Gabon

Gabon: Current Path

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Chart 2: Population structure in the Current Path, 1990-2043

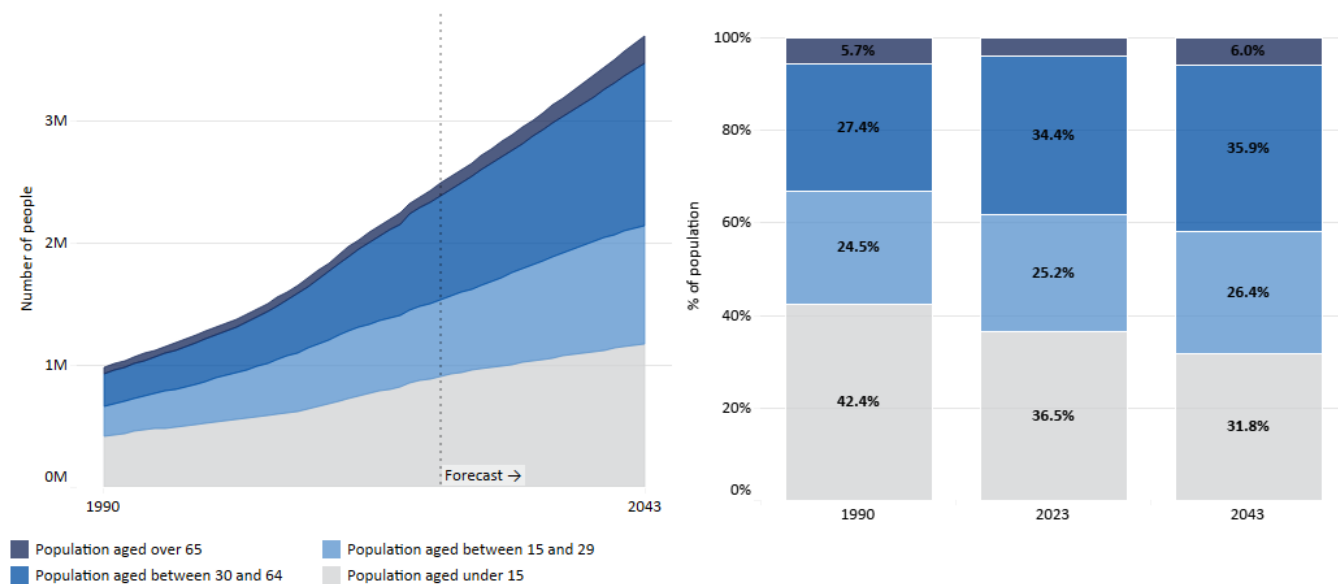Source: IFs 8.34 initialising from UNPD population prospects estimate and WDI population data

Chart 2 presents the Current Path of the population structure, from 2020 to 2043.

The demographic profile of a country is key in shaping its long-term social, economic and political path. It is hence a useful predictor for a nation's development prospects.

Gabon's demographic profile is misaligned with its upper-middle-income status and closer to the group average of its African lower-middle-income peers. Average total fertility is significantly higher than the global or African average for upper-middle-income countries although, between 1990 and 2023, it has declined from 5.5 to 3.7 births per woman of child-bearing age. In 2023, Gabon's population growth rate stood at 2.3%, roughly the median value for Africa and second highest among Africa's upper-middle-income economies. From a baseline of hardly a million people in 1990, the country's population more than doubled to about 2.5 million people in 2023 and is set to grow to 3.7 million people by 2043. Gabon is expected to reach replacement level fertility of 2.1 births per woman of childbearing age only by around 2068.

Relatively high levels of fertility and life expectancy mean that Gabon's population is young with a demographic structure that is maturing only slowly. In other words, the country's population pyramid is large at the bottom, medium to slim in the middle and very slim at the top. In 2023, half of the population was younger than 22.5 years. More than a third (36.4%) were younger than 15, and only 4% of the population was older than 65. On the Current Path, the share of the population that is under 15 years old will drop to 31.8%, with the older age cohorts constituting a larger share of the overall population. By then, the median age will increase to just over 25 years, 7.7 years below the group average of Africa's upper-middle-income economies and almost 19 years below the average for the world's upper-middle-income countries.

A maturing age structure will benefit Gabon's workforce. By 2043, its working-age population will account for about 62.3% of the overall population, up from 59.6% in 2023. The ratio of people of working age relative to the dependent population

is improving slowly. Gabon is set to enter a potential demographic window of opportunity in 2043 with the ratio of working-age persons at 1.7 to one. The contribution of labour will improve economic growth if education and employment opportunities are provided.

