECTOR

4.1 Agriculture and related activities

4.1.1 Overview

4.1. Agriculture is of vital importance for employment in Gabon (Chapter 1.1). Approximately 80% of the total area of the country is equatorial forest (half of which is in the primary state), and 1.1% is used for agricultural purposes. Gabon has natural resources and weather conditions which are favourable for agriculture. Rainfall is abundant and the hydrographic network, fed by the rivers Ogooué and Nyanga, is widespread and dense. The forests of around 22 million hectares, whose reserves of standing timber are estimated at 400 million m³, consist of some 60 species, mainly okoumé and ozigo. Gabon also has significant potential for fisheries production. Its sea coast is 800 km long, and its exclusive economic zone (EEZ) extends over 231,000 km², around 8% of which is reserved for offshore oil recovery activities.

4.2. There are still a great many small farms in Gabon. They are unprofitable because they are small (on average 1.1 hectares) and use rudimentary production methods. Agriculture is still beset by structural weaknesses, related in particular to the use of inappropriate agricultural techniques; the high cost of production factors, including access to credit; the poor state of the road network; and the shortcomings of the support services. Legally, the State owns the land⁴⁵, but the customary regime of land ownership is observed in the rural areas, and this prevents the establishment of an official land market. The authorities have indicated that an Interministerial Commission has been set up to decide on the process for land allocation.

4.3. Overall, domestic agricultural production fails to cover national requirements and is supplemented by imports, which account for around 60% of the food products consumed in Gabon.

4.1.2 Agricultural policy

4.4. The Ministry of Agriculture is responsible for formulating agriculture and livestock development programmes, in cooperation with farmers' organizations and development partners. The legislative and regulatory framework for agricultural policies is characterized by the adoption of various laws and regulations, with no harmonization and no evaluation mechanism.

4.5. In 2012, Gabon launched the first phase of its NEPAD Comprehensive Africa Agriculture Development Programme (CAADP). A timetable running from November 2012 to July 2013 has been adopted, the interim objective being the signing of a national CAADP pact and the adoption of a roadmap; these will provide a consensual framework for resource mobilization.

4.6. The Master Plan for Agricultural Development (PDDA), adopted in 2005, establishes a programme for the period 2006-2015, the aim of which is a 45% increase in agricultural production by 2015. The PDDA gives priority to increasing agricultural production in peri-urban areas and boosting village agriculture, livestock breeding, fisheries and the coffee-cocoa sector. Under the Plan, a draft law on agricultural development and an Agricultural Investment Code were submitted for parliamentary approval in 2005. In addition, an Agricultural and Rural Development Fund was envisaged to underpin this regulatory framework.

4.7. In 2008, Gabon adopted its Sustainable Agricultural Development Policy with the objective, in particular, of galvanizing this sector to make it a key driver for the growth of national wealth and for job creation.⁴⁶ Other aims of the policy are the achievement of self-sufficiency in food, the diversification of exports, and a one-quarter reduction in imports by 2016. In the context of the agricultural policy, the Government's efforts are directed specifically at offering young people greater incentives to set up agricultural enterprises in rural areas. Under the Departmental Land Management Contract (CDE), any natural or legal person who routinely engages in agricultural activities is required to declare them to the competent services in the Ministry of Agriculture, with a view to obtaining a registration number. Having a registration

⁴⁵ Law No. 14/63 of 8 May 1963.

⁴⁶ Law No. 23/2008 of 10 December 2008 on the agricultural development policy.

number listed in the agricultural register confers an entitlement to social protection and vocational training. A Departmental Commission on Land Use Planning is responsible, *inter alia*, for valuing the land and agricultural yields on which land policy, fiscal policy and social policy are based. The CDE is not yet operational. However, farmer census operations are scheduled to take place in 2013, with a view to the allocation of registration numbers.

4.8. In general, under the Law establishing the agricultural development policy, priority for State assistance is granted to farm groups organized by agricultural subsector, associations and professional organizations. In addition, farmers in agricultural regions which are recognized as underprivileged receive special support. Start-up capital grants are provided for by the Law, to encourage young people and women to take up farming. However, the procedures for allocating State assistance to farmers have not yet been clearly defined.

4.9. Waivers and duty and tax exemptions are granted, at importation and for purchases on the domestic market, on a list of agricultural equipment and inputs laid down by Ministerial Order.

4.10. The agricultural policy places vocational training at the heart of agricultural development. To this end, it provides for a coordination framework involving the Ministries responsible for agriculture, national education, and technical and vocational education. A framework for ongoing vocational training is intended to ensure greater expertise among farmers in rural areas, as well as that of enterprises in the agriculture sector.

4.11. Although the agricultural policy recognizes the importance of agricultural and veterinary research, it contains no concrete provisions for its development. There are three research establishments in Gabon, namely: the Agricultural and Forestry Research Institute (IRAF); the National Higher Institute of Agriculture and Biotechnology (INSAB); and the Office for Research into the Introduction, Adaptation and Propagation of Plant Material (ORIAM).

4.12. The Law on the agricultural development policy provides for the establishment of a fund to finance the main activities. No date has been given for this.

4.13. The Tax Code includes support measures for farmers. These include exemption from corporation tax for cooperatives and cooperative unions engaged in the production, processing, conservation and sale of agricultural products; exemption, for the first two years, from corporation tax and personal income tax, and an allowance against those taxes over the next four years, for new agricultural enterprises, excluding the forestry sector and fisheries; and exemption from the business licence fee (*patente*) for farmers/breeders, hunters, and fishermen, including those using dugout canoes. Some private agri-food enterprises still benefit from production or marketing monopolies, as well as from various concessions under their fiscal and customs agreements. A more attractive depreciation system for agricultural equipment is also envisaged.

4.14. Based on the ISIC definition, the simple average customs duty applied to agricultural products (including livestock, fisheries and forestry activities) is 23.6% (under the CEMAC's CET), which is significantly higher than the overall average of 18.1%.

4.15. Agricultural products, including foodstuffs, are subject to sanitary and phytosanitary measures, with the possibility of bans being imposed on imports (Chapter 3).

4.1.3 Policy by subsector

4.1.3.1 Coffee and cocoa

4.16. Since 2009, Gabon has been pursuing a policy of revitalizing the coffee and cocoa subsector by upgrading small family farms.

4.17. In 2009, Gabon was producing around 300 tonnes of coffee and cocoa per year, exported mainly to the European Union and the United States. According to the authorities, the policy of rehabilitating plantations should drive this output up to 2,500 tonnes per year in 2012/2013, with steady growth thereafter. The area currently under cultivation is around 1,000 hectares (700 hectares of renovated plantations and 300 hectares of new

plantations). There are two coffee research centres in Gabon (in the towns of Okondja and Mikong).

4.18. The Directorate-General of the Gabonese Stabilization and Equalization Fund (DGCSP), under the Ministry of Finance, is responsible for the implementation of coffee and cocoa financing policies. Small-scale farmers are organized in cooperatives supervised by the decentralized services of the DGCSP. The Stabilization and Equalization Fund (CAISTAB) holds a monopoly on the marketing of coffee and cocoa, which it alone is authorized to purchase from the farmers. In 2013, the guaranteed price paid to farmers for one kilogram was CFAF 1,000. The Ministry of Agriculture provides technical support (seeds, inputs, phytosanitary treatments, etc.) for small-scale farmers. According to the authorities, State subsidies for the period 2007-2013 have amounted to CFAF 1.3 billion.

