

GUINEA

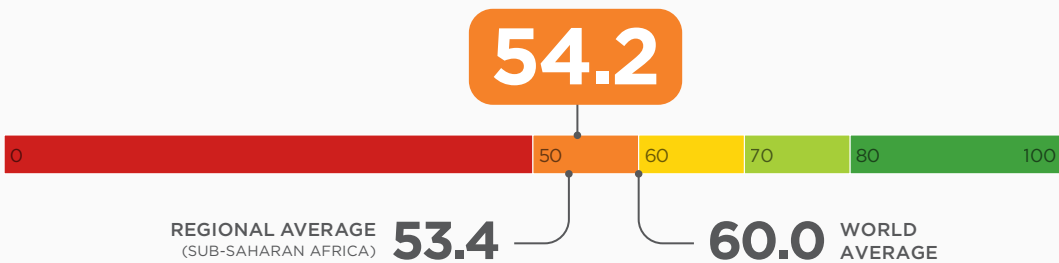
Guinea's economic freedom score is 54.2, making its economy the 129th freest in the 2022 Index. Guinea is ranked 25th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Guinea's economic expansion over the past five years was slow until 2020, when it improved, bucking the worldwide trend, before slowing again in 2021. Economic freedom in Guinea peaked in 2019 but has slackened since then. Nevertheless, with its **fiscal health** improved by loans through the IMF's Extended Credit Facility, Guinea has recorded a 6.6-point overall gain of economic freedom since 2017. It made the jump from the "Repressed" category into the ranks of the "Mostly Unfree" in 2018 and has remained there. Monetary freedom and **trade freedom** are relatively strong, but the rule of law is very weak.

IMPACT OF COVID-19: As of December 1, 2021, 387 deaths had been attributed to the pandemic in Guinea, and the government's response to the crisis ranked 35th among the countries included in this *Index* in terms of its stringency. The economy grew 5.2 percent in 2020.

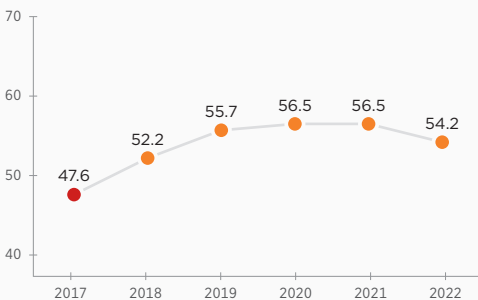
WORLD RANK: **129** REGIONAL RANK: **25**
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -5.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
13.1 million

GDP (PPP):
\$36.4 billion
5.2% growth in 2020
5-year compound annual growth 7.6%
\$2,604 per capita

