

IOA | 2019 | ACBR



AFRICA COUNTRY BENCHMARK REPORT

Equatorial Guinea Profile



The Port of Malabo services Equatorial Guinea's commerce - which exports mostly crude oil. Since oil was discovered in 1995, the country has been an example of the "resource curse" that enriches a dictatorship while excluding the population.



Image courtesy of Embassy of the Equitorial Guinea



EQUATORIAL GUINEA

#45

EQUATORIAL GUINEA



OVERVIEW ANALYSIS

Equatorial Guinea continues to be run like a family business by one of Africa's most corrupt dictators, Teodoro Obiang Nguema Mbasogo, now 77 years old. Africa's richest leader, Obiang took power in a 1979 coup d'état when he deposed his uncle. He has subsequently used his ties of kinship to buttress his power, especially with the appointment of his son and presumed heir, Teodorin, as vice president and a Major General in the army. As a major oil producer, Equatorial Guinea has provided Obiang with the financial means to do as he likes at the expense of the people. The deteriorating lives of Equatorial Guineans are recorded in declining ACBR 2019 scores. The country's overall score fell from 41 last year to 45 currently, placing Equatorial Guinea among the bottom ten of African countries.

KEY OPPORTUNITIES

- Oil production is among the highest in Africa
- Businesses supplying the oil industry are the most lucrative
- Agricultural production has room for growth, if investment is made

KEY CONCERNS

- Equatorial Guinea is run by a corrupt, self-serving dictator, while society as a whole declines
- An inherently unstable regime has amassed armaments
- National development is among the slowest in Africa

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION



Christianity

PREDOMINANT LANGUAGE



Spanish

POPULATION WITHOUT ELECTRICITY



32.1%
(#13) Δ^1

LITERACY RATE



95.3%
(#1) —

PRIMARY ELECTRICITY SOURCE



Hydroelectric

IMPORT/EXPORT



Ships/
Petroleum

EXTERNAL DEBT



US\$ 1.181 billion
(#43) ∇^3

ACTIVE CONFLICT



No

LAND SIZE



28,051 km²
(#44)

INTERNET PENETRATION



23.8%
(#24) ∇^5

2.5%



AGRICULTURE

56.5%



INDUSTRY

41%



SERVICES

39.8%



0-14

19.7%



15-24

32.2%



22-54

8.3%



55+



Term:

03/08/1979 - present
7 years (2 term limit)



Political Party:

Democratic Party



Recent Electoral Information:

