

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

#40

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 48th place in 2016, Guinea rose to 44th in 2017 and currently ranks at 40th.

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

PREDOMINANT
RELIGION



Islam

PREDOMINANT
LANGUAGE



French

POPULATION
WITHOUT
ELECTRICITY



66.5%
(#35) —

LITERACY
RATE



30.4%
(#51) ▼¹

PRIMARY
ELECTRICITY
SOURCE



Hydroelectric

IMPORT/
EXPORT



Machines/Gold

EXTERNAL
DEBT



US\$ 1.53
billion
(#40) ▲²

ACTIVE
CONFLICT



No

LAND
SIZE



245,857 km²
(#31)

INTERNET
PENETRATION



9.8%
(#41) ▲⁴

19.5%



AGRICULTURE

38.4%



INDUSTRY

42.1%



SERVICES

41.5%



0-14

19.7%



15-24

30.6%



22-54

8.2%



55+



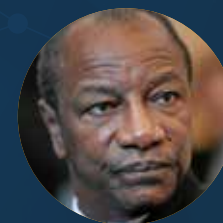
Term:
21/12/2010 - present
5 years (2 term limit)



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

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

BUSINESS

 **#21**
(38.62)

GUINEA PERFORMANCE OVERVIEW

ECONOMICS

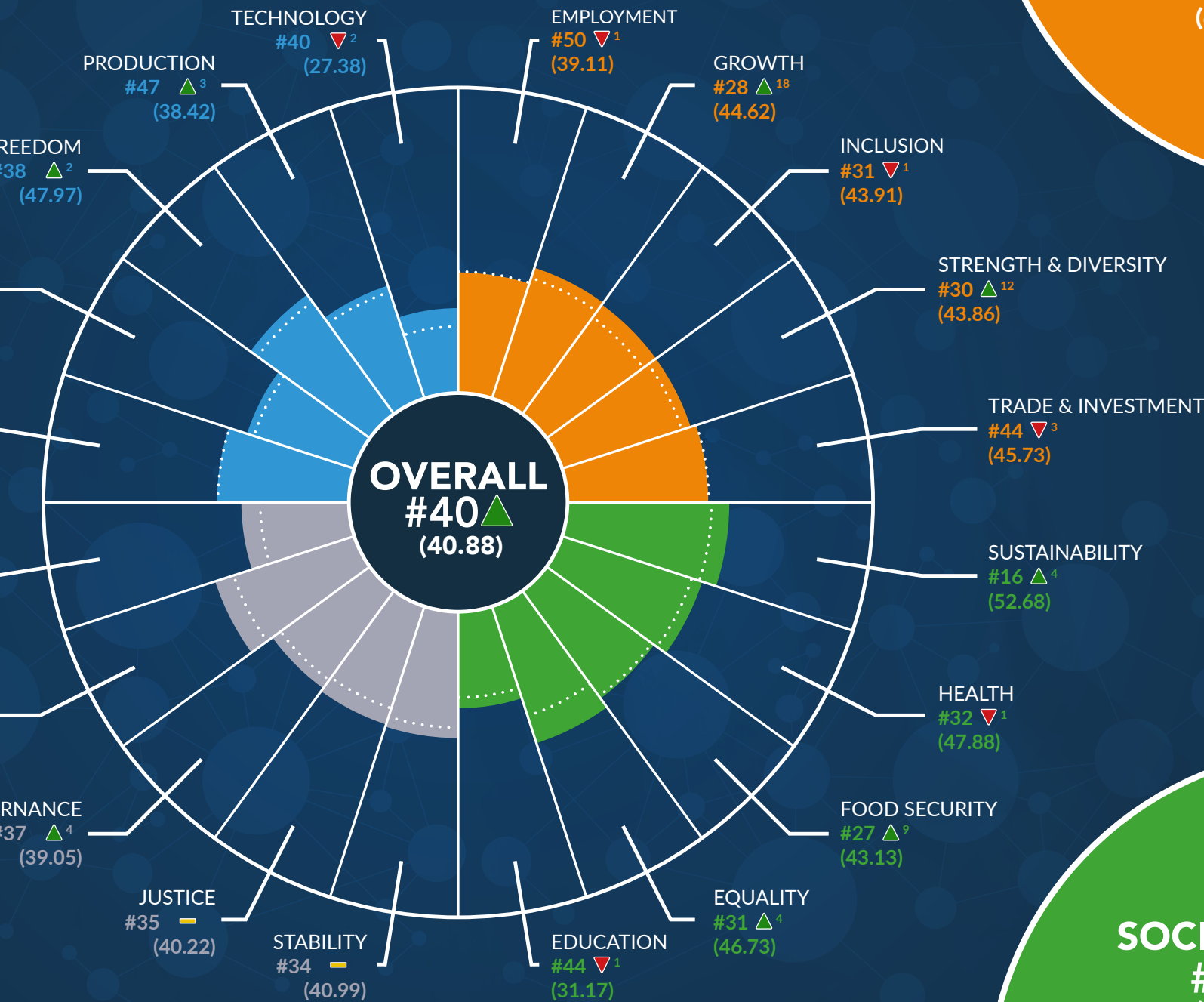
#22 
(41.98)