4.19. Imports of coffee, other than coffee seed, are subject to a tariff rate of 30%.

4.20. Gabon is a member of the International Coffee Organization (ICO).

4.1.3.2 Market garden produce

4.21. Agricultural output is derived mainly from peri-urban market gardening. The Gabonese Institute for Development Support (IGAD) is developing it by promoting an agricultural network of peri-urban smallholdings, as well as intensive farming methods. Market garden produce output rose from 3,613 tonnes in 2008 to 4,773 tonnes in 2011.

4.22. The IGAD is responsible for managing the land allocated by the State and supporting the farmers/breeders who work it. Its activities are financed by the State. The IGAD provides farmers who have signed agreements with technical support (seed, inputs, phytosanitary treatments, agricultural equipment and training), together with training in marketing and a market intelligence system.

4.23. As part of the "Green Gabon" pillar of the national development plan, the IGAD is implementing the Agricultural Development and Investment Project (PRODIAG). The project will operate primarily in the food crop, market gardening, small-scale livestock breeding and agri-foods processing sectors, through a substantial increase in investment. It provides for the establishment of 1,090 production units which should generate a turnover of around CFAF 3.5 billion per year, with 3,000 jobs created.

4.24. Under the CET, Gabonese fruit and vegetable production benefits from the maximum tariff protection of 30%, except for seeds. Moreover, VAT at 18% is applied to imported fruit and vegetables, whereas those produced locally (e.g. by AGRIPOG) are exempt (Table 3.2).

4.1.4 Fishing and aquaculture

4.25. Responsibility for the fisheries subsector lies with the Directorate-General of Fisheries and Aquaculture (DGPA). As part of its remit, the DGPA is responsible for the monitoring, control and surveillance (MCS) of fisheries. It also deals with the sanitary control of fisheries products (Chapter 3.1). For MCS purposes, the DGPA has acquired a satellite monitoring system. However, it relies heavily on collaboration with sectors that have better monitoring tools available to them (the national defence services, for example).

4.26. Fishing and fish-farming are still regulated by the Code adopted in 2005.⁴⁷ The Code incorporates the objective of sustainable management of the resources concerned. To fish it is necessary to obtain a licence, costing US\$800 for foreign-registered vessels. In addition, enterprises that handle fisheries products must obtain technical approval from the Directorate-General of Fisheries.

⁴⁷ Law No. 15/2005 of 8 August 2005.

4.27. Foreign vessels may fish in Gabon's EEZ under bilateral agreement, or if chartered by Gabonese nationals. The Code provides for the imposition of duties, taxes and various fees; their levels are fixed by the Finance Laws. Investment in the fisheries subsector is governed by the National Investment Charter.

4.28. Fisheries activities in Gabon are conducted by a small-scale fleet and an industrial fleet, and include both sea and inland fishing. The small-scale fleet fishing in Gabon's maritime waters consisted of around 1,600 dugout canoes in 2005. Using nets and fishing gear with hooks, the fleet fishes mainly for small pelagic coastal species and demersal species. In 2009, around 90 vessels, of which 16 were Gabonese-registered, were engaged in industrial fishing. Most of these vessels were operating under the fisheries agreement with the European Union (36 vessels, mainly French, Portuguese and Spanish) and the fisheries agreement with Japan (15 vessels).

4.29. Deep-sea fishing, involving the exploitation of tuna resources, is practised in the EEZ under bilateral agreements with the European Union and Japan. The last fisheries partnership agreement concluded between Gabon and the EU covered the period from 3 December 2005 to 2 December 2011. It allowed 24 freezer tuna seiners and 16 surface longliners to fish in Gabonese waters, subject to a fishing licence issued by the authorities⁴⁸ against payment. The financial contribution was €860,000 a year, of which €715,000 was earmarked for the Gabonese State budget and €145,000 went to support fisheries policy in Gabon. This payment was for annual catches of no more than 11,000 tonnes. If that figure was exceeded, the financial contribution increased by €65 per tonne. Following a decision by the authorities to define more environmentally friendly bases of negotiation in the framework of the "Blue Gabon" strategy, no agreement was signed in 2012. A new agreement is being negotiated, and it is expected to be signed in 2013.

4.30. Inland fishing is exclusively small-scale and involves around 1,800, mostly non-motorized, dugout canoes. In 2009, inland fishing produced around 10,480 tonnes of tilapia.

4.31. The agreement between Gabon and the Japanese Federation of Tuna-Fishing Cooperative Associations, signed in 2000, expired in 2012. It authorizes 30 Japanese longliners to fish in Gabonese waters, and provides material support for fisheries development in Gabon in an amount of CFAF 8 billion a year. Gabonese exports of fisheries products consist of crustaceans, molluscs and fish, shipped frozen. These exports are subject to the sanitary regulations of the country of destination (Chapter 3.2.7). The main markets are China, the European Union and the countries of the subregion.

4.32. The main obstacle to the development of fisheries in Gabon, in addition to the limited appeal of Gabonese registration for foreign vessels, is the high level of taxation (customs duties and VAT), averaging 23.2% with rates ranging from 20% to 30%. This tariff structure is not encouraging efforts to improve competitiveness in the subsector, including substantial investment in the renewal of industrial fishing equipment and the motorization of dugout canoes.

4.33. In a bid to ensure the sustainable use of resources, Gabon has banned fishing in river mouths and marine parks. In addition, the use of certain types of fishing gear which are not very selective is prohibited. Fishing for prawn and bonga shad (*ethmalosa fimbriata*) is suspended for three months of each year.

4.1.5 Forestry

4.34. Logging is the key subsector of Gabonese agriculture. It is the largest private-sector employer, absorbing 28% of the workforce (around 13,000 direct and indirect jobs), and the second largest source of export earnings.

4.35. State-owned forests cover 22.3 million hectares, of which 13 million were assigned to production in 2011 (including 7.6 million hectares under concession).

⁴⁸ Council Decision 2006/788/EC of 7 November 2006.

4.36. All log exports have been banned since 1 January 2010, in order to foster domestic value added in this subsector. The authorities have indicated that the number of processing units has increased as a result of this measure, rising from 81 in 2009 to 114 in 2012.

4.37. Wood exports increased by 39.2% between 2010 (480,524 m³) and 2011 (668,916 m³). Since 2011, China has been the largest export market for Gabonese wood with an estimated volume of 171,048 m³, overtaking France which imported 143,268 m³ of wood from Gabon in 2011. In continental terms, however, Europe is still the top destination for Gabon's wood exports, with 43% of the total compared to 30.8% for Asia; the share of the African continent (especially Morocco and South Africa) was estimated at 11.25% in 2011.

4.38. The 2001 Forestry Code is the main instrument for the regulation of forestry in Gabon. It is implemented by the Ministry responsible for forests. The Code establishes as its objective the sustainable management of water resources and forests, fauna and flora; Gabon is a party to the Treaty on the Conservation and Sustainable Management of Forest Ecosystems in Central Africa.

4.39. Under the Forestry Code, there are three types of industrial logging permit, two of which are strictly reserved for Gabonese nationals. These are: the mutual agreement permit (PGG), with an annual logging limit of 50 trees, and the associated forestry permit (PFA), which covers a maximum area of 15,000 hectares. The third type of permit, the sustainable forest concession (CFAD), is a concession granted for large areas of forest (50,000 to 200,000 hectares), generally logged by foreign enterprises. The CFAD involves obligations in respect of forest management and local processing.

4.40. Since 2010, the Government has been introducing accompanying measures to support operators in the wood subsector. In addition to the proposal to set up Special Economic Zones (SEZ), Law No. 4/2010 of 9 February 2010 established a National Forest Fund (FFN).⁴⁹ It finances operations aimed, *inter alia*, at forest regeneration, the promotion of the wood industry and the protection and conservation of fauna. According to the authorities, a CFAF 20 billion support fund has been set up under the FFN to expedite the industrialization of the wood subsector.

