



Doing Business in Guinea: 2014 Country

Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Guinea](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business In Guinea

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

Guinea, a country of approximately 12 million, has endured more than 50 years of authoritarian rule and severe economic mismanagement prior to the transition to a democratically elected government in 2010. Since then, and despite very real challenges in cementing democratic gains until the 2013 legislative elections were held, the country has been on a more stable, sustainable, and economically viable path.

Despite a history of rampant corruption and fiscal misrule, the long-term economic prognosis for Guinea is better today than it was ten, twenty or thirty years ago. Guinea is home to nearly one-half of the world's bauxite supply, the world's largest untapped deposit of high-grade iron and promising possibilities of oil reserves. In addition, Guinea enjoys ample fertile soil and hyper-abundant rainfall sufficient, if harnessed, to provide hydroelectric power throughout the West African region. Macroeconomic management in the years after the 2010 democratic transition have been solid, and is poised to improve further with a HIPC-derived fiscal space to expand investment in infrastructure, health and education – \$2.1 billion in external debt was forgiven in the fall of 2012, including approximately \$93 million in bilateral debt with the United States government.

Although much progress has been made, there is still far to go in order to reduce poverty and achieve shared prosperity. A legacy of political instability, insecurity and poor governance prevents the benefits of Guinea's natural wealth from reaching the vast majority living in extreme poverty.

Although the return of political stability has brought renewed interest in Guinea from the private sector, an enduring legacy of corruption, inefficiency, and lack of government transparency continues to undermine Guinea's economic viability. Successive governments have failed in their turn to address the crumbling infrastructure issues and Guinea lacks the infrastructure capabilities necessary to support advanced commercial activities. Shortages in electricity, disrepair of road and rail systems, and the lack of access to clean water continue to plague development efforts. Guinea suffers from deplorable electricity service, irregular throughout the capital city and effectively absent in much of the rest of the country.

The current government is eager to attract foreign investment and has made significant efforts to improve the process; however, Guinea remains a difficult place to invest.

Investment in Guinea has substantially lagged its regional peers, constituting a significant drag on potential economic growth and undercutting employment. The results have been weakened mining activity and underinvestment in infrastructure. Guinea's

government has begun aggressively targeting higher investments, most notably during a major international investment conference (“Guinea is Back”) in Abu Dhabi in November 2013. It is also speeding up review of mining concessions granted under previous governments to provide more stability to long term investments and assist investors put together the financing needed to actualize these often enormous projects.

Market Challenges

[Return to top](#)

Bureaucracy and Corruption: Corruption and bureaucratic red tape are hallmarks of Guinea’s business climate. In its annual “Ease of Doing Business” index, the World Bank ranks Guinea 175th of 189 countries worldwide. Transparency International’s 2013 “Corruption Perception Index” has Guinea ranked 150th of 177 countries listed.

Infrastructure: Guinea’s decrepit infrastructure holds back the country’s economic growth. Electricity service is irregular throughout the country, with the capital suffering frequent bouts of near-blackout conditions in the most densely populated regions, while regional capitals are effectively without power. Water service in the capital is also intermittent, and largely unsafe for consumption. The national road network suffered decades of neglect, and are only now receiving major overhauls nationwide, due in part to multilateral support, part to fresh resources being devoted to the task by the government. Telecommunications have improved and competition among a range of international players increased due to the 2013 installation of an undersea fiber optic cable which significantly increased connectivity speed, though they still greatly lag behind the speed in other developed countries.

Civil Disturbances: In 2013, numerous protests resulting in more than 30 deaths took place in the lead-up to the national legislative elections which had been repeatedly postponed prior to finally being held on September 28, 2013. Many other protests were held in 2013 by citizens and residents angry about the extreme lack of water and electricity in the capital city of Conakry. Some of these protests turned violent and many small businesses were negatively impacted by the frequency of the protests.

On July 15, 2013, violence erupted in N’Zerekore, the administrative capital of Guinea’s Forestiere Region, 350 miles southeast of Conakry. Conflicting accounts exist of what triggered the onset of the violence which escalated as vicious confrontations ensued between members of Guerze and Konianke linguistic groups. According to local officials, mob and riot-inspired retaliation attacks put the death toll at more than 95 people dead and at least 150 injured. Local police and gendarmerie security forces were deployed to break up the fighting but were initially unable to quell the violence despite an imposed curfew. On July 16, President Alpha Conde publicly deplored the violence in N’Zerekore and appealed for calm. By July 17, an uneasy calm was restored in the streets of N’Zerekore.

The impunity the military had previously enjoyed is now slowly being reversed. Security Sector Reform (SSR) training has identified and targeted the need to retrain and reorganize some elements of the security forces. In the uncertainty surrounding Guinea’s first democratic elections, ethnic and political tensions sparked election-related violence that resulted in the deaths of over 15 people.

Although none of the violent events detailed above specifically targeted American or foreign investors, they were disruptive to business in general and eroded confidence in the already tenuous security situation under which investors must operate in Guinea.

Intellectual Property Rights: Guinea is a member of the African Intellectual Property Organization (OAPI) comprised of 15 African countries and the World Intellectual Property Organization (WIPO) comprised of 186 members. OAPI is signatory to the Paris Convention for the Protection of Industrial Property, the Bern Convention for the Protection of Literary and Artistic Works, the Patent Cooperation Treaty, the TRIPS agreement, and several other intellectual property treaties. Guinea modified its intellectual property right laws in 2000 to bring them into line with established international standards.

Guinean law enforcement is severely weak in combating the shipment of contraband, and the Guinean market is saturated with counterfeit goods. Over 75% of pharmaceuticals in Guinea are believed to be counterfeit.

There have been no formal complaints filed on behalf of American companies concerning intellectual property rights infringements in Guinea. However, it is not certain that an intellectual property judgment would be enforceable, given the general lack of law enforcement capability. The Property Rights office in Guinea is severely understaffed and underfunded. For additional information about treaty obligations and points of contact at local Guinean IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Workforce: Guinea's workforce is underprepared, both to fill the needs of expanding foreign investment, and to provide skilled labor for the construction, service and manufacturing sectors. The government is boosting resources being spent on education, but it will take years to see tangible gains: the literacy rate among those over 15 was 34% in 2012, compared with 32.9% in 2007. In 2012, Guinea ranked 178 out of 186 rated countries in UNDP's literacy index, with more than 60% of Guinea's population considered illiterate. The government in 2013 decreed English will be taught to all students at the middle school level, and it reinforcing its commitment to English language instruction in the university level.

Market Opportunities

[Return to top](#)

Perhaps precisely because Guinea's economy has been mired at such a low level for so many decades, opportunities abound for rapid gains now that political stability is more firmly entrenched. Hotels and other key service industries attracted to the promise of ramped up foreign investment are sprouting around Conakry. Guinea's import levels are increasing as the country imports capital goods needed to upgrade infrastructure and set the stage for substantial expansion of the mining sector.

The government in April 2013 amended the September 2011 mining code to reduce taxes and royalties. The Code also aims to liberalize mining development and secure investment. In 2013, the Code created a Mining Promotion and Development Center and a one-stop shop to simplify the administrative process for investors. The amended Mining Code commits the country to increasing transparency in the mining sector via the following measures. The GOG commits to award mining contracts by competitive tender

and to publish all past, current, and future mining contracts for public scrutiny. Members of mining sector governing bodies and employees of the Ministry of Mines are prohibited from owning shares in mining companies active in Guinea or their subcontractors. Each mining company must sign a code of good conduct and develop and implement a corruption monitoring plan. Guinea has already implemented a portion of its cutting-edge transparency approach through the creation of a public database of its mining contracts designed by the Revenue Watch Institute (<http://www.contratsminiersguinee.org>).

President Condé and his team are focused on agriculture's potential to join with the mining sector in driving the economy ahead in the coming years. The potential is enormous; while Guinea imports about 25% of its rice, its productive lands and water resources could allow the country to substantially increased production. The average rice yield per hectare now is less than 2 MT. This is drastically below more typical rice yields of 5 MT/hectare and demonstrates just how much room there is to improve.

Energy production is also an area in which Guinea can go from a deficit country to a surplus producer in the coming decade. The hydropower potential is just being tapped now with the 240 MW Kaleta dam coming on line in 2015. Approximately 30% of that project's power will feed into a regional power pool underwritten by the AfDB. That model can be replicated several times over in zones well-adapted to environment-friendly dam projects. More advanced hydropower technologies, can take advantage of Guinea's plethora of smaller, fast-running rivers to produce huge amounts of electricity. Constructing the iron ore mines and associated infrastructure will require massive power supply in remote areas, opening the door to innovative solutions, such as using advanced biomass, solar and hydro sources to reduce the need for expensive, environmentally-unfriendly diesel generators. Offshore may offer opportunities to exploit which could result in significant, commercially viable deposits. Should gas be found, the price of propane onshore could drop substantially, reducing pressure on Guinea's forests, a top environmental goal where the USG is engaged through the USDA-managed STEWARD program.

Market Entry Strategy

[Return to top](#)

The technical process of starting a business in Guinea is theoretically straightforward. According to Guinean regulations, the process is centralized at the Agency for the Promotion of Private Investment (APIP) (<http://www.apiguinee.org/>), the central business registration office. However, larger investments have recently been initiated directly through the Office of the President. Although the new government is eager to attract foreign investment and has made efforts to improve the process, Guinea remains a difficult place to invest.