In 2023, the average life expectancy in Gabon was 68.4 years with that for women significantly higher (71.7 years) than men (65.2 years). On the Current Path, the average life expectancy of Gabonese citizens will increase to 71.7 years over the next two decades, 2.5 years below the expected average of 74.2 years for Africa's upper-middle-income economies in 2043 and more in line with prospects for Africa's low-income economies. The gender gap in Gabon´s life expectancy will grow, reaching 7.1 years compared to 6.4 years in 2023.
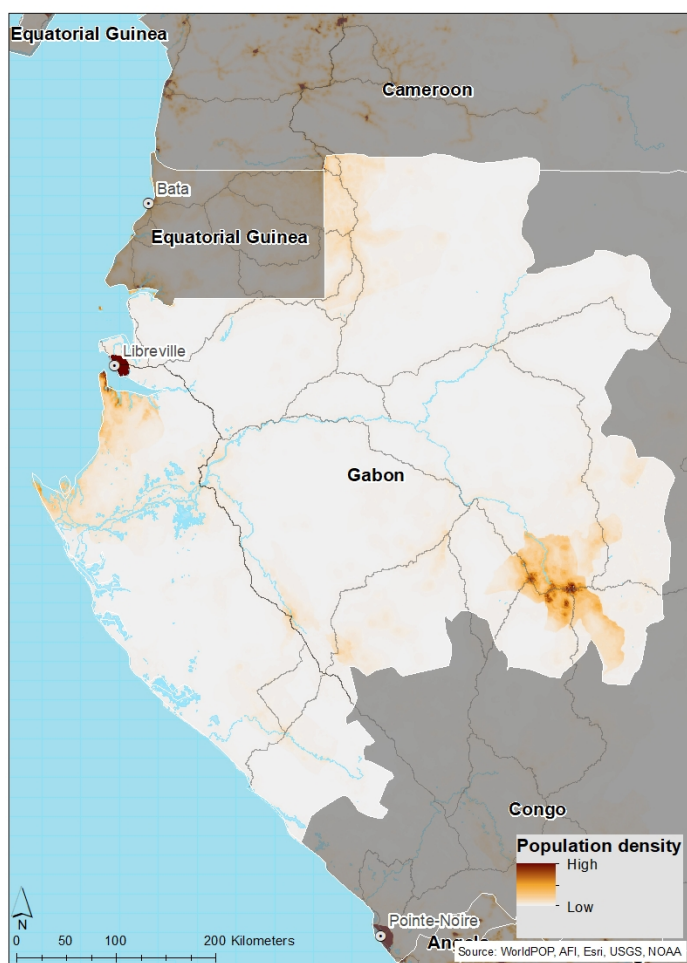
Chart 3: Population distribution map, 2023

Chart 3 presents a population distribution map for 2023.

According to the World Population Review, of the approximately 2.5 million people living in Gabon in 2023, more than a quarter or 578 000 inhabitants, are concentrated in the country's capital, Libreville, which lies in the northwestern province of Estuaire. The second-largest city is Port-Gentil, with close to 110 000 residents, followed by Franceville with about 43 000 residents, and Oyem and Moanda with about 30 000 residents each. At 8.4 persons per square kilometre, population density in Gabon is low.

The country is characterised by exceptional ethnic diversity. The largest group are the Fang people, representing more than one-fourth of the country's population. Other groups include the Myene (including the Mpongwe and Orungu), the Sira (including the Punu), the Nzebi and the Mbete. Together, the latter three account for about one-third of the

population. Less numerous peoples include the Benga and Seke, the Kota and Teke, and the Vili.

Due to its extractive economy as well as its relative political stability, Gabon has historically attracted migrants from neighbouring countries, both regular and irregular and mostly searching for economic opportunities. A recent survey carried out by the International Organisation of Migration reveals that the majority of migrants to Gabon originate from West or Central Africa, mainly Mali, Cameroon and Benin. For some, Gabon serves as a transit point on their journey to Europe.