4.41. The felling tax varies with the production zone (A, B, C or D). The tax is 9% in zone A, 7% in zone B, 5% in zone C and 3% in zone D. The felling tax base is the value of the logs, determined with reference to the volume of timber felled and its official value on the date of felling. There is a felling tax rebate of 60% for locally processed logs, whereas a rebate of 15% applies to logs that are exported. The holders of logging permits other than the mutual agreement permit are also subject to an area tax of: CFAF 600/ha for unmanaged concessions, CFAF 300/ha for managed concessions (CFAD) and CFAF 200/ha for managed concessions temporarily closed to logging. At the end of the fifteenth year, the rate of CFAF 200 increases to CFAF 300. Since October 2011, logs entering the economic zones have been subject to a felling tax of 3% of the official value, whereas processed products are subject to a felling tax of 1.5% of the f.o.b. value. An annual area tax of CFAF 400/ha is also levied.

4.2 Mining, energy and water

4.2.1 Mining products

4.42. There have been no changes to the regulatory framework for this sector during the review period. The authorities have indicated that the Mining Code is being revised.

4.43. Gabon is still the world's second largest producer of high-grade manganese ore (45% to 50% manganese content), thanks to the Moanda deposit exploited by the Ogooué Mining Company (COMILOG).⁵⁰ In 2012, COMILOG produced and exported more than 2 million tonnes of manganese. The Government has recently granted licences to explore other manganese deposits in Gabon (Ndjolé site).

4.44. Gabon also has large reserves of iron which have yet to be exploited, as well as deposits of phosphates and other minerals (gold, diamonds, lead, zinc, titanium, etc.).

⁴⁹ Ministry of Water Resources and Forests (2011).

⁵⁰ COMILOG is owned 67% by Eramet Groupe and 25% by the State.

4.45. The Mining Code, administered by the Ministry responsible for mines, governs the prospecting, exploration, production, processing, transportation and marketing of viable mineral substances contained in the soil or subsoil (with the exception of liquid and gaseous hydrocarbons and groundwater); all resources contained in the soil or subsoil are the property of the State. The Code defines two categories of substances: those "subject to concession" (which fall under the mining regime), and those "not subject to concession" (which fall under the quarrying regime and include construction materials, for example). Substances subject to concession are eligible for an authorization to prospect in a given zone, granted for a non-renewable period of two years against payment of CFAF 500,000. There is also an exploration permit, granted for a period of three years at a cost of CFAF 1 million, renewable twice (CFAF 2 million for the first renewal and CFAF 4 million for the second); and a mining permit, available to holders of an exploration permit, granted for a period of ten years and renewable for as many further five-year periods as necessary (CFAF 15 million per renewal). In 2012, 34 enterprises of different nationalities were engaged in the prospecting, exploration and production of mineral substances subject to concession.⁵¹

4.46. Concessions are granted by presidential decree for a period of 25 years, renewable for one or more ten-year periods. The cost is CFAF 30 million for the first award, and CFAF 15 million for each renewal. In 2012 there were 54 valid mining authorizations and titles, covering a total area of 87,473 km².

4.47. These mining titles give the holders the right to dispose freely of the minerals extracted. Each mining title is accompanied by a mining agreement concluded with the State which lays down the rights and obligations of the parties⁵², and establishes the rate of the proportional mining royalty (RMP) applied to the taxable value of the substance mined. These agreements are usually the subject of a parliamentary adoption procedure.

4.2.2 Petroleum products and natural gas

4.48. Oil has been the main source of Gabon's wealth since the 1960s (Chapter 1.1). Total Gabon (85,000 barrels/day) and Shell (50,000 barrels/day) are the main producers, with more than half of total production in 2008. Perenco is in third place with 47,000 barrels/day, followed by Marathon Oil, which produces 26,000 barrels/day, Vaalco with 15,000 barrels/day and Addax, which commenced production in 2004, with 6,000 barrels/day.

4.49. There has been no change in the regulatory framework for the oil industry since the previous Review. The new Petroleum Code, announced on many occasions, has still not been issued.

4.50. Law No. 14/82 of 24 January 1983, containing the regulations on the exploration and production of hydrocarbons, still governs exploration and recovery activities relating to liquid or gaseous hydrocarbons contained in the soil or subsoil, including in the EEZ, these being the property of the State. This regime is administered, within the Ministry of Mines, Energy and Petroleum, by the Directorate-General of Hydrocarbons (DGH).

4.51. In Gabon, there are two main types of agreement between the State and the companies concerned: concessions, for which the legal and fiscal provisions are contained in an establishment agreement (for mining and oil companies); and exploitation and production-sharing contracts (oil only), under which the company is entitled to an exclusive exploitation permit if a commercial discovery is made.

4.52. Under an establishment agreement, the company is required to pay a proportional mining royalty (RMP) of between 15% and 20%; fixed mining duties; a surface area fee in US dollars per km², which differs depending on whether a zone is under exploration or production;

⁵¹ Ministry of Industry and Mines (2012).

⁵² Article 35 of Law No. 5/2000 of 12 October 2000. These include, in particular, fiscal and customs measures such as: exemption from corporation tax and personal income tax, and from the flat-rate minimum tax, for the period of the agreement (initial period and renewal); reimbursement of VAT invoiced by local suppliers of goods and services; advances by the State for work performed or information compiled beforehand for the account of the company; and temporary admission of a list of imported supplies, materials, products, machinery, equipment and tools, exclusively intended for and actually allocated to prospecting.

76.5% corporation tax; a zero VAT rate at importation, and zero rate locally for an approved supplier; a reduced VAT rate of 5% for imports; and registration and stamp duties. It is also subject to parafiscal levies (training costs, Hydrocarbons Support Fund, DGH Capital Development Fund, Provision for Diversified Investments and Provision for Investment in Hydrocarbons).

4.53. The company is required to set aside funds to cover its asset retirement obligations.

4.54. There are currently four establishment agreements in force in Gabon, for oil companies (Total Gabon, Shell Gabon and Perenco) and for the COMILOG mining company.

4.55. Under an exploitation and production-sharing contract (CEPP), the contractor is subject to the following obligations: payment of royalties of between 3% and 15%; payment of a surface area fee in US dollars per km²; cost recovery cap of around 70%; VAT at the normal rate (reduced rate of 5% for imports); parafiscal levies (training costs, Hydrocarbons Support Fund, DGH Capital Development Fund); production sharing (on average, 55% for the State and 45% for the contractor).

4.56. As at 5 January 2009, there were 23 companies with a CEPP in the exploration phase, and seven companies (CNR, Total Gabon, Shell Gabon, Vaalco, Marathon, Addax, and Maurel & Prom) with, between them, 22 contracts in the production phase.

4.57. The CEPP leads to the issuing of two types of exclusive permit, one for exploration and the other for production, each for a total of 20 years including renewals. Since 2012, the State has entrusted its share of production to the Gabon Oil Company (GOC), which markets it and hands back the sales revenue.

4.58. Gabon has a refinery, SOGARA, which is located in Port-Gentil, and five oil storage depots: OILYBIA (in Port-Gentil), SGEPP (in Owendo), OILYBIA (in Ndjolé), TOTAL (in Lambaréné) and SGEPP (in Moanda). Products are transferred from the refinery to the depots by various means: pipeline between SOGARA and the OILYBIA depot (both of which are in Port-Gentil), tanker between SOGARA and the SGEPP depot in Owendo, barge between OILYBIA Port Gentil and OILYBIA Ndjolé, as well as for the TOTAL depot in Lambaréné, and rail between SGEPP Owendo and SGEPP Moanda. Delivery to the end user (for consumption) is generally by road tanker.

