

Gabon

Dr Frank Nkulu Mulunda Banze, Palme Africaine Consulting



Overview

Gabon is a member of the Central African Economic and Monetary Community (CEMAC) and covers an area of 267 667m² accommodating a population estimated at 2 119 275.¹ More than 86 percent of the population lives in urban areas, mainly in the capital Libreville and Port Gentile, the second largest city. Gabon has a housing deficit of about 200 000 units,² with urban growth estimated at around 30 000 inhabitants per year on average. Given this, the Government of Gabon recognises the need to promote the well-being of households and alleviate poverty through social housing development programmes providing decent housing. The main challenge for the government is managing the high rate of urbanisation given the geography of the main cities with marshy zones and informal construction limiting growth.³ The government needs to build social housing to replace the peri-urban slums which are built with no regard to cadastral and town planning standards.

Gabon's economic growth is mainly dependent on the performance of the oil industry. However, due to the COVID-19 pandemic, which has affected the oil price and the market negatively, the economy is under severe pressure. This has had the effect of slowing down the projected economic growth, as well as weakening the fiscal and external position. The country is expected to have 5.4 to 7.5 percentage point loss in growth for 2020⁴ while the budget deficit is expected to widen by 6.2 percent and the gross domestic product (GDP) by 14.7 percent. Due to the global pandemic, the inflation rate could drop to 0.9 percent or 1.6 percent⁵ in 2020.

Before the global health crisis of COVID-19, Gabon's macroeconomic performance was improving compared to the same period in 2018. The current account deficit inched lower to 10 percent in 2019, financed primarily by government borrowing from the banking sector through the issuance of treasury bills. Economic growth was stimulated by the mining, timber and rubber sectors with an estimated GDP growth of 3.4 percent in 2019.⁶ Exploitation of petroleum accounted for 11.8 percent and the export of non-petroleum products 18.6 percent in 2019. The inflation rate decreased from 4.8 percent in 2018 to 3.4 percent in 2019.⁷ The policy of diversification of the economy initiated by the government has resulted in the development of a new sector of the economy which includes agribusiness. Agribusiness

KEY FIGURES

Main urban centres	Libreville, Port-Gentile, Franceville
Exchange rate (1 July 2020): 1 USD = [a] 1 PPP\$ = [b]	584.30 CFA Franc (XAF) 328.43 CFA Franc (XAF)
Total population [b] Urban population [b]	2 172 579 1 949 694
Population growth rate [b] Urbanisation rate [b]	2.48% 2.90%
GDP per capita (Current US\$) [b]	US\$7 667
Percentage of population below national poverty line (2017) [b]	34.3%
Unemployment rate (% of total labour force, national estimate) (2017) [b]	19.6%
Proportion of adult population that borrowed formally (2017) [b]	5.1%
Gini coefficient (2017) [b]	38.0
HDI country ranking (2018) [c] HDI country score (2018) [c]	115 0.70
GDP (Current US\$) [b]	US\$16 658 million
GDP growth rate [b]	3.39%
Inflation rate [b]	2.46%
Yield on 10-year government bonds	n/a
Lending interest rate (2017) [b]	15.00%
Number of mortgages outstanding	n/a
Value of residential mortgages (Current US\$)	n/a
Typical mortgage rate Term Deposit (2019) [d]	2.9% 20 years 25%
Ratio of mortgages to GDP	n/a
Number of mortgage providers (2019) [e]	16
Number of microfinance loans outstanding [e]	n/a
Value of microfinance loans in local currency units [e]	n/a
Number of microfinance providers [e]	n/a
Total number of formal residential dwellings in the country	n/a
Total number of residential properties with a title deed [f]	23 307
Number of formal housing units built in this year (2019)	n/a
Price of the cheapest, newly built house by a formal developer or contractor in an urban area in local currency units [g]	35 000 000 XAF
Size of cheapest, newly built house by a formal developer or contractor in an urban area [g]	150m ²
Typical monthly rental for the cheapest, newly built house [g]	102 500 XAF
Cost of standard 50kg bag of cement in local currency units	5000 XAF (US\$8.55)
Type of deeds registry: digital, scanned or paper [h]	Paper
World Bank Ease of Doing Business index rank [h]	169
Number of procedures to register property [h]	6
Time to register property [h]	72 days
Cost to register property as share of property price [h]	11.5%
World Bank DBI Quality of Land Administration index score (0-30) [h]	11.5
Percentage of women who own a house alone: Total Urban (2012) [i]	8.3% 8.2%
Percentage of households with basic sanitation services: Total Urban (2012) [i]	33.7% 38.2%
Percentage of households with no electricity: Total Urban (2012) [i]	10.7% 1.9%
Percentage of households with 3+ persons per sleeping room: Total Urban (2012) [i]	23.5% 25.3%
Percentage of urban population living in slums (2018) [j]	36.6%

