

GUINEA

In 2025, growth accelerated to 7.4 percent, spurred by bauxite production. Revenues reached 17.9 percent of GDP, inflation fell to 3.2 percent, and the poverty rate decreased to 22.3 percent. GDP growth is projected at 8.8 percent in 2026, averaging 11.1 percent over 2027–28 as Simandou iron production ramps up. The fiscal deficit will narrow to 3.0 percent by 2028, amid risks from the conflict in the Middle East and weather shocks.

Key conditions and challenges

Mining sustained growth during 2016–24, averaging 6.5 percent (3.8 percent per capita). Real effective exchange rate appreciation induced by the mining boom is eroding competitiveness of tradable non-mining sectors, hampering economic diversification and poverty reduction. Limited local procurement and few downstream activities constrain transmission of mining booms to broad-based employment in job-intensive sectors. As a result, employment is low, with only about 49 percent of the working-age population employed. Poverty rose between 2019 and 2023 by 2.9 percentage points (an additional 0.8 million poor people) measured at US\$4.20 per day, 2021 PPP, but has recently started to decline.

Guinea's labor structure is characterized by a low share of formal wage jobs, at just 8.5 percent of total employment, while self-employment dominates and one in three young Guineans is not in education, employment, or training. Women's labor force participation (43 percent) lags men's (63 percent), with over 95 percent of female employment classified as vulnerable. Firm-level productivity and job creation lag peer countries,

Population ¹ million	Poverty ² millions living on less than \$4.20/day
15.1	3.7
Life expectancy at birth ³ years	School enrollment ⁴ primary (% gross)
60.7	100.5
GDP ⁵ current US\$, billion	GDP per capita ⁶ current US\$
28.3	1875.7

Sources: WDI, MFM, and official data. 1/ 2025. 2/ 2018 (2021 PPPs). 3/ 2023. 4/ 2020. 5/ 2025. 6/ 2025.

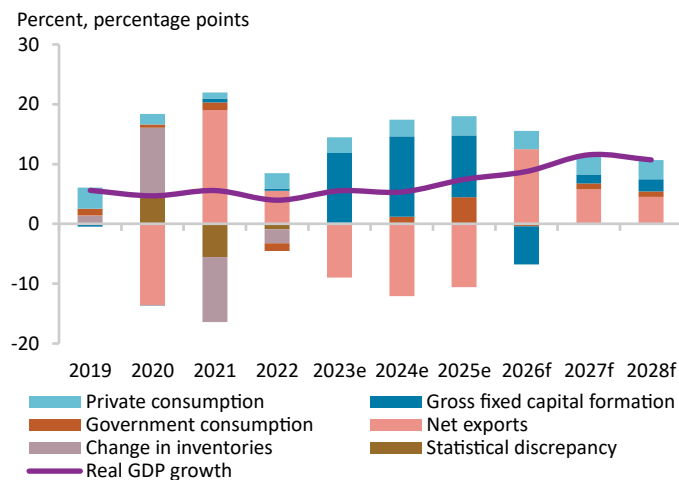
hindered by gaps in infrastructure, human capital, and a shallow financial sector with limited access to finance and high intermediation costs.

Simandou iron exports, launched in November 2025, initiated a second mining boom that could catalyze private-sector-led, job-rich growth and faster poverty reduction, if paired with appropriate reforms. Realizing these gains will require mitigating real exchange rate appreciation effects on non-mining competitiveness and improving the business environment. Mobilizing domestic and private capital—alongside pro-poor spending, better public investment management and credible, predictable management of extractive revenues—will be equally critical.

Recent developments

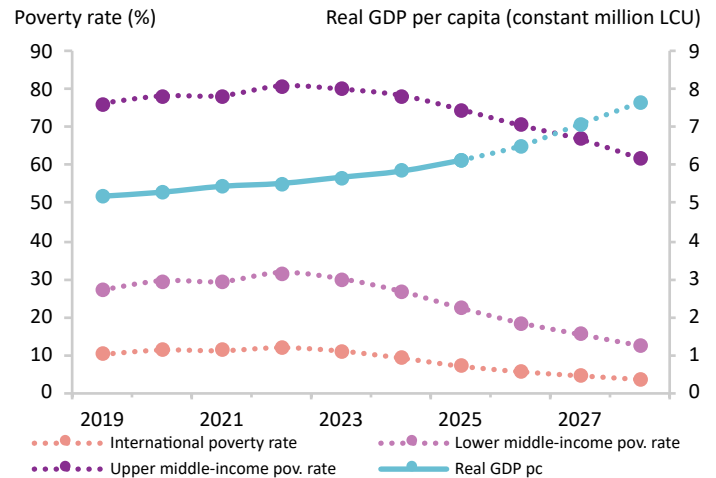
Economic growth accelerated from 5.4 percent in 2024 to an estimated 7.4 percent in 2025, driven primarily by mining, with bauxite production up 30 percent. Non-mining activity also strengthened, supported by higher public investment and spillovers from the recent public-sector wage revaluation.

FIGURE 1 / Real GDP growth and contributions to real GDP growth



Source: World Bank.

FIGURE 2 / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: See footnotes in table on the next page.