4.59. The Gabonese Refining Company (SOGARA) has a monopoly on supplying the domestic market with refined petroleum products.⁵³ SOGARA refines Gabonese Mandji crude and sells its output to the countries of the subregion and on the domestic market. SOGARA buys on the international market to make up for its production deficit. The prices at which SOGARA's refined products are sold to domestic distributors are set by the Stabilization and Equalization Fund (CAISTAB). These prices were increased by 25% at the beginning of March 2007, after remaining unchanged since 2002. The approved distributors are Total Marketing Gabon, ENGEN, Oil Libya and Petro Gabon.

4.60. Only SOGARA may import petroleum products. These products are subject to customs duty at 10% and VAT at 18%.

4.61. Strategic stocks are managed by the Gabonese Petroleum Products Storage Company (SGEPP). In 2011 and 2012, the State's revenues from petroleum activities amounted to CFAF 987.8 billion and CFAF 1,085 billion, respectively.

4.62. In 2013, the Board of the Extractive Industries Transparency Initiative (EITI) removed Gabon from its list of members.

4.3 Electricity and water

4.63. The Drinking Water and Electricity Sector Regulatory Agency (ARSEE) is responsible, *inter alia*, for ensuring compliance with the provisions of the laws and regulations governing

⁵³ The State has a 25% stake in SOGARA.

drinking water and electricity. It awards concessions in the water and electricity sector and establishes frameworks for consultations between users and operators.

4.64. The National Water and Electricity Board finances rural electrification projects and water supply systems for rural localities, public lighting and public standpipes; it is funded by a water and electricity consumption tax levied on customers' bills.

4.65. The Gabon Energy and Water Company (SEEG) still holds a monopoly on the distribution and delivery of drinking water and electricity in the concession areas (Libreville, Port-Gentil, Franceville and Gabon's other urban centres), in principle until 2017.⁵⁴

4.66. Under the terms of the concession agreement, above 10 megawatts it is possible to issue an invitation to tender which would allow independent producers to generate electricity. However, this has never happened in practice. As shortcomings have been identified, there are plans for reforms which will allow other operators to participate in production; they will be required to sell their surpluses to the SEEG in the concession areas. Many forestry, mining or industrial enterprises generate their own electricity, and they are free to supply the rural communities (outside the limits of the SEEG concession).

4.67. In the Council of Ministers on 16 February 2011, the Government adopted a number of measures aimed at enhancing the effectiveness of the concession agreement for the public water and electricity supply service in Gabon. Actions taken include the renewal of equipment over a five-year period, with the presentation of regular progress reports on the work, and improvement of the system for dealing with complaints. In this connection, an Interministerial Commission has been set up under the authority of the Minister with responsibility for energy, to monitor the implementation of these measures and recommendations. In principle, the Commission is to draw up annual reports on how well the concession agreement is operating. The authorities have indicated that the first such report was prepared in 2012.

4.68. An infrastructure fund was set up by Decree No. 0878/PR/MERH of 16 May 2011. The fund, placed under the administrative supervision of the Ministry responsible for energy and water resources, is used to finance major water and electricity infrastructure works. All of its resources come from public funds.

4.69. In 2010, the SEEG had 229,665 electricity customers as compared with 168,705 in 2005. The SEEG's 1.752 billion kilowatt hours of electricity come from hydroelectric (55%) and thermal (45%) sources.

4.70. Gabon's hydroelectric potential is estimated to be between 5,000 and 6,000 MW. Once built, the Ivindo, Ngoulmendjim and Grand Poubara hydroelectric dams should enable surplus energy to be exported to the subregion.⁵⁵

4.71. In 2010, the SEEG had 137,238 water customers, as compared with 104,323 in 2005. In 2010 the SEEG produced 81.8 million m³ of water, of which 23% was lost. In 2009, water distribution to the populations of Gabon's main municipalities was at the following levels: Libreville (72% of the population), Port-Gentil (51% of the population), and Franceville (53% of the population). The main municipalities have a few free standpipes, financed by a fund which derives its income from a surcharge levied on every m³ sold.⁵⁶

4.72. The selling prices of electricity and water are fixed quarterly by the SEEG, for approval by the Ministry responsible for energy, in accordance with the formula contained in its establishment agreement. The selling prices are uniform within the SEEG concession area. Since 1 July 2007, the electricity and water bills of underprivileged segments of the population have been paid by the State. However, weaknesses in the control system have led to a net loss of more than CFAF 2 billion for the State.

⁵⁴ Decree No. 628/PR/MMEP of 18 June 1997.

⁵⁵ African Development Bank (2011).

⁵⁶ French Development Agency (2010).

4.73. The price structure includes a progressive charge which is proportional to consumption, and a special contribution (CFAF 5.93/kWh for electricity and CFAF 26.13/m³ for drinking water). The VAT rate is 18% on electricity consumption and 10% on water.

4.4 Manufacturing sector

4.74. The position in the manufacturing sector has not changed since the last TPR. According to the authorities, no industrial policy or master plan for the sector has been drawn up. The sector is dominated by monopolies and State-owned enterprises. However, as part of the "Industrial Gabon" pillar of the national development plan ("Emerging Gabon"), the Government intends to develop an industrial code, organize a summit meeting on industry and set up a competitiveness observatory.

4.75. Manufacturing makes only a modest contribution to GDP (Table 1.1). It consists essentially of units engaged in agri-food, refining, wood processing, cement and clinker production, aluminium sheet manufacturing and the production of various chemical products, as well as workshops making clothing and other small-scale activities.

4.76. The private law enterprise Sucaf-Gabon is still the only producer and seller of sugar on the Gabonese market. This enterprise is protected by an import prohibition on sugar. Following the takeover, Sucaf-Gabon carried out a major investment programme as a result of which sugar production increased to 25,206 tonnes in 2005. Surplus domestic production is exported to the neighbouring markets, i.e. Cameroon, Equatorial Guinea and the Central African Republic under the CEMAC GPT, and Sao Tome and Principe.

4.77. At importation, there is a customs duty of 10% on clinker and 20% on cement; VAT on these products (whether imported or domestic) is at the reduced rate of 10%. Cigarettes are Gabon's main manufactured export. The Gabon Cigarette Company (SOCIGA) is the only domestic producer. Tobacco, the main input, is produced in Gabon but also imported; at importation, it is subject to a customs duty of 10% as a derogation from the CEMAC CET rate of 30%. It is also subject to VAT, as well as to the excise duty of 25% which is also levied on cigarettes. Cigarette sales on the national territory are part of the Gabonese Tobacco Administration's monopoly.

4.78. The beverage market is also supplied by two enterprises holding de facto production monopolies in their respective branches. This is the case, in particular, for the Gabon Beverages Company (SOBRAGA) which produces soft drinks and beers for the local market. Mineral water is also produced, under a de facto monopoly, by EAULECO. Mineral water, like carbonated and alcoholic beverages, is subject, at importation, to customs duty at 30%, VAT at 18% and excise duty at 32%.

4.79. Wood processing is carried out by around one hundred units specializing in four activities (sawing, veneering, plywood manufacturing and slicing), with a predominance of first stage processing activities which produce, in particular, beams, laths and planks. Of the processing units in this subsector, 81% are sawmills. There are three main units (Cora Wood, Rougier Gabon and GET) engaged in plywood manufacturing.

4.80. The simple average of the applied MFN tariff rates (CEMAC CET) in the manufacturing sector (ISIC definition) is 17.8%, with a large number of manufactured products being subject to the maximum rate of 30%, as well as to other import duties and taxes.

4.81. In the manufacturing sector, subsidies are granted to SOGARA for oil refining, and the State provides tax and customs support for the creation of new manufacturing enterprises, as well as for Gabonese SMEs/SMIs, within the general framework of the National Investment Charter (Chapter 3).

