

Invest

in Guinea



Dear readers,

I have the great honour of presenting this guide for international investors.

I am convinced that good-quality investors, whether they come from the UK or elsewhere, can play a key role in the future development and prosperity of Guinea and its people. This guide is part of ongoing efforts made by the British Embassy in Guinea to support the Government of Guinea in its objective of attracting quality international investment into the country.

Written in close collaboration with the Government of Guinea and stakeholders from the various sectors covered, this guide aims not only to demonstrate the incredible economic opportunities present in Guinea but also to share the country's commitment to building a stable and prosperous future.

While Guinea is considered one of the most important growth areas on the continent due to its geographical diversity and mineral endowment, improvements still need to be made to the investment climate. Several measures have been adopted by President Alpha Condé and his Government to create an attractive environment for investors looking to manage their businesses in a climate of trust and stability.

The British Government is encouraging continued efforts in this vein in order to improve Guinea's business environment.

I would like to thank, in particular, all the members of the editorial committee for their valuable contributions and constant availability.

I hope you find this guide enjoyable and that it will make you want to discover Guinea for yourself.

**HE Graham Styles, Ambassador of the United Kingdom in Guinea**



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# Introduction to Guinea

## History

7 <sup>th</sup> - 9 <sup>th</sup> century	The Baga, Nalu and Landoma people live in the area that is now Guinea.
11 <sup>th</sup> century	Arrival of the Djalonké people, of Manden origin. Animist Fula people start to arrive in small groups.
1235	Sundiata Keita defeats Soumaoro Kanté, King of Sosso (Koulikoro region in modern-day Mali). Groups of Sosso people set up home in Fouta Djallon. Sundiata founds the Mali Empire, with Niani as the capital city (Upper Guinea). The Empire reaches the peak of its power in the 14 <sup>th</sup> century.
16 <sup>th</sup> - 18 <sup>th</sup> century	Great waves of Fula and Mandinka people arrive from Futa Toro in Senegal and Macina in Mali.
1881	Almamy Samory Touré takes control of the interior of the country. As Emperor of Wassoulou, he leads the resistance against French colonisation.
1891	Guinea is declared a French colony, independent of Senegal, to which it had previously been attached.
1904	Guinea is made an integral part of French West Africa (AOF).
From 1946	Anti-colonial sentiment starts to develop. At the head of the powerful General Union of Negro African Workers (UGTAN), Ahmed Sékou Touré leads moves to obtain more African representatives in local government.

During a referendum held in September 1958, Guinea was the only country in French-speaking Africa to refuse to be a part of the French Community. In a now-famous impassioned speech, the young separatist leader Ahmed Sékou Touré declared: "We prefer freedom in poverty to opulence in slavery".

Sékou Touré, the first President of the Republic of Guinea, led the country for 26 years, and was a strong supporter of Pan-Africanism, "the total decolonisation of all of the country's structures" and the creation of a "socialist society". During his time in power, he nationalised foreign companies and took strong steps towards centralised economic planning.

The country suffered a degree of diplomatic isolation until 1982, when Sékou Touré started to make State visits to a number of countries in order to build relations and find investors to develop Guinea's

immense mineral wealth. However, when he died on 26 March 1984, economic capacity and democratic rights were not yet in place.

Between 1984 and 2008, Guinea was ruled by General Lansana Conté, a proponent of economic liberalism. When he died, the army seized power in a military coup led by Moussa Dadis Camara, which led to two years of social unrest and economic instability.

In January 2010, General Sekouba Konaté assumed power as interim President, transforming the democratic landscape of Guinea. In November 2010, Guinea elected its current President, Professor Alpha Condé, with 52.2% of the votes, in the country's first free and transparent election. The 28 September 2013 legislative elections have elected 114 members of parliament to represent their constituents in the new National Assembly.



**Surface area**  
245 857 km<sup>2</sup>

**Capital**  
Conakry

**Main towns**  
Kindia, Labé, Kankan and N'Zérékoré

**Official language**  
French

**National languages**  
Susu, Fula, Maninka, Kissi, Toma and Guerzé

**Currency**  
Guinean franc (GNF)

## Geography

Situated on the Atlantic coast, the country shares borders with Guinea-Bissau, Senegal, Mali, Ivory Coast, Liberia and Sierra Leone. The country is naturally divided into four regions, each with very different terrains, climates and vegetation.

- **Lower Guinea** is a coastal plain that receives high levels of rainfall, up to 5,000 millimetres per year. The area is home to much farming, mining and fishing activity.
- **Upper Guinea** is a plateau and savannah region that does not receive a lot of rain and is conducive to raising livestock. Its alluvial deposits also make the region a good area for farming. Its subsoil is rich in gold and the region is known for its excellent inland fishing.
- **Middle Guinea** is a mountainous area with heavy rainfall. Its climate makes it highly conducive to raising livestock.
- **Forested Guinea** has great mining potential as it is the location of two world-class iron deposits: Mont Nimba (1,752m) and Simandou. As a mountainous region, its vegetation is dominated by old-growth forests. Rainfall is spread out over the course of the year, making this region good for agriculture, forestry and fishing.

# Political and social context



## Population

10.2 million inhabitants

## Density

47.2 inhabitants per km<sup>2</sup>

## Urbanisation rate

31%

## Population growth

3.5% per year

## Life expectancy

54.1 (UNDP)

## Literacy rate

39.5% (UNDP)

## Religion

Islam (85%), Christianity (8%), Animism (7%)

## Human Development Index

178 of 187 (UNDP)

Guinea's political leaders aim to turn it into an emerging economy within the next 15-25 years by executing a strategy set out in the "Guinea 2035" vision. In order to make this vision a reality, the Government is implementing a rigorous good governance policy. The aim is to progressively restore the traditional moral values of Guinean society, halt corruption and encourage the provision of modernised, efficient services to support private sector development and improve the country's social climate.

Despite significant progress in terms of macro-economic and financial management, political tensions continue to threaten stability and have provoked politicised ethnic tension.

Guinea comprises three main ethnic groups - the Fula, Mandinka people and Susu people - plus the ethnic groups living in the forest region (such as the Kissi, Toma and Kpelle people) and those living in the coastal lowlands (such as the Baga and the Nalu people). Since coming to power, President Alpha Condé has been striving to create geographical and ethnic equilibrium within his Government.