Successful ventures tend to be those that establish strong relationships with potential local partners. It is strongly encouraged that potential investors visit Guinea and establish these connections. Because of poor communications within the country and with the outside world, and also as a cultural practice, most business deals are conducted in person. The U.S. Embassy's Economic/Commercial Section can assist potential investors in making these connections and offers Gold Key and International Partners programs.

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2824.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

Entering a successful partnership or representational relationship can be difficult in Guinea. The Guinean judicial system is understaffed, corrupt, lacks transparency, and accounting practices are frequently unreliable. U.S. businesspersons should exercise extreme caution when entering contract arrangements, and do so with local legal representation. In addition to the U.S. Embassy Economic and Commercial Section, the employer's association (Patronat), and the Guinean government's Agency of Private Investment Promotion (APIP) are good points of contact with the local business community.

Establishing an Office

[Return to top](#)

There are six categories of companies recognized by the Guinean Code of Economic Activities:

1. Joint Stock Companies, either Société Anonyme (S.A. - Limited Company) [minimum capitalization of at least GNF 50 million, approx. \$7,500] or Société à Responsabilité Limitée (S.a.r.l - Limited Liability Company) [capitalization amount to be decided by shareholders, but with a minimum shareholding value of GNF100,000 GNF approx. USD15].
2. Entreprise Individuelle (Sole Proprietorship)
3. Non-trading Real Estate Companies
4. Professional Services Companies
5. Cooperatives

6. Special and grouping companies, including joint venture companies, de facto companies, and temporary groupings

Legal incorporation for new investments involves signing by-laws, depositing the start-up capital in a blocked bank account, registering the company in the Register of Economic Activities, and publishing the incorporation in a legal notices publication. The process is centralized in the Kaloum area of Conakry at the Guichet Unique (One Stop Shop) which was established to facilitate business registration in December 2011 and is operated by the Private Investment Promotion Agency (APIP) that is part of the Office of the Presidency. The Guichet Unique is now more efficient and better trained; the registration process has been eased and businesses are now created in 72 hours or less.

Fees vary depending on the type of registration: for sole proprietorship GNF 212,500 (approximately \$32) is required. Total fees for limited liability companies are GNF 550,000 (\$80) plus a sliding fee to register the by-laws: 1 percent fee for companies with a capital base between 10 and 100 million GNF (\$1,500 to \$15,000), 0.5 percent for a capital base between GNF 100 million and 500 million (\$15,000 to \$75,000), and 0.25 percent for a capital base above GNF 500 million (\$75,000). Limited liability companies pay GNF 650,000 (\$97) plus 0.5 percent fees for a capital base between 100 million and 1 billion GNF (\$15,000 to \$150,000). Limited Companies and Limited Liability Companies are required to provide proof of a bank account containing their initial capital amount to enable the assessment of their registration fee. Cooperatives or sole proprietorship register free of charge provided that they submit two photos of the company's director, managing director, or agent, and a copy of his or her identification and visa (if a foreigner). A branch office can be established through the same procedure at a cost of 700,000 GNF (\$105).

Once registered, a company can apply for import duty and tax waivers under the Investment Code "privileged regime" status and benefit provisions. The company needs to address a correspondence to the Minister of Industry, Small and Medium Enterprises and Private Sector Promotion detailing the scope of its activities, describing its plants and equipment, projecting anticipated production and revenue for the next three years, estimating the number of jobs creation, and listing its specific waiver requests. Large projects entailing new construction may need to submit feasibility studies. All requests are reviewed and approved by the National Investment Commission, composed of representatives from APIP, Customs, and the Ministries of Trade, Finance, Justice, Taxes, and Tourism.

Franchising

[Return to top](#)

Franchise arrangements are rare in Guinea, except for petroleum distributorships with the French gasoline company Total. Currently, the U.S. Embassy is unaware of any franchise arrangements involving U.S. companies in Guinea.

Direct Marketing

[Return to top](#)

Although the government permits direct marketing, the U.S. Embassy knows of no such companies currently operating in Guinea due to the lack of a reliable postal system or land line telephone network. Trade shows or product fairs are generally best for high-technology or for products targeting a small market niche in Conakry. Small fairs can be

staged in hotels or public spaces available in Guinea's larger cities or through agreements with a local partner or government office.

The Embassy helps organize Guinean delegations for U.S. product trade and demonstration events. The Commercial Section offers services to help facilitate connections between Guinean buyers and producers and appropriate U.S. counterparts.

Joint Ventures/Licensing

[Return to top](#)

Joint ventures with local Guinean companies follow the same procedures as outlined above in the Establishing an Office Section. Joint ventures with the government are managed by the Office of Public-Private Partnerships. As part of the 2011 Mining Code, the Guinean government is accorded an automatic 15 percent share in all mining projects, with the option to purchase up to an additional 20 percent.

Selling to the Government

[Return to top](#)

The rules governing sales to the Guinean government vary depending on the amount of investment, source of funds, and nature of material. Donor countries and institutions stipulate the bidding and awarding rules for foreign financed public investment projects. The 'Office of Grand Projects' under the Office of the Presidency handles projects and contracts valued at over one million dollars. The public market handles projects and contracts that are valued at less than one million dollars.

These projects and contracts generally go to Guinean-based companies and there have been allegations of non-competitive practices. The various ministries and government organizations are responsible for the procurement of their own materials and services (not as part of an investment project); they generally order from local representatives or from foreign sources. In many cases, the government does not meet payment obligations in a timely fashion, so advance payment is strongly recommended.

Distribution and Sales Channels

[Return to top](#)

Each industry has its own policy and network for sales and distribution. Sales of communication products usually occur through wholesalers who import in bulk for resale to small traders or distributors in the interior of the country. Retailers often directly import luxury consumer goods. Generally, mining, utility, and industrial firms conduct heavy equipment purchases directly through suppliers. Service and customer support should not be expected, and are only possible if negotiated at the time of sale. Guinea features many open-air marketplaces, numerous small shops, and a few medium-sized grocery stores. The majority of consumer sales are completed within the informal ("black") market.

Selling Factors/Techniques

[Return to top](#)

The Guinean population is approximately 85% Muslim and Islam plays a major role in shaping the customs and habits of the local business culture. Though Guinean culture is very tolerant of other religions, U.S. businesspeople should be familiar with the basic tenets of Islam to help facilitate their transactions. The country's official language is French, though many major traders are not fluent, and prefer to use local languages

(Peular, Malinké, and Soussou). Additionally, the literacy rate in Guinea is very low, with estimates that only 30% of the population is considered to be literate. Very few Guineans use English in business discussions. Friendship and trust are extremely important in Guinean culture. It takes time to build a successful working relationship in Guinea. Effort, patience, and face-to-face contact are required to bring business transactions to fruition.

It is also important to understand the political environment in which Guinea is operating. In recent years, financial investment has become more and more centralized around the Office of the President. Processes and decisions directed by the government can be invariable and inconsistent. The Conde administration pledged to address these issues, making discussions and contractual negotiations more transparent and spread out among relevant ministries; however, progress toward transparency has not been equal in all ministries.

Electronic Commerce

[Return to top](#)

Although there is limited internet connectivity available in Guinea, it is not yet a viable or feasible method for trade and promotion. The majority of households and businesses in Guinea have limited access to electricity and do not have internet. Internet cafes exist in some of the larger cities, but they are too expensive for many Guinean consumers.

Guinea is a cash economy. The majority of Guinea's commerce is informal and transactions are mostly completed with cash. The banking systems cannot support e-commerce nor ensure the reliability or safety of transactions completed with credit or debit cards. Most monetary transfers are made via companies such as Western Union or MoneyGram and there has been recent success in transferring funds via mobile fund transfers with telecommunication companies such as Orange and Cellcom. ATM machines are very rare and difficult to use for most international travelers, given the low value of even the highest denominated bill (GNF 10,000, which is slightly over \$1 at current exchange rates).

Trade Promotion and Advertising

[Return to top](#)

The Guinean press operates with little official government interference. However, some media outlets occasionally report government harassment or are subject to excessive fines, under the guise of special "licensing costs." Due in part to a high illiteracy rate, the preferred method for advertising and commercial promotion is the radio. In 2006, the government liberalized airwave frequencies, and today there are roughly 30 private radio stations operating in Guinea, many of which provide substantial air time to advertising products and services and many of which broadcast substantial blocks of time in local languages. Domestic print media has limited readership due to the high cost of printing materials, low disposable income to buy print media and the high illiteracy rate.

The major newspapers in Guinea include one daily government publication, one daily independent, eight major weekly independents, and several other independent newspapers and magazines that are published intermittently. Advertising in print media is fairly limited, though newspapers are receptive to advertising revenue. There are no regular English-language publications. The government-run television station, Radio Television Guinee (RTG), is the oldest television broadcaster. In addition, there are four independent TV stations with increasingly larger audiences, since Guineans generally

find them to be more credible than the public television station. However, lack of electricity means that most Guineans do not have access to television broadcasts.