4.5 Services

4.5.1 Transport

4.5.1.1 Waterway transport and port services

4.82. For external trade, economic operators use foreign shipping lines (CMA-CGM and its subsidiary Delmas, Maersk, Alhers and OCL) which dock at Gabon's two main ports, Owendo and Port-Gentil; Môle is a port used for passenger and goods traffic from the countries of the subregion. Owendo chiefly provides the port services needed to export manganese ore. Port-Gentil, a deep-water port, is mainly used for crude oil exports and imports of consumer goods. The two main ports are involved in the export of forest products, which are also shipped from the harbours of Mayumba and Coco-Beach.

4.83. The authorities plan to promote Port-Gentil as an effective site for a Central African transshipment hub, a project also linked with the Mandji Island Free Zone project, implementation of which has not yet commenced. There are plans for a river port in Lambarené and in Libreville.

4.84. The Gabon Ports and Harbours Board (OPRAG) is the authority responsible for port management. In 2003 it sold its concession to manage the ports of Libreville-Owendo and Port-Gentil, for 25 years, to SIGEPHAG. Its activities are financed by a security tax paid by the economic operators for their goods. The other actors at the ports of Owendo and Port-Gentil are the National Lighterage and Transit Company (Bolloré group) for chartering; SDV Logistique Internationale (Bolloré group) and the Maritime and Air Transport Consortium (GETMA) for handling; MAERSK for containers; and the Lighterage, Transport and Handling Company (SATRAM) for maritime transport. All consignments bound for Gabon must be accompanied by a cargo identification note (BIC) issued by the agent of the Gabonese Shippers' Council (CGC) in the country of origin, a requirement which also applies to cargoes of wood when they leave Gabon (Chapter 3); the CGC has concluded agreements which exempt oil and manganese from the BIC requirement.

4.85. Gabon implements the International Ship and Port Facility Security (ISPS) Code. It is also a member of the Maritime Organization for West and Central Africa (MOWCA), which deals with the implementation of various international conventions relating to security (SOLAS) and marine pollution (MARPOL), as well as of the recent International Safety Management (ISM) Code and the Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

4.86. Gabon has a 3,300 km-long river network and the rivers play a key role in transporting timber-laden rafts from the felling areas to the coast. River passenger transport is carried out by the Inland Navigation Company (CNI), a State-owned enterprise whose mission is to open up the hinterland; numerous owners of dugout canoes are also engaged in river transport.

4.5.1.2 Land transport

4.87. The only railway in Gabon is the Transgabonais, which provides an east-west link between Franceville in the interior of the country and Owendo on the coast, used for shipping manganese ore and forest products from the areas in which they are exploited. It consists of a network of 22 stations spread out along a single track 800 km long. It also carries passengers. The infrastructure is owned by the State. Rail transport services are provided by the Transgabonais Operating Company (SETRAG). The other operators are the Ogooué Mining Company and the Gabon National Timber Company, with their vehicles for transporting manganese and timber.

4.88. Road is the leading mode of transport in Gabon, accounting for 80% to 90% of passenger and goods transport. The road network consists of 9,170 km of roads, of which 936 km are paved, while 7,600 km are laterite.

4.89. The country's six highways link the main cities. In Libreville, surface transport is provided by State-owned enterprises and a number of other, private operators. Urban surface transport

fares are administered by the responsible ministry. International carriers may not engage in cabotage.

4.5.1.3 Air transport

4.90. There are 27 airports, three of which (Libreville, Port-Gentil and Franceville) are international. Domestic routes are operated by small private companies, whereas on international routes Gabon is served by a number of companies including Rwandair, Asky, Air France, Royal Air Maroc, CAMAIRCO, Ethiopian Airlines, Air Côte d'Ivoire, South Africa Airways, Turkish Airlines, and Lufthansa.

4.91. The main instruments governing civil aviation in Gabon are Law No. 7/65 of 5 June 1965, at the national level, and the CEMAC Civil Aviation Code of 21 July 2000 and the Agreement on Air Transport between CEMAC Member States. Gabon is a signatory to the Yamoussoukro Decision (common report, Chapter 4). The presence of foreign airlines on Gabonese territory and their traffic rights are governed by bilateral agreements (in the case of airlines of non-CEMAC origin). Airlines offering domestic flights must be Gabonese, and must meet the eligibility criteria before they can be designated as such by the National Civil Aviation Agency (ANAC).⁵⁷ They are not restricted with respect to flight frequency or schedules, but must respect the rules of fair competition with regard to fares (for example, no dumped prices). Gabon applies the "solidarity tax on plane tickets", at the rate of CFAF 1,350 per ticket sold in business and first class.

4.92. The number of movements of commercial aircraft has fallen steadily in recent years, dropping from 26,508 flights in 2008 to 21,965 in 2012.

4.93. Libreville Airport (25% State-owned) holds the concession to operate and manage that airport. It is remunerated on the basis of the number of flights and passengers and cargo volumes. Gabon Handling is responsible for airport handling services at Libreville, under a 20-year exclusivity agreement. Several other agencies are engaged in airport activities in Gabon, notably the regulatory agency ANAC, which issues licences to the airline companies; and Libreville Airport (ADL), which is responsible for managing the airport infrastructure.

4.94. Gabon is a member of the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA).

4.5.2 Tourism

4.95. The High Commission for Tourism, together with the Directorate-General of Tourism, is responsible for implementing the Government's tourism policy. Gabon's National Parks Agency (ANPN) is responsible for regulation, the development of land management plans and revenue management in the country's 13 national parks.

4.96. Tourism activities in Gabon are regulated by, *inter alia*, Law No. 15/98 of 23 July 1998 establishing the Gabonese Investment Charter; Law No. 004/2000 ratifying Ordinance No. 002/PR of 12 February 2000 on the regime applicable to tourism investment (with incentive measures for private-sector operators wishing to launch tourism-related activities); Decree No. 649/PR of 25 May 2001 regulating the entry into Gabon of tourists and businessmen; and Law No. 016/2001, Articles 209 to 219, on tourism activities in conservation areas. The authorities have indicated that a new Tourism Code is being drawn up.

4.97. Tourism is still in an embryonic phase of development in Gabon. Nevertheless, as part of the policy of economic diversification, efforts are being made to develop tourism activities. In addition to the fiscal and customs measures introduced to encourage large-scale hotel investments (Table 4.1)⁵⁸, government initiatives have been taken in the framework of the

⁵⁷ Decree No. 865/PR/MTAC of 6 August 2003.

⁵⁸ Ordinance No. 02/2000 of 12 February 2000. In particular, exemption from corporation tax during the implementation of the project and the first eight years of operation; exemption from corporation tax on half the taxable profits for the next eight years; exemption from property tax on new buildings for ten years; exemption from business licence fees for the first five years of operation; a ten-year exemption from customs duties and import taxes on new equipment, tools, capital goods, and means of transport used for tourism

comprehensive "Emerging Gabon" strategy. The target is 10,000 visitors in a five-year time-frame, and 250 hotel rooms built.⁵⁹ The stated aim is to make tourism a tool for fighting poverty, fostering economic development in rural areas, and promoting the conservation and enhancement of the country's natural and cultural heritage.

4.98. Many development plans, for example the Master Plan for Tourism Development (PDDT) and the Programme to Support the Development of Community-based Ecotourism (PADEC), are apparently in the process of being adopted. The subsector is still facing difficulties linked to the weakness of the hotel and transport infrastructure. A shortage of skilled labour (tourist guides in particular) further detracts from the country's attractiveness to tourists.⁶⁰ Gabon has a hotel capacity of 2,707 rooms in 124 hotels.