### Improving governance and institutional reforms

The Government's primary political goal is to restore the rule of law and reform public administration. By achieving this objective, the Government hopes to improve the quality of public services on offer and create an environment that encourages the accumulation of wealth as well as knowledge, skills and technologies in highly productive and highly competitive sectors.

### Promoting the main growth sectors

The average growth rate recorded over the past five years (2.4%) was not enough to significantly reduce poverty and so the Government has adopted a growth acceleration and economy diversification model. It is based on an innovative approach that focuses on developing profitable sectors (mainly agriculture and mining) and promoting growth centres at a regional level across the country.

## 4 development strategy objectives

### Reducing poverty

Despite the efforts made and the country's enormous potential, Guinea's human development level is still below average compared with other Sub-Saharan countries. According to the Simple Poverty Assessment ("ELEP") carried out in 2012, 55.2% of the population are deemed to be poor, which breaks down into 64.7% of the rural population and 32.1% of the urban population. A poverty reduction strategy covering cross-cutting themes (human rights, population, employment, conflict prevention, gender, the environment and HIV-AIDS, etc.) was adopted with objectives to be reached by 2017.

### Developing social sectors

The Government's aim is to provide all communities, whether in villages or towns, with access to basic social services (well-equipped healthcare centres, a reasonable level of education accessible to young people and women, access to drinking water and revenue-generating activities, etc.).

Particular emphasis has been placed on young people and women with a view to improving their access to and participation in the country's development.

## Success: Reaching the HIPC completion point

Reaching the HIPC completion point is the start of a new chapter in Guinea's economic recovery. On 25 September 2012, the International Monetary Fund (IMF) and the World Bank judged that Guinea had met the requirements to reach the completion point under the Heavily Indebted Poor Countries (HIPC) Initiative. Only 18 months after President Alpha Condé came to power, **2.13 billion dollars of Guinea's external public debt had been cancelled**, reducing the country's total debt stock from 65.9% of GDP in 2011 to 19% of GDP in 2012.

# The Guinean economy

*“We know that companies need long-term profitable projects. We are doing everything we can to help companies achieve their objectives while protecting the interests of our people to ensure that our resources can finally play a part in improving their living conditions.”*

President Alpha Condé speaking at the Davos Summit in January 2013

## GDP/inhabitant (2012)

USD 436.4 (World Bank)

## Growth rate (2012)

3.9% (World Bank)

## Inflation rate (2012)

13% (World Bank)

## External public debt

2.9 billion dollars, i.e. 64% of GDP at the end of 2012

## Trade balance (2011)

-1.1 bn USD (World Bank)

## Main clients

Spain (18.9%), Ireland (8.4%) and India (5.6%)

## Main suppliers

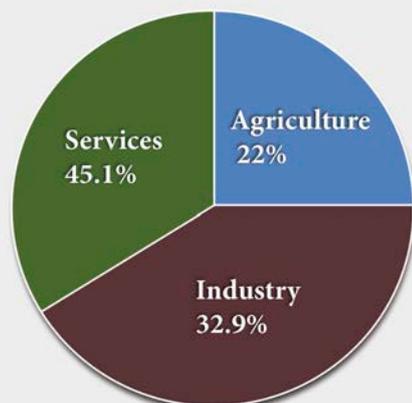
China (22.1%), the Netherlands (16.9%) and France (11%)

## Stability and increased growth

In 2011, the Guinean economy saw a strong revival of economic activities, thanks to investment in the farming and mining sectors.

IMF-backed reforms led to positive developments in the key economic indicators in 2012 while a firm monetary policy kept inflation under control (13% at the end of 2012 compared with 21.4% in 2011).

In 2012, GDP increased by 5.2% and projections indicated that this growth was set to accelerate in 2013 (5.5%).



### Primary sector (22% of GDP)

Added value growth of 4.9% compared with 4.5% in 2011, thanks to a 5.6% increase in agriculture and hunting, 4.1% in animal rearing, 4.5% in fishing and 2.6% in forestry activities. This performance is partly the result of a fishing modernisation programme, agricultural inputs and livestock vaccination campaigns.

### Secondary sector (32.9% of GDP)

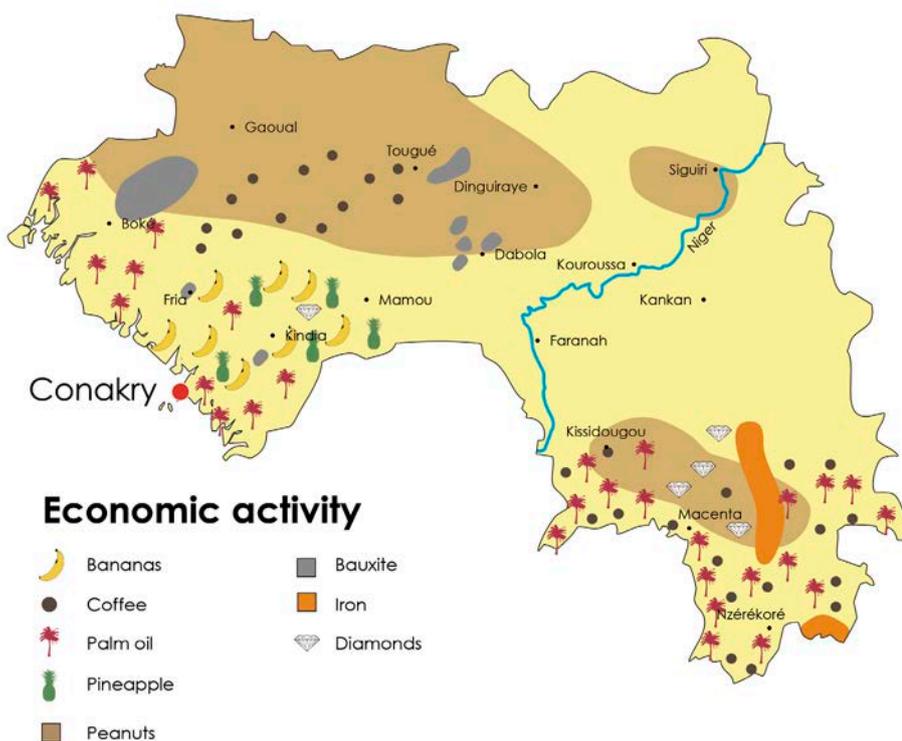
Added-value growth of 5.1% in 2012, compared with 4.4% in 2011. This growth was driven by water and electricity (10.1%), construction (8.7%), the manufacturing sector (5.1%) and mining (2.0%).

