GUINEA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Guinea is a country of approximately 11.7 million people that is emerging from fifty plus years of authoritative rule and economic mismanagement. The country has experienced its first democratic presidential elections (2010) and legislative elections (2013). Guinea has the landmass of Oregon and is blessed with the world's largest reserves of bauxite and high-grade iron ore in addition to gold and diamonds. In addition, Guinea has fertile soil, ample rainfall and is the source of several West African rivers, including the Senegal, Niger, and Gambia. Guinea's hydro potential is enormous and the country could be a major exporter of electricity.

Ebola continues to be a major problem impacting all sectors in Guinea. Guinea was the first country in the region to have a case of Ebola in March 2014. International organizations such as Medecins Sans Frontieres (MSF - Doctors without Borders) and the World Health Organization (WHO) were quick to mobilize and the outbreak seemed contained. However, Guinea experienced a second wave of Ebola cases in June 2014 largely as a result of cross border infections from neighboring Sierra Leone and Liberia, where Ebola overwhelmed their already fragile health systems. As of March 2015, Guinea has had approximately 3,200 confirmed and suspected cases of Ebola with over 2,100 deaths (65.6% mortality rate). While the Ebola outbreak in Guinea was not as severe as in neighboring Sierra Leone and Liberia, it is important to note that the numbers in Guinea on their own would still make it the worst Ebola outbreak in history. The economic toll of Ebola on the Guinean economy is considerable. Ebola stalled promising economic growth in 2014 and unless the epidemic ends in 2015, the economy will continue to stagnate. The World Bank projected Guinea's economy to grow 4.5 percent in 2014; however, the economy experienced zero growth instead. Many westerners fled the country and investment has slowed. Normal economic growth has not returned and several projects have stalled, such as offshore oil exploration and the giant Simandou iron ore project.

The government is working to create an economy to attract foreign investment and hopes to have greater participation from western countries/firms in Guinea's economic development. Although much progress has been made, there is still much that needs to be done in order to reduce poverty and provide basic services (electricity, water, and health care) to its citizens.

Although the recent political stability has brought renewed interest in Guinea from the private sector, an enduring legacy of corruption, inefficiency, and lack of government transparency, and now Ebola continues to undermine Guinea's economic viability. Successive governments have failed to address the country's crumbling infrastructure which is needed for economic development. Guinea suffers from chronic electricity shortages; poor roads, rail lines and bridges; and a lack of access to clean water continue to plague economic development. Conakry, the nation's capital, only receives an average of six to eight hours of electricity per day and much of the population lacks access to electricity or water.

President Conde and his government are eager to attract investment and have made significant progress. Under the presidency there is a national agency to promote private investment (APIP) that serves as a one stop shop for investors. Guinea consistently lags behind its regional peers in attracting economic investment which in turn has negatively affected economic growth and employment. Guinea's government is actively courting international investment, which, in the aftermath of the Ebola epidemic, is needed more than ever. Strong opportunities exist for U.S.

firms in the mining, energy, construction (roads, schools, hospitals, housing, hotels, etc.), telecommunication, transportation, and health care sectors.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Guinea (GOG) is proactively seeking FDI and realizes that the country needs foreign participation in its economy. The technical process of starting a business has been streamlined and is relatively straightforward. In 2011, the GOG centralized the process through the creation of the Agency for the Promotion of Private Investment (APIP) (http://www.apiguinee.org), which is a one stop shop that falls under the Office of the President. Post works with APIP often and has found them to be a reliable source of information that is committed to assisting foreign businesses with entering the Guinean market.

The government desperately needs foreign development to speed Guinea's economic development. The GOG wants to diversify FDI as they realize they do not want to rely on China for most of its large projects. The GOG wants more western participation in its economy and is hopeful that more American companies will seek investment opportunities in Guinea.

There are no laws that discriminate against foreign investors. Foreign ownership of up to 100 percent is permitted in commercial, industrial, mining, agricultural and service sectors. However, majority foreign ownership in the communication sector, such as radio, television and print media are not permitted. The Investment Code of 1987 (revised in 1992) guarantees the right of all individuals (both Guinean and foreign) to undertake any economic activity in accordance with current laws and regulations. The Investment Code authorizes private investment of all types: foreign private, mixed foreign and local, and mixed public and private. The Investment Code provides penalties for enterprises that fail to meet their obligations and commitments. In the code, the GOG provides a guarantee that it will not, except for reasons of public interest, take any measure to expropriate or nationalize foreign or locally held assets or businesses. The GOG is in the process of drafting a new Investment Code that it hopes will be presented to the National Assembly for ratification sometime in 2015. However, a draft is not available at and sources tell Post that the main changes are in the tax schedules related to investments.

Guinea’s 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 Natural Resource Governance Institute, formerly known as the Revenue Watch Institute (http://www.contratsminiersguinee.org).

President Condé committed Guinea to full membership in the Extractive Industries Transparency Initiative (EITI), which seeks to deepen transparency for oil, gas and mining industries in developing countries. In July 2014, Guinea was named compliant by the EITI board.

