

**THE CREDIT MARKETS OF AFRICA**  
A series of monographs under  
the general editorship of  
Professor Giordano Dell'Amore

**Lorenzo Frediani**

# **THE BANKING SYSTEM OF GABON**

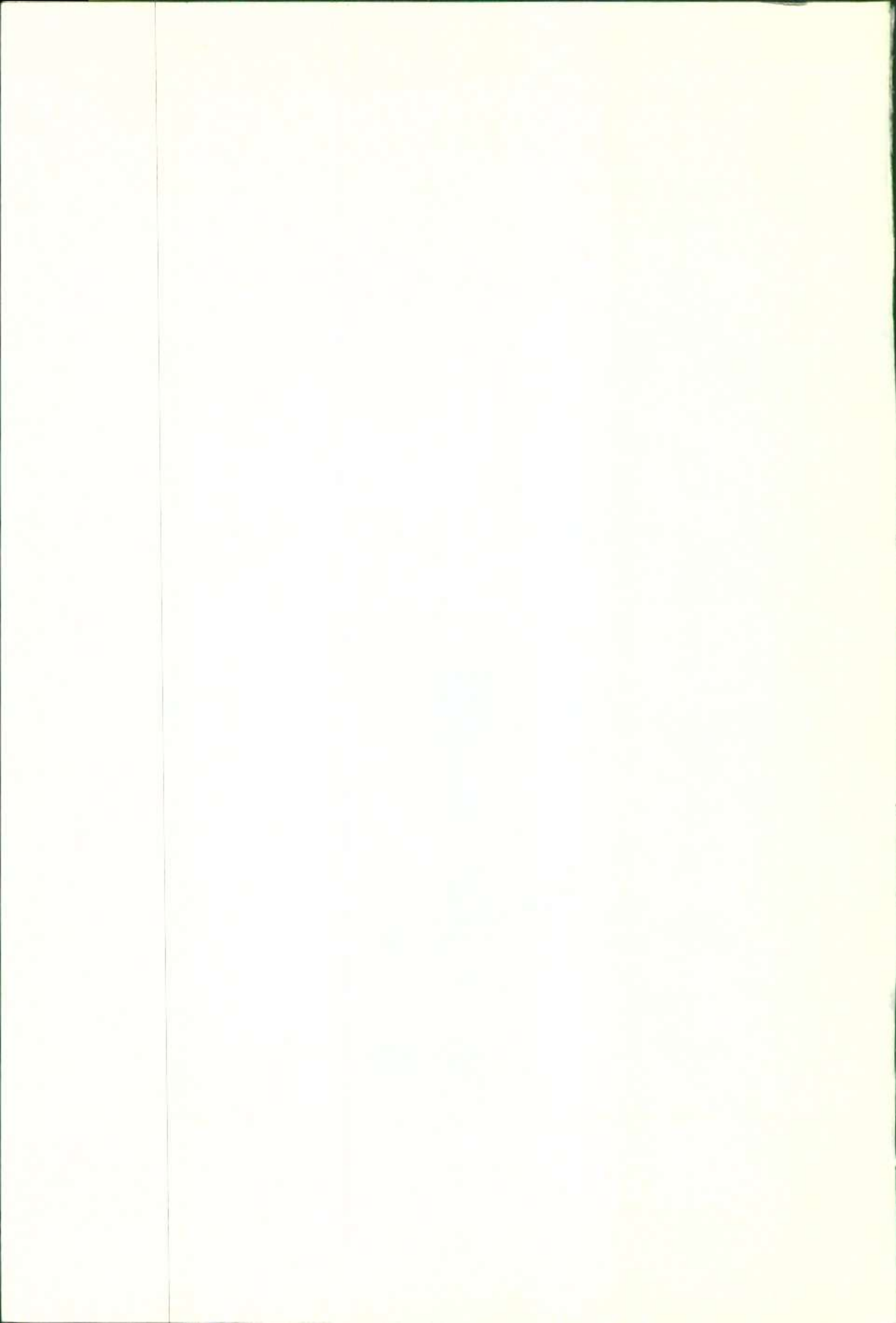
and the Central Bank of the States of Equatorial Africa and of Cameroon



**cassa di risparmio delle provincie lombarde — milan**







THE CREDIT MARKETS OF AFRICA

A series of monographs under the general editorship of  
Professor Giordano Dell'Amore

SERIES OF MONOGRAPHS ON THE CREDIT MARKETS OF AFRICA:

- No. 1. *Banking Systems in Africa*
- No. 2. Sergio Bortolani: *The Banking System of Niger*
- No. 3. *The Mobilization of Savings in African Countries*
- No. 4. Paolo Mottura: *The Banking System of Tunisia*
- No. 5. Bruno Rossignoli: *The Banking System of Algeria*
- No. 6. Lorenzo Frediani: *The Banking System of Gabon and the Central Bank of Equatorial Africa and Cameroon*
- No. 7. Adalberto Alberici & Maurizio Baravelli, eds.: *Savings Banks and Savings Facilities in African Countries.*
- No. 8. Giordano Dell'Amore: *Agricultural Credit in African Countries.*