### Tertiary sector (45.1% of GDP)

4.5% growth compared with 3.2% in 2011, supported by trade momentum and import duties and taxes (6.4%), transportation (5.0%), other sectors (3.8%) and administration (1.0%).



## Regional developments A rising economic hub in the sub-region



*“The country could take advantage of its geographical position and its new-found stability to become an economic hub in the sub-region. If road infrastructure is improved then the country could transport a large part of the trade to and from the sub-region, particularly goods heading to landlocked countries, such as Mali, via the Port of Conakry.”*

African Development Bank, 2012

Surrounded by Guinea-Bissau (385 km of borders), Senegal (330 km), Mali (858 km), Ivory Coast (610 km), Liberia (563 km) and Sierra Leone (652 km), Guinea enjoys a central position in the sub-region.

The country has the potential to greatly develop its maritime and river transportation links because it opens out onto the Atlantic Ocean and has several rivers that can be used for four months per year.

A lack of public investment in river transportation means that the sub-regional facilities are now somewhat dilapidated. Several projects are in the pipeline to develop transportation beyond the region of Upper Guinea and thereby help to improve trade.



# Business climate

## Guinea is climbing the international ratings

*The report Doing Business 2013 ranked Guinea 178<sup>th</sup> out of 185 countries, 3 points ahead of its previous year's ranking.*

*Starting a Business: Guinea climbed 26 points from 184<sup>th</sup> place in 2012 to 158<sup>th</sup> place in 2013.*

*Dealing with construction permits: the country improved its position from 172<sup>th</sup> to 152<sup>nd</sup> place (+20).*

*Getting electricity: the country was ranked 88<sup>th</sup> (114<sup>th</sup> in 2012), an improvement of 26 points. This was the 2<sup>nd</sup> best performance in the ECOWAS.*

## A government priority

In October 2012, President Alpha Condé launched an ambitious programme of reforms that included a consultation process with both the private sector and civil society.

As a result, the reform steering committee is now prioritising the study of the following 4 areas:

- **Trading across borders**
- **Registering property**
- **Access to credit**
- **Paying taxes**

By improving supporting frameworks for the private sector in Guinea, it is hoped that the private investment rate will grow from 16.6% of GDP in 2012 to 18.7% in 2015.

**A Private Investment Promotion Agency (APIP)** was set up along with a one-stop shop for registering new companies (operational since December 2011).

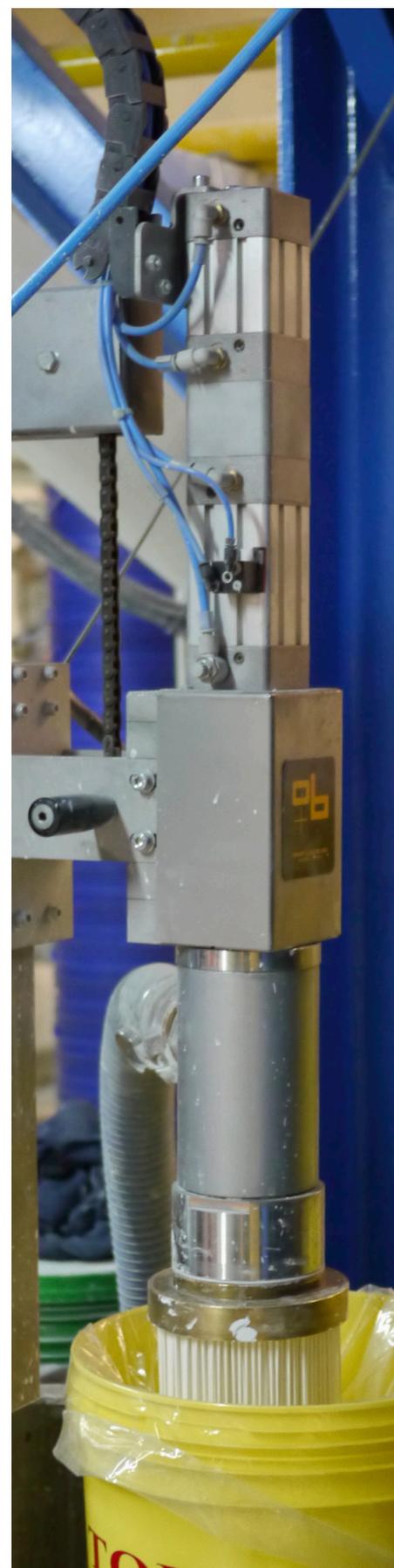
**4,820 companies were created in 2012.**

## Advantages of investing in Guinea

- Business climate favourable to private sector development.
- Stable currency thanks to sensible liquidity and exchange rate management.
- Growing trust from donors and the international financial sector.
- New investment opportunities to be developed in the future.
- Attractive incentives: the Guinean Investment Code.
- Implementation of simplified company creation procedures.

## Comparison by sub-indicator (Source: World Bank)

Indicators and sub-indicators	2013	2012
<b>I. Création Entreprises</b>		
- Procedures (number)	6	12
- Time (days)	35	40
- Cost (% of per capita income)	96.9	118.0
- Mini. capital required (% of per cap. inco.)	324.7	407.3
<b>II. Dealing with construction permits</b>		
- Procedures (number)	29	29
- Time (days)	197	197
- Cost (% of per capita income)	94.8	275.8
<b>III. Getting electricity</b>		
- Procedures (number)	4	5
- Time (days)	69	69
- Cost (% of per capita income)	8,377.7	10,421.7
<b>IV. Registering property</b>		
- Procedures (number)	6	5
- Time (days)	59	59
- Cost (% of per capita income)	14.2	14.4
<b>V. Getting credit</b>		
- Strength of legal rights index	6	6
- Depth of credit information	0.0	0.0
- Cover by public credit registries	0.0	0.0
- Cover by private credit bureaus	0.0	0.0
<b>VI. Protecting investors</b>		
- Information disclosure index	6	6
- Extent of director liability index	1	1
- Ease of shareholder suits index	1	1
- Strength of investor protection index	2.7	2.7
<b>VII. Paying taxes</b>		
- Payments (number per year)	58	58
- Time (hours per year)	416	416
- Total tax rate (% of profit)	23.5	23.5
- Labour tax and contributions	9.6	9.6
- Other taxes (% profit)	40.1	40.1
- Total tax rate (% gross profit)	73.2	73.2
<b>VIII. Trading Across Borders</b>		
- Documents to export (number)	7	7
- Time to export (days)	35	35
- Cost to export	855	855
- Documents to import (number)	9	9
- Time to import (days)	32	32
- Cost to import (US\$ per container)	1,391	1,391