POLITICS

 **#33**
(40.52)

SOCIETY

#2 
(42.37)



GUINEA BUSINESS ANALYSIS



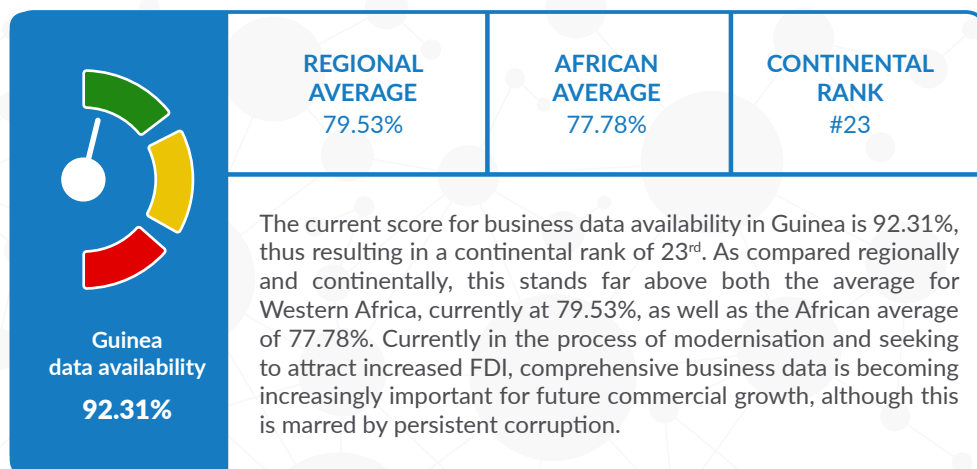
BUSINESS OVERVIEW

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.

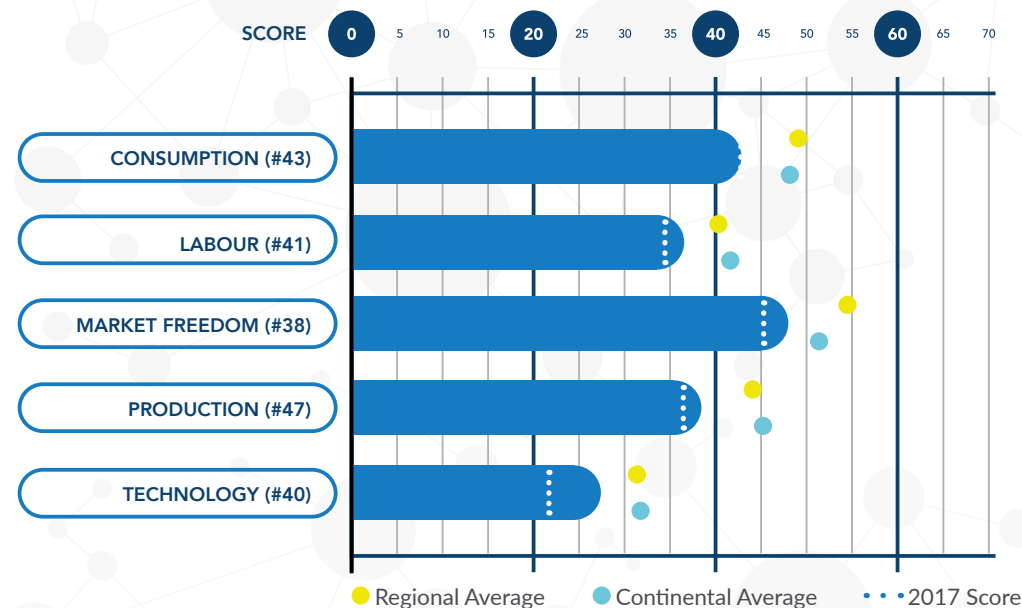
Guinea's appeal lies more with their future potential, particularly if a national population of 12 million can be elevated from their poverty to join the consumer culture. The tourism sector is underdeveloped, despite a long Atlantic Ocean coastline. Communications is also a sector requiring growth. 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 48th place in ACBR 2017 to an improved but still low position of 46th, a result of government over-regulation, poverty and lack of diversification.

