

# IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



## Guinea Profile



Young scholars in Guinea have to be enterprising to get ahead with their school work against such obstacles of a poor country, like a lack of electricity for reading. Students can be seen at night studying under street lamps.



Image courtesy of Julien Harneis



# GUINEA



## OVERVIEW ANALYSIS

Guinea is working to lift themselves out of the poverty that resulted from decades of dictatorial or mismanaged governments, by harnessing the potential of their natural resources. Industrialisation to create value-added products will shield the economy from the fluctuations of world commodity prices. Trade ties with the rest of West Africa and former coloniser France are strong. Guinea's status as an international diplomat rose with the successful intervention in The Gambia by the administration of President Alpha Condé in 2017. The country's one security threat is piracy that threatens shipping in the Gulf of Guinea. Overall, Guinea is improving year by year on the ACBR. From 48<sup>th</sup> place in 2016, Guinea rose to 44<sup>th</sup> in 2017 and currently ranks at 40<sup>th</sup>.

### KEY OPPORTUNITIES

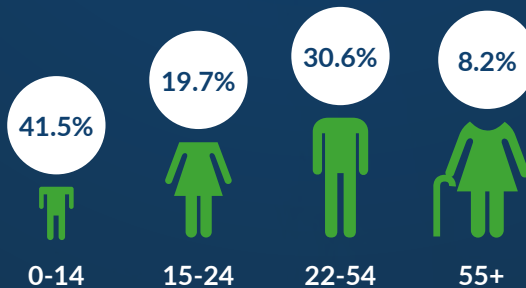
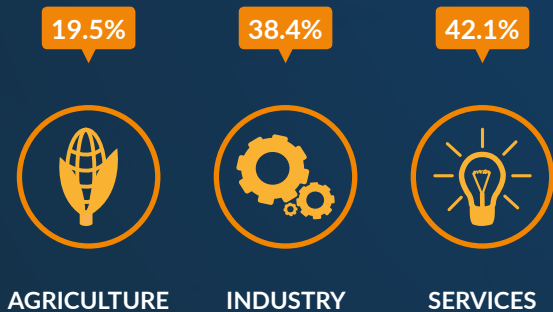
- Trade is expanding to regional markets and France
- Mineral resources are abundant
- Atlantic Ocean fisheries are productive and lucrative

### KEY CONCERNS

- Poverty remains widespread
- Decades of inefficient government operations still reflect in the country's bureaucracy
- There is a need for better education and for better healthcare and transportation systems

## COUNTRY HIGHLIGHTS

<b>PREDOMINANT RELIGION</b> <p>Islam</p>	<b>PREDOMINANT LANGUAGE</b> <p>French</p>	<b>POPULATION WITHOUT ELECTRICITY</b> <p>66.5% (#35) —</p>	<b>LITERACY RATE</b> <p>30.4% (#51) ▼<sup>1</sup></p>	<b>PRIMARY ELECTRICITY SOURCE</b> <p>Hydroelectric</p>
<b>IMPORT/EXPORT</b> <p>Machines/Gold</p>	<b>EXTERNAL DEBT</b> <p>US\$ 1.53 billion (#40) ▲<sup>2</sup></p>	<b>ACTIVE CONFLICT</b> <p>No</p>	<b>LAND SIZE</b> <p>245,857 km<sup>2</sup> (#31)</p>	<b>INTERNET PENETRATION</b> <p>9.8% (#41) ▲<sup>4</sup></p>



