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Economic Commission for Africa

COUNTRY PROFILE

2016



GABON





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Abbreviations and acronyms

CASDB	Central African States Development Bank
CEMAC	Central African Economic and Monetary Community
COBAC	Central African Banking Commission
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
FAO	Food and Agriculture Organization of the United Nations
FEVAC	Green Economy Fund of Central Africa
HDI	Human Development Index
ILO	International Labour Organization
IMF	International Monetary Fund
ITTO	International Tropical Timber Organization
MEF	Ministry of Water and Forests
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
OFAC	Observatory of Central African Forests
SMEs	Small and medium-sized enterprises
SNBG	National Wood Company of Gabon
UNCTAD	United Nations Conference on Trade and Development
UNDESA	Department of Economic and Social Affairs
UNDP	United Nations Development Programme
WB	World Bank
ZERP	Economic zone offering preferential tax treatment

Acknowledgements

Country Profiles is a series published annually by the Economic Commission for Africa (ECA). The aim of the series is to disseminate country- and region-specific policy analyses and recommendations for economic transformation, with an emphasis on promoting sustainable growth and social development, strengthening regional integration and facilitating development planning and economic governance. The present series is the result of the close collaboration of ECA with its subregional offices and the African Centre for Statistics. Specific contributions are provided by relevant programme areas of ECA, in particular, the Macroeconomic Policy Division, the Regional Integration and Trade Division, and the Social Development and Policy Division.

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Gabon at a glance

General information		Ranking	Rank	Out of	Year	Source
Subregion	Central Africa	Human Development Index	110	188	2015	UNDAP
Official language(s)	French	Gender inequality index	113	155	2014	UNDP
Currency	CFA franc	Ibrahim Index of African Governance	23	54	2014	Mo Ibrahim Foundation
Capital	Libreville	Ease of doing business index	162	189	2016	World Bank
Membership of regional economic communities	ECCAS CEMAC	Corruption perceptions index	99	167	2015	Transparency International



Economic growth

Gabon's real GDP grew by 3.9 per cent in 2015, against 4.3 per cent in 2014, buoyed by the 8.6 per cent rise in the oil sector and the 3.2 per cent rise in the non-oil sector. Growth of 3.3 per cent is expected for 2016. On the supply side, the primary sector continues to dominate the production structure. The primary and tertiary sectors contributed positively to growth. External demand, for its part, helped support growth through an increase in oil exports.



Fiscal policy

In 2015, budget revenue declined faster than public spending. This resulted in a negative fiscal balance (on a commitment basis) of -1.1 per cent of GDP, compared with a surplus of 2.6 per cent in 2014. Disappointing results are also expected for 2016, with the fiscal balance expected to decline to -1.4 per cent of GDP. Public debt stocks increased by 18 per cent to 3,165.6 billion CFA francs in 2015 (compared with 2,660.4 billion CFA francs in 2014) in connection with the financing of projects under the Strategic Plan for an Emerging Gabon.



Inflation and Monetary policy

Inflation fell from an annual average of 4.7 per cent in 2014 to -0.3 per cent in 2015. Prices should rise by 1.4 per cent in 2016, subject to adjustment to account for the effects of the crisis that followed the August elections. The Monetary Policy Committee of the Bank of Central African States decided in April 2016 to reduce the reserve requirements for commercial banks by 50 per cent.



Current account

The current account balance showed a deficit of 17.2 billion CFA francs in 2015, equalling 0.2 per cent of GDP, compared with a surplus of 7.4 per cent in 2014. This was due to a deterioration in all current account components but primarily the balance of trade, whose surplus, at 1,699.1 billion CFA francs, decreased by 38.5 per cent from 2014. The current account deficit is expected to worsen in 2016 and reach 10.7 per cent of GDP as a result of a continued decline in the balance of trade.



Foreign direct investment

Foreign direct investment flows into Gabon fell by 41.7 per cent, to 241.2 billion CFA francs, in 2015. This decrease is due to the decline in investment in the oil sector, which accounts for the bulk of the foreign direct investment inflows.



Demography

According to the most recent census, Gabon's population was 1,811,079 in 2013, of which 51.58 per cent were men and 48.42 per cent were women. The average age is 26. Half of the population is under 22. The population is predominantly urban (87 per cent) and concentrated in 1.1 per cent of the country's territory. The urban population is growing faster (at an average of 3.8 per cent per year) than the total population (at 2.9 per cent).



Poverty

The poverty rate was estimated at 33.5 per cent in 2005. Although not obtained using similar methods, the most recent data show that poverty affected 30 per cent of Gabon's total population in 2013. Living conditions have worsened in terms of access to basic services (health care, drinking water and electricity) in 60 per cent of regions.



Employment

Unemployment is high in Gabon, as it affects one out of six members of the labour force aged 16 to 65 (16.5 per cent). Unemployment is higher among women (22 per cent) than men (13 per cent). Geographic disparities in the unemployment rate are more pronounced at the departmental level than at the provincial one*. Unemployment is higher among young people, regardless of gender or area of residence.

* The territory of the Gabonese Republic is administratively divided into provinces, departments and districts. It comprises nine provinces. The department is an administrative unit that is subdivided into districts and municipalities.



Health

Life expectancy at birth in Gabon was estimated at 63.4 years in 2013, with women having a longer life expectancy (66 years) than men (61.2 years). The under-five mortality rate per 1,000 live births was 60.4 in 2013, compared with 89 in 2000. The maternal mortality rate went from 519 deaths per 100,000 live births for the period 1993-2000 to 277 for the period 2012-2013.



Education

The literacy rate among 15- to 24-year-olds in Gabon was estimated at 85.4 per cent in 2013, with 85 per cent literacy among men and 85.8 per cent among women. The net enrolment rate is 41 per cent for lower secondary education, but 12 per cent for upper secondary education.



Gender equality

There is total parity in the areas of health and education, as well as in youth literacy. However, more remains to be done to achieve parity in such areas as employment and representation in parliament and ministerial positions.

The real GDP growth rate declined from 4.3 per cent in 2014 to 3.9 per cent in 2015 as a result of lower oil prices and decreased public investment spending in a more restrictive fiscal policy environment. The economic slowdown is expected to continue, with growth of 3.3 per cent expected for 2016, in connection with the combined effect of a continued decline in international oil prices and a decrease in domestic oil production. The socio-political unrest, marked by looting and vandalism, that followed the August 2016 presidential election constitutes an additional risk for the economy, with slower growth likely for 2016. Inflation decreased from 4.7 per cent in 2014 to -0.3 per cent in 2015, reflecting declining prices in housing, communications and health services. With regard to public finances, the fiscal balance (on a commitment basis) went from positive to negative and stood at -1.1 per cent of GDP in 2015, against a surplus of 2.6 per cent in 2014. The current account balance showed a deficit of 17.2 billion CFA francs in 2015, equal to 0.2 per cent of GDP, compared with a surplus of 7.4 per cent in 2014.

Although Gabon's abundant natural resources represent an undeniable asset for its economic development, it must be recognized that its social conditions are not the most favourable. The most recent household living standard survey estimates the poverty rate to be 33.5 per cent. Furthermore, unemployment is high in Gabon, as it affects one out of six members of the labour force aged 16 to 65 (16.5 per cent). Living conditions have not improved substantially, which is related to the lack of potentially income-generating activities for households and decent jobs for young people.

Beyond a rapid return to political and social stability, the main challenge will be to move from an economy that is still dominated by oil revenue to a production-based economy. Gabon must therefore intensify its efforts to diversify its economy and to substantially increase the share of high-value-added activities by encouraging greater local processing of its abundant natural resources and promoting the emergence of competitive subsectors within agriculture and the modern service sector (finance, ICT, tourism, etc.) To fully and promptly commit to the development of Gabon's wood industry in particular, emphasis should be placed on stimulating the country's domestic market, strengthening its processing industry and improving its position in export markets. This means fully integrating the forest industry and its development into the overall framework of national industrial policy.

2

National and subregional context

Gabon has been dealing with the consequences of the progressive price decline in its major export commodities, including oil and manganese, since the second half of 2014. In 2015, these adverse conditions led to a slowdown in growth, although the rate of growth, at 3.9 per cent was still above the average for CEMAC (2.4 per cent¹) and for Africa (3.4 per cent²).

Economic activity in 2016 was characterized not only by a continued decline in oil prices and a decrease in oil production, but also by a revival in construction spurred by the January 2017 Africa Cup of Nations. Against this background, real GDP growth for 2016 is expected to be 3.3 per cent. This estimate could, however, be revised downward in light of the turmoil following the August 2016 presidential election, the holding of the election having been the main political event in the country.

Gabon is a member of both ECCAS and CEMAC. Because of its membership in CEMAC, Gabon must comply with the macroeconomic convergence criteria established by that institution, which are: i) a basic fiscal balance as a percentage of nominal GDP that is positive; ii) a stock of domestic and external debt as a percentage of nominal GDP that is less than or equal to 70 per cent; (iii) non-accumulation of domestic and external payment arrears; and (iv) inflation of less than 3 per cent. Gabon ranked first among CEMAC countries with respect to business climate in the World Bank's 2015 Doing Business ranking. The economic zone offering preferential tax treatment at Nkok, in Gabon, is considered to be Central Africa's largest special economic zone. Thanks to this hub, whose priorities include tertiary wood processing, Gabon intends to sell its products on the domestic and international markets. The headquarters of several subregional organizations, including ECCAS, COBAC and the Central African Stock Exchange, are located in Libreville, Gabon's capital. Gabon serves as Chair for NEPAD's Regional Coordination in Central Africa and has been the ECCAS Chair since May 2015.

