GABON

Table 1	2023
Population, million	2.4
GDP, current US$ billion	20.1
GDP per capita, current US$	8231.1
International poverty rate ($2.15)[a]	2.5
Lower middle-income poverty rate ($3.65)[a]	8.1
Upper middle-income poverty rate ($6.85)[a]	31.2
Gini index[a]	38.0
School enrollment, primary (% gross)[b]	100.6
Life expectancy at birth, years[b]	65.7
Total GHG emissions (mtCO2e)	19.7

Source: WDI, Macro Poverty Outlook, and official data.
a/ Most recent value (2017), 2017 PPPs.
b/ Most recent WDI value (2022).

Gabon's economy grew by 2.4 percent in 2023, a lower growth compared to 2022, impacted by logistical disruptions. Triggered by the August 2023 coup, the ongoing political transition is an opportunity for reforms, with many actions underway. An orderly return to constitutional order will be crucial to avoid social, economic, and financing risks. Strong reforms are required to reverse the current trend and set the country on a poverty reduction path, without compromising public finances.

Key conditions and challenges

The August 2023 coup was followed by a peaceful transition in Gabon, with significant institutional changes. A national dialogue was held in April 2024 and a new constitution should be adopted by referendum by end-2024. Legal and policy reforms and investments are being made in roads, airports, energy and water, a new public bank for SME support, agriculture, housing, and social areas.

Several development challenges persist. Despite Gabon's resource wealth, extractives-based growth remains insufficient, vulnerable to price fluctuations, and unable to create enough jobs. One-third of the population lives in poverty, twice as much in rural areas. High urbanization has concentrated poverty in cities like Libreville and Port-Gentil. Income inequality is stark, youth unemployment is high and informality limits job opportunities. Infrastructure gaps hinder growth and investment.

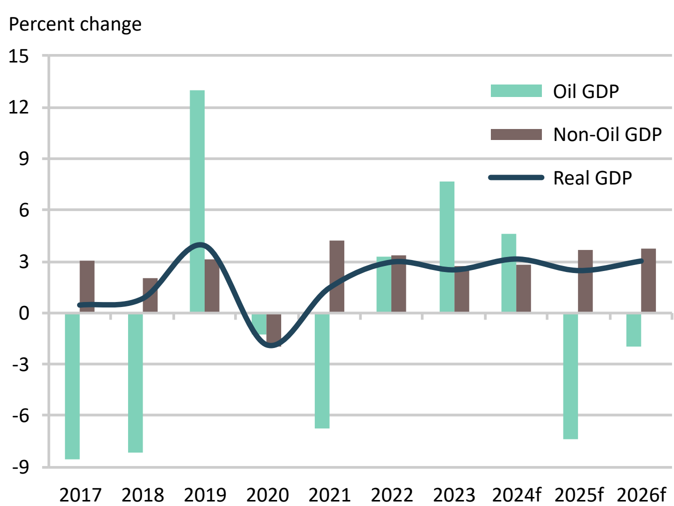
While major transparency initiatives are underway, such as the planned publication of oil contracts and validation of Gabon's EITI membership, governance challenges impede efficient resource use. High social expectations—that the political transition will tangibly improve living conditions—are translating into higher spending, and worsening fiscal and debt pressures. For instance, fuel subsidies have been expanded, at a significant fiscal cost. Substantial efforts are being made to clear past payment arrears, but accumulation of new ones remains a challenge. High fiscal and liquidity risks led Moody's and Fitch to downgrade Gabon's ratings, while the IMF's May 2024 debt sustainability analysis assessed a high risk of debt distress, noting a significant deterioration in debt sustainability since the previous assessment in 2022.

As outlined in the National Development Plan for the Transition, reforms are needed to create jobs and local value-addition in sustainable forestry, mining, agriculture, and fisheries. Improving access to credit, labor skills, infrastructure, and public action, is essential for higher growth. The return to constitutional order within the announced timetable is crucial to avoid accentuating financing risks. Optimizing revenues and improving spending discipline, efficiency, and targeting will be key to reinforcing fiscal sustainability.

Recent developments

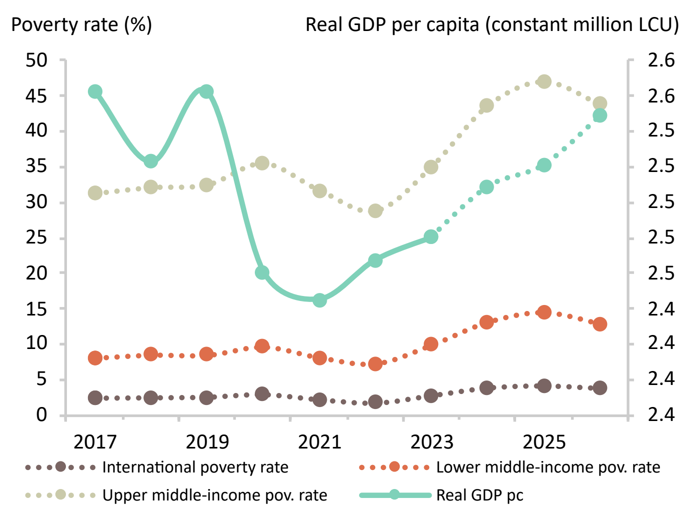
In 2023, Gabon's GDP grew by 2.4 percent, a lower growth rate compared to 2022, as landslides caused railway blockages that affected manganese and wood exports. As the new government restored international relations and accelerated public investments, the coup did not significantly affect growth, except for the impact of nighttime curfews on services. Demand-side growth was led by oil exports and public investment. The economy grew by 1.1 percent

FIGURE 1 Gabon / Growth of real GDP, real oil GDP, and real non-oil GDP



Sources: Official government data and World Bank calculations.