Improving the business climate for investors is a priority of the current administration. President Conde wants to improve Guinea's global image and realizes that systemic government wide changes are needed to do this. He is committed to making the government more transparent and wants to implement many of the changes seen in the mining sector across other sectors. Although much work remains, the GOG realizes it must improve across the board in order to attract international investments.

Other Investment Policy Reviews

There has been no investment policy review conducted by UNCTAD or OECD within the past several years. The World Trade Organization (WTO) last conducted a review of Guinea in 2011. The 2011 report can be viewed here: http://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm.

Laws/Regulations of Foreign Direct Investment

FDI is regulated by the Investment Code of 1987 (Ordinance No. 001/PRG/87), which was updated in 1995. The code is not restrictive and investments can be financed by foreign exchange or by capital goods. A new Investment Code is in the process of being drafted, but has yet to be completed nor put forth to the National Assembly for ratification. Ratification is scheduled to occur in 2015, but since the government is still coping with the effects of Ebola and it is a presidential election year, a vote could be postponed.

Guinea's Investment Code does not provide a specific definition of foreign direct investment (FDI). The code rather defines "investment of foreign capital" in three forms: 1) as the contribution to any business duly established in Guinea of foreign currency or new capital goods acquired abroad, in return for the granting of company stock or shares, such stock or shares entitling the contributor to an interest in the profits and proceeds of liquidating the business, provided the value of any contribution other than a foreign currency contribution has been determined by independent certified public accountants; 2) the reinvestment of earnings from the business that could have been transferred abroad; and 3) the purchase of existing businesses or the acquisition of holdings in such businesses through a contribution of foreign currency. The

GOG states it will let the legal system deal with domestic cases involving foreign investors. The legal system is weak and in the midst of much needed reforms. Although the constitution and law provide for an independent judiciary, the judicial system lacked independence and was underfunded, inefficient, and overtly corrupt. Budget shortfalls, a shortage of qualified lawyers and magistrates, an outdated and restrictive penal code, nepotism, and ethnic bias limited the judiciary's effectiveness. Judges are poorly trained and corruption plays a factor in many court proceedings.

The Agency for the Promotion of Private Investment (APIP) has the only site that lists information related to laws, rules, procedures and registration requirements for foreign investors (http://www.apiguinee.org). APIP is run by a largely bilingual (English and French) staff and is designed to be a one stop shop for investors. The website is only in French and includes the mining and investment codes.

Industrial Promotion

The government is seeking investment in all sectors of the economy, but economic growth will most likely be led by the Energy and Mining sectors. Other sectors the GOG hopes to attract foreign investors to are Agribusiness; Agriculture, Construction, Building and Heavy Equipment; Education; Finance, and Infrastructure and Communication. Information concerning opportunities is disseminated via tenders listed in the Official Journal (Journal Officiel de la Republique) and in international newspapers when the GOG wishes to solicit international participation. Furthermore, high-level government officials travel to trade shows and international cities throughout the year promoting investment opportunities in Guinea. GOG officials meet with businessmen throughout the year in Europe, the United States, China and on the African continent.

Guinea benefits from a wide range of market access. It is a member of the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union, New Partnership for Africa's Development and the African Union. Furthermore, Guinea benefits from the United States' market access initiative - the Africa Growth and Opportunity Act and the Cotonou Agreement between the African, Caribbean and Pacific countries and the European Union for the renegotiation of the Lomé Convention. It is also a member of the World Trade Organization.

Limits on Foreign Control

There are no general limits on foreign ownership or control and 100 percent ownership by foreign firms is legal. However, as mentioned above, foreign majority of radio and television stations as well as in print media are not permitted. There are no sector-specific restrictions that discriminate against market access applicable to foreign investment.

Privatization Program

The GOG is considering the privatization of the Energy sector. In April 2015, the GOG tendered a management contract to run the state owned electrical utility (EDG). Veolia of France won the tender and will begin a four year program to manage and rehabilitate the poor performing, insolvent utility that has suffered from decades of poor management. In early April 2015, the Minister of Energy told Post that at the conclusion of Veolia's management contract the GOG will look to privatize EDG or seek a Public Private Partnership. The minister also mentioned that GOG wants a private company to operate the Kaleta Dam when construction is completed in 2016. The dam is scheduled to start producing energy in June 2015, but the Chinese firm building it will not finish the project until 2016.

The bidding process is spelled out clearly to potential bidders. However, Post has learned that the GOG has weighted competence with the French language and experience working on similar projects in West Africa with higher weights. A recent U.S. company lost out on a tender mainly due to its lack of native French speakers on the project and lack of regional experience.