24/04/2016
271,177 Votes
93.5%
Voter turnout: 92.7%



President
Teodoro Obiang

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

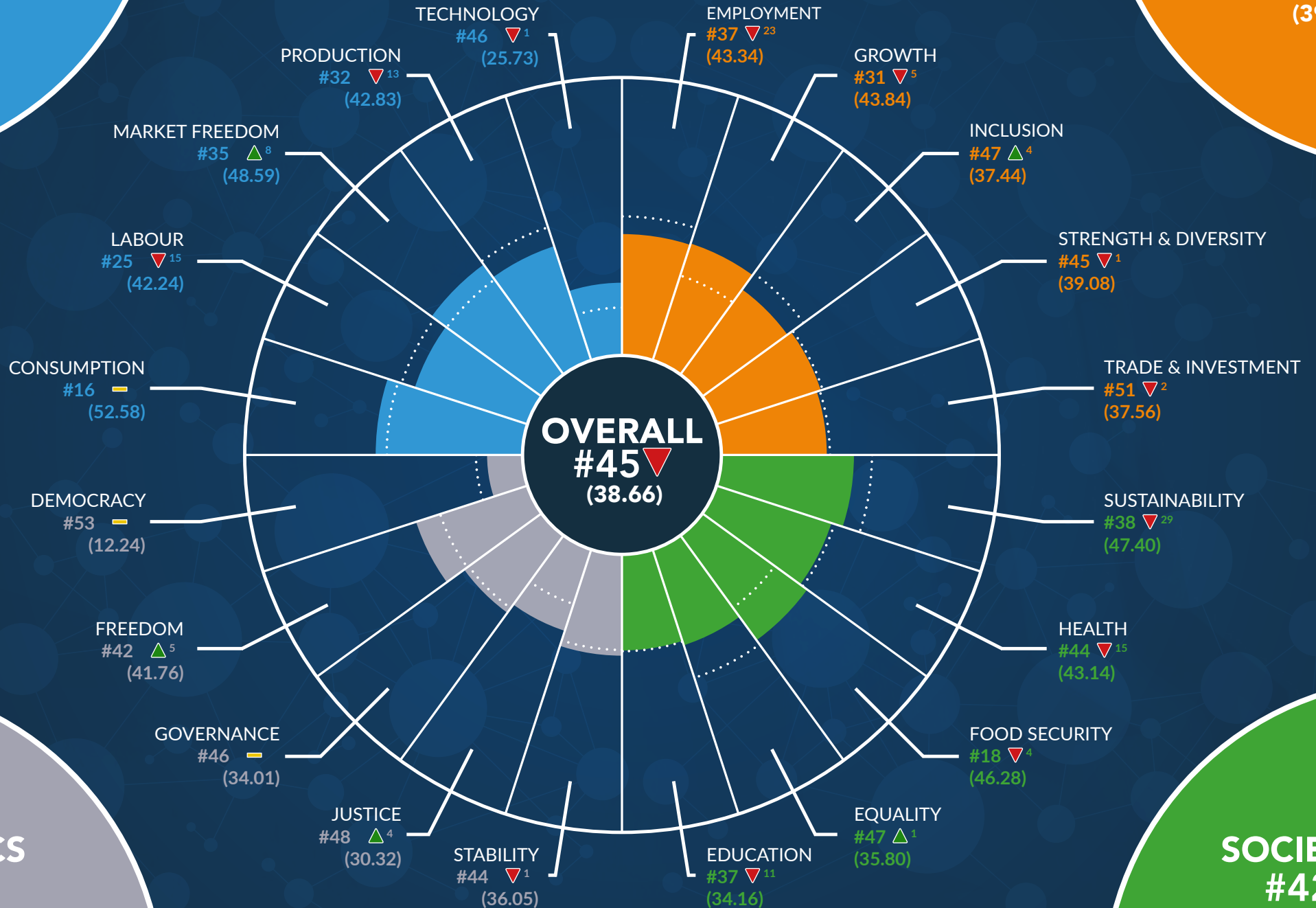
BUSINESS

#29
(42.39)

EQUATORIAL GUINEA PERFORMANCE OVERVIEW

ECONOMICS

#48
(39.13)



▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

POLITICS

#46
(30.88)

SOCIETY

#42
(42.25)

EQUATORIAL GUINEA BUSINESS ANALYSIS



BUSINESS OVERVIEW

Equatorial Guinea is Africa's third-largest oil exporter, with the profitability of this sector and the support industries tied to world oil prices. Diversifying the economy requires regulatory and bureaucratic reform. Neither of these reforms seems possible given the entrenched corruption of the Obiang regime, which has affected the private sector. Equatorial Guinea is the third-hardest Sub-Saharan African country to start a business in because of anti-competitive measures. The Obiang regime has put measures in place that ensure the enterprises of government officials and their associates do not face competition. Further complicating the business environment is an oppressive tax system.