# Agriculture

## Acceleration, diversification and sustainable growth

Guinea boasts significant agricultural assets, offering numerous possibilities for accelerating growth and creating lasting jobs.

Agricultural activities have long been focused on traditional food production, focusing on crops such as rice, cassava, corn, yams, bananas, sweet potatoes, fonio, peanuts, mangoes and pineapples.

Agriculture has been identified as a priority growth sector on the same level as mining, and recently kick-started the trend towards diversification with the revival of cotton cultivation, and the planting of rubber trees and palm groves.

The Government has therefore adopted a National Agriculture Development Policy (PNDA) - Vision 2015, aiming to develop, on the basis of its National Agricultural Investment and Food Security Plan (PNIASA), **a modern, sustainable and productive agricultural sector that is competitive** on intra-community and international markets.

The private sector plays a leading role in attaining these goals, notably in the sectors of **supply, production, marketing** and **agricultural services**.

In order to facilitate the development of the private sector, the Government has adopted an action plan focusing mainly on:

- Establishing a regulatory and incentive framework;
- Improving the supply network;
- Standardising the terms of tax exemptions;
- Supporting the implementation of distribution networks;
- Developing training programmes.

Another priority is to develop the **cultivation of export crops** in order to satisfy consumer demand and increase foreign currency earnings.

### Livestock farming

Guinea also has a high farming potential in terms of livestock (cattle, sheep, goats, donkeys, pigs, poultry and beekeeping) with fertile, diverse pastures spanning approximately 70,000 km<sup>2</sup>, including nearly 350 species of forage. This key sector employs people from 283,000 families and accounts for 30% of the income of the rural population.

### Arable land

6.2 million hectares (25% cultivated annually)

### Potentially irrigable land

364,000 hectares (only 30,200 hectares currently developed)

### River network

6,250 km, 1,161 streams, 23 river basins

**Forest** Approximately 2.7 million hectares, i.e. 11% of the national territory

### Favourable rainfall

Between 1,200 mm in the north and north east and 6,000 mm in Fouta Djallon

*“18 months ago, we found ourselves in the perverse situation of seeing citizens come from the provinces to the city in order to make enough money to buy rice imported from China to send it back to the provinces to feed their families. Today, thanks to targeted agricultural initiatives and the commitment of the Government to buy rice harvests from growers at the market price, there is a surplus of rice in rural areas and we are now selling Guinean rice in Conakry. This important and concrete change came about in barely 18 months.”*

President Alpha Condé, September 2012, Guinea Economic Forum

## Investment opportunities

**Each of Guinea's regions has its own specific projects.**

In the **Forested Guinea** region, the main agricultural promotional activity focuses on coffee, rubber and palm oil cultivation. Today, around 200,000 hectares are cultivated. Coffee production has risen from 1,000 tonnes in 1984 to 20,000 tonnes today. The SOGUIPAH, the Guinean Palm Oil and Rubber Society, planted more than 10,000 hectares of the two crops. It also integrated rice-fish culture into rice fields.

Cotton is cultivated in the savannah of **Upper Guinea**. It has been expanded gradually, making it possible today to produce more than 30,000 tonnes/year. The industry is currently undergoing redevelopment.

**Maritime Guinea** is the region where the most export crops are found. The pineapple sector is currently undergoing full-scale redevelopment in the area. The production of mangoes, avocados, and bananas is steadily increasing. At the start of the 1960's, banana production in the region had reached a record level of 100,000 tonnes.

**Middle Guinea** is the ideal region for livestock farming, but there is also great emphasis on market gardening: tomatoes, onions and aubergines, etc. Potato growing in particular has gained real momentum over the last 12 years.

## Current projects

- The Rural Development Support Project for East Kindia (PADREK);
- The programme for opening-up and developing intermediate means of transportation (PDDMIT);
- Restoration of 10,000 km of community roads;
- Construction of rural bridges and 700 ml Intermediate Means of Transportation (MIT);
- Analysis of the land-use plan for hydro-agricultural development;
- The national agricultural development programme for 70,000 hectares of plains and floodplains between 2010 and 2025 is in progress and includes:
  - The development of 20,000 hectares between now and 2015
  - The development of 20,000 hectares between 2015 and 2020
  - The development of 30,000 hectares between 2020 and 2025

## Production

Rice: 1,456,700 tonnes  
Corn: 648,463 tonnes  
Fonio: 243,347 tonnes  
Yams: 27,350 tonnes  
Cassava: 1,122,181 tonnes  
Peanuts: 315,107 tonnes  
Potatoes: 1,267 tonnes  
Tomatoes: 1,500 tonnes  
Onions: 1,500 tonnes  
Mangoes: 3,500 tonnes  
Pineapples: 6,500 tonnes  
Palm Oil: 50,000 tonnes  
Coffee: 22,500 tonnes

# Energy

## Water system

1,165 rivers

## Hydroelectric potential

estimated at 6,000 MW  
for a guaranteed energy  
output of 19,300 GWH/year

## Potential of wood products

30 million m<sup>3</sup> per year

## Fossil fuels

(petroleum, gas and  
uranium etc.)

## Hydroelectric dam at

### Kaléa

USD 526 million,  
240.5 megawatts

Guinea's energy potential is enormous, but electrical production capacity is still insufficient to meet all the country's needs and to meet growth acceleration objectives. In 2012, only one out of five households nationally used electricity as a source of lighting, mainly in urban households, with service largely unavailable in rural households.

