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Guinea

Guinea: Scenarios

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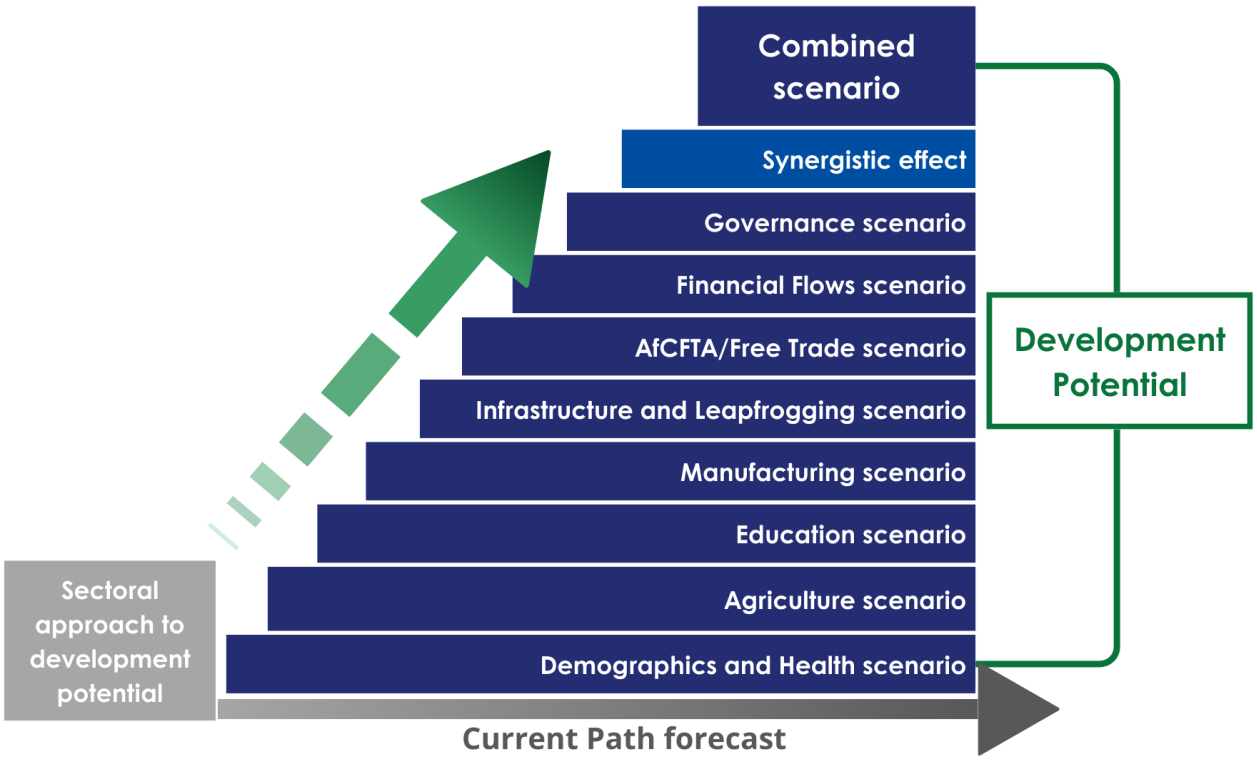
Briefly

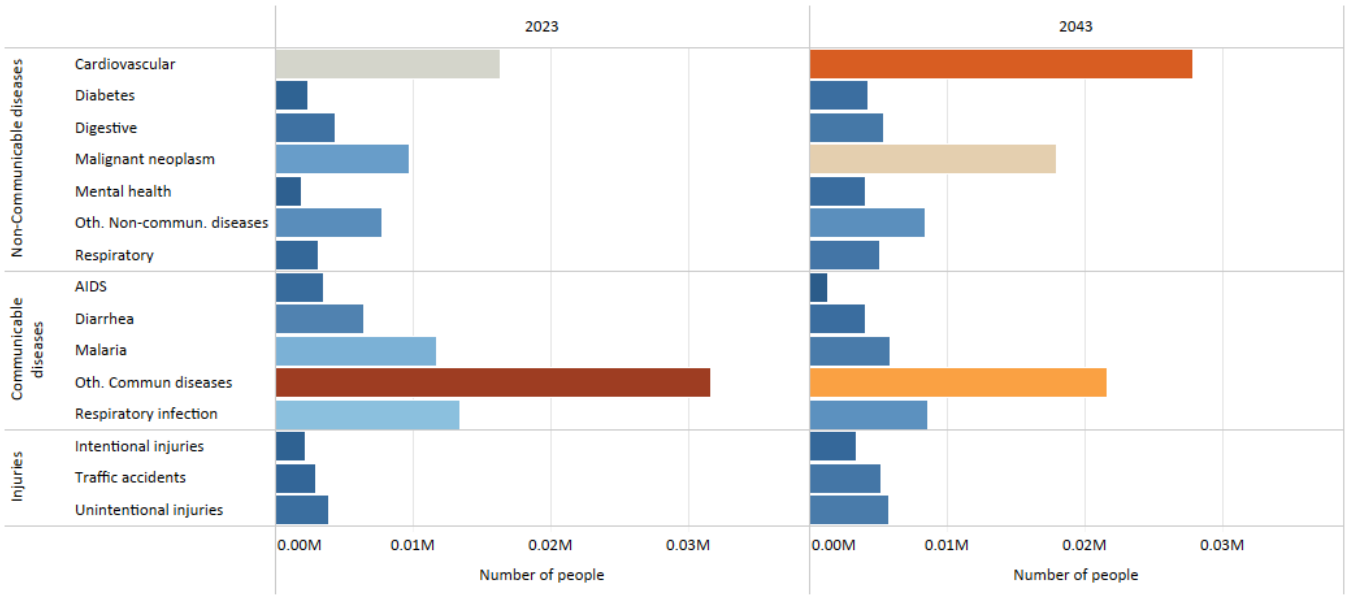
Chart 10: Relationship between Current Path and scenarios



The eight sectoral scenarios as well as their relationship to the Current Path and the Combined scenario are explained in the About Page. Chart 10 summarises the approach.

Demographics and Health scenario

Chart 11: Mortality distribution in the Current Path, 2023-2043



Source: IFs 8.34 initialising from IHME data

Chart 11 presents the mortality distribution in the Current Path for 2023 and 2043.

The Demographics and Health scenario envisions ambitious improvements in child and maternal mortality rates, enhanced access to modern contraception, and decreased mortality from communicable diseases (e.g., AIDS, diarrhoea, malaria, respiratory infections) and non-communicable diseases (e.g., diabetes), alongside advancements in safe water access and sanitation. This scenario assumes a swift demographic transition supported by heightened investments in health and water, sanitation, and hygiene (WaSH) infrastructure.

Visit the themes on Demographics and Health/WaSH for more detail on the scenario structure and interventions.

There is a close relationship between population size and health. A country's health status affects fertility, mortality and morbidity rates, while rapid population growth increases the demand for essential resources, including nutrition and healthcare.

Guinea faces significant health and demographic challenges shaped by its population dynamics, healthcare infrastructure and socioeconomic conditions. The Government of Guinea's Ministry of Health, through its National Health Development Plan (PNDS) 2015-2024, characterised the country's health system as weak. It highlights several critical challenges, including persistently high levels of morbidity and mortality, particularly among vulnerable groups such as mothers and new-borns; limited coverage of essential health services with questionable quality; inefficient and inequitable delivery of care; and significant obstacles in areas such as adequate equipment and infrastructure. The situation was further exacerbated by the 2014-2016 Ebola outbreak, leaving the health system still in recovery from its devastating effects.

Guinea has one of the highest mortality rates in Africa. Mortality distribution is influenced by a combination of communicable diseases (CDs) and non-communicable diseases (NCDs). CDs include malaria, lower respiratory infections, diarrhoea and HIV/AIDS. NCDs include cardiovascular, diabetes, digestive, malignant neoplasm and mental health.

In 2023, cardiovascular and lower respiratory infections were major contributors to death in Guinea. Cardiovascular remains the leading cause of death among the elderly. The lack of adequate healthcare access, particularly in rural areas, worsens the effects of these illnesses. Inadequate sanitation, unsafe drinking water and limited access to proper hygiene are major factors contributing to deaths from diarrheal diseases, particularly among children.

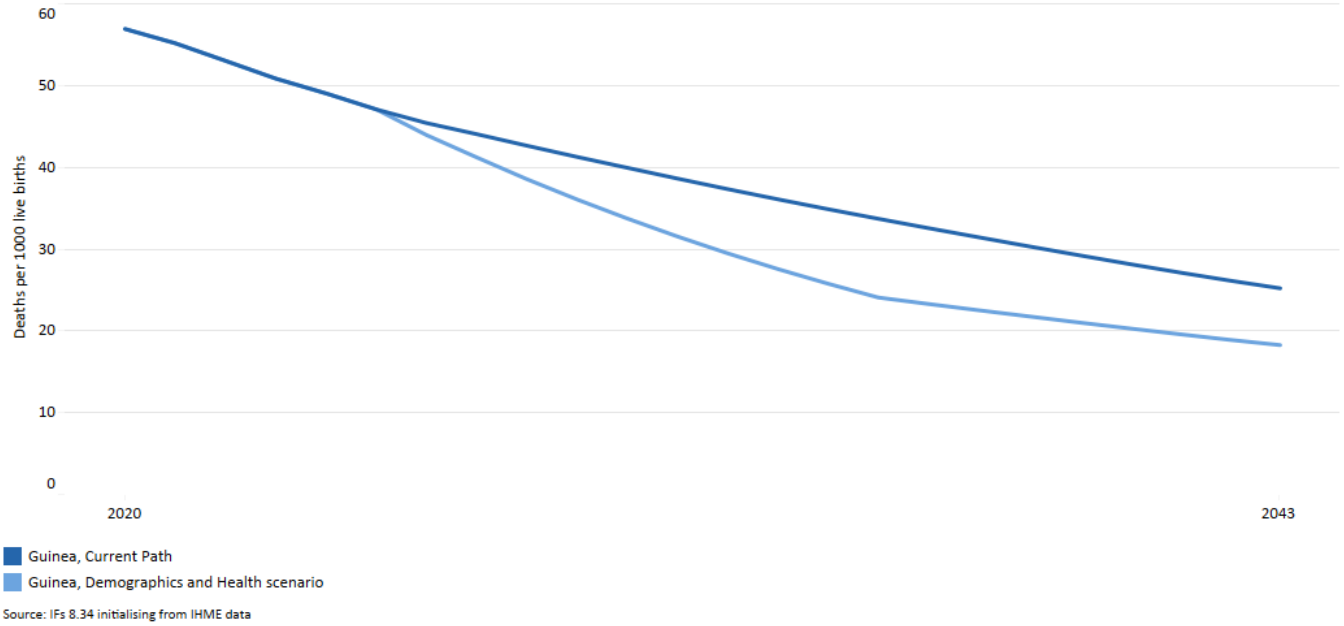
As of 2023, 32.1% of Guineans still lacked access to safely managed water, while only 13.7% of the population had access to safely managed sanitation. On the Current Path, by 2030, only 34.9% of the population will have access to safely managed water, and 18.9% to safely managed sanitation—falling significantly short of the SDG universal target of 98%.

However, recent initiatives, including the USAID June 2023 Project Notre Sante indicate a positive trajectory toward improvement. The stunting rate among children under the age of five has declined from 32.4% in 2016 to 29.2% in 2023, 2.6 percentage points above the average for lower-middle-income African countries. On the Current Path, Guinea's stunting rate is projected to reach 24.7 percent by 2030 (on track to meet the SDG target) and further reduce to 17.5 percent by 2043.