4.99. Gabon offers opportunities for the development of tourism aimed at business travellers interested in the exploitation of its natural resources. There is also potential for leisure tourism and for ecotourism, thanks to the country's exceptional fauna and flora. In order to protect the latter and promote the development of ecotourism in Gabon, in 2002 the State created a network of 13 national parks and conservation areas covering 11.5 million hectares (11.25% of the territory). In return for fiscal and customs incentives received, tourism enterprises and firms participating exclusively in an approved project should undertake to give priority to recruiting Gabonese workers and to comply with environmental protection standards.

Box 4.1 Fiscal and customs incentives for investment in tourism, 2013

Conditions of approval:

The construction and/or equipping of tourist accommodation, facilities on tourist sites, tourism promotion and transport facilities, facilities for the operation of pleasure craft, and extensions thereto.

Fiscal and customs concessions for investments in excess of CFAF 800 million:

- Exemption from corporation tax (IS) or personal income tax during the period of construction of the project and the eight years of operation following completion of construction of the approved project, and a 50% reduction on the corresponding taxable profits during the eight years following the end of the exemption period.
- Carry-over of losses recorded during the exemption period to set against profits made during the first three years of operation of the project.
- Exemption from withholding tax for payments made during the period of construction of the project and the first ten years of operation.
- Exemption from the payment of business licence fees for a period of five years.
- Ten-year exemption from property tax for new construction, and progressive application of the tax over four years (20, 40, 60, and 80%).
- Exemption from customs duties and taxes on (new) plant and equipment for a period of ten years.
- Exemption from VAT on capital goods and personalized supplies for approved tourist hotel enterprises.

Fiscal and customs concessions for investments of less than CFAF 1.8 billion:

Income tax credit corresponding to 5% of the amount of the investment, excluding tax, for five years.

Source: Ordinance No. 2/2000 of 12 October 2000 and 2013 Finance Law.

purposes; and exemption from VAT on capital goods and personalized supplies for approved tourist hotel enterprises (Article 166, General Code of Direct and Indirect Taxes).

⁵⁹ Gabonese Republic (2012), *Emerging Gabon Strategic Plan*, July, Libreville, Gabon.

⁶⁰ Online information. Viewed at: www.gabonnationalparks.com.

4.100. The hotel infrastructure is concentrated in Libreville, with a few units in Port-Gentil and Franceville. Hotels owned by the State are generally operated under a management contract by three large international chains, and a few units have been privatized. In principle, hotels are classified according to international standards; the last classification exercise took place in 2012. The prices of rooms and services are fixed by the operators. In 2009, the average annual occupancy rate was around 30.5%.⁶¹ There are a few medium-sized private hotels in Libreville and elsewhere.

4.101. Tourism was the subject of specific commitments made by Gabon under the GATS⁶²; these commitments relate, in particular, to hotel and restaurant services and to travel agencies and tour operator services. The commitments concern both investment and certain categories of personnel (managers, senior executives and specialists).

4.102. Gabon has been a member of the World Tourism Organization (UNWTO) since 1995.

4.5.3 Telecommunications and postal services

4.103. The postal services and telecommunications subsector is regulated primarily by Law No. 4/2001 of 27 June 2001. In accordance with this framework, the State has exclusive authority to establish and operate public telecommunications networks, which it can delegate. Under the authority of the Ministry responsible for telecommunications, the Telecommunications Regulatory Agency (ARTEL) allocates licences under a multiple licence regime.

4.104. Gabon Télécom has a monopoly on the provision of basic fixed telecommunications services (fixed telephony and telex) until 2012. In December 2011, the merger between Gabon Télécom and its mobile subsidiary was completed. In 2011 Gabon Télécom had a fixed-line customer base of 22,500 lines (around 32,000 in 2005), which has been declining steadily because of competition from mobile services. The fixed-line penetration rate remains low (less than 2% in 2011). Gabon Télécom also offers internet access via its wired network (especially high-speed ADSL) and its CDMA network. It has more than 23,500 internet subscribers, representing a 6.5% increase. In addition, Gabon Télécom has access to the SAT-3 submarine cable, enabling it to satisfy its own international bandwidth requirements and market international services (internet, voice) to other telecom operators. In principle, Gabon Télécom⁶³ is under an obligation to provide basic universal service, financed by a special fund which derives its income from a charge fixed at 2% of the annual turnover of the mobile telephony companies.⁶⁴

4.105. In 2011, Gabon's mobile telephony market consisted of 2.2 million customers, representing a penetration rate of 143%. Airtel (55% of the market), Libertis (22%), Moov (16%) and UZAN (7%) are the companies licensed in Gabon. The arrangements for interconnection of the telecommunications networks and services are governed by Decree No. 000540/PR/MPT of 15 June 2005. Under the terms of this Decree, ARTEL is responsible for fixing interconnection charge ceilings on the Gabonese telecommunications market. Telephone charges are set freely by the operators, with the exception of those relating to the Gabon Télécom monopoly, which are subject to approval; in principle, ARTEL intervenes only in cases of anti-competitive practices. In 2009, an analysis of the telecommunications market by ARTEL highlighted discriminatory practices and a failure to take account of actual costs when fixing interconnection rates. As a consequence, ARTEL introduced a progressive, cost-oriented interconnection regime which brought interconnection rates down by around CFAF 30 in 2010.⁶⁵ The country's Post and Electronic Communications Regulatory Agency (ARCEP) is responsible for approving telecommunications equipment; in principle, it makes a charge for this service.⁶⁶ Under an agreement with ARTEL, GABTEL manages frequencies and collects fees for their use.

⁶¹ Directorate-General of Tourism (2011).

⁶² WTO document GATS/SC/34 of 15 April 1994.

⁶³ The universal service "transmits emergency calls, supplies a universal directory and an information service, and serves the national territory with call boxes installed on the public highway" (Article 37 of Law No. 5/2001 of 27 June 2001).

⁶⁴ Decree No. 544 /PR/MPT of 15 July 2005.

⁶⁵ Decision No. 005709/PCR/ARTEL/09 of 16 September 2009.

⁶⁶ Ministerial Order No. 27/MCPTI/CAB of 18 June 2004.

4.106. The number of (mainly mobile) internet users rose from 161,761 in 2008 to 282,776 in 2011.

4.107. La Poste, a public institution responsible for managing the postal services, took over the viable assets and liabilities of Gabon Poste, which went into liquidation. In addition to its traditional role, La Poste provides various financial services through the Post Office Savings Bank. There are many private operators offering express delivery courier services (DHL, EMS Delta+, Universal Express), in addition to those offered by La Poste. In practice, mail from Europe takes about a week to reach Gabon.

4.108. While international letter-post traffic has declined significantly since 2004 with the development of communications technology, Gabon's postal services have reported a steady increase in parcel traffic over the same period (Table 4.2).

Table 4.1 Postal traffic statistics, 2006-2011

	2006	2007	2008	2009	2010	2011
Domestic traffic						
Letters	1,615	1,900	2,810	2,598	2,829	2,608
Parcels	..	..	..	1.2 ^a	3.5	10
Incoming international traffic						
Letter-post traffic (kg thousand)	73.9	57.1	47.9	45.5	43.6	44.5
Number of ordinary letters (million)	1.5	1.2	1.3	1.2	1.3	1.3
Registered (thousand)	14.6	8.1	6.4	9.4	15	14
Number of parcels (thousand)	2.7	2.7	3.3	3.9	4.3	4.5

.. Not available.

a Launch of COLIDO.

Source: La Poste, Directorate-General, Mail Directorate.