IN PREPARATION:

Marco Onado & Antonio Porteri: *The Banking System and the Formation of Savings in Lesotho.*

---

LORENZO FREDIANI

THE BANKING SYSTEM  
OF GABON  
AND THE CENTRAL BANK  
OF EQUATORIAL AFRICA  
AND CAMEROON

---

---

ALL RIGHTS RESERVED

Milan, 1974

---



# CONTENTS

	<i>page</i>
FOREWORD	XIII
Chapter I - THE COUNTRIES OF THE UDEAC	3
Chapter II - THE ECONOMIC STRUCTURE OF THE COUNTRIES OF EQUATORIAL AFRICA AND OF CAMEROON	
1. INTRODUCTION	21
2. NOTES ON THE ECONOMIC SYSTEM OF CAMEROON	30
3. STRUCTURE OF THE ECONOMIC SYSTEM OF THE CENTRAL AFRICAN RE- PUBLIC	34
4. STRUCTURE OF THE ECONOMIC SYSTEM OF CHAD	39
5. STRUCTURE OF THE ECONOMIC SYSTEM OF CONGO-BRAZZAVILLE	42
6. STRUCTURE OF THE ECONOMIC SYSTEM OF GABON	45
7. CONCLUSIONS	63
Chapter III - THE CENTRAL BANK OF THE STATES OF EQUATORIAL AFRICA AND OF CAMEROON	
1. GENERAL	69
2. ORIGIN AND STRUCTURE OF THE CENTRAL BANK	69
3. MONETARY CIRCULATION	74
4. OPERATIONS LEADING TO THE ISSUE OF CURRENCY	104
(a) Operations with national Treasuries	104
(b) Relations between the national Treasuries and the Central Bank	107
(c) Relations between the Monetary Board and the Gabonese Treasury	116

	<i>page</i>
5. AVAILABILITY OF FOREIGN CURRENCY	123
(a) Currency resources of the BCEAEC	130
(b) Developments in the Gabonese external payment balance	142
6. CREDITS TO THE ECONOMY	148
 Chapter IV - THE BANKING SYSTEM OF GABON	
1. BANKING AND CREDIT LAWS	185
2. SIZE, STRUCTURE AND CONCENTRATION	195
3. INSTRUMENTS FOR THE STRUCTURAL AND OPERATIONAL CONTROL OF THE GABONESE BANKING SYSTEM	207
4. BANK SYNDICATES	215
5. THE CENTRAL BANK RISK POOL	221
6. THE NATIONAL CREDIT BOARD, THE BANK CONTROL COMMISSION AND THE PROFESSIONAL ASSOCIATION OF BANKS	226
7. STRUCTURAL FEATURES OF THE BANKING SYSTEM	231
8. THE GABONESE DEVELOPMENT BANK (GDB)	235
9. ORGANIZATIONAL STRUCTURE OF THE DEVELOPMENT BANK	240
10. DETERMINATION OF THE CREDITS TO BE GRANTED BY THE DEVELOPMENT BANK AND THEIR FEATURES	242
11. RATES OF INTEREST	248
12. FACTORS ON WHICH THE GRANTING OF LOANS MAY BE DECIDED	250
13. INVESTMENTS OF THE DEVELOPMENT BANK	252
14. RESOURCES OF THE DEVELOPMENT BANK	272
15. CONCLUSIONS ON THE GABONESE DEVELOPMENT BANK	283
16. ORIGIN OF THE <i>Caisse Nationale de Crédit Rural</i>	284
17. INVESTMENTS OF THE <i>Caisse Nationale de Crédit Rural</i>	293
18. SOURCES OF FUNDS OF THE <i>Caisse Nationale de Crédit Rural</i>	304
19. CONCLUSIONS ON THE <i>Caisse Nationale de Crédit Rural</i>	312
20. THE POST OFFICE SAVINGS BANK OF GABON	314
21. THE FINANCING OF THE ECONOMY OF GABON	326
 CONCLUSIONS	 339
 MAP OF THE REPUBLIC OF GABON AND OF THE COUNTRIES OF THE UDEAC	 345