Maternal mortality has declined significantly, from 626 deaths per 100 000 live births in 2016 to 502.2 in 2023. However, this rate remains higher than the average for both lower-middle-income African countries and the continent as a whole. The reduction in maternal mortality can be attributed to various factors, including improvements in healthcare systems, policies and community engagement. On the Current Path, Guinea's maternal mortality rate will decline further, reaching 420 deaths per 100 000 live births by 2030—significantly above the SDG target of fewer than 70 deaths per 100 000 live births—and 236.8 deaths per 100 000 live births by 2043.

With a declining trend in deaths from CDs and a rising trend in deaths from NCDs, Guinea is expected to experience its epidemiological transition by 2032, when NCDs-related death rates will surpass those from CDs. This transformation is driven by demographic shifts, urbanisation, changing lifestyles, and improved access to healthcare. The growing burden of NCDs poses significant challenges for Guinea's healthcare system given the higher costs associated with treating NCDs, requiring substantial investments to build the capacity needed to address this evolving health landscape.

Chart 12: Infant mortality rate in the Current Path and Demographics and Health scenario, 2020-2043



Source: IFs 8.34 initialising from IHME data

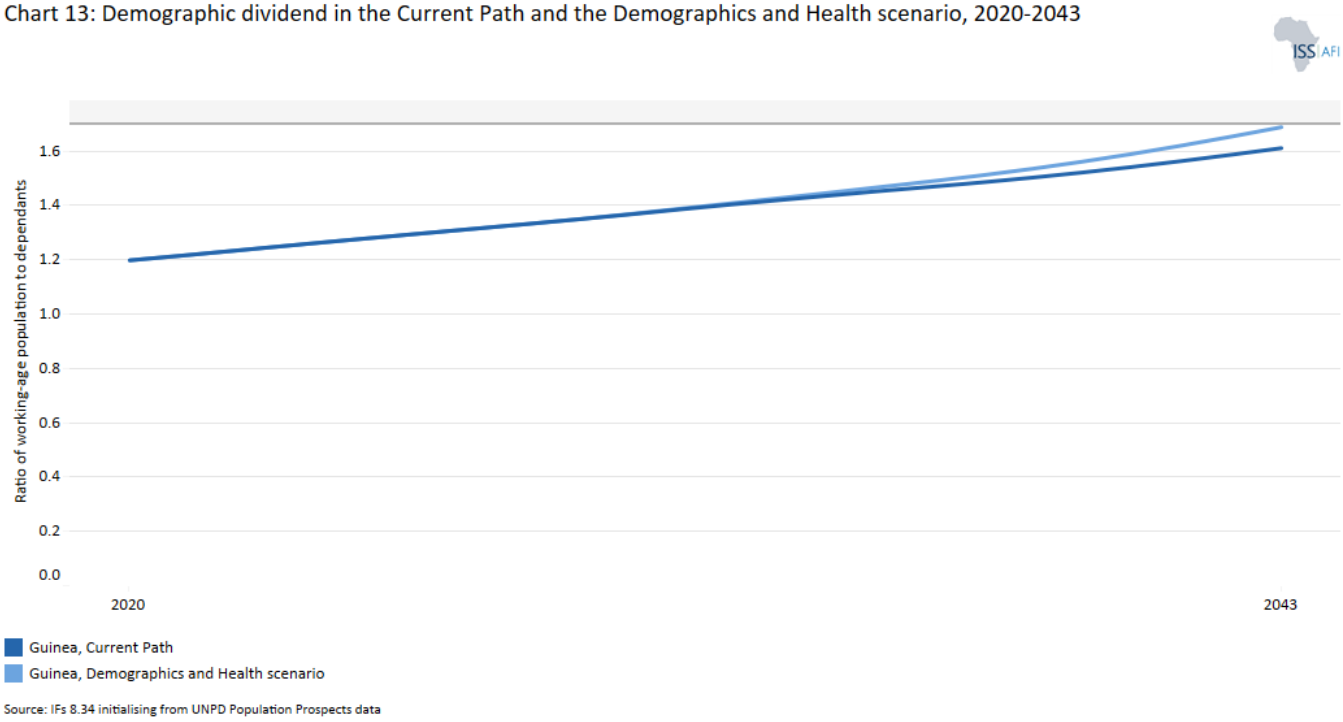
Chart 12 presents the infant mortality rate in the Current Path and in the Demographics and Health scenario, from 2020 to 2043.

The infant mortality rate is the probability of a child born in a specific year dying before reaching the age of one. It measures the child-born survival rate and reflects the social, economic and environmental conditions in which children live, including their health care. It is measured as the number of infant deaths per 1 000 live births and is an important marker of the overall quality of the health system in a country.

Infant mortality in Guinea has decreased from approximately 63.3 deaths per 1 000 live births in 2016 to about 50.9 deaths in 2023. On the Current Path, it will decline further to around 40 deaths per 1 000 live births by 2030, falling short of the SDG target of 25 deaths per 1 000 live births. Guinea is forecast to meet this target only by 2043 on the Current Path.

The interventions in the Demographics and Health scenario mean that infant mortality rate decrease to 33.8 deaths per 1 000 live births in 2030 and further decline to 18.3 deaths per 1 000 live births in 2043, implying much more rapid progress although still significantly below that required to achieve the SDG target.

Chart 13: Demographic dividend in the Current Path and the Demographics and Health scenario, 2020-2043



Source: IFs 8.34 initialising from UNPD Population Prospects data

Chart 13 presents the demographic dividend in the Current Path and in the Demographics and Health scenario, from 2020 to 2043.

The demographic dividend is the window of economic growth opportunity that opens when the ratio of working-age persons to dependants increases to 1.7 to 1 and higher.

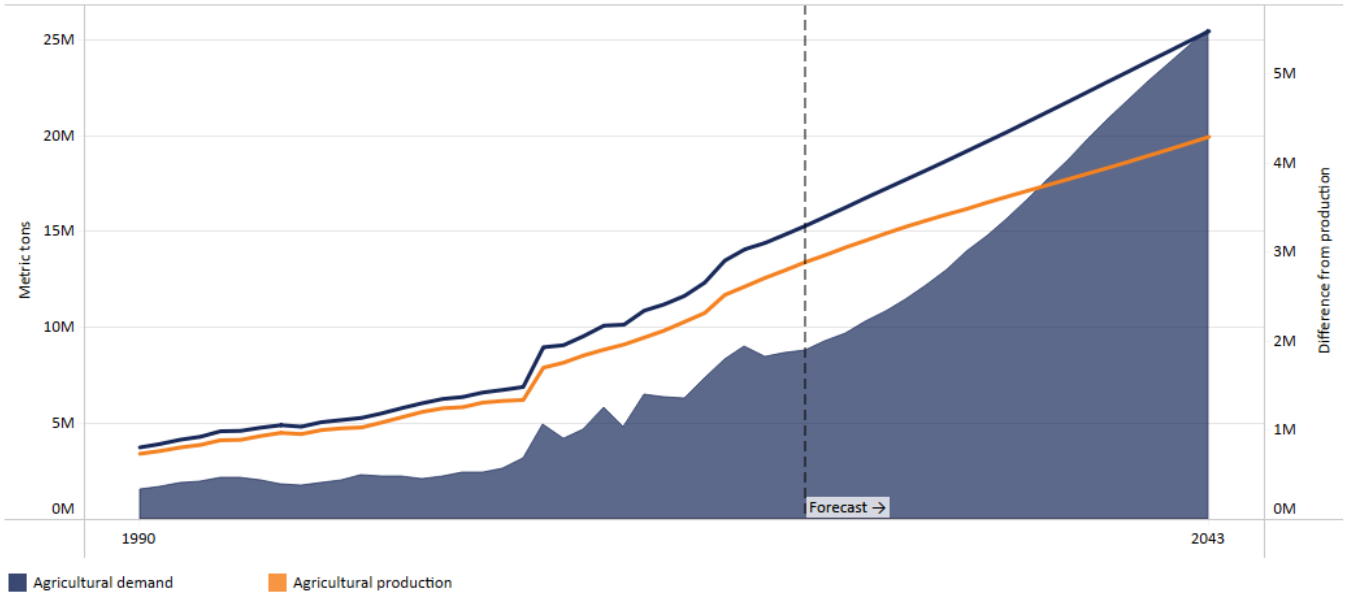
The demographic dividend, which refers to potential economic growth resulting from changes in a country's population structure, is influenced by factors such as declining fertility rates and improvements in health and education. With fewer dependants to support, families and governments can allocate more resources to savings, education, infrastructure and economic development, driving accelerated growth.

In 2023, Guinea's ratio was estimated at about 1.2 people of working age for each dependant. On the Current Path, the ratio increases to about 1.4 by 2030 and further increases to 1.6 by 2043. Guinea will enter its first demographic window of opportunity by 2047, when the ratio will reach 1.7:1.

The implementation of the Demographics and Health scenario will accelerate the demographic transition in Guinea. In the scenario, the ratio of the working-age population to dependants will reach the 1.7 threshold by 2043. However, attaining the demographic dividend does not automatically translate to economic growth; the Guinea government must ensure that the growing labour force is adequately skilled and effectively integrated into the economy.

Agriculture scenario

Chart 14: Crop production and demand in the Current Path, 1990-2043
Area chart show demand less production



Source: IFs 8.34 initialising from FAO food balance sheets data

Chart 14 presents crop production and demand in the Current Path from 1990 to 2043.

The Agriculture scenario envisions an agricultural revolution that ensures food security through ambitious yet feasible increases in yields per hectare, thanks to improved management, seed, fertiliser technology, and expanded irrigation and equipped land. Efforts to reduce food loss and waste are emphasised, with increased calorie consumption as an indicator of self-sufficiency and prioritising it over food exports. Additionally, enhanced forest protection signifies a commitment to sustainable land use practices.

Visit the theme on Agriculture for our conceptualisation and details on the scenario structure and interventions.

The agriculture sector in Guinea plays a crucial role in the country's economy and livelihoods, it is a cornerstone of food security, poverty reduction, employment and economic development, particularly for rural populations. Guinea's agriculture sector is the country's largest employer, provides employment for 52% of the labour force, income for 57% of rural households and accounted for 27.3% of the country's GDP in 2022.

Guinea's major crops include cassava, cocoa, coffee, cotton, maize, millet, sorghum, palm oil and various fruits and vegetables such as bananas, pineapples, mangoes and potatoes. The country has considerable potential for growth in the agricultural sector. Soil, water and climatic conditions provide opportunities for large-scale irrigated farming and agro-processing.

However, the country's agricultural production largely depends on rain-fed farming, with most farmers relying on seasonal rainfall due to limited irrigation infrastructure. This reliance on rain-fed agriculture makes the sector highly vulnerable to climate change, including droughts and irregular rainfall, which can significantly impact yields and food security.

Enhancing irrigation systems and implementing effective water management strategies are essential to addressing these

challenges and boosting agricultural productivity.

Guinea has an estimated 15.5 million hectares of arable land, of which 3.85 million hectares (25%) are farmed, and 10% are cultivated annually. In 2023, 20 300 hectares of land were under irrigation. On the Current Path, this area will decrease slightly to 20 000 hectares by 2030 before modestly rising to 20 200 hectares by 2043. The decline in irrigated land in Guinea is primarily due to inadequate maintenance and the lack of modernisation, which reduce the functionality and efficiency of irrigation infrastructure.