**Term:**  
21/12/2010 - present  
5 years (2 term limit)

**Political Party:**  
Rally of the Guinean People

**Recent Electoral Information:**  
11/10/2015  
2 285 827 Votes  
57.8%  
Voter turnout: 68.36%



**President**  
Alpha Conde

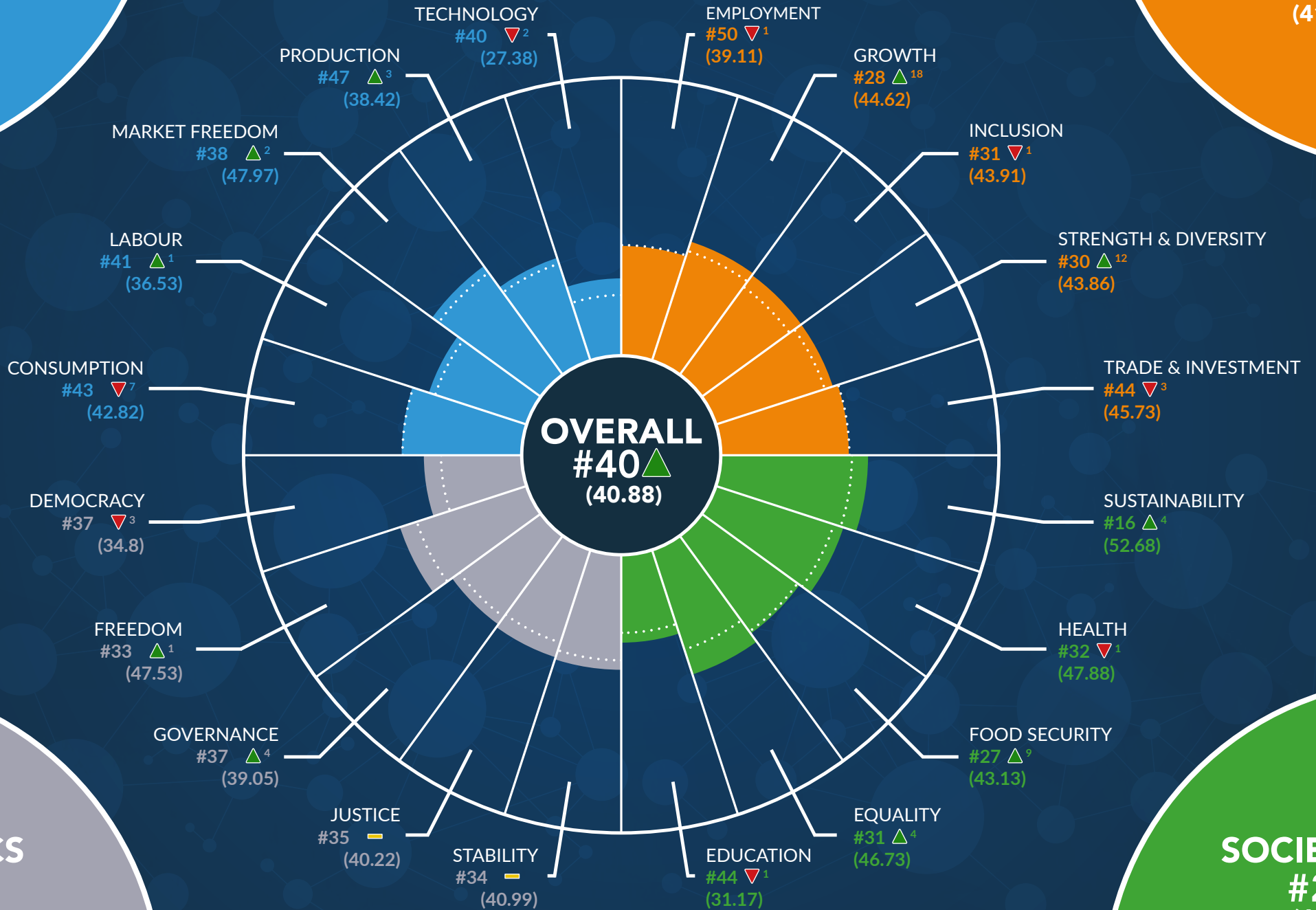
# BUSINESS

#21  
(38.62)

## GUINEA PERFORMANCE OVERVIEW

# ECONOMICS

#22  
(41.98)



▲ Increase from 2017

▼ Decrease from 2017

■ No change

..... 2017 Score

# POLITICS

#33  
(40.52)

# SOCIETY

#2  
(42.37)