Most popular private radio stations:

- EspaceFM (96.6)
- LynxFM (91.0)
- PlanetFM (106.3)
- NostalgieGuinee (98.2)
- LiberteFM (101.7)
- SabariFM (97.3)
- HorizonFM (103.4)
- SoleilFM (93.5)
- EvasionFM (90.7)
- DjiguiFM (105.7)
- CherieFM (104.1)
- RenaissanceFM (95.9)
- FamiliaFM (105.3)
- GanganFM (101.1)

Selected Publications:

- Horoya (government daily): BP 341, Conakry; Email: horoya2010@yahoo.fr
- La République (independent daily), Telephone: +224-62-854-6952, E-mail: quotidienlarepublique@gmail.com
- Le Lynx (political weekly)/La Lance: BP 4968, Conakry; E-mail: lerynx@mirinet.net.gn; Website: <http://www.mirinet.net.gn/lynx>
- L'indépendant/La Démocrate: BP 2427, Conakry; E-mail: indept@mirinet.net.gn
- L'Observateur: BP 1955, Conakry; E-mail: dembureau@yahoo.fr
- Le Standard: BP 6682, Conakry, Hassan Abraham Kaba; Telephone: +224-60-1 20-0101
- Le Diplomate: PB 22 Conakry; Telephone: +224-65-551-5151; E-mail: hawasanouci@yahoo.fr
- Le Defi: PB 66 33 Conakry; Telephone: +224-66-645-4103; E-mail: jledefi@yahoo.fr
- La Nouvelle: PB 8647; E-mail: contmoussaiboun@yahoo.fr; Tel: +224-60-126-9456
- La Croisade: Telephone: +224-60-126-9773
- Ecovision: PB 36 29 Conakry; Tel: +224-62-248-1045; E-mail: kenssa2@yahoo.fr

Websites:

- www.guineenews.org

- www.africaguinee.com
- www.guineelive.com
- www.lejourguinee.com
- www.mediaguinee.com
- www.guineeconakry.info
- www.conakryinfos.com
- www.guineeinter.com
- www.aminata.com
- www.kababachir.com
- www.tamtamguinee.com
- www.factuguinee.com
- www.guinee7.com

Pricing

[Return to top](#)

While U.S. goods are extremely popular in Guinea, the local market favors low-cost consumer goods, especially from Asia. For low-cost items, if the difference in cost is not significant, consumers strongly prefer U.S. products. The average mark-up is 25%, but can range as high as 100-150%. While some American food items are imported by high-end grocers, the mark-up on these products is substantial, limiting the consumer base. U.S.-sourced, higher value capital goods, such as mining and construction equipment, are competitive in the Guinean market.

Sales Service/Customer Support

[Return to top](#)

Outside of few distributors of higher-end capital goods (generators, mining equipment, etc.), Sales Service and Customer Support are relatively unknown in Guinea, especially due to the informal nature of Guinea's market. The principle of "buyer beware" rules throughout the country.

Protecting Your Intellectual Property

[Return to top](#)

In addition to the information below, additional data about Intellectual Property Rights (IPR) can be found in **Chapter 6 (Investment Climate)** under "**Protection of Property Rights.**"

Protecting Your Intellectual Property in Guinea:

Several general principles are important for effective management of intellectual property ("IP") rights in Guinea. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Guinea than in the U.S. Third, rights must be registered and enforced in Guinea, under local laws. Your U.S. trademark and patent registrations will not protect you in Guinea. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Guinean market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Guinea. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Guinean law. The U.S. Commercial Service can provide a list of local lawyers upon request:

<http://photos.state.gov/libraries/guinea/231771/PDFs/guinealistoflegalproviders.pdf>

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Guinea require constant attention. Work with legal counsel familiar with Guinean laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Guinean and/or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

Due Diligence

[Return to top](#)

The use of a local attorney as a source of consultation and guidance, especially in the case of business disputes, is strongly recommended. The judicial system in Guinea is underdeveloped, underfunded, and there are frequent reports of rampant corruption. U.S. Embassy Conakry maintains a list of local attorneys (<http://photos.state.gov/libraries/guinea/231771/PDFs/guinealistoflegalproviders.pdf>), though the list should not be interpreted as an endorsement of any of the attorneys listed. A list of local attorneys is also available from the Ministry of Justice.

There is no existing agency through which U.S. businesses can verify the credit background of counterparts in Guinea before doing business. The U.S. Embassy suggests requesting a letter of credit before commencing business transactions.

Local Professional Services

[Return to top](#)

In addition to the list of local attorneys provided in the above paragraph, a list of physicians is available from the Consular Section of the U.S. Embassy (E-mail: conconakry@state.gov).

There are several accounting firms present in Guinea, including:

- **Ernst and Young:** Rene Marie Kadouno, Country Leader; Tel: +224 63-135-8490 / +224-62-199-9910; E-mail: rene-marie.kadouno@gn.ey.com
- **PriceWaterHouseCoopers:** Mohamed Lahlou, Director; Tel: +224-66-400-0037
E-mail: Mohamed.lahlou@gn.pwc.com
- **Audieurs Associes en Afrique:** Mory Cisse, Manager; Tel: +224-66-425-8986;
E-mail: mcisse@a2a-gn.com
- **Cabinet Lombonna:** www.lombonna-consulting.com; Mamadou Yaya DIALLO;
yaya.diallo@lombonna-consulting.com; Tel: +224-62-059-6509

Web Resources

[Return to top](#)

Guinea's Agency for the Promotion of Private Investment: <http://www.apiguinee.org/>

Commercial Service Section, U.S. Embassy Conakry:
http://conakry.usembassy.gov/commercial_section.html

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- Machinery and Equipment
- Petroleum Products
- Construction/Semi-Finished Materials
- Renewable Energy
- Chemical Goods
- Processed Foods

Agricultural Sectors

- Overview
-

Machinery and Equipment

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013
Total Market Size	Unknown	Unknown	Unknown
Total Local Production	Unknown	Unknown	Unknown
Total Exports	0	0	0
Total Imports	288,000	374.868	237,844
Exchange Rate: 1 USD	7000	6900	6912

Data Sources: Guinean Customs (Note: Guinean financial documents do not include well-documented figures for estimates such as “Total Local Production”)

Guinea has little manufacturing capability, so most machinery and equipment must be imported. In 2013, numerous protests took place in the lead-up to the national legislative elections which had been repeatedly postponed. They were finally held on September 28, 2013. Additional protests were held in 2013 by residents angry about the lack of water and electricity in the capital city of Conakry which negatively impacted the business community. Now that the national legislative elections have been held and an agreement has been signed between the Guinean government and the parties involved in the Simandou mining project, imports in 2014 should reflect increases over 2013.

Sub-Sector Best Prospects

[Return to top](#)

In the short term, the sector with the best potential is the mining sector. Bauxite, iron ore, gold, and diamond mining projects represent key markets for Guinea. Additionally - and linked to the success of the mining projects development – road, port, and railroad construction will be a potentially lucrative market. Telecommunications has also seen substantial gains in recent years with the country’s connection to undersea fiber-optic cable and the related reduction of data prices and increase in competition. Medium term, the country will have strong prospects to expand large-scale agribusiness, especially as the country’s transportation infrastructure is upgraded.

Opportunities

[Return to top](#)

There are several opportunities for exporting machinery and equipment to Guinea, particularly in the mining sector. Several mining companies are in the early exploration or construction phases of their contracts and will likely look to make substantial investments in machinery and construction equipment in the upcoming years. Additionally, new hotel and office building construction in Conakry and the ongoing expansion of Conakry’s port offer opportunities for machinery and equipment sales.

Web Resources

[Return to top](#)

www.mubadala.ae
www.texam.com

Petroleum Products

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013
Total Market Size	Unknown	Unknown	Unknown
Total Local Production	Unknown	Unknown	Unknown
Total Exports	0	0	0
Total Imports	694,000	666,620	724,622
Exchange Rate: 1 USD	7000	6900	6912

Data Sources: Guinean Customs

(Note: Guinean financial documents do not include well-documented figures for estimates such as "Total Local Production")

Currently, the Guinean government fixes gasoline at the retail level, subsidizing prices to ease the burden on consumers. However, the government increased gasoline prices by 15% in the beginning of 2010, an additional 27% in late 2011, 5.3% in early 2014. Currently, the retail price is approximately \$5.71 per gallon.

Storage capacity of petroleum products in Guinea is a problem, with the sole private importer, Guinea Petroleum Company (SGP), having capacity only for an amount equal to about three weeks demand. There is no petroleum refinery in Guinea, meaning that even the slightest interruption in fuel deliveries may provoke fuel shortages. Major consumers include mining companies, gasoline stations, and the state-owned electrical utility's diesel generators.

Sub-Sector Best Prospects

[Return to top](#)

The extent of Guinea's potential oil and gas reserves remains unknown. Offshore exploration continues, involving a consortium of U.S. and UK firms.

Opportunities

[Return to top](#)

The Guinean government is assessing ways to repair its dilapidated energy grid, bring in new management for its parastatal power company, and may seek new avenues to provide natural gas power generation in the coming decade.

Construction/Semi-finished Material

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013
Total Local Production	Unknown	Unknown	Unknown
Total Exports	0	0	0
Total Imports	84,000	101,961	92,210
Exchange Rate: 1 USD	7000	6900	6912

Data Sources: Guinean Customs (Note: Guinean financial documents do not include well-documented figures for estimates such as “Total Local Production”)

The return of international investors to Guinea after 2010’s presidential elections has sparked a boom in hotel, residential, and office building construction. As in most other sectors, most construction material must be imported, although there are a number of Guinean cement companies, located just outside Conakry.