NB: Figures are for 2020 unless stated otherwise.

[a] Xe.com	[f] Conservation of Land Ownership and Mortgages (CFPH) Gabon
[b] World Bank World Development Indicators	[g] Societe National Immobiliere
[c] Human Development Reports, United Nations Development Programme	[h] World Bank Ease of Doing Business Indicators
[d] Union Gabonaise de Banque	[i] Demographic and Health Surveys, USAID
[e] Afriways Gabon	[j] United Nations Human Settlements Programme (UN-HABITAT)

has attracted a direct investment of CFA1 109 billion (US\$2 billion) since 2010 from the Singaporean company Olam Group. Palm oil and rubber cultivation have been industrialised.⁸

The consequence of poor economic performance and lack of integrated socioeconomic policies pushed almost two-thirds of the population into poverty,⁹ with a high unemployment rate at 35.95 percent in 2019.¹⁰

Access to finance

The banking sector in Gabon is young but growing and it is concentrated around a few key dominant players. The key players are Banque Gabonaise et Française Internationale (BGFIBank), Banque internationale pour le commerce et l'industrie du Gabon (BICIG), Orabank, Ecobank, Citibank Gabon, United Bank for Africa Gabon,

Union Gabonaise de Banque (UGB), Finatra (a subsidiary of BGF), Alios Finance and Bicig-Bail (a subsidiary of BICIG). The microfinance sector is starting to emerge in the country with the registration of regulated microfinance institutions (MFIs), but coverage is limited to a segment of the population. However, a significant number of unregulated MFIs are said to be operating in the country.

Three banks, BGFIBank, BICIG and UGB, dominate the market and account for 75 percent of the working population accountholders. BGFIBank is the market leader followed by BICIG and UGB. Out of the CFA1.764 billion (US\$3 billion) worth of loans in February 2019, BGFIBank held 40 percent of the market share, far ahead of UGB at 19 percent, BICIG at 19 percent and the four other banks which together held a total of 22 percent.¹¹ However, with the number of accounts opened in banks, the situation varies: UGB occupies first place with 36 percent of bank accounts opened in Gabon, followed by BICIG with 28 percent, Ecobank with 12 percent and BGFIBank with 11 percent.¹²

The rapid growth of mobile finance as an alternative to the traditional banking system has resulted in a large part of the population now being banked.¹³ Traditional banks concentrated in urban centres failed to reach low-income customers located in more remote areas. Mobile phone coverage, coupled with its ease of use, has resulted in mobile finance reaching remote and vulnerable parts of the population, as well as traders and employees. As a result, the value of mobile banking transactions has grown dramatically in Gabon in a short time, competing with traditional banks by charging competitive rates. Gabon has made significant progress in increasing the levels of financial inclusion. In 2017, 58.6 percent of adults had a bank account, up from 33 percent in 2014. The financial inclusion rate for Gabon is higher than the average for Sub-Saharan Africa, which is 42.6 percent, but lower than that of upper middle income countries.¹⁴

