



# **Investment Opportunities**

## G20 Compact with Africa

## COUNTRY CONTEXT

Guinea had normalized its political environment, successfully organizing the 2010 and 2015 presidential elections, as well as the 2013 legislative poll.

The macroeconomic framework is stable. Guinea has sunk its deficit level and the country has the regions' lowest public debt burden. Guinea is now one of the 5 highest growing countries in Sub-Saharan Africa.

The business environment has significantly improved. Guinea has won 15 places in the Doing Business ranking between 2013 and 2017. Reforms acted include a new investment code, a one-stop shop for investors, a new anti-corruption law and a new framework for PPPs.

Guinea has unrivaled mining resources, with the world's highest bauxite reserves and an estimated 700 M tons of gold reserves. Untapped reserves of diamond, iron, manganese, zinc, cobalt and nickel are significant.

Guinea, the Western Africa's water tower, has the highest hydro electrical capacity in the region, over 6,000 MW. The country aims to reach energy independence and to become an exporter by 2020; In addition its estimated solar energy potential is nearly 4,8 KWHM2 per day.

Guinea's agricultural potential is uniquely diversified and fertile, but mostly untapped. The country is blessed with abundant rainfall and a 6,250km river system, but less than 25% of its 6,2 M ha arable lands are currently under production.

Guinea is a future regional hub, with a 333km coastline and 3,400km of borders with 6 countries, some land-locked.



## KEY FACTS

Languages	French (official)
Currency	Guinean Franc
Government	Presidential Republic
Land area	245,860 sq. km
Coastline	333 km
Major urban areas	Conakry, Nzérékoré, Kindia, Boké, Kankan, Labé
Population (2016)	12.4 M
Literacy rate	32%
GDP (current, 2015 est)	8.48 Billions USD
GDP growth (2016 est)	6.6%
GDP per capita (2016)	683.5 USD
Natural resources	Hydroelectricity, bauxite, gold, iron, diamond, arable lands





## COMPACT MEASURES

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### MACROECONOMIC FRAMEWORK

- The deficit was brought down to 0.7% and the IMF established that the 23% external debt is sustainable. Prudent fiscal management will be consolidated to build fiscal space for productive investment.
- A cycle of review of the management of state-owned enterprise has been launched, part of efforts to improve public finance management and its transparency.
- Inflation was brought down from 23 to 8% in 5 years; responsible and modern inflation and foreign exchange management will be further pursued.

### BUSINESS FRAMEWORK

- Following the anti-corruption law and the ongoing modernization of public procurement processes, further improve the governance and efficiency of public administrations.
- A one-stop shop for investors was established and businesses can now be set-up in 72 hours, another one-stop shop is being developed for construction.
- The Kaleta dam is now active, the Souapiti dam is being built, other key infrastructures will be developed in electricity, transport and connectivity under the National Investment Plan.
- The legal framework of key sectors will be modernized, as with the new Mining Code and digitalization of the mining cadastral system and of mining licenses.

### FINANCING FRAMEWORK

- The 2015 Investment Code makes investment simpler and more attractive; reinforce investment attractiveness policies.
- FDI reached 18.8% of GDP in 2016, accelerate private sector development to keep FDI at above 10% of GDP.
- After passing the PPP law in 2017, strengthen the new PPP framework.
- Further banking sector reforms to improve liquidity management and access to credit.

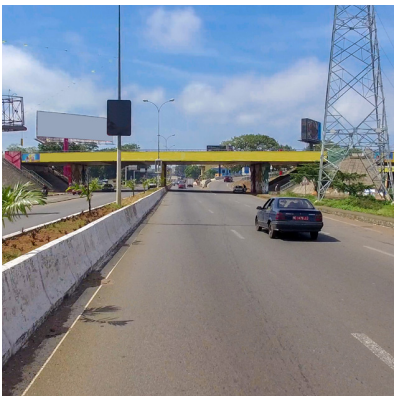


## OPPORTUNITY ENERGY

The hydroelectric potential of Guinea is Western Africa's highest. However, only about 6% of a total hydropower capacity estimated at 6,100 MW is used. The 240 MW Kaleta dam is now active, and the 450 MW Souapiti dam is expected to be delivered in 2020, ensuring energy independence and establishing Guinea as an energy exporter. While international distribution networks are being built, the electrification rate sits at roughly 30%, leaving significant opportunities to develop the electricity grid.

### Specific Opportunities

- Construction of a 27 MW hydropower plant in the Macenta district
- Construction of a 100 MW hydropower plant in the Mandiana district
- Construction of a 300 MW hydropower plant in the Dubreka district
- National program for improved electricity access: development of low and medium voltage lines and individual electric installation



## OPPORTUNITY INFRASTRUCTURE

The objective is to develop Guinea's urban and national transportation network, as well as international transportation routes. These initiatives will allow the exploiting of Guinea's natural position as a regional hub in Western Africa, with 6 borders totalling 3400km and a 320km coastline. As such, it can provide an access to the sea to landlocked countries such as Mali.