Chart 4: Urban and rural population in the Current Path, 1990-2043

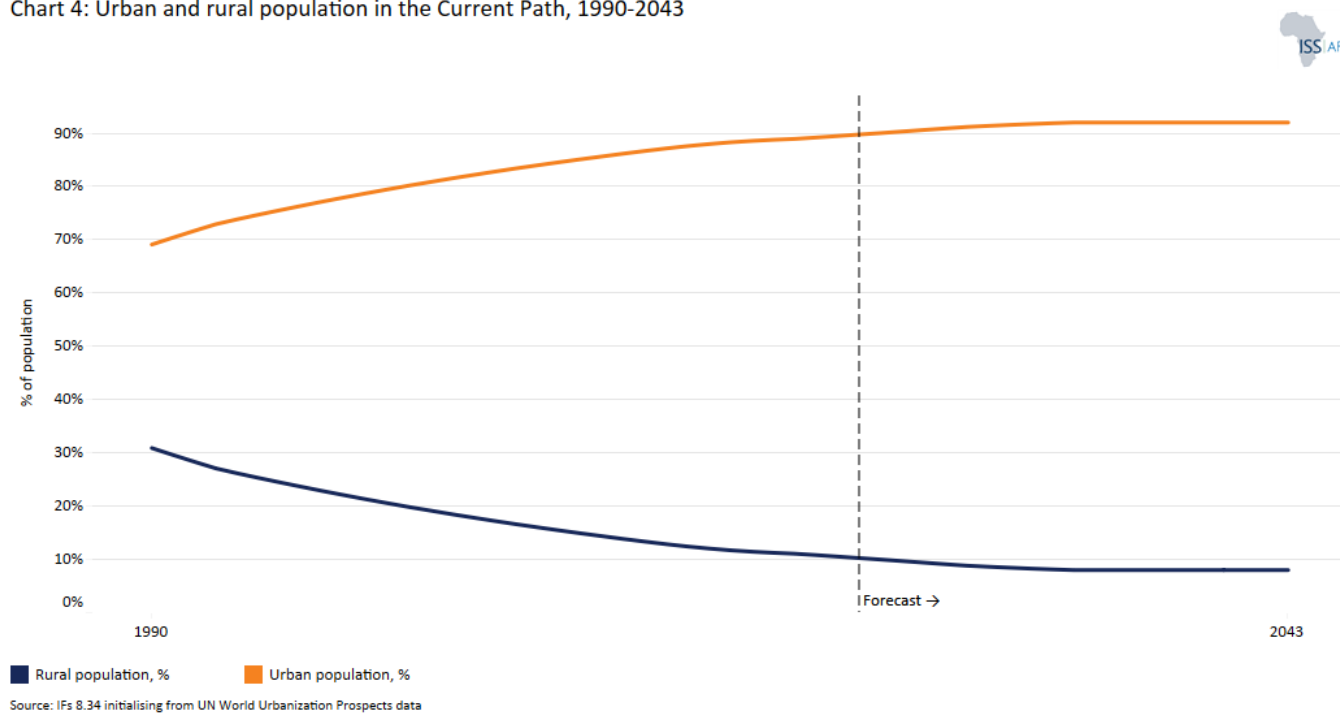Source: IFs 8.34 initialising from UN World Urbanization Prospects data

Chart 4 presents the urban and rural population in the Current Path, from 1990 to 2043.

Mainly because of its oil-based economy, concentrated in urban areas, Gabon is the most urbanised country in Africa. In 2024, more than 90% of the country's population lived in towns and cities. The average African upper-middle-income country has a ratio of 68.4% urban versus 31.6% rural citizens. Also, smaller countries are typically more urbanised than larger countries as there is less land to cultivate. Gabon's rural exodus has been fueled by the development of the oil economy to the detriment of agriculture and the quest for people to look for employment opportunities in urban areas. The rural sector is severely underdeveloped, and despite the availability of land and ideal climatic conditions, small-scale agriculture is mostly subsistence family farming.

Urbanisation has not translated into tangible improvements in the standard of living of most Gabonese, in particular the poor. Two key reasons for this outcome are that the urban economy has not created sufficient jobs and that growth largely occurred in sectors with little connection to the poor, such as oil production. Indeed, growth that does not benefit the poor tends to exacerbate existing inequalities.[1] For sustainable urban development to happen, the growing urban workforce needs productive employment opportunities. Low-wage jobs limit the tax base putting pressure on service delivery in urban areas. In Gabon, this is the case for the education sector, for example. Gabon is an example of what Freire et al. summarise, i.e. that '[i]f urbanisation occurs without a corresponding increase in economic opportunities and services, the resulting cities will be characterised by concentrations of relatively richer people purchasing low-level services from those migrating to cities, [with] slums and concentrations of basic infrastructure services catering to the higher income parts of the city'.

According to the World Bank, in Gabon poverty is highly concentrated in the country's largest cities, in particular Libreville and Port Gentil. However, the poverty rate in rural areas is even more widespread and deeper, meaning that those households are far away from the poverty line and hence need more resources to be lifted out of poverty.