Total revenues rose markedly to 17.9 percent of GDP from 15.2 percent in 2024, driven by tax administration improvements, including mandatory online payments. Public spending reached 22.1 percent of GDP, up by 2.1 percentage points, reflecting higher election-related spending and ongoing capital outlays in transport. As a result, the fiscal deficit narrowed but remained elevated at 4.1 percent of GDP, contributing to raising public debt to 47.9 percent of GDP in 2025. Debt distress risk nevertheless remains moderate on strong growth prospects.

Inflation declined significantly to 3.2 percent in 2025 from 5.1 percent in 2024 as food and transport price pressures moderated, helped by subdued imported food price inflation and favorable base effects. The central bank eased monetary policy twice in 2025 to support growth amid emerging banking-sector liquidity pressures, while financial intermediation expanded despite cash withdrawal limits. The increase in real GDP per capita, combined with lower inflation, reduced the poverty rate (US\$4.20 per day, 2021 PPP) to 22.3 percent in 2025 from 26.7 percent in 2024.

Large mining foreign direct investment-related imports kept the current account deficit (CAD) wide at 14.5 percent of GDP, while international reserves improved to 3.6 months of imports (from 1.4 months at end-2024).

Outlook

In 2026, the Middle East conflict is expected to have a small negative impact on growth partially offset by elevated gold prices, and exert upward pressure on inflation primarily through higher

oil prices. Growth is projected to accelerate to an average 10.3 percent in 2026–28, led by mining, which is expected to expand 23.3 percent on average as Simandou iron production and exports ramp up. The non-mining sector is projected to grow by 5.6 percent on average in 2026–28, supported by private consumption and continued public investment growth.

Inflation is expected to rise to 4.7 percent in 2026 with the higher economic pace and higher global oil prices, before declining thereafter. Poverty is projected to continue declining steadily, falling to 18.5 percent in 2026 and to 12.5 percent by 2028, supported by large nominal gains in per capita incomes across sectors alongside moderate inflation.

Fiscal consolidation is expected to continue gradually, with revenues averaging 17.3 percent of GDP in 2026–28, supported by tax administration reforms, elevated gold export related revenues in 2026 and initial Simandou-related receipts, while expenditure rebalances toward more efficient capital outlays and better-targeted social spending, reducing the fiscal deficit to 3.0 percent by 2028 and the debt-to-GDP ratio to 44.8 percent.

The CAD is projected to improve to -2.6 percent of GDP in 2026 and to +3.4 percent by 2028 despite higher energy import prices in 2026 as import volumes ease and Simandou exports expand, further supporting reserve accumulation.

Risks include global trade uncertainty, adverse weather disrupting production, banking-sector liquidity pressures, and spillovers from prolonged conflict in the Middle East. Upside risks stem from faster reform implementation and stronger-than-expected mining exports.

Recent history and projections

	2023	2024	2025e	2026f	2027f	2028f
Real GDP growth, at constant market prices	5.5	5.4	7.4	8.8	11.6	10.7
Private consumption	4.0	4.3	5.0	4.8	5.4	5.6
Government consumption	0.8	6.2	22.8	-1.7	4.8	4.8
Gross fixed capital investment	63.6	47.1	26.0	-13.7	4.1	5.9
Exports, goods and services	8.8	4.5	8.2	11.8	17.0	14.0
Imports, goods and services	25.0	22.0	20.0	-5.8	6.8	6.8
Real GDP growth, at constant factor prices	5.5	5.4	7.4	8.8	11.6	10.7
Agriculture	5.7	6.5	5.8	5.6	6.5	6.8
Industry	7.8	6.5	10.8	14.6	20.4	17.2
Services	3.7	3.8	5.4	5.1	5.4	5.4
Employment rate (% of working-age population, 15 years+)	49.6	49.3	49.3	49.0	49.0	49.1
Inflation (consumer price index)	7.8	5.1	3.2	4.7	3.8	3.7
Current account balance (% of GDP)	-7.5	-14.3	-14.5	-2.6	1.8	3.4
Net foreign direct investment inflow (% of GDP)	13.1	14.9	14.0	7.7	7.1	7.3
Fiscal balance (% of GDP)	-3.9	-4.9	-4.1	-4.0	-3.6	-3.0
Revenues (% of GDP)	14.5	15.2	17.9	17.0	17.4	17.7
Debt (% of GDP)	41.4	43.5	47.9	46.3	45.6	44.8
Primary balance (% of GDP)	-3.0	-3.7	-2.6	-2.6	-2.3	-1.8
International poverty rate (\$3.00 in 2021 PPP)^{1,2}	11.1	9.3	7.1	5.7	4.6	3.7
Lower middle-income poverty rate (\$4.20 in 2021 PPP)^{1,2}	29.9	26.7	22.3	18.5	15.5	12.5
Upper middle-income poverty rate (\$8.30 in 2021 PPP)^{1,2}	79.9	78.3	74.6	70.5	66.9	61.9
GHG emissions growth (mtCO₂e)	4.6	5.0	5.2	4.8	4.0	4.1

Source: World Bank, Fiscal Policy & Growth Department. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast. Data in annual percent change unless indicated otherwise. Data do not yet reflect the rebased national accounts under preparation. Inflation through 2023 is based on capital-city prices, which tend to run higher, while the new methodology uses national coverage.

1/ Calculations based on 2018-EHCVM. Actual data: 2018. Nowcast: 2019–2025. Forecasts are from 2026 to 2028.

2/ Projections using microsimulation methodology.