

June 11, 2004



PRESS-RELEASE

**THE PARIS CLUB RESCHEDULES EUROS 717 MILLION
OF THE REPUBLIC OF GABON'S DEBT**

On June 11, 2004, the Paris Club concluded an agreement with Gabon consolidating around Euros 717 million. This sum consists of Euros 456 million of arrears and Euros 261 million of maturities falling due between May 1, 2004 and June 30, 2005. This rescheduling is expected to reduce debt service due to Paris Club creditors over the period from Euros 953 million to Euros 270 million.

This agreement follows the IMF's approval of a Stand-by Arrangement on May 28, 2004 and is consistent with the financing needs of Gabon between May 1, 2004 and June 30, 2005. This consolidation is expected to make an important positive contribution to Gabon's economic outlook and to strengthen its financial situation. Paris Club creditors took note of the measures in Gabon's economic and financial programme and stressed the importance of its continued and full implementation.

The rescheduling is conducted under the Paris Club's classic terms: all credits will be repaid progressively over 14 years, including 3 years of grace (see table attached).

On a voluntary and bilateral basis, each creditor may also undertake debt for nature, debt for aid, debt for equity swaps or other debt swaps.

As in any Paris Club agreement, Gabon agreed to seek comparable treatment of its debt from non-Paris Club bilateral and private creditors.

The Paris Club agreed in principle to consider a treatment of Gabon's debt after June 30, 2005 that is consistent with its financing needs if Gabon fulfils the commitments under the present rescheduling and concludes a new agreement with the IMF.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which participated in the reorganization of Gabon's debt were representatives of the governments of Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland, the United Kingdom and the United States of America. Brazil also took part in this meeting.

Observers at the meeting were representatives of the government of the Russian Federation as well as the IMF, the International Bank for Reconstruction and Development, the African Development Bank, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development.

The delegation of Gabon was headed by Mr. Paul TOUNGUI, State Minister, Minister of Economy, Finance, Budget and Privatisation. The meeting was chaired by Mr. Ramon FERNANDEZ, Deputy Assistant Secretary at the Treasury of the French Ministry of Economy, Finance and Industry, Vice-President of the Paris Club.

Technical notes

1. A Stand-by Arrangement was approved by the IMF (www.imf.org) on May 28, 2004.

2. The stock of debt owed to Paris Club creditors as at May 1, 2004 was estimated to be Euros 2 460 million, of which Euros 2 211 million of pre-cut off date debt, and Euros 249 million of post-cut off date debt.

The cut off date (July 1, 1986 for Gabon) is used by Paris Club creditors for the sole internal purposes of the Paris Club agreement for official bilateral creditors. When a debtor country first meets with Paris Club creditors, the "cut off date" is defined and is not changed in subsequent Paris Club treatments and credits granted after this cut off date are not subject to rescheduling. Thus, the cut off date helps restore access to credit for these debtor countries.

3. Interest rates to be applied on the restructuring are to be negotiated with each creditor country by the Government of Gabon in bilateral agreements implementing the Paris Club agreement. Loans will be rescheduled at a market interest rate (known as "appropriate market rate") defined on the basis of risk-free rates for the currency considered, plus a management margin.

PROFIL DE REMBOURSEMENT / RESCHEDULING PROFILE

	(%)
2 005	
2 006	
2 007	
31-juil-08	3,50
31-janv-09	3,58
31-juil-09	3,67
31-janv-10	3,76
31-juil-10	3,85
31-janv-11	3,94
31-juil-11	4,04
31-janv-12	4,13
31-juil-12	4,23
31-janv-13	4,34
31-juil-13	4,44
31-janv-14	4,55
31-juil-14	4,66
31-janv-15	4,77
31-juil-15	4,88
31-janv-16	5,00
31-juil-16	5,12
31-janv-17	5,25
31-juil-17	5,37
31-janv-18	5,50
31-juil-18	5,64
31-janv-19	5,78