UNEMPLOYMENT:
4.4%

INFLATION (CPI):
10.6%

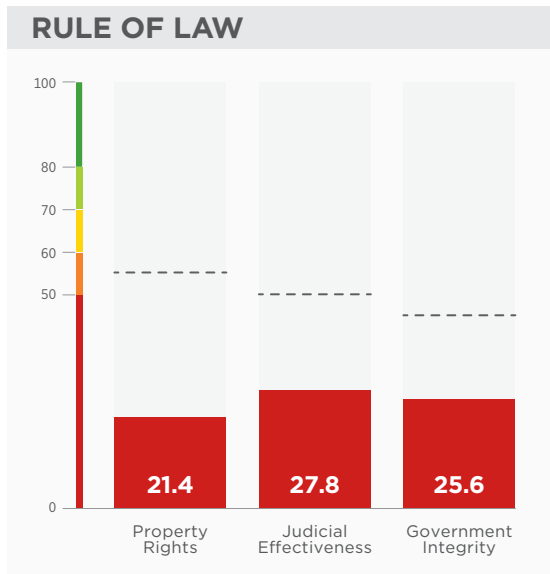
FDI INFLOW:
\$325.0 million

PUBLIC DEBT:
41.4% of GDP

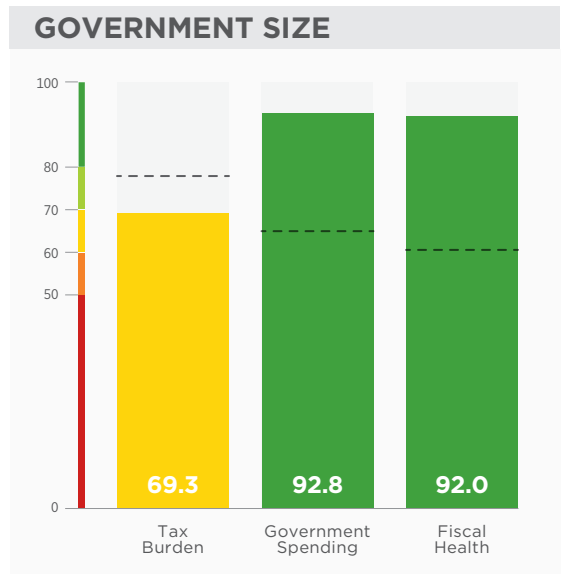
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: In 2010, Alpha Condé won Guinea's first presidential election since independence from France in 1958, but it was an election marred by irregularities and political violence. Condé easily won a second term in 2015 after the opposition boycotted the elections. In 2020, a constitutional referendum cleared the way for the 83-year-old Condé to seek a third term, which he won in October elections, the aftermath of which was marred by violence and the arrests of opposition party leaders. In September 2021, Condé was ousted in a coup, leading the regional body ECOWAS to suspend Guinea's membership. Guinea has huge bauxite reserves and large deposits of iron ore, gold, and diamonds. Despite this great mineral wealth, however, many Guineans live in poverty.

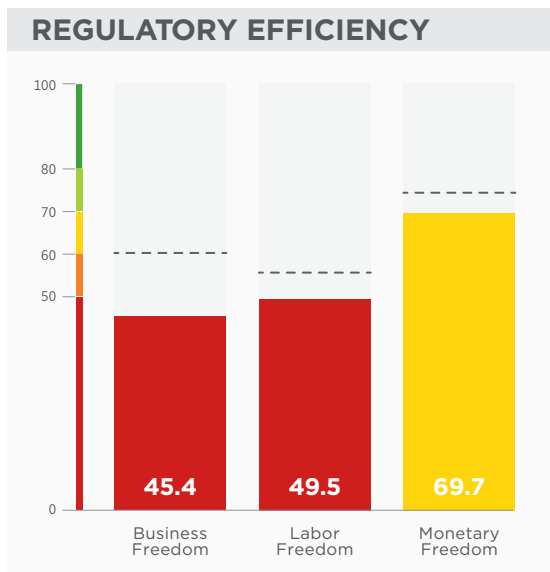
12 ECONOMIC FREEDOMS | GUINEA



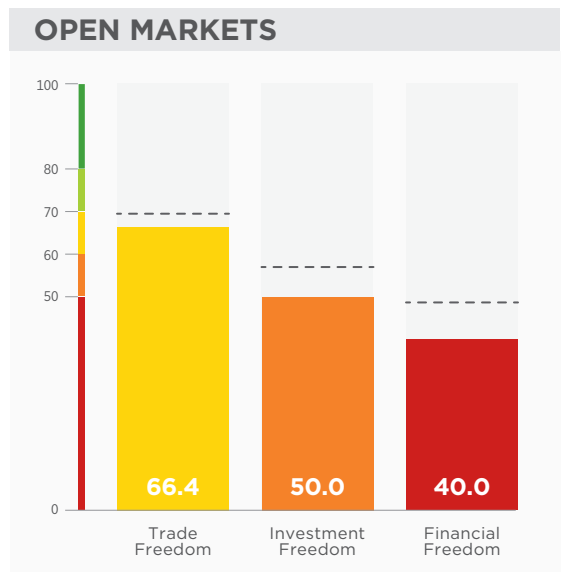
Property rights and ownership can be documented, but enforcement of those rights depends on a corrupt and inefficient legal and administrative system. The same piece of land can have several overlapping deeds. The judicial system is generally understaffed, corrupt, and opaque. The business and political cultures, coupled with low government salaries, encourage corruption. Requests for bribes are common.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 35 percent. The overall tax burden equals 15.6 percent of total domestic income. Government spending has amounted to 15.5 percent of total output (GDP) over the past three years, and budget deficits have averaged 1.7 percent of GDP. Public debt is equivalent to 41.4 percent of GDP.



Small and medium-sized businesses face severe financing constraints, and political unrest threatens business freedom. There is a shortage of electricity. The labor force suffers from a tremendous lack of specialized skills that is exacerbated by the poor educational system. Many mining workers are working in unsafe conditions. The government continues to subsidize electricity and other energy sources.



Guinea has two preferential trade agreements in force. The trade-weighted average tariff rate is 9.3 percent, and nontariff barriers discourage more dynamic trade. The law treats foreign and domestic investment equally, but government openness to foreign investment is below average. High credit costs and scarce access to financing hinder entrepreneurial activity, although bank credits to the private sector have increased.