Affordability

The socioeconomic reality of Gabon is characterised by disparities which affect the affordability of several households, especially in times of a global pandemic crisis like COVID-19. In Gabon, 21 percent of the population lives below the poverty line and income inequalities persist.¹⁵ The income per capita is at CFA10 223 010.07 (US\$17 010) and the unemployment rate is at 20 percent.¹⁶

A pressing issue affecting affordability is that almost 75 percent of the population in urban areas live without land title. Very few Gabonese are owners because of factors such as the complexity of acquiring land title; the high cost of building materials; and the desire to build in the city despite the lack of space.¹⁷ A bag of 50kg of cement costs CFA5 000 (US\$9). The rent for a standard newly built two-bedroom house in the urban centre costs CFA300 000 (US\$540).¹⁸ Furthermore, in 2020 the country was ranked 141 in dealing with construction permits and 171 for registering property.¹⁹

The country is behind on the development of basic socioeconomic infrastructure such as transport, sanitation and education. The Gabon Emergent Strategic Plan (Plan Stratégique Gabon Emergent (PSGE)) was launched in 2012 to deal with this. This plan defines the guidelines for making Gabon an emerging country by 2025 by diversifying and developing new industries away from oil, building smart cities that take into account social housing needs, and job creation.

Housing supply

To deal with the deficit in infrastructure and housing, estimated at 200 000, the country launched the National Infrastructure Master Plan (NIMP), along with the PSGE, in 2012. Action 152 of the NIMP indicates that the government planned to build 35 000 houses with the aim of increasing housing supply across the country. Based on this vision, a number of public-private partnerships for housing development projects have been negotiated. Among these are the Mondah with 150 houses planned. In addition, in 2013, BGFIBank granted a loan of CFA100 billion (US\$185.5 million) over three years to Societe National Immobilier (SNI) for the construction of more than 3 800 housing units in 10 different locations in the country, of which approximately two thirds are for home ownership and the rest for rental.

The Société Nationale des Logements Sociaux (SNLS) was created in 2013 with the objective of improving the housing offer for Gabonese with low incomes and to help resolve the housing crisis in the country. In line with its mission to help

COVID-19 response

The government imposed a country lockdown as soon as the first cases appeared in the neighboring country, excluding the movement of goods. The lockdown included the closure of institutions open to the public as well as a partial curfew between 8pm and 6am.

The central bank did not take any financial decision to reduce the interest rate to alleviate the impact of COVID-19 on economic growth. Nevertheless, the government has put in place economic stimulus measures such as loans and moratorium on debt repayments.²⁹ These measures include the payment of water and electricity bills for the most vulnerable people; the suspension during the time of lockdown of rent payments for people with no income; coverage by the state for the losses by small property owners related to the suspension of the payment of rents.

alleviate the housing shortage, the SNLS has initiated projects such as the one in Avormbam, north of Libreville, where 750 two-bedroom and three-bedroom apartments are still being built.²⁰ In a project in Port-Gentil, the economic capital, 500 housing units are being built. In addition, the SNI is working in partnership with a mining company known as Compagnie Minière de l'Ogooué to complete the construction of 2 000 houses for low income earners in Bikélé. This project is financed through a partnership between the Gabon international Bank of Commerce and Industry (Banque Internationale pour le Commerce et l'Industrie) and the Union Bank of Gabon (Union Gabonaise de Banque). The Central African Development Bank based in Congo Brazzaville is also supporting the project. To date, two-thirds of this project have been completed with key infrastructure such as road connections, water and electricity supply.

