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MINISTER FOR TRADE'S OFFICE MINUTE NUMBER: 628

MEETING BETWEEN MR CECIL PARKINSON, MINISTER FOR TRADE AND PRESIDENT BONGO OF GABON: 14 MAY 1980

Present:

Cecil Parkinson - Minister for Trade
 HM Ambassador designate, Mr T Grady
 Mr B R Jones, CRE5
 Mr Matthew Cruickshank - APS/MFT

President Bongo of Gabon
 Gabonese Ambassador, London
 (Others)

1 This meeting between the Minister for Trade and President Bongo followed a meeting between the President and the Prime Minister the previous evening. The purpose of the meeting was to discuss the prospects for trade between the UK and Gabon.

2 President Bongo opened the meeting with courtesies.

3 Mr Parkinson referred to the visit of M Rawiri last November when discussion on the line of credit was commenced. HMG wished to encourage UK investment in and trade with Gabon. Mr Parkinson hoped that President Bongo was satisfied with the meetings with industrialists and bankers which had been arranged. The best step forward for improved trade would be for a UK company to secure an important contract as this would encourage others. Mr Parkinson said that his forthcoming visit (planned for 20-24 November 1980) could be part of a process of encouraging trade between the two countries.

4 President Bongo asked about the status of the line of credit. The Gabonese Ambassador said it had been signed but Mr Parkinson said that it was our belief that it had not yet been signed, but was probably very near to being so.

5 President Bongo drew Mr Parkinson's attention to two major projects. The first was the Libreville-Franceville railway project (the trans-Gabonese railway) which faced problems in its development. The second was the Libreville II airport. The present airport was inadequate for future traffic requirements and a new airport would be required to allow more international passenger flights; and to cope with local and military traffic. The airport project would require long term credit, given the great cost of short term credit. Plessey were interested in the project. There were, President Bongo said, various other projects.

6 Mr Parkinson stressed that Plessey had the support of HMG. They had the technical skill to undertake the airport project as a complete package, would offer a free feasibility study and had the financial capability for the project. Mr Parkinson mentioned Plessey's good reputation in connection with similar projects. This could be the project to boost UK-Gabonese trade - since it was newsworthy, and would interest others in the prospects in the Gabonese market.

7 Mr Parkinson said that the UK had many firms which would be interested in the railway project. Mr Jones said that while there was no direct UK participation in the project at present, UK companies were thought to be suppliers of some items to the main contractors. UK companies could provide locomotives, rolling stock etc once the project was nearer completion - in about 5 years time. Mr Parkinson asked the President where UK firms could play a role - he would be

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very happy to contact suitable companies.

8 The President outlined the Libreville-Boue-Franceville railway. The section from Boue to Franceville was not yet financed, while studies had been made for the section between Franceville and Lastoursville. Mr Jones said that UK civil engineering companies could do the work, and several UK banks might help with the finance. Mr Parkinson proposed that Mr Jones and the Gabonese Ambassador in London should discuss the railway project and that we would contact UK construction and other companies and banks which could play a role. The President agreed with this.

9 President Bongo asked if there were any loans available to assist the purchase of military equipment. Mr Parkinson said that there were, and that we would consider any specific projects. Mr Parkinson said that he would bring with him on his November visit both businessmen who were interested in transportation, and representatives of the Defence Sales organisation. President Bongo asked if the questions of military purchases could be progressed through Ambassadors meantime? The Gabonese Ambassador said that it could and Mr Parkinson said that this was excellent.

10 Mr Parkinson said that he had spoken with the Prime Minister since President Bongo's meeting with her and he reported that she was very pleased to have had a chance to talk to the President. President Bongo said that he had also met the Queen.

11 President Bongo noted the great interest which Gabon, as a developing country, had in light and medium industry. He said that he had told the Prime Minister that Gabon was an independent sovereign country, and regretted that the United Kingdom had not been more involved in their process of development. Mr Parkinson agreed, but it was hard initially to interest small industry: the award of the airport project to Plessey could bring smaller ventures in its wake. He mentioned the existence of the BOTB, which particularly helped small and medium businesses by organising missions and other activities. The President said it would be a very good idea to encourage more missions from the UK to Gabon and Mr Parkinson said that he would investigate the possibilities. He would ensure that his forthcoming visit was well advertised, and he would publicise his visit on his return to encourage interest in Gabon. President Bongo welcomed this.

12 Mr Parkinson went on to discuss the prospects for British Petroleum, which was very interested in securing long term supplies of oil. But BP was not just an oil company - it was diverse, with, in particular, agricultural and chemical interests as well. Were there not substantial possibilities for Gabon involving BP in the purchase of oil and also in joint ventures to realise other opportunities in Gabon? President Bongo said that it would be a very good idea to discuss this and if BP would like to send a delegation he would arrange for the Minister of Mines and Agriculture to discuss these ideas. Mr Parkinson promised to pass this on, and said that BP would proceed to make arrangements. President Bongo said that the UK and Gabonese Ambassadors should keep in touch to help arrangements.

13 Mr Parkinson said that a long article was already prepared and would be published in 'British Business' in the near future about Gabon and the opportunities it offered. This was all part of HMG's determination to generate more interest in business with Gabon. President Bongo said that he had sensed this goodwill from various tourist and business visits by British people to his

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country; but it would be even more encouraging to have a mission come to Gabon. Mr Parkinson said that one or two such missions had been to Gabon in the last year.

14 The President concluded the meeting by saying that he welcomed the chance to discuss these issues, and would pass on details of Mr Parkinson's forthcoming visit.



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20 May 1980

cc PS/Prime Minister ✓
PS/Secretary of State (T)
David Wright - Cabinet Office
Mr Caines Dep Sec
Mr Jones CRE5
Mr Durie OPG
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