1 Source: Bank of Central African States, Press release of Gabon's national monetary and finance committee of 6 July 2016.

2 Source: ECA, Africa Statistics Flash, June 2016.

Figure 1: GDP growth in Gabon, in the CEMAC zone, and in Africa (2011-2015, percentage)



Source General Directorate of Economy and Tax Policy, 2016; Bank of Central African States, 2016; ECA, 2016.

Box 1: Africa regional integration index - Gabon

The Africa Regional Integration Index is designed to measure how well each country in Africa is meeting its commitments under the pan-African integration frameworks, including Agenda 2063 and the Abuja Treaty.

The index is a joint project of ECA, the African Development Bank and the African Union Commission (2015). The index covers the following dimensions: free movement of persons, trade integration, productive integration (development of regional value chains), regional interconnections and infrastructure and macroeconomic policy convergence. The following section gives highlights on selected indicators in the index.

Overall rank:

Second in ECCAS (score: 0.58), Best-performing country in ECCAS is Cameroon (score: 0.66)*.

Free movement of persons	Trade integration	Productive integration	Infrastructure	Financial integration and macroeconomic policy convergence
Seventh in ECCAS (score: 0.35).	Third in ECCAS (score: 0.78). Best-performing country in ECCAS is Cameroon (score: 0.98).	Fourth in ECCAS (score: 0.24). Best-performing country in ECCAS is Burundi (score: 0.84).	Third in ECCAS (score: 0.52). Best-performing country in ECCAS is Congo (score: 0.69).	First in ECCAS (score: 1). Best-performing country in ECCAS is Gabon (score: 1).

Gabon has a medium-to-high ranking in the general index and holds the second-highest position out of the 11 ECCAS countries.

Free movement of persons: Gabon scored poorly (seventh in ECCAS). Only 35 per cent of nationals of other ECCAS member States may enter Gabon without a visa. Gabon has not yet ratified the relevant ECCAS instruments concerning free movement of persons, rights of establishment and free movement of workers.

* A continent-wide ranking, in which all African countries from all regional economic communities will be compared with one another, is currently under development for the Africa regional integration index and will be added to subsequent updates of the ECA country profiles.

Trade integration: Gabon received a good score (third in ECCAS). According to 2014 figures, Gabon has an average applied tariff of 0.31 per cent on imports from other ECCAS countries, which puts it in third-to-last place among member States. From 2010 to 2013, imports from the rest of ECCAS equalled only 1.6 per cent of Gabon's gross domestic product (GDP), statistically the fifth lowest level ever for an ECCAS member country. The share of Gabon's exports to ECCAS as a percentage of GDP averaged 1.65 per cent over the same period, the third highest percentage among ECCAS member States.

Productive integration: Gabon has an average score (fourth in ECCAS). The country is moderately well-integrated into regional value chains. Its trade weakly complements that of its partners. According to 2013 figures, its trade complementarity index is 0.10. This indicates a weak correlation between its exports and the ECCAS import structure.

Infrastructure: Gabon received an average score (third in ECCAS). It ranked first among ECCAS member States in the African Development Bank's infrastructure development index from 2010 to 2012. Approximately 52 per cent of international flights to and from Gabon were intraregional flights within ECCAS, which puts it in sixth place among the members of the bloc. Mobile phone roaming charges within the continent are relatively expensive in Gabon, which has the fifth highest roaming charges among ECCAS member countries for which data are available.

Financial integration and macroeconomic policy: Gabon received a good score (first in ECCAS). According to 2013 figures, the rate of inflation in Gabon, at 0.48 per cent, is lower than the ECCAS average of 4.26 per cent and is the second lowest in the region.

Overall, Gabon has a medium to high ranking, with its best performance in the areas of infrastructure and financial integration and macroeconomic policy convergence, but with medium to low scores in the areas of trade integration, productive integration and free movement of persons. With regard to specific measures that could boost its performance, Gabon could focus more on other macroeconomic policies, including the ratification of ECCAS instruments on free movement of persons and visa-free entry for nationals from a greater number of countries in the region, and could consider other measures to stimulate intraregional trade in goods and services, in particular integration into regional value chains.

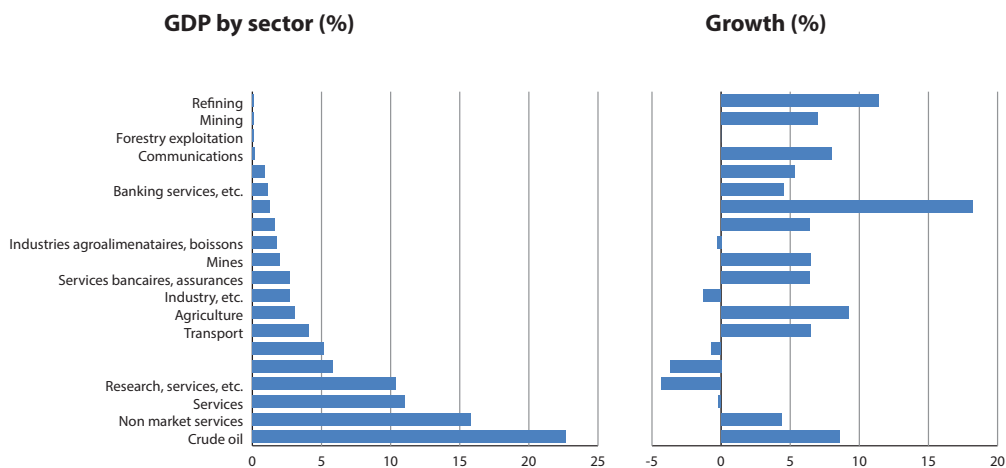
Economic performance

3.1 Economic growth and sectoral performance

The rate of economic growth has slackened since the second half of 2014 as a result of the declining prices for the country's main raw material exports and the lacklustre worldwide economic recovery. Economic growth stood at 3.9 per cent in 2015, against 4.3 per cent in 2014, despite an increase in oil and mining production.

With respect to supply, the primary sector continues to dominate the production structure and represented 31.7 per cent of GDP at factor cost in 2015, primarily because of the hefty 24.8 per cent of GDP accounted for by crude oil. The secondary sector, thought to be the catalyst for structural transformation, accounts for no more than 25.8 per cent, compared with 25.2 per cent for the tertiary sector and 17.3 per cent for non-market services. A detailed examination of the secondary sector reveals the weakness of the manufacturing sector, which mainly comprises agro-food and beverage industries (1.9 per cent of GDP), wood-based industries (1.8 per cent of GDP), mining (0.1 per cent of GDP) and other industries (3 per cent of GDP).

Figure 2: Share of GDP by sector and growth rates in major subsectors (2015)



Source: General Directorate of Economy and Tax Policy, 2016.

The primary and tertiary sectors contributed positively to growth, while the performance of the secondary sector was declined.

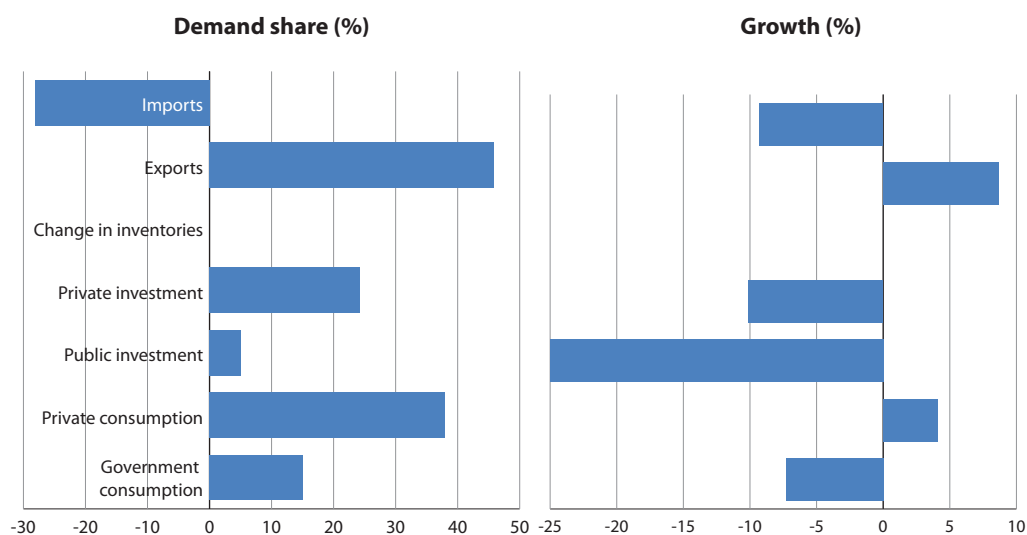
Primary sector activity grew 8.3 per cent, thanks to solid performance in the “agriculture, livestock breeding, fishing”, “oil”, “forestry exploitation”, and “mining” industries.

A decline of 1.5 per cent was recorded for the secondary sector because of decreased activity in construction and public works, other industries and, to a lesser extent, agro-food industries. Construction was affected in part by the reduced investment budget and the conclusion of several projects begun some years earlier. However, the “refining”, “wood industry”, and “electricity and water” sectors performed well in 2015.