Subsistence farming is the principal livelihood of Equatorial Guineans, who

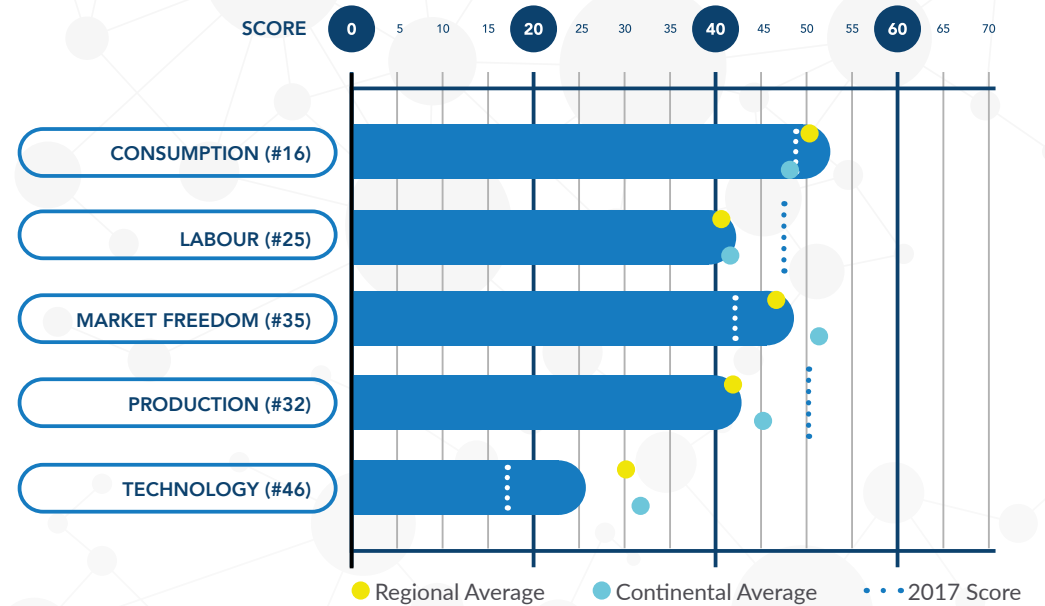
do not appreciably benefit from their country's oil wealth. Agriculture, financial services, fishing, mining and tourism are sectors that might be developed but will not be under the current governance and business environments.

The oil sector has ensured sufficient business activity, which has given Equatorial Guinea moderate scores in the Business quadrant. The country also does considerably better in this quadrant than any other. In 29th place, Equatorial Guinea has advanced one rank from the previous period of review. An eight-position advance in Market Freedom can be credited to easy export and cross-border trade required for oil exports. In other segments, Equatorial Guinea dropped sharply: down 13 places in Production and down 15 in Labour.

BUSINESS DATA COMMENTARY

<p>EG data availability 41.76%</p>	<p>REGIONAL AVERAGE 62.64%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #51</p>
	<p>Over the past decade, Equatorial Guinea has boasted one of the fastest growing economies on the continent, and this combined with increasing political stability has resulted in growing commercial interest from abroad. However, progress is hampered by poor business data availability, with a current score of 41.76% and a continental rank of 51st. This falls far below both the regional average for Central Africa, presently at 62.64%, as well as the continental average of 77.78%.</p>		

BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS

<p>% POPULATION IN URBAN CENTRES</p> <p>72.1% (#6)</p>	<p>LABOUR FORCE IN MILLIONS</p> <p>0.2 million (#52)</p>	<p>INDUSTRIAL PRODUCTION GROWTH</p> <p>-5.6% (#54)</p>	<p>PRIME LENDING RATE</p> <p>14% (#24)</p>
<p>% ADULTS WITH A BANK ACCOUNT</p> <p>N/A (#N/A)</p>	<p>ANNUAL AIR PASSENGERS</p> <p>0.5 million (#19)</p>	<p>MOBILE SUBSCRIPTIONS</p> <p>44.70 per 100 (#44)</p>	<p>NATIONAL 3G COVERAGE</p> <p>11% (#52)</p>

EQUATORIAL GUINEA ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Consistent with a command economy run by a dictatorial regime, Equatorial Guinea's economy is rated "repressed" by economic freedom analysts. The disparity between the country's GDP per capita, Africa's highest at US\$ 37,400, and the actual share of national wealth enjoyed by the country's people is most pronounced.