# GUINEA BUSINESS ANALYSIS



## BUSINESS OVERVIEW

Guinea's business environment is constrained by the country's poverty and is in need of infrastructure development. Only about a third of Guineans are connected to the electricity grid. Businesses dealing with the extractives industry seem the most prosperous, but like the mining firms they serve, these businesses are hostages to world commodity prices. Guinea's mineral exports are primarily bauxite and iron ore, followed by diamonds and gold. Economic diversification is required. The country's tax regimen and a bureaucracy often unresponsive to the business community hinder business expansion. The World Bank finds that Guinea's legal system is poor at protecting investments. Doing business in the country is not easy. Accessing credit is difficult, and when loans are available, interest rates are high.

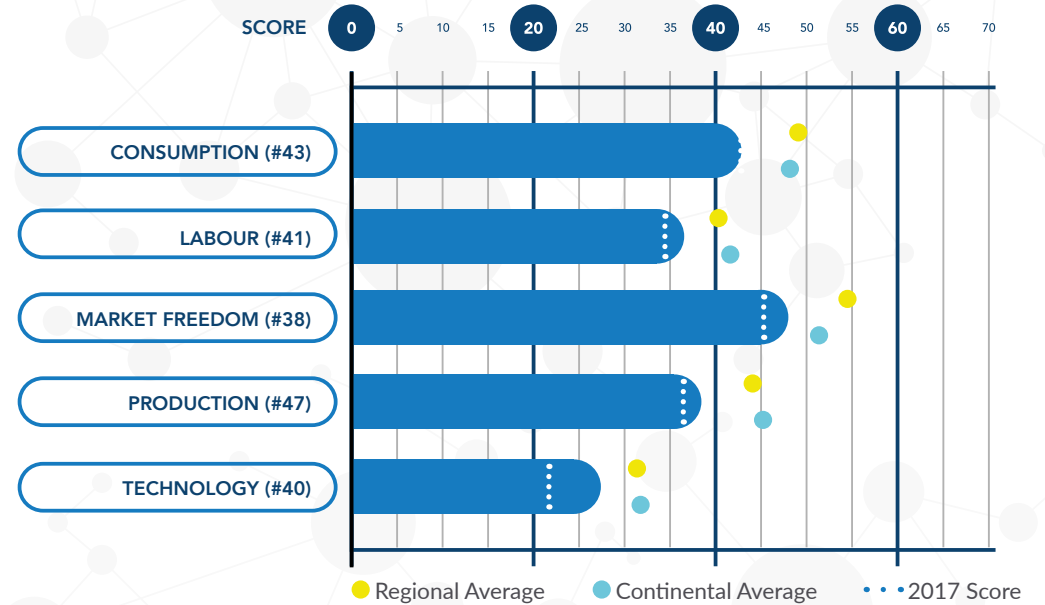
Guinea's appeal lies more with their future potential, particularly if a national population of 12 million can be elevated from their poverty to join the consumer culture. The tourism sector is underdeveloped, despite a long Atlantic Ocean coastline. Communications is also a sector requiring growth. The country's development is tied to infrastructure expansion, and the construction industry is poised to take advantage of such developments.

Guinea rose two positions in the Business quadrant, from a very low 48<sup>th</sup> place in ACBR 2017 to an improved but still low position of 46<sup>th</sup>, a result of government over-regulation, poverty and lack of diversification.

## BUSINESS DATA COMMENTARY

<p>Guinea data availability <b>92.31%</b></p>	<p><b>REGIONAL AVERAGE</b> 79.53%</p>	<p><b>AFRICAN AVERAGE</b> 77.78%</p>	<p><b>CONTINENTAL RANK</b> #23</p>
	<p>The current score for business data availability in Guinea is 92.31%, thus resulting in a continental rank of 23<sup>rd</sup>. As compared regionally and continentally, this stands far above both the average for Western Africa, currently at 79.53%, as well as the African average of 77.78%. Currently in the process of modernisation and seeking to attract increased FDI, comprehensive business data is becoming increasingly important for future commercial growth, although this is marred by persistent corruption.</p>		