Screening of FDI

According to the GOG, there is no specific screening of FDI. However, the National Investment Commission does have a role in for reviewing requests for approval, and for monitoring companies' efforts to comply with investment obligations. This commission is headed by the Minister for Planning and Statistics, who also holds the secretariat. The composition of the commission and its conditions and method of operation are set out in its founding decree. Approval of investments is granted based upon a request to the Secretary of the National Investment Commission. This request must specify the preferential tax plan where approval is sought, and establish the reasons to support receiving a specified tax treatment. The GOG grants approved companies, particularly industrial firms, the use of the land necessary for their plant, for duration and according to conditions set out in the terms of approval. The land and subsequent buildings belong to the State, but can also be rented by or transferred to another firm only with GOG approval.

In addition to respecting the legal and regulatory requirements governing their activities and the conditions and obligations set out in their tax approval, registered companies are bound by the following obligations for the duration of their eligibility for a preferential tax plan: (1) strict adherence to the investment and activity schedule. Any modification to the investment program must be authorized in advance by the National Investment Commission; (2) Adherence to national and international quality standards applicable to the types of goods and services provided, and (3) Keeping accounts in accordance with Guinean accounting standards, and submitting accounts to an annual audit by a Guinean approved auditor.

The Agency for the Promotion of Private Investment (APIP) serves as a one-stop shop for investors entering the Guinean market. APIPs bilingual staff has received praise from foreign investors for its work in navigating the complexities of FDI in Guinea.

Competition Law

There are no agencies that review transactions for competition-related concerns.

Investment Trends

Most foreign investment in Guinea is currently in the mining sector. Large international companies are involved in bauxite, iron ore, diamond, and gold mining operations. However, one presidential advisor recently told Post that he believes that Guinea's long term play is in the Energy Sector and developing Guinea's hydro-electric potential will serve the country long after its minerals have been exploited. With increased hydro-electric power, Guinea can become a net export of electricity and supply most countries in West Africa.

The current Ebola crisis and to a lesser extent, political situation are the main issues impacting the economy as it related to foreign investment. Many companies withdrew all or most of its staff from Guinea after Ebola was detected in March 2014. Consequently, these companies and investors are taking a wait and see approach before returning to Guinea or entering the country for the first time. Also, the pending presidential election slated for October 2015 is keeping investors on the sideline due to past political violence associated with Guinea's past elections (Presidential 2010 and Legislative 2013).

According to the USTR, Guinea is the United States 153rd largest goods trading partner with USD 179 million in total goods traded in 2013. The U.S. goods trade deficit with Guinea was USD 19 million in 2013, which represented a 137.7 percent increase over 2012. American exports to Guinea were primarily in the form of used vehicles, machinery and textiles (used clothing). The majority of Guinea's exports (USD 86 million of the total USD 99 million exported) was bauxite (aluminum ore).

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	145 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	169 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	139 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 460	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a per capita gross national income (GNI) or USD 4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

Although there have been no recent changes to remittance policies, it is difficult to obtain foreign exchange in Guinea's economy. Guinea has experienced significantly weakened liquidity levels over the last several years due to government mismanagement, populist policies, corruption, a decrease in mining revenue due to political unrest, and dwindling foreign aid levels. Further, liquidity levels of commercial banks are affected by tight reserve requirements (22% of deposits) that are in line with IMF performance criteria.

Guinea's economy went through a difficult period in 2013, reflecting the fragile socio-political situation and a sharp slowdown in investment in the mining sector and again in 2014 due to a stalled economy resulting from the impact of the Ebola epidemic. As a result, growth has slowed from projected growth of 4.5 percent in 2014 to a realized growth close to zero for the year. The economic impact of Ebola has carried over into 2015 and, without an end to the epidemic, growth will remain flat for most of the year. According to the IMF, uncertainty clouds Guinea's medium-term outlook, but if Ebola is eradicated in the first half of 2015, this year should see a broad-based recovery in activity and a GDP growth rebound in 2016. However, persistent Ebola outbreaks beyond 2015 and a continued fall in commodity prices could reduce investor interest in developing Guinea's large mining potential in addition to not investing in other sectors.

Prospective growth and investment could also be adversely affected by continued delays in structural reforms, caused mainly by Ebola-related diversion of administrative resources and delays in planned external technical assistance. In addition, renewed sociopolitical tensions and political uncertainty could arise ahead of presidential elections scheduled for October 2015.

The exchange rate is managed by the Guinean Central Bank (BCRG) and fluctuates. The rate has remained relatively stable since 2013 and only recently depreciated versus the U.S. dollar. For all most of 2013 and 2014 the exchange rate remained stable at 7,000 Guinean francs (GNF) per dollar. However, through April 2015 the exchange rate has been in the 7,200 to 7,400 GNF/USD dollar range.

Remittance Policies

Guinea has no limitations on the conversion and transfer of money or the repatriation of capital and earnings, including branch profits, dividends, interest, royalties, or management or technical service fees. In theory the wait time to remit investment returns is less than 60 days. Guinea is listed as a monitored country under the 2014 International Narcotics Control Strategy Report.