4.5.4 Financial services

4.5.4.1 Banking services

4.109. Banking activities in Gabon are subject to the CEMAC common banking regulations (common report, Chapter 4) and the applicable national provisions. In 2010, Gabon's banking network consisted of nine banks, seven of which were affiliated to, or majority owned by, foreign banks.⁶⁷ Banking services in Gabon have expanded into the new area of mobile telephone banking. In 2009, the Banque internationale pour le commerce et l'industrie du Gabon launched its online banking facility, used by 9,000 customers. However, the possibility of transferring money through the internet remains very limited.

4.110. The State has a majority stake in the Banque gabonaise de développement (69.01%) and the Banque de l'habitat du Gabon (55.55%). The commercial banking subsector in Gabon remains highly concentrated. The three biggest banks (BGFIBANK, Banque internationale pour le commerce et l'industrie du Gabon, and Union gabonaise des banques) hold 72% of the market share in terms of balance sheet total, 83.6% in terms of deposits, and 87.4% in terms of credit. The banking penetration rate, estimated at between 5% and 15%, remains low, as it is in the region.

⁶⁷ Banque gabonaise de développement, Banque internationale pour le commerce et l'industrie du Gabon, BGFIBANK, Banque de l'habitat du Gabon, Citibank Gabon S.A., Orabank, Union gabonaise des banques, Ecobank Gabon, and United Bank for Africa Gabon.

4.111. Four approved specialized financial institutions also provide financial services.⁶⁸ Microfinance services continue to experience strong growth. The number of microcredit institutions has increased from three to ten since Gabon's last TPR.

4.112. The banking system is still suffering from a number of structural weaknesses, including high interest rate margins and a large proportion of loan defaults. The realization of collateral remains a complicated and costly process, and the level of enforcement of obligations is low.

4.5.4.2 Insurance services

4.113. The insurance market in Gabon is subject to the regulations of the Inter-African Conference on Insurance Markets (CIMA) (common report, Chapter 4). There are eight approved companies, six of which are subsidiaries of major international groups. Three of the companies specialize in life insurance (NSIA-VIE, UAG-VIE and OGAR-VIE), and five in fire and accidents, sundry risks and transport (IARD-T, Assinco, AXA, Colina Assurance Gabon, and NSIA Gabon and Ogar).

4.114. In addition to motor vehicle third party insurance, which is mandatory under the CIMA Code, the insurance of merchandise imports with a value of more than CFAF 300,000 is also mandatory in Gabon.⁶⁹

4.115. In 2009 Gabon set up a reinsurance company, the Société commerciale gabonaise de réassurance (SCG-RE). The State has a 67.5% stake in SCG-RE, with local insurance companies holding the remaining shares. The insurance companies are required to cede 15% of their non-life contracts and 10% of their life insurance contracts to SCG-RE.⁷⁰ In addition, obligations under the Common Reinsurance Company of the Member States of CIMA (CICA-RE) remain in force.

⁶⁸ BGFI-Bail, BICI-Bail, FINATRA and SOGACA.

⁶⁹ Ordinance No. 6/79/PR of 11 January 1979.

⁷⁰ Ordinance No. 0013/PR/2011 of 11 August 2011.

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5 APPENDIX TABLES

Table A1.1 Structure of exports, 2006-2011
(US\$ billion and %)

	2006	2007	2008	2009	2010	2011
Total exports (US\$ billion)	6.0	6.3	9.5	5.4	8.6	9.8
	(% share)					
Live animals and animal products	0.3	0.2	0.1	0.0	0.0	0.0
Vegetable products	0.0	0.0	0.0	0.0	0.0	0.0
Seeds and animal or vegetable oils	0.0	0.0	0.0	0.0	0.0	0.0
Prepared foodstuffs	0.5	0.4	0.3	0.7	0.3	0.2
Mineral products	88.7	87.0	91.4	86.1	92.5	93.9
Mineral fuels, mineral oils	85.6	83.4	88.8	83.0	90.0	91.4
Ores, slag and ash	3.1	3.5	2.6	3.1	2.4	2.4
Salt; sulphur; earths and stone; plastering materials	0.0	0.0	0.0	0.0	0.0	0.0
Products of the chemical industries	0.0	0.1	0.0	0.1	0.0	0.0
Plastics and articles thereof	0.4	0.5	0.6	0.6	0.5	0.9
Rubber and articles thereof	0.4	0.4	0.6	0.5	0.5	0.9
Plastics and articles thereof	0.0	0.0	0.0	0.0	0.0	0.0
Raw hides and skins, leather, furskins	0.0	0.0	0.0	0.0	0.0	0.0
Wood, wood charcoal and articles of wood	8.3	10.5	6.6	10.4	4.7	3.8
Wood, wood charcoal and articles of wood	8.3	10.5	6.6	10.4	4.7	3.8
Basketware and wickerwork	0.0	0.0	0.0	0.0	0.0	0.0
Wood pulp	0.0	0.0	0.0	0.0	0.0	0.0
Textiles and textile articles	0.0	0.0	0.0	0.0	0.0	0.0
Footwear, headgear, umbrellas, sun umbrellas	0.0	0.0	0.0	0.0	0.0	0.0
Articles of stone, plaster, cement, asbestos	0.0	0.0	0.0	0.0	0.0	0.0
Natural or cultured pearls, precious or semi-precious stones	0.0	0.0	0.0	0.0	0.0	0.0
Base metals and articles of base metal	0.1	0.1	0.2	0.2	0.1	0.3
Machinery and mechanical appliances, electrical equipment	0.2	0.2	0.2	1.3	0.6	0.4
Vehicles, aircraft, vessels	1.4	0.9	0.5	0.4	0.6	0.3
Optical, photographic, etc., instruments and apparatus	0.0	0.1	0.0	0.1	0.5	0.1
Arms and ammunition; parts and accessories thereof	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufactured articles	0.0	0.0	0.0	0.0	0.0	0.0
Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0

Source: Information provided by the Gabonese authorities.

Table A1.2 Structure of imports, 2006-2011
(US\$ billion and %)