## LIST OF TABLES

	<i>page</i>
1. Fiduciary circulation in the issuing area, 1963 to 1970	82
2. Increase rate of the fiduciary circulation, 1964 to 1970	83
3. Fiduciary circulation in Gabon, 1962 to 1970	84
4. Deposits of private individuals and companies, 1965 to 1970	88
5. Deposits of the Treasury, 1965 to 1970	90
6. Deposits of the Treasury, 1965 to 1970	92
7. Monetary and quasi-monetary resources of private individuals and companies, 1965 to 1970	98
8. Monetary and quasi-monetary resources of the Treasury, 1965 to 1970	100
8bis. Deficit of the Treasury, 1966 to 1970	102
9. Monetary and quasi-monetary resources of the economic operators of Gabon, 1965 to 1970	103
10. Central Bank financing to the national Treasuries, 1966 to 1970	107
11. Treasuries' net monetary resources with the Central Bank, 1966 to 1970	108
12. Central Bank financing to the Treasury of Gabon, 1965 to 1970	118
13. Banking system financing to the Treasury of Gabon, 1966 to 1970	120
14. Placing of <i>bons d'équipement</i> within the banking system, 1965 to 1970	122
15. Foreign exchange reserves of the Central Bank, 1964 to 1970	131
16. Composition of the foreign exchange reserves of the Central Bank, 1965 to 1970	133
17. Transfers of the national Treasuries, of the <i>Caisse Centrale de Coopération Economique</i> (CCCE), and of the International Monetary Fund, 1965 to 1970	137
17bis. Public transfers, 1965 to 1970	137

	<i>page</i>
18. Bank transfers by the Central Bank within the issuing area, 1965 to 1970	138
19. Bank transfers with other countries, 1965 to 1970	140
19bis. Bank transfers by the Central Bank, 1967 to 1970	140
20. Private transfers with other countries, 1965 to 1970	141
21. External payment balance of Equatorial African countries and Cameroon, 1965 to 1970	142
22. Foreign exchange balance of Gabon, 1965 to 1970	144
23. Transfers by the Central Bank for the account of the Monetary Board of Gabon, 1964 to 1970	146
24. External payment balance of Gabon, 1964 to 1970	147
25. Short-term re-financing by the BCEAEC to the banking system of the issuing area, 1965 to 1970	159
26. Medium-term re-financing by the BCEAEC to the banking system of the issuing area, 1965 to 1970	165
27. Re-financing by the BCEAEC within the issuing area, 1965 to 1970	166
27bis. Current account deposits and Treasuries' special deposits with the BCEAEC, 1965 to 1970	166
28. Short-term re-financing by the BCEAEC to the banking system of Gabon, 1965 to 1970	167
29. Medium-term re-financing by the BCEAEC to the banking system of Gabon, 1965 to 1970	168
30. Re-financing of the BCEAEC in Gabon, 1965 to 1970	169
31. Percentage distribution of medium-term re-financing by the BCEAEC to the banking system, 1965 to 1970	170
32. Percentage distribution of re-financing by the BCEAEC to the banking system, 1965 to 1970	171
33. Re-financing granted by the Gabonese Development Bank, 1960 to 1969	253
34. Comparative distribution of loans granted by the Gabonese Development Bank in 1967/1968 and 1968/1969	254
35. Distribution of loans by the Gabonese Development Bank from its establishment to 1969	256
36. Loans granted by the Gabonese Development Bank from the date of its establishment, classified according to their duration	266

	<i>page</i>
37. Medium- and long-term credit, 1965 to 1970	268
38. Number of accounts and amount of deposits with the Post Office Savings Bank of Gabon, 1965 to 1970	317
39. Transactions of the Post Office Savings Bank of Gabon, 1965 to 1969	318
40. Savings Bank deposits/banks' time deposits ratio, 1965 to 1969	319
41. Distribution of deposits and withdrawals between individual and collective savings at the Post Office Savings Bank of Gabon, 1965 to 1969	321
42. Percentage distribution of the volume of deposits with the Post Office Savings Bank of Gabon, according to the categories of depositors, 1964 to 1969	322
43. Number of accounts with the Post Office Savings Bank of Gabon, according to the categories of depositors, 1965 to 1969	322
44. Investments of the Post Office Savings Bank of Gabon as at 31st December 1969	324
45. Deposits with the post office savings banks of the issuing area, 1964 to 1970	325
46. Finance sources of the banking system, 1965 to 1970	326
47. Distribution of short-term credit declared to the Central Bank Risk Pool, according to type of activity, 1965 to 1970	330
48. Financing of the economy by the banking system, 1965 to 1970	332
49. Percentage distribution of medium- and long-term financing, according to activity and size, 1965 to 1970	334
50. Financing of the economy by the banking system and the Treasury, 1965 to 1970	336



## FOREWORD

The object of this report is to examine the structure and operation of the *Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun* (BCEAEC) and the banking system of Gabon.

Since some fundamental aspects of a credit system, such as the policy of creating a monetary basis, the circuit of financial flow, investment, collection and liquidity policies, depend on the particular circumstances of the countries concerned, I deemed it desirable first to carry out, after an introduction on the geographical environment contributed by professor Cesare Saibene, lecturer in economic geography at Milan's Catholic University and to whom my sincere thanks are due, a summarized review of the economy of those countries, particularly that of Cameroon.