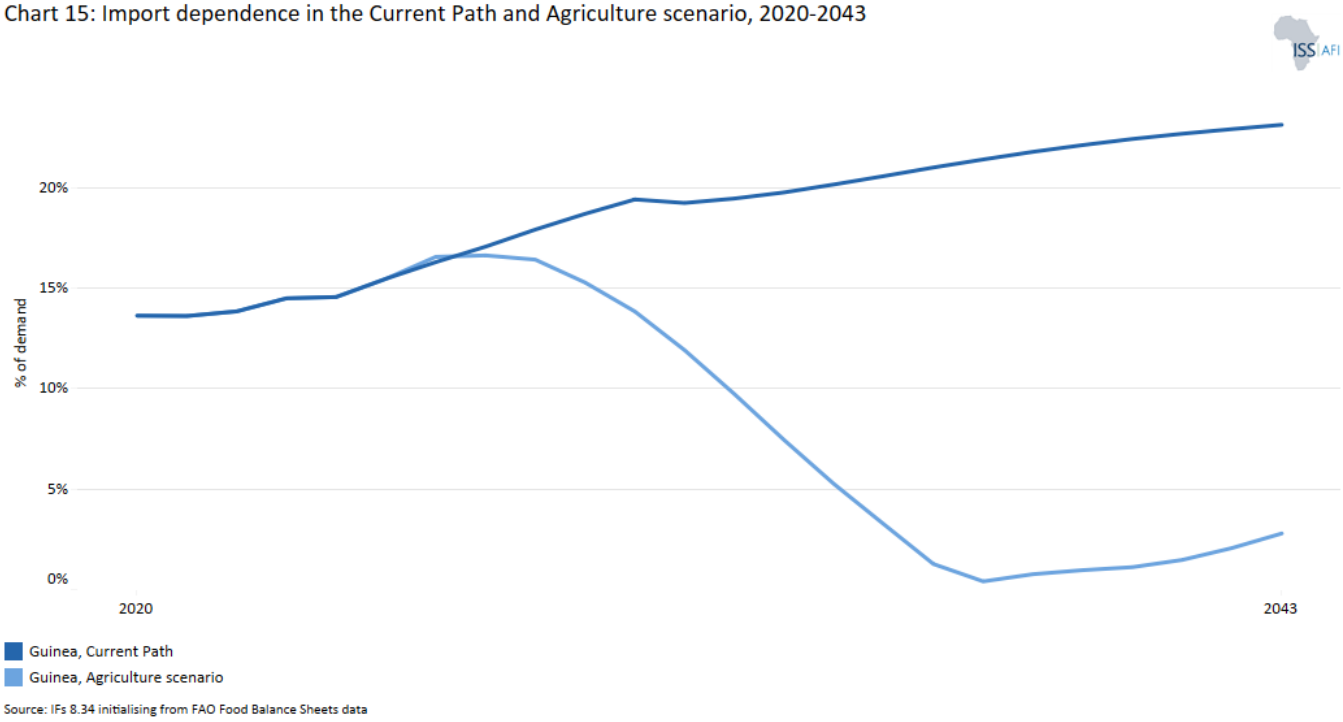
Guinea's national budget allocated to agriculture is limited. In 2024, the Guinean government doubled its allocated funding for the agriculture sector to US$30 million. Despite this increase, the allocation remains relatively low compared to the sector's significance in the economy and given the total government budget for 2024 which was around US$15.4 billion – it represented about 0.2% of the total budget. This allocation falls short of the AU's Comprehensive Africa Agriculture Development Programme (CAADP) recommendation, which advises member countries to allocate at least 10% of their national budgets to agriculture and rural development and to achieve agricultural growth rates of at least 6% per annum. However, the government has committed to allocating 12.5% of its budget to agriculture, compared with the current percentage.

In 2023, Guinea's agricultural yield was estimated at 3.6 tons per hectare, placing it 22nd among 54 African nations. These yields represented a 29.4% improvement from 2.8 tons per hectare in 2016 but remains relatively low. By 2030, crop yields will increase to about 4 tons per hectare and further to around 4.7 tons per hectare by 2043 on the Current Path.

In 2023, Guinea produced an estimated 13.4 million metric tons of crops, falling short of the estimated crop demand of 15.3 million metric tons, resulting in a deficit of 1.9 million metric tons. However, this represents a substantial increase in production compared to the 9.8 million metric tons produced in 2016.

On the Current Path, Guinea’s crop production will increase to 15.9 million metric tons in 2030, while the demand will be 18.7 million metric tons - resulting in a deficit of 2.8 million metric tons. By 2043, the deficit is anticipated to widen further to 5.5 million metric tons, with demand reaching 25.4 million metric tons and production at 19.9 million metric tons. This growing shortfall will heighten the country's reliance on imports, with import dependency increasing from 14.6% of demand in 2023 to 19.4% by 2030 and further to 22.8% by 2043.

Chart 15: Import dependence in the Current Path and Agriculture scenario, 2020-2043



Source: IFs 8.34 initialising from FAO Food Balance Sheets data

Chart 15 presents the import dependence in the Current Path and the Agriculture scenario, from 2020 to 2043.

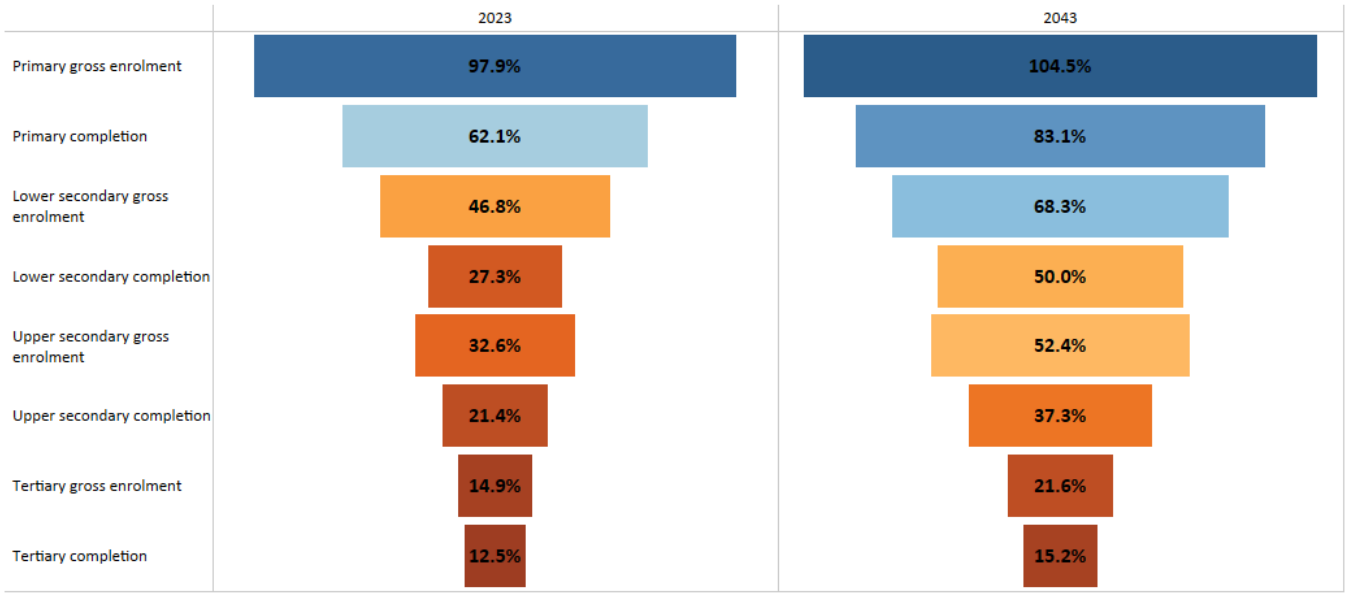
The agriculture scenario will benefit Guinea by increasing yields, reducing vulnerable rain-fed crops through irrigation schemes, reducing post-harvest losses and tapping into the country's agricultural potential.

In the Agriculture scenario, average crop yields will rise to 4.5 metric tons per hectare by 2030, representing a 12% increase compared to the Current Path. By 2043, yields would reach 5.9 metric tons per hectare, reflecting a 27.4% increase relative to the Current Path for that year.

The Agriculture scenario significantly reduces crop import dependency, lowering it to approximately 13.6% of demand by 2030, compared to 19.4% in the Current Path. By 2043, import dependency will decline to just 1.4% of demand, representing a 93.9% reduction compared to the Current Path for that year.

Education scenario

Chart 16: Progress through education funnel in the Current Path, 2023-2043



Source: IFs 8.34 initialising from Barro-Lee data

Chart 16 depicts the progress through the educational system in the Current Path, for 2023 and 2043.

The Education scenario represents reasonable but ambitious improvements in intake, transition, and graduation rates from primary to tertiary levels and better quality of education at primary and secondary levels. It also models substantive progress towards gender parity at all levels, additional vocational training at the secondary school level, and increases in the share of science and engineering graduates.

Visit the theme on Education for our conceptualisation and details on the scenario structure and interventions.

The age structure of a population, particularly one with a high proportion of youth, calls for significant investments in education to promote economic growth and social development. Greater investment in quality education is crucial for reducing poverty and managing population growth, especially when every child has a chance to benefit from it.

Guinea, like many other African countries, is experiencing a learning crisis. According to estimates from the World Bank, UNESCO and other organisations, 83% of children face learning poverty (inferior education quality), meaning they cannot read and comprehend an age-appropriate text by age 10. This issue is partly due to the significant number of out-of-school children who miss the opportunity to develop reading proficiency. Learning poverty is one of the factors contributing to low educational attainment. Addressing this crisis requires a strong focus on improving the quality of education delivered in schools.

Inadequate school infrastructure remains a significant concern in Guinea. Despite the Guinean government's pledge to align its education budget with international standards by increasing it to 4-6% of GDP (or 15-20% of public expenditure), the allocation has been steadily declining from 2.4% of GDP in 2020 to slightly less than 2% in 2022 - getting close to an all-time low.

Poorly equipped classrooms, libraries and sanitation facilities significantly impact the quality of education and discourage children from attending school. Many schools, particularly in rural areas, struggle with a shortage of essential learning materials, including textbooks, reference resources and teaching aids, which undermines the effectiveness of both teaching and learning. The country's primary education system has a pupil-teacher ratio of approximately 80:1, indicating that there were about 80 students per teacher, significantly higher than the global average of 24:1 in the same year. The SDG goal 4 emphasises improving teacher recruitment, training and working conditions to address pupil-teacher imbalances and enhance educational quality.

Prior to independence, Guinea's education system was modelled on that of its colonial ruler, France. All schools were nationalised in 1961. The current education structure is largely modeled after the French system and is similar to other countries in the region, with schooling comprising four levels (pre-primary school, primary school, secondary school, and tertiary level).

French remained the primary language of instruction from primary to tertiary level. While indigenous languages are widely spoken in daily life, French serves as the medium for teaching, government administration and formal communication.

Pre-primary education in Guinea, designed to prepare children aged 3 to 4 years for primary school, is generally fee-based and highly concentrated in urban areas. This limits access for many families, particularly those in rural regions or from low-income households.

Primary school education is free and compulsory for all children between the ages of 7 and 13, but net enrolment was only 80.9% (86.6% for boys and 74.9% for girls) in 2023, about 5.5 percentage points below the average for lower-middle-income African countries in the same year. Primary school enrolment spans 6 years, although in practice many rural children never even get this far. The completion rate was estimated at 62.1% (68.2% for boys and 55.7% for girls) in 2023, significantly lower than the average of 85% for lower-middle-income African countries in the same year.

On the Current Path, Guinea's net primary enrolment will reach 85.5% (90.5% for boys and 80.3% for girls) by 2030 and further increase to 90.6% (92.4% for boys and 88.6% for girls) by 2043. These forecasts indicate that Guinea is unlikely to achieve the SDG target of at least 97% net primary enrolment and gender parity in primary education by 2030, or even by 2043.

The primary completion rate will increase to 73.2% (76.2% for boys and 70.1% for girls) in 2030 and to 83.1% (84.5 for boys and 81.6% for girls) by 2043, remaining below the SDG target of 97% by 2030, and even by 2043.

Secondary education comprises lower- and upper-secondary levels, both spanning three years. The gross enrolment for lower- and upper-seconday education was 46.8% and 32.6%, respectively, in 2023. The gross enrolment for lower education will increase to 57% in 2030 and further to 68.3% by 2043. Upper-secondary gross enrolment will reach 39.5% in 2030 and 52.4% by 2043.