### Specific Opportunities

- Rehabilitation of the Conakry-Kankan-Bamako railroad (900km)
- Rehabilitation, construction and asphaltting of national roads, including those extending to borders of neighboring countries: RN7 to Mali (150km), RN8 to Senegal (185km), RN27-30 (529km)
- Construction of a new international airport and rehabilitation of regional airports
- Development of Guinea's digital infrastructures in particular fixed infrastructure





## OPPORTUNITY

# AGRICULTURE

The objective is to fulfill the needs of the Guinean population, become an exporter of agricultural products and develop agro-industries. Thanks to abundant rainfall and a 6,250km river system, Guinea has a comparative advantage in the production of various water-intensive crops and high-value vegetables, fruits and nuts, while it is estimated that only 25% of the country's 6.2 M ha of arable land is under production.

## Specific Opportunities

- Development of cashew nut plantations
- Development of agricultural value-chains in coffee, cocoa, potatoes, corn, cassava, cotton
- Hydro-agricultural development of 20,000 ha of agricultural plain along the Milo river
- Construction, rehabilitation and supply of three vegetable production centers, six research centers and communal tree nurseries
- Development of intensive meat and milk production from the Ditinn and Famoila farms



## OPPORTUNITY

# MINING

The objective is to unveil the subsoil reserves of minerals and energy, and consolidate Guinea's position as a leading mineral exporter. Guinea has two-thirds of the world's bauxite reserves, as well as an estimated 700 M tons of gold reserves, 500 M carats of diamond and 8,300 M tons of iron. Mining is now Guinea's largest export.

There is considerable room for exploration as most of Guinea's reserves remain to be discovered. Untapped reserves of bauxite, gold, diamond, iron, manganese, zinc, cobalt, nickel and uranium are significant. The new Mining code, the one-stop shop for mining and the digitalization of the mining cadastral system and licenses will support such the development of the sector.



## OPPORTUNITY

# LIVING INFRASTRUCTURES

The objective is to ensure a decent living environment for the entire Guinean population, improving the multi-dimensional poverty indicators and working towards the attainment of the UN Sustainable Development Goals. The Conakry 2040 presents such a vision for the Guinean capital.

### Specific Opportunities

- Construction of two regional teaching hospitals and four universities
- Concession for the collection, transfer and disposal of solid waste for Conakry and its region
- Drilling of 700 wells in the Mandiana and Kerouane districts
- Construction of 20,000 social housing units in the Conakry region
- Construction of commercial malls in Conakry



## OPPORTUNITY

# CULTURE AND TOURISM

The objective is to establish Guinea as a tourism destination, so that it contributes to a significant share of GDP and employment in the medium term. Guinea has a great and untapped tourism potential, led by a longstanding and rich heritage and a unique and diverse ecosystem split into four distinct regions. The potential to develop natural and eco-tourism is therefore significant.

### Specific Opportunities

- Sustainable development of tourism in the regional parks network
- Creation of eight craft villages in four districts
- Construction of the National Youth Palace and the National Culture Palace



# PARTNER SUPPORT FOR THE REFORM

## Macroeconomic Framework

- The new IMF Extended Credit Facility will support Guinea's 2016-2020 National Development Plan, help reinforce macroeconomic resilience, debt sustainability and mobilization of resources for public investment. Within this framework, more than forty structural reforms have been put forward by Guinea.
- Guinea has also benefited from the IMF's expertise in modernizing foreign exchange markets, improving central bank intervention, increasing revenue mobilization and simplifying the tax system.

## Business environment framework

- Guinea has been working closely with the World Bank and the IFC to improve the business environment and put in place Doing Business reforms, including ten key measures for 2018.
- The IMF and the World Bank have been accompanying Guinea in increasing transparency and improving the governance of public administrations, as well as modernizing public procurement processes
- The UNDP has accompanied Guinea in the drafting of a comprehensive 2016-2020 National Development Plan, providing economic partners a clear view on Guinea's vision for economic development, accompanied by a credible macroeconomic framework

## Financing framework

- The International Financial Corporation has accompanied Guinea in reforming its PPP framework and in the identification of PPP investment opportunities
- The World Bank has been providing support in the fields of public finance, improving the investment framework and boosting industrial development
- The World Bank, the AfDB, the EU, the IDB, the AFD the BADEA and numerous technical and development partners have assisted Guinea with the funding of numerous feasibility studies to present investment opportunities to potential investors
- Technical and development partners have also provided budget support, invested in Guinea's development projects, and crowded-in private investment for projects.

## CONTACT INFORMATION

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