The country's immense oil wealth does not affect the 77% of the population that lives in poverty. Nor does this high GDP assist the 80% of the population occupied in subsistence agriculture, not oil. With the Obiang regime skewing the business environment to favour themselves and their cohorts, opportunities for the business sector to thrive in a normal environment are impossible. This precludes the growth

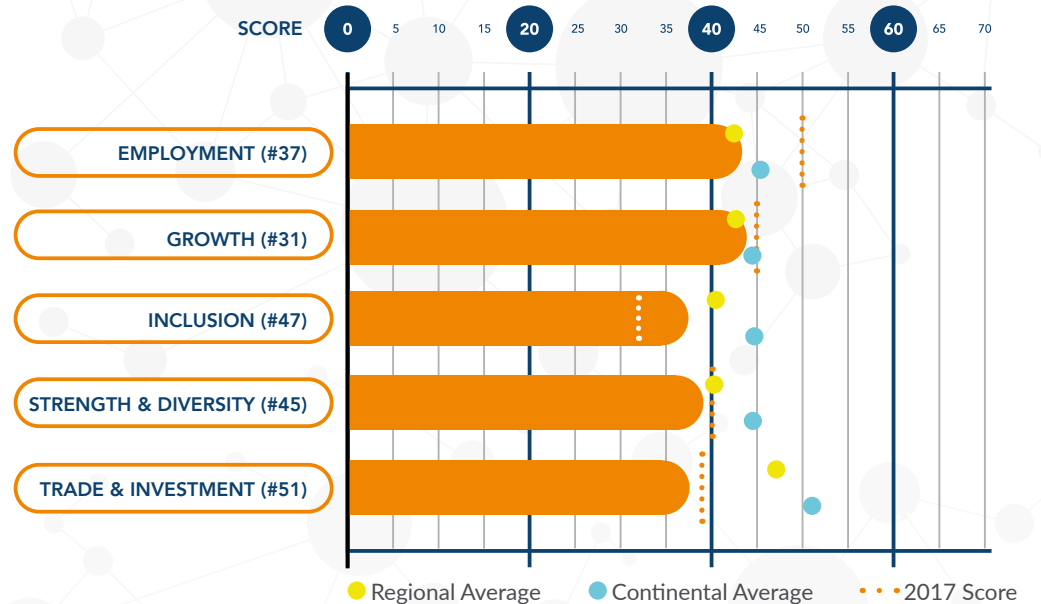
of a middle class that would grow the retail and services sectors. Government is unconcerned that dropping world oil prices have reversed economic growth, which stood at -7.9% in 2018 below even the negative growth recorded in 2017. Oil revenue is still sufficient to enrich the country's elite. Industrial production for 2017 was also down -5.7%.

Equatorial Guinea dropped three ranks in the Economics quadrant to a low 48th place. Among Economics segments, a 23-position descent in Employment represents one of the largest segment drops of any country in any ACBR 2019 quadrant.

ECONOMIC DATA COMMENTARY

<p>EG data availability 38.46%</p>	<p>REGIONAL AVERAGE 62.29%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #51</p>
	<p>As with the business quadrant, economic data availability in Equatorial Guinea is also very low, with a current score of 38.46% and a corresponding continental rank of 51st. This compares unfavourably with respective regional and continental averages of 62.29% and 77.78%. Despite boasting a dedicated national statistics organ, the Instituto Nacional de Estadística de Guinea Ecuatorial, economic transparency remains compromised due to political interference and overreliance on the energy sector.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 34,900 (#1)</p>	<p>UNEMPLOYMENT RATE</p> <p>6.9% (#29)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>CEMAC, ECCAS</p>	<p>INFLATION RATE</p> <p>1.7% (#12)</p>
<p>GDP AT PPP</p> <p>US\$ 30.4 billion (#27)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 0.14 billion (#37)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 54 million (#44)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-2.4% (#12)</p>