Chart 5: GDP (MER) and growth in the Current Path, 1990-2043

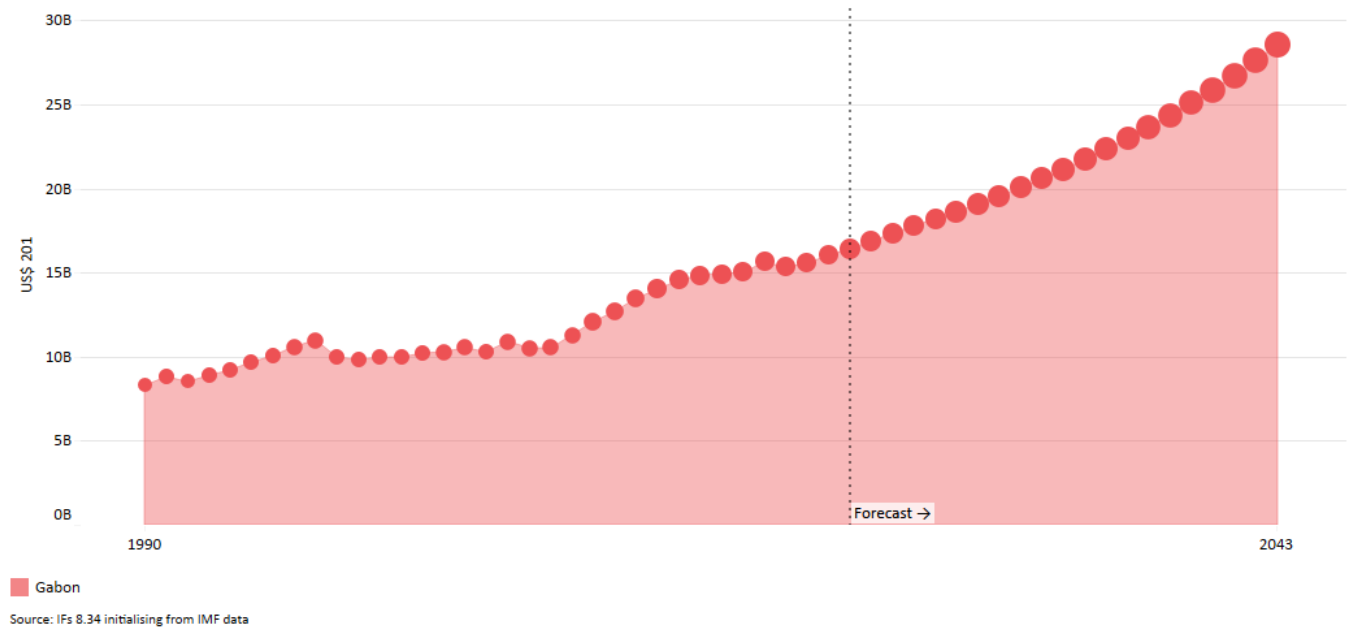Source: IFs 8.34 initialising from IMF data

Chart 5 presents GDP in market exchange rates (MER) and growth rate in the Current Path, from 1990 to 2043.

Gabon's GDP (MER) essentially doubled between 1990 and 2023, from US$8.3 billion to US$16.4 billion. The country ranks fifth out of the eight African upper-middle-income economies, with South Africa being the largest economy, followed by Algeria and Libya and Botswana at fourth spot. On the Current Path, Gabon's GDP will expand by almost 70% to US$28.5 billion by 2043.

According to the International Monetary Fund (IMF), Gabon's post-Covid economic recovery proved relatively resilient. Growth returned in 2021 after the recession induced by the pandemic and its broader fallouts and despite more recent shocks tied to the coup, logistical disruptions and high fuel prices for businesses. In 2021, the Gabonese economy grew by 1.5%, and 2022 and 2023 saw GDP expanding by 2.9% and 2.3%, respectively. The IMF growth forecast for 2025 is 3%. However, this optimistic outlook is contingent on progress in diversifying the economy as well as on consolidating Gabon's precarious fiscal position to ensure fiscal sustainability in the future.

Key challenges that the transition government needs to address include:

1. Ensuring transparency in managing public resources and improving the business climate,

2. Consolidating the fiscal position with a view to ensuring fiscal sustainability,

3. Incentivising economic growth, while making it more inclusive,

4. Addressing fiscal imbalances to reduce liquidity risks and avoid unsustainable debt dynamics,

5. Closing transparency and governance gaps.

The transition authorities are facing a balancing act. Social expectations for the regime change to set Gabon on a more positive development trajectory are high and underpinned by long-standing economic and social grievances. At the same time, the fiscal space is very limited and debt pressure is high. For example, fuel subsidies were expanded despite the significant fiscal cost. Given high fiscal and liquidity risks, the rating agency Moody's and Fitch downgraded Gabon's ratings, and the IMF's May 2024 debt sustainability analysis underlined a high risk of debt distress, noting a significant deterioration in debt sustainability since the previous assessment in 2022. The gradual depletion of oil reserves is adding to the pressure.