The Government of Gabon has signed an agreement with a Chinese consortium, One Link Holding Group, to build 200 000 homes in several cities across the country in addition to developing a new town in the Panga province of Nyanga, which is in the south of Gabon. There is a housing project for the development of 3 133 houses in Estuaire. This project was initially planned to be completed at the end of 2016, but only 2 048 houses have been completed so far. A housing development is taking place for the construction of about 200 units the north of Libreville, the municipality of Akanda, Avormbam district. This development is being carried out by Avormbam Investment, which was born from the merger between the Caisse des Dépôts et Consignations du Gabon and the company T2G, a subsidiary of the Moroccan group TGCC.²¹

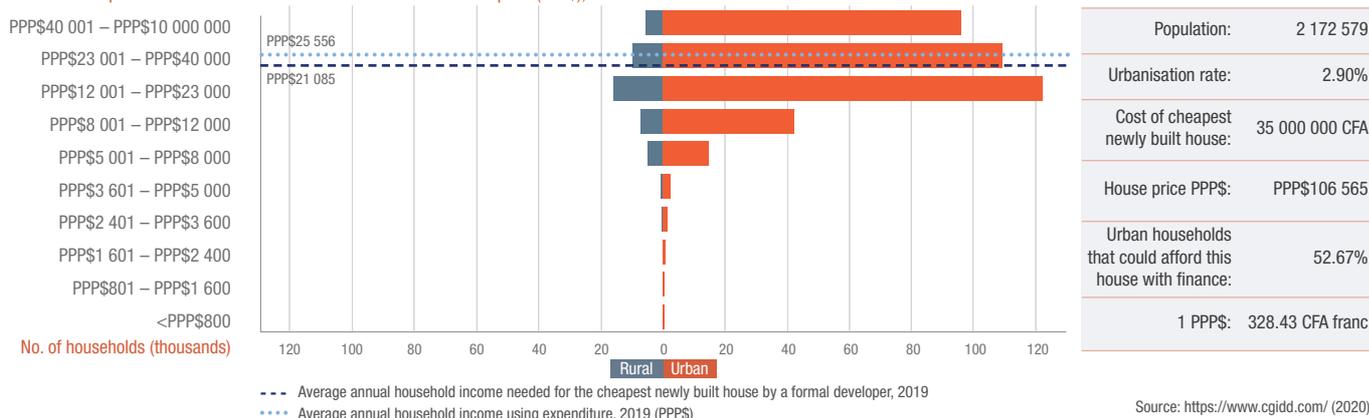
The Government of Gabon is committed to facilitating the establishment of housing cooperatives through public funding that will finance housing credit at a minimum of zero percent and a maximum of 30 percent to 40 percent of a buyer's credit. Furthermore, the government has planned to divert housing bonuses usually paid to public servants towards financing housing cooperatives. However, it must be noted that some of Gabon's housing development projects have suffered financial setbacks due to the drop in oil prices, which has forced the government to reallocated funds to more prioritised projects. The main housing projects which have suffered setbacks include the Alvia Okolassi housing project planned to build 650 social houses from 2016 to April 2018, and the social housing project of Bikele, which suffered major setback due to financial maladministration and corruption.²² Another major project is the housing development of Mangoumba which was delayed due to a lack of funding. Projects have also been delayed because of delays by government in building access roads and for providing services so that the land can be developed for housing purposes.²³

Property market

Gabon's real estate sector is not yet fully developed as it remains dependent on the performance of the oil sector and the demand from expatriates working in the oil industry. It is characterised by high-end sales and expatriate rentals, followed by demand for social housing.²⁴ Nevertheless, due to the rapid urban population growth, the government has set in place strategies, such as reducing the procedures required to register a property to six and ensuring that the process takes 72 days²⁵ to complete, to boost the growth of the property market. Demand for high-

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Annual income profile for rural and urban households based on consumption (PPP\$), 2019



quality residential properties is on the rise. Since the African Cup of Nations 2012 took place in the country, the property market has been boosted, and the government and private sector are working hard to address the issues affecting the housing and property market, which include land title reform.