Sub-Sector Best Prospects

[Return to top](#)

As with much of Guinea’s economy, some of the best prospects for growth revolve around mining company operations. Several mining companies are expected to begin construction on projects and will require a vast amount of infrastructure development to access their concessions.

Additionally, new hotel and office building construction in Conakry, the ongoing expansion of Conakry’s port, the introduction of a new port, and the construction of additional hydroelectric dams offer substantial opportunities for construction material sales.

Opportunities

[Return to top](#)

There are several foreign and local contractors in Guinea who are currently negotiating construction efforts throughout the country.

Web Resources

[Return to top](#)

www.riotintosimandou.com/ENG/
www.mubadala.ae

Renewable Energy

Overview

[Return to top](#)

Guinean authorities do not keep statistics on renewable energy as a discrete sector.

Although Guinea is currently highly reliant on imported petroleum for much of its energy supplies, the Government of Guinea has announced a long-term energy strategy focusing more on solar and hydroelectric power as a way to promote environmentally-friendly development and to take advantage of Guinea's abundant water supplies.

Sub-Sector Best Prospects

[Return to top](#)

Guinea's rivers show great potential for hydroelectric power. In 2011, China International Water and Electric Corporation began construction on a 240 megawatt dam at Kaleta which is anticipated to be completed in 2015. The government plans to invest in at least four additional dams in the coming year.

Solar power is also growing in popularity for both corporate and residential use, although the high upfront costs price it out of the reach of many. Chinese firms provided several thousand solar lights to Guinea as a development project in 2013, potentially spurring further development of the sector.

Opportunities

[Return to top](#)

Both mining companies and the government are planning extensive road projects in the coming years, providing opportunities for solar-powered streetlights. Mining facilities, often located far from existing electric grids, may also be interested in establishing hydro- or solar-powered systems to reduce reliance on imported petroleum.

Web Resources

[Return to top](#)

www.newgenpower.com
www.nationssolar.net

Chemical Goods

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013
Total Local Production	Unknown	Unknown	Unknown
Total Exports	0	0	
Total Imports	157,000	199,894	207,184
Exchange Rate: 1 USD	7000	6900	6912

Data Sources: Guinean Customs (Note: Guinean financial documents do not include well-documented figures for estimates such as “Total Local Production”)

Guinea is heavily reliant upon cheaper chemical imports, notably medications, which accounts for over \$40 million annually. Fertilizer and pesticide use is small, but is expected to grow as the government places more emphasis on food self-sustainability.

Sub-Sector Best Prospects

[Return to top](#)

Guinean markets are awash in cheap, predominantly counterfeit medicines from Asia and other parts of Africa. High prices and the poor condition of public hospitals in Guinea have led many to self-medicate for medical problems. There is a high demand for effective and non-counterfeit medicines in Guinea; however, businesses must take into account the economy and high percentage of poverty among the population.

Opportunities

[Return to top](#)

With the rise in food commodity prices and an increased focus on exporting food items, pesticide and fertilizer demand is expected to grow.

Processed Foods and Beverages

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013
Total Local Production	Unknown	Unknown	Unknown
Total Exports	18,000	675	832
Total Imports	212,000	378,000	474,532
Exchange Rate: 1 USD	7000	6900	6912

Data Sources: Guinean Customs (Note: Guinean financial documents do not include well-documented figures for estimates such as “Total Local Production”)

Rice is the largest component of food imports to Guinea, making up almost 40% of all food imports, accounting for over \$80 million annually. The second largest component is wheat flour. Both of these items are staples of the Guinean diet, and domestic production is currently unable to meet demand. While there is some domestic production of rice and wheat, imported products are generally much cheaper, and therefore more popular.

Sub-Sector Best Prospects

[Return to top](#)

The Conde administration is eager to reinvigorate its agricultural sector but still remains heavily reliant upon processed food imports. Guinea’s poor road infrastructure means that much of the population depends upon processed and easily transported food products.

Opportunities

[Return to top](#)

American processed food brands are well-respected and preferred over Asian imports as being higher-quality and safer to consume. However, they are generally sold as premium products at prices higher than the average Guinean can afford.

Historically, Guinea was the major agricultural producer among the colonies of French West Africa. The sector has subsequently collapsed, making Guinea a net food importer, despite its immense agricultural potential. Agricultural production is, with few exceptions (such as some kola nuts, palm oil and rubber production in the forest region, cashews, and low-productivity rice cultivation) at the subsistence level. However, with increased direct foreign investment in the mining sector, other foreign firms are looking to invest in agricultural projects in Guinea, such as rice production in the northern region of Boké.

Guinean producers have minimal access to short-term loans or guaranteed markets, so it is difficult for them to make capital improvements on their farms. Poor or nonexistent infrastructure compounds the problem, as producers have little access to storage (cold chain or non-refrigerated) or means of transportation. The country effectively has no national slaughterhouse, giving rise to unhygienic, inefficient meat distribution. As a result, it is hard to get produce to local markets before spoilage occurs, let alone to transport it overseas. A number of producers are transitioning to dried food items which are easier to transport; however, the lack of necessary machinery and skills limit the increase in production.

There is potential for Guinea to export bananas, pineapples, potatoes, mangos, other fruits and vegetables, and flowers and plants; however, they must meet U.S. sanitary and phytosanitary regulations. Once they are able to do so, there will be significant investment opportunities for U.S. business. Guinea in the medium term is also well-positioned to ramp up large-scale palm oil and rubber production in areas to be served by newly constructed rail and other infrastructure.

Leading food product imports include (figures in net pounds, from 2013):

- Rice (518 million)
- Wheat Flour (178 million)
- Sugar (127 million)
- Cooking Oil (61 million)
- Milk products (5 million)

Guinea's largest suppliers of rice are Thailand, Bangladesh, Vietnam, Pakistan, China, and Taiwan. Flour imports originate largely in France. Principal sugar suppliers include Belgium, France, Brazil, and Senegal. Periodically, the government takes measures to protect domestic agricultural production. For example, in 2011 the government banned many agricultural exports, most notably rice, believing that this would hold down domestic prices.

Areas that may offer potential for U.S. exports are rice and wheat, livestock feed, services (storage solutions, consulting) and equipment. For interested U.S. exporters, Guinea is eligible under two USDA export programs: the Dairy Export Incentive Program (DEIP, which is not operational at this time), and the GSM-102 Export Credit Guarantee Program. For further information, please contact the U.S. Department of Agriculture, Foreign Agricultural Service, Credit Programs Division, 1400 Independence Avenue, SW, Mail Stop 1025, Washington, D.C. 20250-1025.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Guinea has a flat import tax rate of 33% on most imports. However, some “privileged regimes” (see Chapter 3: Establishing an Office), public institutions, and donor organizations can receive exemptions. Privileged regimes have an exemption on import duties for machinery and equipment for use on investment projects and a 6% duty on raw materials. Basic food and agricultural products are taxed at 1% - 2%, and some items (certain medicines, for example) are tax exempt.

Surtax is imposed on luxury items, such as vehicles, alcohol, tobacco, and almost all other consumer items. The surtax varies from 20% - 70%. The surtax is 20% – 30% for vehicles. As taxes are subject to change, current rates may be found on the following Guinean Customs website; however, it is not consistently updated:

<http://www.douanesguinee.gov.gn/tarif.htm>

Trade Barriers

[Return to top](#)

There is a value-added tax (VAT) on all taxable items at a uniform 18%. While not a typical “barrier,” many businesses have complained of competitors with political connections receiving favorable tax exemptions, in effect creating an unfair barrier for their operations.

Business executives have also complained that congestion in the port of Conakry have resulted in delays of a month or more between the time a container arrives at Conakry and the release of its contents to the importer. Note that according to the Bolloré, the management company of the Container Port Facility at the Port of Conakry, wait times have significantly decreased over the past two years.

The importation of staple food items such as rice, sugar, cooking oil, and flour across Guinea’s land borders is prohibited.

Import Requirements and Documentation

[Return to top](#)

The government requires importers to obtain formal import authorization (*Demande Descriptive d'Importation* – DDI) from the Ministry of Commerce if importing quantities exceeding 12 million GnF (\$1700).

U.S. Export Controls

[Return to top](#)

The government requires exporters to obtain formal export authorization (*Demande Descriptive d'Exportation* – DDE) from a commercial bank and to present a certificate of Guinean origin to the Office of Foreign Commerce. According to the government, with the exception of some agricultural goods, gold, and diamonds, exporters are not taxed.

Temporary Entry

[Return to top](#)

Temporary exemptions from import duties are accorded to those importers fulfilling government contracts. At the end of the contract period, or after three years, items must be exported or the company and the government agree on a fixed rate total tax (which is less than paying each of the different duties separately).

A fee of 0.25 percent of the value of merchandise will be levied on goods in transit through Guinea to support a national insurance fund as part of the Economic Community of West African States (ECOWAS) road transit agreement.

Labeling and Marking Requirements

[Return to top](#)

There are no labeling or marking requirements for exports or imports.

Prohibited and Restricted Imports

[Return to top](#)

Prohibited items include narcotics, military equipment, and firearms.