Then I have explained the position of the different sources of local credit. For each institution reviewed, I have tried to define — on the basis of the data available — the institutional context which governs their structure and behaviour. As allowed by the statistics available, such behaviour was also considered in terms of quantities.

This review should enable the reader to verify by himself the conclusions I arrived at in the following critical analysis of the institutions concerned.

Assuming that the object of the Gabonese credit system is the economic development of that country, I have tried, finally,

to single out the deficiencies shown by that system and the measures which could possibly be adopted by the Government and monetary authorities to remedy obvious insufficiencies.

It is perhaps advisable to mention that when we started printing this book it was announced an amendment to the Statute of the BCEAEC, which would become BEAC (*Banque des Etats de l'Afrique Centrale*). Since this amendment is not yet in force I could not examine it in this report.

LORENZO FREDIANI



## CHAPTER I

### THE COUNTRIES OF THE UDEAC



The five countries forming the UDEAC (Central African Customs and Economic Union) cover an area of 3 million km<sup>2</sup> and have a population of little under 14 million. The average relative population is 4.6 per km<sup>2</sup> and this shows, in a fairly representative manner, the general decline in population peculiar to continental Africa (it does not include the average density of the insular population which is always high in all African islands). As a first approximation it suggests a reference to the general natural conditioning which is affecting the whole of Africa. This natural conditioning is on the one hand the cause of the course taken by large migratory flows of primitive man towards other areas of the world where it is easier to form settlements, and on the other hand a major factor for low natural demographic growth of the black African population especially because of the very high rate of mortality and particularly infantile mortality.

But even more significant are the data relating to the distribution of absolute population: the relation between that of the individual countries of the Union and the overall population — compared of course after taking into account the extent of the area covered by each political unit — offer some ground worthy of consideration.

Of the total population of the Union, 61% (8.5 millions) is made up by Cameroon and the Central African Republic. Together these cover only 37% of the total area of the community. However Chad with an area covering 43% of the total has 26%

of the overall population (3,650,000); finally, approximately 13% of the inhabitants of the Union (1.6 million) live in Gabon and Congo-Brazzaville over an area covering 20% of the total.

The data concerning Cameroon alone give rise to other interesting points when considering a more precise interpretation of the human factors hidden by the above figures. These data show that in Cameroon live 43% of the total population over an area which covers 16% of the total area of the Union. We are faced with a very uneven distribution of population, which however does not appear to be irrational provided that account is taken of facts explaining such situation and other similar apparent imbalances. If in fact one looks at the traditional basic economy of agriculture and animal rearing of these peoples just as of all other indigenous African peoples and one considers their low technological level, one is apt to understand the kind of demand for agricultural land that follows as to type and size. Even an approximate examination, always from the point of view of type and size, of the availability of agricultural land that the natural conditions of the continent have to offer to meet this demand, plainly explains why this is concentrated along strips of territory answering at least some criterion of minimum working, and consequently the breaking up and dispersal of the demand. These factors are largely responsible for the fragmentation of the traditional African peoples who find expression in a typical structure based on tribal groups of families so poor in economic and cultural exchanges that they cause the character of ethnic units to be distinct from one another and largely different at the level of political and economic organisation. Perhaps this is the reason for the weakness of the large black political units which were created especially in Sudan and in Guinea and disappeared after the 18th century.

The migration processes — caused by the simple need for new land due to the increase of demographic pressure or by the progressive drying up of land already utilized (still today a common factor because of the lack of technical knowledge that would enable their recovery) or by invasions of a more or less violent character — are orientated towards fixed directions according to the topographical distribution of the more desirable agricultural areas.

And those that suffer are the groups that are weaker politically and culturally as these are pushed towards those lands of lesser potential or are simply subjugated.

If along all this one adds other factors caused by the colonial expansion of European countries motivated at first solely by the desire to draw upon the already exploited resources and then by the establishment of plantations and trade connections, all this tends to explain the subsequent concentration of the population within narrower limits especially along the coastal areas, a process which has been brought further to the fore by the tendency to urbanisation.

The prospects suggested by such phenomena are possibly explained by the apparent lack of coherence in the population of the territories under consideration. One important reason is to be looked for in the natural features. Having noted however that generally the morphology of the area appears to be of fairly uniform character (as it consists largely of a plateau at about 500-1,000 metres above sea level interrupted by hollows often in the form of enclosed basins such as Chad where the height falls to between 200 and 500 metres, with occasional ridges of a certain height, bordered along the coastal areas by strips of plains and alternated by substantial terraces) and that the geological structure is generally homogeneous (because the normal strata show everywhere on the surface large quantities of the archaic

crystal soil, often interspersed with fractures by a covering of mesa-cairozoic sediments), the influence of climatic conditions appears to be a determining factor in the formation of those areas most suitable for settlements.