## BUSINESS SCORES & RANKINGS



## BUSINESS STATISTICS

<p><b>% POPULATION IN URBAN CENTRES</b></p> <p>36.1% (#37)</p>	<p><b>LABOUR FORCE IN MILLIONS</b></p> <p>5.56 million (#27)</p>	<p><b>INDUSTRIAL PRODUCTION GROWTH</b></p> <p>8% (#9)</p>	<p><b>PRIME LENDING RATE</b></p> <p>21.5% (#45)</p>
<p><b>% ADULTS WITH A BANK ACCOUNT</b></p> <p>23.49% (#35)</p>	<p><b>ANNUAL AIR PASSENGERS</b></p> <p>N/A (#N/A)</p>	<p><b>MOBILE SUBSCRIPTIONS</b></p> <p>92.00 per 100 (#22)</p>	<p><b>NATIONAL 3G COVERAGE</b></p> <p>39.1% (#40)</p>

# GUINEA ECONOMIC ANALYSIS



## ECONOMIC OVERVIEW

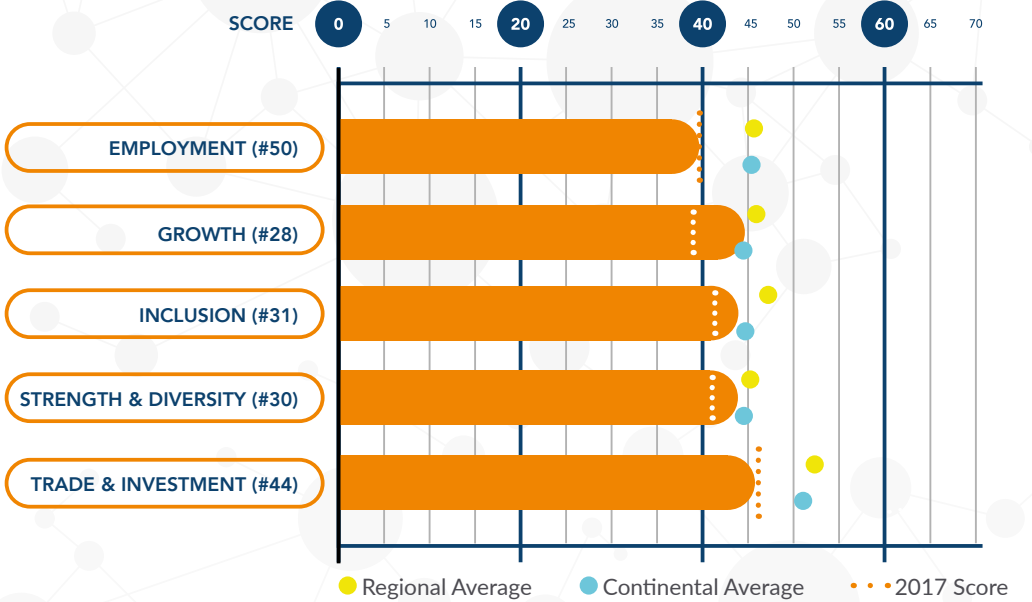
Despite Guinea's favourable location on shipping lanes and their exploitable natural resources, the country remains mired in poverty. Government bureaucracy and policies make the country less competitive than many other West African countries. Offshore oil exploration and the Simandou iron ore mining initiative may boost economic output but will not fundamentally change the economy from a foundation of exporting raw materials. The World Bank has found improvements in governance that will encourage commerce and investment. Agriculture contributes only 19% to GDP but involves 76% of the workforce, with most farming done on the subsistence level. Commercial crops now grown include cassava, cocoa, coffee, fruits, palm kernels and potatoes. Livestock and timber are also economically

lucrative, with potential for greater exports. However, the land's ability to produce food provides the necessary foundation for industrialised agriculture. Similarly, Guinea's river systems can be harnessed more extensively for hydroelectricity generation. Guinea's electricity supply is in tremendous need of expansion. Transportation infrastructure must also be expanded to facilitate economic growth. While the tourism sector is still emerging, the country was successful in their bid to host the 2025 African Cup of Nations football tournament. This is an international endorsement of Guinea's rising standing and their ability to produce such an event. Guinea improved their Economics quadrant scores sufficiently to raise the country up by four positions to 38<sup>th</sup> place, reflecting slight growth in the minerals and services industries.