However, the gross enrolment rates for Guinea secondary education indicate gender gaps, with 39.7% of female enrolment in lower-secondary level compared to 53.6% for males in 2023. For the upper-secondary level, the gap was less compared to the lower level, with 27.3% of females relative to 37.8% males in 2023.

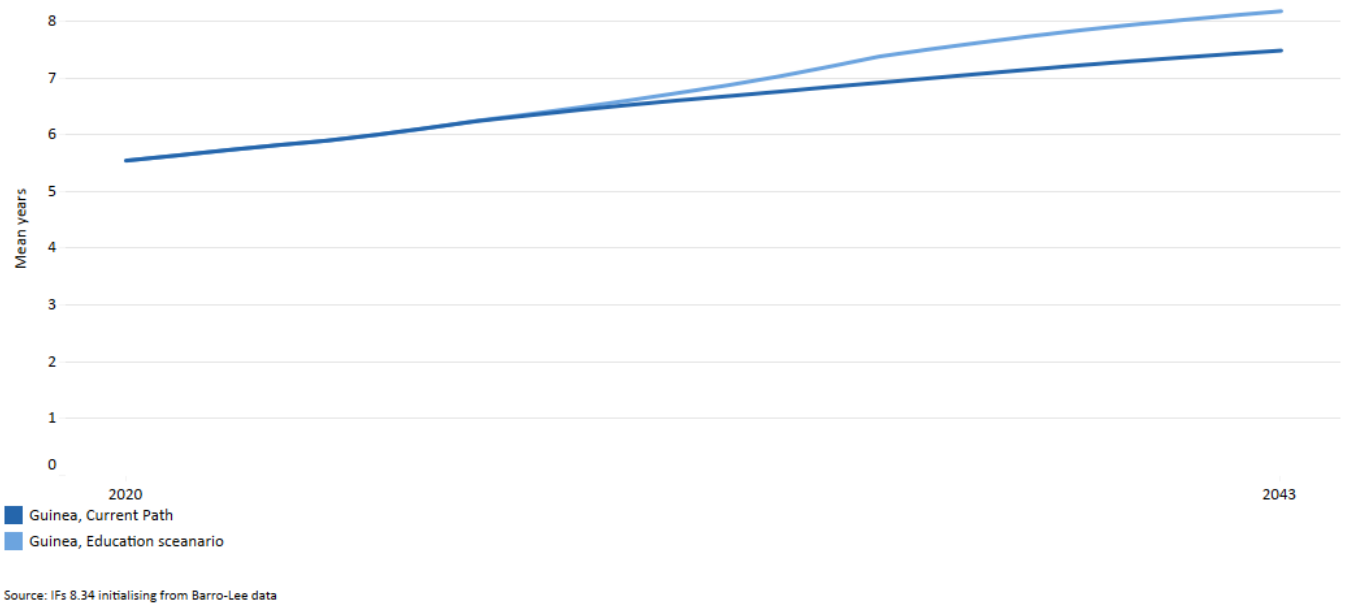
The completion rates for lower- and upper-secondary education reveal considerable dropouts and continuous gender gaps. In 2023, the lower-secondary completion rate was 27.3% (32.4% for males and 22% for females), while the upper-secondary completion rate was 21.4% (26.2% for males and 16.5% for females). Low education completion, particularly for girls, is due in part to relatively high levels of child marriage and early childbearing. Guinean girls often face the challenge of being withdrawn from school to care for younger siblings or assist with cooking and other household

chores. This disrupts their ability to keep up with schoolwork and significantly increases the risk of dropping out entirely. Guinean girls remain in school for an average of only 8 years.

Because of low completion and transition rates in lower- and upper-secondary education, fewer Guinean students are eligible for tertiary education levels and the resultant outcomes get poorer, which in turn reduces human capital accumulation. The gross tertiary enrolment rate is just about 14.9% (17.2% for males and 12.5% for females.

Chart 17: Mean years of education in the Current Path and Education scenario, 2020-2043

15 to 24 year age group



Source: IFs 8.34 initialising from Barro-Lee data

Chart 17 presents the mean years of education in the Current Path and in the Education scenario, from 2020 to 2043, for the 15 to 24 age group.

The average years of education in the adult population aged 15 to 24 is a good indicator of the stock of human capital in a country. Guinea has one of the lowest in the world, at five years (6.4 years for males and 3.9 years for females) in 2023. The country ranked 37th in Africa in 2023. Guinea's quality of learning is also a major challenge, with 42.2% of the population 15 years and older being illiterate in 2023. This continues to be one of the major challenges facing its education system.

However, on the Current Path, the average years of education in the adult population (15-24 years of age) will increase to about 6.5 years (6.8 years for males and 6.2 years for females) in 2030 and further increase to 7.5 years (7.5 years for males and 7.4 years for females) in 2043.

The implementation of the Education scenario would improve the mean years of education for adults aged 15 to 24 in Guinea to about 6.6 years (6.9 years for males and 6.3 years for females) in 2030 and further to 8.2 years (for both males and females) by 2043 - closing the gender gap.

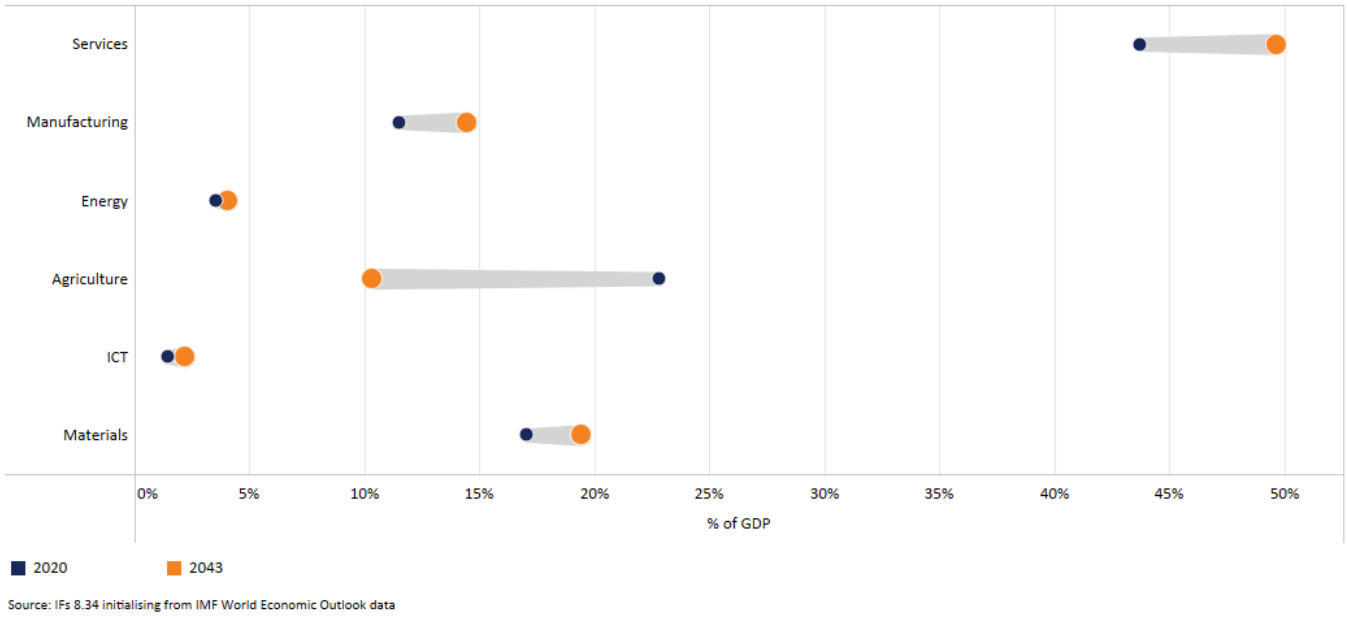
Guinea's labour market predominantly demands unskilled labour due to the country's low economic complexity. This reflects an economy heavily reliant on sectors like agriculture and mining, which typically require less specialised skills and

training. As a result, opportunities for skilled or highly technical roles are limited, hindering the development of a more diverse and advanced workforce. However, as economic complexity grows, the demand for skilled labour, particularly in the formal sector, is expected to increase.

The Education scenario could help address some of these challenges. In this scenario, the proportion of science and engineering students among tertiary graduates in Guinea will increase to 18% by 2030, a 0.5 percentage point increase compared to the Current Path. By 2043, this figure will rise further to 18.6%, which will be one percentage point higher than the Current Path for that year.

Manufacturing scenario

Chart 18: Value-add by sector as % of GDP in the Current Path, 2020-2043



Source: IFs 8.34 initialising from IMF World Economic Outlook data

Chart 18 presents the value-add by sector as share of GDP in the Current Path, for 2023 and 2043.

In the Manufacturing scenario, reasonable but ambitious growth in manufacturing is envisaged through increased investment in the sector, research and development (R&D), and improved government regulation of businesses. This aims to enhance total labour participation rates, particularly among females where appropriate and is accompanied by increased welfare transfers to unskilled workers to mitigate the initial rises in inequality typically associated with a low-end manufacturing transition.

Visit the theme on Manufacturing for our conceptualisation and details on the scenario structure and interventions.

Guinea's manufacturing sector remains underdeveloped despite the country's abundance of natural resources, contributing only a small fraction of the country's GDP. The sector is largely centred on small-scale industries with limited competitiveness at regional or global levels. The sector is highly concentrated in agro-processing, resource-based and light manufacturing, which includes basic processing of bauxite, textiles, soap and furniture production. Inadequate energy supply and poor transportation networks hinder the sector's growth.

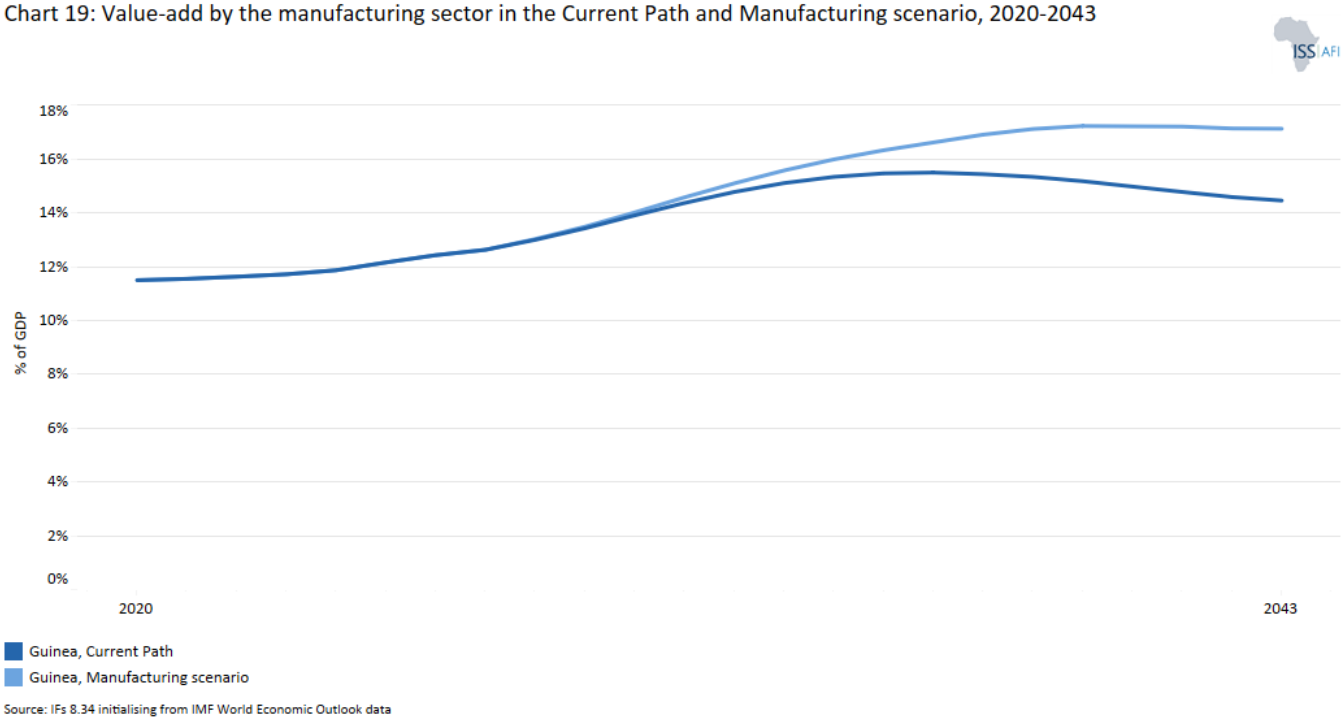
In 2023, Guinea's manufacturing sector contributed 11.7% to the national economy, slightly below the average for lower-middle-income African countries in the same year. The sector's growth trend in value-added as percentage of GDP indicates a slight decline over time, as its share of GDP was 12.7% in 2008 and 12.1% in 2015. In terms of employment, the sector represents a small portion of the workforce, with its share decreasing from 3% in 2009 to 2.5% of total employment in 2019.