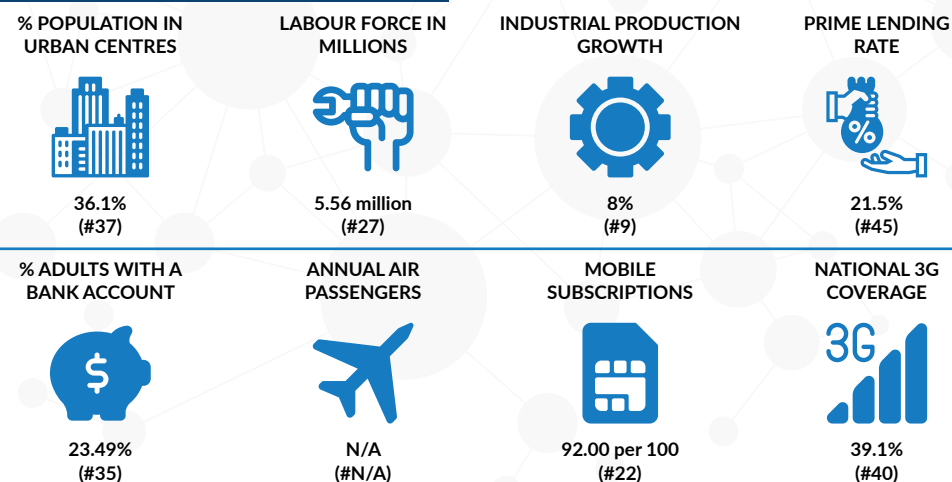
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