As the territory extends without continuity from the equatorial to the tropical zone, from the climatic point of view there are everywhere high seasonal average temperatures (between 20 and 35 degrees C.) with daily and annual differences obviously more marked in the desert areas near the tropic (central-northern Chad) and precipitations gradually decreasing from the south (coastal areas and equatorial area of Gabon - Congo where they amount to 2,000-3,000 mm annually, but over 4,000 mm along the coast of Cameroon) to the north, in the continental areas of the interior (on the plateaux) where they decrease gradually to 1,000-1,500 mm, and in Chad where they decrease from 1,000 mm in the south with a further progressive decrease to 500, 250 and finally to 100 mm in the extreme desert area of the north. The degree of rainfall also distinguishes the south, with more or less constant falls as the equinox approaches, from the centre-north where one gradually distinguishes the dry season and the rain season in relation to the zenithal character of the rains.

Consequently the climatic landscape follows from north to south in a regular pattern in line with the increase in the dry conditions: to the south (Congo-Gabon) and along the coast of Cameroon the pluvial forest (Congolese type) prevails and in the interior one passes from arboreal savannah (meadow-like or grassy with sparse trees) to savannah populated with shrubs and bushes, steppe and finally desert.

On considering such environment in connection with the suitability of the land for settlements to be established, one would define as absolutely unsuitable those areas that are either forest



or desert as suitable to nomad cattle rearing conditions those areas of shrubby savannah and only suitable for agricultural settlements the arboreal savannah. This clearly explains the population figures given above: Cameroon and the Republic of Central Africa occupy a good part of the arboreal savannahs the area of which extends also into the south of Chad where in fact lives half the population of that country (over an area of only 165,000 square kilometres). Gabon and Congo on the other hand are territories mainly covered by forest and therefore traditionally refuge areas: their population is factually much less in numbers than that of other countries of the Union.

With regard to the distribution of population within each political area, it is necessary to refer to two factors of considerable importance: the traditional economic structure and the territorial location of colonial interests. As for the former one has to bear in mind that indigenous agriculture is developed towards self-sufficiency and self-consumption by groups or families (even though families in the wider sense) and that the practice of *lougan* or itinerant agriculture is normal. In itself this gives automatically a significant scattering of the population over wide areas as the low productivity of human labour, the limited use of animals, and the generally low fertility of the land involve the use of large areas of land. Naturally where the economics of trade or plantation, i.e. agriculture aiming at trade, polarises the interest of the natives, these areas show a greater density. Such is the case of palm, rubber and cocoa plantations in the south-west of Cameroon or coffee and cotton plantations in the mid-western area of the Republic of Central Africa, cotton plantations in mid Chad, cocoa plantations in north-west Gabon, cotton and sugar plantations in the south of Congo-Brazzaville.

One should add that the commercialization of the primary products has involved, in order to minimize transport costs in an environment suffering greatly from lack of modern structures of communications, a further restriction to those areas of intensively cultivated land, and that equally has given way to a concentration of trading establishments and of industrial plants for the first processing stage in localities more easily accessible and along the coast of countries with important rivers. From this a new call on the movement of population which determines a gradual diminution of density according to the distance from these localities and according to the main routes of circulation and transport. Within such modern economic structure Cameroon holds the lead without doubt among the countries of the UDEAC for its production of coffee, cocoa, cotton, palm oil (so much so that it is in a leading position according to the statistics of world production), which will help to explain its population, but one also has to say that as a whole the five countries form an area that is weak within the agricultural economy of intertropical Africa.

As the mineral resources are generally low, at least in so far as is shown by the geological prospects carried out to date — and where they are of significance such as in Gabon, a massive movement is not possible for the present for lack of labour force and transport structure — the measure of economic activity of the territory appears to be less than that of other adjacent countries such as Nigeria and Ghana.

It is also enlightening in this respect the rate of urbanisation which even at its higher points such as in Congo-Brazzaville does not exceed 28% of the total population and which hovers around 20% in other countries and down to 15% in Chad. This, it should be noted, during these years in which in Africa also the process of urbanisation is taking place in strong terms.



With regard to demographic movement, statistical data place these countries with those of the Third World: the birth rate is between 40 to 50‰, the death rate is approximately 25‰ and infant mortality at times exceeds by far 150‰. Gabon is an exception as it shows a birth rate lower than that of the other countries (35‰) and a higher rate of infant mortality (229‰). The natural increment rate exceeds therefore 20‰ (over two and a half times that in Italy) always excepting Gabon (10‰). The estimated span of life for these peoples is given at about 40 years. From all this one may deduce a demographic structure based on an expansion centering on the age groups from 20 to 50 (the population of those under 15 represents almost everywhere less than 40% of the total), but with a rapid falling off of the older age groups. Such a structure even though it does not represent an optimum situation, allows to forecast a doubling of the population of these countries in the course of a generation, practically within 30 years. If one compares these circumstances which will be difficult to reassess with the data of the average national product per capita — estimated for 1970 at about 150 US dollars per annum — one has the precise impression of a situation of underdevelopment which can only be regarded as dramatic.