Since Guinea is rich in natural resources, its potential lies in the value-added processing of these raw materials (e.g., aluminium, iron ore, gold and diamonds) and the creation of downstream and upstream value chains around these abundant natural resources. The government of Guinea must prioritise investments and implement robust sectoral

policies, focusing on high-value-added activities, agro-based value chains and renewable energy. Addressing challenges related to infrastructure, access to finance and skills development is essential to unlocking the sector's full potential and enhancing Guinea's competitiveness in regional and global markets.

However, industrialisation is a long-term process that relies on strong, constructive partnerships between the state and the private sector. Firms benefit from a state with the capacity to establish a clear economic vision and strategy, efficiently deliver supportive infrastructure and services, maintain a regulatory environment that fosters entrepreneurship, and facilitate access to skilled labour, advanced technology, and new markets for economic diversification.

Chart 19: Value-add by the manufacturing sector in the Current Path and Manufacturing scenario, 2020-2043



Source: IFs 8.34 initialising from IMF World Economic Outlook data

Chart 19 presents the contribution of the manufacturing sector to GDP in the Current Path and in the Manufacturing scenario, from 2020 to 2023. The data is in US$ and % of GDP.

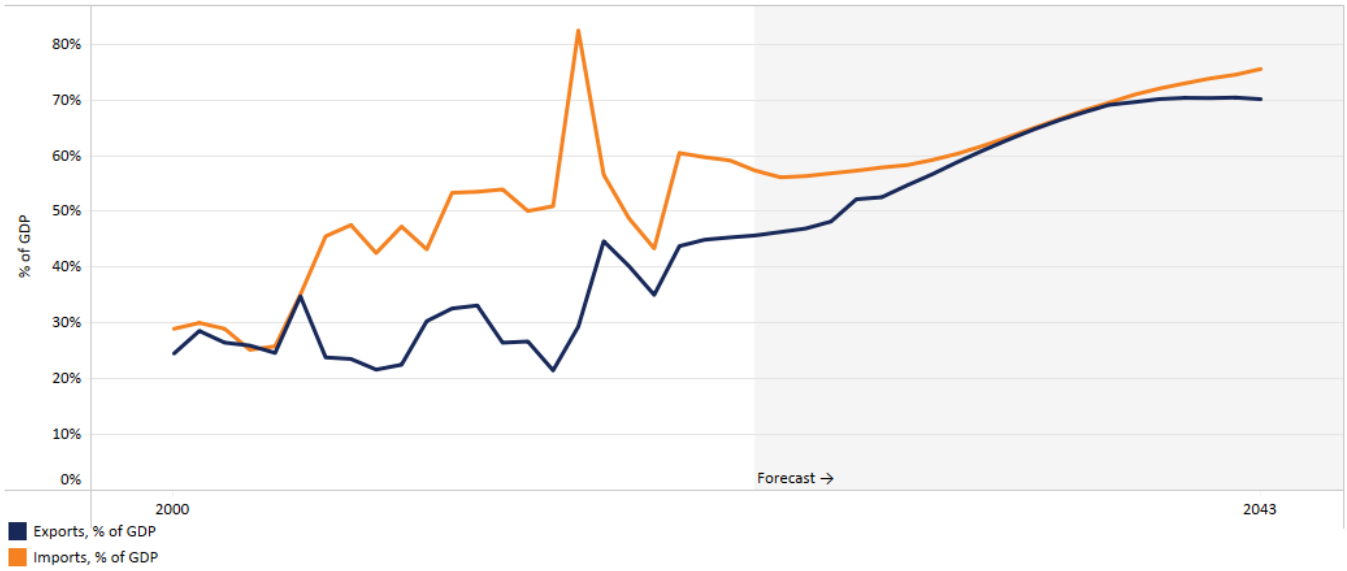
On the Current Path, the manufacturing sector's share of Guinea's GDP will rise to 13.9% by 2030 and 14.5% by 2043. However, these figures remain below the forecasted averages of 14.8% in 2030 and 17.2% in 2043 for lower-middle-income African countries.

The Manufacturing scenario increases the size of Guinea's economy by 14% (to US$2.8 billion instead of US$2.7 billion) in 2030 and by 17.1% (to around US$7 billion instead of US$5.6 billion) in 2043. In addition to a larger economy, the scenario also contributes to reducing extreme poverty. By 2030, the number of people living below the poverty line of US$2.15 per day will decrease to 2.1 million (12.5% of the population), compared to 2.2 million (12.7%) under the Current Path.

However, the poverty rate will remain significantly above the SDG target of 3% of the population by 2030. By 2043, extreme poverty is forecast to decline to 2.2% of the population, equivalent to 500 000 people—about 162 000 fewer than the Current Path for that year.

AfCFTA scenario

Chart 20: Export and imports as % of GDP in the Current Path, 2000-2043



Source: IFs 8.34 initialising from WDI data

Chart 20 depicts exports and imports as a percentage of GDP, from 2000 to 2043, in the Current Path and in the AfCFTA scenario.

The AfCFTA scenario represents the impact of fully implementing the African Continental Free Trade Agreement by 2034. The scenario increases exports in manufacturing, agriculture, services, ICT, materials and energy exports. It also includes improved multifactor productivity growth from trade and reduced tariffs for all sectors.

Visit the theme on AfCFTA for our conceptualisation and details on the scenario structure and interventions.

Guinea is an open economy and trades globally. However, its economy is highly vulnerable to fluctuations in global commodity prices due to its heavy reliance on primary and resource-based exports. These goods are not only prone to global market volatility but also lack strong economic linkages and technological dynamism. In 2022 (the latest available historical data), Guinea's exports accounted for 43.7% of the country's GDP (equivalent to about US$5.8 billion), highlighting this higher dependence. This is mainly due to the country's limited development of national value chains.

This high dependency represents a significant risk for sustainable economic growth. The more the economy relies on primary and resource-based exports, the more vulnerable it is to external shocks such as changes in global demand and prices. In 2022, gold and aluminium ore - Guinea's top two exported products - accounted for 95% of total exports, which are both highly exposed to global market volatility.

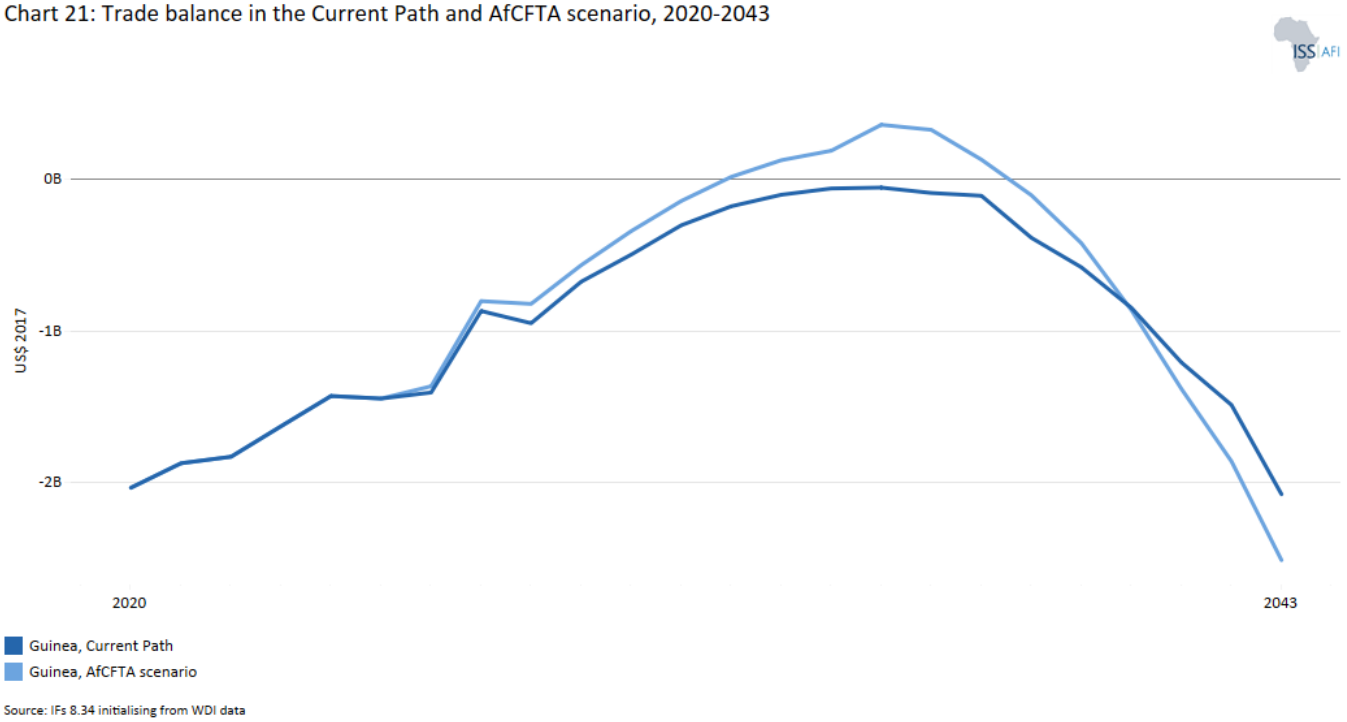
Generally, a good indicator for assessing how a country's export composition is concentrated (or diversified) is by calculating the cumulative share of its top five exported products. A higher share indicates a highly concentrated export composition structure, while lower shares indicate a more diversified. In 2022, Guinea's top five export products—gold (50.3%), aluminium ore (44.7%), coconuts/nuts/cashews (1%), cocoa beans (0.7%) and non-fillet frozen fish (0.4%)—accounted for 97.1% of the country's total exports. Guinea ranked as the world's largest exporter of aluminium ore

in 2022. The exports were mostly destined to China (36.6%), India (26.6%), United Arab Emirates (24.9%), Switzerland (3.3%) and Spain (2%).

It is crucial for Guinea to develop an industrial strategy that balances domestic and external markets by diversifying the economy while ensuring the basic needs of its population are met. Resource-rich countries like Guinea often face the risk of becoming overly reliant on the production and export of a limited range of primary goods. Productive and export composition diversification is a crucial driver of economic development, particularly for economies in the early stages of growth.

In 2022, Guinea's imports accounted for 63.8% of the country's GDP (equivalent to about US$8.4 billion), creating a trade deficit of about 20.1% of GDP (equivalent to about US$2.7 billion) in the same year. The top five imported products were refined petroleum (13%), rice (4.9%), wheat (2%), rolled tobacco (1.9%), motorcycles and cycles (1.9%), imported mostly from China (37.3), India (9.7%), Netherlands (7.7), United Arab Emirates (4.2%) and Belgium (3.8%). Since Guinea is far removed from the world technological frontier, it has to import industrial goods in order to boost productivity in the manufacturing sector.