Energy consumption per resident is less than a half tonne of oil equivalent (TOE), of which 80% comes from biomass, 18% from hydrocarbons and 2% from electricity.

Fuel wood for cooking and charcoal are the principal combustibles used in households, but the long-term goal is to replace them, through the development of renewable energy. In the "electrical energy" sub-sector, thermal power generation still plays an important role. It represents 61% of the country's total installed capacity (including mining) and 25% of the production of EDG (Électricité de Guinée).

## Potential

### The Water Tower of Africa

With a water potential evaluated at 27,000 m<sup>3</sup> per resident per year, Guinea has one of the world's most plentiful water supplies.

Numerous large rivers such as the Niger have their source or tributaries in Guinea, making this country the "water tower" of West Africa.



*“We are now starting the second phase of our energy policy: the development of large hydroelectric projects. The first, the 240MW Kaléta dam, was launched in 2012.”*

President Alpha Condé in his New Year address to the Nation in January 2013

## Projects

The Government is striving to develop energy infrastructure that will improve the supply of water and electricity to urban and rural areas and strengthen Guinea's economic competitiveness.

- Renovation of the Tombo generators to improve electricity supply to Conakry and increase production capacity by approximately 40 additional megawatts;
- Signing of a contract with China International Water & Electric Corp. for the construction of the Kaléta dam;
- Implementation of the photovoltaic public lighting project in the prefectures and sub-prefectures of Guinea;
- Purchase of a 100 megawatt generator;
- Accelerated implementation of the Decentralised Rural Electrification Project (PERD);
- Supply of electricity to the regional capitals;
- Supply of electricity to 9 Bouré villages in the Siguiri prefecture, which was pre-funded by the Société Aurifère de Guinée (SAG);
- 4th water project for Conakry;
- Study on water supplies in the towns of Tougué, Lélouma, Yomou, Beyla and Koubia.

### Micro-dams

The Government has also launched studies into 4 mini hydro plants in Kogbédou, Zébélla, Touba and Daboya and finalised feasibility studies into a subregional network covering Ivory Coast, Liberia, Sierra Leone and Guinea.

Region	Prefecture	Sites	Rivers	Power (MW)	Avg. GWh/year	Cost in USD Millions	Study level
Maritime Guinea	Forécariah	Sandénia	Mélakhouré	1.5	5.4	3.55	Survey
Middle Guinea	Tougué	Bagata	Kioma	1.2	7.1	3.8	Prefeas.
Upper Guinea	Kérouané	Konsankoro	Milo	2	9.5	4.4	Prefeas.
Forested Guinea	N'Zérékoré	Lokoua	Loffa	6	18.60	14.5	Prefeas.

*Examples of proposed micro-dam sites*

**Solar potential**  
4.8 Kwhm<sup>2</sup>/day

**Wind power potential**  
Average wind speed  
of 3 m/s

### Development of renewable energy

A “Renewable Energy” department has been created with the long-term goal of replacing thermal generation. A feasibility study has already been completed and work begins in 2013.

Various international companies are planning to invest in this sector.



# Mines

Guinea's mining potential is considered one of the most significant in the world.

To date, Guinea's mineral resources have been left largely unexploited, but due to a strengthening of legal frameworks and administrative capacity, they are now set to play a key role in development and represent major investment opportunities in the sector.

There are many projects underway for iron ore production, which will create major infrastructure opportunities (e.g. construction of a railway line and an ore port).

## **Bauxite**

Guinea is the second-largest producer of bauxite in the world and is looking to triple its current capacity of 17 million tonnes a year by 2020. Excluding an additional 10 billion+ hypothetical tonnes, Guinea's identified resources have been estimated at 29 billion tonnes per year (which would allow production to continue for 16 centuries at the current rate).

## **Gold**

There are an estimated few hundred tonnes of gold in Guinea in the form of primary and secondary deposits. Primarily located in Upper Guinea, particularly in the Siguiri basin, these deposits are used for artisanal, semi-industrial and industrial purposes.

## **Diamonds**

The major known deposits are located in the Kérouané, Kissidougou and Macenta prefectures, along the Baoulé, Milo and Diani rivers. Other discoveries have been made in Western Guinea, particularly west of Kindia and, less frequently, near Forécariah.

These diamonds are generally of a high quality with a marked predominance of jewellery-quality stones. Total resources are currently estimated at 25 to 30 million carats, but actual potential is unknown at present.

### **Mining sector**

- Revenue of 600 million USD
- 15% of the GDP on average
- 20 to 25% of Government revenue
- 80% of export income
- 10,000 direct jobs
- 100,000 indirect jobs

### **Bauxite**

- Largest reserve in the world
- More than 40 billion tonnes

### **Alumina**

- Production of 700,000 tonnes per year
- Potential of 15 million tonnes per year

### **Iron**

- Reserves of 25 billion tonnes
- World-class deposits: N'Zérékoré, Beyla-Kérouané and Faranah



**Iron**

Guinea boasts two untapped, world-class iron deposits: the Nimba and Simandou mountains in south-east Guinea.

Their development has attracted the attention of some of the largest mining companies in the world: Rio Tinto for Simandou and BHP-Billiton and Newmont-LaSource, among others, through the Euronimba consortium, for the Nimba Mountains.

The Nimba Mountains make up a 25 km long mountain range in the Forested Guinea region, along the borders of Ivory Coast and Liberia. They peak at 1,752m in altitude, the highest point in Guinea. They contain unique high-altitude wetlands, which have earned them UNESCO World Heritage status. They contain an iron deposit that currently totals 560 Mt of reserves.