## GABON

In this context, which gives shape to many of the deficiencies and the problems of the backward economies, the position of Gabon offers several interesting points.

Although its territory is situated within the area of the equatorial countries, its climatic conditions do not manifest themselves entirely in the same way as those of typically equatorial

countries: this is so mainly in so far as the volume and the frequency of precipitations. One may easily identify for example, in the annual rainfall, a period of drought (i.e. where precipitations are less than 30 mm per month) from June to October; this is an anomaly which is complicated by a significant annual irregularity of the rainfall. Certainly these anomalies may be explained by the situation of the territory between the area bordering the influence of the cold current of Benguela and that of the great coastal arch of the Gulf of Guinea, where typical monsonic manifestations appear, due to the play of the influences caused by the meeting of the oceanic mass and the continental mass. It is a fact that when considering the average of the typical equatorial climate, the territory appears to be affected by an overall annual deficiency of precipitations of 200 mm which places immediately its rich cover of forest at the limit of the ecological conditions.

On the other hand, the forest though covering 85% of the area of the country (about 200,000 km<sup>2</sup>) is not continuous. The frequent intercalation of savannahs, sometimes affecting entire regions, though attributable in some cases to the traditional work of winning agricultural soil by the native, for the greater part must be attributed to influences of the dry season which in the lower Ogoué and in the southern parts of the country, where it lasts for three months, appears to be a factor in the natural process of transforming the natural vegetation into arboreal savannah.

The largest area of this type is on the Batéké plateau, in those parts of the territories of N'Gunié and of Nianga along the coast and in the south-east of the country. Because of the factors mentioned above and the prevalence of crystal in the ground — of which the washing away caused by rain (everywhere around 2,000 mm per annum) and the combined action of high

temperatures and constant humidity have altered the degree of fertility — a territory has taken shape of difficult access and of even more difficult conditions for settling in.

This is confirmed by the size of the population which appears to be low in an absolute sense (950,000 inhabitants according to the 1970 census)<sup>1</sup> and even lower in relation to the known and to the potential resources.

With regard to the number of inhabitants, it should be said that the data supplied give rise to some hesitation. It is true to say that one can easily understand some serious difficulties in obtaining census information in view of the poor accessibility of the country (even now lacking in railways and with an unsatisfactory road network), the scattering of the population as many people still live in the forest, and the large number of different ethnical groups (one counts over 40 different ones), this being the result of a population affected by repeated migratory influences from the north, north-east and from the south, which make the territory a typical refuge area.

However a comparison between the official data given by the census and estimates over the last decades does not show a coherent or reliable picture. Between 1946 and 1955 for example there would have been a substantial reduction in the population (from 421,000 to 387,000); then up to 1961 there would have been instead an exceptional upsurge with an increase of as much as 60,800<sup>2</sup>; finally, (according to the 1970 census of which abridged data were published in May 1972) there should be a total population of 950,009 inhabitants with an increase in ten years of as many as 501,445 people. The estimates for 1970

<sup>1</sup> See "Gabon", *Marchés Tropicaux et Méditerranéens*, XXVIII, No. 1387, June 1972, p. 1711.

<sup>2</sup> See Becquerel, *Le Gabon*, Paris, 1970.

only quoted 630,000 inhabitants and the Population Division of the United Nations, on the basis of the available data on natural increases, in December 1969 published a forecast on the population of the country and estimated that by 1985 it would reach 600,000 people.

According to the census of 1970 the number of European residents was only 8,500<sup>1</sup> but French sources state that at 1st January 1971 French subjects alone registered at the consulates as residing in Gabon were 12,800<sup>2</sup>.

The disparity of the figures suggests that prudence should be exercised in commenting and elaborating upon the demography of the country and places an understandable shadow of doubt over statistical data relating to other sectors. With reference to the demographic statistics, UN sources regarding the situation in 1968 are not reassuring: a birth rate (35‰) lower than that of all other African countries, a death rate (25‰) higher than the continental average (20‰) shared only by the countries of Equatorial Africa, certainly due to the diffusion and morbidity of tropical diseases, and a rate of infant mortality (229‰) lower only to that of Zambia which is considered to be the highest in the world.

Such data are all the more difficult to agree with the figures of natural increase obtained from the 1970 census. Perhaps a more interesting meaning for our purpose is supplied by the figures on the distribution of the population in the territory: it appears more likely that even if there should have been alterations in the overall figure of the population, the computation of the territorial subdivision of inhabitants does not suffer significant change. One notes in fact that the figures correspond fairly

<sup>1</sup> See "Gabon", *Marchés Tropicaux et Méditerranéens*, *op. cit.*, p. 1711.