Chart 21: Trade balance in the Current Path and AfCFTA scenario, 2020-2043



Source: IFs 8.34 initialising from WDI data

Chart 21 presents the trade balance in the Current Path and in the AfCFTA scenario, from 2020 to 2043 as a percentage of GDP.

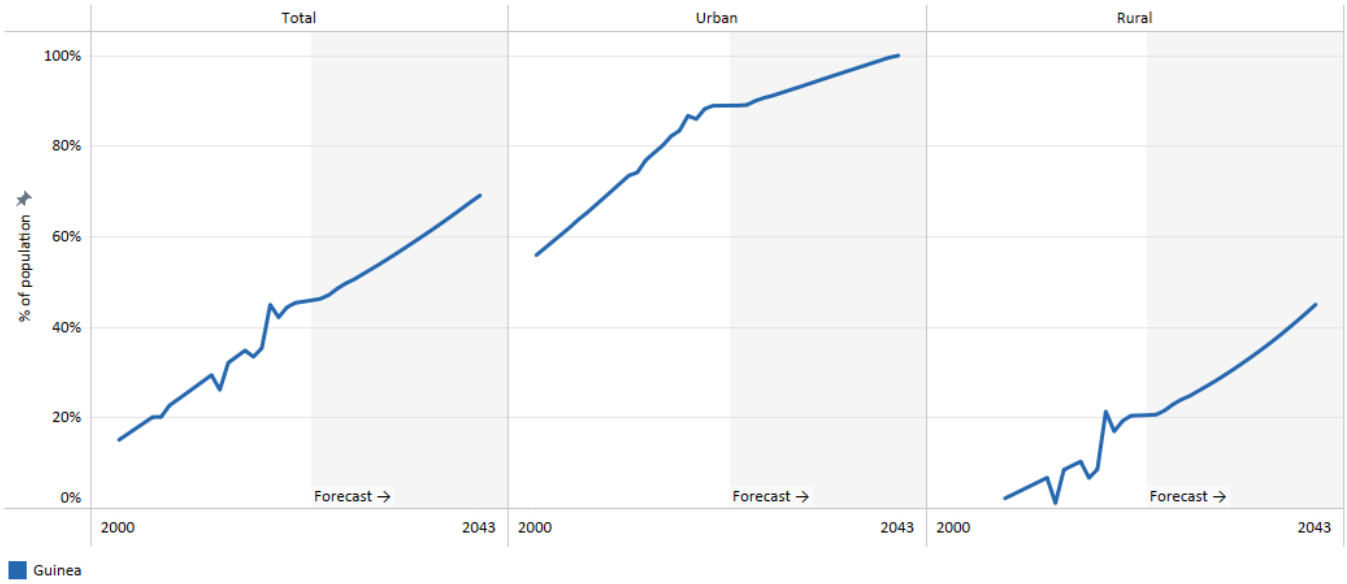
Guinea's trade balance is structurally in deficit— a trend which is likely to persist over the forecast horizon. On the Current Path, the trade deficit will likely be equivalent to about 2.6% of GDP (about US$0.5 billion) by 2030 and will widen further to 5.4% of GDP (around US$2.1 billion).

The AfCFTA represents a major opportunity for African countries, including Guinea, to overcome the constraints of narrow domestic markets and boost exports, as tariff and non-tariff barriers are eliminated. In the AfCFTA scenario, the value of Guinea's total exports will be US$0.5 billion larger than the Current Path in 2030 and US$4 billion larger in 2043. These gains will, however, require major efforts to reduce the burden on businesses and traders to cross borders quickly and safely without having to pay bribes or face bureaucratic delays.

In the AfCFTA scenario, Guinea will record a trade deficit equivalent to 1.7% of GDP (US$0.3 billion) by 2030 and 5.8% (US$2.5 billion) in 2043. This indicates that the AfCFTA will likely widen Guinea's trade deficit compared to the Current Path, as it facilitates a higher inflow of imports relative to exports.

Large Infrastructure and Leapfrogging scenario

Chart 22: Electricity access: urban, rural and total in the Current Path, 2000-2043



Source: IFs 8.34 initialising from WDI data

Chart 22 presents the Current Path of access to electricity for urban, rural and the total population from 2000 to 2043.

The Large Infrastructure and Leapfrogging scenario involves ambitious investments in road and renewable energy infrastructure, improved electricity access and accelerated broadband connectivity. It emphasises adopting modern technologies to enhance government efficiency and incorporates significant investments in major infrastructure projects like rail, ports, and airports while highlighting the positive impacts of renewables and ICT.

Visit the themes on Large Infrastructure and Leapfrogging for our conceptualisation and details on the scenario structure and interventions.

Guinea, like many West African countries, faces significant infrastructure deficit challenges, including poor roads, transportation systems, inadequate electricity supply, limited water and sanitation facilities, and limited mobile and internet communication services. These challenges impede domestic and regional trade, discourage domestic and foreign investment, and reduce the country's global competitiveness. As a result, economic growth and social well-being are significantly hampered. Addressing these challenges is essential to unlocking Guinea's economic potential.

In 2024, Guinea was ranked 33rd out of 54 African countries on the African Infrastructure Development Index (AIDI). Inadequate infrastructure coverage and low-quality services drive up transaction costs and reduce the returns on capital and labour, discouraging both domestic and foreign investment while limiting economic growth. Insufficient infrastructure also negatively impacts poverty reduction.

Guinea's road and rail infrastructure is underdeveloped, with many roads unpaved and poorly maintained, especially in rural areas - restricting trade and slowing economic integration. As of 2023, only about 8% of Guinea's total roads (approximately 3 484 km) were paved, significantly below the 38.6% average for lower-middle-income African countries. Additionally, just 17% of the rural population has access to all-season (or all-weather) roads within two kilometers. Given

that over 60% of Guinea's population resides in rural areas, this results in a high level of isolation, restricting the ability to transport goods to market, children to school, and to integrate rural communities into the economy. The limited rail network is largely tailored to support the mining sector, with little emphasis on passenger or general freight transportation.

Political instability and corruption have disrupted infrastructure projects, as many were dependent on international financing or partnerships that were paused or withdrawn e.g., the Simandou iron-ore project. The Simandou project, which has been decades in the making and set to become one of the world's largest and highest-grade iron ore mines, has faced delays due to two coups, legal disputes, corruption allegations, and government-mandated modifications. One of the significant aspects of the project is the construction of a 600km railway to transport iron ore from the mines to a newly developed port on Guinea's Atlantic coast. However, despite past setbacks, recent developments suggest steady progress, with production expected to begin by December 2025 and reach full capacity within its second year of operation.

Despite its immense hydropower potential, Guinea ranked 38th out of 54 African countries in terms of the percentage of its population with electricity access in 2023. Guinea's electricity grid faces significant challenges, despite efforts to improve the country's energy infrastructure in recent years. National electricity access remains limited, with an estimated 46% of the total population connected to the grid, and access in rural areas as low as 20.6% in 2023.

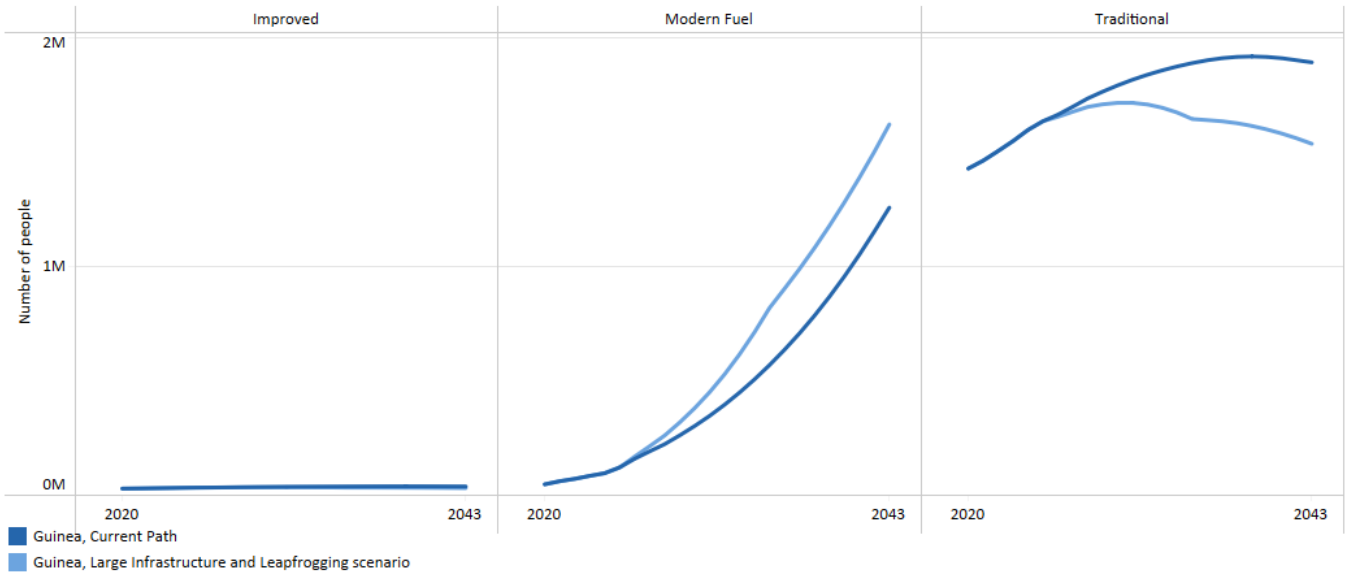
Hydro, solar and wind energy provide Guinea with an opportunity to enhance energy access. The country has significant potential for additional hydroelectric power, as it is the source of several major rivers (including the Niger, Senegal and Gambia rivers) and dams (including Kaleta and Souapiti dams).

Solar and wind energy decrease Guinea's dependence on hydro-energy and drive economic growth. Solar energy is especially suitable for remote areas that lack connection to the national grid. With an abundant solar resource averaging 5.4 $kWh/m^2/day$, Guinea has the potential to generate up to 7.5 gigawatts (GW) of solar power.

On the Current Path, the proportion of Guineans with access to the national electricity grid will rise to 52.7% of the total population by 2030, with rural access to reach 27%. By 2043, access will increase further, reaching 64.4% of the total population and 45% in rural areas.

Fixed broadband offers faster internet speeds and more secure connections, making it essential for high-value service sectors. However, its penetration in Guinea is extremely low, with only 0.07 subscriptions per 100 people, significantly below the average of 2.6 for lower-middle-income African countries.

Chart 23: Cookstove usage in the Current Path and Large Infra/Leapfrogging scenario, 2020-2043



Source: IFs 8.34 initialising from IEA data

Chart 23 presents the number of people using cookstoves in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2020 to 2043.