GUINEA ECONOMIC ANALYSIS

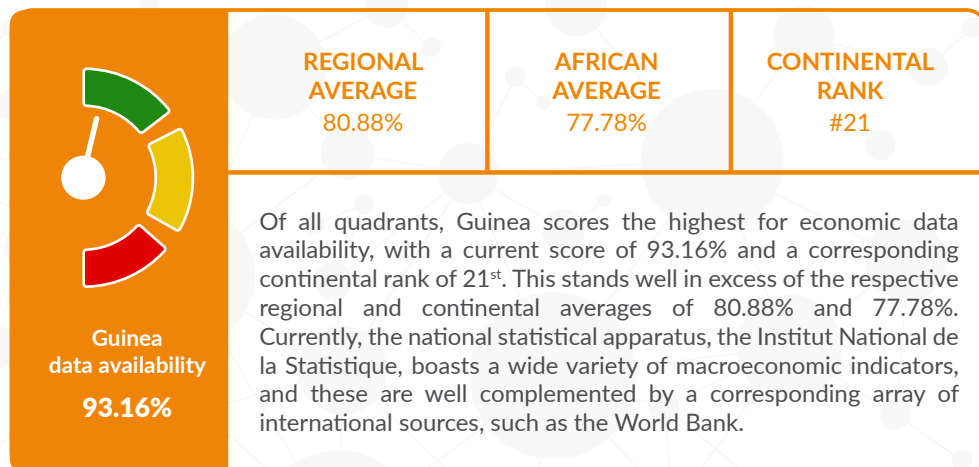


ECONOMIC OVERVIEW

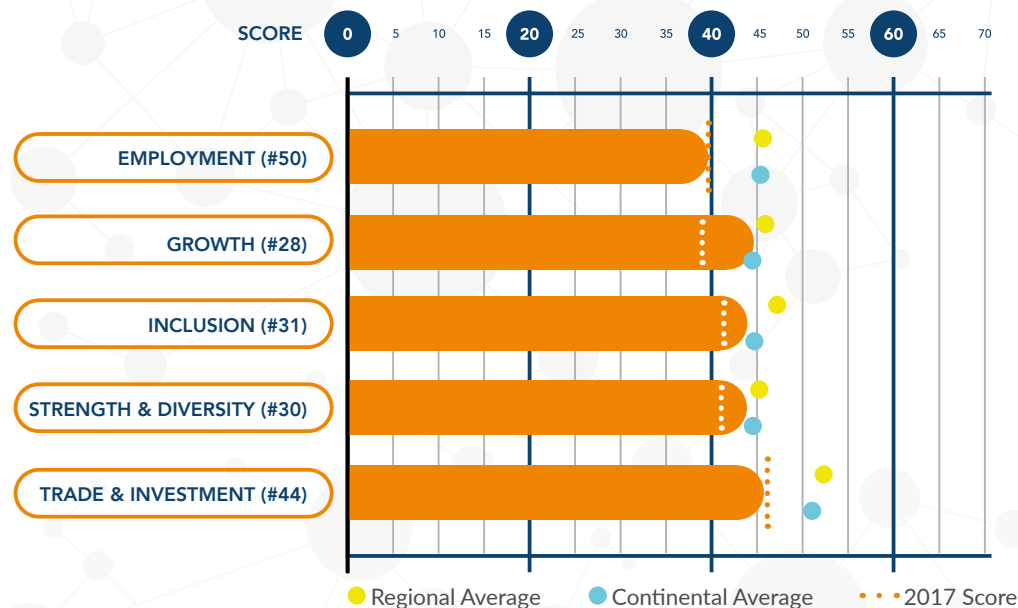
Despite Guinea's favourable location on shipping lanes and their exploitable natural resources, the country remains mired in poverty. Government bureaucracy and policies make the country less competitive than many other West African countries. Offshore oil exploration and the Simandou iron ore mining 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 38th place, reflecting slight growth in the minerals and services industries.