## ECONOMIC DATA COMMENTARY

<p>Guinea data availability <b>93.16%</b></p>	<p><b>REGIONAL AVERAGE</b> 80.88%</p>	<p><b>AFRICAN AVERAGE</b> 77.78%</p>	<p><b>CONTINENTAL RANK</b> #21</p>
	<p>Of all quadrants, Guinea scores the highest for economic data availability, with a current score of 93.16% and a corresponding continental rank of 21<sup>st</sup>. This stands well in excess of the respective regional and continental averages of 80.88% and 77.78%. Currently, the national statistical apparatus, the Institut National de la Statistique, boasts a wide variety of macroeconomic indicators, and these are well complemented by a corresponding array of international sources, such as the World Bank.</p>		

## ECONOMIC SCORES & RANKINGS



## ECONOMIC STATISTICS

<p><b>GDP PER CAPITA</b></p> <p>US\$ 2,000 (#37)</p>	<p><b>UNEMPLOYMENT RATE</b></p> <p>2.5% (#10)</p>	<p><b>TRADE BLOC MEMBERSHIP</b></p> <p>ECOWAS</p>	<p><b>INFLATION RATE</b></p> <p>8.5% (#40)</p>
<p><b>GDP AT PPP</b></p> <p>US\$ 26.5 billion (#32)</p>	<p><b>CURRENCY AND GOLD RESERVES</b></p> <p>US\$ 0.42 billion (#32)</p>	<p><b>FDI NET INFLOWS</b></p> <p>US\$ 1,512 million (#10)</p>	<p><b>BUDGET SURPLUS (+) OR DEFICIT (-)</b></p> <p>-3.4% (#18)</p>

# GUINEA POLITICAL ANALYSIS



## POLITICAL OVERVIEW

President Condé's most recent election victory in 2015, while more closely contested than past elections, continued his ruling party's hold on power. The election was free and fair, even if security forces overreacted to political protests to avoid political deaths that occurred in such events in the past. Overall, a sense of political maturity seems to be taking root. Human rights groups report fewer state abuses. The country had not known a free and fair presidential election and an all-civilian cabinet free of military oversight until 2010 and is experiencing growth from decades of dictatorships.

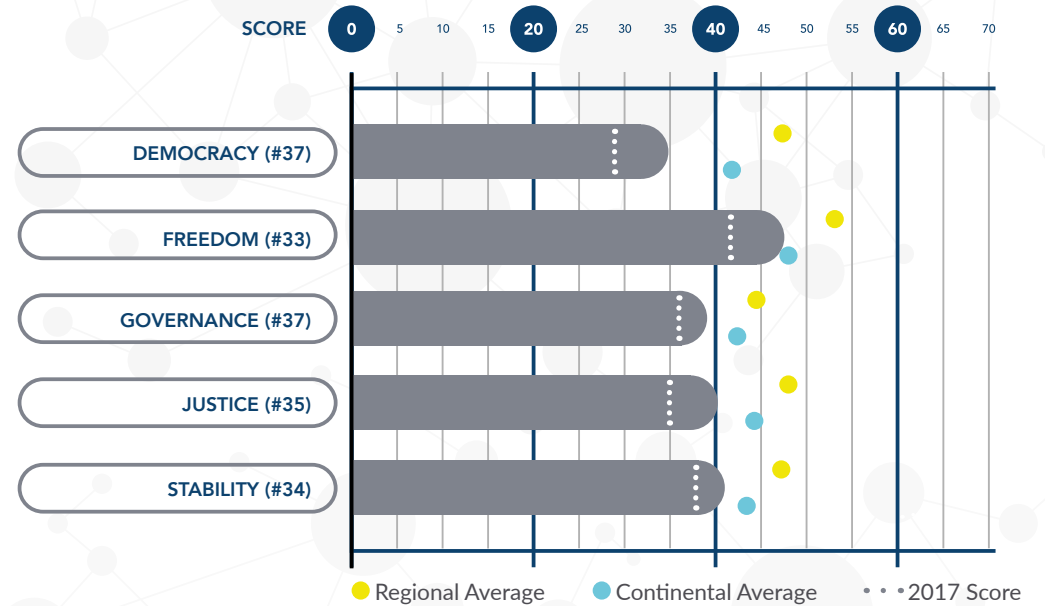
Another difficulty of past autocracies is the residue of government corruption, which is a drag on economic growth and