Activity in the tertiary sector increased by 5.6 per cent in 2015. All industries in the sector, with the exception of “trade and services”, contributed positively to growth. Activity in the “transportation” and “communication” industries showed particular improvement owing to the solid performance of “telecommunications”, which benefited from the investment policy of fibre-optic and 4G operators.

With respect to demand, external demand increased by 8.7 per cent, allowing growth to be sustained in the face of a 4.3 per cent contraction in domestic demand. The increase in external demand can be chiefly attributed to the 10.9 per cent increase in oil exports occasioned by the solid European, Latin American and Caribbean demand. The decrease in domestic demand, for its part, stemmed from the 11.9 per cent decline in total investment, which included a 20 per cent decrease in investment in the oil sector.

Figure 3: Share of demand in GDP and growth rate (2015)



Source: General Directorate of Economy and Tax Policy, 2016.

According to the General Directorate of Economy and Tax Policy, the economy should grow by 3.3 per cent in 2016, in an environment characterized not only by lower oil prices and a decline in oil production but also by a strong recovery in construction and public works, the result of acceleration in infrastructure projects linked to the Africa Cup of Nations 2017.³ Revised growth projections for 2016, by sector, point to increases of 4.4 per cent in secondary sector activity and 4.7 per cent in tertiary sector activity, but foresee a slight decline of 0.5 per cent for the primary sector. There is therefore a risk of the real GDP growth rate for 2016 being lower than the above prediction, given the adverse effect of the post-election unrest of September 2016 on economic activity such as investment and trade.

Box 2: Comparing economic forecasts for Gabon

Economic forecasts are an essential tool for decision-making in the public and private sectors. These forecasts are produced by national institutions as well as by international organizations. Examples of the latter include the African Development Bank, the Economist Intelligence Unit, the International Monetary Fund and the World Bank. The forecasts produced by these organizations were within 4.3 percentage points of one another for the period 2008-2016 (see figure A). On average, IMF provided the most optimistic forecasts for the period 2008-2016, with a growth rate of 4.8 per cent. Looking forward, the most optimistic growth rate forecast for 2016 is from the World Bank (5.6 per cent), followed by IMF (5.5 per cent), the African Development Bank (4.7 per cent) and the Economist Intelligence Unit (4.1 per cent).

As the degree of accuracy of the forecasts is a serious concern, ECA has carried out an analysis to assess their reliability. The analysis is based on measures relating to the root mean squared error and the mean absolute error. Generally, the higher the value of these errors over the period, the less reliable the forecasts. Accordingly, the analysis carried out by ECA for the period 2008-2014 indicates that the IMF forecasts were relatively more accurate, followed by those of the World Bank and the Economist Intelligence Unit, while the forecasts of the African Development Bank included relatively high forecast errors (see figure B).

Figure A: Forecast GDP growth rates

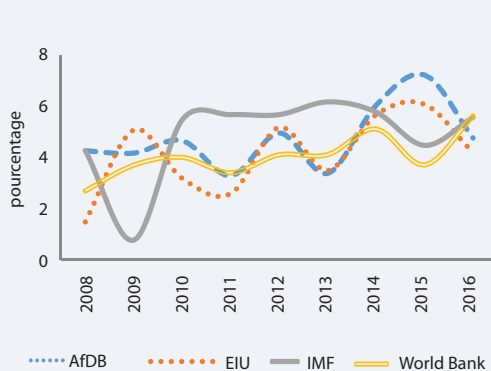
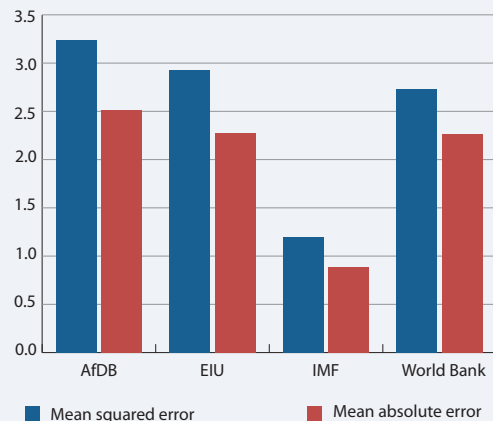


Figure B: Forecast error (2008-2014)



Source: ECA (2015)

³ General Directorate of Economy and Tax Policy 2016, Situation économique du Gabon en 2015, perspectives 2016-2020 et principales réformes économiques, April 2016.

3.2 Fiscal policy

In 2015, budget revenue declined by 23.5 per cent, while government spending decreased by 10.9 per cent. The reduction in budget revenue can be attributed partly to declines of 41.7 per cent in oil revenue and 9.2 per cent in non-oil revenue. The decrease in government spending was primarily due to a 30.1 per cent reduction in investment spending in relation to both government resources and external funds. Operating expenses decreased by 6.5 per cent, owing to reduced spending on goods and services, combined with reduced transfers and subsidies. This resulted in a fiscal deficit (on a commitment basis) of -1.1 per cent of GDP in 2015, compared with a surplus of 2.6 per cent in 2014. This poor performance is expected to continue in 2016, with the fiscal balance declining to -1.4 per cent of GDP.

The initial budget for the 2016 fiscal year provided for 2,626 billion CFA francs in income and expenses. Income was composed of non-oil revenue, oil revenue and loan resources, which represented shares of, respectively, 55 per cent, 22.9 per cent and 22.2 per cent. With respect to expenses, 53.4 per cent of spending was earmarked for operations, 24.9 per cent for debt service, 21.4 per cent for investment, and the remainder for other expenditures.

Data from the General Directorate for Debt indicate that the public debt stock increased by 19 per cent to 3,165.6 billion CFA francs in 2015, against 2,660.4 billion CFA francs the year before. Its structure has not changed significantly: in 2015, 91.1 per cent of the public debt was held externally and 8.9 per cent domestically; in 2014, the figure was 92.2 per cent for external debt and 7.8 per cent for internal debt. The increase in the outstanding public debt resulted from increased external and domestic debt incurred in connection with the financing of projects under the Strategic Plan for an Emerging Gabon. The debt ratio rose to 37.3 per cent of GDP, a level that is below the Community ceiling of 70 per cent of GDP and slightly higher than the strategic ceiling of 35 per cent set by the Government.

Table 1: Public finances (in percentage of GDP)

	2011	2012	2013	2014	2015
Total revenue	30.8	30.1	30.2	26.1	21.2
Oil revenue	19.6	17.5	15.5	11.5	7.1
Non-oil revenue	11.2	12.6	14.7	14.6	14.1
Total expenditure	25.2	27.6	28.4	23.6	22.3
Current expenditure	12.8	16.3	16.3	16.4	17.1
Capital expenditure	10.7	11.4	10.6	6.7	5.0
Fiscal balance (commitment basis, excluding grants)	1.5	2.0	1.8	2.6	-1.1

Source: General Directorate of Economy and Tax Policy, 2016, Bank of Central African States, 2016

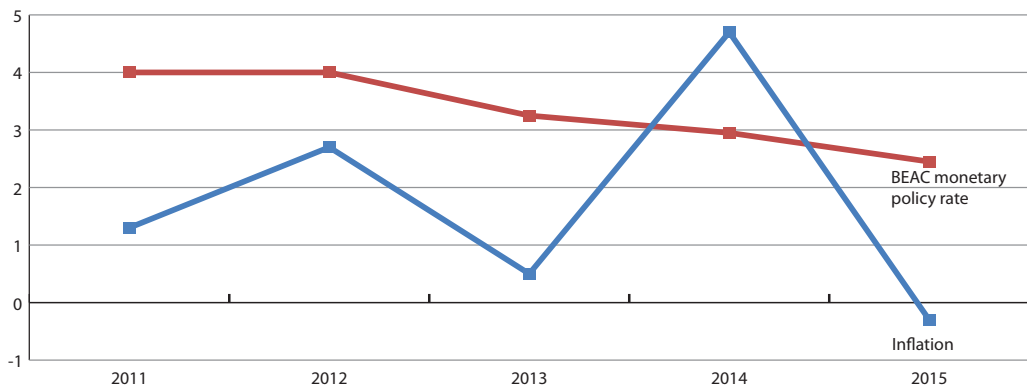
3.3 Inflation and monetary policy

Inflation fell from an annual average of 4.7 per cent in 2014 to -0.3 per cent in 2015. This decrease primarily reflects lower prices in housing, communications and health services. The prices of “clothing and footwear”, “recreation and culture” and “food and non-alcoholic beverages”, however, have increased.

Subject to adjustment to account for the effects of the post-election crisis on the market for goods and services, prices should rise 1.4 per cent in 2016. Prices are expected to remain below the Community requirement of 3 per cent against a backdrop of lower raw materials prices worldwide.

The objective of the monetary policy of the Bank of Central African States in the CEMAC region, which includes Gabon, is to ensure monetary stability. The Bank aims for an external currency coverage rate of at least 20 per cent and a slight increase in the general price level, which is capped at 3 per cent in accordance with the convergence criteria. The Bank of Central African States decided to loosen monetary policy for the region in July 2015 by lowering its key interest rate (rate for tenders) by 50 basis points to 2.45 per cent. Similarly, the repo rate and the Treasuries advance rate were also reduced in July 2015 to 4.20 per cent and 2.45 per cent, respectively. With regard to bank conditions, the minimum borrowing rate for customer deposits has remained unchanged since the last decrease in July 2014 and stands at 2.45 per cent. At its special meeting of 6 April 2016, after an analysis of recent developments with regard to the liquidity of the banking system in CEMAC, the Monetary Policy Committee of the Bank of Central African States decided to reduce the reserve requirements applicable to commercial banks in CEMAC countries, and consequently those in Gabon, by 50 per cent.