<sup>2</sup> See "L'Afrique d'expression française et Madagascar", *Europe, France, Outremer*, No. 487 special, June 1971, p. 117.



accurately to the latest censi and where it does not appear to be so one can easily see the reasons due to recognizable factors and in accordance with the social-economic conditions of the country.

In effect the more densely populated districts today are: the Estuary (9.7 inhabitants per km<sup>2</sup>), Ogoué Marine (5.2 inhabitants per km<sup>2</sup>), Woleu-Ntem (3.8 inhabitants per km<sup>2</sup>), High Ogoué (3.5 inhabitants per km<sup>2</sup>), N'Gunié (3.4 inhabitants per km<sup>2</sup>). It is in fact the coastal districts together with the capital Libreville and the harbour town of Port-Gentil which together constitute the areas with the greater concentration of commercial and industrial activity and therefore the more attractive in relation to the rest of the country; then the district populated by the Fang, the more advanced ethnic group and finally the mining area already equipped and active (manganese) and the forest zone which recently began working after the area traditionally worked (next to the sea) began to show signs of decline. One should note in fact the recovery of the lands of Ogoué Marine and of High Ogoué as compared with the positions occupied by them in 1961 in the table of regional population density which is easily understandable for the above reasons. There has been instead a loss of inhabitants by the regions of N'Gunié, Nianga, Mid-Ogoué and Lolo, a loss that shows a migratory movement outwards from the interior towards the periphery which has taken life by new development prospects, whilst Ogoué Ivindo remains the least populated district (1.3 inhabitants per km<sup>2</sup>) awaiting for the development of the rich iron reserves that have been discovered in order to take off.

Migratory movements are also confirmed by the considerable increase of the urban population along the coastal regions. The population of Libreville increased from 30,000 in 1961 to 75,000 in 1970, that of Port-Gentil from 25,000 to 35,000 and that of

Lambarené from 4,000 to 7,000<sup>1</sup>. These figures appear to show that also in Gabon a process of transformation of the traditional social-economic structure is taking place as a prelude to development.

It is in this context that another of the features peculiar to Gabon emerges: its position of a scarcely populated country in obvious contrast with the overpopulation affecting other underdeveloped African territories and countries. Such a position can be confirmed by some data on the population when compared with those of natural resources so far ascertained.

Three quarters of the population live on the land but only 237,000 people make up the actual number in the agricultural sector<sup>2</sup> which incidentally is the one that contributes in the least extent to the gross national product (always excluding the product of afforestation and that of plantations earmarked for export). Of the remainder the area earmarked for cultivation covers only 0.5% of the total area of the country of which a quarter is for agricultural products to be traded. The very limited area that is cultivated should also be compared with the dispersal of the farms in the territory; a significant sign, however indirect, is that the rural communities made up of villages with an average of 122 inhabitants each are as many as 4,503<sup>3</sup>. This is further evidence of the very limited importance of the primary sector, obviously based even today on traditional custom and therefore of low productivity. Another factor confirming this view is the effort of public institutions concerned in the investments forecast for the two development plans for this sector of activity: over 200

<sup>1</sup> See "L'Afrique d'expression française et Madagascar", *Europe, France, Outremer, op. cit.*, p. 117, *Annuaire Statistique*, Libreville, 1966.

<sup>2</sup> *Ibidem.*

<sup>3</sup> *Ibidem.*

million CFA francs<sup>1</sup> to be used not only to increase the production of goods for export (cocoa, coffee and groundnuts) but also to organize and equip adequately the agricultural centres (or *paysannat* as they are called locally).

On the other hand the gross internal product per capita (which has shown in the last few years an average annual increase of 8.9%) has reached 480 dollars<sup>2</sup>, and this places Gabon in third place among the 42 nations of the continent of Africa. Even taking into account the low starting level from which the percentage increases are calculated, these figures show the lively expansion of other productive fields.

The data on occupation give some additional bearing: salaried employees (including those engaged in afforestation, mining and plantations) are 60,000. To these are to be added 8,200 traders, 8,000 civil servants and 38,200 to include armed forces, students, clergy, etc. One should add that the salaried sector is increasing rapidly and it is thought that now it will have exceeded 20-25% of the active population (it is worth while noting that the active population affected by the law of compulsory education — from 6 to 16 years — has lifted the rate of schoolchildren to 96 per cent).

Until 1965 the main economic sector was by tradition forestry which by itself made up 36% of the value of exports. From that year the lead has been taken over by the mineral sector because of the very rapid increase in oil production (from 178,000 tons in 1957 to 5,785,000 in 1971) and manganese (203,000 tons in 1962 to 1,700,000 in 1971) and also for the discovery and

<sup>1</sup> See "Gabon", *Industries et travaux d'outremer*, XIX, No. 214, September 1971, p. 767.