Gabon faces US$27 million in arrears to the World Bank, which suspended disbursements in January 2025. The country also has US$700 million in Eurobonds maturing in June 2025 and US$1.8 billion due in 2031.

Chart 6: Size of the informal economy in the Current Path, 2020-2043

Source: IFs 8.34 initialising from Elgin and Oztunali (2008), and Schneider and Enste (2012) data
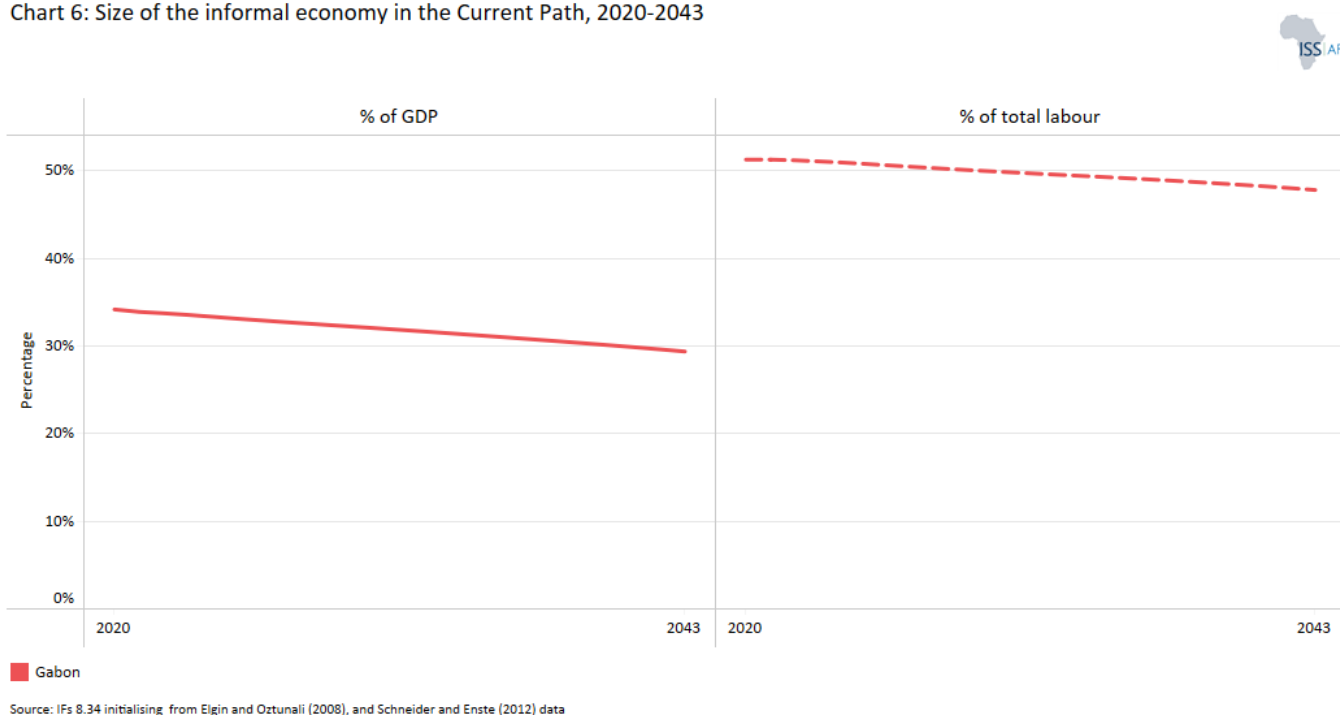
Chart 6 presents the size of the informal economy as per cent of GDP and per cent of total labour (non-agriculture), from 2020 to 2043. The data in our modelling are largely estimates and therefore may differ from other sources.

Countries with high informality typically encounter multiple development challenges connected to low revenue mobilisation. Further, high levels of informality tend to hold back economic growth.

In 2023, Gabon´s informal economy accounted for approximately 33.6% of GDP, by far the highest share among its upper-middle-income peer economies in Africa. In Botswana, which ranks second, the informal sector accounts for only 18.6% of GDP, and the group's average is 14.9%. The share of Gabon´s informal sector is even higher than in the average African low-income economy where in 2023 the informal sector accounts for 29.3% of GDP.

