

Guinea Inclusive Growth Diagnostic (IGD) Screening Profile¹

Economic Overview

Guinea is a low income country of 11.5 million people, 55.2% is considered to be poor, compared with 53% in 2007 and 40.3% in 1995. Of the total population, 64% live in rural areas, and “64.7% of the rural population is considered to be poor, compared with 32.1% for the urban population. However, poverty is increasing more in urban areas, mainly because of the increase in prices for essential goods, the rural exodus, and the employment crisis.”² Guinea’s average per capita income (PPP GNI in current international US dollars) was \$1140 in 2012. Guinea’s 2012 per capita income level was in 177th place in the World Bank’s list of 184 countries with data for that year (as of this writing). The 2014 UNDP Human Development Index ranked Guinea an extremely low 179 out of 187 countries evaluated. Guinea’s Gini index, at 39.4 in 2007, indicates a less skewed distribution of income than in many countries.

The adult (ages 15-64) labor force participation rate in 2012 was 73.3%, lower than the average for low income countries (77.4%) but higher than the average for Sub-Saharan Africa countries (71.0%). The adult female labor force participation rate of 67.1% was higher than the average for Sub-Saharan Africa countries (64.9%) but lower than that for low income countries (70.8%). The ratio of female to male labor participation rate in Guinea was 83.7%, almost the same as the 84.0% and 84.2% for Sub-Saharan Africa and low income country averages, respectively. [World Bank World Development Indicators (WB WDI)]

WB WDI reported Guinea’s consumer price inflation as a high 15.2% in 2012, down from 21.4% in 2011 and 34.7% in 2006, but it has averaged 20.5% over the 8-year period 2005-2012. The 2014-15 World Economic Forum Global Competitiveness Index (WEF GCI) reported a government budget balance of -5.3% of GDP. The GCI ranked Guinea 57 out of 144 countries for general government debt (only 37.8% of GDP), but an extremely low 141 for gross national savings (-1.0), also 141 for that high rate of inflation, and 140 for its credit rating (see Appendix Table 2).

Agriculture contributed 22.1% of GDP in 2011, services 33.1%, and industry 44.8%, the latter dominated by mining and increasing from 33.5% in 2000 while services declined from 44.2%. Agriculture has remained in the 22-26% range (WB WDI).

Based on the indicators discussed below, Guinea is characterized as a country with the huge bulk of its population still dependent on low-income, rain-fed, traditional agriculture and a very small formal, non-farm sector dominated by public employment. The non-farm private sector faces an extremely poor investment climate marked by lack of access to finance, grossly inadequate infrastructure, a poorly educated and unhealthy workforce, unhelpful economic policies and institutions, poor governance and a high level of corruption. The agricultural sector is also marked by very poor infrastructure, poor access to finance, minimal expenditures on agricultural research and development, low use of technical inputs like fertilizer, and poor property rights and other policies that would promote higher yields, higher value crops, animal husbandry, agribusiness and other rural income generating activities.

Which of these factors, or possibly other factors as well, are the more binding constraints to more inclusive economic growth at this point in time should be the subject of more in-depth IGD analysis. However, it will clearly take many years before a more productive non-farm sector, starting from such a small base with so many serious impediments to growth, can grow large enough and fast enough to generate sufficient new employment to make much of a dent in the existing level of poverty. With 80% of the population dependent on mostly

¹ This country profile presents indicators available online that are relevant to the IGD analytical nodes of the “Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model),” which is available from <https://dec.usaid.gov/dec>

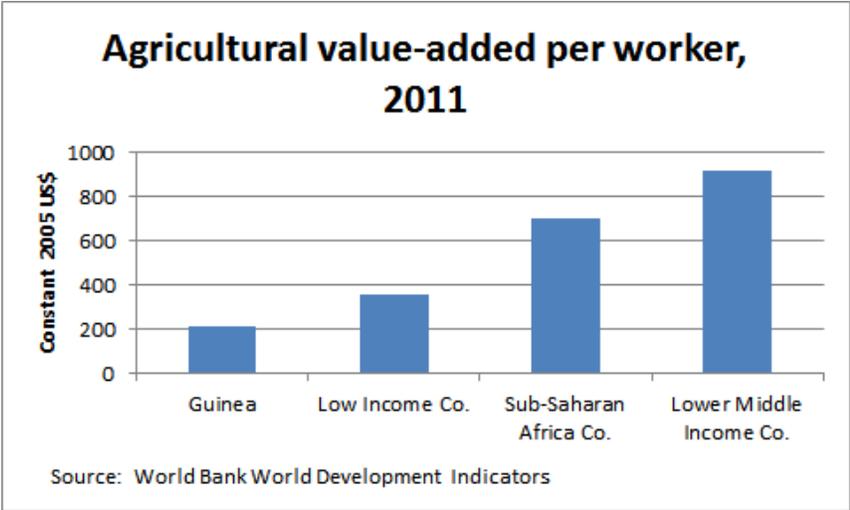
² World Bank, Guinea Overview, Oct. 1, 2013, <http://www.worldbank.org/en/country/guinea/overview#1>, citing a 2012 Limited Poverty Evaluation Survey and using the Guinea national poverty line.

traditional agriculture, any hope of significantly reducing extreme poverty in the near term will have to involve improving the productivity of and incomes from the agricultural sector and associated agribusiness, while improving the non-farm investment climate as fast as possible for long term success.