Figure 4: Inflation (in percentage)



Source: General Directorate of Economy and Tax Policy, 2016; Bank of Central African States, 2016.

3.4 Current account

Gabon recorded a current account deficit of 17.2 billion CFA francs for 2015, amounting to 0.2 per cent of GDP, against a 2014 surplus of 7.4 per cent.

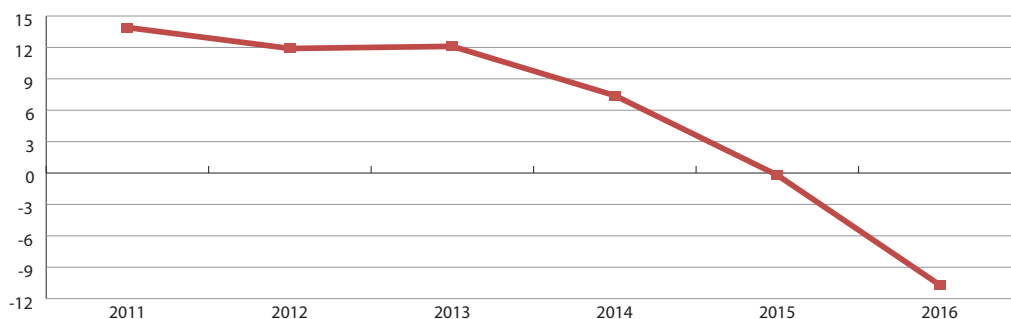
This was due to a weakening in all components of the current account but primarily the balance of trade. The export surplus deteriorated significantly in 2015, reaching a record low of 1,699.1 billion CFA francs, which represents a 38.5 per cent decrease from 2014. This reflects the fact that, although imports declined 9.8 per cent, exports decreased 27.1 per cent. The ratio of exports to imports continued its downward trend, going from 251.3 per cent in 2014 to 203.2 per cent in 2015.

Debt service payments showed a deficit of 1,875.4 billion CFA francs in 2015, a decrease of 945.1 billion CFA francs from 2014, as a result of deficit reduction in almost all the line items of this account. With respect to net income, the deficit stood at 697.7 billion CFA francs in 2015 against 967.6 billion CFA francs in 2014, representing a decrease of 27.9 per cent. The current account deficit is expected to worsen in 2016 and reach 10.7 per cent owing to the continued decline in the balance of trade.

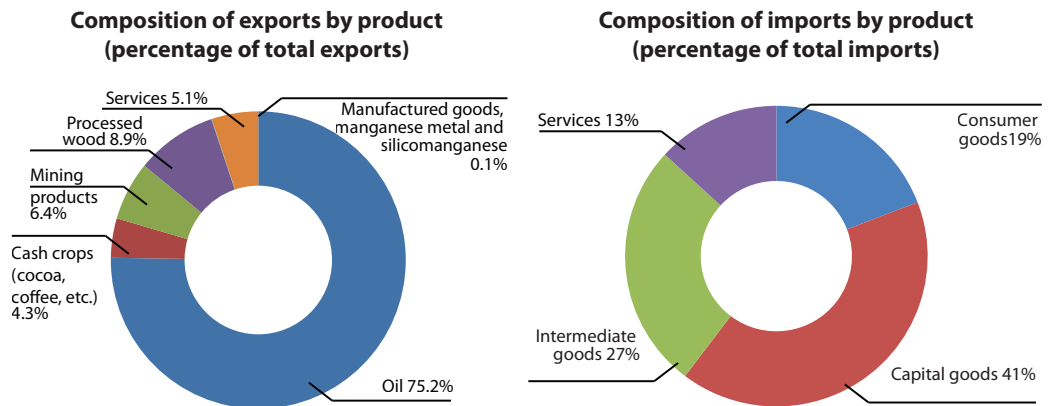
The review of Gabon's foreign trade pattern for 2015 clearly reveals the country's marked delay in the structural transformation of its economy. Natural resources, particularly crude oil, still account for a significant share of total exports (86 per cent), while the share of manufactured products, which are mostly derived from natural resources such as wood and manganese, remains minuscule (9 per cent). In addition, the predominance of consumer goods, capital goods and intermediate goods among imports underscores the fact that almost all items imported are from the manufacturing sector.

According to Gabonese customs data, the three main export destinations in 2015 were Asia (33 per cent), Europe (37 per cent) and the American continent (18 per cent), while Africa accounted for only 2 per cent.

Figure 5: Current account balance (2010-2015, percentage of GDP)



Source: Bank of Central African States, 2016

Figure 6: Structure of foreign trade (2015)

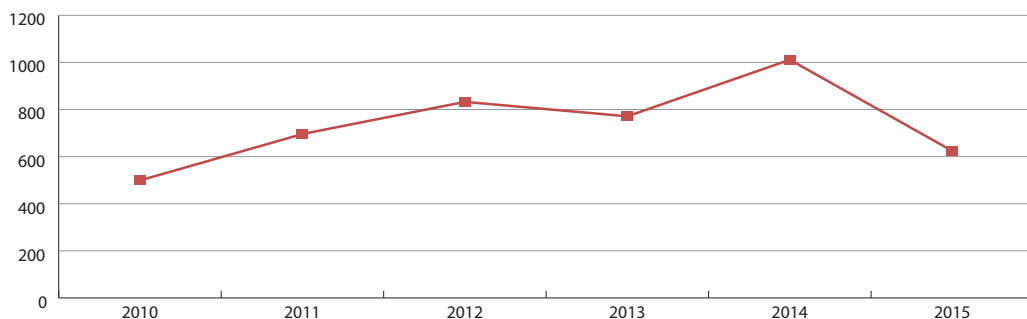
Source: General Directorate of Economy and Tax Policy, 2016; Bank of Central African States, 2016.

This observation highlights real opportunities for structural transformation in Gabon through commodity-based industrialization. Steps have already been taken through: i) the creation in Nkok of an economic zone offering preferential tax treatment and dedicated to wood processing and ii) the construction of the metallurgical complex at Moanda, which is devoted to the production of silico-manganese and manganese metal. It is not a matter only of targeting higher levels of oil and ore processing, but also of turning towards other sectors that have as much potential for growth, such as agroforestry and agro-industry. Given the relative narrowness of Gabon's domestic market, opportunities for structural transformation could also be found in modern services by accelerating advances in the banking and information technology and communication sectors and by promoting tourism.

Measures to foster structural transformation include: i) structural reforms aimed at improving the business environment, promotion of entrepreneurship and business creation; ii) infrastructure development; iii) administrative reform; iv) the boosting of vocational and technical training; and v) the elimination of barriers to subregional and regional integration, including non-tariff barriers.

3.5 Capital account, foreign direct investment and development assistance flows

The capital account deficit improved considerably and stood at -114.2 billion CFA francs for 2015 against -340 billion for 2014. This was due in part to the increase in capital inflows for other public sector investments whose external financing has been assessed at 506.6 billion CFA francs, against 256.3 billion CFA francs in 2014.

Figure 7: Net foreign direct investment inflows

Source: UNCTAD, 2016.

According to UNCTAD data (2016), the foreign direct investment flows into Gabon decreased from 1,011.3 to 623.9 million dollars between 2014 and 2015, a decline of 38 per cent. This deterioration is due to the drop in investment in the oil sector, which receives the bulk of the foreign direct investment inflows into Gabon. The continuous decline in oil prices on international markets since June 2014 is likely to undermine the attractiveness of the sector, while the post-election turmoil in 2016 could discourage foreign economic operators wishing to invest in the productive sector.

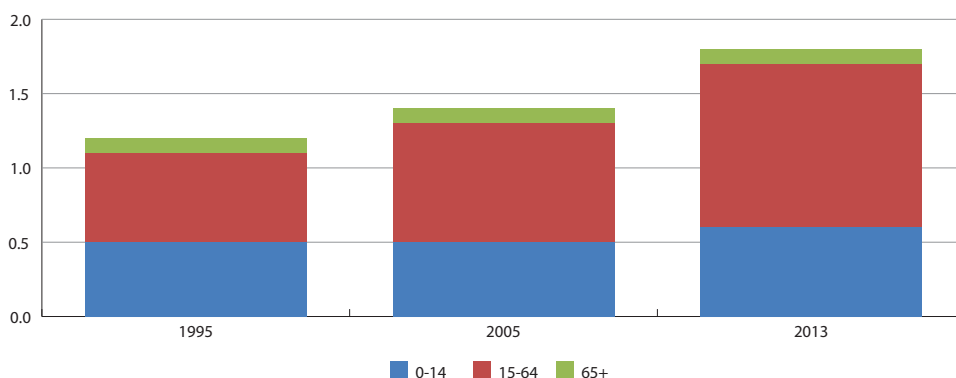
Social developments

4.1 Demography

According to Gabon's most recent general census of population and housing, the population was 1,811,079 in 2013, with a ratio of 51.58 per cent men to 48.42 per cent women. The average age is 26 years. Half of the population is under 22. The population is distributed very unevenly across the country. Almost half of the population lives in the province of Estuaire. Population density is low at the national level, with 6.8 inhabitants per square kilometre. However, it is high in some places, such as the municipalities of Libreville and Port-Gentil, where it exceeds, respectively, 3,700 and 2,480 inhabitants per square kilometre. The population is predominantly urban (87 per cent) and concentrated in only 1.1 per cent of the country's territory, while rural areas are very sparsely populated. The rate of population growth remains significant. The population more than tripled between 1960 and 2013 and it has increased 78 per cent over the last 20 years. The urban population is growing faster (at an average of 3.8 per cent per year) than the total population (at 2.9 per cent).