On the Current Path, Gabon's informal economy will decline relative to the formal economy, likely reflecting higher incomes as well as some improvements in overall state capacity, including for taxation. However, without targeted policy intervention progress will be very limited. In 2043, the informal sector will still account for 29.3% of the country's GDP. With limited formal sector opportunities, most of Gabon's workforce is employed in the informal sector which adds little value to the economy overall other than often being precarious employment. In 2023, informal labour accounted for more than half of total labour (51.1%). In the Current Path, this share will drop to 47.8% by 2043.

For oil-exporting economies, such as Gabon, persistently high levels of informality are not uncommon. The latter stem from economic structures that benefit exports of natural resources with limited diversification, hence constraining the tax base.

This explains that expected improvements are modest at best and misaligned with the country's upper-middle-income peer economies in which the informal sector will on average account for only 13.9% of GDP by 2043. Even in Africa´s low-income economies the informal economy will on average account for only 27% of GDP by 2043.

Addressing informality constructively is essential to promote inclusive wealth creation in Gabon and reduce inequalities. The sector is the only source of income for most people of working age. Improving access to quality education, job creation and financial inclusion are some policies that can reduce informality.

Chart 7: GDP per capita in Current Path, 1990-2043

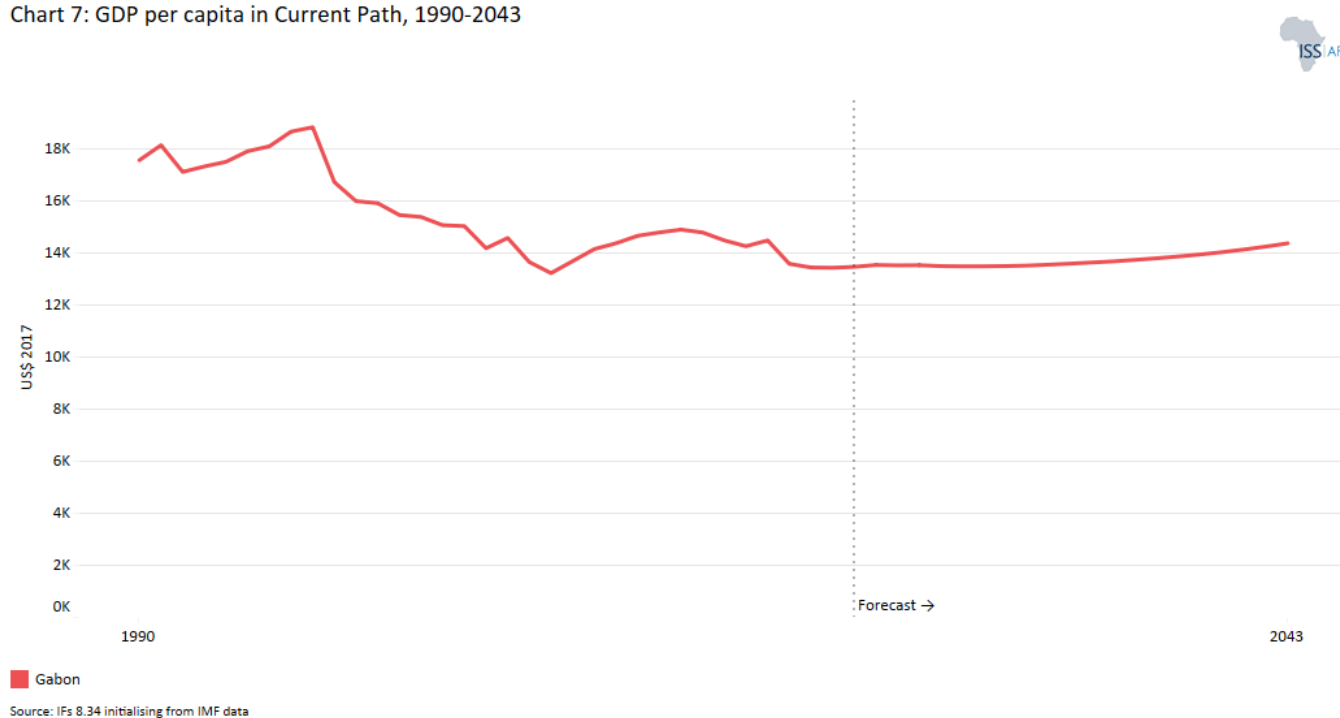Source: IFs 8.34 initialising from IMF data

Chart 7 presents GDP per capita in the Current Path, from 1990 to 2043, compared with the average for the Africa income group.

