GABON

Gabon's growth decelerated to an estimated 2.5 percent in 2025 amid maturing oilfields and challenges facing the wood and manganese sectors. Lower oil production and high spending needs pose significant fiscal challenges. To create more jobs and reduce poverty substantially, it will be key to prioritize energy, transport and social areas, while aligning public investments with fiscal space and creating better business conditions for firms.

Population[1] million	Poverty[2] millions living on less than $8.30/day
2.6	0.7
Life expectancy at birth[3] years	**School enrollment[4]** primary (% gross)
68.3	100.2
GDP[5] current US$, billion	**GDP per capita[6]** current US$
21.5	8278.3

Sources: WDI, MFMod, and official data. 1/ 2025. 2/ 2017 (2021 PPPs). 3/ 2023. 4/ 2019. 5/ 2025. 6/ 2025.

Key conditions and challenges

Gabon returned to constitutional order in late 2025, following the 2023 coup. While a new constitution and institutions are in place, challenges remain. Fiscal constraints are tight and debt elevated. Modest, state-led and oil-reliant growth limited jobs and private sector growth in recent decades, leaving about a third of youth unemployed. Over a third of wage workers are in the public sector, and many private jobs are in low productivity services. Households and firms struggle with power cuts, transport gaps, rural-urban services disparities, and skills mismatches. Labor disputes have risen, with teacher strikes in early 2026 and strike risks in health and oil sectors.

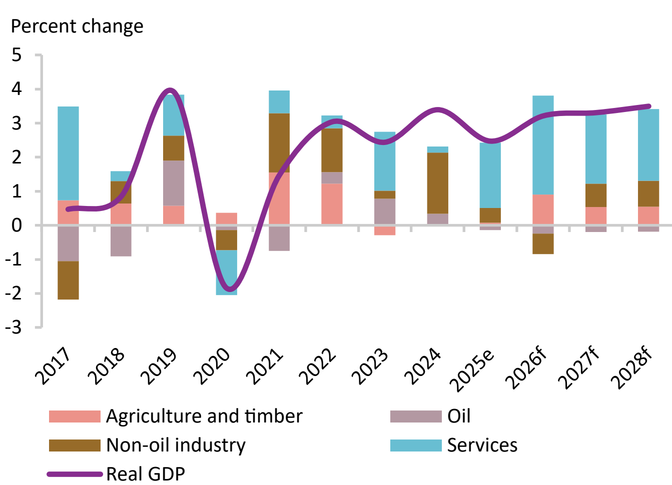
Amid liquidity and debt pressures, rising arrears, and deteriorating credit ratings and regional reserves, Gabon requested an International Monetary Fund (IMF) program in March 2026, with plans to strengthen the fiscal situation. A population census conducted in February–March 2026 will also be key to updating data and guide policies. To raise living standards, it will be essential to prioritize productive infrastructure, health and education, and strengthen fiscal sustainability and governance of public finances.

Recent developments

GDP grew by an estimated 2.5 percent in 2025, down from 3.4 percent in 2024. Technical incidents and ageing oilfields reduced oil output, whereas transport, labor, and demand issues affected manganese and timber. Large public investments in infrastructure benefited services and construction, remaining a major growth driver on the demand side. Meanwhile, underperforming non-oil exports, lower oil revenues, and rising imports driven by construction and public spending reduced the current account surplus.

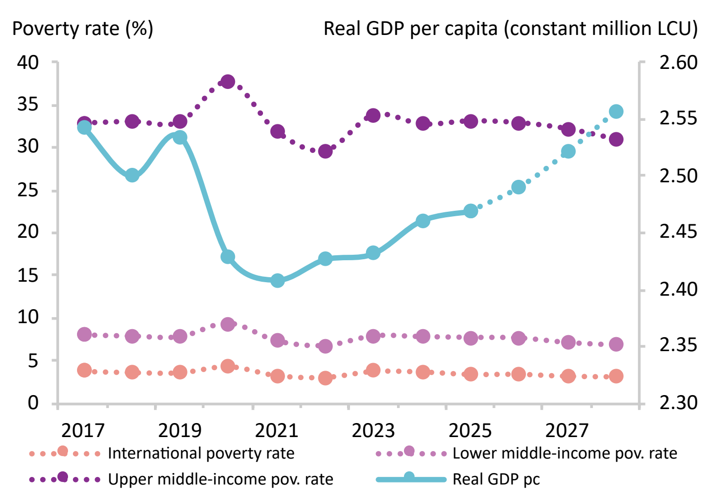
Tax revenues increased thanks to digitalization progress in 2025, but oil revenues declined amid lower prices and production. Public spending increased to cover public works, social measures like fuel subsidies and scholarships, civil service hiring, and costly debt service (which reached over 60 percent of revenues). This resulted in a wider estimated fiscal deficit of 4.6 percent of GDP in 2025. Public debt was estimated at over 80 percent of GDP at end-2025, with domestic and external debt arrears reaching 3.5 percent of GDP. Higher oil prices due to the conflict in the Middle East should increase oil revenues but also the cost of fuel subsidies.