one prime motivator for political protests. Government's management of the economy needs improvement. Spending priorities and fiscal matters still lack the transparency a developing democracy requires. Guinea's 2017 exports of US\$ 3.5 billion against imports costing US\$ 4.5 billion have led to a trade deficit. However, government's 2017 spending of US\$ 1.75 billion is nearly equal to government revenues of US\$ 1.7 billion. Other government reforms are required to make the country more people-friendly. The judiciary is showing greater independence. Guinea's position in the Politics quadrant rose by one rank, from 37<sup>th</sup> in the previous period of review to 36<sup>th</sup> currently. The rise reflects the country's political stability under President Condé.

## POLITICAL DATA COMMENTARY

<p>Guinea data availability <b>90.78%</b></p>	<p><b>REGIONAL AVERAGE</b> 87.10%</p>	<p><b>AFRICAN AVERAGE</b> 82.86%</p>	<p><b>CONTINENTAL RANK</b> #24</p>
	<p>The lowest of all four quadrants, Guinea currently scores 90.78 for political data availability, thus ranking 24<sup>th</sup> continentally. Despite this, however, Guinea has still managed to exceed the respective regional and continental averages of 87.10% and 82.86%. Given its long history of deeply entrenched autocratic governance, political transparency has remained problematic for some time. However, as Guinea seeks increased global buy-in from foreign investors, the need for political transparency and stability is gaining in importance.</p>		

## POLITICAL SCORES & RANKINGS



## POLITICAL STATISTICS

<p><b>NUMBER OF POLITICAL PARTIES</b></p> <p>6 (#39)</p>	<p><b>MILITARY EXP AS % OF GDP</b></p> <p>1.6% (#25)</p>	<p><b>REFUGEE INFLOW</b></p> <p>N/A (#N/A)</p>	<p><b>NUMBER OF RIGHTS</b></p> <p>44 (#38)</p>
<p><b>DATE OF INDEPENDENCE</b></p> <p>10/02/1958</p>	<p><b>NET OFFICIAL DEVELOPMENT ASSISTANCE</b></p> <p>US\$ 561 million (#31)</p>	<p><b>WOMEN IN PARLIAMENT</b></p> <p>21.9% (#23)</p>	<p><b>CAPITAL PUNISHMENT</b></p> <p>Abolished</p>

# GUINEA SOCIETAL ANALYSIS



## SOCIETAL OVERVIEW

Guinea is a poor country with limited resources with which to meet the social welfare needs of their impoverished people. The country relies on international donors and the work of non-governmental organisations for much of this support. Led by France, Guinea's biggest donor is the European Union. The 2014-16 Ebola epidemic exposed shortcomings in the public health infrastructure, which are being addressed.

With no external security threats, Guinea must use their resources to secure the social welfare of their people. A strengthening of state institutions is essential to this effort. Better healthcare has lowered mortality, even as the HIV prevalence rate has remained between 1.5% and 2%, causing