As figure 8 illustrates, Gabon is in a position to reap a demographic dividend in that i) 34.7 per cent of the total population is under 15 years of age; ii) 64.1 per cent is under 30; iii) 61.4 per cent is in the labour force; iv) 5.6 per cent is over 60; and (v) 3.9 per cent is over 65. Furthermore, in the two decades from 1993 to 2013, the working age population increased from 55.6 per cent to 61.4 per cent.

Figure 8: Age distribution of the population (in millions of inhabitants)



Sources: General Directorate of Statistics of Gabon, 2013; UNDESA, 2015.

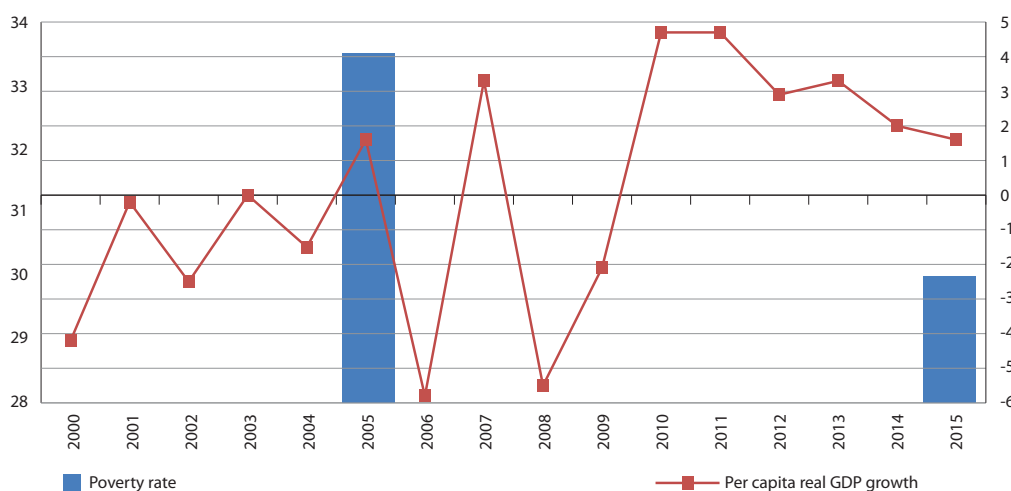
4.2 Poverty and employment

Poverty and unemployment remain relatively high despite Gabon's abundant natural resources.

According to the latest household living standard survey, conducted more than a decade ago in 2005, the poverty rate was estimated at 33.5 per cent of the total population. The most recent available data, from a 2013 study conducted by the firm McKinsey⁴, although not obtained using similar methods, indicate that the situation has changed little, with 30 per cent of Gabonese economically vulnerable. The study shows that living conditions have deteriorated in terms of access to basic services (health care, drinking water and electricity) in 60 per cent of regions. The Gabonese authorities, aware that poverty reduction is a challenge, organized a large-scale national consultation, termed "Assises Sociales", in 2014 in order to define a human investment strategy. The new social policy has three objectives: i) to assist the most vulnerable populations (including the elderly, orphans and persons with disabilities) through integrated social programmes; ii) to provide the poorest inhabitants with income-generating activities; and iii) to reduce inequalities in access to public services.

The labour market is characterized by the predominance of salaried employment, accounting for more than half of workers, followed by self-employment, representing three tenths of the employed. The latest general census of population and housing indicates that Gabon's working-age population (i.e., aged 16 to 65) is 1,031,521. Of that number, nearly 580,000 are employed. The level of economic participation for 16- to 65-year-olds is relatively low, as the total labour force participation rate is only 58 per cent. In other words, fewer than 6 out of 10

Figure 9: Poverty rate and per capita real GDP growth rate



Source: General Directorate of Statistics of Gabon; World Bank, 2016

4 McKinsey (2013), Stratégie d'investissement humain du Gabon, Libreville, 25 pp.

persons of working age are in the labour market. Women and city dwellers participate less in the labour market than do men and country dwellers. Approximately 47 per cent of the total labour force works in the informal sector (IMF 2013)⁵.

Unemployment is high in Gabon, as it affects one out of six members of the labour force aged 16 to 65 (16.5 per cent using the ILO classification). Unemployment is higher among women (22 per cent) than men (13 per cent). Geographic disparities in the unemployment rate are more pronounced at the departmental level than at the provincial one. Unemployment is 38 per cent or more in 8 departments, while it is less than or equal to 15 per cent in 13 departments. Unemployment is higher among young people, regardless of gender or area of residence. The unemployment rate for 16- to 25-year-olds varies between 25 and 42 per cent and is therefore significantly higher than the national average of 16.5 per cent.

Several factors explain the existence of high unemployment despite the positive rate of growth: the structure of the economy relies heavily on the oil sector, which has a low degree of labour intensity, and mismatches between the education system and the labour needs of the productive sector do not allow a large proportion of those leaving that system to take advantage of employment opportunities. Consequently, the key challenges that Gabon faces in creating jobs and reducing unemployment consist in 1) encouraging greater local processing of its abundant natural resources in order to diversify its economy and thus reduce its vulnerability to external shocks, and 2) adapting its education policy to the real needs of the labour market by promoting technical and vocational training.

4.3 Health

Life expectancy at birth in Gabon was estimated in 2013 to be 63.4 years. It is slightly higher for women (66 years) than for men (61.2 years).

With regard to the reduction of child mortality, considerable progress has been made in recent years. As a result, the under-five mortality rate per 1,000 live births went from 89 in 2000 to 60.4 in 2013, and the infant mortality rate per 1,000 live births fell from 57 in 2000 to 40.6 in 2013. These advances in child health represent a move towards the targets set under the 2011-2015 National Health Development Plan, which aimed to reduce the under-five mortality rate per 1,000 live births to 30 in 2015. The national report on the Millennium Development Goals, issued in 2015, on infant and child health notes, however, that there are a number of obstacles to reaching this goal:

- Poor infrastructure, with 70 per cent of maternity wards below standard;
- Unequal access to health resources, with better infrastructure resources in the capital than in other regions;

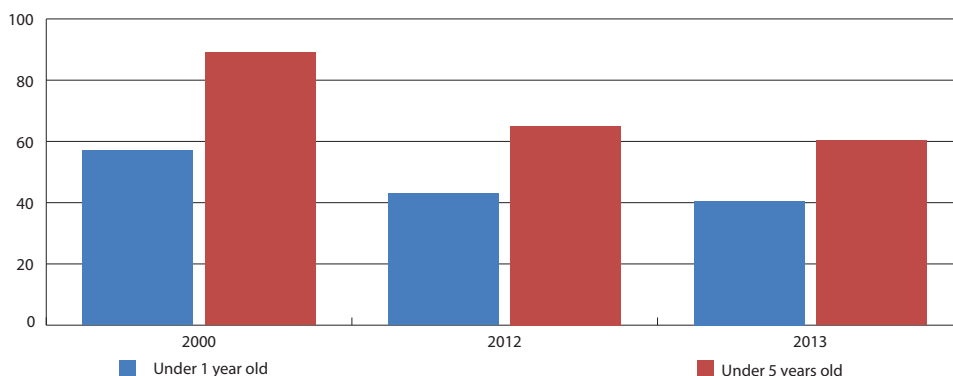
⁵ IMF (2013), 2012 Article IV Consultation; Country Report No. 13/55, March 2013.

- Deficiencies in health personnel, both in terms of quantity and quality, coupled with an uneven spatial distribution of personnel across the country.

Significant progress in the reduction of maternal mortality has also been made over the last 20 years. The maternal mortality rate went from 519 per 100,000 live births for the period 1993-2000 to 277 for the period 2012-2013. In addition, 2012 demographic and health survey for Gabon indicated that both the proportion of births that took place in a health facility and the proportion of births where women were attended by skilled personnel during delivery were estimated to be 90 per cent. Although more recent data are unavailable, these results seem to be far from the objectives set by the 2011-2015 National Health Development Plan, whose target maternal mortality rate for 2015 was 129 per 100,000 live births. Most women die as a result of complications arising during or after pregnancy or childbirth.

Combating HIV/AIDS remains a priority for the Government, with involvement of the highest authorities. Efforts undertaken in this area reduced the prevalence rate among 15- to 49-year-olds from 8.1 per cent in 2000 to 3.8 per cent in 2015 and among 15- to 24-year-olds, from 2.3 per cent in 2007 to 1.5 per cent in 2015. In 2012, 45.8 per cent of people living with HIV/AIDS had access to antiretroviral drugs.

Figure 10: Maternal mortality rate and infant and child mortality rate (per 1,000 live births)



Source: General Directorate of Statistics of Gabon, 2013.