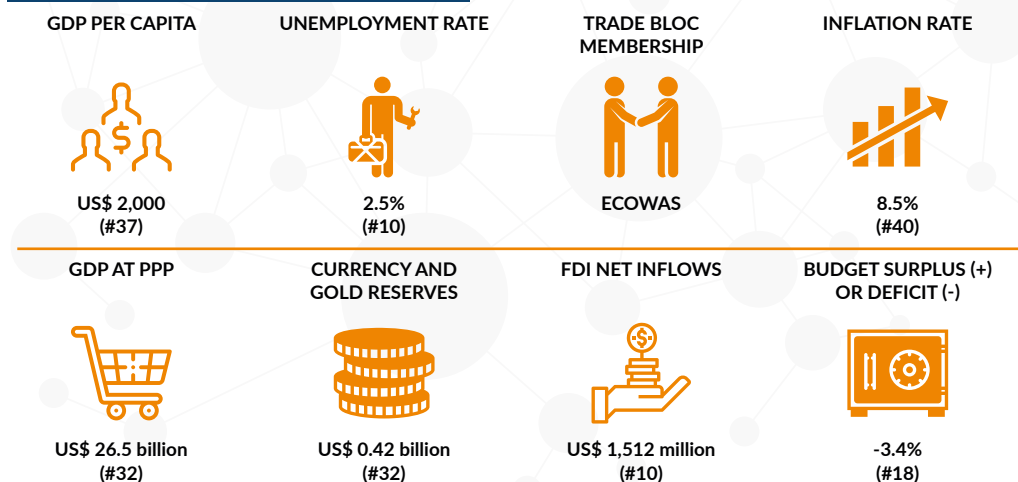
ECONOMIC DATA COMMENTARY



ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS



GUINEA POLITICAL ANALYSIS



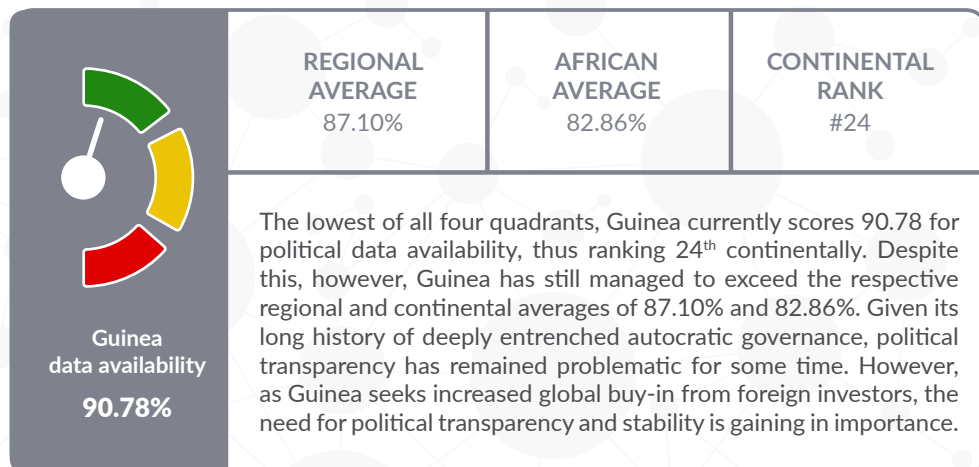
POLITICAL OVERVIEW

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.

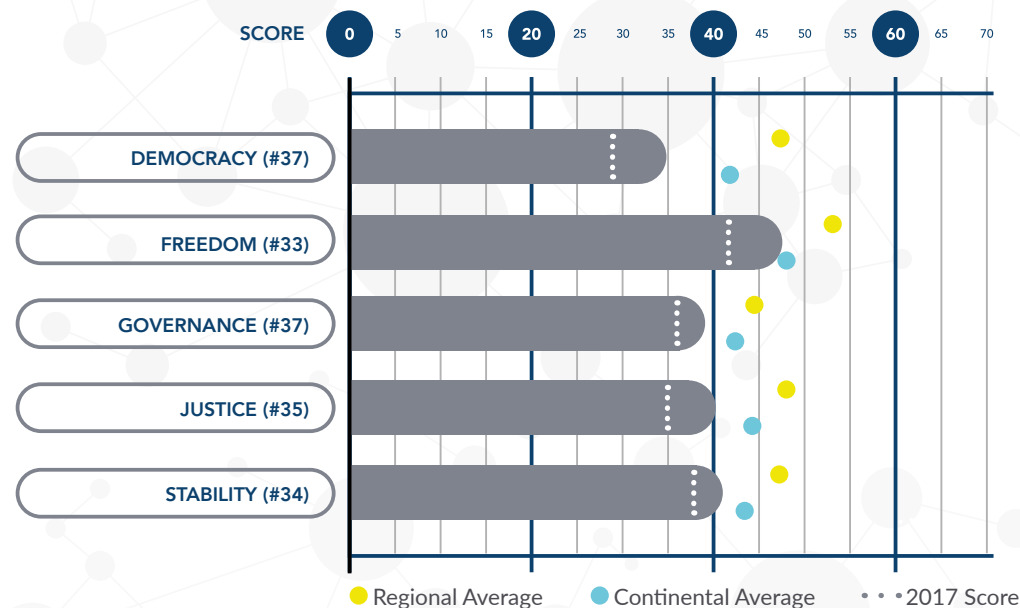
Another difficulty of past autocracies is the residue of government corruption, which is a drag on economic growth and

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 37th in the previous period of review to 36th currently. The rise reflects the country's political stability under President Condé.