3. Expropriation and Compensation

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 the 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 expropriating these businesses from their owners, whom the GOG deemed to be corrupt and/or ineffective, and putting them to public auction the GOG hopes to correct past mistakes and put the assets in more productive hands. The private partner in at least one of these joint ventures has protested the seizure of its assets and has been battling the GOG decision in court. As of 2015, there has been no resolution of the case. GOG representatives have said that this expropriation applies only to former state-owned firms, fully-owned private businesses and other joint ventures with the GOG will not be affected.

In 2008, days before his death, Guinea's then dictator, Lansana Conte, signed over the rights to mine Blocks 1 and 2 of Simandou North, which Rio Tinto then owned, to Israeli businessman Benny Steinmetz for USD 160 million. Benny Stienmetz and his Benny Steinmetz Resource Group (BSRG) soon sold a 51 percent stake in Simandou North to Brazilian mining company Vale for USD 2.5 billion. Simandou is the site of one of the world's largest high-quality iron ore deposits. In 2012, the GOG suspended the BSGR-Vale joint venture of the concession as it investigated claims the blocks were acquired via corrupt means. In April 2014, the GOG concluded its investigation and determined that BSGR did engage in bribery and the joint venture was officially stripped of their concession. Vale was not found to have been involved in any corrupt activities, but was out the initial USD 500 million payment it made to BSGR. BSGR has begun arbitration proceedings against the GOG; Vale is suing BSRG; and Rio Tinto is suing BSRG and Vale, accusing them of conspiring to steal its concession rights. Rio Tinto still has the rights to Simandou South (Blocks 3 and 4). In February 2015, the GOG Minister of Mines, Kerfalla Yansane, announced that Simandou Blocks 1 and 2 would be put up for auction. He stated “there is no link between the arbitration and the auction. These assets belong to the government.” Minister Yansane said that an auction could take place in 2015.

The government realizes that future expropriations carry too much risk and are not beneficial to the future economic development of the country. The country desperately needs foreign investment and they are not willing to risk the negative consequences that expropriation will cause. Furthermore, the GOG has demonstrated that it cannot manage SOEs in a profitable manner and would prefer the private sector to manage these assets. The investment climate is welcoming to foreign and American firms and the government is working to reduce corruption and increase transparency. The current government is aware of its international image and does not want to risk losing possible foreign investment in the economy.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

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. Although the constitution and law provide for an independent judiciary, the judicial system lacks independence and is underfunded, inefficient, and corrupt. Budget shortfalls, a shortage of qualified lawyers and magistrates, an outdated and restrictive penal code, nepotism, and ethnic bias limited the judiciary’s effectiveness. President Conde's administration has called for judicial reform.

Bankruptcy

Guinea, as member country of the Organization for the Harmonization of Business Law in Africa (OHADA), has the same bankruptcy laws as most West African francophone countries. The OHADA's Uniform Act enforces collective proceedings for writing off debts and defines bankruptcy from articles 227 to 233. The Uniform Act also distinguishes from fraudulent from non-fraudulent bankruptcies. There is no distinction between foreign and domestic investors. There only is a "privilege" ranking that defines which claims must be first from the company's asset. Articles 180 to 190 of the OHADA's Uniform Act on the organization of securities spells out which creditors are entitled to priority compensation. Bankruptcy is only criminalized when it occurs due to fraudulent actions. Bankruptcy is penalized though OHADA which leaves criminal penalties to national authorities.

Guinea ranked 169 out of 189 economies in the World Bank's 2015 Doing Business Report. This represented the same rank Guinea held in 2014. Guinea ranked 119 for ease of resolving insolvency in the report, which was four places lower than in 2014. According to the report, resolving insolvency takes an average of 3.8 years and costs 8.0 percent of the debtor's estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 17.6 cents on the dollar.

Investment Disputes

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. All parties must be in agreement to have their case settled in the arbitration court. In general, Guinea's arbitration court has a better reputation than the judicial court system for settling business disputes.

International Arbitration

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).

ICSID Convention and New York Convention

Guinea is a member of the International Center for the Settlement of Investment Disputes (ICSID), an autonomous international institution established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States with over one hundred and forty member states (https://icsid.worldbank.org/ICSID/Index.jsp). Guinea is also a member of the New York Convention which applies to the recognition and enforcement of foreign arbitral awards and the referral by a court to arbitration. (http://www.newyorkconvention.org).

Duration of Dispute Resolution

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 fast.

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 2014, foreign managers of a telecommunications company were harassed by high-ranking members of the military for not renewing a contract. Some businesses have been subject to sporadic harassment and “requests” for donations from military and police personnel.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The GOG does not maintain any measures that are inconsistent with the WTO Trade Related Investment Measures (TRIMs) requirements.

Investment Incentives

The Investment Code 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.

Research and Development

There are no restrictions on foreign firms participating in government financed research and development programs. However, Post knows of no such programs in existence.

Performance Requirements

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 mining code requires that 20 percent of senior managers be Guinean; however, the code does not define what constitutes senior management. 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. Post is not aware of non-mining sectors having performance requirements, but that is likely to change as the Guinean economy becomes more developed.