1) Potential for higher smallholder agricultural production and rural incomes

Guinea is mostly rural, with 64% of the population living in rural areas, and most of these people depend on agriculture for their livelihood, but agriculture contributes only 22.1% to GDP. Total agricultural value added per worker in Guinea was equal to US\$206 in 2011 in constant 2005 US dollars, way below the \$702 average for Sub-Saharan Africa countries and the \$369 average in low income countries. This represents a slow increase (by a total of only 25%) over the \$165 per worker achieved 11 years before in 2000.

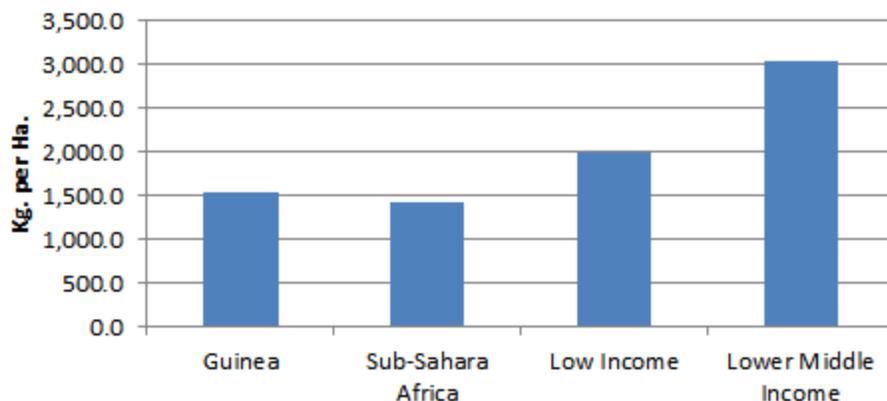
The rural population continues to grow by 2.0 percent or less per year, while total population has been growing by 2.6% a year for the last several years. The urban population has been growing at an increasing rate from 2.4% annually in 2000 to 3.8% in 2011, as people flee the rural areas looking for better jobs. (WB WDI and Databank)



The average cereal yield in Guinea was 1,522 kg. per hectare in 2012, a little higher than the average for all Sub-Saharan Africa countries (1,417 kg.), but still lower than the average for all low income countries (1,982 kg.) and lower middle income countries (3,029 kg.), showing room for further improvement. The use of fertilizer in Guinea is almost nil, averaging 1.1 kg. per hectare in 2010, compared with a 12.9 kg. average for Sub-Saharan Africa countries and 20.6 kg. for low income countries. The average fertilizer use in lower middle income countries was 126.7 kg. per hectare. Total crop production has slowly increased, with 2012 production in Guinea higher by 22% than the 2004-2006 average, not quite as good a performance as the Sub-Saharan country average of 25%. Livestock production has increased 28% over the 2004-2006 average, compared with 23% for all Sub-Saharan Africa countries. Total agricultural land in Guinea increased by less than 1% between 2005 and 2011, while arable land³ increased by 4.0%. Total agricultural value added increased 22% in constant price terms between the 2004-06 average and 2011, while the rural population increased by 12%. (WB WDI)

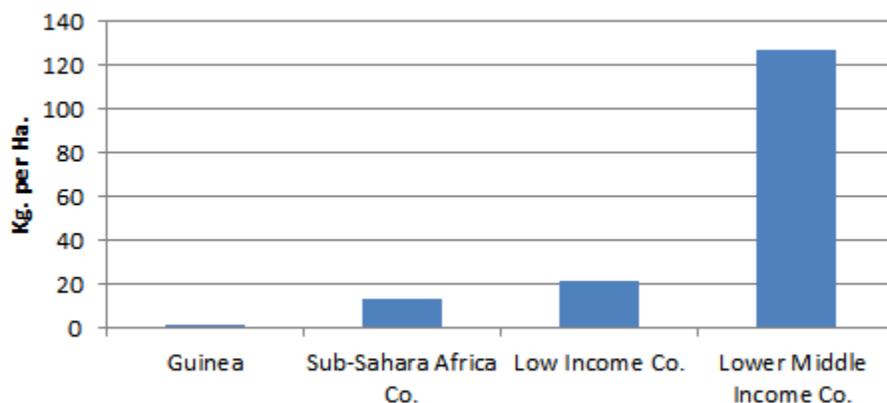
³ Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This

Cereal Yields in 2012



Source: World Bank World Development Indicators

Fertilizer Consumption in 2010



Source: World Bank World Development Indicators

1A&B) On-farm productivity & Processing and marketing of farm products

1Aa) Agricultural research & extension services

1Ab) Access to credit for farm inputs & capital improvements

1Ac) Rural infrastructure for irrigation and farm-to-market roads

1Ad) Land tenure and land markets

1Ba) Market and pricing policies

1Bb) Availability of information about and contacts with higher value markets

1Bc) Rural infrastructure for transport, electric power, storage, markets, communication

1Bd) Access to rural credit for agriculture product processing, storage, marketing, etc.

category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. --
<http://data.worldbank.org/indicator/AG.LND.AGRI.K2>

The EIU Global Food Security Index (GFI) indicates Guinea spends 1% of the agricultural contribution to GDP on agricultural research and development, placing it in bottom 40% of the 105 countries covered. The same index rated Guinea among the bottom seven out of 105 in access to finance for farmers and among the bottom four in agricultural infrastructure. It was scored and ranked poorly in all three components of the latter index: poor in the existence of adequate crop storage facilities and among the bottom 13 for both road and port infrastructure. In 2009 the MCC scored Guinea as better than only 4% of a comparable group of 81 developing countries in land rights and access. The World Bank Doing Business Indicators 2014 gave Guinea a poor score, ranking 140 out of 189, for registering property. It received a poor score in the 2014-15 WEF GCI for agricultural policy costs, ranking 113 out of 144.

2) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates in Guinea are fairly high and the World Bank reports that “Agriculture is the main activity for almost 80% of the population... Guinean agriculture is extensive, dominated by a traditional farming system and highly dependent on rainfall for 95% of the area under crops; the area of irrigated land is insignificant (30,200 hectares).”⁴ Vulnerable employment data is not reported. The investment climate for creating more productive jobs is not good. Guinea’s overall ease of doing business rank in the World Bank 2014 Doing Business Report is very low at 175 out of 189 countries scored. It is doing very poorly in all categories that affect its attractiveness to new investors, ranking 134 or worse in all but getting electricity, and ranking 91 in that one.

GUINEA		Sub-Saharan Africa		GNI per capita	
Ease of doing business (rank)	175	Low income		(US\$) Population	460 11.5
Starting a business (rank)	146	Registering property (rank)	140	Trading across borders	136
Procedures (number)	5	Procedures (number)	6	(rank)	
Time (days)	16	Time (days)	59	Documents to export (number)	7
Cost (% of income per capita)	81.0	Cost (% of property value)	9.1	Time to export (days)	36
Minimum capital (% of income per capita)	313.8			Cost to export (US\$ per	915
		Getting credit (rank)	159	Documents to import (number)	9
Dealing with construction permits	155	Strength of legal rights index (0–10)	6	Time to import (days)	31
Procedures (number)	29	Depth of credit information index	0	Cost to import (US\$ per	1,390
Time (days)	170	Public registry coverage (% of	0.0	Enforcing contracts	134
Cost (% of income per capita)	91.6	Private bureau coverage (% of	0.0	Procedures (number)	49
		Protecting investors (rank)	178	Time (days)	276
Getting electricity (rank)	91	Extent of disclosure index (0–10)	6	Cost (% of claim)	45.0
Procedures (number)	4	Extent of director liability index (0–	1	Resolving insolvency	145
Time (days)	69	Ease of shareholder suits index (0–	1	Time (years)	3.8
Cost (% of income per capita)	8,082.0	Strength of investor protection index	2.7	Cost (% of estate)	8
		Paying taxes (rank)	186	Recovery rate (cents on the	17.6
		Payments (number per year)	57		
		Time (hours per year)	440		
		Total tax rate (% of profit)	91.2		

From World Bank/IFC, 2014 Doing Business Report, p. 195

⁴ World Bank, Guinea Overview, Oct. 1, 2013, <http://www.worldbank.org/en/country/guinea/overview#1>

2A) Private Sector Demand for More Productive Employment

2Aa) Level of Private Investment (HRV Constraints Analysis)

2Aai) Private returns to economic activity

Gross capital formation in Guinea was 17.6% of GDP in 2011, averaging 16.7% between 2000 and 2010. The 2011 average for Sub-Saharan Africa countries was 20.3%, and for low income countries it was 25.6%. (WB WDI). Net foreign direct investment (FDI) jumped to 18.9% of GDP in 2011 and 10.8% in 2012, after averaging 4.5% between 2003 and 2010. This is much higher than the 3.0% average for Sub-Saharan Africa countries and the 4.8% average for low income countries in 2012. The 2014-15 WEF GCI survey gave Guinea a low mark for the business impact of rules on FDI, ranking 127 out of 144, and in the prevalence of foreign ownership, ranking 119. (See Appendix Table 10.)

According to the IMF World Economic Outlook, total investment in Guinea reached 25.6% of GDP in 2012. Guinea ranked 61st highest in the world among 173 countries for this indicator in 2012. GDP per capita grew by 1.3% in 2011 and 2012 (WB WDI).

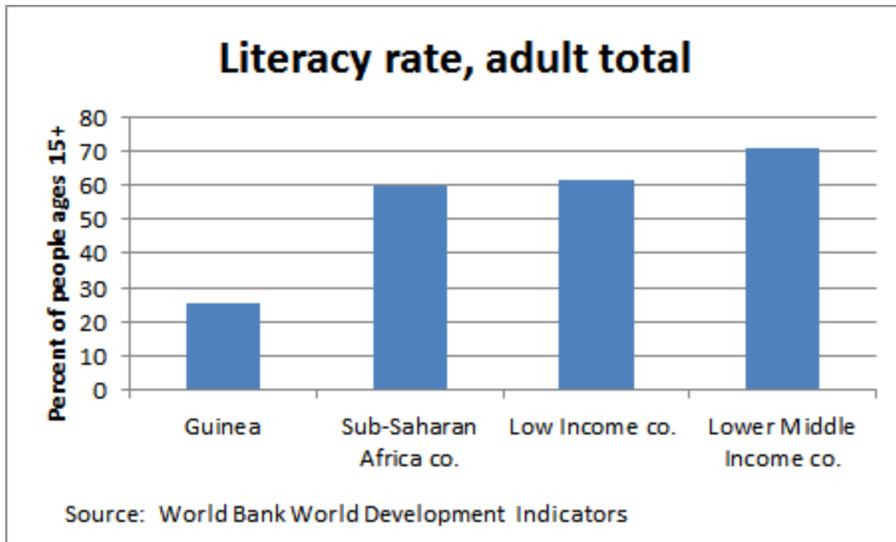
Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate a high and increasing ICOR of 5.0 in 2000-05 and 7.9 in 2005-2010. This indicates a fairly inefficient use of capital investment in Guinea to achieve growth in GDP.

2Aai1) Evidence of low social returns

Is there inadequate human capital to run a business successfully?