	2006	2007	2008	2009	2010	2011
Total imports (US\$ billion)	1.7	2.2	2.5	2.4	3.0	3.6
	(% share)					
Live animals and animal products, of which:	5.8	6.5	6.7	6.2	5.5	6.0
Meat and edible meat offal	3.5	4.2	4.3	3.9	3.7	3.8
Dairy produce, eggs, honey	1.7	1.7	1.9	1.7	1.3	1.5
Vegetable products, of which:	3.8	4.5	4.5	5.0	4.0	4.1
Cereals	2.4	3.0	2.9	3.3	2.9	2.9
Seeds and animal or vegetable oils	1.7	2.1	2.2	1.1	1.0	1.0
Fats and oils (animal or vegetable)	1.7	2.1	2.2	1.1	1.0	1.0
Prepared foodstuffs, of which:	6.8	6.4	6.1	6.2	5.7	5.6
Beverages, spirits and vinegar	1.2	1.2	1.1	1.2	1.2	1.2
Preparations of cereals, of flour	1.0	0.8	1.0	1.1	1.1	1.2
Mineral products	5.4	5.9	6.8	8.6	12.0	13.2
Mineral fuels, mineral oils	4.0	4.7	4.9	7.4	10.4	11.7
Salt; sulphur; earths and stone; plastering materials	1.3	1.1	1.4	1.2	1.5	1.4
Ores, slag and ash	0.1	0.1	0.5	0.1	0.0	0.1
Products of the chemical industries, of which:	7.8	8.2	8.2	9.2	7.9	6.9
Pharmaceutical products	2.4	3.1	2.9	3.0	2.6	2.4
Miscellaneous chemical products	1.6	1.5	1.6	1.8	2.1	1.4
Plastics and articles thereof	3.8	3.9	3.9	3.8	3.6	4.1
Plastics and articles thereof	2.0	2.0	2.2	2.2	2.2	2.4
Rubber and articles thereof	1.7	1.8	1.8	1.7	1.4	1.7
Raw hides and skins, leather, fur skins	0.2	0.1	0.2	0.1	0.1	0.2
Wood, wood charcoal and articles of wood	0.1	0.1	0.1	0.1	0.1	0.1
Wood pulp	2.3	2.6	2.1	1.8	1.6	1.5
Textiles and textile articles	1.7	2.3	1.3	1.3	1.6	1.3
Footwear, headgear, umbrellas, sun umbrellas	0.5	0.5	0.5	0.4	0.4	0.4
Articles of stone, plaster, cement, asbestos	1.2	1.4	1.6	1.5	1.4	1.5
Natural or cultured pearls, precious or semi-precious stones	0.3	0.1	0.0	0.0	0.0	0.1
Base metals and articles of base metal, of which:	13.2	14.5	11.6	14.3	11.2	11.6
Articles of iron or steel	9.0	9.4	6.5	10.3	7.0	7.0
Iron and steel	1.3	1.7	2.1	1.2	1.7	1.8
Machinery and mechanical appliances, electrical equipment	26.2	26.0	27.9	26.3	28.5	24.1
Mechanical machinery and appliances	18.0	17.5	21.0	18.3	21.7	15.9
Electrical machinery and appliances	8.2	8.5	7.0	7.9	6.8	8.1
Vehicles, aircraft, vessels, of which:	15.5	10.7	11.9	9.7	10.4	12.5
Motor vehicles, tractors, cycles	10.1	9.2	9.1	7.6	6.9	9.7
Aircraft, spacecraft	3.0	0.8	0.9	0.7	1.9	1.1
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof, including:	2.2	2.2	2.4	2.6	3.1	2.8
Optical and photographic instruments and apparatus	2.1	2.2	2.4	2.5	3.0	2.8
Arms and ammunition; parts and accessories thereof	0.2	0.2	0.1	0.1	0.1	0.1
Miscellaneous manufactured articles	1.4	1.7	1.9	1.6	1.8	2.9
Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0

Source: Information provided by the Gabonese authorities.

Table A1.3 Destination of exports, 2006-2011
(US\$ billion and %)

	2006	2007	2008	2009	2010	2011
World (US\$ billion)	6.0	6.3	9.5	5.4	8.6	9.8
	(% share)					
America	58.7	55.1	55.6	59.0	63.0	..
United States	58.4	53.4	51.8	58.9	58.3	..
Other America	0.3	1.7	3.9	0.1	4.6	..
Europe	15.1	17.7	17.0	19.5	17.4	..
EU(27)	12.1	17.2	16.2	17.9	15.0	..
Netherlands	0.4	0.5	3.6	3.0	5.5	..
France	7.1	11.3	6.0	4.6	3.8	..
Spain	1.4	1.5	3.3	5.3	3.1	..
United Kingdom	1.2	1.5	0.0	2.1	0.9	..
Italy	1.1	1.2	2.8	0.7	0.6	..
Belgium	0.2	0.2	0.2	0.2	0.5	..
EFTA	2.9	0.5	0.7	1.5	2.3	..
Switzerland and Liechtenstein	2.6	0.0	0.3	0.0	1.9	..
Norway	0.3	0.5	0.4	0.6	0.4	..
Other Europe	0.0	0.1	0.1	0.0	0.0	..
Commonwealth of Independent States (CIS)	0.3	0.3	0.2	0.1	0.1	..
Africa	5.5	4.1	3.8	5.4	3.1	..
Congo	0.3	0.3	0.3	1.5	0.8	..
Côte d'Ivoire	0.1	0.0	0.0	0.0	0.3	..
Morocco	0.3	0.7	0.3	0.3	0.3	..
Senegal	0.7	0.0	0.2	0.1	0.3	..
Equatorial Guinea	0.1	0.8	0.2	0.3	0.2	..
Gambia	0.1	0.2	0.2	0.3	0.2	..
Benin	0.0	0.3	0.3	0.5	0.2	..
Middle East	0.1	0.1	0.1	0.2	0.1	..
Asia	20.4	22.6	23.3	15.8	16.3	..
China	10.6	9.5	13.3	8.1	5.1	..
Japan	0.1	5.5	0.7	0.1	0.1	..
Six East Asian Traders	7.6	6.3	2.5	6.8	5.3	..
Malaysia	0.0	2.5	1.4	4.0	5.2	..
Other Asia	2.2	1.3	6.8	0.9	5.8	..
Australia	0.0	0.0	0.0	0.0	2.3	..
India	2.1	0.9	6.4	0.8	2.0	..
Indonesia	0.0	0.3	0.3	0.0	1.5	..
Other	0.0	0.0	0.0	0.0	0.0	..

.. Not available.

Source: WTO Secretariat calculations based on data provided by the Gabonese authorities.

Table A1.4 Origin of imports, 2006-2011
(US\$ billion and %)

	2006	2007	2008	2009	2010	2011
World (US\$ billion)	1.7	2.2	2.5	2.5	3.0	3.6
	(% share)					
America	10.3	12.9	15.7	14.3	17.1	..
United States	6.8	8.4	11.1	9.4	14.1	..
Other America	3.4	4.5	4.6	4.8	3.0	..
Brazil	1.8	2.0	2.5	2.0	1.2	..
Canada	0.4	0.7	1.0	0.9	0.8	..
Europe	67.7	57.4	52.6	59.5	52.1	..
EU(27)	67.1	56.3	51.6	58.4	50.3	..
France	40.0	30.4	28.6	32.9	25.8	..
United Kingdom	1.9	3.3	4.3	4.0	6.1	..
Netherlands	2.8	3.4	4.0	4.6	4.4	..
Germany	1.9	5.0	4.1	3.7	4.4	..
Italy	1.9	3.1	3.0	3.2	2.9	..
Belgium	14.4	3.7	2.9	5.5	2.9	..
Spain	2.4	2.9	2.0	2.1	1.8	..
EFTA	0.2	0.7	0.6	0.6	1.2	..
Switzerland and Liechtenstein	0.1	0.5	0.4	0.4	0.9	..
Other Europe	0.4	0.4	0.4	0.5	0.6	..
Turkey	0.3	0.4	0.4	0.4	0.5	..
Commonwealth of Independent States (CIS)	0.2	0.2	0.3	0.3	0.8	..
Africa	9.2	8.0	9.2	7.2	6.5	..
South Africa	1.8	2.1	1.7	1.7	1.5	..
Cameroon	3.5	2.8	2.2	1.7	1.3	..
Côte-d'Ivoire	0.8	0.5	0.6	0.5	0.8	..
Middle East	2.1	2.3	1.3	1.5	1.8	..
United Arab Emirates	1.1	1.0	0.8	0.7	0.8	..
Asia	10.6	15.4	17.6	16.4	18.9	..
China	2.7	4.7	5.2	6.0	8.4	..
Japan	3.0	4.5	4.2	3.6	3.8	..
Six East Asian Traders	3.2	3.7	5.7	4.1	4.0	..
Thailand	1.6	2.3	3.2	2.0	2.3	..
Malaysia	0.5	0.5	0.8	0.6	0.6	..
Other Asia	1.7	2.5	2.5	2.8	2.8	..
India	0.8	1.2	1.0	1.5	1.3	..
Viet Nam	0.3	0.4	0.5	0.4	0.6	..
Other	0.0	3.8	3.3	0.9	2.8	..

.. Not available.

Source: WTO Secretariat calculations based on data provided by the Gabonese authorities.