Data Storage

Guinea has no forced localization policy related to the use of domestic content in goods or technology. There are no requirements for foreign IT providers to turn over source code or provide access to surveillance. There are also no requirements to store data within Guinea.

6. Right to Private Ownership and Establishment

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.

7. Protection of Property Rights

Real Property

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. Furthermore, land sales and business contracts generally lacked transparency.

According to the 2014 World Bank's Doing Business Report, Guinea ranks 122 out of 189 countries for the ease of "registering property:"
http://www.doingbusiness.org/data/exploreeconomies/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. 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 IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Embassy Point of Contact
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Embassy POC (until July 2015): Alan Royston (RoystonAR@state.gov)

Resources for Rights Holders

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8. Transparency of the Regulatory System

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 Natural Resource Governance Institute (formerly known as Revenue Watch) - http://www.contratsminiersguinee.org/).

The Extractive Industries Transparency Initiative (EITI) ensures more transparency in how Guinea's natural resources are governed, and full disclosure of government revenues from its extractive sector. The EITI Standard aims to provide a global set of conditions that ensures more transparency in the management of a country's oil, gas and mineral resources. EITI reiterates the need to augment support for countries and governments that are making genuine efforts to address corruption but lack the capacity and systems necessary to effectively manage the business, revenues and royalties derived from extractive industries.

Guinea was accepted as EITI Compliant for the first time by the international EITI Board at its meeting in Mexico City on July 2, 2014. As a country implementing the EITI, Guinea regularly discloses the government's revenues from natural resources. The EITI steering committee highlighted the commitment of Guinea to submit 2011 and 2012 reports before their mandated deadlines of December 2013.

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.

9. Efficient Capital Markets and Portfolio Investment

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 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.

Money and Banking System, Hostile Takeovers

Guinea's financial system is small and dominated by the banking sector. It comprises 14 banks with 70 branches across the country, six deposit taking microfinance institutions with almost 130 branches, six insurance firms, three money-transfer companies and four currency exchange offices. Guineas banking sector is overseen by the Central Bank (BCRG) and it serves as the agent of the treasury for overseeing banking and credit operations in Guinea and abroad. The BSGR manages the foreign exchange reserves on behalf of the State. Further information on the BCRG can be found in French at www.bcrg-guinee.org.

Due to the difficulty of accessing funding from commercial banks, small commercial and agricultural enterprises have increasingly turned to microfinance, which has been growing rapidly with a net increase of deposits and loans, but the quality of its products remains mediocre, with bad debt accounting for 5 percent of loans with approximately 17 percent of gross loans outstanding.

Guinea plans to broaden the country's small and medium enterprise (SME) base through investment climate reform, solutions to improve access to finance, and the establishment of SME growth corridors. Severely limited access to finance (especially for SMEs), inadequate supply of infrastructure, deficiencies in logistics and trade facilitation, corruption and low capacity of the Government, inflation, and poor education of the workforce, combined with one of the weakest legal enabling environment for business in Africa and a history of poor governance, erratic policy, and inconsistent regulatory enforcement, has seriously undermined investor confidence in Guinea's institutions. As a result, private participation in the economy remains low and firms' productivity measured by value added is one of the lowest in Africa. Firms' links with the financial sector are weak; only 6 percent of firms surveyed in the 2006 World Bank Enterprise survey have a bank loan. Credit to the private sector is low as well, at around 5 percent of GDP for much of the last decade (against a Sub-Saharan African average of 59.6 percent). The banking sector is highly concentrated, not up to date technologically and banks tend to favor short-term lending at high interest rates. While the microfinance sector grew strongly from a small base, microfinance institutions are not profitable and need capacity and technology upgrades. Finally, it is important for the efficiency and the use of payment services by all potential users to be improved, in a context of financial inclusion. Guinea is a cash society and the economy is driven by trade, agriculture and the informal sector, which all rely on cash transactions outside the banking sector.

Generally there are no restrictions for foreigner's ability to establish bank accounts in Guinea. However, one dual citizen (Guinea-American) commented that his preferred bank declined his request to establish an account due to Foreign Account Tax Compliant Act (FACTA) reporting requirements. Post was unable to find any information related to rules concerning hostile takeovers.

10. Competition from State-Owned Enterprises

While Guinea maintains some SOE's for public utilities (water and electricity), the Alpha Conde government is moving towards allowing private enterprises to operate in this sphere. Recent failures and allegations of corruption at the state-owned electric utility Energie de Guinée (EDG) have led the GOG 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.

The hydroelectricity sector could provide the basis for Guinea's modernization and also supply regional markets. Guinea's large hydropower potential is estimated at over 6000 MW, which could make it an important exporter of power to neighboring countries. The overall electrification rate is estimated at 17 percent, with rural electrification at only three percent. In 2011, the urban power generation capacity in Guinea was 130 MW, against an estimated peak demand of 230 MW, thus resulting in widespread load shedding. Hydropower contributed 55 percent of generation, versus 45 percent for oil-based thermal power. The urban electricity sector, managed by EDG is in a critical situation resulting in widespread power shortages; dilapidated infrastructure due to lack of investment and maintenance; high system losses and electricity theft; low bill collection; and increasing financial losses. Given the current level of subsidies to the sector and the persistent inefficiency of the utility, there is a need to improve the company's financial and technical performance before extending the grid or expanding hydropower. In its action plan for EDG, the Government has included signing a performance contract between EDG and the Government and an external assistance contract with a private operator for the management of EDG.