Only 25.3% of Guinea's adult population was recorded as literate in 2010, much lower than averages for Sub-Saharan Africa countries (59.8%) and low income countries (61.2%) in 2011. (WB WDI) This is the very lowest literacy rate recorded by the World Bank in 2010 and 2011. The mean years of schooling achieved by Guinean adults was 1.6 in 2012, putting the country tied for 183rd place out of 187 countries. (UNDP)

The fifth highest percentage (7.4%) of business leaders surveyed in the 2014-15 WEF GCI cited an inadequately educated workforce as the most problematic factor for doing business in Guinea, but only 0.4% of them cited poor public health, meaning other factors were considered even more problematic. (See Table 3 in the Appendix) However, Guinea ranked a very low 139th out of 144 countries in Health and Primary Education and 140th in Higher Education and Training in that year's GCI. (Appendix Table 1) The country ranked poorly at 135th in the quality of primary education, 130th in primary education enrollment, and even more poorly in half the elements of the Higher Education and Training pillar. It ranked very low for enrollment in both secondary and tertiary education, 129 and 114, respectively, and it ranked 105 or worse in all eight aspects of the health index, sitting at the very bottom of the list (144th) for the incidence of malaria and ranking 135th for its impact on business. (See Appendix Tables 12 and 13.)



Is there a lack of or poor condition of productive infrastructure?

The 2014 World Bank Doing Business Report ranked Guinea fairly low at 91 out of 189 for getting electricity, as it costs an average of 81 times income per capita and takes 69 days to do so. Private firms reported an average of 31.5 power outages per month in 2006 (WB WDI). Guinea was ranked at the very bottom, 144th out of 144 countries, for the quality of its electricity supply in the 2014-15 WEF GCI.

Guinea ranked next to last, 143rd out of 144, in the overall Infrastructure pillar of the 2014-15 WEF GCI, with a 143rd rank for the quality of its roads, 138th for the quality of air transport infrastructure, and 116th for the quality of its port infrastructure. It was also ranked dead last at 144 for fixed telephone lines and 131st for mobile telephone subscriptions. (See Appendix Tables 1 and 4.) The third highest percentage (14.7%) of the business leaders surveyed by for the 1014-15 WEF GCI listed an inadequate supply of infrastructure as the most problematic factor for doing business in Guinea. (Appendix Table 3)

2Aai2) Private appropriability

Government failure/poor governance

As noted above, Guinea’s overall rank in the World Bank 2014 Doing Business Report is 175 out of 189 countries scored. It is doing very poorly in paying taxes (186), protecting investors (178), getting credit (159), dealing with construction permits (155), starting a business (146), registering property (140), resolving insolvency (145), trading across borders (136), and enforcing contracts (134).

The 2014 Heritage Foundation/Wall Street Journal Index of Economic Freedom ranked Guinea 133 out of 178 countries in the overall Economic Freedom Index, citing “notable improvement in half of the 10 economic freedoms including investment freedom, labor freedom, and business freedom. Guinea is ranked 27th out of 46 countries in the Sub-Saharan Africa region.” However, it still ranked very low in monetary freedom (169), freedom from corruption (165), trade freedom (155), business freedom (149), fiscal freedom (141), property rights (139), investment freedom (109) and financial freedom (107). “Over the 20 year-history of the *Index*, Guinea’s progress toward greater economic freedom has been uneven but generally downward. Overall, its economic freedom score has declined by 5.9 points, one of the 20 biggest drops in the history of the *Index*. Its scores for property rights, business freedom, monetary freedom, and financial freedom have deteriorated by more than 10 points. The overall entrepreneurial environment remains severely constrained. An overbearing regulatory framework, exacerbated by poor access to credit and high financing costs, stifles economic activity

and hurts business expansion and the development of a vibrant private sector. Corruption, perceived as widespread, is a serious problem...With the labor market relatively underdeveloped, most formal employment remains confined to the public sector.”⁵

In the 2014-15 WEF GCI, Guinea ranked a very low 134 out of 144 in the Institutions pillar. It ranked 102 or worse in 18 of the 21 institutional indicators, its lowest scores being in irregular payments and bribes (143), in the efficiency of the legal framework in settling disputes (ranking 142), intellectual property protection (140, judicial independence (139), and 8 others between 134 and 138. (See Appendix Table 5)

Guinea scored -1.15 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 189th in a list of 212 countries. It scored a very low -1.44 in the 2012 WB Rule of Law Estimate, in 206th place out of 212.

Guinea scored 24 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and came in 162nd place among 176 countries scored.

The World Bank Governance Matters Control of Corruption estimate of 2011 scored Guinea -1.17 in the -2.5 to +2.5 range, in 194th place out of 212 countries. As noted above, the 2014 Heritage Foundation/Wall Street Journal Freedom from Corruption index ranked Guinea 165th out of 178 countries. In the 2014-15 WEF GCI the second highest percentage (19.4%) of the business leaders surveyed listed corruption as the most problematic factor for doing business in Guinea. (See Appendix Table 3)

Market failures in the availability of information for innovation and “coordination”

The 2014-15 WEF GCI gave Guinea very low scores for the Technological Readiness, Business Sophistication and Innovation pillars, ranking them 139, 141 and 141 out of 144, respectively. It received very poor scores and ranked 121 or worse in all the indicators of these three GCI pillars. (See Appendix Tables 1, 6, 7 & 8.)