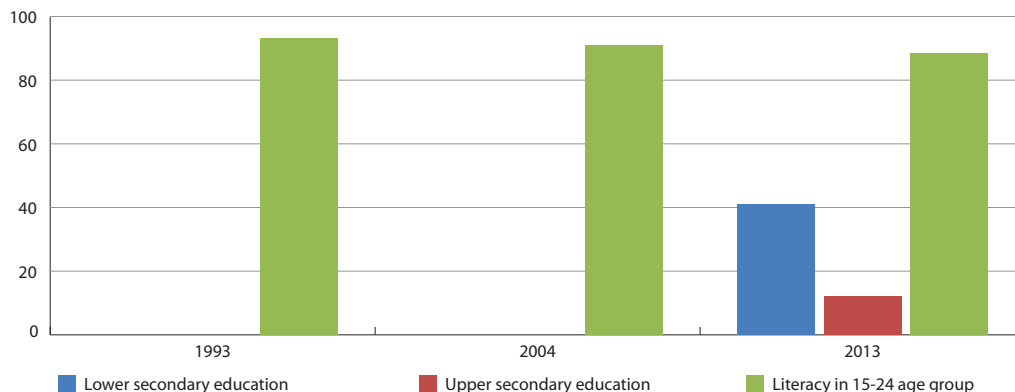
4.4 Education

The literacy rate for the 15-24 age group was estimated at 85.4 per cent in 2013, against 91.7 per cent in 1993⁶, with a relatively higher rate for women (85.8 per cent) than for men (85 per cent).

The net enrolment rate in lower secondary education is 41 per cent. The rate is higher for girls (44 per cent) than for boys (41 per cent) and is much higher in urban areas (45 per cent) than in rural areas (11 per cent). There is significant variation among provinces. The net enrolment rate in upper secondary education is 12 per cent and varies greatly according to place of residence (2 per cent in rural areas as compared with 13 per cent in urban areas) and province (from 3 to 17 per cent).

Although the country has made considerable progress in terms of access to basic general education, access to technical and vocational education is very limited, and limited access to vocational and technical training reduces access to the labour market, particularly in the productive sector. A 2013 World Bank study⁷ showed that among those who completed upper secondary education, graduates of technical fields were less affected by unemployment (10 per cent) than those who received general education (20 per cent).

Figure 11: Adult literacy rate and net secondary enrolment rate (percentage)



Source: General Directorate of Statistics of Gabon, 1993 and 2013.

⁶ The Government has undertaken strategic measures to improve the literacy rate. However, the implementation of these policies has often been limited by a lack of financial resources.

⁷ World Bank (2013), Gabonese Republic: Report on Growth and Employment.

4.5 Status of gender equality and women's empowerment

The status of gender equality and women's empowerment is measured in terms of the key areas indicated in the circular chart below. These areas are important for the improvement of women's lives and their contribution to sustainable and inclusive growth in Africa.

To assess the actual extent of gender inequality and to achieve the goal of measuring gender equality and women's empowerment in Africa, ECA has developed a monitoring tool, the African Gender Development Index (AGDI), which allows policymakers to evaluate their own performance in implementing policies and programmes geared towards ending women's marginalization.

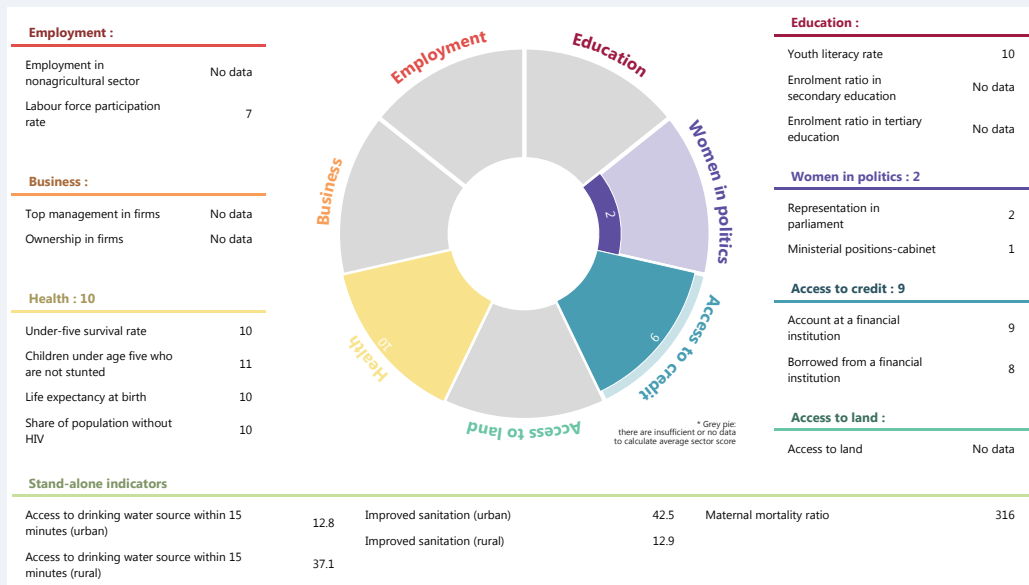
The calculation for the scoring is based on Gender Status Index (GSI) data. GSI is one of the components of AGDI. For each key indicator, the score is calculated as an unweighted arithmetic average by taking the female to male ratio of the indicator values, multiplying it by 10 and rounding the result off to the nearest whole number. A score of zero represents the highest level of inequality, five shows middle parity level and 10 represents perfect parity. Parity levels exceeding 10 represent situations in which women have outperformed men, irrespective of the level of development of the area being assessed.

Most of the figures used to calculate scores are from the most recent national data available. However, for some indicators, countries do not have disaggregated data. In those cases, the data used are international and drawn from various sources: surveys by the Gabonese National Institute of Statistics, the Demographic and Health Survey (2012), the World Bank's Global Findex Database 2014 and the 2009 Statistical Yearbook.

Box 3 Gender equality and women's empowerment in Gabon

Gabonese data reveal total parity in health and education as well as in youth literacy. It is also important to note that the goal of parity has been exceeded, within two standard deviations, with regard to lack of stunted growth in children under five, an indicator for which girls have overtaken boys.

Despite the progress made in health and education, it must be stressed that there is still work to be done to achieve parity in certain areas such as employment and representation in parliament and in ministerial positions. The labour force participation rate is significantly higher for men (74.9 per cent) than for women (49.4 per cent). Women hold only 12.5 per cent of ministerial positions, against 87.5 per cent held by men. Inequalities still exist with respect to the representation of women in parliament, as only 14.2 per cent of members of parliament are women, while 85.8 per cent are men.



Source: African Union Commission and ECA, 2015.

5

Major policy challenges

Recent analyses of the economic and social situation of Gabon reveals that the relatively high economic growth recorded by the country over the last few years has not been inclusive and has therefore not created the jobs needed to absorb the growing number of young people entering the labour market each year. This commodities-based growth model leaves the country vulnerable to external shocks. Real opportunities for structural transformation exist in the wood industry, not only because of the vast tropical forest in Gabon but also because of the many benefits that can be reaped from the processing of this raw material.

In section 5.1 of this profile, the current state of development of the Gabonese wood industry will be presented. Section 5.2 will then examine the suitability of current policies to develop the wood industry in terms of the structural transformation of the economy of Gabon. Finally, the main challenges in enhancing the wood value chain in Gabon will be highlighted in section 5.3.

5.1 The wood industry in Gabon

With the second-most significant forest resources in Africa, the forests of Gabon cover 200,000 km², extending over 85 per cent of the country, and are home to over 400 species of trees. The country's per capita forest area is the highest in Africa. According to OFAC (2014), the economic contribution of the wood industry is not negligible and amounts to 4 to 6 per cent of GDP. The Gabonese authorities are aware that the wood sector is a pillar of the country's long-term development and have made the sector a priority under the Strategic Plan for an Emerging Gabon for 2025. This strategic plan rests on three pillars: i) Green Gabon, to sustainably develop forests and coastline through the wood, agriculture, fisheries and ecotourism industries; ii) Industrial Gabon, to diversify the economy through the processing of raw materials; and iii) Service-industry Gabon, to develop infrastructure and enhance human resources (Gabonese Republic 2012).

The wood value chain comprises the following phases: 1) the production and marketing of rough timber in the form of logs; 2) primary processing, which consists of sawing, veneering and slicing tropical logs; 3) secondary processing, which includes the drying and machining of solid wood and the production of plywood; and finally 4) tertiary processing, which involves the manufacture of finished products, such as external carpentry (for

example, doors and windows), timber frame roofs, wooden floors, furniture, statues, trinkets, and boxes, pallets and crates (Douaud L., 2013).

For countries seeking to develop their wood industry and move up the sector's value chain, the aim should be to focus as much as possible on the advanced wood processing of secondary and tertiary processing.

According to the Gabonese Ministry of Forestry, Fisheries and Environment, which is responsible for the protection and sustainable management of ecosystems, the country's production of rough timber went from 3 million cubic metres in 2009 to 1.6 million cubic metres in 2014, a reduction of approximately 50 per cent. This decrease can be traced to decisions taken by the Gabonese authorities first to reduce and then to ban the export of wood in the form of logs. Gabonese wood had long been exported exclusively in its untreated form, and this lasted until the early 2000s.