EQUATORIAL GUINEA POLITICAL ANALYSIS



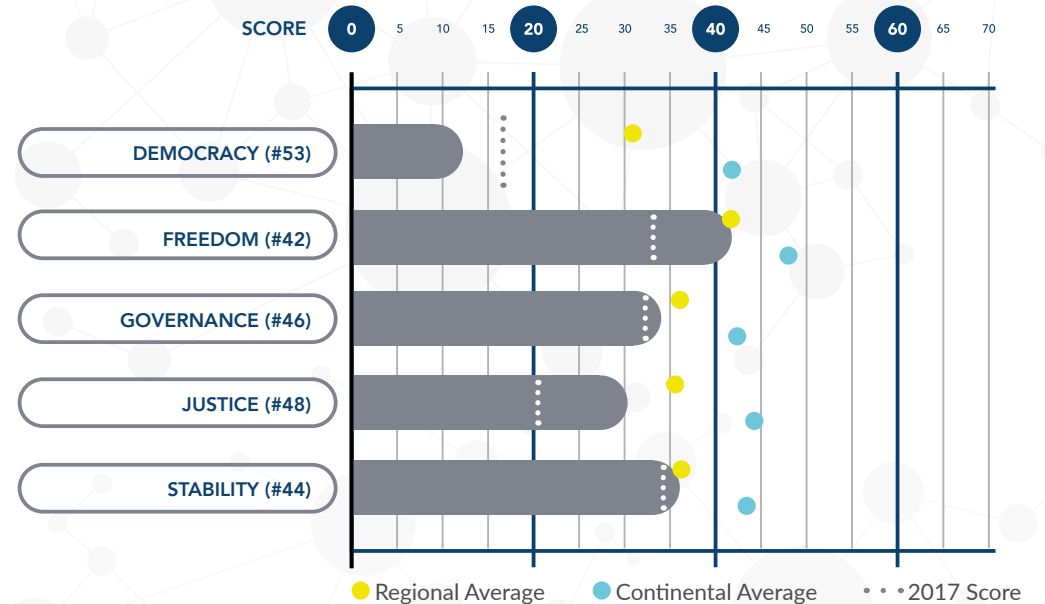
POLITICAL OVERVIEW

Elections and democratic institutions, such as courts and a legislature, are window dressing for the authoritarian government. The President-for-Life is installing family members in key government and military positions to ensure his clan's hold on power and national wealth beyond his lifetime. The media is censored or controlled by the regime, and Reporters Without Borders describes Obiang as "a predator of the press." According to human rights organisations, Obiang's regime, which reportedly uses arbitrary arrests and torture against political dissidents, has one of the world's worst human rights records. Government corruption has ensured that the majority of Equatorial Guineans live in poverty and insecurity, voiceless in determining their fate.

Equatorial Guinea rose one position to 46th place in ACBR 2019's Politics quadrant. Although scores are higher in this quadrant, the fact is that no improvements in political conditions have occurred since the previous period of review. If anything, the regime has solidified its hold on power.

However, segment scores that consider other factors perpetuate this anomaly, giving Equatorial Guinea a five-placement boost in Freedom, when no improvement in the freedom for Equatorial Guineans has occurred. The justice system has not improved, but a high score in this segment allowed an advance of four placements in Justice.

POLITICAL SCORES & RANKINGS



POLITICAL DATA COMMENTARY

<p>EG data availability 46.81%</p>	<p>REGIONAL AVERAGE 70.75%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #52</p>
	<p>Of all quadrants, Equatorial Guinea scores highest for political data availability, which currently stands at 46.81% and has a corresponding continental rank of 52nd. Once again, this falls far below the respective regional and continental averages, thus reinforcing poor performance in previous quadrants. As with the economic quadrant, political transparency is highly compromised due to political interference. At present, the most reliable sources of data tend to be independent political watchdogs.</p>		

POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>6 (#39)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>N/A (#N/A)</p>	<p>REFUGEE INFLOW</p> <p>N/A (#N/A)</p>	<p>NUMBER OF RIGHTS</p> <p>33 (#49)</p>
<p>DATE OF INDEPENDENCE</p> <p>12/10/1968</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 7 million (#53)</p>	<p>WOMEN IN PARLIAMENT</p> <p>24% (#19)</p>	<p>CAPITAL PUNISHMENT</p> <p>Permitted</p>