2Aa) Cost of finance

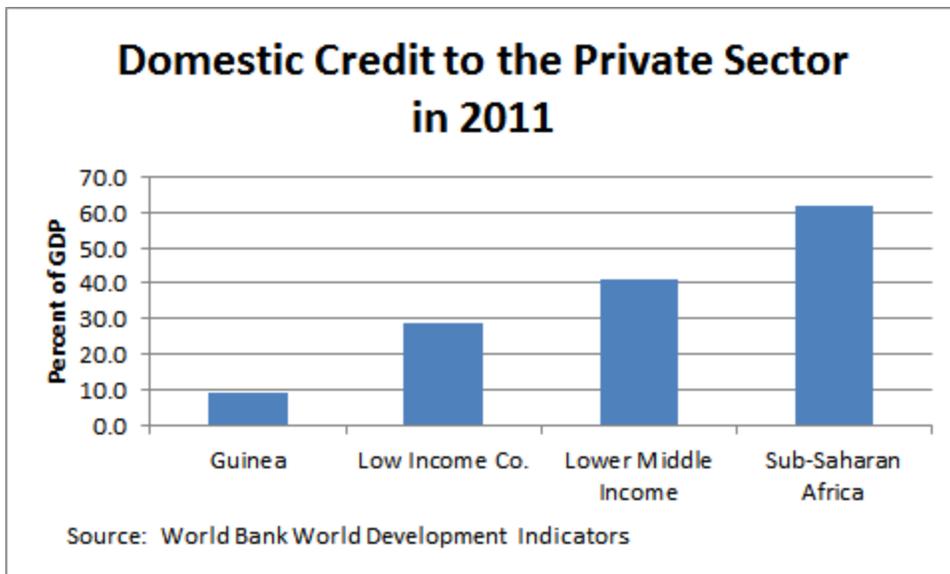
Domestic credit to Guinea’s private sector was only 9.1% of GDP in 2011 (WB WDI). This is way below the low income country average of 28.9% for that year, not to mention the lower middle income country average of 41.3% and the Sub-Saharan Africa country average of 61.6%. In the 2014-15 WEF GCI survey of business leaders, access to financing was listed as the most problematic factor for doing business in Guinea by 20.9% of responses, the highest percentage. (See Appendix Table 3.)

In the World Bank 2014 Doing Business Indicators the country was given a very low score and ranked 159 out of 189 for getting credit. Information about Guinea’s lending and real interest rates and the interest rate spread was not readily available.

Guinea was given very poor rankings in the 2014-15 WEF GCI Financial Market Development pillar, with an overall rank of 134 out of 144 and 105 or worse for all its component indicators but one. Financing through the local equity market and the affordability of financial services were ranked 142 and 141, respectively, and the availability of financial services ranked 137. It was ranked 63 in the legal rights index. (See Appendix Tables 1 and 9.)

The 2014 Heritage Foundation/Wall Street Journal Investment Freedom Index and Financial Freedom Index scored Guinea 50.0 and 40.0, respectively, out of 100 possible points, ranking 109th and 107rd out of 178 countries, and reported that “The legal and regulatory systems are a challenge for foreign investors to navigate. The financial sector remains underdeveloped, providing a very limited range of services. Many people still rely on informal lending and have no bank accounts.”

⁵ Heritage Foundation *Index of Economic Freedom*, 2014, pp. 223-224



2Ab) Growth of the more productive Formal Sector

As noted above, nearly 80% of the population relies on mostly traditional agriculture, and 55% remains below the poverty line for lack of better employment. Formal/informal sector data is not available.

2Ac) Labor Intensity of Production

Guinea's trade with the outside world totaled 91.7% of GDP in 2011, having risen from an average of 62.0% from 2000 to 2009. This is higher than the 72.7% average of developing Sub-Saharan Africa countries and the 68.8% average of low income countries. (WB WDI). The country was ranked very low (136 out of 189) in the 2014 Doing Business Indicators for Trading Across Borders. It was ranked a very low 120 out of 144 in the WEF GCI index for trade tariffs, with tariffs averaging 11.5%, and ranked 117 for the burden of customs procedures and 108 for the prevalence of trade barriers. (See Appendix Table 10.) The World Bank Development Research Group Trade Research Unit calculated a Trade Restrictiveness Index that resulted in a poor score of 13.4 for Guinea in 2006-09 (latest).⁶ An enhanced ability to trade would favor a latent comparative advantage in more labor-intensive activities for both export and import-substitution goods and services.

The World Bank Country Policy and Institutional Assessment (CPIA) ratings for social inclusion-equity and gender equality gave Guinea 2012 scores of 3.1 and 3.0, respectively, (1=low, 6=high), placing in the bottom third in both cases.

In the 2014-15 WEF GCI, Guinea received a mediocre score in Labor Market Efficiency, ranking 89 out of 144. (Appendix Table 1) It scored high in redundancy costs (23) and flexibility in wage determination (47), but 105 or worse in 6 of the 10 indicators of this pillar (105 in hiring and firing practices and 134 in pay and productivity, for example). (See Appendix Table 11.) However, of the businessmen surveyed only 2.9% cited restrictive labor

⁶ The Trade Restrictiveness Index is an indicator of the trade restrictiveness of the MFN tariff schedule of a country. It calculates the equivalent uniform tariff of a country's tariff schedule that would keep domestic import levels constant. Product level tariffs are weighted by import shares as well as the responsiveness of imports to price changes (import demand elasticity). It includes preferential rates. It is expressed as a tariff rate. Lower is better. The higher the number, the more restrictive a country's trade policy, and the less open the country is to international competition. Desirable to be less than 7.0. <http://info.worldbank.org/etools/wti/3a.asp#>

regulations as the most problematic factor for doing business. (Appendix Table 3) Guinea received poor scores in the Goods Market Efficiency pillar, ranking 137 overall out of 144. In addition to low scores in trade tariffs and the burden of customs procedures already mentioned, it got low rankings in buyer sophistication (143), the effectiveness of anti-monopoly policy (138), degree of customer orientation (136), intensity of local competition (129), business impact of rules on FDI (127), prevalence of foreign ownership (119), and extent of market dominance (104). (Appendix Tables 1 and 10) As noted above, Guinea also received a poor score in the 2014 WEF GCI for agricultural policy costs, ranking 113 out of 144.