In 2023, Gabon had a GDP per capita of US$13 460, US$1 000 above the African upper-middle-income group average of US$12 520. The country ranked 4th among its income peers on the continent. However, GDP per capita growth in Gabon has been extremely limited. In fact, in 2023 average incomes are lower than in 1990 when GDP per capita stood at US$18 000 or in 2000 when it was US$16 000. On the Current Path, Gabon's per capita income will continue to stagnate and only increase by about 7% to US$14 370 in 2043.

Gabon's GDP per capita evolution essentially mirrors fluctuations in global oil prices and domestic production dynamics in a context of relatively high population growth. Gabon's GDP per capita (PPP) peaked spectacularly following intense oil exploration and production activity during the 1960s and 1970s. In 1976, GDP per capita reached USD$31 090, but soon after dropped to levels between US$20 000 and US$18 000 during the eighties and nineties. The 2000s were characterised

by even lower levels of GDP per capita, and in 2023, Gabon's GDP per capita fell to US$13 460. Among its African upper-middle income peers, Gabon has the 4th-highest GDP per capita, following Mauritius (highest), Libya and Botswana. The group´s average in 2023 was US$12 520. On the Current Path, Gabon's GDP per capita will reach US$14 370 by 2043.

On the Human Development Report 2023/2024, Gabon scored 0.693 based on data from 2022 (higher scores mean higher human development). The country ranked 123 out of 191 countries and was among the top scorers of the medium human development category. However, it is worth noting that Gabon fell six ranks on the index between 2015 and 2022.

Chart 8: Extreme poverty in Current Path, 2020-2043

Source: IFs 8.34 initialising from UNPD population prospects estimate, WDI and PovcalNet data
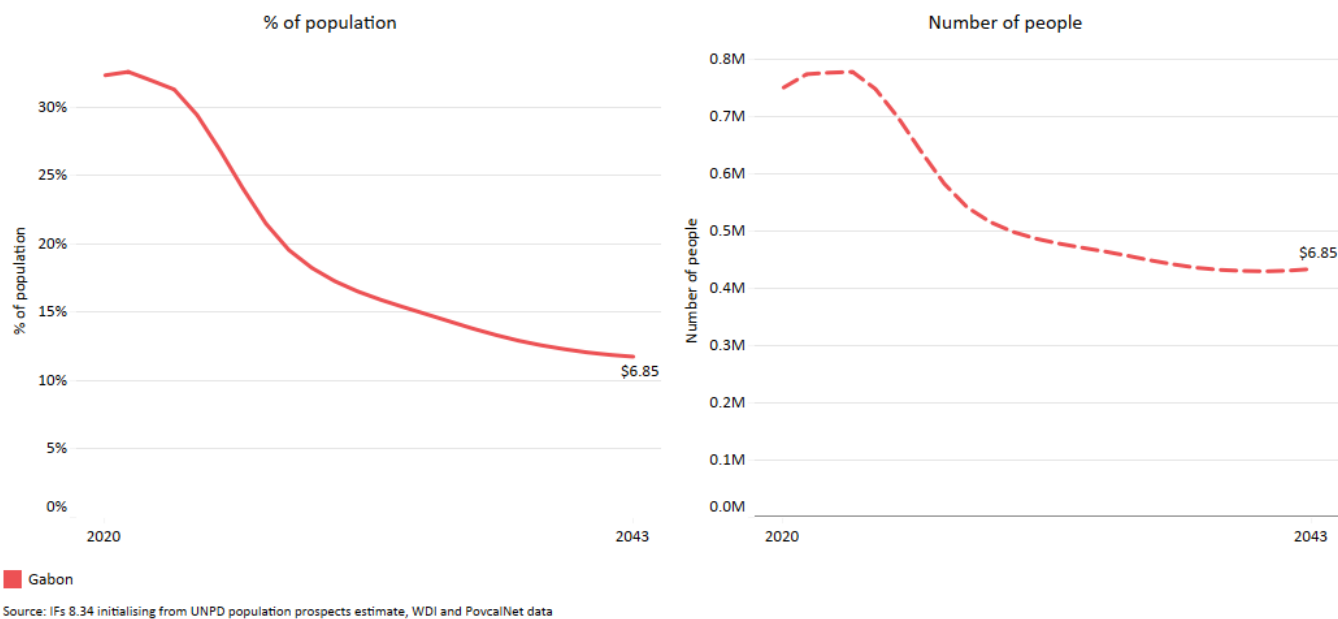
Chart 8 presents the rate and numbers of extremely poor people in the Current Path from 2020 to 2043.

In 2022, the World Bank updated the poverty lines to 2017 constant dollar values as follows:

- The previous US$1.90 extreme poverty line is now set at US$2.15, also for use with low-income countries.