Customs Regulations and Contact Information

[Return to top](#)

Corruption remains a major factor in clearing products through customs. After customs declaration and prior to clearance, importers must verify the value of goods imported. Following valuation, Customs issues a bill for duties owed, which must be paid directly to the Central Bank or to a local commercial bank. With the bank receipt, merchandise can be cleared through customs. A variety of local shipping agents are available to assist in this process and with warehousing of incoming goods.

Guinean Customs: <http://www.douanesguinee.gov.gn/>

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)

- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

Product and service quality standards are neither applied nor enforced in Guinea. Occasionally, investigations will be launched at the request of law enforcement in cases of suspected poisoning. Importers, however, may request that specific international product requirements or standards be applied to Guinea's products.

Standards Organizations

[Return to top](#)

The Guinean Institute for Standardization and Meteorology is in charge of drafting standards and/or adopting Guinean standards to international standards.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

[Return to top](#)

The National Bureau for the Control of Quality and Norms is charged with inspecting quality standards and ensuring quality control.

Product Certification

[Return to top](#)

The National Bureau for the Control of Quality and Norms issues certification, attesting to product conformity.

Accreditation

[Return to top](#)

The Guinean Institute for Standardization is a member of the International Organization for Standardization. It also collaborates with the French Standardization Organization, *Association Française de Normalisation* (AFNOR).

Publication of Technical Regulations

[Return to top](#)

The Guinean Institute for Standardization annually publishes both local and international regulations. There is also an "information center" at the Institute, with copies of the technical regulations available.

Labeling and Marking

[Return to top](#)

Guinea does not have a common labeling and marking scheme.

Contacts

[Return to top](#)

- Yacouba Sylla, Deputy Director of The Guinean Institute for Standardization
Tel: +224-62-836-4684 / +224-60-128-2269
E-mail: Yacousy101@yahoo.fr

Trade Agreements

[Return to top](#)

Guinea has no free trade or export processing zones or warehouses, but a temporary license to conduct free trade transactions can be obtained with special permission from the Ministry of Finance. Guinea is a member of the Mano River Union, which includes standardized customs tariffs between Guinea, Sierra Leone, and Liberia. Guinea is also a member of the Economic Community of West African States (ECOWAS), which includes fifteen countries: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea Bissau, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. ECOWAS is in the process of developing a customs union among its members, allowing for the free flow of goods and services between member nations.

Countries with bilateral investment protections agreements with the Guinean government include Belgium, Benin, China, France, The Gambia, Germany, Great Britain, Iran, Italy, Japan, Morocco, Nigeria, Saudi Arabia, Senegal, South Africa, South Korea, Switzerland, and Tunisia. The United States and Guinea signed an agreement on private investment guarantees through the Overseas Private Investment Corporation (OPIC) in May, 1962.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

The GOG is proactively seeking FDI as noted at the “Guinea is Back” investment conference in Abu Dhabi in November 2013 and demonstrated by a senior level delegation of Guinean officials travel to Washington in April 2014. Additional “Invest in Guinea” investment forums have been hosted in Spain and South Africa in 2014.

The technical process of starting a business in Guinea is theoretically straightforward. In December 2011, the GOG made an effort to centralize the process by establishing the Agency for the Promotion of Private Investment (APIP) (<http://www.apiguinee.org>), basically a one stop shop, which falls under the Office of the President.

Guinea’s Investment Code of 1987 guarantees, on paper, the right of all individuals (of both Guinean and foreign nationality) to undertake any economic activity in accordance with current laws and regulations. Foreign ownership of up to 100% is permitted in commercial, industrial, mining, agricultural and service sectors. However, some industries, such as radio, television, and print media, are legally restricted from having a majority foreign ownership. Revised in 1992, the Investment Code authorizes private investment of all types: foreign private, mixed foreign and local, and mixed public and private. The Guinean government provides a guarantee in the Investment Code that it will not, except for reasons of public interest, take any steps to expropriate or nationalize foreign or locally held assets or businesses. In reality, this guarantee is insufficient protection, as both the CNDD and the Transition Government carried out expropriations

(or threatened to expropriate) in 2009 and 2010 for the sake of “public interest.” While the Conde administration announced its intent to revise the Investment Code sometime in 2012, the undertaking is not yet complete.

Foreign investors have responded positively to Guinea’s improving political and economic climate, particularly in the mining, electricity, and construction sectors. However, dilapidated infrastructure, an entrenched culture of corruption, and lingering concerns about the permanence of Guinea’s democracy continue to make Guinea a difficult place to conduct business (see **Foreign Direct Investment Statistics**).

Key Economic Rankings:

Measure	Year	Index/Ranking
TI Corruption Index	2013	150 of 177
Heritage Economic Freedom	2013	133 of 177
World Bank Doing Business	2013	175 of 189
MCC Gov’t Effectiveness	2012	27%
MCC Rule of Law	2012	13%
MCC Control of Corruption	2012	31%
MCC Fiscal Policy	2012	9%
MCC Trade Policy	2013	19%
MCC Regulatory Quality	2012	31%
MCC Business Start Up	2013	40%
MCC Land Rights Access	2013	2%
MCC Natural Resource Mgmt	2013	47%
MCC Access to Credit	2013	21%
MCC Inflation	2012	9%

Conversion and Transfer Policies

[Return to top](#)

Individuals or legal entities considering investment in Guinea are guaranteed the freedom to transfer the original foreign capital, profits resulting from investment, capital gains on disposal of investment, and fair compensation paid in the case of nationalization or expropriation of the investment, to any country of their choice.

Although there have been no recent changes to remittance policies, in the past it has been difficult to obtain foreign exchange. Guinea has experienced significantly weakened liquidity levels over the past several years due to government mismanagement, corruption, a decrease in mining revenue, and dwindling foreign aid levels. The return of mining investment and foreign assistance following the 2010 elections made some improvement in foreign exchange availability and the prognostic for 2014 is more optimistic.

Expropriation and Compensation

[Return to top](#)

Guinea’s Investment Code states that the GOG will not, except for reasons of public interest, take any steps to expropriate or nationalize investments made by individuals and companies. It also promises fair compensation for expropriated property.

In 2011, the GOG claimed full ownership of several industrial facilities it had previously held partial shares in as part of joint ventures—including a canned food factory and processing plants for peanuts, tea, mangoes, and tobacco—with no compensation for the private sector partner. Each of these facilities had been founded as a state-owned enterprise and languished following privatization under corrupt circumstances in the late 1980s and early 1990s. According to GOG representatives, a joint committee composed of representatives from the Ministry of Industry and the Ministry of Economy and Finance is preparing dossiers on each facility in order to solicit bids by public auction; the GOG plans to maintain a 20 to 30 percent share in each business. By taking these businesses from their prior owners, whom the GOG considered corrupt and/or ineffective, and putting them to public auction the GOG hopes to correct past mistakes and place those assets in more productive hands. The private partner in at least one of these joint ventures protested the seizure of its assets and fought the expropriation in court. Although apparently, the court ruled in the prior owner's favor, there has been no compensation made to the owner and they are still not able to access their factory. GOG representatives have said that this expropriation applies only to former state-owned firms and that fully-owned private businesses and other joint ventures with the GOG will not be affected.

Dispute Settlement

[Return to top](#)

The Investment Code states that competent Guinean judicial authorities shall settle disputes resulting from interpretation of the Code in the accordance with laws and regulations. In practice, however, fair settlements may be difficult. The current Guinean constitution mandates an independent judiciary, although many business owners and high level government officials frequently claim that poorly trained magistrates, high levels of corruption, and nepotism plague the administration of justice.

Guinea established an arbitration court in 1999, independent of the Ministry of Justice, to settle business disputes in a less costly and more expedient manner. The Arbitration Court is based upon the French system in which arbitrators are selected from among the Guinean business sector, rather than from among lawyers or judges, and are supervised by the Chamber of Commerce.

The country's legal system is largely based upon French civil law. However, the Guinean judicial system is reported to be understaffed, corrupt, lacking in transparency, and accounting practices are frequently unreliable. U.S. businesspersons should exercise extreme caution when negotiating contract arrangements, and do so with proper local legal representation. The Conde government has targeted judicial reform as a major issue in need of transformation.

In 1993, Guinea became a member of the *Organisation pour l'Harmonisation du Droit des Affaires en Afrique* (Organization for the Harmonization of Commercial Law in Africa), known by its French initials, OHADA, which allows investors to appeal legal decisions on commercial and financial matters to a regional body based in Abidjan. The organization also seeks to create harmonization of commercial law, debt collection, bankruptcy, and secured transactions throughout the OHADA region. The treaty superseded the Code of Economic Activities and other national commercial laws when it was ratified in 2000, though many of the substantive changes to Guinean law have yet to be implemented. U.S. companies seeking to do business in Guinea should be aware that under OHADA, managers may be individually liable for corporate wrongdoing. See the OHADA website

for specific OHADA rules and regulations (<http://www.ohada.com>). Guinea is also a member of the International Center for the Settlement of Investment Disputes (CSID). In many cases, the Guinean government does not meet payment obligations to private suppliers of goods and services, both foreign and Guinean, in a timely fashion. There is no independent enforcement mechanism for collecting debts from the government, although some contracts have international arbitration clauses. The government, while bound by law to honor judgments made by the arbitration court, often actively influences the decision itself.