2B) Employability of the Workforce:

As noted above, only 25.3% of Guinea's adult population was recorded as literate in 2010, 37% of the men and only 12% of the women, the lowest recorded rates in the world (WB WDI). Adult female literacy averaged 54.1% in developing Sub-Saharan Africa countries and 56.0% in low income countries. Adult male literacy averaged 71% in Sub-Saharan Africa and 70% in low income countries. Guinea's primary school completion rate in 2012 was 67.9% of the relevant age group, slightly lower than the 69.3% average in developing Sub-Saharan Africa countries and slightly higher than the 66.5% average for low income countries in 2011. (WB WDI)

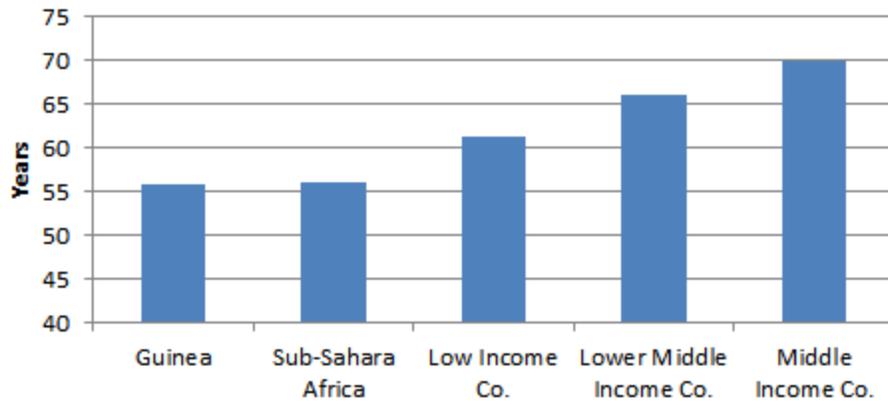
A WB WDI table lists life expectancy in Guinea in 2011 as 55.6 years, almost the same as the average for developing Sub-Saharan Africa countries (55.9) but lower than that for low income countries (61.1) and lower middle income countries (66.0). The country's infant mortality rate has slowly improved from 99.3 per 1000 live births in 2001 to 65.2 per 1000 in 2012, but that is still a little higher than the 63.9 average for Sub-Saharan Africa countries and higher still than the 55.8 average for low income countries, not to mention the 45.5 average for lower middle income countries.

The incidence of tuberculosis in Guinea was 178 per 100,000 people in 2012, having fallen steadily from 225 in 2002. It is lower than the 255 per 100,000 average for developing Sub-Saharan Africa countries and 246 per 100,000 for low income countries, but still higher than the 165 per 100,000 for lower middle income countries. The prevalence of HIV in the adult population is relatively low, but still a serious concern, at 1.7% in 2012, compared with 4.6% in Sub-Saharan Africa countries the 2.27% average in low income countries. (WB WDI)

The 2014-15 WEF GCI ranked Guinea 105 or worse among 144 countries in all 8 health indicators of its health and primary education pillar. It has the highest prevalence of malaria, 38.4% of the population, of all 144 countries, and it was ranked 135 for the business impact of malaria. For infant mortality and life expectancy it was ranked 134 and 131, despite the improvement noted above, and for the prevalence of HIV and TB it was ranked 122 and 114, respectively. (See Appendix Table 12.)

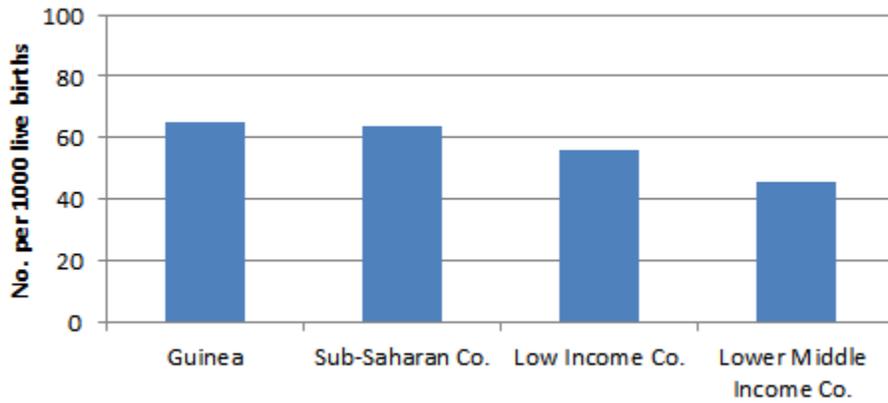
Guinea's population growth rate is around 2.6% per year. (WB WDI) This is a bit lower than the average for developing Sub-Saharan Africa countries of 2.7% but higher than the 2.3% average for low income countries. It would be easier for the country to improve its health and education services fast enough to keep up with the increasing need for them if its population growth rate could be reduced.