In 2001, the Government embarked on a proactive policy to industrialize the sector and adopted a new forest code that had as one of its principal objectives the local processing of 75 per cent of logs by 2012. As most logs (80 per cent) continued to be exported without having been processed locally, additional incentives and restrictions were introduced in 2009 as part of the Strategic Plan for an Emerging Gabon. Since then, local processing of timber has experienced remarkable growth, and in 2012 the 130 wood processing plants in Gabon absorbed 95 per cent of total log production. These developments have resulted in significant increases in i) the rate of local wood processing, which went from 15 per cent in 1993-1999 to 37 per cent in 2005-2008 and then to 67 per cent in 2009-2011, as illustrated in Table 2 below; ii) the turnover of the wood industry, which went from 100 billion CFA francs in 2009 to 400 billion CFA francs in 2015; and iii) the output of wood processing firms, which increased by 15 per cent between 2009 and 2014, reaching a volume of 850,000 cubic metres at the end of that period, as well as in sales in the domestic and foreign markets, as shown in Table 3 below.

Table 2: Structure of foreign trade by area of origin and destination

Country	1993-1999	2005-2008	2009-2011
Cameroon	57	88	n/a
Congo	42	57	n/a
Gabon	15	37	67
Equatorial Guinea	n/a	11	n/a
Central African Republic	77	59	51(*)
Democratic Republic of the Congo	69	39	n/a
Central African Republic	42	54	n/a

Sources: 1993-1999: ITTO, 2005-2008: OFAC; 2009-2011 MEF- Central Directorate for Studies, Statistics and Programmes /SDV-CMA (Gabon), OFAC (RCA)

(*) 2009-2010.

Table 3: Developments in the forest industries

(in cubic metres)	2010	2011	2012	12/11
Production	617 968	732 222	855 137	16.8 %
Local sales	67 317	77 911	75 800	-2,7 %
Exports	502 369	625 361	682 298	9.1 %

Source: Directorate for Timber Commercialization and Industries

According to the General Directorate of Economy and Tax Policy (2016b), the results posted by the wood-based industries at the end of 2015 were appreciable. Consolidated output reached 725,728 cubic metres, owing to improvements in the supply of logs to factories and to the establishment of new factories. A careful analysis of the sector shows, however, that processing remains heavily concentrated in the relatively simple operations of primary processing. In 2015, the sector had 119 sawing and veneering units, accounting for 90 per cent of the sector's processing facilities, scattered throughout the country. They primarily produced cut wood, including rafters, boards and planks. Sawnwood production increased 10.8 per cent in 2015, reaching 461,710 cubic metres as a result of improvements in the supply of logs to processing units and the opening of the new factories.

Secondary processing is performed by about ten units that mainly produce veneer and plywood from okoumé. These units have taken advantage of the dynamism of the sector and improved their industrial and trade performance. Veneer production was nearly stagnant in 2015 (down 0.2 per cent from 2014) at 190,473 cubic metres. During the same period,

exports rose 6.3 per cent, driven by strong foreign demand. Plywood production is handled by six plants, including the one run by SNBG, a publicly owned enterprise that began production in 2013. Plywood manufacturing increased 8.3 per cent in 2015, with output at 73,545 cubic metres, following improvements in the supply of logs to processing units. With respect to trade, exports increased 19.4 per cent, to 49,308 cubic metres, as a result of strong demand in the international market. Domestic sales, on the other hand, decreased slightly, by 0.5 per cent, to 17,244 cubic metres.

Carpentry and cabinet-making units are facilities specialized in tertiary processing. They mainly produce furniture and wooden decorations for the local market. These units have low production capacity and are supplied by artisan sawyers, although the Government recently opened the first large-scale plant for tertiary processing in the industrial sector of the wood industry.

It can therefore be stated that, in terms of industry output, primary processing is predominant and accounts for the bulk of processing in the wood industry. Secondary and tertiary processing, which are more conducive to growth and job creation, remain underdeveloped. With regard to tertiary processing in particular, formal sector production of sophisticated manufactured goods remains marginal.

Furthermore, in order to have a real impact in terms of structural transformation, moving up the value chain requires that the industrial segment of the industry in wood-producing countries be composed of operators who have at their disposal a broad range of techniques, specific tools and specialized staff.

The problem facing Gabon is that the modern and well-structured industries that supply international markets are mainly oriented towards primary processing, which generates less value added than the secondary and tertiary processing carried out by artisans often working in the informal sector. The industry is, in fact, dominated by small units that are scattered in urban centres and equipped with simple machine tools. In order to manufacture competitive products in secondary and tertiary wood processing, companies have to cross a certain threshold with respect to their equipment, the skills of their staff and their organization. However, small-scale enterprises are not prepared for this change, which must be carried out very gradually. Domestic markets for the most advanced wood processing output are by and large informal and do not provide a sufficient foundation for an industry seeking to produce according to international standards and requirements. Ultimately, what the Gabonese wood industry currently lacks is the dynamism to more effectively use and process forest products. This can be seen in a 2011 study that shows that the industry is low in local content (Kaplinsky R., Kaplan D., Morris M. 2011), for although the majority of its unskilled labour is Gabonese, the majority of qualified staff, managers and business leaders come from abroad, as do the production tools and capital goods used.

5.2 Suitability of policies for developing the wood industry of Gabon

Like other members of the African Timber Organization, Gabon seeks to develop its wood industry so as to generate both high value added on products from the sector and many skilled jobs. As part of the Green Gabon pillar of the Strategic Plan for an Emerging Gabon, the country plans to process all of its wood locally by drawing on its dynamic artisans and industry. To achieve these objectives, incentives for industrial investment have been put into place and investment codes and preferential tax treatment for processed goods have been introduced. However, in the absence of results and in order to prompt operators in the sector to engage in higher value added processing of logs extracted from the forests, the country has moved towards rules restricting log exports. This has taken the form of a total ban on log exports since late 2009. In addition, a 20-billion-CFA-franc support fund for the acceleration of industrialization in the wood sector has been established to promote national forest industrialization. Furthermore, the SNBG, formerly a trading company, now has an industrial complex, which it acquired during its restructuring process.

It is regrettable that the impact of these measures has been limited to promoting primary or even secondary wood processing and that the measures did not lead to noteworthy performance in the higher value-added sector of tertiary processing.

5.3 Major policy challenges for Gabon in processing forest products more effectively

A strong domestic market, a robust primary processing sector and a presence on export markets are considered by FAO to be the three key factors supporting the production and export of high-value-added wood in Asian countries (African Timber Organization, 2004). They should therefore be considered prerequisites for the development of the wood industry in Gabon. However, it will be important to avoid causing any serious environmental damage in a quest to maximize profits from the industrialization of the wood sector.

5.3.1 Making the domestic market attractive

The development of forest industries--and particularly investment in processing equipment--is being undermined in a number of countries by socio-political instability. In the absence of peace and security for both property and people, no major investments can be foreseen in the development of forest products. It is therefore hoped that the crisis that followed the announcement of the results of the August 2016 presidential election will not deter investment in the wood sector.

Furthermore, infrastructure is often lacking, especially with respect to forest production in areas where companies have difficulty accessing communication channels and energy. In the

case of the wood industry, even if processed products are taxed less than logs, the lack of infrastructure leads to increased production costs and discourages investors who are sometimes more inclined to favour logging operations, as it can prove more profitable to trade in logs than to process them.

5.3.2 Developing the processing sector

The modernization of firms operating in the wood industry remains a challenge in view of the weakness of manufacturing in Gabon. However, in order for an industrial development strategy that is partly based on a log export ban to succeed at the national level, economic operators need to adapt in terms of means of production, skills and funding sources.

a) *Modernizing production*

In order for a measure imposing high rates of local wood processing on operators to be effective, targeted incentives could be provided, preferably to local operators, by, for example, granting tax or customs exemptions on the importation of equipment suitable for tertiary wood processing and giving those operators priority in public procurement.

b) *Overcoming the skills gap*

With regard to the skills gap in advanced wood processing, Gabon is considering the possibility of opening a training centre for skills related to wood products manufacturing in Booué. In order to avoid duplicating efforts, Gabon could partner with other Central African countries with similar goals and create a subregional school for such skills in order to train a critical mass of individuals proficient in the techniques of tertiary processing.

c) *Increasing funding opportunities*

Suitable funding mechanisms do not exist in Gabon, including for SMEs that specialize in wood products. FEVAC, a joint project of CASDB and ECCAS, provides a way to address this gap, as the projects it is intended to finance include economic development programmes linked to wood. Gabonese operators in the wood sector should therefore take advantage of the financing opportunities that the fund will offer.

5.3.3 Boosting export market presence

In order to gain market share in the competitive international market for wood products, Gabon must acquire the capacity to i) meet the requirements of the traditional export markets in terms of regulations and compliance with standards, and ii) compete with Asian products.

a) *Meeting the requirements of traditional export markets*

The traditional markets for forest products are paying increasing attention to the legality and quality of goods. In Europe, for example, distributors and consumers are increasingly concerned about the origin of the wood they buy and the conditions in which it was produced. For Gabon, where the tropical wood industry is not yet sufficiently developed, satisfying such

demands, by improving consumer perceptions of Gabonese goods in the traditional markets as one approach, constitutes a real challenge.

b) Competing with Asian supply

The adequate supply of raw materials in Gabon, resulting from the log export restrictions, its efforts in sustainable forest management and the technical and aesthetic quality of its timber can give the country a competitive advantage over its Asian competitors. However, for a true competitive edge in the traditional European markets, significant efforts must still be made to improve the availability of labour, skills, technology and know-how in secondary and tertiary processing of forest products. This would include developing the skills of training and production staff through the previously mentioned subregional school in order to gain control over processing operations.