Despite the rights to dispute settlement set forth in Guinean law, business executives complain of the glacial pace of Guinean justice in business disputes. Most legal cases take many years and numerous legal fees to resolve. In speaking with local business leaders, the general sentiment is that any resolution occurring within 3-5 years would be considered relatively quick.

In many cases, the GOG does not meet payment obligations to private suppliers of goods and services, either foreign or Guinean, in a timely fashion. Arrears to the private sector are a major issue that is often ignored. The GOG is currently looking for ways to finance past arrears to the private sector -- possibly through issuing a public debt instrument. There is no independent enforcement mechanism for collecting debts from the government, although some contracts have international arbitration clauses. The government, while bound by law to honor judgments made by the arbitration court, often actively influences the decision itself.

Business executives, Guinean and foreign, have publicly expressed concern over the absence of rule of law in the country. In 2009, Guinean business leaders were targeted by the military for burglary and wide-scale harassment. Although the levels were significantly reduced after 2010, some businesses were still subject to sporadic harassment and “requests” for donations from military and police personnel.

Performance Requirements and Incentives

[Return to top](#)

The Investment Code, last revised in 1995, provides tax advantages for certain priority investments. The government’s priority investments are: promotion of small and medium-sized Guinean businesses, development of non-traditional exports, processing of local natural resources and local raw materials, and establishment of activities in less economically developed regions. Priority activities include agricultural promotion, especially of food, and rural development; commercial farming involving processing and packaging; livestock, especially when coupled with veterinary services; fisheries; fertilizer production, chemical or mechanical preparation and processing industries for vegetable, animal, or mineral products; health and education businesses; tourism facilities and hotel operations; real estate development with social benefit; and investment banks or any credit institutions settled outside specified population centers. (These priority sectors are also identified on the APIP website in paragraph 1.1).

Under the 2011 Mining Code, amended in April 2013 to reduce taxes and royalties, mining companies are required to hire Guinean citizens as a certain percentage of their staff, to have a Guinean country director eventually, and to award a certain percentage of contracts to Guinean-owned firms; the percentage varies based on employment category and the chronological phase of the project. The Code also aims to liberalize mining development and secure investment. In 2013, the Code created a Mining

Promotion and Development Center, a one-stop shop to simplify the administrative process for investors.

Right to Private Ownership and Establishment

[Return to top](#)

There is a right to private ownership of property in Guinea. The government's regulations provide for a complex set of tax and duty exemptions and rebates in order to encourage private investment.

Protection of Property Rights

[Return to top](#)

The Land Tenure Code of 1996 provides a legal base for documentation of property ownership. As with ownership of business enterprises, both foreign and national individuals have the right to own property. However, enforcement of these rights depends upon a corrupt and inefficient Guinean legal and administrative system.

According to the 2014 World Bank's Doing Business Report, Guinea ranks 140 out of 189 countries for the ease of "registering property"

<http://www.doingbusiness.org/data/exploreeconomies/guinea/>

Guinea is a member of the African Intellectual Property Organization (OAPI) comprised of 15 African countries and the World Intellectual Property Organization (WIPO) comprised of 186 members. OAPI is signatory to the Paris Convention for the Protection of Industrial Property, the Bern Convention for the Protection of Literary and Artistic Works, the Patent Cooperation Treaty, the TRIPS agreement, and several other intellectual property treaties. Guinea modified its intellectual property right laws in 2000 to bring them into line with established international standards. There have been no formal complaints filed on behalf of American companies concerning intellectual property rights infringements in Guinea. However, it is not certain that an intellectual property judgment would be enforceable, given the general lack of law enforcement capability. The Property Rights office in Guinea is severely understaffed and underfunded. For additional information about treaty obligations and points of contact at local Guinean IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>."

Transparency of Regulatory System

[Return to top](#)

Guinea's amended Mining Code commits the country to increasing transparency in the mining sector. In the code, the GOG commits to award mining contracts by competitive tender and to publish all past, current, and future mining contracts for public scrutiny. Members of mining sector governing bodies and employees of the Ministry of Mines are prohibited from owning shares in mining companies active in Guinea or their subcontractors. Each mining company must sign a code of good conduct and develop and implement a corruption monitoring plan. Guinea has already implemented a portion of its cutting-edge transparency approach through the creation of a public database of its mining contracts designed by the Revenue Watch Institute (<http://www.contratsminiersguinee.org/>).

While Guinea's laws promote free enterprise and competition, the government often lacks transparency in the application of the law. Business owners openly assert that

application procedures are sufficiently opaque to allow for corruption, and regulatory activity is often applied based on personal interest.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Commercial credit for private and public enterprise is difficult and expensive to obtain in Guinea. The GOG passed a Build, Operate, and Transfer (BOT) convention law in 1998, which provides rules and guidelines for BOT and related infrastructure development projects. The law lays out the obligations and responsibilities of the government and investors and stipulates the guarantees provided by the government for such projects.

The Investment Code allows transfers of income derived from investment in Guinea, the proceeds of liquidating this investment, and the compensation paid in the event of nationalization to any country in convertible currency. The legal and regulatory procedures, while based on French civil law in theory, are not always applied uniformly or transparently. Individuals or legal entities making foreign investments in Guinea are guaranteed the freedom to transfer the original foreign capital, profits resulting from investment, capital gains on disposal of investment, and fair compensation paid in the case of nationalization or expropriation of the investment, to any country of their choice.

The Guinean Franc uses a managed floating exchange rate. The average official exchange rate for 2013 was 6,912 to the USD. The few commercial banks in Guinea are dependent on the Central Bank for foreign exchange liquidity, making large transfers of foreign currency difficult.

Laws governing takeovers, mergers, acquisitions, and cross-shareholding are limited to rules for documenting financial transactions and filing any change of status documents with the economic register. There are no laws or regulations that specifically authorize private firms to adopt articles of incorporation that limit or prohibit investment.

Competition from State Owned Enterprises

[Return to top](#)

While Guinea maintains some SOEs for public utilities (water, electricity, and telephone), the Conde administration is slowly moving towards allowing some private enterprises to operate in this sphere. Recent failures and allegations of corruption at the state owned energy company have led the Ministry of Energy to revise the management framework of the company and bring in private sector experts to evaluate and repair Guinea's dilapidated energy grid. Several private projects aimed at harnessing Guinea's hydroelectric energy potential are currently undergoing feasibility studies, with the goal of producing and selling energy throughout Guinea and to neighboring countries. Guinea's parastatal transportation company Sotragui is effectively bankrupt, and its municipal bus service very limited. There are some parastatals involved in food processing (edible oils, etc.), but there are no barriers to entry for domestic or foreign firms to enter these markets.

Corporate Social Responsibility

[Return to top](#)

The amended 2011 Mining Code includes Guinea's first legal framework outlining corporate social responsibility. Under the provisions of the code, mining companies must submit social and environmental impact plans for approval before operations can

begin and sign a code of good conduct, agreeing to refrain from corrupt activities and to follow the precepts of the Extractive Industry Transparency Initiative (EITI). However, lack of capacity in the various ministries involved will make monitoring and enforcement of corporate social responsibility requirements difficult.

Political Violence

[Return to top](#)

Political instability, along with corruption, has historically been the most significant barrier to investment in Guinea.

Following the death of President Lansana Conte on December 22, 2008, a military junta calling themselves the National Council for Democracy and Development (CNDD) took power in a bloodless coup. Immediately following the coup, the USG suspended all but its humanitarian and election assistance to Guinea. The African Union (AU) and the Economic Community of West African States (ECOWAS) suspended Guinea's membership pending democratic elections and a relinquishment of power by the military junta.

After months of public opposition to the tactics of the military regime, the *Forces Vives*, a group formed of political opposition, civil society, economic actors, and labor unions, organized a large rally at the capital's soccer stadium to symbolize their rejection of junta-leader Moussa Dadis Camara's intention to run in upcoming presidential elections. Soon after the rally began, members of Guinea's armed forces entered the facility and opened fire on the crowd, killing at least 150 people and injuring over a thousand others. Many of the female protestors were also publicly and brutally raped. In the aftermath of the massacre, the military continued to target political and economic opposition. Much of the international community condemned the massacre and the subsequent gross human rights abuses. On December 3, Moussa Dadis Camara was shot by his Aide-de-camp Lt. Abubaker "Toumba" Diakite and was flown to Morocco for treatment. After over a month of recuperation in Morocco, Camara flew to Burkina Faso on January 13. On January 15, Camara, Burkinabe President Blaise Compaore, and Guinean Minister of Defense Sekouba Konate signed the Ouagadougou Accord, creating a transition government and naming Konate as the Interim President of Guinea, and a civilian, Jean Marie Dore, as Prime Minister. The Transition Government was tasked with organizing presidential and legislative elections to usher in a new democratic government of Guinea.

Guinea experienced additional violent incidents during 2011 and thereafter. On July 19, 2011, the President's personal residence was attacked with small arms fire and rocket propelled grenades. Following the attack the government arrested and charged 38 people, mostly military personnel. The government also temporarily reinstated road blocks nationwide with night time check points continuing for months.

The small mining town of Zogota located in Guinea's Forest Region saw the deaths of five villagers including the village chief during August 2012 clashes with security forces over hiring practices at Brazilian iron-mining company Vale. The villagers alleged that Vale was not hiring enough local employees and was instead bringing workers from other regions of Guinea. The ensuing instability led to Vale evacuating all expatriate personnel from the town.