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



Source: World Bank. Notes: see Table 2.

in 2024Q1 (q-o-q), led by higher-than-expected oil output and a recovering wood production, boosted by stronger Asian and European demand.

The current account surplus remained high at 28.5 percent of GDP in 2023, supported by commodity exports, despite increased imports due to higher public spending.

Despite stronger tax collection, higher expenditures increased the overall fiscal deficit to 1.0 percent of GDP in 2023, bringing the non-oil primary balance to -12.7 percent of non-oil GDP, due to electoral spending and the resumption of public service hiring, new social measures, and public works launched in late 2023. Additional debt components were identified since the transition, bringing public debt to 72.1 percent of GDP in 2023. In 2024Q1, higher-than-anticipated oil prices benefited oil revenues, which, combined with spending below budgetary forecasts, led to an estimated fiscal surplus of 1.5 percent of GDP.

At 1.0 percent in June (y-o-y), inflation continued to ease in early 2024, in view of expanded price ceilings on essential goods, fuel subsidies, and a tight monetary policy. The BEAC kept the policy rate at five percent following a cumulative 175 basis point increase between November 2021 and March 2023, discontinued weekly liquidity injections in early 2023, and scaled-down liquidity absorption operations since early 2024. Yet, credit to firms expanded by 23.3 percent in June 2024 (y-o-y), with private demand coming notably from oil and construction.

Lower growth compared to 2022 and insufficient job creation increased poverty. The share of Gabonese living under $6.85 per day (in 2017 PPP) is estimated to have reached 35.1 percent in 2023, or nearly 855,000 people.

Outlook

Moderate growth is projected to continue, at around 2.9 percent in 2024-26. Depleting reserves would start to reduce oil output in 2025, but growth would be sustained by expanding the wood industry, oil palm and rubber plantations, and the entry into production of new iron and manganese deposits. Also, major public projects would drive construction and services.

The current account surplus would reduce gradually over the years. Lower oil production would affect exports, while imports would decline more gradually in the context of constrained fiscal space.

Slightly decreasing oil prices and lower production would reduce oil revenues in the coming years. Further spending increases in response to significant spending pressures, coming from capital expenditures, fuel subsidies, other social measures, and the 2025 elections would worsen the fiscal situation. A deteriorating fiscal position, with deficits averaging 4.3 percent of GDP in 2024-26, would, without corrective measures to contain spending such as fuel subsidies, aggravate Gabon’s debt situation.

Inflation should remain below the 3.0 regional convergence criteria. Yet, the prevalence of non-labor-intensive oil and mining industries, lack of private sector growth, and mismatching labor skills result in high unemployment. Joblessness and underfunded, poorly targeted social protection are expected to sustain elevated poverty levels, projected to reach 39.0 percent by 2025. The absolute number of individuals living in poverty in Gabon is expected to surpass one million by 2026.

External risks for Gabon's outlook include oil price shocks, lower Asian demand, stricter global financial conditions, and worsening geopolitical conflicts that could increase inflation and trade disruptions. Internally, delays in the transition could compromise stability and access to finance, and a stronger focus on the political agenda could stall growth-enabling reforms.

TABLE 2 Gabon / Macro poverty outlook indicators (annual percent change unless indicated otherwise)

	2021	2022	2023	2024e	2025f	2026f
Real GDP growth, at constant market prices	1.5	3.1	2.4	3.1	2.4	3.0
Private consumption	-1.4	-0.3	2.1	1.4	1.6	3.0
Government consumption	3.2	3.8	1.5	4.8	1.0	-2.1
Gross fixed capital investment	12.7	8.5	6.1	-2.3	4.7	-2.0
Exports, goods and services	12.8	12.9	-2.5	7.5	-2.2	-0.1
Imports, goods and services	17.4	12.5	1.3	1.5	0.0	-4.1
Real GDP growth, at constant factor prices	3.5	3.5	2.5	3.1	2.4	3.0
Agriculture	19.2	9.7	-2.0	1.8	4.0	6.6
Industry	3.2	3.4	3.8	2.8	-1.1	4.2
Services	1.3	2.5	2.5	3.6	4.3	1.7
Inflation (consumer price index)	1.1	4.3	3.7	2.4	2.3	2.2
Current account balance (% of GDP)	27.3	34.4	28.5	30.7	27.2	27.9
Net foreign direct investment inflow (% of GDP)	2.2	4.7	5.6	4.9	4.6	4.5
Fiscal balance (% of GDP)	-1.9	-0.8	-1.0	-1.2	-6.0	-5.7
Revenues (% of GDP)	15.3	21.1	23.4	23.9	20.5	19.0
Debt (% of GDP)	68.5	57.0	72.1	71.5	77.3	79.1
Primary balance (% of GDP)	0.9	1.8	1.9	1.9	-2.8	-2.5
International poverty rate ($2.15 in 2017 PPP)[a,b]	2.3	2.3	2.8	3.0	3.5	3.3
Lower middle-income poverty rate ($3.65 in 2017 PPP)[a,b]	8.2	8.3	9.9	10.8	11.3	11.1
Upper middle-income poverty rate ($6.85 in 2017 PPP)[a,b]	31.7	31.8	35.1	37.0	39.1	39.0
GHG emissions growth (mtCO2e)	-2.8	-1.4	-1.6	0.0	0.0	0.7
Energy related GHG emissions (% of total)	14.2	14.2	13.1	11.8	10.6	9.6

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.
Notes: e = estimate, f = forecast.
a/ Calculations based on 2017-EGEP. Actual data: 2017. Nowcast: 2018-2023. Forecasts are from 2024 to 2026.
b/ Projections using microsimulation methodology.