

# Gabon



## 2006 At a Glance

|  |                 |
|--|-----------------|
| Population (mn)                                | 1.4             |
| Population Growth (annual %)                   | 1.6             |
| Official Language                              | French          |
| Currency                                       | CFA Franc (XAF) |
| GDP (Current US\$ bn)                          | 9.5             |
| GDP Growth (annual %)                          | 2.1             |
| GDP Per Capita (US\$)                          | 6,750           |
| FDI, net inflows (US\$ mn) (2005)              | 300.0           |
| External Debt (US\$ mn)                        | 2.2             |
| External Debt /GDP (%)                         | 23.0            |
| CPI Inflation (annual %)                       | 1.9             |
| Exports of goods and services (% of GDP)       | 69.7            |
| Gross Official Reserves (US\$ bn)              | 0.87            |
| Gross Official Reserves (in months of imports) | 6.8             |
| UNDP HDI RANKING                               | 124             |

Source: AfDB, IMF, UNCTAD, UNDP, UN Population Division



## 1. Overview of Financial System

Gabon is a member of the Central African Economic and Monetary Community (Communauté Economique et Monétaire de l'Afrique Centrale-CEMAC), which is composed of six member countries: Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon. The CEMAC is composed of the following four institutions:

1. Central African Economic Union (Union Economique de l'Afrique Centrale –UEAC-)
2. Central African Monetary Union ( Union Monétaire de l'Afrique Centrale- UMAC-)
3. Community Parliament
4. CEMAC court of justice

The UMAC, headquartered in Yaoundé, is responsible for the monetary policy of its member countries. It also involved, with the UEAC, in the coordination of economic policy to ensure consistency between national budget policies and the common monetary policy. The UMAC is administered through:

- The Conference of Heads of States, created through the Agreement establishing the

CEMAC, the supreme authority of the UMAC;

- The Council of Ministers;
- The central bank, Bank of Central African States (Banque des Etats de l'Afrique Centrale -BEAC-), the common independent central bank;
- The Banking Commission, ( Commission Bancaire de l'Afrique Centrale (COBAC), harmonises and controls banking activities;
- The stock market, Bourse des valeurs mobilières.

The BEAC was established in 1972, the successor to the Banque Centrale de l'Afrique Equatoriale et du Cameroon (established in 1955). It formulates and implements the monetary policy of its member countries, and also preserves the stability of the common currency of the member states, the CFA Franc (franc de la Cooperation Financière en Afrique Centrale), which is pegged to the Euro. The French treasury guarantees the convertibility (not the exchange rate) of the CFA Franc. BEAC uses both reserve requirements and the discount window to implement its policy. The financing of the economy of the CEMAC region has increased by 9.2% from XAF

1,850 billion in 2005 to 2,019 billion in 2006. The target inflation rate for the region has been set at a maximum of 3%.

There are 29 banks operating in the CEMAC region (Cameroon: 10; Central African Republic: 3; Chad: 5; Congo: 4; Equatorial Guinea: 2 ; Gabon: 5), with total assets of XAF 659 billion as of February 2007.

### Bank and Non-Bank Financial Sector

A total of six banks operate in the country, together with six finance companies, two securities firm and more than 20 micro-finance institutions. Banking activity is supervised by the COBAC. Gabon's banking sector accounts for 90% of total financial sector assets, and is dominated by three banks controlling 75% of the market.

The insurance sector is regulated and supervised by a regional body, the Interprofessional Committee of the Insurance Market (Conférence Internationale des Marchés d'Assurances-CIMA). It was established on July 10, 1992 in Yaounde (Republic of Cameroon) and includes the following countries: Benin, Burkina, Cameroon, Central Africa, the Comoros, Ivory Coast, Gabon, Equatorial Guinea, Guinea Bissau, Mali, Niger, Senegal, Chad and Togo. The CIMA Treaty came into effect on February 15, 1995. The regulatory body of the CIMA is the Regional Commission of Insurance Control (CRCA) whereas the Council of Ministers is the supreme body.

The insurance industry represents a very small part of the financial sector and has a low penetration rate. Similarly, micro-finance institutions have a small outreach.

### Capital Markets

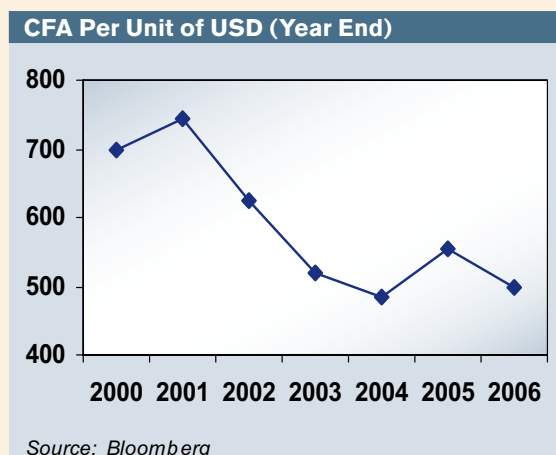
As is the case in the CFA West Africa zone which has a common stock exchange (Bourse Régionale des Valeurs Mobilières-BRVM), the Central African Region also sought to establish a common stock exchange. However, plans for these were temporarily shelved, as agreement could not be reached between

the member countries on a host country. Cameroon decided to create its own exchange, the Douala Stock Exchange (DSX), whilst a separate stock exchange was established in Gabon, the Central African Stock Exchange (BVMAC)

The legal framework of the region's capital markets is defined by Act n° 03/01-EMAC-CE 03 of 8 December 2001. Under the provisions of the Act, the Financial Markets Surveillance Committee (Commission de Surveillance du Marché Financier de l'Afrique Centrale-COSUMAF) has sole jurisdiction for approving securities for listing on the BVMAC. It plays a regulatory and supervisory role to protect investors and ensure that the market operates properly. Two companies, SFA Gabon and BGFI Bourse have been authorized to act as brokers for the BVMAC. However operations have not yet started on the stock exchange.

## 2. Foreign Exchange

The CFA Franc is the common currency of 14 countries located in West Africa (WAMU) and Central Africa (CEMAC), and has a fixed parity with the Euro at XAF 655.957 / 1 EUR. The French treasury guarantees the convertibility and stability of the XAF. Payments and transfers of capital within the CEMAC region and current account transactions with all countries are unrestricted. However, restrictions on transactions of capital accounts apply for outflows to countries outside the CEMAC.



### 3. Key Contacts

- **Banque des Etats de l'Afrique Centrale (BEAC)**  
*Mailing Address:* B.P. 112, Libreville, Gabon  
*Other Address:* Boulevard de l'Indépendance, Libreville, Gabon  
Tel: +241-176-0206  
Fax: +241-174-4563  
E-mail: beaclbv@beac.int  
Web: www.beac.int
- **Bourse des Valeurs Mobilières de l'Afrique Centrale (BVMAC), Place de l'Indépendance**  
B.P. 2165, Libreville, Gabon  
Web: www.bvm-ac.com
- **Commission de Surveillance du Marché Financier de l'Afrique Centrale (COSUMAF)**  
B.P. 1724, Libreville, Gabon  
Tel: +241-747591  
Fax: +241-747588  
E-mail: infocosumaf@cosumaf.org  
Web: www.cosumaf.org