Life Expectancy at Birth in 2011



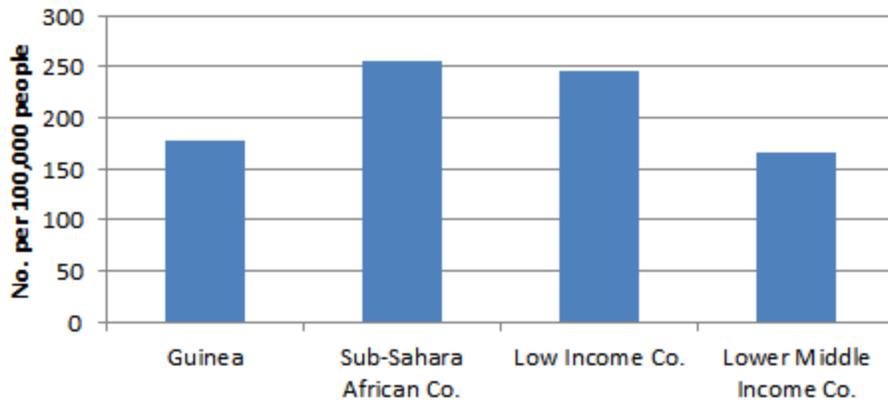
Source: World Bank World Development Indicators

Infant Mortality Rate 2012



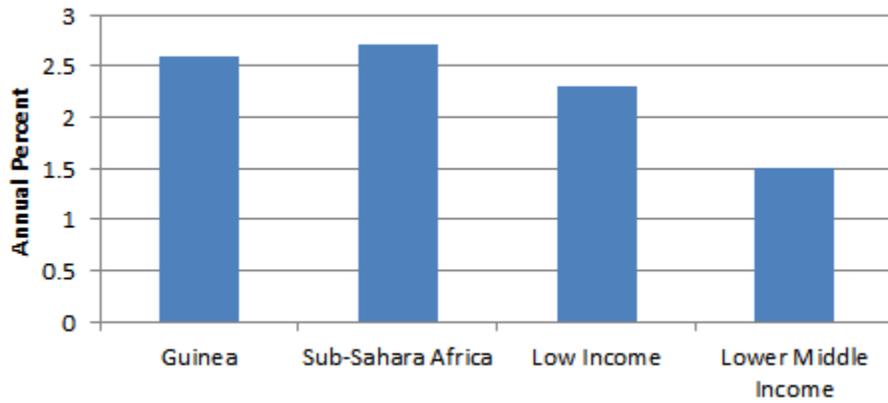
Source: World Bank World Development Indicators

Incidence of TB in 2012



Source: World Bank World Development Indicators

Population Growth Rate



Source: World Bank World Development Indicators

Appendix

Table 1. The Global Competitiveness Index:	Rank	Score
Guinea	<u>(out of 144)</u>	<u>(1–7)</u>
GCI 2014–2015	144	2.8
GCI 2013–2014 (out of 148)	147	2.9
GCI 2012–2013 (out of 144)	141	2.9
GCI 2011–2012 (out of 142)	n/a	n/a
Basic requirements (60.0%)	144	2.8
Institutions	134	2.8
Infrastructure	143	1.8
Macroeconomic environment	138	3.2
Health and primary education	139	3.3
Efficiency enhancers (35.0%)	138	2.9
Higher education and training	140	2.2
Goods market efficiency	137	3.4
Labor market efficiency	89	4.0
Financial market development	134	2.8
Technological readiness	139	2.4
Market size	127	2.4
Innovation and sophistication factors (5.0%)	142	2.6
Business sophistication	141	2.9
Innovation	141	2.2

Source: WEF, *Global Competitiveness Report 2014–2015*, p. 198

Table 2. Macroeconomic environment: Guinea	Rank	Score
	<u>(out of 144)</u>	
3.02 Gross national savings, % GDP*	141	-1.0
3.03 Inflation, annual % change*	141	12.0
3.05 Country credit rating, 0–100 (best)*	140	12.5
3.01 Government budget balance, % GDP*	111	-5.3
3.04 General government debt, % GDP*	57	37.8

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).
Source: WEF, *Global Competitiveness Report 2014–2015*, p. 199

Table 3. The most problematic factors for doing business in Guinea	
	(Percent of Responses)
Access to financing	20.9
Corruption	19.4
Inadequate supply of infrastructure	14.7
Policy instability	8.7
Inadequately educated workforce	7.4
Inefficient government bureaucracy	6.8
Crime and theft	5.2
Foreign currency regulations	3.2
Poor work ethic in national labor force	3.0
Restrictive labor regulations	2.9
Inflation	2.8
Insufficient capacity to innovate	2.0
Government instability/coups	1.8
Tax regulations	0.5
Poor public health	0.4
Tax rates	0.4
<p>Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.</p> <p>Source: WEF, <i>Global Competitiveness Report 2014–2015</i>, p. 198</p>	

Table 4. Infrastructure: Guinea	Rank	Score
	(out of 144)	(1–7)
2.07 Quality of electricity supply	144	1.3
2.09 Fixed telephone lines/100 pop.*	144	0.0
2.01 Quality of overall infrastructure	143	2.1
2.02 Quality of roads	143	1.9
2.05 Quality of air transport infrastructure.....	138	2.5
2.06 Available airline seat km/week, millions*	137	8.6
2.08 Mobile telephone subscriptions/100 pop.*	131	63.3
2.04 Quality of port infrastructure	116	2.9
2.03 Quality of railroad infrastructure	n/a	n/a
<p>Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).</p> <p>Source: WEF, <i>Global Competitiveness Report 2014–2015</i>, p. 199</p>		

