



Casa África – Business Opportunities

Republic of Guinea

Economic growth in Guinea has been stable thanks to reforms that have improved the business environment. GDP growth is estimated at 6.2 per cent by 2019, compared to 6.8 per cent in 2018, and for 2020-2021 the economic outlook is for 6 per cent GDP growth. The tertiary sector has made the greatest contribution to growth, mainly with the improvement in traffic at the port of Conakry, growth in the mobile phone sector and the opening of new hotels. It is followed by the secondary sector, and to a lesser extent by the primary sector. The estimated budget deficit reached 2.9% in 2019 and is projected at 2.8% for 2020. The current account has been deteriorating since the end of 2018, recording a deficit of 2.3% for that year after the surplus of 4.3% in 2017. Public debt continues to rise, and the inflation rate reached an estimated 9.7% in 2019.

Despite the central bank's efforts to reduce inflation, it has been rising in recent years mainly due to the increase in food prices caused by the deterioration of roads and bridges, which increase the travel time of perishable agricultural products from their production to the area of consumption. These are signs that the country is facing structural difficulties and this inflationary trend will not change if infrastructure continues to deteriorate, making local agricultural products more expensive than those imported from Europe and Latin America.

The country's main export destination is China, followed by Ghana, and the European Union, and it exports mostly minerals, as well as metals. The Netherlands, China and India are the country's main suppliers, where transport accounts for about half of imports, followed by machinery and food.

In recent years, imports of processed foods have increased, even though most of these products can be produced in the country. Therefore, by 2025 the government plans to reduce its food trade deficit by 50% and to create agro-industrial processing zones for pilot development in the Boké and Kankan administrative regions. The aim of this pilot is to acquire a body of knowledge that can then be replicated in the country's 10 agribusinesses. In addition to its mineral resources, the country could benefit from its water resources, as it has a large area of land with potential for cultivation and more than half is unused.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

ICEX: http://www.exteriores.gob.es/Documents/FichasPais/GUINEA_FICHA%20PAIS.pdf