In 2013, numerous protests resulting in more than 30 deaths took place in the lead-up to the national legislative elections which had been repeatedly postponed prior to finally being held on September 28, 2013. Many other protests were held in 2013 by citizens and residents angry about the extreme lack of water and electricity in the capital city of Conakry. Some of these protests turned violent and many small businesses were negatively impacted by the frequency of the protests.

On July 15, 2013, violence erupted in N'Zerekore, the administrative capital of Guinea's Forestiere Region, 350 miles southeast of Conakry. Conflicting accounts exist of what triggered the onset of the violence which escalated as vicious confrontations ensued between members of Guerze and Konianke ethnic groups. According to local officials, mob and riot-inspired retaliation attacks put the death toll at more than 95 people dead and at least 150 injured. Local police and gendarmerie security forces were deployed to break up the fighting but were initially unable to quell the violence despite an imposed curfew. On July 16, President Alpha Conde publically deplored the violence in N'Zerekore and appealed for calm. By July 17, an uneasy calm was restored in the streets of N'Zerekore.

The impunity the military had previously enjoyed is now slowly being reversed. Security Sector Reform (SSR) training has identified and targeted the need to retrain and reorganize some elements of the security forces. In the uncertainty surrounding Guinea's first democratic elections, ethnic and political tensions sparked election-related violence that resulted in the deaths of over 15 people.

The success of the new democratic government continues to hinge upon President Alpha Conde's ability to restructure and maintain control of the security forces, and to create a government that fairly represents citizens of all ethnicities across Guinea. Thus far, the military has remained in its barracks during all political protests which is a marked departure from previous administrations.

Although none of the violent events detailed above specifically targeted American or foreign investors, they were disruptive to business in general and eroded confidence in the already tenuous security situation under which investors must operate in Guinea.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of

corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:

<http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Guinea is not a party to the OECD Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Guinea is a signatory to the UN Anticorruption Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Guinea is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Guinea is not a party to the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Guinea does not have a FTA with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce

Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Public sector corruption, including bribery of public officials, remains a challenge for U.S. firms operating in Guinea. Corruption and bureaucratic red tape are hallmarks of Guinea's business climate. In its annual "Ease of Doing Business" index, the World Bank ranks Guinea 175th of 189 countries worldwide. Transparency International's 2013 "Corruption Perception Index" has Guinea ranked 150th of 177 countries listed.

The business and political cultures, coupled with low salaries, have historically combined to create and encourage a culture of corruption throughout Guinea's government system. Business is often conducted through the payment of bribes rather than by the rule of law. It is not uncommon for government officials to demand money for their personal use, in exchange for favors or to just perform their duties. Though it is illegal to pay bribes in Guinea, there is no enforcement of these laws. In practice, it is difficult and time-consuming to conduct business without paying bribes in Guinea, and as they must comply with the Foreign Corrupt Practices Act, this leaves U.S. companies at a disadvantage. Enforcement of the rule of law in Guinea is irregular and inefficient.

The Conde administration has promised to combat corruption in both the government and in commercial spheres as one of its top priority agenda items.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department’s annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

Countries with bilateral investment protections agreements with the Guinean government include Belgium, Benin, China, France, The Gambia, Germany, Great Britain, Iran, Italy, Japan, Morocco, Nigeria, Saudi Arabia, Senegal, South Africa, South Korea, Switzerland, and Tunisia.

OPIC and Other Investment Insurance Programs

[Return to top](#)

Guinea and the U.S. have had an agreement on private investment guarantees in effect since 1962, making investors eligible for Overseas Private Investment Corporation (OPIC) insurance programs.

Labor

[Return to top](#)

Guinea's Labor Code protects the rights of employees and is enforced by the Ministry of Social Affairs. The Labor Code sets forth guidelines in various sectors, the most stringent being the mining sector. Guidelines cover wages, holidays, work schedules, overtime pay, vacation, and sick leave. The National Assembly increased employer rights to hire and fire under the 1999 revision of the Labor Code. Employers no longer need to go through the labor office in order to contract or terminate the work of an employee, and the Act removed the requirement to hire only Guinean employees. Some employers, including the Guinean Government, avoid paying mandatory benefits by employing people as contractors for years at a time rather than as permanent employees. Many foreign managers cite incidents of theft, low productivity, and difficulty in terminating an employee as major problems.

The Labor Code outlines general guidelines related to health and safety, but the Guinean government has yet to articulate a set of practical occupational standards. The government has limited resources for this activity.

Pursuant to the Guinean Labor Code, any person is considered a worker, regardless of gender or nationality, who is engaged in any occupational activity in return for remuneration, under the direction and authority of another individual or entity, whether public or private, secular or religious. In accordance with this Code, forced or compulsory labor means any work or services extracted from an individual under threat of a penalty and for which the individual concerned has not offered himself willingly.

A contract of employment is a contract under which a person agrees to be at the disposal and under the direction of another person in return for remuneration. The contract may be agreed upon for an indefinite or a fixed term and may only be agreed upon by individuals of at least 16 years of age although minors under the age of 16 may be contracted only with the authorization of the minor's parent or guardian.

An unjustified dismissal provides the employee the right to receive compensation from the employer; in an amount equal to at least six months' salary with the last gross wage paid to the employee being used as the basis for calculating the compensation due.

The Labor Code also legalized employee labor unions and the right to collective bargaining. In 2006, Guinea's labor union gained strength and the independent unions

joined with the National Labor Confederation (the government union) to form a union coalition that represented a vast majority of organized labor. Because of political infighting, the coalition has elected two different presidents, each claiming that the election of the other was illegitimate. There are about six major unions with national membership, and another eight or nine local unions in Conakry, all of which lobby for improved wages, benefits, and working conditions. They are also often used as avenues for voicing political dissent.

The law provides that the government should support children's rights and welfare, although in practice, the government has neither the capability, nor the political will, to curb the high rate of child labor. The Labor Code also stipulates that the Minister of Labor maintain a list of occupations in which women and youth under the age of 18 cannot be employed. In practice, enforcement by ministry inspectors is limited to large firms in the modern sector of the economy.

Foreign-Trade Zones/Free Ports

[Return to top](#)

There are no Foreign-Trade/Free Ports in Guinea

Foreign Direct Investment Statistics

[Return to top](#)

Statistics on Foreign Direct Investment (FDI) are difficult to obtain in Guinea. According to the World Bank, FDI; net inflows (BoP; US dollar) in Guinea was last measured at \$605,400,000 in 2012.

Contact Point at Post

[Return to top](#)

- Rachel Martinez, Economic Officer, U.S. Embassy Conakry, +224-65-510-4132, MartinezRM@state.gov
- Alan Royston, Economic Officer, U.S. Embassy Conakry, +224-65-510-4132, RoystonAR@state.gov

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

The vast majority of small transactions are made in cash. Imports/exports rely on documentary letters and letters of credit. There are no credit rating or collection agencies. Use of credit cards in Guinea remains strongly discouraged by the U.S. Embassy due to high levels of fraud.

How Does the Banking System Operate

[Return to top](#)

Guinea's banking system is loosely based on the rules and regulations governing the French banking system. Guinea's commercial banking sector was legalized by reforms in 1985 and 1986. Guinea's formal financial sector consists of the Central Bank and several commercial banks. The financial sector is largely controlled by foreign-owned banks. The system has a narrow base, is fragile, and is unable to meet the development needs of the private sector. Since banks are conservative and risk averse, there is not a significant amount of capital available to finance large investments. Outside of lucrative lending to the government, commercial banks favor short-term lending at high interest rates (25% and up), given the high potential for default.

Foreign-Exchange Controls

[Return to top](#)

Guinea's Investment Code guarantees the free transfer of capital.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

There are no U.S. banks operating in Guinea, but there are several local banks with U.S. banking arrangements including:

- Banque Internationale pour le Commerce et l'Industrie de Guinee (BICIGUI), with Citibank of New York, and the French American Banking Corporation Banque Nationale de Paris. E-mail: dg.bicigui@bnpparibas.com / www.biciguinet.net

- Societe Generale de Banque en Guinee, with SBG New York, www.sgbg.net
- ECOBANK, a partner of Citibank
E-mail: ecobankgn@ecobank.com
- OraBank formerly UIBG, a subsidiary of Credit Agricole Francais
www.orabank.net

ECOBANK, a West African bank under partial Citibank ownership, has direct financing and transfer links with Citibank worldwide. ECOBANK has gained the bulk of U.S. banking business in Guinea and has consistently been more accommodating to potential U.S.-based clients.

Project Financing

[Return to top](#)

Guinea's major commercial banks limit their activities to short and medium-term finance. Commercial interest rates are very high, averaging 20-30%, making commercial loans scarce and unaffordable. A majority of these programs focus on helping local Guinean businesses and are, therefore, difficult for foreigners to access. Most U.S. exporters dealing with Guinean importers receive direct payment through international transfer. If not, exporters are encouraged to insist upon an irrevocable letter of credit before shipping products to Guinea. Funding for larger projects or business expansions can be acquired through international lenders and development banks. For example, the African Development Bank's private-sector window also has some funding available for development-orientated business projects. The Overseas Private Investment Corporation (OPIC) will accept invitations for investment projects in Guinea. The U.S. Trade and Development Agency (TDA) has a program to assist in the financing of feasibility studies that meet significant U.S. export criteria.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

Given the complexity of Guinea's social and economic customs, it is imperative to establish local contacts, and possibly a local office staffed by individuals who know the language(s) and cultures of Guinea. With the commencement of the Second Republic in 1984, Guinea liberalized its economy and opened up to investors from other regions for the first time. However, corruption and years of political instability have mitigated the beneficial effects of the investment laws. With the return of stability and the establishment of a democratically elected executive office eager to attract foreign investment this situation is improving but it will take time to change an established culture of corruption and mistrust.