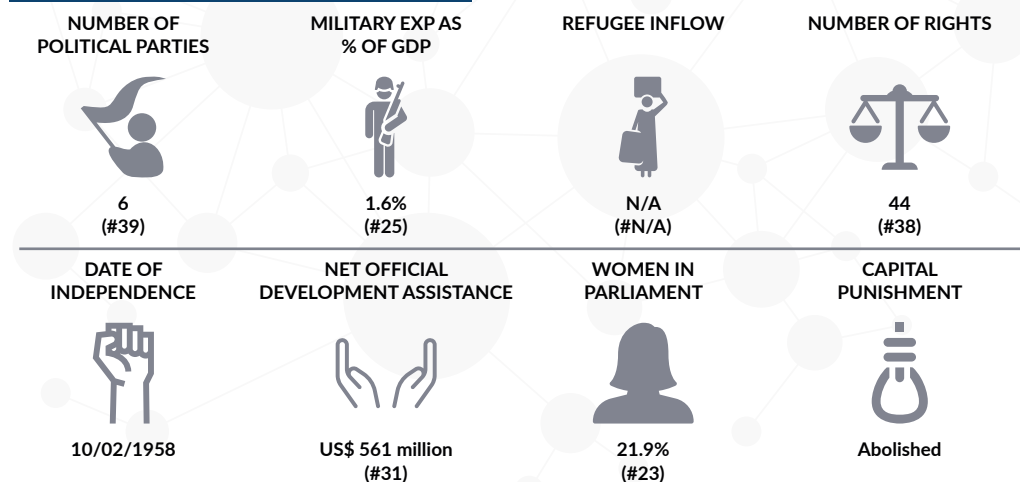
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



GUINEA SOCIETAL ANALYSIS

#2

SOCIETAL OVERVIEW

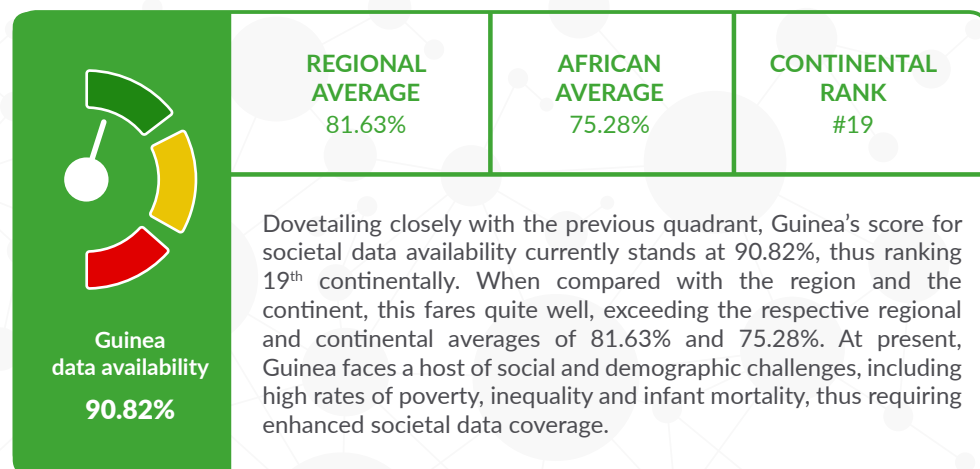
Guinea is a poor country with limited resources with which to meet the social welfare needs of their impoverished people. The country relies on international donors and the work of non-governmental organisations for much of this support. Led by France, Guinea's biggest donor is the European Union. The 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