Table 5. Institutions: Guinea	Rank	Score
	(out of 144)	(1–7)
1.05 Irregular payments and bribes	143	2.1
1.10 Efficiency of legal framework in settling disputes	142	2.3
1.02 Intellectual property protection	140	2.2
1.06 Judicial independence	139	2.0
1.07 Favoritism in decisions of government officials	138	2.0
1.21 Strength of investor protection, 0–10 (best)*	138	2.7
1.01 Property rights	137	2.6
1.17 Ethical behavior of firms	137	3.1
1.18 Strength of auditing and reporting standards	137	3.1
1.03 Diversion of public funds	136	2.0
1.20 Protection of minority shareholders' interests	135	3.0
1.12 Transparency of government policymaking	134	3.0
1.11 Efficiency of legal framework in challenging regs.	126	2.4
1.16 Reliability of police services	119	3.0
1.14 Business costs of crime and violence.....	109	3.6
1.04 Public trust in politicians	107	2.3
1.15 Organized crime	107	4.1
1.19 Efficacy of corporate boards	102	4.2
1.08 Wastefulness of government spending	97	2.6
1.09 Burden of government regulation	68	3.5
1.13 Business costs of terrorism	61	5.5
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 6. Technological readiness: Guinea	Rank	Score
	(out of 144)	(1–7)
9.04 Individuals using Internet, %*	141	1.6
9.05 Fixed broadband Internet subscriptions/100 pop.*	141	0.0
9.01 Availability of latest technologies	137	3.3
9.06 Int'l Internet bandwidth, kb/s per user*	135	2.5
9.02 Firm-level technology absorption	133	3.7
9.07 Mobile broadband subscriptions/100 pop.*	133	0.0
9.03 FDI and technology transfer	121	3.8
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 7. Business sophistication: Guinea	Rank	Score
	(out of 144)	(1–7)
11.07 Production process sophistication	144	2.3
11.09 Willingness to delegate authority	143	2.3
11.06 Control of international distribution	140	3.0
11.08 Extent of marketing	140	2.7
11.02 Local supplier quality	137	3.1
11.05 Value chain breadth	135	2.9
11.04 Nature of competitive advantage	133	2.6
11.01 Local supplier quantity	131	3.8
11.03 State of cluster development	123	3.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 8. Innovation: Guinea	Rank	Score
	(out of 144)	(1–7)
12.03 Company spending on R&D	142	2.0
12.01 Capacity for innovation	141	2.7
12.04 University-industry collaboration in R&D	140	2.2
12.02 Quality of scientific research institutions	137	2.3
12.06 Availability of scientists and engineers	137	2.9
12.05 Gov't procurement of advanced tech products	131	2.6
12.07 PCT patents, applications/million pop.*	124	0.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 9. Financial market development: Guinea	Rank	Score
	(out of 144)	(1–7)
8.03 Financing through local equity market	142	1.6
8.02 Affordability of financial services	141	2.8
8.07 Regulation of securities exchanges	139	1.9
8.01 Availability of financial services	137	2.9
8.05 Venture capital availability	130	1.9
8.06 Soundness of banks	127	3.6
8.04 Ease of access to loans	105	2.4
8.08 Legal rights index, 0–10 (best)*	63	6
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 10. Goods market efficiency: Guinea	Rank	Score
	(out of 144)	(1-7)
6.16 Buyer sophistication	143	1.9
6.05 Total tax rate, % profits*	142	91.2
6.03 Effectiveness of anti-monopoly policy	138	2.9
6.15 Degree of customer orientation	136	3.4
6.01 Intensity of local competition	129	4.2
6.12 Business impact of rules on FDI	127	3.4
6.10 Trade tariffs, % duty*	120	11.5
6.11 Prevalence of foreign ownership	119	3.5
6.13 Burden of customs procedures	117	3.3
6.08 Agricultural policy costs.....	113	3.3
6.09 Prevalence of trade barriers	108	4.0
6.02 Extent of market dominance	104	3.3
6.04 Effect of taxation on incentives to invest	87	3.5
6.07 No. days to start a business*	79	16.0
6.14 Imports as a percentage of GDP*	55	53.6
6.06 No. procedures to start a business*	32	5
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 11. Labor market efficiency: Guinea	Rank	Score
	(out of 144)	(1-7)
7.07 Reliance on professional management	138	2.8
7.06 Pay and productivity	134	2.8
7.08 Country capacity to retain talent	126	2.5
7.01 Cooperation in labor-employer relations	124	3.7
7.09 Country capacity to attract talent	112	2.7
7.03 Hiring and firing practices	105	3.4
7.10 Women in labor force, ratio to men*	58	0.84
7.05 Effect of taxation on incentives to work	57	3.8
7.02 Flexibility of wage determination	47	5.3
7.04 Redundancy costs, weeks of salary*	23	7.9
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 12. Health and primary education: Guinea	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
4.01 Malaria cases/100,000 pop.*	144	38,423.7
4.09 Quality of primary education	135	2.3
4.02 Business impact of malaria	135	3.2
4.07 Infant mortality, deaths/1,000 live births*	134	65.2
4.08 Life expectancy, years*	131	55.8
4.10 Primary education enrollment, net %*	130	74.4
4.05 HIV prevalence, % adult pop.*	122	1.7
4.03 Tuberculosis cases/100,000 pop.*	114	178.0
4.06 Business impact of HIV/AIDS	106	4.6
4.04 Business impact of tuberculosis	105	4.5
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). The 2014-15 WEF GCI miscalculates the rankings for malaria cases and the business impacts of malaria by not counting 68 countries with no malaria. That has been corrected here.		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		

Table 13. Higher education and training: Guinea	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
5.05 Quality of management schools	141	2.3
5.06 Internet access in schools	139	1.8
5.07 Availability of research and training services	139	2.8
5.03 Quality of the education system	137	2.4
5.01 Secondary education enrollment, gross %*	129	38.1
5.08 Extent of staff training	128	3.2
5.04 Quality of math and science education	115	3.1
5.02 Tertiary education enrollment, gross %*	114	9.9
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2014–2015</i> , p. 199		