Until Gabon can fully meet the requirements of the traditional export markets, it should focus more on the national, subregional and even continental markets for the marketing its secondary and tertiary processing output, which could eventually replace products that are currently imported. The potential of the continental market is significant given that Africa imports 4 billion dollars in wood products of which only 10 per cent come from Africa, including North Africa, Nigeria and South Africa.

5.3.4 Avoiding the overexploitation of forests and environmental degradation

The log export ban implemented by Gabon in order to promote the industrialization of the sector is not without risk for the environment. In Indonesia, for example, after having contributed to the growth of the plywood industry in the 1980s, such a measure led to an overexploitation of forests for industrial purposes (Durand F. and Pirard R. 2011). The main challenge in this area will be to link measures targeting more advanced wood processing with those aimed at sustainable forest management. It will also be important not only to bring pollution risks under control during manufacture but also to make waste management and pollution control a priority at industrial sites.

The Gabonese authorities are taking part in the mechanism of the European Union for the Voluntary Partnership Agreement and the Forest Law Enforcement, Governance and Trade⁸ and in the Reducing Emissions from Deforestation and Forest Degradation initiative⁹, as they are highly aware of the risks posed by uncontrolled extraction and the illegal wood trade. Specifically, they have allocated approximately 2 million hectares of forest land in connection with the economic zone offering preferential tax treatment (ZERP) that was launched in Nkok in September 2011 and that is primarily oriented to the industrialization of the wood sector.

⁸ This legislation requires that a voluntary partnership agreement be entered into with the European Union to ensure the traceability and the lawful origin of the timber.

⁹ The initiative aims to combat deforestation and degradation of tropical forests.

In addition, in order to ensure a minimal ecological footprint, the waste produced by the industries will be treated and sent to general waste treatment plants to facilitate secondary and tertiary processing. These efforts towards more effective waste reclamation should be continued.

In conclusion, the considerable and continuous decline in oil prices since mid-2014 should alert Gabonese authorities to the importance of promoting the most productive sectors in order to enjoy high, sustained and inclusive growth. It is now more than necessary to sustainably develop the considerable potential of tropical forests in order to have alternative sources of revenue and be less dependent on extractive industries. The hope is that the negative impact on Gabon of the current decline in oil prices on the economic activity, public finances and current account will lead to an awareness of the need to accelerate the structural transformation of the economy through the development of the wood industry without serious harm to the environment.

6. National data quality evaluation

Methodological note: The quality of national data sources for key indicators in the country profiles was evaluated. The results are presented in colour codes, with green indicating that the data source is “good”; yellow, “satisfactory”; and red, “needs improvement”.

The evaluation focused on the transparency and accessibility of the national data sources, while taking into account the periodicity of the published data based on the timeliness and frequency of the data updates in accordance with international standards. It measured the comparability of the data series based on length, definition and standard units of measurement. Also reviewed were the accessibility of the data to the general public, the format of the data and the ease with which the data can be downloaded and shared. In addition, data citations, together with references to primary or secondary sources, were assessed. Lastly, the completeness of metadata for data release and the clarity of documentation and notes were evaluated.

Comments: Overall, the quality of data that is available on Gabon needs to be improved. The main factors negatively affecting the quality of national data are the lack of regularity, the fact that they are not available in a database or online data portal and the absence of methodological information. It is recommended that the General Directorate of Statistics and General Directorate of the Economy make national data available in an online data portal, improve statistical production in order to have data at regular intervals, particularly sociodemographic data, and provide access to the methodologies used.

Demographic indicators	Value	Evaluation
Population (in millions)	1 811 (2013)	1
Children (0-14 years)	628 (2013)	1
Adults (15-64 years)	1 112 (2013)	1
Over 65 years	70 (2013)	1
Urban population (%)	87 (2013)	1
Growth rate (%)	2.9 (2013)	1
Life expectancy at birth (years)	63,4 (2013)	1
Crude death rate (per 1,000)	9 (2013)	1
Crude birth rate (per 1,000)	34 (2013)	1
Key macroeconomic and sector indicators	Value	Evaluation
Real GDP growth rate (%)	3,9 (2015)	2
GDP, current prices (billion CFAF)	8481 (2015)	2
Inflation rate (%)	-0,28 (2015)	2
Economic trends and performance indicators	Value	Evaluation
Exports (billion CFAF)	3 891 (2015)	2
Imports (billion CFAF)	2 384 (2015)	2

Education and employment	Value	Evaluation
Literacy rate (15-24 years) (%)	88,5 (2013)	1
Net primary education enrolment rate (%)	88.3 (2013)	1
Employment rate (%)	46,7 (2013)	1
Population below national poverty line (%)	33,5 (2005)	1
Unemployment rate (%)	16,5 (2013)	1
Youth unemployment rate		

Health	Value	Evaluation
Infant mortality rate (per 1,000)	40,6 (2013)	1
Maternal mortality rate per 100,000 live births	277 (2013)	1
Prevalence of underweight children under five years of age (%)	6,0 (2012)	1
Infant and child mortality rate (per 1,000 live births)	60,4 (2013)	1
Proportion of births attended by skilled health personnel (%)	90 (2012)	1
Contraceptive prevalence rate (%)	31 (2012)	1
AIDS prevalence among 15-24 age group	4,1 (2012)	1

Code of data sources

1. General Directorate of Statistics
2. DGEPP

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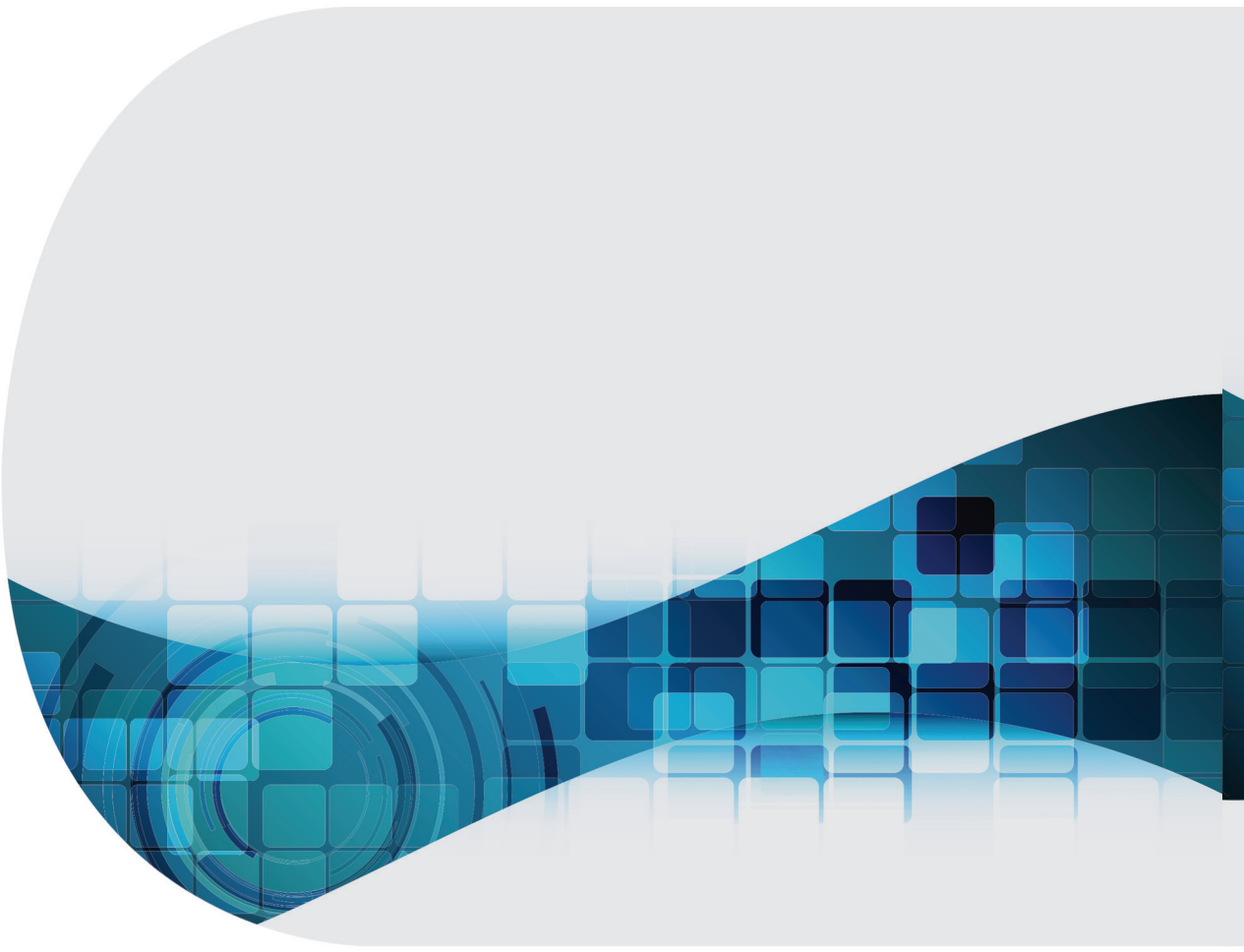
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