The GOG does not publish much information concerning SOEs. EDG is listed in the national budget as a line item. Its balance sheet is in the red and Veolia of France was selected in April 2015 by the GOG via a tender process to take over the management of the utility for four years. The GOG hopes that at the end of Veolia's management contract the utility will be privatized.

R&D expenditures are not known, but it would be highly unlikely that any of Guinea's failing SOEs would devote much of any funding to R&D given the lack of sophistication in the Guinean Economy. Guinean SOE's are entitled to subsidized fuel, which EDG uses to run thermal generator stations in the capital.

OECD Guidelines on Corporate Governance of SOEs

Corporate Governance of SOEs is determined by the GOG. Guinean SOEs do not adhere to the OECD guidelines and are generally highly insolvent organizations. SOEs typically report to the line minister; however, in theory, they typically report to the Office of the President. Seats on the board are allocated by the ruling government and usually by presidential decree. It is most likely that domestic courts will side with SOEs over investment disputes.

Sovereign Wealth Funds

Guinea does not have a sovereign wealth fund.

11. Corporate Social Responsibility

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 make government monitoring and enforcement of corporate social responsibility requirements difficult. However, there are some NGOs that do play a role in monitoring and promoting CSR. Guinea was found to be an EITI compliant country in July 2014.

OECD Guidelines for Multinational Enterprises

Guinea is not on the OEDC list of countries that adhere to the Guidelines for Multinational Enterprises.

12. Political Violence

Guinea has a long history of political violence. The country suffered under authoritative rule from independence in 1958 until its first democratic election (presidential) in 2010 and it has seen political violence during its transition as a new democracy. The state persecuted political dissidents and opposition parties for decades. The Sekou Toure regime (1958-1984) and the Lansana Conte regime (1984-2008) were both marked by political violence and human rights abuses.

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.

On September 28, 2009, 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, 2009 Moussa Dadis Camara was shot by his Aide-de-camp Lt. Abubaker "Toumba" Diakite and was flown to Morocco for treatment. Camara's bodyguard and driver were killed in the attack. 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 reinstituted 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. Also in 2012, Ministry of Economy and Finance official and anticorruption activist Aissatou Boiro was shot and killed in her car in November, allegedly for her anticorruption efforts. Authorities arrested two persons in December 2012 and charged them with the killing. However, they remain in pretrial detention.

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.

Since the July 3 accords brokered by the U.S. Embassy, EU and the French in 2013, there has been minimal occurrences of political violence. The accords led to the often postponed legislative elections in September 2013 that were internationally recognized as being free and fair and, more importantly, the results were accepted by the population. Protests against the lack of basic utilities have been sporadic in the capital throughout 2014.

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 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.

Other instances of violence occurred in 2014 and 2015 related to the Ebola epidemic. There have been instances since the start of the Ebola epidemic where locals attacked the vehicles and facilities of aid workers. The Red Cross, MSF (Doctors without Borders) and the World Health Organization (WHO) all report cases of property damage (destroyed vehicles, ransacked warehouses, etc.). On September 16, 2014 in the Forest Region village of Womei, eight people were killed by a mob when they visited the village as part of an Ebola education campaign. The casualties included radio journalists, local officials and Guinean health care workers. Thirty eight people have been arrested and are awaiting trial.

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 security situation under which investors must operate in Guinea.

13. Corruption

Corruption and bureaucratic red tape are hallmarks of Guinea’s business climate. In its 2015 “Ease of Doing Business” index, the World Bank ranks Guinea 169th of 189 countries worldwide. Transparency International’s 2014 “Corruption Perception Index” has Guinea ranked 145th of 175 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.

Although the law provides criminal penalties for corruption by officials, the government does not implement the law effectively, and officials often engaged in corrupt practices with impunity. The World Bank’s most recent Worldwide Governance Indicators reflected that corruption continued to be a severe problem. Public funds were diverted for private use or for illegitimate public uses, such as buying expensive vehicles for government workers. Land sales and business contracts generally lacked transparency.

Guinea’s Anti-Corruption Agency (ANLC) is an autonomous agency established by presidential decree in 2004. The ANLC reports directly to the president and is currently the only state agency focused solely on fighting corruption. However, it has been largely ineffective in its role with only two cases prosecuted with no convictions in 2014. The ANLC is also forwarded anonymous tips concerning possible corruption cases received from a hotline. However, during the past two years there have been no prosecutions as a result of these tips. The ANLC executive director stated that the agency is underfunded, understaffed and lacks the basics to fight corruption such as computers and vehicles. The ANLC is comprised of 42 employees in seven field offices and operates on a budget of USD 1.1 million per year.