**Gold**

- Production of more than 24 tonnes per year
- Potential of many thousands of tonnes
- 500 tonnes of proven reserves
- More than 5,000 tonnes of estimated resources

**Diamonds**

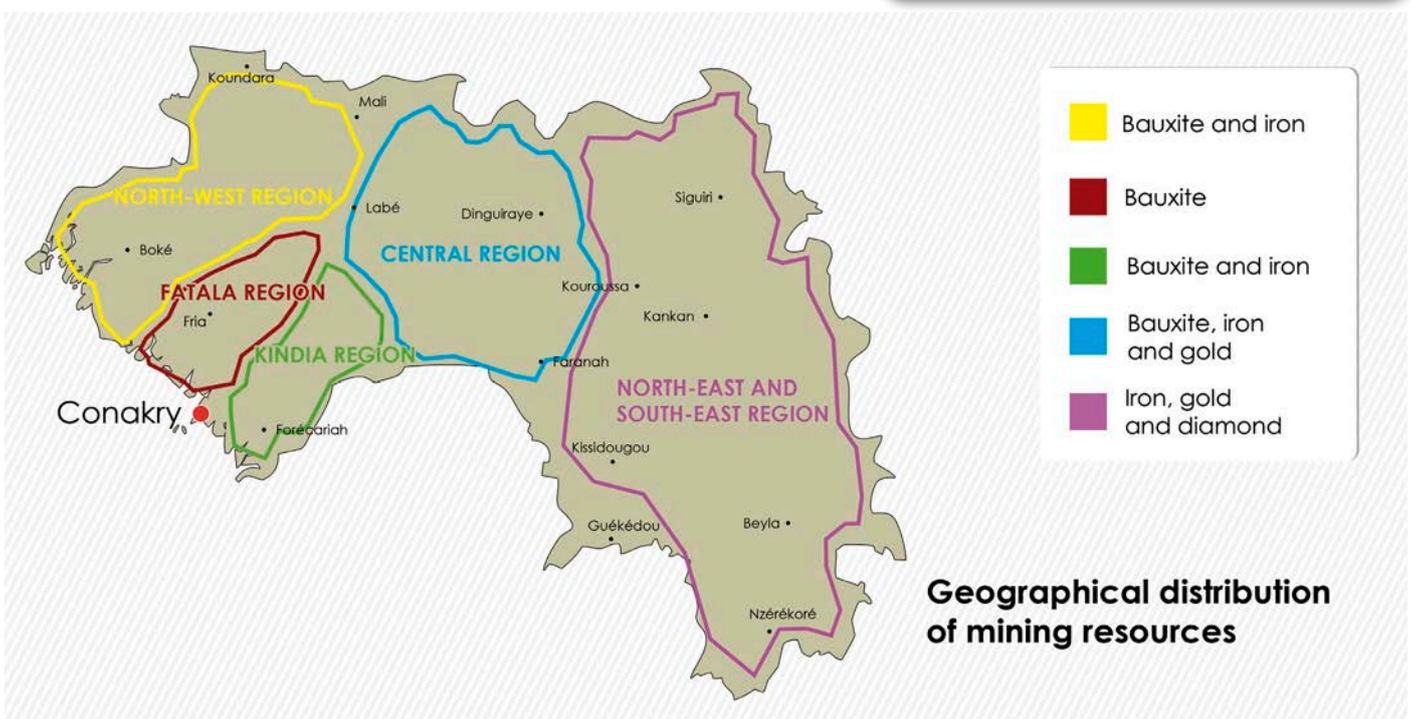
Between 25 and 30 billion carats in estimated total resources

**Uranium**

Kissidougou (Firawaa), Kérouané and Beyla

**Other resources**

Limestone, nickel, titanium, graphite, precious stones, cobalt, zinc and lead, etc.



**Geographical distribution of mining resources**



## Simandou Project, developed in partnership with the Government of Guinea, Rio Tinto, Chalco and the IFC: South Guinean Growth Corridor

Situated in south-east Guinea, the Simandou mountain range contains one of the largest ore deposits with high iron content.

Simandou is the largest mining, railway and port project under construction in the world.

The project will also generate demand for electricity, urban infrastructure, housing and a high demand for services to support the direct and indirect employees of the project. Initial assessments of growth potential throughout the corridor suggest a possible contribution of USD 3 billion additional to GDP.



### Trans-Guinean project

This 1,000 km railway linking the hinterland to Guinea's Atlantic coast will allow the safe transportation of iron ore from Mount Nimba and the Simandou range and of bauxite from Dabola, Tougué and Middle Guinea. It will therefore enable the transportation of more than 60 million tonnes of ore.



The Simandou project, developed in partnership with the Government of Guinea, Rio Tinto, Chalco and the IFC

- 650 km of **railway** for passenger and freight services
- Major overhaul of the **road network**
- A **deep sea port** equipped to accommodate 250,000 - 300,000 tonne ships
- **Telecommunications infrastructure** along the railway line
- **Direct investment** in the support of businesses and the training of the local workforce

## A new mining code in accordance with international best practices

The new Mining Code was adopted and put into effect to enhance the impact of the mining sector on the Guinean economy, whilst ensuring that the development of national resources benefits the people and country of Guinea.

The Code aims to liberalise mining development, secure investment and simplify procedures.

Hailed for its measures on transparency, responsibility and the fight against corruption, the new Code complies with international best practices and takes the interests of various stakeholders into account:

- To better inform the people of Guinea;
- To establish a reinforced legal framework for mining companies, ensuring the stability and sustainability of their agreements;
- To create a better business climate, enhancing Guinea's international appeal and attracting more sizeable investments to develop the country's vast mining resources.

The Government aims to review all mining agreements signed thus far. The entity responsible for conducting and reporting on the review process and its outcomes is the Mining Rights and Agreements Technical Review Committee (**Comité Technique de Revue des Titres et Conventions Miniers, CTRTCM**).

A complete list of the mining agreements signed by the Republic of Guinea since its independence on 2 October 1958, along with their relevant appendices and amendments, is available on the following Government website:

<http://www.contratsminiersguinee.org/about/projets.html>

Lastly, the Code created a Mining Promotion and Development Centre (Centre de Promotion et de Développement Minier, CPDM) and a one-stop shop to simplify the administrative process for investors.

### Mining Promotion and Development Centre (CPDM)

The CPDM is a one-stop service centre for mining investors in Guinea. It was formed to support the government's investment incentives policy by acting as an interface with the public authorities. It works closely with the other divisions of the Department of Mines and Geology, and assists in the preparation of permit applications, compliance with administrative formalities, quick processing of investment cases and acquisition of mining titles in the Republic of Guinea.



# Fishing

Guinea has significant commercial fishing and aquaculture potential (shrimps, whitefish and small pelagic fish), thanks to a marine environment that is ideal for fishery development.