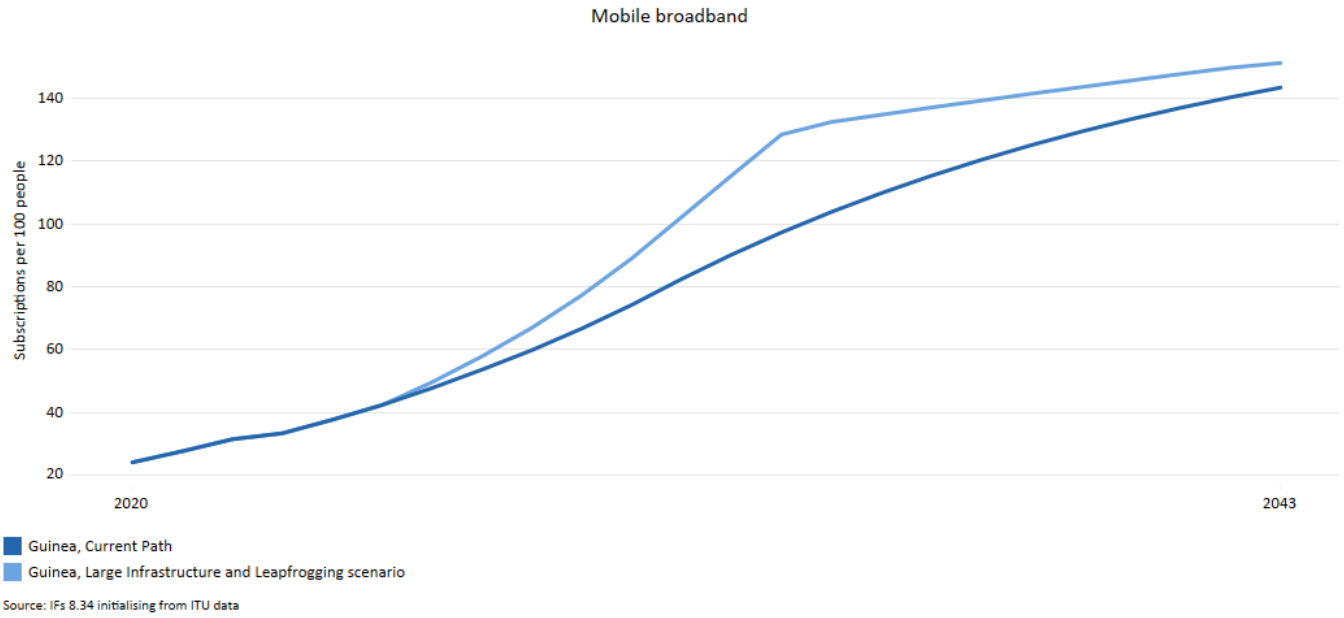
Limited electricity access in Guinea, especially in rural areas, forces most households to depend on inefficient energy sources for cooking. As of 2023, approximately 93% of households in Guinea rely on traditional biomass, such as firewood and animal dung, using inefficient cookstoves that pose serious health risks and can lead to illness or even fatalities.

Biomass is a renewable energy source, but in Guinea, its overuse exceeds its natural regeneration capacity, raising sustainability concerns alongside significant health risks. Alarmingly, the proportion of households relying on traditional cookstoves will remain high, at 84.1% in 2030, and will decline only modestly to 59.4% by 2043.

In the Large Infrastructure and Leapfrogging scenario, the proportion of households relying on traditional cookstoves will decrease to 80.5% by 2030 and to 48.2% by 2043. Meanwhile, the share of households using modern cookstoves will rise from 14.2% in the Current Path to 17.9% in the scenario by 2030. By 2043, this share will increase to 50.8%, compared to 39.4% on the Current Path.

These findings suggest that expanding access to energy, electricity or off-grid renewable energy solutions, particularly in rural areas, could improve health and lower emissions by transitioning households from traditional cooking methods to modern alternatives.

Chart 24: Access to mobile and fixed broadband in the Current Path and Large Infra/Leapfrogging scenario, 2020-2043



Source: IFs 8.34 initialising from ITU data

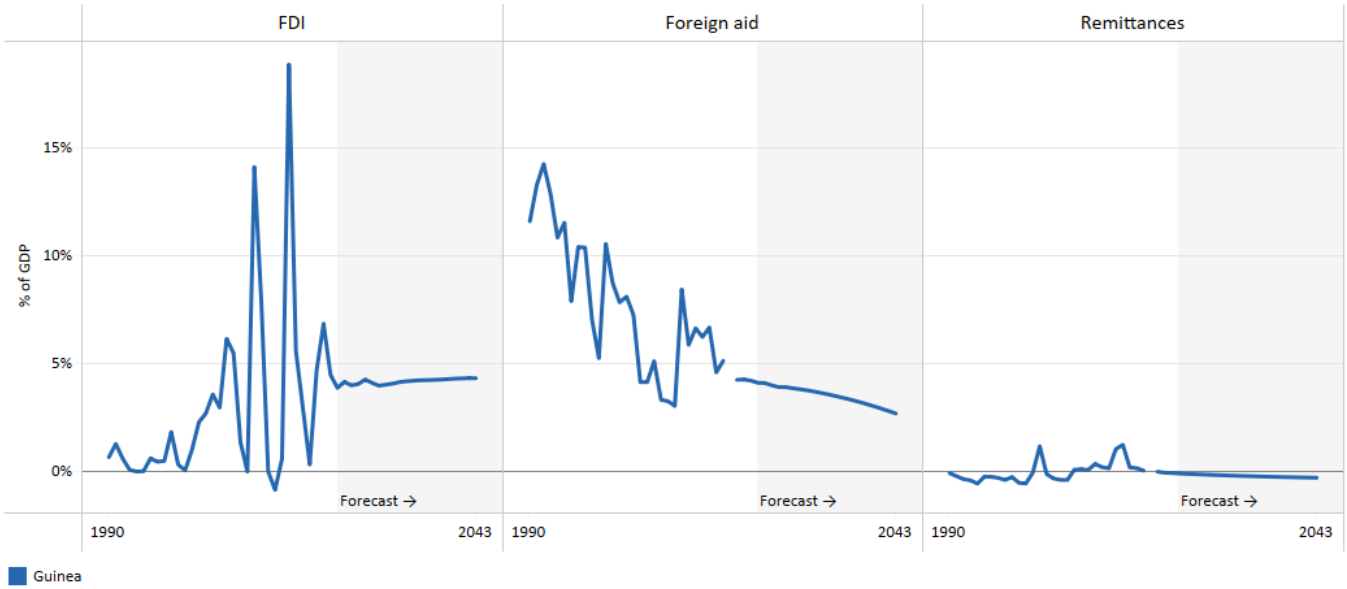
Chart 24 presents the percentage of the population and number of people with access to mobile and fixed broadband in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2020 to 2043. The user can toggle between mobile and fixed broadband.

Mobile broadband in Africa is rapidly expanding, but fixed broadband lags behind. Fixed broadband provides faster internet access speeds with more secure connections and is important for higher-value-added service sectors. Guinea has partially liberalised its telecommunications sector, with both public and private sector participation to improve internet services, enhance competition and foster economic growth.

On the Current Path, mobile broadband subscriptions per 100 people in Guinea will increase to 74.2 by 2030 and further to 143.5 by 2043. In the Large Infrastructure and Leapfrogging scenario, mobile broadband subscriptions will increase slightly to 89 by 2030 and to 151.3 by 2043.

Financial Flows scenario

Chart 25: FDI, foreign aid and remittances as % of GDP in the Current Path, 1990-2043



Source: IFs 8.34 initialising from IMF data

Chart 25 presents the trends in FDI, aid and remittances in the Current Path and in the Financial Flows scenario as a percentage of GDP, from 1990 to 2043.

The Financial Flows scenario represents a reasonable but ambitious increase in inward flows of worker remittances, aid to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows. We reduce outward financial flows to emulate a reduction in illicit financial outflows.

Visit the theme on Financial Flows for our conceptualisation and details on the scenario structure and interventions.

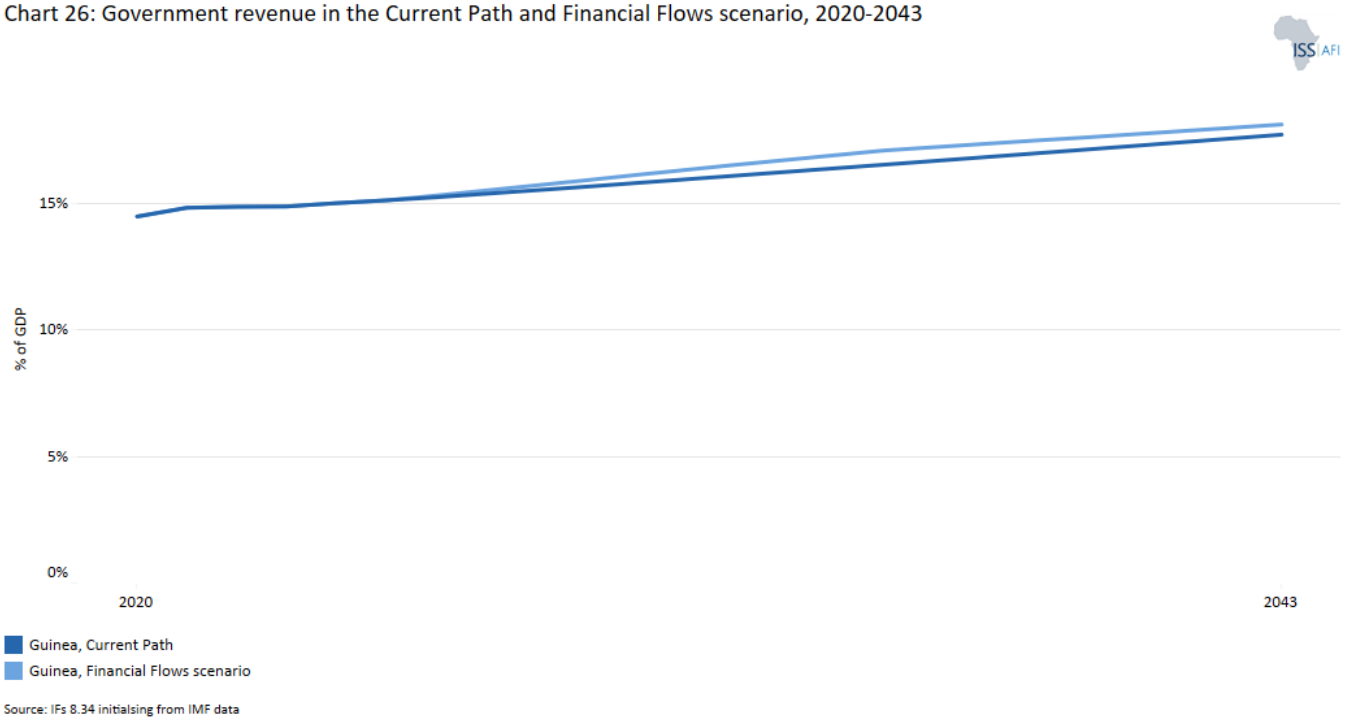
Many poor African countries remain heavily dependent on aid to fund the provision of basic services like education and healthcare. Guinea is a prime example, where foreign aid plays a significant role in supporting physical capital accumulation.

Guinea is also not a major destination for international capital flows, largely due to factors such as the small size of the domestic market, political instability, weak infrastructure, limited financial sector development and governance challenges. While the country has significant natural resource wealth, particularly in aluminium and iron ore, much of the capital inflows are concentrated in the mining sector and do not extend to improve economic development. This narrow focus and a challenging business environment limit Guinea's attractiveness for foreign direct investment (FDI) outside the resources sector.

Guinea has experienced fluctuations in FDI inflows over recent years. In 2023, FDI net inflows as a percentage of GDP were 3.9%, down from 5.6% in 2017. On the Current Path, FDI net inflows will increase to 4% by 2030 and further to 4.3% of GDP by 2043. In the Financial flow scenario, they will increase to 5% of GDP by 2030 and further to 5.3% by 2043. However, this optimistic forecast relies heavily on achieving enhanced political stability and substantial improvements in security.

Given Guinea's constrained financial resources and concentration FDI of inflows into the mining sector, foreign aid is crucial for sustaining key infrastructure challenges in health and education facilities. In 2023, foreign aid to Guinea represented approximately 4.1% of GDP, equivalent to US$575 million. On the Current Path, aid flows to Guinea as a percentage of GDP will decline to 3.8% of GDP by 2030 and further to 2.7% by 2043. However, in absolute numbers, it will increase to US$733 million by 2030 and further to about US$1 million by 2043. In the Financial flow scenario, aid will increase to US$788 (equivalent to 4% of GDP) by 2030 and further to nearly US$1.2 billion (3% of GDP) by 2043.