The Bureau of Complaint Reception fields anonymous tips forwarded to the ANLC. Investigations and cases must then be prosecuted through criminal courts. During the year there were no prosecutions as a result of tips.

A poll by Afrobarometer and Stat View International of 1,200 citizens from 2011 to 2013 found that 57 percent of the respondents reported paying a bribe within the past 12 months. A separate survey by the ANLC, Open Society Initiative West Africa, and Transparency International found that among private households 61 percent of the respondents stated they were asked to pay a bribe for national services and 24 percent for local services. Furthermore, 24 percent claimed to have paid traffic-related bribes to police, 24 percent for better medical treatment, 19 percent for better water or electricity services, and 8 percent for better judicial treatment.

The Conde administration has promised to combat corruption in both the government and in commercial spheres as one of its top priority agenda items. In general, the situation has improved over the past year as the government earnestly attempts to improve transparency and reduce corruption.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Guinea is a party to the UN Anticorruption Convention.
http://www.unodc.org/unodc/en/treaties/CAC/signatories.html

Guinea is not a party to the OECD Convention on Combatting Bribery.
http://www.oecd.org/daf/anti-bribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm

Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:

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14. Bilateral Investment Agreements

Guinea has bilateral investment agreements with Belgium, Benin, Burkina Faso, Cameroon, Chad, China, France, The Gambia, Germany, Ghana, Great Britain, Iran, Italy, Japan, Malaysia, Mali, Mauritania, Mauritius, Morocco, Nigeria, Saudi Arabia, Senegal, Serbia, South Africa, South Korea, Switzerland, Tunisia, Turkey and Ukraine. Although Guinea does not have a Bilateral Investment Treaty or Free Trade Agreement with the U.S., a trade and Investment Framework Agreement was signed in May 2014 between the U.S. and the Economic Community of West African States (ECOWAS).

Bilateral Taxation Treaties

There is no Bilateral Tax Treaty between Guinea and the United States.

15. OPIC and Other Investment Insurance Programs

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. Currently there is no OPIC activity in Guinea. U.S. private sector firms would most likely utilize OPIC for infrastructure related projects in the mining and energy sectors such as projects related to the Simandou iron ore project and Power Africa should Guinea become part of the program. A USAID Power Africa lead transaction advisor visited Conakry in April 2015 for preliminary meetings and fact finding to gauge if there is a role for Power Africa in Guinea.

There are no limits on the conversion of U.S. dollars to Guinean francs (GNF). Post knows of no issues related to currency conversion and does not see any issues with convertibility risks going forward. The official exchange rate is relatively stable at approximately 7,300 GNF/USD (as of April 2015). A weakened economy largely resulting from the ongoing Ebola epidemic has seen the GNF depreciate from an average of 7,000 GNF/USD in 2014. There is practically no difference between the official exchange rate and the rate in the parallel black market.

16. Labor

Guinea's National Assembly adopted a new labor code in February 2014. 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 new labor code also outlaws all discrimination in hiring including sex, disabilities, and ethnicity. It also prohibits all forms of workplace harassment, including sexual harassment. However, the law does not provide antidiscrimination protections for persons based on sexual orientation and/or gender identity.

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. Some foreign managers cite incidents of theft, low productivity, and difficulties in terminating employees as problems.

Although the law provides for the right of workers to organize and join independent unions, engage in strikes, and bargain collectively, the law also places restrictions on the free exercise of these rights. The new labor code requires unions to obtain support of 20 percent of the workers in a company, region, or trade which the union claims to represent. The new code mandates that unions provide 10 day notice to the labor ministry before striking, but the code does allow work slowdowns. Strikes are only permitted for “professional claims.” However, the new labor code does not apply to government workers, members of the armed forces, or temporary government workers. While the labor code protects union officials from anti-union discrimination, it does not extend that same protection to other workers. The labor code prohibits employers from taking into consideration union membership and activities with regard to decisions about employee hiring, firing, and conduct. The new labor code allows workers 30 days to appeal any labor decisions. Strikes occur from time to time. Although Port Autonome Conakry (PAC) employees did not go on strike in 2014, their strike actions are closely watched for fear of potential negative economic consequences as customs revenues account for 45 percent of Guinea's revenues with 98 percent of these revenues collected at the Port of Conakry.

The law prohibits child labor in the formal sector and sets forth penalties of three to 10 years imprisonment and confiscation of resulting profits. The law does not protect children in the informal sector. The minimum age for employment is 16. Exceptions allow children to work at age 12 as apprentices for light work in such sectors as domestic service and agriculture, and at 14 for other work. The law does not permit workers and apprentices under 18 to work more than 10 consecutive hours, at night, or on Sundays. The Ministry of Labor maintained a list of occupations in which women and youth under 18 cannot be employed, but enforcement is limited to large firms in the modern sector of the economy. The penal code increases penalties for forced labor if minors are involved, but penalties do not meet international standards, and enforcement is not sufficient to deter child labor violations. The most recent statistics indicated that more than one-third of all children under 18 worked in industries considered dangerous by the United Nation's International Labor Organization (ILO). Although the child code provides that the country’s laws respect treaty obligations and is regarded as law by the justice system, ambiguity remained about the code’s validity, because the government had not passed a required implementation text.