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Sources: National authorities and World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Monthly inflation stood at 1.6 percent (y-o-y) in December, below the regional convergence criterium, thanks to subsidies, price controls, and tight monetary policy. Despite contained inflation and modest growth, the Bank of Central African States (BEAC) raised its policy rate by 25 basis points to 4.75 percent in December 2025, to support the currency and regional reserves, which dropped to an estimated 4.25 months at end-2025 amid lower oil prices. Credit to firms expanded by 6.6 percent in September 2025 driven by services and construction.

Gabon's modest growth has not translated into improved living conditions, which continued to deteriorate. While extreme poverty is estimated under 4 percent of the population, the share of Gabonese living below the upper-middle-income poverty line of US$8.30/day (2021 PPP) rose slightly to 33.1 percent in 2025. With population growth, the absolute number of people living in poverty rose by an estimated 27,000, reaching roughly 858,000.

Outlook

Over 2026–2028, growth is projected to average 3.3 percent as rising global demand for manganese, timber, palm oil and rubber offsets the structural decline in oil. A new Development Plan, sectoral funds, a poultry import ban scheduled for 2027 and a crude manganese export ban set for 2029 aim at boosting employment, growth, and the external position. Upcoming iron ore production at Belinga and investments in infrastructure and manganese processing should also support growth. Declining oil output and demand for imports from public investments should gradually shrink trade surpluses.

Revenues are projected to remain broadly stable in 2026–2028. Plans for digital value-added tax invoices, enforcement of property taxes, new taxes on carbon and urban maintenance, and higher wood export duties would support tax collection. Oil receipts will benefit from higher prices but would be impacted by lower oil production. Gradual fiscal consolidation, notably through capital expenditure cuts, is projected to progressively reduce fiscal deficits and debt.

Public investment in infrastructure and support for agriculture are expected to boost growth and employment, subject to financing constraints and implementation risks. Despite stronger inflation, sustained growth in agriculture and services is projected to reduce the upper middle-income poverty rate from 33.1 percent in 2025 to 31.0 percent by 2028, leaving 855,000 people poor.

The conflict in the Middle East will increase oil prices, supporting oil revenues and export values in Gabon. It is also likely to increase inflation. It could hurt global demand for other goods and increase risk premia and food insecurity. Potential oil windfalls should be used prudently to rebuild fiscal buffers and reserves. High fiscal risks and borrowing costs still require difficult decisions to raise tax revenues, clear arrears, and rationalize spending. Infrastructure spending cuts can hinder growth, needing a strategy to preserve development priorities and enhance spending efficiency.

Recent history and projections	2023	2024	2025e	2026f	2027f	2028f
Real GDP growth, at constant market prices	2.4	3.4	2.5	3.0	3.3	3.5
Private consumption	2.1	3.5	3.6	0.7	2.1	1.7
Government consumption	-4.7	-4.8	9.7	-4.3	-0.5	-0.5
Gross fixed capital investment	6.0	0.5	11.3	8.9	1.5	1.7
Exports, goods and services	-5.3	5.5	0.1	2.1	8.2	8.1
Imports, goods and services	-2.2	1.3	9.1	4.7	3.9	3.8
Real GDP growth, at constant factor prices	2.6	2.5	2.5	3.0	3.3	3.5
Agriculture	-2.7	-0.3	0.8	9.0	5.4	5.4
Industry	3.2	6.6	0.9	-3.3	2.8	1.5
Services	3.4	0.4	3.9	5.9	3.3	4.3
Inflation (consumer price index)	3.6	1.2	1.8	3.2	2.1	2.0
Current account balance (% of GDP)	27.2	30.5	25.6	39.1	23.5	21.8
Net foreign direct investment inflow (% of GDP)	2.5	2.2	1.7	1.6	1.5	1.4
Fiscal balance (% of GDP)	1.9	-3.3	-4.6	-3.3	-2.7	-3.0
Revenues (% of GDP)	25.5	23.3	23.9	23.8	23.6	22.3
Debt (% of GDP)	74.6	74.7	81.9	78.4	80.3	74.7
Primary balance (% of GDP)	5.0	0.0	-1.1	0.3	0.9	0.6
International poverty rate ($3.00 in 2021 PPP)[1,2]	3.8	3.7	3.4	3.4	3.2	3.1
Lower middle-income poverty rate ($4.20 in 2021 PPP)[1,2]	7.9	7.8	7.7	7.7	7.1	6.8
Upper middle-income poverty rate ($8.30 in 2021 PPP)[1,2]	33.8	32.8	33.1	32.9	32.2	31.0
GHG emissions growth (mtCO2e)	-1.2	-1.4	-0.8	0.2	1.2	1.1

Source: World Bank, Fiscal Policy & Growth Department. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise.
1/ Calculations based on 2017-EGEP. Actual data: 2017. Nowcast: 2018-2025. Forecasts are from 2026 to 2028.
2/ Projections using microsimulation methodology.