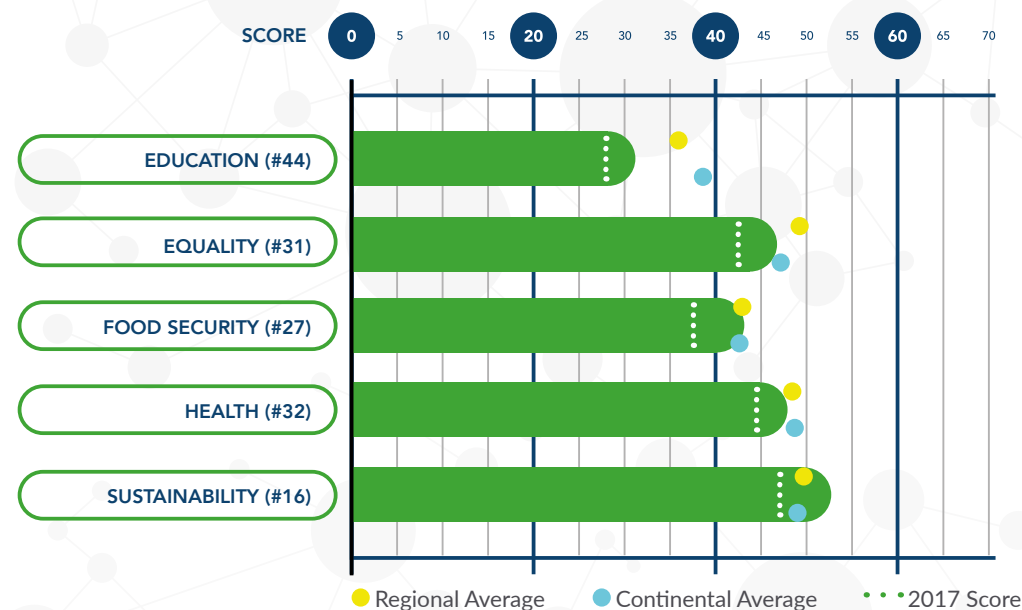
5,100 deaths yearly. Due to the country's large population and HIV prevalence, an estimated 120,000 Guineans live with HIV/Aids, and the number, like Aids deaths, is rising. The fertility rate sees the average Guinean woman giving birth to nearly five children. The infant mortality rate is high and rising, claiming 55 babies per 1,000 live births. Guinea's maternal death rate is also rising and is the world's 11th-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 40th place, reflecting slow development of social services.

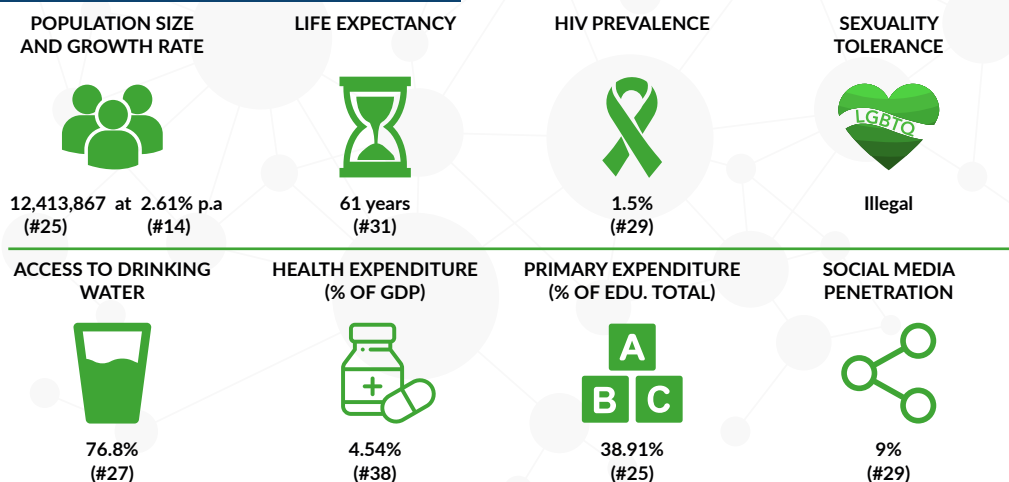
SOCIETAL DATA COMMENTARY



SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS



CONTACT

IN ON AFRICA

PHONE: + (27) 11 027 4027

EMAIL: info@inonafrica.com

WEB: www.inonafrica.com

ADDRESS: 146 Beyers Naude Drive, Franklin Roosevelt Park, Johannesburg, 2195



@inonafrica



In On Africa



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