EQUATORIAL GUINEA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

Equatorial Guinea's oil wealth has endowed the country with the status of middle-income country, which makes the country ineligible for much international aid available only to low-income countries. Their oil wealth is not used for social services, so the country's people face poor healthcare and education. Between 2009 and 2013, government spent US\$ 4.2 billion on massive infrastructure projects built by companies connected to the Obiang family and their elite partners, while spending on health was only US\$ 92 million. Spending of 3.4% of GDP on health is among the lowest in the world. Education received US\$ 140 million in 2011, the most recent year that government released this spending figure for. Only one-quarter of babies are immunised for polio and

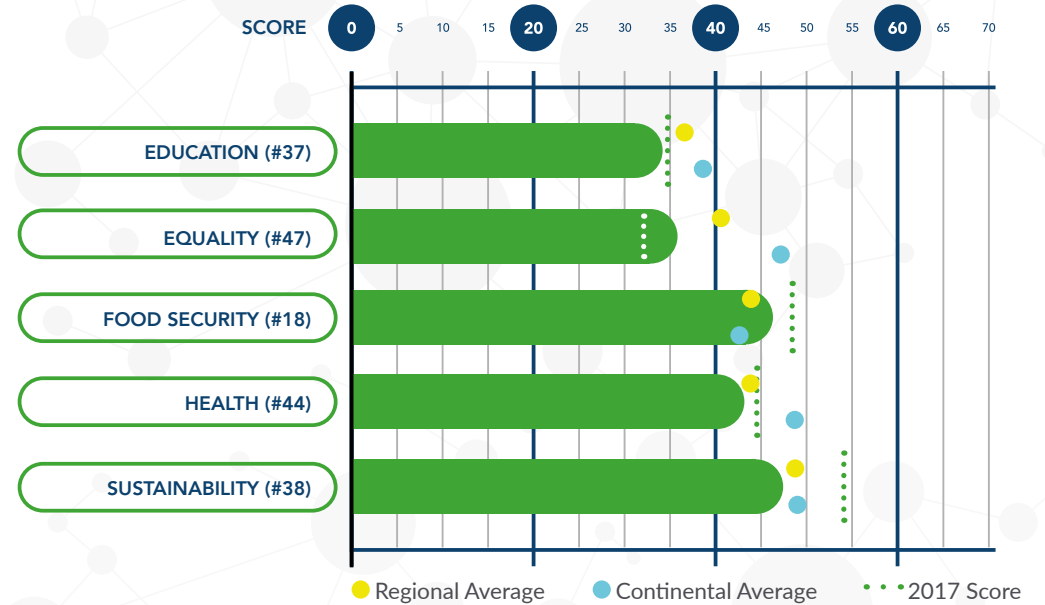
measles, and one-third are immunised for tuberculosis. These figures are among the lowest rates worldwide. A life expectancy of 64 years is below average for Sub-Saharan Africa. HIV infects 6.5% of the population, the 11th-highest rate in the world. Less than half of Equatorial Guineans have access to clean water, and a quarter of the population does not have access to improved sanitation facilities.

International Monetary Fund and World Bank aid programmes were suspended in 1993 because of government mismanagement of funds and outright theft. Societal ills are reflected in Equatorial Guinea's 18-rank plunge in the Society quadrant.

SOCIETAL DATA COMMENTARY

<p>EG data availability 26.53%</p>	<p>REGIONAL AVERAGE 59.31%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #51</p>
	<p>Occupying the lowest position of all quadrants, societal data availability in Equatorial Guinea stands at a dismal 26.53%, thus ranking 51st continentally. This too falls far below the respective regional and continental averages of 59.31% and 75.28%. Apart from the difficulty involved in gathering comprehensive societal data across the small islands falling within its domain, the intransigent corruption of Teodoro Obiang Nguema Mbasogo has severely hampered transparency.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>778,358 at 2.44% p.a (#51) (#20)</p>	<p>LIFE EXPECTANCY</p> <p>64.6 (#15)</p>	<p>HIV PREVALENCE</p> <p>6.2% (#11)</p>	<p>SEXUALITY TOLERANCE</p> <p>Legal</p>
<p>ACCESS TO DRINKING WATER</p> <p>47.9% (#53)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>2.7% (#50)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>N/A (#N/A)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>10% (#23)</p>

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