To boost its housing and property market, the National Laboratory and Public Works Department has become the strategic institution for the development of the real estate market.²⁶ To alleviate the administrative burden and regulatory obstacles hindering the growth of the property market sector, the government has engaged in institutional reforms that include the creation of specialised housing agencies such as the National Planning and Surveying Agency (l'Agence Nationale de l'Urbanisme, des Travaux Topographique et du Cadastre) and the National Council of Housing. These will oversee all land and real estate development projects, maintain and expand the national cadastral as well as facilitate the purchase and transfer of housing. Government involvement in the property market, including legislative and institutional reform, has facilitated the creation of new property developers, and attracted local and international property investment in the country.

Policy and regulation

Gabon's economic policies and regulations are driven by the objective of transforming the country into an emerging economy. To eradicate slums and improve the daily lives of Gabonese, the government is making efforts to prevent the growth of these through housing development programmes based on a new political will expressed by policies such as the PSGE, which aims to attract and encourage private, public and foreign investment in the housing sector.

The Gabon Constitution of 1991, as amended, acknowledges the right to housing for every Gabonese citizen in Article 1, paragraphs 10 and 11. It states that all people, as individuals or as groups, have the right to own property. None may be deprived of one's property, if not for a public necessity, legally declared, required and under conditions of just and prior compensation. Notwithstanding, the dispossession of abandoned buildings justified by public utility or lack of development is regulated by the law. Further, according to Article 1 (11) of Gabon's constitution of 1991, all Gabonese have the right to freely fix his or her domicile or residence in any part of the national territory.²⁷

To execute the constitutional right Gabonese have to housing, the government has put in place some key legislation related to housing development. These are;

- Decree No. 84 / PR / MHLU of 8 April 2010 fixing the modalities of issuance of subdivision permits;
- Ordinance No. 00000005 / PR / 2012 of 13 February 2012 establishing the land ownership regime in the Gabonese Republic;
- Order No. 338 / PM of 29 May 2017 on the creation, organisation and functioning of the Commission responsible for examining problems in the housing sector;
- Decree No. 00140 / PR / MHUCV of 27 April 2018 determining the modalities of issuance of building permits.

Investment in the country is governed under the Law No. 15/98 of 23 July 1998, which is based on the investment code written and updated in accordance with CEMAC's investment regulations. It provides equal rights to foreign and local companies operating in Gabon.

Opportunities

Gabon is known for its political and social stability with a relatively high GDP per capita. Its geographical location, with forest covering 88 percent of the country and 800km of coastline and biodiversity, offers great opportunities for investment.²⁸

To increase investment opportunities in the country, the government is actively trying to attract foreign direct investment through strategies such as the PSGE. This aims to make Gabon an emerging economy by 2025 by diversifying the economy and making Gabon an internationally competitive investment destination. These development strategies plan to increase public and private investment, modernise infrastructure and improved human capital. The government has also created a special economic zone where companies benefit from tax advantages, preferential customs duties and simplified customs procedures.

Availability of data on housing finance

There is a major challenge in getting actualised data on housing and housing finance in Gabon. Among the most pressing issues are the non-digitalisation of housing records and the lack of centralised housing registers. Nonetheless, efforts have been made by the government to improve the housing sector through capacity building.

The main institutions involved in the collection of housing and housing finance data such as residential mortgages, residential property land title deeds and plot size are the National Agency for Town Planning Topography and Cadastral, the Ministry of Housing, the Development Bank of Gabon Agency, the National Agency for Major Works, the National Social Housing Company and the Housing Guarantee Fund.

Websites

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 Banque Gabonaise de Développement (BGD) www.bgd-gabon.com/
 Agence Nationale de l'Urbanisme des Travaux Topographiques et du Cadastre www.anuttc.ga/
 Société Nationale du Logement Social (SNLLS) www.snllsgabon.com
 Ministère de l'habitat, de l'urbanisme et du logement: <http://www.habitat.gouv.ga/>
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