The Ministry of Labor is responsible for enforcing child labor laws, and it conducted occasional inspections. Authorities did not bring any cases to justice, and inspections were not adequate. The police division OPROGEM under the Ministry of Security was responsible for investigating child trafficking and child labor violations. After arrests, police transfer all information to the Ministry of Justice. In August 2012 the Ministry of Security set up a new unit specifically focused on child trafficking and child labor. The unit had 30 members and brought five cases to trial in 2012 and one in 2013.

Child labor by boys occurs most frequently in the informal sectors of subsistence farming, small-scale commerce, and mining. Smaller numbers of girls, mostly migrants from neighboring countries, are subjected to domestic servitude. Forced child labor occurs primarily in the cashew, cocoa, coffee, gold, and diamond sectors of the economy. Many children between the ages of five and 16 work 10 to 15 hours a day in the diamond and gold mines for minimal compensation and little food. Child laborers extract, transport, and clean the minerals. They operate in extreme conditions, lack protective gear, do not have access to water or electricity, and face a constant threat of disease and sickness.

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

The labor code allows the government to set a minimum monthly wage enforced by the Ministry of Labor. On April 29, 2014 the government exercised this provision for the first time, setting the minimum wage for domestic workers at 440,000 GNF (approximately USD 64) per month. No minimum wage for other sectors was established. There is no known official poverty income level established by the government.

The law mandates that regular work should not exceed 10 hour days or 48 hour weeks, and it mandates a period of at least 24 consecutive hours of rest each week, usually on Sunday. Every salaried worker has the legal right to an annual paid vacation, accumulated at the rate of at least two workdays per month of work. There also are provisions in the law for overtime and night wages, which are a fixed percentage of the regular wage. The law stipulates a maximum of 100 hours of compulsory overtime a year.

The law contains general provisions regarding occupational safety and health, but the government has not established a set of practical workplace health and safety standards. Moreover, it has not issue any orders laying out the specific safety requirements for certain occupations or for certain methods of work called for in the labor code. All workers, foreign and migrant included, have the right to refuse to work in unsafe conditions without penalty.

The Ministry of Labor is responsible for enforcing labor standards, and its 160 inspectors were empowered to suspend work immediately in situations deemed hazardous to workers' health. Nevertheless, enforcement efforts were sporadic. According to the ILO, inspectors received inadequate training and had limited resources. Penalties for violation of the labor law were not sufficient to deter violations. Offering someone into forced labor is punishable by up to five years' imprisonment.

Authorities rarely monitored work practices or enforced the workweek standards and the overtime rules. Violation of wage, overtime, and occupational health and safety standards were common across sectors. There were, for example, reports of unsafe working conditions in the artisanal (small-scale) gold mining communities in the northern section of the country, where inspectors found occupational health and environmental hazards.

Despite legal protection against working in unsafe conditions, many workers feared retaliation and did not exercise their right to refuse to work under unsafe conditions. Data were not available on workplace fatalities and accidents in 2014, but accidents in unsafe working conditions were common. The government banned wildcat gold and other mining during the rainy season to prevent deaths from mudslides. Still, the practice continues and many lives were lost in 2014.

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.

Guinea has a young population with a high unemployment rate and lacks employees with specialized skills. The country has a poor educational system and lacks professionals in all sectors of the economy. Consequently, many of these better paying jobs will go to workers from outside the country. Most mining projects employ Guineans as security guards and drivers.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Guinea has no foreign trade zones or free ports.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		**USG or international statistical source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2013	6,144	2013	6,144	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	No Data	No Data	2013	118	BEA data available 3/19/14 at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States ($M USD, stock positions)	No Data	No Data	No Data	No Data	BEA data available 3/19/14 at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	No Data	No Data	2012	10.71%	World Bank

Table 3: Sources and Destination of FDI

No reliable statistics exist related to direct investment. China is most likely Guinea's largest provider of inward direct investment, but that is largely the result of grants/loans given for large scale construction projects being completed by Chinese firms. The Kaleta Dam that is due to come on line in June 2015 and be completed in 2016 is being built by Chinese International Water and Electric Corporation via a USD 450 million loan from China's EX-IM bank. Chinese firms are also active in road construction projects. Other inward investments are made by the UAE, which in 2013 Guinea Alumina Corporation (GAC) agreed to USD 5 billion dollar deal export bauxite and later refine alumina. GAC, owned by UAE's Mubadala and DUBAL, is expected to begin exports in 2017 and complete an alumina refinery in 2022. Other key players in Guinea are Morocco, Rio Tinto (representing UK and Australia) and France.

Table 4: Sources of Portfolio Investment

Data for Guinea is not available from the IMF's Coordinated Portfolio Investment Survey.

19. Contact for More Information

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