The fishing sector is one of the main food providers for the people of Guinea, supplying 40% of the country's animal protein requirements. The Government aims to increase production by 2015 so as to reach the estimated consumption requirements of 232,000 tonnes.

The development potential for fish farming is estimated at over 900 hectares of shallow waters in the Forested Guinea region, not to mention other prospects in Middle Guinea, Upper Guinea and Lower Guinea.

Guinea has three active fishing and fish farming regions, differing in origin, stage of development and seasonal dynamics.

- The **stable coastal region** is the largest and most productive. It runs the entire length of the coast of Guinea, reaching depths of 10-25 metres and accounting for nearly two thirds of commercial demersal fish stocks.
- The **north-western** part of the continental plateau and its adjacent slopes form the second-most productive region, with one third of commercial demersal fish stocks.
- The **south-eastern** part of the continental plateau constitutes the third-most productive region, reaching depths of 40-50 metres (in the Nunez and Konkouré districts). Its landscape is characterised by deep gorges and valleys.

**Shoreline stretching**  
300 km

**Continental plateau**  
covering 56,000 km<sup>2</sup>  
364 000 ha

**4% of national GDP**  
(Department of  
Agriculture)

**Fishing potential**  
estimated at over 300,000  
hectares

**Annual fish consumption**  
per capita of 17 kg

*“It is clear that the fishing and aquaculture sector is a potential source of growth for the national economy. It contributes to food security [and] to the creation and diversification of sources of employment.”*

Department of Agriculture



## Investment opportunities

The fishing sector has long been considered as an engine for growth.

Traditional small-scale fishing remains widespread, but large-scale commercial fishing, for many years the preserve of foreign companies, is rising steadily and now produces 150,000 tonnes per year. Small-scale saltwater fishing contributes 92,000 tonnes per year to the sector, with freshwater fishing accounting for nearly 40,000 tonnes.

After a brief experiment in the 1950s, fish farming was finally revived in 1996.

Current national production stands at around 200 tonnes. Activity is concentrated in the forested region, a humid, shallow-water area where the people are accustomed to water management.

The development potential for shrimp farming in Guinea's coastal region is around 30,000 hectares, especially in the area between southern Boké and Forécariah.

### **Several projects are currently under consideration to increase production, relying chiefly on increased private investment to update existing equipment:**

- Construction and fitting-out of 10 fresh produce processing facilities in Conakry (Téminétaye fishing port) according to quality standards in Benty and Koukoudé, on the basis of a private-public partnership;
- Construction of a fish processing facility according to quality standards;
- Construction of five improved curing facilities according to quality standards, to promote the export of smoked products;
- Construction of a packaging factory;
- Fitting-out of five 100 m<sup>2</sup> fish-drying yards in five large landing stages all along the coast.



# Tourism and handicrafts

Guinea is endowed with immense potential, on account of its varied landscape, climate and culture, offering visitors **great touristic experience** in a beautiful destination brimming with diverse – and as yet insufficiently developed – resources.

Its four natural regions, with diverse climates and terrains, make it perfect for many different kinds of tourism. These aspects embody the nation's comprehensive potential, setting it apart from the rest of Sub-Saharan Africa.

Many places are reminiscent of **Guinea's rich history**, be they sites from the African middle-ages, such as Niani or Niagassola, historical landmarks of the slave trade, such as Dominyah, Faranah or the Boké fort, or remnants of the resistance to colonialism, such as in Bissandugu, Timbo or Niagassola.

**Over one hundred natural, cultural and ecological locations** have been shortlisted for seaside and health resorts, adventure tourism, voluntourism, cultural tourism, sports tourism (caving, climbing and hiking) and ecotourism.

The protected areas comprise 156 classified forests (covering a total area of 1,182,133 hectares) and four protected areas (Sangaréah Bay, Badiar National Park, Upper Niger National Park and Mount Nimba).

Several luxury hotel projects have been launched in Conakry to increase the country's accommodation capacity and develop tourism.

**Business tourism**  
54,816 visitors in 2011 vs. 18,292 in 2001

**Leisure tourism from Europe**  
35,452 visitors in 2011 vs. 4,928 in 2001

**Sector revenues**  
4,900,000 USD in 2011

Etablissement	Class	Number of rooms	Opening in
Palm Camayenne Hotel	★★★★★	124	2013
Millenium Hotel	★★★	70	2013
Chain Hotel	★★★★	182	2014
Hotel Niger	★★★★	194	2014
Hotel Kipé (Sheraton)	★★★★★	300	2015
Hotel Kaloum	★★★★★	380	2015
Hotel Azalai Coléah	★★★★	150	2016
Hotel Emaar (Tombo)	★★★★	250	-

*Hotel projects*



## Tourist sites

- Loos Islands, 8 km from Conakry
- Cape Verga beaches in Boké
- Tristao, Capken and Alcatraz Islands in Boké
- Le Chien qui fume (Mount Kakoulima) in Dubréka
- Sanama Cave in Boffa
- La Dame de Mali (Mount Loura) in Mali
- Kinkon Falls in Pita and Saala Falls in Labé
- Le Voile de la mariée (Segueya Falls) in Kindia
- The Dalaba Knight Arboretum
- The sources of the Senegal and Niger rivers
- Foulamory hot springs in Gaoual
- Dalaba health resort
- The classified forests of Diécké in Yomou and Ziama in Macenta
- The Baro and Koumana sacred forest and pool in Kouroussa
- Gallieni Fort and the sacred xylophone of Soumaoro Kanté in Niagassola, Siguiri
- El Hadj Umar Tall Mosque in Dinguiraye
- Sandervalia National Museum in Conakry
- Boké Fort, converted into a museum
- N'Zérékoré museum and handicrafts village
- Mount Nimba in Lola (listed as a World Heritage Site by UNESCO).

## Development opportunities

- Development of seaside resorts
- New spa treatment centres
- Construction of villages and eco-lodges
- Construction of golf courses
- Adventure travel tours
- New marina in Conakry.



## Handicrafts

Handicrafts play a central role in Guinean culture, and measures are in place to enhance and promote this area of heritage:

- Development of handicraft zones in the local municipalities of the administrative regions and prefectures;
- Construction of a pilot handicraft centre in Conakry;
- Construction of three handicraft villages in the local municipalities of the Kindia and Labé administrative regions, and in the Lola prefecture;
- Creation of a mini tannery in Conakry.