- US$3.20 for lower-middle-income countries, now US$3.65 in 2017 values.

- US$5.50 for upper-middle-income countries, now US$6.85 in 2017 values.

- US$22.70 for high-income countries. The Bank has not yet announced the new poverty line in 2017 US$ prices for high-income countries.

As an upper-middle-income country, Gabon uses the US$6.85 benchmark to define poverty. The country's poverty burden is high considering its GDP per capita. In the past, economic growth has not led to improved development outcomes for the overall population. In 2023, 31.3% of Gabonese were living below the poverty line, the equivalent of 778 810 people.

However, Gabon's poverty rate lies 26.9 percentage points below the 58.3% average of its very heterogeneous African upper-middle-income peer group. South Africa, Botswana and Namibia are the countries with the highest poverty rates in that group. All three also are characterised by extremely high inequality that extends beyond income inequality. In South

Africa, 62.9% of the population lived below the poverty line in 2023. Mauritius was the country with the smallest share of people living in poverty, i.e. 12.2%, and Gabon´s poverty rate was ranked third lowest in 2023. On the Current Path, Gabon's poverty rate will decline to 11.8% by 2043.

Monetary poverty only tells part of the story, however. Therefore, the global Multidimensional Poverty Index (MPI) assesses acute multidimensional poverty by measuring each person's overlapping deprivations across 10 indicators in three equally weighted dimensions: health, education and standard of living. The MPI complements the respective international monetary poverty thresholds by identifying who is multidimensionally poor and also shows the composition of multidimensional poverty. The headcount or incidence of multidimensional poverty is often several percentage points higher than that of monetary poverty. This implies that individuals living above the monetary poverty line may still suffer deprivations in health, education and/or standard of living. Gabon scores 0.037 on the Multidimensional Poverty Index 2024 with 8% of the population considered multidimensionally poor and with sanitation and nutrition being the most critical dimensions. For comparison, Botswana's and Namibia's scores are 0.073 and 0.175, respectively (higher is worse). The average score for sub-Saharan Africa is 0.254.

Chart 9: National Development Plan of Gabon

Chart 9 depicts the National Development Plan of Gabon.

Gabon has produced a series of development plans. Under the second Ali Bongo administration, the plan 'Emerging Gabon 2025' (PSGE) served as the central guiding document with implementation starting in 2012. The plan had three overarching goals: (i) acceleration of economic growth and economic diversification, (ii) reduction of poverty and social inequalities and (iii) sustainable management of the country's resources.

To achieve this, the plan identified three strategic paths:

1. Strengthening the foundations to become a globally competitive country via investments in human capital, sustainable natural resource management, governance and infrastructure.

2. Establishing three pillars that can accelerate sustainable development, namely Industrial Gabon, Green Gabon and Service Gabon.

3. Facilitating inclusive growth and shared prosperity for all segments of the population through investments in health services, water and sanitation, housing and employment.

In July 2023, the Ali Bongo administration launched a Health Development Plan (Plan National du Développement National du Gabon) to accelerate progress towards universal health coverage.

In the aftermath of the coup, in January 2024, the transition government released its own development plan that is, however, aligned with the priorities spelled out in the previous document. The Plan National de développement pour la Transition (PNDT) or National Development Plan for the Transition is a strategic document that sets out development priorities for the period 2024 to 2026. The plan reflects the vision of the Committee for the Transition and Restoration of Institutions (CRTI) and aims to promote sustainable and inclusive economic growth to improve the living conditions of the Gabonese people. To achieve this, the plan advocates the diversification of the Gabonese economy, by developing neglected sectors such as agriculture, tourism, industry and services.

The four strategic pillars of the PNDT are:

1. The development of strategic infrastructure,

2. Economic diversification,

3. The promotion of a new social pact for inclusive development,

4. The strengthening of environmental sustainability.

In addition, the plan envisions institutional reforms to ease the political transition. Priority projects to be financed include: the construction of new infrastructure, such as Libreville 2, adapted social housing, the creation of a Development Bank, as well as initiatives to strengthen sectors, such as aviation and road transport.

Endnotes

1. Wold Atlas, Ecological regions of Gabon.

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About the authors

Mustapha Jobarteh joined the ISS in January 2022 as a Senior Researcher in the African Futures and Innovation programme in Pretoria. Before joining ISS, Mustapha was a senior lecturer and Head of the Department of Economics and Finance at the University of the Gambia and a research fellow with the Center for Policy, Research and Strategic Studies. His interests include macroeconomics, international trade and econometric modelling. Mustapha has a PhD in economics from Istanbul Medeniyet
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