Chart 26: Government revenue in the Current Path and Financial Flows scenario, 2020-2043



Source: IFs 8.34 initialsing from IMF data

Chart 26 presents government revenue in the Current Path and in the Financial Flows scenario, from 2020 to 2043. The data is in US$ 2017 and % of GDP.

Wagner's law, or the law of increasing state activity, postulates that public expenditure increases as national income rises. It is reasonable to expect that government revenues will increase as a per cent of GDP in the Financial Flows scenario compared to the Current Path.

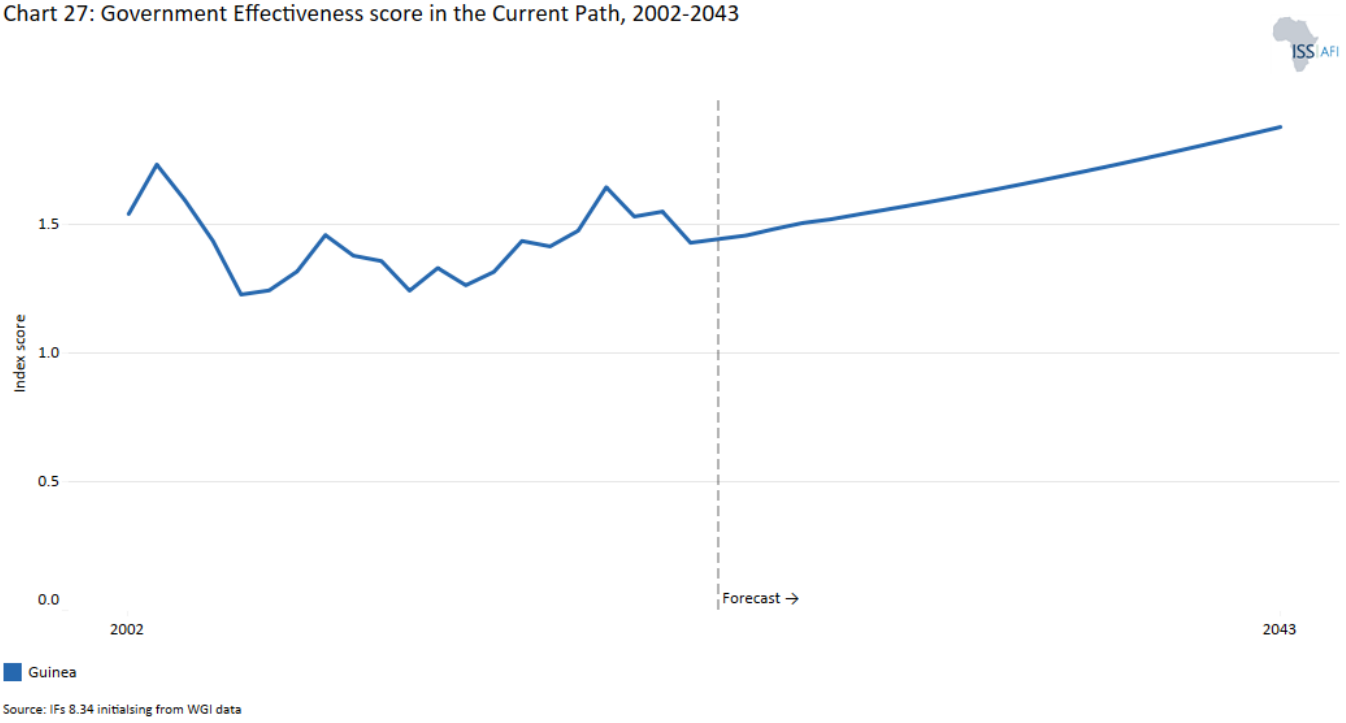
There are several ways in which capital inflows positively impact government revenue. One is a direct effect, as increased FDI or aid directly provides the government with additional funds to deliver public services. Another is an indirect effect, as higher inflows often lead to increased tax revenues due to foreign investors' strong tax compliance and/or their obligation to pay higher taxes on natural resources. Furthermore, greater inflows are linked to enhanced economic growth, which in turn boosts government revenues.

In the Financial Flows scenario, FDI flows to Guinea will increase to 5% of GDP in 2030 and further to 5.3% by 2043. Foreign aid will represent about 4% of GDP in 2030 and then decline to 3% by 2043.

In this scenario, government revenues will rise to 16.1% of GDP by 2030, compared to 15.8% in the Current Path, and further to 18.1% by 2043, up from 17.7% in the Current Path.

Governance scenario

Chart 27: Government Effectiveness score in the Current Path, 2002-2043



Source: IFs 8.34 initialsing from WGI data

Chart 27 presents the Current Path of government effectiveness comparing the country to the average for the Africa income group, from 2002 to 2043.

Good governance is crucial for economic advancement. But it requires stability within which government can foster a favourable environment for both domestic and foreign investment, to pursue sustainable and inclusive development strategies. Instead. Guinea's recent history has been marked by political instability, pervasive corruption and an entrenched system of patronage that affects all sectors of society. In that context the 2021 military coup undermined democratic processes and intensified political uncertainty.

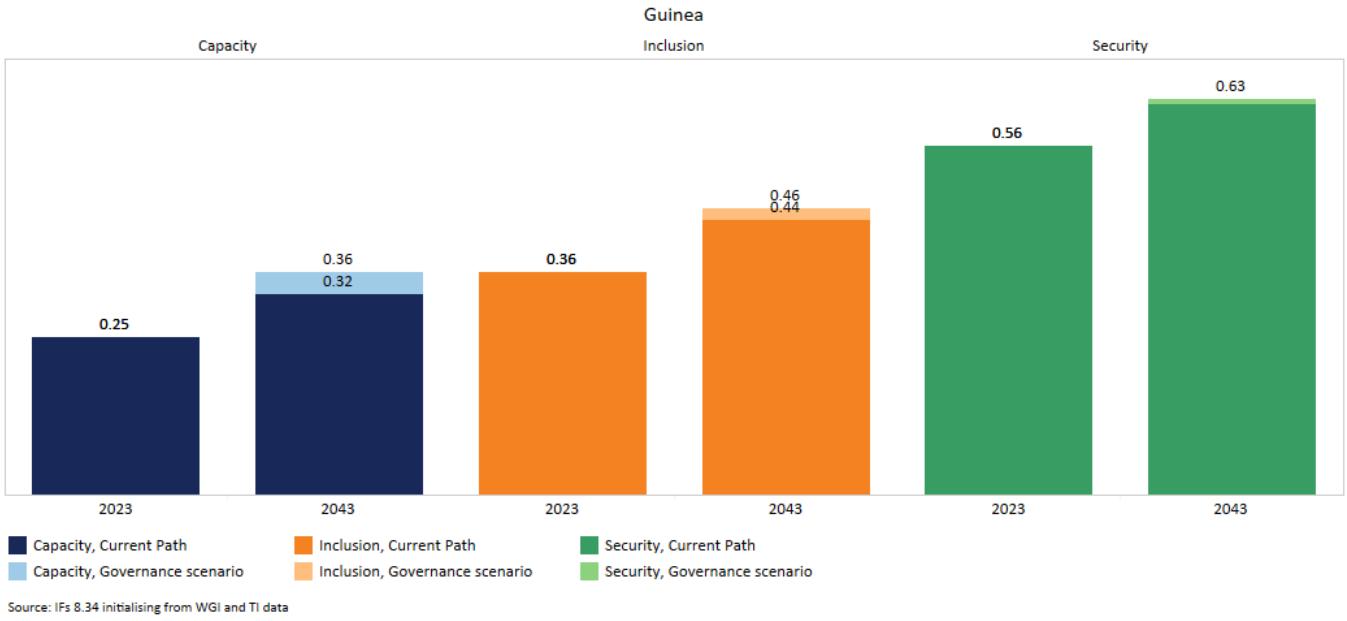
According to the 2023 Ibrahim Index of African Governance (IIAG) report, Guinea scored 41.9 out of 100 in overall governance, ranking 42nd out of 54 countries in Africa. This is a lower score than the average of 49.3 for Africa and lower than the regional average of 52.6 for West Africa. A score of 100 represents the successful delivery of political, social and economic public goods and services that citizens expect from their government, and for which the state is responsible. According to the report, security and rule of law have significantly deteriorated since 2019.

Key international governance indicators point to ongoing, widespread and deeply entrenched corruption. According to the 2023 global Corruption Perceptions Index (CPI) by Transparency International, Guinea, with a score of 26 out of 100, occupies 141th position out of the 180 countries surveyed – a decline in score from 29 in 2019. A lower score means high corruption, while a higher score of 100 means very clean (no corruption). This high level of corruption, combined with limited public administration capacity, centralised resources and decision-making in the capital, low revenue levels, and the country's vast size, ethnic diversity and sparely populated and arid lowlands, weakens the government's effectiveness in delivering services. Several structural challenges, including civil conflicts, widespread poverty, high population growth and climate change, constrain the country's governance capacity.

In terms of government effectiveness, as measured by the World Bank, Guinea scored 1.4 out of 5 in 2023, a decrease

from 1.9 in 2019. The country's performance is poor compared to the average for lower-middle-income African countries. On the Current Path, Guinea's Governance effectiveness score will increase to 1.6 (out of 5) by 2030, and further to 1.9 by 2043.

Chart 28: Composite governance index in the Current Path and Governance scenario, 2023-2043



Source: IFs 8.34 initialising from WGI and TI data

Chart 28 presents security, capacity and inclusion index for the Current Path versus the Governance scenario, for 2023 and 2043.

In our modelling framework, governance is conceptualised across three dimensions—security, capacity, and inclusion—representing the traditional stages of state formation. Each governance dimension is scored on a scale from zero (poor) to one (excellent). The security dimension evaluates the likelihood of internal conflict and overall risk levels. The capacity dimension encompasses factors such as government revenue, corruption, regulatory quality, economic freedom, and government effectiveness. Finally, the inclusion dimension assesses the extent of democracy and gender empowerment.

In addition, the Governance scenario includes an expanded program of social transfers, reflecting a determined effort by the government to reduce inequality and poverty.

Visit the theme on Governance for a full conceptualisation and details on the scenario structure and interventions.

In 2023, Guinea's performance in government capacity was notably weak compared to other dimensions of governance (inclusion and security), scoring just 0.26 out of 1. This low score highlights issues such as limited government revenue, widespread corruption, poor regulatory quality, and low levels of government effectiveness. Guinea's tax-to-GDP ratio stood at 10.8% in 2023, significantly below the averages of 14.3% for lower-middle-income African countries and 16.8% for Africa the same year.

The 2021 military coup has sidelined democratic institutions, restricting opportunities for diverse representation and participation in governance. Under military rule, key groups such as women, youth and marginalised communities may experience diminished influence in decision-making processes. The disruption of elections, political party activities and

other inclusive mechanisms has further eroded avenues for broader societal participation in leadership and governance.

Military expenditure as a percentage of GDP increased from 1.4% in 2020 to 2% in 2022 (latest available historical data), slightly above the averages of 1.2% and 1.4% for lower-middle-income African countries and Africa, respectively.

Guinea's inclusion index score was 0.36 in 2023, a decrease from 0.48 in 2020. The country performed better on security than on the other two dimensions of governance. The security index score was 0.56 in 2023, however, a slight decline from 0.58 in 2020.

On the Current Path, Guinea will make progress in all three governance dimensions - capacity, inclusion, and security. As a result, the country's composite governance index, which is the simple average of these dimensions, will rise from 0.39 in 2023 to 0.41 by 2030 and further to 0.46 by 2043. In the Governance scenario, Guinea's governance score will improve to 0.41 in 2030, representing a 3.1% increase compared to the Current Path for that year. By 2043, the score will reach 0.48, reflecting a 4.5% improvement above the Current Path. The forecast assumes an early transition to civilian rule, as pledged by the military.

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