Bribery is a common practice in commercial negotiation in Guinea. Though it is illegal to pay bribes in Guinea, there is little enforcement of these laws. In practice, it is difficult and time-consuming to conduct business without paying bribes in Guinea, which can leave U.S. companies at a disadvantage as they must comply with the Foreign Corrupt Practices Act. Enforcement of the rule of law in Guinea is irregular and inefficient. It is crucial that businesses understand that bribery is common and be prepared to appropriately address and deflect bribery attempts.

Business in Guinea is conducted on a very personal level; given the weakness of local legal institutions and law enforcement Guineans rely heavily on personal networks to make business connections and establish trust. Particularly at the beginning of a business relationship face-to-face meetings are vital. Guinean businessmen will want to inspect potential partners' products and facilities personally to establish their quality.

American products are extremely popular, but appropriate pricing is important. Low cost items will be more successful in Guinea, as the GNI per capita averaged around \$440 in 2012. Key elements to making successful sales in the mining, donor project, and general markets are French language ability, patience with the time that is necessary to develop relationships, and very clear contractual terms, including an irrevocable letter of credit and/or advance payment.

Travel Advisory

[Return to top](#)

Due to the tenuous political and security situation in Guinea, it is necessary for any U.S. citizen to consult the U.S. Embassy's Consular Information sheet for Guinea, available at the Department of State website:

<http://www.travel.state.gov/content/passports/english/country/guinea.html>

Visa Requirements

[Return to top](#)

A passport, visa, international vaccination record (WHO card), and a current yellow fever vaccination are all required for entry into Guinea. Please contact the Embassy of the Republic of Guinea for the most current visa information. The Embassy of the Republic of Guinea in Washington, DC is located at 2112 Leroy Street, NW, Washington, DC 20008; tel: (202) 986-4300; fax: (202) 478-3010. Overseas inquiries should be made at the nearest Guinean embassy or consulate. The U.S. Department of State is unaware of any HIV/AIDS entry restrictions for visitors to or foreign residents of Guinea.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy, Conakry Consular Office: <http://conakry.usembassy.gov/visas.html>

Telecommunications

[Return to top](#)

The telephone network in Guinea is not always reliable and is subject to coverage failure and system outages. Land lines are virtually non-existent and the common practice is to carry multiple cell phones with different cellular company subscriptions. There are currently four major cellular phone companies in Conakry (MTN Areeba, Cellcom, Intercel, and Orange). Competition between the available service providers affords customers reasonable local rates. International calls can be made from most cellular phones, major hotels, and places of business. Guinean postal service is not reliable and is not a secure means of transmitting anything of value. It is strongly advised that all mail be routed through the overnight carriers serving Guinea such as DHL and FedEx.

There are numerous web equipped facilities in Conakry. Internet connectivity in the interior of the country is weak but improving. In 2011 the World Bank provided funding to connect Guinea to the undersea fiber optic cable off the West African coast, and the project was completed and inaugurated in early 2014 enabling a marked improvement in connectivity. Guinea's internet speeds are poised to continue improving as more service providers roll out fiber optic based data services.

Transportation

[Return to top](#)

Air France operates daily flights (including three non-stops per week) from Paris to Conakry and Brussels Airlines flies from Brussels to Conakry three times per week. Senegal Airlines, Royal Air Maroc, and ASKY Airlines make regional connections from

Conakry to Dakar, Casablanca, Monrovia, Freetown, Bamako, and Abidjan. Emirates also commenced service between Conakry and Dubai in 2013 and Turkish Airlines has announced plans to commence flights between Conakry and Istanbul in 2015.

Taxis are not up to U.S. standards and can be extremely unsafe. Car rental (with or without a driver) are available through the larger hotels in Conakry, though they are expensive. There are no car rental agencies at the airport so prior arrangements must be made.

- ATOUT SERVICE Sarl (Auto Rental)
Agence de Location de Voitures
BP:6814 Conakry - République de Guinée
Tél: +224-62-262-8282 / +224-63-140-7080 / +224-65-540-7080 / +224-66-440-7080
E-mail: atout.service@voila.fr

Language

[Return to top](#)

French is the official language of government, education, and business; however, local languages (Soussou, Peular, Malinké, etc) are more widely spoken, particularly outside of Conakry. A limited number of Guinean businesspeople speak English.

Health

[Return to top](#)

Healthcare facilities in Guinea are in extremely poor condition. There is little or no control on the import of medicines, many of which are suspected to be counterfeit and dangerous to use. Visitors should update all appropriate vaccinations before traveling to Guinea. Consult the Center for Disease Control and Prevention's website, www.cdc.gov/travel and the U.S. Embassy's Consular Information Sheet, http://travel.state.gov/travel/cis_pa_tw/cis/cis_1132.html, for information on vaccinations, medical education, insurance (including Medevac insurance), medical facilities, and health care.

Please be advised that all visitors to Guinea must have a yellow fever shot recorded on an official World Health Organization (WHO) card (see "visa requirements" section) in order to enter the country. The vaccination should be given at least 10 days before travel and at 10 year intervals. If a traveler does not have the immunization and card when entering Guinea, they will be given the shot by airport medical officials, which is not a recommended venue for such vaccinations.

Malaria is a major cause of death among unprotected travelers. Malaria is a tropical infection spread by the Anopheles Mosquito. Chloroquine-resistant malaria is present in Guinea. Malaria prophylaxis should be started two weeks before arrival for Mefloquine and continue four weeks after departure; two days prior for Malarone, and seven days after departure; Doxycycline – two days prior to coming and continued for 4 weeks after departure. Please consult your physician for the appropriate prophylactic and usage before taking this prescription medication.

In 2014, an Ebola outbreak occurred in Guinea. Updated information on the outbreak may be found at the following CDC website:

<http://www.cdc.gov/vhf/ebola/outbreaks/guinea/index.html>

Before traveling to Guinea, it is important to consult your physician about appropriate measures to take to maintain your health. Although not an exhaustive list, the following simple health precautions should be observed in Guinea:

- Drink only bottled, boiled, or filtered water
- Wash and disinfect salad ingredients and non-peelable vegetables and fruits before eating them
- Take anti-malaria pills as the prescription requires
- Use a mosquito net at night and wear long-sleeved clothing and pants when possible
- Do not swim in non-moving fresh water
- Persons with chronic medical conditions **must** bring supplies and medications sufficient for their length of stay

Medical facilities are limited and are not up to U.S. or European standards. Doctors and hospitals will expect immediate cash payment for medical care. The Embassy's Consular Section keeps a list of doctor referrals.

Local Time, Business Hours, and Holidays

[Return to top](#)

Conakry follows Greenwich Mean Time (GMT). Business hours are generally from 9:00 until 18:00 but times vary greatly. The following official holidays are observed in Guinea (days vary for religious holidays):

New Year's Day:	January 1
Prophet Mohammed's Birthday:	mid-February (variable)
Easter:	March/April (variable)
Labor Day:	May 1
Organization of African Unity Anniversary:	May 25
End of Ramadan	variable
Assumption Day:	August 15
Independence Day:	October 2
Eid Al-Adha:	variable
Christmas:	December 25

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Provided that goods are declared prior to entry, all items for personal use and personal effects may be brought into the country in small amounts, free of duty. Transport of narcotics, military equipment, and/or firearms is prohibited.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

U.S. Embassy

- Economic Officer: Rachel Martinez, U.S. Embassy Conakry, MartinezRM@state.gov
- Economic Officer: Alan Royston, U.S. Embassy Conakry, RoystonAR@state.gov
- Economic Assistant: Mahawa Camara, U.S. Embassy Conakry, Guinea; Camaram1@state.gov

Trade or Industry Associations in Guinea

- *Chambre de Commerce de Guinee* (Guinean Chamber of Commerce)
B.P. 545, Conakry, Guinea
Tel : +224-60-126-0231
- *Confederation Patronale des Entreprises de Guinea* (Guinean Business Association); President Hadja Gmouma Traore
B.P. 3972, Conakry, Guinea
+224-60-129-7538 or +224-66-435-8991
- *Chambre Nationale d'Agriculture* (Chamber of Agriculture)
B.P. 896, Conakry, Guinea
+224-60-129-4709
- *Chambre des Mines de Guinee* (Guinean Chamber of Mines)
President Mamady Youla
B.P. 241, Conakry, Guinea
+224-63-135-4284
mamadyy@yahoo.fr

Key Government Office in Guinea

- APIP – Agency for Private Investment Promotion
gabriel.curtis@apiguinee.gov.gn / dienaba.keita@apiguinee.gov.gn
www.apiguinee.gov.gn

Multilateral Organizations with Offices in Guinea

- World Bank
Immeuble de l'Archeveche
B.P. 1420, Conakry, Guinea
- International Monetary Fund
Banque Centrale de la Republique de Guinee
B.P. 692, Conakry, Guinea

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)