# Doing business

## Creating a company

Entrepreneurial freedom in Guinea is guaranteed for both Guinean nationals and foreigners. The steps and formalities necessary to start a business or set up a company have been simplified (thanks to the creation of a one-stop shop), and institutions have been put in place (most notably the APIP) to support developers and economic operators wishing to set up in the country.

For more information, please visit the APIP website:

[www.apiguinee.gov.gn](http://www.apiguinee.gov.gn)

## Legal forms of companies

Guinean law provides for the following types of companies:

- Société anonyme (SA) (public limited company)
- Société à responsabilité limitée (SARL) (limited liability company)
- Joint venture
- Sole ownership
- Economic Interest Group (GIE)
- Branch

In November 2000, Guinea ratified the Treaty on the Harmonisation of Business Law in Africa (**OHADA**), of which the legal and judicial system aims to ensure legal protection for businesses.

The law stipulates two ways of setting up a company in Guinea:

- Creating a company incorporated under Guinean law;
- Opening a branch of a foreign company for a maximum duration of two years (renewable).

## Labour law

Work and social security are governed by the Order of 28 January 1998 establishing the labour code.

Employment contracts may be fixed-term or permanent. Trial periods may last no longer than 3 months for executives or 1 month for other employees.

The maximum weekly working time in the private sector is 40 hours.

All employees must be affiliated with the national social security fund (CNSS), whatever their nationality. The contribution rate is set at 23% (18% paid by the employer and 5% by the employee).

## Investment security

The investment climate has improved significantly in the economic, financial, legal and regulatory domains, as a result of

the Investment Code, the Land Code, the Customs Code, the General Tax Code, the Mining Code and the Law on Banking.

A **court of arbitration** was set up to ensure the fair and expeditious settlement of any disputes that may arise between different economic operators.

Guinea adheres to all the important agreements and conventions in force: the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID), the Convention of New York of June 1958 for the recognition and enforcement of foreign arbitral awards, national legislative texts on arbitration and the proposed model law from the United Nations Commission on International Trade Law (UNCITRAL) and the African Intellectual Property Organisation Agreement, etc.

The Republic of Guinea is also a **member of MIGA** (Multilateral Investment Guarantee Agency), part of the World Bank group. This institution is responsible for protecting foreign private investors interested in opportunities available in Africa against political risk by insuring their investments.

## Taxation

Companies created in Guinea are subject to direct taxes, based on income or wealth, as well as indirect taxes resulting mainly from VAT and customs duty. The Guinean tax system is governed by the Tax Code, reformed in 1990 by Law no. 250/PRG/SGG/90, of which the implementation texts are adapted to the current economic and social environment. Income tax and assessments are controlled by the National Tax Office.

Direct State Taxes	
Income tax (IR)	Concerning all people who are resident for tax purposes in Guinea and/or who receive income from a Guinean source. Net taxable income is taxed in successive instalments according to a minimum of 40% from 20 million GNF
Corporation Tax (IS)	35% of industrial and commercial profits (BIC)
Minimum Tax Rate (IMF)	3% of the previous year's turnover with a fixed minimum of 5 million GNF and a maximum of 40 million GNF
Lump Sum Payment (VF)	6% of gross monthly salaries
Educational Tax (TA)	3% of salaries, allowances and indemnities per year
Flat-Rate Vehicle Tax (TUV)	80,000 GNF per year according to vehicle type and usage
Direct local taxes	
Occupation tax	A fixed tax for each occupation plus an additional 10-15% according to local rental value
Flat-Rate Business Tax (TPU)	5% of turnover for the previous year
Flat-Rate Property Tax (CFU)	10% of rental value for owner-occupied property. This rate is 15% for rental properties
Indirect Taxes	
Value-Added Tax (VAT)	18%. Exemption: Exports, international transport, produce and foodstuffs (rice, flour, wheat, bread and cooking oil), 5% for credit operations lasting more than 1 year. 13% for other operations
Tax on insurance contracts	8-12%
Tax surcharge on alcohol	20 GNF per can/ bottle up to 50cl, 30 GNF above 50cl
Registration fees	
Company document registration fees	0.52% of the capital or contributions
Registration fees and stamp duty	0.5-10% of the value of goods, 0-25% for public/private deals not exceeding 1 million GNF, 10% for deals more than 1 million GNF



## The British Embassy in Guinea

The British Embassy has been in Guinea for more than 10 years. It is headed by the Ambassador, who is assisted by a small team of Guinean staff.

The Embassy works closely with local and international partners to encourage democratic development and to promote stability, human rights and the rule of law.

We work with local NGOs to promote Guinea's democratic and economic development, with particular emphasis on female participation. Additionally, we provide support and advice to British expatriates in Guinea.

Attracting quality British investment to the country is an essential part of our work; when it comes to development, the United Kingdom believes in the importance of quality international investments. When carried out in a stable and equitable environment, these investments are beneficial to both parties and contribute to Guinea's prosperity, to its people and to investors. We also provide support for British investors in Guinea and advise potential investors on the many opportunities available in the country.

Furthermore, we play an active role in promoting the English language in Guinea, helping Guinean organisations to increase their influence in the international market. For example, we have provided English language training to the Guinean army in partnership with the British Council in Dakar and we are funding a wide-ranging English training programme for the Guinean Government.

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## africappractice

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## Investment promotion Agency Agence de Promotion des Investissements Privés (APIP)

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The APIP's mission is to encourage and support the development of foreign and national direct investments, to contribute to improving the business climate and to developing and regulating industrial areas and economic activities.

The APIP comprises four technical departments and an administrative and financial division.

The technical departments are:

- The One-Stop Shop department;
- The Investment Promotion department;
- The Technical Support and Assistance department;
- The Studies and Statistics department.

### One-Stop Shop

This department is responsible for making sure that businesses and companies complete all formalities set out by current legislation, approving access to preferential schemes under the Investment Code and monitoring approved projects.

The One-Stop Shop comprises three services:

- The Company Formality Centre;
- The Technical Secretariat of National Investment Communication;
- The Legal and Litigation Division.