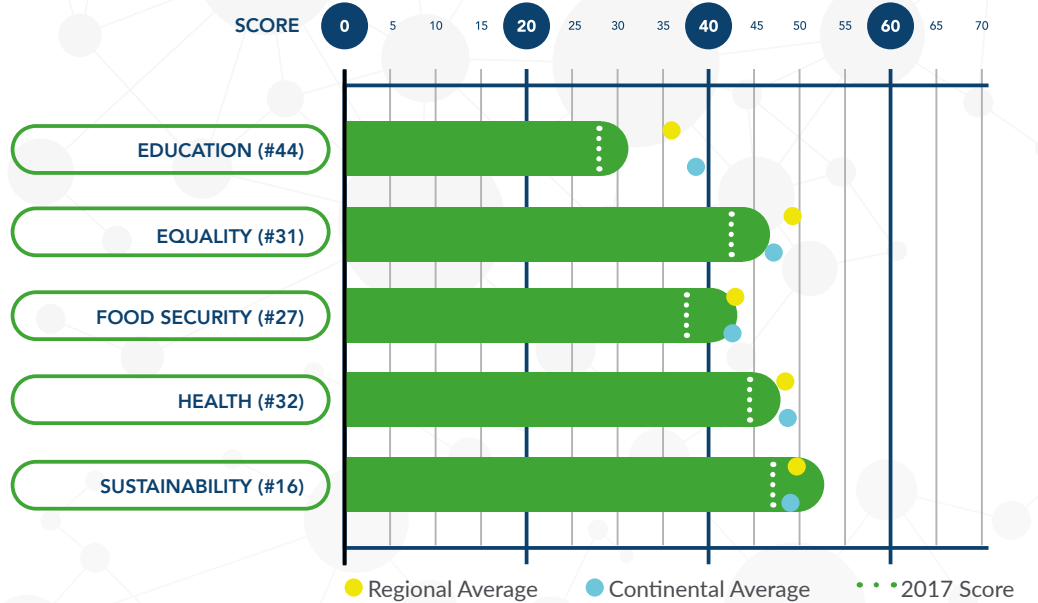
5,100 deaths yearly. Due to the country's large population and HIV prevalence, an estimated 120,000 Guineans live with HIV/Aids, and the number, like Aids deaths, is rising. The fertility rate sees the average Guinean woman giving birth to nearly five children. The infant mortality rate is high and rising, claiming 55 babies per 1,000 live births. Guinea's maternal death rate is also rising and is the world's 11<sup>th</sup>-highest. Spending on education has decreased to 2.4% of GDP, despite Guineans' great education needs, where only 30% of the population is literate.

Compared to the other three quadrants, Guinea dropped two ranks in the Society quadrant to a low 40<sup>th</sup> place, reflecting slow development of social services.

## SOCIETAL DATA COMMENTARY

<p>Guinea data availability <b>90.82%</b></p>	<p><b>REGIONAL AVERAGE</b> 81.63%</p>	<p><b>AFRICAN AVERAGE</b> 75.28%</p>	<p><b>CONTINENTAL RANK</b> #19</p>
	<p>Dovetailing closely with the previous quadrant, Guinea's score for societal data availability currently stands at 90.82%, thus ranking 19<sup>th</sup> continentally. When compared with the region and the continent, this fares quite well, exceeding the respective regional and continental averages of 81.63% and 75.28%. At present, Guinea faces a host of social and demographic challenges, including high rates of poverty, inequality and infant mortality, thus requiring enhanced societal data coverage.</p>		

## SOCIETAL SCORES & RANKINGS



## SOCIETAL STATISTICS

<p><b>POPULATION SIZE AND GROWTH RATE</b></p> <p>12,413,867 at 2.61% p.a (#25) (#14)</p>	<p><b>LIFE EXPECTANCY</b></p> <p>61 years (#31)</p>	<p><b>HIV PREVALENCE</b></p> <p>1.5% (#29)</p>	<p><b>SEXUALITY TOLERANCE</b></p> <p>Illegal</p>
<p><b>ACCESS TO DRINKING WATER</b></p> <p>76.8% (#27)</p>	<p><b>HEALTH EXPENDITURE (% OF GDP)</b></p> <p>4.54% (#38)</p>	<p><b>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</b></p> <p>38.91% (#25)</p>	<p><b>SOCIAL MEDIA PENETRATION</b></p> <p>9% (#29)</p>

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