<sup>2</sup> See "L'Afrique d'expression française", *op. cit.*, p. 117.

<sup>3</sup> *Ibidem*.

the mass development of uranium deposits which in 1970 already produced 1,077 tons. Forestry production even though maintaining a high level has felt the effect of the reshuffling of the pattern of grants and of the reorganisation of the territorial distribution (the inception of the so-called second area of inland divisions). In effect the quantity of products is stationary at about one million tons per annum consisting largely (eight-tenths) of okumé<sup>1</sup>.

At this point we can further evaluate the reasons for the economic expansion of the country which, as shown by the above data, appears to have begun in the early sixties: within the mineral sector the volume of oil reserves gives exceptional opportunities following the discovery of off-shore deposits that have now replaced in importance the continental deposits; the confirmed reserves of manganese amount to 200 million tons of ore of a content of 50-52%, among the richest in the world (we should remember that Gabon is the third producer and first exporter of manganese in the world); uranium deposits are believed to be 2.5 million tons (content 4%) and finally the deposits of iron are estimated to be 1,000 million tons of a content of 65% lying in the area around Belinga and so far not exploited because of lack of a transport network<sup>2</sup>.

This is the basis upon which we are justified in building a moderately optimistic forecast on the rate and degree of expansion of the economy of Gabon. Confirmation of this is given by the increase in assets of the balance of payments: these amounted to 9,000 million CFA francs in 1964 and were 19,000 million in 1970. It is true that when considering the type of exports

<sup>1</sup> See "L'Afrique d'expression française", *op. cit.*, p. 121-122. *Industries et travaux d'outremer*, *op. cit.*, p. 767 and XX, No. 219, February 1972, p. 162.

<sup>2</sup> See "L'Afrique d'expression française", *op. cit.*, p. 121-122.



(almost all raw materials) the optimistic forecast roused by the values in currency terms is tempered with caution.

It should be said however that the products introduced on the international market by Gabon are not to be included among those of which competitive production exists in other countries and are not up to the present affected by substitutes or replacements; the danger of being openly exposed to price fluctuations is therefore limited. It is true however that foreign enterprises in favour of the integral adoption of a liberal system in the political economy of the country and in the foreign exchanges bear considerable weight in the investments earmarked for the various branches of the economy. It is not easy to give data in this respect. However there is a figure which allows to draw some indication: 60% of the labour remuneration is absorbed by workers who are not resident in the country and 35% of the salaries received by Europeans is transferred abroad.

On the other hand the policy of the Government confirms the considerable push given to the rapid and integral exploitation of the resources available. The plan 1965-1970 has been achieved to an average of 80% (99,000 million CFA francs the investment of which had been forecast, 80,000 million have been actually invested reaching an increase in respect of the forecast of 200% in the mineral sector, 95% in that of process industries and 90% in the forestry sector)<sup>1</sup>.

The plan 1971-1975 forecasts investments of 150 thousand million CFA francs (66% more than the previous plan) of which private investments would account for 84.5 thousand million and public investments for 65.5 thousand million<sup>2</sup>. Obviously the greater

<sup>1</sup> See "Gabon", *Industries et travaux d'outremer*, XIX, No. 214, September 1971, p. 766.

<sup>2</sup> See "Gabon", *Industries et travaux d'outremer*, *op. cit.*, p. 767.

part is earmarked for internal projects among which stands out the building of the Owendo-Boué railway 332 kms long to help in the exploitation of the iron ore deposits at Belinga, but its running is also anticipated to carry timber at the rate of 1,200,000 tons annually. The other sector of government intervention is that of manufacture where one anticipates in the first instance the installation of a plant producing 250,000 tons of cellulose annually connected to a forestry reserve of 200,000 hectares, and a chemical plant that would be using natural gas as raw material (methane production has in fact reached 35 million cubic metres annually). Within the mining activity one anticipates an increase in the production of manganese reaching 2,300,000 tons in 1975, and the plants for the production of energy should reach up to 95 million Kwh (against 49 million in 1970).

Facing such programme, not overambitious if one considers the type and quantity of the national resources of the country, there are two problems. First of all the social situation is beginning to show a certain deterioration just as in other countries of the Third World: one has noted the symptoms with the quickening of urbanisation which leads to underoccupation above all in the tertiary areas and the progressive formation of a group of civil servants with privileged remuneration and whose large powers are already the cause of complaints. In addition, the inadequacy of the administrative staff from the quantity point of view, whose formation — even though eased by the good laws on education and by the large financing of education (20% of the budget) — can only be attained over a long period and at a much slower pace than that foreseen for the exploitation of resources.

It is in this context therefore that is to be interpreted what we consider to be the underpopulation of that country: it is one but not the only contradiction that arises on examining its structure.